

Financial statements

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Independent Auditor's Report to the Members of Genuit Group plc

Opinion

In our opinion:

- Genuit Group plc's Group financial statements and Parent Company financial statements (the "Financial Statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Genuit Group plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise:

Group	Parent Company
Group Balance Sheet as at 31 December 2025	Company Balance Sheet as at 31 December 2025
Group Income Statement for the year then ended	Company Statement of Changes in Equity for the year then ended
Group Statement of Comprehensive Income for the year then ended	Company Cash Flow Statement for the year then ended
Group Statement of Changes in Equity for the year then ended	Related notes 1 to 9 to the financial statements, including material accounting policy information
Group Cash Flow Statement for the year then ended	
Related notes 1 to 29 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Performing a walkthrough of the Group's financial close process to confirm our understanding of Management's going concern assessment process and engaging with Management to ensure all key risk factors we identified were considered in their assessment.
- Obtaining Management's going concern assessment including the cashflow forecasts and covenant calculations for the going concern period which covers the 22-month period to 31 December 2027 and performing procedures to evaluate the clerical accuracy and appropriateness of the underlying model.
- Obtaining the Group's revolving credit facility documentation and agreeing the level of facilities available, the applicable covenants, and the documentation evidencing the extension of the maturity date to August 2028, to Management's assessment.
- Obtaining the Group's private placement loan note agreements and evidencing the amounts drawn down across the two loan notes totalling £50m with maturity dates of August 2029 and October 2032.
- Assessing the Group's base case scenario for consistency with budgets and cash flow forecasts approved by the Board of Directors and those used by the Group in other accounting estimates, such as the goodwill impairment assessment.
- Challenging the appropriateness of the base case assumptions relating to future levels of demand and cost, including the impact of climate change. Our procedures included analysis of external market data to consider any contradictory sector forecasts, considerations of the current macro-economic climate and the disclosed climate change commitments of the Group.
- Reviewing and reperforming Management's stress test of their cash flow forecasts and covenant calculations in order to quantify and then consider the plausibility of the downside scenarios required to exhaust the Group's forecast liquidity or breach the Group's covenant ratios. We specifically considered the quantum of revenue reduction required to exhaust liquidity and breach the Group's covenant ratios.
- Considering the impact and feasibility of potential mitigating activities that are within control of Management, such as reducing capital expenditure and dividend payments.
- Reviewing the Group's going concern disclosures included in the Annual Report in order to assess its completeness and conformity with the reporting standards.

Our key observations:

- The Directors' assessment forecasts that the Group will maintain sufficient liquidity throughout the going concern assessment period in the base case scenario.
- The Directors have modelled downside scenarios including a loss of production, loss of a major customer, product failure, recession, increases in interest rates and increases in raw material prices. In all scenarios, the going concern basis remains appropriate, with no breach of covenant or shortfall of liquidity in the going concern period.
- The Group has a committed borrowing facility of £350m, of which £175m was undrawn at the balance sheet date. The facility is available until August 2028. Additionally, there are two seven-year private placement loan notes of £25m each, maturing in August 2029 and October 2032.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period to 31 December 2027.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	We performed an audit of the complete financial information of eight components and audit procedures on specific balances for a further ten components and central procedures on financial statement line items as detailed in the 'Tailoring the scope' section below.
Key audit matters	Risk of inappropriate revenue recognition arising from material adjustments outside of the standard flow of transactions.
	Risk of inappropriate revenue recognition arising through inaccurate accounting for customer rebates within Building Products.
	Risk of an unrecognised impairment of goodwill within the Adey and Nu-Heat Cash Generating Units prior to the CMS restructuring.
Materiality	Overall Group materiality of £3.4m which represents 5% of profit before tax adjusted for certain non-recurring items.

Independent Auditor's Report to the Members of Genuit Group plc continued

An overview of the scope of the Parent Company and Group audits

Tailoring the scope

We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures to identify and assess risks of material misstatement of the Group financial statements and identify significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial framework, the Group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We determined that centralised audit procedures would be performed on non-underlying items, corporation tax, intangible assets and goodwill, leases, intercompany and long-term debt. We also centrally tested the cash balances in components that did not form part of the overall scoping assessment outlined below, to the extent that the total amounts not tested across the Group were immaterial.

We then identified eight components as individually relevant to the Group due to materiality or financial size of the components relative to the Group.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the Group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the Group significant financial statement account balance.

We then considered whether the remaining Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. We selected ten components of the Group to include in our audit scope to address these risks.

Of the eighteen components selected, we designed and performed audit procedures on the entire financial information of eight components ("full scope components"). For ten components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope components"). For the forty five remaining components, we performed specified audit procedures to obtain evidence for one or more relevant assertions.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

Changes from the prior year

As a result of the acquisitions the Group made in the year we brought into scope three specific scope components. In addition, a further entity was brought into scope in order to increase overall coverage on certain account balances.

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact Genuit Group plc. The Group has determined that the most significant future impacts from climate change on their operations relate to potential business interruption and damage to assets, the impacts relating to carbon taxes, increased raw material costs and supply chain disruption but also the market opportunities it presents for revenue growth and portfolio expansion. These are explained on pages 46 – 58 in the required Task Force On Climate Related Financial Disclosures and on pages 87 – 94 in the principal risks and uncertainties. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained how climate change has been reflected in the financial statements in note 2.2 and note 17, stating that there is no material adverse impact of climate change in the short to medium term. The 'Other information' within the Annual Report includes Management's assessment of how their long-term climate net zero aspirations align with the Paris Agreement to achieve net zero emissions by 2050. There are no significant judgements or estimates relating to climate change in the notes to the financial statements as Management has not identified any material short-term impacts from climate change. Note 17 explains that the long-term impact of climate change risks and opportunities are uncertain and as such the degree of certainty of all these changes means that they cannot be taken into account when assessing future cash flows under the requirements of UK adopted International Accounting Standards but will continue to be monitored by Management.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating Management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 51 – 58 and whether these have been appropriately reflected in asset values where these are impacted by future cash flows. This was relevant for the impairment testing of goodwill following the requirements of UK adopted International Accounting Standards. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, whilst we have not identified the impact of climate change on the financial statements to be a standalone key audit matter, we have considered the impact on the following key audit matters: Risk of an unrecognised impairment in the Adey and Nu-Heat Cash Generating Units prior to CMS restructuring. Details of the impact, our procedures and findings are included in our explanation of key audit matter below.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Inappropriate revenue recognition arising from material adjustments outside of the standard flow of transactions.</p> <p><i>Refer to the Audit Committee Report (page 129); Accounting policies (Note 2.6 on pages 185 and 186); and Note 5 of the Consolidated Financial Statements (pages 191 to 193)</i></p> <p>The Group has reported revenue of £602.1m (2024: £561.3m). Revenue is stated net of rebate deductions which are considered in the subsequent key audit matter.</p> <p>The accuracy of revenue recognition is relevant to the reported performance of the Group as a whole. Through material adjustments, there is the opportunity to misstate revenue in order to influence reported results.</p> <p>We consider the significant risk to be primarily associated with those components contributing more than 5% of the Group's revenue as any potential error could result in a material misstatement of the Group financial statements.</p> <p>For the remaining components whilst we consider there to be a risk of management override of controls to misstate revenue, we do not consider any individual component to represent a significant risk of material misstatement.</p> <p>There has been no change in our assessment of this risk when compared to the prior year.</p>	<p>We obtained an understanding of the process and controls in place over the recognition of revenue including approval of material adjustments recorded as part of the financial statement close process.</p> <p>We obtained an understanding of the IT systems and the role of IT in initiating, recording and reporting revenue transactions within the Group's accounting systems.</p> <p>Of the 8 individually relevant (full scope) components, 6 components recorded revenue that was material to the Group and are specifically impacted by the identified fraud risk.</p> <p>For the individually relevant (full scope) and additionally relevant (specific scope) components, representing 91% of the Group's revenues, we used data analytics to analyse the full populations of revenue transactions by correlating sales postings with receivables and cash throughout the year to identify any unusual transactions.</p> <p>Through this, we identified revenue recognised through material adjustments outside of the standard flow of transactions for targeted testing to a lower threshold.</p> <p>We performed analysis by month to identify unusual trends in revenue and gross margin that could indicate inappropriate revenue recognition.</p> <p>We analysed the pattern of credit notes raised during the year and inspected a sample of post year end credit notes to determine that they had been appropriately accounted for.</p> <p>For all full scope components, we have inspected trends and anomalies around the year end to identify unusual items where we have performed targeted testing by inspecting documentation to assess whether they relate to completed deliveries and have been recognised in the correct period.</p> <p>For the remaining revenue recorded within components not subject to direct testing we have performed analytical review procedures and data analytics procedures.</p> <p>We have reviewed Genuit's Group revenue recognition policy against the requirements of IFRS 15 with a focus on ensuring the performance obligations are appropriately reflected in the Group's approach to recognising revenue.</p> <p>We assessed the adequacy of the disclosure of revenue within the Annual Report and Accounts.</p>	<p>Through our procedures performed we have not identified any misstatements associated with the material adjustments identified.</p> <p>We concluded that revenue recognised in the year is appropriate and found no evidence of management bias.</p>

Independent Auditor's Report to the Members of Genuit Group plc continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Inappropriate revenue recognition arising through inaccurate accounting for customer rebates within Building Products.</p> <p><i>Refer to the Audit Committee Report (page 129); Accounting policies (Note 2.6 on pages 185 and 186); and Note 5 of the Consolidated Financial Statements (pages 191 to 193).</i></p> <p>The total value of customer rebates recognised in the year and accrued for at the balance sheet date is material for the Building Products component.</p> <p>The Group's pricing structure includes rebate arrangements with customers. Many of these arrangements are relatively straightforward, being based on agreed percentages of sales made to direct customers during the period.</p> <p>A proportion of the Group's rebate agreements are with indirect customers and estimation is required when determining the rebate accrual at the balance sheet date. This is particularly the case for indirect rebates within the Sustainable Business Solutions operating segment (Building Products business) where the rebate is driven by claims which may not have been received or verified at the time when the liabilities are recognised. These claims are made on the basis of usage in line with specification rather than purchases from the Group.</p> <p>There has been no change in our assessment of this risk when compared to the prior year.</p>	<p>We obtained an understanding of Management's process and controls in place over recognition and recording of rebates, including key assumptions such as volumes, related targets, claim compliance rates and contractual terms.</p> <p>We obtained an understanding of the IT systems and the role of IT in initiating, recording and reporting rebate transactions within the Group's accounting systems.</p> <p>We reviewed significant, new and existing rebate agreements and tested a sample of payments made during the year in order to assess the charges incurred and settled during the year.</p> <p>We utilised data analytics to identify unusual transactions recorded in rebate accounts that could indicate management override of controls.</p> <p>For indirect rebates, we reviewed external information to develop our own point in time estimate of the year-end rebate. We tested the accuracy of estimates made by Management against actual claim amounts received. We tested the compliance rates in actual claims received to understand the value of claims that were subsequently paid out during the year.</p> <p>For direct rebates, we developed an independent expectation of the annual rebate charge and year end liability, including any charge associated with targeted rebate clauses, and compared this to Management's annual charge and year-end liability. We used a custom automated data analytics tool to perform holistic analysis over the direct rebate model and sales data and to perform a recalculation of the entire rebate charge for the year. This was supported by sample testing over the inputs to the model back to rebate agreements.</p> <p>We performed completeness procedures on the year-end liability by reviewing post year-end claims and settlements including those issued through credit notes and purchase invoices to understand variances between the accrued amount and claims received.</p> <p>We reviewed material post year-end bank payments and claims received and compared these to Management's year end estimates.</p> <p>We compared the prior year accrual to the actual claims verified and paid in the year to understand the historical accuracy of Management's estimation.</p>	<p>We concluded that Management's judgements were materially consistent with our expectations and recalculations based on external sources, post year end claim activity and historic settlement rates.</p> <p>We concluded that the rebate expense recognised during the year and the liability at the period end is appropriate.</p>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Risk of an unrecognised impairment of goodwill within the Adey and Nu-Heat Cash Generating Units (CGUs) prior to the CMS restructuring.</p> <p><i>Refer to the Audit Committee Report (page 129); Accounting policies (Note 2.4.1 on page 185); Note 3.2.1 of the Consolidated Financial Statements (pages 190 to 191); and Note 17 on page 199.</i></p> <p>There is a risk that there is an unrecognised impairment of goodwill within the Adey and Nu-Heat CGU's prior to the CMS restructuring. On 11 November 2025, the Group announced a major Climate Management Solutions (CMS) organisation change designed to facilitate a new operational and go to market model for the Business Unit (titled "CMS Connected Solutions"). This restructuring and reorganisation has resulted in Management reconsidering the level at which goodwill is monitored. Management has combined the existing grouping of the Climate & Ventilation CGU (consisting of Nuaire, Domus, Monodraught) with the Nu-Heat and Adey CGUs for the purposes of monitoring goodwill and subsequently renamed the CGU 'CMS'. This new CMS CGU is now the lowest level at which management monitor goodwill. Management has performed an impairment assessment prior to the change in CGU's being made.</p> <p>The forecasts in the CGUs are highly sensitive to key assumptions including the revenue growth rates, margin assumptions, long term growth rates and discount rate.</p>	<p>We assessed the appropriateness of the individual CGU's identified in line with IAS 36 following the changes implemented by Management.</p> <p>We walked through and understood Management's approach to the goodwill impairment assessment and walked through the Group's budgeting process to understand the key assumptions made. This included confirming the underlying cash flows are consistent with the Board approved long-term business plan.</p> <p>We obtained an understanding of the role of IT in the goodwill impairment assessment process, including the source of underlying data.</p> <p>We assessed whether the model is prepared in accordance with IAS 36 and we utilised our valuation specialists to support in our assessment of the appropriateness of Management's discount rate and methodology.</p> <p>We challenged the long-term growth rate within the discounted cashflow calculations and the impact of risks and opportunities generated by climate change.</p> <p>We understood and challenged Management's forecast future cash flows, to assess key inputs and to compare these against industry expectations. We challenged the assumptions underpinning the growth rates and how the medium to longer-term risks and opportunities were factored into future cashflows. We challenged the forecast cost assumptions and revenue growth assumptions to assess whether the forecasts were reasonable and in line with IAS 36. As part of this assessment, we considered whether key drivers of growth in management's model, such as volume growth, margin improvement, and other initiatives, were reasonable.</p> <p>We compared the VIU of each CGU as per the model computed by management to our independently assessed range of possible outcomes and assessed whether this supported management's conclusions.</p>	<p>We consider that Management's assessment appropriately reflects the requirements of IAS 36 and captures the risks to future cashflows.</p> <p>We concluded that the carrying value of the goodwill recognised relating to the Adey and NU-Heat Cash Generating Units was recoverable.</p>

Independent Auditor's Report to the Members of Genuit Group plc continued

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £3.4m (2024: £3.2m), which is 5% (2024: 5%) of Profit before tax adjusted for certain non-recurring items. We believe that adjusting Profit before tax provides us with a consistent basis for calculating materiality as it excludes the impact of one-off items that are not related to the underlying operations of the Group.

We determined materiality for the Parent Company to be £2.6m (2024: £2.7m), which is 1% (2024: 1%) of total equity.

Starting basis	– Group profit before tax – £58.2m
Adjustments	– Adjusted for certain non-recurring items excluding amortisation of acquired intangible assets (£10.9m)
Materiality	– Totals £69.1m Group adjusted profit before tax – Materiality of £3.4m (5% of Group adjusted profit before tax)

During the course of our audit, we reassessed initial materiality with no updates required.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely £2.6m (2024: £2.4m). We have set performance materiality at this percentage due to our assessment of the control environment and assessment that there is a lower likelihood of misstatements.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the Group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.5m to £1.9m (2024: £0.5m to £2.0m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.2m (2024: £0.2m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 168 other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 138;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 137 and 138;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on pages 137 and 138;
- Directors' statement on fair, balanced and understandable set out on page 132;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 128;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 126; and
- The section describing the work of the Audit Committee set out on pages 129 – 136.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 141, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the Members of Genuit Group plc continued

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and Management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK adopted international accounting standards, the Companies Act 2006 and UK Corporate Governance Code). In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements including the relevant tax compliance regulations in the UK and those laws and regulations relating to health and safety and employee matters.
- We understood how Genuit Group plc is complying with those frameworks by making enquiries of Group and Component Management, as well as those charged with governance. We corroborated our enquiries through our review of Board minutes and papers provided to the Audit Committee. Further, through our detailed audit procedures we have considered whether any evidence has been identified that indicates non-compliance with the relevant laws and regulations has occurred.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by understanding the Group's performance against market expectations; understanding the Group's performance against internal key performance indicators used when calculating Management's variable remuneration, identifying key judgments and estimates including rebate accounting that can materially impact the financial statements; and understanding the controls and processes in place for the prevention and detection of fraudulent activity and financial reporting.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved those outlined in the revenue and rebate key audit matters above, as well as testing manual journals recorded at the component and consolidation level and understanding unusual and one-off transactions. Where relevant, we have corroborated the basis of accounting judgements and estimates with employees and specialists outside of the finance functions such as the Company Secretary, the Group IT function, the Group Legal function, Commercial Management and through reading any correspondence with regulatory bodies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Company in 2012 to audit the Group's financial statements for the year ending 31 December 2012 and subsequent financial periods. In 2014, upon the Group's listing on the London Stock Exchange the Group became subject to the rotation requirements under the UK Corporate Governance Code, Competition and Markets Authority and the EU Audit Directive.
- The period of total uninterrupted engagement since the Group was subject to these rotation requirements is 12 years. In total the period of uninterrupted engagement including previous renewals and reappointments is 14 years, covering the years ending 31 December 2012 to 31 December 2025.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Morrill (Senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
Leeds

10 March 2026

Group Income Statement

		2025			2024		
		Notes	Underlying £m	Non- underlying† £m	Total £m	Underlying £m	Non- underlying† £m
For the year ended 31 December 2025							
Revenue	5	602.1	–	602.1	561.3	–	561.3
Cost of sales	6, 8	(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	8	(89.9)	(8.5)	(98.4)	(81.7)	(7.2)	(88.9)
Amortisation of intangible assets	8	(0.8)	(13.7)	(14.5)	(0.7)	(14.4)	(15.1)
Impairment of intangible assets	8	–	(1.2)	(1.2)	–	–	–
Impairment of goodwill	8	–	–	–	–	(12.4)	(12.4)
Operating profit	5, 6	94.4	(24.7)	69.7	92.2	(33.0)	59.2
Finance costs	11	(12.4)	–	(12.4)	(12.9)	–	(12.9)
Finance revenue	11	0.9	–	0.9	–	–	–
Profit before tax	5	82.9	(24.7)	58.2	79.3	(33.0)	46.3
Income tax	8, 12	(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)	13			18.2			13.5
Diluted earnings per share (pence)	13			17.8			13.3
Dividend per share (pence) – interim	14			4.2			4.1
Dividend per share (pence) – final	14			8.7			8.4
				12.9			12.5

† Non-underlying items are presented separately. The definition of non-underlying items is included in the Group Accounting Policies on page 189. Non-underlying items are detailed in Note 8 to the consolidated financial statements.

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	15	191.4	183.7
Right-of-use assets	16	29.1	27.0
Intangible assets	17	673.0	580.2
Total non-current assets	5	893.5	790.9
Current assets			
Inventories	21	69.6	73.5
Trade and other receivables	22	89.0	81.8
Income tax receivable		3.6	3.2
Cash and cash equivalents	23	44.8	43.6
Assets held-for-sale	19	1.1	–
Total current assets		208.1	202.1
Total assets		1,101.6	993.0
Current liabilities			
Trade and other payables	26	(124.8)	(128.2)
Lease liabilities	16, 27	(9.9)	(7.4)
Liabilities held-for-sale	19	(0.2)	–
Total current liabilities		(134.9)	(135.6)

At 31 December 2025	Notes	2025 £m	2024 £m
Non-current liabilities			
Loans and borrowings	27	(224.1)	(145.2)
Lease liabilities	16, 27	(18.9)	(20.2)
Deferred income tax liabilities	12	(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	24	0.3	0.2
Share premium	24	97.4	93.6
Capital redemption reserve	24	1.1	1.1
Hedging reserve	24	(0.4)	(0.1)
Foreign currency retranslation reserve	24	(0.2)	(0.2)
Other reserves	24	116.5	116.5
Retained earnings		448.2	431.9
Total equity		662.9	643.0

The consolidated financial statements were approved for issue by the Board of Directors and signed on its behalf by:

Joe Vorih
Director

Tim Pullen
Director

10 March 2026

10 March 2026

Company Registration No. 06059130

Group Statement of Changes in Equity

For the year ended 31 December 2025										
	Notes	Equity share capital £m	Share premium £m	Capital redemption reserve £m	Own shares £m	Hedging reserve £m	Foreign currency retranslation reserve £m	Other reserves £m	Retained earnings £m	Total equity £m
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	14	–	–	–	–	–	–	–	(30.8)	(30.8)
Share-based payments charge	25	–	–	–	–	–	–	–	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
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	14	–	–	–	–	–	–	–	(31.3)	(31.3)
Issue of share capital	24	0.1	3.8	–	–	–	–	–	–	3.9
Share-based payments charge	25	–	–	–	–	–	–	–	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

Group Cash Flow Statement

For the year ended 31 December 2025		2025 £m	2024 £m
	Notes		
Operating activities			
Profit before tax		58.2	46.3
Finance costs	11	12.4	12.9
Finance revenue	11	(0.9)	–
Operating profit		69.7	59.2
Non-cash items:			
Research and development expenditure credit	6	(1.6)	(1.5)
Software supplier dispute (underlying)		–	(0.9)
Employment matters (underlying)		–	(0.5)
Non-underlying items: 8			
– unwind of inventory fair value adjustment		1.5	–
– employee 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	8, 17	–	12.4
Depreciation of property, plant and equipment	5, 15	21.0	19.2
Depreciation of right-of-use assets	5, 16	7.7	7.1
Amortisation of internally generated intangible assets		0.8	0.7
Share-based payments	25	2.5	2.9
Cash non-underlying items:			
– Settlement of acquisition related costs	18	(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

For the year ended 31 December 2025		2025 £m	2024 £m
	Notes		
Inventories		8.3	3.1
Cash generated from operations		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			
Acquisition of businesses net of cash at acquisition	18	(105.6)	(5.2)
Settlement of deferred and contingent consideration		–	(1.6)
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	14	(31.3)	(30.8)
Proceeds from exercise of share options		3.8	0.8
Settlement of lease liabilities	16	(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	23	43.6	17.0
Net foreign exchange difference		0.1	–
Cash and cash equivalents at 31 December	23	44.8	43.6

Notes to the Group Financial Statements

For the year ended 31 December 2025

1. Authorisation of financial statements

The consolidated financial statements of the Group for the year ended 31 December 2025 were authorised for issue by the Board of Directors on 10 March 2026 and the balance sheet was signed on the Board's behalf by Joe Vorih and Tim Pullen.

Genuit Group plc is a public limited company incorporated and domiciled in England and Wales. The principal activity of the Group is the provision of sustainable water and climate management solutions for the built environment.

2. Summary of material accounting policies

The basis of preparation and accounting policies used in preparing the consolidated historical financial information for the year ended 31 December 2025 are set out below. These accounting policies have been consistently applied in all material respects to all the periods presented.

2.1 Basis of preparation and statement of compliance with IFRSs

The Group's consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards (UK-adopted IAS).

The accounting policies which follow set out those policies which apply in preparing the consolidated financial statements for the year ended 31 December 2025.

The Group's consolidated financial statements have been prepared on a historical cost basis except for derivative financial instruments and deferred and contingent consideration that have been measured at fair value. The consolidated financial statements are presented in Pounds Sterling and all values are rounded to one decimal place of a million (£m) unless otherwise indicated.

2.2 Going concern

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 financial impact of the climate-related risks disclosed within the Task Force on Climate-Related Financial Disclosures Report on pages 46 to 58 of the Strategic Report continue to be assessed. The Directors conclude that there is no material adverse impact of climate change in the short or medium term, and hence have not included any impacts in either the base case or downside scenarios of the going concern assessment. The Group has not experienced material adverse disruption during periods of adverse or extreme weather in recent years and do not expect this to occur to a material level over the period of the going concern assessment.

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.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Group holds 100% of the equity and controls 100% of the voting rights in all subsidiaries, with the exception of Equaflo Ltd, Sustainable Water and Drainage Systems BV, Sustainable Water and Drainage Systems Limited and Water Management Solutions LLC (which has not traded since incorporation in Qatar in 2015).

The treatment of non-controlling interests or any other non-voting right factors in respect of control is not material to the consolidated financial statements.

Notes to the Group Financial Statements continued

2. Summary of material accounting policies continued

2.4 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the total of the consideration transferred, measured at acquisition fair value. Acquisition costs incurred are expensed and included in administration expenses in the income statement.

Identifiable intangible assets, meeting either the contractual-legal or separability criterion are recognised separately from goodwill.

2.4.1 Goodwill

Goodwill arises on business combinations and represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired.

After initial recognition, goodwill is stated at cost less any accumulated impairment losses (see Note 2.13).

Goodwill has specific characteristics for impairment and is tested annually (at 31 December) or when circumstances indicate that the carrying amount may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (CGU) to which the goodwill relates. Each CGU or group of CGUs to which goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than an operating segment before aggregation. An impairment loss is recognised if the carrying amount of a CGU is determined to be greater than its recoverable amount. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value-in-use. If an impairment is identified, the carrying value of the goodwill is written down immediately through the income statement and this is not subsequently reversed.

2.4.2 Other intangible assets

Intangible assets arising on business combinations are initially measured at fair value. Following initial recognition, intangible assets are carried at cost or fair value less accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over their expected useful life and are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation of intangible assets is provided over the following expected useful lives:

Patents and brand names	10 to 20 years
Customer relationships and customer order book	2 to 20 years
Licences	10 years
Development costs	4 to 10 years

2.5 Foreign currency translation

The Group's consolidated financial statements are presented in Pounds Sterling, which is also the Parent Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured in that functional currency.

Transactions in foreign currencies are initially recognised by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency spot rate of exchange at the balance sheet date. All differences arising on settlement or translation are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The assets and liabilities of foreign operations are translated into Pounds Sterling at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at average exchange rates prevailing. The resulting exchange differences are recognised in other comprehensive income.

2.6 Revenue from contracts with customers and interest income

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods. The disclosure of significant accounting judgements and estimates relating to revenue from contracts with customers is provided in Note 3.

2.6.1 Sale of goods

i) Performance obligations

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Our most commonly used standard payment terms are 30 days net end of month.

The main source of variable consideration in our contracts with customers relates to volume rebates. More information on the accounting for rebates is provided at (ii) and (iii) below. The Group's contracts do not typically include a significant financing component. Non-cash consideration is not a feature of the Group's contractual arrangements.

ii) Variable consideration

If the consideration in a sales contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some sales contracts provide customers with sales volume rebates. The sales volume rebates give rise to variable consideration.

iii) Sales volume rebates

The Group provides retrospective sales volume rebates to certain customers once, amongst other matters, the quantity of goods purchased during a predetermined period exceeds thresholds specified in the sales contract. To estimate the variable consideration for these expected future rebates, the Group applies the most likely amount method for sales contracts with a single-volume threshold and the expected value method for sales contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the sales contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates. Sales volume rebate liabilities, both estimated and actual, are

Notes to the Group Financial Statements continued

2. Summary of material accounting policies continued

2.6 Revenue from contracts with customers and interest income continued

2.6.1 Sale of goods continued

iii) Sales volume rebates continued

netted off against the associated trade receivables to the extent of the individual customer trade receivable balance and where they are net settled. Any remaining credit balances are included in trade and other payables. Developer rebate liabilities are presented in trade and other payables.

2.7 Interest income

Interest income is recognised as interest accrues on cash balances using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

2.8 Income taxes

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authorities, based on income tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred income tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, with the following exceptions:

- when the deferred tax liability or deferred tax asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

For deductible temporary differences associated with investments in subsidiaries, it must additionally be probable that the temporary differences will reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are only offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same tax authority and that authority permits the Group to make a single net payment.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the income tax rates that are expected to apply when the asset is realised or the liability is settled, based on income tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are charged or credited directly to equity. Otherwise, income tax is recognised in the income statement.

2.9 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on the cost less residual value of property, plant and equipment, and is on a straight-line basis over its expected useful life as follows:

Freehold land	Nil
Freehold buildings	Over expected useful life not exceeding 50 years
Plant and other equipment	4 to 15 years

The carrying amounts of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying amount may not be recoverable, and are written down immediately to their recoverable amount. Useful lives, residual values and depreciation methods are reviewed at each financial year end, and where adjustments are required, these are made prospectively.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or where no future economic benefits are expected to arise from the continued use of the asset. Any profit or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

2.10 Software as a Service (SaaS)

Under SaaS arrangements the Group does not currently control the underlying software used in the agreement. These arrangements are accounted for as a service contract and expensed in the Group Income Statement over the contract term, unless the Group has both a contractual right to take possession of the software at any time, and the ability to run the software independently of the host vendor. In such cases, the licence agreement is capitalised as software within intangible assets.

The Group's policy in relation to costs incurred to configure or customise the software to specific requirements is as follows:

- where costs incurred result in the creation of a separately identifiable resource controlled by the Group, and where the Group has the power to obtain the future economic benefit flowing from the underlying resource, such costs would be capitalised as software within intangible assets; and
- where costs incurred do not result in the recognition of an intangible asset then the costs are expensed as incurred. Costs are included within non-underlying items in the income statement if they relate to significant strategic projects and are considered to meet the Group's definition of non-underlying items.

Notes to the Group Financial Statements continued

2. Summary of material accounting policies continued

2.11 Research and development costs

Research costs are expensed as incurred. Development costs on individual projects are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Other internally generated intangible assets are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

2.12 Assets classified as held-for-sale

Assets classified as held-for-sale are measured at the lower of carrying amount and fair value less costs to sell. Assets are classified as held-for-sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, expected to be completed within one year from the date of classification, the asset is available for immediate sale in its present condition and accordingly included in current assets with the associated liabilities being included in current liabilities.

2.13 Impairment of non-financial assets

The Group assesses at each balance sheet date whether there are any indicators that an asset may be impaired.

If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. The recoverable amount of an asset or Cash Generating Unit (CGU) is the higher of its fair value less costs to sell and its value-in-use, and it is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future pre-tax cash flows are mid-year discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculations on detailed budgets and industry forecast calculations which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and industry forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

2.14 Leasing

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of their expected useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases, to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group re-assesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

Notes to the Group Financial Statements continued

2. Summary of material accounting policies continued

2.15 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not recognised at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group's financial assets include cash and cash equivalents and trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification. The Group does not currently hold any fair value through other comprehensive income financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes cash and cash equivalents and trade receivables.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract, and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each balance sheet date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, lease liabilities or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liabilities, deferred and contingent consideration, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Derivative financial instruments are classified as FVTPL unless they are designated as effective hedging instruments. Gains and losses on such derivatives are recognised in the income statement. However, in the current and prior period all derivatives have been designated as hedging instruments in effective hedging relationships. Further information on their accounting is provided at 2.16 below. As such, the only financial liability at FVTPL is the deferred and contingent consideration (see Note 18).

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Profits and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised in finance revenues and finance costs, respectively.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts, together with any costs or fees incurred, is recognised in the income statement.

Notes to the Group Financial Statements continued

2. Summary of material accounting policies continued

2.15 Financial instruments – initial recognition and subsequent measurement continued

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.16 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments to hedge its foreign currency risks and interest rate risk through forward foreign currency exchange contracts and interest rate swaps. The Group does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Cash flow hedge

Cash flow hedging matches the cash flows of hedged items against the corresponding cash flows of the derivative. The effective part of any profit or loss on the derivative is recognised directly in other comprehensive income and the hedged item is accounted for in accordance with the policy for that financial instrument. Any ineffective part of any profit or loss is recognised immediately in the income statement. Amounts taken to other comprehensive income are transferred to the income statement when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative profit or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative profit or loss recognised in equity is transferred to the income statement for the period.

Note 29 sets out the details of the fair values of the derivative financial instruments used for hedging purposes.

2.17 Fair values

The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of financial instruments that are traded in active markets at the balance sheet date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis; or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured is provided in Note 29.

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Raw materials – purchase cost on a first in, first out basis.
- Work in progress and finished goods – cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

2.19 Cash and short-term deposits

Cash and short-term deposits consist of cash at bank and in hand.

2.20 Pensions

The Group operates defined contribution pension plans. Contributions payable in the year are charged to the income statement. The assets are held separately from those of the Group in an independently administered fund. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2.21 Non-underlying items

The Group presents amortisation and impairment of intangible assets arising on business combinations, the un-wind of inventory fair value adjustments resulting from acquisitions, significant profit on disposal of property, plant and equipment, restructuring costs, non-recurring operating costs and tax, as non-underlying items on the face of the income statement. These are items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, the Directors consider merit separate presentation to provide a better and more consistent indication of the Group's underlying financial performance and a more meaningful comparison with prior and future periods to assess trends in financial performance. The tax effect of the above is also included.

Notes to the Group Financial Statements continued

2. Summary of material accounting policies continued

2.22 Share-based payments

In the case of equity-settled schemes, the fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at the date of grant and spread over the period during which the employees become unconditionally entitled to the options. The value of the options is measured using the Black-Scholes and Monte Carlo models, taking into account the terms and conditions (including market and non-vesting conditions) upon which the options were granted. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.23 Cash dividend

The Group recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Group. Under UK company law a distribution is authorised when it is approved by the shareholders. A corresponding amount is then recognised directly in equity.

2.24 Own shares

The Group operates an Employee Benefit Trust (EBT). The Group and/or the EBT holds Genuit Group plc shares for the granting of Genuit Group plc shares to employees and Directors. These shares are recognised at cost and presented in the balance sheet as a deduction from equity. No profit or loss is recognised in the income statement on the purchase, sale, issue or cancellation of these shares. No dividends are earned on these shares, and they are ignored for the purposes of calculating the Group's earnings per share.

2.25 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate time line, and the employees affected have been notified of the plan's main features.

3. Judgements and key sources of estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions in applying the Group's accounting policies to determine the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis, with revisions to accounting estimates applied prospectively.

3.1 Critical accounting judgements

Critical judgements, apart from those involving estimations, that are applied in the preparation of the consolidated Group financial statements in the years ended 31 December 2025 and 2024 are discussed below:

3.1.1 Business combinations

The measurement of fair values on a business combination requires the recognition and measurement of the identifiable assets, liabilities and contingent liabilities. The key judgements involved are the identification of which intangible assets meet the recognition criteria as set out in IAS 38, the fair values attributable to those intangible assets, and the useful lives of individual intangible assets.

3.1.2 Revenue recognition and customer rebates

The Group's pricing structure involves rebate arrangements with several of its direct and indirect customers. These can be complex in nature and involve judgement in determining the required level of provision for rebate liabilities, particularly where the Group is reliant on information from customers which may not be available at the time the liabilities are assessed.

3.1.3 Classification of underlying versus non-underlying

The Group presents as non-underlying those items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to provide a better and more consistent indication of the Group's financial performance in the period. This assessment requires judgement as to whether an item is non-recurring or outside the normal course of business.

3.2 Key sources of estimation uncertainty

The key assumptions about the future, and other key sources of estimation uncertainty at the reporting period end, that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

3.2.1 Impairment of non-financial assets

Non-financial assets include goodwill, other intangible assets and property, plant and equipment. In accordance with IFRS, the Group considers whether there are any indicators of impairment of these assets. Where indicators of impairment are identified, the Group tests the asset for impairment. Goodwill is tested for impairment annually (at 31 December) or more frequently when circumstances indicate that the carrying amount may be impaired.

Notes to the Group Financial Statements continued

3. Judgements and key sources of estimation uncertainty continued

3.2 Key sources of estimation uncertainty continued

3.2.1 Impairment of non-financial assets continued

The Group's impairment test for goodwill is based on a value-in-use calculation, using a cash flow model with mid-year discounting applied. The aim of the test is to ensure that goodwill is not carried at a value greater than the recoverable amount. The cash flows are derived from the budgets and forecasts for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the asset or the CGU. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs are further explained in Note 17.

3.3 Climate change

In preparing the consolidated financial statements the Group has considered the impact of both physical and transition climate change risks as well as its plans to mitigate against those risks on the current valuation of its assets and liabilities. The Group does not believe that there is a material impact on the financial reporting judgements and estimates arising from our considerations and as a result the valuations of our assets or liabilities have not been significantly impacted by these risks as at 31 December 2025.

In coming to this conclusion, the Group has reviewed the balance sheet and identified those line items that have the potential to be significantly impacted by climate-related risks and the plans to mitigate against these risks. The line items that have the potential to be significantly impacted have then been reviewed in detail to confirm:

- The growth rates and projected cash flows, used in assessing whether the goodwill and indefinite-life intangibles are impaired, are consistent with the climate-related risk assumptions and the actions being taken to mitigate against those risks.

4. New and amended accounting standards and interpretations

Accounting standards or interpretations which have been adopted in the year

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

Accounting standards or interpretations issued but not yet effective

The new and amended accounting standards and interpretations that are issued, but not yet effective and applicable to the Group, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. The Group is assessing the impact of the new standard on the consolidated financial statements of the Group in future periods, however no material changes are anticipated.

5. Segment information

IFRS 8, Operating Segments, requires operating segments to be identified on the basis of the internal financial information reported to the Chief Operating Decision Maker (CODM). The Group's CODM is deemed to be the Board of Directors, which is primarily responsible for the allocation of resources to segments and the assessment of performance of the segments.

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 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				
	Climate Management Solutions £m	Water Management Solutions £m	Sustainable Building Solutions £m	Other £m	Total £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

* Underlying operating profit is stated before non-underlying items as defined in the Group Accounting Policies on page 189 and is the measure of segmental profit used by the Group's CODM. Details of the non-underlying items of £24.7m (2024: £33.0m) are set out below at non-underlying items before tax.

Notes to the Group Financial Statements continued

5. Segment information continued

	2024					Total £m
	Climate Management Solutions £m	Water Management Solutions £m	Sustainable Building Solutions £m	Other £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 on page 189 and is the measure of segmental profit used by the Group's CODM. Details of the non-underlying items of £24.7m (2024: £33.0m) are set out below at non-underlying items before tax.

Property, plant and equipment additions

	2025 £m	2024 £m
Climate Management Solutions	2.2	3.2
Water Management Solutions	8.9	8.3
Sustainable Building Solutions	14.9	12.6
Other	1.6	1.5
Total – Group	27.6	25.6

Right-of-use asset additions

	2025 £m	2024 £m
Climate Management Solutions	1.8	0.8
Water Management Solutions	1.4	5.9
Sustainable Building Solutions	1.0	5.0
Other	0.3	1.3
Total – Group	4.5	13.0

Depreciation of property, plant and equipment

	2025 £m	2024 £m
Climate Management Solutions	2.7	2.7
Water Management Solutions	5.9	3.9
Sustainable Building Solutions	12.1	12.2
Other	0.3	0.4
Total – Group	21.0	19.2

Depreciation of right-of-use assets

	2025 £m	2024 £m
Climate Management Solutions	1.7	1.6
Water Management Solutions	2.5	2.2
Sustainable Building Solutions	2.9	2.9
Other	0.6	0.4
Total – Group	7.7	7.1

Notes to the Group Financial Statements continued

5. Segment information continued

Non-underlying items before tax

	2025 £m	2024 £m
Climate Management Solutions:		
Impairment of goodwill	–	12.4
Amortisation of intangible assets	10.0	12.2
Restructuring costs	1.8	0.2
Acquisition related costs	0.2	0.4
Profit on disposal of property, plant and equipment	–	(0.3)
Unwind of inventory fair value adjustment	0.4	–
Water Management Solutions:		
Amortisation of intangible assets	1.7	0.5
Restructuring costs	2.1	0.9
Impairment of right-of-use property	0.2	–
Impairment of intangible assets held-for-sale	1.2	–
Product liability claim	(0.2)	0.1
Impairment of property, plant and equipment held-for-sale	0.3	–
Profit on disposal of property, plant and equipment	–	(1.3)
Sustainable Building Solutions:		
Amortisation of intangible assets	2.0	1.7
Restructuring costs	1.0	0.9
Acquisition related costs	0.4	–
Employment matters	–	(1.2)
Unwind of inventory fair value adjustment	1.1	–
(Profit) on disposal of property, plant and equipment	(1.5)	–
Other	–	0.3

	2025 £m	2024 £m
Total – segmental	20.7	26.8
Other – restructuring costs	–	0.1
Group – restructuring costs	0.2	0.9
Group – acquisition related costs	2.5	0.6
Group – loss on disposal of property, plant and equipment	–	0.3
Group – systems and process transformation costs	1.3	–
Group – supplier software dispute	–	4.3
Total – Group	24.7	33.0

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

	31 December 2025 £m	31 December 2024 £m
Non-current assets		
UK	883.3	781.3
Rest of Europe	10.2	9.6
Total – Group	893.5	790.9

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, goodwill and other intangible assets.

The Group had two customers (2024: one) which individually accounted for more than 10% of the Group's total net revenue during 2025. These customers individually contributed 10.7% and 10.1% of total Group revenue across the CMS, WMS and SBS segments.

Notes to the Group Financial Statements continued

6. 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

7. Auditor's remuneration

The Group paid the following amounts to the Company's auditor in respect of the audit of the consolidated financial statements and for other services provided to the Group.

Auditor's remuneration for audit services:

	2025 £m	2024 £m
Audit of the Company and Group's annual financial statements	–	–
Audit of the Company's subsidiaries	0.9	0.8
Total audit fees	0.9	0.8

The Group paid the Company's auditor £0.2m for audit-related assurance services (2024: £0.2m).

8. 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.

Notes to the Group Financial Statements continued

8. Non-underlying items continued

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 of 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 16.

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.

9. Staff costs

Staff costs (including Directors) comprised:

	2025 £m	2024 £m
Wages and salaries	139.4	131.3
Social security costs	17.0	13.3
Other pension costs	9.1	6.3
	165.5	150.9

Redundancy and related staff costs arising from Group restructuring of £4.3m (2024: £1.1m) are excluded from the above analysis and are included within non-underlying restructuring costs (Note 8).

The average monthly number of persons employed by the Group by segment was as follows:

	2025	2024
Sustainable Building Solutions	1,445	1,435
Water Management Solutions	748	730
Climate Management Solutions	999	907
Other	163	149
Total – Group	3,355	3,221

10. Directors' remuneration

Details of the Directors' remuneration are set out below:

	2025 £m	2024 £m
Fees	0.5	0.5
Emoluments	1.7	2.2
Total	2.2	2.7

Further details of Directors' remuneration are provided in the Annual Report on Remuneration. The aggregate amount of gains made by the Directors on the exercise of share options during the year was £0.3m (2024: £0.4m).

11. 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
Un-wind of discount on lease liabilities	1.8	1.6
Finance costs	12.4	12.9

Notes to the Group Financial Statements continued

12. Income tax**(a) Tax expense reported in the income statement**

	2025 £m	2024 £m
Current income tax:		
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
Deferred income tax:		
Origination and reversal of temporary 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

Details of the non-underlying tax credit of £5.3m (2024: £5.4m) are set out in Note 8.

(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:		
– Deferred tax liability 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

Notes to the Group Financial Statements continued

12. Income tax continued

(c) Deferred income tax continued

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.

13. 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

14. 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.

Notes to the Group Financial Statements continued

15. 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.

16. Right-of-use assets and lease liabilities

	Right-of-use assets			Lease liabilities	
	Freehold land and buildings £m	Plant and other equipment £m	Motor vehicles £m	Total £m	£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)	–
Un-wind 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)	–
Un-wind 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)

Notes to the Group Financial Statements continued

16. Right-of-use assets and lease liabilities continued

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.

17. 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, Cisterniser & 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), with 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), with a 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.

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:

	31 December 2025 £m	31 December 2024 £m
CGU		
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.

Notes to the Group Financial Statements continued

17. Intangible assets continued

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 are as follows:

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% and 21.2% for years two to five (2024: 4.0% and 31.2%). Terminal growth rate of 2.0% (2024: 2.0% to 2.4%) has 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 the 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, particularly in the context of the risks and opportunities identified within the Task Force on Climate-Related Financial Disclosures Report on pages 46 to 58 of the Strategic Report, 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.

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.

18. 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 Nuair, Domus, Nu-Heat and Adey to drive commercial scale and market access, with synergies arising from the acquisition being able to be applied to Nuair 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.

Notes to the Group Financial Statements continued

18. Acquisitions continued

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

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 the 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 two and fifteen 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 12 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: Cisterniser 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 the Group's Sustainable Solutions for Growth strategy, and are in growing demand to address scarcity of water supply due to climate change.

The acquisition increases the breadth of the Group's portfolio sold through merchant channels to plumbing and heating engineers and commercial contractors. Growth synergies are anticipated from leveraging the Group'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 the Genuit Business System (GBS) and the utilisation of the Group'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 12 months ended 31 December 2025 would have shown 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.

Notes to the Group Financial Statements continued

18. Acquisitions continued

Davidson Holdings continued

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. The 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 12 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
	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

Notes to the Group Financial Statements continued

19. Assets held-for-sale

The following major classes of assets and liabilities that have been classified as held-for-sale at the balance sheet date are as follows:

	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 8). 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.

20. Investments**Details of Group undertakings**

Details of the investments in which the Group holds 20% or more of the nominal value of any class of share capital at 31 December 2025 are set out in Note 4 to the Parent Company financial statements.

21. Inventories

	31 December 2025 £m	31 December 2024 £m
Raw materials	29.7	20.3
Work in progress	7.8	8.7
Finished goods	32.1	44.5
	69.6	73.5

All inventories are carried at cost less a provision to take account of slow-moving and obsolete items. The provision at 31 December 2025 was £11.5m (2024: £10.5m).

22. Trade and other receivables

	31 December 2025 £m	31 December 2024 £m
Trade receivables	75.8	68.6
Prepayments	11.5	13.0
Other receivables	1.7	0.2
	89.0	81.8

Trade receivables are non-interest bearing and are generally settled on 30 days' credit.

Expected credit losses

The Group maintains a substantial level of credit insurance covering a significant proportion of its trade receivables which mitigates against expected credit losses. Therefore, such credit losses are not significant.

The ageing of trade receivables at the balance sheet date was as follows:

	31 December 2025			31 December 2024		
	Gross £m	Allowance for expected credit losses £m	Net £m	Gross £m	Allowance for expected credit losses £m	Net £m
Not past due	34.7	–	34.7	26.9	(0.2)	26.7
Past due 1 to 30 days	37.2	–	37.2	38.1	(0.1)	38.0
Past due 31 to 90 days	3.7	(0.2)	3.5	3.6	(0.1)	3.5
Past due more than 90 days	0.8	(0.4)	0.4	0.8	(0.4)	0.4
	76.4	(0.6)	75.8	69.4	(0.8)	68.6

Notes to the Group Financial Statements continued

22. Trade and other receivables continued

Expected credit losses continued

The movements in the allowance for expected credit losses of trade receivables comprised:

	£m
At 31 December 2023	0.7
Charged to the income statement during the year	0.7
Utilised during the year	(0.6)
At 31 December 2024	0.8
Charged to the income statement during the year	0.1
Utilised during the year	(0.3)
At 31 December 2025	0.6

23. Cash and cash equivalents

Cash and cash equivalents comprised:

	31 December 2025 £m	31 December 2024 £m
Cash at bank and in hand	44.8	43.6

Cash at bank earns interest at variable rates based on daily bank deposit rates.

The Group only deposits cash surpluses with banks that have as a minimum a single A credit rating.

24. Share capital and reserves

Share capital

	31 December 2025		31 December 2024	
	Number*	£	Number*	£
Authorised, allotted, called up and fully paid share capital:				
Ordinary shares of £0.001 each	251	250,884	249	249,170

* Millions of shares.

The ordinary shares are voting non-redeemable shares and rank equally as to dividends, voting rights and any return of capital on winding up. In December 2025, in settlement of employee Sharesave options exercised, 1,713,824 new ordinary shares at a nominal value of £0.001 were issued by the Group (2024: nil).

Share premium

In December 2025, 1,713,824 were issued, each at a nominal value of £0.001, in settlement of Sharesave options with an exercise price of £2.21. The premium between the nominal value £0.002m of shares issued and proceeds received of £3.8m is credited to the share premium account.

On 11 February 2021, the Group conducted a non-pre-emptive placing of 18,704,085 new ordinary shares at £5.15 per share generating gross proceeds of £96.3m with issue costs of £2.7m. Net proceeds in excess of the nominal value of £93.6m have been credited to the share premium account.

Capital redemption reserve

Following the consolidation and subdivision of shares in 2014 the Company's deferred shares were cancelled. In order to maintain the Company's capital, a transfer was made from retained earnings to a capital redemption reserve at that time.

Own shares

Own shares represent the cost of Genuit Group plc shares purchased in the market and held by the Company, and/or the EBT, to satisfy the future exercise of options under the Group's share option schemes.

During the year the Group issued no shares (2024: no shares) to the EBT at the nominal value of £0.001.

At 31 December 2025 the Group held 375 (2024: 375) of its own shares at an average cost of £4.20 (2024: £4.20) per share. The market value of these shares at 31 December 2025 was less than £0.1m (2024: less than £0.1m). The nominal value of each share is £0.001.

The EBT held 190,222 shares at 31 December 2025 (2024: 608,370) at an average cost of 0.1p (2024: 0.1p) per share. The market value of these shares at 31 December 2025 was £0.6m (2024: £2.4m). The nominal value of each share is £0.001. During the year, 418,148 shares were issued from the EBT in relation to share awards.

Notes to the Group Financial Statements continued**24. Share capital and reserves continued****Hedging reserve**

The hedging reserve contains the effective portion of the cash flow hedge relationships entered into by the Group in respect of interest rate swaps and forward foreign currency derivatives as discussed in Note 29.

Foreign currency retranslation reserve

The foreign currency retranslation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Other reserves

On 7 May 2020, the Group conducted a non-pre-emptive placing of 26,966,300 new ordinary shares at £4.45 per share generating gross proceeds of £120.0m. The placing was undertaken using a cashbox structure. As a result, the Group was able to take relief under Section 612 of the Companies Act 2006 from crediting share premium and instead transfer the net proceeds in excess of the nominal value to other reserves. Advisers' fees of £3.5m have been netted off against the gross proceeds.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains an appropriate capital structure to support its business objectives and maximise shareholder value. The Group regards shareholders' equity and net debt as its capital. The Group's net debt is defined as cash and cash equivalents, loans and borrowings, and lease liabilities. At 31 December 2025, the Group had bank debt of £175.0m (2024: £121.5m), an undrawn committed revolving credit facility of £175.0m (2024: £228.6m), cash of £44.8m (2024: £43.6m), an uncommitted accordion facility of up to £50.0m (2024: £50.0m), two £25.0m private placement loan notes totalling £50.0m (2024: £25.0m) with maturity dates of August 2029 and October 2032 respectively, with an uncommitted shelf facility remaining of c.\$145m and lease liabilities of £28.8m (2024: £27.6m). A key objective of the Group is to maintain sufficient liquidity (cash and committed bank facilities) in order to meet its cash commitments including interest payments due on that debt. No changes were made to the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024.

Notes to the Group Financial Statements continued

25. Share-based payments

Share options were granted by the Company under its various share option schemes as detailed in the table below:

	Exercise price £	31 December 2024 Number	Granted Number	Dividend Accrual	Exercised Number	Lapsed/ forfeited Number	31 December 2025 Number	Date first exercisable	Expiry date
2014 Sharesave (granted 2021)	5.78	80,501	–	–	–	(80,501)	–	01 December 2024	31 May 2025
2014 Sharesave (granted 2022)	2.21	3,166,097	–	–	(1,774,460) ¹	(106,704)	1,284,933	01 December 2025	31 May 2026
2014 Sharesave (granted 2023)	2.60	878,186	–	–	(7,568) ²	(61,791)	808,827	01 December 2026	31 May 2027
2024 Sharesave (granted 2024)	3.90	650,802	–	–	–	(310,875)	339,927	01 December 2027	31 May 2028
2024 Sharesave (granted 2025)	2.71	–	2,315,512	–	–	(57,769)	2,257,743	01 December 2028	31 May 2029
2014 LTIP (granted 10 May 2016)	Nil	86,205	–	–	–	–	86,205	10 May 2019	10 May 2026
2014 LTIP (granted 2 May 2017)	Nil	12,574	–	–	–	–	12,574	2 May 2020	2 May 2027
2014 LTIP (granted 30 April 2019)	Nil	27,117	–	–	–	–	27,117	30 April 2022	30 April 2029
2014 LTIP (granted 20 May 2021)	Nil	9,381	–	–	(1,493) ³	–	7,888	20 May 2024	20 May 2031
2014 LTIP (granted 22 April 2022)	Nil	562,334	–	–	(29,215) ⁴	(528,968)	4,151	22 April 2025	22 April 2032
2014 LTIP (granted 13 July 2022)	Nil	11,973	–	–	–	(10,976)	997	13 July 2025	13 July 2032
2014 LTIP (granted 21 April 2023)	Nil	1,003,300	–	–	–	(139,955)	863,345	21 April 2026	21 April 2033
2014 LTIP (granted 22 May 2023)	Nil	21,795	–	–	–	–	21,795	22 May 2026	22 May 2033
2014 LTIP (granted 08 April 2024)	Nil	859,573	–	–	–	(139,700)	719,873	08 April 2027	08 April 2034
2024 LTIP (granted 11 April 2025)	Nil	–	1,194,929	–	–	(59,072)	1,135,857	11 April 2028	11 April 2035
Conditional share awards (granted 01 December 2023)	Nil	36,734	–	–	(35,163) ⁵	(1,571)	–	01 December 2025	31 May 2026
Conditional share awards (granted 01 December 2023)	Nil	247,377	–	–	(226,166) ⁶	(21,211)	–	01 December 2025	31 May 2026
Conditional share awards (granted 01 November 2024)	Nil	26,886	–	–	–	–	26,886	01 November 2026	30 April 2027
Conditional share awards (granted 01 November 2025)	Nil	–	34,192	–	–	–	34,192	01 November 2027	30 April 2028
DSBP (granted 22 April 2022)	Nil	43,629	–	–	(43,629) ⁷	–	–	22 April 2024	22 April 2032
DSBP (granted 21 April 2023)	Nil	26,713	–	439	(13,356) ⁸	–	13,796	21 April 2025	21 April 2033
DSBP (granted 08 April 2024)	Nil	51,751	–	1,708	–	–	53,459	08 April 2026	08 April 2034
DSBP (granted 11 April 2025)	Nil	–	79,490	5,252	–	–	84,742	11 April 2027	11 April 2035
		7,802,928	3,624,123	7,399	(2,131,050)	(1,519,093)	7,784,307		

1. The weighted average share price at the date of exercise of these options was £3.30.

2. The weighted average share price at the date of exercise of these options was £3.55.

3. The weighted average share price at the date of exercise of these options was £3.59.

4. The weighted average share price at the date of exercise of these options was £3.64.

5. The weighted average share price at the date of exercise of these options was £3.30.

6. The weighted average share price at the date of exercise of these options was £3.30.

7. The weighted average share price at the date of exercise of these options was £3.92.

8. The weighted average share price at the date of exercise of these options was £3.55.

Notes to the Group Financial Statements continued

25. Share-based payments continued

At 31 December 2025, 1,437,661 (2024: 215,778) share options were exercisable at a weighted average exercise price of £1.98 (2024: £2.16) per share.

Sharesave Plan

Sharesave Plan options were granted to eligible employees on 14 October 2025 at an exercise price of £2.71 per share, a 20% discount to the average share price over the three business days preceding the offer. Participating employees can exercise their options to purchase the shares acquired through their savings plans at the option price after three years. These options have an exercise date of December 2028 to May 2029.

Long-Term Incentive Plan (LTIP)

LTIP options were awarded to a number of senior managers on 11 April 2025. These options have an exercise date of April 2028 to April 2035. The vesting of each award is subject to the satisfaction of certain performance criteria, of which 25% is based on cash conversion (the cash conversion element), 25% is based on sustainability performance (the sustainability element) and 50% is based on earnings per share (the EPS element). In addition, there is a Total Shareholder Return (TSR) Modifier that impacts the number of options vesting under the non-market based conditions. Further details of the scheme are provided in the Annual Report on Remuneration.

Conditional Share Award (CSA)

On 1 November 2025, several colleagues received conditional share awards in relation to contributions to key strategic projects across the Group. The vesting of each award is based upon continuous employment with the Group for the two-year vesting period. These options have an exercise date of November 2027 to April 2028.

Deferred Share Bonus Plan (DSBP)

On 11 April 2025, the Executive Directors received an award of shares under the DSBP relating to the 2024 annual bonus.

All these equity-settled, share-based payments are measured at fair value at the date of grant. The fair value determined at the date of grant of the equity-settled, share-based payments is expensed to the income statement on a straight-line basis over the vesting period, based on the Group's estimates of shares that will eventually vest, with a corresponding adjustment to equity. Fair value for the Sharesave Plan options is measured by use of a Black-Scholes model. Fair value of the LTIP options is measured by use of a Monte Carlo model. The expected life used in the models has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

The assumptions used for each share-based payment were as follows:

	2014 LTIP options granted 11 April 2025	Conditional Share options granted 01 November 2025	2014 Sharesave options granted 2025
Share price at the date of grant	£3.35	£3.72	£3.35
Exercise price	£nil	£nil	£2.71
Shares under option	1,194,929	34,192	2,315,512
Vesting period (years)	3.0	2.0	3.25
Expected volatility	34.4%	16.0%	16.0%
Median volatility of the comparator group	29.5%	n/a	n/a
Expected life (years)	3.0	2.0	3.25
Risk free rate	3.8%	3.7%	3.7%
Dividend yield	3.7%	3.4%	3.4%
TSR performance of the Company at the date of grant	(15.3)%	n/a	n/a
Median TSR performance of the comparator group at the date of grant	(14.0)%	n/a	n/a
Correlation (median)	39.3%	n/a	n/a
Fair value per option	£3.26	£3.47	£0.69

Notes to the Group Financial Statements continued

25. Share-based payments continued

	2014 LTIP options granted 08 April 2024	Conditional Share options granted 01 November 2024	2014 Sharesave options granted 2024
Share price at the date of grant	£4.36	£4.70	£4.82
Exercise price	£nil	£nil	£3.90
Shares under option	891,257	26,886	665,266
Vesting period (years)	3.00	2.00	3.25
Expected volatility	34.3%	30.0%	16.5%
Median volatility of the comparator group	30.7%	n/a	n/a
Expected life (years)	3.00	2.00	3.25
Risk free rate	4.1%	4.2%	4.0%
Dividend yield	2.8%	3.0%	2.6%
TSR performance of the Company at the date of grant	16.1%	n/a	n/a
Median TSR performance of the comparator group at the date of grant	5.7%	n/a	n/a
Correlation (median)	39.2%	n/a	n/a
Fair value per option	£4.57	£4.43	£1.20

The expected volatility is based on historical share price movements. The Directors anticipate it is possible the performance criteria in relation to the LTIP options may not be met.

	2025 £m	2024 £m
Share-based payments charge for the year	2.5	2.9

26. Trade and other payables

	31 December 2025 £m	31 December 2024 £m
Trade payables	81.7	88.5
Other taxes and social security costs	13.8	15.6
Accruals	29.3	24.1
	124.8	128.2

Trade payables are non-interest bearing and generally settled on 30- to 60-day terms.

27. Financial liabilities

	31 December 2025 £m	31 December 2024 £m
Non-current loans and borrowings:		
Bank revolving credit facility (RCF)		
– 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

Notes to the Group Financial Statements continued

27. Financial liabilities continued**Loans and borrowings**

On 22 July 2025, the Group exercised the option to extend the Sustainability-Linked 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. 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.

	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	21.0	19.2
Amortisation of intangible assets not arising on business combinations	0.8	0.7
Un-wind 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

The interest cover and leverage covenants remain at >4.0:1 and <3.0:1 respectively, throughout the remaining term of the RCF to August 2028, though there exists the option to apply to extend the leverage covenant to >3.5:1 for a limited period of time if the Group makes an acquisition.

Reconciliation of liabilities arising from financing activities

	2025 £m	2024 £m
At 1 January	145.2	142.9
Borrowings repaid	(156.6)	(68.0)
Borrowings drawn down	235.0	69.4
Debt issue costs	(0.4)	–
Debt issue cost amortisation	0.9	0.9
At 31 December	224.1	145.2

28. Related party transactions

Compensation of key management personnel (including Directors):

	2025 £m	2024 £m
Short-term employee benefits	4.1	4.4
Share-based payments	0.3	0.6
Social security costs	0.6	0.4
	5.0	5.4

Key management personnel comprise the Executive Directors, Non-Executive Directors and other key managers in the Group.

Notes to the Group Financial Statements continued

29. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, deferred and contingent consideration, lease liabilities, derivative financial instruments and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has trade and other receivables and cash that are derived directly from its operations.

The Group is exposed to interest rate cash flow, foreign currency exchange, credit and liquidity risk.

The Group's senior management oversees the mitigation of these risks which are summarised as follows:

Interest rate risk

The interest rate on the Group's £350.0m Sustainability-Linked RCF is variable, being payable at SONIA plus a margin. The Group manages its long-term borrowings policy centrally and operates weekly cash flow forecasting to manage its net debt position to ensure exposure to changes in interest rates are minimised where possible.

The Group enters into interest rate swaps in order to manage its exposure to fluctuations in interest rates.

Interest rate sensitivity

The table below demonstrates the sensitivity to a change in 100 basis point in interest rates on the majority of the Group's borrowings, which remain unhedged. The analysis assumes all other variables remain constant and the change in rates takes place at the beginning of the financial year and held constant throughout the reporting period, the Group's profit after tax is affected through the impact on interest rate borrowings as follows:

Change in interest rate	Effect on profit after tax £m
2025	
Increase of 100 basis points	(1.1)
Decrease of 100 basis points	1.1
2024	
Increase of 100 basis points	(0.9)
Decrease of 100 basis points	0.9

Foreign currency exchange risk

Foreign currency exchange risk is the risk that the fair value of a financial instrument or future cash flows will fluctuate because of changes in foreign currency exchange rates. The Group's exposure to the risk of changes in foreign currency exchange rates relates primarily to the Group's operating activities where the revenue or expense is denominated in a currency other than the functional currency of the entity undertaking the transaction.

The Group enters into forward foreign currency exchange contracts for the purchase and sale of foreign currencies in order to manage its exposure to fluctuations in currency rates, primarily in respect of US Dollar and Euro receipts and payments.

Foreign currency exchange sensitivity

The table below demonstrates the sensitivity to a 10% change in the Euro exchange rate versus Pounds Sterling, the presentational currency of the Group used for translation purposes, on the net assets and profit after tax of the Group. The Group's exposure to foreign currency exchange rate changes for all other currencies is not material.

Change in exchange rate	Effect on net assets £m	Effect on profit after tax £m
2025		
10% strengthening of Pounds Sterling: against Euro	(1.7)	–
10% weakening of Pounds Sterling: against Euro	2.0	–
2024		
10% strengthening of Pounds Sterling: against Euro	(1.4)	–
10% weakening of Pounds Sterling: against Euro	1.6	–

Notes to the Group Financial Statements continued

29. Financial risk management objectives and policies continued**Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including cash deposits with banks.

Trade receivables

Customer credit risk is managed by each subsidiary subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major export customers are generally covered by letters of credit or other forms of credit insurance.

The requirement for impairment is analysed at each balance sheet date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on actually incurred historical data, adjusted for forward-looking information. The maximum exposure to credit risk at the balance sheet date is the carrying amount of each class of financial assets as disclosed in Note 22.

The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low. At 31 December 2025, 40.8% (2024: 48.1%) of net trade receivables were covered by credit insurance which is subject to the normal policy deductibles.

Financial instruments and cash deposits

The Group maintains strong liquidity through cash balances and deposits of £44.8m and its undrawn committed RCF of £175.0m at 31 December 2025, which matures in August 2028.

Credit risk arising from cash deposits with banks is managed in accordance with the Group's established treasury policy, procedures and controls. Deposits of surplus funds are made only with banks that have as a minimum a single A credit rating. The Group's maximum exposure to credit risk for the components of the balance sheet at 31 December 2025 and 31 December 2024 is the carrying amounts as illustrated in Note 23.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	< 3 months £m	3 to 12 months £m	1 to 5 years £m	> 5 years £m	Total £m
31 December 2025					
Bank RCF	2.4	7.3	190.3	–	200.0
Private placement loan notes	0.6	1.9	33.9	27.7	64.1
Other financial liabilities:					
Trade and other payables	124.8	–	–	–	124.8
Interest rate swaps	0.5	–	–	–	0.5
Lease liabilities	2.6	7.4	22.7	4.1	36.8
	130.9	16.6	246.9	31.8	426.2

The interest payments on the Sustainability-Linked RCF would be £9.7m per year if the interest rate plus margin remained at 5.55% and the level of debt did not change from the balance sheet date. Interest payments are included in the table above.

	< 3 months £m	3 to 12 months £m	1 to 5 years £m	> 5 years £m	Total £m
31 December 2024					
Bank RCF	2.4	7.2	147.0	–	156.6
Private placement loan notes	–	1.1	28.3	–	29.4
Other financial liabilities:					
Trade and other payables	128.2	–	–	–	128.2
Forward foreign currency derivatives	0.2	–	–	–	0.2
Lease liabilities	2.0	6.4	22.7	3.2	34.3
	132.8	14.7	198.0	3.2	348.7

The interest payments on the Sustainability-Linked RCF would be £9.6m per year if the interest rate plus margin remained at 6.4% and the level of debt did not change from the balance sheet date.

Notes to the Group Financial Statements continued

29. Financial risk management objectives and policies continued

Fair values of financial assets and financial liabilities

The book value of trade and other receivables, trade and other payables, cash balances, bank borrowings and other liabilities equates to fair value.

The table below sets out the Group's accounting classification of its other financial liabilities and their carrying amounts and fair values:

	Carrying value £m	Fair value £m
Interest rate swaps (designated as hedging instruments)	0.5	0.5
Interest-bearing loans and borrowings due after more than one year (designated as financial liabilities measured at amortised cost)	224.1	224.1
Lease liabilities (designated as financial liabilities measured at amortised cost)	28.8	28.8
Total at 31 December 2025	253.4	253.4

	Carrying value £m	Fair value £m
Forward foreign currency derivatives (designated as hedging instruments)	0.2	0.2
Interest-bearing loans and borrowings due after more than one year (designated as financial liabilities measured at amortised cost)	145.2	145.2
Lease liabilities (designated as financial liabilities measured at amortised cost)	27.6	27.6
Total at 31 December 2024	173.0	173.0

The fair values were determined as follows by reference to:

- Forward foreign currency derivatives: quoted exchange rates.
- Interest rate derivative contracts: quoted market price.
- Lease liabilities: present value of lease payments to be made over the lease terms.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2:** other techniques for which all inputs which have a significant effect on the recognised fair value are observable, either directly or indirectly; and
- Level 3:** techniques which use inputs which have a significant effect on the recognised fair value that are not based on observable market data.

The fair values disclosed above all relate to items categorised as Level 2.

There have been no transfers in any direction between Levels 1, 2 or 3 in the years ended 31 December 2025 and 2024.

Directors' Responsibilities Statement

In relation to the Parent Company financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable UK law and regulations.

UK company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK-Adopted International Accounting Standards (IFRSs).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state whether applicable UK adopted International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Company Balance Sheet

At 31 December 2025	Notes	31 December 2025 £m	31 December 2024 £m
Non-current assets			
Investments	4	251.8	250.3
Amounts owed by subsidiary undertakings and other receivables	5	210.0	191.0
Current assets			
Amounts owed by subsidiary undertakings and other receivables	5	0.1	0.1
Total assets		461.9	441.4
Current liabilities			
Amounts owed to subsidiary undertakings and other payables	6	(205.9)	(156.1)
Net assets		256.0	285.3
Capital and reserves			
Equity share capital	7	0.3	0.2
Share premium	7	97.4	93.6
Capital redemption reserve	7	1.1	1.1
Own shares	7	–	–
Other reserves	7	116.5	116.5
Retained earnings		40.7	73.9
Total equity		256.0	285.3

Included in retained earnings is a loss for the year of £4.3m (2024: £4.8m loss).

The financial statements were approved for issue by the Board of Directors and signed on its behalf by:

Joe Vorih
Director

10 March 2026

Tim Pullen
Director

10 March 2026

Company Registration No. 06059130

Company Statement of Changes in Equity

For the year ended 31 December 2025	Equity share capital £m	Share premium £m	Capital redemption reserve £m	Own shares £m	Other reserves £m	Retained earnings £m	Total equity £m
At 31 December 2023	0.2	93.6	1.1	–	116.5	105.5	316.9
Loss for the year	–	–	–	–	–	(4.8)	(4.8)
Total comprehensive expense for the year	–	–	–	–	–	(4.8)	(4.8)
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	–	116.5	73.9	285.3
Loss for the year	–	–	–	–	–	(4.3)	(4.3)
Total comprehensive expense for the year	–	–	–	–	–	(4.3)	(4.3)
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	–	116.5	40.7	256.0

Company Cash Flow Statement

For the year ended 31 December 2025	31 December 2025 £m	31 December 2024 £m
Operating activities		
Operating loss	(4.3)	(4.8)
Non-cash items: Share-based payments	1.0	0.7
Operating cash flows before movement in working capital	(3.3)	(4.1)
Movement in working capital:		
Receivables	0.1	0.8
Payables	(0.1)	(0.2)
Inter-group balances	30.8	33.5
Net cash flows from operating activities	27.5	30.0
Financing activities		
Dividends paid	(31.3)	(30.8)
Proceeds from exercise of share options	3.8	0.8
Net cash flows from financing activities	(27.5)	(30.0)
Net change in cash and cash equivalents	-	-
Cash and cash equivalents at 1 January	-	-
Cash and cash equivalents at 31 December	-	-

Notes to the Company Financial Statements

For the year ended 31 December 2025

1. Authorisation of financial statements

The Parent Company financial statements of Genuit Group plc (the 'Company') for the year ended 31 December 2025 were authorised for issue by the Board of Directors on 10 March 2026 and the balance sheet was signed on the Board's behalf by Joe Vorih and Tim Pullen.

Genuit Group plc is a public limited company incorporated and domiciled in England and Wales. The principal activity of the Company is that of a holding company.

2. Summary of material accounting policies

The basis of preparation and accounting policies used in preparing the historical financial information for the year ended 31 December 2025 are set out below. These accounting policies have been consistently applied in all material respects to all the periods presented.

2.1 Basis of preparation and statement of compliance with IFRSs

The Company financial statements have been prepared in accordance with UK-adopted International Accounting Standards (UK-adopted-IAS).

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2025.

The Company's financial statements have been prepared on a historical cost basis. The financial statements are presented in Pounds Sterling and all values are rounded to one decimal place of a million (£m) unless otherwise indicated. No income statement or statement of comprehensive income is presented by the Company as permitted by Section 408 of the Companies Act 2006. The results of Genuit Group plc are included in the consolidated financial statements of Genuit Group plc.

2.2 Going concern

The accounting policy for going concern is consistent with that of the Group as detailed on page 184 in Note 2.2.

2.3 Investments

Investments in subsidiary undertakings are held at historical cost less any applicable provision for impairment.

2.4 Share-based payments

The accounting policy for share based payments is consistent with that of the Group as detailed on page 190 in Note 2.22.

Where the Company is settling an equity settled share based payment transaction in which one of its subsidiaries is the entity receiving the goods or service, the Parent Company accounts for the cost as an addition to the cost of its investment in the employing subsidiary.

2.5 Cash dividend

The accounting policy for cash dividend is consistent with that of the Group as detailed on page 190 in Note 2.23.

2.6 Own shares

The Company operates an employee benefit trust (EBT). The Company, and/or the EBT, holds Genuit Group plc shares for the granting of Genuit Group plc shares to employees and Directors. These shares are recognised at cost and presented in the balance sheet as a deduction from equity. No profit or loss is recognised in the income statement on the purchase, sale, issue or cancellation of these shares. No dividends are earned on these shares.

2.7 Financial instruments

The accounting policy for financial instruments is consistent with that of the Group, as detailed on pages 188 - 189 in Note 2.15. Expected credit loss (ECL) calculations are considered annually for amounts owed by subsidiary undertakings, using the general approach required under IFRS 9. ECLs are a probability weighted estimate of credit losses based on the Company's historical credit loss experience adjusted for debt specific and forward-looking factors. Under the general approach ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk, 12-month ECLs are recognised. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life (lifetime ECLs).

3. Dividend per share

Please refer to Note 14 on page 197 of the Group financial statements for reference to the Dividend per share.

4. Investments

	Shares in subsidiary undertakings £m
Cost	
At 1 January 2024	248.1
Additions – share-based payments	2.2
At 31 December 2024	250.3
Additions – share-based payments	1.5
At 31 December 2025	251.8
Net book value	
At 31 December 2025	251.8
At 31 December 2024	250.3
At 1 January 2024	248.1

In 2025, an adjustment in respect of share-based payments of £1.5m (2024: £2.2m) was made to shares in subsidiary undertakings, representing the financial effects of awards by the Company of options over its equity shares to employees of subsidiary undertakings. The total contribution to date was £12.6m (2024: £11.1m).

Notes to the Company Financial Statements continued

4. Investments continued

The companies in which the Company had an interest at 31 December 2025 are shown below:

Name of company	Country of incorporation	Holding	Proportion of voting rights and shares held
AAA Holdings Limited ¹	England & Wales	Ordinary £1	100%*
Adey Commercial Limited ^{2†}	England & Wales	Ordinary £1	100%*
Adey Holdings (2008) Limited ^{2†}	England & Wales	Ordinary £1	100%*
Adey Innovation Limited ²	England & Wales	Ordinary £1	100%*
Adey Innovation LLC ³	United States of America	n/a	100%*
Adey Innovation SAS ⁴	France	Ordinary €1	100%*
Adey Innovation (Shanghai) Water Treatment Technology Co. Ltd ⁵	China	Ordinary £1	100%*
Alderburgh Limited ^{1†}	England & Wales	Ordinary £1	100%*
Alderburgh Ireland Limited ⁶	Republic of Ireland	Ordinary €1	100%*
Alpha Scientific Ltd ^{2†}	England & Wales	Ordinary £0.01	100%*
Cistermiser Limited ¹	England & Wales	Ordinary £1	100%*
Combimate Limited ¹	England & Wales	Ordinary £1	100%*
Davidson Holdings Limited ¹	England & Wales	Ordinary £0.10 – £1	100%*
Environmental Sustainable Solutions Ltd ¹	England & Wales	Ordinary £1	100%*
Equaflo Ltd ¹	England & Wales	Ordinary £1	50%*
Genuit UFH Limited ^{1†}	England & Wales	Ordinary £1	100%*
Grey2Green Ltd ^{1†}	England & Wales	Ordinary £1	100%*
Hamsard 3774 Limited ^{1†}	England & Wales	Ordinary £1	100%*
Infra Green Limited ^{1†}	England & Wales	Ordinary £1	100%*
Keraflo Limited ¹	England & Wales	Ordinary £1	100%*
Keytec Geomembranes Limited ^{1†}	England & Wales	Ordinary £1	100%*
Keytec Installation Services Limited ¹	England & Wales	Ordinary £1	100%*
Living Roof Supplies Limited ¹	England & Wales	Ordinary £1	100%*
London Bidco Limited ^{2†}	England & Wales	Ordinary £1	100%*
London Finco Limited ²	England & Wales	Ordinary £1	100%*
London Green Roof Company Limited ¹	England & Wales	Ordinary £1	100%*

Name of company	Country of incorporation	Holding	Proportion of voting rights and shares held
London Topco Limited ^{2†}	England & Wales	Ordinary £0.01 – £1	100%*
Manthorpe Building Products Holdings Limited ¹	England & Wales	Ordinary £1	100%*
Manthorpe Building Products Limited ¹	England & Wales	Ordinary £1	100%*
Monodraught Holdings Limited ¹	England & Wales	Ordinary £1	100%*
Monodraught Limited ¹	England & Wales	Ordinary £1	100%*
Monodraught Topco Limited ¹	England & Wales	Ordinary £1	100%*
New Urban Standard B.V. ⁷	The Netherlands	Ordinary €10	100%*
Nuair Limited ¹	England & Wales	Ordinary £1	100%*
Nu-Heat (Holdings) Limited ¹	England & Wales	Ordinary £0.01	100%*
Nu-Heat UK Limited ¹	England & Wales	Ordinary £1	100%*
Permavoid B.V. ⁷	The Netherlands	Ordinary €100	100%*
Permavoid Limited ^{1†}	England & Wales	Ordinary £1	100%*
Permavoid Technologies Limited ^{1†}	England & Wales	Ordinary £1	100%*
Permavoid Technologies (USA) Limited ^{1†}	England & Wales	Ordinary £1	100%*
Permavoid Technologies (USA) LLC ⁹	United States of America	Ordinary \$1	100%*
Pipe Holdings plc ¹	England & Wales	Ordinary £1	100%*
Pipe Holdings 1 plc ^{1†}	England & Wales	Ordinary £1	100%*
Pipe Holdings 2 Limited ^{1†}	England & Wales	Ordinary £1	100%*
Pipe Luxembourg Sarl ¹⁰	Luxembourg	Ordinary £1	100%
Plura Composites Ltd ^{1†}	England & Wales	Ordinary £1	100%*
Pocket Bed Limited ¹	England & Wales	Ordinary £1	100%*
Polydeck Limited ^{1†}	England & Wales	Ordinary £1	100%*
Polypipe Limited ¹	England & Wales	Ordinary £0.1	100%*
Polypipe Building Products Limited ¹	England & Wales	Ordinary £1	100%*
Polypipe Civils Limited ¹	England & Wales	Ordinary £1	100%*
Polypipe Italia SRL ¹¹	Italy	Ordinary €0.52	100%*
Polypipe Middle East FZE ¹²	United Arab Emirates	Ordinary 1m UAE Dirhams	100%*

Notes to the Company Financial Statements continued

4. Investments continued

Name of company	Country of incorporation	Holding	Proportion of voting rights and shares held
Polypipe Middle East Water Technology LLC ¹³	United Arab Emirates	Ordinary 1,000 UAE Dirhams	100%*
Polypipe (Ulster) Limited ⁸	Northern Ireland	Ordinary £1	100%*
Robimatic Limited [†]	England & Wales	Ordinary £1	100%*
Salamander Pumped Shower Systems Limited [†]	England & Wales	Ordinary £1	100%*
Sky Garden Limited [†]	England & Wales	Ordinary £0.1	100%*
Solutek Environmental Limited [†]	England & Wales	Ordinary £1	100%*
Surestop Limited [†]	England & Wales	Ordinary £1	100%*
Sustainable Water and Drainage Systems B.V. ⁷	The Netherlands	Ordinary €1	50%*
Sustainable Water and Drainage Systems Limited [†]	England & Wales	Ordinary £1	50%*
Talon Manufacturing Limited [†]	England & Wales	Ordinary £1	100%*
Timoleon Sp z o.o. ¹⁵	Poland	Ordinary PLN50	100%*
Water Management Solutions LLC ¹⁴	Qatar	Ordinary 1,000 Qatari Riyals	49%*

All the companies operate principally in their country of registration and in the same class of business as the Group.

Registered offices of subsidiaries:

- 4 Victoria Place, Holbeck, Leeds, LS11 5AE.
- Unit 2 Indurent Park Gloucester, Haresfield, Stonehouse, England, GL10 3EZ.
- c/o CT Corporation, 1209 Orange Street, Wilmington, Newcastle 19801, Delaware, United States of America.
- 119B Rue de Colombes, 92600 Asnieres Sur Seine, France.
- Room 308-18, No. 998, South Shen Bin Road, Min Hang District, Shanghai, China.
- Ballybrack, Kilmacthomas, Co. Waterford.
- Kattenburgerstraat 5, 1018, JA, Amsterdam, The Netherlands.
- Dromore Road, Lurgan, Co. Armagh, BT66 7HL.
- 251 Little Falls Drive, Wilmington, Delaware, 19808-1674, United States of America.
- 15 Boulevard F.W. Raiffeisen, L-2411 Luxembourg.
- Localita Pianmercato 5C-D-H, 16044 Cicagna, Genova, Italy.
- PO Box 18679, Showroom A2 SR 07, First Al Khail Street, Jebel Ali Free Zone, Dubai, United Arab Emirates.
- Arenco Tower – Office 908, Dubai Media City, Dubai, United Arab Emirates.
- Level 15, Commercial Bank Plaza, West Bay, Doha, Qatar.
- Łomży 18-400, przy ul. Poznańska 149, Poland.

* The shares in the undertakings marked with an asterisk are held by subsidiary undertakings.

† These companies are exempt from the requirements of the Companies Act 2006 relating to the audit of their individual accounts by virtue of the subsidiary exemption from audit by parent guarantee, under Section 479A of the Companies Act 2006.

Notes to the Company Financial Statements continued

5. Amounts owed by subsidiary undertakings and other receivables

	31 December 2025 £m	31 December 2024 £m
Amounts falling due within one year:		
Prepayments	0.1	0.1
	0.1	0.1
Amounts falling due after one year:		
Deferred income tax assets	1.0	1.1
Amounts owed by subsidiary undertakings	209.0	189.9
	210.0	191.0

No material allowance for expected credit losses is deemed necessary in respect of amounts owed by subsidiary undertakings.

6. Amounts owed to subsidiary undertakings and other payables

	31 December 2025 £m	31 December 2024 £m
Amounts owed to subsidiary undertakings	205.0	155.1
Other payables	0.9	1.0
	205.9	156.1

7. Share capital and reserves

Please refer to Note 24 on pages 204 - 205 of the Group financial statements for reference to Share capital and reserves.

8. Profit for the financial year

Genuit Group plc has not presented its own Income Statement as permitted by Section 408 of the Companies Act 2006. The loss for the year dealt with in the financial statements of the Company was £4.3m (2024: £4.8m).

The only employees remunerated by the Company were the Directors of the Company. Remuneration paid to the Directors is disclosed in Note 10 to the Group's consolidated financial statements.

Amounts paid to the Company's auditor in respect of the audit of the financial statements of the Company are disclosed in Note 7 to the Group's consolidated financial statements.

Fees paid to the auditor for non-audit services to the Company itself are not disclosed in the individual financial statements of the Company because the Group's consolidated financial statements are required to disclose such fees on a consolidated basis. These are disclosed in Note 7 to the Group's consolidated financial statements.

Notes to the Company Financial Statements continued

9. Related party transactions

The following table provides the analysis of transactions that have been entered into with related parties:

	31 December 2025		31 December 2024	
	Recharges from related parties £m	Amounts owed to related parties £m	Recharges to related parties £m	Amounts owed to related parties £m
Polypipe Limited	49.5	(205.0)	33.6	(155.1)
		Amounts owed by related parties £m		Amounts owed by related parties £m
Pipe Holdings 1 plc:				
Eurobonds		64.9		64.9
Preference shares		18.3		18.3
Other		5.1		0.9
Pipe Holdings 2 Limited		6.9		6.4
Pipe Holdings plc		104.4		99.4
Polypipe Limited		9.4		–
		209.0		189.9

Other related party transactions includes remuneration paid to key management personnel (Genuit Group plc Executive Directors). This is disclosed within the Annual Report on Remuneration in the Group accounts.

Five-Year Summary

(Unaudited)

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Underlying performance¹					
Revenue	602.1	561.3	586.5	622.2	594.3
Operating profit					
Reported	69.7	59.2	62.0	53.4	67.1
Underlying	94.4	92.2	94.1	98.2	95.3
Operating margin					
Reported	11.6%	10.5%	10.6%	8.6%	11.3%
Underlying	15.7%	16.4%	16.0%	15.8%	16.0%
Profit after tax					
Reported	45.2	33.5	38.5	36.6	41.0
Underlying	64.6	61.1	62.6	76.5	75.1
Non-underlying items					
Reported	(24.7)	(33.0)	(32.1)	(45.5)	(28.2)
Tax	5.3	5.4	8.0	5.2	(5.9)
Non-underlying loss after tax	(19.4)	(27.6)	(24.1)	(40.3)	(34.1)
Basic EPS (pence)					
Reported	18.2	13.5	15.5	14.7	16.7
Underlying	26.0	24.6	25.2	30.8	30.6
Diluted EPS (pence)					
Reported	17.8	13.3	15.4	14.6	16.5
Underlying	25.4	24.3	25.1	30.5	30.2
Cash flow from operations					
Reported cash generated from operations	114.1	115.5	109.7	93.9	84.4
Adjusted for:					
• Non-underlying cash items	12.3	12.7	14.2	9.6	6.9
Underlying cash generated from operations	126.4	128.2	123.9	103.5	91.3
Underlying operating cash conversion (%)²	102.0%	107.6%	103.6%	84.0%	77.2%

Alternative Performance Measures

- Underlying performance**
Underlying profit and earnings measures exclude certain non-underlying items (which are detailed in Note 8) 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**
Underlying operating cash conversion has been restated for all periods to a pre-capex and lease payments basis. The Group believes this is a more appropriate measure of cash conversion as it demonstrates the Group's working capital efficiency before capital investment, and allows for alignment with the Group's strategic investment profile in the medium-term. It is defined as cash generated from operations adjusted for non-underlying cash items, divided by underlying EBITDA.
- Leverage**
Leverage is defined as net debt (excluding unamortised debt issue costs and lease debt), divided by pro-forma EBITDA.
- Pro-forma EBITDA**
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.

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Leverage³					
Net debt					
Loans and borrowings	225.0	146.5	145.0	195.9	198.0
Unamortised debt issue costs	(0.9)	(1.3)	(2.1)	(2.8)	(0.6)
IFRS 16	28.8	27.6	23.4	23.1	20.6
Cash	(44.8)	(43.6)	(17.0)	(50.0)	(52.3)
Reported net debt	208.1	129.2	149.3	166.2	165.7
Net debt (excluding IFRS 16)	179.3	101.6	125.9	143.1	145.1
Net debt (excluding IFRS 16 and unamortised debt issue costs)	180.2	102.9	128.0	145.9	145.7
Pro-forma EBITDA⁴					
Underlying operating profit:	94.4	92.2	94.1	98.2	95.3
Adjusted for:					
• Depreciation (underlying)	28.7	26.3	24.7	24.8	22.8
• Amortisation (underlying)	0.8	0.7	0.8	0.2	0.1
Underlying EBITDA	123.9	119.2	119.6	123.2	118.2
• Depreciation of right-of-use assets (underlying)	(7.7)	(7.1)	(5.6)	(5.4)	(4.5)
• Un-wind of discount on IFRS 16	(1.8)	(1.6)	(1.2)	(0.8)	(0.7)
• Share-based payments charge	2.5	2.9	2.1	2.9	2.5
Pro-forma EBITDA	116.9	113.4	114.9	119.9	115.5
EBITDA from acquisitions (full 12 months)	6.3	(0.7)	–	0.2	2.3
Pro-forma EBITDA	123.2	112.7	114.9	120.1	117.8
Leverage	1.5	0.9	1.1	1.2	1.2

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Key Performance Indicators					
Return on invested capital⁵					
Underlying operating profit	94.4	92.2	94.1	98.2	95.3
Adjusted for acquisitions (full 12 months)	5.6	(0.7)	–	0.2	1.7
Adjusted underlying operating profit	100.0	91.5	94.1	98.4	97.0
Average net assets	651.5	635.6	631.4	623.0	573.9
Average net debt excluding IFRS 16	131.7	116.7	111.4	152.0	109.8
Acquisition related liabilities	–	–	8.2	8.0	4.3
Historic amortisation charges (net of deferred tax)	127.3	115.8	92.6	79.0	51.6
Less historic goodwill	(234.4)	(234.4)	(234.4)	(234.4)	(234.4)
Adjusted net assets	676.1	633.7	609.2	627.6	505.2
Return on invested capital	14.8%	14.4%	15.4%	15.7%	19.2%

Key Performance Indicators

- Return on invested capital (ROIC)**
ROIC is measured as underlying operating profit for the year plus full year impact from acquisitions, divided by average net assets excluding net debt (but including IFRS 16), acquisition related liabilities and historic goodwill and acquisition related amortisation charges. The measure also excludes the goodwill arising from the original transaction that created the Group as a result of the Initial Public Offering (IPO) in 2014.