

Delivering growth, taking market share, creating value.

Results summary

£ millions (unless stated)	2025 ¹	2024 ¹	Change vs 2024
Group revenue	2,418.0	2,322.1	+4.1%
- UK	2,333.2	2,247.4	+3.8%
- International ²	84.8	74.7	+13.5%
Gross profit margin, %	62.7%	61.6%	+110bps
Operating profit	355.3	339.2	+4.7%
- %	14.7%	14.6%	+10bps
Profit before tax	344.9	328.1	+5.1%
Basic earnings per share, p	49.2p	45.6p	+7.9%
Total ordinary dividend per share, p	21.9p	21.2p	+3.3%
Cash at end of period	344.5	343.6	

¹ The information presented relates to the 52 weeks to 27 December 2025 and the 52 weeks to the 28 December 2024 unless otherwise stated.

² Comprises Howdens' depots in France, Belgium and the Republic of Ireland (ROI).

Highlights

- Group revenue increased by 4.1% to £2,418.0m.
 - o UK revenue was 3.8% ahead of last year reflecting balanced pricing and volumes along with ongoing market share gains, despite continued kitchen market headwinds.
 - o International revenue grew 13.5% with good progress in developing Howdens' differentiated model in France and the Republic of Ireland.
- Gross margins improved by 110bps to 62.7%, supported by revenue growth, ongoing sourcing and manufacturing efficiencies helping offset cost inflation.
- Delivered £41m of productivity and efficiency savings in the total cost base.
- Profit before tax was 5.1% ahead of last year at £344.9m, and Basic EPS was 7.9% ahead.
- Strong cash generation and the Group continues to maintain a robust balance sheet.
- Proposed final dividend of 16.9p up 3.7%, bringing the total for the year to 21.9p.
- New £100m share buyback announced for 2026.

Commenting on the results Andrew Livingston, Chief Executive said:

"The business advanced on all fronts in the year. We gained market share and delivered a strong operational performance with profit growth ahead of sales. Alongside this, we continued to invest in our strategic initiatives which is helping our trade customers win more business while making our operations more efficient and productive.

"For 2026, our planning assumption is that the UK kitchen market will be level year on year, following several years of decline, in what remains a competitive marketplace. Looking further ahead we have many significant longer-term growth opportunities, and our focus remains on continuing to deliver above-market performance and enhanced returns for shareholders."

Operational developments in 2025

- Opened 23 new UK depots, of which 18 were opened in the final two trading periods of the year, and added three depots in the international business.
- Investment included capex of £156.5m, principally on our strategic initiatives to drive future growth.
- Invested in our UK manufacturing capacity and capabilities, which included a new project to upgrade our rigid cabinet and panel facility at Runcorn.
- Completed 60 depot reformats (including relocations).
- Introduced 24 new kitchen ranges in 2025 to suit all budgets as we continue to build out the significant opportunities to expand our entry-level, mid-priced and premium kitchens.
- Launched a new pricing and margin ('PAM') tool enabling depots to optimise their pricing with improvements in depot margins since launch.
- In France, we continued to focus on optimising the depot network and the team capabilities with good progress made during the year.
- The Republic of Ireland is establishing itself as a strong competitor in our categories and we opened another three depots, bringing the total to 16 by the end of the year.

Outlook

- For 2026, our planning assumption is that the UK kitchen market will be level year on year, following several years of decline, in what remains a competitive marketplace.
- As we deliver day-to-day value for our trade customers, we will aim to retain a profitable balance between price and volume, alongside continued cost discipline.
- We believe our model is the right one to address the medium-term opportunities in our markets. We are well prepared for the year ahead and well placed to outperform our competitors.
- Our year-to-date performance has been in line with our expectations and, while it is early in the new financial year, we remain on track to meet current market expectations for FY2026¹.

¹ Current analysts' consensus forecasts for 2026 for profit before tax, which is published on the Company's corporate website, is an average of £354m, with a range of £345m to £383m.

For further information please contact

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Results presentation:

There will be an in-person analyst and investor presentation at 0830 GMT today hosted by Andrew Livingston, Howdens' CEO, and Jackie Callaway, Howdens' CFO at:

Deutsche Numis, 21 Moorfields, London EC2Y 9DB, with light refreshments served from 0800.

A live video webcast will be available on https://brrmedia.news/HWDN_FY25

For more information see: www.howdenjoinerygroupplc.com. The presentation can also be heard by dialling the phone numbers below:

Location	Phone Number
United Kingdom, Local	+44 (0) 33 0551 0200
United States, Local	+ 1 786 697 3501

Confirmation code: Please quote 'Howdens Full Year Results'

The webcast will be recorded and available on our website after the event has finished at:

www.howdenjoinerygroupplc.com

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Note to editors:**1. About Howden Joinery Group Plc**

Howdens is the UK's number one specialist kitchen and joinery supplier. In the UK, the company sells kitchens and joinery products to trade customers, primarily local builders, through 891 depots. In 2025, the Group generated revenues of £2.4 billion and profit before tax of £344.9 million. Howdens is a proud UK-based manufacturer, with a significant proportion of its kitchen and joinery ranges manufactured in-house at its two principal factories in Runcorn, Cheshire, and Howden, East Yorkshire. At the end of 2025, Howdens operated from 79 depots in France, Belgium and the Republic of Ireland.

2. Timetable for the final dividend

The timetable for payment of the proposed final dividend is shown below. A Dividend Reinvestment Plan ("DRIP") is provided by Computershare Investor Services PLC. The DRIP enables the Company's shareholders to elect to have their cash dividend payments used to purchase the Company's shares. More information can be found at <https://www-uk.computershare.com/Investor/>

Ex-dividend date:	9 April 2026
Record date:	10 April 2026
Payment date:	22 May 2026

3. Provisional financial calendar for 2026

Trading update	28 April 2026
Annual General Meeting	7 May 2026
Half Year Results	23 July 2026
Trading update	5 November 2026
End of financial year	26 December 2026

Financial review

Financial results for 2025¹

Revenue £m (unless stated)	2025	2024	Change	# of depots 2025 ³
UK depots - same depot basis ²	2,297.6	2,239.7	+2.6%	839
UK depots opened in previous two years	35.6	7.7		52
	2,333.2	2,247.4	+3.8%	891
International depots	84.8	74.7	+13.5%	79
Group	2,418.0	2,322.1	+4.1%	970

Local currency revenue €m (unless stated)	2025	2024	Change	# of depots 2025 ³
International – same depot basis ²	94.2	86.2	+9.3%	72
Depots opened in previous two years	4.8	1.9		7
	99.0	88.1	+12.4%	79

¹ The information presented relates to the 52 weeks to the 27 December 2025 and the 52 weeks to the 28 December 2024 unless otherwise stated.

² Same depot basis excludes depots opened in 2024 and 2025 and closed depots.

³ There was 1 depot closed in the UK in 2025. In International, 3 depots were opened in the Republic of Ireland and 2 depots were closed in France during 2025.

Group revenue was 4.1% ahead of last year at £2,418.0m (2024: £2,322.1m). UK depot revenue of £2,333.2m (2024: £2,247.4m) was 3.8% ahead of last year and 2.6% ahead on a same depot basis, with the business performing well in the final two periods of the year. Our differentiated competitive position in the UK enabled the business to gain further market share despite a modest contraction in the kitchen market. Local currency revenue of €99.0m (2024: €88.1m) in the international depots was 12.4% ahead of the prior year and grew 9.3% on a same depot basis. This was an encouraging performance, as we continued to build out our depot network in the Republic of Ireland, and optimise our sites in France and Belgium.

Gross profit

We maintained our sector leading gross margin by appropriately balancing pricing and volumes. Gross profit was £84.3m ahead of last year at £1,515.4m (2024: £1,431.1m). The higher gross margin percentage of 62.7% (2024: 61.6%) reflected the benefit of the price increase at the start of the year and increased volumes. It also included proceeds from an insurance claim relating to the replacement of damaged production equipment in a panel line at the Group's Howden manufacturing facility. This resulted in a one-off gain of approximately £6m. Cost savings of £14m included sourcing benefits from raw materials and finished goods suppliers. In addition, we delivered further manufacturing efficiencies which directly offset all inflationary cost increases in our factories.

Operating profit and profit before tax

Operating expenses increased by £68.2m to £1,160.1m (2024: £1,091.9m). This included £28m of ongoing investments in our strategic initiatives with £12m for new UK depots opened in 2024 and 2025 and £13m of other strategic investments including digital upgrades and £3m relating to the expansion of our international operations. Higher inflationary costs of around £27m, principally payroll and property costs, were offset with continued productivity and efficiency improvements. There was also a charge of £6.1m in relation to the impairment of depot assets as part of our optimisation plans in France, where we are planning to relocate 6 depots over the next two years. Overall, operating profit was £16.1m or 4.7% ahead of last year at £355.3m (2024: £339.2m). The EBIT margin was 10 basis points ahead at 14.7% (2024: 14.6%).

The net interest charge was £10.4m (2024: £11.1m). Profit before tax of £344.9m was 5.1% ahead of the prior year (2024: £328.1m).

Tax, profit after tax and basic earnings per share

The tax charge was £77.2m (2024: £78.8m) which represented an effective tax rate of 22.4% (2024: 24.0%). This was lower than our guidance at the start of the year as we have further refined the patent box claim. Profit after tax was £267.7m (2024: £249.3m). Basic earnings per share were up 7.9%, on the prior year at 49.2p (2024: 45.6p) reflecting the increased profit for the year, a lower effective tax rate and the benefit of the reduced number of shares in issue following the share buyback programme completed in the year.

Cash

The net cash inflow before movements in working capital totalled £537.6m (2024: £504.6m). Overall working capital increased by £26.3m to support growth, with stock £18.5m higher as a result of depot openings and new product introductions. Receivables at the end of the period were £14.2m higher than at the end of the prior year principally due to the increase in sales.

Payables were £6.4m higher. Capital expenditure was £156.5m and included the one-off freehold purchase of the Runcorn manufacturing site for £31m. Excluding this, capital expenditure was £125.5m, a similar level to last year at £122.0m, as we continued to prioritise growth initiatives. Corporation tax payments were lower at £25.7m (2024: £39.2m) as a result of prior year tax credits due to the patent box claim. Dividends amounted to £116.6m (2024: £115.9m) and share buybacks were £100.2m (2024 nil). The interest and principal paid on lease liabilities totalled £123.9m (2024: £113.4m). Reflecting the above, cash at the year-end was £344.5m (28 December 2024: £343.6m).

Capital allocation and returns to shareholders

Our capital allocation policy is unchanged. We focus on achieving sustainable profit growth by investing in organic expansion and broadening our capabilities in adjacent categories. We aim to provide shareholders with an attractive ongoing income stream and an ordinary dividend that grows in line with the long-term prospects of the business. After allowing for these uses of cash, Howdens remains committed to returning any surplus capital to shareholders.

Within its definition of surplus capital, the Board's objective is for the Group to be able to operate through the annual working capital cycle with a strong balance sheet, noting that there is seasonality in working capital balances through the year, particularly in advance of our peak trading period in the second half. We also take into account that the Group has a significant property lease exposure for the depot network, and a large defined benefit pension scheme. Our policy remains that when year-end cash is in excess of £250m we expect to return surplus cash to shareholders. This provides sufficient headroom to support organic growth, our seasonal working capital requirements, and ongoing investments in our strategic initiatives, while maintaining a strong balance sheet.

In July 2025 the Board declared an interim dividend of 5.0p per ordinary share (2024: 4.9p per ordinary share), an increase of 2.0%. The Board is recommending a final dividend for 2025 of 16.9p per ordinary share (2024: 16.3p per ordinary share), representing an increase of 3.7%. If approved by shareholders at the AGM in May, the final dividend will be paid on 22 May 2026 to shareholders on the register on 10 April 2026. This brings the total dividend for the year to 21.9p per ordinary share (2024: 21.2p per ordinary share), a year-on-year increase of 3.3%.

Reflecting the Group's strong financial position, the Board is announcing today a new £100m share buyback programme which will be completed in 2026.

Pensions

The defined benefit pension scheme has a surplus on an ongoing funding basis meaning that no contributions are currently payable by the company. At 27 December 2025, the deficit was £7.8m on an IAS 19 basis (2024: Deficit of £2.1m). The scheme is closed for future accrual.

There is a mechanism in place to reinstate contributions if the funding position deteriorates in the future (as well as to turn them off again if the funding position subsequently improves). The current funding arrangement is in place to 31 May 2027 but will be reassessed before then as part of the triennial valuation being carried out as at 31 March 2026.

The Company has actively engaged with the Trustee to manage and reduce pension risks pro-actively over time through a Joint Working Party framework. We will look to accelerate actions to reduce and manage pension risk in areas such as investment strategy, data and benefits and scheme funding.

Board changes

Paul Hayes notified the Board of his intention to retire from his role as Chief Financial Officer (CFO) and Executive Director of the Company effective 30 May 2025. Following an extensive selection process, Paul was succeeded by Jackie Callaway who joined the Howdens Board on 2 June 2025. Prior to her appointment to Howdens, Jackie served as CFO of Coats Group plc and as CFO of Devro plc. She is currently a Non-Executive Director of IMI plc, the FTSE 100 specialist engineering company. Jackie has a strong finance record and extensive experience across multinational manufacturing and supply chain businesses. She is a Fellow of the Institute of Chartered Accountants in England and Wales.

Technical guidance for 2026

Income statement

- We anticipate inflationary cost headwinds of around £30m in the total cost base in areas such as commodities, labour and additional property costs. As in previous years, we will offset these costs, where practicable, with further productivity and efficiency savings.
- Continued investment in our strategic initiatives to support future growth of c.£30m.
- Foreign exchange sensitivity in COGS of Euro: +/- €0.01 = £2.3m; US Dollar: +/- \$0.01 = £0.7m.
- Net interest charge of c.£16m.
- Full year effective tax rate of 23% to 24%.

Cashflow

- Cash tax expected to be c.£60m.
- Capital expenditure of c.£125m including our ongoing investments to support future growth.
- Share buyback of £100m announced today.

Operational review

Strategic initiatives

Howdens has made good progress on its strategic initiatives, which are aimed at achieving profitable growth and market share gains over the medium term. The four strategic initiatives are:

- Evolving our depot model by using space more efficiently to provide the best environment in which to do business with our customers.
- Improving our range and supply management to improve choice and service while enhancing productivity in our manufacturing, sourcing and supply chain activities.
- Developing our digital platforms to raise brand awareness, support the business model and deliver productivity gains and more leads for depots and customers.
- Expanding our international presence in countries with attractive kitchen and joinery markets.

These ongoing investments support the execution of our growth strategy and are within our overall capital expenditure guidance.

Evolving our depot model

During the year Howdens opened 23 new depots in the UK, including 18 in the final two trading periods of the year, and all new depots are opened in the updated format. This year, we expect to open around 25 more depots as we continue to take a disciplined approach to new depot locations. We have line of sight to operate with around 1,000 depots in the UK, versus the 891 trading at the end of the year. The depots are supported by our cross docking (XDC) facilities which enable depots to optimise their stock holdings and provide high levels of service across the product range.

We have continued with our reformatting programme for existing depots. Last year, we completed a further 60 revamps including nine relocations, taking the total to 410. These sites principally comprise Howdens' larger sized and longest established depots. This year, including relocations, we plan to convert another 45 depots; over the next two years we will also make minor layout modifications to conversions completed prior to 2025 as we continue to improve the customer experience. By the end of the 2026, we will have around 77% of all UK depots trading in the updated format.

Improving our product range and supply management

Range Management

Howdens is committed to providing its customers with market leading and fairly priced products and our 2026 kitchen NPI makes more colours, styles and finishes available at more price points. Excluding Paint-to-Order ('PTO') we have 24 new kitchens confirmed for 2026 and we will end the year with our entire offering of such kitchens organised into 11 families, with a similar total kitchen count to last year.

Entry and mid-level kitchens remain the core source of our rigid cabinet volumes and kitchen invoice value. In 2025, we introduced 13 new kitchens across our established families at these price points and added a new Frome family in four colours. In 2026, we have 15 new kitchens planned for our current entry and mid-level families. These include adding six new Frome colours (as we discontinue Chelford), and updates to our best performing mid-level families, including Clerkenwell in Super Matt Mist and Halesworth in Ash Green.

We have upscaled our higher priced kitchen portfolio, using Howdens' scale and manufacturing capabilities to offer a bespoke look at competitive prices. Classic Timber Kitchens performed particularly well in 2025, with PTO options growing in popularity. In 2026 we are refreshing the PTO palette with four new colours, with two of the leading PTO colours now available as Chilcomb and Elmbridge stock colours.

Solid surface worktops continue to present a significant opportunity. Our in-house manufacturing capacity (amongst the largest in the UK) supports rapid template to fit times; ahead of peak trading, our total offering will be similar to last year, with increased display space in more depots.

We continue to upgrade other categories, including own label brands that complement third party product. Lamona (one of the UK's leading integrated appliance brands) has undergone a major refresh and we have modified the design and are lowering prices on a suite of high-volume products while also updating higher priced lines. In flooring, "Oake & Gray" now represents a substantial proportion of category sales. In ironmongery, our "Fuller & Forge" brand launched last year landed well and our offering will be expanded in 2026. Doors and Joinery remain key footfall drivers; new product introductions this year include a new premium range of Howden branded hardwood doors, with further subcategory development in wall panelling, stair parts and loft spaces.

Fitted bedroom sales were well ahead of last year. Bedrooms are a source of incremental sales and profit and leverage our design, manufacturing and supply infrastructure. For 2026, we will continue to target entry and mid-price points with five new bedrooms, including Bridgemere in Pebble, Halesworth in Ash Green.

Manufacturing and supply chain

Howdens is an in-stock business, and high stock availability is a key reason the trade buys from us. In 2025, deliveries totalled 73.4 million pieces and our service level from primary to depots was 99.98%. Our XDC network enables next day delivery and, together with initiatives such as “Daily Traders”, supports exceptional service levels. We continue to balance make versus buy to optimise cost, availability, resilience and flexibility. Recent investments have increased capacity and broadened capabilities; at Runcorn, our multi-year development programme is underway following planning permissions and the acquisition of the freehold, and will provide more capacity at the site, with increased flexibility and productivity and lower CoGS than would otherwise have been the case.

The Runcorn programme includes installing a new high volume panel machining line with automated WIP, building two extensions to house the equipment and significantly increasing warehouse storage capacity, and utilising additional land to expand trailer parking. The works are expected to take about three years to complete and are included within overall Group capex guidance.

Developing our digital platform

Our digital strategy reinforces strong local relationships between depots and their customers by raising brand awareness, supporting new services and ways to trade, and delivering productivity benefits and more leads for depots and customers. Usage of online account facilities continues to increase, with 59,000 new registrations and around 61% of customers holding an online account at year end. Total users viewing our trade platform increased by 45%, with around 80% regularly viewing their individual confidential prices. Customers with an online account traded more frequently and spent more than non-users. We generated high levels of engagement on Howdens.com and across social channels, with site visits of 24 million, the highest number of fitted kitchen site visits among specialists, and a follower base of c.721,000 (up 18%) and around 6.8 million engagements a month.

Usage of our upgraded Click & Collect service for everyday products continues to increase. We have also introduced a depot account management tool to help depots manage customer relationships more efficiently and rolled out a new in-house pricing and margin tool (“PAM”) in all UK depots to make price management easier and more effective; feedback has been very positive, and we are seeing improvements in depot margin on everyday products in the system.

Developing our international operations

In 2025, sales of our operations based in France increased year on year at a higher rate than the previous two years. In tough market conditions, performance improved as we focused on existing depot sales, team capability (including a new very experienced leadership team) and enhanced “footfall promoting” product, with trials of a smaller 500 sqm version of the depot format in Reims that incorporates the latest UK format innovations and has the benefit of lower lease related costs. We expect to maintain the aggregate number of depots trading at around the current level as we actively manage the estate to optimise performance.

Sales in the Republic of Ireland were well ahead of last year, and we expect to open around five more depots in 2026, taking the total to 21 by the year end. The Irish market suits our differentiated, in stock trade model and continues to respond well to our approach.

SUSTAINABILITY

The Group continues to advance its sustainability agenda, underpinned by its ambition to be a leading sustainable business in the kitchen and joinery sector. This ambition is supported by a UK-based manufacturing footprint, strong supplier partnerships, and the Group’s externally validated Net Zero plan, approved by the Science Based Targets initiative in January 2024. Despite an evolving regulatory landscape in both the UK and EU—with progress in some areas delayed, including the EU Deforestation Regulation—Howdens remains committed to maintaining a leadership position through continued evaluation of future requirements.

The Group's Net Zero plan targets a 42% reduction in Scope 1 and 2 emissions and a 25% reduction in Scope 3 emissions by 2030, with Net Zero targeted by 2050. The Scope 3 target was achieved in 2025; however, given that 95% of total emissions sit within Scope 3, this area remains a strategic priority as engagement deepens across the value chain. More than 100 key suppliers are now onboarded to the emissions-reduction programme, providing verified data and decarbonisation plans, supported by newly established internal resource dedicated to supplier engagement.

The Group has completed an ESG Double Materiality Assessment, identifying Biodiversity and Nature, Circularity, and workers in the value chain as priority areas, building on existing Science Based Targets initiative (SBTi) commitments and Task Force on Climate-related Financial Disclosures (TCFD) reporting. While EU Corporate Sustainability Reporting Directive (CSRD) reporting for European operations has been deferred to 2028, the Group is using this period to strengthen data credibility, auditability, and alignment between impact and financial disclosures.

Operational progress remains strong, with all manufacturing sites and depots maintaining zero-to-landfill status and the successful integration of the Hippo waste management system across depots, avoiding nearly 7,000 tonnes of landfill waste in 2025. Decarbonisation initiatives continue, including the commissioning of 7,000 solar panels at the Howden site, generating 1.8 GWh of electricity, which is around 12% of site consumption, avoiding almost 400 tonnes of CO₂ to date, alongside continued investment in renewable energy sourcing across sites and depots.

Fleet decarbonisation has accelerated with increased use of HVO fuel, deployment of LNG vehicles, introduction of longer-capacity trailers to reduce fleet movements, and continued usage of electric trucks within the XDC network.

Across Sustainable Product and Packaging, the business is strengthening lifecycle considerations in product design, enhancing durability, reducing virgin material use, improving energy performance, and increasing recycled content across ranges such as Frome, Allendale, appliances and flooring.

The Group continues to embed inclusion as a strategic priority through its "Worthwhile for All" ambition, with year-on-year improvements across inclusion survey indicators, expanded management capability programmes, consolidation of EDI working groups, and broader accessibility through apprenticeships and early-career pathways. Efforts around employee wellbeing with a focus on mental health remain robust, with over 50 wellbeing representatives and extensive health-related initiatives delivered throughout 2025.

Finally, apprenticeships continue to play a central role in talent development, with strong recruitment, high retention rates, and a streamlined depot apprenticeship model supporting operational capability. Early careers programmes will continue to expand in 2026, with a focus on strengthened manager engagement, clearer ownership and improved planning across the apprentice lifecycle.

A more detailed overview of our activities in the year will be available in the 2025 Report and Accounts.

GOING CONCERN

The Directors have adopted the going concern basis in preparing the financial statements and have concluded that there are no material uncertainties leading to significant doubt about the Group's going concern status, and that there were no significant judgements involved in coming to this conclusion. The reasons for this are explained below.

Going concern review period

The going concern review period covers the period of at least 12 months after the date of approval of these financial statements. The Directors consider that this period continues to be suitable for the Group as it is the period for which the Group prepares the most frequently revised forecasts, and which is most regularly scrutinised by the Executive Committee and Board.

Assessment of principal risks

The Directors have reached their conclusion on going concern after assessing the Group's principal risks, as set out in detail in the 'Principal risks and uncertainties' section, starting on page 13. Whilst all the principal risks could have an impact on the Group's performance, the specific risks which could most directly affect going concern are the risks relating to continuity of supply, changes in market conditions, and product relevance. The Group is currently holding additional amounts of faster-moving inventory as a specific mitigation against supply chain disruption, and the Directors consider that the effects of the other risks could result in lower sales and/or lower margins, both of which are built into the financial scenario modelling described below.

Review of trading results, future trading forecasts and financial scenario modelling

The Directors have reviewed trading results and financial performance in 2025, as well as early weeks' trading in 2026. They have reviewed the Group balance sheet at 27 December 2025, noting that the Group is debt-free, has cash and cash equivalents of £345m, and appropriate levels of working capital. They have also considered three financial modelling scenarios prepared by management:

1. A 'base case' scenario. This is based on the final 2025 Group forecast, prepared in December 2025 and including the actual results of the 2025 peak sales period. This scenario assumes future revenue and profit in line with management and market expectations as well as investments in capital expenditure and cash outflows for dividends and share buybacks in accordance with our capital allocation model (see page 5).
2. A 'severe but plausible' downside scenario based on the worst 12-month year-on-year actual fall ever experienced in the Group's history. For additional context, this is more significant than the combined effect of COVID and Brexit on 2020 actual performance. This scenario models a reduction in most of the variable cost base proportionate to the reduction in turnover. It includes capital expenditure at a lower level than in the base case, but which is still in line with our announced strategic priorities for growth, namely: new depot openings and refurbishments; investment in our manufacturing sites, investment in digital and expanding our international operations. It also includes dividends and share buybacks in line with the Group's stated capital allocation model. In this scenario the Board considered the current economic conditions that the Company and its customers are facing and noted that the downside scenario included allowances for reduced demand and increased costs to reflect such adverse conditions.
3. A 'reverse stress-test' scenario. This scenario starts with the severe but plausible downside model and reduces sales even further, to find the maximum reduction in sales that could occur with the Group still having headroom over the whole going concern period, without the need to take further mitigating actions. Capital expenditure in this scenario has been reduced to a 'maintenance' level. Variable costs have been reduced in proportion to the reduction in turnover on the same basis as described in the severe but plausible downside scenario. It assumes no dividends or share buybacks.

Borrowing facility and covenants

The Group has a five-year, committed, multi-currency revolving credit facility of up to £150m which expires in September 2029 and which was not drawn at the period end. A summary of the facility is set out in note 19 to the December 2025 Group financial statements.

As part of the scenario modelling described above, we have tested the borrowing facility covenants and the facility remains available under all of the scenarios. We have therefore included the credit available under the facility in our assessment of headroom.

Results of scenario testing

In the base case and the severe but plausible downside scenarios, the Group has significant headroom throughout the going concern period after meeting its commitments.

In the reverse stress-test scenario, the results show that sales would have to fall by a significant amount over and above the fall modelled in the severe but plausible downside scenario before the Group would have to take further mitigating actions. The likelihood of this level of fall in sales is considered to be remote.

Conclusion on going concern

Taking all the factors above into account, the Directors believe that the Group is well placed to manage its financing and other business risks satisfactorily and have a reasonable expectation that the Group will continue to operate and to meet its liabilities in full and as they fall due for the going concern review period set out above. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

LONG-TERM PROSPECTS AND VIABILITY

The Directors have assessed the Group's long-term prospects, solvency and liquidity, with particular reference to the factors below:

Current position

- History of profitable trading, with strong net profit margins.
- Cash and cash equivalents balance at 27 December 2025 of £345m.
- Debt-free. Consistently cash-generative. Proven ability to maintain strong cash balances whilst also investing for growth and returning cash to shareholders.
- £150m committed borrowing facility, due to expire in September 2029. Unused, but available if needed.
- Strong relationships with suppliers and customers.
- Proven ability to flex the operating cost base in a severe economic downturn.
- Robust disaster recovery and business continuity framework.

Strategy and business model

- Proven, successful business model.
- Demonstrated agility and resilience of the business model to adverse economic conditions.
- Clear strategic direction.

Robust assessment of principal risks

- The Directors' role in the risk identification, management, and assessment process is outlined on page 13, followed by details of the principal risks and mitigations.
- The Directors are satisfied that they have carried out a robust assessment of the Group's principal risks over the viability period on the basis already described in the going concern disclosure directly above.

ASSESSMENT OF VIABILITY

Time period and scenario modelling

The Directors' review of the Group's long-term viability used a three-year period to December 2028. This was considered to be the most suitable period as it aligns with the Group's strategic planning process.

The financial modelling to support the assessment of viability was based on the three scenarios used for the going concern assessment and detailed above. We have tested the borrowing facility covenants and the facility remains available under all of the viability scenarios. We have therefore included the credit available under the facility in our assessment of headroom.

1. The base case scenario takes the base case described in the discussion of going concern above and extends it over the viability assessment period. It assumes future revenue and profit in line with management expectations, investments in capital expenditure and cash outflows for dividends and share buybacks in accordance with our capital allocation model (see page 5).
2. The severe but plausible downturn scenario takes the same decline over the going concern period as described in the discussion of going concern above and then assumes a phased recovery over the rest of the three-year period. It assumes capex at a lower level than in the base case, but which is still in line with our announced strategic priorities for growth, and dividends and share buybacks in line with our capital allocation model.
3. The reverse stress-test scenario assumes a phased recovery of margin and profit on the same bases as for the severe but plausible downturn scenario. This is then stress-tested to find the maximum amount by which sales in the first year would have to fall before the Group would no longer have headroom at any point in the viability assessment period, without taking further mitigating actions. It assumes capex at a maintenance level and no dividends or share buybacks.

The Directors consider that the reasonably foreseeable financial effects of any reasonably likely combination of the Group's principal risks are unlikely to be greater than those effects which were modelled in the severe but plausible downside and reverse stress-test scenarios.

Results of scenario testing

The results of the base case and plausible downside scenario modelling showed that the Group would have sufficient headroom over the viability assessment period.

The reverse stress-test showed that the level of fall in sales required in the first year of the viability assessment period was significantly more than the fall modelled in the severe but plausible downturn scenario before the Group would have to take further mitigating actions. The likelihood of this level of fall in sales is considered to be remote.

Conclusion on viability

Having considered the Group's current position, strategy, business model and principal risks in their evaluation of the prospects of the business, and having reviewed the outputs of the scenario modelling, the Directors concluded that they have a reasonable expectation that the Group will continue to operate and to meet its liabilities in full and as they fall due during the three-year period to December 2028.

PRINCIPAL RISKS AND UNCERTAINTIES

When we look at risks, we specifically think about internal and external drivers of operational, compliance, finance and strategic risk areas over short, medium, and long-term timescales.

Our principal risks

The following describes our principal risks, the possible impact arising from them, what we do to mitigate them and our risk appetite.

1. Cyber

Risk & Impact:

A major cyber security breach could result in systems being unavailable, causing operational difficulties, and/or sensitive data to be unavailable or compromised.

Mitigating factors:

- We place continuous focus on training our people in cyber security, as we recognise that these risks are dynamic, not always technical and awareness is our first point of mitigation.
- We employ industry standard IT security controls and regularly engage external specialists to validate the effectiveness of our controls against best practice.
- We have robust disaster recovery and business continuity plans that are tested regularly.
- We adopt a continuous improvement approach to IT security and continue to invest in the security of our systems.

Risk appetite:

We have a low appetite for cyber security risk and manage IT security closely to secure the confidentiality, integrity, and availability of our systems.

2. Market Conditions

Risk & Impact:

We sell our products to independent builders who install them in different types of housing. Our sales depend on the demand for repair, maintenance, and improvement services. If activity falls in these areas, it can affect our sales.

Mitigating factors:

- We have proven expertise in managing selling prices and costs. Data on competitors, depot activity and pricing are discussed by the Executive Committee at each meeting.
- We use insights from our depot network, our builders' forums and other channels. This is reviewed regularly by the Executive Committee and the Board.
- We use our good relationships with our suppliers to alert us of any changes. Our suppliers update us on their assessment of trading and market performance through regular reviews with our leadership team. We also gather insights from supplier visits and our Supplier Conference.

Risk appetite

We have a low appetite for market condition risks and lever our relationships to identify movements early to enable appropriate action to be taken.

3. People

Risk & Impact:

Our business could be adversely affected if we were unable to attract, retain and develop our staff; or if we lost a key member of our team.

Mitigating factors:

- We continue to invest in our employee value proposition, striving to provide the best possible working environment and growth opportunities for our employees.
- The Executive Committee and senior leadership team assess succession plans for key roles regularly to ensure that appropriate continuity in place.

- The Remuneration Committee and Board are regularly updated on key people activity such as our internal projects to improve diversity as well as key programmes such as employee financial education.
- We continue to support a wide variety of apprenticeships, accreditations and development programmes across all areas of our business.

Risk appetite:

We have a low appetite for people risk and work hard in ensuring that they feel valued, rewarded appropriately, and have opportunities to develop and progress in their Howdens career.

4. Health & Safety

Risk & Impact:

We have a large estate which employ various activities that could cause harm to our staff, our customers, their customers, and the communities around us.

Mitigating factors:

- We have invested in safe ways of working. We have developed dedicated health and safety teams and formalised systems that help us stay safe.
- We monitor, review, and update our practices to take account of changes in our environment or operations and in line with best practice and changing legislation.
- We make sure we keep talking about health and safety at every level of the business, led by the Executive Committee.

Risk appetite:

We put a great deal of effort into identifying and managing health & safety issues before they occur and have a low appetite for health and safety risks.

5. Supply Chain

Risk & Impact:

A failure in governance, or disruption to our supply chain, relationship with key suppliers, or manufacturing and distribution operations could affect our ability to service our customers' needs. If this happened, we could lose customers and sales.

Mitigating factors:

- We maintain strong relationships with our suppliers. We use long-term contracts and multiple sourcing to safeguard the supply of key products.
- We have invested in our supply chain and distribution to secure capacity and agility when it is required. We have optimised our stock levels.
- Supplier reviews are discussed regularly with the Executive Committee. In addition, a sub-committee monitors governance of supplier risk and considers potential issues.

Risk appetite:

We have a low appetite for supply chain risk and will put effort in identifying them early to enable us to prevent stock issues at our depots.

6. Maximising Growth

Risk & Impact:

Failure to recognise, innovate and exploit opportunities could impact on growth, we must align our business model, risk appetite, structures, and skills with opportunities to maximise our growth potential.

Mitigating factors:

- We continue to invest in our depot environment, people, services and systems, and our manufacturing and distribution capabilities to equip them for growth.
- Growth activities are reviewed in the light of our risk appetite, values, business model and culture.
- Our strategic priorities are discussed at the senior leadership, Executive Committee and Board level.
- The Board is updated on the strategic plan regularly, and there is a regular programme of 'Spotlight' sessions which examine specific areas of the strategy.

Risk appetite:

We have a balanced appetite for risk when it comes to growth, we are willing to accept some risk where we see opportunity but carefully balance that risk with the potential reward presented.

7. Business Model & Culture**Risk & Impact:**

If we lose sight of our values, model, or culture we will not successfully service the needs of the local independent builder and their customers, and our long-term profitability may suffer.

Mitigating factors:

- Our values, business model and culture are at the centre of our activities and decision-making processes, and they are led by the actions of the Board, Executive Committee, and senior management.
- The Board and Executive Committee regularly visit our depots and factories, our logistics and support locations and hold events to reinforce the importance of our values, model, and culture.
- Regular 'Town Hall' meetings are held to bring together teams to discuss our successes and challenges.

Risk appetite:

We have a low appetite for risks that can adversely impact on our business model and culture and put great emphasis on identifying issues and addressing them early.

8. Product**Risk & Impact:**

If we do not support the builder with products that they, and their customers, want we could lose their loyalty, and sales could diminish.

Mitigating factors:

- Our product team regularly refresh our offerings to meet builders' and end-users' expectations for design, price, quality, availability, and sustainability.
- We work with our suppliers, external design and brand specialists and attend product design fairs to monitor likely future trends.
- Our local depot staff have close relationships with their customers and end-users, and we actively gather feedback from them about changes in trends.

Risk appetite:

We have a balanced appetite for product risk and are willing to take some calculated risks when selecting new products to continue to meet the needs of our customers.

9. Business Continuity & Resilience**Risk & Impact:**

We have some key business operations and locations in our infrastructure that are critical to the continuity of our business operations.

Mitigating factors:

- We maintain and regularly review our understanding of what our critical operations are.
- We ensure resilience by design, building high levels of protection into key operations and spreading risk across multiple sites where possible.
- We ensure appropriate business continuity plans are in place for these and have a Group wide incident management team and procedures established.
- We regularly review continuity plans for sourcing and logistics approaches to support peak trading.

Risk appetite:

We have a low appetite for business continuity risk, ensuring that critical functions are resilient and appropriate business continuity plans are in place to protect them.

CAUTIONARY STATEMENT

Certain statements in this Full Year results announcement are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. Because these statements contain risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

DIRECTORS' RESPONSIBILITY STATEMENT

The 2025 Annual Report and Accounts, which will be issued in March 2026, will contain a responsibility statement in compliance with DTR 4.1.12 of the Listing Rules which sets out that as at the date of approval of the Annual Report and Accounts the Directors confirm to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and Company, and the undertakings included in the consolidation taken as a whole;
- the Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Group and the undertakings including the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face; and
- the Annual Report and Accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors and is signed on its behalf by:

Andrew Livingston
Chief Executive Officer

Jackie Callaway
Chief Financial Officer

25 February 2026

Consolidated income statement

	Notes	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Revenue	2	2,418.0	2,322.1
Cost of sales		(902.6)	(891.0)
Gross profit		1,515.4	1,431.1
Operating expenses		(1,160.1)	(1,091.9)
Operating profit	3	355.3	339.2
Finance income		13.1	9.9
Finance costs		(23.5)	(21.0)
Profit before tax		344.9	328.1
Tax on profit	4	(77.2)	(78.8)
Profit for the period attributable to the equity holders of the parent		267.7	249.3
Earnings per share:			
Basic earnings per 10p share	5	49.2p	45.6p
Diluted earnings per 10p share	5	49.0p	45.4p

Consolidated statement of comprehensive income

	Notes	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Profit for the period		267.7	249.3
Items of other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (losses)/gains on defined benefit pension scheme		(4.2)	12.7
Deferred tax on actuarial losses and gains on defined benefit pension scheme		1.1	(3.2)
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		3.3	(3.1)
Other comprehensive income for the period		0.2	6.4
Total comprehensive income for the period attributable to equity holders of the parent		267.9	255.7

Consolidated balance sheet

	Notes	27 December 2025 £m	28 December 2024 £m
Non-current assets			
Intangible assets		62.6	58.1
Property, plant and equipment		576.1	500.6
Lease right-of-use assets		665.2	642.3
Deferred tax asset		14.7	10.5
Long-term prepayments and other debtors		3.0	1.4
		1,321.6	1,212.9
Current assets			
Inventories		409.2	390.7
Corporation tax		-	25.7
Trade and other receivables		278.8	264.6
Cash and cash equivalents		344.5	343.6
		1,032.5	1,024.6
Total assets		2,354.1	2,237.5
Current liabilities			
Lease liabilities		(97.0)	(89.3)
Trade and other payables		(384.0)	(386.8)
Corporation tax		(2.9)	-
Provisions		(8.2)	(8.3)
		(492.1)	(484.4)
Non-current liabilities			
Pension liability	7	(7.8)	(2.1)
Lease liabilities		(607.9)	(591.7)
Deferred tax liability		(51.6)	(26.4)
Provisions		(3.8)	(4.2)
		(671.1)	(624.4)
Total liabilities		(1,163.2)	(1,108.8)
Net assets		1,190.9	1,128.7
Equity			
Share capital		54.2	55.4
Capital redemption reserve		11.0	9.8
Share premium		87.5	87.5
ESOP and share-based payments		25.0	21.3
Treasury shares		(12.2)	(18.8)
Retained earnings		1,025.4	973.5
Total equity		1,190.9	1,128.7

The financial statements were approved by the Board and authorised for issue on 25 February 2026 and were signed on its behalf by:

[Jackie Callaway - Chief Financial Officer](#)

Consolidated statement of changes in equity

	Share capital £m	Capital redemption reserve £m	Share premium account £m	ESOP and share-based payments £m	Treasury shares £m	Retained earnings £m	Total £m
At 30 December 2023	55.4	9.8	87.5	16.6	(24.0)	833.1	978.4
Accumulated profit for the period	-	-	-	-	-	249.3	249.3
Other comprehensive income for the period	-	-	-	-	-	6.4	6.4
Total comprehensive income for the period	-	-	-	-	-	255.7	255.7
Current tax on share schemes	-	-	-	-	-	0.5	0.5
Deferred tax on share schemes	-	-	-	-	-	0.1	0.1
Movement in ESOP	-	-	-	9.9	-	-	9.9
Transfer of shares from Treasury into share trust	-	-	-	(5.2)	5.2	-	-
Dividends	-	-	-	-	-	(115.9)	(115.9)
At 28 December 2024	55.4	9.8	87.5	21.3	(18.8)	973.5	1,128.7
Accumulated profit for the period	-	-	-	-	-	267.7	267.7
Other comprehensive income for the period	-	-	-	-	-	0.2	0.2
Total comprehensive income for the period	-	-	-	-	-	267.9	267.9
Current tax on share schemes	-	-	-	-	-	0.4	0.4
Deferred tax on share schemes	-	-	-	-	-	0.4	0.4
Movement in ESOP	-	-	-	10.3	-	-	10.3
Transfer of shares from treasury into share trust	-	-	-	(1.4)	1.4	-	-
Transfer of shares from Treasury to settle share awards	-	-	-	(5.2)	5.2	-	-
Buyback and cancellation of shares	(1.2)	1.2	-	-	-	(100.2)	(100.2)
Dividends	-	-	-	-	-	(116.6)	(116.6)
At 27 December 2025	54.2	11.0	87.5	25.0	(12.2)	1,025.4	1,190.9

The item "Movement in ESOP" consists of the share-based payment charge in the year, together with any receipts of cash from employees on exercise of share options.

Consolidated cash flow statement

	Notes	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Profit before tax		344.9	328.1
Adjustments for:			
Finance income		(13.1)	(9.9)
Finance costs		23.5	21.0
Depreciation, amortisation and impairment of owned assets		68.6	57.1
Depreciation, impairment and loss on termination of leased assets		102.2	97.0
Share-based payments charge		10.3	9.6
(Increase)/decrease in long term prepayments		(1.6)	(0.6)
Difference between pensions operating charge and cash paid		1.4	1.9
Loss on disposal of property, plant and equipment and intangible assets		1.4	0.4
Operating cash flows before movements in working capital		537.6	504.6
Movements in working capital			
Increase in inventories		(18.5)	(7.9)
Increase in trade and other receivables		(14.2)	(70.1)
Increase in trade and other payables and provisions		6.4	12.7
		(26.3)	(65.3)
Cash generated from operations		511.3	439.3
Tax paid		(25.7)	(39.2)
Net cash flow from operating activities		485.6	400.1
Cash flows used in investing activities			
Payments to acquire property, plant and equipment		(143.9)	(101.2)
Payments to acquire intangible assets		(12.6)	(20.8)
Receipts from sale of property, plant and equipment and intangible assets		0.1	0.1
Interest received		13.2	9.8
Net cash used in investing activities		(143.2)	(112.1)
Cash flows used in financing activities			
Payments to acquire own shares		(100.2)	-
Receipts from release of shares from share trust		-	0.4
Dividends paid to Group shareholders	6	(116.6)	(115.9)
Interest paid - including on lease liabilities		(23.4)	(20.7)
Repayment of capital on lease liabilities		(100.5)	(92.7)
Net cash used in financing activities		(340.7)	(228.9)
Net increase in cash and cash equivalents		1.7	59.1
Cash and cash equivalents at beginning of period		343.6	282.8
Effect of movements in exchange rates on cash held		(0.8)	1.7
Cash and cash equivalents at end of period		344.5	343.6

Notes to the consolidated financial statements

1 General Information

Accounting period

The Group's accounting period covers the 52 weeks to 27 December 2025. The comparative period covered the 52 weeks to 28 December 2024.

Statement of compliance and basis of preparation

The Group financial statements have been prepared in accordance with UK-adopted international accounting standards.

The financial statements have been prepared on the historical cost basis, modified for certain items carried at fair value, as stated in the accounting policies.

These consolidated financial statements include the accounts of the Company and all entities controlled by the Company, together referred to as "the Group", from the date control commences until the date that control ceases.

"Control" is defined as the Group having power over the subsidiary, exposure or rights to variable returns from the subsidiary, and the ability to use its power to affect the amount of returns from the subsidiary. All subsidiaries are 100% owned and the Group considers that it has control over them all.

The financial information set out above does not constitute the company's statutory accounts for the 52 week period ended 27 December 2025 or 52 weeks period ended 28 December 2024 but is derived from those accounts. Statutory accounts for 2024 have been delivered to the registrar of companies, and those for 2025 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Going concern

The Directors have undertaken a robust assessment and concluded that it is appropriate to prepare the financial statements on the going concern basis. They have not identified any material uncertainties and there were no significant judgements involved in coming to this conclusion. Full details are set out on pages 9 to 11.

2 Segmental reporting

(a) Basis of segmentation, and other general information

Information reported to the Group's Executive Committee, which is regarded as the chief operating decision maker, is focused on one operating segment, Howden Joinery. Thus, the information required in respect of profit or loss, assets and liabilities, can all be found in the relevant primary statements and notes to these consolidated financial statements.

The Howden Joinery business derives its revenue from the sale of kitchens and joinery products, and related services.

(b) Geographical information

The Group's operations are mainly located in the UK, with a smaller presence in France, Belgium and the Republic of Ireland. The Group has depots in each of these locations. The Group's manufacturing and sourcing operations are located in the UK.

The following tables present the required information by geographical market on revenue and non-current assets.

Revenues from external customers

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
UK	2,333.3	2,247.4
France, Belgium and Ireland	84.7	74.7
	2,418.0	2,322.1

Non-current assets (excluding non-current deferred tax)

	27 December 2025 £m	28 December 2024 £m
UK	1,242.7	1,129.4
France, Belgium and Ireland	64.2	73.0
	1,306.9	1,202.4

3 Operating profit

Operating profit has been arrived at after (charging)/crediting:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Cost of inventories recognised as an expense	(895.3)	(889.5)
Write down of inventories	(7.3)	(1.5)
Loss on disposal of fixed assets	(1.4)	(0.4)
Auditor's remuneration for audit services	(1.5)	(1.4)

All of the items above relate to continuing operations.

4 Current tax

(a) Tax in the income statement

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Current tax:		
Current year	67.5	60.5
Adjustments in respect of previous periods	(12.8)	(6.8)
Total current tax	54.7	53.7
Deferred tax:		
Current year	13.6	21.2
Adjustments in respect of previous periods	8.9	3.9
Total deferred tax	22.5	25.1
Total tax charged in the income statement	77.2	78.8

UK Corporation tax is calculated at 25% (2024: 25%) of the estimated assessable profit for the period. Tax for other countries is calculated at the rates prevailing in the respective jurisdictions.

(b) Tax relating to items of other comprehensive income or changes in equity

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Deferred tax (credit)/charge to other comprehensive income on actuarial difference on pension scheme	(1.1)	3.2
Deferred tax credit to equity on share schemes	(0.4)	(0.1)
Current tax credit to equity on share schemes	(0.4)	(0.5)
Total credit to other comprehensive income or changes in equity	(1.9)	2.6

(c) Reconciliation of the total tax charge

The total tax charge for the period can be reconciled to the result per the income statement as follows:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Profit before tax	344.9	328.1
Tax at the UK corporation tax rate of 25.0% (2023: 23.5%)	86.2	82.0
IFRS2 share scheme charge	(0.9)	0.1
Expenses not deductible for tax purposes	1.4	1.7
Tax losses not recognised	6.3	6.3
Non-qualifying depreciation	1.8	1.6
Patent box claim	(13.7)	(10.0)
Other tax adjustments in respect of previous years	(3.9)	(2.9)
Total tax charged in the income statement	77.2	78.8

The Group's effective rate of tax is 22.4% (2024: 24.0%).

5 Earnings per share

	52 weeks to 27 December 2025			52 weeks to 28 December 2024		
	Earnings £m	Weighted average number of shares m	Earnings per share p	Earnings £m	Weighted average number of shares m	Earnings per share p
From continuing operations						
Basic earnings per share	267.7	544.2	49.2	249.3	546.7	45.6
Effect of dilutive share options	-	2.6	(0.2)	-	2.1	(0.2)
Diluted earnings per share	267.7	546.8	49.0	249.3	548.8	45.4

The difference between the weighted average number of shares used in the calculation of basic earnings per share and the total number of shares in issue at the period end is due to the net effect of time-apportioned adjustments for shares held in treasury, shares held in trust which are not unconditionally vested, and shares bought back and cancelled in the period.

6 Dividends

Amounts recognised as distributions to equity holders in the period:	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Final dividend for the 53 weeks to 30 December 2023 - 16.2p/share	-	89.0
Interim dividend for the 52 weeks to 28 December 2024 - 4.9p/share	-	26.9
Final dividend for the 52 weeks to 28 December 2024 - 16.3p/share	89.6	-
Interim dividend for the 52 weeks to 27 December 2025 - 5.0p/share	27.0	-
	116.6	115.9

Dividends proposed but not recognised in the period:	52 weeks to 27 December 2025 £m
Proposed final dividend for the 52 weeks to 27 December 2025 - (16.9p/share)	90.9

The Directors propose a final dividend in respect of the 52 weeks to 27 December 2025 of 16.9p per share, payable to ordinary shareholders who are on the register of shareholders at 10 April 2026, and payable on 22 May 2026.

The proposed final dividend for the current period is subject to the approval of the shareholders at the 2026 Annual General Meeting and has not been included as a liability in these financial statements.

Dividends have been waived indefinitely on all shares held by the Group's employee share trusts which have not yet been awarded to employees.

7 Retirement benefit obligations

The Group operates both a defined benefit and defined contribution pension plan. The defined benefit pension plan was closed to new entrants from November 2012 and closed to future accrual on 31 March 2021.

(a) Total amounts charged in respect of pensions in the period

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Charged to the income statement:		
Defined benefit plan - administration cost	1.4	1.9
Defined benefit plan - total service cost	1.4	1.9
Defined benefit plan - net finance charge	0.1	0.3
Defined contribution plans - total operating charge	44.7	43.5
Total net amount charged to profit before tax	46.2	45.7
Charged to equity:		
Defined benefit plan - actuarial losses/(gains)	4.2	(12.7)
Total charge	50.4	33.0

(b) Other information – defined benefit pension plan

Key assumptions used in the valuation of the plan	52 weeks to 27 December 2025	52 weeks to 28 December 2024
Discount rate	5.60%	5.50%
Inflation assumption - RPI	2.90%	3.15%
Inflation assumption - CPI	2.50%	2.75%
Rate of CARE revaluation capped at lower of RPI and 3%	2.20%	2.30%
Rate of increase of pensions in deferment capped at lower of CPI and 5%	2.50%	2.75%
Rate of increase of pensions in payment:		
- pensions with increases capped at the lower of CPI and 3%	2.00%	2.15%
- pensions with increases capped at lower of CPI and 5%	2.45%	2.70%
- pensions with increases capped at lower of CPI and 5%, with a 3% minimum	3.45%	3.55%
- pensions with increases capped at the lower of LPI and 2.5%	1.95%	2.00%
Life expectancy (yrs): pensioner aged 65		
- male	85.9	85.7
- female	88.0	88.0
Life expectancy (yrs): non-pensioner aged 45		
- male	86.8	86.7
- female	89.6	89.6

Sensitivities

	Present value of scheme liabilities at 27 December 2025 £m	Projected 2026 pension cost		
		Total service cost £m	Net interest (credit)/cost £m	Net pension (credit)/ expense £m
Assumption				
Current valuation, using the assumptions above	797	2.4	0.4	2.8
0.5% decrease in discount rate	849	2.4	3.0	5.4
0.5% increase in inflation	822	2.4	1.8	4.2
1 year increase in longevity	821	2.4	1.7	4.1

The sensitivities above are applied to the defined benefit obligation at the end of the reporting period, and the projected total service cost for 2026. Whilst the analysis does not take account of the full distribution of cash flows expected under the scheme, it does provide a reasonable approximation. The same amount of movement in the opposite direction would produce a broadly equal and opposite effect.

We note that the effect on the discount rate and inflation sensitivities of flexing them down by 0.25% or up by 1% in a linear manner would give materially correct results. The net impact of changes in conditions would likely be offset in part by movements in the plan assets.

Analysis of plan assets

Analysis of plan assets	27 December 2025		28 December 2024	
	Quoted market price in an active market £m	No quoted market price in an active market £m	Quoted market price in an active market £m	No quoted market price in an active market £m
LDI*		-		-
- fixed income (net of derivatives)	305.2		277.8	
- investment fund	6.5	-	-	-
- cash**	-	1.1	-	8.3
Alternative growth assets				
- insurance-linked securities	-	83.3	-	78.9
Commercial property funds	-	159.1	-	210.2
Other secure income	69.4	82.7	113.9	107.0
Asset-backed securities	64.9	-	0.5	-
Cash and cash equivalents**		17.4	-	9.3
Total	446.0	343.6	392.2	413.7

The plan assets do not include any of the Group's own financial instruments nor any property occupied by, or other assets used by, the Group.

*LDI – Liability Driven Investments – is a portfolio of investments chosen with the aim that its value is expected to move in line with movements in the value of the underlying liabilities. The LDI portfolio can include a variety of investments, the simplest being conventional and index-linked gilts with appropriate maturities. LDI portfolios often use a degree of leverage to achieve the same aim but to allow more return-seeking assets to be invested in at the same time. Derivatives and repurchase agreements are the main tools used to employ leverage.

**During the current year the Group concluded that it was more appropriate to show cash as an asset which has no quoted price in an active market and has re-presented cash on that basis in the prior year disclosure above.

Balance sheet

The amount included in the balance sheet arising from the Group's obligations in respect of defined benefit retirement benefit plan is as follows:

	27 December 2025 £m	28 December 2024 £m
Present value of defined benefit obligations	(797.4)	(808.0)
Fair value of scheme assets	789.6	805.9
Deficit in the scheme, recognised in the balance sheet	(7.8)	(2.1)

Movements in the present value of defined benefit obligations were as follows:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Present value at start of period	808.0	913.6
Administration cost	1.4	1.9
Interest on obligation	43.2	40.6
Actuarial losses/(gains):		
- changes in financial assumptions	(17.0)	(102.7)
- changes in demographic assumptions	1.7	(1.6)
- experience	3.8	0.3
Benefits paid, including expenses	(43.7)	(44.1)
Present value at end of period	797.4	808.0

Movements in the fair value of the plan's assets is as follows:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Fair value at start of period	805.9	901.0
Interest income on plan assets	43.1	40.3
Employer contributions	-	-
Loss on assets excluding amounts included in net interest	(15.7)	(91.3)
Benefits paid, including expenses	(43.7)	(44.1)
Fair value at end of period	789.6	805.9

Movements in the deficit during the period are as follows:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Deficit at start of period	(2.1)	(12.6)
Administration cost	(1.4)	(1.9)
Employer contributions	-	-
Other finance charge	(0.1)	(0.3)
Total remeasurements recognised in other comprehensive income	(4.2)	12.7
Deficit at end of period	(7.8)	(2.1)

Income statement

Amounts recognised in the income statement arising from the Group's obligations in respect of the defined benefit plan are shown below.

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Amount charged to operating profit:		
Current service cost	-	-
Administration cost	1.4	1.9
Total pensions cost	1.4	1.9

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Amount credited to other finance charges:		
Interest income on plan assets	(43.1)	(40.3)
Interest cost on defined benefit obligation	43.2	40.6
Net charge	0.1	0.3

The actual return on plan assets was a gain of £27.4m (52 weeks to 27 December 2024: loss of £51.0m).