



## Q3 trading update to 31 October 2024

### Sales in line or ahead of the market across all our banners; full year profit guidance range tightened

**25 November 2024:** Kingfisher plc ('Company', 'Group' or 'Kingfisher') is today providing its Q3 24/25 sales.

#### Key points

- Q3 sales of £3.2bn; total sales flat (constant currency) and -0.6% (reported)
- LFL -1.1%<sup>(1)</sup>, with sales in line or ahead of the market for all our key banners
- Solid underlying trading in August and September; weak market and consumer in the UK and France in October, impacted by uncertainty related to government budgets in both countries
- Average selling prices flat year-on-year with improved volume trends versus Q2
- Q3 by region:
  - **UK & Ireland:** sales growth driven by Screwfix (LFL +1.8%) and TradePoint (LFL +4.9%), with strong market share gains. Strong growth of B&Q's e-commerce marketplace (GMV +45%<sup>(2)</sup>)
  - **France:** sales in line with the market; lower sales trend at both banners in October due to weak consumer sentiment and adverse weather
  - **Poland:** market share gains with improving 'big-ticket' sales trends
- Q3 by category:
  - **Core (69% of sales):** improved sales trends (LFL -0.4%)<sup>(3)</sup> driven by repair, maintenance and renovation activity on existing homes
  - **Big-ticket (16% of sales):** LFL -4.0%<sup>(4)</sup> with improved trends at B&Q, Brico Dépôt France and Castorama Poland, supported by new ranges
  - **Seasonal (15% of sales):** sales impacted in October from wetter and milder than normal weather in our key markets (LFL -0.9%)<sup>(5)</sup>
- Q4 trading to date<sup>(6)</sup> improved versus exit rate from Q3, with LFL -0.5%
- Full year profit guidance range tightened: expect adjusted PBT of c.£510m to £540m<sup>(7)</sup> (previously c.£510m to £550m). Free cash flow guidance unchanged
- Expect near-term market outlook to remain uncertain; confident in our business model, ability to drive market share and effectively manage retail prices, costs and cash

#### Unaudited Q3 24/25 sales (three months ended 31 October 2024)

	Sales 2024/25	% Total Change	% Total Change	% LFL Change <sup>(1)</sup>
	£m	Reported	Constant currency	Constant currency
<b>UK &amp; Ireland</b>	<b>1,617</b>	<b>+1.2%</b>	<b>+1.3%</b>	<b>+0.4%</b>
- B&Q	936	(1.1)%	(1.0)%	(0.6)%
- Screwfix	681	+4.6%	+4.6%	+1.8%
<b>France</b>	<b>967</b>	<b>(6.4)%</b>	<b>(4.2)%</b>	<b>(4.3)%</b>
- Castorama	503	(7.2)%	(4.9)%	(4.7)%
- Brico Dépôt	464	(5.6)%	(3.3)%	(3.7)%
<b>Other International</b>	<b>637</b>	<b>+4.7%</b>	<b>+3.3%</b>	<b>+0.5%</b>
- Poland	468	+6.6%	+3.7%	(0.4)%
- Iberia <sup>(8)</sup>	93	+4.1%	+6.6%	+6.6%
- Romania	72	(6.9)%	(4.3)%	(2.0)%
- Other <sup>(9)</sup>	4	n/a	n/a	n/a
<b>Total Group</b>	<b>3,221</b>	<b>(0.6)%</b>	<b>-</b>	<b>(1.1)%</b>

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

“Overall trading in the third quarter was resilient. Improved performance in August and September was offset by the impact of increased consumer uncertainty in the UK and France in October, related to government budgets in both countries. All our banners in the UK, France and Poland performed in line or ahead of their respective markets, with particularly strong market share gains at Screwfix. We continued to see improved volume trends in our core categories, supported by repairs, maintenance and existing home renovation. As expected, sales of our ‘big-ticket’ categories remained soft, although we are seeing early signs of improvement.

“We continue to deliver rapid progress against our strategic and operational objectives. E-commerce sales penetration increased by 1.3%pts to 18.8% in Q3, supported by the continued strong growth of our marketplaces. In Q3 our trade sales penetration reached 16.5% across the Group excluding Screwfix, up nearly 3%pts from the start of the year, as we continued to develop our trade proposition, including the launch of TradePoint’s first mobile app last month. We are also making strong progress with our plan to restructure and modernise Castorama France’s lowest performing stores, having selected partners for our first two franchised stores.

“Looking towards next year, recent political and macroeconomic developments have layered incremental uncertainty onto the near-term outlook in our markets. And so we continue to focus our energy on what we can control – delivering further market share gains through our key strategic priorities, and managing our retail prices, costs and cash effectively. As a Group, we are strongly positioned to benefit from the inflection to come within home improvement.”

**Current trading and FY 24/25 outlook**

Trading in Q4 has started with an improvement versus the exit rate from Q3, with Group LFL sales -0.5% for the three weeks to 23 November 2024<sup>(6)</sup>.

Our scenarios for the growth of our total addressable home improvement markets in the UK & Ireland, France and Poland in 2024, compared to 2023, are unchanged as below:

	<b>Our expectation of total addressable home improvement market % change in 2024 (YoY)</b>	
	<i>Low case</i>	<i>High case</i>
UK & Ireland	Low-single digit decline	Flat
France	Mid-single digit decline	Low-single digit decline
Poland	Flat	Low-single digit growth

Consistent with what we set out in September, we believe the UK & Ireland and Polish markets are currently tracking within the higher end of our scenarios. We believe the French market is continuing to track at the low end.

Given this, together with our performance in the year to date, we have tightened our FY 24/25 adjusted PBT guidance range to c.£510m to £540m (previously c.£510m to £550m). We are maintaining a tight control of our costs, and expect full delivery of c.£120m of structural cost reductions for the full year as guided.

We are also maintaining a significant year-on-year reduction in net inventory, and our free cash flow guidance range of c.£410m to £460m is unchanged. We are on track to complete our current £300m share buyback programme in March 2025 and remain committed to returning surplus capital to shareholders.

## **Impact of recent government announcements in the UK and France**

### Wages

Reflecting on the recent Autumn Budget in the UK, as we have effectively demonstrated in recent years, we expect to offset the impact of wage increases through structural cost reductions and productivity gains.

### National Insurance Contributions and Other Taxes

Regarding higher employers' National Insurance Contributions (NICs) in the UK, we expect the pro-rated impact in FY 25/26 to be c.£31m, before any mitigations.

In France, the government's draft Finance Bill for 2025 proposes certain changes to social taxes (equivalent to NICs in the UK) as well as the postponement of the abolishment of CVAE taxes (a sales-based tax). Assuming these measures are enacted through the French parliament, we expect the impact in FY 25/26 to be c.£14m, before any mitigations.

The combination of these measures in the UK and France is therefore c.£45m on Group retail profit. We are developing a range of additional mitigations, but at this stage expect to offset only part of this impact.

### Corporation Tax

In addition, we note the French government's proposal to temporarily increase Corporate Income Tax (CIT) for a two-year period. If enacted, our expectation is that the Group Effective Tax Rate (ETR) for FY 24/25 would be c.29% (current ETR guidance is c.27%), with the impact halving in FY 25/26.

### **Technical guidance on net finance costs**

Our current expectation for net finance costs next year (FY 25/26) is c.£115m. This is higher than the current year, due to: (1) an expectation of lower interest receivable in FY 25/26, based on our current view of cash balances and deposit rates in 2025, and (2) slightly higher lease interest linked to lease re-gears.

For the current year (FY 24/25), we expect net finance costs of c.£100m (previously c.£105m).

As a reminder, net finance costs exclude our share of JV (Koçtaş) interest and tax.

### **Q3 trading highlights**

All commentary below is in constant currency.

#### **UK & IRELAND**

Total sales +1.3% (LFL +0.4%), reflecting a resilient overall performance. This was despite economic uncertainty ahead of the Autumn Budget, which impacted consumer sentiment, and wetter and milder than normal weather in October. Performance at B&Q was in line with the market while strong market share gains were achieved at Screwfix (as measured by the *British Retail Consortium*, *Barclays* and *GfK*).

- **B&Q** sales -1.0%. LFL -0.6%, supported by e-commerce and trade sales, and a sequential improvement in sales to retail customers. Despite the weaker market in October, overall sales in Q3 improved across all categories compared to Q2, with positive LFL sales in core and seasonal categories including tools & hardware, building & joinery and outdoor. As expected, performance in 'big-ticket' categories remained soft. B&Q's total e-commerce sales increased by 14.3% YoY, with overall e-commerce sales penetration increasing to 14.6% (Q3 23/24: 12.9%). This was driven by the continued

growth of B&Q's marketplace (GMV +45%<sup>(2)</sup>), reaching a participation<sup>(10)</sup> of 41% in October. The business is making good progress onboarding international sellers to its marketplace, and scaling its retail media proposition.

- **TradePoint**, B&Q's trade-focused banner, delivered a strong performance with LFL sales growth of 4.9%, reaching its highest penetration of B&Q's total sales of 24% (Q3 23/24: 23%). TradePoint remains focused on strengthening its product range, digital and customer service proposition, and successfully launched its first mobile app in October.
- **Screwfix** sales +4.6%. LFL +1.8%, with robust demand from trade customers supporting positive LFL sales and volume growth in core categories. Notable performances were seen in its tools & hardware, building & joinery and outdoor categories. Screwfix opened six new stores (net) in the UK & Ireland, including two 'Screwfix City' ultra-compact format stores. The business continued to extend its market-leading Screwfix Sprint proposition, with Sprint orders growing by c.50% YoY. The results of Screwfix France are recorded within the '*Other International*' division – see below for further information.

## FRANCE

Total sales -4.2% (LFL -4.3%), reflecting continued weakness in the broader market. This was compounded in October by the release of the draft Finance Bill for 2025, which weighed on consumer sentiment, together with wetter and milder than normal weather. Based on external panel data and Kingfisher analysis, both banners performed in line with the market during the quarter.

- **Castorama** sales -4.9%. LFL -4.7%, with an improvement in LFL sales and volume trends across all categories compared to Q2 (LFL -9.6%) despite market weakness in October. Castorama's electrical, plumbing, heating & cooling (EPHC), outdoor, building & joinery and tools & hardware categories delivered resilient sales in Q3, while 'big-ticket' categories remained weak. The business is also seeing positive early results from its e-commerce marketplace, which launched in March. Castorama continues to test and adapt its new trade proposition in nine stores, with full roll-out planned in 2025.
- **Brico Dépôt** sales -3.3%. LFL -3.7%, with sales and volume trends improving across all categories compared to Q2 (LFL -8.3%). The improvement was supported by softer comparatives, but partially offset by the weak market and adverse weather in October. Sales performance in the EPHC, building & joinery and tools & hardware categories were better than the overall Brico Dépôt average, while a notable improvement in kitchen sales was supported by the successful launch of new ranges. Brico Dépôt's new trade proposition continues to resonate with trade customers, with an encouraging level of sign-ups to its loyalty programme in Q3 and a further increase in trade sales penetration.

## OTHER INTERNATIONAL

- **Poland** sales +3.7%. LFL -0.4%, with sales supported by continued progress in addressing trade customer needs. The business delivered a resilient performance in its core categories, and improved LFL sales trends in 'big-ticket' and seasonal categories. Castorama delivered LFL sales growth in its kitchen, building & joinery, tools & hardware and EPHC categories. The business gained market share in the quarter (to 30 September, as measured by *GfK*) and opened one big-box store in Q3, reaching its target of five store openings this financial year. Castorama continues to focus on its engagement with trade customers, with extended roll-out of specialised colleagues and trade-dedicated product ranges driving a further increase in trade sales penetration.
- **Iberia** sales +6.6%. LFL +6.6%, with strong sales growth seen in its building & joinery, surfaces & décors and EPHC categories.
- **Romania** sales -4.3%. LFL -2.0%, with a good sequential improvement supported by positive LFL sales in its building & joinery, tools & hardware and bathroom & storage categories.

- In **Turkey**, Kingfisher's 50% joint venture, Koçtaş, remains focused on executing its comprehensive restructuring programme to manage performance in a very challenging macroeconomic and trading environment. We note significant actions taken to date, including store closures and headcount reductions, and continue to expect Koçtaş to contribute an overall net loss of c.£25m to Group adjusted PBT for the full year (FY 23/24: £1m net loss).
- **Other** consists of the consolidated sales of **Screwfix International** and **franchise and wholesale** agreements. **Screwfix** opened one store in France in Q3, with a total of 26 stores in operation as of 31 October 2024. The business continues to see encouraging sales trends and remains focused on growing its customer base, which has doubled YoY to date, as well as increasing brand awareness both locally and nationally.

### **Footnotes**

<sup>(1)</sup> LFL (like-for-like) sales growth represents the constant currency, year-on-year sales growth for stores that have been open for more than one year. The estimated impact of the annual calendar shift on Q3 24/25 LFL sales was -0.1%.

<sup>(2)</sup> Marketplace gross merchandise value (GMV) is the total transaction value (including VAT, and including returned and cancelled orders) from the sale of products supplied by third-party e-commerce marketplace vendors. Marketplace GMV is the basis on which our commissions from third-party vendors are determined. Please refer to the glossary in Kingfisher's 2024/25 Half Year Results announcement for full definitions.

<sup>(3)</sup> Core category sales represented 69% of Group sales in Q3. It includes the sales from non-seasonal products across all our categories, other than 'big ticket' sales.

<sup>(4)</sup> 'Big-ticket' category sales represented 16% of Group sales in Q3. It includes the sales from kitchen, bathroom & storage products.

<sup>(5)</sup> Seasonal category sales represented 15% of Group sales in Q3. It includes the sales from certain products within our outdoor, electricals, plumbing, heating & cooling (EPHC) and surfaces & décor categories.

<sup>(6)</sup> 'Q4 24/25 LFL sales (to date)' represents the period from 3 November to 23 November 2024 compared against the equivalent period in the prior year (i.e., 5 November to 25 November 2023). The figures are provisional and exclude certain non-cash accounting adjustments relating to revenue recognition.

<sup>(7)</sup> Guidance assumes current exchange rates.

<sup>(8)</sup> Brico Dépôt Spain and Portugal.

<sup>(9)</sup> 'Other' consists of the consolidated sales of Screwfix International, and franchise and wholesale agreements.

<sup>(10)</sup> Marketplace participation % represents marketplace gross sales as a percentage of total e-commerce sales.

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### **Q3 trading update and data tables**

This announcement and data tables for Q3 24/25 sales can be downloaded from the Investors section of our website at [www.kingfisher.com/investors](http://www.kingfisher.com/investors).

### **Full year 24/25 results**

Our next scheduled results announcement will be our results for the 12 months ending 31 January 2025, on 25 March 2025.

### **American Depository Receipts**

Kingfisher American Depository Receipts are traded in the US on the OTCQX platform: (OTCQX: KGFHY) <http://www.otcm Markets.com/stock/KGFHY/quote>.



## **About Kingfisher plc**

Kingfisher plc is an international home improvement company with over 2,000 stores, supported by a team of over 78,000 colleagues. We operate in eight countries across Europe under retail banners including B&Q, Castorama, Brico Dépôt, Screwfix, TradePoint and Koçtaş. We offer home improvement products and services to consumers and trade professionals who shop in our stores and via our e-commerce channels.

Better Homes. Better Lives. For Everyone. At Kingfisher, we believe a better world starts with better homes and we strive to help make that happen.

## **Forward-looking statements**

You are not to construe the content of this announcement as investment, legal or tax advice and you should make your own evaluation of the Company and the market. If you are in any doubt about the contents of this announcement or the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000 (as amended) (or if you are a person outside the UK, otherwise duly qualified in your jurisdiction).

This announcement has been prepared in relation to sales for the quarter ended 31 October 2024. The financial information referenced in this announcement is not audited and does not contain sufficient detail to allow a full understanding of the results of the Group. Nothing in this announcement should be construed as either an offer or invitation to sell or any offering of securities or any invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in any company within the Group or an invitation or inducement to engage in investment activity under section 21 of the Financial Services and Markets Act 2000 (as amended) (or, otherwise under any other law, regulation or exchange rules in any other applicable jurisdiction).

Certain information contained in this announcement may constitute "forward-looking statements" (including within the meaning of the safe harbour provisions of the United States Private Securities Litigation Reform Act of 1995), which can be identified by the use of terms such as "may", "will", "would", "could", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "target", "plan", "goal", "aim", forecast, or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. These forward-looking statements are based on currently available information and our current assumptions, expectations and projections about future events. These forward-looking statements include all matters that are not historical facts and include statements which look forward in time or statements regarding the Company's intentions, beliefs or current expectations and those of our Officers, Directors and employees concerning, amongst other things, the Company's results of operations, financial condition, changes in global or regional trade conditions (including a downturn in the retail or financial services industries), competitive influences, changes in tax rates, exchange rates or interest rates, changes to customer preferences, the state of the housing and home improvement markets, share repurchases and dividends, capital expenditure and capital allocation, liquidity, prospects, growth and strategies, litigation or other proceedings to which we are subject, acts of war or terrorism worldwide, work stoppages, slowdowns or strikes, public health crises, outbreaks of contagious disease, environmental disruption or political volatility. By their nature, forward-looking statements are not guarantees of future performance and are subject to future events, risks and uncertainties – many of which are beyond our control, dependent on actions of third parties, or currently unknown to us – as well as potentially inaccurate assumptions that could cause actual events or results or actual performance of the Group to differ materially from those reflected or contemplated in such forward-looking statements. For further information regarding risks to Kingfisher's business, please consult the risk management section of the Company's Annual Report (as published). No representation, warranty or other assurance is made as to the achievement or reasonableness of, and no reliance should be placed on, such forward-looking statements.

The forward-looking statements contained in this announcement speak only as of the date of this announcement and the Company does not undertake any obligation to update or revise any forward-looking statement to reflect any new information, change in circumstances, or change in the Company's expectations to reflect events or circumstances after the date of this announcement or to reflect the occurrence of unanticipated events.