



## Robust performance with continued market share gains

Howden Joinery Group Plc, the UK's largest specialist trade kitchen supplier, today announces a trading update for the period ended 28 October 2023.

### Current trading

Revenue growth <sup>1</sup>	Growth vs 2022		Growth vs 2019	
	Total %	LFL %	Total %	LFL %
UK revenue				
- Periods 7 to 11	(2.0%)	(3.3%)	+42.5%	+30.5%
- Year-to-date	(0.8%)	(1.8%)	+41.5%	+29.9%
- H1 (Periods 1 to 6)	+0.6%	+0.0%	+40.2%	+29.2%
International revenue <sup>2</sup>				
- Periods 6 to 11	+5.7%	(16.8%)	+101.4%	+14.8%
- Year-to-date	+9.9%	(12.3%)	+101.0%	+21.7%
- H1 (Periods 1 to 6)	+28.4%	+2.7%	+120.7%	+40.8%

<sup>1</sup> 2019 is shown being the last pre-COVID year. Same depot basis (LFL) for any year excludes depots opened in that year and the prior year.

<sup>2</sup> International is shown in local currency. Five French depots were closed in H1 2022.

<sup>3</sup> 2023 Full Year Profit Before Tax (PBT) consensus published on the Company's website is an average of £346m with a range of £330m to £365m.

The Group delivered a robust performance in Periods 7 to 11, in the face of continuing macro-economic headwinds. Reported sales were 2.0% lower than 2022 and 42.5% ahead of 2019, with the underlying performance consistent with Howdens' record sales in the prior year. Reported sales are stated before:

- Strong sales in the final few days of the period which included a higher proportion of 'made-to-order' products (e.g. Howdens work surfaces, paint-to-order) where lead times are longer. These will be recognised in subsequent periods.
- Third party trade sales associated with the Sheridans business, which the Group acquired last year which are non-recurring.

Sales in the international depots (c.3% of Group revenue) during Periods 6 to 11 were 5.7% ahead of the prior year despite challenging market conditions. We have disclosed Periods 6 to 11 as it is a more meaningful representation of our performance due to the previously announced de-risking of our French peak trading period over two trading periods this year (Periods 6 and 7) rather than Period 7 only. This approach to peak trading is now consistent with the UK.

#### Andrew Livingston, Chief Executive said:

*"Howdens has continued to trade well since the half year and has gained market share. UK depot sales during our peak trading period remained consistent with last year's record performance. This was a significant achievement by our teams given the macro-economic headwinds and demonstrates the value of our culture and a differentiated business model. Our balance sheet and cash generation remain strong and we continue to invest in our strategic initiatives to develop the operating model, which strengthens our competitive advantage."*



## Outlook

Given the Group's continued resilient trading, the Board maintains its full year expectations for 2023, but recognising a more uncertain macro-economic outlook this is expected to be towards the lower end of the range of analysts' consensus forecasts.<sup>3</sup>

## Operations

As previously announced, Andy Witts, UK Chief Operating Officer (COO) has moved to a new leadership role to develop Howdens' existing international operations. Following a successful handover period, Stuart Livingstone is now in post as UK Trade Director responsible for UK trade operations.

Our differentiated business model and well-established strategy continues to serve us well through the macro-economic cycle. We continue to invest for future growth with the opening of up to 33 new UK depots, revamping around 90 older UK depots and around 10 new international depots by the end of the year. New product introductions for 2023 included 25 new kitchen ranges. Benefits have been realised from continued supply chain enhancements including the full availability of our XDC cross-docking facility. Investments have also been made to expand our manufacturing capabilities.

## Patent box

The Group previously announced during 2023, its claim under the Patent Box Tax Relief Scheme which allows companies to benefit from investments made in intellectual property including new product innovations, with the success of the claim subject to review by HMRC. Following consultation with HMRC, the Group is confident that the patent box claim will proceed. As previously indicated, it expects to deliver an ongoing reduction of c.3% to Howdens effective tax rate, assuming current marginal tax rates.

### For further information please contact

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## Note to editors:

### 1. About Howden Joinery Group Plc

Howdens is the UK's number one specialist kitchen and joinery supplier. In the UK, we sell kitchens and joinery products to trade customers, primarily local builders, through 808 depots at the end of 2022. In 2022, the business generated revenues of around £2.3 billion and profit before tax of £405.8 million. Over one-third of Howdens' cost of goods sold are products manufactured in house at its two principal factories in Runcorn, Cheshire, and Howden, East Yorkshire both of which have achieved carbon neutral status. At the end of 2022, Howdens operated 60 depots in France and Belgium and five depots in the Republic of Ireland.



## 2. Financial calendar

Reporting period	Scheduled date	Financial Disclosure (Revenue)
End of Financial Year 2023	30 December 2023	-
Full Year results	29 February 2024	Trading Periods 1-13 (2023)
Trading update	30 April 2024	Trading Periods 1-4 (2024)
Half Year Results	25 July 2024	Trading Periods 1-6 (2024)

## 3. Cautionary statement

Certain statements in this announcement are forward-looking. Although the Company 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.