

J Sainsbury plc

We employ over 172,000 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.

FY 19/20 Highlights

Headline figures

£586m ↓2%
Underlying profit before tax

£255m ↑26%
Profit before tax

£28,424m ↓0%
Underlying Retail sales

19.8p ↓4%
Underlying earnings per share

Group performance

£986m ↓3%
Group underlying operating profit

£611m ↑£155m
Free cash flow

£938m ↓4%
Retail operating profit

3.2x ↓ from 3.3x
Net debt/underlying EBITDA

£48m ↑55%
Financial Services operating profit

£1,179m ↓£343m
Net debt excluding lease liabilities

3.3%
Retail underlying operating margin

£6,947m ↓£399m
Net debt

Sales

(0.6)%
Lfl sales increase inc VAT, ex fuel

1.3% 🛒
Convenience sales growth

7.6% 🛒
Groceries online sales growth

(0.4)%
Total retail sales growth inc VAT, ex fuel

Categories

0.4% 🛒
Grocery sales growth

(2.9)% 🛒
General Merchandise sales growth

1.2% 👕
Clothing sales growth



+200
New value brand products launched

15%
Argos Fast Track collection growth

Invest **£1bn**
To become Net Zero by 2040

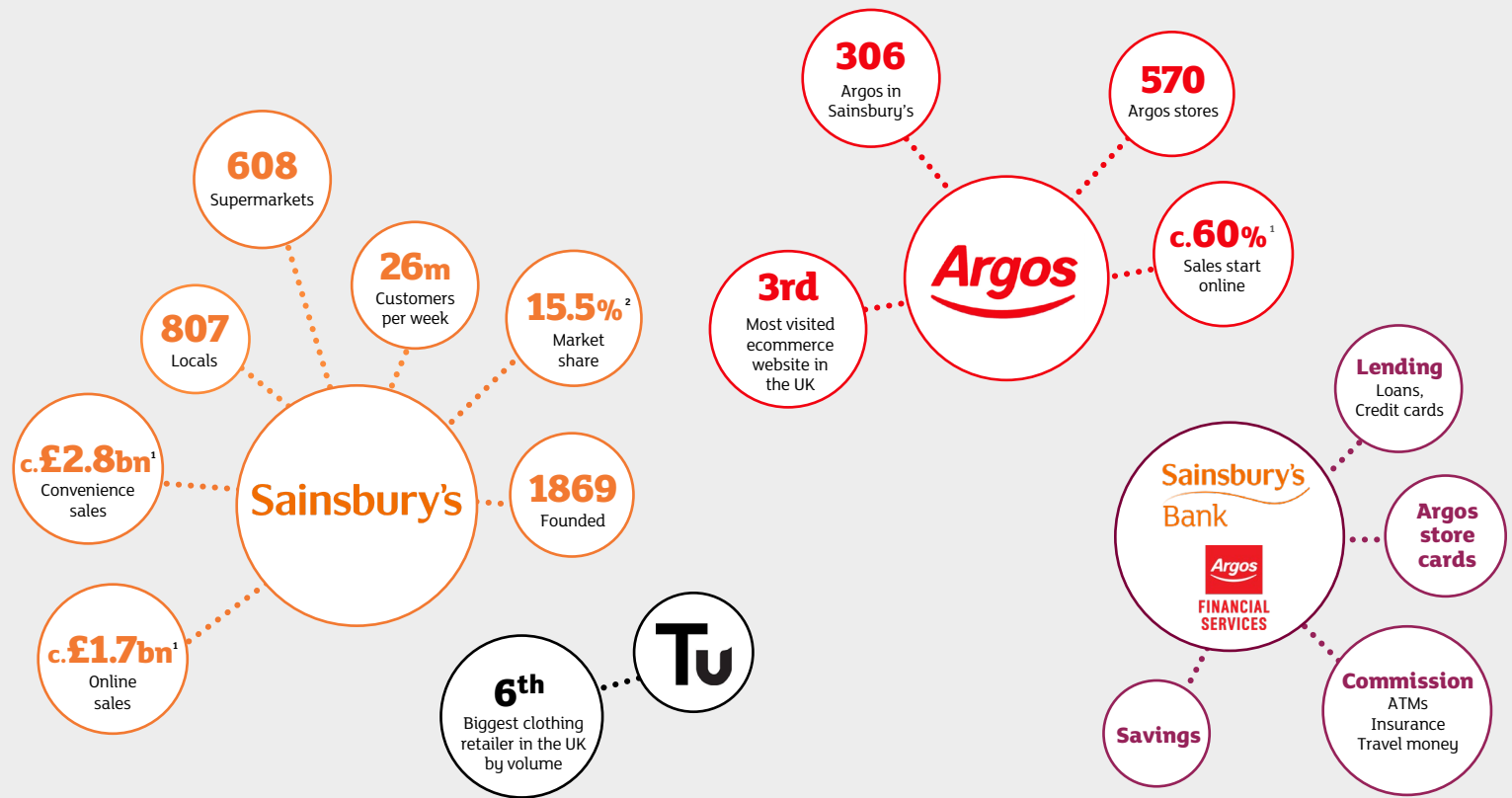
+4.5m
Customers now using the Nectar app

Pay@Browse technology now available in **548** Argos stores

Smartshop now available in **all** supermarkets

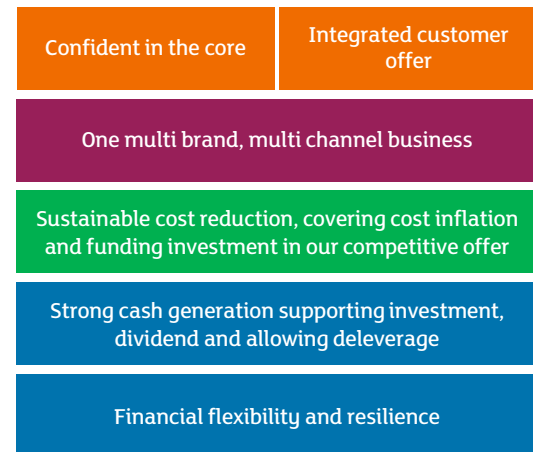
Group overview

as at 7 March 2020



¹ FY19/20, inc. VAT inc. fuel
² Kantar 52 week rolling Total Till Roll market share to 23 February 2020

Investment case



Our business strategy

Priorities



Investor Relations contacts

James Collins
 Head of Investor Relations
 Tel: + 44 (0) 20 7695 7112
 James.Collins@sainsburys.co.uk

Susie Lynskey
 Investor Relations Manager
 Tel: + 44 (0) 20 7695 0889
 Susie.Lynskey@sainsburys.co.uk

Irene Galvan
 Investor Relations Analyst
 Tel: + 44 (0) 20 7695 2762
 Irene.Galvan@sainsburys.co.uk

Glyn Davies
 Investor Relations Assistant
 Tel: + 44 (0) 20 7695 0259
 Glyn.Davies@sainsburys.co.uk



@SainsburysNews