

26 March 2026

Trade and online attractions; cash rewards

Kingfisher's FY26 results illustrate the power of the group's strategic growth initiatives in trade, e-commerce, marketplace and AI, to name a few. As a result, FY26 Adj. PBT growth rose 6% to £560m on sales of £12.9bn, in-line with upgraded guidance, despite macro-economic and cost headwinds. Looking ahead, management is guiding to profitable growth of c.6% to FY27E Adj. PBT of £565m-£625m and expects to generate another £450m-£510m of free cashflow, leading to its fifth £300m share buy-back. Kingfisher's share price has fallen c.20% in recent weeks on macro-economic concerns and is trading on only 9.3x cal 2027 PER. We think this undervalues Kingfisher's cash generation and we raise our Fair Value to 375p per share, equivalent to c.12x cal 2027 PER and a c.3.5% dividend yield.

Trade, e-commerce and new stores driving market share gains

FY26 has seen mixed macro-economic conditions, but management's consistent strategy to increase its penetration of trade customers across all banners (now 30% of the group, sales +23% ex Screwfix) and grow its e-commerce and marketplace offer (now 20% of group, sales +20% ex Screwfix, marketplace GMV +58%) has led to 3% underlying group sales growth. UK & Ireland (78% of group retail profits) led the way, with 4.2% sales growth, aided by strategic initiatives, strong seasonal sales, the opening of 8 former Homebase stores and the roll out of another 27 Screwfix stores. France was a tough market but price investment and strategic initiatives at Brico Depot led to market share gains and the restructuring of Castorama continues. Meanwhile Poland saw a return to growth in Q426.

6% Adj. PBT growth in FY26; confident in further profit growth in FY27E

Facing into £145m of cost headwinds, FY26 was going to be tough, but 80bps of gross margin gains and good cost discipline has led to several profit upgrades and an adjusted PBT margin of 4.3%, +20bps. For FY27E management is guiding to Adj. PBT of £565m-£625m (c.6% growth at the mid-point), driven by further gross margin gains, some (but less) cost headwinds and a rational approach to any geopolitical induced changes in consumer behaviour or sourcing/energy costs.

£2.4bn cash returned in last 5 years; Fair value raised to 375p per share

Kingfisher has returned £2.4bn to investors over the past five years. Trading on a FCF yield of nearly 9%, we believe Kingfisher's profit and cash potential is undervalued. We raise our Fair Value per share from 365p to 375p, based on c.12x cal 2027 PER (the mid-point of Kingfisher's historic range).

Company data

EPIC	LSE: KGF
Price (last close)	288p
52 weeks Hi/Lo	372p/239p
Market cap	£4,840m
ED Fair Value / share	375p
Net cash / (debt) FY26A	£(1,878)m
Avg. daily volume (3m)	6.4m

Share price, p



Source: Investing.com

Description

Kingfisher is an international home improvement retailer with over 1,700 stores and £13bn sales across seven European countries. The group operates multiple formats of different sizes as well as e-commerce channels. It is the market leader in the UK and Poland and second in France, serving both consumers and trade professionals. Approximately 43% of group sales (FY26 £5.5bn) are from their own exclusive brands, with online marketplaces offering over 3.7 million third-party products.

Next event: 1Q27 trading update

26 May 2026

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Key financials & valuation metrics

Year to 31 Jan (£m)	2025	2026	2027E	2028E	2029E
Revenue	12,784	12,945	13,119	13,499	13,922
Revenue growth (%)	-1.5	1.3	1.3	2.9	3.1
Adj. PBT	528	560	594	668	736
Adj. PBT margin (%)	4.1	4.3	4.5	4.9	5.3
Adj. diluted EPS (p)	20.4	23.4	26.0	30.8	36.0
Dividend per share (p)	12.4	12.4	12.4	13.0	13.7
Free cashflow (adj, ex disposals)	511	512	477	486	538
Net cash / (debt) * /Adj. EBITDA (x)	(1.6)	(1.4)	(1.4)	(1.3)	(1.2)
EV / Sales (x, calendarised)		0.6	0.5	0.5	
PER (x, calendarised)		11.2	9.5	8.1	
Dividend yield (% , calendarised)		4.3	4.5	4.7	
Free cashflow yield (% , calendarised))		8.9	9.0	9.9	

Source: Company data, Equity Development, Priced as at 25/03/26

Kingfisher: Investment Attractions Overview

Investment Highlights	Risk Factors
<ul style="list-style-type: none"> Kingfisher is a market leader in the large (c.£150bn) and structurally growing European DIY industry as the drive to make homes and gardens more efficient and “greener” continues. The group operates a diversified portfolio of banners and store sizes and has strategically expanded online and with trade customers. It has also scaled marketplaces rapidly and profitably with new cross-border vendors to come. Kingfisher also has a portfolio of its own-exclusive brands which are c.15%-30% cheaper than brands, whilst being higher margin, and account for 43% of sales. Management’s “Powered by Kingfisher” strategy to serve more customers, in more convenient ways, has led to a c.10%+ step up in group revenues from c.£11.5bn FY17-FY20 (pre-COVID) to c.£13bn FY22-FY26. Moreover, Kingfisher is winning market share in the UK & Ireland, France and Spain. Kingfisher is an industry leader on sustainability, with a “AAA” MSCI ESG rating. 	<ul style="list-style-type: none"> Falling consumer confidence and rising unemployment and/or macro-economic pressures on disposable income, particularly in the UK, France and Poland. Housing transactions falling again and/or rising interest rates. Irrational competitive pricing behaviour, including by any struggling competitors trying to clear stock. Cost inflation, particularly energy or wage inflation, lasting for longer or at a higher rate than expected, impacting margin expansion potential. Further government taxes on labour, stores, online retailing, sustainability related matters or corporation tax. Supply chain disruption, particularly from any escalation in a US-Iran war. Technology disruption.
Forecast Drivers	Valuation Overview
<ul style="list-style-type: none"> Strategic initiatives are anticipated to drive positive Group LFL sales growth of 1%-2% (FY27E-FY29E), aided by a modest recovery in real disposable income and consumer confidence. We will review for any significant impacts from the escalating geopolitical tensions between the US and Iran. We forecast new stores to contribute an average 1% p/a to sales FY27E-FY29E and we estimate rising sales densities from smaller store formats. Longer-term guidance is 1.5%-2.5% contribution from new stores. For FY27E-FY29E we forecast c.20-30bps of gross margin gains from sourcing gains and the acceleration of marketplace, and group Adj. PBT margin rising from 4.3% in FY26 to c.5.3% in FY29E. We expect adj. FCF of c.£480m+ FY27E-FY29E, after capex of c.3% of sales. 	<ul style="list-style-type: none"> Kingfisher’s stock has fallen c.20% in the past three weeks as macro-economic concerns over the US-Iran war have escalated (potentially impacting energy and shipping costs as well as consumer demand). Hence Kingfisher is trading on only 0.6x cal 2027 EV/Sales, c.5.2x cal 2027 EV/EBITDA and only c.9.3x cal 2027 PER. This is at the bottom of Kingfisher’s average forward PERs for the last decade (9.5x-15x). Kingfisher is also trading on an c.9% cal 2027 FCF yield and a c.4.5% cal 2027 dividend yield. Our blue-sky scenario of an additional 5% of sales over the next 3 years, resulting in an incremental 150bps of operating leverage, leads to Adj. PBT nearly doubling to over c.£1bn in FY29E. We raise our Fair Value from 365p to 375p per share, equivalent to c.12x cal 2027 PER and a c.7% cal 2027 FCF yield and c.3.5% cal 2027 dividend yield, which we think more fairly reflects the cash-generation of the business.

Kingfisher's FY26 highlights: Adj. EPS rises 15% despite cost headwinds and soft markets

- Kingfisher's group sales rose 1.3% with underlying LFL sales growth of 1.4% as a strong UK & Ireland performance offset weakness in France and Poland.
- Gross margin rose 80bps; we estimate c.50-60bps due to more favourable supplier negotiations, effective management of product costs and positive FX; c.10-20bps due to the increase in gross margin-accretive marketplace sales; and some other factors such as good sell through of seasonal products, helping offset packaging taxes and increased trade sales (dilutive for gross margin but not for retail profit margin).
- Combined with good control of operating costs in the face of inflationary headwinds, higher interest receivable and lower taxes, diluted EPS rose 15% to 23.4p.
- Free cashflow of £512m benefitted from five fewer days' worth of working capital and total net debt fell to 1.4x EBITDA, even after returning £490m to shareholders.

FY26 Adj. PBT of £560m in-line with increased guidance; Adj. EPS rises 15% post share buy-backs

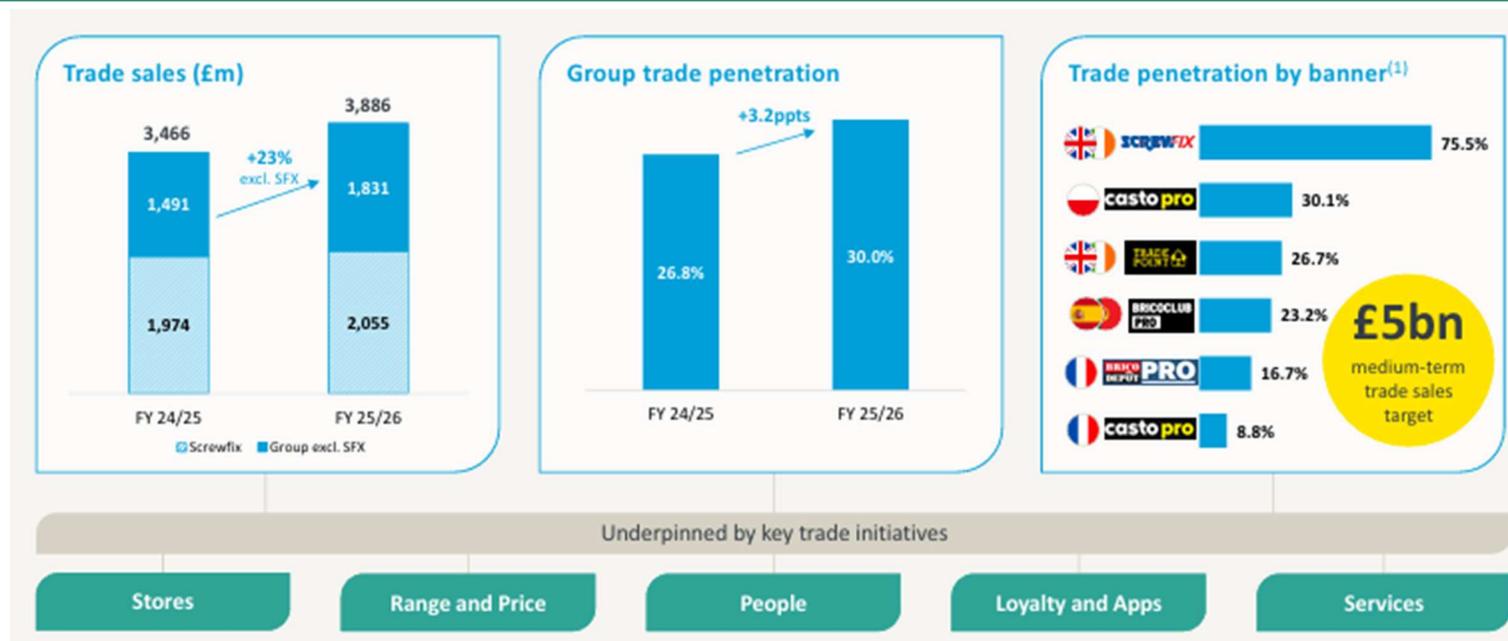
£m, unless stated Year-end 31 Jan, £m				ED estimates	
	FY26	FY25	% change	FY26	% difference
Group revenue	12,945	12,784	1.3	12,879	0.5
<i>Revenue growth (%)</i>	1.3	-1.5		0.7	
<i>Gross margin (%)</i>	38.1	37.3	83bps	37.8	28bps
Adj. EBITDA	1327	1299	2.1	1340.1	-1.0
<i>Adj. EBITDA margin (%)</i>	10.2	10.2	9bps	10.4	
Group retail profit	734	696	5.4	729	0.7
<i>Group retail profit margin (%)</i>	5.7	5.4	22bps	5.7	1bps
Share of jv interest and tax	(3)	(6)		(7)	
Central costs	(80)	(62)		(72)	11
Operating profit	651	628	3.6	650	0.1
Net finance costs	(91)	(100)		(95)	-5
Adj. PBT	560	528	6.0	555	0.9
<i>Adj. PBT margin (%)</i>	4.3	4.1	19bps	4.3	2bps
Adjusted diluted EPS (p)	23.4	20.4	14.7	23.4	0.2
Capex	388	317	22.4	370	5.0
Free cashflow¹	512	511	0.2	491	4.3
Total net (debt) / cash incl leases	(1,878)	(2,015)	-6.9	(1,949)	

Note 1: Company's definition of free cashflow excluding adjusting items; Source: Company data, Equity Development

Group strategy initiatives: growing trade customers to £5bn sales

- Before turning to performance by country, we highlight the growth and success of some of management’s key strategic initiatives that have been rolled out across the group.
- Led by Screwfix in the UK, where over 75% of sales are to trade customers, group trade customer penetration has risen to 30% as 43% of stores (excluding Screwfix) now have dedicated trade zones. Castorama France now has 50 CastoPro trade zones and trade penetration has risen to over 30% as a result.
- Although the trade market is competitive, trade customers typically spend 70% more and shop 3x more frequently than a DIY customer, and the Trade home improvement market is estimated to be worth over £50bn across Kingfisher’s European markets as the consumer shift to “Do-It-For-Me” (“DIFM”).
- Hence, Kingfisher has invested in dedicated trade space (with the first stand-alone Tradepoint to open in London in FY27), apps (attracting the most valuable customers), loyalty programs (membership +18%), trade credit, fast site delivery and heavy-tool hire, among other initiatives. Across the group, Kingfisher now has 279 trade sales partners, more than double the 105 it had in FY25.

Kingfisher made £3.9bn sales to trade customers in FY26 and has increased its target to £5bn in the medium-term

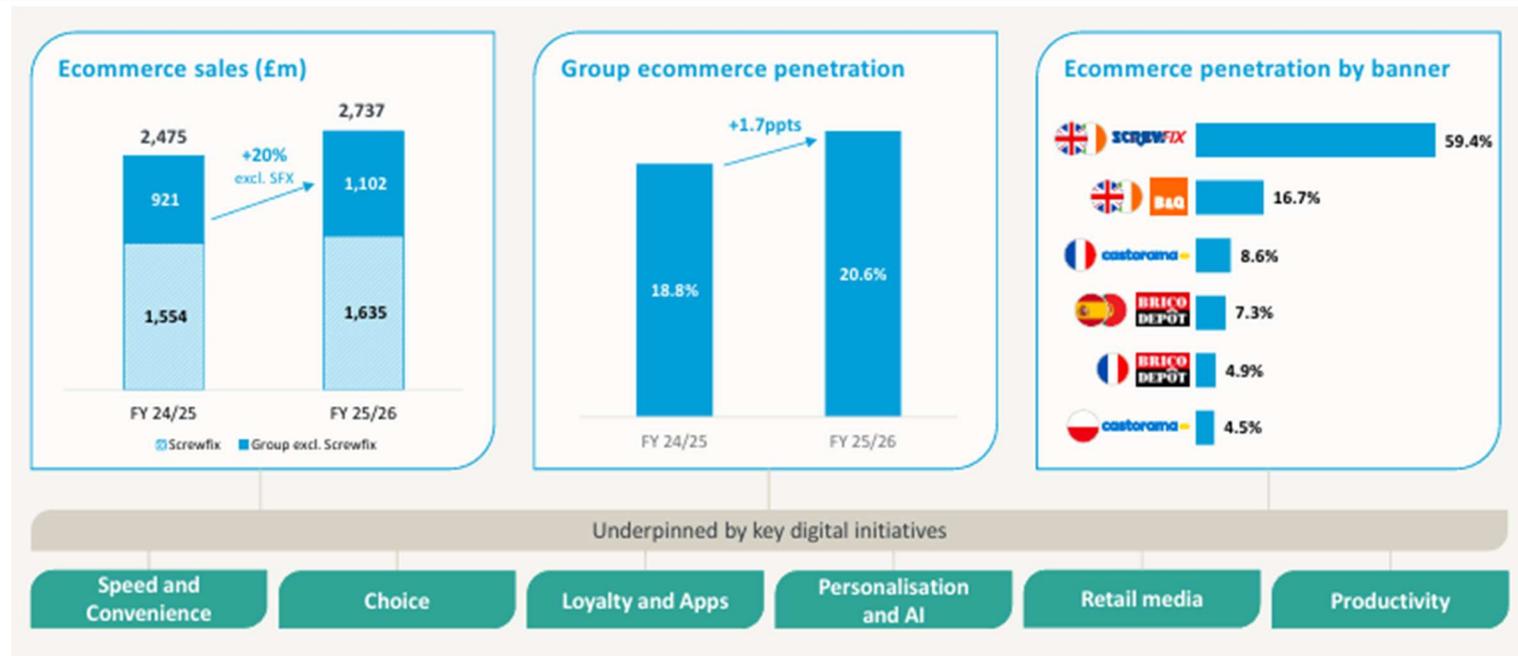


Source: Company data

Group strategy initiatives: growing e-commerce to 30% penetration

- Also led by Screwfix in the UK, where nearly 60% of sales are online, group e-commerce penetration has risen to 20.6% (£2.7bn) as e-commerce sales (excluding Screwfix) rose 20%. B&Q's online penetration rose to 16.7% whilst the other banners have less mature online operations and hence great potential for growth.
- Initiatives in FY26 included the expansion of digital fulfilment hubs within stores and expanding click & collect (+8%, accounting for 63% of e-commerce sales). Home delivery sales rose 16%.
- The roll-out and expansion of marketplace has been very successful. B&Q has led with marketplace and in FY26 grew SKUs from 2.1m to 3.7m as more cross-border vendors joined (with onboarding reduced to as little as 10 days). GMV grew 44% to £445m with a £15m profit contribution, whilst marketplace in Castorama France and Iberia broke-even.
- Management's ambition is for e-commerce to grow to 30% of group sales, with one-third from marketplace, and for retail media and data monetisation to reach up to 3% of group e-commerce sales.

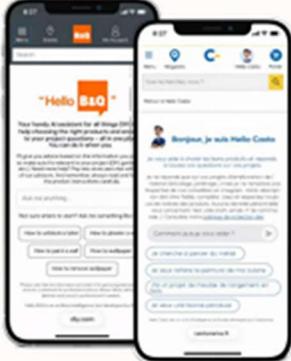
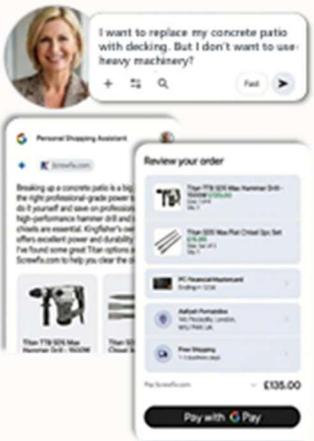
Kingfisher made £2.7bn sales online in FY26 and aspires for e-commerce to reach 30% of group sales



Source: Company data

- It is also worth highlighting Kingfisher’s investment in AI and its recently announced multi-year partnership with Google Cloud.
- For example, in FY26, 10% of B&Q’s e-commerce sales came from “Hello B&Q”, the group’s own “Athena” AI-powered product recommendation and personalisation engine that launched in 2023. More recently the group has launched Google’s Vertex AI Search for Commerce for an improved customer experience.
- B&Q also launched “Lens”, visual search technology which drives conversion.
- Kingfisher is also “pioneering AI-driven shopping through agentic commerce”. This partnership with Google Cloud will “help Kingfisher unlock its extensive product and data catalogues to build proactive AI shopping agents. These agents will empower customers with their capability to plan complex home improvement projects, generate smart shopping lists, and execute seamless purchases”.
- As a market leader with a total capex budget of £400m (FY27E), Kingfisher is able to scale its digital investments across the whole group.
- We now turn to Kingfisher’s performance and outlook by region.

Kingfisher has been investing in AI since 2021 and has partnered with Google Cloud for an improved customer journey

Enabling AI product discovery	Leveraging in-house agents	Adopting natural language search	Ready to connect to agentic apps
<ul style="list-style-type: none"> • Invested in data lake since 2021 • Early investment in AI team since 2021 • Product information enriched with pictures, videos and verified purchase reviews • Enhanced real-time pricing, inventory data, delivery window and cost clarity 	<ul style="list-style-type: none"> • +61% customers visiting our on-site agents in France • +95% higher conversion rate when customers interact with our AI agents⁽¹⁾ 	<ul style="list-style-type: none"> • Leveraging Google’s Vertex AI search on our websites and apps • Helping customers more easily and intuitively find products they need • Plan to roll out across banners, building on trials at B&Q 	<ul style="list-style-type: none"> • Partnership with Google signed • In discussions with other providers 

Source: Company data

A strong UK & Ireland performance as FY26 retail profit rises 3% despite cost headwinds

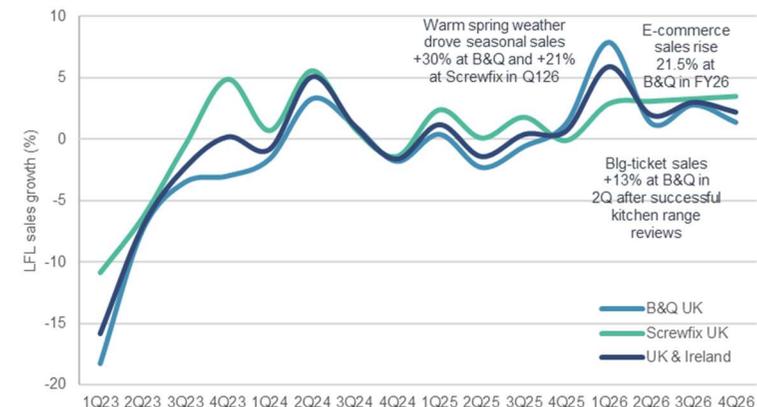
UK leads the way for group strategic initiatives...

- Over the past decade, Kingfisher's UK & Ireland operations have grown to 52% of group sales and 78% of group retail profit (FY26).
- The rapid expansion of the trade-focussed Screwfix banner to 979 stores (+27 in FY26) has complemented the resilience of B&Q's 317 stores (+7 in FY26 given the acquisition of 8 Homebase stores) and the expansion of the Tradepoint checkpoints to 224 within B&Q stores (70% of the estate). Tradepoint sales grew 5.2% to £935m, accounting for 23.5% of B&Q sales, driven by developments in delivery, click & collect, its app and a credit offer.
- B&Q has also invested in e-commerce and in FY26 e-commerce grew 21.5% to 16.7% of B&Q sales (+2.1ppts) whilst marketplace GMV rose 44% to £445m.

...leading to market share wins

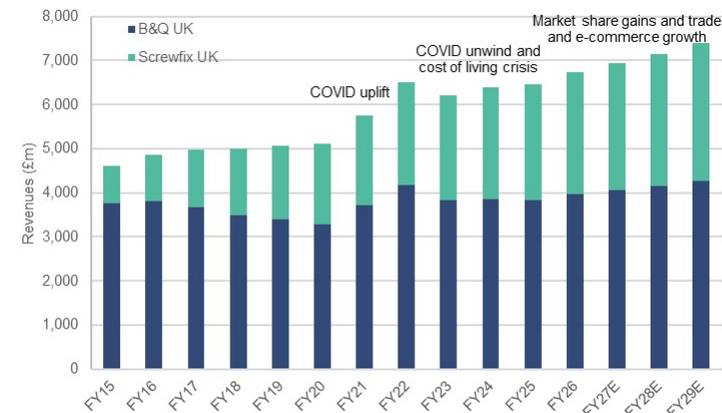
- Both B&Q and Screwfix gained market share in a flat market in FY26, with B&Q also benefiting from strong seasonal sales (particularly in Q1 which could reverse in Q127) and growth in kitchens following range reviews.
- For FY27E we forecast strategic initiatives will continue to drive positive LFL sales growth: 1.5% at B&Q and 3% at Screwfix (which is less seasonal and has 79% of trade customers reporting a positive outlook). Together with 5 planned new store openings for B&Q and 12 for Screwfix, we forecast 3% total sales growth (and similar in FY28E and FY29E).
- This assumes UK consumer confidence is not significantly hit by the impact of geopolitical tensions (Kingfisher has not seen any impact on trading yet).

B&Q and Screwfix grow sales 4.2% in FY26 (LFL 3.3%)



Source: Company data, Equity Development

Both B&Q and Screwfix gained market share



Source: Company data, Equity Development

US-Iran war causing some uncertainty

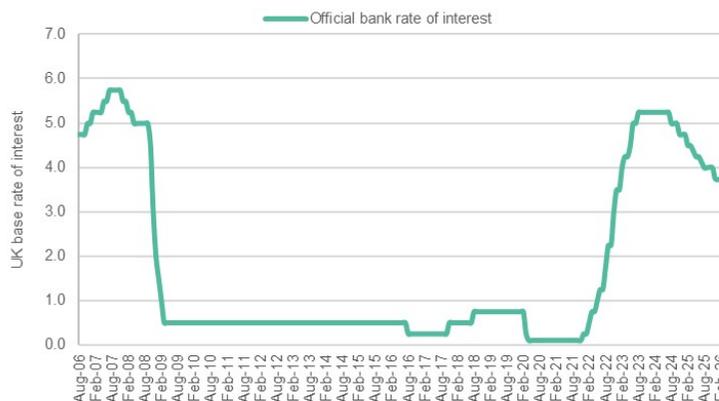
- After a particularly volatile few years for retailers since the COVID pandemic, the UK macro-economic environment was broadly favourable in FY26 as UK consumer confidence and major purchase intentions gently rose, inflation stabilised, interest rates fell 150bps and UK housing transactions recovered back to c.100k per month.
- However, geopolitical tensions between US, Israel and Iran have escalated in the past five weeks, leading to oil disruption in the Strait of Hormuz, resulting in crude oil prices jumping from c.\$65 per barrel to nearly \$100.
- Diplomatic talks may lead to a swift end to the conflict, but we will keep a watching brief over the potential impact on energy prices and freight costs (Kingfisher is hedged), inflation, mortgage rates, discretionary income and consumer confidence.

UK consumer confidence gains, tempered by war concerns



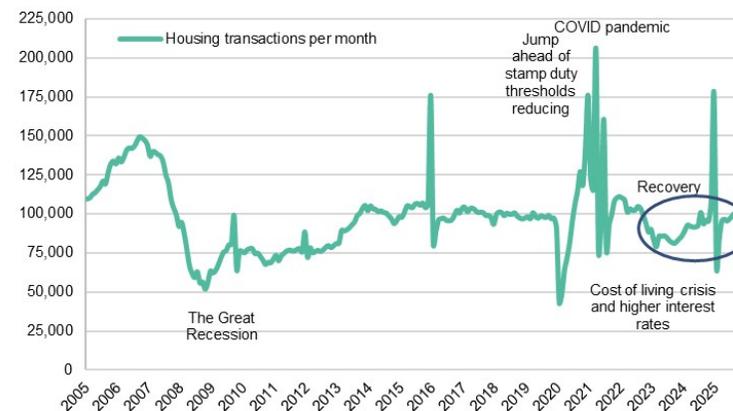
Source: Company data, Equity Development

UK interest rates have fallen 150bps (3.75% in March 26)



Source: Bank of England, Equity Development

UK housing transactions back to 100k per month



Source: National Statistics, UK Government, Equity Development

UK & Ireland underlying retail profit rises 9.4%

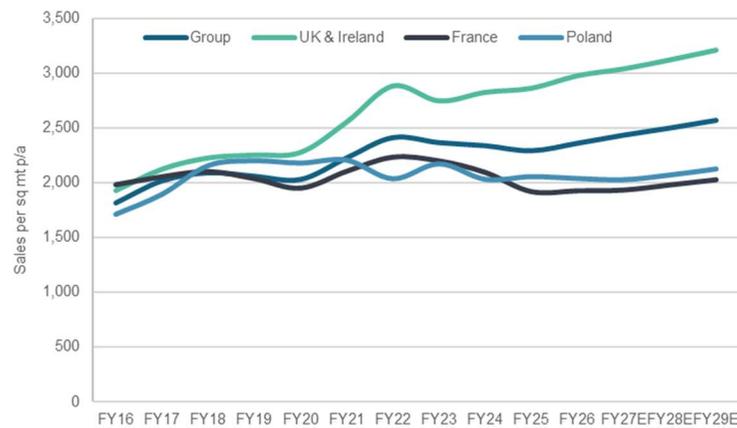
- In FY26 Kingfisher navigated substantial cost headwinds with operating costs rising 7.3% from higher wages, NI contributions, variable compensation, store openings, and the annualisation of the FY25 £33m business rates refund. This was mostly offset by an 80bps rise in gross margin, leading to retail profit +2.9% to £575m, and retail profit margin down 10bps to a still high 8.5%. Excluding the £33m business rates refund last year, underlying retail profit rose nearly 10%.
- Looking ahead to FY27E, we forecast further gross margin gains to offset the annualisation of NI increases, leading to a retail profit margin +10bps to 8.6%.
- More generally, we forecast the trend of opening smaller, higher density, store formats and growing trade and e-commerce sales, to lead to further retail margin expansion, albeit not back to pre-COVID levels.

UK leads the way with 17 new stores planned for FY27E



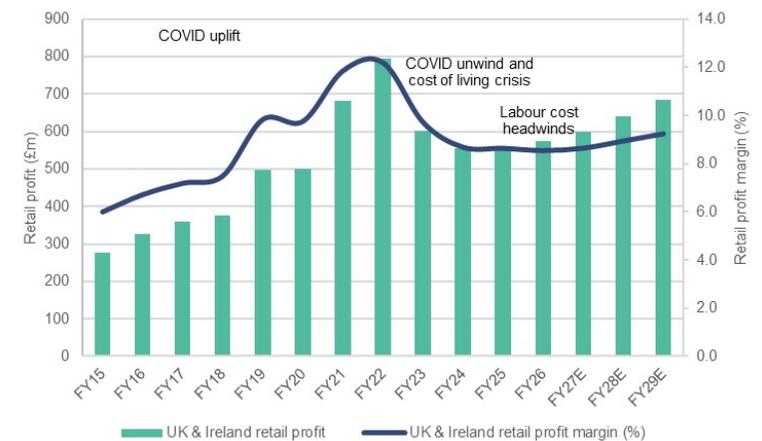
Source: Company data

UK's rising sales densities (Screwfix, e-commerce)...



Source: Company data, Equity Development

...helps drive high retail profit margins



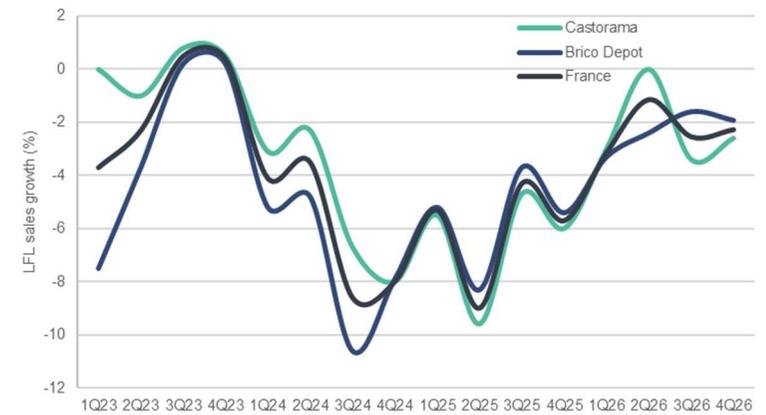
Source: Company data, Equity Development

French market share gains in a tough market; significant upside when a macro-economic recovery comes

Retail profit stable despite cost headwinds and weak market

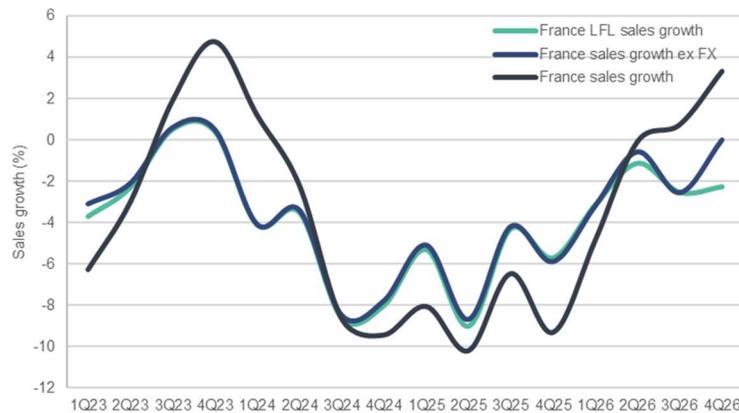
- Against a backdrop of subdued consumer sentiment and a market decline of c.3%, Castorama and Brico Depot gained market share with FY26 LFL sales -2.2% and -2.3% respectively (Q426 -2.6% and -1.7%).
- In addition to investments in the trade and e-commerce propositions, Brico Depot invested in prices, whilst the restructuring of Castorama continues.
- FY26 retail profit rose 3% to £97m, a margin of 2.5%, +10bps yoy.
- For FY27E we forecast an improving, but still negative, -1% LFL and a 2.6% retail profit margin (+10bps). Management maintains that a recovery to a 5%-7% margin is still possible in the medium-term, subject to the pace of a macro-recovery. We forecast only 3.1% by FY29E, implying significant scope to exceed this if and when macro-economic conditions improve.

-2.2% LFL sales in FY26 an improvement on FY24 / FY25...



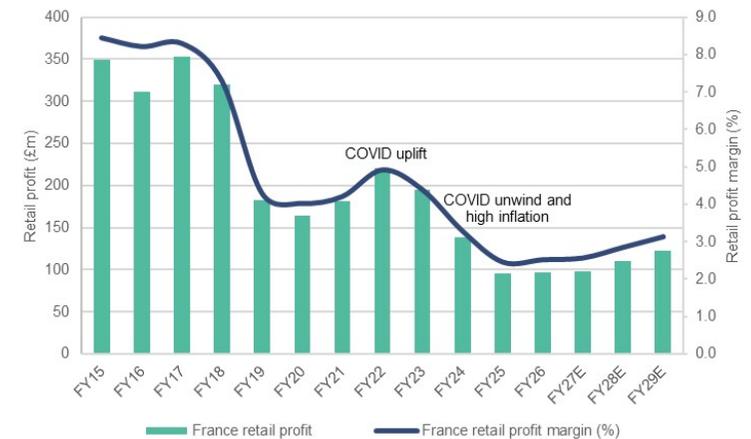
Source: Company data, Equity Development

...leading to market share gains in a challenging market...



Source: Company data, Equity Development

...and ultimately improving sales densities and profits



Source: Company data, Equity Development

Trade and e-commerce sales growing in Poland

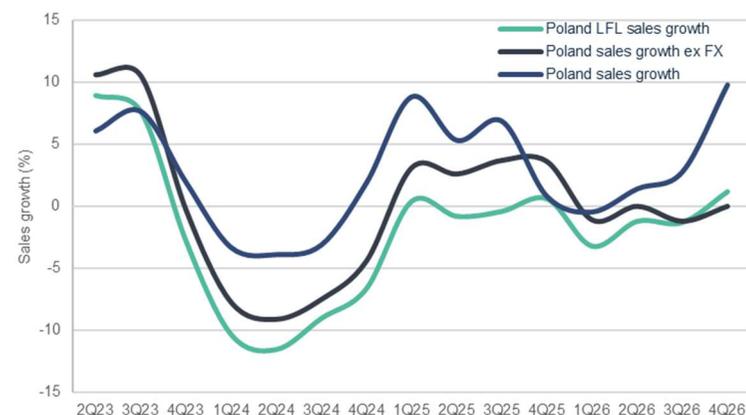
Castorama Poland performed in line with a soft market

- Poland has been one of Kingfisher's growth areas over the past decade with 36 new Castorama stores opened to reach 108 in FY26. However, like in France, its retail profit margin has halved (from over 10% in FY19 to 4.7% in FY26) under pressure from a weak consumer environment, gross margin declines and high-cost inflation.
- In FY26, Polish sales were flat, broadly in line with the market, with LFL of -1.1%. A favourable FX impact lifted reported sales growth to +3.1%. Q426 sales improved to 1.4% LFL.
- E-commerce penetration increased to 4.5%, helped by launch of marketplace in January 2025, while trade penetration increased 9ppts to 27% given the further roll-out of CastoPro zones in stores.

Polish consumer outlook improving but political uncertainty

- In FY26, retail profit declined 3.5% to £87m, with a 20bps improvement in gross margin (from better buying, and better inventory management partly offset by increased promotions and product mix), offset by higher labour costs and a £5m impairment charge related to the write-down of legacy technology systems. Excluding the impairment charge, retail profit margin would have been broadly flat.
- Looking ahead, there are some signs of economic recovery, however we cautiously assume only 2 new store openings in FY27E (in-line with guidance) and a 20bps improvement in retail margin in FY27E to 4.9%.
- If the political situation stabilises, we see scope for upgrades to our forecasts. There is also potential for store openings to reaccelerate.

A cautiously improving trend in Q426



Source: Company data, Equity Development

Polish retail operating margin forecast to rise gently



Source: Company data, Equity Development

FY27E outlook: £565m-£625m Adj. PBT guidance range

- Taking our country forecasts together, with our assumptions for central costs (£75m) and net finance costs (£105m), we forecast sales growth of 1.3% and a 20bps improvement in retail profit margin to 4.5%, leading to Adj. PBT of £594m, +6% yoy and in the mid-point of guidance.
- After £400m of capital expenditure and an assumed further working capital improvement of c.£64m, we forecast £477m of free cashflow, also broadly the mid-point of guidance of £450m-£510m. After c.£200m dividends and c.£250m share buybacks (£300m spread over more than a year), we forecast stable net debt of £1.9bn, 1.4x EBITDA.

Small changes to forecasts

Year-end 30 Jun (£m)	Actual / New forecasts			Old forecasts			% change		
	2026A	2027E	2028E	2026E	2027E	2028E	2026A	2027E	2028E
Group Revenue	12,945	13,119	13,499	12,879	13,304	13,637	0.5	-1.4	-1.0
<i>Revenue growth (%)</i>	1.3	1.3	2.9	0.7	3.3	2.5			
Adj. PBT	560	594	668	555	596	666	0.9	-0.4	0.3
<i>Adj. PBT margin (%)</i>	4.3	4.5	4.9	4.3	4.5	4.9			
Adjusted diluted EPS (p)	23.4	26.0	30.8	23.2	26.0	30.4	1.0	0.0	1.4
<i>Adj. EPS growth (%)</i>	14.8	11.1	18.5	13.6	12.2	16.8			
DPS (p)	12.4	12.4	13.0	12.4	12.4	13.0			
Capex	388	400	405	370	366	375	5.0	9.3	8.0
Free cashflow	512	477	486	491	529	539	4.3	-9.8	-9.9
Net financial cash / (debt)	362	380	414	270	339	424			
Total net cash /(debt) incl leases	(1,878)	(1,867)	(1,842)	(1,951)	(1,890)	(1,814)			
Net financial cash / (debt) / Adj. EBITDA (x)	0.3	0.3	0.3	0.2	0.2	0.3			
Total net cash / (debt) / Adj. EBITDA (x)	(1.4)	(1.4)	(1.3)	(1.5)	(1.4)	(1.3)			

Source: Company data, Equity Development

Changes to divisional sales forecasts

	2025A	Actual / New forecasts				Old forecasts			% change		
		2026A	2027E	2028E		2026E	2027E	2028E	2026A	2027E	2028E
Year-end 31 Jan (£m)											
...B&Q	3,820	3,971	4,057	4,155	3,996	4,103	4,212	-0.6	-1.1	-1.4	
...Screwfix	2,636	2,755	2,871	3,001	2,787	2,902	2,998	-1.1	-1.1	0.1	
UK & Ireland	6,456	6,726	6,929	7,156	6,783	7,005	7,210	-0.8	-1.1	-0.8	
...Castorama	2,014	2,000	1,960	1,959	1,980	1,985	1,977	1.0	-1.2	-0.9	
...Brico Depot	1,869	1,866	1,868	1,908	1,854	1,905	1,946	0.6	-1.9	-1.9	
France	3,883	3,866	3,828	3,867	3,834	3,890	3,923	0.8	-1.6	-1.4	
Poland	1,788	1,843	1,874	1,943	1,815	1,931	2,006	1.5	-3.0	-3.1	
...Iberia	384	425	458	493	420	440	449	1.1	4.2	9.9	
...Romania	257	60	0	0	0	0	0				
...Screwfix France & Other	16	25	30	39	26	38	49				
Other International	657	510	488	533	447	478	498				
Total Group	12,784	12,945	13,119	13,499	12,879	13,304	13,637	0.5	-1.4	-1.0	

Source: Company data, Equity Development

Changes to divisional retail profit forecasts

Year-end 31 Jan (£m)	2025A	Actual / New forecasts			Old forecasts			% change		
		2026A	2027E	2028E	2026E	2027E	2028E	2026A	2027E	2028E
UK & Ireland	558	575	599	640	579	610	639	-0.7	-1.8	0.3
France	95	97	98	110	95	95	109	2.1	3.4	0.4
Poland	90	87	91	99	83	88	98	5.0	3.8	1.5
...Iberia	8	15	18	20	17	19	20	-12.6	-6.8	-1.2
...Romania	(11)	(3)	0	0	0	0	0			
...Screwfix France & Other	(35)	(31)	(27)	(20)	(35)	(27)	(20)			
...Turkey JV	(9)	(6)	(2)	5	(10)	(2)	5			
Other International	(47)	(25)	(11)	5	(28)	(10)	5			
Total Group Retail Profit	696	734	777	854	729	783	851	0.7	-0.7	0.4

Source: Company data, Equity Development

Changes to divisional retail profit margin forecasts

Year-end 31 Jan (%)	2025A	Actual / New forecasts			Old forecasts			% change		
		2026A	2027E	2028E	2026E	2027E	2028E	2026A	2027E	2028E
UK & Ireland	8.6	8.5	8.6	8.9	8.5	8.7	8.9			
France	2.4	2.5	2.6	2.8	2.5	2.4	2.8			
Poland	5.1	4.7	4.9	5.1	4.6	4.6	4.9			
Iberia	2.1	3.5	3.8	4.0	4.1	4.3	4.5			
Other International	(7.2)	(4.9)	(2.3)	0.9	(6.2)	(2.1)	1.0			
Total Group Retail Profit margin	5.4	5.7	5.9	6.3	5.7	5.9	6.2			

Source: Company data, Equity Development

Financial forecasts

- The detail of our forecasts is shown below, along with our new FY29E forecasts.

Income statement: Revenue to operating profit								
Year-end 31 Jan, £m	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Group revenue	13,183	13,059	12,980	12,784	12,945	13,119	13,499	13,922
Cost of sales	(8,248)	(8,264)	(8,204)	(8,021)	(8,015)	(8,090)	(8,290)	(8,515)
Gross profit	4,935	4,795	4,776	4,763	4,930	5,029	5,208	5,406
Other income	23	25	23	20	24	24	24	24
Selling & distribution costs	(3,041)	(3,087)	(3,143)	(3,122)	(3,212)	(3,191)	(3,243)	(3,302)
Admin costs	(836)	(868)	(982)	(998)	(1,082)	(1,134)	(1,195)	(1,266)
Add back D&A	555	582	641	656	667	653	669	687
Operating costs, Adj. ex D&A	(3,322)	(3,373)	(3,484)	(3,463)	(3,627)	(3,673)	(3,769)	(3,882)
Adj. EBITDA	1,636	1,447	1,315	1,300	1,327	1,357	1,439	1,525
Depreciation of PPE	(188)	(199)	(216)	(224)	(233)	(240)	(242)	(244)
Depreciation of ROUA	(285)	(299)	(314)	(310)	(315)	(313)	(314)	(321)
Amortisation	(82)	(84)	(111)	(121)	(119)	(99)	(112)	(121)
Depreciation & amortisation	(555)	(582)	(641)	(656)	(667)	(653)	(669)	(687)
Share of post-tax jvs and associates	5	5	(1)	(15)	(9)	(5)	2	2
Adj. Operating profit	1,086	870	673	628	651	699	772	840

Source: Company data, Equity Development

Income statement: Operating profit to EPS

Year-end 31 Jan, £m	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Adj. Operating profit	1,086	870	673	628	651	699	772	840
Interest on financial debt	(13)	(5)	(7)	(9)	(6)	(8)	(8)	(8)
Interest on lease liabilities	(135)	(124)	(126)	(123)	(118)	(122)	(122)	(123)
Other finance costs								
Interest receivable & other	11	17	28	32	33	24	25	27
Finance costs	(137)	(112)	(105)	(100)	(91)	(105)	(105)	(104)
Adj. PBT	949	758	568	528	560	594	668	736
Exceptional costs	58	(147)	(93)	(221)	(182)			
PBT	1,007	611	475	307	378	594	668	736
Adj. tax	(212)	(169)	(153)	(147)	(144)	(154)	(174)	(191)
Tax on exceptional items	48	29	23	25	11	0	0	0
Tax	(164)	(140)	(130)	(122)	(133)	(154)	(174)	(191)
Adj. PAT	737	589	415	381	416	439	494	545
Reported PAT	843	471	345	185	245	439	494	545
No of f/d shares (m)	2,116	2,002	1,921	1,867	1,776	1,689	1,602	1,515
Adjusted diluted EPS (p)	34.8	29.4	21.6	20.4	23.4	26.0	30.8	36.0
DPS (p)	12.4	12.4	12.4	12.4	12.4	12.4	13.0	13.7

Source: Company data, Equity Development

Cashflow statement

Year-end 31 Jan, £m	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Adj. EBITDA	1,636	1,447	1,315	1,300	1,321	1,357	1,439	1,525
Add back SBP charge	27	19	22	20	27	30	33	36
Change in inventories	(359)	(234)	132	87	(1)	44	(12)	(18)
Change in trade receivables	(23)	(44)	(6)	63	(16)	(4)	(8)	(9)
Change in trade payables	158	(196)	(14)	(50)	91	24	63	71
Change in provisions	(42)	(13)	(3)	9	8	0	0	0
Change in pensions etc.	(13)	(1)	7	(5)	15			
Working capital movement	(279)	(488)	116	104	97	64	43	43
Net financial interest paid	(20)	0	9	15	23	16	17	19
Interest paid on lease liabilities	(135)	(124)	(126)	(125)	(118)	(122)	(122)	(123)
Lease payments (principal)	(341)	(329)	(348)	(387)	(379)	(313)	(346)	(354)
Tax paid	(169)	(130)	(117)	(109)	(65)	(154)	(174)	(191)
Exceptionals (cash)	(39)	(34)		(18)	(23)	0	0	0
Other		5	(8)	2	64			
Capex	(397)	(449)	(363)	(317)	(388)	(400)	(405)	(418)
M&A			(3)					
Disposals	9	12	9	(1)	37			
Other	5		2	(19)				
Capex	(383)	(437)	(355)	(337)	(351)	(400)	(405)	(418)
Discontinued ops cashflow								
Free cashflow ¹	385	(40)	514	511	512	477	486	538
Free cashflow	297	(71)	508	465	596	477	486	538
Dividends	(254)	(246)	(237)	(228)	(218)	(209)	(202)	(200)
Share buy-backs / equity issue	(181)	(338)	(180)	(249)	(272)	(250)	(250)	(250)
Other								
Net cashflow	(136)	(446)	91	(12)	106	18	34	87

Note 1: FCF Kingfisher definition (excludes disposals and some adjusting items); Source: Company data, Equity Development

Net debt metrics								
Year-end 31 Jan, £m	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Gross financial debt	(16)	(116)	(109)	(107)	(103)	(103)	(103)	(103)
Net cash	823	286	360	345	465	483	517	605
Net financial (debt) / cash	807	170	251	238	362	380	414	502
Leases (incl those for sale)	(2,376)	(2,444)	(2,367)	(2,253)	(2,238)	(2,247)	(2,256)	(2,266)
Net (debt) / cash incl leases	(1,569)	(2,274)	(2,116)	(2,015)	(1,878)	(1,867)	(1,842)	(1,764)
Net financial (cash) / Adj. EBITDA (x)	(0.5)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)
Net debt / Adj. EBITDA (x)	1.0	1.6	1.6	1.6	1.4	1.4	1.3	1.2

Source: Company data, Equity Development

Balance Sheet: Assets

Year-end 31 Jan, £m	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Property, plant and equipment	3,078	3,205	3,206	3,105	3,206	3,232	3,260	3,294
Right of use assets	1,885	1,947	1,881	1,771	1,830	1,839	1,879	1,921
Intangible assets (Goodwill)	2,424	2,408	2,398	2,312	2,239	2,239	2,239	2,239
Other intangible assets	330	371	368	312	261	295	318	336
Investment in jvs & associates	17	30	19	29	0	-5	-3	-1
Investment property	33	30	27	34	88	88	88	88
Post-employment benefits	540	251	212	202	181	181	181	181
Trade and other receivables	22	19	15	13	13	13	13	13
Deferred & other tax assets	74	80	78	7	6	6	6	6
Non-current assets	8,403	8,341	8,204	7,785	7,824	7,888	7,981	8,077
Inventories	2,749	3,070	2,914	2,719	2,768	2,724	2,736	2,754
Trade and other receivables	300	347	344	276	289	293	301	311
Other financial assets	37	16	2	22	1	1	1	1
Current tax assets	33	40	73	147	47	47	47	47
Cash & cash equivalents	823	286	360	336	465	483	517	605
Cash held for sale				9	0	0	0	0
Assets held for sale	6	3	3	149	4	4	4	4
Current assets	3,948	3,762	3,696	3,658	3,574	3,552	3,606	3,721

Source: Company data, Equity Development

Balance Sheet: Liabilities								
Year-end 31 Jan, £m	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Bank overdraft & s/t loans	(14)	(16)	(7)	(108)	(3)	(3)	(3)	(3)
Trade payables and other liabilities	(2,674)	(2,483)	(2,445)	(2,355)	(2,524)	(2,548)	(2,611)	(2,682)
Lease liabilities	(347)	(343)	(366)	(345)	(351)	(351)	(351)	(351)
Current tax liabilities	(46)	0	(12)	(6)	(13)	(13)	(13)	(13)
Provisions	(23)	(10)	(9)	(16)	(29)	(29)	(29)	(29)
Other financial liabilities	(12)	(47)	(23)	(5)	(22)	(22)	(22)	(22)
Leases held for sale				(42)	0	0	0	0
Other liabilities held for sale				(50)	0	0	0	0
Current liabilities	(3,116)	(2,899)	(2,862)	(2,927)	(2,942)	(2,966)	(3,029)	(3,100)
Capital employed	9,235	9,204	9,038	8,516	8,456	8,474	8,559	8,699
Bank borrowings	(2)	(102)	(102)	(1)	(100)	(100)	(100)	(100)
Lease liabilities	(2,029)	(2,101)	(2,001)	(1,866)	(1,887)	(1,896)	(1,905)	(1,915)
Deferred tax liabilities	(276)	(205)	(207)	(193)	(207)	(207)	(207)	(207)
Provisions	(10)	(10)	(7)	(9)	(3)	(3)	(3)	(3)
Trade and other payables	(10)	(4)	(3)	(2)	(2)	(2)	(2)	(2)
Post employment benefits	(130)	(114)	(113)	(101)	(98)	(98)	(98)	(98)
Other financial liabilities	(1)	(5)	(1)	0	(1)	(1)	(1)	(1)
Non-current liabilities	(2,458)	(2,541)	(2,434)	(2,172)	(2,298)	(2,307)	(2,316)	(2,326)
Net assets	6,777	6,663	6,604	6,344	6,158	6,168	6,243	6,373
Shareholders' funds	6,778	6,663	6,604	6,344	6,158	6,168	6,243	6,373

Source: Company data, Equity Development

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