



4 March 2026

Full year results for the year ended 31 December 2025

SIG plc ("SIG", "the Group" or "the Company") today announces its results for the full year ended 31 December 2025 ("FY25" or "the year").

	2025	2024
Underlying revenue	£2,591.0m	£2,611.8m
LFL ¹ sales	0%	(4)%
Gross margin	24.2%	24.5%
Underlying ² operating profit	£32.1m	£25.1m
Underlying operating margin	1.2%	1.0%
Underlying loss before tax	£(20.0)m	£(14.3)m
Underlying loss per share	(2.0)p	(1.7)p
Net debt	£518.2m	£497.3m
Statutory results	2025	2024
Revenue	£2,591.0m	£2,611.8m
Operating loss	£(9.4)m	£(3.8)m
Loss before tax	£(61.7)m	£(44.8)m
Total loss after tax	£(64.1)m	£(48.6)m
Basic loss per share	(5.5)p	(4.2)p

Key highlights

- FY25 results reflect continued strong commercial execution and productivity gains against a challenging market backdrop, particularly in the latter part of the year
- Group like-for-like¹ ("LFL") sales flat versus the prior year, with revenues of £2.59bn (2024: £2.61bn)
- Underlying² operating profit of £32.1m, up 28% versus the prior year (2024: £25.1m) and in line with market expectations
- Good progress on strategic actions, including those benefitting medium and longer term profitability:
 - o Group's operating companies continue to perform well relative to their markets
 - o Restructuring and productivity initiatives contributed to year over year underlying reduction in operating expenses of £39m, mitigating much of the near-term impact of lower volumes and operating cost inflation
 - o UK Interiors' performance transformed with a £9m year over year improvement in operating profit in its core Insulation and Drylining business
 - o Benelux delivered a £3.2m reduction in operating losses
- Underlying loss before tax of £20.0m; statutory loss before tax of £61.7m, reflecting £41.7m of Other items, including £29.7m of non cash impairments and £9m of restructuring costs
- Operating cash inflow³ of £43m and free cash outflow³ of £12m, reflecting strong progress on working capital initiatives
- Robust liquidity of £171m at year-end, consisting of cash balances of £81m (2024: £87m) along with undrawn RCF of £90m
- Year-end net debt of £518m (2024: £497m), including £323m (2024: £321m) of net lease liabilities; leverage unchanged at 4.7x

Commenting, Pim Vervaat, Chief Executive Officer, said:

"In 2025 the Group delivered a robust trading performance in continued difficult market conditions, and good progress in improving the underlying performance and profitability of our businesses. Cost

reduction initiatives delivered a £39m saving which enabled us to deliver 28% growth in underlying operating profit despite the challenging market backdrop.

"During my first five months at SIG, I have been impressed with the capability of our people and can see a clear opportunity to increase the value that the Group can deliver for shareholders, as outlined in our update in January.

"The Group is well positioned in markets that continue to have strong long-term growth drivers. The operating leverage benefits when markets return to growth will be significant, and further opportunities for self-help have been identified. We will focus on optimising both the business performance and the business portfolio in order to create a best-in-class growth platform for building materials distribution in Europe. In 2026 we aim to deliver further financial and strategic progress, and I look forward to working with the Board and all the SIG management teams in driving substantial value over time."

Notes

1. Like-for-like is defined as sales per working day in constant currency, excluding completed acquisitions and disposals, and adjusted to exclude the net impact of branch closures and openings.

2. Underlying represents the results before Other items. Other items relate to the amortisation of acquired intangibles, impairment charges, net restructuring costs, cloud-based ERP implementation costs, costs associated with refinancing and other specific items.

3. Free cash flow is defined as all cash flows excluding M&A transactions, dividend payments, and financing transactions. Operating cash flow represents free cash flow before interest and financing and tax.

An Investor and Analyst presentation will be available on www.sigplc.com from 7:15am UK time today. A live presentation of the results followed by Q&A, hosted by Pim Vervaat, CEO, and Ian Ashton, CFO, will take place at 10:00am UK time today.

Please click the link below to join the webinar:

https://storm-virtual-uk.zoom.us/webinar/register/WN_bKcDO5-wQGGVaUt9OCkPeA

Webinar ID:

869 0673 8129

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About

SIG plc is a leading pan-European supplier of specialist building products to trade customers across the UK, France, Germany, Ireland, Benelux and Poland. With leading market positions in specialist insulation, interiors and roofing products, SIG facilitates one-stop access to an extensive product range, provides expert technical advice and coordinates often complex delivery requirements. For suppliers, SIG offers a channel through which products can be brought to a highly fragmented market of smaller customers and sites that are of insufficient scale to supply direct. SIG employs approximately 6,500 employees across Europe and is listed on the London Stock Exchange (SHI). For more information, please visit the Company's website, www.sigplc.com.

Trading overview

Reported Group sales were 1% lower in the year. This included a net 1% negative impact from the combined effect of exchange rates, the number of working days, and branch closures and openings during the year.

during the year.

Group LFL sales were flat versus the prior year, up 1% in H1 and down 2% in H2. Subdued demand persisted across the Group's markets throughout 2025 and softened further in the final months of the year in several geographies, notably the UK, Germany and Ireland. Given this demand backdrop, pricing pressure remained elevated, and this led to a net 1% reduction in pricing in the year, despite modest increases in input costs. The impact of this was similar across H1 and H2.

LFL sales growth 2025 vs 2024	H1 Restated	H2	FY	FY25 sales £m
UK Interiors	6%	(1)%	3%	673
UK Roofing	4%	(1)%	2%	453
UK	5%	(1)%	2%	1,126
France Interiors	(7)%	(6)%	(6)%	190
France Roofing	(4)%	(5)%	(5)%	388
Germany	0%	(6)%	(3)%	432
Poland	3%	5%	5%	261
Benelux	3%	1%	2%	92
Ireland	3%	(10)%	(3)%	102
EU	(1)%	(4)%	(2)%	1,465
Group	1%	(2)%	0%	2,591

Demand in all markets remains well below historical levels, with European construction remaining at a low point in the cycle for a protracted period, without near term evidence of a meaningful recovery. Against this backdrop, our businesses continue to outperform and the majority are taking share within their end-markets.

The Group continues to make good progress on its operational initiatives, including those to drive efficiencies in costs and working capital. Most notably, the UK Interiors and Benelux businesses continue to benefit from the self-help programmes put in place last year.

In Q4 2025 we removed the separate management structure that was supporting the UK Specialist Markets businesses, and these businesses are now reported within either UK Interiors or UK Roofing. We believe these changes in management will allow us to better exploit the opportunities in these smaller specialist businesses, including synergies across our own portfolio.

Strategic progress

During 2025, the Group made good progress on its strategic goals, encompassing actions and focus on four key areas as follows:

Growth - despite the continued market weakness in 2025, we continued to deliver sales growth ahead of the market in the majority of our geographies. This was most pronounced in UK Interiors, driven by the successful turnaround programme in the UK Insulation and Drylining business, our largest business by revenue, which had a particularly strong year from a sales perspective, growing 8% in H1, 3% in H2, and 5% for the full year.

Execution - the Group has focused on improving execution in order to deliver consistent and profitable growth. In 2025 the Group continued to focus on streamlining its operating costs to mitigate the impact of weaker demand, but also to improve ongoing efficiency to drive higher margin and operating leverage when markets recover. Most notably, the UK Interiors and Benelux businesses continued to benefit from the self-help programmes put in place in Q4 2024. In December 2025, as part of the early phase of a portfolio review, we closed one of the smaller UK businesses, Mayplas, as it did not have the ability to deliver sustainable profitable growth. Across the Group as a whole, restructuring actions in 2025, including headcount reduction and realigning our branch footprint in some areas, led to a decrease in underlying operating costs of £39m, driven by these savings initiatives.

Modernisation - the progressive modernisation and digitalisation of our operations is creating an important opportunity for the Group to increase profitability and efficiency sustainably over the medium and longer term. In 2025 we continued to expand our customer facing e-commerce platforms, with our French Interiors business launching its new e-commerce site in the pilot phase in the final quarter of the year, following the launch of a similar platform in Germany in 2024. These in-house developed platforms allow us to provide a more seamless and convenient customer experience.

Specialisation - as noted above, the former UK Specialist Markets businesses are now reported within either UK Interiors or UK Roofing. Growing in higher margin categories remains a key focus and we believe these changes will allow us to better exploit the opportunities in these smaller specialist UK

believe these changes will allow us to better exploit the opportunities in these smaller specialist UK businesses, including synergies across our own portfolio. The strategic assessment being undertaken of each business in the Group is also driving clarity on areas of specialism that we can develop in the future.

Vision 2030

In January 2026, the Group outlined its new Vision 2030 strategy, with the aim of creating an agile, focused and best-in-class pan-European distribution platform in building materials. In the medium and longer term, it is expected that this can deliver an operating margin of 3%-5% through the cycle, alongside robust and predictable cash generation.

The Group's immediate priorities are to improve the operating margin through further cost and efficiency programmes, including improved procurement. This will also help maximise the upside potential from operational leverage as markets recover and revenues grow. The Group also remains committed to sustaining investment in commercial initiatives to drive continued local market outperformance.

Procurement will be a key area of enhanced focus in 2026 and beyond. The Group's current annual procurement spend is c£2.3bn, and the aim is that by applying best practice we achieve an annualised benefit of at least 1% of spend from 2027.

We will, in addition, assess opportunities to simplify and optimise the current business portfolio to enhance the Group's focus on its most attractive growth markets to accelerate outperformance and deliver value creation.

Sustainability

While improving the Group's financial performance remains the key priority, we also made improvements in many of the Group's sustainability metrics during the year. Operational carbon emissions were lowered by 1%, and we further reduced waste that goes to landfill and completed our five-year focus period for our waste improvement programme. Despite the actions taken to reduce headcount and costs, the Group's employee engagement levels remained broadly stable, with our businesses keeping employee engagement as a key priority.

Balance Sheet

Continued focus on working capital management drove an improved performance in operating cash flow and resulted in a material reduction of the free cash outflow in the year to £12.0m (2024: £38.6m). This, along with some favourable currency movements, resulted in year end cash balances of £81.3m (2024: £87.4m). The Group's revolving credit facility ("RCF") of £90m was undrawn throughout 2025 and remains undrawn at the date of this report. Maintaining healthy liquidity headroom remains a key priority for 2026, and additional facilities are now available, specifically receivables factoring in selected markets, to support this.

Year-end net debt was £518.2m (2024: £497.3m). Combined with the higher profitability in the year, this resulted in year-end leverage of 4.7x (2024: 4.7x). Year-end net debt excluding lease liabilities was £194.9m (2024: £175.9m). Net lease liabilities, including an unfavourable currency movement, increased by £1.9m. Bond debt, including accrued interest, increased by £14.9m due to an unfavourable currency movement.

Dividend

No dividend will be paid for 2025. The Board reiterates its commitment to return to paying a dividend, appropriately covered by underlying earnings, when it is prudent to do so. Continued successful strategic execution, including sensible investment where appropriate, will deliver sustainable, profitable growth and cash generation as markets recover, allowing the Board to consider a range of capital allocation options.

Outlook

The Group continues to expect softness in market conditions in 2026 and, to the extent there is a recovery, that it is more likely to materialise in the second half of the year. Trading in the first weeks of 2026 has also been adversely affected by particularly poor weather across Europe, and as a result LFL sales for the first two months of the year have been weaker than expected. We expect improvement over the balance of the year, along with continued progress on self-help measures on both costs and working capital. We therefore expect to deliver further financial and strategic progress in 2026, and expect to maintain healthy levels of liquidity throughout the year.

The operational gearing in our business model applies equally strongly in conditions of rising demand, and the Group remains well positioned to benefit from the market recovery when it occurs. This also underpins the Board's confidence that the Group will deliver its targeted 3-5% operating margin range in

underpins the Board's confidence that the Group will deliver its targeted 9-10% operating margin range in the medium-term. This, combined with our focus on portfolio optimisation, which will continue at pace throughout 2026, will support the Board's overarching goal of delivering meaningful value creation over the medium and long-term.

FINANCIAL REVIEW

The Group again managed effectively the impact of challenging market conditions during 2025. At an underlying profit level, the effects of continuing subdued demand and marginally falling prices were more than mitigated by significant cost reduction, including ongoing restructuring and productivity initiatives, and solid progress on working capital initiatives. These actions also position the business to deliver a step-up in profitability and cash generation when markets return to growth. The Group has maintained robust liquidity and continued to invest in support of its commercial initiatives, enabling the businesses to outperform their local markets.

Revenue

Group revenue of £2,591.0m (2024: £2,611.8m) was 1% lower on a reported basis, including a net 1% negative impact from the combined effect of exchange rates, the number of working days, and branch closures and openings during the year. LFL revenues, which are adjusted to exclude the impact of branch closures and openings, were flat year-on-year. Within this, the impact of sales price deflation was approximately 1%.

Operating costs and profit

Gross profit decreased 2.0% to £627.1m (2024: £640.0m) at a gross profit margin of 24.2% (2024: 24.5%). The reduction in gross margin reflects greater than normal pricing pressure as a result of the weak demand environment.

The Group's operating costs decreased by 3.2% to £595.0m (2024: £614.9m). The decrease was primarily due to savings initiatives, including restructuring actions taken from H2 2023 onwards, partially offset by inflation, with the biggest impact of the latter being on wages and salaries. Operating costs in the year also benefited from £3.5m profit on the sale of properties in France Roofing and Poland.

The Group's underlying operating profit increased to £32.1m (2024: £25.1m), at an operating margin of 1.2% (2024: 1.0%). The reported operating loss was £9.4m (2024: £3.8m) after Other items of £41.5m (2024: £28.9m). Other items includes £23.4m impairment of goodwill and intangibles relating to Miers and other former UK Specialist Markets businesses, £6.3m impairment of right-of-use assets in the UK Interiors business, £9.0m of restructuring costs and £1.3m of ERP implementation costs.

Segmental analysis

UK

	Revenue 2025 £m	Revenue restated 2024 £m	LFL sales vs 2024	Underlying operating profit 2025 £m	Underlying operating profit restated 2024 £m
UK Interiors	673.1	665.0	3%	7.7	0.6
UK Roofing	453.4	448.7	2%	14.3	13.9
UK	1,126.5	1,113.7	2%	22.0	14.5

Following a change in the UK management structure announced in November 2025, we now report two segments in the UK, with the various Specialist Markets businesses separated out and reported within Interiors and Roofing. The 2024 segmental information has been restated in order to present it on a consistent basis with the 2025 numbers.

Revenue in UK Interiors, a specialist insulation, interiors and construction accessories distribution business, increased 1% to £673.1m (2024: £665.0m). LFL revenue was up 3% year-on-year, with the business outperforming the market. The increase in revenue and good progress on operating cost reductions, which were only partially offset by the impact of pricing pressure on the gross margin, resulted in the business reporting an improved profit of £7.7m (2024: £0.6m). The Insulation and Drylining business that forms the majority of UK Interiors had a particularly strong year from a sales perspective, growing 8% LFL in H1, 3% in H2, and 5% for the full year. Its resulting turnaround in profit was the driver of the profit improvement in UK Interiors as a whole.

Revenue in UK Roofing, a specialist roofing merchant, which now also includes our Building Solutions business, increased 1% to £453.4m (2024: £448.7m), with LFL revenue up 2%. This was despite a weak

market, and was driven by the business's successful execution of its multi-year programme of business development and growth initiatives. Operating margin was stable, and this resulted in an operating profit of £14.3m (2024: £13.9m).

France

	Revenue 2025 £m	Revenue 2024 £m	LFL sales vs 2024	Underlying operating profit 2025 £m	Underlying operating profit 2024 £m
France Interiors	189.9	200.4	(6)%	4.8	6.2
France Roofing	388.4	410.1	(5)%	9.7	8.0
France	578.3	610.5	(5)%	14.5	14.2

France Interiors, a structural insulation and interiors business trading as LiTT, saw reported revenue decrease by 5% to £189.9m (2024: £200.4m), and by 6% on a LFL basis. This was driven by lower market demand, particularly in the new-build residential segment. The revenue decline, coupled with increased margin pressure, resulted in a £1.4m decrease in underlying operating profit to £4.8m (2024: £6.2m).

Revenue in France Roofing, a specialist roofing business trading as Larivière, decreased by 5% to £388.4m (2024: £410.1m), and also by 5% on a LFL basis. Demand and volumes were lower due to continued softening of the new-build market and input price deflation. The decreases in revenue and gross margin were more than offset by reduced operating costs and also £3.0m of profit on the disposal of certain properties, resulting in an operating profit increase of £1.7m to £9.7m (2024: £8.0m).

Germany

	Revenue 2025 £m	Revenue 2024 £m	LFL sales vs 2024	Underlying operating profit 2025 £m	Underlying operating profit 2024 £m
Germany	432.5	438.5	(3)%	1.3	4.7

Revenue in Wego/Vti, our specialist insulation and interiors distribution business in Germany, decreased 1% to £432.5m (2024: £438.5m). LFL revenue decreased 3%, though the business outperformed a soft overall market. Gross margin percentage remained stable year-on-year, whilst operating costs increased marginally, with inflation being mostly offset by cost savings, resulting in lower operating profit of £1.3m (2024: £4.7m).

Poland

	Revenue 2025 £m	Revenue 2024 £m	LFL sales vs 2024	Underlying operating profit 2025 £m	Underlying operating profit 2024 £m
Poland	260.5	241.4	5%	4.0	4.6

In our Polish business, a market-leading distributor of insulation and interiors products, revenue increased to £260.5m (2024: £241.4m), representing an 8% increase on a reported basis and 5% on a LFL basis. The impact of a weak market was more than offset by further improvements in our market position. However, the impact of this sales growth was more than offset by pricing pressure and operating cost inflation, resulting in lower operating profit of £4.0m (2024: £4.6m).

Benelux

	Revenue 2025 £m	Revenue 2024 £m	LFL sales vs 2024	Underlying operating (loss) 2025 £m	Underlying operating (loss) 2024 £m
Benelux	91.6	103.6	2%	(1.3)	(4.5)

Reported revenue from the Group's business in Benelux decreased to £91.6m (2024: £103.6m) with a c13% impact from the strategic decision to close seven branches in late 2024. LFL revenue, adjusted for these branch closures, was up 2%, helped by an inflationary tailwind. Gross margin improved due to favourable product mix in the remaining branches. The closures generated material operating cost savings, resulting in a lower underlying operating loss of £1.3m (2024: loss of £4.5m).

Ireland

	Revenue 2025 £m	Revenue 2024 £m	LFL sales vs 2024	Underlying operating profit 2025 £m	Underlying operating profit 2024 £m
Ireland	101.6	104.1	(3)%	2.7	3.3

Our business in Ireland comprises a specialist distributor of interiors and exteriors, and three separate specialist contracting businesses offering office fit-out, industrial infrastructure coatings services and kitchen/bathroom interiors fit-out. Revenue decreased by 2% to £101.6m (2024: £104.1m), and by 3% on a LFL basis, driven by a deterioration in the market in H2. This, coupled with operating cost inflation, resulted in reduced operating profit of £2.7m (2024: £3.3m).

Reconciliation of underlying to statutory result

Other items, being items excluded from underlying results, amounted to a charge of £41.7m for the year (2024: £30.5m) on a pre-tax basis and are summarised in the table below:

	2025 £m	2024 £m
Underlying loss before tax	(20.0)	(14.3)
Other items - impacting profit before tax		
Amortisation of acquired intangibles	(2.1)	(2.1)
Impairment charges	(29.7)	(7.3)
Cloud-based ERP implementation costs	(1.3)	(1.0)
Net restructuring costs	(9.0)	(13.4)
Costs associated with refinancing	-	(3.9)
Other specific items	0.6	(1.2)
Non-underlying finance costs	(0.2)	(1.6)
Total Other items	(41.7)	(30.5)
Statutory loss before tax	(61.7)	(44.8)

Other items are disclosed separately in order to provide a better indication of the underlying earnings of the Group. Further details of other items in 2025 are as follows:

- Non-cash impairment charges in the year relate to right-of-use asset impairment in the UK Interiors business (£6.3m) and impairment of goodwill and other intangible assets in the Miers and other former UK Specialist Markets businesses (£23.4m), as a result of a reduction in future cash flow forecasts due to continued challenging market conditions.
- Net restructuring costs in the year comprised £2.8m of redundancy and related staff costs and £6.2m of branch closure costs. The latter includes £4.2m non-cash impairment of right-of-use assets and tangible fixed assets, of which £3.5m relates to a head office property which is no longer being fully occupied by the Group, offset by £1.1m gain on lease terminations, all related to restructuring across the Group.
- Cloud-based ERP implementation costs relate to project configuration and customisation costs associated with strategic cloud computing arrangements, which are expensed, rather than being capitalised as intangible assets.
- Other specific items comprised income relating to an investment property no longer in use by the Group and other credits relating to the finalisation of amounts included in previous years.

Taxation

The effective tax rate for the Group on the total loss before tax of £61.7m (2024: £44.8m loss) is a "negative tax rate" of 3.9% (2024: negative 8.5%).

The tax charge for the year of £2.4m is related to taxable profits made in the majority of our EU markets. Tax losses in the UK and Benelux, which cannot be surrendered or utilised cross border, are not currently recognised as deferred tax assets, and this impacts the effective tax rate. Due to a reduction of the profit before tax in the overseas operating companies and the ongoing losses in the UK, the Group has generated an overall loss before tax which, alongside the positive P&L tax charge in the overseas operating companies, has resulted in the negative effective tax rate.

In accordance with UK legislation, the Group publishes an annual tax strategy, which is available on our website (www.sigplc.com).

Pensions

The Group operates a number of pension schemes, four of which provide defined benefits based upon pensionable salary. One of these schemes, in the UK, has assets held in a separate trustee administered fund, and three are overseas book reserve schemes. The largest defined benefit pension

scheme is the UK scheme, which was closed to further accrual in 2016.

The Group's total pension charge for the year, including amounts charged to interest after Other items, was £7.5m (2024: £8.3m), of which a charge of £1.0m (2024: £1.1m) related to defined benefit pension schemes and £6.5m (2024: £7.2m) related to defined contribution schemes.

The total net liability in relation to defined benefit pension schemes at 31 December 2025 was £16.4m (2024: £18.2m). The latest triennial actuarial valuation of the UK scheme was as at 31 December 2022 and was concluded in March 2024. The scheme remains well funded. The next triennial valuation as at 31 December 2025 has recently commenced.

Financial position

Overall, the net assets of the Group decreased by £59.3m to £120.5m (2024: £179.8m), with a cash position at year end of £81.3m (2024: £87.4m) and net debt of £518.2m (2024: £497.3m), which includes net lease liabilities of £323.3m (2024: £321.4m). Excluding lease liabilities net debt was £194.9m (2024: £175.9m).

The movement in net debt mainly reflects the movement in cash noted below. Net lease liabilities increased by £1.9m in the year, including an unfavourable currency impact.

Cash flow

	2025 £m	2024 £m
Underlying operating profit	32.1	25.1
Add back: Depreciation	77.4	78.9
Add back: Amortisation	0.7	1.2
Underlying EBITDA	110.2	105.2
Decrease/(increase) in working capital	28.5	(6.6)
Repayment of lease liabilities	(70.0)	(67.5)
Capital expenditure	(16.0)	(16.1)
Other	(0.7)	2.2
Operating cash flow pre exceptional cash items¹	52.0	17.2
Cash exceptional items	(9.3)	(13.0)
Operating cash flow¹	42.7	4.2
Interest and financing	(51.2)	(34.8)
Tax	(3.5)	(8.0)
Free cash flow¹	(12.0)	(38.6)
Acquisitions and investments	-	(8.4)
(Repayment)/drawdown of debt	(0.8)	7.3
Total cash flow	(12.8)	(39.7)
Cash and cash equivalents at beginning of the year ²	87.4	132.2
Effect of foreign exchange rate changes	6.7	(5.1)
Cash and cash equivalents at end of the year²	81.3	87.4

1. Operating cash flow represents free cash flow before interest and financing and tax. Free cash flow is defined as all cash flows excluding M&A transactions, dividend payments and financing transactions.

2. Cash and cash equivalents at 31 December 2025 comprise cash at bank and on hand of £81.3m (2024: £87.4m) less bank overdrafts of £nil (2024: £nil).

During the period, the Group delivered £52.0m of operating cash flow before exceptional cash spend, which represents a 162% conversion of the underlying operating profit. Post exceptional cash, the conversion was 133%. The higher profit in the year and continued working capital discipline were the key drivers of higher year-on-year operating cash flow, partially offset by slightly higher lease repayments. The Group reported a free cash outflow of £12.0m (2024: £38.6m). This improvement versus the prior year resulted from the improved operating cash flow, partially offset by the increased interest payments following the refinancing in October 2024.

Capex during the year was £16.0m (2024: £16.1m).

"Other" in the cash flow includes payments to the Employee Benefit Trust of £1.7m (2024: £0.8m) to fund share plans, £2.5m payment to the defined benefit pension scheme in the UK, add back of non-cash P&L items, provision movements, and proceeds on sale of property, plant and equipment. Cash exceptional items are those that are related to Other items in the Consolidated income statement, and include restructuring costs and ERP implementation costs.

Financing and funding

The Group's debt funding comprises €300m of 9.75% and €13.5m of 5.25% fixed rate secured notes, maturing in October 2029 and November 2026 respectively, and an RCF of £90m which matures in April

2029. The secured notes are subject to incurrence-based covenants only. The RCF has a leverage maintenance covenant that was set at 6.5x for 2025, and is set at 5.5x for 2026 and 5.0x thereafter, all of which only apply if the facility is over 40% drawn at a quarter end reporting date. The RCF was undrawn throughout 2025, and remains undrawn at the date of this report.

The Group's liquidity position remained robust throughout 2025, and at the end of the period stood at £171m, consisting of cash of £81m and the £90m undrawn RCF noted above.

	2025	2024
	£m	£m
Cash and cash equivalents at end of the year	81.3	87.4
Undrawn RCF at end of the year	90.0	90.0
Liquidity	171.3	177.4
Net debt	518.2	497.3
Leverage	4.7x	4.7x

Directors' responsibility statement on the Annual Report

The responsibility statement below has been prepared in connection with the Company's full Annual Report for the year ended 31 December 2025. Certain parts solely thereof are not included within this announcement.

We confirm that to the best of our knowledge:

- (a) the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- (b) the Strategic report includes a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- (c) the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 3 March 2026 and signed on its behalf by:

By order of the Board

Pim Vervaat
Director
3 March 2026

Ian Ashton
Director
3 March 2026

Cautionary statement

The securities of the Group have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, pledged or transferred, directly or indirectly, in, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any relevant state or other jurisdiction of the United States. There has been and will be no public offering of the securities of the Group in the United States.

This announcement has been prepared to provide the Company's shareholders with a fair review of the business of the Group and a description of the principal risks and uncertainties facing it. It may not be relied upon by anyone, including the Company's shareholders, for any other purpose.

This announcement contains forward-looking statements that are subject to risk factors including the economic and business circumstances occurring from time to time in countries and markets in which the Group operates and risk factors associated with the building and construction sectors. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions because they relate to events and/or depend on circumstances that may or may not occur in the future and could cause actual results and outcomes to differ materially from those expressed in or implied by the forward-looking statements. No assurance can be given that the forward-looking statements in this announcement will be realised. Statements about the Directors' expectations, beliefs, hopes, plans,

intentions and strategies are inherently subject to change and they are based on expectations and assumptions as to future events, circumstances and other factors which are in some cases outside the Group's control. Actual results could differ materially from the Group's current expectations.

It is believed that the expectations set out in these forward-looking statements are reasonable but they may be affected by a wide range of variables, which could cause actual results or trends to differ materially, including but not limited to, changes in risks associated with the level of market demand, fluctuations in product pricing and changes in foreign exchange and interest rates.

The Company's shareholders are cautioned not to place undue reliance on the forward-looking statements. This announcement has not been audited or otherwise independently verified. The information contained in this announcement has been prepared on the basis of the knowledge and information available to Directors at the date of its preparation and the Company does not undertake any obligation to update or revise this announcement during the financial year ahead.

Consolidated income statement

For the year ended 31 December 2025

	Note	Underlying ¹ 2025 £m	Other items ¹ 2025 £m	Total 2025 £m	Underlying ¹ 2024 £m	Other items ¹ 2024 £m	Total 2024 £m
Revenue	2	2,591.0	-	2,591.0	2,611.8	-	2,611.8
Cost of sales		(1,963.9)	-	(1,963.9)	(1,971.8)	-	(1,971.8)
Gross profit		627.1	-	627.1	640.0	-	640.0
Other operating expenses	3	(592.4)	(41.5)	(633.9)	(609.1)	(28.9)	(638.0)
Impairment losses on trade receivables	3	(6.1)	-	(6.1)	(5.8)	-	(5.8)
Gain on disposal of property	3	3.5	-	3.5	-	-	-
Operating profit/(loss)		32.1	(41.5)	(9.4)	25.1	(28.9)	(3.8)
Finance income	4	1.7	-	1.7	2.7	-	2.7
Finance costs	4	(53.8)	(0.2)	(54.0)	(42.1)	(1.6)	(43.7)
Loss before tax		(20.0)	(41.7)	(61.7)	(14.3)	(30.5)	(44.8)
Income tax (expense)/credit	5	(2.7)	0.3	(2.4)	(5.4)	1.6	(3.8)
Loss after tax		(22.7)	(41.4)	(64.1)	(19.7)	(28.9)	(48.6)
Attributable to:							
Equity holders of the Company		(22.7)	(41.4)	(64.1)	(19.7)	(28.9)	(48.6)
Loss per share							
Basic	6			(5.5)p			(4.2)p
Diluted	6			(5.5)p			(4.2)p

¹ Underlying represents the results before Other items. Other items have been disclosed separately in order to give an indication of the underlying earnings of the Group. Further details are disclosed in Note 3.

Consolidated statement of comprehensive income

For the year ended 31 December 2025

	2025 £m	2024 £m
Loss after tax for the year	(64.1)	(48.6)
Items that will not subsequently be reclassified to the Consolidated income statement:		
Remeasurement of defined benefit pension liability	0.2	(0.2)
Deferred tax movement associated with remeasurement of defined benefit pension liability	(0.2)	-
	-	(0.2)
Items that may subsequently be reclassified to the Consolidated income statement:		
Exchange difference on retranslation of foreign currency goodwill and intangibles	2.6	(2.2)
Exchange difference on retranslation of foreign currency net investments (excluding goodwill and intangibles)	14.1	(13.1)
Exchange and fair value movements associated with borrowings and derivative financial instruments	(14.5)	12.3
Losses on cash flow hedges	-	(1.1)
Transfer to profit and loss on cash flow hedges	1.2	1.0
	3.4	(3.1)
Other comprehensive income/(expense)	3.4	(3.3)
Total comprehensive expense	(60.7)	(51.9)

Attributable to:

Attributable to:		
Equity holders of the Company	(60.7)	(51.9)

Consolidated balance sheet

As at 31 December 2025

	Note	2025 £m	2024 £m
Non-current assets			
Property, plant and equipment		67.7	64.9
Right-of-use assets		248.2	250.3
Goodwill		115.6	129.0
Intangible assets		2.4	12.5
Lease receivables		1.6	1.9
Deferred tax assets		5.1	4.6
Non-current financial assets		0.2	0.3
		440.8	463.5
Current assets			
Inventories		257.0	253.8
Lease receivables		0.3	0.3
Trade and other receivables		359.9	370.8
Current tax assets		1.5	2.3
Current financial assets		0.2	0.1
Cash at bank and on hand		81.3	87.4
		700.2	714.7
Total assets		1,141.0	1,178.2
Current liabilities			
Trade and other payables		370.9	358.6
Lease liabilities		69.1	64.9
Interest-bearing loans and borrowings		16.5	5.2
Derivative financial instruments		0.2	1.3
Current tax liabilities		0.1	1.7
Provisions	10	5.1	7.6
		461.9	439.3
Non-current liabilities			
Lease liabilities		256.1	258.7
Interest-bearing loans and borrowings		259.7	256.9
Derivative financial instruments		-	0.1
Other payables		2.5	2.8
Retirement benefit obligations		16.4	18.2
Provisions	10	23.9	22.4
		558.6	559.1
Total liabilities		1,020.5	998.4
Net assets		120.5	179.8
Capital and reserves			
Called up share capital		118.2	118.2
Treasury shares reserve		(6.1)	(8.6)
Capital redemption reserve		0.3	0.3
Share option reserve		6.7	7.8
Hedging and translation reserves		4.1	0.7
Cost of hedging reserve		0.1	0.1
Merger reserve		92.5	92.5
Retained losses		(95.3)	(31.2)
Attributable to equity holders of the Company		120.5	179.8
Total equity		120.5	179.8

Consolidated statement of changes in equity

For the year ended 31 December 2025

	Called up share capital £m	Treasury shares reserve £m	Capital redemption reserve £m	Share option reserve £m	Hedging and translation reserves £m	Cost of hedging reserve £m	N re
As at 1 January 2024	118.2	(11.6)	0.3	7.6	3.8	0.1	
Loss after tax	-	-	-	-	-	-	
Other comprehensive expense	-	-	-	-	(3.1)	-	
Total comprehensive expense	-	-	-	-	(3.1)	-	
Purchase of treasury shares	-	(0.9)	-	-	-	-	
Credit to share option reserve	-	-	-	4.1	-	-	
Settlement of share options	-	3.9	-	(3.9)	-	-	
As at 31 December 2024	118.2	(8.6)	0.3	7.8	0.7	0.1	
Loss after tax	-	-	-	-	-	-	
Other comprehensive income	-	-	-	-	3.4	-	

Other comprehensive income					
Total comprehensive income/(expense)	-	-	-	-	3.4
Purchase of treasury shares	-	(1.6)	-	-	-
Credit to share option reserve	-	-	-	3.0	-
Settlement of share options	-	4.1	-	(4.1)	-
As at 31 December 2025	118.2	(6.1)	0.3	6.7	4.1

The share option reserve represents the cumulative equity-settled share option charge under IFRS 2 "Share-based payment" less the value of any share options that have been exercised.

The hedging and translation reserves represent movements in the Consolidated balance sheet as a result of movements in exchange rates and movements in the fair value of cash flow hedges which are reflected in equity through Other comprehensive income.

Treasury shares relate to shares purchased by the SIG Employee Benefit Trust to satisfy awards made under the Group's share plans which are not vested and beneficially owned by employees.

The merger reserve represents the premium on ordinary shares issued in a previous year through the use of a cash box structure.

Consolidated cash flow statement

For the year ended 31 December 2025

	Note	2025 £m	2024 £m
Net cash flow from operating activities			
Cash generated from operating activities	7	123.5	83.5
Income tax paid		(3.5)	(8.0)
Net cash generated from operating activities		120.0	75.5
Cash flows from investing activities			
Finance income received		1.7	2.7
Purchase of property, plant and equipment and computer software		(16.0)	(16.1)
Initial direct costs of right-of-use assets		(0.1)	(0.6)
Proceeds from sale of property, plant and equipment		6.9	1.8
Settlement of amounts payable for previous purchases of businesses		-	(4.4)
Net cash flow from investing activities		(7.5)	(16.6)
Cash flows from financing activities			
Finance costs paid		(52.9)	(37.5)
Repayment of lease liabilities		(70.0)	(67.5)
Repayment of borrowings		(0.8)	(239.7)
Proceeds from borrowings		-	247.0
Acquisition of treasury shares		(1.6)	(0.9)
Net cash flow from financing activities		(125.3)	(98.6)
Decrease in cash and cash equivalents in the year	8	(12.8)	(39.7)
Cash and cash equivalents at beginning of the year ¹		87.4	132.2
Effect of foreign exchange rate changes		6.7	(5.1)
Cash and cash equivalents at end of the year¹		81.3	87.4

¹ Cash and cash equivalents comprise cash at bank and on hand of £81.3m (2024: £87.4m) less bank overdrafts of £nil (2024: £nil).

1. Basis of preparation

The Group's financial information has been prepared in accordance with the recognition and measurement requirements of UK adopted international accounting standards. It has been prepared on a basis consistent with that adopted in the previous year. The Financial statements have been prepared under the historical cost convention except for derivative financial instruments and unquoted investments which are stated at their fair value.

Whilst the financial information included in this Preliminary Results Announcement has been prepared in accordance with the recognition and measurement criteria of IFRS, this announcement does not itself contain

sufficient information to comply with IFRS. The Preliminary Results Announcement does not constitute the Company's statutory accounts for the years ended 31 December 2025 and 31 December 2024 within the meaning of Section 435 of the Companies Act 2006 but is derived from those statutory accounts.

The Group's statutory accounts for the year ended 31 December 2024 have been filed with the Registrar of Companies, and those for 2025 will be delivered following the Company's Annual General Meeting. The Auditor has reported on the statutory accounts for 2025 and 2024. Their report for 2025 and 2024 was (i) unqualified, (ii) included no matters to which the auditor drew attention by way of emphasis and (iii) did not contain statements under Sections 498 (2) or 498 (3) of the Companies Act 2006 in relation to the financial statements.

Disclosure restatement - segmental reporting

Reported operating segments for the UK have been changed during the year to align with changes in the UK leadership structure, and the segmental reporting disclosure has been updated to reflect the way in which information is reported to the Chief Operating Decision Maker. The prior year comparatives have been restated to be consistent with the current year presentation.

Going concern

The Group closely monitors its funding position throughout the year, including monitoring compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations.

The Group's financing facilities comprise €300m fixed rate secured notes, due October 2029, €13.5m fixed rate secured notes, due November 2026, and a £90m Revolving Credit Facility (RCF) that expires in April 2029. One of the trading businesses also has a £0.5m bank loan repayable over the period to June 2026. The secured notes are subject to incurrence-based covenants only, and the RCF has a leverage maintenance covenant which is only effective if the facility is over 40% (i.e. £36m) drawn at a quarter end reporting date. The RCF was undrawn at 31 December 2025 and has remained undrawn at the date of this report.

The Group has adequate available liquidity and on the basis of current forecasts is expected to remain in compliance with all banking covenants throughout the forecast period to 31 March 2027 ("the going concern period").

The Directors have considered the Group's forecasts which support the view that the Group will be able to continue to operate within its banking facilities and comply with its banking covenants. The Directors have considered the following principal risks and uncertainties that could potentially impact the Group's ability to fund its future activities and adhere to its banking covenants, including:

- prolonged challenging trading conditions in the Group's larger businesses, leading to lower volumes;
- pricing pressure on sales and modest net input cost deflation; and
- current economic and political uncertainties, potentially further impacting market demand.

The forecasts on which the going concern assessment is based have been subject to sensitivity analysis and stress testing to assess the impact of the above risks and the Directors have also reviewed mitigating actions that could be taken. Following two years of market-driven downturn in 2023 and 2024, with LFL revenue declines of 2% and 4% respectively, subdued demand persisted across the Group's markets in 2025, with demand remaining well below historical levels and markets experiencing longer than anticipated delays to the start of meaningful recovery, resulting in flat LFL revenue for the year. Continued market uncertainty, alongside continued market share gains, is reflected in the base forecasts for 2026. Further progress is also expected on working capital. A severe but plausible downside scenario has been modelled, which factors in a reduction in revenue from the base forecast (and a reduction from the 2025 actual revenue), together with a reduction in gross margin, and results in a 61% reduction in underlying operating profit from the base forecast for the 12 months to 31 March 2027. Certain mitigations are also included, for example delaying planned headcount increases, reducing discretionary spend and delaying non-essential capital expenditure. Under this scenario the analysis shows that sufficient cash would be available without triggering a breach of the leverage covenant at a relevant quarter end date.

Reverse stress testing has also been performed, which shows that the Group could withstand up to an 8% reduction in revenue from the base forecasts for the nine months to the forecast liquidity low point of 30 September 2026, or up to 14% reduction for the 12 months to 31 March 2027, before triggering a covenant breach. Up to £90m RCF is available to meet working capital requirements during the month, providing this is reduced to £20m before the quarter end date if the leverage covenant is expected to be breached. Further cash

reduced to £36m before the quarter end date if the leverage covenant is expected to be breached. Further cash phasing mitigations would also be available to avoid the requirement to draw over £36m at a quarter end date if required.

The Directors have considered the impact of climate-related matters on the going concern assessment and this is not expected to have a significant impact on the Group's going concern assessment to 31 March 2027.

On consideration of the above, the Directors believe that the Group has adequate resources to continue in operational existence for the forecast period to 31 March 2027 and the Directors therefore consider it is appropriate to adopt the going concern basis in preparing the 2025 Consolidated financial statements.

New standards, interpretations and amendments adopted

The Group has adopted the following amendments which apply for the first time in 2025:

- Amendments to IAS 21: The effects of changes in foreign exchange rates

This did not have any impact on the Financial statements of the Group.

2. Revenue and segmental information

In accordance with IFRS 8 "Operating Segments", the Group identifies its reportable operating segments based on the way in which financial information is reviewed and business performance is assessed by the CODM. Reportable operating segments are grouped on a geographical basis.

2025	UK Interiors £m	UK Roofing £m	Total UK £m	France Interiors £m	France Roofing £m	Total France £m	Germany £m	Benelux £m
Type of product								
Interiors	673.1	-	673.1	189.9	-	189.9	432.5	91.6
Exteriors	-	453.4	453.4	-	388.4	388.4	-	-
Inter-segment revenue	2.4	2.5	4.9	0.1	10.3	10.4	-	-
Total underlying and statutory revenue	675.5	455.9	1,131.4	190.0	398.7	588.7	432.5	91.6
Nature of revenue								
Goods for resale (recognised at point in time)	675.5	455.9	1,131.4	190.0	398.7	588.7	432.5	91.6
Construction contracts (recognised over time)	-	-	-	-	-	-	-	-
Total underlying and statutory revenue	675.5	455.9	1,131.4	190.0	398.7	588.7	432.5	91.6
Segment result before Other items	7.7	14.3	22.0	4.8	9.7	14.5	1.3	(1.3)
Parent company costs								
Underlying operating profit								
Other items (Note 3)								
Operating loss								
Net finance costs before Other items								
Non-underlying finance costs								
Loss before tax								
Income tax expense								
Loss for the year								

2024 (Restated) ¹	UK Interiors £m	UK Roofing £m	Total UK £m	France Interiors £m	France Roofing £m	Total France £m	Germany £m	Benelux £m
Type of product								
Interiors	665.0	-	665.0	200.4	-	200.4	438.5	103.6
Exteriors	-	448.7	448.7	-	410.1	410.1	-	-
Inter-segment revenue	4.7	2.8	7.5	0.1	11.8	11.9	-	-
Total underlying and statutory revenue	669.7	451.5	1,121.2	200.5	421.9	622.4	438.5	103.6
Nature of revenue								
Goods for resale (recognised at point in time)	669.7	451.5	1,121.2	200.5	421.9	622.4	438.5	103.6

Construction contracts (recognised over time)	-	-	-	-	-	-	-	-
Total underlying and statutory revenue	669.7	451.5	1,121.2	200.5	421.9	622.4	438.5	103.6
Segment result before Other items	0.6	13.9	14.5	6.2	8.0	14.2	4.7	(4.5)
Parent company costs								
Underlying operating profit								
Other items (Note 3)								
Operating loss								
Net finance costs before Other items								
Non-underlying finance costs								
Loss before tax								
Income tax expense								
Loss for the year								

Other segment information

2025	UK Interiors £m	UK Roofing £m	UK Total £m	France Interiors £m	France Roofing £m	France Total £m	Germany £m	Benelux £m
Depreciation and amortisation of fixed assets, right-of-use assets and computer software	12.3	15.0	27.3	8.6	13.1	21.7	18.2	1.8
Profit on sale of property	-	-	-	-	3.0	3.0	-	-

2024 (Restated) ¹	UK Interiors £m	UK Roofing £m	UK Total £m	France Interiors £m	France Roofing £m	France Total £m	Germany £m	Benelux £m
Depreciation and amortisation of fixed assets, right-of-use assets and computer software	15.7	15.2	30.9	8.0	13.2	21.2	17.0	2.0

¹ The 2024 segmental information has been restated in order to present on a consistent basis with the current year, as explained in Note 1.

Geographic information

The Group's non-current operating assets (including property, plant and equipment, right-of-use assets, goodwill and intangible assets but excluding lease receivables, deferred tax and financial assets) by geographical location are as follows:

	2025 £m	2024 £m
United Kingdom	195.7	225.0
Ireland	13.3	14.6
France	130.8	129.1
Germany	65.6	60.0
Poland	21.6	21.0
Benelux	6.9	7.0
Total	433.9	456.7

3. Operating expenses

a) Analysis of operating expenses

	2025			2024		
	Before Other items £m	Other items £m	Total £m	Before Other items £m	Other items £m	Total £m
Operating expenses:						
Distribution costs	312.7	3.2	315.9	316.1	10.3	326.4
Selling and marketing costs	167.0	0.7	167.7	172.5	1.1	173.6
Management administrative						

management, administrative and central costs	112.7	37.6	150.3	120.5	17.5	138.0
Total other operating expenses	592.4	41.5	633.9	609.1	28.9	638.0
Impairment losses on trade receivables	6.1	-	6.1	5.8	-	5.8
Gain on disposal of property	(3.5)	-	(3.5)	-	-	-
Total net operating expenses	595.0	41.5	636.5	614.9	28.9	643.8

b) Other items

Loss after tax includes the following Other items which have been disclosed in a separate column within the Consolidated income statement in order to provide a better indication of the underlying earnings of the Group:

	2025			2024		
	Other items £m	Tax impact £m	Tax impact %	Other items £m	Tax impact £m	Tax impact %
Amortisation of acquired intangibles	(2.1)	0.1	4.8%	(2.1)	0.1	4.8%
Impairment charges ¹	(29.7)	-	-	(7.3)	-	-
Net restructuring costs ² Cloud-based ERP implementation costs ³	(9.0)	0.1	1.1%	(13.4)	1.0	7.5%
Costs associated with refinancing ⁴	(1.3)	0.2	15.4%	(1.0)	0.2	20.0%
Other specific items ⁵	-	-	-	(3.9)	-	-
	0.6	(0.1)	16.7%	(1.2)	0.3	25.0%
Impact on operating profit	(41.5)	0.3	0.7%	(28.9)	1.6	5.5%
Non-underlying finance costs ⁶	(0.2)	-	-	(1.6)	-	-
Impact on loss before tax	(41.7)	0.3	0.7%	(30.5)	1.6	5.2%

¹ Impairment charges in the current year comprise £20.7m impairment of goodwill and intangibles in the Mers CGU, £2.7m impairment of goodwill and intangibles in the former UK Specialist Markets CGU and £6.3m impairment of right-of-use assets in the UK Interiors CGU. The charge in the prior year related to the impairment of right-of-use assets in the UK Interiors CGU.

² Net restructuring costs in the year comprise £2.8m (2024: £6.5m) redundancy and related staff costs and £6.2m (2024: £6.9m) other branch closure and impairment costs. The latter includes £4.2m (2024: £2.9m) impairment of right-of-use assets and tangible fixed assets, of which £3.5m relates to a head office property which is no longer being fully utilised by the Group, offset by £1.1m gain on lease terminations, all related to restructuring across the Group.

³ Cloud based ERP implementation costs relate to costs incurred on strategic projects which are expensed as incurred rather than being capitalised as intangible assets.

⁴ Costs associated with refinancing in the prior year related to legal and professional fees incurred in connection with the refinancing of the Group's debt arrangements.

⁵ Other specific items in the current year includes £0.3m credit following the finalisation of a property lease dispute provided for in the prior year, together with sublease income relating to an investment property no longer in use by the Group and other small credits relating to amounts included in Other items in previous years. In the prior year, other specific items comprised the estimated impact of a property lease dispute, including impairment of right-of-use and fixed assets of £0.7m, and costs relating to the investment property no longer in use by the Group which has been sublet in the current year.

⁶ Non-underlying finance costs in the current year relates to the investment property noted above (2024: £0.2m). In the prior year, non-underlying finance costs also included £1.4m write-off of arrangement fees in relation to the previous debt arrangements.

The total impact of the above amounts on the Consolidated cash flow statement is a cash outflow of £9.3m (2024: £17.1m), including costs accrued in the prior year and paid in the current year.

4. Finance income and finance costs

	2025 £m	2024 £m
Finance income		
Interest on bank deposits and other	1.7	2.7
Total finance income	1.7	2.7
Finance costs		
On bank loans, overdrafts and other associated items ¹	2.8	3.5
On secured notes ²	26.6	15.9
On obligations under lease contracts	23.8	22.1
Net finance charge on defined benefit pension schemes	0.6	0.6
Total finance costs before Other items	53.8	42.1
Non-underlying finance costs ³	0.2	1.6
Total finance costs	54.0	43.7
Net finance costs	52.3	41.0

- ¹ Other associated items includes the amortisation of arrangement fees of £0.2m (2024: £0.2m).
- ² Included within finance costs on the secured notes is the amortisation of arrangement fees of £0.5m (2024: £0.5m).
- ³ See Note 3 for further details on non-underlying finance costs.

5. Income tax

The income tax expense comprises:

		2025 £m	2024 £m
Current tax			
UK & Ireland corporation tax	charge for the year	0.3	0.5
	adjustments in respect of previous years	-	(0.1)
		0.3	0.4
Mainland Europe corporation tax	charge for the year	3.0	3.7
	adjustments in respect of previous years	(0.6)	0.1
		2.4	3.8
Total current tax		2.7	4.2
Deferred tax			
Origination and reversal of deductible temporary differences		(0.5)	(0.7)
Adjustments in respect of previous years		(0.1)	0.3
Effect of change in rate		0.3	-
Total deferred tax		(0.3)	(0.4)
Total income tax expense		2.4	3.8

As the Group's profits and losses are earned across a number of tax jurisdictions an aggregated income tax reconciliation is disclosed, reflecting the applicable rates for the countries in which the Group operates.

The total tax charge for the year differs from the expected tax using a weighted average tax rate which reflects the applicable statutory corporate tax rates on the accounting profits/losses in the countries in which the Group operates. The differences are explained in the following aggregated reconciliation of the income tax expense:

	2025 £m	%	2024 £m	%
Loss before tax	(61.7)		(44.8)	
Expected tax credit	(16.0)	25.9%	(11.8)	26.3%
Factors affecting the income tax expense for the year:				
Expenses not deductible for tax purposes ¹	3.5	(5.7)%	3.3	(7.4)%
Non-taxable income	-	-	(0.4)	0.9%
Taxed at a different rate	0.1	(0.2)%	0.4	(0.9)%
Impairment and disposal charges not deductible for tax purposes ²	4.1	(6.6)%	-	-
Deductible temporary differences not recognised for deferred tax purposes ³	11.0	(17.8)%	12.0	(26.7)%
Other adjustments in respect of previous years	(0.7)	1.1%	0.3	(0.7)%
Effect of change in rate on deferred tax ⁴	0.3	(0.5)%	-	-
Provisions in relation to uncertain tax positions	0.1	(0.2)%	-	-
Total income tax expense	2.4	(3.9)%	3.8	(8.5)%

¹ The majority of the Group's expenses that are not deductible for tax purposes are in relation to share-based payments, business entertainment, leasing of assets and other disallowable expenditure in the current year.

² During the year the Group incurred impairment charges of £16.4m (2024: £nil) in relation to goodwill and certain tangible fixed assets which are not deductible for tax purposes.

³ Deductible temporary differences not recognised for deferred tax purposes mainly relate to losses in the UK and Benelux and interest restricted under the UK corporate interest restriction rules which are not recognised as deferred tax assets.

⁴ During the year, legislation was enacted in Germany providing for a phased reduction in the corporation tax rate from 15% to 10% between 2028 and 2032. The Group has remeasured its deferred tax balances in Germany using the substantively enacted rates expected to apply when the underlying temporary differences reverse. This remeasurement resulted in a £0.3m reduction in deferred tax assets.

The effective tax rate for the Group on the total loss before tax of £61.7m (2024: £44.8m) is negative 3.9% (2024: negative 8.5%). The tax impact of Other items is shown in Note 3. The tax charge for the year of £2.4m

(2024: £3.8m) is related to taxable profits made in the majority of the EU businesses. Tax losses in the UK and Benelux, which cannot be surrendered or utilised cross border, are not currently recognised as deferred tax assets, and this impacts the overall effective tax rate. Due to a reduction in the profit before tax of the overseas operating companies and the ongoing losses in the UK, the Group has generated an overall loss before tax, which alongside the positive tax charge in the overseas operating companies, has resulted in the negative effective tax rate.

Factors that will affect the Group's future total tax charge as a percentage of underlying profits are:

- the mix of profits and losses between the tax jurisdictions in which the Group operates;
- the impact of non-deductible expenditure and non-taxable income;
- agreement of open tax computations with the respective tax authorities; and
- the recognition or utilisation (with corresponding reduction in cash tax payments) of unrecognised deferred tax assets.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation is effective for the Group's financial year beginning 1 January 2024. The Group is in scope of the enacted or substantively enacted legislation and based on an assessment of the rules, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%, or one of the other transitional safe harbour reliefs is available. Management is not currently aware of any circumstances under which this might change and therefore the Group does not expect additional liabilities to arise as a result of Pillar Two top-up taxes.

In addition to the amounts charged to the Consolidated income statement, the following amounts in relation to taxes have been recognised in the Consolidated statement of comprehensive income:

	2025 £m	2024 £m
Deferred tax movement associated with remeasurement of defined benefit pension liabilities ¹	(0.2)	-
Exchange rate movements	0.4	(0.1)
Total	0.2	(0.1)

¹ This item will not subsequently be reclassified to the Consolidated income statement.

6. Loss per share

The calculations of loss per share are based on the following (losses)/profits and numbers of shares:

	Basic and diluted	
	2025 £m	2024 £m
Loss attributable to ordinary equity holders of the parent for basic and diluted loss per share	(64.1)	(48.6)
<i>Add back:</i>		
Other items (see Note 3)	41.4	28.9
Loss attributable to ordinary equity holders of the parent for basic and diluted earnings per share before Other items	(22.7)	(19.7)

	2025 Number	2024 Number
Weighted average number of shares		
For basic loss per share	1,163,811,056	1,159,276,035
Effect of dilution from share options	-	-
Adjusted for the effect of dilution	1,163,811,056	1,159,276,035

Share options are considered antidilutive in the current year and prior year as their conversion into ordinary shares would decrease the loss per share. The calculation of diluted loss per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on loss per share.

The weighted average number of shares excludes those held by the SIG Employee Benefit Trust which are not vested and beneficially owned by employees.

	2025	2024
Loss per share		
Basic and diluted loss per share	(19.5)	(17.0)

Basic and diluted loss per share	(3.5)p	(4.2)p
Loss per share before Other items¹		
Basic and diluted loss per share before Other items	(2.0)p	(1.7)p

¹ Loss per share before Other items (also referred to as underlying loss per share) has been disclosed in order to present the underlying performance of the Group.

7. Reconciliation of loss before tax to cash generated from operating activities

	2025 £m	2024 £m
Loss before tax	(61.7)	(44.8)
Net finance costs	52.3	41.0
Depreciation of property, plant and equipment	12.4	12.5
Depreciation of right-of-use assets	65.0	66.4
Amortisation of computer software	0.7	1.2
Amortisation of acquired intangibles	2.1	2.1
Impairment of property, plant and equipment	0.5	1.2
Impairment of goodwill	15.9	-
Impairment of acquired intangibles and computer software	7.5	-
Impairment of right-of-use assets	10.0	9.8
Gain on lease transactions	(1.7)	-
Gain on disposal of property, plant and equipment	(4.3)	(1.0)
Share-based payment expense	3.0	4.1
Net foreign exchange differences	(0.5)	(0.2)
Decrease in provisions	(4.0)	(1.2)
Working capital movements:		
- Decrease/(increase) in inventories	5.0	(1.5)
- Decrease in receivables	20.3	10.1
- Increase/(decrease) in payables	1.0	(16.2)
Cash generated from operating activities	123.5	83.5

Included within the cash generated from operating activities is a defined benefit pension scheme employer's contribution of £2.5m (2024: £2.5m).

8. Reconciliation of net cash flow to movements in net debt

	2025 £m	2024 £m
Decrease in cash and cash equivalents in the year	(12.8)	(39.7)
Net cash outflow from repayment of leases and other debt ¹	121.0	95.3
Decrease in net debt resulting from cash flows	108.2	55.6
Non-cash movement in lease liabilities and lease receivables	(86.7)	(92.0)
Other non-cash items ²	(25.4)	(17.5)
Exchange differences	(17.0)	14.6
Increase in net debt in the year	(20.9)	(39.3)
Net debt at 1 January	(497.3)	(458.0)
Net debt at 31 December	(518.2)	(497.3)

¹ Including interest paid on borrowings and the interest element of lease payments.

² Other non-cash items relates to interest accrued on borrowings and the fair value movement of debt and derivative financial instruments recognised in the year which does not give rise to a cash inflow or outflow.

Net debt is defined as follows:

	2025 £m	2024 £m
Non-current assets:		
Derivative financial instruments	-	0.1
Lease receivables	1.6	1.9
Current assets:		
Derivative financial instruments	0.2	0.1
Lease receivables	0.3	0.3
Cash at bank and on hand	81.3	87.4
Current liabilities:		
Lease liabilities	(69.1)	(64.9)
Interest-bearing loans and borrowings	(16.5)	(5.2)
Derivative financial instruments	(0.2)	(1.3)
Non-current liabilities:		
Lease liabilities	(256.1)	(258.7)
Interest-bearing loans and borrowings	(259.7)	(256.9)
Derivative financial instruments	-	(0.1)

Net debt	(518.2)	(497.3)
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Of the cash at bank and on hand of £81.3m (2024: £87.4m), £nil (2024: £0.6m) is required to be held to cover bank guarantees issued to third parties and is therefore restricted for use by the Group.

Analysis of movements in net debt:

	At 31 December 2024 £m	Cash flows £m	Non-cash items ¹ £m	Exchange differences £m	At 31 December 2025 £m
Cash at bank and on hand	87.4	(12.8)	-	6.7	81.3
Lease receivables	2.2	(0.4)	0.1	-	1.9
	89.6	(13.2)	0.1	6.7	83.2
Liabilities arising from financing activities					
Financial assets - derivative financial instruments	0.2	-	-	-	0.2
Debts due within one year	(6.5)	27.0	(37.2)	-	(16.7)
Debts due after one year	(257.0)	-	11.8	(14.5)	(259.7)
Lease liabilities	(323.6)	94.4	(86.8)	(9.2)	(325.2)
	(586.9)	121.4	(112.2)	(23.7)	(601.4)
Net debt	(497.3)	108.2	(112.1)	(17.0)	(518.2)

¹ Non-cash items include the fair value movement of debt recognised in the year which does not give rise to a cash inflow or outflow, movements between debts due within one year and after one year, and non-cash movements in lease liabilities and lease receivables.

9. Dividends

No interim dividend was paid for the year ended 31 December 2025 and no final dividend is proposed. No interim or final dividend was proposed or paid for the year ended 31 December 2024. No dividends have been paid between 31 December 2025 and the date of signing the Financial statements.

10. Provisions

	Onerous leases £m	Leasehold dilapidations £m	Other amounts £m	Total £m
At 1 January 2024	0.6	25.9	3.5	30.0
Unused amounts reversed in the period	-	(1.4)	(0.6)	(2.0)
Utilised	(0.7)	(2.6)	(1.8)	(5.1)
New provisions	0.5	2.9	2.4	5.8
Exchange differences	-	0.2	0.1	0.3
At 31 December 2025	0.4	25.0	3.6	29.0

	2025 £m	2024 £m
Included in current liabilities	5.1	7.6
Included in non-current liabilities	23.9	22.4
Total	29.0	30.0

Onerous leases

In accordance with IFRS 16, the future rental payments due over the remaining term of existing lease contracts is included in the lease liability, with the right-of-use asset impaired to reflect the future cost not covered through sublease income. The remaining onerous lease provision relates to other non-rental costs due over the remaining lease term based on expected value of costs to be incurred and assumptions regarding subletting. The balance at 31 December 2025 is payable over the relevant lease terms, the longest unexpired term being 18 years to 2043.

Leasehold dilapidations

This provision relates to contractual obligations to reinstate leasehold properties to their original state of repair. The provision is calculated based on both the estimated liability to rectify or reinstate leasehold improvements and modifications carried out on the inception of the lease (recognised on inception with corresponding fixed asset) and the liability to rectify general wear and tear which is recognised as incurred over the life of the lease. The costs will be incurred both at the end of the leases (reinstatement) and during the lease term (wear and tear).

Other amounts

Other amounts relate principally to claims and warranty provisions based on expected value and past experience and provisions for restructuring costs based on expected value but where the amount and timing are uncertain. The transfer of economic benefit is expected to be made between one and four years' time.

11. Contingent liabilities

As at the balance sheet date, the Group had outstanding obligations under customer guarantees, claims, standby letters of credit and discounted bills of up to £10.3m (2024: £10.8m). Of this amount, £4.1m (2024: £4.3m) relates to a standby letter of credit issued by HSBC Bank plc in respect of the Group's insurance arrangements.

As part of the disposal of the Building Plastics business in 2017 a guarantee was provided to the landlord of the leasehold properties transferred with the business covering rentals over the remaining term of the leases in the event that the acquiring company enters into administration before the end of the lease term. The maximum liability that could arise from this would be approximately £0.3m (2024: £0.5m) based on the remaining future rent commitment at 31 December 2025. No provision has been made in these financial statements as it is not considered likely that any loss will be incurred in connection with this.

12. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and have therefore not been disclosed.

In 2025, SIG incurred expenses of £0.4m (2024: £0.6m) on behalf of the SIG plc Retirement Benefits Plan, the UK defined benefit pension scheme.

Remuneration of key management personnel

The total remuneration of key management personnel of the Group, being the Executive Leadership Team members and the Non-Executive Directors, is set out below in aggregate for each of the categories specified in IAS 24 "Related Party Disclosures".

	2025 £m	2024 £m
Short-term employment benefits	7.4	7.2
IFRS 2 share-based payment expense	1.6	2.9
	9.0	10.1

Principal risks and uncertainties

The Board, supported by the Audit Committee, sets the strategy for the Group and ensures the associated risks are effectively identified and managed through the implementation of the risk management and control frameworks.

The Group employs a three lines model to provide a simple and effective way to enhance risk and control management processes and ensure roles and responsibilities are clear. The Board maintains oversight to ensure risk management and control activities carried out by the three lines are proportionate to the perceived degree of risk and its own risk appetite across the Group.

To identify our risks, we focus on our strategic objectives and consider what might stop us achieving our plan within our strategic planning period. The approach combines a top-down strategic Group-level view and a bottom-up operational view of the risks at operating company level. Meetings are held with our operating company leadership teams to identify the risks within their operations. These are consolidated and, in conjunction with a series of discussions held with Executive Leadership Team and Non-Executive Directors, provide the inputs to identify and validate our principal risks.

The Board regularly monitors the Group risk register, which includes the ten principal risks to the Group set out below. These risks, if they materialise, could have a significant impact on the Group's ability to meet its strategic objectives.

Risk	Mitigations
<p>Cyber security: Internal or external cyber-attacks could result in system disruption or sensitive data being compromised</p> <p>In the context of widespread dependency on increasingly complex digital systems, growing cyber threats are outpacing society's ability to effectively prevent and manage them. These risks are also exacerbated by a combination of the increasing interconnectedness and interdependencies of our technology platforms and ecosystems, as demonstrated during 2025 by the high-profile attacks on a number of major UK businesses.</p> <p>The increasing willingness of nation states to engage in asymmetric cyber warfare to achieve geopolitical aims and the relative ease with advances in AI is transforming the threat landscape through the increased automation, sophistication and availability of new cyber threats is lowering the bar for potential adversaries to conduct and engage in cyber-attacks.</p> <p>There is a risk that we lack the capabilities to effectively prevent, monitor, respond to, or recover from suspected cyber-attacks on our IT infrastructure. Such attacks may result in a loss of data or disruption to IT services which may have a significant impact on our ability to operate and comply with data protection and privacy laws (e.g. GDPR), and may have a detrimental effect on our reputation.</p>	<p>Mitigations</p> <p>Cyber security continues to receive Board and Executive Leadership Team focus with an emphasis on ensuring that appropriate technologies are deployed across IT infrastructure to manage cyber threats.</p> <p>Regular and independent reviews are performed to assess the nature of potential cyber threats, security processes and initiatives. They also ensure that we implement appropriate tools and processes to better identify and remediate new and emerging cyber risks and vulnerabilities.</p> <p>Cyber-incident response protocols are in place to support our ability to effectively respond to and recover from a cyber threat or incident and ongoing cyber training campaigns and initiatives ensure employees are alert to the nature and consequences of cyber-attacks. We also implemented a series of cyber response exercises in 2025 to test and confirm the effectiveness of our cyber capabilities.</p> <p>Cyber policies are regularly reviewed and updated to ensure they reflect the nature of risks and threats and we continue to invest in our business resilience and continuity management capabilities and arrangements.</p>
<p>Health and Safety: Danger of incident or accident, resulting in injury or loss of life to employees, customers, or the general public</p> <p>There is a risk that poor organisational arrangements or behavioural culture with regards to health & safety causes harm to individuals and may result in enforcement action, penalties, reputational damage, or adverse press coverage.</p>	<p>Our CEO, supported by the Group HSE Director, is responsible for providing strategic leadership for all health, safety and environmental matters. Local health and safety managers in each of our businesses provide local leadership and support, monitor and report our performance and key metrics, and implement actions and initiatives.</p> <p>A compliance standards framework is in place to ensure the adequacy of local health and safety standards and arrangements, with assurance provided through a programme of compliance audits performed by suitably trained and experienced health and safety professionals.</p>
<p>Macroeconomic uncertainty: Macroeconomic volatility may impact the Group's ability to accurately forecast and to meet internal and external expectations</p> <p>Geopolitical and macroeconomic events can lead to a decline in general economic activity and, or including, a decline in construction industry activity.</p> <p>2025 continued to see further contraction in construction activity across our UK and European markets.</p> <p>A combination of ongoing economic and geopolitical uncertainty and volatility, high long-term interest rates, an acceleration in construction costs, and the slow progress in simplifying building regulations building permit procedures continue to delay a meaningful recovery and industry confidence remains fragile.</p> <p>Nevertheless, structural housing shortages and government's desire to address the availability of affordable homes and deliver infrastructure improvements across Europe mean that markets will recover but its timing will remain contingent on economic and geopolitical headwinds.</p> <p>Any delay in a recovery has the potential to further impact customer demand, and create financial and operational pressure, while adding costs to our operations and making planning and forecasting more difficult.</p>	<p>The Group's geographical diversity across Europe, serving customers across residential, commercial, industrial and infrastructural sectors, combined with our broad portfolio of categories, product offerings and specialisms, all serve to reduce the impact of changes in a specific territory or market.</p> <p>Industry-based KPIs, monitored monthly at a Group and operating company level, help to ensure that warnings and indicators of risks and opportunities are identified early, and appropriate mitigation strategies implemented.</p> <p>We continue to assess inflationary and other fiscal pressures and impacts on product pricing and will continue to work with our suppliers to identify opportunities to ensure ongoing supply chain resilience.</p> <p>We will also continue to make the necessary 'self-help' measures to ensure we optimise our organisational resilience and maintain our ability to respond to volatile market conditions.</p>
<p>Attract, recruit and retain our people: Failure to attract and retain people with the right skills, drive and capability to reshape and grow the business</p> <p>SIGs ability to deliver its objectives and to compete effectively is, in part, dependent on its ability to recruit and retain colleagues with the necessary skills, experience and ability to deliver expected performance levels.</p> <p>A combination of medium-term structural labour and vocational skills shortages in the construction sector, exacerbated by near term employee concerns regarding the performance and stability of the construction sector, and the potential impacts of change to the business portfolio on our employees, has the potential to negatively impact SIGs ability to attract, recruit and retain staff across the full spectrum of disciplines.</p>	<p>We continue to invest in learning and development programmes to ensure both vocational and technical training needs are met whilst retaining an agile workforce. Our apprenticeships and training academies help develop the near and long-term skills of our employees.</p> <p>We regularly review our organisational structures and accountabilities, and ensure our structures optimise employee motivation and engagement. Employee engagement is monitored through an annual survey and a Workforce Engagement programme run by the Board.</p> <p>Ongoing enhancements to pay and conditions, including market benchmarking, broadening variable remuneration elements and retention and succession planning also help to mitigate this risk.</p> <p>Our businesses have also introduced programmes to support employee health and wellbeing. This includes training for all employees on keeping themselves and their</p>

<p>Risk</p>	<p>colleagues safe and well.</p>
<p>Data quality and governance: Poor data quality could impact our financial management, fact-based decision making, business efficiency, and credibility with customers</p> <p>There is a risk that we lack the necessary quality of systems and processes to ensure sufficient granularity, completeness and accuracy of vendor, product and pricing master data. This has the potential to impact our ability to deliver a digital customer experience, provide enhanced product and customer analytics or insight and comply with both existing and new regulatory requirements.</p>	<p>Initiations</p> <p>Product and customer data quality remains a focus area for our operating companies, who continue to monitor, assess and upgrade their product data requirements, capabilities and governance considering ongoing changes in business needs and regulation.</p> <p>During 2025, we continued to enhance our data, information management and governance capabilities and will seek to accelerate these capabilities further throughout 2026 as we invest in new or upgraded ERP capabilities across our Irish and French businesses and ensure our IT systems continue to support the required data quality and governance required.</p>
<p>Environmental, social and governance (ESG): Reputational impacts from poor environmental, social and governance arrangements and performance</p> <p>Public and commercial consciousness, driven in part by ongoing regulatory pressures, continues to evolve on a wide range of environmental, social and governance issues, including climate change, employee wellbeing and how an organisation contributes to society.</p> <p>While SIG has a long and rich heritage in helping the construction industry deliver energy efficient solutions and products, risks remain in terms of how we deliver our ESG agenda.</p> <p>This is particularly the case in how we ensure we achieve our stated aims with regards to climate change and decarbonisation. These risks include the cost and complexity of compliance, the challenges presented by the decarbonisation of our vehicle fleet and estate and how we engage with the wider industry to reduce product and supply-chain carbon impacts.</p>	<p>ESG commitments include a focus on health and safety leadership, reaching net zero carbon, sending zero SIG waste to landfill, partnering to reduce carbon and waste across the supply chain, and becoming an employer of choice in our industry.</p> <p>Our activities will be supported by verified data to ensure that progress in achieving these aims and ambitions is monitored and subject to appropriate rigour. To do this, we have enhanced our sustainability reporting and budgeting processes (particularly in relation to carbon emissions) to ensure that we are able to effectively track both the progress and financial impacts of these focus areas and ensure we are able to respond to increasing customer demands for performance data.</p> <p>While the EU ESG Omnibus proposals have sought to simplify and reduce the regulatory burden of new legislation, including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), we remain committed to implementing the appropriate management and reporting arrangements, systems and processes, required to ensure compliance.</p> <p>As regards employee wellbeing, each of our businesses has introduced programmes and initiatives to support employees, underpinned by a Group-wide employee health and wellbeing policy and training for all employees to understand their responsibilities to keep themselves and their colleagues safe and well.</p>
<p>Mergers, acquisitions and disposals: Inability to successfully execute, integrate and leverage mergers, acquisitions and disposals opportunities</p> <p>Where necessary, we may from time to time acquire new businesses or dispose of existing businesses to ensure we optimise and make best use of capital and resources. Such decisions are based on detailed plans that assess the value creation, savings, synergies or efficiency opportunities for the Group. By their nature, there is an inherent risk that we fail to manage the execution and integration or separation risks, which may result in delays or additional costs and impact the realisation of anticipated benefits.</p>	<p>We have appropriate M&A resource across the organisation, and utilise external advisors where necessary for the effective identification and prioritisation of acquisition opportunities.</p> <p>Resource is also available in the organisation to ensure that transactions are subject to the necessary pre and post-acquisition and integration activities and processes.</p> <p>Clear accountability and authority limits for the initiation and approval of M&A activity are defined in the Group Delegation of Authority.</p>
<p>Legal or regulatory compliance: Failing to comply with or breaching legal or regulatory requirements</p> <p>The Group's operations are subject to an increasing and evolving range of regulatory and other requirements in the markets in which it operates. A major corporate failure resulting from a non-compliance with legislative, regulatory or other requirements would impact our brand and reputation, could expose us to significant operational disruption or result in enforcement action or penalties.</p>	<p>Our Group General Counsel is a member of the Executive Leadership Team and is supported by appropriately skilled in-house legal and company secretarial resource at Group and operating company level, with further support provided by an approved panel of external lawyers and advisors.</p> <p>Policies and procedures are in place to ensure compliance with legal and regulatory frameworks, including health and safety, environmental, ethical, fraud, data protection and product safety.</p> <p>The Group's internal controls function ensures that appropriate and effective controls are in place against material financial misstatement, errors, omissions or fraud.</p> <p>Our Code of Conduct is available on our website and forms part of our employee induction programme. E-learning tools are also deployed across the organisation to ensure employees are aware of, and understand, their obligations.</p> <p>A whistleblowing hotline, managed and facilitated by an independent third party, is in place throughout the Group. All calls are followed up and investigated fully with all findings reported to the Board.</p>
<p>Modernisation: Failure to deliver the digital capabilities necessary to support improved efficiency and productivity or to remain competitive in the marketplace</p> <p>Increased technological innovation and change has accelerated the increasing role digitalisation will have in the construction materials supply chain. We continue to seek</p>	<p>We continue to evaluate new technologies and make investments in the digital workplace to ensure that we maintain a competitive digital proposition.</p> <p>Across our markets each operating company is responsible for ensuring that it has an appropriate technology roadmap to identify how it implements the necessary technologies and ways of working to ensure</p>

<p>opportunities to ensure we can deliver digital solutions to enable a more efficient, integrated, and frictionless experience for our colleagues, customers and suppliers.</p> <p>This risk may be exacerbated by legacy systems and technologies which are heavily customised, require significant system maintenance to prevent outages and lack the functionality to allow their integration into a more modern digital infrastructure.</p>	<p>Risks</p> <p>that it can maximise digital opportunities in terms of enhancing the customer experience and optimising transactional, fulfilment or process efficiencies.</p> <p>Mitigations</p> <p>During 2025 we started to further investigate the opportunities presented by the development of AI technologies, including exploiting process efficiencies from the use of autonomous AI agents and ensuring we have appropriate oversight and governance for AI-generated outputs and use cases.</p> <p>In 2026 we will also invest in new or upgraded ERP systems for our Irish and French businesses that will enhance our digital capabilities and provide the platform to support further modernisation and efficiency initiatives.</p>
<p>Change management: Inability to change and grow the organisation as planned in order to meet growth targets</p> <p>The Group is committed to improving its operating performance with a strategy, key actions and progress on these.</p> <p>This will inevitably require changes to organisational structures, roles and ways of working, supported by investments to modernise existing and implement new IT systems.</p> <p>There is a risk that these initiatives, allied to the impacts of challenging market conditions for our business and employees, results in 'change fatigue' and either future changes are not implemented as planned, or the benefits are not realised.</p>	<p>Operating companies continue to manage change portfolios through programme management governance committees. Increased monitoring has been implemented, particularly regarding progress against growth initiatives, in line with our strategy.</p> <p>Monitoring of business growth metrics and early warning indicators or trends continues as part of business reviews at both the management and Board level.</p> <p>We will also continue to perform the necessary assurance activities to ensure that change and transformational programmes are monitored and the benefits realised.</p> <p>Our ongoing employee engagement surveys continue to facilitate the early identification of change impact in terms of our employees, and action plans are implemented and monitored accordingly.</p>

Non-statutory information

The Group uses a number of alternative performance measures, which are non-IFRS, to describe the Group's performance. The Group considers these performance measures to provide useful historical financial information to help investors evaluate the underlying performance of the business. Alternative performance measures are not a substitute for, or superior to, statutory IFRS measures.

These measures, as shown below, are used to improve the comparability of information between reporting periods and geographical units and to adjust for Other items. This also reflects how the business is managed and measured on a day-to-day basis. Measures presented are aligned with the key performance measures used in the business and as included in the Strategic report.

a) Leverage

Leverage is the financial covenant applicable to the RCF and is used as a key performance metric for the Group. It is calculated as net debt divided by the last twelve months underlying EBITDA.

	2025 £m	2024 £m
Underlying operating profit	32.1	25.1
Add back:		
Depreciation of right-of-use assets and property, plant and equipment	77.4	78.9
Amortisation of computer software	0.7	1.2
Underlying EBITDA	110.2	105.2
Reported net debt	518.2	497.3
Leverage	4.7x	4.7x

b) Operating margin

This is used to enhance understanding and comparability of the underlying financial performance of the Group and is calculated as underlying operating profit as a percentage of underlying revenue.

	2025 £m	2024 £m
Underlying revenue	2,591.0	2,611.8
Underlying operating profit	32.1	25.1
Operating margin	1.2%	1.0%

c) Like-for-like sales

Like-for-like sales is calculated on a constant currency basis and represents the growth in the Group's sales per working day, excluding any acquisitions or disposals completed or agreed in the current and prior year, and adjusted to exclude the net impact of branch closures or openings. This measure shows how the Group has developed its revenue for comparable business relative to the prior period. As such it is a key measure of the growth of the Group during the year. Underlying revenue is revenue from continuing operations excluding non-core businesses.

	UK Interiors £m	UK Roofing £m	UK Total £m	France Interiors £m	France Roofing £m	France Total £m	Germany £m	Benelux £m
Statutory and underlying revenue								
2025	675.5	455.9	1,131.4	190.0	398.7	588.7	432.5	91.6
Less inter-segment revenue	(2.4)	(2.5)	(4.9)	(0.1)	(10.3)	(10.4)	-	-
External revenue	673.1	453.4	1,126.5	189.9	388.4	578.3	432.5	91.6
Statutory and underlying revenue								
2024 (Restated) ¹	669.7	451.5	1,121.2	200.5	421.9	622.4	438.5	103.6
Less inter-segment revenue (Restated) ¹	(4.7)	(2.8)	(7.5)	(0.1)	(11.8)	(11.9)	-	-
External revenue (Restated) ¹	665.0	448.7	1,113.7	200.4	410.1	610.5	438.5	103.6
<i>% change year on year:</i>								
Underlying revenue	1.2%	1.0%	1.1%	(5.2)%	(5.3)%	(5.3)%	(1.4)%	(11.6)%
Impact of currency	-	-	-	(1.3)%	(1.3)%	(1.3)%	(1.3)%	(1.2)%
Impact of branch changes	0.9%	0.3%	0.7%	(0.4)%	2.0%	1.2%	(0.3)%	13.6%
Impact of working days	0.4%	0.4%	0.4%	0.8%	-	0.2%	0.4%	1.4%
Like-for-like sales	2.5%	1.7%	2.2%	(6.1)%	(4.6)%	(5.2)%	(2.6)%	2.2%

¹ The 2024 segmental information has been restated in order to present on a consistent basis with the current year, as explained in Note 1.

d) Free cash flow

Free cash flow is defined as all cash flows excluding M&A transactions, dividend payments and financing transactions. Operating cash flow represents free cash flow before interest and financing, costs of refinancing and tax. These measures are used to enhance understanding and comparability of the cash generation of the Group.

	2025 £m	2024 £m
Decrease in cash and cash equivalents in the year	(12.8)	(39.7)
Add back:		
Settlement of amounts payable for previous purchases of businesses (included within cash flows from investing activities)	-	4.4
Settlement of amounts payable for previous purchases of businesses (included within cash flows from operating activities)	-	4.0
Repayment of borrowings	0.8	239.7
Proceeds from borrowings	-	(247.0)
Free cash flow	(12.0)	(38.6)
Add back:		
Finance costs paid	52.9	37.5
Finance income received	(1.7)	(2.7)
Tax paid	3.5	8.0
Operating cash flow	42.7	4.2

e) Other non-statutory measures

In addition to the alternative performance measures noted above, the Group also uses underlying loss per share (as set out in Note 6), underlying net finance costs (as set out in Note 4) and average trade working capital to sales ratio. Average trade working capital to sales ratio is calculated as the average trade working capital each month end (net inventory, gross trade creditors, net trade receivables and supplier rebates receivable) divided by underlying revenue.



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