



Q1 trading update to 30 April 2023

Resilient performance in core and 'big-ticket' categories; full year guidance unchanged

24 May 2023: Kingfisher plc ('Company', 'Group' or 'Kingfisher') is today providing its Q1 23/24 sales.

Key points

- First quarter sales of £3.3bn; total sales +0.8% (reported) and -2.0% (constant currency)
- LFL -3.3% including a -0.5% calendar impact⁽¹⁾
- Resilient performance in core and 'big-ticket' categories⁽²⁾ (82% of sales), with LFL -1.3%
- Sales of seasonal categories⁽³⁾ (18% of sales) affected by weather conditions, with LFL -11.3%
- Improved trading since early April; continued resilience in core and 'big-ticket' trading and better seasonal sales
- Q1 by region:
 - UK & Ireland: good performance at B&Q given impact of weather on seasonal sales; strong market share gains and positive LFL at Screwfix with trade customers continuing to see strong pipelines
 - France: resilient performance in core and 'big-ticket'; both banners impacted by weather and 10 days of national pension reform strikes
 - Poland: year-on-year performance impacted by strong comparative; performance vs pre-pandemic levels consistent with Q4 22/23
- Opened two Screwfix stores in France (both in May); targeting up to 85 new stores across the UK, Ireland and France in FY 23/24
- Total e-commerce sales growth of +4.7%, representing 16.9% of Group sales (Q1 22/23: 15.9%; Q1 19/20: 7.2%). Continued strong growth of B&Q marketplace, reaching 27% of B&Q's e-commerce sales in April 2023
- Full year guidance reiterated; remain comfortable with consensus of sell-side analyst expectations for FY 23/24 adjusted PBT of £634m⁽⁴⁾

Unaudited Q1 23/24 sales (three months ended 30 April 2023)

	Sales 2023/24	% Total Change	% Total Change	% LFL Change ⁽⁵⁾
	£m	Reported	Constant currency	Constant currency
UK & Ireland	1,590	+1.4%	+1.3%	(0.8)%
- B&Q	980	(1.5)%	(1.7)%	(1.6)%
- Screwfix	610	+6.6%	+6.5%	+0.7%
France	1,116	+1.2%	(4.1)%	(4.1)%
- Castorama	578	+2.3%	(3.1)%	(3.1)%
- Brico Dépôt	538	-	(5.2)%	(5.2)%
Other International	565	(1.9)%	(6.5)%	(8.1)%
- Poland	409	(3.3)%	(7.7)%	(10.3)%
- Iberia ⁽⁶⁾	94	+8.1%	+2.5%	+2.5%
- Romania	59	(5.7)%	(11.1)%	(7.8)%
- Other ⁽⁷⁾	3	n/a	n/a	n/a
Total Group	3,271	+0.8%	(2.0)%	(3.3)%

Thierry Garnier, Chief Executive Officer, said:

“As we move through our key trading season, we are pleased to see that sales in our core and ‘big-ticket’ categories, which make up over 80% of our total sales, are showing continued resilience. The unusually poor spring weather in the UK and France affected our seasonal sales in the quarter, impacting demand for items such as garden and outdoor products. We have however seen an improvement in trading since early April, and anticipate a release of some pent-up demand as the weather continues to improve. Our inventory remains healthy and, in aggregate, is reducing in line with our expectations.

“We continue to execute our strategy at pace, making good progress across all our key priorities. Screwfix is trading well and seeing particularly strong demand from trade customers, with total sales up 6.5%. The business continues to drive its store expansion plans in the UK, Ireland and France. E-commerce sales were another highlight in the quarter, up 4.7%. One of the drivers of this is the continued success of B&Q’s marketplace, which reached 27% of B&Q’s online sales in April, a year after its launch.

“Across the Group, we are maintaining a sharp focus on competitive pricing, while balancing inflationary pressures. With the continued easing of raw material prices and freight costs, we expect to see lower product cost inflation in H2.

“We are comfortable with market expectations for the business this year, and confident in delivering growth ahead of our markets, strong cash generation, and higher returns to shareholders over the medium-term.”

Current trading and outlook

Trading trends since early April have seen an improvement in seasonal sales as well as continued resilience in our core and ‘big-ticket’ categories. For the three weeks to 20 May 2023⁽⁸⁾ LFL sales were -1.0%, including a -0.4% impact from the additional UK coronation public holiday. We see resilience across our customer segments (DIY and DIFM/trade) with ongoing strength from the trade segment.

We remain well positioned to navigate FY 23/24 against the current backdrop of heightened macroeconomic uncertainty. We are delivering value to our customers at all price points, whilst also managing inflationary pressures effectively. We are confident in our diverse and resilient business model, and our priority remains consistent execution against our strategy to drive top line and market share growth. Furthermore, we remain committed to active and responsive management of our operating costs, and are on track with our plans to reduce inventory levels this year.

We are comfortable with the consensus of sell-side analyst expectations for FY 23/24 adjusted PBT of £634m⁽⁴⁾, and for H1 we expect to report an adjusted PBT of c.£350m.

We remain highly cash generative and expect >£500m free cash flow for the year, supported by the unwind of working capital outflows in the prior year. And as stated in our FY 22/23 results in March, we intend to announce a new share buyback programme following completion of the existing programme this year, subject to our capital allocation framework and market conditions. As of 22 May 2023, c.£205m of the current £300m share buyback programme had been completed.

Q1 summary

Progression by month

As stated in our FY 22/23 results in March, the first quarter of the new financial year started with good underlying sales trends. February 23/24 total sales were +1.9% (LFL sales +0.5%).

March was impacted by weather conditions in the UK and France, together with a strong comparative in Poland. Compounding this, we saw several days of national pension reform strikes in France which impacted traffic into certain Castorama and Brico Dépôt stores.

Trading improved in April, supported by our core and 'big-ticket' categories with ongoing strength in trade demand.

Overall, Q1 23/24 LFL sales were down 3.3%, including a -0.5% calendar impact. On a 4-year LFL sales basis⁽⁹⁾, this represents growth of +12.4%. As a reminder, Q4 22/23 3-year LFL was +13.7%.

	% LFL Change				Q2 23/24 (to date) ⁽⁸⁾
	Feb 2023	Mar 2023	Apr 2023	Q1 23/24	
Group LFL	+0.5%	(6.9)%	(2.5)%	(3.3)%	(1.0)%
<i>Includes calendar impact⁽¹⁾ of:</i>	<i>+0.2%</i>	<i>+0.6%</i>	<i>(2.0)%</i>	<i>(0.5)%</i>	<i>(0.4)%</i>

LFL sales by core and 'big-ticket' vs seasonal

	% LFL Change		
	Core and 'big-ticket'	Seasonal	Q1 23/24
UK & Ireland	+1.7%	(12.2)%	(0.8)%
- B&Q	+2.1%	(13.7)%	(1.6)%
- Screwfix	+1.1%	(4.0)%	+0.7%
France	(1.7)%	(12.9)%	(4.1)%
- Castorama	(1.2)%	(9.3)%	(3.1)%
- Brico Dépôt	(2.2)%	(17.5)%	(5.2)%
Other International	(8.8)%	(5.3)%	(8.1)%
- Poland	(10.5)%	(9.6)%	(10.3)%
- Iberia	(0.1)%	+19.4%	+2.5%
- Romania	(9.9)%	(1.2)%	(7.8)%
Group LFL	(1.3)%	(11.3)%	(3.3)%
<i>Proportion of sales</i>	<i>82%</i>	<i>18%</i>	

Q1 trading highlights

All commentary below is in constant currency.

UK & IRELAND

Total sales +1.3% (LFL -0.8%), with seasonal categories impacted by unusually poor spring weather, especially in March.

- **B&Q** sales -1.7%. LFL -1.6%, reflecting a good performance given the impact of weather on seasonal sales. LFL sales of core and 'big-ticket' categories were +2.1% with bathroom & storage sales performing well in the quarter. B&Q's surfaces & décor, electricals, plumbing, heating & cooling (EPHC) and tools & hardware categories also

saw good year-on-year (YoY) growth. LFL sales of seasonal categories were -13.7%, impacted by the weather in March. B&Q's total e-commerce sales increased +14.3% YoY in Q1, with an overall e-commerce sales penetration of 11.4% (Q1 22/23: 10.0%). B&Q's e-commerce marketplace, which has scaled rapidly since its launch in March 2022, continues to see strong growth and reached a participation of 27% in April (i.e., B&Q's marketplace gross sales divided by B&Q's total e-commerce sales). B&Q opened one new store in Q1 (a small retail park compact format in Newark) and closed all eight of its 'grocery concession' format stores. **TradePoint**, B&Q's trade-focused banner, saw a robust performance in the quarter with LFL sales -1.6% and a penetration of B&Q's total sales of 21% (Q1 22/23: 21%). The banner continues to focus on building customer engagement and loyalty, trade-only deals and events, and improving trade-specific product ranges and services.

- **Screwfix** sales +6.5%. LFL +0.7%, with demand from trade customers driving strong market share gains in Q1. The business saw good YoY growth across most categories, apart from outdoor, with particularly good momentum in its building & joinery, kitchen and bathroom categories. Screwfix opened three new stores in the UK & Ireland and remains on track to open up to 60 new stores in these countries this financial year. Note that total sales for Screwfix UK & Ireland include sales (not material) arising from the acquisition on 20 March 2023 of the assets of Connect Distribution Services. The results of Screwfix France are recorded within the '*Other International*' division – see below for further information.

FRANCE

Total sales -4.1% (LFL -4.1%). As in the UK & Ireland, trading in France was impacted by the weather, especially in March. Furthermore, 10 days of national pension reform strikes across the quarter impacted customer footfall to both banners.

- **Castorama** sales -3.1%. LFL -3.1%, with resilient underlying sales from both DIY and DIFM/trade customers. Sales from the building & joinery and EPHC categories were robust, with the latter seeing good growth in energy and water-saving products. LFL sales of seasonal categories were -9.3%, while LFL sales of core and 'big-ticket' categories were -1.2%.
- **Brico Dépôt** sales -5.2%. LFL -5.2%, with several store locations directly impacted by strike action in the quarter (e.g., due to nearby road closures). 'Big-ticket' sales were resilient, with growth in the bathroom & storage category. Overall core and 'big-ticket' LFL sales were -2.2%. Seasonal categories were -17.5% LFL, with the weather affecting the important garden structure and outdoor paint ranges. Brico Dépôt continues to strengthen its discounter credentials through further differentiating its ranges and maintaining a strong price index relative to its home improvement peers.

OTHER INTERNATIONAL

- **Poland** sales -7.7%. LFL -10.3% against strong comparatives from the prior year (Q1 22/23 LFL +54.5%). Market growth in Poland has been impacted since Q4 22/23 by ongoing macroeconomic challenges in the country, including the impact on the consumer of high inflation and interest rates. Looking at Castorama's performance on a 4-year LFL sales basis⁽⁹⁾, growth was +10.1% – a slight improvement on its Q4 22/23 3-year LFL of +9.4%. LFL sales of core and 'big-ticket' categories were -10.5% and LFL sales of seasonal categories were -9.6%. We opened one new medium-box store in Q1 and remain on track to open six more Castorama stores this financial year.
- **Iberia** sales +2.5%. LFL +2.5%, supported by strong growth in seasonal categories, especially in outdoor and EPHC given more favourable weather conditions. The business also saw good performances in its building & joinery and kitchen categories.

- **Romania** sales -11.1%. LFL -7.8% against a strong comparative from the prior year (Q1 22/23 LFL +13.9%). The business saw a strong performance in its kitchen category.
- **Other** consists of the consolidated results of **Screwfix International**, **NeedHelp** and **franchise** agreements. While these businesses are in their early investment phase, we are pleased with their performance to date. There are now seven Screwfix stores in operation in France, with two new openings this financial year to date. We remain on track to open up to 25 stores this financial year. The business continues to invest in its operations and brand awareness, and is seeing an encouraging progression in sales and customer trends.
- In **Turkey**, Kingfisher's 50% joint venture, Koçtaş traded well against a challenging macroeconomic backdrop. The business launched a new e-commerce marketplace in the quarter and opened 24 new stores. As a joint venture, Koçtaş is not included in our reported sales or Group LFL.

Footnotes

- ⁽¹⁾ Calendar impact represents the impact of the annual calendar shift on LFL sales growth due to different days of the week falling into or out of the current period compared to the prior period. For example, historically, higher trading is seen on a Friday and Saturday as compared to a Sunday.
- ⁽²⁾ Core and ‘big-ticket’ category sales represent 82% of Group sales in Q1. It includes the sales from non-seasonal products across all our categories, including ‘big ticket’ sales (i.e., kitchen, bathroom & storage).
- ⁽³⁾ Seasonal category sales represent 18% of Group sales in Q1. It includes the sales from certain products within our outdoor, electricals, plumbing, heating & cooling (EPHC) and surfaces & décor categories.
- ⁽⁴⁾ Guidance assumes current exchange rates. According to Company-compiled consensus estimates as of 24 April 2023, the consensus of sell-side analyst expectations for FY 23/24 adjusted pre-tax profit is £634m (previously £633m as of 14 March 2023).
- ⁽⁵⁾ 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.
- ⁽⁶⁾ Brico Dépôt Spain and Portugal.
- ⁽⁷⁾ ‘Other’ consists of the consolidated results of Screwfix International, NeedHelp, and revenue from franchise agreements.
- ⁽⁸⁾ ‘Q2 23/24 LFL sales (to 20 May 2023)’ represents the period from 30 April 2023 to 20 May 2023 compared against the equivalent period in the prior year (i.e., 1 May 2022 to 21 May 2022). The figures are provisional and exclude certain non-cash accounting adjustments relating to revenue recognition. The Group LFL number includes a -0.4% impact from the additional coronation public holiday in the UK on 8 May 2023, which is not a pure “calendar impact” as defined in footnote 1 above.
- ⁽⁹⁾ 4-year LFL is calculated by compounding the current and prior three periods’ LFL growth. For example, Q1 23/24 LFL growth of +5%, Q1 22/23 LFL growth of +4%, Q1 21/22 LFL growth of +3%, and Q1 20/21 LFL growth of +2%, results in 4-year LFL growth of +14.7%. Russia (sale completed on 30 September 2020) is excluded from the Group 4-year LFL calculation.

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Q1 trading update and data tables

This announcement and data tables for Q1 23/24 sales can be downloaded from www.kingfisher.com/investors.

We can be followed on Twitter (@kingfisherplc) with the Q1 results tag #KingfisherResults.

Half year 23/24 results

Our next scheduled results announcement will be our results for the six months ending 31 July 2023, on 19 September 2023.

American Depository Receipts

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

About Kingfisher plc

Kingfisher plc is an international home improvement company with approximately 1,570 stores, supported by a team of over 80,000 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 30 April 2023. 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) (or, otherwise under any other law, regulation or exchange rules in any other applicable jurisdiction).

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 other variations thereon or comparable terminology. These forward-looking statements are based on currently available information and our current assumptions, expectations and projections about future events. These forward-looking statements include all matters that are not historical facts and include statements which look forward in time or 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 (including a downturn in the retail or financial services industries), competitive influences, changes in tax rates, exchange rates or interest rates, changes to customer preferences, the state of the housing and home improvement markets, share repurchases and dividends, capital expenditure and capital allocation, liquidity, prospects, growth and strategies, litigation or other proceedings to which we are subject, 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 are not guarantees of future performance and are subject to future events, risks and uncertainties – many of which are beyond our control, dependent on actions of third parties, or currently unknown to us – as well as potentially inaccurate assumptions that could cause actual events or results or actual performance of the Group 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, warranty or other assurance is made as to the achievement or reasonableness of, and no reliance should be placed on, such forward-looking statements.

The forward-looking statements contained in this announcement speak only as of the date of this announcement and 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 to reflect events or circumstances after the date of this announcement or to reflect the occurrence of unanticipated events.