



**The UK's #1 Specialist Kitchen
and Joinery Supplier**

**An introduction to Howdens
February 2025**

We are the UK's leading specialist trade-only kitchen and joinery supplier



2024 FINANCIAL HIGHLIGHTS

£2.3bn
Revenue

£339m
Operating profit

61.6%
Gross margin

45.6p
EPS

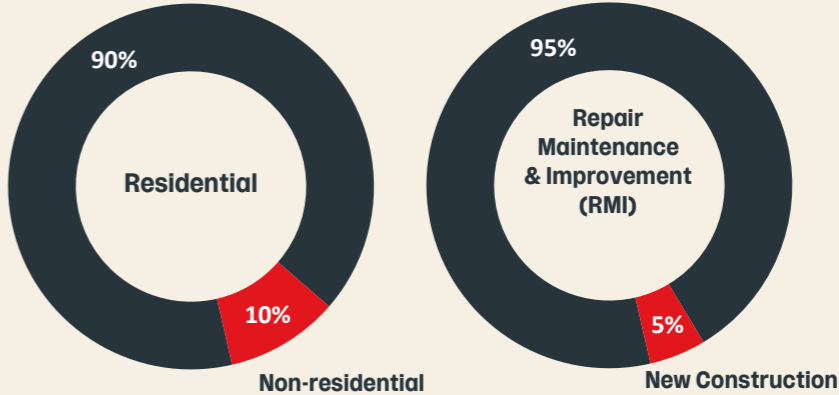
21.2p
Total dividend

£344m
Cash at end of period



ATTRACTIVE END MARKETS

% Howdens revenue



Our business is about helping our trade customers achieve exceptional results

CORE STRENGTHS

- Trade only focus and the best local prices.
- Local delivery model - 85% of customers are less than 5 miles from a Howdens depot.
- Product leadership - always in-stock and easy to fit to get the job done.
- Efficient UK based manufacturing, global sourcing and distribution.

12k
Employees

20k
Kitchen and joinery products

11m ft²
UK footprint

99.98%
Availability from primary distribution to depots

Empowered depot teams support the needs of the local builder

947
Local depots

500k+
Local customers



Backed by UK manufacturing, global sourcing and an efficient distribution network

c.36%
Volume of products manufactured as % of COGs

+300
Global suppliers



A unique business model focused on long-term customer relationships and exceptional service



Market leading Kitchen and Joinery product ranges



Trade only: focused on our customers' needs



An empowered, depot-led business, close to the trade



Products immediately available locally

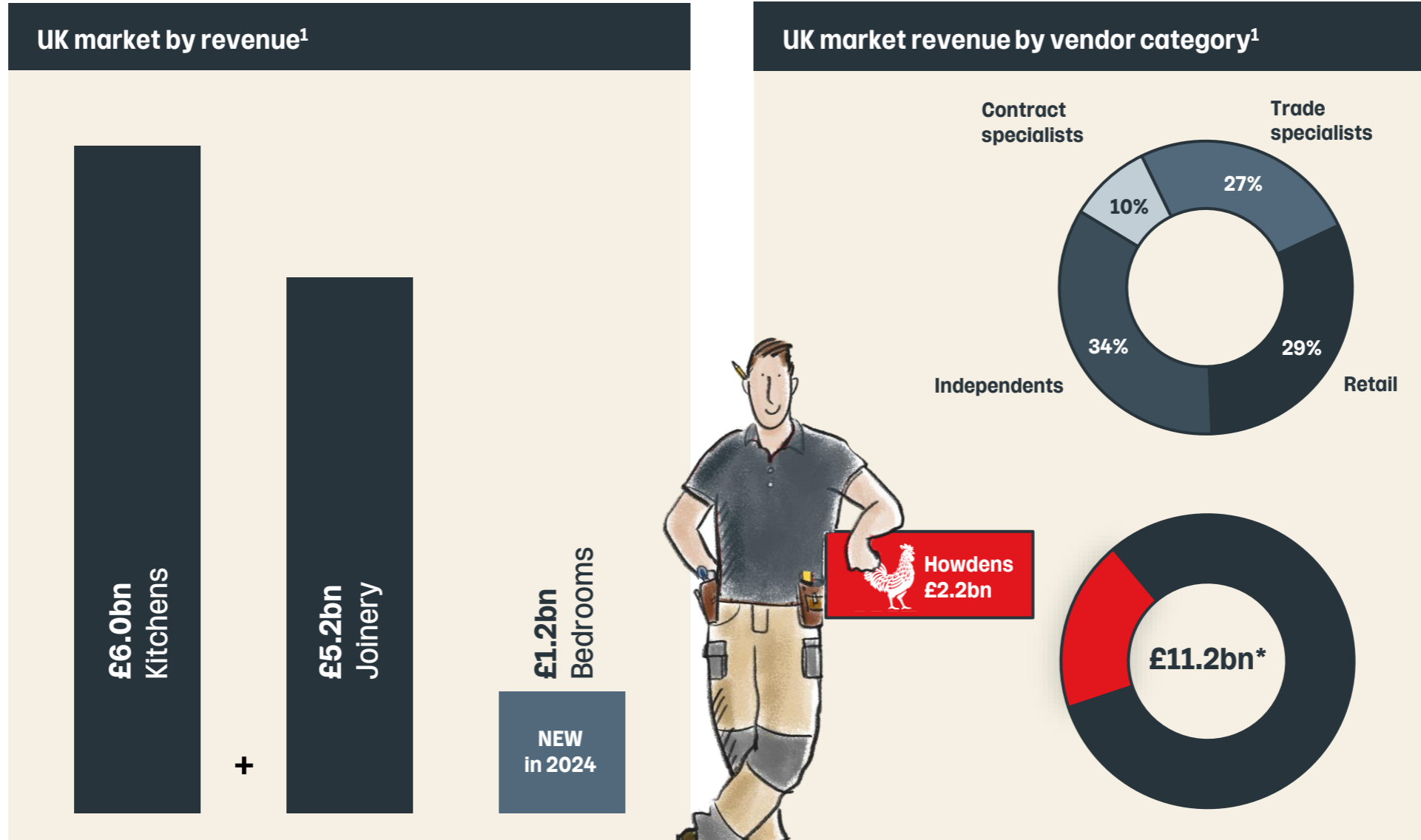


Competitive confidential pricing



Knowledgeable depot teams to support the builder

Our markets are large and attractive with significant future growth potential



¹Howdens' estimates based on proprietary data

* Established Kitchens and joinery markets only (excludes bedrooms)



The long-term drivers of the kitchen and joinery market support continued growth



Structural drivers

- The UK population could reach nearly 74 million by 2036 with net migration fuelling the rise. The UK population will increase by 6.6 million people (9.9%) between 2021 and 2036 - ONS).
- Ageing UK housing stock will drive renovation - (Ave. age of UK stock is 70 years - ONS).
- Increased end user interest in sustainable products (44% of households are switching off or moving to more energy efficient appliances - NatWest).
- Entrepreneurial builders are well placed to win kitchens and joinery work as part of wider home refurbishment projects. They are supported by Howdens' in-stock, trade-only business model.

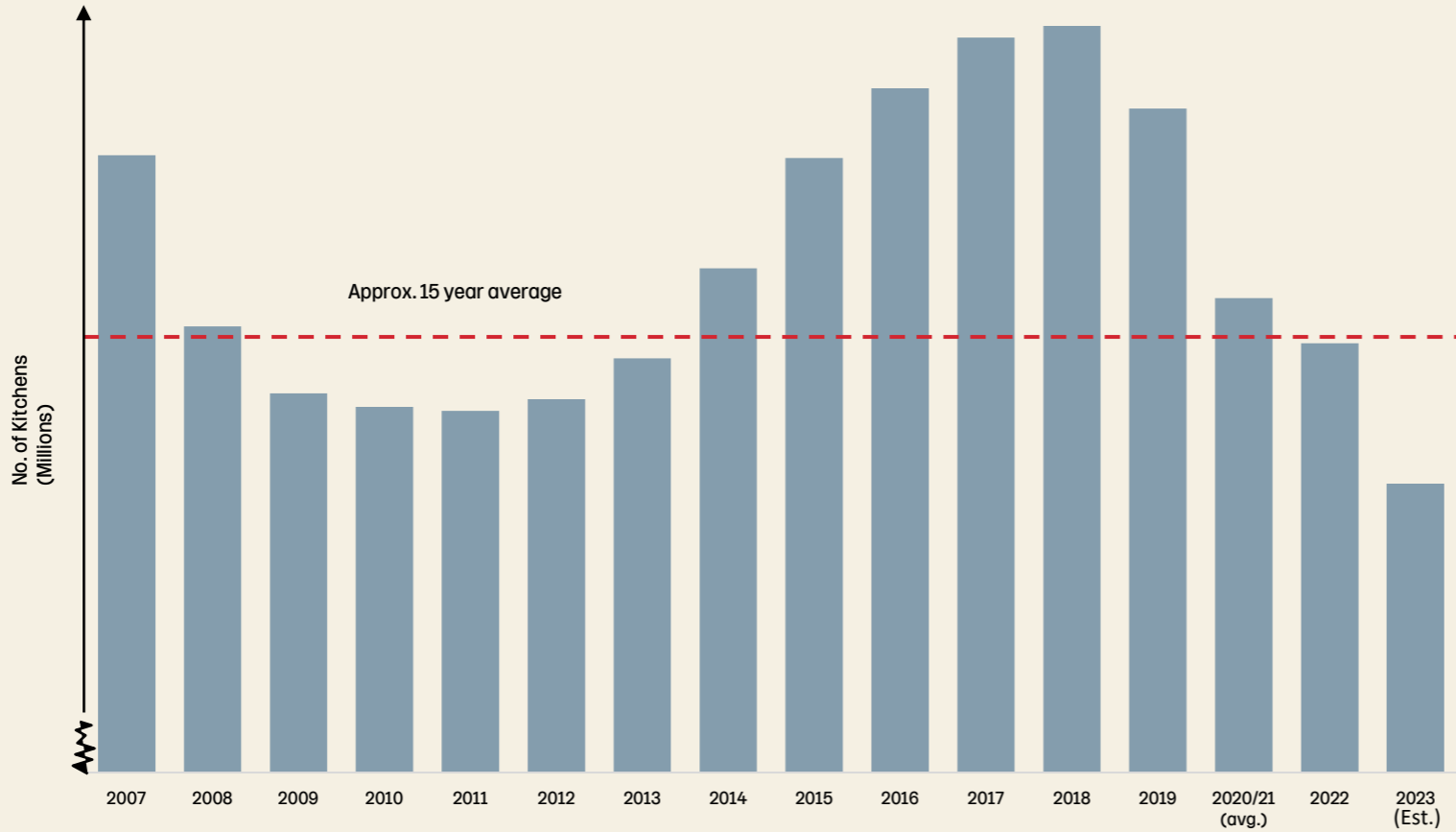


Recent trends

- More than a quarter of working adults in Great Britain (28%) were hybrid working in the autumn of 2024. (ONS) This leads to greater wear and tear on kitchens and appliances with people spending more time in their homes.
- Consumer mindset more focused on design and use of kitchen space to maximise flexibility (Howdens' proprietary data).
- Ageing population - by 2066 there will be a further 8.6 million projected UK residents aged 65 years and over, taking the total number in this group to 20.4 million and making up 26% of the total population. Increasingly this will drive renovation activity as many opt to age in their place of residence.



Estimated UK kitchen market volumes in 2024 were at the lower end of the longer-term cycle



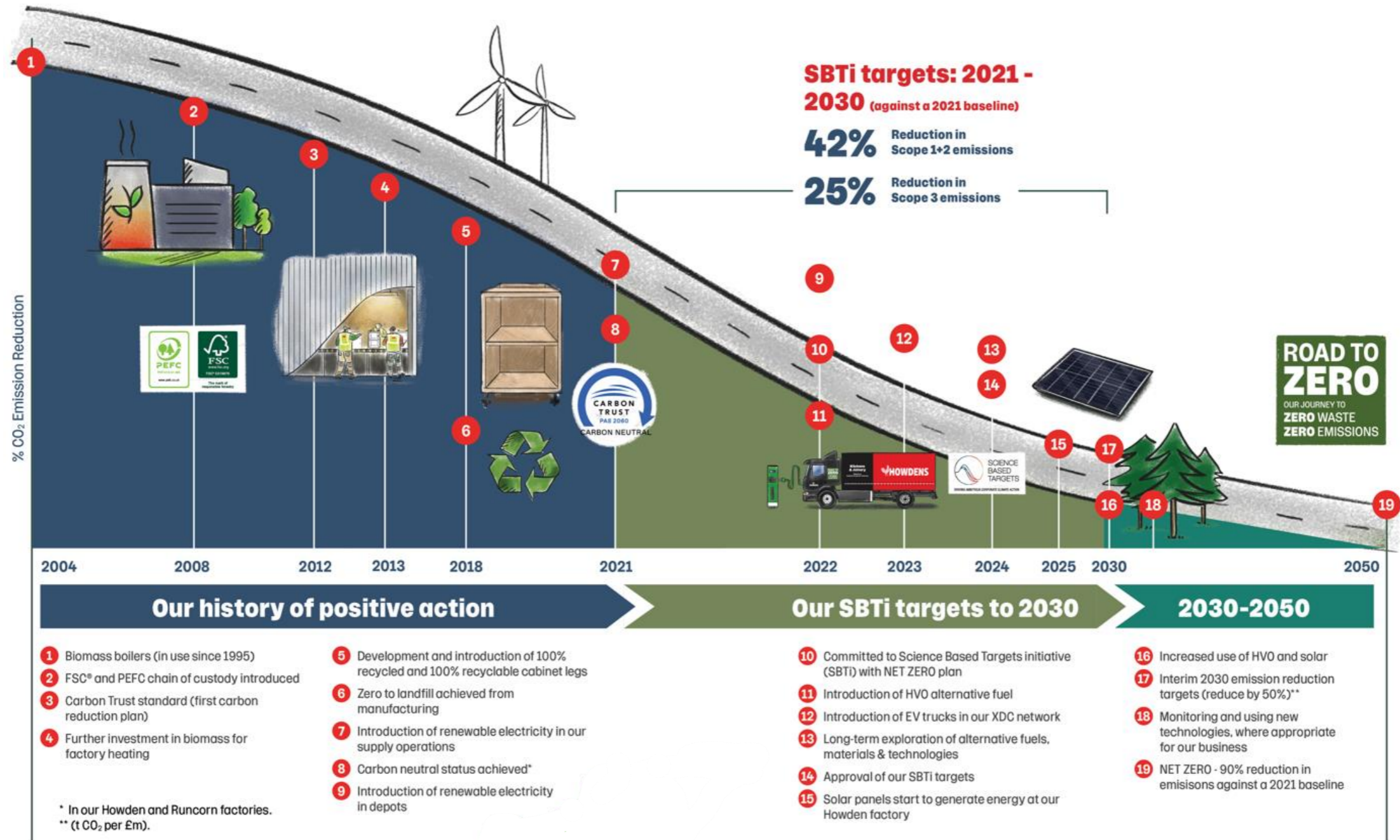
- Howdens has gained market share through the economic cycle
- Macroeconomic headwinds are persisting into 2025
- Howdens' strategic initiatives continue to increase our market share



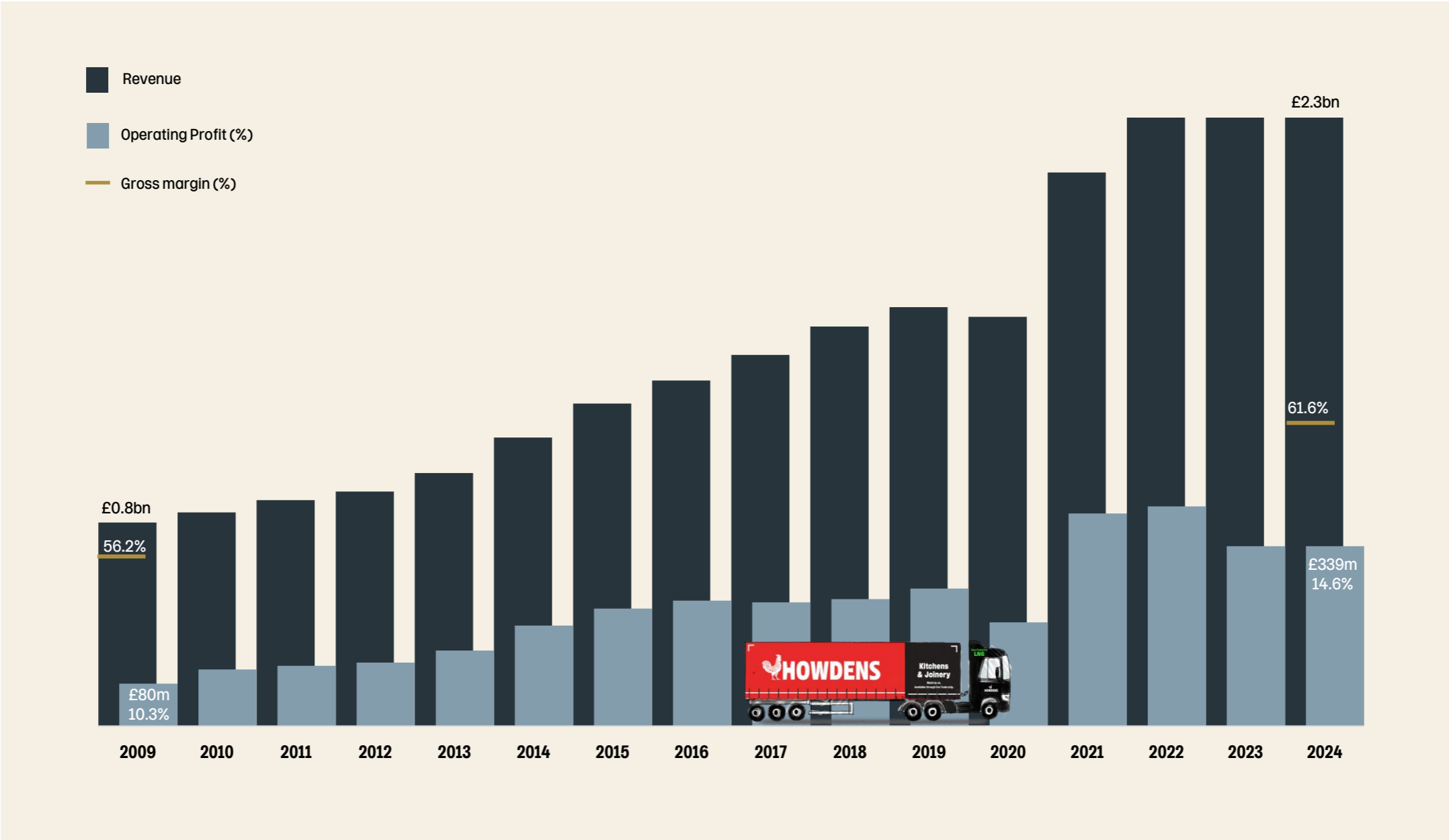
Sources: Management estimates based on: JKMR, Mintel, ONS, Companies House, annual reports, supplier intel, government sources
2020 and 2021 average is shown to smooth the volatility in sales of COVID-19 pandemic

Not to scale

We have identified the major steps to achieve net zero emissions



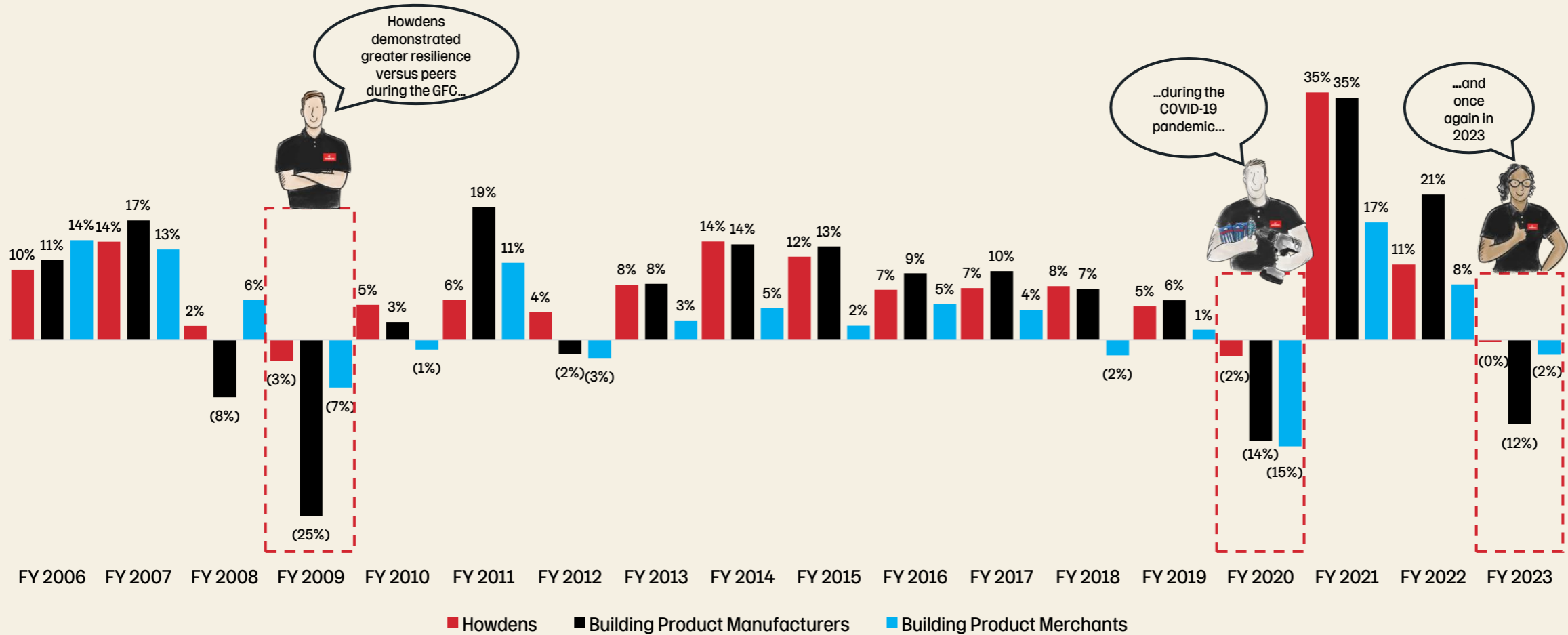
We have delivered revenue growth and sector leading margins



Sales performance has been robust versus peers



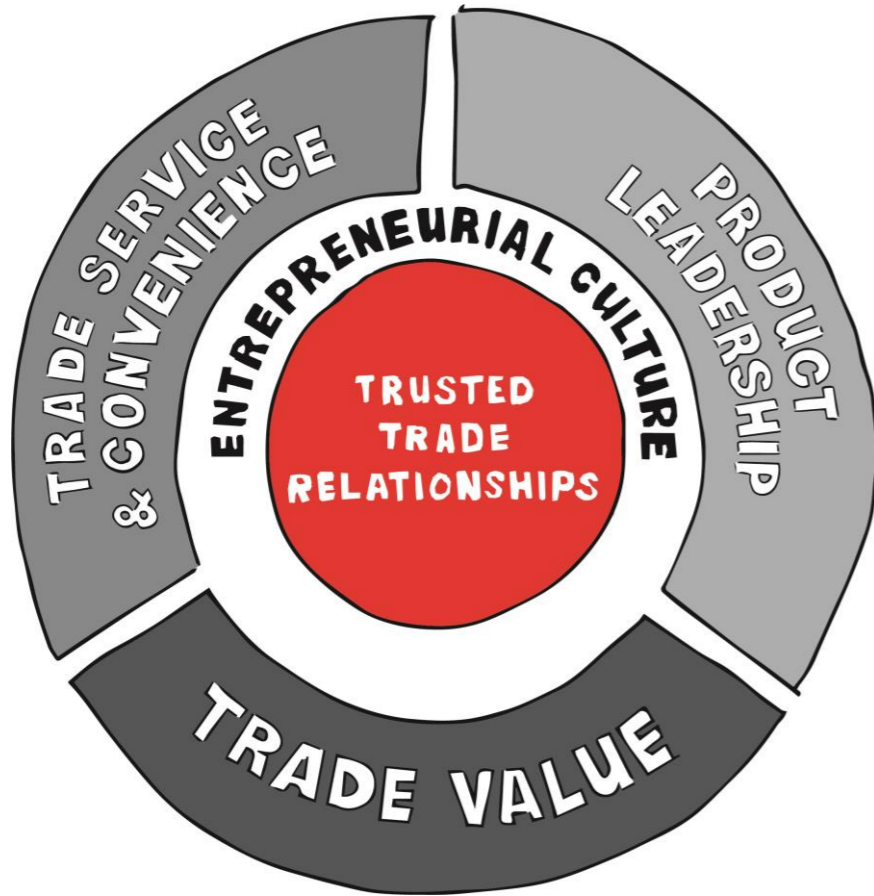
Year over year revenue growth (%)



Source: FactSet as of 17 February 2025

Building Product Manufacturers: Genuit Group, Ibstock, Marshalls, Kingspan and Forterra.
 Building Product Merchants: Grafton, SIG, Travis Perkins, Wickes, Kingfisher and Nobia.

Initiatives to increase market share and profits



Depot Evolution



Range and Supply Management



Digital Development



International

Extending the UK footprint



- Modern working and trading environment
- Cost effective updated format
- Scope for around **1,000** depots in the UK
- versus the **869** trading at year-end
- Plan to open around **20** new depots in 2025

In 2018, Howdens developed an updated depot format. It provides an attractive space for us to do business with our trade customers, a place for them to bring their customers to see our product range and to work with our kitchen designers, and an improved warehouse space that makes space utilisation and productivity gains in a cost-effective way, by using vertical racking.

Converting more depots to the updated format

~60%+

of depots opened in the old format revamped by end of 2025

~70%+

of all depots trading in the updated format by end of 2025



- Positive feedback from depot teams and customers

76 depots reformatted by end of 2024

- Investment to be recouped in less than four years

- Depots motivated to deliver incremental sales (local P&L charged for revamp costs)

- Around **60** revamps planned in 2025

A significant opportunity to win market share in kitchens



'Good' Entry level (0-£4k)

'Better' Mid-ranges (£4-8k)

'Best' Higher price £8k+

| | | | | | | |
|---|------------------|--|--------------------|-------------------|--|-----------------------|
| <p>HIGH RMS*</p> <p>~£1.5bn market value</p> | <p>Greenwich</p> | <p>MED RMS*</p> <p>~£3.0bn market value</p> | <p>Clerkenwell</p> | <p>Chelford</p> | <p>LOW RMS*</p> <p>~£2.1bn market value</p> | <p>Hockley</p> |
| | <p>Witney</p> | | <p>Elmbridge</p> | <p>Chilcomb</p> | | |
| | <p>Allendale</p> | | <p>Halesworth</p> | <p>Bridgemere</p> | | <p>PAINT TO ORDER</p> |

BEST ON BUDGET

PAINT TO ORDER

* Relative Market Share

Good (£0 - £4k)

NEW Colours for our entry level ranges



Greenwich
Gloss Reed Green

Better (£4 - £8k)

NEW Colours for our mid-level ranges


HOWDENS



Halesworth
Reed Green

Best (£8k plus)

NEW Extended palette of colours for modern style premium family



Hockley
Reed Green &
Textured Dark Oak

Growth initiatives: Premium kitchen paint to order capability



Customise With Colour

Choose from country, eclectic, and classic colours to personalise your space.

Our timber kitchens are expertly finished in a paint-to-order* shade prepared especially for you.
Please ask your local depot about delivery times. Core colours are available from local stock.

COUNTRY



ECLECTIC



CLASSIC



- Purpose built factory with capacity for 5,000 kitchens a year
- Facilitates our paint to order initiative for our premium kitchens
- Industry leading capability for these products
- Range of **15** colour choices with a short delivery lead time with refreshed palette to suit latest consumer trends

A market leading solid work surface capability

- Solid worktops often associated with sales of higher priced kitchens
- Our manufacturing capacity for these products is now amongst the largest in UK
- Sales increased again in 2024
- In 2025 adding further decors with 63 in place



Growth initiatives:
Fitted bedrooms available nationwide with expanded range

- Suits skills of customers who fit kitchens
- High cabinetry content, matching our manufacturing capabilities
- Developed in-house utilising existing manufacturing and supply infrastructure

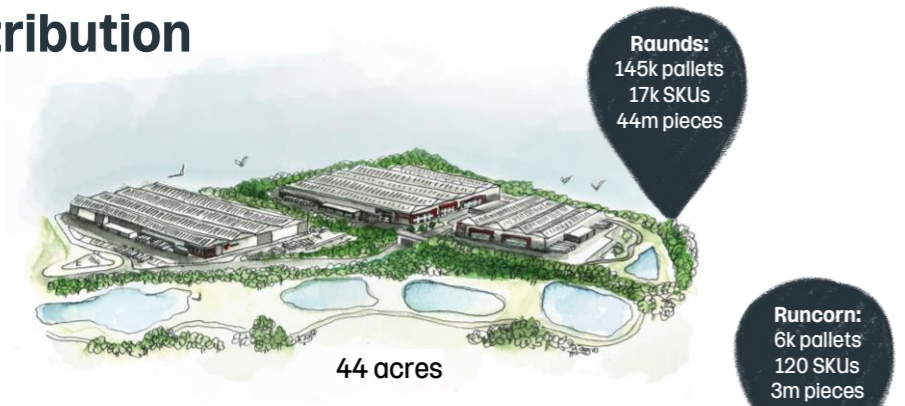
New for 2025 :

- Offering increased to 29 bedrooms
- Six new colours for 2024 families
- + Clerkenwell family added in four colours

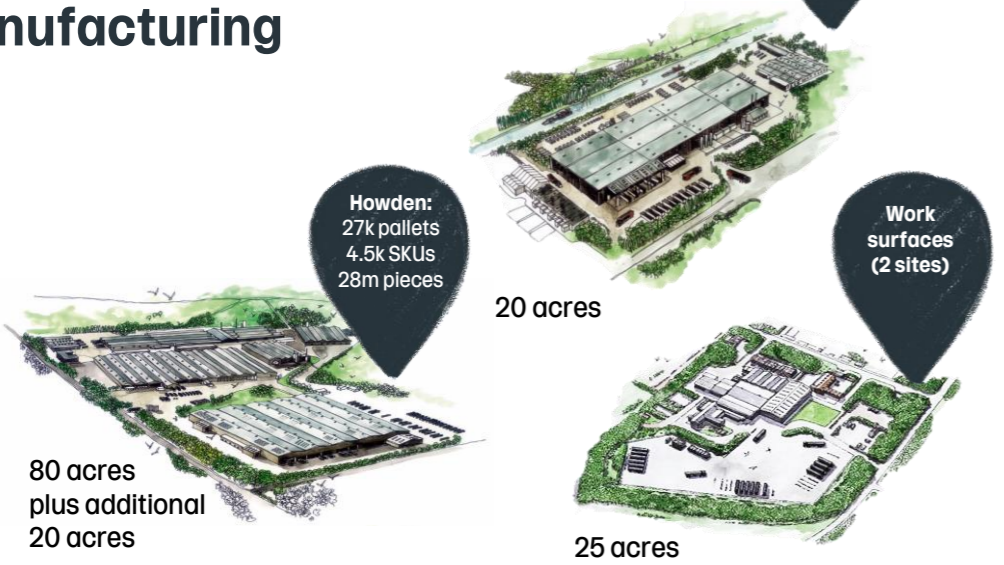


We are investing in manufacturing and more vertical integration

Distribution

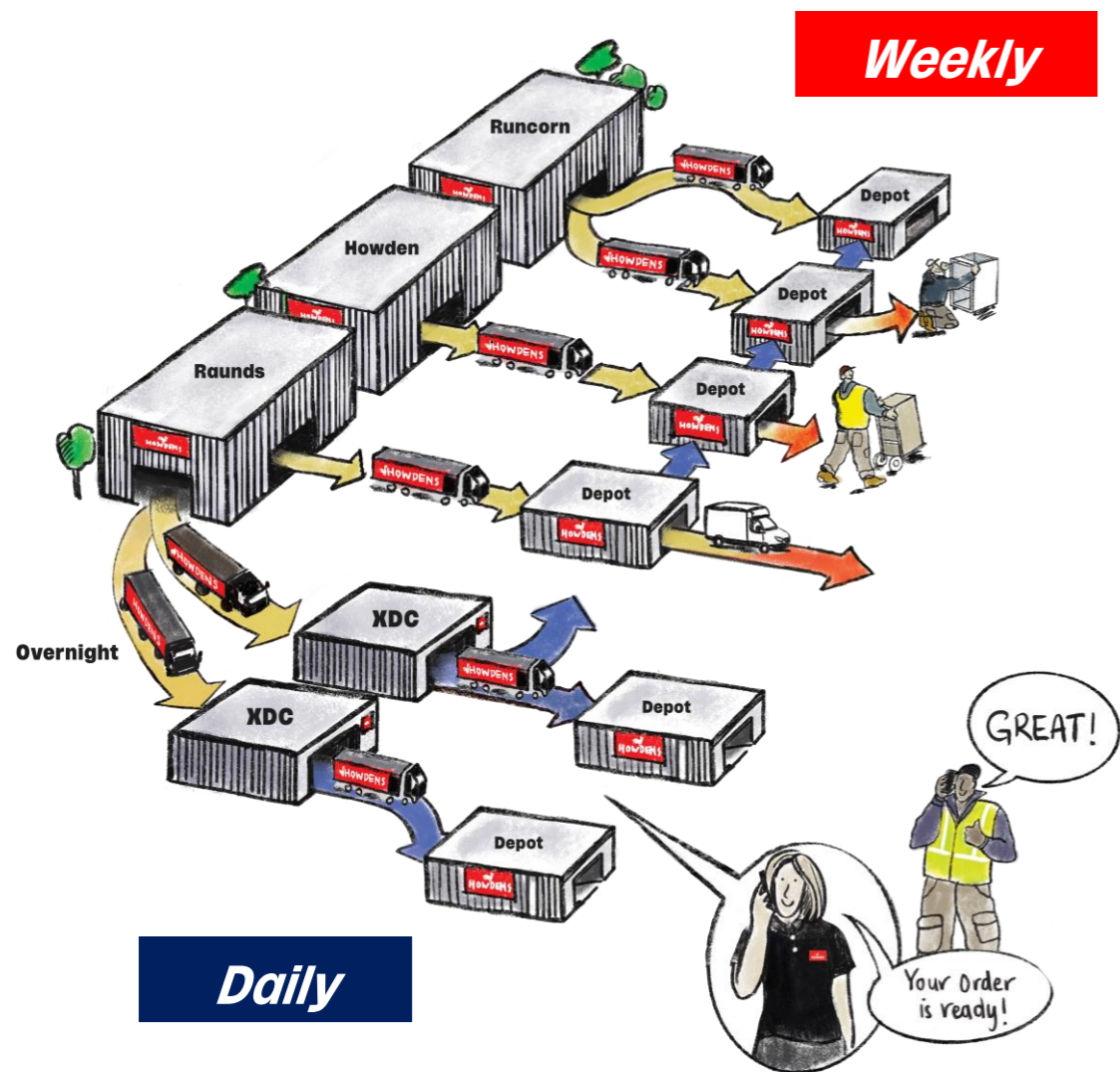


Manufacturing



- Increased manufacturing volume
- Investment in additional capacity including door frontals, laminated worktops, skirting and architraves
- Expanded new solid surface capacity to support growth in higher priced kitchen volumes
- Efficient distribution: delivery to UK depots from primary was **99.98%** in 2024
- Total: 216K pallets, 2.6m SQFT, 21k SKUs and 75m outbound pieces

XDC: Balancing stock levels and the delivery pattern of some lines for best availability



- Depots can hold deeper stocks of faster selling lines
- Simpler and more efficient for depots to:
 - deliver superior service
 - improve availability of all products
- Frees up time and resources spent on stock management
- Using third party logistics partners and in the main their infrastructure
- Now operating across all UK mainland regions (supplied by 12 XDCs)
- Focus is now on using these assets most efficiently
- Annualised capacity reduced (enabled by adoption of new re-ordering system and Daily Traders initiative)

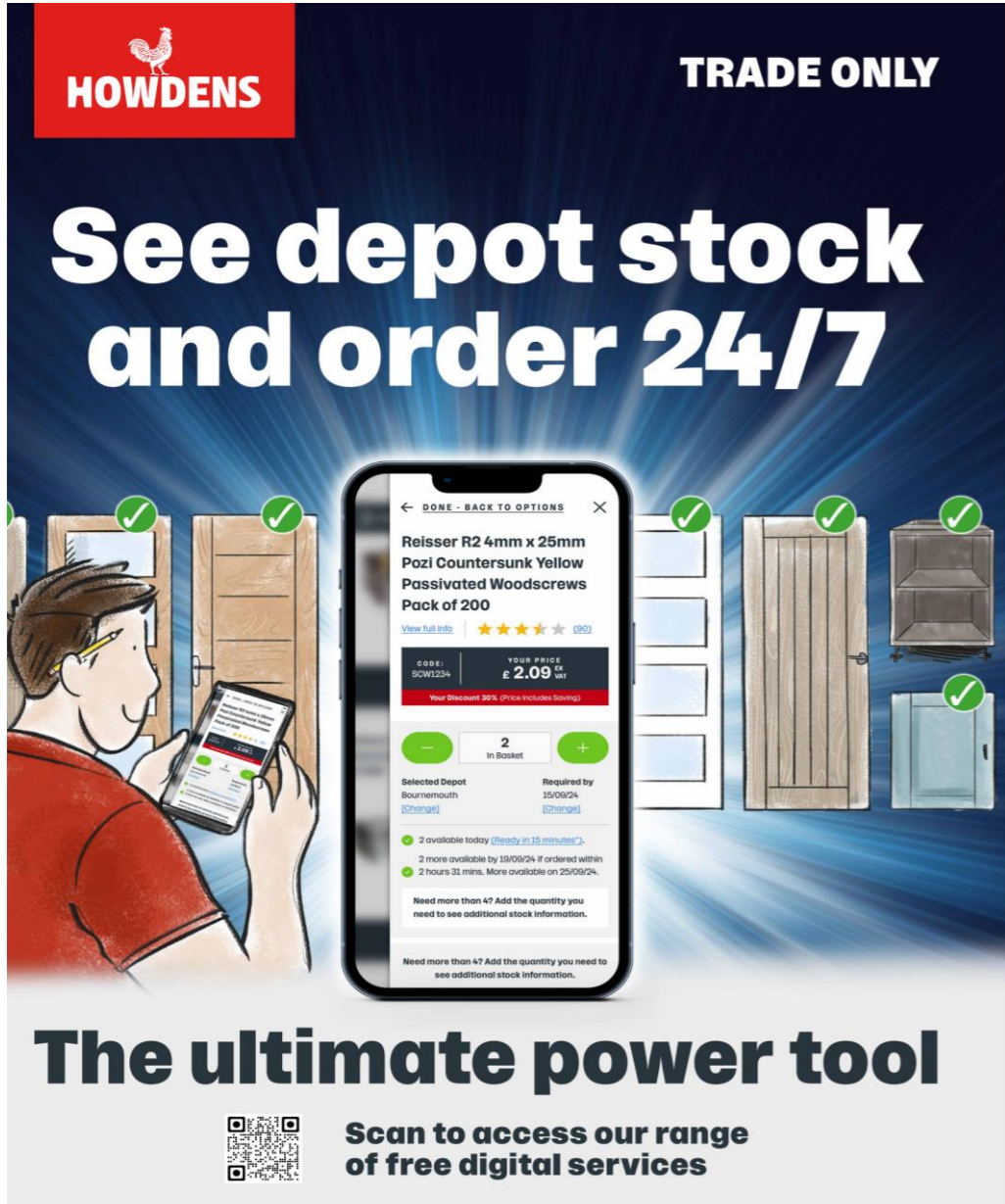
2024

Digital: Increased usage of online trade account facilities which are valued by customers and depots



- c. **111k** new account registrations
- c. **50%** of customers had an online account at the year-end
- **+50%** total user views of trade platform
- **80%** of users looking at their individual confidential prices
- Online account holders trade with us more frequently
- Spending more across more categories than non-users

Digital “Click and Collect” service



HOWDENS **TRADE ONLY**

See depot stock and order 24/7

Reisser R2 4mm x 25mm
Pozi Countersunk Yellow
Passivated Woodscrews
Pack of 200

YOUR PRICE £2.09
In Basket

Selected Depot: Bournemouth
Required by: 15/09/24

2 available today (Ready in 15 minutes)
2 more available by 15/09/24 if ordered within 2 hours 31 mins. More available on 25/09/24.

Need more than 4? Add the quantity you need to see additional stock information.

The ultimate power tool

Scan to access our range of free digital services

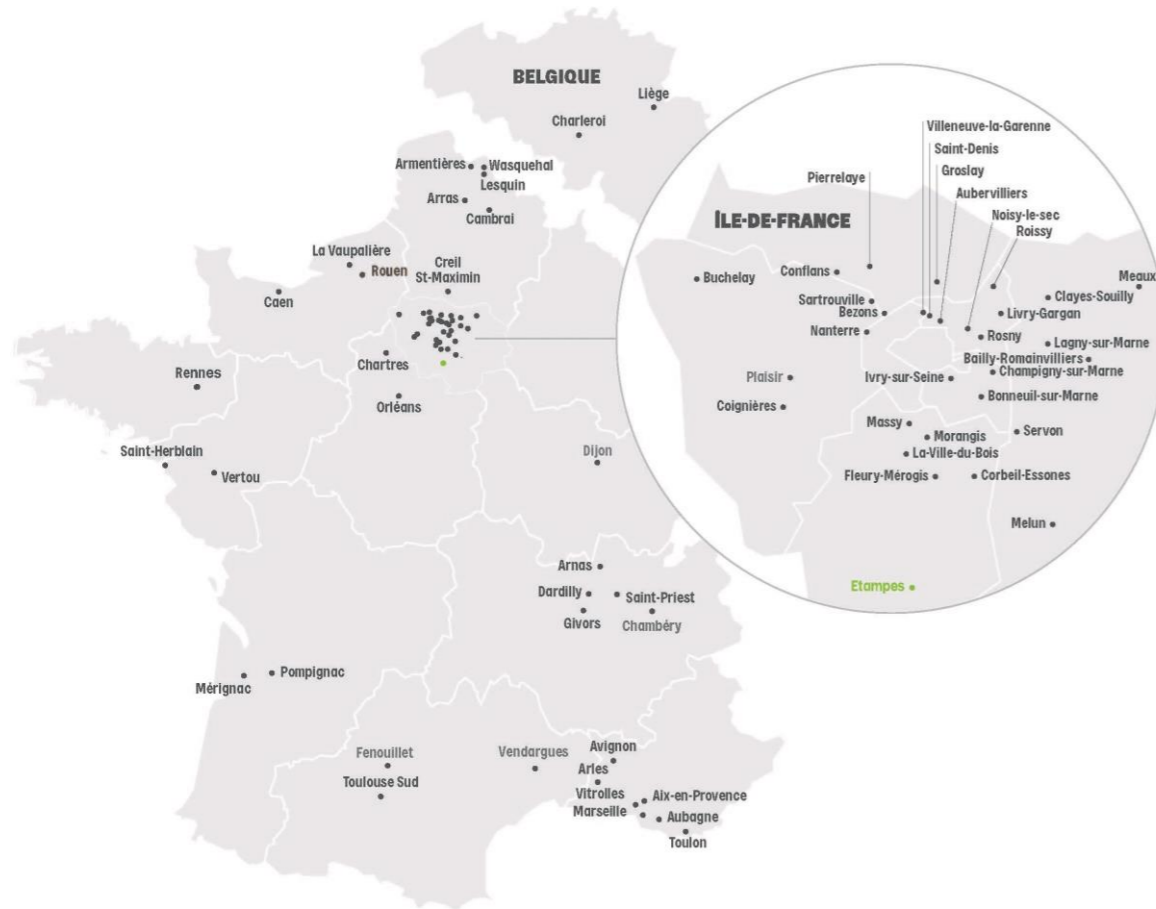
Live-Stock and other initiatives enable us to upgrade significantly our “Click and Collect” service

Available to all online account holders

- Check real-time availability of stock on a depot-by-depot basis
- Review their individual confidential prices at their selected depot at any time
- Place orders for collection at a time of their choosing

Available for all everyday products

International : France : performance improving



City-based approach with 65 depots trading

Reflecting the pace of openings, depot teams relatively inexperienced in doing business the Howdens way

For 2025

- Focus remains on depot team development, particularly account management
- Investing in the business with enhanced offerings of footfall promoting products

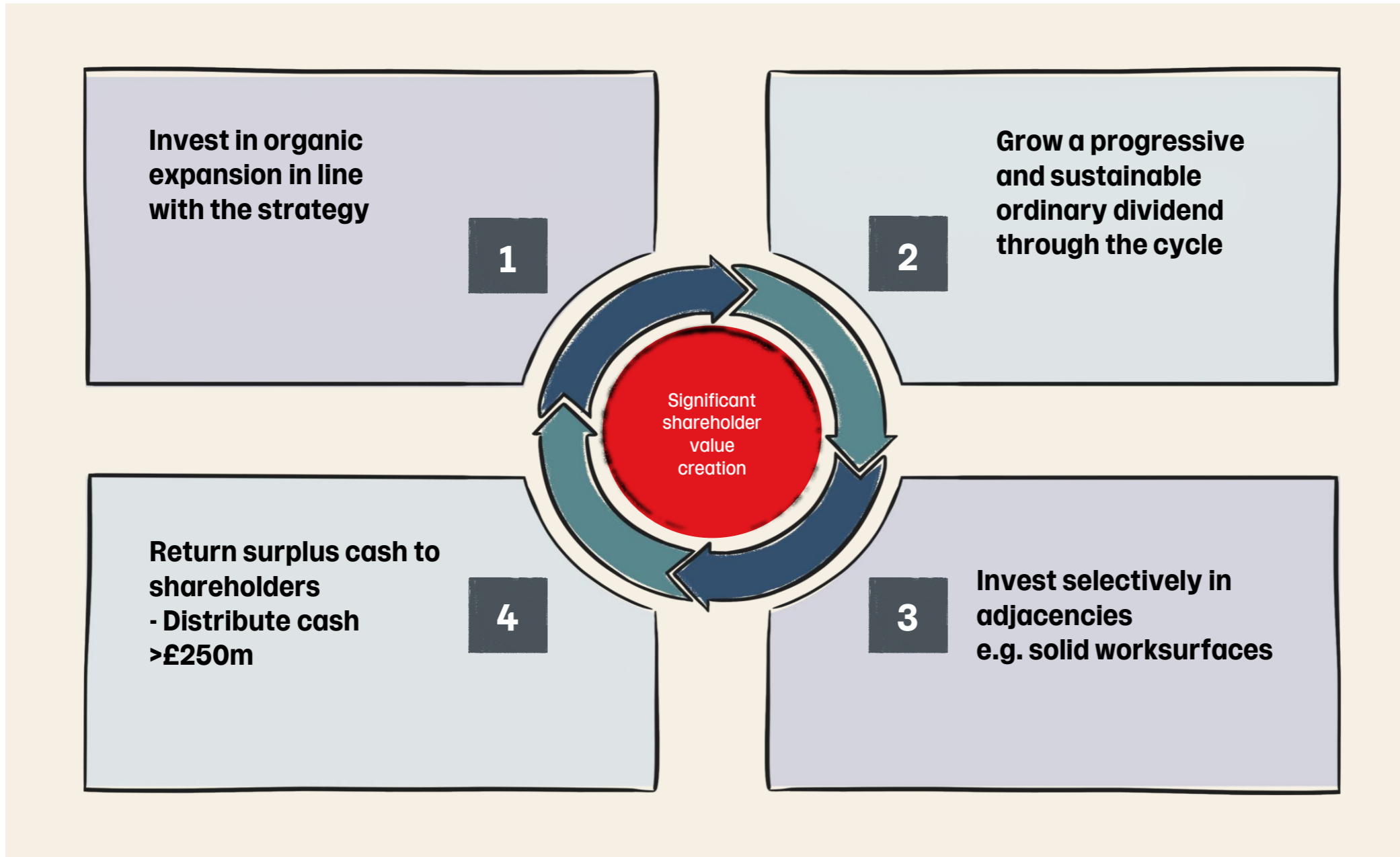
2024

Encouraging sales in the Republic of Ireland; opening more depots in 2025



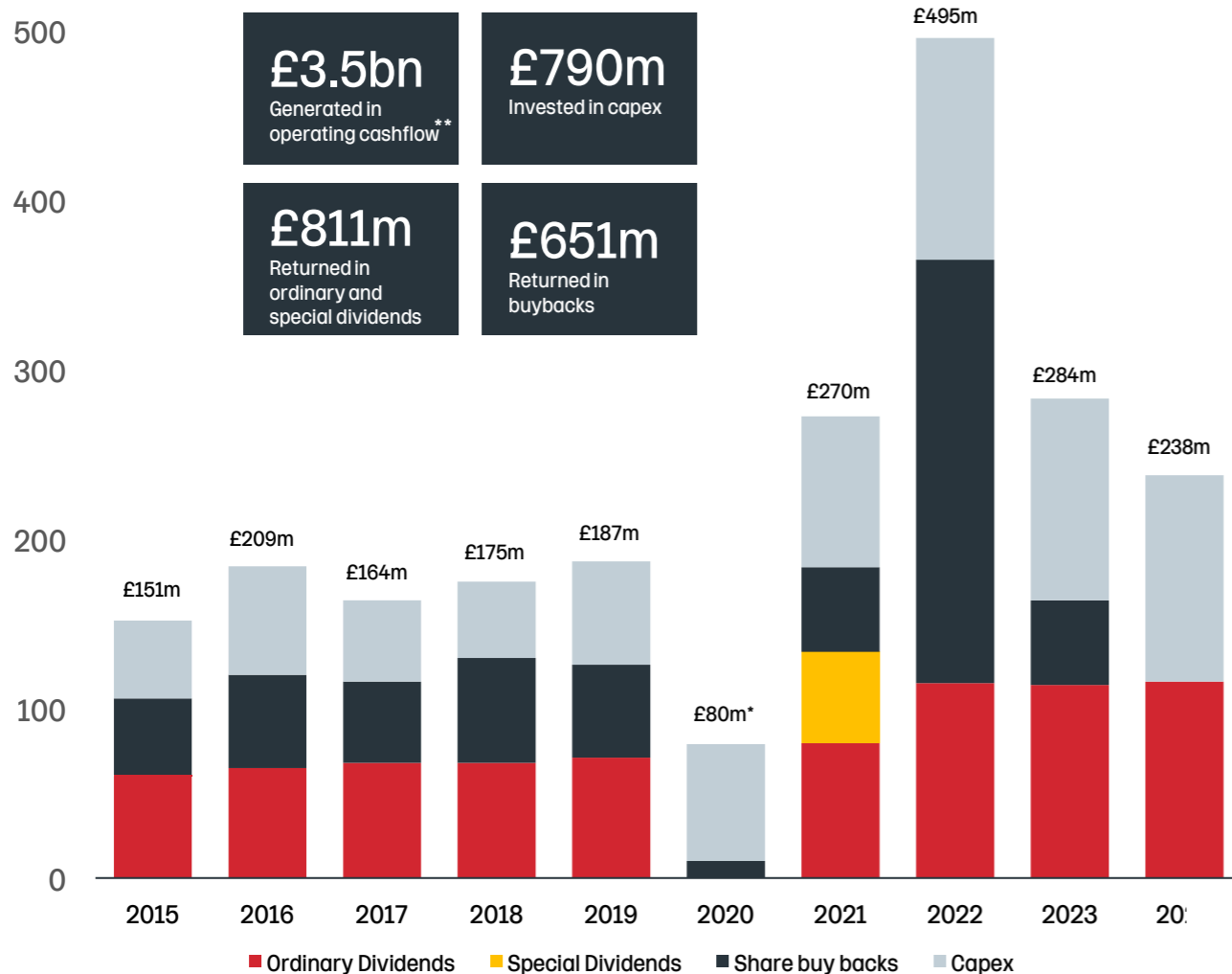
- Market suits our differentiated model
- Supported by UK infrastructure and group digital platform
- Growing presence continues to attract much attention locally
- c. five depot openings for 2025
- Around 18 depots trading by end of 2025

We have a strong balance sheet and clear capital allocation priorities



Uses of cash - last 10 years

Howdens has a strong track record of cash generation, investment and capital returns



- Strong cash generation while investing for future growth
- Established capital allocation policy
- Progressive dividend policy with successive dividend increases* over last 12 years
- Total dividend of 21.2p up 1%
- £100m share buy back announced today

* 2020 final dividend was paid as a special dividend in 2021 due to pandemic

** after working capital



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