

# J Sainsbury plc

We employ over 152,000 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

At Sainsbury's, we promise to provide good food for all of us. 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

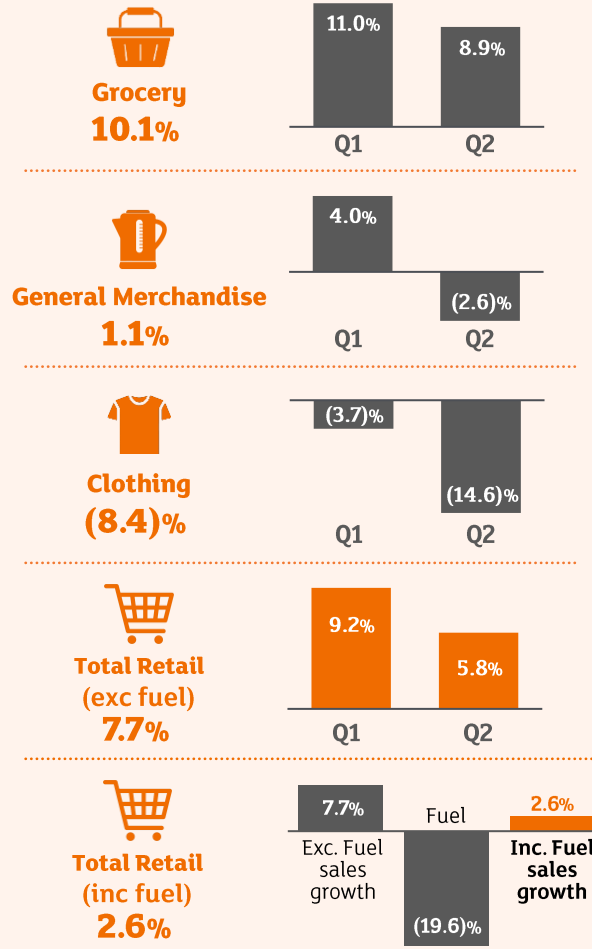
We are one of the largest general merchandise and clothing retailers in the UK, offering a wide range of products across our Argos, Tu, Sainsbury's Home and Habitat brands, in stores and online. Since acquiring Argos in September 2016, we have rapidly integrated the business, realising significant synergies. 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 23/24 Sales

### Sales performance by category



### LfL sales growth

**8.4%** Inc VAT, exc fuel  
**3.2%** Inc VAT, inc fuel

Please refer to the 23/24 Interim Results Announcement for details of the impact of the closure of Argos in the Republic of Ireland on General Merchandise sales performance

## H1 23/24 Financial Performance

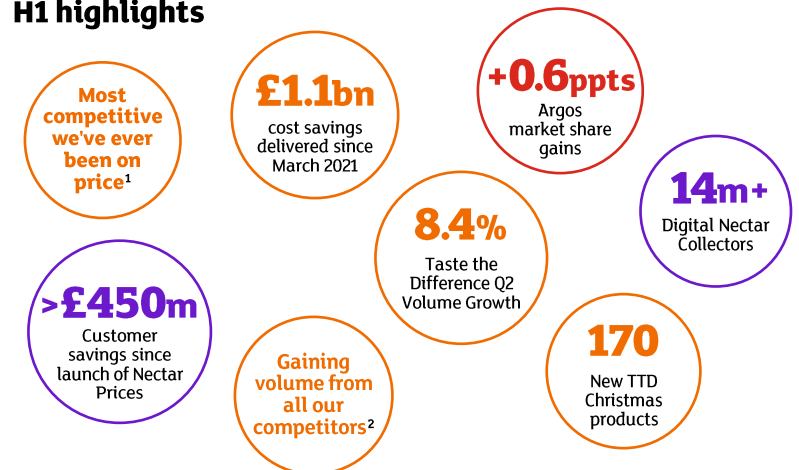
### Headline figures

**£15,805m** ↑7.7% Underlying Retail sales (ex fuel)  
**£275m** ↓27% Statutory profit before tax  
**£340m** Flat YoY Underlying profit before tax  
**10.5p** ↓6% Underlying basic earnings per share

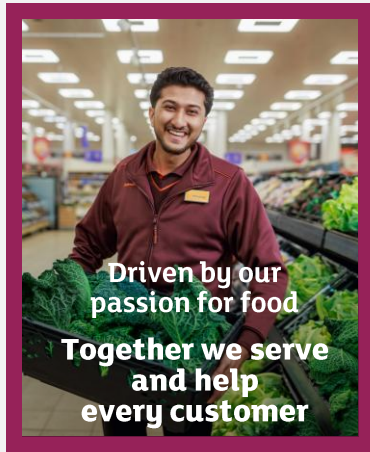
### Group performance

**£498m** Flat YoY Group underlying operating profit  
**£520m** ↓ From £759m Retail free cash flow  
**£485m** ↑2% Retail underlying operating profit  
**2.6x** ↓ from 2.9x Net debt/underlying EBITDA  
**£13m** ↓32% Financial Services operating profit  
**£(231)m** ↓ £592m YoY Net debt excluding lease liabilities  
**3.9p** Flat YoY Interim dividend per share  
**£(5,643)m** £522m lower 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

# Strong progress on our 8 key metrics

## Operational

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

## Financial

UPBT growth	
200bps+ reduction in retail operating cost to sales	
Dependable retail free cash flow: £500m+ pa average	
Increase Return on Capital employed <sup>6</sup>	

# Our strategy is delivering for all stakeholders

## Food is firmly back at the heart of Sainsbury's

### Record market share gains<sup>3</sup>

### More customers are shopping with us<sup>4</sup>

**Sainsbury's**

### Leading on overall customer satisfaction<sup>5</sup>

## Argos transformation is delivering

- Market leader in same day delivery
- >1,100 Points of presence
- 93% UK households with same day delivery coverage
- +90% UK households within 15-minute drive

## On track to deliver £1.3bn cost savings

1 Value Reality. Acuity, internal modelling – H1 23/24 vs each half year period since tracking began in 2016  
 2 Nielsen Panel data, Sainsbury's to / from net volume switching – Total FMCG excl. Kiosk and Tobacco. Trended 12 week rolling for Q2 23/24  
 3 Nielsen Panel volume market share H1 17/18 - H1 23/24. Total FMCG (Excluding Kiosk & Tobacco), Market Universe: Total Outlets  
 4 Nielsen panel data, Total FMCG excl. Kiosk and Tobacco. Primary and Secondary Shoppers numbers growth YoY. 28 weeks to 16 September 2023  
 5 Competitor benchmarking survey. Overall Supermarket customer satisfaction % score April 2022 - September 2023  
 6 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 surplus and less Retail net debt. The average is calculated on a 14 point basis.

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