

The Wickes logo is a blue shield-shaped emblem with a white border, containing the word "Wickes" in white, bold, sans-serif font.

# Wickes

The background of the slide is a collage of three images: a man in a blue t-shirt and jeans working with a power saw, a woman in a white sweater and black leggings smiling in a kitchen, and a woman in a blue and white striped shirt painting a wall. The text "2024 Full Year Results" is centered over the collage in a large, white, bold, sans-serif font.

## 2024 Full Year Results

A solid green rectangular box containing the date "20 March 2025" in white, bold, sans-serif font.

20 March 2025

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**Wickes**

# Introduction

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David Wood

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# Strong market outperformance; Good start to 2025; New share buyback announced

- **Balanced business model delivers resilient 2024 performance**
  - Retail volume growth & accelerated market share gains
  - Improving performance in Design & Installation
  - Adj. PBT of £43.6m at upper end of market expectations
- **Investment in proven growth levers delivering results**
  - TradePro sales growth +14%
  - Actions taken to improve Design & Installation performance led to Q4 growth in ordered sales<sup>1</sup>
  - Digital investments driving productivity
  - 4 new stores and 7 refits drive further sales growth
- **Delivering attractive returns to shareholders**
  - Final dividend maintained at 7.3p
  - New £20m share buyback announced
- **Recognition of our Responsible Business Strategy**
  - FTSE4Good index, CDP Climate 'B', MSCI 'AAA'
- **Trading in first 11 weeks of Q1 in line with our expectations**
  - Positive LFL in Retail continues; D&I orders in growth



1) Ordered sales refers to the value of orders at the point when the order has been agreed

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**Wickes**

# Financial Review

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Mark George

## Strong performance in challenging market conditions

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Revenue **£1,539m**  
Group revenue **(1.0)%**

Gross margin  
**+ 16 basis points**

Strong balance sheet  
**£86m** YE cash  
**£144m** average cash

Retail<sup>1</sup> revenue **1.9%**  
Design & Installation<sup>2</sup>  
revenue **(10.5)%**

Adjusted PBT  
**£43.6m**

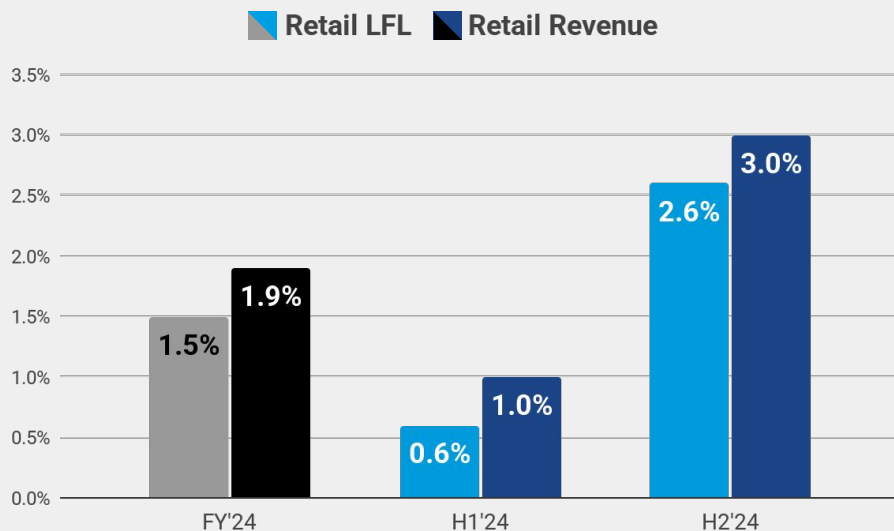
FY dividend **10.9p**  
**£25m** share buyback  
completed<sup>3</sup>

# Balanced business model & productivity plan deliver resilient profit performance

£m <sup>1</sup>	FY 2023	FY 2024	Change %
<b>Revenue</b>	1,553.8	1,538.8	(1.0)%
LFL %	(0.3)%	(2.0)%	N/A
Gross profit	568.1	565.1	(0.5)%
<b>Gross profit margin</b>	<b>36.6%</b>	<b>36.7%</b>	<b>+16bps</b>
Operating costs	(494.3)	(497.7)	(0.7)%
% of sales	(31.8)%	(32.3)%	-0.5ppts
Operating profit	73.8	67.4	(8.7)%
Operating profit margin	4.7%	4.4%	-0.4ppts
Interest	(21.8)	(24.1)	(10.6)%
<b>Adjusted PBT</b>	<b>52.0</b>	<b>43.6</b>	<b>(16.2)%</b>

- **Sales** & volume growth in Retail partly offset challenging market for Design & Installation
- Robust **gross margin +16bps** as a result of volume growth in Retail
- **Productivity** plan and tight control of **operating costs** largely mitigating cost inflation
- Adjusted PBT at upper end of market expectations<sup>2</sup>

# Continued sales & volume growth in Retail, driven by TradePro



## Retail (Trade & DIY)

- Continued increase in Retail market share
- Positive LFL driven by volume growth; additional sales from new store rollout
- TradePro **sales +14%** with active TradePro members increasing to 581k

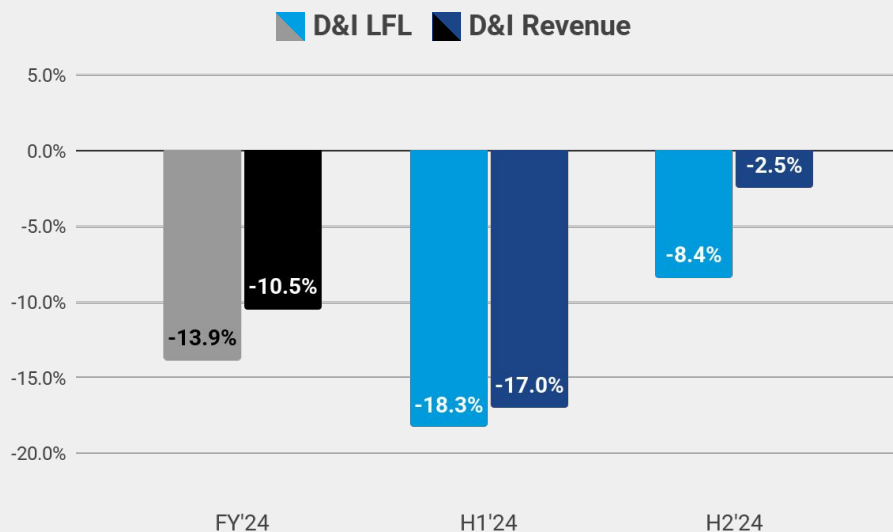
	Q1	Q2	Q3	Q4
Inflation <sup>1</sup>	(2.9)%	(2.7)%	(2.2)%	(1.2)%
Volume/mix <sup>2</sup>	4.6%	2.5%	6.3%	1.9%
<b>LFL sales</b>	<b>1.7%</b>	<b>(0.2)%</b>	<b>4.2%</b>	<b>0.7%</b>

Late summer weather delayed spending into Q3

1) Inflation represents the price change on products sold in both years; 2) Volume represents both the change in volume of products sold and the change in product mix relating to LFL products and non-LFL products



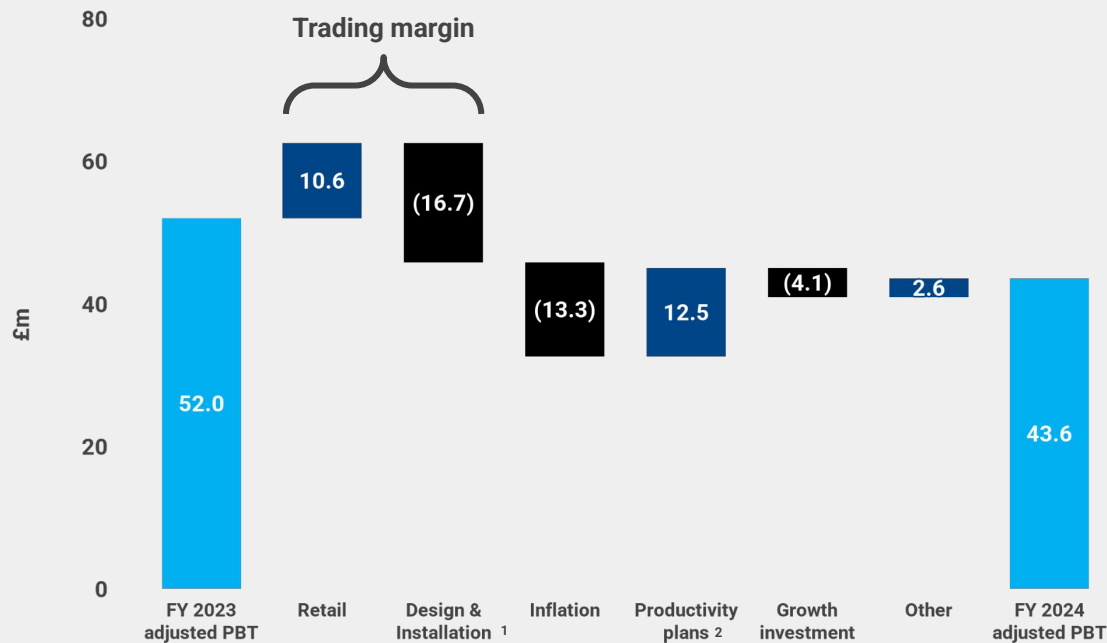
# Improving performance in Design & Installation as the year progresses



## Design & Installation

- Decline in delivered sales<sup>1</sup> due to weak consumer appetite for larger ticket purchases
- Actions taken to enhance customer offer and experience led to improving performance
- Q4 ordered sales<sup>2</sup> in **positive YoY growth**

# Further profit growth in Retail and clear opportunities in Design & Installation



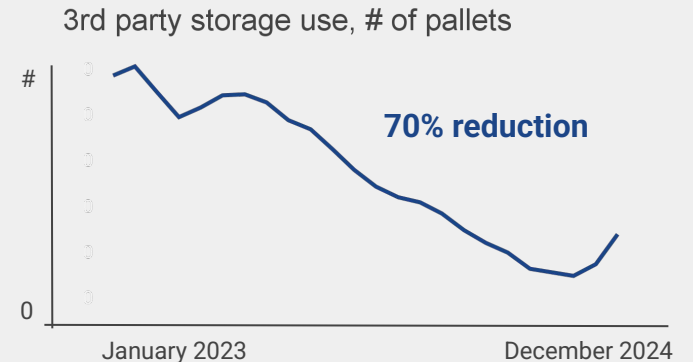
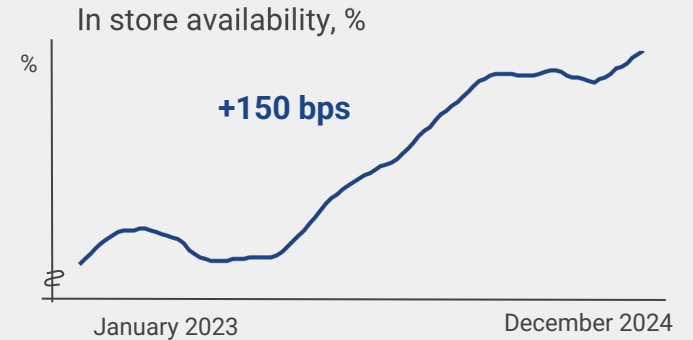
- Increase in **Retail** margin from sales & **volume growth**; disciplined management of gross margin
- Challenging conditions for big ticket items led to **decrease in D&I**
- **Productivity initiatives** largely mitigate headwinds in wages and costs
- **Growth investment** includes new stores, technology and rollout of the CEC<sup>3</sup>
- H2 PBT almost flat year-on-year; **significant improvement** vs H1

	H1 2024	H2 2024	FY 2024
Adj. PBT	£23.4m	£20.2m	£43.6m
% change YoY	(24.8%)	(3.3%)	(16.2%)

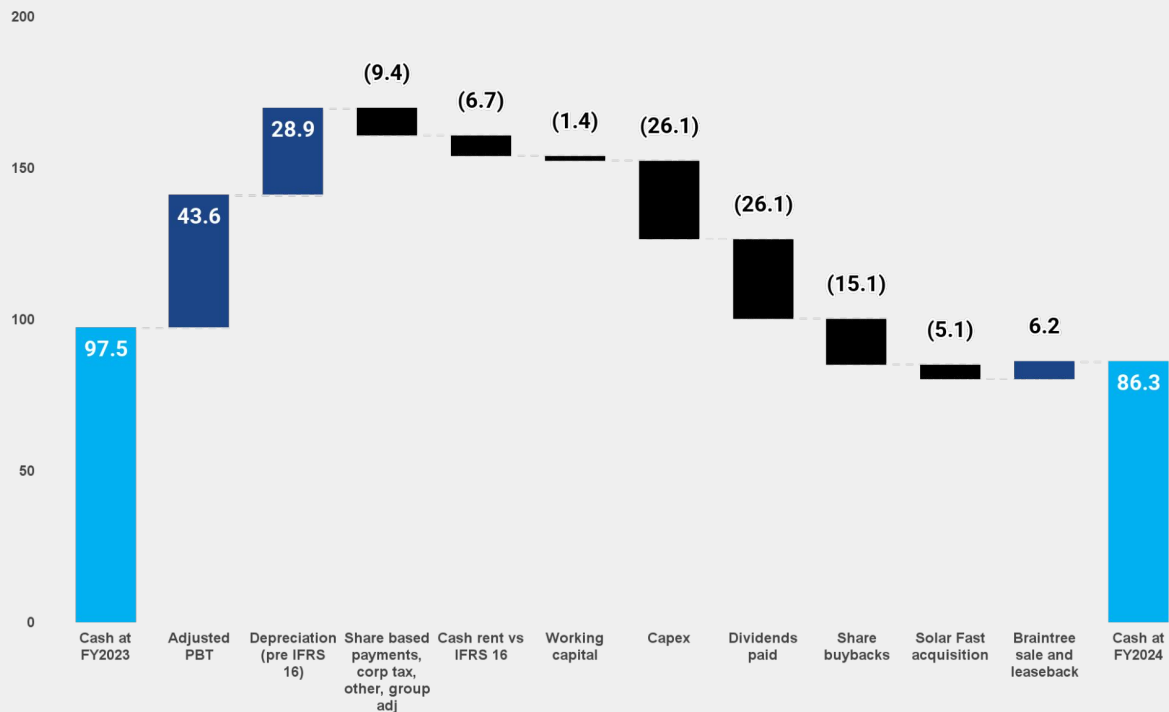
1) Design & Installation trading margin excludes the impact of Solar Fast; 2) The impact of YoY savings in distribution costs is displayed in productivity plans, whereas in the statutory income statement this is included in gross margin; 3) Customer Experience Centre

## Productivity case study: stock forecasting tool drives lower costs and improved customer experience

- Investment in **AI-driven, predictive stock forecasting** platform delivering materially enhanced productivity
- Significant improvement in **stock forecast accuracy** with material financial benefits
  - Reduction in total stock units held
  - c70% reduction in third party storage usage over two years
- **Improvement in store availability** achieved alongside the reduction in stock levels
- Further network efficiency opportunities for 2025



# Cash generation supports investment programme & significant shareholder returns



- **Capex broadly in line**
  - 2024 guidance c.£30m<sup>1</sup>
- **£5.1m** net initial consideration **for acquisition of 51% stake in Solar Fast**
- £6.2m proceeds from Braintree sale & leaseback
- **£41m shareholder returns**
  - 10.9p paid in dividends
  - £15.1m share buybacks<sup>2</sup>
- **Average cash £144.3m**

1) Excluding SaaS investments; 2) Includes £0.1m stamp duty and commission

## Strong balance sheet & ongoing performance enable further buybacks

- Capital allocation policy<sup>1</sup> to maintain strong balance sheet with significant liquidity
  - **Min.£50m cash** at Dec YE, the seasonal low point
  - **Average cash during the year considerably higher**
  - RCF provides additional liquidity
- **Capital investment** into proven growth levers
- Target dividend cover **1.5x - 2.5x** (currently paying above target)
- **Share buyback** programme to return excess cash to shareholders
  - First £25m completed September 2024
  - Second £20m announced March 2025

	Year End 2024	Average 2024
Debt	Nil	Nil
Cash & equivalents	£86m	£144m
<b>Net cash / (debt)</b>	<b>£86m</b>	<b>£144m</b>

	2024
Lease liabilities	£705m
Average lease length <sup>2</sup>	10 years
Average rent / sq ft	£16

## All Design & Installation ranges to be reported together from 2025 onwards

- **Presentational change** to segmental reporting
- Groups **all kitchen and bathroom ranges together**, whether Lifestyle or Bespoke
- Aligns with our commercial operations and customer approach to buying kitchen / bathroom projects
- Solar included in D&I Ranges, as before

		FY 2024 Current methodology	FY 2024 New methodology
<b>Retail</b>	<b>Revenue</b>	<b>£1,212.3m</b>	<b>£1,129.8m</b>
	Revenue growth	1.9%	1.9%
	LFL revenue growth	1.5%	1.5%
<b>D&amp;I</b>	<b>Revenue</b>	<b>£326.5m</b>	<b>£409.0m</b>
	Revenue growth	(10.5)%	(8.0)%
	LFL revenue growth	(13.9)%	(10.9)%
<b>Group</b>	<b>Revenue</b>	<b>£1,538.8</b>	<b>£1,538.8</b>
	Revenue growth	(1.0)%	(1.0)%
	LFL revenue growth	(2.0)%	(2.0)%

# Outlook and guidance for 2025

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## Outlook

- Trading in first 11 weeks of Q1 in line with our expectations
  - Positive sales growth continues in Retail
  - D&I ordered sales in positive growth for 2nd quarter in a row; delivered sales remain negative
- Remain comfortable with current consensus for 2025 adj.PBT<sup>1</sup>

## Technical guidance for 2025

- Net interest costs c£25m
- Capex £30-35m<sup>2</sup>
- 7.1m shares being purchased for EBT
- New £20m share buyback programme
- Based on current expectations FY dividend expected to be maintained at 10.9p



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**Wickes**

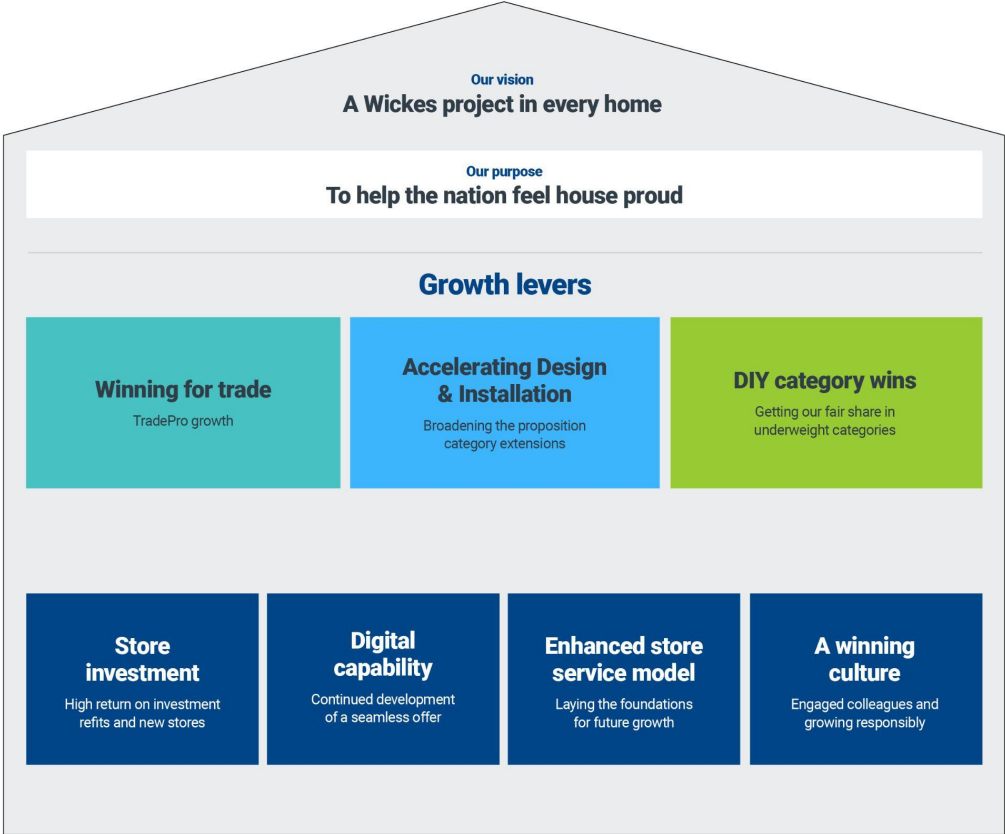
# Business Update

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David Wood



# Winning strategy based on balanced business model and proven growth levers



# Current market trends as we enter 2025

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## Trade

- Trade pipelines remain healthy:
  - **Over 50% of tradespeople continue to have a pipeline of over 3 months<sup>1</sup>**
  - c25% have a pipeline of over 12 months<sup>1</sup>
  - Traders remain thrifty, with over 4 in 5 doing research to find best **value<sup>1</sup>**

## Design & Installation

- **Planned spend** on a new kitchen or bathroom remains below historical norms, but **stable** over recent months<sup>1</sup>
- Demand remains stronger in the <£4k segment of the kitchens market
- 1 in 4 home improvers have **delayed spending** due to cost of living concerns<sup>1</sup>

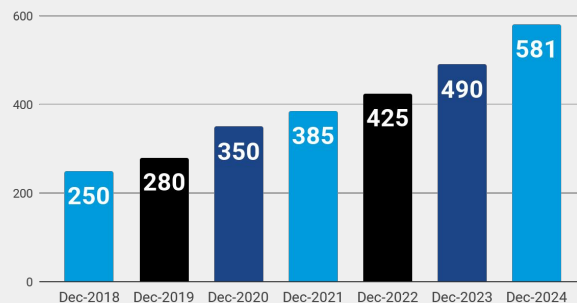
## DIY

- **Consolidation** in the UK home improvement market continues, following demise of Homebase, Carpetright, CTD Tiles and Wilko
- **Product categories linked to large projects more challenging** (eg.tiles & flooring)
- Continued interest in DIY but focus on **smaller projects**, spending a bit less

# Continuous improvement in Retail with strong TradePro growth...

- TradePro **sales +14%**
  - Growth in active members to 581,000<sup>1</sup>
  - B2B helping underpin member growth
- Strategic focus on building new and **innovative ranges** in our core DIY categories
  - Expansion of storage and shelving ranges
  - Introduction of acoustic wall panelling
  - Garden and landscaping range development
  - Expansion of 3rd party & own label paint ranges
- **Digital** investments driving online conversion
  - Increased choice of digital payment options
  - AI-driven personalisation driving lifetime customer value

Active TradePro customers (000)<sup>1</sup>

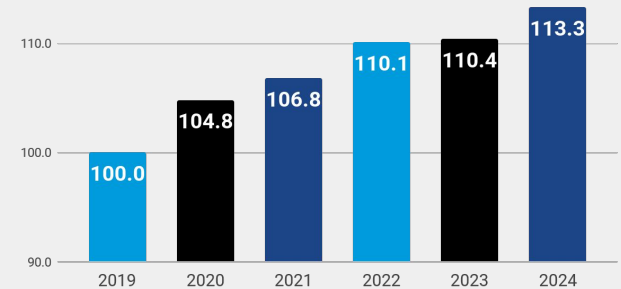


1) Active members of the TradePro scheme are defined as those who have shopped with us in the last 12 months

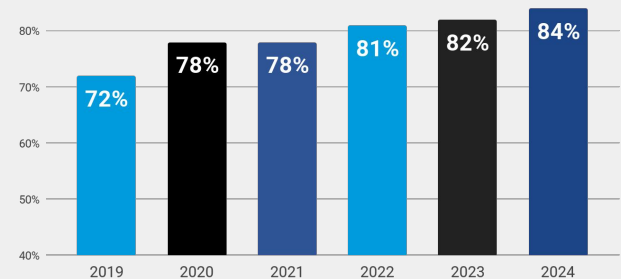
## ...leading to further market outperformance

- **Market share<sup>1</sup> gains have accelerated**
  - Led by strong growth in TradePro
  - Particular gains in decor and garden
  - Broader DIY appeal
    - Now **over 1 in 3 customers are female<sup>2</sup>** from less than 1 in 6 in 2019
- **Virtuous circle** of everyday low prices, increased volumes, fast stock turn, reinvestment in value
- **Customer Satisfaction metrics<sup>3</sup> at all-time highs**
  - Click & Collect CSAT 84% 'excellent' or 'good'
  - Home Delivery CSAT 89% 'excellent' or 'good'

Retail market share (indexed, 2019 = 100)<sup>1</sup>



Customer Satisfaction - Click & Collect<sup>3</sup>



1) Source: GfK GB point of sale data, sourced from GfK DIY Category Reporting December 2024; 2) Proportion of Wickes DIY customers identified as female in 2024;

3) Percentage of customers responding 'excellent' or 'good'

# Actions taken to improve customer offer and experience in Design & Installation...

- Bespoke and Lifestyle<sup>1</sup> ranges now presented as **Wickes Kitchens** and **Wickes Bathrooms**
  - Unified brochures, advertising, promotions
- Simplified customer journey
  - Online booking for design appointments
  - Increased availability with **160 additional Design Consultants**
  - Improved installation **scheduling** through FSM<sup>2</sup> tool
  - **Customer Experience Centre** proactively managing multi-stage processes
- New kitchen ranges proving successful with customers
- **Wickes Solar now displayed in all stores**, with above average conversion on Wickes leads



## ...driving improved momentum, in spite of challenging market

- **Improved momentum in D&I sales due to self-help actions** taken during 2024
  - LFL delivered sales H1 (18.3)% / H2 (8.4)%
  - Q4 ordered sales<sup>1</sup> in positive growth

	H1'24	H2'24	FY'24
D&I revenue growth <sup>2</sup>	(17.0)%	(2.5)%	(10.5)%
D&I LFL revenue growth	<b>(18.3)%</b>	<b>(8.4)%</b>	(13.9)%

- Strong pipeline of innovation and further investment in tech for 2025



# Investment in new stores and refits continues to drive growth

- **Refitted 7 stores into newest format**
  - 80% of estate now in new format
  - Lighter touch 'refresh' programme started with more to come in 2025
- **Four new stores**
  - Long Eaton, Durham, Aberdeen, Leamington Spa
  - Created c.120 new jobs
- **Growth pipeline for 2025**
  - 10 - 15 refits / refreshes
  - 5 - 7 new stores
  - Four former Homebase stores in our 2025 opening programme



Edmonton before refresh



Edmonton after refresh



New store - Aberdeen

# 'Built to Last' strategy recognised: FTSE4Good, 'B' in CDP Climate, 'AAA' in MSCI



- **Flexible working** rolled out to all roles in Support Centre and all store management teams, as part of our Colleague Promise
- Supported **2,156 community projects** across the country
- Raised **£1.6m** in partnership with The Brain Tumour Charity, on track for £2m target<sup>1</sup>



- **61% reduction in Scope 1 & 2 emissions<sup>2</sup>**, on track for near term SBT<sup>3</sup>
- All of our garden compost products now **peat free**
- **100% of our own brand customer packaging now PVC and polystyrene free<sup>4</sup>** and therefore easier to recycle



- **Roll-out of Wickes Solar** online and now in most Wickes stores
- Expanding our range of solar PV products, air source heat pumps and EV chargers
- 99.8% of timber sold is certified as responsibly sourced

1) £1.6m comprised of £0.7m Apr-Dec 2023 and £0.9m raised Jan-Dec 2024. Partnership runs for 2 years to end April 2025; 2) Market-based GHG emissions compared to rebaselined 2021; 3) Science-Based Target; 4) From February 2025



# Strong market outperformance; Good start to 2025; New share buyback

- **Balanced business model** delivers resilient performance in 2024
  - Continued growth in Retail sales and market share
  - Early signs of improvement in D&I
  - Adj.PBT at upper end of market expectations
- **Trading in first 11 weeks of Q1 in line with our expectations**
- Delivering **attractive returns** to shareholders with new £20m share buyback announced
- Continued successful investment in **proven growth levers** positions us well for faster growth as economy recovers



**Wickes**

**Q&A**

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**Wickes**

# Appendix

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# A balanced business supporting three customer propositions

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## Winning for trade

Our TradePro membership scheme offers a simple digital loyalty scheme for tradespeople, designed to save them time and money



## Accelerating Design & Installation

Accelerate growth in Design & Installation through digital development and product innovation



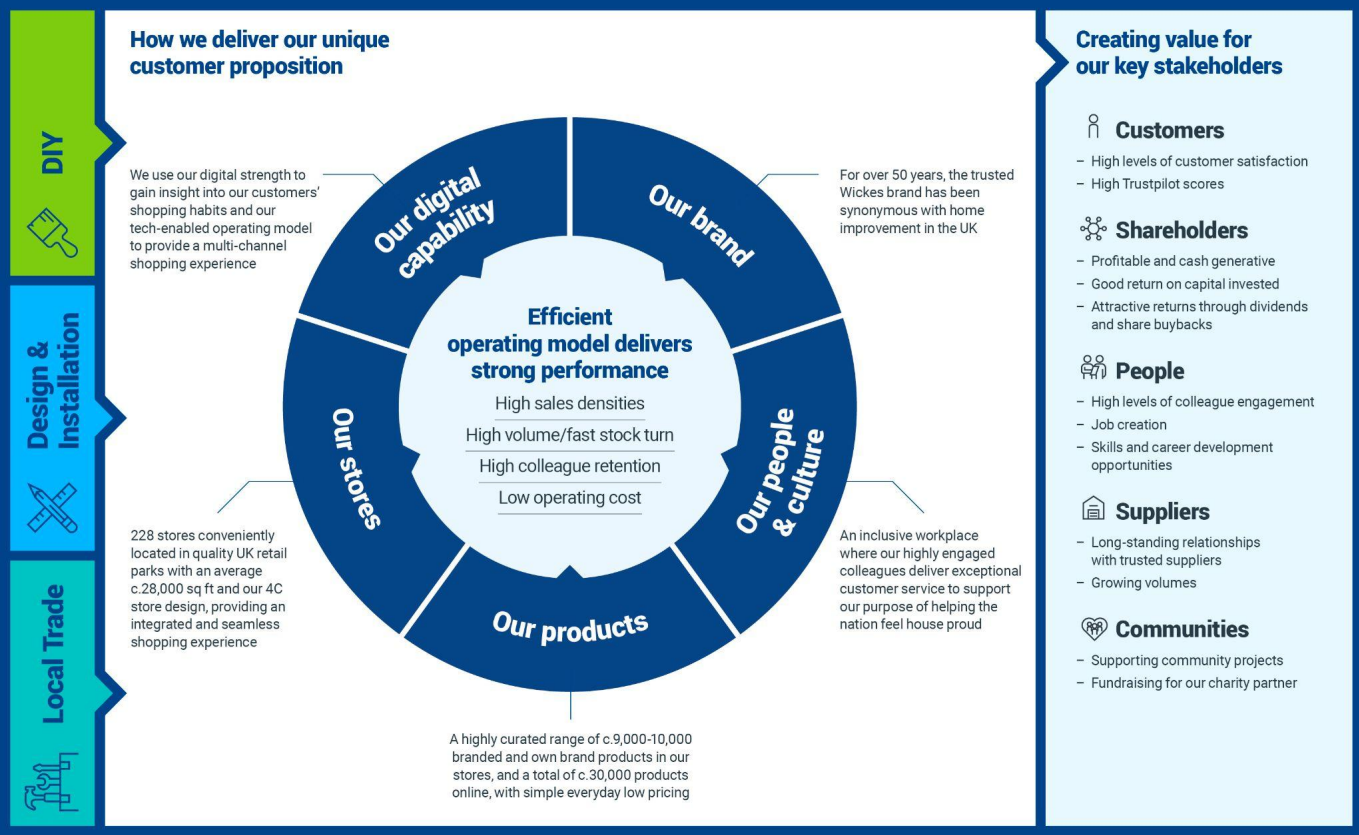
## DIY category wins

Provide a curated range in store with an extended range online to offer the best range, price, availability and convenience

# Our 4C customer service model



# How we deliver our unique customer proposition



# Sustainable competitive advantage driving investment returns

## Large and growing market

UK home improvement worth £27 billion per year.

## Distinctive business model

Digitally-led, service-enabled, with a highly efficient operating model.

## Sales growth: mid-single digit

Our balanced business model enables us to access three customer propositions of Local Trade, Design & Installation and DIY, offering greater resilience through the economic cycle.

Wickes has just c6% share of the home improvement market, offering significant opportunity for future growth. Through consistent market share gains and underlying market growth we aim to generate mid-single digit revenue growth over the cycle.

7

Growth levers

## Profit growth > revenue growth

Our proven growth levers are successfully driving sales densities, profit contribution and returns from stores. Our efficient model keeps operating costs low, generating operating leverage so that over the economic cycle we would expect to grow profit faster than revenue.

c.20

new stores over four to five years

## Strong cash flow

Our profitable business model generates strong operational cash flow. This cash flow supports future investment into proven growth levers such as store refits and digital, as well as enhancing shareholder returns through dividends and share buybacks. In 2023 we unveiled a revised Capital Allocation Policy and announced our first share buyback.

£41m

returned to Shareholders in 2024

# Disclaimer

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