HOWDENS

Annual Report and Accounts 2025

Howden Joinery Group Plc

Company number: 02128710

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COMPANIES HOUSE

Built for the Trade

Strategic Report

Howdens at a glance

We are the UK's leading specialist trade-only kitchen and joinery supplier

Sustainable growth, sector-leading margins and strong cash generation

A well-established strategy to deliver profitable growth

A differentiated business model with benefits of scale and local trade relationships

Leading positions in attractive markets with opportunities to gain share

Our business is about helping our trade customers achieve exceptional results

Core strengths

- Trade-only focus and the best local prices.
- Local delivery model - 88% of customers are less than 5 miles from a Howdens depot.
- Product leadership - always in-stock and easy to fit to get the job done.
- Efficient UK-based manufacturing, global sourcing and our own distribution fleet.

12k
employees

20k
kitchen and joinery products

11m ft²
UK footprint

99.9%
availability from primary distribution to depots

Empowered depot teams support the needs of the local builder

970
local depots

550k
local customers

Backed by UK manufacturing, global sourcing and an efficient distribution network

c.38%
volume of products manufactured as % of cost of goods sold

+300
global suppliers

HOWDENS

Strategic Report

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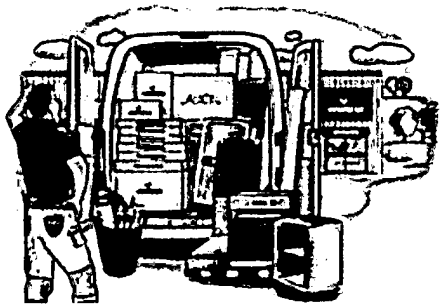
HOWDENS

A unique business model focused on long-term customer relationships and exceptional service

Market-leading kitchen and joinery product ranges

Trade-only: focused on our customers' needs

An empowered, depot-led business, close to the trade



Products immediately available locally

Competitive confidential pricing

Knowledgeable depot teams to support the builder

See page 16 for more information

Strategic Report

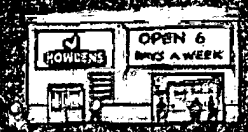
Performance in 2025

Howdens advanced on all fronts in the year. We gained market share and delivered a strong operational performance with profit growth ahead of sales.

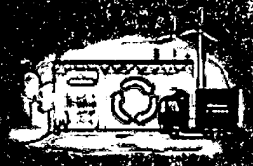
We continued to invest in our strategic initiatives, helping our trade customers win more business while making our operations more efficient and productive.

Operational highlights

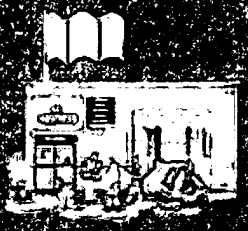
23
UK depot openings



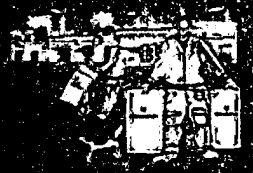
Continued progress against our ESG goals



3
new depots in Republic of Ireland



Making more products in our own UK factories



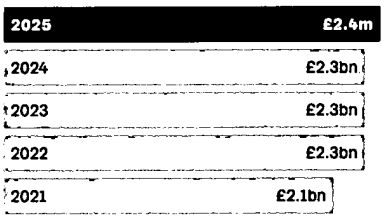
24
new kitchen ranges

Continuing to strengthen our digital offering

Financial highlights

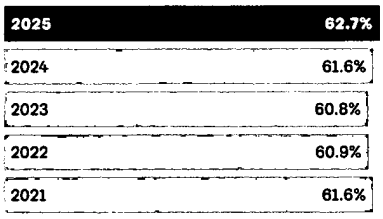
Revenue

£2.4bn



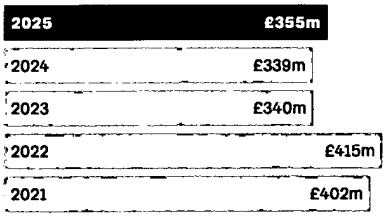
Gross margin

62.7%



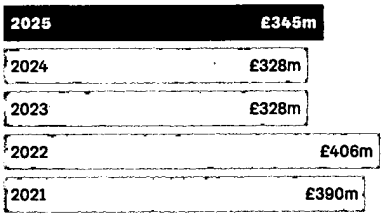
Operating profit

£355m



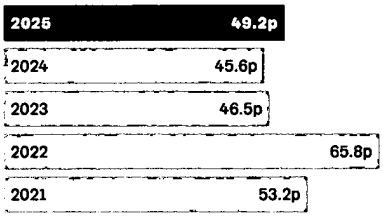
Profit before tax

£345m



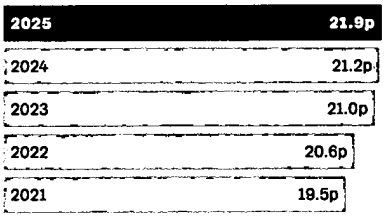
Earnings per share

49.2p



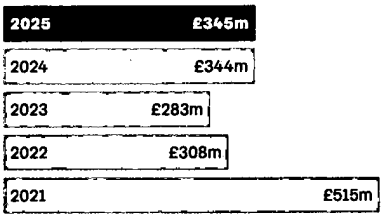
Dividends per share

21.9p



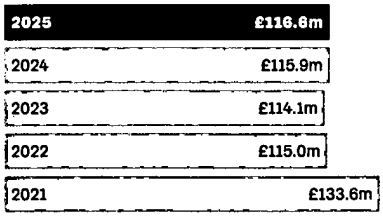
Net cash at year end

£345m



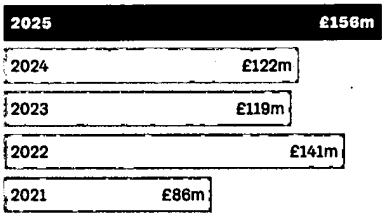
Dividends paid in year

£117m



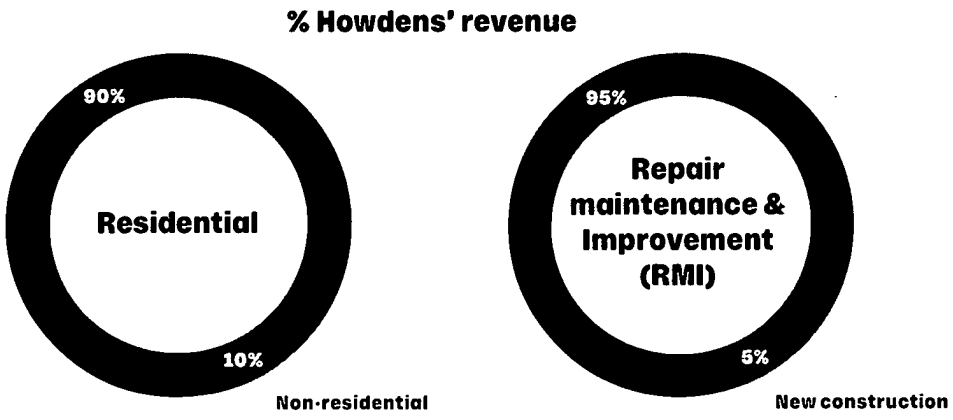
Investment in assets - capex

£156m



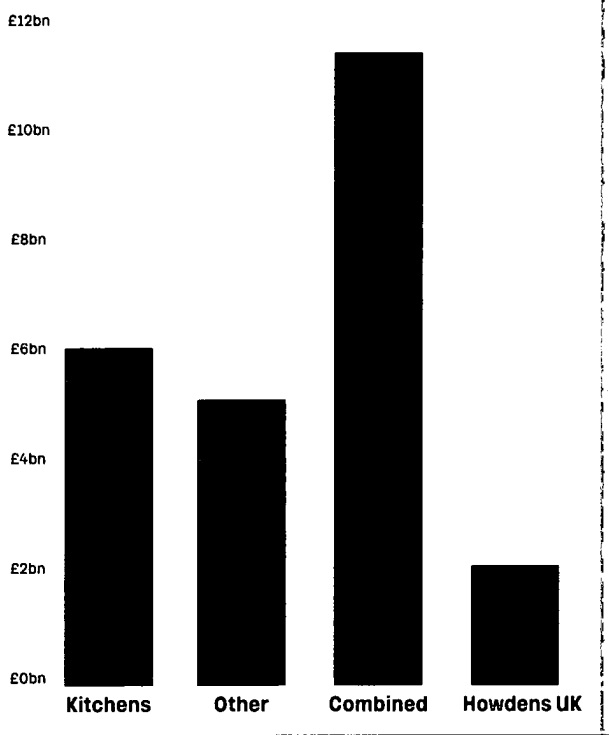
Strategic Report

Attractive end markets



Significant UK growth opportunities

Market value of established UK categories



Aggregate UK market value of c.£11bn* versus UK sales of £2.3bn in 2025

UK Kitchen market around £6bn* by value as at the end of 2025

- Room to increase kitchen market share which remains relatively fragmented

Addressable value of other established categories around £5bn*

- Our total share of these categories is lower than our share of kitchen market

* Howdens' estimates based on proprietary data - 2025

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Strategic Report

How we create value

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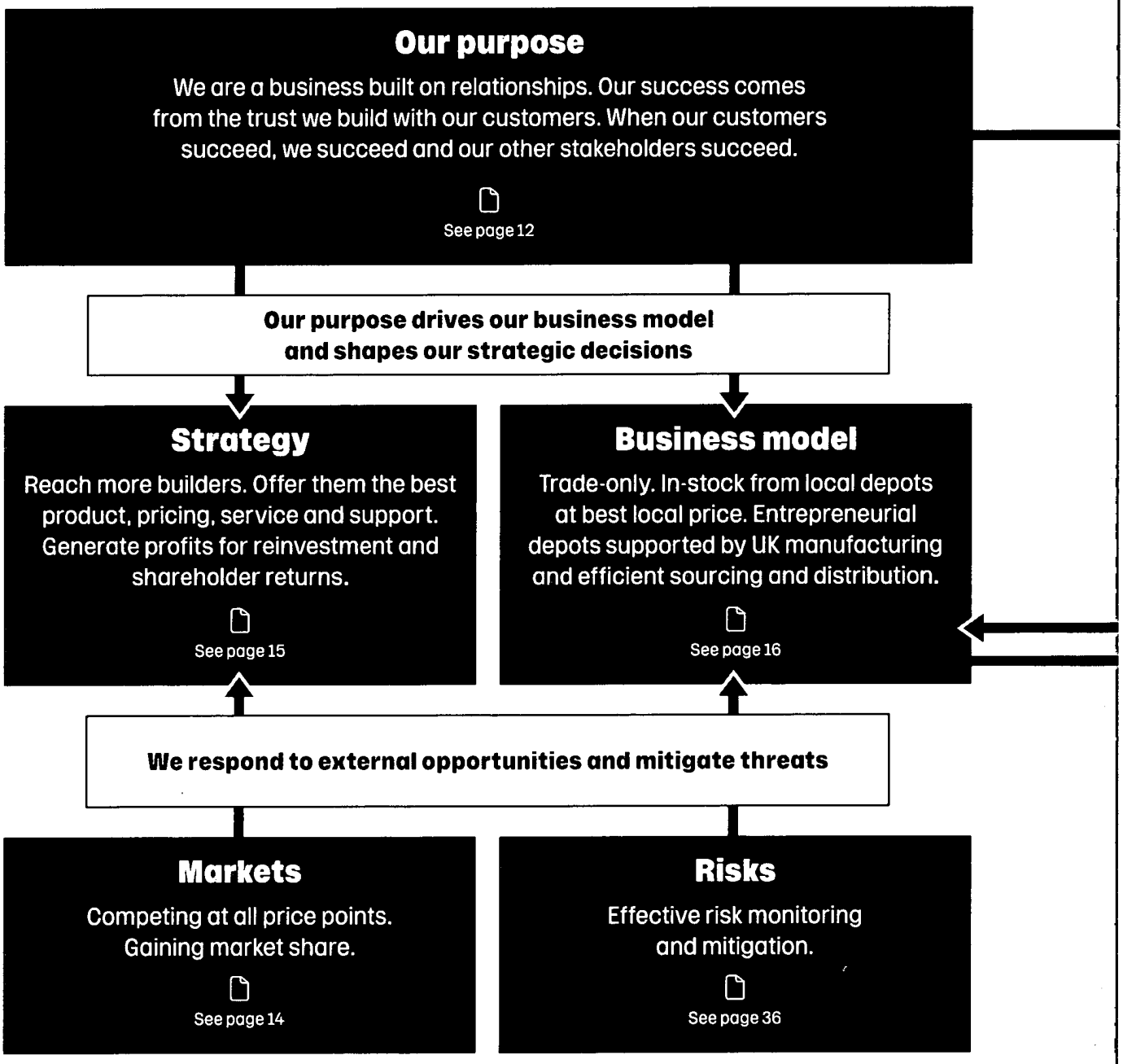
HOWDENS

Strategic Report

How we create value



Culture & values

Worthwhile for all concerned.

See page 13

Sustainability

Focus on climate resilience and Net Zero.

See page 42

Governance

A clear governance framework. Operating with integrity.

See page 66

Culture is aligned with purpose, values and strategy

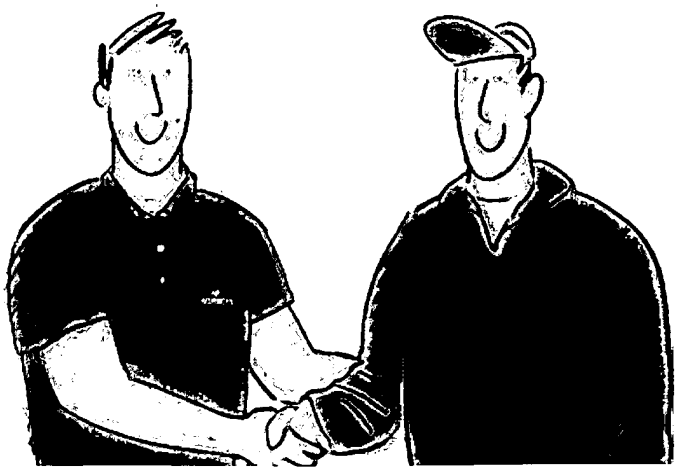
Sustainable behaviour preserves our culture, maintains focus on our business model, mitigates our risks and addresses the needs of our stakeholders

Our governance framework guides all decisions and outcomes

Our business model and strategy generate value for a range of stakeholders

Long-term value for our stakeholders

Long-term, sustainable growth and value for all stakeholders.
Worthwhile for all concerned.



HOWDENS

Strategic Report

Creating value for our trade customers

We have strong and trusted local relationships with our trade customers, based on:

Trade service and convenience

- Local depot network
- Knowledgeable depot teams and outstanding service
- In-stock model so builders can get the products they need at short notice
- Trade accounts

Trade value

- Best local pricing
- In-house manufacturing and distribution, and a low-cost depot operating model
- Value across entry, mid and high price ranges

Product leadership

- The right product ranges and styles
- Trade quality and easy for builders to fit
- Market-leading solid work surface offering
- Premium paint to order capability

Our service offering

88%
of UK customers live within 5 miles of a depot

99.9%
service level from primary to UK depots

During the year we continued to revamp our depots to meet our customers' needs and provide the best trading environment.

See page 22

Creating value for our employees

Valuing our employees, supporting them and rewarding them well for outstanding performance

Entrepreneurial culture

- The strong entrepreneurial culture in the business means our teams are engaged, committed and incentivised to provide our customers with outstanding service levels.

Excellent rewards

- As well as a good salary, plus local profit-sharing and incentives, employees receive excellent rewards and recognition for outstanding performance.

Career development

- As a growing company, there are many opportunities to develop and build great careers.

Our employee inclusion survey

74%

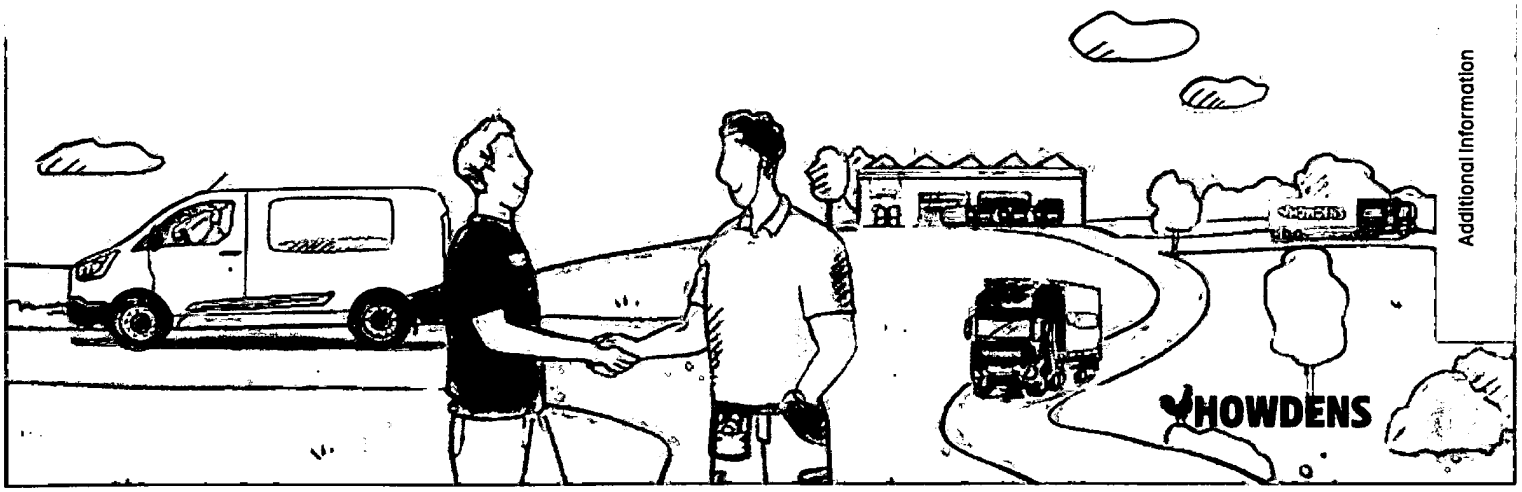
said Howdens is a great place to work

74%

said Howdens is a place where everyone has the opportunity and is encouraged to succeed at work

We are committed to developing our people and supporting apprenticeships for the new generation of employees and tradespeople.

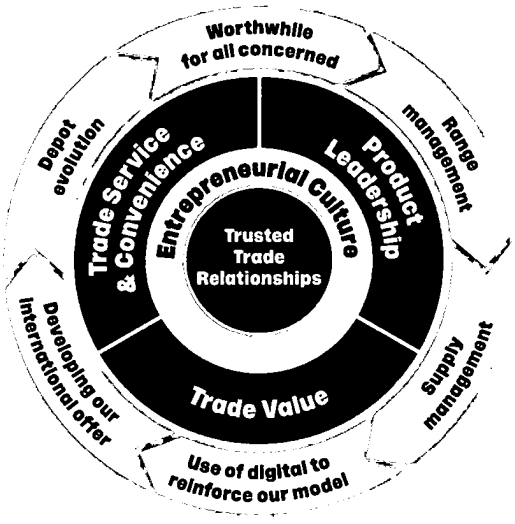
See page 55



Strategic Report

Our purpose

We are a business built on relationships, and our success comes from the trust we build with our trade customers.



When our customers succeed, we succeed.

Our focus on serving our trade customers is at the heart of everything we do. We believe the best way to source and install a kitchen is to work with your local tradesperson, and we are clear that the purpose and future success of our business lies in serving the trade market to the highest standards.

Our relationship with our trade customers has three key facets, each supported by our entrepreneurial culture.

Product leadership

Product design and testing facilities ensure that we offer the right product styles that are attractive to consumers, designed to be trade quality and easy for builders to fit, giving them more time.

Trade value

Best local trade prices enabled by in-house manufacturing, long-term key supplier agreements and a low-cost depot operating model.

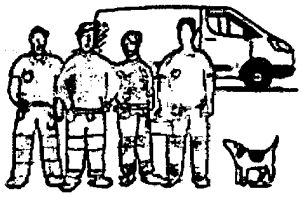
Trade service and convenience

Depots located where our customers need them; monthly account facilities; product in-stock to get the job done - including appliances, joinery, doors, flooring, hardware and bedrooms. A free design service to help customers and end-users choose and plan their kitchens. Digital tools to help the busy builder.

Our culture and values

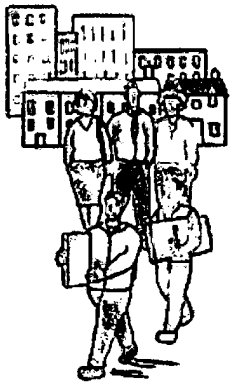
Environment and communities

Staff



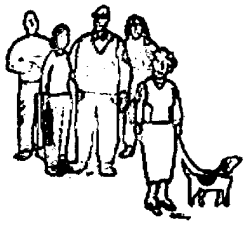
Customers

Government and local authorities



Suppliers and landlords

Shareholders



Pensioners

Howdens was founded on the principle that the business should be worthwhile for all concerned – customers, homeowners, tenants, local communities, our suppliers, our investors, our staff and their families.

This founding principle has shaped our business model and our strategic decisions since 1995, and it continues to be at the heart of what we do.

Worthwhile for our trade customers

- Profitability, convenience, service, support.
- Great product range for them to offer to their customers.
- Outstanding service.
- Trusted personal relationships - we do what we say.
- Trade accounts and confidential discounts.
- Design, planning and marketing support.

Worthwhile for our staff

- A good salary, plus local profit-sharing and incentives, excellent rewards and recognition for outstanding performance.
- An entrepreneurial culture, with central support.
- A growing company with opportunities to develop and progress. Structured career development programmes.

Worthwhile for our suppliers

- Strong and enduring relationships based on trust.
- Working together to develop new products and deliver best service.
- Our scale provides good opportunities for suppliers to build a profitable business by working with us.

Worthwhile for our other stakeholders

- Delivering consistent long-term value for shareholders with a growing dividend and return of surplus cash through share buybacks.
- Helping end-users at each stage of their buying decision.
- Important local employer in over 970 communities.
- Giving back to charities and local communities.
- Responsible purchasing and environmental policies.

Strategic Report

Our market

The kitchen market

- 28 million households in the UK; 18 million owned and 10 million rented.
- UK kitchen and joinery market of c.£11bn[1]. We continue to grow market share.
- 'Do It For Me' and the trade market continue to be strong.
- Howdens sells to trade customers who work flexibly across a broad range of markets, including owner-occupied homes, private rentals and social housing.
- Our Contracts division supports the increasing demands of the new build market.

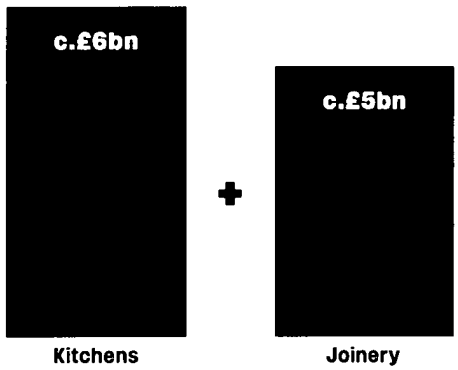
Structural drivers

- The UK population could reach nearly 74 million by 2036. The UK population will increase by 6.6 million people (9.9%) between 2021 and 2036 (ONS, 2024).
- Ageing UK housing stock will drive renovation (ave. age of UK stock is 70 years - ONS, 2022).
- Increased end-user interest in sustainable products (44% of households are switching off or moving to more energy efficient appliances - NatWest, 2022).
- Entrepreneurial builders are well placed to win kitchens and joinery work as part of wider home refurbishment projects. They are supported by Howdens' in-stock, trade-only business model.

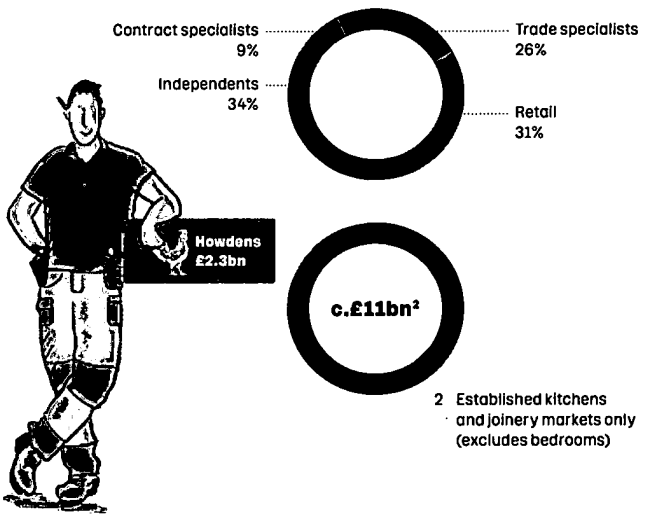
Recent trends

- More than a quarter of working adults in Great Britain (28%) were hybrid working in the Autumn of 2024 (ONS). This leads to greater wear and tear on kitchens and appliances.
- Consumer mindset more focused on design and use of kitchen space to maximise flexibility (Howdens' proprietary data).
- Ageing population - by 2066 there will be a further 8.6 million projected UK residents aged 65 years and over, taking the total number in this group to 20.4 million and making up 26% of the total population (UK Govt, 2021). Increasingly this will drive renovation activity as many choose to age in their place of residence.

UK market by revenue[1]



UK market revenue by vendor category[1]



2 Established kitchens and joinery markets only (excludes bedrooms)

Large and attractive markets with significant growth potential

1 Howdens' estimates based on proprietary data.

HOWDENS

Our strategy

Our purpose

To help our trade customers achieve exceptional results for their customers and to profit from this.

Our medium-term strategic initiatives help us achieve our purpose by increasing market share and profits while delivering for our customers.

Evolving our depot model

- to provide the best working and trading environment and use space efficiently.

See page 25

Developing our digital platforms

- to raise brand awareness and support our business model.

See page 27

Improving our product range and supply management

- to help customers' buying decisions, improve service and enhance productivity.

See page 26

Expanding our international operations

- to expand our presence in attractive kitchen and joinery markets outside the UK.

See page 27

Underpinned by our **long-term objectives** to drive sustainable future growth

Reach more builders

Grow market share.
Increase trade convenience.

Operational excellence

Increase customer service, efficiency, trade value and profitability.

Product innovation

The right amount of the best product, at the best price.

Prudent financial management

Giving us the tools to do the job.

Measured by:

KPIs

- Sales growth
- Profit before tax
- Cash
- Depot openings
- Health & Safety
- FSC® or PEFC certified raw materials
- Waste recycling

See page 28

Strategic Report

Our resilient business model - built for the Trade

What we do

1 Product manufacturing and sourcing

- Our expert teams make and source attractive products that are trade quality and easy to fit.
- We design and manufacture all of our own cabinets, as well as some cabinet frontals, worktops and skirting boards.
- We're agile and we keep the make vs. buy decision under review. We make what it makes sense for us to make in our UK factories, and we buy other product in from our suppliers.
- We buy in thousands of different products from hundreds of trusted suppliers around the world, including appliances, joinery, flooring and hardware. We offer everything necessary to complete any kitchen.

2 Distribution

- Our in-house distribution operation delivers from our factories and central warehouses to our network of over 950 depots.
- No two deliveries are alike, and each one must be correct, complete and on time. We can guarantee this because we control our own distribution.

The value we create

1 Customers

- Builders save time and money with Howdens. Trade quality, full product range for the complete kitchen, available from stock at competitive, confidential prices.
- Trusted personal relationships providing outstanding service. From free design and planning to delivery and aftersales support.
- Trade accounts allow the builder to finish their project and get paid by their customer before they need to pay us.
- Online account management, click and collect and anytime ordering tools help the busy builder.

2 Staff

- A growing company with opportunities for training, development and career progression.
- A safe working environment, good salary, pension and benefits, with local profit-sharing and incentives.

The UK's leading specialist kitchen supplier, selling only through trade customers.

3 Depots designed for our trade customers

- Decentralised depot business model. Entrepreneurial depot managers leading highly motivated and incentivised depot teams. Trusted relationships with their local builders.
- A typical Howdens depot is in an edge-of-town location - more convenient for trade customers, and cheaper to rent. 88% of our UK customers live within 5 miles of a Howdens depot.
- Our in-stock model means that builders can get the products they need at short notice, even when plans change part way through a job.
- We offer the builder quality products, excellent levels of service and trade accounts that allow them up to eight weeks to pay. We focus on helping our customers succeed. When they make money, we make money.

4 Consumers/ homemakers

- We have over 2,000 specialist kitchen designers who support the builder by visiting the end-user's home, or work with them remotely using our free virtual design service, and help them choose, plan and design their dream kitchens.

3 Suppliers

- Strong and enduring relationships based on trust.
- Cooperative engagement on new products and the scale necessary to support suppliers' businesses and their investment plans.

4 Investors

- Long-term value creation, generating cash for further profitable investment in the business and to support a growing dividend.
- Surplus cash after investment and dividends is returned to shareholders through share buybacks.

5 Communities and environment

- Employment opportunities and a good neighbour in over 970 communities.
- Supporting local and national charities.
- Responsible ESG practices and policies.
- See our Sustainability report on page 42.

Strategic Report

Chairman's statement

Another year of disciplined execution and robust financial delivery

Peter Ventress
Chairman

Our significant progress this year also puts firmly into focus the powerful combination of Howdens' differentiated trade-only, in-stock business model alongside the commitment and entrepreneurial drive of our depot teams.

HOWDENS

Increased sales and profitability in the year

During 2025, Howdens continued to operate against a challenging geopolitical and macro economic backdrop. Yet, despite these headwinds, we increased sales, market share and profitability which was an outstanding performance and a credit to the considerable talents and commitment of our CEO Andrew Livingston and his Executive team.

Our significant progress this year also puts firmly into focus the powerful combination of Howdens' differentiated trade-only, in-stock business model alongside the commitment and entrepreneurial drive of our depot teams. Their focus on outstanding service, product expertise and supporting our local trade customers remains central to our success. On behalf of the Board, I would like to extend my sincere thanks to our 12,000 colleagues whose resilience, expertise and dedication underpin everything we do.

Financial performance

2025 was another year of disciplined execution and robust financial delivery. Group revenue grew by 4.1% to £2,418.0m, with UK revenue up 3.8%, reflecting our strong competitive position even in a subdued market environment. Gross margin improved by 110bps to 62.7%, supported by disciplined pricing management, increased volumes, and ongoing sourcing and manufacturing efficiencies. Costs were well controlled and operating profit increased 4.7% to £355.3m, with profit before tax up 5.1% to £344.9m, ahead of the rate of sales growth. Basic earnings per share grew 7.9% to 49.2p, reflecting the profit growth for the year, a lower effective tax rate and the benefit of the share buyback completed in the year.

Our strong cash generation remains a hallmark of Howdens' business model. We ended the year with £344.5m of cash, maintaining a robust and ungeared balance sheet that continues to support investment through the cycle.

During the year, we invested in further depot reformats and openings, key manufacturing upgrades, digital improvements, and the continued development of our international businesses. We also returned cash to shareholders through dividends and, reflecting our strong financial position, we also completed a £100m share buyback programme.

Strategic initiatives

The kitchen and joinery markets we operate in remain large, fragmented, and well suited to our trade only model. In 2025, we continued to make significant progress in executing our strategic priorities:

- Depot expansion and optimisation: We opened 23 new UK depots, completed 60 depot reformats, and added further depots internationally, ending the year with 891 UK depots, 63 in France and Belgium, and 16 in Ireland.
- Product innovation: We introduced 24 new kitchen ranges, further enhanced our solid worksurface offer, and continued to strengthen our joinery ranges.
- Manufacturing and supply chain: We commenced a major multi year upgrade of our rigid cabinet and panel lines at Runcorn, an important investment that will increase capacity, improve flexibility and support long term margin progression.
- Digital capabilities: We launched our new pricing and margin (PAM) tool across the UK depot network, with strong early indications of improved margin performance on everyday SKUs.
- International development: Our France and Ireland businesses made good progress, with international revenue up 13.4%. In France we focused on improving same depot sales and team capability, while Ireland continues to establish itself as a strong competitor in our categories.

These initiatives position us well to deliver sustainable, profitable growth as market conditions normalise over time.

You can read more about our progress on our strategic initiatives in Andrew Livingston's CEO review on pages 21 to 27.

Further progress in sustainability

Howdens continued to strengthen its leadership in responsible business in 2025, progressing its sustainability agenda and our externally validated Net Zero plan. The Group achieved its 25% Scope 3 emissions reduction target ahead of schedule and expanded value chain engagement, with more than 100 key suppliers now providing verified data and decarbonisation plans. It also completed a Double Materiality Assessment and used the deferral of the EU Corporate Sustainability Reporting Directive requirements to further enhance data quality and alignment of our ESG disclosures.

Operationally, all sites maintained zero to landfill status, supported by improved waste management, increased on site renewable generation, and ongoing fleet decarbonisation initiatives. We also advanced our product sustainability programme through stronger lifecycle design and higher recycled material use. The Group also continued to drive a vibrant people strategy recognising that as a service business the importance of well-trained, highly motivated staff. We continued to embed inclusion and wellbeing, expanded apprenticeships and early career pathways, and strengthened manager capability to support long term talent development.

You can read more about our progress this year starting at page 42.

Governance

Good governance remains critical to sustaining trust and accountability across our diverse stakeholder base. During 2025, we continued to strengthen the Board's experience and oversight capabilities. The year saw a planned CFO transition, with Jackie Callaway succeeding Paul Hayes following a comprehensive selection process. Jackie brings significant financial, operational and leadership experience to the Board.

We continue to ensure that our governance structures and Board composition remain appropriate to support the Group's long term strategy and to provide robust challenge to the Executive Committee. We assess principal risks across operational, reputational, compliance, financial and strategic categories over the short, medium and long term, and these with further detail are set out in the Strategic Report on pages 36 to 41. In 2025, cyber threats have again evolved in sophistication with several high profile incidents that included the use of emerging technologies and advanced social engineering techniques–we intensified colleague training and maintained strong technical controls, validated by external specialists, alongside tested disaster recovery and business continuity plans.

We remain focused on ensuring Howdens has the right governance structures and Board composition to support our long term strategy and to provide effective challenge to the Executive Committee.

For more information please see pages 66 to 139.

Strategic Report

Chairman's statement continued

Capital allocation and returns to shareholders

Our capital allocation policy is unchanged. We focus on achieving sustainable profit growth by investing in organic expansion and broadening our capabilities in growth adjacencies. We aim to provide shareholders with an attractive ongoing income stream and an ordinary dividend that grows in line with the long-term prospects of the business. After allowing for these uses of cash, Howdens remains committed to returning any surplus capital to shareholders.

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 with a strong balance sheet, 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. Our policy remains that when year-end cash is in excess of £250m we expect to return surplus cash to shareholders. This provides sufficient headroom to support organic growth, our seasonal working capital requirements, and ongoing investments in our strategic initiatives, while maintaining a strong balance sheet.

In July 2025 the Board declared an interim dividend of 5.0p per ordinary share (2024: 4.9p per ordinary share), an increase of 2%. The Board is recommending a final dividend for 2025 of 16.9p per ordinary share (2024: 16.3p per ordinary share), an increase of 3.7%. This brings the total dividend to 21.9p per ordinary share (2024: 21.2p per ordinary share), and represents a year-on-year increase of 3.3%. If approved by shareholders at the AGM in May the final dividend will be paid on 22 May 2026 to shareholders on the register on 10 April 2026. Reflecting the Group's strong financial position, the Board is announcing today a new £100m share buyback programme which will be completed over the next 12 months.

Looking ahead

As we look ahead, we expect the overall size of the UK kitchen market to remain broadly consistent with last year's levels, providing a stable backdrop for continued disciplined execution. As we focus on delivering day to day value for our trade customers, we will continue to strike the right balance between price and volume while maintaining firm cost control. We remain confident that our differentiated model is well positioned to capture the opportunities within our markets, and we enter the year prepared and determined to outperform our competitors once again. Although it is still early in the new financial year, our performance so far is in line with expectations, and we are on track to meet market expectations for 2026[1].

Peter Ventress
Chairman

25 February 2026

1 On 26 February 2026 analysts' consensus forecasts for FY2026 profit before tax, which was published on the Company's corporate website, was an average of £354m, with a range of £345m to £383m.

Further reading

	Page
Our Sustainability report	42
My introduction to our Governance report	68
Our Board of Directors	70

Chief Executive Officer's review

Further market share gains in 2025, with profit growth ahead of sales

Andrew Livingston
Chief Executive Officer

The business delivered strong operating cashflow and we maintained a robust balance sheet. This gives us the flexibility to continue to invest in our growth plans for the business and provide shareholders with an increased dividend and a £100m share buyback programme.

Q&A with Andrew Livingston, Chief Executive Officer

The business advanced on all fronts in the year. We gained market share and delivered a strong operational performance with profit growth ahead of sales. We continued to invest in our strategic initiatives, helping our trade customers win more business while making our operations more efficient and productive.

Q How would you summarise Howdens' performance in 2025?

A The business advanced on all fronts in, as we anticipated, a challenging UK marketplace. The results were at the top-end of our expectations, and we have made an encouraging start to 2026. Group sales increased by 4% with the business continuing to perform well in the final two periods of the year. In the UK, we gained kitchen market share which helped us mitigate a small single digit decline in the overall size of the market.

Our kitchen volumes rose, which helped us consolidate the significant market share gains we have made over the last five years or so, with our longest established depots making a substantial contribution to the share gains we have made over this period. We delivered an industry leading gross margin with gross profit up on last year, as we balanced recovery of cost rises with our commitment to provide competitive pricing for our customers.

Reported profit was 5% ahead of last year, increasing at a higher rate than sales. The business delivered strong operating cashflow and we maintained a robust balance sheet. This gives us the flexibility to continue to invest in our growth plans for the business and provide shareholders with an increased total dividend for the year. For 2026, we have also announced a new £100m share buyback programme.

Strategic Report

Chief Executive Officer's review continued

Q **Markets have been challenging. What are your assumptions for the UK kitchen market in 2026?**

A For 2026, our planning assumption is that the overall size of the UK kitchen market will be level year on year, following several of decline. We are well prepared for the challenges and opportunities ahead, and our customers, who are typically self-employed, are highly adept at winning business in all market conditions. Delivered by our highly entrepreneurial and well incentivised depot teams, I believe that our service orientated, trade only, in-stock, local model is the right one to deliver sustainable market share gains. Our model is hard to replicate and difficult to compete with, and we have initiatives in place to make it more so. In 2025, we believe the value of our principal UK markets totalled some £11 billion, versus our UK sales of £2.3 billion. So we have lots of growth opportunities to go after.

Q **How are your strategic initiatives supporting long-term development? Looking at the UK depot network how is your depot rollout and refurbishment programme progressing?**

A High service levels, local proximity and immediate availability remain very important to our customers and we continue to see profitable opportunities to open depots, with line of sight to around 1,000 in the UK. In 2025, we opened 23 UK depots, including 18 in the final two periods.

We expect to open around 25 more in 2026. The updated depot format strengthens productivity, space utilisation and the working environment. Last year we completed 60 revamps including 9 relocations, taking the total to 401. This year we plan to convert another 45 depots and by year-end will have around 77% of UK depots trading in the updated format. So we are making good progress.

Q **How is product innovation contributing to your performance? And what is included in your kitchen ranges for 2026?**

A Investment in product, service and availability helps us develop long-term customer relationships and build competitive advantage. Sales of new product introduced in 2025 and the prior two years represented around 29% of UK product sales.

Value for money is a consistent feature of purchasing decisions and we are committed to offering market-leading, easy-to-fit, fairly priced product. With household budget pressures, price featured prominently in 2025 and is expected to do so again this year.

Our 2026 NPI brings more colours, styles and finishes to more budgets, especially at entry and mid-level. We are also innovating in long-established categories and adding colours and styles to fitted bedrooms. Efficient portfolio management is crucial. Our rigid cabinet platform is shared across all families, enabling cost effective range expansion. Enhancements to stock management and replenishment, including the XDC network, support best availability at lower cost. More efficient testing enables us to bring more proven new styles to market more quickly.

Excluding paint to order, we have 24 new kitchens confirmed for 2026, with the full offer organised into 11 families. We have 15 new kitchens for these families in 2026. At entry level: five new kitchens including Greenwich and Whitney in Porcelain and Allendale in Reed Green. At mid-level we have six new colours added to Frome and new emerging tones added to Clerkenwell and Halesworth.

Q **You have expanded into higher-priced kitchen ranges more recently. Why are you doing this and how are you developing the range here?**

A Entry and mid-level kitchens remain the core source of our rigid cabinet volumes and kitchen invoice value. But yes, you are right, we have upscaled our higher priced kitchen portfolio in recent years utilising Howden's scale, supply and manufacturing capabilities to offer the bespoke look most associated with the high street independents at competitive prices. Our offering now comprises four families, including three shaker style timber families which are collectively marketed as 'Classic Timber Kitchens'.

In 2025 our Classic Timber Kitchen families performed particularly well, with the paint to order options growing in popularity. The number of our Chilcomb and Elmbridge kitchens sold in the paint to order colours, which are priced at a premium to the stock colours, increased significantly in 2025. This year we are refreshing our paint to order palette with four new colours with two of the leading paint to colours, becoming Chilcomb and Elmbridge stocked colours.

Last year we extended the reach of our timber offering with the launch of a new family, Ilfracombe, an in-frame timber kitchen of classic design. Positioned above our Chilcomb and Elmbridge families, Ilfracombe is exclusively available in 24 paint to order colours.

Q **How are solid surface worktops contributing to growth?**

A Solid surface worktops present significant opportunities, supported by our in-house manufacturing capacity – among the largest in the UK – enabling rapid template-to-fit times. Our offering in this category is underpinned by our in-house manufacturing capacity, which is amongst the largest in the UK, helping us offer rapid template to fit times.

In recent years we have increased the number of decors we offer for this service and for this year we have introduced clearer and simpler ranging and more delineated pricing to demonstrate the value we offer at all price points. Ahead of peak trading this year, our total offering will comprise a similar number of options to last year with increased space available to display worktops in more of our depots.

Q **Of course, Howdens also importantly supplies trade customers with joinery products for their everyday needs. How are these categories developing?**

A Yes, joinery is important to our trade customers and presents a significant long-term growth opportunity. For example, take appliances; our Lamona brand is one of the leading integrated appliance brands in the UK, and for this year we have completed a major refresh of the brand's offering. We have modified the design and lowered the prices of a suite of high-volume products, without compromising these products functionality. Elsewhere we have updated the design and specification of a number of higher priced products including washing machines, fridge freezers and cookers.

Launched in 2023, our own label flooring brand, 'Oake and Gray', now represents a substantial proportion of category sales. Having introduced water resistant laminates last year, new product for this year includes sustainably sourced engineered wood flooring with mass market leading standing water resistance. In ironmongery, we launched our own label brand 'Fuller and Forge' last year. It features door furniture in a variety of designs, finishes and styles and significantly improves our offering in a category where we are under-represented. Fuller & Forge product has landed well and for this year we have new finishes and designs and will be adding new sub - categories.

As well as being substantial businesses, doors and joinery are key footfall building products for us. Last year we added more colour and bolder styles at all price points to our door line-up and new product this year includes a new premium range of Howden branded solid engineered doors. In joinery we will continue to develop the sub-category extensions into wall panelling, stair parts and loft spaces initiated in 2025.

Q **Fitted bedrooms were introduced more recently as an incremental opportunity to supply trade customers. How is that going?**

A Yes, we think they represent a growing source of incremental sales and profit, and help us foster customer relationships. Installing fitted bedrooms suits the skills of customers who fit kitchens and last year a substantial proportion of total bedroom sales represented purchases either by new customers or by customers who had bought from us relatively infrequently.

We develop our bedroom ranges in-house, utilising our existing design and supply infrastructure and they have a high cabinetry content, which matches our manufacturing capabilities. Our 2025 offering comprised bedrooms in five leading family designs drawn from our kitchen portfolio, including a new family Clerkenwell, launched during the year. This year, we will continue to target entry and mid-price points, with five new bedrooms, including new colours for Bridgemere and Halesworth.

Q **Given you are a depot-led business predominantly, why is digital important to the business and what areas are you looking to develop?**

A We use digital to reinforce our model of strong local relationships between depots and their customers by raising brand awareness, supporting 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 on-line account facilities, which provide efficiencies and benefits for customers and depots alike, has continued to increase. New registrations totalled some 59,000 and around 61% of customers had an on-line account at the year-end. Total users viewing our trade platform increased by 45%, with around 80% of users regularly looking at their individual and confidential prices. Customers with an on-line account have on average continued to trade with us more frequently and spent more than non-users.

We generated high levels of engagement with our web platform and grew our social media presence, which also stimulates interest in viewing our products and services on-line and site visits totalled some 24 million in the year.

Amongst kitchen specialists, we continued to have the highest number of fitted kitchen site visits in the UK, and the time spent viewing pages and the number of sessions were at consistently high levels. Across the leading social media channels, our follower base at around 721,000 was up 18%, with around 6.8 million engagements a month.

Strategic Report

Chief Executive Officer's review continued

Digital can also make us a more efficient business. For example usage of our upgraded 'Click and Collect' service for 'everyday' products increased this year and the new depot account management tool introduced last year is helping depots manage their customer relationships more efficiently and productively.

Q Turning to International, it looks like you have generated strong growth this year. What are your plans for 2026 and beyond?

A In 2025, year on year sales of our operations based in France increased at a higher rate than the previous two years. In tough market conditions, the business responded positively to the measures taken to improve existing depot sales performance. We now have in place a highly experienced leadership team adept at depot management and have invested in enhanced offerings of 'footfall promoting' products, alongside other initiatives. In 2026, we will continue to build out our depot teams' capabilities, particularly account management, and actively manage our depot estate, including by closures and relocations where necessary, as we look to build on the progress made.

We are also trialling a more compact version of our format, initially at a new test-depot in Reims to the west of Paris. At around 500 square metres, this version is under half the average size of the current depots has lower rental costs and the layout incorporates the latest UK format innovations. We expect to maintain the aggregate number of depots trading at around the current number as we actively manage our depot estate to optimise its performance.

We opened for business in the Republic of Ireland in 2022 using a similar depot location strategy to that in France, with the local team supported by our UK infrastructure and our digital platform. By the end of 2025 we had 16 depots trading, including nine clustered around Dublin and three serving Cork. This year, we expect to open around five more depots which would increase the number trading to 21 by the year-end.

Q So finally Andrew, how do you see the coming year?

A We are well planned, including on our strategic initiatives. These are aimed at increasing our market share profitably, as day to day we deliver value to customers across all price points and product categories. We will have 24 new Kitchens in-stock well ahead of peak Autumn trading, plus a very competitively priced paint to order kitchen offering and overall our line-up in all product categories is the best we have had in my time at Howdens.

We will continue to improve service and availability and increase the range of services and functionality we offer on-line to the benefit of our depot teams, customers and end-users alike. During 2026 we plan to open around 25 depots in the UK and refurbish around another 45 existing depots to the updated format. In total, we expect to end the year with around 85 depots trading in the Republic of Ireland, France & Belgium.

While it is early in the financial year, we are on track to meet current market[1] expectations for 2026. We are planning for the size of the kitchen market to be level year on year, following several years of decline in what remains a competitive market place. We aim to retain a profitable balance between price and volume, as we continue to maintain competitive pricing whilst aligning operating costs and working with suppliers to keep product and input costs controlled.

We are confident that our business model is the right one to address the opportunities in our markets. We are well placed to outperform our competitors in 2026, as we continue to invest in our strategic initiatives so we are looking forward with confidence.

1 Current analysts' consensus forecasts for FY2026 for profit before tax, which is published on the Company's corporate website, is an average of £354m, with a range of £345m to £383m.

Our strategic initiatives

We have made further progress on our medium-term strategic initiatives, and we expect to deliver profitable growth and market share gains over the medium term. The four strategic initiatives are:

1. **Evolve our depot model**
2. **Improve our range and supply management**
3. **Develop our digital capabilities and services**
4. **Expand our international operations**

1

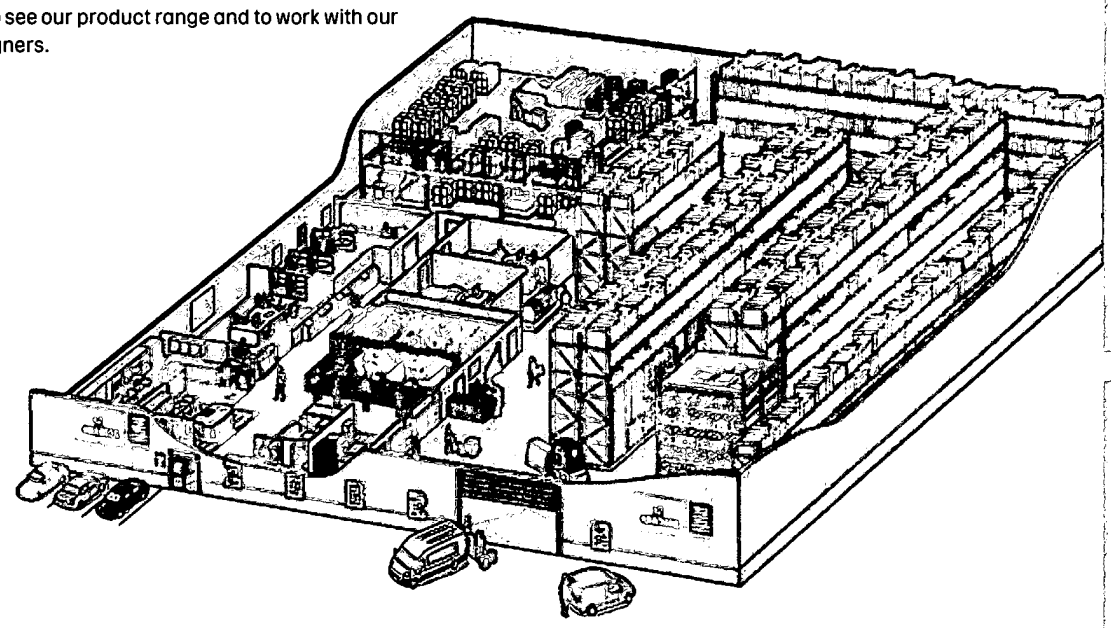
Evolve our depot model - we want to improve our depot network over time to ensure we use space more efficiently, and to provide the best environment for our customers to do business in.

High service levels, including local proximity and immediate availability, are very important to our customers and we have continued to extend our depot footprint to support growth.

We have been rolling out updated depot format across our estate. It provides an attractive space for us to do business with our Trade customers, and a place for them to bring their customers to see our product range and to work with our kitchen designers.

It also has an improved warehouse space that makes space utilisation and productivity gains in a cost-effective way by using vertical racking.

The reformats are budgeted to pay back costs in less than four years. Depot P&Ls are charged a reformat cost which ensures depot teams are motivated to deliver incremental sales.



The updated depot format
Updated front area creates the best environment for our customers to do business in. Better warehouse racking delivers more stock, in less space, with reduced picking times.

Strategic Report

Chief Executive Officer's review continued

Our strategic initiatives continued

2

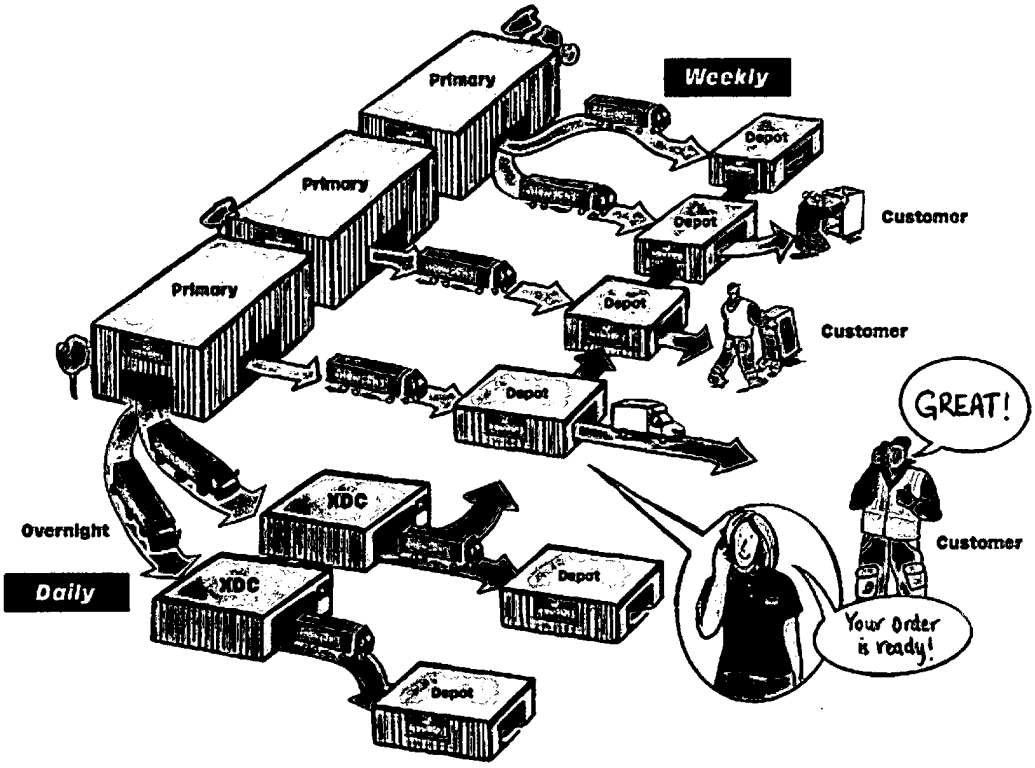
Improving our range and supply management - to help customers' buying decisions, to improve service and to enhance productivity in our manufacturing, sourcing and supply chain activities.

As product lifecycles shorten, managing the number of kitchen ranges efficiently is crucial for both our customers, who want best availability, and for profitability. We are managing range introductions and clearances so that we are offering the right number of range families, designed to fit all budgets. More recently we have placed more emphasis on building out our share of higher priced kitchens where we have been historically underrepresented. This has included expanding our offering to encompass template-to-fit solid worksurfaces, a wider range of appliances (including own label) and premium services such as Paint To Order. We are also innovating in other product categories to expand our share of attractive niche markets in joinery.

Howdens is an in-stock business, and high stock availability is a key reason the trade buys from us. In 2025, deliveries totalled 73.4 million pieces and our service level from primary to depots was 99.98%. Our XDC network enables next day delivery and, together with initiatives such as 'Daily Traders', supports exceptional service levels. We continue to balance make versus buy to optimise cost, availability, resilience and flexibility.

Recent investments have increased capacity and broadened capabilities; at Runcorn, our multi-year development programme is underway following planning permissions and the acquisition of the freehold, and will provide more capacity at the site, with increased flexibility and productivity and lower CoGS than would otherwise have been the case.

The Runcorn programme includes installing a new high volume panel machining line with automated WIP, building two extensions to house the equipment and significantly increasing warehouse storage capacity, and utilising additional land to expand trailer parking. The works are expected to take about three years to complete and are included within overall Group capex guidance.



3

Digital - we are developing our digital platforms to raise brand awareness, support the business model and to deliver productivity gains and leads for depots and customers.

Our digital strategy reinforces strong local relationships between depots and their customers by raising brand awareness, supporting new services and ways to trade, and delivering productivity benefits and more leads for depots and customers.

Use of online account facilities continues to increase, with 59,000 new registrations and around 60% of customers holding an online account at year end. Total users viewing our trade platform increased by 45%, with around 80% regularly viewing their individual confidential prices. Customers with an online account traded more frequently and spent more than non-users.

Use of our upgraded Click & Collect service for everyday products continues to increase. We have also recently introduced a new depot pricing and margin tool, 'PAM' which is now operating in all UK depots. Designed in-house, PAM makes depot price management easier and more effective. It provides comprehensive data for depots to make more informed pricing decisions with a higher degree of confidence and enables depots to assess quickly the impact on margin of price changes. Depot feedback has been very positive, and we are seeing both more bespoke local pricing and improvements in depot margin on the products incorporated in the system.

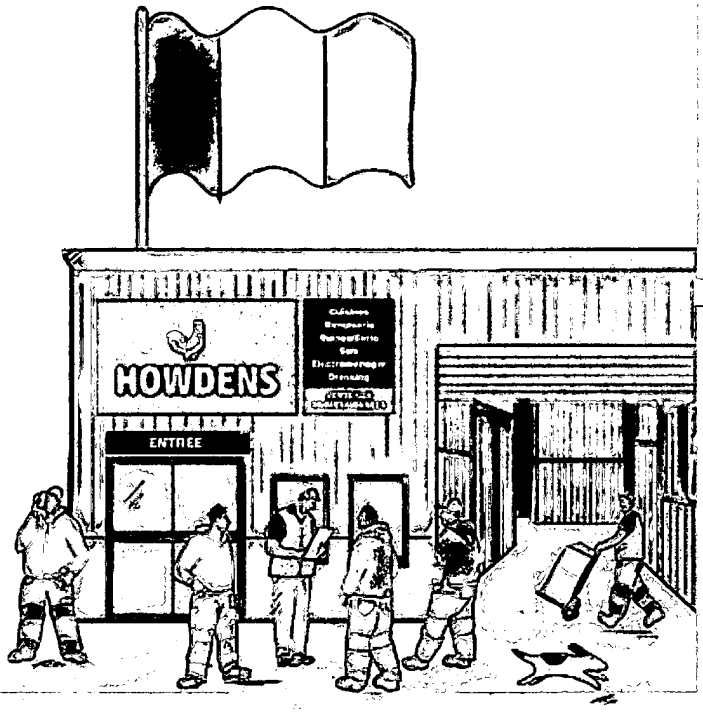
4

International - Expanding our presence in attractive kitchen and joinery markets outside the UK.

While the UK market for kitchens and joinery is large, fragmented and attractive, we believe that there is an opportunity to take Howdens' highly differentiated in-stock, trade only, local business models to other markets outside the UK.

A good example is France, where most kitchens are purchased through kitchen specialists and DIY stores. Currently there is limited choice locally for builders to be served by a dedicated supplier where products are available from stock either same day or next day. We have tested our ability to access this sizeable market in several ways before adopting 'a city-based' approach, serving solely trade customers, led and staffed by people who embrace the Howdens way of doing business. Alongside team development, we are also investing in the business through enhanced offerings of 'footfall-promoting' products and a regular schedule of 'trade days' at all depots with aligned promotional activity and more supplier support. Our current strategy is to establish profitable businesses in these regions which deliver attractive returns for our shareholders

Sales in the Republic of Ireland were well ahead of last year, and we expect to open around five more depots in 2026, taking the total to 21 by the year end. The Irish market suits our differentiated, in stock trade model and continues to respond well to our approach.



Strategic Report

Key performance indicators

Links to: Strategy | Risk | Remuneration

Financial

Sales

Why we measure it

We believe that there are considerable opportunities to grow sales. As sales grow, we believe there are economies of scale which will also allow us to grow long-term profitability.

Links to strategy, risks and remuneration

Reach more builders | Failure to maximise growth potential | Depot staff bonuses are directly linked to their depot's sales

Progress

Total Group sales of £2.4bn in 2025, in line with market expectations.

2025	£2.4m
2024	£2.3bn
2023	£2.3bn
2022	£2.3bn
2021	£2.1bn

Profit before tax

Why we measure it

Profit before tax is a simple and widely understood measure. We consider that it gives a complete picture of our performance as it includes all of our operating, selling and distribution, admin and financing expenses.

Links to strategy, risks and remuneration

Operational excellence | Prudent financial management | Failure to maximise growth potential | Deterioration of model & culture | Executive Committee and senior management bonuses are directly linked to PBT

Progress

Profit before tax of £345m in 2025.

2025	£345m
2024	£328m
2023	£328m
2022	£406m
2021	£390m

Cash

Why we measure it

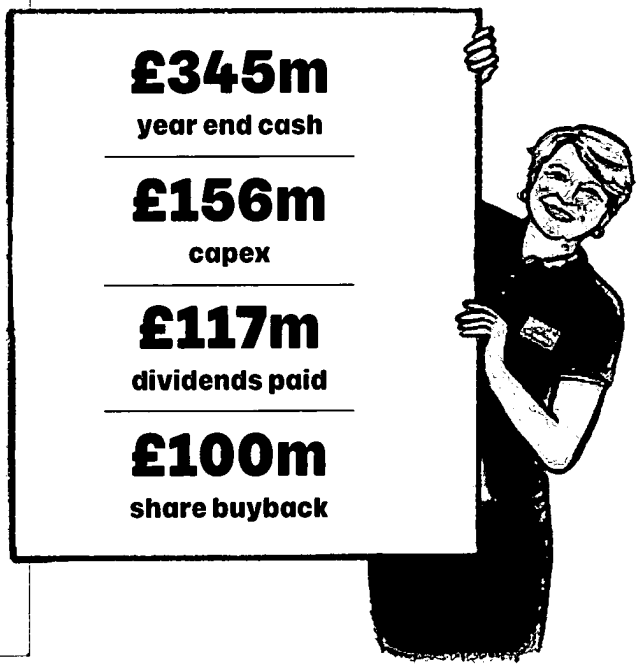
We aim to cover our investment needs, to retain at least one year's working capital requirement, to pay a progressive dividend and to return surplus cash to shareholders (see page 33 for details of our capital allocation model).

Links to strategy, risks and remuneration

Prudent financial management | Invest in our strategic priorities | Return surplus cash to shareholders | Executive Committee and senior management bonuses are directly linked to cash generation targets

Progress

We have invested £156m in capital expenditure for future growth and have also returned £117m in dividends and £100m in share buybacks, ending the year with £345m cash.



Non-financial

Depot openings

Why we measure it

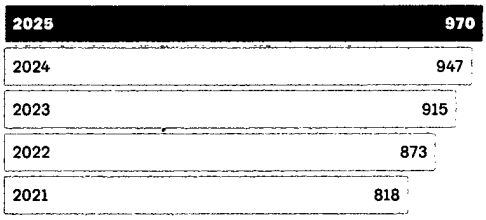
We believe that there is some way to go before the UK market is saturated. We continue to identify possible sites for new depots whilst at the same time keeping our model flexible, and allowing us to take account of economic conditions and phase the speed of our growth accordingly. We are also developing a presence in France, Belgium and the Republic of Ireland. We plan to expand our depot network again in 2026.

Links to strategy, risks and remuneration

Reach more builders | Failure to maximise growth potential | Deterioration of model & culture

Progress

We ended 2025 with 22 more depots in the UK and an additional 3 in the Republic of Ireland.



Health & Safety

Why we measure it

We have over 12,000 employees working in our depots, our factories, our logistics operation and our support sites and we need to keep them all safe at work.

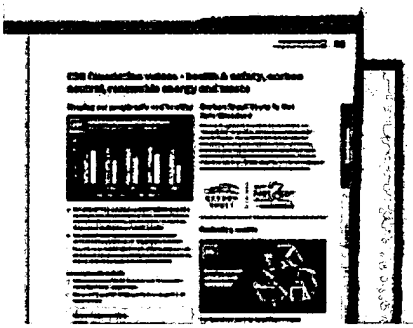
Links to strategy, risks and remuneration

Operational excellence

Health & Safety

Progress

Our rate of RIDDOR-reportable injuries has remained low and is also significantly below the HSE all-industry average for the year. See page 53 for more detail.



Use of FSC® or PEFC certified materials

Why we measure it

We use around 300,000 cubic metres of chipboard and MDF in our factories. FSC® and PEFC are the two main certification bodies. Ensuring that all our MDF and chipboard is certified by them gives us assurance over their provenance. See page 50 for more details.

Links to strategy, risks and remuneration

Product innovation

Product relevance | Continuity of supply

All of the chipboard & MDF used in our manufacturing processes is from FSC® or PEFC certified sources

Zero to landfill

Why we measure it

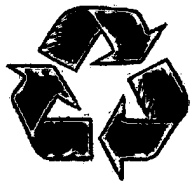
One of the pillars of our business model is our efficient production, which gives us a significant cost advantage. Reusing, recovering or recycling as much of our waste as we can benefits stakeholders as it reduces both our emissions and our costs.

Links to strategy, risks and remuneration

Operational excellence

Prudent financial management

LTIP performance measure



Progress

We are pleased to announce that in 2025 we have maintained zero to landfill across our whole UK operations. We are now exploring ways in which we can maintain this performance and increase the proportions of our waste which we reuse or recycle. See page 53 for more details.

Strategic Report

Financial review

- Maintained sector leading gross margin
- 21.9p 2025 full year dividend
- £100m share buyback over the next 12 months

Jackie Callaway
Chief Financial Officer

Our strong competitive position in the UK enabled the business to gain further market share despite a modest contraction in the kitchen market.

Financial results for 2025[1]

Revenue

Group revenue was 4.1% ahead of last year at £2,418.0m (2024: £2,322.1m). UK depot revenue of £2,333.2m (2024: £2,247.4m) was 3.8% ahead of last year and 2.6% ahead on a same depot basis, reflecting a strong end to the year. Our strong competitive position in the UK enabled the business to gain further market share despite a modest contraction in the kitchen market. Local currency revenue of €99.0m (2024: €88.1m) in the international depots was 12.4% ahead of the prior year and grew 9.3% on a same depot basis. This was an encouraging performance, as we continued to build out our depot network in the Republic of Ireland, and optimise our sites in France and Belgium.

Gross profit

We maintained our sector leading gross margin by appropriately balancing pricing and volumes. Gross profit was £84.3m ahead of last year at £1,515.4m (2024: £1,431.1m) The higher gross margin percentage of 62.7% (2024: 61.6%) reflected the benefit of the price increase at the start of the year and increased volumes. It also included proceeds from an insurance claim relating to the replacement of damaged production equipment in a panel line at the Group's Howden manufacturing facility. This resulted in a one-off gain of approximately £6m. Cost savings within COGS of £14m included £17m of sourcing benefits from raw materials and finished goods suppliers which offset £3m of inflationary pressure in timber. Manufacturing efficiencies of £4m directly offset all cost increases in our factories.

Operating profit and profit before tax

Operating expenses increased by £68.2m to £1,160.1m (2024: £1,091.9m). This included £28m of ongoing investments in our strategic initiatives with £12m for new UK depots opened in 2024 and 2025 and £13m of other strategic investments including digital upgrades and £3m relating to the expansion of our international operations. Higher inflationary costs of around £27m, principally payroll and property costs, were offset with continued productivity and efficiency improvements. There was also a charge of £6.1m in relation to the impairment of depot assets as part of our optimisation plans in France, where we are planning to relocate 6 depots over the next two years. Overall, operating profit was £16.1m or 4.7% ahead of last year at £355.3m (2024: £339.2m). The EBIT margin was 10 basis points ahead at 14.7% (2024: 14.6%).

The net interest charge was £10.4m (2024: £11.1m). Profit before tax of £344.9m was 5.1% ahead of the prior year (2024: £328.1m).

1 The information presented relates to the 52 weeks to 27 December 2025 and the 52 weeks to 28 December 2024 unless otherwise stated.

2 Same depot basis excludes depots opened in 2024 and 2025 and closed depots.

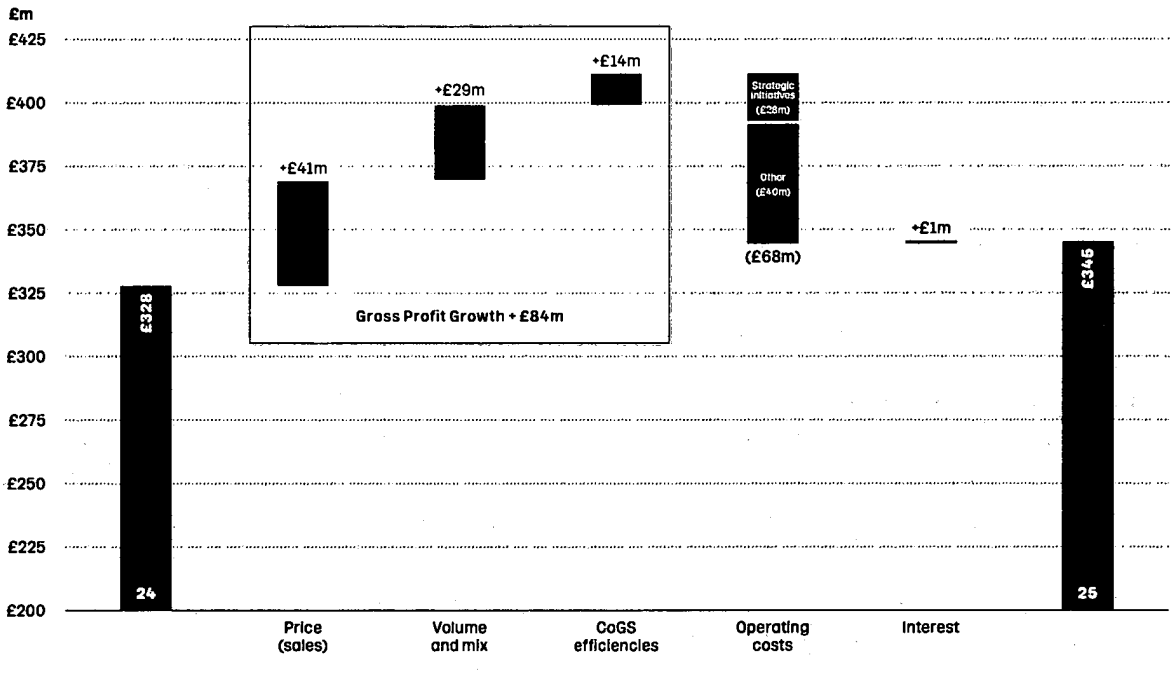
Revenue[1] £m (unless stated)	2025	2024	Change	No. of depots 2025[3]
UK depots - same depot basis[2]	2,297.6	2,239.7	+2.6%	839
UK depots opened in previous two years	35.6	7.7		52
Total UK depots	2,333.2	2,247.4	+3.8%	891
International depots	84.8	74.7	+13.5%	79
Group	2,418.0	2,322.1	+4.1%	970

Local currency revenue[1] €m (unless stated)	2025	2024	Change	No. of depots 2025[3]
International - same depot basis[2]	94.2	86.2	+9.3%	72
Depots opened in previous two years	4.8	1.9		7
Total international	99.0	88.1	+12.4%	79

1 The information presented relates to the 52 weeks to the 27 December 2025 and the 52 weeks to the 28 December 2024 unless otherwise stated.
2 Same depot basis excludes depots opened in 2024 and 2025 and closed depots.
3 There was 1 depot closed in the UK in 2025. In International, 3 depots were opened in the Republic of Ireland and 2 depots were closed in France during 2025.

Profit before tax

Disciplined pricing management and purchasing efficiencies delivered higher gross margins

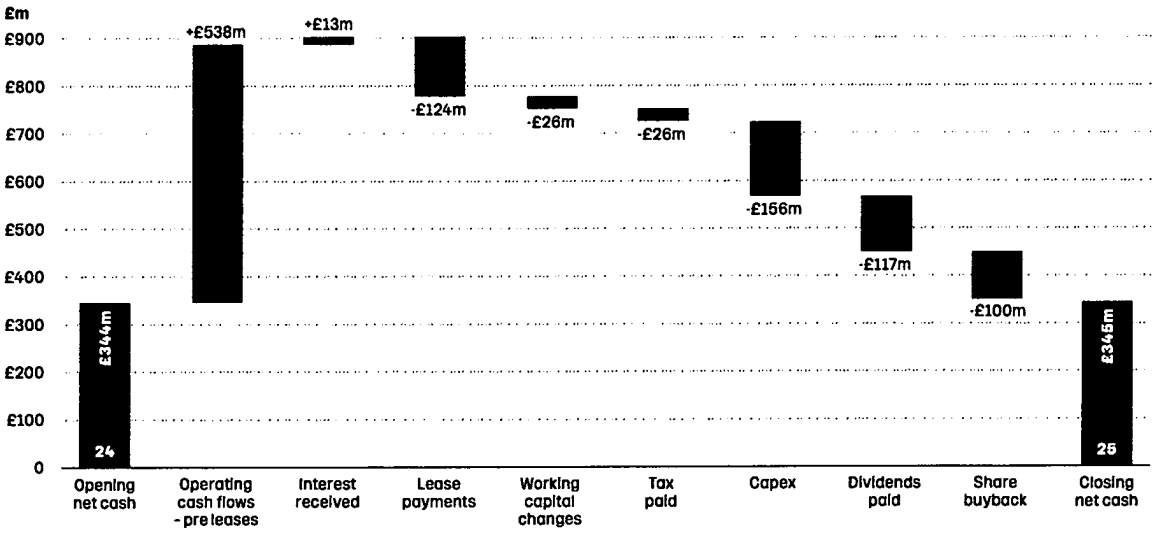


Strategic Report

Financial review continued

How we make cash and how we spend it

Changes in net cash



Uses of cash

We have a strong track record of cash generation, investment, and capital returns

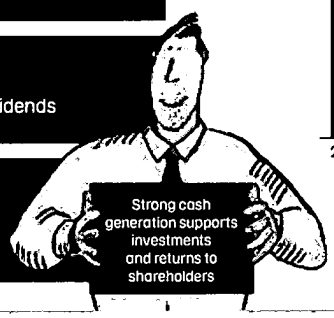
Over the past 10 years:

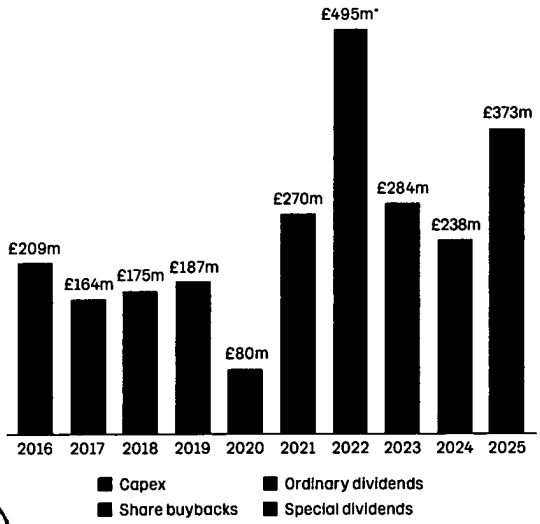
£3.8bn
Generated in operating cashflow

£901m
Invested in capex

£814m
Returned in ordinary dividends

£760m
Returned in buybacks and special dividends





* The special dividend paid in 2021 was a catch-up, given the suspension of dividends in 2020 due to COVID-19.

Tax, profit after tax and basic earnings per share

The tax charge was £77.2m (2024: £78.8m) which represented an effective tax rate of 22.4% (2024: 24.0%). This was lower than our guidance at the start of the year as we have further refined the patent box claim. Profit after tax was £267.7m (2024: £249.3m). Basic earnings per share were up 7.9%, on the prior year at 49.2p (2024: 45.6p) reflecting the increased profit for the year, lower effective tax rate and the benefit of the reduced number of shares in issue following the share buyback programme completed in the year.

Cash

The net cash inflow before movements in working capital totalled £537.6m (2024: £504.6m). Overall working capital increased by £26.3m to support growth, with stock £18.5m higher as a result of depot openings and new product introductions. Receivables at the end of the period were £14.2m higher than at the end of the previous period principally due to the increase in sales.

Payables were £6.4m higher. Capital expenditure was £156.5m and included the one-off freehold purchase of the Runcorn manufacturing facility for £31m. Excluding this, capital expenditure was £125.5m, a similar level to last year at £122.0m, as we continued to prioritise growth initiatives. Corporation tax payments were lower at £25.7m (2024: £39.2m) as a result of prior year tax credits due to the patent box claim.

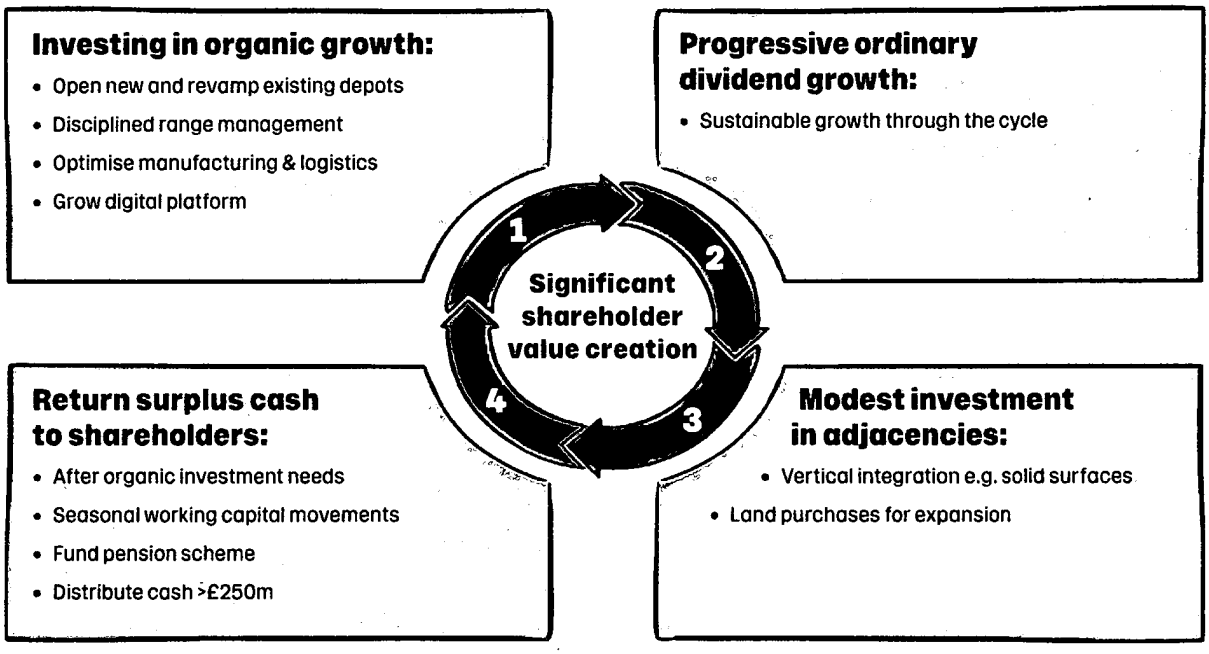
Dividends amounted to £116.6m (2024: £115.9m) and share buy backs were £100.2m (2024 nil). The interest and principal paid on lease liabilities totalled £123.9m (2024: £113.4m). Reflecting the above, cash at the year-end was £344.5m (28 December 2024: £343.6m).

Capital allocation and returns to shareholders

Our capital allocation policy is unchanged. We focus on achieving sustainable profit growth by investing in organic expansion and broadening our capabilities in growth adjacencies. We aim to provide shareholders with an attractive ongoing income stream and an ordinary dividend that grows in line with the long-term prospects of the business. After allowing for these uses of cash, Howdens remains committed to returning any surplus capital to shareholders.

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 with a strong balance sheet, 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. Our policy remains that when year-end cash is in excess of £250m we expect to return surplus cash to shareholders. This provides sufficient headroom to support organic growth, our seasonal working capital requirements, and ongoing investments in our strategic initiatives, while maintaining a strong balance sheet.

Howdens' approach to capital allocation



Strategic Report

Financial review continued

In July 2025 the Board declared an interim dividend of 5.0p per ordinary share (2024: 4.9p per ordinary share), an increase of 2%. The Board is recommending a final dividend for 2025 of 16.9p per ordinary share (2024: 16.3p per ordinary share), an increase of 3.7%. This brings the total dividend to 21.9p per ordinary share (2024: 21.2p per ordinary share), and represents a year-on-year increase of 3.3%. If approved by shareholders at the AGM in May the final dividend will be paid on 22 May 2026 to shareholders on the register on 10 April 2026. Reflecting the Group's strong financial position, the Board is announcing today a new £100m share buyback programme which will be completed over the next 12 months.

Pensions

The defined benefit pension scheme has a surplus on an ongoing funding basis meaning that no contributions are currently payable by the company. At 27 December 2025, the deficit was £7.8m on an IAS 19 basis (2024: Deficit of £2.1m). The scheme is closed for future accrual.

There is a mechanism in place to reinstate contributions if the funding position deteriorates in the future (as well as to turn them off again if the funding position subsequently improves). The current funding arrangement is in place to 31 May 2027 but will be reassessed before then as part of the triennial valuation being carried out as at 31 March 2026.

The Company has actively engaged with the Trustee to pro-actively manage and reduce pension risks over time through a Joint Working Party framework. We will look to accelerate actions to reduce and manage pension risk in areas such as investment strategy, data and benefits and scheme funding.

Board changes

Paul Hayes notified the Board of his intention to retire from his role as Chief Financial Officer (CFO) and Executive Director of the Company effective 30 May 2025. Following an extensive selection process, Paul was succeeded by Jackie Callaway who joined the Howdens Board on 2 June 2025. Prior to her appointment to Howdens, Jackie served as CFO of Coats Group plc and as CFO of Devro plc. She is currently a Non-Executive Director of IMI plc, the FTSE 100 specialist engineering company. Jackie has a strong finance record and extensive experience across multinational manufacturing and supply chain businesses. She is a Fellow of the Institute of Chartered Accountants in England and Wales.

Technical guidance for 2026

Income statement

- Inflationary cost headwinds of around £30m includes additional property and labour costs including the previously announced NICS and minimum wage increases. We will look to offset these costs as much as possible with disciplined cost control.
- Continued investment in our strategic initiatives to support future growth of c.£30m.
- Foreign exchange sensitivity in COGS of Euro: +/- €0.01 = £2.3m; US Dollar: +/- $0.01 = £0.7m.
- Interest charge of c.£16m.
- Full year effective tax rate of 23% to 24%.

Cashflow

- Cash tax expected to be c.£60m.
- Capital expenditure of c.£125m including our ongoing investments to support future growth.
- Share buyback of £100m announced today.

Use and management of financial instruments, and exposure to financial risk

The Group holds financial instruments for one principal purpose: to finance its operations. The Group does not currently use derivative financial instruments to reduce its exposure to interest or exchange rate movements.

The Group finances its operations by using cash flows from operations, and it has access to a £150m revolving credit facility if additional financing is required. Treasury operations are managed within policies and procedures approved by the Board. The main potential risks arising from the Group's financial instruments are foreign currency risk, counterparty risk, funding and liquidity risk and interest rate risk, which are discussed below.

No speculative use of derivatives, currency or other instruments is permitted. The Treasury function does not operate as a profit centre and transacts only in relation to the underlying business requirements.

Foreign currency risk

The most significant currencies for the Group are the US Dollar and the Euro. It is the Group's current policy that routine transactional conversion between currencies is completed at the relevant spot exchange rate. This policy is reviewed on a regular basis. Sensitivity to movements in the Euro and US Dollar is given in the 'Technical guidance for 2026' section above.

Counterparty risk

Group Treasury policy on investment restricts counterparties to those with a short-term credit rating at least equivalent to Standard and Poor's A-1 or Moody's P-1. It also places limits on the maximum amount which can be invested with a single counterparty. The Group continuously reviews the credit quality of counterparties, the limits placed on individual credit exposures and categories of investments.

Funding and liquidity

The Group's objective with respect to managing capital is to maintain a balance sheet structure that is both efficient in terms of providing long-term returns to shareholders and safeguards the Group's ability to continue as a going concern. As appropriate, the Group can choose to adjust its capital structure by varying the amount of dividends paid to shareholders, the returns of capital to shareholders, the level of capital expenditure, or by issuing new shares.

The Group has a committed, multi-currency, revolving credit facility which allows borrowing of up to a maximum of £150m. The facility was not used at any point during 2025 and is in place until September 2029. More details of this facility are given in note 19 to the financial statements.

The Group's latest forecasts and projections have been stress-tested for reasonably possible adverse variations in trading performance and show that the Group will operate within the terms of its borrowing facility and covenants for the foreseeable future as part of our going concern assessment, which is further detailed beginning at page 69.

At the 2025 year end, the Group had £345m of net cash and £150m of funds available to borrow under the committed borrowing facility.

Interest rate risk

The Group has not had any borrowings during 2025 and does not consider interest rate risk to be significant at present.

New accounting standards

None of the new accounting standards that came into effect during 2025 had a material implication for the Group.

Distributable profits

After paying £117m of dividends and buying back £100m of shares in the year, the parent company has distributable profits in excess of £750m.

Cautionary statement

Certain statements in this Annual Report 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.

By order of the Board

Jackie Callaway
Chief Financial Officer

Section 172(1) statement

The Board reviews all matters and decisions through the consideration and discussion of reports which are sent in advance of each of their meetings and through presentations to the Board. When the Directors discharge their duty as set out in section 172 of the Companies Act 2006 ('section 172' or 's.172'), they have regard to the other factors set out on page 78 and they also consider the interests and views of other stakeholders, including our pensioners, regulators and the government, and the customers of our trade customers.

The Directors are required to include a statement of how they have had regard to stakeholders and the other factors set out in section 172(1)(a) to (f) when performing their duty. The full s.172(1) statement may be found on pages 78 and 79. On pages 80 to 87, we have set out examples of how the Directors have had regard to the matters in s.172(1)(a) to (f) when discharging their section 172 duty.

Non-financial and sustainability information

In order to consolidate our reporting requirements under sections 414CA and 414CB of the Companies Act 2006 in respect of Non-Financial Reporting, the table on page 139 shows where in this Annual Report and Accounts to find each of the disclosure requirements.

Gender diversity information for the Group can also be found on page 98 of the Nominations Committee Report.

Strategic Report

Risk management

Our approach to risk

When we look at risks, we specifically think about internal and external drivers of operational, reputational, compliance, financial and strategic risk areas over short-, medium- and long-term timescales. We consider the effects they could have on our business model, our culture and our strategy which we set out starting at page 8, and which we encourage you to refer to as you read this section.

The risk management process

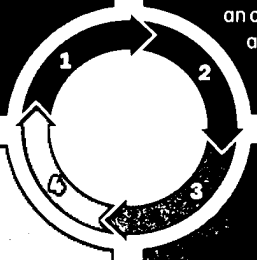
The main steps in the process are set out below:

1 Identification

Functional management and leaders formally identify risks twice a year providing both a bottom-up and a top-down perspective. We also conduct ad hoc reviews of new and emerging risks throughout the year as they arise.

2 Assessment

We assess risks using a Group-wide scoring mechanism that considers both the likelihood of occurrence and the potential impact. We prioritise them by their risk score and carry out an assessment of the level of exposure against our risk appetite. Risks that exceed our appetite may require additional risk response.



3 Response

We agree additional mitigation strategies for risks that require a response and draw up a future action plan and a timeframe. We assign responsibility for implementation of action plans.

4 Monitoring and reporting

We provide formal updates twice a year to the Executive Committee and Board for review, using escalation criteria previously set by them. We also report mitigation plans and progress against them. The Board considers and agrees the key risks, appetites and mitigation strategies which are fed back to risk owners. We carry out this exercise twice yearly and use it to determine the Group's principal risks.

Risk governance

Key activities

Risk monitoring and reporting

We determine our principal risks from the key risk report and agree them with Executive Committee and Board.

The Executive Committee and Board challenge and agree the Group's key risks, appetites and mitigation strategies twice yearly.

Key risks, assessments and responses are consolidated into a key risk report.

Risk response

Where risks exceed our appetite, functional leaders draw up mitigation plans and agree them with the Executive Committee.

Risk assessment

We prioritise risks using a Group-wide scoring mechanism and compare them to our risk appetite.

Risk identification

We conduct operational risk register reviews regularly to monitor current and emerging risks.

We review internal and external emerging issues prior to each register review.

People responsible

Top-down

Board
Executive Committee
Audit Committee
Risk team

Functional leaders
Operational management
Risk team

Bottom-up

Reports/documents

Principal risks

We consolidate the principal risks from the key risk report. These are those risks that we consider could have a potentially material impact on our operations and/or achievement of our strategic objectives.

Key risk report

We consolidate our key risk report from the risk registers. This report outlines the highest scoring risks, emerging risk issues, the biggest influences to our risk profile and changes to the risks reported. The key risk report also provides a Group-wide perspective on risks escalated.

Risk register

We record risk registers for each functional area, aligned with our operating model. The register includes all of the information required to accurately capture the risk and is maintained on our risk management information system. We identify an owner for each risk register responsible for its maintenance as well as the risks it contains.

Risk appetite

'Risk appetite' describes the amount of risk we are willing to tolerate, accept or seek. Our risk appetite is determined by the nature of the risk and how that risk could affect us.

Low	Higher	Balanced
If the risk presents a hazard to our people, operations or strategy	If the risk presents us with an opportunity to improve sales or service	For all other risks we carefully balance the risk and our mitigation efforts with the potential reward

Emerging risks

We conduct periodic 'horizon scans' with the Executive Committee to understand our long-term emerging risk profile. This process considers risks over three timescales:

- **Short term** - Current and near future risks that are strategically and operationally important and are already covered in the operational risk register.
- **Medium term** - Risks important for achieving long-term objectives, development and growth plans.
- **Long term** - Trends that could impact the development or success of achieving strategic objectives.

If a specific emerging risk requires a more immediate response, we discuss it with the Business Continuity and/or Executive Committee as appropriate. The main emerging risks currently being considered can be found on page 40.

Compliance risks

Whilst not a principal risk, we carefully manage and oversee compliance risks through a combination of dedicated reviews and horizon scanning. We carry out regular assessments across the business to help identify key compliance exposures. These cover our operations, data security, product and other financial areas including anti-bribery and corruption, fraud and tax compliance. The output of these is embedded in our operational risk process to ensure clear ownership and action plans across the business. We prioritise these risks and escalate them to the Executive Committee and Board where appropriate.

Provision 29

As part of our Corporate Governance Provision 29 readiness work, we are ensuring our principal risks are fully mapped to material controls across the business for financial, operational compliance and non-financial reporting control areas. Our work remains on track to ensure compliance with the provision from when it applies.

2025 Principal risks and uncertainties

The arrows alongside each risk show the year-on-year change

Links to strategy

R Reach more builders O Operational excellence P Product innovation F Prudent financial management

1. Cyber security

R O F ▲

Risk and impact

A major cyber security breach could result in systems being unavailable, causing operational difficulties, and/or sensitive data to be unavailable or compromised.

Mitigating factors

- We place continuous focus on training our people in cyber security, as we recognise that these risks are dynamic, not always technical, and awareness is our first point of mitigation.
- We employ industry standard IT security controls and regularly engage external specialists to validate the effectiveness of our controls against best practice.
- We have robust disaster recovery and business continuity plans that are tested regularly.
- We adopt a continuous improvement approach to IT security and continue to invest in the security of our systems.

Risk appetite

We have a low appetite for cyber security risk and manage IT security closely to secure the confidentiality, integrity and availability of these systems.

Trend

In 2025 cyber security threats have continued to develop with some high profile incidents with other businesses in the UK and globally. The approach taken has also become more sophisticated, through the combined use of emerging technologies such as artificial intelligence, increasingly dynamic use of social engineering techniques and gaining physical access.

Strategic Report

Risk management continued

2025 Principal risks and uncertainties continued

The arrows alongside each risk show the year-on-year change

2. Market conditions

R O P F

Risk and impact

We sell our products to independent builders who install them in different types of housing. Our sales depend on the demand for repair, maintenance and improvement services. If activity falls in these areas, it can affect our sales.

Mitigating factors

- We have proven expertise in managing selling prices and costs. Data on competitors, depot activity and pricing is discussed by the Executive Committee at each meeting.
- We use insights from our depot network, our builders' forums and other channels. This is reviewed regularly by the Executive Committee and the Board.
- We use our good relationships with our suppliers to alert us of any changes. Our suppliers update us on their assessment of trading and market performance through regular reviews with our leadership team. We also gather insights from supplier visits and our Supplier Conference.

Risk appetite

We have a low appetite for market conditions risks and we maintain close relationships with our customers and suppliers to identify movements early to enable appropriate action to be taken.

Trend

Cost-of-living pressures, geopolitical instability and persistent inflation may further erode our end-consumer confidence. The volatility seen throughout 2025 has only intensified in early 2026, with geoeconomic confrontation and interstate conflict emerging as major global risks for the year ahead

3. People

R O P F

Risk and impact

Our business could be adversely affected if we were unable to attract, retain and develop our staff, or if we lost a key member of our team.

Mitigating factors

- We continue to invest in our employee value proposition, striving to provide the best possible working environment and growth opportunities for our employees.
- The Executive Committee and senior leadership team assess succession plans for key roles regularly to ensure that appropriate continuity is in place.
- The Remuneration Committee and Board are regularly updated on key people activity such as our internal projects to improve diversity as well as programmes such as employee financial education.
- We continue to support a wide variety of apprenticeships, accreditations and development programmes across all areas of our business.

Risk appetite

We have a low appetite for people risk and work hard in ensuring that they feel valued, are rewarded appropriately and have opportunities to develop and progress in their Howdens career.

Trend

Ongoing cost of living, wages and inflationary pressures, management of hybrid working practices and changes of working laws and rights has created a challenging environment for our people and management teams. Maintaining the wellbeing and motivation of our people remains a focus area across the entire business.

Links to strategy

R Reach more builders O Operational excellence P Product innovation F Prudent financial management

4. Health & safety

R O P F

Risk and impact

We have a large estate which employs various activities that could cause harm to our staff, our customers, their customers and the communities around us.

Mitigating factors

- We invest in safe ways of working. We have developed dedicated health & safety teams and formalised systems that help us stay safe.
- We monitor, review and update our practices to take account of changes in our environment or operations and in line with best practice and changing legislation.
- We make sure we keep talking about health & safety at every level of the business, led by the Executive Committee.

Risk appetite

We put a great deal of effort into identifying and managing health & safety issues before they occur, and have a low appetite for health & safety risks.

Trend

A well-established health & safety framework manages this risk effectively. We have continued to learn from constantly monitoring near misses, changes to our operating environment and changing legislation, ensuring this risk remains stable.

5. Supply chain

R O P F

Risk and impact

A failure in governance or disruption to our relationship with key suppliers, manufacturing and distribution operations could affect our ability to service our customers' needs. If this happened, we could lose customers and sales.

Mitigating factors

- We maintain strong relationships with our suppliers. We use long-term contracts and multiple sourcing to safeguard the supply of key products.
- We have invested in our supply chain and distribution to secure capacity and agility when it is required. We have optimised our stock levels.
- Supplier reviews are discussed regularly with the Executive Committee. In addition, a sub-committee monitors governance of supplier risk and considers potential issues.

Risk appetite

We have a low appetite for supply chain risks and put considerable effort into identifying them early to enable us to prevent stock issues at our depots.

Trend

Whilst our supply base has returned to a more pre-pandemic environment, changing legislation, ongoing geopolitical issues and extreme weather events could challenge the continuity of our supply-chain and impact cost of freight.

Strategic Report

Risk management continued

2025 Principal risks and uncertainties continued

The arrows alongside each risk show the year-on-year change

6. Maximising growth

R O P ◀▶

Risk and impact

Failure to recognise, innovate and exploit opportunities could impact on growth. We must align our business model, risk appetite, structures, and skills with opportunities to maximise our growth potential.

Mitigating factors

- We continue to invest in our depot environment, people, services, and systems, and in our manufacturing and distribution capabilities to equip them for growth.
- Growth activities are reviewed in the light of our risk appetite, values, business model and culture.
- Our strategic priorities are actively discussed at the senior leadership, Executive Committee and Board level.
- The Board is updated on the strategic plan regularly, and there is a regular programme of 'Spotlight' sessions which examine specific areas of the strategy.

Risk appetite

We have a balanced appetite for risk when it comes to growth. We are willing to accept some risk where we see opportunity, but we carefully balance that risk with the potential reward presented.

Trend

An ongoing unpredictable economic environment and continued uncertainty for consumers has resulted in continued pressure on their spending. However our strategy has continued to grow our share of the kitchens market.

7. Business model & culture

R O P ◀▶

Risk and impact

If we lose sight of our values, model or culture we will not successfully service the needs of the local independent builder and their customers, and our long-term profitability may suffer.

Mitigating factors

- Our values, business model and culture are at the centre of our activities and decision-making processes, and they are led by the actions of the Board, Executive Committee and senior management.
- The Board and Executive Committee regularly visit our depots and factories, our logistics and support locations, and hold events to reinforce the importance of our values, model, and culture.
- Regular 'Town Hall' meetings are held to bring together teams and discuss our successes and challenges ahead.

Risk appetite

We have a low appetite for risks that can adversely impact our business model and culture, and put great emphasis on identifying issues and addressing them early.

Trend

Growing international operations and bringing new people in, has required increased focus on ensuring the Howdens culture is maintained across all areas of the business. UK operations remained stable with established management teams' consistent focus on our core principles and business model.

Emerging risks

Geopolitical risk

The continuing changing political situation in the Middle East, Europe and China, coupled with major changes in governments continue to have the potential to impact our supply base and the economies we operate in. We monitor the situation in the relevant territories and take a risk-based approach to any identified exposures.

Legislative environment

Increasing legislative requirements around climate and corporate governance continue to have the potential to impact our operations at home and abroad, and/or to distract our focus on our customer.

We review emerging legislative requirements as well as our compliance with existing legislation to understand how and when they could impact on us and what we need to do to comply.

Links to strategy

R Reach more builders O Operational excellence P Product innovation F Prudent financial management

8. Product

R O P F

Risk and impact	Mitigating factors
If we do not support the builder with products that they and their customers want, we could lose their loyalty and sales could diminish.	• Our product team regularly refreshes our offerings to meet builders' and end-users' expectations for design, price, quality, availability and sustainability. • We work with our suppliers, external design and brand specialists, and attend product design fairs to monitor likely future trends. • Our local depot staff have close relationships with their customers and end-users, and we actively gather feedback from them about changes in trends.
Risk appetite	**Trend**
We have a balanced appetite for product risk and are willing to take some calculated risks when selecting new products to continue to meet the need of our customers.	Over the year we have continued to work on understanding our customers' and end-consumers' wants and needs, regularly reviewing our product offering to ensure we continue to meet them.

9. Business continuity & resilience

R O F

Risk and impact	Mitigating factors
We have some key business operations and locations in our infrastructure that are critical to the continuity of our business operations.	• We maintain and regularly review our understanding of what our critical operations are. • We ensure resilience by design, building high levels of protection into key operations and spreading risk across multiple sites where possible. • We ensure appropriate business continuity plans are in place for these and have a Group-wide incident management team and procedures established. • We regularly review our continuity plans covering our sourcing and logistics approaches to support peak trading.
Risk appetite	**Trend**
We have a low appetite for business continuity risk, ensuring that critical functions are resilient and appropriate business continuity plans are in place to protect them.	Though we have not experienced any significant events, we continue to develop and test our business continuity capabilities, whilst ensuring resilience by design as we continue to grow.

Climate-related risk and tax risk

Climate is an emerging risk but is not a principal risk for us. We handle climate risk in the same way as our other risks, albeit that time horizons may be longer. We have continued to develop our climate risk approach during 2025, and more detail on this can be found in our TCFD report on pages 58 and 59.

We consider tax risk as part of our operational risk management. We have a specific tax risk register, owned by senior staff with Executive oversight. We do not consider tax as a principal risk. Our UK tax strategy may be found at https://www.howdenjoinerygroupplc.com/docs/librariesprovider25/archives/governance/2025-tax-strategy.pdf

Strategic Report - Sustainability Matters

Sustainability Matters

Worthwhile for all concerned

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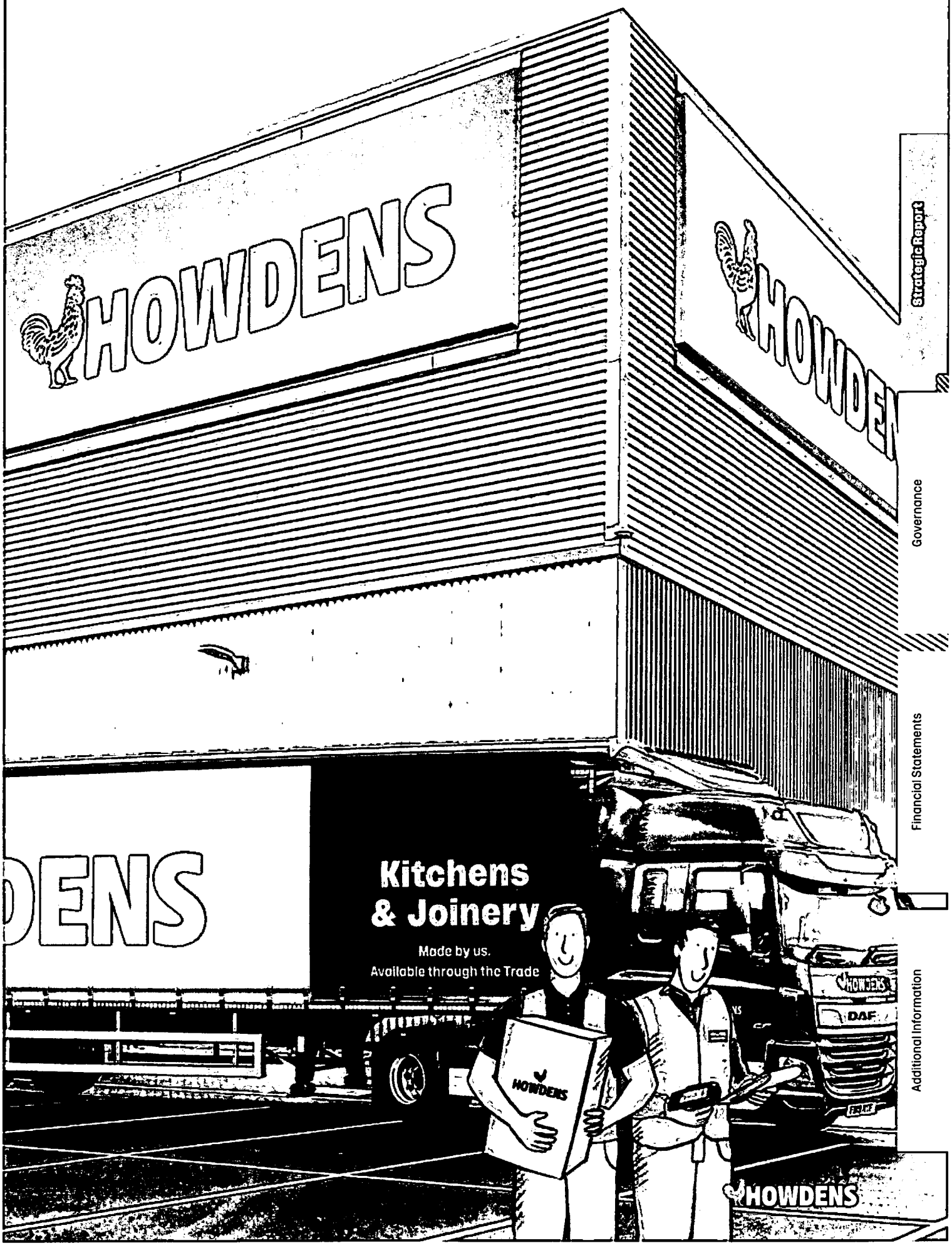
Our carbon emissions reporting 60


HOWDENS
HOWDEN
DENS
Kitchens
& Joinery
Made by us.
Available through the Trade
HOWDENS
DAF
HOWDENS

Strategic Report - Sustainability Matters

Why sustainability matters to us

Sustainability generates long-term value

- Helps to preserve our culture, supports our business model, increases business resilience, mitigates our risks and addresses the material needs of our stakeholders.

Sustainability is part of our culture

- Our culture is to be 'worthwhile for all concerned'. For our staff, our customers, our suppliers, the environment and the communities we work in.

Sustainability supports our business model

- Gives us a competitive advantage and builds business resilience and helps us to maintain sector-leading margins.
- Lowest cost production in our own UK factories leads us naturally to minimising waste, energy and raw materials.
- Being trusted partners to our suppliers and customers means that our relationships need to be worthwhile for all over the long term.
- Each of our depots relies on strong local relationships to trade profitably, so we need to be a good neighbour in each of those communities.

Sustainability mitigates our risks

We discuss our principal risks beginning on page 37. Sustainable behaviour helps us to address some of those risks.

- Investing in keeping our people safe, developing their skills and offering them a great place to work is the right thing to do, but it also mitigates our 'Health & safety' and 'People' risks.
- Developing and maintaining sustainable supplier relationships mitigates our 'Supply chain' risk.
- Sustainability is a core principle of our new product design. This gives us energy-efficient, safe and durable product, and mitigates our 'Product' risk.

Our material sustainability areas and our ESG strategy

We last refreshed our ESG materiality assessment in 2023 by commissioning an independent review with third-party specialists, consulting both external and internal stakeholders.

We present our materiality assessment and show how the material topics are aligned to the strategic pillars and foundation principles of our ESG strategy at page 48. Our ESG strategy is summarised on the next page.

Our sustainability KPIs, our Net Zero SBTi targets, ESG and remuneration

Our sustainability KPIs cover safety, use of wood from certified sources and avoiding sending waste to landfill. You can find them on pages 50 and 53.

Our SBTi Net Zero targets were submitted in the first half of 2023 and were approved in January 2024. We present these targets on page 47.

Our PSP share plan includes ESG-related vesting targets, which are aligned with our Net Zero goal. Please see page 51 and 117 for details of the targets.

ESG strategic highlights of 2025

Progress against SBTi targets

Good progress. 2030 Scope 3 reduction achieved by 2025 (page 61).

Supplier engagement

Extensive supplier engagement - linked to our SBTi targets and increasing the accuracy of our Scope 3 data (page 49).

Climate resilience scenarios

Updated our climate scenarios for TCFD reporting (page 59).

Investment in solar power

£3.5m solar panel investment went live in H1 2025. Generating 1.8GWh in 2025 (page 50).

The Board and Executive Committee lead our commitment to sustainability

The importance of sustainable behaviour is recognised right through the business. You can see the Board's Statements of Intent on Health & Safety and Sustainability at: www.howdenjoinerygroupplc.com/sustainability/group-health-safety-and-sustainability-policies. The Board's Sustainability Committee met regularly throughout the year and their report begins on page 134.

Our sustainability strategy

Our sustainability vision

UK's leading responsible kitchen business	A unique and sustainable culture	Leader in risk and resilience governance
A sustainable product offering, responsibly manufactured or sourced, that meets the needs of the builder and the end consumer.	Maintaining and building on our culture of being worthwhile for all concerned. Continuing to grow a sustainable business that appeals to current and future stakeholders.	An agile and resilient business, proactively managing ESG risks, with transparent high-quality stakeholder reporting.

Our sustainability strategy

Strategic objectives	Net Zero			Climate resilience	
Strategic pillars	Supply chain emissions See page 49	Renewable energy /sustainable operations See page 50	Decarbonise the fleet See page 51	Sustainable product offer & innovation See page 52	Supply chain risk mapping & resilience See pages 59
Foundations	EDI: Strategic priorities & wellbeing See pages 54				
	Behavioural health & safety: Maintain & next steps See page 53				
	Effective waste management: Zero to landfill See page 53				
	Emissions reductions: SBTi Net Zero targets See page 47				
Governance	Effective reporting & disclosure				

Our material SDGs

UN SDG description and relevant targets under each SDG

SDG targets 8.4, 8.5, 8.6, 8.7, 8.8: resource efficiency; sustainable growth; full, productive and worthwhile employment; equal pay for work of equal value; youth training; eradicate modern slavery and child labour; safe and secure working environments.

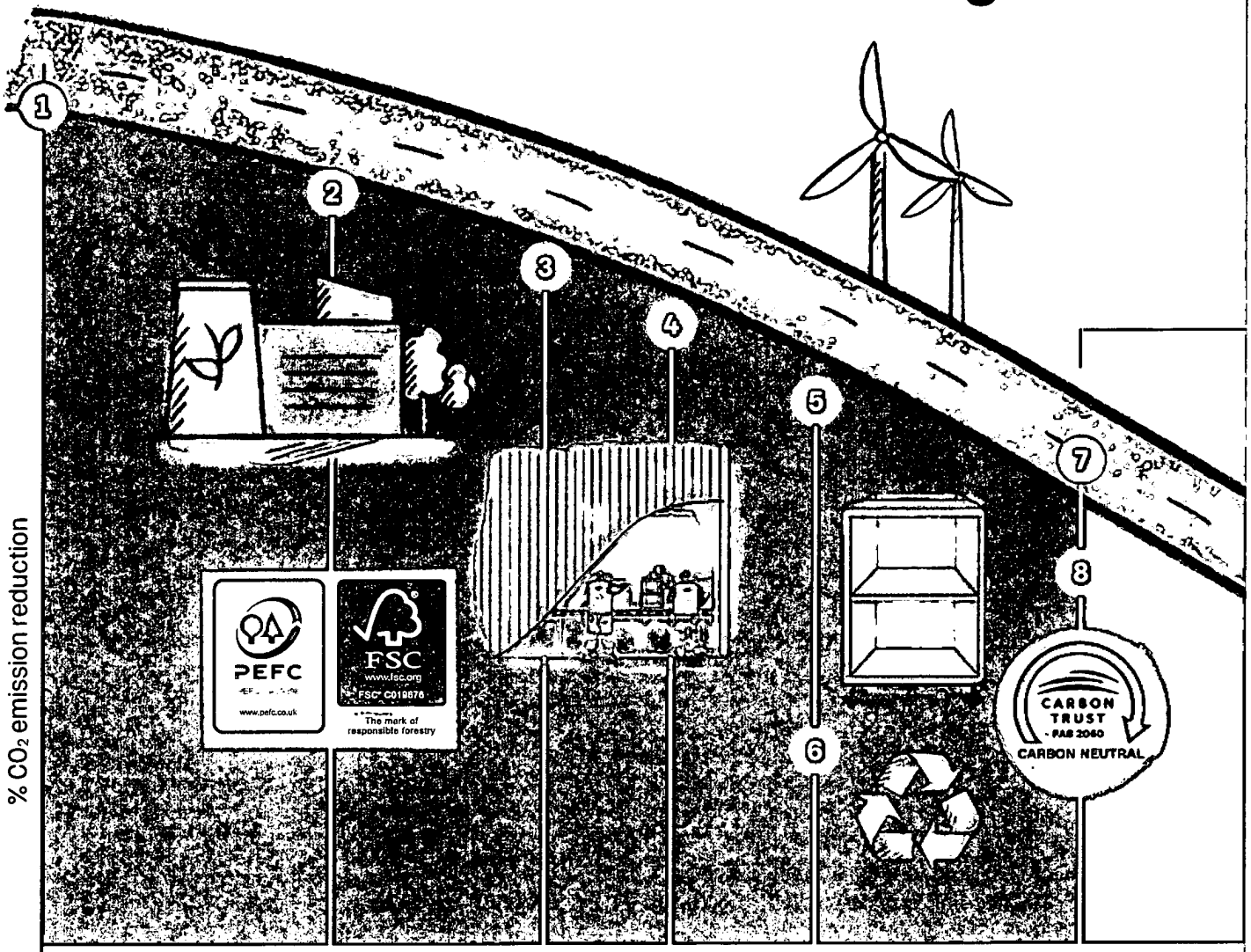
SDG targets 12.2, 12.5, 12.6, 12.7: sustainable management and efficient use of natural resources; reduce waste, increase recycling and reuse; publish sustainability information; sustainable procurement.

SDG targets 13.1, 13.2: strengthen resilience to climate-related hazards; integrate climate change and emission reduction measures into strategic planning.

SDG targets 15.1, 15.2: conservation and sustainable use of forests.

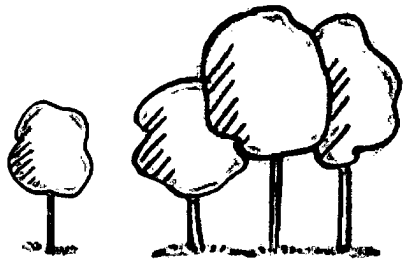
Strategic Report - Sustainability Matters

Our Net Zero commitment and targets



Our history of positive action

1. Biomass heating boilers (in use since 1995)
2. FSC® and PEFC chain of custody introduced
3. Carbon Trust standard (first carbon reduction plan)
4. Further investment in biomass for factory heating
5. Development and introduction of 100% recycled and 100% recyclable cabinet legs
6. Zero to landfill achieved in manufacturing
7. Introduction of renewable electricity in our supply operations
8. Carbon neutral status achieved*



* In our Howden and Runcorn factories.

How we plan to reduce our emissions

SBTi targets: 2021-2030

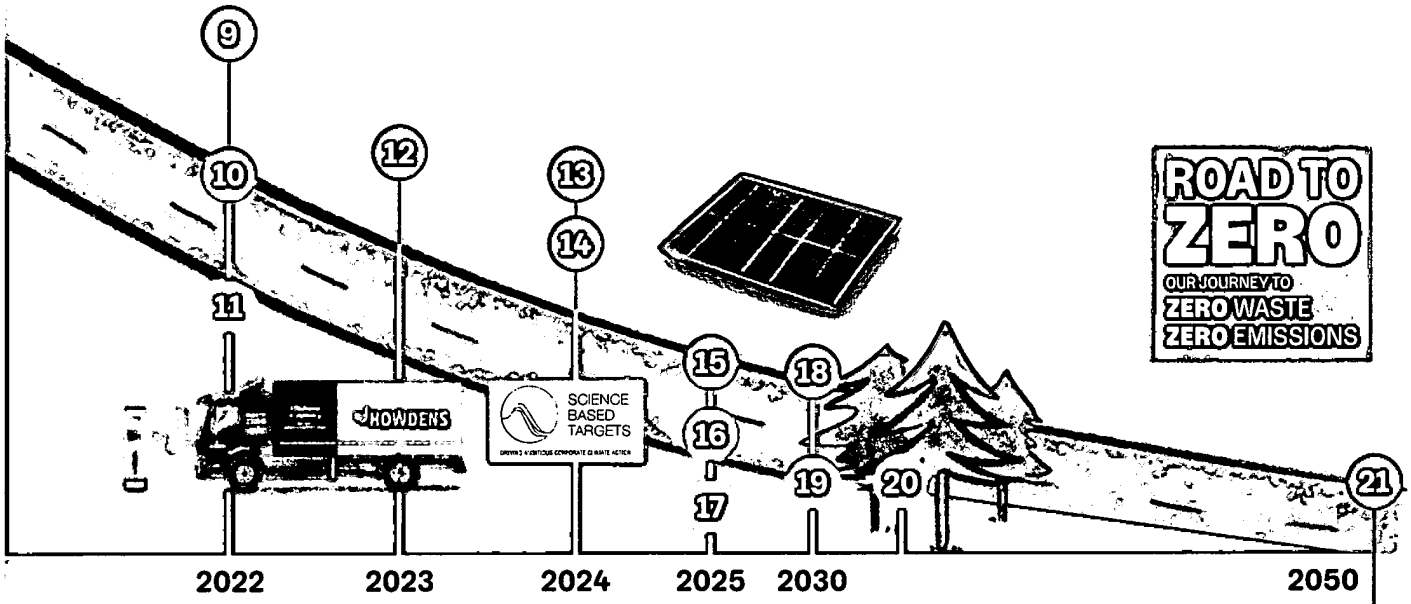
(against a 2021 baseline)

42% **reduction in Scope 1+2 emissions**

25% **reduction in Scope 3 emissions**

What does Net Zero mean?

Our definition of the term 'Net Zero' is the same as the definition used by the Science-Based Targets initiative and means reducing GHG emissions by at least 90% and neutralising any residual GHG emissions on an ongoing basis.



Our SBTi targets to 2030

2030-2050

9. Introduction of renewable electricity in depots
10. Committed to Science Based Targets initiative (SBTi) with Net Zero plan
11. Introduction of HVO alternative fuel
12. Introduction of EV trucks in our XDC network
13. Long-term exploration of alternative fuels, materials & technologies
14. Approval of our SBTi targets
15. Solar panels start to generate energy at our Howden factory
16. On track to meet our SBTi 2030 commitments
17. Working with suppliers to decarbonise
18. Increased use of HVO and solar
19. Interim 2030 emission reduction targets
20. Monitoring and using new technologies, where appropriate for our business
21. Net Zero - 90% reduction in emissions against a 2021 baseline

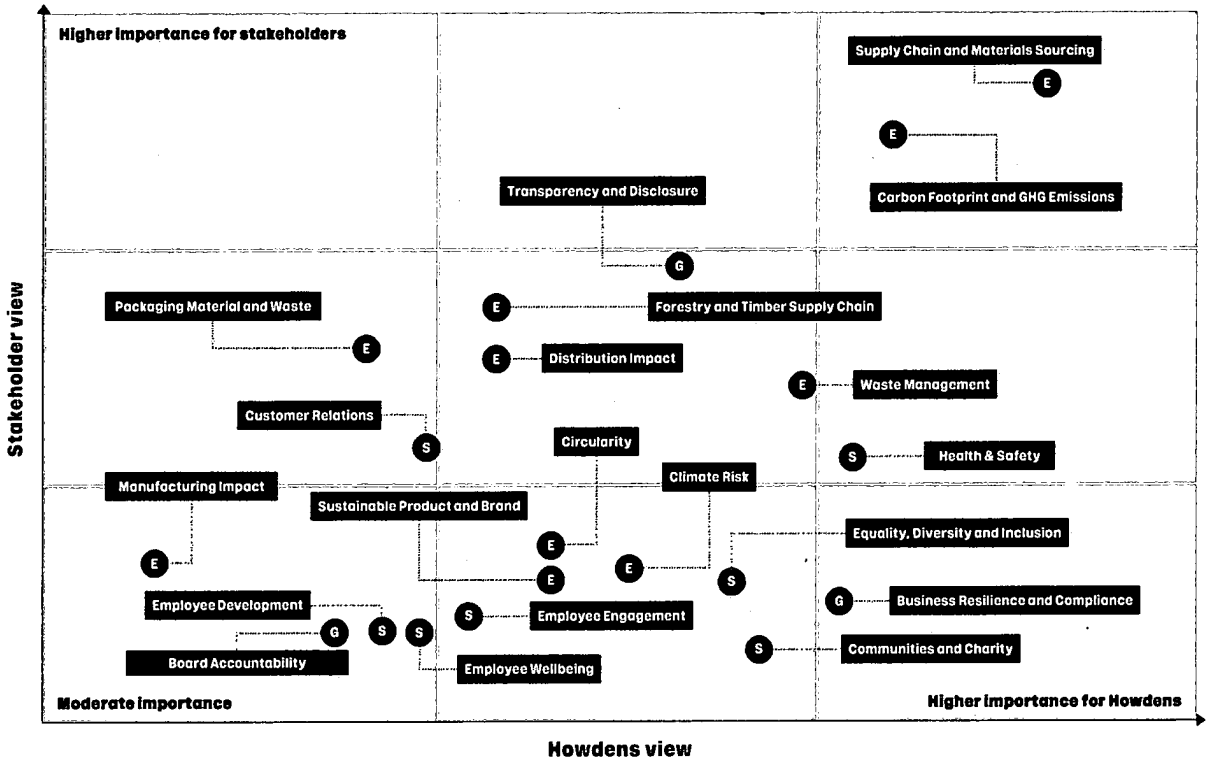
Strategic Report - Sustainability Matters

Our material sustainability issues

Our ESG materiality assessment

In 2023 we refreshed our existing ESG materiality assessment by commissioning an independent specialist review and carrying out interviews with both internal and external stakeholders. The results are below.

Results of the materiality assessment and stakeholder engagement:



- Aligns to our ESG strategic pillars
- Aligns to our ESG foundation values
- Aligns to wider business strategy and governance

E Environment
S Social
G Governance

Stakeholder views are gathered from interviews with depot managers, employees, suppliers and investors. **Howdens views** are gathered from interviews with the senior leadership team.

When examining the answers from both sets of interviews, we found that the scoring for some topics was being given on a net basis, because the interviewees were aware that the Group had effective plans of action in place for these topics and were taking account of this in their answers.

Correlation of material topics with our ESG strategy

As well as showing the relative importance of each of the topics that arose in our stakeholder interviews, the diagram above shows how they link to our ESG strategic pillars and foundation values, set out at page 45, or in some cases, how they link with our wider business strategy and our governance.

Double materiality

We have completed the initial stages of a double materiality assessment ('DMA'), which will give us further strategic insight and will prepare us for reporting under the European Corporate Sustainability Reporting Directive ('CSRD') in the future.

The DMA raised six additional topics, which were already addressed by some areas of our existing ESG strategy, and which we will give additional consideration to in the future. These topics were: pollution; biodiversity; circularity; own workforce; workers in the value chain, and affected communities.

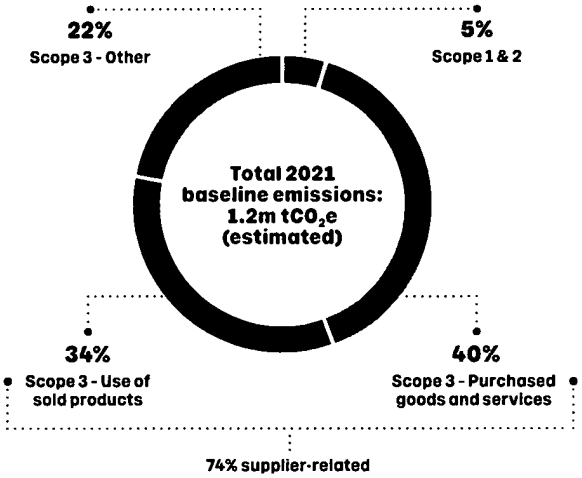
* The Director of ESG is a management role and is not a Director of the Board of Howden Joinery Group Plc.

Supplier engagement - addressing Scope 3 emissions together

Why supplier engagement is important

95% of our baseline total emissions are Scope 3, i.e. they are in our value chain. Three quarters of these relate to goods purchased from our suppliers and the use of products that we source from our suppliers.

We can only achieve our Net Zero SBTi targets by collaborating with our key suppliers.



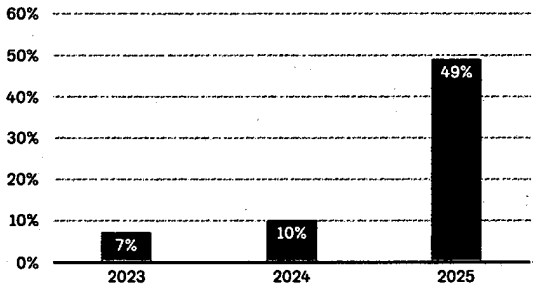
Our history of supplier engagement

See our website:
www.howdenjoinerygroupplc.com/sustainability/supplier-engagement

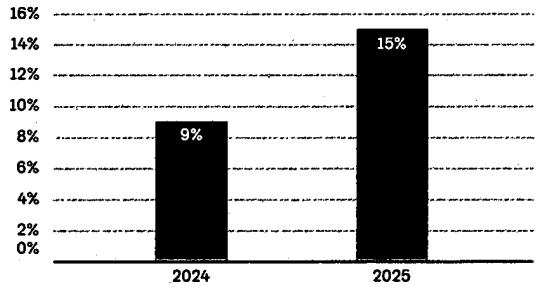
Supplier engagement headlines in 2025

1. Continued increase in supplier commitment to providing more accurate emissions data.

Number of our main suppliers who have submitted finalised emissions data for 2021-2024



Percentage of suppliers with approved SBTi plans



2. ESG objectives are included in standard supplier terms of business.

Defined targets in line with our SBTi objectives, and commitment to provide carbon reporting data.

3. Supply chain risk mapping and resilience to climate change.

We have included key supplier operations in our physical climate risk assessment exercise - see page 59.

Strategic Report - Sustainability Matters

Strategic pillar - renewable energy & sustainable operations

KPI

All chipboard & MDF used in our manufacturing processes is from FSC® or PEFC certified sources

The mark of responsible forestry

KPI - FSC®/PEFC

We used 249,000 cubic metres of chipboard and 59,000 cubic metres of MDF in our factories in 2025 - enough to fill 123 Olympic swimming pools - so it's natural that we have a long-standing KPI requiring all wood to be from certified sources.

FSC® or PEFC certification means that the wood comes from responsibly managed sources and that we have independent documented evidence of an unbroken chain of ownership all the way from the forest to us - via the mill, the importer and our suppliers.

Renewable energy headlines in 2025

Solar energy investment at Howden

In 2024 we approved a £3.5m investment in solar panels at our manufacturing site in Howden. This put 7,000 PV panels on our main warehouse roof, covering an area of 350,000ft². The installation began to generate power in 2025 and has generated 1.83GWh of electricity in its first year. This was 12% of the total site electricity consumption and avoided 378 tCO_2e of Scope 2 emissions. The investment is expected to pay back within 5 years. We intend to install more solar panels across our estate in the future.

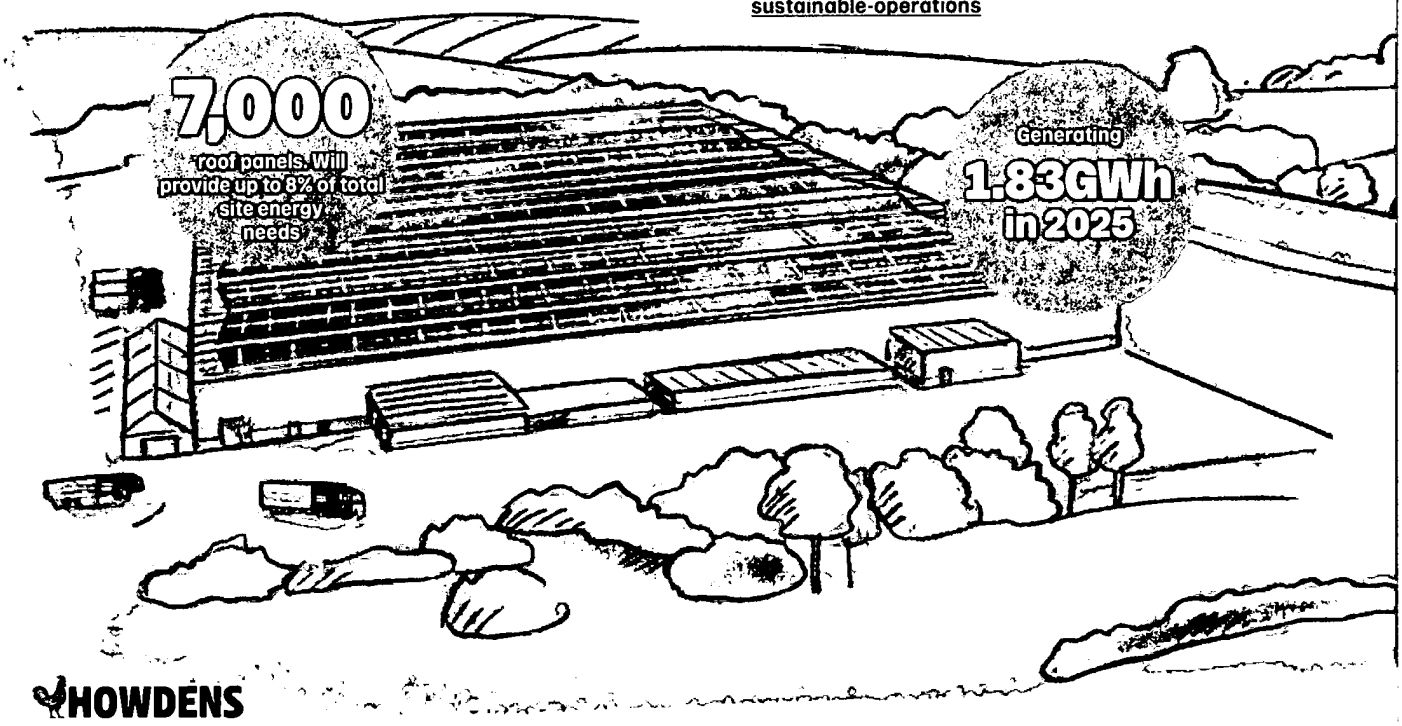
Policies

Read our Modern Slavery Statement: www.howdenjoinerygroupplc.com/governance/modern-slavery-statement

Read our Human Rights Policy: https://investorcom.sitefinity.cloud/docs/librariesprovider25/archives/governance/human-rights-policy.pdf

More information

More information on renewable energy and sustainable operations on our website: www.howdenjoinerygroupplc.com/sustainability/renewable-energy-and-sustainable-operations



Strategic pillar - decarbonising the distribution fleet

Strategic importance and current position

We operate our own transport fleet, and it accounts for around a third of our Scope 1 baseline CO_2 emissions, so it's a clear ESG strategic priority area for us, as well as being a key part of our SBTi 2030 emission reduction target.

The scope for step changes in a fleet that's already operating at a high level of efficiency is small, but our fleet drove over 19 million miles in 2025, so every incremental gain is worthwhile.

Fleet decarbonisation headlines in 2025

Increasing the use of HVO in our fleet

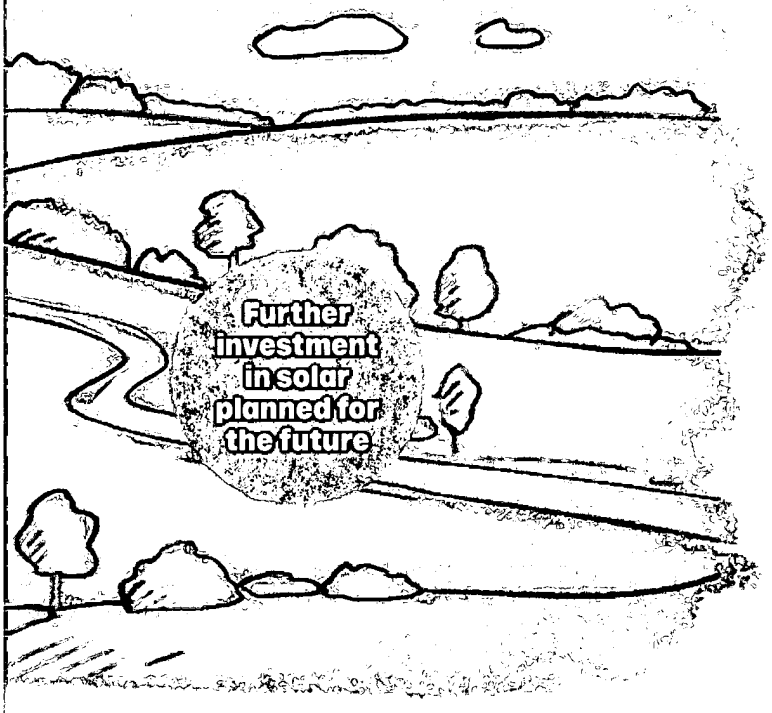
Hydrotreated vegetable oil ('HVO') is a sustainably sourced, plant-based biofuel which can replace diesel without requiring engine modifications. It reduces CO_2 by up to 90% compared to diesel, and has lower nitrogen oxide and particulate emissions. We have increased our HVO usage in each of the last three years and plan to increase it by a further 40% in 2026.

LNG lorries in our fleet

Bio-LNG is produced by anaerobic digestion of organic waste, manure and sewage and produces up to 85% less CO_2 than diesel. We have 15 LNG vehicles in the fleet at the end of 2025.

Electric vehicles in our XDC network

With current technology, there isn't a viable electric vehicle with the range to replace our long-haul fleet. Our XDC network, described at page 26, involves shorter range deliveries and is operated on our behalf by third-party logistics partners. We have engaged with one of our partners and between us we are now operating four electric vehicles at the end of 2025.



Future plans for fleet

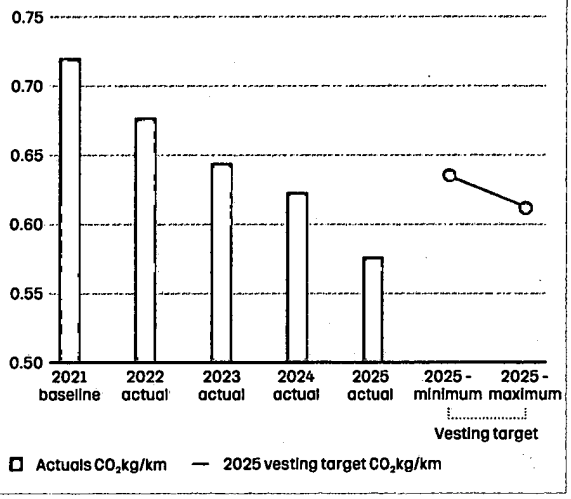
We are introducing longer trailers in 2026, with 14% more capacity. This will reduce the number of trailer movements by around 500 per year, and will reduce both our fuel consumption and our CO_2 emissions.

Metrics and targets: link to LTIPs

Our distribution fleet has a 2030 emissions reduction plan, aligned with our SBTi Net Zero commitments.

The first step of this is the emissions reduction targets, which are built into our PSP share awards (page 117) and are aligned with the first 5-year targets in our SBTs, giving minimum payout at a total cumulative reduction from our 2021 baseline of 12%, and a maximum payout at 15%.

2025 performance achieved maximum vesting.



More information

More information on reducing fleet emissions on our website: www.howdenjoinerygroupplc.com/sustainability/decarbonising-the-distribution-fleet

Strategic Report - Sustainability Matters

Strategic pillar - sustainable product offer and product innovation

We want to create sustainable products that we're proud of. We make over 4.5 million cabinets a year in our own UK factories, so our choices here can make a real difference. We buy our chipboard from sustainably managed UK forests. For every acre of trees used, an acre or more is planted.

When the cabinet has come to the end of its life in the home it can be recycled and broken down to produce more chipboard, which can be used to make more cabinets in the future.

We don't only want to do things to an incredibly high standard - we want them to be sustainable too. Sustainability is built into our product design process and is one of the five pillars that we base new product design and sourcing decisions on, sitting on an equal footing alongside quality, design, cost and availability.

Some recent examples of building sustainable considerations into new product are shown below.

1 Cabinets kitchens and bedrooms

Our new kitchen family, Frome, leads the way in using materials with reduced environmental impact.

It uses PET-based decorative foil instead of PVC, reducing the harmful impacts of the production and use of PVC. The PET we use can have up to 30% post-consumer waste, depending upon availability and production demands.

Frome is also the first family in the Howdens portfolio to contain MDF produced using up to 30% recycled timber content, reducing the demand on virgin fibre.

Our Allendale kitchen family has taken a significant step forward in 2025 with the introduction of the Allendale Reed Green colour, using polypropylene decorative foil instead of PVC. This shift away from the use of PVC has paved the way for future Allendale introductions. Polypropylene is one of the most sustainable plastics available, and its durability means we can use less of it, further reducing its environmental impact. We hope to eventually use polypropylene for the whole Allendale range.

We're investing in an environmental Life Cycle Analysis calculation tool so that we can make more informed decisions to reduce environmental impacts of potential new products earlier in the design process.

2 Innovation

We continue to explore new technologies that can reduce the need for virgin or less environmentally friendly materials, exploring ideas both within and outside of the furniture industry. Examples include looking at agricultural and fabric waste to reduce demand for plastic in injection moulding, wood fibre in paper production, and MDF.

We have continued to build our external innovation network including partnerships with universities.

3 Appliances

Lamona washing machines are now 'A' rated, giving a 25% reduction in energy consumption over a 10 year life. Lamona dishwashers are now 'C' rated, giving a 9% reduction in energy consumption over the same period.

Launched energy-saving tool Youreko on our product website which allows customers to compare energy use and potential cost savings for different products over their lifetimes.

Failure rates have improved by 4.3% year on year to 2.45%, reducing the number of repairs and replacements, and their associated emissions.

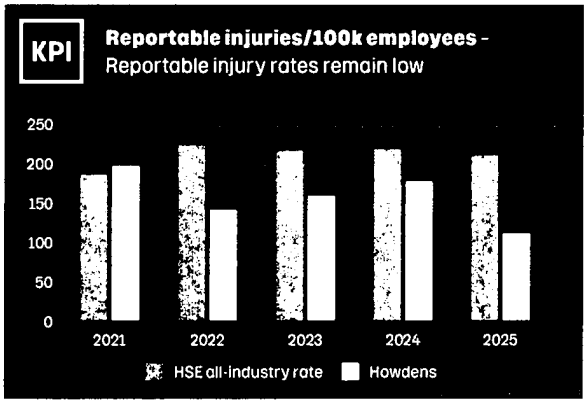
4 Joinery & flooring

Our supplier engagement programme and SBTi emissions reduction targets have actively encouraged suppliers to take action. Our main UK door supplier, Jeldwen, achieved Cradle2Cradle bronze certification in February 2025. The Bronze level of certification recognises their intent to improve the way their product is made, establishing a commitment to ongoing assessment and optimisation. We continue to assess the removal of plastic wrap and by the end of 2025 all plastic door corner protectors were removed from supply.

We are incorporating more recycled content into our vinyl, laminate and engineered floors. In 2026 we will explore further collaboration with our partners on end-of-life recycling for flooring.

ESG foundation values - health & safety, carbon neutral, renewable energy and waste

Keeping our people safe and healthy



- Our safety KPI has remained low at 110 RIDDOR-reportable injuries per 100,000 employees in 2025. This is 47% below the 2024/2025 HSE All-Industry rate of 209. We continue to be vigilant on all aspects of health & safety.
- Our accident severity rate has also remained low at 18.7 hours lost to accidents per 100,000 hours worked.
- We continue to hold ISO 45001 Health & Safety management certification across our UK and Republic of Ireland depots, and our manufacturing and distribution network.

Developments in 2025

- Rolling out our new 'SAFER Together' and 'Blueprint for Safety Excellence' programmes.
- Renewal of 3-year ISO 45001 certification across the UK depot network.

More information

More information on our approach to Health & Safety on our website: www.howdenjoinerygroupplc.com/sustainability/health-safety

CDP

This is our third cycle of reporting CDP data for Climate, and we were pleased to be awarded Grade B. This score recognises evidence of action and processes to manage decarbonisation issues, showing that the company is moving from understanding to implementation.

We are delighted to have scored a Grade A in the subsections for emissions reductions initiatives, low carbon products, Governance, Scope 3 emissions and targets.

Carbon Trust Route to Net Zero Standard

We were very pleased to achieve this standard at the 'Taking Action' tier in 2024, with an accreditation which lasts for 2 years. This tier is the first of three tiers, and it required us to show historical reduction in operational emissions, greenhouse gas emissions reduction targets, and foundational CO_2e management practices. This is an important step in our Net Zero journey and demonstrates our commitment to climate leadership and best practices.

CARBON TRUST | ROUTE TO Net Zero STANDARD TAKING ACTION

Reducing waste

Our baseline: zero to landfill across all UK operations

We are pleased to have maintained our standard of zero to landfill across all UK operations in 2025 and we continue to see this as our baseline for the future.

Future challenges for our waste management

We are now working on more challenging targets for the future, which concentrate on opportunities for reuse and recycling of waste streams that have previously gone to energy recovery. We are assessing options and circular principles to both eliminate waste and also find routes for reuse and repurposing.

More information

More information on our approach to reducing waste on our website: www.howdenjoinerygroupplc.com/sustainability/waste-management

Strategic Report - Sustainability Matters

ESG foundation value -
EDI & Wellbeing Vision

Worthwhile careers, opportunities to develop and thrive

"I want Howdens to be a 'home from home' place to work, where you are valued for who you are and where you can give the best of yourself, make a great contribution to the business and build lifelong friendships". **Andrew Livingston - CEO**

Our inclusion strategy: Worthwhile for ALL, Support for ALL, Accessible for ALL.

See our website: www.howdenjoinerygroupplc.com/sustainability/people-edi-and-wellbeing

2025 Headlines

Employee inclusion survey

Our Employee inclusion survey showed positive improvements since last year across the 3 main questions:

74%

said Howdens is a great place to work (up 6%).

78%

expressed pride in working for Howdens (up 5%).

74%

felt everyone has the opportunity and encouragement to succeed (up 4%).

Developing our managers

We continue to build on the strong foundations of learning with a particular focus on helping managers get the best out of their teams. 80% of leaders who have attended our Leading the Way programme say it has made a difference to their team's performance.

In March 2025 we launched a new manager induction to help managers new to Howdens understand our culture, lead their teams and run their depot or operation successfully. So far over 100 managers have completed the programme.

Helping our kitchen sales designers perform

Our 'Better Buy Design' programme gives our designers the skills and confidence to design and sell great kitchens. The four-day accredited course tests designers in real customer scenarios. Over 300 designers have completed the programme. The results speak for themselves. Trained designers reach full performance in half the time and deliver a sales margin that is higher than a control group that have not completed the training. Designers new to the business also have a revamped induction, ensuring they are 'Ready to Trade' as soon as possible.

Aspiring managers and talent pipelines

In 2025 our first cohort of aspiring managers completed our 'GROW' programme with 50% of them securing a new role in the business. We plan to expand this programme to more areas of the business in 2026.

In November we launched our 'Future Ready' programme to help spot and develop the next generation of Depot leaders. By understanding people's strengths and potential, managers can improve succession for future needs.

Rewarding success

We believe great managers realise potential in their teams and create opportunities for success. Over 85% of eligible employees received a bonus, and our depot teams earned a record amount in incentives during Trade Fest on the back of fantastic peak trading. We continue to recognise successful depot team members at our annual Gleneagles event and our Golden Rooster Awards ceremony.

Apprenticeship Levy Pledge

$100,000 HOWDENS Thank you!

RATEMYAPPRENTICESHIP BEST 100 APPRENTICESHIP EMPLOYERS 2024 - 2025

Apprenticeships 41

Apprentice levy transfer - training tomorrow's customers

There is a recognised shortage of tradespeople in the construction industry. Since starting a small trial in 2021 we have committed to transferring up to 20% of our apprentice levy to small construction-related businesses so that they can bring on the new generation of skilled tradespeople. Since 2021, we have committed £1.8m supporting 157 apprenticeship opportunities in trades such as joinery, plumbing, electrical, and painting and decorating.

EDI priority areas

We've brought our EDI working groups together into the Worthwhile for ALL Forum, focusing on ethnicity, disability and gender. This helps us keep our actions meaningful and relevant.

More information

More information on our EDI priorities:
www.howdenjoinerygroupplc.com/sustainability/people-edi-and-wellbeing

EDI headlines in 2025

We launched a Women in Technology mentoring scheme to nurture female talent. Five mentoring partnerships are now well established in response to listening sessions and in support of our Gender Pay Gap action plan.

Our wellbeing strategy

Our wellbeing strategy encompasses three key elements: **financial, mental and physical.**

More information

More information on our wellbeing strategy:
www.howdenjoinerygroupplc.com/sustainability/people-edi-and-wellbeing

Health & wellbeing highlights

Supporting wellbeing

Our proactive internal annual health campaign 'Know your numbers' continues to gather interest, growing from 542 participants in 2023 to 1,351 in 2025, and with a reduction in the number of employees with worrying health indicators.

We're seeing an increased openness amongst our employees to share stories and experiences on health and wellbeing topics. We marked World Menopause Day with a session titled 'Male Support Matters' where male employees shared their experiences of supporting family or colleagues during menopause. And new for 2025 was a webinar on Gambling Awareness, again strengthened by a powerful employee story.

We enhanced our wellbeing benefits with the launch of the Virtual GP service in September 2025. This service is open to all employees and their immediate family members and so far almost 700 people have accessed it. We expect to see an improvement in employee wellbeing.

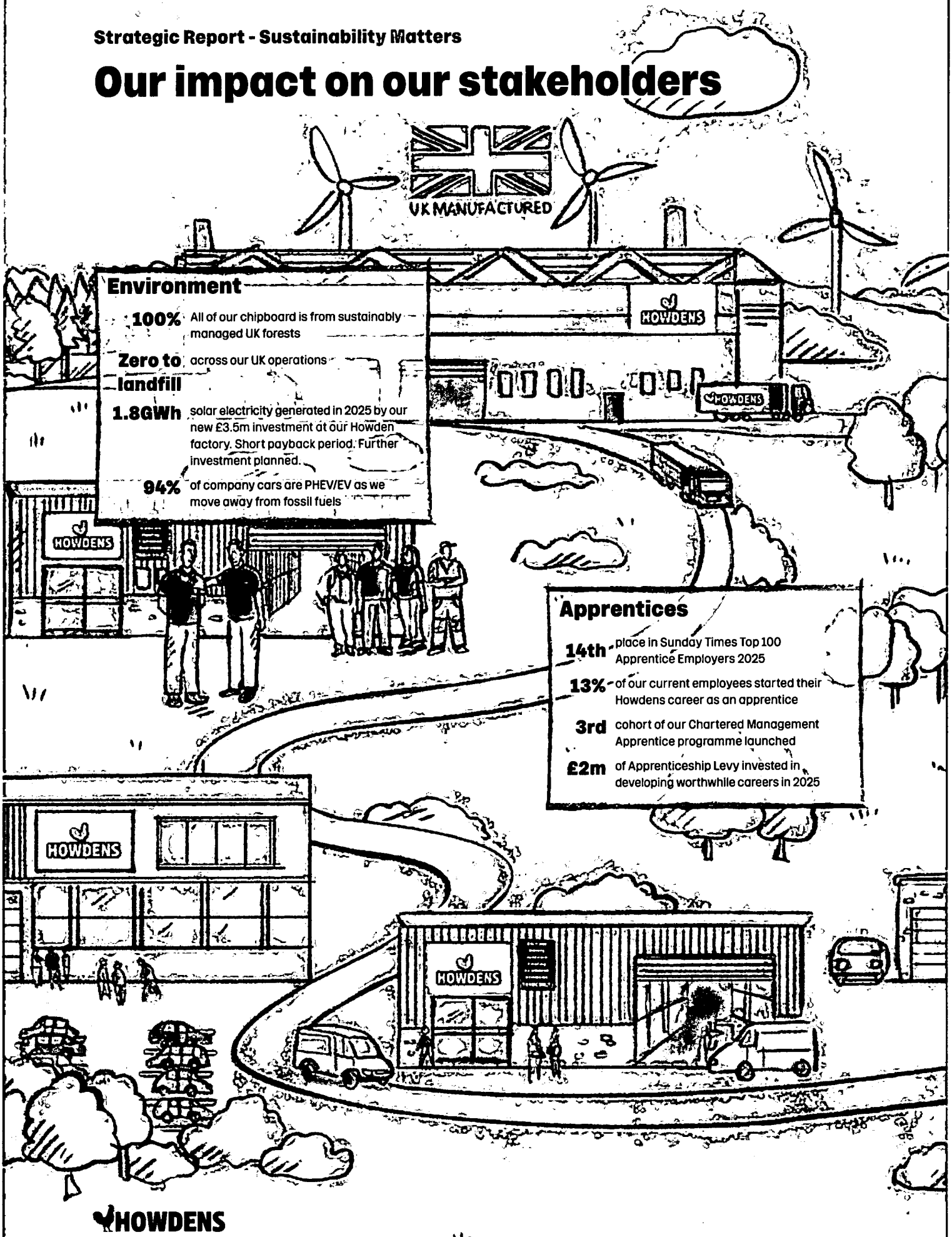
MENOPAUSE FRIENDLY PROUD to display the BADGE ACCREDITED

WELLBEING OF WOMEN Founding Employer Member

HOWDENS

Strategic Report - Sustainability Matters

Our impact on our stakeholders



Environment

100% All of our chipboard is from sustainably managed UK forests

Zero to landfill across our UK operations

1.8GWh solar electricity generated in 2025 by our new £3.5m investment at our Howden factory. Short payback period. Further investment planned.

94% of company cars are PHEV/EV as we move away from fossil fuels

Apprentices

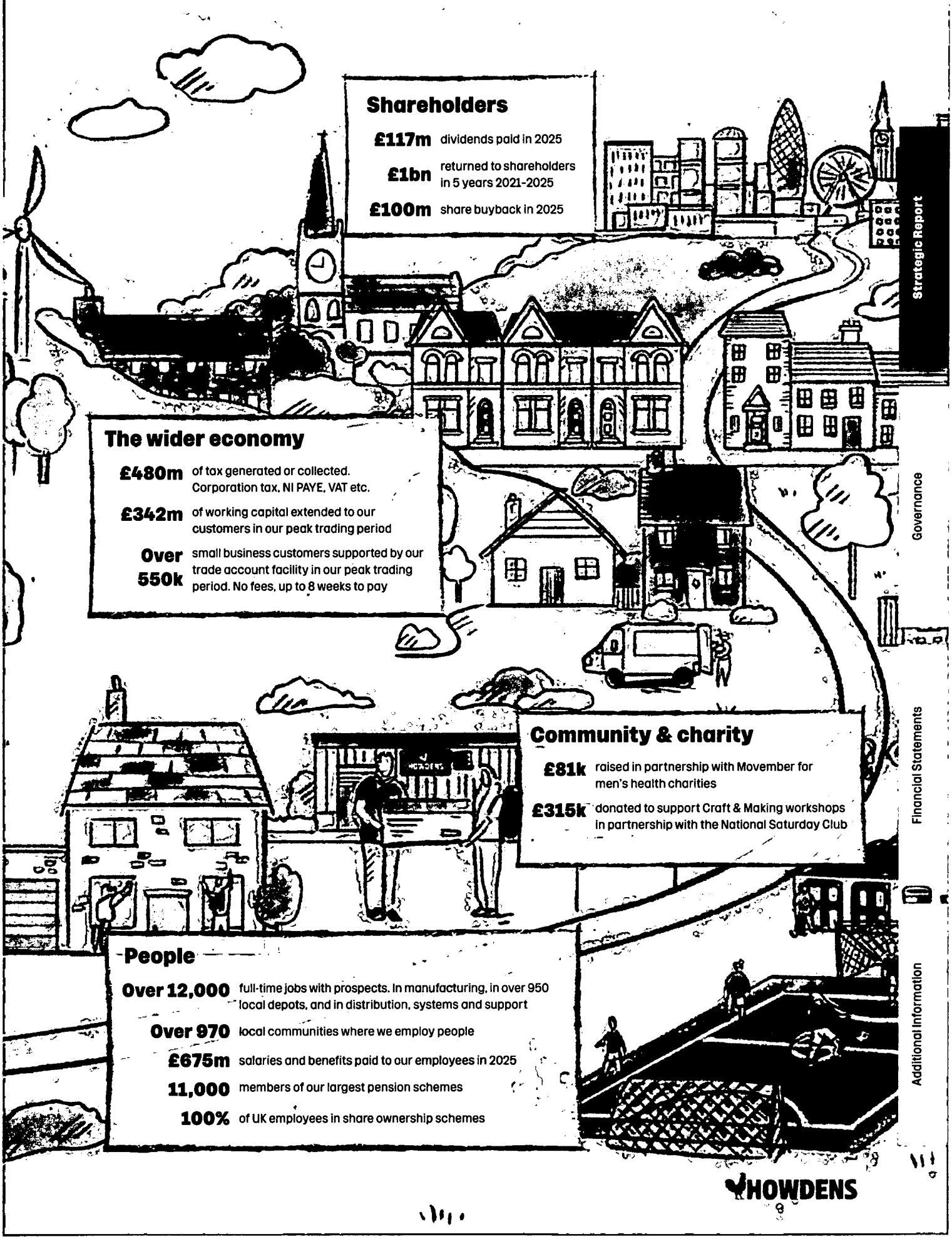
14th place in Sunday Times Top 100 Apprentice Employers 2025

13% of our current employees started their Howdens career as an apprentice

3rd cohort of our Chartered Management Apprentice programme launched

£2m of Apprenticeship Levy invested in developing worthwhile careers in 2025

HOWDENS



Shareholders

£117m dividends paid in 2025

£1bn returned to shareholders in 5 years 2021-2025

£100m share buyback in 2025

The wider economy

£480m of tax generated or collected. Corporation tax, NI PAYE, VAT etc.

£342m of working capital extended to our customers in our peak trading period

Over 550k small business customers supported by our trade account facility in our peak trading period. No fees, up to 8 weeks to pay

Community & charity

£81k raised in partnership with Movember for men's health charities

£315k donated to support Craft & Making workshops in partnership with the National Saturday Club

People

Over 12,000 full-time jobs with prospects. In manufacturing, in over 950 local depots, and in distribution, systems and support

Over 970 local communities where we employ people

£675m salaries and benefits paid to our employees in 2025

11,000 members of our largest pension schemes

100% of UK employees in share ownership schemes

HOWDENS

Strategic Report - Sustainability Matters

Task Force on Climate-Related Financial Disclosures - climate-related opportunities and risks

Our TCFD reporting

Our TCFD report begins on page 206. We set out a summary of the main strategic points from the report below.

Progress in 2025

We have made good progress in 2025. Mainly in working with suppliers to collect more, and more accurate, Scope 3 data (page 61), and also in refreshing our climate risk scenario modelling (page 210).

No identified material climate-related risks in the medium term

The results of our scenario modelling agree with the results of our existing business risk management process (described starting on page 36), in that they did not identify any material climate-related risks in the medium term (to 2030). This also agrees with the results of the work done on assessing physical climate risks (page 59).

No identified material financial impact of meeting our SBTi targets in the short term

We have examined the estimated incremental costs of meeting our SBTi targets over the short term (to 2027), and neither the incremental capex requirement nor the net annual effect on operating profit is material. We have not noted any indication of material financial impact in the medium term (to 2030), but our financial forecasting works on a 3-year cycle so we are not making any claims beyond the end of that cycle.

Summary of climate-related opportunities and risks

These are presented in more detail starting on page 211. We have mitigating actions in place for the risks, and none of the risks are regarded as a principal risk.

Opportunities	
Access to capital	A climate-resilient strategy could increase demand for our shares and/or provide access to lower-cost financing
Brand	Establishing a brand which is regarded as a leader in managing climate-related risks could lead to increased brand awareness, sales and market share, as well as increased attractiveness to employees
Cost reduction	Reductions in energy and raw material usage, as well as initiatives such as generating our own energy, will reduce costs.
Product design	Becoming a leader in sustainable product design could increase competitive advantage and market share

Risks	
Sourcing	Carbon pricing, pressure on supply chains, raw material unavailability or price increases
Operations	Physical climate-related risks
Decarbonisation of our transport fleet	Adjustments to working practices and requirement for additional investment
Customer expectations	Failing to meet customer expectations could lead to reduced demand.

Resilience to physical climate risk

Using climate risk modelling to assess risk

We've done a significant amount of work to help us understand the parts of our business most at risk from physical climate change and to assess the potential financial impact.

We've used a physical risk assessment tool built on the Intergovernmental Panel on Climate Change's Recognised Climate Pathways (RCPs). We've used the tool to analyse the risk of rain, river floods, storms, sea level rises, heat, fire and drought.

The tool shows us our current exposure, and also provides insight on short (to 2030), medium (to 2050) and long (to 2100) term time horizons. It covers three separate outcomes (RCPs 2.6, 4.5 and 8.5) modelling good, intermediate and poor climate change scenarios. The tool is updated regularly to reflect the latest climate projections.

We've assessed the risks across critical sites

- **947 depots**
- **Our 4 manufacturing plants**
- **44 of our main suppliers' factories**
- **20 major distribution sites** across the UK and Europe
- **11 critical infrastructure locations.** Our major IT hubs and office locations
- **13 international port locations**

Our analysis confirms that there are no significant physical risks

The latest assessment confirmed we have **no significant physical climate risk in the short or medium term** to our depot network, manufacturing and distribution sites or any major infrastructure components that are critical to our supply chain.

Some drought risks exist for European suppliers in the long term (by 2100) but only in the worst case climate scenario.

Strategic Report - Sustainability Matters

Our SECR and Scope 3 reporting

SECR - Emissions reporting

Total absolute carbon emissions reduced 3.3% against 2024

Emissions reporting methodology

Footprint calculations performed in accordance with the WRI GHG Protocol and market-based emissions are reported in accordance with the GHG Protocol Scope 2 Guidance - An amendment to the GHG Protocol. This report is produced in accordance with HMG Environmental Reporting Guidelines, including Streamlined Energy and Carbon Reporting (SECR). All footprint calculations are subject to internal quality checks at source data and final report stages. The intensity measure was chosen because it best shows changes in emissions relative to turnover, giving a clearer indication of carbon performance over time.

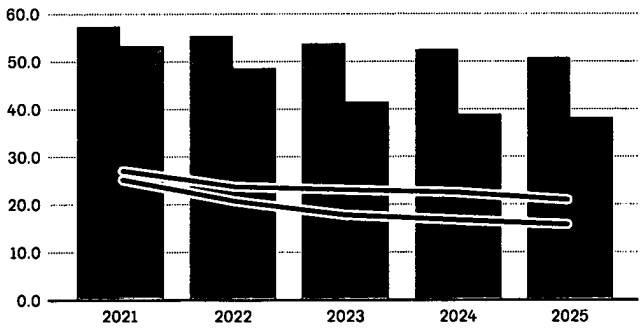
We have used the Operational Control boundary, which includes all UK and international operations. There are no process emissions within Howdens, as defined in the GHG Protocol, and fugitive emissions from air conditioning systems are omitted as they are immaterial.

	Total emissions (tonnes CO_2 equivalent)	
	2025	2024
Scope 1 - Direct: Gas	12,913	11,489
Scope 1 - Direct: Owned Transport (LGV / Van / Car)	22,555	24,356
Scope 1 - Direct: Other fuels	1,222	1,225
Scope 1 - Direct: Biomass		408
Scope 1 - Direct: Total	36,690	37,478
Scope 2 - Indirect: Purchase of electricity, heat, steam or cooling: location-based	13,927	14,857
TOTAL Scope 1 and 2 Absolute Emissions: location-based	50,617	52,335
Scope 2 - Indirect: Electricity: market-based	1,343	1,205
TOTAL Scope 1 and 2: market-based	38,033	38,683
Biogenic emissions*	461	
Turnover (£m)	2,418.0	2,322.1
Carbon Intensity ratio (tCO_2e per £m) Gross: location-based	20.9	22.5
Inflation adjusted intensity ratio (tCO_2e per £m) Gross: location-based	28.0	29.1
Additional Carbon Intensity ratio (tCO_2e per £m): market-based	15.7	16.7
Additional Inflation adjusted intensity ratio (tCO_2e per £m): market-based	21.0	21.5
Energy consumption used to calculate above emissions (kWh)	295,556,579	287,276,782
Proportion of Scope 1 CO_2e emissions generated in the UK	98.6%	98.5%
Proportion of Scope 2 CO_2e emissions generated in the UK	98.5%	98.8%
Proportion of total energy consumed (kWh) in the UK	98.3%	98.2%

* As of 2025, in line with the GHG Protocol, CO_2 emissions of biogenic origin, including emissions from biomass combustion, are reported as a standalone disclosure and are excluded from Scope 1 and Scope 2 emissions totals.

SECR reporting

Our record over the past five years is shown on the chart below:



Energy efficiency initiatives

See pages 50 and 51 for examples of developments in 2024 in our manufacturing and transport operations, our most significant sources of Scope 1 and 2 emissions.

Use of renewable energy sources

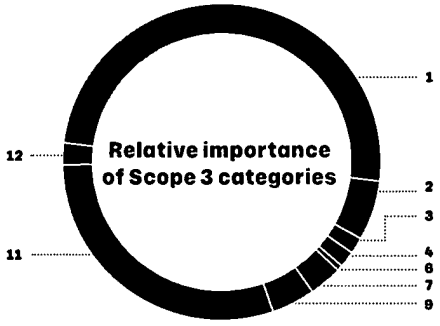
We discuss this on pages 50 and 51.

- Total Absolute Carbon emissions ('000s tCO_2e): location-based
- Total Carbon emissions ('000s tCO_2e): market-based
- Carbon Intensity ratio (tCO_2e per £m): location-based
- Additional Carbon Intensity ratio (tCO_2e per £m): market-based

Our SECR and Scope 3 reporting continued

Our UK Scope 3 emissions

As shown below and on page 49, 95% of our emissions are Scope 3, typically emissions where we have less direct control. As our ESG reporting journey matures we have assessed our prior year emissions with a focus on continuing to improve our data quality. In 2025 there have been significant improvements in our reporting procedures, including new resource and supporting technology improvements. Scope 3 has been calculated in accordance with the GHG Protocol and SBTi guidance, using primary data and actualised to give the most accurate and up-to-date picture.



Category		2025 tCO₂e	2025 %	2024 - restated* tCO₂e	
1	Purchased goods and services**	403,817	50.1%	381,127	●
2	Capital goods	49,483	6.1%	43,767	●
3	Fuel and energy related activities	13,909	1.7%	13,228	○
4	Upstream transportation and distribution	14,029	1.7%	19,635	●
5	Waste	352	0.0%	1,020	●
6	Business travel	3,636	0.5%	2,703	○
7	Employee commuting	27,810	3.5%	23,779	○
8	Upstream leased assets	-	-	-	○
9	Downstream transportation	34,503	4.3%	31,417	●
10	Processing of sold products	-	-	-	○
11	Use of sold products	241,445	30.0%	243,373	○
12	End-of-life treatment	16,933	2.1%	22,010	●
13	Downstream leased assets	-	-	-	○
14	Franchises	-	-	-	○
15	Investments	-	-	-	○
	Total	**805,917**	**100.0%**	**782,059**	

* 2024 restatement: During 2025 we identified that some of the published prior year Scope 3 emissions required restatement. Overall, Scope 3 emissions in 2024 were understated by 19,992 tCO_2e in total (leading to an increase of +2.6% in Scope 3 emissions compared with the originally reported figure). Category 2 was understated by 33,475 tCO_2e in 2024 due to incomplete input information related to some assets under construction, combined with a change in methodology from using estimated data to using actual capital spend data for a larger proportion of the total population. Category 4 was overstated by 19,165 tCO_2e due to a duplication of some of the external freight data. Category 11 was understated by 13,766 tCO_2e as a result of incorrect energy consumption calculations used in deriving tCO_2e for some products. Category 12 was overstated by 8,084 tCO_2e due to inaccuracies in the timber quantity calculation and an update in the percentage allocation for timber disposal methods to align with the rates published by the Wood Recycling Association.

** Excludes indirect spend.

Key to Scope 3 data

Source of data

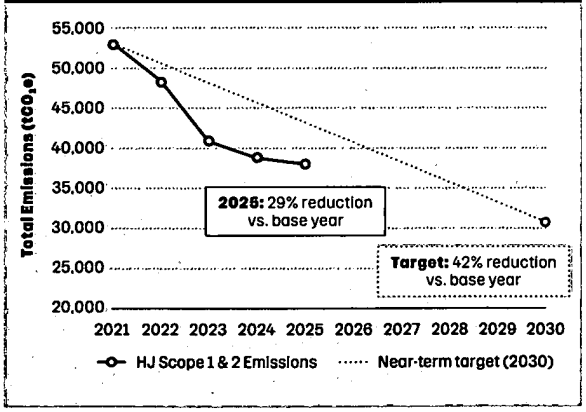
- ○ Derived from data that is within our direct control or that we can more easily verify
- ● Derived from data that is not within our direct control or that is more difficult to verify
- ○ Not applicable

Good progress against our 2030 SBTi targets

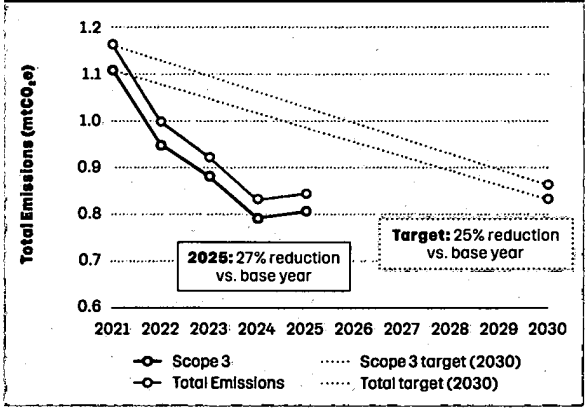
The first step towards our 2050 Net Zero ambition is our SBTi-approved target of a 42% reduction in Scope 1 and 2 emissions and a 25% reduction in Scope 3 emissions by 2030 (against a 2021 baseline). The graphs below show that we are making good progress towards our SBTi targets.

As noted above, we have restated some of our Scope 3 figures for 2024 and in line with SBTi target procedures, we will restate the baseline figures in 2027 to ensure that they are fully comparable.

Scope 1 & 2 Emissions



Scope 3 & Total Emissions



Strategic Report - Sustainability Matters

Going concern and Viability statements

Going concern

The Directors have adopted the going concern basis in preparing the financial statements and have concluded that there are no material uncertainties leading to significant doubt about the Group's going concern status, and that there were no significant judgements involved in coming to this conclusion. The reasons for this are explained below.

Going concern review period

The going concern review period covers the period of at least 12 months after the date of approval of these 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 in detail in the 'Principal risks and uncertainties' section, starting on page 37.

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 additional amounts of faster-moving inventory as a specific mitigation against supply chain disruption, and the Directors consider that the effects of the other risks could result 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 2025, as well as early weeks' trading in 2026. They have reviewed the Group balance sheet at 27 December 2025, noting that the Group is debt-free, has cash and cash equivalents of £345m, 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 final 2025 Group forecast, prepared in December 2025 and including the actual results of the 2025 peak sales period.

   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 capital allocation model (see pages 33 and 34).

2. **A 'severe but plausible' downside scenario** 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.

   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 five-year, committed, multi-currency revolving credit facility of up to £150m which expires in September 2029 and which was not drawn at the period end. A summary of the facility is set out in note 19 to the December 2025 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.

Going concern and Viability statements continued

Results of scenario testing

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 on going concern

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 have a reasonable expectation that the Group will continue to operate and to meet its liabilities in full and as they fall due for the going concern review period set out above. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Long-term prospects and viability

Assessment of long-term prospects

The Directors have assessed the Group's long-term prospects, solvency and liquidity, with particular reference to the factors below:

Current position

- History of profitable trading, with strong net profit margins.
- Cash and cash equivalents balance at 27 December 2025 of £345m.
- Debt-free. Consistently cash-generative. Proven ability to maintain strong cash balances whilst also investing for growth and returning cash to shareholders.
- £150m committed borrowing facility, due to expire in September 2029. Unused, but available if needed.
- Strong relationships with suppliers and customers.
- Proven ability to flex the operating cost base in a severe economic downturn.
- Robust disaster recovery and business continuity framework.

Strategy and business model

- Proven, successful business model.
- Demonstrated agility and resilience of the business model to adverse economic conditions.
- Clear strategic direction.

Robust assessment of principal risks

- The Directors' role in the risk identification, management, and assessment process is outlined on page 36, followed by details of the principal risks and mitigations.
- The Directors are satisfied that they have carried out a robust assessment of the Group's principal risks over the viability period on the basis already described in the going concern disclosure directly above.

Strategic Report

Going concern and Viability statements continued

Long-term prospects and viability continued

Assessment of viability

Time period and scenario modelling

The Directors' review of the Group's long-term viability used a three-year period to December 2028. This was considered to be the most suitable period as it aligns with the Group's strategic planning process.

The financial modelling to support the assessment of viability was based on the three scenarios used for the going concern assessment and detailed above. We have tested the borrowing facility covenants and the facility remains available under all of the viability scenarios. We have therefore included the credit available under the facility in our assessment of headroom.

1. **The base case scenario** takes the base case described in the discussion of going concern above and extends it over the viability assessment period. It assumes future revenue and profit in line with management expectations, investments in capital expenditure and cash outflows for dividends and share buybacks in accordance with our capital allocation model (see pages 33 and 34).

2. **The severe but plausible downturn scenario** takes the same decline over the going concern period as described in the discussion of going concern above, and then assumes a phased recovery over the rest of the three-year period. It assumes capex at a lower level than in the base case but which is still in line with our announced strategic priorities for growth, and dividends and share buybacks in line with our capital allocation model.

3. **The reverse stress-test scenario** assumes a phased recovery of margin and profit on the same bases as for the severe but plausible downturn scenario. This is then stress-tested to find the maximum amount by which sales in the first year would have to fall before the Group would no longer have headroom at any point in the viability assessment period, without taking further mitigating actions. It assumes capex at a maintenance level and no dividends or share buybacks.

The Directors consider that the reasonably foreseeable financial effects of any reasonably likely combination of the Group's principal risks are unlikely to be greater than those effects which were modelled in the severe but plausible downside and reverse stress-test scenarios.

Results of scenario testing

The results of the base case and plausible downside scenario modelling showed that the Group would have sufficient headroom over the viability assessment period.

The reverse stress-test showed that the level of fall in sales required in the first year of the viability assessment period was significantly more than the fall modelled in the severe but plausible downturn 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 on viability

Having considered the Group's current position, strategy, business model and principal risks in their evaluation of the prospects of the business, and having reviewed the outputs of the scenario modelling, the Directors concluded that they have a reasonable expectation that the Group will continue to operate and to meet its liabilities in full and as they fall due during the three-year period to December 2028.

Further reading relevant to going concern and viability

	Page
Principal risks and mitigations	37-41
Trading results	18-35, and the Financial Statements
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Details of our £150m borrowing facility	180
Auditor's report, with details of their work and conclusions on going concern and viability	142-156

Directors' statements

Disclosure of information to the auditor

Having made the requisite enquiries, the Directors in office at the date of this report have each confirmed that, so far as they are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Group's auditor is unaware, and each of the Directors has taken all the steps they ought to have taken as a Director to make themself aware of any relevant audit information and to establish that the Group's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts and the Group and parent Company financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and, in respect of the parent Company financial statements only, prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ('DTR') 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Directors' responsibility statement

We confirm to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and Company, and the undertakings including the consolidation taken as a whole;
- the Annual Report and Accounts includes a fair review of the development and performance of the business and the position of the Group and Company and the undertakings including the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face; and
- the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors and is signed on its behalf by:

Andrew Livingston
Chief Executive Officer

Jackie Callaway
Chief Financial Officer

25 February 2026

Governance

How we preserve value

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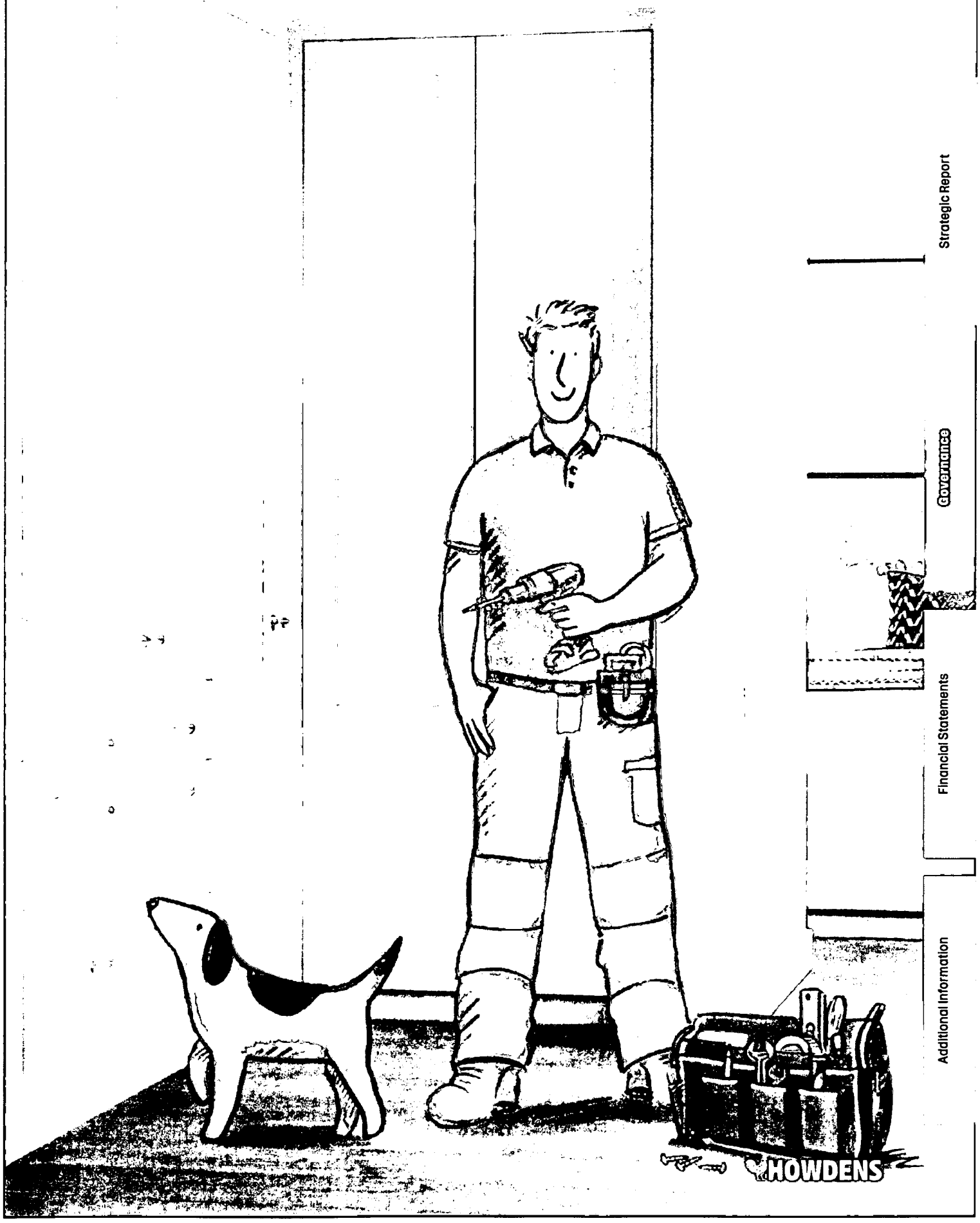

HOWDENS

Governance

Corporate governance report

Peter Ventress
Chairman of the Board

Using the corporate governance report

The following sections may be found in this corporate governance report:

Page 70: Board of Directors profiles
Page 74: Executive Committee & Company Secretary profiles
Page 76: Key Board activity during the year and for the year ahead
Page 78: Directors' duties and s.172 disclosure
Page 80: Stakeholder engagement
Page 88: UK Corporate Governance Code application and compliance

Introduction from the Chairman

Listed company boards find themselves in an interesting position at the end of 2025 from a corporate governance perspective. The prevailing political mood is deregulatory, with many long-planned governance reforms being shelved or cancelled (such as those relating to audit reform). On the other hand, the most recent changes to the UK Corporate Governance Code, particularly the introduction of Provision 29, provide a more prescriptive landscape for directors in the context of risk management and internal control frameworks. Such compliance changes require time and effort for boards to implement, and our journey to complying with Provision 29 is set out not only in this year's Audit Committee report (on page 132) but also in our 2024 and 2023 Annual Reports. Having robust operational controls in place at Howdens is nothing new, and the implementation of our key controls project has been deliberately sympathetic to the nature of the Howdens business. It is, however, rewarding to be able to sign off on the efficacy of our key controls and the assurance that this brings is reassuring. We look forward to providing our declaration in respect of 2026 in our 2027 Annual Report.

However, as documented in the following corporate governance and committee reports, we have always applied a considered and Howdens-first approach to our governance framework. This is underpinned by our unique culture and our ethos that Howdens must be worthwhile for all concerned. This fundamental tenet remains despite changes in the external environment and changes in the Board and senior management. As a Board, we have successfully navigated these changes and Howdens' foundations for growth remain based on solid governance foundations.

Outcome-driven reporting

We welcome the Financial Reporting Council's guidance that corporate reporting should be outcome-driven and have tried to adopt this approach through these reports. The actions and impact of the Board's decisions can be found in our stakeholder reporting on pages 80 to 87 as well as our Section 172(1) statement on page 78. We provide a snapshot of the Board's calendars for the year passed and the year ahead to demonstrate how the Board's agenda dovetails with key business activities and priorities.

We have tasked ourselves with being concise and proportionate in our reporting. It is important to remain compliant but, wherever possible, we have sought to safeguard key messaging and insight.

Sustainability and diversity

It has also been a time of changing expectations for companies in both sustainability and diversity arenas. At Howdens, we have resisted 'strategically re-evaluating' any of our ESG policies in light of the changing external environment. We believe that we have appropriate and robust policies in place and, as a Board, have continued to encourage the embedding of sustainable practices in our core business activities.

2025 saw the end of the performance period for our first Executive Director long-term incentive performance measures. Introduced in 2023, over the three-year performance period, Howdens successfully improved our carbon intensity ratio by reducing carbon emissions by 11.7% per annum, reducing fleet emissions by 23%, having carbon neutral status (or equivalent) at four of our manufacturing sites and ensured that a minimum of 99% of waste avoided landfill. We will continue to incentivise management to continue to make Howdens a more sustainable business and will refine these measures with the Remuneration Committee in future years as the business evolves.

During the year, the Howdens Board also reached some important diversity milestones. For the first time, the Howdens Board has more than 50% female membership, it has a female Executive Director, and it has two women in the 'big four' roles of Chair, Senior Independent Director (SID), Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Our priority as a Board is always to ensure that there is diversity of thought first, but achieving a better gender balance is worth celebrating.

Whilst the external narrative may have changed, the impact of climate change and the importance of understanding and reflecting the communities in which we operate has not. More information on our approach to sustainability and diversity can be found in the sustainability matters report, starting on page 42.

External board evaluation

One crucial piece of external assurance and outcome-driven reporting is our triennial external board evaluation.

In 2025, we invited Grant Thornton to undertake our effectiveness review for the first time. I was pleased but not surprised that their report concluded that the Howdens Board demonstrated high levels of effectiveness during a period of significant personnel change, including four new Non-Executive Director appointments over the past two years, as well as the addition of a new CFO in 2025.

More details on the evaluation process can be found in the Nominations Committee report on page 100 and in each of the Committee reports.

The Board in 2026

We will continue to build on our 'spotlight sessions' programme, which has provided the Board with unique insight and the opportunity to speak to management below the Executive Committee. Details of the Board's programme for 2026 can be found on pages 76 and 77.

As ever, I also look forward to engaging with our shareholders at the AGM in May.

Peter Ventress
Chairman of the Board

Board meeting attendance in 2025

Peter Ventress	(7/7)	
Jackie Callaway	(3/3)	Appointed 2 June 2025
Andrew Cripps	(4/4)	Retired 1 May 2025
Roisin Currie	(7/7)	
Louis Eperjesi	(7/7)	
Louise Fowler	(7/7)	
Paul Hayes	(3/4)[1]	Retired 30 May 2025
Tim Lodge	(6/7)[2]	Appointed 1 January 2025
Andrew Livingston	(7/7)	
Vanda Murray	(7/7)	
Suzy Neubert	(7/7)	

1 Paul was not in attendance for the meeting confirming his retirement and the appointment of Jackie Callaway as CFO.

2 Tim was unable to attend the January meeting due to commitments entered into before his appointment. He was provided with all the Committee papers ahead of the meeting and provided his feedback to the Committee Chair and Company Secretary.

Additional information

The disclosures and information shown below may be found in the Additional Information section beginning on page 204:

- 2026 Annual General Meeting (AGM) details
- 2025 Final Dividend timetable
- Share capital information
- Significant agreements disclosure

Governance

Corporate governance report continued

Board of Directors

Andrew Livingston
Chief Executive Officer

Jackie Callaway
Chief Financial Officer

Peter Ventress
Non-Executive Chairman

N S

Vanda Murray OBE
Senior Independent Director

A N R S

Roisin Currie CBE
Independent Non-Executive Director

A N R S

Louis Eperjesi
Independent Non-Executive Director

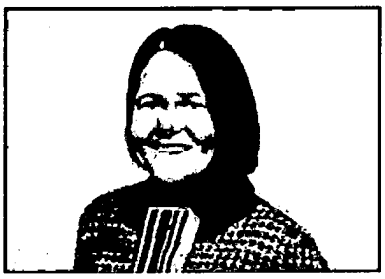
A N R S

Louise Fowler
Independent Non-Executive Director

A N R S

Tim Lodge
Independent Non-Executive Director

A N R S



Suzy Neubert
Independent Non-Executive Director

A N R S

Key to Board Committee membership

A Audit Committee N Nominations Committee R Remuneration Committee S Sustainability Committee C Chair of Committee

Roles

Further information about the role of the Board, the Executive and Non-Executive Directors, the Company Secretary, and external advisors can be found on our website: www.howdenjoinerygroupplc.com/governance/division-of-responsibilities

Andrew Livingston
Chief Executive Officer

Appointed
Andrew was appointed to the Board as Chief Executive Officer on 2 April 2018.

Contribution to the long-term sustainable success of the Company
Andrew has a strong track record of performance, execution and driving change through improving digital capability, ranges and new site openings. He also has knowledge of key European geographies, is a competent French speaker, and has an entrepreneurial mindset. This mindset fits the Howdens culture which has served the Company well and is fundamental to its success. He was previously the CEO of Screwfix and has an MBA from the London Business School.

Other listed company appointments
None

Jackie Callaway
Chief Financial Officer

Appointed
Jackie was appointed to the Board as Chief Financial Officer on 2 June 2025.

Contribution to the long-term sustainable success of the Company
Prior to her appointment to the Howdens Board, Jackie served as CFO of Coats Group plc and as CFO of Devro plc. She has a strong finance record and extensive experience across multinational manufacturing and supply chain businesses. She is a Fellow of the Institute of Chartered Accountants in England and Wales, and of the Chartered Accountants Australia and New Zealand. Jackie has a Bachelor of Business Management Studies from the University of Waikato, New Zealand.

Other listed company appointments
Non-Executive Director and Audit Committee Chair of IMI plc

Peter Ventress
Non-Executive Chairman

Appointed
Peter was appointed to the Board as an independent Non-Executive Director in July 2022. He became Chairman and Chairman of the Nominations and Sustainability Committees in September 2022.

Contribution to the long-term sustainable success of the Company
As former Chairman of Galliford Try Plc and current Chairman of Bunzl Plc, Peter has in-depth knowledge of UK listed companies and the associated high corporate governance standards required by such companies. He was also formerly Chief Executive Officer of Berendsen Plc and has held several senior executive roles, including International President of Staples Inc and Chief Executive Officer of Corporate Express NV, meaning he has extensive experience in international distribution businesses and brings a wealth of relevant commercial, financial and high-level management experience to the Board.

Other listed company appointments
Non-Executive Chairman of Bunzl Plc

Vanda Murray OBE
Senior Independent Director

Appointed
Vanda was appointed to the Board in February 2024. She became Remuneration Committee Chair in May 2024 and Senior Independent Director in May 2025.

Contribution to the long-term sustainable success of the Company
Vanda has over 30 years' experience at senior level across a range of industry sectors in the UK and internationally. She is currently Non-Executive Chair for both Marshalls plc and for Yorkshire Water, and is also a Board Member of Maggie's Manchester, the cancer care drop-in centre, and a trustee of the English National Opera.

Vanda served as CEO of Blick plc from 2001 to 2004 and led Ultraframe plc from 2004 to 2006. She received a Doctor of Business Administration from Manchester Metropolitan University in recognition of her achievements in business, her inspirational leadership and her significant contribution to the North-West of England and the university. In 2002, Vanda was appointed an OBE for Services to Industry and Exports. Her extensive experience and impressive achievements in both executive and non-executive roles benefits Howdens from both a leadership and a strategy perspective.

Other listed company appointments
Non-Executive Chair of Marshalls Plc

Governance

Corporate governance report continued

Board of Directors continued

Roisin Currie CBE
Independent Non-Executive Director

Appointed
Roisin was appointed Non-Executive Director in July 2024.

Contribution to the long-term sustainable success of the Company
Roisin's experience in a number of senior executive roles within the consumer sector provides her with a strong diversity of perspective and customer-centric focus. She has been the Chief Executive of Greggs Plc since May 2022, having joined as Group People Director in 2010. During her tenure, she was also Retail and Property Director. This breadth of experience means Roisin has a comprehensive understanding of vertically integrated and multi-site businesses, and she has experience working at both a strategic and operational level.

Roisin began her career at Asda, where she spent 20 years, latterly as Retail People Director and then Distribution People Director. She is currently Chair of the Employers Forum for Reducing Re-offending, a voluntary role working with the Ministry of Justice and New Futures Network, and she is a Trustee of the Duke of Edinburgh Awards Scheme. She has also recently joined as an advisor to the Food Strategy Board. Her HR and people background brings valuable perspectives on culture, talent and reward.

Other listed company appointments
Chief Executive Officer of Greggs Plc

Louis Eperjesi
Independent Non-Executive Director

Appointed
Louis was appointed Non-Executive Director in June 2023.

Contribution to the long-term sustainable success of the Company
Louis has a strong background of manufacturing and supply of building products in international markets, together with commercial, strategy development, and change management experience. He is currently a Non-Executive Director of Ibstock Plc, Trifast Plc, and AIM-listed Accsys Technologies Plc.

Louis has had a long career in the building materials sector, most recently serving as CEO of Tyman Plc, a leading international supplier of engineered components and access solutions to the construction industry. He has also held senior executive roles in Kingspan Plc, Baxi Group Ltd, Lafarge SA, and Caradon Plc.

Other listed company appointments
Non-Executive Director of Ibstock Plc, Trifast Plc, and Accsys Technologies Plc

Louise Fowler
Independent Non-Executive Director

Appointed
Louise was appointed to the Board in November 2019.

Contribution to the long-term sustainable success of the Company
Louise has over 30 years of customer, brand and digital experience at a senior level. Her experience encompasses publicly listed and private businesses, the mutual sector and not-for-profit organisations.

Louise's background in consumer experience and reputation is valuable to the Company as it strives to provide a strong aftersales service to further support the builder customer. Her digital experience also provides valuable insight given the investment the Company continues to make in its digital programme. Louise is currently a director of Prudential Assurance Company, a subsidiary of M&G Plc, and is an Honorary Professor in Marketing at Lancaster University Management School.

Other listed company appointments
None

Tim Lodge
Independent Non-Executive Director

Appointed
Tim was appointed to the Board in January 2025. He became Audit Committee Chair in May 2025.

Contribution to the long-term sustainable success of the Company
Tim has substantial recent and relevant financial experience, having spent over 30 years in finance and accounting roles. He is a fellow of the Chartered Institute of Management Accountants and spent 26 years at Tate & Lyle Plc in various finance and commercial roles, including six years as Chief Financial Officer. He has also held Chief Financial Officer roles at the COFCO International group and the role of Non-Executive Director and Audit Committee Chair at Aryzta AG.

Tim is currently independent Non-Executive Director and Audit Committee Chair of both SSP Group Plc and Serco Group Plc, and Independent Director of Arco Limited. He is also a trustee of the charity Gambia School Support and a Director of An African Canvas (UK) Limited.

Other listed company appointments
Non-Executive Director and Audit Committee Chair of both SSP Group Plc and Serco Group Plc

Suzy Neubert
Independent Non-Executive Director

Appointed
Suzy was appointed Non-Executive Director in July 2024.

Contribution to the long-term sustainable success of the Company
Suzy's experience in sell-side equity research at Merrill Lynch, and additionally on the buy-side in her role at JO Hambro, has given her a thorough understanding of capital markets and the expectations of institutional investors. She has worked for large organisations but also in more dynamic environments, which is a valuable mix of experience for Howdens as a FTSE 100 business with a strong entrepreneurial culture. She is a qualified barrister and brings valuable legal insight and experience to the Board.

Suzy is also an experienced non-executive director. She served as Non-Executive Director, and latterly as Senior Independent Director of Witan Investment Trust plc until 2023, and is currently a Non-Executive Director and Senior Independent Director of LondonMetric Property Plc and Jupiter Fund Management Plc. She is also Non-Executive Director of Liverpool Victoria Financial Services Limited (where she is also Chair of the Investment Committee and Aptia Group Holdings Limited). Alongside her commercial board roles, Suzy is also a Vice Chair and council member at the King's Trust.

Other listed company appointments
Non-Executive Director and Senior Independent Director of LondonMetric Property Plc and Jupiter Fund Management Plc

Independence
The Board considered that all of the Non-Executive Directors were independent for the full duration of the period being reported on and that Peter Ventress was independent upon his appointment as Chairman.

Governance

Corporate governance report continued

Executive Committee and Company Secretary

Austin Cooke
Managing Director - Trade

Sébastien Krysiak
Directeur Général - International

Julian Lee
Operations Director

James Mackenzie
Chief Commercial and Marketing Officer

Richard Sutcliffe
Supply Chain Director

Forbes McNaughton
Company Secretary

Executive Directors*

Andrew Livingston
Chief Executive Officer

Jackie Callaway
Chief Financial Officer

* Andrew and Jackie's profiles can be found on page 71.

Austin Cooke
Managing Director - Trade

Appointed
Austin joined Howdens in March 2025 and has been a member of the Executive Committee since that time.

Contribution to the long-term sustainable success of the Company
Austin has overall responsibility for the performance and culture of all of our depots in the UK. He oversees the evolution of our depot estate, including our strategically important depot reformatting and the opening of new depots.

Prior to joining Howdens, Austin held senior positions with Poundland, Yum Brands Inc, KFC Global, Phones 4u, and Dixons Group.

Sébastien Krysiak
Directeur Général - International

Appointed
Sébastien joined Howdens in September 2024 and was appointed to the Executive Committee in July 2025.

Contribution to the long-term sustainable success of the Company
Prior to joining Howdens, Sébastien held various leadership and commercial roles with Kingfisher Group companies over two decades. These roles included Director of Trading for B&Q, CEO of Castorama Poland and, most recently, Chief Commercial Officer for Kingfisher Plc.

As Directeur Général - International, Sébastien is responsible for the performance and growth of Howdens' international business in France, Belgium and the Republic of Ireland. The International business is in an important evolutionary phase and Sébastien's wealth of experience will stand him, and Howdens, in good stead to grow this business.

Julian Lee
Operations Director

Appointed
Julian joined Howdens in 2003 and was appointed to the Executive Committee in July 2020.

Contribution to the long-term sustainable success of the Company
Prior to joining Howdens, Julian worked in a number of strategic and operational roles within the Silentnight Group. He joined Howdens in 2003 as a leader of the Manufacturing Division and from 2005 to 2009 was head of international sourcing and supply chain in Asia. Since 2009, Julian has made a major contribution to the transformation of our supply chain and operations, and in 2020 he was appointed Operations Director, encompassing both manufacturing and logistics.

Julian leads our strategic manufacturing investments, including increased in-house manufacturing capability and capacity.

Richard Sutcliffe
Supply Chain and IT Director

Appointed
Richard joined Howdens in January 2019 and was appointed to the Executive Committee in July 2020.

Contribution to the long-term sustainable success of the Company
Prior to joining Howdens, Richard was Director of Supply Chain at Screwfix. Before this, he held senior supply chain and business planning roles at Hobbycraft, Wyevale Garden Centres and B&Q.

Richard's role as Supply Chain Director encompasses optimising stock holdings across the business and ensuring Howdens maintains market-leading stock availability. He led the highly successful XDC project, which is delivering superior service levels and availability to depots. Richard's role also encompasses leading our IT team.

James Mackenzie
Chief Commercial and Marketing Officer

Appointed
James joined Howdens in August 2025 and has been a member of the Executive Committee since that time.

Contribution to the long-term sustainable success of the Company
James previously held the roles of Managing Director of Toolstation and Travis Perkins in the UK. Prior to joining Toolstation, he served on the board of Screwfix and held a number of senior positions in Kingfisher and Sainsbury's. He is currently a Non-Executive Director of Materials Market, a UK-based digital marketplace for construction materials, and is a member of the Advisory Board of The Pennies Foundation.

James's role encompasses product leadership and range management, which is one of our key strategic initiatives. He also leads the Digital and Marketing teams to build brand awareness and promote Howdens' unique model.

Forbes McNaughton
Company Secretary

Appointed
Forbes joined Howdens in July 2012 and was appointed Group Company Secretary in May 2014.

Contribution to the long-term sustainable success of the Company

Forbes joined the Company as Deputy Company Secretary in 2012 following a period of secondment from KPMG. He is a Fellow of the Chartered Governance Institute (CGI) and is Secretary to the Executive Committee as well as to the Board of Directors.

Forbes is the link between the Executive Committee and the Board, and is responsible for managing a number of external stakeholder relationships, such as with the Pensions Trustees and external regulators. He is the head of the legal function in addition to his corporate governance responsibilities and is Chair of the Howdens Worthwhile Foundation.

Governance

Corporate governance report continued

Key Board activity

Set out below and on the facing page are highlights of the matters the Board considered in 2025 and will consider in 2026. Not all of the matters the Board considered or will consider are listed, so this should not be taken as an exhaustive list of activities.

In addition to the matters shown on the 2025 timeline, at each meeting the Board received strategic, operational and financial updates from the CEO and CFO. The Board also considered aspects of Group culture and strategy at various points during the year.

2025

January
- Health and safety update
- CEO and CFO updates
- Pensions update[1]
- Principal Risks review
- Whistleblowing update

February
- CEO and CFO updates
- Board evaluation feedback
- Budget approval
- Investor relations update
- Draft 2024 Full Year, draft 2024 Annual Report and Accounts, and 2025 AGM documents
- Shareholder and capital returns consideration
- Review of risk management framework
- NED fees
- Principal advisors review

April
- CFO succession (standalone meeting)

- Health and safety update
- CEO and CFO updates
- Pensions update
- Investor relations update
- Broker update
- Modern Slavery Statement and UK Tax Strategy approval

May - AGM
- All resolutions were passed with the requisite majority. Further details about the meeting may be found on page 84.

2026

January
- Health and safety update
- CEO and CFO updates
- Investor relations update
- Budget approval
- Pensions review
- Principal Risks review
- Whistleblowing update

February
- CEO and CFO updates
- Draft 2025 Full Year, draft 2025 Annual Report and Accounts and 2026 AGM documents
- Shareholder and capital returns consideration
- Review of risk management framework
- Board evaluation feedback
- Modern Slavery Statement approval
- Principal advisors review
- Corporate Conflicts Register review
- NED fees

April
- Health and safety update
- CEO and CFO updates
- NED employee engagement
- Investor relations update
- Group policies approval
- UK Tax Strategy approval
- Strategic planning

SPOT LIGHT Spotlight session

May - AGM
- Further details can be found on page 215.

Governance and risk

The Board received governance, legal, and regulatory updates at regular intervals from the Company Secretary and the Board's advisors.

Risk remains a matter reserved for the Board and a detailed review of our risk management processes and principal risks can be found on pages 36 to 41 and on page 92. We have reviewed our risk management processes and remain satisfied that they are robust and effective. The annual review of the risk and control framework was presented to the Audit Committee in November 2025. Reporting from our whistleblowing helpline is also considered by the Board on a biannual basis.

July

- Health and safety update
- Board engagement with the workforce
- CEO and CFO updates
- Investor relations update
- Draft 2025 Half Year results and announcement, including consideration of an interim dividend
- Key and Principal Risks review
- Group Policies review
- Whistleblowing update

Executive Committee presenters:

AC JL RS

SPOT LIGHT **Spotlight: Preparations for peak trading**

September

- Health and safety update
- CEO and CFO updates
- Projects update
- Investor relations update

SPOT LIGHT **Spotlight: Pricing and Margin tool**

Executive Committee presenters:

RS

November

- Health and safety update
- CEO and CFO updates
- Projects update
- Pensions update[1]
- Investor relations update
- Non-Executive Directors' Employee engagement update
- Corporate conflicts register review
- Schedule of Matters Reserved for the Board and Board Committee Terms of Reference
- 2026 Board calendar approval

Executive Committee presenters:

AC JL JM

SPOT LIGHT **Spotlight: Cyber security governance**

Executive Committee presenters

- AC Austin Cooke (Managing Director - Trade)
- JL Julian Lee (Operations Director)
- JM James Mackenzie (Chief Commercial and Marketing Officer)
- RS Richard Sutcliffe (Supply Chain and IT Director)

July

- Health and safety update
- CEO and CFO updates
- Investor relations update
- Draft 2026 Half Year results and announcement, including consideration of an interim dividend
- Market update
- Key and Principal risks review and review of risk management framework
- Business continuity management
- Whistleblowing update

SPOT LIGHT **Spotlight session**

September

- Health and safety update
- CEO and CFO updates
- Investor relations update
- Pensions update
- NED employee engagement
- Cyber security governance
- 2026 Board evaluation planning

SPOT LIGHT **Spotlight session**

November

- Health and safety update
- CEO and CFO updates
- Investor relations update
- Schedule of Matters Reserved for the Board and Board Committee Terms of Reference
- 2027 Board calendar approval
- Director training

SPOT LIGHT **Spotlight session**

Spotlight sessions

Spotlight sessions are sessions with the wider Executive team and their direct reports to discuss the fundamentals of the business model, strategy and future plans. These are generally focused around the five pillars of the business:

- Trade service and convenience
- Product leadership
- Trade value
- Entrepreneurial culture
- Trusted trade relationships

1 The Company's actuaries reported to the Board on routine funding and investment matters.

Governance

Corporate governance report continued

Directors' duties

Section 172(1) of the Companies Act 2006

A director of a company is required to act in a way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, the director must have regard, amongst other matters, to the following:

- **Environment and community:** the impact of the company's operations on the community and the environment.
- **Long-term thinking:** the likely consequences of any decision in the long term.
- **Reputation:** the desirability of the company for maintaining a reputation for high standards of business conduct.
- **Investors:** the need for every member to be treated fairly and for no member to be favoured over another member.
- **Workforce:** the interests of the company's employees.
- **Suppliers and customers:** the need to foster the company's business relationships with (amongst others) suppliers and customers.

Section 172(1) Statement

Howdens was founded on the principle that the business should be worthwhile for all concerned. It's a principle that the business continues to live into today. Balancing the needs and views of all our stakeholders can be challenging as there are often competing interests at stake, and this is why the Board first and foremost considers our purpose, our culture, and our strategy to ensure all decisions have a clear and consistent rationale. For details on the matters which the Board discussed and considered during 2025, please see pages 76 and 77.

The Board regularly considers feedback from the Company's stakeholders. These are set out in detail on pages 80 to 87. This engagement is effective and in keeping with the Company's culture. For example, much of the feedback is through face-to-face conversations, but where there is need for formality and confidentiality, such as whistleblowing, this is also provided. Stakeholder feedback can directly affect the Board's decision-making, such as feedback received from investors in relation to the proposed Directors' Remuneration Policy and direct employee feedback at Regional Board meetings, but it also provides the context for decision-making, particularly where there are competing stakeholder interests.

As Directors, when we discharge our duty as set out in section 172 of the Companies Act 2006 ('Section 172'), we have regard to the factors set out on the left side of this page beneath the heading 'Section 172(1) of the Companies Act 2006'. In addition to these factors, we also consider the interests and views of other stakeholders, including our pensioners, regulators and the government, and the customers of our trade customers.

We have set out some examples below of how the Directors have had regard to the matters in section 172(1)(a)-(f) when discharging their Section 172 duty and the effect on certain decisions taken by them in 2025.

Capital investment

Howdens has a well-established policy for capital allocation. We focus on achieving sustainable profit growth by investing in and developing our business model.

In previous years, we have reported how the Board has invested significant amounts of capital in vertical integration in manufacturing and logistics. These investments are crucial to ensure low-cost, high-quality products to our builder customer and exemplary service to our depots. However, the Board has also continued to invest in Howdens' front-end proposition (its depots) and product offering.

Despite the kitchen market contracting each year since 2022, the Board has continued to approve capital expenditure for new depots, depot reformats, operational investments and strategic land purchases. Since the start of 2023, Howdens has opened 94 new depots in the UK and Republic of Ireland and reformatted 136 depots (including depot relocations) and has also invested £174m in our manufacturing and logistics capabilities.

Investment in new capabilities and product groups such as HWS solid surface worktops, Paint to Order and Bedrooms generated £159m worth of sales in 2025.

The Board's continued confidence in Howdens' model and strategic advantages means that we benefit all of Howdens' direct and indirect stakeholders by reinvesting in its differentiated service offering. Our capital allocation policy provides a sustainable balance between making Howdens a more robust and more effective business and maintaining progressive returns for our shareholders.

Shareholder returns

The Board aims to maintain and grow ordinary dividends in line with earnings to reward shareholders with an attractive ongoing income stream. After allocating cash to support and grow the business, as detailed above, Howdens remains committed to returning any surplus capital to shareholders.

In February, the Board recommended a final dividend for 2024 of 16.3p per ordinary share and a new £100m share buyback programme. In July, it further recommended an interim dividend for 2025 of 5.0p per ordinary share.

The Board takes regular feedback from its shareholders on the most appropriate method of returning capital, including at the AGM where all shareholders, regardless of the size of their shareholding, are invited to attend and ask questions of the Board. Our CEO and CFO also discuss this during investor roadshows following results announcements (further information about investor engagement can be found on pages 84 and 85.

Howdens has a prudent risk appetite towards balance sheet management and aims to run the working capital cycle debt-free. This approach has provided a source of great strength in challenging past years, for example during the COVID-19 pandemic.

Approach to pension plan deficit funding

In April, the Board considered a proposal to alter the approach to deficit repair contributions for the Howden Joinery Pension Plan (the 'Plan'). The previous approach was that deficit contributions by the Company would commence if the Plan moved into deficit on a technical provisions basis for two consecutive month-ends. The proposed mechanism was for contributions to start if the funding position fell below 98% funding for at least two consecutive month-ends on a technical provisions basis. Under the proposal (once triggered), contributions would continue until funding had reached 102% for two consecutive month-ends. The Board considered that the benefit of introducing a 'tramline' approach was to avoid a situation where contributions were regularly being switched on and off.

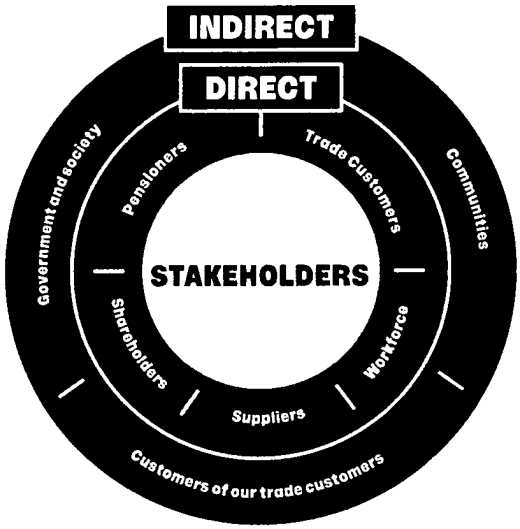
In reaching their decision, the Board noted the interests of members of the Plan, of whom c.800 current employees were members, but also of Howdens' wider stakeholder group who would benefit from a less sensitive trigger mechanism given the more predictable funding arrangement.

Governance

Corporate governance report continued

Stakeholder engagement

Howdens' stakeholders



Stakeholder and forms of engagement

Trade customers	pages 80 and 81
Workforce	pages 82 and 83
Suppliers	pages 84 and 85
Shareholders	pages 84 and 85
Pensioners	pages 86 and 87

Trade customers

Engagement with our trade customers included the following:

1. Local depots
2. Builder forums
3. Customer surveys and research

Local depots

The primary method of engaging with our trade customers since Howdens opened its doors in 1995 has been through conversations at the local depot. The relationship between depot managers and trade customers has always been at the heart of what we do.

Our depot managers feed back our trade customers' views to management at regional board meetings (see 'Workforce' on page 82 for further information), which the Managing Director of Trade is present at and which the CEO and other members of the Executive Committee frequently attend. Feedback from regional board meetings influences product and pricing decisions. However, it also reinforces our strategic decisions on new depot openings, and ensures that we are maintaining high standards of customer service and investing in new products. From these meetings, managers were able to feed back directly to the CEO, the MD of Trade, and other senior executives about any matters affecting their customers.

Board members, Executive Committee members and senior managers regularly visit depots to ensure they hear from trade customers and the depot teams firsthand. Depot visits also form a key aspect of new Board members' inductions.

Builder forums

During 2025, 62 builder forums were held. These are arranged by area managers or regional managing directors with depots inviting their regular customers to attend and to provide their views on the business, our products, and particular initiatives. Most forums will have the area manager present and a regional managing director may also attend. Depot managers may also be invited. The MD of Trade, CEO, and other members of the Executive Committee may also attend forums. Typically, six to eight customers participate in each forum.

Feedback from the forums is disseminated to the leaders of the appropriate teams, including commercial, digital, marketing, quality assurance and aftersales, finance, customer services and credit control. Once an identified action has been discussed and a way forward agreed, regional teams and depots receive communications about the feedback and any resulting actions. Where it is decided that changes should be made, this is also fed back to our customers in future forums to demonstrate the impact that their feedback can have.

Internal bi-monthly meetings are held to discuss the current 'live actions' monitor maintained by the depot support team and progress made to date. This progress is communicated to regional and depot teams where appropriate and to the MD of Trade.

Trade customer surveys

In addition to the frequent face-to-face conversations that we have with our customers in our depots, we run monthly trade customer surveys to better understand our customers' sentiment, price and value perceptions, purchase behaviour, business prospects, 'cost of living' impacts and planned activity.

Ad hoc 'deep dive' surveys are also used to ask trade customers about various product categories, including what is important to them within those product categories, what more they need from us, and what could cause them to trade elsewhere. In 2025, we completed these surveys across key strategic priority areas. We received over 10,000 responses from our customers, which has informed category strategy, brand and ranging plans, and depot education.

Over the course of the year, we conducted research to monitor customer satisfaction levels and assess the 'mood of the nation', receiving between 500 and 1,000 responses per wave. This, combined with our external brand tracking activity amongst the wider trade audience (including non-customers), helps Howdens ensure that we are delivering strong customer service and succeeding in making life easier for tradespeople.

Governance

Corporate governance report continued

Stakeholder engagement continued

Workforce

Engagement with our workforce included the following:

1. The Board's engagement arrangements
2. Regional board meetings
3. CEO focus groups
4. Town halls and feedback sessions
5. Trade union and works council meetings
6. Surveys
7. The Howdens Show
8. Whistleblowing helpline

Board workforce engagement arrangements

Given the complexity of Howdens' operations (when considering the variety of geographies and role types in our vertically integrated business), it was agreed by the Board in 2024 that workforce engagement would become a collective responsibility for all the Non-Executive Directors (rather than one member of the Board being designated as being responsible for workforce engagement) to ensure that the diversity of Howdens' workforce was properly and proportionately represented.

Non-Executive Directors are expected to attend at least two employee engagement sessions each year and to provide feedback after each session, focusing on positive themes emerging from the session, any issues raised, and whether any follow-up actions are needed.

In 2025, Non-Executive Directors attended regional board meetings (see below), visited depots, visited our Expo sites, attended The Howdens Show (see opposite page), visited our operations in France, and visited manufacturing and logistics sites. Most of the issues raised as a result of the engagement sessions were focused around local operational and market challenges, but there was also feedback that incentives were working well and the culture of the business came through strongly, especially at regional board meetings and in the manufacturing sites.

Regional board meetings

Regional board meetings are a forum for the depot leadership team and management to discuss strategy and day-to-day business matters on a regular basis. Our Managing Director of Trade attends all meetings and regional managing directors, area managers, and depot managers are expected to attend the meetings applicable to their region. Our CEO also attends a majority of these meetings and other members of the Executive Committee attend on an ad hoc or as-required basis. Certain support functions (including credit control, product development, quality & assurance, finance, and HR) also regularly attend. Members of the Board attend regional board meetings as part of their induction and periodically thereafter as part of their ongoing collective responsibility for workforce engagement.

In 2025, a total of 55 meetings were held across the UK and Ireland. Notes of each meeting are taken and sent to the regional team the same day following the meeting. Where issues have been raised, relevant teams are notified and requested to find a solution or to provide an answer. Updated notes are then sent out again within 10 days of the meeting, which contain information on actions being taken to issues raised.

Feedback in the regional board meetings tended to centre around issues around local operations and market, but a theme across the meetings towards the end of 2025 was that the incentives programme for depots had been a success and that 2025's incentives delivered the intended sales and margin results for the business.

CEO focus groups

Outside of the peak trading period, our CEO holds regular face-to-face focus group meetings with depot managers from different regions. These meetings provide a forum for managers to have a direct contact with our CEO and to discuss ideas within a smaller group setting than Regional Board meetings. Following the meeting, the CEO takes the managers out for dinner and also meets them the following morning. At the morning meeting, the CEO and depot managers speak directly with other Executive Committee members regarding any ideas or issues that have been flagged the previous day. This direct feedback from those on the frontline to the most senior leaders in the business is an important feature of the Howdens culture.

It is a result of the feedback from one of these focus groups that we designed, built and introduced to all UK depots a new pricing and margin tool. This tool provides managers with a comprehensive data set of local and national pricing trends, making price management easier and more effective.

Town halls and feedback sessions

The Operations Director continues to hold business updates each year for all employees based at our manufacturing and logistics locations, supported by members of the Operations Leadership team. The Operations Leadership team also hold 'Ask away' sessions with groups of employees. All new starters are invited to a 'Meet and Greet' session with members of the Operations Leadership team and, as part of that, all new starters are asked for their feedback about what they are enjoying and what we could do better.

At each of our manufacturing and logistic sites regular engagement forums are held with employees. At one of our sites, as a result of engagement forums in 2025, we have seen even better cross-functional working, enhanced handover procedures in assembly lines, and even more informal welfare check ins with forklift truck drivers. And at another site, as a direct result of an engagement forum, we have launched a spotlight programme to promote greater visibility and education around one of our benefits each month.

Regular town hall meetings are hosted by our Chief Commercial and Marketing Officer, and our Chief Financial Officer. The town hall meetings focus on business updates and updates on work ongoing within specific teams. Employees are given the opportunity to ask questions and the meetings also act as an opportunity to give recognition to employees who are going 'above and beyond' in their work.

Trade union and works councils meetings

Howdens respects the collective bargaining of its employees and actively engages with the trade union and works councils collectively at least quarterly. Local sites host trade union representative meetings and works councils meetings monthly. Site leadership and HR attend these meetings.

Surveys

During 2025, we conducted a survey among our employees to measure ourselves against our foundational principal of being 'worthwhile for all concerned'. The results showed that, compared to 2024, a higher proportion of participants of the survey felt that "Howdens is a place to work where everyone has opportunity and is encouraged to succeed at work" and that "Howdens is a great place to work". Nearly 80% of participants also stated that they were proud to work for Howdens. We plan on repeating this survey in the future so we can monitor trends and use the data to inform internal decision-making.

The Howdens Show

In January 2025, we hosted The Howdens Show, which welcomed nearly 1,200 employees to the International Convention Centre in Wales. Our CEO hosted the event, which was a chance to set the scene for the year ahead, and it featured business, charity and community updates from senior members of staff from across the business.

Other Board members also attended the event and were able to engage with a significant cross-section of the workforce.

Whistleblowing helpline

The Company uses a third-party operated, confidential whistleblowing helpline, which is multilingual and available 24 hours a day. The Board receives a biannual report detailing the number and nature of whistleblowing instances made during the period. Although no specific complaints were escalated for Board attention, the governance processes are in place should this be necessary.

Governance

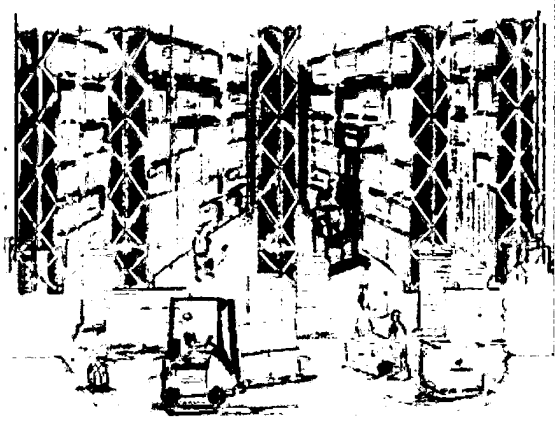
Corporate governance report continued

Stakeholder engagement continued

Suppliers

Engagement with our suppliers included the following:

1. Category team relationships
2. Supplier conferences
3. Supplier Scope 3 emissions engagement



Maintaining strong supplier relationships based on trust is a key facet of our resilient business model. Cooperative engagement with suppliers on sustainability, new products and the scale necessary to support suppliers' businesses and investment plans helps us to ensure the relationships are enduring and worthwhile for both parties.

Category team relationships and supplier management

Howdens benefits from deep and long-standing relationships with many of our suppliers, to the mutual benefit of both parties and, ultimately, our trade customers. Product design and innovation is central to our success. Suppliers understand this and support us by responding quickly to new product initiatives and coming to Howdens first with their own innovations. This is a virtuous circle: lessons learned when dealing with Howdens flow back into our suppliers' own plans and initiatives. These lessons are not restricted to product innovation but may also include quality processes, packaging improvements (typically with environmental benefits) and insight into market trends.

Shareholders

Engagement with our shareholders included the following:

1. Annual General Meeting
2. Remuneration consultation
3. Investor relations programme

Annual General Meeting (AGM)

The 2025 AGM was held in-person and was an opportunity for the Board members to speak with shareholders and to present their updates to them directly. Members of our Executive Committee and senior leadership team were also present to meet with shareholders outside of the formal business of the meeting.

During the question and answer session at the AGM, the Board was asked questions on the following topics:

- Shareholder returns
- Artificial intelligence
- Manufacturing capacity
- Further European expansion

The questions raised were answered fully on the day and no further action or considerations were required.

Shareholders were provided with the opportunity to submit any questions they had of their Board of Directors through a question facility on the Company's corporate website, which remained open throughout the year.

Our internal commercial structure is organised into categories. The use of categories provides clear accountabilities for product range decisions and with greater internal accountability comes the fostering of stronger relationships with our suppliers. Suppliers are engaged with focused teams within the organisation and this clarity brings the opportunity for even more valuable discussions.

Business review sessions are held with all our strategic suppliers, quarterly, bi-annually or annually depending on size of business and, for example, scale of investment. These sessions cover all aspects of our relationship and always start with consideration of ESG, ethical trading and compliance. These sessions include not only our Commercial team, but also our quality, technical, and supply chain teams and cover new product opportunities and promotional campaigns, especially in our 'footfall driving' products. The sessions are invaluable in ensuring our strategic plans are aligned and operational plans are clearly understood.

In addition, we are partnered with SAP Ariba to further strengthen the way we do business with our suppliers in an efficient and more sustainable (paperless) way. SAP Ariba Supplier Life Cycle Performance (SLP) has helped improve the onboarding and management of our suppliers and allows them to transact and communicate with us digitally.

Suppliers conference

Supplier conferences are an important way of helping us maintain enduring relationships with our supply base.

At the conferences, which usually occur once every other year, we celebrate our successful partnerships and ensure that suppliers understand, and can align with, our priorities in the short, medium and long term. Supplier engagement is also key in our plans to achieve our Net Zero SBT Plans.

The conference, held over two days, sees presentations being given by senior leaders across Howdens and a chance for questions to be asked by the suppliers. Over the two days, there is also ample opportunity for Howdens' senior leaders to have face-to-face discussions with supplier representatives.

Scope 3 emissions engagement

We can only achieve our Net Zero SBTi targets by collaborating with our key suppliers. Further information about this engagement can be found on page 49.

Executive remuneration consultation

During H2 2024 and H1 2025, the Remuneration Committee consulted with the Company's top 30 shareholders and proxy advisory agencies on proposed changes to our Executive Director remuneration. Further details of these consultations are set out in the 2024 Remuneration Committee report.

Howdens engaged Georgeson in early 2025 to provide additional depth to our shareholder engagement strategy ahead of the 2025 AGM and the advisory vote on the Directors' remuneration report and the binding vote on the updated Directors remuneration policy.

Investor relations programme

During 2025, we supported our institutional shareholders with regular meetings and updates, both face to face and virtually.

The Board is provided with an investor relations update each period, which gives an overview of investor feedback and the Director of Investor Relations and the Company's brokers regularly provide verbal feedback at Board meetings on the investor relations programme.

Following the half-year and full-year results, more detailed feedback sessions were held with the Board to discuss shareholder views on the results and the Company's strategy. Overall, investors continue to be supportive of the Company's strategic initiatives and the resilience of Howdens' business model despite challenging market conditions.

Howdens also hosted four small group site visits with investors (both existing and prospective) to showcase both revamped depots and our operations. The visits combined tours of our facilities (for example, our major manufacturing site in Howden) and short presentations. The visits were hosted by the CEO and CFO alongside other senior managers.

The visits enabled investors to see Howdens' strategic initiatives firsthand, and to give them a better idea of the significant growth opportunities in our markets and how we are addressing them. The feedback from attendees of the visits was that these sessions allowed them to see firsthand the investment in the business and the progress made against strategic initiatives.

Governance

Corporate governance report continued

Stakeholder engagement continued

Pensioners

Engagement with the members of our pension plans includes the following:

1. Board engagement with the Trustee Board
2. Newsletters
3. Factor reviews

The Howden Joinery Defined Benefit Pension Plan (the 'DB Plan') has c.10,100 members, of whom c.5,200 are deferred members, and c.4,900 are pensioners and dependants.

The DB Plan is governed by a Trustee Board who is responsible for the Plan's administration and for the investment of its assets. While pensioners (as former employees and their dependants) are an important stakeholder group for the Company, Howdens' primary engagement is with the Trustee Board.

Board engagement with the Trustee Board

The Trustee Board, chaired by an independent trustee, is responsible for investment strategy and for the day-to-day running of the DB Plan. There are a number of matters reserved for the Company as sponsor under the Trust deed, and the Board invites the Chair of the Trustee to present to the Board every year and provide an update on matters affecting the membership. The Company and Trustee have an information-sharing protocol in place which is reviewed annually.

In 2025, the Company engaged with the Trustee Board on a number of matters outside of the normal engagement cycle of investment and funding strategy, including:

- collaboration on the Plan factor review;
- review of the Plan's endgame strategy;
- enhanced monitoring of LDI collateral headroom and overall liquidity;
- review of the investment strategy;
- progressing the GMP equalisation project following the Lloyds Bank judgement;
- review and approval of information sharing protocols; and
- successful connection to the pensions dashboard ecosystem.

Newsletters

In March and October 2025, Plan newsletters were sent by the Trustee Board to all members of the DB Plan. The newsletter provided updates on matters such as Trustee Board changes, access to retirement planning tools on the member portal, latest funding position and financial review, and an update on the DB Plan's climate governance work in the year.

Plan factor review

The Plan has in place various actuarial factors which are used to calculate and adjust the benefits of Plan members under different scenarios. It is good practice to review the actuarial factors on a regular basis, to ensure that they still meet the requirements of legislation and the Plan rules. These factors determine the value and cost of various member options. Following completion of the 2023 triennial valuation, the Trustee agreed to undertake a factor review (last updated in 2021).

The commutation factors were reviewed to take account of updated market conditions. The updated factors were agreed and implemented from 1 September 2024. A full review of the plan factors will take place after completion of the 2026 triennial valuation.

Governance

Corporate governance report continued

UK Corporate Governance Code: application and compliance

This Annual Report and Accounts has been prepared under the 2024 version of the UK Corporate Governance Code (the '2024 Code'), which applies to accounting periods beginning on or after 1 January 2025 (with the exception of Provision 29 which applies to accounting periods beginning on or after 1 January 2026). We are pleased to report that the Company applied all the Principles of the 2024 Code throughout the period, and we have reported in summary over the next few pages how we have done so. Throughout the financial period under review, the Company was compliant with all Provisions of the 2024 Code, except for Provision 41.

Provision 41 provides that the annual report of remuneration committees should include a description of the engagement that has taken place with the workforce to explain how executive remuneration aligns with wider company pay policy.

The Remuneration Committee did not directly consult with the workforce on Executive Director pay arrangements during 2025; however, the Committee receives reports from management on pay and benefits across the workforce to ensure that there is good alignment on remuneration across the organisation. In addition, through the Company's Share Incentive Plan (SIP), nearly all employees in the UK and the Isle of Man (the majority of our workforce) have been awarded free shares, which gives them voting rights on those shares from the day they are awarded. This means they can vote on the Directors' Remuneration Report and the Directors' Remuneration Policy (when applicable) at general meetings of the Company. At the 2025 Annual General Meeting, the resolution to approve the Directors' Remuneration Policy received 99.5% support. The Remuneration Committee will keep under review the need to engage the workforce more directly on Executive remuneration arrangements. Details of how Executive Director pay is considered in the context of the workforce is set out on page 113.

Provision 5 of the 2024 Code states that one or a combination of the methods listed below should be used for engaging with the workforce or an explanation provided for the alternative arrangements that are in place and why they are considered effective:

- a director appointed from the workforce;
- a formal workforce advisory panel;
- a designated non-executive director.

For the reporting period, the Board chose to put in place alternative arrangements and workforce engagement was a matter for which all the Non-Executive Directors were responsible. A full explanation of how these arrangements work and why they are considered effective for Howdens may be found on page 82.

UK Corporate Governance Code: application of Principles

Section 1: Board leadership and company purpose

A **A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society. The board should ensure that the necessary resources, policies and practices are in place for the company to meet its objectives and measure performance against them.**

Howdens' founding principle of being worthwhile for all concerned supports the premise that its role is to ensure long-term, sustainable growth and value for all its stakeholders.

Further information on our resilient business model and strategy can be found in the Strategic Report beginning on page 1. Our contribution to wider society and our statement of the extent of consistency with the TCFD framework can be found in our Sustainability Matters report beginning on page 42.

Governing in an effective way ensures the framework and controls needed to align our operations with our strategy are in place. It is only by doing this that we can ensure long-term strategic success of the Company for our stakeholders. We discuss throughout the Governance section how our actions help to preserve the value that the business generates and how they support the strategy. For example, we have set out the way our Executive remuneration structure supports our strategic aims on pages 107 to 110.

The Board is satisfied that the necessary resources are in place to ensure that the Company meets its objectives and measures performance against them. Our KPIs and how we have performed against them can be found on pages 28 and 29.

More information on our risk processes, including our principal and emerging risks, can be found on pages 36 to 41. Our Audit Committee report provides a summary of our internal control framework on pages 131 to 133.

B **The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.**

An explanation of our purpose, values and strategy are set out in the Strategic Report, which starts on page 1. The Board regularly discusses the importance of Howdens' unique culture and is mindful that it remains aligned with its purpose, values and strategy. Direct engagement with the workforce is a key part of the Board's agenda. Since 2024, all Non-Executive Directors share the responsibility of workforce engagement, allowing the Board to experience and monitor the culture firsthand.

More information about the Board's engagement with the workforce may be found on pages 82 and 83.

Integrity and sympathy to the Howdens culture are paramount when the Board appoints new members of the Board. More information about our recruitment and inductions process can be found on page 99.

C **Governance reporting should focus on board decisions and their outcomes in the context of the company's strategy and objectives. Where the board reports on departures from the Code's provisions, it should provide a clear explanation.**

The Board is mindful of its legal obligations to make specific disclosures under a wide panoply of corporate reporting regulation. This disclosure is sometimes, necessarily, detailed. However, wherever possible, the Board strives to ensure that its governance reporting is outcome driven and where the Board departs from the Code's provisions, a full and clear explanation is provided.

The Board has provided disclosures in this report which consider the decision-making processes and subsequent outcomes of a number of Board decisions. These disclosures can be found on pages 78 and 79. The Remuneration Committee of the Board has also disclosed the outcomes of the shareholder consultation and implementation of the Directors' Remuneration Policy. More details on these specific outcomes are on page 85 and pages 118 to 121.

In relation to departure from the provisions of the Code, the Board has reported one non-conformity with a supporting explanation on page 88.

D **In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.**

Howdens has a broad group of clearly defined stakeholders and Board members actively engage with each of these groups. A detailed explanation of our engagement with our shareholders and wider stakeholder base, and where this engagement has informed the Board's decision-making processes, can be found on pages 80 to 87. How the Board members discharged their 'Section 172' statutory directors' duties is set out on pages 78 and 79.

Governance

Corporate governance report continued

UK Corporate Governance Code: application of Principles continued

E **The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.**

The Board and its committees review workforce policies and practices on a regular basis. A Group policy framework has been established and is reported on to the Board on an annual basis, as well as any updates needed for Group policies. Part of this review includes ensuring that policies remain aligned to the Howdens culture and support long-term success.

One example of this is how our Remuneration Committee considers the pay policies and practices of the wider workforce when determining Executive reward. More information in this regard can be found on pages 106 and 113.

All employees are able to raise any matters of concern using the confidential whistleblowing helpline. The helpline is available 24 hours a day, it is multilingual, and it is operated by an independent third party. The Board receives reporting from the helpline twice a year and any matters of significant concern are escalated as appropriate by the Company Secretary who oversees the helpline with support from the Internal Audit team.

Section 2: Division of responsibilities

F **The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.**

The Board confirms that Peter Ventress was independent on appointment when assessed against the circumstances set out in Provision 10 of the Code. The roles of Chief Executive and Chairman are not held by the same individual and the Chairman has never held the position of Chief Executive of the Company. These factors help ensure that the Chairman demonstrates objective judgement throughout his tenure.

The Chairman is mindful of his role in facilitating constructive Board relations and promoting a culture of openness and debate amongst the Board. This in turn encourages the effective contribution of all the Non-Executive Directors.

The 2025 external Board evaluation concluded that the Board was effective, supportive of management and doing well. Further information about the outcomes and process of the evaluation may be found on pages 100 and 101.

The Chairman is also mindful of the need for the Directors to receive information which is accurate, timely and clear. He is supported in this by the Company Secretary, who ensures the effective flow of information in a timely manner between the Board and senior management.

G **The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.**

At least half of the Board was made up of Independent Non-Executive Directors (not including the Chairman) throughout the reporting period. The Non-Executive Directors that the Board considered to be independent are shown as such on page 70. The Board confirms that all the Non-Executive Directors (excluding the Chairman) were independent during the reporting period and that the Chairman was independent on appointment.

There is a clear division of responsibilities between the leadership in the organisation. The responsibilities of the Chairman, Chief Executive, and Senior Independent Director may be found on the Company's website (www.howdenjoinerygroupplc.com/governance/division-of-responsibilities) and the function of the Board Committees may be found in the respective committee terms of reference, also available on the Company's website (www.howdenjoinerygroupplc.com/governance/tor-and-schedule-of-matters).

H **Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.**

The number of Board meetings which were held during the reporting period and the attendance at each of these meetings may be found on page 69. Similarly, the number of meetings of each Board Committee and the attendance may be found on the following pages: 95 (Nominations Committee), 102 (Remuneration Committee), 128 (Audit Committee), and 134 (Sustainability Committee).

When reviewing the Nominations Committee's recommendation to appoint a new Director, the Board will always assess whether the candidate is able to allocate enough time to the role. Similarly, when assessing the acceptability of an existing Director's wish to take on external appointments, the Board will assess the additional demand on that Director's time before authorising the appointment. This occurs within the Board's agreed existing

Section 2: Division of responsibilities continued

protocol whereby any significant appointments taken on while serving as a Director of the Company must be approved by the Board before they are entered into.

This is set out in the Schedule of Matters Reserved for the Board which may be found on the Company's website (www.howdenjoinerygroupplc.com/governance/tor-and-schedule-of-matters). During the reporting period, no existing Directors took on additional external listed-company appointments.

Members of the senior management team regularly presented to the Board (see pages 76 and 77 for a timeline of Board meetings and information regarding any Executive Committee attendees), which provided an opportunity for the Board to constructively challenge and to provide advice to our senior management team.

Information about the management of conflicts between the duties Directors owe the Company and either their personal interests or other duties they owe to a third party may be found on pages 129 and 133.

I **The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.**

All of the Directors of the Company have access to the advice of the Company Secretary, who is responsible for advising the Board on all governance matters.

The Board has implemented a Group policy framework, which is considered by the Board on an annual basis. Individual policies and associated practices are considered alongside the framework review process.

As stated in the Schedule of Matters Reserved for the Board (which may be found at www.howdenjoinerygroupplc.com/governance/tor-and-schedule-of-matters), the appointment and removal of the Company Secretary is a decision for the Board as a whole.

Section 3: Composition, succession and evaluation

J **Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria. They should promote diversity, inclusion and equal opportunity.**

The Nominations Committee engages external search consultancies when searching for Board position candidates. Further information about the appointments process is available on page 99 of the Nominations Committee report and the Board's diversity policy is available on page 98.

The Nominations Committee regularly reviews the skills matrix and the tenure of each Board member (see pages 96 and 99 for further details). This ensures the Board's succession plan remains aligned with the natural rotation of Directors off the Board and the strategic objectives of the business.

The succession plans for the senior management team are also regularly considered by the Board.

K **The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.**

The Board uses a skills matrix to ensure it has the necessary combination of skills, experience and knowledge to meet its strategic objectives, business priorities and to ensure the unique Howdens culture is maintained. The skills matrix may be found on page 96. The tenure of each Director can be found on page 71 (Executive Directors) and page 99 (Non-Executive Directors).

The Board has a good balance of new and longer-serving Directors. As at the year end date, tenures of the Non-Executive Directors (including the Chairman) range from 12 months to just over six years, and the average tenure is just under three years.

L **Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.**

Details of the 2025 external Board evaluation process and outcomes may be found on pages 100 and 101.

The specific reasons why the Board considers that each Director's contribution is, and continues to be, important to the Company's long-term sustainable success may be found on pages 71 to 73.

Reference to the specific reasons and where to find them in the Annual Report and Accounts will accompany the resolutions to elect or re-elect Directors in the 2026 AGM Notice. The Board recommends that shareholders vote in favour of the election or re-election of all the Directors standing.

Governance

Corporate governance report continued

UK Corporate Governance Code: application of Principles continued

Section 4: Audit, risk and internal control

M **The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.**

The Board has established formal and transparent policies and procedures, which ensure the external auditor and internal audit function are independent and effective, and are accountable to the Audit Committee.

The Board also monitored the integrity of the annual and interim financial statements of the Company through the Audit Committee. Further information about the work of the Audit Committee, including the subjects above, may be found in the Audit Committee report, which begins on page 126.

N **The board should present a fair, balanced and understandable assessment of the company's position and prospects.**

A statement regarding the Directors' responsibility for preparing the Annual Report and Accounts, and the Directors' assessment of the Annual Report and Accounts, taken as a whole, as being fair, balanced and understandable, and providing the necessary information for shareholders to assess the Company's position, performance, business model and strategy, can be found in the Strategic Report beginning on page 1.

O **The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.**

The Board is responsible for the Group's systems of internal control and risk management, and for reviewing their effectiveness. The Board is assisted with these responsibilities by the Audit Committee. Such a system is designed to manage rather than eliminate the risks of failure to achieve business objectives, as well as to help the business take appropriate opportunities. The Board has conducted reviews of the effectiveness of the system of internal controls through the processes described within the 'Risk management' section (see pages 36 to 41) and is satisfied that it accords with the Code and with the Guidance on Risk Management, Internal Control, and Related Financial and Business Reporting. As described in the Audit Committee report on page 132, the management team continued to strengthen our overall control framework.

This work to further enhance internal controls will lead to better assurance and efficiencies through opportunities to formalise and automate controls and improve visibility to the Executive Committee, Audit Committee and Board in a consistent way across the Group.

The assessment of the principal and emerging risks, the uncertainties facing the Group, and the ongoing process for identifying, evaluating and managing the significant risks faced by the Group is set out in the 'Risk management' section (see pages 36 to 41). The Board confirms that it has conducted a robust assessment of the principal and emerging risks.

Section 5: Remuneration

P **Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy.**

The way the Remuneration Committee has ensured our remuneration policies and practices are aligned with our culture, our strategy, our KPIs and risk management is discussed in the Remuneration Committee report, which starts on page 102

Q **A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.**

The Remuneration Committee has delegated responsibility for setting the Executive Directors' remuneration under the shareholder-approved Directors' Remuneration Policy (the full policy is set out at www.howdenjoinerygroupplc.com/governance/remuneration-policy). The Remuneration Committee also has delegated responsibility for setting the Chair of the Board's remuneration and the remuneration of senior management (i.e. the members of the Executive Committee, the Company Secretary and the Director of Risk and Assurance). No Director is able to determine their own remuneration outcome.

The Remuneration Committee reviews workforce remuneration and related policies when setting Executive Director remuneration. Ensuring these factors are always considered means our remuneration policies are clear and as predictable as possible. Further information can be found in the Remuneration Committee report, which starts on page 102.

R **Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.**

The Remuneration Committee membership is made up of only independent Non-Executive Directors.

Details of whether the Remuneration Committee exercised its discretion during the year can be found in the Annual Remuneration Committee Chair's Statement (pages 104 to 106).

By order of the Board

Peter Ventress
Chairman

25 February 2026

Governance

Nominations Committee report

Peter Ventress
Nominations Committee Chair

Introduction

I am pleased to present the Howden Joinery Group Plc Nominations Committee report for 2025. This report is divided into the following sections:

1. Key information at a glance
2. Activities of the Committee in 2025 and key activities in the year ahead
3. Composition and diversity
4. Succession
5. Evaluation

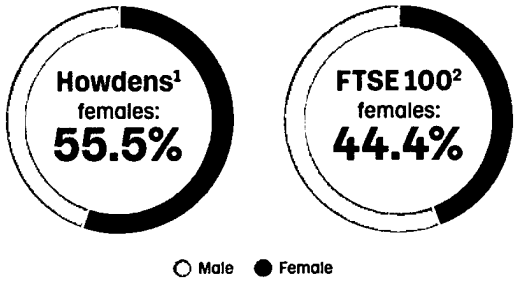
The Nominations Committee has been progressing a phased transition on Board succession and is pleased with the balance of gender, skills, experience, and background that the Board and its Committees now have. We have moved forward in terms of diversity of ethnicity but continue to keep our targets under review.

I look forward to answering any questions on the work of the Nominations Committee from shareholders at the AGM in May.

Peter Ventress
Nominations Committee Chair

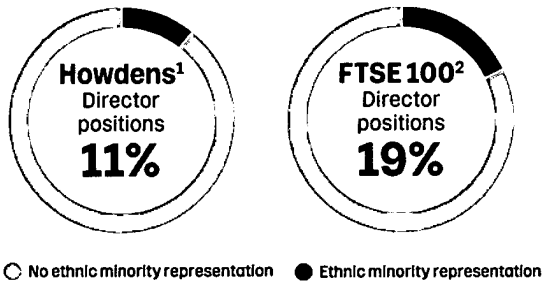
Key information at a glance

Board gender diversity



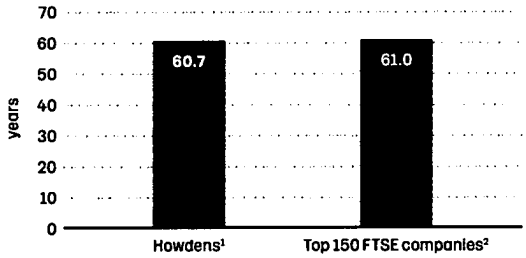
1 Figures correct as at 27 December 2025.
2 Figures derived from the FTSE Women Leaders Review (published February 2026).

Board ethnicity



1 Figures correct as at 27 December 2025.
2 Figures derived from the March 2025 Parker Review update 'Improving the Ethnic Diversity of UK Business'.

Board average age



1 Figures correct as at 27 December 2025.
2 Figures derived from the 2025 UK Spencer Stuart Board Index.

Key Committee activities in 2025

January

Non-Executive Director appointment

- Tim Lodge

February

Committee meeting

- Nomination Committee evaluation process and outcomes
- Executive Committee and senior management succession update
- Board recommendations for AGM elections
- Boardroom Diversity Policy approval

May

Non-Executive Director retirement

- Andrew Cripps

June

Executive Director (CFO) appointment

- Jackie Callaway

September

Committee meeting

- Non-Executive Director succession, including consideration of diversity, tenure and skills matrix
- Executive succession planning and talent management
- Externally facilitated Board evaluation approval
- Review of Board Diversity Policy
- 2026 Nominations Committee calendar
- Nominations Committee Terms of Reference

Committee meeting attendance in 2025

Peter Ventress	(2/2)	
Andrew Cripps	(1/1)	Retired 1 May 2025
Roisin Currie	(2/2)	
Louis Eperjesi	(2/2)	
Louise Fowler	(2/2)	
Tim Lodge	(2/2)	
Vanda Murray	(2/2)	
Suzy Neubert	(2/2)	

Board and Committee evaluation in 2025

Areas of focus:

- Role and operations of the Committee
- Composition
- Leadership
- Process and procedures

Methodology:

See page 100.

Outcomes:

- Review Non-Executive Director engagement with the business, to provide more insight on culture and operations.
- Review committee composition and cadence, to enable deeper topic exploration.
- Re-energise the Nominations Committee remit, centred on senior leadership pipeline and long-term skills planning.
- Build on strong management information control and assurance, to further enhance decision-making.
- Further strengthening of Board-level capability in emerging risk areas, including cyber, technology and AI.

Key Committee activities in the year ahead

- The Committee to recommend the election and re-election of all current Directors at the AGM on 7 May 2026.
- Executive Committee and senior management succession and talent planning.
- The Committee will undertake its review of skills, composition and size of the Board.
- Review of the Boardroom Diversity Policy.
- Board external evaluation planning.
- Review of the Committee's Terms of Reference.

Governance

Nominations Committee report continued

Composition

Non-Executive Directors skills matrix

The Nominations Committee used a skills matrix when assessing its Non-Executive Director succession plans. The matrix highlights where the skills and experience of our Non-Executive Directors are particularly strong, where there are opportunities to further grow the Board's collective knowledge, and to inform the Board's future composition as Non-Executive Directors naturally rotate off the Board. The information below is correct at 25 February 2026.

		Number of Non-Executive Directors	
Skills and experience	**Importance**	**Direct experience**	**Indirect experience**
Industry/Sector			
Business-to-business	H	6	1
Manufacturing	H	5	1
Logistics, distribution and supply chain management	H	4	3
Consumer goods	H	5	1
Geographic exposure			
UK	H	7	0
Europe	M	5	1
Governance			
UK listed companies	H	7	0
Company chair experience	M	3	1
Remuneration Committee chair experience	M	3	3
Audit Committee chair experience	M	2	3
Senior independent director experience	M	5	0
Policy development	M	6	1
Technical			
Accounting and Finance	H	2	4
Audit	H	2	3
Executive management	H	7	0
Risk management	H	6	1
HR/Remuneration	M	3	4
E-commerce	M	2	4
Marketing	M	5	1
IT/Cyber security	H	0	5
Legal	M	1	3
Howdens-specific considerations			
Vertical integration	H	5	1
Multisite depot operation	H	2	3

Importance

M Medium H High

Diversity

Board and Executive Committee diversity

UK Listing Rule (UKLR) 6.6.6R(9) requires that a company state whether it has met certain targets on diversity. These targets and whether the Company has met them as at the reference date[1] of 26 December 2025 are set out below. The Board confirms that no changes to the membership of the Board have occurred between the reference date and 25 February 2026 that have affected the Company's ability to meet one or more of the targets.

Target:	(i) At least 40% of the individuals on the Board of Directors are women.	(ii) At least one of the following senior positions on the Board of Directors is held by a woman: (a) the Chair; (b) the Chief Executive; (c) the Senior Independent Director; or (d) the Chief Financial Officer.	(iii) At least one individual on the Board of Directors is from a minority ethnic background.
Has the target been met by the Company?	The Company has met target (i). The Board is made up of 56% women at the reference date.	The Company has met target (ii) with both the Chief Financial Officer and Senior Independent Director being female.	The Company has met target (iii). Suzy Neubert is from an ethnic minority background.

The data below is presented in accordance with UKLR 6.6.6R(10). The applicable reference date[1] for this data is 27 December 2025. To collect this data, the Company asked members of the Board and Executive Management[2] to complete a confidential and anonymous online survey.

Gender identity or sex:

	Board Members		Number of senior positions on the board (CEO, CFO, SID and Chair)	Executive Management[2]	
	Number	Percentage		Number	Percentage
Men	4	44.4%	2	7	100%
Women	5	55.6%	2	0	-
Not specified/prefer not to say	-	-	-	-	-

Ethnic background:

	Board Members		Number of senior positions on the board (CEO, CFO, SID and Chair)	Executive Management[2]	
	Number	Percentage		Number	Percentage
White British or other White (including minority white groups)	8	88.9%	4	7	100%
Mixed/Multiple Ethnic Groups	-	-	-	-	-
Asian/Asian British	-	-	-	-	-
Black/African/Caribbean/ Black British	1	11.1%	-	-	-
Other ethnic group, inc. Arab	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

1 The reference date follows the Company's year end date. The Company operates a financial reporting calendar of 13 periods and therefore the year end date will change year-on-year.

2 'Executive Management' means members of the Executive Committee (not including the Executive Directors) and the Company Secretary.

Governance

Nominations Committee report continued

Composition continued

Group gender diversity

The Nominations Committee reviews the gender statistics shown in the table below. Where other data is available, this is presented to the Committee in order to determine whether there are any implicit diversity issues. The reference date for the data below is 27 December 2025.

	Board of Directors		Senior Management[1]		Grades 1 to 3[2]		Group[3]	
	Number	%	Number	%	Number	%	Number	%
Men	4	44.4%	7	100%	144	75%	8,069	70%
Women	5	55.6%	0	-	47	25%	3,536	30%

1 Members of the Executive Committee, excluding Executive Directors and including the Company Secretary.
2 These are generally the direct reports of Senior Management and includes Grades 1 to 3 equivalents.
3 Calculated on an individual basis, not on an FTE basis. Includes UK, France, Belgium, the Republic of Ireland, the Isle of Man, Jersey, and Guernsey.

Boardroom Diversity Policy

The Board recognises the importance of ensuring that there is diversity of perspective, background, and approach in its management team and on its Board. Since the business was established in 1995, it has sought to enable individuals to progress within the organisation regardless of age, gender, socio-economic background, sexual orientation, disability, or formal qualifications.

We believe that it is in the interests of the business and of its shareholders for us to build a Board whose membership is diverse in perspective and experience, as this facilitates better decision-making. We are also mindful of the outputs and recommendations from both the Parker Review and the FTSE Women Leaders Review when making appointments to the Board. The Board will target having at least one member from an ethnic minority, maintain a minimum female membership of 40% and have at least one woman director for one of the 'Big 4' roles (those being Senior Independent Director, Chair, CEO, and CFO) at all times.

The Nominations Committee will continue to seek diversity of mindset as well as of gender, race, ethnicity, and socio-economic background when considering new appointments, and it will continue to review this policy on an annual basis to ensure it remains appropriate. This policy shall also apply to each of the Audit, Nominations, and Remuneration Committees of the Board and we will ensure that at least 40% of members of each of these committees are female. More widely, we are committed to developing a long-term pipeline of executive talent that reflects the diversity of Howdens' business and its stakeholders.

As at 27 December 2025, 55.6% of Board members were women, the CFO and Senior Independent Director positions were held by women and one member of the Board from an ethnic minority group.

Group Diversity Policy

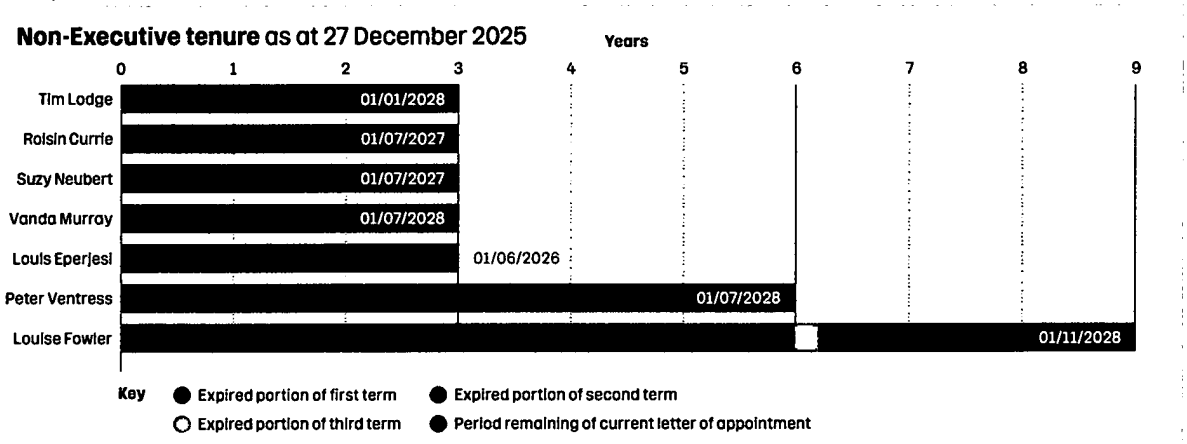
We want Howdens to be a place where everyone is welcomed and has the opportunity to thrive, being Worthwhile for ALL concerned. We're committed to encouraging diversity, inclusion and equality amongst our workforce and to eliminating unlawful discrimination. We value the difference a diverse workforce brings and want each employee to be respected, able to be themself and give their best. Howdens will aim to:

- Create a working environment free of bullying, harassment, victimisation and unlawful discrimination, promoting dignity and respect for all, and where individual differences and the contributions of all workers are recognised and valued regardless of background.
- Seek to ensure that no one is unlawfully discriminated against or harassed inside or outside the workplace (when dealing with customers, suppliers or other business contacts or when wearing Howdens branded clothing) and on work-related trips or events, including social events.
- Encourage equality, diversity, and inclusion in the workplace by providing training opportunities, booklets and toolkits and facilitating open conversations.
- Take seriously complaints of bullying, harassment, victimisation and unlawful discrimination by employees and other workers, customers, suppliers, visitors, the public and any others during the organisation's work activities.
- Make opportunities for training, development and progress available to all staff, who will be helped and encouraged to develop to their full potential, so their talents and resources can be fully utilised to maximise the efficiency of the organisation.
- Make decisions concerning employees based on merit, apart from those limited exemptions and exceptions set out under the Equality Act 2010.
- Ensure recruitment practices are fair and transparent and regularly updated to reflect changes in the law.
- Monitor the make-up of the workforce regarding information such as age, sex, ethnic background, sexual orientation, religion, or belief, so that we continue to meet the aims and commitments set out in this policy.

Succession

An integral part of the work of the Nominations Committee is to establish and maintain a stable leadership framework and to proactively manage changes and their impacts on the future leadership needs of the Company, in terms of both Executive and Non-Executive leadership. Ensuring the correct leaders are in place enables the organisation to compete effectively in the marketplace and therefore to meet its various obligations to its stakeholders.

As detailed in the rest of the report, the Nominations Committee has managed succession programmes for both the Board and senior management, which have ensured that the necessary skills, expertise and experience are present in the leadership of the organisation. The chart below shows the tenure of our Non-Executive Directors and the unexpired term of their service contracts, notwithstanding that all members of the Board stand for re-election by shareholders at each annual general meeting.



Board succession

The Nominations Committee regularly reviews the skills and expertise that are present on the Board and compares these to the expertise that it believes are required given the strategy, business priorities and culture of the organisation.

Since Howdens began trading in 1995, its core strategy has remained largely unchanged. The market, the size, and the stage of maturity of our organisation, however, have changed, and so our Board has needed to evolve through sensible and well-managed succession planning that does not compromise the stability of the Board.

Retirement

During the year, Andrew Cripps retired from the Board at the Annual General Meeting (AGM) in May 2025. He was succeeded in his role as Audit Committee Chair by Tim Lodge and of his Senior Independent Director duties by Vanda Murray.

Appointment

During the year, the Nominations Committee considered the appointment of Jackie Callaway to the Board. Tim Lodge was appointed to the Board in January 2025 and his appointment and induction was reported in the 2024 Nominations Committee report.

When making appointments to the Board, the directors consider the recommendation of the Nominations Committee. In all cases, an external search agency is used and they have regard to the skills matrix (on page 96) to identify opportunities to build on the current skill set of the Board. Longlisting and shortlisting processes are undertaken by the Nominations Committee and preferred candidates meet with all existing members of the Board and selected board advisors where appropriate.

Inductions

As reported in the Nominations Committee report in 2024, we provide tailored induction programmes for all new Non-Executive Directors who join the Howdens Board. These programmes include meeting key senior managers (such as members of the Executive Committee, the Director of Investor Relations, and Director of Risk and Assurance) and key advisors to the Company (such as the Board's pension advisors and external audit partner).

During 2025, Jackie Callaway was appointed CFO. As an Executive Director who was appointed externally, Jackie undertook an extensive programme of visits, meetings and hands-on training to introduce her in all aspects of Howdens' business and its unique culture. This included working in the Lakeside depot to understand firsthand how Howdens maintains its trusted relationships with its local builder customers and its differentiated service offering to the trade. Jackie spent time with the manufacturing and logistics teams to learn about the complexities of the operation and the commercial benefits of Howdens' vertical integration. She has visited the Group's international operations and spent time with all of the Group's support functions.

To provide an external viewpoint on Howdens, Jackie met with the external advisors to the Board during her induction programme, such as the external auditor and pensions advisors. Meetings were arranged with analysts and brokers who provided their views on the Howdens equity story.

Throughout her induction, Jackie has built relationships with internal and external stakeholders, and built the foundations for her future leadership.

Governance

Nominations Committee report continued

Evaluation

In line with the Board's policy to undertake an external Board effectiveness review every three years, and following the 2023 and 2024 reviews which were undertaken internally using the BoardClic platform, the 2025 Board evaluation was conducted by Grant Thornton1, an external third-party consultant. The methodology for the evaluation is set out below but the process utilised the BoardClic platform used previously. The platform allows collation of iterative, quantitative data on the Board's perceptions of its priorities, strategic objectives, and leadership, as well as governance structures and process, and also enables the Committee to benchmark its review data against other boards.

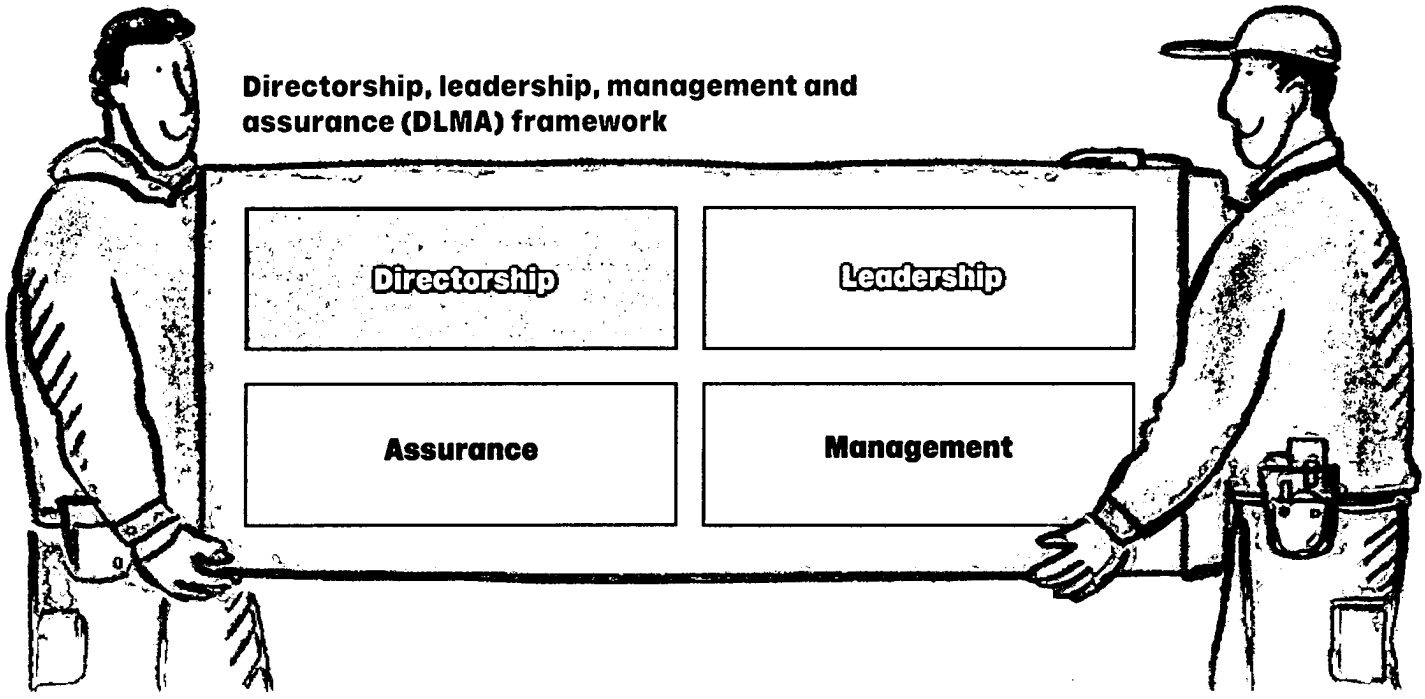
1 Grant Thornton do not have any other business relationship with the Company or with any member of the Board.

Methodology

The process is outlined below:

- The review of the Howdens Board was conducted following briefings from the Chair, CEO and Company Secretary.
- Observation of the Board and Committee meetings on 5 November and 6 November 2025.
- Interviews were conducted with all members of the Board and the Company Secretary to consider their views.
- Surveys were conducted with all Board members using the BoardClic platform. The Company had used this platform for its last two internal evaluation reviews and the results were viewed in the context over the three-year cycle.
- The conclusions of the evaluation, including the observations and recommendations, were presented to the Chairman.
- The detailed report and main observations were presented to the Board in February 2026 by the Chairman.

The performance of the Howdens Board was assessed through the lenses of directorship, leadership, management and assurance (DLMA), as well as Board dynamics and governance. Alignment with the UK Corporate Governance Code 2024 and the Companies Act 2006 (Sections 171-177) was also considered.



Evaluation conclusions

The evaluation concluded that the Howdens Board continues to operate from a position of strength, showing high levels of effectiveness, cohesion and commitment. It maintains a clear connection to Howdens' entrepreneurial culture and operationally geared model, providing strong oversight and stewardship through recent changes. The Chair and CEO work well in partnership and are highly respected which underpins high-quality Board discussion and dynamics.

Interviews and observations with the Board indicated that there was an opportunity to deepen long-term strategic discussion and extend the horizon beyond a five-year plan. This was not regarded as a capability issue, but an opportunity to create more defined space and focus in the Board's agenda and monitoring.

The Howdens Board was considered in a healthy short- to medium-term balance within the DLMA model, with particular strength in Management and Assurance, and strong Executive Leadership. It was also concluded that it was highly effective in stewarding near-term strategy while maintaining robust control without constraining entrepreneurial culture.

Recommended areas for development and actions going forward

Following the review, the Board will:

- Review Non-Executive Director engagement with the business, to provide more insight on culture and operations.
- Review committee composition and cadence, to enable deeper topic exploration.
- Re-energise the Nominations Committee remit, centred on senior leadership pipeline and long-term skills planning.
- Build on strong management information control and assurance, to further enhance decision-making.
- Further strengthening of Board-level capability in emerging risk areas, including cyber, technology and AI.

Influence on Board composition

There were no matters arising from the evaluation which will influence the composition of the Board in the short term.

By order of the Board

Peter Ventress
Nominations Committee Chair

25 February 2026

Governance

Remuneration Committee report

Vanda Murray OBE
Remuneration Committee Chair

Using this report

We have sought to make our Remuneration Committee report as straightforward to access as possible. The content of the report is governed by various legislation and listed company disclosure requirements and, on occasion, this results in duplication of information. We have tried to reduce this wherever possible and present the information in an accessible and more intuitive way. The report is split into three sections:

1. **This Committee Chair's Statement**
2. **The Directors' Remuneration Policy** (summary)
3. **The Directors' Remuneration Report**
   - Part 1 Company performance and stakeholder experience
   - Part 2 Application of policy in 2025
   - Part 3 Implementation of policy in 2026
   - Part 4 Additional disclosures

We believe that this format clearly differentiates each of the relevant sections of the Remuneration Committee report, directs users to the sections relevant to their use, and is also fully compliant with all applicable rules.

Throughout this report, items shown in dark blue relate to fixed elements of remuneration (base pay, benefits, pension) and items shown in light blue are related to variable elements of pay (such as bonuses and long-term incentives).

HOWDENS

Committee meeting attendance in 2025

Vanda Murray	(5/5)	
Andrew Cripps	(3/3)	Retired 1 May 2025
Roisin Currie	(5/5)	
Louis Eperjesi	(5/5)	
Louise Fowler	(5/5)	
Tim Lodge	(4/5)[1]	Appointed 1 January 2025
Suzy Neubert	(5/5)	

1 Tim was unable to attend the January meeting due to commitments entered into before his appointment. He was provided with all the Committee papers ahead of the meeting and provided his feedback to the Committee Chair and Company Secretary.

Key Committee activities in the year ahead

- Governance updates from advisors.
- Performance updates on in-flight awards.
- Agree fees for Chair of the Board.
- Review active Group pension benefits.
- Agree 2026 annual bonus and LTIP targets.
- Review of the Remuneration Committee Terms of Reference.
- Approval of the 2027 Remuneration Committee calendar.
- Planning for 2027 incentives (taking into account risk and other matters).

Committee evaluation in 2025

Areas of focus:

- Role and operations
- Composition
- Leadership
- Process and procedures

Methodology:

See page 100 of the Nominations Committee report.

Outcomes:

The Remuneration Committee evaluation showed that the Committee is efficient and covering expected issues. It operates in an inclusive manner and is well-facilitated, with strong NED engagement. There is informed discussion and effective Chair leadership that balances efficiency with challenge. Meetings are handled in a very time-efficient manner and the Remuneration Committee Chair is widely credited for recent improvements.

2025 Remuneration Committee activity

H1

January

Committee meeting

- Feedback from the 2024 Remuneration Committee effectiveness evaluation
- Consideration of preliminary 2024 annual bonus and long-term incentive outcomes
- Update on Group pension benefits
- Shareholder feedback received in respect of the consultation on the draft Directors' Remuneration Policy

Share award grant

- Replacement share awards made to incoming senior managers

February

Committee meeting

- Governance update
- Annual bonus and long-term incentive outcomes for awards vesting in 2025
- 2025 incentives considerations (including workforce reward, shareholder alignment, CEO pay ratio and gender pay gap)
- Approval of 2025 annual bonus and PSP measures and targets
- 2025 share awards planning
- Approval of the Directors' Remuneration Policy
- Draft 2024 Directors' Remuneration Report
- Post-vest holding period for leavers
- Agreement of Chairman's fee

May

Share award grant

- PSP grant to Executive Committee members (including Executive Directors)

May

Committee meeting

- Performance update on in-flight variable incentive awards

AGM

- Directors' Remuneration Policy approved by shareholders
- 2024 Directors' Remuneration Report approved by shareholders

H2

July

Committee meeting

- Performance update on in-flight variable incentive awards
- Governance update
- Approval of Executive Committee Remuneration Policy (excluding Executive Directors)

Share award grants

- SIP Free Shares grant to all eligible UK and Isle of Man employees
- PSP grant to newly recruited Executive Committee members (including CFO)

November

Committee meeting

- Performance update on in-flight variable incentive awards
- Risk and rewards consideration
- 2026 remuneration planning and review of LTIP measures
- Governance update
- 2026 Remuneration Committee calendar
- Review of Committee's Terms of Reference

Governance

Remuneration Committee report continued

Annual Remuneration Committee Chair's Statement

I am pleased to present the Howden Joinery Group Plc Remuneration Committee report for 2025. The report has been prepared in compliance with the requirements of the Large and Medium-sized Companies and Groups Regulations 2013 and incorporates changes made under the updated EU Shareholder Rights Directive (SRD II).

2025 was another busy but successful year for the Remuneration Committee. As reported in our 2024 Committee report, we had become concerned that a disconnect had developed between the remuneration experience of our CEO and CFO and the overall shareholder experience in recent years. In 2025 we took the necessary steps to address that disconnect and I was pleased with the high levels of shareholder support we received for both the 2024 Remuneration Committee Report and the updated Directors' Remuneration Policy at the AGM in May. I would like to thank all our shareholders who took part in the consultation process during 2024 and 2025. This engagement was invaluable in ensuring that Howdens has a total remuneration package in place for our top talent which provides reward outcomes commensurate to performance. I am confident that we now have a reward framework in place which is sufficiently stretching and supports our ambitious growth plans.

I would also like to take this opportunity to thank all members of the Committee for their support during the year and to Korn Ferry, our Committee advisors, who continue to update and support the Committee with its endeavours.

2025 reward outcomes

2025 saw strong performance from Howdens in challenging market conditions.

Management delivered profits that were in line with market expectations and the Company continued to invest in strategic initiatives, which included depot openings and refurbishments, investment in the international business and the purchase of the Runcorn manufacturing site. Our increased market share and investment in strategic initiatives means that Howdens is well placed to take advantage of any market opportunities that arise.

During the year, the Committee received updates on the wider employee benefit landscape, including on the Group pension scheme and Howdens' gender pay gap. The Gender Pay Gap Report can be found on www.howdenjoinerygroupplc.com/governance/gender-pay-gap-reports.

It was not necessary or appropriate to invoke any malus or clawback provisions during the reporting period.

Annual bonus

Consistent with prior years, the 2025 annual bonus performance was based on the delivery of both profit and cash flow targets.

2025 followed a similar trading pattern to prior years, with the kitchen market contracting more than had been forecast when the budget was agreed with management. Despite this, PBT performance has resulted in an above target level of achievement across bonus plans for Executive Directors and across the Company more widely where employees are incentivised on Group performance.

Cash flow performance remained robust and demonstrated the continued focus of management on this key measure. The cash flow outturn was above the maximum outperformance target for this measure, resulting in a bonus of 15% of the maximum annual bonus opportunity being achieved.

This strong performance meant that a total annual bonus of 100% of the maximum annual bonus opportunity for our Executive Directors was earned. Further details of the annual bonus outturn for 2025 can be found on page 115.

Performance Share Plan (PSP)

The 2023 PSP was based on the delivery of both a three-year adjusted PBT growth measure, relative total shareholder returns (TSR), return on capital employed (ROCE) and environmental (ESG) measures. The weightings for the four performance measures were 60% PBT, 20% TSR, 10% ROCE and 10% ESG. This was the first PSP award which included ROCE and ESG measures as part of a broader basket of incentive measures. The 2023 PSP performance was measured to FY 2025. In aggregate, the 2023 PSP will vest at 98.4% of the maximum opportunity.

PBT (60% of total award)

The calculation of adjusted PBT excludes any costs or income that the Remuneration Committee assesses to be exceptional in nature so that the vesting outcome results in a fair reflection of the performance achieved over the period. The full year 2025 PBT target range was determined by the Committee with reference to a combination of analyst consensus estimates, internal forecasts and long-term strategic goals and was a change from the automatic use of the prior year PBT figure as the base for targets for the following year.

Over the three-year period, adjusted PBT increased by 6.9% per annum, which equated to vesting at 100% of the total opportunity for this measure. In considering this outcome, the Committee noted specific expenditure that was incurred during the performance period as well as costs which were outside of management's control. These costs and the expenditure that was invested in driving future growth and profitability rather than into 2025 PBT was excluded from the PBT figure for the purposes of the PSP.

TSR (20% of total award)

To determine TSR performance, Howdens was ranked against a comparator group of similar sized companies, those being 50 above and 50 below Howdens by market capitalisation in the FTSE All Share index at or shortly before the start of the performance period (excluding Investment Trusts). There is zero payout for below median performance and threshold vests at 15% of the maximum opportunity at median. 100% of the opportunity is paid out when performance is equal to or more than upper quartile performance and there is straight-line vesting between the threshold and maximum opportunities. Howdens' TSR performance during the three-year period equated to vesting at 91.9% of the total opportunity for this measure.

ROCE (10% of total award)

The ROCE measure was calculated by dividing the Group operating profit by the average capital employed under management's control, expressed as a percentage. The capital employed will include investments in assets, working capital and related balances but will exclude balances that relate to historic or long-term financing or are outside the control of current management. A performance target of 25% was set by the Committee with 15% of the maximum value of the award vesting at this point. At 30% the award vests at 100% of the maximum value and straight-line vesting is applied between these points. Performance outturn below 25% results in the award lapsing in full.

Over the three-year period, ROCE outturn was 36%, which equated to vesting at 100% of the total opportunity for this measure.

ESG (10% of total award)

The ESG measure included three separate carbon emission targets and an underpin related to waste from UK operations. The three carbon emission measures were:

i) Year-on-year cumulative average Scopes 1 and 2 carbon emissions reduction, based on tCO_2e per £m (carbon intensity ratio).

ii) Fleet emissions reduction from UK primary fleet, based on CO_2KG/km.

iii) Achieving carbon neutral status (or equivalent) across manufacturing sites by maintaining certified carbon neutrality or, in newly acquired sites, achieving certified carbon neutrality.

Each of the three emissions measures accounted for one third each of the total award available.

During the performance period, the Group successfully improved its carbon intensity ratio by an average 11.7% per annum and reduced fleet emissions from its UK primary fleet by 23%. This was ahead of the maximum targets for these measures of 4.2% and 15%, respectively. The Group also achieved equivalent carbon neutral status across all manufacturing sites. This strong performance equated to vesting at 100% of the total opportunity for this measure.

The Group also achieved a target of a minimum average over three years of 99% waste avoiding landfill across UK operations which meant that it was not appropriate for the Committee to apply a downward modifier to the outcome under this measure.

2026 reward and incentives

Salary

The salary increase for Andrew Livingston, CEO, will be 5% in 2026. This reflects Andrew's experience and performance leading the Howdens business. In determining this increase, the Committee had regard to the increase awarded to the wider workforce. The additional performance increase of 2% was awarded as a result of Andrew's strong leadership of the business in the year and was cross checked against external benchmarking of similar sized companies.

The Committee also felt that it was important that the CEO's base pay did not fall behind market again. The business has continued to perform extremely well in what continues to be a challenging environment, with changes made to strengthen the management team and continued long term investment in product range, our depots and production facilities. Jackie Callaway, CFO, will receive a 3% salary increase which is in line with the wider workforce. These increases will be effective from 1 April 2026 which is also aligned to increases for the wider workforce.

The Committee continues to review the Executive Director remuneration packages annually against companies that operate in the same or similar sectors to Howdens and companies of a similar size and complexity.

Annual bonus

The Committee has maintained the annual bonus opportunity of 200% of base salary for Executive Directors. The Committee believes that this remains appropriate having reviewed the position with reference to market data for companies that operate in the same or similar industries and UK listed companies of a similar size and complexity.

For the 2026 annual bonus, we replicated the tried and tested methodology of PBT and cash flow measures used in the 2025 annual bonus. The measures retain their previous weighting: PBT represents 85% of maximum opportunity and cash flow represents 15% of maximum opportunity. This maintains the focus on profit in incentives and alignment with our depot teams, while maintaining a healthy stretch between 'target' and 'maximum' bonus levels to ensure strong shareholder alignment. These targets will be disclosed in the 2026 Annual Report and Accounts.

PSP

In 2025, the Committee introduced strategic performance measures to complement the existing measure set of PBT, TSR, ROCE and a basket of complementary environmental measures. These measures and their respective weightings (60% PBT, 10% each for TSR, ROCE, ESG and strategic measures) for the 2026 award. The Committee believes that these measures and their respective weightings are appropriate for the 2026 PSP award, but this will be kept under review by the Committee in future years.

The strategic performance measures remain based on the achievement of quantifiable targets over the three-year performance period and include international sales growth and vertical integration (as a % of product sales that are manufactured in-house). The strategic measure used in 2025 of the percentage of sales generated from new product initiatives has been updated with a vitality measure which includes new product innovation but also the growth of our Click & Collect service.

The Committee have decided to make these changes to incentivise management to ensure strong returns on the new products being brought to market and ensuring there is also sufficient focus on delivering growth from our core product portfolio. The weighting for each strategic measure remains 3.3% of the total award.

Governance

Remuneration Committee report continued

Annual Remuneration Committee Chair's Statement continued

The Committee considered the impact on the weighting of financial and non-financial measures when selecting the new strategic measures. The metrics used are either entirely financial or based heavily on financial information and therefore the Committee is satisfied that the weighting of financial measures remains comfortably above the Policy minimum of 75% financial measures for the PSP.

As agreed by shareholders at the 2025 AGM, the maximum long-term incentive opportunity for the Executive Directors has increased to 300% of salary. For the 2026 PSP award, the CEO will receive a maximum award equivalent to 300% of salary and the CFO will receive an award of 250% of salary. This increase of 15% of salary reflects the performance of both individuals and the Group in 2025.

Performance targets for the 2026 PSP are set out on pages 120 and 121 of this report.

Board Chair and NED fees

The Committee has reviewed the Board Chair's fee and, reflecting on his time commitment to the business, felt that a below lower quartile level against similarly sized listed companies was not appropriate. Compared to a group of 40 companies with market capitalisations averaged over the whole of 2025, whose median equalled Howdens', his fee was below the lower quartile level of £355,000. His fee has been increased to £411,000, which is a 20% increase and moves it to 6% above the median level.

The Board (excluding the NEDs) has reviewed the fees payable to NEDs and, also reflecting on their time commitment to the business, decided that their base fee should increase to £82,000 (a 15% increase) and the SID and Committee Chair fees should increase to £22,000 each.

The Board Chair and NEDs have all agreed that the cash from this increase in their fees (net of income tax and national insurance deductions) will be used each year going forward to purchase shares in the Company, which they intend to retain whilst they remain on the Board. This programme of regular share purchases will further align their interests with shareholders over the longer term.

Senior management and the wider workforce

In addition to the Executive Directors, the Remuneration Committee also sets remuneration for senior management. We classify 'senior management' as members of the Executive Committee (excluding Executive Directors), the Company Secretary, and the Director of Risk and Assurance. During the year, the Committee reviewed and approved an updated Executive Committee Remuneration Policy which applies to members of the Executive Committee who are not Executive Directors. The Committee agreed that the share ownership requirement for this cohort be increased to 200% of salary, following the increased requirement of 300% for Executive Directors.

The Committee also received updates on all-employee remuneration policies to provide the context for, and to ensure alignment with Executive remuneration. The Committee considers a dashboard of measures and metrics based on the requirements of Provision 33 of the UK Corporate Governance Code (and supporting guidance). This is intended to showcase some of the key internal and external measures that the Committee consider when determining Executive Director and senior management remuneration (further detail on the dashboard may be found on page 113).

The Committee did not consult with the wider workforce on Executive Director pay arrangements in 2025 (as in previous years). The Committee has safeguards in place (as considered in this report), which ensure good alignment on remuneration across the organisation. All UK employees with shares in the Share Incentive Plan (SIP) (which is the significant majority of employees as SIP free shares have been granted to all UK employees since 2015) have a de facto say on Executive Director pay at general meetings. We are satisfied there remains strong alignment between Executive remuneration and that of the wider workforce due to Howdens' unique incentive culture across all roles and, when setting Executive pay, the Committee has regard to factors including wider workforce pay, CEO and gender pay gap ratios, and the experience of our shareholders.

The Committee considers that the policy has operated as intended in terms of pay for performance for 2025.

Board changes

Jackie Callaway joined as our CFO on 2 June 2025 and received remuneration in line with our Policy, a summary of which begins on page 107. Her salary was £525,000 on appointment, which was 1.9% higher than Paul Hayes' salary.

Paul Hayes retired from the Board at the end of May 2025. He will retire from the Group in April 2026 and remains available until then, but receives only salary, benefits, and allowances. Paul did not earn any bonus in respect of 2025 and was not granted an award under the 2025 PSP. He will also not be eligible for any bonus in respect of 2026, nor will he be granted an award under the 2026 PSP. Paul will be treated as a good leaver in respect of any unvested share plan incentives.

We continue to be committed to an open and transparent dialogue with our stakeholders, and the Committee would welcome any feedback or comments you have on this report or how we intend to implement the Directors' Remuneration Policy in 2026. In the meantime, I look forward to answering any questions on the work of the Committee from shareholders at our AGM in May.

Vanda Murray OBE
Remuneration Committee Chair

Fixed Variable

Summary of the Directors' Remuneration Policy

Howdens' Directors' Remuneration Policy, as set out in our 2024 Annual Report and Accounts, was approved by shareholders at our 2025 AGM. Below is a summary of that policy, how that policy links to strategy, and consideration of some of the factors the Committee addressed when formulating the policy. How the policy has been applied during 2025 and will be applied during 2026 can be found on subsequent pages in the report. The full Directors' Remuneration Policy can be viewed at www.howdenjoinerygroupplc.com/governance/remuneration-policy.

When determining the Directors' Remuneration Policy, the Committee was mindful to ensure that the policy and other remuneration practices were clear, simple, predictable, proportionate, safeguarded the reputation of the Company and were aligned to Company culture and strategy.

Executive Directors

The table below sets out the key components of Executive Directors' pay packages, including why they are used and how they are operated in practice. Remuneration is benchmarked against rewards available for equivalent roles in a suitable comparator group. In addition to benchmarking, the Committee considers general pay and employment conditions of all employees within the Group and is sensitive to these, to prevailing market conditions, and to governance requirements.

BASE SALARY	
How this element of remuneration supports our strategy	Recognises the market value of the Executive Director's role, skill, responsibilities, performance and experience.
Operation	Salaries are normally reviewed annually.
Opportunity	Reviews take into account the performance of the individual, any changes in their responsibilities, pay increases for the wider workforce and internal relativities. Increases will normally be only for inflation and/or in line with the wider employee population. Salaries are set with consideration of each Executive Director's performance in role and responsibilities, and within a range defined by a market benchmark derived from companies of a comparable size, including those operating in a similar sector. The peer group used is reviewed whenever benchmarking is performed, and the Committee applies judgement in identifying appropriate peer group constituent companies. The individual's level of total remuneration against the market is considered at the same time.
Performance measures	None.

BENEFITS	
How this element of remuneration supports our strategy	Provides a competitive level of benefits.
Operation	Howdens pays the cost of providing the benefits on a monthly basis or as required for one-off events.
Opportunity	Benefits are based upon market rates and currently include receipt of a company car or car allowance, health insurance and death-in-service insurance payable by the Company. Other benefits may be provided where appropriate and reasonable business-related expenses can be reimbursed if determined to be a taxable benefit.
Performance measures	None.

PENSION	
How this element of remuneration supports our strategy	Provides competitive long-term savings opportunities.
Operation and opportunity	Executive Directors will be entitled to participate in the Howdens Retirement Savings Plan with contribution rates in line with the wider workforce. The level of salary supplement is aligned to the maximum pension benefit available to the Executive Director.
Performance measures	None.

Governance

Remuneration Committee report continued

Summary of the Directors' Remuneration Policy continued

ANNUAL BONUS	
How this element of remuneration supports our strategy	Incentivises performance over the financial year and deferral links bonus payout to share price performance over the medium term.
Operation	At least 30% of any bonus earned is deferred into shares. Shares are paid out on the second anniversary of deferral date. The Committee has the discretion to adjust the bonus outcome if it feels that the formulaic outcome is not reflective of overall underlying performance. Any adjustment made using this discretion will be explained in the following Annual Report on Remuneration. Payment is normally subject to continued employment. Malus provisions apply for the duration of the performance period and to shares held under deferral. Clawback provisions apply to cash amounts paid for two years following payment. Therefore, clawback and/or malus will operate on the award for a total period of up to two years after the performance period[1]. Clawback may be applied in the following scenarios: • material misstatement of accounts; • erroneous assessment of a performance target; • where the number of plan shares under an award was incorrectly determined; • gross misconduct by a Director; • corporate failure; or • serious reputational damage.
Opportunity	The threshold payout for the annual bonus will be up to 20% of salary. The maximum opportunity under the annual bonus is 200% of salary.
Performance measures	At least 75% of the bonus will be based on financial metrics.

PERFORMANCE SHARE PLAN (PSP)	
How this element of remuneration supports our strategy	Focuses management on longer-term financial growth than addressed by the annual bonus. Long-term financial growth is key to the generation of shareholder value.
Operation	Executives have the opportunity to participate in the PSP on an annual basis. The PSP operates over a three-year vesting cycle. Awards will generally be granted towards the beginning of the performance period and vest based on performance over a three-year performance period. The Committee has the discretion to adjust the PSP outcome if it feels that the formulaic outcome is not reflective of overall underlying performance. Any adjustment made using this discretion will be explained in the following Annual Report on Remuneration. Vested awards are subject to a two-year holding period following vesting, during which no performance measures apply. The holding period continues to apply post-employment. Malus provisions apply for the duration of the vesting period. Clawback provisions apply for the duration of the holding period[1], through which vested awards may be reclaimed in the event of: • material misstatement of accounts; • erroneous assessment of a performance target; • where the number of plan shares under an award was incorrectly determined; • gross misconduct by a Director; • corporate failure; or • serious reputational damage. A payment equivalent to the dividends accrued on vesting performance shares may be made at the point of vesting, normally in shares.
Opportunity	The threshold vesting for the PSP will be up to 15% of maximum. The maximum opportunity under the PSP is 300% of salary.
Performance measures	At least 75% of the PSP will be based on financial metrics.

1. The Committee considers this time period to be appropriate as it is a reasonable period in which the specified circumstances would be discovered, and the period is in line with FTSE 100 market practice.

■ Fixed ■ Variable

SHAREHOLDING REQUIREMENT	
How this element of remuneration supports our strategy	Shareholding requirement strengthens alignment of interests between participants and shareholders.
Operation	Executive Directors are expected to retain vested shares from deferred bonus and long-term incentive awards (net of income tax and National Insurance contributions) until they reach the minimum requirements. Unvested long-term incentive shares are not taken into account. PSP shares and deferred bonus shares (net of income tax and National Insurance contributions) within a holding period are counted towards the requirement.
Opportunity	The Executive Directors will be required to retain a minimum shareholding of 300% of base salary. Post-cessation of employment, Executive Directors will be required to retain 300% of base salary, or full actual holding if lower, for two years post-cessation from the Board of Howden Joinery Group Plc.

ALL-EMPLOYEE SHARE INCENTIVE PLAN	
How this element of remuneration supports our strategy	To encourage employee share ownership.
Operation	Executive Directors are able to participate in the tax-advantaged Share Incentive Plan available to all eligible UK employees.
Opportunity	The maximum participation levels will be set based on the applicable limits set by HMRC.
Performance measures	None.

Remuneration policy for other employees

The remuneration policy described above applies specifically to Executive Directors of the Group. However, the Remuneration Committee believes it is appropriate that all reward received by senior management is directly linked to the performance of the Company and aligned with shareholder value. Accordingly, Executive Committee members and selected senior managers participate in the same incentive schemes as the Executive Directors, at a reduced level, to ensure alignment between the leadership team and our shareholders.

Below Executive Committee level, certain senior management grades participate in a similar annual bonus plan that is linked to PBT and cash flow. The promotion of employee share ownership is also cascaded through all tiers of management. Since 2023, a deferred bonus share arrangement replaced the PSP for these employees. Free shares grants are made at a reduced level to a wider population within Howdens that do not use performance conditions to encourage share ownership throughout the Company. Employees can also purchase additional shares in the Company in a tax efficient way through our Buy As You Earn scheme, which operates under the Share Incentive Plan.

Non-Executive Directors' Remuneration Policy

The Group's policy on Non-Executive Director (NED) and Chairman fees and benefits is set out below.

FEES	
How this element of remuneration supports our strategy	To attract NEDs who have a broad range of experience and skills to oversee the implementation of our strategy.
Operation	The fees for the Non-Executive Directors are determined by the Chairman and Chief Executive and approved by the Board. The fee for the Chairman is determined by the Remuneration Committee while the Chairman is absent. No other services are provided to the Group by Non-Executive Directors.

Governance

Remuneration Committee report continued

Summary of the Directors' Remuneration Policy continued

Opportunity	Fees for Non-Executive Directors are set out in the statement of implementation of policy on page 119. The fees reflect the time commitment and responsibilities of the roles. Accordingly, committee chairmanship and the Senior Independent Director (SID) are paid in addition to the NEDs' basic fee. Committee chairmanship fees currently apply only to the Audit and Remuneration Committees. The Chairman receives no fees in addition to the Chairman's fee. In exceptional circumstances, additional fees may be paid where there is a substantial increase in the temporary time commitment required of NEDs. Fees may be reviewed every year and are set within a range defined by a market benchmark of comparably sized companies and having regard to the base salary increase payable to the wider workforce.
Performance measures	NEDs are not eligible to participate in any performance-related arrangements.

BENEFITS	
How this element of remuneration supports our strategy	To attract NEDs who have a broad range of experience and skills to oversee the implementation of our strategy.
Operation and opportunity	NEDs are entitled to receive expenses in respect of reasonable travel and accommodation costs and any income taxes charged on these.
Performance measures	None.

Service contracts and letters of appointment

Executive Directors' employment contracts are not fixed term, but have a maximum of twelve months' notice of termination on both sides. In the event of termination by the Company, there will be no compensation for loss of office due to misconduct or normal resignation. In other circumstances, Executive Directors may be entitled to receive compensation for loss of office, which will be paid monthly for a maximum of twelve months equivalent to the monthly salary that the Executive Director would have received if still in employment with the Company. Executive Directors will be expected to mitigate their loss within a maximum twelve month period, as appropriate, of their departure from the Company.

Non-Executive Director appointments are for an initial period of three years. They are subject to re-appointment annually. They are not entitled to any form of compensation in the event of early termination. Copies of the Directors' service contracts and letters of appointment are available at the Company's registered office during usual business hours.

Executive Director	Date of service contract	Notice from the Company	Notice from the individual
Andrew Livingston	6 July 2017	12 months	12 months
Jackie Callaway	2 June 2025	12 months	12 months

Non-Executive Director	Original date of appointment	Effective appointment date in most recent letter	Unexpired term at 27 December 2025
Peter Ventress	1 July 2022	1 July 2025	2.5 years
Roisin Currie	1 July 2024	1 July 2024	1.5 years
Louis Eperjesi	1 June 2023	1 June 2023	0.4 years
Louise Fowler	1 November 2019	1 November 2025	2.8 years
Tim Lodge	1 January 2025	1 January 2025	2.0 years
Vanda Murray	1 February 2024	1 February 2024	1.1 years
Suzy Neubert	1 July 2024	1 July 2024	1.5 years

Directors' Remuneration Report - Part 1: Company performance and stakeholder experience

In this section of the Directors' Remuneration Report, we detail some of the considerations the Committee has regard to when implementing the Directors' Remuneration Policy. Contained in this section are specific disclosures on Group performance, as well as comparative disclosures on the relative importance of spend on pay, historic CEO single figure, CEO ratio and all-Director remuneration relative to average employees.

Group performance

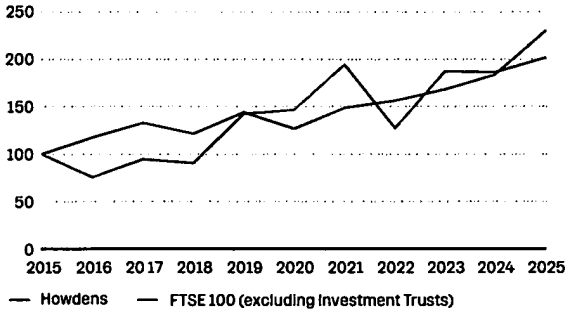
Total shareholder return (TSR)

The graph below illustrates the Company's TSR performance relative to the constituents of the FTSE 100 (excluding investment trusts) of which the Company is a constituent.

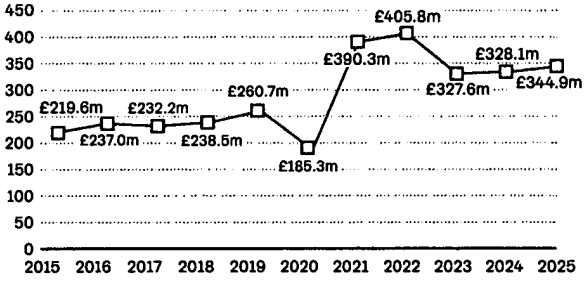
Profit before tax (PBT)

The graph below illustrates the Company's historical PBT performance.

Howdens historical TSR

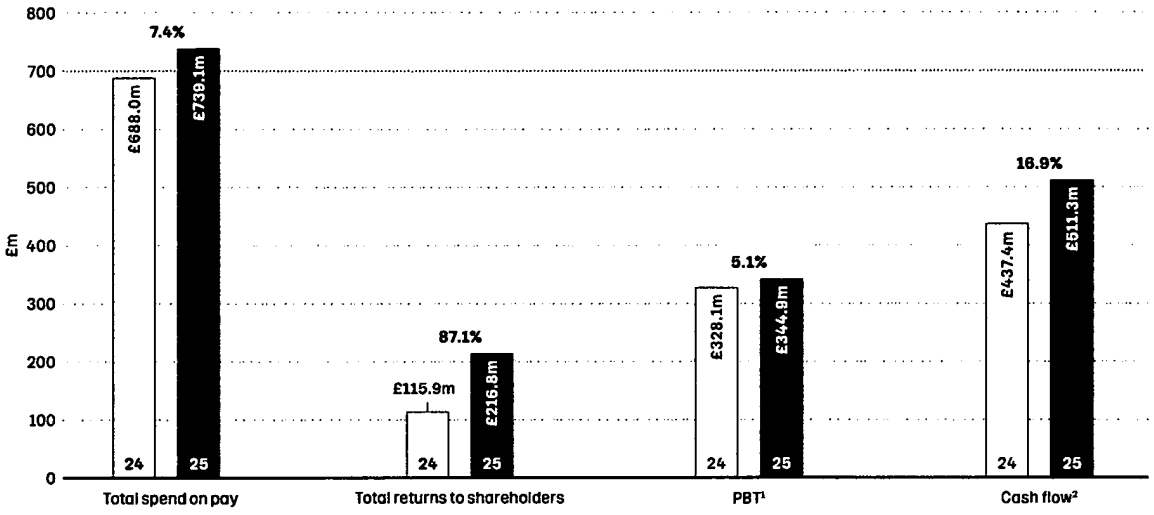


Howdens historical PBT (£m)



Relative importance of spend on pay

The graph below sets out the change in the Group's total remuneration spend from 2024 to 2025 compared to the total returns to shareholders of the Group and the two incentive performance measures PBT and cash flow.



1 See consolidated income statement on page 157.

2 Net cash flow from operating activities is the definition used for the annual bonus scheme (see page 119).

Governance

Remuneration Committee report continued

Directors' Remuneration Report - Part 1: Company performance and stakeholder experience continued

CEO historical pay reporting

Historical single figure

The table below shows the historical CEO single figure and incentive payout levels. They show that the performance of the annual bonus and long-term incentives have reflected the challenging market conditions.

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
CEO single figure (£'000)	3,098	1,268	2,569	1,391	816	3,951	2,571	2,517	3,155	5,051
Annual bonus (% of maximum)	48%	35%	75%	76%	0%	100%	100%	24%	58%	100%
LTIP vest (% of maximum)	100%	0%	0%	0%[1]	0%	100%	43%	100%	74%	98%

1 Andrew Livingston was appointed as CEO in April 2018 and therefore he was not granted an award under the LTIP in 2017.

CEO pay ratio reporting

Howdens has calculated the CEO pay ratio for 2025 in line with the Directors' Remuneration Reporting Regulations. The data used to calculate the CEO pay ratio and the pay and benefits of the reference employees was accurate as at 31 December 2025.

CEO pay ratio

Year	Method	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2025	A[1]	145:1	128:1	104:1
2024	A	90:1	79:1	65:1
2023	A	76:1	65:1	54:1
2022	A	74:1	64:1	53:1
2021	A	135:1	113:1	93:1
2020	A	31:1	25:1	21:1
2019	A	71:1	58:1	48:1
2018	A	122:1	100:1	81:1

1 In accordance with section 17 of The Companies (Miscellaneous Reporting) Regulations 2018, method A was used in the calculation of the pay ratios; ranking the pay and benefits of all our UK employees for the relevant financial year to identify the 25th, 50th, and 75th percentile-ranked employees and using the pay and benefits figures for these employees to determine the pay ratios at each quartile. Method A has been used as it has been identified by the Department for Business and Trade in its guidance as the most statistically accurate method for identifying the pay ratios.

Pay and benefits of reference employees

The total pay, benefits, and salary of each employee who is the best equivalent of the 25th, 50th, and 75th ranked employee is as follows:

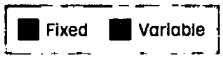
	25th percentile	50th percentile	75th percentile
Total pay and benefits (FTE)[2]	£34,771	£39,592	£48,539
Salary (including overtime) (FTE)[2]	£26,870	£31,095	£39,491

2 The pay and benefits of employees was calculated in line with the Single Total Figure of Remuneration methodology. In our calculations we used actual pay from 1 January 2025 to 31 December 2025. Joiners, leavers and part-time employees' earnings have been annualised on an FTE basis (excluding any payments of a one-off nature). Where bonus payments are made on a monthly or quarterly basis, we included payments made in the 2025 compensation year; however, for annual bonus payments, we estimated the bonus due to employees for the 2025 compensation year (payment is due in March 2026). P11D values are based on the 2024-25 reportable values; however, they have been annualised accordingly.

2025 pay ratio explanation[3]

A significant proportion of the CEO's remuneration for 2025 is made up of variable pay (i.e. annual bonus and share awards). Since the 2023 Performance Share Plan (PSP) award was granted, the Company's share price (three-month average to 27 December 2025) has increased by just under 25% and it is the three-month average share price on 27 December 2025 on which the value of the PSP award, which is reported in the single figure of remuneration table on page 114, is based. The annual bonus is also due to pay out at 100% of maximum for the CEO. In the previous year, the CEO's bonus paid out at 58% of maximum.

3 Explanations for the CEO ratios of previous years may be found in the respective annual report for that year.



How executive pay relates to pay and reward throughout the Company

Howdens' vertically integrated business means that our workforce is made up of a wide range of roles from kitchen designers to skilled engineers, and from warehouse staff to senior management. We work on the premise that Howdens must be worthwhile for all concerned and our reward structures across the business are designed to reflect the levels of personal autonomy and outperformance we expect from every individual. Our pay structures vary between roles to deliver an appropriate balance between fixed and variable pay. Emphasis on profit in our reward structures, from the depots to the Executive Directors, helps to provide some alignment of reward across the business.

It is a feature of our pay structure that senior management often receive a larger proportion of their total pay through incentives and the outcome of incentives is likely to be the main cause of variability in the ratio in future years. The Remuneration Committee is regularly updated on the benefits provided across the business and is mindful that consistency of approach and fairness are two key principles and important drivers for change.

All-Director remuneration relative to average employees

Listed companies are required to disclose the annual change in each director's pay in comparison to the average change in employee pay. This comparison is made on salary, bonus, and taxable benefits, so does not include some of the elements disclosed under the single figure of remuneration table such as pension contribution or long-term incentives. While there is only a requirement for a listed entity to provide employee pay information for that entity (i.e. not on a Group-wide basis), a 'Group' comparator has instead been included in the table below as this provides a more representative comparison as Howden Joinery Group Plc did not employ any individuals during 2020 to 2025.

Footnotes have been included beneath the table in relation to the 2024 to 2025 period. Footnotes relating to prior years can be found in the previous applicable annual report.

	% change in basic salary					% change in benefits					% change in bonus				
	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021
Average Howdens Group employee remuneration	9%	3%	9%	5%	1%	(14)%	(17)%	5%	(9)%	(15)%	12%	6%	(18)%	(4)%	38%
Executive Directors															
Andrew Livingston	18%	2%	6%	3%	12%	53%	(18)%	40%	5%	(85)%	103%	152%	(67)%	3%	100%
Jackie Callaway[1]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Executive Directors															
Roisin Currie[2]	103%	-	-	-	-	75%	-	-	-	-	-	-	-	-	-
Louis Eperjesi	8%	83%	-	-	-	(100)%	100%	-	-	-	-	-	-	-	-
Louise Fowler	4%	13%	0%	3%	4%	17%	20%	25%	300%	0%	-	-	-	-	-
Tim Lodge[3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vanda Murray[4]	36%	-	-	-	-	33%	-	-	-	-	-	-	-	-	-
Suzy Neubert[2]	103%	-	-	-	-	(100)%	-	-	-	-	-	-	-	-	-
Peter Ventress	2%	2%	101%	-	-	0%	0%	0%	-	-	-	-	-	-	-
Former Directors															
Paul Hayes[5]	(55)%	2%	6%	3%	-	(58%)	(26)%	(6)%	80%	-	(100)%	152%	(67)%	3%	-
Andrew Cripps[6]	(65%)	24%	11%	6%	3%	0%	0%	0%	0%	0%	-	-	-	-	-

1 Jackie Callaway was appointed to the Board in June 2025 and therefore comparative figures cannot be calculated for any of the periods reported above.

2 Roisin Currie and Suzy Neubert were appointed to the Board in July 2024 and so did not receive a full year of fees or benefits in 2024.

3 Tim Lodge was appointed to the Board in January 2025 and therefore comparative figures cannot be calculated for any of the periods reported above.

4 Vanda Murray was appointed to the Board in February 2024 and was appointed Chair of the Remuneration Committee in May, for which she was paid an additional fee for the remainder of the year. In May 2025, Vanda was also appointed Senior Independent Director and therefore received the additional fee in respect of this role for the remainder of the year.

5 Paul Hayes retired from the Board at the end of May 2025. His basic salary and benefits were therefore significantly lower in 2025 than in 2024 and he did not receive a bonus in respect of 2025.

6 Andrew Cripps retired from the Board at the beginning of May 2025 and therefore did not receive a full year of fees in 2025.

Wider workforce considerations

When determining the base salary, benefits and variable pay awards for the Executive Directors and senior management, the Committee had regard to the information referred to in a 'Provision 33 of the UK Corporate Governance Code Dashboard', which includes information such as the CEO pay ratio, gender pay gap statistics, and the salary, bonus, pensions, benefits and share plan arrangements available to the wider workforce.

Governance

Remuneration Committee report continued

Directors' Remuneration Report - Part 2: Application of policy in 2025

In this section of the Directors' Remuneration Report we set out how the Committee has executed the policy for 2025. Disclosures in this section are retrospective and where applicable are shown against prior year comparator.

Single figure of remuneration (audited)

	Salary/fees		Taxable benefits[1]		Pension		Total fixed		Bonus		LTIP		Total variable		Total remuneration	
£'000	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024[2]	2025	2024[2]	2025	2024[2]
Executive Directors:																
Andrew Livingston	855	726	35	23	103	87	993	836	1,710	841	2,348	1,160	4,058	2,001	5,051	2,837
Jackie Callaway Appointed June 2025	306	-	14	-	37	-	357	-	613	-	-	-	613	-	970	-
Paul Hayes Retired May 2025	213	474	10	26	26	57	249	556	-	550	1,251	618	1,251	1,168	1,500	1,724
Total	1,374	1,200	59	49	166	144	1,599	1,392	2,323	1,391	3,599	1,778	5,922	3,169	7,521	4,561
Non-Executive Directors:																
Andrew Cripps Retired May 2025	36	102	0	0	-	-	36	102	-	-	-	-	-	-	36	102
Roisin Currie	71	35	7	4	-	-	78	39	-	-	-	-	-	-	78	39
Louis Eperjesi	71	66	0	1	-	-	71	67	-	-	-	-	-	-	71	67
Louise Fowler	71	68	7	6	-	-	78	74	-	-	-	-	-	-	78	74
Tim Lodge Appointed Jan 2025	85	-	0	-	-	-	85	-	-	-	-	-	-	-	85	-
Vanda Murray	103	76	4	3	-	-	107	79	-	-	-	-	-	-	107	79
Suzy Neubert	71	35	0	1	-	-	71	36	-	-	-	-	-	-	71	36
Peter Ventress	340	332	0	0	-	-	340	332	-	-	-	-	-	-	340	332
Total	848	741	18	15	-	-	866	756	-	-	-	-	-	-	866	756

1 Executive Directors' taxable benefits are based upon market rates and include receipt of a company car or car allowance, non-exclusive use of a company driver, health insurance, and death-in-service insurance payable by the Company. Non-Executive Directors are entitled to receive expenses in respect of reasonable travel and accommodation costs.

2 The vesting value of the 2022 PSP award for the Executive Directors has been restated to reflect the actual share price on vesting on 6 April 2025 of £6.65672.

Fixed Variable

Notes to the single figure table

Annual bonus (audited)

Our annual bonus for 2025 was based on PBT and cash flow measures subject to an aggregate maximum of 200% of salary. The PBT and cash flow measures were weighted as follows, with the actual outcome set out below:

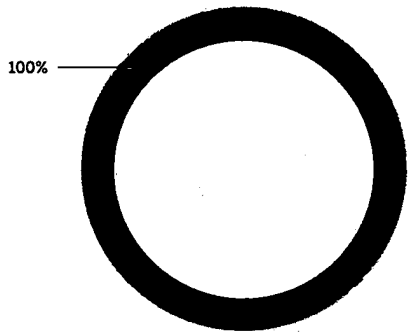
	PBT component		Cash flow component		Total
	Target	% of salary	Target	% of salary	% of salary
Threshold	£279m	17%	£404m	3%	20%
Target	£310m	85%	£421m	15%	100%
Outperformance	£325.5m	170%	£430m	30%	200%
Actual outcome:	**£344.9m**	**170%**	**£511.3m**	**30%**	**200%**

70% of the total bonus will be paid in cash and 30% will be deferred into Company shares for two years following the deferral date (subject to continued employment).

	Andrew Livingston	Jackie Callaway
Total bonus (£'000)	1,710	613[1]

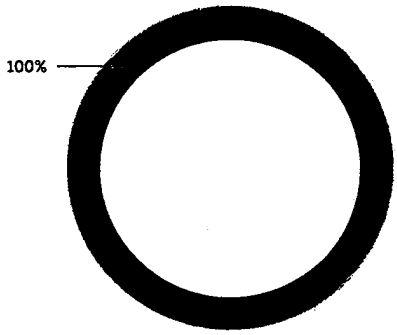
1 Jackie Callaway joined Howdens as CFO on 2 June 2025 and her annual bonus reflects pro-ration to that date. Paul Hayes, who was CFO for the period until Jackie's appointment, did not receive any annual bonus in respect of the year.

PBT outcome
Worth 85% of maximum bonus opportunity (170% of salary)



● Actual outcome ○ Target not reached

Cash flow outcome
Worth 15% of maximum bonus opportunity (30% of salary)



● Actual outcome ○ Target not reached

Governance

Remuneration Committee report continued

Directors' Remuneration Report - Part 2: Application of policy in 2025 continued

Performance Share Plan (PSP) (audited)

Targets and actual outcomes

2023 PSP AWARD

Performance Period	Grant Date	Vest Date	Additional Post-Vest Holding Period
Three Years	6 April 2023	6 April 2026	Two years

Performance Conditions

Profit Before Tax (PBT) 60% weighting **Performance Period:** FY2022 to FY2025	**PBT at end of Performance Period**	**Proportion of PBT component of Award that may vest**
	£484m	100%
	Straight-line vesting between these two points	
	£400m	15%
	Less than £400m	0%
Actual Outcome:	**£495.9m**	**100%**

Relative Total Shareholder Returns (TSR) 20% weighting **Performance Period:** FY2022 to FY2025	**Howdens' rank versus comparator group**	**Proportion of TSR component of Award that may vest**
	At or above upper quartile	100%
	Straight-line vesting between these two points	
	At median	15%
	Below median	0%
Actual Outcome:	**Between median and upper quartile**	**91.9%**

Return on Capital Employed (ROCE) 10% weighting **Performance Period:** FY2022 to FY2025	**ROCE achieved**	**Proportion of ROCE component of Award that may vest**
	30% or above	100%
	Straight-line vesting between these two points	
	25%	15%
	Less than 25%	0%
Actual Outcome:	**36%**	**100%**

Environmental Measure (EM) 10% weighting **Performance Period:** All carbon emission and waste targets to be achieved by 31 December 2025. Base year for all targets is 2021.	**Improving our carbon intensity ratio**		**Fleet emissions reduction**		**Carbon neutral status of manufacturing sites**		**Waste avoiding landfill**
	Per annum reduction	**Proportion of EM that may vest**	**Reduction**	**Proportion of EM that may vest**	**Number of sites**	**Proportion of EM that may vest**	A target of a minimum average over three years of 99% waste avoiding landfill across UK operations will apply which, if not achieved, will result in a downward modifier to the outcome under this Environmental measure.
	4.2%	33.3%	15%	33.3%	Four	33.3%	
	Straight-line vesting between these points		Straight-line vesting between these points		Straight-line vesting between these points		
	4.0%	7.5%	12%	7.5%			
	Below 4.0%	0%	Below 12%	0%	Two	0%	
Actual Outcome:	**11.7%**	**33.3%**	**23%**	**33.3%**	**Four**	**33.3%**	**99%**

Further detail on outcomes can be found on the next page.

Fixed Variable

Performance Share Plan (PSP) (audited) continued

Outcome

PBT - 60%

FY 2025 PBT was £495.9m, equivalent to 6.9% p.a., calculated on an adjusted basis, excluding those costs and income that the Remuneration Committee assessed to be exceptional in nature so that the vesting outcome results in a fair reflection of the performance achieved over the period. The costs that were assessed to be exceptional in nature related to a combination of strategic investments made to deliver growth beyond 2025 and one-off costs linked to events not envisaged when the targets were set in 2023. This component of the award will vest at 100% of maximum opportunity.

TSR - 20%

Based on three-year performance to FY 2025, the Company was ranked 24th compared to the comparator group and therefore 91.9% of the TSR component of the award will vest.

ROCE - 10%

Based on performance to FY 2025, the Company achieved a ROCE of 36% and therefore 100% of this component of the award will vest.

ESG - 10%

The Company outperformed all of the carbon emission reduction and waste targets (see below) and therefore 100% of the 2023 PSP award will vest.

- Improvement in carbon intensity ratio: The Company achieved an average reduction of 11.7% and therefore 100% vests.
- Fleet emissions reduction: The Company achieved an average reduction of 23% and therefore 100% vests.
- Certified carbon neutral status (or equivalent) across manufacturing sites: The Company achieved carbon neutral status (or equivalent) across all of its manufacturing sites by 31 December 2025 and therefore 100% of the component of the award vests.
- Avoiding waste to landfill: The Company achieved an average of greater than 99% over the three-year period and therefore no downward modifier was applied.

The overall final vesting of the 2023 PSP award is 98.4% of the maximum opportunity.

The share price at the date of grant was 664.6p and the three-month average to 27 December 2025, the price on which the value of the award is calculated, was 827.8p. Therefore, £463,022 of Andrew Livingston's PSP award, as shown in the single figure of remuneration table, is attributable to share price appreciation and £246,681 of Paul Hayes's PSP award.

Governance

Remuneration Committee report continued

Directors' Remuneration Report - Part 3: Implementation of policy in 2026

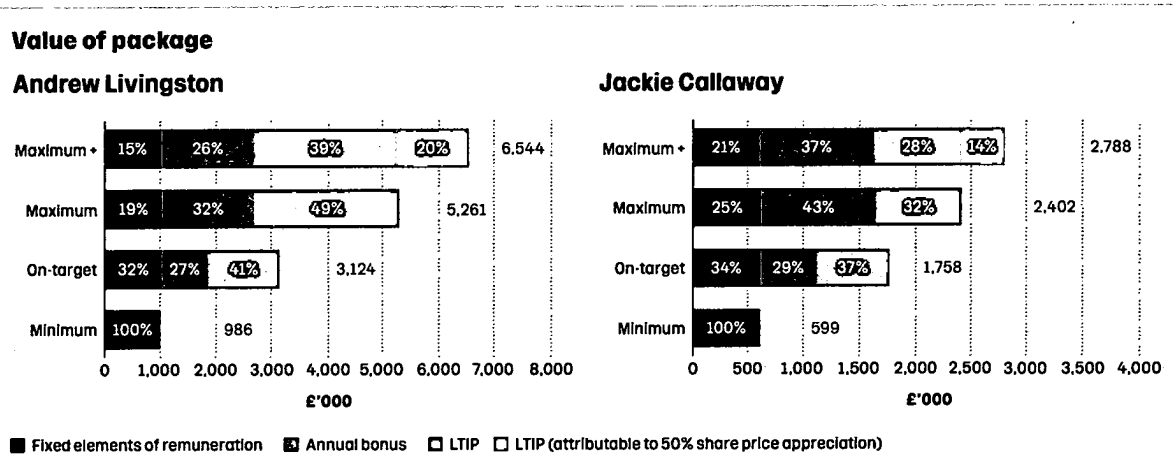
In this section of the Directors' Remuneration Report we set out how the Committee has implemented policy for 2026. Disclosures in this section are forward looking. The outcome of any variable award for Executive Directors will be reported in the Remuneration Committee report for the financial year 2026.

2026 remuneration scenarios

The remuneration package for the Executive Directors is designed to provide an appropriate balance between fixed and variable performance-related components, with a significant proportion of the package weighted towards long-term variable pay. The Committee remains satisfied that the composition and structure of the remuneration packages is appropriate, clearly supports the Company's strategic ambitions and does not incentivise inappropriate risk-taking. The Committee reviews this on an annual basis.

The composition and value of the Executive Directors' remuneration packages in a range of performance scenarios are set out in the charts below. These charts show that the proportion of the package delivered through long-term performance is in line with our proposed new Remuneration Policy and changes significantly across the performance scenarios. As a result, the package promotes the achievement of superior long-term performance and aligns the interests of the Executive Directors with those of other shareholders. A brief description of the remuneration scenarios and the elements they are made up of is set out below the charts.

Value of package



Fixed elements of remuneration consist of the annual salary that the Executive Director will receive for 2026, alongside their 2026 pension entitlement, and actual benefits received in 2025 (as a proxy for 2026).

Annual bonus is based on a maximum opportunity of 200% of salary and an on-target opportunity of 100% of salary.

LTIP is based on a maximum opportunity of 300% of salary for Andrew Livingston and 250% of salary for Jackie Callaway. Target opportunity is calculated as 50% of maximum (150% of salary for Andrew Livingston and 125% of salary for Jackie Callaway).

The 'Maximum +' includes share price appreciation of 50%. This column is calculated on the same basis as the maximum column; however, it includes an uplift of 50% total over three years for the PSP.

Fixed Variable

Non-Executive Director fees

Current fee levels for Non-Executive Directors are set out in the table below. The Committee has reviewed the Chair's fee and, reflecting on his time commitment to the business, increased it to £411,000, which is a 20% increase. The Board (excluding the NEDs) has reviewed the fees payable to NEDs and, also reflecting on their time commitment to the business, increased the base fee to £82,000 (a 15% increase) and the SID and Committee Chair fees to £22,000 each. These increases (after the payment of taxation) will be used to purchase shares in the Company, which the individuals intend to retain while they remain on the Board.

		Basic NED fee[1]	Chair fee	SID fee	Committee Chair fee
2026	**Annual fee** - cash	£71,400	£341,445	£17,340	£20,400
	Annual fee - to be used to purchase shares in the Company	£10,600	£69,555	£4,660	£1,600
	Total fee remuneration	£82,000	£411,000	£22,000	£22,000
	Effective date	1 April 2026			
2025	Annual fee	£71,400	£341,445	£17,340	£20,400
	Effective date	1 April 2025			

1 The Chair of the Board of Directors does not receive the basic Non-Executive Director fee or an additional fee for chairing the Nominations and Sustainability Committees.

Executive Director base salaries

Executive Directors' base salary increases are set out in the table below. The rationale for the increases may be found in the Annual Remuneration Committee Chair statement on page 105.

	2026		2025	
Executive Directors	**Salary (£'000)**	**Effective date**	**Salary (£'000)**	**Effective date**
Andrew Livingston (CEO)	898	1 April 2026	855	1 January 2025
Jackie Callaway (CFO)[1]	541	1 April 2026	525	2 June 2025

1 Jackie Callaway was appointed as an Executive Director on 2 June 2025.

Executive Director annual bonus measures

The table below sets out annual bonus measures for 2026. Targets for these measures are considered commercially sensitive by the Board and so are not disclosed here. Performance targets, together with achievement against them, will be set out in full in the 2026 Remuneration Committee report.

Bonus measure	Definition	Performance level	Payout level
PBT	Pre-exceptional profit before tax from continuing operations	Threshold	17% of salary
		Target	85% of salary
		Maximum	170% of salary
Cash flow	Net cash flow from operating activities, taking into account the efficiency with which working capital is used, and adjusted for exceptional items	Threshold	3% of salary
		Target	15% of salary
		Maximum	30% of salary

Governance

Remuneration Committee report continued

Directors' Remuneration Report - Part 3: Implementation of policy in 2026 continued

Executive Director Performance Share Plan (PSP) measures

Set out below and on the next page are the performance measures and relative weightings for each of the measures for the 2026 PSP award. Further detail about the measures may be found on pages 105 and 106. The maximum opportunity under the PSP is 300% of base salary for the CEO and 250% of base salary for the CFO. The performance period is three years, measured over the relevant financial years. The award will also be subject to a two-year post-vesting holding period and malus and clawback provisions. See page 124 for scheme interests awarded in 2025.

PBT - 60% weighting

	PBT performance condition[1]	Payout level
PBT component vesting schedule	£376m	100% of maximum
	Straight-line vesting between these points	
	£323m	15% of maximum
	Less than £323m	0% of maximum

Return on Capital Employed (ROCE) - 10% weighting

ROCE component measurement details	Calculated by dividing the Group operating profit by the average capital employed under management's control, expressed as a percentage. The capital employed will include investments in assets, working capital and related balances but will exclude balances that relate to historical or long-term financing or are outside the control of current management. Excluded items include: cash, pension deficit repair contributions, deferred tax and long-term financing of the Group, such as lease liabilities and borrowings. Targets are the same as set in 2025, reflecting the period of investment taking place.

	ROCE performance condition	Payout level
Performance assessment	24%	100% of maximum
	Straight-line vesting between these points	
	21%	15% of maximum
	Less than 21%	0% of maximum

Strategic measures - 10% weighting

	Performance condition	Payout level
International sales growth Year-on-year cumulative sales over performance period versus three-year cumulative sales to YE 2025	See note 2 below	Up to 33.3% of the strategic measures component of the award
Vitality revenues Absolute £ sales generated from products launched in the performance period plus revenues from click and collect sales	See note 2 below	Up to 33.3% of the strategic measures component of the award
Vertical integration Average % of COGS manufactured in-house over the performance period	See note 2 below	Up to 33.3% of the strategic measures component of the award

1 FY2028 is one week shorter than FY2027 and these targets reflect this.

2 Commercial sensitivity precludes the advance publication of the strategic measures targets; however, they will be disclosed retrospectively in the applicable Remuneration Committee report.

Fixed Variable

Relative TSR - 10% weighting

Comparator group and averaging period for TSR performance	• Companies ranked up to 50 above and 50 below Howdens by market capitalisation in the FTSE All Share Index at or shortly before the start of the performance period (excluding Investment Trusts). • TSR average for the two months preceding the first day of the performance period and two months TSR average for the final two months of the performance period.

	Performance against comparator group	Payout level
Performance assessment	Equal to or above upper quartile	100% of maximum
	Straight-line vesting between these points	
	Equal to median	15% of maximum
	Below median	0% of maximum

Environmental measures - 10% weighting

Environmental component measurement details	All carbon emission and waste targets to be achieved by 31 December 2028. Base year for all targets is 2021.

	Performance condition	Payout level
Improving our carbon intensity ratio Year-on-year cumulative average Scopes 1 and 2 carbon emissions reduction, based on tCO_2e per £m	4.2% p.a. reduction	50% of maximum
	Straight-line vesting between these points	
	4.0% p.a. reduction	7.5% of maximum
	Below 4.0% p.a. reduction	0% of maximum
Fleet emissions reduction UK primary fleet only, based on CO_2KG/km	15% reduction	50% of maximum
	Straight-line vesting between these points	
	12% reduction	7.5% of maximum
	Below 12% reduction	0% of maximum

A target of a minimum average over three years of 99% waste avoiding landfill across UK operations will apply which, if not achieved, will result in a downward modifier to the outcome under this Environmental measure.

Governance

Remuneration Committee report continued

Directors' Remuneration Report - Part 4: Additional disclosures

In this section of the Directors' remuneration report, more detail is provided in respect of a number of key disclosures. These disclosures include Executive Director pension entitlements, shareholdings, and external appointments. More detail is also provided on the operation of the Remuneration Committee and AGM voting performance.

Consideration by the Directors of matters relating to Directors' remuneration

The Committee met five times during 2025 and discussed a number of items for which it is responsible. Under its Terms of Reference, which are reviewed on an annual basis, the Committee is responsible for determining the broad policy and specific remuneration packages for Executive Directors and senior management (that being the members of the Executive Committee, the Company Secretary and the Director of Risk and Assurance), including pension rights and, where applicable, any compensation payments. The Committee is also regularly updated on pay and conditions applying to other employees in the Company.

Loss of office payments or payments to past Directors (audited)

As announced to the market in April 2025, Paul Hayes retired as Chief Financial Officer and Director with effect from 30 May 2025. From 1 June 2025 to 27 December 2025, Paul received salary and benefits pursuant to his service contract totalling £351,256. The value of Paul's base salary for the period 1 June 2025 to 27 December 2025 was £300,417, the value of the payments received in lieu of pension was £36,050 and his other benefits for the period was £14,765. He did not receive an annual bonus in respect of FY2025 and was not granted an LTIP award in 2025.

Paul will continue to receive his base salary and benefits pursuant to his service contract until 30 April 2026, during which period he will remain at the Company's disposal. The value of Paul's base salary for the period 1 January 2026 to 30 April 2026 will be £171,667, the value of the payments received in lieu of pension will be £20,600 and his other benefits for the period will be £5,009. He will not receive an annual bonus in respect of FY2026.

In accordance with the Company's approved loss of office policy, unvested awards under the 2023 and 2024 LTIP Performance Share Plan will be pro-rated to reflect the period from the respective award date until his terminations date, as a proportion of the period from the award date until the expected vesting date (calculated by reference to whole months). To the extent that the Board determines any performance conditions have been satisfied over the respective performance period, the pro-rated 2023 and 2024 LTIP PSP awards will vest on their normal vesting dates and will be subject to post-vest holding periods. Paul's share awards held in the Share Incentive Plan will be released to him following his termination date and his deferred bonus shares awarded pursuant to his 2023 and 2024 bonus entitlements will vest on the normal vesting date subject to the rules of the Deferred Bonus Plan.

All payments to Paul will be subject to deductions for tax and National Insurance contributions and, other than the amounts disclosed above, Paul will not be eligible for any other payments for loss of office.

External appointments

Howdens allows Executive Directors and other appropriate senior employees to accept a maximum of one external non-executive appointment outside the Company, subject to permission from the Committee, provided this is not with a competing company nor likely to lead to conflicts of interest. Andrew Livingston was a Non-Executive Director of LondonMetric Property Plc, a FTSE 100 REIT, until 20 May 2025. Andrew received £25,833 in fees in respect of his role as Non-Executive Director. Jackie Callaway is Non-Executive Director and Chair of the Audit Committee for IMI Plc and received £98,500 in fees in respect of this role. Jackie held this appointment upon her appointment.

Total pension entitlements (audited)

Executive Directors are invited to participate in the Howdens Retirement Savings Plan (the 'Plan') or receive an amount in lieu of membership of the Plan. More information on pension entitlements for Executive Directors can be found in the proposed Directors' Remuneration Policy. The table below sets out the payments made in lieu of membership of the Plan for the Executive Directors who served during the year. No additional benefits become receivable if Executive Directors retire early.

	Current		Former
Executive Director	Andrew Livingston	Jackie Callaway[1]	Paul Hayes[1]
Accrued pension at 27 December 2025 (£'000)	-	-	-
Normal retirement date	-	-	-
Pension value in the year from defined benefit component (£'000)	-	-	-
Pension value in the year from defined contribution component (£'000)	-	-	-
Pension value in the year from cash allowance (£'000)	103	37	26
Total	103	37	26

1 The pension entitlements shown reflect the individual's tenure as an Executive Director.

Executive Director shareholdings (audited)

Executive Directors are currently expected to build up and maintain a personal shareholding in the Company of at least 300% of salary so that their interests are aligned with those of shareholders. The table below sets out the total shares held together with unvested Performance Share Plan awards and those held subject to deferral conditions. Neither of the Executive Directors held share options that were subject to performance conditions or held share options that were vested but unexercised. Unvested deferred bonus shares (net of income tax and National Insurance contributions) are taken into account in calculating the Executive Directors' shareholdings.

	Current		Former
Executive Director	Andrew Livingston	Jackie Callaway[6]	Paul Hayes[7]
Shareholding requirement (% of salary)	300%	300%	300%
Shareholding requirement (number of shares)[1]	309,854	190,261	186,637
Shares owned outright (including by connected persons)[2,5]	677,357	28,916	188,684
Current shareholding (% of salary)[1]	656%	46%	303%
Guideline met	Y	N	Y
Share awards subject only to continued employment[3]	160	29	141
Share awards subject to performance conditions and continued employment[4]	801,770	133,211	264,164

1 Based on a share price of £8.2781, being the three-month average price to 27 December 2025, and basic salary as at 27 December 2025.

2 Includes Share Incentive Plan (SIP) partnership and dividend shares.

3 Includes only SIP free and matching shares.

4 Performance Share Plan awards under the Long-Term Incentive Plan.

5 Between 27 December 2025 (the end of the period) and 25 February 2026, Andrew Livingston has acquired 34 SIP partnership Shares and has been awarded one SIP matching share. No other changes to the Executive Directors' total shareholdings (including any holdings of their connected persons) have occurred between the end of the period and 25 February 2026.

6 Jackie was appointed to the Board on 2 June 2025. It is expected that in future she will retain vested shares from deferred bonus and long term incentive awards (net of income tax and National Insurance contributions) until she meets the shareholding requirement.

7 Paul retired from the Board on 30 May 2025. His respective reported shareholding is therefore given as at the date he retired from the Board and his share awards subject to performance conditions and continued employment are provided gross of good leaver pro-ration.

Non-Executive Director shareholdings (audited)

There is no shareholding requirement for Non-Executive Directors. The shareholding figures below include any shares held by connected persons. With the exception of Andrew Cripps, who was not a member of the Board as at 25 February 2026[1], the Company can confirm that no changes to the Non-Executive Directors' total shareholdings (including any holdings of their connected persons) have occurred between the end of the period and 25 February 2026.

	Non-Executive Director							
	Andrew Cripps[1]	Roisin Currie	Louis Eperjesi	Louise Fowler	Tim Lodge	Vanda Murray	Suzy Neubert	Peter Ventress
Shareholding:	7,500	1,387	3,100	470	7,500	3,000	7,305	20,316

1 Andrew Cripps retired from the Board on 1 May 2025. His respective reported shareholding is therefore given as at the date he retired from the Board.

Governance

Remuneration Committee report continued

Scheme interests awarded during the financial year (audited)

During 2025, the Executive Directors were invited to participate in the Performance Share Plan (PSP) and Share Incentive Plan (SIP), as set out in the table below. Further information on conditional shares and SIP free and matching shares may be found in note 23 of the consolidated financial statements:

Nature of award:	Conditional shares under the PSP			
	CEO		CFO	
Number of shares under award	305,932		133,211	
Face value of award[1]	£2,436,748.38		£1,061,025.62	
	Performance period	Grant date	Vest date	Additional holding period
	See individual Performance Conditions below	CEO: 2 May 2025 CFO: 18 August 2025	CEO: 2 May 2028 CFO: 18 August 2028	Two years

Performance Conditions:

Profit Before Tax (PBT) (60% weighting) Performance period: FY2025 to FY 2027	PBT at end of performance period	Proportion of PBT component of award that can vest
	£360m	100%
	Straight-line vesting between these points	
	£320m	15%
	Less than £320m	0%
Relative Total Shareholder Returns (TSR) (10% weighting) Performance period: FY2025 to FY2027	Howdens' rank versus comparator group	Proportion of TSR component of award that can vest
	At or above upper quartile	100%
	Straight-line vesting between these points	
	At median	15%
	Below median	0%
Return on Capital Employed (ROCE) (10% weighting) Performance period: FY2025 to FY 2027	ROCE achieved	Proportion of ROCE component of award that can vest
	24%	100%
	Straight-line vesting between these points	
	21%	15%
	Less than 23%	0%

Strategic measures (SM) (10% weighting) Performance period: FY2025 to FY 2027	International sales growth	New product introductions	Vertical integration
	Worth up to 33.3% of the SM component of the award	Worth up to 33.3% of the SM component of the award	Worth up to 33.3% of the SM component of the award
	Commercial sensitivity precludes the advance publication of the SM targets; however, they will be disclosed retrospectively in the applicable Remuneration Committee report.		

Environmental measures (EM) (10% weighting) Performance period: All carbon emission and waste targets to be achieved by 31 December 2027. Base year for all targets is 2021.	Improving our carbon intensity ratio		Fleet emissions reduction		Waste avoiding landfill
	Per annum reduction	Proportion of EM that can vest	Reduction	Proportion of EM that can vest	A target of a minimum average over three years of 99% waste avoiding landfill across UK operations will apply which, if not achieved, will result in a downward modifier to the outcome under this Environmental measure.
	4.2%	50%	15%	50%	
	Straight-line vesting between these points		*Straight-line vesting between these points*		
	4.0%	7.5%	12%	7.5%	
	Below 4.0%	0%	Below 12%	0%	

1 Based on a share price of £7.965, being the closing price on 1 May 2025.

Nature of award:	Free and matching shares under the SIP[1]					
	Award type	Award date	Vest date	Number of shares under award	Award price[2]	Face value of award[2]
CEO	Matching shares	19 May 2025 to 19 Aug 2025	19 May 2028 to 19 Aug 2028	22	Average £8.43	Average £46.31
	Free shares	1 Sep 2025	1 Sep 2028	29	£8.37	£242.73
CFO	Free shares	1 Sep 2025	1 Sep 2028	29	£8.37	£242.73

1 Free and matching share awards under the SIP do not have performance conditions; however, there is a service condition of three years from the award date during which time the participant must remain employed by a UK Howdens Group company to avoid forfeiting the award.

2 The face value of the award is calculated using the share price at grant (the 'Award price').

Advisors to the Committee

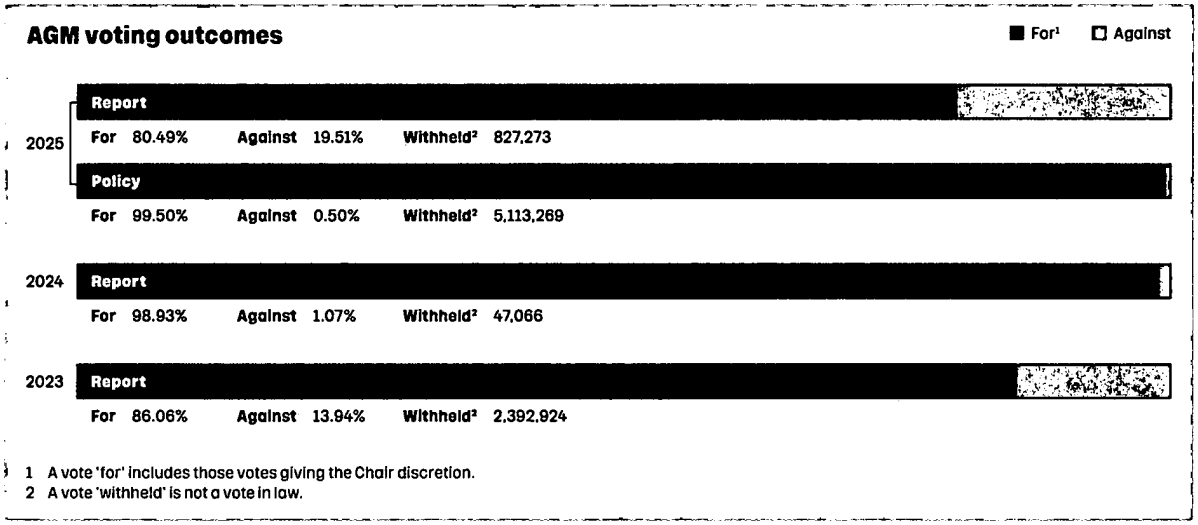
The Committee regularly consults with the CEO and CFO on matters concerning remuneration, although they are never present when their own reward is under discussion. The Company Chair attends the Remuneration Committee by invitation except when his own remuneration is determined. The Company Secretary acts as secretary to the Committee but is never present when his own reward is determined.

The Committee also has access to detailed external information and research on market data and trends from independent consultants. A representative from the Committee's independent advisor usually attends each meeting of the Remuneration Committee. Korn Ferry was appointed by the Committee as its retained independent advisor in September 2022 following a competitive tender process. Korn Ferry is a member of the Remuneration Consultants' Group, which operates a code of conduct in relation to executive remuneration consulting, and it does not provide any other services to the Group.

The Committee is satisfied that Korn Ferry provided robust, objective and independent advice during the year. Work undertaken during the year for the Committee included Directors' Remuneration Policy review, updating the Committee on trends in compensation and governance matters, and advising the Committee in connection with benchmarking of the total reward packages for the Executive Directors and other senior members of staff. Total fees paid to Korn Ferry in relation to remuneration services provided to the Committee totalled £79,995 with fee levels based on the quantity and complexity of work undertaken.

Voting at the 2025 AGM

The result of the binding vote on the Directors' Remuneration Policy ('Policy') and the advisory vote on the Directors' Remuneration Report ('Report') at the 2025 AGM are shown in the chart below. The 2024 and 2023 AGM results are also shown in the chart below.



By order of the Board

Vanda Murray OBE
Remuneration Committee Chair

25 February 2026

Governance

Audit Committee report

Tim Lodge
Audit Committee Chair

Introduction

I am pleased to present the Howden Joinery Group Plc Audit Committee report for 2025. This report is divided into the following sections:

1. Key information at a glance
2. Activities of the Committee in 2025 and key activities in the year ahead
3. Financial reporting
4. Governance
5. External auditor
6. Controls and internal audit

As announced in November 2024, I took on the position of Audit Committee Chair at the AGM in May. I took over from Andrew Cripps who chaired the Committee since May 2016. Andrew's tenure saw a period of extensive regulatory change and external market uncertainty and his contribution to the Board was significant. I'd like to take this opportunity to thank Andrew on behalf of the Committee and wish him well for the future.

I look forward to answering any questions on the work of the Audit Committee from shareholders at the AGM in May.

Tim Lodge
Audit Committee Chair

HOWDENS

Key information at a glance

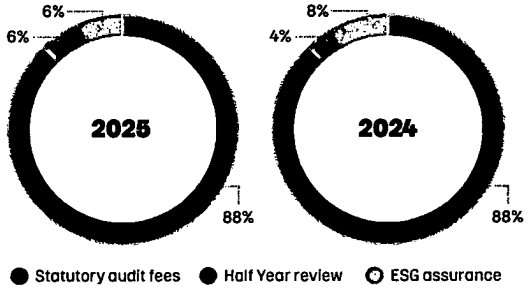
External auditor[1]

External auditor	KPMG LLP ('KPMG')
External auditor appointed	12 May 2022
Lead audit partner	Zulfikar Kamran Walji
Lead audit partner tenure	Year two (of a five-year cycle)
Reappointment of external auditor to be recommended by the Board	Yes

1 The information above is correct as at 27 December 2025.

Further information on page 130.

Audit fees



Further information on pages 143 and 164.

Areas of significant financial judgement

Inventory obsolescence provisioning

Defined benefit pension scheme obligation

Further information on pages 128 and 129.

2025 Audit Committee activity

H1

January

Committee meeting

- Audit Committee effectiveness
- 2024 Year End update
- External audit progress update
- Governance assurance framework update
- Trade Finance Director presentation

February

Committee meeting

- 2024 draft Annual Report and Accounts and Full Year Announcement
- Year End 2024: key judgements
- External audit report
- External audit policies
- External auditor independence
- Key controls: year end assurance
- Internal Audit report
- ESG assurance - approval for non-audit services to be provided by external auditor
- Conflict of interest review
- Discussion with external auditor (without management present)

April

Committee meeting

- Effectiveness of the external auditor and audit processes
- 2025 preliminary external audit plan
- Cyber security update
- UK depot compliance
- Internal audit report
- Presentation from BDO on changes to the UK Corporate Governance Code
- Discussion with Director of Risk and Assurance (without management present)

May

Committee meeting

- ESG limited assurance - approval for non-audit services to be provided by external auditor.

AGM

- The reappointment of KPMG LLP as the external auditor and authority for the Directors to determine the auditor's remuneration were approved by shareholders

H2

July

Committee meeting

- 2025 Half Year results, including going concern considerations
- External auditor Half Year review
- 2025 external audit plan
- Key controls and Half Year control reviews update
- Internal Audit report
- IT controls update
- Discussion with external auditor (without management present)

September

Committee meeting

- Internal Audit report
- 2025 Annual Report timetable
- Key controls and fraud controls
- Provision 29 control framework
- Annual review of risk and control framework
- Internal Audit Charter
- Director of Risk & Assurance reporting line
- Cyber security update
- ESG assurance update

November

Committee meeting

- Corporate Governance update
- 2025 External audit plan update
- Internal Audit report
- 2026 internal Audit plan and budget
- Key controls and fraud controls
- UK and French Depot compliance update
- Supplier governance update
- Terms of reference review
- 2026 Audit Committee calendar
- Discussion with external auditor (without management present)

Governance

Audit Committee report continued

Committee meeting attendance in 2025

Andrew Cripps	(4/4)	Retired 1 May 2025
Tim Lodge	(6/7)[1]	Appointed 1 January 2025
Roisin Currie	(7/7)	
Louis Eperjesi	(7/7)	
Louise Fowler	(6/7)[2]	
Vanda Murray	(7/7)	
Suzy Neubert	(7/7)	

1 Tim was unable to attend the January meeting due to commitments entered into before his appointment. He was provided with all the Committee papers ahead of the meeting and provided his feedback to the Committee Chair and Company Secretary.

2 Louise was unable to attend the April meeting due to a scheduling conflict. She was provided with all the Committee papers ahead of the meeting and provided her feedback to the Committee Chair and Company Secretary.

Financial reporting

Results review

The Audit Committee reviewed the Group's 2024 Annual Report and Accounts (published in March 2025) in February 2025, and the 2025 half-yearly financial report in July 2025. It also reviewed the Group's 2025 Annual Report and Accounts in February 2026.

As part of these reviews, the Committee scrutinised papers from management on accounting policy, areas of significant judgement, the Group's key risks, going concern considerations and longer-term viability. The Committee also discussed reports from KPMG on their audit of the Annual Report and Accounts and review of the half-yearly financial report.

The Committee considered whether the Annual Report and Accounts were fair, balanced and understandable and contained the information necessary for shareholders to assess the Company's position, performance, business model, and strategy.

Controls over financial reporting

The Committee received the results of management's key control assessments prepared by Group and Divisional management half yearly as well as a report from the Director of Risk and Assurance on the scope of those controls and adequacy of evidence retained. The effectiveness of the Group's internal financial controls (with specific reference to controls in place on a divisional basis) and the disclosures made in the Annual Report and Accounts on this matter were reviewed by the Audit Committee.

The Committee also debated regular updates in respect of the wider key controls programme during the year. More information on the key controls programme can be found on page 132.

Key Committee activities in the year ahead

- Review of the Annual Report and Accounts and preliminary results announcement.
- Review of Audit Committee effectiveness.
- KPMG's reappointment as auditor to be recommended to shareholders at the Annual General Meeting (AGM).
- Review of the 2026 interim results.
- Consideration of Internal Audit's annual plan, findings, independence, and resources.
- Material controls ('Provision 29') readiness.
- Approval of the 2027 Audit Committee calendar.

Accounting policies

There were no changes in accounting policies in the year.

Areas of significant financial judgement

The Committee exercises its judgement in deciding the areas of accounting that are significant to the Group's accounts. In addition to requesting papers from management, the Committee reviews the external audit plan and highlights which areas are of particular concern to the Committee and on which it would further question audit conclusions. The external auditor's report details the results of their procedures in relation to these areas to the Committee.

The matters shown below have been discussed with the Chief Financial Officer and the external auditor. The Committee has challenged the underlying assumptions and is satisfied that each matter has been fully and adequately addressed by the Executive Committee, appropriately tested, and reviewed by the external auditor, and the disclosures made in the 2025 Annual Report and Accounts are appropriate.

Inventory obsolescence provisioning

The Group's in-stock model (further information about which can be found in the Strategic Report beginning on page 2) and the scale of our product range necessitates tight management of inventory to ensure local availability of stock while at the same time minimising obsolescence and wastage. In 2025, management continued to take a strategic position on stock holding. The Committee challenged management's conclusions on stock valuation and provisioning.

The external auditor provided reports to the Committee which evaluated the appropriateness of provisions held against the carrying value of inventory, while also having regard to the age of discontinued lines and volumes of continuing lines relative to the expected usage and the levels of historical write-offs. The Committee considered the auditor demonstrated appropriate scepticism in their approach.

The Committee also considered the processes used to value each category of inventory, including the assumptions behind obsolescence provisions, and was satisfied with the judgements made, and the auditor's conclusions.

Actuarial valuation of pension fund liabilities

The Committee reviewed the report of the Company's actuaries, concluding that:

- the actuarial assumptions applied to pension fund liabilities, and in particular the discount, inflation and mortality assumptions, were appropriate; and
- they concurred with the views of the external auditors.

Other key judgements

Valuation of pension fund assets

The Audit Committee also considered processes to value pension fund assets. At 27 December 2025, 43% of total pension fund assets (2024: 49%) were assets for which there is no observable market value (see note 22 of the consolidated financial statements).

Some of the asset valuations required judgement because manager valuations at the balance sheet date were not expected to be available until after the finalisation of this report. To minimise the risk that the valuations were not in line with assumptions, the asset managers were contacted to check for indicators of impairment or expected impairments, any significant market events that may have impacted the assets since the latest valuation, or any significant changes in fund composition which would lead them to think that there had been any impairment since the most recent valuation date. The Committee concurred with the approach taken.

Governance

Governance updates

Updates on the latest governance practices for audit committees and changes in reporting requirements were reviewed with the external auditor. In addition to other resources, members of the Audit Committee are members of the KPMG Board Leadership Centre and other bodies, which provide updates on financial and reporting matters.

During the year, the Committee received regular updates on the proposed corporate governance reforms. This included strengthened board accountability for the effectiveness of the risk and internal control framework and declarations on the effectiveness of risk management and internal control systems as set out in the updated UK Corporate Governance Code 2024. The Company has reported compliance (or provided an explanation in any instances of non-compliance) against all relevant provisions of the updated UK Corporate Governance Code 2024, with the exception of Provision 29, in the 2025 Corporate Governance Report on page 88.

Committee effectiveness

An effectiveness review was carried out by Grant Thornton on the Committee and its members as part of the wider external Board evaluation process (further detail regarding the effectiveness review methodology can be found on page 100). The review concluded that the Audit Committee operates in an effective manner with strong non-executive engagement.

Assurance discussions are robust and the Committee balances risk, controls and Howdens decentralised model thoughtfully, supported by strong governance behaviours and rapport.

It was also concluded that the current mix of financial, commercial and relevant sector experience of the Committee, and that of its advisors, was such that the Committee could effectively exercise its responsibilities.

Policies and conflicts

The Committee reviewed its policies in relation to allocation of non-audit work (further detail on this policy may be found on page 131) and employment of ex-audit firm personnel. It also reviewed the Directors' related parties and conflicts of interest register. Further information about the Committee's review of related parties and conflicts of interest may be found on pages 133.

Competition and Markets Authority Order (the 'Order') compliance

The Audit Committee confirms that the Company has complied with the provisions of the Order throughout its financial period ended 27 December 2025 and up to the date of this report.

Audit Committees and the External Audit: Minimum Standard (the 'Minimum Standard')

Since the introduction of the FRC's Minimum Standard in May 2023, and in undertaking its role and responsibilities during the year, the Audit Committee has complied with the Minimum Standard throughout the year. Information about the last external audit tender can be found in the 2022 Annual Report and Accounts. The Committee's assessment of the effectiveness of the external auditor can be found on pages 130 and 131.

Committee membership and Chair

Independence is critical for fair assessment of the management team and the external and internal audit functions. The Committee is composed entirely of independent Non-Executive Directors.

Tim Lodge was appointed Audit Committee Chair in May 2025. He is responsible for determining the Committee's agenda and for maintaining the key relationships between the Group's senior management, Director of Risk and Assurance, the Company Secretary and senior representatives of the external auditor. He is also responsible for ensuring that key audit issues are reported to the Board in an effective and timely manner and that they are reported to shareholders in the Annual Report.

Governance

Audit Committee report continued

Recent and relevant financial experience

Tim Lodge is a fellow of the Chartered Institute of Management Accountants and has over 30 years' finance and accounting experience. He spent six years as Chief Financial Officer (CFO) at Tate & Lyle PLC and held CFO roles at the COFCO International group. He is currently the Audit Committee Chair of SSP Group plc and Serco Group Plc, both public companies.

Competence relevant to the sector

The unique business model of Howdens means it does not naturally fit into one sector and therefore when the Committee undertook an assessment of its skills and experience it assessed them against a number of sectors relevant to the Company. These included building and construction, multi-site wholesale, manufacturing and logistics, and service to customers.

The Committee concluded that competence relevant to these sectors was well represented within the current membership. Thorough inductions are provided to the Committee members and opportunities to meet with senior management and Executives further enhance their working knowledge of the way the Company operates.

External auditor

External auditor appointment

Following a comprehensive external audit tender process, the Board recommended KPMG's appointment to its shareholders at the 2022 AGM. The Board recommended KPMG's reappointment to shareholders at the 2025 AGM and shareholders approved the reappointment with 99.9% of votes in favour.

External auditor independence

Auditor independence is an essential part of the audit framework and the assurance it provides. The Committee therefore undertook a comprehensive review of auditor independence prior to appointment and during 2025, which included:

- a review of the independence of the external auditor and the arrangements which they have in place to restrict, identify, report and manage conflicts of interest;
- a review of the changes in key external audit staff for the current year and the arrangements for the day-to-day management of the audit relationship;
- consideration of the overall extent of non-audit services provided by the external auditor, in addition to case-by-case approval of the provision of non-audit services as appropriate; and
- deliberation of the likelihood of a withdrawal of the auditor from the market and note taken of the fact that there are no contractual obligations to restrict the choice of external auditor.

At the year end, the external auditor formally confirmed that they had complied with the requirements of the FRC Ethical Standard as well as internal requirements and their independence and objectivity had been maintained. The Audit Committee also has a policy in relation to the employment of former members of the external audit team.

External auditor effectiveness

To assess the effectiveness of the external auditor, the Committee reviewed:

- the proposed plan of work presented by the external auditor, including audit risks, materiality, terms of engagement and fees prior to commencement of the 2025 audit;
- the external auditor's fulfilment of the agreed audit plan and any variations from the plan;
- evaluation from key management personnel and members of the Committee of the external auditor's exercise of professional scepticism and challenge;
- robustness, scepticism, and perceptiveness of the auditor in their handling of the key accounting and audit judgements;
- internal control and risk content of the external auditor's report; and
- independence of thought and potential for conflict.

The Lead Audit Partner also met with all members of the Board to discuss their expectations and areas of focus for the audit process.

The Committee concluded that the external auditor remained effective and audit quality remained high, and therefore the Board will once again recommend KPMG's reappointment to shareholders at the 2026 AGM.

External auditor fees

All relevant fees proposed by the external auditor must be reported to and approved by the Audit Committee. Details of external audit fees may be found in note 4 to the consolidated financial statements on page 164.

In May and July 2025, the Audit Committee approved proposals from KPMG to undertake certain private limited ESG assurance services for the Group. The Committee determined that it was in the Company's best interests to acquire these services from KPMG due to the benefit of efficiencies created by having one audit and assurance provider, though day-to-day assurance work was to be carried out by a team separate from the financial audit team. Approval was given for two limited assurance engagements in accordance with International Standard on Assurance Engagements UK and ISAE 3410. The Committee took into account both the FRC Ethical Standard and Howdens' own policy for the provision of non-audit services when considering the proposals and concluded that the engagements were a permitted service under the policy.

Performance expectations for the external auditor

Specific auditor responsibilities

- Discuss the audit plan, materiality, and areas of focus in advance.
- Report issues at all levels within the Company in a timely fashion.
- Ensure clarity of roles and responsibilities between local KPMG and Howdens' Finance teams.
- Respond to any issues raised by management on a timely basis.
- Meet agreed deadlines.
- Provide continuity and succession planning of key staff members of KPMG.
- Provide sufficient time for management to consider draft auditor's reports and respond to requests and queries.
- Ensure consistent communication between local and central audit teams.

Wider responsibilities

- Adhere to all independence policies.
- Provide timely up-to-date knowledge of technical and governance issues.
- Serve as an industry resource, communicating best practice trends in reporting.
- Deliver a focused and consistent audit approach for the Group that reflects local risks and materiality.
- Liaise with the Howdens Internal Audit and Risk team to avoid duplication of work.
- Provide consistency in advice at all levels.
- Ultimately, provide a high-quality service to the Board, be scrupulous in their scrutiny of the Group and act with utmost integrity.

Independence

The Committee reviews the independence of the external auditor biannually. This includes consideration of the potential for conflicts of interest as well as the auditor's internal procedures to ensure independence of its staff.

Policy for non-audit services provided by the external auditor

The main aims of this policy are to:

- ensure the independence of the auditor in performing the statutory audit; and
- avoid any conflict of interest by clearly detailing the types of work that the auditor can and cannot undertake.

The Audit Committee has reviewed the policy for non-audit services to ensure that it is in line with the FRC's Revised Ethical Standards 2019 (which took effect from 15 March 2020) and the FRC's Audit Quality Practice Aid 2019.

The policy, in line with regulation, substantially limits the non-audit services which can be provided by the external auditor. The policy provides:

- a 70% cap of the value of the audit fee for all non-audit services calculated on a rolling three-year basis; and
- categories of service that are prohibited from being carried out by the auditor.

The policy specifies a de minimis limit as well as the type of non-audit work that the auditor may be engaged in without the matter first being referred to the Audit Committee, which considers each referral on a case-by-case basis.

The policy ensures that the auditor does not audit its own work or make management decisions for the Company or any of its subsidiaries. The policy also clarifies responsibilities for the agreement of fees payable for non-audit work.

In the year, the Committee has only authorised KPMG to review the half-yearly financial report and conduct a limited assurance review over certain ESG KPIs. Both of these are technically non-audit services, but are so closely connected with external audit that it is appropriate that KPMG conduct the work and their independence is not compromised.

Controls and internal audit

Internal control framework

The Group has enhanced its established framework of internal controls, which includes the following key elements:

- The Board approves the Group's strategy and annual budgets; the Executive Committee is accountable for performance against these.
- The Group and its subsidiaries operate control procedures designed to ensure complete and accurate accounting of financial transactions and to limit exposure to loss of assets or fraud.
- The Audit Committee meets regularly and its responsibilities are set out in the Audit Committee Terms of Reference (which can be found on the Company's website at www.howdenjoinerygroupplc.com/governance/corporate-governance-report/terms-of-reference-of-the-audit-committee). The Audit Committee receives reports from the Internal Audit function on the results of work carried out under an annually agreed audit programme. Operational and compliance controls are considered when the Committee reviews the annual Internal Audit programme. The Audit Committee has full and unfettered access to the internal and external auditors.
- Operating entities provide certified statements of compliance with key financial and non-financial risk areas aligned with principal risks. These include IT and cyber controls, supplier management, ESG, health & safety and data protection as well as other operational areas. These controls are cyclically tested by Internal Audit to ensure they remain effective and are being consistently applied.
- The Audit Committee annually assesses the effectiveness of the assurance provided by the internal and external auditors.

Governance

Audit Committee report continued

Case study

Provision 29 readiness and material controls

The 2024 version of the UK Corporate Governance Code has introduced a new Provision (Provision 29), requiring boards to monitor their company's risk management and internal control framework and, at least annually, to conduct a review of its effectiveness. For financial years beginning on or after 1 January 2026, a description of how the Board monitored and reviewed the effectiveness of the framework, a declaration of the effectiveness of material controls, and a description of any material controls that have not operated effectively (including action taken or proposed to improve them) must be reported in the annual report.

In readiness for these changing requirements, Howdens has completed a three-year Company-wide readiness project. Sponsored jointly by the CEO and CFO with the oversight of the Audit Committee, the Key Controls Project was a wide-reaching improvement programme to further improve our governance, controls and evidence. A key objective of the project was to retain Howdens' culture of empowered, entrepreneurial teams operating efficiently while demonstrating effective control and governance.

Our approach mapped our principal risks as well as wider legal, financial, compliance and operational risk areas to a revised governance framework with clear accountability for each Executive Committee member. To do this we have revised our risk appetite matrix and developed a clear link to both operational and financial materiality, ensuring that our governance approach focuses on truly material controls, while allowing the business to keep track of its wider operational control effectiveness.

For each area, a control framework was developed, focused on providing the Executive member responsible with appropriate information and evidence to ensure it remains effective. Directly aligned with our deeply embedded risk management process, all control owners and reviewers are responsible for understanding individual, evidenced risks in their area and signing off that controls are effective and have fully operated during the period.

Throughout the project we have aimed for a clear and efficient process, covering governance and controls to manage both Economic Crime and Corporate Transparency Act 2023 (ECCTA) and the revised UK Corporate Governance Code in one simple process. We have upgraded our governance, risk and compliance (GRC) tooling, which was already familiar to the business, to provide both management sign-off of control effectiveness and evidence management to support it. Our GRC solution is directly linked with our 3rd line Internal Audit activity, providing a clear link between control sign-off, review and assurance activity for the Executive Committee and Audit Committee.

The Audit Committee anticipates that it will report in full against Provision 29 in the 2026 Annual Report and Accounts.

Internal audit

The Internal Audit team has focused on the development of our processes and frameworks to align with both new Institute for Internal Audit (IIA) standards and the requirements of the function for the revised Corporate Governance Code. This has included training for the full team and the wider business.

An updated Internal Audit Charter has been approved by the Committee and communicated to management, thereby refreshing understanding of responsibilities for internal controls and their verification, based on the three lines of defence model.

The Committee reviewed and challenged:

- internal Audit's programme of work and resources and approved its annual plan and budget;
- the level and nature of assurance activity performed by Internal Audit;
- results of audits and other significant findings, including the adequacy and timeliness of management's response;
- staffing, reporting and effectiveness of divisional audit; and
- independent assurance.

Independent assurance

The Committee assessed the coverage of independent assurance by reviewing the annual internal audit and compliance plans against the Group's controls governance process.

Internal audit effectiveness

The Committee considered that the Internal Audit function remained effective and provided a comprehensive level of assurance through its programme of work.

The Internal Audit team has reviewed and ensured compliance with the revised IIA Standards. The revised Standards became effective in 2025. The team also remains compliant with the International Professional Practices Framework (IPPF).

The Audit Committee has commissioned an external assessment of the internal audit function every five years to assess the performance and effectiveness of the Internal Audit department. The next scheduled assessment against the new Standards commenced in 2025 and will complete in 2026.

The last assessment was completed in 2021 and no areas reviewed were considered to be of concern.

Fraud risk & ECCTA

The Committee has reviewed management's progress in implementing required developments to comply with ECCTA. The Committee considered the controls in place to mitigate fraud risk and received a report from Internal Audit and other compliance functions to confirm controls are effective. The Committee will continue to regularly assess best practice for ECCTA compliance over the course of 2026.

Cyber and information security risk

The risk of a cyber security incident is considered to be one of the Group's principal risks. More information on this risk can be found on page 37.

Updates on cyber and information security were presented to the Committee by the Supply Chain Director, Head of Information Security and the Director of Infrastructure and Service Delivery at the Committee meetings in April and September. Areas considered by the Committee during these updates included threat landscape, cyber insurance, and access controls.

There were no significant information security breaches during the year and there have been no such breaches during the preceding three-year period. The Board received training from A&O Shearman on cyber security and the wider threat landscape. All members of the Audit Committee attended this training.

Divisional controls

Members of senior management are regularly invited to Audit Committee meetings to discuss financial reporting, succession planning, risk management, and controls in their business areas. During the year, this included updates from:

- the Trade Finance Director who set out her team's priorities, risks and opportunities;
- the Head of Compliance for the Trade division who also presented to the Committee on the progress of the UK depot compliance programme;
- the Supply Chain Director who attended to present on SAP controls and cyber security;
- the UK Commercial Finance Director who presented feedback from the review of the ESG limited assurance engagement; and
- the Commercial Director who provided an update on Supply Chain management.

Whistleblowing

Complaints on accounting, risk issues, internal controls, auditing issues and related matters are reported to the Audit Committee as appropriate. Oversight of the Company's whistleblowing policy is a matter considered by the Board. The Board receives biannual updates on whistleblowing statistics and trends (see pages 76 and 77).

Conflicts of interest and related parties

The Companies Act 2006 places a duty upon Directors to ensure that they do not, without the Company's prior consent, place themselves in a position where there is a conflict, or possible conflict, between the duties they owe the Company and either their personal interests or other duties they owe to a third party. If any Director becomes aware that they, or any party connected to them, have an interest in an existing or proposed transaction with the Company, they must notify the Board as soon as practicable. The Board has the authority to authorise a conflict if it is determined that to do so would be in the best interests of the Company. The Audit Committee reviews the output of this process annually to ensure it is appropriately monitored.

By order of the Board

Tim Lodge
Audit Committee Chair

25 February 2026

Governance

Sustainability Committee report

Peter Ventress
Sustainability Committee Chair

Introduction

I am pleased to present the Sustainability Committee report for 2025. This report is organised into the following sections:

1. **Committee member attendance, Committee evaluation results, Committee activity in 2025 and key activities in the year ahead**
2. **Committee environmental and social considerations in the year**

Having a sustainable business is a priority for the Board. It is central to everything we do and the Sustainability Committee helps to ensure that it is given as much of the Board's time and attention as our other business priorities. Many of the items considered and approved at the Committee are considered in detail in the Sustainability Matters report (beginning on page 42), so this Committee report is necessarily shorter than others to avoid duplication but to still highlight some of the key work of the Committee during the year, and to consider the work in the year ahead.

Peter Ventress
Sustainability Committee Chair

Committee meeting attendance in 2025

Peter Ventress	(3/3)	
Andrew Cripps	(2/2)	Retired 1 May 2025
Roisin Currie	(3/3)	
Louis Eperjesi	(3/3)	
Louise Fowler	(3/3)	
Tim Lodge	(3/3)	
Vanda Murray	(3/3)	
Suzy Neubert	(3/3)	

2025 Sustainability Committee activity

February

Committee meeting

- ESG strategy update
- Reporting and assurance: update on limited assurance by KPMG and the Carbon Trust review
- Deforestation Policy approval
- EDI update
- Gender pay gap report and gender pensions gap
- 2024 Sustainability Committee report
- Sustainability Committee effectiveness review

April

Committee meeting

- ESG strategy update
- Reporting and assurance
- Sustainable product demonstration

September

Committee meeting

- Compliance and regulatory update
- Product innovation
- EDI update
- Employee wellness initiatives
- 2026 Sustainability Committee calendar
- Committee Terms of Reference

Key Committee activities in the year ahead

- Receive updates on execution of the Group's sustainability strategy, including the roadmap for SBTi Net Zero targets.
- Receive updates on the Group's equality, diversity and inclusion priorities, workforce skills and development.
- Review the Sustainability Committee's Report and Terms of Reference.
- Approval of the 2027 Sustainability Committee calendar.

Committee environmental and social considerations in the year

ESG compliance

A significant proportion of the Committee's activity during the year was in consideration of the regulatory burden relating to ESG disclosure and compliance. Whilst the provisions in the Corporate Sustainability Reporting Directive (CSRD) applicable to the French business have been delayed, seemingly until 2028, the overall reporting obligation on the Group remained significant. In order to support our disclosure activities during the year, a dedicated data analyst was recruited to the ESG team and the Director of Commercial Finance was given accountability for carbon and waste reporting. The Committee was supportive of both of these developments and welcomed the rigour and audit-readiness this would provide.

KPMG have been engaged since 2024 to provide private limited assurance over the Group's carbon disclosures (as mentioned in the Audit Committee report, which starts on page 126). Sustainability Committee will work with the Audit Committee on CSRD readiness and to support the Group's ESG reporting going into 2026.

Net Zero[1]

The Committee received regular updates on progress against the Group's SBTi approved Net Zero targets from the Director of ESG and will continue to do so in 2026 and in future years. During the year, the Committee received updates on various carbon reduction initiatives throughout the Group. This included the installation of solar panels at the Howden site. More information on these initiatives can be found in the Sustainability Matters report, which begins on page 42.

The Committee is mindful of 2030 targets, which include the reduction of absolute Scope 1 and 2 GHG emissions by 42% and absolute Scope 3 GHG emissions by 25%. In addition, the Committee will monitor the target for 25% of suppliers (by spend) to set science based targets by 2027.

More information on the Group's sustainability activities can be accessed at https://howdens.foleon.com/sustainability/our-road-to-zero/

1 See page 47 for a definition of 'Net Zero'.

Supplier engagement

Identifying and reducing emissions from Howdens' supply chain represents the biggest challenge to achieving the Group's Net Zero goals. The Committee received updates from the Director of ESG throughout the year on the supplier engagement strategy and the focus on supplier emissions data.

In March 2026, members of the Committee will attend the Howdens Supplier Conference and will take direct feedback from suppliers.

Biodiversity

In February, Howdens announced details of a two-year sponsorship partnership programme with National Parks. The programme supports nature recovery projects that focus on enhancing biodiversity, restoring local ecosystems, and contributing to urgent climate action across the UK's National Parks.

In April, the Committee reviewed the Group deforestation policy. This policy can be found at www.howdenjoinerygroupplc.com/docs/librariesprovider25/archives/sustainability/deforestation-policy-approved-24th-march-2025.pdf

Nature and the environment are a key aspect of Howdens' wider sustainability agenda and the partnership with National Parks supports this. The Committee will receive regular updates from the Director of ESG during 2026 on Howdens approach to nature and biodiversity. Further information is available at www.newforestnpa.gov.uk/about-us/uk-national-parks/howdens/

Incentivising sustainable behaviour and training

In 2023, the Remuneration Committee introduced an ESG performance measure into the long-term incentive plan used for executive management. The measure included a basket of carbon reduction measures and an underpin to provide that more than 99% of the Group's operating waste was diverted from landfill. This award will vest in April 2026. Details of how management performed against the targets set can be found on pages 116 and 117 of the Remuneration Committee report. The Sustainability Committee will continue to work with the Remuneration Committee to agree suitably stretching targets on environmental matters.

In 2025, a training module on ESG strategy and sustainable behaviours was made available to all employees through the Howdens Academy platform. The Committee is committed to ensuring that information and incentives are used to promote the Group's wider ESG strategy.

Governance

Sustainability Committee report continued

Equality, diversity and inclusion (EDI) and skills

The Committee continued to have oversight of management's EDI strategy and received regular updates from the HR team throughout the year.

The Committee considered and approved the Group's Gender pay gap report in February and will continue to monitor this with the Remuneration Committee in 2026. Information was also provided to the Committee on the gender pensions gap.

The Committee received updates on employee diversity data and the results of pulse surveys undertaken throughout the year. The introduction of the Workday HR system in 2026 will provide the Committee with more detailed information and analysis.

Employee wellness

Safeguarding the health of our employees (physical and mental) underpins our sustainable business. By providing better access to healthcare and support services, we improve the lives of our employees and reduce the number of lost time hours for the business.

During the year, the Committee received updates on various wellbeing initiatives introduced by management. These included the ongoing use of wellbeing reps throughout the business, 'know your numbers' health screening, gambling and alcohol awareness support sessions and access to a virtual GP service. These services are available to all employees and the Committee will continue to support management on new wellbeing initiatives in the year ahead. More information on these initiatives can be found on page 55.

Directors' report

The Directors have pleasure in submitting their report and the audited financial statements for the 52-week period ended 27 December 2025. Comparative figures relate to the 52 weeks ended 28 December 2024.

To make our Annual Report and Accounts more accessible, a number of the sections traditionally found in this report can be found in other sections of this Annual Report and Accounts where it is deemed that the information is presented in a more connected and accessible way. The Directors' report comprises the sections detailed below, including the statement on political donations and research and development. Any sections that have been moved have been cross-referenced below.

Located in the Strategic Report:

Matters of strategic importance, principal Group activities, business review, and results: pages 1 to 35.

Dividend and other returns to shareholders: pages 20, 33, and 34.

Located in the Sustainability matters report:

Greenhouse gas emissions and streamlined energy and carbon reporting (SECR): Details of the Group's greenhouse gas emissions, as required by Sch. 7 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulation 2008 as amended by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, are set out on page 60. Information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (SI 2018/1155), can be found on pages 60 and 61.

Located in the Governance section:

Directors of Howden Joinery Group Plc: The names of anyone who served as a Director during the period can be found on page 69 under 'Board meeting attendance'.

2024 version of the UK Corporate Governance Code (the 'Code'): How the Company applied the Principles and complied with the Provisions of the Code can be found on pages 88 to 93. A copy of the Code can be accessed via www.frc.org.uk.

Internal control and risk management arrangements: Internal control arrangements information can be found in the Audit Committee report on pages 131 to 133. Risk management arrangements information can be found on pages 36 to 41.

Board and Group Diversity policies: page 98.

Stakeholder engagement: Details regarding the engagement with suppliers, customers, and others in business relationships with the Company, as required by Sch. 7 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), can be found on pages 80 to 87.

Employees: The total number of employees and gender diversity statistics are located on page 98. The methods of engaging with the workforce can be found on pages 82 and 83. All eligible UK employees have been invited to participate in a free shares award under the Company's Share Incentive Plan (the 'SIP') each year since 2015 and, since 2024, Isle of Man employees have been invited to participate in free shares awards. Since 2021, eligible UK employees have also been invited to participate in a SIP partnership and matching shares plan.

Directors' statement of disclosure of information to the auditor: page 65.

Governance

Directors' report continued

Located in the financial statements:

Employees: The average number of employees and their remuneration are shown in note 21. Details of the SIP can be found in note 23.

Financial risk management (relating to SI 2008/410 Schedule 7 Part 1.6): note 20.

Disclosure required under UKLR 6.6.1R:

- Details of long-term incentive schemes: note 23.
- Details of any tax relief, including amount and treatment: note 7.

The remaining disclosures required by UKLR 6.6.1R (with the exception of those described below under subheading 'Located in the additional information section') are not applicable to the Company.

Dividend: note 17.

Located in the Additional Information section:

Annual General Meeting (AGM): Information about the AGM can be found on page 215. The recommendation to reappoint KPMG LLP as the Group's auditor can be found on page 126.

Share capital, substantial shareholdings and whether the Company's acquired its own shares (including nominal value of shares purchased): pages 215 and 216.

Directors' Indemnity and Insurance: page 216.

Significant agreements, which take effect, alter or terminate upon a change of control: page 216.

Disclosure required under Listing Rule 6.6.1R:

- Dividend waivers: page 215.
- Published profit forecasts made during the reporting period to 27 December 2025: page 216.

Political donations

The Group made no political donations during the current and previous financial years. Nor has it made any contributions to any non-UK political party during the current or previous financial years.

Research and development (R&D)

The Group undertakes development activities in relation to its product design and innovation work. The five pillars that new product design and sourcing decisions are based on are: sustainability, quality, design, cost, and availability (further information on new product introductions can be found on pages 22 and 23). The Group also undertakes development work in relation to its digital capabilities to make life easier for our trade customers and our depots (further information about our digital developments can be found on pages 23 and 27).

By order of the Board

F. McNaughton

Forbes McNaughton
Company Secretary

25 February 2026

Non-financial and sustainability information

Non-financial measures are an important part of our business and we have recognised the importance of non-financial information in our annual reports for many years. The Board is committed to acting responsibly and working with our stakeholders to manage the social and ethical impact of our activities. The Howdens culture is to be 'worthwhile for all concerned' and so we aim to treat all our stakeholders fairly and with integrity.

We have a number of Group policies to provide guidance to our employees. The policies are designed to be easily understood and they generally include examples of acceptable and unacceptable behaviours.

To consolidate our reporting requirements under sections 414CA and 414CB of the Companies Act 2006 in respect of non-financial reporting and sustainability information, the table below shows where in this Annual Report and Accounts to find each of the disclosure requirements.

Focus area	Policies and statements	More information and outcomes
Environmental matters	Sustainability and Corporate Social Responsibility Statement of Intent (see Group website).	• Greenhouse gas emissions and streamlined energy and carbon reporting (pages 60 and 61). • Discussion about the Company's sustainability strategy and SBT Net Zero commitment and targets (pages 44 to 47). • Climate-related financial disclosure as defined in section 414CA(2a) Companies Act 2006 (Governance - (a) on pages 206 and 207; Strategy - (f) on pages 207 and 208; Risk management - (b), (c), (d) and (e) on pages 208 to 211; Metrics and Targets - (g) and (h) on page 209). • Discussion of the Company's progress on implementing the recommendations of the Task Force on Climate-Related Financial Disclosures (pages 58 and 206). • Discussion of the UN Sustainable Development Goals (UN SDGs) (page 45). • Discussion of our progress on 'zero waste to landfill' (page 29), Route to Net Zero (pages 46 and 47), decarbonisation of the distribution fleet (page 51), our sustainable product offer and product innovation (page 52) and our use of renewable energy sources (page 50). • KPIs on production waste reduction (page 29) and our target of 100% of wood-based material used in manufacturing processes being made from FSC® or PEFC certified sources (page 29).
Social matters	Sustainability and Corporate Social Responsibility Statement of Intent (see Group website).	• Our impact on our stakeholders (pages 56 and 57) and engagement with stakeholders (starting on page 80). • Our progress on equality, diversity and inclusion and wellbeing matters (pages 54 and 55). • Our Boardroom and Group Diversity Policies (page 98).
Respect for human rights	Human Rights Policy and Modern Slavery Statement (see Group website).	• Discussion of our EDI and wellbeing initiatives (pages 54 and 55). • Our Modern Slavery Statement (see Group website) sets out how we actively monitor suppliers and train our procurement staff. • Internationally recognised labour standards form part of our contracts of employment.
Anti-bribery and corruption	Anti-bribery and corruption, conflicts of interest, corporate gifts and hospitality, anti-money laundering, anti-tax evasion, anti-competition law and anti-fraud.	• The Board considers and approves the following Group policies: anti-bribery and corruption, anti-money laundering, anti-tax evasion, competition law policy, anti-fraud, market abuse compliance and the Modern Slavery Statement and whistleblowing. • We have a rolling programme of refresher training on human rights, modern slavery, and anti-bribery for our compliance team and buyers. • Further information about our whistleblowing facility may be found on page 133.
Employees	Health & Safety Statement of Intent (see Group website), market abuse compliance, data protection and privacy, and whistleblowing.	• KPI on Health and Safety and discussion of Health and Safety performance and initiatives (page 29). • Discussion of employee rewards and benefits, development opportunities and apprentice schemes (pages 54, 55, and 109). • Diversity policies and statistics (pages 97 and 98). • Workforce engagement (pages 82 and 83). • Directors' Remuneration Policy (see Group website for the full current policy).

We outline our resilient business model on pages 16 and 17. All of our non-financial KPIs are presented together on page 29. A discussion of our principal and emerging risks, including those related to our business relationships, products and services, as well as a description of our risk management process, starts at page 36.

Financial Statements

Our financial performance

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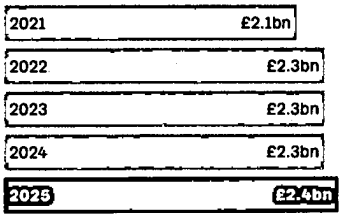
198 Company statement of changes in equity
199 Notes to the Company financial statements

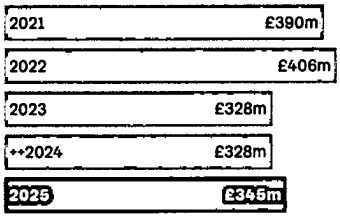
Revenue

£2.4bn (2024: £2.3bn)



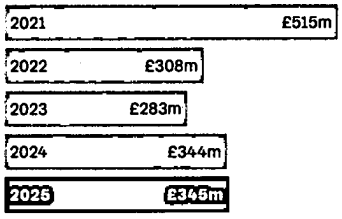
Profit before tax

£345m (2024: £328m)



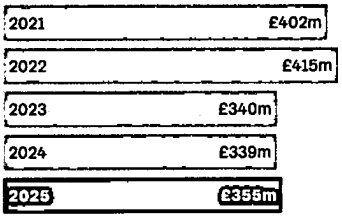
Net cash

£345m (2024: £344m)



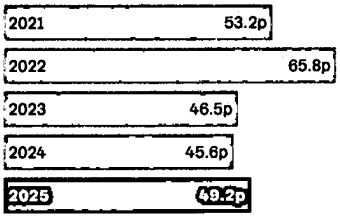
Operating profit

£355m (2024: £339m)



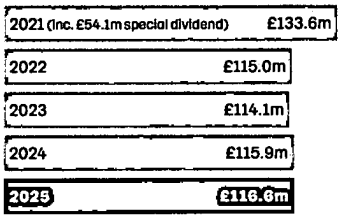
EPS

49.2p (2024: 45.6p)



Dividends paid

£116.6m paid in 2025



Rooster DEALS
HOWDENS

Financial Statements

KPMG LLP's Independent auditor's report

To the members of Howden Joinery Group Plc

1. Our opinion is unmodified

In our opinion:

- the financial statements of Howden Joinery Group Plc give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 27 December 2025, and of the Group's profit for the 52 week period then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What our opinion covers

We have audited the Group and Parent Company financial statements of Howden Joinery Group Plc ("the Company") for the 52 week period ended 27 December 2025 (FY25) included in the Annual Report and Accounts, which comprise:

Group (Howden Joinery Group Plc and its subsidiaries)	Parent Company (Howden Joinery Group Plc)
• Consolidated income statement • Consolidated statement of comprehensive income • Consolidated balance sheet • Consolidated statement of changes in equity • Consolidated cash flow statement • Notes 1 to 26 to the Group financial statements, which include the accounting policies.	• Company balance sheet • Company statement of changes in equity • Notes 1 to 8 to the Parent Company financial statements, which include the accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit Committee ("AC").

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

2. Overview of our audit

Factors driving our view of risks

We have undertaken a risk assessment to identify those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. We have considered the sector in which the Company operates and the external factors that drives the key underlying risks.

Our risk assessment also considers the Group's operations, the macro-economic and other relevant external factors which impact the judgements and estimates made by the Group.

We have determined that inventory provisioning is of significance to our audit given the scale of the Group's product range which means there is significant judgement in determining the adequacy and completeness of the inventory obsolescence provision, in particular the provision applied to discontinued and slow-moving product lines. Inventory provisioning includes estimation based on both historic usage and forward-looking demand assumptions. The continued uncertainty in the macro-economic environment during FY25 is not considered to have a significant impact on the already high estimation uncertainty associated with this key audit matter.

We have revised our inventory key audit matter to be focused only on inventory provisioning in FY25. This reflects the continued reduction in relative complexity and resulting effort required in auditing inventory costing and quantities over the years.

We have identified the defined benefit pension obligation as a key audit matter given the significant level of estimation required to determine the valuation of the gross defined benefit liability. The sensitivity of this estimation is heightened when there is volatility in macro-economic conditions, as experienced in the UK in recent years and into FY25. The risk has therefore not changed significantly from the prior year.

The recoverability of the Parent Company's investment in subsidiary is not at a high risk of significant misstatement, however is identified as a key audit matter due to its materiality in the context of the Parent Company financial statements.

Key Audit Matters	Vs FY24	Item
Inventory provisioning (Group)	<>	4.1
Defined benefit pension obligation (Group)	<>	4.2
Recoverability of Parent Company's investments in subsidiaries (Parent Company only)	<>	4.3

Audit committee interaction

During the year, the AC met 7 times. KPMG are invited to attend all AC meetings and are provided with an opportunity to meet with the AC in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the AC in section 4, including matters that required particular judgement for each.

The matters included in the Audit Committee report on pages 128 to 129 are materially consistent with our observations of those meetings.

Our independence

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

We have not performed any non-audit services during FY25 or subsequently which are prohibited by the FRC Ethical Standard.

We were first appointed as auditor by the shareholders for the 52 week period ended 24 December 2022. The period of total uninterrupted engagement is for the four financial years ended 27 December 2025.

The Group engagement partner is required to rotate every 5 years. As these are the second set of the Group's financial statements signed by Zulfikar Walji, he will be required to rotate off after the FY28 audit.

Total audit fee	£1.5m
Audit related fees (including interim review)	£0.1m
Other services	£0.1m
Non-audit fee as a % of total audit and audit related fee %	6%
Date first appointed	12 May 2022
Uninterrupted audit tenure	4 years
Next financial period which requires a tender	2032
Tenure of Group engagement partner	2 years

Financial Statements

Independent auditor's report continued

To the members of Howden Joinery Group Plc

Materiality (item 6 below)

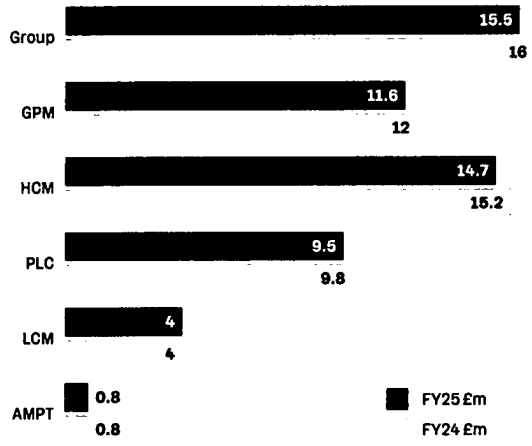
The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Group financial statements as a whole at £15.5m (FY24: £16m) and for the Parent Company financial statements as a whole at £9.5m (FY24: £9.8m).

Consistent with FY24, we determined that profit before tax remains the benchmark for the Group. As such, we based our Group materiality on profit before tax, of which it represents 4.5% (FY24: 4.9%).

Materiality for the Parent Company financial statements was determined with reference to a benchmark of Parent Company total assets of which it represents 1% (FY24: 1%).

Materiality levels used in our audit



Group	Group Materiality	**PLC**	Parent Company Materiality
GPM	Group Performance Materiality	**LCM**	Lowest Component Materiality
HCM	Highest Component Materiality	**AMPT**	Audit Misstatement Posting Threshold

Group scope (item 7 below)

We have performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements, what audit procedures to perform at these components and the extent of involvement required from our component auditors around the world.

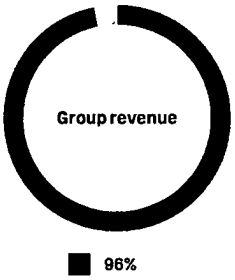
We performed procedures at 4 (FY24: 4) components of the total 16 (FY24: 15) components. We determined which components are likely to include risks of material misstatements to the Group financial statements. We identified 4 (FY24: 4) quantitatively significant components as those contributing at least 10% (FY24: 10%) of total revenue or total assets.

In addition, for the remaining components for which we performed no audit procedures, we performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

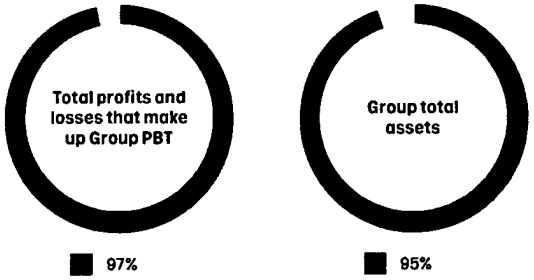
Our audit of the Group was undertaken to the materiality levels specified above and was performed by a single audit team.

We consider the scope of our audit, as communicated to the Audit Committee, to be an appropriate basis for our audit opinion.

Our audit procedures covered 96% of Group revenue:



We performed audit procedures in relation to components that accounted for the following percentages:



Quantitatively significant components

The impact of climate change on our audit

We have considered the potential impacts of climate change on the financial statements as part of planning our audit.

On page 41, the Group has explained that climate change is an emerging risk. It identifies this both in terms of transitional risks as the world moves towards a zero-carbon economy, and the physical risks presented as climate change. The Group has set its own targets to reduce emissions, as described on page 47.

Climate change impacts the Group in a variety of ways, and page 58 describes the associated risks and opportunities identified by the Directors. These include the impact of climate risk on the reputation of the Group. However, the Group has not identified any risks which have a material impact on the preparation of the financial statements.

We performed a risk assessment, taking into account climate change risks and commitments made by the Group, of how climate change may impact the financial statements and our audit. This included enquiries of management, consideration of the Group's processes for assessing the potential impact of climate change risk on the financial statements and assessing the TCFD scenario analysis performed by the Group.

Based on our risk assessment we determined that the climate related risks to the Group's business, strategy and financial planning do not have a significant impact on balances in the financial statements or on our key audit matters.

We have read the Group's disclosure of climate related information in the annual report as set out on pages 42 to 61 and pages 206 to 213 and considered consistency with the financial statements and our audit knowledge.

3. Going concern, viability and principal risks and uncertainties

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Going concern

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and Company's available financial resources over this period was:

- Customer confidence in light of the current cost of living challenges, and the possibility of this negatively impacting the Group's sales.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the degree of downside assumptions that, individually and collectively, could result in a liquidity issue, taking into account the Group's and Company's current and projected cash and facilities (a reverse stress test).

We assessed the completeness of the going concern disclosure in note 1 to the financial statements.

Accordingly, based on those procedures, we found the Directors' use of the going concern basis of accounting without any material uncertainty for the Group and Parent Company to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Our conclusions

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- The related statement under the UK Listing Rules set out on page 62 is materially consistent with the financial statements and our audit knowledge.

Financial Statements

Independent auditor's report continued

To the members of Howden Joinery Group Plc

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Long-term prospects and viability statement that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the 2025 principal risks and uncertainties disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Long-term prospects and viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Long-term prospects and viability statement set out on pages 63 to 64 under the UK Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

4. Key audit matters

What we mean

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the Key Audit Matters in decreasing order of audit significance together with our key audit procedures to address those matters and our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on these matters.

4.1 Inventory provisioning (Group)

Financial Statement Elements			Our assessment of risk vs FY24	Our results
	FY25	FY24	<>	
Inventories gross value	£458.5m	£435.6m	The nature of the inventory key audit matter has changed during the year. In FY25 the key audit matter relates only to the inventory provisioning as this reflects the continued reduction in relative complexity and resulting effort required in auditing inventory costing and quantities over the years.	**FY25: Acceptable**
Inventory provision	£49.3m	£44.9m	Our assessment is that the risk relating to inventory provisioning is similar to FY24.	FY24: Acceptable

Description of the Key Audit Matter

The Group holds a significant amount of inventory across its large depot network and a number of warehouses. As at 27 December 2025, net inventory, after recognising relevant provisions is £409.2 million (FY24: £390.7 million).

Subjective estimate

The scale of the Group's product range means there is significant judgement in determining the adequacy and completeness of the inventory obsolescence provision, in particular the provision applied to discontinued and slow-moving product lines. Inventory provisioning includes estimation based on both historic usage and forward-looking demand assumptions. Given the judgement required in determining this provisioning and the potential opportunities for bias in the subjective estimate, we have identified this as an area at higher risk of fraud or error.

The continued uncertainty in the macro-economic environment during FY25 is not considered to have a significant impact on the already high estimation uncertainty associated with this key audit matter.

The effect of these matters is that, as part of our risk assessment, we determined that the inventory obsolescence provision has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.

Our response to the risk

Our procedures to address the risk included:

- **Our sector experience:** we challenged the Directors' methodology and key assumptions supporting the inventory provision, including the provision percentages applied to discontinued and slow-moving products, the expected level of inventory that may not be in demand and its respective sales price, against our knowledge of the business and industry.
- **Historical comparisons:** we assessed the Directors' assumptions made in the inventory obsolescence provision by comparing to the historical utilisation.
- **Test of detail:** we evaluated the appropriateness of each of the key assumptions within the provision which are supported by data elements back to relevant source data and challenged the level of provision applied by the Directors to discontinued items.
- **Test of detail:** we evaluated the completeness of the provision by testing a sample of current inventory lines for slow moving items or sales prices below cost to evaluate whether additional provisioning is required.
- **Assessing transparency:** we assessed the adequacy of the financial statement disclosures about the degree of estimation uncertainty in arriving at the net realisable value.

We performed the detailed tests above over inventory provisioning rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Communications with the Howden Joinery Group Plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of inventory including details of our planned substantive procedures. This includes the revision to our inventory key audit matter to be focused only on inventory provisioning; and
- Our conclusions on the appropriateness of the Group's inventory provisioning methodology and disclosures.

Areas of particular auditor judgement

We identified the following as the area of particular auditor judgement:

- Subjective auditor judgement was required in assessing the adequacy of the inventory obsolescence provision, in particular the provision percentages applied to the discontinued and slow-moving inventory lines.

Our results

We found the level of inventory provisioning to be acceptable (FY24: Acceptable).

Financial Statements

Independent auditor's report continued

To the members of Howden Joinery Group Plc

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 128 for details on how the Audit Committee considered inventory provisioning as an area of significant attention, page 174 for the accounting policy on inventory provisioning, and note 12 for the financial disclosures.

4.2 Defined benefit pension obligation (Group)

Financial Statement Elements			Our assessment of risk vs FY24	Our results
	FY25	FY24	<>	FY25: Acceptable
Gross defined benefit liability	£797.4m	£808.0m	Our assessment is that the risk is similar to FY24.	FY24: Acceptable

Description of the Key Audit Matter	Our response to the risk
Subjective estimate A significant level of estimation is required in order to determine the valuation of the gross defined benefit liability. Small changes in the key assumptions (in particular, discount rates, inflation and mortality rates) can have a material impact on the amount recognised in the financial statements. The sensitivity of this estimation is heightened when there is volatility in macro-economic conditions, as experienced in the UK in recent years and into FY25. The risk has therefore not changed significantly from the prior year. The effect of these matters is that, as part of our risk assessment, we determined that valuation of the gross defined benefit liability has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 22) disclose the sensitivities estimated by the Group.	Our procedures to address the risk included: • **Benchmarking assumptions:** we challenged, with the support of our own actuarial specialists, the key assumptions applied in the estimation of the pension liability, being the discount rate, inflation rate and mortality/life expectancy, by comparing to externally derived data. • **Actuary's credentials:** we assessed the competence, capabilities and objectivity of the Group's actuarial expert. • **Assessing transparency:** we considered the adequacy of the Group's disclosures relating to the sensitivity of the pension liability to these assumptions. We performed the detailed tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Communications with the Howden Joinery Group Plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- We discussed our audit response to the Key Audit Matter which included the use of specialists to challenge the key aspects of the actuarial valuation;
- Our conclusions on the appropriateness of the key actuarial assumptions applied to the valuation of the gross defined benefit liability; and
- The adequacy of the disclosures, particularly as it relates to the sensitivities disclosed by the Group.

Areas of particular auditor judgement

We identified the following as the area of particular auditor judgement:

- Subjective and complex auditor judgement was required in evaluating the key actuarial assumptions used by the Group (including the discount rate, inflation and mortality assumptions).

Our results

We found the valuation of the gross defined benefit pension liability to be acceptable (FY24: Acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee report on page 129 for details on how the Committee considered validity of pension assumptions as an area of significant attention, page 185 for the accounting policy on defined benefit pensions, and note 22 for the financial disclosures.

4.3 Recoverability of Parent Company's investments in subsidiaries (Parent Company)

Financial Statement Elements	FY25	FY24 Restated	Our assessment of risk vs FY24	Our results
Investment in subsidiary	£813.5m	£803.2m	<> Our assessment is that the risk is similar to FY24.	**FY25: Acceptable** FY24: Acceptable

Description of the Key Audit Matter

Low risk, high value

The carrying amount of the Parent Company's investment in its subsidiary (Howden Joinery Holdings Limited) represents 70% of the Parent Company's total assets. Its recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to its materiality in the context of the Parent Company financial statements, this is considered to be the area that had the greatest effect on our overall Parent Company audit.

See note 8 for further details relating to the restatement of the carrying amount of the investment in the prior year.

Our response to the risk

Our procedures to address the risk included:

- **Tests of detail:** We assessed the carrying amount of the investment in subsidiary against the net assets of the relevant subsidiary included within the Group consolidation to identify whether its net asset value, being an approximation of its minimum recoverable amount, was in excess of the carrying amount. Our procedures also included assessing whether the subsidiary has historically been profit-making.
- **Comparing valuations:** As the investment's carrying amount exceeded the net asset value, we compared its carrying amount to the market capitalisation of the Group as Howden Joinery Holdings Limited either directly or indirectly owns all other subsidiaries of the Group.

We performed the detailed tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Communications with the Howden Joinery Group Plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of the Parent Company investment in subsidiary including details of our planned substantive procedures; and
- Our conclusions on the recoverability of the Parent Company's investment carrying value in its subsidiary.

Areas of particular auditor judgement

Limited auditor judgement was required in relation to the carrying amount of the Parent Company's investment in its subsidiary.

Our results

We found the carrying value of the Parent Company's investment in its subsidiary to be acceptable (FY24: Acceptable).

Further information in the Annual Report and Accounts: See page 199 for the accounting policy on Parent Company investment and note 3 for the financial disclosures.

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Independent auditor's report continued

To the members of Howden Joinery Group Plc

5. Our ability to detect irregularities, and our response

Fraud - identifying and responding to risks of material misstatement due to fraud

Fraud risk assessment

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, the Audit Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee meeting minutes.
- Considering remuneration incentive schemes and performance targets for management and Directors including the long-term incentive plan for management remuneration.
- Using analytical procedures to identify any unusual or unexpected relationships.

Risk communications

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Fraud risks

As required by auditing standards, and taking into account possible pressures to meet profit targets and market expectations, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as the inventory obsolescence provisions and pension assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition because there are limited opportunities to fraudulently adjust revenue recognition given the high volume and low value nature of purchases.

We identified a fraud risk related to the inventory obsolescence provision in response to possible pressures to meet profit targets or market expectations and the opportunities for bias in the subjective estimate.

Link to KAMs

Further detail in respect of the inventory obsolescence provision is set out in the key audit matter disclosures in section 4 of this report.

Procedures to address fraud risks

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by users outside of their expected business area and those posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Laws and regulations - identifying and responding to risks of material misstatement relating to compliance with laws and regulations

Laws and regulations risk assessment

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Directors (as required by auditing standards), and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Risk communications

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Direct laws context and link to audit

The potential effect of these laws and regulations on the financial statements varies considerably.

The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension scheme legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Most significant indirect law/regulation areas

The Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: health and product safety and employment laws recognising the nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Financial Statements

Independent auditor's report continued

To the members of Howden Joinery Group Plc

6. Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

£15.5m (FY24: £16.0m)
Materiality for the Group financial statements as a whole

What we mean	Basis for determining materiality and judgements applied
A quantitative reference for the purpose of planning and performing our audit.	Materiality for the Group financial statements as a whole was set at £15.5m (FY24: £16m). This was determined with reference to a benchmark of profit before tax. Consistent with FY24, we determined that Group profit before tax remains the main benchmark for the Group as this is the primary measure by which stakeholders and the market assess the performance of the Group. Our Group materiality of £15.5m was determined by applying a percentage to the Group profit before tax. When using a benchmark of Group profit before tax to determine overall materiality, KPMG's approach for public interest entities considers a guideline range of 3% - 5% of the measure. In setting overall Group materiality, we applied a percentage of 4.5% (FY24: 4.9%) to the benchmark. Materiality for the Parent Company financial statements as a whole was set at £9.5m (FY24: £9.8m), determined with reference to a benchmark of Parent Company total assets, of which it represents 1% (FY24: 1%).

£11.6m (FY24: £12.0m)
Performance materiality

What we mean	Basis for determining performance materiality and judgements applied
Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.	We have considered performance materiality at a level of 75% (FY24: 75%) of materiality for Howden Joinery Group Plc Group financial statements as a whole to be appropriate. The Parent Company performance materiality was set at £7.1m (FY24: £7.4m), which equates to 75% (FY24: 75%) of materiality for the Parent Company financial statements as a whole. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk in FY25 following our reassessment of aggregation risk.

£0.8m (FY24: £0.8m)
Audit misstatement posting threshold

What we mean	Basis for determining the audit misstatement posting threshold and judgements applied
This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud. This is also the amount above which all misstatements identified are communicated to Howden Joinery Group Plc's Audit Committee.	We set our audit misstatement posting threshold at 5% (FY24: 5%) of our materiality for the Group financial statements. We also report to the Audit Committee any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group financial statements of £15.5m (FY24: £16.0m) compares as follows to the main financial statement caption amounts:

	Total Group Revenue		Group profit before tax		Total Group Assets	
	FY25	FY24	FY25	FY24	FY25	FY24
Financial statement Caption	£2,418.0m	£2,322.1m	£344.9m	£328.1m	£2,354.1m	£2,237.5m
Group Materiality as % of caption	0.6%	0.7%	4.5%	4.9%	0.7%	0.7%

7. The scope of our audit

Group scope

What we mean

How the Group auditor determined the procedures to be performed across the Group.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified 16 (FY24: 15) components, having considered our evaluation of the Group's operational structure, the existence of common risk profile across divisions and the presence of key audit matters and our ability to perform audit procedures centrally. Our audit of the Group was performed by a single audit team.

Of those, we identified quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

The below summarises where we performed audit procedures, with the prior year comparatives indicated in brackets:

Component type	Number of components where we performed audit procedures	Range of materiality applied
Quantitatively significant components	4 (4)	£4m - £14.7m (£4m - £15.2m)
Total	4 (4)	

We set the component materialities having regard to size and risk profile of the Group across the components. We also performed the audit of the Parent Company.

Our audit procedures covered 96% (FY24: 97%) of Group revenue.

We performed audit procedures in relation to components that accounted for 97% (FY24: 95%) of Group total profits and losses that make up Group profit before tax and 95% (FY24: 93%) of Group total assets.

For the remaining components for which we performed no audit procedures, we performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

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Independent auditor's report continued

To the members of Howden Joinery Group Plc

7. The scope of our audit continued

Controls approach for group audit

Impact of controls on our group audit

We were able to rely upon the Group's internal control over financial reporting in several areas of our audit, where our controls testing supported this approach, which enabled us to reduce the scope of our substantive audit work; in the other areas the scope of the audit work performed was fully substantive.

The Group relies on a number of IT systems and applications. We identified that the following key IT systems were relevant to our Group audit:

- The ERP system used across all in scope components that is used to record underlying transactions.
- The trade EPOS and stock control system used in all the Group's depots.
- The warehouse management system used to provide operational and stock control processes.

As noted by the Audit Committee on page 132, the Group's control environment is continuing to undergo a programme of review and strengthening of the key controls, including IT. We involved IT specialists and obtained an understanding of the controls related to the three key IT systems identified above, which are integrated with one another.

On this audit we take a predominantly substantive approach, with the exception of inventory, as our belief is that it is more efficient not to rely on controls. We have identified some control findings in relation to the IT environment and manual journal entries, and following incremental risk assessment, we determined that no significant changes were required to our planned approach to journal testing. We adopted a data-oriented approach to auditing revenue by performing data and analytics routines and, given we did not rely on the Group's IT environment, we directly tested the completeness and reliability of the data used in those routines.

For inventory, we tested the operating effectiveness of, and were able to continue to rely on, the Group's manual inventory cycle count controls and therefore were able to reduce the extent of our substantive procedures in this area.

8. Other information in the Annual Report and Accounts

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All other information

Our responsibility	Our reporting
Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.	Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Strategic Report and Directors' Report

Our responsibility and reporting

Based solely on our work on the other information described above we report to you as follows:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration Report

Our responsibility	Our reporting
We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.	In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance disclosures

Our responsibility	Our reporting
We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and: • the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy; • the section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and • the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.	Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge.
We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review.	We have nothing to report in this respect.

Other matters on which we are required to report by exception

Our responsibility	Our reporting
Under the Companies Act 2006, we are required to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.	We have nothing to report in these respects.

Financial Statements

Independent auditor's report continued

To the members of Howden Joinery Group Plc

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 65, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company'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 they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Zulfikar Walji (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

25 February 2026

Consolidated income statement

	Notes	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Revenue	2	**2,418.0**	2,322.1
Cost of sales		**(902.6)**	(891.0)
Gross profit		**1,515.4**	1,431.1
Operating expenses		**(1,160.1)**	(1,091.9)
Operating profit	4	**355.3**	339.2
Finance income	5	**13.1**	9.9
Finance costs	6	**(23.5)**	(21.0)
Profit before tax		**344.9**	328.1
Tax on profit	7	**(77.2)**	(78.8)
Profit for the period attributable to the equity holders of the parent		**267.7**	249.3
Earnings per share:			
Basic earnings per 10p share	8	**49.2p**	45.6p
Diluted earnings per 10p share	8	**49.0p**	45.4p

Consolidated statement of comprehensive income

	Notes	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Profit for the period		**267.7**	249.3
Items of other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (losses)/gains on defined benefit pension scheme	22	**(4.2)**	12.7
Deferred tax on actuarial losses and gains on defined benefit pension scheme	7	**1.1**	(3.2)
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		**3.3**	(3.1)
Other comprehensive income for the period		**0.2**	6.4
Total comprehensive income for the period attributable to equity holders of the parent		**267.9**	255.7

Financial Statements

Consolidated balance sheet

	Notes	27 December 2025 £m	28 December 2024 £m
Non-current assets			
Intangible assets	9	**62.6**	58.1
Property, plant and equipment	10	**576.1**	500.6
Lease right-of-use assets	11	**665.2**	642.3
Deferred tax asset	7	**14.7**	10.5
Long-term prepayments and other debtors		**3.0**	1.4
		1,321.6	1,212.9
Current assets			
Inventories	12	**409.2**	390.7
Corporation tax		**-**	25.7
Trade and other receivables	13	**278.8**	264.6
Cash and cash equivalents	20	**344.5**	343.6
		1,032.5	1,024.6
Total assets		**2,354.1**	2,237.5
Current liabilities			
Lease liabilities	11	**(97.0)**	(89.3)
Trade and other payables	14	**(384.0)**	(386.8)
Corporation tax		**(2.9)**	-
Provisions	15	**(8.2)**	(8.3)
		(492.1)	(484.4)
Non-current liabilities			
Pension liability	22	**(7.8)**	(2.1)
Lease liabilities	11	**(607.9)**	(591.7)
Deferred tax liability	7	**(51.6)**	(26.4)
Provisions	15	**(3.8)**	(4.2)
		(671.1)	(624.4)
Total liabilities		**(1,163.2)**	(1,108.8)
Net assets		**1,190.9**	1,128.7
Equity			
Share capital	16	**54.2**	55.4
Capital redemption reserve	16	**11.0**	9.8
Share premium	16	**87.5**	87.5
ESOP and share-based payments	16	**25.0**	21.3
Treasury shares	16	**(12.2)**	(18.8)
Retained earnings	16	**1,025.4**	973.5
Total equity		**1,190.9**	1,128.7

The financial statements were approved by the Board and authorised for issue on 25 February 2026 and were signed on its behalf by

Jackie Callaway
Chief Financial Officer

Consolidated statement of changes in equity

	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	55.4	9.8	87.5	16.6	(24.0)	833.1	978.4
Accumulated 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	55.4	9.8	87.5	21.3	(18.8)	973.5	1,128.7
Accumulated profit for the period		-	-	-	-	267.7	267.7
Other comprehensive income for the period	-	-	-	-	-	0.2	0.2
Total comprehensive income for the period	-	-	-	-	-	267.9	267.9
Current tax on share schemes	-	-	-	-	-	0.4	0.4
Deferred tax on share schemes	-	-	-	-	-	0.4	0.4
Movement in ESOP	-	-	-	10.3	-	-	10.3
Transfer of shares from treasury into share trust	-	-	-	(1.4)	1.4	-	-
Transfer of shares from Treasury to settle share awards	-	-	-	(5.2)	5.2	-	-
Buyback and cancellation of shares	(1.2)	1.2	-	-	-	(100.2)	(100.2)
Dividends	-	-	-	-	-	(116.6)	(116.6)
At 27 December 2025	**54.2**	**11.0**	**87.5**	**25.0**	**(12.2)**	**1,025.4**	**1,190.9**

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

We present a description of the nature and purpose of each reserve at note 16 including additional details of shares bought back and cancelled, and of movements in Treasury shares.

Financial Statements

Consolidated cash flow statement

	Notes	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Profit before tax		**344.9**	328.1
Adjustments for:			
Finance income		**(13.1)**	(9.9)
Finance costs		**23.5**	21.0
Depreciation, amortisation and impairment of owned assets	9, 10	**68.6**	57.1
Depreciation, impairment and loss on termination of leased assets	11	**102.2**	97.0
Share-based payments charge		**10.3**	9.6
(Increase)/decrease in long term prepayments		**(1.6)**	(0.6)
Difference between pensions operating charge and cash paid		**1.4**	1.9
Loss on disposal of property, plant and equipment and intangible assets		**1.4**	0.4
Operating cash flows before movements in working capital		**537.6**	504.6
Movements in working capital			
Increase in inventories		**(18.5)**	(7.9)
Increase in trade and other receivables		**(14.2)**	(70.1)
Increase in trade and other payables and provisions		**6.4**	12.7
		(26.3)	(65.3)
Cash generated from operations		**511.3**	439.3
Tax paid		**(25.7)**	(39.2)
Net cash flow from operating activities		**485.6**	400.1
Cash flows used in investing activities			
Payments to acquire property, plant and equipment	18	**(143.9)**	(101.2)
Payments to acquire intangible assets	18	**(12.6)**	(20.8)
Receipts from sale of property, plant and equipment and intangible assets		**0.1**	0.1
Interest received		**13.2**	9.8
Net cash used in investing activities		**(143.2)**	(112.1)
Cash flows used in financing activities			
Payments to acquire own shares		**(100.2)**	-
Receipts from release of shares from share trust		**-**	0.4
Dividends paid to Group shareholders		**(116.6)**	(115.9)
Interest paid - including on lease liabilities		**(23.4)**	(20.7)
Repayment of capital on lease liabilities		**(100.5)**	(92.7)
Net cash used in financing activities		**(340.7)**	(228.9)
Net increase in cash and cash equivalents		**1.7**	59.1
Cash and cash equivalents at beginning of period		**343.6**	282.8
Effect of movements in exchange rates on cash held		**(0.8)**	**1.7**
Cash and cash equivalents at end of period		**344.5**	343.6

We present an analysis of cash and non-cash changes in liabilities due to financing activities, and an analysis of payments to acquire Property, plant and equipment, and intangible assets, at note 18.

Notes to the consolidated financial statements

The order of the notes is set out below. Significant accounting policies and, where applicable, information relating to significant judgements and sources of estimation uncertainty are presented as part of the related note.

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Notes to the consolidated financial statements continued

General Information

1 General information

Company and currency details

Howden Joinery Group Plc ('the Company') is a company incorporated in the United Kingdom under the Companies Act 2006. Its registered office address is 105 Wigmore Street, London W1U 1QY. The nature of the Group's operations and principal activities are set out in the Strategic Report.

These financial statements are presented in pounds sterling, the currency of the primary economic environment in which the Group operates. Foreign operations are included on the basis set out below.

Foreign currency transactions

Transactions in foreign currency are translated at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate at the balance sheet date. Foreign exchange gains and losses are recognised in the income statement.

Foreign operations

The assets and liabilities of foreign operations are translated into sterling at foreign exchange rate at the balance sheet date. The results and cash flows of overseas subsidiaries are translated into sterling on an average exchange rate basis, weighted by the actual results of each month.

Exchange differences arising from the translation of the results and net assets of overseas subsidiaries are taken to equity via the statement of comprehensive income.

Accounting period

The Group's accounting period covers the 52 weeks to 27 December 2025. The comparative period covered the 52 weeks to 28 December 2024.

Impairment of assets

The carrying amount of the Group's assets is reviewed at least annually to determine whether there is any indication of impairment. If such an indication exists, the relevant asset's recoverable amount is estimated.

Apart from in the case of trade and other receivables, and inventories, an impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the income statement.

For trade and other receivables and inventories which are considered to be impaired, the carrying amount is reduced through the use of an allowance for estimated irrecoverable amounts. Changes in the carrying value of this allowance are recognised in the income statement.

Statement of compliance and basis of preparation

The Group financial statements have been prepared in accordance with UK-adopted international accounting standards.

The financial statements have been prepared on the historical cost basis, modified for certain items carried at fair value, as stated in the accounting policies.

These consolidated financial statements include the accounts of the Company and all entities controlled by the Company, together referred to as 'the Group', from the date control commences until the date that control ceases.

'Control' is defined as the Group having power over the subsidiary, exposure or rights to variable returns from the subsidiary, and the ability to use its power to affect the amount of returns from the subsidiary. Further details of all subsidiaries are given in the 'Additional Information' section at the back of this Annual Report. All subsidiaries are 100% owned and the Group considers that it has control over them all.

Going concern

The Directors have undertaken a robust assessment and concluded that it is appropriate to prepare the financial statements on the going concern basis. They have not identified any material uncertainties and there were no significant judgements involved in coming to this conclusion. Full details are set out in the strategic review, starting on page 62.

Standards in issue but not yet effective

There were no new standards effective in the period that impacted the financial statements. At the date of authorisation of these financial statements, the following standards, amendments to standards, and interpretations, were in issue but not yet effective for the Group in these financial statements:

Amendments to IAS 21: Lack of Exchangeability

Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments

Annual Improvements to IFRS Accounting Standards–Volume 11

Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity

IFRS 18 - Presentation and disclosure in financial statements

IFRS 19 - Subsidiaries without Public Accountability-Disclosures

Significant accounting judgements and major sources of estimation uncertainty

The Group recognises significant judgement and estimation uncertainty in connection with its defined benefit pension. It also recognises estimation uncertainty over making allowances against the carrying value of inventory. More details are given in the relevant notes.

Other significant accounting policies

These are presented as part of the related notes to these financial statements.

Earnings

2 Revenue

Accounting policy

The Group recognises revenue when it has satisfied its performance obligations to the customer and the customer has obtained control of the goods or services being transferred. Revenue from sales of goods will typically account for more than 95% of total revenue, and is recognised on collection or delivery of the goods. Revenue from other services is a small percentage of total revenue, and is recognised when the customer confirms that the services are complete.

We measure revenue at the fair value of the consideration received or receivable, excluding sales taxes and discounts. We recognise interest income as it accrues and measure it using the effective interest rate method.

3 Segmental reporting

(a) Basis of segmentation, and other general information

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. Thus, the information required in respect of profit or loss, assets and liabilities, can all be found in the relevant primary statements and notes to these consolidated financial statements.

The Howden Joinery business derives its revenue from the sale of kitchens and joinery products, and related services.

(b) Geographical information

The Group's operations are mainly located in the UK, with a smaller presence in France, Belgium and the Republic of Ireland. The Group has depots in each of these locations. The number of depots in each location at the current and prior period ends is shown in the five year record which is located towards the back of this Annual Report. The Group's manufacturing and sourcing operations are located in the UK.

Financial Statements

Notes to the consolidated financial statements continued

Earnings continued

The following tables present the required information by geographical market on revenue and non-current assets.

Revenues from external customers	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
UK	**2,333.2**	2,247.4
France, Belgium and Ireland	**84.8**	74.7
	2,418.0	2,322.1

Non-current assets (excluding non-current deferred tax)	27 December 2025 £m	28 December 2024 £m
UK	**1,242.7**	1,129.4
France, Belgium and Ireland	**64.2**	73.0
	1,306.9	1,202.4

4 Operating profit

Operating profit has been arrived at after (charging)/crediting:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Cost of inventories recognised as an expense	**(895.3)**	(889.5)
Write down of inventories	**(7.3)**	(1.5)
Loss on disposal of fixed assets	**(1.4)**	(0.4)
Auditor's remuneration for audit services	**(1.5)**	(1.4)

All of the items above relate to continuing operations.

A more detailed analysis of auditor's total remuneration is given below:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Audit services:		
Fees paid to the Company's auditor for the audit of the Company's annual financial statements	**(0.3)**	(0.3)
Fees paid to the Company's auditor and their associates for other services to the Group:		
- the audit of the subsidiary companies pursuant to legislation	**(1.2)**	(1.1)
Total audit fees	**(1.5)**	(1.4)
Other services:		
Audit-related assurance services	**(0.1)**	(0.1)
Non-audit-related assurance services	**(0.1)**	(0.1)
Total non-audit fees	**(0.2)**	(0.2)

Details of the Group's policy on the use of auditors for non-audit services, the reasons why the auditor was used rather than Report. No services were provided pursuant to contingent fee arrangements.

5 Finance income

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Bank interest receivable	**13.1**	9.9
	13.1	9.9

6 Finance costs

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Interest expense on lease liabilities	**(23.4)**	(20.7)
Other finance expense - pensions	**(0.1)**	(0.3)
Total finance costs	**(23.5)**	(21.0)

7 Current and deferred tax

Accounting policy

Income tax

The tax expense represents the sum of current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is based on taxable profit for the financial period and any adjustments to tax payable or receivable for prior years. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other financial years as well as items that are never taxable or deductible.

It is calculated as the best estimate of the tax expected to be paid or received. It reflects any uncertainty related to income taxes and is measured using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on the temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is accounted for using the balance sheet liability method. It is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised, based on tax laws and rates that have been enacted or substantially enacted at the balance sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit.

The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Financial Statements

Notes to the consolidated financial statements continued

Earnings continued

Current tax:

(a) Tax in the income statement

	52 weeks to 27 December 2025 £m	53 weeks to 28 December 2024 £m
Current tax:		
Current year	67.5	60.5
Adjustments in respect of previous periods	(12.8)	(6.8)
Total current tax	54.7	53.7
Deferred tax:		
Current year	13.6	21.2
Adjustments in respect of previous periods	8.9	3.9
Total deferred tax	22.5	25.1
Total tax charged in the income statement	77.2	78.8

UK Corporation tax is calculated at 25% (2024: 25%) of the estimated assessable profit for the period. Tax for other countries is calculated at the rates prevailing in the respective jurisdictions.

(b) Tax relating to items of other comprehensive income or changes in equity

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Deferred tax (credit)/charge to other comprehensive income on actuarial difference on pension scheme	(1.1)	3.2
Deferred tax credit to equity on share schemes	(0.4)	(0.1)
Current tax credit to equity on share schemes	(0.4)	(0.5)
Total credit to other comprehensive income or changes in equity	(1.9)	2.6

(c) Reconciliation of the total tax charge

The total tax charge for the period can be reconciled to the result per the income statement as follows:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Profit before tax	344.9	328.1
Tax at the UK corporation tax rate of 25.0% (2024: 25.0%)	86.2	82.0
IFRS2 share scheme charge	(0.9)	0.1
Expenses not deductible for tax purposes	1.4	1.7
Tax losses not recognised	6.3	6.3
Non-qualifying depreciation	1.8	1.6
Patent box claim	(13.7)	(10.0)
Other tax adjustments in respect of previous years	(3.9)	(2.9)
Total tax charged in the income statement	77.2	78.8

The Group's effective rate of tax is 22.4% (2024: 24.0%).

Deferred tax:

Analysis of deferred tax assets and liabilities, and the movements on them during the period.

	Retirement benefit obligations £m	Accelerated capital allowances £m	Company share schemes £m	Leasing £m	Other temporary differences £m	Total £m
At 30 December 2023	3.2	0.4	2.2	2.9	3.6	12.3
Credit/(charge) to income statement	0.5	(25.4)	(1.6)	(0.6)	2.0	(25.1)
(Charge)/credit outside the income statement	(3.2)	-	0.1	-	-	(3.1)
At 28 December 2024	0.5	(25.0)	0.7	2.3	5.6	(15.9)
Credit/(charge) to income statement	0.4	(23.9)	1.4	(0.6)	0.2	(22.5)
Credit outside the income statement	1.1	-	0.4	-	-	1.5
At 27 December 2025	**2.0**	**(48.9)**	**2.5**	**1.7**	**5.8**	**(36.9)**
Comprising:						
Deferred tax asset	2.0	1.9	2.5	1.7	6.6	14.7
Deferred tax liability	-	(50.8)	-	-	(0.8)	(51.6)
	2.0	**(48.9)**	**2.5**	**1.7**	**5.8**	**(36.9)**

The deferred tax liability relating to accelerated capital allowances has increased due to 100% first-year capital allowances being claimed on qualifying capital expenditure.

The presentation in the balance sheet is as follows:

	27 December 2025 £m	28 December 2024 £m
Deferred tax assets	**14.7**	10.5
Deferred tax liabilities	**(51.6)**	(26.4)
	(36.9)	(15.9)

Deferred tax assets have not been recognised for the following items as it is not currently considered probable that future taxable profits will be available in the relevant company against which the unused losses can be utilised. All unrecognised losses may be carried forward indefinitely. It is possible that some of the losses may become accessible in the future depending on the outcome of discussions with the tax authorities.

	27 December 2025 £m	28 December 2024 £m
Total losses	**235**	229

Global minimum tax Legislation - Pillar Two

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation. The tax expense related to Pillar Two taxes for the period is nil.

The Group has applied the temporary mandatory relief under IAS12 from accounting for deferred tax that arises under the Pillar Two rules meaning the Group is effectively exempt from providing for and disclosing deferred tax related to top-up tax.

Financial Statements

Notes to the consolidated financial statements continued

Earnings continued

8 Earnings per share

From continuing operations	52 weeks to 27 December 2025 Earnings £m	Weighted average number of shares m	Earnings per share p	52 weeks to 28 December 2024 Earnings £m	Weighted average number of shares m	Earnings per share p
Basic earnings per share	**267.7**	**544.2**	**49.2**	249.3	546.7	45.6
Effect of dilutive share options	**-**	**2.6**	**(0.2)**	-	2.1	(0.2)
Diluted earnings per share	**267.7**	**546.8**	**49.0**	249.3	548.8	45.4

The difference between the weighted average number of shares used in the calculation of basic earnings per share and the total number of shares in issue at the period end is due to the net effect of time-apportioned adjustments for shares held in treasury, shares held in trust which are not unconditionally vested, and shares bought back and cancelled in the period.

Operating assets and liabilities

9 Intangible assets

(a) Total amounts recognised in the balance sheet

	27 December 2025 £m	28 December 2024 £m
Goodwill - cost and carrying value	**12.4**	12.4
Software	**50.2**	45.7
	62.6	58.1

(b) Goodwill

Accounting policy

Goodwill arising on a business combination represents the excess of the cost of acquisition over the share of the aggregate fair value of identifiable net assets (including intangible assets) of the acquired business at the date of acquisition. Goodwill is initially recognised as an asset and allocated to cash-generating units that are expected to benefit from the synergies of the business combination. Goodwill is not amortised, but is reviewed at least annually for impairment. Any impairment is recognised immediately in the income statement. Goodwill is stated in the balance sheet at cost less any provisions for impairment, if required.

The goodwill shown above all arose on the acquisition of 100% of Sheridan Fabrications Ltd ('SFL') in 2022. The trading activities of SFL have been integrated into the Howden Joinery UK operations, to which we have allocated all of the related goodwill. The Howden Joinery UK operations is a group of cash-generating units comprising smaller groups of assets (for example, individual depots).

The recoverability of the goodwill is assessed by looking at the value in use of the Howden Joinery UK operations.

The Howden Joinery UK operations, as shown in the geographical analysis at note 3(b) to these financial statements, represent over 95% of the consolidated Group sales. This is reflected in their contribution to total Group profit and cashflow. Given the size and contribution of this cash-generating unit in comparison with the £12.4m cost and carrying value of the allocated goodwill, it has not been considered necessary to look further ahead than the next 12 month forecast to verify that projected cashflows from the Howden Joinery UK operations are significantly in excess of the carrying value of the associated goodwill.

(c) Software

Accounting policy

Directly attributable costs incurred for the development of computer software controlled by and for use within the business are capitalised and written off over their estimated useful lives, which are reviewed annually. No amortisation is charged on assets under construction.

Amounts paid to third parties for development of assets not controlled by the Group are expensed over the period where the Group receives the benefit of the use of these assets. Licence fees for using third-party software are expensed over the period the software is in use.

Intangible assets are amortised on a straight line basis over their useful lives, which range from 3 to 11 years.

	Intangible assets in use £m	Assets under construction £m	TOTAL £m
Cost			
At 30 December 2023	52.3	13.5	65.8
Exchange adjustments	(0.1)	-	(0.1)
Additions	9.9	10.7	20.6
Disposals	(1.2)	-	(1.2)
Reclassifications	9.0	(9.0)	-
At 28 December 2024	69.9	15.2	85.1
Exchange adjustments	0.1	-	0.1
Additions	11.0	1.7	12.7
Disposals	(7.3)	-	(7.3)
Reclassifications	11.5	(11.5)	-
At 27 December 2025	**85.2**	**5.4**	**90.6**
Accumulated depreciation			
At 30 December 2023	(34.7)	-	(34.7)
Charge for the period	(5.8)	-	(5.8)
Disposals	1.1	-	1.1
At 28 December 2024	(39.4)	-	(39.4)
Exchange adjustments	(0.1)	-	(0.1)
Charge for the period	(8.2)	-	(8.2)
Disposals	7.3	-	7.3
At 27 December 2025	**(40.4)**	**-**	**(40.4)**
Net book value at 27 December 2025	**44.8**	**5.4**	**50.2**
Net book value at 28 December 2024	30.5	15.2	45.7

Financial Statements

Notes to the consolidated financial statements continued

Operating assets and liabilities continued

10 Property, plant and equipment

Accounting policy

All property, plant and equipment is stated at cost (or deemed cost, as applicable) less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is provided to write off the difference between their cost and their residual value over their estimated lives on a straight-line basis. The current range of useful lives is as follows:

Freehold property	25 - 50 years
Leasehold property improvements and fittings	the period of the lease, or the individual asset's life, if shorter
Plant, machinery & vehicles	4 - 25 years
Fixtures & fittings	4 - 25 years

Capital work-in-progress and freehold land are not depreciated.

Residual values, remaining useful economic lives and depreciation periods and methods are reviewed regularly and adjusted if appropriate.

Property, plant and equipment is assessed for impairment at least annually, with individual depots considered to be cash-generating units for this purpose.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the income statement.

	Freehold property £m	Leasehold property improvements £m	Plant, machinery & vehicles £m	Fixtures & fittings £m	Assets under construction £m	TOTAL £m
Cost						
At 30 December 2023	77.0	121.8	231.1	307.2	61.4	798.5
Exchange adjustments	-	(0.1)	(0.4)	(1.5)	(0.1)	(2.1)
Additions	3.3	13.9	15.2	42.0	22.5	96.9
Disposals	-	(0.1)	(6.0)	(1.7)	-	(7.8)
Reclassifications	0.8	-	14.1	16.3	(31.2)	-
At 28 December 2024	81.1	135.5	254.0	362.3	52.6	885.5
Exchange adjustments	-	0.2	0.5	1.9	0.1	2.7
Additions	35.5	9.1	14.6	27.9	48.7	135.8
Disposals	-	(0.8)	(10.4)	(3.5)	-	(14.7)
Reclassifications	4.3	(5.2)	15.9	8.3	(23.3)	-
At 27 December 2025	120.9	138.8	274.6	396.9	78.1	1,009.3
Accumulated depreciation						
At 30 December 2023	(12.7)	(39.0)	(134.8)	(155.1)	-	(341.6)
Exchange adjustments	-	-	0.2	0.4	-	0.6
Charge for the period	(2.0)	(6.9)	(16.7)	(25.7)	-	(51.3)
Disposals	-	0.1	5.9	1.4	-	7.4
Reclassifications	-	-	0.5	(0.5)	-	-

	Freehold property £m	Leasehold property improvements £m	Plant, machinery & vehicles £m	Fixtures & fittings £m	Assets under construction £m	TOTAL £m
At 28 December 2024	(14.7)	(45.8)	(144.9)	(179.5)	-	(384.9)
Exchange adjustments	-	-	(0.3)	(0.7)	-	(1.0)
Charge for the period	(2.1)	(7.9)	(18.5)	(29.2)	-	(57.7)
Impairment charge	-	-	(0.5)	(2.2)	-	(2.7)
Disposals	-	0.7	10.0	2.4	-	13.1
Reclassifications	(2.6)	2.8	(0.2)	-	-	(0.0)
At 27 December 2025	(19.4)	(50.2)	(154.4)	(209.2)	-	(433.2)
Net book value at 27 December 2025	101.5	88.6	120.2	187.7	78.1	576.1
Net book value at 28 December 2024	66.4	89.7	109.1	182.8	52.6	500.6

Additions in 2025 includes £31m spent on acquiring the freehold of our manufacturing site at Runcorn. The purchase was achieved by buying 100% of the shares in ARE S1 (Logistics V1) Limited (the previous owner of the freehold, and now a wholly-owned subsidiary, see page 214). In line with IFRS 3: Business combinations, this transaction was treated as an asset purchase and not as a business combination because substantially all of the value in the acquired company lay in the fair value of the freehold. Additions to assets under construction in the period relate mainly to investment in our manufacturing sites.

11 Lease right-of-use assets and lease liabilities

Accounting policy

We assess whether a lease exists at the inception of the related contract. If a lease exists, we recognise a right-of-use asset and a corresponding lease liability with effect from the date the lease commences.

The lease liability

The lease liability is initially measured at the present value of the lease payments due. As the discount rate inherent in our leases is not readily determinable, we use an estimate of the Group's incremental borrowing rate to discount the payments and arrive at net present value.

The Group does not have a history of borrowing, and therefore it does not have a credit agency credit rating. Therefore, we derive the incremental borrowing rate by a process of:

- discussion with our bankers to estimate a reasonable proxy credit rating for the Group;
- using an independent third-party borrowing rate curve, giving indicative costs of borrowing for companies with a comparable credit rating over various durations, and
- selecting borrowing rates from the appropriate points on that curve to best match the duration of our lease portfolios. Our leases are on relatively simple terms. Lease payments included in the measurement of the lease liability comprise fixed lease payments, less any lease incentives. We do not have variable lease payments which depend on an index, residual value guarantees, purchase options or termination penalties.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

We remeasure the lease liability (and make a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- the lease payments have changed as a result of a change in an index, or, as is common with property leases, to reflect changes in market rental rates. In these cases, the lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

In any cases other than those described immediately above, where a lease contract is modified and the lease modification is not accounted for as a separate lease, the lease liability is remeasured by discounting the revised remaining lease payments using a revised discount rate.

The lease liability is presented as a separate item in the balance sheet and is split between current and non-current portions.

Financial Statements

Notes to the consolidated financial statements continued

Operating assets and liabilities continued

The lease right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability and any initial direct costs of obtaining the lease. It is subsequently measured at cost less accumulated depreciation and any impairment losses. Whenever we incur an obligation for costs to restore a leased asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

Right-of-use assets are depreciated over the lease term as this is always shorter than the useful life of the underlying asset. Depreciation starts at the commencement date of the lease. We do not have any leases that include purchase options or transfer ownership of the underlying asset.

The right-of-use assets are presented as a separate line item in the balance sheet.

Lease term

It is uncommon for any of our leases to have extension options, although in the case of property leases it is common for us to enter into a new lease of the same property when the current lease expires. It is also uncommon for us to exit any leases before the end of their specified maximum term. Therefore we assume on inception that our leases will run to the maximum term in the lease agreement.

Property leases treated as short-term leases when in the process of being renewed

From time to time when renewing a property lease, the new lease may not be formally signed before the end date of the previous lease. In these circumstances, although both we and the landlord will have agreed our willingness to renew the lease in principle, and we may also have protection under property law which grants us the right to renew the lease, our interpretation of IFRS 16 is that there is no enforceable right to renew the lease until the new lease is formally signed.

Therefore, we treat any lease payments made in this period between expiry and renewal as short-term lease payments under IFRS 16 and we expense them, taking advantage of the IFRS16 short-term lease exemption.

Amounts treated as variable lease payments - rent reviews

It is common for property leases to contain a clause whereby the rent is reviewed every five years and adjusted in line with prevailing market rates. The process of agreeing rent reviews can sometimes be a lengthy one, and some reviews are not agreed until after their effective date.

In these cases we will continue to pay rent at the old rate until the rent review is agreed and neither the lease asset nor the lease liability is remeasured. If the new rent is agreed at a higher rate than the old rent, there will be a one-off payment to the lessor, covering the increase in rent for the period between the date from which the rent review was effective and the date on which the rent review was agreed

This payment is treated as a variable lease payment and is not included in the remeasurement of the lease liability.

The lease asset and liability are remeasured from the rent review agreement date, based on the future agreed cashflows at the new agreed rent.

Nature of the Group's leasing activities

Around 90% of our leases by value are for depot, warehouse, and office properties. A typical depot lease would be for a period of 10 to 15 years, with warehouse and factory leases being for significantly longer and typical office lease periods being shorter. We also lease other smaller assets such as fork lift trucks, our transport fleet, vans and cars, with typical lease periods ranging up to around 5 years.

Amounts recognised in the balance sheet

Right-of-use assets	27 December 2025 £m	28 December 2024 £m
Property	600.2	589.3
Vehicles, plant & machinery	65.0	53.0
	665.2	642.3
Additions to right-of-use assets in the period	158.9	96.6

Lease liabilities	27 December 2025 £m	28 December 2024 £m
Current	(97.0)	(89.3)
Non-current	(607.9)	(591.7)
	(704.9)	(681.0)

During the current period, the Group derecognised a property lease asset of £28.2m, and the associated lease liability of £31.2m, on purchasing the company which owned the freehold of the leased property.

Amounts recognised in the income statement

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Included in net operating expenses		
Depreciation of right-of-use assets:		
- property	80.5	76.5
- vehicles, plant & machinery	21.4	20.6
Impairment and net gain/(loss) on lease termination	0.3	(0.1)
Total - recognised in net operating costs	102.2	97.0
Expense relating to short-term leases	4.0	3.4
Variable lease payments, not included in the measurement of lease liabilities	4.5	2.7
Included in finance costs		
Interest expense on lease liabilities	23.4	20.7

Cash flows and maturity analysis of lease liabilities

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Total cash outflow for leases	123.9	113.4

	27 December 2025 £m	28 December 2024 £m
Maturity analysis of lease liabilities		
Contractual undiscounted cashflows due		
- within 1 year	115.9	108.4
- 1 to 5 years	335.4	329.5
- more than 5 years	343.1	371.6
	794.4	809.5

Financial Statements

Notes to the consolidated financial statements continued

Operating assets and liabilities continued

Sublettings

From time to time the Group has leases on properties which it no longer requires. The Group will sublease any such properties wherever possible.

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Sublease income recognised in the period	**0.9**	0.7

12 Inventories

Estimation uncertainty - allowances against the carrying values of inventories

In order to achieve the accounting objective that inventories are stated at the lower of cost and net realisable value, the Group carries an allowance against products which it estimates may not sell at a price above cost, or where we may be holding levels of product in excess of estimated future demand. The Group bases these estimates on regular reviews of stock levels, as well as of product lifecycles, selling prices achieved in the market and historical sales profiles of products. These estimates are regularly reviewed against actual experience, and revised to reflect any differences, but the accuracy of the estimates at any point in time can be affected by the extent to which sales of current products may not follow historical patterns.

Both the gross inventory balance and the amount of the allowance against carrying value are material items and we would expect this to remain the case as the Group grows in size, and as consumer demand for regular introductions of new product continues.

We derive our allowance against carrying value based on specific kitchen ranges and stock items where a decision has been made to discontinue future sales or where our monitoring of current sales indicates that the rate of sales is in decline and the product may be coming to the end of its life cycle. The level of judgement and estimation involved requires assessing the obsolescence risk across a high volume of SKUs, which can have different risk profiles. As such, the allowance is specific in nature and does not lend itself to meaningful sensitivity analysis in the same way as a figure which is derived by a general formula. The potential range of reasonable outcomes could be material. In the analysis of the allowance below, we have separately identified the aggregate gross value of stock against which an allowance has been made.

Once a decision is made to discontinue future sales of a product, it will still be available for sale in depots for a standard period of time, after which any remaining units of that product will be removed from sale. Our stock allowance is calculated so that the carrying value of any unsold units is progressively written down to nil over the period during which they are available for sale. The rate at which the units are written down to nil is based on actual historical experience of realised selling prices for previous similar products, and recognises that higher selling prices are typically achievable at the beginning of the period than at the end of the period. Rates are reviewed regularly against historical experience and are adjusted if necessary.

Accounting policy

Inventories are stated at the lower of cost and net realisable value. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity, calculated using a standard cost which is regularly updated to reflect average actual costs. An allowance is made for obsolete, slow-moving, or defective items where appropriate.

	27 December 2025 £m	28 December 2024 £m
Raw materials	**25.0**	25.9
Work in progress	**10.9**	9.5
Finished goods and goods for resale	**422.6**	400.2
Allowance against carrying value of inventories	**(49.3)**	(44.9)
	409.2	390.7

The aggregate carrying amount of specific inventories against which allowances have been made is given below:

	2025		2024	
	Gross value of stock £m	Allowance against carrying value £m	Gross value of stock £m	Allowance against carrying value £m
Stock with no allowance against it	**367.8**	**-**	351.9	-
Stock with an allowance	**90.7**	**(49.3)**	83.7	(44.9)
	458.5	**(49.3)**	435.6	(44.9)

13 Trade and other receivables

Accounting policy

Trade receivables do not contain a significant financing component and are stated at their nominal value, reduced by an allowance for expected credit losses. This approximates to their fair value.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses. This uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses trade receivables have been grouped based on shared credit risk characteristics and the days past due.

To determine expected credit losses, the Group uses historical observed default rates for these different groups of receivables, adjusted for forward-looking estimates. The default rates and forward-looking estimates are revised at each reporting date.

	27 December 2025 £m	28 December 2024 £m
Trade receivables (net of allowance)	**218.6**	217.1
Prepayments	**49.6**	39.1
Other receivables	**10.6**	8.4
	278.8	264.6

An analysis of the Group's allowance for expected credit losses on debtors is as follows:

	27 December 2025 £m	28 December 2024 £m
Balance at start of period	**16.9**	18.0
(Decrease)/increase in allowance recognised in the income statement	**(0.6)**	(1.1)
Balance at end of period	**16.3**	16.9

Trade receivables - exposure to credit risk and allowance for expected credit losses

We have no significant concentration of credit risk, as our exposure is spread over a large number of customer accounts. We charge interest at appropriate market rates on balances which are in litigation.

Before accepting any new credit customer, we obtain a credit check from an external agency to assess the potential customer's credit quality, and then we set credit limits on a customer-by-customer basis. We review credit limits regularly, and adjust them if circumstances change. In the case of one-off customers, our policy is to require immediate payment at the point of sale, and not to offer credit terms.

The historical level of customer default is low as a percentage of sales, and we consider the credit quality of period end trade receivables to be high. We regularly review trade receivables which are past due but not impaired, and we make an allowance against them based on any expected credit losses. We base our assessment both on past experience and also on whether there are any other likely significant future factors which might affect recoverability and influence our assessment of expected credit losses. We maintain regular contact with customers with overdue debts and, where necessary, we take legal action to recover the receivable.

Financial Statements

Notes to the consolidated financial statements continued

Operating assets and liabilities continued

We wrote off £9.0m of debts in the period (2024: £9.8m). Included within our aggregate trade receivables balance are specific debtor balances with customers totalling £45.7m before allowance for expected credit losses (2024: £47.0m before allowance) which are past due as at the reporting date. We have assessed these balances for recoverability and we believe that their credit quality remains intact.

An ageing analysis of these past due trade receivables is as follows:

	27 December 2025 £m	28 December 2024 £m
1-30 days past due	**21.4**	21.7
31-60 days past due	**5.6**	5.9
61-90 days past due	**3.6**	4.0
90+ days past due	**15.1**	15.4
Total overdue amounts, excluding allowance for doubtful receivables	**45.7**	47.0

The Group does not renegotiate credit terms.

14 Trade and other payables

Accounting policy

Trade payables are not interest-bearing and are stated at their nominal value, which approximates to their fair value.

Current liabilities	27 December 2025 £m	28 December 2024 £m
Trade payables	**158.4**	178.6
Other tax and social security	**81.5**	77.4
Other payables	**34.3**	33.3
Accruals	**109.8**	97.5
	384.0	386.8

The average credit taken for trade purchases during the period, based on total operations, was 49 days (2024: 52 days).

The Group's policy on payment of creditors is to agree terms of payment prior to commencing trade with a supplier, and to abide by those terms on the timely submission of satisfactory invoices.

15 Provisions

Accounting policy

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount required to settle the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation, and are discounted to present value where the effect is material.

	Property £m	Warranty £m	Other £m	French post-employment benefits £m	Total £m
At 30 December 2023	3.8	8.2	0.2	0.3	12.5
Additional provision in the period	0.7	7.7	0.1	-	8.5
Provision released in the period	(1.1)	-	-	-	(1.1)
Utilisation of provision in the period	(0.6)	(6.6)	(0.2)	-	(7.4)
At 28 December 2024	2.8	9.3	0.1	0.3	12.5
Additional provision in the period	2.3	4.7	-	-	7.0
Provision released in the period	(0.5)	-	-	-	(0.5)
Utilisation of provision in the period	(1.1)	(5.8)	(0.1)	-	(7.0)
At 27 December 2025	**3.5**	**8.2**	**-**	**0.3**	**12.0**
Presented as current liabilities	2.4	5.8	-	-	8.2
Presented as non-current liabilities	1.1	2.4	-	0.3	3.8
At 27 December 2025	**3.5**	**8.2**	**-**	**0.3**	**12.0**

Property provision

The property provision covers obligations to make dilapidation payments to landlords of leased properties. Following the guidance in the IFRSs governing leases and provisions, our assessment is that, in general, the likelihood of a cash outflow for dilapidations at the time of signing a lease is remote, and therefore it would be unusual for us to recognise any costs relating to dilapidations at that time.

The event which changes our assessment of the likelihood of a cash outflow for dilapidations from being remote to being probable, and which therefore triggers our recognition of a provision for that probable outflow, typically occurs as we come towards the end of a lease and we can assess the condition of the leased property and the likelihood of dilapidations being payable.

The timing of any outflows from the provision is variable, and is dependent on the timing of dilapidations assessments and works. Although circumstances will differ from property to property, a typical pattern would be that the outflow would occur within 1-3 years of the provision being made. The amounts provided are specific to each property and are based on our best estimate of the cost of performing any required works or, in cases where we will not be directly contracting for the works to be done, our best estimate of the outflow required to settle any claim from the landlord. Where the amounts involved are significant, we would typically take advice on the likely costs from third-party property maintenance specialists.

For the purposes of allocating this provision between current liabilities and non-current liabilities we have used our best estimate of when we would reasonably expect outflows to occur.

Financial Statements

Notes to the consolidated financial statements continued

Operating assets and liabilities continued

Warranty provision

The warranty provision relates to the estimated costs of product warranties. As products are sold, the Group makes provision for claims under warranties, based on actual sales and on historical average warranty costs incurred. As claims are made, the Group utilises the provision and then uses the latest claims data to periodically revise the rate used to estimate future warranty costs.

For the purposes of allocating this provision between current liabilities and non-current liabilities we have used the historical data on timing and amount of claims to estimate the costs for the next 12 months and have classified this as a current liability.

Other

Other miscellaneous small amounts.

French post-employment benefits provision

This provision relates to a potential benefit, payable under French law to employees in our French subsidiary on retirement. It is a lump sum, not a recurring pension. There will only be an outflow from this provision if any eligible employees are employed at the time of their retirement.

The provision represents our best estimate of the potential liability and is calculated based on several factors, mainly the age profile and salary details of the current workforce in France, and the current rate of staff turnover. The calculation to estimate the required provision is revised periodically by third-party specialists and our provision is adjusted if necessary.

We have assumed that the whole of this provision is non-current.

Capital structure and risk

16 Share capital and reserves

Ordinary shares of 10p each:	27 December 2025 No.	52 weeks to 28 December 2024 No.	27 December 2025 £m	52 weeks to 28 December 2024 £m
Allotted, called up and fully paid				
Balance at the beginning of the period	**553,591,720**	553,591,720	**55.4**	55.4
Bought back and cancelled during the period	**(12,074,517)**	-	**(1.2)**	-
Balance at the end of the period	**541,517,203**	553,591,720	**54.2**	55.4

Share capital

The Company has one class of ordinary share that carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Shares bought back and cancelled

During the current period, the Company bought back and cancelled 12,074,517 shares at a total cost of £100.2m, completing the share buyback programme announced in February 2025. No shares were bought back in the prior period.

Movements in Treasury share

During the current period, 286,110 shares were transferred from Treasury to the Group's share trust (2024: 1,074,044 shares) for awarding to employees on the vesting of share-based long-term incentive plans. A further 1,078,530 shares (2024: nil) were transferred direct to employees under the Group's Share Incentive Plan.

At the current period end there were 2,479,691 ordinary shares held in treasury, each with a nominal value of 10p (2024: 3,844,331 shares of 10p each).

Description of the nature and purpose of the other reserves shown in the balance sheet

The share premium represents the amounts above the nominal value received for shares sold. The capital redemption reserve represents the nominal value of share capital bought back and cancelled. The ESOP reserve relates to share-based payments and is explained at the foot of the consolidated statement of changes in equity. The treasury share reserve represents the cost of shares bought from the market and held in treasury. The retained earnings reserve represents the Group's cumulative results.

17 Dividends

Amounts recognised as distributions to equity holders in the period:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Final dividend for the 53 weeks to 30 December 2023 - 16.2p/share	-	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	**89.6**	-
Interim dividend for the 52 weeks to 27 December 2025 - 5.0p/share	**27.0**	-
	116.6	115.9

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

	52 weeks to 27 December 2025 £m
Proposed final dividend for the 52 weeks to 27 December 2025 - (16.9p/share)	**90.9**

The Directors propose a final dividend in respect of the 52 weeks to 27 December 2025 of 16.9 per share, payable to ordinary shareholders who are on the register of shareholders on 10 April 2026, and payable on 22 May 2026.

The proposed final dividend for the current period is subject to the approval of the shareholders at the 2026 Annual General Meeting, and has not been included as a liability in these financial statements.

Dividends have been waived indefinitely on all shares held by the Group's employee share trusts which have not yet been awarded to employees.

18 Notes to the cash flow statement

(a) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, together with demand deposits and other short-term highly liquid deposits that are readily convertible to a known amount of cash, and are subject to an insignificant risk of changes in value. The carrying value of these assets approximates to their fair value.

(b) Notes to the cash flow statement

(i) Changes in liabilities arising from financing activities

The only liabilities which have changed due to financing activities are lease liabilities. The cash and non-cash changes in lease liabilities are analysed below.

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Opening balance	(681.0)	(684.5)
Cash movement: repayment of principal on lease liabilities	100.5	92.7
Cash movement: lease interest paid	23.4	20.7
Non cash movement	(147.8)	(109.9)
Closing balance	(704.9)	(681.0)

Financial Statements

Notes to the consolidated financial statements continued

Capital structure and risk continued

(ii) Payments to acquire property, plant and equipment and intangible assets

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Additions to PPE	135.8	96.9
Additions to intangible assets	12.7	20.6
Total additions	148.5	117.5
Cash outflow on purchase of PPE	143.9	101.2
Cash outflow on purchase of intangible assets	12.6	20.8
Total cash outflow	156.5	122.0

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

19 Borrowing facility

Accounting policy

Fees relating to borrowing facilities are recorded as prepayments and released over the life of the facility.

At 27 December 2025, the Group had a £150m committed multi-currency revolving credit facility, due to expire in September 2029. The Group did not use the facility in the year.

As at 28 December 2024, the full £150m of the facility was available in addition to the Group's cash as shown on the Balance Sheet.

If the Group were to use the facility, it would carry interest at a rate of SONIA plus a margin of between 100 and 175 basis points, with the margin being dependent on the ratio of total net debt to EBITDA.

The facility has two covenants, both of which are calculated on a 12 month rolling basis twice each year, at year end and then again at half year end. Under one covenant the ratio of net debt to EBITDA has to be less than 3:1, and under the other covenant the ratio of EBITDA to net finance charges has to be greater than 4:1.

20 Financial risk management

(a) Capital risk management

The Group manages its capital structure to maximise shareholder returns through its debt and equity balance, trading-off the benefits of financial leverage with the expected future costs of financial distress.

The capital structure of the Group consists of cash and short term investments, the committed borrowing facility discussed further in note 19 - if needed - and equity attributable to equity holders of the parent (including issued share capital and reserves as disclosed in the Consolidated Statement of Changes in Equity, and in note 16).

The Board of Directors reviews the capital structure regularly, including at the time of preparing annual budgets, preparing three-year corporate plans, and considering corporate transactions. As part of this review, the Board reviews the costs and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buybacks, taking on or issuing new debt or repaying any existing debt.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are included in the relevant notes to the financial statements. An index to the notes is located between the cash flow statement and note 1.

(c) Categories of financial instruments

	27 December 2025 £m	28 December 2024 £m
Financial assets (current and non-current)		
Trade receivables	**218.6**	217.1
Cash and cash equivalents	**344.5**	343.6
Financial liabilities (current and non-current)		
Trade payables	**158.4**	178.6
Other payables[1]	**21.0**	21.0

[1] These balances are included in the total Other payables balances shown in note 14

(d) Financial risk management

General

The Group is exposed in varying degrees to a variety of financial instrument related risks. The Board has approved and monitors the risk management processes, including documented treasury policies, counterparty limits, and controlling and reporting structures. The types of risk exposure, the way in which these exposures are managed, and the quantification of the level of exposure in the balance sheet is shown below (subcategorised into credit risk, liquidity risk and market risk). The Group is actively engaged in the management of all of these financial risks in order to minimise their potential adverse impact on the Group's financial performance.

The principles, practices and procedures governing the Group-wide financial risk management process have been approved by the Board and are overseen by the Executive Committee. In turn, the Executive Committee delegates authority to a central treasury function ('Group Treasury') for the practical implementation of the financial risk management process across the Group and for ensuring that the Group's entities adhere to specified financial risk management policies. Group Treasury regularly reassesses and reports on the financial risk environment, identifying and evaluating financial risks. The Group does not take positions on derivative contracts and only enters into contractual bank deposit or lending arrangements with counterparties that have appropriate credit ratings, as detailed in section (e) below.

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, together with demand deposits and other short-term highly liquid deposits that are readily convertible to a known amount of cash, and are subject to an insignificant risk of changes in value.

Arrangements are in place to ensure that cash is used most efficiently for the ongoing working capital needs of the Group's operating units and to ensure that the Group earns competitive rates of interest. The prime consideration in the investment of cash balances is the security of the asset, followed by liquidity and then yield.

Management of trade receivables is discussed in note 13.

Financial Statements

Notes to the consolidated financial statements continued

Capital structure and risk continued

(e) Credit risk

The Group's principal financial assets are cash, and trade and other receivables. We do not consider other receivables to carry any significant credit risk. Our main credit risk is the risk of trade customers defaulting their debts. We have a policy of only dealing with creditworthy counterparties in order to mitigate the risk of defaults.

We describe our policy on dealing with trade customers in note 13. Trade receivables are spread over a large number of customers, and we do not have a significant exposure to any single counterparty.

We limit our exposure to credit risk on liquid funds and investments through adherence to a policy of minimum short-term counterparty credit ratings assigned by international credit-rating agencies (Standard & Poor's A-1 and Moody's P-1). However, when accounts are opened in new territories there may be instances where there is no appropriate partner which meets the Group's credit rating conditions. In such circumstances, arrangements with a counterparty which does not meet the Group's credit rating criteria can be made only at the specific approval of the Board and is subject to a maximum cash holding limit.

In addition, the Group Treasury function monitors counterparty risk through credit agency ratings.

Our maximum exposure to credit risk is presented in the following table:

	27 December 2025 £m	28 December 2024 £m
Trade receivables (net of allowance)	**218.6**	217.1
Cash	**344.5**	343.6
Total credit risk exposure	**563.1**	560.7

(f) Liquidity risk

Liquidity risk is the risk that the we could experience difficulties in meeting our commitments to creditors as financial liabilities fall due for payment. The Group manages its liquidity risk by using reasonable and retrospectively-assessed assumptions to forecast the future cash-generative capabilities and working capital requirements of the businesses it operates and by maintaining sufficient cash and investment reserves, committed borrowing facilities and other credit lines as appropriate. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has agreed an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities as far as is possible. Included in note 19 is a description of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk. In addition, the Strategic Review contains a section describing the interaction of liquidity risk and the going concern review.

Maturity profile of outstanding financial liabilities

Our only outstanding financial liabilities are our trade payables and an element of our other payables as shown in part (c) above. These are capital liabilities, with no associated interest, and are payable within one year.

(g) Market risk

This is the risk that financial instrument fair values will fluctuate owing to changes in market prices. The significant market risks to which we are exposed are foreign exchange risk, and interest rate risk. These are discussed further below:

Foreign exchange risk

We are exposed to foreign exchange risk, principally as a result of costs incurred in foreign currencies, and to a lesser extent, from non-sterling revenues. Our policy is generally not to hedge such exposures. The exposure of the our financial and other assets and liabilities to currency risk is as follows:

	27 December 2025 £m	28 December 2024 £m
Euro		
Trade receivables	**10.1**	10.2
Other receivables	**4.0**	3.8
Cash and cash equivalents	**20.4**	17.8
Trade payables	**(37.5)**	(34.5)
Other payables	**(9.5)**	(8.5)
	(12.5)	(11.2)
US Dollar		
Other receivables	**-**	0.5
Cash and cash equivalents	**3.5**	0.4
Trade payables	**(0.9)**	(0.3)
	2.6	0.6
TOTAL	**(9.9)**	(10.6)

Interest rate risk

The Group does not have any significant exposure to interest rate risk.

(h) Financial instrument sensitivities

Financial instruments affected by market risk include deposits, trade receivables and trade payables. The following analysis, required by IFRS 7, is intended to illustrate the sensitivity of the Group's financial instruments as at its year end to changes in market variables, being exchange rates and interest rates. The sensitivity analysis has been prepared on the basis that the components of net cash and the proportion of financial instruments in foreign currencies are all constant. For floating rate instruments, the analysis is prepared assuming that the amount outstanding at the year end date was outstanding for the whole year. As a consequence, this sensitivity analysis relates to the position as at the balance sheet date. The following assumptions were made in calculating the sensitivity analysis:

- Deposits are carried at amortised cost and therefore carrying value does not change as interest rates move.
- No sensitivity is provided for accrued interest as accruals are based on pre-agreed interest rates and therefore are not susceptible to further rate movements.
- Finance lease interest payments are fixed at the inception of the contract and are not subject to repricing. They have therefore been excluded from this analysis.
- Translation of foreign subsidiaries and operations into the Group's presentation currency have been excluded from the sensitivity.

Using the above assumptions, the following analyses show the illustrative effect on the income statement and equity that would result from reasonably possible changes in the relevant foreign currency or interest rates:

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Notes to the consolidated financial statements continued

Capital structure and risk continued

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate non-derivative instruments at the balance sheet date. The Group holds no derivative financial instruments. Fixed rate instruments are not susceptible to changes in interest rates, and are omitted from the analysis below. For floating rate instruments, the analysis is prepared assuming the amount outstanding at the balance sheet date was outstanding for the whole year. A 50 basis points increase is used as this represents management's assessment of the possible change in interest rates.

At the reporting date, if interest rates had been 50 basis points higher and all other variables were held constant, the Group's net profit and profit and loss reserve would increase by £1.6m (2024: increase by £1.6m).

For a decrease of 50 basis points, the current year figures would decrease by £1.6m (2024: decrease by £1.6m).

Exchange rate sensitivity

As noted above, the Group is mainly exposed to movements in Euro and US dollar exchange rates. The following information details our sensitivity to a 10% weakening or strengthening in Sterling against the Euro and the US Dollar. These percentages are the rates used by management when assessing sensitivities internally and represent management's assessment of the possible change in foreign currency rates. The sensitivity analysis of our exposure to foreign currency risk at the reporting date has been determined based on the change taking place at the end of the financial period, and based on the outstanding foreign currency balances at the period end.

	27 December 2025 £m	28 December 2024 £m
10% weakening of Sterling to Euro	**(1.4)**	(1.2)
10% strengthening of Sterling to Euro	**1.1**	1.0
10% weakening of Sterling to US dollar	**0.3**	0.1
10% strengthening of Sterling to US dollar	**(0.2)**	(0.1)

Employees

21 Staff costs and number of employees

The aggregate payroll costs of employees, including executive directors, were:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Wages and salaries	**(628.7)**	(591.1)
Social security costs	**(64.3)**	(51.5)
Pension operating costs (note 22)	**(46.1)**	(45.4)
	(739.1)	(688.0)

Wages and salaries includes a charge in respect of share-based payments of £10.3m (2024: £9.6m).

The average monthly number of persons (including executive directors) employed by the Group during the period was as follows:

	52 weeks to 27 December 2025 No.	52 weeks to 28 December 2024 No.
UK depots, support and administration	**9,224**	9,382
Manufacturing, sourcing and logistics	**2,582**	2,481
International	**759**	744
	12,565	12,607

22 Retirement benefit obligations

! Significant judgement and source of estimation uncertainty

There is significant judgement involved in selecting appropriate measurement bases for the actuarial assumptions used to measure the pension liability.

There is also estimation uncertainty relating to the assumptions, as reasonable alternative assumptions could have led to measurement at a materially different amount.

The key assumptions within this calculation are discount rate, inflation rates and mortality rates. These are set out below, together with sensitivity analysis that shows the effect that these estimates can have on the carrying value of the pension deficit.

Accounting policies

Defined contribution pensions

Payments to defined contribution pension schemes are charged to the income statement as they fall due.

Defined benefit pensions

The calculation of the Group's net asset or obligation is performed by a qualified actuary using the projected unit method. When the calculation results in a potential asset, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. The Group considers that there are no restrictions caused by IFRIC 14 on recognising any pension surplus as the trustee does not have the unilateral power to either enhance member benefits or to wind up the scheme and distribute any surplus to members and therefore any surplus remaining once the final scheme benefits are paid to members would be returned to the Group under scheme rules.

Scheme liabilities are calculated by estimating the amount of future benefit that employees have earned in return for their service. That benefit is then discounted to determine its present value. The discount rate used is selected to closely approximate the yield at the balance sheet date on AA-rated bonds that have maturity dates approximating to the terms of the Group's obligations. This discount rate is also used to calculate the net pension scheme finance charge or credit.

Scheme assets are carried at fair value. More details are given in this note as part of the analysis of plan assets.

The Group determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset). Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

(a) Overview of all retirement benefit arrangements

Defined contribution plans

The Group operates an auto-enrolment defined contribution plan for employees. Under the terms of this scheme, employees make pension contributions out of their salaries, and the Group also makes additional contributions.

The total cost charged to income in respect of defined contribution pensions in the current period was £44.7m (2024: £43.5m) This represents the Group's contributions due and payable in respect of the period, as was also the case in the previous period.

Defined benefit plan

Characteristics and risks of the plan:

The Group operates a funded pension plan which provides benefits based on the career average pensionable pay of participating employees. This plan was closed to new entrants from November 2012, and closed to future accrual on 31 March 2021.

The assets of the plan are held separately from those of the Group, being held in a trustee-administered pension plan and invested with independent fund managers. The trustee directors of the plan comprise three member-elected trustees, one independent trustee, and four Group-appointed trustees. All trustees are required to act in the best interests of the plan beneficiaries.

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Notes to the consolidated financial statements continued

Employees continued

The plan exposes the Group to actuarial risks, such as longevity risk, interest rate risk, inflation risk and market (investment) risk.

Longevity risk is the risk that members live for longer than is currently expected. That results in pensions being paid for longer than expected, thus costing schemes more money.

Examples of interest rate risk are that a decrease in corporate bond yields increases the present value of the defined benefit obligations, or that a decrease in gilt yields results in a worsening in the Scheme's funding position.

An example of inflation risk is that an increase in inflation results in higher benefit increases for members which in turn increases the Scheme's liabilities.

Investment risk comes from three main sources: risk that the fund will fall in value, risk that the pension fund's returns will not keep pace with inflation (i.e. that real returns are negative), and risk that the pension fund does not perform well enough to keep pace with the growth in the cost of providing pension benefits.

The plan invests in a range of investments to mitigate some of these risks.

Accounting and actuarial valuation

The present value of the defined benefit obligation is determined by a qualified actuary using the projected unit method. The most recent completed actuarial valuation was carried out at 31 March 2023 by the plan actuary. The actuary advising the Group has subsequently rolled forward the results of the 31 March 2023 valuation to 27 December 2025. This roll-forward exercise involves updating all the assumptions which are market-based (i.e. inflation, discount rate, rate of increase in pensions and rate of CARE revaluation) to values as at 27 December 2025. We are using CMI 2024 mortality tables, being the most recent tables available. The weighted average duration of the plan as at 27 December 2025 is 13 years (2024: 13 years).

Funding and estimated contributions

The Group's contributions in the current and prior periods are shown in the tables below. The Group bears the plan's administration costs. The Group also has an agreement with the pension plan trustees to make additional deficit contributions to the plan of £1m per month until 31 May 2026 if the plan is underfunded on the Technical Provisions ('TP') basis. Under the agreement, the scheme's funding position is monitored on a monthly basis and deficit contributions switch on if the funding falls below 98% as at the last working day of two consecutive months on a TP basis, and switch off if the funding level is above 102% on the last working day of two consecutive months.

The main difference between the TP basis and the IAS 19 accounting basis used in these accounts is that the IAS 19 valuation requires 'best estimate' assumptions to be used whereas the TP basis uses 'prudent' assumptions. The TP basis funding percentage at the current period end is estimated at 101%, this estimate being based on an approximate roll-forward of the 2023 triennial funding valuation, updated for market conditions.

No additional benefit contributions were paid in 2025, and the Group's estimated total cash contributions to the defined benefit plan in the 52 weeks ending 26 December 2026 are also nil. As noted above, additional deficit contributions may cease and recommence during the year, depending on the scheme's funding position.

Virgin Media case

In June 2023, the UK Court of Appeal upheld the High Court's ruling in the Virgin Media v NTL Pension Trustees II court case relating to amendments to benefits for contracted-out defined benefit schemes. The ruling confirmed the need for an actuarial certificate where such schemes made changes to benefits between 6 April 1997 and 5 April 2016, and that any amendments were void without an actuarial certificate.

On 2 September 2025, the Government published draft amendments to the Pensions Scheme Bill which would give affected pension schemes the ability to retrospectively obtain actuarial certificates if required. The draft legislation will need to be agreed by both Houses of Parliament before it passes into law. Following the publication of draft legislation, the directors do not expect the Virgin Media ruling to give rise to any additional liabilities and so the defined benefit obligation has not been adjusted and continues to reflect the benefits currently being administered.

(b) Total amounts charged in respect of pensions in the period

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Charged to the income statement:		
Defined benefit plan - administration cost	**1.4**	1.9
Defined benefit plan - total service cost	**1.4**	1.9
Defined benefit plan - net finance charge	**0.1**	0.3
Defined contribution plans - total operating charge	**44.7**	43.5
Total net amount charged to profit before tax	**46.2**	45.7
Charged to equity:		
Defined benefit plan - actuarial losses/(gains)	**4.2**	(12.7)
Total charge	**50.4**	33.0

(c) Other information - defined benefit pension plan

Key assumptions used in the valuation of the plan

	52 weeks to 27 December 2025	52 weeks to 28 December 2024
Discount rate	**5.60%**	5.50%
Inflation assumption - RPI	**2.90%**	3.15%
Inflation assumption - CPI	**2.50%**	2.75%
Rate of CARE revaluation capped at lower of RPI and 3%	**2.20%**	2.30%
Rate of increase of pensions in deferment capped at lower of CPI and 5%	**2.50%**	2.75%
Rate of increase of pensions in payment:		
- pensions with increases capped at the lower of CPI and 3%	**2.00%**	2.15%
- pensions with increases capped at lower of CPI and 5%	**2.45%**	2.70%
- pensions with increases capped at lower of CPI and 5%, with a 3% minimum	**3.45%**	3.55%
- pensions with increases capped at the lower of LPI and 2.5%	**1.95%**	2.00%
Life expectancy (yrs): pensioner aged 65		
- male	**85.9**	85.7
- female	**88.0**	88.0
Life expectancy (yrs): non-pensioner aged 45		
- male	**86.8**	86.7
- female	**89.6**	89.6

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Notes to the consolidated financial statements continued

Employees continued

Sensitivities

	Present value of scheme liabilities at 27 December 2025 £m	Projected 2026 pension cost		
		Total service cost £m	Net interest (credit)/cost £m	Net pension (credit)/expense £m
Assumption				
Current valuation, using the assumptions above	797	2.4	0.4	2.8
0.5% decrease in discount rate	849	2.4	3.0	5.4
0.5% increase in inflation	822	2.4	1.8	4.2
1 year increase in longevity	821	2.4	1.7	4.1

The sensitivities above are applied to the defined benefit obligation at the end of the reporting period, and the projected total service cost for 2026. Whilst the analysis does not take account of the full distribution of cash flows expected under the scheme, it does provide a reasonable approximation. The same amount of movement in the opposite direction would produce a broadly equal and opposite effect.

We note that the effect on the discount rate and inflation sensitivities of flexing them down by 0.25% or up by 1% in a linear manner would give materially correct results. The net impact of changes in conditions would likely be offset in part by movements in the plan assets.

Analysis of plan assets

	27 December 2025		28 December 2024	
	Quoted market price in an active market £m	No quoted market price in an active market £m	Quoted market price in an active market £m	No quoted market price in an active market £m
LDI*				
- fixed income (net of derivatives)	**305.2**		277.8	
- investment fund	**6.5**	-	-	-
- cash**	-	**1.1**	-	8.3
Alternative growth assets				
- insurance-linked securities	-	**83.3**	-	78.9
Commercial property funds	-	**159.1**	-	210.2
Other secure income	**69.4**	**82.7**	113.9	107.0
Asset-backed securities	**64.9**	-	0.5	-
Cash and cash equivalents**	-	**17.4**	-	9.3
Total	**446.0**	**343.6**	392.2	413.7

The plan assets do not include any of the Group's own financial instruments nor any property occupied by, or other assets used by, the Group.

* LDI - Liability Driven Investments - is a portfolio of investments chosen with the aim that its value is expected to move in line with movements in the value of the underlying liabilities. The LDI portfolio can include a variety of investments, the simplest being conventional and index-linked gilts with appropriate maturities. LDI portfolios often use a degree of leverage to achieve the same aim but to allow more return-seeking assets to be invested in at the same time. Derivatives and repurchase agreements are the main tools used to employ leverage.

** During the current year the Group concluded that it was more appropriate to show cash as an asset which has no quoted price in an active market and has re-presented cash on that basis in the prior year disclosure above.

Valuation of plan assets

Cash is stated at its nominal value and makes up 2.3% of total assets. All of the quoted assets have a daily price, and therefore are valued using market prices within one trading day of our Saturday year end date. Quoted assets make up 56.6% of total assets at the current year end.

Unquoted investments are stated at values provided by the fund manager in accordance with relevant guidance. 7.6% of the total funds are unquoted and are valued at a date within 5 trading days of our year end date. Of the remaining unquoted funds, some are valued on a monthly basis and others are valued on a quarterly basis. Based on asset values at the current year end, 11.6% of total assets are valued at 28 or 30 November 2025, all of them being adjusted for cash movements and rolled forwards using a suitably-correlated index if one is available. The valuations for the remaining unquoted assets, which account for 21.9% of total assets, are not available until after these consolidated financial statements are approved and so the only available valuations for these funds at the current year is the 30 September 2025 valuations from the fund managers, which are adjusted for cash movements and rolled forward to our year end date using a suitably-correlated index where one is available.

Asset-liability matching strategies

The plan's strategy, as set out in the plan's most recent (September 2024) Statement of Investment Principles, is set out below:

The Plan's asset allocation strategy was determined with regard to the characteristics of the Plan, in particular the funding level, the liability profile, the security offered by Howden Joinery Group plc to the Plan and the ability of Howden Joinery Group plc to meet the required contributions. The objective is to reduce risk as the funding level improves, using an approach based upon the expected returns (and risk) relative to the Plan's liabilities. This involves considering the Plan's assets as either 'return seeking' or 'risk-reducing'.

'Return-seeking' assets target a higher expected return than that of risk reducing/matching assets and typically have a higher associated volatility, relative to liabilities. These assets would typically involve equities and could possibly include alternative asset classes such as different types of absolute return and hedge funds, infrastructure, property and illiquid credit approaches. Assets used to predominantly manage liquidity and cashflows within the Secure Income portfolio are also deemed 'Return-seeking'.

'Risk-reducing' (or matching) assets have characteristics that are broadly similar in nature to the liabilities. These assets are predominantly government or corporate bonds and could also include other financial instruments such as interest rate and inflation swaps, credit default swaps and cash.

The Risk-reducing assets currently target interest rate and inflation hedge ratios of c90% (as a proportion of funded liabilities), measured on the Plan's long term liability basis. This section of the portfolio also provides exposure to credit markets via credit default swaps.

Balance sheet

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

	27 December 2025 £m	28 December 2024 £m
Present value of defined benefit obligations	**(797.4)**	(808.0)
Fair value of scheme assets	**789.6**	805.9
Deficit in the scheme, recognised in the balance sheet	**(7.8)**	(2.1)

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Notes to the consolidated financial statements continued

Employees continued

Movements in the present value of defined benefit obligations were as follows:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Present value at start of period	808.0	913.6
Administration cost	1.4	1.9
Interest on obligation	43.2	40.6
Actuarial losses/(gains):		
- changes in financial assumptions	(17.0)	(102.7)
- changes in demographic assumptions	1.7	(1.6)
- experience	3.8	0.3
Benefits paid, including expenses	(43.7)	(44.1)
Present value at end of period	797.4	808.0

Movements in the fair value of the plan's assets is as follows:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Fair value at start of period	805.9	901.0
Interest income on plan assets	43.1	40.3
Employer contributions	-	-
Loss on assets excluding amounts included in net interest	(15.7)	(91.3)
Benefits paid, including expenses	(43.7)	(44.1)
Fair value at end of period	789.6	805.9

Movements in the deficit during the period are as follows:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Deficit at start of period	(2.1)	(12.6)
Administration cost	(1.4)	(1.9)
Employer contributions	-	-
Other finance charge	(0.1)	(0.3)
Total remeasurements recognised in other comprehensive income	(4.2)	12.7
Deficit at end of period	(7.8)	(2.1)

Income statement

Amounts recognised in the income statement arising from the Group's obligations in respect of the defined benefit plan are shown below.

Amount charged to operating profit:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Current service cost	-	-
Administration cost	1.4	1.9
Total pensions cost	1.4	1.9

The total pensions cost is included in Staff Costs (note 21).

Amount credited to other finance charges:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Interest income on plan assets	(43.1)	(40.3)
Interest cost on defined benefit obligation	43.2	40.6
Net charge	0.1	0.3

The actual return on plan assets was a gain of £27.4m (52 weeks to 28 December 2024: loss of £51.0m).

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:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Actuarial gain due to financial assumptions	17.0	102.7
Actuarial (loss)/gain due to demographic assumptions	(1.7)	1.6
Actuarial loss due to experience	(3.8)	(0.3)
Return on scheme assets less interest	(15.7)	(91.3)
Net actuarial (loss)/gain before associated deferred tax	(4.2)	12.7

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Notes to the consolidated financial statements continued

Employees continued

23 Share-based payments

Accounting policy

The Group issues equity-settled share-based payments. They are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

1) Details of each scheme

The Group recognised a charge of £10.3m (2024: charge of £9.6m) in respect of share-based payments during the period. The Group has various share-based payment schemes, which are all equity-settled. The main details of all schemes which existed during the period are given below.

Share Incentive Plan ('SIP')

This is an 'all-employee' share plan. Shares shown below as 'SIP (i)' represent free shares. Shares shown as 'SIP (ii)' are matching shares which are awarded to employees who choose to take part in the Group's buy as you earn arrangement, which allows employees to purchase Group shares from pre-tax salary. Both of these share awards have no performance conditions other than continued employment, and both have a three-year vesting period.

Howden Joinery Group Long-Term Incentive Plan ('LTIP')

This is a discretionary employee share plan under which the Company may grant different types of award including options, conditional awards, and restricted share awards. Dividends are payable on (iv) awards and dividend equivalents may be payable on (i) and (iii) awards. The different types of awards are as follows:

(i) **Conditional Share Awards**, which have a vesting period of three years, and no performance conditions other than continued employment.

(ii) **Market value options**, Market value options, which have a vesting period of three years, and performance conditions based on growth in Group profits over the three financial years starting with the year during which they are awarded. The vesting conditions provide for a minimum level of performance, below which no shares will be awarded, as well as a maximum level of performance which must be achieved in order for the awards to vest fully.

(iii) **Performance Share Plan awards**, which have a vesting period of three years, and performance conditions based on the three financial years starting with the year during which they are awarded.

The vesting conditions for some of the awards depend solely on growth in Group profit, in the same way as described for the market value options above.

For some other awards, the vesting conditions depend partly on growth in profit and partly on growth in total shareholder returns relative to comparator companies ('TSR').

For some other awards, the vesting conditions depend on a mixture of growth in profit, TSR, return on capital employed, and environmental measures based on carbon emissions reduction targets.

Vesting under the various measures above is determined on a straight-line basis between threshold and maximum payout. Performance below threshold will result in no awards being granted.

(iv) **Restricted Share Awards**, where the participant receives beneficial entitlement to shares upon grant of the award. The legal interest, however, is not transferred to the participant until the forfeiture provisions and restrictions applicable to the awards cease to apply. The shares are not subject to any performance conditions other than continued employment. Dividends are payable during the vesting period.

2) Movements in the period

52 weeks to 27 December 2025	SIP (i) Number	LTIP (i) Number	LTIP (iii) Number	LTIP (iv) Number
In issue at start of period	1,691,826	790,077	2,642,893	7,208
Granted in period	334,602	33,141	942,686	-
Lapsed in period	(63,454)	(150,638)	(424,067)	-
Exercised in period	(262,431)	(414,545)	(690,261)	(7,208)
In issue at end of period	1,700,543	258,035	2,471,251	-
Exercisable at end of period	804,840	-	-	-
Number of options in the closing balance granted before 7 November 2002	8,517	-	-	-
Weighted average share price for options exercised during the period (£)	8.16	8.45	6.71	7.89
Weighted average life remaining for options outstanding at the period end (yrs)	1.70	0.79	1.46	N/A
Weighted average fair value of options granted during the period (£)	8.37	8.59	8.12	N/A
Exercise price for all options (£)	N/A	N/A	N/A	N/A

	SIP (ii) Number
In issue at beginning of period	121,972
Granted in period	56,742
Lapsed in period	(24,140)
Exercised in period	(5,204)
In issue at end of period	149,370
Exercisable at end of period	39,914
Number of options in the closing balance granted before 7 November 2002	-
Weighted average share price for options exercised during the period (£)	8.24
Weighted average life remaining for options outstanding at the period end (years)	1.72
Weighted average fair value of options granted during the period (£)	8.19
Exercise price for all options (£)	N/A

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Employees continued

52 weeks to 28 December 2024	SIP (i) Number	LTIP (i) Number	LTIP (iii) Number	LTIP (iv) Number
In issue at start of period	1,924,596	461,777	2,793,278	12,854
Granted in period	304,980	509,374	778,873	-
Lapsed in period	(81,476)	(16,668)	(70,594)	-
Exercised in period	(456,274)	(164,406)	(858,664)	(5,646)
In issue at end of period	1,691,826	790,077	2,642,893	7,208
Exercisable at end of period	805,491	-	-	-
Number of options in the closing balance granted before 7 November 2002	9,853	-	-	-
Weighted average share price for options exercised during the period (£)	8.80	8.42	8.70	8.24
Weighted average life remaining for options outstanding at the period end (years)	1.59	1.02	1.30	0.01
Weighted average fair value of options granted during the period (£)	9.51	7.94	8.47	N/A
Exercise price for all options (£)	N/A	N/A	N/A	N/A

	LTIP (ii)		SIP (ii)
	Number	WAEP (£)	Number
In issue at beginning of period	100,899	3.79	106,741
Granted in period	-	N/A	48,617
Lapsed in period	-	N/A	(30,438)
Exercised in period	(100,899)	3.79	(2,948)
In issue at end of period	-	N/A	121,972
Exercisable at end of period	-	N/A	9,269
Number of options in the closing balance granted before 7 November 2002	N/A	N/A	-
Weighted average share price for options exercised during the period (£)	8.65	0.00	8.82
Weighted average life remaining for options outstanding at the period end (years)	-	N/A	1.57
Weighted average fair value of options granted during the period (£)	N/A	N/A	8.81
Exercise price for all options (£)	N/A	-	N/A

3) Fair value of options granted

The fair value of most of the share awards is considered to be the market value of the potential shares awarded, at market close on the day before the grant of the award.

The fair value of the Performance Share Plan ('LTIP' (iii) above) awards granted is estimated on the date of grant using a Monte Carlo option valuation model.

The key assumptions used in this model were:

	52 weeks to 27 December 2025	52 weeks to 28 December 2024
Dividend yield (%)	**N/A**	2.2 - 5.9
Expected life of options (years)	**2.4 - 2.6**	0 - 3
Expected share price volatility (%)	**24.8 - 27.6**	24.6 - 29.5

Other supporting notes

24 Financial commitments

Capital commitments

	27 December 2025 £m	28 December 2024 £m
Contracted for, but not provided for in the financial statements:		
- Tangible assets	**32.3**	16.2
- Intangible assets - software	**-**	0.6
	32.3	16.8

25 Related party transactions

Companies which are related parties

Transactions between Group companies, which are related parties, have been eliminated on consolidation and are not disclosed in this note. All transactions between the Group and the Group's pension schemes have been disclosed in note 22.

Remuneration of key management personnel

Key management personnel comprise the Board of Directors (including non-executive directors) and the Executive Committee. Details of the aggregate remuneration to these personnel is set out below. The figure disclosed for share-based payments represents the gain realised on the exercise of share awards in the year, albeit that those options will have been granted in previous periods. All figures include any related employer's National Insurance.

	27 December 2025 £m	28 December 2024 £m
Short-term employment benefits	**10.5**	6.9
Share-based payments	**3.7**	5.6
	14.2	12.5

Other transactions with key management personnel

There were no other transactions with key management personnel.

Other transactions with persons closely related to key management personnel

The Group purchased services on an arms-length, commercial basis from a company run by a close family member of one of the key management personnel. Total spend in the current period was less than £0.1m (2024: spend of £0.1m). At the current and prior period end, there were no balances owing.

Financial Statements

Notes to the consolidated financial statements continued

Other supporting notes continued

26 Alternative performance measures

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

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[1] in £m (unless stated) £m	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m	Change %	Number of depots 2025[3] No.
UK - same depot basis[1]	**2,297.6**	2,239.7	2.6%	839
- depots opened in previous two years	**35.6**	7.7		52
UK total	**2,333.2**	2,247.4	3.8%	891
International	**84.8**	74.7	13.5%	79
Group revenue	**2,418.0**	2,322.1	4.1%	970

Local currency revenue[1] in €m (unless stated)	52 weeks to 27 December 2025 €m	52 weeks to 28 December 2024 €m	Change %	Number of depots 2025[3] No.
international - same depot basis[2]	**94.2**	86.2	9.3%	72
- depots opened in previous two years	**4.8**	1.9		7
	99.0	88.1	12.4%	79

1 The information presented relates to the 52 weeks to the 27 December 2025 and the 52 weeks to the 28 December 2024 unless otherwise stated.

2 Same depot basis excludes depots opened in 2024 and 2025 and closed depots.

3 There was 1 depot closed in the UK in 2025. In International, 3 depots were opened in the Republic of Ireland and 2 depots were closed in France during 2025.

Company balance sheet

	Notes	27 December 2025 £m	28 December 2024 (restated - note 8) £m
Non-current assets			
Investments in subsidiaries	3	**813.5**	803.2
Property, plant and equipment	4	**34.6**	36.3
Lease right-of-use assets	5	**169.3**	171.2
Amounts owed by wholly-owned subsidiary companies	6	**137.5**	86.6
Deferred tax assets		**0.8**	0.8
Long-term prepayments and other debtors		**0.7**	0.9
		1,156.4	1,099.0
Current assets			
Other debtors		**0.3**	0.3
Total assets		**1,156.7**	1,099.3
Current liabilities			
Lease liabilities	5	**(9.1)**	(6.9)
Trade and other payables		**-**	-
		(9.1)	(6.9)
Non-current liabilities			
Lease liabilities	5	**(186.8)**	(190.5)
Deferred tax liabilities		**(0.7)**	(0.1)
		(187.5)	(190.6)
Total liabilities		**(196.6)**	(197.5)
Net assets		**960.1**	901.8
Equity			
Share capital	7	**54.2**	55.4
Capital redemption reserve		**11.0**	9.8
Share premium		**87.5**	87.5
ESOP and share-based payments		**25.0**	21.3
Treasury shares		**(12.2)**	(18.8)
Retained earnings		**794.6**	746.6
Total equity		**960.1**	901.8

The Company profit after tax for the 52 weeks to 27 December 2025 was £264.8m (52 weeks to 28 December 2024: restated profit after tax of £131.0m).

The financial statements were approved by the Board and authorised for issue on 25 February 2026 and were signed on its behalf by

Jackie Callaway
Chief Financial Officer

For and on behalf of Howden Joinery Group Plc, registered number 02128710

Financial Statements

Company statement of changes in equity

	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 - as previously reported	55.4	9.8	87.5	-	(24.0)	653.8	782.5
Effect of restatement - note 8	-	-	-	16.6	-	77.7	94.3
Restated balances at 30 December 2023	55.4	9.8	87.5	16.6	(24.0)	731.5	876.8
Retained profit for the period (restated)	-	-	-	-	-	131.0	131.0
Movement in ESOP (restated)	-	-	-	9.9	-	-	9.9
Transfer of shares from treasury into share trust (restated)	-	-	-	(5.2)	5.2	-	-
Dividends declared and paid	-	-	-	-	-	(115.9)	(115.9)
At 28 December 2024 (restated)	55.4	9.8	87.5	21.3	(18.8)	746.6	901.8
Retained profit for the period	-	-	-	-	-	**264.8**	**264.8**
Movement in ESOP	-	-	-	**10.3**	-	-	**10.3**
Transfer of shares from treasury into share trust	-	-	-	**(1.4)**	**1.4**	-	-
Transfer of shares from Treasury to settle share awards	-	-	-	**(5.2)**	**5.2**	-	-
Buyback and cancellation of shares	**(1.2)**	**1.2**	-	-	-	**(100.2)**	**(100.2)**
Dividends declared and paid	-	-	-	-	-	**(116.6)**	**(116.6)**
At 27 December 2025	**54.2**	**11.0**	**87.5**	**25.0**	**(12.2)**	**794.6**	**960.1**

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

We present a description of the nature and purpose of each reserve at note 7, including additional details of shares bought back and cancelled and of movements in Treasury shares.

Notes to the Company financial statements

1 Significant Company Accounting policies

General information

Howden Joinery Group Plc is a company incorporated in the United Kingdom under the Companies Act 2006. The Company's principal activity is being the parent company of the Howden Joinery Group. More information about the Group structure is given at page 214.

Basis of presentation

The Company's accounting period covers the 52 weeks to 27 December 2025. The comparative period covered the 52 weeks to 28 December 2024.

Basis of accounting

These financial statements have been prepared on the going concern basis and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the UK Companies Act.

The accounts are prepared under the historical cost convention. Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own income statement or statement of comprehensive income.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Statement of Cash Flows and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of Key Management Personnel.

As the Group Financial Statements include the equivalent disclosures, the Company has also taken advantage of the exemptions under FRS 101 available in respect of IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments.

Investments in subsidiaries

These investments are shown at cost less any provision for impairment.

Share-based payments

The Company issues equity-settled share-based payments to certain employees of its subsidiaries, which are measured at fair value at the date of grant using option pricing models. The fair value is expensed on a straight line basis over the vesting period based on the Company's estimate of the number of shares expected to vest.

The issue of share incentives by the Company to employees of its subsidiaries represents additional capital contributions. An addition to the Company's investment in subsidiary undertakings is reported, with a corresponding increase in shareholders' funds.

Other accounting policies

The Company's accounting policies are the same as those for the Group, which are disclosed as part of the relevant notes to the Group consolidated financial statements.

Going concern

This Company controls, directly or through one of its 100% owned subsidiaries, the operations of the whole Group. Consequently, when assessing the going concern status of this Company, the Directors have made their assessment based on the work done to assess the going concern status of the consolidated Group as a whole.

The Directors have undertaken a robust assessment and concluded that it is appropriate to prepare the financial statements of this Company on the going concern basis. They have not identified any material uncertainties and there were no significant judgements involved in coming to this conclusion. Full details are set out in the strategic review, starting on page 62.

2 Profit and loss account information

The Company has no employees (2024: none). The fees payable to the Company's auditor for the audit of the Company's annual accounts, and directors' emoluments, were paid by another Group company in the current and prior periods.

Financial Statements

Notes to the Company financial statements continued

3 Investments in subsidiaries

Cost and carrying value:	Total £m
At 30 December 2023 - restated, see note 8	793.3
Additions to investment in 2024 - restated, see note 8	9.9
At 28 December 2024 - restated, see note 8	803.2
Share-based payments to employees of subsidiaries	10.3
At 27 December 2025	**813.5**

The investment represents the Company's 100% ownership and control of Howden Joinery Holdings Limited, which in turn holds 100% of all other Group companies - either directly or through one of its own 100%-owned subsidiaries. The combined results and financial position of the subsidiaries and this Company are shown in the consolidated Howden Joinery Group Plc financial statements.

The Company has no income receivable other than from transactions with its 100%-owned subsidiaries. It is therefore considered that the market capitalisation of the Group, which was significantly excess of the carrying value of the investment in subsidiaries at both the current and prior period ends, is a useful proxy for the net present value in use of expected future cashflows from the investment in subsidiaries, and that therefore there is no indicator of any impairment in the Company's investment in subsidiaries.

Any amounts owed to this Company by Howden Joinery Holdings Limited are considered as part of the impairment testing described above.

Details of all Group subsidiaries are given on page 214, which forms part of these financial statements.

4 Property, plant and equipment

	Leasehold property improvements £m	Plant, machinery & vehicles £m	Fixtures & Fittings £m	Assets under construction £m	Total £m
Cost					
At 28 December 2023	44.6	-	-	1.7	46.3
Additions	0.6	-	-	0.4	1.0
Transfers	1.6	0.1	0.2	(1.9)	-
At 28 December 2024	46.8	0.1	0.2	0.2	47.3
Additions	**0.5**	-	-	-	**0.5**
Disposals	**(0.3)**	-	-	-	**(0.3)**
Transfers	**0.2**	-	-	**(0.2)**	-
At 27 December 2025	**47.2**	**0.1**	**0.2**	-	**47.5**
Accumulated depreciation					
At 28 December 2023	(8.9)	-	-	-	(8.9)
Charge for the period	(2.0)	-	(0.1)	-	(2.1)
At 28 December 2024	(10.9)	-	(0.1)	-	(11.0)
Charge for the period	**(2.1)**	**(0.1)**	-	-	**(2.2)**
Disposals	**0.3**	-	-	-	**0.3**
At 27 December 2025	**(12.7)**	**(0.1)**	**(0.1)**	-	**(12.9)**
Net book value at 27 December 2025	**34.5**	-	**0.1**	-	**34.6**
Net book value at 28 December 2024	35.9	0.1	0.1	0.2	36.3

5 Lease right-of-use assets and lease liabilities

Nature of the Company's leasing activities

The Company is the signatory for leases relating to factory, warehouse and office properties which are used by other Group companies.

Amounts recognised in the balance sheet

Right-of-use assets	27 December 2025 £m	28 December 2024 £m
Property	**169.3**	171.2
Additions to right-of-use assets in the period	**34.0**	-

Lease liabilities	27 December 2025 £m	28 December 2024 £m
Current	**(9.1)**	(6.9)
Non-current	**(186.8)**	(190.5)
	(195.9)	(197.4)

During the current period, the Company assessed the likely termination date of one of its property leases and decided that this lease was not now likely to run to its full contractual term, as the Group had bought the leased property and would be taking steps in 2026 to formally terminate the lease. The Company decided that the most appropriate course of action was to remeasure the lease asset and liability using a new lease end date based on the first contractual break date in the existing lease. This has had the effect in the current period of reducing both the lease asset and the lease liability by £27.6m. Additions to right-of-use assets in the period relate to lease modifications.

Amounts recognised in the income statement

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Included in net operating expenses		
Depreciation of property right-of-use assets	**8.2**	7.9
Included in finance costs		
Interest expense on lease liabilities	**4.6**	4.6
Variable lease payments, not included in the measurement of lease liabilities	**1.6**	0.3

Cash flows and maturity analysis of lease liabilities

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Total cash outflow for leases	**11.8**	11.1

Maturity analysis of lease liabilities	27 December 2025 £m	28 December 2024 £m
Contractual undiscounted cashflows due		
- within 1 year	**13.5**	11.6
- 2 to 5 years	**46.2**	46.8
- more than 5 years	**189.5**	192.8
	249.2	251.2

Financial Statements

Notes to the Company financial statements continued

6 Amounts owed by wholly-owned subsidiary companies

These amounts are reviewed for impairment at each year end by examination of the subsidiary company financial position. If there is an indication that the counterparty will not be able to repay all or part of the balance on demand, an allowance is made for expected credit losses.

7 Share capital

Ordinary shares of 10p each:	52 weeks to 27 December 2025 No.	52 weeks to 28 December 2024 No.	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Allotted, called up and fully paid				
Balance at the beginning of the period	**553,591,720**	553,591,720	**55.4**	55.4
Bought back and cancelled during the period	**(12,074,517)**	-	**(1.2)**	-
Balance at the end of the period	**541,517,203**	553,591,720	**54.2**	55.4

Share capital

The Company has one class of ordinary share that carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Shares bought back and cancelled

During the current period, the Company bought back and cancelled 12,074,517 shares at a total cost of £100.2m, completing the share buyback programme announced in February 2025. No shares were bought back in the prior period.

Movements in Treasury shares

During the current period; 286,110 shares were transferred from Treasury to the Group's share trust (2024: 1,074,044 shares) for awarding to employees on the vesting of share-based long-term incentive plans. A further 1,078,530 shares (2024: nil) were transferred direct to employees under the Group's Share Incentive Plan.

At the current period end there were 2,479,691 ordinary shares held in treasury, each with a nominal value of 10p (2024: 3,844,331 shares of 10p each).

Description of the nature and purpose of the other reserves shown in the balance sheet

The share premium represents the amounts above the nominal value received for shares sold. The capital redemption reserve represents the nominal value of share capital bought back and cancelled. The ESOP reserve relates to share-based payments and is explained at the foot of the consolidated statement of changes in equity. The treasury share reserve represents the cost of shares bought from the market and held in treasury. The retained earnings reserve represents the Group's cumulative results.

8 Prior year restatement

(a) Description of restatements

During the current period, the Directors have reassessed the accounting for Group share-based payments and for investments in this Company's shares which are held in employee share ownership trusts, and are used to satisfy share-based payment arrangements.

The shares held by the employee share trusts had previously been recognised in the financial statements of a wholly-owned Group subsidiary. On reassessment of the terms of the share trusts the Directors have concluded that this Company is the sponsoring entity of the trusts and the company which has the obligation to settle the Group's share-based payments. This resulted in a restatement in this Company to recognise the Group ESOP and share-based payment reserve.

Following the recognition of this Company as the sponsoring entity for the share trusts, it was concluded that the appropriate accounting treatment for the share-based payments granted to employees of wholly-owned indirect subsidiaries of this Company was to recognise a credit to the ESOP and share-based payments reserve in this Company, and to recognise a corresponding increase in this Company's investment in its 100%-owned direct subsidiary, which in turn owns 100% of the shares of the subsidiaries whose employees are receiving the share-based payments. This is set out in the share-based payments accounting policy at note 1 to these financial statements.

This has led to a prior year adjustment to the opening balances of this Company's financial statements, as detailed below. This recognises the Group ESOP and share-based payments reserve, and also recognises an increase in investments in subsidiaries corresponding to the cumulative total share-based payment charge since the adoption of *IFRS2: Share-based payments*. The transfer of shares from the Treasury share reserve to settle awards and transfer shares to the Employee Benefit Trust in prior years was recognised as an irrecoverable intercompany cost in this Company. As part of this restatement this cost has been reversed through the profit for the 52 weeks ended 28 December 2024 which has resulted in a restatement of retained earnings.

There are two further restatements to the prior year figures reflecting the 2024 impact of the above adjustments. This is to recognise the increase in the company's investment in its 100% owned subsidiary and the transfer of Treasury shares to ESOP and share-based payments reserve.

Details of the adjustments made are given below.

(b) Adjustments arising from restatements

	Investment in subsidiaries £m	ESOP and share-based payments reserve £m	(Increase)/ decrease in retained earnings £m
Balances at 30 December 2023 as previously presented - before restatement	699.0	-	
Recognition of this Company as sponsor of the Group share trusts and issuer of Group share awards	94.3	(16.6)	
Balances at 30 December 2023 - after restatement	793.3	(16.6)	
Effect of restatements on balances as at 30 Dec 2023	94.3	(16.6)	(77.7)
Recognition of this Company as sponsor of the Group share trusts and issuer of Group share awards - 2024	9.9	(9.9)	-
Transfer of Treasury shares to ESOP and share-based payments reserve - 2024		5.2	(5.2)
Incremental effect of restatements in year to 28 Dec 2024	9.9	(4.7)	(5.2)

	£m
Profit for the year to 28 December 2024 - before restatement	125.8
Reversal of cost previously recognised in the Company as irrecoverable	5.2
Profit for the year to 28 December 2024 - restated	131.0

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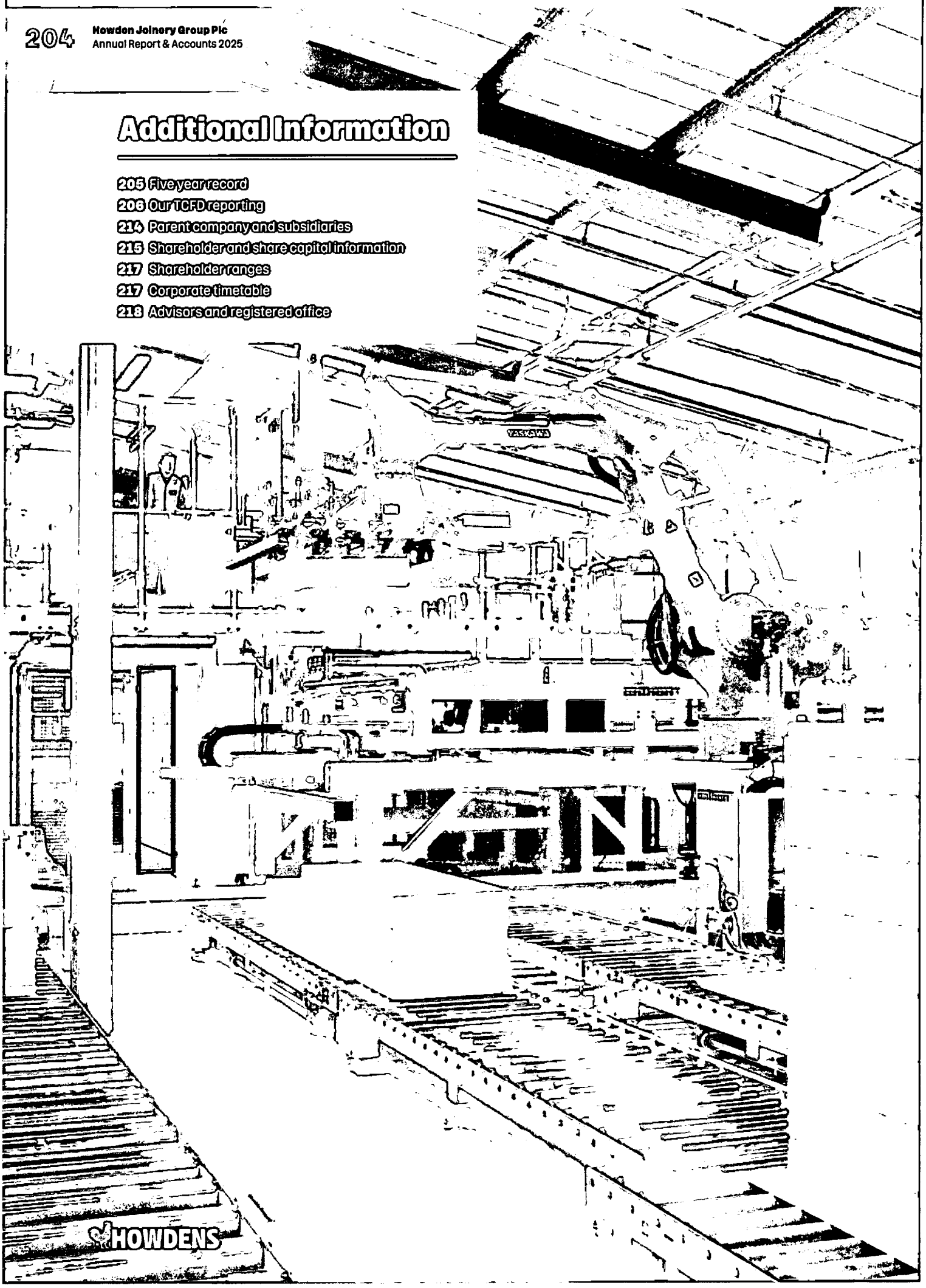

Five year record

	December 2025 52 weeks £m	December 2024 52 weeks £m	December 2023 53 weeks £m	December 2022 52 weeks £m	December 2021 52 weeks £m
Summarised Income Statement					
Revenue	**2,418.0**	2,322.1	2,310.9	2,319.0	2,093.7
Operating Profit	**355.3**	339.2	340.2	415.2	401.7
Profit before tax	**344.9**	328.1	327.6	405.8	390.3
Basic EPS (pence)	**49.2**	45.6	46.5	65.8	53.2
Full year dividend per share (pence)	**21.9**	21.2	21.0	20.6	19.5
Summarised Balance Sheet					
Non-current assets excluding leases and pension	**656.4**	570.6	516.8	471.5	332.1
Non-current lease right-of-use assets	**665.2**	642.3	647.9	614.3	555.8
Inventories	**409.2**	390.7	382.8	373.3	301.6
Receivables	**278.8**	264.6	194.5	265.6	205.8
Payables and provisions (including tax)	**(450.5)**	(400.0)	(349.3)	(454.2)	(468.7)
Pension asset/(liability)	**(7.8)**	(2.1)	(12.6)	(41.5)	140.8
Total lease liabilities	**(704.9)**	(681.0)	(684.5)	(665.3)	(591.2)
	(475.2)	(427.8)	(469.1)	(522.1)	(411.7)
Net cash & short-term investments	**344.5**	343.6	282.8	308.0	515.3
Total net assets	**1,190.9**	1,128.7	978.4	871.7	991.5
Number of depots at end of year					
UK	**891**	869	840	808	778
France & Belgium	**63**	65	65	60	40
Republic of Ireland	**16**	13	10	5	-
TOTAL	**970**	947	915	873	818
Capital expenditure	**156**	122	119	141	86

Additional Information

Task Force on Climate-Related Financial Disclosures (TCFD) - Building Climate Resilience

Introduction & Approach to TCFD

2025 Highlights

- Updated our scenario analysis, testing strategy resilience across three new climate pathways based on the IPCC frameworks (SSP's) to 2035
- Updated our assessment of risks and opportunities based on the refreshed scenario analysis
- Enhanced supplier engagement on Scope 3 emissions data collection and target-setting
- Continued building climate considerations into capital allocation and investment decision-making processes

No identified material climate-related risks in the medium term

The results of our scenario modelling agree with the results of our existing business risk management process (described starting on page 36) and also agrees with the results of the work done on assessing physical climate risks (page 59).

No identified material financial impact of meeting our SBTi targets in the medium term

We have examined the estimated incremental costs of meeting our SBTi targets over the period to 2030, and neither the incremental capex requirement nor the net annual effect on operating profit is material.

Confirming compliance with the TCFD recommendations

The following pages set out the 11 TCFD recommended disclosures, showing where we are now, the progress we've made this year, and our main areas of focus for the future.

We consider that we're fully compliant with Listing Rule 6.6.6R (8) (UK Listing Rules), i.e. that we are fully compliant with all 11 of the TCFD recommendations, and that we have taken into account all relevant and material elements of the recommended TCFD disclosures - including the TCFD's all-sector guidance and, where appropriate, the supplemental guidance for non-financial groups. The statement includes the climate-related financial disclosures required by section 414CB(A1) and (2A) of the Companies Act 2006.

TCFD recommended disclosure	Our disclosure and developments in 2025	Focus areas for 2026 and beyond
GOVERNANCE		
A **A Describe the Board's oversight of climate-related risks and opportunities.**	• This process is led by the Board's Sustainability Committee, whose report is at page 134. • The Sustainability Committee met 3 times during 2025. The Director of ESG* reported to the Sustainability Committee at each meeting and provided updates on the climate-related risks and opportunities. • The Board considers climate risks together with other risks as part of its overall risk review process, described in detail starting at page 36. • When considering any material investment proposition, the Board now considers climate-related consequences using scenario-based risk assessment. • Working with the Audit Committee, the Sustainability Committee reviewed the accuracy of the Group's emissions data and external reporting obligations. This included receiving updates from management on reporting systems and processes.	• The Sustainability Committee have an agreed schedule of work and will meet regularly in 2026. It will continue to make recommendations to the Board as appropriate. • The Director of ESG will provide regular progress updates. • The Board will monitor the implementation of scenario analysis recommendations and will work towards agreeing a framework of Transition Plan milestones. • Environmental measures in executive share plans continue for 2026- see page 124.

TCFD recommended disclosure	Our disclosure and developments in 2025	Focus areas for 2026 and beyond
GOVERNANCE CONTINUED		
B **Describe management's role in assessing and managing climate-related risks and opportunities.**	• It is the Executive Committee's ('ExCo') responsibility to execute Group strategy and to manage and mitigate climate risks and take advantage of opportunities. • The ExCo are responsible for delivering the climate-related targets determined by the Board, including our SBTi Net Zero targets. • In the established Sustainability Steering Group (SSG) the chair was changed to the Chief Commercial Director in 2025. The role of the SSG is to monitor progress against our 2030 SBTi targets, monitor our compliance with relevant laws & regulations and to horizon scan for future needs The SSG met 4 times in 2025. • The Director of ESG* advises both Board and ExCo on progress against targets and other initiatives. He presented at all of the SSG meetings. • ExCo reviewed the refreshed TCFD scenario analysis in May 2025, including materiality impact assessments and strategic implications. • The Director of ESG* presented the double materiality assessment to the Sustainability Committee which had been undertaken as part of the preparatory work for disclosure requirements under the Corporate Sustainability Reporting Directive. • Our supplier engagement activities in 2025 (pages 49, 84 and 85) demonstrated industry leadership and provided clear messaging that our suppliers need to be active on emissions reductions.	• ExCo members have assigned responsibilities for specific climate transition plan workstreams. • The SSG will meet regularly in 2026 and will make recommendations to the ExCo as appropriate. • Management will continue enhanced engagement with our supply chain in 2026 focusing on supplier decarbonization roadmaps and SBTi target setting. • ExCo will review the outcomes from the 2025 TCFD Scenario update. • The ESG Director will work with Exco to develop a climate transition plan for consideration by the Sustainability Committee. • Supplier engagement will remain an area of focus, particularly at the Supplier Conference in the Spring.
STRATEGY		
A **Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.**	• Our 2025 climate scenario analysis examined three distinct pathways and identified material impacts that vary significantly by scenario. While no risks are currently assessed as principal risks, our analysis indicates potential material impacts in the medium term (2026-2030) particularly related to carbon pricing, supply chain resilience, and sustainable material sourcing. • We give more detail on the scenario analysis, potential risks and opportunities starting at page 210.	• Implement priority actions identified in scenario analysis including enhanced Tier 1 & 2 supplier analysis and more granular supplier sustainability requirements. • Monitor policy developments and competitor actions to validate scenario assumptions. • Continue engaging with supply chain to obtain further data and support decarbonization.

* The Director of ESG is a management role and is not a Director of the Board of Howden Joinery Group Plc.

Additional Information

Task Force on Climate-Related Financial Disclosures (TCFD) - Building Climate Resilience continued

TCFD recommended disclosure	Our disclosure and developments in 2025	Focus areas for 2026 and beyond
STRATEGY CONTINUED		
B **Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.**	• We updated our physical climate risk assessment in 2024 and completed comprehensive transition scenario analysis in May 2025. • Climate-related risk screening integrated into due diligence for all major capital expenditure decisions. • We discuss our Net Zero commitment on page 46.	Review the feasibility of an internal carbon price to use across all expenditure decisions • Develop product-level carbon footprinting capability for margin and portfolio optimization, using software tools. • As we continue to collect data from more of our suppliers (page 49), this will increase our knowledge on specific climate risks and opportunities that may inform our strategy and financial planning. • The outputs of our double materiality assessment (page 48) will inform our strategy.
C **Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.**	• We completed our scheduled scenario analysis refresh in May 2025, using updated IPCC Shared Socioeconomic Pathways (SSPs) aligned with the latest climate science. This replaced our 2021 scenarios and provide a more robust framework for testing strategic resilience. We developed three scenarios based on well-regarded SSP pathways, enhanced with factors specific to Howdens: We assessed impacts over three time horizons: • Short term: 0-2 years (2025-2027) • Medium term: 3-5 years (2028-2030) • Long term: 6-10+ years (2031-2035).	• Annual review of key assumptions and emerging trends through our risk management process. • Integration of scenario insights into annual strategic planning and capital allocation processes. • Development of early warning indicators to detect which scenario pathway is most likely. • Incorporation of scenario analysis findings into our Climate Transition Plan, which we will look to publish in 2026 reporting cycle. • We will continue to review various options for decarbonisation, including new technology, as and when it becomes available, and to consider whether there are any emerging implications for our future strategy.
RISK MANAGEMENT		
A **Describe the organisation's processes for identifying and assessing climate-related risks.**	• We use the same approach as for other risks (pages 36-37), combined with horizon scanning to improve identification of medium and longer-term climate transition and physical risks. • We use an approach modelled on British Standards, based on risk impact and our adaptive capacity. • We have built the outputs of our climate risk assessment into operational risk registers. • We updated our climate physical risks assessment in 2025 using our modelling tool that covers all of our operations over a short, medium and long term for three different recognised climate pathways (page 210). • We have engaged with our stakeholders, including our insurers, to understand how their focus on climate risk is likely to develop.	• Continue to improve our risk identification process, incorporating more data streams and trends. • Review the external environment for changes in climate risks and new mitigation strategies (e.g. through our brokers, insurers external professional bodies and forums).

TCFD recommended disclosure	Our disclosure and developments in 2025	Focus areas for 2026 and beyond
RISK MANAGEMENT CONTINUED		
B **Describe the organisation's processes for managing climate-related risks.**	• We manage climate-related risks in the same way as our other risks (pages 36 - 37), albeit that time horizons may be longer. • A member of the ExCo owns each risk and leads the relevant operational teams as they control day-to-day risk management and mitigation.	• Challenge the business on the effectiveness and accuracy of mitigation plans, including evidence of progress. • We continue to have no climate risk which we treat as a principal risk, and to view potential climate risks as emerging risks (page 41).
C **Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.**	• We use the same approach as for other risks (pages 36 - 37). We record them in our risk registers alongside our other operational, financial and strategic risks, albeit that we typically use longer time horizons when looking at climate risks. • We review and update them twice a year. • We have an emerging risk identification and management approach, with dedicated reporting to Exec and Board.	• Continue with specific climate-focused risk register reviews. • Continue to develop reporting to Exec and Board.
METRICS AND TARGETS		
A **Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.**	• Our emissions reporting starts at page 60. This is central to our SBTi targets (42% reduction in Scope 1 and 2 emissions, and 25% reduction in Scope 3 emissions by 2030. 90% reduction in all emissions by 2050 - all against a 2021 baseline), which were approved in January 2024, and which will be key metrics for the future. • We have long-standing KPIs on use of FSC® and PEFC raw materials (target of 100% of all wood used in manufacturing to be certified) and on production waste recycling (target of 100% of waste not going to landfill). We report on these on pages 50 and 53. • We have amended our standard contract terms with all direct suppliers to make it clear that we expect them to set SBTi targets or a clear and validated Net Zero plan.	• As we continue with supplier engagement, we will collect further supply chain emissions data, which will allow us to encourage suppliers to set SBTi targets and Net Zero plans (page 49). • We will engage with our critical indirect suppliers in 2026.
B **Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.**	• See our emissions reporting, starting on page 60. • We consider the risks relating to emissions as part of our overall climate risk reporting, summarised above.	• We will continue to work with our supply chain to gather additional data to inform our Scope 3 emissions reporting progress against our SBTi targets and enhance technology capability for data capture.
C **Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.**	• Performance against non-financial KPIs is shown on pages 29, 50 and 53. • Our SBTi Net Zero targets are shown at page 47. • We have incorporated environmental targets, aligned with our SBTi Net Zero targets, into the terms of our Exec employee share awards since 2022. More details are given on pages 116, 121 and 124.	• Continue to monitor performance against targets including assessing the industry specific metrics and targets introduced by latest frameworks and standards such as TPT (Transition Plan Taskforce) and ISSB. • We plan to publish our transition plan in 2026.

Additional Information

Task Force on Climate-Related Financial Disclosures (TCFD) - Building Climate Resilience continued

Main risks and opportunities from our scenario modelling so far

Climate Scenario Analysis - updated in 2025

We did our first climate scenario planning in 2021. We refreshed it in 2025, using updated IPCC Shared Socioeconomic Pathways (SSPs) aligned with the latest climate science. This provides a more robust framework for testing strategic resilience.

We looked at each scenario over three time horizons:

- Short term - to 2027
- Medium term - to 2030
- Long Term - to 2035

Our three climate scenarios are:

Scenario 1. SSP1-2.6 'Green Transformation' (<2°C pathway)

Where governments and regulators act quickly and take the lead with a series of measures aimed at achieving the Paris Agreement targets. This scenario envisages swift action, a high level of legislation and emphasis on mechanisms such as carbon pricing and financial incentives for decarbonization.

Scenario 2. SSP2-4.5 'Gradual Shift' (2-3°C pathway)

Where lack of agreement between governments leads to an initially slow pace of change, but where sustained pressure from citizens, investors and other stakeholders drives gradual but consistent action. Policy frameworks are in place though they vary significantly by region.

Scenario 3. SSP5-8.5 'Reactive Resilience' (>4°C pathway)

Where there is some commitment from governments, companies and citizens to a Net Zero transition, but where these commitments aren't always fully developed or enforced, and may sometimes be overridden by political, commercial, or individual concerns in the short and medium term. Economic growth continues to outpace environmental action.

Key Findings

Strategy Resilience Assessment:

Our strategy demonstrates strong resilience in the short term (0-2 years) across all three scenarios, with no immediate material threats to business continuity or financial performance. Our current sustainability initiatives, supplier engagement programs, and operational efficiency improvements position us well regardless of which pathway materializes initially.

Conclusions on Strategy Resilience

Our current strategy is resilient across plausible climate futures for the short term. For the medium and long term, we have identified clear pathways for adaptation:

- Under Scenario 1 we should have the capacity to accelerate transformation and capture significant first-mover advantage. Early action on identified priorities (supplier engagement, product development, manufacturing upgrades) would position us as sustainability leaders.
- Under Scenario 2 our current trajectory is appropriate. Incremental enhancements can be delivered through normal business planning cycles. The impacts should be manageable, and the opportunities accessible.
- Under Scenario 3 our no-regrets actions build resilience against physical risks and position us advantageously if/when policy eventually accelerates. We maintain flexibility to adjust investment pace while protecting supply chain and operations.

Results and next steps

Our initial scenario modelling work has given us an increased understanding of the qualitative impacts of climate change on our business across various time horizons, although we recognise that it is an iterative and dynamic process. The results of our scenario modelling agreed with the results of our existing business risk management process (pages 36 to 41) and also indicated the resilience of our current strategy, in that they did not identify any material climate-related risks. It highlighted a number of 'no-regret' actions we could take to enhance our resilience

Strategic No-Regret Actions

- Enhanced supply chain emissions visibility and engagement - critical regardless of policy trajectory.
- Product-level carbon footprint understanding - enables portfolio optimisation and commercial decisions.
- Energy efficiency improvements in operations - delivers cost savings and emissions reductions.
- Supplier business continuity and climate resilience planning - protects against physical risks present in all scenarios.
- Alternative sustainable material sourcing development - reduces dependency and enables optionality.
- Circular economy principles in product design - future-proofs product portfolio.
- Customer sustainability information and marketing - builds brand and enables premium where market allows.
- Employee climate awareness and engagement - supports talent attraction and culture.

Under each scenario there were several possible short, medium and long-term risks and opportunities. We have summarised the most likely ones below. Whilst we have indicated the most relevant time horizon(s) for each risk and opportunity, there is inevitably significant crossover between the outputs of the different scenarios and time horizons, so our description of each risk and opportunity, as well as of the related impact, contains an element of aggregation.

Overview of opportunities	Most relevant time horizons	SSP most aligned to	Impact	Mitigation actions
OPPORTUNITY: Area of impact - Access to capital				
Building a climate resilient strategy and communicating it effectively to the market could strengthen investor demand & also give us access to lower-cost financing.	Short- medium term (2025-2030)	**SSP1-2.6** **SSP2-4.5**	Increased demand for shares. Access to sustainable finance opportunities.	Clearly communicating our sustainability and climate resilient actions to our existing and future investors.
OPPORTUNITY: Area of impact - Brand				
Delivering on our aim to be the UK's leading responsible kitchen business and creating a brand that is recognised as a leader in managing climate-related risk could result in increased sales, greater brand awareness, increased market share and increased attractiveness to current and future employees.	Medium to long term (2028-2035)	**SSP1-2.6** **SSP2-4.5**	Increased sales. Greater brand awareness. Increased market share. Stronger employee retention/relations. Increased market Credibility	Promoting awareness of our sustainability and Net Zero ambitions to employees, customers and end users. Sustainable customer offering and bringing the suppliers on the Net Zero and sustainability journey with us.
OPPORTUNITY: Area of impact - Cost reduction				
Continuing to focus on energy efficiency, pushing through our targeted improvements and taking future steps on the path to decarbonisation could lead to a lower cost base. Relevant factors could be things such as: • Access to grants, subsidies and favourable tax treatment for adopting decarbonisation technologies. • Absolute reductions in energy and materials consumption will lower costs, particularly in times of rising energy prices, extended application of carbon pricing and an increase in the underlying carbon price.	**Grants and subsidies:** short to medium term (2025-2028) **Absolute reductions in energy consumption:** medium to long term (2028-2035) **Deployment of Decarbonisation technologies such as hydrogen:** medium to long term (2028-2035)	**SSP1-2.6** **SSP2-4.5** **SSP5-8.5**	**Capitalise on energy opportunities:** installation of solar panels/wind turbines etc., will help in reducing costs and lead to carbon emission savings. **Own energy generation:** by accessing grants and subsidies and deploying latest decarbonisation technologies.	Reducing energy consumption will help mitigate the impact of rising energy prices/ carbon pricing. Deploying new renewable technologies with grants will lower the own capex requirements and improve energy security.
OPPORTUNITY: Area of impact - Product design				
Taking the lead in producing sustainable products before our competitors could increase our competitive advantage and market share.	Medium to long term (2026-2030)	**SSP1-2.6** **SSP2-4.5**	Support the future sustainability of our assets and the Howdens brand.	Sustainable design is built in as a pillar of our new product development process.

Additional Information

Task Force on Climate-Related Financial Disclosures (TCFD) - Building Climate Resilience continued

Overview of risks	Most relevant time horizons	SPP's most aligned to	Impact	Mitigation actions
RISK: Area of impact - Sourcing				
Future physical or legal barriers arising from climate change could bring challenges to sourcing some of our products in the future - principally items which we currently source from overseas. Causes could be things such as: • Carbon pricing. • Pressure on supply chains to decarbonise, especially in emerging markets. • Some current raw materials could increase in cost or become unavailable in the future, so alternatives would have to be found.	**Carbon pricing:** medium to long term (2028-2035) **Pressure on supply chains to decarbonise:** medium to long term (2028- 2035) **Raw materials cost increase/ unavailability:** medium to long term (2028-2035)	**SSP1-2.6** **SSP2-4.5** **SSP5.-8.5**	**Carbon pricing:** £7m - £9m cost over 10 years, calculated using a carbon price of £130 per tonne. **Pressure on supply chains to decarbonise:** as climate change is a global issue, our supplier base will also be affected with the drive to decarbonise. **Raw materials Volatility - cost increase/ unavailability:** there may be adverse impact on availability of certain raw materials in the future.	Our commitment to SBTi Net Zero targets will help mitigate the impact of future carbon prices due to absolute reductions in our emissions. We are using technology to collect data directly from our suppliers, which will give us an increased understanding of potential supply chain impacts and allow us to collaborate with suppliers to mitigate the potential future effects. For instance, the supply chain data should give us a more detailed view of potential effects on key raw materials and help us formulate mitigation strategies where necessary.
RISK: Area of impact - Operations				
The physical risk to our operations from climate change can include extreme weather events and rising sea levels. These risks could require additional capital expenditure or could interrupt operations.	**The physical risk assessment** identifies potential risks in the short, medium and long term for three separate recognised pathways (RCPs 2.6, 4.5 and 8.5)	**SSP5-8.5** **SSP2-4.5**	**Interruption to operations:** No significant inherent physical climate risk has been forecasted in our modelling for any of our critical infrastructure, distribution, and/or manufacturing locations over short, medium or long term perspectives for any climate pathway. No significant inherent climate risk to our global depot network with just 2% of sites potentially affected by climate risk in the poorest case pathway by 2100. No significant climate risk exposures in the short or medium term for our key suppliers with an increasing potential exposure to drought across some European suppliers in the long term (by 2100) in the worst climate scenario.	We have modelled our exposure to physical climate risk over short, medium and long term perspectives for three separate recognised climate pathways. We will conduct further detailed validation workshops on key assets to understand specific climate risks, local mitigations and plans. Our work on physical climate risks is discussed further on page 59.

Overview of risks	Most relevant time horizons	SPP's most aligned to	Impact	Mitigation actions
RISK: Area of impact - Decarbonisation				
Decarbonisation of our distribution and depot fleets could require transitional investment and/or adjustments to current operations and working practices.	**Adjustments to current working practices:** short to medium term (2025-2027)	**SSP1-2.6** **SSP2-4.5**	**Additional capital expenditure:** to decarbonise our own operations, e.g. our buildings and fleet.	We are currently carrying out a study, which will clarify levers of decarbonisation available to us.
	Transitional investment: medium to long term (2028-2035)			We have estimated the incremental costs of meeting our SBTi targets over the next three years, and neither the capex requirements nor the net annual effect on operating profit are material.
RISK: Area of impact - Customer expectations				
Failure to meet customer demands for sustainable products could reduce market share.	**Failure to meet demands:** medium to long term (2028-2035)	**SSP1-2.6** **SSP2-4.5** **SSP5-8.5**	**Impact on future sales:** from inability to meet customer needs.	Our ESG strategic ambition is to be the UK's leading responsible kitchen business. This commitment drives us to keep a focus on sustainable product (page 52).

Additional Information

Parent company and all subsidiary undertakings

At 27 December 2025

	Country of registration or incorporation	Registered office
Parent company		
Howden Joinery Group Plc	England and Wales	105 Wigmore Street, London, W1U 1QY
All subsidiary undertakings		
Intermediate Holding Companies:		
Howden Joinery Holdings Limited	England and Wales	105 Wigmore Street, London, W1U 1QY
Howden Joinery International Holdings Limited	England and Wales	105 Wigmore Street, London, W1U 1QY
Trading:		
Howden Joinery Limited	England and Wales	105 Wigmore Street, London, W1U 1QY
Howdens Cuisines SAS	France	1 Rue Calmette, ZA Du Bois Rigault Nord, 62880 Vendin-Le-Vieil
Howdens Cuisines SRL	Belgium	Rue du Cerisier 05-12, 6041 Gosselies
Howden Joinery (Ireland) Limited	Republic of Ireland	Suite 3, One Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland
Sheridan Fabrications Limited	England and Wales	105 Wigmore Street, London, W1U 1QY
Property Management:		
Howden Joinery Properties Limited	England and Wales	105 Wigmore Street, London, W1U 1QY
Howden Kitchens Properties Limited	England and Wales	105 Wigmore Street, London, W1U 1QY
ARE S1 (Logistics IV) Limited	Guernsey	Royal Chambers, St Julian's Avenue, St Peter Port, GY1 4HP, Guernsey
Administration and Employee Services:		
Howden Joinery Corporate Services Limited	England and Wales	105 Wigmore Street, London, W1U 1QY
Howden Joinery People Services Limited	England and Wales	105 Wigmore Street, London, W1U 1QY
Dormant:		
Howden Kitchens Limited	England and Wales	105 Wigmore Street, London, W1U 1QY
Foreign Company Registrations of UK Companies:		
Howden Joinery Limited	Isle of Man	33-37 Athol Street, Douglas, Isle of Man, IM1 1LB
Howden Joinery Limited	Jersey	105 Wigmore Street, London, W1U 1QY
Howden Joinery Properties Limited	Isle of Man	33-37 Athol Street, Douglas, Isle of Man, IM1 1LB

This information forms part of the audited financial statements.

Shareholder and share capital information

Annual General Meeting

The 2026 Annual General Meeting (AGM) will be held at Freshfields Bruckhaus Deringer LLP, 100 Bishopsgate, London, EC2P 2SR on 7 May 2026 at 11.00am.

Shareholders will have the opportunity to discuss Howdens' progress and operations directly with the Board at the AGM. The notice of the AGM will be sent to shareholders at least 21 clear days before the meeting and will detail the resolutions to be voted on.

Dividend

Subject to the 2025 final dividend payment being approved by shareholders at the AGM on 7 May 2026, the following timetable will apply:

2025 Final Dividend	
Ex-Dividend date	9 April 2026
Record Date	10 April 2026
Payment Date	22 May 2026

Change of registrar

Howden Joinery Group Plc ('Howdens') transferred its share register to Computershare Investor Services PLC ('Computershare') on 15 December 2025.

Dividend reinvestment plan ('DRIP')

Howdens offers a DRIP for our shareholders in eligible countries who wish to elect to use their dividend payments to purchase additional ordinary Howdens shares, rather than receive a cash payment. The DRIP is provided and administered by Computershare. Further details regarding the DRIP can be found on Computershare's website: computershare.com/uk/individuals/im-a-shareholder/dividend-reinvestment-plan

Dividend payments directly to a bank or building society account

From June 2026, Howdens will no longer pay dividends by cheque. We encourage you to arrange for any future dividend payments to be made directly to your bank account. You can go online to investorcentre.co.uk and enter your bank mandate details, or you can fill out the form at the back of your Computershare welcome letter and return this using the prepaid envelope, or you can call Computershare on +44 (0)370 889 0144.

Share Capital

As at 27 December 2025, the Company had only fully paid up ordinary 10 pence shares in issue ('Shares'). Below sets out the share capital position 27 December 2025 and at 28 December 2024:

		Number of Shares	
	% change	27 Dec 2025	28 Dec 2024
Total Shares in issue	(2.2)%	541,517,203	553,591,720
Treasury Shares	(35.5)%	2,479,691	3,844,331
Shares with voting rights	(1.9)%	539,037,512	549,747,389

Shares held in Treasury have no voting or dividend rights and are used solely for the satisfaction of employee share awards. Details of employee share schemes are set out in note 23 to the consolidated financial statements. Shares held by the Howden Joinery Group Plc Employee Benefit Trust abstain from voting at the Company's general meetings and waive dividends. Shares held in the Share Incentive Plan Trust, which have been allocated to employees through all-employee share plans available in the UK and Isle of Man, have both voting and dividend rights.

Acquisition of the Company's own shares

At the AGM on 1 May 2025, the Directors were granted authority by shareholders under resolution 17 to purchase up to 54,974,739 of the Company's ordinary shares through the market[2]. The authority expires at the conclusion of the 2026 AGM or within 15 months from the date of passing the resolution (whichever is earlier).

During 2025, the Company repurchased and cancelled over 12 million shares worth a total of £100m under its 2025 share repurchase programme. This was implemented under the general authority to purchase shares described above and therefore properly conducted through the market. The repurchased shares represented a nominal value of nearly £121,000 and equated to 2.2% of the called up share capital of the Company at the beginning of the period (excluding Treasury shares). In line with our capital allocation policy (see page 33 for more information) the Company returns surplus capital to shareholders. In 2025, the Board considered that a share buy back programme, in addition to paying a dividend, was the most efficient means of deploying surplus capital to shareholders.

1 The definition of 'Shares in public hands' may be found in UK Listing Rule 5.5.3R. The Company considers shares which meet the definition of 'shares in public hands', as set out in the Listing Rules, to be Free Float shares.

2 At prices ranging between 10p and the higher of (a) 105% of the average middle market quotation for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased; and (b) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System.

Additional Information

Shareholder and share capital information continued

Shares in public hands[1] ('Free Float' shares)

As at 27 December 2025, 0.46% of the Company's issued share capital was held in Treasury, 0.21% was held by Directors, persons discharging managerial responsibility (PDMRs) or connected persons of those Directors or PDMRs. 0.19% was held in employee share trusts (excluding any allocated shares which are not forfeitable), and 6.05% was held by major shareholders (those who have declared holdings above 5%). Free Float shares therefore accounted for 93.08% of the Company's issued share capital at 27 December 2025.

Rights and restrictions

Issued share classes:	Ordinary only (fully paid)
Voting rights at general meetings:	One vote per share
Fixed income rights:	None
Individual special rights of control:	None
Holding size restrictions[1]:	None
Transfer restrictions[1]:	None

The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of shares or on voting rights.

Substantial shareholdings

The Company had been notified, in accordance with Rule 5 of the Disclosure and Transparency Rules, of the following voting rights held by a shareholder of the Company:

Interests disclosed in the period under review (the 52 weeks ended 27 December 2025):		
Substantial Shareholder	**% of total voting rights**	**Date of last notification**
Invesco Ltd	1.46%	1 October 2025
PineStone Asset Management Inc.	5.99%	8 August 2025
Norges Bank	0.92%	16 July 2025

The percentage interest is as stated by the shareholder at the time of notification and is based on voting rights and capital information at the time of the notification. Current interests may therefore vary.

There were no additional Interests disclosed following the period under review (the 52 weeks ended 27 December 2025) until 25 February 2026.

Significant agreements

There are a number of agreements that take effect, alter or terminate upon a change of control such as commercial contracts, bank loan agreements and employee share plans. The only one of these which is considered to be significant in terms of likely impact on the business of the Group as a whole is the bank facility (as described on page 35 and in note 19 of the consolidated financial statements). If the lender were not prepared to consent to a change of control, a mandatory repayment of the entire facility would be triggered.

The Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid.

Provision for indemnity against liability incurred by a Director

The Company has provided indemnities to the Directors (to the extent permitted by the Companies Act 2006) in respect of liabilities incurred as a result of their office. Neither the indemnity nor any insurance provides cover in the event that the Director is proven to have acted dishonestly or fraudulently.

Listing Rule 6.6.1R(2) disclosure

The following statement, characterised as a profit forecast, was included in the Group's Trading Update on 6 November 2025 for the financial year ended 27 December 2025:

"We remain on track with the outlook for 2025 and expect to deliver Group profit before tax in line with current market expectations."

A footnote to the statement above read:

"2025 Full Year Profit Before Tax consensus published on the Company's website is an average of £331m."

The actual Group profit before tax figure for the period ended 27 December 2025 is set out in the consolidated income statement on page 157.

1 Governed by the general provisions of the Articles of Association (which may be amended by special resolution of the shareholders) and prevailing legislation.

Shareholder ranges as at 27 December 2025

Range of shareholding	Number of shareholders	Percentage of total shareholders	Number of ordinary shares	Percentage of issued share capital
0 to 1,000	4,643	74.2	1,586,475	0.3
1,001 to 5,000	937	15.0	2,159,077	0.4
5,001 to 10,000	134	2.1	968,834	0.2
10,001 to 50,000	178	2.8	4,300,310	0.8
50,001 to 100,000	68	1.1	5,189,374	1.0
100,001 to 250,000	90	1.4	14,080,348	2.6
Over 250,000	211	3.4	513,232,785	94.7
Total	6,261	100	541,517,203	100

Category of shareholder	Number of shareholders	Percentage of total shareholders	Number of ordinary shares	Percentage of issued share capital
Private	5,590	89.28	7,973,324	1.47
Institutional and corporate	671	10.72	533,543,879	98.53
Total	6,261	100	541,517,203	100

It should be noted that many of our private investors hold their shares through nominee companies; therefore, the actual number of shares held privately will be higher than indicated above.

2026 Corporate timetable

Trading update	28 April 2026
Annual General Meeting	7 May 2026
Half Year Results	23 July 2026
Trading update	5 November 2026
End of financial year	26 December 2026

Additional Information

Advisors and registered office

Principal Banker

Lloyds

25 Gresham Street
London
EC2V 7HN

Joint Financial Advisers and Stockbrokers

Deutsche Numis Securities

21 Moorfields
London
EC2Y 9DB

Barclays

1 Churchill Place
Canary Wharf
London
E14 5HP

Solicitors

Freshfields

100 Bishopsgate
London
EC2P 2SR

Auditor

KPMG

15 Canada Square
London
E14 5GL

Registrar

Computershare

The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Registered Office

105 Wigmore Street
London
W1U 1QY

Notes

Additional Information

Notes continued

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