

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.

H1 20/21 Highlights

Headline figures

£301m ↑26%
Underlying profit before tax

£(137)m
Loss before tax

£16,338m ↓1.4%
Underlying Retail sales

10.1p ↑28%
Underlying earnings per share

Group performance

£500m ↑9%
Group underlying operating profit

£943m ↑£245m
Free cash flow

£555m ↑27%
Retail operating profit

2.7x ↓ from 3.2x
Net debt/underlying EBITDA

£(55)m
Financial Services operating loss

£267m ↓£912m
Net debt excluding lease liabilities

3.2p
Interim dividend per share

£6,168m
Net debt

Sales

6.9%
LfL sales increase
inc VAT, ex fuel

7.1%
Total retail sales growth inc VAT, ex fuel

Channels

3.2% 
Supermarket sales growth
(inc Argos SIS)

(8.0)% 
Convenience sales growth

102.2% 
Groceries online
sales growth

Categories

8.2% 
Grocery sales growth

7.4% 
General Merchandise
sales growth

10.8%
Argos sales growth

(18.3)% 
Clothing sales growth

700k+
Weekly
grocery orders

90%
of Argos Sales
now online

Nearly
40%
of Sales
are digital

5.6m+
digital
Nectar users

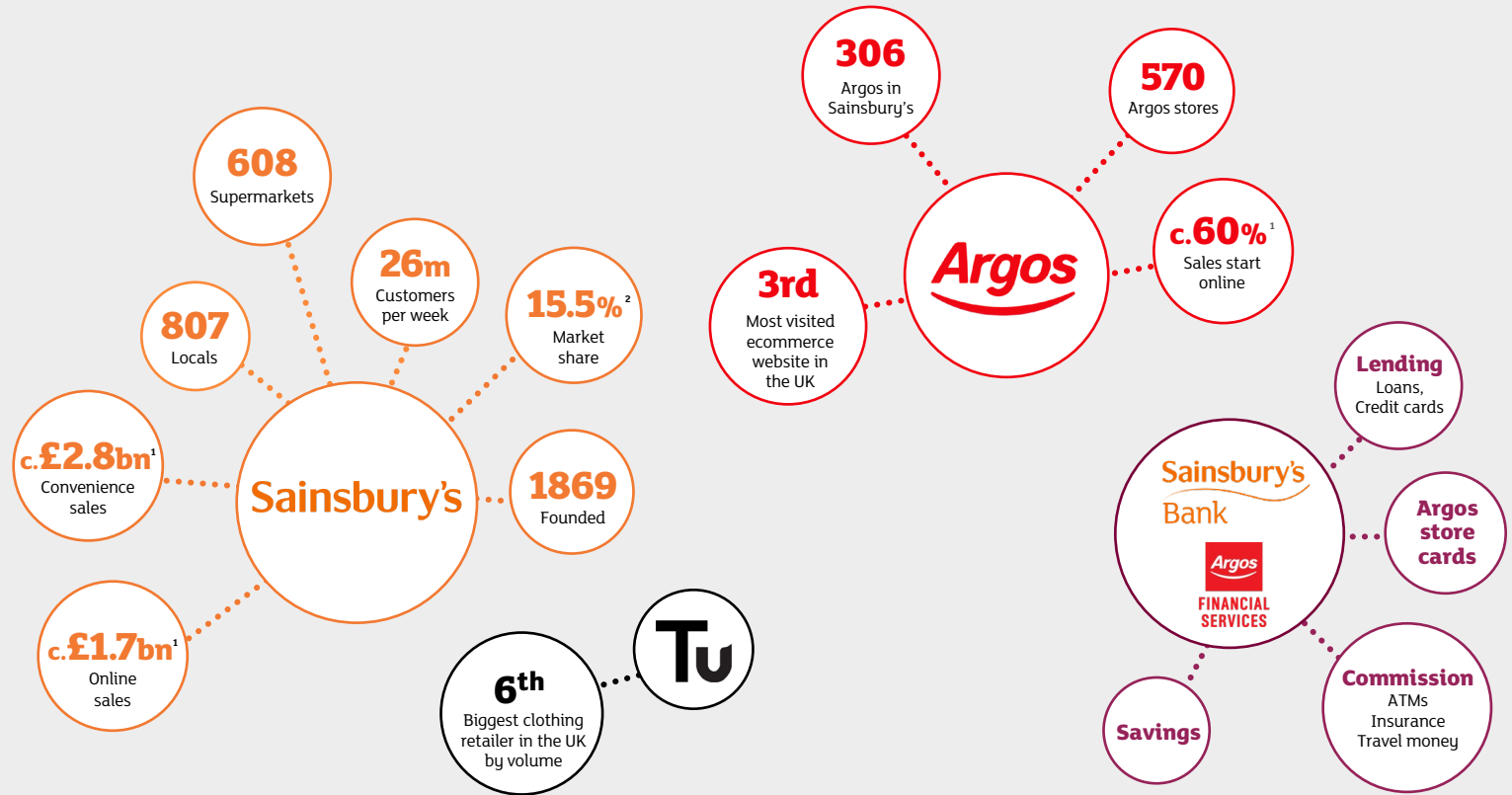
Smartshop
Sales
participation
31%
in H1

Click and Collect
participation
from 3% to
20%

Chop Chop
in
15
cities

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

Purpose



Our business strategy

Food First

- Better value and innovation
- Underpinned by buying benefits and lower cost to serve

Brands that Deliver

- Customer and profit focus
- Supporting the core food business

Save to Invest

- Structurally lower operating costs to fuel investment in the core
- Cutting complexity and increasing pace of execution

Connected to Customers

Know and serve our customers better, use the power of Nectar

Net Zero 2040

Become net zero by 2040

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