



6 January 2022

B&M European Value Retail S.A.

Q3 FY22 Trading Update

Strong Christmas performance drives full-year profit upgrade

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 (“FY22”), relating to the 13 week period from 26 September 2021 to 25 December 2021.

Highlights

- Group revenue growth in Q3 FY22 of 0.1% year-on-year on a constant currency basis¹
- Total B&M UK fascia² revenue in Q3 down (2.5)% year-on-year, with one-year like-for-like³ (“LFL”) revenue down (6.2)% and up 14.0% on a two-year basis versus pre-pandemic levels of Q3 FY20
- Strong performance across categories, with excellent sell-through of Seasonal ranges supporting gross margin in the quarter
- 9 gross new B&M UK fascia² stores opened in Q3, with 2 closures. Expect to open 13 further stores before FY22 year-end
- Performance in Heron Foods² continues to improve, with positive two-year LFL revenue growth in Q3 FY22
- Sustained momentum in B&M France, with Q3 revenue up 30.0% year-on-year and all but one of the 107 stores now under the B&M fascia
- Will reward over 24,000 colleagues for their considerable efforts this year with a discretionary bonus payment of an extra week’s wages in January
- FY22 Group adjusted EBITDA⁴ (on a pre-IFRS16 basis) now expected to be in the range of £605m to £625m, ahead of the current analysts’ consensus estimate of £578m⁵

Simon Arora, Chief Executive, said,

“The Group has delivered a very strong Golden Quarter, with our two-year like-for-like performance demonstrating strong retention of new customers. Our decision to take receipt of imported Christmas stock early in the season meant we were able to provide customers with great products at great prices. The consistency of performance in the core B&M UK business reflects the growing appeal of our stores as a destination visit for seasonal products, as well as the strength of our supply chain. I would like to thank all of our colleagues for helping to deliver our best-ever Christmas.”

Although the pandemic continues to create challenges for retailers and consumers alike, our relentless focus on value-for-money remains undiminished. Despite ongoing supply chain disruption, inflationary pressures and uncertainty surrounding possible Covid-related restrictions, we remain confident in B&M’s prospects for 2022.”

Revenue

	Q3 FY22	Q3 FY21	YTD Q3 FY22	YTD Q3 FY21
Total Group revenues	£1,395.2m	£1,398.5m	£3,663.2m	£3,640.6m
B&M UK ^{2, 6}	£1,181.1m	£1,211.8m	£3,090.6m	£3,097.2m
Heron Foods ²	£105.2m	£102.9m	£308.3m	£319.1m
France	£108.8m	£83.7m	£264.2m	£224.3m
Total Group revenue growth (constant currency) ¹	0.1%	22.5%	0.9%	24.2%
B&M UK one-year LFL ³ revenue growth	(6.2)%	21.1%	(5.5)%	22.2%
B&M UK two-year LFL ³ revenue growth	14.0%	n/a	15.7%	n/a

Store Roll Out

	Q3 FY22	Q3 FY21
Number of Stores		
Group	1,110	1,075
B&M UK ²	693	673
Heron Foods ²	310	298
France	107	104

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

1. Constant currency comparison involves restating the prior year Euro revenues using the same exchange rate as that used to translate the current year Euro revenues.
2. References in this announcement to the B&M business include 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 include both the Heron Foods fascia and B&M Express fascia convenience stores in the UK.
3. One-year like-for-like revenues relate to the B&M UK 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 FY21. This 14 month approach has been adopted as it excludes the two month halo period which new stores experience following opening. Two-year like-for-like revenues also relate to the B&M UK estate only, and includes each store's revenue for that part of the current period that falls at least 26 months after it opened compared with its revenue for the corresponding part of FY20.
4. 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.
5. The consensus estimate for FY22 Group adjusted EBITDA is based upon the average of 13 analyst estimates that have been updated since announcing FY22 Interim results on 11 November 2021.

6. B&M UK revenues in Q3 FY22 include £12.7m of wholesale revenues (Q3 FY21: £16.8m) and £36.8m year to date (YTD Q3 FY21: £37.2m).

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Notes to editors

B&M European Value Retail S.A. is a variety retailer with 693 stores in the UK operating under the “B&M” brand, 310 stores under the “Heron Foods” and “B&M Express” brands, and 107 stores in France operating under both the “Babou” and “B&M” brands as at 25 December 2021. 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.