

Mid-year trading update for the six months ended 31 January 2024**Market and trading performance**

Trading conditions were challenging in the period and the Group performed well against this backdrop. The financial results for the six months ended 31 January 2024 showed a decline in revenue and profitability against the same period in the prior year. The business remains in a strong position and there continues to be good long term growth attributes in all of the Group's markets that provide opportunities for all businesses to grow. The good performance in a challenging market is a testament to the capabilities and continued efforts of our employees.

Markets continued to slow throughout 2023 with the UK entering a mild recession between July 2023 and December 2023 with construction output the worst performing of the three main sectors. Inflation continued to decrease through the period with CPIH decreasing from 6.3 per cent to 4.2 per cent. The Bank of England base interest rate remained at 5.25 per cent throughout the period and housing transactions were 18 per cent lower year-on-year in the period.

Strategy update***Strong market position***

The Group continued to expand its market position and offering with the acquisition of two businesses, Highland Plumbing and Heating Supplies in the period and Kooltech Ltd after the period end.

Highly experienced and knowledgeable employees

The Group strengthened its leadership team in the period with the appointment of Simon Gray as its new Chief Executive Officer, previously the Group's Chief Finance Officer ("CFO"), and Nicky Thomas as its new CFO.

Apprenticeships at Wolseley help to provide its employees with the skills, knowledge and behaviours they need to develop themselves and nurture their potential, whilst working towards a nationally recognised qualification. In 2023 the program was enhanced with new initiatives designed to support apprentices, since then the percentage of 'on track learners' has almost doubled. With that increase in engagement, the number of employees completing programmes has risen to a current total of 148. Apprenticeships are also offered to new colleagues, who bring fresh perspectives and an eagerness to learn.

Ease of doing business

Furthering the Group's commitment to helping customers trade whilst supporting the net zero transition, the Group embarked on a series of Future Energy Transition events to showcase the broad array of technologies and solutions now available to support the net zero transition across the UK's diverse housing stock. Wolseley ran a series of local events across the UK aimed at helping professional installers to understand the multitude of sustainable plumbing and heating options available and the considerations around applying new technologies. As a leading trade merchant in the heating solutions market, Wolseley is aiming to support installers to increase their knowledge of low carbon heating solutions to drive greater understanding amongst householders.

The Group was recognised in the period for its efforts in supporting the net zero transition at the 2023 H&V News Awards, where they won the Collaboration of the Year Award alongside Polypipe Building Services for an innovative initiative created by Wolseley Pipe Centre and Polypipe Building Services to help customers minimise waste. Under this initiative, customers can deposit PVC pipe offcuts, obsolete products, plastic packaging and bulk bags into collapsible pallet stations at Wolseley sites to subsequently be collected and taken to a Polypipe site where the material is recycled.