

31 January 2023

Wickes Group plc – Trading Update for the 13 weeks to 31 December
Strong Q4 trading with Group sales up 11.5%; adjusted PBT expected to be in line
with market consensus¹

Wickes Group plc (“Wickes” or “the Group”) today provides a fourth quarter trading update for the 13 weeks to 31 December 2022.

2022	1 Year Like for Like Sales Growth %			3 Year Like for Like Sales Growth %		
	Core	DIFM	Total	Core	DIFM	Total
Quarter 1 <small>(13 weeks to 2 Apr)</small>	(11.0)%	28.4%	(4.0)%	34.8%	(7.9)%	20.6%
Quarter 2 <small>(13 weeks to 2 July)</small>	(0.2)%	30.9%	5.4%	38.2%	(5.1)%	26.2%
Quarter 3 <small>(13 weeks to 1 Oct)</small>	0.0%	12.2%	2.6%	27.3%	(1.7)%	19.2%
Quarter 4 <small>(13 weeks to 31 Dec)</small>	5.2%	34.5%	11.5%	32.4%	11.4%	25.8%
Full year <small>(52 weeks to 31 Dec)</small>	(2.0)%	26.0%	3.5%	33.0%	(1.3)%	22.8%

Note: DIFM represents delivered sales

Core LFL sales growth for the fourth quarter was 5.2%, continuing the improving trend since the summer. Local Trade sales again performed strongly, with our digital TradePro customer base ending the year at 746k (+18% year-on-year), as we continue to grow the awareness and appeal of the scheme through its compelling value proposition. DIY sales remain below last year although have stabilised towards the end of the quarter supported by sales of energy saving products.

Retail price inflation has moderated further, aided by reductions in the cost of timber. Inflation in Q4 was 9%, and continues to trend lower.

Since 2019, the business has increased Core LFL sales by 33.0% and consistently increased market share², demonstrating the strength of the business model and the success of our growth levers.

DIFM LFL delivered sales in Q4 were 34.5% ahead on a one year basis against an omicron-affected comparative, as we successfully worked through the elevated order book. We achieved our target of increasing the number of installer teams from 2,600 as at March 2022 to 3,000 at the end of the year.

The order book at the end of December was lower than 2021 but still above 2019 levels. Orders in the fourth quarter were moderately down versus last year but on an improving trend from the third quarter. This trend has continued and orders in Q1 to date are in line with the prior year.

¹ Current market consensus from covering analysts is adjusted PBT of £72-76m

² Source: GfK GB PoS data, sourced from GfK DIY Category Reporting December 2022

During the fourth quarter we completed four store refits taking the total to 11 for the year, in addition to the downsize and refit of the Maidstone store. Our new store in Bolton opened in October, and there are plans for further openings in 2023.

In December we announced our science-based emissions targets, following approval from the SBTi. In Q4, as part of our work to help customers reduce emissions, we launched our digital Sustainable House Guide, with advice on sustainable living and energy reduction for all rooms in the house with a click to purchase option for the most important products.

Following the fourth quarter performance we expect full year adjusted PBT to be in line with current market expectations.

In addition to supporting customers through the cost of living crisis by remaining market leading on price, we are also helping our colleagues, as previously announced, by bringing forward the annual pay awards (including the increase in the National Minimum Wage) from April to January, at a cost of £3.5m.

With the recent decline in wholesale prices, we currently expect our energy costs in FY2023 to be around £10m higher than FY2022. This includes a modest premium for switching to fully renewable energy.

David Wood, CEO of Wickes, commented:

“Wickes traded well during the period, with Group sales up 11.5%, underpinned by our relentless focus on value, availability and service.

“With the increased cost of living and colder winter months we have seen more customers turning to Wickes for help to reduce their energy usage and bills. We're providing market-leading value on products, from loft insulation through to draught excluders, and customers are visiting our online Sustainable House Guide for great hints and tips on how to reduce energy and cut back on costs.

“Wickes continues to demonstrate the strength of its uniquely balanced business model. We remain focused on our growth levers to ensure that we continue to outperform the market.”

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About Wickes

Wickes is a digitally-led, service-enabled home improvement retailer, delivering choice, convenience, value and best-in-class service to customers across the United Kingdom making it well placed to outperform its growing markets. In response to gradual structural shifts in its markets over recent years, Wickes has a balanced business focusing on three key customer journeys - Local Trade, DIY (together "Core") and Do-it-for-me ("DIFM").

Wickes operates from its network of 230 right-sized stores, which support nationwide fulfilment from convenient locations throughout the United Kingdom, and through its digital

channels including its website, TradePro mobile app for trade members, and Wickes DIY app. These digital channels allow customers to research and order an extended range of Wickes products and services, arrange virtual and in-person design consultations, and organise convenient home delivery or click-and-collect.