



NORCROS

A POWERFUL
CHOICE FOR
BETTER LIVING

ANNUAL REPORT &
ACCOUNTS 2025
FOR THE YEAR ENDED 31 MARCH 2025

WELCOME TO THE NORCROS ANNUAL REPORT 2025



THOMAS WILLCOCKS
CEO

Welcome from our CEO

I am pleased to present the Annual Report and Accounts for 2025. Norcros has delivered another strong set of results, underpinned by disciplined strategic execution. We continue to leverage the strength of our differentiated and decentralised model and scale to collaborate and drive sustainable growth across the Group in what remain attractive and fragmented markets.

Our journey

Through organic growth and targeted portfolio development, we’ve become the UK and Ireland’s number one bathroom products group. With an evolved strategy, renewed investment in innovation, and a deep commitment to our people and the communities that we live and work in, we’re focused on delivering the next phase of Norcros, together.

Sustainability at Norcros

Sustainability is a core pillar of our strategy and a key driver of long-term value creation. This year, we are proud to publish our first standalone **Sustainability Report**, bringing together the full breadth of our ESG work and showcasing progress across our businesses. The report also introduces our new **Sustainable Products Framework**, highlighting how we are embedding sustainability into product design and development across the Group.

Our ambition is clear: to be renowned for sustainability across our markets. This report marks an important step in telling that story.



→ READ OUR FIRST SUSTAINABILITY REPORT ON OUR WEBSITE

A POWERFUL CHOICE FOR BETTER LIVING

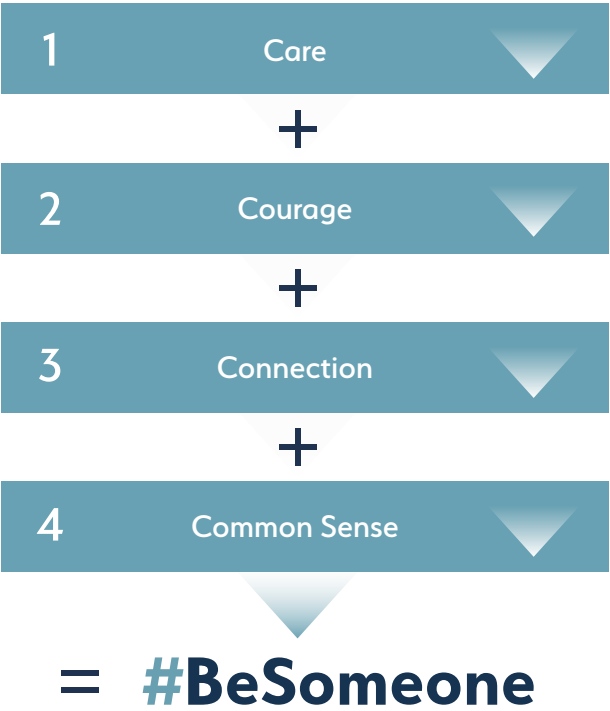
Our Purpose

To create products and connections that offer sustainable choices for better living, helping nurture the world we love and share

Our Keys (values)

At Norcros, we live our purpose by starting from a place of doing good, bravely challenging the status quo, and working together with a disciplined, collective focus. Our Keys are the foundations of how we work at Norcros. They guide the decisions we make, the way we collaborate, and the culture we are building across the Group.

Together, they add up to #BeSomeone: a commitment to valuing every individual and creating an inclusive, growth-focused environment where everyone can thrive, contribute and make a positive difference.



→ READ OUR PURPOSE AND KEYS ON PAGES 14 AND 15



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GROUP HIGHLIGHTS

Momentum on strategic execution delivering share gains and margin growth

We set out our updated growth strategy and medium-term targets at our Capital Markets Day in May 2024.

As a team, we are pleased with the ongoing progress, including the following highlights:

- **Portfolio development** – sale of Johnson Tiles UK in May 2024 strengthens portfolio; strategic review of Johnson Tiles SA well progressed
- **Organic growth** – first complete bathroom range launched; increased cross-selling and market-leading customer service
- **Operational excellence** – benefits of scale and collaboration; Group freight strategy and distribution efficiencies (UK warehouse footprint reduced from 26 to 15 sites)
- **ESG** – Sustainable Products Framework developed; good progress against SBTi targets; launched our Group Purpose and Keys

Our strong balance sheet is able to support further market share growth both organically and through acquisitions.

We expect to make further progress against our medium-term targets in the year ahead.

“

UK operating margins exceed 15% for the first time with further progress expected.

”

Financial highlights

UK LIKE FOR LIKE¹ ORGANIC REVENUE GROWTH

1.1%

2024: 1.4%

UNDERLYING² OPERATING MARGIN

11.7%

2024: 11.0%

OPERATING CASH CONVERSION

84%

2024: 123%

ROCE

17.3%

2024: 16.4%

PROGRESS AGAINST OUR SCIENCE-BASED CARBON TARGET

22%

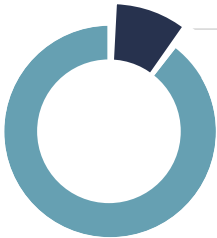
REDUCTION IN SCOPE 1 & 2 EMISSIONS FROM 2023 BASE YEAR³

1 Like for like after adjusting for the sale of Johnson Tiles UK in May 2024 and the closure of Norcros Adhesives in June 2023

2 Alternative performance measure as defined in note 8 to the financial statements

3 Target is 33.6% reduction by 2028

Regional highlights



Circa 8%¹
Norcros UK & Ireland market share

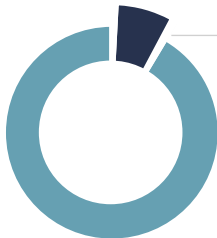
UK & Ireland

We are the number one bathroom products business in the UK and Ireland.

Our UK and Ireland business delivered a record performance driven by new product launches, collaboration and outstanding customer service. Underlying operating profit increased by £1.4m to £39.8m.

We are well-placed to continue growing market share and winning new customers in our target market segments by leveraging our strong new product development pipeline, scale-based collaboration and superior customer service.

1 Source: BRG (bathrooms) and AMA (wall coverings). Reported market share decreased from 15% in the prior year given our exit from Johnson Tiles UK and the inclusion of bathroom furniture and sanitaryware market segments.



Circa 7%
Norcros South Africa market share

South Africa

We are South Africa’s second largest bathroom products business.

Our South African business delivered a resilient performance in a challenging macroeconomic environment. As a result of these conditions, underlying operating profit reduced by £1.4m to £3.4m.

We have a solid well-invested business that remains in a strong competitive position and is well-placed to gain market share in its respective markets as conditions gradually improve.

Sustainability highlights

This year, we **reduced our market-based Scope 1 and 2 carbon emissions by 22%** from our 2023 baseline, putting us well on track for our 2028 target.

We also launched our **Sustainable Products Framework**, developed in collaboration with our brands to guide product innovation and support our customers in lowering their environmental impact.

Other key milestones include Triton Showers receiving a King’s Award for Enterprise for Sustainable Development and the EcoVadis Silver accreditation, and the **publication of our first standalone Sustainability Report**. We also made strong progress on the people agenda, launching our **#BeSomeone campaign** and completing our first Group-wide Great Place to Work® survey, helping shape future priorities. We are proud of this year’s progress – and even more focused on the work ahead.



At Norcros we believe anyone can be someone; we see it as neither unique nor rare. In our business we are all someone.

→ READ OUR **SUSTAINABILITY REPORT** ON OUR WEBSITE

GROUP AT A GLANCE

OUR DIVERSIFIED PORTFOLIO IS A GREAT PLATFORM FOR GROWTH



We have developed a balanced portfolio of bathroom and kitchen products brands.

Seventy percent of Group revenue is delivered from the UK and Ireland with the balance in South Africa. Our regional footprint gives our brands and product ranges a variety of routes to market. The regional balance also helps to manage the cyclical nature of regional economies.

We have developed our Group by acquiring and growing great brands.

We operate as a Group of autonomous brands that manage complementary, product-based businesses. In our core markets in the UK and Ireland, our brands cover most product categories in the bathrooms market in addition to kitchen taps and sinks. In South Africa, we are a vertically integrated designer, manufacturer, supplier and retailer of tiles, adhesives and other bathroom products.

Each brand is driven by product and sector specialists. This specialism is crucial and helps us to differentiate.

We collaborate across our brands to drive scale-based growth and efficiency. We have put in place growth accelerators in cross-selling, key account management, new product development and marketing that facilitate collaboration and knowledge sharing across the Group to drive growth. We regularly collaborate across the Group where we can use our collective scale to drive efficiency, lower costs and improve our customer service.

Our brands are orientated towards the more resilient mid-premium price point where we deliver high-quality, fashionable products through trade, retail and online channels.

Our diversified portfolio is a great platform for growth.

Our brands

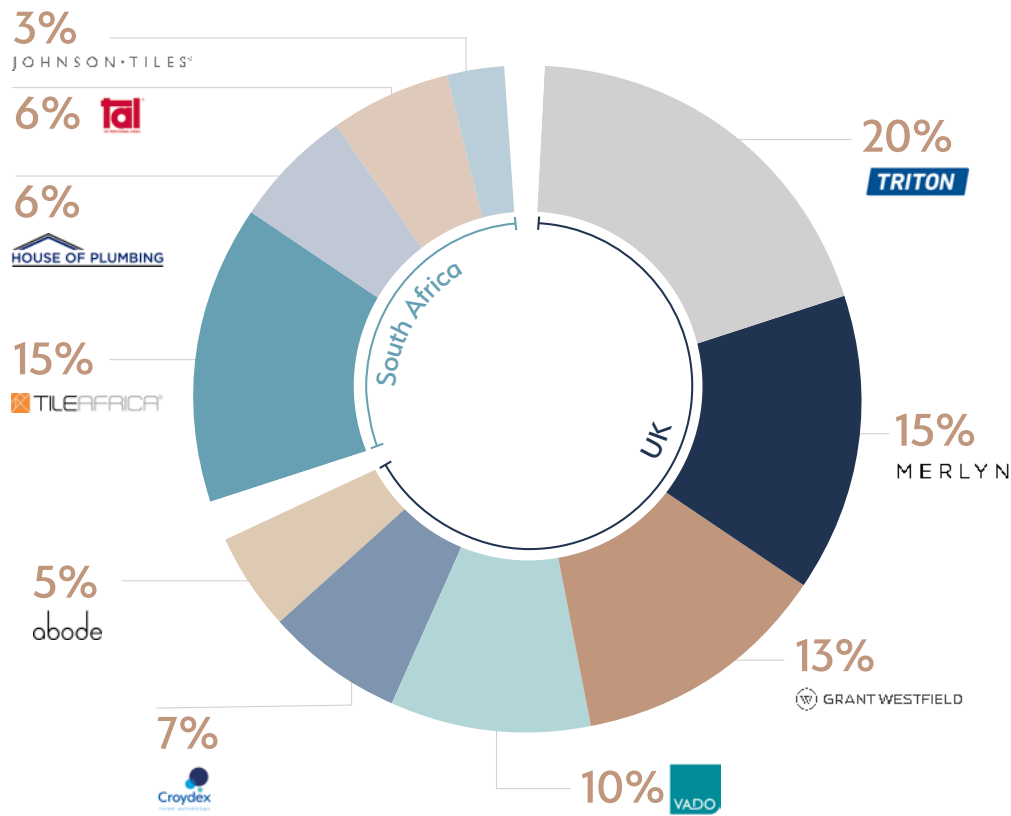
UK & Ireland

South Africa

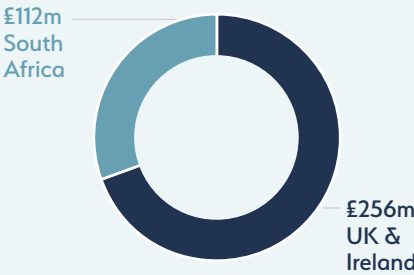


Our segmentation

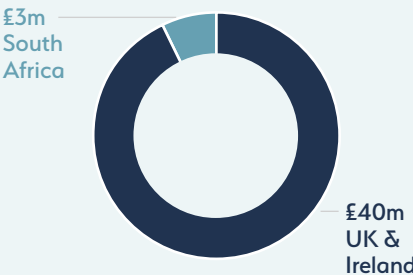
Revenue split by brand



Revenue split by UK & Ireland and SA



Underlying operating profit split by UK & Ireland and SA

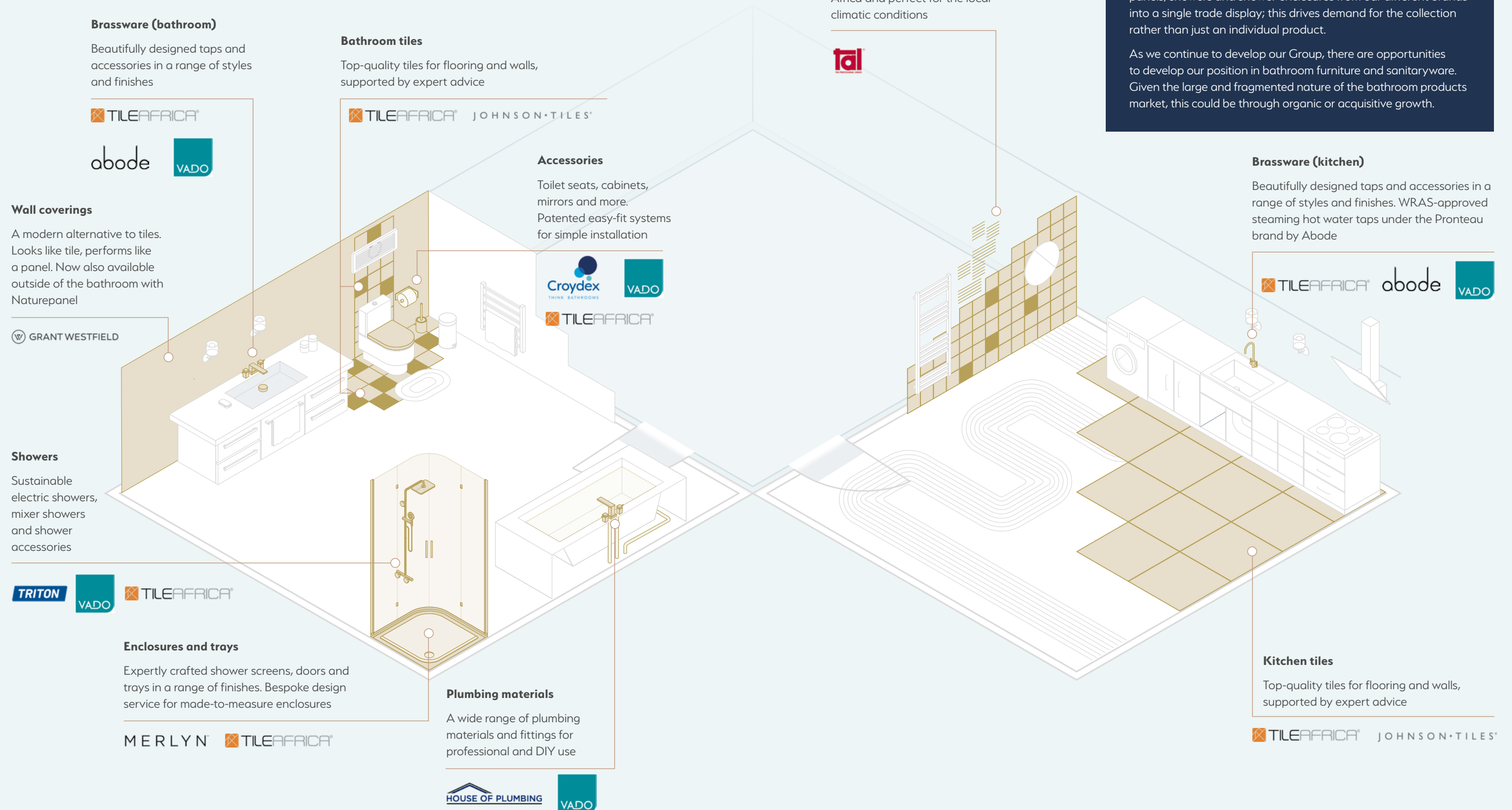




GROUP AT A GLANCE

OUR CURRENT PRODUCT OFFERING

As the UK and Ireland's No. 1 bathroom products group, our brands cover most categories in the bathroom and kitchen market, with opportunity for growth.



The complementary nature of our portfolio provides opportunities for cross-Group product ranges. For example, for specific ranges, we match finish colours across products so customers can purchase a matching VADO or Triton shower with a MERLYN shower enclosure.

The complementary portfolio also provides opportunities to bundle products together in product displays and for specific customer projects. For example, we often bring together wall panels, showers and shower enclosures from our different brands into a single trade display; this drives demand for the collection rather than just an individual product.

As we continue to develop our Group, there are opportunities to develop our position in bathroom furniture and sanitaryware. Given the large and fragmented nature of the bathroom products market, this could be through organic or acquisitive growth.



GROUP AT A GLANCE

OUR DIVERSIFIED CUSTOMER BASE

Breadth and depth of customer relationships provides opportunities for growth.

UK and Ireland

We have broad routes to market across trade, retail and online channels and a significant export business, and a strong customer list with over 1,000 blue chip customers and with many long-term relationships. Norcros brands are often selected because of strong product design, quality and customer service.

Trade and specification

60%

Independent, specialist and online

16%

Export

13%

DIY retail

9%

* 2% in other categories

South Africa

In South Africa, we go to market through similar channels, in addition to directly to consumers through our Tile Africa retail and House of Plumbing specialist plumbing supply businesses.

Retail and trade

Commercial, including Supply & Fit

Export

WHY INVEST IN NORCROS

We are the UK and Ireland’s No. 1 bathroom products group with leading brands, in a large, fragmented market.

01

Market-leading brands

- Design-led, sustainable product development
- Leading positions in UK & Ireland and South Africa

02

Benefits of scale

- Leading positions and investments in customer service drive organic growth
- Scale and collaboration across the Group enable growth and operational excellence

03

Resilient model

- Diversified portfolio enables resilience through the cycle
- Mid-premium positioning reduces exposure to cost of living pressures

04

Proven track record

- Successful portfolio development track record
- Revenue and profit growth with excellent cash performance
- Disciplined capital allocation
- Progressive dividend policy

Significant opportunity to accelerate organic and portfolio development growth and quality of earnings

Large and fragmented market

Growth in sustainable products markets

Opportunities to drive efficiency and share gains



WE ARE READY FOR OUR NEXT PHASE OF GROWTH



Track record of portfolio development and organic growth



Differentiated by design and customer service



Market-leading brands



Diversified products and channels

OUR STRATEGIC FRAMEWORK

HOW IT ALL CONNECTS



We are driven by...
What Matters

Which fosters...
Our Culture

And supports our dedication...
to excel in three key areas

To create products and connections that offer sustainable choices for better living

Having a clear purpose and using it as a guiding principle to the way we operate supports the direction we choose to take, inspires our strategy and how we deliver against it.

Our Keys (values) guide how we engage and interact with others



Our Culture – Summarised

At Norcros, we trust our people to lead with care, act with courage, build connections, and use their common sense — building an inclusive, growth-focused culture where everyone can be someone.

➔ READ MORE ON PAGES 14 AND 15



People

By fostering a supportive, empowering culture, we invest in our people, enabling each person to grow, thrive, and “Be Someone” who makes a difference.

Everyone at Norcros has a voice, and we continue to build and develop a team with a variety of backgrounds, skills and views. We want to be the employer of choice in the kitchens, bedrooms and bathrooms (KBB) sector.

81%
ARE PROUD TO WORK FOR THE NORCROS GROUP



Product

We design and develop innovative and sustainable products that enhance our customers’ lives and allow them to make sustainable choices.

Our in-house design teams and product engineers create high-quality, design-led and sustainable products. We have developed a new Sustainable Products Framework to allow us to measure our progress. We never compromise on safety, and we expect our supply chain to meet our standards.

23%
REVENUE FROM PRODUCTS LAUNCHED IN LAST THREE YEARS



Planet

Reducing water and energy usage in our products and operations helps us nurture the world we love and share.

We continuously engage with and invest in the communities in which we work. We are working towards delivering our Net Zero Transition Plan and reducing our carbon emissions across all scopes, which involves reducing our impact upstream with our supply chain and downstream with our customers and end consumers.

22%
REDUCTION IN SCOPE 1+2 CARBON EMISSIONS SINCE BASE YEAR 2023

➔ READ MORE ON PAGES 37 TO 39



NORCROS: DRIVEN BY WHAT MATTERS

“A Powerful Choice for Better Living”

At Norcros, we believe in making a meaningful impact – on the lives of our customers and the communities where we live and work, the strength of our business, and the future of our planet. That’s why we are proud to introduce a renewed focus that unites our Group.

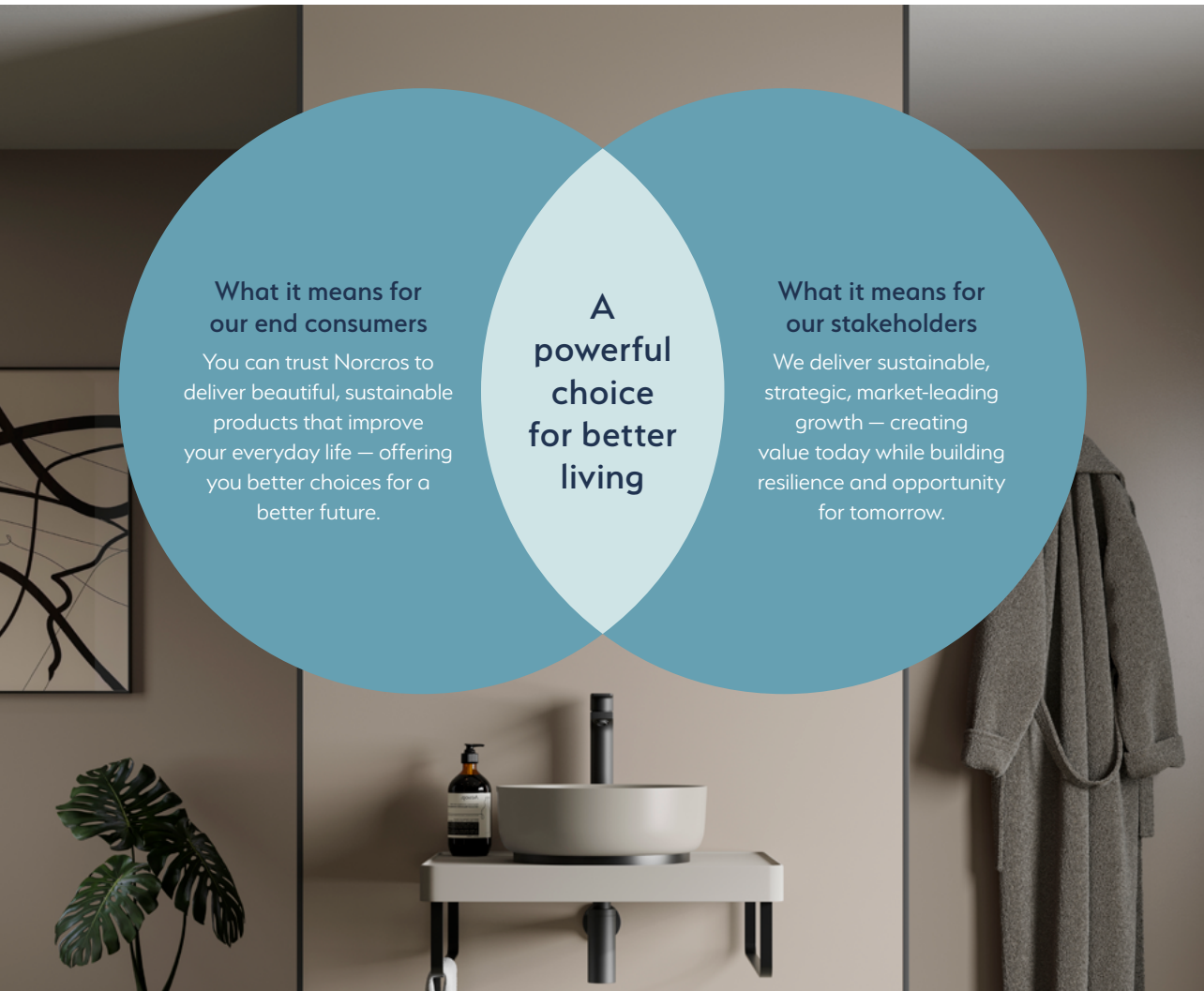
Our purpose is more than just words; it’s the foundation of how we operate and grow. It reflects our commitment to innovation, sustainability and excellence, ensuring that every decision we make contributes to a better future. From the way we develop our products to the way we engage with our partners, we are driven by what truly matters – delivering value with purpose, responsibility and impact.

OUR PURPOSE:

“

To create products and connections that offer sustainable choices for better living, helping nurture the world we love and share

”



Our Keys (values)

At Norcros, we live our purpose by starting from a place of doing good, bravely challenging the status quo, and working together with a disciplined, collective focus. This forms the basis for the Norcros Keys, a guiding framework we use every day to make decisions as we engage and interact with others.

- 1

Care

This means having a heart for people and the world we share, so that our words and actions are a force for good. By striving to do **what is right, not necessarily what is convenient**, we can truly be catalysts for positive change.

Having **COURAGE** will help us do this consistently.
- +
- 2

Courage

A desire to grow and challenge the status quo drives our imagination, but courage is what turns ideas into action. Be tenacious in the face of setbacks and embrace the idea that **if it’s to be, it’s up to me**. We ask questions, listen and take the initiative while staying true to what is right, even when it’s unpopular or difficult.

This builds the trust needed for **CONNECTION**.
- +
- 3

Connection

Connecting across teams, businesses, and communities harnesses individual strengths. We welcome diverse perspectives to create something **greater than the sum of our parts**.

Connection requires honesty, openness and a commitment to giving everyone a voice, including those who may be quieter or more cautious.

COMMON SENSE protects us from overstepping the mark.
- +
- 4

Common Sense

Common sense means **we stop and think**: “Have I applied the first three keys in order, and is this the right thing to do?”

In all our decisions and actions, we pledge to uphold the law, moral principles and agreed protocols. In light of the first three keys, we will challenge ourselves to reduce red tape, simplify regulations, and question and develop the way we do things every day.

“At Norcros, we are all ‘Someone’ **#BeSomeone**”



POWERFUL CHOICES, BROUGHT TO LIFE

We make choices every day – about what to buy, how to live and how to care for the world around us. Our purpose is to make those choices easier and more impactful. From designing products that help reduce cost and carbon, to investing in innovation that supports long-term sustainability, these real-world examples show how our purpose is brought to life through practical, powerful decisions.

CASE STUDY

The real cost of a shower

For those of us privileged enough to have access to a hot shower every day, how often do you stop and think about the resources it takes to actually have that shower? The water, the energy used to heat the water, the resulting carbon footprint, the money spent. A shower might feel like a small daily act, but the impact can be large.

As the team at Triton has shown, the resources used can vary dramatically. A few powerful facts:

- Cutting your shower time by just one minute can reduce cost, water use and carbon emissions by an average of 13%.
- Switching from a mixer tap (fed by hot water from a gas combi-boiler) to an electric shower can reduce water use and carbon emissions by up to 60%.
- Using hot water from an Air Source Heat Pump instead of a gas combi-boiler can cut emissions by up to 66%.
- Adding a waste water heat recovery system can reduce costs by 20% and emissions by roughly 50%.
- Combine all of the above, and you could see a 59% reduction in cost, 55% less water used and 93% fewer carbon emissions.

At Norcros, our purpose is to create products that enable people to make powerful choices. That's why **Triton's ENVi® shower** contains an integrated usage calculator that tracks how much water and energy each shower uses, and estimates a cost per shower based on this information. It's also why we're investing in the development of a cost-effective waste water heat recovery system for electric showers – more to come on this later.

Allowing people to see their usage helps them make informed decisions about the amount of time they spend in the shower, helping each of us to reduce our impact, both in our wallets, and on the planet. Choices matter.



REDUCING SHOWER TIME BY 1 MINUTE CAN
REDUCE RESOURCES USED BY

13%

SWITCHING TO AN ELECTRIC SHOWER CAN
SAVE WATER AND CARBON BY UP TO

60%

A few key changes to your daily routine
can make a large impact

CASE STUDY

Wall coverings that work better – for you and the planet

In bathrooms, the default wall covering has been tiles for a very long time, but the market is shifting. At Norcros, we're investing in that shift.

Wall panels, particularly those produced by our brands **Multipanel** and **Naturepanel**, offer a sustainable, high-performance alternative to traditional tiling. These products are easier to install and maintain, use fewer raw materials, and produce significantly less waste. The result is better outcomes for customers and for the planet.

Compared to tiles, wall panels have a far smaller environmental footprint. Tile manufacturing is carbon- and energy-intensive, involving high-heat kilns and multiple processing steps. Panels, by contrast, are made from timber-based substrates and decorative foils. They are lighter, have less embodied carbon and are produced with a fraction of the energy. Many of our panels are also recyclable and FSC-certified, helping to preserve natural resources.

This sustainability story is gaining traction with our customers. Multipanel's products are now featured in a growing number of large-scale RMI and new build projects, as developers and consumers seek solutions that align with their environmental goals and budget constraints.

And it's not just the products – it's the innovation behind them. In 2024, we launched Naturepanel, a new brand within our Grant Westfield portfolio, designed to appeal to a broader customer base with premium panel designs that mimic natural materials. We've also invested in a Tile Effect range, combining the aesthetic of traditional tiling with the lower-environmental impact of panel solutions.

These innovations support our purpose: to help people make better choices. Choices that are cost-effective, lower-carbon, easier to use, and ultimately more sustainable.

NATUREPANEL IS

FSC certified

And 100% recyclable





CHAIRMAN'S STATEMENT

RESILIENT PERFORMANCE, WITH CLEAR PLATFORM FOR GROWTH



Introduction

I am pleased to present my second annual statement as Chair of Norcros. Looking back at the robust performance delivered over the last year, I continue to be impressed by the strength of our differentiated businesses, the energy and professionalism of our teams, and the strategic progress the Group is making as it builds on its position as the number one bathroom products business in our core UK and Ireland regions.

Progress in a challenging environment

The Group has delivered results in line with expectations and continued progress on our pathway to delivering the medium-term targets published at the start of the year. I am particularly pleased that we have continued to strengthen the business and take market share despite the ongoing macroeconomic challenges in our operating markets.

Norcros has an impressive record of consistently delivering through-cycle market share growth, leveraging both our organic growth and M&A expertise to good effect, with a focus on building a stable of strong, attractive brands aimed at the more resilient mid-premium market segments. As a consequence, we are less cyclical than most other businesses listed in the building product category.

Delivering against our strategic objectives

At our Capital Markets Event in 2024, we set out clear medium-term ambitions for the Group, and we are pleased with the progress delivered against those targets. We have acted to strengthen the capital-light composition of our portfolio, driving meaningful progress in operating margins and return on capital employed in our core UK and Ireland markets. This included the sale of Johnson Tiles UK, which was completed in May 2024. In addition, our strategic review of Johnson Tiles South Africa is nearing completion.

We continue to invest in organic growth driven by new product development, cross-selling, and exceptional service levels. This has been supported by operational improvements across the Group, including the consolidation and modernisation of key warehousing and distribution facilities in the UK and Ireland.

The UK, Ireland and European bathrooms market remains fragmented, presenting attractive opportunities to augment our organic growth through further consolidation of our core and adjacent market segments. This remains an important element of our strategic plans with a number of opportunities at various stages of development in our pipeline.

The Board remains confident in the growth opportunities available to the Group.

ESG: integral to how we grow

Sustainability continues to play a central role in our business strategy and long-term success. I am pleased to report that the Group has continued to make progress on its ESG agenda this year, and this is making an increasing contribution to our profitable and responsible market share growth.

We have published our first standalone Norcros Sustainability Report, an important milestone in our transparency and accountability journey. This includes details on our Norcros Sustainable Products Framework that was launched in the second half of the year. We are confident that we will comfortably deliver our SBTi-validated science-based carbon emission targets in the medium-term, as well as meeting our net zero ambitions by 2040.

As consumer expectations continue to evolve and regulation tightens, we believe our focus on sustainability is not only the right thing to do, but a source of long-term value and differentiation.

Acting responsibly

The Board ensures the highest standards of corporate governance and integrity across the Group and keeps up to date on the latest governance standards. The Board's regular interaction and communication with Executive Management means that the Board is well-placed to challenge, guide and support the Executive team in the continued delivery of our growth strategy.

The provision of a safe working environment for all our people and their empowerment is of paramount importance. The Board also continues to set an appropriate tone from the top in all diversity and inclusion matters.

Talent, culture and leadership

One of Norcros' greatest strengths is the quality and depth of its talent. The leadership teams within each business continue to demonstrate agility, commitment and ambition. At a Group level, our senior leadership team brings together homegrown talent and exceptional external experience in a way that reflects the best of both continuity and fresh perspective. I am particularly pleased with the excellent work completed in the year on our updated Purpose and Keys (values) culminating in the launch of our #BeSomeone campaign. This is covered in more detail in the Chief Executive Officer's Review. The Board would like to thank the entire Norcros team for their continued energy and efforts this year.

“

I continue to be impressed by the strength of our differentiated businesses, and the energy and professionalism of our teams.

”

Board changes

As previously communicated, in July 2024 we welcomed Rebecca DeNiro to the Board as an additional Non-executive Director. Rebecca brings extensive experience in consumer brands and is adding a valuable perspective as we further develop and refine our operations and go to market strategy, and the development of the wider business as a whole.

Dividend

The Board is recommending a final dividend of 6.9p per share (2024: 6.8p). When combined with the interim dividend of 3.5p per share, this brings the total dividend for the year to 10.4p per share, up 2.0% compared to the prior year and maintaining an appropriate level of dividend cover.

Outlook

The Group has made important progress this year, strengthening the business and delivering against its strategic objectives despite a challenging market backdrop. Whilst macroeconomic conditions remain uncertain, Norcros is well-placed to demonstrate its resilience and continue to grow share in the bathroom products markets.

The Board remains confident in the Group's prospects and looks forward to continuing to support and challenge management in the successful execution of our strategy.

STEVE GOOD
Chairman

11 June 2025



STRATEGIC REPORT

STRATEGIC REPORT

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BUSINESS MODEL

Group business model

We acquire and grow capital-light, sustainable and design-led bathroom and kitchen products brands with strong, complementary and resilient market positions. Our decentralised model ensures that decision making is close to our customers and supply chain. We are focused on generating cash and reinvesting in our growth, subsequently growing shareholder returns.

Brand business model

Our individual brands are experts in in-house design, managed sourcing and customer service. They are positioned in the mid-premium segment of the market and are differentiated from the competition by great design and outstanding customer service. Our brands benefit from being part of the Norcros Group through our financial support, organic growth accelerators and scale-based operational efficiencies.

Inputs and
key resources

01 Design

02 Source

03 Service

Value we create
for stakeholders

Our people and culture

→ READ MORE ON PAGES 56 TO 61

Portfolio of market-leading brands

→ READ MORE ON PAGES 4 TO 7

Positioned in attractive, complementary geographies

→ READ MORE ON PAGES 24 TO 27

Positioned towards resilient RMI and mid-premium segments

→ READ MORE ON PAGES 24 TO 27

Strong customer relationships

→ READ MORE ON PAGES 8 AND 9

Deep supply chain partnerships

→ READ MORE IN OUR SUSTAINABILITY REPORT

Financial strength

→ READ MORE ON PAGES 52 TO 55

BRANDS

In-house product design teams

Our brands specialise in mid-premium, bathroom and kitchen products. Category expertise, consumer insights, sustainability considerations and market knowledge drive product design and development. Group knowledge sharing enhances new product development, which boasts a robust pipeline and impressive, sustained annual vitality rates.

Technology and I.P.

We develop technologies and intellectual property that drive our competitive advantage. Other brands within the Norcros Group benefit from these inventions within their own product design and product innovations through our culture of collaboration.

Sustainable products

Our focus on reducing water and energy consumption, increasing social impact, and advancing the circular economy strengthens our competitive advantage through sustainable products and a strong ESG focus.

We're not just making more sustainable products – we're building a business model that thrives on them. By embedding sustainability criteria into our innovation, we are meeting customer demand, supporting carbon reduction, and making sustainability a core competitive advantage.



GROUP

Portfolio development

Our in-house corporate development team manages our portfolio development and leads transactions and integration. We target successful, capital-light businesses with strong management teams and growth plans that align with our strategy and culture. We deliver dedicated integration plans that realise growth synergies and drive benefits of Group scale.

Growth accelerators

We enable our brands to accelerate growth through a range of cross-Group resources, processes and programmes. These include key account management, cross-selling programmes, new product development coordination and a Marketing Forum. Each is focused on collaborating across our Group to increase sales and brand awareness.

Deep sourcing

We leverage deep sourcing to thoroughly understand our suppliers' operations and networks. By engaging with suppliers and sub-suppliers, we ensure a resilient, transparent and strategically aligned supply chain, proactively manage risks, maintain high-quality standards and foster strong supplier relationships.

Quality and reliability

Our commitment to quality and reliability is unwavering. Our products undergo rigorous testing to meet stringent quality and safety standards. We're proud of our record, with less than 0.1% of customer products being recalled for quality issues and 0.0001% for safety concerns. Our reputation as a reliable supplier is built on this dedication.

Assurance

We excel in product assurance through meticulous planning, aligning quality standards with customer needs and regulatory requirements. In partnership with our manufacturers, we ensure consistent quality through robust process controls and inspections. Our culture of continuous improvement ensures customers receive reliable, high-quality products they can trust.

Operating platform

We enable our brands to be more efficient and effective by collaborating across our Group on sourcing, warehousing and logistics, and technology and data. Our model is based on a culture of continuous improvement, connection and innovation. As we increase the level of collaboration, we are able to realise the benefits of scale.

Routes to market

We primarily go to market through B2B channels. These include trade (merchants), specification (residential and commercial), retail and online, where we have many long-term customer relationships. In South Africa, we have a vertically-integrated model where, in addition to B2B channels, we have a retail division direct to end consumers. We also export products, typically using local distributors or retailers.

Technical support

Providing exceptional technical support is a priority. We have dedicated teams for swift, accurate issue resolution, technical drawings, product specifications and installation instructions. Support is available through a variety of channels. Proactive follow-ups ensure satisfaction, and our feedback mechanism enhances support quality.

Excellent customer service

We are differentiated by our ability to provide timely, accurate and quality delivery of our products. This is enabled by our investment in stock, warehousing and logistics, customer communications and dedicated after-sales support.

ESG policy and process

Our business model is underpinned by an ESG framework that focuses on our people, sustainable products and our impact on the planet and communities. We have strong policies, processes and systems that underpin this framework that we apply across the Group.



Employees

Opportunity to develop skills and careers in an inclusive, collaborative and innovative environment #BeSomeone

Customers

Exceptional customer service and long-term relationships

End consumers

On-trend, design-led sustainable products that make great bathroom and kitchen spaces

Society

Supporting communities as an employer and through local development projects

Environment

Providing innovative sustainable products with reduced carbon, energy and water usage

Supply chain

Long-term trusted partnerships with multiple strong routes to market

Shareholders

High quality of earnings with progressive returns

ESG drives competitive advantage



People



Product



Planet




OUR MARKETPLACE

Significant opportunity for organic and portfolio development growth in large, fragmented markets


We operate in the bathroom and kitchen products markets in the UK & Ireland and South Africa.

We consider our market in three groups:




Core Addressable Market

This covers the core product categories that we serve today in the UK & Ireland and South Africa.



Total Addressable Market

This covers a range of complementary bathroom product categories that we are not materially serving today, but where we have the routes to market to be successful.



Extended Addressable Market

This covers a range of geographies where we are not currently based, but where we have some experience of operating in. It also includes a wider range of adjacent product categories.

Market in numbers

The diagram shows how our total market is broken down.



1 Source: BRG: Norcros estimates based on BRG (bathrooms), AMA (wall coverings), proprietary information and management estimates

2 Source: Norcros estimates based on proprietary information and management estimates

3 Source: BRG country reports in western Europe and Nordics (reports range from 2019–2020) and Norcros management estimates for Gulf Region

OUR MARKETPLACE

CONTINUED

Market drivers

UK and Ireland

End markets

Demand for bathroom and kitchen products is split between repair, maintenance and investment (RMI), residential new build and commercial (for example, hotels and commercial buildings).

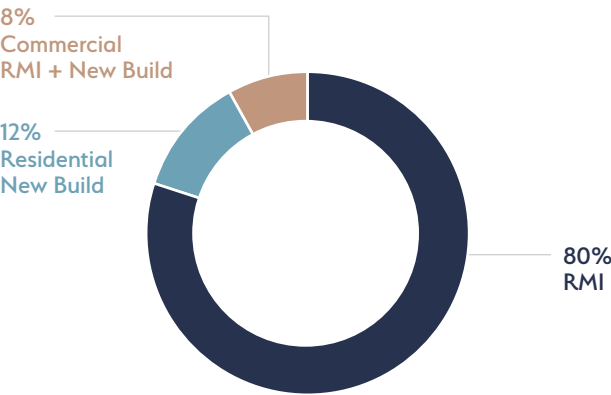
RMI is the main driver of the bathroom market, accounting for approximately 80%¹ of demand. Small renovation projects and replacement purchases are the typical consumer reasons for RMI demand. This area of the market also includes larger renovation projects. Given that most of RMI spend is driven by need, it is somewhat resilient to economic conditions.

New build accounts for approximately 12%¹ of the market. Demand is driven by the need to fit out bathrooms in new houses. The bathroom products market (both new build and RMI) benefits from the trend of having more bathrooms in the home. New build demand is more cyclical and depends on the housing market. Recent inflationary pressures and higher interest rates have seen challenges in this part of the economy. However, with a growing population, ageing housing stock and an undersupply of housing, we expect to see the housing market improve over the medium term. This market is important and attractive for Norcros as it often includes larger-scale projects with multiple units.

Commercial RMI and new build accounts for approximately 8%¹ of the market. This is an attractive market to be in because it involves larger-scale projects (both RMI and new build). However, it is also typically cyclical in line with the regional economy.

Norcros’ revenue broadly mirrors the RMI/new build/commercial split, although with the downturn in housing starts in the UK market, the RMI market represented approximately 88% of the Group UK revenue.

RMI/New Build/Commercial Share¹



¹ Source: BRG: The European Bathroom & Kitchen Product Markets UK 2025

Quality/price point

The market is typically viewed in three segments: premium, middle and economy.

The mid-premium segments account for approximately 71%¹ of the market. These segments are typically more resilient to cost of living pressures as consumers are less price sensitive. They also offer higher margins for high-quality, sustainable and in-fashion products.

Norcros is mainly focused on the mid-premium segment.

Market dynamics

The bathroom products market has contracted in the year, primarily driven by the downturn in residential new build construction, exacerbated by the negative impact on residential RMI due to cost of living pressures.

The pace of recovery in the new build sector is still unclear, however we are starting to see some early evidence of a level of confidence starting to return. RMI should benefit from improving consumer sentiment as the economy recovers.

The medium-term outlook remains positive, given the shortage of houses and consumer demand for quality and environmentally-friendly products.

The BRG report (released May 2025) indicates that the bathroom market declined by circa 1.6%¹ by value in the year.

The bathroom products market remains highly fragmented. Norcros is the largest UK and Ireland group, but there is no single dominant player across all categories.

South Africa

The market in South Africa is large with a total size of circa £1.6bn and covers the coverings, adhesives and bathroom and plumbing segments.

As in the UK, the market is driven by RMI, residential new build and commercial. In South Africa, there is a shortage of housing and, whilst construction levels remain lower than their 2007 peak, we expect to see increases in demand in residential and commercial new build.

The South African economy has been subject to challenges in cost of living pressures and energy infrastructure in recent years and this has continued to impact demand.

The market is more concentrated than the UK with a smaller number of larger players. In the bathroom and plumbing segment, the market is regional and more fragmented with few national players.

Norcros South Africa is one of the market leaders with a vertically integrated business model covering design, manufacturing, sourcing and retail. Both Norcros and the other market leader deploy similar integrated business models from production to retail to reach all segments and channels.

Norcros positioning in South Africa

- One of two national market leaders in tiles, adhesives and bathroom products
- Integrated model with design, manufacture, sourcing and retail
- Also go to market through trade routes
- Shortage of housing
- Favourable long-term socio-economic demographics
- Large target market (circa £1.6bn)
- Regional fragmentation in bathroom and plumbing segment

Further opportunity to take market share



Norcros positioning in the UK and Ireland

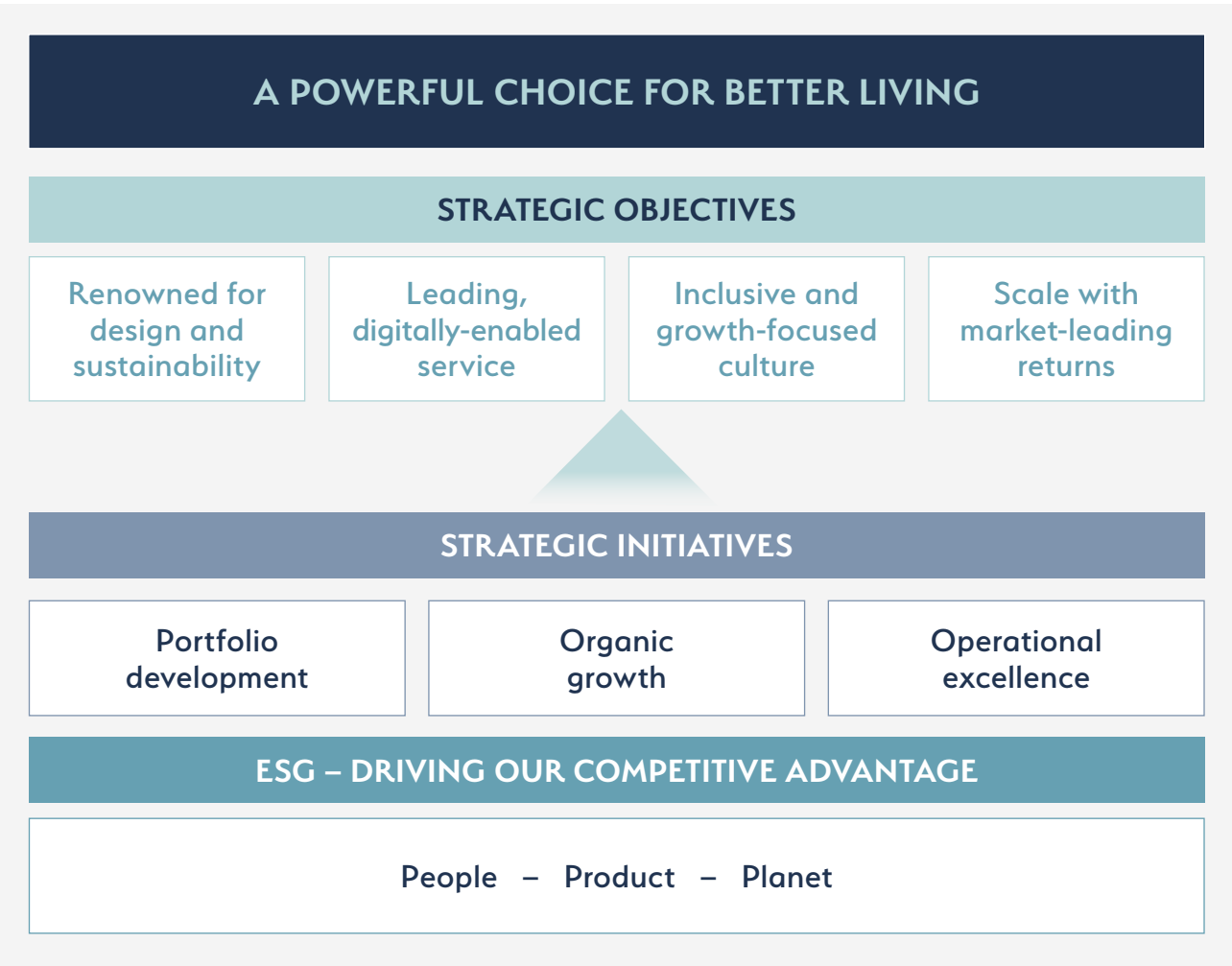
- Largest bathroom products group in the UK and Ireland
- Market-leading positions in most bathroom products categories (but very limited presence in the large furniture and sanitaryware categories)
- Orientated towards higher margin, more resilient mid-premium segment
- Indexed broadly in line with long-term end-market split (RMI circa 80% of market and circa 88% of Norcros revenue)
- Large target market (circa £2.8bn in current categories with a further circa £1.2bn in adjacent product categories)
- Housing stock: growing population, ageing housing infrastructure, shortage of housing
- ESG and ageing population trends resulting in growth market for sustainable and adaptive products
- Fragmented by product and channel

Further opportunity to grow share in fragmented markets





OUR STRATEGY



Medium-term targets

ORGANIC GROWTH	OPERATING MARGIN	CASH CONVERSION	ROCE	SCIENCE-BASED CARBON EMISSION TARGETS	
2–3% per annum above market	15% over medium term	>90%	>20%	-33.6% scope 1+2	-20% scope 3

LINK TO KPIS

- 1 Total revenue
- 2 Underlying operating profit
- 3 Underlying return on capital employed
- 4 Dividend per share
- 5 Underlying operating cash flow
- 6 Return on sales

LINK TO RISKS

- 1 Acquisitions
- 2 Stakeholder and reporting requirements
- 3 Staff retention and recruitment
- 4 Market conditions
- 5 Loss of key customers
- 6 Competition
- 7 Reliance on production facilities
- 8 Loss of key supplier
- 9 Exchange rate risk
- 10 Funding and liquidity risk
- 11 Pension scheme risk
- 12 Cyber security



Portfolio development

Align portfolio to Group strategy and accelerate growth through selective M&A

Progress in 2024/25

- Completed carve out of Johnson Tiles UK, including the sale of a portion of the site
- Strategic review of Johnson Tiles SA ongoing
- Grant Westfield – cross-selling and operational synergies in attractive coverings segment (taking share from tiles)
- Refresh M&A pipeline against new Group strategy

Priorities for the medium term

- Invest in high-growth segments
- Continue to drive growth in Grant Westfield / panels (sustainable alternative to tiles)
- Fill category and channel gaps in UK
- New market development (Europe, Gulf and adaptive living segment)
- Complete strategic review of Johnson Tiles SA

→ READ MORE IN THE CASE STUDY ON PAGE 31

Link to KPIs 1 2 3 4 5 6

Link to risks 1 3 4 6 9 10 11



Operational excellence

Deliver leading customer service and maximise the benefits of our scale

Progress in 2024/25

- Group scale advantages, with predictability and cost benefits
- Ongoing investment in customer service capabilities
- Group freight plan delivering further operational savings
- Warehousing and logistics – moved from 26 to 15 warehouses in the UK
- Self-help measures in challenging markets in South Africa

Priorities for the medium term

- Operations Leadership programme, focused on further developing the operating platform in the UK
- Further opportunities for consolidated logistics and warehousing
- Enhance data capabilities to improve operational effectiveness and customer service
- Focus on efficiency and benefits of scale to ensure we are well-placed for economic recovery in all regions

→ READ MORE IN THE CASE STUDY ON PAGE 34

Link to KPIs 1 2 3 4 5 6

Link to risks 3 4 5 6 7 8 9 10 11



Organic growth

Grow ahead of the market by establishing growth accelerators and energising our entrepreneurial culture

Progress in 2024/25

- Launched full-bathroom range, Cameo, expanding category coverage to furniture, sanitaryware, mirrors and lighting
- Cross-selling, including introducing new Norcros brands to key customers such as Wickes, B&Q and Victorian Plumbing
- New product releases in 2025 included new Naturepanel and premium Tile Effect wall panels, Safari and HeatRepeat

Priorities for the medium term

- Cross-selling programme with top customers
- NPD centre of excellence with focus on (i) cross-Group range development and (ii) sustainability and digital innovation
- Driving growth in specification channel with specific focus on sustainable products
- Marketing centre of excellence and cross-Group forum

→ READ MORE IN THE CASE STUDIES ON PAGES 32 AND 33

Link to KPIs 1 2 3 4 5 6

Link to risks 2 3 4 5 6 7 8 9 10 11



ESG

Investing in our people, products and planet to drive our competitive advantage

Progress in 2024/25

- Cumulative 22% reduction in scope 1 and 2 carbon emissions from 2023 base year, driven by our Net Zero Transition Plan
- Launched the Norcros Sustainable Products Framework and measured our product portfolio against this standard
- Triton awarded King’s Award for Enterprise for Sustainable Development
- Launched the Norcros Purpose and Keys and #BeSomeone
- Completed our first Group-wide Great Place to Work survey
- Published the first Norcros Sustainability Report

Priorities for the medium term

- Continue to deliver against Net Zero Transition Plan
- Drive further investment in sustainable products
- Publish further waves of new “people policies” to support our people in the moments that matter
- Utilising more eco-fuel for shipping
- Further investment in automation in our manufacturing sites
- Further investment in solar energy across our estate

→ READ MORE IN THE CASE STUDY ON PAGE 35

Link to KPIs 1 2 3 4 5 6

Link to risks 2 3 4 6 8

OUR PORTFOLIO DEVELOPMENT TIMELINE



STRATEGY IN ACTION: PORTFOLIO DEVELOPMENT

CASE STUDY

Re-aligning the UK Group to fast-growing, sustainable categories

The Norcros strategy is focused on growth in attractive segments with market-leading returns.

Over the last few years, we have re-aligned our UK business from tiles to wall panels. This has resulted in higher operating margins, lower carbon emissions and much stronger growth prospects. The wall panel segment is attractive. It will grow faster than the core bathroom market as it will continue to take share from tiles in the UK and internationally.

Norcros has operated in the UK wall covering market for more than 45 years through Johnson Tiles (UK) and Norcros Adhesives. The market is large and has underlying demand drivers based on the need for waterproof wall coverings in bathroom settings across new build, commercial and RMI.

In recent years, we have seen two major challenges. First, due to global economic supply chain dynamics, the cost of manufacturing tiles in the UK is no longer competitive. Second, we have seen the emergence of panels as an attractive alternative to tiles due to ease of installation and maintenance, sustainability benefits as well as significant improvement in product quality.

As a result of these challenges, in addition to other factors, we have implemented the following actions to re-align our portfolio:

- Completed the acquisition of Grant Westfield and the Multipanel brand in 2022, establishing a position in the wall panel segment with strong growth prospects and leading operating margins;
- Completed the closure of Norcros Adhesives in 2023, exiting a business that was no longer able to achieve our expectations for cash flow and operating margins; and
- Completed the sale of Johnson Tiles UK in 2024, exiting the tile market in the UK.

Since we have completed the acquisition, we have supported the growth of Grant Westfield:

- Cross-selling, introducing the Multipanel brand into a range of Group customers including Wickes, Topps Tiles and Screwfix
- Investing in the development and rollout of new ranges including Tile Effect panels and introducing new brands including Naturepanel

We expect the wall panel segment to grow faster than other segments because wall panels will continue to take share from tiles as well as new build and RMI demand, benefiting from economic recovery.





STRATEGY IN ACTION: ORGANIC GROWTH

CASE STUDY

VADO, Cameo – A complete, matched bathroom, made easy

In March 2024, VADO reached a major milestone with the launch of Cameo; its first fully-coordinated bathroom collection. Traditionally known for high-quality brassware, we took the strategic step into delivering complete bathroom solutions, harnessing our in-house engineering and design expertise to develop furniture and sanitaryware to the same high standards our customers have come to expect.

Cameo reflects growing consumer demand for simplified, cohesive bathroom design. Many customers find the process of designing a bathroom overwhelming; plumbing constraints, mismatched finishes, and uncertainty about compatibility often results in compromises and an underwhelming finish. With Cameo, we've eliminated that complexity by offering a complete, design-led solution where every product works in perfect harmony and delivers a superior bathing experience.

The collection builds on VADO's trusted expertise in taps, showers, and accessories, extending a common design language across sanitaryware and bathroom furniture. The result is a seamless, fully-integrated range with matching finishes, thoughtful details and flexibility to personalise, supported by an intuitive digital tool that allows customers to visualise and customise their bathroom vanity, from basin shapes to handle styles.

Delivered through a major cross-functional effort across product development, marketing, and supply chain, the Cameo launch landed successfully and ahead of schedule. It has already exceeded sales targets for furniture and sanitaryware by 18%, and achieved overall range sales of £1.1 million in revenue within the first 10 months, broadening VADO's market footprint into new product categories.

Encouraged by strong customer feedback and high engagement across all finishes and options, a rarity in product launches, Cameo reinforces VADO's move from a brassware specialist to a complete bathroom solutions brand. This shift not only meets current consumer expectations but strategically positions us to lead in an increasingly design-conscious, convenience-driven market.



The Cameo collection has exceeded our sales targets by 18%, reaching £1.1m in sales, and expanded us into new bathroom categories.

CASE STUDY

Joining forces for new build opportunities

As a Group, we know we can grow organically by winning more business in the new build market – and we can do it more effectively when our brands work together.

By teaming up to offer a package of innovative products and services, we can make life easier for housebuilders and homeowners alike.

Our first step is to understand how we can grow our share of this sector. We need to plan our approach and strategy carefully. To this end, Triton and MERLYN have been working closely together to identify new opportunities where joint Norcros propositions can add incremental value. The ultimate goal is to increase the Norcros share of bathroom spend in the residential new build sector (both private and public), and become a trusted bathroom partner of choice through integrated brand offerings.

MERLYN currently has a strong presence in the new build sector, through established relationships with major builders such as Barratt Homes. Triton, however, has a smaller new build market share and sees a renewed opportunity for electric showers in the sector due to the UK trend towards electrification and Government-led initiatives such as the Future Homes Standards that set future policy recommendations to support a net zero future. The Future Homes Standards recommend targets on water usage that will become stricter over coming years, reducing from 125L per person per day to as low as 80L. With bathroom use accounting for circa one-third of household water consumption, this creates an opportunity for efficient electric showers to be part of the solution.

The Norcros strategy will focus on three key areas: simplified customer processes that make us easy to deal with; innovation in products and services; and thought leadership to help customers navigate the complex regulatory landscape.



Future trends and Government-led initiatives create the opportunity for efficient electric showers to be part of the solution.



STRATEGY IN ACTION: OPERATIONAL EXCELLENCE

CASE STUDY

VADO – One warehouse, multiple benefits

VADO had outgrown its space. As the product range expanded and sales continued to grow, the business gradually added new warehouses until eventually it was operating out of five separate warehouses spread across two different sites in Cheddar and Glastonbury, Somerset.

This multi-site setup introduced complexity: significant stock movement between sites, reliance on outdoor storage in peak periods, increased manual handling risks and limited interaction between teams based in separate buildings.

In line with our strategic objective of operational excellence, VADO made the decision to consolidate operations under one roof. After a two-year site search, a purpose-built facility was secured in nearby Bridgwater. This move has unlocked a step-change in efficiency, enabling long-term expansion while delivering measurable improvements in safety, connectivity and productivity.

With double the previous storage capacity, the new warehouse has supported major operational gains. These include enhanced layout design, safer working conditions and more efficient stock handling through new technology such as a warehouse management system with handheld scanners, automated storage retrieval systems and wire-guided narrow-aisle forklifts.

The investment has also strengthened cross-functional connection and collaboration. Bringing customer service and operations teams together in one location has improved communication and responsiveness, enhancing the internal culture and external customer service.

Following this significant project, VADO is now contributing valuable insight to the Norcros Operations Forum. In particular, its learnings on warehouse automation are helping inform other Group businesses on future upgrades.

An example of operational excellence in action – VADO’s investment is both transforming its own operations and accelerating innovation across the Group.



STRATEGY IN ACTION: ESG

CASE STUDY

A framework for sustainable choices

To help us achieve our aim of becoming a leader in sustainable home products, we’ve developed the Norcros Sustainable Products Framework. With this framework, we can accurately evaluate and benchmark product sustainability across our portfolio, ultimately giving our customers the information they need to make choices that support their own sustainability ambitions.

The framework considers all Norcros products in relation to two categories: those made from sustainable materials or processes, and those designed to help people live or work more sustainably. By measuring each product against detailed criteria within these categories, we can create a sustainability ranking that informs our customers’ decision making. In this way, we’re helping them manage progress towards their net zero targets at the same time as managing our own.

We see the framework as a big step towards achieving our strategic objective, to be renowned for sustainability. It’s an important part of how we’re managing our impact on the environment by designing bathroom and kitchen products that minimise the use of water and energy, while improving people’s lives. As well as helping us do the right thing, our sustainable product strategy is accelerating growth in our business and saving our customers money by using resources more efficiently.

→ YOU CAN FIND MORE INFORMATION ON THE NORCROS SUSTAINABLE PRODUCTS FRAMEWORK IN OUR **SUSTAINABILITY REPORT**.



We see the framework as a big step towards achieving our strategic objective, to be renowned for sustainability.

OUR APPROACH TO SUSTAINABILITY – A POWERFUL CHOICE FOR BETTER LIVING

Sustainability is one of Norcros’ core strategic pillars and a key driver of long-term value. We’re focused on reducing our environmental footprint, strengthening our culture and communities, and embedding ESG thinking in every part of how we operate – because how we do business matters just as much as what we deliver.

This year, we’ve made clear and measurable progress. We have now reduced market-based scope 1 and 2 emissions by 22% from our 2023 baseline – well on track for our 2028 target of a 33% reduction, and making progress towards our long-term target of net zero emissions by 2040. We launched the Norcros Sustainable Products Framework to embed ESG into product design and development across the Group and support customers in reducing their own emissions. And we published our first standalone Sustainability Report, showcasing the momentum and depth of work underway across our brands.

Our ESG focus areas

Our strategy is structured around three core elements, each aligned to priority themes that shape our culture, innovation and long-term performance.

- **People:** By fostering a supportive, empowering culture, we invest in our people, enabling each person to grow, thrive, and “Be Someone” who makes a difference.
- **Product:** We develop innovative and efficient products that enhance our customers’ lives and allow them to make sustainable choices.
- **Planet:** Reducing water and energy usage in our products and operations helps us nurture the world we love and share.

We track progress through a Group-wide ESG MI Framework across ten priority themes, shown on the next pages. We undertook a thorough materiality assessment to determine the sustainability issues with the most material impact on the Group’s business. Reporting against this framework ensures we hold ourselves accountable and build year-on-year improvements into how we work.



Governance and oversight

Our Board of Directors oversees the sustainability agenda, supported by our ESG Forum with representatives from each of our brands. This governance structure ensures consistent progress on shared goals whilst enabling decentralised ownership at brand level. We report quarterly on key initiatives, including carbon reduction, policy development and supply chain standards.

2025 highlights





- Launched our Sustainable Products Framework
- 14% reduction in market-based scope 1 and 2 emissions, marking a 22% cumulative reduction on our 2023 baseline
- Maintained our CDP Climate Change B rating
- Triton Showers received a King’s Award for Enterprise for Sustainable Development
- Triton also achieved EcoVadis Silver Status, placing in the 90th percentile globally
- Completed our first Group-wide Great Place to Work survey, helping shape our people priorities

Learn more

For full details on our ESG strategy, progress and future plans – including supporting data tables, our Net Zero Transition Plan and Sustainable Products Framework – see our 2025 Sustainability Report at www.norcros.com.



People: Our priority themes

 Health and safety	AMBITION: Working to be incident and injury free		
	KPI	2025	2024
	Accident incident rate (reportable injuries per 100,000 employees)	502	259
	Fatalities	0	0
 Talent and workforce development	AMBITION: Employer of choice in the kitchens, bedrooms and bathrooms (KBB) sector		
	KPI	2025	2024
	Average number of training hours per employee	117	57
	Total employee turnover	21%	18%
 Diversity and inclusion	AMBITION: Diversity and inclusion are at the heart of who we are; we continue to build and develop a team with a variety of backgrounds, skills and views		
	KPI	2025	2024
	Gender diversity	Male 64%	Male 67%
		Female 36%	Female 33%
 Ethical conduct and integrity	AMBITION: Operate with integrity and respect to regulation and laws in all dealings		
	KPI	2025	2024
	Proportion of eligible employees who received training in bribery and corruption	80%	79%
	Total number of reported breaches of Code of Ethics and Standards of Business Conduct in total (and those specifically relating to bribery)	149	89
	Total number of investigated breaches of Code of Ethics and Standards of Business Conduct in total (and those specifically relating to bribery)	149	89
	Total number of upheld breaches of Code of Ethics and Standards of Business Conduct in total (and those specifically relating to bribery)	107	30
	Percentage of staff disciplined or dismissed due to non-compliance with Anti-Bribery/Corruption Policy	0.05%	0.59%



OUR APPROACH TO SUSTAINABILITY – A POWERFUL CHOICE FOR BETTER LIVING

CONTINUED






Product: Our priority themes

 Innovative and efficient products	AMBITION: Drive growth through high-quality, design-led and sustainable products		
	KPI	2025	2024
	Revenue from sustainable products	See Sustainability Report	n/a
 Product quality and safety	AMBITION: Design, manufacture and/or supply high-quality and safe products		
	KPI	2025	2024
	Customer products recalled due to safety issues as a proportion of total products sold	0.0001%	0.001%
 Supply chain management	AMBITION: Ensure our supply chain operates in line with our ESG standards by applying our new Norcros Supply Chain Policy		
	KPI	2025	2024
	Monitor the number of suppliers that conform to the Group Supply Chain Policy	In progress	n/a



Planet: Our priority themes

 Climate change and emissions	AMBITION: a sustainable business, reducing our impact on the environment.		
	<ul style="list-style-type: none">Net zero by 2040Reduce energy use at our sitesIncrease proportion of electricity from renewable sourcesMinimise toxic emissions		
	KPI	2025	2024
	Scope 1 and 2 emissions (tCO ₂ e)	54,370	63,168
	Scope 3 emissions (tCO ₂ e)	813,079	847,870
	Total energy consumption (kWh)	192,886,252	261,595,842
 Circular economy	AMBITION: Make the most efficient use of material resources across our business.		
	<ul style="list-style-type: none">Minimise waste to landfill and increase recycled wasteReduce water use at our sitesOperate at or work towards Environmental Management standard ISO 14001		
	KPI	2025	2024
	Total waste (tonnes)	12,850	12,697
	Water withdrawal (m ³)	169,911	178,439
	Water consumption (m ³)	111,882	144,210
 Social and community engagement	AMBITION: Engage our wider community to achieve sustainable outcomes		
	KPI	2025	2024
	Establish an appropriate KPI for community engagement	n/a	n/a



CHIEF EXECUTIVE OFFICER'S REVIEW

DISCIPLINED STRATEGIC EXECUTION AND MARKET SHARE GAINS



Norcros has delivered another strong set of results with disciplined strategic execution, driving profitable market share gains and improved operating margins. Over recent years, we have continued to see a business environment in which market challenges and uncertainty have become part of our everyday lives. From a Norcros standpoint, we see further opportunities in this environment for financially sound and trusted brands to grow share, as demonstrated in our results.

Our position as the number one bathroom products business in our core UK and Ireland markets has been built through a combination of design and service-led organic growth, while implementing a market consolidation strategy through acquisitions in a fragmented market.

We remain a group defined by our entrepreneurial spirit, decentralised model, and collaborative approach, which allows us to leverage the sum of our parts. This continues to drive ahead-of-market growth in both the RMI and new build sectors, and together with our scale and mid-premium positioning, gives us the through-the-cycle resilience that we are recognised for.

Strategic delivery across all pillars

Our growth strategy, presented at our Capital Markets Event in May 2024, is built on four pillars: portfolio development, organic growth, operational excellence and ESG. Over the past 12 months, we have reshaped our portfolio, delivered ahead-of-market organic growth, executed impactful operational improvements and made further progress across our ESG initiatives.

I am pleased with the progress that we have made against our published targets, especially in our core UK and Ireland markets. Highlights across the four pillars include:

Portfolio development

The sale of Johnson Tiles UK to its management team in May 2024, following the closure of our UK Adhesives business in the prior year, has demonstrated our focus on building a capital-light and cash-generative portfolio focused on higher-margin, design-led, mid-premium market

segments. This portfolio development work continues with the current strategic review of our Johnson Tiles South Africa business. The consultation process is well advanced and is expected to conclude shortly.

Acquisitions remain a key component of our strategic growth plan, and we have a well-developed pipeline of attractive prospects that are being evaluated. Our focus remains on complementary opportunities, in our core UK and Ireland markets in addition to carefully selected geographies in Europe and the Gulf. We have a strong track record of acquiring, integrating and growing businesses faster under our ownership, which will remain a key focus for the Group in the year ahead.

Organic growth

Organic share growth is a real measure of the health and performance of our businesses. Our published targets commit to growing our existing businesses 2%–3% ahead of the market, and we have delivered on this again this year. Our organic growth is driven by in-house design (technical and fashion) that delivers strong product range vitality, leverages our scale through targeted cross-selling and exceptional customer service levels.

A key strength of our business model is our ability to enter new bathroom categories organically or through acquisitions. This year, we entered the bathroom furniture and sanitaryware categories organically and we launched Cameo, our first complete and matched bathroom range, through our VADO business. We were able to successfully leverage our South African supply chain to deliver this project on time, with performance over the year being ahead of plan. Given the success of this launch, we are now accelerating the development of further ranges of matched and coordinated bathrooms over the next 18 months.

Operational excellence

We have two main focus areas in operations, and in both, we are looking to leverage our scale. The first is to ensure we continue improving stock predictability and service. The second focuses on driving warehousing and distribution efficiencies as we build on our strong service model.

Over the last year, we delivered strong operational progress, continuing to unlock efficiencies, reduce complexity and build our service capabilities across the Group. Our Group freight strategy, where we partnered with Maersk, has delivered increased predictability and a programme of incremental efficiencies. Working with Maersk, we also plan to ship 20% of all freight from the Far East in the year ahead using eco-fuel vessels that will reduce GHG emissions by 85%.

As reported at the half year, we also consolidated our warehouse footprint in the UK from 26 to 15 sites, with the project delivering service improvements, increasing operational savings and further reducing our carbon footprint.

Our ability to make doing business easier for our partners, teams and customers underpins a targeted investment programme that is, over time, improving our accuracy and efficiency and, more importantly, delivering a multi-channel service offer that is becoming increasingly difficult to replicate.

ESG

The Norcros ESG agenda is an important driver of performance and differentiation, with meaningful progress made against our Net Zero Transition Plan with a 22% reduction in carbon emissions delivered over the past two years. Our well-progressed new product development pipeline continues

to deliver great products and a higher proportion of relevant ranges with real sustainability benefits, which has become an increasingly important driver of competitive advantage. We recently launched the Norcros Sustainable Products Framework to measure our performance in a simple and understandable way for both our B2B customers and end consumers, enabling us to accurately evaluate and benchmark product sustainability across circa 70% of our portfolio for the first time. This ability to measure where we are, good and bad, will ensure we provide our customers with the authentic and powerful choices they increasingly expect. Recognising our progress, Triton was awarded the prestigious King's Award for Enterprise in Sustainable Development in the period.

“
We have two main focus areas in operations, and in both we are looking to leverage our scale:
1) To improve predictability and service
2) Driving scale-based warehouse and distribution efficiencies.
”



CHIEF EXECUTIVE OFFICER'S REVIEW

CONTINUED

As we have worked to leverage our scale, we have distilled the common behaviours that underpin what differentiates the Norcros collaborative way of doing business. In the second half of the year, we launched our Norcros Purpose – to create products and connections that offer sustainable choices for better living – and our Keys (values). The Keys – Care, Courage, Connection, and Common Sense – help guide our low ego but focused culture. A highlight has been the launch of our #BeSomeone campaign, communicating and reinforcing our belief that everyone, at every level, has the opportunity to be someone, be heard, contribute and play a role in shaping our future. Our ability to attract, develop and retain great people is one of the most important enablers of long-term value creation across the Group.

We always start from the position of doing what is right, and we are motivated by the fact that we are part of the communities in which we live, work and interact and should always be putting in more than we take out. Recognising the importance of ESG, we have published our first standalone Sustainability Report, increasing transparency and accountability across all three ESG pillars. This will be available alongside our Annual Report and Accounts on our website.

What sets us apart

Norcros operates a decentralised but collaborative business model that ensures that we are specialists where it counts, but can also leverage the significant benefits of our collective scale. This model has allowed us to consolidate our position as the number one bathroom products business in our core UK and Ireland markets whilst maintaining the exceptional customer service that underpins our brands.

Our capital-light portfolio of design-led, market-leading specialist brands targets the more resilient mid-premium market segments, where consumers and trade partners value our innovation, quality and service. We pursue capital-light, margin-accretive growth and remain focused on strengthening our market positions by offering customers and consumers powerful choices for better living. The strength that comes from our teams, the positioning of our brands and our collective scale continues to underpin our resilience and long-term through-the-cycle growth prospects.

Looking forward to the year ahead

As a business, we have entered the new financial year with confidence and momentum and remain focused on further executing the projects derived from our four strategic pillars, delivering organic market share growth whilst carefully advancing our M&A pipeline. As we do this, we will increasingly see the benefits of scale derived from our ongoing investment in our warehousing and distribution capabilities and related service levels. Our well-developed new product pipeline will drive further competitive advantage, supported by targeted capital expenditure to further increase the efficiency of our operations.

ESG progress will continue to build through the deeper integration of sustainability into product development, our culture and people strategy, and reporting ensuring that Norcros remains well-positioned not just to respond to market shifts but to help shape the future of our sector.

Recent trading

Group revenue in the two months to the end of May 2025 was 1.8% below the prior year on a constant currency like for like basis, adjusting for Johnson Tiles UK and the number of trading days in the period (UK and Ireland -1.1%, SA -3.2%). Market conditions are likely to remain uncertain, with the pace of recovery in the new build sector still unclear, however, the RMI sector remains resilient and the Board's expectations for 2026 remain unchanged.

Summing it all up

Our strategy is clear, our culture is aligned and our team is delivering – with care, courage, connection and common sense. We will continue to do what we said we would: improve our portfolio whilst re-energising and efficiently growing our core business, responsibly and transparently. This focus means that we are not reliant on the market as we continue to grow, with good opportunities to take market share in our large and fragmented end markets, both organically and through targeted acquisitions.

THOMAS WILLCOCKS
Chief Executive Officer

11 June 2025





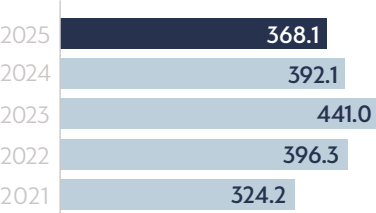
KEY PERFORMANCE INDICATORS

We use the following key performance indicators (KPIs) to measure our progress against our strategic priorities and enable investors and other stakeholders to measure our progress.

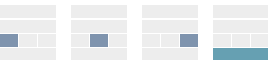
Financial KPIs

1 TOTAL REVENUE (£M)

£368.1m



Link to strategy



Definition

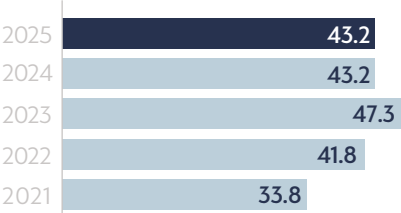
Reported Group revenue for the year

Performance

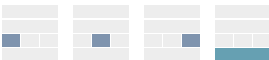
Total revenue for the year increased by 0.9% on a constant currency like for like basis. Reported revenue decreased by 6.1% as a result of the sale of Johnson Tiles UK in May 2024.

2 UNDERLYING OPERATING PROFIT (£M)

£43.2m



Link to strategy



Definition

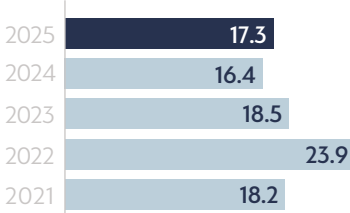
Reported operating profit as adjusted for IAS 19R administrative expenses, acquisition and disposal related costs and exceptional operating items, as defined in note 8 to the financial statements

Performance

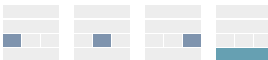
Underlying operating profit was consistent with the prior year. This reflected a robust performance in the UK and Ireland, offset by challenging market conditions in South Africa.

3 UNDERLYING RETURN ON CAPITAL EMPLOYED (%)

17.3%



Link to strategy



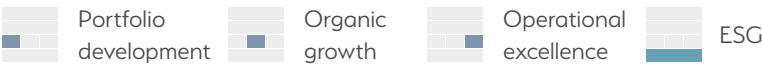
Definition

Underlying operating profit on a pre-IFRS 16 basis expressed as a percentage of the average of opening and closing underlying capital employed (as defined in note 8 to the financial statements)

Performance

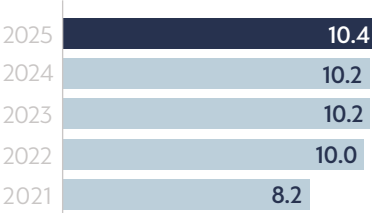
Underlying ROCE increased towards the strategic target of 20% over the economic cycle.

Link to strategy

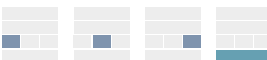


4 DIVIDEND PER SHARE (P)

10.4p



Link to strategy



Definition

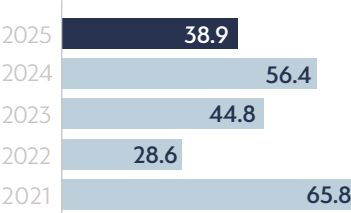
Total of the interim dividend and the proposed final dividend for the financial year

Performance

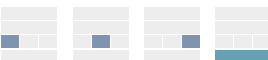
In line with the Board's progressive, albeit prudent, dividend policy, although earnings reduced in the year, the dividend per share has been increased by 2.0% to 10.4p per share.

5 UNDERLYING OPERATING CASH FLOW (£M)

£38.9m



Link to strategy



Definition

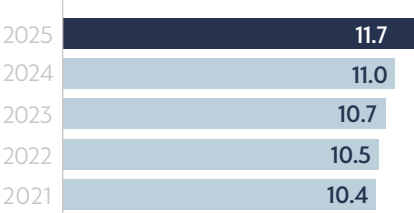
Cash generated from continuing operations adjusted for cash flows from exceptional items and pension fund deficit recovery contributions, as defined in note 8 to the financial statements

Performance

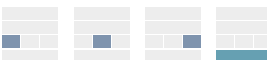
Underlying operating cash generation decreased to £38.9m largely reflecting an increase in inventories in the period, helping to maintain customer service levels across the Group.

6 RETURN ON SALES (%)

11.7%



Link to strategy



Definition

Underlying operating profit as a percentage of revenue

Performance

Return on sales increased by 70bps to 11.7% driven by performance in the UK and Ireland.

→ READ ABOUT OUR ESG KPIS ON PAGES 37 TO 39

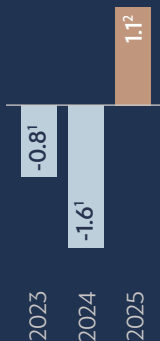
Medium-term targets

Organic growth

2–3%

per annum above market

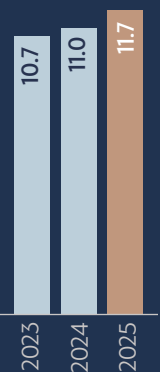
- 1 Adjusted for Johnson Tiles UK, Norcros Adhesives and Grant Westfield
- 2 Adjusted for Johnson Tiles UK and Norcros Adhesives



Operating margin

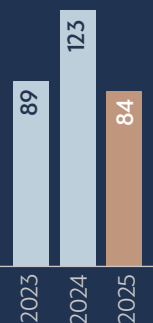
15%

over medium term



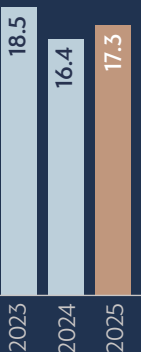
Cash conversion

>90%



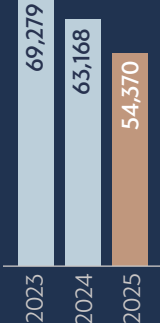
ROCE

>20%



Science-based carbon emission targets

2028





BUSINESS REVIEW UK & IRELAND

Record underlying operating profit

Our UK and Ireland business grew our position as the number one bathroom products group in the region, delivering a record performance driven by new product launches, collaboration and outstanding customer service.



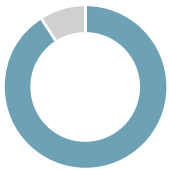
UK & IRELAND REVENUE



£256.4M

70% SHARE OF
GROUP

UK & IRELAND UNDERLYING OPERATING PROFIT



£39.8m

92% SHARE OF
GROUP

UK & IRELAND UNDERLYING OPERATING MARGIN

15.5%

Our core UK and Ireland business achieved revenue of £256.4m (2024: £281.9m), up 1.1% on a like for like basis delivering ahead of the market organic growth. Reported revenue was 9.0% lower than the prior year largely due to the sale of Johnson Tiles UK, which completed in the first quarter of the year. Our continued focus on the quality of our portfolio and market share gains delivered a record level of underlying operating profit in the year with underlying operating margins exceeding 15% for the first time.

The previously announced sale of Johnson Tiles UK to its management team was completed in May 2024. Revenue of £4.3m (2024: £31.1m) and underlying operating profit of £nil (2024: £0.7m) have been included in the underlying results for the current and prior year.

RMI remains the largest component in the UK and Ireland bathroom market (circa 80%). Our market-leading brands are positioned in the mid-premium segment, which was again more resilient than the rest of the sector this year. Although housebuilding activity remained subdued, there are early indications of recovery driven by the significant shortage of homes in the UK and Ireland, and the clear focus coming from the UK government. We have long-standing relationships with the leading national and regional housebuilders and continue to grow share in this channel. Our alignment with new building regulations (particularly regarding energy and water), outstanding customer service, and strong balance sheet means that we are a trusted partner that will benefit through this recovery cycle. Representing a relatively small part of the UK and Ireland business, export sales were slightly ahead of the prior year and remain largely unaffected by tariff uncertainty.

All of our brands performed strongly, growing their market-leading positions through new product launches and excellent service levels. New products included Cameo (VADO's first complete and matched bathroom offer), Naturepanel (Grant Westfield's FSC-certified wall panel that can also be used outside of the bathroom), and our first fully recyclable toilet seat (Croydex) with all performing ahead of expectation. Our in-house design capabilities allow us to cover all aspects of bathroom product design including fashion, technical and sustainability aspects, and then get these safely to market in quick order. Triton has also recently launched UniQ™, a technically innovative patented corner riser rail and overhead shower solution, which is particularly beneficial in new build homes where showering space can be at a premium. They have also taken the next important step in terms of our already strong sustainability credentials, launching a patented heat recovery system (HeatRepeat) that will significantly reduce the amount of energy required in electric showers. Our product vitality rate remains high and our pipeline of new exciting products remains well developed.

Our market-leading product vitality, at 23%, and focus on a great customer experience again saw the business not only deliver a strong financial performance, but also earn industry recognition, winning a number of prestigious awards during the year. In May 2024, Triton was honoured with the King's Award for Enterprise for its outstanding commitment to sustainable development. Triton also won a PlanetMark award for employee engagement with its sustainability initiatives and "Genius Bathroom Product" award from Ideal Home for ENVi®. Grant Westfield's Naturepanel won KBB's Surface of the Year Award and the Tile Collection won Ideal Home's Surface of the Year Award. Abode's eco-conscious CAVA basins have already won Showhome's Bathroom Product of the Year. MERLYN won a number of awards in recognition of the brand's outstanding customer experience and was once again recognised as Shower Brand Supplier of the Year from the Fortis Buying Group.

In line with our strategy, we continue to invest in driving efficiencies from a service and cost perspective, helping to develop an already strong service proposition. This includes investment in both systems and our infrastructure. Two major structural projects were completed in the year. The first saw Grant Westfield exit a regional depot distribution model in favour of central distribution, where the warehouse and distribution function has been consolidated with MERLYN. The second project at VADO resulted in four separate warehouses being consolidated into a new fit-for-purpose warehouse in Bridgwater. The result was a reduction in our UK warehouse footprint from 26 to 15 sites and, more importantly, enables a more efficient service to our customers.

Our commitment to our ESG programmes and initiatives has been strengthened over the last year with strong progress being made on our environment (planet) and social (people) initiatives. Our businesses are well on track to delivering on our 2028 SBTi commitments ahead of schedule with more detail included in our standalone Sustainability Report.

The UK and Ireland business delivered a record underlying operating profit for the year. Underlying operating profit was 3.6% higher than the prior year, increasing to £39.8m, with the operating margin increasing by 1.9 percentage points to 15.5% (2024: 13.6%). Operating cash conversion was slightly below historical levels, due to the investment in working capital in the year as we carefully navigate what remain challenging supply chain conditions.

Our core UK and Ireland business now accounts for 70% of Group revenue and 92% of Group underlying operating profit. We are well-placed to continue growing market share and winning new customers in our target market segments by leveraging our strong new product development pipeline, scale-based collaboration and superior customer service.



BUSINESS REVIEW

UK & IRELAND CONTINUED

CASE STUDY

Group synergies and cross-selling

Cross-selling successes, most notably with Wickes and Victorian Plumbing, have highlighted the commercial advantages of strategic collaboration across Norcros brands. These partnerships are the result of shared opportunities, insight and introductions between businesses within the Group.

VADO's relationship with Wickes, the national DIY chain, originated via MERLYN, who were already engaged in a successful partnership with the chain.

Recognising the importance of offering a complete bathroom solution, VADO worked closely with Wickes and MERLYN to ensure their brassware coordinated with the "Nexa by MERLYN" shower enclosures. This led to the creation of a bespoke collection, "Nexa by VADO", dedicated exclusively to Wickes. This range offers a coherent and connected proposition in both product design and branding and is supported by a three-year agreement. This initiative marks a significant milestone for VADO and opens a new route to market.

To protect and support their loyal independent retail network, VADO ensured this range was specifically tailored for Wickes. It features a distinctive new look, including exclusive finishes, updated handle designs, and coordinated furniture elements to position VADO as their "best" level offer in Wickes' good-better-best bathroom offering.

The Nexa by VADO range will be showcased in Wickes showrooms from Summer 2025, around 15 months after initial introduction. Alongside this,

VADO and MERLYN are developing joint staff training programmes to support in-store teams in delivering expert advice across the full bathroom offer.

Meanwhile, another internal Group connection led to a partnership with Victorian Plumbing, where VADO brassware is now sold via their online platform. This offer has been carefully curated to match their digital retail model, and VADO plans to gradually expand the range, giving customers access to a broader selection of products and enhancing Victorian Plumbing's overall online proposition.

Going into Wickes is a sizable development for VADO, following an introduction by MERLYN.

As the result of another "in-house" introduction, VADO has been able to develop a tailored offer for Victorian Plumbing.

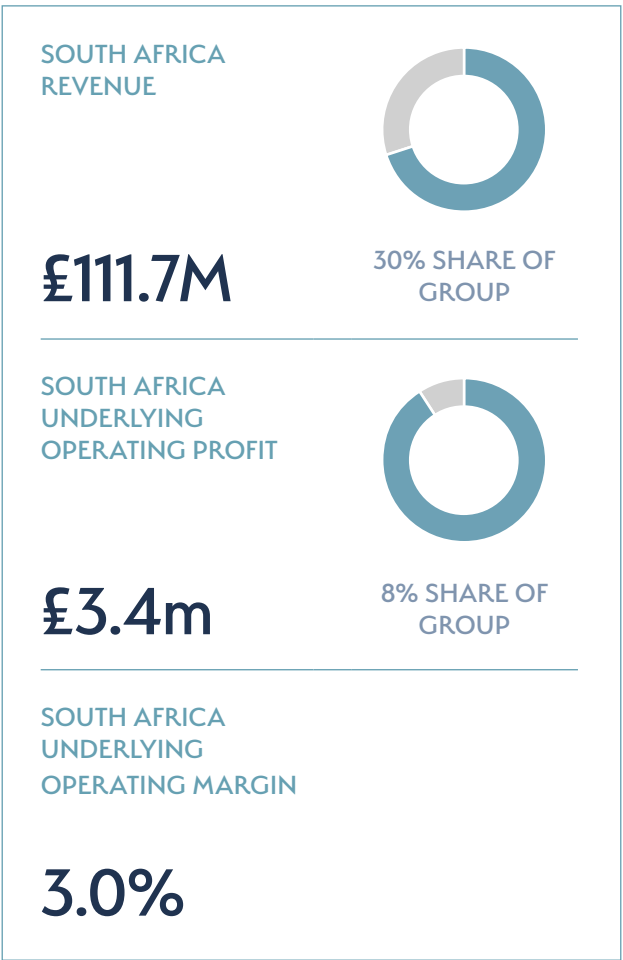


BUSINESS REVIEW

SOUTH AFRICA

Self help in challenging market conditions

Our South African business delivered revenue of £111.7m (2024: £110.2m), 0.5% higher than the prior year on a constant currency basis. This was a resilient performance in a challenging macroeconomic environment of subdued consumer confidence and ongoing market uncertainty.



Our South African business delivered revenue of £111.7m (2024: £110.2m), 0.5% higher than the prior year on a constant currency basis. This was a resilient performance in a challenging macroeconomic environment characterised by low consumer confidence, high interest rates, increased competition and subdued new build activity.

The marginal increase in revenue is testament to the strength and experience of the local management team, delivering resilient results despite market conditions and significant additional competition from a large new regional tile manufacturer. The significant additional tile capacity that has come to market has added considerable pressure to an already over-supplied market, impacting demand and pricing at Johnson Tiles. This has materially impacted both the performance of Johnson Tiles and our Norcros SA business as a whole. In addition, whilst energy interruptions have now subsided, the impact that they had on consumers at the start of the year and the consequential impact on the new build cycle will take more time to unwind.

Despite these challenges, the business remained profitable and has been actively managed through this period with a specific eye on positioning the Group for the gradual market recovery. This includes the previously announced strategic review of the Johnson Tiles manufacturing business. The review, including a formal consultation process is well advanced and is expected to conclude by the end of Q1 of the current financial year. We do not expect the market to materially improve in the year ahead and as a result will continue to leverage our leading brands and strong financial position to grow market share.



BUSINESS REVIEW

SOUTH AFRICA CONTINUED

A key highlight in the year was the performance of TAL, our market-leading adhesive business in South Africa. TAL grew market share and revenue as a result of excellent execution of their new product development programme and best-in-market service levels. Tile Africa and House of Plumbing both strengthened their management teams in the period, and we expect to see gradual progress coming from these changes in the year ahead. In both businesses, the focus will be on driving improved like for like performance from our existing store bases.

In the current market conditions, the teams in South Africa maintained their focus on growing market share profitably by delivering exceptional service levels and meaningful new product development rollouts. Highlights here included the launch of the Abode inspired store-within-a-store kitchen concepts in eight Tile Africa stores, the acceleration of our directly sourced private label range at House of Plumbing, and the addition of a new cleaning products range at TAL.

As with the UK and Ireland business, there has been investment focused on driving operational efficiencies and improved service levels through targeted investments in our infrastructure and systems. Tile Africa successfully implemented a new ERP system in the first half of the year. The project was completed with minimum disruption to our operations or customers.

South Africa is an energy and water scarce country. As with our UK and Ireland business, sustainability is an increasingly core strategic driver both through necessity and opportunity. Key progress has been made investing in solar energy provision across our store estate. The introduction of water efficient and storage products has also been progressed. Further detail is included in our standalone Sustainability Report.

Underlying operating profit decreased to £3.4m (2024: £4.8m), with the underlying operating margin at 3.0% (2024: 4.4%). Operating cash conversion was behind the prior year largely due to our inability to place our tile manufacturing capacity.

Whilst performance over the last two years has not been in line with historical levels given the challenging macro and market conditions, we have a solid, well-invested and well run business that remains in a strong competitive position and is well-placed to gain market share in its respective markets as conditions gradually improve.



CASE STUDY

Norcros South Africa certified as A Great Place to Work™

Norcros South Africa has officially been certified as a Great Place to Work with a trust index score of 78%, proving we really know how to look after our employees.

The prestigious award is based entirely on what current employees say anonymously and confidentially about their experience of working at Norcros South Africa, and is based on external auditing and validation. This is the first time we've applied for the certification and we were hugely encouraged by the high engagement, with 96% of our people trusting us with their opinions.

However, it is important to note that the Great Place to Work accreditation was no overnight success. It is something we have been working diligently towards for about 12 years, and is the culmination of many different initiatives aimed at providing an outstanding working environment and conditions for our employees.

The longest-standing of these are our diversity and inclusion programmes, educating employees that a feeling of belonging matters, and we promote authenticity in the workplace. Some years back, we ran a happiness project, which evolved into our nourish@norcros programme, promoting care and recognition for employees, encouraging communication and supporting wellbeing. This means free access to healthcare at our wellness centre, which is a highlight for employees who will never have to queue at government hospitals for the assistance they need.

In addition, we have developed many recruitment programmes, including the Youth Employment Service (YES) and Youth in Engineering apprenticeships as well as our apprenticeships for women in plumbing. Once in employment with Norcros SA, people can continue to progress through our internal learning and development programmes, and offer their feedback through employee engagement initiatives. We have a speak-up culture that all employees are aware of, and anti-harassment and anti-bullying policies.

Our Employee Assistance Programme extends to our employees' family members, who can receive counselling, financial advice and referrals to help with other personal matters. And as a company we also go over and above legal requirements, such as our parental leave policy. Something important to our people is that we show we care for our local communities, and we support staff in giving back to their communities, through projects such as building toilet facilities in rural schools. It's this all-round approach to developing people that makes Norcros South Africa such a Great Place to Work.

Our Great Place to Work accreditation was no overnight success. It is something we have been working diligently towards for about 12 years.

96%
OF OUR PEOPLE TRUSTED
US WITH THEIR OPINIONS





CHIEF FINANCIAL OFFICER’S REVIEW

STRONG PROGRESS IN A CHALLENGING ENVIRONMENT



Highlights 2025

- Group revenue increased by 0.9% on a constant currency like for like basis; reported revenue decreased by 6.1% to £368.1m (2024: £392.1m)
- Group underlying operating profit was in line with the prior year at £43.2m
- Group operating profit was £8.3m (2024: £39.9m)
- Return on sales increased to 11.7% (2024: 11.0%)
- Group underlying profit before tax was £36.5m (2024: £36.4m)
- Diluted underlying earnings per share of 32.4p (2024: 32.1p)
- Return on capital employed of 17.3% (2024: 16.4%)
- Underlying operating cash flow of £38.9m (2024: £56.4m), 84% of underlying EBITDA (2024: 123%)
- Leverage of 0.8x (2024: 0.8x) and net debt of £36.8m (2024: net debt of £37.3m)
- Pension scheme in an IAS 19R surplus position of £6.8m (2024: £16.5m)

“
The Group is in a strong financial position and is well-placed to further progress its strategic priorities.
”

Revenue

Group revenue at £368.1m (2024: £392.1m) increased by 0.9% on a constant currency like for like basis after adjusting for Johnson Tiles UK, disposal in May 2024, and Norcros Adhesives, closed in June 2023. Reported revenue decreased by 6.1%.

Underlying operating profit

Underlying operating profit was in line with the prior year at £43.2m (2024: £43.2m). Our UK and Ireland businesses delivered a record performance with an underlying operating profit of £39.8m (2024: £38.4m) and underlying operating profit margin of 15.5% (2024: 13.6%). Our South African businesses recorded an underlying operating profit of £3.4m (2024: £4.8m) and underlying operating profit margin of 3.0% (2024: 4.4%). Group underlying operating profit margin was 11.7% (2024: 11.0%).

Acquisition and disposal related costs

Acquisition and disposal related costs of £25.4m (2024: £4.3m) have been recognised in the year, of which £22.2m relates to the non-cash loss on disposal of Johnson Tiles UK. In line with previous years, we also recognised £6.5m of acquired intangible asset amortisation. A credit of £4.4m, representing a release of deferred contingent consideration resulting from the acquisition of Grant Westfield, has also been reflected.

Exceptional operating items

An exceptional cost of £7.7m (2024: credit of £2.3m) has been recognised in the year.

	2025 £m	2024 £m
Restructuring costs	4.6	1.7
Costs in relation to new Enterprise Resource Planning systems	2.0	–
Legal case	1.1	–
Reversal of impairment	–	(4.0)
	7.7	(2.3)

The £4.6m (2024: £1.7m) exceptional restructuring costs predominantly relate to the consolidation of warehousing and distribution costs at Grant Westfield and the move to a single site in VADO. A total of £2.0m of costs were incurred in relation to the implementation of new SaaS Enterprise Resource Planning systems at MERLYN and Tile Africa. Exceptional legal case costs include actual costs incurred in the year and the estimated future economic outlay of finalising the case.

Finance costs

Net finance costs for the year of £6.3m largely relates to interest payable on bank borrowing and leases. The movement compared to £7.3m in 2024 is mainly due to the discounting of deferred contingent consideration costs in the prior year.

The Group has recognised a £0.8m IAS 19R interest credit in respect of the UK defined benefit pension scheme surplus (2024: credit of £0.8m) due to the accounting surplus throughout the year.

Underlying profit before tax

Underlying profit before tax was broadly in line with the prior year at £36.5m (2024: £36.4m).

Taxation

The tax credit for the year of £1.5m (2024: charge of £5.8m) was particularly impacted by the non-cash exceptional loss from the disposal of Johnson Tiles UK in the period.

The weighted average applicable tax rate for the year decreased to (45.0%) (2024: 21.5%) due to the weighting of corporation tax losses in relation to the UK result relative to the profits made in Ireland and South Africa. The underlying effective tax rate in the year was 20.0% (2024: 20.9%). The standard rate of corporation tax in the UK is 25% (2024: 25%), in South Africa 27% (2024: 27%) and in Ireland 12.5% (2024: 12.5%).

Dividends

Diluted underlying EPS has increased in the year to 32.4p (2024: 32.1p) and the Board recommends a final dividend of 6.9p per share (2024: 6.8p). This, combined with the interim dividend of 3.5p per share (2024: 3.4p), results in a total dividend of 10.4p per share (2024: 10.2p). The total dividend is equivalent to a dividend cover of 3.1 times, in line with the prior year. The cash cost of the total dividend is £9.3m.

This final dividend, if approved at the Annual General Meeting, will be payable on 1 August 2025 to shareholders on the register on 27 June 2025. The shares will be quoted ex-dividend on 26 June 2025. Norcros plc operates a Dividend Reinvestment Plan (DRIP). If a shareholder wishes to use the DRIP, the latest date to elect for this in respect of this final dividend is 11 July 2025.



CHIEF FINANCIAL OFFICER’S REVIEW

CONTINUED

Cash flow and net debt

Underlying operating cash flow was £17.5m lower than in the prior year at £38.9m (2024: £56.4m).

	2025 £m	2024 £m
Underlying operating profit	43.2	43.2
Depreciation and underlying amortisation (owned assets)	4.8	4.3
Depreciation of right-of-use assets	5.2	4.7
Lease costs	(6.8)	(6.5)
Underlying EBITDA (pre-IFRS 16)	46.4	45.7
Net working capital movement	(14.1)	3.3
IFRS 2 charge add-back	0.3	0.9
Settlement of share options	(0.5)	–
Lease costs	6.8	6.5
Underlying operating cash flow	38.9	56.4
Underlying operating cash conversion¹	84%	123%

1 Represents underlying operating cash flow as a percentage of underlying EBITDA (pre-IFRS 16).

The main driver of the reduction in underlying operating cash flow was largely due to the increase of inventories in the period, helping to maintain our excellent customer service levels across the Group. The increase in inventories in Johnson Tiles SA, as noted earlier in the report, also impacted operating cash flow. Underlying operating cash conversion in the year was 84% of underlying EBITDA (2024: 123%).

The Group ended the year with net debt of £36.8m (2024: net debt of £37.3m) on a pre-IFRS 16 basis. This represents a leverage of 0.8 times underlying EBITDA (2024: 0.8 times). Net debt inclusive of IFRS 16 lease liabilities was £57.4m (2024: £59.5m)



Balance sheet

The Group’s balance sheet is summarised below.

	2025 £m	2024 £m
Property, plant and equipment	21.8	28.1
Asset held for sale	3.7	–
Right-of-use assets	16.7	18.0
Goodwill and intangible assets	153.5	161.2
Deferred tax	(8.6)	(13.4)
Net current assets excluding cash and borrowings	72.7	77.1
Pension scheme surplus	6.8	16.5
Lease liabilities	(20.6)	(22.2)
Other non-current assets and liabilities	(1.3)	(5.6)
Net debt	(36.8)	(37.3)
Net assets	207.9	222.4

Total net assets decreased by £14.5m to £207.9m (2024: £222.4m). Net current assets (excluding cash and borrowings) decreased by £4.4m largely reflecting the sale of Johnson Tiles UK.

Property, plant and equipment decreased by £6.3m to £21.8m as a result of the sale of Johnson Tiles UK, the subsequent sale of an element of the former Johnson Tiles UK site and a £3.7m reclassification to asset held for sale for the remainder of the site. The depreciation charge was £4.4m (2024: £4.0m) and no foreign exchange gains/losses relating to assets held in South Africa were recognised (2024: loss of £1.1m). Disposals of £2.8m of assets were reflected in the year mainly due to the sale of Johnson Tiles UK and the consolidation of warehousing and distribution at Grant Westfield. Fixed asset additions for the year were £6.2m (2024: £6.2m).

Right-of-use assets decreased by £1.3m to £16.7m (2024: £18.0m), primarily reflecting net additions of £4.0m, offset by right-of-use depreciation of £5.2m (2024: £4.7m). No exchange gains or losses were recognised in relation to right-of-use assets (2024: loss of £0.8m).

The net deferred tax liability decreased by £4.8m to a liability of £8.6m (2024: liability of £13.4m). The decrease is primarily the result of the amortisation of acquired intangible assets, actuarial losses on the pension scheme and the recognition of UK tax losses in the period.

Pension schemes

On an IAS 19R accounting basis, the gross defined benefit pension scheme valuation of the UK scheme showed a surplus of £6.8m compared to a surplus of £16.5m last year. The present value of scheme liabilities decreased by £17.8m as benefit payments made in the year and an increase in the discount rate to 5.60% (2024: 4.85%) were partially offset by a loss in relation to updated mortality assumptions. The value of scheme assets decreased by £27.5m largely due to benefit payments made in the year.

In the current year, the Group reached agreement with the Trustee on the 31 March 2024 triennial actuarial valuation for the UK defined benefit scheme. The actuarial deficit at 31 March 2024 was £11.7m (2021: £35.8m). The current deficit repair contributions were reconfirmed at £3.8m per annum from 1 April 2022 to June 2027 (increasing with CPI, capped at 5%, each year). It was agreed that there would be no further deficit repair contributions after June 2027.

The agreement also included a mechanism where deficit repair contributions would be diverted into an escrow account when the scheme is deemed to be in surplus on a technical provisions basis. In addition, the Group will contribute up to a maximum of £1.0m per annum to cover pension administrative expenses should asset investment performance not be sufficient to cover the ongoing management fees. The 2027 triennial actuarial valuation is expected to take place during the year ending 31 March 2028.

The Group’s cash contributions to its defined contribution pension schemes were £3.8m (2024: £3.9m).

Funding, liquidity and capital allocation framework

The Group has committed banking facilities of £130m (plus a £70m uncommitted accordion) with a maturity date of the facility of October 2027. The Group has also now confirmed a capital allocation framework of 1) Organic investment; 2) Ordinary dividends; 3) Complementary acquisitions; and 4) Supplementary distributions. Alongside this framework are investment guardrails of maintaining leverage below 2.0x underlying EBITDA and dividend cover of c.3.0x in addition to the strategic objectives of cash conversion above 90% and a ROCE target of 20% in the medium term.

Johnson Tiles SA

As previously announced, as a result of challenging demand conditions in the tile manufacturing segment and a material increase in tile manufacturing capacity in the area, we have commenced a strategic review of Johnson Tiles SA which we expect to conclude shortly. Johnson Tiles SA delivered external revenue in the year of £12.3m, a small operating loss pre-South African central costs and an operating cash outflow of £4.4m. The Johnson Tiles SA performance has been included in the underlying results for the period.

JAMES EYRE
Chief Financial Officer

11 June 2025





CHIEF PEOPLE OFFICER’S REVIEW

STRENGTHENING OUR EMPLOYEE VALUE PROPOSITION #BeSomeone



Introduction

It has been another rewarding year as we continue to grow and mature in our people strategy, building on the strengthened foundations laid in 2024. One of our key strategic priorities is to foster an inclusive, growth-focused culture that creates the conditions for our people to thrive and for the business to succeed over the long term.

Our people strategy, rooted within our broader ESG approach, reflects how we work every day. This year, teams across all our businesses have helped drive that strategy forward with real focus and energy.

Within the Group, we often talk about the idea of being “together”, “aligned” or “apart”, allowing our businesses to reflect their uniqueness. This year our people focus has been on bringing our businesses into closer alignment, and wherever it makes sense, bringing them fully “together”. We’re building a stronger sense of connection and shared employee experience across Norcros, grounded in our belief that together we are truly more than the sum of our parts.

Our priorities this year

Launch of Norcros Purpose and Keys (values)

After 18 months of collaborative work at all levels of the business, we were proud to formally launch our Norcros Purpose and Keys.

Our Purpose: To create products and connections that offer sustainable choices for better living (helping nurture the world we love and share)

Our Keys (values): Care, Courage, Connection, Common Sense

Our Purpose is our arrowhead – it points us in the right direction and gives meaning to everything we do. It reminds us why our work matters, and how we can make a difference for each other, our customers and the world we live in.

Our Keys, like an arrow’s fletchings, guide how we get there. They guide our behaviours, shape our decisions and help us build a shared culture across all our businesses.

➔ READ MORE ABOUT HOW WE ARRIVED AT THIS PLACE IN THE CASE STUDY ON PAGE 59

Strengthening our employee value proposition – #BeSomeone

Through our Purpose and Keys work, we developed **#BeSomeone**, a clear and compelling way to express our promise to our people: that at Norcros, everyone is truly someone.

#BeSomeone captures what it means to work here. It’s about feeling seen and valued, having space to grow and knowing that your contribution matters. It connects the dots between personal fulfilment and organisational success, reinforcing that when our people thrive, so does the business.

Great Place to Work

We implemented our first Group-wide employee engagement survey, partnering with Great Place to Work. Participation was exceptional, with a 93% response rate across seven countries – a clear signal that our people want to be heard and that they trust us with their voices.

The feedback provided invaluable insight, highlighting what we’re doing well – such as fostering pride in our work and maintaining strong ethical leadership – and where we can do better, particularly around communication, fairness in reward and recognition, and addressing the root causes of work-based stress whilst embedding a culture of workplace wellbeing.

Each business identified its own action priorities and reports progress to the Executive team as part of our monthly and quarterly business reviews.

➔ READ MORE ABOUT THE SURVEY IN THE CASE STUDY ON PAGE 95

Diversity, Equity, and Inclusion (DEI)

We have made meaningful progress in our DEI work this year, with initiatives rooted in action.

In December 2024, we held our second Women’s Leadership Forum, bringing together leaders from around the Group. The progress since our first event has been remarkable – from improvements in recruitment and leadership development to expanded flexible working practices and transgender inclusion sessions.

We’re incredibly proud of the depth and variety of work underway across our businesses.

Whilst we recognise that inclusion extends far beyond gender, we chose to begin by focusing our efforts here, guided by the belief that “rising tides lift all boats”. And it’s working – many of the changes implemented to support women are already creating better experiences for everyone.

This year also marked a major step forward in understanding the make-up of our workforce. Through our Great Place to Work survey, we collected more demographic data than ever before, giving us new clarity on who we are as a Group. This insight will allow us to set more informed priorities, track our progress with greater accuracy and ensure we are building an environment where everyone can thrive.

We strongly believe our business should reflect the communities where we live and work. At Norcros, we remain firmly committed to building a workplace where everyone feels seen, supported and able to thrive.

Group people policies review

Last year we committed to supporting our employees at all life stages, recognising that the support someone needs early in their career may differ from what they need whilst caring for children, supporting ageing parents or preparing for retirement.

To help us deliver on that promise, we have begun to modernise our people policies. We began by focusing on the moments that matter most in our employees’ lives – the key points in life and work where meaningful support from an employer can make a significant and lasting impact.

We are establishing a new set of Norcros standards for all our businesses, ensuring consistency and equity across the Group. These aren’t just policy documents; they reflect how we care for each other and connect with our people through all our daily interactions.

“After 18 months of collaborative work at all levels of the business, we were proud to formally launch our Norcros Purpose and Keys.”



CHIEF PEOPLE OFFICER’S REVIEW

CONTINUED

HR Forum momentum

The HR Forum formally met four times over the year, but the real value lies in the momentum between meetings – our HR teams are in regular contact, supporting one another and collaborating across businesses.

Highlights this year include policy reviews, shared benchmarking and progressing work on Group-wide approaches to talent management. It’s a great example of what we mean when we say we’re “more than the sum of our parts”.

Our priorities for next year

As we look to 2026, our focus is on embedding our Purpose and Keys, building on the progress we’ve made and continuing to elevate the employee experience at every stage of the journey.

Key areas of focus will include:

- Building on the Great Place to Work survey baseline – engaging employees in creating solutions and making changes, and ensuring engagement remains an ongoing leadership priority.
- Broadening our DEI work – expanding initiatives and deepening dialogue to create even more inclusive workplaces as we bring #BeSomeone to life every day for every employee.
- Continuing our journey of supporting leaders – providing a clear framework to guide them, keys to aid considered decision making, and focused development plans to help them grow and lead with purpose.
- Further waves of people policy updates – continuing to raise the bar by setting modern, inclusive standards across the Group.

Next year is about taking everything we’ve already set in motion and making it even stronger, together.

Our long-term ambitions

Looking further ahead, our people strategy is fully aligned with Norcros’ long-term growth plans. We know that delivering operational excellence and customer innovation starts with creating the right environment in which our people will thrive.

Over the coming years, we are focused on:

- Building exceptional leadership at all levels across all businesses.
- Creating a cohesive, joined-up recruitment and career progression experience across the Group.
- Integrating our HR systems to deliver seamless, insightful data and reporting.
- Equipping our teams with future-ready skills to meet evolving customer and market needs.
- Strengthening our culture of innovation, insight, and customer experience.
- Achieving external recognition as a “Best Workplace” through Great Place to Work certification.

Summary

We know that real business strength is built by people. This year, we have taken direct, measurable steps to strengthen our culture, align our teams and expand opportunities – making Norcros a place people choose to be. We are proud of what we have achieved so far – and even more committed to the journey ahead as we continue to build a workplace where excellence, inclusion and growth go hand in hand.

HELEN GOPSILL
Chief People Officer
11 June 2025

CASE STUDY

Words we can all live up to

Most large organisations have a stated purpose and values; forms of words for everyone to believe in and follow. At Norcros, we were determined to ensure that everyone really would believe in them – so we involved the whole business in developing them.

Instead of our leadership dreaming up a purpose and values, and then pushing them through the business, we took a collective approach. Through a series of meetings and events involving people at all levels, we exchanged ideas, and discussed potential themes and key words. We considered questions such as what we want Norcros to be about, why it exists and how it can make a positive difference to people’s lives.

From all these sessions, a clear message emerged: we are more than the sum of our parts. We live our purpose by starting from a place of good, and by doing so, we drive sustainable value creation for our shareholders. We want to do good for society, and do well out of it.

This forms the basis of our values, which we call the Norcros Keys. They’re values that we apply in order: Care, Courage, Connection and Common sense. Because they were distilled from many multi-level discussions, and not simply made up and imposed, our Keys are grounded in our people. They’re unique to us and help build a reputation that’s difficult to copy.

Most importantly, the way we arrived at our Purpose and Keys ensures the whole business can feel committed to them – and use them as a guide every day.



EMPLOYEE VALUE PROPOSITION LAUNCH

#BeSomeone – Bringing Our Purpose to Life

This year, we brought our employee value proposition to life across the Norcros Group through the launch of our #BeSomeone campaign. Rooted in our Purpose and Keys, it's about encouraging every one of us to bring our best selves to work – striving for recognition, significance and positive impact in our roles.

To launch this campaign and spark meaningful conversations about what #BeSomeone really means in our day-to-day working lives, we hosted a series of events across the Group:

Management conference

We kicked things off by bringing together senior management teams from across our UK and Ireland businesses for a full-day event in Manchester. The focus: the role of purpose in leading our businesses and building a strong, shared culture across the Group.



Employee roadshows

Next, we hit the road – seven stops across the UK and Ireland, each celebrating what makes that business special. These sessions reflected the individuality of each brand, while reinforcing how, together, we're more than the sum of our parts.



We're just getting started...

This campaign launch is only the beginning. The real impact comes from how we show up every day – living our purpose and using our Norcros Keys (Care, Courage, Connection and Common Sense) to guide our decisions, actions and how we lead. It's about creating an environment where everyone can contribute and truly #BeSomeone.



#BeSomeone

Follow our journey and what's coming next, by connecting with us on LinkedIn.



Scan the code to see more on our LinkedIn page.



Online event

Of course, we haven't forgotten our brilliant colleagues overseas or those who couldn't attend in person. A fully virtual version of the roadshow will be available so that every colleague across the Group has the opportunity to engage and reflect on what #BeSomeone means for them.





TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Introduction

This year, we continued to make strong progress in how we manage climate-related risks and opportunities across the Group. Each of our brands has further developed its action plans and initiatives to support the delivery of our Net Zero Transition Plan, aligned with our ambition to achieve net zero across the value chain by 2040. Our Group targets also include ambitious near-term milestones to drive momentum.

The strategic disposal of Johnson Tiles UK – part of our shift from tiles to wall panels – reflects how climate considerations are actively influencing decision making across Norcros, including in our portfolio development. We also launched our Sustainable Products Framework this year, reinforcing how ESG is embedded at the heart of our Group strategy. More detail on the Framework can be found in our first Sustainability Report, available at www.norcros.com.

We recognise that climate change presents both risks and opportunities for our business and stakeholders. Our TCFD Report outlines how climate considerations are embedded into our risk management, strategic planning and decision-making, aligned with our net zero ambition. We continue to assess physical risk – such as heat stress, fire weather stress, flood risk, storms and drought – through detailed bottom-up site analysis using geospatial climate hazard mapping, whilst also monitoring transition risks from a top-down perspective.

In line with the requirements of the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 and UK Listing Rule 6.6.6(8), the following pages set out our compliance with all of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and recommended disclosures, as detailed in “Recommendations of the Task Force on Climate-related Financial Disclosures” (2017) and the additional guidance as set out in the TCFD 2021 Annex “Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures” (TCFD Annex). Additionally, the Group has complied with the requirements of sections 414CA and 414CB of the Companies Act 2006 by including certain non-financial information within the TCFD Report. The Group has indicated in the following table which of the climate-related disclosures are addressed by the TCFD recommended disclosures, alongside the pages where these are located.

We consider our disclosure to be consistent and compliant with all 11 of the TCFD recommendations.



“

In 2026, we expect to ship 20% of inbound freight using eco-fuel that emits 85% less greenhouse gases than traditional fossil fuels.

”

HELENE ROBERTS
MD UK and Ireland

TCFD recommendations reporting

Recommendation	Recommended disclosures	Reference	C4 414CB ¹
GOVERNANCE Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	Page 64	(a)
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Page 64	(a)
CLIMATE-RELATED RISK MANAGEMENT Disclose how the organisation identifies, assesses and manages climate-related risks.	a) Describe the organisation's process for identifying and assessing climate-related risks.	Page 65	(d)
	b) Describe the organisation's processes for managing climate-related risks.	Page 65	(e)
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Page 65	(f)
STRATEGY Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Pages 68 to 75	(b)
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Pages 68 to 75	(b)
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 67	(c)
METRICS AND TARGETS Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 75	(h)
	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	Pages 76 and 78	(h)
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Page 75	(g)

¹ Reference to consistency with The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022





TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

GOVERNANCE

Board

The Board of Directors oversees and is ultimately accountable for progress against our Net Zero Transition Plan and our wider sustainability strategy, as well as reviewing and managing the climate-related risks and opportunities of the Group. The Board is kept informed of climate-related matters through regular scheduled updates at Board meetings with ESG (including climate change) on the agenda at least twice a year. Our ESG advisors, CEN-Group, also help to keep the Board updated on any emerging sustainability or specific climate-related regulations. The Board monitors and oversees progress of the Group’s sustainability performance through the ESG Forum updates and the Management Information (MI) Framework, which includes monitoring the Group’s emissions (scopes 1, 2 and 3).

The Audit and Risk Committee supports the Board in ensuring climate-related issues are integrated into the Group’s risk management process. Climate-related risk assessments are conducted twice a year and are fully incorporated into the Group’s principal risk process. Materially significant risks, including climate-related risks, that fall outside risk appetite levels need to be reviewed and approved by the Board unless treatment actions can bring them in line with the appropriate risk appetite level, as outlined below.

Management

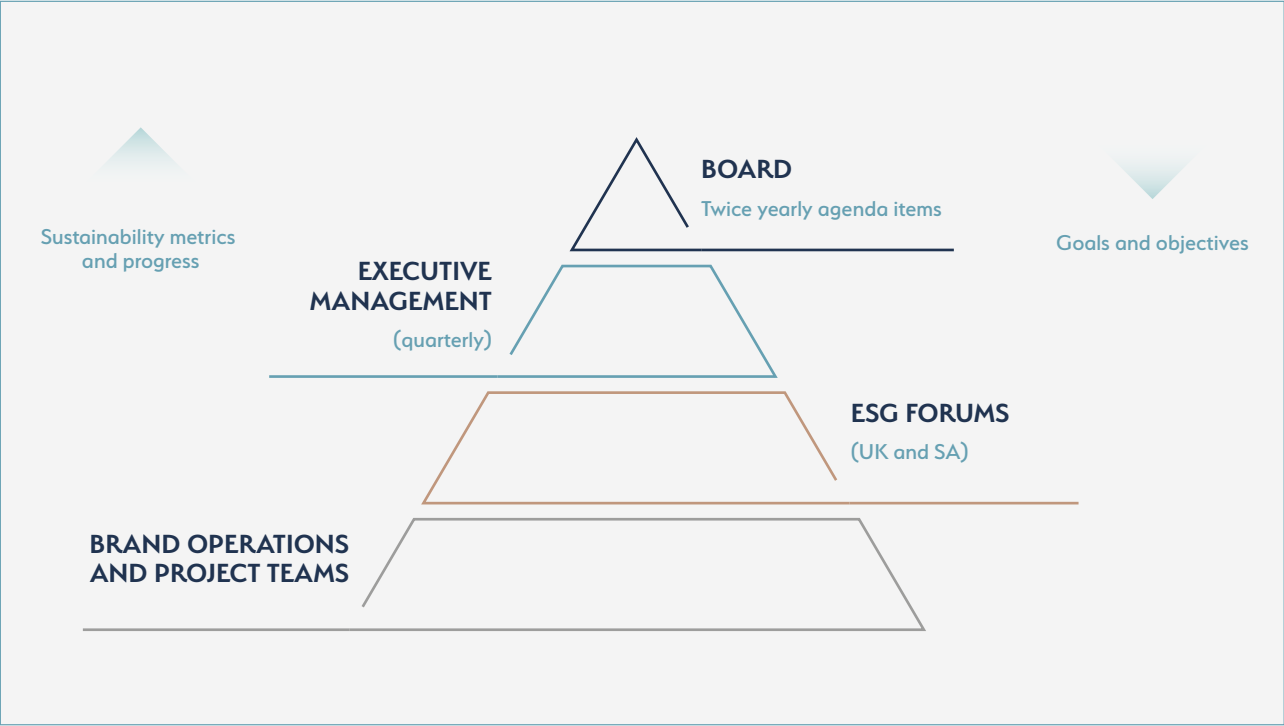
As climate-related issues are fundamental to the Group’s business purpose, the Chief Executive Officer has overall responsibility for their oversight, ensuring climate-related issues are considered in the review of Norcros’ strategy, budget and business. The Chief Executive Officer is also responsible for reporting on progress to the Board, which is done at two Board meetings a year. The Chief Executive Officer and the Executive team are informed about climate-related issues on a quarterly basis by the Corporate Development and Strategy Director, who reports on the matters discussed at the ESG Forum. The ESG Forum comprises representatives from each of the brands within the Group. The Group-level net zero targets have been cascaded to each brand so there is accountability throughout the organisation. The costs of climate-related initiatives for each brand are included in their annual budgeting process, with net zero targets considered during new product development and associated capital expenditure. The Executive team will review the carbon reduction plans to deliver the emissions targets in each brand each year and monitor progress of key milestones twice a year in the ESG Forum.

ESG Forum

The ESG Forum convenes quarterly with one in-person meeting per annum. Led by the Corporate Development and Strategy Director, these meetings serve as a platform to track progress on our Net Zero Transition Plan and, crucially, to exchange ideas, challenges and best practices across the Group. The ESG Forum is responsible for assessing and managing climate-related issues, reviewing progress against the Group’s ESG MI Framework, directing action in their respective brands and feeding back data, achievements and barriers to be resolved. They promote awareness of, and action on, sustainability within the Group and promote a consistent approach to sustainability communication and data to meet external disclosure requirements.

Representatives of the ESG Forum are informed by operational and project teams within their brands. The brands have their own structures in place to monitor and implement carbon reduction programmes.

With our Net Zero Transition Plan and wider ESG KPIs in place, we will consider the need for further KPIs and targets and aligning staff incentives.



CLIMATE-RELATED RISK MANAGEMENT

ESG risks, and particularly climate-related risks within this, are classed as a principal risk by the Group. Climate-related risks and opportunities were assessed and prioritised on the existing Group five-point risk scoring criteria for both financial impact and reputation impact (minimal, low, intermediate, high, severe) and for likelihood (remote, unlikely, possible, likely, certain).

Overall risk scores are calculated as the multiple of impact and likelihood. Likelihood is based on the probability of the risk crystallising and affecting the business at least once during a three-year period and the longer time horizon of some climate-related risks is thus reflected in a lower likelihood score. By using the existing Group risk framework, climate-related risks are fully integrated into the current risk management framework and the relative significance of climate-related risks in relation to other risks can be determined.

Climate-related transition risks tend to impact the Group in a top-down manner. These are identified and shortlisted in collaboration with internal stakeholders and senior management, in conjunction with the ESG Forum. This analysis includes a horizon scanning exercise to incorporate policy and legal risks, and is refreshed annually to include any changes to the business, external regulatory developments or operating conditions.

Climate-related physical risks were assessed using a bottom-up site-level risk assessment using geospatial natural hazard mapping software, the Munich Re Location Risk Intelligence Tool.

A summary of key risks in the individual brands and corporate risk registers is presented to the Audit and Risk Committee at each meeting. In addition, a Group-level risk review, which identifies and reviews Group-level strategic risks, is completed at least annually.

The decision to control or accept risks is partially determined by the nature of the risk and its scoring. Management regularly reviews risk exposure against defined acceptable risk appetite levels and develops remedial actions, with target dates, to address risks scoring higher than the accepted risk appetite level. Except for “strategic”, “operational” and “commercial” risks, which carry a medium risk appetite, all other risk types carry a low risk appetite. Risks scoring outside of these risk appetite levels require treatment actions to bring them in line with the appropriate risk appetite level, or they need to be reviewed and approved by Board Directors. Further detail is included in the Risk Management section on pages 78 and 79.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)CONTINUED

STRATEGY

Time horizons

The time horizons of where our climate-related risks and opportunities are expected to first occur are:



Short term:
2025 to 2027

Aligned with our current strategic planning and incorporates our planned capital expenditures.



Medium term:
2028 to 2034

Aligned to where we will most likely see the impact of regulatory frameworks such as carbon pricing, the technology life cycle and our interim emission reduction targets.



Long term:
2035 to 2050

Aligned to the UK Government’s Net Zero pledge, allowing incorporation of the useful life of our property assets, physical and transition risk time horizons and the Group’s net zero target.

We consider risks and opportunities in all physical and transition categories outlined in the TCFD guidance risks, under current and emerging regulatory requirements, and whether they occur within our own operations, or upstream and downstream of the Group. Our process for identifying, assessing, prioritising and monitoring climate-related risks has remained unchanged from our previous reporting period. In the following tables, we have identified and expanded on a number of key risks and opportunities that could have a material financial impact on the Group.

Climate-related scenario analysis has been used to improve our understanding of the behaviour of certain risks to different climate outcomes. This year we have reviewed the risks and opportunities identified as part of our full scenario analysis carried out in 2023. This review complements the work carried out in 2023 and provides updates for any risks or opportunities that have changed throughout the year.

For the transition risks and opportunities, we have used the following climate-related scenarios from the International Energy Agency. Transition risks are generally greater (more likely and with greater impacts) in the lower carbon scenario compared to the higher carbon scenario.

- **Net Zero 2050 (NZE)**¹: an ambitious scenario that sets out a narrow-but-achievable pathway for the global energy sector to achieve net zero CO₂ emissions by 2050. This meets the TCFD requirement of using a “below 2°C” scenario and is included as it informs the decarbonisation pathways used by the SBTi, which validates corporate net zero targets and ambition.

- **Stated Policies Scenario (STEPS)**¹: a scenario that represents the roll forward of already-announced policy measures. This scenario outlines a combination of physical and transition risk impacts as temperatures rise by around 2.5°C by 2100 from pre-industrial levels, with a 50% probability. This scenario is included as it represents a base case pathway with a trajectory implied by today’s policy settings.

Physical risks were analysed using three scenarios from the Intergovernmental Panel on Climate Change (IPCC) embedded in the Munich Re software platform used to analyse physical risks of climate change:

- **RCP 2.6**²: a climate-positive pathway, likely to keep global temperature rise below 2°C by 2100. CO₂ emissions start declining by 2020 and get to zero by 2100.
- **RCP 4.5**²: an intermediate and probably baseline scenario more likely than not to result in global temperature rise between 2°C and 3°C by 2100 with a mean sea level rise 35% higher than that of RCP 2.6. Many plant and animal species will be unable to adapt to the effects of RCP 4.5 and higher RCPs. Emissions peak around 2040, then decline.
- **RCP 8.5**²: an extreme scenario where global temperatures rise between 4.1–4.8°C by 2100. This scenario is included for its extreme impacts on physical climate risks as the global response to mitigating climate change is limited.

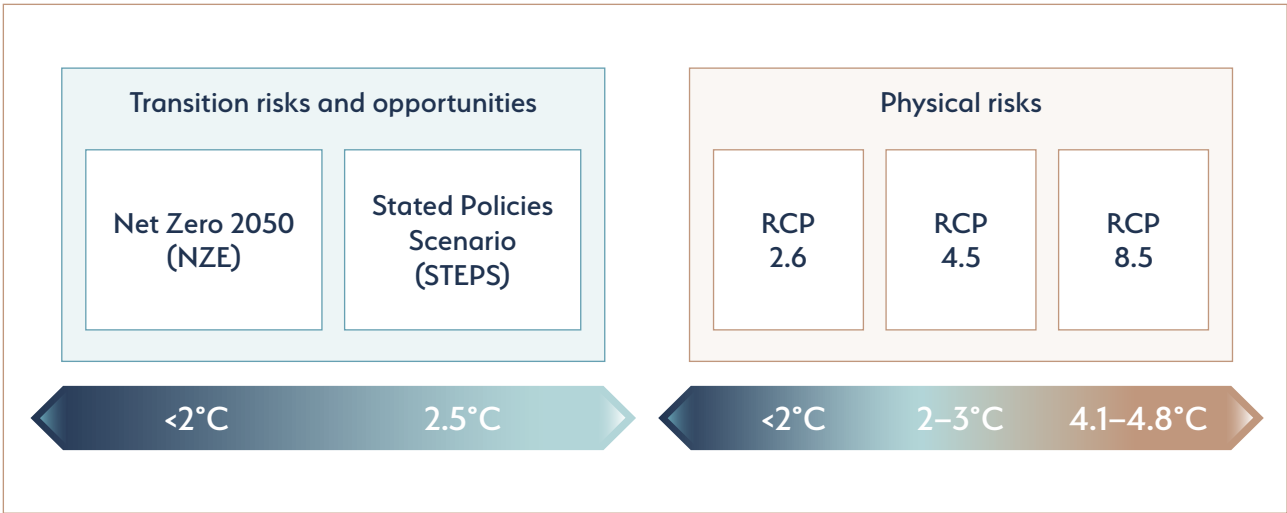
These scenarios have been supplemented with additional sources that are specific to each risk to inform any assumptions included in projections. Our scenario analysis includes qualitative, and some quantified impacts where the underlying data is available and where the current understanding of the risks is robust. We continue to work on quantifying our risks and opportunities by regularly reviewing the assumptions and estimates required.

We have analysed the climate-related risks under all our chosen scenarios and identified plans to mitigate against the impacts of these risks, as well as take advantage of opportunities. They have been incorporated into our transition pathway to net zero and into brand, management and the Board’s strategic framework within our current budget. We are confident that implementation of these actions will result in a business resilient to the discussed climate-related risks and well positioned to maximise the opportunities identified.

Our view is that significant financial planning or budgetary change as a result of climate change is not likely to be required and our emission reduction plan will not incur material capital expenditure or operational disruption. Partially as a result of previously identifying resource-efficient products as a significant strategic opportunity, we have focused on creating our new Sustainable Products Framework. As we anticipate this becoming an increased focus of customers in the future, we will look to focus investment into sustainable products, increasing their proportion of our overall revenue.

1 IEA (2023), Global Energy and Climate Model, IEA, Paris <https://iea.blob.core.windows.net/assets/ff3a195d-762d-4284-8bb5-bd062d260cc5/GlobalEnergyandClimateModelDocumentation2023.pdf>
2 IPCC (2014), Climate Change 2014: AR 5 Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change

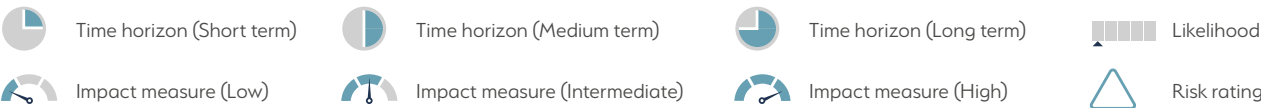
Climate-related scenario analysis





TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Keys



RISKS

Five transitional and two physical climate-related risks have been identified that could have a material impact on our business. Carbon pricing in our value chain (which relies on decarbonisation across the supply chain) is the most material to our operations. Our Net Zero Transition Plan and emissions reduction initiatives form the basis of our mitigation strategies.

Transitional risks

TCFD category: Transition (current and emerging regulation)

Carbon pricing (“carbon tax”) in own operations

The Group operates in multiple jurisdictions, with a focus on climate change. We view the implementation of operational carbon pricing as a certainty, which is applied to our gas and electricity used, particularly in tile manufacturing. We expect significant but gradual price increases in the medium term, with greater forecast price rises in the NZE scenario. The introduction of Carbon Border Adjustment Mechanism (CBAM) regulations in the EU and the UK will impose carbon prices on companies importing certain goods into those markets. As a result, some of Norcros’ operations may face increased costs. The magnitude of this impact is, at present, uncertain due to changing regulation from the European Commission, however Norcros remains cautious of the situation. In addition, the South African Treasury is considering the use of fines if companies exceed their approved carbon budgets. Our exposure to carbon taxes is mitigated by our Net Zero Transition Plan. We have calculated the costs to the Group based on International Energy Agency carbon price forecasts across our short, medium and long-term time frames, and in the NZE and STEPS scenarios. We assume emissions decline in line with our Net Zero Transition Plan (scope 1 and 2 emissions reduce by 33.6% by 2028 (from a 2023 base) and by 90% by 2040). Our analysis concludes that the impact of carbon pricing increases over time and is significantly higher under the NZE scenario.

Mitigation: Key near-term scope 1 actions include increased electrification and resource efficiency. Initiatives to reduce scope 2 include on-site and purchased renewable electricity. The disposal of Johnson Tiles UK has also led to a significant reduction in the Group’s scope 1 and 2 emissions, whilst the strategic decision to shift from tiles to wall panels will also reduce the Group’s carbon intensity in the future. These decisions have future-proofed our exposure to carbon pricing in our own operations and reduced the exposure to this risk.

TCFD category: Transition (emerging regulation)

Carbon pricing in the value chain

Large parts of our supply chain include the processing of primary metals and building materials. New, low-emission production processes are still being developed for commercial use, which could lead to increased costs in our supply chain. Emissions-intensive basic materials industries are also exposed to global regulatory and policy decisions in the drive to reduce emissions, and these changing policies may also impact our supply chain. This includes the previously mentioned CBAM regulations which will impose a carbon price on EU importers of certain goods, including aluminium, iron and steel. As such, companies within Norcros’ value chain may be subject to increased costs resulting from carbon pricing mechanisms.

Mitigation: The diversity of supply sources reduces this risk to the Group. Our Supply Chain Policy sets out our expectations to our value chain partners on environmental issues, and our Sustainable Products Framework helps us classify products that can potentially reduce our value chain emissions exposure.

There is a risk of increased charges from the UK government in the future on packaging through Extended Producer Responsibility. The government has mechanisms for increasing the tax through modulation. We expect some of the resulting price increases to be passed on to our customers but, at this stage, there is little visibility on the extent of our ability to do so. Using the emissions reduction pathway in our Net Zero Transition Plan, and carbon price estimates as above, we conclude the impact is higher in the NZE scenario.

We expect our key suppliers to be ISO 14001 certified, or working towards an equivalent certification standard, as well as implementing energy reduction initiatives. In addition, suppliers must attain minimum standards for water, waste and biodiversity conservation. We engage with our suppliers regularly to consider lower embodied carbon inputs (where the raw materials used have acceptable technical qualities with lower carbon emissions). These are amongst the initiatives in our Net Zero Transition Plan that reduce the net impact of carbon pricing in our value chain.

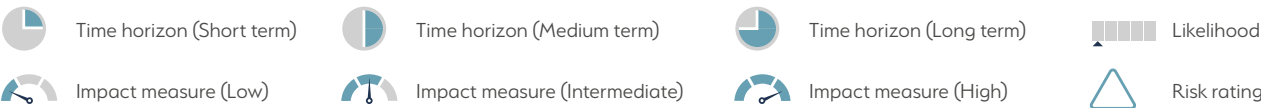
Business area Own operations	Time horizon Medium term	Impact measure Low (3)	Location UK and South Africa manufacturing brands
Primary potential financial impact Higher costs associated with energy	Likelihood Certain (5)	Risk rating 15	Measurement Scope 1 and 2 emissions

Business area Upstream	Time horizon Medium term	Impact measure Intermediate (5)	Location Global, all brands
Primary potential financial impact Increased cost of purchased goods and inbound transportation	Likelihood Certain (5)	Risk rating 25	Measurement Scope 3 emissions (Category 1)



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED

Keys



RISKS

TCFD category: Transition (market and reputation)

Reliance on third parties or technologies to decarbonise

Achievement of our net zero target in 2040 relies on certain factors beyond our control, for instance, the decarbonisation of electricity grids, suppliers and retail partners meeting decarbonisation timelines and the development of zero emissions transportation. In particular, we are reliant on new technology to develop alternative fuels to run kilns (e.g. biogas or hydrogen) and require the purchase of electricity generated from renewable sources in South Africa, which is less readily available than in the UK. If competitors are quicker to innovate, this may have a negative impact on the Group. We expect this risk to be lower in the NZE scenario, where we expect higher capital expenditure and research and development spending on new technologies to reduce global emissions.

Mitigation: We work collaboratively with retailers and engage with governmental and industry bodies to shape supply chain decarbonisation policy. We continue to invest in research and development and monitor the development of low-carbon raw materials and technologies. In addition, the Group’s strategic decision to shift from tiles to wall panels was partially a climate-related decision. As well as reducing the overall emissions and energy intensity of the Group, we are now less dependent on new third-party technologies to decarbonise our operations.



TCFD category: Transition

Cost of capital linked to sustainability criteria

Providers of capital (investors and banks) are increasingly incorporating sustainability into their assessments, which represents a risk to the availability and cost of capital. The Group’s existing £130m multicurrency revolving credit facility (which runs to October 2027) means the risk is minimal in the short term. However, over the medium term, investors and banks are expected to be more stringent and withdraw funding or apply punitive charges if ongoing targets on emission reduction are not aligned to their own net zero targets.

Mitigation: We continue to engage in dialogue with lenders, rating agencies and investors to ensure our climate change disclosures are in line with the latest regulatory requirements. Our progress towards our own emission reduction target of net zero by 2040, as well as disclosure of ESG-related metrics and targets, should ensure the net impact is minimal.



TCFD category: Transition

Customer and consumer pressure

Driven by industry standards and government regulation, large retailers and homebuilders require suppliers to be at the forefront of embodied carbon reduction and in the reduction of energy and water in use by their products. Several of our customers now require their suppliers to have set SBTi-aligned net zero targets. As we approach our 2028 emissions reduction targets, pressure from customers may increase with higher expectations on our sustainability performance and results. There is a medium-term risk that some product lines are no longer of interest to customers aligning their product portfolios to zero carbon homes and net zero targets. We expect this risk to increase as customers and consumers apply stringent sustainability criteria to their purchasing decisions.

Mitigation: We engage with customers and brands to ensure new products are designed to meet changing customer requirements, ensuring our targets are aligned with theirs and meet internal and external environmental requirements. Our new Sustainable Products Framework classifies our products against their sustainability criteria and enables us to track total revenue derived from low-carbon products. Specific initiatives include, for example, Triton providing consumers a water and energy savings calculator and incorporating recycling and minimisation of waste into packaging design, and Abode ensuring all new products are flow limited and compliant with the Mandatory Water Efficiency Labelling Scheme, anticipating customer requirements. These actions limit the net impact of this risk.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTINUED





RISKS

Physical risks

TCFD category: Physical (chronic)
Flood risk

The Munich Re Location Risk Intelligence Tool was used to assess physical climate risk, and identified six sites in the RCP 8.5 scenario of having a high or very high likelihood of flooding. These were located in South Africa, the UK and China. Of the six sites identified, one (the Grant Westfield headquarters in Edinburgh) is a manufacturing facility, and hence could have the highest impact due to its significant revenue contribution to the Group. The rest are sales or administrative in nature and could be more easily relocated in case of potential flooding or other significantly disruptive climate event.





Mitigation: All our brands have business continuity and recovery plans that monitor risks to staff and premises from meteorological events. Additionally, most sites have flood damage insurance cover with limits that reflect the magnitude of risk, and the diversified locations means it is unlikely that more than one of the identified sites would flood at any given time.

Business area Own operations	Time horizon  Long term	Impact measure  Low (4)	Location South Africa, UK, China
Primary potential financial impact Higher costs/disruption of production	Likelihood  Unlikely (2)	Risk rating  8	Measurement Meteorological forecasting

TCFD category: Physical (chronic)
Water scarcity


Despite issues regarding water scarcity persisting in Cape Town, South Africa, none of our sites are at very high risk of water scarcity. Only in the RCP 8.5 scenario is one of our sites assessed considered to be at “very high” risk of future water stress. This site was located within Cape Town, South Africa, and produces adhesives for the manufacture of tiles, and is not particularly water intensive.


Mitigation: Management closely monitors the supply of water as Cape Town has had serious water scarcity issues in recent years. To date, this has not impacted production at the facility and, therefore, the operation has presented resilience to the risk. If insufficient water was available, management would source from other locations in South Africa that are also used to manufacture adhesives. Additionally, a large water tank was installed at the Olifantsfontein site, which is fed from the municipal mains, providing storage to smooth out supply challenges.


Business area Own operations	Time horizon  Long term	Impact measure  Low (3)	Location South Africa
Primary potential financial impact Higher costs/disruption of production	Likelihood  Unlikely (2)	Risk rating  6	Measurement Annual freshwater resource levels





Keys


 Time horizon (Short term)


 Time horizon (Medium term)


 Time horizon (Long term)

 Likelihood

 Impact measure (Low)

 Impact measure (Intermediate)

 Impact measure (High)

 Risk rating

OPPORTUNITIES

We have identified four climate-related opportunities with the potential to materially benefit our business. Of these, the most significant are both product-related: (i) resource-efficient manufacturing and (ii) resource-efficient product design. These sit at the heart of our Net Zero Transition Plan and Sustainable Products Framework, which outline how we are actively positioning the Group to innovate, lead and grow in a low-carbon economy.

TCFD category: Product and services
Product design – resource efficient manufacturing

We have developed our Sustainable Products Framework to enable us to classify our products according to their sustainability attributes. Products manufactured through energy-efficient processes with recycled raw materials are classified as “sustainable” and are part of our Net Zero Transition Plan. Our customers increasingly require us to provide data on embodied carbon in our products and this framework helps us focus our portfolio towards products with lower embodied carbon. We also work with suppliers to “design out” carbon, continually searching for alternative, lower-carbon raw materials. We believe these actions will, over time, enable us to become preferred suppliers to our key customers and grow market share, and we expect this opportunity to be larger in the NZE scenario, where demand for “sustainable” manufacturing processes is higher.

Impact: Our brands have various initiatives underway to improve resource efficiency, which will enable us to remain market leaders with our environmental sustainability attributes acting as a significant competitive advantage. For example, Grant Westfield, who already have 100% recyclable panels, have recently obtained an Environmental Product Declaration for their new Naturepanel collection. All Naturepanels are FSC certified with a 30-year lifespan. The process required Grant Westfield to complete a full life cycle analysis, including raw materials, energy, transportation, use and disposal.

Business area Own operations and downstream	Time horizon  Medium term	Impact measure  Intermediate (6)	Location Global, all brands
Primary potential financial impact Increased sales/decreased costs	Likelihood  Likely (4)	Opportunity rating  24	Measurement Scope 3 emissions, revenue from energy-efficient products (green revenue)



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

CONTINUED

OPPORTUNITIES

TCFD category: Products

Product design – resource efficient products

Products that are energy or water efficient will reduce customer and consumer energy use and help reduce scope 3 emissions. As part of our Sustainable Products Framework, we focus resources on the development of products that reduce energy and water in use for our consumers. Innovative product design is key to continued revenue growth and also helps to maintain competitive positioning. We expect the size of the opportunity to be higher in the NZE scenario as demand for sustainable products increases and consumers are focused on their own carbon footprints.

Impact: To maximise this opportunity, we target research, development and marketing spend and collaborate with key clients to develop and sell best-in-class, resource-efficient products. Triton's eco models save water and energy compared to more conventional showers. Triton's ENVi® shower is designed to help customers make water and energy savings. ENVi® is externally certified with an eco button, which reduces shower time by one minute, saving water, money and reducing the customer's carbon footprint.

Business area Own operations and downstream	Time horizon  Medium term	Impact measure  High (8)	Location Triton, Abode
Primary potential financial impact Increased sales	Likelihood  Likely (4)	Opportunity rating  32	Measurement Scope 3 emissions, revenue from energy efficient products (green revenue)

TCFD category: Energy source

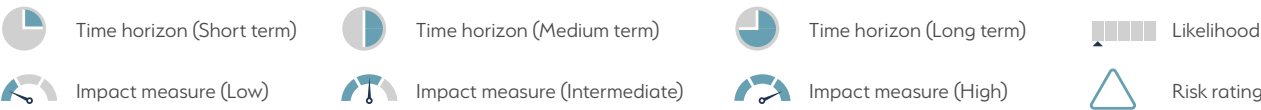
Green generation

We aim to reduce our reliance on third-party electricity. This offers an opportunity to become less dependent on the national grid which, particularly in South Africa, has a low proportion of renewable energy. We expect this opportunity to be more significant under the NZE scenario, with increased investment in alternative energy technologies forecast, which should reduce unit costs.

Impact: Ten Tile Africa stores have been fitted with solar panels this year and all new lease agreements will require landlords to commit to solar installations. We are also investigating purchased renewable electricity in our remaining brands in both the UK and South Africa, which could reduce our market-based emissions to zero. In South Africa, contracting guaranteed renewable electricity supply via long-term power purchase agreements or energy wheeling is one of the largest opportunities for us.

Business area Own operations	Time horizon  Medium term	Impact measure  Intermediate (5)	Location Global, all brands
Primary potential financial impact Decreased operating costs	Likelihood  Likely (4)	Opportunity rating  20	Measurement Energy used from renewable sources

Keys



TCFD category: Resource efficiency

Transportation

Decarbonisation of our distribution and depot fleets would help to reduce scope 1 emissions and is a key component of our Net Zero Transition Plan. This may require transitional investment and further technological development, especially for zero emissions heavy goods vehicles. We expect this opportunity to be more significant under the NZE scenario, with increased investment in alternative energy technologies forecast, which should reduce unit costs.

Impact: Electrification of our fleet is a key part of our transition plan. Our brands have already made good progress on their targets to transition to low-carbon vehicles.

We also expect our third-party logistic suppliers to move away from internal combustion engines to electric vehicles, thus reducing our scope 3 upstream and downstream transportation and distribution emissions, although we expect the bulk of this reduction in the medium term. We are reliant on global trends in this area and our Net Zero Transition Plan to 2040 includes a reduction in the carbon intensity of inbound and outbound freight. Maersk shipping data is also now used to provide more granular information on our logistics emissions data in the UK.

Opportunity may arise through a reduction in current environmental taxes from an agreement for the use of eco shipping fuel being applied across Norcros UK businesses. This year, Norcros will be using eco-fuel for 20% of our shipping requirements, reducing our shipping emissions.

Business area Own operations, upstream and downstream	Time horizon  Near/medium term	Impact measure  Low (4)	Location Global, all brands
Primary potential financial impact Decreased costs	Likelihood  Likely (4)	Opportunity rating  16	Measurement Scope 1 and 3 (upstream and downstream transportation and distribution)

METRICS AND TARGETS

Our full carbon footprint is reported in alignment with the Greenhouse Gas Protocol on pages 76 and 77. In addition, we report on our emissions intensity, total consumption of electricity, renewable electricity, gas and water, and treatment of waste in our separate Sustainability Report. We continue to monitor our climate exposure and action plans through our risk management framework and governance structure. Our main climate-related objectives are monitored through our ESG MI Framework through the year and reported to and reviewed by the Board.

We have science-based targets across scopes 1, 2 and 3 which were validated by the SBTi in January 2024. These affirm our long-term commitment to net zero across the value chain by 2040. In addition, each brand has a specific interim target for 2028 that provides a clear path to emission reduction through to 2028 and beyond. For further details on our climate targets please see the Norcros Net Zero Transition Plan in our new Sustainability Report.

SECR STATEMENT

Energy efficiency initiatives

- We continue to implement energy efficiency initiatives across the Group to reduce our carbon footprint. Highlights from this year include:
- Croydex replaced all office windows with new double glazing to improve thermal efficiency and reduce heating demand. New air conditioning units are being phased in, expected to further increase energy efficiency.
 - MERLYN retrofitted LED lighting in its head office and warehouse. EV chargers were also installed at the office and in the homes of employees driving electric vehicles.
 - Triton connected its building control system to the warehouse and production gas heaters, which is anticipated to reduce gas heating consumption by 25%. Two electric forklifts were replaced, with expected energy savings of 400kWh, and 55% of their vehicle fleet is now electric.
 - Norcros South Africa continued its programme to replace older air conditioning units with more energy-efficient models using lower-impact refrigerants. Thirty Tile Africa branches now operate Inverter air conditioning units. At Johnson Tiles South Africa, the spray drier was upgraded to increase energy efficiency.

Energy and emissions overview

Following the sale of Johnson Tiles UK, the Group’s market-based scope 1 and 2 emissions decreased by 14%.

The Group’s overall energy use decreased 26% compared to 2024, primarily due to the Johnson Tiles UK disposal. Natural gas continues to account for much of our energy use (83%) as a result of tile manufacturing at Johnson Tiles South Africa. Across the other business units, there has been an increase in electricity consumption reflecting a growing adoption of hybrid and electric vehicles across the businesses.

In the UK, scope 1 and 2 emissions reduced by 46%, driven by a 17% increase in renewable energy procurement and a 43% reduction in scope 1 emissions. Changes to Grant Westfield’s distribution model and increased use of EV and hybrid vehicles played a significant role in this improvement.

The disposal of Johnson Tiles UK did not materially affect our scope 3 emissions, as the brand accounted for just 1% of the Group’s scope 3 total in 2024.

The use of our sold products accounts for 74% of our total emissions, and is driven by electricity use from Triton’s showers and gas use from House of Plumbing’s geysers.

Our absolute scope 3 emissions decreased 4% year on year, principally due to a reduction in category 11 emissions (use of sold products) resulting from changes in our sales mix and reductions in grid intensity.

Overall, the Group’s market-based scope 1, 2 and 3 emissions have decreased by 5%.

The table below has been prepared for the reporting period of 1 April 2024 to 31 March 2025 (referred to throughout this section as 2025) using the reporting period of 1 April 2023 to 31 March 2024 for comparison (referred to as 2024). We report on all of the material emission sources in line with an operational control approach method, as required in Part 7 under the Companies Act 2006 (Strategic Report and Directors’ Report) Regulations 2013 and under the UK’s Streamlined Energy and Carbon Reporting (SECR) requirements.

Greenhouse gas (GHG) emissions are in CO₂e, including GHGs in addition to carbon dioxide and include our Group office and all brands. Scope 1 and 2 data has been calculated from monthly measured data (e.g. fuel and electricity use) using the appropriate conversion factors in accordance with the principles and requirements of the World Resources Institute (WRI) GHG Protocol: A Corporate Accounting and Reporting Standard (revised version) and Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting requirements (March 2019). To calculate scope 1

emissions, DEFRA 2024 emissions factors have been used. Scope 2 emissions have been calculated using both a location-based and market-based approach, utilising DEFRA 2024, IEA 2024 or Association of Issuing Bodies (AIB) 2023 residual factors where appropriate. We have also factored in situations where sites produce their own renewable electricity or purchase electricity supported by contractual instruments, such as Renewable Energy Guarantee Origin (REGO).

We are reporting our scope 3 emissions with guidance from the GHG Protocol Corporate Value Chain (scope 3) Accounting and Reporting Standard and the GHG Protocol Technical Guidance for Calculating scope 3 Emissions, as required.

In line with the Greenhouse Gas Protocol, we continue to review our reporting in light of any changes in business structure, calculation methodology and the accuracy or availability of data. Due to recognised inherent uncertainties in calculating scope 3, we have adopted a continuous improvement approach. We will continue to review our processes and disclose any restatements in a timely and transparent manner.



	2025			2024		
	UK	Global (exc. UK)	Group total	UK	Global (exc. UK)	Group total
GHG emissions (tCO₂e)						
Total scope 1 (tCO₂e)	981	29,701	30,682	11,701	29,664	41,365
Scope 2 location-based (tCO ₂ e)	616	23,629	24,245	3,035	21,589	24,624
Scope 2 market-based (tCO ₂ e)	79	23,609	23,688	238	21,565	21,803
Total scope 1 & 2 location-based (tCO₂e)	1,597	53,330	54,927	14,736	51,253	65,989
Total scope 1 & 2 market-based (tCO₂e)	1,060	53,310	54,370	11,939	51,229	63,168
Total scope 3 (tCO₂e)	–	–	813,079	–	–	847,870
Total scope 1, 2 & 3 location-based (tCO₂e)	–	–	868,006	–	–	913,859
Total scope 1, 2 & 3 market-based (tCO₂e)	–	–	867,449	–	–	911,038
Scope 1 & 2 market-based GHG emissions intensity ratio (per Group turnover) (£m)	–	–	148	–	–	162
Energy consumption (kWh)						
Total electricity consumption (kWh)	2,956,176	24,122,800	27,078,976	14,778,890	24,111,895	38,890,785
Total renewable energy consumption (kWh)	2,731,270	82,766	2,814,036	14,118,696	85,234	14,203,930
Total non-renewable energy consumption (kWh)	5,133,688	184,938,528	190,072,216	62,823,898	184,568,014	247,391,912
Total energy consumption (kWh)	7,864,958	185,021,294	192,886,252	76,942,594	184,653,248	261,595,842
% renewable electricity from total electricity	92%	0%	10%	96%	0%	37%



PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

Supporting sustainable business objectives through embedded and proactive risk management.

The proactive management of risk remains a priority for the Group, helping to sustain the long-term success of the business. A range of potential risks and uncertainties could have a material impact on the Group’s performance. The objective of our risk management framework is to support the business in achieving its strategic and operational goals through the identification, monitoring and appropriate treatment of risks, within clearly defined risk appetite levels for each category.



Risk management framework

How we manage risk

Our risk management activities are part of a flexible and robust governance framework, owned by the Board, overseen by the Audit and Risk Committee, and embedded at an operational level. It consists of the following key elements:



Defined risk responsibilities:

- BOARD**
Holds overall responsibility for the risk management framework.
- AUDIT AND RISK COMMITTEE**
Provides oversight, challenge and independent assurance on all aspects of the risk management framework. Receives regular reports from the Risk Management Group.
- RISK MANAGEMENT GROUP**
Comprised of the Chief Executive Officer, Chief Financial Officer, Chief Legal Officer, and the Managing Directors of the UK & Ireland and South Africa, facilitated by the Head of Group Internal Audit and Risk Assurance. This group establishes the risk management framework, defines the Group’s Risk Management Policy, sets risk appetite levels, leads on risk culture, and regularly reviews principal risks, emerging risks and material controls, identifying appropriate actions to be taken to maintain risks within defined appetite levels.
- MANAGEMENT**
Responsible for the day-to-day operational management of risk, in line with Group policies and reporting procedures.
- Defined risk policies and reporting procedures:**
- Formal Board-approved Group Risk Management Policy
 - Defined risk appetite levels and metrics for each category of risk
 - Standardised, regular risk reviews and embedded risk reporting
 - Divisional support from Head of Group Internal Audit and Risk Assurance

Risk management process

We have an integrated top-down and bottom-up risk management process:





PRINCIPAL RISKS AND UNCERTAINTIES

CONTINUED

Our risk management framework enables the identification of the principal risks and uncertainties that we consider may threaten the Group’s business model, future performance, solvency or liquidity.

These risks are set out in the table below, along with how they are being managed through the application of material controls. The Board has carried out a robust assessment of the principal and emerging risks and has taken them into consideration when assessing the long-term viability of the Group and Company on page 88. The list does not comprise all the risks that the Group may face and is not listed in order of priority.

This report is presented in the context of continued geopolitical and economic uncertainty. We do not include this as a standalone risk; instead, its potential impact is considered within the relevant individual principal risks.



Link to strategy



Portfolio development



Organic growth



Operational excellence



ESG

Risk	Risk description	Impact	Mitigation	Risk movement	Link to strategy
Strategic Risks					
1 ACQUISITIONS	<p>A key part of the Group’s strategy is to grow through selective acquisitions.</p> <p>Significant global events may impact the cost, timing or availability of potential acquisitions, as well as the availability of equity or bank funding. However, such events may also provide opportunities that would not otherwise exist.</p> <p>The Group may fail to successfully integrate acquisitions into its existing business model.</p>	<p>An inability to secure funding could limit our ability to pursue acquisitions and deliver on our growth strategy.</p> <p>Underperformance or poor integration of acquired businesses may adversely impact Group profitability, cash flow and reputation.</p>	<p>The Group has detailed target appraisal procedures in place, including appropriate due diligence, and has senior management with extensive M&A experience. Robust Board approval procedures ensure independent review of all proposals. The Board considers the size, strength and diversity of the existing business when considering proposals, and aims to avoid undue reliance on any one brand.</p> <p>Integration plans are developed ahead of acquisition completions to enable effective post-acquisition execution. Group Internal Audit and Risk Assurance performs post-integration audits to ensure operations are fully integrated. Previous acquisitions demonstrate the Group’s ability to successfully integrate new businesses.</p>	Stable	
Environmental, social and governance (ESG) risks					
2 STAKEHOLDER AND REPORTING REQUIREMENTS	<p>Developing more sustainable ways of doing business is vital. Investors, customers and other stakeholders increasingly expect companies to have clear plans and frameworks in place to strengthen their Environmental, Social and Governance (ESG) performance.</p> <p>A significant part of this risk relates to climate change and the potential effects of both physical and transition climate-related risks. See the TCFD section on pages 62 to 75 for more information.</p> <p>There is also a risk of failing to meet increasing regulatory and reporting requirements.</p>	<p>Failure to adequately mitigate ESG risks or meet regulatory and reporting requirements could lead to the loss of customers, investors or stakeholder support. This could damage our reputation, restrict access to capital and limit future growth.</p>	<p>We continue to focus on delivering sustainable value creation and remain committed to operating ethically, responsibly and in line with the highest standards of corporate governance.</p> <p>The Group has an established ESG governance structure and continues to strengthen it through Group-wide policies, enhanced carbon data reporting and the development of our wider ESG reporting capabilities. More information about our Sustainability approach, including to the risks and opportunities, can be found in our separate Sustainability Report available on our website.</p> <p>Our product development teams continue to focus on ESG-related product features, particularly in respect of water and energy saving capabilities. Our procurement teams are implementing stronger ethical-sourcing standards and working closely with suppliers to continuously improve on all aspects of ESG.</p>	Reducing	



PRINCIPAL RISKS AND UNCERTAINTIES

CONTINUED

Link to strategy



Portfolio development



Organic growth



Operational excellence



ESG

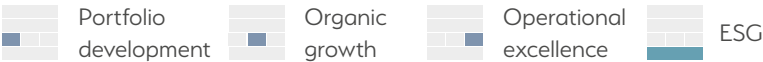
Risk	Risk description	Impact	Mitigation	Risk movement	Link to strategy
People risks					
3 STAFF RETENTION AND RECRUITMENT	Other than the health and safety of our people, which is of paramount importance to the Board, our principal people-related risk is the recruitment and retention of appropriately skilled individuals, including succession planning for experienced employees, managers and Directors.	Future growth plans may be restricted or delayed by difficulties experienced in recruiting and retaining appropriate employees.	The Group aims to offer competitive and fair remuneration, including bonus and incentive schemes, Sharesave and share option schemes and a range of other non-monetary benefits. Executive and key management are further incentivised through an Approved Performance Share Plan (APSP).	Stable	
	Achieving the Group’s strategic objectives depends on attracting and retaining the right people in the right roles and being the employer of choice in the communities in which we operate.	Losing key talent without sufficient succession planning may result in the loss of critical knowledge, experience, and continuity across the Group.	Despite inflationary pressures, pay reviews continue to prioritise equity.		
	The current employment landscape continues to present challenges, including high levels of employment, cost-of-living pressures, increases in employer’s national insurance and national minimum and living wage rates, evolving flexible working expectations, and expanding labour legislation.		We are also focused on strengthening our culture, fostering a welcoming, inclusive environment where people choose to be.		
			Ongoing investment in training, internal progression, and leadership development supports succession planning and ensures we continue to build capability across all areas of the business.		
Further details can be found in the Chief People Officer’s Report on pages 56 to 58.					
Commercial risks					
4 MARKET CONDITIONS	Demand in our markets is dependent on new building activity and repair, maintenance and improvement (RMI) activity in both the public and private sectors. This is, in turn, influenced by a range of geopolitical and macroeconomic factors affecting consumer confidence and government spending policy in our key markets. Following national elections in both the UK and South Africa last year, housing and other policies in those markets may be impacted in the longer term. Governments in both countries have made positive statements with regard to increasing housing without solid commitments being made by either government.	Demand for our brands, which are mid-premium positioned and therefore less cyclical, remains robust despite these geopolitical and macroeconomic pressures. However, demand could still weaken in the short to medium term if consumers’ discretionary spending patterns were to change, impacting profitability and cash generation.	Whilst we can’t directly affect the likelihood of the global risks noted materialising or getting worse, there are several mitigating factors in place that could limit the impact of potential changes in consumer spending patterns on the Group. These include the breadth of products offered, the geographical spread of our businesses, a flexible cost base and supply chain, investment in new product development and the replacement cycle of several of our key products.	Increasing	
	Growth in the global economy remains sluggish due to ongoing volatility and unpredictability. Negative factors include cost of living increases, financial market uncertainty, global trade wars, and ongoing conflicts.		We have scale in a fragmented market and are therefore able to navigate volatility better than many competitors.		
			The effects of wider geopolitical risks, such as increases in cyber security risk and climate change uncertainty, are addressed more specifically elsewhere, where relevant.		
5 LOSS OF KEY CUSTOMERS	Whilst the Group has a diverse range of customers, there are certain key customers that account for higher levels of revenue.	Many of the contractual arrangements with customers are short term in nature (as is common in our markets) and there exists a risk that the current performance of a business may not be maintained if such contracts were not renewed or extended or were maintained at lower volumes due to a decline in economic activity or our failure to provide goods or services in the way a customer requires us to do so.	The importance of relationships with key customers is recognised and managed by senior management within the Group, who have direct and regular access to their counterparts at the highest levels of management. We use our connected business model to introduce existing customers to our other brands, and we cross-sell complementary products to a range of customers across the Group.	Stable	
	Larger customers may acquire smaller customers, reducing the diversity of, and increasing our reliance on, a more concentrated customer base.		Our ESG strategy and credentials have been developed to meet our key customers’ expectations of their suppliers.		
	Market conditions noted elsewhere may have similar effects on all customers who could go out of business or change their business models, e.g. they may move to an online, or other alternative, model and we may miss this opportunity if we fail to adapt to such changes.		Rebate schemes and incentive programmes help maintain key relationships in a competitive market situation.		
			No one customer represents more than 10% of Group revenue.		
The Group stresses its key selling points, beyond product price and quality, such as continuity of supply, the financial strength of the Group and the level of customer service, to help maintain relationships. As well as an excellent product offering, the Group is also able to assist with customers’ sourcing, storage and logistics requirements.					
Routes to market continue to develop and evolve, and our businesses continue to improve their digital and online offering in response to the changing trading environment.					



PRINCIPAL RISKS AND UNCERTAINTIES

CONTINUED

Link to strategy



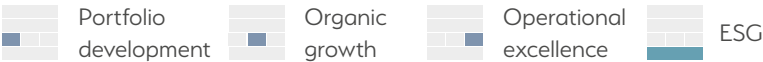
Risk	Risk description	Impact	Mitigation	Risk movement	Link to strategy
Commercial risks (continued)					
6 COMPETITION	<p>The Group operates within a highly competitive environment in all its markets; this creates several risks, as well as a range of opportunities if risks are managed well.</p> <p>The actions of our competitors, including their marketing strategies and new product development, could lead to them gaining competitive advantage in key products and markets.</p> <p>Our competitors may consolidate their businesses to provide products and services similar to our business model.</p>	<p>The Group recognises that there is a risk to its results and financial condition caused by the actions of its competitors, as well as by its own actions or inaction.</p>	<p>To help identify and manage such risks and opportunities, the competitive environment, the specific business marketplace and the actions of competitors are reviewed and discussed at both Group and operating division Board meetings.</p> <p>We proactively counter the threat from competitors through our own investment in innovative new product development, by registering and protecting our intellectual property rights, and by constantly striving to improve our product and customer service offerings.</p> <p>In addition, each market is carefully monitored to identify any significant shift in policy by any competitor, any change in the routes to market, any change in consumer tastes, or any indication of new competitors and/or new product technology entering the market.</p> <p>We have in-house specialists who consider the impact of changes in regulations, such as carbon-reducing initiatives in the Future Homes Standard, and who work hard to meet the demands of consumers.</p>	Increasing	
Operational risks					
7 RELIANCE ON PRODUCTION FACILITIES	<p>The Group operates facilities in South Africa for the manufacture of tiles and adhesives, and light assembly operations in the UK for Triton and Grant Westfield.</p>	<p>If any of these facilities (including technology used to operate them) were to fail, the effect on the Group could be significant.</p>	<p>With the sale of Johnson Tiles UK in 2024, the Group employs an increasingly capital-light model for its operations, like those in place at Triton and Grant Westfield, which have relatively light assembly operations.</p> <p>This has significantly mitigated the risks associated with dependence on production facilities across our brand portfolio. Whilst some of the risk may have moved to external suppliers, this is mitigated by having a flexible range of suppliers.</p> <p>In South Africa, where we continue to manufacture tiles and adhesives, there remain well-established preventative maintenance programmes in place, as well as a comprehensive and flexible “annual shutdown” programme throughout the manufacturing operations. In April, we announced a strategic review of our South Africa tile operations.</p> <p>Finished goods inventory holdings across the operations continue to provide limited “buffer” stocks in the event of operational failure.</p> <p>Business continuity and disaster recovery plans have been developed, are in place and are tested.</p> <p>Additionally, a business interruption insurance policy is in place to mitigate financial losses caused by a serious insurable event affecting manufacturing capability.</p>	Decreasing	
8 LOSS OF KEY SUPPLIER	<p>The Group’s extended supply chain, with its dependency on interconnected third parties for manufacturing, has several potential points of failure. Raw materials, components and energy represent a significant proportion of the Group’s input costs. The potential lack of availability or poor quality of these key elements represents a significant risk.</p> <p>Reliance on a single supplier or logistics partner within the supply chain, or on several key suppliers in close geographical proximity, could lead to a failure to acquire the required quantity or quality of essential resources or products.</p> <p>There are increasing risks associated with the geopolitical landscape in respect of the West’s relationship with China. Historically, this risk has focused on its stance on Taiwan, and any resulting trade or other economic sanctions, but more recently there has been increased uncertainty and volatility associated with global trade wars driven by reciprocal US/China tariffs.</p>	<p>The lack of supply of raw materials or components such as electronics, clay, sand, glass, brassware or gas and electricity, could have significant impacts on the Group’s ability to manufacture or procure product.</p> <p>The risk of energy supply interruption is elevated in South Africa as its utility infrastructure is less well developed than in the UK.</p>	<p>The Group manages supply chain risks through long-term relationships with key suppliers, audits of key suppliers, dual supply of critical materials or components, where considered appropriate, and holding appropriate levels of finished goods stock.</p> <p>Our businesses actively manage their supply chains and monitor input costs whilst liaising with their customers. They mitigate risks through proactive sourcing and pricing strategies.</p> <p>The Group maintains strict product quality standards and has dedicated procurement and quality control resource in China to ensure these standards are adhered to.</p> <p>The Group aims to mitigate risks on energy supply where these arise.</p> <p>The Group regularly reviews the geographical concentration of its supplier base and mitigates risks arising where it is commercially and economically practical to do so.</p>	Increasing	



PRINCIPAL RISKS AND UNCERTAINTIES

CONTINUED

Link to strategy



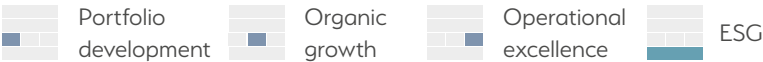
Risk	Risk description	Impact	Mitigation	Risk movement	Link to strategy
Financial risks					
9 EXCHANGE RATE RISK	The Group's financial performance is subject to the effects of fluctuations in foreign exchange rates. In particular, the Group sources a significant proportion of its components and goods for resale from the Far East and Europe, which are denominated in foreign currencies (primarily the US Dollar, Euro and Renminbi).	Should Sterling or the South African Rand weaken against these currencies, this could result in an increase in future input costs.	<p>The Group typically seeks to hedge its foreign exchange transactional flows for up to 12 months forward, which largely removes the effects of day-to-day exchange rate volatility on our businesses.</p> <p>Regular monitoring of exchange rates and market conditions, together with frequent dialogue with suppliers, allows our businesses time to negotiate revised commercial terms with customers to mitigate the impact of longer-term changes in exchange rates.</p> <p>The Group may, where it is considered appropriate, denominate some of its borrowings in other currencies to hedge translational asset risk.</p>	Stable	<div><div></div></div> <div><div></div></div> <div><div></div></div>
10 FUNDING AND LIQUIDITY RISK	The Group's ability to grow and adapt its business is dependent, in part, on its ability to source funding through bank financing facilities. Whilst the Group has committed funding until October 2027, it is possible that the Group may find it difficult to obtain financing on commercially acceptable terms in the longer term.	The inability to source adequate longer-term funding could impact our longer-term growth strategy, whilst a breach of one or more of the banking covenants could result in the Group's debt becoming immediately repayable.	<p>The Group completed a refinancing of its banking facilities in 2022 through to October 2027. We re-forecast our liquidity and funding requirements and covenant performance monthly. Senior Executives and brand management teams review, monitor and track short-term liquidity weekly and covenant performance monthly.</p> <p>We maintain appropriate headroom against our borrowing facilities and covenants, maintain strong working capital and capital expenditure controls and have disciplined planning, budgeting and forecasting processes.</p>	Stable	<div><div></div></div> <div><div></div></div> <div><div></div></div>
11 PENSION SCHEME RISK	The Group's pension position is subject to a number of risks including changes in interest rates, asset values, inflation and mortality (see note 24 for more detail).	These risks could increase the assessed pension scheme liability adversely or affect the funding of the defined benefits under the scheme and, consequently, the Group's funding obligations.	<p>The scheme was closed to new members and future accrual with effect from 1 April 2013 and replaced by an auto-enrolment compliant defined contribution scheme. Risks from rising costs of providing a final salary pension scheme have, therefore, been materially reduced.</p> <p>All asset investments are managed by professional fund managers, and a diverse asset portfolio is maintained to spread risk and return.</p> <p>Executive Management regularly monitors the funding position of the scheme and is represented on the Trustee board to monitor and assess investment performance and other risks to the Group.</p> <p>The Group considers each valuation (IAS 19R and technical provisions basis) and reassesses its position regarding its pension commitments in conjunction with external actuarial advice.</p> <p>The Group's financial results show a net surplus in this scheme, as at 31 March 2025 of £6.8m (2024: surplus of £16.5m) assessed in accordance with the accounting standard IAS 19R.</p> <p>In 2025, the Group reached agreement with the Trustee on the 2024 triennial actuarial valuation for the UK defined benefit scheme. The actuarial deficit at 31 March 2024 was £11.7m (2021: £35.8m). The deficit repair contributions were agreed at £3.8m per annum from 1 April 2022 to June 2027 (increasing with CPI, capped at 5%, each year). It was agreed that these payments would continue until the scheme is deemed to be in surplus on a technical provisions basis, at which point the contributions would be directed to an escrow agreement. The 2027 triennial actuarial valuation is expected to take place during the year ending 31 March 2028.</p>	Decreasing	<div><div></div></div> <div><div></div></div> <div><div></div></div>



PRINCIPAL RISKS AND UNCERTAINTIES

CONTINUED

Link to strategy



Risk	Risk description	Impact	Mitigation	Risk movement	Link to strategy
Information technology and cyber security risks					
12 CYBER SECURITY	<p>The Group relies on certain automated processes and systems to manage data and conduct its business. The increasing sophistication of cyber-crime and data-loss incidents, along with data protection legislation requirements, present risks to all organisations. The risk from state-backed cyber-attacks is seen as increasing with ongoing world conflicts and increased geopolitical uncertainty.</p> <p>Remote and home working continues to present risks due to system access from potentially less secure working environments.</p>	<p>A major failure of systems or a successful cyber-attack could result in a temporary inability to conduct operations or a loss of commercial or personal data. Such an incident may result in regulatory breaches, financial loss, operating disruption or damage to the reputation of the Group.</p>	<p>We continue to invest in cyber security measures following an independent review and evaluation of our cyber security maturity. We have continued to work hard on our cyber security "roadmaps" throughout the year to further improve our security posture. We have enhanced our approach to vigilance and resilience, including significant investment in a third-party Managed Detection and Response service to proactively monitor our networks for unusual activity and act swiftly in the event any is detected.</p> <p>This complements our existing risk prevention measures, which include a range of security tools and methods such as virtual private networks and multi-factor authentication.</p> <p>Each brand remotely backs up its data and undertakes annual manual penetration testing conducted by a certified third party, along with conducting ongoing vulnerability scanning of internal and external IP addresses and our websites.</p> <p>Group data protection policies and procedures are in place meeting UK and South Africa data protection legislative requirements. Data protection representatives have been nominated at each business to help coordinate the Group's approach to data protection and provide local advice.</p> <p>The Group maintains an online awareness training programme for all system users covering cyber security, information security and data protection. This was enhanced by the addition of an externally managed security awareness training programme, providing additional year-round cyber security awareness training for all information system users.</p> <p>We have cyber insurance cover providing some financial protection from cyber-related incidents and events. This cover includes access to a specialist third-party incident response service to provide an appropriate and quick response to any cyber or data breach incidents that may occur.</p> <p>During the year, a comprehensive IT disaster recovery scenario exercise was undertaken with third-party experts facilitating Board members, senior leadership team members, and IT and cyber teams in a desktop exercise to assess readiness for cyber attacks of varying nature. A similar exercise is planned for later in 2025.</p>	Increasing	

Viability statement

In accordance with provision 31 of the 2018 revision of the UK Corporate Governance Code, the Directors have assessed the viability of the Group over a longer period than the 12 months required by the "going concern" provision. Taking into account the Group's current position and the nature of the principal risks and uncertainties it faces, the Board has decided to assess the viability of the Group over a three-year period to 31 March 2028. The Board considers this period appropriate as it believes it is not possible to credibly forecast beyond this time horizon and it is also the period over which long-term incentives are set for Executive Directors and senior management.

A viability statement financial model was developed on a bottom-up basis by taking the output of the annual budgeting process built up by individual brands, subjected to review and challenge by the Board, and then applying conservative general and business-specific assumptions to build years two and three. The Board considers the outputs from this financial model, including the Group's cash flows, headroom under existing financial facilities, dividend cover and other key financial ratios over the three-year period. The financial model has then been stress

tested by modelling the most extreme but plausible scenario, that being a global pandemic similar in nature to COVID-19, which, at its peak, saw a revenue reduction of 25% on the prior year over a six-month period. The Directors have considered the impact of this scenario on the Group's financial performance (specifically headroom on our financial facilities and covenants) after taking account of mitigating actions that could be made, with the result being that the Group maintains the necessary liquidity levels and complies with the facility covenants despite the impact of significant declines in revenue, earnings, cash outflows and increasing leverage.

Reverse stress testing has also been applied to the model, which represents a further decline in sales compared with the reasonable worst case. Such a scenario, and the sequence of events that could lead to it, is considered to be implausible and remote.

Therefore, the Directors have a reasonable expectation that the Group and Company will be able to continue in operation and meet their liabilities as they fall due over the period to March 2028.

STAKEHOLDER ENGAGEMENT

Engaging with our stakeholders

Statement by the Directors in relation to their statutory duty in accordance with Section 172(1) of the Companies Act 2006.

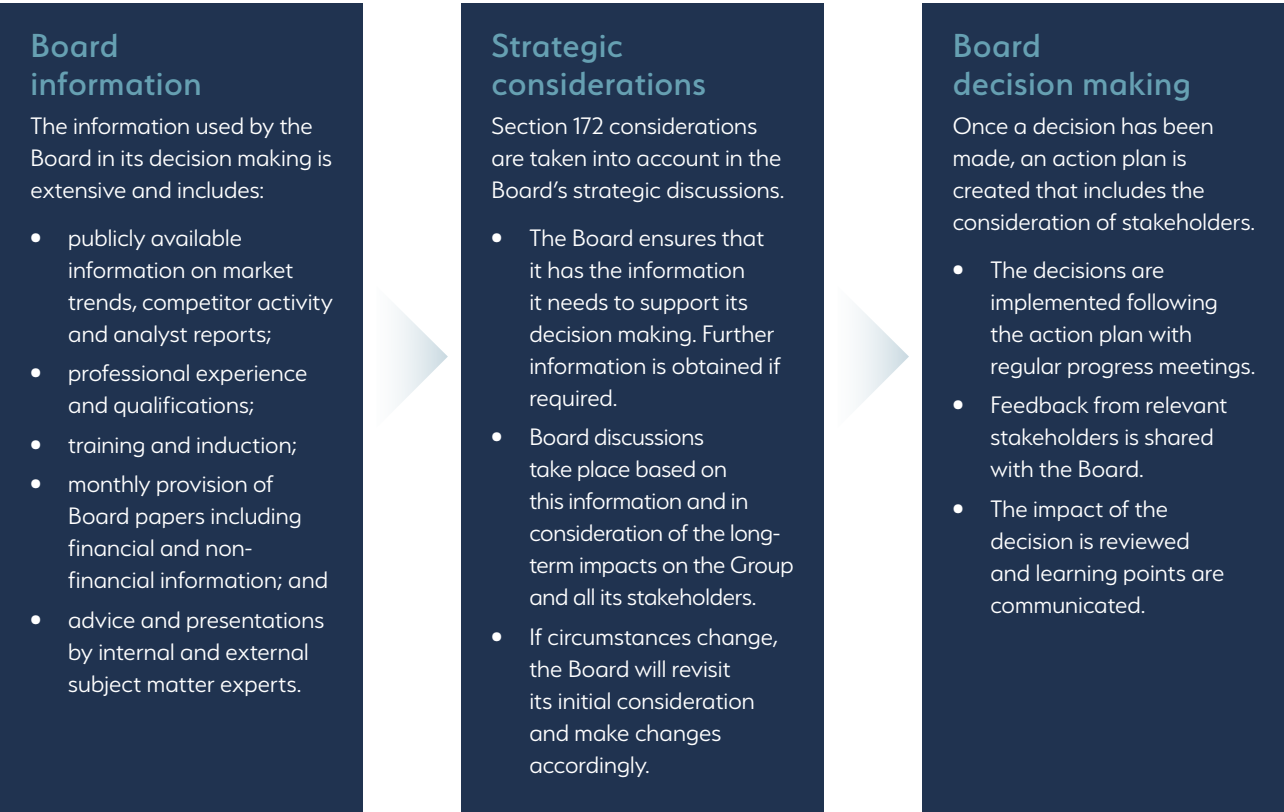
The Board of Directors of Norcros plc considers that they, both individually and collectively, have acted in a way that would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172(1) (a) – (f) of the Companies Act 2006) in the decisions they have taken during the year ended 31 March 2025.

In making this statement, the Directors have had regard to the longer-term consideration of stakeholders and the environment and have taken into account the following:

- a. The likely consequences of any decisions in the long term
- b. The interests of the Company’s employees
- c. The need to foster the Company’s business relationships with suppliers, customers and others
- d. The impact of the Company’s operations on the community and the environment
- e. The desirability of the Company maintaining a reputation for high standards of business conduct
- f. The need to act fairly as between members of the Company

The Board’s understanding of the interests of the Company’s stakeholders is informed by the programme of stakeholder engagement detailed below. Section 172 considerations are embedded in decision making at Board level and throughout the Group. The Directors fulfil their duties by ensuring that there is a strong governance structure and process running through all aspects of the Group’s operations. The strategy for the Group has been carefully considered by the Board in conjunction with the Group’s Executive Management teams.

The Board dedicates time for it to consider all stakeholder interests, primarily those of its shareholders as a whole, but also employees, suppliers, customers and the members of the Group’s pension schemes. All these stakeholders, amongst others, have been impacted in different ways by the global economic and other challenges facing the Group, and the Board has had regard to this and has formulated a number of measures to address stakeholder interests in a balanced way.



Shareholders

Shareholder support for our strategy is essential for the Group’s long-term success.

Why it is important to engage with this stakeholder group:

- We aim to provide a transparent, clear and consistent message on both our performance and our plans to create value, across our communication channels.
- We engage to ensure the Group responds to the changing needs and interests of shareholders and to ensure our strategy remains relevant.

How Norcros engaged in the year:

- Held scheduled and ad hoc meetings with institutional investors, alongside broader engagement through our AGM and direct access to the Board.
- Increased engagement with retail and private investors through online forums and targeted investor events.
- Enhanced digital communications with more content-rich strategic updates via LinkedIn and other online channels.
- Conducted focused consultation with major shareholders on elements of Executive Director remuneration. (See the Directors’ Remuneration Report for more detail.)

How Norcros responded:

- Engagement with our shareholders influenced our acquisition, capital investment, Executive remuneration and dividend policies.
- Feedback from shareholders directly informed the publication of our Capital Allocation Policy.
- The Remuneration Committee incorporated shareholder views into its approach to Executive Director pay.
- Published our first standalone Sustainability Report.

➔ READ MORE WHY INVEST IN NORCROS ON PAGES 10 AND 11

Customers

Our commitment to excellent customer service remains critical to our success.

Why it is important to engage with this stakeholder group:

- We engage to develop customer-focused solutions, ensuring the Group understands and responds to evolving customer needs. This helps us retain our customers and attract new ones.
- We also engage with customers to understand the environmental challenges they face.
- We engage to reinforce our customer-focused culture, delivering excellent customer service.

How Norcros engaged in the year:

- We engaged through our experienced customer service teams, interacting with customers on a daily basis and monitoring performance against service level agreements and quality standards.
- We attended several trade exhibitions with complementary stands to show customers how our products can work together.
- We worked with external experts to assist with detailed customer insights work to understand, in-depth, the needs and desires of our customers. See page 94 for one example from VADO.

How Norcros responded:

- Further investment in systems in areas such as sourcing and customer service to enhance the customer experience.
- Close collaboration between our brands to match products, colours, and finishes to make it easy to buy a complete bathroom solution.
- New product launches in response to customer needs, for example new Naturepanel and Tile Effect wall panels, the new Safari range at VADO, and a fully recycled toilet seat at Croydex.

➔ READ MORE ABOUT OUR CUSTOMERS ON PAGES 8 AND 9



STAKEHOLDER ENGAGEMENT

CONTINUED

Employees

The Board continues to regard our employees as our most valuable asset. The Group's strategy and business model are underpinned by the commitment and efforts of all our employees.

Why it is important to engage with this stakeholder group:

- We engage to ensure that all employees are valued and are given the opportunity to provide feedback and participate in shaping the development of the Group.
- This helps us underpin our culture of safety and ensures that employees at all levels in the business play a role in promoting and upholding a strong focus on health and safety, for the benefit of the Group and the wider community.

How Norcros engaged in the year:

- We undertook our first Group-wide employee engagement survey in partnership with Great Place to Work, with an exceptional 93% participation rate. More details are on page 95.
- The Chief Executive Officer completed a "Roadshow", visiting eight locations in the UK and Ireland to introduce the Group Purpose and Keys.
- We also engaged with staff throughout the Group within the businesses. Engagement is led by Alison Littley as the designated Non-executive Director for workforce engagement.
- At a business level, regular employee briefings took place to ensure that important information is shared.

How Norcros responded:

- Following the Great Place to Work survey, we have taken action throughout the Group in response to the feedback received. Action plans are being carried out at Group and business level, and changes are being communicated to employees.
- Employees are encouraged to be involved in the Company's performance through employee share schemes, and other means of incentivisation and reward.

→ READ MORE IN OUR **SUSTAINABILITY REPORT**

Environment

At Norcros, sustainability underpins our entire strategy. We aim to manage our societal and environmental impacts by conducting business to the highest standards as well as using resources more efficiently.

Why it is important to engage in this area:

- We engage to better understand environmental challenges and how we can contribute to meeting them and minimise the impact of the Group on the environment.
- This also enables us to adhere to relevant environmental legislation and regulations and to ensure that high environmental standards are respected at each of the Group's sites.

How Norcros engaged in the year:

- At a business level we have been working on categorising our product portfolio against our new Sustainable Products Framework, reviewing the sustainability credentials of each product.
- We worked with our customers and suppliers to improve the efficiency of our operations.
- We engaged with customers, suppliers and other stakeholders to understand the environmental challenges they face and look for ways to improve the efficiency of our businesses.

How Norcros responded:

- We published our first standalone Sustainability Report, allowing us to share more in-depth information and demonstrate through our actions how sustainability plays a part in our strategic decisions.
- We have measured 69% of our portfolio against our new Sustainable Products Framework so we can consistently measure and report on the sustainability of our products.

→ READ MORE IN OUR **SUSTAINABILITY REPORT**

Society

Our commitment to the society in which we operate is deep. Every Group business has programmes of social engagement, including many charitable activities.

Why it is important to engage in this area:

- We engage to have a positive impact on the local communities in which our businesses operate.
- We engage to encourage equal opportunities and a more diverse workforce.

How Norcros engaged in the year:

- We participated in charitable activities and initiatives across the Group such as MERLYN's partnership with the Pink Ribbon Charity and Triton's work with the Canal & River Trust.
- We empowered and encouraged our brands to support local charities, initiatives and community projects.
- The Executive Management of the Group supported this commitment to our society and reviewed each business's activities on a monthly basis.

How Norcros responded:

- We provided charity donations from the Group that each business could use at a local level however they saw fit.
- Triton, as one of the area's largest employers, has continued to invest in its apprenticeship scheme giving school leavers the opportunity to earn as they learn.

→ READ MORE IN OUR **SUSTAINABILITY REPORT**

“

True engagement isn't passive. It's about making sure the quieter voices get heard –because that's often where the best insight lies.

”

CHRIS MULLIGAN

Corporate Development and Strategy Director



STAKEHOLDER ENGAGEMENT

CONTINUED

VADO – Listening to our customers

We believe that continuous improvement starts with a deep understanding of our customers. Whilst feedback from our sales teams is valuable, we recognise the need for a more structured, data-driven approach. In light of this, VADO developed a customer research programme which proved incredibly useful.

Over the course of two months, VADO conducted qualitative research with 30 retail customers, exploring key aspects of their experience with the business. Topics ranged from product quality and pricing to portfolio breadth and ease of doing business.



The findings were encouraging. Customers gave VADO high scores for product quality, portfolio breadth, order fulfilment, ease of doing business, and overall engagement. Additionally, VADO's digital vanity selector tool, which enables customers to visualise and configure their vanity design, received overwhelmingly positive feedback, and as a result, we're increasing its visibility in upcoming campaigns. These affirmations were welcome, but the primary focus was to uncover areas where we could do better.

The research highlighted that the pricing system was perceived as overly complex. Fortunately, this aligned with a pricing simplification project already underway, and VADO launched a new, clearer pricing structure in January 2025.

Another insight revealed a surprising gap in awareness of services offered; for example, many customers were unaware of the next-day delivery service. This highlighted a straightforward communication issue, which has now been addressed and reinforced via VADO's digital media and catalogues. Customers also expressed a desire for a broader selection of finishes – a project previously identified and in development for launch in 2025.

Beyond the individual insights, it was validating to learn that many of the customer recommendations aligned closely with strategic initiatives already in motion. This not only reinforced the team's current direction but also demonstrated the value of listening closely and acting decisively.



GREAT PLACE TO WORK SURVEY.

Creating a culture where people feel seen, heard, and valued starts with listening. Our engagement survey gave every employee across Norcros a voice—and we're using those insights to shape what comes next.

Listening to our People: Our First Group-wide Engagement Survey

In 2024, we launched our first Norcros-wide Great Place to Work survey – a bold step forward in how we engage with our people. We wanted a consistent, structured and externally benchmarked way to hear directly from our teams.

The response was extraordinary. With a 93% participation rate across seven countries, over 1,900 employees shared their thoughts – an incredible show of commitment and care from our people. This level of engagement speaks volumes about the trust and connection within the Group.

Our aim wasn't just to listen, but to learn and act. The results highlighted clear strengths: excellent levels of employee pride, a safe and welcoming environment, and strong ethical leadership. They also revealed opportunities for growth, including the need for more consistent communication, fairness in reward and recognition, and addressing the root causes of work-based stress while embedding a culture of workplace wellbeing.

Crucially, we didn't file the results away. We held deep-dive reviews at business and Group level, with Executive and HR teams shaping tailored action plans. Local results were shared with employees, and many teams ran follow-up focus groups to explore specific themes and involve colleagues in shaping what comes next. Actions resulting from the survey are now embedded in our monthly and quarterly review cycles.

By putting data and dialogue at the heart of our people strategy, we're making a clear commitment: everyone at Norcros deserves to feel heard, valued and empowered to shape the culture we're building together.



81%
OF EMPLOYEES SAID THEY
ARE PROUD TO WORK FOR
THE NORCROS GROUP.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The following table summarises our approach to internal and external stakeholder engagement to comply with the requirements of the Companies Act 2006 regarding non-financial reporting (Sections 414CA and 414CB)

Reporting requirements

	Our position	Relevant policies	Further information
ENVIRONMENTAL MATTERS <ul style="list-style-type: none">Impact of our business on the environmentClimate-related financial disclosures	Sustainability is at the heart of our business and underpins our business strategy. We are committed to minimising our impact on the environment through our operations, products and services.	<ul style="list-style-type: none">Supply Chain Policy	See our Sustainability Report TCFD report pages 62 to 75
EMPLOYEES	We believe in the importance of doing the right thing for our people. We are committed to investing in our workforce and recognise the importance of their opinions to our success. We are continuously working towards a sustainable, safe and diverse working environment.	<ul style="list-style-type: none">Code of Ethics and Standards of Business ConductWhistleblowing PolicyHealth and Safety PolicyData Protection PolicyInformation Security Minimum StandardsCyber and Data Breach Policy	See our Sustainability Report Chief People Officer’s Review pages 56 to 58 Stakeholder engagement pages 90 to 95 Gender pay gap reporting – www.norcros.com
SOCIAL MATTERS AND HUMAN RIGHTS	We are deeply committed to the society in which we operate, and focus on supporting and engaging with our local communities. We are committed to upholding human rights across our business and with all our stakeholders.	<ul style="list-style-type: none">Code of Ethics and Standards of Business ConductAnti-Tax Evasion PolicyModern Slavery Act Statement	See our Sustainability Report Stakeholder engagement pages 90 to 95 Audit and Risk Committee Report pages 112 to 116 Modern Slavery Act Statement – www.norcros.com
ANTI-CORRUPTION AND ANTI-BRIBERY	We prohibit all forms of bribery and corruption within our businesses and comply with the requirements of all applicable anti-bribery and corruption laws.	<ul style="list-style-type: none">Anti-Bribery and Corruption PolicyAnti-Money Laundering PolicyWhistleblowing Policy	Audit and Risk Committee Report pages 112 to 116
OTHER INFORMATION <ul style="list-style-type: none">Business modelPrincipal risks affecting the Group and mitigating actions undertakenNon-financial key performance indicators	Additional non-financial information required under the Companies Act.	<ul style="list-style-type: none">Risk Management Policy and Procedures	Our Business Model pages 22 to 23 Risk management pages 78 to 89 ESG KPIs pages 37 to 39



Strategic Report

To the members of Norcros plc

The Strategic Report provides a review of the business for the financial year and describes how we manage risks.

The report outlines the developments and performance of the Group during the financial year and the position at the end of the year and discusses the main trends and factors that could affect the business in the future.

Key performance indicators are published to show the performance and position of the Group. Also provided is an outline of the Group’s vision, strategy and objectives, along with the business model.

Approval

The Group Strategic Report on pages 20 to 97 of Norcros plc was approved by the Board and signed on its behalf by:

THOMAS WILLCOCKS
Chief Executive Officer

11 June 2025



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

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BOARD OF DIRECTORS

KEY

- A Audit and Risk Committee
- N Nomination Committee
- R Remuneration Committee
- Chair of Committee



STEVE GOOD
Board Chair and
Non-executive Director

N R

Appointment to
the Board

Appointed Board Chair 1 July 2023

Length of tenure

Two years

Previous experience

Steve has previously served as chair of Zoteforms plc and Devro plc and as a non-executive director of Elementis plc, Dialight plc, Cape plc and Anglian Water. In his executive career, Steve was chief executive of Low & Bonar plc between 2009 and 2014, where he had previously held various senior roles since 2004.

External appointments

Steve is non-executive director and board chair of Essentra plc.



THOMAS WILLCOCKS
Chief Executive Officer

Appointment to
the Board

Appointed Chief Executive Officer 1 April 2023

Length of tenure

Two years

Previous experience

Prior to his appointment as Chief Executive Officer, Thomas operated as Group Business Director – UK, with operational responsibility for the Group’s UK and Ireland business segment. He joined Norcros South Africa in 2006 as Tile Africa’s Store Development Manager and was promoted in 2007 to General Manager of Tile Africa, before being appointed as Managing Director of Norcros South Africa in 2009. In this role, he oversaw the sustained and profitable growth of our South African business until taking up the Group role in 2021. Thomas previously worked for the Spar Group in South Africa and the UK. He grew up in Eswatini (formerly known as Swaziland) and was educated in South Africa where he graduated with a Bachelor of Commerce degree from the University of Natal.

External appointments

n/a.



JAMES EYRE
Chief Financial Officer

Appointment to
the Board

Appointed Chief Financial Officer 1 August 2021

Length of tenure

Four years

Previous experience

James joined Norcros as Director of Corporate Development and Strategy in 2014 before being promoted to Chief Financial Officer in August 2021. He began his career at Arthur Andersen and subsequently has held a number of senior financial positions with Bank of Scotland, Rothschild & Co, Bank of Ireland and, immediately prior to joining Norcros, with AstraZeneca. He is a member of the Institute of Chartered Accountants in England and Wales. James has extensive experience in international portfolio development, business development and strategy.

External appointments

n/a.



ALISON LITTLELY
Non-executive Director

A N R

Appointment to
the Board

Appointed to the Board 1 May 2019, Senior Independent Director from 1 July 2023

Length of tenure

Six years

Previous experience

Alison has substantial experience in multinational manufacturing and supply chain operations, and a strong international leadership background gained through a variety of senior management positions in Diageo plc and Mars Inc and an agency to HM Treasury where she was chief executive officer. Alison was formerly a non-executive director of Xaar plc, MusicMagpie plc, James Hardie Industries plc, Headlam Group plc, Geoffrey Osborne Group and Weightmans LLP.

External appointments

Alison is a non-executive director at Eurocell plc, where she is also chair of the ESG and Employee Engagement Committee.



STEFAN ALLANSON
Non-executive
Director

A N R

Appointment to
the Board

Appointed to the Board 1 January 2023

Length of tenure

Two years

Previous experience

Stefan has held senior finance roles at Keepmoat Ltd, Tianhe Chemicals Ltd, The Vita Group Ltd, The SkillsMarket Ltd and Honda Motor Company.

External appointments

Stefan is chief financial officer of MJ Gleeson plc, the Main Market-listed low-cost housebuilder and land promoter, where he has held the role since 2015.



REBECCA DENIRO
Non-executive
Director

A N R

Appointment to
the Board

Appointed to the Board 1 July 2024

Length of tenure

One year

Previous experience

Rebecca has previously served as chief executive officer and main board director of Pure Electric and managing director, GB and Ireland of Dyson Ltd.

External appointments

Rebecca is a non-executive director of several leading consumer and leisure brands including Regatta Ltd, Craghoppers Ltd, Ribble Cycles, Ruroc Global Holdings Ltd and Riverford Organic Farmers Ltd.



RICHARD COLLINS
Company Secretary

Appointment

Joined the Company in June 2013 as Company Secretary and Group Counsel

Length of tenure

12 years

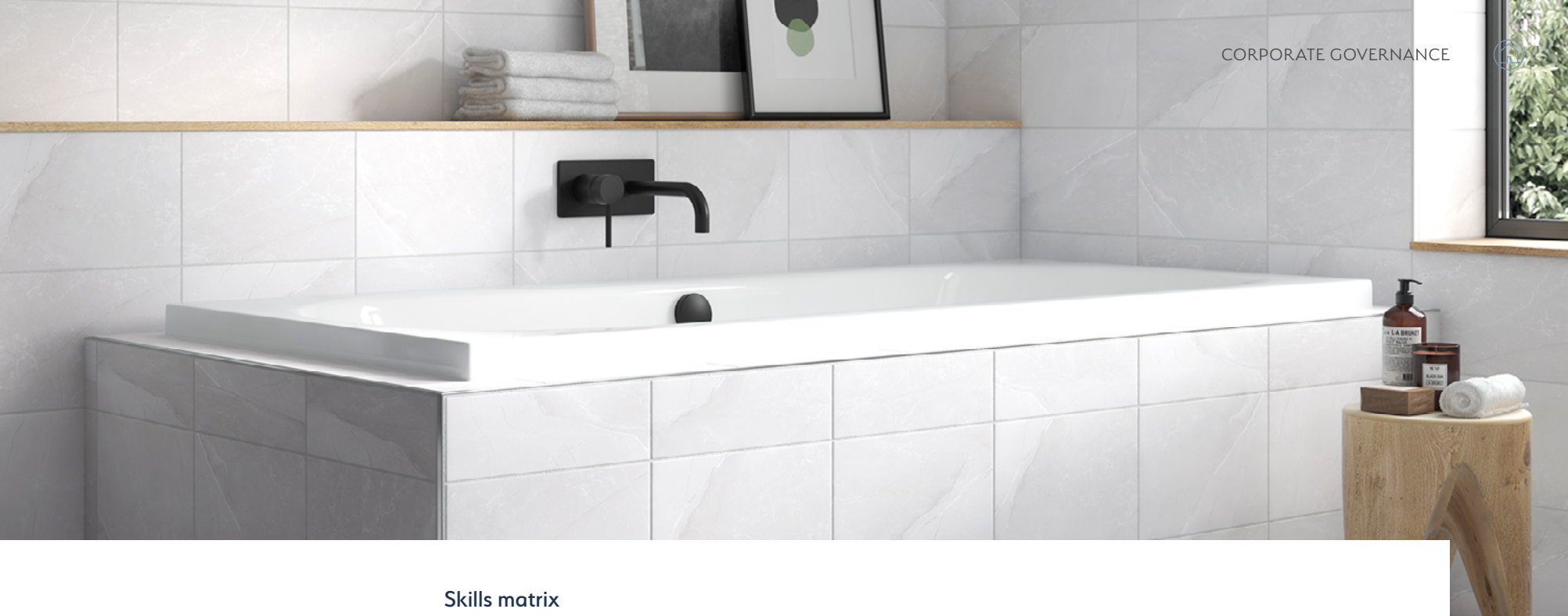
Previous experience

Richard is the Chief Legal Officer. He is a highly experienced lawyer and company secretary, and is a member of the Group’s Senior Executive Committee. He qualified as a solicitor in 1988 and was previously company secretary and director of risk and compliance at Vertex Financial Services. Prior to that, Richard was company secretary and head of legal with Tribal Group plc, Blick plc and Aggregate Industries plc.

GOVERNANCE AT A GLANCE

Our Board

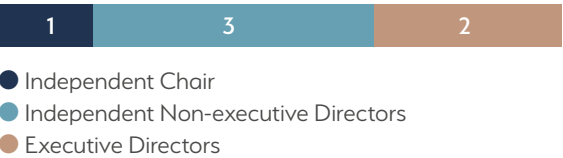
The Board comprises six Directors with a diverse and complementary range of industry experience, technical knowledge, perspectives and personal strengths.



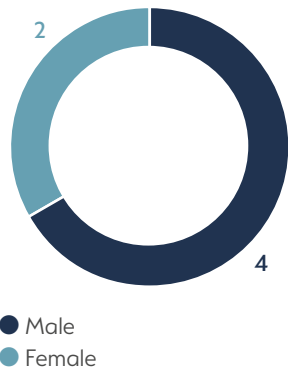
Length of tenure



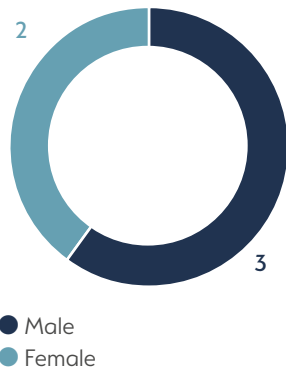
Independence



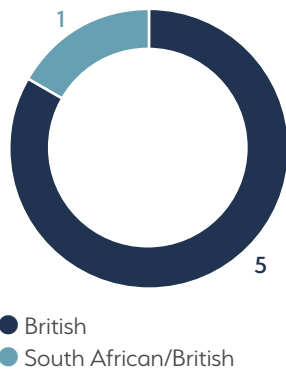
Board gender diversity



Executive Management gender diversity



Board nationality



Skills matrix

Category	Skill/area of expertise/experience	Number of Directors with skill/experience
SUPPORTING THE GROUP STRATEGY	Portfolio development	4
	Business development and strategy	6
	Investor relations	5
	Operational experience	5
	Sustainability	6
	Supply chain operations	5
OTHER AREAS OF GOVERNANCE	Banking and finance	3
	Risk management	6
	Executive leadership	6
	Governance	6
	Health and safety	6
	Workforce engagement	6

Attendance by individual Directors at meetings of the Board and its Committees

	Main Board 7 meetings	Audit and Risk Committee 3 meetings	Remuneration Committee 6 meetings	Nomination Committee 2 meetings
Steve Good, Chair	7/7	3/3	6/6	2/2
Alison Littley	7/7	3/3	6/6	2/2
Stefan Allanson	7/7	3/3	6/6	2/2
Rebecca DeNiro ¹	5/7	2/3	4/6	—
Thomas Willcocks	7/7	—	—	—
James Eyre	7/7	—	—	—

¹ Rebecca DeNiro was appointed on 1 July 2024. She attended all Board and Committee meetings held after this date.



CHAIR'S INTRODUCTION

I AM PLEASED TO PRESENT THE GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2025.



Despite a complex external environment, our commitment to excellence and collaboration has driven another year of progress. I am grateful to our colleagues for their dedication and determination in delivering a strong performance.

This year, we launched the Group's Purpose and Keys – led by Chief Executive Officer Thomas Willcocks and shaped by input from colleagues across the Group. This initiative has helped us clearly define why Norcros exists and how we do things. The Board fully supports this work and remains committed to enabling the Executive Directors to lead the business in a way that drives long-term, sustainable success. More details on the Purpose and Keys can be found on pages 14 and 15.

Sustainability is embedded in our strategy and operations, reflecting our commitment to long-term, responsible growth. The Board is immensely proud of the Group's progress in this area, including the publication of our first-ever Sustainability Report, available at www.norcros.com.

Board changes

Rebecca DeNiro was appointed as a Non-executive Director, effective 1 July 2024.

More details on the Board members can be found on pages 100 and 101.

Culture and people

The Board places great importance on employee engagement, ensuring direct interaction with colleagues across the Group. Board meetings are regularly held at our business sites, and Alison Littlely, our Non-executive Director responsible for employee engagement, meets with representatives from our brands in employee forums.

This year, the Board also reviewed the results of our first Great Place to Work survey and was delighted with the outstanding 93% response rate across the Group. The survey provided the Board with valuable insight as to the views of our colleagues and their experiences. We remain committed to supporting management in acting on the feedback, helping to shape an environment where everyone at Norcros can thrive.

Diversity

The Board values diversity in all its forms and recognises the benefits it brings to decision making and business performance. Alison Littlely's role as Senior Independent Director satisfies one of the three diversity targets set by the Financial Conduct Authority. Achieving the remaining targets – at least 40% female representation and one Board member from an ethnic minority background – remains a key focus in our recruitment and succession planning.

Beyond the Board, we are committed to fostering a diverse and inclusive working environment across the Group. As of 31 March 2025, women represented 36% of our workforce. Improving diversity and inclusion is one of our key people priorities, led by our Chief People Officer. More information can be found in the Chief People Officer's Review on pages 56 to 58.

Our commitment to engaging with stakeholders

A clear understanding of our stakeholders' interests informs decision-making at every level of the Group. More information on our engagement with stakeholders can be found on pages 90 to 95.

Strategy

The Board held its annual strategic planning event over two days in July 2024 to discuss the revised strategy for the Group over the short, medium and long term. This was an excellent opportunity for all the management teams across the Group to discuss the strategic priorities of each of our brands. The days consisted of open and engaging discussions on many areas, including the market challenges and growth opportunities. Since that strategy event, the Board has worked with the Group's Executive Management to update the Group's strategy, which is set out on pages 28 to 29.

Conclusion

I hope this report provides useful insight into our approach to governance and how we apply the Principles of the UK Corporate Governance Code. Our organisational structure and governance framework support effective decision-making and position us to deliver sustainable growth for the benefit of all our stakeholders.

STEVE GOOD
Chair

11 June 2025

Code Compliance

The Board is committed to ensuring that high standards of corporate governance are maintained by Norcros plc. For the year under review, the Company has complied with the 2018 UK Corporate Governance Code.

Division of Responsibilities

→ READ MORE IN THE **CORPORATE GOVERNANCE REPORT** ON PAGES 108 TO 111

Board Leadership and Company

→ READ MORE IN THE **CORPORATE GOVERNANCE REPORT** ON PAGES 108 TO 111

Composition, Succession and Evaluation

→ READ MORE IN THE **NOMINATION COMMITTEE REPORT** ON PAGES 118 TO 121

Audit, Risk and Internal Control

→ READ MORE IN THE **AUDIT AND RISK COMMITTEE REPORT** ON PAGES 112 TO 116

Remuneration

→ READ MORE IN THE **REMUNERATION COMMITTEE REPORT** ON PAGES 122 TO 146

“

Good governance isn't just about structure – it's about people, accountability, and a shared commitment to responsible, sustainable growth.

”

GOVERNANCE KEY HIGHLIGHTS

This year has seen significant events for the Company and its Board.

What was on the Board’s agenda this year?

Strategic development

- Formulation and finalisation of our updated strategy
- Portfolio re-alignment: disposal of Johnson Tiles UK to management
- Progressing ESG agenda

Purpose and values

- Clearly expressing the Company’s purpose
- Communicating our Keys (values) to all employees and embedding them in our policies and everything we do

Board composition

- Appointment and induction of additional Non-executive Director

CASE STUDY

Governance in Action: Women’s Leadership Forum

The Norcros Women’s Leadership Forum was formed to support the progression of women across the Group and to foster more inclusive leadership.

Whilst focused on gender, the Forum’s work is already shaping broader employee experiences by driving improvements in equity, flexibility and inclusive practices.

At the second Forum in December, leaders from across our businesses came together to share progress and shape what comes next. In just one year, we’ve seen meaningful change: updates to recruitment practices to reduce bias, expanded flexible working policies, new menopause and transgender inclusion resources, and stronger leadership development pathways.

At Group level, our people policy review led to a suite of updated policies aimed at supporting employees through all life stages. We also launched two new initiatives: **the Norcros Leadership Pathway**, which provides a consistent approach to leadership



“This isn’t just a women’s programme. It’s about creating a better place to work – for everyone.”

development, and the **Norcros Women in Leadership Programme**, which includes coaching, mentoring, peer networks, and action learning to support women stepping into senior roles.

The Forum’s work is reviewed by the Board and remains a firm priority of the Group – an example of governance driving culture in action.

Committee highlights

Audit and Risk Committee

Areas of focus this year:

- Monitoring key risks and risk management policies and procedures
- Assessing the effectiveness of the Group’s internal controls
- Monitoring the Group’s systems and controls for complying with regulation and detecting and preventing wrongdoings
- Planning the implementation of the revisions to the Corporate Governance Code

Nomination Committee

Areas of focus this year:

- Induction of new Non-executive Director
- Full Board evaluation
- Continued succession planning for Board and senior management
- Development of updated Diversity, Equity and Inclusion Policy

Remuneration Committee

Areas of focus this year:

- Implemented our existing pay policies to meet the Group’s objectives
- Reviewed our bonus and APSP scorecards to ensure continued close alignment with the strategy



CORPORATE GOVERNANCE REPORT

Board of Directors

The Board is committed to ensuring that high standards of corporate governance are maintained by Norcros plc and is accountable to the Company’s shareholders for good corporate governance. Its policy is to manage the affairs of the Company in accordance with the principles of the UK Corporate Governance Code referred to in the Listing Rules of the UK Listing Authority. For the year under review, the Company has complied with the UK Corporate Governance Code 2018 (the Code) in all respects.

A copy of the Code is publicly available from www.frc.org.uk. The following sections of this statement describe the Board’s approach to corporate governance and how the principles of the Code are applied. These sections refer to the year ended 31 March 2025, unless otherwise stated.

Board balance and independence

The Board comprises the Non-executive Chair, three Non-executive Directors and two Executive Directors. All Directors are equally responsible for the proper stewardship and leadership of the Company. The Directors holding office at the date of this report and their biographical details are given on pages 100 and 101.

In line with the Code, the Board considers the Chair and all the Non-executive Directors to be independent of the Company’s Executive Management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. The terms and conditions of appointment, including the expected time commitments, of the Board Chair and the Non-executive Directors are available for inspection at the Company’s registered office. The Chair and Non-executive Directors regularly disclose their other significant commitments to the Board throughout the year. The Board remains satisfied that the Chair’s other significant commitments do not prevent him from devoting sufficient time to the Company.

Governance structure

Alison Littley is the Senior Independent Non-executive Director. She is available to shareholders for issues or concerns that remain unresolved through the normal channels of Board Chair, Chief Executive Officer or Chief Financial Officer, or where such contact is inappropriate.

All Directors receive timely, relevant documentation and financial information to support them making well-informed decisions that are in the best interests of the Company as a whole. The Board regularly reviews the management and financial performance of the Company, as well as long-term strategic planning and risk assessment. Regular reports are given to the Board on matters such as pensions, health and safety, and litigation.

Any concerns that a Director may have about how the Group is being run or about a course of action being proposed by the Board will, if they cannot be resolved once those concerns have been brought to the attention of the other Directors and the Board Chair, be recorded in the Board minutes. In the event of the resignation of a Non-executive Director, that Director is encouraged to send a written statement setting out the reasons for the resignation to the Chair, who will then circulate it to the other members of the Board and the Company Secretary.

Board Chair and Chief Executive Officer

The positions of Chair and Chief Executive Officer are held by separate individuals and the Board has clearly defined their responsibilities. The Chair is primarily responsible for the effective working of the Board, ensuring that each Director, particularly the Non-executive Directors, is able to make an effective contribution. The Chief Executive Officer has responsibility for running the Group’s businesses and for the implementation of the Board’s strategy, policies and decisions.

Board, Committee and Director evaluation

The Chair appraises the performance of the Board and conducts individual evaluations of the Executive and Non-executive Directors. The Senior Independent Non-executive Director leads the Board’s appraisal of the Chair, whilst the Board evaluates the performance of its three Committees. Evaluations are conducted annually and are organised to fit in with Board priorities and succession planning activity.

A formal evaluation was carried out for the year under review in accordance with the Code. This process involved detailed questionnaires, meetings and discussions, the results of which were then reviewed. The Chair oversees each Director’s development and ongoing training requirements to ensure their continued effectiveness. The overall results of the evaluation were satisfactory and identified the following key areas of focus for the Board and its Committees:

- Strategy – detailed execution plans and organisational structure
- Senior Leadership – talent development and succession
- Board reports – enhancements to financial analyses

Advice for Directors

Directors may seek independent professional advice at the Company’s expense through the Company Secretary when deemed necessary to fulfil their responsibilities. All Directors also have access to the advice and services of the Company Secretary, who ensures compliance with Board policies and procedures. The appointment and removal of the Company Secretary are matters reserved for decision by the Board.

Board procedures

The Board has a formal schedule of matters specifically reserved to it for decision, which it reviews periodically. This ensures that all major strategy, policy and investment decisions affecting the Company are made at Board level. It is also responsible for business planning and risk management policies and the development of policies for areas such as safety, health and environmental policies, Directors’ and senior managers’ remuneration and ethical issues. The Board provides strategic direction to the Company’s management and is ultimately accountable for the Group’s performance.

The Board ensures that decisions are made by the most appropriate people in a timely manner, avoiding unnecessary delays. It has formally delegated specific responsibilities to its Committees: the Audit and Risk Committee, the Nomination Committee and the Remuneration Committee. The Terms of Reference for these Committees are available on the Company’s website at www.norcros.com.

Reports from these Committees can be found on the following pages:

- Audit and Risk Committee: pages 112 to 116
- Nomination Committee: pages 118 to 121
- Remuneration Committee: pages 122 to 146

The Board will also appoint Committees to approve specific processes as needed, such as aspects of corporate transactions or the administration of share options.

The directors and management teams of each Group brand are responsible for their respective business entities. They are accountable for delivering targets approved by the Board in relation to budgets, strategy and policy.

Directors’ roles

The Executive Directors work exclusively for the Group. However, when appropriate, they are encouraged to take on one non-executive directorship in another non-competing company or organisation. Currently, neither the Chief Executive Officer nor the Chief Financial Officer holds a non-executive directorship.

The terms and conditions of appointment of the Non-executive Directors are available upon written request from the Company. Non-executive Directors confirm that they have sufficient time to fulfil their role and disclose any other significant commitments, including an indication of the time involved in each. The annual evaluation process includes an assessment of whether the Non-executive Director is spending enough time to fulfil their duties.

If a Non-executive Director is offered an appointment elsewhere, the Board Chair is informed before any such offer is accepted and the Chair will subsequently inform the Board.

The Board has procedures in place to manage conflicts of interest effectively, in accordance with the Company’s Articles of Association. Each Director is responsible for notifying the Board of any potential conflict, which is then reviewed and addressed as appropriate.

All new Directors (including Non-executive Directors) receive a full, formal and tailored induction upon joining the Company. As part of this process, the Chair ensures that major shareholders have the opportunity to meet a new Non-executive Director. The Chair also periodically assesses the training and development needs of all Directors and ensures that any suitable training and updates are provided to Directors. Further information about the induction process can be found in the Nomination Committee Report on pages 118 to 121.





CORPORATE GOVERNANCE REPORT

CONTINUED

Retirement by rotation

Each Director is subject to election by shareholders at the first Annual General Meeting after their appointment. Thereafter, in accordance with the Company’s Articles of Association, one-third of the Directors retire each year by rotation, with all Directors required to seek re-election at least every three years. However, the Board has determined that, where appropriate, all Directors should stand for re-election annually. Accordingly, each continuing Director will seek re-election at the next Annual General Meeting. Biographical details of all Directors are set out on pages 100 and 101 and on the Company’s website at www.norcros.com.

Financial reporting

When issuing the annual and interim financial statements, the Directors aim to present a fair, balanced and understandable assessment of the Group’s results and outlook. The Directors have a collective responsibility for the preparation of the Annual Report and Accounts, which is more fully explained in the Statement of Directors’ Responsibilities on page 151.

Relations with shareholders

The Company recognises the importance of maintaining strong communications with shareholders. It actively engages with them on specific matters and takes steps to ensure that the Board, particularly the Non-executive Directors, understands the views of major shareholders. Directors have regular meetings with the Company’s major shareholders as well as receiving regular feedback on their views through the Company’s brokers. The Board regularly receives copies of analysts’ and brokers’ briefings. Reports of these meetings, and any shareholder communications during the year, are given to the Board.

The Company publicly publishes any significant events affecting the Group and updates on current trading. The Board Chair and the Non-executive Directors are also offered the opportunity to attend meetings with major shareholders and the Non-executive Directors, and in particular, the Senior Independent Director, would attend such meetings if requested to do so by any major shareholder. The Annual and Interim Reports, together with all announcements issued to the London Stock Exchange, are published on the Company’s website at www.norcros.com.

The Notice of the Annual General Meeting is sent to shareholders at least 20 working days before the meeting. It is the Company’s practice to propose separate resolutions on each substantially separate issue. Proxy appointment forms allow shareholders to direct their proxy to vote either for or against the resolution or to withhold their vote. The Company ensures that all valid proxy appointments received for general meetings are properly recorded and counted. For each resolution, the following information is given at the meeting and published as soon as reasonably practicable on the Company’s website:

- The date of the meeting
- The text of the resolution
- The number of votes validly cast
- The proportion of the Company’s issued share capital represented by those votes
- The number of votes cast in favour of the resolution
- The number of votes against the resolution
- The number of shares in respect of which the vote was withheld

The Board Chair seeks to arrange for the Chairs of the Audit and Risk, Nomination and Remuneration Committees (or a deputy, if necessary) to be available at the Annual General Meeting to answer any questions relating to the work of their respective Committees.

Accountability and audit

The respective responsibilities of the Directors and auditor in connection with the financial statements are explained in the Statement of Directors’ Responsibilities on page 151 and the Auditor’s Report on pages 154 to 164. The Directors ensure the independence of the auditor by requesting annual confirmation of independence, which includes the disclosure of all non-audit fees.

Risk management and internal control

The Board is responsible for the Group’s system of internal control and its effectiveness, covering all material controls, including financial and operational risk management and compliance. This responsibility is fulfilled through an annual review programme of the internal control environment at each brand. These reviews are carried out by the Group Head of Internal Audit and Risk Assurance, who is independent of the brands, and the results are communicated to the Audit and Risk Committee.

The Board has carried out a robust assessment in order to identify and evaluate what it considers to be the principal risks facing the Group and has assessed the adequacy of the actions taken to manage these risks. This risk management process has been in place for the period under review and up to the date of the approval of the Annual Report and Accounts. The principal risks are disclosed on pages 80 to 89.

The Group’s insurance continues to be managed and co-ordinated centrally with the assistance of insurance brokers. This gives the Group full visibility of its claims history and the insurance industry’s perception of the Group’s overall risk via the respective insurance premiums. The Company examines the size and trend of these premiums and the extent to which it can mitigate the risk and reduce the overall risk burden in the business by considering the appropriate level of insurance deductible and the potential benefit of self-insurance in some areas.

Viability

In accordance with the Code, the Board has assessed the prospects of the Company, using a three-year assessment timescale, and concluded that there is a reasonable expectation that the Company will be able to meet its liabilities and continue in operation. The full Viability Statement is contained on page 88.

Operational structure, review and compliance

In addition to the Chief Financial Officer, the Group has Senior Financial Managers at its Group office. The Group Head of Internal Audit and Risk Assurance, appointed in March 2020, is responsible for the Internal Audit and Risk Assurance function for the Group. Further information on the work of this function is in the Audit and Risk Committee Report on pages 112 to 116.

The Group operates within a structured control framework, which includes:

- an organisational structure with clearly defined lines of responsibility, delegation of authority and reporting requirements;
- a culture of open communication between operational management and Executive Management on matters relating to risk and control;
- defined expenditure authorisation levels; and
- a comprehensive system of financial reporting, including:
 - Detailed annual budgets for each brand, approved by the Group Executive Management.
 - Board approval of the overall Group’s budget and strategic plans.
 - Monthly financial reporting, comparing actual results to budget and the prior year, with forecasts revised where necessary.
 - Board review of significant changes and adverse variances, with remedial action taken where appropriate.
 - Weekly cash and treasury reports to the Chief Financial Officer and periodic tax and treasury updates to the Board.

The system of internal control is designed to manage, rather than eliminate, the risk of failing to achieve business objectives and can only provide reasonable, not absolute, assurance against material misstatement or loss. It is tested and developed as appropriate by the Group Head of Internal Audit and Risk Assurance working in conjunction with the Audit and Risk Committee.

The control framework as outlined above gives reasonable assurance that the structure of controls in operation is appropriate to the Group’s situation and that risk is kept to acceptable levels throughout the Group.

Takeover directive

Share capital structures are included in the Directors’ Report on pages 148 to 150.

Approved by the Board of Directors on 11 June 2025 and signed on its behalf by:

STEVE GOOD
Board Chair

11 June 2025





AUDIT AND RISK COMMITTEE REPORT



Stefan Allanson
Chair of the Audit and Risk Committee

OTHER MEMBERS:

- Alison Littlely
- Rebecca DeNiro

MEETINGS HELD:

The Committee met three times during the year.

KEY ACTIVITIES FOR 2025:

- Monitoring key risks and risk management policies and procedures
- Assessing the effectiveness of the Group’s internal controls
- Monitoring the Group’s systems and controls for complying with regulation and detecting and preventing wrongdoings
- Assessing and selecting a new audit partner following retirement of the previous partner
- Planning the implementation of the revisions to the Corporate Governance Code

AREAS OF FOCUS FOR 2026:

A continued focus on developing the risk management framework, ensuring internal controls remain effective and further assessment of the 2024 Corporate Governance Code, including Provision 29.

Monitoring the Company’s reporting and risk management

Members

The Chair of the Committee, Stefan Allanson, is considered to have recent and relevant financial experience as he is a qualified accountant with extensive financial leadership experience and he is currently the chief financial officer of MJ Gleeson plc.

The Board is satisfied that the Committee has the appropriate level of expertise to fulfil its Terms of Reference. The Committee reviewed its own Terms of Reference, performance and constitution during the year.

Role and responsibilities of the Audit and Risk Committee

The main responsibilities of the Audit and Risk Committee (the Committee) are:

- monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company’s financial performance, and reviewing significant financial reporting judgements contained in them;
- providing advice (where requested by the Board) on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company’s position and performance, business model and strategy;
- reviewing the Company’s internal financial controls and internal control and risk management systems;
- monitoring and reviewing the effectiveness of the Company’s Internal Audit and Risk Assurance function;
- at the appropriate time, conducting the tender process and making recommendations to the Board about the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditor’s independence and objectivity; and
- reviewing the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements.

The Committee’s Terms of Reference are in compliance with the UK Corporate Governance Code 2018 and provide full details of its role and responsibilities. A copy can be obtained from the Company’s website, www.norcros.com.

Significant financial reporting matters in the 2025 Annual Report

The significant financial reporting matters that the Committee considered in the year are detailed below:

Going Concern and Viability Statement

The Group has prepared a Viability Statement reflecting the potential impact of principal risks and uncertainties, including a situation similar in nature to the COVID-19 pandemic, on liquidity and solvency. This has been performed by modelling a reasonable worst-case scenario and then applying a reverse stress test on the Group’s current forecasts. Further details are included on page 88 and on page 169.

The Committee, alongside the Board, has reviewed and considered the detailed forecast scenarios and agrees with management’s conclusions.

Defined benefit pension scheme

The Group’s UK defined benefit pension scheme is significant both in terms of its context in the overall Balance Sheet and the results of the Group. The Group’s UK defined benefit pension scheme (as calculated under IAS 19R) shows a surplus of £6.8m at 31 March 2025 from a surplus position of £16.5m at 31 March 2024.

The valuation of the present value of scheme liabilities involves significant judgement and expertise, particularly in respect of the assumptions used. In order to value the liabilities, management has engaged an independent firm of qualified actuaries, PwC. The Committee reviewed the outputs from this work and benchmarked the assumptions, particularly the net discount rate, with those applied by other companies with defined benefit pension schemes with similar characteristics and having the same measurement date. The Committee concurred with the assumptions put forward by management to value the liabilities.

The Committee considered the approach and judgement taken by management in determining the value of the surplus and concurred with management’s view.

Fair, balanced and understandable

The Committee formally reviews the Company’s annual and interim financial statements and associated announcements, and considers significant accounting principles, policies and practices and their appropriateness, financial reporting issues and significant judgements made, including those summarised above.

The Committee also advises the Board on whether it considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the necessary information for shareholders to assess the Company’s financial position and performance, strategy and business model.

The Committee concluded that these disclosures, and the processes and controls underlying their production, meet the latest legal and regulatory requirements for a listed company and that the 31 March 2025 Annual Report and Accounts is fair, balanced and understandable.

Meetings of the Committee

The Committee met formally three times during the year ended 31 March 2025. By invitation, the Board Chair, Chief Executive Officer, Chief Financial Officer, Company Secretary, Group Head of Internal Audit and Risk Assurance and Group Financial Controller also attended each of these meetings as well as the engagement partner and other members of the audit team from the external auditor.

The Committee may invite other individuals either from within the Company or external technical advisors to attend meetings to provide information or advice as it sees fit.

At each meeting, the Committee had the opportunity to discuss matters with the external and internal auditor without management being present. The Chair of the Committee also has regular discussions with the external audit partner outside of the formal Committee process. The Head of Internal Audit and Risk Assurance has independent access to the Chair of the Audit and Risk Committee as required.

At each of its meetings, the Committee reviews any financial communications issued to the market.

AUDIT AND RISK COMMITTEE REPORT

CONTINUED

Principal activities of the Audit and Risk Committee during the year

A wide variety of issues were addressed in the year; they are summarised in the table below:

Area	Activities
Financial reporting	<ul style="list-style-type: none">Review of the Company’s trading updates and other financial communicationsReview of the Company’s interim results for the six months ended 30 September 2024Review of the Company’s Annual Report and Accounts for the year ended 31 March 2025, including consideration of:<ul style="list-style-type: none">significant financial reporting matters;whether the Annual Report and Accounts is fair, balanced and understandable; andthe requirements of the going concern assessment and Viability StatementReview of changes to corporate reporting requirements
External audit	<ul style="list-style-type: none">Following the retirement of the previous audit partner, the Committee undertook a thorough assessment process before selecting Gareth Singleton as audit partnerReview of the external auditor’s proposed audit work plan for the year ended 31 March 2025, including its assessment of the principal financial reporting risksReview of the external auditor’s terms of engagement and proposed feesAssessment of the external auditor’s independence, objectivity, qualifications and expertise, including a review of its internal quality control checksReview of the findings from the external audit for the year ended 31 March 2025
Internal audit	<ul style="list-style-type: none">Review of the internal audit work programme for 2025Approval of the annual internal audit programme for 2026Review of current internal audit resource levelsAssessment of the work carried out to test and review internal controls and cyber security, together with the status of recommendations made and actions agreedReview of findings and agreed actions arising from internal audit assignments
Compliance	<ul style="list-style-type: none">Review of the whistleblowing logReview of the fraud and attempted fraud logReview of the data protection log including data incidents, data subject access requests, etc.
Risk management	<ul style="list-style-type: none">Review of the Group’s reported principal risks and uncertainties including consideration of any new or emerging risks and uncertainties identified and amendment of current principal risks as requiredReview of the actions taken by the Group to manage its principal risks with continued focus on cyber security risks, including the implementation of world-class Managed Detection and Response and Managed Security Awareness services, and ESG risks, such as climate change targetsConsidered the impact of Provision 29 of the UK Corporate Governance Code 2024 in preparation for future implementation
Governance	<ul style="list-style-type: none">Conducted an appraisal of the performance of the CommitteeReview of the Group’s policy in respect of the employment of former employees of the external auditorReview of the Group’s policy in respect of the engagement of the external auditor for non-audit services and non-audit services provided by the external auditor during the yearReview of the Committee’s Terms of Reference and constitution in line with current best practiceReview of the implementation of a project to bring Governance, Risk and Compliance systems online



Internal audit framework

The Group has a dedicated Group-wide Internal Audit and Risk Assurance function that is led by an experienced Group Head of Internal Audit and Risk Assurance. This role is supported by a small dedicated internal audit team based in South Africa focused on the particular risks faced by the Group’s retail and manufacturing operations in South Africa. Internal audit resources are kept under constant review to ensure an appropriate level of independent assurance is obtained by the Committee.

The Group operates a rolling 12-month audit plan prepared by the Group Head of Internal Audit and Risk Assurance. The plan is risk based using assessments carried out by the Group, includes senior management input and is reviewed and approved by the Committee. At each meeting, the Committee considers the results of the audits undertaken during the preceding period and the adequacy of management’s response to matters raised. Additionally, the related mitigations against issues and actions raised from these audits are systematically followed up in subsequent Committee meetings until they are adequately resolved.

The Group control and risk self-assessment questionnaires, which are completed annually by each business and cover financial and information security controls, are reviewed by the Group Head of Internal Audit and Risk Assurance and the Group Financial Controller. The self-assessment process includes a management representation requiring senior managers at each business, as well as at the Group office, to confirm that they have applied and followed all required policies and procedures in the year. Key control issues that arise from these reviews are raised with the Committee, with the results of the assessments informing the audit plan and individual audit engagements.

Group internal audit and risk assurance activities during the year

The Group Internal Audit and Risk Assurance team provided assurance across a wide range of risks during the year, in line with the standards set out in the approved audit charter. The annual audit plan, which is approved by the Committee, included business reviews of operational units, assessing the effectiveness of key internal controls in place over selected systems and processes, which, this year, included reviews of the implementation of supply chain management policy and procedures, and the management of intellectual property rights. In South Africa, the primary focus was on the

controls in place at retail outlets with completion of a cycle of operational reviews across all stores. The plan also included the South African Head Office financial and other risk-based reviews in line with the Group audits noted above. Actions agreed during previous audit visits were reviewed to confirm management’s progress.

Other key activities of the function during the year included oversight of the Group’s online awareness training programme, which covers an expansive range of topics including anti-bribery and corruption, information security, data protection, cyber security and modern slavery. Training also covers modern slavery and human trafficking awareness, and a range of health and safety and management soft skills training courses including diversity, equity and inclusion, and the prevention of bullying and sexual harassment. The team also liaises closely with our insurers on a range of risk management projects including cyber security, incident response, business continuity and disaster recovery planning, along with company vehicle driver licence checking and driver behavioural training.

Internal audit manages the annual control and risk self-assessment process covering financial and information security controls. This process has been brought online during the year using third-party Governance, Risk and Compliance (GRC) software, which will enable independent assurance that the controls declared by management are in place and operating effectively. This GRC software is expected to provide functionality that will enable Internal Audit to provide even greater assurance on the material controls in place over the Group’s principal risks. This will empower the Board to be able to attest to the adequacy of the internal control and risk management frameworks, meeting future requirements of the revised UK Corporate Governance Code.

Summaries of all findings and actions, and updates on all audit work and other key activities, are provided at each Audit and Risk Committee meeting.

Risk management framework

Our risk management framework is highlighted on pages 78 and 79 of our Strategic Report. The Audit and Risk Committee’s role in the risk management framework can be summarised as:

1. Review of current and emerging risks through the discussion of identified risks and mitigating actions with divisional management in annual strategic reviews



AUDIT AND RISK COMMITTEE REPORT

CONTINUED

- 2. Annual review of the risk management reporting process and associated outputs, including principal risks, to ensure they are robust and effective and include all risks that could threaten the business model and future strategy
- 3. Review of the Annual Report and Accounts to ensure that it provides a fair reflection of risk assessments undertaken

Internal control and risk management review

The Board has overall responsibility for the Group’s system of internal control and risk management and for reviewing its effectiveness. The internal control systems are designed to meet the needs of the Group and to manage, rather than eliminate, the risk of failure to achieve business objectives. Such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Committee undertakes a review, at least annually, of the effectiveness of the Company’s system of internal controls and risk management and the Board will take into account the Committee’s Report, conclusions and recommendations in this regard. The Board confirms that it has reviewed the effectiveness of the internal control system, including financial, operational and compliance controls and risk management in accordance with the UK Corporate Governance Code 2018, for the period from 1 April 2024 to the date of approval of the Annual Report and Accounts for the year ended 31 March 2025.

Fraud and whistleblowing

The Group maintains a whistleblowing policy and engages two independent confidential whistleblowing service providers — one covering South Africa specifically and the other covering all other locations. Reports on the use of these services, any significant concerns that have been raised, details of investigations carried out and any actions arising as a result are reported to the Committee at each meeting.

The Committee also receives papers on incidents of fraud, or attempted fraud, and reviews them at each meeting. At least annually, the Committee conducts an assessment of the adequacy of the Group’s procedures in respect of compliance, whistleblowing and fraud.

External auditor

The Committee has primary responsibility for making recommendations to the Board on the appointment, reappointment and removal of the external auditor. The Committee keeps under review the scope and results of the audit and its effectiveness, as well as the independence and objectivity of the auditor.

The Committee is aware of the need to safeguard the auditor’s objectivity and independence and the issue is discussed by the Committee and periodically with the audit engagement partner from BDO LLP. In accordance with Auditing Practices Board requirements, external auditor independence is maintained by the rotation of the engagement partner every five years. The current audit engagement partner, Gareth Singleton, was appointed following the retirement of Gary Harding in November 2024.

Policies on the award of non-audit work to the external auditor and the employment of ex-employees of the external auditor are in place and reviewed annually. The approval of the Chair of the Committee is required prior to awarding high-value non-audit work to the external auditor, and the non-audit work planned and performed is monitored by the Committee at each meeting. There was no non-audit work awarded to the external auditor during the year.

BDO’s audit of the Group’s 2024 financial statements was selected for review by the FRC’s Audit Quality Review (AQR) team. The Committee considered the scope of the AQR review, the findings from the final report from the AQR, together with BDO’s responses and their proposed future actions. In addition, the Chair of the Committee and Audit Partner discussed the final report, and the Chair of the Committee also met with the AQR directly to understand their key findings and recommendations. Based on its overall review and consideration of the AQR report, the Committee is satisfied that the comments raised by the AQR have been incorporated into the work carried out by the external auditor and the audit continues to be effective.

The external audit starts with the design of a work plan that addresses the key risks of the audit, which were confirmed at the March 2025 meeting of the Committee. The Committee also agreed the terms of engagement and the fees payable for the engagement. At each meeting, the Committee had the opportunity to discuss matters with the external auditor without management being present. The Chair of the Committee also has regular discussions with the external audit partner outside the formal Committee process.

For the year ended 31 March 2025, the Committee was satisfied with the independence, objectivity and effectiveness of the relationship with BDO LLP as external auditor.

External audit tender and appointment of auditor

The external auditor, BDO LLP, was appointed at the 2020 AGM in July 2020 following a competitive tender process.

On behalf of the Audit and Risk Committee.

STEFAN ALLANSON
Chair of the Audit and Risk Committee

11 June 2025





NOMINATION COMMITTEE REPORT



STEVE GOOD
Chair of the Nomination Committee

OTHER MEMBERS:

- Alison Littlely
- Stefan Allanson
- Rebecca DeNiro

MEETINGS HELD:

The Committee met twice during the year.

KEY ACTIVITIES FOR 2025:

- Induction of new Non-executive Director
- Full Board evaluation
- Continued succession planning for Board and senior management
- Development of updated Diversity, Equity and Inclusion Policy

AREAS OF FOCUS FOR 2026:

- Ongoing succession planning throughout the senior management of the Group
- Progress diversity initiatives for both gender and ethnicity throughout the Group

Evaluating the Board and succession planning for a sustainable future.

Role and responsibilities of the Nomination Committee

The main responsibilities of the Nomination Committee (the Committee) are:

- evaluating the balance of skills, knowledge, independence, diversity and experience of the Board;
- succession planning for the Board and at senior management level;
- determining the scope of the role of a new Director and the skills and time commitment required and making recommendations to the Board about filling Board vacancies and Board succession; and
- appointing Directors.

The Committee’s Terms of Reference are in compliance with the UK Corporate Governance Code 2018 and provide full details of its role and responsibilities. A copy can be obtained from the Company’s website, www.norcros.com.

The Nomination Committee and the Board seek to maintain an appropriate balance between the Executive and Non-executive Directors. The Nomination Committee is chaired by the Chair of the Board and consists of all the Non-executive Directors. The Board Chair will not chair the Committee when it deals with the appointment of a successor to that role.

Board appointments

Following a thorough search process, Rebecca DeNiro was appointed as an additional Non-executive Director, effective 1 July 2024.

Induction process summary

Following successful appointment to the Board, new Directors receive a comprehensive and tailored induction programme. The induction programme facilitates their understanding of the Group, its strategy and the key drivers of business performance. It also gives an opportunity for the Directors to meet key members of the senior management team in the UK and South Africa and undertake site visits. The induction also includes dedicated time with each Board member.

Induction process example – Rebecca DeNiro

In July 2024, following her appointment as Non-executive Director, Rebecca DeNiro completed her induction with the Group. This included a visit to each of the six UK brands and a trip to our businesses in South Africa, including store visits to our Tile Africa stores. The induction also included an introduction to senior leadership, strategy and the Group’s culture.

Board composition

The Nomination Committee evaluates the balance of skills, knowledge, diversity and experience of the Board. If a new appointment to the Board is required, the Committee will use the appropriate selection process and will determine the scope of the role of a new Director and the skills and time commitment required, and make recommendations to the Board about filling Board vacancies and appointing additional Directors. The Committee is satisfied with the current Board composition.

Board performance evaluation

A formal evaluation of the Board and its committees, including the Nomination Committee, took place in the year in accordance with the requirements of the Code. This evaluation was conducted through detailed questionnaires. The outcomes of it indicated that the Committee is operating effectively, and it should continue to focus on succession planning and talent development for divisional leadership roles.

Succession planning

In the year under review, the Committee has continued to focus on succession planning issues, and it is satisfied that there are appropriate plans in place for succession planning for Board members and senior management across the Group.

Diversity and inclusion

When changes to the Board are required, due regard will be given to the balance of the Board, to the benefits of different backgrounds and experience, and to diversity on the Board, including gender. The Board does not currently set targets for Board diversity; however, appointments will be made in accordance with the Group’s Diversity, Equity and Inclusion Policy, on the basis of merit and the most appropriate experience against objective criteria in the best interests of shareholders. The Board endeavours to ensure that these principles are applied throughout the Group.

The Committee is pleased to note that 40% of the Executive Management of the Group are female (2024: 40%).





NOMINATION COMMITTEE REPORT

CONTINUED

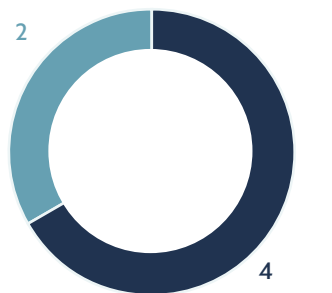
Compliance with Listing Rules on diversity

In 2022, the UK Financial Conduct Authority introduced Listing Rules relating to diversity (UKLR 9.8.6R(9) and (10), and UKLR 14.3.33R(1)). The Company’s position against these items is set out within this report below.

Listing Rule target	Company’s position as at 31 March 2025	Comment
At least 40% of the Board are women.	33%	Our aspiration is to achieve 40% gender diversity, recognising that it requires a careful and measured approach to accommodate Board attrition, whilst maintaining the existing profile of desired skills and experience.
At least one of the senior Board positions (Chair, Chief Executive Officer, Senior Independent Director or Chief Financial Officer) is a woman.	One position meets this target.	Our Senior Independent Director, Alison Littley, is a woman. The Board will continue to take this target into consideration as part of succession planning.
At least one member of the Board is from a minority ethnic background (which is defined by reference to categories recommended by the UK Office for National Statistics).	No Board members meet this target.	The Board continues to take ethnic diversity into account when considering appointments, as per its Diversity, Equity and Inclusion Policy, whilst noting it will continue to consider diversity of the Board and the Group as a whole based on our global footprint and operations, in a way that is best aligned with our growth agenda. Being an international company, we naturally reflect different nationalities in the Board and senior management. This is a valuable input to ensure different cultures are represented within decision makers, warding against groupthink.

Sex/gender representation

Number of Board members



- Male
- Female
- Not specified/prefer not to say

Number of senior positions on the Board (CEO, CFO, SID and Chair)



Number in Executive Management



- Male
- Female
- Not specified/prefer not to say

Ethnicity representation

Number of Board members



- White British or other White (including minority White groups)
- Mixed/multiple ethnic groups
- Asian/Asian British
- Black/African/Caribbean/ Black British
- Other ethnic groups, including Arab
- Not specified/prefer not to say

Number of senior positions on the Board (CEO, CFO, SID and Chair)



Number in Executive Management



- White British or other White (including minority White groups)
- Mixed/multiple ethnic groups
- Asian/Asian British
- Black/African/Caribbean/ Black British
- Other ethnic groups, including Arab
- Not specified/prefer not to say

Notes to the tables:

- 1 Data collection of the Board undertaken as part of our regular year end data collection.
- 2 The Board was provided with the categories above and asked to advise how they identify.
- 3 The personal data has been collected once and it will be up to the individual to advise of any change.

STEVE GOOD
Chair of the Nomination Committee

11 June 2025





REMUNERATION COMMITTEE REPORT



ALISON LITTLELY
Chair of the Remuneration Committee

OTHER MEMBERS:

- Steve Good
- Stefan Allanson
- Rebecca DeNiro

MEETINGS HELD:

The Committee met six times during the year.

KEY ACTIVITIES FOR 2025:

- Implemented our existing pay policies to meet the Group’s objectives
- Reviewed our bonus and APSP scorecards to ensure continued close alignment with the strategy

AREAS OF FOCUS FOR 2026:

- Reviewing the Directors’ remuneration policy ahead of the triennial renewal at the 2026 AGM

Aligning pay outcomes with the delivery of our strategy, value to shareholders and success for all stakeholders

Role and responsibilities of the Remuneration Committee

The main responsibilities of the Remuneration Committee (the Committee) are:

- determining the remuneration policy and keeping it under review, including consulting with, and obtaining approval from, shareholders as appropriate;
- implementing the approved remuneration policy as regards to Executive Director remuneration, benefits and incentives, including the setting of targets and determination of payouts of all incentive arrangements;
- ensuring alignment of the remuneration structure for senior executives to the Executive Directors’ remuneration policy, including approval of changes to packages;
- reviewing the Executive Directors’ remuneration policy and the approach to implementation, in the context of pay policies and practices across the wider workforce, and the Group’s culture; and
- preparing the Annual Report on Remuneration, to be approved by the members of the Company at the Annual General Meeting.

The Committee’s Terms of Reference are in compliance with the UK Corporate Governance Code 2018 and provide full details of its role and responsibilities. A copy can be obtained from the Company’s website, www.norcros.com.

Dear shareholders,

On behalf of the Board, I am pleased to present the Directors’ Remuneration Report for the year ended 31 March 2025.

Over the past year, we have continued to align our remuneration practices with the evolving needs of the business and the expectations of our stakeholders. We remain committed to:

- A simple, transparent approach to Executive pay
- Rewarding both near-term delivery and long-term value creation
- Reinforcing our culture and values

- Listening to the voices of our shareholders, employees and broader stakeholders

Our remuneration structures aim to drive the right behaviours and outcomes across the Group. This means aligning reward with performance, as well as integrity, good governance and long-term thinking.

The performance context for remuneration in the year

Despite macroeconomic headwinds and inflationary pressures in key markets, Norcros delivered a robust underlying performance. This included:

- strong execution of strategy;
- full year revenue of £368.1m (2024: £392.1m), 0.9% higher than prior year on a constant currency like for like basis and 6.1% lower on a reported basis as a result of the sale of Johnson Tiles UK in May 2024;
- underlying operating profit of £43.2m, in line with the prior year (2024: £43.2m); and
- demonstrated resilience of the Group’s business model.

The performance reflects the quality and consistency of leadership across the business, both from our Executive Directors, as well as the dedication of our wider workforce. It also reinforces the strength of our purpose-led culture and the resilience of our operating model.

2025 pay outcomes

The Committee implemented the approved policy in the year ended 31 March 2025, as follows:

Annual bonus

The annual bonus for the year ended 31 March 2025 continued to be based primarily on the Group’s underlying operating profit performance. However, for the first time, a second measure was introduced, that of working capital, with a weighting of 20%, thus balancing the focus of profit with operational efficiency. The robust performance of the Group over the year ended 31 March 2025 saw operating profit being broadly on-target, whilst working capital performance was slightly better than the threshold set at the start of the financial year.

The performance outcomes result in a bonus of 54.2% being payable to the Executive Directors in respect of the year ended 31 March 2025. 50% of the outcome will be converted into nil-cost options under the Deferred Bonus Plan (DBP), which are exercisable following a three-year deferral period.

In keeping with our normal practice, the Committee reviewed the outcome in the context of the Group’s broader underlying performance and the experience of other stakeholder groups. Following the review, the Committee decided not to exercise any discretion to revise the outcome.

2022 APSP

Approved performance share plan (APSP) awards were made in July 2022 with vesting subject to three-year aggregate EPS performance targets (as detailed on page 138). The aggregate EPS performance condition for the 2022 APSP awards was not achieved. The 2022 APSP awards will therefore lapse in full in July 2025.

2024 APSP

Awards for the year in review were made in July 2024 and challenging targets set (see page 139 for further details).

Remuneration for the year to 31 March 2026

Looking ahead, our approach to Executive Director remuneration remains grounded in Norcros’ culture, strategy and stakeholder priorities.

The workforce context

The Committee’s decision making in relation to Executive Director remuneration continues to be informed by the Group’s workforce remuneration practices and the decisions taken by management in this regard. This includes the pay budget for the Group and the cascade of resulting increases throughout the workforce, which informed the Committee’s decision-making in relation to inflationary increases for the Chief Financial Officer and the Board Chair.

The Executive Directors

The Committee keeps its approach to implementation of the policy under review, in the context of wider business performance and the stakeholder experience. The approach we have resolved to adopt for the year ending 31 March 2026 is as follows:

Base salary

Thomas Willcocks was appointed Chief Executive Officer effective 1 April 2023. His salary on appointment was set at £420,000, an 11.8% discount to his predecessor, thereby balancing his significant Norcros experience with the promotion to his first FTSE Board role. In last year’s Remuneration Report, we explained that the Committee considered implementing its previously stated intention to increase Thomas’ salary over time, potentially by more than the workforce average, to a competitive level that aligns with his performance and contribution. However, the Committee decided not to proceed with a salary increase above the wider workforce average for the year ended 31 March 2025, considering the impact of particularly challenging conditions in the South African market and the ongoing cost-of-living pressures many colleagues were facing.

REMUNERATION COMMITTEE REPORT

CONTINUED

The Committee has kept under review the salary level in the context of Thomas’ development and performance in the role, and considers it now to be the appropriate time to adjust Thomas’ salary to reflect his significant contribution and development in his role as Chief Executive Officer over the past 24 months. He has also been instrumental in delivering outcomes in line with expectations through ongoing portfolio management and executing against our strategic priorities, as detailed elsewhere in this Annual Report. In this context, the Committee decided to increase the Chief Executive Officer’s salary to £500,000, in line with our stated policy to set salary appropriately by reference to the competitive landscape of other FTSE companies of broadly similar size or sector to Norcros. Future increases are expected to be inflationary and set by reference to the wider workforce.

For the year ending 31 March 2026, James Eyre’s salary has been increased to £342,784 with effect from 1 April 2025. This 3% increase recognises James’ continued strong performance and contribution to the Group and is below the average increase awarded across the wider workforce.

Pension and benefits

Both Executive Directors receive a pension contribution, or allowance in lieu, of 8% of salary, in line with the employer contribution available for the wider UK workforce. Other benefits consist of a car allowance of £15,000 and private medical insurance.

Annual bonus

For the year ending 31 March 2026, the Committee is proposing a further evolution of the bonus scorecard. The working capital measure introduced for the year ended 31 March 2025, to address a specific short-term objective, will be replaced by cash conversion with a weighting of 15%, to align with a key financial pillar of the Group’s strategy. Together with a 70% weighting on operating profit, this ensures a continuing strong focus on short-term financial KPIs. In order to reinforce key short-term business priorities, we will introduce a new strategic element with a weighting of 15%. To the extent considered not to be commercially sensitive at the time, targets will be disclosed retrospectively in next year’s Remuneration Report. No other changes are proposed to the operation of the annual bonus for the current financial year.

APSP

The Policy provides for annual APSP award limits of up to 150% and 125% of salary for the CEO and CFO, respectively. For the year ending 31 March 2026, the Committee proposes to use in full this APSP headroom. The Chief Executive Officer’s award opportunity will be 150% of salary, and the Chief Financial Officer’s award opportunity will be 125% of salary. The increases in APSP opportunity are intended to recognise the Executive Directors’ continued development

and valued contribution in the year in review, through the part of the package which is contingent on delivery of the Group’s longer-term strategy and aligned most closely with shareholders’ interests over the next five years, as covered by the APSP’s performance and mandatory post-vesting holding periods.

APSP awards to be granted in 2025 will be based on a scorecard in which Relative TSR performance, weighted at 40%, will be introduced alongside three-year EPS growth weighted at 60%. The revised scorecard strikes a better balance between growth and returns, and between relative and absolute performance. It also aligns with the commitment we have made to evolve the scorecard over time, thus reflecting investor feedback received during the consultation on the 2023 Policy. Further details are set out on page 144 of this report. The construct of the scorecard will be kept under review for future cycles, to ensure it continues to reinforce appropriately the key drivers and measures of success for the Group and our stated medium-term goals for these.

We engaged with the Group’s largest shareholders in recent months on the proposed changes to the APSP, and welcome the indications of broad support for the incremental increase in the award opportunities, within Policy limits, as well as the scorecard of measures attaching to the awards.

Shareholding guidelines

In line with the Committee’s previous approach, a commensurate increase will be made to the shareholding guideline applicable to each Executive Director, this being 150% of salary for the Chief Executive Officer and 125% of salary for the Chief Financial Officer.

The Board Chair

The Committee is also responsible for setting the remuneration of the Board Chair. In doing so, it adopts a consistent set of principles to those for Executive and workforce remuneration. From 1 April 2025, the Committee has resolved to increase the Board Chair’s fee by 3%, to £159,983 per annum.

Concluding remarks

On behalf of the Committee, we hope that we can count on your continued support for the resolution to approve this Directors’ Remuneration Report at the 2025 Annual General Meeting, where I will be available to answer any questions in relation to this report.

ALISON LITTLE
Chair of the Remuneration Committee

11 June 2025



DIRECTORS’ REMUNERATION POLICY REPORT

Remuneration disclosure

This Directors’ Remuneration Report has been prepared in accordance with the provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The report meets the requirements of the UK Listing Authority’s Listing Rules and the Disclosure Guidance and Transparency Rules. In this report, we describe how the principles of good governance relating to Directors’ remuneration, as set out in the 2018 UK Corporate Governance Code (the Code), are applied in practice. The Remuneration Committee confirms that throughout the financial year the Group has complied with these governance rules and best practice provisions set out in the Code.

Directors’ remuneration policy

This section of the report sets out the remuneration policy for Executive Directors and Non-executive Directors, as approved by shareholder vote at the 2023 Annual General Meeting. The policy came into effect on that date and will remain effective for up to a three-year period ending on the date of the 2026 Annual General Meeting.

Executive Director remuneration policy table

This policy has been designed to support the principal objective of enabling the Group to attract, motivate and retain the people it needs to maximise the value of the business.

Assessment of policy against the 2018 UK Corporate Governance Code

The Committee believes that the policy complies with the six pillars set out in paragraph 40 of the Code.

CLARITY	The Committee believes that the disclosure of the remuneration arrangements is transparent with clear rationale provided on its maintenance and any changes to policy. The Committee remains committed to consulting with shareholders on the policy and its implementation.
SIMPLICITY	The policy and the Committee’s approach to implementation are simple and well understood. The performance measures used in the incentive plans are well aligned to the Group’s strategy.
RISK	The Committee has ensured that remuneration arrangements do not encourage and reward excessive risk taking by setting targets to be stretching and achievable, with discretion to adjust formulaic bonus and APSP outcomes retained by the Committee to ensure pay outcomes remain aligned with performance outturns.
PREDICTABILITY AND PROPORTIONALITY	The link of the performance measures to strategy and the setting of targets balances predictability and proportionality by ensuring outcomes do not reward poor performance.
CULTURE	The policy is consistent with the Group’s culture as well as strategy, therefore driving behaviours that promote the long-term success of the Company for the benefit of all stakeholders.



DIRECTORS' REMUNERATION

POLICY REPORT CONTINUED

Component and objective	Operation	Opportunity	Performance measures
BASE SALARY To enable the Group to attract, motivate and retain the people it needs to maximise the value of the business	<p>Generally reviewed each year, with increases effective 1 April with reference to salary levels at other FTSE companies of broadly similar size or sector to Norcros.</p> <p>The Committee also considers the salary increases applied across the rest of the UK business when determining increases for Executive Directors.</p> <p>Base salary increases are applied in line with the outcome of the annual review.</p>	<p>Salaries in respect of the year under review (and for the following year) are disclosed in the Annual Report on Remuneration.</p> <p>Salary increases for Executive Directors will normally not exceed those of the wider workforce over the period this policy will apply. Where increases are awarded in excess of the wider employee population, for example if there is a material change in the responsibility, size or complexity of the role, the Committee will provide the rationale in the relevant year's Annual Report on Remuneration.</p>	n/a
PENSION To provide a level of retirement benefit that is competitive in the relevant market	<p>Executive Directors receive pension contributions (either as a direct payment or a cash allowance).</p> <p>Base salary is the only element of remuneration that is pensionable.</p>	<p>Executive Directors receive a Company contribution in line with the employer contribution available for the wider workforce in the relevant market.</p>	n/a
BENEFITS Provision of benefits in line with the market	<p>Executive Directors are provided with a company car (or a cash allowance in lieu thereof) and private medical insurance. Other benefits may be introduced from time to time to ensure the benefits package is appropriately competitive and reflects the needs and circumstances of the Group and individual Executive Director.</p>	<p>Benefits may vary by role, and the level is determined each year to be appropriate for the role and circumstances of each individual Executive Director.</p> <p>It is not anticipated that the cost of benefits (as set out in the Annual Report on Remuneration) would increase materially over the period for which this policy will apply.</p> <p>The Committee retains the discretion to approve a higher cost in exceptional circumstances (e.g. relocation expenses or an expatriation allowance on recruitment, etc.) or in circumstances where factors outside the Company's control have changed materially (e.g. market increases in insurance costs).</p>	n/a

Component and objective	Operation	Opportunity	Performance measures
ANNUAL BONUS AND DEFERRED BONUS PLAN (DBP) To focus Executive Directors on achieving demanding annual targets relating to Group performance and encourage retention	<p>Performance targets are set at the start of the year and aligned with the annual budget agreed by the Board. At the end of the year, the Committee determines the extent to which these targets have been achieved.</p> <p>50% of the total bonus payment is paid in cash, and 50% is converted into nil-cost options over Norcros shares under the DBP. These options are exercisable after three years, subject to continued employment and malus (in whole or in part) during the deferral period in the event of a material misstatement in accounting records, gross misconduct, calculation error or corporate failure.</p> <p>Cash bonuses may be subject to clawback over the deferral period in similar circumstances as identified above.</p> <p>A payment equivalent to the dividends that would have accrued on deferred bonus awards that vest will be made to participants on vesting.</p>	<p>Maximum opportunity: 100% of base salary.</p> <p>Target opportunity: 50% of base salary.</p> <p>For threshold performance, the bonus payout is up to 25% of maximum.</p>	<p>The bonus will be based primarily on the achievement of financial performance targets but may, from time to time, include non-financial performance measures (the weighting of which, if any, will be capped at 25% of the total opportunity). Details of the measures on which the bonus will be based shall be disclosed in the relevant Annual Report on Remuneration.</p> <p>The Committee has discretion to adjust the formulaic bonus outcomes (including down to zero) within the limits of the scheme to ensure alignment of pay with performance.</p> <p>Further details, including targets attached to the bonus for the year under review, are provided in the Annual Report on Remuneration.</p>

DIRECTORS’ REMUNERATION

POLICY REPORT CONTINUED

Component and objective	Operation	Opportunity	Performance measures
APPROVED PERFORMANCE SHARE PLAN (APSP) To incentivise Executive Directors to deliver long-term performance that is aligned with shareholders’ interests	<p>APSP awards comprise annual conditional awards of nil-cost options following the announcement of the Group’s final results.</p> <p>Awards normally vest after three years, subject to the achievement of a performance condition and continued employment with the Group until the vesting date.</p> <p>To the extent an award vests, Executive Directors will be required to hold net vested shares for an additional holding period of two years.</p> <p>A payment equivalent to the dividends that would have accrued on APSP awards that vest will be made to participants on vesting.</p> <p>APSP awards are also subject to malus over the vesting period and clawback over the holding period (in both cases in whole or in part) in the event of a material misstatement in accounting records, gross misconduct, calculation error or corporate failure.</p>	<p>Maximum opportunities:</p> <p>CEO – 150% of base salary.</p> <p>CFO – 125% of base salary.</p> <p>Threshold performance results in 25% vesting.</p> <p>Details of actual APSP awards in respect of each year will be disclosed in the Annual Report on Remuneration.</p>	<p>Vesting of APSP awards is dependent upon Group performance over a three-year period. Any non-financial measures will have a maximum aggregate weighting of 25% of the opportunity. Details of the measures attaching to each award cycle will be disclosed in the relevant Annual Report on Remuneration. At the start of each cycle, the Committee will determine the targets that will apply to an award.</p> <p>If the performance targets are not met at the end of the performance period, awards will lapse.</p> <p>The Committee has discretion to adjust the formulaic APSP outcomes within the limits of the scheme if certain relevant events take place (e.g. a capital restructuring, a material acquisition/ divestment, etc.) with any such adjustment to result in the revised targets being no more or less challenging to achieve.</p> <p>The Committee will consult major shareholders on changes to the APSP, although it retains discretion to make changes to the performance measures attaching to future cycles without reverting to a full shareholder vote.</p> <p>Further details, including the targets attached to the APSP in respect of each year, are disclosed in the Annual Report on Remuneration.</p>
SAVE AS YOU EARN (SAYE) To encourage the ownership of Norcros plc shares	<p>An HMRC-approved scheme where employees (including Executive Directors) may save up to the individual monthly limit set by HMRC from time to time over three years. Options are granted at a discount of up to 20%.</p>	<p>Savings capped at the individual monthly limit set by HMRC (or other such lower limit as the Committee may determine) from time to time.</p>	<p>n/a</p>

Component and objective	Operation	Opportunity	Performance measures
SHAREHOLDING REQUIREMENTS To align Executive Director and shareholder interests and reinforce long-term decision making, including for a period following cessation of employment	<p>Executive Directors are required to retain at least 50% of any DBP or APSP awards that vest (net of tax) until they have built up a personal holding of Norcros plc shares worth a defined multiple of their salaries (of at least 100% of salary).</p> <p>Details of the in-post shareholding requirements that apply to the Executive Directors are set out in the Annual Report on Remuneration.</p> <p>Executive Directors will normally be required to maintain a holding in Norcros plc shares for a period of two years after they cease to be a Director of the Group. For the first year, this shareholding guideline will be equal to the lower of a Director’s actual shareholding at the time of their departure and the shareholding requirement in effect at the date of their departure and, for the second year, 50% of that figure.</p> <p>The specific application of this shareholding guideline will be at the Committee’s discretion. Only shares that are held beneficially by an Executive Director or their spouse or partner, or nil-cost options granted under the DBP count in the assessment of whether an Executive Director has met the required ownership level.</p>	<p>n/a</p>	<p>n/a</p>



DIRECTORS’ REMUNERATION

POLICY REPORT CONTINUED

Notes to the policy table

Payments from previous awards

For the avoidance of doubt, the Group will honour any commitment entered into, and Executive Directors will be eligible to receive payment from any award made, prior to the approval and implementation of the remuneration policy detailed in this Report. Details of these awards are, and will be, disclosed in the Annual Report on Remuneration.

Performance measure selection and approach to target setting

The measures used in the annual bonus will be selected by the Committee to directly reinforce our medium-term growth-orientated strategy (see pages 28 and 29 for further details of the strategy; details of the measures selected for use in the bonus for the year in review and for the coming year are set out in the Annual Report on Remuneration). For the APSP, the Committee shall select measures that are transparent, objective and effective measures of performance that are in the long-term interests of all of our shareholders (further details of the APSP measures are set out in the Annual Report on Remuneration).

Targets applying to the annual bonus and APSP are reviewed annually, based on a number of internal and external reference points. Annual bonus targets are aligned with the annual budget agreed by the Board. Annual bonus targets are considered to be commercially sensitive, but will be disclosed retrospectively in the following year’s Annual Report on Remuneration. APSP targets reflect industry context, expectations of what will constitute appropriately challenging performance levels and factors specific to the Group. The Committee will determine the APSP targets at the time awards are made and these targets (along with other relevant details of the grant) will ordinarily be disclosed in the following year’s Annual Report on Remuneration.

Differences from remuneration policy for other employees

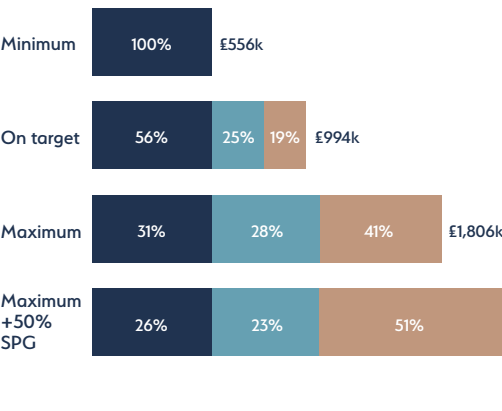
The remuneration policy for other employees is based on broadly consistent principles as described above. Annual salary reviews across the Group take into account Group performance, local pay and market conditions, and salary levels for similar roles in comparable companies.

Executives and senior managers are eligible to participate in annual bonus schemes. Opportunities and performance measures vary by organisational level, geographical region and an individual’s role. Other members of the Group senior leadership team participate in the APSP on similar terms as the Executive Directors, although award sizes may vary by organisational level. All UK and Republic of Ireland employees are eligible to participate in the Group’s SAYE scheme on identical terms.

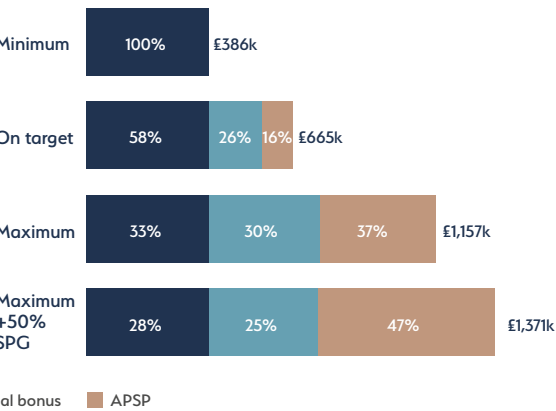
Performance scenario charts

The charts below provide estimates of the potential future reward opportunity for Executive Directors, and the potential mix between the different elements of remuneration under four different performance scenarios: “Minimum”, “On target”, “Maximum” and “Maximum + 50% share price growth (SPG)”. This information is for the current financial year, as explained below.

Chief Executive Officer



Chief Financial Officer



The potential opportunities illustrated are based on the current remuneration policy applied to base salaries at 1 April 2025. For the annual bonus, the amounts illustrated are those potentially receivable in respect of performance for the year to 31 March 2026. It should be noted that any bonus deferred into the DBP and APSP awards does not normally vest until the third anniversary of the date of grant. This is intended to illustrate the relationship between Executive pay and performance. The values of the DBP and APSP assume no increase in the underlying value of the shares (except the APSP value under the “Maximum + 50% SPG” scenario) and actual pay delivered will further be influenced by changes in factors such as the Group’s share price and the value of dividends paid.

Valuation assumptions

The “Minimum” scenario reflects base salary, pension and benefits, i.e. fixed remuneration, being the only elements of the Executive Directors’ remuneration package not linked to performance.

The “On target” scenario reflects fixed remuneration as above, plus target bonus payout of 50% of salary, and APSP threshold vesting at 25% of the maximum award level.

The “Maximum” scenario reflects fixed remuneration, plus full payout under all incentives, i.e. 100% of salary under the annual bonus and full vesting of the APSP opportunity to be awarded in the year ending 31 March 2026.

The “Maximum + 50% SPG” scenario reflects fixed remuneration, plus full payout under all incentives, as described above. The value of the APSP additionally reflects 50% SPG.

Approach to Executive Director recruitment and remuneration

External appointment

In cases of hiring or appointing a new Executive Director from outside the Group, the Remuneration Committee may make use of all existing components of remuneration, as follows:

Component	Policy
BASE SALARY	The base salaries of new appointees will be determined by reference to relevant market data, experience and skills of the individual, internal relativities and the current salary of the incumbent in the role. Where a new appointee has an initial base salary set below market, the Committee may make phased increases over a period of three years, subject to the individual’s development and performance in the role.
BENEFITS	As set out in the policy table, benefits may include, but are not limited to, the provision of a company car or car allowance, medical insurance, and any necessary expatriation allowances or expenses relating to an Executive’s relocation.
PENSION	New appointees will receive pension contributions into a defined contribution pension arrangement or an equivalent cash supplement, or a combination of both. Company contributions to pension will be in line with that available for the wider workforce in the relevant market.
SAYE	New appointees will be eligible to participate on identical terms to all other employees.
ANNUAL BONUS	The bonus structure described in the policy table will apply to new appointees. The maximum opportunity will be 100% of salary, pro-rated in the year of joining to reflect the proportion of that year employed. Performance measures may include strategic and operational objectives tailored to the individual in the financial year of joining. 50% of any bonus earned will be deferred into the DBP on the same terms as other Executive Directors.
APSP	New appointees will be granted annual awards under the APSP on the same terms as other Executive Directors (including in relation to award opportunities), as described in the policy table.



DIRECTORS’ REMUNERATION

POLICY REPORT CONTINUED

In determining the appropriate remuneration structure and level for the appointee, the Remuneration Committee will take into consideration all relevant factors to ensure that arrangements are in the best interests of our shareholders. It is not the intention of the Committee that a cash payment such as a “golden hello” would be offered. However, the Committee may make an award in respect of a new appointment to “buyout” incentive arrangements forfeited on leaving a previous employer, over and above the approach and award limits outlined in the table above. Any such award will be made under existing incentive structures, where appropriate, and will be subject to the normal performance conditions of those incentives. The Committee may also consider it appropriate to make “buyout” awards under a different structure, using the relevant Listing Rule where necessary, to replicate the structure of forfeited awards. Any “buyout” award, however this is delivered, would have a fair value no higher than that of the awards forfeited, taking into account relevant factors including performance conditions, the likelihood of those conditions being met and the proportion of the vesting period remaining. Details of any such award will be disclosed in the first Annual Report on Remuneration following its grant.

Internal promotion to the Board

In cases of appointing a new Executive Director by way of internal promotion, the policy will be consistent with that for external appointees detailed in the table above, excluding the flexibility to make “buyout” awards. Where an individual has contractual commitments made prior to their promotion to the Board, and it is agreed that a commitment is to continue, the Group will continue to honour these arrangements even if there are instances where they would not otherwise be consistent with the prevailing Executive Director remuneration policy at the time of promotion.

Service contracts and policy for payment for loss of office

Executive Directors have signed rolling contracts, terminable on 12 months’ notice by either the Group or the Director. The Group entered into a contract with Thomas Willcocks on 1 April 2023, and with James Eyre on 1 August 2021. Copies of these contracts are available to view at the Group’s registered office.

The Committee’s policy for Directors’ termination payments is to provide only what would normally be due to Directors had they remained in employment in respect of the relevant notice period, and not to go beyond their normal contractual entitlements. Any incentive arrangements will be dealt with subject to the relevant rules, with any discretion exercised by the Committee on a case-by-case basis taking into account the circumstances of the termination. Termination payments will also take into account any statutory entitlement at the appropriate level, to be considered by the Committee on the same basis. The Committee will monitor and, where appropriate, enforce the Directors’ duty to mitigate loss. When the Committee believes that it is essential to protect the Group’s interests, additional arrangements may be entered into, for example post-termination protections above and beyond those in the contract of employment, on appropriate terms.

Under the service contracts for each Executive Director, the Company has the discretion to terminate the employment lawfully, without any notice, by paying to the Director a sum equal to, but no more than, the salary and other contractual benefits of the Director. The payment would be in respect of that part of the period of notice which the Director has not worked, less any appropriate tax and other statutory deductions. The Director would be entitled to any holiday pay that may otherwise have accrued in what would have been the notice period. The Company may pay any sums due under these pay in lieu of notice provisions as one lump sum or in instalments of what would have been the notice period. If the Company elects to pay in instalments, the Director is under an express contractual duty to mitigate their losses and to disclose any third-party income they have received or are due to receive. The Company reserves the right to reduce the amount of the instalments by the amount of such income. The Committee would expect to include similar pay in lieu of notice provisions in any future Executive Director’s service contract.

Also under their service contracts, if the Director’s employment is terminated for whatever reason, they agree that they are not entitled to any damages or compensation to recompense them for the loss or diminution in value of any actual or prospective rights, benefits or expectations under, or in relation to, the APSP, the DBP, the SAYE Plan or the annual discretionary bonus scheme. This is without prejudice to any of the rights, benefits or entitlements, which may have accrued to the Director under such arrangements at the termination of employment.

Treatment of incentive awards upon exit

The table below summarises how awards under the annual bonus, DBP and APSP are typically treated in specific circumstances, with the final treatment remaining subject to the Committee’s discretion:

Reason for cessation	Calculation of vesting/payment	Timing of payment/ vesting
ANNUAL BONUS		
Voluntary resignation or summary dismissal	No bonus paid.	n/a
All other circumstances	Bonuses are paid only to the extent that the associated objectives, as set at the beginning of the plan year, are met. Any such bonus would normally be paid on a pro-rata basis, taking account of the period actually worked.	At the normal payment date, unless the Committee, in its absolute discretion, determines that awards should be paid out on cessation of employment.
DBP		
Summary dismissal	Awards lapse.	n/a
Injury, illness, disability, death, retirement with the agreement of the Group, redundancy or employing company leaving the Group	Unvested awards vest.	At the normal vesting date, unless the Committee, in its absolute discretion, determines that awards should vest on cessation of employment.
Voluntary resignation or other reason not stated above	Unvested awards lapse unless the Committee, in its absolute discretion, determines that an award should vest.	If the Committee determines that an award should vest, then awards will vest on their normal vesting date, unless the Committee, in its absolute discretion, determines that awards should vest on cessation of employment.
Change of control	Unvested awards will be pro-rated for the portion of the vesting period elapsed on change of control, unless the Committee, in its absolute discretion, determines otherwise. Awards may alternatively be exchanged for new equivalent awards in the acquirer, where appropriate.	On change of control.



DIRECTORS’ REMUNERATION

POLICY REPORT CONTINUED

Reason for cessation	Calculation of vesting/payment	Timing of payment/ vesting
APSP Summary dismissal	Awards lapse.	n/a
Voluntary resignation, injury, retirement with the agreement of the Group, redundancy or other reason that the Committee determines in its absolute discretion	Unapproved option awards lapse unless the Committee, in its absolute discretion, determines otherwise. Awards that do not lapse will continue to be eligible to vest on the normal vesting date, subject to being pro-rated for time to the date of cessation of employment and performance over the complete performance period. The Committee may, in its absolute discretion, determine that awards shall vest on cessation in exceptional circumstances, subject to being pro-rated for time and performance to the date of cessation of employment. Approved option awards lapse, except in the case of retirement with the agreement of the employer, when awards will vest, subject to pro-rating as stated above. Any awards in a holding period will normally remain subject to the holding requirement until the period ends.	At the normal vesting date, unless the Committee, in its absolute discretion, determines otherwise.
Death	Unapproved option awards vest in full but may be subject to the application of the performance conditions attached to them. Approved option awards are pro-rated for time and performance to that date.	Immediately.
Change of control	Unapproved option awards vest in full, but may be subject to the application of the performance conditions attached to them. Approved option awards are pro-rated for time and performance to that date. Any awards in a holding period will normally be released. Awards vest, subject to being pro-rated for time and performance to the date of change of control, unless the Committee determines otherwise. Awards may, alternatively, be exchanged for new equivalent awards in the acquirer, where appropriate.	On change of control.

External appointments

Executive Directors are permitted to take up non-executive positions on the boards of other companies, subject to the prior approval of the Board. The Executive Directors may retain any fees payable in relation to such appointment. Details of external appointments and the associated fees received are included in the Annual Report on Remuneration.

Consideration of employment conditions elsewhere in the Group

The Group seeks to promote and maintain good relations with employees and (where relevant) their representative bodies as part of its broader employee engagement strategy. The Committee is mindful of salary increases applying across the rest of the business in relevant markets when considering salaries for Executive Directors, but does not currently consult with employees specifically on executive remuneration policy and framework. However, as part of its broader remit, the Committee has detailed oversight of, and is invited to input on, workforce remuneration policies and practices to help ensure these are underpinned by, and implemented to reinforce, a consistent set of values and principles.

Consideration of shareholder views

The Committee considers shareholder views received during the year and at the Annual General Meeting each year, as well as guidance from shareholder representative bodies more broadly, in shaping remuneration policy and in its implementation. The vast majority of shareholders continue to express support for remuneration arrangements at Norcros. The Committee keeps the remuneration policy under regular review, to ensure it continues to reinforce the Group’s long-term strategy and aligns Executive Directors with shareholders’ interests. We will continue to consult shareholders before making any significant changes to our remuneration policy.

Non-executive Director remuneration policy

Non-executive Directors (including the Board Chair) have letters of appointment which specify an initial term of at least three years, although these contracts may be terminated in line with their notice period by either the Company or Director. In line with the UK Corporate Governance Code guidelines, all Directors are subject to re-election annually at the Annual General Meeting.

Details of terms and notice periods for Non-executive Directors are summarised below:

Non-executive Director	Date of appointment	Notice period
Steve Good	1 July 2023	3 months
Alison Littley	1 May 2019	1 month
Stefan Allanson	1 January 2023	1 month
Rebecca DeNiro	1 July 2024	1 month

It is the policy of the Board that Non-executive Directors are not eligible to participate in the Group’s bonus, long-term incentive or pension schemes.

Details of the policy on fees paid to our Non-executive Directors are set out in the table below:

Component and objective	Operation	Opportunity	Performance measures
FEES To attract and retain Non-executive Directors of the highest calibre with broad commercial experience relevant to the Group	The fee paid to the Chair is determined by the Committee, excluding the Chair. The fees paid to the other Non-executive Directors are determined by the Chair and the Executive Directors. Fee levels are reviewed periodically, with any adjustments effective 1 April. Fees are reviewed by taking into account external advice on best practice and fee levels at other FTSE companies of broadly similar size and sector to Norcros. Time commitment and responsibility are also taken into account when reviewing fees.	Aggregate fees are limited to £750,000 per annum by the Group’s Articles of Association. Fee increases will be applied taking into account the outcome of the review. The fees paid to Non-executive Directors in respect of the year under review (and for the following year) are disclosed in the Annual Report on Remuneration.	n/a

Approach to Non-executive Director recruitment remuneration

In recruiting a new Non-executive Director, the Remuneration Committee will use the policy as set out in the table above. A base fee in line with the prevailing fee schedule would be payable for serving as a Director of the Board, with additional fees payable for acting as Chair of the Audit and Risk or Remuneration Committees, or as Senior Independent Director.



ANNUAL REPORT ON REMUNERATION

The following section provides details of how our 2023 policy was implemented during the year ended 31 March 2025 and will be implemented in the year ending 31 March 2026.

Remuneration Committee membership in the year ended 31 March 2025

The Remuneration Committee is responsible for recommending the remuneration policy for Executive Directors and senior management to the Board, and for determining the individual remuneration arrangements for each Executive Director and the Board Chair. The Committee’s responsibilities are set out in its Terms of Reference, which can be found on the Company’s website at **www.norcros.com**.

During the year under review, the following Directors were members of the Remuneration Committee:

- Alison Littley (Committee Chair)
- Stefan Allanson
- Steve Good
- Rebecca DeNiro (from 1 July 2024)

All members of the Committee are independent. They serve on the Committee for a minimum three-year term and a maximum of nine years, provided the Director remains independent. As part of an effectiveness review for the entire Board, an evaluation of the Remuneration Committee was undertaken in the year to 31 March 2025. We are pleased to report this review concluded that the Committee continues to operate effectively. The Committee has used this evaluation process to help it identify specific areas of focus for the year ahead, as set out on page 122.

In addition, the Chief Executive Officer was invited to attend Committee meetings as appropriate to advise on specific questions raised by the Committee and on matters relating to the performance and remuneration of senior managers, other than in relation to his own remuneration. The Chief Legal Officer and Company Secretary acts as secretary to the Committee. No individual was present whilst decisions were made regarding their own remuneration.

The Committee met six times during the year. Attendance by individual members at meetings is detailed on page 103.

Main activities of the Committee during the year ended 31 March 2025

The main activities carried out by the Committee during the year under review were:

- reviewing and setting salary levels for Executive Directors and senior management;
- determining the annual bonus outcome for the year ended 31 March 2024;
- setting targets for the annual bonus for the year ended 31 March 2025;
- calibrating targets for, and granting of, 2024 APSP awards;
- reviewing developments in remuneration governance;
- reviewing and setting the fees payable to the Board Chair; and
- reviewing the pay policies and practices for the wider workforce.

Advisors

During the year under review, the Committee sought independent advice from Ellason LLP, who were appointed in 2021. Ellason is a member and signatory of the Code of Conduct for UK Remuneration Consultants, details of which can be found at **www.remunerationconsultantsgroup.com**. In the year to 31 March 2025, Ellason provided the following services:

Services provided		Fees (excl VAT)
Ellason	Guidance on developments in remuneration governance and market trends (and implications for Norcros), remuneration benchmarking for annual review, Remuneration Report drafting support and general support to the Committee throughout the year on remuneration-related matters.	£36,580

Ellason does not provide other services to the Company or its Directors and the Committee is satisfied that the advice it receives is independent.

Summary of shareholder voting at the Annual General Meeting

The following table shows the results of the advisory vote on the 2024 Annual Report on Remuneration at the 2024 Annual General Meeting, and the binding vote on the remuneration policy at the 2023 Annual General Meeting:

	Annual Report on Remuneration (2024 AGM)		Remuneration policy (2023 AGM)	
	Total number of votes	% of votes cast	Total number of votes	% of votes cast
For (including discretionary)	70,117,694	99.35%	70,719,065	96.69%
Against	458,404	0.65%	2,418,167	3.31%
Total votes cast (excluding withheld votes)	70,576,098	100.00%	73,137,232	100.00%
Votes withheld	17,141		6,808	
Total votes (including withheld votes)	70,593,239		73,144,040	

Single figure for total remuneration for Executive Directors (audited information)

The following table provides a single figure for total remuneration of the Executive Directors for the year ended 31 March 2025, together with comparative figures for the year ended 31 March 2024. The values of each element of remuneration are based on the actual value delivered, where known. The value of the annual bonus includes the element of bonus deferred under the Deferred Bonus Plan.

	Thomas Willcocks		James Eyre	
	2025 £	2024 £	2025 £	2024 £
Base salary ¹	436,800	420,000	332,800	320,000
Taxable benefits ²	16,313	16,201	15,788	15,720
Annual bonus ³	236,746	–	180,378	–
Share-based payments ⁴	–	81,320	–	122,999
Post-employment benefit ⁵	34,944	33,600	26,624	25,600
SAYE ⁶	–	–	–	3,274
Total fixed	488,057	469,801	375,212	361,320
Total variable	236,746	81,320	180,378	126,273
Total	724,803	551,121	555,590	487,593

1 Base salaries for 2025 reflect the amounts disclosed and explained in last year’s Directors’ Remuneration Report.
2 Taxable benefits consist of £15,000 car allowance and private medical insurance.
3 Annual bonus comprises both the cash annual bonus for performance during the year and, where applicable, the face value of the deferred bonus element on the date of deferral. See “Annual bonus in respect of performance in the year ended 31 March 2025” overleaf for further details. No bonus was payable for the year ended 31 March 2024.
4 For 2025, the APSP value of £nil reflects the value of APSP awards granted in July 2022, which will lapse in full on 18 July 2025. For 2024, the APSP value reflects the value of APSP awards granted in July 2021, of which 49.3% vested to Thomas Willcocks and James Eyre on 21 July 2024 (equivalent to 29,528 shares and 44,662 shares, respectively). The reported values included the dividends accrued on these awards over the period from grant to the vesting date and were estimated last year using the three-month average share price to 31 March 2024 of 186.7p. This has been trued up to reflect the vest-date value of awards using the share price of 245.0p in this year’s Annual Report on Remuneration.
5 Pension benefits comprise cash in lieu. See “Total pension entitlements” on page 139 for further details.
6 Embedded gain on grant of Save As You Earn Scheme grants made in the relevant year.



ANNUAL REPORT ON REMUNERATION

CONTINUED

Incentive outcomes for the year ended 31 March 2025 (audited information)

Annual bonus in respect of performance in the year ended 31 March 2025

The 2025 Annual Bonus Plan was based 80% on Group underlying operating profit performance and 20% on Group working capital for the year to 31 March 2025. The maximum annual bonus opportunity for the year was 100% of base salary for the Chief Executive Officer and Chief Financial Officer. Based on the Company’s performance in 2025, against the stretching targets set at the start of the year, the Committee approved annual bonus payouts for the Executive Directors at 54.2% of maximum. Further details, including the targets set and actual performance, are provided below:

	Underlying profit target £m	Payout (% of max.)	2025 outturn £m	Bonus (% of max.)
Maximum	44.3	80%		
Target	41.0	40%	41.6 ¹	47.3%
Threshold	39.5	15%		

	Working capital target £m	Payout (% of max.)	2025 outturn £m	Bonus (% of max.)
Maximum	65.2	20%		
Target	70.9	10%	73.1 ²	6.9%
Threshold	74.4	5%		

1 Target was set on a pre-IFRS 16 basis; therefore, the 2025 outturn has been assessed on a similar basis, i.e. underlying operating profit of £41.6m pre-IFRS 16 (reported £43.2m).
2 Target was set on the unweighted average of 12-month end working capital balances; therefore, the 2025 outturn has been assessed on a similar basis.

In keeping with good practice, the Committee reviewed the formulaic outcome of the annual bonus in the context of business performance and the wider stakeholder experience. The Committee concluded that the outcomes reflect the underlying performance of the Group more generally, and the experience of other stakeholders. Accordingly, no discretion has been exercised in relation to the bonus outcome for the 2025 financial year.

2022 APSP awards vesting

Effective July 2022, APSP awards were granted to Thomas Willcocks (86,009 shares) and James Eyre (133,027 shares). Vesting of these awards was based on Norcros’ three-year aggregate diluted underlying EPS to 31 March 2025. Based on performance over the performance period, against the targets originally set, the Committee has determined that these awards will lapse in full on 18 July 2025, being the end of the relevant three-year vesting period according to the APSP rules. Performance targets and actual performance against these, as determined by the Committee, are summarised in the table below:

	Aggregate diluted underlying EPS	% vesting	Norcros’ performance	Award vesting (% of APSP award)
Threshold	126.4p	25%		
Maximum	144.3p	100%	101.9p	0%

Scheme interests awarded in 2025 (audited information)

2024 DBP

No annual bonus was payable in 2024 and no DBP awards were made during the year under review.

2024 APSP

During the year under review, the following APSP awards were granted to the Executive Directors:

	Thomas Willcocks	James Eyre
Basis of award	115% of base salary	110% of base salary
Grant date	24 July 2024	24 July 2024
Number of nil-cost options granted	217,454	158,476
Grant-date share price (p)	231.0	231.0
Grant-date face value (£)	502,319	366,080
Normal vesting date	24 July 2027	24 July 2027
Performance period	1 April 2024–31 March 2027	1 April 2024–31 March 2027
Performance conditions	Underlying diluted EPS in the year to 31 March 2027 Threshold: 36.1p (25% of element vesting) Maximum: 42.7p (100% of element vesting) Straight-line vesting between these points	Underlying diluted EPS in the year to 31 March 2027 Threshold: 36.1p (25% of element vesting) Maximum: 42.7p (100% of element vesting) Straight-line vesting between these points
Holding period	24 July 2027–24 July 2029	24 July 2027–24 July 2029

Total pension entitlements (audited information)

As part of their remuneration arrangements, Thomas Willcocks and James Eyre are entitled to receive pension contributions from the Company. Under these arrangements, they can elect for those contributions to be paid in the form of taxable pension allowance, or direct payments into a personal pension plan or the Group’s UK defined contribution scheme. If a payment is made in the form of taxable pension allowance, the amount payable is not reduced to allow for employment taxes.

During the year, Thomas Willcocks elected to take a taxable pension allowance of £34,944 (2024: £33,600) with no amounts paid directly into a pension scheme (2024: £nil). James Eyre elected to take a taxable pension in the year of £26,624 (2024: £25,600) with no amounts paid directly into a pension scheme (2024: £nil). In line with the Regulations, the single figure table reflects the total of these amounts. Thomas Willcocks and James Eyre are not members of the UK defined benefit scheme.



ANNUAL REPORT ON REMUNERATION

CONTINUED

Single figure for total remuneration for Non-executive Directors (audited information)

The table below sets out a single figure for the total remuneration received by each Non-executive Director for the year ended 31 March 2025 and the prior year:

	Total fee	
	2025 £	2024 £
Steve Good ¹	155,324	103,772
Alison Littley	63,199	59,998
Stefan Allanson	59,986	55,277
Rebecca DeNiro ²	39,366	—

1 Steve Good was appointed on 1 July 2023 and became Board Chair on 26 July 2023.
2 Rebecca DeNiro was appointed on 1 July 2024.

Payments to past Directors (audited information)

No payments were made to past Directors during the year. As previously reported, Nick Kelsall retired with effect from 31 March 2023. As described in previous reports, he retained an interest in the APSP award granted to him in 2022. Following the end of the performance period, this award will lapse in full, as reported above in relation to the awards held by the Executive Directors.

Payments for loss of office (audited information)

No payments for loss of office were made to Directors during the year.

External appointments in the year

No external appointments were held by the Executive Directors during the year.

Percentage change in Director remuneration

The table overleaf shows the annual percentage change in remuneration from 2020 to 2025 for each individual who served as a Director during the year ended 31 March 2025, compared with the percentage change in remuneration for all UK staff employed in continuing operations. Norcros plc has no employees other than the Directors. A UK subset of employees (who are employed by the UK operating subsidiary of Norcros plc) was selected as a suitable comparator group for this analysis because the Directors (who are employed or engaged by Norcros plc) are based in the UK (albeit with global roles and responsibilities) and pay changes across the Group vary widely depending on local market conditions (in particular fluctuations in the exchange rate between the South African Rand and Sterling). The comparison uses a per capita figure and, accordingly, this reflects an average across the Group's businesses. The impact of operational factors such as new joiners and leavers and the mix of employees is therefore not taken into account.

	Salary or fees ¹					Benefits					Bonus				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
Executive Directors															
Thomas Willcocks ²	4.0%	n/a	n/a	n/a	n/a	0.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
James Eyre	4.0%	10.3%	11.1%	n/a	n/a	0.4%	23.6%	0.1%	n/a	n/a	n/a	(100%)	(64.2%)	n/a	n/a
Non-executive Directors															
Alison Littley	5.3%	7.1%	17.5%	8.4%	(5.0%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Stefan Allanson ⁴	8.5%	12.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rebecca DeNiro ³	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Steve Good ⁵	33.5%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average of other employees	7.5%	14.0%	2.8%	13.0%	(3.6%)	10.8%	(11.0%)	(8.6%)	4.0%	6.7%	25.9%	55.0%	(27.0%)	(18.8%)	n/a

1 Salary and fee figures are annualised for this comparison. Note that individuals who were Directors during the period under review, but not at any point during the year ended 31 March 2025, have not been included. The percentage changes in their remuneration for prior years (and in which they were a Director) are disclosed in relevant previous Annual Report and Accounts.
2 Thomas Willcocks was appointed as Chief Executive Officer on 1 April 2023, therefore the previous annual percentage changes in remuneration are not applicable.
3 Rebecca DeNiro joined the Board on 1 July 2024, therefore the annual percentage change in remuneration is not applicable.
4 Stefan Allanson joined the Board during the 2023 financial year. The percentage change for 2024 was based on an annualised fee for 2023.
5 Steve Good was appointed Chair on 1 July 2023 and became Board Chair on 26 July 2023. The percentage change assumes he would have been a Non-executive Director for the period 1 April 2023 to 30 June 2023 had he been appointed at the start of the 2024 financial year.

Relative importance of spend on pay

The table below shows shareholder distributions and Norcros' expenditure on total employee pay for the year under review and the prior year, and the percentage change year on year.

	2025 £m	2024 £m	% change
Dividends (i.e. total payments made in year)	9.2	9.1	1.1%
Dividend per share (i.e. total dividend per share in pence in respect of year)	10.4p	10.2p	2.0%
Total staff costs ¹	71.0	75.8	(6.3%)

1 Total staff costs have reduced following the sale of Johnson Tiles UK in May 2024.

CEO pay ratio

The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the Regulations) require certain companies to disclose the ratio of the Chief Executive's pay, using the amount set out in the single total figure table (shown in this report on page 137), to that of the total remuneration of full-time equivalent UK employees at the 25th percentile, median and 75th percentile. The required information is set out in the table below:

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2025	Option B	1:29.1	1:24.8	1:12.6
2024	Option B	1:24.0	1:17.5	1:14.0
2023	Option B	1:49.7	1:41.2	1:28.2
2022	Option B	1:37.6	1:35.4	1:20.3
2021	Option B	1:36.2	1:30.5	1:19.9
2020	Option B	1:27.8	1:27.3	1:15.6



ANNUAL REPORT ON REMUNERATION

CONTINUED

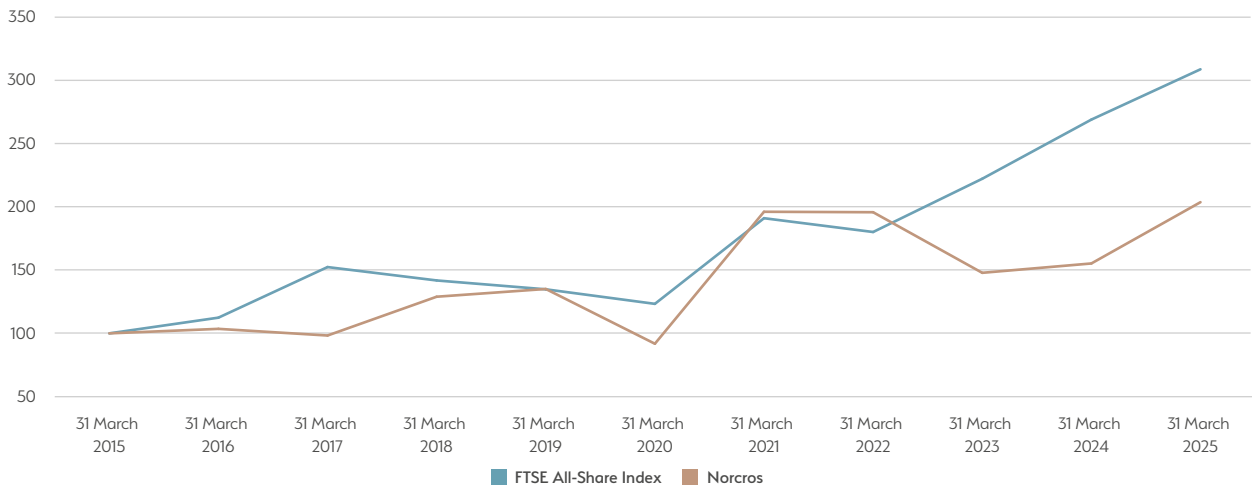
		CEO pay £	P25 pay £	P50 pay £	P75 pay £
2025	Total remuneration	724,803	24,917	29,191	57,478
	Base salary	436,800	22,308	27,115	46,122
2024	Total remuneration	551,121	22,951	31,500	39,326
	Base salary	420,000	21,684	30,000	37,100
2023	Total remuneration	1,125,035	22,641	27,293	39,947
	Base salary	476,000	21,372	25,994	38,045
2022	Total remuneration	865,789	23,025	24,450	42,720
	Base salary	388,470	21,000	23,000	38,150
2021	Total remuneration	815,581	22,505	26,772	41,080
	Base salary	358,297	22,500	26,772	40,600
2020	Total remuneration	561,776	20,173	20,543	36,009
	Base salary	377,155	19,329	19,752	35,000

The 25th percentile, median and 75th percentile figures used to determine the above ratios were selected by reference to the hourly pay figures for the Group’s UK workforce, taken from its gender pay gap statistics for the relevant year and from these identifying the three employees who are at each relevant percentile. The full-time equivalent annualised remuneration (comprising salary, benefits, pension, annual bonus and long-term incentives) for those employees for the year ended 31 March 2025 was then calculated. This methodology is defined in the Regulations as Option B, which was chosen as the most appropriate methodology given the employee demographics of the Group’s UK workforce. The year on year trend of pay ratios for each percentile is that the ratios have increased. This is due to stronger outcomes under variable elements of the CEO’s remuneration year on year, which comprise a higher percentage of the total package than for the employees at P25, P50 and P75.

Performance graph and table

The following graph shows the ten-year TSR performance of the Company relative to the FTSE All-Share Construction and Materials Index. This comparator was chosen because the Company is a constituent member of this index.

Total shareholder return (Value of £100 invested on 31 March 2015)



The table below details the Group Chief Executive’s single figure of remuneration over the same period:

CEO single figure of remuneration (£000)

	2016 Nick Kelsall	2017 Nick Kelsall	2018 Nick Kelsall	2019 Nick Kelsall	2020 Nick Kelsall	2021 Nick Kelsall	2022 Nick Kelsall	2023 Nick Kelsall	2024 Thomas Willcocks	2025 Thomas Willcocks
Incumbent										
Total remuneration	£928,764	£1,025,158	£971,710	£970,860	£561,776	£815,581	£865,789	£1,125,035	£551,121	£724,803
Annual bonus (as a % of max. opportunity)	81%	68%	50%	61%	–	100%	100%	32%	–	54.2%
APSP vesting (as a % of max. opportunity)	100%	100%	100%	58%	26%	–	–	99%	49%	–

Implementation of Executive Director remuneration policy for the year to 31 March 2026

As described in the annual statement prefacing this report, the Remuneration Committee conducted a thorough review of Executive Directors’ remuneration, effective 1 April 2025. The results of this review are as follows:

Base salary

The Committee resolved to award an inflationary salary increase of 3% (below the wider workforce average of 4%) to James Eyre. Effective 1 April 2025, his salary is £342,784. The salary for Thomas Willcocks will be increased to £500,000. As previously noted, Thomas’ salary was initially set at a discount to his predecessor, with the intention to increase this over time to an appropriately competitive level commensurate with his performance and contribution.

Pension

Both Executive Directors continue to receive a pension contribution, or allowance in lieu, of 8% of salary, in line with the employer contribution available for the wider UK workforce.

Benefits

Other benefits continue to consist of car allowance of £15,000 and private medical insurance.

Annual bonus

The annual bonus opportunity for Executive Directors will remain unchanged for the 2026 financial year with a maximum bonus opportunity of 100% of salary. The bonus outcome for Executive Directors will continue to be based primarily on Group underlying operating profit (to be weighted 70% of the opportunity). Working capital will be replaced by cash conversion (weighted 15%), to align with a key financial pillar for the Group’s strategy with the remaining 15% linked to strategic objectives which for the year ending 31 March 2026 will be linked to strategy execution, employee engagement, and talent development. Of any bonus earned, 50% will be deferred into nil-cost options for a further three years under the DBP. Annual bonus targets will be disclosed in next year’s Annual Report on Remuneration, subject to these no longer being considered by the Board to be commercially sensitive.



ANNUAL REPORT ON REMUNERATION

CONTINUED

APSP

APSP awards will be made in the 2026 financial year to the Executive Directors, with face values of 150% of salary for Thomas Willcocks, and 125% of salary for James Eyre. Vesting of these awards will be subject 60% to the achievement of suitably stretching EPS targets and 40% to the Group’s total shareholder return performance relative to companies comprising the consumer and industrials segments of the FTSE SmallCap index (circa 45 companies at 31 March 2025). EPS targets will continue to be set on a point to point basis and will be disclosed in next year’s Annual Report on Remuneration. The EPS element of the APSP will also continue to be subject to a discretionary assessment by the Committee of the quality of earnings over the performance period by reference to the Group’s return on capital employed performance. TSR will be measured over a three-year period to 31 March 2028. Threshold (25%) vesting of this element will require the Group’s TSR to be median against the comparator group, increasing on a straight line sliding scale to full vesting if the Group’s TSR is at least upper quartile. To the extent an award vests, vested shares will be subject to a further two-year holding period.

SAYE

Thomas Willcocks and James Eyre will continue to be able to participate in any SAYE contract offered to all employees, on identical terms.

Implementation of Non-executive Director remuneration policy for the year to 31 March 2026

The Committee reviewed the Board Chair’s fee, and resolved to award an inflationary increase of 3% for the 2026 financial year. The Board Chair and the Executive Directors reviewed Non-executive Director fees and concluded to implement similar inflationary increases (which are below the wider workforce average), as set out below. Fees for acting as the Senior Independent Director and for chairing a committee increased to £10,000 to better reflect the additional time commitments of these roles. Accordingly, for the 2026 financial year, Non-executive Director fees will be as follows:

Non-executive Director	Fee at 1 April 2025	Fee from 1 April 2024
Board Chair (determined by the Committee)	£159,983	£155,324
Non-executive Director	£54,062	£52,488
Additional fee for acting as Senior Independent Director	£10,000	£3,213
Additional fee for chairing Audit and Risk or Remuneration Committees	£10,000	£7,498

Executive Director shareholdings (audited information)

The table below shows the shareholding of each Executive Director and their respective shareholding requirement as at 31 March 2025:

	Shares owned	Options held			Shareholding guideline % of salary	% current holding	Requirement met?
		Vested but not exercised	Unvested and subject to performance	Unvested but not subject to performance			
Thomas Willcocks	90,001	–	550,521	–	100%	48%	Building
James Eyre	108,656	–	479,738	80,600	100%	75%	Building

Current shareholding is based on shares owned outright and valued using the average share price over the 12 months ended 31 March 2025 of 230.7p.

Details of the options held are provided in the table below.

Directors’ share scheme interests (audited information)

		Date of grant	Vested date	Expiration date	Exercise price	Shares under option 1 April 2024	Granted in 2025	Vested in 2025	Exercised in 2025	Lapsed in 2025	Shares under option 31 March 2025
Thomas Willcocks	APSP										
		21.07.21	21.07.24	21.07.31	–	59,895	–	–	(29,528)	(30,367)	–
		19.07.22	19.07.25	19.07.32	–	86,009	–	–	–	–	86,009
		26.07.23	26.07.26	26.07.33	–	247,058	–	–	–	–	247,058
		24.07.24	24.07.27	24.07.34	–	–	217,454	–	–	–	217,454
		Total				392,962	217,454	–	(29,528)	(30,367)	550,521
James Eyre	DBP										
		19.07.22	19.07.25	19.07.32	–	39,894	–	–	–	–	39,894
		26.07.23	26.07.26	26.07.33	–	27,550	–	–	–	–	27,550
		Total				67,444	–	–	–	–	67,444
	APSP										
		21.07.21	21.07.24	21.07.31	–	90,594	–	–	(44,662)	(45,932)	–
		19.07.22	19.07.25	19.07.32	–	133,027	–	–	–	–	133,027
		26.07.23	26.07.26	26.07.33	–	188,235	–	–	–	–	188,235
		24.07.24	24.07.27	24.07.34	–	–	158,476	–	–	–	158,476
		Total				411,856	158,476	–	(44,662)	(45,932)	479,738
	SAYE	22.12.23	01.02.27	01.08.27	141p	13,156	–	–	–	–	13,156
	Total				13,156	–	–	–	–	13,156	

		Three-year aggregate EPS targets	Three-year aggregate EPS targets	Three-year aggregate EPS targets	March 2027 EPS
Performance	% vesting	21.07.21 award	19.07.22 award	26.07.23 award	24.07.24 award
Threshold	25%	103.0p	126.4p	98.7p	36.1p
Maximum	100%	117.5p	144.3p	105.6p	42.7p



ANNUAL REPORT ON REMUNERATION

CONTINUED

Shareholder dilution

The Group’s share incentive plans operate in line with the Investment Association’s Principles of Remuneration, which require that commitments under all share schemes satisfied by newly issued shares must not exceed 10% of the issued share capital in any rolling ten-year period, of which up to 5% may be used to satisfy options under Executive share schemes. The Group’s position against the dilution limits at 31 March 2025 was 3.1% for the all-schemes limit and 0.9% for Executive schemes.

Statement of Directors’ shareholding and share interests (audited information)

Director	31 March 2025 Ordinary shares ¹	31 March 2024 Ordinary shares
Steve Good	60,000	60,000
Thomas Willcocks	90,001	74,352
James Eyre	108,656	84,986
Alison Littley	–	–
Stefan Allanson	21,943	–
Rebecca DeNiro	–	–

¹ Includes shares held by connected persons.

This report was approved by the Board of Directors on 11 June 2025 and signed on its behalf by:

ALISON LITTLEY
Chair of the Remuneration Committee
11 June 2025





DIRECTORS’ REPORT

The Directors present their Annual Report and the audited consolidated financial statements for the year ended 31 March 2025.

Principal activities

The Company acts as a holding company for the Norcros Group. The Company’s registered number is 3691883 and the Company is registered and domiciled in England.

The Group’s principal activities are the development, manufacture and marketing of mid-premium bathroom and kitchen products with market-leading brands primarily in the UK, Ireland and South Africa.

Accounting reference date

The Company has adopted an accounting period of 52 weeks, and as a result of this, the exact year end date was 30 March 2025. All references to the financial year therefore relate to the 52 weeks commencing on 1 April 2024. In the previous year, the accounting period was 52 weeks, beginning on 3 April 2023 and ending on 31 March 2024.

Results and dividends

The information that fulfils the requirements of the Business Review, which is incorporated in the Directors’ Report by reference, including the review of the Group’s business and future prospects, is included in the Chair’s Statement, the Chief Executive Officer’s Review and the Strategic Report on pages 20 to 97. Key performance indicators are shown on pages 44 and 45.

The Directors recommend a final dividend for the year ended 31 March 2025 of 6.9p (2024: 6.8p). This follows the decision to pay an interim dividend earlier in the year of 3.5p (2024: 3.4p).

Directors’ and officers’ liability insurance and indemnities

The Company purchases liability insurance cover for its Directors and officers, which gives appropriate cover for any legal action brought against them. The Company also provides an indemnity for its Directors (to the extent permitted by the law) in respect of liabilities which could occur as a result of their office. This indemnity does not provide cover should a Director be proven to have acted fraudulently or dishonestly.

Purchase of own shares

In 2007 the Company formed the Norcros Employee Benefit Trust (the Trust). The purpose of the Trust is to meet part of the Company’s liabilities under the Company’s share schemes. The Trust acquired 25,000 shares during the year (2024: 550,000). At the Company’s 2024 Annual General Meeting, the shareholders authorised the Company to make market purchases of up to 8,962,677 ordinary shares. At the forthcoming Annual General Meeting, shareholders will be asked to renew the authority to purchase its own shares for another year. Details are contained in the AGM Notice of Meeting, which is available from the Company’s website **www.norcros.com**.

Employees/fostering business relations

Details of the Group’s engagement with, and policies towards, its employees are contained on page 96. Details of how the Group fosters good business relations with its suppliers and other business partners are contained on pages 69 and 70 and 90 to 92. All these details form part of the Directors’ Report and are incorporated into it by cross-reference.

Directors

Biographical details of the present Directors are set out on pages 100 and 101 and on the Company’s website: **www.norcros.com**. The Directors who served during the year and to the date of this Report are set out below:

Director	Role
Steve Good	Chair
Alison Littley	Non-executive Director
Stefan Allanson	Non-executive Director
Rebecca DeNiro	Non-executive Director (from 1 July 2024)
Thomas Willcocks	Chief Executive Officer
James Eyre	Chief Financial Officer

The interests of the Directors in the shares of the Company at 31 March 2025 and 31 March 2024 are shown on page 146.

Compliance with Listing Rules on diversity

The Company’s compliance with Listing Rules UKLR 9.8.6R(9) and (10), and UKLR 14.3.33R(1), relating to Board and Executive Management diversity, is disclosed in the Nomination Committee Report on pages 118 to 121.

Substantial shareholdings

The Company has received notification that the following were interested in voting rights representing 3% or more of the Company’s issued share capital at the stated date:

Name	% of total voting rights
	31 March 2025
J O Hambro Capital Management Ltd	10.10
FIL Ltd	9.99
Premier Miton Group	9.01
Canaccord Genuity Group Inc	8.78
River Global Investors LLP	5.00
SVM Asset Management	4.82
Allianz Global Investors GmbH	4.53
M&G plc	4.30
Artemis Fund Managers	4.06
Gresham House Asset Management Ltd	3.13

There have been no changes between the year end and 10 June 2025, the nearest practical date to the preparation of this report.

Energy and greenhouse gas emissions reporting

The Board has included emissions data in its SECR Statement on pages 76 and 77 in order to meet the Company’s obligation under The Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 to disclose the Group’s worldwide emissions of the “greenhouse gases” (GHGs) attributable to human activity measured in tonnes of carbon dioxide equivalent.

We have reported on all of the emission sources, being scopes 1, 2 and 3 emissions. These are emissions from activities for which the Group is responsible, emissions resulting from the purchase of electricity, heat, steam or cooling by a business in the Group for its own use, and

emissions from the activities from assets not owned or controlled by the Group, but that the Group indirectly affects in its value chain. Also reported are the figures for aggregate energy consumed by the Group, expressed in kWh. We use the ratio of total emissions (measured in tonnes of CO₂e) to the total revenue of the Group (£368.1m) as our chosen intensity measure. This ratio is chosen because it enables us to compare energy use relative to the overall level of business activity in revenue terms, consistently year on year.

The Group recognises that its scope 1 and 2 GHG emissions only reflect a proportion of our total carbon footprint across the value chain. A more holistic approach to reducing our indirect impacts will be required to deliver the scale of reductions demanded by the climate science, and we keep the embodied carbon impacts of the materials we use and of our logistics supply chain under review.

We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), data gathered to fulfil our requirements under the CRC Energy Efficiency scheme, and emission factors from the UK Government’s GHG Conversion Factors for Company Reporting 2018. We use the best information available to us, such as invoice data or measured energy usage. Where no more suitable data sources are available, we have used, where practicable, estimates based on the appropriate information that is available to the Group.

Political donations

There were no political donations (2024: £nil).

Research and development

The Group’s expenditure on research and development is disclosed in note 3 to the financial statements and is focused on the development of new products.

Corporate governance

Details of the Group’s corporate governance are contained on pages 108 to 111. This Corporate Governance Report forms part of the Directors’ Report and is incorporated into it by cross-reference.

Going concern

Having taken into account the principal risks and uncertainties facing the Group detailed on pages 78 to 89 in the Strategic Report, the Board considers it appropriate to prepare the financial statements on the going concern basis, as explained in note 1 to the financial statements.



DIRECTORS' REPORT

CONTINUED

Financial risk management

The Group's operations expose it to a variety of financial risks. Details of the risks faced by the Group are provided in note 21 to the financial statements.

Takeover directive

The Company has only one class of shares, being ordinary shares, which have equal voting rights. The holdings of individual Directors are disclosed on page 146.

There are no significant agreements to which the Company is a party which take effect, alter or terminate in the event of a change of control of the Company, except for the banking facilities dated 7 March 2022 in respect of the £130.0m unsecured revolving credit facility and the £70.0m accordion facility, which contain mandatory prepayment provisions on a change of control.

There are no provisions within Directors' employment contracts which allow for specific termination payments upon a change of control.

Statement of disclosure of information to auditor

In the case of each of the persons who are Directors, the following applies:

- a. So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware.

- b. They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

A resolution to re-appoint BDO LLP as auditor to the Company will be proposed at the Annual General Meeting.

Annual General Meeting

The Annual General Meeting of the Company will take place at 11.00 am on 23 July 2025 at Addleshaw Goddard LLP, 60 Chiswell Street, London EC1Y 4AG. The notice convening that meeting, together with the resolutions to be proposed, are available on request from the Company (info@norcros.com) or from the Company's website (<https://www.norcros.com/investors/shareholder-services/meetings-and-voting/>). The Directors recommend that all shareholders vote in favour of all of the resolutions to be proposed, as the Directors intend to do so in respect of their own shares, and consider that they are in the best interests of the Company and the shareholders as a whole.

By order of the Board

RICHARD COLLINS
Company Secretary

11 June 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In respect of the Annual Report, the Directors' Remuneration Report and the financial statements

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with UK-adopted international accounting standards and applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business; and
- prepare a Directors' Report, a Strategic Report and a Directors' Remuneration Report, which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report 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 are responsible for ensuring that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR 4

The Directors confirm, to the best of their knowledge, that:

- the financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

THOMAS WILLCOCKS
Chief Executive Officer

JAMES EYRE
Chief Financial Officer

11 June 2025





FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR’S REPORT

to the members of Norcros plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 31 March 2025 and of the Group’s profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Norcros plc (the ‘Parent Company’) and its subsidiaries (the ‘Group’) for the year ended 31 March 2025 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cashflow statement, the consolidated statement of changes in Equity and notes to the financial statements, including material accounting policy information, the parent company balance sheet, the parent company statement of changes in equity and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the Audit and Risk Committee, we were appointed by the Directors on 30 July 2020 to audit the financial statements for the year ended 31 March 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 5 years, covering the years ended

31 March 2021 to 31 March 2025. We remain 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 FRC’s Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

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 and the Parent Company’s ability to continue to adopt the going concern basis of accounting included:

- We obtained management’s assessment that supports the Directors’ conclusions with respect to the disclosures provided around going concern;
- We challenged the rationale for the assumptions utilised in the forecasts, using our knowledge of the business, the sector and wider commentary available from competitors and peers;
- We considered the appropriateness of management’s forecasts by testing their mechanical accuracy, assessing historical forecasting accuracy and understanding management’s consideration of downside sensitivity analysis;
- We obtained an understanding of the financing facilities from the finance agreements, including the nature of the facilities, covenants and attached conditions;
- We assessed the facility and covenant headroom calculations, and reperformed sensitivities on management’s base case and stressed case scenarios; and
- We reviewed the wording of the going concern disclosures and assessed its consistency with the directors’ assessment of going concern, including underlying management forecasts.

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 and the 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.

In relation to the Parent Company’s reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors’ statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Overview

Key audit matters		2025	2024
	Valuation of pension liabilities	✓	✓
	Impairment of goodwill and intangible assets	✓	✓
	Disposal Accounting for Johnson Tiles UK	✓	✗
Materiality	<i>Group financial statements as a whole</i>		
	£1.75m (2024: £1.30m) based on 5% (2024: 5%) of Profit before tax adjusted for non-recurring costs including the loss on disposal of Johnson Tiles UK and related professional fees.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group’s system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

Our Group audit scope focused on the Group’s principal operating locations, being those in the UK, Ireland and South Africa. In the UK and Ireland, Norcros plc operates under seven separate divisions: Triton, Johnson Tiles UK, Grant Westfield, MERLYN, VADO, Croydex and Abode. In South Africa there are four divisions: Johnson Tiles South Africa, TAL, House of Plumbing and Tile Africa.

As part of performing our Group audit, we have determined the components in scope as follows:

- In the UK, full scope audits were performed by the Group engagement team on Triton and the Parent Company, whilst specific audit procedures were performed on VADO, Croydex and Abode.
- The Grant Westfield full scope audit was performed by a component auditor in Scotland.
- The MERLYN component was a full scope component and was subject to a full scope audit performed by a component auditor in Ireland.
- The four South African divisions were full scope components and were subject to full scope audits by a component auditor in South Africa.

- We carried out risk assessment procedures on the remaining components in the group, principally comprising of analytical review procedures. Based on this work and considering relevant quantitative factors we concluded the risk of material error was remote and our work was therefore limited to desktop review work by the Group engagement team.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included, but were not limited to, substantive procedures agreeing transactions and explanation to supporting evidence on a sample basis and visiting locations holding inventory and physically observing the existence of stock lines on a sample basis.



INDEPENDENT AUDITOR’S REPORT

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Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the below.

For the purpose of our group audit, the group consisted of nine components in total. These were comprised of seven legal entities. The following group components were made up of more than one legal entity: the South Africa component, which consisted of four legal entities. The following components are included within one legal entity: Johnson Tiles UK, Triton, VADO, Croydex and Abode. The remaining components, Grant Westfield and MERLYN, make up the remaining legal entities.

Procedures were performed on the entire financial information of Parent Company, Triton, Grant Westfield, MERLYN and the South Africa division.

Procedures were performed on one or more classes of transactions, account balances or disclosures of Johnson Tiles UK, VADO, Croydex and Abode.

Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls in relation to IFRS 16, classification and accuracy of exceptional items, impairment of fixed assets, procedures on consolidation and going concern. We therefore designed and performed procedures centrally in these areas.

Disaggregation

The financial information relating to the remaining Group risks of material misstatement is highly disaggregated across group. We took a centralised approach to responding to these risks. We performed procedures at the component level in relation to these risks in order to obtain comfort over the residual population of group balances.

Locations

Norcros plc’s operations are spread over a number of different geographical locations. We visited five out of a total of nine locations. Our teams conducted procedures in Norcros plc’s locations in the UK, Ireland and South Africa.

In addition, our teams worked remotely, holding regular calls and video conferences with the other components, and with digital information obtained from Norcros plc.

Changes from the prior year

The changes in group audit scope from the prior year audit, is the addition of Abode and Croydex for specified audit procedures on revenue recognition and customer rebates and promotional discounts in order to increase coverage of our testing in response to the current year group risk assessment.

Working with other auditors

As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included component auditors, who formed part of the group engagement team as reported above. As Group auditor we are solely responsible for expressing an opinion on the financial statements.

In working with these component auditors, we held discussions with component audit teams on the significant areas of the group audit relevant to the components based on our assessment of the group risks of material misstatement. We issued our group audit instructions to component auditors on the nature and extent of their participation and role in the group audit, and on the group risks of material misstatement.

We directed, supervised and reviewed the component auditors’ work. This included holding meetings and calls during various phases of the audit and reviewing component auditor documentation in person on site with the component audit teams, and evaluating the appropriateness of the audit procedures performed and the results thereof.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group’s operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector;
- Review of the minutes of Board and Audit and Risk Committee meeting and other papers related to climate change and performed a risk assessment as to how the impact of the Group’s commitment as set out in pages 62 to 75 may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in management’s going concern assessment and viability assessment.

We also assessed the consistency of management’s disclosures included as Statutory Other Information on page 96 with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters that were materially affected by climate-related risks.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation of pension liabilities	The group has a defined benefit pension plan with a net scheme asset of £16.8m (2024: £16.5m).	We performed the following in this area:
Refer to note 1 – summary of significant accounting policies, key sources of estimation uncertainty and critical judgements in applying the group’s accounting policies and also to Note 24 Retirement benefit obligations.	We consider there to be a significant risk concerning the appropriateness of the actuarial assumptions applied in calculating the group’s defined benefit pension scheme liability of £257m (2024: £275m) as shown in Note 24.	We obtained the report from management’s actuary used in valuing the scheme’s liabilities, from which we assessed the appropriateness of the assumptions underpinning the valuation of the scheme liabilities.
	The valuation of the group’s pension scheme liability was performed by management’s external actuary and involves significant judgement from the directors and the actuary in the choice of discount rate used and in the key sources of estimation uncertainty, in particular in relation to the inflation assumptions and mortality rates, as described in the group’s accounting policies.	Specifically, we challenged the discount rate, inflation and mortality assumptions applied in the calculation by using our auditor engaged pension expert to assist us to benchmark the assumptions applied against comparable third-party data and assessed the appropriateness of the assumptions in the context of the group’s own position.
	The sensitivity of the assumptions is material, and small changes can materially impact the calculation of the liability at year end. Therefore, we consider these judgements a key audit matter.	We evaluated the competence, capabilities and objectivity of management’s actuary as part of our audit work.
		Key observations:
		Based on the procedures performed, we did not identify any matters to suggest that the valuation of the pension scheme liabilities was inappropriate.



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Key audit matter		How the scope of our audit addressed the key audit matter
Impairment of goodwill and intangible assets Refer to note 1 – summary of significant accounting policies, key sources of estimation uncertainty and critical judgements in applying the group’s accounting policies and also to Notes 11 and 12 Goodwill and Intangible Assets.	<p>The Directors are required to undertake an annual assessment of the carrying value of goodwill and intangibles. The impairment reviews performed by management on cash generating units (CGUs) contain a number of judgements and estimates including long term growth rates, forecast cash flows, forecast timeframe, potential impact of climate change factors and discount rates to determine the recoverable amounts on a value in use basis.</p> <p>Therefore, the Directors exercise significant judgement in determining the assumptions used in the impairment annual review and the risk of bias in forming the estimates and the basis of the inputs into the calculation could have a material impact on the conclusion. We therefore consider this to be a key audit matter.</p>	<p>We performed the following in this area:</p> <ul style="list-style-type: none">• Obtained the impairment model and challenged the key assumptions within, such as, the cash generating units (CGUs) allocation, cash flow projections, discount rates and long-term growth rates.• Involved our internal valuations expert to review the valuation methodology and support our assessment of the discount rates applied, where the rate is a sensitive variable.• Challenged sensitivity analysis performed by management and where necessary performed further sensitivity assessments.• Considered the appropriateness of the disclosures within the financial statements in line with the requirements of IAS 36. <p>Key observations:</p> <p>Based on the procedures performed, we did not identify any matters to suggest that the assumptions used in the impairment calculation was inappropriate.</p>

Key audit matter		How the scope of our audit addressed the key audit matter
Disposal Accounting for Johnson Tiles UK Refer to “Note 1(d) – Exceptional Items, Acquisition and disposal related costs” within Group accounting policies and “Note 5 – Acquisition and Disposal related costs and exceptional operating items” for further details.	<p>On 19 May 2024, the Group completed the sale of the trade and assets of the Johnson Tiles UK division to Johnson Tiles Limited, a newly incorporated company wholly owned by the new third party owners. The sale was completed at a consideration lower than the carrying value of the business’s assets and resulted in a loss on disposal of £22m, recognised as an exceptional item in the consolidated financial statements.</p> <p>Due to the one-off nature of this transaction, the significant loss on disposal there is a risk that the disposal of Johnson Tiles UK during the period has been incorrectly accounted for with respect to the criteria under the relevant IFRS 5 accounting standard giving rise to a potential material misstatement in the consolidation. There is also a risk over the classification of the loss on disposal being recognised in exceptional items, and the recognition of the proceeds received. We therefore consider this a key audit matter.</p>	<p>We performed the following in this area:</p> <ul style="list-style-type: none">• Obtained and reviewed the signed sale and purchase agreement, to assess the terms of the transaction, including the nature and timing of the consideration received.• Obtained and reviewed board minutes in the year, to ensure the transaction that was evaluated and approved by the board, was in line with the audit work performed.• Challenged management and assessed the terms and conditions of the sale to relevant group accounting policies, to ensure the accounting entries in the consolidation, support the classification of the transaction as an exceptional item and the period in which the loss on disposal is recorded in.• Checked that results up to date of disposal on 19 May 2024 were included in the consolidated financial statements and reconciled to supporting documentation such as management accounts.• Evaluated and tested the assumptions used in the calculation of the deferred contingent consideration for the future earn out, based on the expected future equity value of the business.• Challenged the accounting treatment of the investment property recognised and the rental income received to check that the treatment is consistent with relevant accounting standards.• Considered whether the transaction met the criteria for classification as a discontinued operation under IFRS 5 by evaluating whether the sale represented a separate major line of business and whether the disposal met the conditions for being classified as held for sale at the appropriate date.• Reviewed related disclosures in the financial statements for clarity and consistency. <p>Key observations:</p> <p>Based on the procedures performed, we did not identify any matters to suggest that the disposal accounting for Johnson Tiles UK was inappropriate.</p>



INDEPENDENT AUDITOR’S REPORT

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Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2025 £m	2024 £m	2025 £m	2024 £m
Materiality	1.75	1.30	0.19	0.32
Basis for determining materiality	5% of Profit before tax adjusted for certain non-underlying items, including exceptional items.	5% of Profit before tax adjusted for certain non-underlying items, including exceptional items.	Set based on 15% of Group materiality.	Set based on 30% of Group materiality.
Rationale for the benchmark applied	We considered that using this basis for determining materiality was most appropriate based on the underlying trading performance of the Group, eliminating non-recurring items and in the interests of the users of the financial statements.	We considered that using this basis for determining materiality was most appropriate based on the underlying trading performance of the Group, eliminating non-recurring items and in the interests of the users of the financial statements.	Calculated as a percentage of Group materiality for Group reporting purposes, taking account of the aggregation risk across components within the group, which has resulted in a decrease in materiality used for the current year.	Calculated as a percentage of Group materiality for Group reporting purposes, taking account of the aggregation risk.
Performance materiality	70% of materiality	70% of materiality	70% of materiality	70% of materiality
Basis for determining performance materiality	70%, based on our knowledge of the aggregation risk, the control environment and historic misstatement levels.	70%, based on our knowledge of the aggregation risk, the control environment and historic misstatement levels.	70%, based on our knowledge of the aggregation risk, the control environment and historic misstatement levels.	70%, based on our knowledge of the aggregation risk, the control environment and historic misstatement levels.

Group financial statements			Parent company financial statements	
	2025 £m	2024 £m	2025 £m	2024 £m
Rationale for the percentage applied for performance materiality	We considered that using this basis for determining performance materiality was most appropriate based on the impact of brought forward adjustments from the prior years, the value of known adjustments in the current year and the aggregation impact across the group.	We considered that using this basis for determining performance materiality was most appropriate based on the impact of brought forward adjustments from the prior years, the value of known adjustments in the current year and the aggregation impact across the group.	We considered that using this basis for determining performance materiality was most appropriate based on the impact of brought forward adjustments from the prior years, the value of known adjustments in the current year and the aggregation impact across the group.	We considered that using this basis for determining performance materiality was most appropriate based on the impact of brought forward adjustments from the prior years, the value of known adjustments in the current year and the aggregation impact across the group.

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, based on a percentage of between 10% and 30% (2024: 25% and 50%) of Group performance materiality dependent on a number of factors such as our assessment of the risk of material misstatement in those components. Component performance materiality ranged from £0.19m to £0.53m (2024: £0.28m to £0.65m).

Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £41,000 (2024: £39,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled Annual Report and Accounts 2025 other than the financial statements and our auditor’s report thereon. 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.



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Corporate governance statement

The UK Listing Rules require us to review the Directors’ statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company’s compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements, or our knowledge obtained during the audit.

Going concern and longer-term viability	<ul style="list-style-type: none">The Directors’ statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 149;The Directors’ explanation as to their assessment of the Group’s prospects, the period this assessment covers and why the period is appropriate set out on page 88; andThe Directors’ statement on whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities set out on page 88.
Other Code provisions	<ul style="list-style-type: none">Directors’ statement on fair, balanced and understandable set out on page 113;Board’s confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 80;The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 110 and 111; andThe section describing the work of the audit committee set out on page 112.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors’ report	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none">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; andthe Strategic report and the Directors’ report have been prepared in accordance with applicable legal requirements. <p>In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors’ report.</p>
Directors’ remuneration	<p>In our opinion, the part of the Directors’ remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.</p>
Corporate governance statement	<p>In our opinion, based on the work undertaken in the course of the audit the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.</p> <p>In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in this information.</p> <p>In our opinion, based on the work undertaken in the course of the audit information about the Parent Company’s corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.</p> <p>We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Parent Company.</p>

Matters on which we are required to report by exception	<p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none">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; orthe Parent Company financial statements and the part of the Directors’ remuneration report to be audited are not in agreement with the accounting records and returns; orcertain disclosures of Directors’ remuneration specified by law are not made; orwe have not received all the information and explanations we require for our audit.
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Responsibilities of Directors

As explained more fully in the Statement of Directors’ responsibilities, 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.

In preparing the financial statements, the Directors are responsible for assessing the Group’s and the 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.

- Discussion with management, those charged with governance and Audit and Risk Committee; and
- Obtaining an understanding of the Group’s policies and procedures regarding compliance with laws and regulations.

We have considered the significant laws and regulations to be the applicable accounting framework, UK or relevant international tax legislation, the Companies Act 2006 and the Listing Rules.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Health and Safety and the Bribery Act 2010.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit to ensure compliance with tax legislation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

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.

Extent to which the audit was 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included

- Enquiry with management, those charged with governance and the Audit and Risk Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group’s policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.

INDEPENDENT AUDITOR’S REPORT

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- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Detailed discussion amongst the audit engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting inappropriate journal entries, management bias in accounting estimates and revenue pre year end cut-off within the key revenue streams.

Our procedures in respect of the above included:

- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.
- Discussions with management, the Audit and Risk Committee, the Directors and internal legal counsel concerning consideration of known or suspected instances of litigation, non-compliance with laws and regulation and fraud;
- Use of forensic specialists to assist with the risk assessment at the planning stage and to help design appropriate audit procedures to detect material fraud;
- Reviewing minutes of Board meetings throughout the period to corroborate our enquiries and to identify any other matters not already disclosed by management and the Directors;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the Group’s defined benefit pension scheme liabilities, impairment of goodwill and intangibles, customer rebates and promotional support accruals and the presentation of the financial statements including the classification of exceptional items; and
- Testing a sample of revenue transactions around year end to supporting documentation (including invoice and proof of delivery) for all components to assess if the revenue had been recorded in the correct period;
- Identifying and agreeing journal entries to supporting documentation, in particular any journal entries posted with unusual account combinations or including specific keywords;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Agreeing the financial statement disclosures to underlying supporting documentation; and
- Performing a stand back on uncorrected misstatements for indication of cumulative bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component auditors who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component auditors, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

GARETH SINGLETON (SENIOR STATUTORY AUDITOR)
For and on behalf of BDO LLP, Statutory Auditor Leeds, UK
11 June 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2025

	Notes	2025 £m	2024 £m
Continuing operations			
Revenue	2	368.1	392.1
Underlying operating profit		43.2	43.2
IAS 19R administrative expenses	24	(1.8)	(1.3)
Acquisition and disposal related costs	5	(25.4)	(4.3)
Exceptional operating items	5	(7.7)	2.3
Operating profit		8.3	39.9
Finance costs	6	(7.1)	(8.1)
IAS 19R finance credit	24	0.8	0.8
Profit before taxation		2.0	32.6
Taxation	7	1.5	(5.8)
Profit for the year attributable to equity holders of the Company		3.5	26.8
Earnings per share attributable to equity holders of the Company			
Basic earnings per share:			
From profit for the year	9	3.9p	30.1p
Diluted earnings per share:			
From profit for the year	9	3.9p	29.8p
Weighted average number of shares for basic earnings per share (m)	9	89.5	89.0
Alternative performance measures			
Underlying profit before taxation (£m)	8	36.5	36.4
Underlying earnings (£m)	8	29.2	28.8
Basic underlying earnings per share	9	32.6p	32.4p
Diluted underlying earnings per share	9	32.4p	32.1p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2025

	Notes	2025 £m	2024 £m
Profit for the year		3.5	26.8
Other comprehensive income and expense:			
Items that will not subsequently be reclassified to the Income Statement			
Actuarial losses on retirement benefit obligations	24	(8.9)	(1.4)
Items that may be subsequently reclassified to the Income Statement			
Cash flow hedges – fair value gain in year	21	0.1	1.0
Foreign currency translation of foreign operations		0.3	(5.3)
Other comprehensive expense for the year		(8.5)	(5.7)
Total comprehensive result for the year attributable to equity holders of the Company		(5.0)	21.1

Items in this statement are disclosed net of tax.



CONSOLIDATED BALANCE SHEET

At 31 March 2025

	Notes	2025 £m	2024 £m
Non-current assets			
Goodwill	11	107.4	107.3
Intangible assets	12	46.1	53.9
Property, plant and equipment	13	21.8	28.1
Deferred tax asset	22	1.4	0.7
Pension scheme asset	24	6.8	16.5
Right-of-use assets	14	16.7	18.0
		200.2	224.5
Current assets			
Inventories	15	88.2	97.4
Trade and other receivables	16	71.7	72.6
Current tax assets		1.5	–
Cash and cash equivalents	17	22.7	30.8
Asset held for sale	13	3.7	–
		187.8	200.8
Current liabilities			
Trade and other payables	18	(86.7)	(89.1)
Lease liabilities	19	(6.5)	(6.3)
Current tax liabilities		(1.0)	(2.5)
Derivative financial instruments	21	(0.5)	(0.6)
Provisions	23	(0.5)	(0.7)
		(95.2)	(99.2)
Net current assets		92.6	101.6
Total assets less current liabilities		292.8	326.1
Non-current liabilities			
Financial liabilities – borrowings	20	(59.5)	(68.1)
Lease liabilities	19	(14.1)	(15.9)
Deferred tax liabilities	22	(10.0)	(14.1)
Other non-current liabilities	26	(0.2)	(4.6)
Provisions	23	(1.1)	(1.0)
		(84.9)	(103.7)
Net assets		207.9	222.4
Financed by:			
Share capital	25	8.9	8.9
Share premium		47.6	47.6
Retained earnings and other reserves		151.4	165.9
Total equity		207.9	222.4

The financial statements of Norcros plc, registered number 3691883, on pages 165 to 205, were authorised for issue on 11 June 2025 and signed on behalf of the Board by:

THOMAS WILLCOCKS
Chief Executive Officer

JAMES EYRE
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2025

	Notes	2025 £m	2024 £m
Cash generated from operations	27	28.3	49.0
Income taxes paid		(3.4)	(5.6)
Interest paid		(6.4)	(6.8)
Net cash generated from operating activities		18.5	36.6
Cash flows from investing activities			
Proceeds from sale of property		3.5	–
Purchase of property, plant and equipment and intangible assets		(6.9)	(7.3)
Net cash used in investing activities		(3.4)	(7.3)
Cash flows from financing activities			
Purchase of treasury shares		(0.1)	(0.8)
Costs of raising debt finance		–	(0.2)
Principal element of lease payments		(5.1)	(4.9)
Drawdown of borrowings		21.0	18.0
Repayment of borrowings		(30.0)	(29.0)
Dividends paid to the Company's shareholders	28	(9.2)	(9.1)
Net cash used in financing activities		(23.4)	(26.0)
Net (decrease)/increase in cash and cash equivalents		(8.3)	3.3
Cash and cash equivalents at the beginning of the year		30.8	29.0
Exchange movements on cash and cash equivalents		0.2	(1.5)
Cash and cash equivalents at the end of the year		22.7	30.8



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2025

	Ordinary share capital £m	Share premium £m	Treasury reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2023	8.9	47.6	(0.1)	(1.4)	(21.1)	176.5	210.4
Comprehensive income:							
Profit for the year	–	–	–	–	–	26.8	26.8
Other comprehensive expense:							
Actuarial loss on retirement benefit obligations	–	–	–	–	–	(1.4)	(1.4)
Fair value gain on cash flow hedges	–	–	–	1.0	–	–	1.0
Foreign currency translation adjustments	–	–	–	–	(5.3)	–	(5.3)
Total other comprehensive expense for the year	–	–	–	1.0	(5.3)	(1.4)	(5.7)
Transactions with owners:							
Purchase of treasury shares	–	–	(0.8)	–	–	–	(0.8)
Dividends paid	–	–	–	–	–	(9.1)	(9.1)
Settlement of share option schemes	–	–	1.1	–	–	(1.2)	(0.1)
Value of employee services	–	–	–	–	–	0.9	0.9
At 31 March 2024	8.9	47.6	0.2	(0.4)	(26.4)	192.5	222.4
Comprehensive income:							
Profit for the year	–	–	–	–	–	3.5	3.5
Other comprehensive expense:							
Actuarial loss on retirement benefit obligations	–	–	–	–	–	(8.9)	(8.9)
Fair value gain on cash flow hedges	–	–	–	0.1	–	–	0.1
Foreign currency translation adjustments	–	–	–	–	0.3	–	0.3
Total other comprehensive expense for the year	–	–	–	0.1	0.3	(8.9)	(8.5)
Transactions with owners:							
Purchase of treasury shares	–	–	(0.1)	–	–	–	(0.1)
Dividends paid	–	–	–	–	–	(9.2)	(9.2)
Settlement of share option schemes	–	–	0.6	–	–	(1.1)	(0.5)
Value of employee services	–	–	–	–	–	0.3	0.3
At 31 March 2025	8.9	47.6	0.7	(0.3)	(26.1)	177.1	207.9

NOTES TO THE GROUP ACCOUNTS

Year ended 31 March 2025

1. Group accounting policies

General information

Norcros plc (the Company), and its subsidiaries (together the Group), is a market-leading designer and supplier of high-quality bathroom and kitchen products in the UK, Europe and South African markets.

The Company is incorporated in the UK as a public company limited by shares and registered in England and Wales. The shares of the Company are listed on the premium segment of the London Stock Exchange market of listed securities. The address of its registered office is Ladyfield House, Station Road, Wilmslow SK9 1BU, UK. The Company is domiciled in the UK.

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments and contingent consideration, which are stated at their fair value. The Group consolidated statements have been prepared in accordance with UK-adopted International Accounting Standards.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are detailed in the section on critical estimates on page 170. Although these estimates are based on management's best knowledge of amounts, events or actions, actual results may differ from expectations.

Accounting reference date

UK company law permits a company to draw up financial statements to a date seven days either side of its accounting reference date. For operational reasons, the Company has in the current financial year adopted an accounting period of 52 weeks and, as a result of this, the exact year end date was 30 March 2025. All references to the financial year, therefore, relate to the 52 weeks commencing on 1 April 2024. In the previous year, the accounting period was 52 weeks, beginning on 3 April 2023 and ending on 31 March 2024.

Going concern

In adopting the going concern basis for preparing the financial statements, the Directors have considered the Group's business activities, and the principal risks and uncertainties including current macroeconomic factors in the context of the current operating environment. The Group, in acknowledging its TCFD requirements, has also considered climate risks in the financial statements.

A going concern financial assessment was developed on a bottom-up basis by taking the output of the annual budgeting process built up by individual businesses and then subjected to review and challenge by the Board. The financial model was then stress tested by modelling the most extreme but plausible scenario, that being a global pandemic similar in nature to COVID-19. This has been based on the actual impact of the COVID-19 pandemic on the Group, which, at its peak, saw a revenue reduction of 25% on the prior year over a six-month period. The scenario also incorporates management actions the Group has at its disposal, including a number of cash conservation and cost reduction measures including capital expenditure reductions, dividend decreases and restructuring activities.

The Group continues to exhibit sufficient and prudent levels of liquidity headroom against our key banking financial covenants during the 12-month period under assessment and the Group banking facility expires in October 2027. Reverse stress testing has also been applied to the financial model, which represents a further decline in sales compared with the reasonable worst case. Such a scenario, and the sequence of events that could lead to it, is considered to be implausible and remote.

As a result of this detailed assessment, the Board has concluded that the Company is able to meet its obligations when they fall due for a period of at least 12 months from the date of this report. For this reason, the Company continues to adopt the going concern basis for preparing the Group financial statements. In forming this view, the Board has also concluded that no material uncertainty exists in its use of the going concern basis of preparation.

Summary of material accounting policies

The material accounting policies adopted in the preparation of the financial statements are set out as follows. These policies have been consistently applied to all periods presented.

We are not aware of any new, amended or forthcoming accounting standards that will have a material impact on the financial statements of the Group in the current year or future years.



NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

1. Group accounting policies continued

Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of subsidiaries acquired or disposed of in the year are included in the consolidated financial statements from the date on which the Group has the ability to exercise control and are no longer consolidated from the date that control ceases. Costs related to the acquisition or disposal are not included in underlying operating profit.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring them into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition and, where necessary, the accounting policies of acquired subsidiaries are adjusted to bring them in line with those of the Group. Any excess of the consideration (excluding payments contingent on future employment) over the fair values of the identifiable net assets acquired is recognised as goodwill. Any discount on acquisition (a deficiency in the cost of acquisition below the fair values of the identifiable net assets acquired) is credited to the Income Statement in the period of acquisition. Payments that are contingent on future employment are charged to the Consolidated Income Statement. All acquisition costs are expensed as incurred.

Key sources of estimation uncertainty and critical judgements in applying the Group’s accounting policies

The Group’s accounting policies have been set by management and approved by the Audit and Risk Committee. The application of these accounting policies to specific scenarios requires estimates and judgements to be made concerning the future. Under IFRS, estimates or judgements are considered critical where they involve a significant risk that may cause a material adjustment to the carrying amounts of assets and liabilities from period to period. This may be because the estimate or judgement involves matters that are highly uncertain, or because different estimation methods or assumptions could reasonably have been used. Once identified, critical estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- retirement benefit obligations – accounting for retirement benefit schemes under IAS 19 (revised) requires an assessment of the future benefits payable in accordance with actuarial assumptions. The future inflation, discount rate and mortality assumptions applied in the calculation of scheme liabilities, which are set out in note 24, represent a key source of estimation uncertainty for the Group.
- long-term growth and discount rates – as part of the Group’s assessment of the carrying value of cash-generating units, the Group uses estimates of segmental long-term growth rates based on macroeconomic projections for the geographies in which the unit operates. Discount rates for each segment are estimated based upon the risk-free rate for government bonds adjusted for a risk premium to reflect the increased risk of investing in equities and investing in the Group’s specific sectors and regions.

1. Group accounting policies continued

Critical judgements in applying the Group’s accounting policies

In the process of applying the Group’s accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with above) and have been identified as being particularly complex or involve subjective assessments:

- defined benefit pension scheme surplus – management has concluded that the Group has an unconditional right to a refund from the UK defined benefit pension scheme once the liabilities have been discharged and that the trustees of the scheme do not have the unilateral right to wind up the scheme. Therefore, the asset is not restricted. See note 24 for further details of the scheme; and
- customer rebate, incentive and promotional support accruals – a number of the Group’s customers are offered rebates, incentives and promotional support in order to encourage trade and cement strong relationships. Accounting for such arrangements involves judgement as agreement periods typically run for a number of months or years, and may involve assumptions around volumes of product purchased or sold into the future (for example: when the assessment period is not concurrent with the Group’s financial year). However, where applicable, accrual calculations are underpinned by signed contracts and there has historically been a strong correlation between the amounts accrued in respect of a particular period and the amounts subsequently paid.

Revenue recognition

The Group derives revenue predominantly from the sale of goods to customers. Revenue from the sale of goods is recognised when control of the goods has been transferred to the buyer. Control transfers when the customer has the ability to direct the use of and substantially obtain all of the benefits of the goods. This is generally on receipt of goods by the customer.

The Group also derives revenue from services provided alongside the supply of goods, mainly installation services. This revenue is recognised over time and calculated using the “output method” by reference to regular surveys of the work performed, as this delivers the most accurate recognition given the nature of the goods and services provided.

Revenue is measured at the fair value of the consideration received or receivable. Revenue represents the amounts receivable for goods supplied or services provided, stated net of discounts, returns, rebates and value-added taxes. Accumulated experience is used to estimate and provide for rebates, discounts and expected returns using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. An accrual is made at each Balance Sheet date (included within accruals and deferred income) as a deduction from revenue to reflect management’s best estimate of amounts to be paid in respect of arrangements in place with customers regarding rebates, discounts and expected returns.

Incremental costs of fulfilling a contract, such as testing costs, are capitalised in “Trade and other receivables” if the cost has been incurred and are amortised over the life of the contract if the period over which the Group obtains benefit from is over 12 months. Contract-related support costs are accrued in “Trade and other payables” if the trigger for payment has been met. Both types of cost are recorded in the Income Statement against underlying operating profit.

Segmental reporting

The Group operates in two main geographical areas: the UK and Ireland and South Africa. All inter-segment transactions are made on an arm’s length basis. The chief operating decision maker (being the Board) assesses performance and allocates resources based on geography and accordingly segments have been determined on this basis. Corporate costs are allocated to segments on the basis of external turnover.

Goodwill

Goodwill is recognised as an asset and reviewed for impairment at least annually or whenever there is an indicator of impairment. Goodwill is carried at cost less amortisation charged prior to the Group’s transition to IFRS less accumulated impairment losses. Any impairment is recognised in the period in which it is identified and is never reversed.



NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

1. Group accounting policies continued

Intangible assets

Acquired intangible assets comprise customer relationships, brands, trade names and patents recognised as separately identifiable assets on acquisition, as well as product certification costs and development costs that meet the criteria for capitalisation (as explained below in the accounting policy for research and development costs). They are valued at cost less accumulated amortisation, with amortisation being charged on a straight-line basis.

The estimated useful lives of Group assets are as follows:

Customer relationships	8–15 years
Brands, trade name and patents	8–15 years
Development costs	5 years
Product certification costs	5 years

Impairment of long-life assets

Property, plant and equipment assets are reviewed on an annual basis to determine whether events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated as either the higher of the asset’s net selling price or value-in-use; the resultant impairment (the amount by which the carrying amount of the asset exceeds its recoverable amount) is recognised as a charge in the Income Statement.

The value-in-use is calculated as the present value of the estimated future cash flows expected to result from the use of assets and their eventual disposal proceeds. In order to calculate the present value of estimated future cash flows, the Group uses an appropriate discount rate adjusted for any associated risk. Estimated future cash flows used in the impairment calculation represent management’s best view of likely future market conditions and current decisions on the use of each asset or asset group.

Property, plant and equipment

Property, plant and equipment is initially measured at cost. Cost comprises the purchase price (after deducting trade discounts and rebates) and any directly attributable costs. Property, plant and equipment is stated at cost less accumulated depreciation and any provision for impairment in value. Impairment charges are recognised in the Income Statement when the carrying amount of an asset is greater than the estimated recoverable amount, calculated with reference to future discounted cash flows that the assets are expected to generate when considered as part of an income-generating unit. Land is not depreciated. Depreciation on other assets is provided on a straight-line basis to write down assets to their residual value evenly over the estimated useful lives of the assets from the date of acquisition by the Group.

The estimated useful lives of Group assets are as follows:

Buildings	25–50 years
Plant and equipment	3–15 years

The assets’ residual values and useful lives are reviewed and adjusted if appropriate at each Balance Sheet date.

Assets held for sale are measured at the lower of carrying value (cost less accumulated depreciation) and fair value less costs to sell. The Group classified assets as held for sale when there is a commitment to a plan to sell the asset and it is probable that a sale will take place in the following year.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, labour and overheads that have been incurred in bringing the inventories to their present location and condition. The Group measures cost on either a first in, first out or a standard cost basis depending on the level of manufacturing in the relevant business. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provisions are made for slow-moving and obsolete items.

1. Group accounting policies continued

Taxation

Current tax, which comprises UK and overseas corporation 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 the tax expected to be payable or recoverable on the difference between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profits and is accounted for using the Balance Sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised and is charged in the Income Statement, except where it relates to items charged or credited to equity via the Statement of Comprehensive Income, when the deferred tax is also dealt with in equity and is shown in the Statement of Comprehensive Income.

Deferred tax charges/credits in relation to fair value movements of derivative contracts and actuarial movements in pension scheme assets and liabilities are charged/credited directly to the Statement of Other Comprehensive Income.

Provisions

Warranty provisions – provision is made for the estimated liability on products under warranty. Liability is recognised upon the sale of a product and is estimated using historical data.

Restructuring provisions – provision is made for costs of restructuring activities to be carried out by the Group when the Group is demonstrably committed to incurring the cost in a future period and the cost can be reliably measured.

Legal provision – provision is made for the estimated costs committed to at the year end to bring the case to a conclusion.

Provisions are measured at the best estimate of the amount to be spent and discounted where material.

Employee benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

(a) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The surplus recognised in the Consolidated Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Surpluses are only recognised to the extent that they are recoverable.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise, net of the related deferred tax.

Past service costs are recognised immediately in income.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.



NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

1. Group accounting policies continued

(b) Other post-employment obligations

Some Group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Exceptional items

Exceptional items are disclosed separately in accordance with the requirements of IAS 1 'Presentation of financial statements'. They include profits and losses on disposal of non-current assets outside the normal course of business, restructuring costs and large or significant one-off items which, in management's judgement, need to be disclosed to enable the user to obtain a proper understanding of the Group's financial performance.

IAS 19R administrative expenses

The administrative expenses incurred by the Trustee in connection with managing the Group's pension schemes are recognised in the Consolidated Income Statement. These costs are excluded from underlying operating profit as they do not relate to the performance of the business.

Acquisition and disposal related costs

Acquisition and disposal related costs include deferred remuneration, amortisation of intangibles arising on business combinations, profits or losses on disposal and professional advisory fees. These costs are excluded from underlying operating profit as they are non-recurring in nature or outside of the normal course of business.

Financial assets and liabilities

Borrowings

The Group measures all borrowings initially at fair value. This is taken to be the fair value of the consideration received. Transaction costs (any such costs that are incremental and directly attributable to the issue of the financial instrument) are included in the calculation of the effective interest rate and are, in effect, amortised through the Income Statement over the duration of the borrowing.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the Balance Sheet date.

1. Group accounting policies continued

Derivative financial instruments

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and to fluctuations in interest rates. The Group uses derivative financial instruments (solely foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The Group designates net positions and hedge documentation is prepared in accordance with IFRS 9.

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles in the use of financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value at the contract date and are re-measured to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income, and any ineffective portion is recognised immediately in the Income Statement.

Cash and cash equivalents

Cash and cash equivalents in the Cash Flow Statement include cash in hand and deposits held at call with banks. Cash and cash equivalents are offset against borrowings only when there is a legally enforceable right to do so and there is a clear intention to undertake settlement of such borrowings held with the same counterparty within a short timeframe after the year end.

Trade receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected in one year or less they are classified as current assets; otherwise, they are presented as non-current assets. Trade receivables are recognised initially at the amount of consideration that is unconditional.

The Group holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method, less appropriate allowances for estimated credit losses (provision for impairment). The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the length of time overdue. An estimate is made of the expected credit loss based on the Group's past history, existing market conditions and forward-looking estimates at the end of each reporting period. The maximum exposure at the end of the reporting period is the carrying amount of these receivables.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Fair value estimation

The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the Balance Sheet date. The Group determines the fair value of its remaining financial instruments through the use of estimated discounted cash flows.

The carrying values less impairment provision of trade receivables and payables are assumed to approximate to their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.



NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

1. Group accounting policies continued

Research and development

Expenditure on research is charged against profits for the year in which it is incurred. Development costs are capitalised once the technical feasibility of a project has been established and a business plan, which demonstrates how the project will generate future economic benefits, has been approved. Development costs are amortised on a straight-line basis over their expected useful lives from the point at which the asset is capable of operating in the manner intended by management.

Dividend distribution

Dividend distributions to the Company’s shareholders are recognised as a liability in the Group’s financial statements in the period in which the dividends are approved by the Company’s shareholders, or when paid if earlier.

Foreign currency transactions

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the functional currency). The consolidated financial statements are presented in Sterling, which is the functional and presentational currency of the parent entity.

Transactions and balances

Monetary assets and liabilities expressed in currencies other than the functional currency are translated at rates applicable at the year end and trading results of overseas subsidiaries at average rates for the year. Exchange gains and losses of a trading nature are dealt with in arriving at operating profit.

Translation of overseas net assets

Exchange gains and losses arising on the retranslation of foreign operations and results are taken directly to other comprehensive income.

Share capital

Issued share capital is recorded in the Balance Sheet at nominal value with any premium at the date of issue being credited to the share premium account.

Treasury shares

The cost of the purchase of own shares is taken directly to reserves and is included in the treasury reserve.

Hedging reserve

The hedging reserve represents the accumulated movements in the Group’s derivative financial instruments that have been designated as hedging instruments. Amounts are transferred in and out of the reserve on the revaluation, or realisation, of identified hedging instruments.

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each Balance Sheet date, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the Income Statement, with a corresponding adjustment to equity.

Share-based payments are settled through the Norcros Group Employee Benefit Trust, which holds shares in Norcros Group plc that have either been purchased on the market or issued by the Company and satisfies awards made under various employee incentive schemes. The shareholding of the Group Employee Benefit Trust is consolidated within the consolidated accounts of the Group.

1. Group accounting policies continued

Leases

Recognition

At the date of commencement, the Group assesses whether a contract is or contains a lease by judging whether the contract is in relation to a specified asset and to what extent the Group obtains substantially all the economic benefits from, and has the right to direct the use of, that asset.

The Group recognises a right-of-use (ROU) asset and a lease liability at the commencement of the lease.

Short-term and low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for leases where the total lease term is less than or equal to 12 months, or for leases of assets with a value less than £5,000. The payments for such leases are recognised within cost of sales or administrative expenses on a straight-line basis over the lease term and presented within cash generated from operations in the Cash Flow Statement.

Non-lease components

Fees for components such as property taxes, maintenance, repairs and other services, which are either variable or transfer benefits separate to the Group’s right to use the asset, are separated from lease components based on their relative stand-alone selling price. These components are expensed in the Income Statement as incurred.

Lease liabilities

Lease liabilities are initially measured at the present value of future lease payments at the commencement date. Lease payments are discounted using the interest rate implicit in the lease, or where this cannot be readily determined, the lessee’s incremental borrowing rate. Lease payments include the following payments due within the non-cancellable term of the lease, as well as the term of any extension options where these are considered reasonably certain to be exercised:

- fixed payments;
- variable payments that depend on an index or rate; and
- the exercise price of purchase or termination options if it is considered reasonably certain these will be exercised.

Subsequent to the commencement date, the lease liability is measured at the initial value, plus an interest charge determined using the incremental borrowing rate, less lease payments already made, such as deposits. The interest expense is recorded in finance costs in the Income Statement. The liability is re-measured when future lease payments change, when the exercise of extension or termination options becomes reasonably certain, or when the lease is modified.

Payments for the principal element of recognised lease liabilities are presented within cash flows (used in)/generated from financing activities in the Cash Flow Statement. The interest element is recognised in net cash generated from operations.

Right-of-use assets

The ROU asset is initially measured at cost, being the value of the lease liability, plus the value of any lease payments made at or before the commencement date, initial direct costs and the cost of any restoration obligations, less any incentives received. The ROU asset is subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is adjusted for any re-measurement of the lease liability. The ROU asset is subject to testing for impairment where there are any impairment indicators.



NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

2. Segmental reporting

The Group operates in two main geographical areas: the UK and South Africa. All inter-segment transactions are made on an arm's length basis. The chief operating decision maker (being the Board) assesses performance and allocates resources based on geography and accordingly segments have been determined on this basis. Corporate costs are allocated to segments on the basis of external turnover. Finance income and costs are not split between the segments.

Year ended 31 March 2025

	UK £m	South Africa £m	Group £m
Revenue	256.4	111.7	368.1
Underlying operating profit	39.8	3.4	43.2
IAS 19R administrative expenses	(1.8)	–	(1.8)
Acquisition and disposal related costs	(25.2)	(0.2)	(25.4)
Exceptional operating items	(6.2)	(1.5)	(7.7)
Operating profit	6.6	1.7	8.3
Finance costs (net)			(6.3)
Profit before taxation			2.0
Taxation			1.5
Profit for the year			3.5
Net debt excluding lease liabilities			(36.8)
Segmental assets	302.8	85.2	388.0
Segmental liabilities	(153.9)	(26.2)	(180.1)
Additions to tangible, intangibles and right-of use assets	6.2	4.5	10.7
Depreciation and amortisation	11.5	5.0	16.5

Year ended 31 March 2024

	UK £m	South Africa £m	Group £m
Revenue	281.9	110.2	392.1
Underlying operating profit	38.4	4.8	43.2
IAS 19R administrative expenses	(1.3)	–	(1.3)
Acquisition and disposal related costs	(4.1)	(0.2)	(4.3)
Exceptional operating items	2.3	–	2.3
Operating profit	35.3	4.6	39.9
Finance costs (net)			(7.3)
Profit before taxation			32.6
Taxation			(5.8)
Profit for the year			26.8
Net debt excluding lease liabilities			(37.3)
Segmental assets	334.6	90.7	425.3
Segmental liabilities	(171.8)	(31.1)	(202.9)
Additions to tangible, intangibles and right-of-use assets	7.2	4.1	11.3
Depreciation and amortisation	10.9	4.6	15.5

The split of revenue by geographical destination of the customer is below:

	2025 £m	2024 £m
UK	224.1	251.0
Africa	112.8	111.4
Rest of World	31.2	29.7
	368.1	392.1

2. Segmental reporting continued

No one customer had revenue over 10% of total Group revenue (2024: none).

Reported revenue within the South African segment contains £3.7m (2024: £4.2m) of revenue from services performed that have been recognised over time, and within the UK segment contains £0.2m (2024: £0.3m) of extended warranty revenue that has been recognised over time.

3. Operating profit

Operating profit is derived after deducting cost of sales of £208.0m (2024: £227.1m), distribution costs of £31.4m (2024: £33.8m) and administrative expenses, inclusive of exceptional and acquisition and disposal related costs, of £120.4m (2024: £91.3m).

The following items have been included in arriving at operating profit:

	2025 £m	2024 £m
Staff costs (see note 4)	71.1	75.8
Depreciation of property, plant and equipment (all owned assets)	4.4	4.0
Amortisation of intangible assets	6.9	6.8
Depreciation of right-of-use assets	5.2	4.7
Operating lease rentals payable for short-term and low-value leases:		
– plant and machinery	1.2	1.5
– other	1.0	0.7
Research and development expenditure	5.8	5.3

All items relate to continuing operations.

Auditor's remuneration

During the year, the Group (including its overseas subsidiaries) obtained the following services from the Company's auditor and its associates:

	2025 £m	2024 £m
Audit of the Parent Company and consolidated financial statements	0.3	0.2
Audit of the Company's subsidiaries	0.5	0.5
	0.8	0.7

4. Employees

	2025 £m	2024 £m
Staff costs including Directors' remuneration:		
– wages and salaries	62.7	66.3
– social security costs	4.3	4.7
– share-based payments (see note 10)	0.3	0.9
Pension costs:		
– defined contribution (see note 24)	3.8	3.9
Total staff costs	71.1	75.8

	2025 Number	2024 Number
Average monthly numbers employed:		
– UK	885	1,171
– overseas	1,118	1,099
	2,003	2,270

Full details of Directors' remuneration can be found in the Remuneration Report on pages 122 to 146.

NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

5. Acquisition and disposal related costs and exceptional operating items

An analysis of acquisition disposal related costs and exceptional operating items is shown below:

	2025 £m	2024 £m
Acquisition and disposal related costs		
Intangible asset amortisation ¹	6.5	6.5
Advisory fees ²	1.1	0.2
Johnson Tiles UK loss on disposal and associated property costs ³	22.2	–
Deferred contingent consideration ⁴	(3.0)	(3.0)
Deferred remuneration ⁵	(1.4)	0.6
	25.4	4.3

1 Non-cash amortisation charges in respect of acquired intangible assets.
2 Professional advisory fees incurred in connection with the Group’s business combination activities.
3 On 19 May 2024, the trade and assets of the Johnson Tiles UK division were sold to Johnson Tiles Ltd, a new company incorporated and run by the former divisional management team. The sale completed at a consideration lower than the carrying value of the assets of the business and as a result the Group incurred a loss on disposal of £22.2m. Revenue in the period of £4.3m (2024: £31.1m) and the underlying operating profit in the period of £nil (2024: £0.7m) have been included in the underlying results for the current and prior year. In addition, the Group incurred £1.6m of remediation costs in relation to the site retained following the sale of the trade and assets. These costs are offset by a £1.6m profit on the subsequent sale of part of the site to Johnson Tiles Ltd.
4 Relates to the release of the deferred contingent consideration arising on the acquisition of Grant Westfield.
5 In accordance with IFRS 3, a proportion of the deferred contingent consideration had been treated as remuneration and, accordingly, expensed to the Income Statement as incurred. In the current year, the accrued deferred remuneration was released. In the prior year, a cost of £0.6m in relation to the Grant Westfield acquisition was recognised.

	2025 £m	2024 £m
Exceptional operating items		
Restructuring costs ¹	4.6	1.7
Costs in relation to new Enterprise Resource Planning systems ²	2.0	–
Legal case ³	1.1	–
Reversal of impairment ⁴	–	(4.0)
	7.7	(2.3)

1 In the current year, restructuring costs of £4.6m have been incurred, predominantly in relation to the consolidation of warehousing and distribution costs at Grant Westfield. In the prior year, exceptional restructuring costs of £1.7m were incurred in relation to the restructuring programme implemented at Johnson Tiles UK and the warehouse consolidation at VADO.
2 Costs incurred in relation to the implementation of new Enterprise Resource Planning systems.
3 Costs incurred in the year and the estimated future economic outlay in relation to an ongoing legal case.
4 The reversal of previous land and buildings impairments of the Johnson Tiles UK site, following an independent valuation in the prior year.

6. Finance costs

	2025 £m	2024 £m
Interest payable on bank borrowings	5.0	5.2
Interest on lease liabilities	1.7	1.6
Discounting of deferred contingent consideration	–	0.9
Amortisation of costs of raising debt finance	0.4	0.4
Finance costs	7.1	8.1

7. Taxation

Taxation comprises:

	2025 £m	2024 £m
Current		
UK taxation	(0.6)	3.8
Overseas taxation	2.8	3.2
Prior year adjustment	(1.3)	1.1
Total current taxation	0.9	8.1
Deferred		
Origination and reversal of temporary differences	(3.1)	(0.3)
Prior year adjustment	0.7	(2.0)
Total deferred taxation	(2.4)	(2.3)
Total tax (credit)/charge	(1.5)	5.8

The tax on the Group’s profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2025 £m	2024 £m
Profit before tax	2.0	32.6
Tax calculated at domestic tax rates applicable to profits and losses in the respective countries	(0.9)	7.0
Tax effects of:		
– adjustments in respect of prior years	(0.6)	(0.9)
– non-taxable income	(1.1)	(1.0)
– expenses not deductible for tax purposes	1.1	0.7
Total tax (credit)/charge	(1.5)	5.8

The weighted average applicable tax rate was (45.0%) (2024: 21.5%); the decrease relates to the weighting of corporation tax losses in relation to the UK result relative to the profits made in Ireland and South Africa. The standard rate of corporation tax in the UK is 25% (2024: 25%), in South Africa 27% (2024: 27%) and in Ireland 12.5% (2024: 12.5%). The Group’s effective underlying tax rate for the year was 22.6% (2024: 20.9%).

Taxation on items taken directly to other comprehensive income were a current tax credit of £0.5m and a deferred tax credit of £2.4m in relation to pensions (see note 24).



NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

8. Alternative performance measures

The Group makes use of a number of alternative performance measures to assess business performance and provide additional useful information to shareholders. Such alternative performance measures should not be viewed as a replacement of, or superior to, those defined by Generally Accepted Accounting Principles (GAAP). Definitions of alternative performance measures used by the Group and, where relevant, reconciliations from GAAP-defined reporting measures to the Group's alternative performance measures are provided below.

The alternative performance measures used by the Group are:

Measure	Definition
Underlying operating profit	Operating profit before IAS 19R administrative expenses, acquisition and disposal related costs and exceptional operating items.
Underlying profit before taxation	Profit before taxation before IAS 19R administrative expenses, acquisition and disposal related costs, exceptional operating items, amortisation of costs of raising finance, discounting of deferred contingent consideration, discounting of property lease provisions and finance income relating to pension schemes.
Underlying taxation	The Group's effective underlying tax rate applied to underlying profit before tax.
Underlying earnings	Underlying profit before tax less underlying taxation.
Underlying capital employed	Capital employed on a pre-IFRS 16 basis adjusted for business combinations, where relevant, to reflect the net assets in both the opening and closing capital employed balances, and the average impact of exchange rate movements.
Underlying operating margin	Underlying operating profit expressed as a percentage of revenue.
Underlying return on capital employed (ROCE)	Underlying operating profit on a pre-IFRS 16 basis expressed as a percentage of the average of opening and closing underlying capital employed.
Basic underlying earnings per share	Underlying earnings divided by the weighted average number of shares for basic earnings per share.
Diluted underlying earnings per share	Underlying earnings divided by the weighted average number of shares for diluted earnings per share.
Underlying EBITDA	Underlying EBITDA is derived from underlying operating profit before depreciation and amortisation excluding the impact of IFRS 16 in line with our banking covenants.
Underlying operating cash flow	Cash generated from continuing operations before cash outflows from exceptional items and acquisition and disposal related costs and pension fund deficit recovery contributions.
Underlying net debt	Underlying net debt is the net of cash, capitalised costs of raising finance and total borrowings. IFRS 16 lease commitments are not included in line with our banking covenants.
Pro-forma underlying EBITDA	An annualised underlying EBITDA figure used for the purpose of calculating banking covenant ratios.
Pro-forma leverage	Net debt expressed as a ratio of pro-forma underlying EBITDA.

Reconciliations from GAAP-defined reporting measures to the Group's alternative performance measures

Consolidated Income Statement

(A) UNDERLYING PROFIT BEFORE TAXATION AND UNDERLYING EARNINGS

	2025 £m	2024 £m
Profit before taxation	2.0	32.6
Adjusted for:		
– IAS 19R administrative expenses	1.8	1.3
– IAS 19R finance income	(0.8)	(0.8)
– acquisition and disposal related costs (see note 5)	25.4	4.3
– exceptional operating items (see note 5)	7.7	(2.3)
– amortisation of costs of raising finance	0.4	0.4
– discounting of deferred contingent consideration	–	0.9
Underlying profit before taxation	36.5	36.4
Taxation attributable to underlying profit before taxation	(7.3)	(7.6)
Underlying earnings	29.2	28.8

8. Alternative performance measures continued

(B) UNDERLYING OPERATING PROFIT AND EBITDA (PRE-IFRS 16)

	2025 £m	2024 £m
Operating profit	8.3	39.9
Adjusted for:		
– IAS 19R administrative expenses	1.8	1.3
– acquisition and disposal related costs (see note 5)	25.4	4.3
– exceptional operating items (see note 5)	7.7	(2.3)
Underlying operating profit	43.2	43.2
Adjusted for:		
– depreciation and amortisation (owned assets)	4.8	4.3
– depreciation of leased assets (see note 14)	5.2	4.7
– lease costs (see note 19)	(6.8)	(6.5)
Underlying EBITDA (pre-IFRS 16)	46.4	45.7

Consolidated Cash Flow Statement

(A) UNDERLYING OPERATING CASH FLOW

	2025 £m	2024 £m
Cash generated from operations (see note 27)	28.3	49.0
Adjusted for:		
– cash flows from exceptional items and acquisition and disposal related costs (see note 27)	7.5	3.4
– pension fund deficit recovery contributions (see note 24)	3.1	4.0
Underlying operating cash flow	38.9	56.4

Consolidated Balance Sheet

(A) UNDERLYING CAPITAL EMPLOYED AND UNDERLYING RETURN ON CAPITAL EMPLOYED

	2025 £m	2024 £m
Net assets	207.9	222.4
Adjusted for:		
– pension scheme asset (net of associated tax)	(5.1)	(12.4)
– right-of-use assets (IFRS 16)	(16.7)	(18.0)
– lease liabilities (IFRS 16)	20.6	22.2
– cash and cash equivalents	(22.7)	(30.8)
– financial liabilities – borrowings	59.5	68.1
	243.5	251.5
Foreign exchange adjustment	1.5	(1.9)
Adjustment for disposals	(15.3)	–
Underlying capital employed	229.7	249.6
Average underlying capital employed	240.6	251.7
Underlying operating profit (pre-IFRS 16)	41.6	41.4
Underlying return on capital employed	17.3%	16.4%

Items are excluded from alternative performance measures in order to align with the way the Group assesses business performance.

Underlying operating profit (pre-IFRS 16) of £41.6m (2024: £41.4m) is calculated by adjusting underlying operating profit of £43.2m (2024: £43.2m) for the add-back of lease costs of £6.8m (2024: £6.5m) and the deduction of depreciation of leased assets of £5.2m (2024: £4.7m).



NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

9. Earnings per share

Basic EPS is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding those held in the Norcros Employee Benefit Trust.

For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive ordinary shares. At 31 March 2025, the potential dilutive ordinary shares amounted to 513,488 (2024: 811,567) as calculated in accordance with IAS 33.

The calculation of EPS is based on the following profits and numbers of shares:

	2025 £m	2024 £m
Profit for the year	3.5	26.8
	2025 Number	2024 Number
Weighted average number of shares for basic earnings per share	89,497,030	89,003,947
Share options	513,488	811,567
Weighted average number of shares for diluted earnings per share	90,010,518	89,815,514
	2025	2024
Basic earnings per share:		
From profit for the year	3.9p	30.1p
Diluted earnings per share:		
From profit for the year	3.9p	29.8p

Basic and diluted underlying earnings per share

Basic and diluted underlying earnings per share have also been provided, which reflects underlying earnings from continuing operations divided by the weighted average number of shares set out above.

	2025 £m	2024 £m
Underlying earnings (see note 8)	29.2	28.8
	2025	2024
Basic underlying earnings per share	32.6p	32.4p
Diluted underlying earnings per share	32.4p	32.1p

10. Share-based payments

	Exercise price per share	Weighted average share price at date of exercise	1 April 2024	Granted	Exercised	Lapsed	31 March 2025	Date from which exercisable	Expiry date
Approved Performance Share Plan 2020 (APSP)	Nil	241p	47,149	–	(37,542)	–	9,607	25.11.23	25.11.30
Approved Performance Share Plan 2021 (APSP)	Nil	245p	606,715	–	(259,503)	(343,890)	3,322	20.07.24	21.07.31
Approved Performance Share Plan 2022 (APSP)	Nil	–	1,048,777	–	–	(96,087)	952,690	19.07.25	19.07.32
Approved Performance Share Plan 2023 (APSP)	Nil	–	1,602,344	–	–	(170,523)	1,431,821	26.07.26	26.07.33
Approved Performance Share Plan 2024 (APSP)	Nil	–	–	1,338,668	–	–	1,338,668	24.07.27	24.07.34
Deferred Bonus Plan 2021 (DBP)	Nil	245p	109,455	–	(109,455)	–	–	25.11.23	25.11.30
Deferred Bonus Plan 2022 (DBP)	Nil	–	128,992	–	–	–	128,992	19.07.25	19.07.32
Deferred Bonus Plan 2023 (DBP)	Nil	–	72,770	–	–	–	72,770	26.07.26	26.07.33
Save As You Earn Scheme (13) (SAYE)	164p	225p	90,202	–	(52,679)	(37,523)	–	01.03.24	31.08.24
Save As You Earn Scheme (14) (SAYE)	266p	–	35,470	–	–	(15,112)	20,358	01.03.25	31.08.25
Save As You Earn Scheme (15) (SAYE)	161p	241p	371,240	–	(28,997)	(90,845)	251,398	01.03.26	31.08.26
Save As You Earn Scheme (16) (SAYE)	141p	252p	761,397	–	(24,126)	(193,943)	543,328	01.03.27	31.08.27
Save As You Earn Scheme (17) (SAYE)	216p	–	–	203,503	–	(1,366)	202,137	01.03.28	31.08.28

Details of the terms of the APSP, DBP and SAYE schemes are disclosed in the Directors' Remuneration Report.

For SAYE schemes, the weighted average exercise price of all outstanding share options at 31 March 2025 was 163p (2024: 152p). The weighted average exercise price for APSP and DBP schemes, of all outstanding share options, at 31 March 2025 was £nil (2024: £nil).

NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

10. Share-based payments continued

In accordance with IFRS 2, the fair value of equity-settled share-based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the Group’s estimate of shares that will eventually vest. A charge of £0.3m was recognised in respect of share options in the year (2024: £0.9m) including £0.1m (2024: £0.2m) in respect of the Directors’ share options. The highest paid Director’s share options accounted for £0.1m (2024: £0.1m) of the charge. The Group uses a Black–Scholes pricing model to determine the annual charge for its share-based payments. The assumptions used in this model for each share-based payment are as follows:

	SAYE (13)	SAYE (14)	SAYE (15)	SAYE (16)	SAYE (17)
Date of grant	23.12.20	20.12.21	12.01.23	22.12.23	23.12.24
Initial exercise price	164p	266p	161p	141p	216p
Number of shares granted initially	692,908	173,385	735,679	780,078	203,503
Expected volatility	42.2%	44.5%	45.5%	41.0%	39.2%
Expected option life	3 years	3 years	3 years	3 years	3 years
Risk-free rate	1.3%	1.9%	3.8%	4.8%	4.6%
Expected dividend yield	3.8%	2.8%	4.8%	6.0%	4.4%

	APSP 2020	APSP 2021	APSP 2022	APSP 2023	APSP 2024
Date of grant	25.11.20	21.07.21	19.07.22	26.07.23	24.07.24
Initial exercise price	Nil	Nil	Nil	Nil	Nil
Number of shares granted initially	970,695	700,458	1,069,374	1,622,919	1,338,668
Expected volatility	42.2%	44.5%	45.5%	41.0%	39.2%
Expected option life	3 years	3 years	3 years	3 years	3 years
Risk-free rate	1.3%	1.9%	3.8%	4.8%	4.6%
Expected dividend yield	3.8%	2.8%	–	–	–

	DBP 2021	DBP 2022	DBP 2023
Date of grant	21.07.21	19.07.22	26.07.23
Initial exercise price	Nil	Nil	Nil
Number of shares granted initially	109,455	128,992	72,770
Expected volatility	44.5%	45.5%	41.0%
Expected option life	3 years	3 years	3 years
Risk-free rate	1.9%	3.8%	4.8%
Expected dividend yield	2.8%	–	–

The share price at 28 March 2025 was 235.0p. The average price during the year was 230.7p. Expected volatility is the Company’s three-year historical share price volatility.

11. Goodwill

	2025 £m	2024 £m
At 1 April	107.3	107.9
Additions	0.1	–
Exchange differences	–	(0.6)
At 31 March	107.4	107.3

Goodwill is allocated to the Group’s cash-generating units (CGUs). A summary of the goodwill allocation is presented below:

	2025 £m	2024 £m
Croydex	7.8	7.8
Abode	0.8	0.8
Triton Showers	19.1	19.1
MERLYN	25.5	25.5
Grant Westfield	47.7	47.7
Tile Africa	2.3	2.3
House of Plumbing	4.2	4.1
	107.4	107.3

The recoverable amount of a CGU is determined by a value-in-use calculation. These calculations use cash flow projections derived from data and metrics used on an ongoing basis, with the key assumptions being those regarding discount rates, growth rates, future gross margin improvements and cash flows.

The key assumptions for the value-in-use calculations are:

- cash flows before income taxes are based on approved budgets and management projections for the first five years;
- long-term growth rates of 2.0% (2024: 2.0%) for Croydex, Abode, MERLYN, Triton Showers and Grant Westfield, and 4.0% (2024: 4.0%) for Tile Africa and House of Plumbing applied to the period beyond which detailed budgets and forecasts do not exist, based on macroeconomic projections for the geographies in which the entities operate; and
- pre-tax discount rates of 12.0% (2024: 12.5%) in the UK and 18.7% (2024: 19.8%) in South Africa based upon the risk-free rate for government bonds adjusted for a risk premium to reflect the increased risk of investing in equities and investing in the Group’s specific sectors and regions.

Management has applied sensitivities to the key assumptions, including discount rates and growth rates and, with the exception of House of Plumbing, believes that there are no reasonably possible scenarios that would result in an impairment of goodwill. As a result of the challenging macroeconomic environment in South Africa, there is a lower level of headroom for House of Plumbing and as such, an adjustment to the underlying assumptions or an increase in the discount rate could give rise to a potential impairment.



NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

12. Intangible assets

	Customer relationships £m	Brands, trade names and patents £m	Development costs £m	Total £m
Cost				
At 1 April 2023	71.0	13.1	1.7	85.8
Reclassified	–	–	0.5	0.5
Additions	–	–	1.2	1.2
Exchange differences	(0.2)	–	–	(0.2)
At 31 March 2024	70.8	13.1	3.4	87.3
Additions	–	–	0.3	0.3
Disposals	–	–	(1.5)	(1.5)
At 31 March 2025	70.8	13.1	2.2	86.1
Accumulated amortisation				
At 1 April 2023	19.3	6.6	0.7	26.6
Reclassified	–	–	0.1	0.1
Charge for the year	5.4	1.1	0.3	6.8
Exchange differences	(0.1)	–	–	(0.1)
At 31 March 2024	24.6	7.7	1.1	33.4
Charge for the year	5.4	1.1	0.4	6.9
Disposals	–	–	(0.3)	(0.3)
At 31 March 2025	30.0	8.8	1.2	40.0
Net book amount at 31 March 2024	46.2	5.4	2.3	53.9
Net book amount at 31 March 2025	40.8	4.3	1.0	46.1

The amortisation charge for intangibles generated on acquisition is £6.5m (2024: £6.5m) for the year and is included in the acquisition and disposal related costs in the Consolidated Income Statement. The amortisation charge for internally generated or acquired intangibles was £0.4m (2024: £0.3m) and was included in the Consolidated Income Statement in the current and prior year.

13. Property, plant and equipment

	Land and buildings £m	Plant and equipment £m	Total £m
Cost			
At 1 April 2023	33.3	104.7	138.0
Reclassified	–	(0.5)	(0.5)
Exchange differences	(0.7)	(2.4)	(3.1)
Additions	0.5	5.7	6.2
Disposals	(0.3)	(6.9)	(7.2)
At 31 March 2024	32.8	100.6	133.4
Exchange differences	–	0.1	0.1
Additions	0.9	5.3	6.2
Transfer to asset held for sale	(11.1)	–	(11.1)
Disposals	(9.6)	(38.6)	(48.2)
At 31 March 2025	13.0	67.4	80.4
Accumulated depreciation			
At 1 April 2023	23.7	89.5	113.2
Exchange differences	(0.2)	(1.8)	(2.0)
Reclassified	–	(0.1)	(0.1)
Reversal of prior impairment	(4.0)	–	(4.0)
Charge for the year	0.5	3.5	4.0
Disposals	(0.3)	(5.5)	(5.8)
At 31 March 2024	19.7	85.6	105.3
Exchange differences	–	0.1	0.1
Charge for the year	0.5	3.9	4.4
Transfer to asset held for sale	(7.4)	–	(7.4)
Disposals	(6.5)	(37.3)	(43.8)
At 31 March 2025	6.3	52.3	58.6
Net book amount at 31 March 2024	13.1	15.0	28.1
Net book amount at 31 March 2025	6.7	15.1	21.8

Plant and equipment include motor vehicles, computer equipment, and plant and machinery.

Asset held for sale

£3.7m of land and buildings, representing the remaining element of the site previously used by Johnson Tiles UK, has been reclassified to asset held for sale at 31 March 2025. There was a commitment to a plan to sell at the year end.

	2025 £m	2024 £m
Transfer from property, plant and equipment to asset held for sale	3.7	–



NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

14. Right-of-use assets

	Land and buildings £m	Plant and equipment £m	Total £m
Cost			
At 1 April 2023	30.0	7.5	37.5
Exchange differences	(1.5)	(0.1)	(1.6)
Additions	2.0	1.9	3.9
Modifications	(0.3)	0.1	(0.2)
Disposals	(1.2)	(1.8)	(3.0)
At 31 March 2024	29.0	7.6	36.6
Additions	2.2	1.8	4.0
Modifications	2.0	–	2.0
Disposals	(4.9)	(3.5)	(8.4)
At 31 March 2025	28.3	5.9	34.2
Accumulated depreciation			
At 1 April 2023	12.3	5.2	17.5
Exchange differences	(0.7)	(0.1)	(0.8)
Charge for the year	3.6	1.1	4.7
Disposals	(1.2)	(1.6)	(2.8)
At 31 March 2024	14.0	4.6	18.6
Charge for the year	4.0	1.2	5.2
Impairment	0.1	–	0.1
Disposals	(3.3)	(3.1)	(6.4)
At 31 March 2025	14.8	2.7	17.5
Net book amount at 31 March 2024	15.0	3.0	18.0
Net book amount at 31 March 2025	13.5	3.2	16.7

15. Inventories

	2025 £m	2024 £m
Raw materials and consumables	11.3	12.2
Work in progress	0.6	1.2
Finished goods	76.3	84.0
	88.2	97.4

Provisions held against inventories totalled £6.4m (2024: £8.8m).

The cost of inventories recognised as an expense within cost of sales in the Income Statement amounted to £180.1m (2024: £193.3m).

During the year, the Group charged £0.8m (2024: £1.2m) of inventory write-downs to the Income Statement within cost of sales.

16. Trade and other receivables

	2025 £m	2024 £m
Trade receivables	66.6	69.3
Less: impairment loss allowance	(1.7)	(1.8)
Trade receivables – net	64.9	67.5
Other receivables	1.7	1.7
Prepayments and accrued income	5.1	3.4
	71.7	72.6

All trade and other receivables are current. The net carrying amounts of trade and other receivables are considered to be a reasonable approximation of their fair values.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2025 £m	2024 £m
Sterling	56.2	59.3
South African Rand	14.4	12.4
Euro	1.1	0.9
	71.7	72.6

Impairment of trade receivables

	Not yet due £m	0–1 month overdue £m	1–2 months overdue £m	2–3 months overdue £m	>3 months overdue £m	Total £m
31 March 2025						
Expected credit loss rate	0.2%	2.2%	8.3%	14.3%	31.0%	2.6%
Gross trade receivables	56.0	4.5	1.2	0.7	4.2	66.6
Loss allowance	0.1	0.1	0.1	0.1	1.3	1.7

	Not yet due £m	0–1 month overdue £m	1–2 months overdue £m	2–3 months overdue £m	>3 months overdue £m	Total £m
31 March 2024						
Expected credit loss rate	0.2%	1.5%	9.1%	14.3%	35.0%	2.6%
Gross trade receivables	56.9	6.6	1.1	0.7	4.0	69.3
Loss allowance	0.1	0.1	0.1	0.1	1.4	1.8

Movements on the provision for impairment of trade receivables were as follows:

	2025 £m	2024 £m
At the beginning of the year	1.8	1.5
Acquired	–	–
Provision for receivables impairment	0.4	0.7
Receivables written off during the year as uncollectable	(0.5)	(0.3)
Exchange differences	–	(0.1)
At the end of the year	1.7	1.8



NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

17. Cash and cash equivalents

	2025 £m	2024 £m
Cash at bank and in hand	22.7	30.8

Credit risk on cash and cash equivalents is limited as the counterparties are banks with strong credit ratings assigned by international credit rating agencies.

18. Trade and other payables

	2025 £m	2024 £m
Trade payables	48.2	45.4
Other tax and social security payables	6.8	6.1
Other payables	2.3	2.8
Accruals and deferred income	29.4	34.8
	86.7	89.1

The fair value of trade payables does not differ materially from the book value.

19. Lease liabilities

	Land and buildings £m	Plant and equipment £m	Total £m
At 1 April 2023	21.5	3.2	24.7
Exchange differences	(1.1)	(0.1)	(1.2)
Additions	2.0	1.9	3.9
Modifications	(0.3)	0.1	(0.2)
Disposals	–	(0.1)	(0.1)
Interest charge	1.4	0.2	1.6
Gross lease payments	(4.9)	(1.6)	(6.5)
At 1 April 2024	18.6	3.6	22.2
Additions	2.2	1.8	4.0
Modifications	2.0	–	2.0
Disposals	(1.5)	(0.9)	(2.4)
Transferred	(0.1)	–	(0.1)
Interest charge	1.4	0.3	1.7
Gross lease payments	(5.4)	(1.4)	(6.8)
At 31 March 2025	17.2	3.4	20.6

Lease liabilities are split into £6.5m (2024: £6.3m) payable in less than one year and £14.1m (2024: £15.9m) payable after one year.

20. Financial liabilities – borrowings

	2025 £m	2024 £m
Non-current		
Bank borrowings (unsecured):		
– bank loans	60.0	69.0
– less: costs of raising finance	(0.5)	(0.9)
Total borrowings	59.5	68.1

The fair value of bank loans equals their carrying amount, as they bear interest at floating rates.

20. Financial liabilities – borrowings continued

The repayment terms of borrowings are as follows:

	2025 £m	2024 £m
Not later than one year	–	–
After more than one year:		
– between one and two years	–	–
– between two and five years	60.0	69.0
– costs of raising finance	(0.5)	(0.9)
Total borrowings	59.5	68.1

Capital risk management

The amount of committed banking facility remains at £130m (plus a £70m uncommitted accordion). The Group exercised the second of its two one-year extension options in the prior year, extending the maturity date to October 2027.

This facility provides the Group with a sound financial structure for the medium term and, by reference to the £130m facility available at year end, with £90.8m of headroom being available at 31 March 2025 (2024: £90.0m), after taking into account net debt and ancillary facilities in use of £1.9m (2024: £1.8m) and overseas cash. The Group has been in compliance with all banking covenants (leverage and interest cover covenants) during the year.

Interest rate profile

The effective interest rates at the Balance Sheet dates were as follows:

	2025 %	2024 %
Bank loans	6.6	7.1

At 31 March 2025, the bank loans carried interest based on SONIA plus a margin of 2.1% (2024: SONIA plus 1.9%).

Net debt

The Group's net debt is calculated as follows:

	2025 £m	2024 £m
Cash and cash equivalents	22.7	30.8
Total borrowings	(59.5)	(68.1)
	(36.8)	(37.3)

Currency profile of net debt

The carrying value of the Group's net debt is denominated in the following currencies:

	2025 £m	2024 £m
Sterling	(42.3)	(52.3)
Euro	0.2	0.3
US Dollar	0.1	0.1
South African Rand	5.0	13.4
Chinese Renminbi	0.2	1.2
	(36.8)	(37.3)



NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

21. Financial instruments

During the year, the Group held financial instruments relating to the risks of the Group’s operations.

Financial risk management

The Group’s operations expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and energy price risk), credit risk and liquidity risk. The Group actively seeks to limit the adverse effects of these risks on the financial performance of the Group.

Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currencies, primarily the US Dollar, Euro, Renminbi and South African Rand. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investments in foreign operations.

Foreign exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. The foreign currency risk associated with anticipated sales and purchase transactions is hedged out up to 12 months on a rolling basis. Basis adjustments are made to the initial carrying amounts of inventories when the inventories are initially recorded.

For the hedges of highly probable forecast sales and purchases, as the critical terms (i.e. the notional amount and life) of the foreign exchange forward contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in the opposite direction in response to movements in the underlying exchange rates. This means that there is an economic relationship between the hedging instrument (the foreign exchange forward derivatives) and the hedged item (highly probable forecast sales and purchases in foreign currency).

The notional value of the hedging instrument (the derivative) is consistent with the designated value of the underlying exposure. Therefore, the hedge ratio is 1:1 in all cases. However, future rebalancing can be performed if needed.

The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group’s own credit risk on the fair value of the forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. Other sources of ineffectiveness arising from these hedging relationships are changes in the settlement date or amount. However, the Group reviews all hedges on every reporting date to ensure their effectiveness.

The exchange rates used in the preparation of these financial statements are as follows.

	Average rate vs £	
	2025	2024
South African Rand	23.29	23.60
Euro	1.19	1.16
US Dollar	1.28	1.26
	Closing rate vs £	
	2025	2024
South African Rand	23.82	23.92
Euro	1.20	1.17
US Dollar	1.29	1.26

Interest rate risk

The Group’s interest rate risk arises from long-term borrowings. The Group has the ability to secure a substantial proportion of its bank loans at fixed rates via interest rate swaps. However, due to the cash generated to pay down borrowings and historically low UK SONIA rates, the Group has decided not to take out any such swaps at the present time. This position is regularly reassessed.

21. Financial instruments continued

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers. Each Group business is responsible for managing and analysing the credit risk of potential customers prior to offering credit terms and on an ongoing basis and uses independent ratings agencies, past trading experience and other factors in order to assess the credit quality of the customer. Additionally, the Group maintains a credit insurance policy for all its operations, which covers a substantial portion of the Group’s trade debtors. For banks and financial institutions, only independently rated parties with a strong rating are accepted.

Liquidity risk

The Group’s banking facilities are designed to ensure there are sufficient funds available for current operations and the Group’s further development plans. Cash flow forecasting is performed by the Group’s businesses on a rolling basis and is monitored centrally to ensure that sufficient cash is available to meet operational needs, whilst maintaining an appropriate level of headroom on undrawn committed borrowing facilities. At 31 March 2025, the facility had £90.8m of headroom (2024: £90.0m) after taking account of ancillary facilities and overseas cash. The maturity date of the facility is October 2027.

Financial instruments

The Group’s financial instruments comprise borrowings, cash, trade receivables and payables and forward exchange contracts. Based on the hierarchy defined in IFRS 13, deferred contingent consideration is classified as a level 3 instrument. The Group’s financial instruments are classified as level 2 instruments. Consequently, fair value measurements are derived from inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Financial liabilities

The table below analyses the value of the Group’s financial liabilities into relevant maturity groupings based on the remaining period at the Balance Sheet date to the contractual maturity date.

	Not later than one year £m	Later than one year but not later than two years £m	Later than two years but not later than five years £m	Later than five years £m	Total £m
Borrowings ¹	4.9	4.9	76.9	–	86.7
Lease liabilities ²	6.3	5.7	10.8	4.6	27.4
Trade and other payables ³	89.1	4.7	–	0.2	94.0
At 31 March 2024	100.3	15.3	87.7	4.8	208.1
Borrowings ¹	3.9	3.9	69.6	–	77.4
Lease liabilities ²	6.5	5.4	9.6	6.3	27.8
Trade and other payables	86.7	–	–	–	86.7
At 31 March 2025	97.1	9.3	79.2	6.3	191.9

1 Borrowings are undiscounted and include interest costs calculated using the applicable interest rate at year end.
2 Lease liabilities are on an undiscounted basis.
3 Trade and other payables due later than one year but not later than two years relate to deferred contingent consideration and deferred remuneration in relation to the acquisition of Grant Westfield and are on an undiscounted basis.



NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

21. Financial instruments continued

Derivative foreign currency contracts

The following table details the foreign currency forward contracts outstanding at the end of the reporting year.

	Carrying amount £m	Notional amount £m	Change in fair value taken to hedge reserve £m
As at 31 March 2024			
Liabilities	(0.6)	49.2	1.4
As at 31 March 2025			
Liabilities	(0.5)	49.8	0.1

As at 31 March 2025, the aggregate amount of (losses)/gains under foreign exchange forward contracts deferred in the cash flow hedge reserve relating to these anticipated future purchase transactions is a loss of £0.5m (2024: loss of £0.6m). It is anticipated that the purchases will take place during the 12 months of the financial year ended 31 March 2026, at which time the amount deferred in equity will be removed from equity and included in the carrying amount of the inventories that are expected to be sold within 12 months of purchase.

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

	Hedging reserve £m
Fair value	
At 1 April 2024	(0.4)
Effective portion of changes in fair value	0.1
Amount transferred to inventories	–
Tax effect	–
At 31 March 2025	(0.3)

Sensitivity analysis

IFRS 7 requires the disclosure of a sensitivity analysis that details the effects on the Group's profit and loss and equity of reasonably possible fluctuations in market rates. To demonstrate these, reasonably possible variations of a 1% increase or decrease in market interest rates and a 5% strengthening or weakening in major currencies have been chosen.

1% increase or decrease on market interest rates for most of the coming year

As the Group has borrowings of £60.0m, the effect of a 1% change in market interest rates would be a change in the net finance costs of approximately £0.6m (2024: £0.7m) per annum.

(b) 5% strengthening or weakening in major currencies

A number of the Group's assets are held overseas and, as such, variations in foreign currencies will affect the carrying value of these assets. A 5% strengthening or weakening of Sterling across all currencies would lead to a circa £3.0m (2024: £2.9m) decrease or increase in net assets respectively.

The Group's profits and losses are exposed to both translational and transactional risk of fluctuations in foreign currency. The Group seeks to mitigate the majority of its transactional risk using forward foreign exchange contracts and product pricing. Taking into account the unmitigated translational impact, a 5% strengthening or weakening in Sterling against all other currencies would result in an increase or decrease in reported profits of circa £0.2m (2024: £0.2m) respectively.

22. Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred tax is calculated in full on temporary differences under the liability method. The movement on the deferred tax account is as shown below.

The analysis of deferred tax assets and liabilities is as follows:

	Accelerated tax depreciation £m	Retirement benefit obligations £m	Intangibles £m	Tax losses £m	Other £m	Total £m
At 1 April 2023	(0.4)	(3.7)	(14.1)	–	3.2	(15.0)
Credited to the Consolidated Income Statement	0.3	–	1.5	–	0.5	2.3
Charged to other comprehensive income	–	(0.4)	–	–	(0.4)	(0.8)
Exchange differences	–	–	–	–	0.1	0.1
At 31 March 2024	(0.1)	(4.1)	(12.6)	–	3.4	(13.4)
(Charged)/credited to the Consolidated Income Statement	(0.9)	–	1.5	2.6	(0.8)	2.4
Credited to other comprehensive income	–	2.4	–	–	–	2.4
At 31 March 2025	(1.0)	(1.7)	(11.1)	2.6	2.6	(8.6)

Disclosed on the consolidated balance sheet as:

Deferred tax assets	(0.5)	–	–	–	1.9	1.4
Deferred tax liabilities	(0.5)	(1.7)	(11.1)	2.6	0.7	(10.0)

	2025 £m	2024 £m
Deferred tax assets:		
– to be recovered after more than 12 months	5.4	5.3
– to be recovered within 12 months	2.1	0.2
	7.5	5.5
Deferred tax liabilities:		
– to be charged after more than 12 months	(11.3)	(17.7)
– to be charged within 12 months	(4.8)	(1.2)
	(16.1)	(18.9)
Deferred tax liabilities (net)	(8.6)	(13.4)

Other deferred tax assets relate to share-based payment expenses, provisions and other temporary differences.

No deferred tax asset has been recognised in respect of £78.6m (2024: £78.6m) of UK capital losses and £26.1m (2024: £26.1m) of UK non-trade loan relationship deficits, the utilisation of which the Group believes is improbable. These historical losses have not changed for many years. The Group has also not recognised a deferred tax asset in relation to restricted interest disallowances totalling £0.6m (2024: £0.3m) on the basis that future utilisation is improbable.

NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

23. Provisions

	Warranty provision £m	Restructuring provision £m	Legal provision £m	Total £m
At 1 April 2023	0.9	4.8	–	5.7
Charged to the Income Statement	0.1	1.9	–	2.0
Utilisation	–	(6.0)	–	(6.0)
At 31 March 2024	1.0	0.7	–	1.7
Charged to the Income Statement	0.1	0.4	0.3	0.8
Transferred	–	0.1	–	0.1
Utilisation	–	(1.0)	–	(1.0)
At 31 March 2025	1.1	0.2	0.3	1.6

The warranty provision has been recognised for expected claims on products that remain under warranty. It is expected that this expenditure will be incurred within five years of the Balance Sheet date.

The restructuring provision brought forward related to committed redundancy costs in Johnson Tiles UK and costs in relation to the warehouse consolidation at VADO.

A £0.3m legal provision has been recognised to reflect the estimated future economic outlay in finalising an ongoing legal case.

24. Retirement benefit obligations

(a) Pension costs

Norcros Security Plan

The Norcros Security Plan (the Plan), the principal UK pension scheme of the Group’s UK subsidiaries, is funded by a separate trust fund that operates under UK trust law and is a separate legal entity from the Company. The Plan is governed by a Trustee company, which has a board currently composed of three employer representatives and three member representatives. The Trustee is required by law to act in the best interests of the Plan members and is responsible for setting policies together with the Company.

It is predominantly a defined benefit scheme, with a modest element of defined contribution benefits. Norcros plc itself has no employees other than the Directors and so has no liabilities in respect of these pension schemes. The scheme closed to new members and future accrual with effect from 1 April 2013, though active members retain a salary link. This means that employed members of the Plan who were building up benefits at the date of closure to accrual will receive a pension based on their service to 1 April 2013 but using their final pensionable salary at the point they leave employment or retire from the Plan. As a result of the closure, a new defined contribution pension scheme was implemented to replace the Plan from the same date.

The weighted average duration of the defined benefit obligation is approximately nine years (2024: ten years) and can be attributed to the scheme members as follows:

	2025	2024
Employee members	1%	2%
Deferred members	19%	28%
Pensioner members	80%	70%
Total	100%	100%

The Plan assets do not include any investments in the Company or any property or other assets utilised by the Company.

The Plan is funded by the Company based on a separate actuarial valuation for funding purposes for which the assumptions may differ from those below. Funding requirements are formally set out in the Statement of Funding Principles, Schedule of Contributions and Recovery Plan agreed between the Trustee and the Company.

In the current year, the Group reached agreement with the Trustee on the 31 March 2024 triennial actuarial valuation for the UK defined benefit scheme. The actuarial deficit at 31 March 2024 was £11.7m (2021: £35.8m). The current deficit repair contributions were agreed at £3.8m per annum from 1 April 2022 to June 2027 (increasing with CPI, capped at 5%, each year).

24. Retirement benefit obligations continued

The deficit repair contributions in the current year were £3.1m, plus a payment of £1.0m made immediately after the year end. It was agreed that these payments would continue until the scheme is deemed to be in surplus on a technical provisions basis, at which point the contributions would be directed to an escrow agreement. The next triennial actuarial valuation is expected to take place during the year ending 31 March 2028.

Risks

The Plan exposes the Company to a number of actuarial risks, which may result in a material change in the net scheme surplus/deficit and potentially result in an increase in cash contributions in later years and higher charges being recognised in future Income Statements. Given the long-term time horizon of the scheme’s cash flows, this may result in volatility in the valuation of the net scheme surplus from year to year. The main risks are set out below:

Mortality risk – the assumptions used by the Group allow for improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, this would result in greater payments from the Plan and consequently an increase in scheme liabilities. The Group regularly reviews the mortality assumptions to minimise the risk of using an inappropriate assumption.

Interest rate risk – a reduction in corporate bond yields would result in a lower discount rate being used to value the scheme liabilities and consequently result in an increase in scheme liabilities. Additionally, an increase in inflation would increase the scheme liabilities as the majority of the pension payments increase in line with inflation, although there are a number of caps in place to ensure that the impact of high inflation is minimised. To mitigate some of the investment volatility, a proportion of the scheme assets are held in liability-driven investments, which involve hedging some of the Plan’s exposure to changes in interest rates and inflation by investing in assets that match the sensitivity of its liabilities. This means that if interest rates or inflation expectations change, assets and liabilities rise or fall together, and the funding level of the Plan should be less volatile.

Investment risk and currency risk – a reduction in the value of investments caused by fluctuating exchange rates and a variety of other market factors would result in a lower valuation of scheme assets. The scheme invests in a diversified range of asset classes to mitigate the risk of falls in any one area of the investments and implements partial currency hedging on the overseas assets to mitigate currency risk.

Defined contribution pension schemes

Contributions made to these schemes amounted to £3.8m (2024: £3.9m).

(b) IAS 19R ‘Employee benefits’

Norcros Security Plan

The valuation used for IAS 19R disclosures has been based on the most recent actuarial valuation at 31 March 2024 and updated by PwC, a firm of qualified actuaries, to take account of the requirements of IAS 19R in order to assess the liabilities of the scheme at 31 March 2025. Scheme assets are stated at their market value at 31 March 2025.

(i) THE PRINCIPAL ASSUMPTIONS USED TO CALCULATE THE SCHEME LIABILITIES OF THE NORCROS SECURITY PLAN UNDER IAS 19R ARE:

	2025 Projected unit	2024 Projected unit
Discount rate	5.60%	4.85%
Inflation rate (RPI)	3.20%	3.30%
Inflation rate (CPI)	2.55%	2.65%
Increases to pensions in payment (other than pre-1988 GMP liabilities)	2.94%	3.00%
Salary increases	2.80%	2.90%



NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

24. Retirement benefit obligations continued

The mortality assumptions are based on standard mortality tables, which allow for future mortality improvements and are summarised below:

	2025	2024
Life expectancy at age 65:		
Current pensioners – males	20.7	19.4
Current pensioners – females	22.7	22.0
Future pensioners – males (currently aged 45)	21.7	20.3
Future pensioners – females (currently aged 45)	23.9	23.1

Members are assumed to take a 25% (2024: 25%) cash commutation sum on retirement.

(II) THE AMOUNTS RECOGNISED IN THE INCOME STATEMENT ARE AS FOLLOWS:

	2025 £m	2024 £m
Included in operating profit:		
IAS 19R pension administration expenses	1.8	1.3
IAS 19R finance income	(0.8)	(0.8)
Total cost recognised in the Income Statement	1.0	0.5

(III) THE AMOUNTS RECOGNISED IN THE BALANCE SHEET ARE DETERMINED AS FOLLOWS:

	Value at 31 March 2025 £m	Value at 31 March 2024 £m
Equities	30.1	31.4
Bonds	32.1	66.3
High yield	43.7	58.3
Liability-driven investments	153.0	119.9
Cash and gilts	5.1	15.6
Total fair value of scheme assets	264.0	291.5
Present value of scheme liabilities	(257.2)	(275.0)
Pension asset	6.8	16.5

The fair value of the scheme assets analysed by asset category and subdivided between those assets that have a quoted market price in an active market and those that do not (such as investment funds) are as follows:

	Value at 31 March 2025			Value at 31 March 2024		
	Quoted £m	Unquoted £m	Total £m	Quoted £m	Unquoted £m	Total £m
Equities	–	30.1	30.1	–	31.4	31.4
Bonds	–	32.1	32.1	–	66.3	66.3
High yield	–	43.7	43.7	–	58.3	58.3
Liability-driven investments	–	153.0	153.0	–	119.9	119.9
Cash and gilts	5.1	–	5.1	15.6	–	15.6
Total fair value of scheme assets	5.1	258.9	264.0	15.6	275.9	291.5

The majority of the Plan's assets are invested in pooled investment vehicles, where the fair value has been determined by the individual fund managers by applying fair value principles to the underlying investments.

24. Retirement benefit obligations continued

(IV) THE MOVEMENT IN THE SCHEME SURPLUS IN THE YEAR IS AS FOLLOWS:

	2025 £m	2024 £m
Asset at the beginning of the year	16.5	14.9
Employer contributions – deficit recovery	3.1	4.0
IAS 19R pension administration expenses	(1.8)	(1.3)
IAS 19R finance income	0.8	0.8
Actuarial losses	(11.8)	(1.9)
Asset at the end of the year	6.8	16.5

(V) THE RECONCILIATION OF SCHEME ASSETS IS AS FOLLOWS:

	2025 £m	2024 £m
Opening fair value of scheme assets	291.5	299.9
Employer contributions – deficit recovery	3.1	4.0
Interest income	13.6	14.2
Benefits paid	(23.8)	(24.3)
Actuarial losses on scheme assets	(18.6)	(1.0)
IAS 19R pension administration expenses	(1.8)	(1.3)
Closing fair value of scheme assets	264.0	291.5

(VI) THE RECONCILIATION OF SCHEME LIABILITIES IS AS FOLLOWS:

	2025 £m	2024 £m
Opening scheme liabilities	(275.0)	(285.0)
Interest cost	(12.8)	(13.4)
Actuarial gains arising from changes in financial assumptions	18.4	7.1
Actuarial losses arising from changes in demographic assumptions	(10.0)	(3.1)
Actuarial losses arising from experience adjustment	(1.6)	(4.9)
Benefits paid	23.8	24.3
Closing fair value of scheme liabilities	(257.2)	(275.0)

(VII) AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME ARE AS FOLLOWS:

	2025 £m	2024 £m
Actuarial losses	(11.8)	(1.9)
Deferred tax	2.9	0.5
	(8.9)	(1.4)

NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

24. Retirement benefit obligations continued

(VIII) SENSITIVITIES

Judgements are required in relation to the principal assumptions. The sensitivities regarding these principal assumptions used to measure the Plan’s liabilities are as follows:

Assumption	Impact on scheme obligations	
	2025 £m	2024 £m
Discount rate – 0.1% decrease	2.1	2.6
Inflation rate (RPI and CPI) ¹ – 0.1% increase	1.2	1.4
Increase in life expectancy by one year	11.5	11.9

¹ This includes the impact of salary increases and both deferred and in payment pension increase assumptions.

The above sensitivities are applied to adjust the defined benefit obligation at the end of the year. Whilst the analysis does not take account of the full distribution of cash flows expected under the scheme, it does provide an approximation as to the sensitivity of the assumptions shown.

No changes have been made to the method and assumptions used in this analysis from those used in the previous year.

25. Called-up share capital

	2025 £m	2024 £m
Issued and fully paid		
2025: 89,818,983 (2024: 89,596,593) ordinary shares of 10p each	8.9	8.9

In the year, 112,935 of 10p ordinary shares were issued in order to satisfy vesting of options under the Company’s SAYE schemes. At 31 March 2025, 256,631 shares were held by the Employee Benefit Trust (2024: 297,563).

26. Other non-current liabilities

	2025 £m	2024 £m
Deferred contingent consideration	–	3.0
Deferred remuneration	–	1.4
Other non-current liabilities	0.2	0.2
	0.2	4.6

In the prior year, deferred contingent consideration and deferred remuneration were recognised at fair value as they were dependent on the future financial performance of Grant Westfield. These liabilities have been released (see note 5). Other non-current liabilities relate to post-retirement healthcare liabilities in our South African business.

27. Consolidated Cash Flow Statement

(a) Cash generated from operations

The analysis of cash generated from operations is given below

	2025 £m	2024 £m
Profit before taxation	2.0	32.6
Adjustments for:		
– IAS 19R administrative expenses included in the Income Statement	1.8	1.3
– acquisition and disposal related costs included in the Income Statement	25.4	4.3
– exceptional items included in the Income Statement	7.7	(2.3)
– finance costs included in the Income Statement	7.1	8.1
– IAS 19R finance credit included in the Income Statement	(0.8)	(0.8)
– cash flows from exceptional items and acquisition and disposal related costs	(7.5)	(3.4)
– settlement of share options	(0.5)	–
– depreciation of property, plant and equipment	4.4	4.0
– underlying amortisation	0.4	0.3
– depreciation of right-of-use assets	5.2	4.7
– pension fund deficit recovery contributions	(3.1)	(4.0)
– IFRS 2 charges	0.3	0.9
Operating cash flows before movement in working capital	42.4	45.7
Changes in working capital:		
– (increase)/decrease in inventories	(10.3)	2.9
– (increase)/decrease in trade and other receivables	(4.4)	9.3
– increase/(decrease) in trade and other payables	0.6	(8.9)
Cash generated from operations	28.3	49.0

(b) Outflow related to exceptional items

This includes expenditure charged to exceptional provisions relating to acquisition and disposal related costs (excluding deferred remuneration) and other business rationalisation and restructuring costs.

(c) Analysis of underlying net debt

	Cash £m	Current borrowings £m	Non-current borrowings £m	Underlying net debt £m	Lease liabilities £m	Net debt £m
At 1 April 2023	29.0	–	(78.9)	(49.9)	(24.7)	(74.6)
Cash flow	3.3	–	11.0	14.3	6.5	20.8
Non-cash finance costs	–	–	(0.2)	(0.2)	(1.6)	(1.8)
Other non-cash movements	–	–	–	–	(3.6)	(3.6)
Exchange movement	(1.5)	–	–	(1.5)	1.2	(0.3)
At 31 March 2024	30.8	–	(68.1)	(37.3)	(22.2)	(59.5)
Cash flow	(8.3)	–	9.0	0.7	6.8	7.5
Non-cash finance costs	–	–	(0.4)	(0.4)	(2.0)	(2.4)
Other non-cash movements	–	–	–	–	(3.2)	(3.2)
Exchange movement	0.2	–	–	0.2	–	0.2
At 31 March 2025	22.7	–	(59.5)	(36.8)	(20.6)	(57.4)

Non-cash finance costs relate to the movement in the capitalised costs of raising debt finance in the year and interest on lease liabilities.



NOTES TO THE GROUP ACCOUNTS CONTINUED

Year ended 31 March 2025

28. Dividends

A final dividend in respect of the year ended 31 March 2024 of £6.1m (6.8p per 10p ordinary share) was paid on 2 August 2024, and an interim dividend of £3.1m (3.5p per 10p ordinary share) was paid on 14 January 2025. A final dividend in respect of the year ended 31 March 2025 of £6.2m (6.9p per 10p ordinary share) is to be proposed at the Annual General Meeting on 23 July 2025. These financial statements do not reflect this dividend.

29. Capital commitments

	2025 £m	2024 £m
Contracts placed for future capital expenditure not provided in the financial statements	0.5	0.6

30. Related party transactions

The Group considers its Directors to be the key management personnel. Compensation for Directors who have the sole responsibility for planning, directing and controlling the Group are set out in the Remuneration Report on pages 122 to 146. Share-based payments in relation to the Directors can be found in note 10.

31. Disposal of Johnson Tiles UK

On 19 May 2024, the Group sold the trade and assets of the Johnson Tiles UK division to Johnson Tiles Ltd, a new company incorporated and run by the former divisional management team.

Consideration for the sale was £1m, with a further modest earn out dependent on future equity value of the business, with both payable in April 2028. This £1m deferred consideration has been discounted to £0.7m in the table below.

The following table summarises the total loss on disposal by detailing the fair value of the assets and liabilities as at the date of sale net of deferred consideration:

	£m
Discounted deferred consideration	(0.7)
Recognised amounts of identifiable assets and liabilities	
Property, plant and equipment	1.5
Right-of use-assets	0.2
Inventories	19.7
Trade and other receivables	6.9
Trade and other payables	(4.7)
Lease liabilities	(0.8)
Assets and liabilities disposed	22.8
Total loss on disposal	22.1

Total costs relating to the transaction of £0.8m have been expensed to the Consolidated Income Statement of which £0.6m is within acquisition and disposal related costs in the year ended 31 March 2025 and the remaining £0.2m recognised in the prior year.

The revenue and profit after tax included in the Consolidated Statement of Comprehensive Income since 1 April 2024 contributed by Johnson Tiles UK are £4.3m and £nil, respectively.

The net cash outflow from the transaction reported within the Cash Flow Statement under “acquisition and disposal related costs” was £0.2m representing £0.6m of professional fees, partially offset by £0.4m in relation to plant and machinery sales to third parties other than Johnson Tiles Ltd.

PARENT COMPANY BALANCE SHEET

At 31 March 2025

	Notes	2025 £m	2024 £m
Non-current assets			
Investments	3	177.3	177.3
Other receivables	4	–	0.9
Deferred tax assets	5	0.5	1.1
		177.8	179.3
Current liabilities			
Trade and other payables	6	(27.5)	(1.3)
Net current liabilities		(27.5)	(1.3)
Total assets less current liabilities		150.3	178.0
Non-current liabilities			
Financial liabilities – borrowings	7	(59.5)	(68.1)
Net assets		90.8	109.9
Financed by:			
Share capital	8	8.9	8.9
Share premium account		47.6	47.6
Treasury reserve		0.7	0.2
Retained earnings before loss for the financial year		43.2	59.0
Loss for the financial year		(9.6)	(5.8)
Total shareholders’ funds		90.8	109.9

The financial statements of Norcros plc, registered number 3691883, on pages 206 to 213 were authorised for issue on 11 June 2025 and signed on behalf of the Board by:

THOMAS WILLCOCKS
Chief Executive Officer

JAMES EYRE
Chief Financial Officer



PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2025

	Ordinary share capital £m	Share premium £m	Treasury reserve £m	Retained earnings £m	Total equity £m
At 1 April 2023	8.9	47.6	(0.1)	68.4	124.8
Comprehensive expense:					
Loss for the year	–	–	–	(5.8)	(5.8)
Total comprehensive expense for the year	–	–	–	(5.8)	(5.8)
Transactions with owners:					
Purchase of treasury shares	–	–	(0.8)	–	(0.8)
Dividends paid	–	–	–	(9.1)	(9.1)
Settlement of share option schemes	–	–	1.1	(1.2)	(0.1)
Value of employee services	–	–	–	0.9	0.9
At 31 March 2024	8.9	47.6	0.2	53.2	109.9
Comprehensive expense:					
Loss for the year	–	–	–	(9.6)	(9.6)
Total comprehensive expense for the year	–	–	–	(9.6)	(9.6)
Transactions with owners:					
Purchase of treasury shares	–	–	(0.1)	–	(0.1)
Dividends paid	–	–	–	(9.2)	(9.2)
Settlement of share option schemes	–	–	0.6	(1.1)	(0.5)
Value of employee services	–	–	–	0.3	0.3
At 31 March 2025	8.9	47.6	0.7	33.6	90.8



NOTES TO THE PARENT COMPANY ACCOUNTS

Year ended 31 March 2025

1. Statement of accounting policies

General information

Norcros plc (the Company) is the ultimate holding company of the Norcros Group, a market-leading designer and supplier of high-quality bathroom and kitchen products in the UK, Europe and South African markets.

The Company is incorporated in the UK as a public company limited by shares and registered in England and Wales. The shares of the Company are listed on the London Stock Exchange market of listed securities. The address of its registered office is Ladyfield House, Station Road, Wilmslow SK9 1BU, UK.

Accounting reference date

UK company law permits a company to draw up financial statements to a date seven days either side of its accounting reference date. For operational reasons, the Company has in the current financial year adopted an accounting period of 52 weeks and, as a result of this, the exact year end date was 30 March 2025. All references to the financial year, therefore, relate to the 52 weeks commencing on 1 April 2024. In the previous year, the accounting period was 52 weeks, beginning on 3 April 2023 and ending on 31 March 2024.

Basis of preparation

Norcros plc is a qualifying entity able to apply FRS 101 'Reduced disclosure framework'. The separate financial statements of the Company have been prepared in accordance with FRS 101, on the going concern basis and under the historical cost convention modified for fair values, and in accordance with the Companies Act 2006 and with applicable accounting standards.

These financial statements and accompanying notes have been prepared in accordance with the reduced disclosure framework for all periods presented. A separate profit and loss account dealing with the results of the Company has not been presented as permitted by Section 408(3) of the Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- the following paragraphs of IAS 1 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 111 (cash flow statement information); and
 - 134–136 (capital management disclosures);
- IFRS 7 'Financial instruments: disclosures';
- IAS 7 'Statement of cash flows';
- IAS 8 'Accounting policies, changes in accounting estimates and errors' – impact of future accounting standards;
- IAS 24 (paragraph 17) 'Related party disclosures' – key management compensation; and
- IAS 24 'Related party disclosures' – the requirement to disclose related party transactions between two or more members of a group.

As the Group financial statements include the equivalent disclosures, the Company has taken the exemptions available under FRS 101 in respect of the following disclosures:

- IFRS 2 'Share-based payments', in respect of Group equity-settled share-based payments; and
- certain disclosures required by IFRS 13 'Fair value measurement', and disclosures required by IFRS 7 'Financial instruments: disclosures'.

Critical estimates and judgements

The Directors believe that there are no critical accounting estimates or judgements relating to these financial statements.

A summary of the more important accounting policies, which have been applied consistently, is set out opposite.

1. Statement of accounting policies *continued*

Investments in subsidiaries

Investments held as fixed assets are stated at cost, less any provision for impairment. The Directors believe the carrying value of investments is supported by their underlying assets and cash flow projections derived from detailed budgets and forecasts. Dividends received from investments are recognised on receipt of the dividend.

Foreign currency transactions

Monetary assets and liabilities expressed in foreign currencies are translated into Sterling at rates applicable at the year end. Exchange gains and losses are dealt with in arriving at operating profit.

Taxation

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the Balance Sheet date that give rise to an obligation to pay more taxation in the future or a right to pay less taxation in the future. An asset is recognised only when the transfer of economic benefits is more likely than not to occur.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders or when paid, if earlier.

Financial assets and liabilities

Borrowings – the Company measures all borrowings initially at fair value. This is taken to be the fair value of the consideration received. Transaction costs (any such costs that are incremental and directly attributable to the issue of the financial instrument) are included in the calculation of the effective interest rate and are, in effect, amortised through the Income Statement over the duration of the borrowing.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the Balance Sheet date.

Share-based payments

The Company operates a number of equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each Balance Sheet date, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the Income Statement, with a corresponding adjustment to equity.

2. Other information

Auditor's remuneration of £3,000 (2024: £3,000) and staff costs relating to two employees (2024: two) are borne by one of the Company's subsidiaries, without recharge.

Further information about the Directors' remuneration can be found in the Annual Report on Remuneration on pages 122 to 146.

3. Investments

	Shares in subsidiaries £m
At 1 April 2024 and 31 March 2025	177.3

Details of the subsidiaries owned by the Company, held both directly and indirectly, are shown in note 12.

NOTES TO THE PARENT COMPANY ACCOUNTS

CONTINUED

Year ended 31 March 2025

4. Other receivables

	2025 £m	2024 £m
Amounts owed by Group undertakings	–	0.9

5. Deferred tax assets

Deferred tax is calculated in full on temporary differences under the liability method. The movement on the deferred tax account is as shown below:

	2025 £m	2024 £m
Deferred tax asset	0.5	1.1

The analysis of the deferred tax asset is as follows:

	2025 £m	2024 £m
Other temporary differences	0.5	1.1

	2025 £m	2024 £m
To be recovered after more than 12 months	–	–
To be recovered within 12 months	0.5	1.1
	0.5	1.1

The full potential asset for deferred tax is as follows:

	2025 £m	2024 £m
Other temporary differences	0.5	1.1
Tax losses	4.5	4.5
	5.0	5.6

No deferred tax has been recognised in the financial statements in respect of the tax losses as the Company does not believe that utilisation of these losses is probable on the basis that entity level profits are unlikely to arise.

6. Trade and other payables

	2025 £m	2024 £m
Accruals	1.2	1.3
Amounts owed to Group undertakings	26.3	–
	27.5	1.3

7. Financial liabilities – borrowings

	2025 £m	2024 £m
Bank loans	60.0	69.0
Costs of raising finance	(0.5)	(0.9)
	59.5	68.1
Repayable after more than one year:		
– between one and two years	–	–
– between two and five years	60.0	69.0
– costs of raising finance	(0.5)	(0.9)
	59.5	68.1

The amount of committed banking facility remains at £130m (plus a £70m uncommitted accordion). The Group exercised the second of its two one-year extension options in the prior year, extending the maturity date to October 2027.

The Group has been in compliance with all banking covenants during the year.

8. Called-up share capital

	2025 £m	2024 £m
Issued and fully paid		
2025: 89,818,983 (2024: 89,596,593) ordinary shares of 10p each	8.9	8.9

In the year, 112,935 of 10p ordinary shares were issued in order to satisfy vesting of options under the Company’s SAYE schemes. At 31 March 2025, 256,631 shares were held by the Employee Benefit Trust (2024: 297,563).

9. Dividends

A final dividend in respect of the year ended 31 March 2024 of £6.1m (6.8p per 10p ordinary share) was paid on 2 August 2024, and an interim dividend of £3.1m (3.5p per 10p ordinary share) was paid on 14 January 2025. A final dividend in respect of the year ended 31 March 2025 of £6.2m (6.9p per 10p ordinary share) is to be proposed at the Annual General Meeting on 23 July 2025. These financial statements do not reflect this dividend.

10. Related party transactions

The Company considers its two employees to be its key management personnel. Compensation for these employees, who have the sole responsibility for planning, directing and controlling the Company, are set out in the Remuneration Report on pages 122 to 146. Employee remuneration is settled on behalf of the entity by Norcros Group (Holdings) Ltd.

11. Contingent liabilities

The Company is party to an omnibus set-off agreement between Lloyds Bank plc (as agent) and the Group’s UK subsidiaries.

NOTES TO THE PARENT COMPANY ACCOUNTS

CONTINUED

Year ended 31 March 2025

12. Subsidiaries

The subsidiaries included in the financial statements are disclosed below. All companies are 100% owned by the Group.

Held directly by Norcros plc

Company	Country of incorporation or registration	Registered address
Norcros Group (Holdings) Ltd	England	Ladyfield House, Station Road, Wilmslow SK9 1BU, UK

Held indirectly by Norcros plc

Company	Country of incorporation or registration	Registered address
Abode Home Products Ltd	England	Ladyfield House, Station Road, Wilmslow SK9 1BU, UK
Bathshoponline Ltd	England	As above
Carlton Holdings Ltd	England	As above
Crittall Construction Ltd	England	As above
Croydex Group Ltd	England	As above
Croydex Ltd	England	As above
Eurobath International Ltd	England	As above
H & R Johnson (Overseas) Ltd	England	As above
H & R Johnson Tiles Ltd	England	As above
Lincolnshire Properties (Norfolk Street) Ltd	England	As above
Merlyn Industries UK Ltd	England	As above
Metlex Industries Ltd	England	As above
Norcros (Trustees) Ltd	England	As above
Norcros Adhesives Ltd	England	As above
Norcros Developments Ltd	England	As above
Norcros Estates Ltd	England	As above
Norcros Group Trusteeships Ltd	England	As above
Norcros Industry (International) Ltd	England	As above
Norcros Securities Ltd	England	As above
Norcros Services Ltd	England	As above
Plumbex UK Ltd	England	As above
Samuel Booth and Company Ltd	England	As above
Stonechester (Stoke) Ltd	England	As above
Taps Direct Ltd	England	As above
Triton Industry Ltd	England	As above
Triton plc	England	As above
UBM Pension Trust Ltd	England	As above
Vado UK Ltd	England	As above

Company	Country of incorporation or registration	Registered address
Granfit Holdings Ltd	Scotland	Westfield Avenue, Edinburgh EH11 2QH, Scotland
Grant Westfield Ltd	Scotland	As above
Ocean Interiors GmbH	Germany	Vogt 21, 52072 Aachen, Germany
Ocean Interiors BV	Netherlands	WTC Heerlen Aachen, Vogt 21, 6422 RK Heerlen, Netherlands
Cronors Insurance Ltd	Guernsey	Dorey Court, Admiral Park, St. Peter Port GY1 2HT, Guernsey
Merlyn Industries Ltd	Ireland	Merlyn House, Purcellsinch Industrial Estate, Dublin Road, Kilkenny, Ireland
Christa 271 (Pty) Ltd	Namibia	3rd Floor, 344 Independence Avenue, Windhoek, Namibia
Tile Africa Windhoek Property (Pty) Ltd	Namibia	As above
Ceracon (Pty) Ltd	South Africa	4 Porcelain Road, Olifantsfontein 1665, South Africa
General Adhesives (Pty) Ltd	South Africa	As above
Johnson Tiles Pty Ltd	South Africa	As above
Lesatsi Trading (Pty) Ltd	South Africa	As above
Norcros (S A) (Pty) Ltd	South Africa	As above
RAP Plumbing Supplies (Pty) Ltd	South Africa	As above
TAL (Pty) Ltd	South Africa	As above
Talcor Properties (Pty) Ltd	South Africa	As above
Tile Adhesives (Pty) Ltd	South Africa	As above
Tile Africa Group (Pty) Ltd	South Africa	As above
Triton SA (Pty) Ltd	South Africa	As above
Norcros Middle East Building Materials Trading LLC	UAE	Warehouse No. 5, St. No. 4, Umm Ramool, Marrakesh Road, P.O. Box 393937, Dubai, UAE



The production of this report supports the work of the Woodland Trust, the UK’s leading woodland conservation charity. Each tree planted will grow into a vital carbon store, helping to reduce environmental impact as well as creating natural havens for wildlife and people.



N O R C R O S

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