

Market share wins and cyclical upside appeal

26th March 2025

Kingfisher is primed, ready for a recovery in “big-ticket” spending. However, management’s understandably cautious guidance range for FY26E Adj. PBT has led the stock to give up its YTD gains. We believe this enhances Kingfisher’s value attractions. Over the next three years we forecast c.36% growth in Adj. PBT and our upside scenario suggests c.90% potential growth. Whilst investors wait for this, we forecast a 10.5% FCF yield and substantial cash returns. Hence, trading on under 9 x cal 2026 PER, we see scope for a significant re-rating. We reiterate our 340p Fair Value, equal to c.12.5x cal 2026 PER and c.3.5% dividend yield.

Market share wins and “operationally never been in better shape”

Kingfisher’s FY25 results illustrated that management’s strategy to grow trade penetration (now 17.9%, up 4.9ppts yoy, excluding trade-focussed Screwfix) and e-commerce sales (19.0% of group mix, +1.6ppts yoy) is driving market share gains in the UK & Ireland, France and Poland. In addition, as CEO Thierry Garnier said, “operationally the business has never been in better shape”. The group achieved £120m structural cost savings in FY25 and expects to fully offset £145m of macro-cost headwinds in FY26E.

Stock falls 14% on FY26E Adj. PBT caution but cyclical upside attracts

Given macro-economic and geo-political uncertainty, management has understandably given a wide range for FY26E Adj. PBT guidance of £480m-£540m, reflecting a range of macro-economic outcomes. The mid-point of £510m, was c.8% below average consensus estimates. Yet, LFL sales trends improved through FY25 concluding with +1.3% LFL sales growth in “big-ticket” sales in 4Q25. We agree that “one swallow does not make a summer”, but we are encouraged by lower interest rates and optimism in the UK housing market, along with the potential gains to B&Q from the exit of Homebase. We make only minimal changes to our FY26E Adj. PBT (£528m) and continue to anticipate a macro-economic recovery driving operating leverage from FY27E.

10.5% FCF yield and under 9x cal 26 PER appeals

We detailed our investment thesis in our recent initiation: [Home attraction; cyclical upside; cash rewards](#). Kingfisher has returned £1.9bn to shareholders FY22-FY25 and we forecast over £500m p/a, including a £300m share buy-back, will be returned to shareholders for FY26E-FY28E.

Company Data

EPIC	LSE: KGF
Price (last close)	240p
52 weeks Hi/Lo	331p/225p
Market cap	£4,263m
ED Fair Value	340p
Net debt incl leases FY25	£2,015m

Share Price, p



Source: Investing.com

Description

Kingfisher is an international home improvement retailer with over 2,000 stores across eight 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 44% of group sales are from their own exclusive brands, with online marketplaces offering over 1.5 million third-party products.

Next event: 1Q26 Trading update 28 May 25

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Key Financials & Valuation multiples

Year to 31 Jan (£m)	2023	2024	2025	2026E	2027E
Revenue	13,059	12,980	12,784	12,737	13,171
Revenue growth (%)	-0.9	-0.6	-1.5	-0.4	3.4
Adj. PBT	758	568	528	528	610
Adj. PBT margin (%)	5.8	4.4	4.1	4.1	4.6
Adj. diluted EPS (p)	29.4	21.6	20.4	22.0	27.7
Adj. EPS growth (%)	-15.5	-26.6	-5.4	7.5	26.3
Dividend per share (p)	12.4	12.4	12.4	12.4	12.4
Free cashflow (adj, ex disposals)	(40)	514	511	448	470
Net debt/(cash) incl leases /Adj. EBITDA (x)		1.6	1.6	1.6	1.6
EV / Sales (x, calendarised)		0.5	0.5	0.5	0.5
EV / Adj. EBITDA* (x, calendarised)		5.0	5.0	4.8	4.4
PER (x, calendarised)		11.7	11.0	8.8	6.9
FCF yield (%)		11.4	10.1	10.4	11.8
Dividend yield (%)		5.2	5.2	5.2	5.6

Source: Company historic data, ED forecasts and analysis; Share price at COB 25/3/25

Kingfisher: Investment Attractions Overview

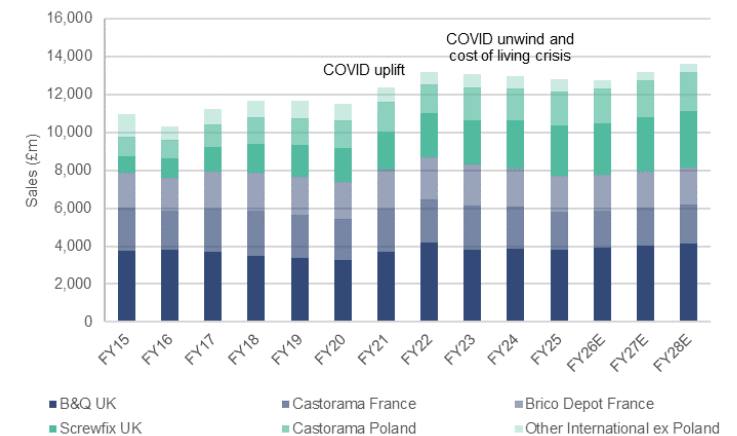
Investment Highlights	Risk Factors
<ul style="list-style-type: none"> Kingfisher is a market leader in a large and structurally growing industry as the drive to make homes and gardens more efficient and “greener” continues. The group operates a diversified portfolio of banners and store sizes and has strategically expanded online and with trade customers. 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 c.44% of sales. Management’s “Powered by Kingfisher” strategy to serve more customers, in more convenient ways, has led to a 10%+ step up in group revenues from c.£11.5bn FY17-FY20 (pre-COVID) to £12.8bn FY22-FY25. Kingfisher is winning market share in the UK & Ireland, France and Poland has accelerated its French turnaround plan. Management’s structural cost saving programme saved £120m in FY25, with more to come. Kingfisher is an industry leader on sustainability, with a “AAA” MSCI ESG rating. 	<ul style="list-style-type: none"> 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 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. Technology disruption.
Forecast Drivers	Valuation Overview
<ul style="list-style-type: none"> Strategic initiatives are anticipated to drive a return to positive Group LFL sales growth in FY26E (0.4%), rising to just over 2% in FY27E and FY28E, aided by a modest recovery in real disposable income and consumer confidence. We forecast new stores, including the acquisition of 8 Homebase stores in 1H26E, to contribute an average 1.3% p/a to sales FY26E-FY28E. We expect space rationalisation at Castorama to keep total group space at c.5.4m sq mt (post the disposal of Romania, expected 1H26E) but we estimate rising sales densities. We anticipate c.£145m of cost headwinds in FY26E (and a £33m lower base from no repeat business rates refund) for management to mostly offset with efficiencies and some price increases (and a c.£10m benefit from the disposal of Romania). For FY27E and FY28E we forecast c.40-50bps of operating leverage lifts group Adj. PBT margin to 5.3% in FY28E. We expect FCF of £450m+ FY26E-FY28E, after capex of c.2.75% of sales. 	<ul style="list-style-type: none"> Kingfisher is trading on only 0.5x cal 2025 EV/Sales, c.5x cal 2025 EV/EBITDA and only c.11x cal 2025 PER and c.9x cal 2026 PER. This is towards the bottom of Kingfisher’s average forward PERs for the last decade (9.5x-15x). Whilst Kingfisher is trading broadly in line with UK peers, it is trading at a c.55% discount to US peers (PER). Kingfisher is also trading on a c.10.5% cal 2026 FCF yield and a 5.4% cal 2026 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 c.£1bn in FY28E. We reiterate our Fair Value of 340p, equivalent to c.12.5x cal 2026 PER (c.10x cal 2027 PER) and an 7.5% cal 2026 FCF yield and c. 4% cal 2026 dividend yield which we think more fairly reflects the profit recovery potential.

Kingfisher's strategy driving market share wins

"Powered by Kingfisher" strategy for a stronger business

- Kingfisher has emerged from an exceptional period of the 2020-2021 COVID pandemic followed by the 2022-2024 cost-of-living crisis with resilient group sales of £12.8bn in FY25 but an Adj. PBT margin of only 4.1% (due to high cost inflation whilst "big-ticket" spending has been weak).
- Nevertheless management's strategy of increasing online, marketplace and trade sales, whilst rolling out compact stores and rationalising space at Castorama France, has led to market share gains across the group.
- Whilst the UK has led the way with Tradepoint now accounting for 23.4% of B&Q's sales, Brico Depot France has increased its trade penetration to 12.8% at year end from 4.2% and Castorama Poland has increased its trade penetration to 24.5% at year end (+19.1%pts). Screwfix is over 80% trade.

Resilient sales of £12.8bn in FY25, despite weak consumer

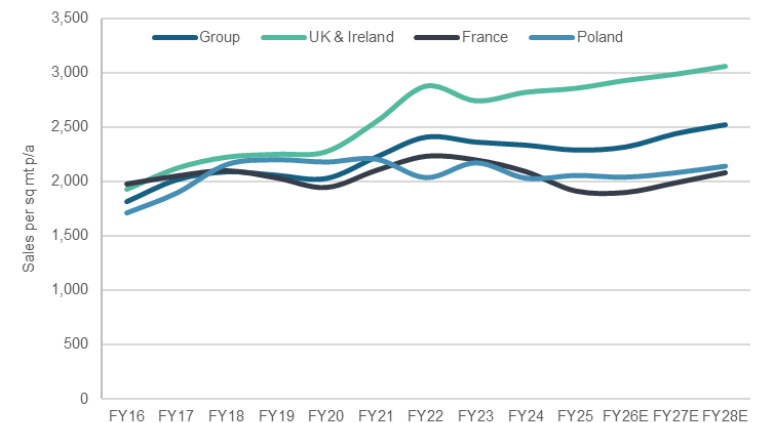


Rolling out Casto Pro to France, Poland and beyond



Source: Company data

Anticipate increasing sales densities to drive profit margin

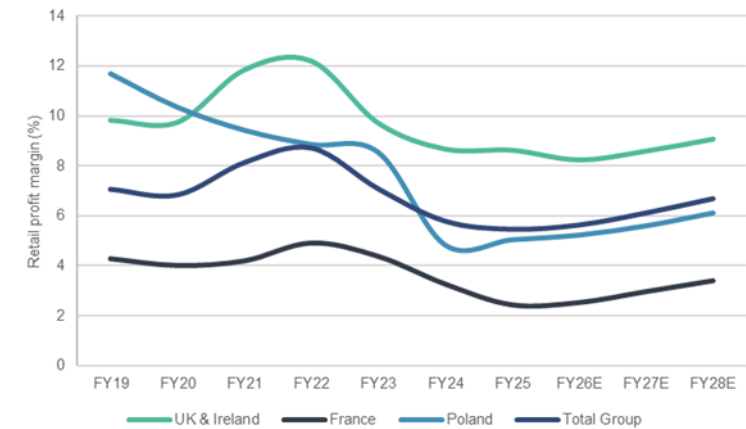


Managing significant cost headwinds

Cost headwinds in FY26E but margin growth from FY27E

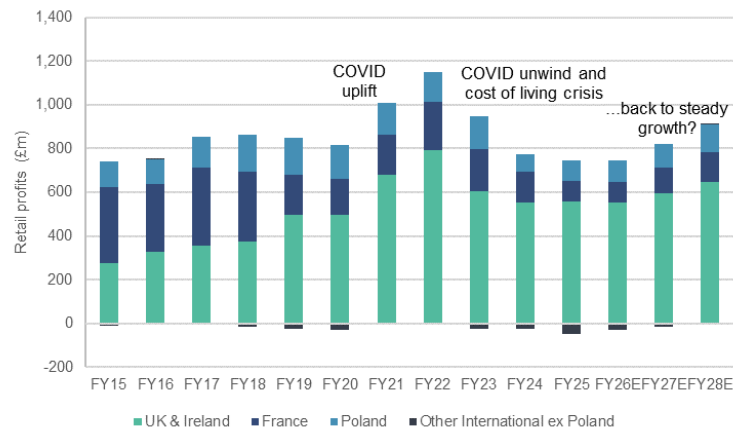
- Unfortunately, FY26E will see further cost headwinds of c.£145m as Kingfisher works to mitigate the inflationary impact of c.£45m National Insurance increases and similar changes in France, in addition to underlying opex inflation of c.£90m (mostly wage inflation) and new packaging regulations costing c.£10m.
- This may limit margin expansion in FY26E but we forecast c.40-50bps of operating leverage p/a from FY27E in the UK, France and Poland. We also forecast a reduction of c.£10m losses following the sale of the Romanian business.
- Taken together we estimate Adj. PBT margin rising 120bps to 5.3% in FY28E and Adj. PBT growth of 36% to c.£720m in FY28E (a CAGR of 11%).

Margin expansion from cost reductions and leverage...



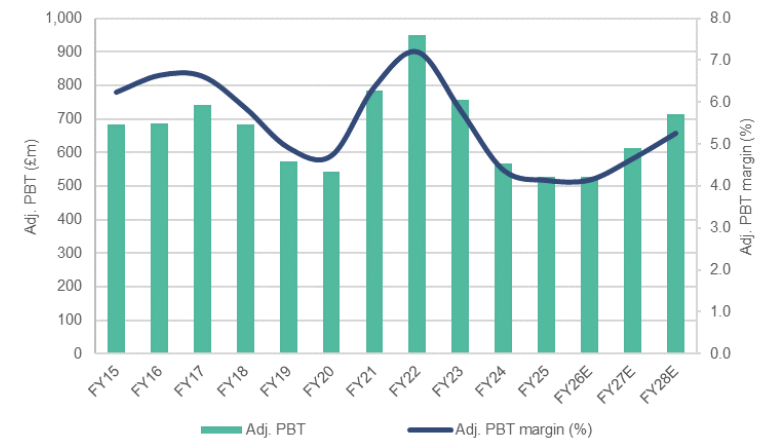
Source: Company historic data, ED forecasts and analysis

...driving 9% CAGR in retail profit FY25-FY28E...



Source: Company historic data, ED forecasts and analysis

...and 11% Adj. PBT and a recovery in Adj. PBT margin



Source: Company historic data, ED forecasts and analysis

Whilst there is near-term uncertainty, a macro-economic recovery still looks likely (led by the UK)

A more positive medium-term macro outlook

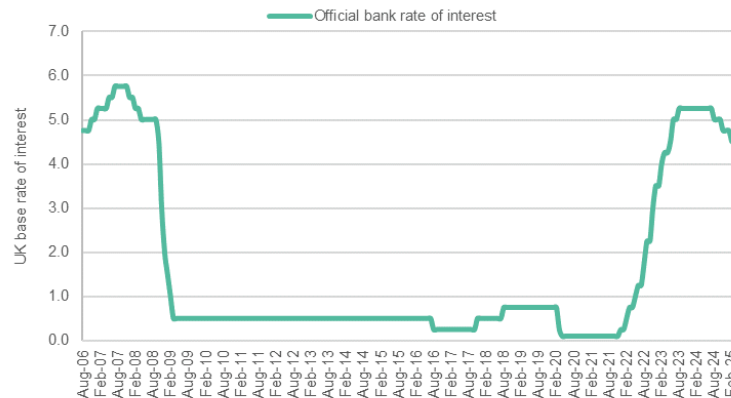
- UK CPI inflation has fallen from the highs of over 10% in 2022, and whilst the inflationary impacts of the 2024 Autumn Budget have led CPI to increase the Bank of England base interest rate has been cut to 4.5% in February 2025.
- Consensus economic forecasts are for the base rate to be cut to 3.5% by 4Q26 (source: HM Treasury) and as such 2 and 5 year mortgage rates have stabilised at c. 5.5% and 5.3% since the start of 2025.
- UK consumer confidence and major purchase intentions have risen through 2024 and into 2025, whilst UK housing transactions have recovered back towards 100,000 per month, +18% yoy in 4Q24.
- This all bodes well for B&Q and Screwfix, though we would keep a watching brief on rising unemployment (4.4%), which may lead confidence to fall again.

UK consumer confidence and major purchase intentions up



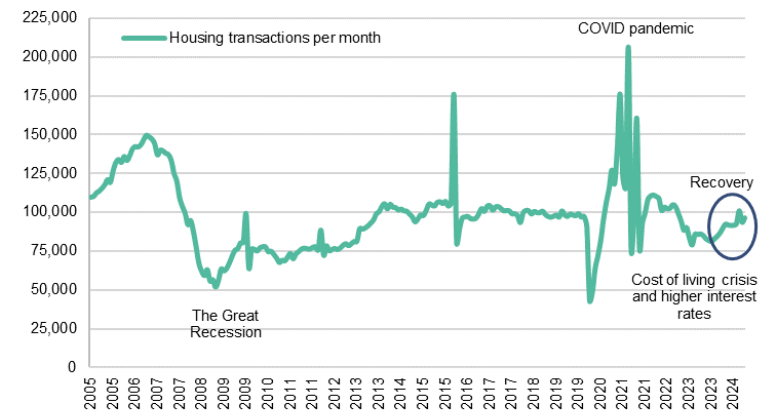
Source: GfK UK Consumer Confidence Barometer, powered by NIM, ED analysis

UK interest rates on their way down (4Q25 est 3.85%)



Source: Bank of England, ED analysis

UK housing transactions recovering (4Q24 +18% yoy)



Source: National Statistics, UK Government, ED analysis

...with potential upside from the exit of Homebase

LFL sales to recover and 8 stores acquired from Homebase

- We estimate there is a 9-12 month time lag between home purchases and purchases of DIY/DIFM home projects and “big-ticket” items (16% of group sales). Hence, we expect to see the benefit of more housing transactions in B&Q and Screwfix sales in FY26E and FY27E. We also note that the UK household savings ratio of 10.1% in 3Q24 is high.
- Together with management's other initiatives we (conservatively) forecast 1% LFL sales growth in FY26E for B&Q, rising to 2% in FY27E and 1.5% for Screwfix in FY26E, rising to 3.0% in FY27E.
- We also forecast 2% sales contribution from new space in FY26E from an estimated 30 new Screwfix openings and 10 new B&Q openings, 8 of which have been acquired from Homebase (5 in the UK and 3 in Ireland, bought for £5.7m and expected to complete and convert in FY26E).

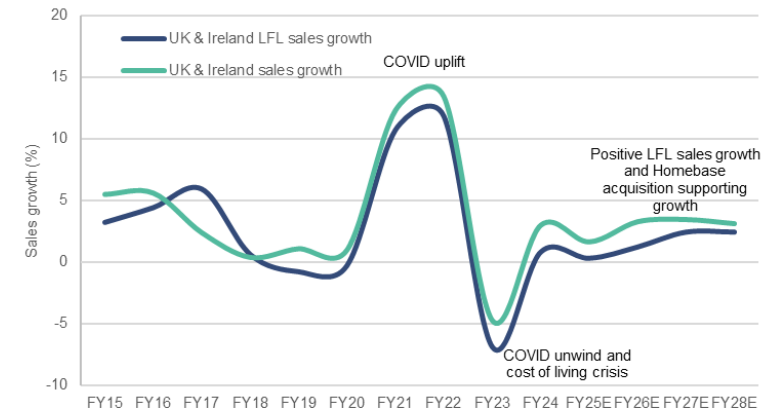
Source: ONS

Homebase exits leaving c.£300m sales

- Homebase (previously no 2 in UK DIY & Gardening) was owned by Hilco Capital when it fell into administration in November 2024. At that point it had 141 stores and its market share had approximately halved since it was bought by Wesfarmers in 2016 (when it had c.250 stores).
- CDS Superstores bought 70 stores (and the Homebase brand and online site) with a plan to convert the stores into The Range Superstores, with a wider product range (CDS also owns The Range and Wilko).
- B&Q has bought 5 Homebase stores in the UK and 3 in Ireland whilst Sainsbury's has bought 10 Homebase stores. Many stores, however, have closed with 47 closures in Jan-Feb 2025. We estimate that the exit of c.70 stores could see around c.£300m sales available for competitors to attract.

Source: Retail Gazette

UK & Ireland sales growth to recover to c.3% FY26E-FY28E



Source: Company historic data, ED forecasts and analysis

An incremental £100m of sales could add c. £25m to PBT

- We included in our forecasts a c. £50m or 1.3% sales contribution to B&Q from the eight Homebase stores acquired.
- However, we model that each 1% of UK & Ireland LFL sales growth (whether from the Homebase exit or from a macro-economic improvement) could add:
 - £65m to Sales; and
 - £16m to Retail profit assuming a c.37% gross margin and 10%-15% of sales as incremental costs...
 - ...equating to a marginal retail margin of c.25% and a 24bps increase in the UK & Ireland retail margin.
- Hence an extra £100m of sales from the Homebase exit could add up to £25m to group Adj. PBT (5%).

Source: ED forecasts and analysis

Significant cash generation, aided by inventory reductions

A cashflow generating business model

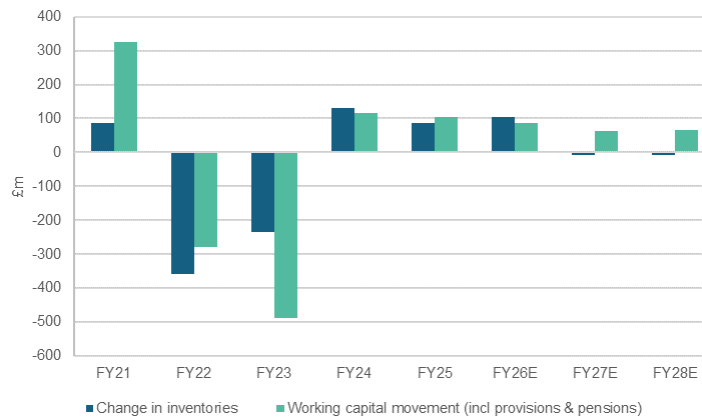
- Kingfisher typically spends 2.5%-3.0% of sales on capex projects including new stores and technology and digital investment and is guiding to £350m gross capex in FY26E and FCF of £420m-£480m.
- Management is focussed on inventory efficiencies (helped by increased penetration of trade sales as they have a faster stock-turn), leveraging its investment in data and planning and forecasting systems. FY25 same-store inventory fell by £107m or 6 days and we forecast further savings in FY26E.
- Backed by a strong balance sheet (1.6x total debt / Adj. EBITDA), Kingfisher has returned £1.9bn to shareholders FY22-FY25 and we forecast over £500m p/a will be returned to shareholders for FY26E-FY28E through a combination of dividends (target 2.25x-2.75x cover) and share buy backs.

Focus on inventory reduction back to c.115 days of stock...



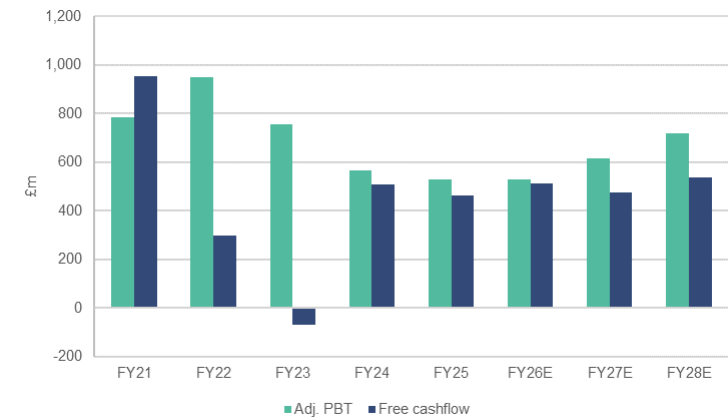
Source: Company historic data, ED forecasts and analysis

...leading to working capital inflows of £50m-£100m p/a



Source: Company historic data, ED forecasts and analysis

...and c.75%+ PBT conversion to FCF



Source: Company historic data, ED forecasts and analysis

Minimal changes to our forecasts

- Kingfisher's FY25 results came in as we anticipated with Sales of £12.8bn and Adj. PBT of £528m (ED est £525m).
- Within the regions UK & Ireland's £558m retail profit was 2% below our estimates, whilst France's £95m retail profit was 11% above our estimate and Poland's £90m retail profit was in-line. Overall Group retail profit of £696m was 1% below our estimate and the 5.4% Adj. PBT margin just 10bps below our estimate.
- FY25 adjusting items totalled £221m including non-cash impairment of stores (£94m), impairment of Castorama France goodwill (£84m) and impairment of Romania assets (and other exit costs, £22m), together with £15m of restructuring costs for Castorama France's head office and a further £5m on operating model restructuring.
- Our forecasts are in-line with guidance being FY26E Adj. PBT of £528m, towards the top end of management's £480m-£540m range and FY26E FCF of £448m, in line with guidance of £420m-£480m. Our estimates are detailed in the following tables.

Year-end 31 Jan, £m	New forecasts			Old forecasts			% change		
	FY25A	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	12,784	12,737	13,171	12,822	12,876	13,179	-0.3	-1.1	-0.1
Revenue growth (%)	-1.5	-0.4	3.4	-1.2	0.4	2.4			
Adj. PBTA	528	528	610	525	529	620	0.6	-0.1	-1.5
Adj. PBT margin (%)	4.1	4.1	4.6	4.1	4.1	4.7			
Adjusted diluted EPS (p)	20.4	22.0	27.7	20.5	22.1	27.7	-0.4	-0.5	0.0
Adj. EPS growth (%)	-5.4	7.5	26.3	-5.1	7.7	25.7			
Dividend per share (p)	12.4	12.4	12.4	12.4	12.4	12.4			
Capex	317	350	362	350	361	369	-9.4	-3.0	-1.8
Free cashflow (adj. ex disposals)	511	448	470	448	465	495	14.2	-3.8	-4.9
Net financial (debt) /cash	238	192	163	208	268	310			
Total net debt incl leases (IFRS 16)	(2,015)	(2,028)	(2,066)	(2,168)	(2,119)	(2,086)			
Net financial debt (cash)/ EBITDA (x)	-0.2	-0.1	-0.1	-0.2	-0.2	-0.2			
Total net debt (cash) / EBITDA (IFRS 16) (x)	1.6	1.6	1.5	1.6	1.6	1.5			

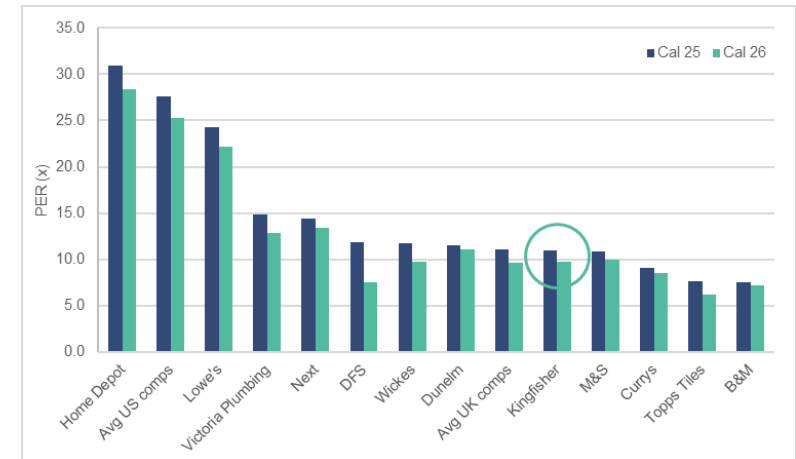
Source: Company historic data, ED forecasts and analysis

Upside profit potential, cash returns and bottom-of-the-cycle valuation

Kingfisher's low valuation appeals

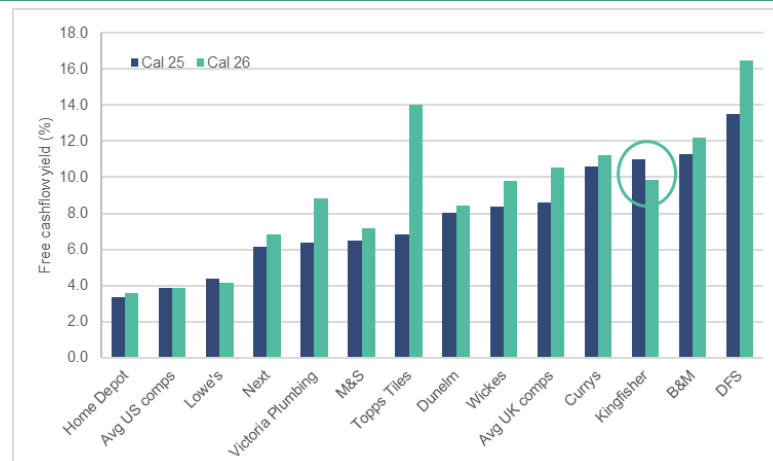
- We detailed our blue-sky scenario analysis in our [recent initiation](#) and concluded that over 3 years a macro-economic recovery could conservatively add 5% sales and 150bps of margin, leading to a near doubling of Adj. PBT to £1bn in FY28E.
- Yet political and economic uncertainty in Poland, France and the UK is leading to low valuations with Kingfisher is trading broadly in line with UK peers on under 10x cal 2026E PER and offering a 5.4% cal 2026 dividend yield.
- Yet, Kingfisher's valuation is a c.60% discount to US peers.
- As Kingfisher benefits (in time) from a macro-economic recovery as well as its strategic initiatives, we anticipate higher profit margins will drive a re-rating.

Kingfisher trades on under 10x cal 26 PER



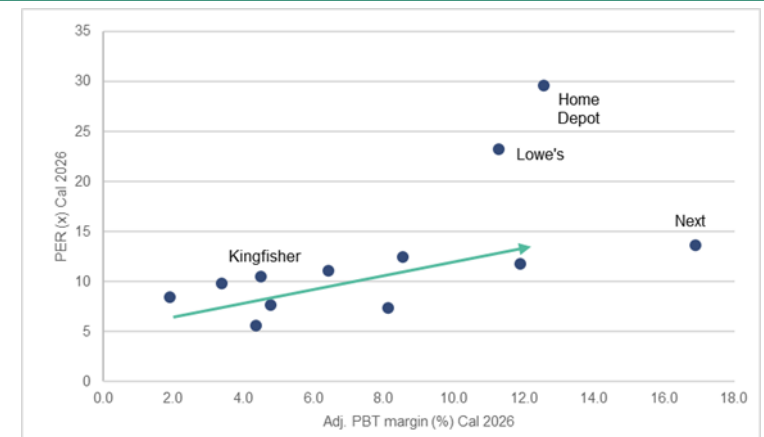
Source: Koyfin for consensus estimates, ED analysis

...and a c.10% free cashflow yield...



Source: Koyfin for consensus forecasts, ED analysis

Anticipated PBT margin expansion likely to drive a re-rating



Source: Koyfin for consensus estimates; ED analysis

Financial forecast tables

Group sales £m, by banner and region

Year-end 31 Jan	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
B&Q	3,765	3,799	3,680	3,488	3,390	3,284	3,707	4,178	3,835	3,849	3,820	3,928	4,033	4,140
Screwfix	835	1,054	1,299	1,515	1,671	1,828	2,036	2,327	2,365	2,538	2,636	2,742	2,869	2,978
UK & Ireland	4,600	4,853	4,979	5,003	5,061	5,112	5,743	6,505	6,200	6,387	6,456	6,670	6,902	7,118
Castorama	2,291	2,076	2,308	2,406	2,246	2,145	2,265	2,296	2,302	2,219	2,014	1,957	1,996	2,036
Brico Depot	1,841	1,710	1,946	1,981	2,026	1,937	2,044	2,202	2,150	2,027	1,869	1,856	1,914	1,973
France	4,132	3,786	4,254	4,387	4,272	4,082	4,309	4,498	4,452	4,246	3,883	3,813	3,910	4,010
Poland	1,055	987	1,191	1,384	1,431	1,461	1,550	1,525	1,734	1,694	1,788	1,840	1,927	2,036
Iberia	318	286	335	348	346	326	310	366	373	371	384	388	396	408
Romania	91	91	110	130	210	216	242	279	285	269	257	0	0	0
Other	770	328	356	403	365	316	189	10	15	13	16	26	36	47
Other International	1,179	705	801	881	921	858	741	655	673	653	657	414	432	455
Total Group	10,966	10,331	11,225	11,655	11,685	11,513	12,343	13,183	13,059	12,980	12,784	12,737	13,171	13,619

Note: Romania treated as discontinued in FY26E; Source: Company historic data, ED forecasts and analysis

Group LFL sales growth (%), by banner and region

Year-end 31 Jan	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
B&Q	1.4	1.9	3.5	(2.8)	(3.0)	(2.9)	13.0	12.3	(8.8)	0.4	(0.4)	1.0	2.0	2.0
Screwfix	13.4	15.3	13.8	10.1	4.1	5.0	6.6	10.9	(3.4)	1.4	1.0	1.5	3.0	3.0
UK & Ireland	3.2	4.4	5.9	0.6	(0.8)	(0.3)	10.7	11.8	(6.9)	0.8	0.2	1.2	2.4	2.4
Castorama	(1.4)	(0.2)	(3.0)	(2.4)	(7.1)	(3.3)	6.2	7.2	0.0	(4.8)	(6.6)	(2.0)	2.0	2.0
Brico Depot	(3.2)	(0.5)	(2.3)	(4.8)	0.4	(3.1)	3.8	11.6	(2.9)	(7.1)	(5.7)	(1.0)	2.0	2.0
France	(2.3)	(0.4)	(2.7)	(3.5)	(3.7)	(3.2)	5.1	9.3	(1.4)	(5.9)	(6.2)	(1.5)	2.0	2.0
Poland	0.4	3.6	7.5	5.3	1.7	1.6	4.9	0.3	13.8	(9.5)	(0.1)	1.5	2.0	3.0
Iberia	(5.5)	(5.0)	0.5	(3.2)	(1.1)	(4.7)	(7.0)	23.2	1.9	(1.8)	6.1	2.0	2.0	3.0
Total Group	0.5	2.3	2.3	(0.7)	(1.6)	(1.5)	7.1	9.9	(2.1)	(3.1)	(1.7)	0.4	2.2	2.4

Note: Other International includes Romania and others; Source: Company historic data, ED forecasts and analysis

Group sales growth at constant currency (%), by banner and region

Year-end 31 Jan	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
B&Q	1.9	1.1	(3.3)	(5.3)	(2.8)	(3.1)	12.8	12.8	(8.2)	0.3	(0.7)	2.8	2.7	2.7
Screwfix	25.5	26.3	23.2	16.7	10.3	9.4	11.4	14.3	1.3	7.3	4.0	4.0	4.6	3.8
UK & Ireland	5.5	5.6	2.4	0.4	1.1	1.0	12.3	13.4	(4.7)	3.0	1.2	3.3	3.5	3.1
Castorama	(1.7)	0.1	(2.4)	(1.9)	(7.3)	(3.3)	3.3	5.9	0.1	(4.8)	(6.8)	(2.0)	2.0	2.0
Brico Depot	(0.1)	2.5	(0.1)	(4.2)	1.4	(3.1)	3.2	12.5	(2.5)	(6.9)	(5.3)	0.1	3.1	3.1
France	(1.0)	1.2	(1.4)	(3.0)	(3.4)	(3.2)	3.2	9.0	(1.2)	(5.8)	(6.1)	(1.0)	1.0	1.0
Poland	0.7	3.3	10.1	6.3	3.4	4.0	8.0	5.0	16.7	(7.4)	3.2	4.3	4.7	5.7
Iberia	14.2	(3.2)	2.1	(4.8)	(1.1)	(4.7)	(7.0)	23.2	1.9	(1.8)	5.7	2.0	2.0	3.0
Romania		10.7	6.9	12.9	63.4	6.1	11.8	22.8	1.7	(6.4)	1.5			
Other Internation'l¹	5.0	4.8	7.0	3.5	5.7	(0.2)	1.1	10.3	12.4	(6.5)	3.4			
Total Group¹	2.9	3.8	1.7	(0.3)	0.3	(0.8)	6.8	9.7	(0.7)	(1.8)	(0.8)	2.1	3.0	2.9

Note 1: totals in FY26E and FY27E exclude Romania as Kingfisher has announced the sale of its Romanian assets; Source: Company historic data, ED forecasts and analysis

Group sales growth (%), by banner and region

Year-end 31 Jan	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
B&Q	1.8	0.9	(3.1)	(5.2)	(2.8)	(3.1)	12.9	12.7	(8.2)	0.4	(0.8)	2.8	2.7	2.7
Screwfix	25.5	26.2	23.2	16.6	10.3	9.4	11.4	14.3	1.6	7.3	3.9	4.0	4.6	3.8
UK & Ireland	5.4	5.5	2.6	0.5	1.2	1.0	12.3	13.3	(4.7)	3.0	1.1	3.3	3.5	3.1
Castorama	(7.3)	(9.4)	11.2	4.2	(6.7)	(4.5)	5.6	1.4	0.3	(3.6)	(9.2)	(2.8)	2.0	2.0
Brico Depot	(5.8)	(7.1)	13.8	1.8	2.3	(4.4)	5.5	7.7	(2.4)	(5.7)	(7.8)	(0.7)	3.1	3.1
France	(6.6)	(8.4)	12.4	3.1	(2.6)	(4.4)	5.6	4.4	(1.0)	(4.6)	(8.5)	(1.8)	2.5	2.5
Poland	(4.9)	(6.4)	20.7	16.2	3.4	2.1	6.1	(1.6)	13.7	(2.3)	5.5	2.9	4.7	5.7
Iberia	7.8	(10.1)	17.1	3.9	(0.6)	(5.8)	(4.9)	18.1	1.9	(0.5)	3.5	1.1	2.0	3.0
Romania		0.0	20.9	18.2	61.5	2.9	12.0	15.3	2.2	(5.6)	(4.5)			
Other Internation'l¹	(4.5)	(24.3)	17.7	13.7	3.8	(1.4)	(1.2)	(4.8)	10.4	(2.5)				
Total Group¹	(1.4)	(5.8)	8.7	3.8	0.3	(1.5)	7.2	6.8	(0.9)	(0.6)	(1.5)	1.7	3.4	1.7

Note 1: totals in FY26E and FY27E exclude Romania as Kingfisher has announced the sale of its Romanian assets; Source: Company historic data, ED forecasts and analysis

Group stores, by banner and region														
Year-end 31 Jan	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
B&Q	360	330	295	296	296	296	301	312	316	311	310	320	323	326
Screwfix	395	457	517	577	627	686	722	790	872	922	952	982	1,002	1,012
UK & Ireland	755	787	812	873	923	982	1,023	1,102	1,188	1,233	1,262	1,302	1,325	1,338
Castorama	103	102	102	102	101	100	93	93	95	95	94	92	90	88
Brico Depot	114	118	119	121	123	121	121	123	123	125	126	128	130	132
France	217	220	221	223	224	221	214	216	218	220	220	220	220	220
Poland Castorama	72	73	75	76	76	80	83	90	97	102	107	112	117	122
Iberia	30	31	31	31	31	31	31	31	31	31	31	31	31	31
Romania	15	15	15	38	37	35	35	35	33	32	31	0	0	0
Other	64	30	40	39	39	18	0	0	5	20	30	40	50	60
Other International	181	149	161	184	183	164	149	156	166	185	92	70	80	90
Total Group	1,153	1,156	1,194	1,280	1,330	1,367	1,386	1,474	1,572	1,638	1,681	1,704	1,742	1,770
Net new stores		3	38	86	50	37	19	88	98	66	43	23	38	28
% change yoy		0.3	3.3	7.2	3.9	2.8	1.4	6.3	6.6	4.2	2.6	1.4	2.2	1.6

Note: Other International excludes Poland from FY25; Source: Company historic data, ED forecasts and analysis

Group space, sales area in '000 sq mt, by banner and region

Year-end 31 Jan	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
B&Q	2,570	2,414	2,220	2,210	2,210	2,200	2,210	2,210	2,203	2,210	2,191	2,241	2,256	2,271
Screwfix	25	28	31	37	40	44	46	50	55	56	57	59	60	61
UK & Ireland	2,595	2,442	2,251	2,247	2,250	2,244	2,256	2,260	2,258	2,266	2,248	2,300	2,316	2,332
Castorama	1,120	1,240	1,248	1,259	1,250	1,243	1,160	1,160	1,156	1,153	1,143	1,094	1,045	996
Brico Depot	639	825	831	838	850	847	847	862	872	877	880	890	900	910
France	1,759	2,065	2,079	2,097	2,100	2,090	2,007	2,022	2,028	2,030	2,023	1,984	1,945	1,906
Poland Castorama	529	621	635	650	652	690	717	781	817	851	889	914	939	964
Iberia	180	194	195	195	195	195	195	195	195	195	194	194	194	194
Romania	139	114	114	273	273	253	253	253	238	230	232	0		
Other	524	207	210	202	209	188	0	0	0	1	1	2	2	3
Other International	1,372	1,136	1,154	1,320	1,329	1,326	1,165	1,229	1,250	1,277	427	196	196	197
Total Group	5,726	5,643	5,484	5,664	5,679	5,660	5,428	5,511	5,536	5,573	5,587	5,393	5,396	5,398
% change yoy		(1.4)	(2.8)	3.3	0.3	(0.3)	(4.1)	1.5	0.5	0.7	0.3	(3.5)	0.1	0.0

Other International excludes Poland from FY25; Source: Company historic data, ED forecasts and analysis

Retail profit £m, by region

Year-end 31 Jan	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
UK & Ireland	276	326	358	375	498	499	681	794	603	555	558	551	594	647
France	349	311	353	320	183	164	181	221	195	139	95	97	116	137
Poland	118	113	144	170	167	151	146	135	148	82	90	96	108	125
Iberia	-	5	-	-	2	2	3	12	9	6	8	9	10	11
Romania	(12)	(9)	-	3	(16)	(23)	(14)	(11)	(10)	(18)	(11)	0	0	0
Screwfix F & Other	(7)	(1)	(13)	(26)	(19)	(16)	(3)	(10)	(30)	(30)	(35)	(35)	(25)	(15)
Turkey JV	9	7	5	7	9	9	9	7	8	15	(9)	(2)	0	5
Other International	(10)	2	(8)	(16)	(24)	(28)	(5)	(2)	(23)	(27)	(47)	(28)	(15)	1
Total Group	733	752	847	849	824	786	1,003	1,148	923	749	696	716	804	909

Source: Company historic data, ED forecasts and analysis

Retail profit margin %, by region

Year-end 31 Jan	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
UK & Ireland	6.0	6.7	7.2	7.5	9.8	9.8	11.9	12.2	9.7	8.7	8.6	8.3	8.6	9.1
France	8.4	8.2	8.3	7.3	4.3	4.0	4.2	4.9	4.4	3.3	2.4	2.5	3.0	3.4
Poland	11.2	11.4	12.1	12.3	11.7	10.3	9.4	8.9	8.5	4.8	5.1	5.2	5.6	6.1
Iberia	0.0	1.7	0.0	0.0	0.6	0.6	1.0	3.3	2.4	1.6	2.1	2.3	2.5	2.7
Romania	(13.2)	(9.9)	0.0	2.3	(7.6)	(10.6)	(5.8)	(3.9)	(3.5)	(6.7)	(4.3)			
Other International														
Total Group	6.7	7.3	7.5	7.3	7.1	6.8	8.1	8.7	7.1	5.8	5.4	5.6	6.1	6.7

Source: Company historic data, ED forecasts and analysis

Retail profit bridge to Adj. PBT, £m										
Year-end 31 Jan	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Group retail profit	824	786	1,003	1,148	923	749	696	716	804	909
<i>Retail profit margin (%)</i>	7.1	6.8	8.1	8.7	7.1	5.8	5.4	5.6	6.1	6.7
Central costs	(69)	(62)	(54)	(60)	(49)	(60)	(62)	(63)	(65)	(68)
Share of JV interest and tax	(8)	(7)	(3)	(2)	(4)	(16)	(6)	(10)	(10)	(5)
Adj. Operating profit	747	717	946	1,086	870	673	628	636	727	834
Net finance costs	(173)	(173)	(160)	(137)	(112)	(105)	(100)	(115)	(118)	(120)
Adj. PBT	574	544	786	949	758	568	525	528	610	715
<i>Adj. PBT margin (%)</i>	4.9	4.7	6.4	7.2	5.8	4.4	4.1	4.1	4.6	5.3

Profit & Loss Summary: Revenue to operating profit

Year-end 31 Jan, £m	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Group revenue	12,343	13,183	13,059	12,980	12,784	12,737	13,171	13,619
Cost of sales	(7,770)	(8,248)	(8,264)	(8,204)	(8,021)	(7,948)	(8,219)	(8,499)
Gross profit	4,573	4,935	4,795	4,776	4,763	4,789	4,952	5,120
Other income	19	23	25	23	20	20	20	20
Selling & distribution costs	(2,843)	(3,041)	(3,087)	(3,143)	(3,122)	(3,123)	(3,203)	(3,272)
Admin costs	(809)	(836)	(868)	(982)	(998)	(1,010)	(1,010)	(1,013)
Add back D&A	536	555	582	641	656	635	631	642
Operating costs, Adj. ex D&A	(3,116)	(3,322)	(3,373)	(3,484)	(3,463)	(3,498)	(3,582)	(3,643)
Adj. EBITDA	1,476	1,636	1,447	1,315	1,300	1,291	1,370	1,478
Depreciation of PPE	(190)	(188)	(199)	(216)	(224)	(220)	(218)	(219)
Depreciation of ROUA	(277)	(285)	(299)	(314)	(310)	(301)	(310)	(316)
Amortisation	(69)	(82)	(84)	(111)	(121)	(114)	(104)	(106)
Depreciation & amortisation	(536)	(555)	(582)	(641)	(656)	(635)	(631)	(642)
Share of post-tax jvs and associates	6	5	5	(1)	(15)	(12)	(10)	0
Adj. Operating profit	946	1,086	870	673	628	643	729	836

Source: Company historic data, ED forecasts and analysis

Profit & Loss Summary: Operating profit to EPS

Year-end 31 Mar, £m	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Adj. Operating profit	946	1,086	870	673	628	643	729	836
Interest on financial debt	(27)	(13)	(5)	(7)	(9)	(9)	(9)	(9)
Interest on lease liabilities	(153)	(135)	(124)	(126)	(123)	(124)	(124)	(125)
Other finance costs								
Interest receivable & other	20	11	17	28	32	17	15	14
Finance costs	(160)	(137)	(112)	(105)	(100)	(115)	(118)	(120)
Adj. PBT	786	949	758	568	528	528	610	715
Exceptional costs	(30)	58	(147)	(93)	(221)			
PBT	756	1,007	611	475	307	528	610	715
Adj. tax	(182)	(212)	(169)	(153)	(147)	(148)	(165)	(193)
Tax on exceptional items	18	48	29	23	25	0	0	0
Tax	(164)	(164)	(140)	(130)	(122)	(148)	(165)	(193)
Adj. PAT	604	737	589	415	381	380	446	522
Reported PAT	592	843	471	345	185	380	446	522
No of f/d shares (m)	2,119	2,116	2,002	1,921	1,867	1,731	1,606	1,482
Adjusted diluted EPS (p)	28.5	34.8	29.4	21.6	20.4	22.0	27.7	35.2
DPS (p)	8.25	12.4	12.4	12.4	12.4	12.4	12.4	13.6

Source: Company historic data, ED forecasts and analysis

Cashflow								
Year-end 31 Jan, £m	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Adj. EBITDA	1,476	1,636	1,447	1,315	1,300	1,291	1,370	1,478
Add back SBP charge	14	27	19	22	20	22	24	27
Change in inventories	86	(359)	(234)	132	87	105	(8)	(8)
Change in trade receivables	17	(23)	(44)	(6)	63	1	(9)	(10)
Change in trade payables	267	158	(196)	(14)	(50)	(21)	80	82
Change in provisions	(30)	(42)	(13)	(3)	9	0	0	0
Change in pensions etc.	(16)	(13)	(1)	7	(5)			
Working capital movement	324	(279)	(488)	116	104	85	62	65
Net financial interest paid	(22)	(20)	0	9	15	9	6	5
Interest paid on lease liabilities	(153)	(135)	(124)	(126)	(125)	(124)	(124)	(125)
Lease payments (principal)	(309)	(341)	(329)	(348)	(387)	(331)	(341)	(348)
Tax paid	(166)	(169)	(130)	(117)	(109)	(148)	(165)	(193)
Exceptionals (cash)		(39)	(34)		(18)	0	0	0
Other	2		5	(8)	2			
Capex	(281)	(397)	(449)	(363)	(317)	(350)	(362)	(375)
M&A	(8)			(3)		(6)		
Disposals	75	9	12	9	(1)	58		
Other	3	5		2	(19)			
Capex	(211)	(383)	(437)	(355)	(337)	(298)	(362)	(375)
Discontinued ops cashflow								
Free cashflow¹	938	385	(40)	514	511	448	470	533
Free cashflow	955	297	(71)	508	465	506	470	533
Dividends	0	(254)	(246)	(237)	(228)	(215)	(199)	(189)
Share buy backs / equity issue	(13)	(181)	(338)	(180)	(249)	(326)	(300)	(300)
Other								
Net cashflow	942	(136)	(446)	91	(12)	(35)	(29)	43

Note 1: FCF Kingfisher definition (excludes disposals and some adj items); Source: Company historic data, ED forecasts and analysis

Net debt metrics, £m								
Year-end 31 Jan, £m	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Gross financial debt	(115)	(16)	(116)	(109)	(107)	(109)	(109)	(109)
Net cash	1,142	823	286	360	345	301	272	315
Net financial (debt) / cash	1,027	807	170	251	238	192	163	206
Leases (incl those for sale)	(2,421)	(2,376)	(2,444)	(2,367)	(2,253)	(2,220)	(2,229)	(2,239)
Net (debt) / cash incl leases	(1,394)	(1,569)	(2,274)	(2,116)	(2,015)	(2,028)	(2,066)	(2,032)
Net financial (cash) / Adj. EBITDA (x)	(0.7)	(0.5)	(0.1)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)
Net debt / Adj. EBITDA (x)	0.9	1.0	1.6	1.6	1.6	1.6	1.5	1.4

Source: Company historic data, ED forecasts and analysis

Balance Sheet: Assets

Year-end 31 Jan, £m	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Property, plant and equipment	3,075	3,078	3,205	3,206	3,105	3,066	3,090	3,120
Right of use assets	1,845	1,885	1,947	1,881	1,771	1,810	1,850	1,892
Intangible assets (Goodwill)	2,427	2,424	2,408	2,398	2,312	2,312	2,312	2,312
Other intangible assets	320	330	371	368	312	315	332	350
Investment in jvs & associates	20	17	30	19	29	17	7	7
Investment property	20	33	30	27	34	34	34	34
Post-employment benefits	504	540	251	212	202	202	202	202
Trade and other receivables	29	22	19	15	13	13	13	13
Deferred & other tax assets	72	74	80	78	7	7	7	7
Non-current assets	8,312	8,403	8,341	8,204	7,785	7,776	7,847	7,937
Inventories	2,488	2,749	3,070	2,914	2,719	2,614	2,622	2,629
Trade and other receivables	290	300	347	344	276	275	284	294
Other financial (derivative) assets	5	37	16	2	22	22	22	22
Current tax assets	20	33	40	73	147	147	147	147
Cash & cash equivalents	1,142	823	286	360	336	301	272	315
Cash held for sale					9			
Assets held for sale	12	6	3	3	149	149	149	149
Current assets	3,957	3,948	3,762	3,696	3,658	3,507	3,496	3,557

Source: Company historic data, ED forecasts and analysis

Balance Sheet: Liabilities

Year-end 31 Jan, £m	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Bank overdraft & s/t loans	(101)	(14)	(16)	(7)	(108)	(108)	(108)	(108)
Trade payables and other liabilities	(2,520)	(2,674)	(2,483)	(2,445)	(2,355)	(2,334)	(2,413)	(2,495)
Lease liabilities	(330)	(347)	(343)	(366)	(345)	(345)	(345)	(345)
Current tax liabilities	(127)	(46)	0	(12)	(6)	(6)	(6)	(6)
Provisions	(46)	(23)	(10)	(9)	(16)	(16)	(16)	(16)
Other financial liabilities	(59)	(12)	(47)	(23)	(5)	(5)	(5)	(5)
Leases held for sale					(42)			
Other liabilities held for sale					(50)			
Current liabilities	(3,183)	(3,116)	(2,899)	(2,862)	(2,927)	(2,814)	(2,893)	(2,975)
Capital employed	9,086	9,235	9,204	9,038	8,516	8,470	8,449	8,518
Bank borrowings	(2)	(2)	(102)	(102)	(1)	(1)	(1)	(1)
Lease liabilities	(2,091)	(2,029)	(2,101)	(2,001)	(1,866)	(1,875)	(1,884)	(1,894)
Deferred tax liabilities	(232)	(276)	(205)	(207)	(193)	(193)	(193)	(193)
Provisions	(33)	(10)	(10)	(7)	(9)	(9)	(9)	(9)
Trade and other payables	(11)	(10)	(4)	(3)	(2)	(2)	(2)	(2)
Post employment benefits	(145)	(130)	(114)	(113)	(101)	(101)	(101)	(101)
Other financial liabilities	(1)	(1)	(5)	(1)	0	0	0	0
Non-current liabilities	(2,515)	(2,458)	(2,541)	(2,434)	(2,172)	(2,181)	(2,190)	(2,200)
Net assets	6,571	6,777	6,663	6,604	6,344	6,288	6,259	6,319
Shareholders' funds	6,571	6,778	6,663	6,604	6,344	6,205	6,176	6,236

Source: Company historic data, ED forecasts and analysis



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