

12 months ended 31 January 2022

Speakers:

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Maj Nazir (MN), Group Investor Relations Director, Kingfisher plc

Anne Critchlow, Société Générale

Richard Chamberlain, RBC

Pam Liu, Morgan Stanley

Tony Shiret, Panmure Gordon

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Georgina Johanan, JP Morgan

Note: text in square brackets indicates edits made directly by Kingfisher for clarification purposes

ANNE CRITCHLOW: It's Anne Critchlow from Société Générale. I've got three questions please. The first one, what is the percentage of online sales in B&Q and Castorama? And then secondly, looking at the average lease length in B&Q, how long is that now and how much flexibility have you got for rightsizing of stores, if you want to continue doing that? And then thirdly, looking at the NeedHelp marketplace, do you have an idea of what percentage of customers might be using it? Thank you.

TG: Thank you very much. Let me start and I think Bernard will give you the data point on online. Just a few words on rightsizing, again, it's not a burning platform. We don't have a store losing money, it's really a long-term plan. We have discussed that several times in the past two years. We really consider that across the group we have Screwfix, Brico Dépôt in France, in Poland, Iberia, Romania, [our stores] have the right size. And we just have a small proportion of B&Q and Castorama France stores that could be considered as oversized.

So, I would say we are very happy with the first test results. What is critical for when you do these kind of tests, is when you reduce the space, for example by 30%, how much sales you lose [as a result], what is your margin level? What is the right promotional level? What is your cost

improvement? And so far, all that is in a good place. So it's really a 10-year program and we regularly do more of those rightsizing. And as I said, it's [within] our capex guidance.

On NeedHelp, it is still the early days in the UK and Poland. NeedHelp has been a very long-time partner of Kingfisher in France, so we know them very well. That's why when we made the acquisition, we were already in a known territory. The first step in 2021 was to rollout NeedHelp across all B&Q in Poland. And in 2021, we must admit there were still a few lockdowns [in some of our markets], still pressure on the tradespeople going to people's homes. But overall, again, you saw the growth of internal number of jobs of NeedHelp, this is according to plan, and we are happy with the rollout of NeedHelp in the UK and Poland in 2021. Maybe on online data, Bernard.

BB: On online, as we said, excluding Screwfix, we're above 7%. If you look at the difference between the banners, B&Q is comfortably above 10%, and then the French banners are comfortably above 5%.

RICHARD CHAMBERLAIN: Morning, I'm Richard Chamberlain, RBC. Couple of questions please, guys. First of all, could you just give a comment on the sort of overall inventory composition? You've given several reasons for why inventory is obviously up year on year, but I wonder if you can just comment on the kind of composition, is it sort of balanced across categories? Is it if you brought forward a lot of, sort of, bestselling lines and so on? And then the second one is on Screwfix France, Thierry, how are you thinking about the sort of store rollout there at the moment, particularly into next year? Is that going to be a sort of cluster approach for sort of key cities or are you thinking already about a sort of nationwide type expansion? Yeah. Thank you.

TG: You want to start with inventory, Bernard?

BB: So, if you look at the inventory movement on a constant currency basis, it's about 261 million. What you also saw was £359 [million on a reported basis], so you see there is quite a lot of FX impact on that. If you unpick it, it's basically a third [of the movement] is due to inflation, a third is due to stock rebuild. You remember that last year we were actually quite low [on inventory], I think we said something £80 to £90 million below what we would've expected.

And then the other part is what we call temporary and seasonal. And I think it's in the word, 'seasonal'. If you look at the composition [of our inventory balance], obviously it's all the stock [that is higher year on year], but probably we've got a little bit more of seasonal stock as we anticipate obviously the peak season, which is very important for us. And also, some of the things we mentioned, [an] earlier Chinese New Year [this year], [we] really want to focus on availability. So [we] brought a little bit of that forward to be ready for our peak season which has now just started.

TG: Maybe one further comment, to take the opportunity to say well done, [on] availability. I would qualify that our availability this week as normal or close to normal across the group, which is very good news for us. So, you have started our benchmark for availability, it's never 100% in retail, and we really did a very strong job the past months, especially on outdoor season, probably is one of the best outdoor seasons [in terms of availability], prepared outdoor season for Kingfisher. So we are really ready for the season and availability is high.

On Screwfix France, you are right to say that the idea was to start with originally a cluster of stores. Screwfix stores heavily rely on supply chain. So you need to open a small distribution center, and then you need to open stores, let's say around or not too far from the distribution center, so for competitive reason, I will not tell you where is the distribution center and where are our plans, but we already signed [leases on] a few store locations. We are engaged on a DC or talking to a DC provider. So all that is moving at pace, I'm very happy to see the new Screwfix France team, it has been a mix. We are fully ready with Screwfix team, the Kingfisher France team, even people from outside. And we have already built a very, very high level team for the operation. So we are getting ready to open store in H2 [2022/23].

PAM LIU: I have three questions please. Number one is about the percentage exposure to trade customers. I found the data for France is very interesting and is a positive surprise for me.

As previously, I seem to understand that the Casto and Brico seems to be more consumer focused. So have I got my number wrong or has your new analysis shared something else or uncovered something that we're not aware of? And in light of that, if trade demand is very attractive in France, again, would you not accelerate Screwfix France, which would be a mostly trade focused proposition?

Question number two is think about just the business model of the marketplace please, and how that interact or cannibalize potentially with selling your product normally online. Do you see a future where all of these transactional goods and stock can be sold and will be sold online and therefore would your rightsizing ambition need to be a bit more aggressive than the 3% to 4%.

Finally, is a near term question, so how do we think about a potential inflection point for demand, are we far or close to a point where price might be so high that demand could weaken? And if that happens, is it fair to assume that as a retailer would have a possible scenario where you do promotion on expensive stock and therefore take a hit on margin? And if that happens, what are the tools you have in the bag to protect your gross margin? Thank you.

TG: Yeah, thank you. That's a great question, thank you. First, starting with the new disclosure, you have DIFM ['Do It For Me'] and trade, and looking at what is DIFM? I'll give you typical categories. When you want to do a kitchen, but a large proportion of people that you would rely on are trade to fit your kitchen, [similar with] building materials, a large part of building materials, you don't do that yourself. So we analyze our customer surveys, category by category, which are the categories that you clearly are relying on trade, and that's what we call DIFM. So, in fact, when you compare B&Q and Casto [France], for example, B&Q has probably a larger proportion of paint or garden and outdoor categories versus the French market, whereas in France, their showroom categories are extremely strong. So that's what you can see in those data on DIFM and trade versus DIY.

We are convinced that all across the group, we have opportunities with the trade. And you see that in the presentation, we have learned from Home Depot, from Lowe's, we have spent time on this, we have learned from TradePoint. You see that we did plus 33% two year Like For Like [sales] for TradePoint, that's very good. Therefore, all across the group, we believe that inside the big boxes, you have opportunity to do a proper job for the trade. It'll take some time, you need different OEBs, you need specific loyalty programs. So to have more data, we sometimes need different digital services. You don't do that overnight. In Home Depot or TradePoint, they built that over years and years of [work]. But we feel for Kingfisher this is clearly an opportunity. Screwfix, we are I think moving very fast in France, so I hope you will see that very soon. Marketplace, I've spent seven, eight years in China, so I think disruption is a very interesting [concept]. You absolutely need to disrupt yourself before somebody does that for you. Plus when you look for all the big players on the marketplace world, let's take Amazon, you have a positive cycle on traffic. You have your own traffic, so first of all B&Q today is 300 million visits, one of the [highest] number of visits in the UK [for a retailer]. So we are not starting from zero. When you are a pure player, you have to buy a lot of Google search, advertising, et cetera. Probably we would need to do a bit, but we already have strong traffic.

When you increase choice, you increase traffic. So obviously you sell more of your marketplace SKUs, but you increase traffic on your own 1P products. So at the end, all the marketplaces that started to move from retail to marketplaces, they saw an increased traffic and at the end, better business for their own operation as well. So we are pretty comfortable with that. I must say as well, that we have built pretty quickly a group scalable technology together with Mirakl. So we consider the number one opportunity for us is the UK, but we can relatively quickly extend that to many other countries.

We have been recruiting a fantastic team, [in the areas of] marketplace, digital, IT, [people] that have been working on marketplaces across the world, [like] Cdiscount, et cetera, that are bringing us an outstanding experience immediately. So I'm very, very excited by this project, I think it will

change Kingfisher in the long term. And I don't believe stores will [become redundant]. I think you know there is a place for online, there is [also] a place for stores. Again, if you want to buy taps for your bathroom or your kitchen, normally 80% of customers will be happy with the B&Q range. And you are in the store, you want to see [the product], you want to touch [it], you want to see the colours, but some customers they want special designs, special colours, and then online you will [be able to] find thousands of taps. And it's a long tail [of products], [which] doesn't fit in the store, but it's still our business. We are the leader in home improvement and we consider tomorrow diy.com should be your number one choice if you look for a product. So if you [search], 'taps', you [will] have thousands of taps [available to choose from], you have a special design, you order it, but it doesn't mean there is no role for the store, on the contrary.

BB: I think compared to the pure play marketplaces, that [stores] is one of the assets we have, that we can have click and collect, we can have returns in stores, so we can have that asset base that they can't leverage. In addition to what they don't have is we've already got very high traffic. I think B&Q is the 13th [ranked] website in the UK for traffic, 300 million visits. So, that makes also your customer acquisition cost, which is an important element for marketplaces, a lot lower. So we've got fantastic assets to leverage with this opportunity.

TG: And you're right to say, when you compare ourselves to a pure play, today already you can return any product to a B&Q store. And in the coming months, we will do that as well for click and collect. So, you will be able to buy online and click and collect your product in a B&Q store. We are not ready today, but we are working hard on that.

Then inflation and elasticity I will start [with saying], we have good price index everywhere [in the Group]. We are monitoring on a weekly basis, our price index across the group. At the same time you saw our gross margin was up 30 basis points [in FY 21/22], so we've been able to manage relatively efficiently inflation. And clearly I would or Bernard will comment on the outlook. We are committed to do the same this year. That's what we see at the beginning of this year, where we have good price index and we are still continuing to manage inflation across the group.

So, then inflation can be different by categories and elasticity can be different by categories. To be a bit simple [as an example], if you need screws, well you need screws and then the elasticity is less important than maybe if you are more [looking for an] impulse product, like power tools or kitchens, well, then the elasticity is more an impact. So, it's very different by categories, and inflation is different [by category]. We are looking at that, [monitoring], but up to now, we see the [showroom] order well is pretty strong. The trade, all the indicators we have, the customer surveys we are doing, all that, so far are pretty good. But as Bernard says, we are ready. We can manage uncertainty, so if

we see different pattern of demand, we are committed to managing efficiently our gross margin, and we have demonstrated [this as well] during COVID. I remind you, we have had our store network more or less closed for two months during COVID and we have managed that [cost base] relatively efficiently. So we are agile, we are organized [with the] Powered by Kingfisher strategy. And if we have to adjust our cost base, we'll do that.

BB: And maybe I would also say, we've got some defensive assets against inflation. Thierry mentioned our OEB, so that's 45% of our sales and they offer a much better value for money proposition compared to some of the leading brands. We've got two, Brico Dépôt in France and Iberia, which are very strong discounters, about 20% of our sales, so that also positions us well. And then in general, DIFM, DIY, when maybe things are a little bit tougher, people will turn a little bit more to DIY. So being positioned in that next to DIFM should also help us.

TONY SHIRET: Tony Shiret from Panmure. You're talking about some of the metrics on your trade customer's TradePoint. I was a bit surprised the basket wasn't a bit larger for the trade customer. I wonder if you give us the absolute levels of the basket for retail and trade customers? Following on from that, bearing in mind the state of your balance sheet, do you think that probably you could accelerate trade business more if you had a credit offer for them apart from the DIFM? And just a last unrelated question, you referred to changes in, I think, the buying operations in one of the countries. I just wondered if you could update us on where you're buying is based from the various banners at the moment, how much is central, how much is localised? That's it.

TG: Sure. Thank you. Maybe, let's me start with the last one and I come back to credit offer. Maybe we can give you some data on what we are doing, because on Screwfix and B&Q, we already have some credit offers. To start with the buying, let's say the group is fully responsible for OEB. So OEB 100% managed by the group. That's a key part of our Powered by Kingfisher strategy. B&Q does not create private label [OEB]. It's managed by the group. We have sourcing offices across the world. For years, we have a really strong [sourcing] team. We have [our own] designers, when you want to do a kitchen or bathroom, we have engineers that are experts of materials. We have quality teams to control factories. That's the first part. We [also] have a few international vendors that are managed by the group, because we consider their scale, makes them more appropriate for group discussion. All the rest of the buying is managed by the banners. So, the UK based supplier, they will be managed by B&Q or Screwfix et cetera. Does that answer your question?

TONY SHIRET: Just a number of, so OEB's...

TG: OEB is 46%.

TONY SHIRET: 46%. So, it's half and half, is it?

TG: Well, yes, a little bit. You have a few percentage point of international vendors. We have above the half that is managed by the group and a little bit less than the half managed by banners. Then on trade point and credit offer, yes, the basket [for trade customers] is indeed larger. I can't say more. That's what we see very consistently at B&Q on the basket side, [and] on the frequency. When I look at Home Depot's comments, to be honest, I see as well that a few tradespeople will buy a lot. Knowing your customer, interacting with them, creating more loyalty in your tradespeople is a really number one priority. Usually they will shop at you for a small percentage of their buying. They will go to many different places. To be able to increase their loyalty and their spending inside your store, is critical for TradePoint. Maybe to comment on customer credit?

BB: Yeah. On the credit and also on the trade customers. I mean, it depends what you compare it with. I mean, with a lot of trade customers, the big view, the TradePoint, et cetera, is it's a convenience buy. If you do a big project, you typically will go to, for example, a merchant that has obviously a bigger spend. We're not disappointed with the higher basket. We do support it with credit in the UK. We've got Trade UK, which we offer both in Screwfix and in B&Q TradePoint.

TONY SHIRET: But what are the actual numbers? What is the retail basket and what is the trade basket? You know both of those numbers.

BB: Yes, but we don't share them.

TONY SHIRET: The retail basket can be quite small, isn't it? The trade basket is not that much bigger in absolute terms. Are you actually getting a trade customer, I think is where the question is? Or, are you getting some first fix builder who happens to be passing by?

BB: No, we get real trade customers. They're part of our loyalty programs. If you look at Screwfix, they're real plumbers and electricians. Yes, we're happy with them.

TG: Large majority of Screwfix sales is trade, especially electrician, plumbers. Yeah, that's really our business. Yeah.

MN: Also, Thierry, the frequency of trade business is significantly higher than the retail customers, FYI. So you get the multiple effect on that, just saying. Should we go to Simon?

TG: Yes.

MN: Should we go to Simon?

SIMON IRWIN: Hi. It's Simon at Credit Suisse. Just going back to trade and particularly in France. The French market seems to be an amazingly resistant to consolidation in recent years. I don't know you

can kind of really wait to push into trade just to roll out, Screwfix. What can you do through Brico and Casto? We're going to get a trade point type of offer going in to Casto, going forwards. OEB seem to be signaling a re-acceleration of penetration from OEB. Do you think you've kind of fixed the initial issues that there were, regarding execution now, kind of ready to go again and how far can we go? Maybe you can just talk a bit about your thoughts around the buyback. Obviously, nothing announced at this stage, has a bit more to go. Do we have to wait until the interim say, or is it a decision that the Board could make before that?

TG: Yeah. Thank you, Simon. I think to tell you the truth, I think the area of the trade outside, even for TradePoint, has been largely forgotten and underestimated. I think I was one of the first one to mention TradePoint when I arrived. People say, well, TradePoint, yeah, it still exists. It's still alive. In fact, I said that I think two years ago, it was a miracle to see TradePoint doing such a good business while there was nobody taking care of it. Now we have a team, we have a CEO for Trade Point, we have specific OEB [products]. I think it's just the beginning. I think it was just not the focus of the group and we were building One Kingfisher around DIY, not around trade.

I think that's our job and what you see with TradePoint, or our American peers, is inside a big box, you can do a lot of things. That's around dedicated loyalty program for the trade, dedicated services, because they need different services, dedicated online services, dedicated OEB, et cetera. We are totally able to do all this over time. At the same time, when you want to buy a kitchen, [and for example] you are tradesperson, you go into a B&Q store. Well, you are happy to be able to buy a kitchen on top of all the range dedicated for the pro. We strongly believe that we can do more in our trade big box, in our home improvement big box, looking forward. And France, it's a case, you're right to say that probably the French market historically, has been more protected, but I see Toolstation progressing well. I think it's the right time for us.

OEB, I don't feel there is any execution issue today. We have a good balance between the group and the banners. You see that the penetration of OEB continue to be stable or grow slightly. While at the same time, we have introduced [over] the past two years, a lot of local brands. You remember, 2019, we said, well, we are missing [some local and international] brands, et cetera. Even some question with some of you saying, well, how come you will increase local brands and still being strong on OEB, how come you will need to, it will impact your margin? Today you see that OEB, it's stable or growing. I'm very happy with that. Very happy with the new innovation coming in.

We mentioned kitchen, [our new OEB range,] the past two years with incredible success. It's very rare to see the same range of products successful in absolutely every country. It's successful everywhere with very strong feedback from the UK to Poland, [and] Romania. There is more to come. Take 'smart home' [for example]. Well, what do we do with 'smart home'? OEB. That's

something will come, the coming months and years. There a lot to do. Then the last question I leave it to Bernard, easy one.

BB: Yes, thank you, Simon. As I highlighted on my slide, we do see an opportunity for interesting capital returns over time. The one we're now completing is not a one off. However, we just very strictly apply our capital allocation framework, different dials, what we invest in growth, sustainable dividends, resilience in terms of the overall financial health of the company. Just for now, maybe the resilience dial is, we need to see how things go. Then once are a little bit further, and we're assure you will look at it diligently, we'll see what we can do.

SARANJA SIVACHELVAM: Hi, thanks for taking the question. A couple from me. The first is on Poland. It's great to see that you are expanding out there, but relative to the evolving circumstances in that part of the world, how might you manage that or mitigate in the unfortunate event that things escalate [in Ukraine]? If you have to pause, for example, where might you reallocate that spend in this financial year? The second is on the DIFM and DIY split in the future. Obviously there's an element of resurgence in DIY and right now broadly across the markets, it's sort of 50:50, but pre pandemic DIFM seem to be growing a little stronger than DIY. Obviously you're doing a lot with the high ticket items. How might you expect this 50:50 split to change or do you expect it might be broadly maintained?

Finally, you spoke a little on the trade exposure in France, but on the ground, what about the French consumer? Across this space, we hear a lot about concerns on the UK consumer being pressured, but given the Screwfix rollout later this year, what are your thoughts on consumer spend in France and how is the French consumer feeling at the minute? Thank you so much.

TG: Thank you. I'm happy to cover those questions. First of all, give me the opportunity to say again what Bernard said. If I look at the past weeks, we rather see a positive impact on our Polish and Romanian operations. We don't see negative impact. If we look at an impact, it's rather stronger current trading in Poland and Romania. The team on the ground are ready, supporting refugees and doing many things with the local charities. We have a very strong expansion plan in Poland. If you tell me if there is any plan, if something happened in Poland, I don't believe it at the moment. We have very strong plan. We will open more stores in Poland, we are number one in Poland and we are building on that. So far, the trading is very strong. On Do It For Me and DIY, something I mentioned and to be honest, we check again all those data the past months. In crisis time, home improvement, and DIY seems pretty resilient. I think it's a question for many of us around discretionary spending, but all the past crisis, we didn't see a massive impact on home improvement on the contrary the DIY part performed well, because you can understand, if you want to save money, you do more things yourself. You cook yourself and you do more DIY yourself. Pre pandemic, you're right to say that we so stronger Do It For Me. Again, that was one of the topics that was mentioned by the team two

years ago when I arrived [at Kingfisher]. We did a lot of customer surveys to try to understand that. In fact, we saw a very gradual shift in the UK and rather stable situation in Europe. I still believe, to follow your point, that we'll see Do It For Me increasing in the future, but it won't be a massive surge. I give you another example. To have more Trade and Do It For Me, you need tradespeople. You need tradespeople in this country. You need tradespeople in Europe. We know we have shortages of staff [tradespeople] in many areas. That's as well a constraint on Do It For Me. I believe Do It For Me and Trade will grow, but it will be a gradual shift and what we want to show is in fact, we are well positioned to grow on both sides and there is good business to do on Do It For Me and DIY.

French customers, maybe give me the opportunity to discuss a bit the customer surveys. Some of you remember last year, we explain in detail some customer survey around emerging trends. We did again in January [2022], and then we did it again in March [2022], because Ukraine [situation] was there. In short, the underlying trends, even in March [2022], around home improvement are still there. What you see is more people working from home, still there. We have a direct correlation between people working from home and home improvement spends, and I believe it will stay with us. We can explain psychologically why, [more] wear and tear et cetera, but clearly more working from home will drive more home improvement. In my view, in the medium term, that's a number one long term driver for home improvement will be this one. We saw as well the impact of the housing market and you know very well the housing markets were very strong the past two years.

So, when you move usually in the past, after moving the 12 to 18 months after moving, you are high spender of home improvement. So it's still there. The customer survey shows that people, they still want to move. They are still looking for larger houses, outdoor spaces. If you work in London only two days a week, well, maybe you would consider to move to another places, you would still be there for the coming years. The impact of more working from home in many areas of our industry in our reviews, are very significant, including on housing market and moving. Then we have been recruiting a lot of new customers. You saw the data and as well, we checked a lot to say, well, are they still there? Globally, you see the retention of the new customer is still pretty good, especially the younger generation.

I don't want to draw a lot of philosophy around circular economy, but if you believe in circular economy well you do DIY and that's in the long term is as well positive. At last, energy crisis, energy saving, green homes are there for long term. All governments in Europe will try to go to net zero and housing is a key component of that. We have already ranges in our store, insulation, new energy saving system, new heating system. We are not perfect. I consider we should work harder on how you help people to install heat pumps, solar panels, et cetera. It's still very expensive. It's very complex. How we can help our customer to do more on this, I think will come. That as well will support the business. If you say France versus the UK, more or less the same underlying trend.

Maybe the inflation level in the UK is higher than in France, but overall, the topics around home improvement, working from home, energy are the same. You're welcome.

BB: I'll add one or two comments on Do It For Me and DIY. Having recently spoken to our offering source director, Henri Solere, obviously was very passionate about especially the DIY area and developing products, which make it easier for people to do DIY. For example, the Atomia range is very successful, that makes it easier for you to partition your home. Maybe things you would done with somebody to get done, you can now do yourself and we're doing many things in the way people paint, tools, et cetera, to make that more accessible. If you then look at the gradual, at the statistics and the numbers, you are really talking about half a percentage point movement in a year or two years. It is not a wise graduate. It is very small. Obviously in the pandemic, we saw a little bit of a resurgence again of DIY.

MN: Right. Now, going to move to Maddy, the call operator. See if there's any questions from the telephones, please.

OPERATOR: Thank you. Maj. If you would like to ask a question, we have a conference call line, please signal by pressing star one on your telephone keypad. We will pause for a moment to assemble the queue. Our first question is coming from Georgina Johanan of JP Morgan. Please go ahead.

GEORGINA JOHANAN: Hi, thank you for taking my question. It was really just about the UK business and particularly in the second half of fiscal 2022, I see that the gross margin was down over a hundred basis points, which was a bit more than I had been anticipating. Also, if I'm correct on my maths, there was some deleverage in the opex space versus pre-crisis levels, which I just found surprising. I'm not sure if I'm perhaps missing something. I know there was a lot of moving parts over the last couple of years, but if you could just speak to that and explain it in a little bit more detail, it would be appreciated, please. Thanks.

TG: Yeah. Thank you, Georgina. Now you want to answer this one or?

BB: Sure. I think just to look at the gross margin, H1 vs H2. I think H1, clearly benefited from full price sales. That was a positive for them. If we look at the second half, just a little bit more of channel and category mix that ran slightly negative and a little bit more of supply and logistic costs just in support of availability. I think still strong margin performance, but a little bit weaker than H1, given those elements. In terms of the de-leveraging, I think we tried to explain it in the profit bridge. There was quite a positive impact last year of savings in terms of advertising, marketing, and also some furlough support. If you net that out, the cost increase including inflation was 4.9% for a 9.9% increase in like for sales. We're pretty happy with that. Finally, do consider that obviously in the

record year, obviously the incentives we pay our store colleagues and across the group of course, are a little bit higher.

GEORGINA JOHANAN: So, sorry, just to follow up, when I'm thinking about the de-leverage on the opex base say versus pre crisis levels, I should be putting that down to inflation and staff incentives?

BB: Well, those two elements obviously come in, but I'm not sure I entirely follow the leverage in terms of operating. I mean, there's, as you said, many moving pieces. There's inflation, there's incentives. Obviously, we're also expanding the business in terms of store growth and new investments in digital. If we look at it on a like for like basis as shown in the retail profit bridge, we see sustained operating leverage.

GEORGINA JOHANAN: Going into next year, you'd expect to see further operating leverage in the UK business versus pre-crisis levels, assuming the top line holds up?

BB: We don't see any change in the dynamics of the business. Obviously on top of that, as we explain, we've got quite a few cost savings programs ongoing. Anything from stores to IT, to regears, et cetera, that also support our cost base.

GEORGINA JOHANAN: Thank you very much. Thank you.

TG: Just to say, well that we are strongly committed on cost. We have, among the program that Bernard mentioned, for example, we are rolling out very quickly self-checkout in B&Q, as I said, I don't want to give the data to our competitors today, but we are very happy with the transaction level, ahead of expectations. Customers are happy, driving as well, efficiency. We are now accelerating this checkout program across B&Q. We continue to invest on IT. We as well are negotiating more lease regears. So no, we are strongly committed on the plan in the UK. Thank you, Georgina.

GEORGINA JOHANAN: Thank you very much.

MN: Any more questions on the phones at all?

OPERATOR: There are no further questions interview. Just remind everyone, please press star, then one for questions.

MN: We'll take that as a no then. Let's just go back to the floor for a second just to check any final questions from here? No, I think we're all Q&A. Thierry, back to you for final remarks.

TG: Oh, very simply, it was a pleasure for Bernard and I to update you on our progress. I hope you see a stronger Kingfisher. We are now accelerating our investment for growth and really looking

forward to update you on marketplace, Screwfix in France, more trade business, more stores in Poland, and looking forward to talk to you in the coming month. Thank you everyone for this morning. Thank you. Thank you, Maj.