

# J Sainsbury plc

We employ over 178,000 colleagues who work hard every day to make our customers' lives easier and to provide them with great products, quality and service whenever and wherever it is convenient for them.

## Food

Our strategic focus is to help our customers live well for less. Through the combination of our supermarket, convenience and groceries online offerings, we ensure that customers are able to access great value, high quality products in the way that suits them, when it suits them. We continue to invest in range, price, service and quality, both in our own label offer, but also working with a broad variety of exciting brands to differentiate our offer. We are using space innovatively in our larger supermarkets by working with selected concession partners to maximise our use of space and help make Sainsbury's an attractive retail destination.

## General Merchandise & Clothing

We are one of the largest general merchandise and clothing retailers in the UK, offering a wide range of products across our Argos, Tu, Sainsbury's Home and Habitat brands, in stores and online. Since acquiring Argos in September 2016, we have rapidly integrated the business, realising significant synergies. The cutting-edge supply chain and fulfilment model of Argos means we are strongly positioned to serve our customers' whenever and wherever they want. Offering high street style at supermarket prices has made Tu clothing very popular with our customers. We are strongly positioned in womenswear and childrenswear.

## Financial Services

Financial Services are an integral part of our business, representing another opportunity for the group to offer a full range of services to our customers. Sainsbury's Bank & Argos Financial Services, together, offer accessible products such as credit cards, insurance, travel money, and personal loans that reward loyalty.

## Q2 19/20

### Headline figures

**(0.2)%**

LfL sales growth  
inc VAT, ex fuel

**(0.1)%**

Total retail sales  
growth inc VAT, ex fuel

#### Categories

**0.6%**   
Grocery sales growth

**(2.0)%**   
General Merchandise  
sales growth

**3.3%**   
Clothing sales growth

### Channel performance

**(0.2)%**

Supermarkets sales growth  
(inc Argos stores  
in supermarkets)

**2.6%**   
Convenience sales growth

**9.8%**   
Groceries online sales growth

### H1 highlights

**123**

New value  
brand  
products  
launched

Smartshop  
now available in

**350+**  
stores

Pay@Browse  
technology  
now available in

**362**  
Argos stores

**14%**

Argos  
Fast Track  
collection  
growth

**2.1m**

Customers  
now  
using the  
Nectar app

Over  
**50%**

Growth in  
Clothing online

## H1 2019/20 Highlights

### Headline figures

**£238m** ↓ 15%  
Underlying profit before tax

**3.3p** ↑ 6%  
Interim dividend

**£14,808m** ↓ 0.3%  
Retail sales exc VAT, inc fuel

**7.9p** ↓ 16%  
Underlying earnings per share

### Group performance

**£457m** ↓ 9%  
Group underlying  
operating profit

**£698m** ↑ 13%  
Free cash flow

**£437m** ↓ 10%  
Retail operating profit

**3.1x** ↓ from 3.3x  
Net debt/underlying EBITDAR

**£20m** ↑ 25%  
Financial Services operating profit

**£1,008m** ↓ £514m  
Net debt excluding lease liabilities

**2.95%**  
Retail underlying operating margin

**£6,778m** ↓ £367m  
Net debt

### Sales

**(1.0)%**  
LfL sales increase  
inc VAT, ex fuel

**2.0%**   
Convenience sales growth

**7.0%**   
Groceries online sales growth

**(0.6)%**

Total retail sales  
growth inc VAT, ex fuel

#### Categories

**(0.1)%**   
Grocery sales growth

**(2.5)%**   
General  
Merchandise  
sales growth

**(1.2)%**   
Clothing sales growth

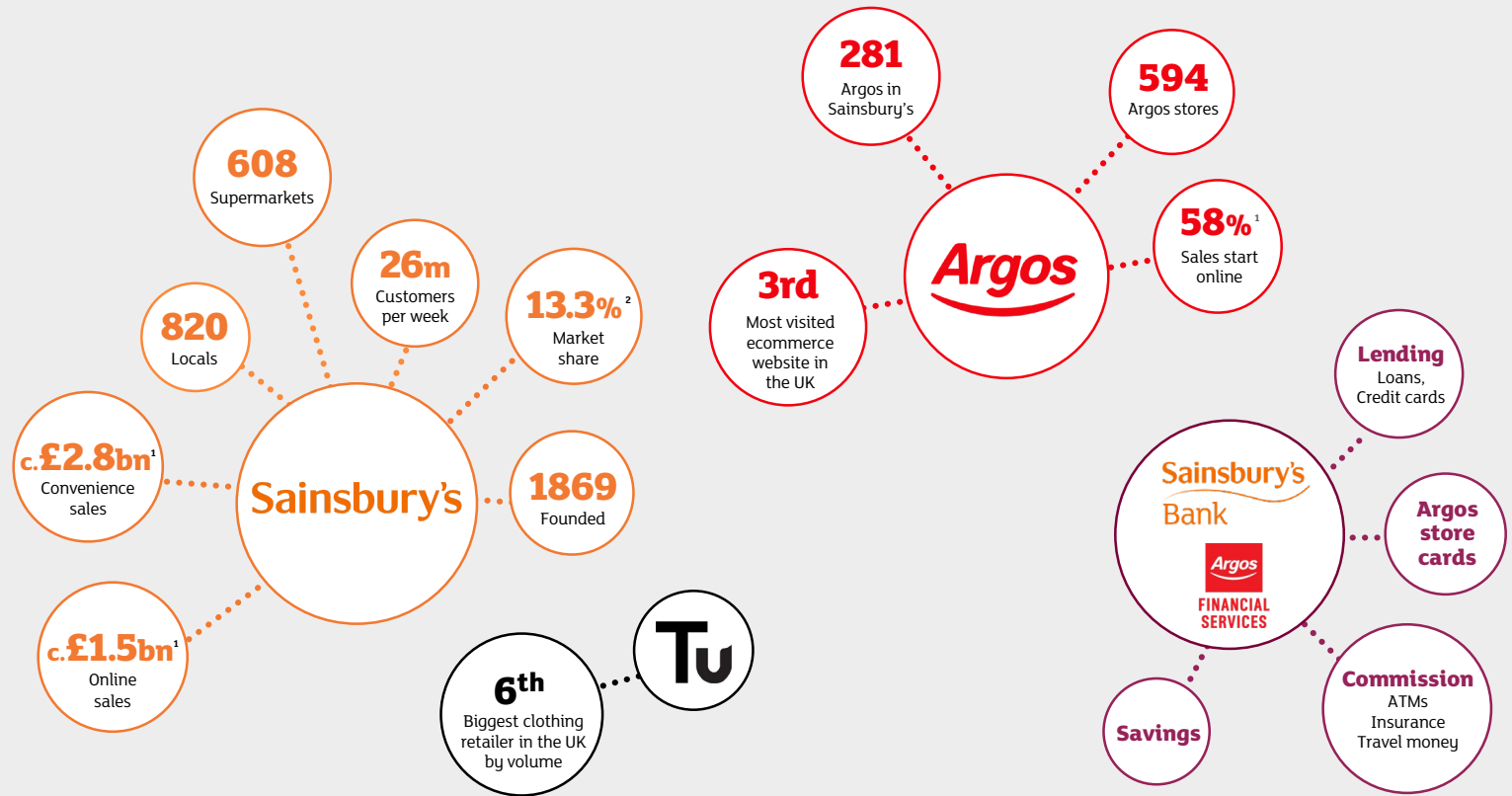
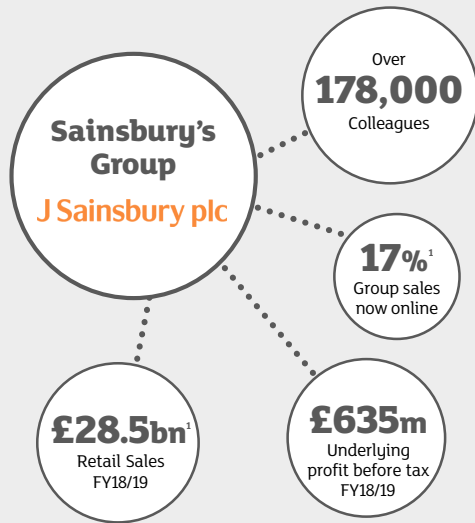
**£3.0bn**  
General  
Merchandise

**£10.3bn**  
Grocery

**£488m**  
Clothing

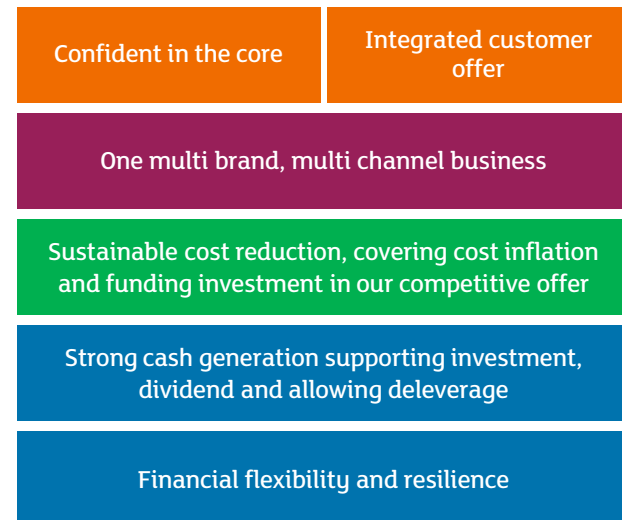
# Group overview

as at 9 March 2019



<sup>1</sup> FY18/19, exc. VAT inc. fuel  
<sup>2</sup> Kantar 52 week rolling Total Grocery market share to 24 February 2019

## Investment case



## Our business strategy

“To help our customers live well for less”

### Priorities



### Metrics

Colleague engagement; Customer satisfaction;  
Volume share; Profitability; Free cash flow; ROCE

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