



24 July 2019

B&M European Value Retail S.A.

Trading Update

Solid Profitable Growth

B&M European Value Retail S.A. (“the Group”), the UK’s leading general merchandise value retailer, today provides a trading update for the first quarter of its current financial year, relating to the period from 31 March 2019 to 29 June 2019.

Highlights

- Solid start to the new financial year as B&M’s disruptive value model continues to prove highly attractive to customers
- Group revenue growth in the quarter of 21.4%, with B&M UK revenue growth of 13.8% including like-for-like growth of +3.9%
- 12 new B&M UK fascia stores¹ opened in the quarter and one relocated. On track for 45 net new stores in the year as a whole
- Solid like-for-like sales growth and 6 new stores opened in the quarter by our value convenience store chain, Heron Foods¹, which continues to trade well on top of good performance in the prior year
- Jawoll’s revenue increased by 1.9% to £63.1m
- Revenue for the non-comparable quarter period in the French business Babou was £72.6m

Simon Arora, Chief Executive, said:

“The Group has made a solid start and we are on track with our plans for the year as a whole, with a strong performance in the B&M UK business and continued implementation of our planned change programmes in Germany and France, with a continued focus on resolving the warehousing and logistics challenges in Jawoll.”

B&M had its third consecutive record Easter trading period with sales of seasonal products and Homewares performing particularly well and Heron Foods has traded solidly too. The transitional changes to the product offers in Jawoll and Babou are now taking shape, as we apply the B&M model to those businesses. We look forward to the remainder of the year with confidence.”

Revenue

	Q1 2019/20	Q1 2018/19
B&M ²	£738.9m	£649.2m
Heron Foods	£93.1m	£86.1m
Jawoll	£63.1m	£61.9m
Babou	£72.6m	-
Total Group Revenues	£967.7m	£797.2m
Total Group Revenue Growth (constant currency) ³	+21.4%	+21.4%
UK Like-for-Like Revenue Growth ⁴	+3.9%	+1.6%

¹ References in this announcement to the B&M business, includes the B&M fascia stores in the UK except for the 'B&M Express' fascia stores. References in this announcement to the Heron Foods business, includes both the Heron Foods fascia and B&M Express fascia convenience stores in the UK.

² B&M's revenue includes £5.6m of wholesale revenue in the quarter (2018: £0.9m)

³ Constant currency comparison involves restating the prior year Euro revenues using the same exchange rate as used to translate the current year Euro revenues.

⁴ Like-for-like revenues relate to the B&M estate only and include each store's revenue for that part of the current period that falls at least 14 months after it opened; 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.

Group sales revenue for the quarter increased by 21.4% on a constant currency basis. On an actual currency basis, total sales revenue increased by 21.4% (2018: 21.3%) to £967.7m (2018: £797.2m).

B&M UK sales revenue for the 13 week period increased by 13.8% to £738.9m (2018: £649.2m), with like-for-like sales growth of +3.9% in the quarter. The performance reflects our new store opening programme and continued like-for-like sales growth.

Our convenience store chain, Heron Foods, increased by 8.1% to £93.1m (2018: £86.1m) of revenue in the quarter including a solid like-for-like sales growth.

Jawoll sales revenue in our German business increased by 1.9% to £63.1m (2018: £61.9m) compared with the prior year period. There was a small negative like-for-like performance with the business having had a particularly strong like-for-like performance in April 2018. In recent weeks trading has turned positive, benefiting from the recent hot weather.

Warehousing and logistics costs at Jawoll remain challenging, but we expect they will begin to moderate by the end of the first half of the current financial year.

Our French business, Babou, generated £72.6m of revenue in the quarter, despite the planned declining sales performance in Clothing and also the on-going clearance activity ahead of the introduction of the B&M supply chain sourced products.

Around 40% of the new product ranges sourced from the B&M supply chain in China have now been launched by Babou, with the remaining lines due to arrive over the second quarter, allowing Babou to reduce its reliance on Clothing.

Strategy

At the end of the quarter the B&M UK business had 632 trading stores, having opened 13 gross new stores (12 net of relocations) and with Heron Foods now trading from 287 stores, having opened 6 stores in the quarter.

In this financial year in the B&M UK business we expect to open 50 gross new stores, being at least 45 net. We also expect to open between 15 and 20 Heron Foods net new stores in the financial year. The pipeline of new stores of the Group for the following financial year also looks healthy.

Outlook

We have had a solid start to the financial year, and we remain confident about the Group's outlook and continued profit growth as the year progresses.

Conference Call

A conference call to discuss the Trading Update will be held on Wednesday 24 July 2019 at 8:30 am (UK).

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Notes to editors

B&M European Value Retail S.A. is a variety retailer with 632 stores in the UK operating under the “B&M” brand, 287 stores under the “Heron Foods” and “B&M Express” brands, 95 stores in Germany primarily operating under the “Jawoll” brand, and 96 stores in France operating under the “Babou” brand as at 29 June 2019. 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