



7 January 2021

B&M European Value Retail S.A.

Q3 FY21 Trading Update

Strong Golden Quarter sales growth

B&M European Value Retail S.A. (“the Group”), the UK’s leading variety goods value retailer, today provides a trading update for the third quarter (“Q3”) of its current financial year (“FY21”), relating to the 13 week period from 27 September 2020 to 26 December 2020.

Highlights

- Group revenue¹ growth in the quarter of +22.5% on a constant currency basis² (Q3 FY20: +9.9%)
- B&M UK stores³ revenue growth of +26.6%, including like-for-like⁴ (“LFL”) growth of +21.1% in the quarter (Q3 FY20: +0.3%)
- 18 gross new B&M UK stores³ opened in Q3, 16 net of closures, helping to create over 500 new jobs
- Heron Foods³, the value convenience store chain, delivered another quarter of solid LFL sales growth
- Babou and B&M France revenues in Q3 decreased by 1.4%, reflecting the 4 week lockdown restrictions that ended on 28 November 2020. Outside of the lockdown period, sales performance was strong
- A further special dividend⁵ of 20.0p per share (equating to approximately £200m in total) in line with our capital allocation framework. The special dividend will be paid on 29 January 2021 to shareholders on the register at 15 January 2021. The ex-dividend date will be 14 January 2021
- Previous guidance for FY21 Group adjusted EBITDA⁶ (on a pre-IFRS16 basis), issued on 3 December 2020, narrowed to be within the range of £540m to £570m, stated after the voluntary payment of business rates in FY21 amounting to approximately £80m

Simon Arora, Chief Executive, said,

“Our trading performance is testament to the hard work and commitment of all our colleagues, to whom I express my sincere thanks. The safety and wellbeing of our customers and colleagues has remained our priority during these unprecedented times, whilst we have worked hard to provide customers with the everyday essentials they need. We are awarding some 30,000 store and distribution colleagues an extra week’s wages in recognition of their considerable efforts.”

Notwithstanding our status as an essential retailer, with lockdown restrictions in the UK having tightened there remain uncertainties ahead. With our combination of exceptional value and convenient Out of Town locations, we are confident that our business model will prove highly relevant to the needs of customers in 2021.”

Revenue

	Q3 FY21	Q3 FY20 ¹	YTD Q3 FY21	YTD Q3 FY20 ¹
Total Group revenues ¹	£1,398.5m	£1,138.0m	£3,640.6m	£2,926.6m
B&M ^{3, 7}	£1,211.8m	£957.4m	£3,097.2m	£2,413.8m
Heron ³	£102.9m	£95.6m	£319.1m	£283.8m
Babou	£83.7m	£85.0m	£224.3m	£229.0m
Total Group revenue growth (constant currency) ²	+22.5%	+9.9%	+24.2%	+17.5%
B&M UK like-for-like revenue growth ⁴	+21.1%	+0.3%	+22.2%	+2.3%

Strategy

At the end of Q3 FY21, there were a total of 1,075 stores across the Group.

The B&M UK business now has 673 stores, having opened 18 gross new stores in Q3, offset by 2 closures. The business remains on track to open a further 18 stores in Q4 and so 45 gross new stores this financial year, offset by 10 closures. The pipeline for FY22 continues to look healthy.

Heron Foods opened 2 gross new stores in Q3, offset by 3 closures, and now has 298 stores. A total of 8 gross new stores are expected in Q4, resulting in 17 gross new stores for the financial year as a whole.

In France, the local team continue to make pleasing progress despite disruption caused by the November 2020 lockdown restrictions. A further 6 stores were re-branded as B&M during Q3, taking the number of stores under the B&M banner to 44 out of a total portfolio of 104 stores in France. By the end of FY21, 57 stores are now expected to be trading as B&M.

Conference Call

There will be a conference call for investors and analysts to discuss this Trading Update on Thursday 7 January 2021 at 8:30am (UK).

Dial-in details are:

UK: +44 3306 061 118

US: +1 646 585 9191

Room number: 596070

Participant PIN: 2969

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

1. The figures presented in this announcement are for the 13 week period ended 26 December 2020 for the continuing operations of the Group following the sale of Jawoll in FY20. The figures presented for the 13 week period ended 28 December 2019 have been restated to exclude Jawoll in order to provide a comparable basis with those for the continuing operations as at 26 December 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 to the B&M business include the B&M fascia stores in the UK except for the 'B&M Express' fascia stores. References to the Heron Foods business include 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 (excluding wholesale revenues) 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. Dividends are stated as gross amounts before deduction of Luxembourg withholding tax which is currently 15%.
6. The Directors consider adjusted EBITDA figures to be more reflective of the underlying business performance of the Group and believe that this measure provides additional useful information for investors on the Group's performance. Adjusting items are the effects of derivatives, one off refinancing fees, foreign exchange on the translation of intercompany balances and the effects of revaluing or unwinding balances related to the acquisition of subsidiaries.
7. B&M revenues include £16.8m of wholesale revenues in Q3 FY21 (Q3 FY20: £9.4m) and £37.2m year to date (YTD Q3 FY20: £21.0m).

Enquiries

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Notes to editors

B&M European Value Retail S.A. is a variety retailer with 673 stores in the UK operating under the "B&M" brand, 298 stores under the "Heron Foods" and "B&M Express" brands, and 104 stores in France operating under both the "Babou" and "B&M" brands as at 26 December 2020. It was admitted to the FTSE 100 index on 21 September 2020.

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.