

Kingfisher shares hammered after B&Q owner warns on profits

Shares in the owner of [B&Q](#) and Screwfix slumped today after a profit warning followed a disappointing showing from its Polish and French businesses.

[Kingfisher](#) cut its full-year profit forecast to £590 million, down from £634 million. It reported a drop in first-half profit before tax of a third, to £317 million.

It came with what the FTSE 100 company called “weaker consumer sentiment” and a “challenging ... macroeconomic backdrop” in [Poland](#), where high inflation is high and interest rates have risen sharply.

Those conditions also apply in the UK, where the Bank of England may hike the cost of borrowing for the fifteenth consecutive time this Thursday.

But Kingfisher’s chief executive Thierry Garnier told the Standard that while the company was “following carefully” the BOE rate call, he did not expect similar problems to hit the core UK market, where he runs 300 B&Q branches and around 840 Screwfix outlets.

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“I think there is already a significant difference in consumer sentiment between Poland and the UK. It’s not only around rates, it’s around consumer sentiment and the perception of inflation and the cost of living.”

He also said that in the UK trade customers were “busy”, with over 80% of the professional builders it regularly surveys from its customer base saying they were getting busier.

The company’s trading update said its core UK business continued to have “positive momentum and “good growth.” It is testing smaller Screwfix outlets, called “Collect” and “SXR”, where builders can pick up orders from places too small for a full trade counter.

It also plans to roll out more, smaller B&Q Local branches to high streets, in a move away from the chain’s signature out-of-town warehouse-sized stores. The new format has been trialled in Camden and Palmer’s Green.

But Garnier said Kingfisher had not considered buying any of the bankrupt Wilko stores, after the collapse of the town centre homewares chain.

“We wish to have more B&Q Local around London, that’s our priority, but there is nothing specific to Wilko or other available space.”