



1 July 2020

B&M European Value Retail S.A.

Trading Update

Continued Strong 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 29 March 2020 to 27 June 2020.

Highlights

- Strong start to the new financial year as B&M’s value-led model and convenient out of town locations continue to prove highly attractive to customers
- Group revenue growth in the quarter of 27.7%¹, with B&M UK revenue growth of 33.7% including like-for-like growth of +26.9% against a prior year comparable of +3.9%
- B&M UK fascia³ has 656 stores trading, versus 632 trading at the end of Q1 in FY20, with no new stores opened in the quarter due to the impact of Covid19
- Strong double digit like-for-like sales growth and 2 net new stores opened in the quarter by our value convenience store chain, Heron Foods³, which continues to trade well on top of good performance in the prior year
- Steady recovery in like-for-like customer count over the quarter after the initial decline during lockdown, alongside significantly increased average transaction value versus the prior year
- Revenue for the quarter in the French business, Babou, was £54.0m, including like-for-like growth of 32.0% for the comparable period since re-opening on 11 May 2020

Simon Arora, Chief Executive, said:

“The Group has made a strong start to the financial year, with a particularly strong performance in our UK businesses, and progress now resumed in France after an 8 week closure period.

However, as outlined at our preliminary results for the last financial year announced on 11 June 2020, there are a great deal of uncertainties ahead. The safety of our colleagues and customers remains our priority whilst we work hard to continue to meet our customers’ needs in these difficult times.”

Revenue

	Q1 2020/21	Q1 2019/20
B&M ⁵	£987.8m	£738.9m
Heron Foods	£113.0m	£93.1m
Babou	£54.0m	£72.6m
Total Group Revenues ¹	£1,154.8m	£904.6m
UK Like-for-Like Revenue Growth ⁴	+26.9%	+3.9%

¹ The prior year has been restated to reflect the continuing operations of the Group and exclude Jawoll which was disposed of by the Group in March 2020.

² Constant currency comparison involves restating the prior year Euro revenues using the same exchange rate as used to translate the current year Euro revenues.

³ 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.

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.

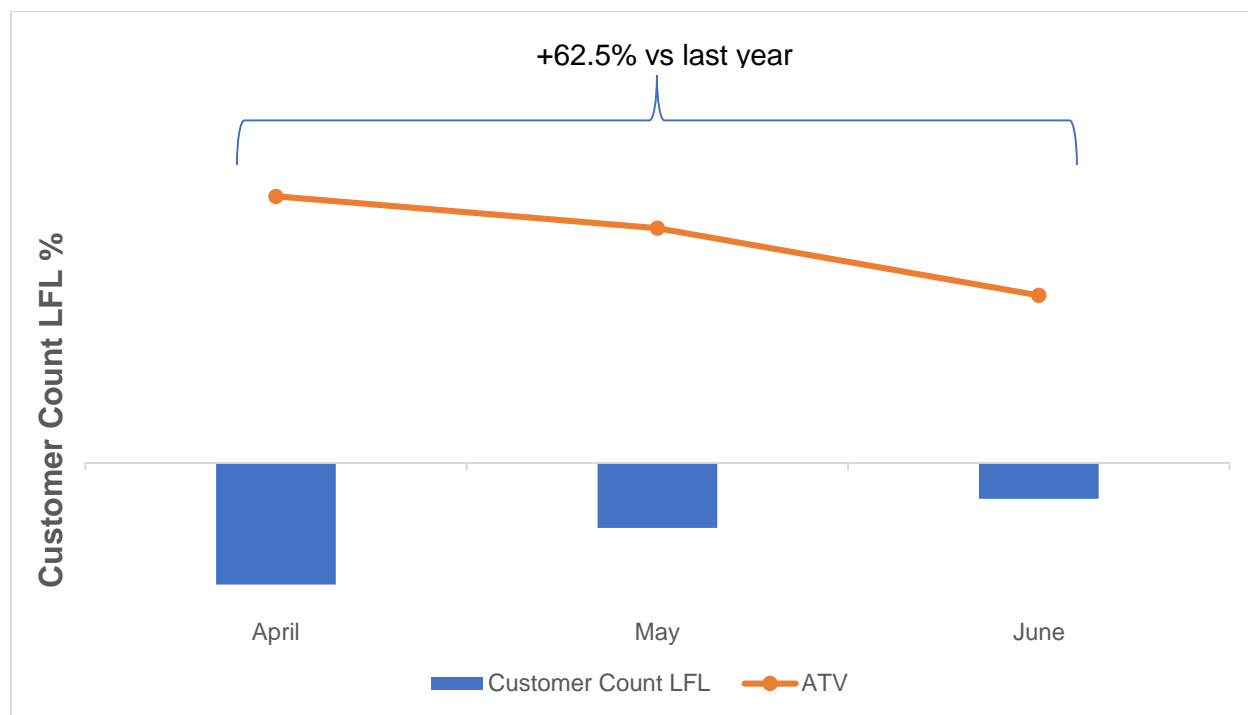
⁵ B&M's revenue includes £11.0m of wholesale revenue in the quarter (2019: £5.6m)

Group sales revenue for the quarter increased by 27.5% on a constant currency basis². On an actual currency basis, total sales revenue increased by 27.7% to £1,154.8m (2019: £904.6m).

B&M UK sales revenue for the 13 week period increased by 33.7% to £987.8m (2019: £738.9m), with like-for-like ("LFL") sales growth of 26.9% in the quarter against a prior year comparable of +3.9%.

The LFL customer count gradually recovered over the quarter after the initial decline during lockdown, whilst the average transaction value has been at significantly elevated levels, as set out in the graph below.

B&M UK LFL Customer Count and Average Transaction Value



Heron Foods, B&M's convenience store chain increased sales by 21.4% to £113.0m (2019: £93.1m) of revenue in the quarter, driven primarily by strong like-for-like sales growth.

Babou, our French business, generated £54.0m of revenue in the quarter, which was a decrease of 25.7%, as a result of the period in which the stores were closed. Babou has seen positive LFL sales growth since the stores re-opened on 11 May 2020. 2 new stores opened under the B&M fascia towards the end of the quarter and all 102 French stores are now trading.

Strategy & Outlook

At the end of the quarter the B&M UK business had 656 trading stores, versus 632 at the same quarter end in FY20. Heron Foods now trades from 295 stores, having opened a net 2 stores in the quarter. The store opening programmes at both B&M and Heron Foods this quarter have been significantly impacted by the Covid19 pandemic.

In this financial year the B&M UK business is expected to open at least 30 net new stores and Heron Foods to open at least 15 net new stores. Both programmes will be loaded towards the back end of the financial year.

The B&M store format and product range will continue to be developed in France over the year ahead. 3 more new stores will open this financial year in France, all under the B&M banner.

Against a highly uncertain economic backdrop and continued impacts from Covid19, B&M is in a strong position to continue to grow profitably in the UK and work continues to develop and prove the proposition in France.

Conference Call

There will be a conference call for investors and analysts to discuss the Trading Update on Wednesday 1 July 2020 at 8:30 am (UK).

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Notes to editors

B&M European Value Retail S.A. is a variety retailer with 656 stores in the UK operating under the “B&M” brand, 295 stores under the “Heron Foods” and “B&M Express” brands, and 102 stores in France operating under the “Babou” and “B&M” brands as at 27 June 2020. 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