KGF Kingfisher plc

Kingfisher nudges profit guidance up again as Screwfix outpaces shrinking markets

Following the Q3 Trading Update · 24 November 2026

FY 26/27 ADJUSTED PBT GUIDANCE	Q3 UNDERLYING LFL SALES	SCREWFIX Q3 LFL	FRANCE Q3 LFL
£610m-£640m	+0.8%	+6.9%	(2.8)%
▲ previously £595m-£635m	▲ excluding calendar impact; reported group sales +0.2%	▲ UK home improvement market down low single digit	▼ Brico Dépôt (5.3)%

Share price, past 12 months

Daily close; latest price as at 16:29 on 23 November 2026 · Ticker Data API



Kingfisher raised its full-year guidance today for the second time this autumn. Its third-quarter trading update shows underlying like-for-like sales up 0.8% in the three months to 31 October, even though its UK and French home-improvement markets both shrank by low single digits. Guidance for adjusted pre-tax profit moves to c.£610m-£640m, from £595m-£635m in September, and free cash flow guidance moves to c.£490m-£520m. Screwfix like-for-likes rose 6.9%, trade sales outside Screwfix grew 8% and marketplace sales by third-party sellers grew 36% to £170m. France fell 2.8%, with Brico Dépôt down 5.3%, and big-ticket categories such as kitchens and bathrooms fell 3.7% across the group.

The upgrade is real but small. It adds £10m to the profit midpoint and £5m to the cash midpoint, and reported group sales rose only 0.2% once currency translation is counted. Expectations have now risen at each revision since March, and with only the November to January quarter left, the current-year range looks within reach. The questions are further out. First-half free cash flow fell to £339m from £478m, the dividend and the £300m buyback together use roughly all of the guided cash, and Sebastian Gundel takes over as chief executive on 1 February 2027, before the full-year results on 23 March. The shares stood at 391.60p on the day, up 3.22%, near the top of their 52-week range after a strong run into the announcement.

> **“We delivered a solid quarter, with continued market share gains and strong momentum across our strategic growth drivers of trade, e-commerce and marketplace. This gives us the confidence to upgrade our guidance.”**
>
> **Thierry Garnier**, Chief Executive Officer · Q3 Trading Update, 24 November 2026

Screwfix and trade carry a group whose markets are shrinking

Group sales for the third quarter to 31 October were £3,257m. They rose 0.2% as reported, 1.5% in constant currency and 0.9% like-for-like (sales from stores open a year or more), or 0.8% once a small calendar effect is stripped out. The more flattering 2.4% headline adds marketplace gross merchandise sales, the value of goods sold by third-party sellers on Kingfisher's websites. Kingfisher earns a commission on those sales, so they are not its own revenue. Customer transactions drove the growth, and Kingfisher reports market share gains at B&Q, Screwfix, Castorama France, Poland and Spain.

The gains came in markets that are getting smaller. Kingfisher puts both the UK and French home-improvement markets down low single digits in the quarter and year to date, with only Poland growing. Screwfix like-for-likes rose 6.9% on volume and customer growth, which lifted UK & Ireland to 2.4% while B&Q slipped 1.0%. B&Q's figure was an improvement as weather and footfall normalised, and its total sales including marketplace rose 1.4%. Poland grew 2.1% and Iberia 6.6%.

France is the weak spot. It made £927m of the quarter's sales and fell 2.8% like-for-like. Castorama was close to flat at (0.5)%, while Brico Dépôt fell 5.3% on weaker demand for building materials and larger projects, and its website traffic is still recovering. Screwfix France posted store like-for-like growth of 36%, but the Screwfix France & Other line sold only £6m in the quarter, so it does not offset the core French business.

The three areas management calls its growth drivers all moved forward. Trade sales outside Screwfix grew 8%, taking trade to 33% of group sales. E-commerce grew 15% outside Screwfix and reached 22% of sales. Marketplace GMV grew 36% to £170m, of which £143m was at B&Q, and five vendors are joining a new vendor-to-store platform at Screwfix. Kingfisher opened seven stores, six of them Screwfix.

Q3 26/27	VALUE	CHANGE
Group sales	£3.26bn	**+0.2%** +reported, +1.5% constant currency
Total sales including marketplace GMS	+2.4%	
Screwfix sales	£765m	**+6.9%** LFL
B&Q LFL	(1.0)%	
France sales	£927m	LFL (2.8)%
Brico Dépôt LFL	(5.3)%	
Group trade sales penetration	33%	+2pts
Group e-commerce penetration	22%	+2pts
Marketplace GMV	£170m	**+36%**
Screwfix France & Other sales	£6m	**+22%** +reported

Sources: Q3 Trading Update RNS, 24 Nov 2026

Everyday categories grow while kitchens and bathrooms keep falling

Core categories such as paint, tools and building materials make up 70% of sales and grew 2.1% like-for-like as footfall recovered after the summer heatwaves. Seasonal lines (15% of sales) added 0.6% thanks to a long summer and early demand for heating. Big-ticket categories, another 15%, fell 3.7%. Bathroom was the main problem. Kingfisher admits its bathroom ranges are underperforming subdued markets, though kitchens are outperforming in the UK and at Castorama France. B&Q big-ticket fell 6.3% and Brico Dépôt big-ticket fell 8.2%. These are the mortgage-sensitive projects that households put off when borrowing is expensive.

Year to date, group like-for-likes are up only 0.4%, or 0.5% on an underlying basis, with big-ticket down 4.2%. Currency translation cut into the reported figures. France fell 4.9% as reported against 2.8% in constant currency, and Poland went from 3.9% constant-currency growth to a 0.3% fall once converted into sterling.

Profit has grown faster than sales because of margin. First-half adjusted pre-tax profit rose 9.9% to £404m, helped by a 70 basis point rise in gross margin to 38.4%, cost control and a £14m one-off business rates refund. That refund is about 3.5% of first-half profit and will not recur. For context, the 2025/26 year ended with adjusted pre-tax profit of £560m, up from £528m, on revenue of £12.9bn.

FIGURE	VALUE	CHANGE
Core LFL (70% of sales) Q3 26/27	+2.1%	
Big-ticket LFL (15% of sales) Q3 26/27	(3.7)%	
Seasonal LFL (15% of sales) Q3 26/27	+0.6%	
Group LFL year to date YTD 26/27	+0.4%	
Adjusted PBT H1 26/27	£404m	+9.8% prior £368m
Adjusted gross margin H1 26/27	38.4%	prior 37.7%
Adjusted PBT FY 25/26	£560m	+6.1% prior £528m
Revenue FY 25/26 (year to 31 Jan 2026)	£12.9bn	

Sources: Q3 Trading Update RNS, 24 Nov 2026; Half Year Results, 22 Sep 2026; Final Results, 24 Mar 2026; Income statement (tagged accounts), 2026-01-31

Cash conversion is the part still to be proved

Cash, 31 Jan 2026	Borrowings, 31 Jan 2026	Lease liabilities, 31 Jan 2026
£465m	£103m	£3.77bn

First-half free cash flow fell to £339m from £478m, even though adjusted profit rose. To reach the new full-year range of £490m-£520m, the second half must produce £151m-£181m. The arithmetic is reasonable, but the quarterly update has no cash flow statement, so working capital and lease payments cannot be checked until the full-year results.

At the January 2026 year-end, Kingfisher held £465m of cash against £103m of borrowings and £3.77bn of lease liabilities. On cash and borrowings alone the group had net cash. The leases are fixed store commitments, and they make the estate anything but asset-light. The database records net debt of £188m, which does not reconcile simply with those figures, so the definition clearly differs. Current assets exceeded current liabilities by about £630m, down from about £730m a year earlier.

Shareholder returns use almost all of the guided cash. The dividend is 12.4p a year (3.8p interim, 8.6p final), roughly £203m on the current share count, so the £505m free cash flow midpoint covers it about 2.5 times. The £300m buyback had reached £167m by 31 October. If both are paid in the same year, they absorb essentially the whole midpoint, which leaves future buybacks dependent on cash coming in as guided. Capex is expected at c.£390m, in line with last year's £388m, so there is no sign that investment is being held back to flatter cash.

FIGURE	VALUE	CHANGE
Free cash flow H1 26/27	£339m	−29% prior £478m
Operating cash flow FY 25/26	£1.43bn	+10% prior £1.30bn
Share buyback purchased to date To 31 Oct 2026	£167m of £300m	
Capex assumption FY 26/27	£390m	FY 25/26: £388m

Sources: Half Year Results, 22 Sep 2026; Cash flow (tagged accounts), 2026-01-31; Q3 Trading Update RNS, 24 Nov 2026; Balance sheet (tagged accounts), 2026-01-31; Debt, maturities and covenants, 2026-01-31

> **“We are building a stronger, more resilient Kingfisher and are well positioned to capitalise on the opportunities ahead.”**
>
> **Thierry Garnier**, Chief Executive Officer · Q3 Trading Update, 24 November 2026

A £10m nudge to a range already raised in September

Guidance has only moved up this year. Adjusted pre-tax profit guidance began at c.£565m-£625m in March, rose to £595m-£635m in September and is now c.£610m-£640m. Free cash flow guidance has gone from £450m-£510m to £480m-£520m and now £490m-£520m. The latest step adds £10m to the profit midpoint and £5m to the cash midpoint. At £625m, the profit midpoint is about 12% above last year's £560m. With only the November to January quarter left, the range rests mostly on trading already banked.

The assumptions behind it are unchanged in kind: about 1% of sales growth from new space, net finance costs of c.£100m against £91m last year, an adjusted tax rate of c.26% and capex of c.£390m. Ticker's earnings surprise model leaned towards an ahead-of-expectations statement before the release. That is an estimate, and the guidance rise turned out modest.

Leadership is the larger uncertainty. Sebastian Gundel becomes chief executive on 1 February 2027, replacing Thierry Garnier, whose statement closes with a farewell to colleagues. The full-year results on 23 March 2027 will be the first under the new chief executive and will carry the first guidance for 2027/28. The backdrop is not easy for spending on large projects. Bank Rate rose 0.25 points to 4.00% in

the three months to 19 November, the two-year gilt yield is 4.92% and CPIH inflation is 3.70%, though UK retail sales volumes were up 2.3% year on year in October.

FY 26/27 against the prior period

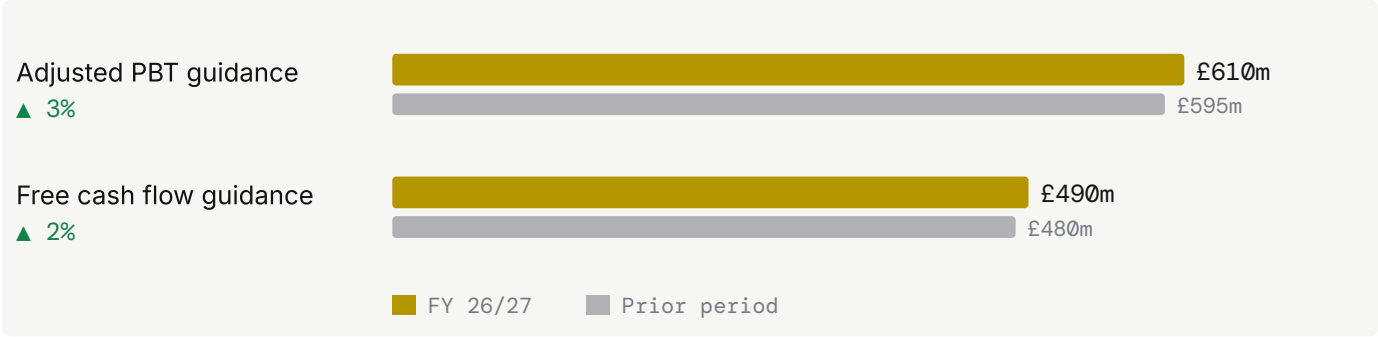

FIGURE	VALUE	CHANGE
Adjusted PBT guidance FY 26/27	c.£610m-£640m	+2.5% previously £595m-£635m
Free cash flow guidance FY 26/27	c.£490m-£520m	+2.1% previously £480m-£520m
Adjusted PBT guidance (March) FY 26/27	c.£565m-£625m	
Net finance costs assumption FY 26/27	£100m	FY 25/26: £91m
Adjusted effective tax rate FY 26/27	c.26%	FY 25/26: 26%
Bank Rate 19 Nov 2026	4.00%	+0.25 points over three months
CPIH inflation Oct 2026	3.70%	+0.60 points over three months
Full year results date	23 March 2027	

Sources: Q3 Trading Update RNS, 24 Nov 2026; Final Results, 24 Mar 2026; UK economy and markets

An 8% cash yield, after the shares rose by a third

At a market value of £6.40bn, guided free cash flow of £490m-£520m gives a yield of 7.7%-8.1%, provided the cash arrives as guided. Applying the 26% tax rate to the £625m profit midpoint and dividing by about 1.63bn shares gives a price of roughly 14 times this year's earnings at 391.60p, the price on the day of the announcement. Such a multiple is undemanding for a business gaining share. It is not obviously cheap for a retailer whose big-ticket sales are still falling and whose markets are contracting.

The share price has already moved further than the guidance. The shares are up about a third over a year, while the latest upgrade lifts the profit midpoint by 1.6%. The buyback is shrinking the share count: purchases across three tranches totalled 55,978,937 shares by 13 November. Disclosed short positions stood at 9.98% of shares on 19 November, unusually high for a stock in an uptrend. The largest disclosed holder is Silchester, at 9.97% as of February 2026.

FIGURE	VALUE	CHANGE
Market capitalisation 24 Nov 2026	£6.4bn	
Share price 24 Nov 2026	391.6p	+3.2% +on the day
Shares in issue 31 Oct 2026	1,634,898,080	
Disclosed short positions 19 Nov 2026	9.98%	
Silchester International Investors LLP holding Disclosed 4 Feb 2026	9.97%	

Sources: Price & Valuation; Total Voting Rights RNS, 2 Nov 2026; Disclosed short positions; Major shareholders

The shares ran into the news near their highs

The shares climbed from about 328p at the end of September to a 389.5p close on 23 November, the session before the announcement. That close sat close to 5% above the rising 20-day average of 371.23p, 13% above the 50-day at 346.01p and 24% above the 200-day at 314.29p. Momentum readings were stretched but showed no divergence between price and momentum. The trend-strength indicator, ADX, read 36.9, consistent with a genuine trend. On the day of the announcement the shares traded between 377.46p and 393.90p, above the 389.30p top of the 52-week range shown, and stood at 391.60p, up 3.22%.

The run into the release looks like positioning ahead of an upgrade more than a squeeze. Volume on the final session before the announcement was only in line with its 20-day average, and on-balance volume (a running tally of volume on up days minus down days) was below its own average. The MACD momentum line crossed below its signal line on 16 November, a minor wobble under the new high.

There is no earlier selling level above the price, and support below is thin. The first reference point is the 379.9p pivot. Firmer support sits at 350.44p, touched three times and last tested on 16 October, about 10% below the pre-announcement close and roughly four average days' range away. An earlier gap between 307.5p and 327.93p, left on 22 September, has never been filled. A close above the high on clearly above-average volume would suggest new buyers accept the upgrade. A fall back through 379.9p on heavy volume would suggest the news was already in the price.

FIGURE	VALUE	CHANGE
Day range 24 Nov 2026	377.46p - 393.90p	
52-week range	266.40p - 389.30p	
Share price 24 Nov 2026	391.6p	+3.2% +on the day

Sources: Price & Valuation

The case for and against

FOR

The case for rests on delivery in poor markets. Kingfisher has raised profit and cash guidance twice in two months while its two largest markets shrank, taking share at Screwfix, B&Q, Castorama France, Poland and Spain. Trade is now a third of sales and e-commerce 22%, and both grew faster than the group. Margins rose in the first half. New kitchen and bathroom ranges such as IZEE and Imandra 2 are showing early results at Castorama, and store revamps and franchise transfers are under way in France. The balance sheet carries more cash than borrowings, and the dividend is covered about 2.5 times by guided free cash flow. If big-ticket demand and France stabilise, a business that grew profit on flat sales has room for operating leverage.

AGAINST

Against that, the sales picture is thin and the cash picture unproven. Reported sales grew 0.2%, big-ticket fell 3.7% and France, more than a quarter of sales, fell 2.8%. First-half profit included a £14m one-off refund, and first-half free cash flow fell £139m despite higher profit. Dividend and buyback together use roughly all of the guided cash. The £3.77bn of leases are fixed costs that would hurt profit if demand weakened, and rising rates and inflation point to more pressure on project spending. A new chief executive arrives in February with no commitment to his predecessor's forecasts and could set cautious 2027/28 guidance or slow the buyback. The shares had already risen by about a third in a year and stood near their high when the news came.

WHAT TO WATCH

The full-year results on 23 March 2027 will show which case is stronger. Watch whether 2026/27 free cash flow reaches the £490m-£520m range, which needs £151m-£181m in the second half, and what explains the first-half fall. Then look at the first 2027/28 guidance from Sebastian Gundel and whether a further buyback follows the current £300m. In between, French like-for-likes and big-ticket trends will show whether the drag is easing, and further moves in Bank Rate will bear on project spending. On the chart, the 350p support shelf marks the line between a pause in the trend and a break.

Risks

- Big-ticket sales fell 3.7% in the quarter, and with Bank Rate at 4.00% and CPIH at 3.70%, higher mortgage costs could hold back kitchen, bathroom and other large projects for longer.
- France made £927m of Q3 sales and fell 2.8% like-for-like, with Brico Dépôt down 5.3%. A longer slump would keep weighing on group profit despite the revamps and franchise transfers.
- A new chief executive takes over on 1 February 2027 and will set 2027/28 guidance at the 23 March results. He could reset expectations lower or change how capital is returned.
- First-half free cash flow fell to £339m from £478m. Missing the £151m-£181m implied for the second half would raise questions about the quality of earnings and the funding of returns.
- The dividend and £300m buyback together use roughly all of the guided free cash flow midpoint, so any cash shortfall would most likely hit the buyback.
- £3.77bn of lease liabilities are fixed commitments, so a fall in sales would cut into profit quickly.

- Currency translation cut reported Q3 growth to 0.2% from 1.5% in constant currency, and it can keep diluting sterling results.
- First-half profit included a £14m one-off business rates refund, which flatters the base that future growth is measured from.

THE OTHER VIEW

The strongest alternative reading is that the cautious interpretation underrates what three upgrades in a contracting market show. Kingfisher has grown profit faster than sales by taking share and widening margins while its UK and French markets shrank. Trade and e-commerce, now 33% and 22% of sales, are growing faster than the group and bring more frequent, repeat customers. On guided figures the shares offer a free cash flow yield of about 8% and trade on roughly 14 times this year's earnings, hardly a demanding price for a business that has beaten its own guidance all year. Big-ticket and French weakness is cyclical and partly self-inflicted, and new kitchen and bathroom ranges are already showing early results. When those categories stop falling, the margin gains made on flat sales would pass through to profit faster than the market assumes. On this reading, the share price rise reflects a genuine change in earnings power, and near-10% short interest is a source of further buying pressure if the March results confirm the trend.

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