



***B&M European Value Retail S.A.
FY21 Preliminary Results Presentation
52 weeks to 27 March 2021***

Highlights from an exceptional FY21

- Group revenues increased by +25.9% to £4,801.4m
 - B&M UK LFL revenues +23.8%, with Q4 the strongest quarter at +29.0%
 - 43 gross new B&M UK store openings with 18 closures, a net increase of 25
 - 17 gross new store openings at Heron Foods and 4 closures, a net increase of 13
 - 3 net new stores opened in France, with 73 stores now under the 'B&M' banner
- Group adjusted EBITDA increased by +83.0% to £626.4m
 - B&M UK adjusted EBITDA growth of +84.7% to £590.7m
- Adjusted diluted EPS of 43.4p, an increase of +113.8%
- Cash generated from operations up 75.0% to £944.0m, with pre-IFRS16 leverage now 0.8x
- Proposed final dividend of 13.0p, taking full year ordinary dividends in FY21 to 17.3p, in addition to 45.0p of special dividends



Alex Russo

Chief Financial Officer



Summary Profit and Loss

<i>£ millions,</i>	<i>FY21</i>	<i>FY20</i>	<i>YoY change</i>
Group Stores (number)	1,091	1,050	3.9%
Revenue	4,801.4	3,813.4	25.9%
Gross Profit	1,763.5	1,289.2	36.8%
%	36.7%	33.8%	292 bps
Operating Costs	(1,137.1)	(946.9)	20.1%
Adjusted EBITDA	626.4	342.3	83.0%
%	13.0%	9.0%	407 bps
Depreciation and Amortisation	(62.4)	(57.7)	8.2%
Net Interest	(23.8)	(24.6)	(3.1)%
Adjusted Profit Before Tax	540.1	260.0	107.7%
Adjusting Items ^{1,2}	(3.5)	40.7	n/a
Exceptional & Finance Lease Interest	(4.7)	(0.0)	n/a
Profit Before Tax (pre-IFRS16)	532.0	300.7	76.9%
IFRS16 Impact ³	(6.6)	(48.6)	(86.4)%
Statutory Profit Before Tax (post-IFRS16)	525.4	252.0	108.5%
Adjusted Diluted EPS (p)	43.4p	20.3p	113.8%
Statutory Diluted EPS (p)	42.7p	19.5p ⁴	119.0%

Pre-IFRS16

1. FY21 adjusting items relate to the ineffective portions of our foreign exchange derivatives (£6.8m) and an intercompany foreign exchange loss (£3.2m) offset by a credit of £6.5m relating to the Babou Covid-19 provision made in the prior year
2. FY20 adjusting items mainly related to the £49.0m gain realised on the sale & leaseback of the Bedford distribution centre



3. Appendix 1 contains a reconciliation of the IFRS16 adjustments
4. Statutory Diluted EPS is shown for continuing operations only

Performance by Fascia

	FY21	FY20	YoY change
Group Stores (number)	1,091	1,050	3.9%
B&M UK	681	656	3.8%
Heron Foods	306	293	4.4%
Babou	104	101	3.0%

Group Revenue (£m)	4,801.4	3,813.4	25.9%
B&M UK	4,077.6	3,140.1	29.9%
Heron Foods	414.8	389.9	6.4%
Babou	309.1	283.4	9.1%

Group Gross Margin (%)	36.7%	33.8%	292 bps
-------------------------------	--------------	--------------	----------------

Group adjusted EBITDA (£m)	626.4	342.3	83.0%
B&M UK	590.7	319.8	84.7%
Heron Foods	24.6	25.5	(3.5)%
Babou	11.1	(3.0)	n/a

Group adjusted EBITDA (%)	13.0%	9.0%	407 bps
B&M UK	14.5%	10.2%	430 bps
Heron Foods	5.9%	6.6%	(63) bps
Babou	3.6%	(1.1)%	465 bps

HIGHLIGHTS

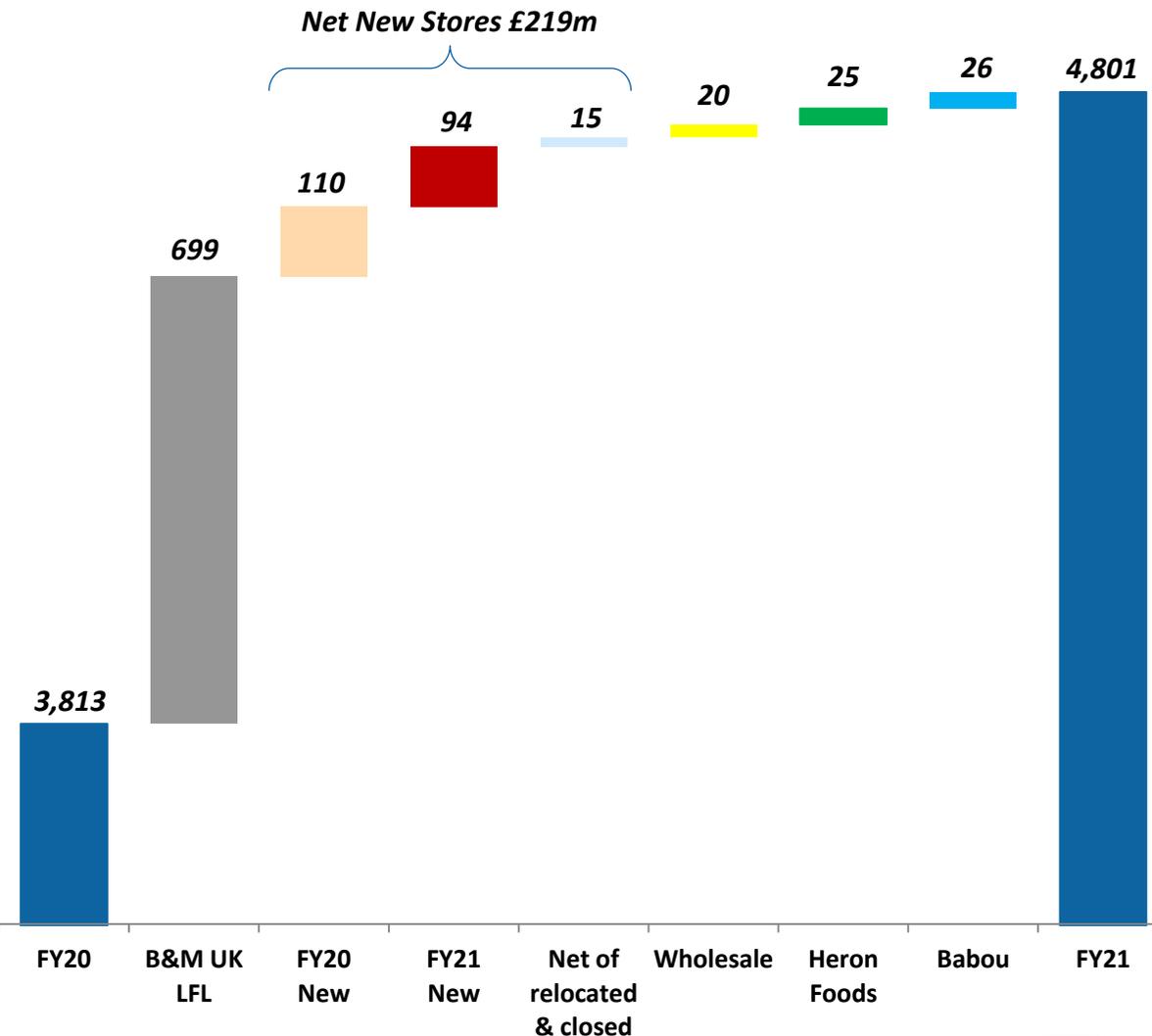
- Continued space growth despite initial disruption to the construction industry caused by Covid-19
- Exceptional sales densities in B&M UK, with other fascias also contributing positive LFL growth
- Gross margin expansion driven by B&M UK due to favourable mix shift to General Merchandise and in particular strong sell-through on Seasonal
- Operational leverage in core B&M UK fascia, with Babou delivering a profit for the year
- Adjusted EBITDA margin expansion supported by operational execution and disciplined cost control



Group Revenue Bridge

REVENUE FY20 - FY21

£ millions,



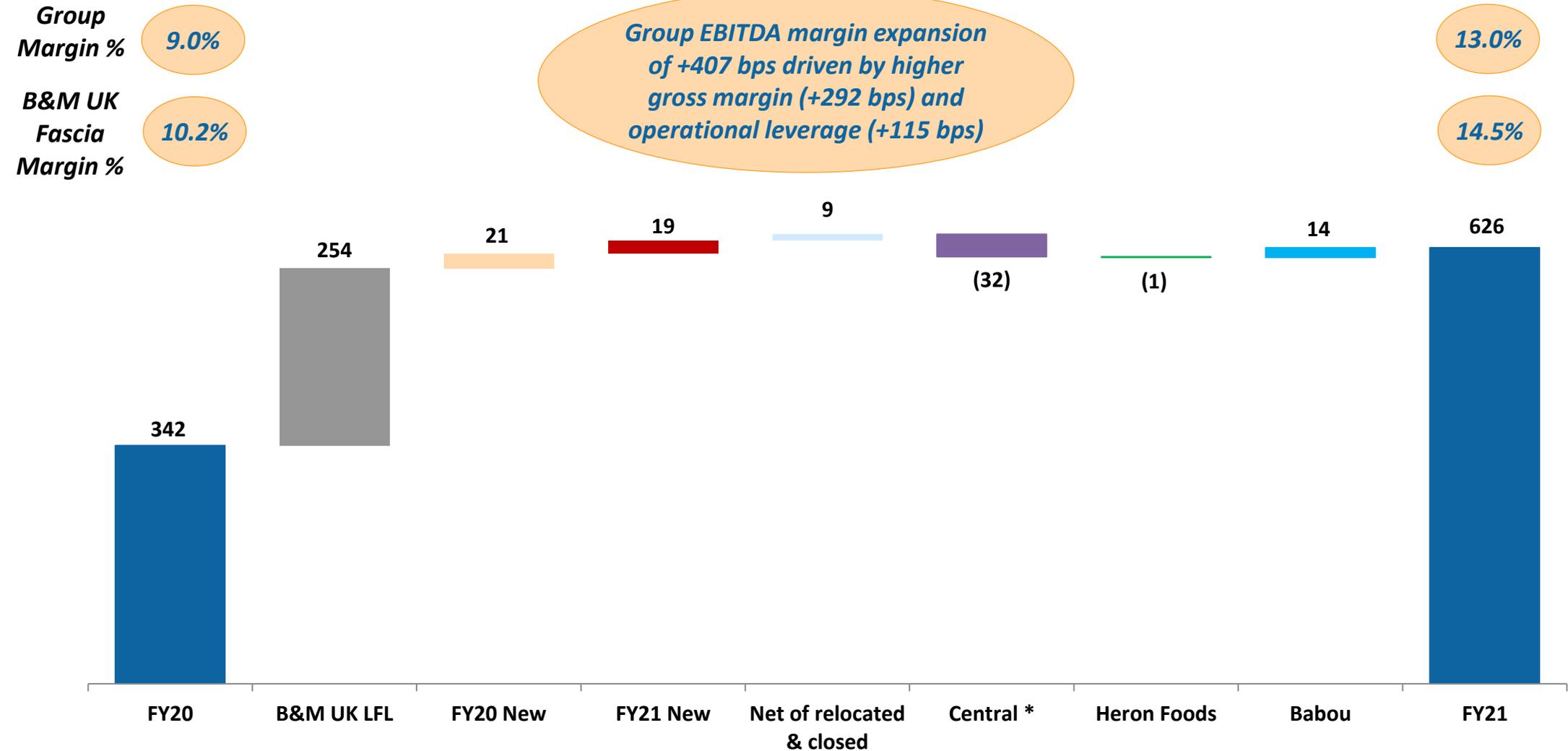
- Total Group revenue growth of +25.9%
- B&M UK revenue growth +29.9%, with LFL +23.8%
 - New store programme delivered +£219m, with 25 net new stores in FY21 plus annualisation of FY20 openings
- Heron Foods revenue growth +6.4% to £414.8m, with positive LFL growth
- Babou revenue growth of +9.1% to £309.1m, despite disruption caused by 10 weeks of lockdown measures
 - Strong LFL growth when fully open



EBITDA Growth Across All Fascias

ADJUSTED EBITDA BRIDGE FY20 - FY21

£ millions,



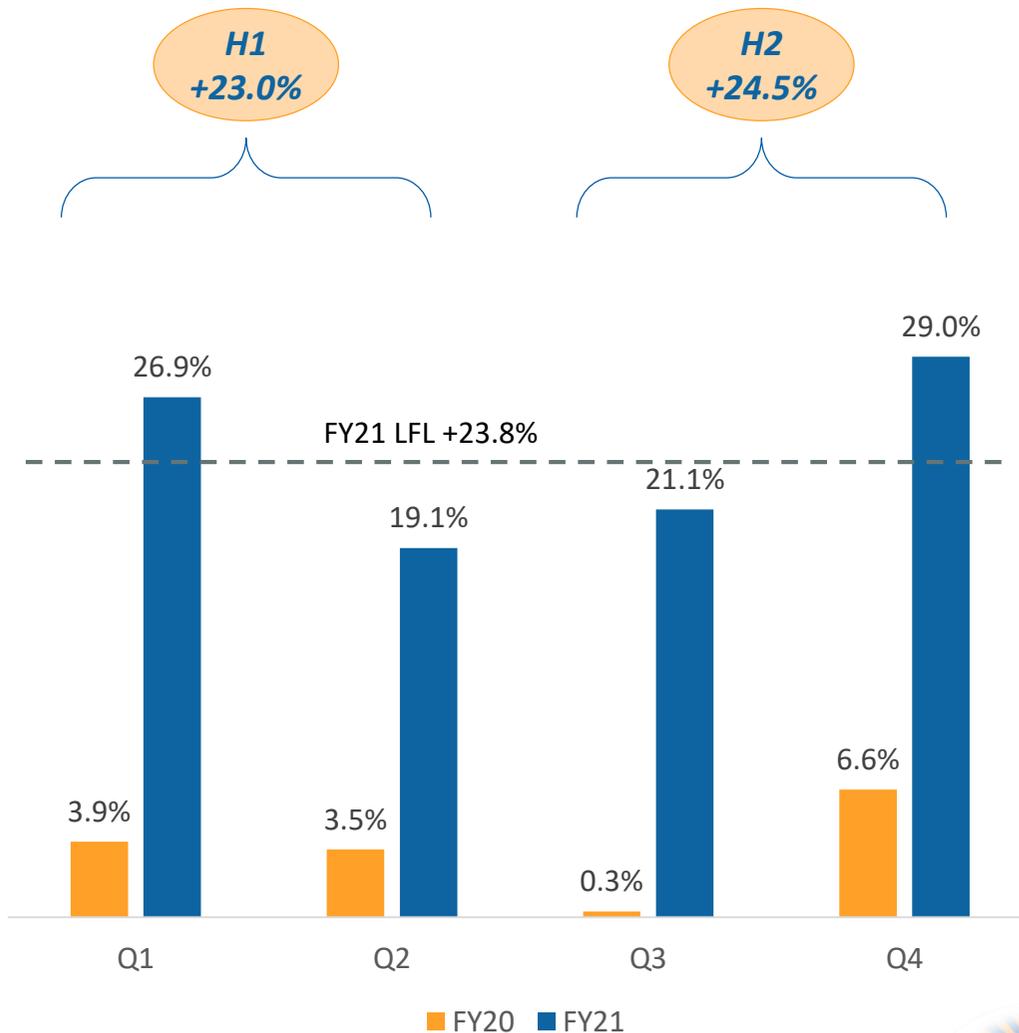
* Central includes additional colleague bonus paid in FY21 and the year-on-year impact of the sale and leaseback of the Bedford distribution centre



B&M UK Fascia LFL Sales



FY21 LFL SALES



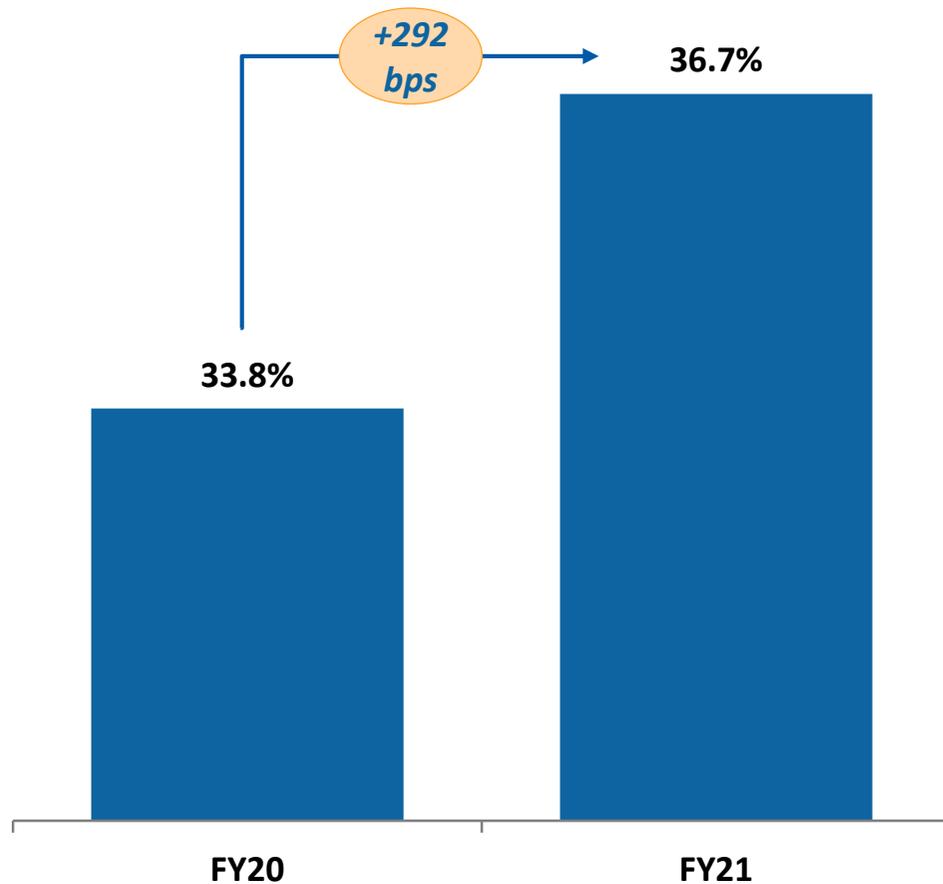
COMMENTARY

- LFL revenue growth of +23.8% consistently strong throughout the year
- Out of Town locations, particularly those with Garden Centres, have outperformed Town Centre locations
 - Out of Town represents c.80% of revenues
- LFL performance broad based across both Grocery and Non-Grocery categories, with the latter particularly strong over H2
- Performance also geographically broad based, with all 5 UK regions delivering LFL of >20%



Group Gross Margin

GROUP GROSS MARGIN (%)



KEY HIGHLIGHTS

- B&M UK fascia gross margin 333 bps higher than FY20
- Mix shift towards Non-Grocery due to popularity of ranges such as Homewares, DIY and Gardening
- Strong sell-through on Seasonal meant very limited markdown activity, which will not repeat in FY22
- Grocery gross margin was stable, with pricing remaining competitive
- Heron Foods gross margin broadly stable year-on-year
- France delivered a 41.6% gross margin vs 39.5% in FY20
- Reflects normalisation after legacy stock clearance in FY20, with further improvement expected in FY22 subject to the impact of lockdowns



Operating Costs by Fascia

<i>£ millions,</i>	<i>FY21</i>	<i>FY20</i>	<i>YoY change</i>
B&M UK	913.8	734.4	24.4%
Heron Foods	105.9	97.7	8.4%
Babou	117.4	114.8	2.3%
Adjusted Costs (pre-IFRS16)	1,137.1	946.9	20.1%
D&A (pre-IFRS16)	62.4	57.7	8.2%
IFRS16 Depreciation	152.8	145.7	4.9%

% of Revenue

B&M UK	22.4%	23.4%	(98) bps
Heron Foods	25.5%	25.0%	48 bps
Babou	38.0%	40.5%	(252) bps
Adjusted Costs (pre-IFRS16)	23.7%	24.8%	(115) bps
D&A (pre-IFRS16)	1.3%	1.5%	(21) bps

KEY HIGHLIGHTS

- B&M UK fascia operating costs 98 bps lower than last year as a percentage of revenues
- Voluntarily waived business rates relief of c.£75m
- Strong operating leverage on fixed elements of store and support centre cost base
- Heron Foods operating costs also includes c.£5m of waived business rates relief
- Babou operating costs as a percentage of revenues lower than last year despite 10 weeks of lockdown
- D&A (pre-IFRS16) was 1.3% of sales, lower than prior year due to strong sales performance



Group Interest Expense

<i>£ millions,</i>	<i>FY21</i>	<i>FY20</i>	<i>YoY change</i>
<i>Cash Interest Expense</i>	22.5	22.7	(1.2)%
<i>Amortised Fees</i>	1.7	2.1	(19.8)%
<i>Interest Income</i>	(0.3)	(0.2)	38.5%
<i>Adjusted Net Interest</i>	23.8	24.6	(3.1)%
<i>Exceptional & Finance Lease Interest</i>	4.7	0.0	n/a
<i>Total Interest Expense</i>	28.4	24.6	15.9%
<i>IFRS16 Interest</i>	61.4	57.2	7.4%

KEY HIGHLIGHTS

- Cash interest and amortised fees relate to third party bank debt and High Yield Bond
- Exceptional interest charges of £4.5m relates to unamortised fees on previous facilities being written off and redemption interest on existing bond
- Group completed a re-financing in July 2020
 - Maturity on both £300m loan facility and £155m Revolving Credit Facility extended to April 2025
 - Issue of a £400m High Yield Bond, maturing in July 2025, used to repay the existing £250m Bond
- Ongoing adjusted net interest expense of c.£24m p.a.



Operating Cash Flow (Pre-IFRS16)

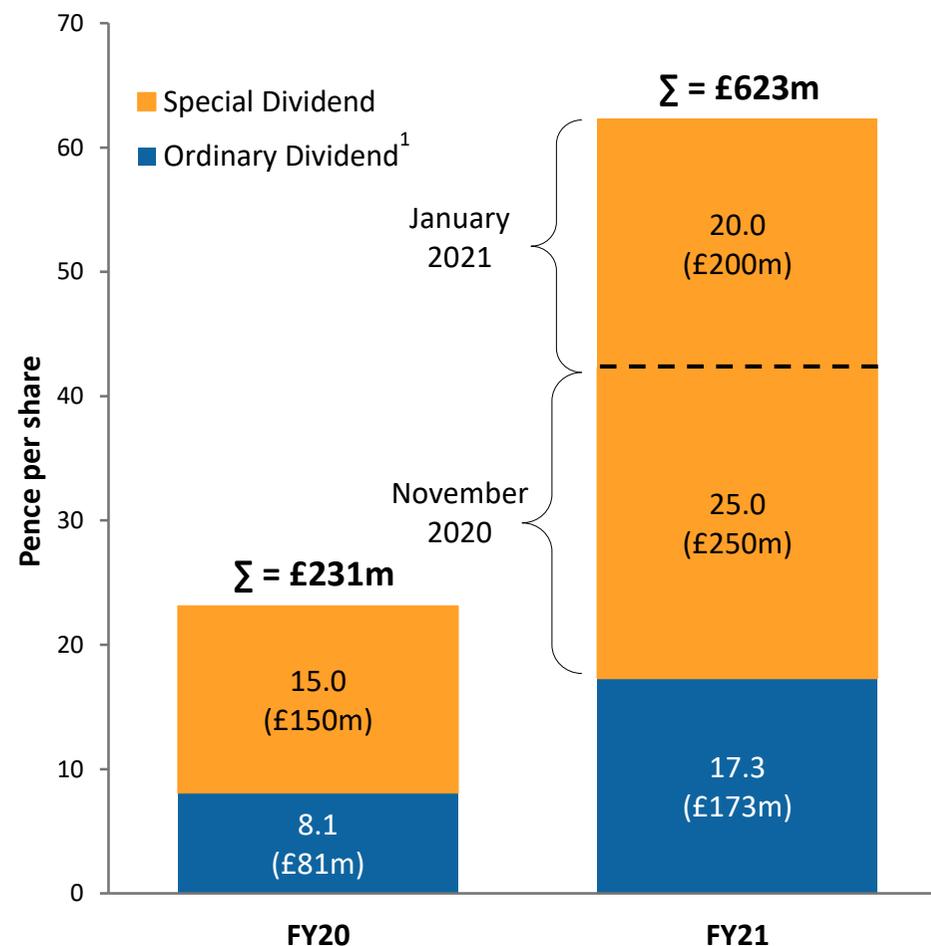
CASH FLOW STATEMENT

<i>£ millions,</i>	<i>FY21</i>	<i>FY20</i>
Adjusted EBITDA (pre-IFRS16)	626.4	342.3
<i>Change in Working Capital</i>	<i>123.3</i>	<i>99.7</i>
<i>New Store Capex</i>	<i>(42.9)</i>	<i>(42.4)</i>
<i>Infrastructure and Freehold Capex</i>	<i>(16.4)</i>	<i>(52.0)</i>
<i>Maintenance Capex</i>	<i>(22.2)</i>	<i>(28.6)</i>
Total Net Capex	(81.5)	(123.0)
Operating Cash Flow (pre-IFRS16)	668.2	319.0
<i>Net debt (pre-IFRS16)</i>	<i>519.8</i>	<i>347.5</i>
<i>Leverage ratio (pre-IFRS16)</i>	<i>0.8x</i>	<i>1.0x</i>

Remain comfortably within stated leverage ceiling of 2.25x



DIVIDEND PAYOUT

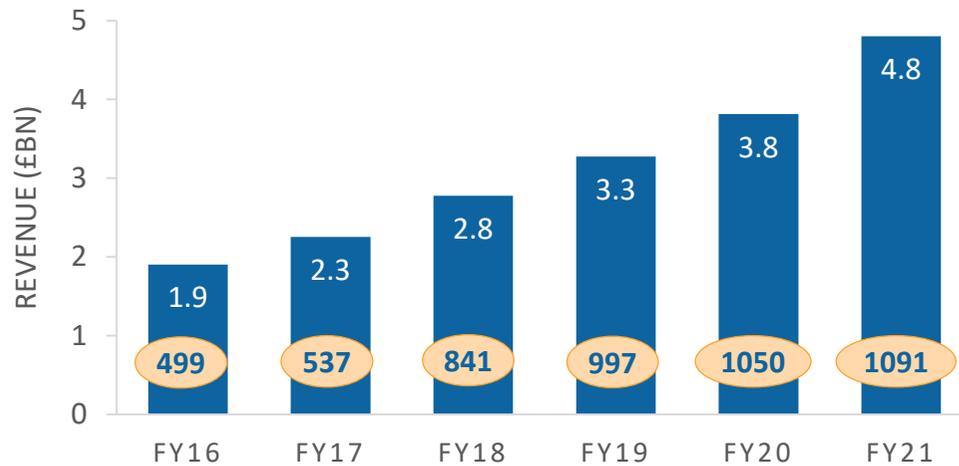


1. Ordinary dividend policy is to target a payout ratio of 30-40% of net income
2. The 15.0p special dividend in FY20 related to the sale & leaseback of the Bedford distribution centre. This was declared in FY20, but paid in FY21.

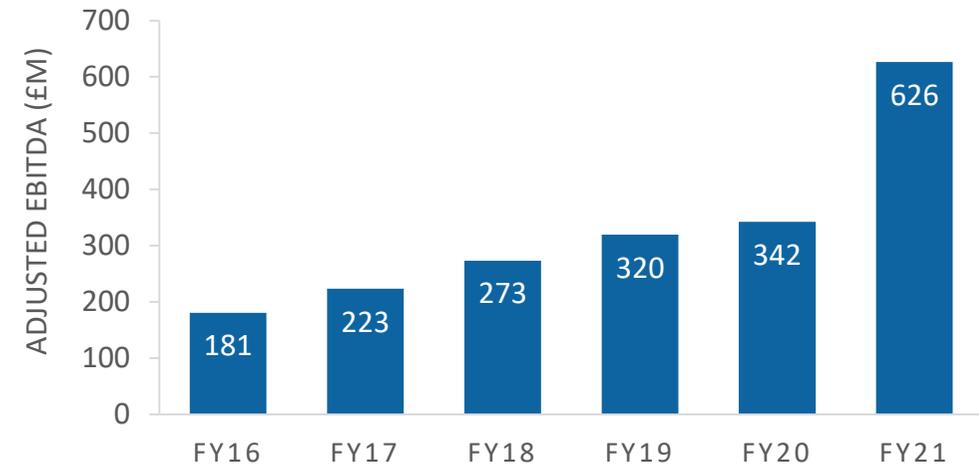
Track Record Since IPO



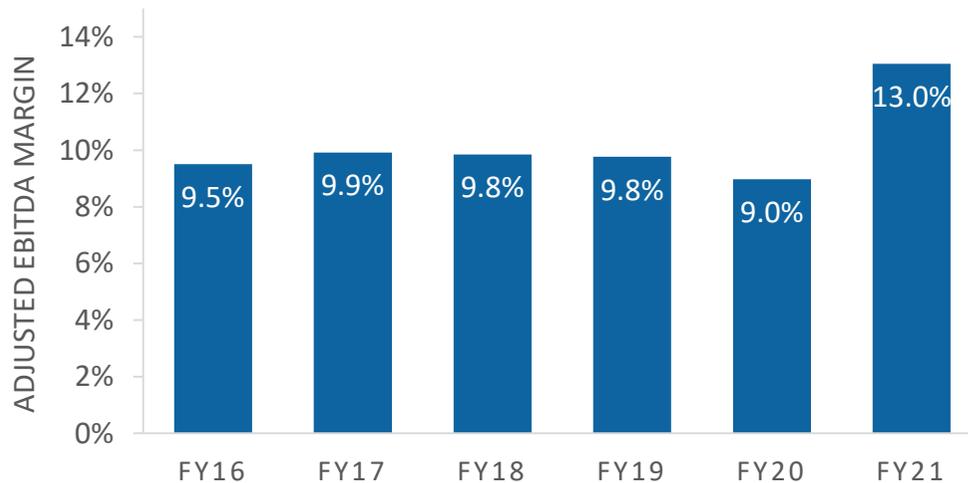
REVENUE AND STORE NUMBERS¹



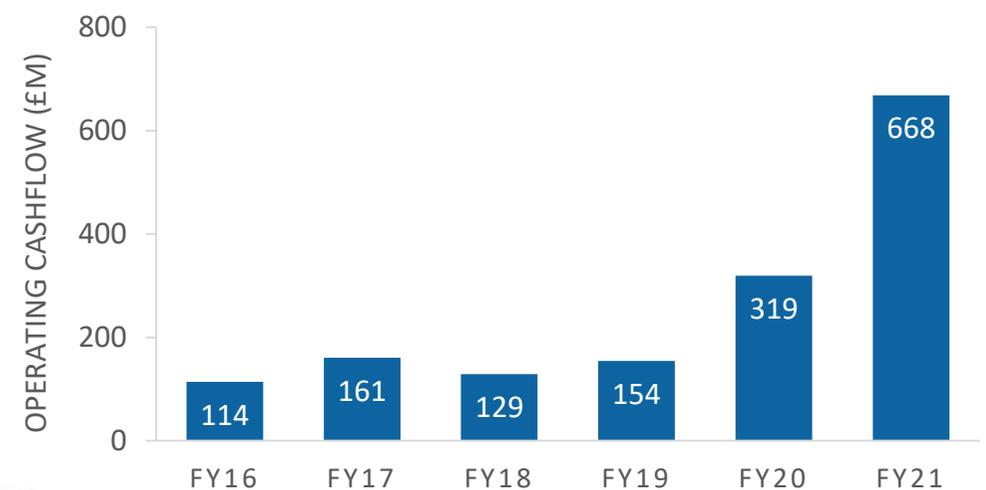
ADJUSTED EBITDA^{1,2}



ADJUSTED EBITDA MARGIN^{1,2}



OPERATING CASHFLOW^{2,3}



1. Shown for continuing operations only, and therefore excludes Jawoll (Germany)
2. Presented pre-IFRS16
3. Operating cashflow includes Jawoll for FY16 to FY20 inclusive



Simon Arora

Chief Executive Officer



Our Covid-19 response for all stakeholders



CUSTOMERS

- Played a crucial role in helping customers navigate the Covid-19 pandemic by making everyday essentials accessible and affordable
- Focus on competitive pricing, attractive ranges and in-store execution has enabled us to welcome new customers
- Implemented social distancing guidelines, provision of PPE, occupancy limits, and enhanced cleaning regimes to protect the safety of customers & colleagues

COLLEAGUES

- Paid all front line colleagues additional 10% during April 2020
- Awarded an additional weeks pay to all hourly paid colleagues in January 2021
- Colleague satisfaction score of 81% in annual engagement survey, despite the disruption to normal working routines caused by the pandemic

COMMUNITIES

- Created >7,200 new UK jobs through new store openings and ongoing growth of the business
- Delivered £1m in cash donations to Foodbanks nationwide
- Extended 10% colleague discount to NHS workers, totalling £4.9m of discounts
- Headline sponsor for "Mission Christmas", helping deliver c.£13m of gifts to over 250,000 underprivileged children

SUPPLIERS

- Sales growth across multiple product categories enables suppliers to grow their businesses
- Trading relationships remain strong, simple and transparent, with payment terms adhered to
- Continued to pay all landlords in full and on time

UK GOVERNMENT

- Voluntarily waived c.£80m of business rates relief
- Repaid £3.7m furlough money received during the initial Spring 2020 lockdown

SHAREHOLDERS

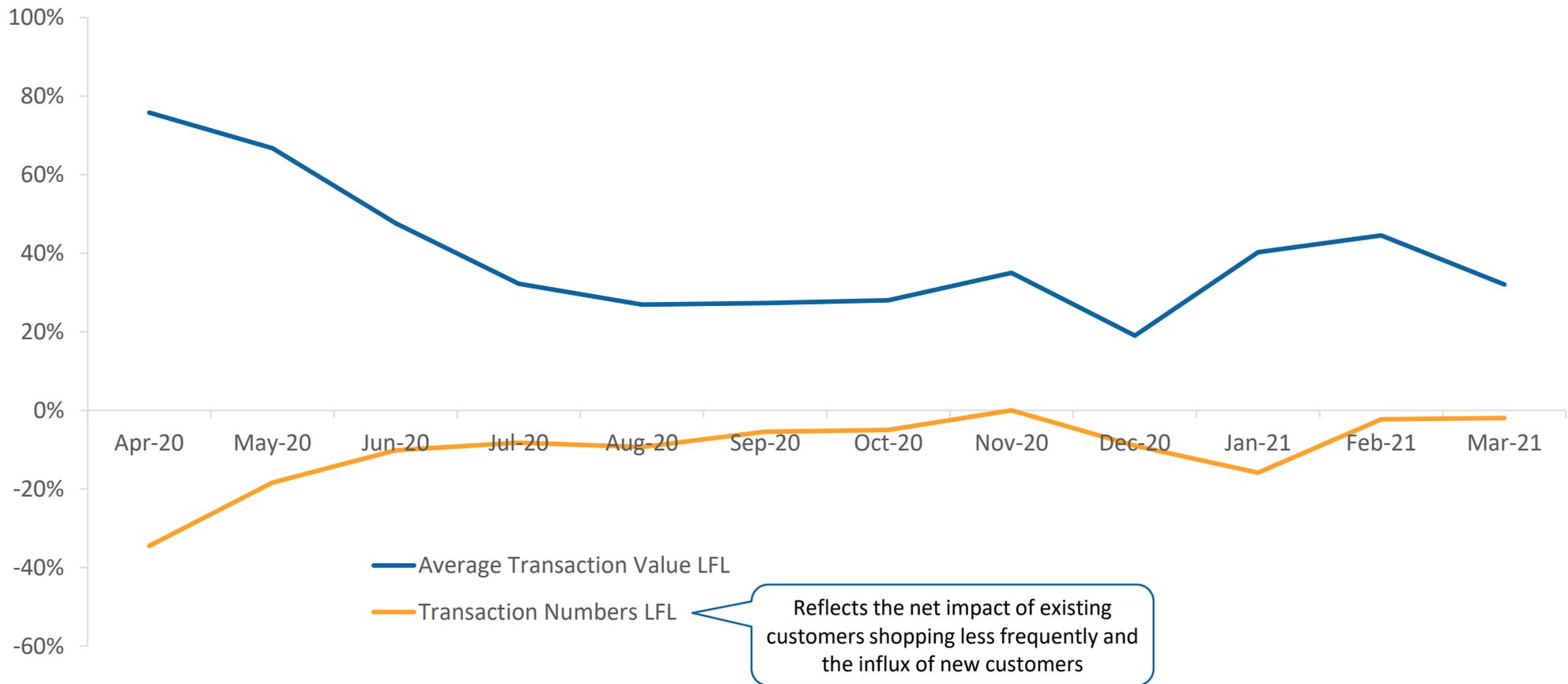
- Delivered strong TSR
- Dividends totalling £697m paid in FY21, including £450m of Special Dividends in line with our capital allocation policy



ATV remained elevated throughout FY21, whilst footfall gradually recovered



AVERAGE TRANSACTION VALUE AND TRANSACTION NUMBERS LFL



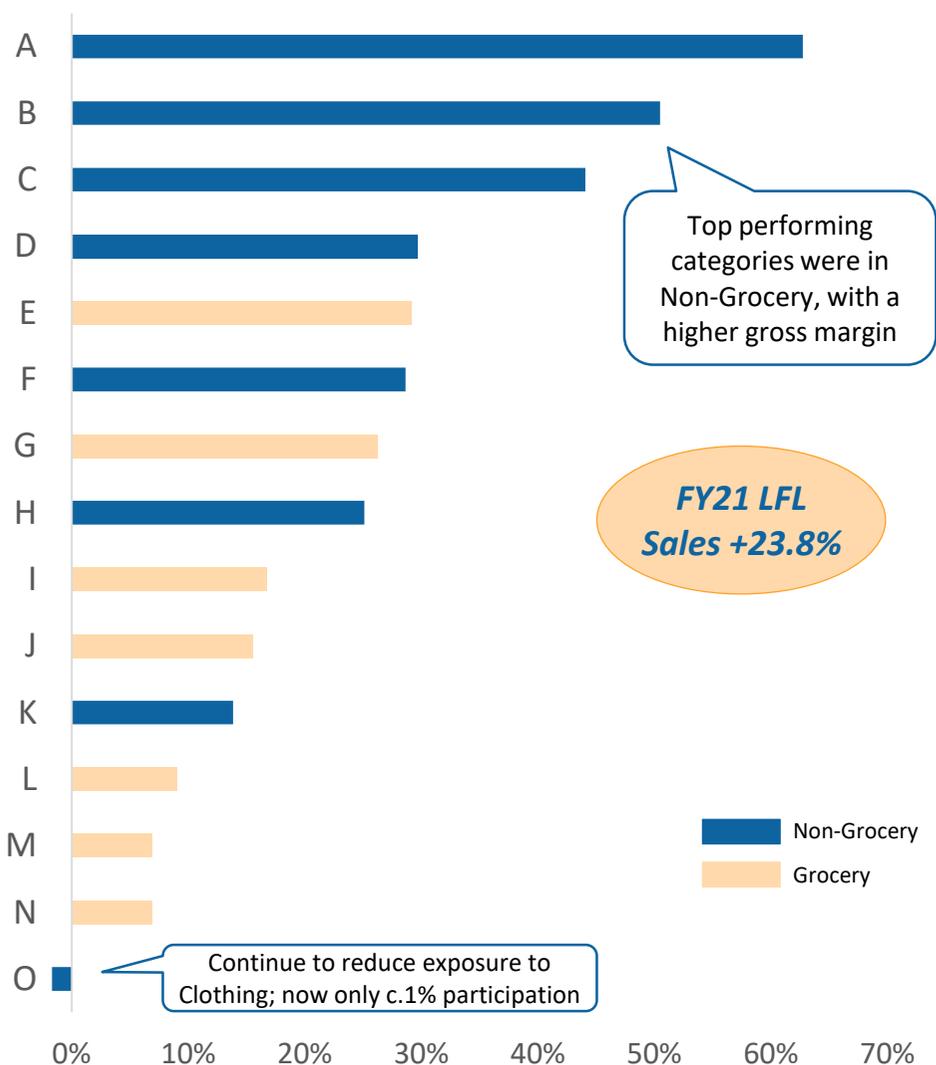
Note: Data shown for B&M UK business only



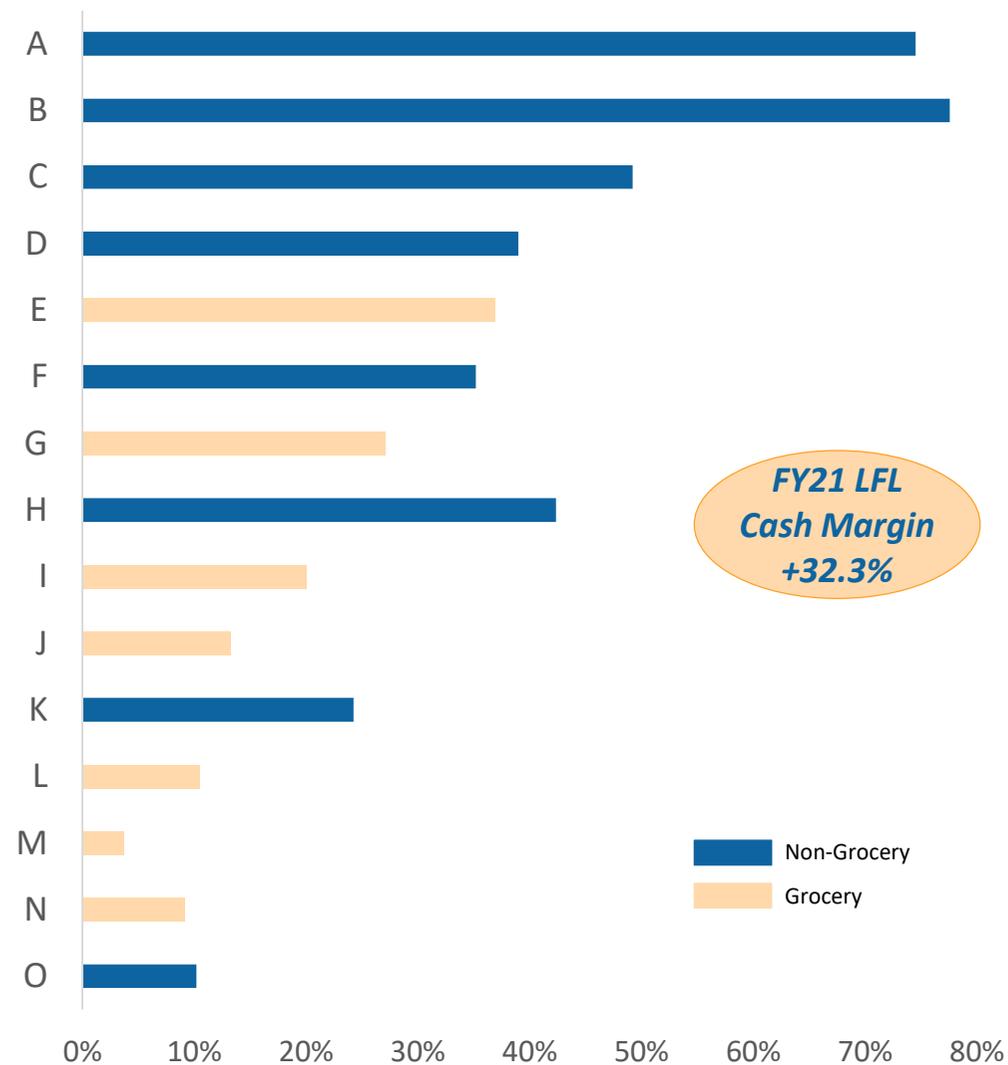


Broad based LFL growth across categories

FY21 CATEGORY LFL SALES %



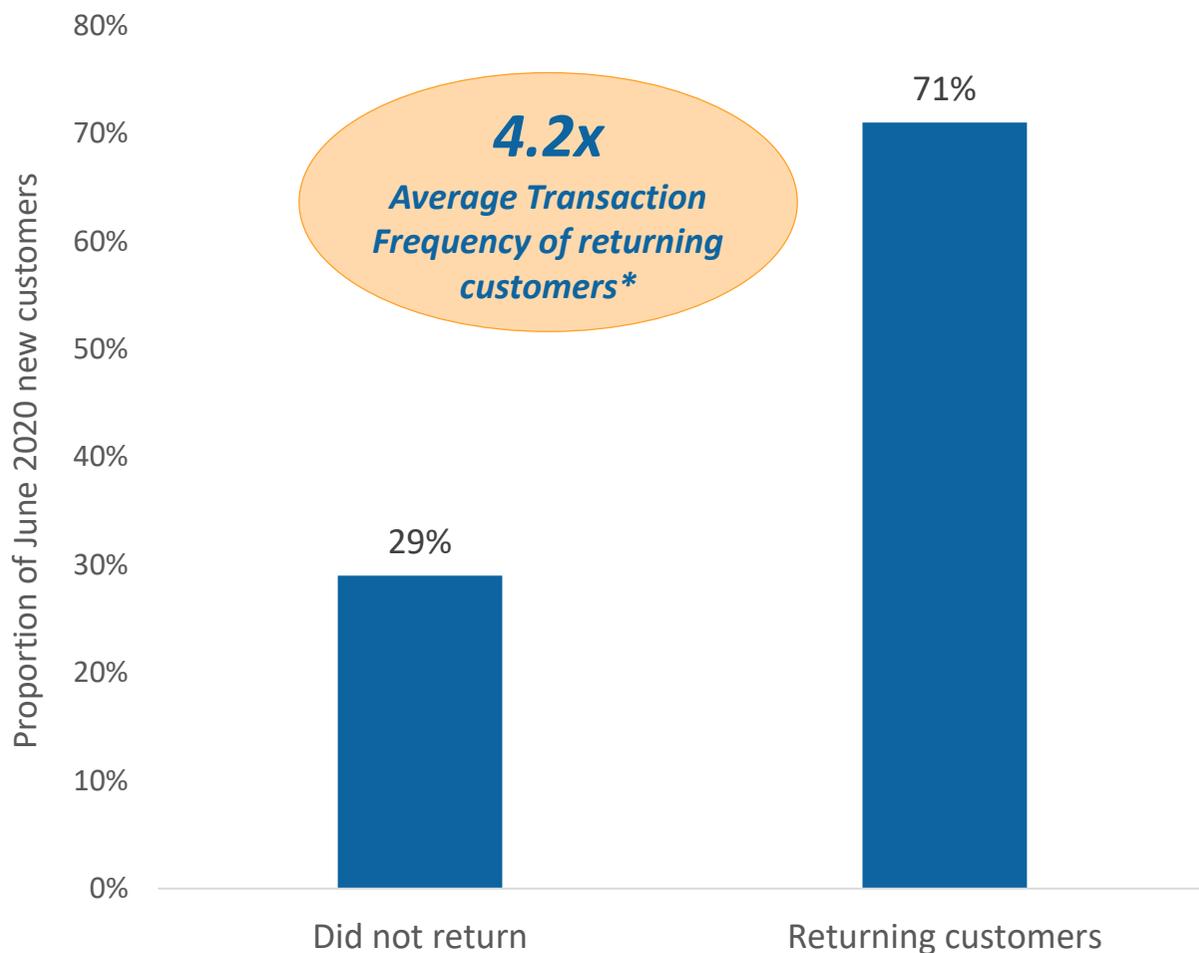
FY21 CATEGORY LFL MARGIN %





Update on New Customer Retention

JUNE 2020 NEW CUSTOMER COHORT



KEY HIGHLIGHTS

- In June 2020, 23% of customers had not shopped with B&M in the previous 5 months
- Over the subsequent 9 months, 71% of this cohort of customers shopped at least one more time
- Remains too early to judge how loyal these new customers become as lockdown restrictions continue to ease
- Low and middle income families demonstrate the greatest propensity to visit repeatedly

* Over the 9 month period July 2020 to March 2021

Source: Barclaycard Market & B&M Customer Insights Report, August 2020

Note: Description of the 10 different customer types can be found in Appendix 2



Case Study: Homewares



ASPIRATIONAL RANGES



COMMENTARY

- Increasingly appealing to middle-income households, who are likely to spend more time working from home
- Turned a necessity into a business strength in FY21
 - Foreign travel not possible, therefore usual visits to trade fairs and factories did not take place
 - Became more self-reliant on product development through investment in our buying teams
- Subscription to consumer trend platforms provide insights for B&M Homewares design packs
 - Product design and development becoming “on trend” rather than “trend following”
- In-store execution enhanced by co-ordination across ranges such as colour blocking and “shop-the-look”



Case Study: Seasonal



GARDENING & OUTDOOR FURNITURE



COMMENTARY

- Around 20% of a typical store is dedicated to Seasonal, and regularly re-merchandised throughout the year
- Spring/Summer 2020 season exceptionally strong for Gardening and Outdoor Furniture
 - Leading brand names in Gardening such as Hozelock, Miracle-Gro and Westland
 - Successful private label Outdoor Furniture and garden accessories sourced directly from Asian manufacturers
- Autumn/Winter 2020 similarly strong for Christmas Decorations and Toys
- Q4 FY21 saw record sales of Gardening product, some of which will be a pull-forward from Q1 of FY22
 - This largely accounted for FY21 outperformance versus guidance issued on 4 March 2021



B&M UK Store Rollout



FY21 OPENINGS



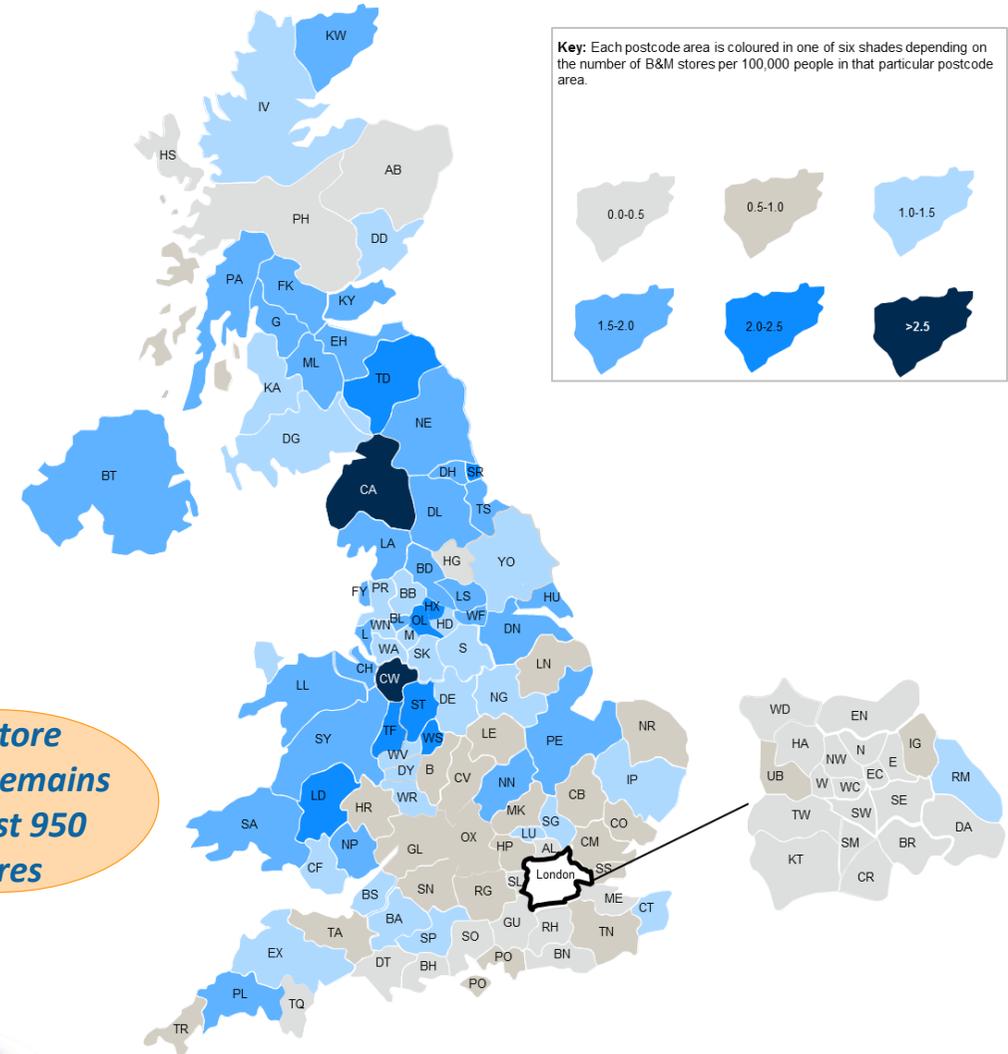
- 43 gross new openings heavily H2 weighted
- Evenly spread across the UK
- 5 relocations and 13 legacy store closures
- Expect 45 gross new stores in FY22

● New
● Relocation

UK store target remains at least 950 stores



681 STORES AT MARCH 2021



Source: Barclays European Food Retail Equity Research



Recent New Store Cohorts Performing Well

FY21 STORE CONTRIBUTION %



COMMENTARY

- The cohort of stores opened in FY20 continue to outperform the company average
- New stores opened in FY21 performed particularly strongly
- New stores do not need a 'maturity curve' and have an attractive payback profile
- Long runway of growth in the UK, with a rollout target of at least 950

Note: Store contribution is defined as gross profit less directly attributable store costs, excluding Warehouse & Transport costs



Case Study: B&M succeeds in affluent areas



NEW STORE OPENED OCTOBER 2020



- c.40,000 sq ft B&M Homestores with Garden Centre
- Out of Town Retail Park
- Located in the Home Counties of Southern England

SOCIO-ECONOMIC PROFILE (2019)

	<i>This store location</i>	<i>UK national average</i>
<i>Unemployment</i>	1.3%	3.3%
<i>Social Housing</i>	4.4%	9.4%
<i>Socio-grade A&B</i>	30.0%	23.0%

PROJECTED FY22 PERFORMANCE

<i>Net sales</i>	<i>£9.0m</i>
<i>Store contribution (£)</i>	<i>£1.9m</i>
<i>Store contribution (%)</i>	<i>21.3%</i>
<i>FY21 company average store contribution</i>	<i>20.9%</i>

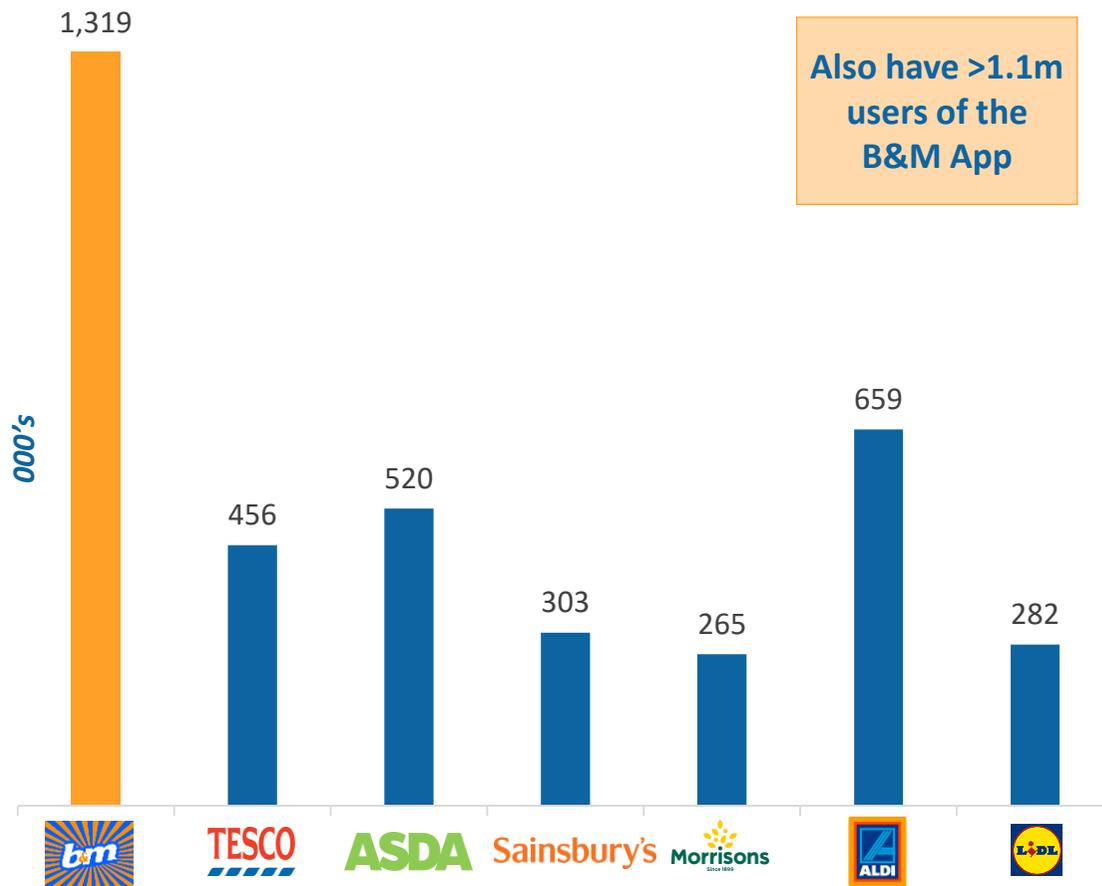
Note: Store image is illustrative only
Source: Experian/MOSAIC and www.ilivehere.co.uk



Social Media Update



INSTAGRAM FOLLOWERS AT MARCH 2021



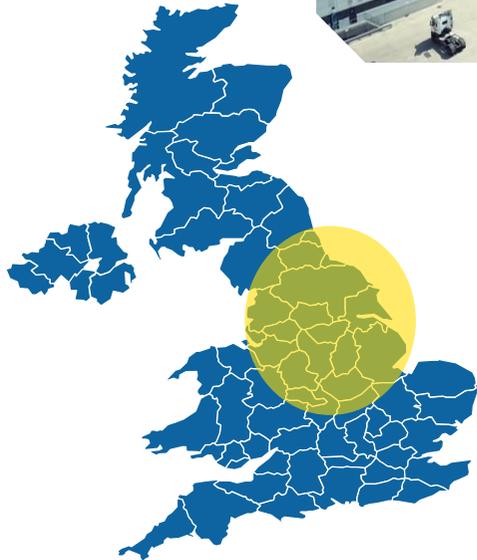
STRONG BRAND ENGAGEMENT



MY B&M RECEIPT:

- 10% WHAT'S ON MY LIST
- 15% CHRISTMAS BAUBLES
- 75% WHAT B&M TOLD ME I NEED





HIGHLIGHTS

- Heron Foods was acquired on 2 August 2017 at an Enterprise Value of £152m
- Performance held back by Town Centre and Shopping Mall locations during lockdowns
- Stable gross margin and a solid EBITDA outturn of £24.6m
- 13 net new stores opened in FY21, with the programme impacted by Covid-related delays at the start of the year
- Stable and experienced management team



HIGHLIGHTS



- Ended FY21 with a total of 104 stores, of which 73 are now under the 'B&M' banner
 - Priority is to re-brand entire estate 'B&M' by end of 2021, therefore new store rollout in FY22 will be limited to 3 - 5 new stores
- Adjusted EBITDA of £11.1m, despite the disruption caused by 10 weeks of lockdown restrictions
- Clothing and Footwear reduced to c.18% of sales in FY21 (FY20: c.26%), with Seasonal ranges bought using B&M supplier base performing well
- Senior Management Team now well established, with new Managing Director in place since May 2020
- Subject to disruption caused by further lockdowns during FY22, expect France to deliver EBITDA growth and margin expansion
 - France imposed a new national lockdown on 3 April 2021 for a total of c.6 weeks



Babou → B&M Conversions



BEFORE - BABOU

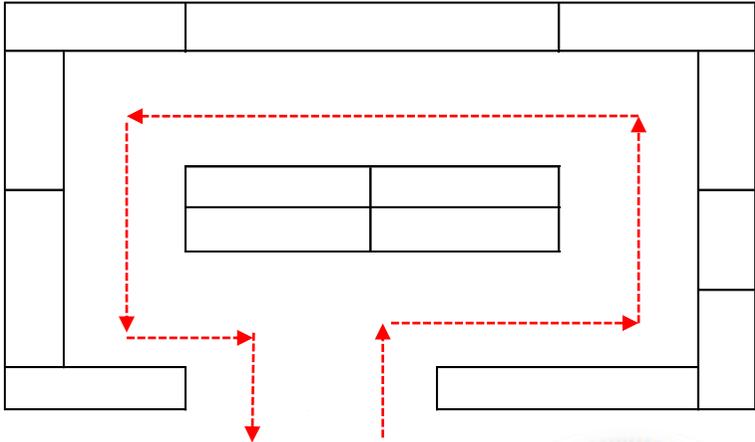


EXTERNAL FASCIA

AFTER - B&M

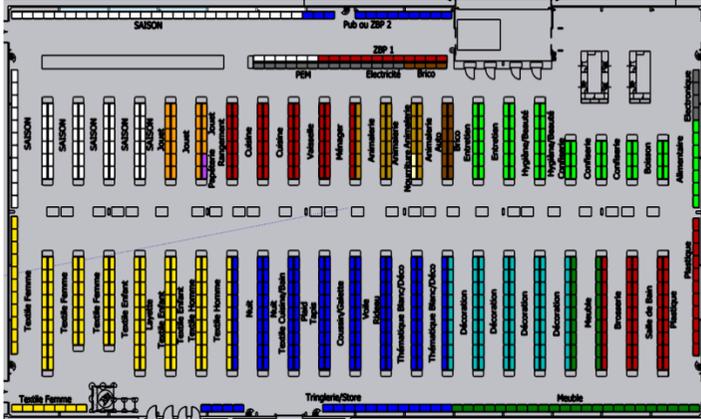


Racetrack layout



INTERNAL STORE LAYOUT

Traditional supermarket aisles



CONSISTENT CAPITAL ALLOCATION FRAMEWORK

INVESTMENT IN ORGANIC GROWTH



ORDINARY DIVIDEND



M&A OPPORTUNITY



RETURN SURPLUS CASH TO SHAREHOLDERS

APPROACH IN FY21

- £42.9m Capex invested in 65 gross new stores during FY21
- Ordinary dividends increased by 113.6% to 17.3p per share for the full year
- Not currently evaluating any further acquisition opportunities, choosing to remain focused on delivering our organic growth plans for FY22
- Special dividends totalling 45.0p per share (equating to c.£450m in total) returned to shareholders during FY21
- Given the current uncertain macroeconomic outlook, we continue to take a prudent approach to our capital structure as we develop greater visibility over FY22 trading patterns

A purpose-driven approach to ESG



OUR PURPOSE:

TO DELIVER GREAT VALUE TO OUR CUSTOMERS SO THAT THEY KEEP RETURNING TO OUR STORES TIME AND TIME AGAIN

ESG pillar

Colleagues

Communities

Customers

Suppliers

Environment

Diversity & equality

Progression opportunities

Health & Safety

Engagement & Reward

Being a positive presence in local neighbourhoods through job creation

Trusted brands with a reputation for popular products at everyday low prices

Charitable initiatives

Helping families improve their lives by making everyday essentials affordable

Value & convenience

Retaining loyalty of existing customers and attracting new ones

Treated as partners with many long-standing relationships

Simple, transparent pricing and ethical trading policies

Asia sourcing office to ensure responsible product sourcing

Implementing our growth strategy whilst minimising our environmental footprint through new initiatives and more efficient operations

Our business priorities

Link to UN SDGs



DRIVEN BY OUR VALUES OF SIMPLICITY, TRUST, FAIRNESS AND BEING PROUD

ESG Highlights for FY21



Colleagues

110%

Wages paid to frontline colleagues in Apr-20

Extra week

Wages paid to frontline colleagues in Jan-21

81%

Colleague satisfaction score

Communities

>7,200

UK jobs created

£4.9m

Discounts to NHS workers

£1m

Donations to Foodbanks

Customers

Value

Across a range of everyday essentials

71%

Retention of Jun-20 new customers over subsequent 9 months

38

Net new stores in the UK

Suppliers

<26

B&M UK trade creditor days

Consistent

Supplier base sharing in our growth

Compliance

Thorough overseas supplier social compliance audits

Environment

99.8%

Group packaging waste recycled

(24)%

Reduction in Group CO² intensity ratio

(2.7)m

Fewer like-for-like miles travelled due to Bedford DC

Current Trading and FY22 Outlook



- B&M UK LFL sales growth over the first 9 weeks of FY22 has been -1% vs FY21
 - This includes a pull-forward of Summer 2021 Gardening demand
 - As expected, trading has been volatile at a weekly and product category level, in particular since the recent easing of lockdown restrictions
 - This will remain the case for all of FY22, as the business annualises against the very strong comparatives from throughout FY21
- UK new store pipeline remains robust with 45 gross new B&M and 15 gross new Heron Foods stores expected for FY22, whilst the entire French estate should be branded 'B&M' by the end of 2021
- Too early to accurately predict FY22 revenue and profitability outcomes
 - Focused on delivering a healthy two year LFL vs FY20
 - Group gross margin likely to revert to more normalised levels in FY22, with markdown activity on Seasonal goods expected
 - Customer retention and disciplined cost control will underpin efforts to maintain an adjusted EBITDA margin somewhere between the 9.0% from FY20 and the exceptional 13.0% from FY21





- We have acted in the interests of all stakeholders throughout FY21, responding well and delivering an exceptional financial performance across the Group
- Our business model has proved resilient and our proposition has been highly relevant to the needs of customers during the pandemic
- Our long term growth strategy remains unchanged: a rollout target of at least 950 B&M UK stores, expanding the footprint of Heron Foods and developing a compelling proposition in France



Questions and Answers



Appendices



IFRS16 Profit and Loss Account Reconciliation

Appendix 1

<i>£ millions,</i>	FY21			FY20		
	<i>Pre-IFRS16</i>	<i>IFRS16 Adjustments</i>	<i>Post-IFRS16</i>	<i>Pre-IFRS16</i>	<i>IFRS16 Adjustments</i>	<i>Post-IFRS16</i>
Revenues	4,801.4	-	4,801.4	3,813.4	-	3,813.4
Gross Profit	1,763.5	-	1,763.5	1,289.2	-	1,289.2
Operating Costs	(1,137.1)	207.5	(929.6)	(946.9)	186.2	(760.7)
Adjusted EBITDA	626.4	207.5	833.9	342.3	186.2	528.5
Depreciation and Amortisation	(62.4)	(152.8)	(215.2)	(57.7)	(145.7)	(203.4)
Net Interest	(23.8)	(61.4)	(85.3)	(24.6)	(57.2)	(81.8)
Adjusted Profit Before Tax	540.1	(6.7)	533.4	260.0	(16.7)	243.3
Adjusting Items	(3.5)	-	(3.5)	40.7	(32.1)	8.6
Exceptional & Finance Lease Interest	(4.7)	0.1	(4.5)	(0.0)	0.2	0.1
Profit Before Tax	532.0	(6.6)	525.4	300.7	(48.6)	252.0



BARCLAYCARD SEGMENT THE UK SHOPPER POPULATION INTO 10 CUSTOMER TYPES

Students

Young adults in education

Age	Wealth	Family
18-24	Low-Mid	Y/N

Insta Appetite

Recent graduates and young adults

Age	Wealth	Family
18-24	Low-Mid	No Children

Dynamic Workforce

Young adults with no children on low incomes

Age	Wealth	Family
25-49	Low-Mid	No Children

Prime Shoppers

Affluent adults with high value and frequent spend

Age	Wealth	Family
25-49	Mid-High	No Children

Family Backbone

Families on tight budgets

Age	Wealth	Family
25-49	Low-Mid	Have Children

Affluent Centre Stage

Affluent and stable families with successful careers

Age	Wealth	Family
25-49	Mid-High	Have Children

Rare Indulgence

Poorer group with low income and low spend

Age	Wealth	Family
50-64	Low-Mid	Y/N

Emerging Eagles

With grown up children, they regain their spare time for hobbies, travel and shopping

Age	Wealth	Family
50-64	Mid-High	Y/N

Core Necessity

Low to medium retirement funds mean that this group of older, likely retired customers, is on a budget

Age	Wealth	Family
65+	Low-Mid	Y/N

Quality Fanatics

Better off retirees who don't shop often, but when they do, they prioritize quality and can afford splash out or treat family

Age	Wealth	Family
65+	Mid-High	Y/N