

Positive trading momentum and market share gains in the first half. On track with the outlook for 2025.

Group results summary¹

	H1 2025	H1 2024	Growth
Sales	£997.6m	£966.3m	+3.2%
- Adjusted sales ²			+4.3%
Gross profit margin	62.1%	60.8%	+130bps
Operating profit (EBIT)	£121.4m	£117.2m	+3.6%
Profit before tax (PBT)	£117.2m	£112.3m	+4.4%
Basic earnings per share	16.4p	15.4p	+6.5%
Interim dividend per share	5.0p	4.9p	+2.0%
Cash at end of period	£321.4m	£165.5m	

¹ The information presented relates to the 24 weeks to 14 June 2025 and the 24 weeks to 15 June 2024 unless otherwise stated.

² Adjusted sales includes an adjustment for 2 fewer trading days in H1 2025 versus the prior year, worth c.£10m. Adjusted measures are non-statutory (Alternative Performance Measures), and this is reconciled to the nearest corresponding statutory measure in note 12.

First half highlights

- Group sales growth of 3.2%, with adjusted sales² ahead by 4.3%.
- Continued market share gains aided by ongoing investment in our strategic initiatives. There was a strong close to the period in H1 reflecting well executed promotions and sales incentives.
- Gross margins of 62.1% benefited from the price increase at the start of the period, ongoing purchasing benefits and a stronger weighting of kitchens by volume in the overall category mix in H1.
- Profit before tax of £117.2m grew 4.4%, after £11.0m investment in strategic initiatives.
- Balance sheet remains strong with £321.4m of cash at the end of the period.
- Increased interim dividend by 2.0% to 5.0 pence per share.
- Completed £31.8m of the previously announced £100m share buyback programme.
- On track with the outlook for 2025.

Chief Executive Officer statement

"Howdens performed well in the first half, gaining further market share. The ongoing investment in our strategic initiatives is strengthening our competitive position, and our current trading performance gives us confidence in achieving our full year plans."

"We are well prepared for the second half, which includes our seasonally important peak trading period. This includes Howdens' best-ever line-up for kitchens, available for 2025 in more colours, styles, and finishes to suit all budgets. While market conditions remain challenging, our trade customers are highly skilled at winning work in such times backed by Howdens' well-incentivised depot teams, unrivalled product quality and industry leading stock availability."

Andrew Livingston

Summary of the major strategic initiatives for 2025

- Open around 25 depots in the UK and reformat around 60 existing depots. To date, we have opened 3 and completed 14 depot reforms (including 1 relocation).
- Launch more new kitchen ranges. We are planning at least 23 this year, aimed at making more styles available at more price points. For example, our premium kitchen offer includes a greater choice of solid worksurface decors and a new in-frame style kitchen family called Ilfracombe which is exclusively available in paint to order colours.
- Invest in our UK manufacturing capacity and capabilities, including a project to upgrade our rigid cabinet and panel lines at Runcorn. The expected costs of the line expansion and associated works are included in our medium-term capex plans (see page 7 for more details).
- Launch new account management software to improve efficiency and support depots in managing customer relationships. It automates time-consuming manual tasks in depots, providing comprehensive account data for each customer and real time overviews of accounts, leads and contacts.
- In France, we are focused on driving same depot sales through achieving the optimal mix of kitchens and joinery products. We will enhance the entrepreneurial skills in the depot teams to win more business as trade customers become more familiar with the benefits of Howdens' in-stock, trade-only model.
- The Republic of Ireland is establishing itself as a strong competitor in our categories and this year we will open another 5 depots, bringing the total to 18 by the end of the year.

Current trading and outlook for 2025

- Howdens delivered continued market share gains and there was a strong close to the first half as a result of well executed promotions and sales incentives, which landed well in UK depots.
- Our performance since the start of the second half has been in line with our expectations. Our results are second half weighted, given Howdens' autumn peak trading period.
- The strong progress of our strategic initiatives and current trading performance gives us confidence that the Group is on track with the outlook for 2025.
- The addressable value of our principal UK markets is around £11 billion. These markets are very attractive, highly fragmented and we see significant longer-term growth opportunities for us.
- We remain focused on delivering performance ahead of our markets, while generating strong cash flow, and attractive returns for shareholders over the medium-term.

For further information please contact

Howden Joinery Group Plc

Jackie Callaway, CFO

Tel: +44 (0) 207 535 1162

Mark Fearon, Director of IR and Communications

Mobile: +44 (0)7711 875070 - ir@howdens.com

Media Enquiries

Richard Mountain (FTI Consulting)

Tel: +44 (0) 20 3 727 1000

hwdn@fticonsulting.com

Results presentation:

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

Deutsche Numis, 45 Gresham St London EC2V 7BF, with light refreshments served from 0800.

A live video webcast will be available on https://brrmedia.news/HWDN_HY_25

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

Dial in phone numbers:

UK: 0207 544 1375

UK Toll Free: 0808 238 9064

USA: +1 412 317 5413

USA Toll Free: +1 866 777 2509

Quote **HOWDENS' HALF YEAR RESULTS** when prompted by the operator.

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

www.howdenjoinerygroupplc.com



Notes to editors:

1. About Howden Joinery Group Plc

Howdens is the UK's number one trade kitchen supplier. In the UK, the company sells kitchens and joinery products to trade customers, primarily local builders. In 2024, the Group generated revenues of around £2.3 billion and profit before tax of £328.1 million. Howdens is a proud UK-based manufacturer, with a significant proportion of its kitchen and joinery products manufactured in-house at its two principal factories in Runcorn, Cheshire, and Howden, East Yorkshire. At the end of 2024, Howdens operated from 869 UK depots, 65 depots in France and Belgium and 13 depots in the Republic of Ireland.

2. Timetable for the interim dividend

The timetable for payment of the proposed final dividend is shown below. A Dividend Reinvestment Plan ("DRIP") is provided by Equiniti Financial Services Limited. 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 www.shareview.co.uk/info/drip.

Ex-dividend date:	16 October 2025
Record date:	17 October 2025
Payment date:	21 November 2025

3. Provisional financial calendar

2025	
Trading update	6 November 2025
End of financial year	27 December 2025
2026	
2025 full year results	26 February 2026

Financial review

Financial results for H1 2025

Revenue £m (unless stated)	H1 2025	H1 2024	Change	# depots at period end
UK - same depot basis ¹	948.9	932.9	+1.7%	840
- depots opened in previous two years	12.9	0.8		31
	961.8	933.7	+3.0%	871
International ²	35.8	32.6	+9.8%	77
Group	997.6	966.3	+3.2%	948

International revenue in local currency €m (unless stated)	H1 2025	H1 2024	Change	# depots at period end
- same depot basis ¹	41.3	37.7	+9.5%	73
- depots opened in previous two years	1.3	0.3		4
	42.6	38.0	+12.1%	77

¹ Same depot basis for any year excludes depots opened in that year and the prior year. Adjusted measures are non-statutory (Alternative Performance Measures), and this is reconciled to the nearest corresponding statutory measure in note 12.

² The International segment comprises Howdens' depots in France, Belgium and the Republic of Ireland.

Group revenue of £997.6m was 3.2% ahead of the prior year (2024: £966.3m) and 4.3% ahead adjusting for the two fewer trading days in H1 2025 versus the prior year. UK depot revenue grew 3.0% to £961.8m (2024: £933.7m). Revenue was 1.7% ahead of the prior year on a same depot basis² at £948.9m (2024: £932.9m); this excludes the additional revenue from depots opened in 2025 and 2024 of £12.9m (2024: £0.8m). There was a strong close to the first half as a result of well executed UK depot promotions and sales incentives.

On a local currency basis, the international depots grew revenue by 12.1% to €42.6m (2024: €38.0m) which was 9.5% ahead of the prior year on a same depot basis². Adjusting for the impact of foreign exchange translation, reported revenue was 9.8% ahead at £35.8m (2024: £32.6m).

Gross profit

Gross profit of £619.6m (2024: £587.3m) was ahead of the prior year as a result of the price increase at the start of the period, purchasing benefits in the cost base and a stronger mix towards kitchens. The gross margin was 130 basis points ahead at 62.1% (2024: 60.8%).

Operating profit

Operating profit of £121.4m was 3.6% ahead of last year (2024: £117.2m) and the operating profit margin was 12.2% (2024: 12.1%). Our operating expenses increased by 6.0% to £498.2m (2024: £470.1m) which was predominantly as a result of £11m of planned investment in our strategic initiatives. In addition, higher labour costs included National Insurance and the National Minimum Wage cost rises from April, the annualised impact of which is expected to be £18m. We have continued to invest in new depots and reformat, range optimisation, and expanding our digital platforms to support our trade customers.

Profit before and after tax

The net interest charge was £4.2m (2024: £4.9m). As a result, profit before tax of £117.2m was 4.4% ahead of the prior year (2024: £112.3m). The tax charge on profit before tax was £27.6m (2024: £27.9m) and represented an effective tax rate of 23.5% (2024: 24.8%). As a result, profit after tax was £89.6m (2024: £84.4m). Basic earnings per share were 16.4p (2024: 15.4p) an increase of 6.5%.

Cash

The net cash inflow from operating activities was £204.3m (2024: £189.5m). Net working capital increased by £13.9m in line with normal seasonal phasing. Receivables at the end of the period were £7m higher than at the beginning of the period. Payables were £20m higher and inventory was £26m higher, due to the normal stock build ahead of the peak trading period in the second half. Capital expenditure was £42.8m (2024: £40.1m) as we continued to invest in the execution of our strategic initiatives to support growth. Corporation tax payments were £15.7m (2024: £39.2m), as we offset tax benefits receivable due to the Patent Box. Dividends amounted to £89.5m (2024: £89.0m) with a further cash outflow of £30.5m relating to the share buyback programme (2024: nil). The interest and principal paid on lease liabilities totalled £40.7m (2024: £38.2m).

As a result, there was a net cash outflow of £21.9m (2024: outflow of £118.5m), leaving the Group with cash at the period end of £321.4m (14 June 2024: £165.5m). The Group has in place a £150m multi-currency, revolving credit facility which remained undrawn at the balance sheet date.

Capital allocation and returns to shareholders

Our approach to capital allocation continues to focus on achieving sustainable profit growth by investing in and developing our differentiated business. We also want to maintain a progressive and sustainable ordinary dividend to reward shareholders with an attractive ongoing income stream. 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 without incurring bank debt, 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.

After allowing for these uses of cash, Howdens remains committed to returning any surplus capital to shareholders. Our capital allocation policy is that when year-end cash is more than £250m we expect to return surplus cash to shareholders. This provides sufficient headroom to support organic growth, our working capital requirements and ongoing investments in our strategic priorities. At this level of cash, the balance sheet will remain strong. As indicated at the year end, we are undertaking a £100m share buyback programme and we have bought back £31.8m in the period. The interim dividend for 2025 of 5.0p per ordinary share (2024: 4.9p per share) represents an increase of 2.0% and will be paid on 21 November 2025 to shareholders on the register on 17 October 2025.

Pensions

On 14 June 2025, the defined benefit pension scheme had a deficit of £12.4m (15 June 2024: surplus of £20.7m) on an IAS 19 basis. The scheme was closed for future accrual on 31 March 2021 and there were no contributions to the scheme in the period. The Company has recently agreed a variation to the approach on ongoing deficit reduction contributions whereby previously payments would switch on/ switch off should the funding level fall below/ rise above 100% on the technical provisions basis. This has been updated to introduce 'tram-lines', where contributions switch on if the funding falls below 98% and switch off if the funding level is above 102%. This is to avoid a cycle of switching contributions on and off when the funding level is fluctuating around 100%. The agreed contribution rate remains at £1m a month.

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:

1. Evolving our depot model by using space more efficiently to provide the best environment in which to do business with our customers.
2. Improving our range and supply management to improve choice and service while enhancing productivity in our manufacturing, sourcing and supply chain activities.
3. Developing our digital platforms to raise brand awareness, support the business model and to deliver productivity gains and more leads for depots and customers.
4. Expanding our international presence in selective 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. Progress on each of these initiatives is reviewed below:

Evolving our depot model

Since the start of the year, we have opened three new depots of the additional c.25 new depots we are planning to open in the UK in 2025. We are opening all new depots in our updated format and we see scope for around 1,000 depots in the UK.

We have also continued with our reformatting programme for existing UK depots. Depot reformats have a payback of around four years and the programme is delivering incremental sales. In the first half, we reformatted 14 depots, including one relocation, and we plan to reformat c.60 depots (including relocations) in 2025. By the end of 2025, we expect to have reformatted around 61% of all depots now trading which were opened in the old format.

Improving our product range and supply management

Range investment

Howdens has accelerated its pace of new product introductions in recent years to consolidate its leading position in the sector. Excluding paint to order kitchens, we have launched 22 new kitchens so far this year, well ahead of our peak trading period in the autumn.

This year, we have introduced 13 new kitchens within our established entry and mid-level families. For entry-level, this includes Greenwich in Gloss Reed Green and Porcelain, and Allendale in Pebble. In our versatile mid-priced Clerkenwell family, popular across both lower and higher value orders, we have added eight new colours, including market-leading metallic bronze and titanium options. We have also launched Frome, a new kitchen family designed to complement the styling of our long-standing Chelford family.

Our premium kitchen portfolio, which addresses a significant market segment often associated with high street independents, continues to grow. For our contemporary Hockley family, we have introduced five new colours, including Reed Green and Textured Dark Oak. Meanwhile, demand for our paint to order service continues to increase. This year's new timber kitchens offer exceptional value, and the number of our Chilcomb and Elmbridge kitchens sold in premium priced paint to order colours has increased significantly. We have also expanded our timber kitchen offering with the launch of Ilfracombe, an in-frame kitchen of classic design, which is positioned above Chilcomb and Elmbridge. Ilfracombe is exclusively available in 24 paint to order colours. Solid surface worktops remain a strong growth area for the Group, particularly in the premium kitchen segments and we have one of the largest in-house manufacturing capacities in the UK.

Sales in the first half were ahead of the prior year and ahead of peak autumn trading we will have 60 worktop decors available. In other categories, we are enhancing our range with both third-party branded products and our own in-house brands. In doors, we are introducing more colours and bolder styles at every price point. In appliances, we have expanded our market-leading Lamona brand and extended our third-party offerings. In sinks and taps, we now offer more styles, colours, and finishes. Our own-label flooring brand, *Oake & Gray*, launched in 2023, now accounts for a substantial share of category sales. This year's additions include innovative water-resistant laminates and refreshed entry-level decors. Feedback on our latest own-label ironmongery brand, *Fuller and Forge*, has been very positive. Featuring a wide variety of door furniture designs, finishes, and styles, it significantly strengthens our presence in a category where we were previously under-represented. We are also expanding our successful bedroom ranges to suit more styles and budgets.

Manufacturing and supply chain

Howdens is an in-stock business, and our trade customers tell us that a high level of stock availability is one of the key reasons they buy from us. Our XDC network, which enables us to offer a next day delivery service, and other recent initiatives, including "Daily Traders" facilitate exceptional service levels. For the first half of this year, our service level from our primary distribution locations to depots was 99.99%, and we are confident that this is unrivalled in the market. Our in-house manufacturing capability is a source of competitive advantage for us, and we keep under review what we believe is best to make or buy, balancing cost and overall supply chain availability, resilience and flexibility. Recent investments have strengthened our competitive position by increasing our capacity and by adding broader and new capabilities. Recent initiatives include a new kitchen furniture line at Howden, expanded manufacturing capacity at both our solid worksurface sites, and a purpose-built facility for paint-to-order kitchens.

Cabinet and panel manufacturing underpins our kitchen offering, which constitutes the principal source of group sales and a higher proportion of gross profit. Our Runcorn factory with its high-volume, low-cost panel making capability has always been an integral part of our manufacturing and logistics strategy. In line with our longer-term ambitions for the business, we are developing the site expand our production capacity, broaden our capabilities and to drive further operating efficiencies. Our plan for the site involves:

- Installing a new high volume panel machining line to replace the existing one together with an automated WIP solution to manage storage and dispatch to rigid assembly.
- Building two extensions to the existing building to house the new panel machining equipment and to increase significantly on-site warehousing capacity.
- Separately, our plans to acquire the freehold of the site are progressing well.
- Once work on the site commences, we expect the project would take around three years to complete.
- Excluding the freehold purchase, the expected capital costs of delivering the site upgrades are within our medium-term capex plans.

Developing our digital platform

We use digital to reinforce our model of strong local relationships between depots and their customers, raising brand awareness to support the business model with new services and ways to trade with us, and to deliver productivity benefits and more leads for our depot teams and our customers.

Usage of our online account facilities, which provide efficiencies and benefits for customers and depots alike, has continued to increase. New registrations totalled 44,000 and nearly 60% of customers had an on-line account at the half year-end. Across the leading social media channels, our follower base at c.687,000 was up 13%, with around 6.2 million engagements a month. Usage of our upgraded "Click and Collect" service, which is available for our everyday products, has increased significantly so far this year. Online account customers can check real time availability of stock on a depot-by-depot basis. This year, amongst other initiatives, we are supporting depots in the management of their customer relationships by making our depot account management tools more efficient and productive.

A new account management tool captures information from multiple sources and makes it accessible via a single dashboard. The software enables automation of time-consuming manual tasks in depots, provides comprehensive account data for each customer and real time overviews of accounts, leads and contacts. The system is now operating in all UK depots, well ahead of peak autumn trading.

Developing our international operations

France continued to grow sales momentum in the first half. After a period of significant expansion of the depot network in 2022, it continues to respond positively to the measures taken to improve existing depot sales performance. Our new, experienced, senior leadership team are focused on depot team development, with enhanced offerings of “footfall promoting” products, alongside other initiatives. This year the focus is on building out our depot teams’ capabilities, particularly account management, as we look to build on the progress made. We expect to maintain the number of depots trading at around 65 for the time being.

Sales in the Republic of Ireland were well ahead of last year, and we are opening more depots there in 2025. The local market suits our differentiated model, which sets us apart from the competition. The local team is supported by our UK infrastructure and our digital platform and by the end of 2024 we had opened 13 depots, including eight clustered around Dublin and three serving Cork. Since the end of the period we have added one new depot serving Naas, to the south west of Dublin. In total, we expect open 5 depots in 2025.

Technical guidance for H2 2025

Income statement

- The expected annualised cost impact of higher contributions to employers’ National Insurance and the increase in the National Minimum Wage, which came into effect in April 2025 is around £18m.
- Foreign exchange sensitivity in COGS of Euro: +/- €0.01 = £1.8m; US Dollar: +/- \$0.01 = £0.8m.
- H1 2025 had two fewer trading days than the prior year and by the year end there will be one fewer trading day compared with the prior year.
- Full year effective tax rate is expected to be around 24% due to increased Patent Box benefit.

Cashflow

- Capital expenditure is anticipated at around £125m including investments to support future growth.
- The purchase of the freehold of the Runcorn site is expected to complete in the second half. This is not included in current capex guidance.
- We will complete the share buy back in the second half.

Environment, social and governance (ESG)

With continuous improvements driving our reduction in emissions for over 20 years, we remain focused on being the largest and lowest cost kitchen manufacturer in the most sustainable way. Our publicly committed Net Zero plan was approved by SBTi in January 2024. Our Plan commits us to reducing our Scope 1 & 2 emissions by 42% and our Scope 3 supply chain emissions by 25% by 2030 and targeting Net Zero by 2050 against a baseline year of 2021.

We are pleased to report continued strong progress across all areas of our sustainability agenda. Operationally, we have maintained zero-waste-to-landfill across all manufacturing and depot sites, integrated advanced waste systems, and achieved the Carbon Trust Route to Net Zero Standard. Our decarbonisation efforts include large-scale solar installations, 100% renewable energy sourcing, and significant fleet emissions reductions through HVO, LNG, and electric vehicles. Supplier engagement on Scope 3 emissions is advancing, with verified data collection and alignment to our targets. Product innovation remains focused on sustainability, with increased recycled content, reduced plastic use, and certified timber sourcing. Our Net Zero Plan is embedded across the business, supported by robust governance and third-party assurance.

Going Concern

The directors have adopted the going concern basis in preparing these half-yearly condensed financial statements and have concluded that there are no material uncertainties leading to significant doubt about the Group's going concern status. The reasons for this are explained below.

Going concern review period

This going concern review period covers the period of at least 12 months after the date of approval of these condensed 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 immediately below this going concern statement. 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 adequate amounts of fast-moving inventory as a specific mitigation against supply chain disruption and considers that the other effects of these risks would be reflected 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 the first half of 2025, as well as trading in the weeks between the half-year end and the date of approval of the half-year results. They have reviewed the Group's balance sheet at the half-year end, noting that the Group is debt-free, has cash and cash equivalents of £321m, 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 latest 2025 Group forecast, made in June 2025. The basis of this scenario has been approved by the Board.
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 announced capital allocation model.
- 2) A "severe but plausible" downside scenario.** This is 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. This involves modelling a reduction in sales to the maximum level before any lending covenants are breached or there is no headroom.
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 multi-currency revolving credit facility of up to £150m which expires in September 2029, and which was not drawn at any point in the half-year. A summary of the main terms of the facility is set out in note 19 to the December 2024 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 modelling

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

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 they have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the going concern review period set out above. Accordingly, they continue to adopt the going concern basis in preparing these half-yearly condensed financial statements.

Principal risks and uncertainties

The principal risks and uncertainties that could have a material impact on the Group's performance over the remaining half of the financial year have not changed from those which are set out in detail in the Group's 2024 Annual Report & Accounts.

1. **Market conditions** – Challenging market conditions could affect our ability to achieve sales and profit forecasts, impacting on our cash position. Exchange rates fluctuation could increase our cost of goods sold.
2. **Cyber security** – Events such as ransomware attacks continue to rise globally. A major security breach could cause a key system to be unavailable and/or sensitive data to be compromised.
3. **People** – Our operations could be adversely affected if we were unable to attract, retain and develop our colleagues; or, if we lost a key member of our team without succession.
4. **Maximising growth** – if we do not understand and exploit our growth opportunities in line with our business model and risk appetite, or if we do not meet the related challenges, we will not get maximum benefit from our growth potential.
5. **Supply chain** – Any disruption to our relationship with key suppliers or interruption to manufacturing and distribution operations could affect our ability to deliver the in-stock business model and to service our customer's needs. If this happened, we could lose customers and sales. The impact of global tariffs has a limited short-term impact to Howdens, however a protracted trade war could potentially impact on wider market conditions.
6. **Business model and culture** – if we lose sight of our model and culture during challenging market conditions, we may not serve our customers successfully and our long-term profitability may suffer.
7. **Health and Safety** – Poor management or an incident could compromise the safety and wellbeing of individuals, and the reputation and viability of the business.
8. **Product** – If we do not offer the builder the products that they and their customers want, we could lose sales and customers.
9. **Business continuity and resilience** – We have some business operations and locations in our infrastructure that are critical to business continuity and are essential for ensuring our customers can get the product and services they want when they need them.

Cautionary statement

Certain statements in this Half 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.

Responsibility statement

We confirm that, to the best of our knowledge:

- (a) the condensed consolidated set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
- (b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first 24 weeks and description of principal risks and uncertainties for the remaining 28 weeks of the year); and
- (c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

The directors are responsible for the maintenance and integrity of the corporate and financial information included in the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

By order of the Board

Andrew Livingston
Chief Executive Officer
23 July 2025

Jackie Callaway
Chief Financial Officer

Independent Review Report to Howden Joinery Group plc

Conclusion

We have been engaged by Howden Joinery Group Plc (“the Company”) to review the condensed set of financial statements in the half-yearly financial report for the 24 weeks ended 14 June 2025 which comprises the condensed consolidated balance sheet, condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the 24 weeks ended 14 June 2025 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (“ISRE (UK) 2410”) issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors’ responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Our responsibility**

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Zulfikar Walji
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
23 July 2025

Condensed consolidated income statement

	Note	24 weeks to 14 June 2025 unaudited £m	24 weeks to 15 June 2024 unaudited £m	52 weeks to 28 December 2024 audited £m
Continuing operations:				
Revenue	4	997.6	966.3	2,322.1
Cost of sales		(378.0)	(379.0)	(891.0)
Gross profit		619.6	587.3	1,431.1
Operating expenses		(498.2)	(470.1)	(1,091.9)
Operating profit		121.4	117.2	339.2
Finance income	7	6.3	4.3	9.9
Finance costs	7	(10.5)	(9.2)	(21.0)
Profit before tax		117.2	112.3	328.1
Tax on profit	6	(27.6)	(27.9)	(78.8)
Profit for the period attributable to the equity holders of the parent		89.6	84.4	249.3
Earnings per share		pence	pence	pence
Basic earnings per 10p share	8	16.4	15.4	45.6
Diluted earnings per 10p share	8	16.3	15.4	45.4

Condensed consolidated statement of comprehensive income

	Note	24 weeks to 14 June 2025 unaudited £m	24 weeks to 15 June 2024 unaudited £m	52 weeks to 28 December 2024 audited £m
Profit for the period		89.6	84.4	249.3
Items of other comprehensive income:				
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Actuarial (losses)/gains on defined benefit pension plan	11	(9.7)	34.3	12.7
Deferred tax on actuarial gains and losses on defined benefit pension scheme		2.4	(8.6)	(3.2)
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation differences		1.1	(1.5)	(3.1)
Other comprehensive income for the period		(6.2)	24.2	6.4
Total comprehensive income for the period, attributable to equity holders of the parent		83.4	108.6	255.7

Condensed consolidated balance sheet

	Note	14 June 2025 unaudited £m	15 June 2024 unaudited £m	28 December 2024 audited £m
Non-current assets				
Intangible assets		60.5	48.6	58.1
Property, plant and equipment	10	499.6	460.2	500.6
Lease right-of-use assets		647.0	638.4	642.3
Pension asset	11	-	20.7	-
Deferred tax asset		14.2	6.4	10.5
Long term prepayments		1.1	0.6	1.4
		1,222.4	1,174.9	1,212.9
Current assets				
Inventories		416.8	410.1	390.7
Corporation tax		18.2	56.7	25.7
Trade and other receivables		271.4	256.3	264.6
Cash and cash equivalents		321.4	165.5	343.6
		1,027.8	888.6	1,024.6
Total assets		2,250.2	2,063.5	2,237.5
Current liabilities				
Lease liabilities		(93.8)	(87.6)	(89.3)
Trade and other payables		(413.7)	(350.8)	(386.8)
Provisions		(8.1)	(8.5)	(8.3)
		(515.6)	(446.9)	(484.4)
Non-current liabilities				
Pension liability	11	(12.4)	-	(2.1)
Lease liabilities		(607.1)	(602.7)	(591.7)
Deferred tax liability		(31.6)	(8.5)	(26.4)
Provisions		(3.9)	(4.3)	(4.2)
		(655.0)	(615.5)	(624.4)
Total liabilities		(1,170.6)	(1,062.4)	(1,108.8)
Net assets		1,079.6	1,001.1	1,128.7
Equity				
Share capital		55.0	55.4	55.4
Capital redemption reserve		10.2	9.8	9.8
Share premium		87.5	87.5	87.5
ESOP and share-based payments		24.4	15.6	21.3
Treasury shares		(15.5)	(19.9)	(18.8)
Retained earnings		918.0	852.7	973.5
Total equity		1,079.6	1,001.1	1,128.7

Condensed consolidated statement of changes in equity

<u>24 weeks to 14 June 2025</u>	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
As at 28 December 2024 - audited	55.4	9.8	87.5	21.3	(18.8)	973.5	1,128.7
Profit for the period	-	-	-	-	-	89.6	89.6
Other comprehensive income in the period	-	-	-	-	-	(6.2)	(6.2)
Total comprehensive income for the period	-	-	-	-	-	83.4	83.4
Deferred tax on share schemes	-	-	-	-	-	0.6	0.6
Movement in ESOP	-	-	-	6.4	-	-	6.4
Buyback and cancellation of shares	(0.4)	0.4	-	-	-	(50.0)	(50.0)
Transfer of shares from treasury into share trust	-	-	-	(3.3)	3.3	-	-
Dividends	-	-	-	-	-	(89.5)	(89.5)
As at 14 June 2025 - unaudited	55.0	10.2	87.5	24.4	(15.5)	918.0	1,079.6

The £50.0m charged to retained earnings relating to buyback and cancellation of shares during the period includes an amount of £18.2m which is contained in the balance sheet caption Trade and other creditors, and which reflects contractual obligations to purchase ordinary shares. During the period, 3,996,990 shares, with a cost of £31.8m including fees, were purchased and cancelled. Because some of these shares were purchased in the final days of the period, the cash outflow on payments to acquire own shares during the period was £30.5m.

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

At the current period end there were 3.2 million ordinary shares held in treasury, each with a nominal value of 10p (June 2024: 4.1 million shares, December 2024: 3.8 million shares).

The company's share capital consists of 10p ordinary shares. The company bought back and cancelled 3,996,990 shares during the period (period to June 2024 and period to December 2024: no shares bought back and cancelled).

Condensed consolidated statement of changes in equity – continued

<u>24 weeks to 15 June 2024</u>	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 - audited	55.4	9.8	87.5	16.6	(24.0)	833.1	978.4
Profit for the period	-	-	-	-	-	84.4	84.4
Other comprehensive income in the period	-	-	-	-	-	24.2	24.2
Total comprehensive income for the period	-	-	-	-	-	108.6	108.6
Movement in ESOP	-	-	-	3.1	-	-	3.1
Transfer of shares from treasury into share trust	-	-	-	(4.1)	4.1	-	-
Dividends	-	-	-	-	-	(89.0)	(89.0)
As at 15 June 2024 - unaudited	55.4	9.8	87.5	15.6	(19.9)	852.7	1,001.1

<u>52 weeks to 28 December 2024</u>	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 - audited	55.4	9.8	87.5	16.6	(24.0)	833.1	978.4
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 - audited	55.4	9.8	87.5	21.3	(18.8)	973.5	1,128.7

Condensed consolidated cash flow statement

	24 weeks to 14 June 2025 unaudited £m	24 weeks to 15 June 2024 unaudited £m ¹	52 weeks to 28 December 2024 audited £m
Note			
Profit before tax	117.2	112.3	328.1
Adjustments for:			
Finance income	(6.3)	(4.3)	(9.9)
Finance costs	10.5	9.2	21.0
Depreciation and amortisation of owned assets	29.4	24.8	57.1
Depreciation, impairment and loss on termination of leased assets	45.8	43.8	97.0
Share-based payments charge	6.4	2.7	9.6
Decrease/(increase) in long term prepayments	0.3	0.1	(0.6)
Diff. between pension operating charge and cash paid	0.6	0.9	1.9
(Profit)/loss on disposal of property, plant and equipment and intangible assets	0.4	-	0.4
Operating cash flows before movements in working capital	204.3	189.5	504.6
Movements in working capital			
(Increase) in inventories	(26.1)	(27.3)	(7.9)
(Increase) in trade and other receivables	(7.4)	(62.3)	(70.1)
Increase /(decrease) in trade and other payables and provisions	19.6	(17.1)	12.7
	(13.9)	(106.7)	(65.3)
Cash generated from operations	190.4	82.8	439.3
Tax paid	(15.7)	(39.2)	(39.2)
Net cash flows from operating activities	174.7	43.6	400.1
Cash flows used in investing activities			
Payments to acquire property, plant and equipment and intangible assets	(42.8)	(40.1)	(122.0)
Receipts from sale of property, plant and equipment and intangible assets	-	-	0.1
Interest received	6.9	4.8	9.8
Net cash used in investing activities	(35.9)	(35.3)	(112.1)
Cash flows from financing activities			
Payments to acquire own shares	(30.5)	-	-
Receipts from release of shares from share trust	-	0.4	0.4
Dividends paid to Group shareholders	(89.5)	(89.0)	(115.9)
Repayment of capital on lease liabilities	(30.2)	(29.1)	(92.7)
Interest paid - including on lease liabilities	(10.5)	(9.1)	(20.7)
Net cash used in financing activities	(160.7)	(126.8)	(228.9)
Net decrease in cash and cash equivalents	(21.9)	(118.5)	59.1
Cash and cash equivalents at beginning of period	343.6	282.8	282.8
Effect of exchange rate fluctuations on cash held	(0.3)	1.2	1.7
Cash and cash equivalents at end of period	321.4	165.5	343.6

Notes to the condensed financial statements

1 General information

The results for the 24 week periods ended 14 June 2025 and 15 June 2024 are unaudited but have been reviewed by the Group's auditor, whose report on the current period forms part of this document. The information for the 52 week period ended 28 December 2024 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies, and is available via the Group's website at www.howdenjoinerygroupplc.com. The auditor's report on those accounts was not qualified or modified, did not draw attention to any matters by way of emphasis, and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

2 Accounting policies and basis of preparation

The condensed consolidated set of financial statements included in this half-yearly report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted for use in the UK.

Basis of preparation

These condensed consolidated financial statements are prepared on the going concern basis, as we explain in detail in the "Going Concern" section of the interim management report, above. The Group's business activities, together with the factors likely to affect its future development, performance, and position are set out in the interim management report, which precedes these condensed consolidated financial statements and includes a summary of the Group's financial position, its cash flows, and borrowing facilities, its principal risks, and a discussion of why the directors consider that the going concern basis is appropriate.

The annual financial statements of the Group for the 52 weeks ended 27 December 2025 will be prepared in accordance with UK-adopted international accounting standards. This condensed set of financial statements has been prepared applying the accounting policies, methods of computation, and presentation that were applied in the preparation of the company's published consolidated financial statements for the 52 weeks ended 28 December 2024 which were prepared in accordance with UK-adopted international accounting standards, except that the taxation charge for the half-year is calculated by applying the annual estimated effective tax rate to the profit for the period.

3 Segmental results

Basis of segmentation

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. The information required in respect of segmental disclosure can all be found in the condensed consolidated income statement and condensed consolidated balance sheet.

4 Seasonality of revenue

In a typical year, Howden Joinery sales are more heavily weighted to the second half of the financial year. This partly reflects the fact that there are 24 weeks in the first half of the financial year and 28 weeks in the second half. It also reflects that our peak trading period falls in the second half of the year. Historically, the typical trend has been that approximately 60% of sales have been in the second half of the year.

5 Write down of inventories

During the period, the Group has recognised a net charge of £0.8m in respect of writing inventories down to their net realisable value (24 weeks to 15 June 2024 - net charge of £0.5m; 52 weeks to 28 December 2024 - net charge of £1.5m).

6 Tax

The half year effective tax rate is 23.5% (24 weeks to 15 June 2024: 24.8%). This is arrived at by applying the estimated full year effective tax rate to the actual half year profit, after adjusting for the tax effect of items which are recognised entirely in the current period and are not spread over the full year (such as actual share option exercises and payments to the pension scheme).

7 Finance income and finance costs

	24 weeks to 14 June 2025 £m	24 weeks to 15 June 2024 £m	52 weeks to 28 December 2024 £m
Finance income			
Bank interest	6.3	4.3	9.9
Total finance income	6.3	4.3	9.9

	24 weeks to 14 June 2025 £m	24 weeks to 15 June 2024 £m	52 weeks to 28 December 2024 £m
Finance costs			
Interest expense on lease liabilities	(10.5)	(9.1)	(20.7)
Other finance expense - pensions	-	(0.1)	(0.3)
Total finance costs	(10.5)	(9.2)	(21.0)

8 Earnings per share

	24 weeks to 14 June 2025			24 weeks to 15 June 2024			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	Earnings £m	Weighted average number of shares m	Earnings per share p
Basic earnings per share	89.6	546.5	16.4	84.4	546.6	15.4	249.3	546.7	45.6
Effect of dilutive share options	-	1.9	(0.1)	-	2.2	-	-	2.1	(0.2)
Diluted earnings per share	89.6	548.4	16.3	84.4	548.8	15.4	249.3	548.8	45.4

9 Dividends

(a) Amounts recognised as distributions to equity holders in the period

	24 weeks to 14 June 2025 £m	24 weeks to 15 June 2024 £m	52 weeks to 28 December 2024 £m
Final dividend for the 53 weeks to 30 December 2023 - 16.2p/share	-	89.0	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)	89.5	-	-
	89.5	89.0	115.9

(b) Dividends proposed at the end of the period (but not recognised in the period):

On 23 July 2025, the Board approved the payment of an interim dividend of 5.0p/share to be paid on 21 November 2025 to ordinary shareholders on the register on 17 October 2025.

	24 weeks to 14 June 2025 £m
Declared interim dividend for the 52 weeks to 27 December 2025 – 5.0p/share	27.2

10 Property, plant and equipment

Additions to property, plant and equipment ("PPE") are shown below, together with additions to intangible assets and also the actual cash outflow on purchasing PPE and intangible assets.

	24 weeks to 14 June 2025 £m	24 weeks to 15 June 2024 £m	52 weeks to 28 December 2024 £m
Additions to PPE	24.7	26.2	96.9
Additions to intangible assets	5.6	7.9	20.6
	30.3	34.1	117.5
Cash outflow on purchase of PPE	35.6	36.4	101.2
Cash outflow on purchase of intangible assets	7.2	3.7	20.8
Total cash outflow	42.8	40.1	122.0

The difference between total cash outflow and total additions is due to the difference between opening and closing capital creditors and accruals.

10 Property, plant and equipment (continued)

There were no disposals of PPE in the current or prior periods which had any significant net book value.

There are non-cancellable commitments to purchase PPE of £30.1m at the current period end (15 June 2024 - £17.3m; 28 December 2024 - £16.2m).

11 Retirement benefit obligations

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

	24 weeks to 14 June 2025 £m	24 weeks to 15 June 2024 £m	52 weeks to 28 December 2024 £m
Charged to the income statement:			
Defined benefit plan - administrative costs	0.6	0.9	1.9
Defined benefit plan - total operating charge	0.6	0.9	1.9
Defined benefit plan - net finance charge	-	0.1	0.3
Total defined benefit charge to profit before tax	0.6	1.0	2.2
Included in other comprehensive income:			
Defined benefit plan - actuarial losses/(gains)	9.7	(34.3)	(12.7)

(b) Other information - defined benefit pension plan

The Group operates a funded defined benefit pension plan which provides benefits based on the career average pensionable pay of participating employees. This plan was closed to new entrants from April 2013, and closed to future accrual on 31 March 2021.

Key assumptions used in the valuation of the plan	24 weeks to 14 June 2025	24 weeks to 15 June 2024	52 weeks to 28 December 2024
Discount rate	5.60%	5.05%	5.50%
Inflation assumption - RPI	3.00%	3.15%	3.15%
Inflation assumption - CPI	2.60%	2.70%	2.75%
Life expectancy (yrs): pensioner aged 65			
- male	85.7	85.8	85.7
- female	88.0	88.0	88.0
Life expectancy (yrs): non-pensioner aged 45			
- male	86.7	86.7	86.7
- female	89.7	89.6	89.6

Balance sheet

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

	14 June 2025 £m	15 June 2024 £m	28 December 2024 £m
Present value of defined benefit obligations	(797.9)	(854.7)	(808.0)
Fair value of scheme assets	785.5	875.4	805.9
(Deficit)/surplus recognised in the balance sheet	(12.4)	20.7	(2.1)

In recognising a pension surplus at the end of the an accounting period, the Group has considered the conditions and guidance given in IAS 19 and IFRIC 14 and has concluded that: it is appropriate to recognise a surplus in full; there is no issue affecting the availability of a refund or reduction in future contributions due to minimum funding requirements, and there is no requirement to recognise an associated liability.

Movements in this amount during the period are as follows:

	24 weeks to 14 June 2025 £m	24 weeks to 15 June 2024 £m	52 weeks to 28 December 2024 £m
Deficit at start of period	(2.1)	(12.6)	(12.6)
Administration cost	(0.6)	(0.9)	(1.9)
Other finance charge	-	(0.1)	(0.3)
Actuarial gains	(9.7)	34.3	12.7
(Deficit)/surplus at end of period	(12.4)	20.7	(2.1)

Statement of comprehensive income

Amounts taken to equity via the statement of comprehensive income in respect of the Group's defined benefit plan are shown below:

	24 weeks to 14 June 2025 £m	24 weeks to 15 June 2024 £m	52 weeks to 28 December 2024 £m
Actuarial differences			
Actuarial loss on plan assets	(21.7)	(25.8)	(91.3)
Decrease in plan liabilities due to financial assumptions	17.3	59.4	102.7
(Increase)/decrease in plan liabilities due to experience	(5.3)	0.7	(0.3)
Decrease in plan liabilities due to demographic assumptions	-	-	1.6
Total actuarial (losses)/gains	(9.7)	34.3	12.7

Virgin Media pensions case

In 2023, the English High Court issued a judgment involving the Virgin Media NTL Pension Plan which held that amendments to the plan's rules in relation to benefit changes were invalid unless there was a formal confirmation from the scheme actuary. There was concern that this judgement could have implications for other UK defined benefit plans.

An appeal was made against this judgement. The appeal was heard in 2024 and was dismissed. Throughout 2024, the Group monitored developments and concluded that there was sufficient uncertainty not to warrant recognition of any potential obligation in respect of this case in 2024.

On 5 June 2025, the Department for Work and Pensions (DWP) announced that the Government will introduce legislation to give pension schemes affected by the Virgin Media ruling the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. The defined benefit obligation presented in these condensed financial statements reflects the plan benefits currently being administered, i.e. it treats all past rule changes as being valid.

12 Alternative Performance Measures

Alternative performance measures are non-GAAP (Generally Accepted Accounting Practice) measures and provide supplementary information to assist with the understanding of the Group's financial results and with the evaluation of operating performance for all the periods presented. Alternative performance measures, however, are not a measure of financial performance under United Kingdom adopted international accounting standards ('IFRS') and should not be considered as a substitute for measures determined in accordance with IFRS. As the Group's alternative performance measures are not defined terms under IFRS they may therefore not be comparable with similarly titled measures reported by other companies. A reconciliation of alternative performance measures to the most directly comparable measures reported in accordance with IFRS is provided below.

(a) Adjusted sales

Sales performance at the start and end of the year can be significantly affected by the movement in the calendar year, increasing or reducing trading days by up to 2 days. In the event of a 53 week year then the numbers of trading days can increase or reduce by up to 6 days. In H1 2025 there were two fewer trading days than in H1 2024, and the impact of this adjustment is shown below:

	24 weeks to 14 June 2025 £m	24 weeks to 15 June 2024 £m	Change %
Revenue	997.6	966.3	3.2%
Impact of two additional trading days in week 1 2024		(10.0)	
Adjusted sales	997.6	956.3	4.3%

(b) Same depot sales

Sales performance can be significantly affected by the number of depots opened in the period. The table below shows the impact of sales of new depots opened in the last two years, compared to the sales of depots opened prior to the last two years, referred to as "Same depot basis".

"International" comprises Howdens' depots in France, Belgium and the Republic of Ireland.

Revenue £m (unless stated)	24 weeks to 14 June 2025 £m	24 weeks to 15 June 2024 £m	Change %	Depots at period end No.
UK - same depot basis	948.9	932.9	1.7%	840
- depots opened in previous two years	12.9	0.8		31
	961.8	933.7	3.0%	871
International	35.8	32.6	9.8%	77
Group	997.6	966.3	3.2%	948
International revenue in local currency	24 weeks to 14 June 2025 €m	24 weeks to 15 June 2024 €m	Change %	Depots at period end No.
€m (unless stated)				
- same depot basis	41.3	37.7	9.5%	73
- depots opened in previous two years	1.3	0.3		4
	42.6	38	12.1%	77

-Ends-