

## J Sainsbury PLC Preliminary Results 24/25 Aide-Memoire

J Sainsbury plc has prepared this pre-announcement aide-memoire, which includes statements made in previous public communications by J Sainsbury plc. All statements in this aide-memoire have been extracted from their original source and, therefore, by definition, they should only be taken as speaking as at the date they were initially made, and they do not reflect subsequent or recent events, circumstances, or developments. Any updates to these and other previously made statements would only be included in further formal communications by J Sainsbury plc to the market and the inclusion of the extracted statements herein should not be taken to indicate that they will not be updated in the future. The inclusion of BRC and Kantar data should not be taken as an indication to their accuracy or reliability as guides to Sainsbury's or Argos sales growth numbers. We include them as they are external publicly-available data sources to which we might make reference during conversations with analysts and investors.

Please read the cautionary statement regarding forward-looking statements set out on page 205 of the Annual Report and Financial Statements 2024.

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### 1. FY 24/25 Outlook and Guidance

#### From Q3 24/25 Trading Statement (January 2025):

- We expect to deliver full year Retail underlying operating profit in line with consensus and the midpoint of our £1,010-£1,060 million guidance range, representing growth of around seven per cent
- This reflects continued operating leverage from Sainsbury's grocery volume growth, strong growth in Nectar profit contribution and delivery of cost saving targets
- We now expect total Financial Services underlying operating profit to be around £30 million (previous guidance: between £15 million and £25 million)
- We continue to expect to generate Retail free cash flow of at least £500 million

### 2. Commentary and disclosure from FY 23/24 Preliminary Results announcement

Financial Summary	2023/24	2022/23	YoY
Group sales (inc. VAT)	£36,337m	£35,157m	3.4%
Retail sales (inc. VAT, excl. fuel)	£30,615m	£28,664m	6.8%
Retail underlying operating profit	£966m	£926m	4.3%
Financial services underlying operating profit	£29m	£46m	(37.0)%
Underlying profit before tax	£701m	£690m	1.6%
Underlying basic earnings per share	22.1p	23.0p	(3.9)%
Full-year dividend per share	13.1p	13.1p	-
Net debt (inc. lease liabilities)	£(5,554)m	£(6,344)m	£790m
Non-lease net (debt)/funds	£(200)m	£144m	£(344)m
Retail free cash flow	£639m	£645m	£(6)m
Return on capital employed	8.3%	7.6%	70bps

- **Grocery:** FY23/24 sales growth of 9.4%. "This year we've grown volumes in every quarter and made record market share gains, accelerating through the year".

- **Sainsbury's general merchandise:** FY 23/24 sales down (0.5)%. "Sales were broadly unchanged year-on-year, despite poor Summer weather in the second quarter"
- **Clothing:** FY23/24 sales down (6.4)%. "Lower Tu clothing sales in the year in part reflected a disciplined trading approach, with good stock management protecting profitability in a seasonally weak and promotionally-driven market. However, there were also some disappointing range performances and in the fourth quarter we experienced availability challenges on some core lines".
- **Argos:** FY 23/24 sales down (0.5)%, or up 1.6% excluding the impact of the closure of Argos in the Republic of Ireland. "Sales were resilient at a headline level but were skewed towards lower margin consumer electronics and technology categories, with poor weather against tough comparatives impacting sales in higher margin seasonal categories."

### 3. Technical considerations for FY 24/25

- There are no calendar or other technical issues which would impact the phasing of sales and profits
- We had fully annualised by the end of Q1 2024/25 the closure of Argos in the Republic of Ireland, so this has not impacted Argos's reported sales growth from Q2 2024/25 onwards
- There will be no impact on sales this financial year from the Homebase stores acquired
- The March 2024 year end share count was 2,370.6m
- The FY23/24 weighted average number of shares in issue for calculating diluted earnings per share was 2,394.0m
- The most recent update on the number of shares in issue (at 31 January 2025) was 2,339.2m. Monthly updates are available here: <https://www.about.sainsburys.co.uk/investors/regulatory-news>

### 4. Recent Kantar City Read data

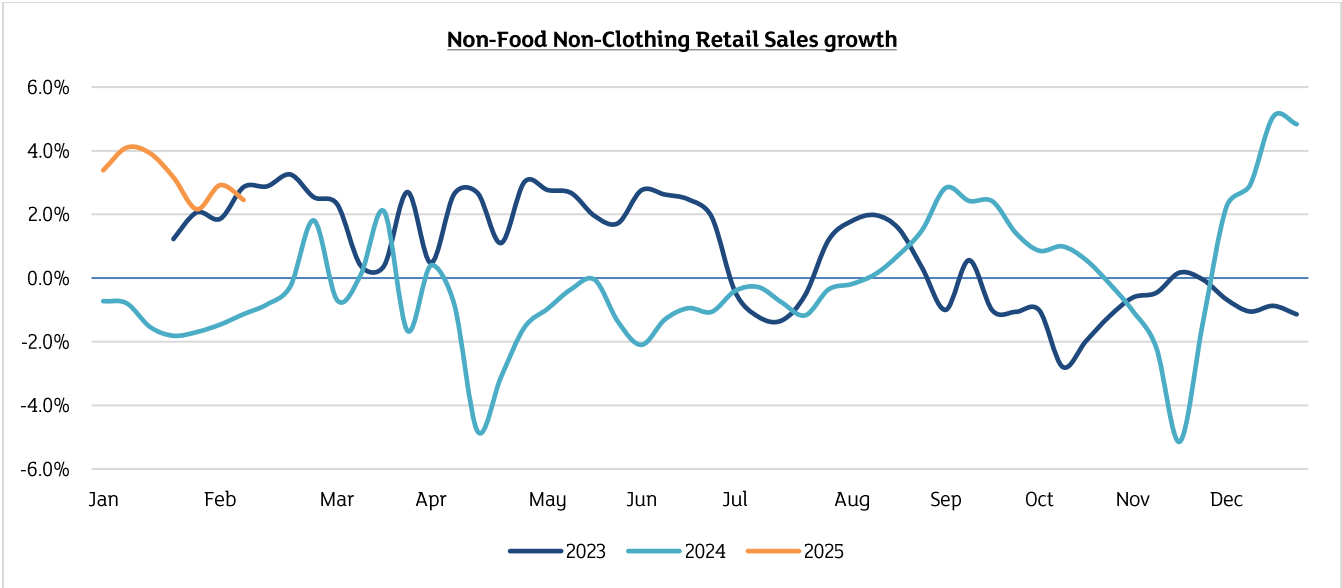
- The table below shows Kantar's read of Sainsbury's Grocery growth over recently reported quarters
- The publicly available four-week Kantar periods do not exactly align to our reporting periods; they are one week behind Sainsbury's reporting periods
  - The Kantar data shown below for Q3 24/25 is 16-week data to 29<sup>th</sup> December 2024. Please note that Sainsbury's Q3 24/25 reporting period to 4<sup>th</sup> January 2025 included the period around New Year's Eve
  - The Kantar data for Q4 24/25 is 8-week data to 23<sup>rd</sup> February 2025. Sainsbury's Q4 24/25 period runs to 1 March 2025
- Sainsbury's reported numbers are shown in the tables towards the end of this document

	23/24				24/25			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Kantar City Read Sainsbury's Total Grocery growth*	11.3%	10.7%	9.8%	10.7%	6.8%	6.8%	5.1%	5.8%

*\*Closest aligned Kantar City Read period – 1 week behind Sainsbury's reported period. Please note that these numbers have been restated from the last Aide Memoire issued, due to the change in Kantar reporting dates (moved forward by one week)*

### 5. BRC- KPMG Retail Sales Monitor: Non-Food Non-Clothing Market growth

- The BRC chart below shows UK non-food non-clothing retail sales growth (4-week rolling data):



## 6. Sales performance: from Q3 24/25 trading statement

Like-for-like sales performance	2023/24				2024/25		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Like-for-like sales (exc. fuel)	9.8%	6.6%	7.4%	4.8%	2.7%	4.2%	2.8%
Like-for-like sales (inc. fuel)	3.9%	2.2%	5.3%	2.9%	2.4%	1.9%	0.0%

Total sales performance	2023/24				2024/25		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sainsbury's	9.9%	7.5%	8.4%	6.5%	4.2%	5.1%	3.7%
<i>Grocery</i>	11.0%	8.9%	9.3%	7.3%	4.8%	5.3%	4.1%
<i>GM (Sainsbury's) &amp; Clothing</i>	(2.5)%	(8.7)%	(0.3)%	(5.5)%	(4.3)%	2.2%	(0.1)%
Argos (inc. ROI)	5.1%	(2.6)%	(0.9)%	(6.6)%	(7.7)%	(1.4)%	(1.4)%
<b>Total Retail (exc. fuel)</b>	<b>9.2%</b>	<b>5.8%</b>	<b>6.5%</b>	<b>4.3%</b>	<b>2.3%</b>	<b>4.1%</b>	<b>2.7%</b>
Fuel	(21.4)%	(17.1)%	(7.2)%	(7.8)%	0.4%	(10.6)%	(17.4)%
<b>Total Retail (inc. fuel)</b>	<b>3.3%</b>	<b>1.5%</b>	<b>4.4%</b>	<b>2.4%</b>	<b>2.1%</b>	<b>1.9%</b>	<b>0.0%</b>

Total sales performance – previously reported categorisation	2023/24				2024/25		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total General Merchandise:	4.0%	(2.6)%	(0.6)%	(5.6)%	(7.3)%	(1.7)%	(1.5)%
<i>GM (Sainsbury's)</i>	(1.2)%	(2.7)%	0.9%	0.4%	(5.3)%	(3.3)%	(2.3)%
<i>GM (Argos)</i>	5.1%	(2.6)%	(0.9)%	(6.6)%	(7.7)%	(1.4)%	(1.4)%
Clothing	(3.7)%	(14.6)%	(1.7)%	(11.7)%	(3.3)%	8.3%	2.2%

## 7. Detailed 24/25 guidance from 24/25 Interim Results presentation (please note the more recent "Profit" section guidance laid out on page 1 of this document)

### Profit

- We expect Retail underlying operating profit of between £1,010 million and £1,060 million, growth of between five per cent and 10 per cent
- We expect total Financial Services underlying operating profit (including discontinued operations) of between £15 and £25 million

### Finance costs

- We expect underlying net finance costs of between £310 million and £320 million, including around £260 million lease interest

### Space

- We expect to open four supermarkets and 25 new convenience stores, with two supermarkets and two convenience stores to close
- We expect to open 13 Argos stores inside Sainsbury's and close nine Argos standalone stores

### Depreciation and amortisation

- We expect retail underlying depreciation and amortisation of around £1.2 billion, including around £0.5 billion right of use asset depreciation

### Items excluded from underlying results

- We expect to incur non-underlying Retail cash costs of around £100 million

### Tax rate

- We expect an underlying tax rate of around 30 per cent

### Capital allocation

- We have committed to a progressive dividend policy from the start of 2024/25 and expect to complete our £200 million share buyback programme by the end of 2024/25

### Capital expenditure

- We expect core retail cash capital expenditure (excluding Financial Services) in 2024/25 to be £800-£850 million, with an additional £25 million of strategic investment in our EV charging business

### Retail free cash flow

- We expect to generate at least £500 million of retail free cash flow in 2024/25, in line with our commitment of generating at least £1.6 billion of retail free cash flow over the next three years

### Net Debt

- We continue to target leverage of net debt to EBITDA of 3.0x to 2.4x

### Pension

- We expect total pension scheme cash contributions to be around £45 million

## 8. Useful Links

- Q3 24/25 Trading Statement: <https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/reports-and-presentations/2025/j-sainsbury-plc-Q3-24-25-trading-statement.pdf>
- Q3 24/25 Transcript: <https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/reports-and-presentations/2025/j-sainsbury-plc-q3-24-25-transcript.pdf>
- Interim Results 24/25: <https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/j-sainsbury-plc-interim-results-2425-statement.pdf>
- Preliminary Results 23/24: <https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/reports-and-presentations/2024/Preliminary%20Results/J%20Sainsbury%20Plc%20Preliminary%20Results%202324%20Statement.pdf>
- Preliminary Results 23/24 Transcript: <https://www.about.sainsburys.co.uk/~media/Files/S/Sainsburys/documents/reports-and-presentations/2024/sainsbury-plc-preliminary-results-2324-transcript.pdf>

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