

22 May 2026

Genuit Group plc

Managing a challenging environment with speed, rigour and discipline

Genuit Group plc ('Genuit', the 'Company' or the 'Group'), the UK's largest provider of sustainable water and climate products and solutions for the built environment, today issues an update on trading for the four months ended 30 April 2026 ahead of its Annual General Meeting ('AGM'), which takes place at 13:00hrs (BST) today at 4 Victoria Place, Holbeck, Leeds LS11 5AE.

Joe Vorih, Chief Executive Officer, commented:

"The Group has navigated a challenging trading environment in the first four months of the year with speed, rigour and discipline, focusing on what we can control. The conflict in the Middle East and prevailing UK macroeconomic environment has resulted in lower market volumes and significant cost inflation, particularly in polymers. As we have demonstrated in prior inflationary markets, Genuit has responded swiftly, including working with customers to implement double digit price increases which are now in effect. We are also accelerating planned simplification initiatives to reduce cost and continue to deliver benefits from the Genuit Business System.

Whilst we recognise the external environment remains uncertain, Genuit continues to make strong strategic progress, including successfully integrating recent acquisitions – both of which will be, as expected, accretive to Group results this year. Our focus on less cyclical end market segments with structural growth drivers, such as the AMP8 water investment programme and higher-performance ventilation requirements in housing and schools, is already resulting in increasing project order books. Further, important regulatory drivers and Government initiatives including the Warm Homes Plan and the recently confirmed Future Homes Standard improve our ability to sell higher value heating and ventilation solutions and underpin our confidence in the future."

Total Group revenue for the four months ended 30 April 2026 was £198.5m (2025: £199.3m), representing a year-on-year decrease of 0.4% (8.7% decrease on a like-for-like basis).

The Group's markets were affected by persistent wet weather in January and February, resulting in subdued construction site activity. The conflict in the Middle East started to impact the Group in March, including inflation in polymer and freight costs. This became more pronounced in April. The Group has acted swiftly and implemented double digit price increases in May on affected polymer-based product lines and increased freight charges across the board. Whilst there has been some seasonal uptick, volumes in March and April have remained lower than the prior year, with market sentiment adversely affected by the prevailing macroeconomic environment.

Against this backdrop, the Group has focused on what it can control. We have made strong progress on integrating the two recent acquisitions, accelerated simplification initiatives to reduce cost whilst maintaining capacity and we continue to focus on developing structural growth opportunities.

Climate Division (c.30% of Group revenue) – revenue was 0.4% lower year-on-year (9.7% lower on a like-for-like basis). Market volumes have been adversely affected by the external environment, with ventilation faring better than the RMI focused heating businesses. Integration of the Monodraught business, acquired in 2025, is proceeding well and is on track to deliver strong sales synergies and Group target margin.

The strategic focus on integrated ventilation solutions is positioned to drive growth, underpinned by the Schools Rebuilding Programme, with Monodraught orders up c.15% year to date versus prior year with an order book in excess of 12 months revenue. Technical integration of Monodraught's control platform with Nuaire's mechanical ventilation units has been achieved, enabling a 'whole school' solution, with commercial launch scheduled for the second half of the year.

Water Division (c.70% of Group revenue) – revenue was 0.3% lower year-on-year (8.2% lower on a like-for-like basis). Market volumes have been adversely affected by the external environment, with moderate year-on-year impact in residential and a greater impact in the civils and commercial businesses. Middle East revenue (c.3.5% of Group revenue in 2025) was c.50% lower year-on-year as a direct impact of the ongoing conflict.

Importantly, the Group continues to benefit from significant use of recycled polymer (over 50% of Genuit's polymer consumption by volume), which has a lower carbon content and to date has experienced lower levels of inflation than virgin polymers.

The divisional focus on growth in water infrastructure is progressing well. There is an increasing interest in Genuit's recycled plastic integrated stormwater solutions due to ease of installation, lower total cost and lower carbon footprint. AMP8 project quotes of over £5m have been submitted year to date with an increasing win rate of over 50%.

Integration of the Davidson Holdings businesses, acquired in 2025 is proceeding well with operating margins of over 20% in the four months to April, in line with the investment case. The Group now expects to realise planned incremental integration benefits in 2027, ahead of the original assumptions.

2026 Guidance and Outlook

The UK housing and RMI markets continue to be characterised by lower confidence and softer volumes resulting from the external environment, although other end markets including water infrastructure and building ventilation are more resilient. Without resolution of the Middle East conflict, current levels of cost inflation are likely to persist. Whilst double digit price increases have been implemented swiftly, the short lag between cost inflation and these actions, combined with lost contribution at lower volumes, means that underlying operating profit in the first half is anticipated to be in the region of the prior year on a reported basis (H1 2025: £44.6m).

The Group is accelerating planned simplification initiatives that will target between £4m and £5m of annualised cost savings. Whilst the impact of these actions in the 2026 financial year will be moderate, this is expected to deliver c.60-70 bps of margin improvement for 2027. In addition, the Genuit Business System continues to generate additional productivity benefits and efficiencies that will help to combat the effects of inflation. The combination of actions being taken are expected to improve underlying operating margin sequentially in the second half of 2026.

Assuming a timely resolution of the Middle East conflict and stabilisation of the macroeconomic environment, the Board anticipates Group underlying operating profit to be towards the lower end of current analyst estimates for full year 2026 ¹.

Whilst the outlook remains uncertain, the Group's strategy continues to focus on outperformance by targeting markets with structural and regulatory drivers, including those benefiting from the Warm Homes Plan, Future Homes Standard and AMP8 water cycle. The benefits of these structural drivers for Genuit are now becoming clearer and the Group anticipates they will meaningfully benefit growth in 2027 and 2028.

¹ Company compiled analyst consensus range for FY26 underlying operating profit is between £94.7m and £105.5m.

Notice of Interim Results

The Company will report its interim results for the six months ending 30 June 2026 on 11th August 2026.

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About Genuit Group plc

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

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

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

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

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

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