

## Q4 pre-close trading update

**12 January 2021:** Kingfisher plc ('Company', 'Group' or 'Kingfisher') is today providing an update on Q4 trading to date.

### Q4 trading to 9 January

As announced on 19 November 2020, Kingfisher's Q3 20/21 Group LFL<sup>(1)</sup> sales were up 17.4%, while Q4 20/21 Group LFL sales (to 14 November)<sup>(2)</sup> were up 12.6%.

Since then, Kingfisher has continued to experience strong demand across its markets with Q4 20/21 Group LFL sales (to 9 January 2021)<sup>(3)</sup> up 16.9%. Financial year to date (1 February 2020 to 9 January 2021), Group LFL sales are up 6.5%.

Based on trading to date, the Group is comfortable with the top end of the range of current sell-side analyst estimates<sup>(4)</sup> for FY 20/21 adjusted profit before tax.

### Operational status

While our c.1,380 stores remain open for in-store purchasing and click & collect, under strict social distancing and safety protocols, recent restrictions imposed within the United Kingdom and Republic of Ireland mean that some discrete areas of certain B&Q stores have been temporarily closed. For further detail on this and the current lockdown restrictions in each of our markets, as of 11 January 2021, please refer to the '*Supplementary information*' section below.

### LFL sales by month in Q4 (to date)

Monthly sales	% LFL <sup>(1)</sup> Change	
	Nov 2020	Dec 2020
<b>UK &amp; Ireland</b>	<b>+24.0%</b>	<b>+20.8%</b>
<b>France</b>	<b>(0.1)%</b>	<b>+29.4%</b>
<b>Other International</b>	<b>+1.3%</b>	<b>+11.6%</b>
- Poland	+0.2%	+9.7%
- Iberia <sup>(5)</sup>	(6.3)%	+20.6%
- Romania <sup>(6)</sup>	+17.4%	+12.5%
<b>Group LFL<sup>(7)</sup></b>	<b>+11.4%</b>	<b>+22.1%</b>
<b>E-commerce sales<sup>(8)</sup></b>	<b>+155.4%</b>	<b>+154.3%</b>

Overall, Q4 20/21 Group LFL sales (to 9 January 2021) are up 16.9%, supported by e-commerce sales growth of over 150%.

The slower growth in November, relative to Q3 and December, largely reflects the impact in France of a negative calendar effect year on year (c.-5% impact on LFL sales), the closure of certain ranges within stores during the November lockdown, and the less favourable trend for trade-oriented business versus general home improvement, due to the stringent restrictions in France.

Sales growth in December accelerated, helped by significantly stronger growth in France (in both Castorama France and Brico Dépôt) post the November lockdown. The UK & Ireland continued to perform strongly in December, with growth at Screwfix accelerating from November. Screwfix is on track to reach £2 billion of total sales in FY 20/21.

LFL sales by week in Q4 (to date)

Sales: 4 weeks to 28 November 2020	% LFL <sup>(1)</sup> Change			
	week 1 <sup>(9)</sup>	week 2 <sup>(9)</sup>	week 3 <sup>(9)</sup>	week 4 <sup>(9)</sup>
<b>UK &amp; Ireland</b>	<b>+31.6%</b>	<b>+17.3%</b>	<b>+24.0%</b>	<b>+30.3%</b>
<b>France</b>	<b>(5.6)%</b>	<b>+8.2%</b>	<b>+10.6%</b>	<b>+3.9%</b>
<b>Other International</b>	<b>+2.8%</b>	<b>+5.8%</b>	<b>+2.4%</b>	<b>(4.5)%</b>
- Poland	+1.6%	+7.6%	+4.3%	(7.4)%
- Iberia	(2.5)%	(8.5)%	(9.4)%	+3.2%
- Romania	+19.1%	+16.6%	+7.4%	+5.4%
<b>Group LFL<sup>(7)</sup></b>	<b>+13.1%</b>	<b>+12.0%</b>	<b>+15.5%</b>	<b>+14.7%</b>
<b>E-commerce sales<sup>(8)</sup></b>	<b>+144.2%</b>	<b>+155.9%</b>	<b>+163.7%</b>	<b>+165.4%</b>

Sales: 6 weeks to 9 January 2021	% LFL <sup>(1)</sup> Change					
	week 5 <sup>(9)</sup>	week 6 <sup>(9)</sup>	week 7 <sup>(9)</sup>	week 8 <sup>(9)</sup>	week 9 <sup>(9)</sup>	week 10 <sup>(9)</sup>
<b>UK &amp; Ireland</b>	<b>+17.9%</b>	<b>+20.2%</b>	<b>+23.0%</b>	<b>+23.6%</b>	<b>+23.2%</b>	<b>+14.4%</b>
<b>France</b>	<b>+28.2%</b>	<b>+26.7%</b>	<b>+26.7%</b>	<b>+13.1%</b>	<b>+26.8%</b>	<b>+15.9%</b>
<b>Other International</b>	<b>+7.1%</b>	<b>+13.9%</b>	<b>+8.5%</b>	<b>+5.7%</b>	<b>+4.9%</b>	<b>+22.7%</b>
- Poland	+3.1%	+15.5%	+6.7%	+4.7%	+1.0%	+26.0%
- Iberia	+18.1%	+15.1%	+18.7%	+5.5%	+23.6%	+11.3%
- Romania	+18.9%	+1.1%	+8.9%	+13.5%	+7.5%	+19.9%
<b>Group LFL<sup>(7)</sup></b>	<b>+19.5%</b>	<b>+21.2%</b>	<b>+21.1%</b>	<b>+15.6%</b>	<b>+21.3%</b>	<b>+16.2%</b>
<b>E-commerce sales<sup>(8)</sup></b>	<b>+135.7%</b>	<b>+150.9%</b>	<b>+152.1%</b>	<b>+215.6%</b>	<b>+155.8%</b>	<b>+149.9%</b>

**Thierry Garnier, Chief Executive Officer, said:**

“The safety of our customers and teams remains our first priority while we fulfil the essential needs of our customers. We will continue to support our colleagues during these most difficult times, and I want to express my sincere appreciation for all our teams as they continue to operate in such a challenging environment.

“While the strength of our Q4 trading, to date, is reassuring, uncertainty over COVID-19 and the impact of lockdown restrictions in most of our markets continue to limit our visibility. Longer term, we are confident that the strategic and operational actions we are taking are building a strong foundation for sustainable long-term growth. We also believe that the renewed focus on homes is supportive for our markets.

“We look forward to providing a more detailed update within our FY 20/21 results on 22 March 2021. In the meantime, I wish you all a happy and safe New Year.”

## **Supplementary information**

### **FY 2020/21 Technical guidance**

Significant updates to our previous guidance are noted below *in italics*.

#### **Income statement:**

- Sales outlook
  - Uncertainty over COVID-19 and the impact of lockdown restrictions
- Costs
  - Anticipate that FY 20/21 adjusted profit before tax will include c.£85m of non-recurring cost savings, net of any one-off COVID-related costs
  - COVID-related costs<sup>(10)</sup> – expected to be c.£45m, which includes one-off and recurring elements
  - Central costs – expected to be c.£58m (FY 19/20: £62m)
  - UK and Republic of Ireland business rates – as previously announced, Kingfisher will forego all business rates relief for the 20/21 tax year. c.£130m of Kingfisher's annual business rates bill was eligible for this relief, of which c.£110m would have fallen in FY 20/21
  - Furlough – no claims under furlough programmes in the UK (including the Job Retention Bonus) and France since 1 July; repaid UK furlough benefit received in H1 20/21 (c.£23m) in November 2020
- Net finance costs
  - Expected to be in line with prior year (FY 19/20: £173m, before exceptional items) due to incremental financing costs for PGE, CCFF and RCFs, offset by impact of reduced lease liability
- *Adjusted profit before tax*
  - *Comfortable with the top end of the range of current sell-side analyst estimates<sup>(4)</sup>*
- Tax rate
  - Group adjusted effective tax rate expected to be c.23%<sup>(11)</sup> (FY 19/20: 26%)
- Exceptional items
  - Expect to record c.£15-20m of restructuring costs in H2 20/21 in relation to the Group's new commercial operating model (as announced in September 2020)

#### **Cash flow:**

- *PGE – in December 2020, the Group repaid its French Term facility in full, including c.£549m of capital and c.£3m of interest*
- Capital expenditure – gross capex of c.£280m (FY 19/20: £342m); c.£70m of further expenditure deferred into FY 21/22
- Tax – incremental one-off cash impact this year of c.£50m from HMRC accelerated UK corporation tax payments

#### **Previously announced 11 store closures in France:**

- All 11 stores now closed:
  - 3 stores closed in France (1 Castorama, 2 Brico Dépôt) in H2 19/20
  - 4 Castorama stores closed in H1 20/21
  - 4 further Castorama stores closed in H2 20/21 to date, of which 2 are to be converted to Brico Dépôt stores (opening in FY 21/22)
- All cash costs of closures in FY 20/21 fully provided for in previous periods

### **Operational status by market**

All our c.1,380 stores remain open for in-store purchasing and click & collect, under strict social distancing and safety protocols. The current lockdown restrictions and operational status in each of our markets, as of 11 January 2021, is noted below.

<b>Country</b>	<b>Lockdown restrictions</b>	<b>Essential retail status</b>	<b>Kingfisher commentary</b>
England	National lockdown restrictions in place from 5 January, including non-essential retail closures	Building merchants and suppliers of products and tools used in building work and repairs, and garden centres, classified as essential	All B&Q and Screwfix stores open. B&Q showrooms closed in line with government requirements. Virtual design appointments available
Scotland	National lockdown restrictions in place from 5 January until at least 31 January	Building merchants and suppliers of products and tools used in building work and repairs classified as essential	All B&Q and Screwfix stores open. B&Q showrooms closed in line with government requirements. Virtual design appointments available
Wales	National 'Tier 4' restrictions in place from 20 December; to be reviewed every three weeks	Hardware retail essential	All B&Q and Screwfix stores open. B&Q showrooms, garden centres, and discrete areas of non-essential products closed in line with government requirements. Virtual showroom design appointments available
Northern Ireland	National lockdown from 26 December for six weeks; to be reviewed after four weeks	Hardware retail essential	All B&Q and Screwfix stores open
Republic of Ireland	'Level 5' restrictions from 24 December with non-essential retail closures from 31 December; to be reviewed on 12 January	Hardware retail essential. No 'January sales' permitted for essential retail	All B&Q and Screwfix stores open. B&Q garden centres closed in line with government requirements
France	National lockdown ended on 15 December; curfew from 8pm-6am (6pm-6am in certain regions)	Hardware retail essential during previous lockdown	All Castorama and Brico Dépôt stores open
Poland	National restrictions in place until 17 January. Closure of non-essential retail from 28 December	Hardware retail essential	All Castorama stores open. Limit on the number of people allowed in stores
Romania	Some national restrictions in place	Hardware retail 'tolerated'	All Brico Dépôt stores open
Spain	National state of emergency declared 25 October. 17 regions have power to impose additional, varied restrictions	Hardware retail essential in Asturias, Aragón and Andalusia, but not in other regions	All stores open, with restrictions in certain areas (such as reduced opening hours, space open to the customer, and limits on the people allowed in stores)
Portugal	National state of emergency in place	Hardware retail essential. No national store closures	All stores open, with restrictions in certain areas (such as reduced opening hours and limits on the number of people allowed in stores)

## **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.
- (2) 'Q4 20/21 Group LFL sales (to 14 November)' represent the period from 1 November 2020 to 14 November 2020 (compared against the equivalent period in the prior year, from 3 November 2019 to 16 November 2019). The figures are provisional and exclude certain non-cash accounting adjustments relating to revenue recognition.
- (3) 'Q4 20/21 Group LFL sales (to 9 January 2021)' represent the period from 1 November 2020 to 9 January 2021 (compared against the equivalent period in the prior year, from 3 November 2019 to 11 January 2020). The figures are provisional and exclude certain non-cash accounting adjustments relating to revenue recognition.
- (4) According to Company-compiled consensus estimates as of 4 January 2021, the current range of sell-side analyst expectations for FY 20/21 adjusted profit before tax is £667m to £742m.
- (5) Brico Dépôt Spain and Portugal.
- (6) Kingfisher's subsidiary in Romania prepares its financial statements to 31 December. Its monthly results presented are for October and November, i.e. one month in arrears. The weekly results presented have no corresponding delay.
- (7) Group LFL includes total e-commerce sales and excludes Koçtaş (Kingfisher's 50% JV in Turkey).
- (8) 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 covers the total Group.
- (9) Weekly sales figures are for the Sunday-to-Saturday weeks from 1 November 2020 (compared against prior year Sunday-to-Saturday weeks from 3 November 2019). The figures are provisional and exclude certain non-cash accounting adjustments relating to revenue recognition.
- (10) Includes costs of PPE and social distancing, donations, new store layouts, additional store security, and bonuses to frontline store staff.
- (11) Subject to the blend of profit within the Group's various jurisdictions.

Information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain. This announcement is being released on behalf of Kingfisher by Paul Moore, Company Secretary.

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## **About Kingfisher plc**

Kingfisher plc is an international home improvement company with approximately 1,380 stores, supported by a team of 79,000 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).

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



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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" 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 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, 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, 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 in 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 or change in circumstances or in the Company's expectations.