‘Powered by Kingfisher’

New strategic direction

Thierry Garnier, Chief Executive Officer

Our strengths

Access to attractive Home Improvement markets	Leading positions in our markets	Strong commercial assets	Distinctly positioned banners
Long term growing markets, resilient through downturns	Top 2 position in all key markets	77,000 skilled and engaged colleagues	B&Q, Castorama, Brico Dépôt Romania, Koçtaş: *General home improvement*
	UK, Poland, Turkey: #1	Collective buying scale & successful own exclusive brands (39% of sales)	
Higher profit margins than many retail sectors	1,350+ stores	Responsible business practices	Screwfix, TradePoint: *Trade-focused*
Partly insulated against online pure-plays	90% banner awareness	Proven model to operate through COVID-19	Brico Dépôt France and Iberia: *Discounter*

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Situation in 2019 – key achievements from past 4 years

Buying and sourcing efficiencies

Benefits from unified ranges

Own Exclusive Brands (OEB) product innovation

Dedicated design and sourcing teams. Growth in some categories from differentiated product design

Improved price position

Clear improvement in price position vs. peers for B&Q and Castorama France

GNFR efficiencies

£100m+ GNFR and operational savings over 4 years

SAP investments

Common SAP template fully deployed in B&Q; rollout in progress in other banners

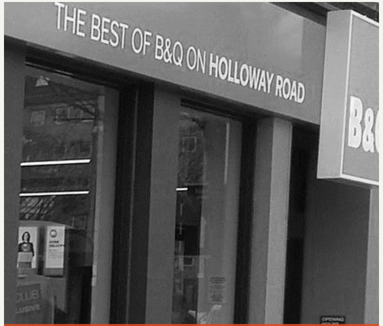
Shared services

Shared services centre established for back-office

Situation in 2019 – diagnosis

Root causes	Consequences
▪ "Become ONE" vs. Do it together	▪ Diluted banner positioning
▪ Imbalanced local-Group operating model	▪ Weaker customer proposition
▪ Complex organisation	▪ LFL decline
▪ Product-led vs. Retail-led	▪ Lack of progress on digital
▪ Too much, too fast	▪ Additional costs & excess inventory

Continuing shifts in the market provide opportunities



	Growth online – but stores back at the centre	Smaller formats	Discounters on the rise	Growth in DIFM and services
Long term shifts	Rapid and accelerating	Gradual shift	Gradual shift	Gradual shift
COVID impact	Massive surge		Uncertainty and downturn favours discounters	Less DIFM

Customers share some needs – but are not 'one'

Category examples

Similar needs and behaviours
- Painting missions
- Types of paint and finishing
- Purchasing criteria

Differences across markets
- Painting frequency and budgets
- Colour preferences
- Brands bought

Similar needs and behaviours
- Heating needs and usage

Differences across markets
- Heating energy sources
- Heating systems & equipment
- Brands bought

Similar needs and behaviours
- Types of tools and usage
- Purchasing criteria
- Brands bought

Differences across markets
- Purchasing channel preferences

Distinct banners addressing diverse customer needs

General Home Improvement

	B&Q	castorama	castorama	BRICO DEPOT	koçtaş	
					Koçtaş	Koçtaş Fix
Average store size	7,500 sqm	12,400 sqm	8,700 sqm	7,200 sqm	5,500 sqm	300 sqm
Average # SKUs	20-40k SKUs	40-50k SKUs	40-50k SKUs	15-20k SKUs ↑	35k SKUs	5k SKUs

Trade-focused

	SCREWFIX	TRADE POINT *Located within B&Q stores*
Average store size	65 sqm	50-100 sqm
Average # SKUs	10-35k SKUs	1-2k SKUs

Discounter

	BRICO DEPOT	BRICO DEPOT
Average store size	6,900 sqm	6,300 sqm
Average # SKUs	10-15k SKUs	15-17k SKUs

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Note: Koçtaş is Kingfisher's 50% JV in Turkey

Our strategic direction

Kingfisher banners are not the same. This is a strength

They address diverse customer needs, operate different models and will have a clear positioning and plan

We will 'power' these banners as a Group

The role of the Group is to enable our banners to serve their customers better

A clear vision to build customer propositions for the future

E-commerce with stores at the centre, more compact stores, OEB-led differentiation,
a mobile-first experience and a compelling services offer are at the heart of this vision

A balanced local-group operating model and agile culture

We will build a culture led by trust. We will adopt a 'done is better than perfect' mindset to test and learn
We will lead the industry with our Responsible Business practices

Simpler and leaner

This means doing less, landing it faster, reducing our costs and inventory

Kingfisher banners are not the same
This is a strength

Strong and distinct banners

A simplified and balanced local-group operating model

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Each banner has a clear positioning – and set of priorities

B&Q / TradePoint	Screwfix	Brico Dépôt (France)	Castorama (France)
Accelerate e-commerce	Maximise market share in UK & Ireland	Reignite the discounter DNA	Focus and fix: team structure, IT & availability
Strengthen ranges and relaunch installations	Lead the market on future customer propositions	Rejuvenate the Brico Dépôt brand	Accelerate e-commerce
Trial smaller formats and adapt store footprint	Expand internationally		Strengthen ranges and be recognised for select projects
Relaunch TradePoint	Accelerate e-commerce		Reduce costs & inventory

Castorama (Poland)	Brico Dépôt (Romania)	Brico Dépôt (Spain & Portugal)
Accelerate e-commerce	Extend range, improve trading and services	Accelerate e-commerce
Continue to expand store network	Improve availability	Build on discounter DNA
Lead the market on concepts and innovation	Finish integration with Praktiker: HQ, logistics	Strengthen range with locally relevant products
		Trial compact store formats

We will 'power' these banners as a Group

Strong and distinct banners

A simplified and balanced local-group operating model

Group 'Sources of Power'

* E-commerce, digital journey, data, store concepts, services and service platforms, supply chain

‘Powered by Kingfisher’ – Group priorities

Focus and Fix

2020

(see slide 8)

Simplify and Grow

2020 & onwards

- Move to **balanced, simpler** local-group operating model with an **agile** culture
- Grow **e-commerce** sales
- Build a **mobile-first**, **service orientated** customer experience
- Differentiate and grow through **own exclusive brands** (OEB)
- Test compact **store concepts** and adapt our **store footprint**
- **Source and buy** better, reduce our **costs** and our **inventory**
- Lead the industry in **Responsible Business** practices

A clear vision to build customer propositions for the future

Grow e-commerce sales

- Shift to store picking and fulfilment
- Develop innovative last mile delivery
- Prioritise rollout of Group e-commerce stack
- Explore marketplace model

Build a mobile-first, service-orientated customer experience

- Deliver a compelling services offer
- Explore service platforms
- Lead with mobile
- Leverage customer data and analytics

Differentiate and grow through OEB

- Prioritise OEB vs. unification
- Deliver value-for-money OEB
- Align OEB portfolio to banner propositions

Test compact store concepts and adapt our store footprint

- Invest in high-ROI new store opportunities
- Trial compact store concepts
- Evolve our big-box format
- Extend partnerships

Simpler and leaner

1 Cost programme	2 Buying & sourcing	3 Inventory reduction
▪ Further GNFR savings ▪ Shared services ▪ Store operating efficiencies ▪ Lease renegotiations ▪ Supply chain optimisation ▪ Simplify organisation	▪ Strategic partnerships with top 20-30 brands ▪ OEB sourcing optimisation and value engineering ▪ Reduction of clearance	▪ Better planning and forecasting ▪ Consolidation of slow-moving product stock ▪ Alignment of display stock with sales velocity

Lead the industry in ‘Responsible Business’ practices

‘Forest positive’

We will help tackle climate change & create more forests than we use

‘Forest positive’ by 2025 through reforestation[1]

Greener, healthier homes

We help make greener, healthier homes affordable

50% of sales from sustainable products

Fix bad housing

We will fight to fix bad housing

Help over 1 million people by 2025 whose housing needs are greatest

Inclusivity

We will be an inclusive company

5 million hours of learning by 2025 through our ‘skills for life’ programme

Responsible Business fundamentals

- Governance and ethics
- Responsible sourcing
- Chemicals
- Waste & recycling
- Colleague health, safety & well-being

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(1) Reforestation from 2021

COVID-19 reinforces our strategic direction and pushes us to be bolder

Better value, more local, new needs

- Downturn will drive greater focus on value for money – use **power of OEB** and reignite **discounter model (Brico Dépôt)**
- Stay and work from home: **new Home Improvement projects**
- **Local banners** responding to local needs
- Being a **responsible business** even more important

E-commerce – with store at the centre

- Radical acceleration of **shift online** - click & collect and home delivery
- **Stores at the centre** for both

Lean, agile, focused

- Keep the **speed and agility from the COVID-19 crisis**. 'Done is better than perfect' & 'test and learn'
- **Banners empowered** for greater agility
- Significant **cost reduction**: acceleration of existing plans plus new 'forced experiments'
- **Focus investments** on clear priorities

Committed to returning Kingfisher to growth

Immediate priority	→	**Manage impact of COVID-19 on our business and financial performance**

Ongoing financial priorities	▪ Prioritise sales growth in all retail banners ▪ Drive benefits from buying, sourcing and product development ▪ Reduce costs ▪ Focus on growing retail profit ▪ Reduce ‘same-store’ inventory
Medium term capital allocation	▪ Invest capital subject to strict returns criteria ▪ Maintain investment grade credit rating; medium term target range of 2.0-2.5x net debt/EBITDA ▪ Recognise importance of dividends to shareholders; intend to consider future dividend payments with a clearer view of COVID-related impacts on the business

Summary

- Top priority is managing the impacts of COVID-19
- A clear new strategic direction – **‘Powered by Kingfisher’**
  Distinctly positioned banners ‘powered’ by the Group
- A strong new team
- Operating with new standards of execution discipline
- Actions delivering early results but there is much to do
- Committed to returning Kingfisher to growth