

**SUPPLEMENT DATED 22 SEPTEMBER 2020 TO THE OFFERING CIRCULAR DATED 24 JULY 2020**



**Kingfisher plc**

*(Incorporated in England and Wales with limited liability under registered number 1664812)*

**Kingfisher Group Finance B.V.**

*(Incorporated in The Netherlands with limited liability)*

**€2,500,000,000**

**Euro Medium Term Note Programme**

**unconditionally and irrevocably guaranteed, in the case of Notes issued by Kingfisher Group Finance B.V., by Kingfisher plc**

This Supplement (the **Supplement**) to the Offering Circular dated 24 July 2020 (the **Offering Circular**), which comprises a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the **Prospectus Regulation**), constitutes a supplementary prospectus for the purposes of Article 23 of the Prospectus Regulation and is prepared in connection with the €2,500,000,000 Euro Medium Term Note Programme (the **Programme**) established by Kingfisher plc (**Kingfisher** and an **Issuer**) and Kingfisher Group Finance B.V. (**Kingfisher Finance**, an **Issuer**, and together with Kingfisher, the **Issuers**), unconditionally and irrevocably guaranteed, in the case of Notes issued by Kingfisher Group Finance B.V., by Kingfisher plc (the **Guarantor**). Terms defined in the Offering Circular have the same meaning when used in this Supplement. The Financial Conduct Authority, as the UK competent authority under the Prospectus Regulation, has approved this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular issued by the Issuers and any other supplements to the Offering Circular issued by the Issuers.

Each Issuer and the Guarantor accept(s) responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Issuers and the Guarantor the information contained in this Supplement is in accordance with the facts and this Supplement makes no omission likely to affect its import.

**Purpose of this Supplement**

The purpose of this Supplement is (a) to incorporate by reference certain parts of Kingfisher's Half Year Results (the **Half Year Results**) for the half financial year ended 31 July 2020, (b) to update the disclosure in the section titled "Alternative Performance Measures" in the Offering Circular and (c) to update Kingfisher's "Significant or Material Change" statement.

**Half Year Results to 31 July 2020**

On 22 September 2020 Kingfisher published the Half Year Results. A copy of the Half Year Results has been filed with the Financial Conduct Authority and, by virtue of this Supplement, the 2020/2021 Interim Condensed Financial Statements (unaudited) in the Half Year Results (contained in Part 2 of the Half Year Results), and the auditor's independent review report thereon and the notes thereto, is incorporated in, and forms part of, the Offering Circular.

Copies of any or all of the documents which are incorporated by reference in the Offering Circular are available at <https://www.kingfisher.com/en/investors/company-reports.html>.

**Alternative Performance Measures**

Following the publication and incorporation of the Half Year Results, this Supplement:

- (i) updates the first row of the APM table starting on page 84 of the Offering Circular as follows:

“APM	Definition of APM	Reconciliation <sup>1</sup>	Rationale for inclusion”
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- (ii) updates the “Free cash flow” row of the APM table starting on page 84 of the Offering Circular as follows:

“Free cash flow	Free cash flow represents the cash generated from operations (excluding exceptional items) less the amount spent on interest, tax and capital expenditure during the year (excluding business asset disposals).	Operating profit, plus other non-cash items (including depreciation, amortisation, share-based compensation charges, share of post-tax joint venture results, pension operating costs and profit/loss on non-property disposals), less change in working capital, pension and provisions, net interest paid, tax paid and gross capital expenditure. (See the summary of Kingfisher’s cash position on page 88 of the Offering Circular for numerical reconciliation.)	Measure of how much cash the business generates that can be used for expansion, capital returns and other purposes.”
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- (iii) adds a new row at the end of the APM table starting on page 84 of the Offering Circular as follows:

“Net financial cash	Net financial cash represents net debt excluding both lease liabilities and lease liabilities classified as held for sale.	Net debt minus lease liabilities and lease liabilities classified as held for sale. (See the summary of Kingfisher’s cash position on page 3 of this Supplement for numerical reconciliation.)	Measure to reflect the Group’s cash position.”
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- (iv) adds the following sentence and numerical reconciliation to the Half Year Results at the end of the section titled “Alternative Performance Measures” in the Offering Circular:

“In addition to the reconciliation to Kingfisher’s audited consolidated annual financial statements for the financial year ended 31 January 2020, the following reconciliations are to Kingfisher’s Half Year Results.

A summary of Kingfisher’s income statement for the half financial year ended 31 July 2020 is as follows<sup>2</sup>:

	HY 2020	HY 2019
Sales (£m)	5,921	5,997
Gross margin (%)	36.9	37.0
Retail profit (£m)	533	454

<sup>1</sup> Unless stated otherwise, reconciliations are made to Kingfisher’s audited consolidated annual financial statements (including the auditors’ report thereon and the notes thereto) for the financial year ended 31 January 2020, as incorporated by reference.

<sup>2</sup> Source: Kingfisher’s Half Year Results.

Retail profit margin (%)	9.0	7.6
Adjusted profit before tax (£m) <sup>(1)</sup>	415	337
Statutory profit before tax (£m)	398	245
Statutory profit after tax (£m)	317	171
Adjusted effective tax rate (%) <sup>(2)</sup>	24	26
Adjusted basic EPS (p) <sup>(1)</sup>	15.1	11.8

<sup>(1)</sup> Adjusted measures are before exceptional items, financing fair value measure, lease FX, related tax items and tax on prior year items and the impact of changes in tax rates on deferred tax

<sup>(2)</sup> Before exceptional items, related tax items and tax on prior year items and the impact of changes in tax rates on deferred tax. Includes tax surcharge in France equivalent to 3 per cent. of effective tax rate

A summary of Kingfisher's cash position for the financial year ended 31 July 2020 is as follows<sup>3</sup>:

	HY 2020	HY 2019
	£m	£m
Operating profit	486	328
Exceptional items	17	93
Other non-cash items	286	288
Change in working capital	656	(45)
Pensions & provisions	(14)	(20)
Net rent paid	(211)	(236)
Tax & net interest paid	(91)	(41)
Gross capex	(87)	(163)
<b>Free cash flow</b>	<b>1,042</b>	<b>204</b>
Returns to shareholders and employee incentive schemes	-	(167)
Disposal of assets & other	(17)	95
<b>Net cash flow</b>	<b>1,025</b>	<b>132</b>
Opening net debt	(2,526)	(2,542)
Movement in lease liabilities	69	18
Other movement incl. foreign exchange	55	8
<b>Closing net debt</b>	<b>(1,377)</b>	<b>(2,384)</b>

A summary of Kingfisher's net debt to EBITDA reconciliation is as follows<sup>4</sup>:

	HY 2020	HY 2019
EBITDA (£m) <sup>(1)</sup>	1,343	1,269
Net debt (£m)	1,377	2,526
Net debt to EBITDA	1.0	2.0

<sup>(1)</sup> Retail profit less central costs before depreciation and amortisation

A summary of Kingfisher's retail profit reconciliation is as follows<sup>5</sup>:

<sup>3</sup> Source: Kingfisher's Half Year Results.

<sup>4</sup> Source: Kingfisher's Half Year Results.

<sup>5</sup> Source: Kingfisher's Half Year Results.

	HY2020	HY2019
	£m	£m
<b>Retail profit</b>	533	454
Central costs	(28)	(29)
Share of interest and tax of joint ventures & associates	(2)	(5)
Net finance costs	(88)	(83)
<b>Adjusted profit before tax</b>	<b>415</b>	337
Exceptional items before tax	(17)	(93)
Exchange differences on lease liabilities	-	1
<b>Statutory profit before tax</b>	<b>398</b>	245

### General Information

There has been no significant change in the financial performance or financial position of Kingfisher or the Group since 31 July 2020 and no material adverse change in the prospects of Kingfisher or the Group since 31 July 2020.

To the extent that there is any inconsistency between (i) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (ii) any other statement in, or incorporated by reference into, the Offering Circular, the statements in (i) will prevail.

Any documents themselves incorporated by reference in the document incorporated by reference into the Offering Circular by this Supplement shall not form part of this Supplement. Any non-incorporated parts of the document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Offering Circular. Unless expressly stated otherwise in this Supplement or the Offering Circular, the content of websites or URLs referred to in this Supplement, or in the document incorporated by reference by virtue of this Supplement, does not form part of this Supplement or the Offering Circular and has not been scrutinised or approved by the FCA.

Save as disclosed in this Supplement there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular since the publication of the Offering Circular which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Offering Circular.