

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

**Grafton Group plc
Platform Acquisition of Salvador Escoda, S.A in Spain**

Grafton Group plc ("Grafton" or the "Group"), the international building materials distributor and DIY retailer, is pleased to announce that it has acquired the entire issued share capital of Salvador Escoda, S.A. ("Salvador Escoda") from Escoda Sans, S.L. Salvador Escoda, founded in 1974 by Mr. Salvador Escoda Forés, is one of Spain's leading distributors of air conditioning, ventilation, heating, water and renewable products serving professional installers across the residential, commercial and industrial sectors.

The total consideration payable is a maximum of €132.0 million on a cash and debt free basis (before leases¹), with €128.0 million payable at completion and a further €4.0 million payable subject to financial performance conditions. Salvador Escoda reported revenue of €231.8 million and adjusted operating profit on a local GAAP basis¹ of €16.5 million for the year ended 31 December 2023. Since 2019, the compound growth rate of revenue has been approximately 9 per cent per annum.

The acquisition of Salvador Escoda is consistent with Grafton's strategy of acquiring platform businesses with strong and unique propositions offering exciting growth opportunities and which operate in fragmented markets with strong underlying fundamentals.

Spain is the fourth largest construction market in the EU and is forecast to have one of the fastest growing economies in Western Europe over the period 2023 - 2026². The building materials distribution market is highly fragmented and within this market, Heating, Ventilation and Air Conditioning has been identified as one of the strongest growth segments partly as a result of climate change supported by replacement cycle dynamics and a favourable regulatory environment.

Salvador Escoda, headquartered in Barcelona, operates from 93 strategically located branches throughout Spain which are supported by four distribution centres, including a new 18,000 square metre facility in Seville which opened in March 2024. Over the past 50 years, the business has grown to offer a broad suite of over 100,000 products principally supplying the professional installer market with both appliances and ancillary products. Over 50 per cent of its sales comprise high quality private label brands such as Mundoclima in air conditioning and Escoclima in ventilation. The existing management team will remain in place, supported by Mr. Salvador Escoda Forés as Honorary Chair, together with a team of over 750 colleagues.

The transaction is expected to be earnings enhancing in its first full financial year following acquisition and to deliver an attractive return on invested capital in the medium term. Grafton intends to support Salvador Escoda in its brand development, ongoing organic expansion and, in due course, the execution of inorganic opportunities in the fragmented Iberian marketplace.

Commenting on the acquisition, Eric Born, Chief Executive Officer of Grafton Group plc, said today:

"The purchase of Salvador Escoda is an excellent fit with Grafton's strategy of acquiring platform businesses in new markets which possess strong and unique propositions with the opportunity to drive further growth and scale. We see long term structural growth in the Spanish economy and in its fragmented distribution markets for building and construction products. Salvador Escoda's leading own brands in categories such as ventilation and air conditioning are an exciting new adjacent channel for Grafton. We look forward to working with the highly experienced and successful team to build on their

rich heritage and accelerate what has been an impressive track record of growth.

"In addition to today's announcement, we continue our patient, methodical assessment of additional organic and acquisition opportunities in our chosen European geographies, and in particular founder-run businesses, attracted by Grafton's entrepreneurial pedigree and supportive, decentralised structure."

¹ On a post-IFRS 16 (leases) basis, the estimated adjusted operating profit for the year ended 31 December 2023 was €17.6 million and the estimated capitalised value of leases at 1 July 2024 was €39.0 million.

² Source: Euroconstruct 97th Summary Report (Summer 2024 Forecast).

Ends

Conference Call Details

A live audio conference call for analysts and investors will be hosted by Eric Born and David Arnold at 4:00pm (GMT) today. If investors would like to listen to the conference call, they can do so by clicking on the following link:

<https://stream.brrmedia.co.uk/broadcast/6720be41c86085b1bff5b124>

Analysts will be invited to raise questions during the presentation. A recording of the call will be available on the Company's website later today.

For further information please contact:

Investors	Media
Grafton Group plc +353 1 216 0600	Murray pwalsh@murraygroup.ie
Eric Born Chief Executive Officer	Pat Walsh +353 1 498 0300/+353 87 226 9345
David Arnold Chief Financial Officer	Burson Buchanan GraftonGroup@buchanancomms.co.uk
	Helen Tarbet +44 (0) 7872 604 453
	Toto Berger +44 (0) 7880 680 403

About Grafton

Grafton Group plc is an international distributor of building materials to trade customers and has leading regional or national positions in the distribution markets in the UK, Ireland, the Netherlands, Finland and now Spain. Grafton is also the market leader in the DIY, Home and Garden retailing market in Ireland and is the largest manufacturer of dry mortar and bespoke timber staircases in the UK.

Grafton trades from circa 450 branches and has circa 10,000 colleagues (including Salvador Escoda). The Group's portfolio of brands includes Selco Builders Warehouse, Leyland SDM, MacBlair, TG Lynes, CPI EuroMix and StairBox in the UK; Chadwicks and Woodie's in Ireland; Isero and Polvo in the Netherlands; IKH in Finland and now Salvador Escoda in Spain.

For further information visit www.graftonplc.com

MAR Information:

This announcement, as released at 1.30pm on 30 October 2024, contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014, which forms part of domestic law in the United Kingdom pursuant to the European Union (Withdrawal) Act 2018. The person responsible for release of this announcement is Susan Lannigan, Company Secretary and General Counsel.

Forward-looking statements

This press release may include forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "outlook", "believe(s)", "expect(s)",

intended by the use of forward-looking terminology, including the terms "outlook," "believe(s)," "expect(s)," "potential," "continue(s)," "may," "will," "should," "could," "would," "seek(s)," "predict(s)," "intend(s)," "trends," "plan(s)," "estimate(s)," "anticipates," "projection," "goal," "target," "aspire," "will likely result" and other words and terms of similar meaning or the negative versions of such words or other comparable words of a future or forward-looking nature. These forward-looking statements include all matters that are not historical facts and include statements regarding Grafton's or its affiliates' intentions, beliefs or current expectations concerning, among other things, Grafton's or its affiliates' results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which they operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Readers are cautioned that forward-looking statements are not guarantees of future performance and that Grafton's or its affiliates' actual results of operations, financial condition and liquidity, and the development of the industries in which they operate may differ materially from those made in or suggested by the forward-looking statements contained in this press release. In addition, even if Grafton's or its affiliates' results of operations, financial condition and liquidity, and the development of the industries in which they operate are consistent with the forward-looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods. The directors do not undertake any obligation to update or revise any forward-looking statements, whether because of new information, future developments or otherwise.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

ACQFDUFDSELSEES