

Q1 trading update to 30 April 2024

Trading in line with expectations; full year guidance unchanged

21 May 2024: Kingfisher plc ('Company', 'Group' or 'Kingfisher') is today providing its Q1 24/25 sales.

Key points

- Q1 sales of £3.3bn; total sales +0.3% (constant currency) and -0.3% (reported)
- LFL -0.9% including a +1.9% calendar impact (of which +1.1% relates to the leap year)⁽¹⁾
- Q1 by region:
 - **UK & Ireland:** share gains at B&Q supported by strong e-commerce and TradePoint sales; share gains and positive LFL at Screwfix
 - **France:** sales in line with our expectation. Castorama and Brico Dépôt performing broadly in line with weaker market
 - **Poland:** improved sales trend supported by stronger market
- Q1 by category:
 - **Core (66% of sales):** resilient performance (LFL -0.3%)⁽²⁾, with sequential improvement in YoY volume trends vs Q4 23/24
 - **Big-ticket (15% of sales):** weak sales as expected (LFL -6.3%)⁽³⁾, reflecting trends across the broader market
 - **Seasonal (19% of sales):** resilient sales (LFL +1.9%)⁽⁴⁾ despite unfavourable weather in April
- Volume and retail price inflation flat YoY; negative mix impact on average selling price from lower 'big-ticket' sales
- Q2 trading to date⁽⁵⁾ in line with underlying Q1 trends, with LFL -2.5%
- **Making progress against our key strategic priorities in Q1:**
 - Opened three Screwfix stores in France and seven in the UK & Ireland
 - Total e-commerce sales +12.7%; now 18.8% of Group sales (Q1 23/24: 16.9%)
 - Continued strong growth of e-commerce marketplace at B&Q (GMV⁽⁶⁾ +99.4% YoY), and successful launch at Castorama France in March
 - TradePoint LFL sales +8.5%. Trade loyalty programmes now live in all banners
- **Full year guidance unchanged:** expect FY 24/25 adjusted PBT of c.£490m to £550m⁽⁷⁾ and free cash flow of c.£350m to £410m

Unaudited Q1 24/25 sales (three months ended 30 April 2024)

	Sales 2024/25	% Total Change	% Total Change	% LFL Change ⁽⁸⁾
	£m	Reported	Constant currency	Constant currency
UK & Ireland	1,631	+2.6%	+2.7%	+1.2%
- B&Q	983	+0.3%	+0.4%	+0.4%
- Screwfix	648	+6.3%	+6.4%	+2.4%
France	1,026	(8.1)%	(5.1)%	(5.3)%
- Castorama	529	(8.4)%	(5.5)%	(5.5)%
- Brico Dépôt	497	(7.7)%	(4.7)%	(5.2)%
Other International	605	+7.0%	+3.9%	+2.0%
- Poland	445	+8.6%	+3.1%	+0.4%
- Iberia ⁽⁹⁾	93	(1.3)%	+1.9%	+1.9%
- Romania	63	+7.7%	+12.3%	+14.7%
- Other ⁽¹⁰⁾	4	n/a	n/a	n/a
Total Group	3,262	(0.3)%	+0.3%	(0.9)%

Thierry Garnier, Chief Executive Officer, said:

“Trading in the first quarter has been in line with our expectations. We have seen continued resilience in our core categories, although ‘big-ticket’ sales have been weak reflecting the broader market as expected. In the UK, we have gained considerable share across our banners. Our trade proposition continues to resonate with customers, driving positive LFL sales at Screwfix and strong LFL sales growth of 8.5% at TradePoint. In France, while slightly improved on Q4, trading reflects the weak overall retail market. And in Poland, we are seeing encouraging sales trends as the consumer environment improves.

“We continue to drive our strategic priorities at pace and remain focused on delivering market share growth. Our e-commerce sales grew by 12.7% and we successfully expanded our marketplace model to France. We delivered further expansion of Screwfix in France, and advanced our data, AI and retail media initiatives. Leveraging our learnings from TradePoint in attracting trade customers in the UK, we are excited to have widened trade loyalty programmes across all our banners.

“We remain focused on driving productivity gains and maintaining tight control of our costs and inventories. In France we are pushing ahead with our plan to improve performance, having successfully completed our structural simplification and transitioned to new leadership at Castorama.

“Looking forward, we confirm the guidance outlined in March for the full year, including our expectations for the overall market in 2024.”

Current trading and outlook

The second quarter has started in line with the underlying sales trends of Q1, with Group LFL sales -2.5% for the three weeks to 18 May 2024⁽⁵⁾.

On the overall market outlook for 2024, we remain cautious due to the lag between housing demand and home improvement demand. As such, the scenarios we set out in our FY 23/24 results for the growth of our total addressable home improvement markets in the UK & Ireland, France and Poland in 2024, versus 2023, are unchanged.

	Our expectation of total addressable home improvement market % change in 2024 (YoY)	
	<i>Low case</i>	<i>High case</i>
UK & Ireland	Low-single digit decline	Flat
France	Mid-single digit decline	Low-single digit decline
Poland	Flat	Low-single digit growth

Against this backdrop, we are focused on growing ahead of our markets by leveraging our key strategic priorities. We are confident in the delivery of c.£120m of additional cost reductions and productivity gains this year, to partially offset higher pay rates and technology investments. As a result, our FY 24/25 guidance remains unchanged, expecting adjusted PBT of c.£490m to £550m, and free cash flow of c.£350m to £410m.

Kingfisher store tours in Poland and France – July 2024

Kingfisher is hosting tours of its international stores in Poland (Castorama) and France (Castorama, Brico Dépôt and Screwfix) on 9-11 July 2024. The event is open to all institutional investors and sell-side research analysts. Please contact [Investor Relations](#) for further details.

Q1 summary

As stated in our FY 23/24 results in March, Group LFL sales for the first seven weeks of Q1 (to 23 March 2024) were -2.3%.

Since then, underlying sales trends remained broadly stable through the remainder of the quarter, with resilience in core categories offset by weakness in 'big-ticket' sales as expected. Seasonal category sales were positive YoY despite the impact of unfavourable weather conditions, especially in April in the UK and France.

Overall, Q1 24/25 LFL sales were -0.9%. This includes a +1.9% calendar impact⁽¹⁾, of which +1.1% relates to the impact of the additional day in the leap year. This impact was broadly consistent across our main markets. In relation to the pure calendar component (+0.8%), we expect this to unwind over the balance of the year.

Q1 trading highlights

All commentary below is in constant currency.

UK & IRELAND

Total sales +2.7% (LFL +1.2%), with sales at both banners growing ahead of their respective markets (as measured by the *British Retail Consortium*, *Barclays* and *GfK*); particularly strong market share gains achieved at TradePoint and Screwfix.

- **B&Q** sales +0.4%. LFL +0.4%, supported by a strong performance in e-commerce and the trade segment. The business saw good LFL sales growth and improved volume trends in its core categories, particularly tools & hardware and building & joinery, partially offsetting a weak sales performance in 'big-ticket' categories. Seasonal category sales were positive, although impacted by wet weather in April. B&Q's total e-commerce sales increased by 22.8% YoY, with an overall e-commerce sales penetration of 13.6% (Q1 23/24: 11.4%). This was driven by the further scaling of its marketplace, which reached a participation⁽¹¹⁾ of 41% in April. Marketplace GMV⁽⁶⁾ increased by 99.4% YoY.
- **TradePoint**, B&Q's trade-focused banner, delivered a strong performance with LFL sales of +8.5%, reaching a penetration of 23% of B&Q's total sales (Q1 23/24: 21%). TradePoint continues to strengthen its product and services proposition for trade customers. Its loyalty programme continues to attract trade customers, with new sign-ups growing by c.40% YoY and total membership now at over 3.5 million.
- **Screwfix** sales +6.4%. LFL +2.4%, with robust demand from trade customers and strong market share gains. Positive YoY sales growth was seen in most categories, with notable performances in its tools & hardware and building & joinery categories. Screwfix opened seven new stores in the UK & Ireland, and remains on track to open up to 40 stores in these countries in this financial year. Screwfix Spares contributed c.2% to total Screwfix sales growth in Q1⁽¹²⁾. The results of Screwfix France are recorded within the 'Other International' division – see below for further information.

FRANCE

Total sales -5.1% (LFL -5.3%), with trading, as expected, impacted by ongoing weakness in the broader market. Both banners performed broadly in line with the French home improvement market, based on external panel data and Kingfisher analysis.

With the structural simplification of the French organisation now complete, the businesses are focused on improving their respective performance in line with the plan outlined in our FY 23/24 results in March. Castorama's store restructuring and modernisation plan for its lowest performing stores, also outlined in our FY 23/24 results, has started well. The business has completed two **rightsizings** in the year to date, with one further rightsizing due to complete in H2. All three rightsized stores will, at the same time, benefit from a **pervasive store refit**

along with one additional low-performing store. The refits will be similar to the concept successfully applied to the Castorama Englos store last year. The **transfer to Brico Dépôt** of one low-performing Castorama store is in motion, and we are making good progress towards our goal to start tests for two **franchise** stores within the next 12 months.

- **Castorama** sales -5.5%. LFL -5.5%, with market weakness reflected broadly across all categories, in particular 'big-ticket' category sales. Early results of Castorama's e-commerce marketplace, launched in March, have been encouraging with the business focused on scaling up the proposition. Castorama also continues to trial its trade loyalty programme, with further roll-out to additional stores planned in Q2.
- **Brico Dépôt** sales -4.7%. LFL -5.2%, with its category performance broadly in line with Castorama and the wider market. Brico Dépôt opened one compact store in May, with three of these innovative 1,000 sqm format stores now open. The business continues to focus on capturing more of the trade opportunity, with positive results and customer engagement seen following the nationwide roll-out of its trade loyalty programme in February.

OTHER INTERNATIONAL

- **Poland** sales +3.1%. LFL +0.4%, supported by an improved consumer environment, and strong progress with initiatives to boost trade sales. Compared to Q4 23/24, Castorama saw improved LFL sales trends across its core and 'big-ticket' categories, with building & joinery, kitchen and tools & hardware all performing well. Sales of seasonal categories were positive, supported by successful range reviews. Castorama performed broadly in line with the market in the quarter (as measured by *GfK*). The business opened one big-box and one 'Castorama Smart' store in Q1, and is on track with its target of five store openings in this financial year. Castorama continues to see strong results from its trade customer initiatives, with c.100k sign-ups to the 'CastoPro' loyalty programme following its roll-out to all stores in February.
- **Iberia** sales +1.9%. LFL +1.9%, with good performance seen in the building & joinery, bathroom & storage and kitchen categories. Sales growth in seasonal categories were impacted by positive prior year comparatives.
- **Romania** sales +12.3%. LFL +14.7%, reflecting a strong performance in its outdoor, building & joinery and surfaces & décors categories.
- **Other** consists of the consolidated sales of **Screwfix International**, **NeedHelp**, and from **franchise and wholesale** agreements. While these businesses are in their early investment phase, we continue to be encouraged by the results we have seen to date. **Screwfix** opened three stores in France in the quarter, with a total of 23 stores in operation as of 30 April 2024. The business continues to grow its customer base and retention rates, as well as increasing brand awareness both locally and nationally.

Footnotes

⁽¹⁾ **Leap year impact** reflects the impact of an extra day of trading on Thursday 29 February 2024. The impact of the leap year on Q1 24/25 LFL sales was +1.1%. **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. This includes the impact of national public holidays falling on different days of the week compared to the prior period. The calendar impact on Q1 24/25 LFL sales was +0.8%, which we expect to unwind over the balance of the year.

⁽²⁾ Core category sales represented 66% of Group sales in Q1. It includes the sales from non-seasonal products across our categories, other than 'big ticket' sales.

⁽³⁾ 'Big-ticket' category sales represented 15% of Group sales in Q1. It includes the sales from kitchen, bathroom & storage products.

⁽⁴⁾ Seasonal category sales represented 19% of Group sales in Q1. It includes the sales from certain products within our outdoor, electricals, plumbing, heating & cooling (EPHC) and surfaces & décor categories.

⁽⁵⁾ 'Q2 24/25 LFL sales (to 18 May 2024)' represents the period from 28 April to 18 May 2024 compared against the equivalent period in the prior year (i.e., 30 April to 20 May 2023). The figures are provisional and exclude certain non-cash accounting adjustments relating to revenue recognition.

⁽⁶⁾ **Marketplace gross sales** is the transaction value (excluding VAT) from the sale of products supplied by third-party e-commerce marketplace vendors. Returned and cancelled orders are excluded.

Marketplace gross merchandise value (GMV) is the total transaction value (including VAT, and including returned and cancelled orders) from the sale of products supplied by third-party e-commerce marketplace vendors. Marketplace GMV is the basis on which our commissions from third-party vendors are determined.

⁽⁷⁾ Guidance assumes current exchange rates.

⁽⁸⁾ 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.

⁽⁹⁾ Brico Dépôt Spain and Portugal.

⁽¹⁰⁾ 'Other' consists of the consolidated sales of Screwfix International, NeedHelp, and from franchise and wholesale agreements.

⁽¹¹⁾ Marketplace participation defined as B&Q's marketplace gross sales divided by B&Q's total e-commerce sales. Please refer to the glossary in Kingfisher's 2023/24 Full Year Results announcement for definitions of e-commerce sales and penetration metrics.

⁽¹²⁾ On 20 March 2023, Screwfix Spares Limited acquired the majority of the business and assets of Connect Distribution Services (in administration) and related companies.

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Q1 trading update and data tables

This announcement and data tables for Q1 24/25 sales can be downloaded from the Investors section of our website at www.kingfisher.com/investors.

Half year 24/25 results

Our next scheduled results announcement will be our results for the six months ending 31 July 2024, on 17 September 2024.

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 over 2,000 stores, supported by a team of over 78,000 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.

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 2024. 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).

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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.