



Kingfisher plc Full Year Results

12 months to 31 January 2023

21 March 2023

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Welcome & agenda

Bernard Bot (CFO): FY 22/23 results

Performance overview

Cash, debt and liquidity

Effective supply chain and cost management

FY 23/24 outlook & guidance

Thierry Garnier (CEO): Operational & strategic update

Building a track record of delivery

Strong & diverse with proven resilience

Executing against our strategic priorities & investing for growth

Medium-term capital allocation and financial priorities



Key messages

A year of solid execution, performance in line with our expectations and guidance

Sales outperforming home improvement industry growth, and significantly ahead of pre-pandemic levels

Multiple profitable growth opportunities being pursued at pace

Well positioned to navigate FY 23/24

Maintaining strong price indices in our key markets and effectively managing inflation, costs and inventory levels

Announcing new medium-term financial priorities; confident in growth and cash generation opportunity



FY performance in line with our expectations

Resilient sales across both retail and trade channels

Total sales -0.7% and LFL -2.1% (3-year LFL sales +15.6%)

Growing sales ahead of the market

3-year total sales CAGR⁽¹⁾ of +5.9% vs market CAGR⁽²⁾ of +4.9%

Resilient underlying sales trends in the new year

February 2023 total sales +1.9% (LFL sales +0.5%)

E-commerce sales 3-year growth +146%

16.3% sales penetration vs 7.9% in FY 19/20

Adjusted PBT: £758m, -20% (+39% vs FY 19/20)

Exceeded target for 1.5°C science-based scope 1 and 2 carbon reduction

Proposed full year dividend of 12.40p (flat vs FY 21/22)

(1) Represents the compound annual growth rate (CAGR) of total sales for the UK, France and Poland between FY 19/20 and FY 22/23 (in constant currency)

(2) Market growth (in constant currency) for the UK, France and Poland based on a Kingfisher internal analysis covering 2,225 retailers (on a calendar year basis)



B&Q

Local

Shop day or night at diy.com

Your
New
B&Q
Local
Now
Open

We're here for
your home
improvement
projects...

Fix & repair | DIY essentials | Home
Decorating | Furnishings | Garden

FY 22/23 results

Bernard Bot
Chief Financial Officer



Key financials

<p>Sales</p> <p>£13,059m <i>Total sales -0.7%⁽¹⁾ LFL -2.1%, 3-year LFL +15.6%</i></p>	<p>Gross profit / margin %</p> <p>£4,795m 36.7% <i>-2.6%⁽¹⁾ -70bps⁽¹⁾</i></p>	<p>Retail profit / margin %</p> <p>£923m 7.1% <i>-19.2%⁽¹⁾ -160bps⁽¹⁾</i></p>	<p>Adjusted PBT⁽²⁾ / margin %</p> <p>£758m 5.8% <i>-20.2% -140bps</i></p>
<p>Statutory profit</p> <p>Pre-tax Post-tax</p> <p>£611m £471m <i>-39.3% -44.1%</i></p>	<p>Free cash flow</p> <p>£(40)m <i>FY 21/22: £385m</i></p>	<p>Net debt</p> <p>£(2,274)m⁽³⁾ <i>FY 21/22: £(1,572)m</i></p>	<p>Net leverage</p> <p>1.6x <i>Net debt / EBITDA</i></p>

(1) Variance in constant currency

(2) Before adjusting items (pre-tax)

(3) Includes £2,444m lease liabilities under IFRS 16 (FY 21/22: £2,376m)



Geographic summary

	FY 22/23 sales			Retail profit/(loss)			Retail profit/(loss) margin %		
	£m	% LFL ⁽¹⁾	% 3-year LFL ⁽¹⁾	£m	% chg ⁽¹⁾	% 3-year chg ⁽¹⁾	%	bps chg ⁽¹⁾	3-year bps chg ⁽¹⁾
UK & Ireland	6,200	<i>(6.9)%</i>	<i>+15.3%</i>	603	<i>(24.0)%</i>	<i>+20.9%</i>	9.7%	<i>(250)bps</i>	-
B&Q	3,835	<i>(8.8)%</i>	<i>+15.8%</i>						
Screwfix	2,365	<i>(3.4)%</i>	<i>+14.2%</i>						
France	4,452	<i>(1.4)%</i>	<i>+13.2%</i>	195	<i>(12.0)%</i>	<i>+21.5%</i>	4.4%	<i>(50)bps</i>	<i>+40bps</i>
Castorama	2,302	-	<i>+13.9%</i>						
Brico Dépôt	2,150	<i>(2.9)%</i>	<i>+12.5%</i>						
Poland	1,734	<i>+13.8%</i>	<i>+19.8%</i>	148	<i>+12.4%</i>	<i>+8.6%</i>	8.5%	<i>(30)bps</i>	<i>(190)bps</i>
Iberia	373	<i>+1.9%</i>	<i>+16.7%</i>	9	<i>(28.0)%</i>	<i>+303.0%</i>	2.4%	<i>(100)bps</i>	<i>+170bps</i>
Romania⁽²⁾	285	<i>+7.8%</i>	<i>+38.0%</i>	(10)	<i>+7.4%</i>	<i>+52.6%</i>	(3.5)%	<i>+30bps</i>	<i>+680bps</i>
Other⁽³⁾	15	<i>n/a</i>	<i>n/a</i>	(30)	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Turkey⁽⁴⁾	n/a	<i>n/a</i>	<i>n/a</i>	8	<i>+114.8%</i>	<i>+186.1%</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Total	13,059	<i>(2.1)%</i>	<i>+15.6%</i>	923	<i>(19.2)%</i>	<i>+20.9%</i>	7.1%	<i>(160)bps</i>	<i>+30bps</i>

(1) Variance in constant currency

(2) Romania has historically prepared its financial statements to 31 December. In the prior year (FY 21/22), Romania migrated to Kingfisher's financial reporting calendar (year ended 31 January). Its sales and retail loss presented in FY 21/22 therefore included one additional month of results (January 2022) in order to facilitate the alignment to Kingfisher's financial reporting calendar. Reported and constant currency variances for Romania's total sales and retail loss are for February 2022 to January 2023 (compared against January 2021 to January 2022), whilst LFL and 3-year LFL sales growth compares equivalent periods in the current and prior years

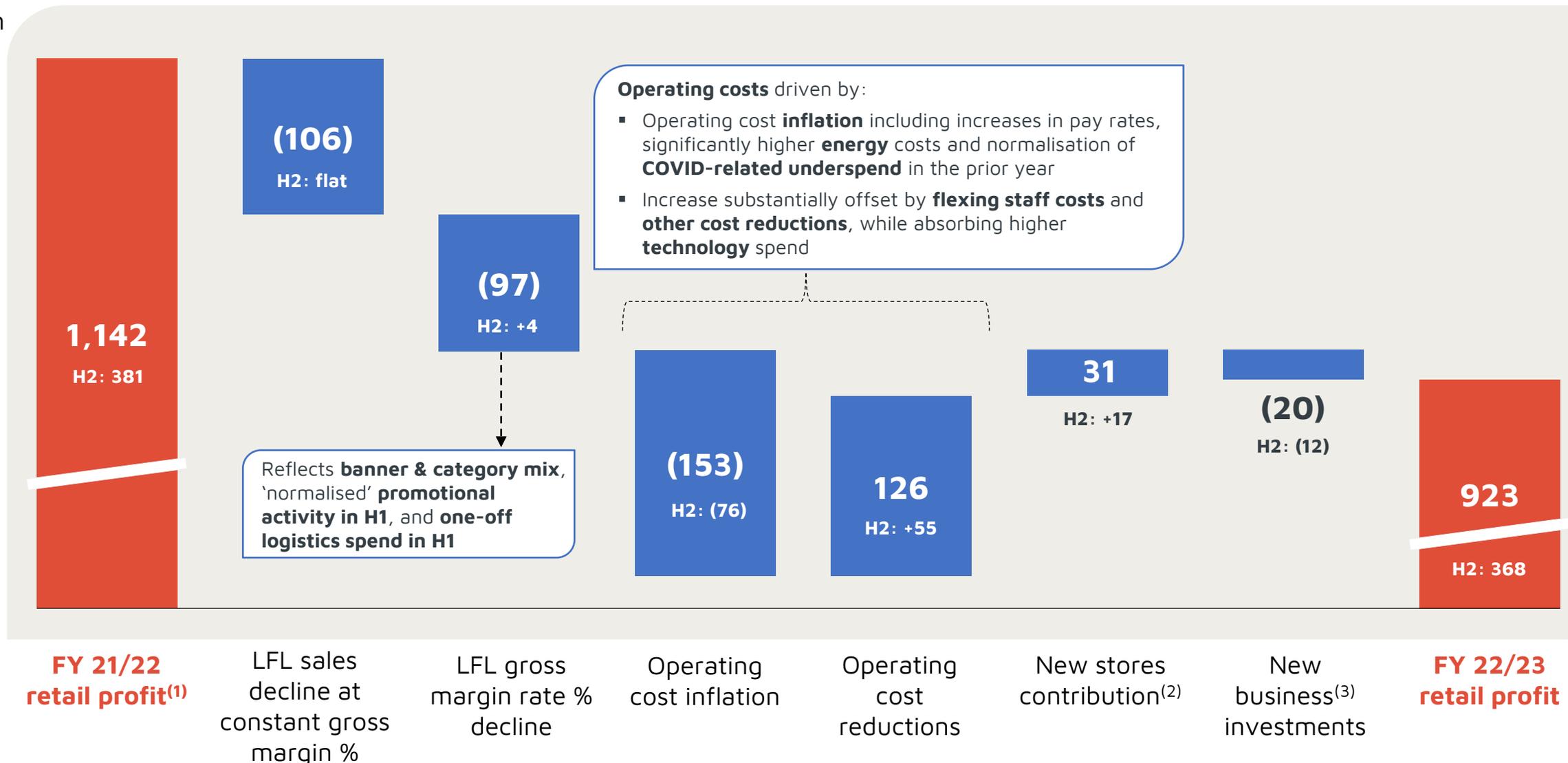
(3) 'Other' consists of the consolidated results of Screwfix International, NeedHelp, and results from franchise agreements

(4) Retail profit includes the equity-accounted profit of Koctas (Kingfisher's 50% JV in Turkey)



Group retail profit bridge (FY and H2)

£m



(1) In constant currency

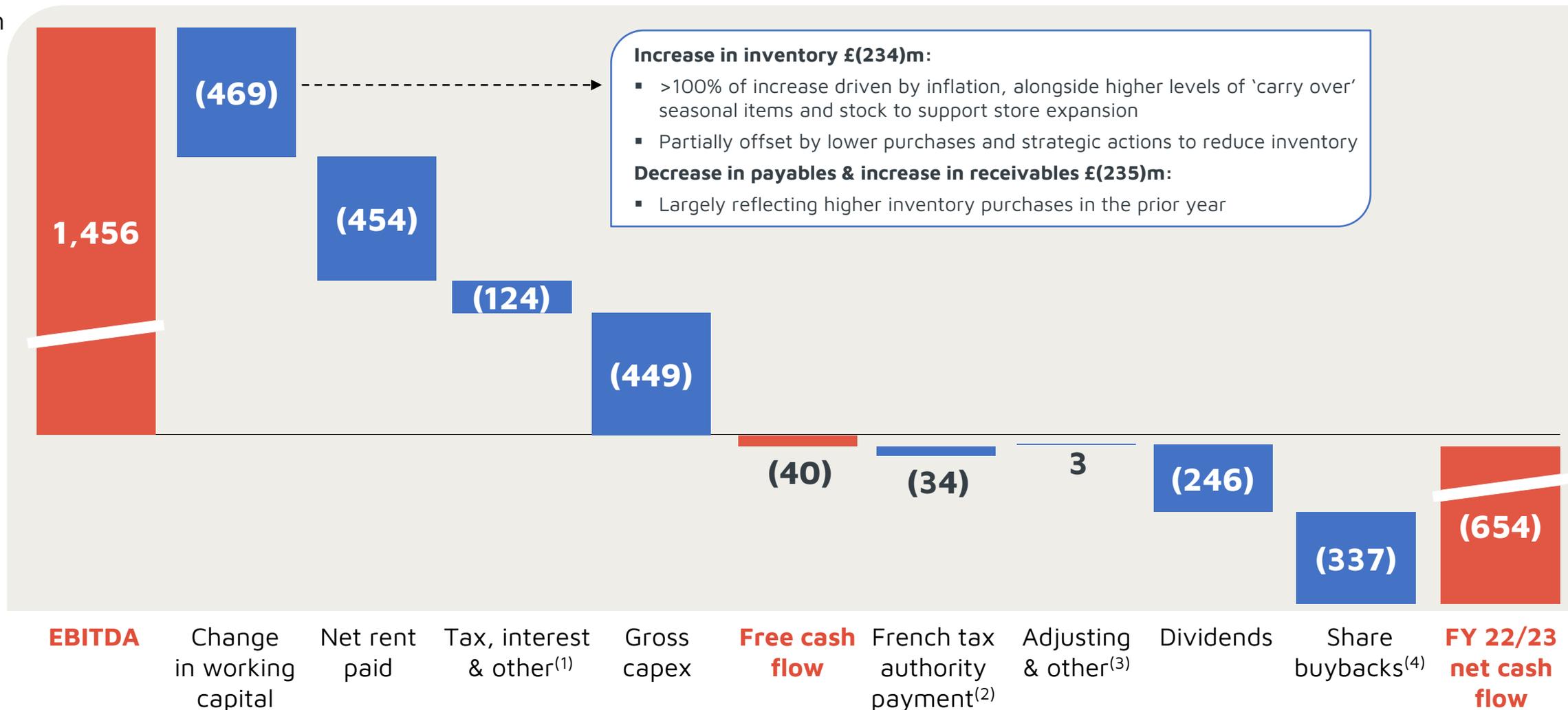
(2) Profit contribution before allocation of IT and overhead costs

(3) New businesses represent Screwfix International (France), NeedHelp and franchise agreements



Summary cash flows

£m



(1) 'Other' principally includes share-based payment compensation charge and movement in pensions

(2) In February 2022, a payment of €40m (c.£34m) was made to the French tax authorities relating to a historic tax liability. This amount was fully provided for in prior periods

(3) 'Adjusting & other' includes proceeds from the issue of new shares, disposal of Castorama Russia, dividends from joint ventures and associates, and disposal of assets; partially offset by share purchases for employee incentive schemes and adjusting cash flow items (principally comprising restructuring costs)

(4) Includes £143m outflow related to the completion of the first share buyback programme (completed in April 2022). As of 31 January 2023, £108m related to the second £300m share buyback programme was still to be completed



Net debt and liquidity

£m	FY 22/23	FY 21/22
IFRS 16 lease liabilities	(2,444)	(2,376)
Financial debt ⁽¹⁾	(100)	(5)
Cash and cash equivalents ⁽²⁾	270	809
Net debt	(2,274)	(1,572)
Net debt to EBITDA	1.6x	1.0x

Over £800m of total liquidity as of 31 January 2023 (including undrawn £550m RCF)

Outflow of £583m relating to ordinary dividends and share buybacks

Net leverage of 1.6x as of 31 January 2023

To maintain a solid investment grade rating, our maximum net leverage (net debt to EBITDA) over the medium-term remains at 2.0x

(1) Relates to fixed term debt, bank loans and financing derivatives

(2) Net of bank overdrafts



Effective management of inflation, costs and inventory levels in FY 22/23

Broadly flat gross margin % vs FY 19/20

Proactive **supplier negotiations** and **stock purchases** helped to reduce input cost pressures

—
Maintained strong **price index** versus competitors

—
Maintained disciplined approach to **promo/clearance**

—
Achieved lower **logistics** and **distribution** costs

Active management of operating costs

Increased **pay awards and support for colleagues** brought forward

—
Higher **energy** costs YoY (represents c.1% of sales); multiple initiatives reduced overall usage by c.15% YoY

—
Operating cost **inflation** and investment in **technology** substantially offset by **cost reductions**

Inventory increase driven by inflation

Over 100% of inventory value increase YoY driven by **inflation**; volume units down YoY

—
Product availability at pre-pandemic levels; part of 'buffer' stock released

—
Stock provisioning and **de-listed stock rates** remain below pre-pandemic levels



Continued effective management of inflation pressures in FY 23/24

Easing of raw material and input cost inflation in H2

Easing of raw material prices expected to lead to **lower product cost inflation in H2**; delayed impact due to stock turn

—
Freight prices have eased significantly. Again, delayed impact with **YoY benefit expected in H2**

—
FX exposures from US\$ purchases (c.20% of COGS) **substantially hedged, but YoY headwind**

Cost initiatives helping to relieve opex pressure

Ongoing cost savings programme partially offsetting higher staff, technology and energy costs YoY

—
Energy prices c.50% hedged; currently expect total energy costs to be higher YoY

—
Significant additional **cost levers** in our control

Optimising our supply chain and inventory management

Maintaining high **product availability**

—
Anticipate **working capital unwind** as seasonal and 'buffer' stock continues to sell through and supplier payables normalise

—
Actions underway to further optimise **supply chain, inventory management** and **sourcing footprint**



FY 23/24 outlook and guidance

Resilient underlying sales trends in the new year

- February 2023 total sales +1.9% (LFL sales +0.5%)
- Underlying sales trends remain resilient, with 'big-ticket' sales broadly flat YoY
- Expect some impact in March from adverse weather conditions and strong comps in Poland

Well positioned to navigate FY 23/24

- Targeting further market share growth
- Sales impact of c.+1.5% from net space growth, largely from Screwfix and Castorama Poland
- Active and responsive management of operating costs to partially offset higher staff, technology and energy costs YoY
- Expect P&L investment of c.£40m in relation to our new businesses, including Screwfix France

- **Comfortable with current consensus for FY 23/24 adjusted PBT⁽¹⁾**
- **Expect >£500m free cash flow in FY 23/24**
- **Intention to announce new share buyback programme following completion of existing programme this year**

(1) Guidance assumes current exchange rates. According to Company-compiled consensus estimates as of 14 March 2023, the current consensus of sell-side analyst expectations for FY 23/24 adjusted pre-tax profit (PBT) is £633m



Operational and strategic update

Thierry Garnier
Chief Executive Officer

Kingfisher has evolved substantially in the last three years

2019: Early actions to fix the basics

Rebalanced banner versus Group responsibilities

New management and leadership team with a renewed culture of 'test and learn'

Focused on fixing missteps in France

New trading approaches introduced into banners

2020: Launch of 'Powered by Kingfisher'

Strategic priorities identified to drive business transformation

Strong focus on Group priorities of e-commerce, OEB, mobile-first and services, optimising store estate, reducing costs & inventories, and Responsible Business

2022: Strong execution against priorities

Rapid progress against all our strategic pillars; accelerated investments for growth

Record number of new stores

Market share gains

Strong balance sheet



We have executed strongly and achieved a lot

Delivering against our financial priorities

LFL sales **+15.6%**
vs FY 19/20

Adjusted PBT **+39.3%**
vs FY 19/20

Shareholder returns **£1,100m**
cumulative returns over last 3 years⁽¹⁾

Winning with our customers and colleagues

Growth ahead of our market⁽²⁾ **+5.9%**
3-year sales CAGR vs market CAGR of +4.9%

Customer NPS scores **+11** in-store
+20 online
vs FY 19/20

Colleague engagement score **8.4/10**
engagement; top 5% retail worldwide

Leading Responsible Business practices

Carbon emissions reductions **52.7%**
reduction in Scope 1 & 2 vs FY 16/17 (baseline year)

Sustainable Home Products **47%** of sales;
+10ppts vs FY 19/20

Sustainably sourced wood and paper **94%**
+13ppts vs FY 20/21

(1) Includes c.£500m of ordinary dividend payments and £600m of share buybacks (c.£493m of shares repurchased as of 31 January 2023)

(2) 5.9% represents the compound annual growth rate (CAGR) of total sales for the UK, France and Poland between FY 19/20 and FY 22/23 (in constant currency). Market growth (in constant currency) for the UK, France and Poland of 4.9% based on a Kingfisher internal analysis covering 2,225 retailers (on a calendar year basis)



In a fast-changing environment

Macroeconomic



- High inflation
- Higher consumer energy prices
- Interest rate rises

Lifestyle



- Hybrid working
- Focus on 'life at home'

Technology



- Digital adoption and acceleration across categories and age groups
- Rising importance of AI, data and robotics

Environment



- Reducing environmental impact increasingly important to consumers
- Climate events

Kingfisher is strong and diverse, with proven resilience

Resilient end market demand

Low unemployment

—
Build up of personal savings during the pandemic

—
Attractive customer demographics, including high home ownership

—
Renovating homes to protect their value

Structural industry growth drivers

Solid market growth since 2019 (+4.9% CAGR); spread evenly across DIY and DIFM/trade, and outpacing GDP growth

—
Enduring industry trends including more working from home and focus on energy efficiency

Balanced exposure with financial flexibility

Diverse retail banners and geographic presence

—
c.50/50 exposure DIY and DIFM/trade

—
Significant proportion of our sales linked to repairs and maintenance; 'big-ticket' only c.15% of Group sales

—
Strong balance sheet

Splashwall

We're here to help you
achieve a kitchen that's
well planned, flexible
and efficient

Talk to a colleague today.



Surveys highlight resilience of home improvement

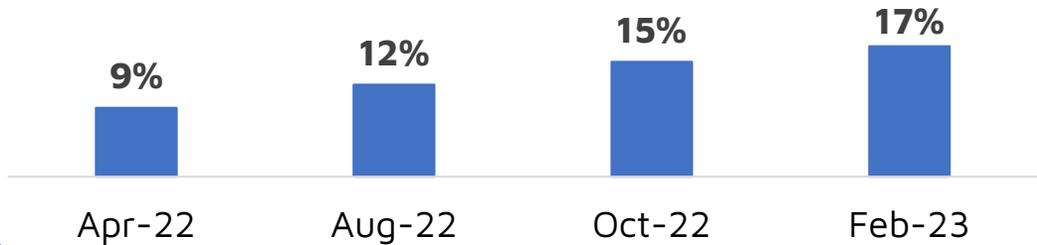
More working from home is here to stay

2.5 to 3 days per week on average;
2x more vs pre-pandemic⁽¹⁾

Average spend on home improvement of those WFH ~**30% higher** than all active home improvers⁽¹⁾

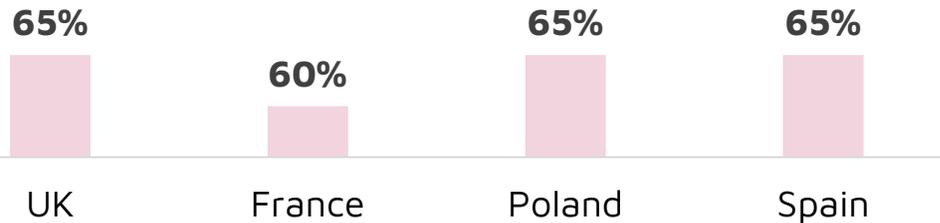
Heightened focus on energy efficiency

Clear increase in consumers citing energy efficiency as a 'trigger' for home improvement⁽¹⁾



Robust intent to move house or renovate

Majority of European households have plans to do home improvement in 2023⁽²⁾



Tradespeople remain busy, with more work in the pipeline

91% of UK tradespeople working, **79%** have more work to come⁽³⁾

Around **half** have a pipeline of up to three months' work and over a **third** have a work pipeline of over six months' work ahead of them⁽⁴⁾

(1) Source: Kingfisher Home Improvement Pulse Survey, February 2023 (UK, France, Poland)

(2) Source: USP European Home Improvement Monitor, Q4 2022

(3) Source: Screwfix Trade Pulse Survey, February 2023

(4) Source: On The Tools 'Trade Brain' survey, January 2023

Continued strong execution against our 'Powered by Kingfisher' strategic priorities

- 1 Grow by building on our different banners
- 2 Accelerate e-commerce through speed and choice
- 3 Build a data-led customer experience
- 4 Differentiate and win through own exclusive brands (OEB)
- 5 Develop our trade business
- 6 Roll out compact store formats
- 7 Lead the industry in Responsible Business and energy efficiency
- 8 Human, agile and lean



Grow by building on our different banners

	Footprint today vs 3 years ago ⁽¹⁾	Future potential driving c.+1.5% to +2.5% sales impact from annual net space growth over the medium term
	+15 B&Q stores ⁽²⁾ +30 TradePoint counters in UK; launched in Ireland with 8 counters +2 B&Q franchise stores	c.50 'white spaces' where B&Q is currently under-represented in the UK — TradePoint expansion in the UK and Ireland — Potential expansion into new markets through further franchising
	+190 stores in UK & Ireland +5 stores in France	Targeting a total of 1,000+ stores in the UK & Ireland — Assuming success of format is confirmed, potential for 600+ stores in France — Scope for expansion into further markets (e.g., Poland and Iberia)
	+19 stores in Poland	Significant ' white space ' in Poland ; targeting up to 80 new medium-box and compact stores over the next 5 years
	Broadly unchanged	Well positioned to penetrate more 'white spaces' in France ; testing first compact store (1,000 sqm format) in FY 23/24
	+6 Koçtaş stores ⁽³⁾ +264 Koçtaş Fix stores ⁽³⁾	Expansion of small convenience format 'Koçtaş Fix' ⁽⁴⁾

(1) Gross new stores as of 31 January 2023 vs 31 January 2020

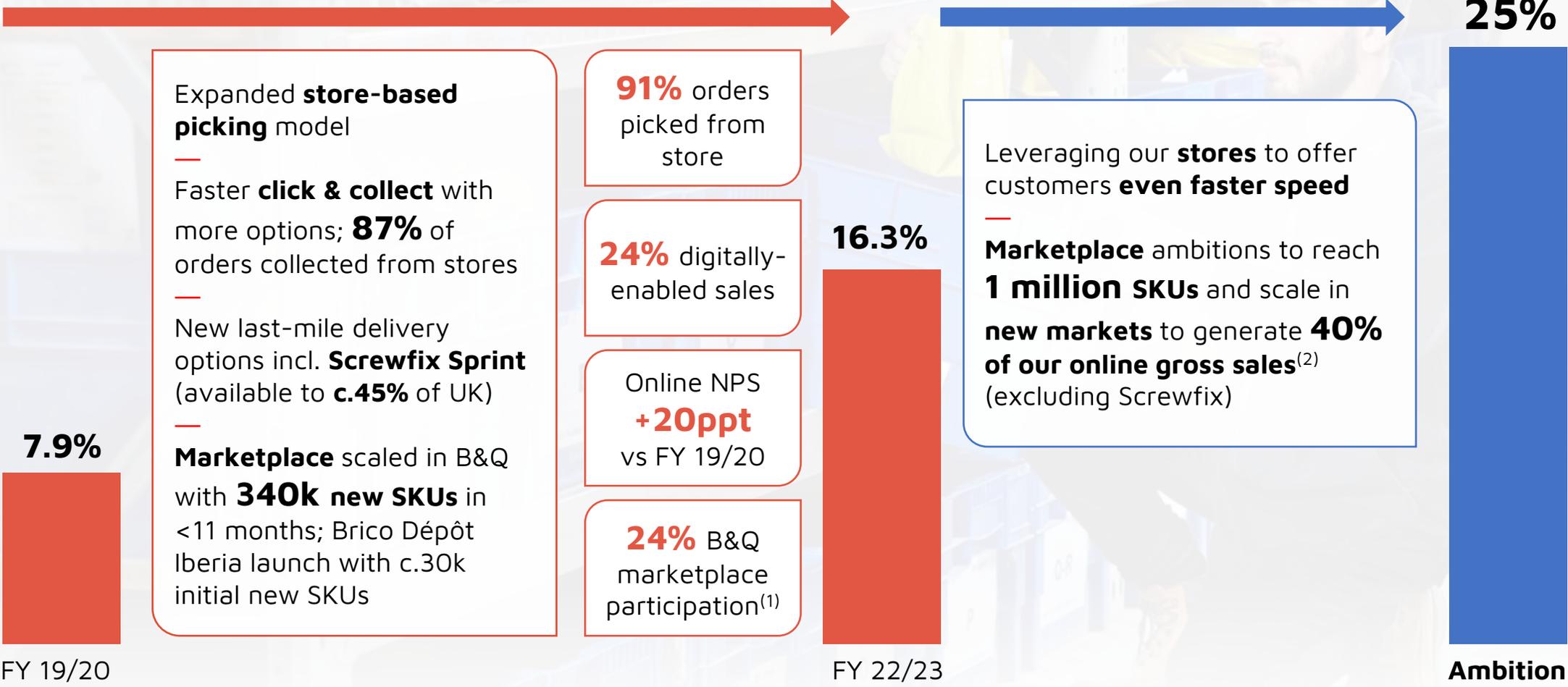
(2) In February 2023 we decided to end our B&Q 'grocery concession' format test with ASDA in 8 stores. These stores are excluded from the B&Q number

(3) Net new stores as of 31 January 2023 vs 31 December 2019

(4) Koçtaş is Kingfisher's 50% joint venture in Turkey. Its space growth is excluded from the Group's guidance of c.+1.5% to +2.5% sales impact from annual net space growth over the medium term

Accelerate e-commerce through speed and choice

2.5x increase in e-commerce sales



(1) Represents B&Q's marketplace participation – i.e., B&Q's marketplace gross sales divided by B&Q's total e-commerce sales. Participation of 24% achieved in February 2023
 (2) 40% of total e-commerce sales for the Group, excluding Screwfix, to be generated by marketplace gross sales

E-commerce sales penetration (%)



Build a data-led customer experience

Achievements to date: data powering growth

20m new identifiable customers acquired since 19/20⁽¹⁾

103% revenue retained over 12 months⁽²⁾

30% higher basket for known customers⁽³⁾

New technology and **data foundations** now in place to drive **growth**, **efficiencies** and improve **customer experience**

Established a **Centre of Excellence** in **data**

Entered strategic **partnerships** including with **Google Cloud**

Forward focus: data powering growth and profit

Leveraging data for margin realisation

Smart markdowns, clearance and pricing

Promotions effectiveness

Real time end-to-end visibility

Supply chain visibility in real-time to optimise fulfilment and availability

Providing suppliers with real-time **stock visibility**

Demand-led stock optimisation and replenishment

Creating new sources of value

New income streams through **retail media**

(1) New identifiable customers are customers who have shopped within the last 12 months but not the 12 months prior

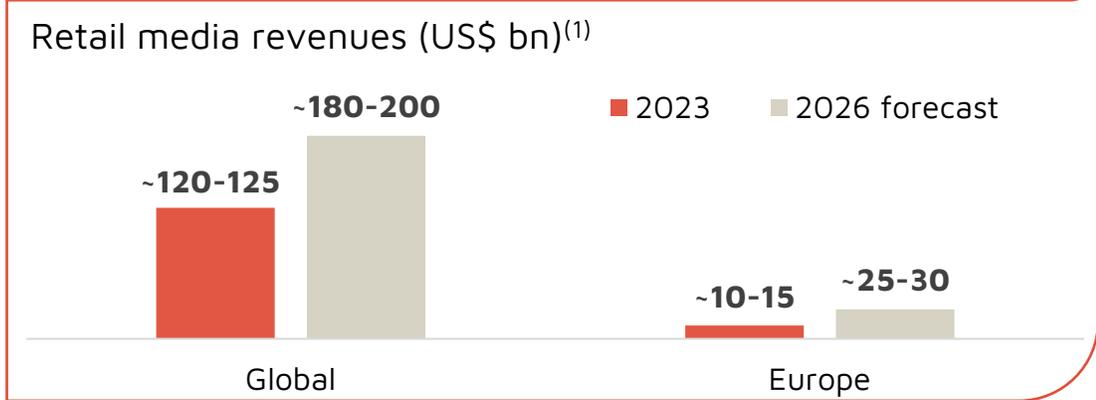
(2) Cumulative spend in months 2-12 as % of month 1 spend, for new customers acquired during FY 21/22

(3) Average basket size of Kingfisher known customers compared to those customers that cannot be identified

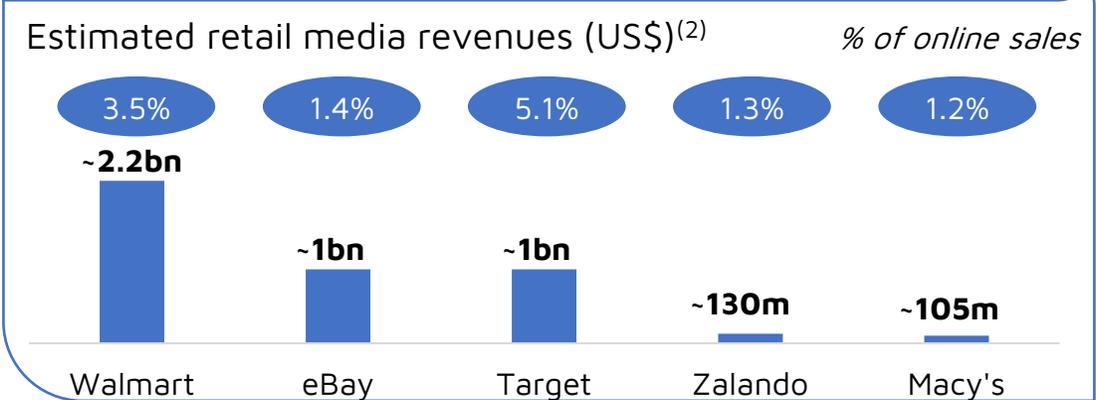


Retail media – potential to reach up to 3% of e-commerce sales

A \$120bn+ global opportunity and growing



Proven success of unlocking value



Kingfisher banners already have scale online with c.1 billion visits annually⁽³⁾



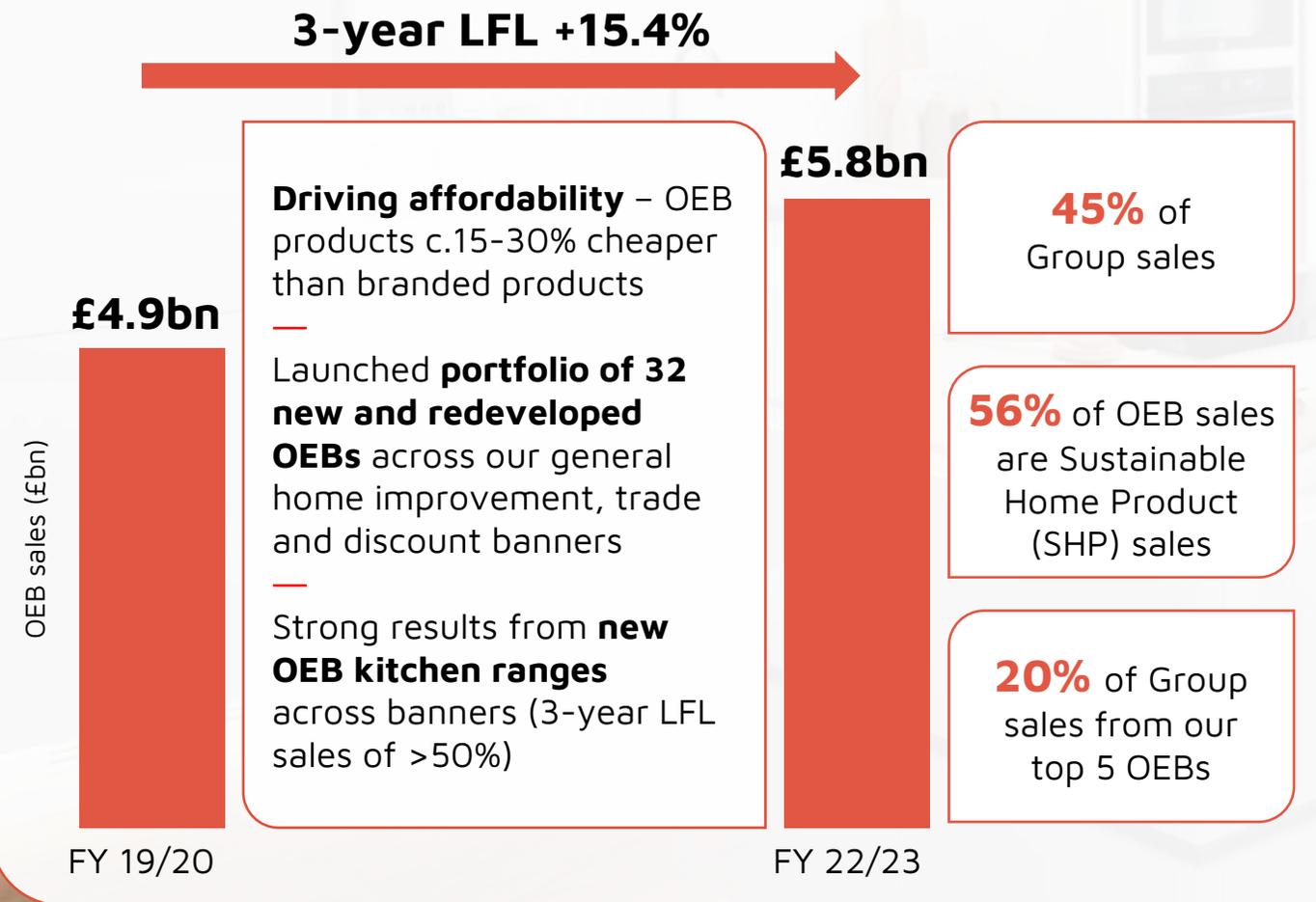
Many of Kingfisher's suppliers & marketplace merchants could become advertisers



(1) Source: BCG, IAB Europe, Statista
 (2) Source: Public filings in 2021 and 2022
 (3) Source: SimilarWeb (FY 22/23)

Differentiate and win through own exclusive brands (OEB)

OEB has been a key driver of our sales and market share growth over the last 3 years

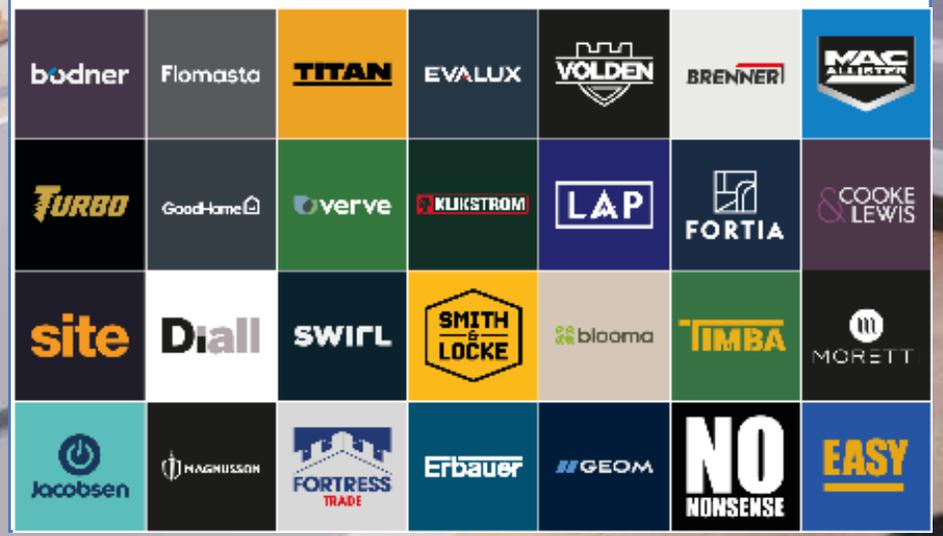


A clear and differentiated offer to support LFL sales growth

Continuing to develop **innovative** OEB ranges through a customer project lens

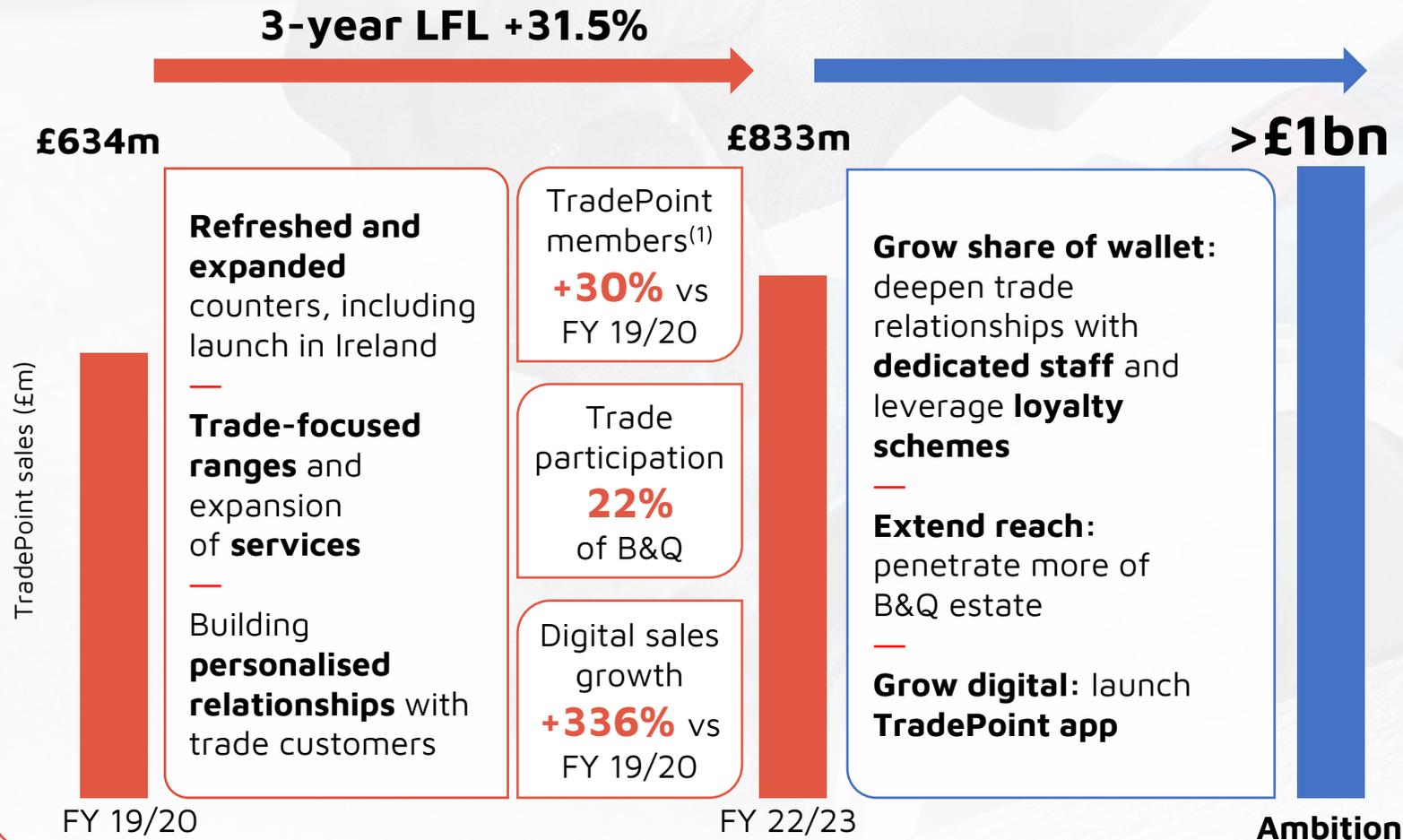
Further embedding **sustainability** credentials at the core of the OEB proposition

Establishing OEB as the **most affordable solution** for customers



Develop our trade business

Building a >£1bn pro-dedicated business at B&Q, with TradePoint



Targeting higher trade penetration in all banners

Trade represents >£50bn addressable market

Average trade customer spends ~70% more⁽²⁾ and shops ~3x more frequently⁽³⁾

Now building on success of TradePoint in **all our larger format retail banners**, with 6 key areas of focus:

- Dedicated **store areas**
- **Loyalty** programmes
- **Ranges and trade-specific offers and pricing**
- Dedicated **staff** to assist trade
- Trade focused **services**
- **Digital** solutions

(1) Active members in the last 3 months

(2) Based on average transaction value for B&Q retail sales vs TradePoint sales in FY 22/23

(3) Based on comparison of trade vs retail known customers at B&Q/ TradePoint in 2022/23

Roll out compact store formats

Our ambition

Grow **market share**

Drive **convenience** and improve customer experience

Increase **efficiency** of our store estate

Offering customers convenience

Core offer of up to 12k SKUs in c.<2,000sqm stores primarily through **high streets** or **small retail parks**

Supported by **next-day delivery** access to full range

Ongoing tests across banners and markets

33 compact store tests⁽¹⁾ open across UK, France & Poland. Brico Dépôt France compact store test to launch this year

Focus on **urban, in-fill** and **'white space'** locations

Encouraging results to date

Encouraging performance to date, especially from established **high street locations**

Continuing to learn from tests with aim of creating **scalable blueprints**



(1) In February 2023 we decided to end our B&Q 'grocery concession' format test with ASDA in 8 stores. These stores are excluded from the number

Lead the industry in Responsible Business & energy efficiency

Becoming a more inclusive company

Improving **gender balance**
 Provided 6.6m hours of **skills for life learning** since FY 19/20; surpassed target of 5m hours by 2025

Tackling climate change and creating more forests than we use

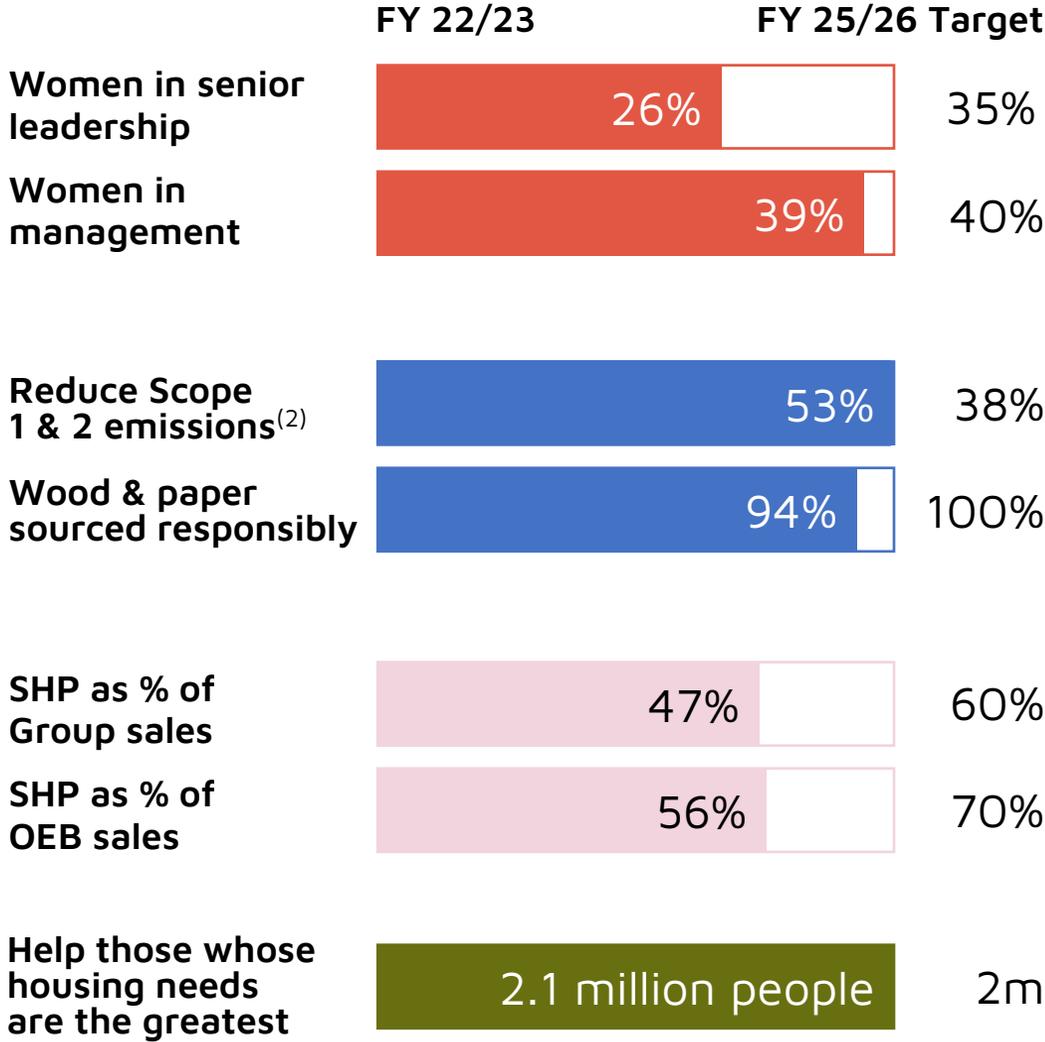
Reducing **carbon emissions**; targeting **net zero scope 1 and 2** by end of 2040⁽¹⁾
 Responsibly sourcing **wood and paper** & investing to **protect native woodland**; targeting **'forest positive'** by 2025

Helping to make greener, healthier homes affordable

Increasing sales from **products that reduce environmental impact** of homes
 Expanding our **ranges and services** to support **energy and water-saving**

Fighting to fix bad housing

Helping **people whose housing needs are greatest** – surpassed target of 2m people helped 3 years ahead of schedule



(1) Net zero in own operations - Scope 1 and 2
 (2) Against FY 16/17 base year

Expanding our ranges and services to support energy efficiency

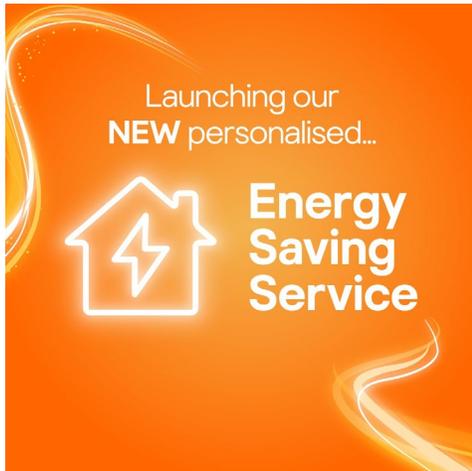
A strong and growing offer

11.5k+ energy efficiency SKUs helping customers save energy and money at point of use

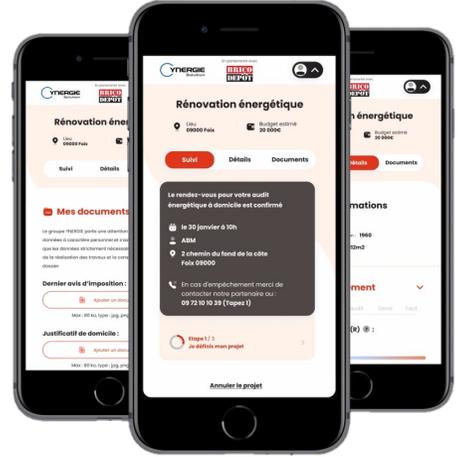
11% of our sales derived from energy and water-saving products, **+23%** vs FY 19/20

End-to-end solutions at B&Q, Castorama France and Brico Dépôt France

Helping customers create personalised energy efficiency plans for their homes, including access to recommended products and services (including installation partners)



Launching our **NEW** personalised...
Energy Saving Service



Découvrez notre simulateur d'aides de l'état à la rénovation énergétique.

Testez-le



Trouvez-le sur le site Castorama.fr

castorama
changer nous fait avancer



Energy Saving Service

Helping you save energy

Learn more or book an appointment at diy.com/energy-saving-service



Human, agile and lean

Human

Embedding our **'test and learn'** mindset

Ensuring **customer-centricity**

Driving **curiosity** about the operating environment

Building **trust** and **authentic collaboration**

Agile

Prioritising **agile** and **efficient technology**:

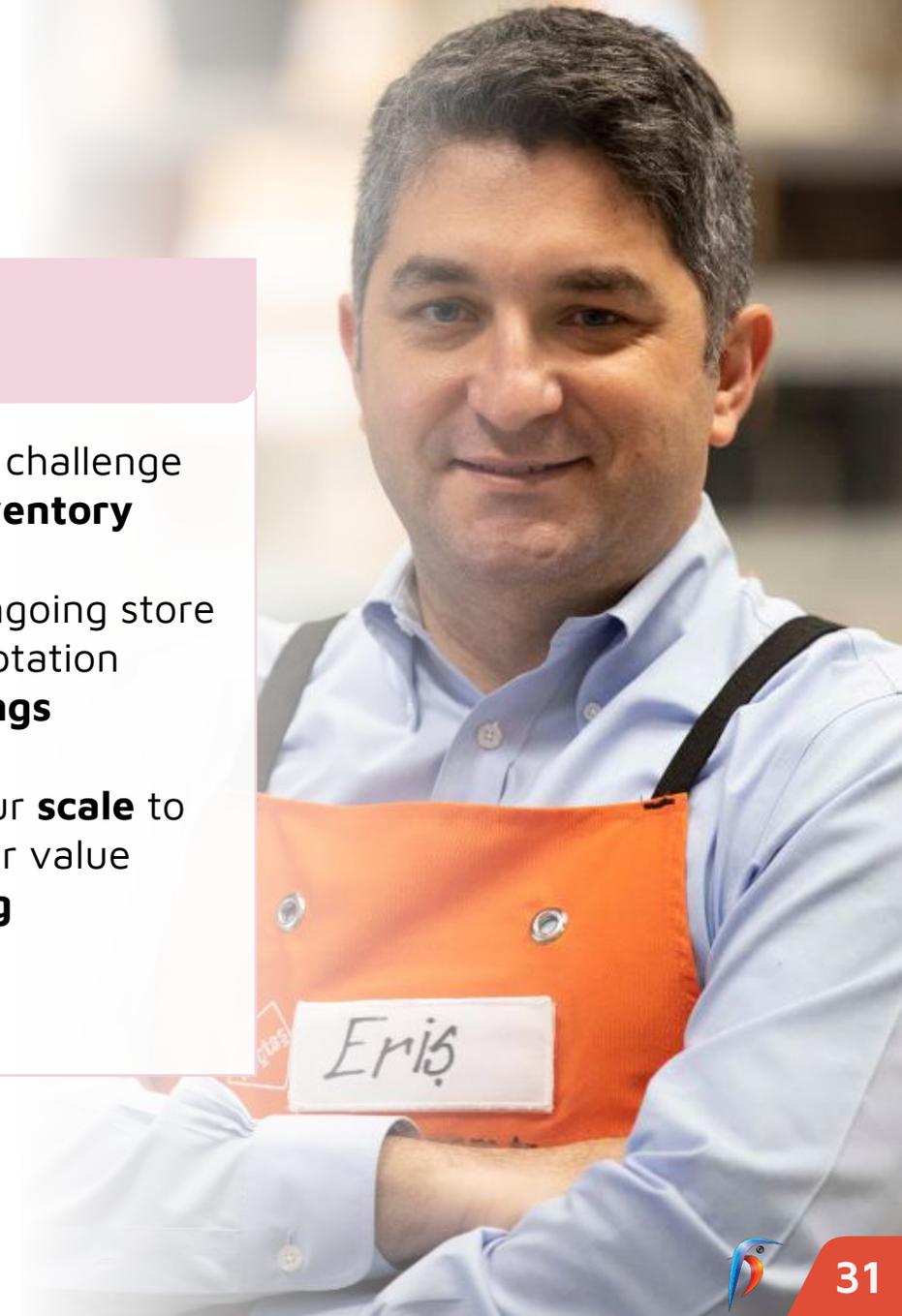
- Improving **speed** and **cost** of new technologies
- Transforming into a **product-led organisational model**
- **Insourcing** critical competencies

Lean

Continuing to challenge **costs and inventory**

Supporting ongoing store footprint adaptation and **rightsizings**

Leveraging our **scale** to extract further value from **sourcing and buying**



Driving our strategic priorities through our 'Powered by Kingfisher' model

Strong and distinct banners

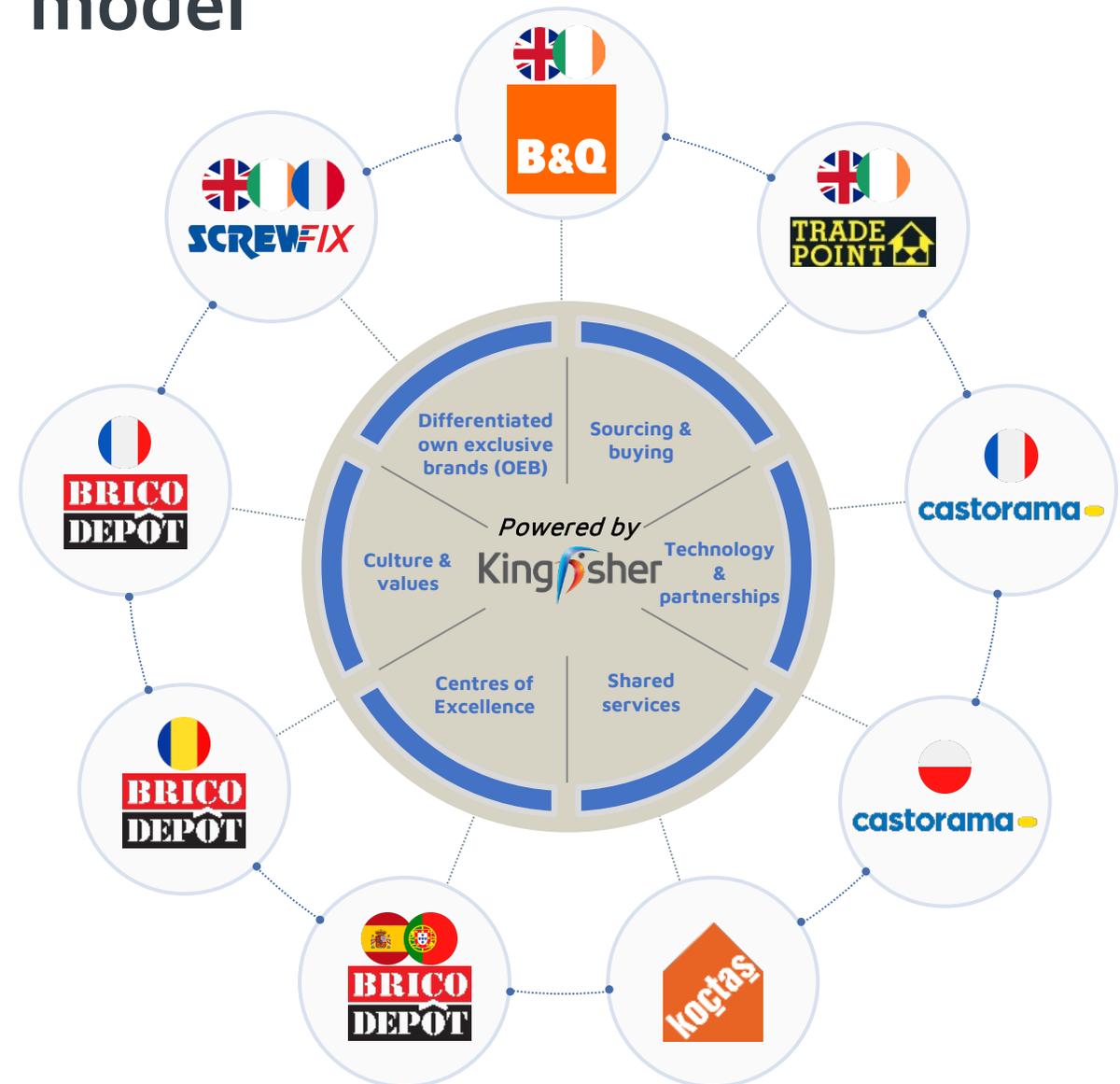
Each banner has a **clear positioning**, addressing **diverse customer needs**

A balanced banner-Group operating model

Agile culture underpinned by **execution discipline**

Group 'powers'

Group provides banners with **technology & digital capabilities**, **own exclusive brands** and **international support and scale** to serve their customers better



With a disciplined approach for each banner

						
Key value driver	LFL growth	Expansion	Margin strengthening	LFL growth	Expansion	Margin strengthening
Relative profit margin⁽¹⁾ vs Group	Above	Above	Below	Above	Above	Below
Positioning	Market leader (#1)	Market leader (#1)	Competitive challenger (#2)	Discount leader (#1)	Market leader (#1)	Competitive challengers
Role in the Group	Scale, cash generation	Growth engine	Scale with margin upside	Scale, cash generation	Growth engine	Margin upside
Relative capital allocation priority						

Powered by : accelerating banner progress through our strategic priorities

Grow by building on our different banners

Accelerate e-commerce through speed and choice

Build a data-led customer experience

Differentiate and win through OEB

Develop our trade business

Roll out compact store formats

Lead the industry in Responsible Business and energy efficiency

Human, agile and lean

(1) Post lease interest



Disciplined capital allocation: prioritising investment for growth

Invest in attractive growth opportunities

Prioritise growth opportunities that accelerate our strategy

—
Target gross capex c.3.0-3.5% of sales, on average, per annum

Sustainable dividend growth

Progressive growth of dividends

—
Target cover range 2.25x to 2.75x

Returns to shareholders

Surplus capital to be returned via share buybacks or special dividends

Maintain financial resilience and an efficient balance sheet

Solid investment grade credit rating

Maximum net leverage over medium-term of 2.0x

Maintain strong liquidity headroom



Confident in medium-term growth and cash generation opportunity

Sales to grow ahead of our markets

LFL sales growth driven by our **strategic focus areas** including e-commerce and marketplace, OEB, trade

—
Sales impact of c.+1.5% to +2.5% from annual **net space growth** over the medium term, primarily driven by Screwfix and Castorama Poland

Adjusted PBT to grow faster than sales

Driving ongoing **scale** benefits

—
Higher margin initiatives

—
Operating cost leverage and multi-year **operating cost reduction** opportunities

Strong cash generation to drive growth investment and shareholder returns

Free cash flow of **c.£400m to £500m in FY 24/25**, followed by **>£500m per annum from FY 25/26**, supported by profit growth and ongoing inventory self-help measures



Summary

A year of solid execution, performance in line with our expectations and guidance

Sales outperforming home improvement industry growth, and significantly ahead of pre-pandemic levels

Multiple profitable growth opportunities being pursued at pace

Well positioned to navigate FY 23/24

Maintaining strong price indices in our key markets and effectively managing inflation, costs and inventory levels

Announcing new medium-term financial priorities; confident in growth and cash generation opportunity





Q&A

ADR programme

Kingfisher ADRs trade on OTCQX – the premier tier of the U.S. over-the-counter market under the following information:

Symbol	KGFHY
CUSIP	495724403
Ratio	1 ADR : 2 ORDs
Country	United Kingdom
Effective Date	1 January 1986
Underlying SEDOL	3319521
Underlying ISIN	GB0033195214
Depository	Citi

Benefits of ADRs to U.S. investors:



Clear and settle according to normal U.S. standards



Offer the convenience of stock quotes and dividend payments in U.S. dollars



Can be purchased/sold in the same way as other U.S. stocks via a U.S. broker



Provide a cost-effective means of international portfolio diversification



For questions about Kingfisher ADRs, please contact Citi:

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DEKORACJE
URZĄDZANIE

ODBIĆ
TOWARU



Appendices



FY 23/24 technical guidance⁽¹⁾

Space

- Sales impact of c.+1.5% from net space growth, largely from Screwfix and Castorama Poland

New businesses

- 'Other'⁽²⁾ retail losses of c.£40m (FY 21/22: £30m), with increase driven by additional investment in Screwfix France

Central costs

- Anticipate c.£60m, in line with FY 21/22 levels (FY 22/23: £49m; FY 21/22: £60m)

Net finance costs

- Decrease by c.£5m as a result of lower interest expense on lease liabilities (FY 22/23: £112m)

Adjusted PBT

- Comfortable with current consensus of sell-side analyst estimates for full year adjusted PBT⁽³⁾

Tax rate

- Group adjusted effective tax rate of c.25%⁽⁴⁾ (FY 22/23: 22%)

Cash flow

- **Capital expenditure** – targeting gross capex to be broadly flat (FY 22/23: £449m; c.3.4% of total sales)
- **Free cash flow** – >£500m for the year, supported by unwind of working capital outflows in the prior year
- **Share buybacks** – c.£105m outflow for completion of current £300m share buyback programme
- **Dividends** – dividend policy target cover range of 2.25 to 2.75 times, based on adjusted basic EPS

(1) Please refer to slide 2 for further details regarding forward-looking statements

(2) 'Other' consists of the consolidated results of Screwfix International, NeedHelp, and franchise agreements. This is reported within the 'Other International' operating segment

(3) Guidance assumes current exchange rates. According to Company-compiled consensus estimates as of 14 March 2023, the current consensus of sell-side analyst expectations for FY 23/24 adjusted pre-tax profit (PBT) is £633m

(4) Subject to the blend of profit within the Group's various jurisdictions



FY performance summary – UK & Ireland

B&Q (including TradePoint)

LFL sales -8.8%; 3-year LFL +15.8%

E-commerce sales -7%; 3-year +130%;
11% of sales

TradePoint LFL -1.2%; 3-year LFL +31.5%;
22% of sales



Screwfix

LFL sales -3.4%; 3-year LFL +14.2%

E-commerce sales -9%; 3-year +137%;
60% of sales

	FY 22/23	FY 21/22	% chg ⁽¹⁾
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Sales (£m)

6,200

6,505

-4.7%

LFL (%)

-6.9%

+11.8%

Gross margin (%)

-80bps

Operating costs

+1.3%

RP (£m)

603

794

-24.0%

RP margin (%)

9.7%

12.2%

-250bps

Total UK & Ireland

Sales -4.7%, LFL sales -6.9% (3-year LFL +15.3%) – against very strong prior year comparatives in H1. 3-year LFL sales trend improved to +16.2% in Q4 (from +12.9% in Q3), supported by resilient sales from DIFM/trade categories

Gross margin -80bps⁽¹⁾ – reflecting ‘normalised’ promotional activity in H1 versus the prior year and one-off logistics spend in H1 to secure and manage seasonal and ‘buffer’ stock, in addition to mix impacts

Costs +1.3%⁽¹⁾ – driven by higher costs associated with 86 new stores, higher technology spend, and operating cost inflation including increases in pay rates and significantly higher energy costs. Advertising, marketing & travel costs also normalised (versus one-off COVID-related savings in the PY). Increases substantially offset through flexing our staff costs and cost reductions achieved by our strategic cost reduction programme

RP = retail profit
(1) Variance in constant currency



FY performance summary – France

Castorama

LFL sales flat; 3-year LFL +13.9%

—
E-commerce sales -19%; 3-year +240%;
5% of sales



Brico Dépôt

LFL sales -2.9%; 3-year LFL +12.5%

—
E-commerce sales -20%; 3-year +133%;
4% of sales

Total France

	FY 22/23	FY 21/22	% chg ⁽¹⁾
Sales (£m)	4,452	4,498	-1.2%
LFL (%)	-1.4%	+9.3%	
Gross margin (%)			-30bps
Operating costs			-0.6%
RP (£m)	195	221	-12.0%
RP margin (%)	4.4%	4.9%	-50bps

Sales -1.2%, LFL sales -1.4% (3-year LFL +13.2%) – against strong prior year comparatives in H1. Resilient sales performance in DIY categories was outpaced by sales from DIFM/trade categories. 3-year LFL sales for the year were up 13.2%. The 3-year sales trend slowed to +10.9% in Q4 (versus +14.6% in Q3) due to a significantly stronger 3-year comparative in Q4 19/20 relative to the first nine months of FY 19/20

—
Gross margin -30bps⁽¹⁾ – largely reflecting category mix impacts

—
Costs -0.6%⁽¹⁾ – due to lower staff costs and cost reductions achieved by our strategic cost reduction programme, substantially offset by operating cost inflation including increases in pay rates and significantly higher energy costs

RP = retail profit
(1) Variance in constant currency



FY performance summary – Poland

Castorama

LFL sales +13.8%; 3-year LFL +19.8%

E-commerce sales +2%; 3-year +285%;
5% of sales

castorama



	FY 22/23	FY 21/22	% chg ⁽¹⁾
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	FY 22/23	FY 21/22	% chg ⁽¹⁾
Sales (£m)	1,734	1,525	+16.7%
LFL (%)	+13.8%	+0.3%	
Gross margin (%)			-30bps
Operating costs			+16.8%
RP (£m)	148	135	+12.4%
RP margin (%)	8.5%	8.8%	-30bps

Poland

Sales +16.7%, LFL sales +13.8% (3-year LFL +19.8%) – against a prior year comparative impacted in Q1 by COVID-related temporary closures. Strong market share gains, supported by robust sales of DIY and DIFM/trade categories. On a YoY basis, nearly all categories achieved double-digit LFL sales growth, with a standout performance in the kitchen category (new OEB kitchen ranges >40% LFL sales growth)

Gross margin -30bps⁽¹⁾ – largely reflecting ‘normalised’ promotional activity versus the prior year

Costs +16.8%⁽¹⁾ – reflecting staff and operating cost inflation including higher energy costs, space growth and new store opening costs, and higher marketing costs. The increase in operating costs was partially offset by cost reductions achieved by our strategic cost reduction programme

RP = retail profit
(1) Variance in constant currency



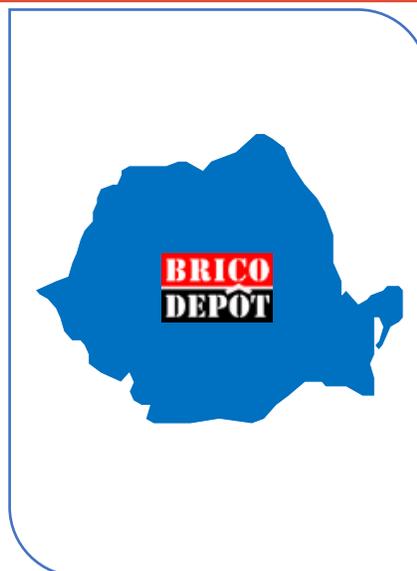
FY performance summary – Romania and Iberia

Brico Dépôt Romania

Sales⁽¹⁾ +1.7%, LFL sales⁽²⁾ +7.8% (3-year LFL⁽²⁾ +38.0%); LFL reflects strong YoY performances in the outdoor, surfaces & décor and kitchen categories

— **Retail loss⁽¹⁾ improved 7.4%** with growth in gross profit partially offset by a 7.1% increase in operating costs

— **On a comparable basis⁽¹⁾,** Romania's retail loss increased by 6.8% YoY, but has improved by 52.6% vs FY 19/20



Brico Dépôt Iberia

Sales +1.9%, LFL sales +1.9% (3-year LFL +16.7%); reflecting resilient sales against strong prior year comparatives. 3-year LFL sales were up 16.7%, with strong performances in building & joinery and outdoor, both up by c.30%

— **Retail profit -28%** reflecting a lower gross margin % and an increase of operating costs of 1.2%



	FY 22/23	FY 21/22	% chg ⁽³⁾
Sales⁽¹⁾ (£m)	285	279	+1.7%
LFL⁽²⁾ (%)	+7.8%	+15.0%	
RL⁽¹⁾ (£m)	-10	-11	+7.4%

	FY 22/23	FY 21/22	% chg ⁽³⁾
Sales (£m)	373	366	+1.9%
LFL (%)	+1.9%	+23.2%	
RP (£m)	9	12	-28.0%

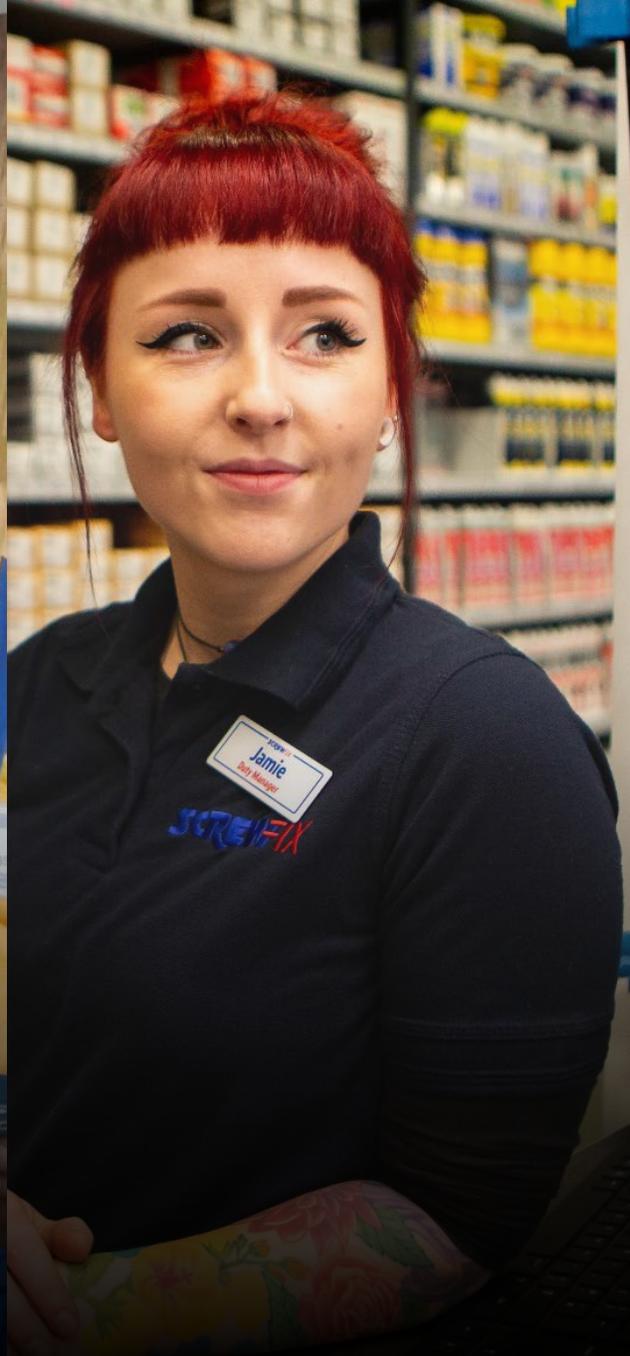
RP = retail profit; RL = retail loss

(1) Romania has historically prepared its financial statements to 31 December. In the prior year (FY 21/22), Romania migrated to Kingfisher's financial reporting calendar (year ended 31 January). Its sales and retail loss presented in FY 21/22 therefore included one additional month of results (January 2022) in order to facilitate the alignment to Kingfisher's financial reporting calendar. Reported and constant currency variances for Romania's total sales and retail loss are for February 2022 to January 2023 (compared against January 2021 to January 2022)

(2) Romania's LFL and 3-year LFL sales growth compares equivalent periods in the current and prior years

(3) Variance in constant currency





Thank you