14 November 2024

FY25 Interim Results

Disciplined execution: volumes growing and well set up for the Golden Quarter

B&M European Value Retail S.A. ("the Group"), the UK's leading variety goods value retailer, today announces its interim results for the 26 weeks to 28 September 2024.

Highlights

Fascia performance[1]	*Revenue £'m*		*Revenue growth %*		*Adjusted EBITDA*[2] *(pre-IFRS 16) margin %*	
	H1 FY25	H1 FY24	**H1 FY25**	H1 FY24	**H1 FY25**	H1 FY24
B&M UK	**2,121**	2,045	**3.7%**	8.1%	**11.3%**	11.5%
B&M France	**247**	232	**6.8%**	26.1%	**6.9%**	7.8%
Heron Foods	**276**	272	**1.1%**	17.0%	**6.7%**	6.6%

- Group revenues increased by 3.7% to £2,644m (+3.9% constant currency[3]) driven by volume growth. B&M UK total sales growth improved across the half with 6.0% in Q2 up from 1.5% in Q1, supported by improving like-for-likes[4] of (1.9)% in Q2 up from (5.1)% in Q1

- Opened 39 gross new stores across the Group in H1 (30 in B&M UK, 5 in France and 4 in Heron)

- Group adjusted EBITDA[2] (pre-IFRS 16) of £274m up 2.0% (H1 FY24: £269m), with a margin of 10.4% (H1 FY24: 10.5%)

- Group adjusted operating profit[2] of £258m (H1 FY24: £263m), with statutory operating profit of £235m (H1 FY24: £275m) and statutory profit before tax of £169m (H1 FY24: £222m)

- Post-tax free cash flow[5] of £73m (H1 FY24: £143m), with a clean inventory position exiting Spring/Summer and early Autumn/Winter shipments to derisk Golden Quarter execution

- To futureproof volume growth, a new UK imports centre will be opened in FY26, optimising existing distribution centre network capacity levels; 2024 physical container volumes are +40% vs. 2019, reflecting the step change in market share achieved

- Net debt[7] to adjusted EBITDA[2] (pre-IFRS 16) leverage ratio of 1.2x (H1 FY24: 1.1x). Net debt including leases was 2.5x (H1 FY24: 2.4x)

- Interim dividend[6] of 5.3p per Ordinary Share will be paid on 13 December 2024 (H1 FY24: 5.1p)

- FY25 Group adjusted EBITDA[2] (pre-IFRS 16) expected to be in the range of £620m-£660m (FY24 52/53 weeks: £616m/£629m), with growing volume momentum, particularly in general merchandise

- Smooth transition of executive team; succession plan in place for the retirement of the Group Trading Director in March 2025

- Formal review of the parent company's corporate domicile underway to simplify administrative processes and enable greater flexibility in returning capital to shareholders, including through share buybacks

Alex Russo, Chief Executive, said:

In the first six months, we delivered Group adjusted EBITDA[2] (pre-IFRS 16) up 2.0% to £274m driven by total sales growth of 3.7%. This is a good performance as we annualise a record prior year of earnings growth with strong first half comparatives. We continue to execute with Everyday Low Price ("EDLP") integrity for all our customers, with industry leading availability and excellence in operational standards. Our model is underpinned by a disciplined and low-cost approach across all three of our businesses, focusing on simple, sustainable growth, delivered through the hard work of our teams.

Our product ranges across both grocery and general merchandise resonate very well with customers at a time when disposable incomes remain under pressure and the tax burden continues to increase. We have made significant progress over the last three months in general merchandise, particularly in Home, with the range strengthened and prices lowered further to drive volume market share.

Our new store opening programme is on track and performing exceptionally well. To futureproof this volume growth, I am pleased to announce that next year we will open a new imports centre in Ellesmere Port. This facility will manage inbound container flow and optimise the capacity of our five existing B&M UK distribution centres which are handling ever-growing volumes. This is the right productivity step to support both our short and long-term growth plans, including our target of not less than 1,200 B&M UK stores. We are currently extending our French distribution centre demonstrating the growth plans in place for France.

Our long-term ambition for the Group remains unchanged, in supporting customers with exceptional value. As we trade through the Golden Quarter, we are encouraged by recent volume momentum and remain focussed on delivering profitable, cash-generating growth for all of our shareholders.

Outlook and guidance

The business is well positioned for the Golden Quarter with its continued focus on price, product and standards. While the consumer environment remains uncertain, the Group has demonstrated it executes well in all trading environments.

With growing volume momentum, and with broadening strength in general merchandise, we are confident in our outlook for the second half and the full year. We anticipate full-year Group adjusted EBITDA[2] (pre-IFRS 16) to be in the range of £620m-£660m (FY24 52/53 weeks: £616m/£629m).

Financial results (unaudited)

	H1 FY25	H1 FY24	Change
Group revenue	**£2,644m**	**£2,549m**	**3.7%**
Group adjusted EBITDA[2] (pre-IFRS 16)	**£274m**	**£269m**	**2.0%**
Group adjusted EBITDA[2] (pre-IFRS 16) margin %	*10.4%*	10.5%	*(18) bps*
Group adjusted operating profit[2]	**£258m**	**£263m**	**(1.8)%**
Group statutory operating profit	£235m	£275m	(14.6)%
Group statutory operating profit margin %	*8.9%*	10.8%	*(190) bps*
Post-tax free cash flow[5]	£73m	£143m	(49.2)%
Group cash generated from operations	£303m	£352m	(14.1)%
Group statutory profit before tax	£169m	£222m	(23.8)%
Adjusted (pre-IFRS 16) diluted EPS[2]	14.7p	15.4p	(4.8)%
Statutory diluted EPS	12.3p	16.3p	(24.9)%
Ordinary dividends[6]	5.3p	5.1p	3.9%

Notes:
1. References in this announcement to the B&M UK business include the B&M fascia stores in the UK except for the 'B&M Express' fascia stores. References in this announcement to the Heron Foods business include both the Heron Foods fascia and B&M Express fascia convenience stores in the UK.
2. Adjusted values are considered to be appropriate to exclude unusual, non-trading and/or non-recurring impacts on performance which therefore provides the user of the accounts with additional metrics to compare periods of account. See notes 3 and 4 of the financial information for further details.
3. Constant currency comparison involves restating the prior year Euro revenues using the same exchange rate as that used to translate the current year Euro revenues.
4. One-year like-for-like revenues relate to the B&M UK estate only (excluding wholesale revenues) and 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. This 14-month approach has been adopted as it excludes the 2-month halo period which new stores experience following opening.
5. Please see note 3 of the financial statements for more details and reconciliation to the Consolidated statement of cash flows. Statutory Group cash generated from operations was £303m (H1 FY24: £352m). This statutory definition excludes payments for leased assets including the leasehold property estate.
6. Dividends are stated as gross amounts before deduction of Luxembourg withholding tax which is currently 15%.
7. Net debt comprises interest bearing loans and borrowings, overdrafts and cash and cash equivalents. Net debt was £788m at the half year end (H1 FY24: £700m), reflecting £973m (H1 FY24: £924m) as the carrying value of gross debt netted against £185m of cash (H1 FY24: £224m). See note 7 of the financial information for more details.

Results Presentation

An in-person presentation for analysts in relation to these FY25 Interim Results will be held today at 09:30 am (UK) at London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS. Attendance is by invitation only and attendees must be registered in advance.

A simultaneous live audio webcast and presentation will be available via the B&M corporate website at: Reports & Presentations I B&M Stores (bandmretail.com) for analysts and investors only.

A further call for North American investors only is scheduled today at 16:00 (GMT). To register please contact Dave McCarthy via email at dave.mccarthy@bmstores.co.uk

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Disclaimer

This announcement contains statements which are or may be deemed to be ‘forward-looking statements’. Forward-looking statements involve risks and uncertainties because they relate to events and depend on events or circumstances that may or may not occur in the future. All forward-looking statements in this announcement reflect the Company’s present view with respect to future events as at the date of this announcement. Forward-looking statements are not guarantees of future performance and actual results in future periods may and often do differ materially from those expressed in forward-looking statements. Except where required by law or the Listing Rules of the UK Listing Authority, the Company undertakes no obligation to release publicly the results of any revisions to any forward-looking statements in this announcement that may occur due to any change in its expectations or to reflect any events or circumstances arising after the date of this announcement.

About B&M European Value Retail S.A.

B&M European Value Retail S.A. is a variety retailer with 764 stores in the UK operating under the "B&M" brand, 338 stores under the "Heron Foods" and "B&M Express" brands, and 129 stores in France also operating under the "B&M" brand as at 28 September 2024. It was admitted to the FTSE 100 index on 21 September 2020.

The B&M Group was founded in 1978 and listed on the London Stock Exchange in June 2014. For more information, please visit www.bandmretail.com

Chief Executive's review

I am pleased to report another period of good performance following a record-setting prior year that featured a particularly strong first half. This is a good position to reflect on the journey that the Group has been on over the last five years and assess the significant opportunity for profitable growth in the years ahead. Today the Group is structurally bigger and stronger compared to FY20, with revenues over 40% higher than the last pre-pandemic year. We will continue to deliver profitable, cash-generating growth across the UK and France through positive like-for-like performance and targeted space growth.

We will remain disciplined and focused on our key fundamentals – price, product and standards. Momentum has built through the first six months and we exited with a clean stock position and a business well set up for the Golden Quarter. In the first half, despite the unseasonal weather and timing of Easter, we delivered volume-led Group sales growth of 3.7% overall, with second quarter sales growth increasing to 5.8%. The store rollout programme is on track across the Group as we opened 39 gross new stores. Group adjusted EBITDA[2] (pre-IFRS 16) rose 2.0% to £274m and we are pleased to announce an interim dividend[5] of 5.3p per share.

The Group's long-term outlook is strong. Our balanced operations in buying, logistics, and retail drive efficiency, ensure excellent customer availability, and yield best-in-class returns on investment. In the UK, our long-term store target, of not less than 1,200 B&M stores gives significant upside from our current 764 store estate today. In France, the potential is even greater, with a significant white space expansion opportunity ahead over the long-term. Meanwhile, Heron Foods continues to maintain strong margins and cash returns, while growing its brand reach.

Growth strategy update

The growth fundamentals of the Group are strong and the business is run in a highly disciplined manner focused on pricing integrity, product and operational standards which will continue to generate a high quality of earnings in the short and long-term.

We pride ourselves on our EDLP approach that avoids the cost and complexities of high-low pricing and loyalty schemes. We are very confident in our absolute and relative price position, which for B&M UK is 15-20% lower (inclusive of loyalty schemes) on FMCG branded lines compared to mainstream supermarkets. We measure this weekly, picking up a consistent and well-balanced assortment of hundreds of lines across all our categories that represent a customer's broad basket. In general merchandise, the market is highly fragmented and as we leverage our large order book across our limited number of directly sourced ranges, our relative price position is even stronger.

We maintain discipline on our SKU count across both FMCG and general merchandise. In FMCG, B&M stocks 4,500 lines of best-selling branded products, which are largely ambient grocery items. Our 5,500 general merchandise products are trend-led and change seasonally as we drive the return on space in our stores. The quality of our ranges has improved significantly over the last five years which has helped broaden the appeal, particularly in Home categories. This strengthening of our product offer over the last three months coupled with low, sharp prices provides our customers with outstanding value. Our selection has never looked better which is translating into momentum in general merchandise, particularly in Q2.

Store standards remains a constant focus of the business with the B&M UK senior retail team visiting over 350 stores each week. Our stores operate consistently over 8 out of 10 every week. All respective retail and store teams drive this process and have a clear passion for delivering retail excellence for our customers. I am pleased that for the third successive year, staff turnover has decreased by c.500bps per annum. I take great confidence from the pride that our teams take in each of their stores.

Our new stores are performing exceptionally well. We plan to open 45 B&M UK new stores this year, with 30 already opened in the first half and we target a similar number of openings next year. We have opened 44 ex-Wilko stores to date with 8 more to open in the second half of the year. As with all of our new openings, these stores are performing well and we expect them to pay-back within 12 months on average, in line with prior experience.

Our long-term goal is to reach not less than 1,200 B&M UK stores over the next decade, based on demographics, store performance, and competitor weakness. To support our volume growth, we plan to open a new UK imports centre in FY26 dedicated solely to general merchandise inbound containers. Our annual container volumes have grown by 40% over the period 2019-2024 and this development will free up space in our existing five distribution centres, increasing their capacity and efficiency as we continue our disciplined growth.

In France, we have long-term growth ambitions given the significant white space expansion opportunity ahead. As with the UK business, we have strengthened the supply chain to support further volume growth, a new Warehouse Management System (WMS) has been successfully implemented in the first half which will help optimise and manage warehouse operations. We are currently extending the French distribution centre which will add further capacity for volume growth. Both projects will help unlock the exciting growth potential in France.

We are now well into the third year of demonstrating sustained higher post-pandemic financial performance. Structural factors have improved our revenue and gross margin, sustainably supporting our long-term B&M UK adjusted EBITDA[2] (pre-IFRS 16) margin at 12-13% and driving our cash generation. Key factors include our increased buying power (revenues >40% higher than in FY20), strengthened product ranges that appeal to a broader range of customers and an evolved category mix. Additionally, our buying strategy has evolved. We purchase on a “test and repeat” basis for new general merchandise products, placing smaller initial orders, reducing the markdown risk while maintaining buying power.

In summary, gross margin depends on three factors: purchase price, selling price and mix. We buy more, we sell more, and we serve a higher number of customers than ever before. It is this sales growth in B&M UK over recent years that has expanded profit margins. Our proposition is all about volume growth, and we are perfectly suited (with our EDLC structure) to continue to leverage the volume and grow earnings in the long-term.

Competitive position

The growth of discounting remains strong across the UK and in other parts of the world. Research shows that Lidl is the fastest-growing major UK supermarket, and Aldi’s consumer penetration remains strong. These food discounters are complementary to B&M’s range of best-selling ambient branded products, and together we continue to gain volume market share.

People

Our colleagues remain as committed as ever and are critical to the future success of the Group and I thank them all for their contributions and hard work. Many of our colleagues, particularly store colleagues, grow with the company - from customer service assistant to store manager and beyond. We develop our teams within the business and promote hard working and ambitious people across all functions. This is key to the long-term success of B&M and is something that I am passionate about.

Succession plans are in place for the leadership of the trading function at B&M UK. The Group confirms that Bobby Arora, Group Trading Director, will retire from B&M in March 2025. Bobby has agreed to provide advisory services to the Group for a short period following the commencement of his retirement. Along with his brother Simon, Bobby has made an immense contribution to B&M’s growth and success over many years. As CEO, Bobby has been a valued partner to work personally with and I wish him the very best in his retirement, on behalf of the business.

Bobby will be succeeded by Gareth Bilton and this handover is already well progressed. Gareth has over 25 years experience at B&M and he leads a strong and experienced buying and merchandising team. James Kew has been appointed Retail Director at B&M UK. James has over 11 years’ experience leading store operations within the business, having started his career as a store manager.

I believe in internal talent progression, and both Gareth and James are great examples of leaders who understand the B&M culture. I wish them both well for the future.

Redomicile

The Group has commenced a formal review of options to relocate the parent company's corporate domicile, to simplify administrative processes and enable greater flexibility in returning capital to shareholders, including through share buybacks. The project, which is being undertaken in conjunction with external advisers, is at an early stage and there can be no certainty that any change will ultimately be implemented. The Group intends to retain its London listing in the event that any change is ultimately implemented. An update will be provided in early 2025.

Alex Russo
Chief Executive Officer
13 November 2024

Financial review

Group

£'m	H1 FY25	H1 FY24	YoY Change
Revenue	2,644	2,549	3.7%
Gross profit	996	941	5.9%
%	37.7%	36.9%	78 bps
Adjusted operating costs	(721)	(672)	7.4%
Adjusted EBITDA[1] (pre-IFRS 16)	**274**	**269**	**2.0%**
%	10.4%	10.5%	(18) bps
Depreciation and amortisation (pre-IFRS 16)	(44)	(40)	10.1%
Operating impact of IFRS 16*	28	34	(17.6)%
Adjusted operating profit[1]	**258**	**263**	**(1.8)%**
Adjusting items[1]	(23)	12	(298.8)%
Statutory operating profit	**235**	**275**	**(14.6)%**
Finance costs relating to right-of-use assets	(38)	(32)	17.3%
Other net finance costs	(28)	(21)	35.6%
Statutory profit before tax	**169**	**222**	**(23.8)%**

*includes depreciation on right-of-use assets of £90m (H1 FY24: £85m). H1 total depreciation & amortisation was £134m (H1 FY24: £124m)

Group revenues for the 26 weeks ended 28 September 2024 increased by 3.7%, (3.9% on a constant currency basis[2]), with growth across all fascias. Q1 delivered 2.9% total sales growth and momentum built into Q2 with 5.8% total sales growth. In B&M UK, our store opening programme is well on track and new space provided 7.3% sales growth that was offset against a 3.6% decline in like-for-like[3] (LFL) sales. Both B&M France and Heron Foods also delivered total sales growth in the half.

Group gross profit increased by 5.9% year-on-year (YoY) with a particularly strong trading margin performance in B&M UK. This was driven by mix benefits within general merchandise categories, favourable foreign exchange, lower freight rates, and excellent execution of the Spring/Summer season that resulted in limited markdowns being required.

Group adjusted operating costs on an underlying basis[4] grew by 7.0% to £710m (H1 FY24: £664m). The number of stores across the Group increased by 6.2% or 72 stores year-on-year, with the remaining increase coming from investment in our supply chain in France and increases in UK minimum wage rates that are not yet offset through productivity gains.

Group adjusted EBITDA[2] (pre-IFRS 16) increased by 2.0% to £274m, representing a margin of 10.4%. This was driven by sales growth, with cost pressures across the Group well managed.

Group adjusted operating profit[2] decreased by 1.8%. Total depreciation and amortisation grew by 7.3% to £134m which moved in line with the continued growth of the store estate.

Adjusting items[2] were a net charge of £23m (H1 FY24: net credit of £12m). The primary driver of this was the fair value of our unmatured foreign exchange derivatives (£19m loss, H1 FY24: £12m gain). For further details please see note 3 of the financial statements. During the period there was also a £2m one-off charge in relation to the Wilko store leases acquired under the September 2023 option agreement and a £2m charge in relation to an accrual for the management retention bonus for the Group Trading Director, both of which were not present in the comparative period.

Statutory operating profit decreased by 14.6%, primarily reflecting the impact of adjusting items mentioned above.

Excluding IFRS 16, net finance costs increased by £7m to £28m primarily due to higher interest charges on the £250m high yield bond issued in November 2023. Finance charges relating to right-of-use assets increased by £6m to £38m due to the additional leases associated with the store opening programme and higher discount rates in recent years.

<u>B&M UK</u>

In B&M UK[5], total revenues increased by 3.7% to £2,121m (H1 FY24: £2,045m), with LFL[3] revenues down 3.6%. Our Q1 LFL[3] of (5.1)% was impacted by calendar effects of peak Easter 2024 trading falling into the previous 53-week period and particularly wet weather. However, LFL[3] performance improved in the second quarter to (1.9)%. New space added 7.3% growth in the half due to the opening of 52 net new stores in the store estate year-on-year. Our balanced sales mix between FMCG and General Merchandise remains intact and in-line with our expectations.

Our trading gross margin rose 66 bps year-on-year to 36.7% from 36.0%. This reflected favourable freight rates, mix effects, and from strong sell-through in general merchandise which generated minimal markdown activity. Statutory gross margin increased 82 bps to 37.6% from 36.8%, with the difference to trading gross margin reflecting principally foreign exchange derivative accounting.

There were 30 gross (23 net) new stores openings in H1, representing significant progress to the full financial year target of at least 45 new stores. These new stores are trading well across a diverse range of locations.

Return on investment for our store opening programme remains in-line with our expectations of an average payback of 1 year – inclusive of net working capital and all operating expenses. Analysing the most recent openings that have had a full financial year of trading, specifically a cohort of 35 stores that opened between April 2022 and September 2023, we invested £50m in store fit-out, pre-opening operating expenditure and estimated increased working capital. This cohort generated £50m of profit contribution over the last twelve months (after fully accounting for direct logistics, central costs and store rents). The total average square footage of the B&M UK store estate at the period end was 16.3m, an increase of 5.9% year-on-year.

In addition to revenue generated in-store, B&M UK revenues also included £14m of wholesale revenues (H1 FY24: £15m), the majority of which represented sales made to our associate Centz Retail Holdings Limited, a chain of 56 variety goods stores in the Republic of Ireland.

Adjusted operating costs on an underlying basis[4] increased by 7.3% to £547m (25.8% of revenue) from £509m (24.9% of revenue). The increase in operating costs year-on-year is primarily due to the 7.3% increase in the store estate.

Adjusted EBITDA[1] (pre-IFRS 16) increased by 2.4% to £240m (H1 FY24: £235m), with adjusted margin decreasing slightly by 15 bps to 11.3% (H1 FY24: 11.5%), due to the revenue growth described above, offset by increased underlying operating cost base and foreign exchange retranslation losses year-on-year. Adjusted operating profit[1] was £228m (H1 FY24: £228m) with a margin of 10.8% (H1 FY24: 11.2%).

Statutory profit before interest and tax for the period was £228m (H1 FY24: £230m).

<u>B&M France</u>

In France, revenues increased by 6.8% to £247m (H1 FY24: £232m). This was a good result especially given the strong comparative period being annualised. The performance reflects volume growth from new stores and a positive LFL driven by the evolution to a more focused FMCG and general merchandise range.

The business is on track to open 11 new stores by the end of the financial year, with 5 opened in H1 FY25.

Adjusted operating costs on an underlying basis[4] increased by £10m to £93m. This increase reflects volume growth and also one-off warehouse investment costs that arose from the successful implementation of a new warehouse management system.

Adjusted EBITDA[1] (pre-IFRS 16) decreased to £17m (H1 FY24: £18m) representing an adjusted EBITDA margin of 6.9% compared to 7.8% last year due to the higher operating costs described above. We continue to expect B&M France to grow its EBITDA margins over time reducing the differential with B&M UK. Adjusted operating profit[1] was £18m (H1 FY24: £20m) with a margin of 7.1% (H1 FY24: 8.7%).

Statutory profit before interest and tax for the period was £18m (H1 FY24: £20m).

Heron Foods

Our discount convenience offering, Heron Foods, performed resiliently generating revenues of £276m. This represents a 1.1% increase from H1 FY24 (£272m) despite continued pressure on its customer base. Heron will continue its strategy of maintaining competitive prices and delivering exceptional value on everyday essentials and clearance specials.

Adjusted operating costs on an underlying basis[4] remained flat at £69m (25.2% of revenue) and as a % to revenue compared to the prior year (25.3% of revenue), with good operational discipline firmly present in the business.

Heron opened 4 gross (3 net) new stores in the period and remains on track to open between 18 and 20 in total for the full year.

Adjusted (pre-IFRS 16) EBITDA[1] increased by 2.4% to £18m (H1 FY24: £18m) representing a sector-leading margin of 6.7% (H1 FY24: 6.6%). Adjusted operating profit[1] was £13m (H1 FY24: £15m) with a margin of 4.8% (H1 FY24: 5.5%).

Statutory profit before interest and tax for the period was £13m (H1 FY24: £15m).

Post-tax free cash flow[6], capital expenditure and leverage

Post-tax free cash flow[6] of £73m (H1 FY24: £143m), represents a £70m reduction year-on-year caused primarily by an increase in working capital of £86m in the first half. Group inventory levels increased by £234m due to a materially larger number of stores and also due to earlier shipping dates selected to mitigate the impact of the Red Sea disruption.

Group net capital expenditure, excluding IFRS 16 right-of-use asset additions, was £59m (H1 FY24: £48m). This included £28m spent on 39 gross new stores opened in the first half across the Group (H1 FY24: £18m on 28 stores), £20m on maintenance works (<1% of H1 revenues) to ensure that our existing store estate and warehouses are appropriately invested (H1 FY24: £13m), and a total of £11m on infrastructure projects and opportunistic freehold acquisitions or disposals (H1 FY24: £17m).

Net debt[7] to last-twelve-months adjusted EBITDA[1] (pre-IFRS 16) is at 1.2x at the end of H1 FY24 (H1 FY24: 1.1x), maintaining the ratio within the lower half of our target range, despite additional stock build up. Incorporating IFRS 16, net debt to last twelve-months adjusted EBITDA was 2.5x (H1 FY24: 2.4x).

Dividend

The Group has previously paid ordinary dividends at 30-40% of adjusted (pre-IFRS 16) retained profit per annum, in-line with our capital allocation policy which has remained unchanged since our IPO in 2014.

In recent years, the Group has consistently paid at the top end of this range, reflecting our robust financial position and strong cash generation that is underpinned by our disciplined approach to capital investment and working capital. These ordinary dividends have been also supplemented by additional special dividends typically announced following the end of Christmas peak trading.

In total, the Group has returned over £1.9bn in total dividends since March 2020, and in excess of 60% of this amount has come as special dividends. Given the outlook for the Group, the Board consider it appropriate to increase for FY25 the payout range for ordinary dividends to 40-50% of after-tax adjusted earnings (post-IFRS 16), with an aim to consistently payout a progressive ordinary dividend near the mid-point of that 40-50% range over time.

An interim dividend of 5.3p[8] per Ordinary Share will therefore be paid on 13 December 2024 to shareholders on the register at 22 November 2024. The ex-dividend date will be 21 November 2024. The dividend payment will be subject to a deduction of Luxembourg withholding tax of 15%.

Shareholders and Depository Interest holders can obtain further information on the methods of receiving their dividends on our website or by visiting the website of our Registrar, Capita Asset Services at www.capitashareportal.com.

<u>Financial Guidance</u>

As previously communicated in FY24, we have adopted a revised approach to guidance and current trading disclosures across our financial calendar. At our preliminary annual results we provide broad guidance for the upcoming financial year. Alongside our interim results in November, we provide a narrow guidance range for Group adjusted EBITDA[1] (pre-IFRS 16) and also Group adjusted operating profit[1]. We feel that Group trading performance is best assessed over meaningful periods of at least 13 weeks, so we will not provide current trading updates in either the preliminary results or interim results. Instead, trading updates are given in scheduled Q1, Q3 (Golden Quarter) and Q4 pre-close statements. This approach is unchanged from that shared in November 2023.

As outlined in the CEO review, the Directors expect Group adjusted EBITDA[1] (pre IFRS-16) of between £620m-£660m across the full financial year (FY24 52/53 weeks: £616m/£629m). This is indicatively equivalent to Group adjusted operating profit[1] of £590m and £630m (FY24 52/53 weeks: £602m/£614m). This guidance range is based on our expectation that trading momentum will continue to build from the first half. It also reflects our unchanged expectation that B&M UK will operate with an adjusted EBITDA[1] (pre-IFRS 16) margin of between 12-13%.

We have consciously built our Autumn/Winter stock-holding early to remove the risk of supply chain disruption. This will normalise by the end of the financial year, with inventory growth reflecting the Group's additional stores, Easter timing differences and the current two-week longer container shipping times. Partially mitigating this growth, our working capital will benefit from a normalisation of the timing of VAT payments, meaning that we expect growth in working capital for the full financial year to be no more than £50m.

We also have announced plans for B&M UK to open a new imports centre within the next twelve months. We expect that this will require up to £20m of capital expenditure that will be split across the FY25 and FY26 financial years and will be funded within existing capital expenditure budgets, with operating cost ratios expected to be unchanged given the higher volumes being handled.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group remain those as set out on page 23 to 29 of our Annual Report and Financial Statement 2024: supply chain; competition; economic environment; regulation and compliance; international expansion; political uncertainty; IT systems, cyber security and business continuity; key management reliance and store expansion. During the period the Group's Directors considered whether the risk exposure had changed in any of the identified areas, and whether the Group was exposed to new risks. The Directors noted an increase in risks on supply chain given escalating global political tension and continued Red Sea disruption, and also from regulation and compliance however felt that neither of these increases materially changed the Group's risk profile.

Mike Schmidt
Chief Financial Officer
13 November 2024

Notes:

1. Adjusted values are considered to be appropriate to exclude unusual, non-trading and/or non-recurring impacts on performance which therefore provides the user of the accounts with additional metrics to compare periods of account. See notes 3 and 4 of the financial information for further details.
2. Constant currency comparison involves restating the prior year Euro revenues using the same exchange rate as that used to translate the current year Euro revenues.
3. One-year like-for-like revenues relate to the B&M UK estate only (excluding wholesale revenues) and 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. This 14-month approach has been adopted as it excludes the 2-month halo period which new stores experience following opening.
4. Adjusted operating expenses on an underlying basis excludes foreign exchange, one-off income, depreciation and amortisation. This adjusted measure is considered a more meaningful metric to the users of the accounts as this is the cost base used by management to commercially monitor performance. Group non-underlying items include B&M UK's foreign exchange retranslation losses in relation to derivative adjustments of £11m (H1 FY24: £8m loss). Group adjusted operating costs, excluding depreciation and amortisation, as a % of revenues increased to 27.3% from 26.3%.
5. References in this announcement to the B&M UK business include the B&M fascia stores in the UK except for the 'B&M Express' fascia stores. References in this announcement to the Heron Foods business include both the Heron Foods fascia and B&M Express fascia convenience stores in the UK.
6. Please see note 3 of the financial statements for more details and reconciliation to the Consolidated statement of cash flows. Statutory Group cash generated from operations was £303m (H1 FY24: £352m). This statutory definition excludes payments for leased assets including the leasehold property estate.
7. Net debt comprises interest bearing loans and borrowings, overdrafts and cash and cash equivalents. Net debt was £788m at the half year end (H1 FY24: £700m), reflecting £973m (H1 FY24: £924m) as the carrying value of gross debt netted against £185m of cash (H1 FY24: £224m). See note 7 of the financial information for more details.
8. Dividends are stated as gross amounts before deduction of Luxembourg withholding tax which is currently 15%.

Condensed Consolidated Statement of Comprehensive Income

	Note	**26 weeks ended 28 September 2024 £'m**	26 weeks ended 23 September 2023 £'m	53 weeks ended 30 March 2024 £'m
Revenue	2	**2,644**	2,549	5,484
Cost of sales		**(1,648)**	(1,608)	(3,449)
Gross profit		**996**	941	2,035
Administrative expenses		**(761)**	(666)	(1,427)
Operating profit	3	**235**	275	608
Share of losses in associates		**-**	-	(1)
Profit on ordinary activities before interest and tax		**235**	275	607
Finance costs on lease liabilities		**(38)**	(32)	(69)
Other finance costs		**(30)**	(22)	(50)
Finance income		**2**	1	10
Profit on ordinary activities before tax		**169**	222	498
Income tax expense	5	**(46)**	(58)	(131)
Profit for the period		**123**	164	367
Other comprehensive income for the period				
Items that may be subsequently reclassified to profit or loss:				
Exchange differences on retranslation of subsidiaries and associates		**(2)**	(1)	(3)
Fair value movements recorded in the hedging reserve		**(28)**	1	(22)
Tax effect of other comprehensive income		**6**	(2)	1
Total other comprehensive income		**(24)**	(2)	(24)
Total comprehensive income for the period		**99**	162	343
Earnings per share				
Basic earnings attributable to ordinary equity holders (pence)	4	**12.3**	16.4	36.6
Diluted earnings attributable to ordinary equity holders (pence)	4	**12.3**	16.3	36.5

All profit and other comprehensive income is attributable to the owners of the parent.

The accompanying accounting policies and notes form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

Assets	Note	**28 September 2024 £'m**	Restated* 23 September 2023 £'m	30 March 2024 £'m
Non-current				
Goodwill		**920**	921	921
Intangible assets		**121**	124	121
Property, plant and equipment		**439**	383	421
Right-of-use assets		**1,103**	1,052	1,101
Investments in associates		**5**	8	5
Other receivables		**8**	5	5
Other financial assets		**-**	-	1
Deferred tax asset		**5**	3	4
		2,601	2,496	2,579
Current				
Cash and cash equivalents		**185**	224	182
Inventories		**1,007**	856	776
Trade and other receivables		**79**	103	76
Other current financial assets		**-**	12	4
Income tax receivable		**14**	15	8
		1,285	1,210	1,046
Total assets		**3,886**	3,706	3,625
Equity				
Share capital	6	**(100)**	(100)	(100)
Share premium		**(2,484)**	(2,480)	(2,481)
Retained earnings		**(151)**	(171)	(125)
Hedging reserve		**29**	(4)	10
Legal reserve		**(10)**	(10)	(10)
Merger reserve		**1,979**	1,979	1,979
Foreign exchange reserve		**(5)**	(9)	(7)
		(742)	(795)	(734)
Non-current liabilities				
Interest-bearing loans and borrowings	7	**(728)**	(873)	(881)
Lease liabilities		**(1,184)**	(1,128)	(1,187)
Deferred tax liabilities		**(12)**	(20)	(25)
Other financial liabilities		**(3)**	-	(0)
Provisions		**(4)**	(4)	(4)
		(1,931)	(2,025)	(2,097)
Current liabilities				
Interest-bearing loans and borrowings	7	**(236)**	(43)	(29)
Trade and other payables		**(724)**	(644)	(572)
Lease liabilities		**(195)**	(182)	(170)
Other financial liabilities		**(46)**	(3)	(10)
Income tax payable		**(6)**	(7)	(7)
Provisions		**(6)**	(7)	(6)
		(1,213)	(886)	(794)
Total liabilities		**(3,144)**	(2,911)	(2,891)
Total equity and liabilities		**(3,886)**	(3,706)	(3,625)

* The statement of financial position has been restated for September 2023 to reflect a change in the presentation of deferred tax, see note 1 for further details.

The accompanying accounting policies and notes form an integral part of this financial information. The condensed financial statements were approved by the Board of Directors on 13 November 2024 and signed on their behalf by:

A. Russo, Chief Executive Officer.

Condensed Consolidated Statement of Changes in Shareholders' Equity

	Share capital £'m	Share premium £'m	Retained earnings £'m	Hedging reserve £'m	Legal reserve £'m	Merger reserve £'m	Foreign exchange reserve £'m	Total equity £'m
Balance at 25 March 2023	100	2,478	104	(3)	10	(1,979)	10	720
Ordinary dividend payments to owners	-	-	(96)	-	-	-	-	(96)
Effect of share options	0	2	(1)	-	-	-	-	1
Total for transactions with owners	0	2	(97)	-	-	-	-	(95)
Profit for the period	-	-	164	-	-	-	-	164
Other comprehensive income	-	-	-	(1)	-	-	(1)	(2)
Total comprehensive income for the period	-	-	164	(1)	-	-	(1)	162
Hedging gains & losses reclassified as inventory	-	-	-	8	-	-	-	8
Balance at 23 September 2023	100	2,480	171	4	10	(1,979)	9	795
Ordinary dividends declared	-	-	(51)	-	-	-	-	(51)
Special dividend payments to owners	-	-	(201)	-	-	-	-	(201)
Effect of share options	-	1	2	-	-	-	-	3
Total for transactions with owners	-	1	(250)	-	-	-	-	(249)
Profit for the period	-	-	203	-	-	-	-	203
Other comprehensive income	-	-	1	(21)	-	-	(2)	(22)
Total comprehensive income for the period	-	-	204	(21)	-	-	(2)	181
Hedging gains & losses reclassified as inventory	-	-	-	7	-	-	-	7
Hedging gains & losses reclassified as finance costs	-	-	-	0	-	-	-	0
Balance at 30 March 2024	100	2,481	125	(10)	10	(1,979)	7	734
Ordinary dividend payments to owners	**-**	**-**	**(96)**	**-**	**-**	**-**	**-**	**(96)**
Effect of share options	**0**	**3**	**(1)**	**-**	**-**	**-**	**-**	**2**
Total for transactions with owners	**0**	**3**	**(97)**	**-**	**-**	**-**	**-**	**(94)**
Profit for the period	**-**	**-**	**123**	**-**	**-**	**-**	**-**	**123**
Other comprehensive income	**-**	**-**	**-**	**(22)**	**-**	**-**	**(2)**	**(24)**
Total comprehensive income for the period	**-**	**-**	**123**	**(22)**	**-**	**-**	**(2)**	**99**
Hedging gains & losses reclassified as inventory	**-**	**-**	**-**	**3**	**-**	**-**	**-**	**3**
Hedging gains & losses reclassified as finance costs	**-**	**-**	**-**	**0**	**-**	**-**	**-**	**0**
Balance at 28 September 2024	**100**	**2,484**	**151**	**(29)**	**10**	**(1,979)**	**5**	**742**

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

	Note	**26 weeks ended 28 September 2024 £'m**	26 weeks ended 23 September 2023 £'m	53 weeks ended 30 March 2024 £'m
Cash flows from operating activities				
Cash generated from operations	8	**303**	352	862
Income tax paid		**(61)**	(58)	(116)
Net cash flows from operating activities		**242**	294	746
Cash flows from investing activities				
Purchase of property, plant and equipment		**(74)**	(43)	(123)
Purchase of intangible assets		**(1)**	(6)	(3)
Proceeds from the sale of property, plant and equipment		**16**	1	2
Finance income received		**2**	1	5
Dividend income from associates		**-**	-	1
Net cash flows from investing activities		**(57)**	(47)	(118)
Cash flows from financing activities				
Net receipt of Group revolving credit facilities	7	**45**	40	25
Repayment of old bank loan facilities	7	**-**	(300)	(300)
Receipt of new bank loan facilities	7	**-**	225	225
Repayment of corporate bonds	7	**-**	-	(239)
Receipt due to newly issued corporate bonds	7	**-**	-	250
Net receipt/(repayment) of French facilities	7	**9**	(2)	3
Repayment of the principal in relation to right-of-use assets		**(72)**	(71)	(171)
Payment of interest in relation to right-of-use assets		**(38)**	(32)	(69)
Fees on refinancing	7	**-**	(3)	(15)
Other finance costs paid		**(28)**	(21)	(41)
Dividends paid to owners of the parent		**(96)**	(96)	(348)
Net cash flows from financing activities		**(180)**	(260)	(680)
Effects of exchange rate changes on cash and cash equivalents		**(2)**	(0)	(3)
Net increase/(decrease) in cash and cash equivalents		**3**	(13)	(55)
Cash and cash equivalents at the beginning of the period		**182**	237	237
Cash and cash equivalents at the end of the period		**185**	224	182
Cash and cash equivalents comprise:				
Cash at bank and in hand		**185**	224	182
Overdrafts		**-**	-	-
		185	224	182

The accompanying accounting policies and notes form an integral part of these consolidated financial statements.

Notes to the financial information

1 General information and basis of preparation

The results for the first half of the financial year have not been audited and are prepared on the basis of the accounting policies set out in the Group's last set of consolidated accounts released by the ultimate controlling party, B&M European Value Retail S.A. (the "company"), a company listed on the London Stock Exchange and incorporated in Luxembourg.

The financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority (DTR) and with International Accounting Standard (IAS) 34 'Interim Financial Reporting' as endorsed by the European Union.

The Group's trade is general retail, with trading taking place in the UK and France.

The principal accounting policies have remained unchanged from the prior financial information for the Group for the period to 30 March 2024.

The financial statements for B&M European Value Retail S.A. for the 53 weeks to 30 March 2024 have been reported on by the Group auditor and filed with the Luxembourg Registrar of Companies. The audit report was unqualified.

The consolidated interim financial statements are presented in pounds sterling and all values are rounded to the nearest million (£'m), except when otherwise indicated.

This consolidated financial information does not constitute statutory financial statements.

Restatement of the Consolidated statement of financial position

Following the amendments made to IAS 12 *'Income Taxes'* by the IASB in the paper *'Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12',* the Group has restated it's deferred tax balances which arise from the differences between our statutory reporting and local tax treatment of leases.

Under the amendments the Group is required to separately record deferred tax assets and deferred tax liabilities on each component of the overall balance sheet difference, where previously the Group had reported a net position. So, for any one lease there will be a separate deferred tax asset relating to the difference arising from the lease liability, and a separate deferred tax liability relating to the difference arising from the right-of-use asset.

In carrying out this review it was also noted that under IAS 12 the Group should net deferred tax assets and liabilities where we have a legally enforceable right to do so and where they relate to income taxes levied by the same tax authority. This has resulted in a restatement to our Consolidated statement of financial position as follows;

	As previously reported £'m	As restated £'m
Deferred tax asset	27	3
Deferred tax liability	(44)	(20)

As the restatement is a net-off of the deferred tax asset and deferred tax liability position, the net position remains unchanged. As such, there is no impact on the Consolidated statement of comprehensive income, Consolidated statement of changes in shareholders' equity or the Consolidated statement of cash flows.

Basis of consolidation

This Group financial information consolidates the financial information of the company and its subsidiary undertakings, together with the Group's share of the net assets and results of associated undertakings, for the period from 31 March 2024 to 28 September 2024. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting. The results of companies acquired are included in the consolidated statement of comprehensive income from the acquisition date.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary, excluding the situations as outlined in the basis of preparation.

Going concern

As a value retailer, the Group is well placed to withstand volatility within the economic environment. The Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group will trade within its current banking facilities.

In assessing the Group's going concern at the half year, scenarios in relation to the Group's principal risks, as disclosed in the FY24 annual report, have still been considered appropriate and relevant. The Directors have also considered the Group's current cash position, the repayment profile of its obligations, its financial covenants and the resilience of its 12-month cash flow forecast to a series of severe but plausible downside scenarios. Having considered these factors the Board is satisfied the Group has adequate resources to continue its successful growth.

Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Critical judgments and key sources of estimation uncertainty

There are no significant changes to the items listed in the 2024 Annual Report.

2 Segmental information

IFRS 8 ('Operating segments') requires the Group's segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker to assess performance and allocate resources across each reporting segment.

The chief operating decision maker has been identified as the executive directors who monitor the operating results of the retail segments for the purpose of making decisions about resource allocation and performance assessment.

For management purposes, the Group is organised into three operating segments, UK B&M, UK Heron and France B&M segments comprising the three separately operated business units within the Group.

Items that fall into the corporate category, which is not a separate segment but is presented to reconcile the balances to those presented in the main statements, include those related to the Luxembourg or associate entities, Group financing, corporate transactions, any tax adjustments and items we consider to be adjusting (see note 3).

The average euro rate for translation purposes was €1.1778/£ during the period, with the period end rate being €1.1994/£ (March 2024: €1.1587/£ and €1.1694; September 2023: €1.1566/£ and €1.1507/£ respectively).

26 week period to 28 September 2024	**UK B&M £'m**	**UK Heron £'m**	**France B&M £'m**	**Corporate £'m**	**Total £'m**
Revenue	**2,121**	**276**	**247**	**-**	**2,644**
EBITDA (note 3)	**330**	**24**	**39**	**(24)**	**369**
Depreciation and amortisation	**(102)**	**(11)**	**(21)**	**-**	**(134)**
Profit/(loss) before interest and tax	**228**	**13**	**18**	**(24)**	**235**
Net finance expense	**(26)**	**(1)**	**(8)**	**(31)**	**(66)**
Income tax (charge)/credit	**(53)**	**(3)**	**(3)**	**13**	**(46)**
Segment profit/(loss)	**149**	**9**	**7**	**(42)**	**123**
Total assets	**3,158**	**293**	**410**	**25**	**3,886**
Total liabilities	**(1,673)**	**(118)**	**(306)**	**(1,047)**	**(3,144)**
Capital expenditure*	**(62)**	**(6)**	**(7)**	**-**	**(75)**

26 week period to 23 September 2023	UK B&M £'m	UK Heron £'m	France B&M £'m	Corporate £'m	Total £'m
Revenue	2,045	272	232	-	2,549
EBITDA (note 3)	324	26	39	10	399
Depreciation and amortisation	(94)	(11)	(19)	-	(124)
Profit before interest and tax	230	15	20	10	275
Net finance expense	(23)	(1)	(7)	(22)	(53)
Income tax (charge)/credit	(53)	(4)	(3)	2	(58)
Segment profit/(loss)	154	10	10	(10)	164
Total assets	3,001	281	386	38	3,706
Total liabilities	(1,543)	(122)	(287)	(959)	(2,911)
Capital expenditure*	(37)	(6)	(6)	-	(49)

53 week period to 30 March 2024	UK B&M £'m	UK Heron £'m	France B&M £'m	Corporate £'m	Total £'m
Revenue	4,410	560	514	-	5,484
EBITDA (note 3)	743	50	89	(17)	865
Depreciation and amortisation	(195)	(23)	(40)	-	(258)
Profit/(loss) before interest and tax	548	27	49	(17)	607
Net finance expense	(48)	(1)	(14)	(46)	(109)
Income tax (charge)/credit	(127)	(6)	(9)	11	(131)
Segment profit/(loss)	373	20	26	(52)	367
Total assets	2,905	284	413	23	3,625
Total liabilities	(1,491)	(119)	(307)	(974)	(2,891)
Capital expenditure*	(97)	(15)	(14)	-	(126)

* Capital expenditure includes both tangible and intangible capital

Revenue is disaggregated geographically as follows:

Period to	**26 weeks ended 28 September 2024 £'m**	26 weeks ended 23 September 2023 £'m	53 weeks ended 30 March 2024 £'m
Revenue due to UK operations	**2,397**	2,317	4,970
Revenue due to French operations	**247**	232	514
Overall revenue	**2,644**	2,549	5,484

Non-current assets (excluding deferred tax) are disaggregated geographically as follows:

As at	**28 September 2024 £'m**	23 September 2023 £'m	30 March 2024 £'m
UK operations	**2,341**	2,246	2,315
French operations	**250**	239	254
Luxembourg operations	**5**	8	5
Overall	**2,596**	2,493	2,574

The Group operates small wholesale operations, with the relevant disaggregation of revenue as follows:

Period to	**26 weeks ended 28 September 2024 £'m**	26 weeks ended 23 September 2023 £'m	53 weeks ended 30 March 2024 £'m
Revenue due to sales made in stores	**2,630**	2,534	5,454
Revenue due to wholesale activities	**14**	15	30
Overall revenue	**2,644**	2,549	5,484

3 Reconciliation of non-IFRS measures from the statement of comprehensive income

The Group reports a selection of alternative performance measures as detailed below. The Directors believe that these measures provide additional information that is useful to the users of the accounts.

EBITDA, adjusted EBITDA, adjusted operating profit and adjusted profit are non-IFRS measures and therefore we provide a reconciliation of these amounts to the statement of comprehensive income below.

Period to	**26 weeks ended 28 September 2024 £'m**	26 weeks ended 23 September 2023 £'m	53 weeks ended 30 March 2024 £'m
Profit on ordinary activities before interest and tax	**235**	275	607
Add back depreciation and amortisation	**134**	124	258
EBITDA	**369**	399	865
Costs in relation to the acquisition of Wilko stores	**2**	-	9
Group Trading Director accrual	**2**	-	-
Reverse the fair value and foreign exchange impact of derivatives yet to mature	**19**	(12)	(2)
Foreign exchange on intercompany balances	**(0)**	0	0
Adjusted EBITDA	**392**	387	872
Depreciation and amortisation	**(134)**	(124)	(258)
Adjusted operating profit	**258**	263	614
Interest costs related to lease liabilities	**(38)**	(32)	(69)
Net other finance costs	**(28)**	(21)	(44)
Adjusted profit before tax	**192**	210	501
Adjusted tax	**(54)**	(55)	(132)
Adjusted profit for the period	**138**	155	369

Adjusted EBITDA (pre-IFRS 16), adjusted operating profit (pre-IFRS 16) and adjusted profit (pre-IFRS 16) are calculated as follows. These are the statements of adjusted profit that excludes the effects of IFRS 16.

Period to	**26 weeks ended 28 September 2024 £'m**	26 weeks ended 23 September 2023 £'m	53 weeks ended 30 March 2024 £'m
EBITDA (above)	**369**	399	865
Remove effects of IFRS 16 on EBITDA	**(118)**	(118)	(243)
EBITDA (pre-IFRS 16)	**251**	281	622
Adjusting items (above)	**23**	(12)	7
Adjusted EBITDA (pre-IFRS 16)	**274**	269	629
Pre-IFRS 16 depreciation and amortisation	**(44)**	(40)	(82)
Adjusted operating profit (pre-IFRS 16)	**230**	229	547
Net other finance costs	**(28)**	(21)	(44)
Adjusted profit before tax (pre-IFRS 16)	**202**	208	503
Adjusted tax	**(54)**	(53)	(133)
Adjusted profit for the period (pre-IFRS 16)	**148**	155	370

The effects of IFRS 16 on EBITDA caption reflects the difference between IAS 17 and IFRS 16 accounting and largely consists of the additional rent expense the Group would have incurred under the IAS 17 standard.

Adjusting items are the fair value and foreign exchange impact of derivatives yet to mature, the foreign exchange impact of the retranslation of intercompany balances and significant project gains or losses which may be included if incurred, as they have been this half year in relation to the acquisition of several Wilko store leases, and the Group Trading Director accrual.

The Group Trading Director accrual represents the portion of the previously announced retention agreement that relates to the period following the commencement of the Group Trading Director succession plan and that is required to be accounted for in the current reporting period. It is considered by management to be an adjusting item as it is material and one-off in nature and does not relate to the ongoing trade of the Group.

Adjusted tax represents the tax charge per the statement of comprehensive income as adjusted only for the effects of the adjusting items detailed above.

Net other finance costs reconcile to finance costs in the statement of comprehensive income as follows:

Period to	**26 weeks ended 28 September 2024 £'m**	26 weeks ended 23 September 2023 £'m	53 weeks ended 30 March 2024 £'m
Other finance costs from the statement of comprehensive income	**(30)**	(22)	(50)
Finance income from the statement of comprehensive income	**2**	1	10
Remove adjusted finance costs	**-**	-	(4)
Net other finance costs	**(28)**	(21)	(44)

In the prior year, on 23 November 2023, the Group refinanced part of its previous £400m high yield bond notes (2020). £244m of these bonds were redeemed at 98%, which resulted in a gain of £5m recognised as a financial gain in the Consolidated statement of comprehensive income. The bonds which were redeemed carried £1m in fees incurred on inception, which were yet to be amortised. These were also released through other finance costs in the Consolidated statement of comprehensive income.

The tables below give the reconciliation between the profit/(loss) before interest and tax and adjusted EBITDA (pre-IFRS 16) by segment:

26-week period to 28 September 2024	**UK B&M £'m**	**UK Heron £'m**	**France B&M £'m**	**Corporate £'m**	**Total £'m**
Profit/(loss) before interest and tax	**228**	**13**	**18**	**(24)**	**235**
Adjusting items (above)	-	-	-	23	23
Adjusted operating profit/(loss)	**228**	**13**	**18**	**(1)**	**258**
Depreciation and amortisation (pre-IFRS 16)	33	6	5	-	44
Impact of IFRS 16	(21)	(1)	(6)	-	(28)
Adjusted EBITDA (pre-IFRS 16)	**240**	**18**	**17**	**(1)**	**274**

26-week period to 23 September 2023	UK B&M £'m	UK Heron £'m	France B&M £'m	Corporate £'m	Total £'m
Profit before interest and tax	230	15	20	10	275
Adjusting items (above)	-	-	-	(12)	(12)
Adjusted operating profit/(loss)	230	15	20	(2)	263
Depreciation and amortisation (pre-IFRS 16)	29	6	5	-	40
Impact of IFRS 16	(24)	(3)	(7)	-	(34)
Adjusted EBITDA (pre-IFRS 16)	235	18	18	(2)	269

53-week period to 30 March 2024	UK B&M £'m	UK Heron £'m	France B&M £'m	Corporate £'m	Total £'m
Profit/(loss) before interest and tax	548	27	49	(17)	607
Adjusting items (above)	-	-	-	7	7
Adjusted operating profit/(loss)	548	27	49	(10)	614
Depreciation and amortisation (pre-IFRS 16)	59	13	10	-	82
Impact of IFRS 16	(51)	(4)	(12)	-	(67)
Adjusted EBITDA (pre-IFRS 16)	556	36	47	(10)	629

Post-tax free cash flow is reconciled to the Consolidated statement of cash flows as follows:

Period ended	**26 weeks ended 28 September 2024 £'m**	26 weeks ended 23 September 2023 £'m	53 weeks ended 30 March 2024 £'m
Cash flows from operating activities	**303**	352	862
Income tax paid	**(61)**	(58)	(116)
Purchase of property, plant and equipment	**(74)**	(43)	(123)
Purchase of intangible assets	**(1)**	(6)	(3)
Proceeds from sale of property, plant and equipment	**16**	1	2
Repayment of the principal in relation to lease liabilities	**(72)**	(71)	(171)
Payment of interest in relation to right-of-use assets	**(38)**	(32)	(69)
Post-tax free cash flow	**73**	143	382

Adjusted EBITDA and related measures are not measures of performance or liquidity under IFRS and should not be considered in isolation or as a substitute for measures of profit, or as an indicator of the Group's operating performance or cash flows from operating activities as determined in accordance with IFRS.

4 Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the financial period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at each period end.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during each year plus the weighted average number of ordinary shares that would be issued on conversion of any dilutive potential ordinary shares into ordinary shares.

Adjusted (and adjusted (pre-IFRS 16)) basic and diluted earnings per share are calculated in the same way as above, except using adjusted profit attributable to ordinary equity holders of the parent, as defined in note 3.

There are share option schemes in place which have a dilutive effect on all periods presented. The increase in the number of shares used in the calculation of the basic earnings per share is due to the exercise of some of these options.

The following reflects the income and share data used in the earnings per share computations:

Period to	**28 September 2024 £'m**	23 September 2023 £'m	30 March 2024 £'m
Profit for the period attributable to owners of the parent	**123**	164	367
Adjusted profit for the period attributable to owners of the parent	**138**	155	369
Adjusted (pre-IFRS 16) profit for the period attributable to owners of the parent	**148**	155	370

	Thousands	Thousands	Thousands
Weighted average number of ordinary shares for basic earnings per share	**1,002,956**	1,002,004	1,002,392
Dilutive effect of employee share options	**2,104**	2,554	2,282
Weighted average number of ordinary shares adjusted for the effect of dilution	**1,005,060**	1,004,558	1,004,674

	Pence	Pence	Pence
Basic earnings per share	**12.3**	16.4	36.6
Diluted earnings per share	**12.3**	16.3	36.5
Adjusted basic earnings per share	**13.8**	15.5	36.8
Adjusted diluted earnings per share	**13.7**	15.4	36.7
Adjusted (pre-IFRS 16) basic earnings per share	**14.7**	15.5	36.9
Adjusted (pre-IFRS 16) diluted earnings per share	**14.7**	15.4	36.8

5 Taxation

The continuing tax charge for the interim period has been calculated on the basis of the corporation tax rate for the full year of 25% in the UK and France, and then adjusted for allowances and non-deductibles in line with the prior periods (March 2024 and September 2023: same).

6 Share capital

Allotted, called up and fully paid	**Nominal value £'m**	**Number of shares**
B&M European Value Retail S.A. Ordinary shares of 10p each;		
At 25 March 2023	100	1,001,853,735
Shares issued due to exercise of employee share options	0	901,904
At 23 September 2023	100	1,002,755,639
Shares issued due to exercise of employee share options	0	35,257
At 30 March 2024	100	1,002,790,896
Shares issued due to exercise of employee share options	**0**	**993,033**
At 28 September 2024	**100**	**1,003,783,929**

Ordinary Shares
Each ordinary share ranks pari passu with each other ordinary share and each share carries one vote.

In addition to the issued share capital, the company has an authorised but unissued share capital of 2,968,438,293 ordinary shares.

The outstanding share options can be summarised as follows:

	28 September 2024	23 September 2023	30 March 2024
Vested, available to exercise	**5,569**	-	-
Not vested, not subject to conditions (in holding)	**1,457,454**	1,610,253	1,651,021
Not vested, subject to conditions	**3,197,435**	2,487,416	2,576,597
Total outstanding share options	**4,660,458**	4,097,669	4,227,618

For the dilutive effect of these see note 4.

7 Financial liabilities - borrowings

	28 September 2024 £'m	23 September 2023 £'m	30 March 2024 £'m
Current			
High yield bond notes	**155**	-	-
Revolving facility bank loan	**70**	40	25
B&M France loan facilities	**11**	3	4
	236	43	29
Non-current			
High yield bond notes	**495**	647	650
Term facility bank loan	**222**	220	221
B&M France loan facilities	**11**	6	10
	728	873	881

Bond refinancing

In the prior period, on 23 November 2023, the Group refinanced part of its existing £400m high yield bond notes (2020). £244m of bonds were redeemed at 98%, resulting in a gain of £5m recognised as financial income in the Consolidated statement of comprehensive income. The remaining £156m of the high yield bond notes (2020) have a maturity date of July 2025.

On the same date, the Group issued £250m of high yield bond notes, maturing in November 2030 with an interest rate of 8.125%.

Transaction fees of £4m were capitalised and are included in the carrying value of these bonds. An interest rate swap derivative was taken at the start of the process to hedge exposure to movements in long-term SONIA rates. This hedge was considered to be fully effective and as such the fair value movements of £8m were included in other comprehensive income and the hedging reserve. The £8m value on the hedging reserve recycles through to the other finance costs caption on the Consolidated statement of comprehensive income on a straight-line basis over the term of the bond.

The 2020 bonds which were redeemed carried £1m in fees incurred on inception, which were yet to be amortised. These were released through other finance costs on the Consolidated statement of comprehensive income in the prior period.

Extension of senior loan facilities

In the prior year, in March 2024, the Group and the banking syndicate confirmed the activation of the first of two available 1-year extensions on its senior loan facilities. As such, the facilities now have a maturity date of March 2029.

Loan details

The French loan facilities are held in Euros. All other borrowings are held in sterling.

The term facility bank loan and high yield bonds have a book value lower than the cash amount that is outstanding due to the allocation of fees to these facilities on their inception.

The current applicable interest rates, gross cash debt and maturities on the Group's loans are as follows:

	Interest rate	**Maturity**	**28 September 2024**	23 September 2023	30 March 2024
	%		**£'m**	£'m	£'m
Revolving credit facility	1.75% + SONIA	Oct-24	**70**	40	25
Term facility bank loan A	2.00% + SONIA	Mar-29	**225**	225	225
High yield bond notes (2020)	3.625%	Jul-25	**156**	400	156
High yield bond notes (2021)	4.000%	Nov-28	**250**	250	250
High yield bond notes (2023)	8.125%	Nov-30	**250**	-	250
B&M France – BNP Paribas	3.30 - 3.97%	Feb 28 - Aug 29	**9**	3	5
B&M France – Caisse d'Épargne	0.75 - 4.97%	Oct 24 - Nov 29	**5**	2	1
B&M France – CIC	0.71 - 0.75%	Sep 24 - Jan 27	**1**	1	1
B&M France – Crédit Agricole	0.39 - 4.31%	Oct 24 - Jan 28	**3**	1	1
B&M France - Crédit Lyonnais	0.68 - 3.65%	Nov 24 - Mar 29	**4**	2	5
			973	924	919

The revolving facility of £225m is committed until March 2029.

The term loan A and the high yield bond notes have carrying values which include transaction fees allocated on inception.

All B&M France facilities have gross values in Euros, and the values above have been translated at the period-end rates of €1.1994/£ (September 2023: €1.1507/£ and March 2024: €1.1694/£).

The Group measures net debt as the total of the gross cash borrowed less the cash held on the statement of financial position:

	28 September 2024	23 September 2023	30 March 2024
	£'m	£'m	£'m
Interest bearing loans and borrowings	**973**	924	919
Less: Cash and short-term deposits – overdrafts	**(185)**	(224)	(182)
Net debt	**788**	700	737

8 Reconciliation of profit before tax to cash generated from operations

	26 weeks ended 28 September 2024 £'m	26 weeks ended 23 September 2023 £'m	53 weeks ended 30 March 2024 £'m
Profit before tax	**169**	222	498
Adjustments for:			
Net interest expense	**66**	53	109
Depreciation of property, plant and equipment	**43**	39	79
Depreciation of right-of-use assets	**90**	84	177
Impairment of right-of-use assets	**0**	0	5
Amortisation of intangible assets	**1**	1	2
Gain on sale and leaseback	**(1)**	-	-
(Profit)/loss on disposal of property, plant and equipment	**(0)**	0	1
Charge on share options	**2**	2	3
Change in inventories	**(234)**	(84)	(14)
Change in trade and other receivables	**(9)**	(51)	(23)
Change in trade and other payables	**157**	96	29
Change in provisions	**0**	2	1
Share of losses from associates	**-**	-	1
Loss/(gain) resulting from fair value of financial derivatives	**19**	(12)	(6)
Cash generated from operations	**303**	352	862

9 Financial instruments

Fair value

The fair value of our corporate bonds, which are financial liabilities held at amortised cost, has been determined by using the relevant quoted bid price for those bonds. These differ to the carrying values as shown below.

	Fair Value (Level 1)			**Carrying Value**		
As at	**28 September 2024 £'m**	23 September 2023 £'m	30 March 2024 £'m	**28 September 2024 £'m**	23 September 2023 £'m	30 March 2024 £'m
High yield bond notes (2020)	**152**	386	152	**155**	399	155
High yield bond notes (2021)	**233**	213	231	**248**	248	248
High yield bond notes (2023)	**267**	N/A	269	**247**	N/A	247

The fair value of the other financial assets and liabilities of the Group are not materially different from their carrying value. Refer to the table below. These all represent financial assets and liabilities measured at amortised cost except where stated as measured at fair value through profit and loss or fair value through other comprehensive income.

As at	**28 September 2024**	23 September 2023	30 March 2024
Financial assets:	**£'m**	£'m	£'m
Fair value through profit and loss			
Forward foreign exchange contracts	**-**	6	2
Fair value through other comprehensive income			
Forward foreign exchange contracts	**-**	6	3
Loans and receivables			
Cash and cash equivalents	**185**	224	182
Trade receivables	**12**	11	12
Other receivables	**21**	27	22

As at	**28 September 2024**	23 September 2023	30 March 2024
Financial liabilities:	**£'m**	£'m	£'m
Fair value through profit and loss			
Forward foreign exchange contracts	**21**	1	4
Fair value through other comprehensive income			
Forward foreign exchange contracts	**28**	2	6
Amortised cost			
Lease liabilities	**1,379**	1,310	1,357
Interest-bearing loans and borrowings (excluding corporate bonds)	**314**	269	260
Trade payables	**505**	452	413
Other payables	**19**	21	21

Financial instruments at fair value through profit and loss

The financial assets and liabilities through profit or loss reflect the fair value of those foreign exchange forward contracts that are intended to reduce the level of risk for expected sales and purchases.

The forward foreign exchange contracts have been valued by the issuing bank, using a mark to market method. The bank has used various inputs to compute the valuations, and these include inter alia the relevant maturity date strike rates and the current exchange rate.

10 Related party transactions

The Group has transacted with the following related parties over the periods:

Multi-lines International Company Limited, a supplier, and Centz Retail Holdings, a customer, are associates of the Group.

Ropley Properties Ltd, Triple Jersey Ltd, TJL UK Ltd, Rani Investments, Fulland Investments Limited, Golden Honest International Investments Limited, Hammond Investments Limited, Joint Sino Investments Limited and Ocean Sense Investments Limited, all landlords of properties occupied by the Group, and Rani 1 Holdings Limited, Rani 2 Holdings Limited and SSA Investments, bondholders and beneficial owners of equipment hired to the Group, are directly or indirectly owned by Bobby Arora, a key member of the management team, his family, or his family trusts (together, the Arora related parties).

In the prior period, significant related party transactions occurred, with Simon Arora, SSA Investments, Rani 1 Investments and Rani 2 Investments each selling their full holdings of, respectively, £35m, £13m, £50m and £50m in the 2020 3.625% corporate bonds as part of the tender exercise that took place in November 2023.

Purchases have been made in prior periods and the overall position is summarised in the table below with all related party bondholders being Arora related parties.

	26 weeks ended 28 September 2024 £'m	26 weeks ended 23 September 2023 £'m	53 weeks ended 30 March 2024 £'m
Simon Arora (3.625%, 2025 bonds)	**-**	35	-
SSA Investments (3.625%, 2025 Bonds)	**-**	13	-
SSA Investments (4.000%, 2028 Bonds)	**99**	99	99
Rani 1 Investments (3.625%, 2025 Bonds)	**-**	50	-
Rani 2 Investments (3.625%, 2025 Bonds)	**-**	50	-
Total	**99**	247	99

The interest expense recorded on these bonds was £2m, with £1m accrued at the period end (September 2023: £5m, £3m and March 2024: £8m, £2m respectively).

The following tables set out the total amount of trading transactions with related parties included in the statement of comprehensive income:

	26 weeks ended 28 September 2024 £'m	26 weeks ended 23 September 2023 £'m	53 weeks ended 30 March 2024 £'m
Sales to associates of the Group			
Centz Retail Holdings Limited	**13**	13	27
Total sales to related parties	**13**	13	27

	26 weeks ended 28 September 2024 £'m	26 weeks ended 23 September 2023 £'m	53 weeks ended 30 March 2024 £'m
Purchases from associates of the Group			
Multi-lines International Company Ltd	**158.1**	104.8	259.0
Purchases from parties related to key management personnel			
Fulland Investments Limited	**0.1**	0.1	0.3
Golden Honest International Investments Limited	**0.1**	0.1	0.2
Hammond Investments Limited	**0.1**	0.1	0.3
Joint Sino Investments Limited	**0.1**	0.1	0.2
Ocean Sense Investments Limited	**0.1**	0.1	0.2
Total purchases from related parties	**158.6**	105.3	260.2

The IFRS 16 Lease figures in relation to the following related parties, which are all related to key management personnel, are as follows:

	Depreciation charge £'m	Interest charge £'m	Total charge £'m	Right-of-use asset £'m	Lease liability £'m	Net liability £'m
Period ended 28 September 2024						
Rani Investments	**0**	**0**	**0**	**0**	**(1)**	**(1)**
Ropley Properties	**1**	**0**	**1**	**7**	**(10)**	**(3)**
TJL UK Limited	**1**	**0**	**1**	**9**	**(11)**	**(2)**
Triple Jersey Limited	**4**	**2**	**6**	**58**	**(70)**	**(12)**
	6	**2**	**8**	**74**	**(92)**	**(18)**
Period ended 23 September 2023						
Rani Investments	0	0	0	1	(1)	(0)
Ropley Properties	1	0	1	7	(10)	(3)
TJL UK Limited	1	0	1	10	(12)	(2)
Triple Jersey Limited	4	2	6	55	(67)	(12)
	6	2	8	73	(90)	(17)
Period ended 30 March 2024						
Rani Investments	0	0	0	0	(0)	(0)
Ropley Properties	2	1	3	7	(10)	(3)
TJL UK Limited	1	0	1	10	(12)	(2)
Triple Jersey Limited	9	3	12	53	(64)	(11)
	12	4	16	70	(86)	(16)

The following tables set out the total amount of trading balances with related parties outstanding at the period end.

Trade receivables	**28 September 2024 £'m**	23 September 2023 £'m	30 March 2024 £'m
With associates of the Group:			
Centz Retail Holdings Limited	**2**	4	2
Total related party trade receivables	**2**	4	2

Trade payables	**28 September 2024 £'m**	23 September 2023 £'m	30 March 2024 £'m
With associates of the Group:			
Multi-lines International Company Ltd	**56**	19	32
With parties related to key management personnel:			
Rani Investments	**0**	0	-
Ropley Properties Ltd	**1**	1	0
TJL UK Limited	**0**	0	1
Triple Jersey Ltd	**2**	3	0
Total related party trade payables	**59**	23	33

Outstanding trade balances at the balance sheet dates are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party trade receivables or payables.

The balance with Multi-lines International Company Ltd includes $18m (September 2023: $18m; March 2024: $18m) held within a supply chain facility. The facility is operated by major banking partners with high credit ratings and is limited to $50m total exposure at any one time.

The purpose of the arrangement is to enable our participating suppliers, at their discretion, to draw down against their receivables from the Group prior to their usual due date.

There would be no impact on the Group if the facility became unavailable and there are no fees or charges payable by the Group in regards to this arrangement.

As these invoices continue to be part of the normal operating cycle of the Group, the scheme does not change the recognition of the invoices subject to the scheme, so they continue to be recognised as trade payables, with the associated cash flows presented within operating cash flows and without affecting the calculation of Group net debt.

The business has not recorded any impairment of trade receivables relating to amounts owed by related parties in any of the presented periods. This assessment is undertaken through examining the financial position of the related party and the market in which the related party operates.

The future lease commitments on the related party properties are:

	26 weeks ended 28 September 2024 £'m	26 weeks ended 23 September 2023 £'m	53 weeks ended 30 March 2024 £'m
Not later than one year	**18**	16	16
Later than one year and not later than two years	**16**	15	15
Later than two years and not later than five years	**43**	41	39
Later than five years	**32**	36	33
	109	108	103

Further details regarding the Group's associates and transactions with key management personnel are disclosed in the annual report.

11 Commitments

At the period end the Group were committed to future capital expenditure of £27m, £20m of which relates to the development of the new imports centre in the UK.

12 Post balance sheet events

An interim dividend of 5.3p per Ordinary Share will be paid on 13 December 2024.

13 Directors

The directors that served during the period were:

Tiffany Hall (Chair)
Alex Russo (CEO)
Mike Schmidt (CFO)
Paula MacKenzie
Oliver Tant
Hounaïda Lasry
Nadia Shouraboura (appointed 29 May 2024)
Peter Bamford (retired 23 July 2024)
Ron McMillan (retired 23 July 2024)

As previously announced, Nadia Shouraboura was appointed as a Non-Executive Director, with effect from 29 May 2024.

On 5 June 2024, the Group announced the appointment of Tiffany Hall as the successor to Peter Bamford in the role as Chair of the Board of Directors, with effect from 23 July 2024. On the same date, Peter Bamford retired from the Board of Directors after six very successful years in the role.

At the AGM, Ron McMillan also announced his retirement, with effect from 23 July 2024.

All directors served for the whole period except where indicated above.

DIRECTORS' RESPONSIBILITIES STATEMENT

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the EU;

- The Interim Management Report includes a fair review of the information required by:

  a. DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first 26 weeks of the financial period and their impact on the condensed set of interim financial statements; and a description of the principal risks and uncertainties for the remaining 26 weeks of the reporting period; and

  b. DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first 26 weeks of the current financial period and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Alex Russo
Chief Executive Officer
13 November 2024