

J Sainsbury plc

We employ over 189,000 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 everyone eat better. 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 21/22 Sales

Sales ex fuel

0.3%

LfL sales growth inc VAT, ex fuel H1 YoY

0.2%

Total retail sales growth inc VAT, ex fuel H1 YoY

7.3%

Total retail sales growth inc VAT, ex fuel H1 Yo2Y

Categories

Grocery sales growth  **0.8%** YoY **9.1%** Yo2Y

General Merchandise sales growth  **(5.8)%** YoY **1.1%** Yo2Y

Argos sales growth **(7.3)%** YoY **2.7%** Yo2Y

Sainsbury's Supermarkets sales growth **2.4%** YoY **(5.9)%** Yo2Y

Clothing sales growth  **33.6%** YoY **9.1%** Yo2Y

Fuel sales growth  **62.7%** YoY **(9.9)%** Yo2Y

Sales inc fuel

6.1%

LfL sales growth inc VAT, inc fuel H1 YoY

6.0%

Total retail sales growth inc VAT, inc fuel H1 YoY

4.5%

Total retail sales growth inc VAT, inc fuel H1 Yo2Y

H1 21/22 Financial Performance

Headline figures

£371m ↑ 23%

Underlying profit before tax

£541m

Profit before tax

£17,315m ↑ 6%

Retail sales (inc VAT, inc. fuel)

12.2p ↑ 21%

Underlying basic earnings per share

Group performance

£542m ↑ 8%

Group underlying operating profit

£554m ↓ £389m YoY

Retail free cash flow

£523m ↓ 6%

Retail underlying operating profit

3.3x ↑ from 2.7x

Net debt/underlying EBITDA

£19m

Financial Services operating profit

£27m ↓ £240m YoY

Net debt excluding lease liabilities

3.2p

Interim dividend per share

£6,345m

Net debt including lease liabilities

H1 highlights

128%

Yo2Y Groceries Online sales growth

39%

Digital participation

400bps

Value index improvement vs Aldi

72k

Average weekly immediacy orders

89%

Full price sales participation in Tu Clothing

83%

Argos digital participation

8.2m

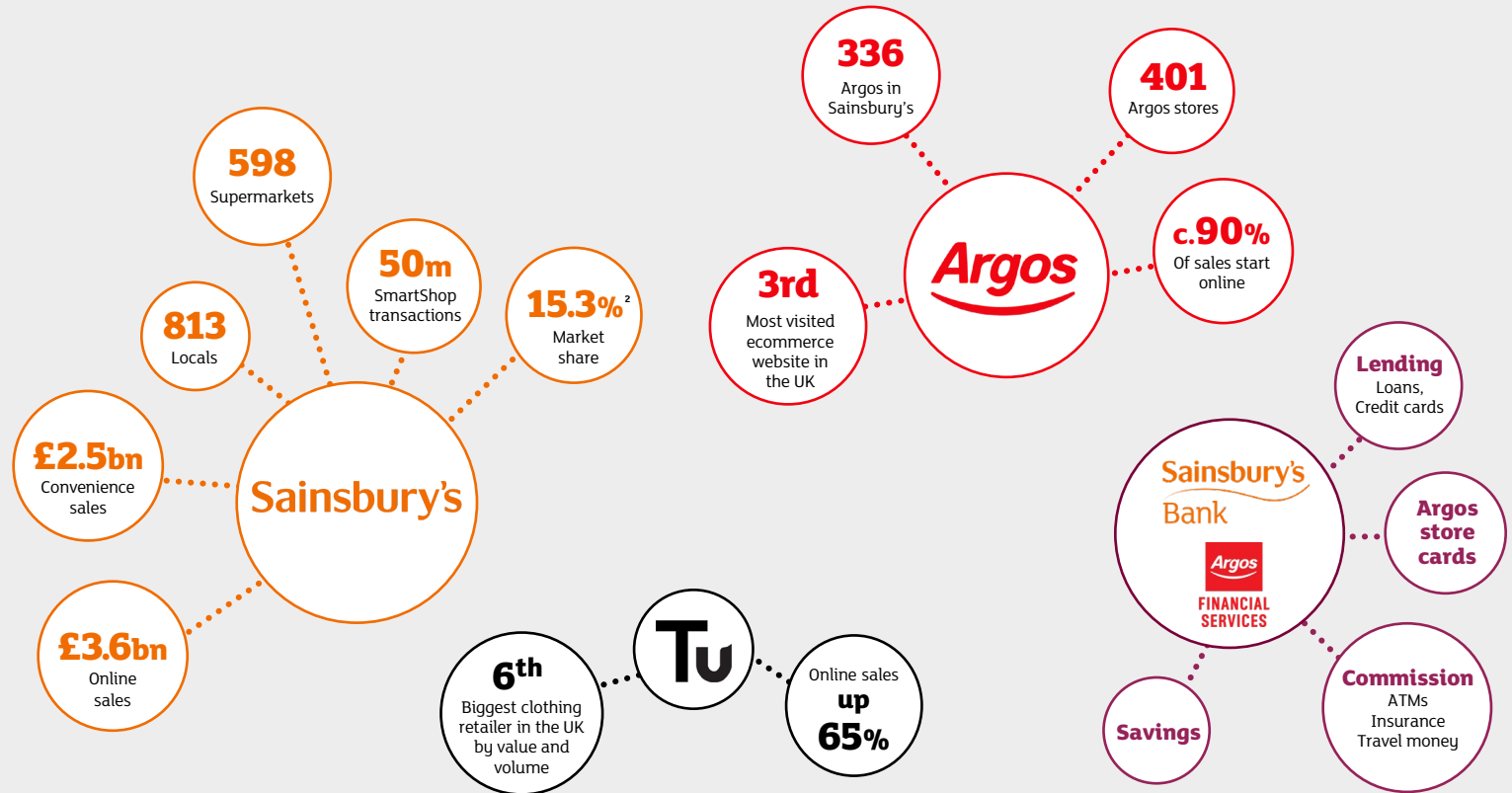
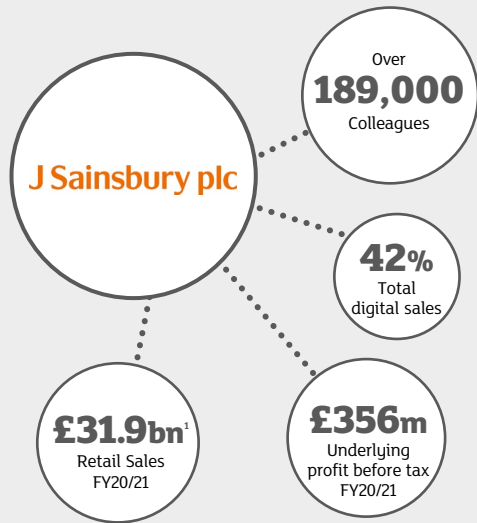
Registered digital Nectar customers

Net Zero

In own operations by 2035

Group overview

as at 6 March 2021



¹ FY20/21, inc. VAT inc. fuel
² Kantar 52 week rolling Total Till Roll market share to 23 February 2021

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

Plan for Better

Environmental and social sustainability at our core

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