



B&M European Value Retail plc

FY26 Results Presentation

3 June 2026

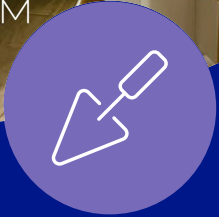




Introduction

Tjeerd Jegen

Chief Executive Officer



Home
by B&M

Spring/Summer
HOME 2026

Key highlights



FY26 profit delivery at midpoint of current guidance, leverage back within target range

Implementation of Back to B&M Basics well advanced, early indicators encouraging

Phase 2 initiatives underway, balancing new store rollout with investments in existing estate

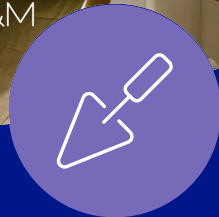
France performing well, growing LFL sales, footfall and category share in a competitive market



FY26 Financial Performance

Peter Waterhouse

Interim Chief Financial Officer



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Spring/Summer
HOME 2026

FY26 profit at midpoint of current guidance, leverage in range

<p>£5,775m</p> <p>Group revenue</p> <p>FY25: £5,571m</p>	<p>£459m</p> <p>Group adjusted EBITDA¹</p> <p>FY25: £620m</p>
<p>£284m</p> <p>Adjusted profit before tax</p> <p>FY25: £455m</p>	<p>1.4x</p> <p>Leverage ratio (pre-IFRS 16)²</p> <p>£125m reduction in net debt</p>
<p>£321m</p> <p>Post-tax free cash flow³</p> <p>FY25: £311m</p>	<p>9.6p</p> <p>Full year dividend</p> <p>FY25: 15.0p</p>



Total **revenue growth** of 3.6%, driven by new stores growth in B&M UK and France



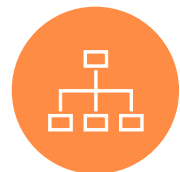
Flat **like-for-like** sales performance in B&M UK, with continued momentum in B&M France



Adjusted **PBT** impacted by trading margin and operating cost inflation in B&M UK



Strong **free cash flow** generation, with leverage within 1.0x-1.5x range



Redomicile process from Luxembourg to Jersey completed February 2026

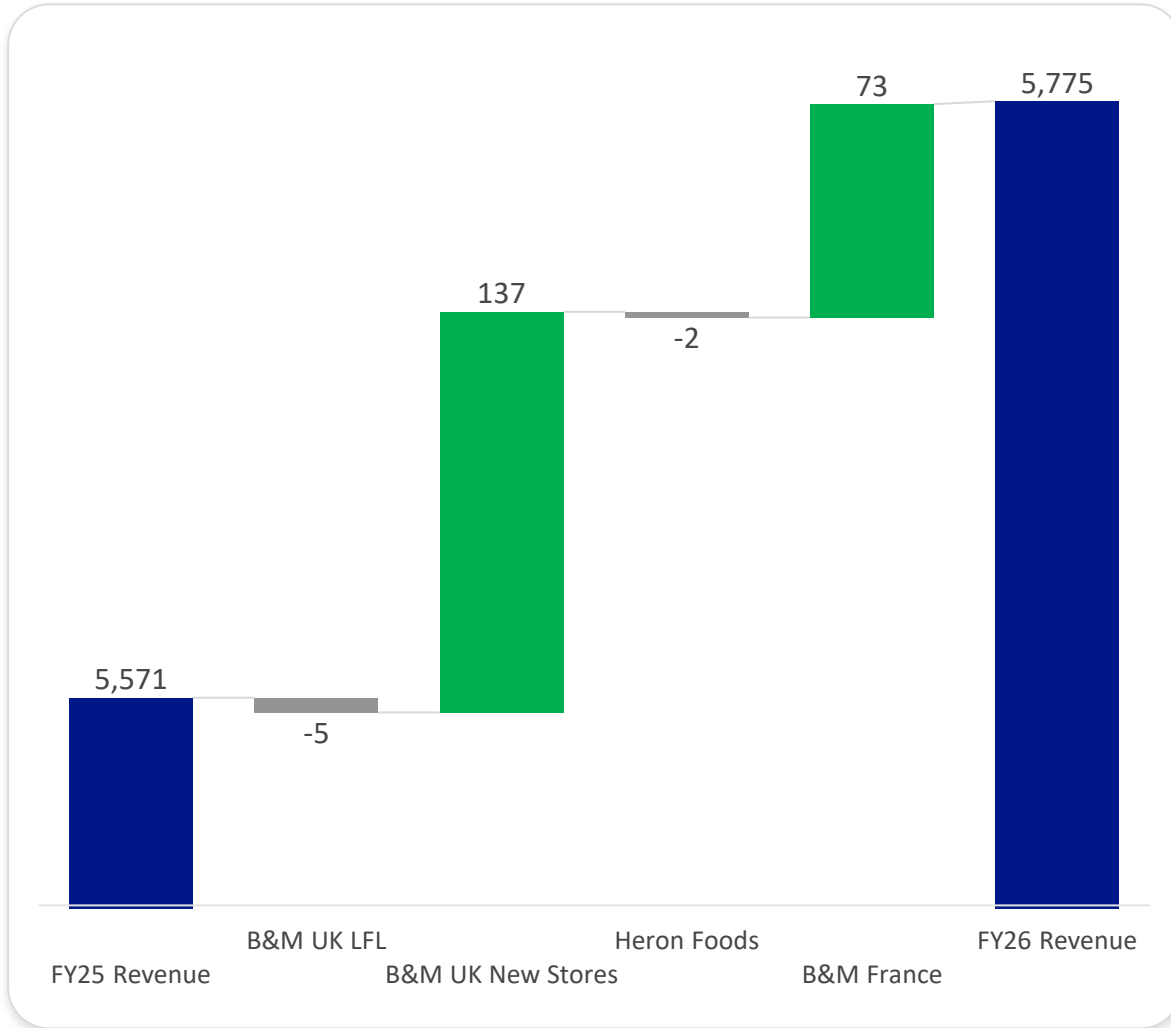
1. Adjusted figures exclude unusual, non-trading and/or non-recurring impacts on performance. For further details see notes 2,3 and 4 of the financial statements.

2. Leverage ratio is calculated as net debt divided by adjusted EBITDA. For further details see note 27 of the financial statements.

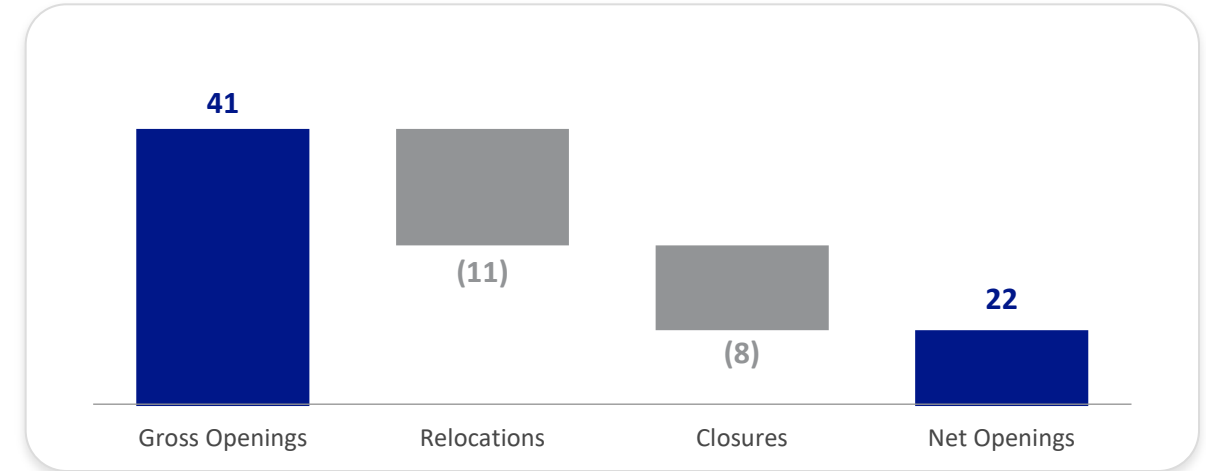
3. Post-tax free cash flow is a preferred measure of cash generation for our business. For further details please see the FY26 RNS.

New stores across both B&M businesses drive Group revenue growth

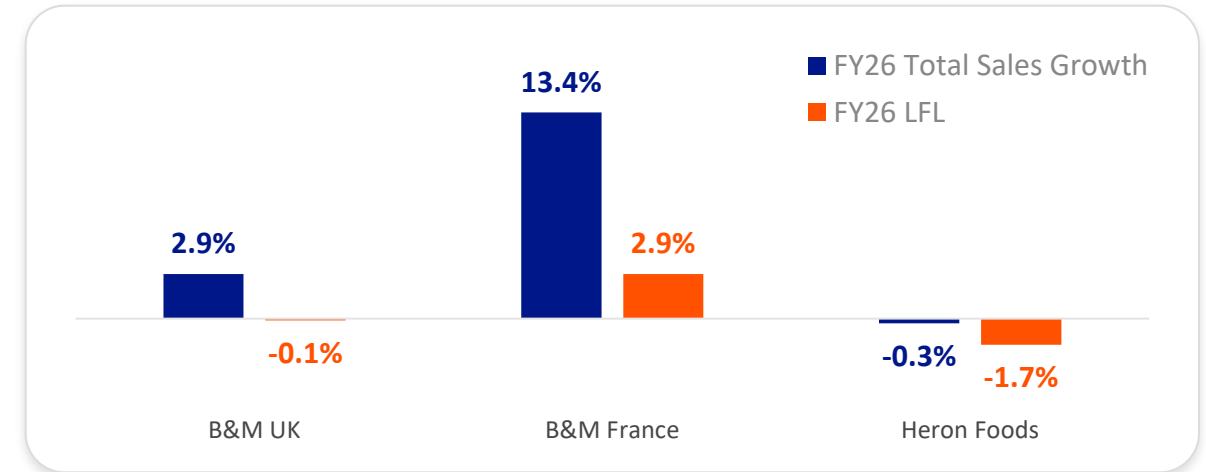
Year-on-year Group revenue progression (£m)



B&M UK space sales growth reflects opening timings and closures

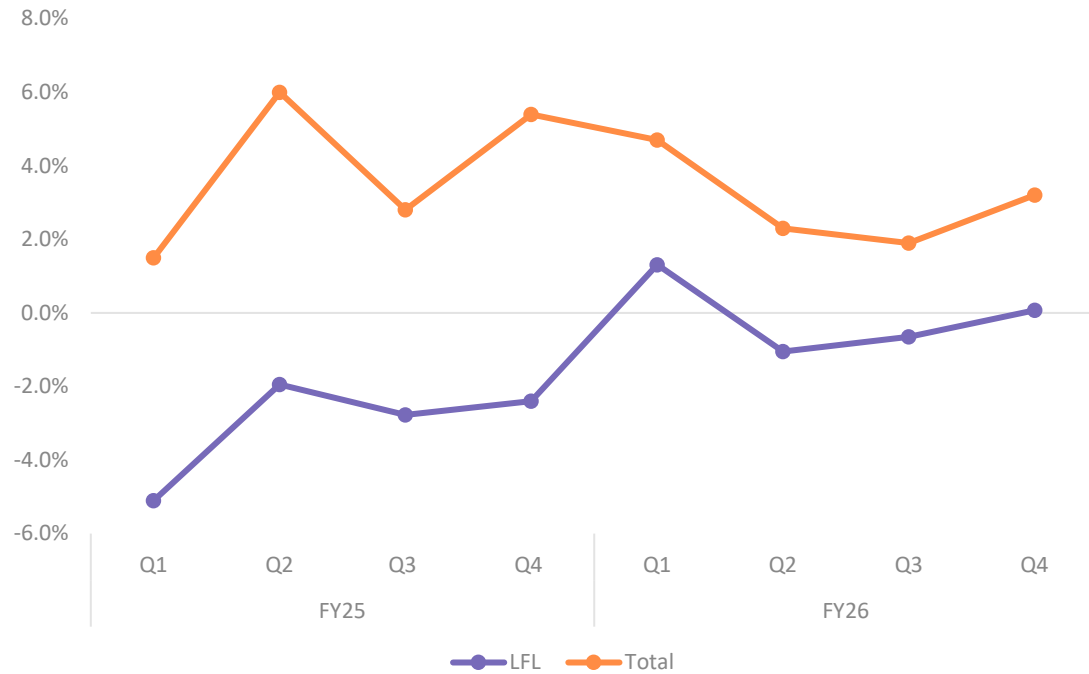


Fascia overview



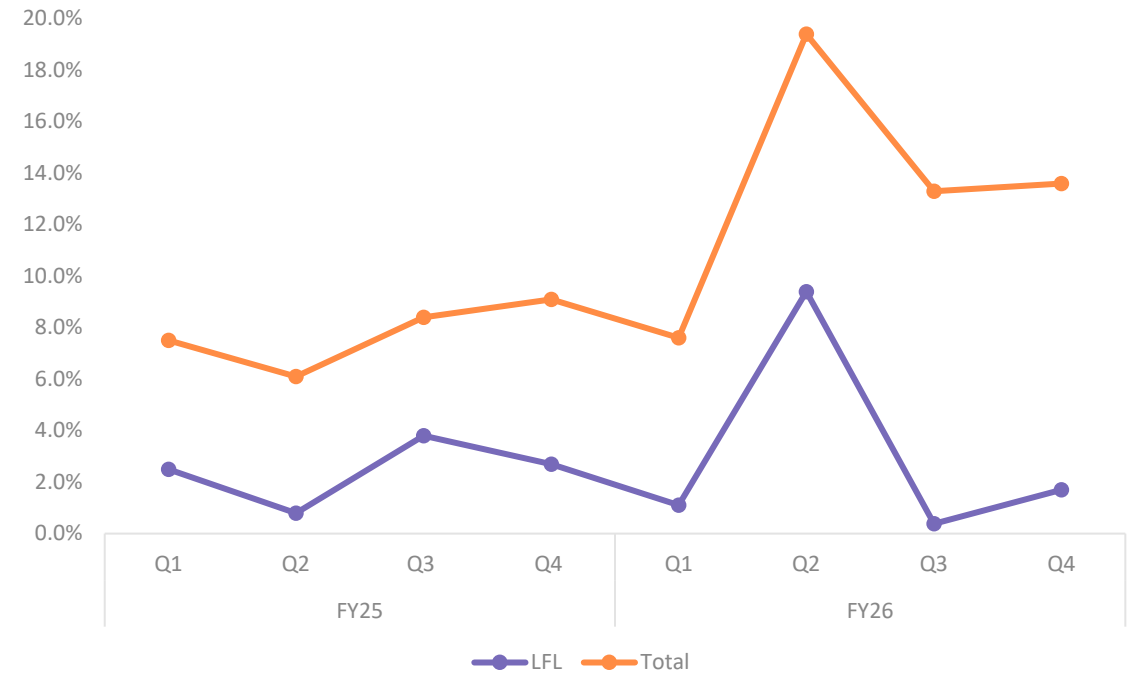
Flat UK like-for-like sales, with improving trajectory

B&M UK



- General Merchandise sales value and volumes increased year-on-year
- FMCG recovered from low base but still negative overall
- FY26 total LFL improved to -0.1% (FY25: -3.1%)
- Positive B&M UK LFL in Q4 (+0.1%)

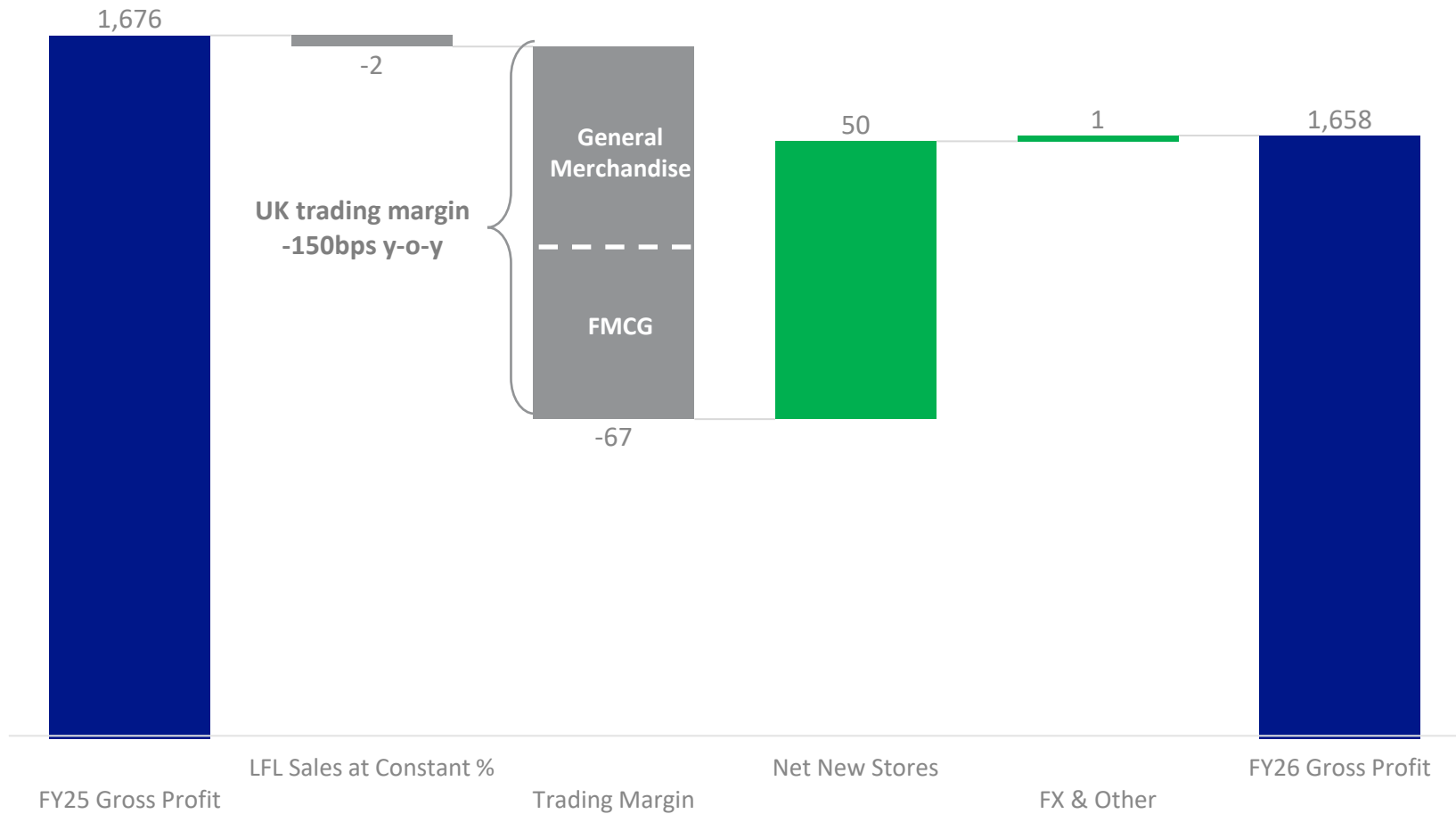
B&M France



- Q2 FY26 performance partially benefitted from low base effect of the WMS implementation in the prior year
- LFL growth underpinned by increased customer transactions; performance balanced across both FMCG & GM
- FY26 total LFL +2.9% (FY25: +2.6%)

Trading margin impacted by lower bought-in margin and price investment

Year-on-year B&M UK gross profit progression (£m)

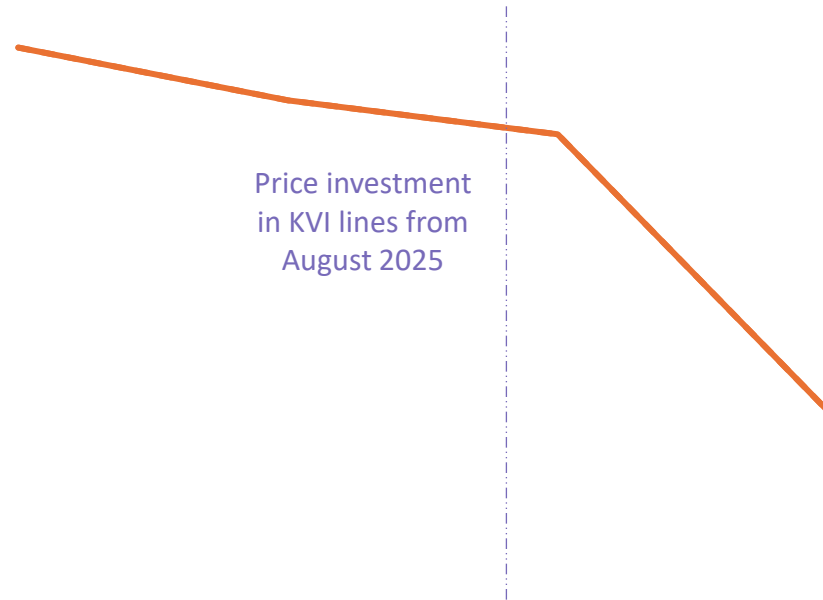


Trading margin commentary:

- **GM:** lower bought-in margins within spring/summer and autumn/winter ranges
The rate of decline lessened in H2 vs. H1, but margins remained lower YoY
- **FMCG:** price investment in KVI lines from Q2 FY26, which impacted H2 margin rates
- **Clearance:** accelerated clearance of discontinued stock during our largest ever clearance event in Q4 FY26

B&M UK: Price investment in FMCG; improving trajectory in GM

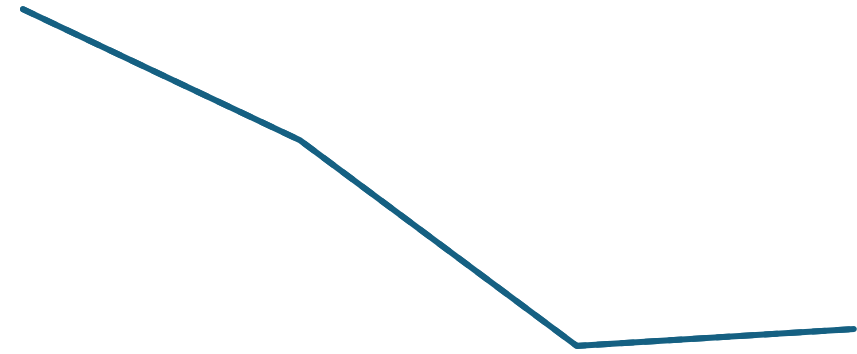
FMCG Category Margin %



H1	H2	H1	H2
FY25		FY26	

- Line-by-line price benchmarking analysis on KVI lines introduced from August 2025, now our lead price metric
- Accelerated clearance of discontinued ranges executed in Q4

GM Category Margin %

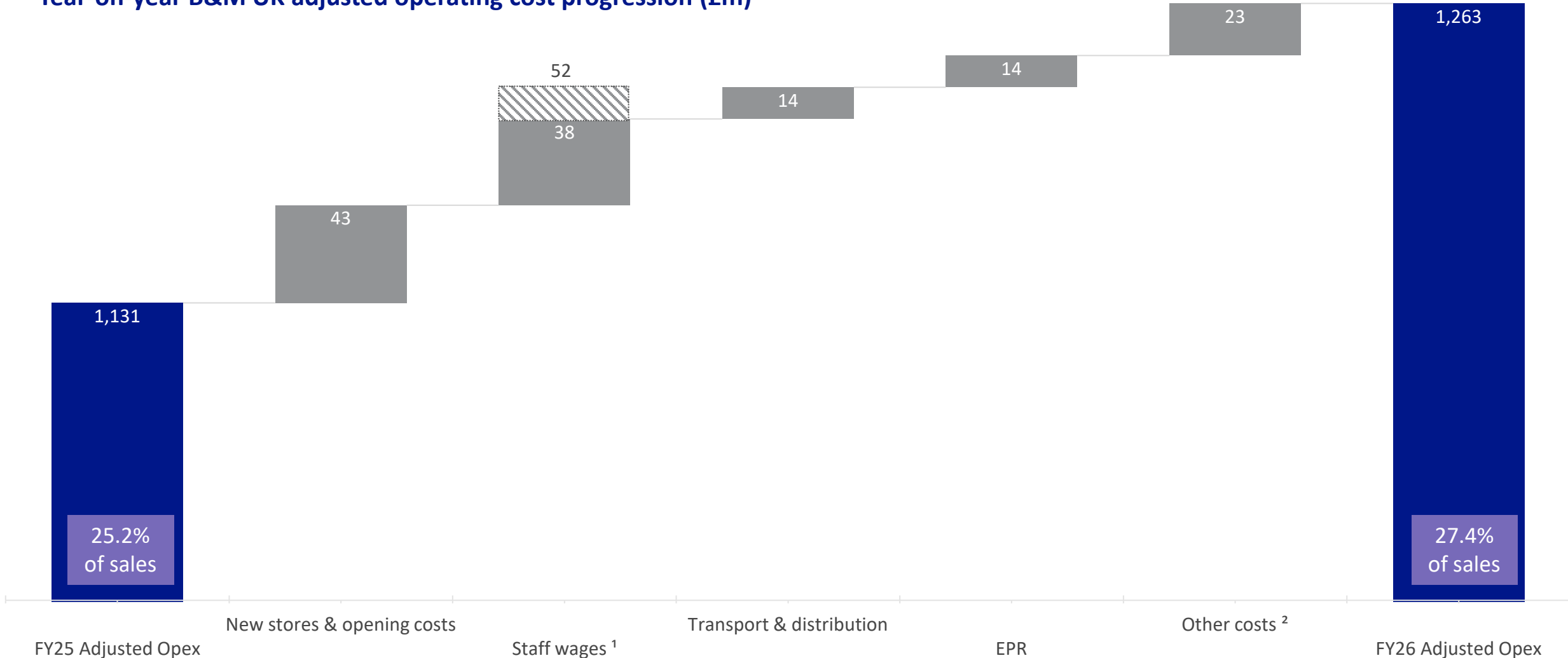


H1	H2	H1	H2
FY25		FY26	

- H1 margin impacted by lower buying margins on Spring/Summer product lines
- Accelerated clearance of discontinued ranges executed in Q4
- Improved FY26 exit rate, with upward trend as we enter FY27

B&M UK: Cost increases from statutory changes and growth investment

Year-on-year B&M UK adjusted operating cost progression (£m)



(1) Staff wage increases include £52m impact from inflationary NMW wage levels & Employers NICs with £14m of mitigation

(2) Other includes indirect store costs, new DC rent and rates, property costs and IT investment

B&M UK: Gross profit increase insufficient to offset rising costs

£m	FY26	FY25
Revenues	4,615	4,483
Gross profit	1,658	1,676
<i>%</i>	<i>35.9%</i>	<i>37.4%</i>
Staff costs	(690)	(628)
<i>% of sales</i>	<i>14.9%</i>	<i>14.0%</i>
Other costs	(559)	(503)
<i>% of sales</i>	<i>12.1%</i>	<i>11.2%</i>
EPR levy	(14)	-
<i>% of sales</i>	<i>0.3%</i>	-
Adjusted EBITDA (pre-IFRS 16)¹	395	545
<i>%</i>	<i>8.6%</i>	<i>12.2%</i>
Adjusted profit before tax¹	319	479

(1) Adjusted figures exclude unusual, non-trading and/or non-recurring impacts on performance. For further details see note 3 of the financial statements.

→ Current year trends

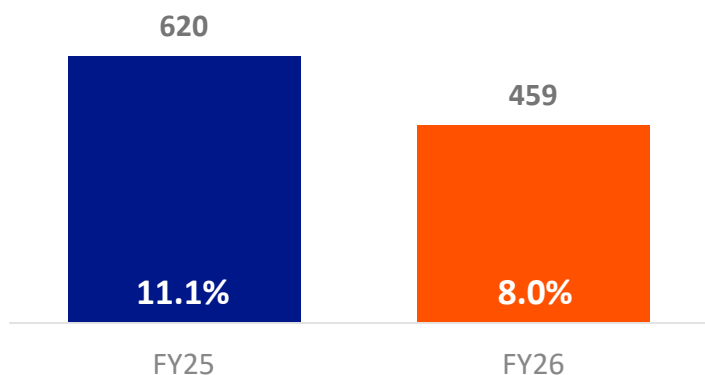
- Limited LFL revenue growth and gross profit margin decline not offsetting higher costs
- New stores and warehouse upgrades increase cost base
- Inflationary impacts are largely due to statutory taxation, which were partially mitigated

→ Outlook

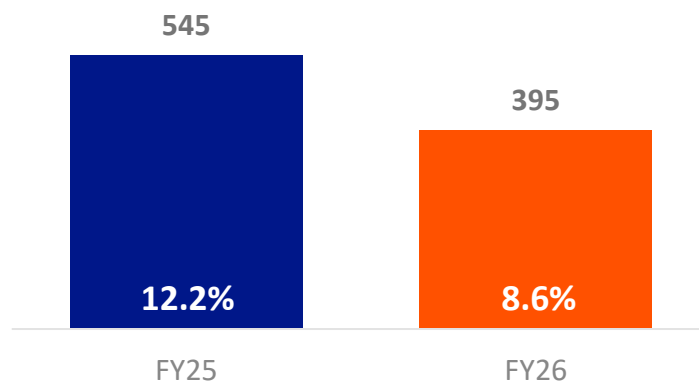
- FY26 statutory pressures easing
- Middle East conflict impacting FY27 cost bases, primarily across:
 - International freight
 - Fuel
 - Energy
- Actively offsetting these macroeconomic pressures through internal cost-saving initiatives

Adjusted EBITDA¹ by fascia

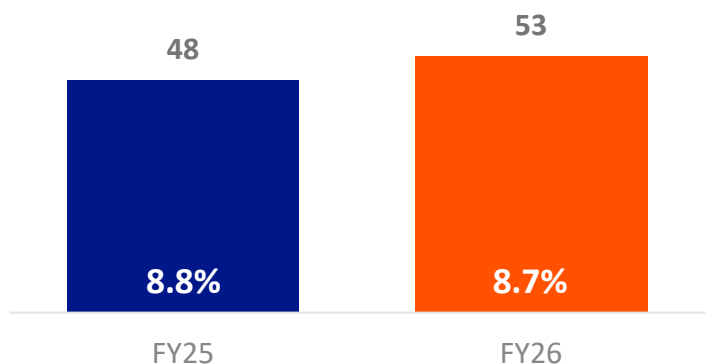
Group² (£m)



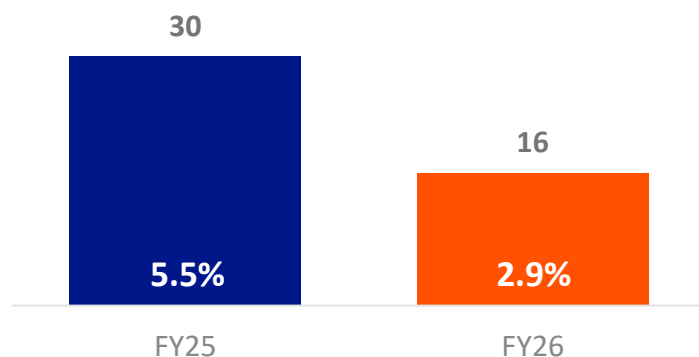
B&M UK (£m)



B&M France (£m)



Heron Foods (£m)



Key Observations

Group adjusted EBITDA^{1,2} of £459m, down 25.9% YoY

B&M UK's adjusted EBITDA margin 360 bps lower due to flat LFL and lower trading gross margins not providing offset to operating cost inflation

B&M France delivered double-digit adjusted EBITDA growth, with margin impacted by DC infrastructure upgrades to unlock capacity for further growth

Heron's performance reflects the LFL decline and operating cost inflation

(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.

Strong free cash flow generation

Cash flow overview (£m)

	FY26	FY25
EBITDA (post-IFRS 16)	672	840
Change in working capital	90	(64)
Other ¹	39	8
Cash generated from operations	801	784
Income tax paid	(65)	(109)
Net capex	(139)	(111)
Payments for IFRS 16 leases	(276)	(253)
Post-tax free cash flow²	321	311
Leverage (pre-IFRS 16)	1.4x	1.3x
Leverage (including IFRS 16 liabilities)	2.9x	2.6x

(1) Other relates to the £42m non-cash impairments across the Group, £6m net gain on fair value of derivatives, £3m share options expense, £1m loss on disposal of PPE and £1m share of profits in associates.

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

Delivered £321m of **free cash flow**, with strong cash conversion

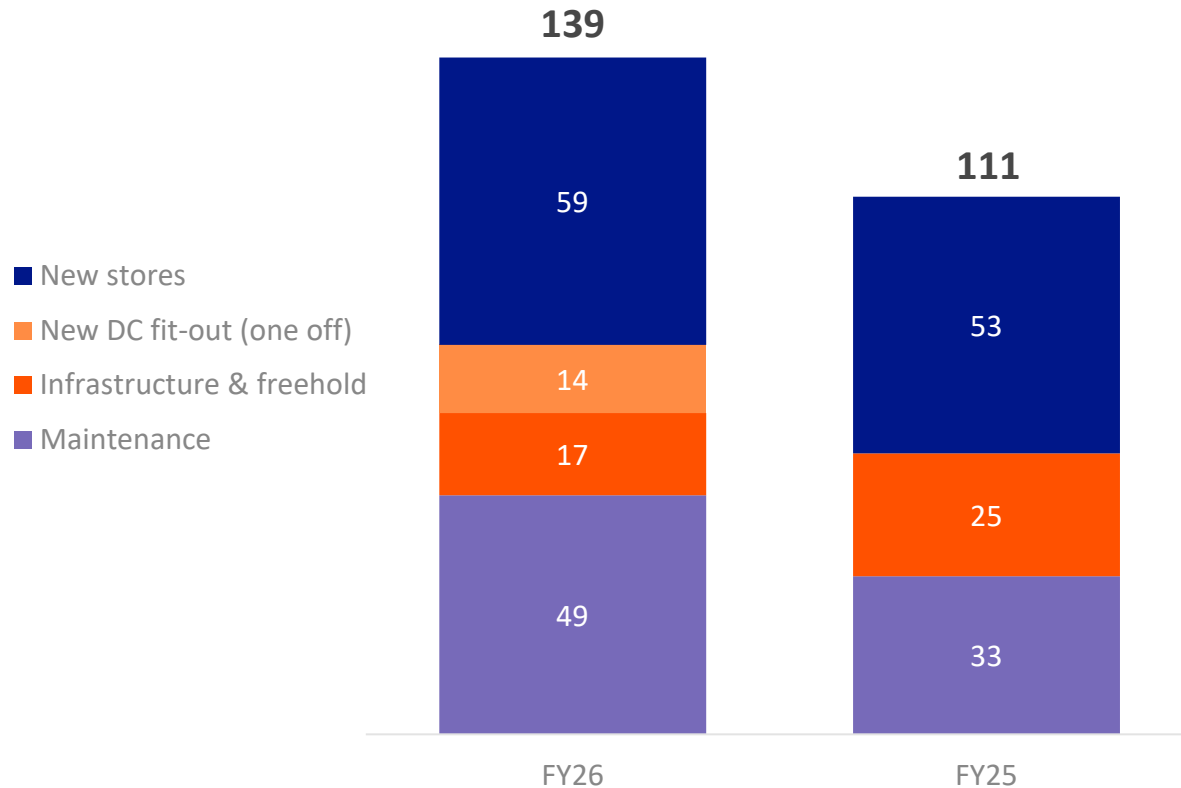
Working capital benefitted from actions under Back to B&M Basics

Capex increase of £28m YoY, with continued investment in store growth and DC network capacity

Leverage ratio of 1.4x within 1.0x-1.5x range; with net debt reduction of £125m YoY

Continued disciplined approach to capex

Capex development (£m)



Total excluding new stores & one-off DC expenditure (% of net sales)	1.1%	1.0%
Total capex (% of net sales)	2.4%	2.0%



Key Observations

- **New store capex of £59m:** supporting the opening of 64 gross new stores across the Group
- **Infrastructure one-off capex of £14m:** driving DC capacity expansion at Ellesmere Port and Rugby
- **Infrastructure and freehold* capex of £17m:** focused on high-return projects, including energy optimisation and IT upgrades
- **Maintenance capex of £49m:** ensuring operational compliance across stores and DC networks
- **Underlying capex at 1.1% of net sales:** excluding new stores and one-off DC investment

*No freehold additions in the year

Capital allocation principles underpinned by a disciplined financial framework

Foundation of a prudent capital structure, maintaining a 1.0-1.5x leverage ratio over time¹

1

Organic growth

Invest in the business to drive growth and deepen foundations

Maintenance / growth capex and estate expansion

2

Ordinary dividend

Provide attractive income streams to shareholders

40-50% dividend payout ratio

3

M&A

M&A on an opportunistic basis

Targets with clear strategic benefit that meet rigorous ROCE criteria

4

Return surplus capital

Return excess capital to shareholders

Additional returns subject to a disciplined framework, with share buybacks now unlocked following redomicile

FY26 reflections

1

FY26 a year of transition in which we faced significant UK cost inflation, margin decline and lower profits

2

Achieved +0.1% LFL in B&M UK in Q4 and (0.4)% LFL in H2 overall

3

Continued progress in France in FY26, with adjusted EBITDA increasing from £48m to £53m

4

Strong FCF generation driven by focus on working capital; net debt reduced by £125m and leverage of 1.4x within our target range

5

Dividend of 9.6p within payout ratio of 40-50% in line with our capital allocation policy

Spring/Summer
Garden 2026

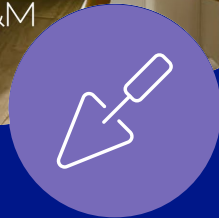




Strategy Update

Tjeerd Jegen

Chief Executive Officer



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We are executing on our strategic plan at pace



1 Back to B&M Basics

- Implementation of Back to B&M Basics well advanced
- FMCG range rationalisation rollout has started
- Full impact of all actions yet to be observed, but early indicators encouraging

2 Phase 2

- Phase 2 underway: cluster model complete, leveraging insight to trial new formats
- Store format test-and-learn approach to ensure better outcomes before deployment
- Balancing new store growth with investments to flex and evolve our stores

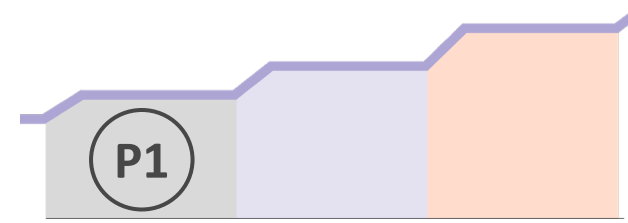
3 B&M France and Heron

- B&M France continues to deliver and is growing category share in a competitive market
- Developing Heron's customer proposition

4 Cost and Capital Discipline

- Inventory reduction and clearance discipline to deliver tangible benefits
- Leverage back within target range provides a stable base to fund continued investment

Back to B&M Basics is delivering positive outcomes



What we said

What we've done

Where we're going

Price

Big brands, big savings: sharper pricing to restore competitiveness and improve customer value perception

- ✓ Weekly monitoring of KVIs
- ✓ Continuously adjusting FMCG pricing
- ✓ Discipline maintained through seasonal periods
- ✓ Maintaining ~15% discount on total basket pricing versus mainstream grocers

Basket price index

vs. discounter peer: 4% (Higher price) / 96% (Lower or Equal price) Last 2 months

vs. large grocery peer: 13% (Higher price) / 87% (Lower or Equal price)

■ Lower or Equal price ■ Higher price

Ongoing
Continuous evolution of tracked KVIs

Ongoing
Keeping basket consistently consumer relevant

Promotions

Drive excitement through relevant local and seasonal offerings and with improved front-of-store bays

- ✓ Strong results from seasonal offering
- ✓ Doubling front-of-store feature space
- ✓ Allocating more space for customer moments

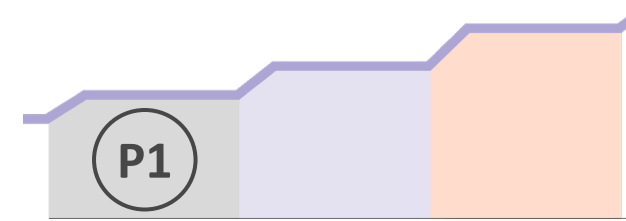


New front-of-store bays with focus on local and seasonal relevance

Ongoing
Redesigning front-of-store promotion process

Ongoing
Continuing to strengthen customer moments

Back to B&M Basics is delivering positive outcomes



What we said

What we've done

Where we're going

Range

More relevant range, less cluttered shelves and stores to boost ease of shop and convey stronger value proposition

- ✓ Encouraging results from 7 category pilots (6/7 positive impact on sales)
- ✓ Rolling out sharper FMCG ranges as of end-May
- ✓ Objective to have c. 20% less SKUs on shelf

Select SKU reduction

Rice & pasta – Phase 1

~(25%) ~+3%

Reduction in live SKUs Sales uplift

Sweets – Phase 2

~(20%) ~+4%

Reduction in live SKUs Sales uplift

Completed

7 FMCG pilot categories

Through FY27

Rolling out FMCG SKU reductions across the estate

Availability

Boost on-shelf availability to deepen loyalty, closing the gap to best-in-class through replenishment

- ✓ Restoring on-shelf availability on 250 leading branded SKUs
- ✓ Extending approach to more lines
- ✓ Launched automated store-specific availability alerts
- ✓ End-to-end focus across supply chain

Availability trials

250 best-seller KIVs

Availability

86% 95%

1H FY26 Today

Meaningful sales uplift

Q2 FY27

Begin rolling out availability alerts

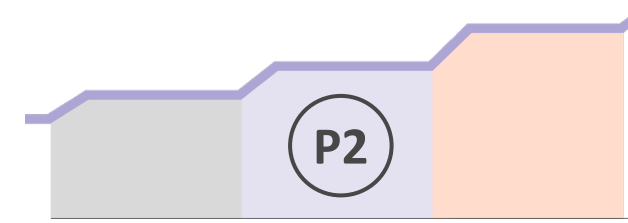
H2 FY27

Forecasting solutions scoping

H2 FY27

Investigate AI-enabled solutions

We are already making progress with Phase 2 plans



Optimising range to customer missions

Clustering model completed – 6 clusters identified



Central essentials

High street, grocery mission, smaller basket



Rural hub

Stand-alone stores, garden focus, larger baskets



Campus living

Students & city families, high population density



Suburban life

Higher disposable incomes, homeware/cleaning/garden focus



City budget

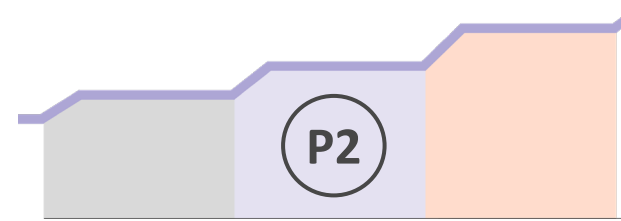
Cities, low disposable incomes, high population density



Out-of-town

Larger stores, highest footfall, DIY focus

Balancing store rollout with investments in existing estate



Leveraging better data and customer insights to help us flex and evolve store formats

Flexing store formats

UK store growth

Investment designed to be self-funded through cost and working capital efficiencies

Re-laying

- Optimal range matched to cluster profile
- Operational changes only, requires no additional capex

Refitting

- Optimising range and improving customer experience
- Testing various refit levels and types of investment

B&M 2.0

- More extensive layout and routing upgrade
- First trial to go live in Q2 FY27

Current trials

6 stores

10 stores

1 store

Targeting ~25-35 new B&M UK store openings in FY27, in line with our organic growth rate

Test-and-learn approach to ensure outcomes met before broader deployment

LFL / sales densities uplift

Positive margin impact

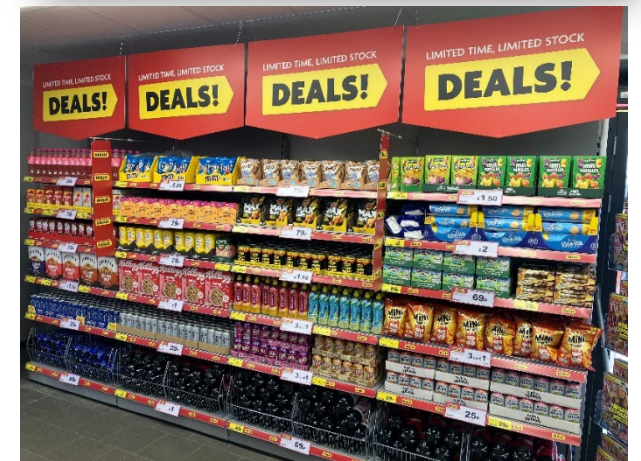
B&M France is a multi-year growth story

- B&M France offers a compelling customer value proposition and is gaining discount share in a competitive marketplace
- Positive LFL sales delivered in FY26 with discount category share of 8.4% (+0.3 YoY)¹
- Mid-teens revenue growth driven by higher footfall and new store openings
- 150th store opened in May 2026 and a long growth runway ahead for retail expansion
- Good start to FY27 trading, with higher footfall and market share driving positive LFLs

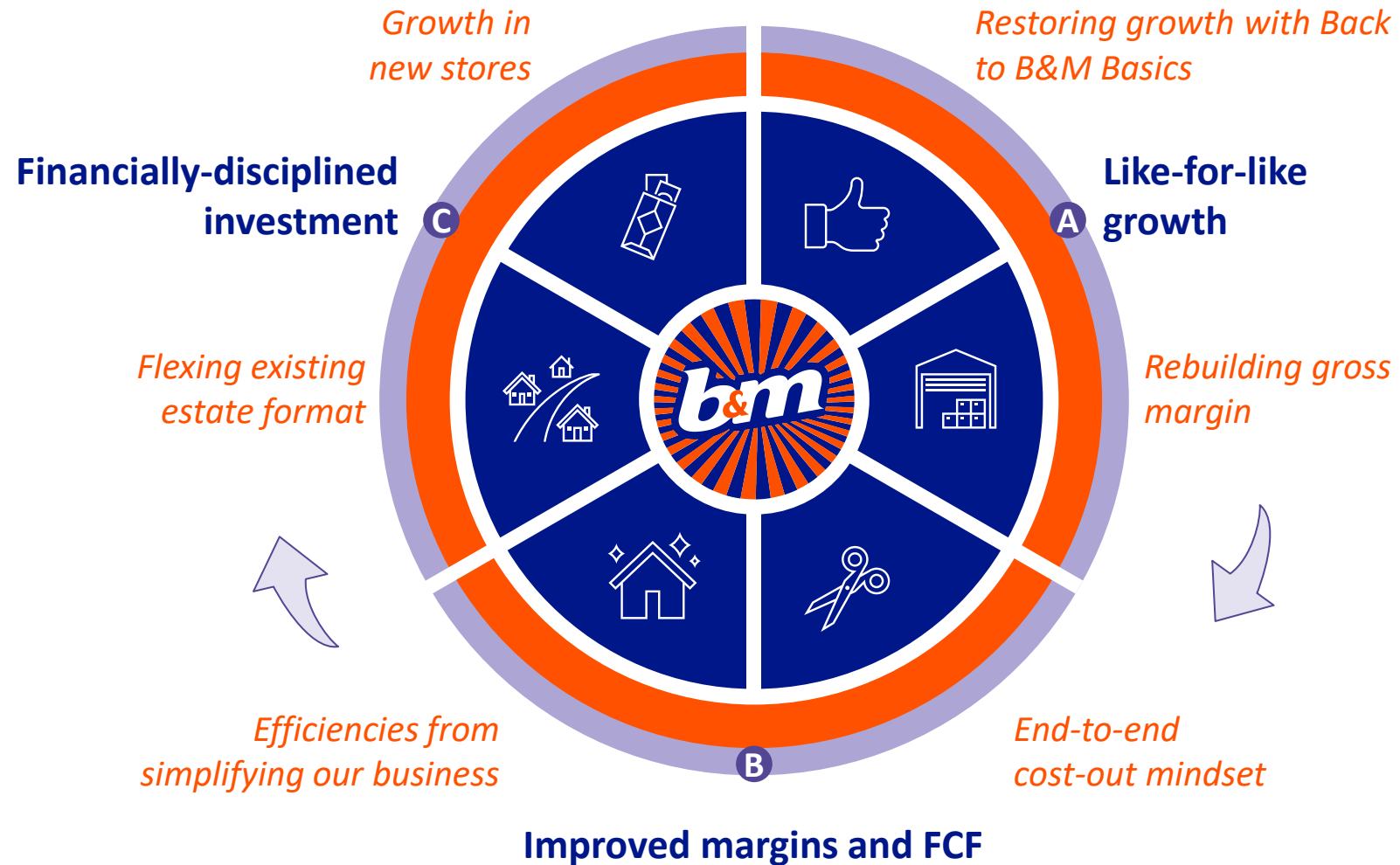


Heron Foods remains a value convenience opportunity

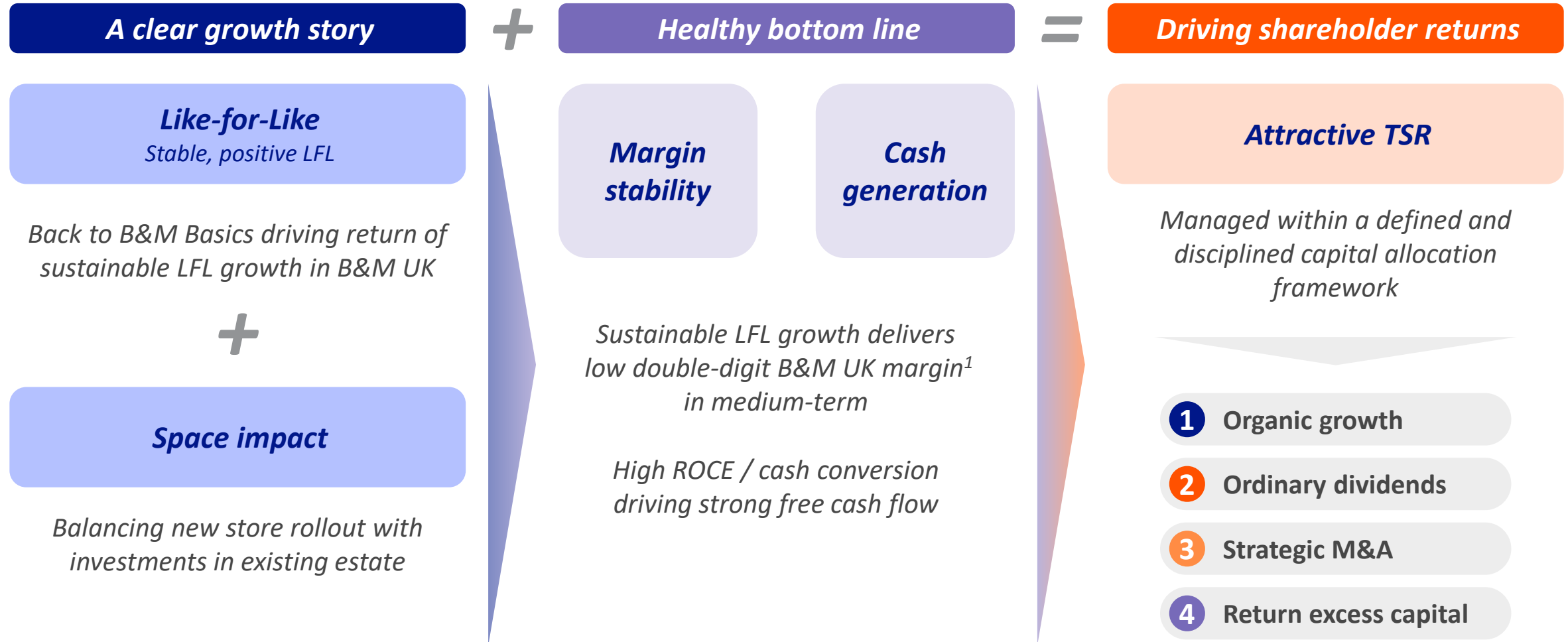
- Working to sharpen Heron's customer proposition for the current market environment
- Reassessing the role of clearance, historically a key driver of success
- Ongoing investment in core team capabilities
- Encouraging start to FY27, with positive LFL sales in early Q1 trading



Our current priorities play to the strengths of our business model



A reminder of where we are heading



(1) Adjusted EBITDA pre-IFRS 16

Summary: balancing strategic execution with continued financial discipline

1

Executing Back to B&M Basics at pace and making consistent progress against a clear plan

2

Restoring UK general merchandise trading margin to enable us to remain sharp in FMCG pricing

3

Balance sheet leverage back within 1.0 – 1.5x range, providing a solid financial base for growth and future shareholder returns

4

Balancing financially disciplined space growth with format investments to lift sales, densities and margin

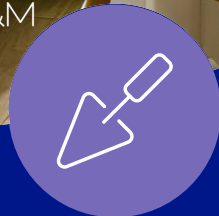
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Slower start to seasonal trading at B&M UK in Q1 to date; France and Heron see a positive start to FY27





Q&A



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