

Q3 trading update to 31 October 2021
Sales of £3.2 billion; LFL⁽¹⁾ down 2.4% and 2-year LFL⁽²⁾ up 15.0%

19 November 2021: Kingfisher plc ('Company', 'Group' or 'Kingfisher') is today providing its Q3 21/22 sales.

Key points

- Strong sales performance from all banners and categories on a 2-year basis, across both retail and trade channels
- Continued market share gains, driven by ongoing delivery against strategic priorities
- Effective management of product availability, logistics and inflation pressures
- Good start to the fourth quarter
- Expect H2 21/22 LFL sales and full year adjusted pre-tax profit to be towards the higher end of previously guided ranges
- Strategic execution and supportive new industry trends provide opportunity for sustained long-term growth
- Commenced £300 million share buyback programme; c.£67 million completed so far

Unaudited Q3 21/22 sales (three months ended 31 October 2021)

	Sales 2021/22	% Total Change	% Total Change	% LFL Change	% 2-year LFL Change
	£m	Reported	Constant currency	Constant currency	Constant currency
UK & Ireland	1,544	(2.1)%	(1.9)%	(3.5)%	+15.7%
- B&Q	962	(5.3)%	(5.2)%	(5.6)%	+17.1%
- Screwfix	582	+3.9%	+4.0%	+0.2%	+13.0%
France	1,111	(9.5)%	(4.1)%	(4.3)%	+14.1%
- Castorama	570	(12.0)%	(6.8)%	(6.1)%	+15.7%
- Brico Dépôt	541	(6.7)%	(1.0)%	(2.3)%	+12.4%
Other International (ex-Russia)	591	+1.2%	+9.3%	+5.3%	+15.3%
- Poland	420	+1.4%	+10.0%	+4.9%	+12.7%
- Iberia ⁽³⁾	89	(7.3)%	(1.9)%	(1.9)%	+15.9%
- Romania ⁽⁴⁾	78	+6.4%	+14.6%	+17.2%	+29.2%
- Other ⁽⁵⁾	4	n/a	n/a	n/a	n/a
Total Group (ex-Russia)	3,246	(4.2)%	(0.8)%	(2.4)%	+15.0%
- Russia ⁽⁶⁾	-	(100.0)%	(100.0)%	n/a	n/a
Total Group	3,246	(6.3)%	(3.0)%	(2.4)%	+15.0%

- Strong trading performance (2-year LFL up 15.0%), with growth in footfall and average transaction value
- Resilient demand against very strong prior year comparatives; total sales (ex-Russia) down 0.8% in constant currency (LFL sales down 2.4%)
- Omni-channel engagement remains high with e-commerce sales⁽⁷⁾ 2-year growth of 133%; now 16% of Group sales
- Strong momentum has continued into the fourth quarter; Q4 21/22 LFL sales (to 13 November)⁽⁸⁾ on a 2-year basis up 13.2% (LFL up 0.4%)

Thierry Garnier, Chief Executive Officer, said:

“Kingfisher has delivered another successful quarter, with 2-year LFL sales growth of 15% and strong growth across both retail and trade channels, and across all categories. These are even stronger sales trends given the backdrop of an increasingly ‘normalised’ consumer spending environment. Demand remains supported by what we believe are enduring new industry trends, including more working from home.

“We continue to grow our market share, driven by strong execution of our new strategy. We are pushing forward with investments in key areas of the business to drive long-term growth, including further enhancements to our e-commerce proposition and Screwfix’s launch in France. And we are progressing with our clear plans to deliver on our carbon reduction targets, aligned to 1.5°C to 2025, and to become ‘forest positive’ by the same year.

“Since the start of this year we have maintained, and in many cases improved, our product availability, which is amongst the best in our industry. This has supported our market share gains and allowed us to upweight promotional initiatives in the quarter. We have also continued to manage inflation pressures effectively, while retaining highly competitive pricing.

“We have entered our final quarter with positive momentum and now expect sales and profits to be towards the higher end of our previously guided ranges. Overall, with strong execution and supportive new long-term trends for our industry, we remain confident of continued outperformance of our markets.”

Current trading and outlook

The following guidance applies in the event of no adverse change in COVID-related measures (e.g. new lockdown restrictions resulting in store or showroom closures, or restrictions on entry to stores depending on vaccination status):

- Good start to the fourth quarter, with Q4 21/22 LFL sales (to 13 November) on a 2-year basis up 13.2% (LFL sales up 0.4%)
- **H2 21/22 LFL sales:** expect to be towards the higher end of our previously guided range (-7% to -3%; corresponding 2-year LFLs of +9% to +13%)
- **Full year adjusted pre-tax profit:** expect to be towards the higher end of our previously guided range (£910 million to £950 million)

Q3 highlights

Climate change

We continue to deliver against our science-based **carbon reduction targets to 2025**, which are consistent with reductions required to keep global warming to 1.5°C. Our targets were approved by the Science Based Targets Initiative (SBTi) in June 2021, placing Kingfisher among a very small number of retailers worldwide to have such a commitment.

Through our partnership with the UN’s ‘Race to Zero Retail Breakthroughs’, we participated at the UN Climate Change Conference (COP26) alongside other leading retailers, to share good practices to support more retailers worldwide to take action.

Our targets build on the significant progress being made to cut the environmental footprint of our retail banners and products. Highlights include:

- B&Q, Screwfix, Castorama France, Brico Dépôt France and Brico Dépôt Iberia all now purchasing 100% low-carbon electricity;
- A score of 'A-' in the latest CDP Climate Change disclosure initiative;
- Maintaining our 'AAA' rating from the MSCI; and
- B&Q, as the UK's largest garden centre, working to deliver '100% peat-free' across all compost in 2023.

In addition, in June 2020 we made a new commitment to be **forest positive**, through 'creating more forests than we use', by 2025. Alongside our commitment to ensure all our wood and paper is responsibly sourced by FY 25/26, we are also a founding member of the Rainforest Alliance's 'Forest Allies' initiative, investing in significant reforestation and community forest projects in Indonesia, Peru, Colombia, Guatemala and Cameroon.

Operational status

Kingfisher remains committed to meeting the needs of our customers safely, and ensuring colleague safety and wellness. COVID-related safety measures remain in place in all our stores and locations.

All stores remain open across the Kingfisher Group. In Romania, national restrictions were imposed on 25 October 2021 to limit access to retail stores (except standalone food stores, pharmacies and petrol stations) to customers who can prove (via health certificates) their double-vaccination status or recovery from the virus. As of 16 November 2021, around 35% of the Romanian population is double-vaccinated. The current restrictions are expected to apply at least until the beginning of December 2021. Romania's Q4 21/22 LFL sales to (13 November)⁽⁴⁾ are down 11.8% (2-year LFL up 3.9%).

Trading highlights (in constant currencies)

UK & IRELAND

Total sales -1.9% (LFL -3.5%; 2-year LFL +15.7%). Continuing to grow sales ahead of the market with strong engagement from new and existing customers.

- **B&Q** sales -5.2%. LFL -5.6% (2-year LFL +17.1%) reflecting resilient demand against the backdrop of very strong prior year comparatives.
 - Strong 2-year performance in outdoor, building & joinery and kitchen categories.
 - LFL sales of weather-related categories were down 12% (up 28% on a 2-year LFL basis). LFL sales of non-weather-related categories, including showroom, were down 4% (up 14% on a 2-year LFL basis).
 - **TradePoint**, B&Q's trade-focused banner, continued to outperform, with LFL sales up 5% and 2-year LFL sales up 27%. TradePoint sales were 22% of B&Q sales in Q3.
 - B&Q's new own exclusive brand (OEB) kitchen range continues to perform well in H2, with a healthy order-book of sales and good take-up of installation services.
 - Opened two new stores in Q3, including one compact store and one further store-in-store concession (within an ASDA supermarket).
- **Screwfix** sales +4.0%. LFL +0.2% (2-year LFL +13.0%) reflecting continued strong demand from trade customers.
 - During the period, we continued to roll out Screwfix 'Sprint', with strong early results. 'Sprint' offers customers an industry-leading 60-minute home delivery service (average delivery time c.45 minutes), currently covering one third of the UK population.
 - Opened 11 new stores in Q3 in the UK and Republic of Ireland.

FRANCE

Total sales -4.1% (LFL -4.3%; 2-year LFL +14.1%). France continues to grow sales ahead of the market in Q3, driven by strong performances at both banners, with an outperformance of nearly 3 percentage points on a 2-year basis. LFL sales for the home improvement market (as measured by *Banque de France* data⁽⁹⁾) in Q3 were +11.3% on a 2-year basis.

- **Castorama** sales -6.8%. LFL -6.1% (2-year LFL +15.7%) reflecting resilient demand against the backdrop of very strong prior year comparatives.
 - Strong 2-year performance in outdoor, building & joinery and kitchen categories.
 - LFL sales of weather-related categories were down 6% (up 27% on a 2-year LFL basis). LFL sales of non-weather-related categories, including showroom, were down 7% (up 14% on a 2-year LFL basis).
- **Brico Dépôt** sales -1.0%. LFL -2.3% (2-year LFL +12.4%), reflecting continued focus on strengthening its discounter credentials and differentiated ranges.
 - Strong 2-year performance in building & joinery and outdoor categories.

OTHER INTERNATIONAL

- **Poland** sales +10.0%. LFL +4.9% (2-year LFL +12.7%).
 - Strong 2-year performance in all categories, in particular the new OEB kitchen range.
 - LFL sales of weather-related categories were up 6% (up 19% on a 2-year LFL basis). LFL sales of non-weather-related categories, including showroom, were up 4% (up 12% on a 2-year LFL basis).
 - Opened two new stores in Q3, including one medium-box and one compact store.
- **Iberia** sales -1.9%. LFL -1.9% (2-year LFL +15.9%), with resilient demand against strong prior year comparatives.
- **Romania** sales +14.6%⁽⁴⁾. LFL +17.2% (2-year LFL +29.2%) reflecting strong demand, in particular across the EPHC (electricals, plumbing, heating & cooling), outdoor and building & joinery categories. Please refer to the '*Operational status*' section above for details of COVID-related restrictions recently imposed in Romania.

Footnotes

- ⁽¹⁾ LFL (like-for-like) sales growth represents the constant currency, year on year sales growth for stores that have been open for more than one year. Stores temporarily closed or otherwise impacted due to COVID are also included.
- ⁽²⁾ 2-year LFL is calculated by compounding current and prior year LFL growth. For example, current year LFL growth of 10% and prior year LFL growth of 5% results in 2-year LFL growth of 15.5%. Prior year LFL growth excludes Russia for the purposes of the Group and Other International 2-year LFL calculations.
- ⁽³⁾ Brico Dépôt Spain and Portugal.
- ⁽⁴⁾ Kingfisher's subsidiary in Romania has historically prepared its financial statements to 31 December. In FY 21/22, Romania is migrating to Kingfisher's financial reporting calendar (year ending 31 January 2022). Its Q1 21/22 sales therefore included one additional month of results (April 2021) in order to facilitate the alignment to Kingfisher's financial reporting calendar. Its Q3 21/22 sales presented are for August to October 2021, with the reported and constant currency variances comparing against July to September 2020. LFL, 2-year LFL, and Q4 21/22 LFL (to 13 November) sales growth for Romania compares equivalent periods in current and prior years. Romania's LFL sales growth in the month of January 2021 was 22.2%.
- ⁽⁵⁾ 'Other' consists of the consolidated results of NeedHelp (acquired in November 2020), Screwfix International (launched online in France in April 2021), and revenue from franchise agreements.
- ⁽⁶⁾ The Group completed the sale of Castorama Russia on 30 September 2020.
- ⁽⁷⁾ E-commerce sales are total sales derived from online transactions, including click & collect. This includes sales transacted on any device, however not sales through a call centre. E-commerce sales change is in constant currency and covers the total Group, excluding Russia.
- ⁽⁸⁾ 'Q4 21/22 LFL sales (to 13 November)' represents the period from 31 October 2021 to 13 November 2021 (compared against the equivalent period in the prior year, from 1 November 2020 to 14 November 2020). The corresponding 2-year LFL represents the period from 31 October 2021 to 13 November 2021 compared against the equivalent period in FY 19/20 (i.e. from 3 November 2019 to 16 November 2019). The figures are provisional and exclude certain non-cash accounting adjustments relating to revenue recognition.
- ⁽⁹⁾ Banque de France data for DIY retail like-for-like sales (non-seasonally adjusted). Includes relocated and extended stores <http://webstat.banque-france.fr/en/browse.do?node=5384326>.

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Q3 trading update and data tables

This announcement and data tables for Q3 21/22 sales can be downloaded from www.kingfisher.com/investors.

We can be followed on Twitter (@kingfisherplc) with the Q3 results tag #KGFQ3.

Full year 21/22 results

Our next scheduled announcement will be our results for the year ending 31 January 2022, on 22 March 2022.

American Depository Receipts

Kingfisher American Depository Receipts are traded in the US on the OTCQX platform: (OTCQX: KGFHY) <http://www.otcmarts.com/stock/KGFHY/quote>.

About Kingfisher plc

Kingfisher plc is an international home improvement company with approximately 1,430 stores, supported by a team of over 81,000 colleagues. We operate in eight countries across Europe under retail banners including B&Q, Castorama, Brico Dépôt, Screwfix, TradePoint and Koçtaş. We offer home improvement products and services to consumers and trade professionals who shop in our

stores and via our e-commerce channels. At Kingfisher, our purpose is to help make better homes accessible for everyone.

Forward-looking statements

You are not to construe the content of this announcement as investment, legal or tax advice and you should make your own evaluation of the Company and the market. If you are in any doubt about the contents of this announcement or the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000 (as amended) (or if you are a person outside the UK, otherwise duly qualified in your jurisdiction).

This announcement has been prepared in relation to sales for the quarter ended 31 October 2021. The financial information referenced in this announcement is not audited and does not contain sufficient detail to allow a full understanding of the results of the Group. Nothing in this announcement should be construed as either an offer or invitation to sell or any offering of securities or any invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in any company within the Group or an invitation or inducement to engage in investment activity under section 21 of the Financial Services and Markets Act 2000 (as amended).

Certain information contained in this announcement may constitute "forward-looking statements" (including within the meaning of the safe harbour provisions of the United States Private Securities Litigation Reform Act of 1995), which can be identified by the use of terms such as "may", "will", "would", "could", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "target", "plan", "goal", "aim", "forecast" or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts and speak only as of the date on which they are made and include statements regarding the Company's intentions, beliefs or current expectations and those of our Officers, Directors and employees concerning, amongst other things, the Company's results of operations, financial condition, changes in global or regional trade conditions, changes in tax rates, exchange rates or interest rates, changes to customer preferences, liquidity, prospects, growth and strategies, acts of war or terrorism worldwide, work stoppages, slowdowns or strikes, public health crises, outbreaks of contagious disease (including but not limited to the COVID pandemic), environmental disruption or political volatility. By their nature, forward-looking statements involve inherent risks, assumptions and uncertainties that could cause actual events or results or actual performance of the Company to differ materially from those reflected or contemplated in such forward-looking statements. For further information regarding risks to Kingfisher's business, please consult the risk management section of the Company's Annual Report (as published). No representation or warranty is made as to the achievement or reasonableness of, and no reliance should be placed on, such forward-looking statements.

The Company does not undertake any obligation to update or revise any forward-looking statement to reflect any new information, change in circumstances, or change in the Company's expectations.