

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 c.£11bn¹. We continue to grow market share.
- '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.

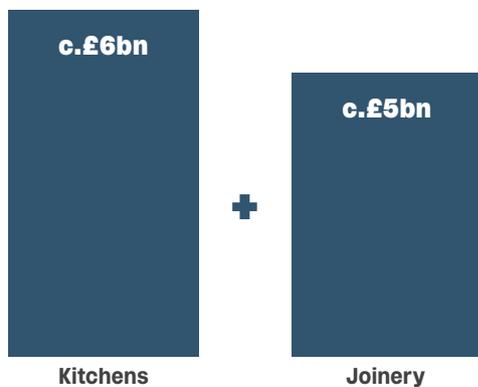
Structural drivers

- The UK population could reach nearly 74 million by 2036. The UK population will increase by 6.6 million people (9.9%) between 2021 and 2036 (ONS, 2024).
- Ageing UK housing stock will drive renovation (ave. age of UK stock is 70 years - ONS, 2022).
- Increased end-user interest in sustainable products (44% of households are switching off or moving to more energy efficient appliances - NatWest, 2022).
- 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.

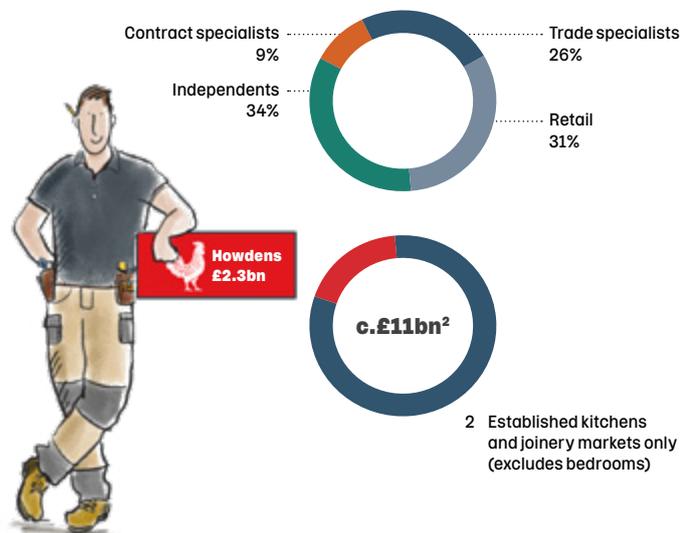
Recent trends

- 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.
- 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 (UK Govt, 2021). Increasingly this will drive renovation activity as many choose to age in their place of residence.

UK market by revenue¹



UK market revenue by vendor category¹



Large and attractive markets with significant growth potential

¹ Howdens' estimates based on proprietary data.