

Strategic Report

Our market



The kitchen market

- 28 million households in the UK; 18 million owned and 10 million rented.
- UK kitchen and joinery market of £12bn¹.
- 'Do It For Me' and the Trade market continue to be strong.
- Howdens sells to Trade customers who work flexibly across a broad range of markets, including owner-occupied homes, private rentals and social housing.
- Our Contracts division supports the increasing demands of the new build market.

Structural drivers

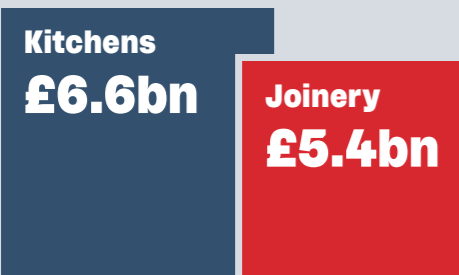
- Population growth: by 2030 UK population will grow by 3% and will have 2m new citizens².
- Ageing UK housing stock will drive renovation. Average age of UK housing stock is around 70 years².
- Entrepreneurial builders are well placed to win kitchens, joinery and bedroom work as part of wider home refurbishment projects. They are supported by Howdens' business model.
- Builders have remained optimistic in 2023 and workloads have remained relatively strong¹.

Recent trends

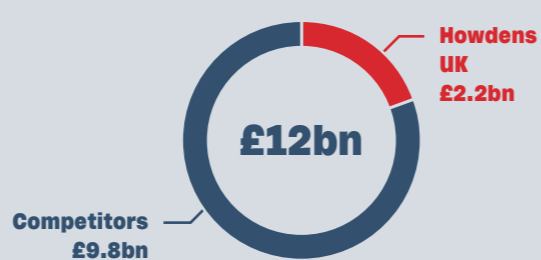
- 15% increase in adult children living with parents over last 10 years², together with hybrid working, mean the kitchen has to work harder.
- Consumers are more focused on design and use of kitchen space to maximise flexibility¹.
- An ageing population with significant purchasing power choosing to age in place. Baby boomers own nearly half, £2tn, of all British housing equity.

UK Kitchens and joinery market is valued at £12bn¹

2023 Market Value¹



Total UK kitchens & joinery market¹



Significant room to grow market share

¹ Howdens estimates based on proprietary data/builder 'Customer Pulse' surveys.
² Office of National Statistics.

Our strategy



Our purpose

To help our trade customers achieve exceptional results for their customers and to profit from doing so.

Achieved through:

Our long-term strategic objectives

Reach more builders

Grow market share.
Increase trade convenience.



Operational excellence

Increase customer service, efficiency, trade value and profitability.



Product innovation

The right amount of the best product, at the best price.



Prudent financial management

Giving us the tools to do the job.



Measured by:

KPIs page 28

- Sales growth
- Profit before tax
- Cash
- Depot openings
- Health & Safety
- FSC® or PEFC certified raw materials
- Waste recycling

Supported by:

Our medium-term strategic initiatives page 25

- Evolving our depot model
- Improving our product range and supply management
- Developing our digital platforms
- Expanding our international operations

