B&M European Value Retail SA
Interim Results Presentation
26 weeks to 24th September 2016

Interim FY17 Group Highlights

- Group revenues increased by 18.9% to £1,105.9m
- UK LFL revenues +0.2% and Underlying LFL +1.9%
- Group adjusted Profit before Tax increased by 17.2% to £77.9m
- Adjusted diluted EPS 6.1p an increase of 17.3%
- UK: 29 new stores, of which 6 were relocations, and 3 closures
- Germany: 10 new stores opened and on track to open 19 stores this financial year
- Net cashflow from operations £77.7m, an increase of 76.0%
- Adj. EBITDA to net debt 2.1x (vs. 2.2x at Sept-15, despite having paid the £100m special dividend in July 2016)
- Interim dividend increased by 18.8% to 1.9p per share

Paul McDonald

Chief Financial Officer

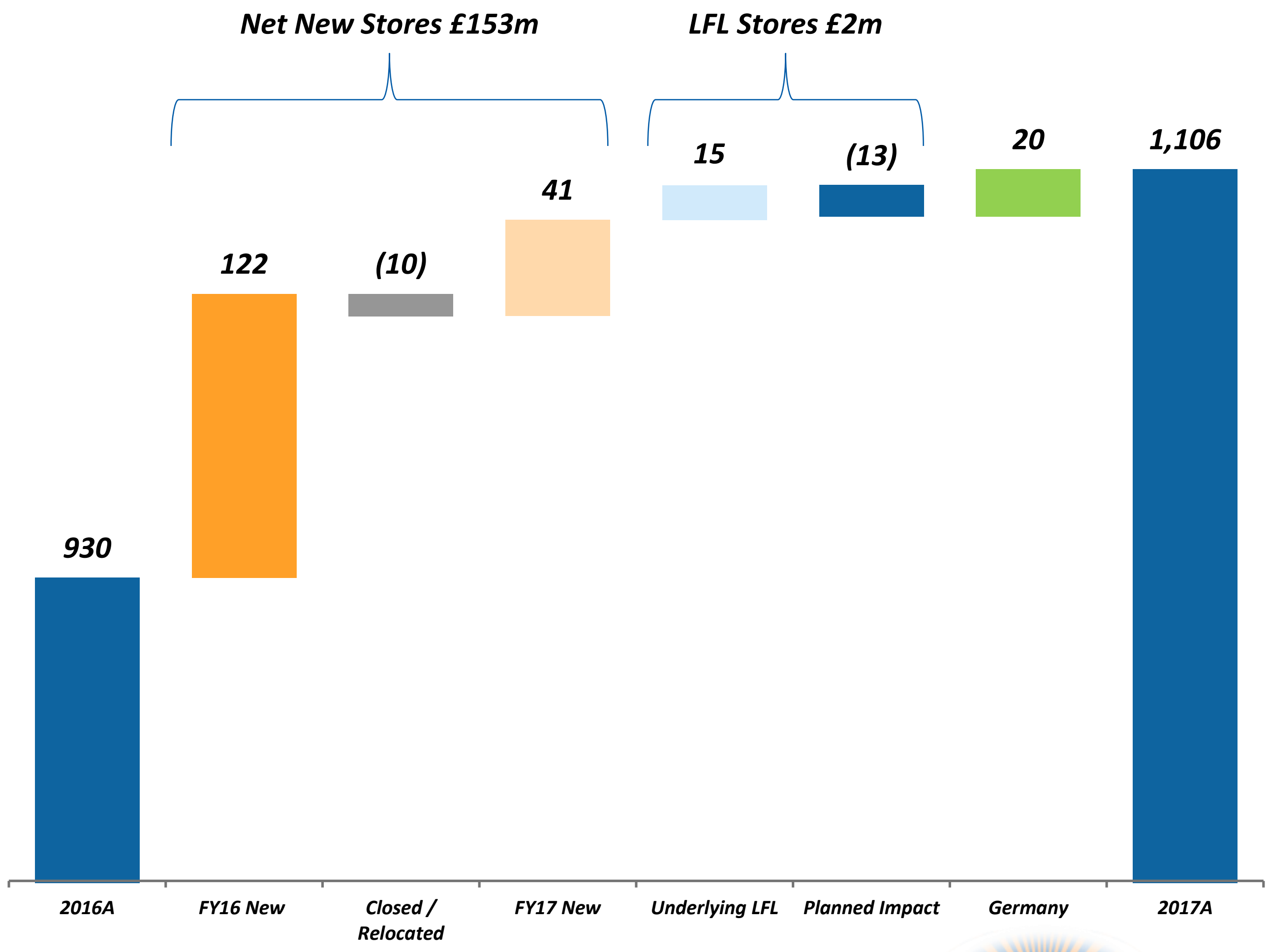
Summary Profit and Loss

£ millions,	2016A H1	2017A H1	%
Group Stores	524	585	11.6%
Revenues	930.3	1,105.9	18.9%
Gross Profit	320.6	383.4	19.6%
%	34.5%	34.7%	21bps
Operating Costs	(234.0)	(284.2)	21.4%
Adjusted EBITDA	**86.6**	**99.2**	**14.6%**
%	9.3%	9.0%	(33)Bps
Depreciation and Amortisation	(9.5)	(12.3)	28.5%
Interest	(10.7)	(9.1)	-14.9%
Adjusted Profit Before Tax	**66.4**	**77.9**	**17.2%**
Exceptional Costs	0.7	(3.5)	n/a
Exceptional Interest Costs	(0.4)	(0.7)	n/a
Profit / (Loss) Before Tax	**66.7**	**73.7**	**10.4%**
Adjusted Earnings / (Loss) per Share (p)	5.2p	6.1p	17.3%
Statutory Earnings / (Loss) per Share (p)	5.2p	5.8p	11.5%
Interim Dividend per Share (p)	1.6p	1.9p	18.8%

Group Revenue Bridge

£ millions,

H1 REVENUE 2016A-2017A



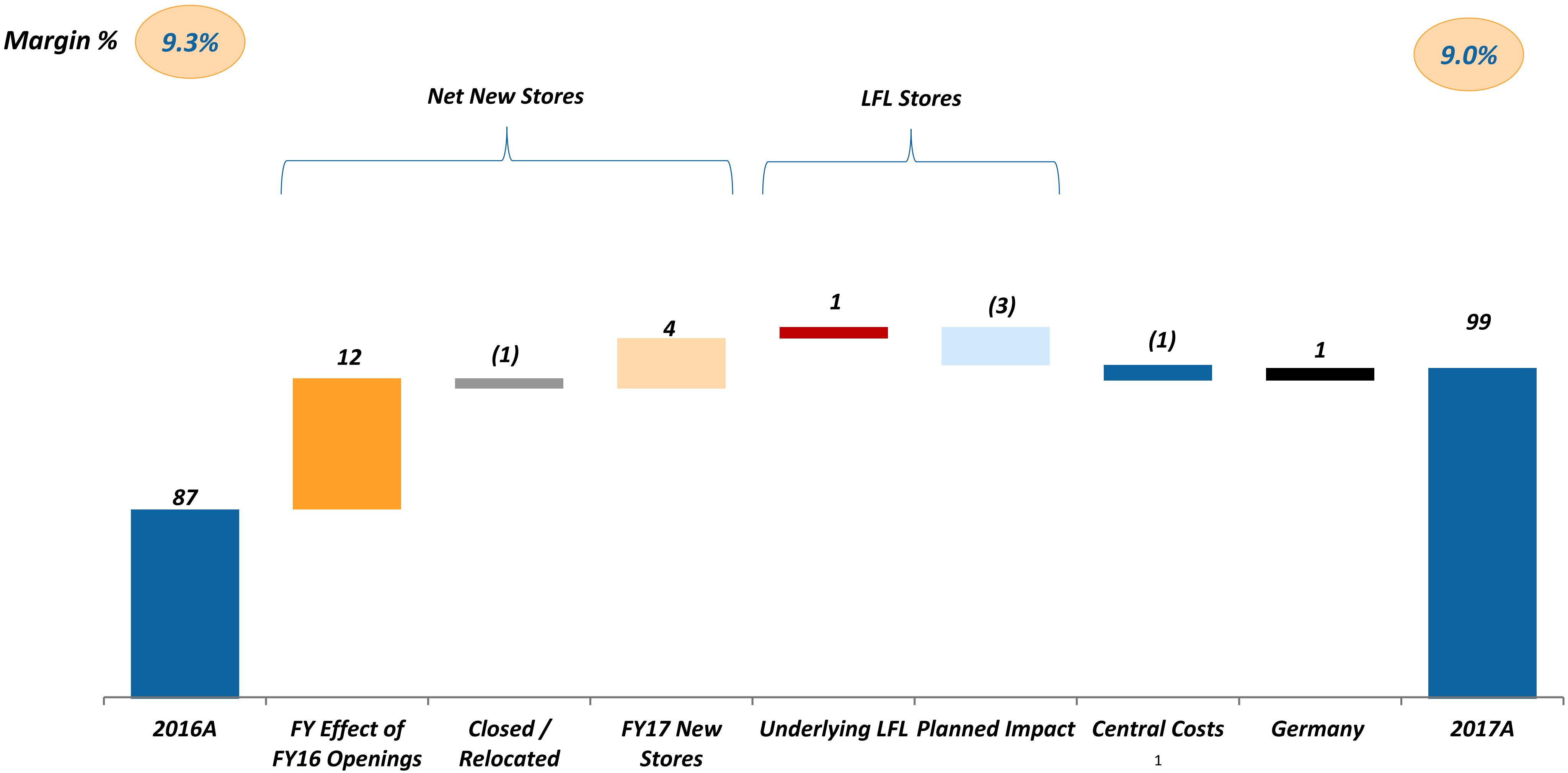
- +18.9% revenue growth
- Annualisation of 79 new stores opened in FY2016
- 29 new stores opened in the UK, of which 6 were relocations
- 3 store closures
- UK LFL revenues +0.2% impacted by the planned effect of cannibalisation. Underlying LFL is +1.9%
- +14.4% of € revenue growth from Jawoll
  - annualisation of the 6 new stores opened in FY16
  - 7 new organic store openings
  - some modest LFL revenue growth

Note 1: The new store halo impact on the FY16 new store openings is included within the FY16 new store bar

Continued EBITDA Growth

£ millions,

H1 ADJUSTED EBITDA BRIDGE 2016A-2017A

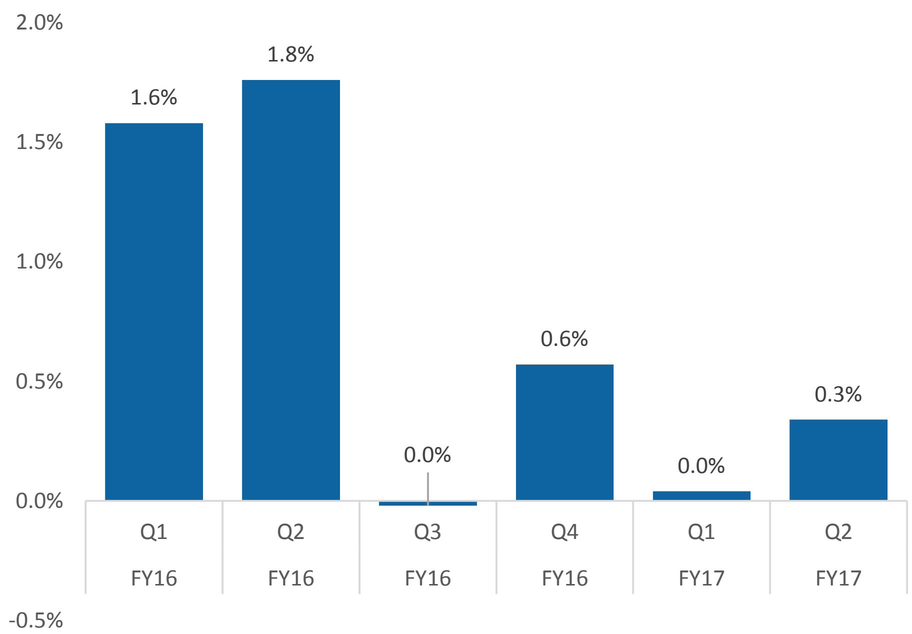


Note 1: Infrastructure largely comprises the annualisation of the fixed cost of the new warehouse's

Consistent Underlying LFL Sales

LFL SALES H1

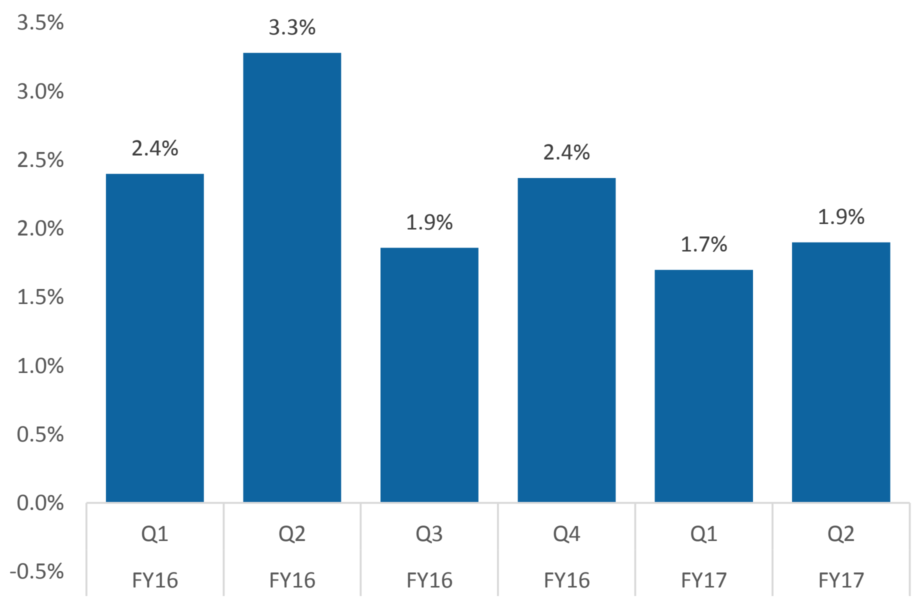
H1 +0.2%



Reported LFL [1]	*+0.2%*
Cannibalisation	*+1.7%*
Underlying LFL	***+1.9%***

UNDERLYING LFL H1

H1 +1.9%

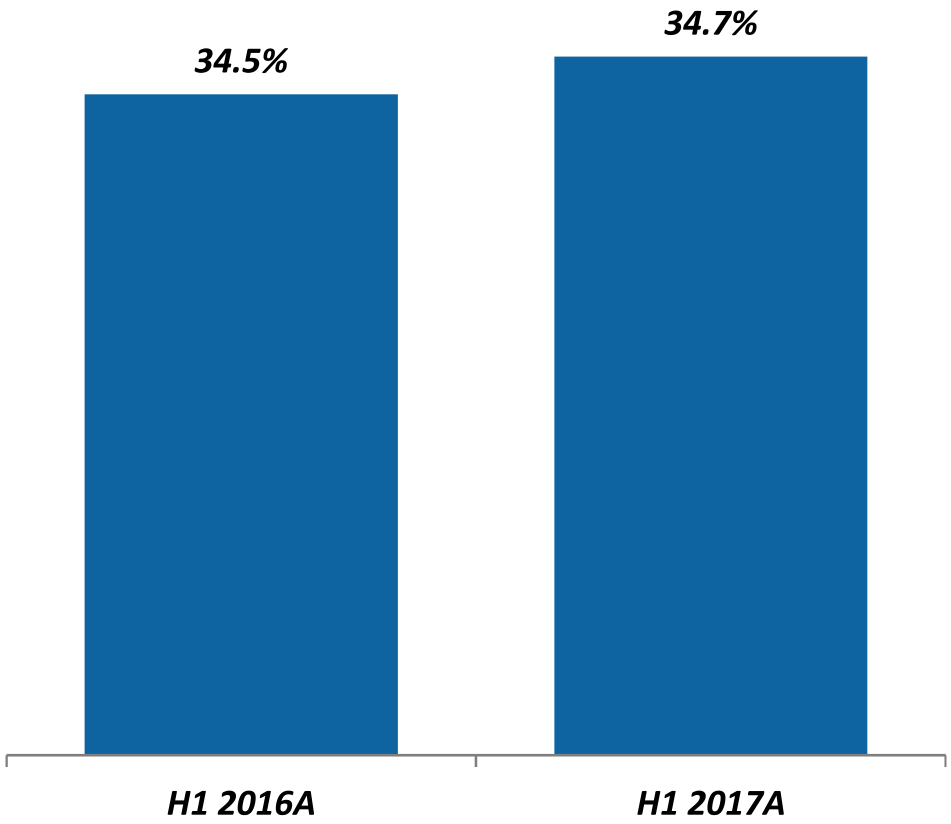


Underlying LFL excludes those stores that have been impacted by new store openings [2]

Note 1: Reported LFL includes new stores that have traded for 14 months
Note 2: Existing stores have to be within a 3 mile radius of the new store to be excluded from the underlying LFL definition

Gross Margin

GROSS MARGIN (%)



KEY HIGHLIGHTS

- 21 bps improvement in group gross margin to 34.7%
- UK margins have improved by 20 bps, in spite of adverse £ : $ currency movement offset by
  - strong sell through on seasonal areas
  - Direct Sourcing of DIY ranges
  - sales mix benefit from new stores
- Jawoll margins have improved by 13bps
- Price competiveness versus UK grocery sector remains largely unchanged
- Food category sales are stable

Operating Costs

£ millions,

	H1 2016A	H1 2017A
Store Costs	*166.2*	*200.5*
Transport and Distribution	*32.3*	*40.5*
Central Costs	*17.9*	*19.2*
Total UK	***216.4***	***260.2***
Germany	*17.6*	*23.9*
Depreciation	*9.5*	*12.3*

% of Revenue		
Store Costs	*19.3%*	*19.7%*
Transport and Distribution	*3.7%*	*4.0%*
Central Costs	*2.1%*	*1.9%*
Total UK %	***25.1%***	***25.6%***
Germany %	*25.7%*	*26.9%*
Depreciation %	*1.0%*	*1.1%*

KEY HIGHLIGHTS

- Overall opex costs are tracking in line with plan
- Store costs as a % of sales were 43bps higher than last year
  - 17bps as a result of the cannibalisation
  - 6bps as a result of the impact of the living wage
  - some higher costs as we move further South
- Transport and Distribution costs were 23bps higher than last year
- Central costs were 18bps lower than last year despite the additional £1.3m of fixed costs from the additional DC capacity
- Jawoll costs grown as a result of the new stores openings and the infrastructure investments made ahead of growth

Interest Expenses

£ millions,

	2016A	2017A
Interest	*10.0*	*8.4*
Amortised Fees	*0.7*	*0.7*
Total	***10.7***	***9.1***
Put/Call Option	*0.5*	*0.8*
Fair Value	*(0.1)*	*(0.1)*
Total	***11.1***	***9.8***

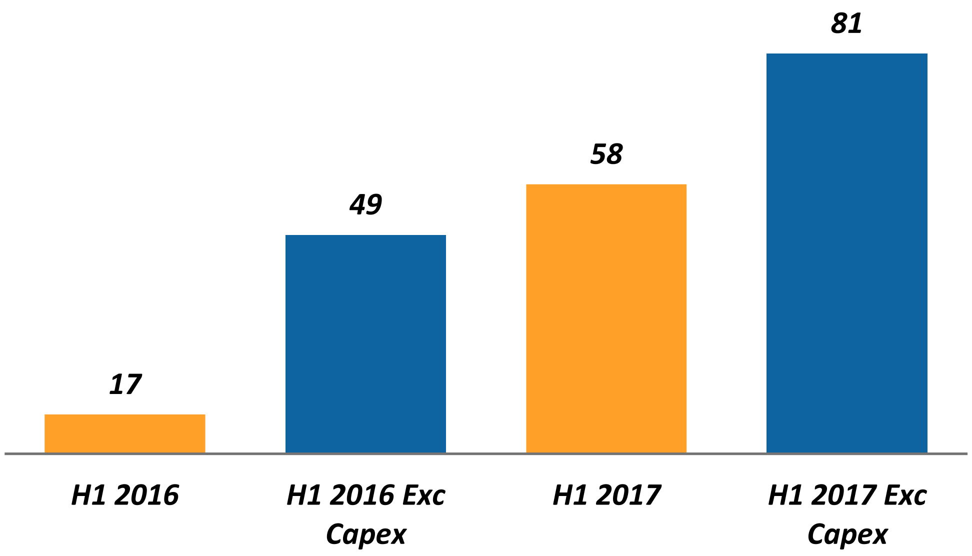
KEY HIGHLIGHTS

- Interest and amortised fees 15% lower than last year, following a reduction in the margin on the debt
- Non-cash impact of £0.8m under IFRS for Jawoll put / call option over management's 20% stake
- Fair value of (£0.1m) mark to market of interest rate hedging

Strong Cash Flow Conversion and De-leveraging

£ millions,

OPERATING CASH FLOW



Tight working capital discipline and strong cash conversion and de-leveraging

CASH FLOW STATEMENT

£m	H1 2016A	H1 2017A
Adjusted EBITDA	**86.6**	**99.2**
Change in Working Capital	*(37.9)*	*(17.9)*
New Store Capex	(24.9)	(15.9)
Infrastructure Capex	(4.8)	(2.3)
Maintenance Capex	(2.4)	(5.3)
Capex	*(32.1)*	*(23.5)*
Operating Cash Flow	**16.6**	**57.8**
Cash Exceptionals[2]	*(4.7)*	*(3.7)*
Tax	*(8.9)*	*(12.7)*
Acquisition[3]	-	*(2.3)*
Operating and Investing Cash Flow	**3.1**	**39.1**
Net Debt / Adjusted EBITDA	**2.2**	**2.1**

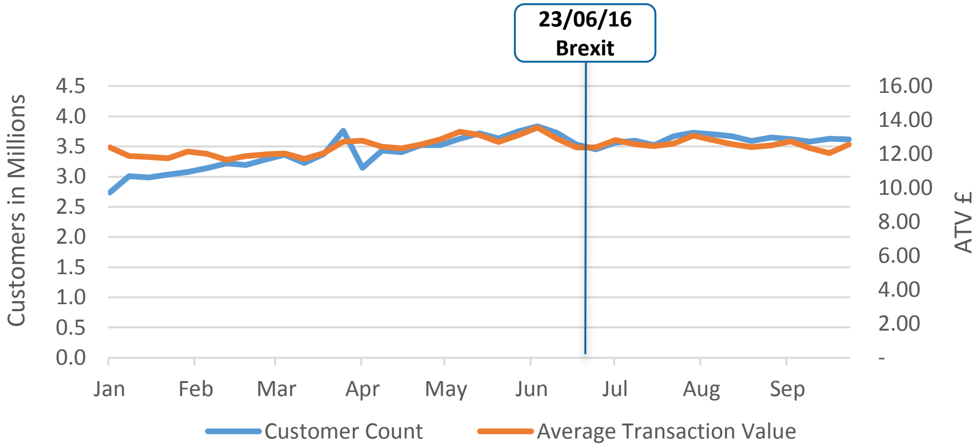
Note 1: Cash Conversion is defined as Operating Cash Flow as a percentage of Adjusted EBITDA.
Note 2: The cash exceptionals relate to IPO, restructuring fees, financing fees, Jawoll acquisition fees, pre-opening costs, other.
Note 3: Jawoll acquisition of 9 store chain net of cash acquired

Simon Arora

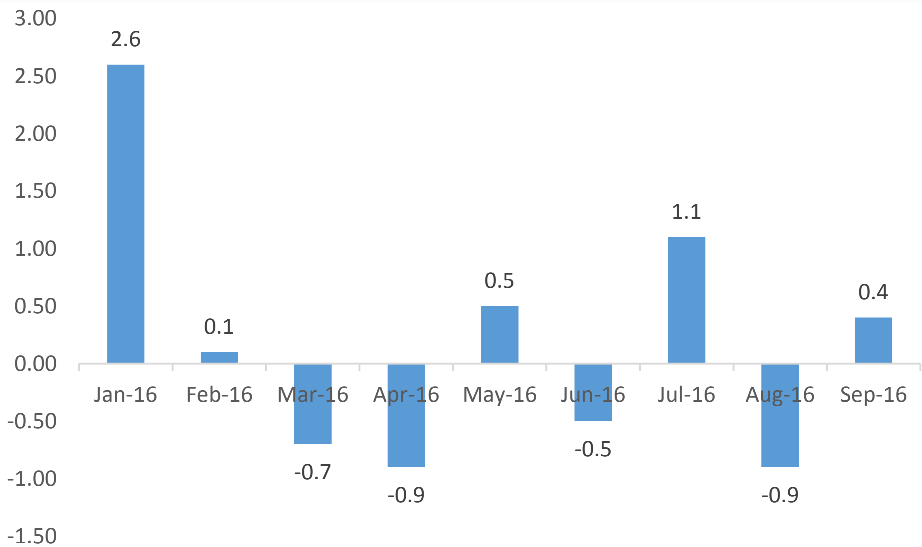
Chief Executive Officer

UK Customer Behaviour Appears Stable

B&M UK CUSTOMERS AND TRANSACTION VALUES



BRC LFL MONITOR

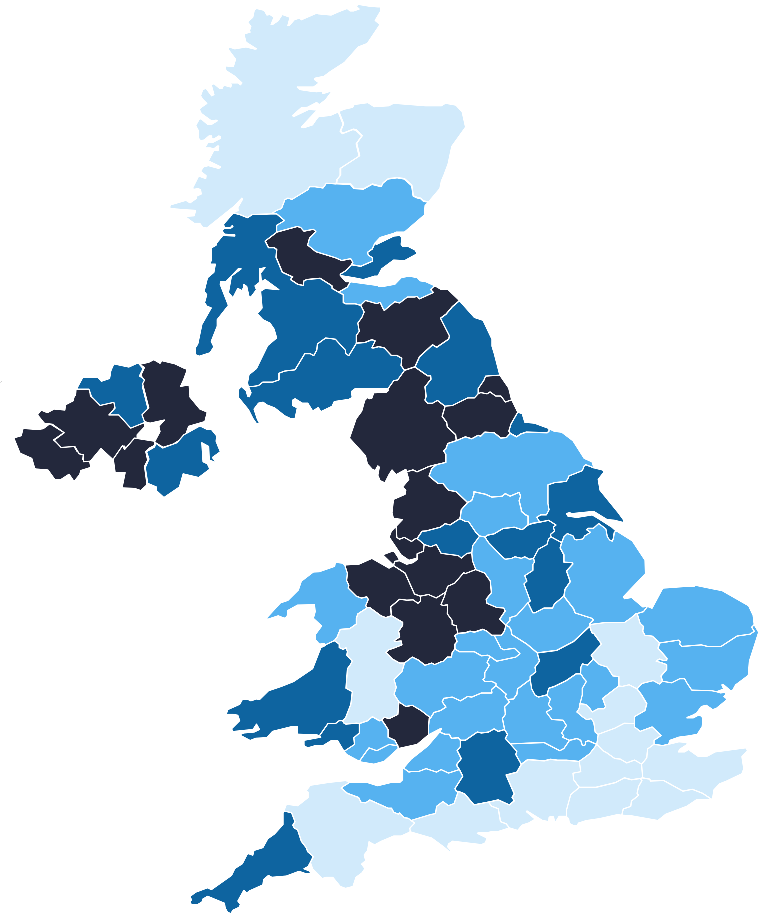


HIGHLIGHTS

- Trading patterns following usual weather and calendar effects of Easter, Bank Holidays, school vacations
- Product Category participation is stable except for planned shifts in store space allocation
- British Retail Consortium reported LFL retail sales have remained broadly flat post Brexit
- Our underlying LFL of +1.9% is robust against that backdrop

Continue to Successfully Roll Out New Stores

519 STORES AS AT SEPTEMBER 2016



STORES PER 100,000 POPULATION

1.5 to 2.0	1.0 to 1.5	0.5 to 1.0	0 to 0.5

FY2017 OPENINGS

29 New Store openings and 3 closures

Of which 6 were relocated stores not classed as LFL, net impact is equivalent to c. 4 new store openings

56 store openings (45 net) in FY2017

50 stores planned for FY2018

In the UK new store target remains 850 stores

New Store Returns

£ millions,

FY2015 AND FY2016 STORE OPENINGS[1]

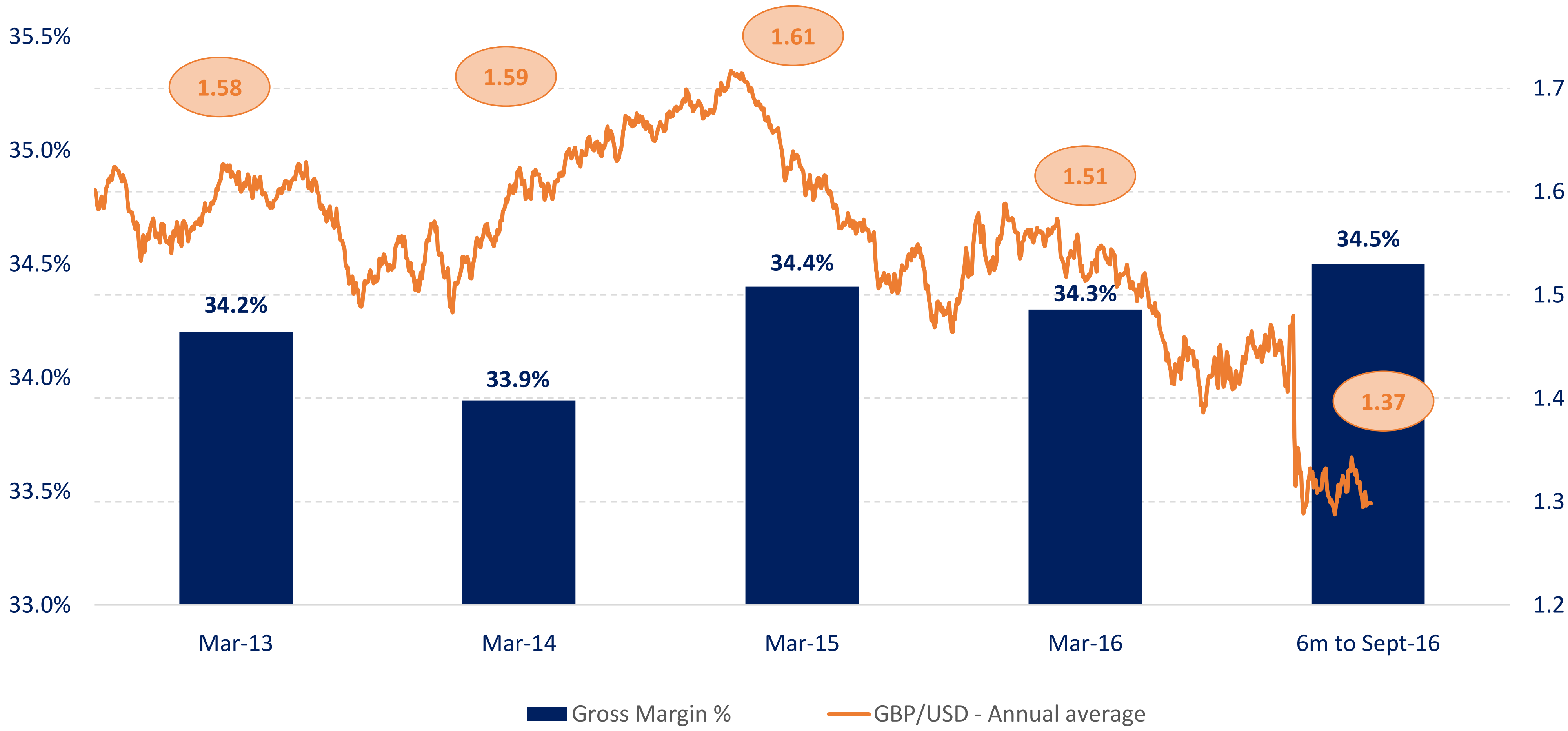
	Average
Revenue per Store	***£4.89m***
Store EBITDA[2]	***£0.75m***
Net Investment	***£0.51m***
Payback Period	***8 months***
Payback Period Incl. Working Capital	***15 months***

KEY HIGHLIGHTS

- B&M continues to deliver industry leading new store payback periods
- This update includes all of the last 72 organic new store openings that have traded at least one year
- Slight increase in payback periods (previously 7 months) reflects increase in capital investment on enhanced fit-out of lighting, signage, POS etc
- The returns on the FY2017 new store openings continue to remain attractive

Note 1: Management information for FY2015 and FY2016 store openings (72 stores) that had traded at least 12 months as at Sept-16
Note 2: First year cash contribution including all costs with the exception of central costs
Note 3: Net investment includes capital expenditure and new store pre-opening costs

Resilience of Gross Margin vs Currency



Note: 1. The margins are the UK only gross margin %'s
Note: 2. Average BGP/USD exchange rates

UK Advertising Campaign

SUMMARY

- B&M has grown, with a zero advertising budget, to a £2 billion revenue UK retailer
- This has been achieved through "word of mouth"
- We are investing c. £3.0m in a pre Christmas 2016 advertising campaign, a first for B&M
- The aim of the campaign is to increase brand awareness in those areas of the country where B&M is less well known
- The campaign involves:-
  - TV advertising
  - National press
  - Supported by digital and social media content
- We will monitor the impact and effectiveness of the campaign

TONE OF VOICE

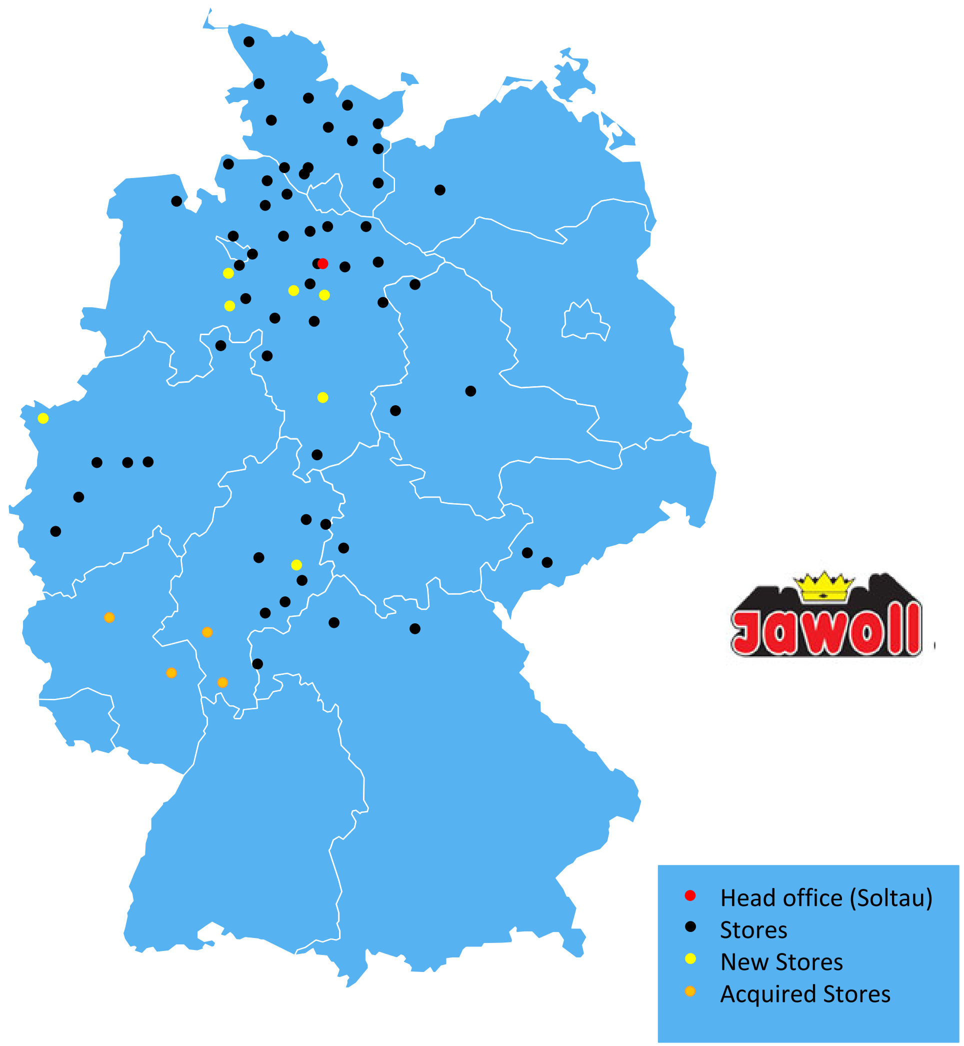
- Simple and straightforward, not contrived or wacky
- 'Relatable' not niche – B&M for everyone

International Expansion - Germany

SUMMARY

- *Delivered € revenue growth of 14.4%*
- *7 new stores opened in the year and on target for 10 organic openings in FY17*
- *Completed the acquisition of a 9 store privately owned retail chain*
- *8 of the stores will have been converted to the Jawoll format by the end of November*
- *Warehouse extension is fully operational*
- *19% of stock is now sourced directly from the Far East*
- *Continued Investments made in head office infrastructure and commercial teams*

CURRENT FOOTPRINT



Outlook for 2017

- Too early to call any change in consumer behaviour, but B&M has historically performed well in challenging economic environments
- Q3 has had a solid start, with peak trading just a few weeks away our stores and supply chain are set up well for the Christmas season
- "Level playing field" in sourcing currency allows us to maintain compelling competitive advantage but we are mindful of peer group caution on Gross Margin outlook
- UK and Germany continue to offer significant White Space opportunity
- Strong cashflow and deleveraging profile remains robust