Kingfisher plc
Half Year Results

Six months to 31 July 2023

19 September 2023

Disclaimer

You are not to construe the content of this presentation 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 presentation 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 presentation has been prepared in relation to the financial results for the six months ended 31 July 2023. The financial information referenced in this presentation is not audited and does not contain sufficient detail to allow a full understanding of the results of the Group. For more information, the entire text of the RNS announcement containing the financial results for the six months ended 31 July 2023 can be found on the Investor Relations section of the Company's website. Nothing in this presentation 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).

This presentation is being solely made and directed at persons to whom this presentation may lawfully be communicated ("relevant persons"). Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

Certain information contained in this presentation 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 RNS announcement containing the results for the six months ended 31 July 2023, to which this presentation relates, and 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.

Welcome & agenda

Thierry Garnier (CEO): Introduction

Key messages and H1 highlights

Bernard Bot (CFO): H1 23/24 results

Performance overview

Effective supply chain and cost management

Cash, debt and liquidity

FY 23/24 outlook & guidance

Thierry Garnier (CEO): Operational & strategic update

Strong & diverse with proven resilience

Executing against our strategic priorities & investing for growth

H2 focus areas and medium-term priorities

Key messages

Group H1 sales slightly ahead of expectations; adjusted PBT of £336m

Positive UK & Ireland sales, resilience at Castorama France and weaker at Brico Dépôt, difficult trading environment in Poland

Resilient sales from core and 'big-ticket' categories (78% of sales), volumes showing an improving trend through the period

Continuing to invest in our strategic priorities, including marketplace, data, our trade proposition and Screwfix

Updating full year adjusted PBT guidance to c.£590m; continue to expect >£500m free cash flow for the year

Announcing a new £300m share buyback programme; reflects confidence in long-term growth and cash generation opportunity

H1 financial highlights

Resilient overall sales performance despite impacts from unseasonal weather and weak macro & consumer	*Total sales* ***-1.0%****(1)* *LFL* ***-2.2%***
Sequential improvement in Q2	*Q1 LFL -3.3%, Q2 LFL -1.2%* *Q3 LFL to date(2)* ***-2.4%***
E-commerce sales +7.1% YoY	***16.8%*** *sales penetration (+1.2% YoY)* *Marketplace* ***>30%*** *diy.com sales*
Adjusted PBT -28.8% YoY; lower than expected Poland performance	*Adjusted PBT* ***£336m*** *(vs c.£350m guidance)*
Strong free cash flow in line with expectations, supported by working capital unwind	*Free cash flow* ***£346m***
Over £260m returned to shareholders in H1 through dividends and buybacks	*Interim dividend* ***3.80p*** *(flat vs H1 22/23)*

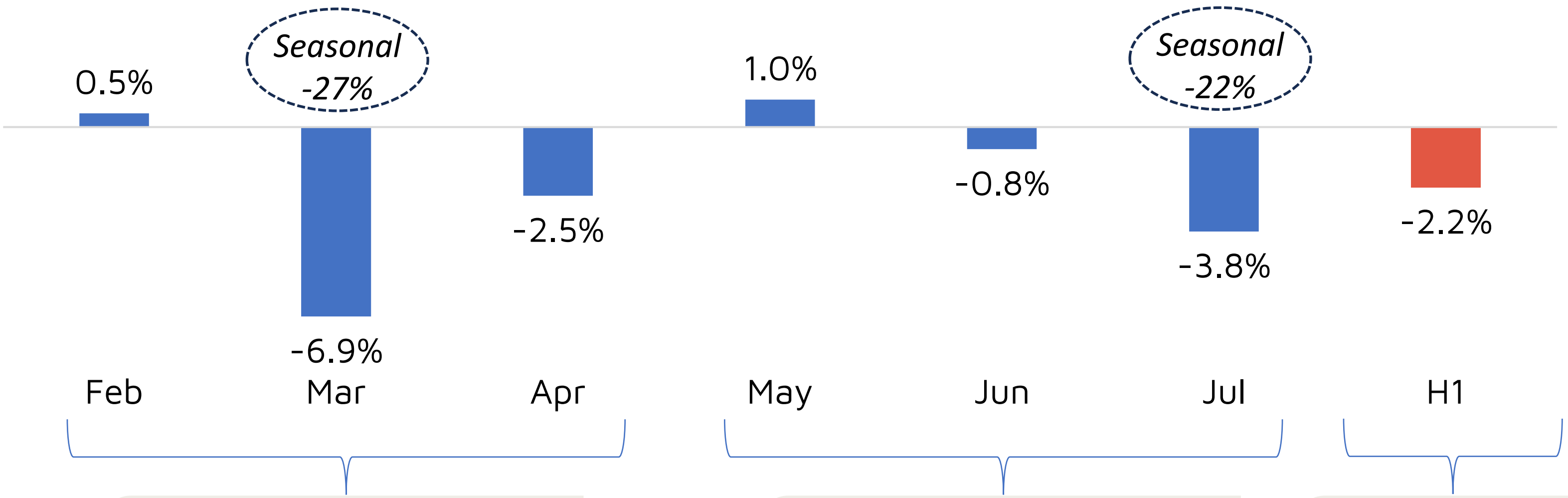
---

(1) In constant currency
(2) 30 July to 9 September 2023

H1 trading impacted by unseasonal weather in March and July; resilience in core & 'big-ticket'

Unseasonal weather conditions heavily impacted trading in March and July

Group LFL sales (%)



Q1 Group LFL: -3.3%
Core & 'big-ticket': -1.4%
Seasonal: -10.6%

Q2 Group LFL: -1.2%
Core & 'big-ticket': -0.6%
Seasonal: -2.7%

Core & 'big-ticket': -1.0%
Seasonal: -5.9%

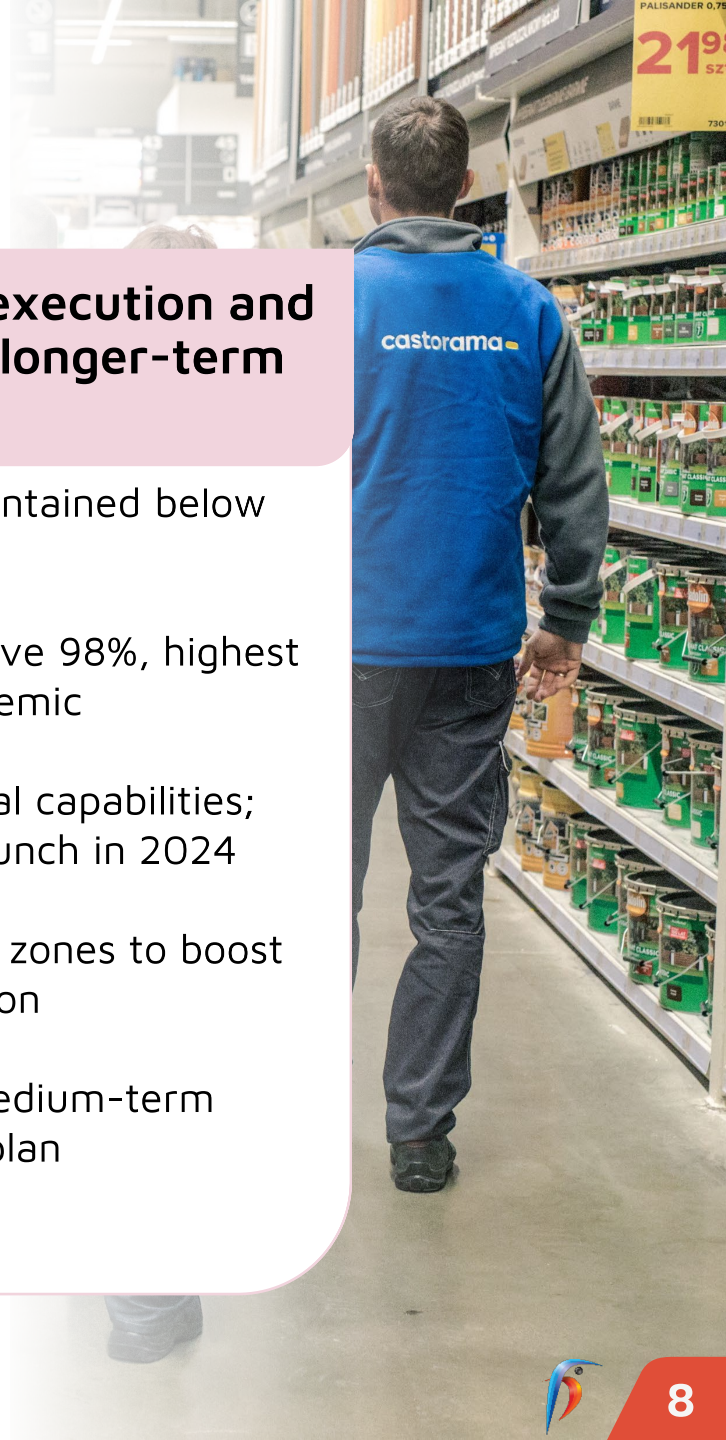
Diverse regional sales trends and performance in H1

UK & Ireland	▪ Mixed macro and housing indicators but very resilient consumer ▪ "Improve, not move" trend supporting robust demand from trade segment ▪ Unseasonal weather especially in March and July	*H1 LFL: +1.7%* *Core & 'big-ticket': +2.8%* *Seasonal: -2.1%*	▪ Good performance at B&Q especially in core and 'big-ticket' categories ▪ LFL acceleration at Screwfix, significant market share gains
France	▪ Macro environment remained challenging ▪ Consumer confidence at a 10-year low(1) – impacted by strikes/protests ▪ Unseasonal weather especially in March and July	*H1 LFL: -3.8%* *Core & 'big-ticket': -2.1%* *Seasonal: -8.5%*	▪ Resilient performance at Castorama, particularly in core and 'big-ticket' ▪ Brico Dépôt's performance impacted by strikes in Q1, heavier impact on sales of weather, and unsuccessful reallocation of marketing to digital
Poland	▪ Very weak macroeconomic environment, with high inflation and interest rates impacting consumer ▪ Unseasonal weather, especially in June	*H1 LFL: -10.9%* *Core & 'big-ticket': -10.8%* *Seasonal: -11.3%*	▪ Difficult trading conditions and high prior year comps in H1, resulting in weaker than expected performance at Castorama Poland

---

(1) As measured by INSEE

Addressing near-term challenges in Poland



Weak macroeconomic backdrop impacting demand

LFL sales down 10.9% in H1 due to weaker market; growth faster than the market on a two-year basis(1)

—

Gross margin decrease reflecting higher customer participation in promotional activity, clearance and sales mix

—

Higher operating costs driven by cost inflation and higher technology costs

—

Retail profit decrease of 64% YoY(2) against tough comps

Responding to near-term pressures in H2

Actions being taken:

- Negotiating supplier cost price reductions
- Reducing store staff, temporary staff and incentives
- Flexing variable costs e.g., marketing spend
- Rephasing of certain investments including lowering store openings this year
- Lower unit energy costs expected in H2 vs H1

Focused on execution and confident in longer-term opportunity

Price index maintained below key peers

—

Availability above 98%, highest since pre-pandemic

—

Enhanced digital capabilities; marketplace launch in 2024

—

Launch of 'Pro' zones to boost trade penetration

—

Confident in medium-term store opening plan

(1) As measured by GfK
(2) In constant currency

H1 23/24 results

Bernard Bot
Chief Financial Officer

Key financials

Sales

£6,880m
Total sales -1.0%[1]
LFL -2.2%

Gross profit / margin %

£2,495m *-2.0%[1]*
36.3% *-40bps[1]*

Retail profit / margin %

£433m *-23.0%[1]*
6.3% *-180bps[1]*

Adjusted PBT[2] / margin %

£336m *-28.8%*
4.9% *-200bps*

Statutory profit

Pre-tax: **£317m** *-33.1%*
Post-tax: **£237m** *-36.5%*

Free cash flow

£346m
H1 22/23: £104m

Net debt

£(2,181)m[3]
H1 22/23: £(1,848)m

Net leverage

1.6x
Net debt[3] / LTM EBITDA[4]

---

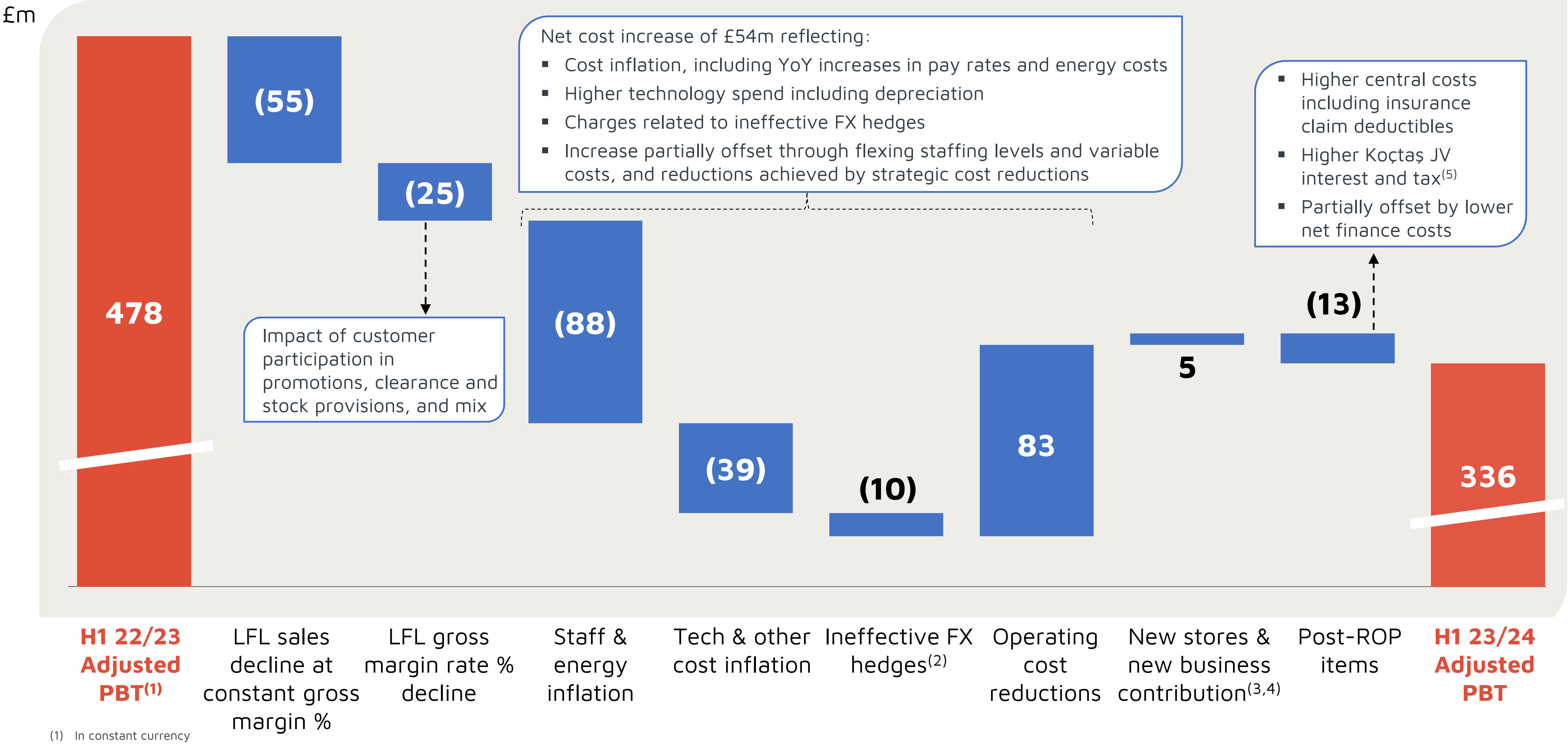
(1) Variance in constant currency
(2) Before adjusting items (pre-tax)
(3) Includes £2,398m lease liabilities under IFRS 16 (H1 22/23: £2,318m)
(4) Last twelve months

Geographic summary

	H1 23/24 sales			Retail operating profit		ROP margin %	
	£m	% chg[1]	% LFL	£m	% chg[1]	%	bps chg[1]
UK & Ireland	**3,346**	*3.8%*	*1.7%*	**306**	*(9.8)%*	**9.2%**	*(130)bps*
B&Q	**2,101**	*0.8%*	*1.0%*				
Screwfix	**1,245**	*9.2%*	*3.1%*				
France	**2,311**	*(3.8)%*	*(3.8)%*	**104**	*(21.9)%*	**4.5%**	*(100)bps*
Castorama	**1,213**	*(2.7)%*	*(2.7)%*				
Brico Dépôt	**1,098**	*(5.0)%*	*(5.0)%*				
Poland	**880**	*(8.5)%*	*(10.9)%*	**35**	*(64.4)%*	**4.0%**	*(630)bps*
Iberia	**200**	*(1.2)%*	*(1.2)%*	**3**	*(50.3)%*	**1.6%**	*(160)bps*
Romania	**137**	*(8.4)%*	*(4.9)%*	**(10)**	*n/a*	**(7.3)%**	*n/a*
Other[2]	**6**	*n/a*	*n/a*	**(10)**	*n/a*	**n/a**	*n/a*
Turkey[3]	**n/a**	*n/a*	*n/a*	**5**	*n/a*	**n/a**	*n/a*
Total	**6,880**	*(1.0)%*	*(2.2)%*	**433**	*(23.0)%*	**6.3%**	*(180)bps*

(1) Variance in constant currency
(2) 'Other' consists of the consolidated results of Screwfix International, NeedHelp, and results from franchise agreements
(3) Retail profit includes the equity-accounted profit of Koçtaş (Kingfisher's 50% JV in Turkey); excludes share of JV interest & tax

Group profit bridge



Impact of customer participation in promotions, clearance and stock provisions, and mix

Net cost increase of £54m reflecting:
- Cost inflation, including YoY increases in pay rates and energy costs
- Higher technology spend including depreciation
- Charges related to ineffective FX hedges
- Increase partially offset through flexing staffing levels and variable costs, and reductions achieved by strategic cost reductions

- Higher central costs including insurance claim deductibles
- Higher Koçtaş JV interest and tax[5]
- Partially offset by lower net finance costs

(1) In constant currency
(2) Includes £1m related to favourable FX movement versus prior year
(3) Profit contribution before allocation of IT and overhead costs
(4) New businesses represent Screwfix International, Screwfix Spares, NeedHelp and franchise agreements
(5) Reflecting accounting under high inflation and interest rates

Active and responsive management of gross margin and costs

H1 gross margin slightly down

H1 gross margin down 40bps reflecting higher customer participation in promotional activity in France and Poland, higher clearance costs and stock provisions, and sales mix in Poland

—

Maintained competitive price index

—

Input cost inflation remained high, but lower rate of increase vs H2 22/23; constructive supplier negotiations

H2 outlook

Further easing of input cost inflation in H2

—

Significant decrease in freight costs

—

FX exposure for FY 23/24 fully hedged but YoY headwind

—

Maintain competitive pricing while managing inflation effectively

£83m of operating cost reductions achieved in H1

FTEs c.2,700(1) lower YoY across stores and head offices

—

Reduced electricity and gas consumption by 12%

—

Far-sourced major call centre of the Group

—

Drove substantial GNFR savings in IT, advertising and marketing, cleaning, security and facilities management

—

Tightly managed range review costs

H2 outlook

Maintain cost discipline; additional levers in our control to align to trading conditions

—

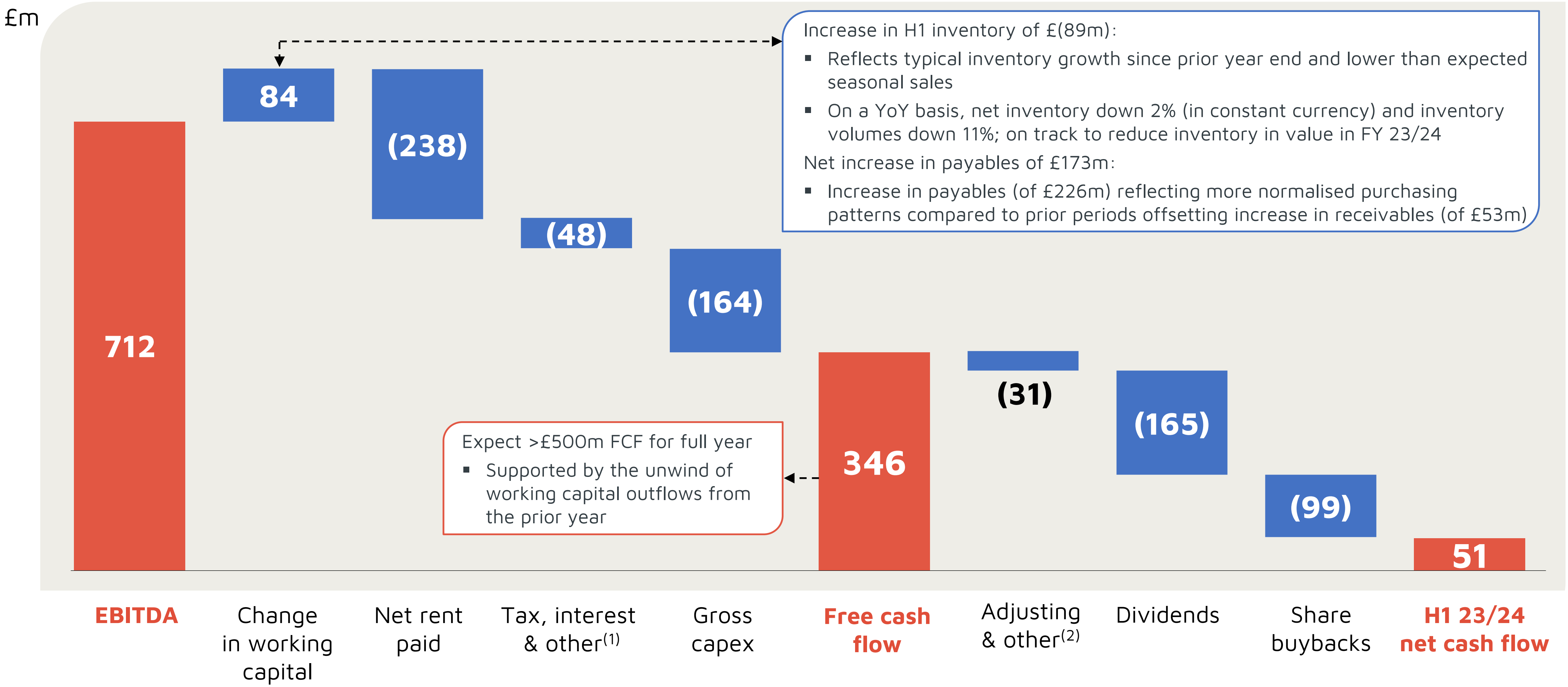
Easing YoY of staff and energy cost inflation

—

Rephase some investments including range reviews and store openings in Poland and Screwfix France

(1) Including non-retail banner employees

Summary cash flows



Increase in H1 inventory of £(89m):

- Reflects typical inventory growth since prior year end and lower than expected seasonal sales
- On a YoY basis, net inventory down 2% (in constant currency) and inventory volumes down 11%; on track to reduce inventory in value in FY 23/24

Net increase in payables of £173m:

- Increase in payables (of £226m) reflecting more normalised purchasing patterns compared to prior periods offsetting increase in receivables (of £53m)

Expect >£500m FCF for full year

- Supported by the unwind of working capital outflows from the prior year

---

(1) 'Other' principally includes share-based payment compensation charge and movement in pensions

(2) 'Adjusting & other' includes share purchases for employee incentive schemes, adjusting cash flow items (principally comprising restructuring costs) and the acquisition of assets of Connect Distribution Services Limited, partially offset by proceeds on the disposal of Crealfi S.A. and proceeds from the issue of new shares

Optimising our supply chain and inventory management

On track to deliver inventory reduction

Inventories down 2% YoY despite weaker than expected seasonal sales; volume units down 11% YoY, with inflation offset by strategic initiatives and reduced purchasing

—

All categories excluding seasonal reducing in line with expectations

—

Product availability highest since pre-pandemic

H2 outlook

Maintaining high product availability

—

On track for our inventory to reduce in FY 23/24

—

Continuing to implement efficiencies in our network through new tools driven by AI

'Supply chain visibility tool' to optimise stock levels and inventory management

Provide our banners with real-time and end-to-end visibility of products from factory to store

—

Multi-year opportunity supports significant inventory reduction

—

Live in France, Iberia and Romania with early evidence showing improvement in availability and forecasting driving shorter lead times and better inventory turn

Net debt and liquidity

£m	H1 23/24	FY 22/23
IFRS 16 lease liabilities	(2,398)	(2,444)
Financial debt[1]	(100)	(100)
Cash and cash equivalents[2]	317	270
Net debt	**(2,181)**	**(2,274)**
Net debt to LTM EBITDA	**1.6x**	**1.6x**

Over £800m of total liquidity as of 31 July 2023 (including undrawn £550m RCF)

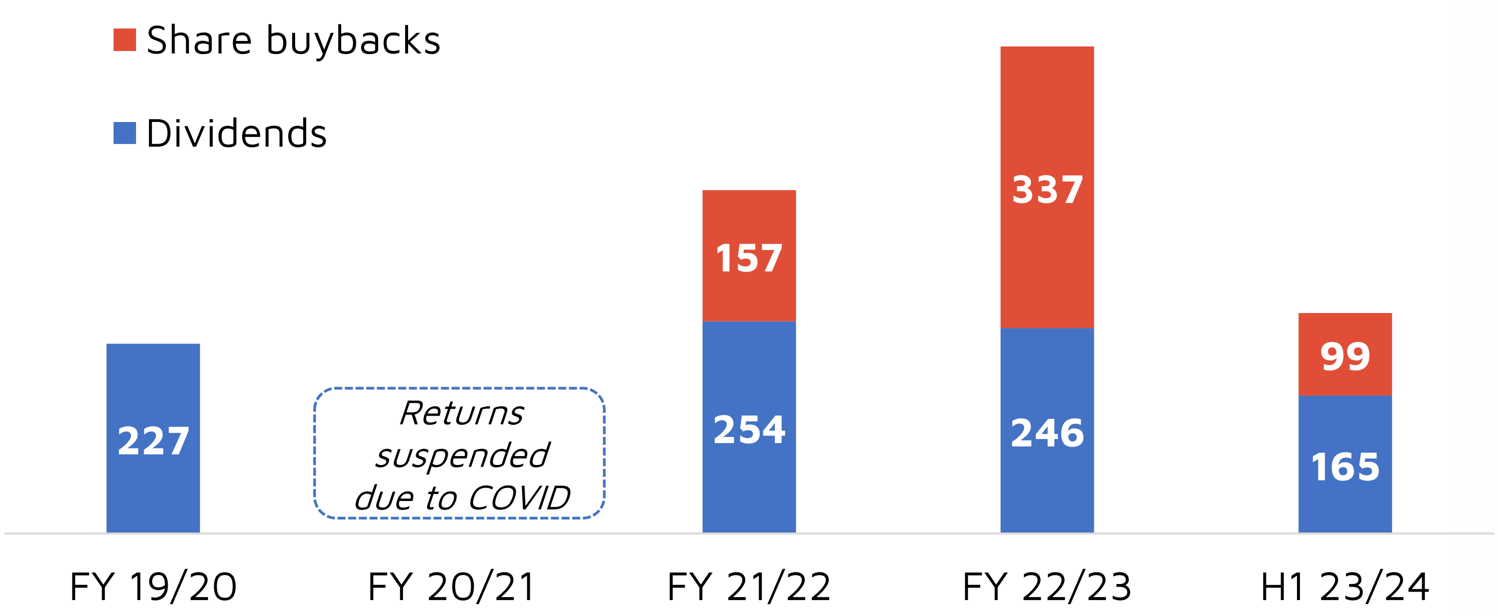
Net leverage of 1.6x as of 31 July 2023

To maintain a solid investment grade rating, our maximum net leverage (net debt to EBITDA) over the medium-term remains at 2.0x

(1) Relates to fixed term debt, bank loans and financing derivatives
(2) Net of bank overdrafts

£1.5bn of capital returned to shareholders since FY 19/20

Completed £600m of share buybacks over last two years; announcing a new £300m programme, to begin in early October



FY 23/24 outlook and guidance

Current trading in Q3

- Q3 23/24$^{(1)}$ LFL sales -2.4%
- Against Q2 sales trends, continued momentum in the UK & Ireland, slight slowdown in France, small improvement in Poland
- Core and 'big-ticket' category volume trends continuing to improve

Expectations for H2

- Maintain disciplined trading and competitive price indices
- Easing of YoY inflation on COGS, staff and energy costs
- Actively managing operating costs to align to trading conditions

- **Updating FY 23/24 adjusted PBT guidance to c.£590m**
- **On track to reduce net inventory; expect >£500m free cash flow in FY 23/24**
- **Announcing a new £300m share buyback programme**

---

(1) To 9 September 2023

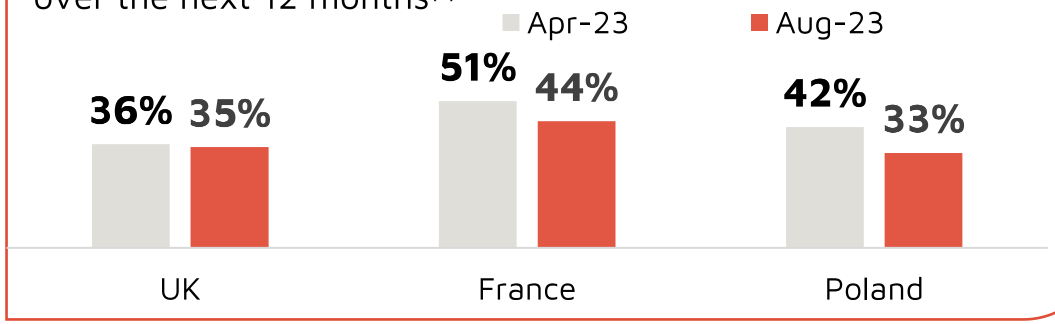
Operational and strategic update

Thierry Garnier
Chief Executive Officer

Surveys highlight resilient forward intentions for HI

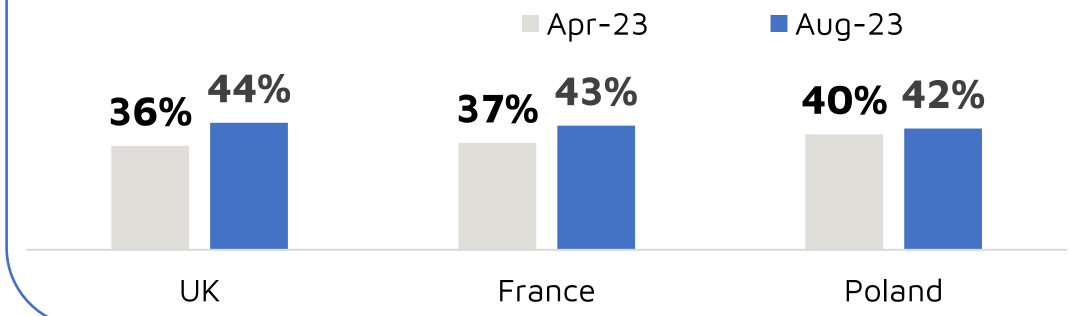
Improving sentiment on personal finances, but confidence still lowest in France

% of consumers thinking state of personal finances will get worse over the next 12 months[1]



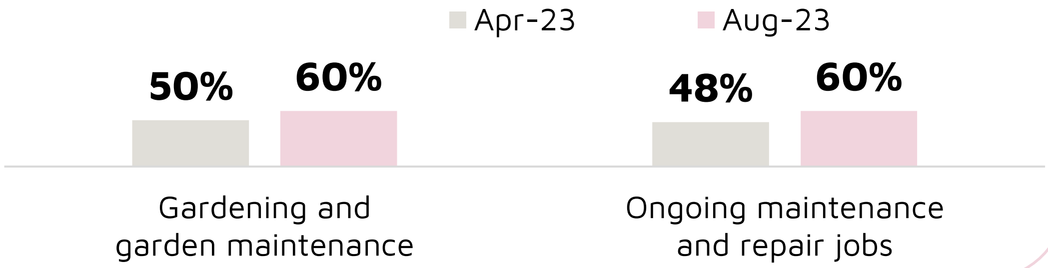
Interest and intentions to do home improvement increasing

% of consumers intending to do more DIY in the next 12 months[1]



Increased uptake for maintenance & repairs as consumers “improve, not move”

% undertaking maintenance/ repair and garden projects in last 12 months[1]



Tradespeople remain busy, with more work in the pipeline

93% of UK tradespeople working, **80%** have more work to come[2]

83% of UK tradespeople are just as busy or busier vs this time last year[3]

---

(1) Source: Kingfisher Home Improvement Pulse Survey, August 2023 (UK, France, Poland)
(2) Source: Screwfix Trade Pulse Survey, July 2023
(3) Source: On The Tools 2023 Q3 ‘Trade Brain’ pulse report

A resilient business with strong foundations

International market leader

#1 or #2 in key markets

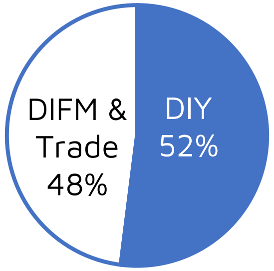
Own exclusive brands c.46% of sales

Diverse banners with geographic presence

Leading digital proposition with c.17% penetration

Attractive & growing customer base

Balanced exposure DIY and DIFM/trade[(1)]



c.24m customers gained vs pre-pandemic[(2)]; 94% revenue retained over 12 months[(3)]

Majority of our sales linked to repairs and maintenance, and customers renovating to protect value – "improve, not move"

Keeping a focus on retail fundamentals

Choice through refreshed OEB and branded ranges; extended options online and through marketplace

Availability highest since pre-pandemic

Delivering on value through competitive price indices, 'prices nailed' campaigns, OEB and discount banners

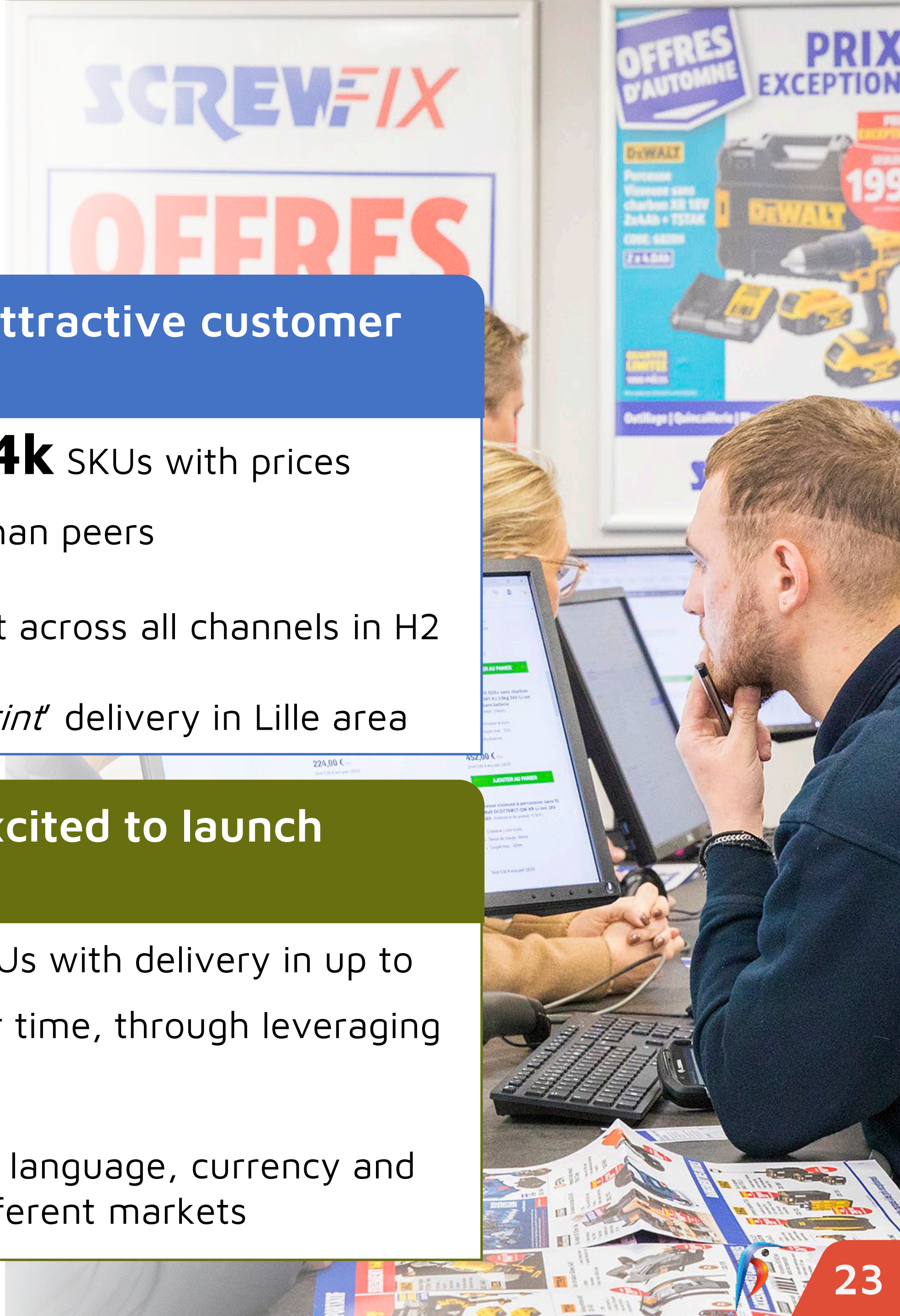
---

(1) H1 3-year average
(2) New identifiable customers are customers who have shopped within the last 12 months but not the 12 months prior
(3) Cumulative spend in months 2-12 as % of month 1 spend, for new customers acquired during H1 22/23

Continuing to deliver against our ‘Powered by Kingfisher’ strategic priorities

1. Grow by building on our different banners
2. Accelerate e-commerce through speed and choice
3. Build a data-led customer experience
4. Differentiate and win through own exclusive brands (OEB)
5. Develop our trade business
6. Roll out compact store formats
7. Lead the industry in Responsible Business and energy efficiency
8. Human, agile and lean

Screwfix International: an exciting opportunity across Europe



Brand awareness building in France

9 stores open in North France and **2** more set to open in September; targeting up to **20** new stores this year

—

National brand awareness ahead of closest peer

Competitive and attractive customer proposition

Range expansion to **14k** SKUs with prices **c.10-15%** lower than peers

—

Launching Trade Credit across all channels in H2

—

Testing 60 minute '*Sprint*' delivery in Lille area

Delivering strong customer satisfaction

NPS scores on par with UK with customers praising convenience, availability, choice, price and friendliness of staff

"Attractive price, friendly staff, good availability, quality products"

"Good choice of tools at attractive prices"

Beyond France, excited to launch Screwfix.EU in H2

Initial offer of c.13k SKUs with delivery in up to **20** EU countries over time, through leveraging the DC in France

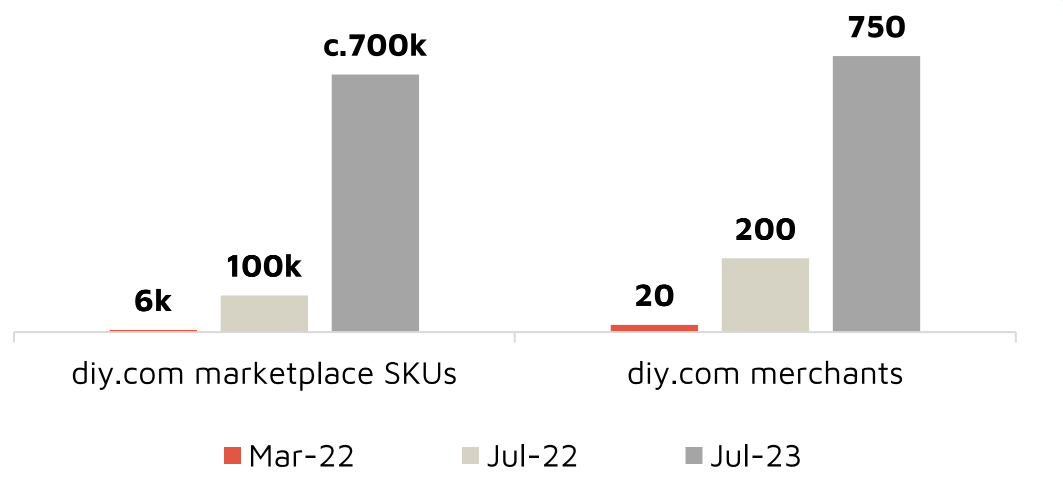
—

Localised offering with language, currency and pricing adapted for different markets

Marketplace: more choice driving more customers

Increasing choice and augmenting our offer

700,000+ SKUs, across 23 core categories from **750+** merchants now available on diy.com



Driving new customers to our sites

Double-digit % traffic increase YoY; over **30%** of marketplace customers are new to diy.com

Gaining incremental third-party and first-party sales

33% B&Q marketplace penetration; **11%** Iberia marketplace penetration(1)

—

SKU diversity, complementary to existing first-party range: bed frames, air friers, barbecues and outdoor furniture top selling SKUs

—

c.10% of customers who shop on marketplace subsequently make a first-party purchase

Continued scaling of marketplaces across banners

Reach **1 million** SKUs(2), new partnership with Octopia

—

Preparing for launches in **France** and **Poland** in 2024

—

Testing B2B services for merchants including fulfilment options

—

Long-term ambition to generate **40%** online gross sales(3) from marketplace

---

(1) Represents marketplace participation – i.e., B&Q's marketplace gross sales divided by B&Q's total e-commerce sales. Participation of 33% achieved in July 2023 at B&Q and 11% at Brico Dépôt Spain and Portugal
(2) On diy.com
(3) 40% of total e-commerce sales for the Group, excluding Screwfix, to be generated by marketplace gross sales

Leveraging AI and data to drive new sources of performance

Driving topline growth	AI-powered recommendation, 'best-product' and personalisation engines	Live at Screwfix and B&Q	Early evidence: conversion increase >100%; recommendations generating as much as **10%** of digital sales
Strengthening margin	AI-driven tool to support optimisation of markdown and clearance	Being deployed at B&Q	Early evidence: pilots delivering very encouraging gross margin improvements on clearance products
Streamlining operations	Supply chain visibility tool for real-time and end-to-end visibility from factory to store	First versions live in France, Iberia and Romania	Early evidence: improves forecasting, availability and visibility of 'out-of-stocks'
New income streams	Leverage c.1 billion annual visits to our sites by monetising third-party merchants	Active in Castorama and Brico Dépôt France	Potential to reach up to **3%** of e-commerce sales

Significant progress across our trade strategy

Store formats

18 new TradePoint counters

—

27 dedicated 'Pro' zones launched at Brico Dépôt France and Poland

People

Piloting dedicated sales partner roles to build more direct and personalised relationships

Range & price

Developing and rolling out trade-focused products

Services

Easy access tool rental

—

Payment options trials in France and Poland

—

Fulfilment services tests

Digital

Significant increase in customer awareness of Screwfix Sprint

—

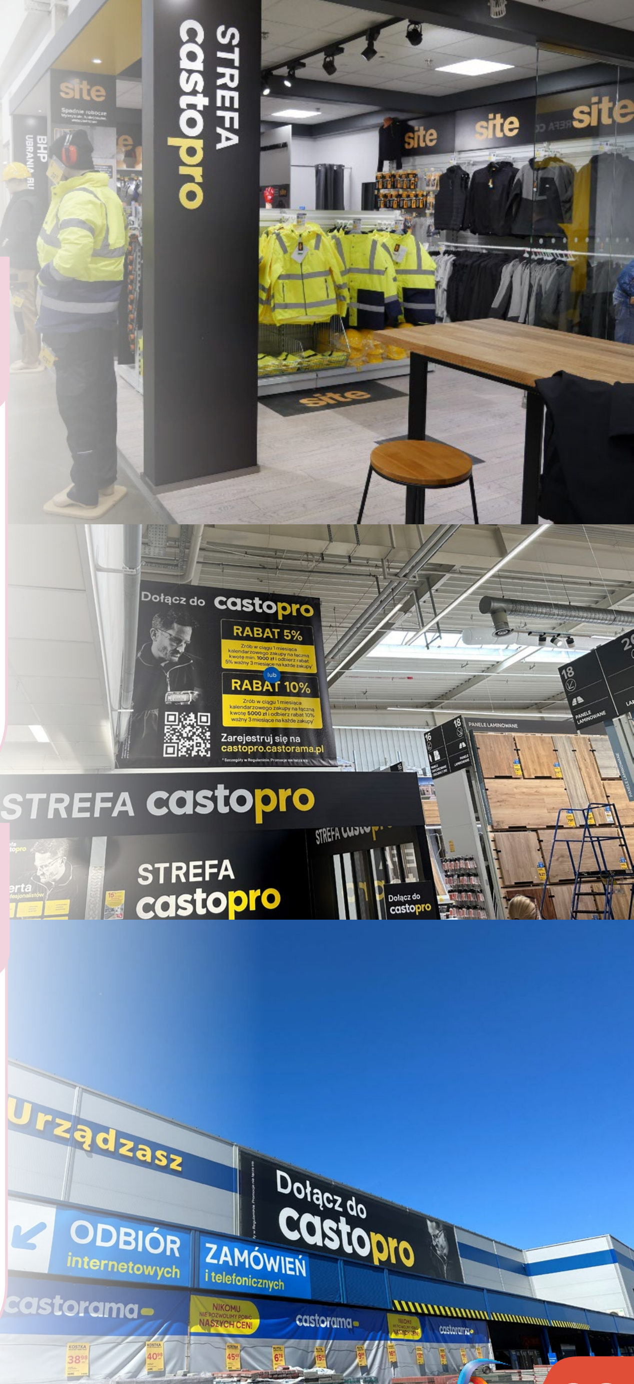
Increased personalisation by leveraging data and analytics capabilities

Loyalty

TradePoint new sign-ups **+37%** YoY in H1

—

Brico Dépôt France trade benefit of **2%** cashback



Clear priorities for H2

1. Maintain disciplined trading and competitive price indices
2. Continue our strong operational momentum in the UK
3. Flexing costs in line with near-term demand in Poland and France
4. Continue to progress key elements of the strategy

Confident in medium-term growth and cash generation opportunity

Sales to grow ahead of our markets

LFL sales growth driven by our strategic focus areas including e-commerce and marketplace, OEB, trade

Sales impact of +1.5% to +2.5% from annual net space growth over the medium term, primarily driven by Screwfix and Castorama Poland

Adjusted PBT to grow faster than sales

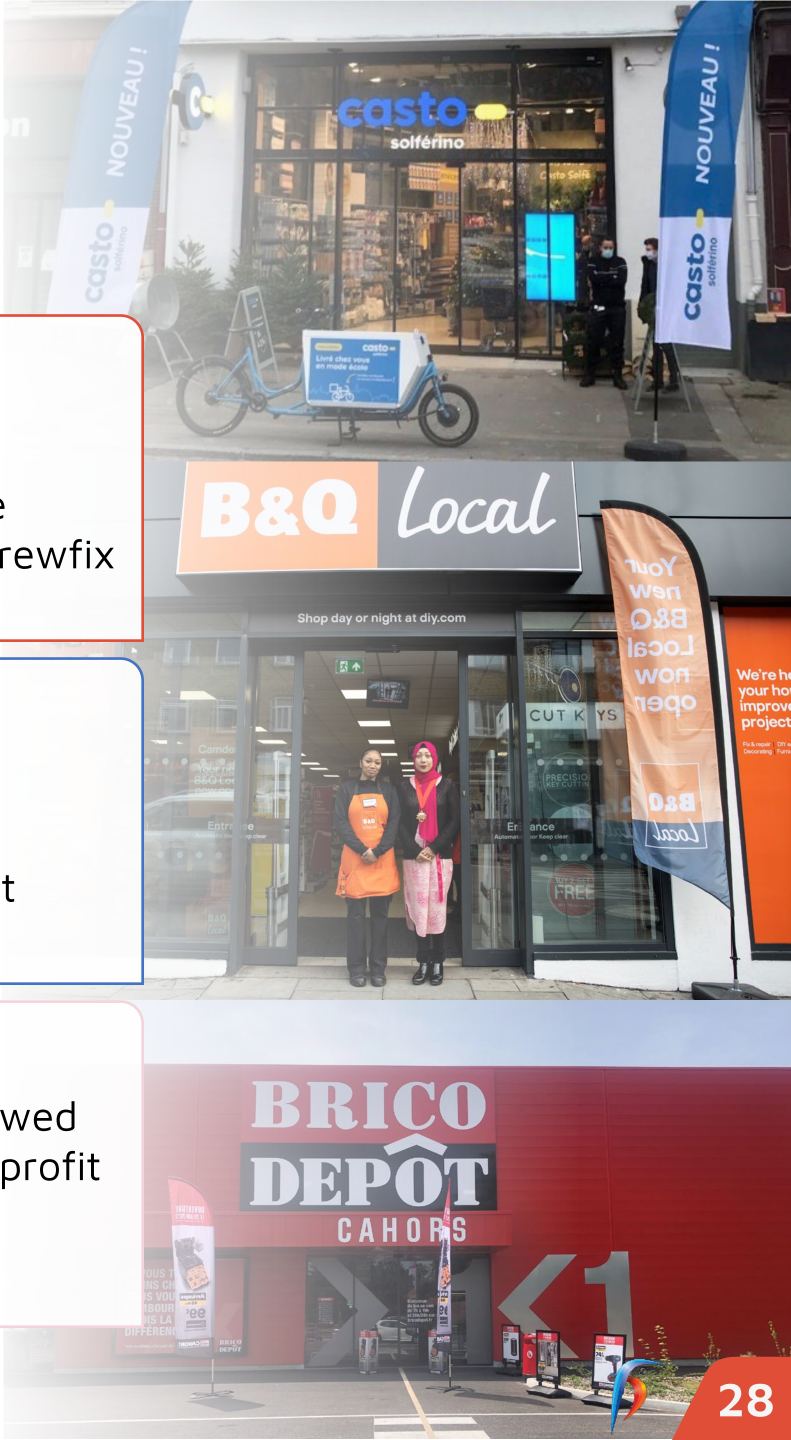
Driving ongoing scale benefits

Higher margin initiatives

Operating cost leverage and multi-year operating cost reduction opportunities

Strong cash generation to drive growth investment and shareholder returns

Free cash flow of £400m to £500m in FY 24/25, followed by >£500m per annum from FY 25/26, supported by profit growth and ongoing inventory self-help measures



Summary

Group H1 sales slightly ahead of expectations; adjusted PBT of £336m

Positive UK & Ireland sales, resilience at Castorama France and weaker at Brico Dépôt, difficult trading environment in Poland

Resilient sales from core and 'big-ticket' categories (78% of sales), volumes showing an improving trend through the period

Continuing to invest in our strategic priorities, including marketplace, data, our trade proposition and Screwfix

Updating full year adjusted PBT guidance to c.£590m; continue to expect >£500m free cash flow for the year

Announcing a new £300m share buyback programme; reflects confidence in long-term growth and cash generation opportunity

Q&A

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:

New York
Michael O'Leary
email: michael.oleary@citi.com
Tel: +1 212 723 4483

London
Mike Woods
email: michael.woods@citi.com
Tel: +44 (0) 20 7500 2030

Contacts

Investor Relations

Tel: +44 (0)20 7644 1082

Email: investorenquiries@kingfisher.com

Media Relations

Tel: +44 (0)20 7644 1030

Email: corpcomms@kingfisher.com

Teneo

Tel: +44 (0)20 7420 3184

Email: Kfteam@teneo.com


castorama
DEKORACJE URZĄDZANIE
castoram
ODBIÓ
TOWAR
WIELKIE OTWARCIE castorama

Appendices

FY 23/24 technical guidance[1]

Space	▪ Sales impact of c.+1.5% from net space growth, largely from Screwfix and Castorama Poland
New businesses	▪ 'Other'[2] retail losses of c.£30m (FY 22/23: £30m) *(previous guidance: c.£40m; lower guidance driven by rephasing of investments in Screwfix France)*
Central costs	▪ Anticipate c.£65m (FY 22/23: £49m; FY 21/22: £60m) *(previous guidance: c.£60m)*
Net finance costs	▪ Decrease by c.£10m due to higher interest income (FY 22/23: £112m) *(previous guidance: decrease by c.£5m)*
Adjusted PBT	▪ Full year adjusted PBT of c.£590m[3] *(previous guidance: comfortable with consensus of sell-side analyst estimates for FY 23/24 adjusted PBT of £634m, as of 24 April 2023)*
Tax rate	▪ Group adjusted effective tax rate of c.26%[4] (FY 22/23: 22%) *(previous guidance: c.25%; higher guidance driven by changes in our expectations for the blend of profit this year)*
Cash flow	▪ Capital expenditure – targeting gross capex of c.£425m (FY 22/23: £449m; c.3.4% of total sales) *(previous guidance: broadly flat)* ▪ Free cash flow – >£500m for the year, supported by unwind of working capital outflows in the prior year ▪ Share buybacks – c.£109m outflow related to previous share buyback programme; expect new £300m share buyback to commence in early October ▪ Dividends – c.£235m outflow related to the FY 22/23 final dividend and FY 23/24 interim dividend

---

(1) Please refer to slide 2 for further details regarding forward-looking statements. New guidance, or significant updates to our previous guidance, are noted *in italics*.
(2) 'Other' consists of the consolidated results of Screwfix International, NeedHelp, 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 +1.0%

—

E-commerce sales +18.5%; 12% of sales

—

TradePoint LFL -1.8%; 20% of sales

Screwfix

LFL sales +3.1%

—

E-commerce sales +3.9%; 58% of sales

	H1 23/24	H1 22/23	*% chg(1)*
Sales (£m)	**3,346**	3,221	*+3.8%*
LFL (%)	**+1.7%**	-11.6%	
Gross margin (%)			*Flat*
Operating costs			*+8.9%*
RP (£m)	**306**	339	*-9.8%*
RP margin (%)	**9.2%**	10.5%	*-130bps*

Total UK & Ireland

Sales +3.8%, LFL sales +1.7% – with the LFL sales trend accelerating from -0.8% in Q1 to +4.1% in Q2, supported by a significant improvement in seasonal category sales due to more favourable weather in May and June, although momentum was halted by unseasonal weather in July.

—

Gross margin % flat(1) – reflecting the effective management of inflation and favourable channel mix impacts, offset by higher clearance and stock provisions. Positive channel mix reflects the strong growth of B&Q's e-commerce marketplace.

—

Costs +8.9%(1) – driven by cost inflation, including YoY increases in staff and energy costs, higher technology spend, and higher costs associated with 59 net new store openings (YoY). Cost increases were partially offset through reductions achieved by our strategic cost reduction programme.

RP = retail profit

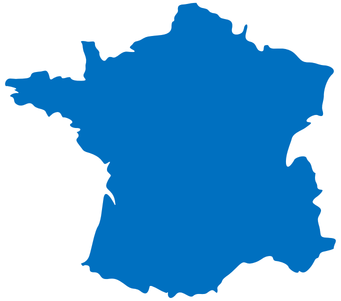
(1) Variance in constant currency

H1 performance summary – France

Castorama

LFL sales -2.7%

E-commerce sales +6.9%; 6% of sales



Brico Dépôt

LFL sales -5.0%

E-commerce sales +20.2%; 5% of sales

	H1 23/24	H1 22/23	*% chg[1]*
Sales (£m)	**2,311**	2,325	*-3.8%*
LFL (%)	**-3.8%**	-3.0%	
Gross margin (%)			*-30bps*
Operating costs			*-1.5%*
RP (£m)	**104**	129	*-21.9%*
RP margin (%)	**4.5%**	5.6%	*-100bps*

Total France

Sales -3.8%, LFL sales -3.8% – with trading impacted by a challenging consumer environment and unseasonal weather conditions throughout the half. In Q1, national strike action caused lower direct footfall into several Brico Dépôt store locations, with the weather affecting the performance of seasonal categories. The LFL sales trend improved slightly in Q2, with a small uplift in seasonal category sales. Encouragingly, core and 'big-ticket' category sales performed well throughout the half, particularly at Castorama.

Gross margin % -30bps(1) – largely reflecting the higher weighting of sales towards special promotions ('arrivages') at Brico Dépôt, and higher clearance costs

Costs -1.5%(1) – due to the flexing of variable costs, and reductions achieved by our strategic cost reduction programme. Substantially offset by cost inflation, including YoY increases in pay rates and energy costs, together with higher technology spend.

RP = retail profit
(1) Variance in constant currency

H1 performance summary – Poland

Castorama

LFL sales -10.9%

E-commerce sales -33.8%; 4% of sales

castorama

	H1 23/24	H1 22/23	*% chg*[1]
Sales (£m)	**880**	913	*-8.5%*
LFL (%)	**-10.9%**	+25.9%	
Gross margin (%)			*-170bps*
Operating costs			*+9.3%*
RP (£m)	**35**	94	*-64.4%*
RP margin (%)	**4.0%**	10.3%	*-630bps*

Poland

Sales -8.5%, LFL sales -10.9% – against strong prior year comps and a challenging trading environment. Overall sales trends in Q2 were similar to Q1, with ongoing macroeconomic challenges leading to a deterioration in consumer sentiment and lower than expected market growth. Performance was weak across both core and 'big-ticket' and seasonal categories, with sales from the DIY outpacing DIFM/ trade

Gross margin % -170bps[1] – largely reflecting higher customer participation in promotional activity, higher clearance, and sales mix

Costs +9.3%[1] – driven by cost inflation (including YoY increases in pay rates and energy costs), higher technology spend, higher costs associated with five new store openings (YoY), and charges related to ineffective foreign exchange hedges. Increases were partially offset through reductions achieved by our strategic cost reduction programme.

RP = retail profit

(1) Variance in constant currency

H1 performance summary – Iberia and Romania

Brico Dépôt Iberia

Sales -1.2%, LFL sales -1.2% reflecting a resilient performance against good prior year comparatives and the impact of unseasonal weather on seasonal category sales in Q2

—

Retail profit -50% reflecting lower sales and gross margin %, with slightly higher operating costs, up 1.7% YoY

	H1 23/24	H1 22/23	*% chg(1)*
Sales (£m)	**200**	196	*-1.2%*
LFL (%)	**-1.2%**	+2.3%	
RP (£m)	**3**	6	*-50.3%*

Brico Dépôt Romania

Sales -8.4%, LFL sales -4.9% reflecting strong prior year comps. Sales trends improved in Q2 largely driven by an improvement in core and 'big-ticket' sales

—

Retail loss(1) increased to £10m primarily reflecting lower sales and gross margin %. Operating costs increased 1.0%, with cost inflation largely offset by our strategic cost reduction initiatives including reduced energy usage in stores

	H1 23/24	H1 22/23	*% chg(1)*
Sales (£m)	**137**	145	*-8.4%*
LFL (%)	**-4.9%**	+8.9%	
RL (£m)	**-10**	-4	*n/a*

RP = retail profit; RL = retail loss
(1) Variance in constant currency


castorama
MAŁGORZATA
Rachel
Jamie
Duty Manager
SCREWFIX
3€40
3€40

Thank you