Wolseley Group Holdings Limited

Registered number: 13134776

Mid-year trading update for the six months ended 31 January 2023

Market and trading performance

The Group continued to trade well through the six months ended 31 January 2023 despite continued challenges facing the market including product price inflation and the continued, although improving, product supply shortages. The good performance in a challenging market is a testament to the capabilities and continued efforts of our employees.

Product price inflation continued at the high levels seen in the previous period and the Group managed this well, utilising its scale and expertise to deliver value to customers and help them manage the increases, while ensuring product cost increases were recovered. Product shortages continued to have an impact on the Group, with the supply of products improving, but not to the levels seen before Covid-19.

Progress was made integrating the businesses acquired in the previous year. Underlying trading remained good through the period, the financial results for the six months to 31 January 2023 showed both revenue and profitability growth over the same period in the prior year. The reported growth was achieved through both organic business growth and inorganic growth from a number of business acquisitions made in both the prior year and current period.

Strategy update

Strong market position

The Group continued to expand its market position and offering in the residential market through the acquisition of a majority stake in the bathroom specialist C.P. Hart which operates in the premium bathroom sector across both retail and commercial customers from 16 showroom locations.

Highly experienced and knowledgeable employees

The Group strengthened its leadership team by appointing Sarah Broughton as Group HR Director where she will focus on identifying, developing and retaining talent across all Group companies, as well as nurturing a successful, inclusive, and values-driven culture.

In the period the Group launched a partnership with HIP magazine (for Plumbing & Heating Students and Apprentices), including sponsoring HIP's Learner of the Year and Female Skills competitions, to help develop industry talent for the future. Wolseley will focus on sharing information with students on how best to establish a career in the industry and how to run their own plumbing and heating business.

Ease of doing business

The Group furthered its objective of delivering sector leading e-commerce by making a significant investment and improvement in its website (www.wolseley.co.uk) that delivered rich, searchable content for all products. This has been further developed to deliver greater value-added advice and service through a combination of direct digital and digital gateway for contacting our knowledgeable employees for those seeking more information and accessing technical data.

Wolseley has invested in an exclusive partnership with Surefire Software, a new digital job management platform that simplifies daily business administration, job management and purchasing for plumbing and heating contractors. Surefire has been designed by experts in the trade, and enables contractors to be more efficient by creating, managing and tracking jobs through to invoicing, as well as checking Wolseley stock availability and proximity live.

Ease of doing business (continued)

Furthering the Group's commitment to helping customers trade whilst reducing their environmental impact, and the Group's strategy to support the transition to sustainable energy, an innovative component recycling / reconditioning initiative was launched aimed at reducing the environmental impact of maintaining gas boilers by driving a more circular economy in the domestic heating sector.

This scheme will allow heating engineers to return faulty Printed Circuit Boards ("PCBs"), diverter valves and fans from some of the most popular domestic boiler manufacturers and receive a small payment per component. The faulty components will then be returned to a specialist refurbishment company, where they will either be refurbished and offered back into the market or recycled where the product is beyond economic repair.