

Q1 Trading Statement

21/22

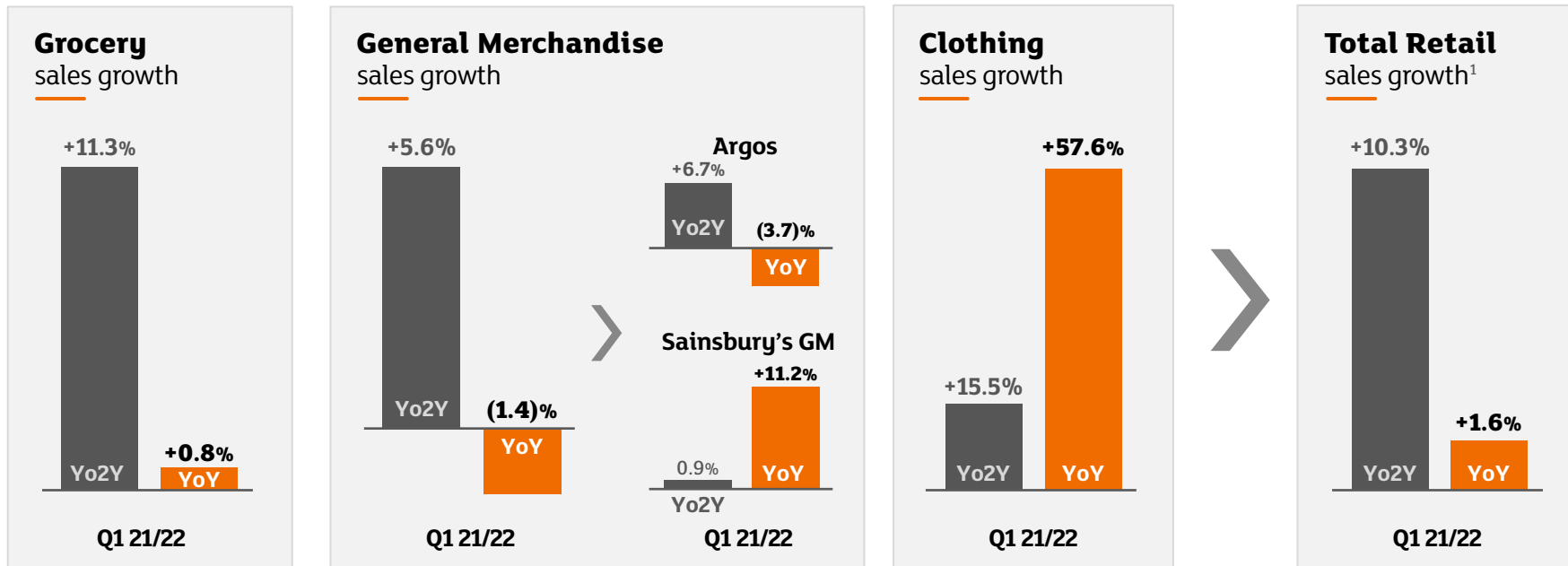
J Sainsbury plc



Q1 performance

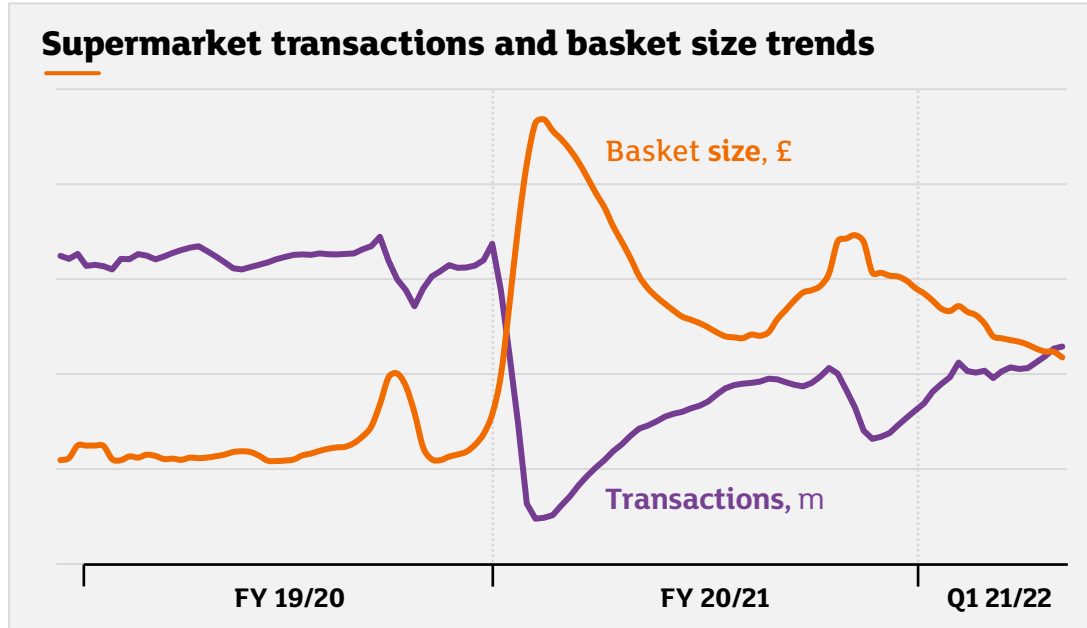
- Sales of Grocery, General Merchandise and Clothing all higher than expectations throughout Q1
 - Grocery sales benefitted from higher in-home consumption as COVID-19 restrictions continue
 - General Merchandise sales lower than last year's elevated levels but ahead of expectations
- Growth in grocery market share, reflecting improved value and innovation
- Continued improvement in customer satisfaction, moving further ahead of competitors
- Benefit from sales outperformance to be invested in improving value position, with an additional £50m price investment announced yesterday
- We now expect to achieve underlying profit before tax of at least £660m in FY21/22 with progress weighted towards the first half

Retail sales growth by category

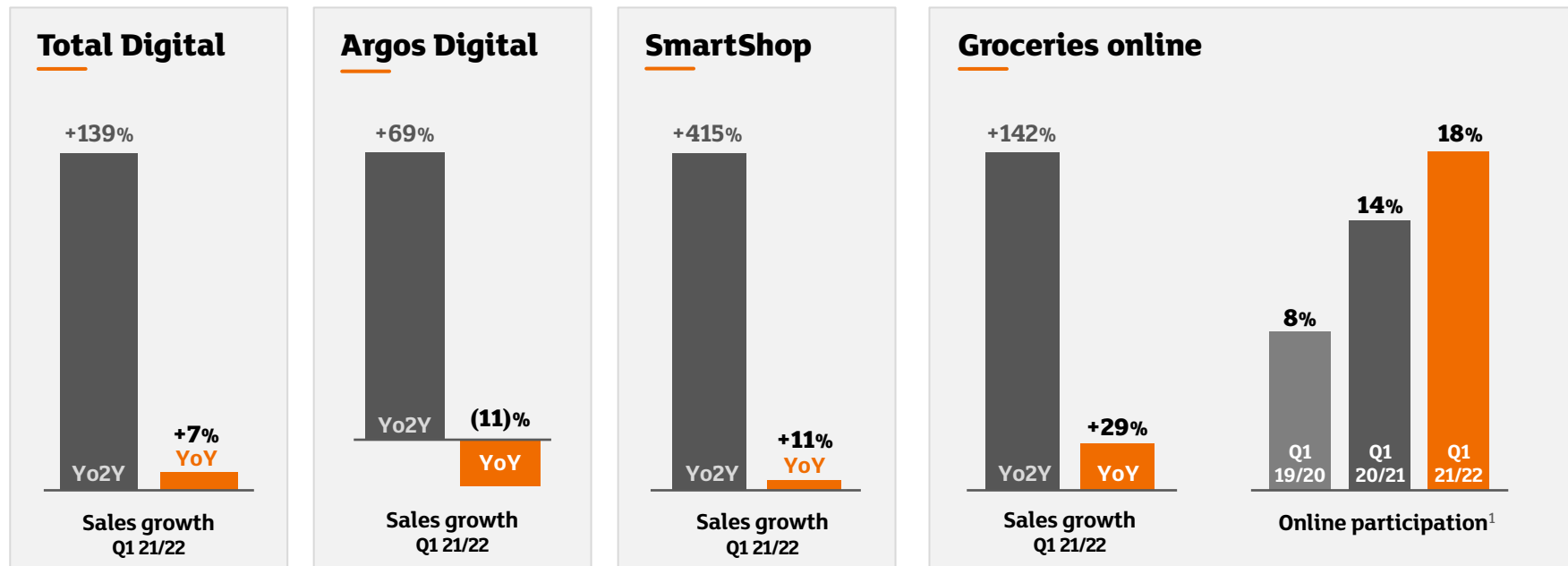


¹ Excl. fuel

Customer behaviour normalising gradually

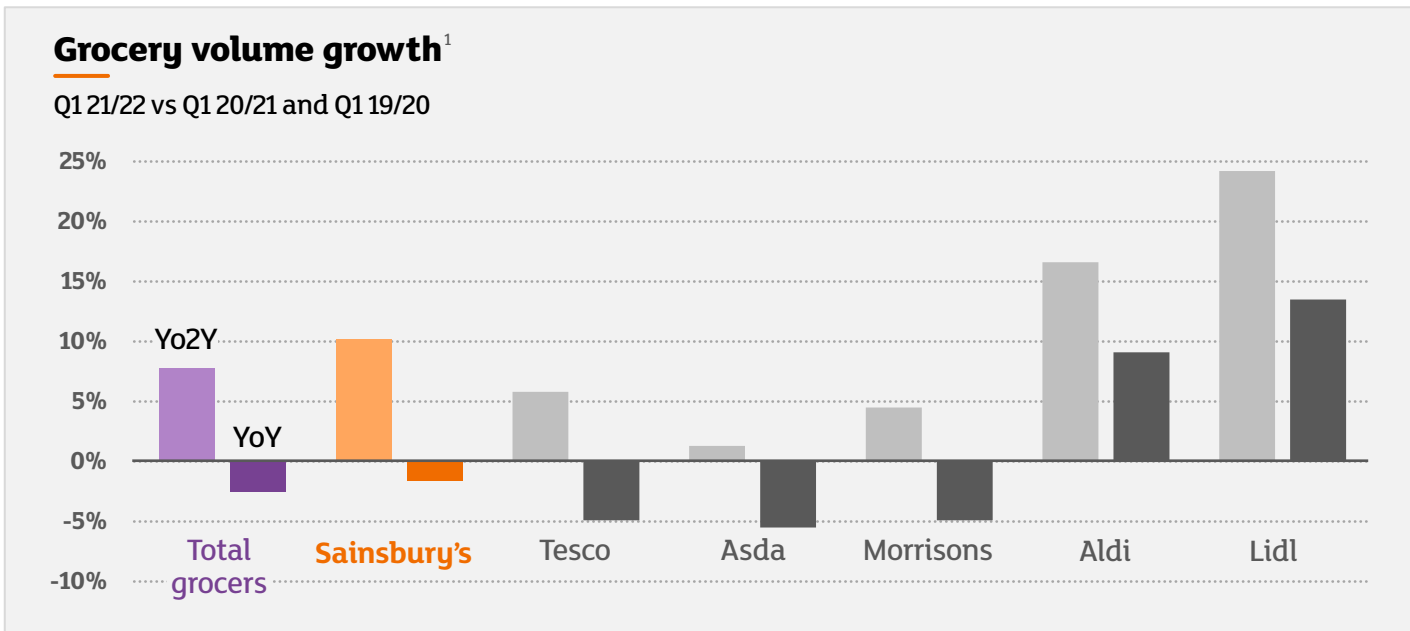


Continued growth in digital sales, significantly ahead of 19/20



1 Of total Grocery sales

Ahead of the market on a one-year and two-year basis

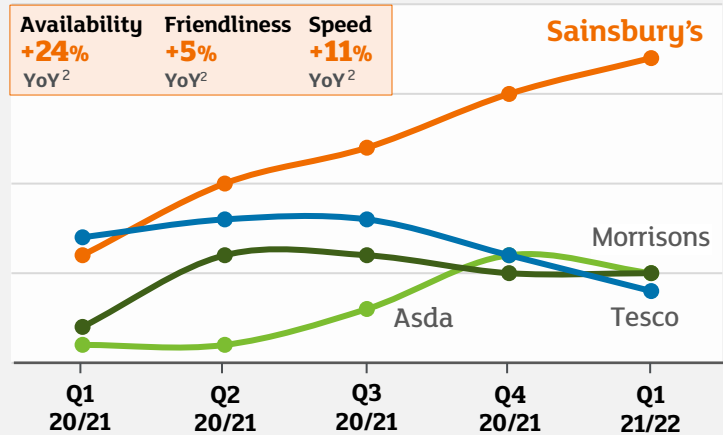


¹ NielsenIQ Panel volume growth YoY and Yo2Y. Total FMCG (excluding Kiosk & Tobacco), 15 weeks to 19 June 2021, 2020 and 2019. Market Universe: Total Outlets.

Customer satisfaction ahead of competitors

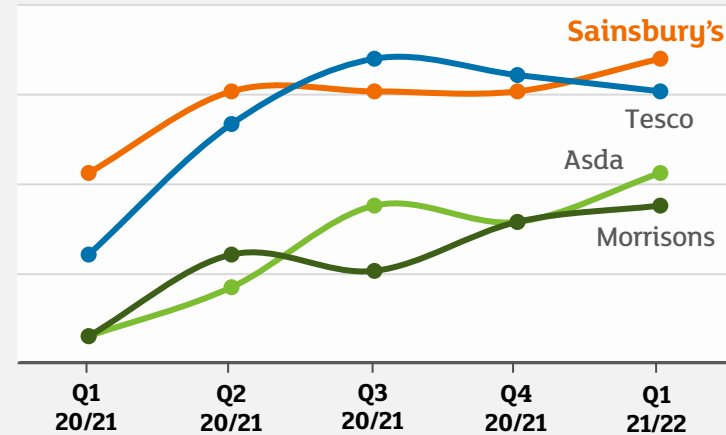
Supermarkets

Customer satisfaction index¹



Online

Customer satisfaction index¹

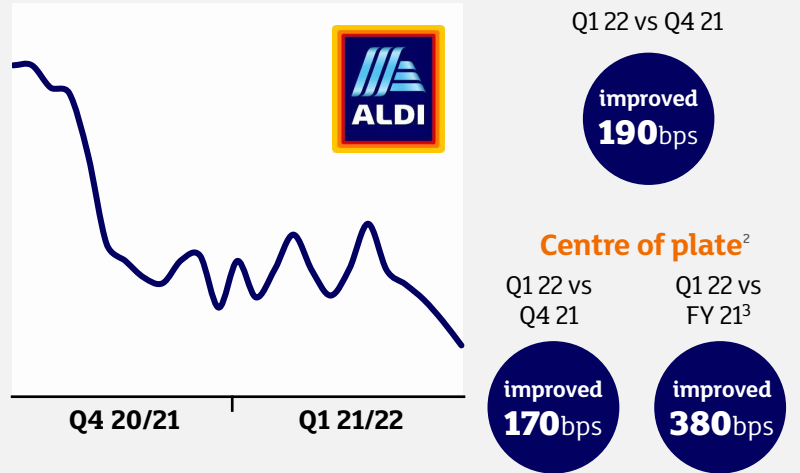


¹ Supermarket and Online customer satisfaction %. Source: Competitor benchmarking survey. Rolling 12 weekly scores. Q1 21/22

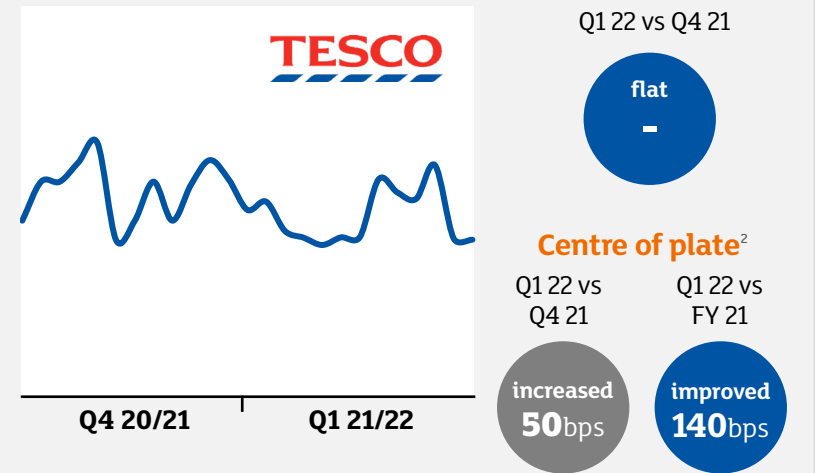
² Competitor benchmarking survey, supermarkets. Q1 2021/22 YoY

Value: encouraging early results on price investment

Price index vs Aldi¹



Price index vs Tesco¹

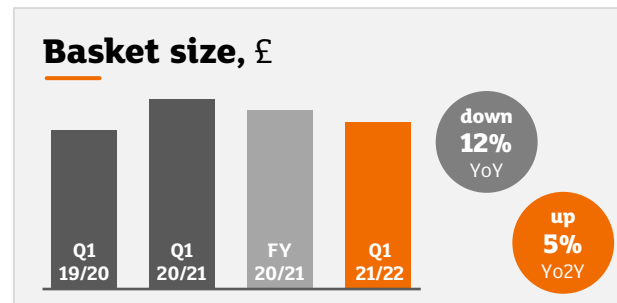
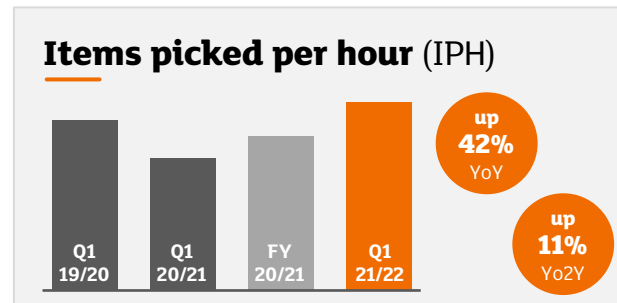
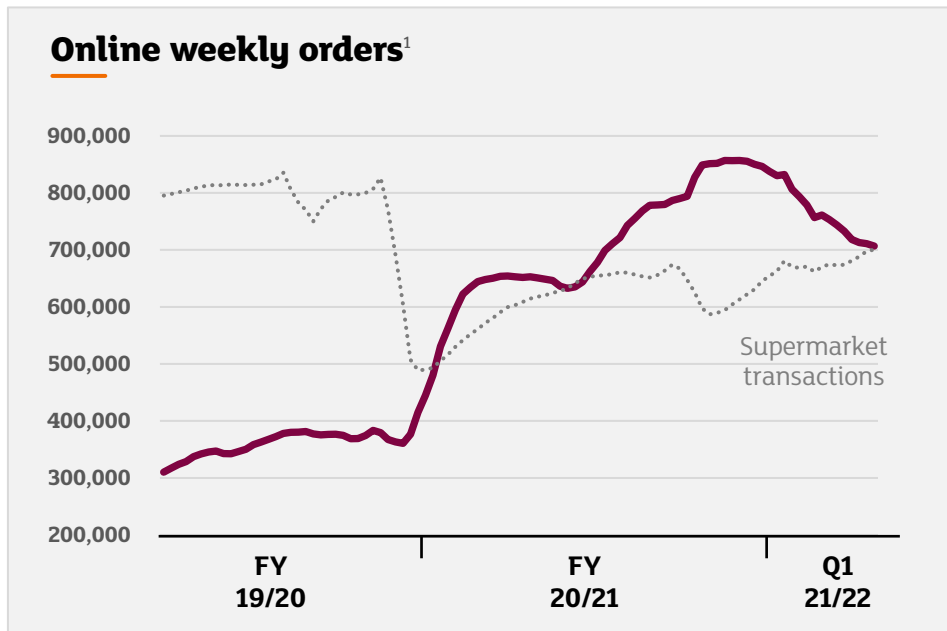


¹ Value Reality, Mar-June 2021 vs Jan-Mar 2021 and vs Mar 20-Mar 21; Edge by Ascential; internal modelling

² Meat, Fish and Poultry

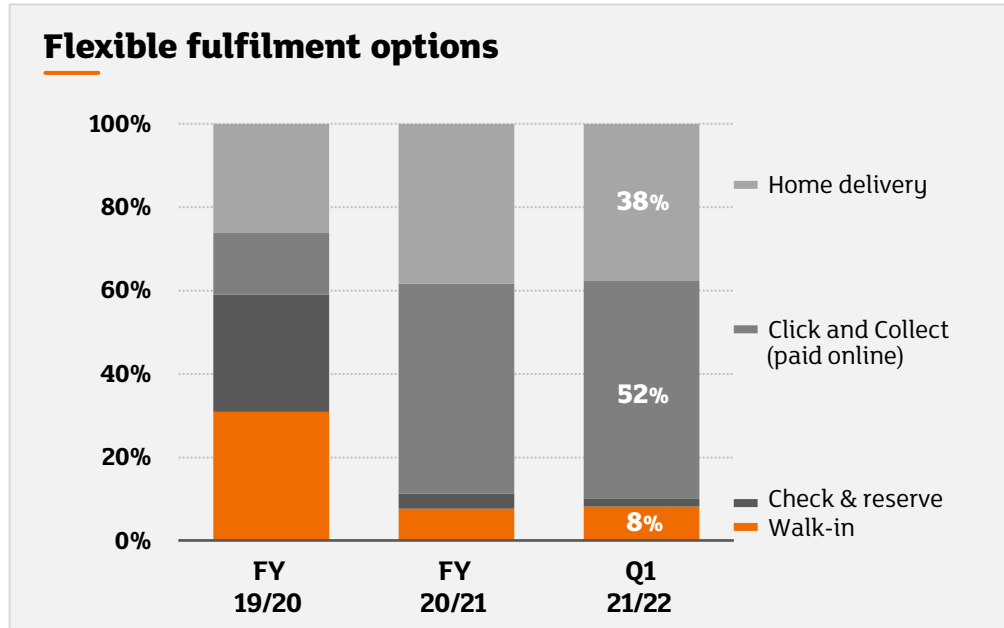
³ Aldi price index refers to 30 weeks of available data for FY20/21

Online demand down from peak, but still high, IPH improving



¹ 4 week rolling average

Argos digital participation remains strong



We are delivering on our priorities



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

8 key metrics

Delivering for customers and driving stronger financial outcomes

Operational

- Grocery market share performance
 - Strong customer satisfaction scores
 - Maintain strong colleague engagement
 - Deliver our Plan for Better commitment
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Financial

- UPBT growth
 - 200bps+ reduction in retail operating cost to sales
 - Dependable retail free cash flow: £500m+ pa average
 - Increase Return on Capital employed¹
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¹ ROCE: return divided by capital employed. Return is defined as a 52 week rolling underlying profit before interest and tax. Capital employed is defined as group net assets excluding the pension deficit/ surplus and excluding net debt. The average is calculated on a 14 point basis