

Wednesday 21 November 2018: Q3 to 31 October 2018

Kingfisher reports sales of £3.0 billion up 1.2% in constant currency, LFL<sup>(1)</sup> down 1.3%

## Financial highlights

	Sales 2018/19 £m	% Total Change Reported	% Total Change Constant currency	% LFL Change Constant currency
<b>UK &amp; Ireland</b>	<b>1,292</b>	<b>+1.4%</b>	<b>+1.4%</b>	<b>(0.7)%</b>
- B&Q UK & Ireland	850	(2.8)%	(2.8)%	(2.9)%
- Screwfix	442	+10.6%	+10.6%	+4.1%
<b>France</b>	<b>1,107</b>	<b>(3.9)%</b>	<b>(3.1)%</b>	<b>(3.4)%</b>
- Castorama	573	(8.5)%	(7.6)%	(7.3)%
- Brico Dépôt	534	+1.5%	+2.4%	+1.1%
<b>Other International</b>	<b>649</b>	<b>+5.4%</b>	<b>+8.7%</b>	<b>+1.6%</b>
- Poland	388	+2.4%	+3.9%	+1.4%
- Iberia <sup>(2)</sup>	87	+0.9%	+2.0%	+2.0%
- Russia <sup>(3)</sup>	101	(6.4)%	+5.2%	+2.7%
- Romania <sup>(4)</sup>	69	+77.1%	+80.4%	(0.5)%
- Screwfix Germany	4	+5.8%	+6.3%	+6.4%
<b>Total Group</b>	<b>3,048</b>	<b>+0.2%</b>	<b>+1.2%</b>	<b>(1.3)%</b>

### Véronique Laury, Chief Executive Officer, said:

“We continue to make progress on our ONE Kingfisher transformation. We remain on track to achieve our key strategic milestones for the third year in a row, and increased our gross margin in the quarter.

“Transformation on this scale is tough, and we are operating in a difficult retail environment. We face challenges and we are addressing them. Our main challenge is Castorama France and we shared our action plan to fix it at the half year. Our action plan is now implemented for this year. We have accelerated our move to an everyday low price strategy and have launched a new marketing campaign to make it visible to our customers, however there is no quick fix.

“We are committed to our plan and to building a strong business for the long-term. As part of this commitment, we have taken the decision to exit Russia, Spain and Portugal. This will allow us to apply our strategy with more focus and efficiency in our main markets where we have, or can reach, a market leading position and create good homes by making home improvement accessible for everyone.

“Finally, I’m pleased to announce we are also returning a further £50m via share buyback which completes our £600m capital return commitment in the first three years of the plan.”

### Strategic decisions

- Exiting Russia, Spain & Portugal to focus on markets where we have, or can reach, a market leading position

### Q3 performance

- Q3 total sales up 1.2% in constant currency, LFL down 1.3% reflecting continued weak sales in Castorama France
- Q3 Group gross margin after clearance up 40bps versus Q3 last year (H1 down 40bps)
- Year to date gross margin after clearance is up in UK, Poland and Brico Dépôt France

### FY 18/19 technical guidance

- In FY 18/19 expect to grow the gross margin after clearance in the UK, Poland and Brico Dépôt France however the outlook for Castorama France is more uncertain given difficult trading and the ongoing impact of recent national demonstrations
- Completing the final £50m tranche of c.£600m capital return commitment<sup>(5)</sup> via share buyback (£140m by end of FY 18/19)

#### Q3 trading highlights by division (in constant currencies):

##### UK & IRELAND

Total sales +1.4% (LFL -0.7%)

- **B&Q UK & Ireland** sales -2.8%. LFL -2.9% including -c.1.5% impact from the discontinuation of showroom installation services
- **Screwfix** sales +10.6%. LFL +4.1% with 9 new outlets opened during Q3

##### FRANCE

Total sales -3.1% (LFL -3.4%). Sales for the home improvement market (Banque de France data<sup>(6)</sup>) were flat in Q3

- **Castorama** sales -7.6%. LFL -7.3% reflecting continued weak footfall and the impact of transformation-related activity
- **Brico Dépôt** sales +2.4%. LFL +1.1% reflecting good growth from the new unified ranges, which continue to re-energise the Brico Dépôt offer

##### OTHER INTERNATIONAL

Total sales in **Poland** +3.9% (LFL +1.4%) despite the introduction of new laws on Sunday trading and against a strong comparative (Q3 17/18 LFL: +6.0%)

### Footnotes

<sup>(1)</sup> Like-for-like sales growth representing the constant currency, year on year sales growth for stores that have been open for more than a year

<sup>(2)</sup> Brico Dépôt Spain & Portugal. Brico Dépôt Spain reported an operating profit of £2m & Portugal reported an operating loss of £2m in FY 17/18

<sup>(3)</sup> Russia reported an operating loss of £8m in FY 17/18

<sup>(4)</sup> Includes Praktiker Romania acquired on 30 November 2017

<sup>(5)</sup> Through to end of FY 2018/19 (over and above the annual ordinary dividend)

<sup>(6)</sup> Includes relocated and extended stores <http://webstat.banque-france.fr/en/browse.do?node=5384326>

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This announcement can be downloaded from [www.kingfisher.com](http://www.kingfisher.com). Data tables for Q3 sales FY18/19 are available for download in excel format at <http://www.kingfisher.com/index.asp?pageid=59>. We can be followed on Twitter @kingfisherplc with the Q3 results tag #KGFQ3. Kingfisher American Depository Receipts are traded in the US on the OTCQX platform:(OTCQX: KGFHY) <http://www.otcmarkets.com/stock/KGFHY/quote>

Our next announcement will be our full year results on 21 March 2019.

## Forward-looking statements

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