

Our strategy

Strategic objective

Reach more builders.
Grow market share. Increase trade convenience.



What does it mean? Why is it important?

- Continue to open more UK depots, closer to the builder.
- Adding a new depot near to an existing one sees overall sales increase. We continue to see scope for 850 depots in the UK.
- Open more depots in France, at the right pace and in the right places.
- Use digital to drive personal relationships and save the builder time. Anytime Ordering and online account management means that conversations in the depot can focus on sales and profit.
- Time is money for the builder. Trade convenience helps them to make more money, which means that we make more money.

What did we deliver? What are our future targets?

- 16 new UK depots in 2020, with 35 new depots targeted for 2021.
- 4 new depots in France in 2020, with 11 more targeted for 2021.
- Website visits grew, and drove an increase in sales leads and brochure requests.
- Online account management tool frees up builder time for more profitable conversations.
- 2021 rollout of our digital Anytime Ordering service, offering further efficiencies for both builders and depots.

What risks does it mitigate?

- Failure to maximise growth.

Operational excellence.
Increase customer service, efficiency, trade value and profitability.



- Invest in the safety and success of our people. Careers with prospects and excellent rewards for outstanding customer service.
- Invest in our depots. New format depots reduce picking times and increase efficiency.
- Invest in efficient manufacturing and distribution. High quality at low cost with reduced lead times and increased supply chain resilience.
- Use digital to improve business processes, freeing up more time to serve the builder directly.

- Health & safety KPI: serious accident rate significantly lower than UK average.
- ISO45001 in our factories and logistics network. Risk Management Initiative of the Year in our depot network.
- 30 depots converted to our new format. Continued to increase the amount of product we make in our own factories in 2020.
- Further 2021 investment in manufacturing will reduce costs, cut lead times and increase supply chain resilience.

- Health & safety.
- Loss of key personnel.
- Deterioration of business model and culture.
- Cyber-security incident.
- Credit control failure.

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

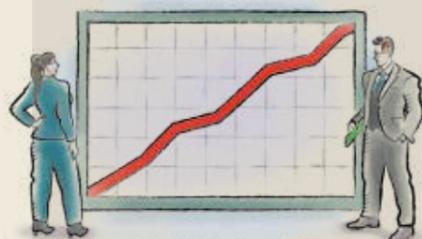


- Product leadership - constant investment in new product is critical in our offer to builders. End users demand it.
- Good range management balances the benefits of having new product with the costs of managing it through its lifecycle.
- Increase the amount of product we make in our own UK factories when it gives us a competitive advantage and security of supply. Make what it makes sense to make and keep this decision under review.

- 18 new kitchen ranges in 2020.
- New handleless cabinet platform offers a stylish Linear look at affordable prices.
- 16 new ranges planned for 2021, with other products and accessories to meet customers' needs for a more bespoke look.
- Disciplined range management.
- Acquired the assets to make our own solid surface worktops.

- Product design relevance.
- Interruption to continuity of supply.

Prudent financial management.
Giving us the tools to do the job.



- Cost control and agility to manage through macroeconomic crises.
- Manage cash through the operating cycle to cover changes in working capital without having to borrow.
- Generate cash to invest in our strategic priorities.
- Return surplus cash to shareholders.

- Strong financial management through the onset of COVID.
- Cost control and conservation of cash. No need to borrow at any time during 2020, all Government COVID aid repaid before end of 2020.
- Ending 2020 with a strong balance sheet, enabling us to announce both investment for growth and return of cash to shareholders in 2021.

- Changes in market conditions.