

Our markets

We operate in attractive markets

As an international company, we operate across multiple markets with varying characteristics. For more information on specific regional markets please see the Regional performance section on pages 20 to 29.

Our industry

Specialist distribution of plumbing and heating and building materials principally to trade customers. The key characteristics of our industry are:



Many customers

The customer base is fragmented. Wolseley services approximately **1.1 million** customers across the Group.



Customers' needs are local

Professional contractors typically operate within about **20 miles** of a local branch and may visit it several times per week. In addition to visiting branches, they are now using emerging channels such as e-commerce which complement their working patterns.



Large supplier base

The supplier base is large. Wolseley distributes the products of approximately **60,000 suppliers** across the world.



Clear need for distributors in the supply chain

Distributors **bridge the gap** between the large supplier base and the large and geographically dispersed professional customer base. This is where Wolseley operates.



Highly fragmented industry with no market dominated by a single player

Our markets are typically **highly fragmented**, with few large players in the industry.



Benefits of scale

Due to **scale benefits**, market leaders can perform better through the economic cycle.

Growing markets

Demand for our products may be influenced by macroeconomic factors such as GDP, unemployment and consumer confidence. Other key factors supporting long-term growth in the markets are as follows:



Population growth

Population growth of more than 7 per cent is expected in the USA in the next decade. Population is expected to grow in all the countries we operate in.

Source: United Nations Department of Economic and Social Affairs.



Ageing housing stock

The median age of homes in the USA is 40 years.

There is high demand for repairs, maintenance and improvement in the large installed base of existing homes.

Source: US Department of Housing and Urban Development.



Increased comfort levels in homes

87 per cent of new homes in the USA have two or more bathrooms. There is a trend towards increasing levels of comfort in homes.

Source: US Department of Housing and Urban Development.



Sustainable development

The EU plans for all new buildings to be "nearly zero energy" by the end of 2020. Environmental concerns will drive demand for renovation of existing buildings.

Source: European Council for an Energy Efficient Economy.



Large aftermarket

The size of the building repair market in Western Europe is **forecast to be €567 billion** in 2015, which is greater than forecast new construction spend.

Source: Euroconstruct.