



Trading Statement

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B&M European Value Retail S.A.
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Trading Update

Record Christmas trading drives strong Third Quarter

B&M European Value Retail S.A. ("the Group"), the UK's leading multi-price value retailer, today provides a trading update for the third quarter of its current financial year, relating to the period for the UK from 25 September 2016 to 24 December 2016 and for Germany from 1 October 2016 to 31 December 2016.

Highlights

- Group revenue growth in the quarter of 20.5% at constant currency, including a 7.2% rise in UK like-for-like revenues
- Strong operational and financial performance through the peak trading period, including good Christmas seasonal sell-through
- Management is confident that the Group will meet market expectations for Adjusted EBITDA in the financial year to March 2017

Revenue

	Q3 2016/17	Q3 2015/16	YTD at Q3 period end 2016/17	YTD at Q3 period end 2015/16
Total Group Revenues	£789.1m	£647.8m	£1,895.0m	£1,578.2m
B&M	£741.4m	£614.5m	£1,758.4m	£1,476.2m
Jawoll	£47.7m	£33.3m	£136.6m	£102.2m
Total Group Revenue Growth (constant currency)	+20.5%	+23.5%	+18.9%	+25.4%
UK Like-for-Like Revenue Growth ¹	+7.2%	0.0%	+3.1%	+1.0%
Underlying UK Like-for-Like Revenue Growth ²	+8.4%	+1.9%	+4.7%	+2.5%

¹ Like-for-like revenues includes each store's revenue for that part of the current period that falls at least 14 months after it opened; and it is compared with its revenue for the corresponding part of the previous period. This 14 month approach has been taken as it excludes the two month halo period which new stores experience following opening.

² Underlying like-for-like revenues includes those stores which have traded for over 14 months but excludes stores that are within a three mile radius of a new B&M store opening for the first 12 months following the opening of that new store (i.e. cannibalisation effects). Three miles has been judged by management to be a conservative distance to use as the customer catchment area for a store.

Group sales revenue for the quarter increased by 20.5% on a constant currency basis. On an actual currency basis, total sales revenue increased by 21.8% (2015: 22.8%) to £789.1m (2015: £647.8m).

UK sales revenue for the 13 week period increased by 20.7% to £741.4m (2015: £614.5m) with like-for-like sales of 7.2% in the quarter. This performance reflects our successful store opening programme, combined with a strong like-for-like sales performance versus the second quarter.

The stronger like-for-like growth reflects several factors, including strong seasonal product performance, improved in-store standards for customers and the normalisation of service levels from our two new distribution centres, compared with last year. The Group also benefited from an extra day's trade in the quarter compared with last year, which added 1.1% to the headline like-for-like total. This timing benefit will unwind in the fourth quarter.

The deliberate impact of new B&M stores on existing stores has continued to reduce as expected and was 1.2% in the quarter. We expect this number to fall further in Q4 and thereafter we expect the impact to stabilise.

Jawoll's sales revenues increased by 18.8% on a Euro basis, which equates to an increase of 43.2% in Sterling to £47.7m in the quarter versus the same period in the financial year 2015/16.

Strategy

At the end of the quarter the UK business of the Group was trading from a total of 533 stores, having opened 14 stores in the last 13 weeks and a net 34 in total during the financial year to date. In Germany Jawoll is now trading from 73 stores having opened 7 stores in the third quarter and the business is performing to plan.

Outlook

Management is confident that the Group will meet market expectations for Adjusted EBITDA in the financial year to March 2017.

Simon Arora, Chief Executive, said,

"I'm delighted to report that B&M has delivered a strong performance through peak trading, reflecting a powerful return to trading form, helped by increased levels of operational stability in our stores and supply chain.

We have once again demonstrated the strength, relative appeal and popularity of our model at a time of uncertainty for consumers generally and continuing structural change in the retailing sector. We have delivered our best ever Christmas trading and served over 5.5 million customers in a single week in the UK alone as we continue to gain market share. Our German business Jawoll has also performed well and our first steps towards a faster pace of expansion are going to plan.

I would like to thank the whole B&M team for their hard work and commitment. They have delivered consistently for our customers whilst meeting the challenges which come with our continued rapid expansion."

This announcement includes inside information which is disclosed in accordance with the Market Abuse Regulation.

Conference Call

A conference call to discuss the Trading Update will be held on Wednesday 04 January 2017 at 10:00am (UK).

Dial-in details are:

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Notes to editors

B&M European Value Retail S.A. is a variety retailer with 533 stores in the UK operating under the "B&M" brand and 73 stores in Germany primarily operating under the "Jawoll" brand as at 26 December 2016. It was admitted to the FTSE 250 index in June 2015.

The B&M group was founded in 1978 and listed on the London Stock Exchange in June 2014. For more information please visit www.bmstores.co.uk

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