Kingfisher

Kingfisher plc Half Year Results

6 months to 31 July 2022

20 September 2022

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Welcome & agenda

Thierry Garnier (CEO): Operational & strategic update

Kingfisher is strong and diversified, with proven resilience

Delivering on value & effectively managing current environment

France – final phase of 'fixes'

Strong execution against strategic priorities & investing for growth

Bernard Bot (CFO): H1 22/23 results

Performance overview

Cash, debt and liquidity

Productivity – key underpin to our performance

FY 22/23 outlook & guidance

Operational & strategic update

Thierry Garnier
Chief Executive Officer

Key messages

H1 performance in line with expectations and significantly ahead of pre-pandemic levels

Supported by continued momentum in market share gains in the UK, France and Poland

Resilient sales from both DIY and DIFM/trade categories

Delivering on value for our customers and effectively managing pressures from the current environment

Strong execution against our strategic priorities and investing for growth

Attractive shareholder returns; reflects confidence in long-term growth and cash generation opportunity

H1 performance in line with expectations

Resilient first half of trading
LFL -4.1% from very strong comparatives; 3-year LFL +16.6%

Stronger 3-year LFL sales trend in Q2 vs Q1
+17.4% in Q2 vs +14.8% in Q1, adjusted for calendar impacts(1)

Total e-commerce sales -19%; 3-year growth +156%
16% penetration vs 7% in H1 19/20

Encouraging start to Q3
LFL to date(2) -0.7%; 3-year LFL +15.2%

Adjusted PBT: £472m, -29% (+40% vs 2019)

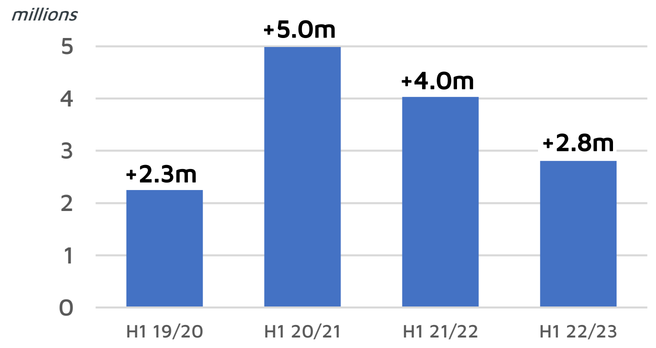
Interim dividend declared of 3.80p (flat vs H1 21/22) & announced new £300m share buyback programme in May 2022

(1) Q2 22/23 LFL sales up 17.4% on a 3-year basis, adjusted for a c.0.7% adverse calendar impact; Q1 22/23 LFL sales up 14.8%, adjusted for a c.1.4% positive calendar impact
(2) 31 July to 17 September 2022

Kingfisher is strong and diversified, with proven resilience

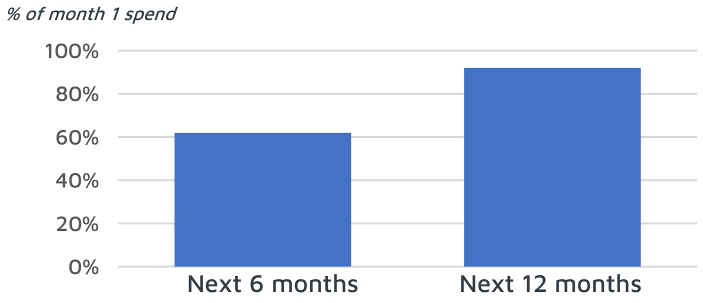
Solid market growth, with supportive new industry trends	▪ Solid market growth since 2019 ▪ New and enduring industry trends including more working from home & focus on energy efficiency
Market share gains	▪ Successful execution of our strategy driving market share gains in the UK, France and Poland
Balanced exposure and continued new customer growth	▪ c.50/50 exposure to DIY and DIFM/trade ▪ Continuing to grow customer base with high rates of revenue retention
Proven resilience	▪ Significant proportion of sales linked to repairs & maintenance ▪ Strong balance sheet with >£1bn in total liquidity ▪ Robust performance in previous recessions
Diversified & favourable competitive position	▪ Diverse retail banners and geographic presence ▪ Own exclusive brands 45% of sales ▪ Lower cost fulfilment from store-based picking and low returns rate; no excess warehouse expansion

New customer growth remains above 2019…



Our acquisition of new identifiable customers[1] **continues to outpace pre-pandemic levels**

…with continued high rates of revenue retention



Strong revenue retention of customers acquired last year[2] – **62% of revenue retained over 6 months** and **92% over 12 months**[3]

(1) New identifiable customers are customers who have shopped in the last 6 months but not the 12 months prior
(2) Cumulative spend in months 2-7 and months 2-12 as a % of month 1 spend, for new customers acquired during FY 21/22
(3) Based on spend from customers acquired Feb-July 2021

Consumer surveys show an enduring focus on the home

Working from home here to stay

Working from home 'the new normal' – leads to more 'wear and tear' & looking at home with critical eye

Surveyed consumers WFH for 2.5 to 3 days per week on average (over 2x more vs pre-pandemic)

Average spend on home improvement (HI) of those WFH significantly higher than all active HI'ers

Heightened focus on energy efficiency

Over 9 in 10 HI'ers are currently looking for ways to reduce their energy consumption

59% are looking to improve energy efficiency of their homes in the near future

Kingfisher already derives c.10% of its Group sales from energy and water-saving products

Robust demand from house moves – and strong desire to renovate

Strong rise in house moves during pandemic has driven sustained home improvement activity

Recent home movers(1) have spent up to 2x more than average, and 50% are likely to do more home improvement in the next 12 months

Renovation works to protect value of homes is a key driver of HI activity when housing activity slows

Tradespeople are busy – but increasingly cautious

93% of UK tradespeople working & 82% have more work to come

Higher proportion of tradespeople quoting jobs versus this time last year

Growing pessimism on economic outlook and state of personal finances

Source: Kingfisher Home Improvement Pulse Survey, August 2022; Screwfix Trade Pulse Survey, August 2022

(1) 'Recent home movers' defined as those who have moved home in the last 12 months. One in five respondents of the August 2022 survey were recent home movers

Value for our customers when they need it most

Targeted 'price locks'

Guaranteed minimum price commitments

"If you find a cheaper price, we will refund the difference x2"

'Price cut', 'Low price' and 'bulk save' campaigns across channels

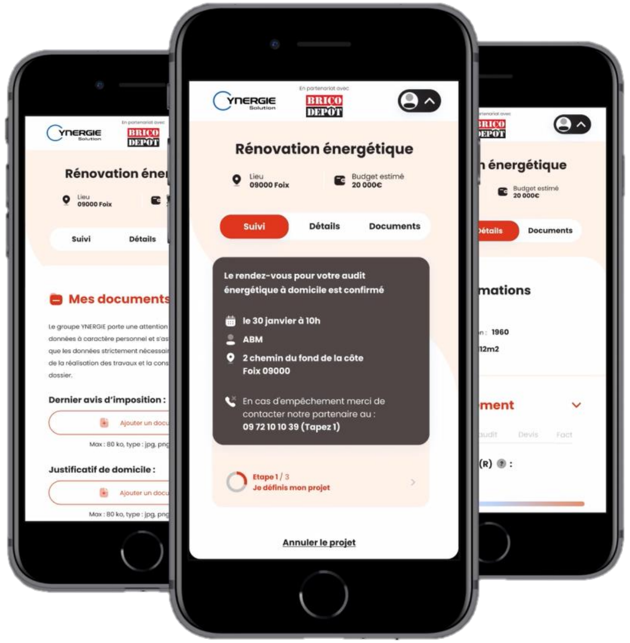
Delivering value through own brands and opening price points

Energy efficiency – we are part of the solution

Launching energy saving diagnostic tools

BRICO DEPÔT

"Lower your energy bills with Brico Dépôt"



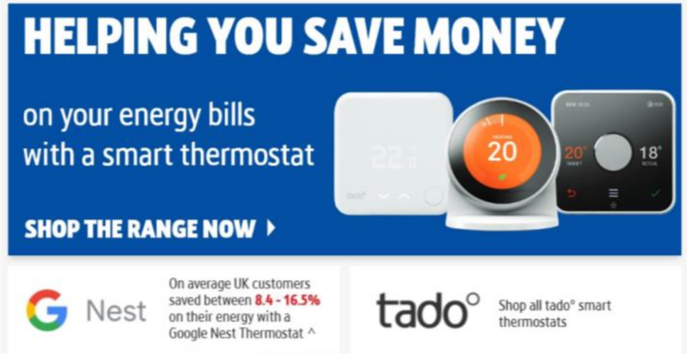
B&Q

Promoting energy efficient products across our banners

BRICO DEPÔT

"Glass wool insulation with vegetable binder ECOSE technology"

SCREWFIX



castorama

"Energy-saving special deal"

"Find all our solutions to make your home more economical"

Delivering on value & effectively managing pressures from the current environment

Delivering on value

through **own brands** (enabling 15-30% cheaper prices vs brands), **discount banners** and **competitive price index**

Inflation

cost inflation continues to be **effectively managed** with banners benefitting from Group scale

Cost optimisation

cost reductions **mitigating inflation impact** on operating costs; ability to rapidly adjust cost base

Product availability

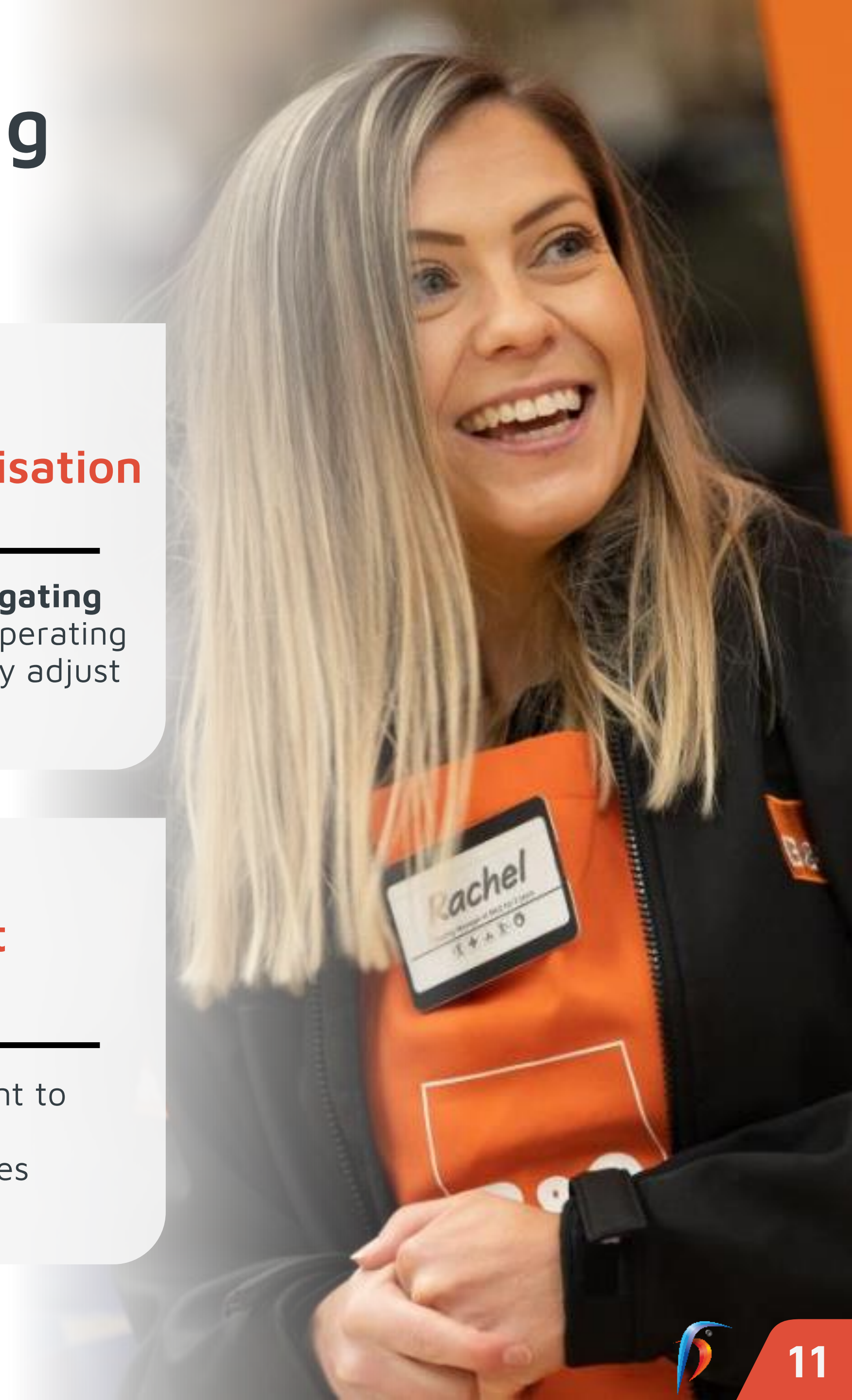
back to pre-pandemic levels of product availability since Q1; no supply disruption

Inventory

~**70% of YoY increase** driven by **inflation** and **new stores**; 'buffer' stock purchased at lower cost & to protect availability

Talent

strong engagement to **attract** and **retain** colleagues



Active and responsive management of costs & inventories

1 Managing gross margin % effectively

Proactive management of COGS (supplier negotiations, FX hedging, lower shipping rates)

—

Disciplined approach to promo/clearance; maintaining strong price index versus competitors

—

Healthy inventory

—

Flexing down logistics and distribution costs to lower volumes

Outlook

Normal levels of promo/clearance

—

Several raw materials coming off peaks; further proactive negotiations with suppliers

—

Decreasing shipping rates and opportunity for further logistics flex

2 Active management of operating costs

Ongoing multi-year cost savings programme with in-year benefits

—

Prepared for a range of trading scenarios

—

Material cost levers in our control:

- Adjusting staffing levels & incentives to volumes
- Flexing discretionary marketing, store, head office & GNFR spend
- Re-phasing investments

Outlook

Remain vigilant against more uncertain economic environment in H2

—

Opportunities for further cost reductions if required; agility learnt during the pandemic

3 Proactive management of inventories

Majority of inventory value increase YoY is driven by inflation (61%) and space (7%)

—

Proactive inventory purchases from Q4 last year to (1) rebuild availability, (2) build seasonal & 'buffer' stock ahead of peak trading, (3) secure lower cost stock

—

Most of our inventory is non-perishable and non-seasonal

—

Good stock health, with stock provisioning rates below 2019 levels

Outlook

Maintaining high product availability

—

Anticipate reduction of stock levels in H2 related to sell-through, at normal prices, a large part of 'buffer' stock

—

No pressure to clear stock

France – final phase of 'fixes'

On track to complete final 'fix' areas in H2

- ✓ Castorama ranges extended with more local and international brands; 1,200 SKUs added in H1; >8,500 SKUs added since Feb 2020
- ✓ Brico Dépôt optimising its ranges and introducing more 'discount' OEB
- ✓ Final phase of SAP implementation at Brico Dépôt
- ✓ Final distribution centre space reductions (c.8% of space) completing this month (bringing cumulative space reduction to c.27% versus two years ago)

Leveraging Group 'powers' to support profitable long term growth

E-commerce	Accelerated e-commerce capabilities with enhanced websites, new Castorama app, creation of hub store network, more C&C options
OEB	Differentiated offer – more general home improvement OEB ranges introduced at Castorama & discounter-specific OEBs at Brico Dépôt
Stores	Modernising stores, ongoing rightsizings, trialling new compact stores at both banners - Brico Dépôt 1,000 sqm format launching in Q1 2023
New services	Developing services proposition with NeedHelp and new omnichannel services (e.g. van hire, renting partnerships, product refurbishment)

H1 proof points

LFL sales +13.6% vs 2019

—

Further market share gains in H1

—

Growth in customer satisfaction; Castorama and Brico Dépôt NPS scores (+12 and +10 vs 2019[(1)])

—

Increase in loyalty sales penetration

—

Improvement in overall product availability vs 2019

—

Maintaining strong price index (vs nearest peer) in both banners

—

Retail profit +19.8% vs H1 19/20, and retail profit margin % +40bps

(1) In-store NPS score

Strong execution against our strategic priorities and investing for growth

1. Grow e-commerce sales and roll-out marketplace
2. Screwfix – accelerating growth in UK, ROI & France
3. Significant opportunity to grow trade penetration
4. Strengthening our leadership position in Poland
5. Testing new formats & adapting our store footprint
6. Leading the way for more energy efficient homes

E-commerce development going from strength to strength

Progress in H1

- Broader product availability through 'digital hub' stores
- C&C lockers in all stores in Poland
- Continued successful roll-out of Screwfix Sprint to 300+ stores
- Enhanced digital colleague apps at B&Q
- Scaling B&Q marketplace

Forward focus

- Optimise store formats and implement further picking efficiencies
- Even faster C&C and more collection options for customers
- Extend ranges online & faster home delivery (incl. same day)
- Complete roll-out of Group technology stack in Poland
- Extend marketplace to France, Poland and Iberia

H1 proof points

2.6x
e-commerce sales vs 3 years ago

91%
of e-commerce orders picked in store

+8.4pts
increase in e-commerce sales penetration in 3 years

~45%
of UK population within <1 hour - Screwfix Sprint home delivery

24%
digitally-enabled sales

continued increase in online NPS (+20 vs 2019)

1

B&Q marketplace performing ahead of expectations; now preparing for roll-out across France, Poland and Iberia

- Expanded choice is key to success in home improvement
- Capitalising on our customer base and large online traffic
- Skilled & experienced Group marketplace team in place
- Strategic partnership with marketplace platform leader
- Attractive incremental profit opportunity

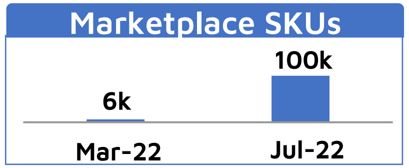
MIRAKL

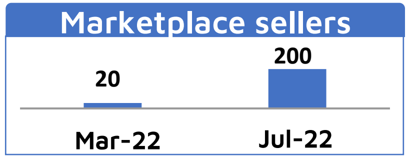
H1 achievements

B&Q

E-commerce marketplace launched at B&Q in March 2022

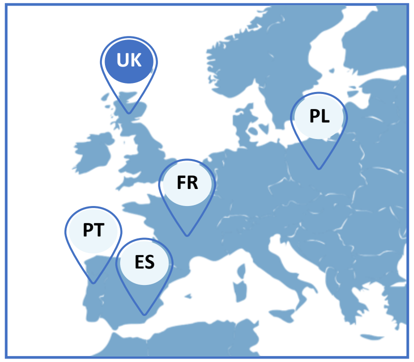
1. 100k new SKUs in <6 months
2. Available in 10 categories
3. In-store returns unlocked
4. Marketplace participation(1) of 8%





Medium term goals

1. Offer in-store click & collect
2. Prepare new market launches
3. Reach 1 million SKUs
4. Unlock all core categories



Long term ambition

Marketplace to reach 40%(2) e-commerce sales participation

(1) Represents B&Q's marketplace participation – i.e. B&Q's marketplace gross sales divided by B&Q's total e-commerce sales. Participation of 8% achieved in August 2022
(2) Meaning 40% of total e-commerce sales for the Group, excluding Screwfix, to be generated by marketplace gross sales

Screwfix – accelerating growth in the UK, Ireland and France

Continued enhancements to proposition driving share gains

Record 31 Screwfix stores opened in H1 in UK & Ireland – now at 821 stores[(1)]; on track for 80+ by end of financial year

—

Ultra-compact formats (seven stores to date) unlocking new catchments and showing promising early results

—

New Screwfix app downloaded 2.6m times; 30x faster search results & conversion 6% higher vs Screwfix website

—

<1-hour delivery proposition now covers c.45% of UK postcodes

—

Range expansion; launched 5k+ SKUs in H1 and a further ~10k to be added in H2

Ready for first stores in France

Screwfix France customer base building with increasing brand awareness and positive price perception

—

Strong web traffic & conversion driving confidence ahead of store openings

—

High NPS scores for home delivery on par with Screwfix UK

—

First distribution centre now open; local & national vendors selected & onboarded

—

First store openings within weeks

—

Meaningful step-up in store openings planned for 2023

(1) As of 31 July 2022

Significant opportunity to grow trade penetration in 'big boxes'

Building on TradePoint learnings, our focus is on 5 key areas

Store formats

Updating and growing TradePoint's presence at B&Q stores

—

Exploring dedicated trade counters in France, Poland & Iberia

Pricing & loyalty

Pilot launch of trade loyalty programmes in Poland and Iberia; early indications of positive impact on sales, ATV and trade visit frequency

Product range

Launching new trade-focused ranges (e.g. *Erbauer 12V* compact power tools range at Castorama France; exclusive distribution of *LickPro* paints via Screwfix)

Services

Speedy Hire integration & referrals launched on tradepoint.co.uk

—

New waste disposal partnerships directly targeted at trade

Digital

New TradePoint app to launch in 2023

TradePoint H1

H1 sales £435m;
LFL sales +34% vs H1 19/20

—

Step-up in Q2 sales trend vs Q1 (+36% vs H1 19/20)

—

Trade participation 21% (+2% YoY)

—

Online growth +28% YoY

—

Strong YoY growth of B2B TradePoint members (+14% YoY)

—

Updated 27 trade counters

—

Planning for launch in Republic of Ireland

Strengthening our leadership position in Poland

Progress in H1

- Strong performance of new kitchen ranges
- C&C lockers and drive-thru roll-out
- NeedHelp services implemented in all stores
- Self-checkout terminals now in c.50% of stores
- Testing new smaller format store concepts

Forward focus

- Drive productivity with C&C lockers and self-checkout roll-out
- Complete roll-out of Group technology stack
- Launch e-commerce marketplace
- Further develop the trade customer proposition
- Speeding up store expansion across Poland

H1 proof points

25.9%
1-year LFL sales growth

significant market share gains

18.7%
YoY growth of e-commerce sales in Q2 – large positive swing from Q1

15%
YoY new customer growth

93
stores in Poland[1] (H1 19/20: 78); 3 opened in H1

increase in store (+18) & online (+24) NPS vs 2019

(1) As of 31 July 2022

Adapting our store footprint to drive share & support growth

Compact stores driving share in urban areas
- Tests span three markets and four banners
- Total of 31 compact stores now open – testing small retail parks, high streets and grocery concessions

High street concept stores performing well
- Four new stores opened in H1 – including first two Castorama compact stores in Paris
- First 500 sqm express store opened in Poland in August

Third Castorama Smart store opened in Poland
- Positive results to date
- Rapid expansion planned to increase penetration in small towns and cities

Screwfix trialling ultra-compact format
- Two more stores opened in H1
- Seven test in total in a variety of urban and rural locations; promising early results

Second franchise store opened
- Second franchise B&Q store in Middle East opened in May

Positive initial results from rightsizings
- Positive initial results from five rightsizings completed last year at B&Q and Castorama France
- Further rightsizings planned in H2

Castorama Smart – third compact store opened in Mlawa, Poland in July

Screwfix – testing seven new ultra-compact store formats in new locations

Castorama La Rochelle – positive initial sales post re-opening from c.22% rightsizing

We are leading the way for more energy efficient homes

There is a huge unmet need

~**75%** UK & French homes have efficiency rating 'D' or worse

7 in 10 worried about energy price rises

83% already feeling pressure on finances

Majority don't know the options or impact they would have

Majority underestimate how much money can be saved

We have a strong & growing offer

More than 11.5k energy efficiency SKUs ensuring our range is helping customers to save energy & money at point of use

French customers get help in-store with *MaPrimeRénov* grant process & can borrow to bridge to the rebate payment

Castorama France partnerships expanding, adding solar installation alongside heating, insulation & ventilation services

Romania launching exterior window and door installation in several stores to help customers improve home insulation

B&Q partnership with *Boxt* enables seamless end-to-end customer journey for boiler upgrade and installation

B&Q campaigns to educate customers on energy and water efficiency tips, including potential savings

But our customers need more

B&Q and Brico Dépôt France have developed end-to-end solutions to help customers actively improve their homes' energy efficiency

1. Detailed diagnosis & personalised action plan
2. Dedicated advice for informed decisions
3. The products, services & finance to achieve

Source: Tackling the UK's energy efficiency gap, UK Homes Efficiency Report 2022

H1 22/23 results

Bernard Bot
Chief Financial Officer

Key financials

	Sales		Gross profit / margin %		Retail profit / margin %		Adjusted PBT[2] / margin %	
	£6,809m *-2.8%[1]*	-4.1% *LFL*	£2,496m *-6.3%[1]*	36.7% *-130bps[1]*	£555m *-27.1%[1]*	8.2% *-270bps[1]*	£472m *-29.5%*	6.9% *-250bps*
vs H1 19/20	*+17.4%[1]*	*+16.6%[1]*	*+15.9%[1]*	*-40bps[1]*	*+26.1%[1]*	*+60bps[1]*	*+40.2%*	*+130bps*

	Statutory profit		Free cash flow	Net debt	Net leverage
	Pre-tax	Post-tax			
	£474m *-30.0%*	£373m *-32.9%*	£104m *H1 21/22: £723m*	£(1,848)m[3] *H1 21/22: £(908)m*	1.3x *Net debt[3] / LTM[4] EBITDA*
vs H1 19/20	*+93.5%*	*+118.1%*	*H1 19/20: £204m*	*H1 19/20: £(2,384)m*	*H1 19/20: 1.8x*

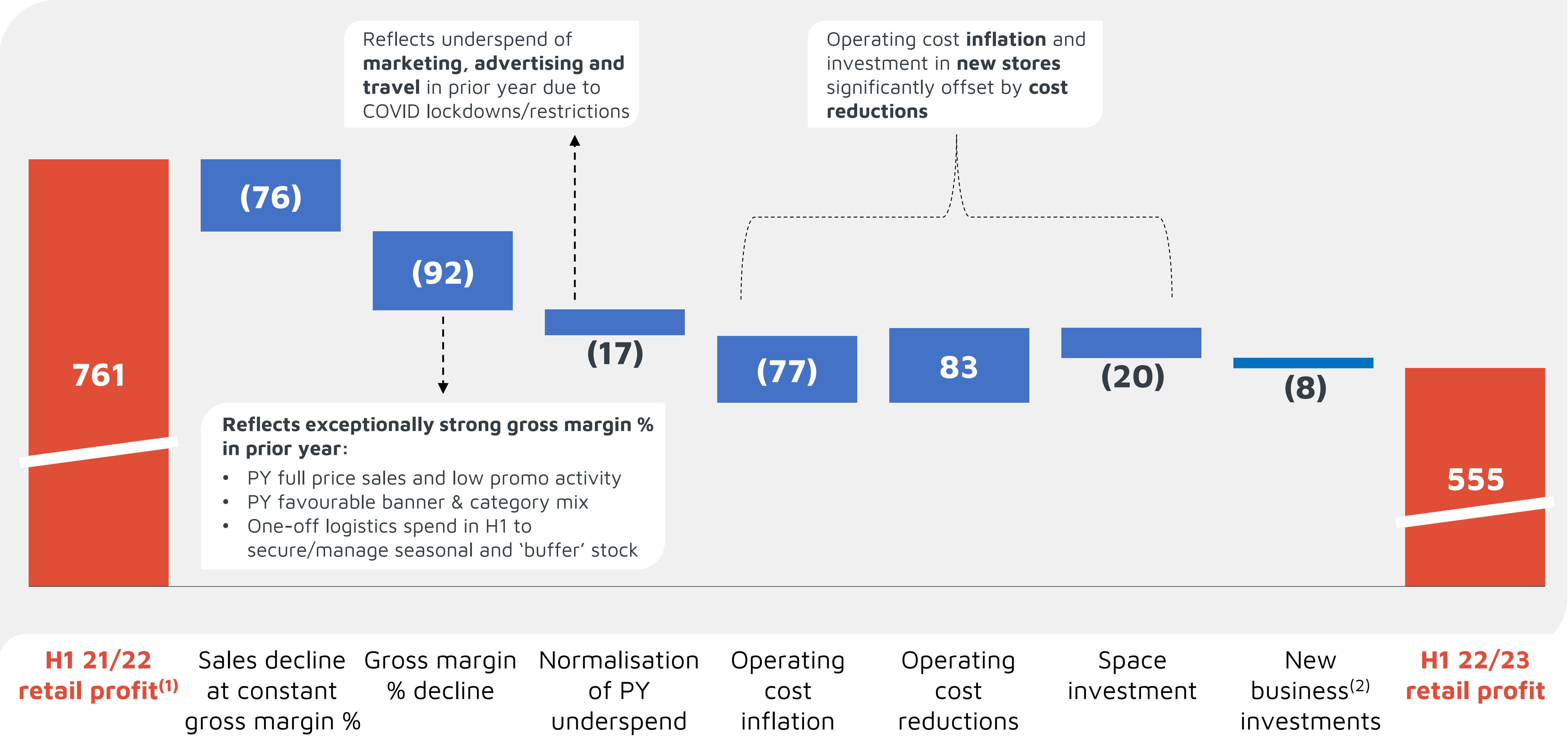
(1) Variance in constant currency
(2) Before adjusting items (pre-tax)
(3) Includes c.£2.3bn lease liabilities under IFRS 16 (H1 21/22: c.£2.3bn)
(4) Last twelve months

Geographic summary

	H1 22/23 sales			Retail profit/(loss)			Retail profit margin %		
	£m	% LFL(1)	% 3-year LFL (1)	£m	% chg(1)	% 3-year chg (1)	%	bps chg(1)	3-year bps chg (1)
UK & Ireland	**3,221**	*(11.6)%*	*+16.0%*	**339**	*(41.3)%*	*21.6%*	**10.5%**	*(570)bps*	-
B&Q	**2,082**	*(13.0)%*	*+16.7%*						
Screwfix	**1,139**	*(8.8)%*	*+14.4%*						
France	**2,325**	*(3.0)%*	*+13.6%*	**129**	*+2.4%*	*+19.8%*	**5.6%**	*+30bps*	*+40bps*
Castorama	**1,207**	*(0.5)%*	*+13.4%*						
Brico Dépôt	**1,118**	*(5.5)%*	*+13.8%*						
Poland	**913**	*+25.9%*	*+23.8%*	**94**	*+66.4%*	*+29.9%*	**10.3%**	*+230bps*	*(60)bps*
Iberia	**196**	*+2.3%*	*+15.6%*	**6**	*(40.7)%*	*162.9%*	**3.2%**	*(230)bps*	*+180bps*
Romania(2)	**145**	*+8.9%*	*+43.6%*	**(4)**	*+23.3%*	*+65.2%*	**(2.9)%**	*+80bps*	*+1,050bps*
Other(3)	**9**	*n/a*	*n/a*	**(13)**	*n/a*	*n/a*	***n/a***	*n/a*	*n/a*
Turkey(4)	**n/a**	*n/a*	*n/a*	**4**	*n/a*	*n/a*	***n/a***	*n/a*	*n/a*
Total	**6,809**	*(4.1)%*	*+16.6%*	**555**	*(27.1)%*	*+26.1%*	**8.2%**	*(270)bps*	*+60bps*

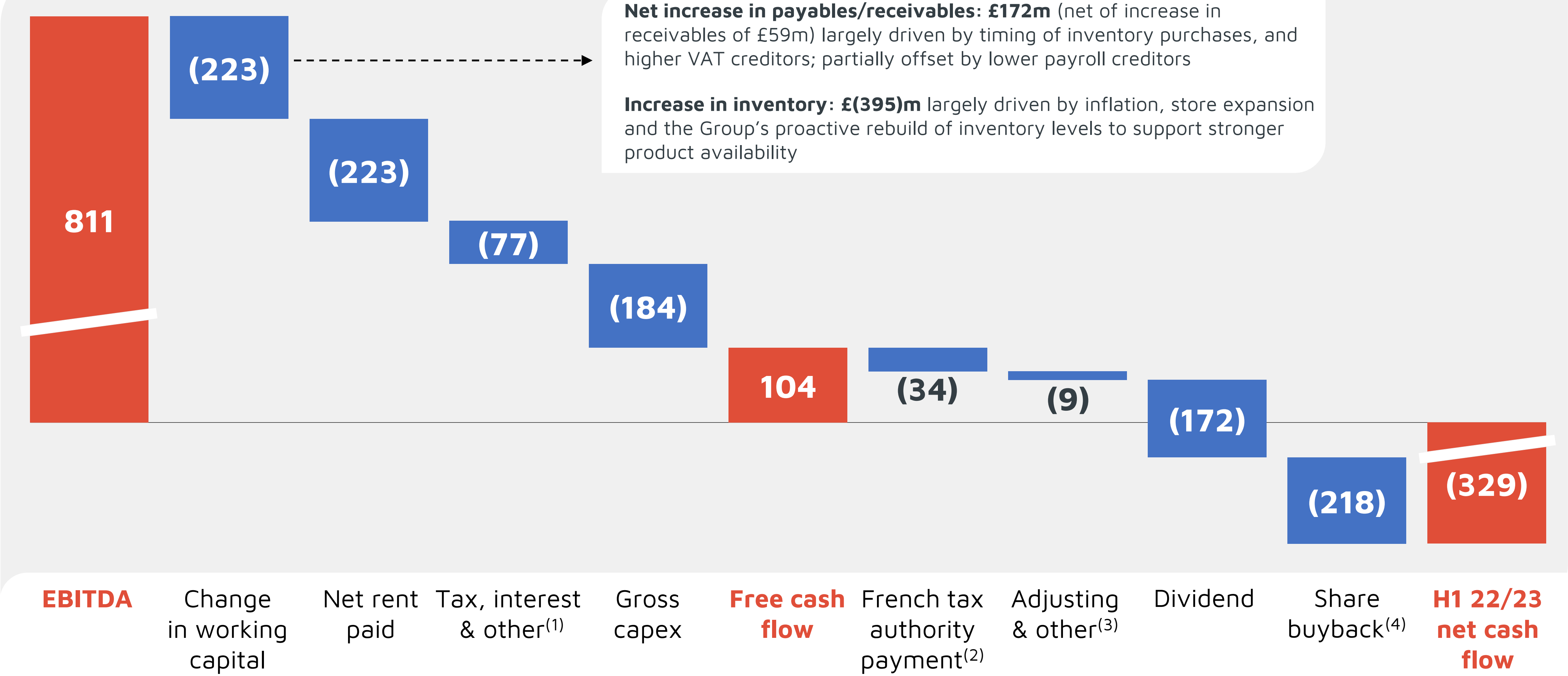
(1) Variance in constant currency
(2) Romania has historically prepared its financial statements to 31 December. In the prior year (FY 21/22), Romania migrated to Kingfisher's financial reporting calendar (year ended 31 January). Its sales and retail loss in the comparative period (H1 21/22) therefore included one additional month of results in order to facilitate the alignment to Kingfisher's financial reporting calendar. Constant currency variances for Romania's retail loss and margin % are for February to July 2022 (compared against January to July 2021), whilst LFL and 3-year LFL sales growth for Romania compares equivalent periods in the current and prior years. See slide 40 for further details
(3) 'Other' consists of the consolidated results of NeedHelp (acquired in November 2020), Screwfix International (launched online in France in April 2021), and results from franchise agreements
(4) Retail profit includes the equity-accounted profit of Koçtaş (Kingfisher's 50% JV in Turkey): H1 22/23: £4m (H1 21/22: £1m)

Group retail profit bridge



(1) H1 21/22 retail profit in constant currency
(2) New businesses represent NeedHelp, Screwfix International (France) and franchise agreements

Summary cash flows



Net increase in payables/receivables: £172m (net of increase in receivables of £59m) largely driven by timing of inventory purchases, and higher VAT creditors; partially offset by lower payroll creditors

Increase in inventory: £(395)m largely driven by inflation, store expansion and the Group's proactive rebuild of inventory levels to support stronger product availability

(1) 'Other' principally includes share-based payment compensation charge and movement in pensions
(2) In February 2022, a payment of €40m (c.£34m) was made to the French tax authorities relating to a historic tax liability. This amount was fully provided for in prior periods
(3) 'Adjusting & other' includes adjusting cash flow items (principally comprising the utilisation of restructuring provisions) and share purchases for employee incentive schemes
(4) Includes £143m outflow related to the completion of the first share buyback programme (completed in April 2022). As of 31 July 2022, £225m of the second £300m share buyback programme was still to be completed (as of 16 September 2022: £165m to be completed)

Net debt and liquidity

£m	H1 22/23	FY 21/22
IFRS 16 lease liabilities	(2,318)	(2,376)
Financial debt[1]	(9)	(5)
Cash and cash equivalents[2]	479	809
Net debt	**(1,848)**	**(1,572)**
Net debt to LTM EBITDA	**1.3x**	**1.0x**

Over £1bn of total liquidity as of 31 July 2022 (including undrawn £550m RCF)

Outflow of £390m in H1 relating to ordinary dividends and share buybacks

Net leverage of 1.3x as of 31 July 2022

To maintain a solid investment grade rating, our target remains a maximum of c.2.0x net debt to EBITDA over the medium term

(1) Relates to financing derivatives and bank loans
(2) Net of bank overdrafts

Productivity – key underpin to our performance

Aiming to partially offset impact of inflation and cost of expansion

Rolling 3-year plan with continuous monitoring and development of new initiatives

Property

Lease renegotiations; store 'rightsizing' benefits

Example: In the last 12 months, B&Q has completed 34 lease renegotiations with an average net rent reduction of 19%

Store productivity

Use of technology and new store operating models; stock 'shrinkage' reduction initiatives

Example: Roll-out of self-checkout terminals across B&Q, France and Poland

Overheads

Covering Group and banner head offices. Streamlined operating models and expansion of Krakow shared services

Example: New Group-wide commercial operating model

GNFR optimisation

Optimisation of c.£1.9bn GNFR spend. Over 220 projects in motion, 70 of which each deliver more than £0.25m of annualised savings

Examples: Cleaning, security, media buying, logistics, printing and paper

Supply and logistics

Space reduction, network optimisation and operational efficiency

Examples: New B&Q bulk distribution centre & automation of Screwfix's Trentham warehouse

FY 22/23 outlook and guidance

H1 and current trading consistent with FY adjusted PBT of c.£770m

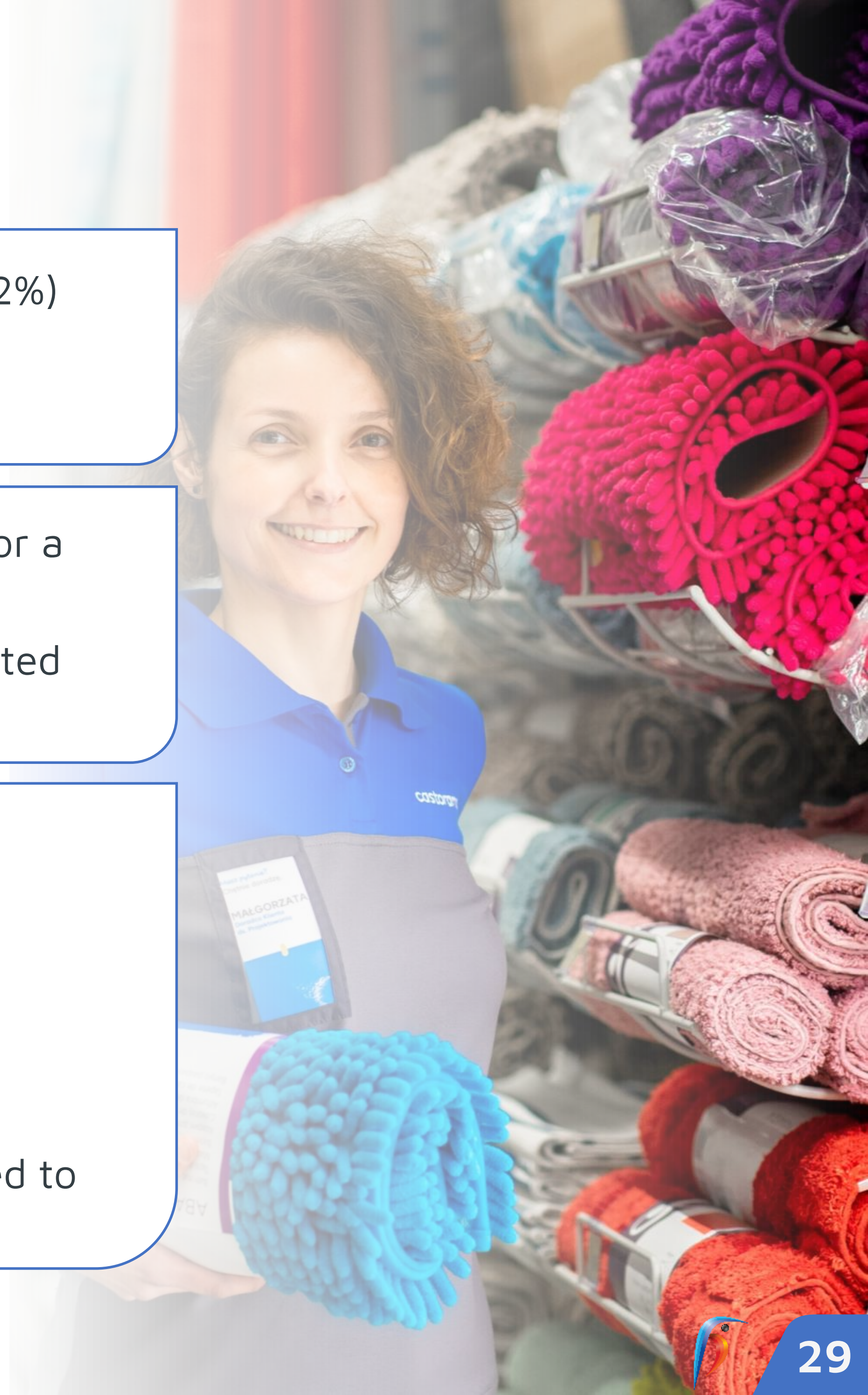
- Q3 22/23 LFL to date[1] -0.7% (3-year LFL +15.2%)
- Continued resilience in outdoor and 'big-ticket' category sales trends

We have run trading scenarios on the balance of year

- Trading scenarios take into account potential for a more uncertain macro environment
- These point towards a range of FY 22/23 adjusted PBT[2] outcomes of c.£730m to £770m

Expect continued strong execution

- Targeting further market share growth
- Anticipate full year gross margin % to be in line with pre-pandemic level (FY 19/20: 37.0%)
- Accelerating investment in Screwfix France
- Committed to continued active and responsive management of operating costs
- Anticipate reduction of stock levels in H2 related to sell-through of a large part of 'buffer' stock



(1) 31 July to 17 September 2022
(2) Guidance assumes current exchange rates

Summary

Thierry Garnier
Chief Executive Officer

Summary

H1 performance in line with expectations and significantly ahead of pre-pandemic levels

Supported by continued momentum in market share gains in the UK, France and Poland

Resilient sales from both DIY and DIFM/trade categories

Delivering on value for our customers and effectively managing pressures from the current environment

Strong execution against our strategic priorities and investing for growth

Attractive shareholder returns; reflects confidence in long-term growth and cash generation opportunity

Q&A


GARDEN CENTRE
ENTRANCE
B&Q
EXIT
enterprise
KEEP LEFT
ONE WAY
NO ENTRY
EXIT

ADR programme

Kingfisher ADRs trade on OTCQX – the premier tier of the U.S. over-the-counter market under the following information:

Symbol	KGFHY
CUSIP	495724403
Ratio	1 ADR : 2 ORDs
Country	United Kingdom
Effective Date	1 January 1986
Underlying SEDOL	3319521
Underlying ISIN	GB0033195214
Depositary	Citi

Benefits of ADRs to U.S. investors:

- Clear and settle according to normal U.S. standards
- Offer the convenience of stock quotes and dividend payments in U.S. dollars
- Can be purchased/sold in the same way as other U.S. stocks via a U.S. broker
- Provide a cost-effective means of international portfolio diversification

For questions about Kingfisher ADRs, please contact Citi:

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Appendices

FY 22/23 technical guidance[1]

Space	▪ Net space growth to impact total sales by c.+1.5%, largely from Screwfix and Poland
Gross margin %	▪ In line with pre-pandemic level (FY 19/20: 37.0%)
New businesses	▪ 'Other'[2] retail losses of c.£30m (FY 21/22: £10m) *(previous guidance c.£20m, with increase driven by accelerated investment in Screwfix France)* ▪ Retail loss of c.£5m in relation to B&Q's e-commerce marketplace
Central costs	▪ Broadly flat YoY (FY 21/22: £60m)
Net finance costs	▪ Decrease by c.£20m mainly as a result of lower lease liability interest rate (FY 21/22: £137m) *(previous guidance decrease by c.£15m)*
PBT	▪ Full year adjusted PBT[3] in the range of c.£730m to £770m *(previous guidance c.£770m)*
Tax rate	▪ Group adjusted effective tax rate of c.22%[4] (FY 21/22: 22%)
Balance sheet & cash flow	▪ **Inventory** – anticipate reduction of stock levels in H2 related to sell-through of a large part of 'buffer' stock ▪ **Capital expenditure** – targeting gross capex of c.3.5% of total sales (FY 21/22: £397m; c.3.0% of total sales) ▪ **Tax** – in February 2022, a payment of €40m (c.£34m) was made to the French tax authorities relating to a historic tax liability. The amount was fully provided for in prior periods ▪ **Share buybacks** – c.£325m outflow for share buybacks ▪ **Dividends** – c.£246m outflow for dividends. Dividend policy target cover range remains 2.25-2.75 times, based on adjusted basic EPS

(1) Please refer to slide 2 for further details regarding forward-looking statements
(2) 'Other' consists of the consolidated results of NeedHelp, Screwfix International, and franchise agreements. This is reported within the 'Other International' operating segment.
(3) Guidance assumes current exchange rates
(4) Subject to the blend of profit within the Group's various jurisdictions

H1 performance summary – UK & Ireland

B&Q (including TradePoint)

LFL sales -13.0%; 3-year LFL +16.7%

E-commerce sales -17%; 3-year +149%; 11% of sales

TradePoint LFL -3.1%; 21% of sales

Screwfix

LFL sales -8.8%; 3-year LFL +14.4%

E-commerce sales -17%; 3-year +144%; 60% of sales

	H1 22/23	H1 21/22	*% chg[1]*
Sales (£m)	**3,221**	3,570	***-9.8%***
LFL (%)	**-11.6%**	+28.1%	
Gross margin (%)			***-200bps***
Operating costs			***+3.9%***
RP (£m)	**339**	579	***-41.3%***
RP margin (%)	**10.5%**	16.2%	***-570bps***

Total UK & Ireland

Sales -9.8%, LFL sales -11.6% (3-year LFL +16.0%) – reflecting very strong prior year comparatives. LFL sales trend improved from -15.8% in Q1 to -7.1% in Q2, supported by resilient sales from both DIY and DIFM/trade categories and benefiting from more favourable weather.

Gross margin -200bps[1] – reflecting 'normalised' promotional activity versus the prior year, one-off logistics spend to secure and manage seasonal and 'buffer' stock, and mix impacts (including banner and category mix).

Costs +3.9%[1] – reflecting higher costs associated with 88 net new store openings (YoY) and operating cost inflation, including higher utility charges. The increase in operating costs was partially offset by lower staff costs and cost reductions achieved as part of our strategic cost reduction programme.

RP = retail profit

(1) Variance in constant currency

H1 performance summary – France

Castorama

LFL sales -0.5%; 3-year LFL +13.4%

—

E-commerce sales -38%; 3-year +226%; 5% of sales

Brico Dépôt

LFL sales -5.5%; 3-year LFL +13.8%

—

E-commerce sales -34%; 3-year +138%; 4% of sales

	H1 22/23	H1 21/22	*% chg[(1)]*
Sales (£m)	**2,325**	2,437	***-2.6%***
LFL (%)	**-3.0%**	+24.4%	
Gross margin (%)			***-30bps***
Operating costs			***-4.5%***
RP (£m)	**129**	129	***+2.4%***
RP margin (%)	**5.6%**	5.3%	***+30bps***

Total France

Sales -2.6%, LFL sales -3.0% (3-year LFL +13.6%) – reflecting resilient sales despite strong prior year comparatives. The LFL sales trend improved from -3.7% in Q1 to -2.3% in Q2, driven by an improving sales trend at Brico Dépôt. In H1 22/23, Kingfisher France outperformed the market (based on *Banque de France* data), driven by the outperformance of Castorama which grew 3% ahead of the market.

—

Gross margin -30bps[(1)] – reflecting category mix impacts and 'normalised' promotional activity versus the prior year, partially offset by lower logistics costs.

—

Costs -4.5%[(1)] – reflecting lower staff costs (including the phasing of store staff incentives), lower store property costs, and cost reductions achieved as part of our strategic cost reduction programme.

RP = retail profit

(1) Variance in constant currency

H1 performance summary – Poland

Castorama

LFL sales +25.9%; 3-year LFL +23.8%

—

E-commerce sales -3%; 3-year +330%; 5% of sales

	H1 22/23	H1 21/22	*% chg(1)*
Sales (£m)	**913**	743	***+29.0%***
LFL (%)	**+25.9%**	-5.0%	
Gross margin (%)			***+10bps***
Operating costs			***+18.1%***
RP (£m)	**94**	58	***+66.4%***
RP margin (%)	**10.3%**	8.0%	***+230bps***

Castorama

Sales +29.0%, LFL sales +25.9% (3-year LFL +23.8%) – supported by strong market share gains, notwithstanding weak prior year comparatives. The business has achieved very strong growth across all categories on a 3-year basis, with building & joinery, kitchen and outdoor all growing by over 30%.

—

Gross margin +10bps(1) – largely reflecting favourable mix impacts (category and channel mix).

—

Costs +18.1%(1) – reflecting space growth and new store opening costs, higher marketing costs, staff and operating cost inflation, as well as reflecting the reversal of one-off cost savings in H1 21/22 related to the period of temporary store closures. The increase in operating costs was partially offset by cost reductions achieved as part of our strategic cost reduction programme.

RP = retail profit
(1) Variance in constant currency

H1 performance summary – Romania and Iberia

Brico Dépôt Romania

Sales[1] -1.8%, LFL sales[2] +8.9% (3-year LFL[2] +43.6%); LFL reflects strong YoY performances in building & joinery, kitchen, surfaces & décor and outdoor categories.

—

Retail loss[1] improved 23.3% with gross profit growth partially offset by operating costs +4.5%, mainly driven by staff costs and inflation.

—

On a comparable basis[1], Romania's retail loss increased by 3.6% YoY.

	H1 22/23	H1 21/22	*% chg[3]*
Sales[1] (£m)	**145**	152	***-1.8%***
LFL[2] (%)	**+8.9%**	+19.2%	
RL[1] (£m)	**-4**	-6	***+23.3%***

Brico Dépôt Iberia

Sales +2.3%, LFL sales +2.3% (3-year LFL +15.6%); reflecting resilient sales against strong prior year comparatives, though impacted by abnormally cold and wet weather during Q1. LFL sales growth improved in Q2 to +4.4%.

—

Retail profit -41% reflecting a lower gross margin % and operating costs +2.0%.

	H1 22/23	H1 21/22	*% chg[3]*
Sales (£m)	**196**	196	***+2.3%***
LFL (%)	**+2.3%**	+45.5%	
RP (£m)	**6**	11	***-40.7%***

RP = retail profit; RL = retail loss

(1) Romania's sales & retail loss presented in H1 21/22 included one additional month of results (to align to Kingfisher's financial reporting calendar last year). Reported and constant currency variances for sales & retail loss are for Feb-July 2022 (compared against Jan-July 2021)

(2) Romania's LFL and 3-year LFL sales growth compares equivalent periods in the current and prior years

(3) Variance in constant currency

Thank you


Lisa
B&Q
PAINT PRO
Dulux
Satinwood
BRICO DEPOT
castorama
PORADY
Jamie
Duty Manager
SCREWFIX