B&M European Value Retail S.A.

FY24 Preliminary Results Presentation

53 weeks to 30 March 2024

Agenda

1. **Introduction**
   Alex Russo

2. **Financials**
   Mike Schmidt

3. **Growth strategy**
   Alex Russo

4. **Q&A**

Introduction

Alex Russo

Chief Executive Officer

FY24 Group highlights

Volume led growth across all three businesses with Group revenues[1] increasing by **10.1% to £5.5bn**

Group adjusted EBITDA[2] of **£629m** (11.5% of sales) at the **top-end of guidance range**

Strong **post-tax free cash flow[3] of £382m** reflecting continued disciplined inventory management

Net debt to adjusted EBITDA[2] **leverage ratio below 1.2x**

Store opening programme acceleration with **47 new B&M UK stores**

Returned **£348m** to shareholders[4], with a four-year total returned of £1.8bn

+10.1%
Group revenue growth

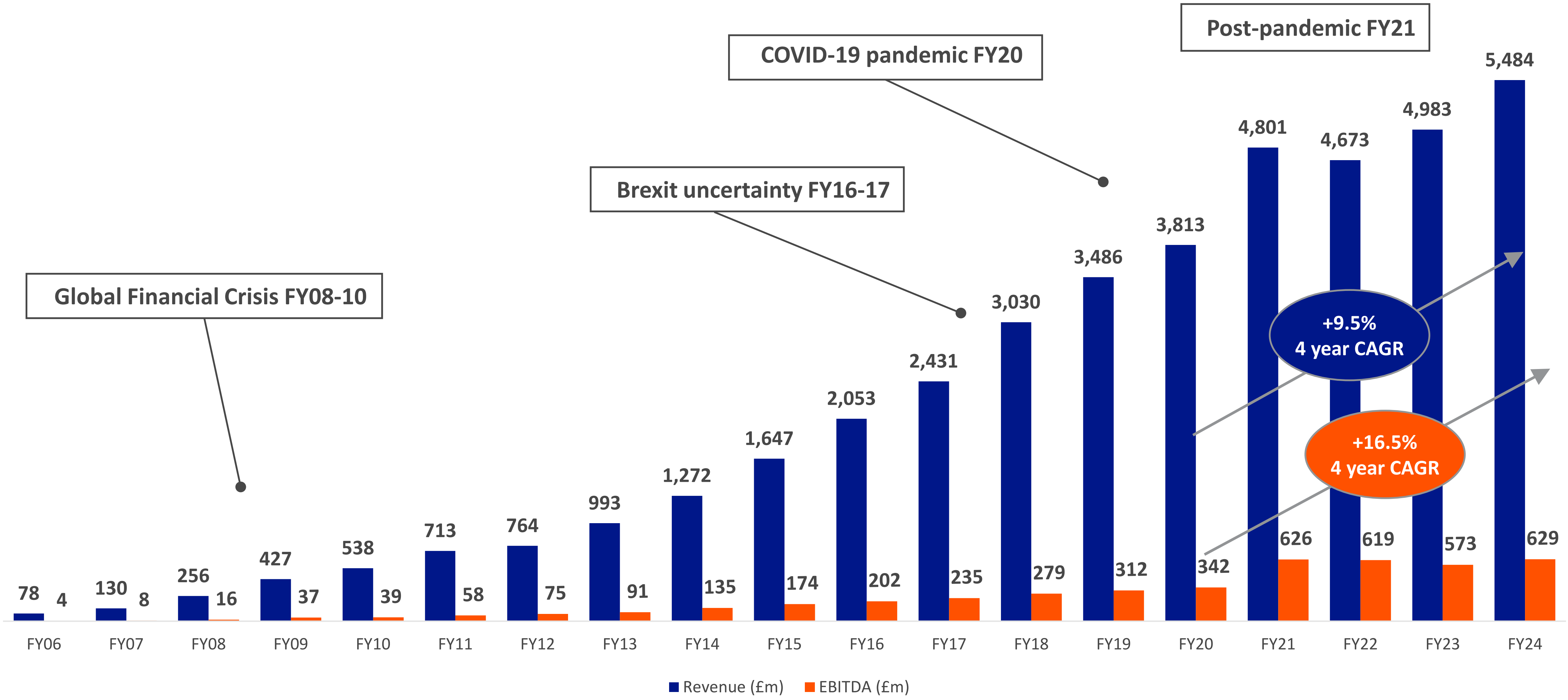
£629m
Group adjusted EBITDA[1]

£382m
Post tax free cash flow[3]

14.7p
Full year dividend

1. Change shown at constant currency.
2. Adjusted EBITDA as defined on slide 9.
3. Post-tax free cash flow is a more useful measure of our cash generation, see slide 16 for further detail.
4. Includes ordinary and special dividends paid in the year.

Continued disciplined growth through all environments



Significant growth potential ahead

Existing B&M UK stores:
A core driver of growth

New B&M UK stores:
Profitable square footage growth momentum

France will provide growth for many years and offers benefits to the core business

Heron Foods remains a solid growth platform and offers benefits to the core business

Financials

Mike Schmidt

Chief Financial Officer

Our financial model remains unchanged

Profitable, sustainable growth

- Volume led growth from LFL and new stores
- Significant potential ahead
- Relentless operating cost discipline

Cash discipline

- Excellent cash generation
- Working capital discipline
- Capital light business model

Robust balance sheet

- Limited, considered leverage
- Long dated maturities
- Financial flexibility

Cash returns

- Clear ordinary dividend policy
- Recurring special dividend opportunities
- £1.8bn cash returned to shareholders since FY21

Summary profit and loss

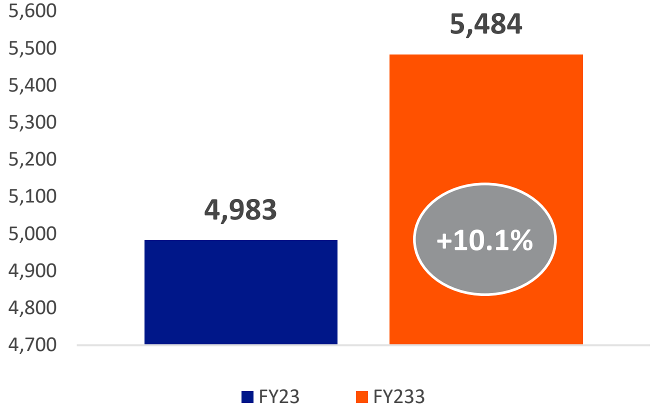
£ millions,	FY24 *(53 weeks)*	FY23 *(52 weeks)*	YoY
Revenue	5,484	4,983	10.1%
Adjusted EBITDA (pre-IFRS 16)[1]	**629**	**573**	**9.7%**
%	11.5%	11.5%	(3) bps
Depreciation and amortisation (pre-IFRS 16)	(82)	(76)	6.9%
Operating impact of IFRS 16	67	57	17.0%
Adjusted operating profit[1]	**614**	**554**	**10.9%**
Statutory operating profit	**608**	**536**	**13.6%**
Statutory profit before tax	**498**	**436**	**14.1%**

Balance sheet metrics		
Net debt	**1.2x**	**1.3x**
Net debt (including IFRS 16 lease liabilities)	**2.4x**	**2.5x**

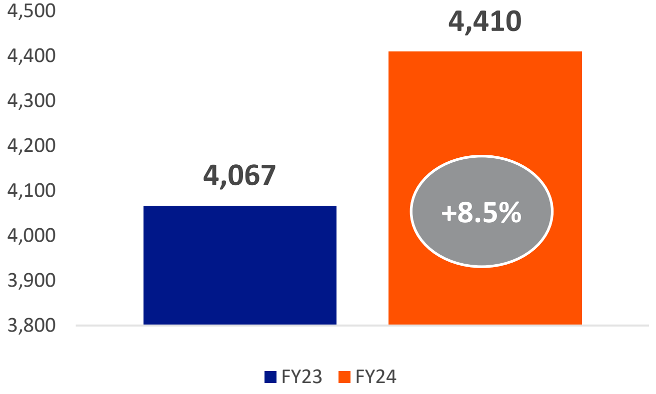
1. Adjusted figures include the effects of derivatives, one off refinancing fees, foreign exchange on the translation of intercompany balances and the effects of revaluing or unwinding balances related to the acquisition of subsidiaries.

Revenue

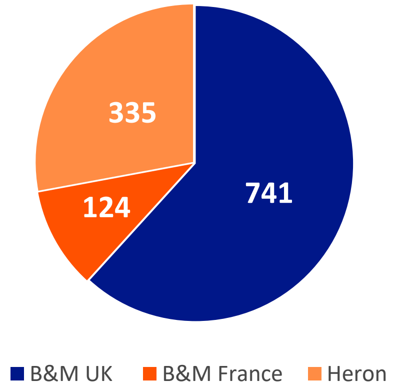
Group (£m)



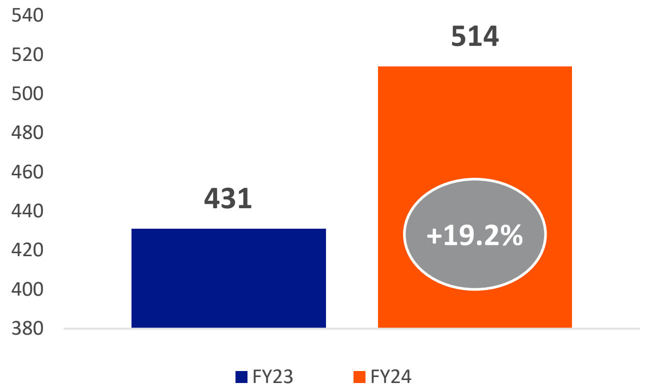
B&M UK (£m)



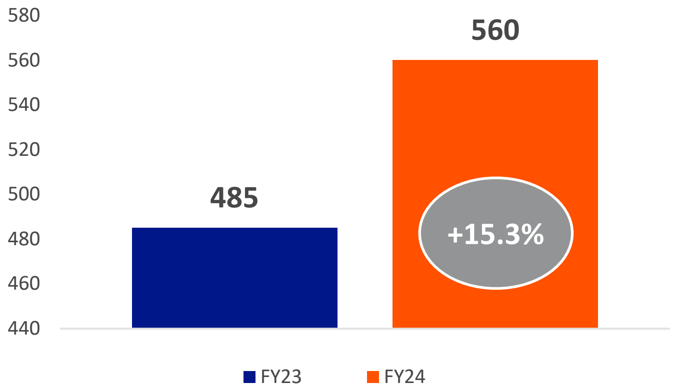
Number of stores (year end)



B&M France (£m)



Heron Foods (£m)

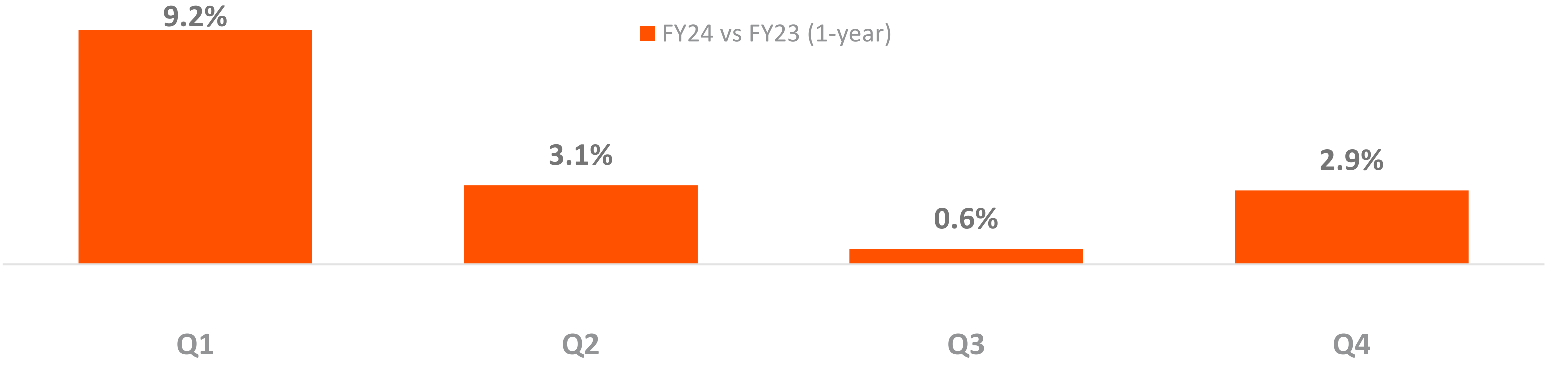


Total average retail space sq. ft. (k)

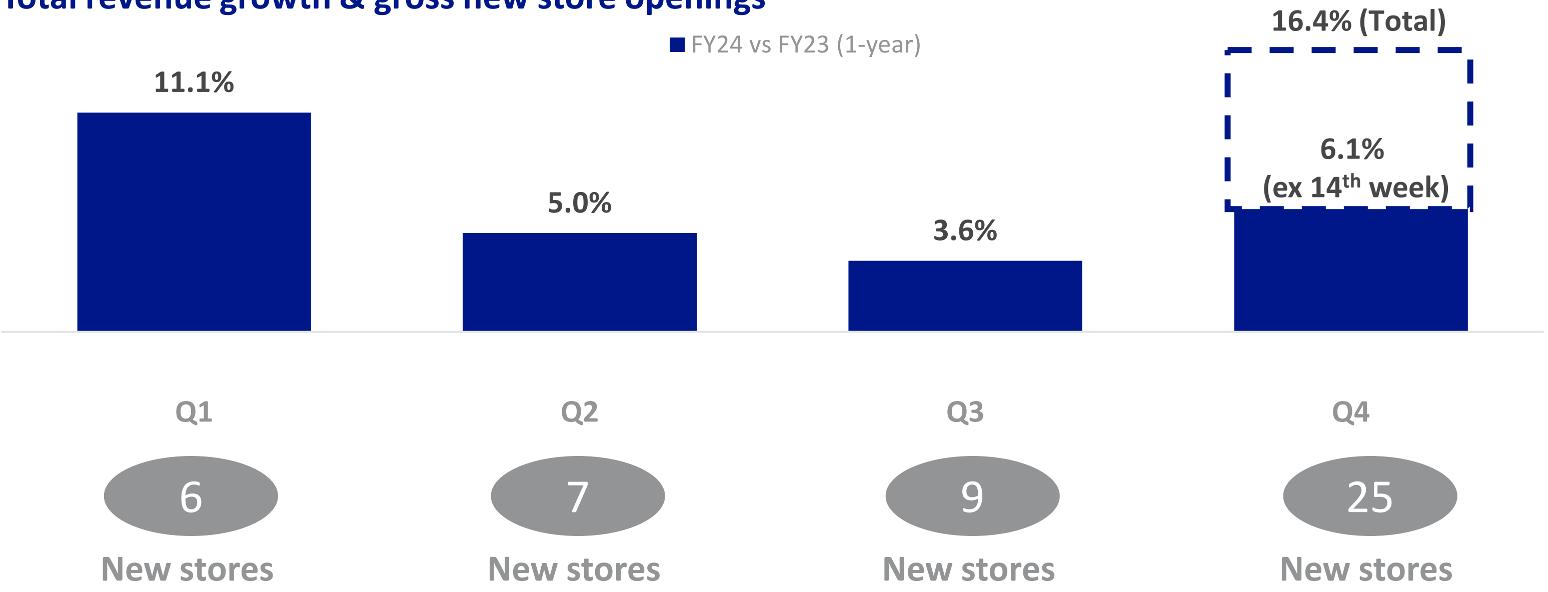
Entity	FY24	FY23
B&M UK	15,900	15,200
B&M France	3,300	3,100
Heron Foods	1,030	970

Transaction-led growth in B&M UK from LFL and new stores

LFL revenue growth



Total revenue growth & gross new store openings

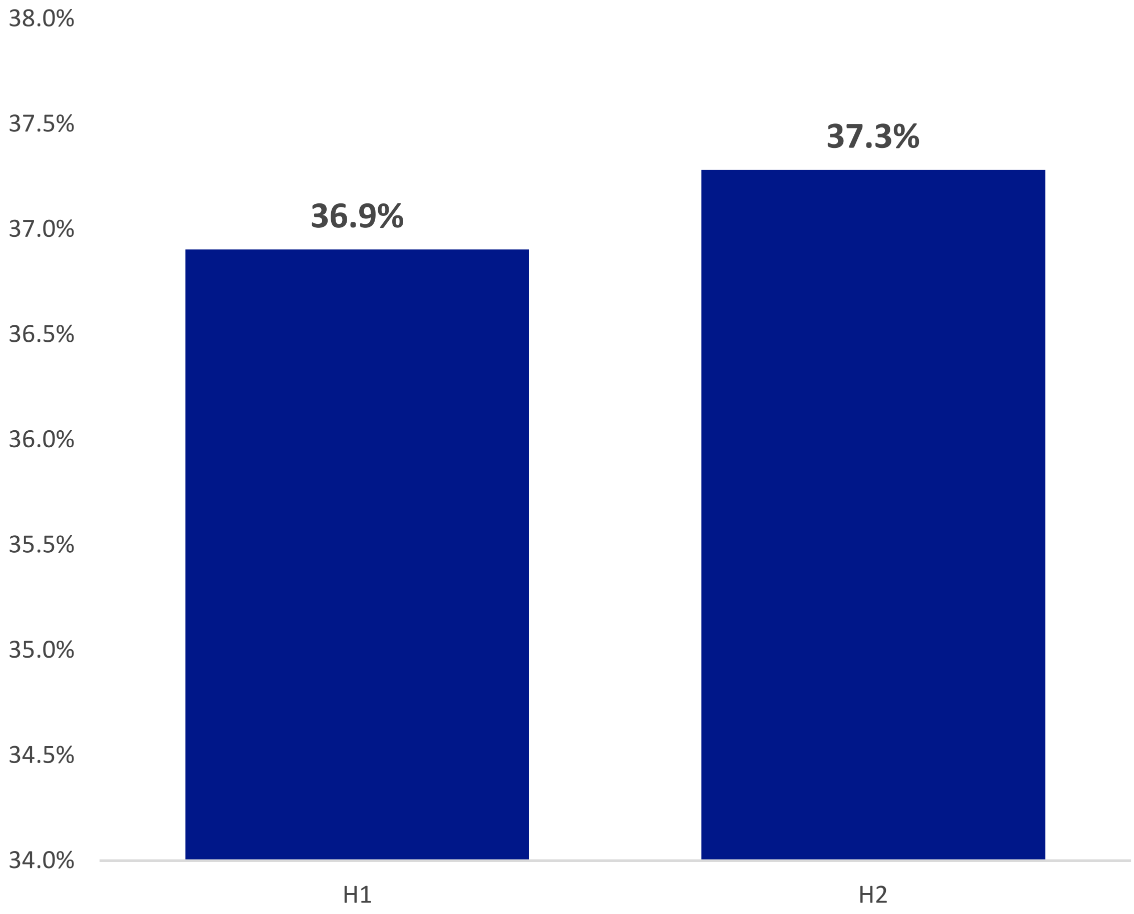


- **3.7%** LFL[1] growth for the full year underpinned by increase in customer transactions
- **LFL revenues grew in every quarter**, against challenging comparatives in H2
- LFL growth in **both FMCG and General Merchandise** with sales participation remaining in balance
- **New stores accelerating** the total revenue growth, particularly in Q4

1. One-year like-for-like revenues relate to the B&M UK estate only (excluding wholesale revenues) and are based on either 53 week vs. 53 week or 14 week vs. 14 week comparison periods. They 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 FY23.

Group gross margin

H1 vs H2 Group gross margin (%)

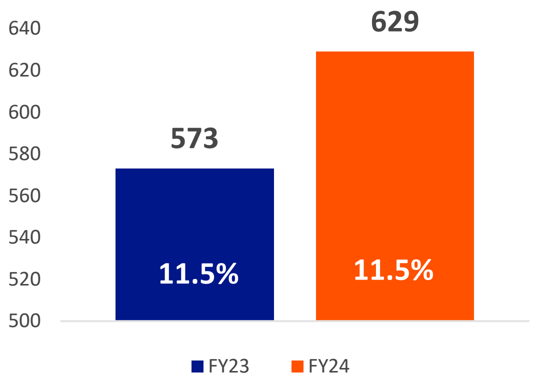


Key Highlights

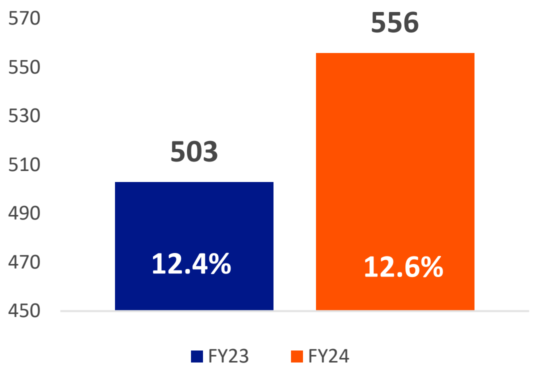
- B&M UK's trading gross margin increased by 46 bps year-on-year
  - No markdowns on gardening in H1 (+110 bps versus last year)
  - Margin maintained in H2
- Favourable foreign exchange and freight rates
- B&M France gross margin flat year-on-year
- Heron Foods gross margin continues to be robust

Adjusted EBITDA

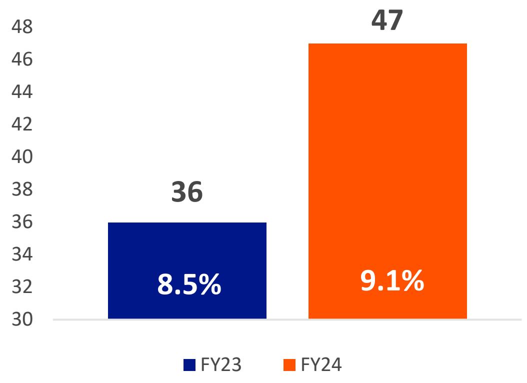
Group (£m)



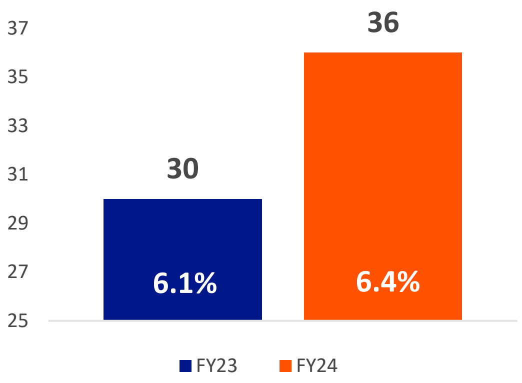
B&M UK (£m)



B&M France, underlying (£m)



Heron Foods (£m)



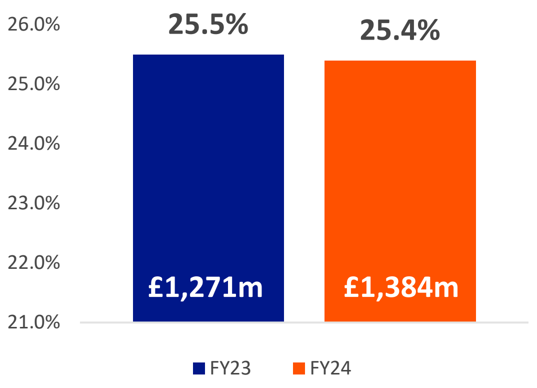
Highlights

- Group adjusted EBITDA[1,2] margin of 11.5% reflects strong operational performance and disciplined cost control
- B&M UK's adjusted EBITDA[1] outturn and margin rate demonstrates the benefits of volume-driven growth
- France's underlying adjusted EBITDA[1,3] margin of 9.1% up 64 bps
- Heron's adjusted EBITDA[1] margin of 6.4% is market leading
- The 53rd week added £13m to Group adjusted EBITDA[1,2]

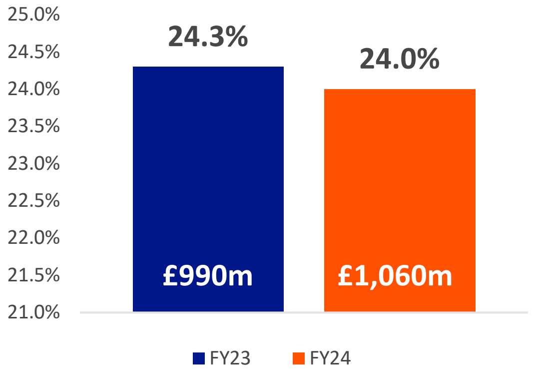
1. Adjusted figures include the effects of derivatives, one off refinancing fees, foreign exchange on the translation of intercompany balances and the effects of revaluing or unwinding balances related to the acquisition of subsidiaries. Adjusted EBITDA exclude the impact of IFRS 16.
2. Group figures include the corporate segment.
3. After excluding one-off income in the prior period.

Adjusted operating costs as % of revenue

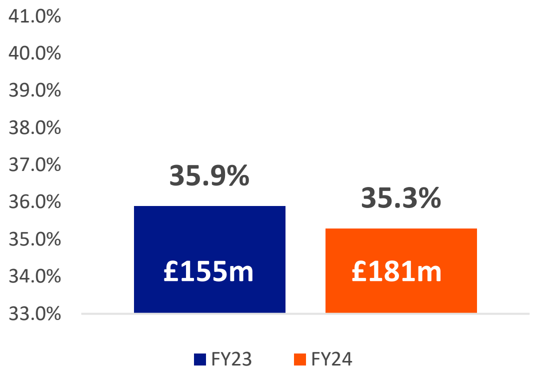
Group[1]



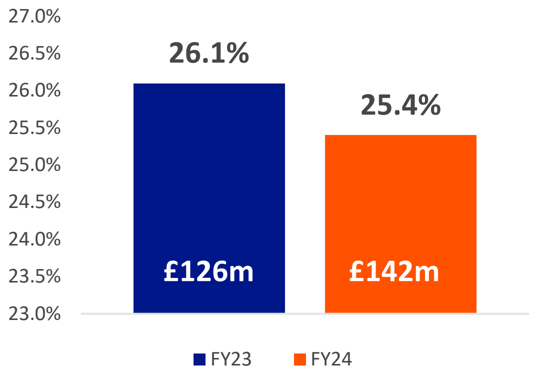
B&M UK



B&M France[2]



Heron Foods



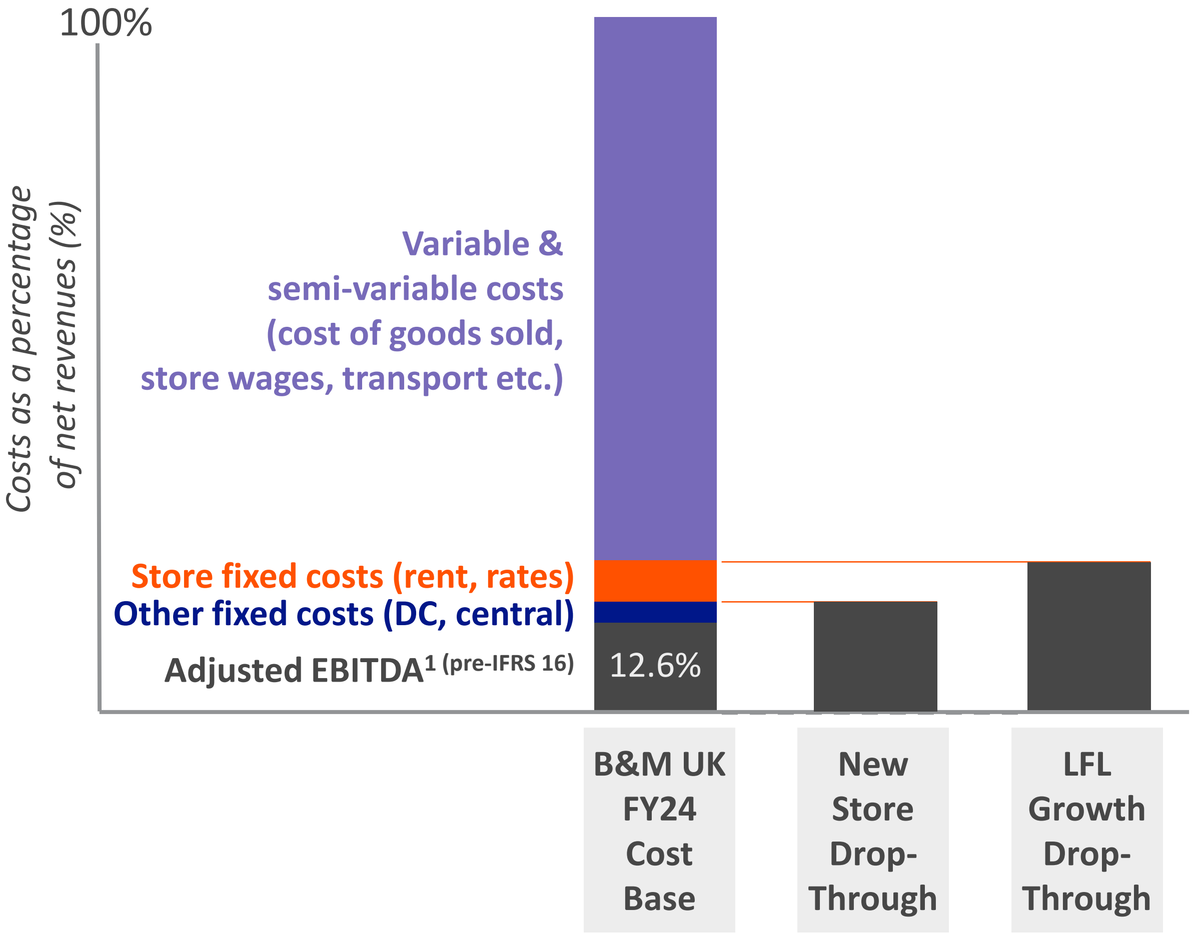
Highlights

- Underlying costs[2] as a % of revenue falling reflects cost leverage and productivity gains from sales volume
- Increase in national living wage hourly rate the main inflationary driver
- Relentless focus on cost discipline and productivity offsetting rise in national living wage

1. Group figures exclude the corporate segment.
2. Excludes foreign exchange and one-off income.

Revenue growth and operating model drives strong profit drop throughs

B&M UK cost base illustrative overview (% of revenues ex-VAT)



Key considerations

- Structurally higher sales densities underpin our profit margins
- Sales growth, whether from new stores or LFL, drives:
  - significant profit drop-through
  - leverage on the limited DC and central fixed cost base
- Revenue growth is diversified between:
  - market share gain
  - market size growth
  - new space acquisition
- Significantly variable cost base flexes in response to demand fluctuations

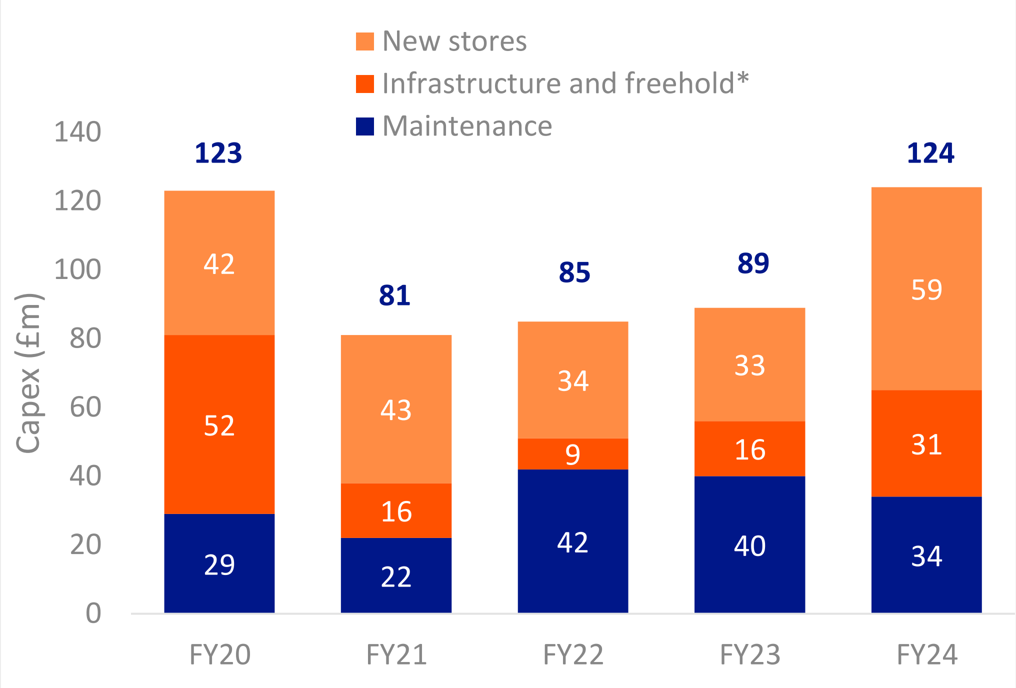
1. Adjusted EBITDA as defined on slide 9.

Continued cash discipline, with maintained investment in our expansion

Cash flow overview (£m)

	FY24	FY23
EBITDA (post-IFRS 16)	**865**	**777**
Change in working capital	(8)	74
Other	5	17
Cash generated from operations	**862**	**866**
Income tax paid	(116)	(84)
Net capex	(124)	(89)
Payments for IFRS 16 leases	(240)	(229)
Post-tax free cash flow[1]	**382**	**464**

Capex development (£m)



Total as % of net sales

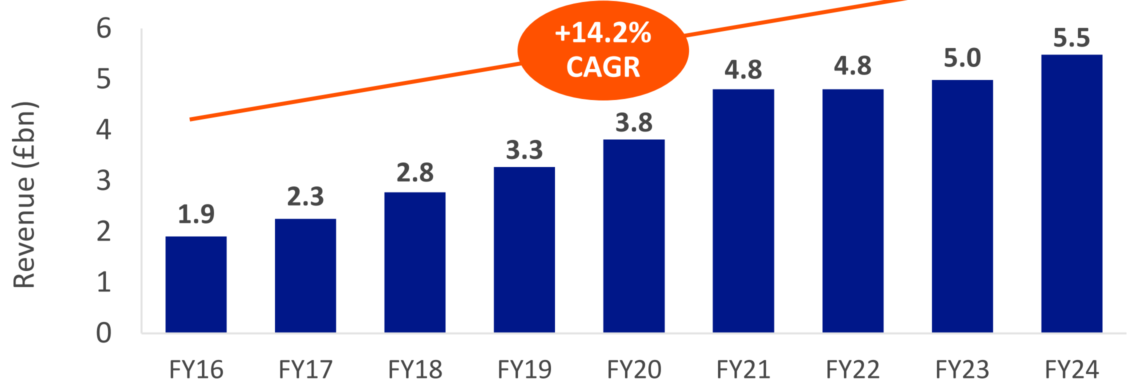
FY20	FY21	FY22	FY23	FY24
3.2%	1.7%	1.8%	1.8%	2.3%

* Includes £4m spent in FY24 on the acquisition of one new freehold site

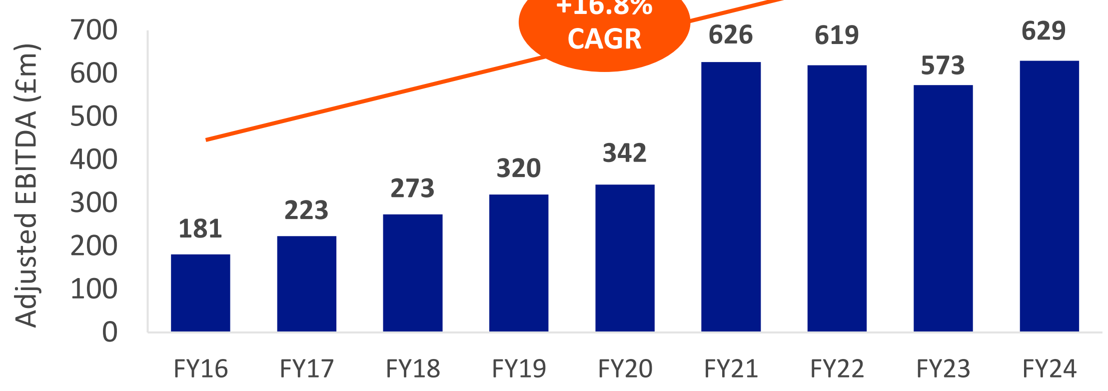
1. Post-tax free cash flow is a more useful measure of cash generation for our business.

Consistent delivery of profitable growth

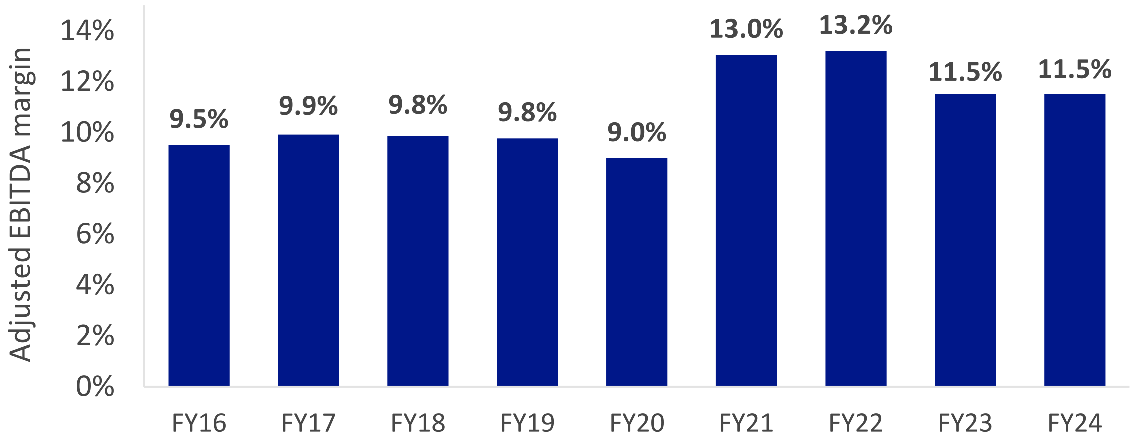
Revenue[1]



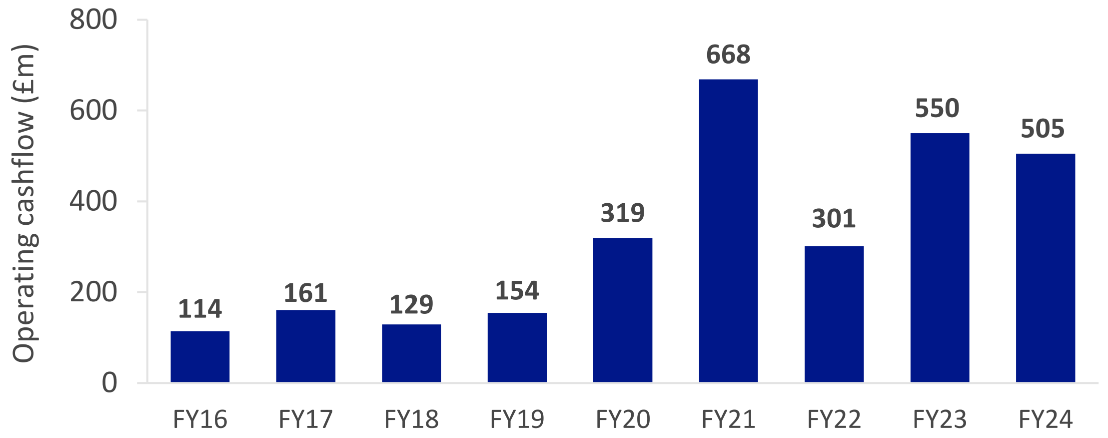
Adjusted EBITDA[1,2]



Adjusted EBITDA margin[1,2]



Operating cashflow[2,3]



1. Shown for continuing operations only, and therefore excludes Jawoll (Germany)
2. Presented pre-IFRS 16
3. Operating cashflow includes Jawoll for FY16 to FY20 inclusive

Growth strategy

Alex Russo

Chief Executive Officer

B&M UK: Pipeline progress

Key highlights

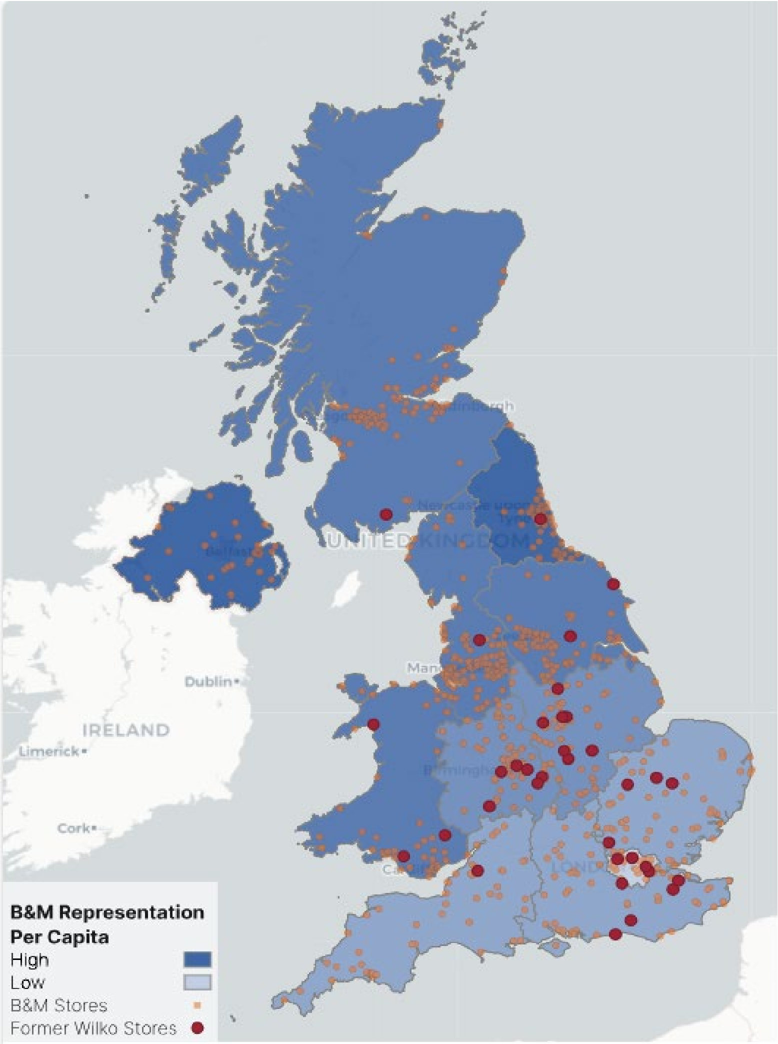
47 gross new stores opened in FY24 (including **5 relocations**) which added **16 new garden centres**

Expect **45 gross new stores** in FY25 - concentrating on good quality locations

The acquisition of up to **51 Wilko** stores supplements our existing organic opening programme and importantly, fills gaps in our representation in key locations in the Midlands and across the South

Updated our long-term target to **not less than 1,200** B&M UK stores, supported by increased sales densities and performance of new stores particularly in the South

Map of B&M UK stores per capita, April 2024



21 ex-Wilko stores opened in Q4

Leases renegotiated

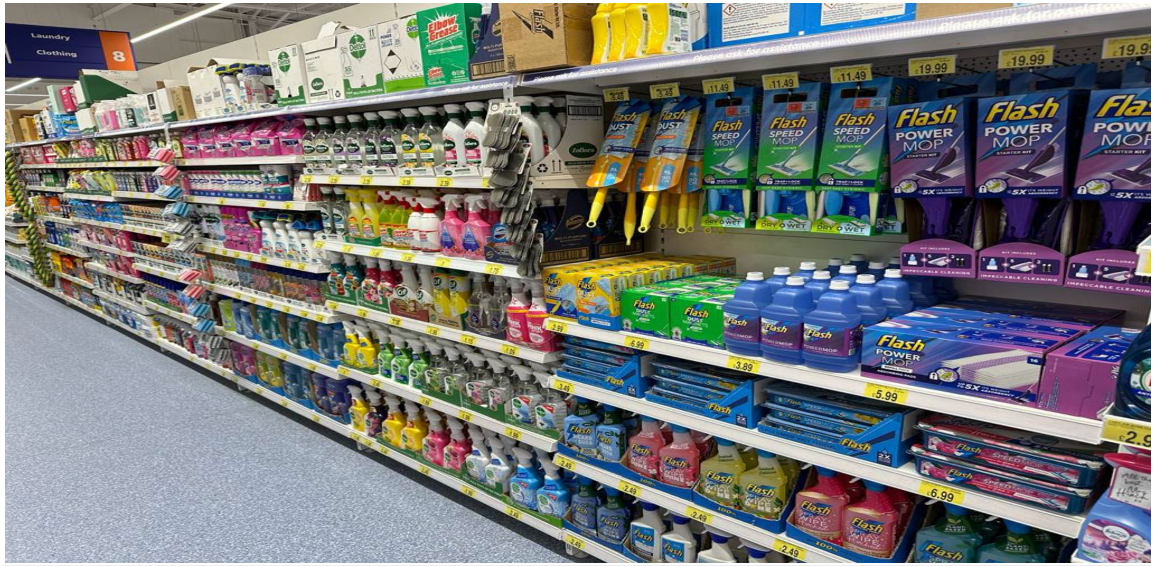
All stores trading well

B&M UK: Pipeline progress

B&M Harrow (ex-Wilko) – opened Feb 2024

- High quality selling space and location (32,400 sq. ft). Sizeable car park
- Great sales densities
- Excellent operational standards

B&M Monks Cross (non-Wilko) – opened Oct 2023



- High quality selling space and location (30,000 sq. ft including garden centre). Sizeable car park
- Great sales densities
- Excellent operational standards

B&M UK: FMCG & General Merchandise highlights

FMCG

- Our price position remains consistently strong against all the competition
- Supplier collaboration is very strong in driving volume growth
- Stock availability is excellent every day in every store
- We see robust volume growth in key categories such as Cleaning, Pet Food & Seasonal Grocery

General Merchandise

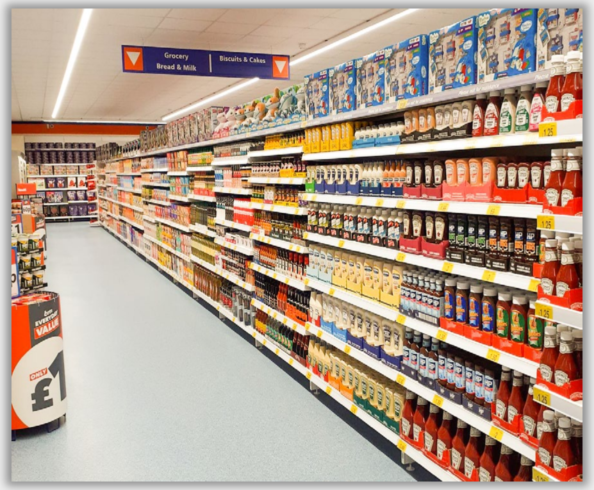
- 'SIMPLY' ranges have extended across more categories – introducing more opening price point products
- Test & Repeat model has had a positive impact
- Re-opening of China from a travel perspective provides us even greater speed to market and development of new products
- Hong Kong infrastructure making the buying process highly effective

B&M UK: Store operations

- Relentless focus on store standards to ensure we deliver the best experience for all our customers every day
- Driving strong and consistent in-store availability across all stores
- We keep things simple and reduce complexity which increases productivity
- Innovative use of space to improve our return on space in very small and very large stores across the estate
- Robust activity calendar and clear price messaging with minimal distractions…EDLP!

Progress made

- 350+ weekly customer visits outside of the regional teams every day of the year
- Another step change improvement in our store standards across the whole estate

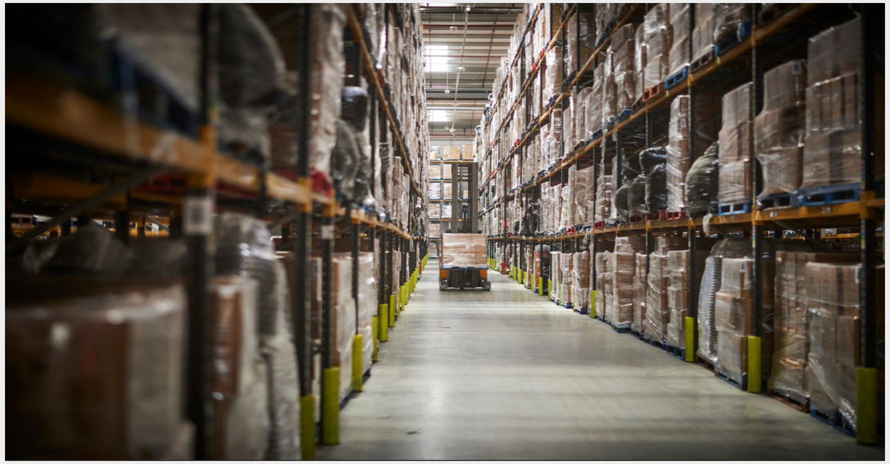


B&M UK: Supply chain update

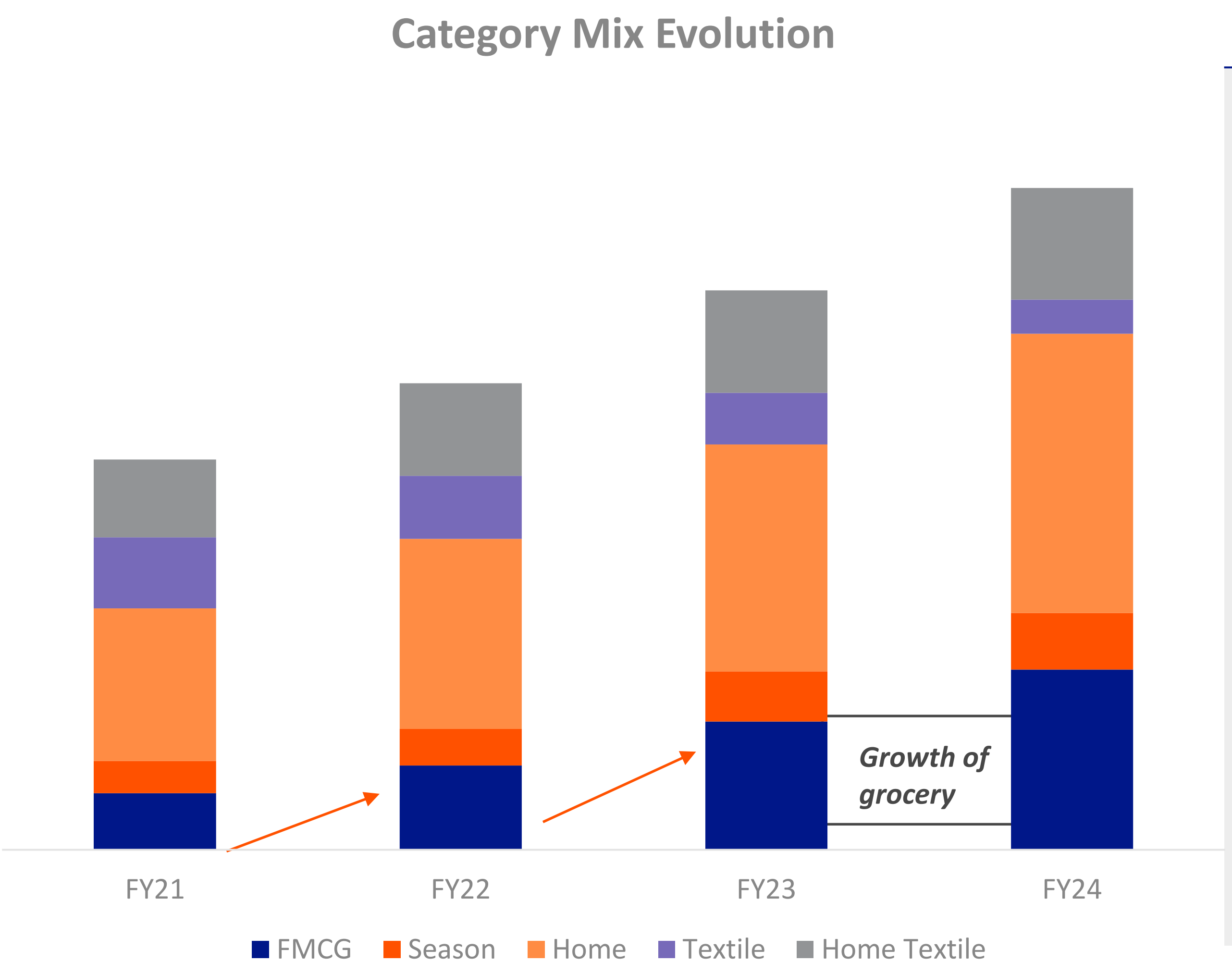
Compliance	• Step-on in working practices • >50% fall y-o-y in RIDDORs and incidents
Customer	• Increased stock accuracy y-o-y driving availability • On Time Store Delivery performance of over 99%
Cost	• Lower cost to serve as a percentage of sales • Inflation mitigated through volume efficiencies
Capacity	• Capacity aligned through strengthened modelling • Legacy warehouse closed, but throughputs increased
Culture	• Clear service and productivity culture established • >25% y-o-y falls in labour turnover and absenteeism

Overview

- "5 Cs" programme making progress in all areas
- Improved alignment with retail and buying
- Continued disciplined investment in asset-base to support future store roll-out



B&M France: Proposition highlights



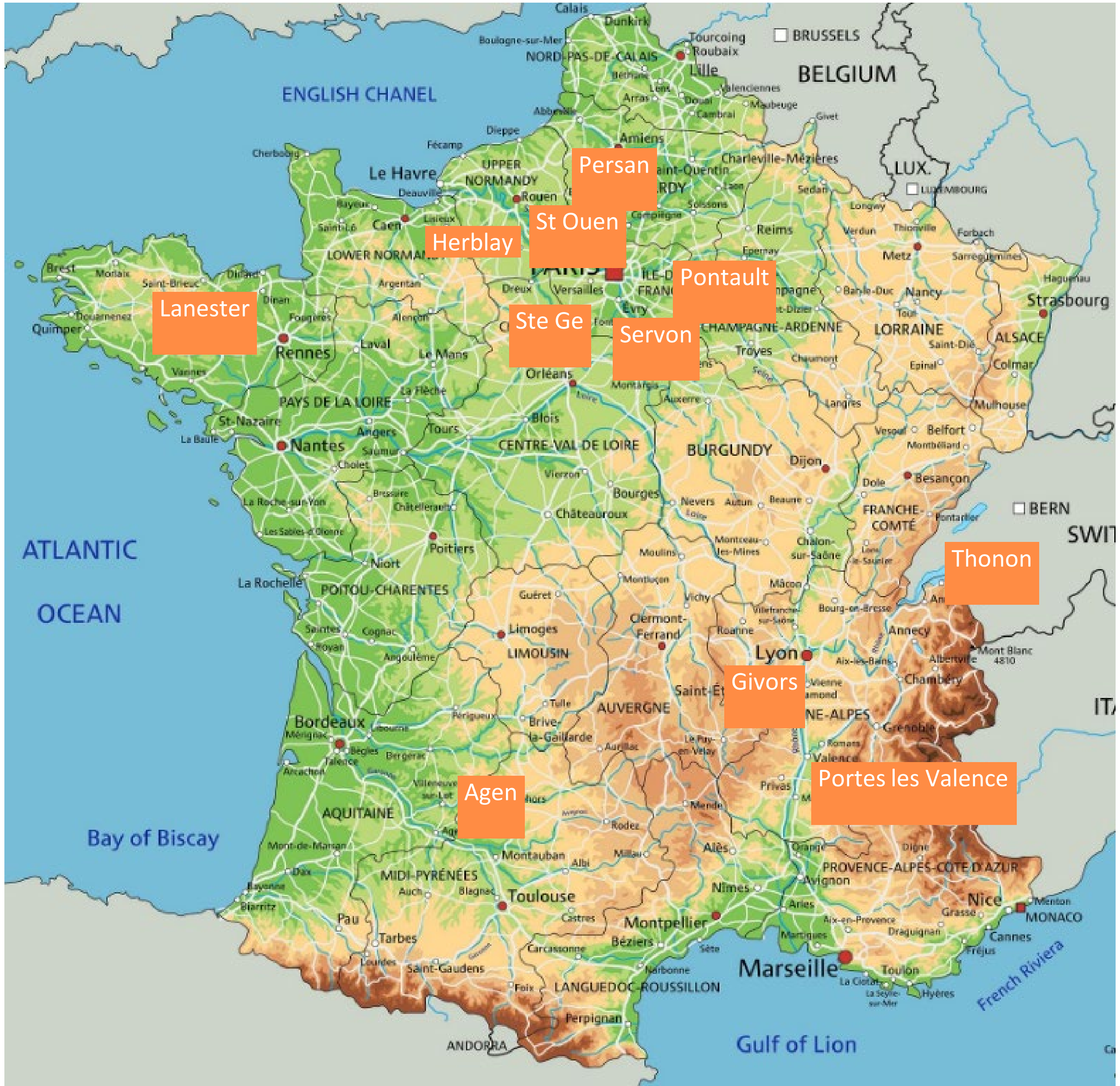
Category Strategy

- Grocery department is performing exceptionally well:
  - Introduction of new SKUs
  - New supplier partnerships with leading brands such as L'Oreal, Nestlé, P&G, Kellogg's and Mars
  - Price position is key to being recognised as a destination
- Non-grocery departments benefit from growing seasonal ranges such as gardening and Christmas
  - B&M is now seen as a destination store
- Ranked by independent survey as the 'Best non-food discount retailer in 2024' and 'Best chain for home decoration in 2024' for third year in a row
- B&M France leadership team has depth to support long-term growth plans

B&M France: Operational standards

- Balance of own operated and mandate manager operated stores
- Increase of product availability in DC and in stores
- Store standards is a key focus (people, store processes, quality of assets)
- Product ranging evolving to match best competitors in pricing
- Introduction of Warehouse Management System in France (learning best practice from B&M UK)
- Ongoing transfer of skills from B&M UK to assist with store operations and logistics

B&M France: Growth



FY24 Openings

- 11 store openings in FY24, with a shift in size of stores towards 2,000m^2:
  - 6 around 2,500m^2: Herblay, Portes, Agen, Ste Geneviève, Persan, Pontault
  - 4 stores at c. 2,000m^2: Lanester, Servon, Saint Ouen, Givors
  - 1 store 1,700m^2
- 6 openings were in the Paris region, with 24 B&M stores in total in the area
- 8 own store operated, 3 mandate manager operated
- The aim is to increase sales densities and the pipeline for FY25 will include more stores in the 1,500m^2 and 2,000m^2 range

Summary

- Continued tough economic environment
- We continue to deliver strong operational execution every day
- New store pipeline is robust with gross new openings in FY25 expected to be not less than 45 B&M UK stores, 20 Heron Foods stores and 10 B&M France stores
- The business will maintain a high degree of discipline on EDLP pricing, best in class retail standards and the lowest cost ‘EDLC’ operating model
- Our strategy remains unchanged and it will be underpinned by operational excellence in the UK and France
- This will continue to deliver profitable, cash-generating growth in each of the three businesses

Q&A