

28 May 2025

## Sun shines on seasonal and big ticket spending

Kingfisher's strong Q126 sales growth of 1.6% (+3.1% ex calendar and FX, 2.7% LFL), beat consensus estimates by c.1.5% as B&Q led with nearly 8% LFL sales growth. The warm and sunny weather over the late Easter holiday drove seasonal sales (e.g. outdoor and gardening) and encouraged "big-ticket" projects. Some of this spend is likely to have pulled-forward demand from 2Q26 hence there is no change to management's FY26E guidance of £480m-£540m Adj. PBT at this stage. However, with market share gains and further strategic progress in trade and e-commerce we see significant profit growth potential for Kingfisher. We raise our FV from 340p to 355p, equivalent to 14x cal 2026 PER and a 3.5% dividend yield.

### Q126 sales illustrate Kingfisher's ability to grow and win market share

The highlight was 7.9% LFL (volume-led) sales growth at B&Q, driven by +30% in seasonal products (21% of group sales) and +3.9% in big-ticket items (15% of sales), whilst core DIY (c. 64% of sales) grew 1.5%. We believe B&Q's strong outdoor ranges and ability to win share from the exit of Homebase have helped (see our recent initiation note: "[Home attraction; cyclical upside; cash rewards](#)"). Elsewhere the Spanish business beat expectations with 8.9% LFL as consumers underwent flood repairs in Valencia, whilst Kingfisher saw LFL declines of 3.2% but gained share in weak markets in France (which is improving) and Poland (which suffered short-term from geopolitics). Strategic improvements in e-commerce and the trade proposition are helping market share gains.

### Management confident in (unchanged) profit expectations for FY26E

Given some of the weather-related benefits in Q126 might reverse, management has reiterated its core scenario expectations and its FY26E Adj. PBT guidance of £480m-£540m and FCF of £420m-£480m. We make only minimal changes to our FY26E Adj. PBT (£524m) and continue to anticipate a macro-economic recovery driving operating leverage from FY27E.

### Fair value raised to 355p, c. 14x cal 2026 PER and 3.5% dividend yield

Kingfisher's share price has fluctuated c.30% between 240p and 316p over the past two months but at c.295p still trades on under 12x cal 2026 PER which we think undervalues the group's growth potential and cash-generative appeal.

#### Company data

EPIC	LSE: KGF
Price (last close)	295.8p
52 weeks Hi/Lo	332p227/p
Market cap	£5,240m
ED Fair Value / share	355p
Net cash / (debt) 2025A	£(2,015m)
Avg. daily volume (3m)	7.2m

#### 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: 1H26 results 23  
September 2025

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#### Key financials & valuation metrics

Year to 30 April (£m)	2024	2025	2026E	2027E	2028E
Revenue	12,980	12,784	12,689	13,058	13,476
Revenue growth (%)	-0.6	-1.5	-0.7	2.9	3.2
Adj. PBT	568	528	524	597	689
Adj. PBT margin (%)	4.4	4.1	4.1	4.6	5.1
Adj. diluted EPS (p)	21.6	20.4	21.3	25.8	31.4
Adj. EPS growth (%)	-26.6	-5.4	4.0	21.3	21.6
Dividend per share (p)	12.4	12.4	12.4	12.4	13.0
Free cashflow (adj, ex disposals)	514	511	448	465	517
Net cash / (debt) * /Adj. EBITDA (x)	(1.6)	(1.6)	(1.5)	(1.5)	(1.3)
EV / Sales (x, calendarised)		0.6	0.6	0.6	
PER (x, calendarised)		14.0	11.6	9.6	
Dividend yield (% , calendarised)		4.2	4.2	4.4	
Free cashflow yield (% , calendarised))		8.2	8.4	9.3	

Source: Company data, Equity Development, Priced as at 27 / 5 / 25

## Kingfisher: Investment Attractions Overview

Investment Highlights	Risk Factors
<ul style="list-style-type: none"> <li>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.</li> <li>The group operates a diversified portfolio of banners and store sizes and has strategically expanded online and with trade customers.</li> <li>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.</li> <li>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. Moreover, Kingfisher is winning market share in the UK &amp; Ireland, France and Poland.</li> <li>Management’s structural cost saving programme saved £120m in FY25.</li> <li>Kingfisher is an industry leader on sustainability, with a “AAA” MSCI ESG rating.</li> </ul>	<ul style="list-style-type: none"> <li>Rising unemployment and/or macro-economic pressures on disposable income, particularly in the UK, France and Poland.</li> <li>Housing transactions falling again and/or rising interest rates.</li> <li>Irrational competitive pricing behaviour, including by any struggling competitors trying to clear stock.</li> <li>Cost inflation, particularly wage inflation, lasting for longer or at a higher rate than expected, impacting margin expansion potential.</li> <li>Further government taxes on labour, stores, online retailing, sustainability related matters or corporation tax.</li> <li>Supply chain disruption.</li> <li>Technology disruption.</li> </ul>
Forecast Drivers	Valuation Overview
<ul style="list-style-type: none"> <li>Strategic initiatives are anticipated to drive a return to positive Group LFL sales growth in FY26E (0.5%), rising to c.2% in FY27E and FY28E, aided by a modest recovery in real disposable income and consumer confidence.</li> <li>We forecast new stores, including the acquisition of 8 Homebase stores in 1H26E, to contribute an average 1.0% p/a to sales FY26E-FY28E and although we do not expect overall space growth we estimate rising sales densities.</li> <li>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 5.1% in FY28E.</li> <li>We expect FCF of £450m+ FY26E-FY28E, after capex of c.2.75% of sales.</li> </ul>	<ul style="list-style-type: none"> <li>Kingfisher is trading on only 0.6x cal 2026 EV/Sales, c.5.6x cal 2026 EV/EBITDA and only c.11.6x cal 2026 PER.</li> <li>Despite recent rallies, 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 (c.27x PER).</li> <li>Kingfisher is also trading on an c.8.5% cal 2026 FCF yield and a 4.2% cal 2026 dividend yield.</li> <li>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.</li> <li>We increase our Fair Value from 340p to 355p, equivalent to c.14x cal 2026 PER (c.11.5x cal 2027 PER) and an 7.0% cal 2026 FCF yield and c. 3.5% cal 2026 dividend yield which we think more fairly reflects the profit recovery potential.</li> </ul>

## Kingfisher's Q126 sales rise 3.1% ex calendar impact and FX

- Kingfisher's Q126 sales rose 1.6% to £3.3bn including a £60m contribution from Romania, whose sale is expected to complete in 1H26.
- Excluding a 0.9% negative calendar impact and a 0.6% negative FX impact, sales rose 3.1%, driven by 2.7% LfL which was volume and transaction growth driven as retail price inflation was flat.
- The Spring warm weather in the UK, particularly over the Easter period, helped drive seasonal sales up 28% in the UK and 13.5% overall for the group, ex calendar impact.
- Trade sales penetration rose 4ppts to 17% for the group overall helped by trade initiatives in France and Poland.
- E-commerce sales rose 9.3% to 20% of overall group sales, helped by the roll out of marketplace in France.
- Encouragingly, the group order book for big-ticket categories was up at the end of Q126 versus Q125.

### Q126 Sales versus Q125 and expectations

Year-end Jan, £m	Q125A	Q126A	% chg	% LFL	Q126E ED	Q126 vs ED	Q126E Cons	Q126 v Cons
B&Q	983	1,056	7.4	7.9	1,006	5.0	992	6.5
Screwfix	648	675	4.2	2.9	671	0.6	663	1.8
<b>UK &amp; Ireland</b>	1,631	1,731	6.1	5.9	1,677	3.2	1,655	4.6
Castorama	529	502	(5.1)	(3.0)	501	0.2	492	2.0
Brico Depot	497	474	(4.6)	(3.3)	485	(2.3)	469	1.1
<b>France</b>	1,026	976	(4.9)	(3.2)	986	(1.0)	961	1.6
<b>Poland</b>	445	443	(0.4)	(3.2)	447	(0.9)	462	(4.1)
Iberia	93	99	6.5	8.9	95	4.2	0	
Romania	63	60	(4.8)	(0.9)	0		0	
Screwfix France & Other	4	5			5	0.0	134	-96.3
<b>Other International</b>	160	164	2.5	5.3	100	n/a	134	22.4
<b>Total Group</b>	<b>3,262</b>	<b>3,314</b>	<b>1.6</b>	<b>1.8</b>	<b>3,210</b>	<b>3.2</b>	<b>3,212</b>	<b>3.2</b>
<i>Group ex Romania</i>	<i>3,199</i>	<i>3,254</i>	<i>1.7</i>		<i>3,210</i>	<i>1.4</i>	<i>3,212*</i>	<i>1.3</i>

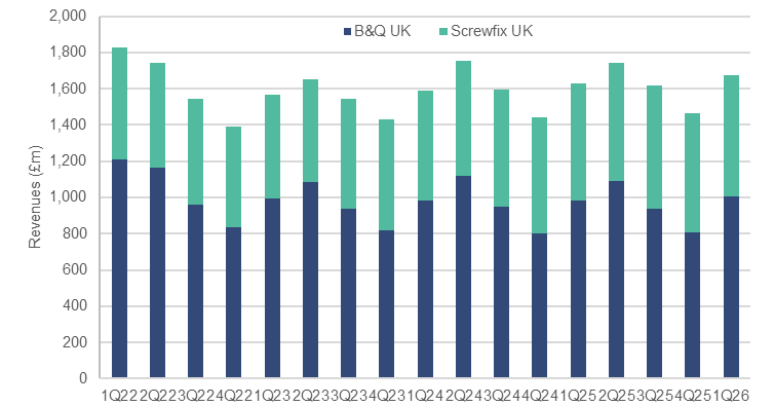
Note \* not known if all consensus estimates include Romania or not; Source: Company data, Equity Development

## UK & Ireland performance shows the high growth Kingfisher is capable of

### UK market leadership drives sales in good weather

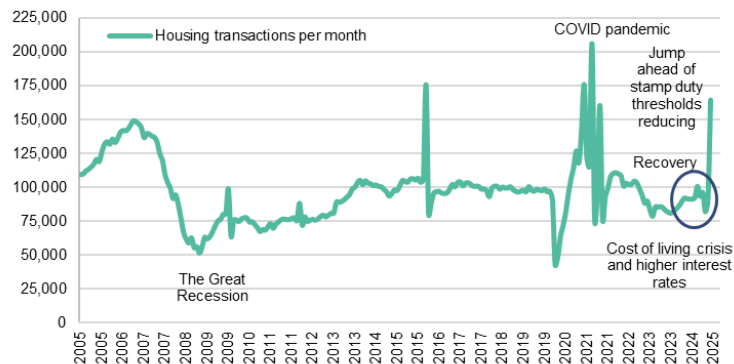
- Against a backdrop of low single digit market growth, B&Q sales rose 7.4% to £1,056m, with LFL sales of 7.9% and Screwfix grew sales 4.1% to £675m with a LFL of 2.9% and a new space contribution of 1.2%.
- As already mentioned, the warm spring weather helped drive seasonal sales +28%, and this may reverse in 2Q26 (albeit the comp is easier).
- All 8 stores acquired from Homebase will have opened by the end of May and we believe, as market leader, Kingfisher has gained even higher share during this period, given its strong outdoor seasonal ranges.
- Looking ahead, we note the 17% increase yoy in UK housing transactions in the 3 months to March 2025 (ahead of the lowering of stamp duty thresholds in April 2025) and expect this to support UK sales (noting April will be weak).

### UK & Ireland sales rise 6.1% versus Q125...



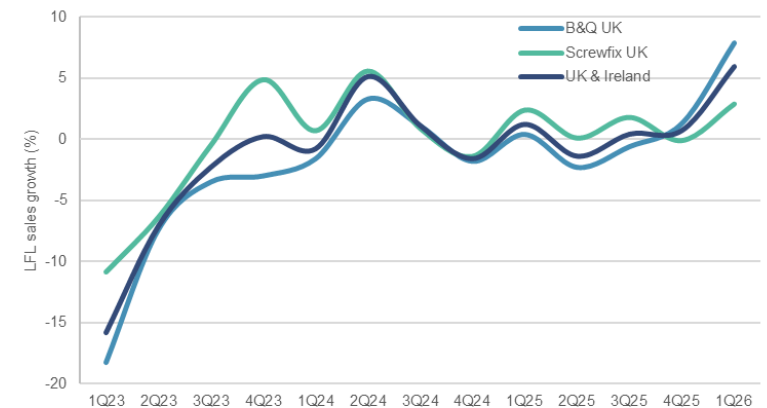
Source: Company data, Equity Development

### UK housing transactions recovering



Source: National Statistics, UK Government, Equity Development

### ...driven by 5.9% LFL sales growth



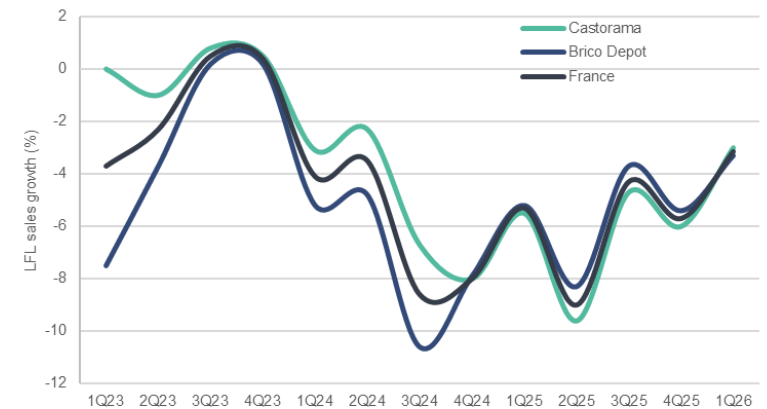
Source: Company data, Equity Development

## France on a sequentially improving trend, despite the challenging market

### France turnaround on track

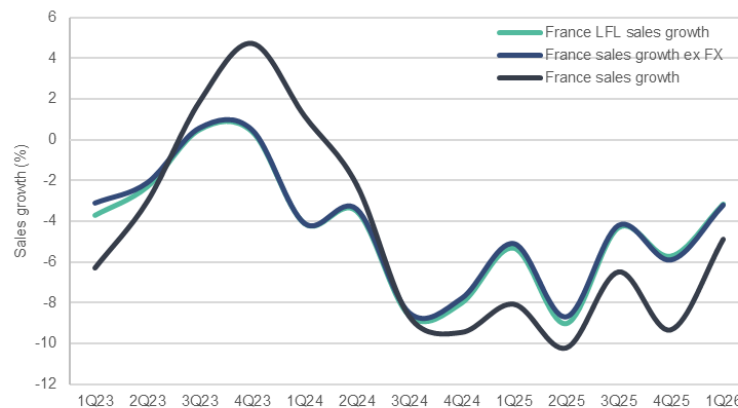
- Against a backdrop of challenging market conditions and a market decline of mid-single digits, Castorama and Brico Depot improved LFL sales declines to -3.0% and -3.3% respectively, with a negative FX impact of c.1.5% taking total sales growth to c.-5%.
- Management expects to have completed 24 Castorama reformat by the end of the year, with two franchise stores opening in 2Q26.
- E-commerce growth continues with Castorama's online marketplace achieving 17% penetration after just one year, whilst Brico Depot increased its trade sales penetration to 12% (+4 pts) with its loyalty program going well.
- Seasonal sales in France rose 1.6% with big-ticket sales -3% and core -5%.

### LFL sales growth trend improving to -3% in Q126...



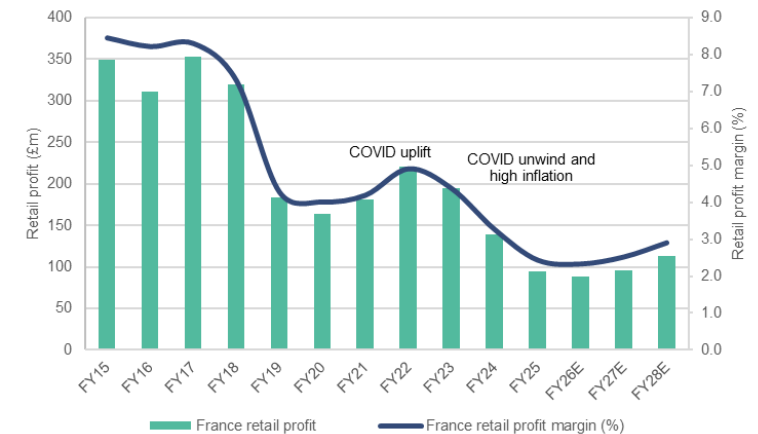
Source: Company data, Equity Development

### ...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

## No change to company guidance; minor changes to our full year forecasts

- Although Q126 sales in UK and Spain beat estimates, it was partly due to weather and one-off factors, and at this early stage in the year, management makes no change to its wide range of FY26 guidance of Adj. PBT between £480m-£540m and free cash flow of £420m-£480m.
- As can be seen from the following tables, we marginally increase our UK & Ireland and Spain sales and profit forecasts but offset this with slight declines in our French and Polish sales and profit forecasts – though this is more to do with tweaking down new space growth rather than LFL sales changes.
- Thus, at this stage in the year we forecast FY26E Adj. PBT of £524m and see potential for upgrades later in the year if the momentum is sustained across the regions.

### Changes to group forecasts

		New forecasts			Old forecasts			% change		
Year-end 31 Jan (£m)	2025A	2026E	2027E	2028E	2026E	2027E	2028E	2025E	2026E	2027E
Group Revenue	12,784	12,689	13,058	13,476	12,737	13,171	13,619	-0.4	-0.9	-1.1
Revenue growth (%)	-1.5	-0.7	2.9	3.2	-0.4	3.4	3.4			
Adj. PBT	528	524	597	689	528	610	715	-0.8	-2.2	-3.6
Adj. PBT margin (%)	4.1	4.1	4.6	5.1	4.1	4.6	5.2			
Adjusted diluted EPS (p)	20.4	21.3	25.8	31.4	22.0	27.7	33.2	-3.4	-6.9	-5.6
Adj. EPS growth (%)	-5.4	4.0	21.3	21.6	5.6	23.9	24.3			
DPS (p)	12.4	12.4	12.4	13.0	12.4	12.4	13.6			
Capex	317	349	359	371	350	362	375	-0.4	-0.9	-1.1
Free cashflow	511	448	465	517	448	470	532	0.1	-1.0	-2.8
Net financial cash / (debt)	238	237	243	308	188	151	183			
Total net cash /(debt) incl leases	(2,015)	(1,983)	(1,987)	(1,931)	(2,032)	(2,078)	(2,056)			
Net financial cash / (debt) / Adj. EBITDA (x)	0.2	0.2	0.2	0.2	0.1	0.1	0.1			
Total net cash / (debt) / Adj. EBITDA (x)	(1.6)	(1.5)	(1.5)	(1.3)	(1.6)	(1.5)	(1.4)			

Source: Company data, Equity Development

### Changes to divisional sales forecasts

		New forecasts			Old forecasts			% change		
Year-end 31 Jan (£m)	2025A	2026E	2027E	2028E	2026E	2027E	2028E	2025E	2026E	2027E
...B&Q	3,820	3,966	4,072	4,181	3,928	4,033	4,140	1.0	1.0	1.0
...Screwfix	2,636	2,742	2,869	2,978	2,742	2,869	2,978	0.0	0.0	0.0
<b>UK &amp; Ireland</b>	<b>6,456</b>	<b>6,708</b>	<b>6,941</b>	<b>7,159</b>	<b>6,670</b>	<b>6,902</b>	<b>7,118</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>
...Castorama	2,014	1,927	1,921	1,932	1,957	1,996	2,036	-1.5	-3.8	-5.1
...Brico Depot	1,869	1,834	1,873	1,931	1,856	1,914	1,973	-1.2	-2.2	-2.2
<b>France</b>	<b>3,883</b>	<b>3,761</b>	<b>3,793</b>	<b>3,863</b>	<b>3,813</b>	<b>3,910</b>	<b>4,010</b>	<b>-1.4</b>	<b>-3.0</b>	<b>-3.7</b>
<b>Poland</b>	<b>1,788</b>	<b>1,801</b>	<b>1,887</b>	<b>1,995</b>	<b>1,840</b>	<b>1,927</b>	<b>2,036</b>	<b>-2.1</b>	<b>-2.1</b>	<b>-2.0</b>
...Iberia	384	392	400	412	388	396	408	1.0	1.0	1.0
...Romania	257	0	0	0	0	0	0			
...Screwfix France & Other	16	26	36	47	26	36	47			
<b>Other International</b>	<b>657</b>	<b>418</b>	<b>436</b>	<b>459</b>	<b>414</b>	<b>432</b>	<b>455</b>			
<b>Total Group</b>	<b>12,784</b>	<b>12,689</b>	<b>13,058</b>	<b>13,476</b>	<b>12,737</b>	<b>13,171</b>	<b>13,619</b>	<b>-0.4</b>	<b>-0.9</b>	<b>-1.1</b>

Source: Company data, Equity Development

### Changes to divisional retail profit forecasts

		New forecasts			Old forecasts			% change		
Year-end 31 Jan (£m)	2025A	2026E	2027E	2028E	2026E	2027E	2028E	2025E	2026E	2027E
UK & Ireland	558	561	605	647	551	594	647	1.9	1.8	0.1
France	95	88	96	113	97	116	137	-9.0	-17.5	-17.6
Poland	90	90	102	118	96	108	125	-6.2	-5.8	-5.3
...Iberia	8	9	10	11	9	10	11	1.0	1.0	1.0
...Romania	(11)	0	0	0	0	0	0			
...Screwfix France & Other	(35)	(35)	(25)	(15)	(35)	(25)	(15)			
...Turkey JV	(9)	(2)	0	5	(2)	0	5			
Other International	(47)	(28)	(15)	1	(28)	(15)	1			
Total Group Retail Profit	696	711	788	879	716	804	909	-0.6	-2.0	-3.3

Source: Company data, Equity Development

### Changes to divisional retail profit margin forecasts

		New forecasts			Old forecasts			% change		
Year-end 31 Jan (%)	2025A	2026E	2027E	2028E	2026E	2027E	2028E	2025E	2026E	2027E
UK & Ireland	8.6	8.4	8.7	9.0	8.3	8.6	9.1			
France	2.4	2.3	2.5	2.9	2.5	3.0	3.4			
Poland	5.1	5.0	5.4	5.9	5.2	5.6	6.1			
<b>Total Group Retail Profit margin</b>	<b>5.4</b>	<b>5.6</b>	<b>6.0</b>	<b>6.5</b>	<b>5.6</b>	<b>6.1</b>	<b>6.7</b>			

Source: Company data, Equity Development



## Financial forecasts

Income statement: 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	12,689	13,058	13,476
Cost of sales	(7,770)	(8,248)	(8,264)	(8,204)	(8,021)	(7,918)	(8,149)	(8,409)
Gross profit	4,573	4,935	4,795	4,776	4,763	4,771	4,910	5,067
Other income	19	23	25	23	20	20	20	20
Selling & distribution costs	(2,843)	(3,041)	(3,087)	(3,143)	(3,122)	(3,111)	(3,176)	(3,237)
Admin costs	(809)	(836)	(868)	(982)	(998)	(1,008)	(1,011)	(1,024)
Add back D&A	536	555	582	641	656	635	631	641
Operating costs, Adj. ex D&A	(3,116)	(3,322)	(3,373)	(3,484)	(3,463)	(3,484)	(3,556)	(3,620)
<b>Adj. EBITDA</b>	<b>1,476</b>	<b>1,636</b>	<b>1,447</b>	<b>1,315</b>	<b>1,300</b>	<b>1,286</b>	<b>1,354</b>	<b>1,447</b>
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)	(641)
Share of post-tax jvs and associates	6	5	5	(1)	(15)	(12)	(10)	0
<b>Adj. Operating profit</b>	<b>946</b>	<b>1,086</b>	<b>870</b>	<b>673</b>	<b>628</b>	<b>639</b>	<b>713</b>	<b>806</b>

Source: Company data, Equity Development

### Income statement: Operating profit to EPS

Year-end 31 Jan, £m	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Adj. Operating profit	946	1,086	870	673	628	639	713	806
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	17	18
Finance costs	(160)	(137)	(112)	(105)	(100)	(115)	(116)	(116)
Adj. PBT	786	949	758	568	528	524	597	689
Exceptional costs	(30)	58	(147)	(93)	(221)			
PBT	756	1,007	611	475	307	524	597	689
Adj. tax	(182)	(212)	(169)	(153)	(147)	(147)	(161)	(186)
Tax on exceptional items	18	48	29	23	25	0	0	0
Tax	(164)	(164)	(140)	(130)	(122)	(147)	(161)	(186)
Adj. PAT	604	737	589	415	381	377	436	503
Reported PAT	592	843	471	345	185	377	436	503
No of f/d shares (m)	2,119	2,116	2,002	1,921	1,867	1,774	1,689	1,605
Adjusted diluted EPS (p)	28.5	34.8	29.4	21.6	20.4	21.3	25.8	31.4
DPS (p)	8.25	12.4	12.4	12.4	12.4	12.4	12.4	13.0

Source: Company data, Equity Development

### Cashflow statement

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	1,286	1,354	1,447
Add back SBP charge	14	27	19	22	20	22	24	27
Change in inventories	86	(359)	(234)	132	87	115	5	(3)
Change in trade receivables	17	(23)	(44)	(6)	63	2	(8)	(9)
Change in trade payables	267	158	(196)	(14)	(50)	(30)	68	77
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	87	64	65
Net financial interest paid	(22)	(20)	0	9	15	9	8	9
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)	(147)	(161)	(186)
Exceptionals (cash)		(39)	(34)		(18)	0	0	0
Other	2		5	(8)	2			
Capex	(281)	(397)	(449)	(363)	(317)	(349)	(359)	(371)
M&A	(8)			(3)		(6)		
Disposals	75	9	12	9	(1)	58		
Other	3	5		2	(19)			
Capex	(211)	(383)	(437)	(355)	(337)	(297)	(359)	(371)
Discontinued ops cashflow								
Free cashflow <sup>1</sup>	938	385	(40)	514	511	448	465	517
Free cashflow	955	297	(71)	508	465	506	465	517
Dividends	0	(254)	(246)	(237)	(228)	(220)	(209)	(202)
Share buy backs / equity issue	(13)	(181)	(338)	(180)	(249)	(276)	(250)	(250)
Other								
Net cashflow	942	(136)	(446)	91	(12)	10	6	65

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

Net debt metrics								
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	346	352	417
<b>Net financial (debt) / cash</b>	<b>1,027</b>	<b>807</b>	<b>170</b>	<b>251</b>	<b>238</b>	<b>237</b>	<b>243</b>	<b>308</b>
Leases (incl those for sale)	(2,421)	(2,376)	(2,444)	(2,367)	(2,253)	(2,220)	(2,229)	(2,239)
<b>Net (debt) / cash incl leases</b>	<b>(1,394)</b>	<b>(1,569)</b>	<b>(2,274)</b>	<b>(2,116)</b>	<b>(2,015)</b>	<b>(1,983)</b>	<b>(1,987)</b>	<b>(1,931)</b>
Net financial (cash) / Adj. EBITDA (x)	(0.7)	(0.5)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Net debt / Adj. EBITDA (x)	<b>0.9</b>	<b>1.0</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>1.5</b>	<b>1.5</b>	<b>1.3</b>

Source: Company data, Equity Development

**Balance Sheet: Assets**

<b>Year-end 31 Jan, £m</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
Property, plant and equipment	3,075	3,078	3,205	3,206	3,105	3,065	3,087	3,115
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	314	330	348
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
<b>Non-current assets</b>	<b>8,312</b>	<b>8,403</b>	<b>8,341</b>	<b>8,204</b>	<b>7,785</b>	<b>7,775</b>	<b>7,842</b>	<b>7,929</b>
Inventories	2,488	2,749	3,070	2,914	2,719	2,604	2,599	2,602
Trade and other receivables	290	300	347	344	276	274	282	291
Other financial 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	346	352	417
Cash held for sale					9			
Assets held for sale	12	6	3	3	149	149	149	149
<b>Current assets</b>	<b>3,957</b>	<b>3,948</b>	<b>3,762</b>	<b>3,696</b>	<b>3,658</b>	<b>3,541</b>	<b>3,551</b>	<b>3,628</b>

Source: Company data, Equity Development

### 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)	(2,325)	(2,392)	(2,469)
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)			
<b>Current liabilities</b>	<b>(3,183)</b>	<b>(3,116)</b>	<b>(2,899)</b>	<b>(2,862)</b>	<b>(2,927)</b>	<b>(2,805)</b>	<b>(2,872)</b>	<b>(2,949)</b>
<b>Capital employed</b>	<b>9,086</b>	<b>9,235</b>	<b>9,204</b>	<b>9,038</b>	<b>8,516</b>	<b>8,511</b>	<b>8,521</b>	<b>8,608</b>
<b>Bank borrowings</b>	<b>(2)</b>	<b>(2)</b>	<b>(102)</b>	<b>(102)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
<b>Lease liabilities</b>	<b>(2,091)</b>	<b>(2,029)</b>	<b>(2,101)</b>	<b>(2,001)</b>	<b>(1,866)</b>	<b>(1,875)</b>	<b>(1,884)</b>	<b>(1,894)</b>
<b>Deferred tax liabilities</b>	<b>(232)</b>	<b>(276)</b>	<b>(205)</b>	<b>(207)</b>	<b>(193)</b>	<b>(193)</b>	<b>(193)</b>	<b>(193)</b>
<b>Provisions</b>	<b>(33)</b>	<b>(10)</b>	<b>(10)</b>	<b>(7)</b>	<b>(9)</b>	<b>(9)</b>	<b>(9)</b>	<b>(9)</b>
<b>Trade and other payables</b>	<b>(11)</b>	<b>(10)</b>	<b>(4)</b>	<b>(3)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>
<b>Post employment benefits</b>	<b>(145)</b>	<b>(130)</b>	<b>(114)</b>	<b>(113)</b>	<b>(101)</b>	<b>(101)</b>	<b>(101)</b>	<b>(101)</b>
<b>Other financial liabilities</b>	<b>(1)</b>	<b>(1)</b>	<b>(5)</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non-current liabilities</b>	<b>(2,515)</b>	<b>(2,458)</b>	<b>(2,541)</b>	<b>(2,434)</b>	<b>(2,172)</b>	<b>(2,181)</b>	<b>(2,190)</b>	<b>(2,200)</b>
<b>Net assets</b>	<b>6,571</b>	<b>6,777</b>	<b>6,663</b>	<b>6,604</b>	<b>6,344</b>	<b>6,330</b>	<b>6,330</b>	<b>6,408</b>
<b>Shareholders' funds</b>	<b>6,571</b>	<b>6,778</b>	<b>6,663</b>	<b>6,604</b>	<b>6,344</b>	<b>6,330</b>	<b>6,330</b>	<b>6,408</b>

Source: Company data, Equity Development

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