

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.

Q1 20/21

Headline figures

8.2%

LfL sales growth
inc VAT, ex fuel

8.5%

Total retail sales
growth inc VAT, ex fuel

Categories

10.5%

Grocery sales growth

7.2%

General Merchandise
sales growth

(26.7)%

Clothing sales growth

Channel performance

(5)%

Convenience sales growth

87%

Groceries online sales growth

11%

Argos sales growth

Q1 highlights

650k+

weekly grocery
orders

Chop Chop
rolled out to

15
cities

Groceries
Online
sales grew

136%
in June

**Digital
sales**

more than
doubled

1.9m

Argos
Customers
re-engaged

SmartShop
sales participation
reached

37%

FY 19/20 Highlights

Headline figures

£586m ↓2%

Underlying profit before tax

£255m ↑26%

Profit before tax

£28,424m ↓0%

Underlying Retail sales

19.8p ↓4%

Underlying earnings per share

Group performance

£986m ↓3%

Group underlying
operating profit

£611m ↑£155m

Free cash flow

£938m ↓4%

Retail operating profit

3.2x ↓ from 3.3x

Net debt/underlying EBITDA

£48m ↑55%

Financial Services operating profit

£1,179m ↓£343m

Net debt excluding lease liabilities

3.3%

Retail underlying operating margin

£6,947m ↓£399m

Net debt

Sales

(0.6)%

LfL sales increase
inc VAT, ex fuel

1.3%

Convenience sales growth

7.6%

Groceries online sales growth

(0.4)%

Total retail sales
growth inc VAT, ex fuel

Categories

0.4%

Grocery sales growth

(2.9)%

General
Merchandise
sales growth

1.2%

Clothing sales growth

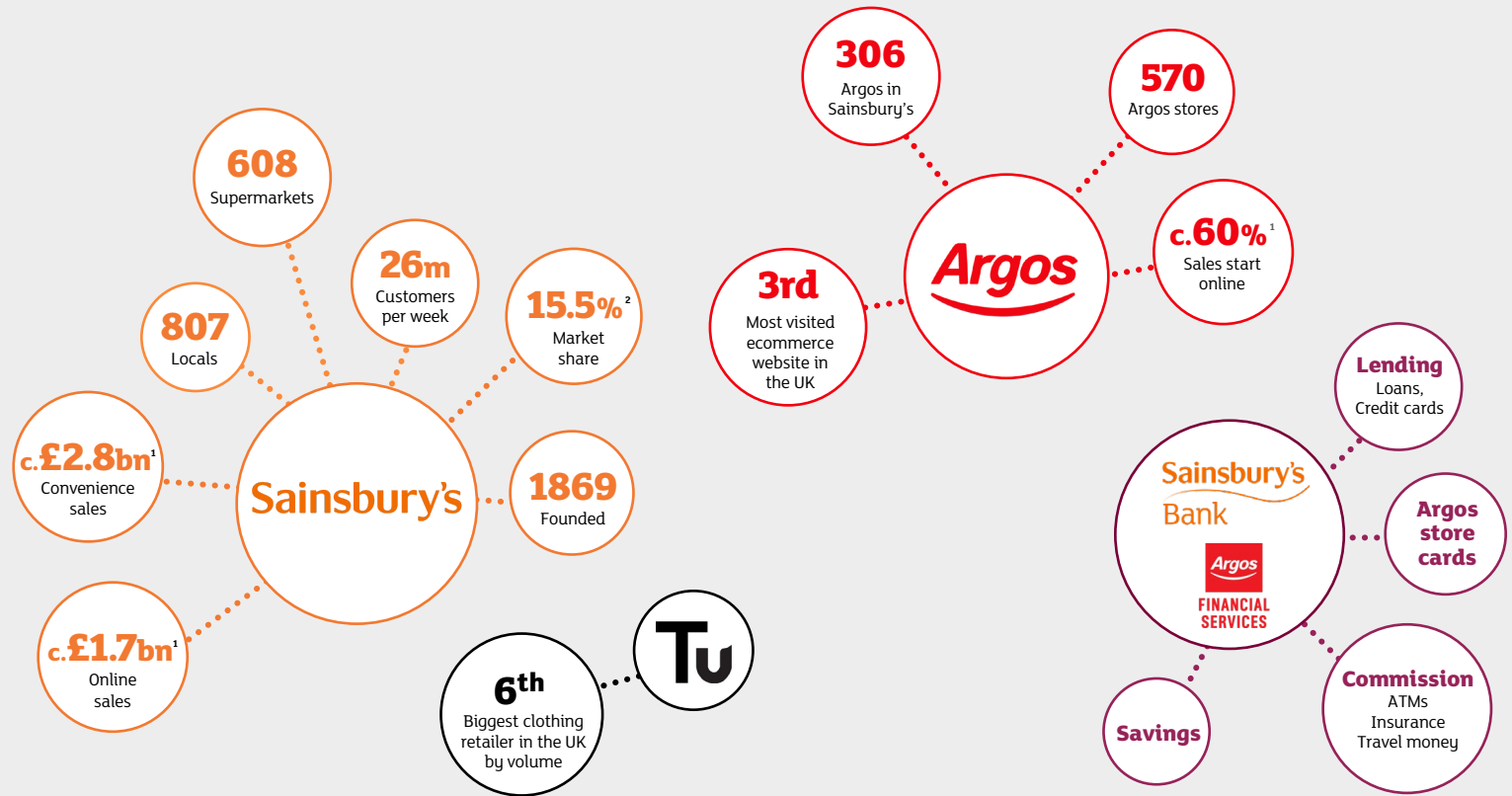
£6.4bn
General
Merchandise

£19.5bn
Grocery

£1.0bn
Clothing

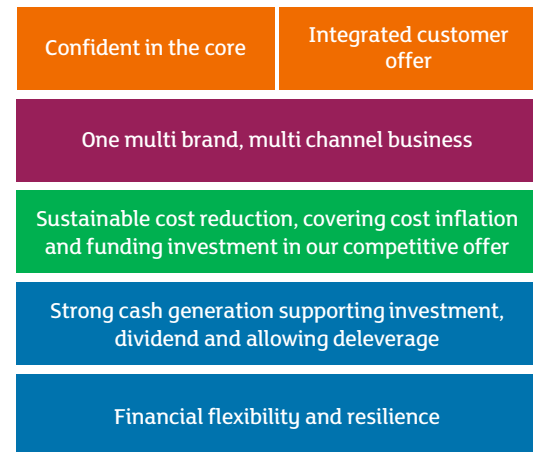
Group overview

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

Investment case



Our business strategy

Priorities



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