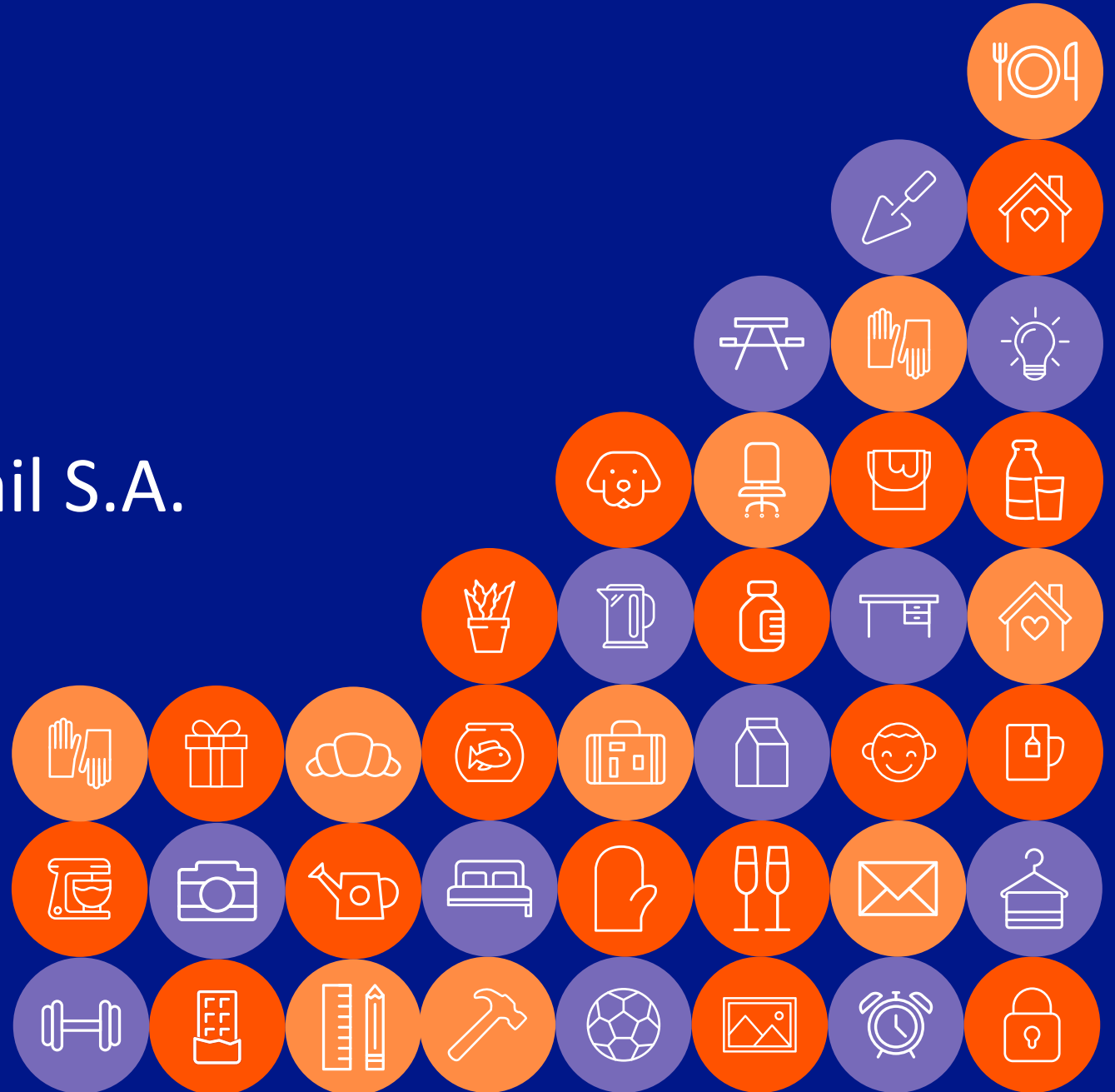




B&M European Value Retail S.A.

FY25 Results Presentation

52 weeks to 29 March 2025



Agenda

1 Introduction

2 Financials

3 Operational review

4 Q&A





Introduction

Mike Schmidt

CFO & Interim CEO



Summary

£5,571m

Group revenue¹

+3.7% YoY

£620m

Group adjusted EBITDA¹

+0.6% YoY

1.26x

Leverage ratio

FY24 53 weeks: 1.17x

15.0p

Full year dividend²

+2.0% YoY

£311m

Post-tax free cash flow³

FY24 53 weeks: £382m

30.4%

Group adjusted ROCE

FY24: 33.4%



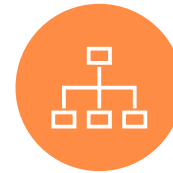
Negative LFL revenues - below our expectations - driven by **market environment** and our **execution**



Positive revenue growth with **new stores** performing as expected



Resilient profit and gross profit margin performance



70 gross new stores opened across the Group (45 B&M UK, 11 France, 14 Heron)



Redomicile process now focused on Jersey and expected to complete within the calendar year

1. YoY movements calculated on a 52-week comparable basis.

2. Movement calculated against the FY24 full year dividend (53 weeks).

3. Post-tax free cash flow is a preferred measure of cash generation for our business. For further details please see the FY25 Prelims Announcement.



Financials

Mike Schmidt

CFO & Interim CEO



Summary profit and loss

| £m | FY25 | FY24 (52 weeks) | YoY (52 weeks) | FY24 (53 weeks) |
|--|--------------|--------------------|-------------------|--------------------|
| Revenue | 5,571 | 5,372 | 3.7% | 5,484 |
| Adjusted EBITDA (pre-IFRS 16)¹ | 620 | 616 | 0.6% | 629 |
| % | 11.1% | 11.5% | (35) bps | 11.5% |
| Depreciation and amortisation (pre-IFRS 16) | (92) | (80) | 14.1% | (82) |
| Operating impact of IFRS 16 | 63 | 66 | (3.5)% | 67 |
| Adjusted operating profit¹ | 591 | 602 | (1.8)% | 614 |
| Finance costs relating to right-of-use assets | (77) | (68) | 13.3% | (69) |
| Other net finance costs | (59) | (44) | 46.3% | (44) |
| Adjusted profit before tax | 455 | 490 | (7.3)% | 501 |
| Adjusted income tax | (118) | (130) | (8.4)% | (132) |
| Adjusted profit after tax | 337 | 360 | (6.9)% | 369 |
| Adjusted diluted EPS | 33.5p | 35.9p | | 36.7p |

→ Key highlights

Revenue underpinned by new stores with **negative LFL in UK**

Adj. EBITDA growth delivered by gross margin, operating leverage and cost control offsetting inflation pressure

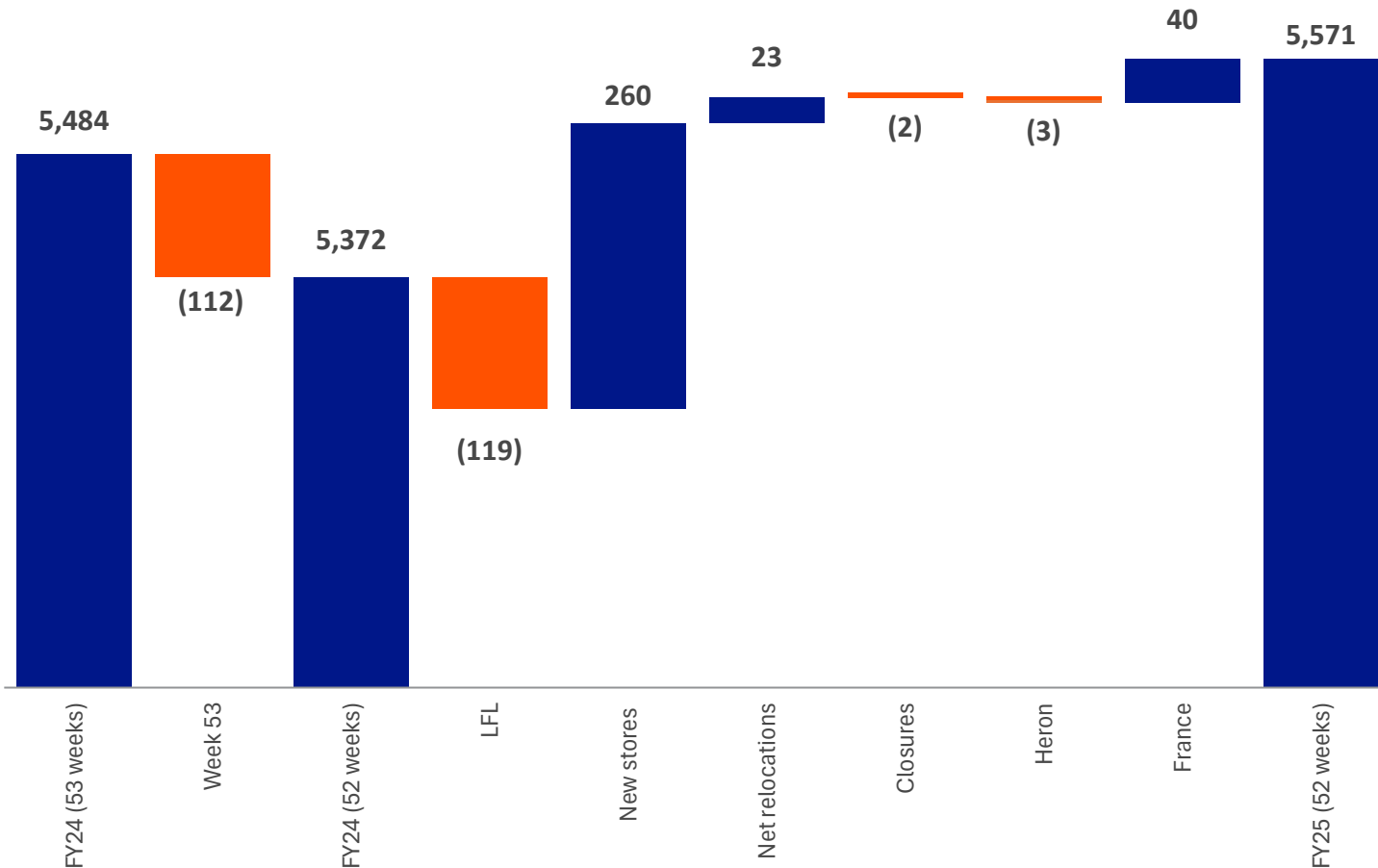
Higher D&A and finance costs

ROCE remains above **30%**

1. Adjusted figures exclude unusual, non-trading and/or non-recurring impacts on performance. Adjusted operating profit includes £1m share of profits from associates (FY24: £1m loss). For further details please see RNS.

Store rollout drove total revenue growth

Year-on-year revenue progression (£m)



→ Key highlights

New space adding 6.9% sales growth in B&M UK

LFL performance improved in the second half of the year Q3 -2.8% and Q4 -1.8%

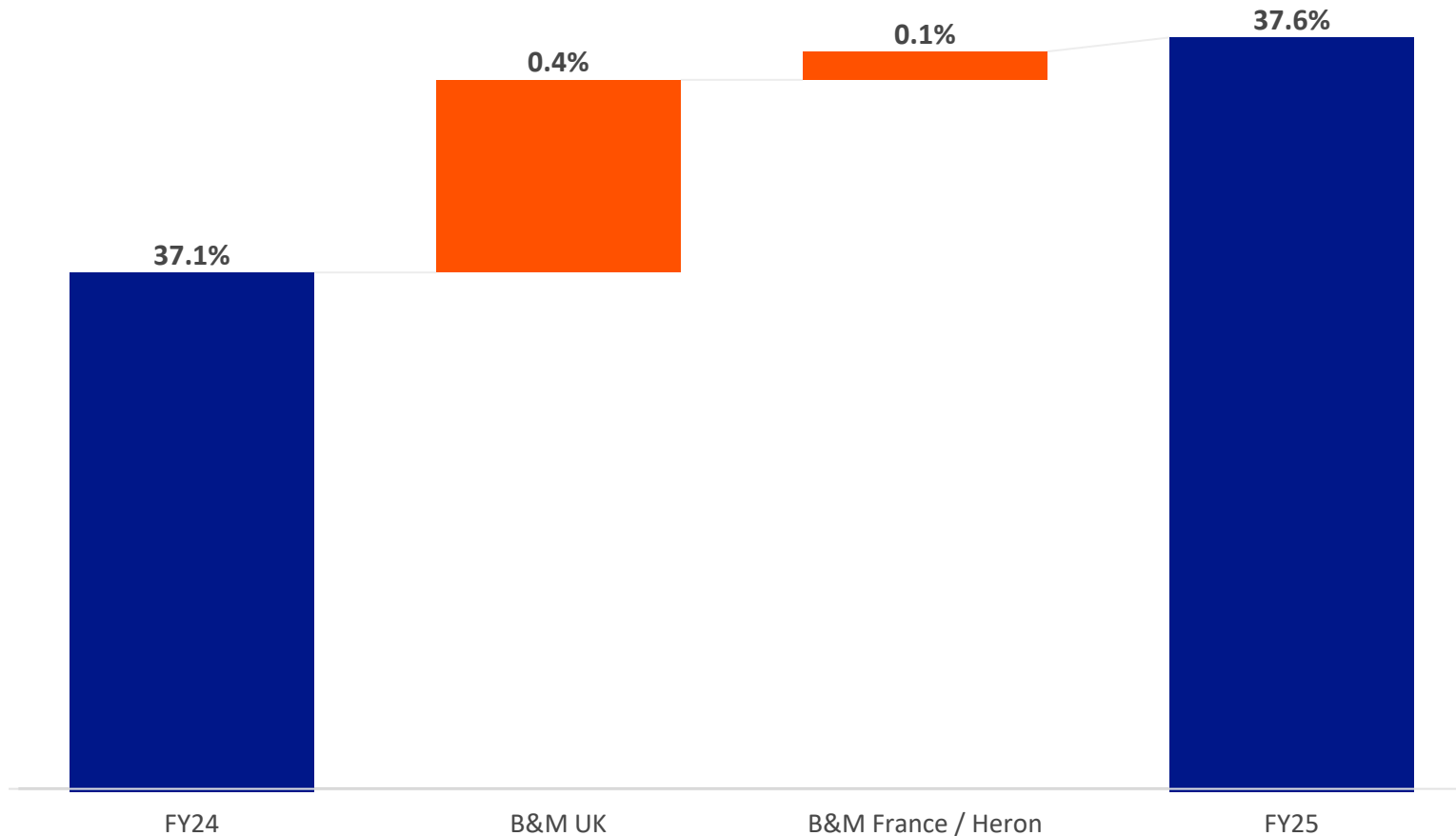
Performance in FMCG was below internal expectations

Lower average selling prices in General Merchandise from Q2 FY25 impacted LFL performance

France **progressing well**

Robust gross profit margin performance

Year-on-year gross margin progression (%)



→ Key highlights

Good B&M UK trading margin out-turn of +42ps year-on-year:

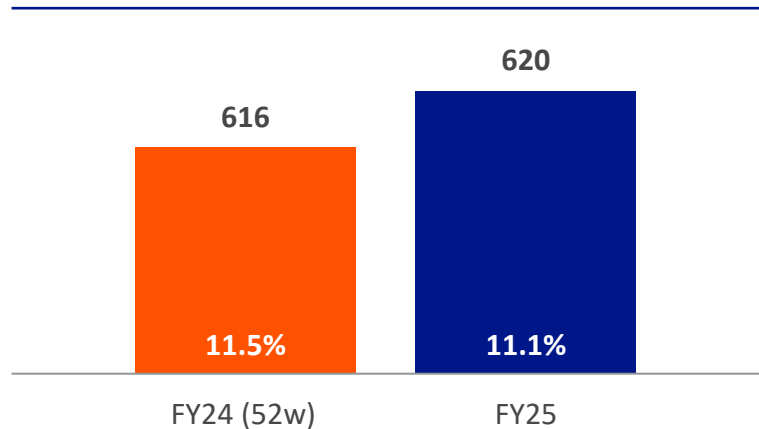
- Primarily driven by mix

Factory gate price, transport cost and FX **benefits passed back to customers**

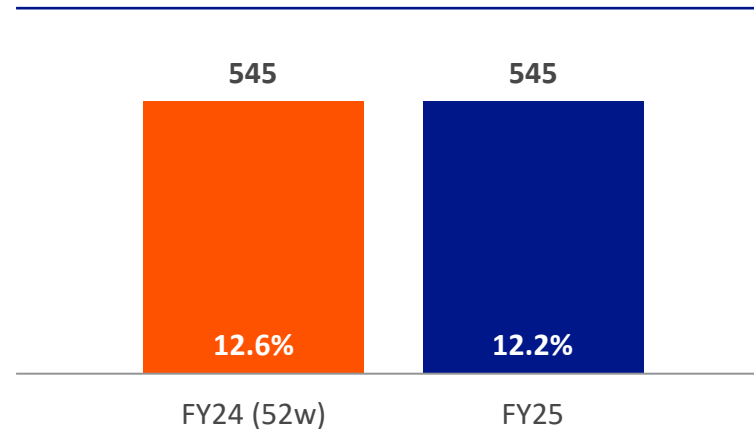
B&M France and Heron **gross profit margins stable**

Adjusted EBITDA (pre-IFRS 16)

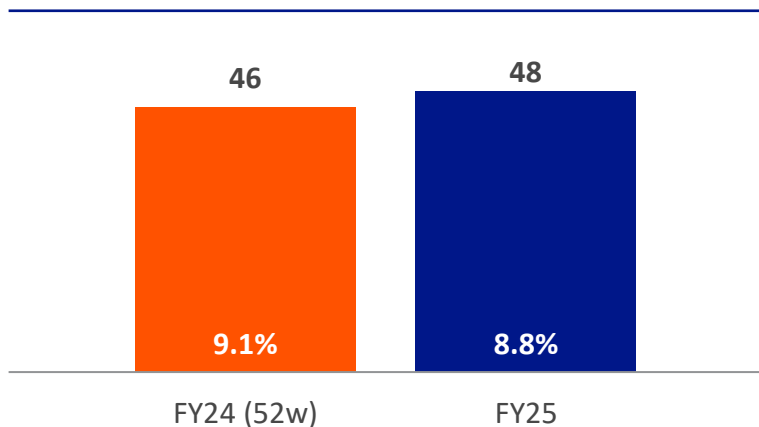
Group (£m)



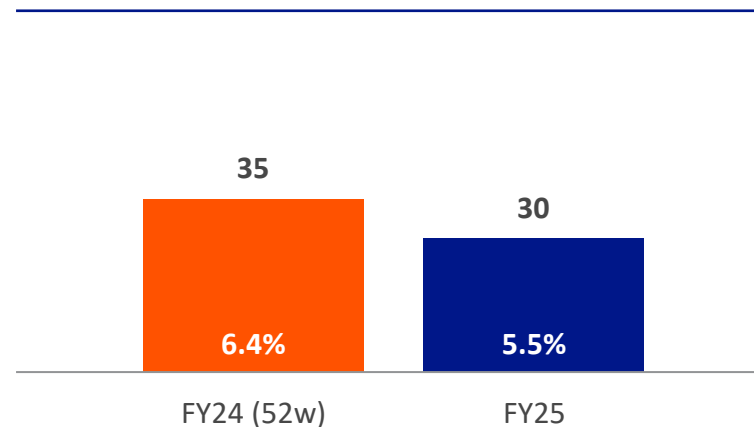
B&M UK (£m)



B&M France (£m)



Heron Foods (£m)



Key highlights

Group adjusted EBITDA^{1,2} increased 0.6%

B&M UK's adjusted EBITDA¹ **45bps lower** due to negative LFL performance and increase in operating costs

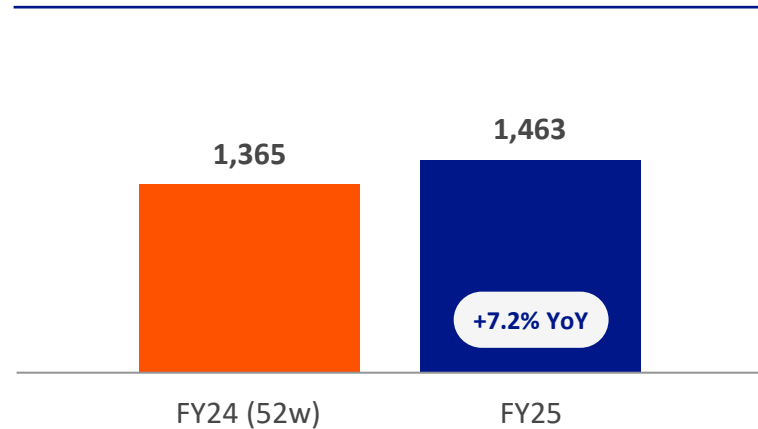
France's adjusted EBITDA¹ **34bps lower** due to increased operating costs

Heron's adjusted EBITDA¹ **margin of 5.5%** resulting from scale effects from lower revenues

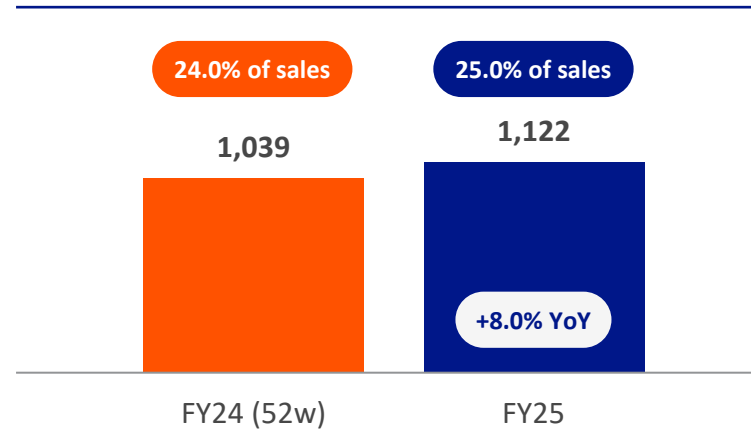
1. Adjusted figures are pre-IFRS 16 and exclude unusual, non-trading and/or non-recurring impacts on performance. For further details please see RNS
 2. Group figures include the corporate segment

Adjusted underlying operating costs

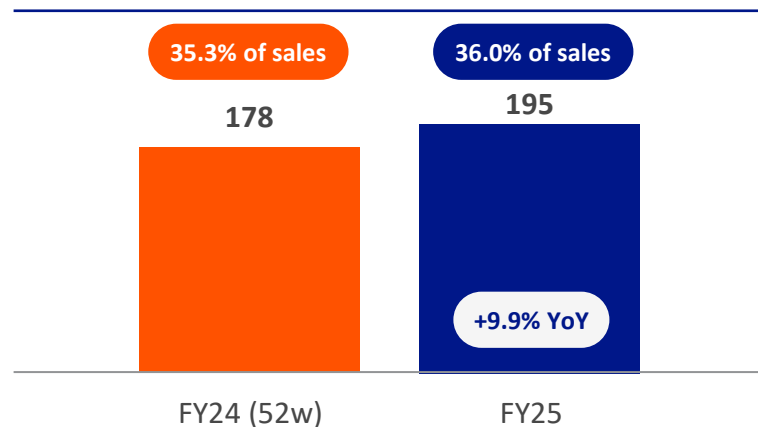
Group^{1,2,3} (£m)



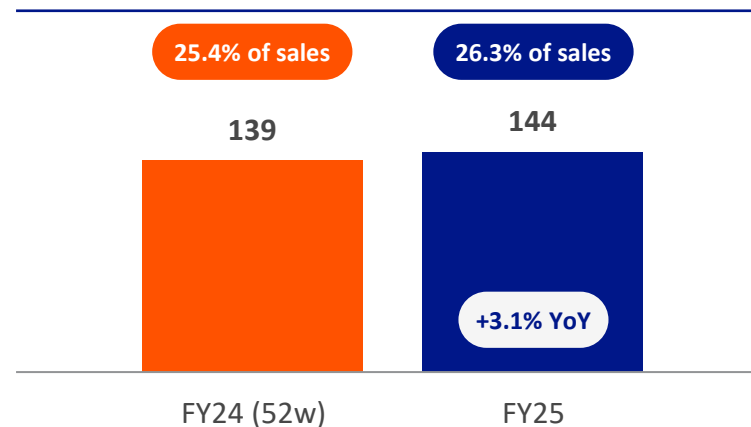
B&M UK^{1,3} (£m)



B&M France^{1,3} (£m)



Heron Foods¹ (£m)



→ Key highlights

B&M UK underlying costs³ increased by 8.0% on a comparable basis YoY primarily due to the **increased store estate** (+6.9% additional sales)

Increase in **national minimum wage rate and scale effects** affected both B&M UK and Heron

B&M UK also saw **higher volumes** with lower average selling prices

France increase on an underlying basis reflects **volume growth** and **elevated transport and distribution costs**

- Adjusted figures exclude unusual, non-trading and/or non-recurring impacts on performance. For further details please see the RNS
- Group figures include the corporate segment
- Excludes foreign exchange retranslation losses in B&M UK in both years

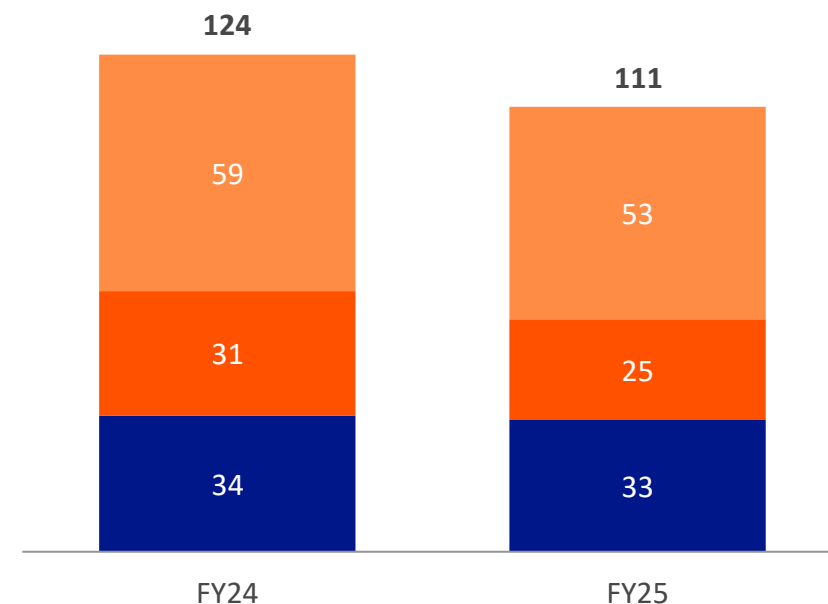
Continued cash discipline

Cash flow overview (£m)

| | FY25 | FY24 (53 weeks) |
|--|------------|--------------------|
| EBITDA (IFRS 16) | 841 | 865 |
| Change in working capital | (64) | (7) |
| Other | 7 | 4 |
| Cash generated from operations | 784 | 862 |
| Income tax paid | (109) | (116) |
| Net capex | (111) | (124) |
| Payments for IFRS 16 leases | (253) | (240) |
| Post-tax free cash flow¹ | 311 | 382 |
| Balance sheet metrics | | |
| Leverage (Net debt / Adj.EBITDA pre-IFRS 16) | 1.26x | 1.17x |
| Leverage (including IFRS 16 lease liabilities) | 2.56x | 2.40x |

Capex development (£m)

- Maintenance
- Infrastructure and freehold
- New stores



Total excluding new stores as % of net sales

1.2%

1.0%

1. Post-tax free cash flow is a preferred measure of cash generation for our business. For further details please see RNS



Operational review

Presenters:

Mike Schmidt, CFO & Interim CEO

Gareth Bilton, Trading Director

Jon Parry, Supply Chain Director

James Kew, Retail Director



FY25 reflections

1

Negative LFL driven by environment, FMCG execution and GM ASP deflation

2

Actions being implemented in Q1 FY26 to drive LFL performance

3

New stores performing well

4

Supply chain infrastructure continues to be strengthened

5

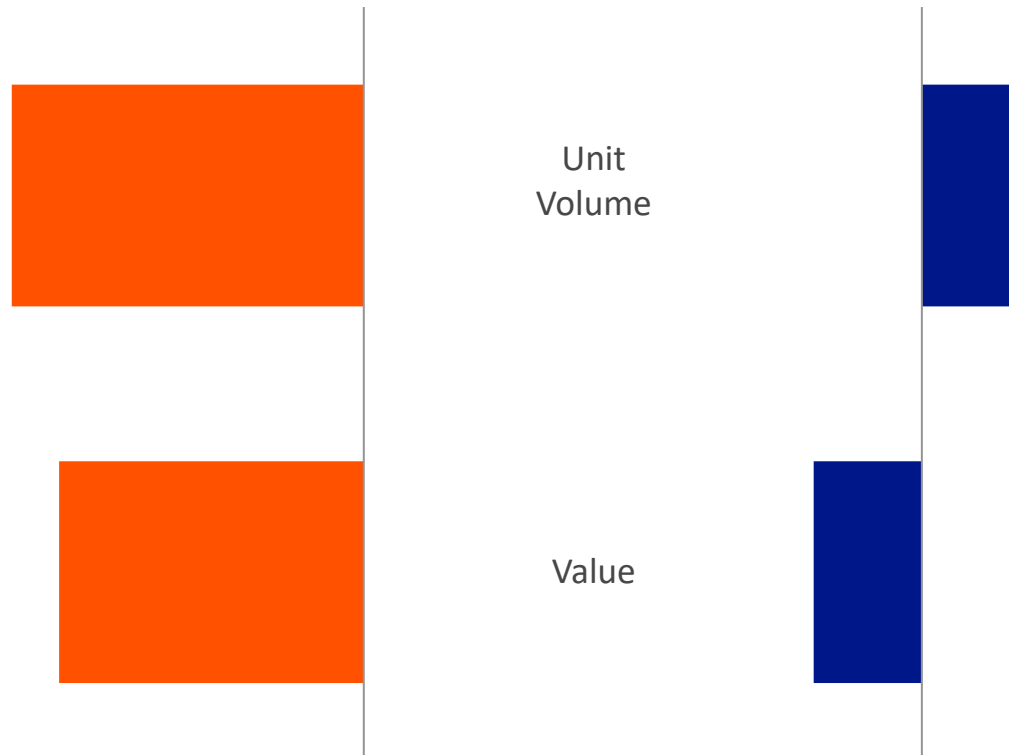
Fundamentals unchanged



FY25 like-for-like performance

B&M UK FY25 FMCG
LFL performance

B&M UK FY25 GM
LFL performance



→ Key highlights

Very **poor start to FY25 trading year**, impacted by **Spring weather** and **Easter timing**

Low consumer confidence, particularly for lower income groups

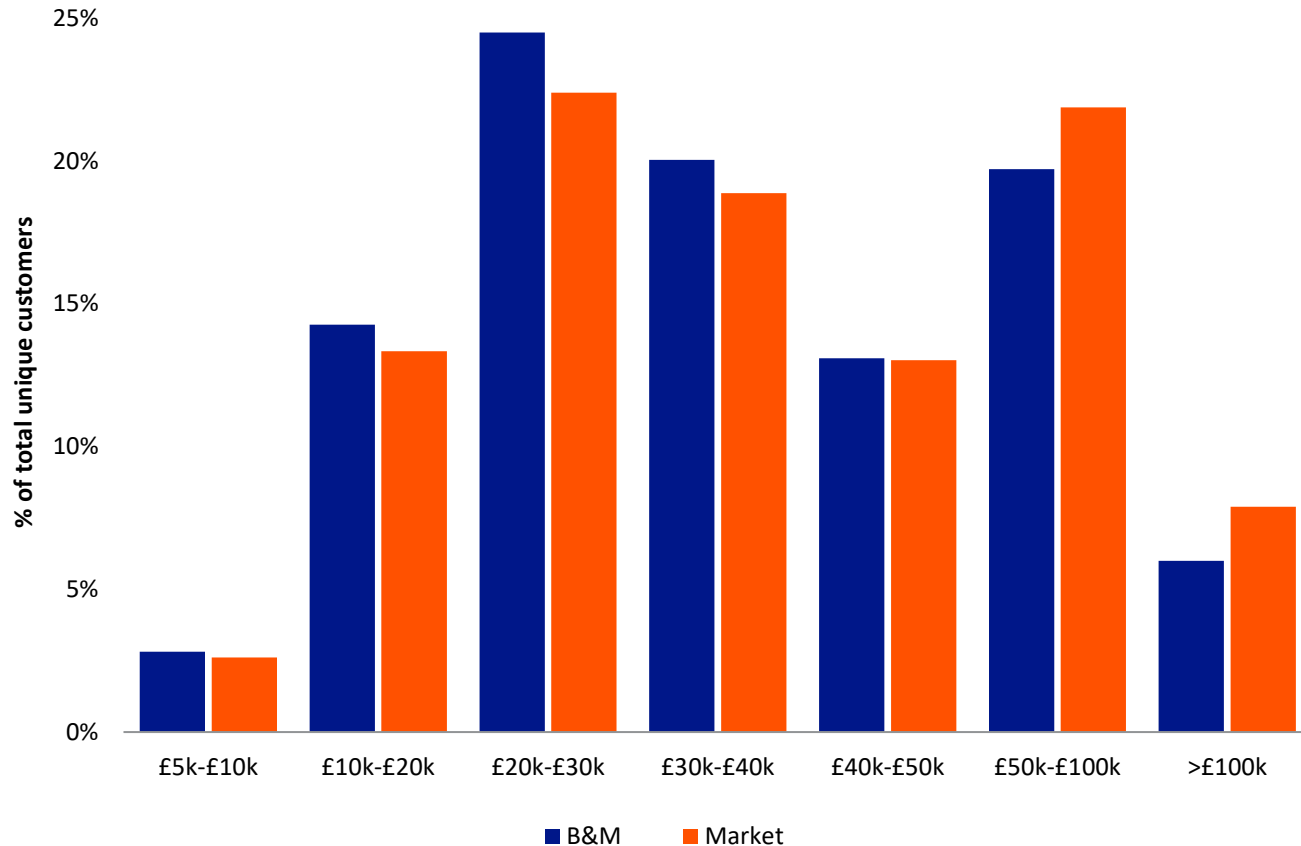
FMCG total revenues positive but LFL negative:

- **Execution requires strengthening**
- **Inflation was limited** compared to broad FMCG sector benchmarks given product mix (e.g. limited fresh/chilled produce)

GM value LFL performance impacted by **average selling price reductions**; **LFL volumes positive**

Our customer demographic

B&M customer profile by annual credit turnover (12 months – March 2025)



Source: Lloyds Bank – Market Intelligence, Card data to 31 March 2025. Annual credit turnover refers to the total sum of all incoming funds or credits to a unique customer's accounts over a year; in demographic analysis it can be considered as a proxy for annual income.

Note:

1. B&M's gain in market share in the £50k-£100k profile for volume and value is calculated as the increase in the total and value of B&M's customer transactions as a percentage share of the total and value of market customer transactions in Q4 (Jan 25 – Mar 25) compared to Q4 in the prior year (Jan 24 - Mar 24), Lloyds Bank - Market Intelligence.

→ Key highlights

Our core customer is someone from a **lower-income household** who seeks out **value**

- We weight towards the lower income customer groups (60% < £40k) vs. the market
- However we hold broad appeal

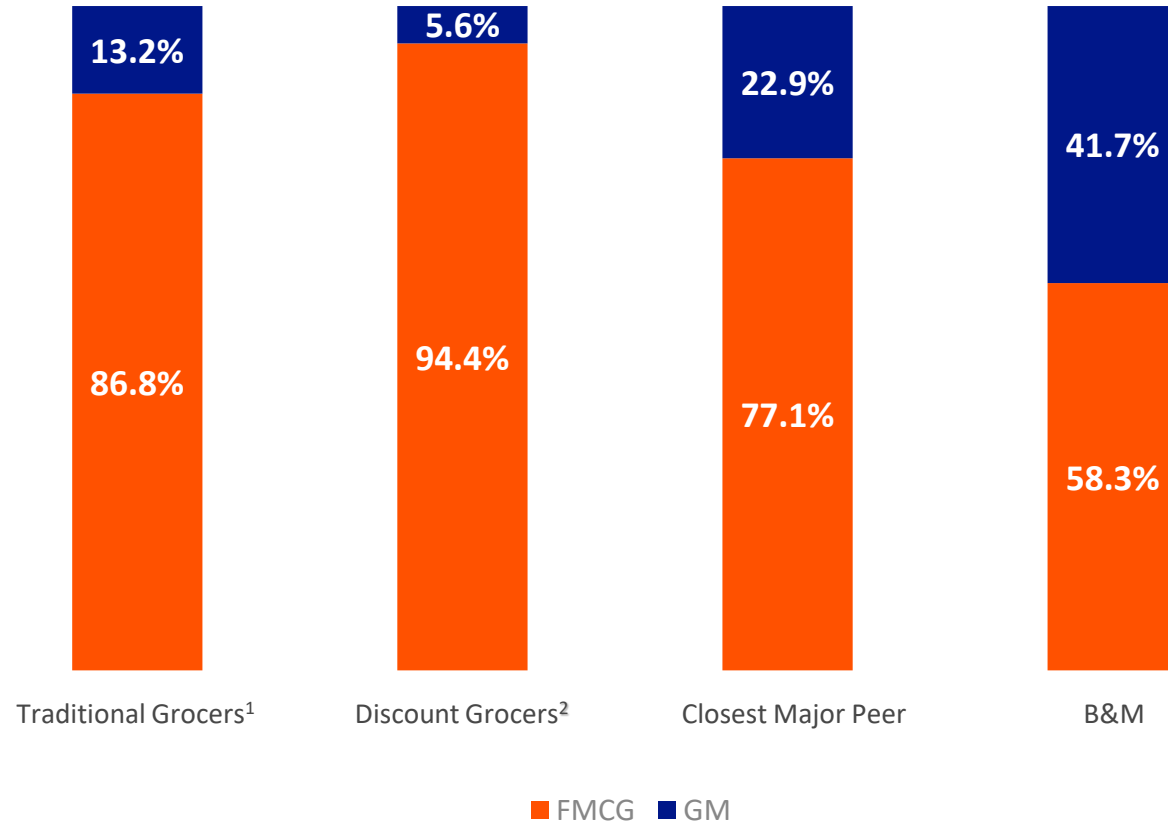
We ensure our offer is tailored to meet the needs of customers who are **budget-conscious** by keeping prices low

Our **General Merchandise range** is gaining traction among **higher income customers**

- Greatest **volume** and **value** market share gains in Q4 were from the **£50k-£100k** profile¹ - indication of trade-down

Our customer's mission

Estimated sales breakdown by category – Kantar Worldpanel Plus



Source: Kantar Worldpanel Plus, data to 20 April 2025.

1. Average of Tesco, Sainsbury, Asda and Morrisons.

2. Average of Aldi and Lidl.

Note: Data for B&M is shown as externally measured by Kantar Worldpanel Plus and is shown on a consistent for comparative purposes. Actual sales breakdown using internal data shows a balanced split between sales of the categories.

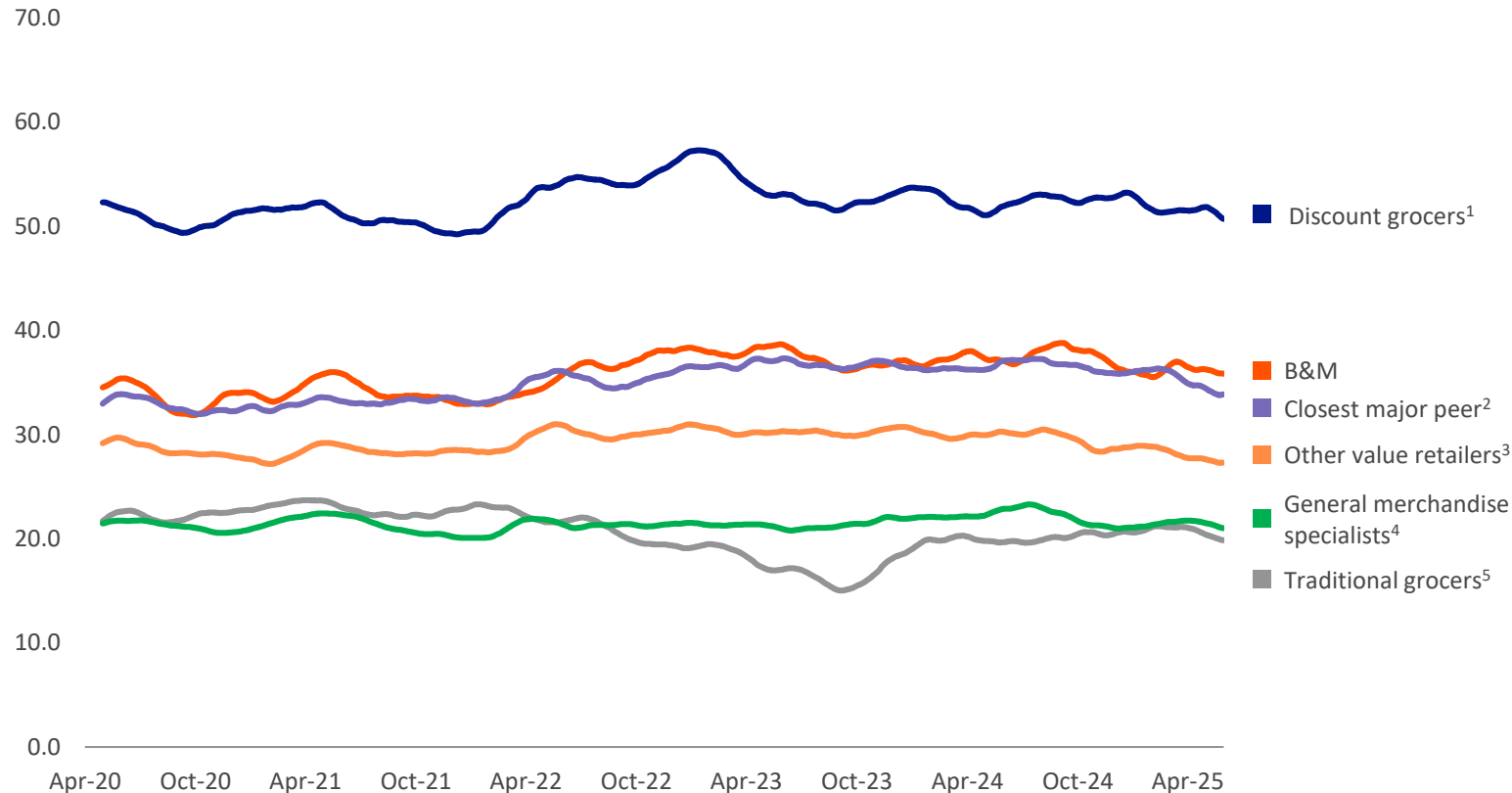
→ Key highlights

We have a **different proposition** and **serve different needs** for customers than other broad UK retailers

B&M's GM categories account for five of the top ten product footfall drivers and when asked, **customers are more likely to think of B&M for GM than FMCG**

Price position & value perception

B&M's value perception remains strong with customers



Source: YouGov BrandIndex value measure scores, 12 week rolling average data between 1 April 2020 and 30 May 2025. Consumers were asked the question “Which of the following brands do you think represent GOOD VALUE FOR MONEY? By that we don’t mean “cheap” but that the brands offer a customer a lot in return for the price paid. Now which of the following brands do you think represent POOR VALUE FOR MONEY? By that we don’t mean “expensive” but that the brands do not offer a customer much in return for the price paid.”

1. Discount grocers is a custom sector comprising Aldi and Lidl.
2. Closest major peer is a single company also included within the “Other value retailers” sector.
3. Other value retailers is a custom sector comprising an unweighted average of Home Bargains, Poundland and The Range.
4. General merchandise specialists comprises an unweighted average of Argos, B&Q, Currys, Dunelm, Halfords, IKEA, Pets at Home, Smyths Toys and The Entertainer.
5. Traditional grocers is a custom sector comprising an unweighted average of Asda, Morrisons, Sainsbury and Tesco.

→ Key highlights

Price gaps have remained unchanged despite increased marketing emphasis from competitors

15-20% gap against the traditional grocers (post-loyalty schemes)

Consistent price benchmarking methodology in place. External benchmarking provides additional assurance

Value perception remains strong with consistent gaps in place to peers

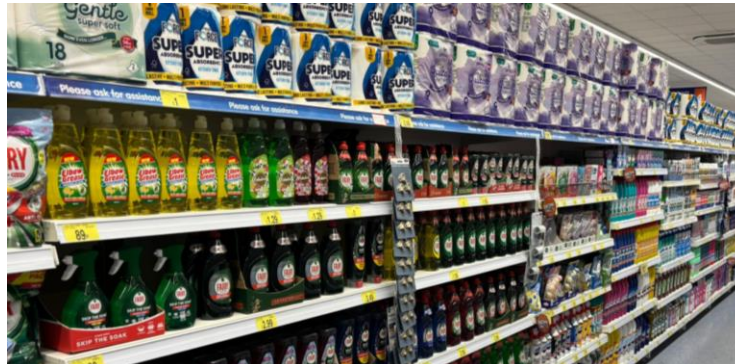
FMCG in-store execution actions

FY26 actions – 145,000 FMCG bays moved across 750+ stores in the B&M UK Estate



Health & Beauty

- Full visual merchandising reset & range reduction to become easier to shop and inspirational
- Added new and trending products (baby range) - incremental and footfall driving
- Improve look and feel and navigation with key brands sign-posting and educational messaging



Cleaning

- 25-30% more space – let the range breathe
- Easier to shop
- Complete reflow to allow us to focus on under trades and expand / grow categories



Food

- Relay and SKU rationalisation
- Adding incremental chillers into stores
- Value point of sale messaging – improve value perception

General Merchandise price architecture actions

FY25 – a year of deflation

- Our price gap in GM is typically larger than in FMCG. Value gaps of at least **20% targeted against industry benchmark**
- From Q2 onwards we **deflated selling prices on products across Housewares, Home textiles, Indoor furniture and DIY categories**
- This investment **drove increased total volumes but affected total sales value**

FY26 – restoring our ASP

- **Review ‘Good/Better/Best’ at B&M price points** within categories to appeal to different customer needs
- Enhance some of our departments with **higher price points** i.e. mirrors and lighting
- We will **introduce more brands** – remixes the price architecture
- Focus more on **gross profit density in our larger store footprints vs. SKU density**

| | | |
|--|---|---|
|   <p>£5.00</p> |   <p>£3.50</p> |   <p>£5.00</p> |
|   <p>£11.00</p> |   <p>£5.99</p> |   <p>£8.00</p> |

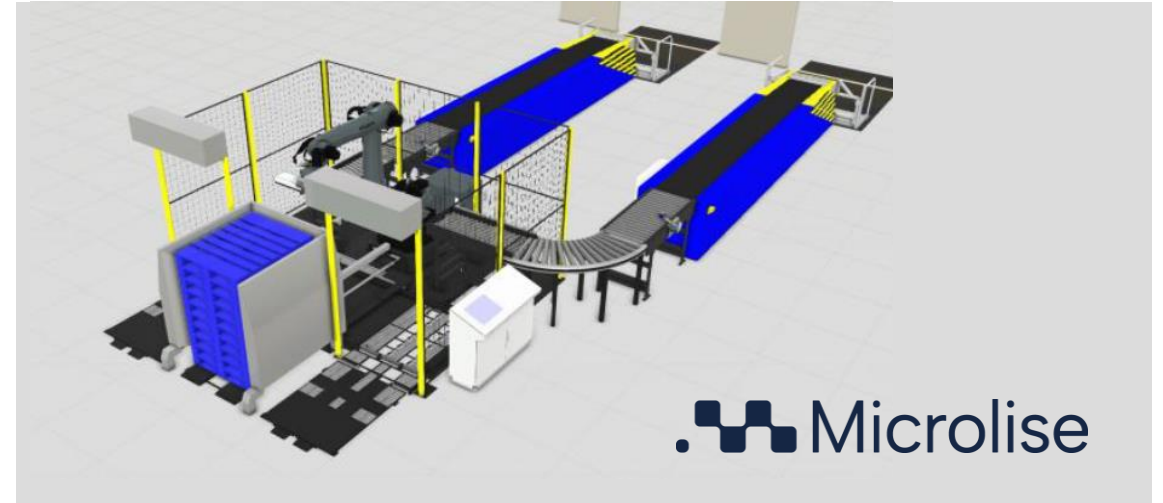
Prices shown above are correct as of 3 June 2025

Supply chain strengthening continues



Ellesmere Port: Import Centre

- Provides efficient GM stockholding capacity upstream
- Enables greater productivity and case throughput capacity
- Control over network SKU deployment and volume alignment

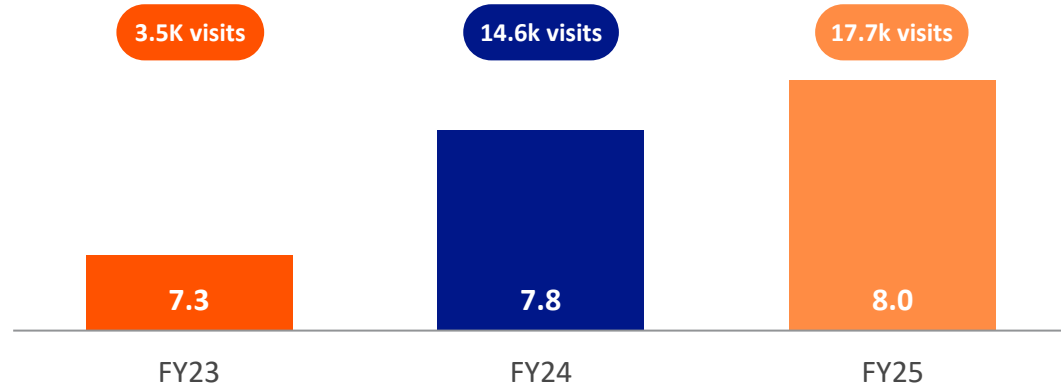


Network productivity & efficiency

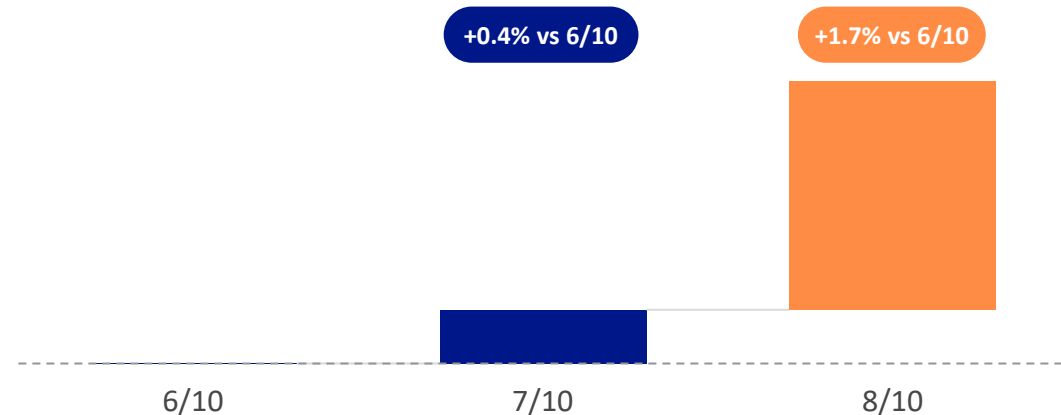
- Automated container unloading driving inbound hours reduction
- Implementation of a new payroll & work force management system
- Implementation of Microlise, optimising transport operations
- New MHE fleet management system, providing greater driver accountability & cost benefits

Retail operation focus on driving sales and customer experience

Average store standards scores have improved



FY25 visit score v LFL performance %



→ Key highlights

Strong store standards deliver clear benefits for our customers.

- Available
- Clean
- Ticketed

Store standards are correlated to LFL sales and the current baseline achieved allows us to focus on additional LFL-driving commercial actions – backed by manager incentives:

- Driving ATV through secondary space
- Stronger POS messaging on value

Less cluttered FMCG space following overhaul improves customer experience and allows bestseller focus

Good standards also help underpin stock processes that drive availability

B&M UK new stores

Key highlights



45 gross (36 net) new stores opened in **FY25**



Expect **45 gross** new stores in **FY26**



FY23 – FY25 openings average **payback of < 12 months**



New store performance in **varying locations & formats** provides confidence



Target of **at least 1,200** B&M UK stores

Total average retail space sq. ft. (m) and number of stores

| Entity | FY25 | FY24 | YoY | FY25 | FY24 | YoY |
|-------------|------|------|------|------|------|------|
| B&M UK | 16.9 | 15.9 | 6.0% | 777 | 741 | 4.9% |
| B&M France | 3.5 | 3.3 | 7.0% | 135 | 124 | 8.9% |
| Heron Foods | 1.1 | 1.0 | 4.1% | 343 | 335 | 2.4% |

Disciplined geographical distribution of new openings



B&M France and Heron progress update

B&M France

- Continued progress with customers driving LFL, despite ASP deflation in GM
- 11 new store openings across the country
- New warehouse management system implemented with infrastructure upgrades underway to support future store roll-out



Heron Foods

- Negative LFL and total revenue performance, following two years of exceptional growth. Revenue 32.8% higher than FY22
- 14 gross (8 net) new store openings, with a second half weighting
- Ongoing work to drive “when it’s gone, it’s gone” proposition



Recap

FY25 was a year with challenges

- Market headwinds from weather, Easter and the consumer
- Performance impacted by our FMCG execution and GM deflation
- Profit delivery overall however was resilient

Profitable, sustainable growth approach

- Volume led growth from LFL and new stores
- FY26 LFL actions underway
- Significant potential ahead
- Relentless operating cost discipline
- FY26 near-term pressures being addressed



Robust balance sheet

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

Cash discipline and shareholder returns

- Capital light business model
- Continued excess cash generation, £2.1bn returned since FY21
- Redomicile underway to unlock potential for buybacks



Q&A

