
KING  SHER

Investor and analyst visit
13 October 2005

Gerry Murphy

Chief Executive

George Adams
CEO
UK Trade Division



Agenda

- Trade – the opportunity
- Screwfix Direct
- Trade Depot



Trade - UK market

- £50 billion market
- Highly segmented customers
- Highly fragmented competition
- Low capital intensity



Trade – UK Map

	Cement, Plaster Aggregates		Insulation	Joinery/ Kitchens		Electrical/ Lighting		Heating	Bathroom		Paint/ Wallcovering		Power Tools	Equipment Storage		Fixings	Building/ Site Mgt	
	Brick, Block, Concrete	Roofing		Timber	Doors/ Windows	Vent/ Air Con	Plumbing		Tiles	Adhesives/ Sealants	Hand Tools	Hardware		Safety/ Workwear	Maintenance, Cleaning/Janit			
Civil construction contractors	■	■		■		■	■	■					■	■		■	■	■
Commercial new build contractors	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Electricians – Commercial						■	■	■					■	■	■	■	■	■
Plumbers – Commercial							■	■	■	■	■	■	■	■	■	■	■	■
General Builders – Commercial RMI	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
HVAC Installers						■	■	■	■			■	■	■	■	■	■	■
Large Housebuilders	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Small Housebuilders	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Self-Build (Housing)	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
General Builders – Housing RMI	■	■	■	■	■	■	■	■		■	■	■	■	■	■	■	■	■
Roofers		■	■	■				■				■	■	■	■	■	■	■
Windows/ Conservatory fitters		■	■	■	■			■			■	■	■	■	■	■	■	■
Carpenters/Joiners				■	■	■					■	■	■	■	■	■	■	■
Electricians – New Housing						■	■	■					■	■	■	■	■	■
Electricians - RMI						■	■	■					■	■	■	■	■	■
Plumbers – New Housing			■				■	■	■	■	■	■	■	■	■	■	■	■
Plumbers - RMI			■				■	■	■	■	■	■	■	■	■	■	■	■
Home Product Installers/Fitters						■						■	■	■	■	■	■	■
Decorators				■	■					■	■	■	■	■	■	■	■	■
Landscapers	■	■		■							■	■	■	■	■	■	■	■
Farmers	■	■		■								■	■	■	■	■	■	■
Facilities Mgt/Janitorial						■		■		■	■	■	■	■	■	■	■	■
Institutions (eg armed forces)				■	■	■			■	■	■	■	■	■	■	■	■	■
Light industry						■						■	■	■	■	■	■	■
Workshops/ Repairshops						■						■	■	■	■	■	■	■
Skilled DIYers/hobbyists	■	■	■	■	■	■		■	■	■	■	■	■	■	■	■	■	■
General Public				■	■	■		■		■	■	■	■	■	■	■	■	■

Source: AMA, team analysis





Screwfix Direct - objectives

- Reinforce core direct business
- Open new channel



CURRENT POSITIONING AND GROWTH POTENTIAL



	Cement, Plaster Aggregates		Insulation	Joinery/ Kitchens		Electrical/ Lighting		Heating	Bathroom		Paint/ Wallcovering	Power Tools	Equipment Storage		Fixings	Building/ Site Mgt	
	Brick, Block, Concrete	Roofing		Timber	Doors/ Windows	Vent/ Air Con	Plumbing		Tiles	Adhesives/ Sealants			Hand Tools	Hardware		Safety/ Workwear	Maintenance, Cleaning/Janit
Civil construction contractors	■	■		■		■	■	■				■	■		■	■	■
Commercial new build contractors	■	■	■	■		■	■	■	■	■	■	■	■	■	■	■	■
Electricians – Commercial						■	■	■				■	■	■	■	■	■
Plumbers – Commercial							■	■	■	■	■	■	■	■	■	■	■
General Builders – Commercial RMI	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
HVAC Installers						■	■	■	■			■	■	■	■	■	■
Large Housebuilders	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Small Housebuilders	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Self-Build (Housing)	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
General Builders – Housing RMI	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Roofers		■	■	■								■	■	■	■	■	■
Windows/ Conservatory fitters		■	■	■	■			■				■	■	■	■	■	■
Carpenters/Joiners				■	■	■						■	■	■	■	■	■
Electricians – New Housing						■	■	■				■	■	■	■	■	■
Electricians - RMI						■	■	■				■	■	■	■	■	■
Plumbers – New Housing				■			■	■	■	■	■	■	■	■	■	■	■
Plumbers - RMI				■			■	■	■	■	■	■	■	■	■	■	■
Home Product Installers/Fitters						■						■	■	■	■	■	■
Decorators				■	■							■	■	■	■	■	■
Landscapers	■	■		■								■	■	■	■	■	■
Farmers	■	■		■								■	■	■	■	■	■
Facilities Mgt/Janitorial						■		■		■		■	■	■	■	■	■
Institutions (eg armed forces)					■	■	■			■		■	■	■	■	■	■
Light industry						■						■	■	■	■	■	■
Workshops/ Repairshops						■						■	■	■	■	■	■
Skilled DIYers/hobbyists	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
General Public					■	■	■	■	■	■	■	■	■	■	■	■	■

Source: AMA, team analysis

Screwfix Direct - Reinforce Core

- New DC fully operational
- Systems capacity upgraded
- Core ranges improved:
 - screws, fixings, tools
 - sealants, adhesives
 - plumbing, electrical



Screwfix Direct - Trade Counters

- 7 counters now open
- Screwfix Direct offer
- Low set-up & running costs
- Encouraging sales
- 15 more in 2006





**TRADE
DEPOT**

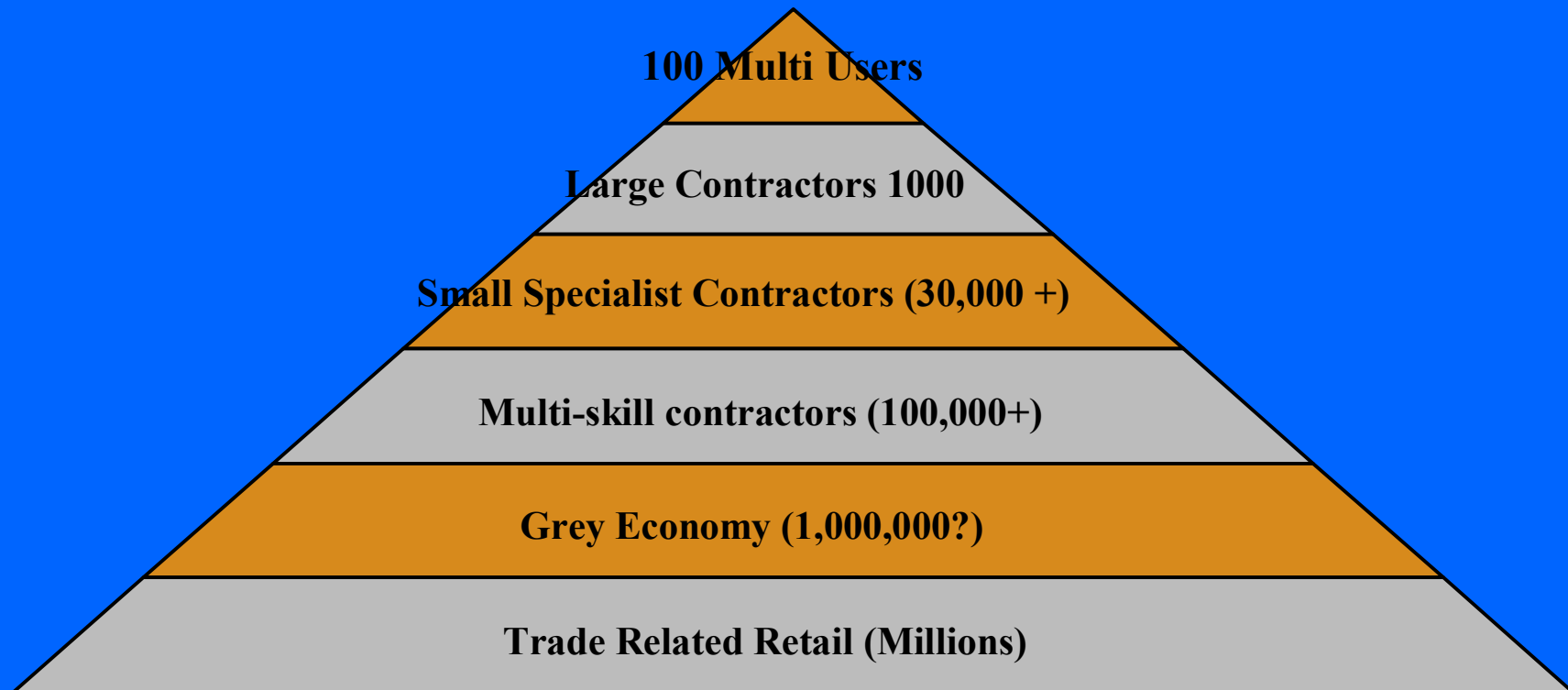
**REFURB &
BUILDING
SUPPLIES**

Trade Depot

- Brico Dépôt adaptation
- Multi-category trade outlet
- Targeting general builder and specialist trades
- 2,000 – 3,500 sq metres plus drive-through
- 8,000 products in stock
- Two trial stores by year end



Trade – UK customers



TRADE DEPOT POSITIONING



	Cement, Plaster Aggregates	Insulation	Joinery/ Kitchens	Electrical/ Lighting	Heating	Bathroom	Paint/ Wallcovering	Power Tools	Equipment Storage	Fixings	Building/ Site Mgt	
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Civil construction contractors	■	■	■		■	■	■	■	■	■	■	■
Commercial new build contractors	■	■	■	■	■	■	■	■	■	■	■	■
Electricians – Commercial				■	■	■		■	■	■	■	■
Plumbers – Commercial					■	■	■	■	■	■	■	■
General Builders – Commercial RMI	■	■	■	■	■	■	■	■	■	■	■	■
HVAC Installers				■	■	■		■	■	■	■	■
Large Housebuilders	■	■	■	■	■	■	■	■	■	■	■	■
Small Housebuilders	■	■	■	■	■	■	■	■	■	■	■	■
Self-Build (Housing)	■	■	■	■	■	■	■	■	■	■	■	■
General Builders – Housing RMI	■	■	■	■	■	■	■	■	■	■	■	■
Roofers		■	■					■	■	■	■	■
Windows/ Conservatory fitters	■	■	■	■		■		■	■	■	■	■
Carpenters/Joiners	■	■	■	■				■	■	■	■	■
Electricians – New Housing				■	■	■		■	■	■	■	■
Electricians - RMI				■	■	■		■	■	■	■	■
Plumbers – New Housing		■			■	■	■	■	■	■	■	■
Plumbers - RMI		■			■	■	■	■	■	■	■	■
Home Product Installers/Fitters				■				■	■	■	■	■
Decorators			■	■			■	■	■	■	■	■
Landscapers	■	■	■				■	■	■	■	■	■
Farmers	■	■	■					■	■	■	■	■
Facilities Mgt/Janitorial				■	■	■	■	■	■	■	■	■
Institutions (eg armed forces)			■	■	■	■	■	■	■	■	■	■
Light industry				■				■	■	■	■	■
Workshops/ Repairshops				■				■	■	■	■	■
Skilled DIYers/hobbyists	■	■	■	■	■	■	■	■	■	■	■	■
General Public			■	■	■	■	■	■	■	■	■	■

Est Mkt Size (£bn)

Source: AMA, team analysis

Trade Depot – “save time and money.....”

Communication

- Trade brand
- Strong local marketing
- Kitchen/bathroom catalogue
- Tradecard
- Price book

Place

- One-stop, multi-category specialist
- 35 – 40k sq/ft
- Trade locations, major routes
- Drive thru
- Fast, simple, low cost

Product

- < 10,000 sku
- Authority in refurb
- In stock, in volume
- Major brands

People

- Open longer: 7 – 7; 8 – 3
- 24 – 28 FTE's
- over 12 years ave trade experience
- Flat, autonomous structure
- Strong culture

Systems & Processes

- Simple system
- Operations manual

Logistics

- Direct to store
- Full / half loads

Suppliers

- 100 suppliers
- <5% B&Q range overlap

Value

- Price leadership
- Transparent EDLP
- Local pricing/price match
- Specials and Trailer deals
- Tradecard volume discount
- Limited credit
- Clearance 2x yr