



Kingfisher plc

Half year results

6 months to 31 July 2020

22 September 2020



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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" or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts and include 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, changes in tax rates, changes to customer preferences, liquidity, prospects, growth and strategies, 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 involve inherent risks, assumptions and uncertainties that could cause actual events or results or actual performance of the Company 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 half year results for the six months ended 31 July 2020, to which this presentation relates, and in the company's Annual Report (as published). No representation or warranty is made as to the achievement or reasonableness of and no reliance should be placed on such forward-looking statements.

The Company does not undertake any obligation to update or revise any forward-looking statement to reflect any new information, or change in circumstances or in the Company's expectations.

A close-up photograph showing a person's hands holding a large, rectangular, light-colored stone tile. The tile has a natural, speckled texture with shades of beige and cream. The person is wearing a light gray long-sleeved shirt. The tile is being held over a surface of dark, ribbed adhesive, which is applied in a grid pattern. The background shows other tiles already laid out, some of which are dark gray.

**Operational &
strategic update**

Thierry Garnier
Chief Executive Officer

Welcome & agenda

- **Thierry Garnier (CEO): Operational & strategic update**

- Continuing to manage the impact of COVID-19
- 'Focus and Fix in 2020' progress update
- Recap – 'Powered by Kingfisher'

- **Bernard Bot (CFO): H1 2020/21 results**

- Performance overview
- Cash, debt and liquidity
- Outlook and technical guidance



Introduction

- Customers embracing DIY, online shopping and seeking value for money
- New strategic direction enabling strong Kingfisher response
- Resilient performance in H1 with strong sales recovery in Q2
- Near term outlook uncertain; confident in longer term opportunity
- Crisis has reinforced our approach and pushed us to be bolder



Continuing to manage the impact of COVID-19

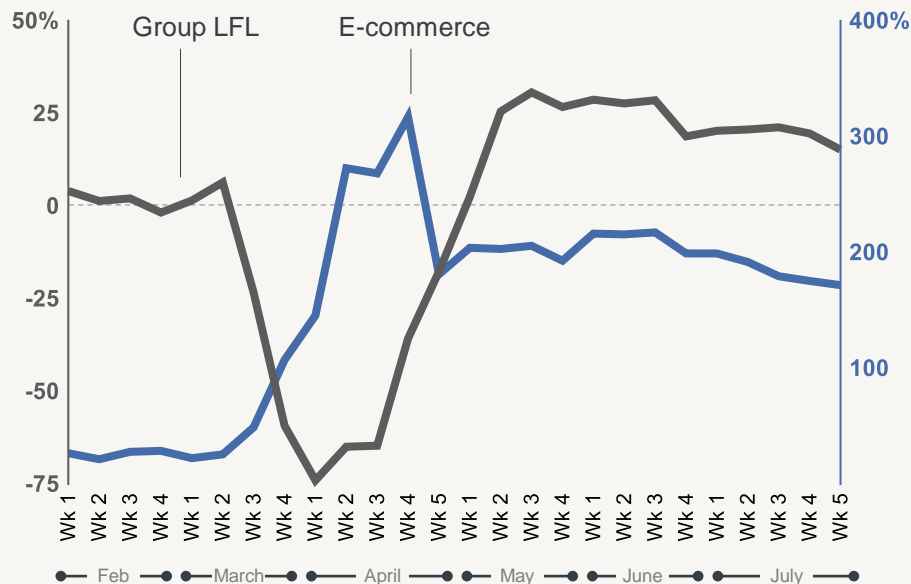
Protecting our communities, customers and colleagues	Operating our stores safely	Accelerating e-commerce with stores at the centre
<ul style="list-style-type: none"> ▪ Successfully established strict social distancing and safety measures for customers and colleagues ▪ Donated over £2.5m of PPE to frontline healthcare workers, hospices and charities including our UK national charity partner, Shelter 	<ul style="list-style-type: none"> ▪ Home Improvement stores classified as essential in UK, France, Poland, Romania and Portugal ▪ Proven model to operate during confinement periods ▪ Contingency plans prepared for potential future waves of COVID-19 	<ul style="list-style-type: none"> ▪ Rapidly implemented changes to manage high e-commerce demand ▪ Examples include adding additional website capacity, new processes for store preparation and collection, home delivery from stores
Managing our supply chain	Reducing costs and preserving cash	Ensuring sufficient liquidity headroom
<ul style="list-style-type: none"> ▪ Effective vendor & order management in rapidly changing environment ▪ Managed unprecedented demand levels; supply secured in most categories and availability improving ▪ Net inventory lower by >£300m yoy 	<ul style="list-style-type: none"> ▪ Multiple cost reduction and cash mitigation actions, including government support measures ▪ Stringent ongoing control of costs and capex ▪ Board and Group Executive team remuneration voluntarily cut during crisis; no FY 19/20 bonus for exec directors 	<ul style="list-style-type: none"> ▪ Access to over £3.7bn in total liquidity, including cash at bank ▪ Access to >£1bn of RCFs ▪ Repaid CCFF (£600m) in late July; remains eligible to re-issue until March 2021

‘Focus and Fix in 2020’ progress update

	Progress		Progress
COVID-19	<i>See previous slide</i>		
Build the new team	<ul style="list-style-type: none"> ✓ Group Executive team strengthened and now complete ✓ “Strengthening the bench” – new COO at Castorama France; hired Group Data Director and Group Digital Product & Platform Director 	Fix France	<ul style="list-style-type: none"> ✓ Strengthening ranges and reigniting ‘value for money’ proposition at Brico Dépôt ✓ People – recruited over 25 critical roles in the French supply chain team ✓ Castorama SAP implementation – 18 core ‘pain points’ identified and addressed ✓ Supply chain – underlying improvements in stock availability and inventory management
Rebalance local vs. group	<ul style="list-style-type: none"> ✓ Fundamental reorganisation of commercial operating model (<i>see slide 11</i>) ✓ Started work on new operating models for IT and digital teams 	E-commerce from stores	<ul style="list-style-type: none"> ✓ Plans accelerated due to COVID (<i>see slide 12</i>)
Focus	<ul style="list-style-type: none"> ✓ Cut back on non-critical range reviews ✓ Paused big and time-consuming projects ✓ Paused SAP roll-out in Brico Dépôt France ✓ Completed SAP roll-out in Castorama France and Romania (and Poland by end of Sep 2020) ✓ Russia – exit process ongoing; Iberia – decision to retain 	New trading approach	<ul style="list-style-type: none"> ✓ Reintroduction of local ranges ✓ More trading events ✓ Targeted price investments at Screwfix; now at a more favourable price position vs nearest peers ✓ Trialling and relaunching new service propositions (e.g. kitchens installations, tool hire)
		Accelerate cost reduction	<ul style="list-style-type: none"> ✓ Accelerated existing programme during the crisis ✓ Using learnings from COVID-19 to identify sustainable cost savings

Sales performance so far this year

% Sales Change: 26 weeks⁽⁵⁾ to 1 August 2020



Sales	% LFL ⁽¹⁾ Change			
	Q1 20/21	Q2 20/21	H1 20/21	Q3 20/21 (to date) ⁽⁵⁾
UK & Ireland	(16.0)%	+19.6%	+2.4%	+18.9%
France	(41.5)%	+27.0%	(5.9)%	+16.7%
Poland	(9.6)%	+15.0%	+3.5%	+10.3%
Iberia	(47.2)%	(1.1)%	(22.3)%	+21.3%
Romania ⁽²⁾	+2.3%	+12.1%	+9.2%	+13.2%
Group LFL⁽³⁾	(24.8)%	+19.5%	(1.6)%	+16.6%
E-commerce⁽⁴⁾	+120.5%	+203.5%	+164.1%	+158.2%

- (1) LFL (like-for-like) sales growth representing the constant currency, year on year sales growth for stores that have been open for more than one year. Stores temporarily closed or otherwise impacted due to COVID-19 are also included
- (2) Kingfisher's subsidiary in Romania prepares its financial statements to 31 December. Its quarterly results presented are for January to March (for Q1 20/21) and April to June (for Q2 20/21), i.e. one month in arrears
- (3) Group LFL includes total e-commerce sales. Group LFL also includes Russia (included within 'Other International') and excludes Koçtaş (Kingfisher's 50% JV in Turkey)
- (4) E-commerce sales are total sales derived from online transactions, including click & collect. This includes sales transacted on any device, however not sales through a call centre. E-commerce sales change covers the total Group
- (5) Weekly sales figures are for Sunday-to-Saturday weeks from 2 February 2020 (compared against prior year Sunday-to-Saturday weeks from 3 February 2019). 'Q3 20/21 to date' figures represent the period from 2 August 2020 to 19 September 2020 (compared against the equivalent period in the prior year, from 4 August 2019 to 21 September 2019). The figures are provisional, and exclude certain non-cash accounting adjustments relating to revenue recognition

Recap – ‘Powered by Kingfisher’

Group priorities

Focus and Fix in 2020

Simplify and Grow – 2020 & onwards

Move to a **balanced, simpler** local-group operating model with an **agile** culture

Grow **e-commerce** sales

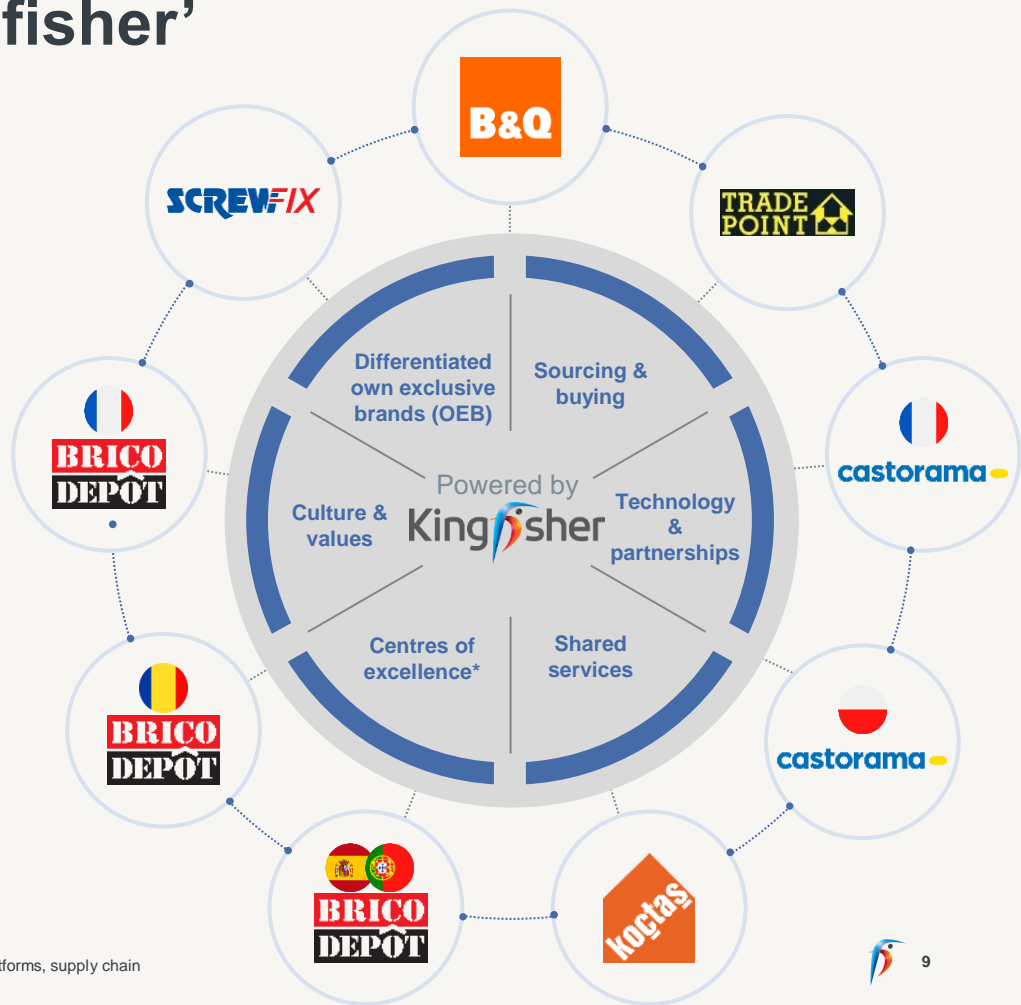
Build a **mobile-first, service orientated** customer experience

Differentiate and grow through **own exclusive brands (OEB)**

Test compact **store concepts** and adapt our **store footprint**









Source and buy better, reduce our **costs** and our **inventory**

Lead the industry in **Responsible Business** practices

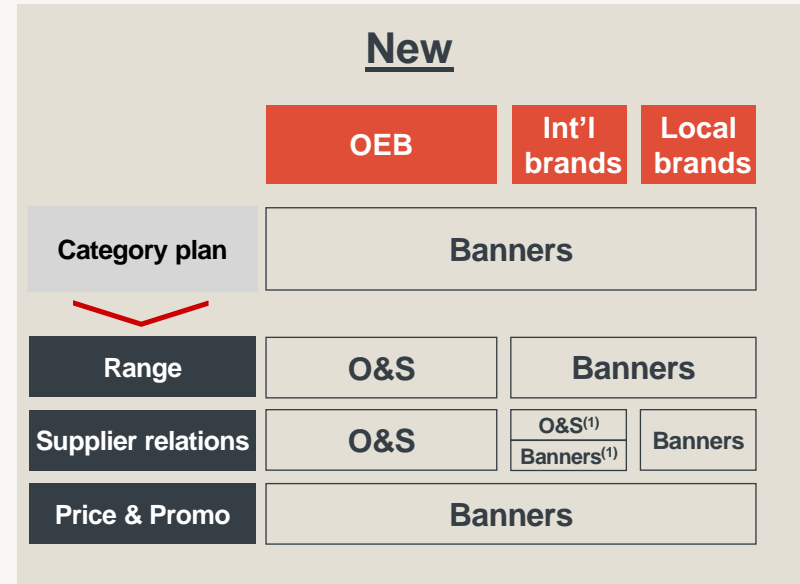
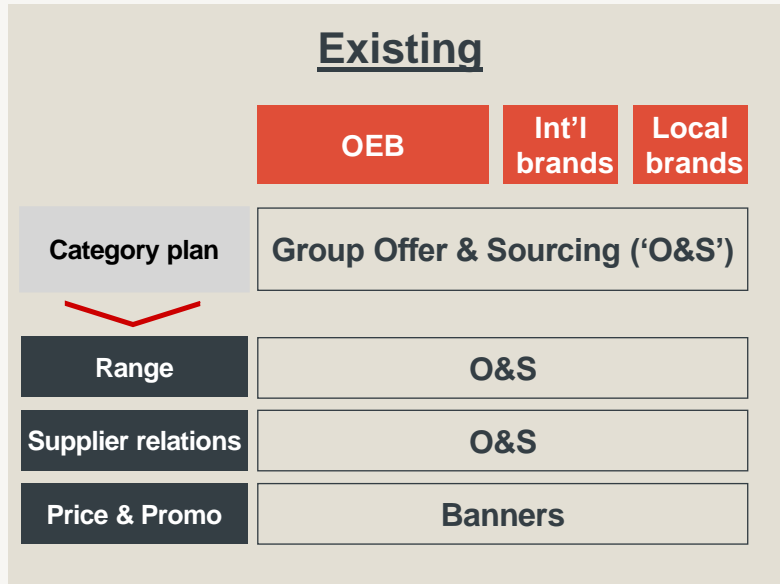


* Kingfisher centres of excellence for: E-commerce, digital journey, data, store concepts, services and service platforms, supply chain

Making progress with our retail banner priorities

Selected key actions:					
Focus and Fix in 2020				Simplify and Grow – 2020 & onwards	
  	UK & Ireland	Strengthening of ranges	Trialling/relaunching kitchen installations, tool hire, and self-checkout counters	Trialling smaller store formats (e.g. Merton) & 'shop-in-shop' (ASDA)	Launched next day delivery from store; trialling same day delivery and C&C lockers
		Continued price investment & strengthening of ranges	Improvements to mobile experience	Trialling new store concepts; further store openings in UK & Republic of Ireland	Developing international growth plan
 	France	Strengthening ranges (e.g. kitchens, lighting) & improving trading	Addressed team structure, completed SAP roll-out & improved stock availability	Implementation of new digital technology stack to be finalised in 2020	Strengthening partnerships e.g. Needhelp (online service platform)
		Upweighting 'arrivages' and strengthening ranges	Reigniting 'value for money' customer proposition	Accelerating e-commerce	Assessing opportunities to expand store network
  	Other International	Strengthening ranges (e.g. kitchens)	Completing SAP roll-out by end of Sep 2020	Continue to expand store network	Develop new concepts and services
		Strengthening ranges	Reigniting 'value for money' customer proposition	Accelerating e-commerce	
		Completed SAP roll-out and improved stock availability	Finish integration with Praktiker: HQ, logistics	Extending the range; improving trading & services	

Establishing a balanced commercial operating model



- **Group Offer & Sourcing ('O&S')** organisation 'owns' all category plans across all ranges – as well as range construction and supplier relations
- **Retail banners** make pricing decisions based on O&S recommendations. Lack of clarity on who decides trading events

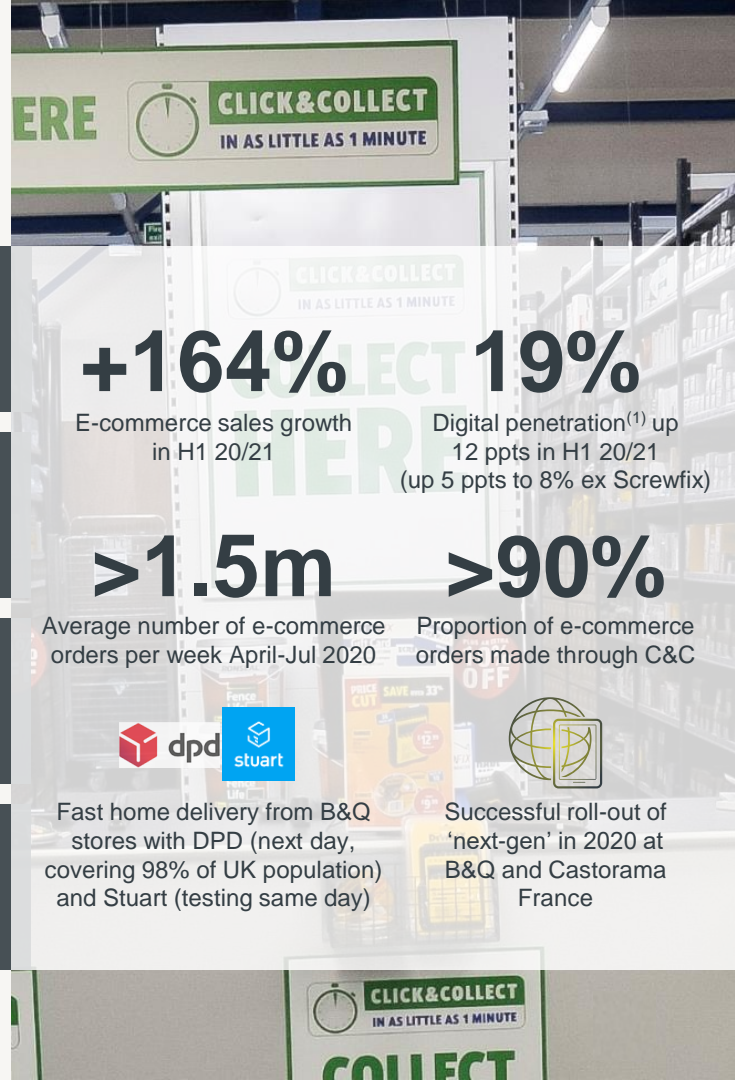
- **O&S** to drive OEB design, ranging and sourcing, as well as selected (top 20-30) international supplier negotiations
- **Banners** to develop their own category plans, manage the range, lead supplier relationships locally, and control all trading levers (e.g. pricing and trading events)

Grow e-commerce sales

Medium-term focus:

- 1 Shift to store picking and fulfilment**
Redesign store operating model
Test use of 'Dark stores'
- 2 Develop innovative last-mile delivery from stores**
Click & Collect (C&C), drive and lockers
Same day and next day home delivery
- 3 Prioritise rollout of the Group digital technology stack**
Accelerate transition to micro-services platform ('next-gen')
New agile ways of working and balanced Group-local operating model for IT
- 4 Explore marketplace model (products/services)**
Common technology platform and vendor management
Tailored customer proposition by banner

(1) Excluding Russia & Iberia



Differentiate and grow OEB

Medium-term focus:

1 Shift priority to OEB development vs. unification

Drive innovation and differentiation
Support sales and profit growth

2 Deliver value-for-money to customers with OEB

Ensure affordable choice for all

3 Align OEB portfolio to banner propositions

Different OEB brands to support our General Home Improvement, Trade-Focused and Discounter banners

blooma

Diall

colours

GoodHome

COOKE
& LEWIS

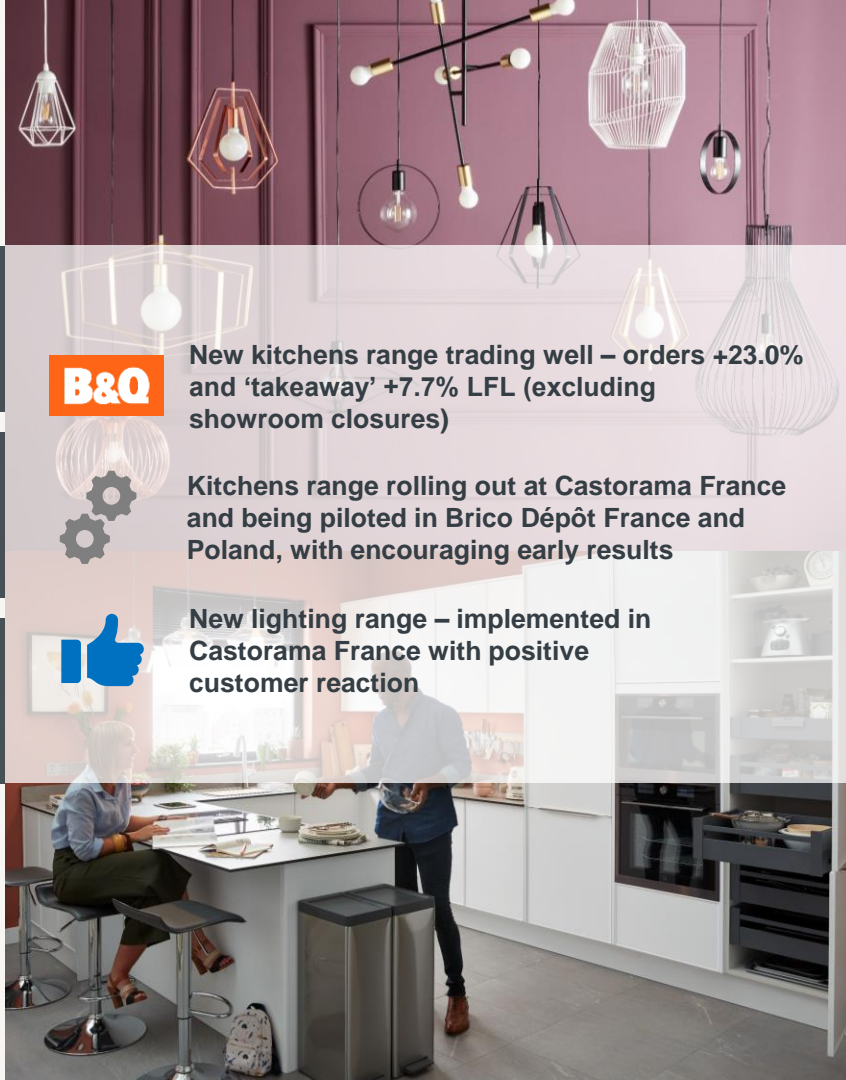
verve

form

MAGNUSSON

Erbauer

MAC
ALLISTER





H1 20/21 results

Bernard Bot

Chief Financial Officer

Key point summary

- **Strong Q2 sales recovery; encouraging start to Q3**
- **Resilient Group financial performance in H1 20/21**
 - H1 total sales down 1.1%⁽¹⁾; LFL down 1.6%
 - Retail profit up 17.7%⁽¹⁾ from cost savings (in large part temporary) and strong B&Q performance
 - Free cash flow significantly higher driven by favourable working capital movements
- **Actively managing the impact of COVID**
 - Significant actions taken to reduce costs and protect cash; net financial cash >£1.1bn
 - Q2 focus on enabling sales in a safe environment
 - Continued uncertainty and concerns over COVID and wider economic environment
 - No H1 20/21 interim dividend given ongoing uncertainty

(1) Variance in constant currency. H1 19/20 retail profit restated to reflect the reallocation of central support and transformation P&L costs. Refer to appendices for detailed restatement table

H1 20/21 key financials

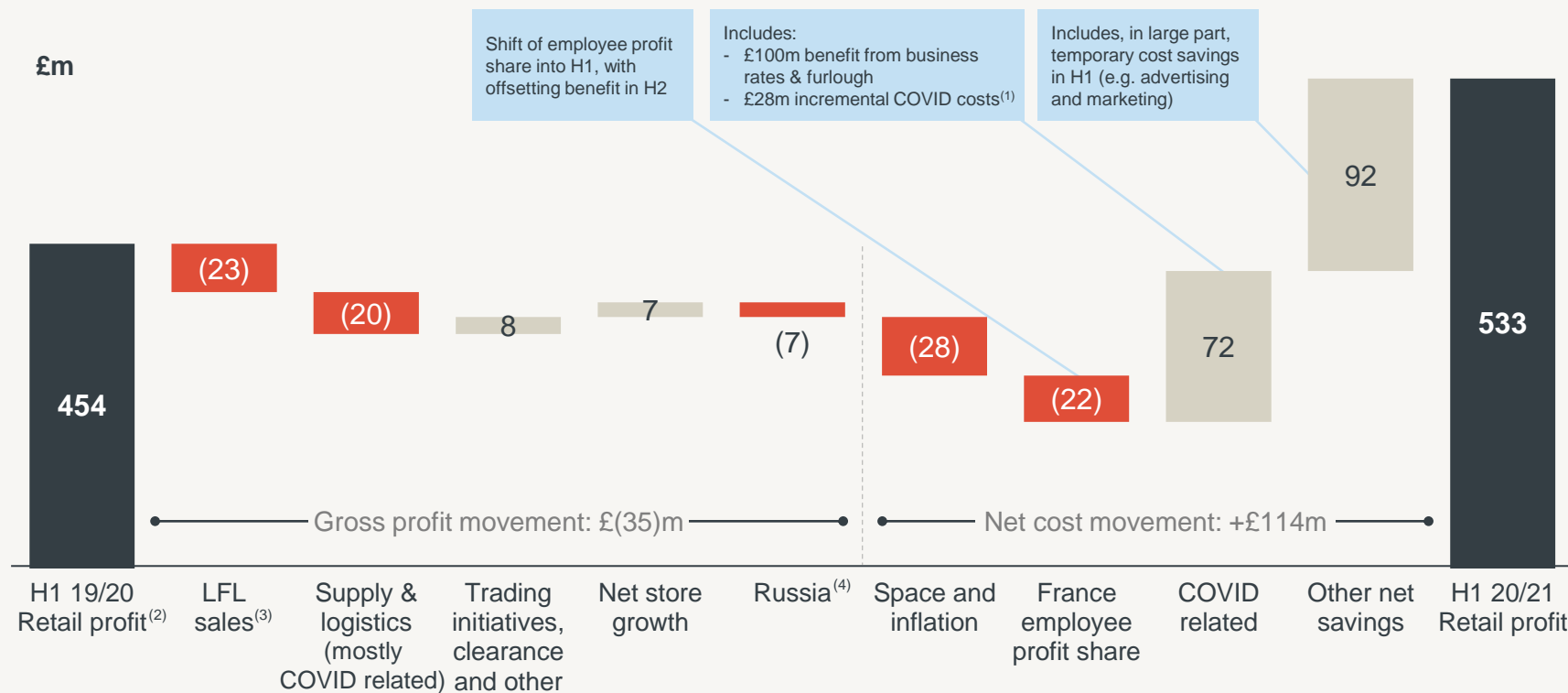
Sales		Gross profit / margin %		Retail profit / margin %		Adjusted profit ⁽²⁾ pre-tax post-tax	
£5,921m (1.1)% ⁽¹⁾	(1.6)% LFL	£2,186m (1.5)% ⁽¹⁾	36.9% (10)bps ⁽¹⁾	£533m +17.7% ⁽¹⁾	9.0% +140bps ⁽¹⁾	£415m +23.1%	£317m +27.8%
Statutory profit pre-tax post-tax		Net debt		Net leverage		Free cash flow	
£398m +62.4%	£317m +85.4%	£(1,377)m ⁽³⁾ H1 19/20: £(2,384)m		1.0x Net debt ⁽³⁾ / LTM EBITDA		£1,042m H1 19/20: £204m	

(1) Variance in constant currency. H1 19/20 retail profit restated to reflect the reallocation of central support and transformation P&L costs. Refer to appendices for detailed restatement table

(2) Before exceptional items, lease FX, related tax items and tax on prior year items

(3) Includes c.£2.5 billion lease liabilities under IFRS 16 (H1 19/20: c.£2.6 billion)

Group retail profit bridge



(1) Includes costs of PPE & social distancing, donations, new store layouts, additional store security, and bonuses to frontline store staff
 (2) H1 19/20 retail profit restated to reflect the reallocation of central support and transformation P&L costs. Refer to appendices for detailed restatement table
 (3) Excluding Russia; at constant gross margin %
 (4) The Russian business is classified as 'held for sale' in the Group's balance sheet

H1 20/21 exceptional items

£m (unless otherwise stated)	H1 20/21	H1 19/20	Comments
Adjusted PBT	415	337	
Store closures	-	(68)	▪ Prior year charge mainly relates to redundancy provisions for planned store closures in France and Germany
Russia & other exit costs	(27)	(26)	▪ Additional asset impairments in H1 20/21 reflecting performance of Russia in H1 and anticipated net proceeds from its planned sale
B&Q China warranty liability	10	-	▪ Release of warranties liability relating to B&Q China disposal in 2014
Other	-	1	▪ Property disposal in prior year
Total exceptional items	(17)	(93)	
FX on lease liabilities	-	1	
Statutory PBT	398	245	

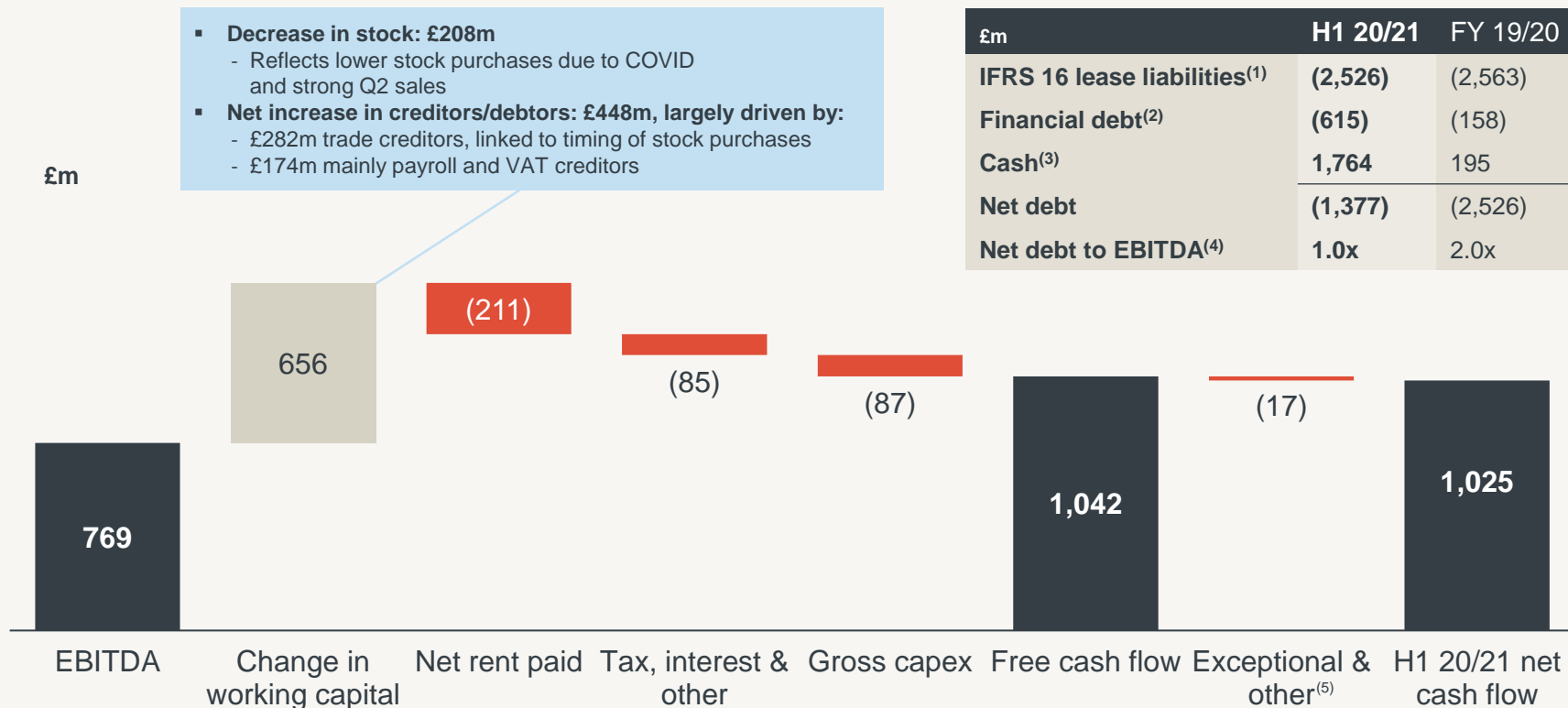
H1 20/21 geographic summary

	H1 20/21 sales			Retail profit/(loss)		Retail profit margin	
	£m	% chg ⁽¹⁾	% LFL	£m	% chg ⁽¹⁾	%	bps chg ⁽¹⁾
UK & Ireland	2,753	+3.7%	+2.4%	411	+47.1%	14.9%	+440bps
- B&Q	1,839	+3.7%	+4.1%				
- Screwfix	914	+3.7%	(1.1)%				
France	2,028	(7.0)%	(5.9)%	63	(44.1)%	3.1%	(210)bps
- Castorama	1,055	(8.7)%	(7.4)%				
- Brico Dépôt	973	(5.1)%	(4.3)%				
Poland	783	+6.8%	+3.5%	74	(7.0)%	9.4%	(140)bps
Iberia	138	(22.3)%	(22.3)%	1	(56.2)%	n/a	n/a
Romania	107	+11.7%	+9.2%	(11)	n/a	n/a	n/a
Russia	112	(21.7)%	(17.5)%	(5)	n/a	n/a	n/a
Turkey⁽²⁾				-	n/a	n/a	n/a
Total	5,921	(1.1)%	(1.6)%	533	+17.7%	9.0%	+140bps

(1) Variance in constant currency. H1 19/20 retail profit restated to reflect the reallocation of central support and transformation P&L costs. Refer to appendices for detailed restatement table

(2) Retail profit includes the equity-accounted profit or loss of Koçtaş (Kingfisher's 50% JV in Turkey): H1 20/21: £Nil (H1 19/20: £3m)

H1 20/21 summary cash flows and net debt



(1) Includes Russia lease liabilities held for sale of £29m in H1 20/21 and £36m in FY 19/20
 (2) Includes c.£540m (€600m) draw of Term facility guaranteed at 80% by the French State, and £20m (net positive) of financing derivatives
 (3) Includes Russia cash & cash equivalents held for sale of £15m in H1 20/21 and £6m in FY 19/20
 (4) Net debt to last twelve months' EBITDA
 (5) Includes exceptional cash flow items, principally relating to store closures

Significant liquidity headroom and solid financial position

- Over £3.7bn of total liquidity as at 18 September 2020 including:
 - c.£2.1bn Cash & cash equivalents (including c.£540m from Term facility, guaranteed at 80% by the French State)⁽¹⁾
 - £600m⁽²⁾ Eligibility to access Bank of England's Covid Corporate Financing Facility (CCFF)
 - £1,025m RCFs (undrawn)
- H1 inventory down year on year, and temporary large increase in trading and non-trading creditors; anticipate both to normalise in H2 to a large extent
- Financial debt of £615m⁽³⁾ as at 31 July 2020
- Low net leverage as at 31 July 2020
 - Net debt to last twelve months' EBITDA ratio of 1.0x
 - Significantly below medium term target range of 2.0-2.5x net debt/EBITDA

(1) As required under the terms of the loan, the full amount was drawn down on 18 May 2020

(2) Kingfisher issued £600m of 11-month commercial paper under the CCFF on 12 June 2020, which was subsequently repaid on 27 July 2020

(3) Includes c.£540m Term facility guaranteed at 80% by the French State, and £20m (net positive) of financing derivatives. Excludes £2,526m lease liabilities under IFRS 16

FY 20/21 outlook & technical guidance

Sales outlook	<ul style="list-style-type: none">Q3 trends to date remain encouraging, but continued uncertainty and concerns over COVID and wider economic environment limit visibility
Costs	<ul style="list-style-type: none">COVID-related costs – incremental costs⁽¹⁾ expected to be c.£40mCentral costs – expected to be c.£58-60m (FY 19/20: £62m)UK business rates – payment relief for parts of the UK, effective for 20/21 tax year. c.£130m of Kingfisher's annual business rates bill is eligible for this reliefFurlough – no claims under furlough programmes in the UK and France from 1 July; not claiming UK government Job Retention Bonus. Intending to repay UK furlough benefit (c.£23m) in second half of the year, unless any material changes in the trading environment occur
Net finance costs	<ul style="list-style-type: none">Expected to be in line with prior year (FY 19/20: £173m, before exceptional items) due to incremental financing costs for PGE, CCFF and RCFs, offset by impact of reduced lease liability
Tax rate	<ul style="list-style-type: none">Group adjusted effective tax rate expected to be c.24%⁽²⁾ (FY 19/20: 26%)
Cash flow	<ul style="list-style-type: none">Prêt garanti par l'État – subject to circumstances and certain conditions being met, the Group is considering a repayment of the c.£540m French Term facility in H2Working capital – anticipate rebuild of inventory and reversal of creditor positions in H2Capital expenditure – gross capex of up to c.£300m (FY 19/20: £342m); c.£50m of further capex deferred into FY 21/22Tax – HMRC accelerated UK corporation tax payments (incremental one-off cash impact this year of c.£45-50m)
Previously announced 11 store closures in France	<ul style="list-style-type: none">3 stores closed in France (1 Castorama, 2 Brico Dépôt) in H2 19/204 Castorama stores closed in H1 20/21; 2 further Castorama stores to close in H2 20/21. Cash costs of exit in FY 20/21 fully provided for in previous periods2 Castorama stores now to be converted to Brico Dépôt stores

(1) Includes costs of PPE & social distancing, donations, new store layouts, additional store security, and bonuses to frontline store staff

(2) Subject to the blend of profit within the companies' various jurisdictions, as well as the timing of the planned sale of Russia

The background image is a close-up, slightly blurred photograph of a person's hands working on a wall. The hands are positioned as if applying or smoothing a material, possibly plaster or a decorative tile. The wall features a complex, repeating geometric and floral pattern in shades of grey and white. The lighting is soft, and the overall tone is muted and artistic.

Summary

Thierry Garnier

Chief Executive Officer

Summary

- Resilient performance in H1 with strong sales recovery in Q2
- Stronger demand for home improvement across our markets
- Early benefits from the new strategy; crisis reinforces our approach and pushes us to be bolder
- Encouraging progress with our strategic priorities
- Committed to returning Kingfisher to growth





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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
Depository	Citi

Benefits of ADRs to U.S. investors:

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

For questions about Kingfisher ADRs, please contact Citi:

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A high-angle, close-up photograph of a person's hands and arms as they work with potted plants. The person is wearing bright green rubber gloves and a blue denim shirt. Their hands are positioned over several plants, including pink and yellow flowers. The background is dark and out of focus, emphasizing the plants and the person's actions. The overall tone is vibrant and focused on gardening.

Appendices

H1 19/20 – restated comparatives for reallocation of costs

£m (unless otherwise stated)	Reallocation of costs			H1 19/20 (restated)
	H1 19/20 (as previously reported)	Central support costs	Transformation P&L costs	
UK & Ireland	277	7	(5)	279
France	114	1	(3)	112
Poland	88	(6)	(1)	81
Romania	(8)	(1)	(3)	(12)
Iberia	3	(1)	-	2
Russia	(7)	-	-	(7)
Screwfix Germany	(4)	-	-	(4)
Turkey ⁽¹⁾	3	-	-	3
Other International	75	(8)	(4)	63
Retail profit	466	-	(12)	454
Central costs	(25)	-	(4)	(29)
Share of JV interest and tax	(5)	-	-	(5)
JV FX on lease liabilities	1	-	-	1
Transformation P&L costs	(16)	-	16	-
Operating profit (before exceptional items)	421	-	-	421

Reallocations:

- **Central support costs**
At the FY 19/20 year end we updated our assessment of the allocation of central offer & sourcing and supply chain & logistics costs
- **Transformation P&L costs**
In line with the launch of our new strategic plan, transformation P&L costs were reallocated to retail profit and central costs
- **No impact to operating profit**
from cost reallocations

(1) Koçtaş, Kingfisher's 50% JV in Turkey

UK & Ireland – strong B&Q Q2, and lower operating costs

UK & Ireland	H1 20/21	H1 19/20	% chg ⁽¹⁾
Sales (£m)	2,753	2,655	+3.7%
LFL (%)	+2.4%	(0.7)%	
Gross margin (%)			+100bps
Operating costs			(8.8)%
RP (£m)	411	279	+47.1%
RP margin (%)	14.9%	10.5%	+440bps



B&Q

- LFL sales +4.1%
 - Q1 (21.8)%; Q2 +28.0%
- E-commerce sales +135%⁽¹⁾; c.11% of sales
- TradePoint LFL (1.2)%

Screwfix

- LFL sales (1.1)%
 - Q1 (4.7)%; Q2 +2.4%
- E-commerce sales +160%⁽¹⁾; c.80% of sales

Total UK & Ireland

- Gross margin up 100bps⁽¹⁾ – higher full-price sales and lower clearance in B&Q; partly offset by higher supply & logistics costs in Screwfix
- Costs down 8.8%⁽¹⁾ – cost saving initiatives, government wage furlough scheme and business rates relief; partly offset by cost inflation, Screwfix store growth, COVID-related costs, and frontline staff bonuses

France – recovering, but significantly impacted by COVID

France	H1 20/21	H1 19/20	% chg ⁽¹⁾
Sales (£m)	2,028	2,158	(7.0)%
LFL (%)	(5.9)%	(4.4)%	
Gross margin (%)			(130)bps
Operating costs			(4.9)%
RP (£m)	63	112	(44.1)%
RP margin (%)	3.1%	5.2%	(210)bps



Castorama France

- LFL sales (7.4)%
 - Q1 (43.6)%; Q2 +25.3%
 - E-commerce sales +202%⁽¹⁾; c.6% of sales

Brico Dépôt France

- LFL sales (4.3)%
 - Q1 (39.2)%; Q2 +28.9%
 - E-commerce sales +219%⁽¹⁾; c.7% of sales

Total France

- LFL sales down 5.9% in H1, reflecting the Q1 impact from COVID-related disruption (longer lockdown than the UK). Compares to a 5.3% decline of the market (per *Banque de France* data⁽²⁾) in H1
- Gross margin % down 130bps⁽¹⁾ – impacted by higher supply & logistics costs, higher ‘*arrivages*’ sales in Brico Dépôt, and more trading events
- Costs down 4.9%⁽¹⁾ – cost saving initiatives and ‘*activité partielle*’ relief; partly offset by COVID-related costs, frontline staff bonuses, and a higher H1 employee profit share

RP = retail profit

(1) Variance in constant currency

(2) Banque de France data for DIY retail sales (non-seasonally adjusted)

Poland – strong rebound in Q2; continuing to invest

Poland	H1 20/21	H1 19/20	% chg ⁽¹⁾
Sales (£m)	783	753	+6.8%
LFL (%)	+3.5%	+3.3%	
Gross margin (%)			(120)bps
Operating costs			+7.6%
RP (£m)	74	81	(7.0)%
RP margin (%)	9.4%	10.8%	(140)bps

Castorama Poland

- LFL sales +3.5%
 - Q1 (9.6)%; Q2 +15.0%
 - E-commerce sales +230%⁽¹⁾; c.5% of total sales
- Gross margin down 120bps⁽¹⁾ – mix, better price positioning, more trading events
- Cost up 7.6%⁽¹⁾ – wage inflation, space increase yoy, COVID-related costs, frontline staff bonuses



Romania – in transition; Iberia – impacted by lockdown

Romania	H1 20/21	H1 19/20	% chg ⁽¹⁾
Sales (£m)	107	96	+11.7%
LFL (%)	+9.2%	+10.5%	
RL (£m)	(11)	(12)	n/a



Iberia	H1 20/21	H1 19/20	% chg ⁽¹⁾
Sales (£m)	138	176	(22.3)%
LFL (%)	(22.3)%	(3.6)%	
RP (£m)	1	2	n/a



Brico Dépôt Romania

- Good LFL sales performance reflecting stores remaining open throughout H1, with growth in both Q1 (+2.3%) and Q2 (+12.1%)

Brico Dépôt Iberia

- Decision taken to retain Brico Dépôt Iberia
- Remained profitable despite significant impact from COVID-related store closures

Net debt to EBITDA

£m (unless otherwise stated)	Moving annual total 20/21	FY 19/20
Retail profit	865	786
Central costs	(61)	(62)
Depreciation and amortisation	539	545
EBITDA	1,343	1,269

Cash & cash equivalents ⁽¹⁾	1,764	195
Borrowings & other	(615)	(158)
Net financial cash	1,149	37
IFRS 16 lease liabilities ⁽²⁾	(2,526)	(2,563)
Net debt	(1,377)	(2,526)

Net debt to EBITDA	1.0x	2.0x
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- Leverage of 1.0x well below target range of 2.0-2.5x net debt to EBITDA
- Overall net cash position excluding lease liabilities under IFRS 16

(1) Includes Russia cash & cash equivalents held for sale of £15m in 'Moving annual total 20/21' and £6m in FY 19/20

(2) Includes Russia lease liabilities held for sale of £29m in 'Moving annual total 20/21' and £36m in FY 19/20