

26 January 2024

## **Wickes Group plc – Trading Update for the 52 weeks to 30 December 2023**

**Full year LFL sales in line with prior year;**

**Adjusted PBT expected at upper end of consensus range**

Wickes Group plc (“Wickes” or “the Group”), the leading home improvement retailer, today provides a trading update for the 52 weeks to 30 December 2023.

Full year Group LFL sales of -0.3% were in line with prior year. Cash at the year end was £97.5m after £10.1m of share buybacks, in line with guidance, reflecting strong cost and stock control. Given our working capital cycle, average cash across the year was £155m.

Adjusted PBT for FY23 is expected to be at the upper end of market consensus range of £44.9-£48.3m on a post-IAS38 basis.

### **Core (product sales to Trade and DIY customers)**

We delivered a good performance in Core in 2023 with LFL sales in line with the prior year. The fourth quarter saw positive LFL sales growth of 1.2% representing the third consecutive quarter of growth in Core revenue. This performance was driven by positive volume growth, with slight selling price deflation in the quarter.

Double digit growth in TradePro sales continued in Q4, underpinned by strong growth in our TradePro customer base, which ended the year at 881k (+18% year-on-year). DIY sales remained moderately down year-on-year in Q4, however we experienced strong volume growth in a number of strategically important categories including timber, joinery, decorating and flooring.

Once again, our market share<sup>1</sup> increased in 2023 and is significantly up on a three-year view, despite a decrease in store numbers, demonstrating the strength of the business model and the success of our growth levers.

### **Do-It-For-Me (projects led by Design Consultants)**

DIFM LFL delivered sales were slightly down for full year 2023. The Q4 LFL sales decline of -13.7% reflected a more subdued consumer environment for larger projects, as well as delivery delays from the new software implementation (previously noted in our Q3 trading update). This software issue has been addressed and will not impact delivered sales in 2024.

### **Current trading and outlook**

Adjusted PBT for FY23 is expected to be at the upper end of the market consensus range of £44.9-£48.3m on a post-IAS38 basis.

During the first few weeks of Q1, trading in Core has been in line with the prior year. In DIFM, we expect delivered sales in Q1 2024 to be lower year on year, as a result of the expected normalisation of the order book post-Covid and fewer new leads in the market.

### **Growth strategy**

Investment continues into our proven growth levers of store expansion, store refits, digital capability and exceptional customer service. There were two new store openings during Q4 (three in total for 2023) as well as four refits (11 in total for 2023) and we have a good

pipeline of refit and store opening activity for 2024. Our distinctive customer service model has once again delivered great service for customers with record customer satisfaction scores in 2023.

**David Wood, Chief Executive of Wickes, commented:**

*“Our colleagues’ relentless focus on value, availability and service has delivered record customer satisfaction and market share. We have delivered a robust sales performance in the year, against a challenging market backdrop, and with a tight control on costs we expect to achieve a full year profit outturn at the upper end of market expectations.*

*“We remain confident in our growth levers and in 2023 we have invested further in new stores, refits and our digital capability. This leaves us well-placed to continue to outperform the market in 2024 and beyond.”*

**LFL sales 2023**

	<b>Core<sup>2</sup></b>	<b>DIFM<sup>3</sup></b>	<b>Total</b>
<b>Quarter 1</b> (13 weeks to 1 Apr)	(4.4)%	6.2%	<b>(1.8)%</b>
<b>Quarter 2</b> (13 weeks to 1 July)	2.3%	5.3%	<b>3.0%</b>
<b>Quarter 3</b> (13 weeks to 30 Sept)	1.1%	(5.5)%	<b>(0.5)%</b>
<b>Quarter 4</b> (13 weeks to 30 Dec)	1.2%	(13.7)%	<b>(2.6)%</b>
<b>Full year</b> (52 weeks to 30 Dec)	<b>0.1%</b>	<b>(1.7)%</b>	<b>(0.3)%</b>

- 1) GfK GB PoS data, sourced from GfK DIY Category Reporting December 2023
- 2) ‘Core’ revenue relates to products sold directly to customers (both DIY and trade) in stores or online.
- 3) ‘DIFM’ or Do-it-for-me revenue relates to kitchen and bathroom projects sold by our showroom Design Consultants. Revenue is recognised when delivery and installation (where applicable) is complete. DIFM LFL sales for Q3 have been revised, from -4.4% to -5.5%.

**Enquiries**

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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 our project-based Do-it-for-me ("DIFM") division.*

*Wickes operates from its network of 229 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.*