

# Consolidated income statement

Year ended 31 January 2025

|                                                               |       | 2024/25                      |                                |                | 2023/24                      |                                |         |
|---------------------------------------------------------------|-------|------------------------------|--------------------------------|----------------|------------------------------|--------------------------------|---------|
| £ millions                                                    | Notes | Before<br>adjusting<br>items | Adjusting<br>items<br>(note 4) | Total          | Before<br>adjusting<br>items | Adjusting<br>items<br>(note 4) | Total   |
| <b>Sales</b>                                                  | 3     | <b>12,784</b>                | –                              | <b>12,784</b>  | 12,980                       | –                              | 12,980  |
| Cost of sales                                                 |       | <b>(8,021)</b>               | –                              | <b>(8,021)</b> | (8,204)                      | –                              | (8,204) |
| <b>Gross profit</b>                                           |       | <b>4,763</b>                 | –                              | <b>4,763</b>   | 4,776                        | –                              | 4,776   |
| Selling and distribution expenses                             |       | <b>(3,122)</b>               | <b>(99)</b>                    | <b>(3,221)</b> | (3,143)                      | (87)                           | (3,230) |
| Administrative expenses                                       |       | <b>(1,018)</b>               | <b>(97)</b>                    | <b>(1,115)</b> | (982)                        | (8)                            | (990)   |
| Other income                                                  |       | <b>20</b>                    | –                              | <b>20</b>      | 23                           | 2                              | 25      |
| Other expenses                                                |       | –                            | <b>(25)</b>                    | <b>(25)</b>    | –                            | –                              | –       |
| Share of post-tax results<br>of joint ventures and associates |       | <b>(15)</b>                  | –                              | <b>(15)</b>    | (1)                          | –                              | (1)     |
| <b>Operating profit</b>                                       | 3     | <b>628</b>                   | <b>(221)</b>                   | <b>407</b>     | 673                          | (93)                           | 580     |
| Finance costs                                                 |       | <b>(132)</b>                 | –                              | <b>(132)</b>   | (133)                        | –                              | (133)   |
| Finance income                                                |       | <b>32</b>                    | –                              | <b>32</b>      | 28                           | –                              | 28      |
| Net finance costs                                             | 5     | <b>(100)</b>                 | –                              | <b>(100)</b>   | (105)                        | –                              | (105)   |
| <b>Profit before taxation</b>                                 |       | <b>528</b>                   | <b>(221)</b>                   | <b>307</b>     | 568                          | (93)                           | 475     |
| Income tax expense                                            | 6     | <b>(147)</b>                 | <b>25</b>                      | <b>(122)</b>   | (153)                        | 23                             | (130)   |
| <b>Profit for the year</b>                                    |       | <b>381</b>                   | <b>(196)</b>                   | <b>185</b>     | 415                          | (70)                           | 345     |
| <b>Earnings per share</b>                                     | 7     |                              |                                |                |                              |                                |         |
| Basic                                                         |       |                              |                                | <b>10.1</b>    |                              |                                | 18.2p   |
| Diluted                                                       |       |                              |                                | <b>9.9</b>     |                              |                                | 18.0p   |
| Adjusted basic                                                |       |                              |                                | <b>20.7</b>    |                              |                                | 21.9p   |
| Adjusted diluted                                              |       |                              |                                | <b>20.4</b>    |                              |                                | 21.6p   |

The proposed dividend for the year ended 31 January 2025, subject to approval by shareholders at the Annual General Meeting, is 12.40p per share, comprising an interim dividend of 3.80p in respect of the six months ended 31 July 2024 and a final dividend of 8.60p.

**Consolidated statement of comprehensive income**  
Year ended 31 January 2025

| £ millions                                                                      | Notes | 2024/25     | 2023/24 |
|---------------------------------------------------------------------------------|-------|-------------|---------|
| <b>Profit for the year</b>                                                      |       | <b>185</b>  | 345     |
| Remeasurements of post-employment benefits                                      | 9     | (11)        | (42)    |
| Inventory cash flow hedges – fair value gains/(losses)                          |       | 22          | (32)    |
| Tax on items that will not be reclassified                                      |       | 28          | 28      |
| <b>Total items that will not be reclassified subsequently to profit or loss</b> |       | <b>39</b>   | (46)    |
| Currency translation differences                                                |       |             |         |
| Group                                                                           |       | (25)        | (3)     |
| Joint ventures and associates                                                   |       | 6           | (1)     |
| Transferred to income statement                                                 |       | –           | (2)     |
| Inventory cash flow hedges – losses transferred to income statement             |       | 1           | 12      |
| Tax on items that may be reclassified                                           |       | –           | (2)     |
| <b>Total items that may be reclassified subsequently to profit or loss</b>      |       | <b>(18)</b> | 4       |
| <b>Other comprehensive income/(expense) for the year</b>                        |       | <b>21</b>   | (42)    |
| <b>Total comprehensive income for the year</b>                                  |       | <b>206</b>  | 303     |

**Consolidated statement of changes in equity**  
Year ended 31 January 2025

2024/25

| £ millions                                                     | Notes | Share capital | Share premium | Own shares held | Retained earnings | Capital redemption reserve | Other reserves | Total equity |
|----------------------------------------------------------------|-------|---------------|---------------|-----------------|-------------------|----------------------------|----------------|--------------|
| <b>At 1 February 2024</b>                                      |       | <b>294</b>    | <b>2,228</b>  | <b>(31)</b>     | <b>3,741</b>      | <b>82</b>                  | <b>290</b>     | <b>6,604</b> |
| Profit for the year                                            |       | –             | –             | –               | 185               | –                          | –              | 185          |
| Other comprehensive income/(expense) for the year              |       | –             | –             | –               | 23                | –                          | (2)            | 21           |
| <b>Total comprehensive income/(expense) for the year</b>       |       | <b>–</b>      | <b>–</b>      | <b>–</b>        | <b>208</b>        | <b>–</b>                   | <b>(2)</b>     | <b>206</b>   |
| Inventory cash flow hedges – losses transferred to inventories |       | –             | –             | –               | –                 | –                          | 15             | 15           |
| Share-based compensation                                       |       | –             | –             | –               | 20                | –                          | –              | 20           |
| New shares issued under share schemes                          |       | –             | –             | –               | 2                 | –                          | –              | 2            |
| Own shares issued under share schemes                          |       | –             | –             | 23              | (23)              | –                          | –              | –            |
| Purchase of own shares for cancellation                        |       | (12)          | –             | –               | (251)             | 12                         | –              | (251)        |
| Purchase of own shares for ESOP trust                          |       | –             | –             | (26)            | –                 | –                          | –              | (26)         |
| Dividends                                                      | 8     | –             | –             | –               | (228)             | –                          | –              | (228)        |
| Tax on equity items                                            |       | –             | –             | –               | 6                 | –                          | (4)            | 2            |
| <b>At 31 January 2025</b>                                      |       | <b>282</b>    | <b>2,228</b>  | <b>(34)</b>     | <b>3,475</b>      | <b>94</b>                  | <b>299</b>     | <b>6,344</b> |

2023/24

| £ millions                                                     | Notes | Share capital | Share premium | Own shares held | Retained earnings | Capital redemption reserve | Other reserves | Total equity |
|----------------------------------------------------------------|-------|---------------|---------------|-----------------|-------------------|----------------------------|----------------|--------------|
| <b>At 1 February 2023</b>                                      |       | <b>305</b>    | <b>2,228</b>  | <b>(22)</b>     | <b>3,796</b>      | <b>71</b>                  | <b>285</b>     | <b>6,663</b> |
| Profit for the year                                            |       | –             | –             | –               | 345               | –                          | –              | 345          |
| Other comprehensive expense for the year                       |       | –             | –             | –               | (20)              | –                          | (22)           | (42)         |
| <b>Total comprehensive income/(expense) for the year</b>       |       | <b>–</b>      | <b>–</b>      | <b>–</b>        | <b>325</b>        | <b>–</b>                   | <b>(22)</b>    | <b>303</b>   |
| Inventory cash flow hedges – losses transferred to inventories |       | –             | –             | –               | –                 | –                          | 33             | 33           |
| Share-based compensation                                       |       | –             | –             | –               | 22                | –                          | –              | 22           |
| New shares issued under share schemes                          |       | –             | –             | –               | 4                 | –                          | –              | 4            |
| Own shares issued under share schemes                          |       | –             | –             | 15              | (15)              | –                          | –              | –            |
| Purchase of own shares for cancellation                        |       | (11)          | –             | –               | (153)             | 11                         | –              | (153)        |
| Purchase of own shares for ESOP trust                          |       | –             | –             | (24)            | –                 | –                          | –              | (24)         |
| Dividends                                                      | 8     | –             | –             | –               | (237)             | –                          | –              | (237)        |
| Tax on equity items                                            |       | –             | –             | –               | (1)               | –                          | (6)            | (7)          |
| <b>At 31 January 2024</b>                                      |       | <b>294</b>    | <b>2,228</b>  | <b>(31)</b>     | <b>3,741</b>      | <b>82</b>                  | <b>290</b>     | <b>6,604</b> |

**Consolidated balance sheet**

At 31 January 2025

| £ millions                                                | Notes | 2024/25        | 2023/24        |
|-----------------------------------------------------------|-------|----------------|----------------|
| <b>Non-current assets</b>                                 |       |                |                |
| Goodwill                                                  |       | 2,312          | 2,398          |
| Other intangible assets                                   |       | 312            | 368            |
| Property, plant and equipment                             |       | 3,105          | 3,206          |
| Investment property                                       |       | 34             | 27             |
| Right-of-use assets                                       |       | 1,771          | 1,881          |
| Investments in joint ventures and associates              |       | 29             | 19             |
| Post-employment benefits                                  | 9     | 202            | 212            |
| Deferred tax assets                                       |       | 7              | 10             |
| Other tax authority asset                                 | 12    | –              | 68             |
| Derivative assets                                         |       | 2              | –              |
| Other receivables                                         |       | 11             | 15             |
|                                                           |       | <b>7,785</b>   | <b>8,204</b>   |
| <b>Current assets</b>                                     |       |                |                |
| Inventories                                               |       | 2,719          | 2,914          |
| Trade and other receivables                               |       | 276            | 344            |
| Derivative assets                                         |       | 22             | 2              |
| Current tax assets                                        |       | 78             | 73             |
| Other tax authority asset                                 | 12    | 69             | –              |
| Cash and cash equivalents                                 |       | 336            | 360            |
| Assets held for sale                                      |       | 158            | 3              |
|                                                           |       | <b>3,658</b>   | <b>3,696</b>   |
| <b>Total assets</b>                                       |       | <b>11,443</b>  | <b>11,900</b>  |
| <b>Current liabilities</b>                                |       |                |                |
| Trade and other payables                                  |       | (2,355)        | (2,445)        |
| Borrowings                                                |       | (108)          | (7)            |
| Lease liabilities                                         |       | (345)          | (366)          |
| Derivative liabilities                                    |       | (5)            | (23)           |
| Current tax liabilities                                   |       | (6)            | (12)           |
| Provisions                                                |       | (16)           | (9)            |
| Liabilities directly associated with assets held for sale |       | (92)           | –              |
|                                                           |       | <b>(2,927)</b> | <b>(2,862)</b> |
| <b>Non-current liabilities</b>                            |       |                |                |
| Other payables                                            |       | (2)            | (3)            |
| Borrowings                                                |       | (1)            | (102)          |
| Lease liabilities                                         |       | (1,866)        | (2,001)        |
| Derivative liabilities                                    |       | –              | (1)            |
| Deferred tax liabilities                                  |       | (193)          | (207)          |
| Provisions                                                |       | (9)            | (7)            |
| Post-employment benefits                                  | 9     | (101)          | (113)          |
|                                                           |       | <b>(2,172)</b> | <b>(2,434)</b> |
| <b>Total liabilities</b>                                  |       | <b>(5,099)</b> | <b>(5,296)</b> |
| <b>Net assets</b>                                         |       | <b>6,344</b>   | <b>6,604</b>   |
| <b>Equity</b>                                             |       |                |                |
| Share capital                                             |       | 282            | 294            |
| Share premium                                             |       | 2,228          | 2,228          |
| Own shares held in ESOP trust                             |       | (34)           | (31)           |
| Retained earnings                                         |       | 3,475          | 3,741          |
| Capital redemption reserve                                |       | 94             | 82             |
| Other reserves                                            |       | 299            | 290            |
| <b>Total equity</b>                                       |       | <b>6,344</b>   | <b>6,604</b>   |

The financial statements were approved by the Board of Directors on 24 March 2025 and signed on its behalf by:

**Thierry Garnier**  
Chief Executive Officer

**Bhavesh Mistry**  
Chief Financial Officer

**Consolidated cash flow statement**

Year ended 31 January 2025

| £ millions                                                                                           | Notes | 2024/25      | 2023/24 |
|------------------------------------------------------------------------------------------------------|-------|--------------|---------|
| <b>Operating activities</b>                                                                          |       |              |         |
| Cash generated by operations                                                                         | 10    | <b>1,411</b> | 1,438   |
| Income tax paid                                                                                      |       | <b>(109)</b> | (117)   |
| <b>Net cash flows from operating activities</b>                                                      |       | <b>1,302</b> | 1,321   |
| <b>Investing activities</b>                                                                          |       |              |         |
| Purchase of property, plant and equipment and intangible assets                                      |       | <b>(317)</b> | (363)   |
| Proceeds from disposals of property, plant and equipment, intangible assets and assets held for sale |       | <b>2</b>     | 2       |
| Purchase of businesses                                                                               |       | <b>–</b>     | (3)     |
| Joint venture capital contributions                                                                  |       | <b>(19)</b>  | –       |
| Disposal of subsidiaries and associates, net of cash disposed                                        |       | <b>(3)</b>   | 9       |
| Interest received                                                                                    |       | <b>23</b>    | 16      |
| Interest element of lease rental receipts                                                            |       | <b>1</b>     | 1       |
| Principal element of lease rental receipts                                                           |       | <b>2</b>     | 3       |
| Advance payments on right-of-use assets                                                              |       | <b>(5)</b>   | (4)     |
| <b>Net cash flows used in investing activities</b>                                                   |       | <b>(316)</b> | (339)   |
| <b>Financing activities</b>                                                                          |       |              |         |
| Interest paid                                                                                        |       | <b>(8)</b>   | (7)     |
| Interest element of lease rental payments                                                            |       | <b>(123)</b> | (126)   |
| Principal element of lease rental payments                                                           |       | <b>(387)</b> | (348)   |
| Arrangement fees paid                                                                                |       | <b>(2)</b>   | –       |
| New shares issued under share schemes                                                                |       | <b>2</b>     | 4       |
| Purchase of own shares for cancellation                                                              |       | <b>(225)</b> | (160)   |
| Purchase of own shares for ESOP trust                                                                |       | <b>(26)</b>  | (24)    |
| Ordinary dividends paid to equity shareholders of the Company                                        | 8     | <b>(228)</b> | (237)   |
| <b>Net cash flows used in financing activities</b>                                                   |       | <b>(997)</b> | (898)   |
| <b>Net (decrease)/increase in cash and cash equivalents and bank overdrafts</b>                      |       | <b>(11)</b>  | 84      |
| Cash and cash equivalents and bank overdrafts at beginning of year                                   |       | <b>353</b>   | 270     |
| Exchange differences                                                                                 |       | <b>(6)</b>   | (1)     |
| <b>Cash and cash equivalents and bank overdrafts at end of year</b>                                  | 11    | <b>336</b>   | 353     |

Cash and cash equivalents and bank overdrafts at the end of the year include £9m of cash included within assets held for sale on the balance sheet (2023/24: £nil).

## Notes

### 1 General information

Kingfisher plc ('the Company'), its subsidiaries, joint ventures and associates (together 'the Group') supply home improvement products and services through a network of retail stores and other channels, located mainly in the United Kingdom and continental Europe.

The Company is incorporated in England and Wales, United Kingdom, and is listed on the London Stock Exchange. The address of its registered office is One Paddington Square, London, W2 1GG.

### 2 Basis of preparation

The consolidated financial statements of the Company, its subsidiaries, joint ventures and associates are made up to 31 January. The current financial year is the year ended 31 January 2025 ('the year' or '2024/25'). The comparative financial year is the year ended 31 January 2024 ('the prior year' or '2023/24').

The condensed financial information, which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated balance sheet, consolidated cash flow statement and related notes do not constitute statutory financial statements for the year ended 31 January 2025, but are derived from those statements. Statutory financial statements for 2023/24 have been filed with the Registrar of Companies and those for 2024/25 will be filed in due course. The Group's auditors have reported on both years' accounts; their reports were unqualified and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

The condensed financial information has been abridged from the 2024/25 statutory financial statements, which have been prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRS Standards). The financial statements have also been prepared in accordance with International Financial Reporting Standards as issued by the IASB. The consolidated income statement and related notes represent results for continuing operations, there being no discontinued operations in the years presented. The condensed financial information has been prepared under the historical cost convention, as modified by the use of valuations for certain financial instruments, share-based payments and post-employment benefits.

#### ***Going concern***

Based on the Group's liquidity position and cash flow projections, including a forward-looking remote downside scenario, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date on which the financial statements are authorised for issue, and they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements for the year ended 31 January 2025.

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review in part 1 of this announcement. The Directors have considered these areas alongside the principal risks and how they may impact the going concern assessment. Further details, including the analysis performed and conclusions reached, are set out below.

As of 31 January 2025, Kingfisher had access to £986m of liquidity, comprising cash and cash equivalents (net of bank overdrafts and including cash held for sale) of £336m and access to an undrawn Revolving Credit Facility (RCF) of £650m (which expires at the end of May 2027). The ratio of net debt to Adjusted EBITDA was 1.6 as of 31 January 2025.

In considering whether the Group's financial statements can be prepared on a going concern basis, the Directors have reviewed the Group's business activities together with factors likely to affect its performance, financial position and access to liquidity (including consideration of financial covenants and credit ratings).

The terms of the RCF require that the ratio of Group operating profit (excluding adjusting items) to net interest payable (excluding interest on lease liabilities) must be no less than 3:1 for the preceding 12 months as at the half and full year-ends. As of 31 January 2025, Kingfisher was compliant with this requirement.

In forming their outlook on the future financial performance, the Directors considered the risk of higher business volatility and the potential negative impact of the general economic environment on household and trade spend.

The Directors' review also included consideration of a remote scenario that models the impact of a significant demand or supply shock preventing the Group from realising a large part of its sales over the period of a month followed by subdued demand for the remainder of the year. The total loss of sales in this scenario is c.£1.5bn (12% over the impacted period). The scenario assumes the impact of lost sales is partially offset by a limited set of mitigating actions on variable and discretionary costs, capital expenditure and the suspension of capital returns to shareholders. Even under this remote scenario, which requires drawing on the RCF for a few months, the Group retains headroom on its credit facilities.

Given current trading and expectations for the business, the Directors believe that this scenario reflects a remote outcome for the Group. Should a more extreme scenario occur than currently modelled by the Directors under this remote scenario, the Group would need to implement additional operational or financial measures.

## **Accounting policies**

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 January 2024, as described in note 2 of those financial statements.

## **Critical accounting judgements and key sources of estimation uncertainty**

The critical accounting judgements and key sources of estimation uncertainty are consistent with those of the annual financial statements for the year ended 31 January 2024, as described in note 3 of those financial statements, except where set out below.

Following the reallocation of goodwill balances to retail banners (refer to note 2), an impairment charge of £84m was recorded in relation to the goodwill associated with Castorama France, resulting from higher discount rates and revised financial projections. In addition, impairment of Castorama France goodwill has been added as a new 'Key source of estimation uncertainty' given the risk of further material impairments over the next 12 months.

In September 2024, the European Court of Justice annulled the decision in relation to the European Commission's previous ruling in relation to the state aid investigation into the Group Financing Exemption section of the UK Controlled Foreign Company rules. As a result, this is no longer considered to be a critical accounting judgment.

## **New and amended accounting standards**

New standards, amendments and interpretations are in issue and effective for the Group's financial year ended 31 January 2025, but they do not have a material impact on the consolidated financial statements.

## **Use of non-GAAP measures**

In the reporting of financial information, the Group uses certain measures that are not required under IFRS, the generally accepted accounting principles ('GAAP') under which the Group reports. Kingfisher believes that retail profit, adjusted pre-tax profit, adjusted effective tax rate, and adjusted earnings per share provide additional useful information on performance and trends to shareholders. These and other non-GAAP measures (also known as 'Alternative Performance Measures'), such as net debt, are used by Kingfisher for internal performance analysis and incentive compensation arrangements for employees. The terms 'retail profit', 'adjusting items', 'adjusted', 'adjusted effective tax rate', 'net cashflow' and 'net debt' are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures.

Retail profit is defined as continuing profit before tax before central costs, the Group's share of interest and tax of joint ventures and associates, adjusting items and net finance costs. Central costs principally comprise the costs of the Group's head office before adjusting items.

Adjusting items, which are presented separately within their relevant income statement category, include items which by virtue of their size and/or nature, do not reflect the Group's ongoing trading performance. Adjusting items may include, but are not limited to:

- non-trading items included in operating profit such as profits and losses on the disposal, closure, exit or impairment of subsidiaries, joint ventures, associates and investments which do not form part of the Group's ongoing trading activities;
- the costs of significant restructuring and incremental acquisition integration costs;
- profits and losses on the disposal/exit of properties, impairments of goodwill and significant impairments (or impairment reversals) of other non-current assets, which the Group identifies as adjusting due to volatility which can arise year on year based on future forecasts and assumptions;
- prior year tax items (including the impact of changes in tax rates on deferred tax), significant one-off tax settlements and provision charges/releases and the tax effects of other adjusting items;
- financing fair value remeasurements i.e. changes in the fair value of financing derivatives, excluding interest accruals, offset by fair value adjustments to the carrying amount of borrowings and other hedged items under fair value (or non-designated) hedge relationships. Financing derivatives are those that relate to hedged items of a financing nature.

The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding adjusting items.

The adjusted effective tax rate is calculated as continuing income tax expense excluding prior year tax items (including the impact of changes in tax rates on deferred tax), significant one-off tax settlements and provision charges/releases and the tax effects of other adjusting items, divided by continuing profit before taxation excluding adjusting items. Prior year tax items represent income statement tax relating to underlying items originally arising in prior years, including the impact of changes in tax rates on deferred tax. The exclusion of items relating to prior years, and those not in the ordinary course of business, helps provide a better indication of the Group's ongoing rate of tax.

Net debt comprises lease liabilities, borrowings and financing derivatives (excluding accrued interest) less cash and cash equivalents and short-term deposits, including such balances classified as held for sale.

Refer to the Financial Review for definitions of all of the Group's Alternative Performance Measures, including further information on why they are used and details of where reconciliations to statutory measures can be found where applicable.

## Segmental analysis

### Determination of operating segments

Following the dissolution of the 'France'-level management structure during the year, the change in internal reporting structures, and in consideration of the increase in retail banner autonomy under the Group's 'Powered by Kingfisher' strategy, the Group has reassessed its determination of operating segments against the criteria defined under IFRS 8 – Operating segments.

Following this change in the management structure and resulting reassessment, the Group has concluded that each retail banner now represents a separate operating segment. The retail banner level determination of operating segments primarily impacts the Groups' banners located in the UK & Ireland (i.e. B&Q UK & Ireland and Screwfix UK & Ireland) and France (i.e. Castorama France and Brico Dépôt France) where the operating segments have historically been identified at a geographical level. This change does not have any impact on the existing determination of operating segments for the Group's retail banners outside of the UK & Ireland and France as there is only one retail banner within each of the geographical locations.

### Determination of reportable segments

In consideration of the change in determination of operating segments, the Group has reassessed its reportable segments in line with the requirements of IFRS 8. Following this reassessment and in consideration of the quantitative results of the segments in the current period, it was considered appropriate that the reportable segments should be UK & Ireland, France and Poland. Within both the UK & Ireland and France reportable segments, operating segments determined at the retail banner level have been aggregated to form reportable segments (i.e. B&Q and Screwfix in the UK & Ireland and Castorama and Brico Dépôt in France). Upon aggregation, it was identified that the UK & Ireland and France segments meet the quantitative criteria to be defined as reportable segments. Screwfix France has not been aggregated as part of the France reportable segment due to its level of maturity relative to Castorama France and Brico Dépôt France. As the Poland operating segment meets the IFRS 8 quantitative threshold to be a reportable segment it has been separated from the 'Other International' combined segment and presented as a separate reportable segment. Other operating segments, which do not individually meet the definition of a reportable segment, have been combined and are presented as 'Other International'.

### Goodwill impairment testing implications

As a result of the change to a retail banner level determination of operating segments, the goodwill balances previously allocated to the UK & Ireland and France CGUs have been reallocated to the retail banners within those geographical areas (i.e. B&Q and Screwfix in the UK & Ireland and Castorama and Brico Dépôt in France), and tested for impairment at that level. Within Poland there is only one retail banner and so no reallocation is required. In line with 'IAS 36 – Impairment of Assets', where undergoing reporting structure changes, goodwill should be reallocated using a 'relative value' approach. The Group has determined that each retail banners' relative value-in-use represents the most appropriate methodology to determine 'relative value' and has reallocated the goodwill balances on this basis.

Following the above reallocation of goodwill balances to retail banners, an impairment charge of £84m was recorded in relation to the goodwill associated with Castorama France. In addition, impairment of Castorama France goodwill has been added as a new 'Key source of estimation uncertainty' given the risk of further material impairment over the next 12 months.

### Principal rates of exchange against Sterling

|                           | 2024/25      |               | 2023/24      |               |
|---------------------------|--------------|---------------|--------------|---------------|
|                           | Average rate | Year end rate | Average rate | Year end rate |
| Euro                      | <b>1.18</b>  | <b>1.20</b>   | 1.15         | 1.17          |
| US Dollar                 | <b>1.28</b>  | <b>1.24</b>   | 1.25         | 1.27          |
| Polish Zloty              | <b>5.08</b>  | <b>5.04</b>   | 5.20         | 5.08          |
| Romanian Leu              | <b>5.89</b>  | <b>5.95</b>   | 5.71         | 5.83          |
| Turkish Lira <sup>1</sup> | <b>44.38</b> | <b>44.38</b>  | 38.64        | 38.64         |

<sup>1</sup> the Turkish Lira average exchange rates represent the closing rates for the year, due to the application of hyperinflation accounting in Turkey.

### 3 Segmental analysis

#### Income statement

2024/25

|                                                            | UK & Ireland | France       | Poland       | Other International | Total         |
|------------------------------------------------------------|--------------|--------------|--------------|---------------------|---------------|
| <b>Sales</b>                                               | <b>6,456</b> | <b>3,883</b> | <b>1,788</b> | <b>657</b>          | <b>12,784</b> |
| <b>Retail profit/(loss)</b>                                | <b>558</b>   | <b>95</b>    | <b>90</b>    | <b>(47)</b>         | <b>696</b>    |
| Central costs                                              |              |              |              |                     | (62)          |
| Share of interest and tax of joint ventures and associates |              |              |              |                     | (6)           |
| Adjusting items                                            |              |              |              |                     | (221)         |
| <b>Operating profit</b>                                    |              |              |              |                     | <b>407</b>    |
| Net finance costs                                          |              |              |              |                     | (100)         |
| <b>Profit before taxation</b>                              |              |              |              |                     | <b>307</b>    |

2023/24 (re-presented<sup>1</sup>)

|                                                            | UK & Ireland | France       | Poland       | Other International | Total         |
|------------------------------------------------------------|--------------|--------------|--------------|---------------------|---------------|
| <b>Sales</b>                                               | <b>6,387</b> | <b>4,246</b> | <b>1,694</b> | <b>653</b>          | <b>12,980</b> |
| <b>Retail profit/(loss)</b>                                | <b>555</b>   | <b>139</b>   | <b>82</b>    | <b>(27)</b>         | <b>749</b>    |
| Central costs                                              |              |              |              |                     | (60)          |
| Share of interest and tax of joint ventures and associates |              |              |              |                     | (16)          |
| Adjusting items                                            |              |              |              |                     | (93)          |
| <b>Operating profit</b>                                    |              |              |              |                     | <b>580</b>    |
| Net finance costs                                          |              |              |              |                     | (105)         |
| <b>Profit before taxation</b>                              |              |              |              |                     | <b>475</b>    |

<sup>1</sup>The Group has reassessed its determination of operating and reportable segments in the year. Following this reassessment, Poland is now determined to be a separate reportable segment and has been separated from the 'Other International' combination of operating segments. Other operating segments, which do not individually meet the definition of a reportable segment, continue to be combined and are presented as 'Other International'. As a result, the 2023/24 segmental disclosures presented above have been re-presented to reflect this revised determination of reportable segments. There are no changes to the Group's reportable segments in the UK & Ireland and France.

The Group's operating segments are based on the information reported internally to the Board of Directors and Group Executive, and are generally determined to be the retail banners operating in each geographical area (i.e. B&Q and Screwfix in the UK & Ireland, Castorama, Brico Dépôt and Screwfix in France, Castorama in Poland, Brico Dépôt in Iberia, Brico Dépôt in Romania and Koçtaş, the Group's joint venture in Turkey). NeedHelp, an online services marketplace, and the Group's franchising and wholesaling operation are also determined to be operating segments. On 18 July 2024, the Group completed the divestment of its c.80% equity interest in NeedHelp.

The reportable segments disclosed above are based on the geographical areas in which the Group operates. Within both the UK & Ireland and France reportable segments, operating segments determined at the retail banner level have been aggregated to form reportable segments (i.e. B&Q and Screwfix in the UK & Ireland and Castorama and Brico Dépôt in France). Other operating segments, which do not individually meet the definition of a reportable segment, are combined and presented as 'Other International', consisting of Brico Dépôt Iberia, Brico Dépôt Romania, Screwfix France, Koçtaş, NeedHelp and results from franchising and wholesaling operations. Screwfix France has not been aggregated as part of the France reportable segment due to its level of maturity relative to Castorama and Brico Dépôt France.

The principal activities of the Group are the supply of home improvement products and services. The majority of the sales in each segment are derived from in-store and online sales of products.

Central costs principally comprise the costs of the Group's head office before adjusting items.

#### 4 Adjusting items

| £ millions                                               | 2024/25 | 2023/24 |
|----------------------------------------------------------|---------|---------|
| <b>Included within selling and distribution expenses</b> |         |         |
| Net store asset impairment losses                        | (94)    | (76)    |
| Operating model restructuring                            | (5)     | (11)    |
|                                                          | (99)    | (87)    |
| <b>Included within administrative expenses</b>           |         |         |
| Castorama France goodwill impairment                     | (84)    | –       |
| Castorama France head office restructuring               | (15)    | –       |
| UK guaranteed minimum pension credit                     | 2       | –       |
| NeedHelp goodwill impairment                             | –       | (8)     |
|                                                          | (97)    | (8)     |
| <b>Included within other income/(expenses)</b>           |         |         |
| Impairments of Romania assets and other exit costs       | (22)    | –       |
| Loss on disposal of NeedHelp                             | (3)     | –       |
| Profit on disposal of Crealfi associate investment       | –       | 2       |
|                                                          | (25)    | 2       |
| <b>Adjusting items before tax</b>                        | (221)   | (93)    |
| Prior year and other adjusting tax items                 | 25      | 23      |
| <b>Adjusting items</b>                                   | (196)   | (70)    |

Against the context of our performance in FY 24/25, we have revised future financial projections for a number of stores across the Group's portfolio. These revised projections, combined with the impact of higher discount rates in France, have resulted in the recognition of £94m of net store impairment charges in the year. Impairment charges of £118m have been recorded principally in France and the UK, partially offset by impairment reversals of £24m principally in France, driven by higher property market values.

During the prior year, the Group commenced formal consultations with employee representatives regarding the Group's technology operating model restructuring programme. Charges of £5m were recorded in the year relating to this programme, which has now been completed.

Following the Group's reassessment of operating and reportable segments (refer to note 2) and the resulting reallocation of goodwill balances to retail banners, an impairment charge of £84m was recorded in relation to the goodwill associated with Castorama France, resulting from increased discount rates and revised financial projections.

During the year, the Group held formal consultations with employee representatives regarding a head office restructuring programme in Castorama France. Restructuring costs of £15m have been recognised related to this programme, primarily relating to redundancy costs. No additional adjusting costs expected to be incurred relating to this programme.

During the year, we updated the methodology under which the liability relating to guaranteed minimum pension equalisation is calculated for the UK defined benefit scheme, to reflect the methodology chosen by the Trustees, resulting in a £2m credit.

In December 2024, the Group announced that it had reached an agreement to dispose of its 100% interest in its Brico Dépôt Romania business for an enterprise value of £58m. The sale is expected to complete during the first half of 2025/26. Adjusting charges of £22m have been recognised in the year relating to this disposal, principally relating to impairment charges recognised on classification of the business as held for sale, and other exit costs.

During the year, the Group completed the disposal of its c.80% interest in NeedHelp for nil proceeds, resulting in a loss on disposal of £3m.

Prior year and other adjusting tax items relate principally to deferred tax credits recorded in respect of the impairment and restructuring expenses noted above, movements in prior year provisions to reflect a reassessment of expected outcomes, agreed positions with tax authorities and items that have time-expired.

## 5 Net finance costs

| £ millions                                             | 2024/25      | 2023/24      |
|--------------------------------------------------------|--------------|--------------|
| Bank overdrafts, bank loans and derivatives            | (1)          | –            |
| Fixed term debt                                        | (8)          | (7)          |
| Lease liabilities                                      | (123)        | (126)        |
| <b>Finance costs</b>                                   | <b>(132)</b> | <b>(133)</b> |
| Cash and cash equivalents and short-term deposits      | 22           | 16           |
| Net interest income on defined benefit pension schemes | 7            | 7            |
| Finance lease income                                   | 1            | 1            |
| Other interest income                                  | 2            | 4            |
| <b>Finance income</b>                                  | <b>32</b>    | <b>28</b>    |
| <b>Net finance costs</b>                               | <b>(100)</b> | <b>(105)</b> |

## 6 Income tax expense

| £ millions                                     | 2024/25      | 2023/24      |
|------------------------------------------------|--------------|--------------|
| <b>UK corporation tax</b>                      |              |              |
| Current tax on profits for the year            | (79)         | (73)         |
| Adjustments in respect of prior years          | 4            | 2            |
|                                                | (75)         | (71)         |
| <b>Overseas tax</b>                            |              |              |
| Current tax on profits for the year            | (26)         | (37)         |
| Adjustments in respect of prior years          | 4            | 8            |
|                                                | (22)         | (29)         |
| <b>Current tax</b>                             | <b>(97)</b>  | <b>(100)</b> |
| <b>Deferred tax</b>                            |              |              |
| Current year                                   | (13)         | (25)         |
| Adjustments in respect of prior years          | (12)         | (4)          |
| Adjustments in respect of changes in tax rates | –            | (1)          |
| <b>Deferred tax</b>                            | <b>(25)</b>  | <b>(30)</b>  |
| <b>Income tax expense</b>                      | <b>(122)</b> | <b>(130)</b> |

The adjusted effective tax rate on profit before adjusting items is 28% (2023/24: 27%). The adjusted effective tax rate calculation is set out in the Financial Review in part 1 of this announcement.

## 7 Earnings per share

| Pence                                              | 2024/25      | 2023/24 |
|----------------------------------------------------|--------------|---------|
| <b>Basic earnings per share</b>                    | <b>10.1</b>  | 18.2    |
| Effect of dilutive share options per share         | <b>(0.2)</b> | (0.2)   |
| <b>Diluted earnings per share</b>                  | <b>9.9</b>   | 18.0    |
| <b>Basic earnings per share</b>                    | <b>10.1</b>  | 18.2    |
| Adjusting items before tax per share               | <b>12.0</b>  | 4.9     |
| Prior year and other adjusting tax items per share | <b>(1.4)</b> | (1.2)   |
| <b>Adjusted basic earnings per share</b>           | <b>20.7</b>  | 21.9    |
| <b>Diluted earnings per share</b>                  | <b>9.9</b>   | 18.0    |
| Adjusting items before tax per share               | <b>11.8</b>  | 4.8     |
| Prior year and other adjusting tax items per share | <b>(1.3)</b> | (1.2)   |
| <b>Adjusted diluted earnings per share</b>         | <b>20.4</b>  | 21.6    |

Basic earnings per share is calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of shares in issue during the year, including vested but contingently issuable shares and excluding those held in the Employee Share Ownership Plan trust ('ESOP trust') which for the purpose of this calculation are treated as cancelled.

For diluted earnings per share, the weighted average number of shares is adjusted to assume conversion of all dilutive potential ordinary shares. These represent share options granted to employees where both the exercise price is less than the average market price of the Company's shares during the year and any related performance conditions have been met.

The calculation of basic and diluted earnings per share is based on the profit for the year attributable to equity shareholders of the Company. A reconciliation of statutory earnings to adjusted earnings is set out below:

| £ millions                               | 2024/25     | 2023/24 |
|------------------------------------------|-------------|---------|
| <b>Earnings</b>                          | <b>185</b>  | 345     |
| Adjusting items before tax               | <b>221</b>  | 93      |
| Prior year and other adjusting tax items | <b>(25)</b> | (23)    |
| <b>Adjusted earnings</b>                 | <b>381</b>  | 415     |

The weighted average number of shares in issue during the year, excluding those held in the Employee Share Ownership Plan Trust ('ESOP trust'), is set out below:

| Weighted average number of shares (millions) | 2024/25      | 2023/24 |
|----------------------------------------------|--------------|---------|
| Basic                                        | <b>1,838</b> | 1,898   |
| Effect of dilutive potential ordinary shares | <b>29</b>    | 23      |
| Diluted                                      | <b>1,867</b> | 1,921   |

## 8 Dividends

| £ millions                                                                                                                    | 2024/25    | 2023/24 |
|-------------------------------------------------------------------------------------------------------------------------------|------------|---------|
| <b>Dividends paid to equity shareholders of the Company</b>                                                                   |            |         |
| Ordinary interim dividend for the year ended 31 January 2025 of 3.80p per share (year ended 31 January 2024: 3.80p per share) | <b>69</b>  | 72      |
| Ordinary final dividend for the year ended 31 January 2024 of 8.60p per share (year ended 31 January 2023: 8.60p per share)   | <b>159</b> | 165     |
|                                                                                                                               | <b>228</b> | 237     |

The proposed dividend for the year ended 31 January 2025, subject to approval by shareholders at the Annual General Meeting, is 12.40p per share, comprising an interim dividend of 3.80p in respect of the six months ended 31 July 2024 and a final dividend of 8.60p. The total final dividend for the year ended 31 January 2025 based on the issued share capital as at 31 January 2025 is expected to be c.£154m. The final amount may vary depending on share movements between the balance sheet and payment date.

## Post-employment benefits

| £ millions                                                   | 2024/25    |              |            | 2023/24 |          |         |
|--------------------------------------------------------------|------------|--------------|------------|---------|----------|---------|
|                                                              | UK         | Overseas     | Total      | UK      | Overseas | Total   |
| <b>Net surplus/(deficit) in schemes at beginning of year</b> | <b>212</b> | <b>(113)</b> | <b>99</b>  | 251     | (114)    | 137     |
| Current service cost                                         | (3)        | (7)          | (10)       | (3)     | (8)      | (11)    |
| Past service credit                                          | 2          | 13           | 15         | –       | 3        | 3       |
| Administration costs                                         | (5)        | –            | (5)        | (4)     | –        | (4)     |
| Net interest income/(expense)                                | 10         | (3)          | 7          | 11      | (4)      | 7       |
| Net remeasurement (losses)/gains                             | (14)       | 3            | (11)       | (43)    | 1        | (42)    |
| Contributions paid by employer                               | –          | 5            | 5          | –       | 5        | 5       |
| Exchange differences                                         | –          | 1            | 1          | –       | 4        | 4       |
| <b>Net surplus/(deficit) in schemes at end of year</b>       | <b>202</b> | <b>(101)</b> | <b>101</b> | 212     | (113)    | 99      |
| Present value of defined benefit obligations                 | (1,711)    | (121)        | (1,832)    | (1,826) | (133)    | (1,959) |
| Fair value of scheme assets                                  | 1,913      | 20           | 1,933      | 2,038   | 20       | 2,058   |
| <b>Net surplus/(deficit) in schemes</b>                      | <b>202</b> | <b>(101)</b> | <b>101</b> | 212     | (113)    | 99      |

The assumptions used in calculating the costs and obligations of the Group's defined benefit pension schemes are set by the Directors after consultation with independent professionally qualified actuaries. The assumptions are based on the conditions at the time and changes in these assumptions can lead to significant movements in the estimated obligations, as illustrated in the sensitivity analysis.

A full actuarial valuation of the scheme is carried out every three years by an independent actuary for the Trustee and the last full valuation was carried out as at 31 March 2022. Following this valuation and in accordance with the scheme's Statement of Funding Principles, the Trustee and Kingfisher have agreed to cease annual employer contributions during the period from August 2022 to July 2025. This agreement has been reached with reference to a funding objective that targets a longer-term, low risk funding position in excess of the minimum statutory funding requirements. This longer-term objective is based on the principle of the scheme reaching a point where it can provide benefits to members with a high level of security, thereby limiting its reliance on the employer for future support. The Company monitors the scheme funding level on a regular basis and will reassess with the scheme Trustee the appropriate level of contributions as part of the 2025 valuation.

A key assumption in valuing the pension obligations is the discount rate. Accounting standards require this to be set based on market yields on high-quality corporate bonds at the balance sheet date. The UK scheme discount rate is derived using a single equivalent discount rate approach, based on the yields available on a portfolio of high-quality Sterling corporate bonds with the same duration as that of the scheme liabilities.

The principal financial assumptions for the UK scheme are as follows:

| Annual % rate             | 2024/25 | 2023/24 |
|---------------------------|---------|---------|
| Discount rate             | 5.40    | 4.85    |
| Rate of pension increases | 3.05    | 2.95    |

For the UK scheme, the mortality assumptions used have been selected with regard to the characteristics and experience of the membership of the scheme as assessed from time to time relating to triennial funding valuations. The assumptions for life expectancy of UK scheme members are as follows:

| Years                                                                      | 2024/25 | 2023/24 |
|----------------------------------------------------------------------------|---------|---------|
| Age to which current pensioners are expected to live (60 now)              |         |         |
| – Male                                                                     | 85.6    | 85.6    |
| – Female                                                                   | 88.3    | 88.3    |
| Age to which future pensioners are expected to live (60 in 15 years' time) |         |         |
| – Male                                                                     | 86.9    | 86.9    |
| – Female                                                                   | 90.4    | 90.4    |

The following sensitivity analysis for the UK scheme shows the estimated impact on the obligation resulting from changes to key actuarial assumptions, whilst holding all other assumptions constant.

| Assumption                | Change in assumption                             | Impact on defined benefit obligation |
|---------------------------|--------------------------------------------------|--------------------------------------|
| Discount rate             | Increase/decrease by 0.5%                        | Decrease/increase by £122m           |
| Price inflation           | Increase/decrease by 0.25%                       | Increase/decrease by £53m            |
| Rate of pension increases | Increase/decrease by 0.25%                       | Increase/decrease by £50m            |
| Mortality                 | Increase/decrease in life expectancy by one year | Increase/decrease by £59m            |

## 10 Cash generated by operations

| £ millions                                                                | 2024/25      | 2023/24 |
|---------------------------------------------------------------------------|--------------|---------|
| <b>Operating profit</b>                                                   | <b>407</b>   | 580     |
| Share of post-tax results of joint ventures and associates                | 15           | 1       |
| Depreciation and amortisation                                             | 656          | 641     |
| Net impairment losses                                                     | 198          | 87      |
| Loss on disposal of property, plant and equipment and investment property | 8            | –       |
| Loss/(profit) on disposal of subsidiaries and associates                  | 3            | (2)     |
| Lease gains                                                               | –            | (7)     |
| Share-based compensation charge                                           | 20           | 22      |
| Decrease in inventories                                                   | 87           | 132     |
| Decrease/(increase) in trade and other receivables                        | 63           | (6)     |
| Decrease in trade and other payables                                      | (50)         | (14)    |
| Movement in provisions                                                    | 9            | (3)     |
| Movement in post-employment benefits                                      | (5)          | 7       |
| <b>Cash generated by operations</b>                                       | <b>1,411</b> | 1,438   |

## 11 Net debt

| £ millions                                                                                               | 2024/25        | 2023/24 |
|----------------------------------------------------------------------------------------------------------|----------------|---------|
| Cash and cash equivalents                                                                                | 336            | 360     |
| Cash and cash equivalents included within assets held for sale                                           | 9              | –       |
| Bank overdrafts                                                                                          | (9)            | (7)     |
| <b>Cash and cash equivalents and bank overdrafts (including cash and cash equivalents held for sale)</b> | <b>336</b>     | 353     |
| Bank loans                                                                                               | (1)            | (3)     |
| Fixed term debt                                                                                          | (99)           | (99)    |
| Lease Liabilities                                                                                        | (2,211)        | (2,367) |
| Lease Liabilities directly associated with assets held for sale                                          | (42)           | –       |
| Net financing derivatives                                                                                | 2              | –       |
| <b>Net debt (including net debt held for sale)</b>                                                       | <b>(2,015)</b> | (2,116) |

| £ millions                                                               | 2024/25        | 2023/24 |
|--------------------------------------------------------------------------|----------------|---------|
| <b>Net debt at beginning of year</b>                                     | <b>(2,116)</b> | (2,274) |
| Net (decrease)/increase in cash and cash equivalents and bank overdrafts | (11)           | 84      |
| Arrangement fees paid                                                    | 2              | –       |
| <b>Net cash flow</b>                                                     | <b>(9)</b>     | 84      |
| Movements in lease liabilities                                           | 107            | 71      |
| Exchange differences and other non-cash movements                        | 3              | 3       |
| <b>Net debt at end of year</b>                                           | <b>(2,015)</b> | (2,116) |

## **12 Contingent liabilities**

The Group is subject to claims and litigation arising in the ordinary course of business and provision is made where liabilities are considered likely to arise on the basis of current information and legal advice.

The Group files tax returns in many jurisdictions around the world and at any one time is subject to periodic tax audits in the ordinary course of its business. Applicable tax laws and regulations are subject to differing interpretations and the resolution of a final tax position can take several years to complete. Where it is considered that future tax liabilities are more likely than not to arise, an appropriate provision is recognised in the financial statements.

Whilst the procedures that must be followed to resolve these types of tax issues make it likely that it will be some years before the eventual outcome is known, the Group does not currently consider the likelihood of adverse outcomes in relation to these matters (other than those matters for which liabilities have already been recorded) to be probable.

In October 2017, the European Commission opened a state aid investigation into the Group Financing Exemption section of the UK Controlled Foreign Company rules. While the Group had complied with the requirements of UK tax law in force at the time, in April 2019 the European Commission concluded that aspects of the UK Controlled Foreign Company regime partially constituted illegal state aid. In September 2024, the European Court of Justice annulled this decision, and repayment of the tax and interest, totalling £69m, is expected in 2025/26. At the balance sheet date, the Group is recognising this amount as a current asset.

## **13 Post balance sheet events**

During the period since the balance sheet date, the Group purchased 10 million of the Company's own shares for cancellation at a cost of £26m. This amount was deducted from equity in 2024/25 as a result of an irrevocable buyback agreement which was in place at 31 January 2025.