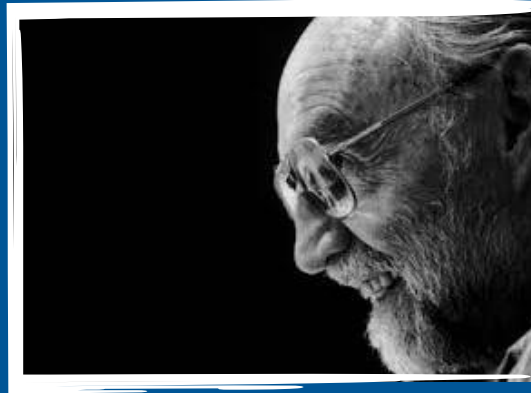


2020 and Beyond: Innovation and Growth

Andrew Keating

CELEBRATING
150
YEARS OF BAXI



Philip Baxendale,
former Baxi Chairman, said in 1983

“We see ourselves as custodians of the business and we want to pass it on stronger than it was when we went into it.”

Baxi still believes this today

Who are we?

BAXI

BAXI

BAXI

BAXI

CUSTOMER SUPPORT

BAXI

GENUINE PARTS

POTTERTON

HEATRAE SADIA

HEATRAESADIA

SMARTER | CLEANER | WARMER



COMMERCIAL

remeha

commercial



SENERTEC

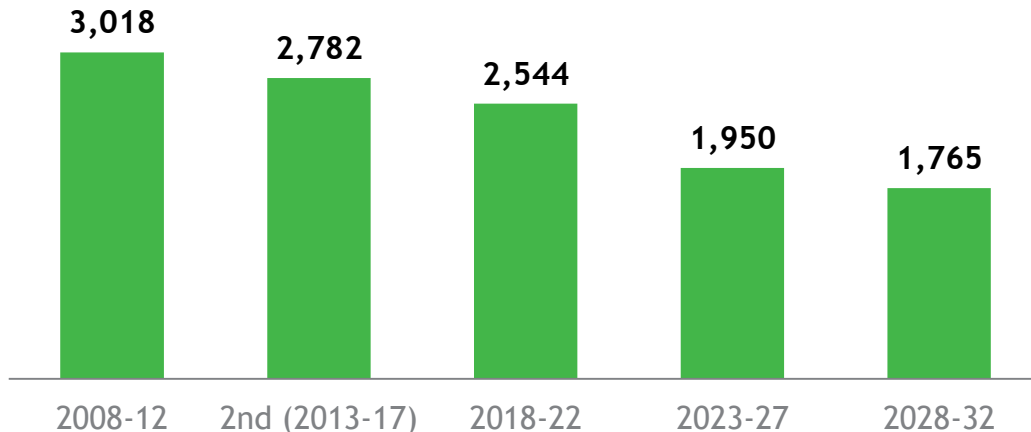
POTTERTON

COMMERCIAL

Energy innovation matters for society

Climate Change Act requires the UK to reduce GHG emissions by 80% (compared to 1990 levels) in 2050

Annual Emissions under Carbon Budgets (MtCO₂e)



Source:

CCC, 2015. [The Fifth Carbon Budget](#)
CCC, 2016. [Carbon Budgets and Targets](#)

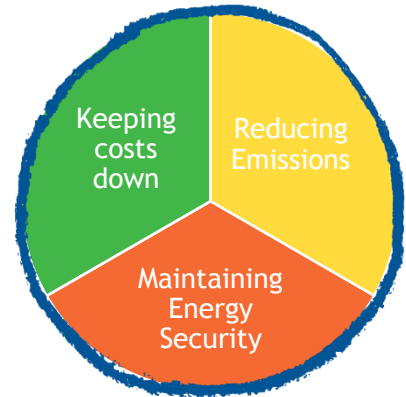
It also matters for policymakers **BAXI**



“Nowhere in the energy system is the need for innovation more acute than in how we use heat to keep warm in our homes and for industrial processes.”

“Heat accounts for around 45% of our energy consumption and a third of all carbon emissions. Progress to date has been slower here than in other parts of our economy ... We need a long-term plan that will work and keeps down costs for consumers.”

Amber Rudd Secretary of State



But not for individuals

BAXI

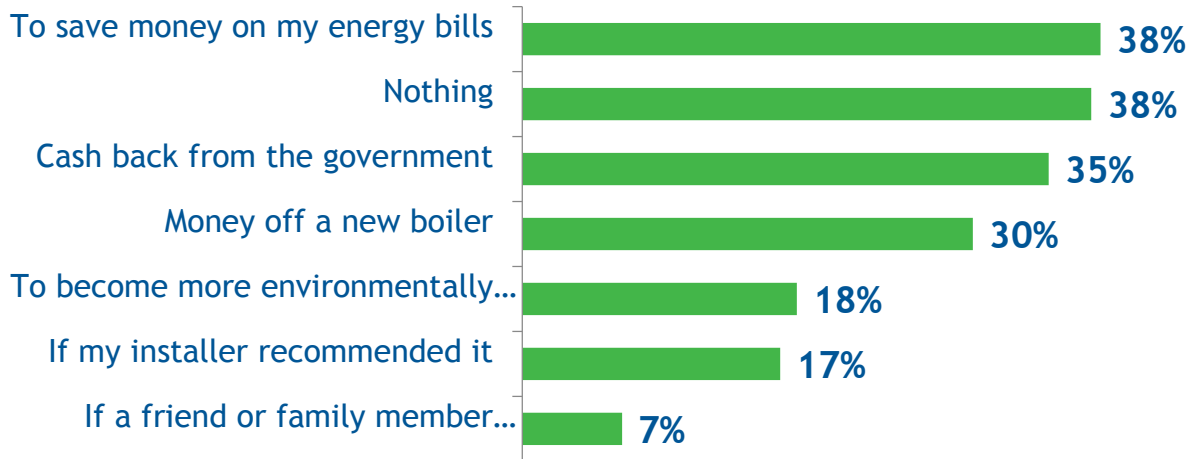
- Make it easy
 - Innovative technologies need to be easy to understand, operate and compare to current
- Behavioural psychology as important as technology
 - “Keeping my home warm for as little cost as possible”



BAXI
Make it easy

Motivations for boiler replacement before breakdown

BAXI

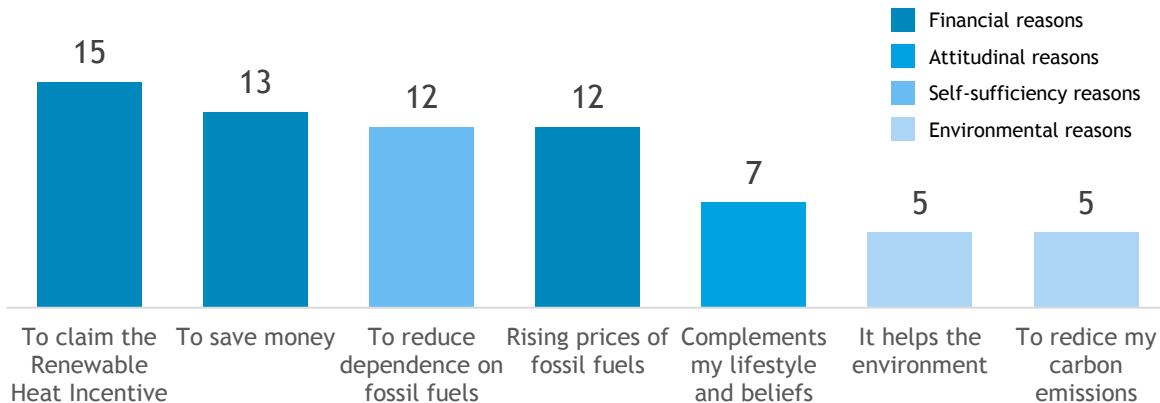


Motivations for low carbon heating

The Renewable Heat Incentive Experience

- The ability to claim the RHI was the most common reason to choose a renewable solution over a conventional system
- 45% of dRHI applicants cited financial motivations
- Environmental concerns were highlighted by 10% of the sample

What was the main reason you decided to install a renewable heat technology rather than a conventional heating system in your home? (%)



Innovation - Good ideas made useful

BAXI



**150 VISION AWARD FOR
INNOVATION**

Smart revolution could help us

BAXI

By 2020, the Government aims to roll out smart meters to 30m homes and smaller businesses

Connected technology already here with Smart Thermostats and other devices

Access to data and integration of systems will be key

Could provide a gateway/encourage greater openness to new tech by consumers

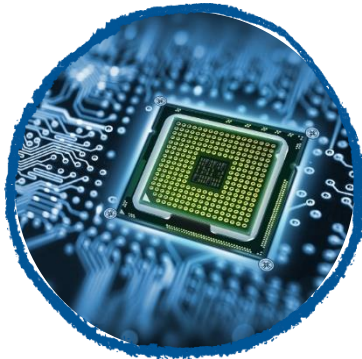


£10.9
Billion
Cost for
installatio
n

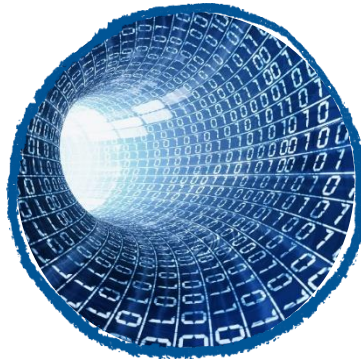
£17.1
Billion
Benefits

2020 enabling smart

BAXI



Moore's
Law



Unlimited
bandwidth



Internet
of Things

An update to the plan is required

Markets for low-carbon heating systems must develop significantly in the 2020s

By 2050 buildings need to be virtually zero carbon yet 80% of housing stock has already been constructed

Heat Strategy published in 2013 - but progress has been slow



Decarbonising gas is an innovation challenge

- Government should make a long-term plan and stick to it
- Govt. and Industry should make it easy for the user
- Companies such as Baxi must make it Easy for the Supply chain



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Thank you
