





**Welcome and introduction**

**Andrew Livingston**  
**Chief Executive Officer**



DEPOT EVOLUTION



DIGITAL DEVELOPMENT



RANGE MANAGEMENT



**New Depot Formats**

**Andy Witts**

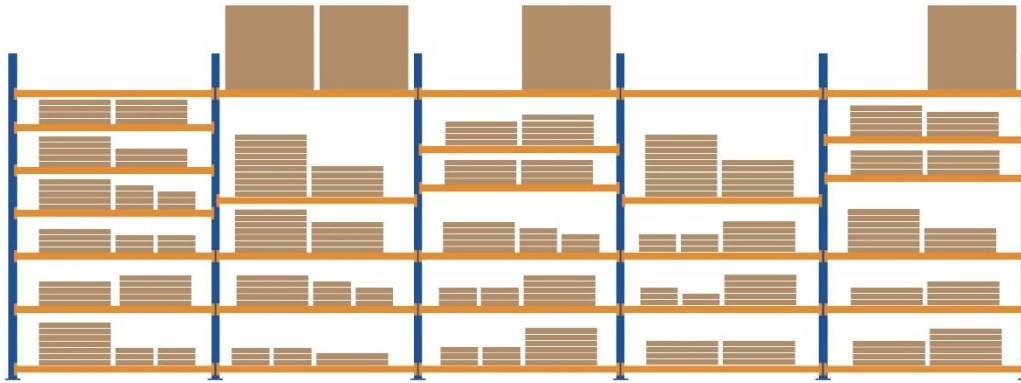
**Chief Operating Officer - Trade**

# Fulham: Thinking differently about space



# 'Toast racking' to improve stock density

Current

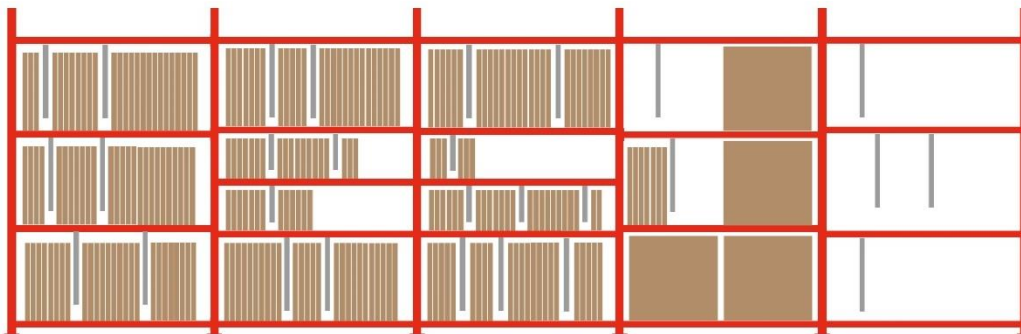


Mixed SKUs in one location

Inefficient use of cube

Multiple handling

New



Better access to faster SKUs

Family groupings for faster pick

Higher pick accuracy

Easier stock count

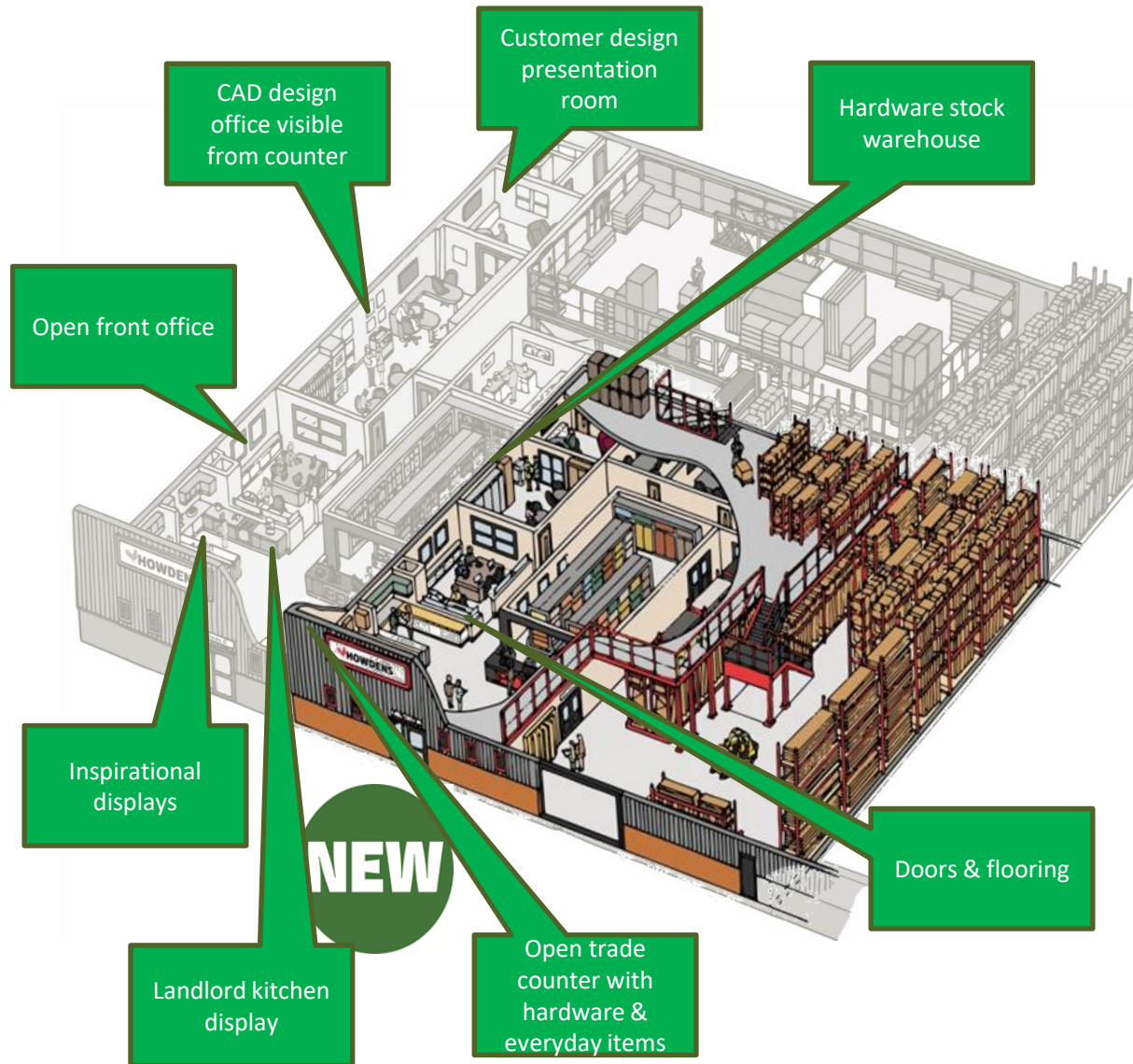
## Depots today

- Double handling
- Time consuming
- Facelift
- Staff welfare
- Range & throughput increased
- Fewer large units in urban conurbations available

## Opportunities

- Faster pick times
- Improved efficiency
- Clearer brand visibility
- Better staff facilities
- Deeper stock, broader range
- Flexibility in footprint e.g. Fulham

# Two new formats



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Full 10,000 sq.ft. and new  
6,000 sq.ft. formats

Both can support full  
Howdens offer

Opens up access to new  
locations to create  
opportunity for around c. 850  
depots

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**Open office:**

- ✓ Improved conversations
  - ✓ Immediate engagement with customers
  - ✓ Better-quality working environment
  - ✓ Staff pride in the open office
- 



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**Bigger displays:**

- ✓ Inspirational displays
  - ✓ Higher kitchen values
  - ✓ More kitchens per week
  - ✓ Improved conversion rates
  - ✓ Additional add-ons: appliances, worktops, etc.
- 



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**Hardware:**

- ✓ Basket size increase
  - ✓ Higher frequency / customer visits
  - ✓ Further leads
  - ✓ Engaging different trades
  - ✓ Time saving / one stop shop for our customers
- 



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**Racking layout:**

- ✓ Additional space for more ranges
  - ✓ Reduced picking times
  - ✓ Improvement on number of completed orders
  - ✓ More accuracy on compliance and audit
-

## Increased Space



Acorn Trestle - Wellesborough

“Vertically racked products means we can hold up to a third more stock.”

## Convenience



Kalor Dawa's - Swadlow

“Having all the hardware products just behind the counter means our customers buy from us rather than going somewhere else.”

## Customer Interaction



NU Higgs - Leicester City

“The new counter and open space means more opportunities to greet our customers.”

## Operational Efficiency



Acorn Trestle - Wellesborough

“The new warehouse is cleaner and fresher and has reduced the time it takes to pick by up to 50%.”

## Product Displays



NU Higgs - Leicester City

“More product on show in a bigger area allows a greater range of items to be displayed. Customers feel confident in what they are buying.”

## Staff Welfare



Deborah - Ley - 1000

“It's much more modern and welcoming; it's a great working environment.”



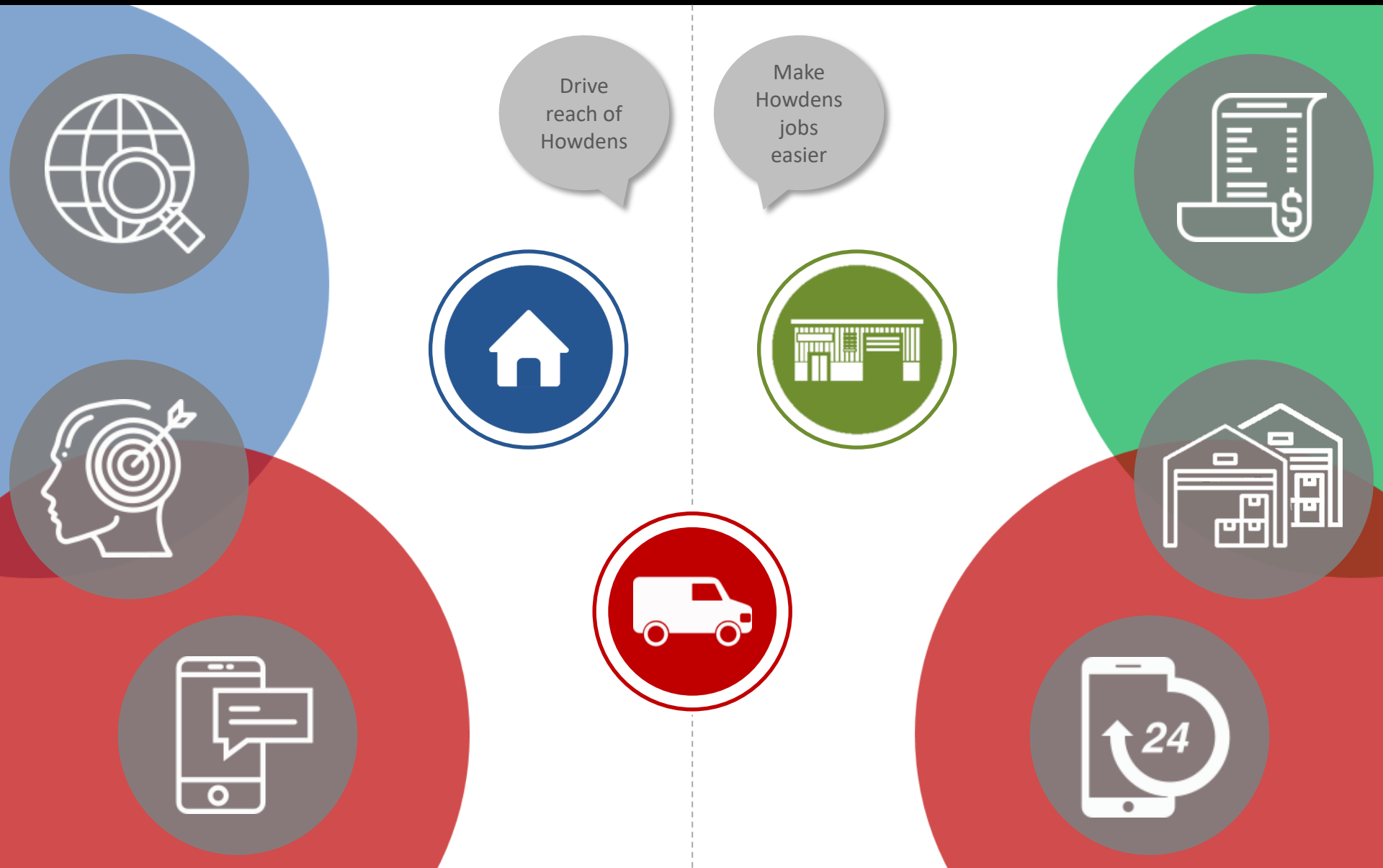
**The Role of Digital**

**Andy Gault**  
**Group Digital Manager**

# Digital in support of the Howden's model

- Convenient
- Easy
- Helpful
- Inspirational
- Local

# Customer needs require further development



# Improving access to Howden's services and brand

# Developments in support of growth

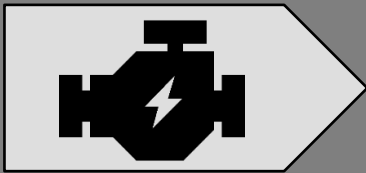


Aims for digital to enable:

By building elements to support development:

Providing benefits to be accessed:

**FASTER**



**BIGGER**



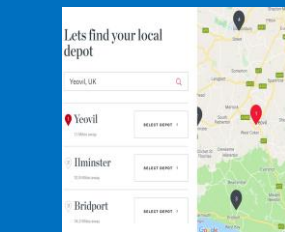
**ACCESSIBLE**



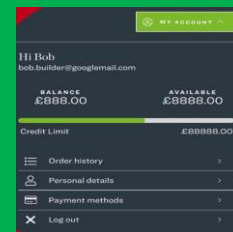
**PRODUCT**



**INSPIRATION**



**SERVICE**

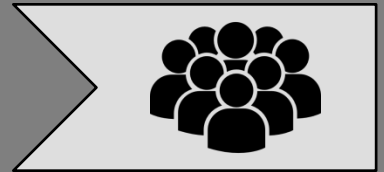


**ACCOUNT  
MANAGEMENT**

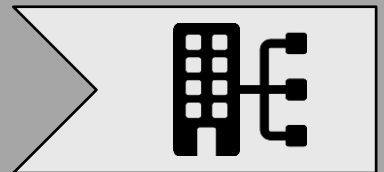
**SALES**



**TRAFFIC**



**EFFICIENCY**



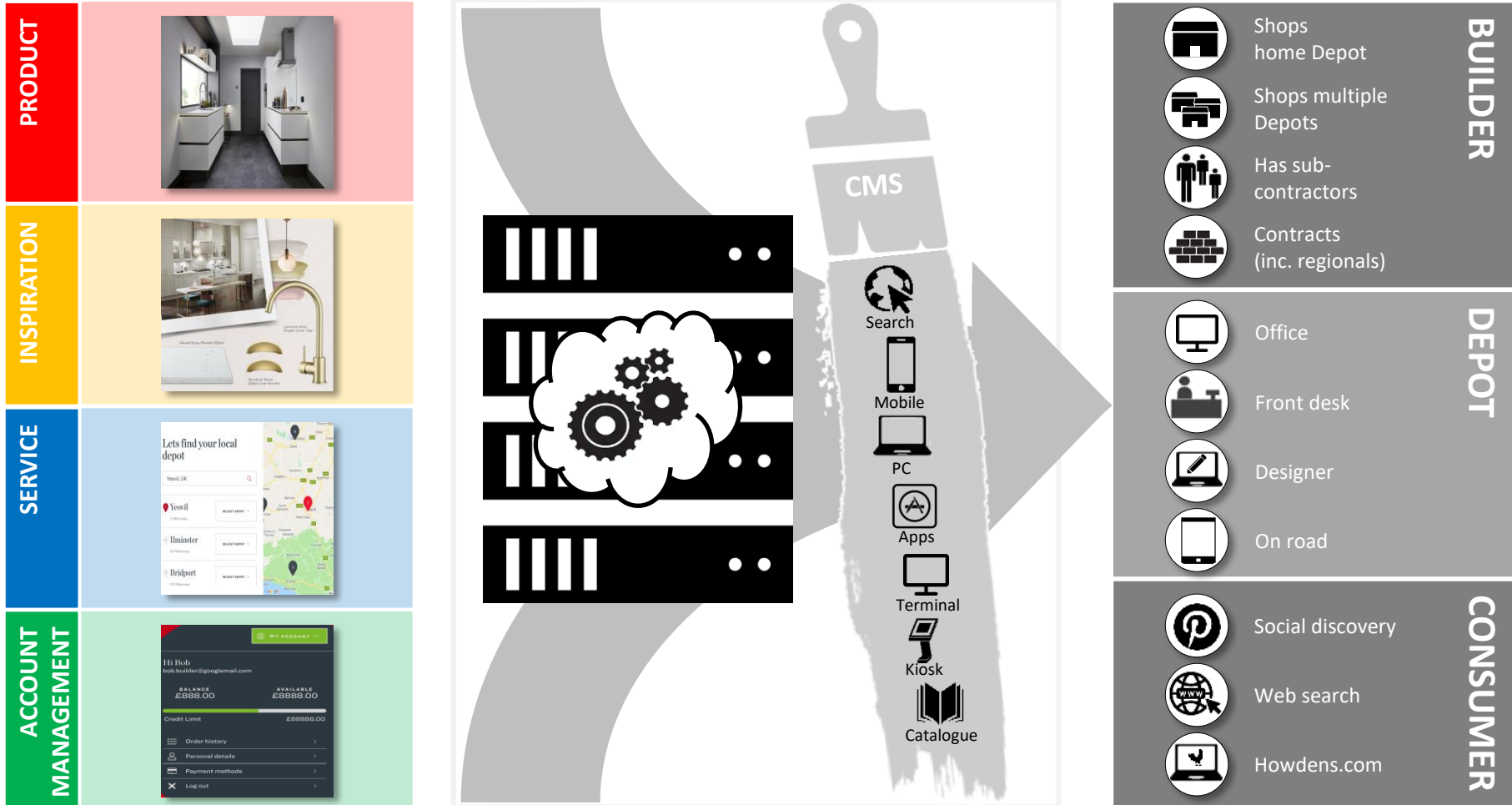
# Build capabilities to support multiple user types

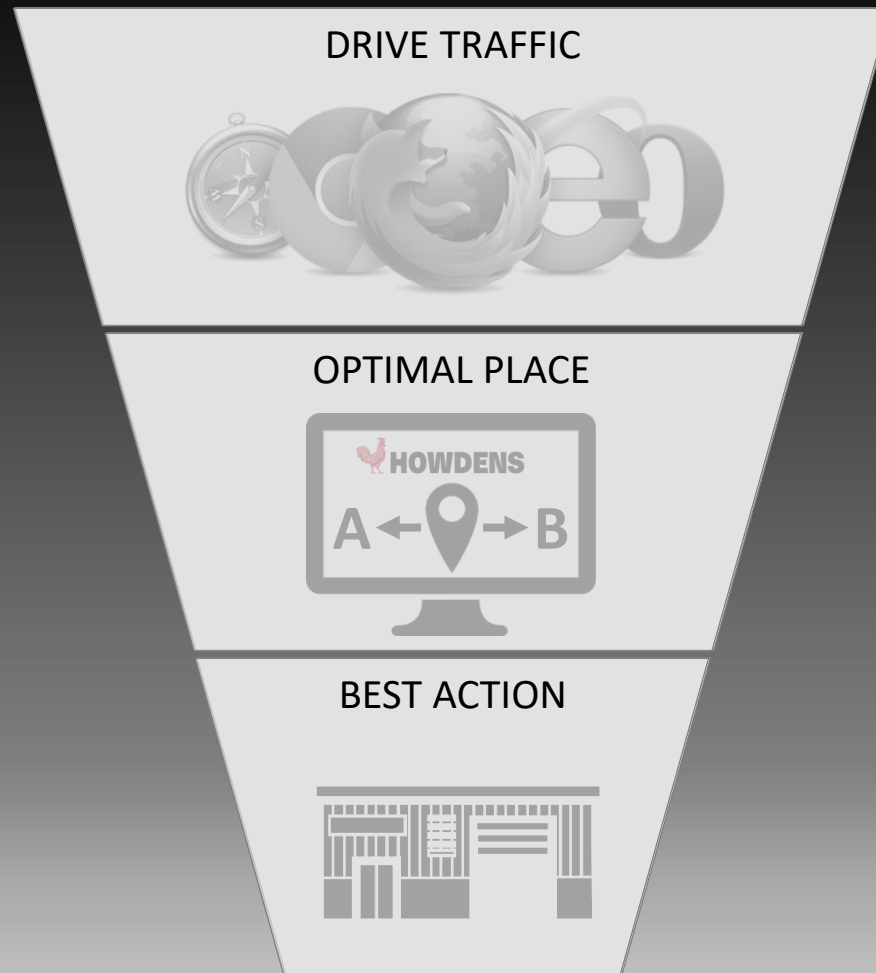


Digitised asset bank

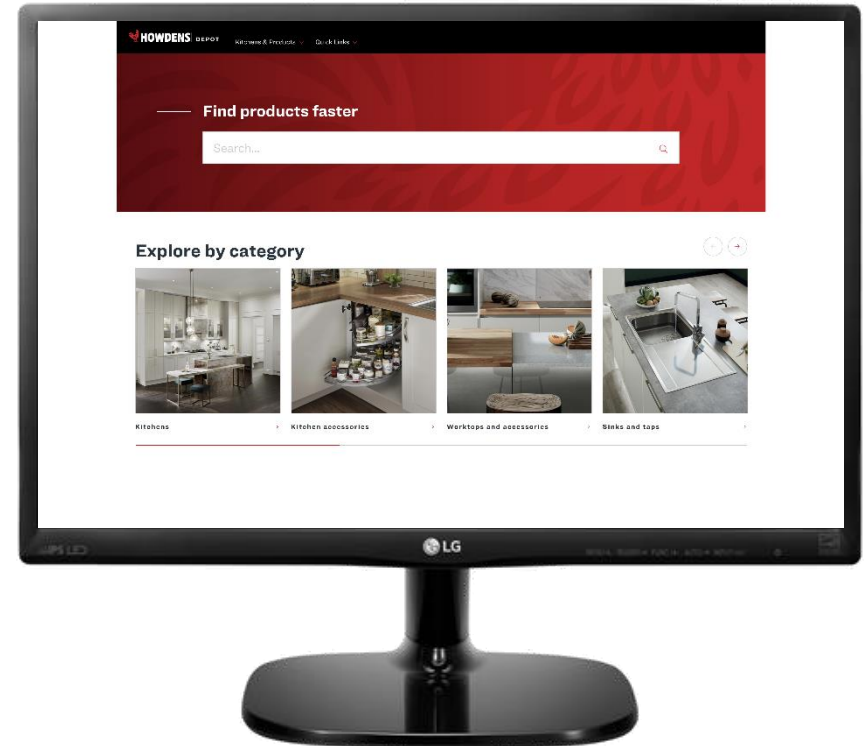
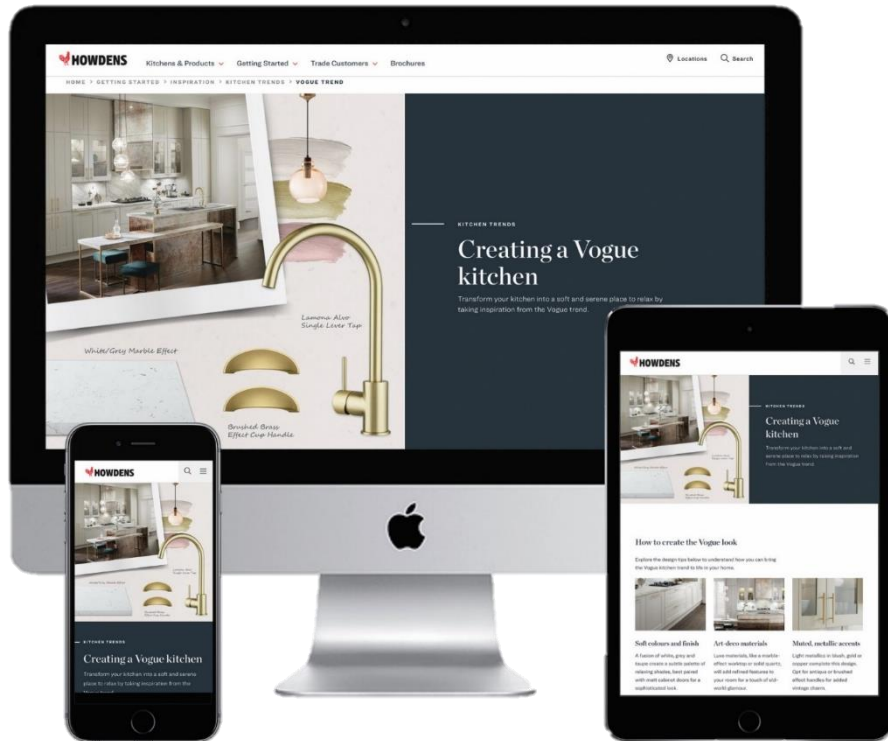
Processing of behaviour, requests and location then rendered

To service all segments



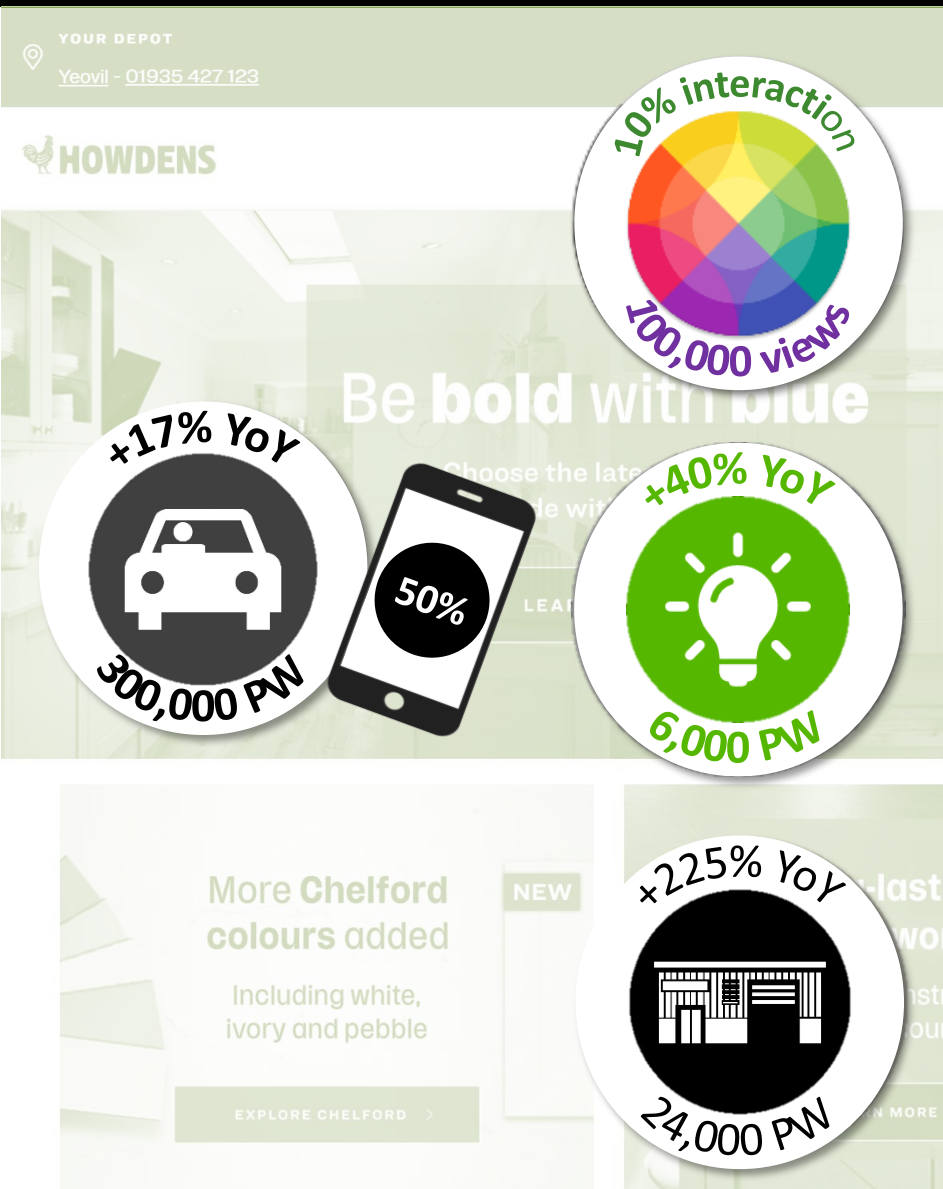


# New platform launched September 2018



Howdens Expo Visit 4 April 2019

# Performance improvements being realised

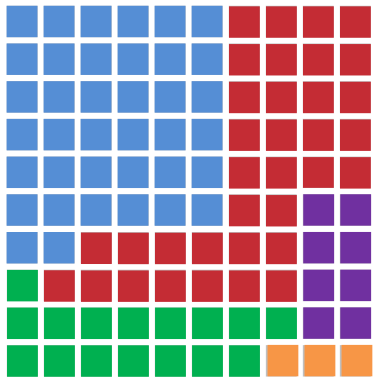


# Driving more traffic through segmentation (Search engine optimisation)

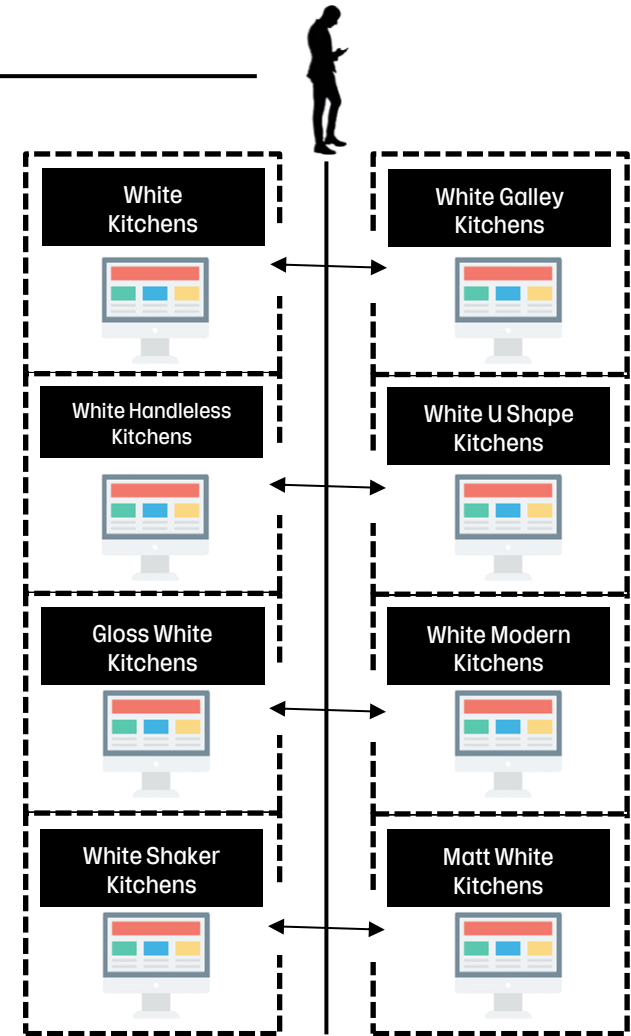
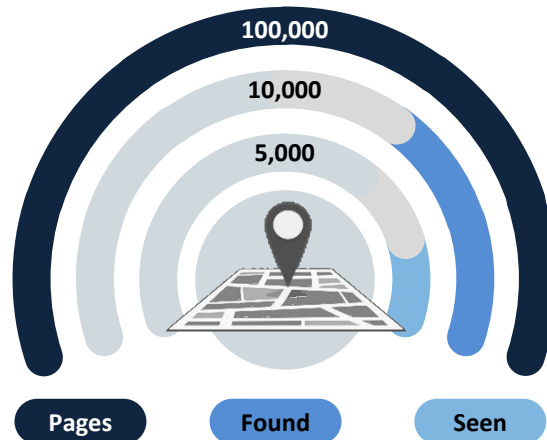
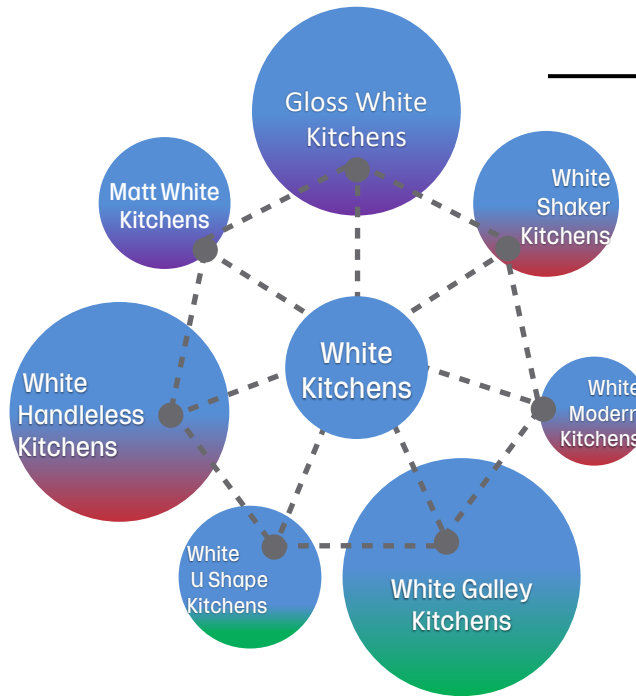


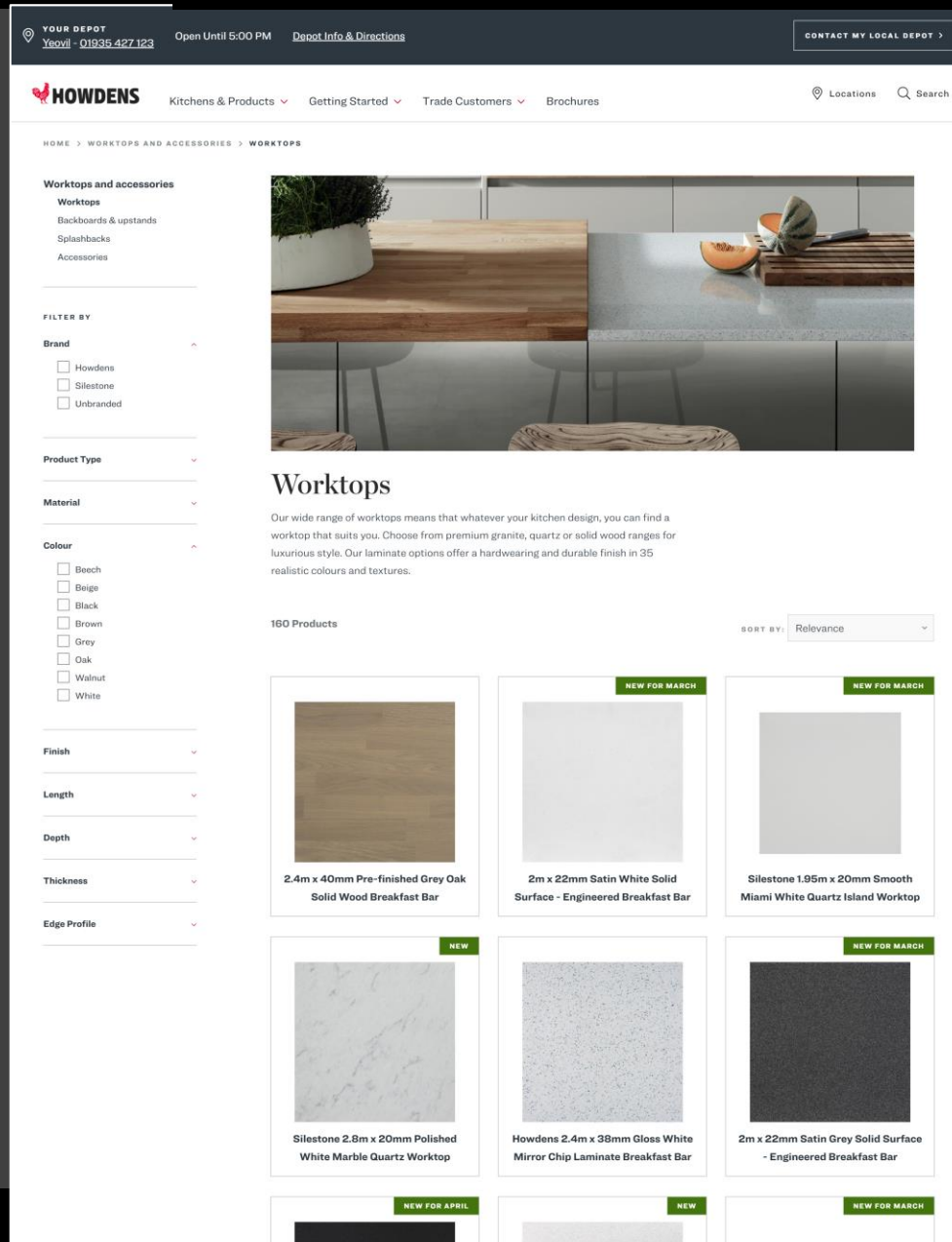
Google

37.5 Million KITCHEN SEARCHES A YEAR



38% COLOUR  
35% STYLE  
16% LAYOUT  
8% FINISH  
3% OTHER





# Simplify & segment contact process (Local and personalised)



## Welcome to Howdens.com

To improve your experience, please tell us a little about yourself

I AM A BUILDER OR TRADESPERSON

I AM A CONSUMER, LOOKING FOR A NEW KITCHEN



Kitchens & Products ▾

Getting Started ▾

Trade Customers ▾

Brochures

📍 Locations

🔍 Search

### New concrete-effect kitchen doors

Get the latest on-trend feature  
in your kitchen

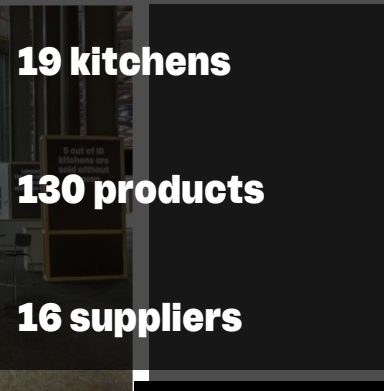
DISCOVER MORE >



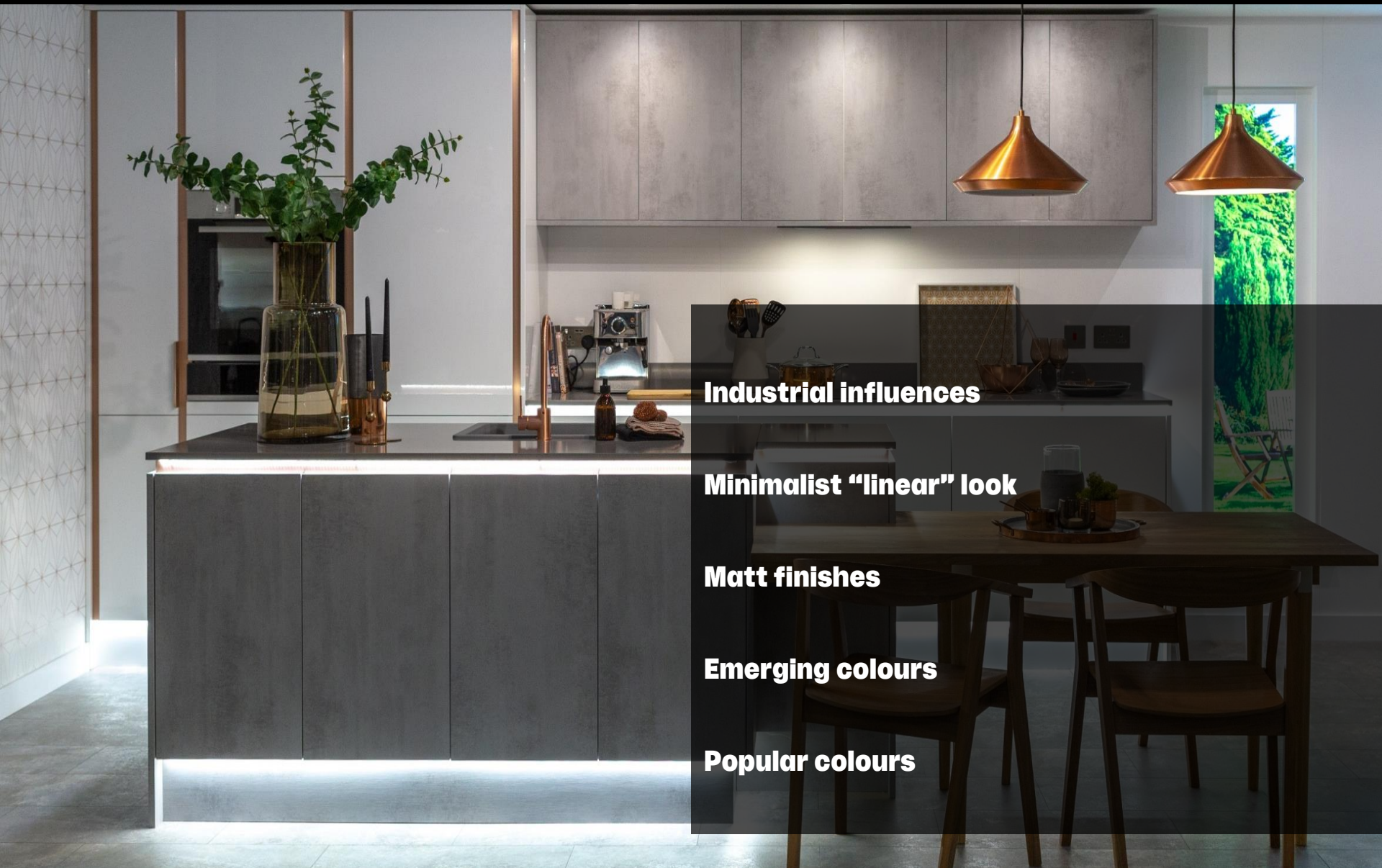
**Kitchen Ranges, Styles & Trends**

**Kevin Barrett**  
Group Development Director

# Introduction



Howdens Expo Visit 4 April 2019



**Industrial influences**

**Minimalist “linear” look**

**Matt finishes**

**Emerging colours**

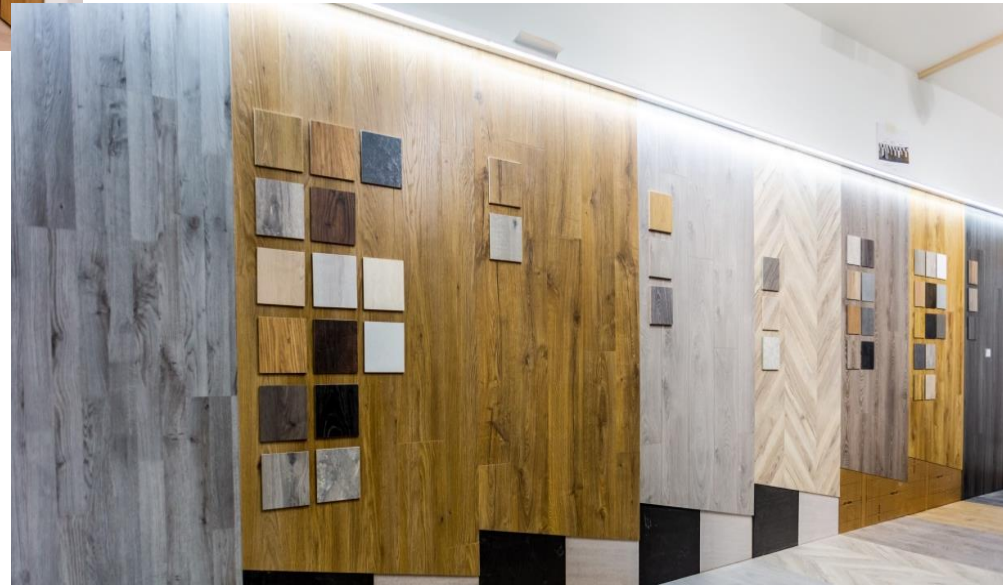
**Popular colours**







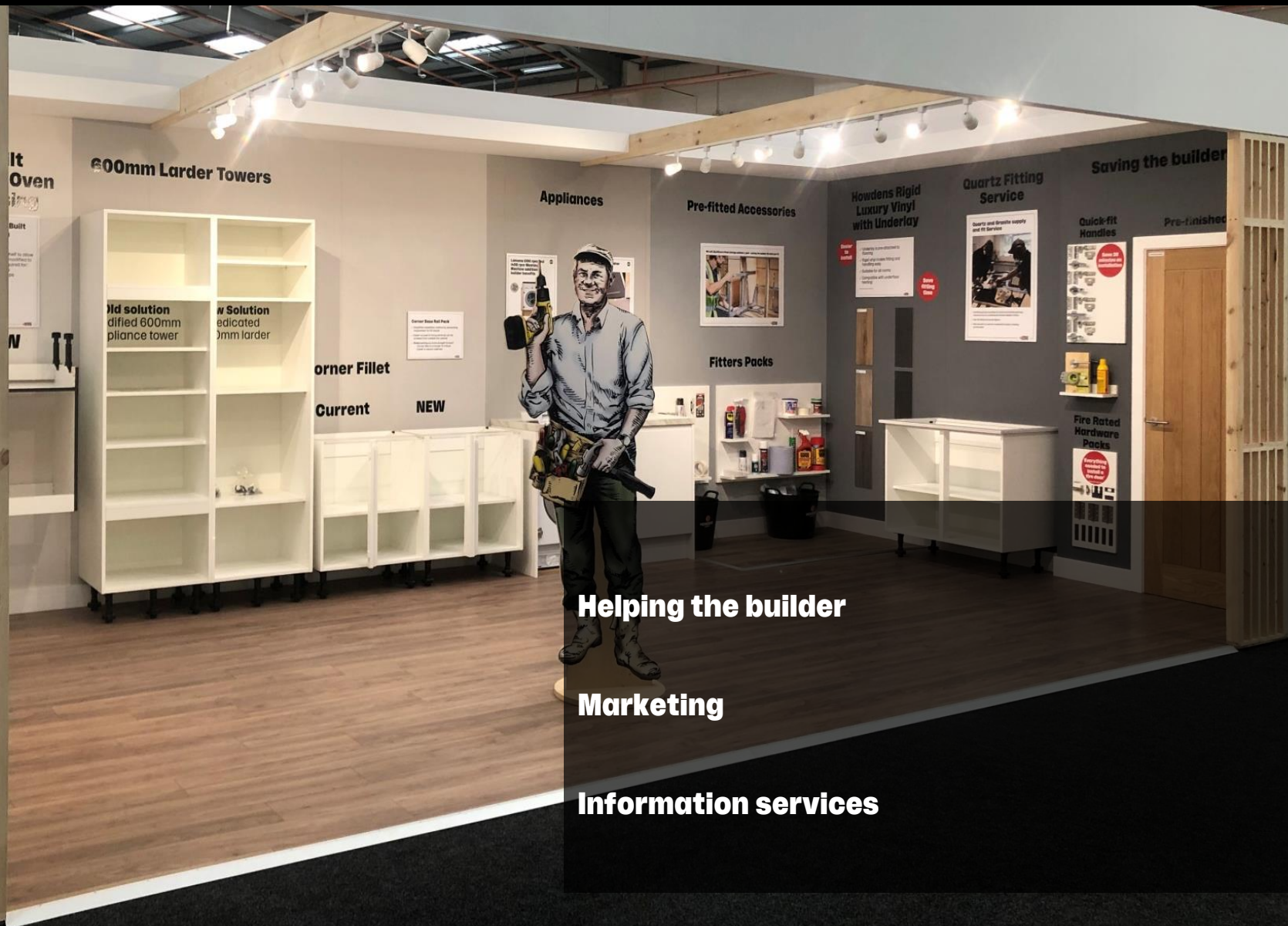




# What we are not covering today



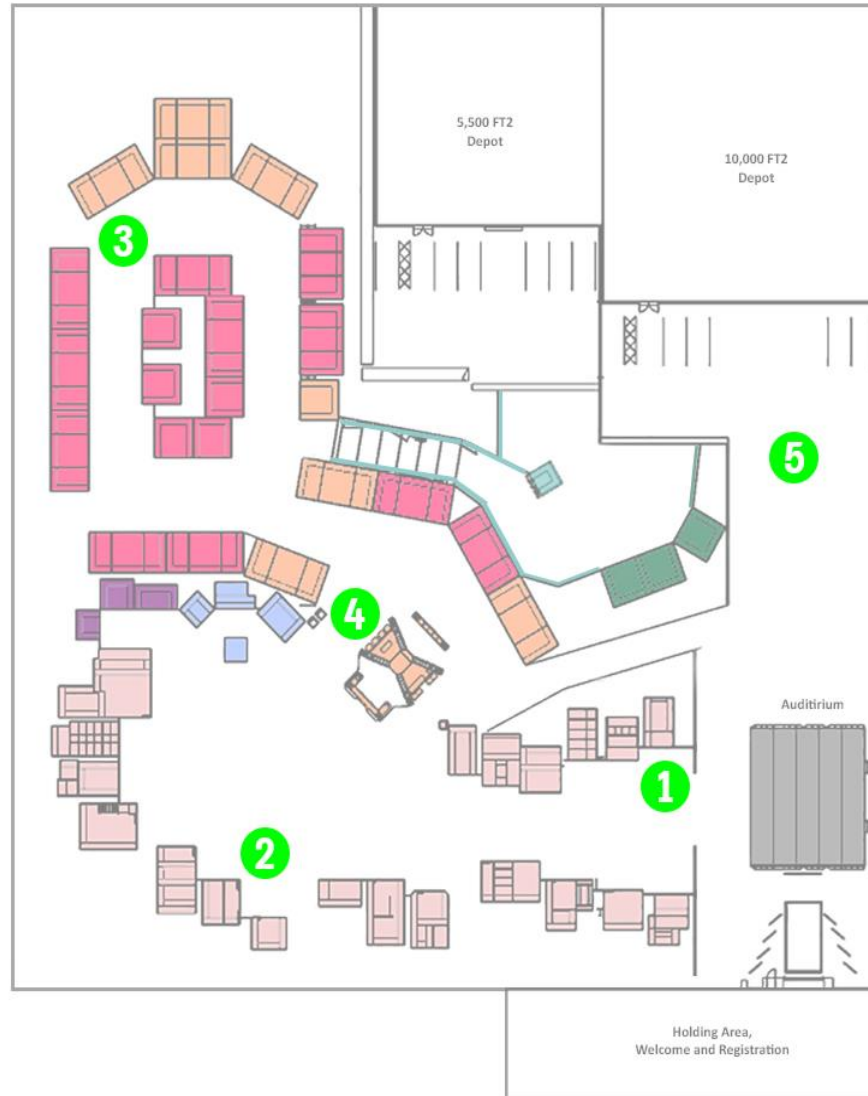
## Making Life Easier for the Builder

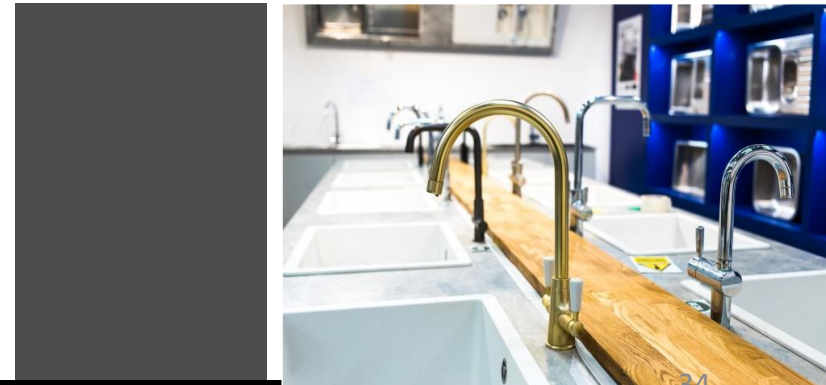


**Helping the builder**

**Marketing**

**Information services**







**Kitchens**

**Wayne Martin**

**Divisional Director of Buying & Sourcing**

# **Shaker Kitchens**

**Kitchen furniture in other rooms of the house**

**Bathroom Modular furniture**

The 'Shaking Quakers' were a religious sect established in Manchester, and then based in the USA.

They were renowned for their **functional** and **simple carpentry** and **craftsmanship**, and invented the traditional shaker door so popular today.

Recent times have seen shaker style furniture return to its **original ethos of minimal design**, with no embellishments (as targeted with Chelford)



Original Shaker  
furniture

Their ethos - "Do your work as though you had a thousand years to live and as if you were to die tomorrow"

Allendale



- 5 piece construction
- Chipboard substrate

Fairford



- 5 piece construction
- MDF substrate

Chelford



- 1 piece construction
- MDF substrate

Tewkesbury



- 5 piece construction
- Timber substrate

- Shaker designs are **transitional** and remain as popular now as ever before.
- The popularity of this style is due to the **flexibility** of the design and the **varied technologies** now used to produce them.
- From solid timber, (Tewks) grained foil wrapped, (Fairford)/Allendale) smooth pressed (Chelford) in a variety of sizes of stile & rail .
- Crossing a wide breadth of taste level and offering an extensive range of choice.
- The 'Shaker' design is now seen in **modern contemporary homes** and **traditional period properties** alike and can adapt to a variety of lifestyles and consumer demographics.
- The shaker design has always been reliable and accepted no matter what the economic climate.
- Colour trends in Shaker have moved from classic creams to neutral greys and **strong heritage colours** driven by UK high end leaders and our offer reflects this.

# Modern Shaker Kitchen



# Classic Shaker Kitchen





- Shaker style kitchens account for c 40% of our mix by value and continues to perform well,
- Within Shaker we have 4 Families that split into 3 groups of good, better, and best
  - » Allendale - Good
  - » Fairford & Chelford - Better
  - » Tewkesbury - Best
- Two manufacturing processes
  - » 1 piece pressed construction where foil is pressed on to door
  - » 5 piece constructed where components are wrapped and then assembled
- Three Substrates
  - » Chipboard - MDF - Timber
- The different technologies and materials support our Good Better Best pricing strategy.

## New Product Introductions

- In 2018, we launched nine new shakers including a new family, 'Chelford', which replaces a now fully matured 'Burford' family.
- In 2019 H1, we plan to launch five new shaker colours within existing families (includes expansion of Chelford).

 Fairford Grey 2018 - Wk 6	 Allendale White 2018 - Wk 7	 Tewkesbury Slate Grey 2018 - Wk 7	 Fairford Blue 2019 - TBC	 Fairford Pebble 2019 - TBC
2018			2019	
 Fairford White 2018 - Wk 8	 Allendale Slate Grey 2018 - Wk 8	 Chelford Dove Grey 2018 - Wk 24	 Chelford White / Paintable 2019 - TBC	 Chelford Navy 2019 - TBC
 Chelford Slate Grey 2018 - Wk 25	 Fairford Charcoal 2018	 Fairford Sa 2018	 Allendale Light Grey Oak 2019 - TBC	

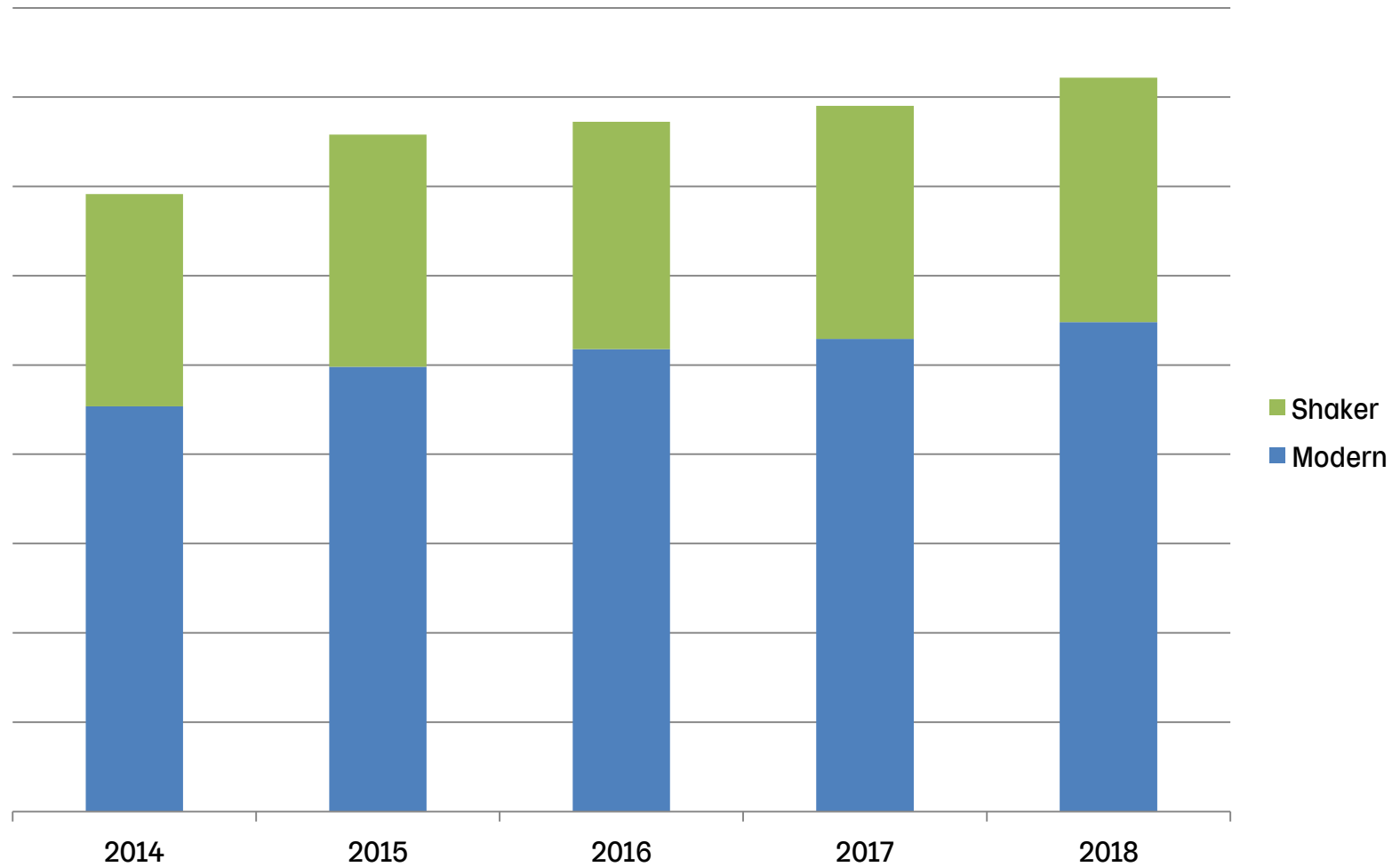
- Our builders have always found creative ways to repurpose our standard kitchen product, our 2019 expo demonstrates how this has been achieved.
- The Expo shows how we are helping our builder make additional income from utilising kitchen furniture “from stock” within other rooms of the home
- Bedroom and Home office furniture represent a significant spend within UK homes.
- It makes sense to help them understand how with our product they can create stunning designs and features



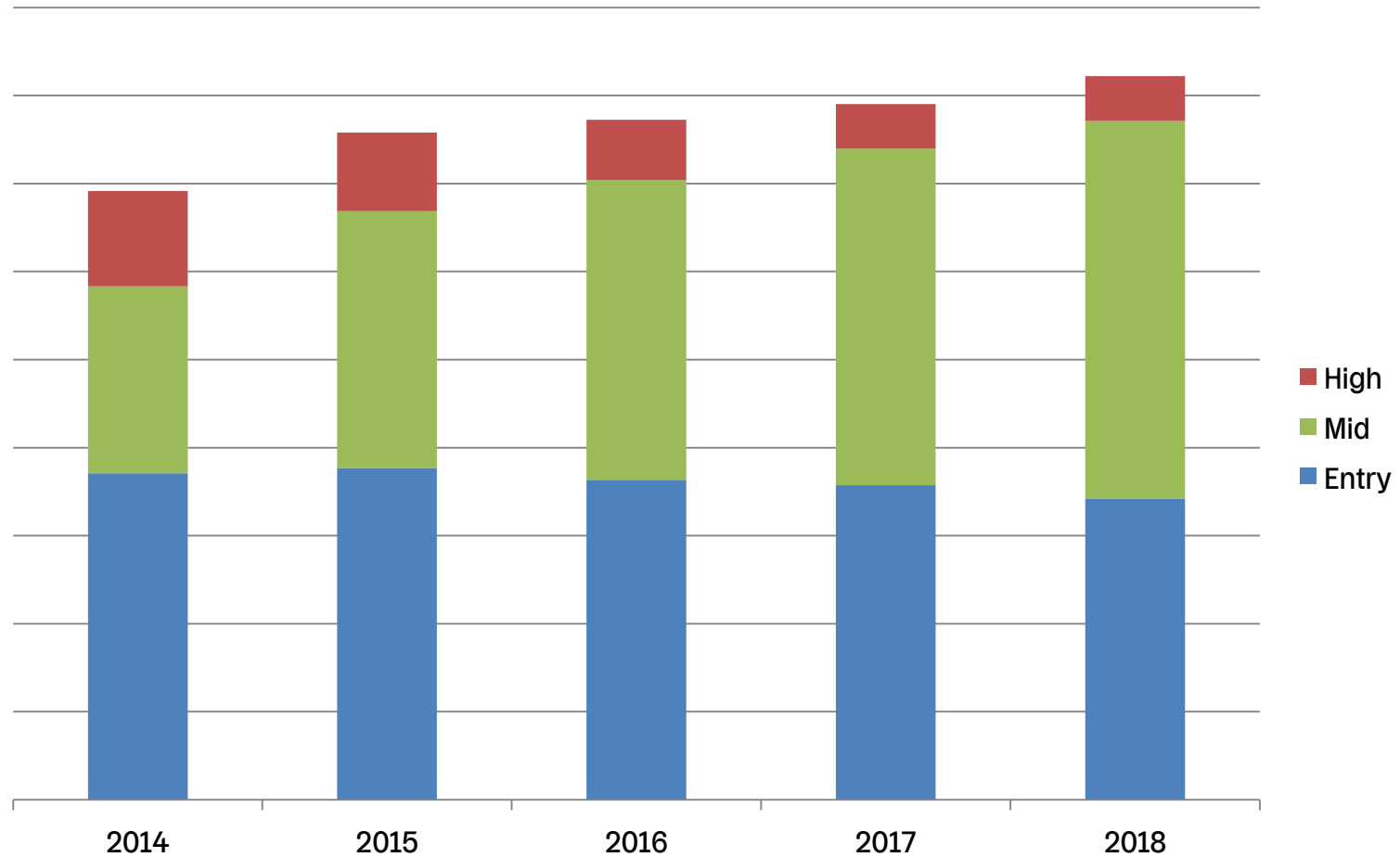
**Kitchens**

**Kevin Barrett**  
Group Development Director

Modern vs Shaker Kitchens



## Kitchens by Price point



# Our Kitchen Ranges



2019 Kitchen Matrix

		MODERN 38 ranges (36 Current & 2 Test)							Modern & Shaker	SHAKER 31 ranges (28 Current & 3 Test)				
		GOOD		BETTER			BEST			GOOD	BETTER		BEST	
		Greenwich		Clerkenwell	Glendon	Lewes	Batham	Accent Ranges		Allendale	Chelford	Fairford	Tewkesbury	
		Plain	Gloss	Super Matt	Grained	Super Matt	Gloss	Gloss		Grained	Plain	Grained	Grained	
COLOURS	Core Colours	White												White
		Antique White												Antique White
		Cashmere												Cashmere
		Dove Grey												Dove Grey
		Grey												Grey
		Slate Grey												Slate Grey
		Graphite												Graphite
		Charcoal												Charcoal
		Light grey oak												Light grey oak
	Emerging	Natural Oak												Natural oak
		Pebble												Pebble
		Sage												Sage
		Blue												Blue
		Navy												Navy
		Paintable												Paintable
		Concrete												Concrete
	Twilight	Cream / Ivory												Cream / Ivory
	Light oak												Light oak	

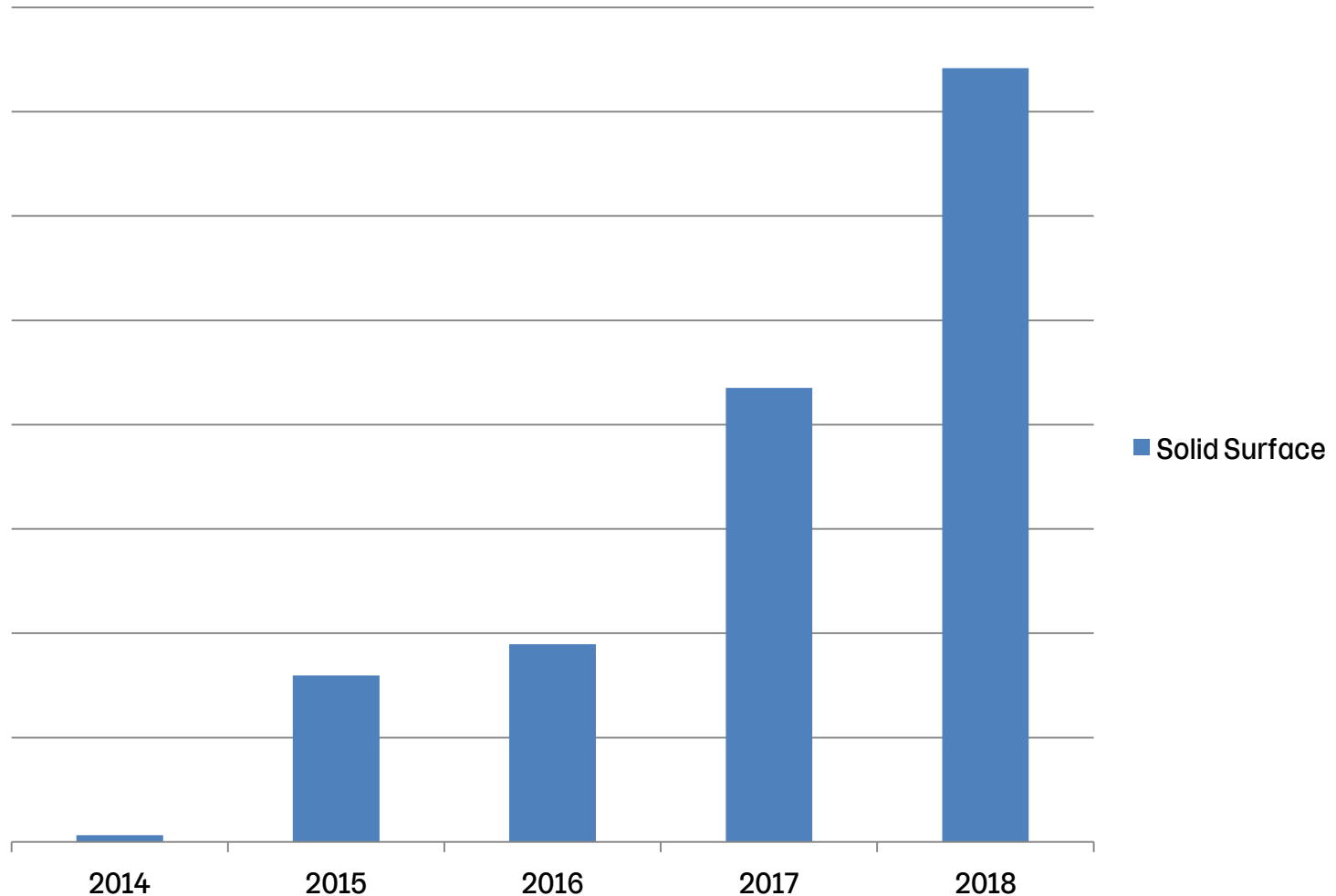
Current range - 54 ranges

2019 NPI - 11 ranges (includes 3 pre P11 2018 ranges + 1 accent)

2019 Test - 5 ranges

Total Range Count - 70 (includes 1 accent range)

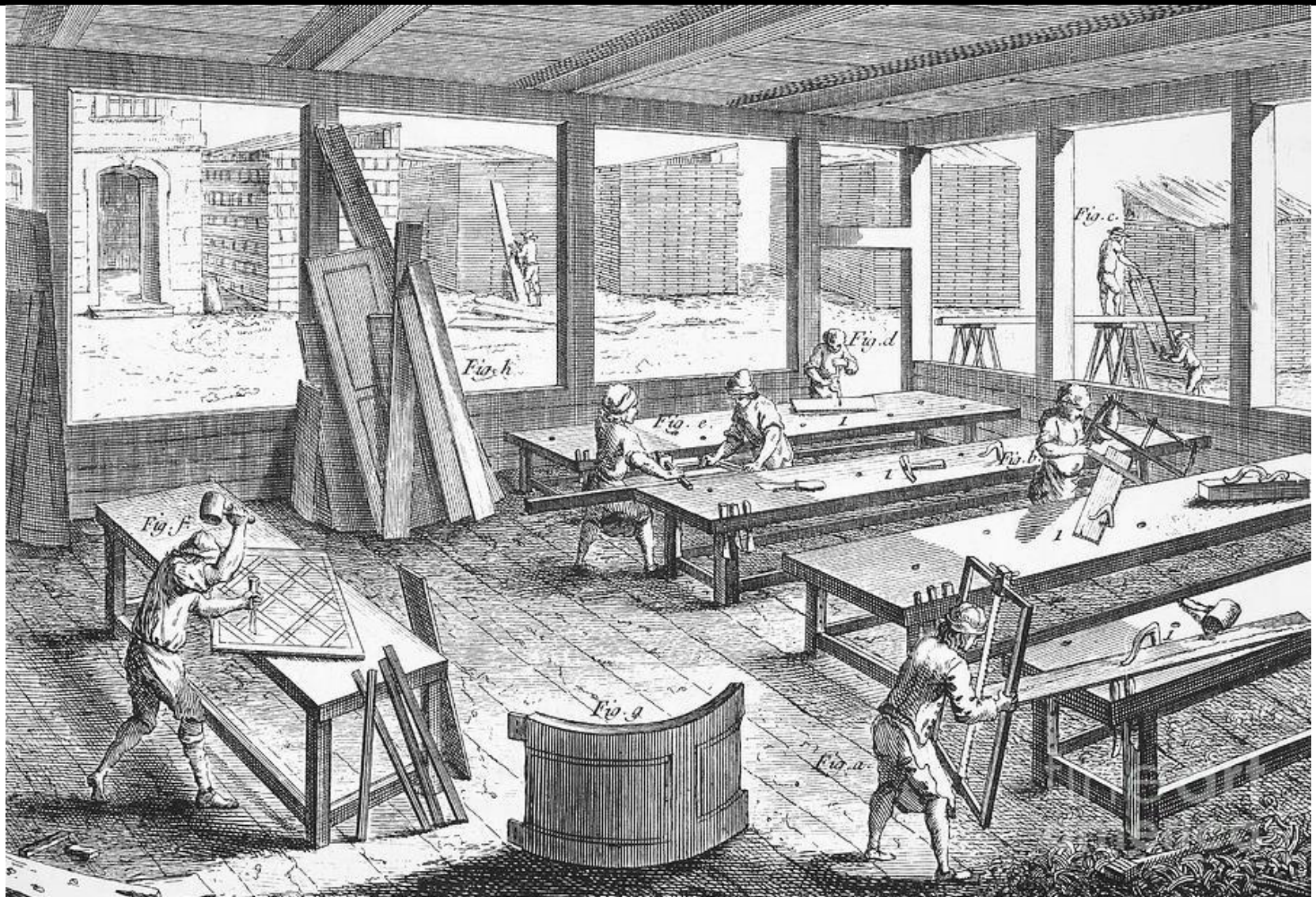
## Growth of Solid Surface Worktops





**Doors & Flooring**

**Harry Sample**  
**Head of Category - Flooring**



As far back as the middle ages door were made in small workshops using traditional joinery techniques



By the start of 20<sup>th</sup> century these techniques and workshops has remained largely unchanged for centuries



By the 1980's industrial door production facilities were becoming the norm and started to dominate the market

Traditional joinery methods used for centuries until:

- 1973 Industrialisation through Moulded Skin technology
- 1980 MS doors hit the UK market
- 1990's High investment and consolidation of market leading to UK market being dominated by 2 players
- 1990's Investment in volume manufacturing leading to strong sales growth
- 2000's Market price pressure & lack of investment = challenging market for producers
- 2018 Pushing into value add (pre-finished) and more contemporary designs

## **Installer Convenience**

### **Fully Finished Doors**

Lacquered hardwood and  
white painted finishes  
Volume colour trends

## **Contemporary Shift**

### **More Modern Designs**

Expanding current linear,  
flush and CNC designs

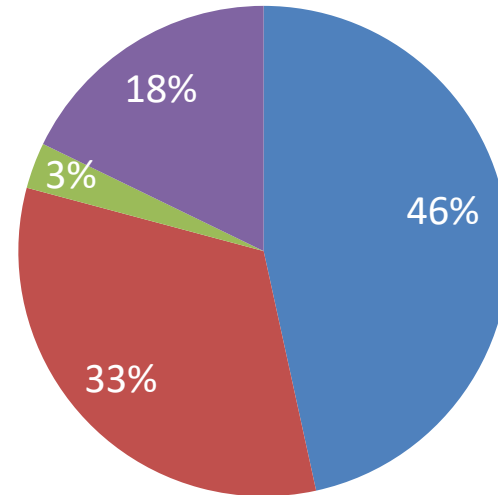
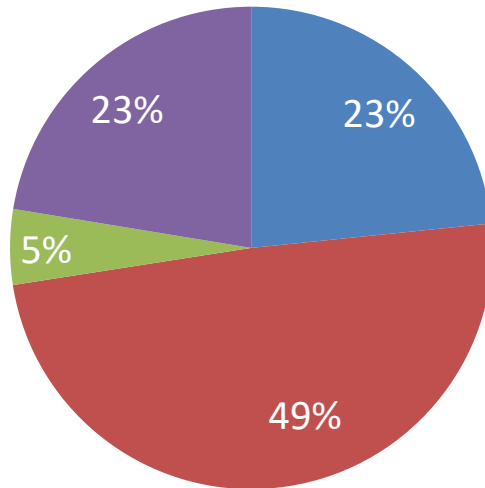


Fully Finished doors are becoming more popular year on year

- Saving the installer time
- Giving the consumer a higher standard of finish



2013  2018 vol



■ Contemporary  
■ Traditional  
■ Classic  
■ Contract



Traditional



Classic



Contract



Contemporary

- In 2013 traditional styles were the most popular
- In 2018 contemporary styles have become the dominate style

- Easy, quick and profitable to install for the builder
- Latest volume trends and finishes to suit all budgets
- Highly durable products with guaranteed quality

1979	Laminate flooring invented in Sweden
1979 - 1994	Hard floors remains a traditional market in the UK (Glue & Nail)
1994	The 1 <sup>st</sup> Glueless click system for laying hard floors is patented
1997	Glueless click systems appear on the UK market and the laminate flooring market expands rapidly
2004	5G fast fit technology changes floor installation from a 2 man to a 1 man fit. Further driving growth in the UK hard floor market
2008	Timber based hard floors are by now second only to carpet in the UK market
2010	Glueless click systems are pioneered in vinyl flooring boosting the market for waterproof floor coverings



5G fast fit flooring turned flooring installation from a 2 man to a 1 man job

## **Waterproof Floors**

### **Vinyl Tiles and Planks**

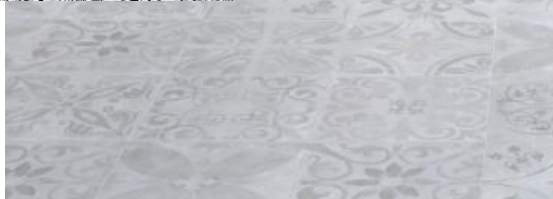
High performance  
Durable floors for kitchens and bathrooms  
Volume colour & finish trends

## **Ceramic Alternatives**

### **Stone Plastic Composite**

Rigid floors with the benefits of tiles but all of the ease of fit of a click together floor (no wet- trades)

- Grey trend continues
- Herringbone / Chevron
- Patterned tiles
- Mixed materials





**Appliances**

**Rob Fenwick**

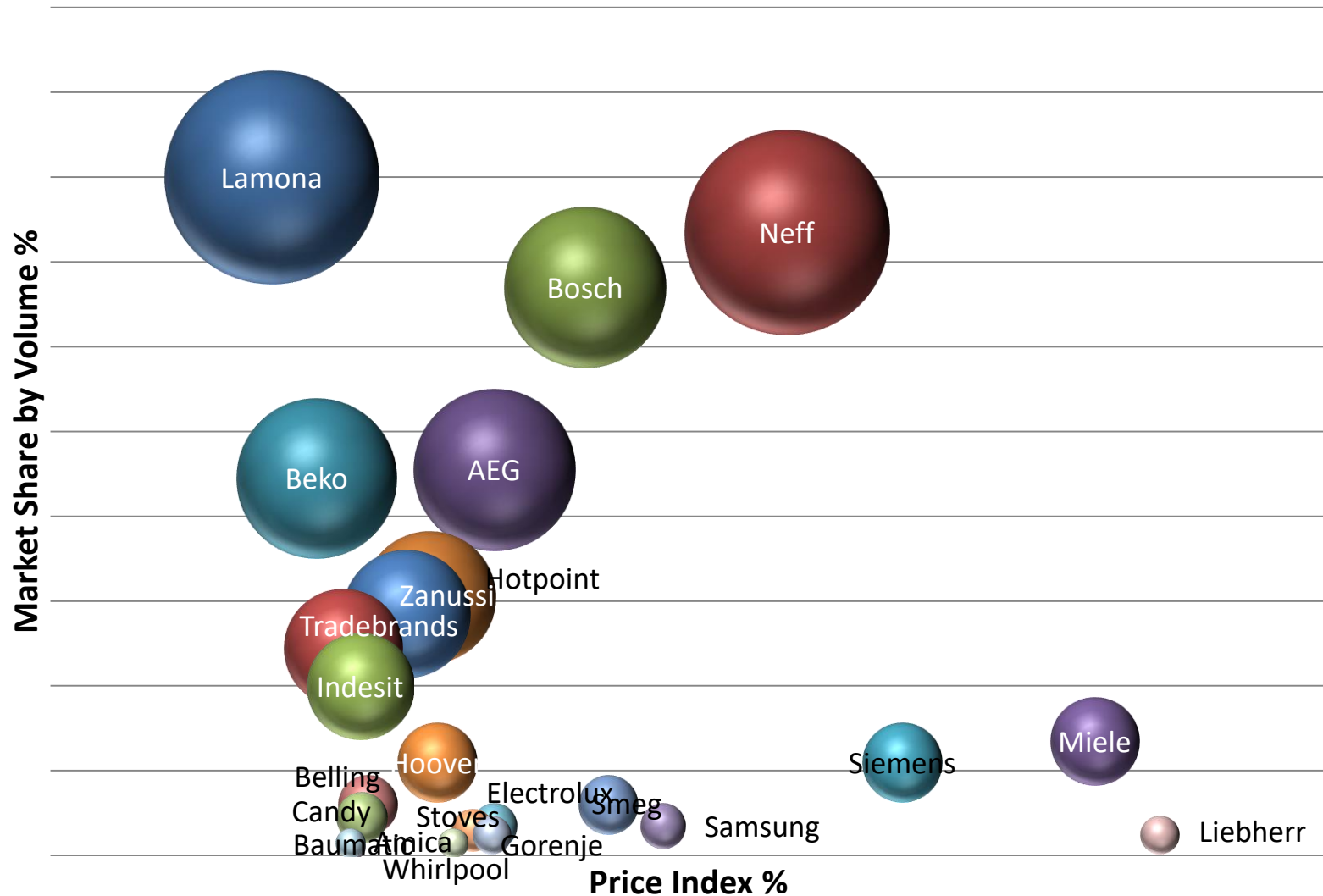
**Chief Operating Officer - Supply**

- 2009 launch of Lamona with 36 core products
- 2019 is the 10<sup>th</sup> anniversary of the Lamona brand
  - No.1 integrated appliance brand in UK
  - C.750k appliances p.a equates to c.15% market share of built in (comparison to GFK May 2018)
- 2019 plan is to expand range to c.90 products including steam & induction cooking

- 2009 We introduced Bosch to complement Lamona with c.20 products
- 2015 We launched Neff & AEG to provide more choice
- 2017/18 We experimented with an on-line portal offering an extended range of brands but not stocked
- 2018 We introduced c.20 of the best sellers into our stocked offer as a result of this
- 2019 We will introduce our own 'test range' of c.100 products, centrally stocked to underpin service to local depots


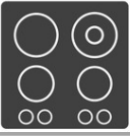

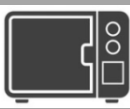



- High standards of safety, reliability and durability
- Low failure rates
- High quality products designed to save you time, energy and money
- Easy to install and fit
- Style & design to look great in our kitchens
- Form and function to stand up to other major brands
- Nationwide After sales supported by local engineers - offering an industry leading service in terms of 'First time & 7 day fix'

## Market brand positions



Source GFK Jan-May 2018 Built In for branded products

# 2019 Lamona development

	'Additions to core'		'Technology developments'	
	4x 1x	Built In Ovens Freestanding Cooker	2x	Built In Ovens
			1x 1x	Flexible induction Hob Venting induction Hob
	2x	Cooker Hoods	7x	Cooker Hoods
	1x	Built - In Microwave	1x	Combination MW Oven
	1x 1x	FS Washing Machine FS Tumble Dryer	1x 1x	BI Washing Machine Int. Condenser Dryer
			1x 1x	60cm Dishwasher 45cm Dishwasher
			1x	Built In Wine Cooler
<b>TOTAL</b>	<b>10</b>		<b>17</b>	



Anodised Steel finish  
Fan oven

# Introduction of steam cooking in a growing market **HOWDENS**



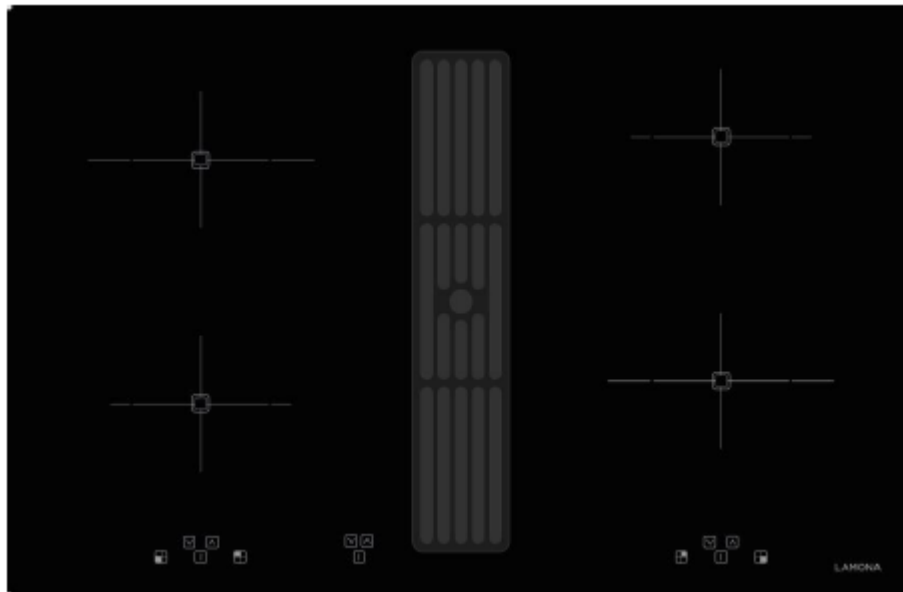
No Steam

Steam  
Assisted

- Bread rises more, whilst moist in the middle and an excellent crust
- Meat is very tender, maintains the shine and is more succulent



- Two separate fan ovens within a single appliance
- Can cook two different dishes at the same time with an 80 degree difference in temperature without transferring flavours or odours
- Take the dividing shelf out and create a large 80 litre oven when needed



- Four separate induction cooking zones
- Concealed downdraft extractor in the centre of the hob draws steam and odour down without the need for a separate cooker hood
- High efficiency brushless motor for improved extraction power at low noise levels

# Demonstration