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**28 January 2025**

**Lords Group Trading plc**  
(‘Lords’, the ‘Company’ and together with its subsidiaries the ‘Group’)

**FY24 Trading Update**

***Strong Q4 performance from Merchanting***  
***Lords remains well positioned for medium term growth***

Lords (LORD.L), a leading distributor of building materials in the UK, today issues a trading update for the year ended 31 December 2024 (‘FY24’ or the ‘period’).

**Highlights**

- FY24 Group revenue is expected to be £436 million (FY23: £463 million)
- Merchanting enters the new financial year with positive momentum, having delivered a strong final quarter with Q4 FY24 revenue 11% higher than Q4 FY23. Second half LFL revenue was 2.3% up on H2 2023
- Plumbing and Heating experienced weaker market conditions in Q4 FY24 with revenue 17% below Q4 FY23, a comparative period which benefited from increased volumes ahead of the introduction of the Clean Heat Market Mechanism (‘CHMM’) on 1 January 2024. Second half LFL revenue was 16.6% down on H2 2023
- As a result, Adjusted EBITDA<sup>1</sup> is expected to be slightly below current market consensus<sup>2</sup>
- Net debt<sup>3</sup> reduced by 11% since 30 June 2024 to £32.3 million.

**Merchanting**

The Merchanting division performed ahead of expectations, particularly in the final quarter of FY24 with LFL revenue 11% ahead of Q4 FY23. In particular, AW Lumb performed strongly in the second half and delivered a 5% full year increase in revenue on FY23 and our specialist roofing business, Advanced Roofing was 10% ahead. Revenue for the division for the year, subject to audit, is expected to be in line with last year at £214 million.

In January 2025, a fifth George Lines branch was opened at Aylesford Business Park near Maidstone, Kent. George Lines provides a comprehensive range of high-quality civil engineering, infrastructure, and construction products to local contractors, developers, builders for major groundwork, landscaping and engineering projects.

As part of management’s focus on cash generation, in October 2024, the Group received c.£4 million of cash from the sale and leaseback of a George Lines branch near Heathrow, providing security of tenure at a key site the business has operated from for more than 40 years.

**Plumbing and Heating**

The Plumbing and Heating division, which is typically seasonally strong in the winter months, experienced a challenging final quarter of the year, in contrast to FY23 which saw accelerated activity ahead of the introduction of the CHMM on 1 January 2024. FY24 revenue for the division, subject to audit, is expected to be £222 million, 10% lower than FY23.

The Group's commitment to the energy transition was further demonstrated in October 2024 by the strategic acquisition of Ultimate Renewables for £0.6 million. This business provides a full design and commissioning service to installers and independent merchants of heat pumps and renewable energy products. Its services include training, system design, supply of heat pump and renewables solutions and MCS ('Microgeneration Certification Scheme') accredited commissioning to facilitate customer Boiler Upgrade Scheme ('BUS') grant applications. Renewables revenue in the division grew by 170% to over £5.0 million for FY24 and the market is expected to continue its growth trajectory in 2025.

### Segmental Trading

The table below shows like-for-like and total revenue change comparing FY24 to FY23:

	FY24 revenue (unaudited)	LFL			Group		
		H1 2024	H2 2024	FY24	H1 2024	H2 2024	FY24
Merchanting	£214m	(9.3)%	2.3%	(3.6)%	(4.4)%	4.0%	(0.3)%
Plumbing & Heating	£222m	(3.2)%	(16.6)%	(10.4)%	(3.2)%	(16.1)%	(10.2)%
<b>Total</b>	<b>£436m</b>	<b>(6.1)%</b>	<b>(8.3)%</b>	<b>(7.0)%</b>	<b>(3.8)%</b>	<b>(7.3)%</b>	<b>(5.6)%</b>

### Outlook

Lords continues to demonstrate its resilience and has held its market position in challenging market conditions, which have persisted across the sector since FY22. The Board continues to focus on what is within its control, managing costs, driving efficiencies, reducing debt and pragmatically supporting strategic initiatives to drive organic and acquisitive growth. The Board believes this has positioned Lords strongly for the anticipated recovery in the construction market.

Like all UK businesses, the Group faces increased costs in 2025 in relation to Employer's National Insurance, business rates and minimum wage increases, which for Lords amount to c. £1 million. There are signs of an improving construction market which should support an improvement in the Repair, Maintenance and Improvement ('RMI') sector, but this is not generally expected before the second half of 2025.

In addition to its organic growth levers, the Group's M&A strategy is focused on specialist, independent businesses that can broaden the Group's product range and/or geographic reach in highly fragmented markets. There remains significant opportunity for consolidation given Lords' reputation as being an acquirer of choice in the market.

### Shanker Patel, Chief Executive Officer of Lords, said:

*"In a challenging year across our end markets, the fundamentals of our business in customer service excellence, highly engaged colleagues and specialist brands have underpinned a resilient performance in 2024. We are particularly pleased to see Merchanting's strong relative performance in the final quarter.*

*"We continue to tightly control costs and to optimise working capital. Net debt was reduced by £4.1 million in the second half. As market conditions begin to improve, we are confident that the Group is exceptionally well positioned for operational leverage to improve profitability, with ongoing organic and acquisitive growth."*

<sup>1</sup> Adjusted EBITDA is EBITDA, inclusive of property gains and losses, (defined as earnings before interest, tax, depreciation, amortisation and impairment) excluding exceptional items and share-based payments.

<sup>2</sup> Current consensus analyst forecasts are for FY24 revenues of between £447 million and £451 million and Adjusted EBITDA of between £23.0 million to £23.8 million.

<sup>3</sup> Net debt is defined as borrowings less cash and cash equivalents, before lease liabilities.

### FOR FURTHER ENQUIRIES:

**Lords Group Trading plc**  
Shanker Patel, Chief Executive Officer  
Stuart Kilpatrick, Chief Financial Officer

**Via Burson Buchanan**  
Tel: +44 (0) 20 7466 5000

**Cavendish Capital Markets Limited**  
(Nominated Adviser and Joint Broker)  
Ben Jeynes / Dan Hodkinson (Corporate Finance)  
Julian Morse / Henry Nicol / Charlie Combe (Sales/ECM)

Tel: +44 (0)20 7220 0500

**Berenberg** (Joint Broker)  
Matthew Armitt / Harry Nicholas / Detlir Elezi

Tel: +44 (0)20 3207 7800

**Burson Buchanan**  
Henry Harrison-Topham / Steph Whitmore / Abby Gilchrist

Tel: +44 (0) 20 7466 5000  
[LGT@buchanan.uk.com](mailto:LGT@buchanan.uk.com)

**Notes to Editors:**

Lords is a specialist distributor of building, plumbing, heating and DIY goods. The Group principally sells to local tradesmen, small to medium sized plumbing and heating merchants, construction companies and retails directly to the general public.

The Group operates through the following two divisions:

**Merchanting:** supplies building materials and DIY goods through its network of merchant businesses and online platform capabilities. It operates both in the 'light side' (building materials and timber) and 'heavy side' (civils and landscaping), through 32 locations in the UK.

**Plumbing and Heating:** a specialist distributor in the UK of plumbing and heating products to a UK network of independent merchants, installers and the general public. The division offers its customers an attractive proposition through a multi-channel offering. The division operates over 16 locations enabling nationwide next day delivery service.

For additional information please visit [www.lordsgrouptradingplc.co.uk](http://www.lordsgrouptradingplc.co.uk)

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