



1 May 2024

Wickes Group plc – Trading Update for the 16 weeks to 20 April 2024

Solid start to the year in Retail; challenging market conditions continue in Design & Installation

Profit outlook for the year remains unchanged

The start of 2024 has seen a continuation of trends from the fourth quarter last year and those highlighted at our recent full year results, with volume growth in Retail¹ and a decline in Design & Installation². Overall Group LFL sales for the first 16 weeks were down by 4.2% compared to the same period last year, with both reporting periods including Easter trading.

Retail sales have demonstrated the continued appeal of Wickes' great value and service-led proposition. LFL sales were up 0.6% in the period, with a fourth consecutive quarter of positive LFL growth. Market share has also continued to grow. With selling prices in mild deflation, the growth in Retail sales has been driven by volume with an increased number of transactions. TradePro sales continue to perform strongly, up 12% in the period, reflecting healthy order books for local trade professionals and continued growth in the customer base, which grew by a further 57,000 members. DIY sales remain in moderate decline overall; customers continue to be enthusiastic about home improvement but are focusing on smaller projects. Building on this trend we have shown a strong performance in our decorative categories with interior paint sales up 13% year-on-year.

Design & Installation delivered sales³ declined by 18.2%, reflecting a particularly strong performance in the comparative period for the prior year, when we were still benefiting from an elevated order book. Ordered sales⁴ so far in 2024 have been in single-digit year-on-year decline, with strong conversion rates partially offsetting a double digit decline in new leads, as the market for larger ticket purchases remains challenging.

Our increased focus on our lower-priced Wickes Lifestyle Kitchens⁵ range continues to deliver strong results with sales in this range up 25% versus the same period last year.

We continue to focus on tight cost management throughout the business. In addition to planned productivity initiatives, we will deliver cost savings in Design & Installation as a result of, and to help offset, the lower sales volumes currently being experienced.

Investment in our strategic growth levers continues, with our first new store of the year opening in Long Eaton in March and with two refits completed in Ashford and Burgess Hill.

Whilst the trading environment remains uncertain, given the solid start to the year in Retail and our continued focus on costs, the overall outlook for adjusted profit before tax for 2024 remains unchanged.

We will hold an investor insight event in London on 16 May, focused on TradePro, and will make presentation materials available on our website after the event.

David Wood, Chief Executive of Wickes, commented:

"In the first few weeks of 2024 we have been encouraged that DIYers and local trade professionals continue to turn to Wickes as a brand they trust for great value and service and as a result we have once again grown market share. Although the market for larger ticket items remains subdued, we have seen strong sales growth in our Wickes Lifestyle Kitchens, which match customer demand for quality with great value.

"While the external environment remains uncertain, our overall profit expectations for the full year remain unchanged. Looking ahead, we continue to invest for future growth with our programme of store refits, new store openings and investment in both technology and Solar Fast, building an even stronger Wickes for the future."

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 - TradePro, DIY (together reported as Retail) and our project-based Design & Installation division.

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.

Footnotes

1) Retail refers to the revenue stream formerly described as Core. Retail revenue relates to products sold directly to customers (both DIY and local trade), in stores or online.

- 2) Design & Installation refers to the revenue stream formerly described as DIFM or Do-it-for-me. Design & Installation revenue relates to projects such as kitchens and bathrooms, sold by our showroom Design Consultants. Revenue is recognised when delivery and installation (where applicable) is complete.
- 3) Delivered sales refers to the revenue which is recognised when the Group has satisfied its performance obligation to the customer and the customer has obtained control of the goods or services being transferred.
- 4) Ordered sales refers to the value of orders at the point when the order has been agreed.
- 5) Sales of Wickes Lifestyle Kitchens which include a design element are classified as Design & Installation revenues, whereas Self Serve purchases of the Wickes Lifestyle Kitchen range are classified as Retail revenues.