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A BUSINESS PLAN FOR GRAFTON GROUP PLC

Trade and DIY Have Entered The Assortment Era

Customers research online before they set foot in a branch, and expect the whole project in one transaction, not just what fits on the shelf.

Research online first | **The whole job, one basket** | **Range beyond the shelf**

Grafton has already proved the answer inside the Group. Woodie's extends its online range supplier-direct on Virtualstock, owns none of that stock, and now calls its digital store its **number one store**. With Selco rebuilding its web channel in 2026–27 and the Grafton Way built to share what works, the question is how fast supplier-direct range becomes a Group capability.

WINNERS AND LOSERS

One Brand, Two Outcomes, and the Same Lesson Already Inside Grafton

HOMEBASE 1.0 · STAYED STORE-BOUND

45	133	2024
years trading	UK stores	administration

Range lived on the shelf. Space, stock and leases scaled together, so when demand softened there was nothing flexible left to pull.

WHAT THE WINNERS DID DIFFERENTLY

- Homebase 2.0 (CDS): homebase.ie live since Aug 2025 with 40,000+ products, in Woodie's market
- Range extended supplier-direct on Virtualstock: [Homebase 2.0 result]
- Woodie's: online range up c.20% supplier-direct, with no stock owned
- Woodie's digital sales up 44% in 24 months

Woodie's is already on the winning side of this line. The question for Selco and Chadwicks is whether to follow, or to compete against endless range from the shelf alone.

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THE PRIZE · ILLUSTRATIVE

An Illustrative £8m–£41m of Revenue and £2m–£10m of Gross Profit, With No Stock Behind It

REVENUE UPSIDE

- Group revenue FY2025: **£2,520m**
- Assumed digital base: **£164m**
- Conservative, 5% lift: **£8m**
- Base, 15% lift: **£25m**
- Upside, 25% lift: **£41m**

MARGIN AND CAPITAL

- Gross profit, base: **£6.1m**
- Gross profit, upside: **£10.2m**
- Stock if owned, base: **£4.6m**
- Stock if owned, upside: **£7.7m**
- **Stock needed supplier-direct: £0**

WHY MARGIN CAN HOLD

- No buy, carry or markdown risk
- Bulky, high-ticket lines face less price pressure
- Capital stays free for M&A and buybacks
- Test categories before stocking them

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WHERE THE GROWTH COMES FROM

Six Categories, Ranked by How Little Has to Change

01 · OWNED DEMAND

Woodie's Extended Range, +50%

Your own target: grow the online range by 50% in 18–24 months.

02 · OWNED DEMAND

Selco Kitchens, Bathrooms, Finishing

End-of-project ranges Selco sells, online beyond 15,000 shelf SKUs.

03 · POSITIONING

Selco's Younger Trade Customer

A decade younger than the merchant average, and omnichannel by habit.

04 · ADJACENT

Chadwicks Trade Hub

Renewables and second fix, delivered to site at agreed rates.

05 · ADJACENT

Isero and IKH Online

Tools, PPE and workwear; Isero already sells c.10% online.

06 · LONG TAIL

Keep the Tail, Drop the Stock

15,000+ suppliers; tail lines stay live without DC space.

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NETWORK EVIDENCE · WHAT WE WOULD SIZE FIRST

What We Would Size First, Starting With Woodie's Live Suppliers

Supplier	On Virtualstock network	Onboarding path	Range potential	Priority
Woodie's live suppliers	Yes, live for Woodie's	Reuse for Selco, Chadwicks	High	Wave 1
Einhell	Yes	Single connection	High	Wave 1
VELUX	Yes	Single connection	High	Wave 1
DeWalt	Yes	Single connection	Medium	Wave 2
Stanley	Yes	Single connection	Medium	Wave 2
Dulux	Yes	Stocked core via DC	Low	Wave 3

A sample from Selco's public brand directory, not your vendor master. A floor, not a ceiling: how many Woodie's live supplier-direct suppliers also supply Selco or Chadwicks?.

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WHAT STANDS IN THE WAY

Proven Inside the Group; the Open Question Is the Cost of Extending It

WHAT WE WOULD VALIDATE

1. How long does a new supplier's range take to go live on Chadwicks' Trade Hub?
2. Can Woodie's supplier connections serve Chadwicks without a second integration?
3. Which lines belong in Selco's new distribution centre, and which are better supplier-direct?
4. Where do orders, invoices and tracking reconcile with each business's ERP?

WHAT IS ALREADY KNOWN

Woodie's runs supplier-direct range on Virtualstock today.

It has committed publicly to grow that online range by 50% in 18–24 months, and digital by 130% by 2030.

The choice: keep supplier-direct range a Woodie's capability, or make it a Grafton Way capability, starting in Ireland where it is already proven.

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THE PLAN

Four Phases: Prove It in Ireland, Then Make It a Group Capability

PHASE 1 · WEEKS 1–4

Discovery

Chadwicks vendor master vs Woodie's live suppliers; Woodie's +50% range plan; ERP touchpoints

Output: Sized business case

PHASE 2 · WEEKS 5–10

Extend

Accelerate Woodie's to +50%; activate Trade Hub; onboard 20–30 Wave 1 suppliers

Output: Range live on Trade Hub

PHASE 3 · WEEKS 11–18

First Proof

Launch to Chadwicks trade accounts; track GMV, margin, service

Output: Readout to Group

PHASE 4 · WEEKS 19–26+

Scale

Selco alongside its new DC, then Leyland SDM, Isero and IKH

Output: Group capability

Because Phase 2 extends a platform the Group already runs, Phase 3 revenue can land in the same financial year as the Phase 2 spend.

EVIDENCE

The Same Platform Already Moves Range at Irish and UK Home-Improvement Scale

SPEED TO ONBOARD

600+

suppliers onboarded by Robert Dyas since 2021, up from one or two a month.

ASSORTMENT GROWTH

300k+

products online at Robert Dyas, up from 16,000; dropship c.70% of online GMV.

MIRRORS YOUR POSITION

44%

growth in Woodie's digital sales in 24 months, extending range supplier-direct.

"Dropship is the fastest ROI in retail." Simon Spencelayh, Managing Director, Robert Dyas. Also on Virtualstock: Screwfix, B&Q, John Lewis, Argos, Currys, The Range, Toolstation.

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THE ASK

React to This Plan, and Introduce Us to the Leader Who Owns Range and Digital at Chadwicks

Your vendor masters would replace our supplier sample, your digital mix would replace the 6.5% assumption, and your supplier-direct margins would replace ours.

01
Overlap analysis: Chadwicks suppliers vs Woodie's live suppliers

02
Category sizing on your digital mix

03
Business case on your actuals