

ignite

issue 2



the heating season is upon us

Another month has flown by, and as you can see from Andrew's comments we have experienced an excellent level of order input – a big well done & thanks to everyone, especially to the sales teams. Everyone assures me that the season has started early this year and it will only get busier! Delivery to our customers is absolutely key; we need to be 100% focused on getting the product to them when they want it – any delays cause a knock on negative effect to all departments.

We are looking to make immediate process improvements across our business and the first step has been to appoint John Myhill to the position of Lean Manager. John will be working directly with me, and leading on many cross functional improvement projects – please join me in wishing him every success.

The first sessions of 'round table' meetings are now complete. Thank you to everyone for giving frank and open views on the good, the bad and the ugly – there was plenty that we are pleased to be able to address straight away. Caroline and I are now pulling the information together, and will then circulate this to you all. We will highlight areas for immediate action, as well as outlining some further planning to address some of the concerns raised. In summary, September has been an extremely positive, but demanding, month with continued organic growth. My focus is on getting our processes and systems to a point where we can absorb this growth.

Let's keep pushing to fulfil our customer orders.

Alistair

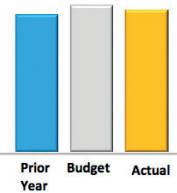


the figures

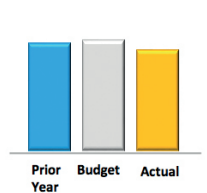


Group sales were again ahead of last year, assisted by the recent price increases. Virtually all the growth was in Gazco, which remains buoyant. Even with sales exceeding last year, our order book continued to grow in the month and this will support sales levels in the rest of the season. Our margins remain under severe pressure due to currency exchange rates and commodity material price increases, though improvements were seen with the higher volumes coming through in Gazco. Overheads are still running at virtually the same rate as last year and well below budget. Profits have been hit by the margin decline and remain somewhat behind both last year and budget for the year to date.

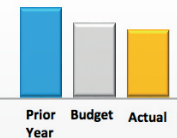
Year to Date Revenue



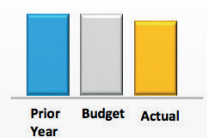
Year to Date Margin



Year to Date Profit before Tax



Working Capital Turns



The key focus must now be to ensure we achieve the required production efficiencies and expedite deliveries of both products and components to allow us to capitalise on our substantial order book. This would allow us to deliver our budget, despite the adverse impacts on our margins, strengthening our case for future investment in the business.



our values

We all have a responsibility to control and reduce any negative effect we have on the environment, and that includes how much we recycle and also control our hazardous waste at work.

We'll all have noticed the new coloured bins now placed in various locations around our buildings. We have green bins for Dry Mixed Recyclables (including paper, card, plastic and cans), yellow lid bins for Aerosols, and red lid bins for Hazardous Waste like oily rags and paint waste. These have been implemented by Marion Hall our QHSE Assistant, who has also published a memo which we can find in various areas on each site, to remind us all of which bins to use.



DID YOU KNOW?

ACROSS THE GROUP WE GET THROUGH A WHOPPING **14,138 PINTS OF MILK** PER YEAR FOR OUR BREAKTIME TEAS & COFFEES!

stockton cook stoves – available now!

The Stockton Cook Stove range has been launched to retailers, and is already garnering interest from national magazines.

Charlie Tribble, Junior Design Engineer, was the full time engineer and project manager for this product, supported by the Management & Development LAB. Seeing the potential from the first mention of the idea, Charlie was excited to take on this project, saying: "Living in a rural area of Somerset with a woodburner, there has always been at least a kettle on our stoves. We are constantly using the stove to warm, dry things and cook things. I also have a passion for cooking and food, so thought this would be an ideal project for me."

Charlie and the team had a lot of fun testing and developing the cook stoves, cooking meals and making cups of tea in the Lab. He hopes that "the amount of testing and developing really comes through, and that people will enjoy the stoves as much as I have."



Stovax R&D put the Stockton Cook Stoves through their paces!

burgers, bangers or both!

A huge thanks to everyone involved in organising the recent BBQs, and especially to our chefs who successfully served hundreds of burgers and sausages across the two lunch breaks – with a speed to rival the busiest McDonald's!

The two BBQs were greeted with plenty of eager, hungry faces and saw a great turnout. The weather even held out for us, too!



safety matters - defibs now on site!



Restart a Heart Day is a designated day of action across Europe with the aim to teach vital life-saving CPR skills to as many people as possible. Our first aiders have refreshed their overall training, including CPR, and have also been taught how to use a defibrillator.

Three defibrillators have been purchased by the company and will be installed with their correct brackets and waterproof boxes in the Stovax reception, Gazco reception, and in front of the D units on the outside of the building.



congratulations and well done!

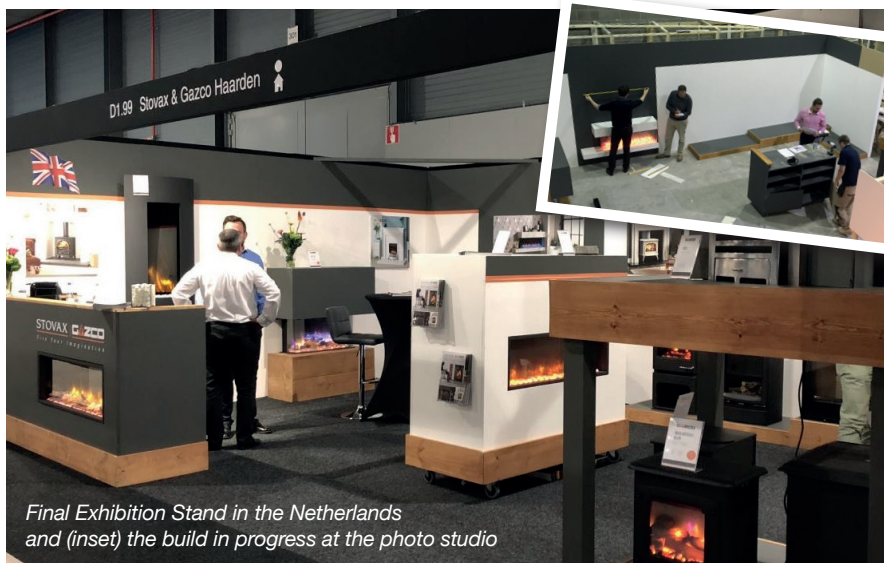
Congratulations to Simon Rogers on his promotion to Export Supervisor, Shayne Chilvers on his promotion to Team Leader for Despatch, Natalia Falatova on her promotion to Management Accountant for Stovax, Lucy Stanton who has moved into a new role of Payroll Officer and Stephen McIntosh who has joined the Production Team at Gazco.



Also congratulations to John Myhill on his promotion to Lean Manager, and Phil Griffiths who has moved from QC to the Reworks Team at Stovax.

Stovax & Gazco go dutch!

Export Marketing and the Creative Studio team have been busy preparing for an 'Interiors & Dream House' trade show in the Netherlands. Designing and building an impressive 35m² stand, a mix of Stovax & Gazco solid fuel, gas and electric products were showcased, and saw an excellent turnout. Dominik Blazewicz, Export Sales Manager, said that "even though the stand was for consumers primarily, we were thrilled to see a number of retailers attend – who even placed orders. It was the best outcome we could have hoped for."



Final Exhibition Stand in the Netherlands and (inset) the build in progress at the photo studio

three products shortlisted for build it awards

Each year, national magazine Build It hosts an awards evening, comprising several different categories that showcase the best homes, renovations and products relevant to self-builders. We were thrilled that three of our products were shortlisted for 'Best Heating Product' within a group of ten entries. The products selected were the Gazco Skope, the Stovax Vogue range and the Lotus Prio 7 Cook stove. Annabelle Carvell, PR Officer, says that "although we narrowly missed out on winning this year, it was a wonderful achievement to have got so far, and bodes very well for future awards!"



five mins with...

Gemma Brooks assistant buyer

How long have you worked for the company?

I've worked at Stovax for 4 & a half years.

Describe your average working day and what you do?

Forecasting demand and calculating raw material requirements, raising/expediting purchase orders, liaising with suppliers, monitoring reports, resolving issues! The list goes on... Busy busy!



What's been your greatest achievement working for Stovax?

I started in the company in Customer Services, and have since moved to Goods In (Inventory Control), and now Purchasing as an Assistant Buyer. I have progressed through the company with the skills and knowledge I have attained along the way.

What is your favourite pastime?

I love music, cooking and baking!

If you were marooned on a desert island, what's the one thing you'd take with you?

A hammock – so I can enjoy the peacefulness!

How do you take your tea?

Milk, no sugar!

What makes the ideal packed lunch?

A jam-packed salad or tuna pasta and yoghurt and fruit.

positive customer feedback

Recently we commissioned a customer feedback survey that was conducted by an independent research company, Lindberg International, during the summer months. Lindberg contacted over 200 randomly selected retailers across the UK and Ireland, for both Stovax and Gazco brands. This sample was chosen to give us the most objective and accurate impression of our customer's views, on all aspects of the Group. The questions were designed to give us a valuable insight into their views, which have highlighted some areas of real success and performance, alongside areas for much needed improvement. Work is currently under way to evaluate this feedback in more detail and to put measures in place to address these issues.

**Stovax
53 NPS**

**Gazco
81 NPS**

NPS = Net Promoter Score

We are delighted to report however that despite some areas where improvements can be made, feedback from the retailer network has been extremely positive with our main strengths stated as being reliability, good customer service and a broad high quality product range. One measure that offers an insight into general positive perception of a brand is the Net Promoter Score (NPS). Without going into too much detail, I can say that a score of 0 is considered good, 50 is excellent and 70 is world class. I think the results above speak volumes for the fantastic work being done across the group by everyone.

Matt Beckenham, Associate Director of Marketing

dealer profile

The Fireplace Fitters Shop Suppliers & Installers



Family-run business, the Fireplace Fitters Shop, has been running for 10 years this November. Starting out selling from the back of a van, to now owning a store in the heart of Frome, Somerset, the Fireplace Fitters Shop has been working on an exciting renovation of their showroom over the last couple of months. "It's been hard work," they commented, "but it's almost there now. All that's left is a little more tiling, and connecting the Studio gas fire." For this retailer, sales in gas fires have taken a surprising rise this year, with the Logic HE proving to be doing well so far.

WIN £25 by simply carving a pumpkin!

With Halloween and hibernation season fast approaching, our yearly #CosyCarvings competition is here and open to Stovax & Gazco's entire social following. To boost the competition's visibility online, all staff are invited to take part with sharing photos, and as an added bonus are in with the chance of winning £25!

The rules are simple:

- Design a devilish pumpkin carving and take a photo of it in front of a stove or fire. This can be at home, or in front of one of our products in the show room.
- Upload your photo to Instagram, Facebook or Twitter using **#CosyCarvings**.
- Once uploaded, email a link to your photo to Annabelle in Marketing (acarvell@stovax.com) who will randomly select a winner once the competition has ended. Please note that only submissions by email will be counted.
- Final entries to be received by the **1st November**. One lucky winner will be announced shortly after this date.

Happy carving!

