

Chief Executive Officer's (CEO) review

STRATEGIC AND OPERATIONAL PROGRESS POWERING LONG-TERM VALUE



By building on strong foundations and maintaining operational efficiency across our business, we are creating the stability and momentum needed to deliver long-term value for our shareholders and stakeholders."



Simon Pryce
CEO

We made further strategic and operational progress over the year. Group like-for-like revenue was broadly flat despite more challenging than anticipated markets, particularly in the first half.

However, Purchasing Managers' Index (PMI) data showed improvement throughout the year and moved into expansion territory in the fourth quarter. This was reflected in improved sales momentum, particularly in Q4. Whilst volumes were marginally below our expectations, good price discipline resulted in improved gross margin for the full year, with our growth accelerators of RS PRO and services and solutions delivering growth ahead of the rest of the Group. We also saw improved execution which, with continued cost discipline and cash focus, led to operating profit and cash conversion marginally ahead of expectations despite softer revenue than planned.

Investment in our strategic initiatives will accelerate growth, improve efficiency and drive stronger operating leverage over time. We are already seeing improvements in key operational metrics, together with gross margin progression in the second half and continued traction in our digital procurement services, demonstrating that our growth accelerators are delivering. We also achieved a further £17 million of restructuring and integration benefits in 2025/26, taking the cumulative total since April 2023 to £55 million.

With a stronger platform, improving momentum, and enhanced operating leverage, we are well positioned to capture growth, drive further market share gains, and deliver sustainable, long-term value as our end-markets continue to recover. Whilst at this stage we remain cautious on the outlook and mindful of developments in the Middle East, our progress strengthens our confidence in both our strategy and our ability to deliver on our medium-term financial targets.

2025/26 Resilient financial performance

We delivered a resilient financial performance for the full year 2025/26. Group like-for-like revenue was broadly flat (down 1% on a reported basis) compared with the same period last year. After a difficult H1, EMEA saw an improving revenue trend through the remainder of the year and moved back into growth in Q4. Americas was also down on a like-for-like basis, with a resilient performance in US & Canada offset by ongoing economic and political uncertainty leading to major project delays in Mexico. Asia Pacific delivered good revenue growth throughout the year.

With continued investment in our front-end systems and a commercial focus to grow potential high-value customers, we saw rolling 12 months average order value increase by 5% to £276 and a 6% like-for-like revenue growth in larger corporate customers. Our services and solutions growth accelerators also performed well, growing 6% with our eProcurement solution growing 9% like-for-like. Our own brand RS PRO products outperformed with 5% like-for-like growth. At a product category level, the more resilient product categories of Facilities & Maintenance and Mechanical & Fluid Power continue to outperform. Americas, excluding Latin America, delivered further A&C and Electrification revenue growth. Semis & Passives returned to growth in Americas and Asia Pacific.

Group gross margin increased 0.6 percentage points to 43.4%, or 0.4 percentage points on a like-for-like basis. The improvement was driven by active pricing optimisation and stronger growth in higher-margin product categories. Adjusted operating costs were up 2%, with restructuring savings and focused cost management helping to offset the impact of cost inflation and continued strategic investment.

Chief Executive Officer's (CEO) review continued



Operational excellence is really about making things work better every day – whether that's simplifying a process, using data more effectively, or helping our teams work smarter. When we get that right, it makes a real difference for our customers and for how we grow as a business."

Adjusted operating profit of £265 million was 3% lower than the same period last year, or 4% lower on a like-for-like basis, with margins broadly stable at 9.2%.

Continued good working capital management resulted in adjusted operating cash flow conversion of 109%, well in excess of our minimum 80% target. Net debt fell by £35 million over the year to £329 million, and our balance sheet remains strong, with net debt to adjusted EBITDA reducing to 1.0x.

Strategic and operational investment delivering

We continue to progress with our multi-year strategic growth and operational improvement plan to strengthen our differentiated proposition, accelerate growth, improve efficiency, and drive better operating leverage over time. These organic investments are driving improvement in our key underlying operational metrics, improving resilience, and supporting delivery in our growth accelerators.

Acquisitions

We continue to enhance our organic growth strategy with disciplined and value creative acquisitions. In March 2026 we acquired BPX Group, a UK and Ireland based specialist distributor of industrial automation and control products, for an enterprise value (cash-free debt-free) of £27 million and a deferred earn-out of up to £3 million, payable subject to achievement of agreed EBITDA performance targets.

The consideration represents an acquisition multiple of around 10x reported EBIT on a 12-month basis to 31 October 2025. BPX Group, founded more than 50 years ago, specialises in supporting industrial customers with technical A&C solutions in UK and Ireland.

The acquisition complements our strengths in A&C and enhances our technical capabilities and high-service focus. It also expands our relationship with key suppliers and under RS ownership we see the opportunity for BPX to accelerate revenue growth through offering enhanced products and capabilities to complementary customers.



People

Create an inclusive and engaging environment where everyone is proud and excited to come to work and can perform at their best, develop, and thrive.

Our people are central to delivering the strategic and change ambitions outlined at our 2024 Investor Event. To support execution, we have further strengthened our executive and leadership capability with the appointment of Jonathan Bennett as President, Americas, and Lee Pruitt as Chief Customer Experience Officer. Both bring deep industry expertise and proven leadership experience to drive growth and enhance our customer proposition.

We are also investing in developing our people and addressing the changing skill and capability needed to deliver our strategy in a rapidly evolving world. Our Leadership Advantage development programme launched in 2025/26 in partnership with a world-renowned business school is the first of its type at RS, aimed at enhancing the capabilities of 90 senior leaders and potential leaders across the globe.



We have also commenced our future skills planning process, 'skills@RS' to acquire or develop enhanced capability across the Group in areas such as data and data analytics, AI development, adoption and use, and support accelerated individual development.

We have continued to focus on maintaining and improving engagement at all levels by listening to our employees and then following up on actions. Our recent employee engagement survey showed a 3 point year-on-year increase with an engagement score of 75 points. As already communicated at the half-year, we have also recognised the contribution of our employees below senior leadership level through the introduction of an all-employee share scheme with the aim of driving further engagement and shared ownership.

OUR STRATEGY IN ACTION

POWERING OUR PEOPLE TO PERFORM

The RS Group Leadership Advantage Programme is our first global development experience, created to accelerate leaders committed to maximising their impact and to bring the RS Amazing Leadership Framework to life.

Delivered in partnership with Duke Corporate Education, the programme has brought together 90 leaders from across the world, representing every part of our business, helping to build a shared language, stronger trust, and leadership capability across the organisation.

Across an 18-month learning journey, combining immersive experiences, coaching, and real world application, our leaders will deepen their ability to lead change, inspire performance, and create psychologically safe, high-performing teams.

Participants describe the programme as "transformational", noting stronger collaboration, greater self-awareness, and immediate, practical impact in their roles.

82

Delegate average NPS score

Linked to our ESG goals



Chief Executive Officer's (CEO) review continued

Customers

Focus on higher-value customers through harnessing data, effective strategic engagement, and optimising cost to serve.

We continue to focus on increasing our share of wallet with customers who have high-value potential in attractive industry verticals. We are unlocking this through data-driven insights and targeted omnichannel engagement, enabling a more personalised customer experience with optimised cost to serve.

In 2025/26 we completed the design and build of our global customer data master platform, providing a unified view of customers globally. This has enabled us to build potential-based segmentation of customers and are now deploying these capabilities across our major markets in EMEA and Americas. During the year, we also completed the global rollout of the CRM which is now being integrated with our Customer Data Platform (CDP), which will ultimately enable always-on, intelligent, and behaviour-led engagement across the customer lifecycle.

Early results are encouraging with improving conversion rates when utilising the personalised web journeys through our CDP. Through the CRM system, our sales teams have been able to capture better quality leads by leveraging richer customer insights which will drive higher conversion rates and larger deal opportunities. This has helped us better target our high potential value customers contributing to a 6% like-for-like revenue growth from our Corporate customer segment during the year. The data flow between these platforms will be increasingly automated and tuned through 2026/27.

OUR STRATEGY IN ACTION

POWERING CUSTOMER SUCCESS

To deliver more consistent and responsive customer experiences, RS has completed the roll-out of a CRM system across EMEA and Americas. By bringing customer data into one trusted system, teams now have one source of truth for a complete, real-time view of customer interactions, preferences, and opportunities.

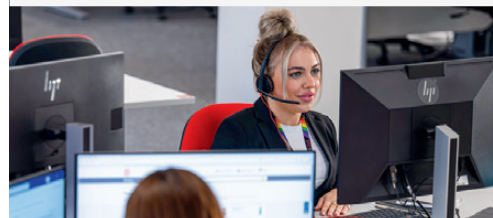
This enables faster, more informed responses and more personalised engagement across every touchpoint. Standardised processes and shared dashboards help reduce duplication and manual effort, meaning our colleagues spend less time navigating internal complexity and more time having value-add conversations with our customers.

The platform also supports better prioritisation of customer needs, ensuring the right level of service is delivered in the most efficient way. Overall, the CRM transformation has strengthened customer relationships, improved engagement consistency, and helped optimise cost to serve without compromising service quality.

>63k

New sales opportunities captured

Linked to our ESG goals



Products and suppliers

Deliver a seamless, mutually value creative supplier experience with appropriate and data-driven breadth, depth, and range curation.

Our upgraded Product Management Solution, launched last year, removed system constraints and enabled faster and more targeted management of our curated product range. Enhanced localisation and product information capabilities, supported by 20 million product attributes, are improving customer experience and searchability. Monthly new product introductions (NPI) capacity increased by 5 times to more than 50,000 in 2025/26. The platform also supports more efficient inventory management with over 185,000 new products launched as non-stocked items to assess demand and inform stocking decisions.

RS PRO, the professional-quality own brand of RS, continues to outperform with 5% growth through 2025/26 exceeding 14% share of Group revenue at year end and further enhancing its attractive margin position. It has been a record year for new products introduced to our RS PRO range – enabled by the investment in our product management solution – with 10,000 products added, a 45% increase on 2024/25.

We continue to invest in our enhanced pricing capability, which has benefited the Group while navigating persistent global trade uncertainty, including the impact of tariffs. Most notably in North America, through improved execution-led pricing discipline and leveraging of our AI-enabled pricing tools, we managed 3 times more targeted price actions during 2025/26. This supported more consistent alignment to cost and market dynamics to give us greater flexibility in support of both suppliers and customers.



OUR STRATEGY IN ACTION

POWERING PRODUCT INNOVATION

Our Product Management Solution continues to enhance the capacity, efficiency, and speed at which we launch our suppliers' products.

These improvements have given our customers greater choice and faster access to over 370,000 new products on our website in 2025/26.

We have further invested in our capabilities to manage the need for richer product content and copy at a scale proportionate to our increased new product launch capacity.

Crucially, how we store this data enables better customer journey insights, scalable and optimised localisation with bespoke, market-specific content, easier data collection, and 15 million more relevant product attributes.

>100%

Increase in product attributes online

Linked to our ESG goals



Chief Executive Officer's (CEO) review continued

Services and solutions

Deliver valued, scalable solutions to build greater strategic engagement and drive product pull-through.

We continue to scale our solutions offer which had like-for-like revenue growth of 6% during the year and now contributes 27% of Group revenue. Enhancing and scaling our digital procurement solutions remains a focus, with eProcurement like-for-like revenue growth of 9% during the year, reflecting our deepening relationships with our higher-value customers.

During 2025/26, we continued to refocus RS Integrated Supply (RSIS) which offers supply chain and procurement services to large, multi-site industrial businesses, and increased investment in our proprietary MRO management platform and on-site capabilities. RSIS materially accelerated its digital innovation including enhancement to RS SYNC™ Mobile which integrates product identification, classification, and real-time inventory visibility across a curated marketplace of 24 million products, improving procurement efficiency and automation for customers. In 2025/26 RSIS like-for-like revenue was flat, but like-for-like operating profit increased by 29% alongside improved working capital management. Continued collaboration with the rest of the Group, including RS PRO, provides increased access to RS products for RSIS customers' MRO spend, while ensuring the independence that is important for other RSIS suppliers.



OUR STRATEGY IN ACTION

POWERING VALUE-ADDED SOLUTIONS

Tokamak Energy implemented RS PurchasingManager™ to replace manual, decentralised procurement processes and improve control across its UK operations.

The web-based procurement platform centralised purchasing, automated approvals, and enabled better oversight of budgets, suppliers, and spend categories.

With enhanced visibility, reduced out-of-process spend, and simplified ordering for 120 users, Tokamak Energy was able to free up teams to focus on higher value activities while strengthening compliance.

These improvements delivered measurable impact, including 166 days saved each year.

£130k

Annual cost saving

Linked to our ESG goals



Experience

Strengthen and tailor our customer experience to provide a digitally enabled, seamless omnichannel service relevant for our customers' needs.

The design of our enhanced and digitally enabled omnichannel customer experience is largely complete, and the major foundational investments that enable it are well advanced. We completed the rollout of our AI-enabled web search capabilities, and began integrating it with an upgraded digital commerce platform which we launched in US & Canada. This provides improved functionality, personalisation and data capture to enhance the customers journey. We continue to 'tune' this Adobe-based commerce engine to enhance it further and are now testing it in EMEA in advance of launching it on country-by-country basis commencing in Q4 2026/27.

Our deliver to promise capability – which provides accurate, reliable, real-time availability and delivery information to our customers across EMEA & Asia Pacific – was completed in the second half of the year. Introducing improved delivery information earlier in the customer's online journey has resulted in an improved browsing experience and 4% average order uplift from early online stock visibility. The implementation of AI-enabled web search capabilities in 2024/25 continues to deliver improved 'findability' across our ranges, which resulted in a 28% increase in the 'Add to Cart' rate. The new Basket & Checkout experience, completed in the first half, has improved basket to order conversion rate up from 39% to 42%.

OUR STRATEGY IN ACTION

POWERING CUSTOMER EXPERIENCE

The Deliver to Promise (DTP) programme was introduced to improve how customers access, trust, and act on delivery information across multiple channels.

By strengthening core systems and aligning processes, DTP helps deliver a simpler, more transparent, and digitally enabled experience that reflects customers' needs while supporting efficient, scalable service delivery.

Customers benefit from clearer digital messaging, better visibility throughout the ordering journey, and a more consistent experience, whether engaging online or through our customer-facing teams.

Behind the scenes, greater automation and a single source of operational data reduce complexity and enable faster, more confident fulfilment decisions, while enhanced insight and reporting also support proactive customer communication and continuous service improvement.

4%

Average order value uplift from early online stock visibility

Linked to our ESG goals



Chief Executive Officer's (CEO) review continued

Operational excellence

Deliver efficient physical, digital, and process infrastructure, improved operating leverage, and marginal drop-through.

To ensure we are well positioned for growth, we continue to invest in our distribution network. Through 2025/26 we made significant progress on the build of upgraded facilities in Italy and Ireland and started installation of a state-of-the-art robotic process automation in Italy which will become the standard for all our regional distribution centres (DCs). The upgrade of our UK automated Warehouse Management System (WMS) continues, with the final phase planned for 2026/27 before a phased rollout of a market-leading WMS solution across all of our distribution sites in the coming years.

The integration of Distrelec is largely complete with the migration of their Netherlands DC to our Bad Hersfeld facility in Germany at the end of June ahead of schedule. This will save us more than €10 million from reduced annual costs and deliver increased operational gearing through the use of existing infrastructure as part of the wider integration that has delivered synergies well ahead of the acquisition case, despite challenging markets impacting revenue performance.

Simplification of our technology estate continues. To date we have removed more than 100 applications and continue to see further opportunities for consolidation, enabling further savings that will allow the business to absorb increased licence-costs as a result of the market shift to a 'software as a service' technology model.

We have optimised the flow through our distribution network removing non-value-add activities and reducing the number of times a product is handled. This has resulted in a 50% increase in our supply chain efficiency ratio and an improvement in our cost to serve.



OUR STRATEGY IN ACTION

POWERING OPERATIONAL EXCELLENCE

OneTouch optimises stock distribution across the EMEA network by reducing non-value-added activity and process waste.

Optimised stock policies and fulfilment minimise handling before customer delivery, lowering costs and inventory.

This ultimately improves our customer experience, providing higher availability and lead time predictability.

56%

Increase in our EMEA supply chain efficiency ratio

Linked to our ESG goals



Preparation for the upgrade of our Enterprise Resource Planning system continues and is on track for first rollout across our EMEA markets.

Driving sustainable growth and stronger value creation

While we continue to deliver our 2030 ESG action plan, For a Better World, ESG is increasingly shaping customer and product sourcing decisions, strengthening supplier relationships and supporting the long-term resilience and performance of the Group. We have maintained Platinum EcoVadis status for the fourth consecutive year and achieved a CDP A List rating for the second year, reinforcing trust in our commitment, transparency and action and helping to differentiate the RS brand with high-value customers and strategic suppliers. Our Better World product range comprises more than 33,000 products from over 165 suppliers across 30 countries. Underpinned by an industry standard, claims based framework, it enables customers to make more sustainable choices while improving efficiency and reducing costs.

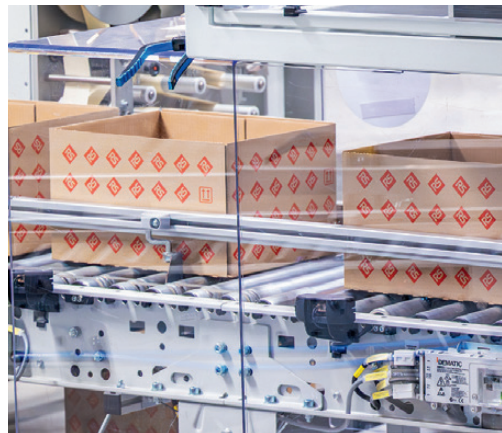
Alongside this, we continue to drive efficiencies across our operations and logistics to reduce cost and carbon, while improving customer experience. Since 2019/20, Scope 1 and 2 emissions have reduced by 67%, keeping us on track to deliver our science-based target of a 75% reduction by 2030. Our product transport emissions intensity has reduced by 34% since 2019/20, and we have now extended our 2030 target to 40% (previously 35%). During the year we set a new, more ambitious and holistic Scope 3 target to reduce Scope 3 GHG emissions by 51.6% per £ million value added by 2029/30 from a 2019/20 base year, which has been validated by the Science Based Targets initiative.

Chief Executive Officer's (CEO) review continued

Confidence in long-term value creation

We remain active at looking at acquisition opportunities across our markets, with a solid pipeline of opportunities that can accelerate our strategy in a value disciplined way, supported by our strong balance sheet. Selective acquisitions can enhance our presence in key markets, accelerate our operating leverage, strengthen product specialisation and expand our services and solutions portfolio. We will remain value disciplined in the way we assess opportunities.

The Group's focus on cash generation has also resulted in a strong balance sheet with leverage at the bottom end of our target range 1.0 - 2.0x net debt to adjusted EBITDA. We therefore, as part of our disciplined approach to capital structure and allocation, are commencing a £100 million share buyback programme. We also recommend a 2% increase in the 2025/26 dividend, consistent with a progressive dividend policy, and we will continue to review acquisition opportunities.



Outlook

We made good progress in 2025/26 and PMIs are trending positively. With our ongoing investment and greater agility, we see improving momentum into 2026/27 and most of our major markets are now back into low single digit growth. We remain mindful of geopolitical and economic developments and conflicts in the Middle East and Ukraine and the potential impact they might have on global supply chains, industrial production, and customer behaviour.

However, the investments we are making are delivering tangible benefits, strengthening our proposition, and positioning us well to capture growth and further increase market share as end-markets recover.

This, together with improved delivery and operating leverage and disciplined cost control, supports the Group's increasing confidence in delivering our medium-term financial targets of growing revenue at twice the market, mid-teen adjusted operating margins, cash conversion over 80%, and over 20% return on capital employed.

Simon Pryce
CEO

INVESTMENT PROPOSITION

REALISING THE POTENTIAL TO DELIVER THE RS OPPORTUNITY

Our performance in the year and strong underlying progress in the second half gives us confidence that RS is:

- 1 **Well positioned in growth markets**
Global leader in a large, industrial MRO market, growing at GDP+ through-cycle
- 2 **Differentiated proposition driving market share gain**
Digitally enabled, high-service distributor of a broad range of technical product and service solutions for industrial customers that demand low volumes of critical products across many categories
- 3 **Investing to improve efficiency and operating leverage**
Creating, utilising, and optimising more efficient and flexible physical, digital, and process infrastructure
- 4 **Disciplined acquisitions accelerating growth**
Rigorous investment discipline and clear capital allocation policy driving accelerated value creation
- 5 **Significant value creation opportunity for all stakeholders**
Generating value through driving strong operational and financial performance and investing in growth opportunities that deliver sustainable cash returns on invested capital

THROUGH-CYCLE VALUE CREATION TARGETS*

Revenue growth
2X MARKET
(of GDP+)

MID-TEEN
adjusted
operating
profit margin

>80%
cash conversion
rate

>20%
return on
capital
employed

* Economic cycle as defined by GDP growth