



B&M European Value Retail S.A.

H1 FY26 Trading & Operational Update

7 October 2025



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Introduction

Tjeerd Jegen

Chief Executive Officer



Introduction



Comprehensive review of our operations and diagnosis of financial performance completed

Conclusion: B&M's value proposition remains strong, but execution has been weak, impacting trading performance

This is reflected in our FY26 Outlook published today

'Back to B&M Basics' plan underway to improve operational execution and correct this drift

Number one priority: return B&M UK to sustainable LFL growth



Trading Update & Outlook

Mike Schmidt

Chief Financial Officer



H1 FY26 Trading Update

£2,749m

H1 Group
revenue

+4.0%

H1 Group
revenue growth

+0.1%

B&M UK
LFL H1 Growth

c.£198m

H1 Group adjusted
EBITDA (Pre-IFRS 16)



Group revenue £2,749m (+4.0% YoY), driven by B&M UK volume growth and ASP increases, good trading momentum in B&M France and new store openings



Store rollout programme on track (23 gross / 9 net openings in B&M UK, 5 in France and 3 gross / 1 net in Heron Foods)



B&M UK LFL sales in H1 +0.1% (Q2: -1.1%), with positive volume and value LFLs in General Merchandise offset by a decline in FMCG LFL sales



Group adjusted EBITDA (pre-IFRS 16), subject to final consolidation and audit, of c. £198m (FY25: £274m)



Actions underway to improve execution and drive LFL sales in B&M UK following diagnosis of our recent operational performance

Financial Outlook

£510-560m

Group adjusted EBITDA



While full benefits will build over time, we have seen gradually improving UK LFL and gross margin trends towards the end of Q2



FY26 Group adjusted EBITDA outlook of **£510-£560m**



We assume H2 UK LFL percentage growth between LSD negative and LSD positive



H1 Leverage ratio estimated to be slightly above our 1.0-1.5x target range



FY26's adjusted EBITDA margin outturn viewed as baseline for future growth, assuming growth in UK LFLs



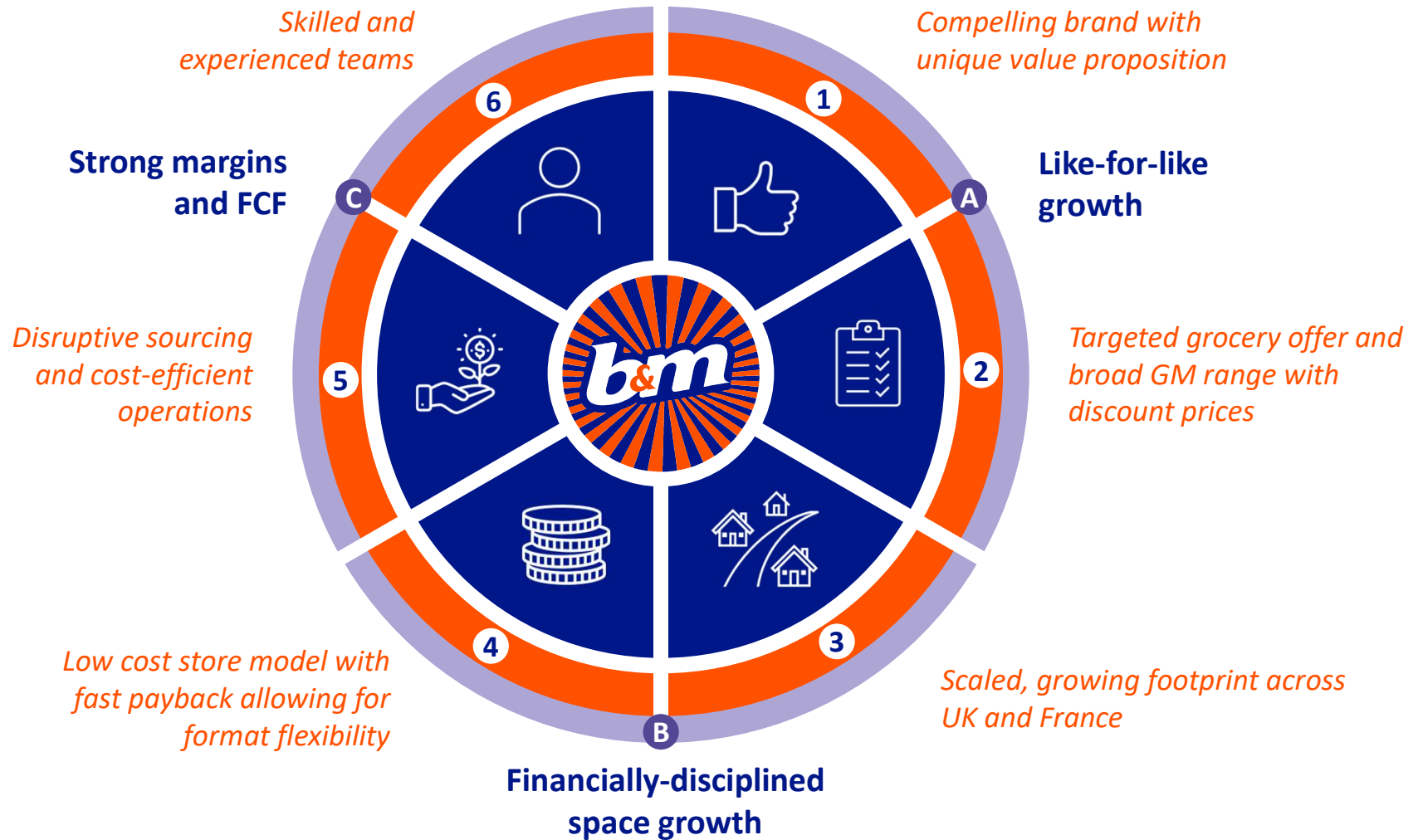
Back to B&M Basics

Tjeerd Jegen

Chief Executive Officer



B&M's fundamentals are strong, but execution has drifted in recent years



Back to B&M Basics: 4 focus areas to return to sustainable like-for-like growth

B&M's value proposition is clear, but our operational execution has drifted
We can improve performance by going back to B&M Basics



Back to B&M Basics: 4 focus areas

	Original B&M value proposition	Where we have drifted	Getting back on track
Price	<i>Big brands, big savings, with A-brands 15% cheaper than major supermarkets</i>	<ul style="list-style-type: none"> • Focus on basket values, not lines • Not competitive on key lines • Customer value perception 	<ul style="list-style-type: none"> • Focus on total basket and line pricing • Best prices amongst discounters • Strong positioning vs. supermarkets
Promotions	<i>Manager's ability to respond to customer-relevant local moments and drive excitement throughout the store</i>	<ul style="list-style-type: none"> • Centrally determined Manager's Specials • Promotions that lack customer focus • Static, unengaging programmes 	<ul style="list-style-type: none"> • Reigniting excitement to front of store bays • Focus on new lines, great value or seasonal continuously changing • Localised choice within a framework
Range	<i>Tightly curated selection, managed with strict SKU control for a simpler, more focused shop</i>	<ul style="list-style-type: none"> • Lost SKU discipline • Complexity in shopping, higher costs and increased old stock • Lacking discipline in exiting ranges 	<ul style="list-style-type: none"> • Reduce SKUs; clear old stock • Reduce secondary / tertiary brands and focus on big brands in FMCG • Make shopping easier and more efficient store operations and logistics
Availability	<i>Rigorous focus on availability across limited range, with weekly line-by-line checks in every store to ensure no sales are missed</i>	<ul style="list-style-type: none"> • Sales culture sacrificed for store standards • Availability shortfall • Unmet sales opportunity 	<ul style="list-style-type: none"> • Refocus on availability and driving sales and less on standards • Embed best practice replenishment

Moving at pace to get Back to B&M Basics

Actions already underway to restore the original B&M value proposition

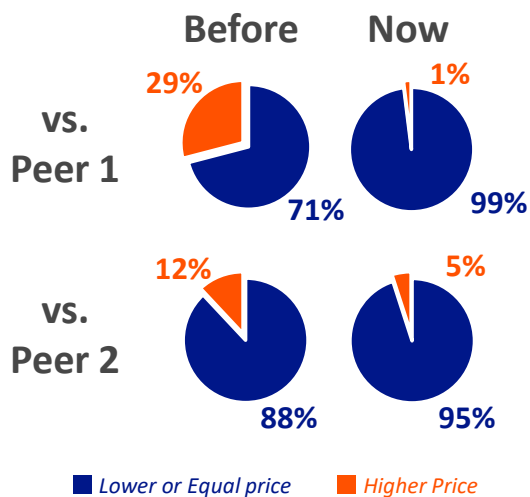
Price

New method for basket price benchmarking for total basket and lines introduced. Resulted in repricing of lines within the basket where competitiveness had been lost.



1.8%

Average price reduction



Promotions

Manager's Specials in front-of-store bays rejuvenated for recent 'Back to School' and Harvest / Halloween trading periods reflecting our new approach



Seasonally relevant Halloween Manager's Specials

Moving at pace to get Back to B&M Basics

Actions already underway to restore the original B&M value proposition

Range

Kicked off analytics on customer baskets to assess the optimal future range. Three category pilots will launch end-October with more comprehensive range reset to follow.



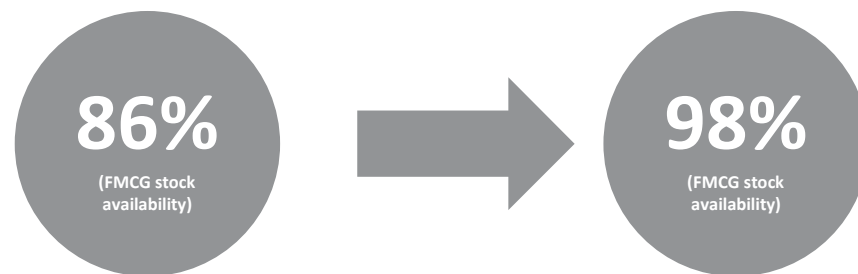
April-2024

Sept-2025

Going forward

Availability

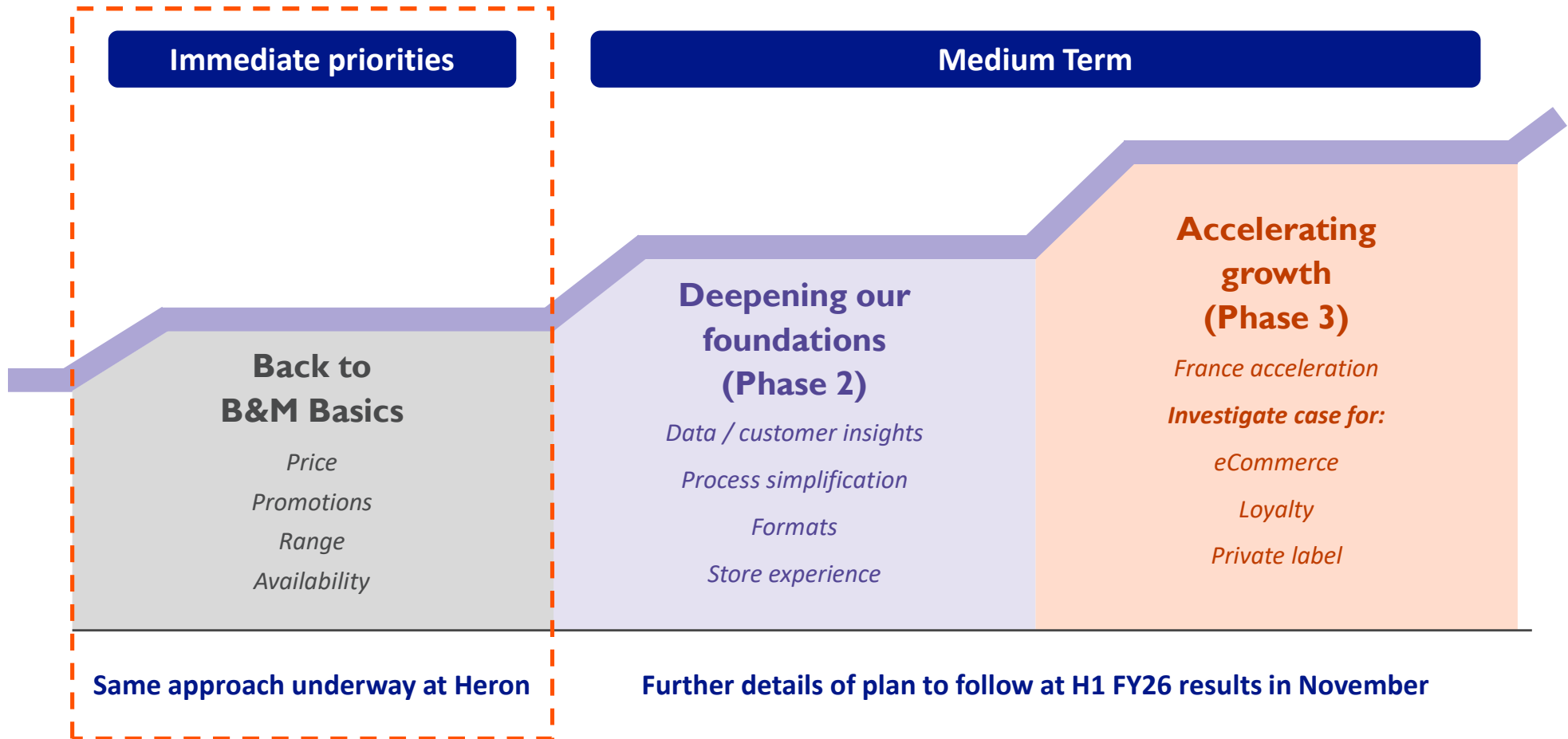
Resetting replenishment processes focused on best selling FMCG lines alongside SKU reduction.



Current

Best-in-class

Back to B&M Basics the first of 3 phased workflows



Objectives



- Back to B&M Basics being implemented and taking effect through next 12-18 months
- Laser focus on returning B&M UK to sustainable LFL growth
- With LFL growth, profit margins are expected to stabilise at least at the FY26 outturn level
- Strong ROCE and cash generation, with a continued focus on shareholder returns

Summary

B&M fundamentals remain strong
but execution needs improvement

Diagnosis complete of where we have drifted from
B&M's core value proposition



Near term Back to B&M Basics plan underway

Laser focus on returning B&M UK to sustainable LFL
growth

Fixing the basics, deepening our foundations, accelerating growth



Q&A

