

J Sainsbury plc

We employ over 171,000 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 22/23 Sales

Sales ex fuel

(0.8)% Lfl sales growth inc VAT, ex fuel YoY	(1.3)% Total retail sales growth inc VAT, ex fuel YoY	5.9% Total retail sales growth inc VAT, ex fuel Yo3Y
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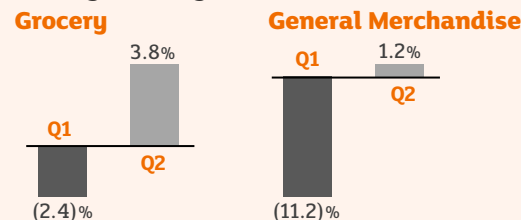
Categories

Grocery sales growth 	0.2% YoY	9.3% Yo3Y
General Merchandise sales growth 	(6.1)% YoY	(5.0)% Yo3Y
Argos sales growth	(5.5)% YoY	(2.9)% Yo3Y
Sainsbury's Supermarkets sales growth	(9.1)% YoY	(14.5)% Yo3Y
Clothing sales growth 	(6.0)% YoY	2.5% Yo3Y
Fuel sales growth 	39.5% YoY	25.8% Yo3Y

Sales inc fuel

4.9% Lfl sales growth inc VAT, inc fuel YoY	4.4% Total retail sales growth inc VAT, inc fuel YoY	9.2% Total retail sales growth inc VAT, inc fuel Yo3Y
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Quarterly sales growth



H1 22/23 Financial Performance

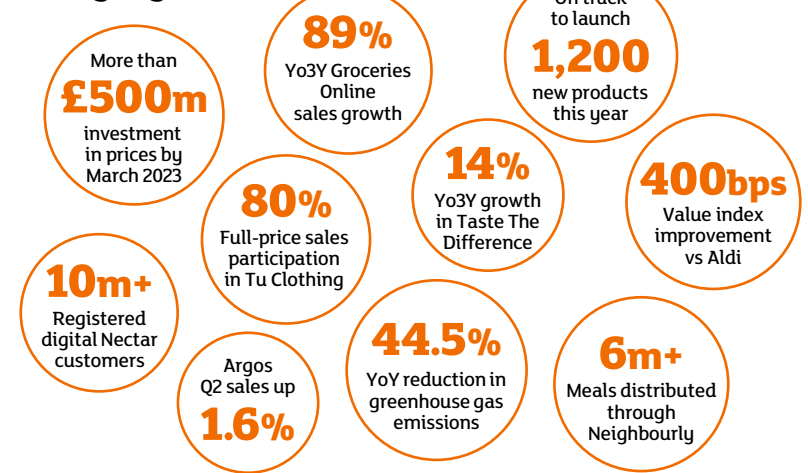
Headline figures

£14,674m ↓1.3% Underlying Retail sales (ex fuel)	£376m ↓29% Statutory profit before tax
£340m ↓8% Underlying profit before tax	11.2p ↓8% Underlying basic earnings per share

Group performance

£496m ↓8% Group underlying operating profit	£759m ↑37% YoY Retail free cash flow
£477m ↓9% Retail underlying operating profit	2.9x ↓ from 3.3x Net debt/underlying EBITDA
£19m Flat YoY Financial Services operating profit	£361m Improved by £388m YoY Net funds excluding lease liabilities
3.9p ↑ from 3.2p Interim dividend per share	£(6,165)m Improved by £180m YoY Net debt including lease liabilities

H1 highlights



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

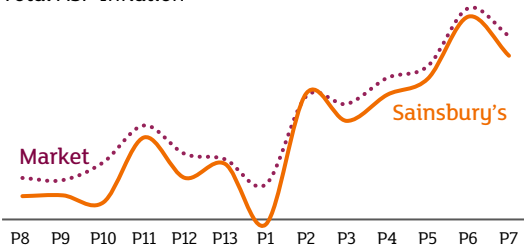
Plan for Better

Environmental and social sustainability at our core

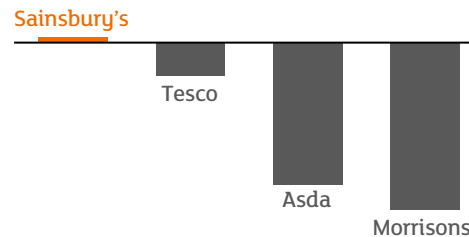
Strategy is delivering for customers and colleagues

Consistently inflating behind the market

Total ASP Inflation¹

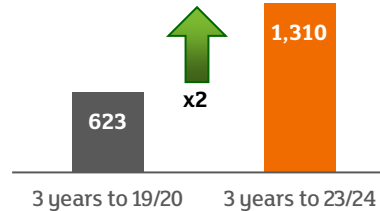


Only full-choice grocer to grow volume share vs H1 19/20²



We are doubling the run rate of cost savings

Cost savings, £m



Argos outperforming the market

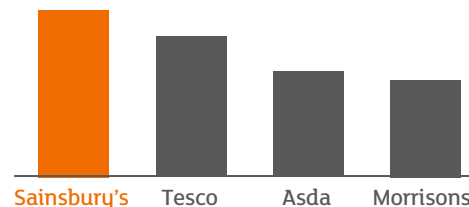


Strong colleague engagement



Consistently ahead on satisfaction⁵

Supermarket CSAT



1 Nielsen panel, Total Average Selling Price growth YoY, 52 weeks to 17 Sept 2022. Total FMCG exc. Kiosk & Tobacco
 2 Nielsen panel volume share mvmt Yo3Y. Total FMCG excl. Kiosk & Tobacco, 28 weeks to 17 Sept 2022. Total Outlets
 3 BRC data, 28 weeks to 17 Sept 2022. Argos differential, Total NFNC (exc. H&B & stationery) sales
 4 Improvement in eSAT score, October 2022 colleague survey vs June 2022 colleague survey
 5 Supermarket CSAT. Competitor Benchmarking. 12 weeks to 17 Sept 2022

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