



5 January 2023

## **B&M European Value Retail S.A.**

### **Strong Q3 FY23 Trading**

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 ("FY23"), relating to the 13 week period from 25 September 2022 to 24 December 2022.

#### **HIGHLIGHTS**

- Group revenue growth in the quarter of 12.3% year-on-year ("YoY") to £1,567m (+12.3% constant currency basis)<sup>1</sup>
- Total B&M UK fascia<sup>2</sup> revenue in Q3 up 10.3% YoY, with one-year like-for-like<sup>3</sup> ("LFL") revenue increasing by 6.4%. Customer transaction numbers remained strong and positive YoY
- Very good performance across all B&M UK categories, both in grocery and general merchandise. Excellent sell-through in key general merchandise ranges supporting improved gross margin performance
- Stock disciplines remained robust and allowed stock reduction of circa £100m YoY
- Trading momentum in B&M France has continued through Q3, with revenue up 24.9% YoY
- Trading momentum in Heron Foods has continued through Q3, with revenue up 22.5% YoY
- B&M's sourcing model and its flexibility provides a strong point of differentiation. The supply chains across the three businesses executed well in the quarter
- FY23 Group adjusted EBITDA<sup>4</sup> (on a pre-IFRS16 basis) now expected to be in the range of £560m to £580m, ahead of current analysts' consensus estimate of £557m<sup>5</sup>
- Consistent with our capital allocation framework, the Board intends to declare a special dividend of 20.0p per Ordinary Share to be paid on 3 February 2023 to shareholders on the register at 13 January 2023<sup>6</sup>. The ex-dividend date will be 12 January 2023

#### **Alex Russo, Chief Executive, said,**

"Our strong momentum throughout the Golden Quarter across the businesses demonstrates the strength of our unchanged strategy to relentlessly focus on price, product and excellence in retail execution. Despite the challenging macroeconomic environment, we will continue to work hard to help both existing and new customers manage the cost-of-living crisis. The business has exited the quarter well and will remain focused on disciplined execution."

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

	<b>Q3 FY23</b>	<b>Q3 FY22</b>	<b>YTD Q3 FY23</b>	<b>YTD Q3 FY22</b>
Total Group revenues	£1,567m	£1,395m	£3,877m	£3,663m
B&M UK <sup>2,7</sup>	£1,302m	£1,181m	£3,195m	£3,091m
B&M France	£136m	£109m	£320m	£264m
Heron Foods <sup>2</sup>	£129m	£105m	£362m	£308m
Change in total group revenues at constant currency <sup>1</sup>	12.3%	0.1%	5.8%	0.9%
B&M UK one-year LFL <sup>3</sup> revenue growth	6.4%	(6.2)%	0.1%	(5.5)%

	<b>Q3 FY23</b>	<b>Q3 FY22</b>
Total number of stores	1,133	1,110
B&M UK <sup>2</sup>	705	693
B&M France	113	107
Heron Foods <sup>2</sup>	315	310

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 FY22. This 14-month approach has been adopted as it excludes the two-month halo period which new stores experience following opening.
4. The Directors consider adjusted 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 figures exclude the impact of IFRS 16, both to maintain comparability with prior periods and as management consider that the pre-IFRS 16 measure of rental costs is key to the operational management of the business.
5. The consensus estimate for FY23 Group adjusted EBITDA is based upon the average of 16 analyst estimates that have been updated since announcing the FY23 interim results on 10 November 2022.
6. The dividend declaration is subject to completion of Luxembourg regulatory procedures and will be subject to a deduction of Luxembourg withholding tax of 15%.
7. B&M UK revenues in Q3 FY23 include £10.7m of wholesale revenues (Q3 FY22: £12.7m) and £27.7m year to date (YTD Q3 FY22: £36.8m).

## **Conference call**

There will be a conference call for investors and analysts to discuss this Trading Update on Thursday 5 January 2023 at 09:00am (UK).

You can register for the call using the following link:

<https://register.vevent.com/register/BI5aa4bfe42ddc4f08a269cb0dc5874b8d>

## **Enquiries**

### **B&M European Value Retail S.A.**

For further information please contact +44 (0) 151 728 5400 ext. 6363

Alex Russo, Chief Executive Officer

Mike Schmidt, Chief Financial Officer

Dave McCarthy, Head of Investor Relations

[Investor.relations@bandmretail.com](mailto:Investor.relations@bandmretail.com)

### **Media**

For media please contact +44 (0) 207 379 5151

Sam Cartwright, Maitland

[bmstores-maitland@maitland.co.uk](mailto:bmstores-maitland@maitland.co.uk)

### **Notes to editors**

B&M European Value Retail S.A. is a variety retailer with 705 stores in the UK operating under the “B&M” brand, 315 stores under the “Heron Foods” and “B&M Express” brands, and 113 stores in France operating under the “B&M” brand as of 24 December 2022. 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](http://www.bmstores.co.uk).