

Screwfix owner removes Russian products as profits soar to £1bn

The parent company of Screwfix and B&Q has said it has removed Russian and Belarusian products from its shelves since the start of the war in Ukraine, as it reported soaring profits of more than £1bn.

Kingfisher, which also owns DIY stores in France, Poland, Iberia and Romania, said it was in discussions with suppliers to ensure products were not being sourced from either country, saying they were “shocked and deeply concerned” at the invasion.

The company previously sold its Russian home improvements retail business Castorama Russia in September 2020.

It comes as the FTSE 100 firm reported full-year results to the end of January 2022, with the DIY boom it saw during the Covid-19 pandemic continuing to boost its performance.

Bosses said the extra cash would be handed out to shareholders through dividends and buying up stock to boost the share price, with £550m returned to investors.

However, the company saw a near 3% fall in sales in the UK and Ireland during the three months to the end of January, including a 4.2% drop in sales at its Screwfix stores.

Kingfisher said rising inflation had been managed through placing orders in bulk and taking advantage of its size to secure better terms on shipping containers.

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The company’s board warned they expect cost pressure to continue into the current year, with inflation likely to rise further as energy and shipping costs remain high.

Directors said a shortage of products also had a small impact during the year, particularly with raw materials for house building and outdoor ranges.

Overall, the group’s sales were up 6.8% to £13.2bn and pre-tax profit jumped 33% to £1bn in the 12 months to the end of January, compared with a year earlier.

Most of the growth came in the first half of last year – as the retailer benefited from its essential retailer status while other stores were closed during lockdown periods.

In the UK and Ireland, B&Q sales fell 5.6% in the three months from August to October, and dropped 2.9% in the three months from November to January.

Screwfix grew just 0.2% and fell 4.2% in the same two periods compared with a year earlier, although on a pre-Covid two-year basis both brands remain up.

Kingfisher acquired Screwfix, the UK's largest multi-channel retailer of trade tools, accessories and hardware products, in 1999.

The tool seller was founded in Yeovil as the mail-order Woodscrew Supply Company in 1979 and the company is still headquartered in the Somerset town.

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