

**Q1 trading update to 30 April 2021**  
**Sales of £3.4 billion; LFL<sup>(1)</sup> up 64% and 2-year LFL<sup>(2)</sup> up 23%**

**20 May 2021:** Kingfisher plc ('Company', 'Group' or 'Kingfisher') is today providing its Q1 21/22 sales.

**Unaudited Q1 21/22 sales (three months ended 30 April 2021)**

	Sales 2021/22	% Total Change	% Total Change	% LFL Change	% 2-year LFL Change
	£m	Reported	Constant currency	Constant currency	Constant currency
<b>UK &amp; Ireland</b>	<b>1,827</b>	<b>+66.8%</b>	<b>+66.8%</b>	<b>+65.0%</b>	<b>+38.6%</b>
- B&Q	1,212	+82.7%	+82.7%	+81.9%	+42.3%
- Screwfix	615	+42.5%	+42.5%	+39.0%	+32.5%
<b>France</b>	<b>1,177</b>	<b>+97.4%</b>	<b>+98.8%</b>	<b>+101.7%</b>	<b>+18.1%</b>
- Castorama	583	+94.5%	+95.8%	+101.8%	+13.9%
- Brico Dépôt	594	+100.3%	+101.7%	+101.7%	+22.7%
<b>Other International (ex-Russia)</b>	<b>444</b>	<b>+9.4%</b>	<b>+13.0%</b>	<b>+5.9%</b>	<b>(11.0)%</b>
- Poland	281	(12.1)%	(8.9)%	(12.0)%	(20.5)%
- Iberia <sup>(3)</sup>	90	+110.8%	+112.3%	+112.3%	+12.1%
- Romania <sup>(4)</sup>	72	+67.2%	+71.1%	+27.4%	+16.6%
- Other <sup>(5)</sup>	1	n/a	n/a	n/a	n/a
<b>Total Group (ex-Russia)</b>	<b>3,448</b>	<b>+64.4%</b>	<b>+65.7%</b>	<b>+64.2%</b>	<b>+22.5%</b>
- Russia <sup>(6)</sup>	-	(100.0)%	(100.0)%	n/a	n/a
<b>Total Group</b>	<b>3,448</b>	<b>+60.0%</b>	<b>+61.9%</b>	<b>+64.2%</b>	<b>+22.5%</b>

**Key points**

- Continuing to make significant progress against 'Powered by Kingfisher' strategic priorities
- Growing sales ahead of the market in the UK and France
- Total sales up 61.9% in constant currency at £3.4 billion, reflecting strong demand in all categories (against weak comparatives due to temporary store closures in the prior year)
- LFL sales up 64.2% and corresponding 2-year LFL up 22.5%
  - Strong performance in the UK and France, despite COVID-related restrictions impacting French banners through most of the quarter
  - Poland impacted by COVID-related temporary store closures for five weeks, following a national lockdown announced in late March 2021
  - Transaction volume and average basket value both up
- E-commerce sales up 63% (2-year growth up 258%); now 21% of Group sales (FY 20/21: 18%)
- Q2 21/22 LFL sales (to 15 May 2021)<sup>(7)</sup> up 8.2% (2-year LFL up 25.0%), reflecting continued strong demand
- All Kingfisher stores now open, following temporary store closures in France and Poland
- Raising H1 21/22 LFL sales outlook to 'mid-to-high teens' (from 'low double-digit')
- Anticipate H1 adjusted pre-tax profit to be ahead of our previous expectations, in the range of c.£580 to 600 million

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

“I am extremely grateful to all our colleagues for their continuous hard work and flexibility, enabling our banners to remain trading safely during these difficult times.

“The Group delivered strong sales growth in the first quarter, with LFL sales up 64% and up by 23% on a two-year basis. This is a testament to the efforts of our colleagues, the skill and professionalism of our supply chain teams, and the responsiveness in managing daily changes within all our store operations. We continue to see high levels of demand from both new and existing customers, with clear progress made on our ‘Powered by Kingfisher’ strategic priorities, especially in four key areas.

“Firstly, e-commerce continues to be our fastest-growing channel with two-year growth of over 250%, now accounting for 21% of Group sales. During the quarter we established a new agile operating model for our technology and digital teams, and further strengthened these teams with multiple new hires.

“Secondly, we are excited to have launched Screwfix as a pure-play online retailer in France in late April. Thirdly, our new own exclusive brand kitchen range is now available in all key markets, with very positive results despite lockdown restrictions.

“And finally we continue to develop, test and roll out multiple innovative propositions for our customers, with more compact store tests, a new mobile app for Screwfix, self-checkout terminals and our new tool for 3D kitchen and bathroom design. We have also started to roll out our NeedHelp services marketplace in B&Q and Poland.

“With the strong start to the year, we now anticipate first half sales and adjusted pre-tax profit to be ahead of our previous expectations. Whilst the second half of the financial year remains naturally uncertain, we continue to see supportive long-term trends for our industry and are confident of continued outperformance of our wider markets.”

### **Outlook**

Given the profile of trading during FY 20/21, we continue to expect distinct performances in the two halves of FY 21/22.

With the strength of our performance to date and the continued delivery against our strategic objectives, we now expect mid-to-high teens Group LFL sales growth in **H1 21/22** (previously ‘low double-digit’). As a result, we anticipate a higher H1 adjusted pre-tax profit, in the range of c.£580 to 600 million.

For **H2 21/22**, we maintain our original guidance and continue to plan for Group LFL sales scenarios in H2 of -15% to -5% (representing 2-year LFLs for H2 of -1% to +11%), given the strong comparable period performance (H2 20/21: Group LFL sales +16.6%) and continued uncertainty over the macroeconomic and consumer environment from COVID.

For **FY 21/22**, we are now aiming to grow full year adjusted pre-tax profit (excluding £85 million of non-recurring net cost savings in FY 20/21) ahead of sales<sup>(8)</sup> (previous guidance ‘in line with sales’).

### **Supply chain and availability**

The key risks around stock availability continue to be driven by polarised demand within some of our categories, where our suppliers have been challenged in keeping up with high order levels. This has been exacerbated by challenges around the supply of certain raw

materials. In addition, the pandemic (together with events such as the Suez Canal container ship blockage) continue to place a considerable strain, industry-wide, on the international logistics infrastructure (in particular, the cost and availability of shipping containers). We expect these challenges to continue for at least the next six months.

Despite these significant challenges, our overall stock availability is gradually improving. To date, we have been able to manage our supply and logistics needs adequately, and will continue to focus on availability as we progress through the key trading season.

As largely anticipated, we are also seeing inflation pressure from certain raw materials and shipping container costs. We are absolutely committed to remaining competitive with our prices, and are engaging with our suppliers and partners to manage the cost implications that are being felt across the industry as efficiently as possible.

### **Operational status**

All our c.1,400 stores are currently open for in-store purchasing and click & collect, under strict social distancing and safety protocols. Kingfisher remains committed to meeting the essential needs of customers safely, and ensuring colleague safety and wellness.

In the **United Kingdom**, restrictions imposed from late December 2020 meant that discrete areas of certain B&Q stores (e.g. showrooms in England, Wales and Scotland) were temporarily closed until early-to-mid April 2021. During this period of restrictions, B&Q operated a virtual sales model for kitchens and bathrooms, with tens of thousands of virtual showroom planning sessions successfully conducted since the start of 2021.

In **France**, since late January 2021, the government gradually instructed certain regions (*départements*) with higher COVID infection rates to implement additional containment measures. A national lockdown took effect on 3 April 2021, resulting in the temporary closure of non-essential retailers.

While Castorama and Brico Dépôt stores retained their 'essential' retailer status, some *départements* required us to close larger stores even before the national lockdown. The majority of the temporary store closures took effect from early March 2021, and since then up to 26 Castorama and four Brico Dépôt stores have been temporarily closed for in-store browsing and purchasing. At all stores impacted, click & collect, home delivery and virtual showroom planning services remained available for the general public.

In addition, all other Castorama and Brico Dépôt stores were impacted by the temporary closure of non-essential areas of stores (e.g. showrooms and certain areas of surfaces & décor), following the commencement of the national lockdown on 3 April.

On 19 May 2021, restrictions on retailers in France were lifted. All impacted Castorama and Brico Dépôt stores have reopened for in-store browsing and purchasing.

In **Poland**, national lockdown restrictions were imposed on 27 March 2021, leading to the closure of all Castorama stores between 27 March and 3 May 2021. During some of this period, stores were able to offer click & collect, home delivery, garden and buildings products, as well as in-store access for professional tradespeople. All stores fully reopened on 4 May.

In **Iberia and Romania**, while all stores remain open for in-store browsing and purchasing, restrictions have been imposed in a small number of regions (including reduced opening

hours, weekend closures, limits on the number of people allowed in stores, and limits on access to stores from out of the city or region).

### **Trading since 1 February 2021**

As announced on 22 March 2021, the first quarter of the year had started strongly with Q1 21/22 LFL sales (to 18 March 2021)<sup>(9)</sup> up 24.2%, with the corresponding 2-year LFL also up 24.2%. The Group's trading remained strong throughout the balance of the first quarter, despite the impact of COVID-related restrictions on our stores in France and Poland. Please refer to the 'Operational status' summary above for further details.

Overall, Q1 21/22 LFL sales were up 64.2% (2-year LFL up 22.5%). Growth in Q1 was supported by strong demand in the UK and France as well as continued e-commerce sales progress, with 2-year growth of over 250%. Transaction volume and average basket value both grew in the quarter.

The second quarter has also started positively, with Q2 21/22 LFL sales (to 15 May 2021)<sup>(7)</sup> up 8.2% (2-year LFL up 25.0%), reflecting continued strength in the UK and France, and the reopening of stores in Poland. Notwithstanding this good start to the second quarter, we remain mindful of the tough comparable period and continued uncertainty related to COVID.

### **LFL sales by month during Q1 (and Q2 to date)**

Monthly sales	% LFL Change				Q2 21/22 (to date) <sup>(7)</sup>
	Feb 2021	Mar 2021	Apr 2021	Q1 21/22	
<b>UK &amp; Ireland</b>	<b>+21.5%</b>	<b>+58.6%</b>	<b>+138.2%</b>	<b>+65.0%</b>	<b>+6.8%</b>
<b>France</b>	<b>+10.2%</b>	<b>+151.9%</b>	<b>+265.8%</b>	<b>+101.7%</b>	<b>+8.3%</b>
<b>Other International</b>	<b>(5.0)%</b>	<b>+30.6%</b>	<b>(8.2)%</b>	<b>+5.9%</b>	<b>+12.2%</b>
- Poland	(6.0)%	+16.1%	(45.5)%	(12.0)%	(3.3)%
- Iberia	(5.7)%	+149.1%	+800.2%	+112.3%	+312.9%
- Romania <sup>(4)</sup>	+3.2%	+20.9%	+57.0%	+27.4%	+10.0%
<b>Group LFL<sup>(10)</sup></b>	<b>+13.1%</b>	<b>+75.2%</b>	<b>+132.4%</b>	<b>+64.2%</b>	<b>+8.2%</b>
<b>E-commerce sales<sup>(11)</sup></b>	<b>+148.8%</b>	<b>+131.0%</b>	<b>+7.4%</b>	<b>+62.8%</b>	<b>+10.0%</b>

### **2-year LFL sales by month during Q1 (and Q2 to date)**

Monthly sales	% 2-year LFL Change				Q2 21/22 (to date) <sup>(7)</sup>
	Feb 2021	Mar 2021	Apr 2021	Q1 21/22	
<b>UK &amp; Ireland</b>	<b>+29.0%</b>	<b>+49.6%</b>	<b>+35.9%</b>	<b>+38.6%</b>	<b>+23.9%</b>
<b>France</b>	<b>+19.6%</b>	<b>+21.0%</b>	<b>+13.5%</b>	<b>+18.1%</b>	<b>+25.3%</b>
<b>Other International</b>	<b>+5.0%</b>	<b>+5.2%</b>	<b>(37.2)%</b>	<b>(11.0)%</b>	<b>+27.1%</b>
- Poland	+4.5%	+0.2%	(56.6)%	(20.5)%	+28.9%
- Iberia	+0.6%	+20.9%	+12.9%	+12.1%	+17.1%
- Romania <sup>(4)</sup>	+19.6%	+2.8%	+34.6%	+16.6%	+34.4%
<b>Group LFL<sup>(10)</sup></b>	<b>+21.8%</b>	<b>+31.0%</b>	<b>+14.4%</b>	<b>+22.5%</b>	<b>+25.0%</b>
<b>E-commerce sales<sup>(11)</sup></b>	<b>+223.1%</b>	<b>+266.1%</b>	<b>+277.3%</b>	<b>+257.5%</b>	<b>+238.0%</b>

## Q1 trading highlights (in constant currencies)

### **UK & IRELAND**

Total sales +66.8% (LFL +65.0%; 2-year LFL +38.6%). Continuing to grow sales ahead of the market.

- **B&Q** sales +82.7%. LFL +81.9% (2-year LFL +42.3%) reflecting strong demand in all categories against weak comparatives due to prior year temporary store closures. LFL sales of weather-related categories were up 129%. LFL sales of non-weather-related categories, including showroom, were up 66%. B&Q's trade-focused banner, TradePoint, continued to improve engagement with tradespeople, with LFL sales up 83% and 2-year LFL sales up 43%. B&Q's new own exclusive brand (OEB) kitchen range continues to perform well, and we are encouraged by the uptake of our newly introduced installation services. Four new compact stores were opened during Q1, including two store-in-store concessions within ASDA stores.
- **Screwfix** sales +42.5%. LFL +39.0% (2-year LFL +32.5%) reflecting continued strong momentum from trade customers. The business continued to strengthen its digital proposition, including launching an upgraded mobile app which has been very well received by customers, with mobile remaining the dominant channel of ordering online. During Q1, five new stores were opened in the UK.

### **FRANCE**

Total sales +98.8% (LFL +101.7%; 2-year LFL +18.1%). Castorama continued to grow sales ahead of the market in Q1 (LFL +101.8%), as did Brico Dépôt (+101.7%), despite COVID-related restrictions imposed by the French government leading to some temporary store closures throughout the quarter. LFL sales for the home improvement market (as measured by *Banque de France* data<sup>(12)</sup>) were up 99.7% in Q1.

- **Castorama** sales +95.8%. LFL +101.8% (2-year LFL +13.9%) reflecting strong demand in all categories (against weak comparatives due to temporary store closures in the prior year). LFL sales growth was negatively impacted by partial and temporary store closures in Q1 21/22 (see 'Operational status' above), but benefited by c.+5% from additional Sunday store openings. LFL sales of weather-related categories were up 215%. LFL sales of non-weather-related categories, including showroom, were up 80%.
- **Brico Dépôt** sales +101.7%. LFL +101.7% (2-year LFL +22.7%) reflecting strong demand in all categories (against weak comparatives due to temporary store closures in the prior year) and the continued focus on strengthening its discounter credentials and differentiated ranges. Additional Sunday store openings contributed c.+9% to LFL sales.

### **OTHER INTERNATIONAL**

- **Poland** sales (8.9)%. LFL (12.0)% (2-year LFL (20.5%)) largely reflecting the temporary closure of all stores between 27 March and 3 May 2021. The impact during this period was partially offset by a strong uptake of click & collect, contactless 'Drive-thru' and car park collections, and home delivery services. LFL sales of weather-related categories were down 26%. LFL sales of non-weather-related categories, including showroom, were down 10%. Four new stores were opened during Q1.
- **Iberia** sales +112.3%. LFL +112.3% (2-year LFL +12.1%) reflecting strong demand and weak comparables (due to prior year temporary store closures).
- **Romania** sales +71.1%<sup>(4)</sup>. LFL +27.4% (2-year LFL +16.6%) reflecting strong demand across most categories, in particular building & joinery and outdoor.

## Supplementary information

### FY 2021/22 Technical guidance

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

The following guidance applies in the event of no adverse change in COVID-related confinement measures (for example, new lockdown restrictions resulting in further store closures). Please also refer to page 8 for further details regarding forward-looking statements.

#### **Income statement:**

- LFL sales outlook
  - *H1 21/22 – expect mid-to-high teens LFL sales growth (previous guidance ‘low double-digit’)*
  - *H2 21/22 – continue to plan for LFL scenarios of -15% to -5% (2-year LFLs for H2 of -1% to +11%). Range reflects uncertainty over the macroeconomic and consumer environment in H2*
- Space
  - Anticipate net space growth (excluding Russia) to impact total sales by c.+1.5%, largely from the UK and Poland. Total sales impact from the disposal of Russia will be c.-1.5%
- Costs
  - Central costs – expected to be broadly flat year on year (FY 20/21: £54m)
  - *COVID-related costs – expected to be c.£15m (previous guidance c.£10m; FY 20/21: £45m)*
- Net finance costs
  - Expected to decrease by c.£10m as a result of lower lease liability balance and lower non-lease interest (FY 20/21: £160m)
- Adjusted pre-tax profit
  - *Anticipate H1 adjusted pre-tax profit to be in the range of c.£580-600m*
  - *Aiming to grow full year adjusted pre-tax profit (excluding £85m of non-recurring net cost savings in FY 20/21) ahead of sales<sup>(8)</sup> (previous guidance ‘in line with sales’)*
- Tax rate
  - Group adjusted effective tax rate expected to be c.23%<sup>(13)</sup> (FY 20/21: 23%)

#### **Cash flow:**

- Capital expenditure – continue to target gross capex of up to 3.5% of total sales, including c.£70m of capex deferred from FY 20/21 (FY 20/21: £281m; FY 19/20: £342m)
- *Tax – as anticipated, in Q1 21/22 we paid c.£64m (including interest) to HMRC in relation to the EC state aid challenge (previous guidance c.£57m excluding interest). The full amount is being contested and is recorded as a receivable*
- Dividends – target dividend cover range of 2.25 to 2.75 times, based on adjusted basic earnings per share

## Footnotes

- <sup>(1)</sup> 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. Stores temporarily closed or otherwise impacted due to COVID are also included.
- <sup>(2)</sup> 2-year LFL is calculated by compounding current and prior year LFL growth. For example, current year LFL growth of 10% and prior year LFL growth of 5% results in 2-year LFL growth of 15.5%. Prior year LFL growth excludes Russia for the purposes of the Group and Other International 2-year LFL calculations.
- <sup>(3)</sup> Brico Dépôt Spain and Portugal.
- <sup>(4)</sup> Kingfisher's subsidiary in Romania has historically prepared its financial statements to 31 December. In FY 21/22, Romania is migrating to Kingfisher's financial reporting calendar (year ending 31 January 2022). Its quarterly sales presented therefore include one additional month of results (April 2021) in order to facilitate the alignment to Kingfisher's financial reporting calendar. Reported and constant currency variances for Romania sales are for January to April 2021 (compared against January to March 2020), whilst monthly, quarterly and 2-year LFL sales growth for Romania compares February to April 2021 to the equivalent periods in the prior years. Romania's LFL sales growth in the month of January 2021 was 22.2%.
- <sup>(5)</sup> 'Other' consists of the consolidated results of NeedHelp, which was acquired in November 2020, and revenue from franchise agreements.
- <sup>(6)</sup> Kingfisher completed the sale of Castorama Russia on 30 September 2020.
- <sup>(7)</sup> 'Q2 21/22 LFL sales (to 15 May 2021)' and 'Q2 21/22 (to date)' represents the period from 2 May 2021 to 15 May 2021 (compared against the equivalent period in the prior year, from 3 May 2020 to 16 May 2020). The corresponding 2-year LFL represents the period from 2 May 2021 to 15 May 2021 compared against the equivalent period in FY 19/20 (i.e. from 5 May 2019 to 18 May 2019). The figures are provisional and excludes certain non-cash accounting adjustments relating to revenue recognition.
- <sup>(8)</sup> Group total sales growth and adjusted pre-tax profit growth in constant currency.
- <sup>(9)</sup> 'Q1 21/22 LFL sales (to 18 March 2021)' represents the period from 31 January 2021 to 18 March 2021 (compared against the equivalent period in the prior year, from 2 February 2020 to 19 March 2020). The figure is provisional and excludes certain non-cash accounting adjustments relating to revenue recognition.
- <sup>(10)</sup> Group LFL includes e-commerce sales, and excludes Koçtaş (Kingfisher's 50% JV in Turkey).
- <sup>(11)</sup> 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 is in constant currency and covers the total Group.
- <sup>(12)</sup> Banque de France data for DIY retail like-for-like sales (non-seasonally adjusted). Includes relocated and extended stores <http://webstat.banque-france.fr/en/browse.do?node=5384326>.
- <sup>(13)</sup> Subject to the blend of profit within the Group's various jurisdictions.

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## Q1 trading update and data tables

This announcement and data tables for Q1 21/22 sales can be downloaded from [www.kingfisher.com/investors](http://www.kingfisher.com/investors).

We can be followed on Twitter (@kingfisherplc) with the Q1 results tag #KGFQ1.

## Half year 21/22 results

Our next scheduled announcement will be our results for the six months ended 31 July 2021, provisionally set for 21 September 2021.



### **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 1,400 stores, supported by a team of over 83,000 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 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).

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