



# 2024 Full Year Results

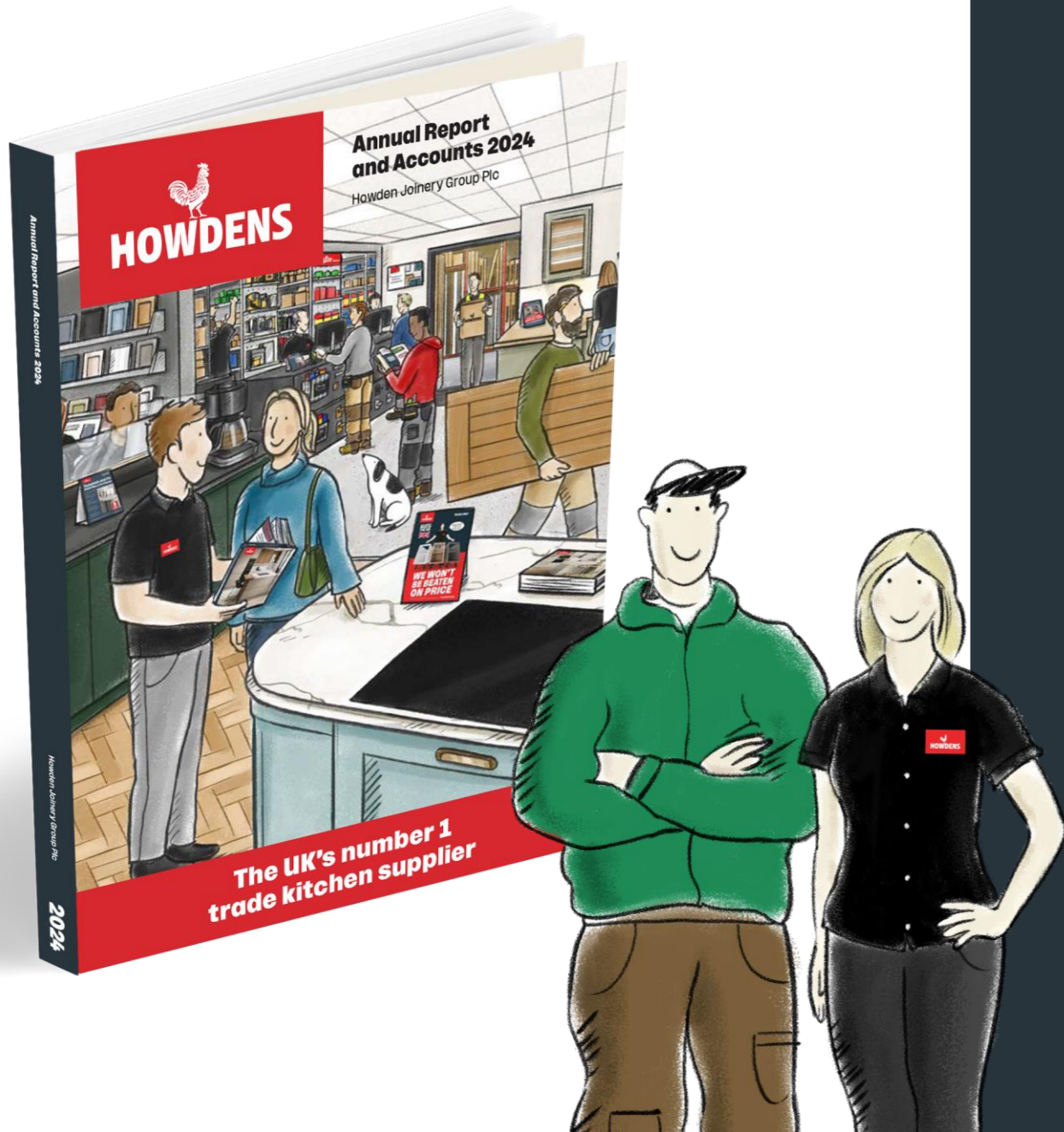
27<sup>th</sup> February 2025



**Andrew Livingston**

Chief Executive Officer

# Business performed well in a challenging marketplace



## Results met our expectations, stronger end to end business

- Group sales ahead of 2023 (+0.5%), +47% on 2019
- Gained market share, mitigating a decline in size of UK market
- Entry level kitchens represented more of the kitchens we sold
- Kitchen categories outperformed other established categories
- Industry leading gross profit margin maintained, balancing cost pressures with competitive pricing
- Profit in line with 2023

## Progressed our strategic plans for business

## Strong cashflow and robust balance sheet

- Continued to invest in the business
- Increased dividends for the year
- New £100m buyback programme



## Performance demonstrates strength of our in-stock model founded on local relationships



- Reflects combination of a strong product line-up, high stock availability, industry leading service levels and a very engaged team
- Benefits of on-going investment in customer focussed strategic initiatives
- Record number of accounts as at the year-end
- "KPI" volumes well ahead of pre-COVID times

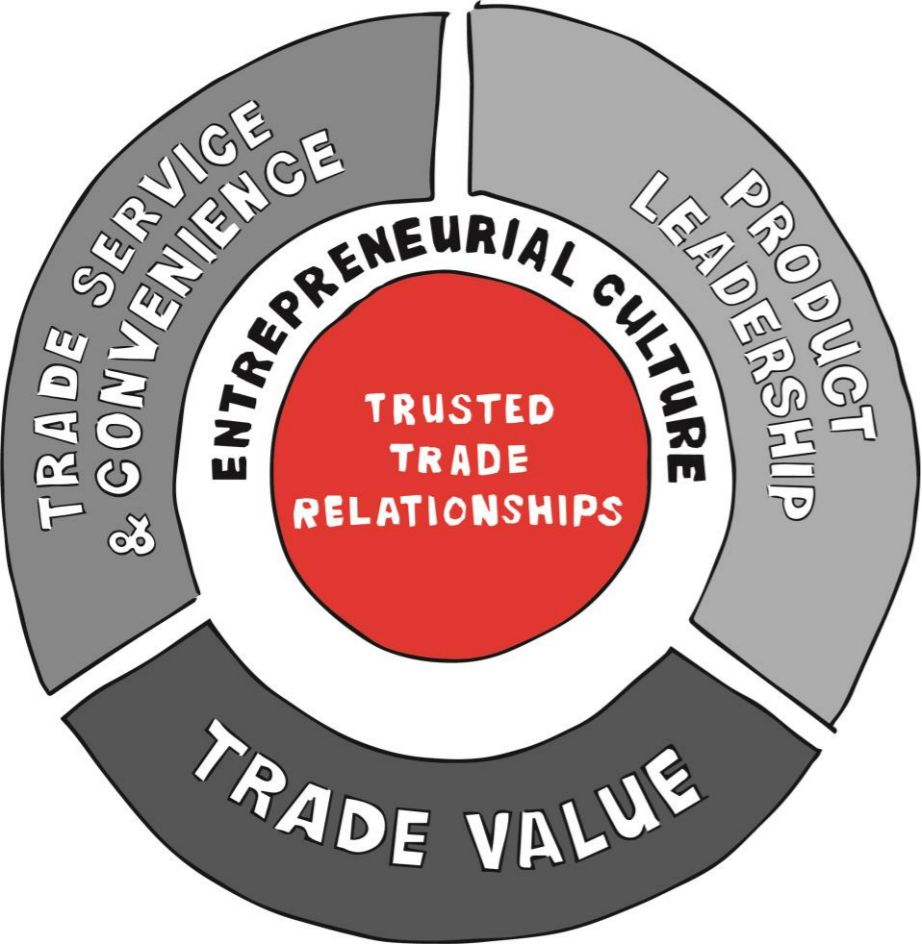


## Robust business model in markets with significant growth opportunities



- In 2025, we expect market conditions to remain challenging
- Well prepared for such market conditions
- Model capable of delivering sustainable market share gains
- Addressable UK markets in which we have an established presence total some £11 billion
- Significant longer term growth opportunities
- Investing in the business on this basis

# Initiatives to increase market share and profits



Depot Evolution



Range and Supply Management



Digital Development



International





## FINANCIAL REVIEW



**Paul Hayes**  
Chief Financial Officer



# Financial highlights

Robust performance in challenging markets

£m	2024	2023	% change
Revenue	<b>2,322.1</b>	2,310.9	0.5%
Gross profit	<b>1,431.1</b>	1,403.9	
Gross margin %	<b>61.6%</b>	60.8%	+80bps
Operating costs	<b>(1,091.9)</b>	(1,063.7)	
Operating profit	<b>339.2</b>	340.2	-0.3%
Operating margin %	<b>14.6%</b>	14.7%	
Net interest	<b>(11.1)</b>	(12.6)	
Profit before tax	<b>328.1</b>	327.6	+0.2%
Tax	<b>(78.8)</b>	(73.0)	
Profit for the period	<b>249.3</b>	254.6	

- Another year of solid market share gains
- Maintained sector leading margins in continued inflationary market
- Productivity and efficiency actions to protect profitability
- Continued investment in strategic initiatives to drive long term growth



# Revenue

Revenue in line with last year in challenging markets

UK (£m)	2024	2023	change
Revenue	<b>2,247.4</b>	2,241.1	+0.3%
Same depot basis <sup>1</sup>	<b>2,204.9</b>	2,231.8	-1.2%
Number of depots	<b>869</b>	840	+29

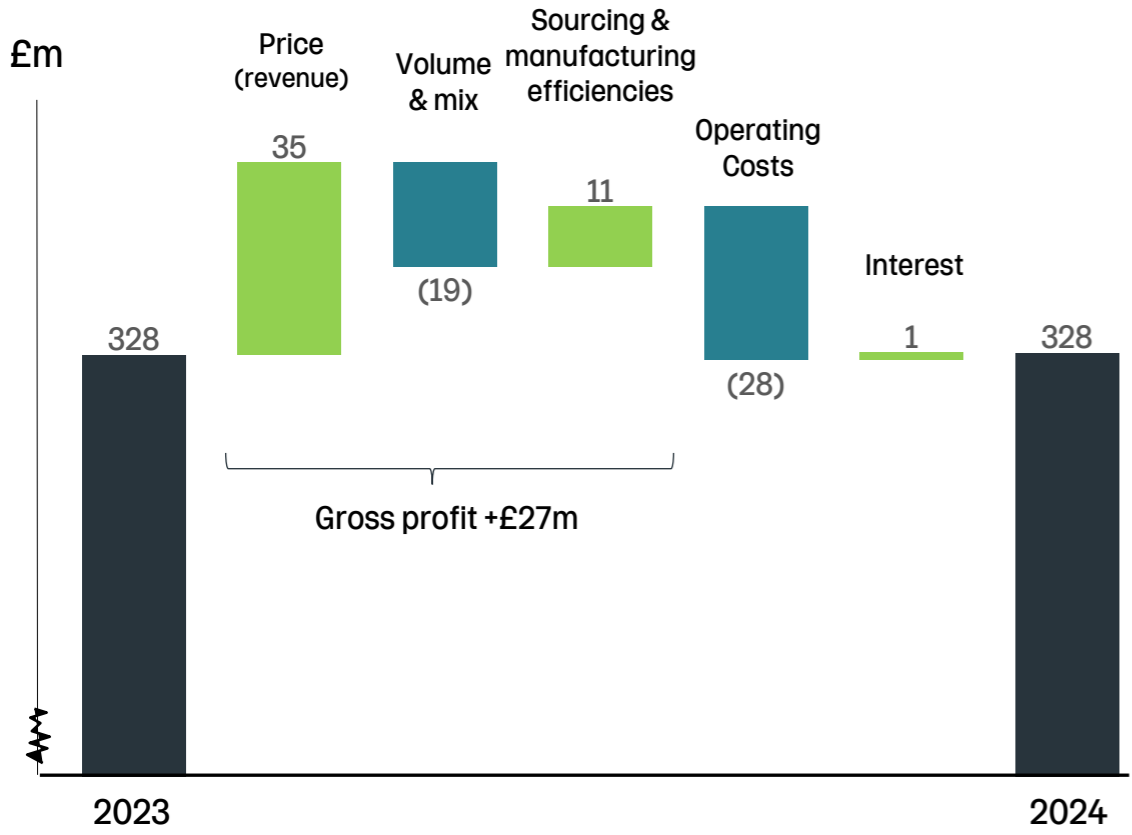
International (€m)	2024	2023	change
Revenue	<b>88.1</b>	80.3	+9.7%
Same depot basis <sup>1</sup>	<b>81.3</b>	78.4	+3.7%
Number of depots	<b>78</b>	75	+3

- Continued market headwinds
- Balanced and disciplined approach to pricing and volume
- Strategic initiatives drive ongoing market share gains
- Strong growth in International

<sup>1</sup>Same depot basis for any year excludes depots opened in 2023 and 2024, and closed depots

# Profit before tax

Disciplined pricing management and purchasing efficiencies delivered higher gross margins

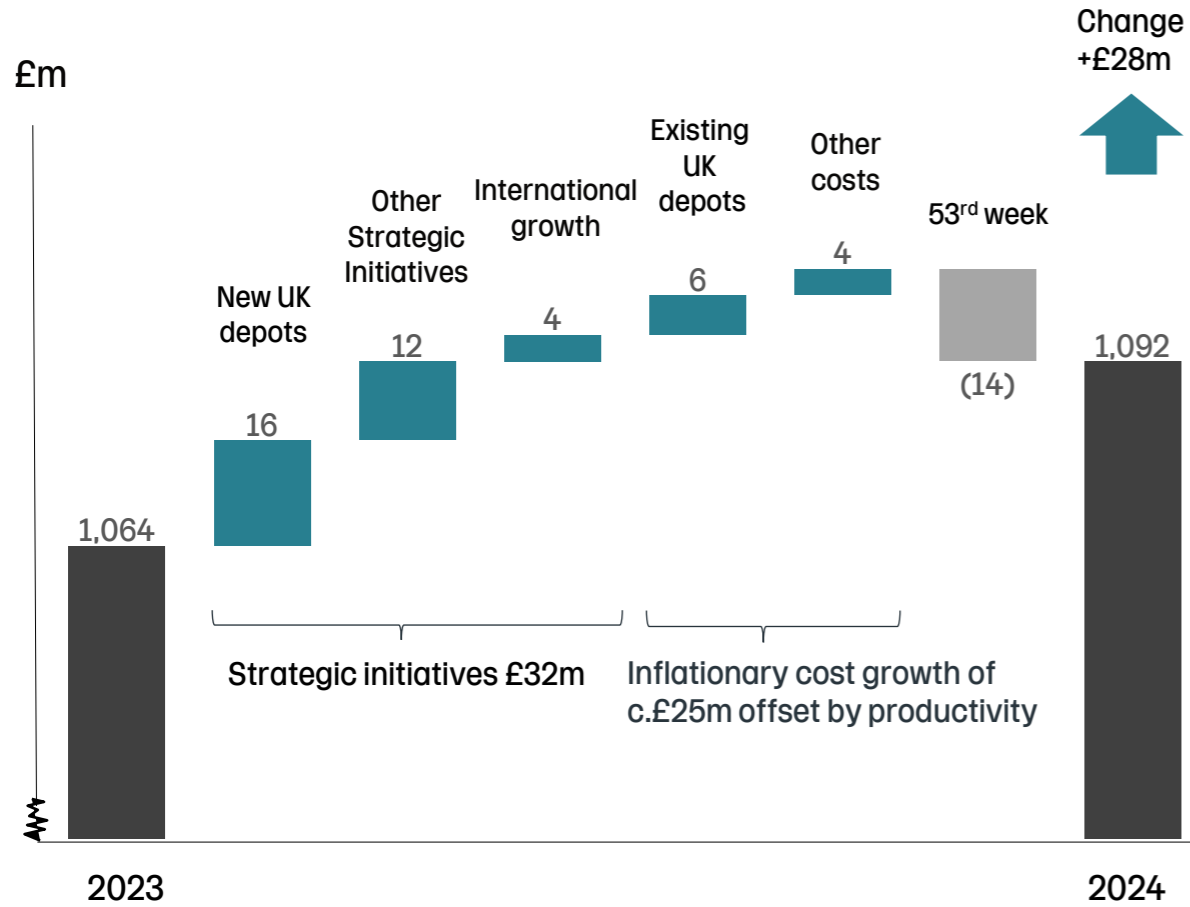


- Disciplined pricing
- Delivered purchasing efficiencies and savings in manufacturing operations to optimise COGS
- Continued focus on expansion of UK manufacturing capability and capacity
- Operating costs well controlled to protect P&L and investment in strategic initiatives



# Operating expenses

Efficiency savings protected investments in strategic initiatives



Investment of £32m in strategic initiatives:

- 61 new UK depots since start of 2023
- Digital tools for trade convenience and productivity
- International: France focus on same-depot growth and build out of network in Ireland

# Cashflow

Strong cash generation supports investments and attractive returns

£m	2024	2023
Opening cash	282.8	308.0
Operating cash flows <sup>1</sup>	504.6	470.8
Working capital increase	(65.3)	(35.0)
Capital expenditure	(122.0)	(118.9)
Tax paid	(39.2)	(63.5)
Dividends	(115.9)	(114.1)
Share buy back	-	(50.0)
IFRS16: Repayments and interest paid	(113.4)	(121.8)
Other	12.0	7.3
Closing cash	343.6	282.8

- Major working capital movements:
  - Stock £8m higher
  - Trade Debtors £58m higher
  - Creditors £13m higher
- Capital expenditure on new depots, revamps and manufacturing
- Cash tax reflects one-off prior year tax credits relating to patent box

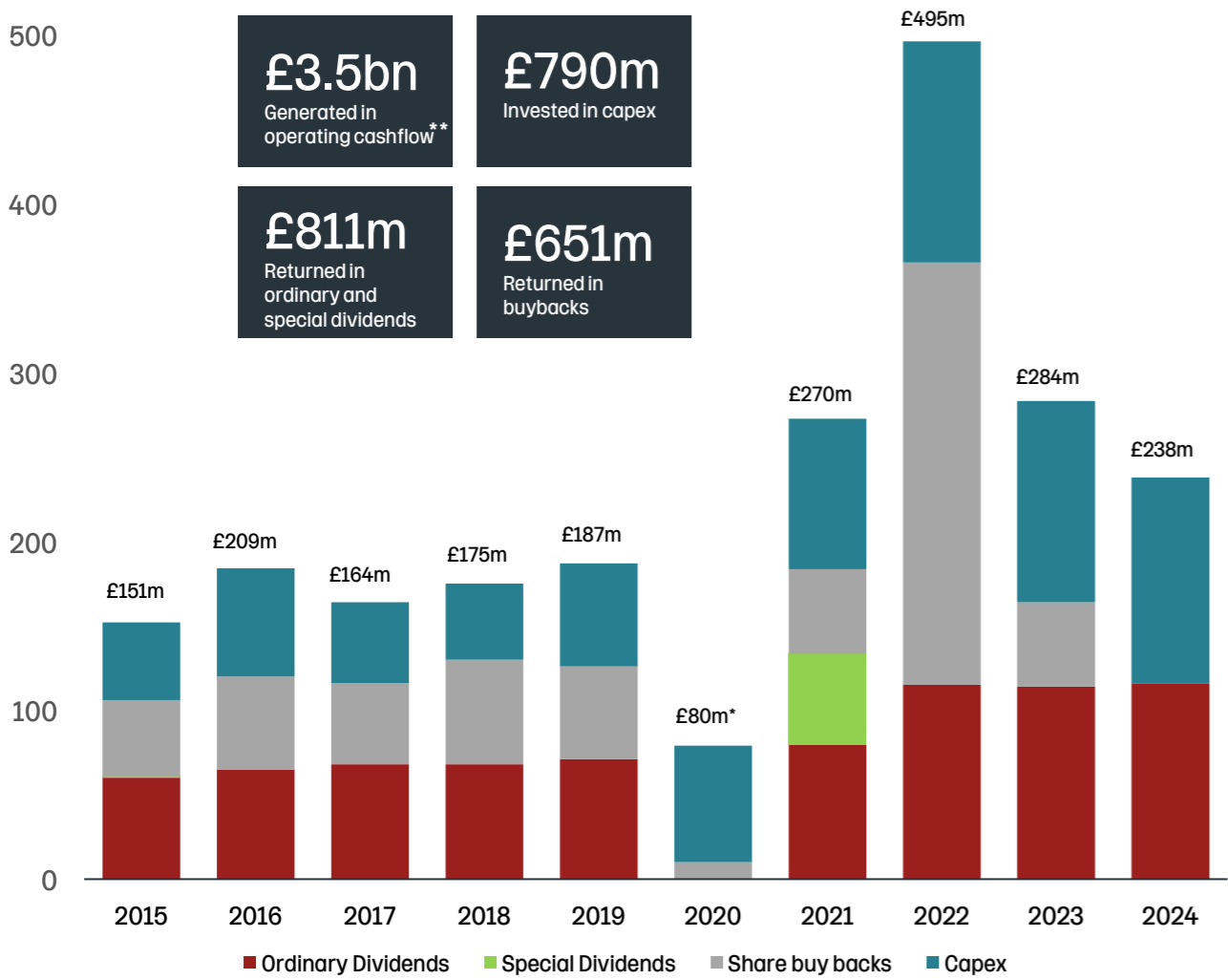
<sup>1</sup> (before movements in working capital)

# Uses of cash

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

Over the past 10 years:

<p><b>£3.5bn</b> Generated in operating cashflow**</p>	<p><b>£790m</b> Invested in capex</p>
<p><b>£811m</b> Returned in ordinary and special dividends</p>	<p><b>£651m</b> Returned in buybacks</p>



- 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 buyback announced today

\* 2020 final dividend was paid as a special dividend in 2021 due to pandemic  
 \*\* after working capital

# Technical guidance in 2025



## Income statement

## Impact

National Insurance and National Minimum Wage      Annualised costs of £18m

Foreign exchange sensitivity      +/- €0.01 = £1.8m

+/- \$0.01 = £0.8m

Effective tax rate      c.24%

Two fewer trading days in H1 2025 vs prior year      Revenue c. £10m lower in H1 2025

## Cashflow

Capital investment      c.£125m\*



\* Excludes potential future property purchases



# Summary



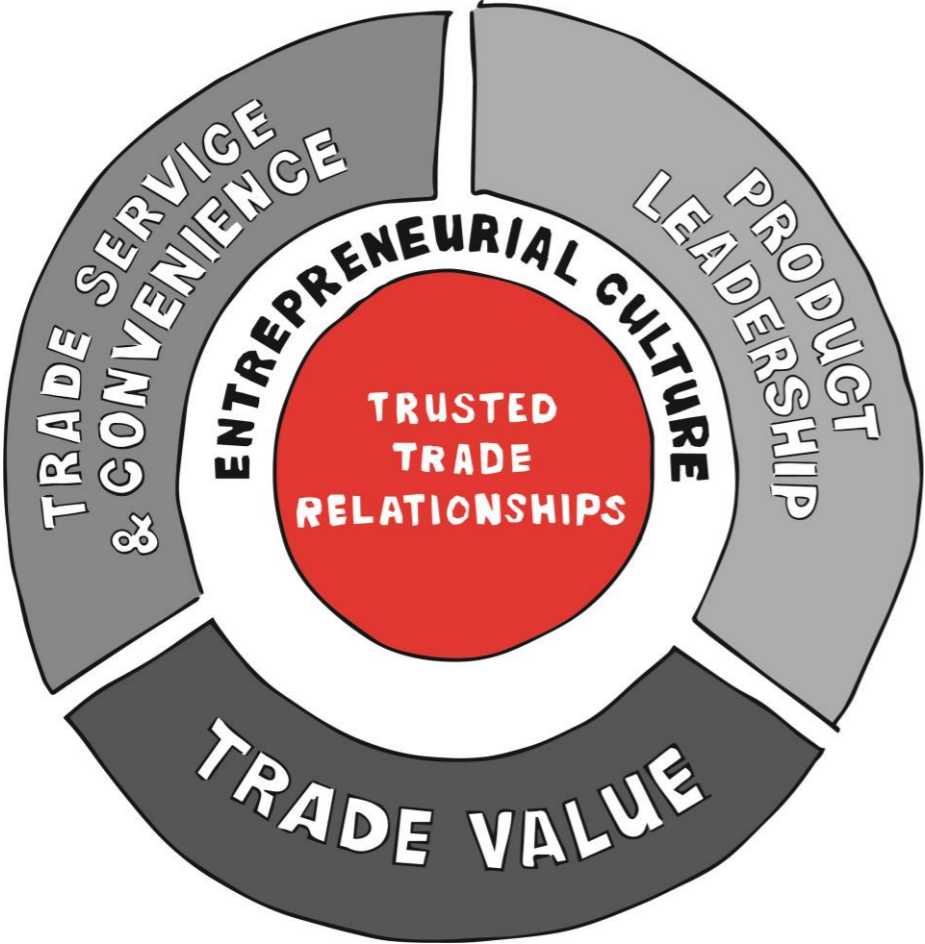
- Good performance in 2024 with further market share gains
- Ongoing productivity and efficiency savings in a challenging market
- Strong balance sheet and cash generation supports our investment in Howdens' strategic initiatives
- Confident in our plans for the business





**Andrew Livingston**  
Chief Executive Officer

# Initiatives to increase market share and profits



Depot Evolution



Range and Supply Management



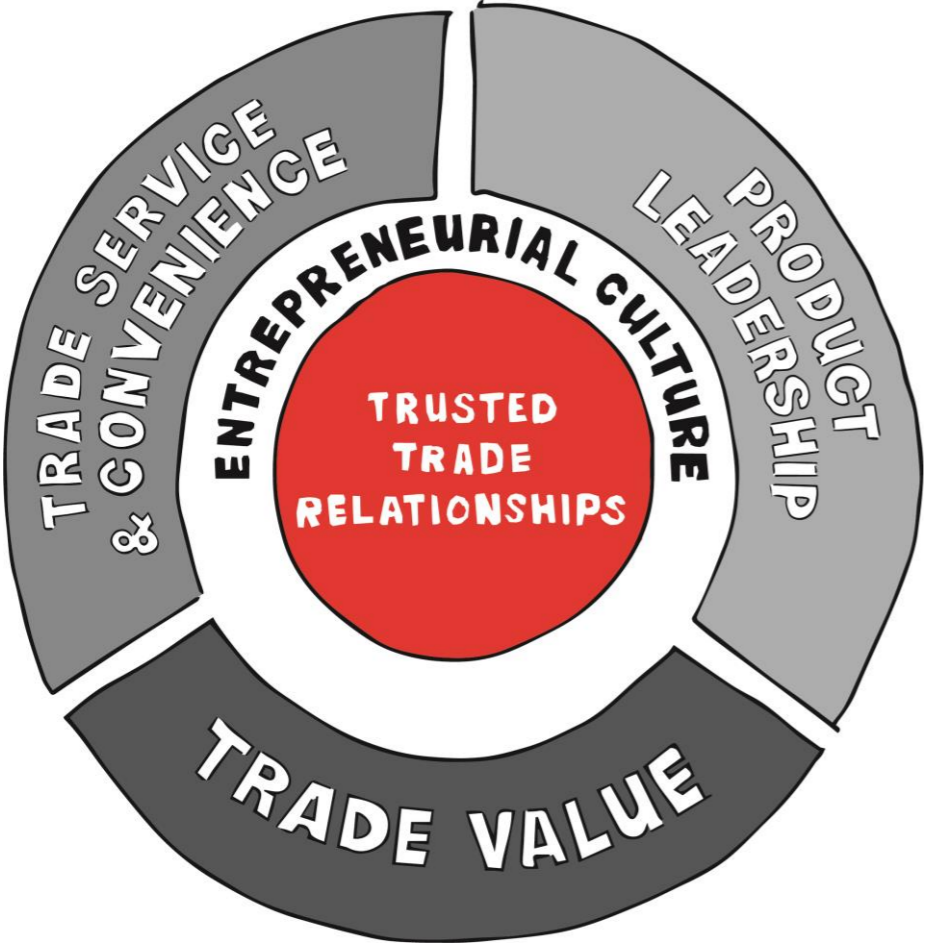
Digital Development



International



# Initiatives to increase market share and profits



**Depot Evolution**



Range and Supply Management



Digital Development

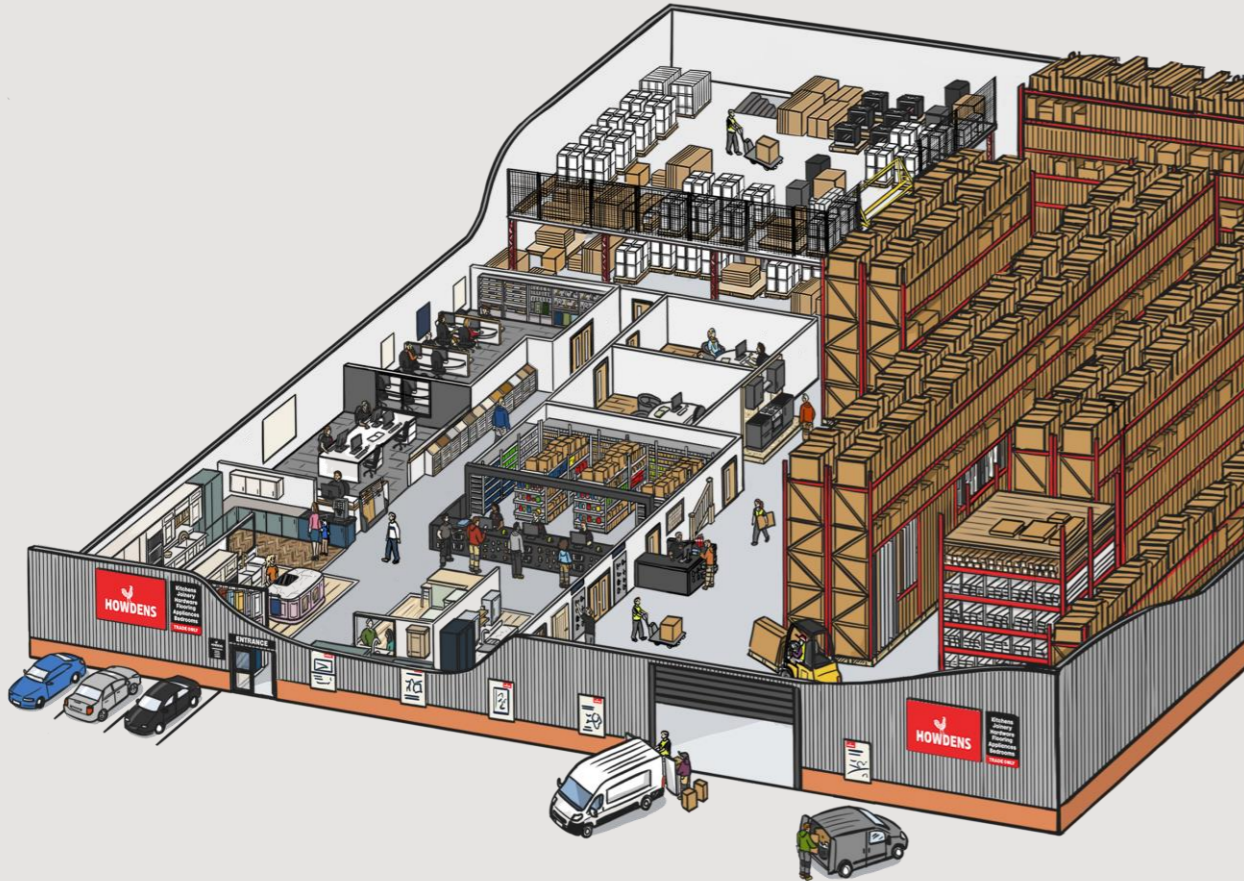


International



# Extending the UK footprint

High service levels valued by customers



- Modern working and trading environment
- Cost effective updated format
- **29** depots opened in 2024
- **869** depots trading at year-end

In 2025:

- Expect to open c.**20** new depots
- Scope for around **1,000** depots in the UK

# 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

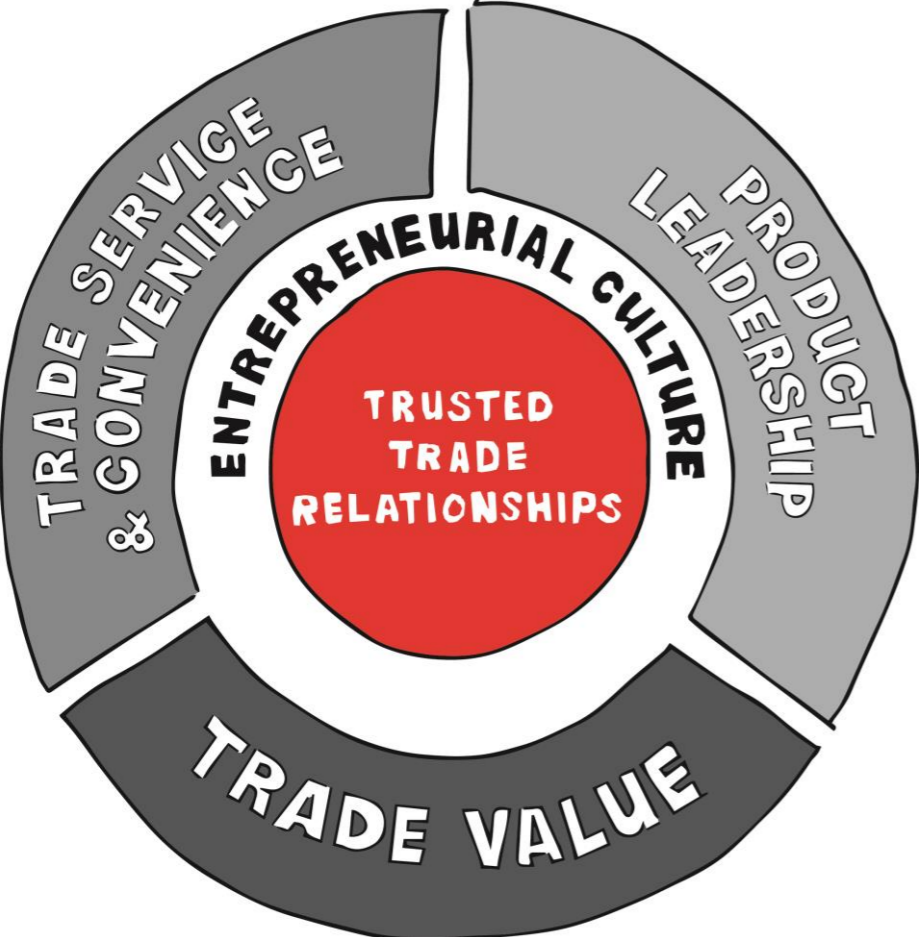
**76** depots reformatted in 2024\*

Total **350** depots reformatted by end of 2024\*

c.**60** revamps in 2025

\* Including relocations

# Initiatives to increase market share and profits



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# Sales of new product (“NPI”) make a significant contribution to our performance

Upgraded new product programme in recent years

In 2024:

**20%** of total UK product sales were of new product introduced in last two years

**30%** of total UK product sales were of new product introduced over last three years

**178%** increase in sales of product introduced in 2023

As in recent years, higher priced ranges continued to contribute more to our kitchen mix by volume





# Managing our kitchen portfolio for best availability and profitability



- More efficient NPI testing enables us to bring more proven colours and styles to market more quickly
- Platform sharing amongst kitchen families helps us introduce new kitchen options cost effectively
- Programme of stock management and replenishment enhancements enable us to provide best availability on a larger offering at an economic cost
- Flexibility to keep on offer kitchens, whose sales may have peaked, but remain popular, for an extended period

**In 2025:**

- **23** new kitchen options\* (2024 : 11, 2023 : 23)
- Kitchen offering organised into **11** families\*

\* Excluding kitchens which are available solely on a paint to order basis

# Market leading and competitively priced product is a key feature of our model



Price featured prominently in 2024 and we expect it to do so again in 2025

For 2025 :

- Emphasis on value for money and choice at all price points
- As enhanced by 2025 NPI, well positioned in all product categories
- Kitchen NPI makes more colours and styles available to more budgets, including at entry and mid level price points
- Innovating in other established product categories
- Adding significantly to fitted bedroom offering
- Clearer and more delineated pricing across product categories



2025:

**NEW**

# Colours for our entry and mid-level ranges



**Greenwich**  
Gloss Porcelain



2025:

**NEW**

# Colours for our entry and mid-level ranges



**Allendale  
Pebble**



2025:

**NEW**

**Colours for our entry and mid-level ranges**



**Clerkenwell**  
Gloss Sand grey



2025:

**NEW**

**Colours for our entry and mid-level ranges**

  
**HOWDENS**



**Halesworth**  
Reed Green



2025:

**NEW**

Colours for our contemporary premium family



**Hockley**  
Reed Green &  
Textured Dark Oak

## Paint to order service for timber kitchens performing well



- Performed well in first full year
- Favourable reception since launch in 2<sup>nd</sup> Half of 2023
- Service available to customers buying our Chilcomb and Elmbridge timber kitchens

For 2025

**15** Paint to order colour choices  
**+ nine** from stock



## Developing 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 as we continued to enhance our offer
- In 2025 adding further decors
- Total offering of 63 decors in place well ahead of peak Autumn trading



2025:  
Innovating in other categories



Howdens Holdenby Primed



Holkham Brushed Aged Brass Swan Neck Pull Out Kitchen Tap



Holkham Single Bowl Butler Sink



Lamona Double Oven



2025:  
Innovating with own label brands in other categories



Warm Oak



Dark Oak



Iseo Antique Brass Rose Handle



Como Polished Chrome Handle Range



# Fitted bedrooms performing well; upscaling offering in 2025

Suits skills of customers who fit kitchens

High cabinetry content, matching our manufacturing capabilities

Developed in-house, using existing infrastructure

### Year-end 2024 :

- **19** bedrooms in four leading family designs
- Matching internal accessories

### During 2025 :

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





Reinforced focus on price and promotions which demonstrate the value we offer and promotes footfall







**HOWDENS**

High stock availability is a key component of our offer;  
our service level from primary to UK depots was 99.98% in 2024

  
**HOWDENS**

**TRADE ONLY**

**FULLY  
STOCKED**

**TAKE AWAY TODAY**





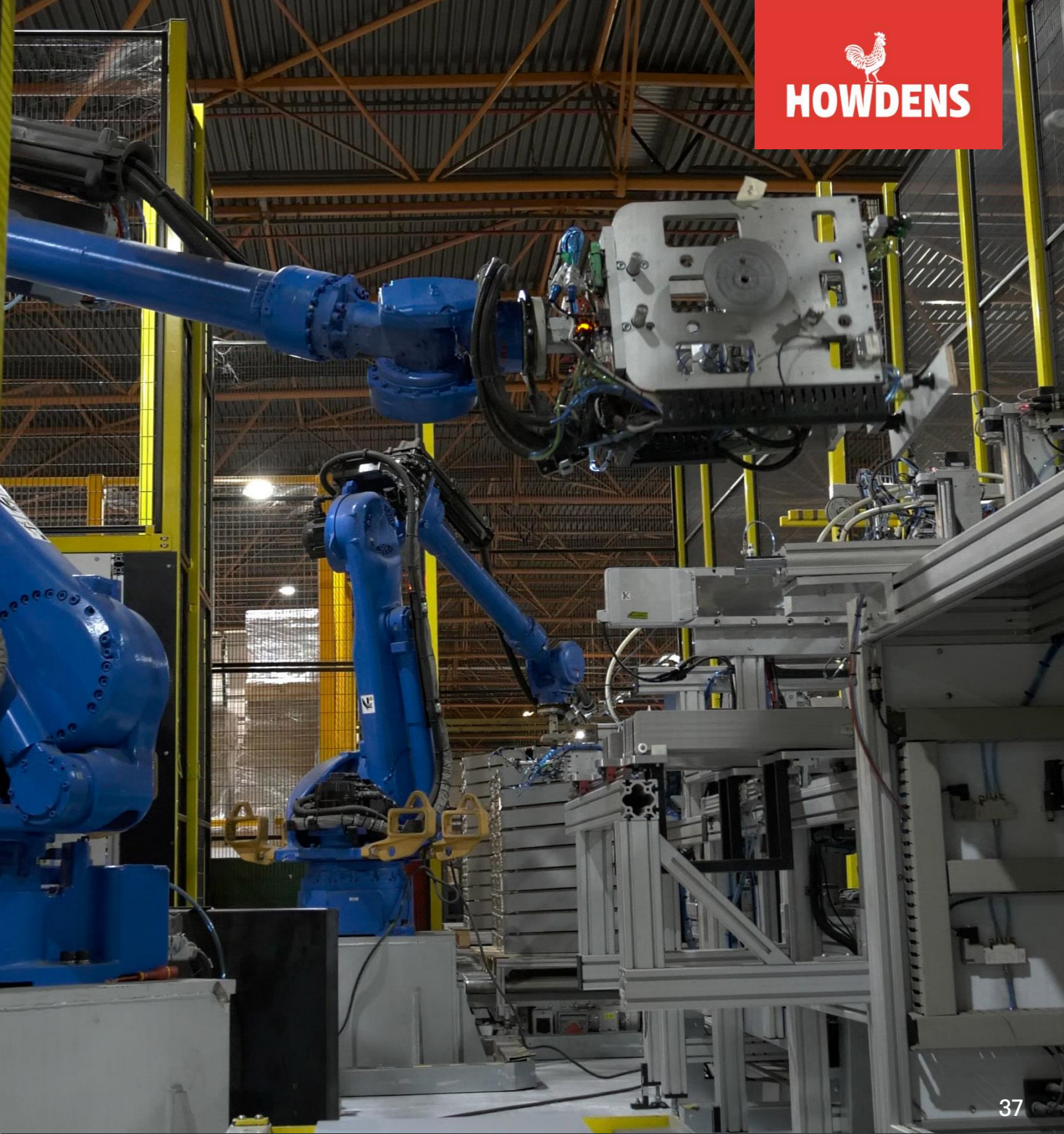
# Increased manufacturing capacity and broader capabilities at Howden site

**Production on the new furniture lines totalled c.1.7m pieces in 2024**

- Ability to make a variety of kitchen furniture
- Same quality as externally sourced product
- Lower cost and reduced lead time to delivery

**Second architrave and skirting line made c.3.3m pieces**

- New line performance levels ahead of original one
- Increased capacity and broader capabilities
- Substantially all category product can be manufactured in-house





# New “paint to order” lines for premium kitchens running smoothly

2024 :

Supplied product all year for the first time

- Achieved the target order turnaround time
- Demand more than doubled in peak Autumn trading period

Located in purpose-built facility near Howden site

Industry leading capability for these products



## Plans to develop the Runcorn site to accommodate our ambitions for the business

Our Runcorn factory's high-volume, low-cost panel making capability has always been an integral part of our manufacturing and logistics strategy

In line with our ambitions for the business, we are in discussions with all interested parties about our plans to develop the site to provide us with more capacity and broader capabilities

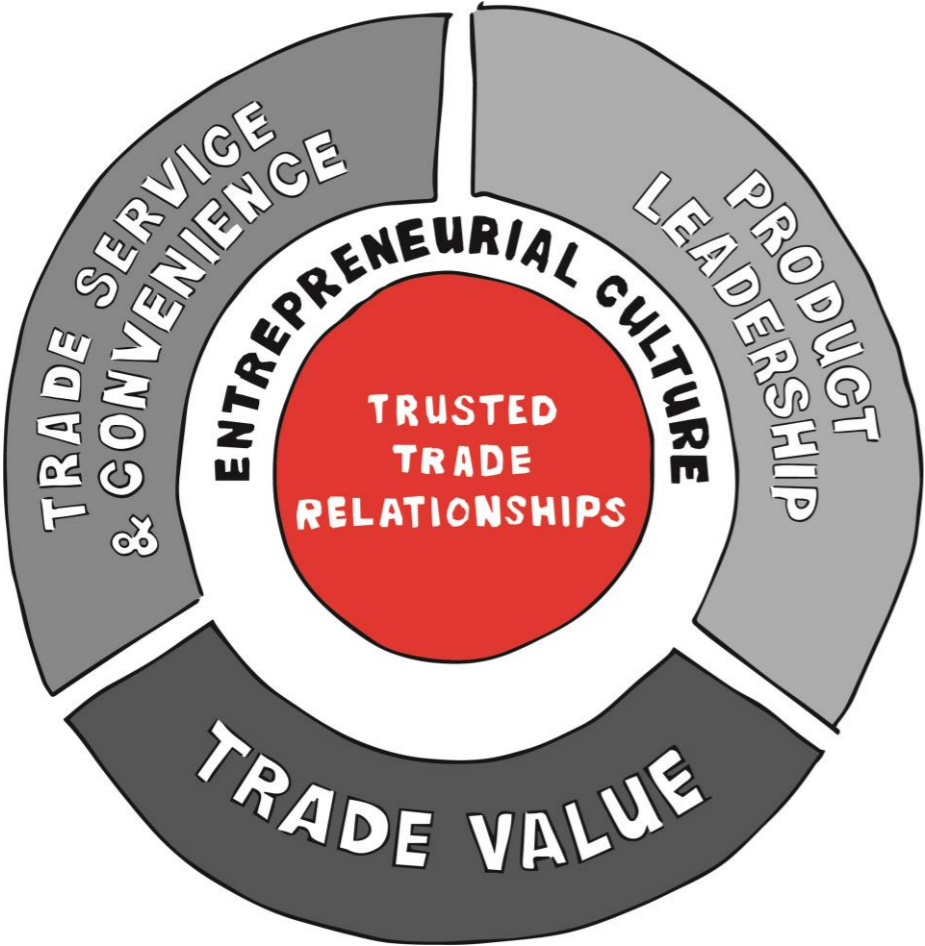
Such development works would take several years to complete

Update on how plans are progressing later in the year





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International

2024

## Increased usage of on-line trade account facilities which are valued by customers & depots



c. **111k** new account registrations

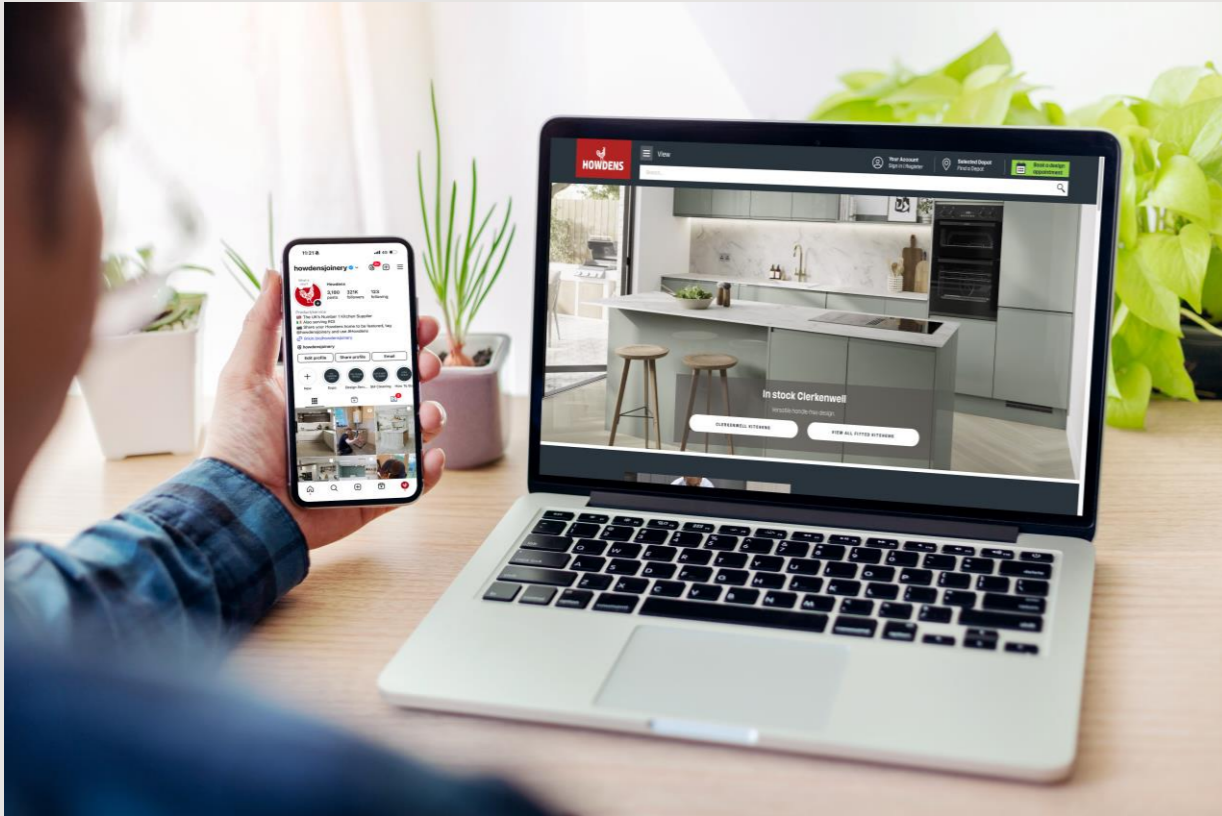
c. **50%** of customers had an online account at the year-end

- + 50% total user views of trade platform
- 80% of users looking at their individual and confidential prices
- Online account holders trade with us more frequently
- Spending more than non-users



2024

## High levels of engagement with our web platform and growing social media presence



**23.9m** site visits

**#1** for fitted kitchen site visits amongst specialists

Page view metrics at consistently high levels

**610k** followers across leading social media sites

- **15%** up on 2023
- **5.8m** monthly engagements

2024

# New digitised in-stock management system, "Live-Stock", operating in all UK depots



Record and pick deliveries, check allocations and determine depot stock levels

Frees up time for depots to use more productively (amongst other benefits)

Enables complete visibility of stock holdings throughout the business



2024

## Upgraded “Click and Collect” capability for “every day” products



**HOWDENS** **TRADE ONLY**

# See what's in stock, order 24/7

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

Price: £2.09

2 in Basket

Selected Depot: Bournemouth

Required by: 15/09/24

3 available today (Ready to 15 minutes)

2 more available by 15/09/24 if ordered within 2 hours 21 mins. More available on 25/09/24.

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

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 and confidential prices at their selected depot at any time
- Place orders for collection at a time of their choosing

2025

## Supporting depots manage their customer relationships, digitally



Making our depot account management tools more efficient and productive

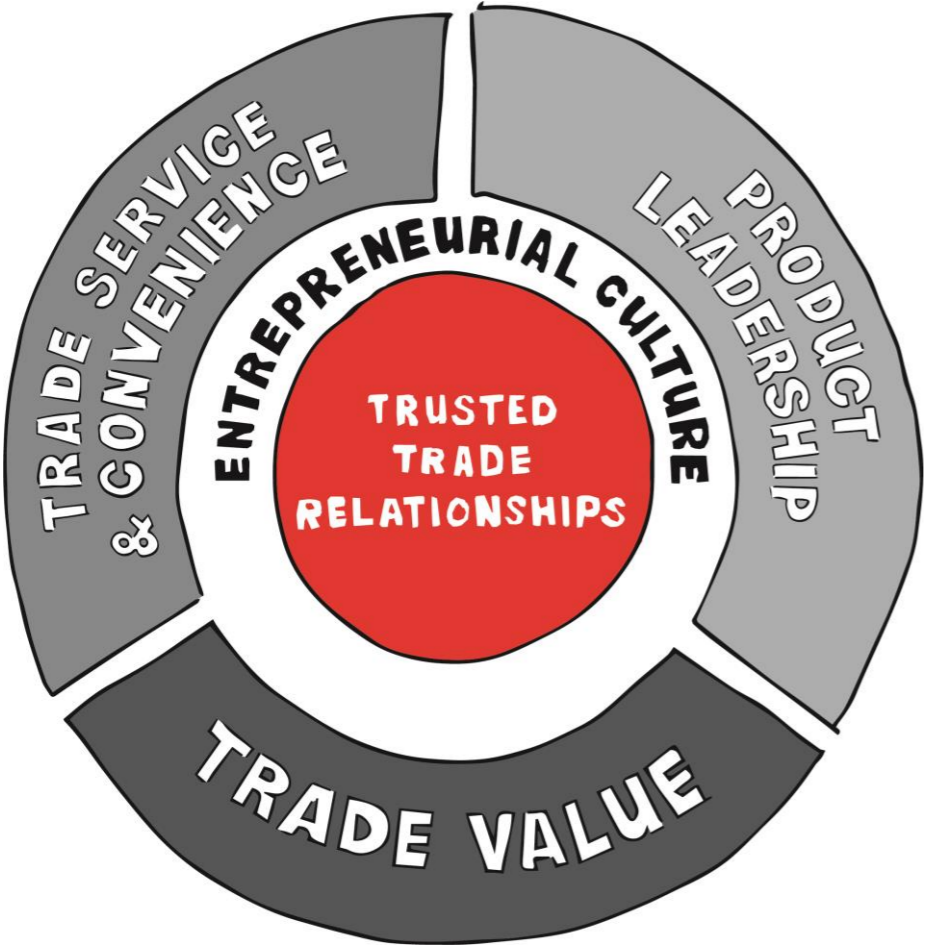
New account management tool captures information from multiple sources and makes it accessible via a single dashboard

- Initial functionality enables automation of time-consuming manual tasks in depots
- Provides comprehensive account data for each customer
- Real time overviews of accounts, leads and contacts

We expect the system to be fully operational in all UK depots ahead of Autumn peak trading



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2024

## Sales in France increased, with performance improving significantly in the 2<sup>nd</sup> half



65 depots trading by the end of 2023

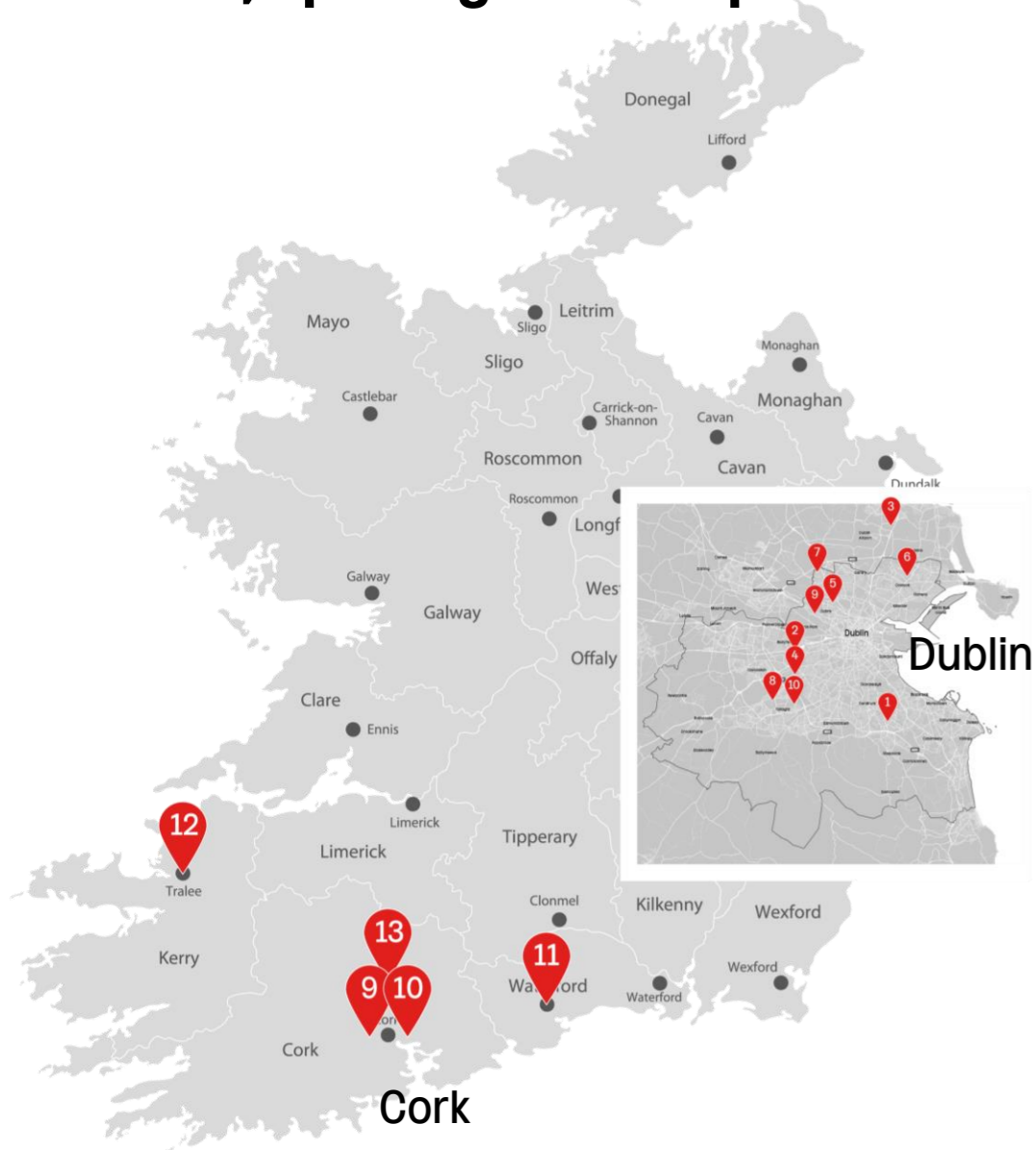
In 2024, focussed on team development; performance improved in latter part of the year

Invested in business with enhanced offerings of footfall promoting products, alongside other initiatives

For 2025, focus remains on depot team development, particularly account management as we look to build on the progress made last year



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



- Market suits our differentiated model
- Opened for business in 2022, using a similar location strategy to France
- Supported by UK infrastructure and group digital platform
- Ten depots trading by end of 2023 (eight serving Dublin and two around Cork)
- Three more depots opened in 2024
- Growing presence continues to attract much attention locally
- c. Five depot openings for 2025
- Around 18 depots trading by end of 2025

# Well-planned on our strategic initiatives as we deliver value to customers across all price points

- All new kitchen ranges to be in stock well ahead of peak trading
- Rooster promotional activity and other price initiatives
- Improvements to service and availability by utilising XDCs efficiently and through Daily Trader, Live-Stock and Click and Collect initiatives
- Increased online functionality for depots, our trade customers and end-users
- Around 20 UK depot openings and c.60 revamps
- Around 65 depots trading in France and Belgium
- Around 18 depots trading in Republic of Ireland by the end of 2025



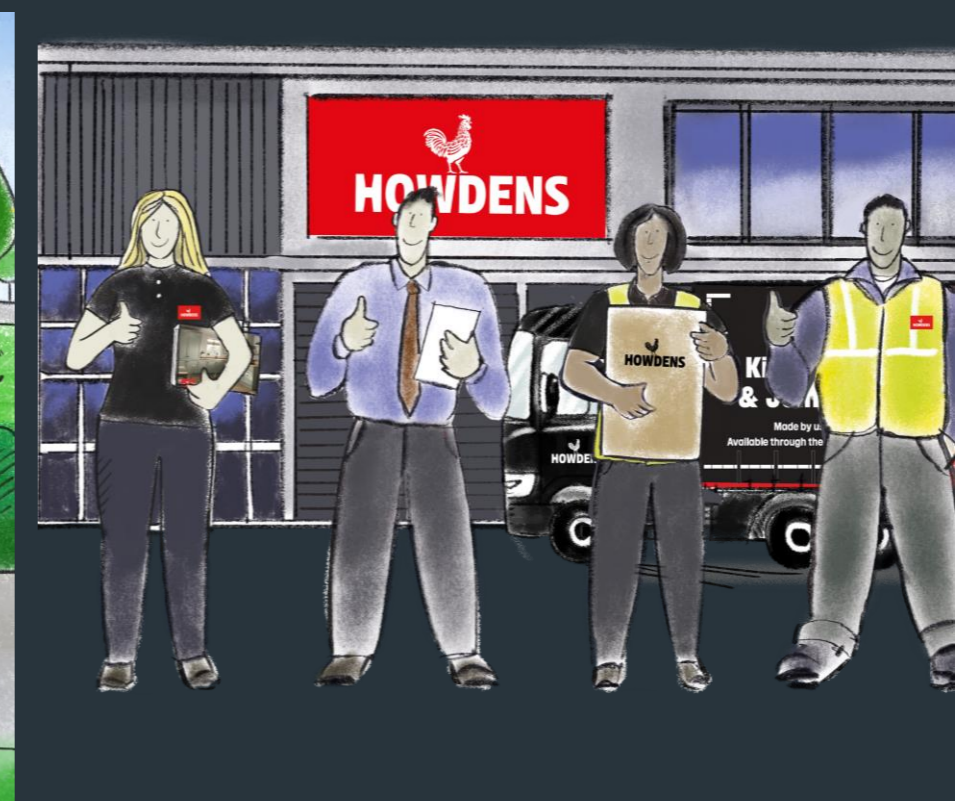


## 2025: Outlook

- Market conditions to remain challenging
- Total kitchen market is likely to contract again this year
- Well prepared for the challenges and opportunities ahead
- Aim to retain a profitable balance between price and volume
- Maintain competitive pricing with operating costs aligned
- Working with suppliers to keep input costs controlled
- Confident that our business model is the right one to address market opportunities
- Well-placed to outperform our competitors in 2025
- Continue to invest in our strategic initiatives
- New £100m share buyback announced today











# Questions & Answers



**HOWDENS**