

Registered number: 13134776

Wolseley Group Holdings Limited  
Annual report and financial statements  
for the year ended 31 July 2025

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**For the year ended 31 July 2025**

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# Wolseley Group Holdings Limited

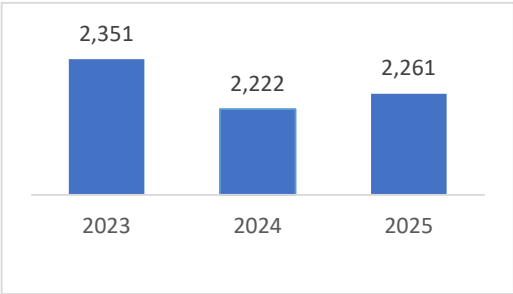
## Strategic report

The Directors present their strategic report, which includes the governance report, on Wolseley Group Holdings Limited (“the Company”) and its subsidiaries (together “the Group” or “Wolseley”), together with the Group financial statements, for the year ended 31 July 2025.

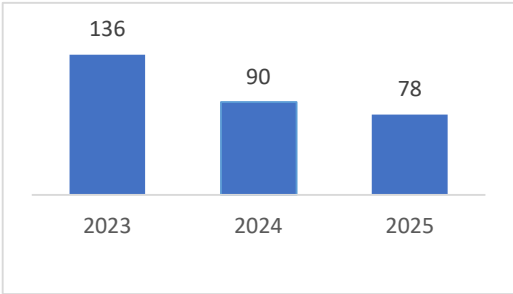
### Highlights

An overview of the Groups most recent results are set out below.

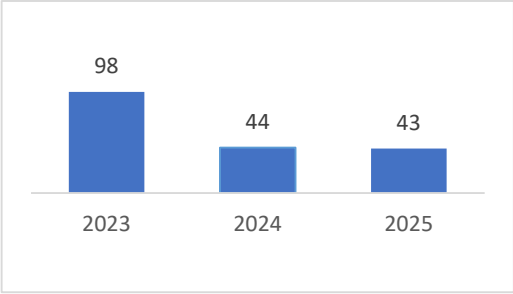
Revenue (£ million)



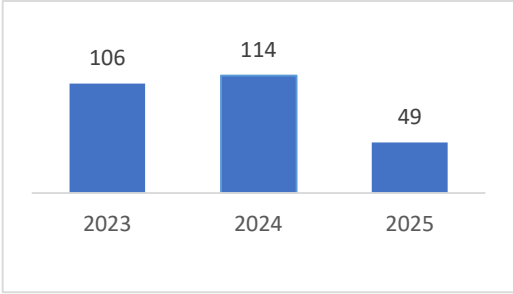
Adjusted EBITDA<sup>1</sup> (£ million)



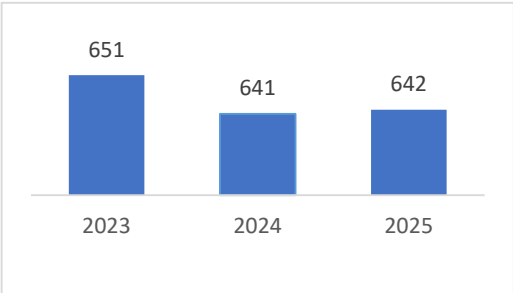
Operating profit (£ million)



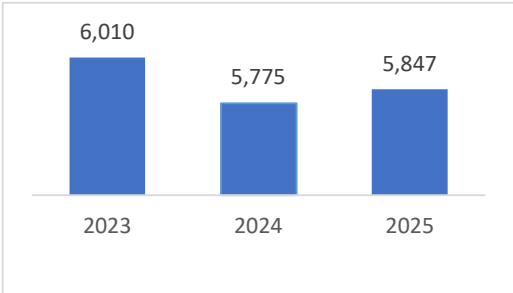
Cash from operations<sup>2</sup> (£ million)



Number of branches at 31 July



Number of FTEs<sup>3</sup> at 31 July



<sup>1</sup> Adjusted EBITDA is operating profit before charges/credits relating to depreciation, amortisation, impairment, exceptional items, share option charges and the impact of IFRS 16. The Group uses Alternative Performance Measures (“APMs”), which are not defined or specified under International Financial Reporting Standards (“IFRS”), to provide additional helpful information. These measures are not considered to be a substitute for IFRS measures and are consistent with how business performance is planned, reported and assessed internally by management and the Board. For further information on APMs, including a description of the policy, purpose, definitions and reconciliations to equivalent IFRS statutory measures, see note 2 on page 68

<sup>2</sup> Cash flow from operating activities before the impact of capital expenditure, proceeds from disposal, interest, tax and excluding the impact of IFRS 16, see note 2 on page 69

<sup>3</sup> Full Time Equivalent employee (“FTE”)

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Wolseley at a glance

Wolseley is a leading and diversified specialist merchant distributor of heating, ventilation and air conditioning (“HVAC”), plumbing, renewables, sanitaryware, mechanical engineering, infrastructure and utilities products, with large storage and fulfilment capabilities across the UK and Ireland. The Group’s customers are primarily professional contractors and tradespeople working predominantly in the plumbing, heating, renewables, cooling, mechanical engineering, infrastructure and utilities sectors.

Wolseley operates in both the repair, maintenance and improvement (“RMI”) and the new construction markets within three broad sectors:

- Residential
- Infrastructure
- Commercial building

Each of these three sectors contain distinct trade customer types, and the Group’s different business divisions deliver tailored specialist services to meet customers’ specific needs. The customer types are:

- Sole traders
- Installation businesses
- Contractors
- Utility companies
- Medium and large corporate entities

Wolseley operate through five business divisions: Plumbing and Heating, Infrastructure, Building Services, Ireland and Growth Specialist, the first four of which hold leading market positions in their respective markets.

The Group creates value by providing the expertise of its employees alongside the products and services its customers purchase, leveraging local relationships, national scale, omnichannel delivery capabilities and the use of technology that sets Wolseley apart from its competitors. The scale of the Group enables Wolseley to be at the forefront for new technologies investing in both employees’ knowledge and sourcing solutions to help customers adapt to changing markets and conditions.

The Group uses its long-standing and diversified relationships with suppliers and customers to connect them together to grow their respective businesses by utilising Wolseley’s large footprint of branches and distribution capabilities to provide a broad range and availability of products in the markets in which it operates.

The markets in which the Group’s businesses operate are large and fragmented, and where reliability, availability of products and accuracy of deliveries make a difference. This is where Wolseley’s strengths enable its customers to make their businesses more efficient, which in turn helps them grow.

At 31 July 2025 the Group’s national network comprised 642 strategically located branches covering the whole of the UK and Ireland, a recently redesigned website and a new Plumb Centre app, supported by four central distribution centres and 5,847 FTEs.

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Wolseley at a glance (continued)

The Group's markets have good long term growth characteristics (see page 6) and there continues to be opportunities to grow all the businesses within the markets in which they operate.

The transition to a net zero carbon economy and the UK Government's Net Zero Strategy (together the "net zero transition") will contribute to the long term market strength and provide opportunities for all of the Group's businesses. The markets are fragmented, and the businesses compete with large national competitors and small local distributors. There are also opportunities in adjacent markets.

The Group continued to expand its market position and offering with the acquisition of two businesses in the year; Logicool Air Conditioning and Heat Pumps Ltd ("Logicool") and Bluebay Building Products Ltd ("Bluebay").

The Logicool business enhances the Group's renewables offering, its expertise and knowledge support customers on their energy efficiency journeys. It offers a wide product range combined with enhanced training opportunities for its customers.

Bluebay's expertise and provision of market-leading products, along with its reputation and strong relationships, complements the existing businesses and helps to ensure first-class service and availability of products is provided to customers.

In addition, the Group launched "Renewables Centre" during the year, a significant step forward for the Group as a leading provider of products, services, and support in the residential renewables market. Two Renewables Centre training sites were opened during the year, designed to support heating professionals in the fast-growing renewables market, offering installer training, a specialist design and installation support service, and access to relevant products.

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Strategy

Wolseley's strategy is to achieve sustainable profitable growth by delivering value through its five business divisions built upon Wolseley's strengths, including a strong balance sheet, resilient cashflows and knowledgeable employees.

The strategy is focused on three strategic goals, all of which are underpinned by continually investing in customer propositions and developing employees.

The three strategic goals are:

1. Leading in the energy transition to renewables
2. Delivering great service and solutions that are valued by customers
3. Building a stronger business for the future

To deliver the three strategic goals as a leading and diversified specialist merchant distributor, Wolseley recently launched the "ROAD" strategy to ensure employees have a clear understanding of how they can help influence and deliver on strategic goals. The ROAD strategy has four interconnected pillars:

- R – Renewables – lead the energy transition to renewables
- O – Own Brand – develop Own Brand product ranges offering trusted alternatives
- A – Acquisitions – acquire businesses with adjacent capabilities or in complimentary markets
- D – Digital – deploy digital technology to simplify processes and provide tools to help customers grow

The ROAD strategy offers a structured and actionable framework to align organisational resources, including employees and technical know-how and capabilities in sourcing and distributing with the evolving demands of both customers and the broader market.

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Strategy (continued)

#### Operating model and business strategies

The Group comprises 21 trading brands, which primarily operate as specialist merchants distributing HVAC, plumbing, renewables, sanitaryware, mechanical engineering, infrastructure and utilities products to professional contractors and trade customers in a range of end markets.

Each of the specialist businesses has formulated strategies that build from the Group strategy. These strategies are focussed on delivering great customer service and solutions and include:

- Understanding customers' future needs and delivering market-leading propositions
- Building meaningful customer relationships and rewarding loyalty
- Equipping employees appropriately to provide specialist advice
- Partnering with suppliers to provide leading product ranges and availability
- Operating a national fulfilment network with high standards
- Operating centres of expertise for specialist services

Each of the business divisions leverage the strength of the combined Wolseley Group, including capabilities in sourcing, distribution and digital infrastructure, as well as resilience through the Group's technology platforms, cyber protections, shared support services and risk management programs.

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Markets

The markets in which the Group’s businesses operate have good long term growth characteristics and provide opportunities for all businesses to grow.

|   |   |
|---|---|
| <p><b>+35%</b><br/>Residential home sales forecast to increase 35% in the next 5 years. <i>Source: OBR 2024 outturn vs 2029 forecast</i></p>  | <p><b>Increasing demand for repairs</b><br/>The UK has the oldest housing stock in Europe with over 52% of homes in England built before 1965 and nearly 20% built before 1919. <i>Source: Committee on Climate Change (CCC)</i></p>  |
| <p><b>Increased comfort levels</b><br/>Levels of comfort in the UK have been steadily improving with the number of decent homes increasing. <i>Source: English Housing Survey</i></p>   | <p><b>29 million</b><br/>Number of homes in the UK expected to need retrofitting with new low/zero carbon heating systems by 2050 to facilitate delivery of the net zero transition. <i>Source: Retrofitting homes for net zero, House of Commons committee report (May 2025)</i></p> |
| <p><b>£70 billion</b><br/>Baseline investment required in UK electricity grid by 2050 to achieve net zero target. <i>Source: Department for Business, Energy and Industrial Strategy, Appendix 1 (August 2022)</i></p>                      | <p><b>300 thousand</b><br/>Target number of new homes in the UK per annum. Plan for 1.5 million new homes by 2029. <i>Source: UK Government (as set out in the 2024 Labour Party Manifesto)</i></p>   |
| <p><b>+30%</b><br/>Increase in requirement for air conditioning and cooling in buildings as temperature increases by 0.5 degree celsius by 2050. <i>Source: Future of Cooling Programme, Oxford Martin School, University of Oxford</i></p> | <p><b>+7.3%</b><br/>The population of the UK is projected to increase by 7.3%, from an estimated 67.6 million in mid-2022 to 72.5 million in mid-2032. <i>Source: ONS (January 2025)</i></p>  |

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Business model

The Group creates value through the expertise of its people, service offering deriving from product range and availability, scale, bespoke logistics network and use of technology.

#### Key resources and relationships

| People  | Customers   | Suppliers                                      | Channel to Market   | Technology  | Distribution Network  | Capital  |
|---|---|--|---|---|---|--|
| Highly experienced and knowledgeable employees sought for their valued advice | Diverse trade customer base, with 71 thousand trade customers | Leading relationships with all major suppliers | National branch network offering collection and delivery, ecommerce, showrooms and call centres | Digital solutions to better integrate with customers and drive their efficiency | The broadest and deepest range of products available in industry leading timescales | Strong capital base to invest and grow the Group |

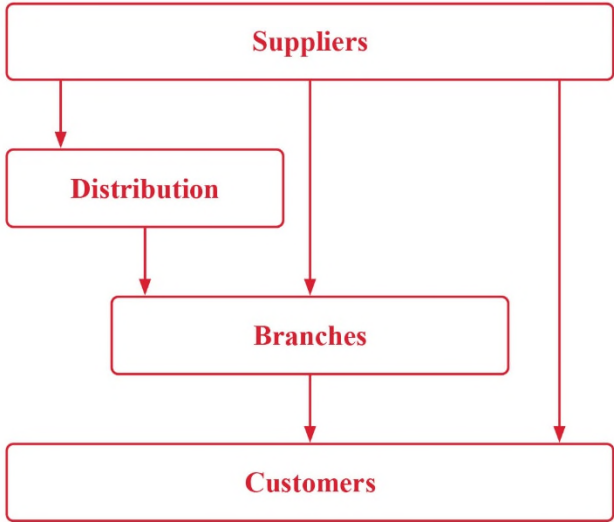
#### Adding value to our customers

- Sourcing
- Bid support
- Advice
- Customer solutions
- Inventory holding
- Credit
- Flexible sales channels

In the year ended 31 July 2025 Group customer orders were received and fulfilled in the following proportions:

| Order placed            | Collected by customer | Delivered to customer | Delivered by supplier |
|-------------------------|-----------------------|-----------------------|-----------------------|
| Branch / Showroom       | 33%                   | 46%                   | 7%                    |
| Call Centre             | 1%                    | 2%                    |                       |
| Electronic <sup>1</sup> | 4%                    | 7%                    |                       |

<sup>1</sup>Electronic includes orders via website, API or EDI



#### The value created for stakeholders

| People  | Customers   | Suppliers  | Communities  | Environment   | Government  | Shareholders   |
|---|---|--|--|---|---|--|
| Provide a safe and healthy environment for employees, where they feel motivated to be part of the Group’s success | Provide essential products and services which enable customers to run and grow their operations efficiently | Provide three thousand suppliers with a cost-effective route to a geographically dispersed customer base | Employ locally across the UK and Ireland and invest in local communities to make a positive impact | As well as working towards being a net carbon neutral business, the Group facilitates the adoption of new technologies through customer and employee training | Support net zero emission policies and apprenticeship schemes | Strong returns from profitable growth and effective management of the operations |

# Wolseley Group Holdings Limited

## Strategic report (continued)

### People

Employees are fundamental to the Group's continual success by providing their expert knowledge and exceptional service to customers. Their relationships with suppliers are just as critical. The Directors remain committed to making Wolseley an attractive place for people to develop their careers, be rewarded for success, and enjoy contributing to a team that is making a great business even stronger.

The Group continues to focus on the Wolseley values which are:

- Safety, Health and Wellbeing
- Exceptional Service
- Nurturing Potential
- Fairness and Respect
- Positive Impact

The Directors believe it is important for the Group to be built upon values which matter to employees. The values, which were carefully developed by employees through employee forums and represent what they collectively decided is important to them, provide a positive foundation for the Group's culture.

Underpinning the values, the Group's Code of Conduct sets the expectations and standards that ensures employees do the right thing to protect Wolseley. The updated Code of Conduct was launched in January 2024 and helps guide employees to make ethical decisions. The Directors are committed to supporting them to use the "Speak Up!" channels available if something does not seem right which helps to protect the Group's reputation and maintain the trust of employees, customers, and business partners.

The development of people and their teams remains core to the Group and is reflected in the Nurturing Potential value. The Group remains committed to the Wolseley Talent Guild, an initiative launched in late 2020 (following feedback from employees) to provide clear pathways for career development and progression. The Wolseley Talent Guild provides a framework and set of programmes to assess performance and potential as well as providing opportunities and plans for learning and development. Development programmes are delivered internally or in conjunction with external partners. These programmes are centred around developing soft skills at all levels as well as motivating employees, inspiring customer loyalty and in turn creating shareholder value. At 31 July 2025:

- There were approximately 106 employees enrolled on apprenticeship programmes, with 57 employees having completed an apprenticeship programme during the year
- Approximately 160 employees on "Talent Boosters" offered through the Wolseley Talent Guild, with 172 employees having completed a Talent Booster during the year
- Over 65 thousand hours of training was completed through the Wolseley Talent Guild across the organisation during the year

The Group reported a 1.0 per cent reduction in its mean gender pay gap (from 1.4 per cent to 0.4 per cent) as part of its 2025 gender pay gap reporting. This was another improvement from the previous year and Wolseley continues to remain among the best performing companies in terms of gender pay equality. Whilst this is better than the national UK gender pay gap, Wolseley is not complacent and continues to work to reduce the pay gap.

# Wolseley Group Holdings Limited

## Strategic report (continued)

### People (continued)

The Group continues to believe the following contributes to this:

- The Group's minimum pay rate (the "Wolseley Wage") is 1 per cent higher than the National Living Wage
- Employees under 21 years' old are paid the full adult pay rate, rather than the lower tiers permitted under the National Living Wage
- An effective grading structure and disciplined pay management ensures consistency across the Group's business operations

The Group continues to benchmark roles across its businesses to ensure it offers attractive and competitive rates of pay that are fair throughout the Group. During the year, all Group employees received pay rises, with the increases focused on lower paid employees. Reward structures continue to provide employees with an opportunity to receive annual incentives in line with their business's performance.

The salary sacrifice car scheme and company car fleet arrangements are focused on electric vehicles and hybrids. This provides a competitive car offering to employees, while helping reduce the carbon footprint of the Group and its employees. In addition, during the year to help support employees financial wellbeing, the Group provided access to a range of savings and affordable loans products with payments made from the monthly payroll. The Group also continued to build on the success of existing physical and mental wellbeing initiatives including the cycle to work scheme and access to "YuLife" a virtual GP, employee assistance programme and gamified app designed to encourage and reward wellbeing.

The Group continues to run an employee forum with over 120 representatives providing the opportunity to feed back their views on business initiatives and issues that affect them and providing the opportunity for the senior management team to listen and act, where possible, on the feedback received.

Diversity and inclusion remain a fundamental part of the Group's culture, embedded within the Fairness and Respect value. The Group values and respects the diversity of employees and promotes an inclusive working environment. The Group aims to have a workforce that reflects the communities it serves and provide a supportive environment where everyone receives fair and equal treatment.

### Customers

The Group serves a diverse customer base, with approximately 71 thousand active trade customers across the UK and Ireland. The Group's customers require high levels of availability on a broad range of products, ready for collection or delivery within a short period of time. The deep range of inventory, held readily available across the network of branches and distribution centres, enables customers access to a leading proposition.

Customers also value high quality and efficient service from knowledgeable people with local relationships. Highly trained employees are able to offer customers advice to assist them by providing solutions to problems. The Group's knowledgeable employees are able to suggest appropriate alternatives when there are supply chain or cost challenges to ensure customers can keep working.

Customers want flexibility in choosing the most convenient way to do business, whether in branch, by phone or online. The Group's scale enables all of these options with increased levels of service to customers. The Group also offers value engineering services to customers so their work can be competitively priced.

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Customers (continued)

The Group is committed to support customers in making the transition to low-carbon installations, with the opening of two Renewables Centres training sites during the year, providing accredited training, skills and confidence to installers. In the year, over 100 installers attended various training courses and a further 170 have booked onto future events. To support the change over 100 colleagues have been trained in the year on renewables products and services.

### Suppliers

The Group has a diverse supplier base and sourced over 400 thousand products from approximately three thousand suppliers predominantly based in the UK in the year. The Group's scale and diverse supplier base provide access to a broad range of products. This is important to the Group's customers, who use Wolseley as a "one-stop shop" for accessing all the products they need in each purchase.

The Group's businesses are a key channel partner for the suppliers, offering market access at scale, a digital platform for product visibility, and efficient national logistics and distribution. Central to the supplier proposition is that the Group can provide quick and effective access to the large and fragmented landscape of trade professionals across the UK and Ireland. Due to scale benefits, the Group can fulfil both small and large orders and provide customers with access to a wide range of product categories at consistent prices.

The Group is working with suppliers to deliver responsible energy efficient solutions as well as partnering on product recycling schemes and the circular economy. The Group's scale and expertise across the residential, infrastructure and commercial building market sectors places its businesses in a unique position to be able to facilitate delivery of the net zero transition for suppliers, customers and end-consumers.

Renewables Centre recently partnered with Nesta to launch the "Start at Home" scheme, giving newly trained heat pump installers the opportunity to install a heat pump in their own home for free, allowing them to carry out their first installation with support and in a low-risk environment to help build their confidence, bridging the gap between training and installation.

### Routes to market

The Group's customers increasingly expect a 24/7 omni-channel approach through a combination of contact methods including traditional branches for consultations and to interact with products and sales employees, online through the latest e-business platforms and call centres. An extensive branch network enables collection and delivery to be made nationally, and online capabilities enable customers to access products, advice and account services 24 hours a day.

Once an order is ready to be picked up, customers are provided with multiple ways to receive their orders. Customers have the option to collect their order at a local branches or to have their order delivered to a location of their choice. To support this the Group has a vehicle fleet containing approximately 450 trucks, approximately 450 vans and approximately 1,000 forklift trucks.

The Group continues to invest in improving routes to market for customers. The Wolseley.co.uk website was relaunched during the year with a refreshed design and improved customer experience and a programme of branch refurbishments was launched.

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Distribution network

The Group's efficient national logistics and distribution network provides high levels of availability for customers on a broad range of products and attracts volume discounts from suppliers. The Group's ability to provide a broad range of products across all markets enables it to be a leading partner to the construction industry and support the net zero transition through the adoption of low carbon technologies, which the Group continue to support by implementing bespoke supply solutions to provide customers with access to leading low carbon technologies.

Distribution centres are used to receive bulk deliveries from suppliers, enabling suppliers to access the whole market quickly and effectively and provides high levels of product availability throughout the branch network for customers. A small number of suppliers also deliver directly to customers or branches. In addition, the Group operates backhaul arrangements with suppliers to improve efficiency and reduce their carbon footprints.

The Group continued to develop and refine its operations from its state-of-the-art infrastructure specialist fulfilment centre in Chesterfield that was opened in June 2024, this has strengthened the Group's distribution network overcoming the challenge of storing and transporting products in the utilities sector. The fulfilment centre has enhanced the Group's competitive advantage in the distribution of products in this sector by increasing product availability and reducing cost to serve.

### Technology

The Group's scale enables investment in industry leading technology to provide flexibility and efficiency to customers. The Group has developed and delivered digital platforms that enable electronic ordering, invoicing and digital self-service for customers of all sizes. During the year Wolseley continued to develop online capabilities to provide customers with simple and straight-forward solutions for finding parts and online ordering.

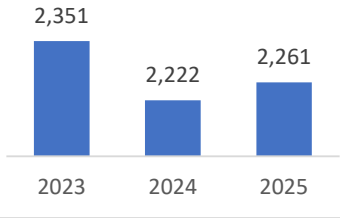
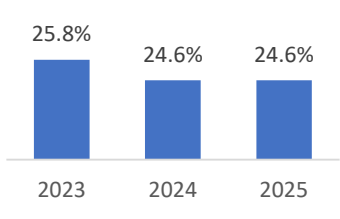
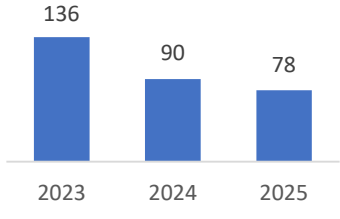
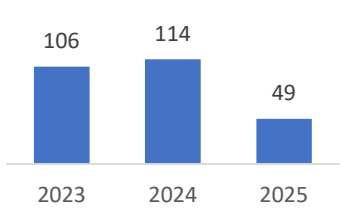
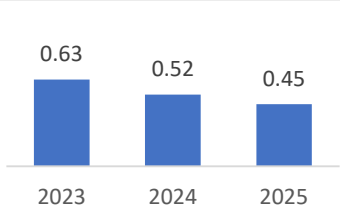
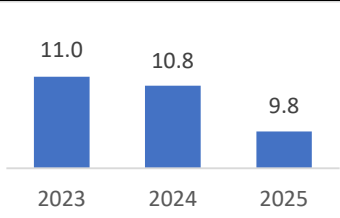
The Group aims to be at the forefront of digital solutions to help its customers and digital tools and solutions are routinely enhanced and upgraded.

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Key performance indicators (“KPIs”)

The financial and non-financial KPIs for the Group are below.

| <p><b>Total revenue (£ million)</b><br/>The amount of revenue generated during the year.</p>  |  <table border="1"> <thead> <tr> <th>Year</th> <th>Total revenue (£ million)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>2,351</td> </tr> <tr> <td>2024</td> <td>2,222</td> </tr> <tr> <td>2025</td> <td>2,261</td> </tr> </tbody> </table>                                | Year | Total revenue (£ million)                                    | 2023 | 2,351 | 2024 | 2,222 | 2025 | 2,261 | <p><b>+£39m</b><br/>Total revenue increased in 2025 by £39 million as a result of acquisitions (£66 million); organic revenue declined by £27 million as a result of lower volumes in markets that had declined.</p>                |
|---|--|------|--|------|-------|------|-------|------|-------|---|
| Year  | Total revenue (£ million)  |      |  |      |       |      |       |      |       |   |
| 2023  | 2,351  |      |  |      |       |      |       |      |       |   |
| 2024  | 2,222  |      |  |      |       |      |       |      |       |   |
| 2025  | 2,261  |      |  |      |       |      |       |      |       |   |
| <p><b>Gross margin</b><br/>The ratio of gross profit to revenue.</p>  |  <table border="1"> <thead> <tr> <th>Year</th> <th>Gross margin</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>25.8%</td> </tr> <tr> <td>2024</td> <td>24.6%</td> </tr> <tr> <td>2025</td> <td>24.6%</td> </tr> </tbody> </table>   | Year | Gross margin   | 2023 | 25.8% | 2024 | 24.6% | 2025 | 24.6% | <p><b>Flat</b><br/>Gross margin remained at the same level in 2025 at 24.6 per cent.</p>  |
| Year  | Gross margin   |      |  |      |       |      |       |      |       |   |
| 2023  | 25.8%  |      |  |      |       |      |       |      |       |   |
| 2024  | 24.6%  |      |  |      |       |      |       |      |       |   |
| 2025  | 24.6%  |      |  |      |       |      |       |      |       |   |
| <p><b>Adjusted EBITDA (£ million)</b><br/>Adjusted EBITDA is an APM, see note 2 of the financial statements on page 68 for definition.</p>  |  <table border="1"> <thead> <tr> <th>Year</th> <th>Adjusted EBITDA (£ million)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>136</td> </tr> <tr> <td>2024</td> <td>90</td> </tr> <tr> <td>2025</td> <td>78</td> </tr> </tbody> </table>                                     | Year | Adjusted EBITDA (£ million)                                  | 2023 | 136   | 2024 | 90    | 2025 | 78    | <p><b>-£12m</b><br/>Adjusted EBITDA reduced in 2025 to £78 million due to cost increases being higher than gross profit growth.</p>   |
| Year  | Adjusted EBITDA (£ million)  |      |  |      |       |      |       |      |       |   |
| 2023  | 136  |      |  |      |       |      |       |      |       |   |
| 2024  | 90   |      |  |      |       |      |       |      |       |   |
| 2025  | 78   |      |  |      |       |      |       |      |       |   |
| <p><b>Cash from operations (£ million)</b><br/>Cash flow from operating activities before the impact of capital expenditure, proceeds from disposal, interest, tax and excluding the impact of IFRS 16. See note 2 of the financial statements on page 69 for definition.</p>                                 |  <table border="1"> <thead> <tr> <th>Year</th> <th>Cash from operations (£ million)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>106</td> </tr> <tr> <td>2024</td> <td>114</td> </tr> <tr> <td>2025</td> <td>49</td> </tr> </tbody> </table>                              | Year | Cash from operations (£ million)                             | 2023 | 106   | 2024 | 114   | 2025 | 49    | <p><b>-£65m</b><br/>Cash from operations decreased by £65 million in 2025 to £49 million as results normalised after a strong working capital inflow in 2024.</p>   |
| Year  | Cash from operations (£ million)   |      |  |      |       |      |       |      |       |   |
| 2023  | 106  |      |  |      |       |      |       |      |       |   |
| 2024  | 114  |      |  |      |       |      |       |      |       |   |
| 2025  | 49   |      |  |      |       |      |       |      |       |   |
| <p><b>Lost time injuries</b><br/>The total number of lost time accidents and RIDDORs (“Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013”) on a 12 month rolling average per 100,000 hours worked.<br/><br/>Subsidiaries have been excluded in year of acquisition, see page 32.</p> |  <table border="1"> <thead> <tr> <th>Year</th> <th>Lost time injuries (per 100,000 hours worked)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>0.63</td> </tr> <tr> <td>2024</td> <td>0.52</td> </tr> <tr> <td>2025</td> <td>0.45</td> </tr> </tbody> </table>             | Year | Lost time injuries (per 100,000 hours worked)                | 2023 | 0.63  | 2024 | 0.52  | 2025 | 0.45  | <p><b>-0.07</b><br/>The lost time injury frequency rate improved in 2025 driven by fewer manual handling injuries and fewer falling stock related injuries.</p>   |
| Year  | Lost time injuries (per 100,000 hours worked)  |      |  |      |       |      |       |      |       |   |
| 2023  | 0.63   |      |  |      |       |      |       |      |       |   |
| 2024  | 0.52   |      |  |      |       |      |       |      |       |   |
| 2025  | 0.45   |      |  |      |       |      |       |      |       |   |
| <p><b>Carbon intensity</b><br/>Total Tonnes of Carbon Dioxide Equivalent (“tCO<sub>2</sub>e”) per £1 million revenue. Prior year data has been restated, see page 37 for further detail.</p>  |  <table border="1"> <thead> <tr> <th>Year</th> <th>Carbon intensity (tCO<sub>2</sub>e per £1 million revenue)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>11.0</td> </tr> <tr> <td>2024</td> <td>10.8</td> </tr> <tr> <td>2025</td> <td>9.8</td> </tr> </tbody> </table> | Year | Carbon intensity (tCO <sub>2</sub> e per £1 million revenue) | 2023 | 11.0  | 2024 | 10.8  | 2025 | 9.8   | <p><b>-1.0</b><br/>Carbon intensity improved in 2025 by 1.0 due to improvements in distribution efficiency, continued roll out of low emission company vehicles, reduced waste generated and improving site energy consumption.</p> |
| Year  | Carbon intensity (tCO <sub>2</sub> e per £1 million revenue)   |      |  |      |       |      |       |      |       |   |
| 2023  | 11.0   |      |  |      |       |      |       |      |       |   |
| 2024  | 10.8   |      |  |      |       |      |       |      |       |   |
| 2025  | 9.8  |      |  |      |       |      |       |      |       |   |

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Operating and Financial Review

To provide context to the Group's performance certain data is presented on an organic basis in 2025, this excludes the impact of acquisitions owned for less than 12 months and is therefore on a comparable basis to 2024.

#### *Annual performance of the Group*

| <b>£m</b>                    | <b>2024</b> | <b>2025 organic<sup>1</sup></b> | <b>2025 total</b> |
|------------------------------|-------------|---------------------------------|-------------------|
| Revenue                      | 2,222       | 2,195                           | 2,261             |
| Gross profit                 | 546         | 541                             | 557               |
| Overheads                    | (502)       | (501)                           | (514)             |
| Operating profit             | 44          | 40                              | 43                |
| Adjusted EBITDA <sup>2</sup> | 90          | 75                              | 78                |

<sup>1</sup> Organic results are an APM, see note 2 on page 68 of the financial statements for definition

<sup>2</sup> Adjusted EBITDA is an APM, see note 2 on page 68 of the financial statements for definition

Revenue for the year ended 31 July 2025 was £2,261 million, £39 million greater than 2024. On an organic basis revenue declined by £27 million as a result of lower volumes sold in challenging markets. Businesses owned for less than 12 months contributed £66 million to Group revenue.

Gross margin was 24.6 per cent in the year ended 31 July 2025 which was the same as the prior year.

Adjusted EBITDA for the year ended 31 July 2025 was £78 million, £12 million lower than prior year, due to cost inflation being higher than gross profit growth. Businesses owned for less than 12 months added £3 million. Adjusted EBITDA as a percentage of revenue was 3.5 per cent, 60 basis points lower than 2024 (2024: 4.1 per cent).

#### *Statutory results for the year ended 31 July 2025*

| <b>£m</b>                    | <b>2024</b> | <b>2025</b> |
|------------------------------|-------------|-------------|
| Revenue                      | 2,222       | 2,261       |
| Operating profit             | 44          | 43          |
| Finance costs                | (39)        | (45)        |
| Tax                          | (3)         | -           |
| Profit / (loss) for the year | 2           | (3)         |

#### *Revenue*

Revenue for the year ended 31 July 2025 was £2,261 million (2024: £2,222 million).

#### *Operating profit*

Operating profit for the year ended 31 July 2025 was £43 million (2024: £44 million). This was generated from £557 million of gross profit less £514 million of operating costs.

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Operating and Financial Review (continued)

#### *Depreciation, amortisation and impairment*

Recorded in the year was depreciation of £42 million (2024: £41 million) relating to IFRS 16 'right-of-use' assets and £21 million (2024: £17 million) from other property, plant and equipment assets.

Amortisation charges were £2 million (2024: £2 million) for internally generated intangible assets and £6 million (2024: £5 million) for acquired intangible assets.

Impairment charges of £7 million (2024: £2 million) were incurred relating to goodwill and customer relationships and property, plant and equipment in the prior year.

#### *Finance income / (expense)*

The net expense of £45 million (2024: £39 million) consists of finance income of £2 million (2024: £3 million) offset by finance costs of £47 million (2024: £42 million). The cost included £36 million (2024: £32 million) from debt funding (see note 9).

#### *Taxation*

The tax charge in the year was £nil (2024: £3 million) comprising of a current year tax charge of £2 million (2024: £1 million) and a deferred tax credit of £2 million (2024: £2 million charge).

#### *Profit after tax*

The Group recorded a loss after tax for the period of £3 million (2024: £2 million profit).

#### *Liquidity and financing*

The Group maintains sufficient borrowing facilities to finance all investment and capital expenditure included in its strategic plan with an additional amount for contingencies. During the year the £219 million senior secured loan was repaid and £350 million of senior secured notes were issued.

The borrowing facilities as at 31 July 2025 comprise:

- £305 million asset backed loan facility (2024: £305 million) – interest of 2.25% over SONIA, subject to certain conditions, facility extended during the year and now available until October 2030 and amounts are repayable at the end of each interest period unless rolled over.
- £350 million simple fixed interest 9.75% senior secure notes due January 2031.

Of the Group's total facilities, £457 million were utilised at 31 July 2025 and £198 million was undrawn.

See detail of financial risk management on page 25 of the strategic report.

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Operating and Financial Review (continued)

#### *Net assets and equity*

The net assets of the business were £152 million at 31 July 2025 (2024: £273 million), the reduction in the year of £121 million was driven by the payment of a £121 million dividend (2024: £nil). To facilitate the dividend payment the share premium account (£144.4m) was converted into retained earnings during the year.

#### *Cash flow*

The Group has continued to generate strong cash flows during the period with cash flow from operating activities of £92 million (2024: £157 million).

| <b>£m</b>  | <b>2024</b> | <b>2025</b> |
|--|-------------|-------------|
| Cash flow from operating activities                | 157         | 92          |
| Interest and tax                                   | (37)        | (38)        |
| Capital expenditure                                | (27)        | (36)        |
| Proceeds from disposals                            | 5           | 1           |
|  | 98          | 19          |
| Acquisitions (net of cash in business)             | (35)        | (12)        |
| Financing activities including short term deposits | (75)        | 105         |
| Dividends paid                                     | -           | (121)       |
| Exchange rate impact                               | -           | 1           |
|  | (110)       | (27)        |
| Movement in cash                                   | (12)        | (8)         |
| Movement in debt                                   | 44          | (143)       |
| Net debt <sup>1</sup> at 31 July                   | (204)       | (355)       |

<sup>1</sup> Net debt is an APM, see note 2 on page 69 of the financial statements for definition and reconciliation.

The strategy of investing in the development of the Group's business was supported by capital expenditure of £36 million. This investment was primarily for new delivery vehicles, hire assets, IT upgrades and branch maintenance and enhancements.

Acquisition costs of £12 million comprised the net purchase price payable for two acquisitions made during the year and deferred payments made in respect of prior year acquisitions. These were funded through existing financing arrangements resulting in a net debt position at 31 July 2025 of £355 million.

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Principal risks and uncertainties

#### *Governance framework*

The Directors have overall responsibility for ensuring the Group has an appropriate risk management framework. This includes clearly defining the level of risk the Group is willing to accept to achieve its strategic objectives, monitoring the amount of risk being taken and ensuring the businesses activities operate within this framework.

#### *Risk management framework*

The Group takes a balanced approach to manage risk in a proactive, efficient and effective way, targeted at the most significant risks, particularly where there is a low tolerance for risk or uncertainty. Throughout the year the Group has maintained a structured approach to risk management, working with the business to strengthen its risk management framework and continually embed the risk process into projects and business as usual activities.

A risk review process is undertaken three times per year where each business and support function identify and assess key risks and updates its respective risk register. Each risk is evaluated using a defined criteria based on its potential consequence, likelihood and the existing level of mitigating controls. Any action plans to further mitigate or reduce the risks identified are also captured as part of this process.

The output of this exercise is used to update the Group's risk register, which is reviewed by the Directors and senior management team with all new and emerging risks and material changes highlighted. Each risk is assigned an owner who is responsible for managing mitigations. The Group's risk management structure aims to ensure a uniform approach to identifying, assessing, monitoring and effectively mitigating risks. Independent oversight and challenge of this end-to-end process is provided by the Group Assurance function.

#### *Audit and assurance*

The Directors gain assurance that the controls identified in the risk registers are well designed and operating effectively through several mechanisms using the established three lines of defence model. This includes the oversight provided by senior management within the businesses, periodic testing to assess the effectiveness of key business controls and using internal audits to provide independent assurance of control effectiveness in key risk areas.

#### *Principal risks and risk appetite*

The risks detailed below are considered to be the principal risks that could potentially have a material impact on the Group's operations and the achievement of its strategic objectives. These risks should not be considered an exhaustive list of all potential risks and uncertainties faced by the Group.

The Group continues to operate against a backdrop of uncertainty, with geopolitical and macroeconomic volatility posing continuing challenges. Whilst each of the risks and associated mitigations continue to evolve, the principal risks remains relevant and appropriate, and no risks have been added or removed in the latest risk review.

On an annual basis, the Directors consider their appetite against the principal risks which helps determine the actions and resources required to mitigate them. The Group's policy on risk management is:

- to embrace more risk in areas which present opportunities to grow the business and deliver value, typically strategic risks; and
- to eliminate, avoid or mitigate risks in areas that may present a significant safety, legal, regulatory or reputational risk, where the risk appetite is low.

# Wolseley Group Holdings Limited

## Strategic report (continued)

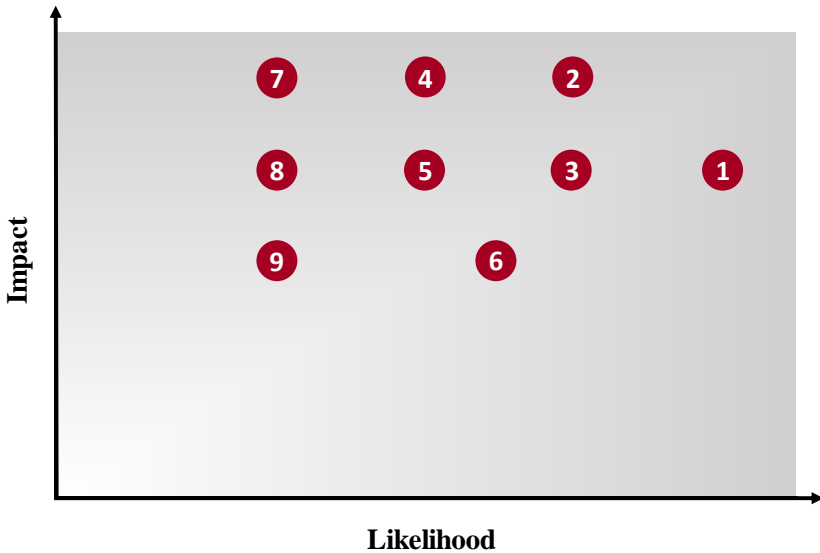
### Principal risks and uncertainties (continued)

#### Emerging risks

The Group acknowledges the environment it operates in is dynamic and subject to ongoing changes, therefore awareness of emerging risks forms part of the overall risk assessment process.

The Group proactively identifies and monitors areas of uncertainty that currently do not present a significant risk or opportunity, but have the potential to have a material impact in the future. This enables the Group to understand the potential implications and take appropriate action at the right time. Current emerging risks being monitored include change in public sentiment and global momentum towards the net zero transition potentially affecting the direction of UK government policy.

#### Risk profile after mitigating actions and controls



- |  |   |
|--|---|
| 1. Macroeconomics and market dynamics        | 6. Compliance and governance            |
| 2. Information technology and cyber security | 7. Health and safety                    |
| 3. Strategy design and execution             | 8. Financial health and cash management |
| 4. Net zero transition                       | 9. Business resilience                  |
| 5. Organisation and talent                   |   |

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Principal risks and uncertainties (continued)

|   |  |
|---|--|
| <i>1 Macroeconomics and market dynamics</i>   |  |
| <p><b>Description</b></p> <p>The UK continues to face macroeconomic challenges, which could negatively impact the Group’s ability to increase sales and deliver an improved trading performance.</p> <p>The Group’s performance is affected by general economic conditions and the level of activity in the residential, infrastructure and commercial building market sectors.</p> <p>Factors including inflation, interest rates, tax rates, employment levels, and property prices impact the Group’s operating costs and influence the markets it operates in.</p> <p>Whilst the UK government has a target of building 1.5 million new homes by 2029, the timing and strength of a recovery in the UK construction sector remains uncertain and is likely to differ across specific segments.</p> <p>Global conflicts and trade frictions also create uncertainty for the UK economy, and may contribute to higher inflation rates, a further slowdown in growth, and potential cuts in government spending.</p> | <p><b>Mitigations</b></p> <p>The breadth of the Group’s portfolio of businesses across the UK and Ireland as well as the residential, commercial and infrastructure markets helps to mitigate country / sector specific economic volatility.</p> <p>Whilst the Group cannot control externally driven events such as market conditions or the actions of suppliers and competitors, it continues to monitor these events and implement appropriate response strategies to mitigate their impact. It:</p> <ul style="list-style-type: none"> <li>• Continues to develop differentiated business models</li> <li>• Undertakes a systematic and regular performance review process with each business to monitor market dynamics</li> <li>• Invests in digital solutions to further enhance the services and capabilities available to customers</li> <li>• Continuously reviews pricing strategies and other controls to manage gross margin</li> <li>• Focuses on higher-margin growth opportunities</li> <li>• Continues to actively review operating models and manage operating costs</li> <li>• Continued to improve productivity and working capital management</li> </ul> |
| <p><b>Change</b> ↑</p> <p>This risk exposure has increased compared to the previous year given the ongoing uncertainty in the UK economy, with reduced growth forecasts, higher than expected inflation, higher unemployment rates and the possibility of UK tax rises in the Autumn budget. The Group continues to monitor drivers for macroeconomic changes and implement appropriate response strategies to manage their impact on the Group’s performance.</p>  |  |

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Principal risks and uncertainties (continued)

| <i>2 Information technology and cyber security</i>   |  |
|--|--|
| <p><b>Description</b></p> <p>The Group’s businesses are dependent on the continued availability and integrity of several IT systems, and the information they hold, to successfully trade.</p> <p>An external cyber-attack, insider threat or supplier breach could result in unauthorised access to, or misuse of, systems, technology or data.</p> <p>A failure to keep up to date with the changing risk landscape to prevent, detect, respond to or recover from such incidents could result in a significant disruption to operations, the loss of confidential information, fines and reputational damage.</p> <p>The Group’s ability to trade is also dependent on the reliable operation of its core IT systems, some of which are based on older technology sets. A large scale and / or prolonged outage of these IT systems would result in a disruption to customer service and impact financial performance.</p> <p>The need for enhanced IT capability also increases as the Group places greater reliance on technology to drive change and achieve its strategic objectives.</p> | <p><b>Mitigations</b></p> <p>The Group operates a layered approach to information security which incorporates preventative, detective and responsive technical controls and capabilities.</p> <p>The Group has continued to invest in the resilience and power of its underlying technology platforms and infrastructure. Moving systems wherever possible into the Group’s data centre environment which offers the best protections in the Group.</p> <p>Third party assessment tools are used to continuously monitor and scan Wolseley’s systems for threats and vulnerabilities and independently assess the Group’s state of preparedness.</p> <p>Regular mandatory training on information security and data protection is provided to all employees, supported by phishing simulations and awareness campaigns.</p> <p>Current and future support arrangements for critical IT systems are regularly reviewed. These systems together with the data centres have documented disaster recovery plans which are tested at least annually.</p> <p>Incident response protocols are in place to support the Group’s ability to respond effectively to and recover from a cyber threat or incident.</p> <p>A dedicated and expert Information Security team manage these governance arrangements.</p> <p>The Group participates in a comprehensive cyber insurance programme providing extensive business interruption coverage in the event of an attack.</p> |
| <p><b>Change</b> ↔</p> <p>This risk remains unchanged compared to the previous year. The sophistication of cyber-attacks, the role of Artificial Intelligent, and increasing customer requirements continue to present an ever-evolving environment which requires constant monitoring and mitigation.</p>   |  |

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Principal risks and uncertainties (continued)

|   |   |
|---|---|
| <i>3 Strategy design and execution</i>  |   |
| <p><b>Description</b></p> <p>The success of the Group is dependent on having a clear strategy to develop its business model in line with its customers’ needs.</p> <p>The Group operates in markets that are affected by economic instability and competitive activity and must regularly review its operating model to account for these changes. An inability to respond strategically to changes in the external environment could result in missed opportunities, an excessive dependence on a specific sector and a weakened competitive position for the Group.</p> <p>A failure to develop an overarching strategy which clearly defines the key strategic priorities for the Group, may also result in businesses not prioritising initiatives appropriately or deploying resources effectively.</p> <p>Fundamental to the Group’s growth strategy is the ability to execute strategic initiatives successfully and at pace. Without appropriate skills, resources, or governance arrangements to deliver projects, integrate acquisitions and manage change effectively, the anticipated levels of sales, profitability and synergies may not be realised and sustained.</p> | <p><b>Mitigations</b></p> <p>A Group wide strategy exists which outlines the key strategic priorities for the business, see pages 4 to 5.</p> <p>All major initiatives are subject to formal business case reviews and are approved by the Board.</p> <p>The Group operates a framework that sets out the minimum requirements for managing major initiatives, including governance structures and reporting.</p> <p>Dedicated teams deliver strategic initiatives with support from external expertise where necessary.</p> <p>The progress of key initiatives is monitored as part of the systematic performance review process, which considers milestones, risks, interdependencies and key decisions.</p> <p>A robust due diligence process is in place to identify potential risks, opportunities and value drivers of businesses being acquired. The insights gathered from this exercise are also used to inform the post-acquisition integration plan.</p> <p>A framework has been established to ensure all businesses meet the Group’s standards in key areas such as IT, cyber security, health and safety, and financial reporting.</p> <p>A flexible integration approach has been developed to ensure all other areas of compliance, internal control and risk management are aligned to the Group’s minimum governance standards.</p> |
| <p><b>Change</b> ↔</p> <p>This risk remains unchanged as the Group continues to place greater focus, resources and programme management discipline on a more concentrated number of strategic initiatives.</p>  |   |

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Principal risks and uncertainties (continued)

|  |   |
|--|---|
| <p><b>4 Net zero transition</b></p>  |   |
| <p><b>Description</b></p> <p>The UK Government’s legal commitment to achieve net zero carbon emissions will have a significant impact on the products that the Group sell, as demand and consumer preferences for heating and cooling products will change.</p> <p>The goal to move away from fossil fuel-based heating systems to low carbon alternatives will require retrofitting 29 million homes and 5 million businesses with new heating and cooling technology, as well as upgrading the power networks and ensuring that infrastructure is resilient to extreme weather events.</p> <p>This transition represents both a significant opportunity and risk for the Group. Whilst the UK Government remains committed to the ambitious targets set for achieving net zero, backed by policies including the upcoming Future Homes and Buildings Standard, weakened global momentum towards the clean energy transition could potentially affect the direction of UK policy.</p> <p>The Group also recognises its responsibility to minimise the impact its operations have on the environment and to promote sustainable and ethical business practices among its customers, suppliers and employees.</p> | <p><b>Mitigations</b></p> <p>The net zero transition remains a key focus within the Group’s strategy.</p> <p>The Group continues to explore innovative propositions to help customers grow their expertise and be their trusted partner when dealing with the evolving landscape of renewable energy technologies.</p> <p>In April 2025, the Group launched “Renewables Centre”, a significant step forward to positioning the Group as a leading provider of products, services, and support in the renewables market.</p> <p>This initiative is part of a long term strategy to enhance the Group’s capabilities in renewable heating and energy efficient solutions, across the businesses operating in the residential, infrastructure and commercial sectors.</p> <p>The Group has continued to improve its environmental impact and has a comprehensive system in place to monitor and report on performance.</p> |
| <p><b>Change ↑</b></p> <p>This risk exposure has increased as there is evidence that competitors (new and existing) are moving at pace to capitalise on emerging market opportunities. Managing the Group’s response to this risk is critical to its future success to avoid falling behind in capability, market relevance, or regulatory alignment.</p>  |   |

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Principal risks and uncertainties (continued)

| <i>5 Organisation and talent</i>  |  |
|---|--|
| <p><b>Description</b></p> <p>Employees are fundamental to the Groups long-term success, as it is dependent on their knowledge, expertise and experience and the service they provide to customers.</p> <p>In some cases, specialist knowledge can reside in a limited number of individuals, therefore the retention of talent and knowledge is a critical success factor.</p> <p>For the businesses to develop with the changing needs of its customers, the Group must also understand the future workforce required to excel in an evolving branch environment and develop strategies to attract a diverse pipeline of talent equipped with relevant skills and capabilities to drive a high performance culture.</p> <p>The Group’s success is also dependent on its ability to identify and develop high calibre talent that have the potential to become future leaders.</p> <p>The Group acknowledges its responsibility towards diversity and inclusion and the need to have a continued commitment to achieve equal opportunities at all levels, including the senior management team.</p> | <p><b>Mitigations</b></p> <p>The Group has processes in place to identify, assess and develop talent. Mechanisms exist to nurture talent and provide career opportunities through performance and development discussions.</p> <p>Training and development programmes are in place to develop the skills and behaviours of employees at all levels. This ranges from apprenticeship schemes for new and existing talent to coaching for senior leaders.</p> <p>Attrition levels are closely monitored across the Group, with action plans implemented to understand the root cause and support businesses where there is a high turnover.</p> <p>The Group continues to benchmark reward and recognition, to ensure its offering is competitive and encourages talent to join and remain with the Group.</p> <p>The Group has also launched a range of schemes to help support financial wellbeing, and continued to build on the success of existing physical and mental wellbeing initiatives.</p> <p>Employee listening forums are used to seek regular feedback from employees and improve ways of working. Action plans to address key issues highlighted through this channel are developed and monitored.</p> <p>Diversity and inclusion remains a fundamental part of the Group’s culture and is embedded within its values.</p> |
| <p><b>Change</b> ↔</p> <p>This risk remains unchanged. The Group recognises the ongoing risk regarding its people considering general price inflation, minimum wage increases, as well as the need to develop its employees with the changing needs of its customers.</p>   |  |

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Principal risks and uncertainties (continued)

| <i>6 Compliance and governance</i>  |  |
|---|--|
| <b>Description</b>  | <b>Mitigations</b>   |
| <p>The Group does not operate in a highly regulated sector but is nevertheless affected by a broad range of statutes, laws and regulations in the UK and Ireland.</p> <p>This includes laws affecting competition, fraud, bribery and corruption, the environment, health and safety, product quality, transportation, labour and employment practices, data protection and other matters.</p> <p>Additional requirements may also be placed on the Group as it develops new value-add services in response to the evolving needs of its customers.</p> <p>A failure to fully understand and comply with these laws and regulations, or being complicit in an activity with another party where these laws and regulations are breached, could lead to fines, prosecution, significant operational disruption, reputational damage and have an adverse impact on the Group’s financial position.</p> <p>There is also a risk that the Group enters into an unlawful, onerous or unenforceable contract, which could result in a breach of laws and regulations or unexpected financial risks.</p> | <p>The Group continually monitors changes to legal and regulatory requirements and their application by governing bodies.</p> <p>A comprehensive compliance programme is in place which includes a Code of Conduct, supported by policies and procedures, and mandatory training to clearly set out expectations. Adherence to requirements, such as training completion rates, is also monitored and acted upon.</p> <p>The new corporate criminal offence of failure to prevent fraud, in the Economic Crime and Corporate Transparency Act (ECCTA), comes into force in 2025. To comply, the Group is developing a fraud risk universe to identify potential opportunities for fraud and to ensure sufficient controls are in place to mitigate these risks.</p> <p>A contract governance framework is in place to ensure terms and conditions are in line with legal and regulatory requirements and do not expose the Group to significant unknown risks.</p> <p>An independent whistleblowing hotline is available for employees to report unlawful or unethical behaviour in the workplace. All matters raised via the “Speak Up” hotline are investigated independently.</p> |
| <p><b>Change</b> ↔</p> <p>This risk remains unchanged given the Group’s current response strategies to comply with new and existing legal and regulatory requirements.</p>  |  |

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Principal risks and uncertainties (continued)

|  |   |
|--|---|
| <b>7 Health and safety</b>   |   |
| <p><b>Description</b></p> <p>The Group places primary importance on the health, safety and wellbeing of its people and other stakeholders who may be affected by its business activities.</p> <p>This strong tone from the top is reflected in the Group’s Safety, Health and Wellbeing value and in the focus placed on health and safety in the Group’s operations.</p> <p>The nature of the Group’s operations attracts specific health and safety risks, particularly regarding the movement of goods and materials. A failure to implement appropriate safety standards may result in significant harm to employees, customers, or third parties, and lead to fines, prosecution and reputational damage.</p> | <p><b>Mitigations</b></p> <p>The Group continues to challenge current ways of working to de-risk its operations and improve safety performance.</p> <p>Further progress has been made against each of the five strategic objectives of the health and safety strategy, Notable deliverables include a suite of health and safety dashboards to help management gain greater insight into safety trends and make risk-based decisions, redesigned site-based risk assessments and overall approach to risk assessments, redrafted safe systems of works and relaunched business unit safety committees.</p> <p>The Group operates a robust health and safety management system with a health and safety policy supported by documented risk assessments and safe systems of work for all key business activities.</p> <p>Health and safety incidents are actively monitored and investigated, with corrective action taken to address the root causes of incidents.</p> <p>Health and safety performance is reviewed at every level of the business and forms part of the agenda for every Board meeting.</p> <p>A comprehensive training programme is in place where all employees receive health and safety training specific to their roles, with completion rates monitored.</p> |
| <p><b>Change ↔</b></p> <p>The risk remains stable compared to the previous year, as the Group continues to monitor and implement specific response strategies to ensure it provides a safe environment for employees, customers, and third parties.</p>  |   |

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Principal risks and uncertainties (continued)

| <i>8 Financial health and cash management</i>   |  |
|---|--|
| <p><b>Description</b></p> <p>A failure to maintain adequate financial liquidity could impact the Group’s ability to meet its financial obligations as well as impair its ability to fund key strategic initiatives.</p> <p><b>Interest rate risk</b></p> <p>The Group is partly financed through an externally syndicated facility and is exposed to fluctuations in interest rates on this which may adversely impact the Group.</p> <p><b>Liquidity risk</b></p> <p>The Group’s operations are generally cash generative. A mixture of cash balances, long term debt and short term facilities are used to maintain liquidity, ensuring there are sufficient funds available for on-going operations and future developments.</p> <p><b>Payment risk</b></p> <p>The Group provides extended payment terms to most of its trade customers. There is an associated risk that customers may not be able to pay outstanding balances.</p> <p><b>Fraud risk</b></p> <p>Due to the nature of its operations, the Group is subject to several fraud risks from both internal and external parties.</p> | <p><b>Mitigations</b></p> <p>The focus on liquidity through active management of cash and debt remains a key priority for the Group.</p> <p><b>Interest rate risk</b></p> <p>The Group has moved a significant proportion of its debt to a fixed rate limiting its exposure to interest rate risk.</p> <p><b>Liquidity risk</b></p> <p>The Group regularly monitors cash flow forecasts and maintains funds on demand to meet all working capital requirements and the servicing of financial obligations.</p> <p><b>Payment risk</b></p> <p>The Group has a dedicated professional accounts management team in place that assess customer payment risk and review overdue balances. Significant outstanding and overdue balances are reviewed regularly, and corrective action is taken where necessary.</p> <p>Controls focus on the early detection of warning signs that could indicate a customer is experiencing financial difficulty.</p> <p><b>Fraud risk</b></p> <p>The Group is developing a fraud risk universe to identify potential opportunities for fraud and ensure sufficient controls are in place to mitigate these risks.</p> <p>Control measures are reviewed and improved to ensure ongoing appropriateness. Where instances of attempted fraud occur within the Group, lessons learnt are identified and shared across businesses.</p> <p>The Group has an internal team dedicated to the prevention, detection and investigation of fraudulent activities in its operations.</p> |
| <p><b>Change</b> ↑</p> <p>This risk exposure has increased as the Group has increased the level of debt on the balance sheet at year-end following refinancing in the year ended 31 July 2025, see page 84.</p>   |  |

# Wolseley Group Holdings Limited

## Strategic report (continued)

### Principal risks and uncertainties (continued)

|  |   |
|--|---|
| <p><b>9 Business resilience</b></p>  |   |
| <p><b>Description</b></p> <p>A business interruption incident at a key business location such as a distribution centre, or a critical third party, could result in a significant disruption to a key service or operation.</p> <p>Geopolitical instability as a result of the global trade tariffs, or other global events such as the conflicts in Ukraine and the Middle East could also result in a significant interruption to the supply of key products.</p> <p>An inability for the Group to respond quickly and effectively to such events could result in financial loss and reputational damage.</p> | <p><b>Mitigations</b></p> <p>A Group wide business continuity policy is in place which formalises a consistent framework for businesses to identify critical operations and ensure these can continue in the event of a major incident.</p> <p>A risk-based approach is taken to business continuity management with a focus on critical infrastructure.</p> <p>Critical sites and operations have detailed incident response and recovery plans that are continually reviewed and improved.</p> <p>Disaster recovery plans have been established for critical IT systems and datacentres which are tested at least annually.</p> <p>Strategic third-party partners have been reviewed to ensure continuity plans are robust and aligned to the expectations of the Group.</p> <p>The potential impact of geopolitical developments on the Group’s supply chain are closely monitored.</p> <p>Business interruption insurance provides cover for the loss of income when operations cannot continue due to an unexpected event.</p> |
| <p><b>Change</b> ↔</p> <p>This risk exposure remains unchanged, as the Group continues to demonstrate resilience to a broad range of externally driven events and geopolitical uncertainties.</p>  |   |

# Wolseley Group Holdings Limited

## Governance report

### Corporate Governance

The Directors believe that effective corporate governance is the foundation of a well-run company and are committed to maintaining high standards of governance throughout the Group. The Directors recognise that a strong governance framework is fundamental to the execution of the Group's strategic objectives, underpinned by a clear purpose and well understood culture and values. The Group's corporate governance framework has been designed to support this. The Board is committed to ensuring that the procedures, policies and practices of the business continue to be effective.

The Directors consider the annual report and financial statements to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity 'The Walker Guidelines'. The Group also adheres to the Wates Corporate Governance Principles for Large Private Companies.

### Wates Principles

The Directors believe the appropriate approach to corporate governance is to adopt the Wates Corporate Governance Principles for Large Private Companies. The approach is based upon six broad principles, which the Directors have adopted.

#### 1. Purpose and leadership

*An effective board develops and promotes the purpose of a company and ensures that its values, strategy, and culture align with that purpose.*

The Group's strategy is to deliver value through its specialist businesses by continually investing in customer propositions and developing great employees. Wolseley is focusing effort on leading the energy transition to renewables, delivering great service and solutions that are valued by customers and building a stronger business for the future to achieve successful, profitable growth.

The business is based on several strong brands and this strategy is aligned with the Group's purpose. The Board continues to review and challenge the strategy, performance, responsibility and accountability so that every decision made is of the highest quality and in line with the Wolseley values which are embedded throughout the business. The business model and the growth drivers of the Group are outlined in pages 6 to 11, the Wolseley values are detailed on page 8.

Whilst the Board holds overall responsibility for developing and promoting the purpose of the Group, senior management ensure the Wolseley values, strategy and culture continue to be distilled into every aspect of the Group and its businesses on their behalf. The Board's Audit Committee reviews the effectiveness of the whistleblowing, risk management and fraud policies and procedures.

#### 2. Board composition

*Effective board composition requires an effective chair and a balance of skills backgrounds, experience, and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.*

The Board comprises the Chief Executive Officer and Chief Financial Officer along with experienced investor directors from Clayton, Dubilier & Rice ("CD&R") who bring a wealth of experience and significant resources from this well-established private equity firm. The Directors possess a wide range of skills, backgrounds, experience, and knowledge across a broad range of businesses. The size and composition of the Board is considered appropriate for the size and complexity of the Group. The Board has established an Audit Committee and a Remuneration Committee. Details of the Board members can be found on page 29 and 30.

# Wolseley Group Holdings Limited

## Governance report (continued)

### 3. Director responsibilities

*The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.*

The Directors recognise the importance of good governance and have a clear understanding of their roles and responsibilities. The Directors receive regular updates to ensure they keep up to date with the requirements of company directors.

Comprehensive and timely reporting of financial information and KPIs on all aspects of the business are provided to the Directors, which is used to support the decision-making process. As part of the governance activities, the Group delegation of authority framework is maintained alongside the Investment approval process which was reviewed and updated at the start of the year.

### 4. Opportunity and risk

*A board should promote the long term sustainable success of the company by identifying opportunities to create and preserve value, establishing oversight for the identification and mitigation of risks.*

The business strategy clearly identifies the direction for the Group and opportunities to deliver this strategy are a key focus of the Board meetings.

Oversight of risk management is performed on an ongoing basis through the Directors interaction with management and by risk being an item on the Board and Audit Committee agendas. The Board retains overall responsibility for risk management and the senior management team are responsible for identifying and mitigating risk. The principal risks to the business are outlined on pages 16 to 26.

### 5. Remuneration

*A board should promote executive remuneration structures aligned to the long term sustainable success of a company, taking into account pay and conditions elsewhere in the company.*

The overall structure of remuneration and incentive schemes were considered directly by the Directors. The Group operates short term and long term incentive arrangements that have been designed to deliver long term sustainable profitable growth with reward aligned to achieving this objective.

Senior management and the Group Reward function are responsible for delivering the remuneration and short term incentive schemes that align with Group success and providing recommendations to the Remuneration Committee for approval.

### 6. Stakeholder relationships and engagement

*Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders including the workforce and having regard to their views when taking decisions.*

The Board is aware of the importance of fostering effective stakeholder relationships to enable the long term success of the Group. Good communication is key to this and there is regular engagement with employees, customers, suppliers, local communities and other stakeholders. Employee communication channels include 'Let's Talk', a regular video call for all employees, the employee forum and a regularly updated intranet site.

# Wolseley Group Holdings Limited

## Governance report (continued)

The Directors are committed to operating in a socially responsible manner, engaging with the community and developing the business working towards environmental sustainability. The Group has detailed its key stakeholders and its engagement with them in its Section 172 statement on pages 30 and 31.

### Ownership

The Group was formed when CD&R acquired 100% of the issued share capital of Wolseley UK Limited on 29 January 2021 through Wolseley Group Limited, a subsidiary of Wolseley Group Holdings Limited. CD&R Fund X is the principal investor in the Company through CD&R Wolf Sarl, a Luxembourg company.

Founded in 1978, CD&R is a private equity firm with a history of working with management teams to build stronger, more profitable businesses. CD&R is a US based private equity firm which manages investments on behalf of institutional, public and private investors worldwide. CD&R has an experienced team of investment professionals and operating partners and has an investment strategy based on principles developed by the investment team over many decades to build stronger, more profitable businesses.

CD&R works to make companies grow and prosper by partnering with families, founders, or corporate owners. Value is created by collaborating with management to spur operational performance improvements, by accelerating growth strategies, injecting new talent, and boosting productivity. CD&R executes a consistent investment strategy across North America and Europe, focusing on market-leading businesses in the consumer/retail, healthcare, industrial and services sectors.

### Directors of Wolseley Group Holdings Limited

The Directors, who held office throughout the period and to the date of this report were as follows:

#### *Christian Rochat*

Christian joined CD&R in 2004 and is a Partner based in London.

#### *Diego Straziota*

Diego joined CD&R's London office in 2017 and is a Managing Director.

#### *Patrick Berard*

Patrick Berard was appointed Chief Executive Officer ("CEO") of Wolseley on 8 October 2025. Patrick brings more than 20 years of global leadership experience in the industry, most recently serving as Group CEO of Rexel.

#### *Simon Gray*

Simon was appointed Chief Executive Officer ("CEO") of Wolseley in January 2024, having previously been the Chief Financial Officer ("CFO") for five years. Simon stepped down as Chief Executive Officer on 30 September 2025.

#### *Nicky Thomas*

Nicky was appointed Chief Financial Officer ("CFO") of Wolseley in January 2024, having previously been the Deputy CFO for two years. She joined Wolseley in 2015 and held a number of senior finance roles. Nicky is an experienced finance professional with a deep knowledge of driving value from financial reporting and performance management from small organisations and large complex companies. Nicky is a chartered certified accountant.

# Wolseley Group Holdings Limited

## Governance report (continued)

The senior executives or advisers of CD&R and independent non-executive directors who have oversight of the Company either through sitting on the Board or the Wolseley Jersey Limited Board are Christian Rochat, Diego Straziota, Bruno Deschamps and Adepeju Adebajo. Bruno Deschamps is the Chairman of Wolseley Jersey Limited, the parent of the Company and wholly owned subsidiary of the ultimate controlling party CD&R Wolf Sarl.

### Key Management Personnel

The following individuals were the key management personnel of the Group at 31 July 2025 unless otherwise stated:

- Patrick Berard Chief Executive Officer (from October 2025)
- Simon Gray Chief Executive Officer (to September 2025)
- Nicky Thomas Chief Financial Officer (and acting Chief HR Officer)
- John Hancock Chief Operating Officer
- Roger Connett Chief Technology Officer
- Nicky Randle General Counsel and Company Secretary

### Section 172(1) statement

The Board of Directors, in line with their duties under section 172(1) of the UK’s Companies Act 2006, act in a way they consider, in good faith, would most likely promote the success of the Company for the benefit of its stakeholders.

The Board recognises the importance of maintaining strong relationships with its stakeholders in order to create sustainable long term value and encourages active dialogue and transparency with all of its stakeholder groups. They take time to engage with, and listen to, the views of stakeholders in order to shape decision making and to continue improving the way things are done. The Board exercises skill and judgement, having regard to the likely consequences of its decisions, to promote actions that lead to the long term success of the Group.

When developing strategy, the Board has regard to financial considerations as well as the need to engage, and the potential impact on the Company’s stakeholder groups. The Board strives to balance appropriately the effects of decision making on key stakeholder groups whilst always ensuring the need to promote the success of the group for the benefit of its members as a whole.

# Wolseley Group Holdings Limited

## Governance report (continued)

Further illustrations of how section 172 factors have been applied by the Board can be found throughout the strategic report.

| <b>S172 duty</b>  | <b>Read more</b>                   | <b>Pages</b> |
|---|------------------------------------|--------------|
| The likely consequences of any decision in the long term  | Business model                     | 7            |
|   | Strategy                           | 4-5          |
|   | Principal risks and uncertainties  | 16-26        |
|   | Going concern                      | 42           |
|   | Board activities                   | 27-28        |
|   | ESG governance                     | 32, 34       |
| The interest of the Company's employees   | People                             | 8-9          |
|   | Employee engagement                | 9            |
|   | Diversity and inclusion            | 9            |
|   | Values                             | 8            |
|   | Wolseley Talent Guild              | 8            |
| The need to foster the Company's business relationships with suppliers, customers and others    | Customers                          | 9-10         |
|   | Suppliers                          | 10           |
| The impact of the Company's operations on the community and the environment                     | Carbon reporting                   | 36-40        |
|   | Apprenticeships                    | 8, 41        |
|   | Recycling schemes                  | 40           |
|   | Renewables transition              | 4, 10        |
| The desirability of the Company maintaining a reputation for high standards of business conduct | Values                             | 8            |
|   | Safety                             | 24, 32-34    |
|   | Whistleblowing                     | 23           |
|   | Anti-fraud, bribery and corruption | 23           |
|   | Modern slavery                     | 40           |
| The need to act fairly between members of the Company   | Shareholder engagement             | 27-28        |
|   | Employee forum                     | 9            |

# Wolseley Group Holdings Limited

## Governance report (continued)

### Environmental, Social, Community and Human Rights Issues

#### Governance

The Board believes the environmental, social and governance (“ESG”) agenda is important for the future success of the Group. The UK Government’s commitment to achieve net zero carbon emissions by 2050 will require retrofitting new heating systems to approximately 29 million homes and a new generation of trained installers. The Group is committed to supporting their customers during the transition to zero carbon technology and ensuring its operations have a positive impact for employees, the communities the Group serves and the environment. Renewables Centre was launched in 2025 which is a key element of the long-term plan to support the net zero transition (page 10). The Directors are responsible for approving sustainability strategy, setting targets and reviewing performance in monthly performance review meetings with senior management. A sustainability steering committee meets quarterly with supporting working groups leading on operational delivery. Daily management resides with the Group Sustainability team.

#### Organisational Boundary

This report covers data for Wolseley Group Holdings Limited, including all subsidiaries, at 31 July 2025. The option has been taken to exclude safety, energy and carbon reporting for any subsidiary acquired in the year of acquisition due to a lack of data in recently acquired companies.

#### People

Diversity and inclusion are a fundamental part of the Group’s culture. The Group values and respects the diversity of its employees and promotes an inclusive working environment. The Group aims to have a workforce that reflects the communities it serves and provide a supportive environment where everyone receives fair and equal treatment. Policies are in place to encourage inclusion and diversity, and it is expected the gender balance of employees will change over time as the industry changes.

#### Gender Reporting

| At 31 July 2025  | Male  | Female |
|--|-------|--------|
| (i) Directors of the Company                             | 3     | 1      |
| (ii) Key Management Personnel excluding (i) <sup>1</sup> | 3     | 0      |
| (iii) Employees  | 4,679 | 1,360  |

<sup>1</sup> Senior Manager as defined by section 414C(9) of the Companies Act 2006

#### Health and Safety

The Group continues to acknowledge the health, safety and wellbeing of its employees and other stakeholders who may be affected by its business activities is a prerequisite to operating, which is reflected in the continued adoption of Safety, Health and Wellbeing as one of the Group’s values.

The five strategic health and safety objectives were maintained as the focus areas of the Group’s multi-year strategy:

- 1) Ensuring effective communication though the Group
- 2) Continuing to establish a firm foundation of core polices, processes and ways of working
- 3) Building risk ownership and management in operational teams
- 4) Safety culture improvement
- 5) Utilising technology to develop insight and support decision making

# Wolseley Group Holdings Limited

## Governance report (continued)

### Environmental, Social, Community and Human Rights Issues (continued)

Continued progress was made against each of the five strategic objectives, notable strategic deliverables in the year include:

- The delivery of a suite of interactive health and safety dashboards to support management teams in gaining insight into data trends and making risk-based decisions
- Reshaped site-based risk assessments and risk assessment approach
- Rewritten safe systems of work
- Relaunching business unit safety committees as employee safety forums with increased participation and engagement

The Group continues to monitor health and safety performance utilising a balanced scorecard that provides a holistic view of health and safety performance, with the aim to track leading indicators that measure safety capacity within the group (a combination of the working environment, culture, skills, time, equipment, etc.), as well as lagging indicators. The group believes that building safety capacity will deliver long term sustainable safety performance improvements underpinned by a positive safety culture. Lagging indicator performance continues to be tracked and is used to measure the effectiveness of the health and safety strategy and focus areas.

Health and safety remains a priority for the Board. It is a standing agenda item for each Board and senior management meeting and a monthly report including key metrics and associated commentary is provided to the Board and senior management team. Key metrics considered include leading indicators such as the performance of health and safety monitoring programmes, the number and rate of hazard reporting and positive safety spot reporting, the completion rates for risk assessment reviews and employee health and safety training as well as lagging indicators, notably lost time injury, RIDDOR and total injury rates.

Due to the nature of the business and regulatory environment in which it operates, a relentless focus on tracking, reporting and seeking to reduce the number and severity of injuries remain constant, and during the year a programme to deliver enhanced incident investigation training to operational managers was launched.

Safety performance and progress on key safety improvement initiatives is reviewed regularly with the senior management team, including the CEO and CFO. Additionally, each of the businesses meet and discuss local safety performance regularly, supported by a member of the health and safety team. Reviews continue to include a focus on leading indicators such as hazard spotting, near misses, training completion, engagement on safety initiatives and embedding lessons learnt, providing an indication on the level of safety culture within the Group. In addition, the Group maintained the enhanced governance framework implemented in the prior year with the Group Safety Steering Committee meeting quarterly.

Health and safety training remains a key feature for all employees and mandatory training is required every year, with completion rates monitored. Additional training in the effective management of health and safety continues to be delivered to branch and area managers as part of new branch and area manager inductions.

Use of the health and safety IT application remained strong through the year and continued development of this is planned as part of the Group's health and safety strategy, with one of the five strategic objectives remaining focused on the use of technology.

# Wolseley Group Holdings Limited

## Governance report (continued)

### Environmental, Social, Community and Human Rights Issues (continued)

#### *Safety reporting*

| Year ended                         | 2023 | 2024 | 2025 |
|------------------------------------|------|------|------|
| Lost time injury rate <sup>1</sup> | 0.63 | 0.52 | 0.45 |
| Total injury rate <sup>2</sup>     | 3.32 | 3.40 | 3.46 |

<sup>1</sup> Lost time injuries (including RIDDORs) on a 12 month rolling average per 100,000 hours worked

<sup>2</sup> Total injuries (minor and lost time) on a 12 month rolling average per 100,000 hours worked

The Group considers a change in lost time injury frequency rate of +/- 0.5 and a change in total injury frequency rate of +/- 1.0 to be material. Whilst the lost time injury rate slightly improved and total injury rate slightly worsened in the year, neither is material. The improvement in lost time injury rate was driven by fewer manual handling injuries and fewer falling stock related injuries, both focus areas for the group. Whilst not material, the continued downward trend in lost time injury rate is positive and reflective of the focus the Group has given to these areas.

With an increase of 0.06, the total injury rate remained broadly flat compared to prior year and is indicative of a continued open and transparent reporting culture within the Group. The Group believes such a culture is welcome and enables the identification of early warning signals and learning from events to prevent more serious injuries from occurring.

### Non-Financial and Sustainability Information statement

#### Climate Change

This section, including the climate related financial disclosures, has been completed in accordance with the requirements set out in Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

#### *Governance and risk management*

The Board recognises the transition to a net zero carbon economy represents a significant opportunity and risk which is identified as one of the Group's principal risks and uncertainties, see page 21. The Board continues to monitor the implications of this transition and reviews the risk at least annually, the impact of the risk on the Group's strategy is built into ongoing business decisions and is integrated into business as usual.

The CEO is responsible for developing the strategy to respond to the net zero transition. The General Counsel and Company Secretary is responsible for assessing the climate related opportunities and risks identified. In line with the Group's risk management framework, the net zero transition risk is reviewed three times per year. Each of these reviews includes an assessment of whether the detailed list of climate related risks and opportunities needs updating.

The Group does not expect individual risks and opportunities to change significantly in the short term however a detailed update of the climate related risks and opportunities is performed on an annual basis as a minimum, and updates are reviewed by the senior management team who develop and implement plans on behalf of the Group.

In assessing materiality, risks and opportunities were considered using the same evaluation criteria as the Group's risk management framework along with action plans to further mitigate or reduce the risks identified, see page 16 for further information.

#### *Strategy and scenario modelling*

The net zero transition goal to move away from fossil fuel-based heating systems to low carbon alternatives will require retrofitting new heating and cooling technology to residential and commercial buildings, upgrading the power networks and ensuring that infrastructure is resilient to extreme weather events. This is both a risk and opportunity for the Group and a key focus for the Group's strategy.

# Wolseley Group Holdings Limited

## Governance report (continued)

### Environmental, Social, Community and Human Rights Issues (continued)

A detailed climate-related risk and opportunity assessment was undertaken in 2024, informed by detailed work undertaken on the strategy for the net zero transition, which will be reviewed and updated annually. The assessment involved: i) identification of transitional and physical risks and opportunities; ii) assessing the potential materiality over the short term, medium term and the long term; and iii) how the organisation will respond.

Short term was defined as less than 3 years as this time scale aligns with the Group’s short term business planning and financial modelling timeframe; there is more certainty over the period and decisions made today have a direct impact on that period. Medium term was set at 3 to 10 years as this aligns with the Group’s long term strategy setting horizon, with long term defined at 10+ years being longer than the Group’s long term strategy setting horizon. In the current year the Group performed a review of the scenarios used for modelling the possible physical and transitional impacts of the net zero transition on the Group after updating them in 2024. No changes were made and the Group continued to use transitional scenarios from the Network for Greening the Financial System (“NGFS”) which are the same scenarios used by peers and the Bank of England in its Climate Biennial Exploratory Scenario publication which explores the financial risks from climate change. The NGFS scenarios were evaluated to determine applicability and materiality on the Group, the Group selected the below three scenarios as they cover the main areas of uncertainty in terms of physical risk, transition policy risk and transition technology risk to assess the possible outcomes and sensitivities involved when identifying future impacts from the net zero transition:

- 1) Net zero 2050
- 2) Delayed transition
- 3) Current policies

|  | <b>Net Zero 2050</b>   | <b>Delayed transition</b>  | <b>Current policies</b>  |
|--|--|--|--|
| Scenario summary                       | Limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO <sub>2</sub> emissions around 2050 | Assumes annual emission do not decrease until 2030. Strong policies are needed to limit warming to below 2.0°C. Negative emissions are limited | Assumes that only currently implemented policies are preserved, leading to high physical risks |
| Physical risk – end of century warming | 1.4°C  | 1.7°C  | 2.9°C  |
| Transition risk - policy reaction      | Immediate  | Delayed  | None   |
| Transition risk - technology change    | Fast change  | Medium change  | Slow change  |
| Resilience                             | High   | High   | High   |

# Wolseley Group Holdings Limited

## Governance report (continued)

### Environmental, Social, Community and Human Rights Issues (continued)

#### *Risks*

##### *Physical risks*

There are no material physical risks to the Group in the short, medium or long term. The principal physical risk to the Group is the potential impact of flooding on the Group's operations. The physical risk is assessed as low in the short, medium and long term given the large number of geographically dispersed locations the Group operates from and the robust business continuity plans in place.

##### *Transition risks*

The net zero transition represents both a significant opportunity and a risk for the Group in the short, medium and long term, as there is still uncertainty regarding the heating technologies that will be used by different sectors to meet the net zero carbon objectives and the speed of any change. The UK Government's policy is likely to impact the way residential and commercial buildings are designed and constructed and may significantly alter the way heating and cooling is provided to these buildings.

The principal transition risks to the Group relate to policy and technology, specifically the extent to which UK and Irish government policy impacts the heating and cooling technologies used in buildings and the range of technologies that are adopted to make the changes to net zero. Both risks impact the ongoing relevance of the products and services the Group sells to the market. There is a risk of product obsolescence, for instance gas boilers, as customer demands change towards products that help the transition towards net zero.

The Group looks to mitigate these risks and launched "Renewables Centre" during the year, a significant step forward for the Group as a leading provider of products, services, and support in the renewables market. Two Renewables Centre training sites were opened during the year, designed to support heating professionals in the fast-growing renewables market, offering installer training, a specialist design and installation support service, and access to relevant products.

The Directors believe the Group's business model and strategy is resilient to the risks identified and assessed against the different climate change scenario projections.

##### *Double Materiality Assessment (DMA)*

In anticipation of future regulatory reporting requirements at an EU level (CSRD), and in keeping with sustainability best practice, the Group commenced work on a double materiality assessment in 2025. This covers all divisions in Wolseley Group and will provide a robust basis on which to inform the risks and opportunities and build a future sustainability strategy for the business. The DMA is anticipated to be concluded in 2026.

##### *Metrics and targets*

Uncertainty over the uptake of low carbon heating technologies makes developing an accurate carbon trajectory for the Group difficult and prevents target setting. The Group is committed to facilitating the net zero transition and in doing so the Group's scope 1 and 2 emissions may increase. For instance, air source heat pumps are significantly heavier than boilers and often require larger radiators and pipework which, if there is a significant increase in numbers of air source heat pumps sold in line with the UK Governments plans, will at some point impact the Group's fleet carbon emissions.

The Group measures product sales that contribute to the net zero transition along with sales of current traditional technologies. The Group will use both overall revenue growth as a KPI for measuring the performance of the Group along with revenue related to specific product groups that contribute to the net zero transition.

# Wolseley Group Holdings Limited

## Governance report (continued)

### Environmental, Social, Community and Human Rights Issues (continued)

The most significant contributor to the Group's total carbon emissions is the lifetime use-phase emissions from the products, principally gas boilers, that the Group sells. This year, for the first time, the Group is reporting spend-based data within its scope 3 emissions for category 1 (purchased goods and services), category 11 (use of sold products) and category 7 (employee commuting). This has substantially increased Scope 3 emissions overall and presents a more complete scope 3 inventory. Prior year data has been restated for 2023 and 2024 to include these additional categories to allow for accurate comparability. Data for these additional categories is not available for the years prior to 2023.

The Group's total market-based greenhouse gas emissions (the Group's main KPI) have decreased by 3% in 2025, with an underlying efficiency improvement of 9% (table 1).

The Group has reduced its emissions by reviewing and altering its distribution model to improve efficiency, continued roll out of low emission company vehicles, improved site energy consumption through investment and better energy management and reducing waste generated. The Group will continue to review opportunities and make changes and investments to improve its emissions.

Scope 1 emissions have increased due to the annulisation of increased inhouse fleet diesel consumption post the fleet in-source that occurred during the prior financial year. This reflects the shift from scope 3 fleet diesel to scope 1 fleet diesel. Scope 1 figures for 2024 have been restated as a result of improvements in data collection of diesel used in the Group fleet after bunkered fuel was insourced into the business from March 2024.

Scope 2 electricity emissions have decreased as a result of acquired businesses continuing to move to renewable energy tariffs where possible. A small number of recently acquired businesses remain on legacy non-renewable electricity tariffs representing 0.14% of electricity consumption. The Group remains committed to moving acquired businesses onto renewable tariffs where possible.

Scope 3 emissions have decreased due to a small change in the mix of products sold, including those that have a use-phase emissions. Due to the quantity of items products sold with use-phase emissions, small variances impact this data point more significantly than other scope 3 categories.

The Group has a fixed base case year of 2022, table 2 represents the business as it was structured in 2022, excluding all subsequent acquisitions. The decrease in overall carbon emissions on this like-for-like basis compared to last year was a 1% decrease (table 2). This was driven by the same reasons for the decreases observed in table 1. There is no target for this KPI.

Table 3 summarises carbon emissions by scope and table 4 details energy consumption. Since 2020 Wolseley has purchased renewably generated electricity and during the year some recently acquired businesses moved onto renewably generated electricity tariffs.

The Group has followed the Greenhouse Gas Protocol and used UK Government GHG Conversion Factors for Company Reporting for calculations. There are no exclusions beyond those defined in organisational boundary on page 32 and the scope 3 category exclusions defined in the explanation of carbon reporting on page 38.

# Wolseley Group Holdings Limited

## Governance report (continued)

### Environmental, Social, Community and Human Rights Issues (continued)

| Explanation of carbon reporting  |
|--|
| Scope 1- Direct emissions from the fuel used by the fleet of road vehicles (owned and leased), forklift trucks, and heating fuels (oil, LPG and gas) in buildings.   |
| Scope 2 – Indirect emissions from electricity use in buildings. Both location-based emissions that use grid average figures and market-based emissions that reflect the actual carbon intensity of the electricity purchased are reported.   |
| Scope 3 – Indirect emissions from:   |
| <ul style="list-style-type: none"> <li>• Category 1 - purchased goods and services (currently excluding goods-not-for-resale and acquisitions)</li> <li>• Category 5 - waste generated in operations (includes water supply and treatment)</li> <li>• Category 6 – business travel via privately owned cars, hire cars, train journeys, ferries, taxis and air travel</li> <li>• Category 7 - employee commuting</li> <li>• Category 9 - downstream transportation and distribution (currently excluding branch appointed couriers)</li> <li>• Category 11 - use of sold products (currently excluding businesses acquired since 2021).</li> </ul> |
| All other categories are not reported because it is not possible to obtain accurate data or because they are not relevant or material.   |

Table 1 Market-based carbon emissions

| Carbon (tCO <sub>2</sub> e)                                | 2023              | 2024              | 2025              |
|--|-------------------|-------------------|-------------------|
| Scope 1  | 17,394            | 18,511            | 19,946            |
| Scope 2  | 612               | 394               | 2                 |
| <b>Total Scope 1 &amp; 2</b>                               | <b>18,006</b>     | <b>18,905</b>     | <b>19,948</b>     |
| Historically reported categories (5, 6 and 9)              | 7,274             | 4,702             | 2,012             |
| <b>Total all scopes as previously reported</b>             | <b>25,280</b>     | <b>23,607</b>     | <b>21,960</b>     |
| Additional categories in 2025 (1, 7 and 11) <sup>1</sup>   | 11,462,075        | 10,439,642        | 10,173,029        |
| <b>Total scope 3</b>                                       | <b>11,469,349</b> | <b>10,444,344</b> | <b>10,175,041</b> |
| <b>Total all scopes</b>                                    | <b>11,487,355</b> | <b>10,463,249</b> | <b>10,194,989</b> |
| % change from previous year                                | -                 | -9%               | -3%               |
| <b>Carbon Intensity Metrics</b>                            |                   |                   |                   |
| Revenue excluding acquisitions in the year (£m)            | 2,306             | 2,195             | 2,241             |
| <b>Carbon intensity (tCO<sub>2</sub>e per £1m revenue)</b> | <b>11.0</b>       | <b>10.8</b>       | <b>9.8</b>        |
| % change from previous year                                | -9%               | -2%               | -9%               |
| <b>Geographical split of carbon emissions<sup>2</sup></b>  |                   |                   |                   |
| UK carbon emissions  | 23,666            | 22,320            | 20,290            |
| Rest-of-world carbon emissions                             | 1,614             | 1,287             | 1,670             |

<sup>1</sup> See page 37 for further detail on the restatement of scope 3 emissions.

<sup>2</sup> Geographical split of carbon emissions is for all scopes as previously reported, additional scope 3 categories reported in 2025 are not available for businesses acquired since 2021.

# Wolseley Group Holdings Limited

## Governance report (continued)

### Environmental, Social, Community and Human Rights Issues (continued)

Table 2 Market-based carbon emissions excluding acquisitions made since financial year 2021

| Carbon (tCO <sub>2e</sub> )  | 2023          | 2024          | 2025          |
|------------------------------|---------------|---------------|---------------|
| Scope 1                      | 15,011        | 15,973        | 18,287        |
| Scope 2                      | -             | -             | -             |
| <b>Total Scope 1 &amp; 2</b> | <b>15,011</b> | <b>15,973</b> | <b>18,287</b> |
| Scope 3                      | 6,696         | 4,124         | 1,675         |
| <b>All scopes</b>            | <b>21,707</b> | <b>20,097</b> | <b>19,962</b> |
| % change from previous year  | -2%           | -7%           | -1%           |

Table 3 carbon emissions by scope (2025)

|                | Location-based    |       | Market-based      |       |
|----------------|-------------------|-------|-------------------|-------|
|                | tCO <sub>2e</sub> | %     | tCO <sub>2e</sub> | %     |
| <b>Scope 1</b> | 19,946            | 0.2%  | 19,946            | 0.2%  |
| <b>Scope 2</b> | 3,990             | 0.0%  | 2                 | 0.0%  |
| <b>Scope 3</b> | 10,175,041        | 99.8% | 10,175,041        | 99.8% |

Table 4 Energy use

| Thousands                                | 2023           | 2024          | 2025          |
|--|----------------|---------------|---------------|
| <b>Non-renewable</b>                     |                |               |               |
| Diesel Scope 1 (kWh)                     | 53,133         | 57,889        | 63,975        |
| Diesel Scope 3 (kWh)                     | 25,334         | 14,117        | 4,448         |
| Gas (kWh)                                | 22,875         | 19,847        | 20,848        |
| Electricity (kWh)                        | 1,746          | 1,265         | 31            |
| Oil (kWh)                                | 868            | 535           | 223           |
| LPG (kWh)                                | 592            | 515           | 360           |
| Propane (kWh)                            | 220            | 51            | 67            |
| <b>Renewable</b>                         |                |               |               |
| Electricity (kWh)                        | 20,659         | 20,588        | 22,511        |
| <b>Total non-renewable energy (kWh)</b>  | <b>104,768</b> | <b>94,219</b> | <b>89,951</b> |
| <b>Total renewable energy (kWh)</b>      | <b>20,659</b>  | <b>20,588</b> | <b>22,511</b> |
| UK non-renewable energy (kWh)            | 97,156         | 88,857        | 84,892        |
| UK renewable energy (kWh)                | 19,659         | 19,616        | 20,631        |
| Rest-of-world non-renewable energy (kWh) | 7,612          | 5,361         | 5,060         |
| Rest-of-world renewable energy (kWh)     | 1,000          | 972           | 1,880         |

Embodied carbon is an increasingly important element of new construction and deep retrofits. This information is contained in lifecycle impact assessments or Environmental Product Declarations (EPDs) – also referred to as carbon sheets. Currently there are limited products with EPDs and even when available they are not directly comparable. The Group continues to work with its suppliers to collate EPDs.

# Wolseley Group Holdings Limited

## Governance report (continued)

### Environmental, Social, Community and Human Rights Issues (continued)

#### *Environmental management*

The Group has maintained its certification to the ISO14001 environmental management system standard. In the last year the Group did not have any reportable incidents, enforcement notices or prosecutions. The Group continues to reduce its environmental impact and support customers to improve their performance.

#### *Waste and resource efficiency*

The Group's total waste generated has decreased by 25% (table 5) which is reflective of supplier-led initiatives in improving packaging, improvements in working practices and improvements in data quality in acquisition businesses. On a like for like basis, total waste decreased by 13%. Carbon emissions from total Group waste have decreased by 34% (table 6) due to the overall reduction in waste and improvement in diverting waste from landfill. The Group's target remains to eliminate all waste to landfill by the end of 2026. The Group recognises the importance of the circular economy and has previously won awards with supply partners for this.

*Table 5 Waste disposal data*

|                 | Waste (t)    |              |              | Waste (%) |      |      |
|-----------------|--------------|--------------|--------------|-----------|------|------|
|                 | 2023         | 2024         | 2025         | 2023      | 2024 | 2025 |
| Energy recovery | 4,317        | 3,654        | 2,648        | 53%       | 54%  | 52%  |
| Landfilled      | 414          | 245          | 103          | 5%        | 4%   | 2%   |
| Recycled        | 3,387        | 2,890        | 2,314        | 42%       | 42%  | 46%  |
| <b>Total</b>    | <b>8,117</b> | <b>6,789</b> | <b>5,065</b> |           |      |      |

*Table 6 Carbon emissions from waste*

|  | 2023        | 2024        | 2025        |
|--|-------------|-------------|-------------|
| Waste (t)  | 8,117       | 6,789       | 5,065       |
| <b>Carbon (tCO<sub>2</sub>e)</b>                         | <b>353</b>  | <b>217</b>  | <b>143</b>  |
| Revenue excluding acquisitions in the year (£m)          | 2,306       | 2,195       | 2,241       |
| <b>Waste carbon intensity (tCO<sub>2</sub>e per £1m)</b> | <b>0.15</b> | <b>0.10</b> | <b>0.06</b> |

#### *Human rights and supply chain*

The Group is committed to upholding high ethical standards across all its operations. The Group's Code of Conduct, which extends to its suppliers, includes the principles of the UN Global Compact which incorporates the Universal Declaration of Human Rights. The Group has a comprehensive Supplier Integrity Programme, which supply chain partners must adhere to, and involves reviewing sustainability performance.

The Group remains a member of Stronger Together, a not-for-profit organisation, that supports businesses to ensure workers are recruited responsibly and have fair work free from exploitation. A copy of the Group's latest modern slavery statement is available at <https://corporate.wolseley.co.uk>. In the last year there have been no identified incidents of modern slavery, human trafficking or human rights abuse.

# Wolseley Group Holdings Limited

## Governance report (continued)

### Environmental, Social, Community and Human Rights Issues (continued)

#### *Community*

Wolseley aims to deliver a positive impact by supporting the communities it serves and enhance the social value from its operations. The Group website provides information on case studies where it has worked collaboratively with customers to increase social value arising from its operations. This includes:

- Providing jobs and improving skills – the Group has an extensive network of 642 branches (at 31 July 2025) that employ local people and has approximately 106 apprentices working in a range of roles
- Supporting growth in local economy – employees provide expert advice and support to customers, many of which are small businesses, and the Group also provides a range of digital tools to help its customers work more efficiently
- Supporting community groups and charities – the Group supports many local groups and communities by providing sponsorship, advice or facilities and this year the Group partnered with Andy’s Man Club and Band of Builders
- Reducing impact on the environment and being a good neighbour – the steps taken to reduce the Group’s environmental impact are explained on page 40; Wolseley aims to be a good neighbour and respond quickly to concerns
- Encouraging innovation – the Group is supporting customers in the transition to the net zero carbon economy

The strategic report on pages 1 to 41 has been approved and authorised for issue by the Board and signed on its behalf by:



N Thomas

**Director**

23 October 2025

# Wolseley Group Holdings Limited

## Directors' report

The Directors present their annual report and the audited financial statements of the Group for the year ended 31 July 2025.

### Principal activities and future developments

The principal activities and future developments of the business are detailed in the strategic report pages 2 to 11.

### Going concern

The Group's principal objective when managing cash and debt is to safeguard its ability to continue as a going concern for the foreseeable future. The Directors review detailed forecasts covering a minimum of 18 months from the date of this report and model a range of scenarios to ensure it has sufficient cash to meet operational needs while always maintaining sufficient headroom in its committed borrowing facilities so that the Group does not breach borrowing limits on any of its borrowing facilities.

A number of scenarios were considered including a baseline scenario and downside scenarios that flexed the trading and working capital performance alongside their impact on the level of asset backed loan facilities that would be available. These scenarios included a reasonable worst case and a break even case, assessing the factors that might cause the Group to require further liquidity, and views were formed of the probability of those occurring. As the facilities available under the asset backed loan are linked to receivables and inventory balances, the assessments included reviewing the level of receivables and inventory and therefore facility available under each scenario.

The Group's financial position was strengthened in the year to 31 July 2025 with a refinancing of the Group's debt facilities, see page 84 for further details. During the year to 31 July 2025, to further strengthen the Group, cash management was centralised within the Group and is now managed by Wolseley Group Limited with cash transferred between the subsidiaries of the Company to minimise interest costs. Consequently, Wolseley Group Limited provides letters of support to its subsidiaries recognising that the Group's facilities are managed as a Group and not individually for each subsidiary.

After making appropriate enquiries and having considered the business activities and the Group's principal risks and uncertainties (pages 16 to 26), the Directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

### Financial instruments and financial risk management

The Group's financial instruments consist of cash, and items such as trade receivables and trade payables which arise directly from operations. The Group does not undertake speculative transactions. See pages 84 to 86 for further details.

### Events after the balance sheet date

There have been no material events since the balance sheet date.

### Results and dividends

The Group's loss for the financial year was £3 million. A dividend of £121 million was paid in the year.

### Directors

The Directors of the Company during the year ended 31 July 2025 and to the date of signing are detailed in the strategic report, page 29.

# Wolseley Group Holdings Limited

## Directors' report (continued)

### Directors' qualifying third party indemnity insurance

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and remains in force at the date of approval of the financial statements. The Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance. The indemnity and insurance are also for the benefit of all subsidiary companies of the Group.

### Health and safety

The Group recognises the importance of its safety, health and environmental responsibilities and operates in accordance with the Group's programme which is described on pages 32 to 34 of the strategic report.

### Employees

See strategic report pages 8 and 9 for details on employees and how the Group supports and develops them.

It is the Group's policy to give full and fair consideration to applications for employment made by disabled persons, to continue wherever possible the employment of employees who become disabled, and to provide equal opportunities for the training and career development of disabled employees.

The Modern Slavery Act 2015 requires the Group to report steps taken to ensure operations and supply chains are free of human trafficking and slavery. The Group maintains processes and activities to ensure compliance in this area. The Group's full statement can be found on its website (<https://corporate.wolseley.co.uk/modern-slavery-statement>).

### Environment

The Group is committed to the integration of environmental management into its business operations, a commitment to comply with local environmental legislation and ensuring proper communication with employees on environmental matters. See pages 34 to 41 for more details.

### Other matters

The registered office of Wolseley Group Holdings Limited is 2 Kingmaker Court, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DY.

### Directors' responsibilities statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year and in conformity with the requirements of the Companies Act 2006. Under that law the Directors have elected to prepare the Group's financial statements in accordance with United Kingdom adopted international accounting standards and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

# Wolseley Group Holdings Limited

## Directors' report (continued)

In preparing the parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance
- Make an assessment of the company's ability to continue as a going concern

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

The Directors have adopted the Wates corporate governance principles, see page 27 for further details. The Directors responsibility to disclose energy and carbon emissions data has been included in the strategic report on pages 34 to 40.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware
- The Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

# Wolseley Group Holdings Limited

## Directors' report (continued)

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### Directors' duty to promote the success of the Company

The Directors of the Company have a duty under section 172 of the Companies Act to promote the success of the Company. It is set out on pages 30 to 31 how the Directors have addressed elements of the Section 172 requirements in the fulfilment of their duties.

Approved and authorised for issue by the Board and signed on its behalf by:



N Thomas

**Director**

23 October 2025

# Wolseley Group Holdings Limited

## Independent auditor's report to the members of Wolseley Group Holdings Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion:

- the financial statements of Wolseley Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the balance sheet;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Wolseley Group Holdings Limited

## Independent auditor's report to the members of Wolseley Group Holdings Limited (continued)

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- assessing financing facilities including nature of facilities, repayment terms and covenants
- assessing linkage to business model and medium-term risks
- assessing assumptions used in the forecasts
- assessing amount of headroom in the forecasts (cash and covenants)
- performing a sensitivity analysis
- reviewing the sophistication of the model used to prepare the forecasts, testing of clerical accuracy of those forecasts and our assessment of the historical accuracy of forecasts prepared by management

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### Responsibilities of directors

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

# Wolseley Group Holdings Limited

## Independent auditor's report to the members of Wolseley Group Holdings Limited (continued)

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

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statement. These included UK Companies Act, pension legislation and tax legislation; and

did not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team, including component audit teams and relevant internal specialists such as tax, valuations, and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

# Wolseley Group Holdings Limited

## Independent auditor's report to the members of Wolseley Group Holdings Limited (continued)

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- appropriateness of the growth rates and trading profit margin used in management's goodwill impairment analysis is highly sensitive and judgemental in nature. We have assessed management's revenue growth rates and forecasted margins by comparing the forecast revenue growth against external sources where possible; assessing management's historical forecasting accuracy for both assumptions; and performing sensitivity analysis on the key judgements. Further, we assessed the mathematical accuracy of the impairment models and whether the impairment methodology including the duration of cash flows applied by management was acceptable under IAS 36. Finally, we gained an understanding of the relevant controls of the impairment review of goodwill.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### Report on other legal and regulatory requirements

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

# Wolseley Group Holdings Limited

## Independent auditor's report to the members of Wolseley Group Holdings Limited (continued)

### Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

### Use of our report

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



Matthew Hughes ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

23 October 2025

# Wolseley Group Holdings Limited

## Consolidated income statement

For the year ended 31 July 2025

|   | Note | 2025         | 2024      |
|---|------|--------------|-----------|
|   |      | £m           | £m        |
| Revenue   | 4    | 2,261.4      | 2,221.9   |
| Cost of goods sold                                |      | (1,704.6)    | (1,675.9) |
| <b>Gross profit</b>                               |      | <b>556.8</b> | 546.0     |
| Employee costs                                    | 5    | (271.8)      | (270.1)   |
| Tangible fixed assets depreciation and impairment | 12   | (62.8)       | (59.7)    |
| Profit / (loss) on sale of tangible fixed assets  |      | 1.2          | (1.2)     |
| Other operating charges                           |      | (180.8)      | (170.6)   |
| <b>Operating profit</b>                           |      | <b>42.6</b>  | 44.4      |
| Finance costs                                     | 9    | (46.8)       | (42.0)    |
| Finance income                                    | 9    | 1.6          | 2.6       |
| <b>(Loss) / profit before tax</b>                 |      | <b>(2.6)</b> | 5.0       |
| Tax   | 10   | -            | (3.0)     |
| <b>(Loss) / profit for the year</b>               |      | <b>(2.6)</b> | 2.0       |

In accordance with the exception under section 408 of the Companies Act 2006, no Company Income Statement is shown.

The notes on pages 57 to 93 form part of these financial statements. All results presented relate to continuing operations.

# Wolseley Group Holdings Limited

## Consolidated statement of comprehensive income

For the year ended 31 July 2025

|   | 2025<br>£m   | 2024<br>£m |
|---|--------------|------------|
| <b>(Loss) / profit for the year</b>   | <b>(2.6)</b> | 2.0        |
| <b>Other comprehensive income / (expense)</b>                                       |              |            |
| <hr/>   |              |            |
| <b>Items that may be reclassified subsequently to profit or loss:</b>               |              |            |
| Net loss on cash flow hedge (note 21)   | (1.4)        | (6.2)      |
| Exchange gain / (loss) on translation of overseas operations                        | 2.1          | (1.3)      |
| Tax credit on items that may be reclassified (note 19)                              | 0.3          | 1.6        |
| <b>Other comprehensive income / (expense) for the year</b>                          | <b>1.0</b>   | (5.9)      |
| <hr/>   |              |            |
| <b>Total comprehensive expense attributable to equity shareholders of the Group</b> | <b>(1.6)</b> | (3.9)      |
| <hr/>   |              |            |

In accordance with section 408 of the Companies Act 2006, no Company Statement of Comprehensive Income is shown.

# Wolseley Group Holdings Limited

## Balance sheet

Registered number:  
13134776

As at 31 July 2025

|   | Note | Group<br>2025<br>£m | Group<br>2024<br>£m | Company<br>2025<br>£m | Company<br>2024<br>£m |
|---|------|---------------------|---------------------|-----------------------|-----------------------|
| <b>Assets</b>   |      |                     |                     |                       |                       |
| <b>Non-current assets</b>                                   |      |                     |                     |                       |                       |
| Goodwill and intangible assets                              | 11   | 160.2               | 158.8               | -                     | -                     |
| Property, plant and equipment                               | 12   | 139.9               | 124.0               | -                     | -                     |
| Right-of-use assets   | 12   | 169.7               | 160.8               | -                     | -                     |
| Investments   | 13   | -                   | -                   | 145.8                 | 145.8                 |
| Trade and other receivables                                 | 16   | 3.5                 | 6.1                 | -                     | -                     |
|   |      | <b>473.3</b>        | 449.7               | <b>145.8</b>          | 145.8                 |
| <b>Current assets</b>                                       |      |                     |                     |                       |                       |
| Inventories   | 14   | 345.0               | 336.3               | -                     | -                     |
| Trade and other receivables                                 | 16   | 446.9               | 442.1               | -                     | -                     |
| Current tax   |      | 4.5                 | 7.6                 | -                     | -                     |
| Financial assets  | 21   | 0.1                 | 1.4                 | -                     | -                     |
| Cash and cash equivalents                                   | 17   | 101.3               | 109.6               | -                     | -                     |
|   |      | <b>897.8</b>        | 897.0               | -                     | -                     |
| <b>Total assets</b>   |      | <b>1,371.1</b>      | 1,346.7             | <b>145.8</b>          | 145.8                 |
| <b>Liabilities</b>  |      |                     |                     |                       |                       |
| <b>Current liabilities</b>                                  |      |                     |                     |                       |                       |
| Trade and other payables                                    | 18   | (525.0)             | (520.5)             | -                     | -                     |
| Lease liabilities   | 26   | (35.4)              | (32.3)              | -                     | -                     |
| Provisions  | 22   | (16.3)              | (19.1)              | -                     | -                     |
|   |      | <b>(576.7)</b>      | (571.9)             | -                     | -                     |
| <b>Non-current liabilities</b>                              |      |                     |                     |                       |                       |
| Trade and other payables                                    | 18   | (1.8)               | (3.1)               | -                     | -                     |
| Lease liabilities   | 26   | (143.1)             | (135.2)             | -                     | -                     |
| Provisions  | 22   | (36.3)              | (32.2)              | -                     | -                     |
| Deferred tax  | 19   | (17.7)              | (17.2)              | -                     | -                     |
| Borrowings  | 20   | (443.8)             | (313.8)             | -                     | -                     |
|   |      | <b>(642.7)</b>      | (501.5)             | -                     | -                     |
| <b>Total liabilities</b>                                    |      | <b>(1,219.4)</b>    | (1,073.4)           | -                     | -                     |
| <b>Net current assets</b>                                   |      | <b>321.1</b>        | 325.1               | -                     | -                     |
| <b>NET ASSETS</b>   |      | <b>151.7</b>        | 273.4               | <b>145.8</b>          | 145.8                 |
| <b>Equity attributable to equity holders of the Company</b> |      |                     |                     |                       |                       |
| Share capital   | 24   | 1.4                 | 1.4                 | 1.4                   | 1.4                   |
| Share premium account                                       | 24   | -                   | 144.4               | -                     | 144.4                 |
| Translation reserve   |      | 0.5                 | (1.6)               | -                     | -                     |
| Hedging reserve   | 21   | -                   | 1.1                 | -                     | -                     |
| Retained earnings   |      | 149.8               | 128.1               | 144.4                 | -                     |
| <b>TOTAL EQUITY</b>   |      | <b>151.7</b>        | 273.4               | <b>145.8</b>          | 145.8                 |

In accordance with section 408 of the Companies Act 2006, no Company Statement of Comprehensive Income is shown. The financial statements of Wolseley Group Holdings Limited on pages 51 to 93 were authorised for issue and approved by the Board of Directors on 23 October 2025 and were signed on its behalf by:

N Thomas

Director .....

# Wolseley Group Holdings Limited

## Consolidated statement of changes in equity

For the year ended 31 July 2025

|  | Group                               |  |                              |   |                            |                |
|--|-------------------------------------|--|------------------------------|---|----------------------------|----------------|
|  | Share<br>capital<br>(note 24)<br>£m | Share<br>premium<br>account<br>(note 24)<br>£m | Translation<br>reserve<br>£m | Hedging<br>reserve<br>(note 21)<br>(£m) | Retained<br>earnings<br>£m | Total<br>£m    |
| <b>At 1 August 2023</b>                            | <b>1.4</b>                          | <b>144.4</b>                                   | <b>(0.3)</b>                 | <b>5.7</b>                              | <b>124.6</b>               | <b>275.8</b>   |
| Profit for the year                                | -                                   | -  | -                            | -                                       | 2.0                        | <b>2.0</b>     |
| Other comprehensive income                         | -                                   | -  | (1.3)                        | (4.6)                                   | -                          | <b>(5.9)</b>   |
| <b>Total comprehensive income</b>                  | <b>-</b>                            | <b>-</b>                                       | <b>(1.3)</b>                 | <b>(4.6)</b>                            | <b>2.0</b>                 | <b>(3.9)</b>   |
| Credit to equity for share option schemes (note 5) | -                                   | -  | -                            | -                                       | 1.5                        | <b>1.5</b>     |
| <b>At 31 July 2024</b>                             | <b>1.4</b>                          | <b>144.4</b>                                   | <b>(1.6)</b>                 | <b>1.1</b>                              | <b>128.1</b>               | <b>273.4</b>   |
| Loss for the year                                  | -                                   | -  | -                            | -                                       | (2.6)                      | <b>(2.6)</b>   |
| Other comprehensive income                         | -                                   | -  | 2.1                          | (1.1)                                   | -                          | <b>1.0</b>     |
| <b>Total comprehensive income / (expense)</b>      | <b>-</b>                            | <b>-</b>                                       | <b>2.1</b>                   | <b>(1.1)</b>                            | <b>(2.6)</b>               | <b>(1.6)</b>   |
| Dividends paid                                     | -                                   | -  | -                            | -                                       | (121.2)                    | <b>(121.2)</b> |
| Share premium conversion                           | -                                   | (144.4)  | -                            | -                                       | 144.4                      | -              |
| Credit to equity for share option schemes (note 5) | -                                   | -  | -                            | -                                       | 1.1                        | <b>1.1</b>     |
| <b>At 31 July 2025</b>                             | <b>1.4</b>                          | <b>-</b>                                       | <b>0.5</b>                   | <b>-</b>                                | <b>149.8</b>               | <b>151.7</b>   |

An interim dividend of £121.2m was paid in the year (2024: £nil); no final dividend was paid or declared (2024: £nil).

# Wolseley Group Holdings Limited

## Company statement of changes in equity

For the year ended 31 July 2025

|  | Share capital<br>(note 24)<br>£m | Share premium<br>account<br>(note 24)<br>£m | Retained<br>earnings<br>£m | Total<br>£m  |
|--|----------------------------------|---|----------------------------|--------------|
| <b>At 1 August 2023</b>                    | <b>1.4</b>                       | <b>144.4</b>                                | <b>-</b>                   | <b>145.8</b> |
| Profit for the year                        | -                                | -   | -                          | -            |
| Other comprehensive income                 | -                                | -   | -                          | -            |
| <b>Total comprehensive income</b>          | <b>-</b>                         | <b>-</b>                                    | <b>-</b>                   | <b>-</b>     |
| <b>At 31 July 2024</b>                     | <b>1.4</b>                       | <b>144.4</b>                                | <b>-</b>                   | <b>145.8</b> |
| Profit for the year                        | -                                | -   | 121.2                      | <b>121.2</b> |
| Other comprehensive income                 | -                                | -   | -                          | -            |
| <b>Total comprehensive income (note 3)</b> | <b>-</b>                         | <b>-</b>                                    | <b>121.2</b>               | <b>121.2</b> |
| Dividends paid                             | -                                | -   | (121.2)                    | (121.2)      |
| Share premium conversion                   | -                                | (144.4)                                     | 144.4                      | -            |
| <b>At 31 July 2025</b>                     | <b>1.4</b>                       | <b>-</b>                                    | <b>144.4</b>               | <b>145.8</b> |

An interim dividend of £121.2m was paid in the year (2024: £nil); no final dividend was paid or declared (2024: £nil).

# Wolseley Group Holdings Limited

## Consolidated statement of cash flows

For the year ended 31 July 2025

|   | Note     | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|---|----------|---------------------|---------------------|
| <b>Net cash flows from operating activities</b>                       |          |                     |                     |
| (Loss) / profit before tax  |          | (2.6)               | 5.0                 |
| <b>Non-cash adjustments</b>   |          |                     |                     |
| Depreciation and amortisation   | 11,12    | 71.2                | 67.2                |
| Impairment  | 11,12,13 | 7.4                 | 4.1                 |
| (Loss) / profit on disposal of property, plant and equipment          |          | (1.2)               | 1.2                 |
| Net finance costs   |          | 45.2                | 39.4                |
| Share option charges  |          | 0.1                 | 1.5                 |
| <b>Working capital adjustments</b>                                    |          |                     |                     |
| (Increase) / decrease in inventories                                  |          | (6.4)               | 35.7                |
| (Increase) / decrease in trade and other receivables and prepaid fees |          | (9.2)               | 41.7                |
| (Decrease) in trade and other payables                                |          | (9.3)               | (38.9)              |
| Decrease in provisions  |          | (3.6)               | -                   |
| <b>Cash flow from operating activities</b>                            |          | <b>91.6</b>         | 156.9               |
| Interest paid   |          | (40.4)              | (41.4)              |
| Interest received   |          | 1.6                 | 2.5                 |
| Tax received  | 10       | 1.2                 | 1.8                 |
| <b>Net cash from operating activities</b>                             |          | <b>54.0</b>         | 119.8               |
| <b>Cash flows used in investing activities</b>                        |          |                     |                     |
| Purchase of property, plant and equipment                             |          | (36.4)              | (25.3)              |
| Purchase of intangibles   | 11       | (0.1)               | -                   |
| Disposal / (purchase) of investments                                  |          | 0.3                 | (1.2)               |
| Receipt of term deposits greater than 3 months                        |          | -                   | 3.5                 |
| Disposal of property, plant and equipment                             |          | 1.2                 | 4.6                 |
| Acquisition of subsidiaries (net of cash acquired)                    | 23       | (11.9)              | (34.8)              |
| <b>Net cash used in investing activities</b>                          |          | <b>(46.9)</b>       | (53.2)              |
| <b>Cash flows from financing activities</b>                           |          |                     |                     |
| Proceeds from borrowings  | 21       | 79.0                | 47.5                |
| Repayments of borrowings  | 21       | (67.5)              | (92.0)              |
| Proceeds from issue of senior secured notes                           | 20       | 350.0               | -                   |
| Repayment of senior secured loan                                      | 20       | (218.8)             | -                   |
| Principal elements of lease payments                                  | 26       | (37.5)              | (34.1)              |
| Dividends paid  |          | (121.2)             | -                   |
| <b>Net cash from financing activities</b>                             |          | <b>(16.0)</b>       | (78.6)              |
| <b>Net decrease in cash and cash equivalents</b>                      |          |                     |                     |
|   |          | <b>(8.9)</b>        | (12.0)              |
| Cash and cash equivalents brought forward                             |          | 109.6               | 121.9               |
| Effect of foreign exchange rate changes on cash and cash equivalents  |          | 0.6                 | (0.3)               |
| <b>Cash and cash equivalents carried forward</b>                      |          | <b>101.3</b>        | 109.6               |

The Company has taken advantage of the exemption in IAS1 'Presentation of financial statements', section 10(d) and IAS 7 'Statement of cash flows' not to show the Company's statement of cash flows.

# Wolseley Group Holdings Limited

## Notes to the financial statements

For the year ended 31 July 2025

### 1 Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the current year and preceding year.

#### General information and basis of accounting

Wolseley Group Holdings Limited (“the Company”) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is 2 Kingmaker Court, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DY. The principal activity of the Company is to act as an intermediate holding company to a group of companies (“the Group”). The principal activity of the Group is operating as a leading specialist merchant distributor of HVAC, plumbing, renewables, sanitaryware, mechanical engineering, infrastructure and utilities products to trade customers.

#### Group

The consolidated financial statements of the Group have been prepared in accordance with applicable International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”) and International Financial Reporting Standards Interpretations Committee (“IFRS IC”) interpretations (collectively “IFRS”) as adopted for and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities measured at fair value. Amounts are generally expressed in millions (£m), with rounding accordingly.

#### Company

The separate Company financial statements are presented as required by the Companies Act 2006 and have been prepared on the historical cost basis, and in accordance with the Financial Reporting Standard 101 “Reduced Disclosure Framework”.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to the following:

- IFRS 7, Financial instruments - disclosures;
- IAS 1, Capital management - disclosures;
- IAS 7, Statement of cash flows;
- IAS 8, Accounting policies, changes in accounting estimates and errors, paragraph 30 and 31; and
- IAS 24, Related party transactions.

#### Going concern

The Group’s principal objective when managing cash and debt is to safeguard its ability to continue as a going concern for the foreseeable future. The Directors review detailed forecasts covering a minimum of 18 months from the date of this report and model a range of scenarios to ensure it has sufficient cash to meet operational needs while always maintaining sufficient headroom in its committed borrowing facilities so that the Group does not breach borrowing limits on any of its facilities.

A number of scenarios were considered including a baseline scenario and downside scenarios that flexed the trading and working capital performance alongside their impact on the level of asset backed loan facilities that would be available. These scenarios included a reasonable worst case and a break even case, assessing the factors that might cause the Group to require further liquidity, and views were formed of the probability of those occurring. As the facilities available under the asset backed loan are linked to receivables and inventory balances, the assessments included reviewing the level of receivables and inventory and therefore facility available under each scenario.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 1 Accounting policies (continued)

#### Going concern (continued)

The Group's financial position was strengthened in the year to 31 July 2025 with a refinancing of the Group's debt facilities, see page 84 for further details. During the year to 31 July 2025, to further strengthen the Group, cash management was centralised within the Group and is now managed by Wolseley Group Limited with cash transferred between the subsidiaries of the Company to minimise interest costs. Consequently, Wolseley Group Limited provides letters of support to its subsidiaries recognising that the Group's facilities are managed as a Group and not individually for each subsidiary.

After making appropriate enquiries and having considered the business activities and the Group's principal risks and uncertainties (pages 16 to 26), the Directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

#### Basis of consolidation

The consolidated financial information includes the results of the parent company and entities controlled by the Company (its subsidiary undertakings and controlling interests) and its share of profit / (loss) after tax of its associates, arising from the effective date of acquisition. Intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated on consolidation.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

#### Foreign currencies

Items included in the financial statements of the Company and of each of the Group's subsidiary undertakings are measured using the currency of the primary economic environment in which the subsidiary undertaking operates (the "functional currency"). The consolidated financial statements are presented in GB pounds sterling, which is the presentational currency of the Group.

The trading results of overseas subsidiary undertakings are translated into pounds sterling using the monthly average rate of exchange during the relevant financial period. The balance sheets of overseas subsidiary undertakings are translated into GB pounds sterling at the rate of exchange at the year-end. Exchange differences arising on the translation into GB pounds sterling of the net assets of these subsidiary undertakings are recognised in other comprehensive income and accumulated in the translation reserve. At 31 July 2025, the translation reserve was a £0.5m credit balance in relation to entities whose functional currency is the euro (2024: £1.6m debit).

Foreign currency transactions entered into during the year are translated into the functional currency of the entity at the rates of exchange on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the balance sheet date. All currency translation differences are credited or charged to the income statement.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 1 Accounting policies (continued)

#### Accounting developments and changes

In the current year, the Group has adopted a number of amendments to IFRS standards and interpretations issued by the International Accounting Standards Board that are mandatorily effective for an accounting period that begins on or after 1 January 2024. This adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

| <b>Standard</b> | <b>Title</b>                 |
|-----------------|------------------------------|
| IAS 7           | Statement of cashflows       |
| IFRS 16         | Leases on sale and leaseback |

New accounting standards effective but which are not applicable to include within the Group's accounting policies are disclosed below:

| <b>Standard</b>   | <b>Title</b>  | <b>Reporting year ending</b> |
|-------------------|---|------------------------------|
| IFRS 7 and IFRS 9 | Classification and measurement of financial instruments | 31 July 2027                 |
| IFRS 18           | Presentation and disclosure of financial statements     | 31 July 2028                 |
| IFRS 19           | Subsidiaries without public accountability: disclosures | 31 July 2028                 |

The Group reviews and monitors changes in accounting standards. IFRS 18 is effective for periods beginning on or after 1 January 2027 and the Group has yet to finalise the assessment of impact of this new standard, no other standard has been identified that is expected to have a material impact on the financial statements.

#### Revenue

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group considers whether there are other promises in the revenue transaction that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties).

The Group offers a right of return to its customers for most of its goods sold. Revenue is reduced by the amount of expected returns estimated based on historical data. The Group also provides customers with assurance-type warranties for some own brand goods. Obligations under these warranties are recorded as provisions.

The Group has no contracts, other than framework agreements which set out commercial terms of supply but do not contain volume commitments, with an expected duration of more than one year and has taken advantage of the practical expedient afforded by IFRS 15 and therefore the Group is not required to disclose information about its remaining performance obligations. Payment from customers is typically due within 30 to 60 days after the month in which the invoice was raised.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 1 Accounting policies (continued)

#### Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group’s share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiary undertakings is included within intangible assets.

Goodwill is tested for impairment on an annual basis. An impairment test is a comparison of the carrying value of assets to their recoverable amount. Where an asset’s carrying value is higher than the recoverable amount, an impairment results. Any impairment charges are included in operating expenses in the Statement of Comprehensive Income.

#### Intangible assets

Computer software that is not integral to an item of property, plant and equipment is recognised separately as an intangible asset and is carried at cost less accumulated amortisation and accumulated impairment losses. Costs include software licences, consultancy and internal costs directly attributable to the development, design and implementation of the computer software. Computer software (except assets in the course of construction) is amortised using the straight-line method so as to charge the cost of the assets to the income statement over their estimated useful lives (up to five years). Provision is made for any impairment.

Software-as-a-Service (“SaaS”) arrangements are service contracts providing the Group with access to the provider’s application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the provider’s application software, are recognised as operating expenses when the services are received.

Costs incurred relating to the development of software code that enhances or modifies existing on-premise systems and meet the definition of, and recognition criteria for, an intangible asset are capitalised.

Trade names, brands and customer relationships are acquired as part of a business combination and capitalised separately from Goodwill. They are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over their estimated useful economic life (five to twenty five years) and charged to operating costs in the income statement.

#### Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Assets (except freehold land and assets in the course of construction) are depreciated on a straight-line basis so as to write off the cost of the assets, less their residual values, over their estimated useful lives. The principal rates of depreciation are as follows:

|   |                    |
|---|--------------------|
| Land and buildings                      | 2% - life of lease |
| Plant and machinery                     | 10 – 15%           |
| Fixtures, fittings, tools and equipment | 15 – 33⅓%          |
| Motor vehicles                          | 14 – 25%           |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 1 Accounting policies (continued)

#### Investments

Investments in subsidiaries are recorded at cost less provision for impairment. The Company assesses at each balance sheet date whether there is objective evidence that an investment or a group of investments is impaired.

An impairment loss is recognised for the amount by which the investment's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an investment's net realisable value and value in use.

#### Leases

Under IFRS 16, the Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### *i) Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are also subject to impairment should the estimated useful life be assessed as less than the remaining lease term.

##### *ii) Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### *iii) Short term leases and leases of low-value assets*

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

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 1 Accounting policies (continued)

#### Leases (continued)

##### *Determining the lease term of contracts with renewal and termination options*

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

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

Further information on the Group's lease termination options is set out in note 26.

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to the sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that generated the tax expense or income.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 1 Accounting policies (continued)

#### Taxation (continued)

Current tax assets and liabilities are offset only when there is a legally enforceable right to offset the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the Group has a legally enforceable right to offset current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which the deferred tax liabilities or assets are expected to be settled or recovered.

#### Cash at bank and in hand

Cash includes cash in hand, transit and short term (less than 90 days) deposits held with banks. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet to the extent that there is no right of offset and no practice of net settlement with cash balances.

#### Pensions

The Group operates a number of defined contribution pension schemes. The assets of the defined contribution schemes are held separately from those of the Group in independently administered funds. The pension costs disclosed in note 5 represent contributions paid and payable by the Group to the defined contribution schemes.

#### Share-based payments

Management has subscribed for a number of shares in Wolseley Jersey Limited. These shares legally vest upon change of control of the Group. The Company recognised a compensation cost in respect of these shares that is based on the fair value of the awards, measured using the Black Scholes valuation methodologies. The compensation cost is recognised on a straight-line basis over the expected vesting period. Adjustments are made to reflect actual forfeitures during the vesting period.

#### Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

All non-derivative financial assets and liabilities are initially measured at transaction price and where applicable are subsequently measured at amortised cost.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to offset the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, or (b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 1 Accounting policies (continued)

#### Financial assets and liabilities (continued)

##### *Capital instruments*

Debt or other capital instruments should be recorded initially at the amount of the net proceeds. Net proceeds are the fair value of the consideration received on the issue of a capital instrument after deduction of issue costs. Issue costs are the direct costs incurred in connection with the issue of the capital instrument. Other costs are to be charged as expenses when incurred.

The finance costs of debt should be allocated to periods over the term of the debt at a constant rate on the carrying amount. All finance costs should be charged to the income statement. The carrying amount of debt should be increased by the finance cost in respect of the reporting period and reduced by payments made.

Accrued finance costs are usually included in accruals rather than in the carrying amount of debt but should be taken into account when calculating finance costs and gains and losses arising on repurchase or early settlement.

##### *Derivative financial instruments and hedge accounting*

The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from operating and financing activities. The Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially recognised and stated at fair value. Ongoing recognition is at mark-to-market. Where derivatives do not qualify for hedge accounting, any gains or losses on remeasurement are immediately recognised in the Group income statement. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedge relationship and the item being hedged.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge, the nature of the risks being hedged and the economic relationship between the item being hedged and the hedging instrument, including whether the change in cash flows of the hedged item and hedging instrument are expected to offset each other.

Derivative financial instruments with maturity dates of more than one year from the reporting date are disclosed as non-current.

##### *Cash flow hedging*

Derivative financial instruments are classified as cash flow hedges when they hedge the Group's exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecasted transaction. The effective element of any gain or loss from remeasuring the derivative designated as the hedging instrument is recognised directly in other comprehensive income and accumulated in the hedging reserve. The ineffective element is recognised immediately in the Group income statement within finance income or costs.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer meets the Group's risk management objective. The cumulative gain or loss in the hedging reserve and cost of hedging reserve remains until the forecast transaction occurs or the original hedged item affects the Group income statement. If a forecast hedged transaction is no longer expected to occur, the cumulative gain or loss in the hedging reserve and cost of hedging reserve is reclassified to the Group income statement.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 1 Accounting policies (continued)

#### Financial assets and liabilities (continued)

##### *Embedded derivatives*

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit and loss.

#### Inventories

Inventory comprises finished goods, and is valued net of rebates received from suppliers at the lower of cost and net realisable value on a first in, first out basis. Provisions are made against slow moving, obsolete and damaged inventory for which the net realisable value is estimated to be less than the carrying value. Inventory which is damaged or obsolete is written down as identified. The risk of obsolescence of slow moving inventory is assessed by comparing the level of inventory held to future sales projected on the basis of historical experience. The actual realisable value of inventory may differ materially from the estimated value on which the provision is based. Contract claims are sometimes received from suppliers and are recognised at the point of sale based upon their terms as a reduction in cost of sales; they are not recorded as a deduction in inventory as they are not connected to the purchase of inventory.

#### Trade receivables

Trade receivables are recognised initially at fair value and measured subsequently at amortised cost using the effective interest method, less the loss allowance. The loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses, estimated based on historical write-offs adjusted for forward-looking macroeconomic information where appropriate. The loss is recognised in the income statement. Trade receivables are written off when recoverability is assessed as being remote. Evidence that a receivable should be fully provided against or written-off includes:

- significant financial difficulty of the customer;
- a breach of contract;
- it becomes probable that the customer will enter bankruptcy or other financial reorganisation;
- observable data that indicates a measurable decrease in the estimated future cash flows from the receivables since their initial recognition where the decrease is not attributable to specific receivables, examples being changes in the payments status of the group of receivables (delayed payments) or national or local economic conditions that suggest payment may be defaulted; and
- specific other information from Credit Control that the debt is not recoverable.

Subsequent recoveries of amounts previously written off are credited to the income statement.

#### Supplier rebates

In line with industry practice, the Group has agreements (“supplier rebates”) with a number of its suppliers whereby volume-based rebates, marketing support and other discounts are received in connection with the purchase of goods for resale from those suppliers. Supplier rebates relating to the purchase of goods for resale are accrued as earned and are recorded initially as a deduction in inventory with a subsequent reduction in cost of sales when the goods are sold.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 1 Accounting policies (continued)

#### Supplier rebates (continued)

Supplier rebates are offset with amounts owing to each supplier at the balance sheet date and are included within trade payables, where the Group has the legal right to offset and net settle balances. Where the supplier rebates are not offset against amounts owing to a supplier, the outstanding amount is included within trade and other receivables.

#### Volume-based rebates

The majority of volume-based rebates are determined by reference to guaranteed rates of rebate. These are calculated through a mechanical process with minimal judgement required to determine the amount recorded in the income statement.

A small proportion of volume-based rebates are subject to tiered targets where the rebate percentage increases as volumes purchased reach agreed targets within a set period of time, usually a twelve month period. The majority of rebate agreements apply to purchases in a calendar year and therefore, for tiered rebates, judgement is required to estimate the rebate amount recorded in the income statement at the end of the period. The Group assesses the probability that targeted volumes will be achieved in the period based on forecasts which are informed by historical trading patterns, current performance and trends. This judgement is exercised consistently, with historically insignificant true ups at the end of the period.

An amount due in respect of supplier purchase rebates is recognised as a reduction in the cost of inventory, and not recognised within the income statement until all the relevant performance criteria, where applicable, have been met and the goods have been sold to a third party.

#### Exceptional items

Exceptional items are those which are considered significant by virtue of their nature, size or incidence. These items assist in the understanding of the trading and financial results of the Group as these types of costs do not form part of the underlying business. Examples of items that are considered by the Directors for designation as exceptional items include, but are not limited to:

- restructuring costs within a segment which are both material and incurred as part of a significant change in strategy or due to the closure of a large part of a business and are not expected to be repeated on a regular basis;
- significant costs incurred as part of the purchase and integration of an acquired business and which are considered to be material;
- gains or losses on disposals of businesses are considered to be exceptional in nature as they do not reflect the performance of the trading business;
- significant costs incurred as part of refinancing arrangements;
- material costs or credits arising as a result of regulatory and litigation matters; and
- other items which are material and considered to be non-recurring in nature and / or are not as a result of the underlying trading activities of the business.

The classification of exceptional items requires significant management judgement to determine the nature and intention of a transaction.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 1 Accounting policies (continued)

#### Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provision is made against the estimated costs to be incurred under leasehold property dilapidation claims anticipated in respect of properties leased by the business. The discount rate used to determine the present value reflects the Group's incremental borrowing rate at the inception or modification of the lease.

Provision is made for restructuring costs based on management's estimation of the outflow of resources required to settle the obligation. Environmental liabilities include known and potential legal claims and environmental liabilities.

#### Critical accounting judgements

Several of the Group's accounting policies require management to make estimates and assumptions that affect the reported amounts. There are no Company accounting policies which require estimates and assumptions. There are no Group accounting policies which include a material element of judgement.

#### Sources of estimation uncertainty

In applying the Group's accounting policies various transactions and balances are valued using estimates or assumptions. Should these estimates or assumptions prove incorrect there may be an impact on the following year's financial statements.

Estimation uncertainty arises in respect of determining the value of future dilapidation payments required for leasehold branch exits, which is dependent on a number of factors including the extent of modifications of the branch, the terms of the lease agreement, and the condition of the property. An estimate of the future costs is made per square foot at lease adoption, the actual costs are only known upon branch exit. A change in the required cost per square foot due to costs increasing over time could lead to a material impact upon updating. The Group has 4 million square feet of leased branches, a change of £1 per square foot would increase the future liability by £4m.

The Group believes that all other estimates and assumptions that have been applied would not give rise to a material impact within the next financial year.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 2 Alternative performance measures (Group)

The Group uses alternative performance measures (“APMs”), which are not defined or specified under IFRS. These APMs, which are not considered to be a substitute for IFRS measures, provide additional helpful information. APMs are consistent with how business performance is planned, reported and assessed internally by management and the Board and provide comparable information across the Group.

#### Adjusted EBITDA

Adjusted EBITDA is operating profit before charges / credits relating to depreciation, amortisation, impairment, exceptional items, share option charges and the impact of IFRS 16. Adjusted EBITDA is used to assess the performance of the Group and is a key performance indicator. Adjusted EBITDA is also used to assess the appropriateness of the Group’s financial gearing and excludes the impact of IFRS 16 in line with the requirements of the Group’s financing agreements. For this reason, adjusted EBITDA refers to Group adjusted EBITDA unless otherwise stated. A reconciliation of statutory profit before tax to adjusted EBITDA for the year ended 31 July 2025 and the prior year is provided below.

|  | 2025<br>£m  | 2024<br>£m  |
|--|-------------|-------------|
| <b>(Loss) / profit before tax</b>                                      | (2.6)       | 5.0         |
| Net finance costs (note 9)   | 45.2        | 39.4        |
| <b>Operating profit</b>  | <b>42.6</b> | <b>44.4</b> |
| Exceptional items excluding impairments and refinancing costs (note 8) | 3.0         | 16.5        |
| Depreciation and impairment of property, plant and equipment (note 12) | 62.8        | 59.7        |
| Amortisation and impairment of acquired intangible assets (note 11)    | 13.8        | 5.2         |
| Investment impairment (note 13)  | -           | 4.1         |
| Amortisation of non-acquired intangible assets (note 11)               | 1.9         | 2.3         |
| Lease rental charges for right-of-use assets                           | (46.0)      | (43.2)      |
| Share-based payment charge   | 0.2         | 1.5         |
| <b>Adjusted EBITDA</b>   | <b>78.3</b> | <b>90.5</b> |

#### Organic results

Organic results exclude the impact of businesses acquired in the current and prior year until owned for 12 months to present information on a comparable basis.

|                  | 2025 organic<br>£m | Impact of<br>acquired<br>businesses<br>£m | 2025<br>£m     |
|------------------|--------------------|---|----------------|
| Revenue          | 2,195.5            | 65.9                                      | <b>2,261.4</b> |
| Operating profit | 39.7               | 2.9                                       | <b>42.6</b>    |
|                  | 2024 organic<br>£m | Impact of<br>acquired<br>businesses<br>£m | 2024<br>£m     |
| Revenue          | 2,187.3            | 34.6                                      | 2,221.9        |
| Operating profit | 42.1               | 2.3                                       | 44.4           |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 2 Alternative performance measures (Group) (continued)

#### Net debt

Net debt excluding lease liabilities comprises cash and cash equivalents, bank overdrafts and bank and other loans. The Group uses net debt excluding lease liabilities, which excludes lease liabilities under IFRS 16, to be consistent with adjusted EBITDA. For this reason, the Group uses the term net debt to refer to net debt excluding lease liabilities unless otherwise stated. Net debt is a good indicator of the strength of the Group's balance sheet position and is used by the Group's finance providers.

|                                     | 2025<br>£m     | 2024<br>£m     |
|-------------------------------------|----------------|----------------|
| Cash and cash equivalents (note 17) | 101.3          | 109.6          |
| Bank loans (notes 20, 21)           | (456.5)        | (313.8)        |
| <b>Net debt</b>                     | <b>(355.2)</b> | <b>(204.2)</b> |

#### Cash from operations

Cash from operations comprises cash flow from operating activities less depreciation from right-of-use asset depreciation (note 12). The Group uses cash from operations to be consistent with adjusted EBITDA.

|   | 2025<br>£m  | 2024<br>£m   |
|---|-------------|--------------|
| Cash flow from operating activities       | 91.6        | 156.9        |
| Right-of-use asset depreciation (note 12) | (42.2)      | (42.9)       |
| <b>Cash from operations</b>               | <b>49.4</b> | <b>114.0</b> |

### 3 Company results

|                            | 2025<br>£m | 2024<br>£m |
|----------------------------|------------|------------|
| Total comprehensive income | 121.2      | -          |

Total comprehensive income for the Company represents £121.2m (2024: £nil) dividends received.

### 4 Revenue

Revenue, which arises primarily from the sale of goods in the UK and Ireland, relates entirely to the principal activities of the Group.

|                | 2025<br>£m     | 2024<br>£m     |
|----------------|----------------|----------------|
| United Kingdom | 2,118.8        | 2,077.1        |
| Ireland        | 142.6          | 144.8          |
|                | <b>2,261.4</b> | <b>2,221.9</b> |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 5 Employee and key management information

|   | 2025<br>Group<br>£m   | 2024<br>Group<br>£m   |
|---|-----------------------|-----------------------|
| <b>Employee costs (including key management)</b>        |                       |                       |
| Wages and salaries                                      | 232.7                 | 228.8                 |
| Social security costs                                   | 24.1                  | 22.5                  |
| Pension costs – defined contribution schemes            | 13.9                  | 13.2                  |
| Share-based payments – equity settled                   | 1.1                   | 1.5                   |
| Share-based payments – cash settled                     | (0.9)                 | -                     |
| Redundancy costs  | 0.9                   | 4.1                   |
| <b>Total</b>  | <b>271.8</b>          | <b>270.1</b>          |
|   | <b>2025<br/>Group</b> | <b>2024<br/>Group</b> |
| Average monthly number of employees and key management: |                       |                       |
| Distribution  | 5,256                 | 5,269                 |
| Administration  | 802                   | 833                   |
| <b>Total</b>  | <b>6,058</b>          | <b>6,102</b>          |

The Company had no employees and did not remunerate its directors. The Company directors S Gray and N Thomas were remunerated by a subsidiary company and C Rochat and D Straziota do not receive any remuneration from the Group at all. The total remuneration for the Directors of the Company and its subsidiaries in the year was £1.6m (2024: £1.9m), with no director (2024: 1) a payment for loss of office (2024: £0.5m).

The aggregate compensation for the 6 key management (2024: 8) of the Group, including one employee (2024: 2) who left during the year, is set out in the following table:

|  | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|--|---------------------|---------------------|
| Key management compensation:                                 |                     |                     |
| Salaries, bonuses and other short term employee benefits     | 3.5                 | 3.8                 |
| Social security costs  | 0.4                 | 0.5                 |
| Company contributions to defined contribution pension scheme | 0.1                 | 0.1                 |
| <b>Total compensation</b>                                    | <b>4.0</b>          | <b>4.4</b>          |
| Highest paid director  | 1.0                 | 0.8                 |

The highest paid director did not receive any contributions to defined contribution pension schemes (FY24: £nil).

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 5 Employee and key management information (continued)

|  | 2025<br>Group | 2024<br>Group |
|--|---------------|---------------|
| <b>The number of key management personnel who:</b>     |               |               |
| Are members of the defined contribution pension scheme | 4             | 4             |

Management have previously subscribed for a number of ordinary and preference shares in Wolseley Jersey Limited which legally vest upon change of control of the Group. A charge of £1.1m, calculated under the provisions of IFRS 2, has been included in the current year (2024: £1.5m).

### 6 Auditor's remuneration

|  | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|--|---------------------|---------------------|
| Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts                            | 0.2                 | 0.2                 |
| Fees payable to the Company's auditor and their associates for other services to the Group - the audit of the Company's subsidiaries | 1.2                 | 1.1                 |
| <b>Total audit fees</b>  | <b>1.4</b>          | <b>1.3</b>          |

During the year non-audit services were performed by Deloitte LLP for £0.4m (2024: £nil) relating to the half-year review.

### 7 Operating profit

|  | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|--|---------------------|---------------------|
| Operating profit is stated after charging:                             |                     |                     |
| Amounts included in cost of goods sold with respect to inventory       | 1,704.0             | 1,676.8             |
| Impairment of investment   | -                   | 4.1                 |
| Depreciation and impairment of property, plant and equipment (note 12) | 62.8                | 59.7                |
| Amortisation and impairment of intangible fixed assets (note 11)       | 15.8                | 7.5                 |
| Employee costs (note 5)  | 271.8               | 270.1               |
| Operating lease rentals for short term leases (note 26):               |                     |                     |
| - Plant and machinery  | 4.7                 | 5.6                 |
| - Property   | 3.0                 | 3.9                 |
| Loss allowance on trade receivables                                    | 6.8                 | 5.2                 |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 8 Exceptional items

| Exceptional items are analysed by purpose as follows:           | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|---|---------------------|---------------------|
| Acquisition and integration fees (note 23)                      | 1.5                 | 4.9                 |
| Impairment of goodwill, intangible and PPE assets (notes 11,12) | 7.4                 | 2.2                 |
| Impairment of investment (note 13)                              | -                   | 4.1                 |
| Interest items  | 2.9                 | -                   |
| Restructuring costs   | 1.4                 | 11.6                |
| <b>Total</b>  | <b>13.2</b>         | <b>22.8</b>         |

Acquisition and integration fees are included within other operating charges and relate to legal fees, diligence fees and bringing businesses acquired in the current and prior years in line with Group policies, more detail can be found in note 23. Investments were impaired in full in 2024 (note 13).

During the year, a review of the carrying value of the Group's intangible assets was performed, resulting in a charge of £7.4m (2024: £nil), see note 11.

Interest items for the year ended 31 July 2025 relate to costs of £2.9m in relation to the raising and issuing of senior secured loan notes which took place during the year (2024: £nil).

During the year ended 31 July 2024, the Group reviewed and rationalised the business structure, this resulted in £0.6m restructuring costs in year ended 31 July 2025 (2024: £11.6m) comprising £0.3m employee redundancy costs and £0.3m write down on tangible assets. In addition £0.9m of third party costs were written-off (2024: £nil). These actions resulted in £nil (2024: £2.2m) of property and intangible asset impairments.

### 9 Finance income / (costs)

|   | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|---|---------------------|---------------------|
| <b>Finance income</b>                           |                     |                     |
| Interest on cash deposits                       | 1.6                 | 2.6                 |
| <b>Finance costs</b>                            |                     |                     |
| Interest on loans and overdrafts                | (35.9)              | (32.1)              |
| Interest expense on lease liabilities (note 24) | (10.7)              | (9.4)               |
| Other interest payable (note 20)                | (0.2)               | (0.5)               |
| <b>Total</b>                                    | <b>(46.8)</b>       | <b>(42.0)</b>       |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 10 Tax

The Organisation for Economic Cooperation and Development (“OECD”) / G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published the Pillar Two Model Rules in December 2021, which introduces a global minimum corporate tax rate of 15% applicable to multinational enterprise groups with global revenue over €750 million.

Pillar Two legislation has been enacted in certain jurisdictions in which the Company operates, introducing a global minimum effective tax rate of 15%. The rules first took effect for the Company’s financial year ended 31 July 2025.

The Company has applied the exception under IAS12 to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. No potential exposure has been accrued. An immaterial top up tax is anticipated under this legislation arising from profits generated in the Irish group entities where the local tax rate is 12.5%.

|   | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|---|---------------------|---------------------|
| The tax charge for the year ended 31 July 2025 comprises:       |                     |                     |
| <b>Current tax</b>  |                     |                     |
| Current year tax charge   | 1.2                 | 0.9                 |
| Adjustment in respect of prior period                           | 0.8                 | (0.4)               |
| <b>Total current tax charge</b>                                 | <b>2.0</b>          | 0.5                 |
| <b>Deferred tax</b>   |                     |                     |
| Current year tax (credit) / charge                              | (0.5)               | 2.6                 |
| Adjustment in respect of prior period                           | (1.5)               | (0.1)               |
| Credit through other comprehensive income on interest rate swap | (0.3)               | (1.6)               |
| <b>Total deferred tax (credit) / charge (note 17)</b>           | <b>(2.3)</b>        | 0.9                 |
| Tax charge recognised through the income statement              | -                   | 3.0                 |
| Tax credit recognised through other comprehensive income        | (0.3)               | (1.6)               |
| <b>Total tax (credit) / charge</b>                              | <b>(0.3)</b>        | 1.4                 |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 10 Tax (continued)

The tax charge for the period is lower (2024: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

| <b>Tax reconciliation</b>  | <b>2025<br/>Group<br/>£m</b> | <b>2024<br/>Group<br/>£m</b> |
|--|------------------------------|------------------------------|
| (Loss) / profit before taxation  | <b>(2.6)</b>                 | 5.0                          |
| (Loss) / profit before taxation multiplied by the effective standard rate of UK corporation tax of 25% (2024: 25%) | <b>(0.7)</b>                 | 1.2                          |
| Effects of:  |                              |                              |
| Adjustments in respect of prior period   | <b>(0.7)</b>                 | (0.5)                        |
| Expenses not deductible  | <b>2.8</b>                   | 3.4                          |
| Income not taxable   | <b>(0.5)</b>                 | (0.4)                        |
| Effects of overseas tax rates  | <b>(1.0)</b>                 | (0.9)                        |
| Other  | <b>0.1</b>                   | 0.2                          |
| <b>Total tax charge recognised through the income statement</b>  | <b>-</b>                     | <b>3.0</b>                   |

The UK corporation tax rate at the 31 July 2025 is 25%. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 11 Goodwill and intangible assets

|  | Goodwill<br>£m | Software<br>costs<br>£m | Trade<br>names and<br>brands<br>£m | Customer<br>relationships<br>£m | Total<br>£m  |
|--|----------------|-------------------------|------------------------------------|---------------------------------|--------------|
| <b>Cost</b>                                    |                |                         |                                    |                                 |              |
| At 1 August 2023                               | 72.1           | 10.2                    | 42.9                               | 28.9                            | 154.1        |
| Acquisitions                                   | 10.2           | -                       | 7.1                                | 10.6                            | 27.9         |
| Exchange                                       | (0.3)          | -                       | (0.1)                              | (0.3)                           | (0.7)        |
| <b>At 31 July 2024</b>                         | <b>82.0</b>    | <b>10.2</b>             | <b>49.9</b>                        | <b>39.2</b>                     | <b>181.3</b> |
| Additions                                      | -              | 0.1                     | -                                  | -                               | 0.1          |
| Acquisitions (note 23)                         | 5.4            | -                       | 4.8                                | 5.7                             | 15.9         |
| Disposals                                      | -              | (1.4)                   | -                                  | -                               | (1.4)        |
| Exchange                                       | 0.6            | -                       | 0.2                                | 0.4                             | 1.2          |
| <b>At 31 July 2025</b>                         | <b>88.0</b>    | <b>8.9</b>              | <b>54.9</b>                        | <b>45.3</b>                     | <b>197.1</b> |
| <b>Accumulated amortisation and impairment</b> |                |                         |                                    |                                 |              |
| At 1 August 2023                               | 2.0            | 3.7                     | 4.1                                | 5.2                             | 15.0         |
| Amortisation charge for the year               | -              | 2.3                     | 2.7                                | 2.5                             | 7.5          |
| <b>At 31 July 2024</b>                         | <b>2.0</b>     | <b>6.0</b>              | <b>6.8</b>                         | <b>7.7</b>                      | <b>22.5</b>  |
| Impairment                                     | 5.8            | -                       | -                                  | 1.6                             | 7.4          |
| Amortisation charge for the year               | -              | 1.9                     | 3.2                                | 3.3                             | 8.4          |
| Disposals                                      | -              | (1.4)                   | -                                  | -                               | (1.4)        |
| Exchange                                       | -              | (0.1)                   | -                                  | 0.1                             | -            |
| <b>At 31 July 2025</b>                         | <b>7.8</b>     | <b>6.4</b>              | <b>10.0</b>                        | <b>12.7</b>                     | <b>36.9</b>  |
| <b>Net book value</b>                          |                |                         |                                    |                                 |              |
| <b>At 31 July 2025</b>                         | <b>80.2</b>    | <b>2.5</b>              | <b>44.9</b>                        | <b>32.6</b>                     | <b>160.2</b> |
| At 31 July 2024                                | 80.0           | 4.2                     | 43.1                               | 31.5                            | 158.8        |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 11 Goodwill and intangible assets (continued)

The amortisation charge for the year of £8.4m (2024: £7.5m) is included within 'Other operating charges' on the face of the income statement.

Goodwill and intangible assets acquired during the year have been allocated to the individual cash generating units or aggregated cash generating units (together "CGUs") which are deemed to be the smallest identifiable group of assets generating independent cash inflows. Impairment reviews were performed for each individual CGU during the year ended 31 July 2025 and are disclosed by geographical operation below:

|                | <b>2025</b>     | 2024     |
|----------------|-----------------|----------|
|                | <b>Goodwill</b> | Goodwill |
|                | <b>£m</b>       | £m       |
| United Kingdom | <b>55.4</b>     | 55.7     |
| Ireland        | <b>24.8</b>     | 24.3     |
| <b>Total</b>   | <b>80.2</b>     | 80.0     |

The key assumptions used in the impairment reviews were short term growth rates specific to each CGU, a 2% long term growth rate and a 9.75% post tax discount rate (Ireland 9.50%), these are consistent with the reviews of future cashflows of the Group performed during the year and the forecasts prepared to support the going concern statement. Cashflow forecasts are derived from the Group's budget in year one with year two to five derived from strategic views of the Group's trade.

Following this review the Group identified an impairment charge for the year of £7.4m (2024: £nil) relating to an individual CGU within the United Kingdom, the CGU's trading performance and future prospects deteriorated during the year triggering the impairment of all intangibles. This charge is included within 'Other operating charges' on the face of the income statement.

The Group uses a value-in-use methodology to calculate the recoverable amount and this is subject to sensitivity testing, including an assessment of an increased discount rate, and concluded that no reasonably possible change could cause any material change in the outcome of the impairment reviews.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 12 Property, plant and equipment

|   | Land and<br>buildings<br>£m | Right-<br>of-use<br>assets<br>£m | Plant<br>and<br>machinery<br>£m | Fixtures,<br>fittings,<br>tools and<br>equipment<br>£m | Motor<br>vehicles<br>£m | Total<br>£m   |
|---|-----------------------------|----------------------------------|---------------------------------|--|-------------------------|---------------|
| <b>Cost</b>                                     |                             |                                  |                                 |  |                         |               |
| At 1 August 2024                                | 87.7                        | 259.6                            | 20.1                            | 25.3   | 20.2                    | <b>412.9</b>  |
| Acquisitions (note 23)                          | -                           | 2.9                              | -                               | 0.1  | 1.0                     | <b>4.0</b>    |
| Additions                                       | 6.1                         | 44.0                             | 6.8                             | 6.6  | 16.6                    | <b>80.1</b>   |
| Reclassification                                | -                           | -                                | -                               | (1.3)  | 1.3                     | <b>-</b>      |
| Remeasurement                                   | -                           | 3.9                              | -                               | -  | -                       | <b>3.9</b>    |
| Disposals                                       | (1.0)                       | (20.4)                           | (0.9)                           | (3.7)  | (2.3)                   | <b>(28.3)</b> |
| Exchange  | 0.1                         | 0.5                              | -                               | -  | -                       | <b>0.6</b>    |
| <b>At 31 July 2025</b>                          | <b>92.9</b>                 | <b>290.5</b>                     | <b>26.0</b>                     | <b>27.0</b>  | <b>36.8</b>             | <b>473.2</b>  |
| <b>Accumulated depreciation and impairment</b>  |                             |                                  |                                 |  |                         |               |
| At 1 August 2024                                | 11.9                        | 98.8                             | 7.4                             | 7.7  | 2.3                     | <b>128.1</b>  |
| Depreciation and impairment charge for the year | 6.4                         | 42.2                             | 3.5                             | 5.4  | 5.3                     | <b>62.8</b>   |
| Disposals                                       | (0.6)                       | (20.4)                           | (0.7)                           | (3.7)  | (2.1)                   | <b>(27.5)</b> |
| Exchange  | -                           | 0.2                              | -                               | -  | -                       | <b>0.2</b>    |
| <b>At 31 July 2025</b>                          | <b>17.7</b>                 | <b>120.8</b>                     | <b>10.2</b>                     | <b>9.4</b>   | <b>5.5</b>              | <b>163.6</b>  |
| <b>Net book value</b>                           |                             |                                  |                                 |  |                         |               |
| <b>At 31 July 2025</b>                          | <b>75.2</b>                 | <b>169.7</b>                     | <b>15.8</b>                     | <b>17.6</b>  | <b>31.3</b>             | <b>309.6</b>  |
| At 31 July 2024                                 | 75.8                        | 160.8                            | 12.7                            | 17.6   | 17.9                    | 284.8         |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 12 Property, plant and equipment (continued)

|   | Land and<br>buildings<br>£m | Right-<br>of-use<br>assets<br>£m | Plant<br>and<br>machinery<br>£m | Fixtures,<br>fittings,<br>tools and<br>equipment<br>£m | Motor<br>vehicles<br>£m | Total<br>£m   |
|---|-----------------------------|----------------------------------|---------------------------------|--|-------------------------|---------------|
| <b>Cost</b>                                     |                             |                                  |                                 |  |                         |               |
| At 1 August 2023                                | 84.9                        | 196.3                            | 15.7                            | 27.6   | 16.6                    | <b>341.1</b>  |
| Acquisitions                                    | 0.3                         | 3.3                              | 0.1                             | 0.1  | 0.2                     | <b>4.0</b>    |
| Additions                                       | 7.6                         | 70.5                             | 5.8                             | 4.5  | 4.6                     | <b>93.0</b>   |
| Disposals                                       | (5.1)                       | (10.2)                           | (1.5)                           | (6.9)  | (1.2)                   | <b>(24.9)</b> |
| Exchange  | -                           | (0.3)                            | -                               | -  | -                       | <b>(0.3)</b>  |
| <b>At 31 July 2024</b>                          | <b>87.7</b>                 | <b>259.6</b>                     | <b>20.1</b>                     | <b>25.3</b>  | <b>20.2</b>             | <b>412.9</b>  |
| <b>Accumulated depreciation and impairment</b>  |                             |                                  |                                 |  |                         |               |
| At 1 August 2023                                | 8.9                         | 63.3                             | 5.7                             | 8.7  | 0.3                     | <b>86.9</b>   |
| Depreciation and impairment charge for the year | 5.0                         | 42.9                             | 3.0                             | 5.6  | 3.2                     | <b>59.7</b>   |
| Disposals                                       | (2.0)                       | (7.4)                            | (1.3)                           | (6.6)  | (1.2)                   | <b>(18.5)</b> |
| Exchange  | -                           | -                                | -                               | -  | -                       | -             |
| <b>At 31 July 2024</b>                          | <b>11.9</b>                 | <b>98.8</b>                      | <b>7.4</b>                      | <b>7.7</b>   | <b>2.3</b>              | <b>128.1</b>  |
| <b>Net book value</b>                           |                             |                                  |                                 |  |                         |               |
| <b>At 31 July 2024</b>                          | <b>75.8</b>                 | <b>160.8</b>                     | <b>12.7</b>                     | <b>17.6</b>  | <b>17.9</b>             | <b>284.8</b>  |
| At 31 July 2023                                 | 76.0                        | 133.0                            | 10.0                            | 18.9   | 16.3                    | 254.2         |

The property, plant and equipment has been pledged as security for the Group's loan facility, see note 21.

Included within fixtures, fittings, tools and equipment is £1.2m (2024: £3.3m) of work in progress that is not depreciating. At 31 July 2025, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £4.8m (2024: £7.7m) which is expected to be settled within one year.

Cost of land and buildings comprises:

|                 | 2025<br>£m  | 2024<br>£m |
|-----------------|-------------|------------|
| Freehold        | <b>50.7</b> | 50.5       |
| Short leasehold | <b>42.2</b> | 37.2       |
| <b>Total</b>    | <b>92.9</b> | 87.7       |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 13 Investments

|                                   | 2025<br>Group<br>£m | 2025<br>Company<br>£m |
|-----------------------------------|---------------------|-----------------------|
| <b>Cost</b>                       |                     |                       |
| At 1 August 2024 and 31 July 2025 | 4.1                 | 145.8                 |
| <b>Provision</b>                  |                     |                       |
| At 1 August 2024 and 31 July 2025 | 4.1                 | -                     |
| <b>Net book value</b>             |                     |                       |
| At 1 August 2024 and 31 July 2025 | -                   | 145.8                 |

The Company's investments at 31 July 2025 comprises shares in its immediate subsidiary Wolseley Group Limited (see note 29).

### 14 Inventories

|                | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|----------------|---------------------|---------------------|
| Finished goods | 345.0               | 336.3               |

The Group held provisions in respect of inventory balances at 31 July 2025 amounting to £43.2m (2024: £45.3m). The gross value of inventory is reduced to reflect supplier rebates where the inventory has not been sold. As at 31 July 2025, this deduction from gross inventory amounted to £40.8m (2024: £45.2m). In the opinion of the Directors there is no material difference between the value of inventory as disclosed in the balance sheet and its replacement cost at the balance sheet date. The cost of inventories recognised as an expense during the period was £1,704.6m (2024: £1,675.9m).

### 15 Dividend

|   | 2025<br>Group and<br>Company<br>£m | 2024<br>Group and<br>Company<br>£m |
|---|------------------------------------|------------------------------------|
| <b>Ordinary shares</b>                        |                                    |                                    |
| Dividends paid in the year of £0.83 per share | 121.2                              | -                                  |
| Total   | 121.2                              | -                                  |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 16 Trade and other receivables

|                     | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|---------------------|---------------------|---------------------|
| <b>Current:</b>     |                     |                     |
| Trade receivables   | 384.0               | 383.4               |
| Other receivables   | 48.6                | 43.6                |
| Prepayments         | 14.3                | 15.1                |
| <b>Total</b>        | <b>446.9</b>        | <b>442.1</b>        |
| <b>Non-current:</b> |                     |                     |
| Other receivables   | 3.5                 | 2.4                 |
| Prepayments         | -                   | 3.7                 |
| <b>Total</b>        | <b>3.5</b>          | <b>6.1</b>          |

#### Expected credit loss assessment

Loss rates are based on actual credit loss experience over the past three years and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Trade receivables have been aged with respect to the payment terms specified in the terms and conditions established with customers as follows:

|                                 | Amounts not<br>yet due<br>£m | Less than six<br>months past<br>due<br>£m | More than six<br>months past<br>due<br>£m | Total<br>£m  |
|---------------------------------|------------------------------|---|---|--------------|
| <b>At 31 July 2025:</b>         |                              |   |   |              |
| Expected credit loss rate       | 1.5%                         | 2.8%                                      | 60.1%                                     |              |
| Gross trade receivables         | 325.9                        | 63.5                                      | 3.6                                       | 393.0        |
| Lifetime expected credit losses | (5.1)                        | (1.8)                                     | (2.1)                                     | (9.0)        |
| <b>Net trade receivables</b>    | <b>320.8</b>                 | <b>61.7</b>                               | <b>1.5</b>                                | <b>384.0</b> |
| <b>At 31 July 2024:</b>         |                              |   |   |              |
| Expected credit loss rate       | 1.7%                         | 2.7%                                      | 83.7%                                     |              |
| Gross trade receivables         | 320.5                        | 69.7                                      | 3.7                                       | 393.9        |
| Lifetime expected credit losses | (5.5)                        | (1.9)                                     | (3.1)                                     | (10.5)       |
| <b>Net trade receivables</b>    | <b>315.0</b>                 | <b>67.8</b>                               | <b>0.6</b>                                | <b>383.4</b> |

No amounts due contain a significant financing component. Payment from customers is typically due within 30 to 60 days after the month in which the invoice was raised.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 16 Trade and other receivables (continued)

The contractual amount outstanding on trade receivables that were written off during the periods reported and that are subject to enforcement activity was as follows:

|  | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|--|---------------------|---------------------|
| Amounts written off that are subject to enforcement activity | 4.5                 | 3.6                 |

Included in other receivables are amounts due in relation to supplier rebates where there is no right of offset against trade payable balances as follows:

|   | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|---|---------------------|---------------------|
| Supplier rebates with no right of offset against trade payables | 43.9                | 41.1                |

The expected credit losses associated with supplier rebates is considered to be immaterial.

### 17 Cash and cash equivalents

|                           | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|---------------------------|---------------------|---------------------|
| Cash and cash equivalents | 101.3               | 88.6                |
| Short term deposits       | -                   | 21.0                |
| <b>Total</b>              | <b>101.3</b>        | <b>109.6</b>        |

The Directors consider that the carrying value of cash and cash equivalents approximates to their fair value. Short term deposits are made for varying periods not exceeding 90 days, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

### 18 Trade and other payables

|                                    | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|------------------------------------|---------------------|---------------------|
| <b>Current:</b>                    |                     |                     |
| Trade payables                     | 437.6               | 440.4               |
| Other payables                     | 9.1                 | 7.7                 |
| Other taxation and social security | 26.6                | 25.5                |
| Deferred income                    | 9.5                 | 8.1                 |
| Accruals                           | 42.2                | 38.8                |
| <b>Total</b>                       | <b>525.0</b>        | <b>520.5</b>        |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 18 Trade and other payables (continued)

|                     | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|---------------------|---------------------|---------------------|
| <b>Non-current:</b> |                     |                     |
| Other payables      | <b>0.8</b>          | -                   |
| Accruals            | <b>1.0</b>          | 3.1                 |
| <b>Total</b>        | <b>1.8</b>          | 3.1                 |

### 19 Deferred tax (liabilities) / assets

The elements and movements on deferred tax are shown in the table below:

|   | Interest<br>rate swap<br>£m | Fixed<br>assets<br>£m | Intangible<br>assets<br>£m | Temporary<br>trading<br>differences<br>£m | Tax<br>losses<br>£m | Corporate<br>interest<br>restriction<br>£m | Total<br>£m   |
|---|-----------------------------|-----------------------|----------------------------|---|---------------------|--|---------------|
| At 1 August 2023                            | (1.9)                       | (6.0)                 | (12.5)                     | 8.6                                       | -                   | -  | <b>(11.8)</b> |
| Acquisitions (note 21)                      | -                           | (1.1)                 | (4.5)                      | 1.1                                       | -                   | -  | <b>(4.5)</b>  |
| (Charged) / credited to<br>Income statement | -                           | (2.9)                 | 4.0                        | (3.6)                                     | -                   | -  | <b>(2.5)</b>  |
| Credited to other<br>comprehensive income   | 1.6                         | -                     | -                          | -   | -                   | -  | <b>1.6</b>    |
| <b>At 1 August 2024</b>                     | <b>(0.3)</b>                | <b>(10.0)</b>         | <b>(13.0)</b>              | <b>6.0</b>                                | -                   | -  | <b>(17.2)</b> |
| Acquisitions (note 21)                      | -                           | (0.8)                 | (2.6)                      | 0.7                                       | -                   | -  | <b>(2.7)</b>  |
| (Charged) / credited to<br>Income statement | -                           | (2.6)                 | 0.9                        | (2.0)                                     | 4.1                 | 1.6  | <b>2.0</b>    |
| Credited to other<br>comprehensive income   | 0.3                         | -                     | -                          | -   | -                   | -  | <b>0.3</b>    |
| <b>At 31 July 2025</b>                      | <b>-</b>                    | <b>(13.4)</b>         | <b>(14.7)</b>              | <b>4.7</b>                                | <b>4.1</b>          | <b>1.6</b>                                 | <b>(17.7)</b> |

Following the published update by the IASB on 'Deferred tax related to assets and liabilities arising from a single transaction (amendments to IAS2)' the deferred tax assets and liabilities have been updated to show gross IFRS16 deferred tax assets and liabilities. The IFRS16 deferred tax assets of £3.4m (2024: £2.3m) are included in temporary trading differences and deferred tax liabilities of £5.8m (2024: £3.3m) are included in fixed assets.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 20 Borrowings

|   | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|---|---------------------|---------------------|
| Senior secured notes (note 21)                | 350.0               | -                   |
| Interest accrual (note 18)                    | 5.7                 | -                   |
| Unamortised prepaid fees                      | (8.0)               | -                   |
| <b>Senior secured notes at amortised cost</b> | <b>347.7</b>        | -                   |
| Senior secured loan (note 21)                 | -                   | 218.8               |
| Interest accrual (note 18)                    | -                   | -                   |
| Unamortised prepaid fees                      | -                   | (3.5)               |
| <b>Senior secured loan at amortised cost</b>  | <b>-</b>            | <b>215.3</b>        |
| Asset backed loan facility (note 21)          | 106.5               | 95.0                |
| Interest accrual (note 18)                    | -                   | -                   |
| Unamortised prepaid fees                      | (4.7)               | (2.0)               |
| <b>Total asset backed loan facility</b>       | <b>101.8</b>        | <b>93.0</b>         |
| <b>Total borrowings</b>                       | <b>449.5</b>        | <b>308.3</b>        |
| Total current                                 | 3.4                 | (2.4)               |
| Total non-current                             | 446.1               | 310.7               |
| <b>Total borrowings</b>                       | <b>2025<br/>£m</b>  | <b>2024<br/>£m</b>  |
| Due in less than one year                     | 3.4                 | (2.4)               |
| Due in one to two years                       | (2.3)               | 92.5                |
| Due in two to three years                     | (2.3)               | 218.2               |
| Due in three to four years                    | (2.3)               | -                   |
| Due in four to five years                     | (2.3)               | -                   |
| Due in over five years                        | 455.3               | -                   |
| <b>Total</b>                                  | <b>449.5</b>        | <b>308.3</b>        |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 21 Financial instruments and financial risk management

#### Financial instruments by measurement basis

The carrying value of financial instruments by category as defined by IFRS 9 “Financial Instruments: Recognition and Measurement” is as follows:

|  | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|--|---------------------|---------------------|
| <b>Financial assets recognised at fair value</b>                 |                     |                     |
| Derivatives designated as hedging instrument: interest rate swap | -                   | 1.4                 |
| Derivatives designated as FVTPL: interest rate swap              | 0.1                 | -                   |
| <b>Fair value through profit and loss</b>                        | <b>0.1</b>          | <b>-</b>            |
| <b>Financial assets recognised at amortised cost</b>             |                     |                     |
| Trade and other receivables (note 16)                            | 436.1               | 429.4               |
| Cash and cash equivalents (note 17)                              | 101.3               | 109.6               |
| <b>Amortised cost</b>  | <b>537.4</b>        | <b>539.0</b>        |
| <b>Total financial assets</b>                                    | <b>537.5</b>        | <b>540.4</b>        |
| Total current  | <b>534.0</b>        | 538.0               |
| Total non-current  | <b>3.5</b>          | 2.4                 |

Derivatives designated as hedging instruments reflect the positive change in fair value of an interest rate swap, designated as a cash flow hedge against the Group’s senior secured loan.

|  | 2025<br>Group<br>£m | 2024<br>Group<br>£m |
|--|---------------------|---------------------|
| <b>Financial liabilities recognised at amortised cost: non-current interest bearing loans and borrowings</b> |                     |                     |
| Asset backed loan facility (due in greater than five years)  | 101.8               | 95.0                |
| Senior secured notes (due in greater than five years)  | 342.0               | -                   |
| Senior secured loan (due in greater than two years)  | -                   | 218.8               |
|  | <b>443.8</b>        | <b>313.8</b>        |

On 2 June 2025, the Group issued an aggregate principal amount of £350m simple fixed interest 9.75% senior secured notes due January 2031. On the same day, the Group repaid in full all outstanding amounts relating to the senior secured loan and extended its existing asset backed loan facility until October 2030. The financial liability is shown net of transaction costs which totalled £12.0m in the year (2024: £nil), the transaction costs are treated as operating expenses in the statement of cash flows.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 21 Financial instruments and financial risk management (continued)

The borrowing facilities as at 31 July 2025 comprise:

- £305m asset backed loan facility (2024: £305m) – interest of 2.25% over SONIA, subject to certain conditions, facility available until October 2030 and amounts are repayable at the end of each interest period unless rolled over.
- £350m simple fixed interest 9.75% senior secured notes due January 2031.

The senior secured notes contain an option to repay the debt prior to maturity. This option is considered to be a derivative financial instrument (an embedded derivative) with a fair value of £3.2m at 31 July 2025. The fair value is estimated with reference to the yields of similar debt instruments with comparable terms and credit ratings. There has been no movement in the fair value during the year-ended 31 July 2025.

One of the conditions for the availability of the borrowing facilities is that the Group companies provide all asset security in favour of security agents.

|   | <b>2025</b>  | 2024  |
|---|--------------|-------|
|   | <b>Group</b> | Group |
|   | <b>£m</b>    | £m    |
| <b>Other financial liabilities recognised at amortised cost</b> |              |       |
| Trade and other payables (note 18)                              | 526.8        | 523.6 |
| Lease liabilities (note 26)                                     | 178.5        | 167.5 |
| Provisions (note 22)  | 52.6         | 51.3  |
| <b>Total other financial liabilities</b>                        | <b>757.9</b> | 742.4 |
| Total current   | <b>576.7</b> | 571.9 |
| Total non-current   | <b>181.2</b> | 170.5 |

#### Hedging activities and derivatives

The Group is exposed to certain risks relating to its ongoing business operations. The primary risk managed using a derivative instrument is interest rate risk.

The Group's risk management strategy and how it is applied to manage risk are explained further below:

#### Derivatives designated as hedging instruments – cash flow hedge

At 31 July 2025 the Group had an interest rate swap agreement in place with an amount of £220.0m (2024: £220.0m) whereby the Group pays a fixed rate of interest of 3.8945% and receives interest at a variable rate equal to SONIA on the notional amount. The swap was used to hedge the exposure to changes in the interest rate on the Group's senior secured loan and it expires on 30 April 2026.

Following the Group's repayment in full of all outstanding amounts relating to the senior secured loan on 2 June 2025 the previously established hedge ratio of 1:1 no longer exists as the underlying risk of the interest rate swap is no longer identical to the hedged risk components; there was an economic relationship between the hedged item and hedging instrument as the terms of the interest rate swap matched the terms of the senior secured loan quarterly interest payments (i.e. notional amount and interest payment dates). After 2 June 2025 the interest rate swap designated as FVTPL.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 21 Financial instruments and financial risk management (continued)

#### Fair value measurement

This note provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3, as defined within IFRS 13 - Fair Measurement, based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There are no financial instruments measured at level 1 or 3 as the interest rate swaps are measured at level 2. The hedging loss recognised in Other Comprehensive Income of £1.4m (2024: £6.2m loss) is equal to the change in fair value for the hedged instruments. From June 2025 changes in fair value of the derivative asset were measured through the profit and loss account.

#### Capital structure and risk management

The capital structure of the Group consists of net debt (note 20) and equity of the Group (comprising share capital, and reserves). The externally imposed capital requirement is the servicing of interest on outstanding loans. The Group's sources of funding currently comprise cash flows generated from operations and borrowings from banks and other financial institutions.

#### Credit risk

The Group provides sales on credit terms to most of its customers. There is an associated risk that customers may not be able to pay outstanding balances. At 31 July 2025, the maximum exposure to credit risk was £384m (2024: £383m).

The Group has established procedures in place to review and collect outstanding receivables. Significant outstanding and overdue balances are regularly reviewed and resulting actions are put in place on a timely basis. All of the major businesses use professional and dedicated credit teams. Appropriate provisions are made for debts that may be impaired on a timely basis and consideration is given to the customer base, which is large and unrelated, limiting risk. Accordingly, the Group considers that there is no further credit risk provision required above the current provision for expected credit losses. The aging of trade receivables is detailed in note 16.

#### Interest rate risk

The Group is partly financed through externally syndicated bank debt and is therefore exposed to rising interest rates which may adversely impact the Group.

In previous years, following interest rate rises, the Group took the decision to fix the interest rate on £220m of debt which was achieved by entering into an interest rate swap. The Group will continue to monitor interest rates and the performance of its existing interest rate swap. At 31 July 2025 23% of the Group's debt is subject to a variable interest rate charge (2024: 30%). A 2% increase / (decrease) in SONIA would impact the group by £2.1m / £(2.1)m; (2024: £1.9m / £(1.9)m).

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 22 Provisions

Provisions and movements during the period are analysed as follows:

|                        | Restructuring<br>£m | Property<br>dilapidations<br>£m | Environmental<br>£m | Guarantees<br>and legal<br>£m | Total<br>£m |
|------------------------|---------------------|---------------------------------|---------------------|-------------------------------|-------------|
| At 1 August 2024       | 5.2                 | 41.3                            | 2.9                 | 1.9                           | 51.3        |
| Acquisitions (note 23) |                     | 1.9                             | -                   | -                             | 1.9         |
| Utilised in the year   | (1.5)               | (1.4)                           | -                   | (0.2)                         | (3.1)       |
| Additions              | 1.8                 | 0.3                             | -                   | -                             | 2.1         |
| Releases for the year  | (0.3)               | -                               | -                   | (0.2)                         | (0.5)       |
| Exchange               | -                   | 0.7                             | -                   | -                             | 0.7         |
| Unwinding of discount  |                     | 0.2                             | -                   | -                             | 0.2         |
| <b>At 31 July 2025</b> | <b>5.2</b>          | <b>43.0</b>                     | <b>2.9</b>          | <b>1.5</b>                    | <b>52.6</b> |

Provisions are analysed between current and non-current as follows:

|                         | Restructuring<br>£m | Property<br>dilapidations<br>£m | Environmental<br>£m | Guarantees<br>and legal<br>£m | Total<br>£m |
|-------------------------|---------------------|---------------------------------|---------------------|-------------------------------|-------------|
| <b>At 31 July 2025</b>  |                     |                                 |                     |                               |             |
| Current                 | 4.6                 | 9.3                             | 0.9                 | 1.5                           | 16.3        |
| Non-current             | 0.6                 | 33.7                            | 2.0                 | -                             | 36.3        |
| <b>Total provisions</b> | <b>5.2</b>          | <b>43.0</b>                     | <b>2.9</b>          | <b>1.5</b>                    | <b>52.6</b> |

|                  | Restructuring<br>£m | Property<br>dilapidations<br>£m | Environmental<br>£m | Guarantees<br>and legal<br>£m | Total<br>£m |
|------------------|---------------------|---------------------------------|---------------------|-------------------------------|-------------|
| At 31 July 2024  |                     |                                 |                     |                               |             |
| Current          | 4.3                 | 12.0                            | 0.9                 | 1.9                           | 19.1        |
| Non-current      | 0.9                 | 29.3                            | 2.0                 | -                             | 32.2        |
| Total provisions | 5.2                 | 41.3                            | 2.9                 | 1.9                           | 51.3        |

#### Restructuring

The majority of the restructuring provision relates to onerous leases on closed branches and business reorganisation activities and is expected to be utilised over the next two years. The amounts credited to the income statement primarily relate to settlement of lease obligations for less than previously provided.

#### Property dilapidations

The dilapidations provision is the estimated costs to be incurred under leasehold property dilapidation claims. The average period to utilisation is three years (2024: four years).

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 22 Provisions (continued)

#### Environmental

This includes an amount of £1.9m (2024: £1.9m) for asbestos litigation. This amount was actuarially determined as at 31 July 2021 and reviewed at the balance sheet date with no changes required. Insurance is in place for asbestos litigation and accordingly an insurance receivable of £1.7m (2024: £1.7m) has been recorded in other debtors. The provision is expected to unwind over the next 25 years.

#### Guarantees and legal

The provision includes £0.7m provided for warranties (2024: £1.1m) and £0.8m for anticipated settlement of legal claims made (2024: £0.8m). The provision is expected to unwind within one year.

### 23 Acquisitions

The Group acquired two businesses during the year. Both businesses are engaged in the distribution of plumbing, heating and cooling products in the countries of their incorporation. The transactions have been accounted for by the acquisition method of accounting. The acquired businesses provide access to new markets in the construction industry together with complimenting products to the Group's cooling business offering.

For the year ended 31 July 2025 the acquired business contributed £20.0m of revenue and £0.4m of operating profit to the Group's consolidated statement of comprehensive income. If the acquisitions had been completed on the first day of the financial year, revenue of the Group would have been £2,274.1m and operating profit would have been £43.6m.

| <b>Name</b>                                | <b>Date of acquisition</b> | <b>Country of incorporation</b> | <b>Shares/asset deal</b> | <b>% acquired</b> |
|--|----------------------------|---------------------------------|--------------------------|-------------------|
| Logicool Air Conditioning Holdings Limited | 29 October 2024            | England & Wales                 | Shares                   | 100               |
| Blue Bay Building Products Limited         | 13 January 2025            | England & Wales                 | Shares                   | 100               |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 23 Acquisitions (continued)

The assets and liabilities acquired and the consideration for the acquisition of all businesses is aggregated below as individual disclosure is immaterial:

|   | Book value<br>£m | Fair value<br>adjustment<br>£m | Total fair values<br>acquired<br>£m |
|---|------------------|--------------------------------|-------------------------------------|
| Trade names and brands and customer relationships | -                | 10.5                           | 10.5                                |
| Property, plant and equipment                     | 1.1              | -                              | 1.1                                 |
| Right-of-use assets                               | 2.9              | -                              | 2.9                                 |
| Inventories                                       | 1.7              | -                              | 1.7                                 |
| Trade and other receivables                       | 4.8              | -                              | 4.8                                 |
| Cash, cash equivalents and bank overdrafts        | 3.2              | -                              | 3.2                                 |
| Trade and other payables                          | (6.2)            | -                              | (6.2)                               |
| Provisions  | (1.9)            | -                              | (1.9)                               |
| Lease liabilities                                 | (2.9)            | -                              | (2.9)                               |
| Corporation tax                                   | 0.2              | -                              | 0.2                                 |
| Deferred tax                                      | (0.1)            | (2.6)                          | (2.7)                               |
| <b>Total</b>                                      | <b>2.8</b>       | <b>7.9</b>                     | <b>10.7</b>                         |
| Goodwill arising                                  |                  |                                | 5.4                                 |
| <b>Deferred consideration</b>                     |                  |                                | <b>1.0</b>                          |
| <b>Consideration satisfied by cash</b>            |                  |                                | <b>15.1</b>                         |

The goodwill arising on the acquisition of the businesses is primarily attributable to the anticipated profitability of the new markets and product ranges to which the Group has gained access, the amount of goodwill expected to be deductible for tax purposes in relation to acquisitions completed during the year is £nil. The value of workforces acquired has been subsumed into goodwill in accordance with the requirements of IFRS 3.

The net outflow of cash in respect of the purchase of acquisitions is as follows:

|  | 2025<br>£m  |
|--|-------------|
| Purchase consideration – cash                                    | 15.1        |
| Cash, cash equivalents and bank overdrafts acquired              | (3.2)       |
| <b>Net cash outflow in respect of the purchase of businesses</b> | <b>11.9</b> |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 24 Share capital and share premium

|   | 2025<br>Group<br>£m | 2025<br>Company<br>£m | 2024<br>Group<br>£m | 2024<br>Company<br>£m |
|---|---------------------|-----------------------|---------------------|-----------------------|
| <b>Allotted, authorised, called up and fully paid</b> |                     |                       |                     |                       |
| 2 ordinary shares of £1 each                          | -                   | -                     | -                   | -                     |
| 145,837,776 ordinary shares of £0.01 each             | 1.4                 | 1.4                   | 1.4                 | 1.4                   |

The Group and company reserves are as follows:

- The share premium account contains the premium arising on issue of equity shares, net of issue expenses. Due to the strength of the Company's capital position, during the year the share premium account (£144.4m) was converted into retained earnings in order for some of the capital to be repaid to the Company's immediate parent by way of a dividend. The capital position is given due consideration when corporate plans are prepared calculating the future requirements based upon a 3 year financial forecast. The Group forecasts making profits over the next 3 years and the Directors believe it will maintain sufficient levels of capital.
- Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.
- Hedging reserve represents cumulative gain on derivatives deemed as hedging instruments.

### 25 Contingent liabilities

Group companies are, from time to time, subject to certain claims and litigation arising in the normal course of business in relation to, among other things, the products that they supply, contractual and commercial disputes and disputes with employees. Provision is made if, on the basis of current information and professional advice, liabilities are considered likely to arise. In the case of unfavourable outcomes, the Group may benefit from applicable insurance protection.

#### Environmental liabilities

The operations of certain Group companies are subject to specific environmental regulations. From time to time, the Group conducts preliminary investigations through third parties to assess potential risks. Where an obligation to remediate contamination arises, this is provided for, though future liabilities could arise from sites for which no provision is made.

#### Outcome of claims and litigation

The outcome of claims and litigation to which Group companies are party cannot readily be foreseen as, in some cases, the facts are unclear, further time is needed to assess properly the merits of the case or they are part of continuing legal proceedings. However, based on information currently available, the Directors consider that the cost to the Group of an unfavourable outcome arising from such litigation is not expected to have a material adverse effect on the financial position of the Group.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 26 Leases

The Group has lease contracts for properties, plant, and vehicles used in its operations. Leases of property generally have lease terms between five and ten years, while vehicles, plant and equipment generally have lease terms between four and seven years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases with lease terms of twelve months or less and leases of equipment with low value. The Group applies the 'short term lease' and 'lease of low value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of the right-of-use assets recognised and the movements during the period (see also note 12):

|                                | Property<br>£m | Vehicles<br>£m | Plant and<br>equipment<br>£m | Total<br>£m  |
|--------------------------------|----------------|----------------|------------------------------|--------------|
| At 1 August 2024               | <b>145.0</b>   | <b>15.1</b>    | <b>0.7</b>                   | <b>160.8</b> |
| Acquisitions (note 23)         | 2.9            | -              | -                            | 2.9          |
| Additions                      | 39.7           | 2.6            | 1.7                          | 44.0         |
| Remeasurements                 | 3.9            | -              | -                            | 3.9          |
| Depreciation and<br>impairment | (36.3)         | (4.9)          | (1.0)                        | (42.2)       |
| Disposals                      | 0.2            | (0.2)          | -                            | -            |
| Exchange                       | 0.3            | -              | -                            | 0.3          |
| <b>At 31 July 2025</b>         | <b>155.7</b>   | <b>12.6</b>    | <b>1.4</b>                   | <b>169.7</b> |

Set out below are the carrying amounts of the lease liabilities and the movements for the year ended 31 July 2025:

|                        | Group<br>£m  |
|------------------------|--------------|
| At 1 August 2024       | <b>167.5</b> |
| Acquisitions (note 23) | 2.9          |
| Additions              | 41.8         |
| Remeasurements         | 3.9          |
| Accretion of interest  | 10.7         |
| Exchange               | 0.5          |
| Disposals              | (0.6)        |
| Payments               | (48.2)       |
| <b>At 31 July 2025</b> | <b>178.5</b> |
| Current                | 35.4         |
| Non-current            | 143.1        |

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 26 Leases (continued)

The following are the amounts recognised in the income statement for the year ended 31 July 2025:

|   | 2025<br>Group<br>£m |
|---|---------------------|
| Depreciation and impairment expense of right-of-use assets                  | 42.2                |
| Interest expense on lease liabilities                                       | 10.7                |
| Expense relating to short term leases (included in Other operating charges) | 7.7                 |
| <b>Total</b>  | <b>60.6</b>         |

Set out below is a maturity analysis of contractual future payments (excluding future interest expense) relating to lease liabilities held at 31 July 2025:

|                            | Gross lease<br>payment<br>£m | Interest<br>£m | Total<br>£m  |
|----------------------------|------------------------------|----------------|--------------|
| Due in less than one year  | 44.9                         | (9.5)          | 35.4         |
| Due in one to two years    | 37.7                         | (7.8)          | 29.9         |
| Due in two to three years  | 29.6                         | (6.1)          | 23.5         |
| Due in three to four years | 22.9                         | (4.9)          | 18.0         |
| Due in four to five years  | 19.7                         | (3.7)          | 16.0         |
| Due in over five years     | 71.5                         | (15.8)         | 55.7         |
| <b>Total</b>               | <b>226.3</b>                 | <b>(47.8)</b>  | <b>178.5</b> |

The Group had total cash outflows for leases of £48.2m during the year ended 31 July 2025. The Group also had non-cash additions to right-of-use assets and lease liabilities of £40.7m during the year.

The Group has lease contracts that include termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these termination options are reasonably certain to be exercised. There are no lease payments unprovided where management does not reasonably expect to use the leased asset to the lease expiry date.

### 27 Ultimate parent company and parent undertakings

The Company's immediate parent company is Wolseley Investments Limited, a company registered in England and Wales which has the same address as the Company. The ultimate parent and controlling company is CD&R WOLF Sarl, registered in President Building, 37A J.F. Kennedy, 4th Floor, Luxembourg, L-1855 and this entity is the largest and smallest that prepares consolidated financial statements including this Group.

# Wolseley Group Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 July 2025

### 28 Post balance sheet events

There have been no material events since the balance sheet date.

### 29 Subsidiary undertakings

A full list of subsidiaries in which the Company has a controlling interest of 100% as at 31 July 2025 is set out below. The country of incorporation is also detailed below, and the nature of the business is the same as the Group, with the exception of those noted as dormant. Unless otherwise noted, the share capital comprises ordinary shares which are indirectly held by the Company.

Trading and holding subsidiaries:

|   |   |
|---|---|
| Bassetts (Wolseley) Limited (Northern Ireland) <sup>c</sup>           | Logicool Air Conditioning & Heat Pumps Ltd (England)    |
| Blue Bay Building Products Ltd (England)                              | Logicool Holdings (England)                             |
| C P Hart & Sons Limited (England)                                     | RES–Distribution Limited (England)                      |
| C P Hart SRL (Italy) <sup>g</sup>                                     | Tube Company of Ireland Limited (Ireland) <sup>f</sup>  |
| Continental Product Engineering Limited (England)                     | Washglade Limited (Ireland) <sup>f</sup>                |
| Cooperstorm Limited (Ireland) <sup>f</sup>                            | Wholesale Supplies (C.I.) Limited (Jersey) <sup>d</sup> |
| Domestic Heating Services (Wholesale) Limited (Guernsey) <sup>a</sup> | William Wilson Holdings Limited (Scotland) <sup>c</sup> |
| Hevac Limited (Ireland) <sup>f</sup>                                  | William Wilson Ltd (Scotland) <sup>c</sup>              |
| Ideal Bathrooms (Wolseley) Limited (England)                          | Wolseley Group Finco Plc (England)                      |
| Jointing Tech Limited (England)                                       | Wolseley Group Limited (England) – directly owned       |
| Jointing Technologies Limited (Ireland) <sup>b</sup>                  | Wolseley UK Limited (England)                           |
| Kooltech Ltd (Scotland) <sup>h</sup>                                  |   |

Dormant companies:

|  |                                       |
|--|---------------------------------------|
| Aluminox Limited (Ireland) <sup>f</sup>                  | Wolseley DC Plan Trustees Limited     |
| Origen Energy Limited (Ireland) <sup>f</sup>             | Wolseley Properties Limited (England) |
| Polytherm Heating Systems Limited (Ireland) <sup>f</sup> | Wolseley UK Finance Limited (England) |
| Sellers of Leeds Limited (England)                       |                                       |

All of the above companies have the same registered office as the Company except as follows:

- a. Longcamps, St Sampsons, Guernsey, GY1 3FD
- b. Block 1, Harcourt Centre, Harcourt Street Dublin, D02 YA40, Ireland
- c. Hareness Road, Altens Industrial Estate, Aberdeen, AB12 3QA, United Kingdom
- d. 47 Esplanade, St Helier, Jersey, JE1 0BD, Jersey
- e. Mahon Industrial Estate, Mahon Road, Portadown, Armagh, Northern Ireland, BT62 3EH
- f. Muirfield Drive, Naas Road, Dublin 12, Ireland, D12 X0A3
- g. Milano (MI) Viale Michele Del Carso (San) 22
- h. Strathaird 12 Mossland Road, Hillington Park, Glasgow G52 4XZ