

## Third Quarter Trading Statement for the 16 weeks to 3 January 2026

### Investment in customer offer delivers significant Christmas market share gains

#### Simon Roberts, Chief Executive of J Sainsbury plc, said:

“We have won grocery market share for the sixth consecutive Christmas period, again delivering our winning combination of value, quality, service and availability for customers. When we strengthened our profit guidance in November, we said we planned to invest in the strength of our competitive position through the most important trading period of the year. We expected the market to become more competitive with customers spending more carefully and we invested in balanced choices to offer great value for money, outstanding quality and innovation and leading customer service and availability, both in store and online.

“More customers switched to Sainsbury’s, trusting us for both great value essentials and premium Taste the Difference products in their big Christmas shop and we were the only major grocer to grow items in the basket. We gave customers great value on a bigger range of products this year and more customers benefited from personalised Your Nectar Prices, available to every supermarket shopper for the first time. Fresh food sales grew by 8% and Taste the Difference was the fastest growing Premium Own Label brand in the market, with our best ever ranges of Christmas innovation driving Taste the Difference Fresh sales growth of 15%.

“My huge thanks go to all of our colleagues and suppliers – the strength of our availability, customer service and operational performance stood us apart in delivering our biggest ever Christmas. The entire team’s hard work, care and commitment meant we were there for customers when it mattered most. We have real confidence in our momentum as we head into the final quarter and remain focused on helping our customers get great value for money and delivering for all our stakeholders.”

Sales Performance (YoY)	Q3 - 16 weeks to 3 January 2026	Christmas – 6 weeks to 3 January 2026
Sainsbury’s	4.9%	4.6%
<i>Grocery</i>	5.4%	5.1%
<i>General Merchandise + Clothing</i>	(1.1)%	(1.0)%
Argos	(1.0)%	(2.2)%
<b>Total Retail (exc. fuel)</b>	<b>3.9%</b>	<b>3.3%</b>
Like-for-like sales (exc. fuel)	3.4%	

#### 2025/26 Outlook

We have made balanced choices to invest and sustain the strength of our competitive position through the most important trading period of the year. These investments in value, quality and service have delivered further strong grocery trading momentum and market share gains and, despite weaker general merchandise market conditions, we continue to expect to deliver Retail underlying operating profit of more than £1 billion.

We now expect to deliver Retail free cash flow of more than £550 million (previous guidance: more than £500 million), reflecting strong working capital performance. We continue to expect to return more than £800 million of cash to shareholders this financial year through ordinary dividends, a £250 million special dividend and a £250 million share buyback.

#### Strategic Highlights

**First choice for food:** The continued strength of our performance over the third quarter is a result of the investments we have made in the first two years of our Next Level plan. Through strengthening our operations and technology, investing in our stores, building stronger relationships with supplier partners and making balanced choices to invest in the areas that matter most to customers, we are delivering a winning combination of value, quality, availability and service.

- The consistent strength of our value proposition through the combination of Aldi Price Match, Nectar Prices and personalised Your Nectar Prices is really resonating with customers, driving higher loyalty and bigger trolley shops<sup>1</sup>. This was particularly evident during the peak Christmas week, when we sold 20 per cent more turkeys than last year as more customers chose Sainsbury’s for their big Christmas shop<sup>2</sup>
- Our Fresh food quality and innovation set us apart. Fresh food sales increased 8 per cent during the quarter. Building on high growth last year, Taste the Difference Fresh food sales grew 15 per cent and Taste the Difference was the fastest growing Premium Own Label in the market<sup>3</sup>. We launched more than 260 new Taste the Difference products during the quarter, with customers particularly enjoying Mini Wagyu Cheeseburgers and Crispy Chicken Bao Buns in our Taste the Difference Party Food range as well as our Cherry & Amaretto Panettone and Chocolate and Caramelised Biscuit Polar Peak festive desserts

- Our strong operational performance ensured that we were well-placed to deliver for customers however they wanted to shop with us, driving higher customer satisfaction scores across Supermarkets, Convenience and Online<sup>4</sup>
- Groceries Online<sup>5</sup> sales increased 14 per cent over the quarter, with a significant contribution from OnDemand sales growth, a strong increase in Groceries Online orders and basket size and a big step forward in customer satisfaction in Groceries Online availability<sup>6</sup>
- We achieved a record-breaking performance in Convenience, with particularly strong growth in Fresh categories as customers shopped with us for last minute-purchases and essentials on Christmas Eve, Boxing Day and New Year's Eve
- The investments we are making to grow our food footprint through new store openings and space reallocation are bringing a wider range of food products to customers in key locations and are contributing to overall market share gains
- Despite softer demand and milder weather, Tu clothing achieved a strong performance within a weak market and delivered an exceptional performance in Christmas categories, including record sales of Christmas pyjamas. Our volume growth outperformed the clothing market by 10 percentage points<sup>7</sup>, reflecting a step up in style and quality perceptions<sup>8</sup> and improved availability both in-store and online
- We believe everyone should have access to good food and we are helping tackle food insecurity across the UK through our Nourish the Nation programme with Comic Relief. This quarter, we launched our Meals Make Memories campaign and supported the Department for Education's free breakfast club programme as well as raising over £3.9m for Comic Relief during the festive period. This includes donating every penny from the sales of by Sainsbury's and Free From classic mince pies in December to provide over 5 million meals to families this Winter

**Loyalty everyone loves:** Our personalised, rewarding and integrated Nectar loyalty scheme gives customers great value and supports our world class retail media offering, Nectar360. During the festive period, we connected 800 brands with our customers, a strong increase year-on-year as more clients and agencies use Nectar360 to deliver tailored and targeted marketing campaigns instore and online.

- Customers saved more money than ever before through our unique combination of personalised Your Nectar Prices and Nectar Prices, saving an average of £27 on their big Christmas shop<sup>9</sup> and we achieved record Nectar participation<sup>10</sup> in the key Christmas weeks. Customers also took the opportunity to cash in their Nectar Points balances for even greater Christmas savings with around two million shoppers redeeming points worth an average of £25 during December
- We remain ahead of our plan to deliver at least £100 million incremental profit over the three years to March 2027 from our Nectar360 business, with exceptionally positive feedback from clients and agencies who are starting to use our new retail media platform Pollen. We are also stepping up our instore digital media capability and plan to double the number of instore screens by the end of next financial year. In addition, we are creating new ways for brands to connect with customers through our SmartShop handsets
- We continue to grow the Nectar coalition and are discussing further partnerships for the year ahead. During the third quarter, we announced an exciting new partnership with Deliveroo, enabling customers to earn Nectar points when they shop with Sainsbury's through the Deliveroo app and we also introduced the Nectar Arcade feature on the Nectar app

**More Argos, more often:** The Argos transformation plan continues to make progress, delivering volume growth across the whole quarter despite significant headwinds from online traffic trends, a tough and promotional general merchandise market and weak consumer confidence.

- We continue to invest in strategic initiatives to strengthen our customer offer and increase frequency and basket size, with sales of Supplier Direct Fulfilled products up 24 per cent, Argos App unique visitor numbers up 33 per cent year on year and improved brand perceptions across key metrics including value, quality and overall satisfaction<sup>11</sup>
- Volume growth in the third quarter was more than offset by the impact of lower average selling price across the market. This was driven by subdued spending on higher ticket items such as furniture, heavy promotional activity and a weak gaming market. We gained share<sup>12</sup> and grew sales in Homewares, Electricals and Toys, with Habitat sales up 6 per cent and sales from our relaunched Chad Valley range up 7 per cent, ahead of our expectations
- Tight stock control has resulted in a clean stock position at the end of the peak period

**Save and invest to win:** We continue to make good progress against our target to deliver £1 billion of cost savings by March 2027, helping offset significant operating cost inflation. Our capital investments in technology and infrastructure are delivering efficiency gains and a stronger customer offer.

- Two years into our Next Level strategy, investments in technology are delivering significant improvements in operational efficiency and effectiveness across product availability, supply chain and checkouts. This is contributing to consistent delivery of strong customer service, particularly during peak periods
- We delivered our strongest ever end-to-end trading plan over Christmas, working collaboratively with suppliers to deliver our best ever food availability right up to Christmas Eve, with smooth stock flow, very low wastage and a record New Year's Eve performance. Combined with more shelf space for food products through our space reallocation work, this helped bring more products to more customers at the right time

## Sales performance (exc. VAT)

Like-for-like sales performance	2024/25				2025/26		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Like-for-like sales (exc. fuel)	2.9%	4.3%	2.9%	4.0%	4.6%	4.3%	3.4%
Like-for-like sales (inc. fuel)	2.6%	2.2%	0.3%	2.6%	2.2%	2.8%	2.9%

Total sales performance (%)	2024/25				2025/26		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sainsbury's	4.3%	5.2%	3.8%	4.2%	4.9%	5.5%	4.9%
Grocery	4.9%	5.5%	4.2%	4.1%	5.0%	5.7%	5.4%
GM (Sainsbury's) + Clothing	(4.5)%	2.0%	(0.4)%	6.4%	4.2%	2.1%	(1.1)%
Argos	(7.7)%	(1.4)%	(1.4)%	1.9%	4.0%	0.1%	(1.0)%
<b>Total Retail (exc. fuel)</b>	<b>2.6%</b>	<b>4.3%</b>	<b>2.9%</b>	<b>3.9%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>3.9%</b>
Fuel <sup>13</sup>	0.4%	(10.6)%	(17.4)%	(6.8)%	(13.6)%	(7.8)%	(1.2)%
<b>Total Retail (inc. fuel)</b>	<b>2.3%</b>	<b>2.2%</b>	<b>0.3%</b>	<b>2.5%</b>	<b>2.4%</b>	<b>3.2%</b>	<b>3.4%</b>

Total sales performance (£m)	2024/25				2025/26		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sainsbury's	7,431	5,497	8,040	3,690	7,797	5,799	8,431
Grocery	6,995	5,155	7,426	3,484	7,342	5,450	7,824
GM (Sainsbury's) + Clothing	436	342	614	206	455	349	607
Argos	1,077	860	1,611	548	1,120	861	1,595
<b>Total Retail (exc. fuel)</b>	<b>8,508</b>	<b>6,357</b>	<b>9,651</b>	<b>4,238</b>	<b>8,917</b>	<b>6,660</b>	<b>10,026</b>
Fuel <sup>13</sup>	1,291	894	1,116	575	1,115	824	1,103
<b>Total Retail (inc. fuel)</b>	<b>9,799</b>	<b>7,251</b>	<b>10,767</b>	<b>4,813</b>	<b>10,032</b>	<b>7,484</b>	<b>11,128</b>

## Notes

Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

A webcast presentation and live Q&A will be held at 9:15 (GMT). This will be available to view on our website at the following link: <https://sainsburys-2025-26-third-quarter-trading-statement.open-exchange.net>

A recorded copy of the Q&A call and a transcript will be available at [www.about.sainsburys.co.uk/investors/results-reports-and-presentations](http://www.about.sainsburys.co.uk/investors/results-reports-and-presentations) following the event.

Sainsbury's will announce its Preliminary Results for the 52 weeks ending 28 February 2026 on 23 April 2026.

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## Quote:

Six consecutive Christmas periods of grocery market share gains - Worldpanel by Numerator Panel (Kantar), City Read, Volume growth YoY, Q3 20/21 to Q3 25/26, 16 weeks to 28 December 2025

More customers switched to Sainsbury's - Worldpanel by Numerator Panel (Kantar), Total Fresh & Grocery exc Kiosk, Net Volume Switching Sainsbury's, 16 weeks to 28 December 2025

<sup>1</sup> Worldpanel by Numerator Panel (Kantar), Total FMCG (exc. Kiosk and Tobacco), Growth in average items per basket YoY, 16 weeks to 28 December 2025

- 2 Worldpanel by Numerator Panel (Kantar), Total FMCG (exc. Kiosk and Tobacco), Shopper number growth YoY, 16 weeks to 28 December 2025
  - 3 Worldpanel by Numerator Panel (Kantar), Total Fresh & Grocery exc. Kiosk, Premium Own Label tier (excl. Premium Plus tier), Value growth YoY, 16 weeks to 28 December 2025
  - 4 CSAT Competitor Benchmarking data – Overall Supermarket / Online / Convenience Satisfaction, Q3 25/26 YoY
  - 5 Grocery Online includes sales through Sainsburys.co.uk and sales through OnDemand channels
  - 6 CSAT Competitor Benchmarking data – Groceries Online Availability, Q3 25/26 YoY
  - 7 Worldpanel Fashion Panel (Kantar), Total Clothing, Footwear and Accessories YoY retailer volume growth differential vs the market, 12 weeks to 7th December 2025
  - 8 Style perception: Basis brand tracking, November 2025 vs November 2024; Quality perception: YouGov brand tracking, November 2025 vs November 2024
  - 9 Average saving on an £80+ shop
  - 10 Nectar participation – Supermarkets and Groceries Online
  - 11 YouGov Brand Index – brand health metrics score YoY, Q3 25/26
  - 12 Homewares – Global Data Homeware Tracker, Value market share gains YoY, October – December 2025 + Electricals - GFK Electricals market share, 15 weeks to 27th December.
- Household Electricals, Computers, TVs, Mobiles/Tablets & Tech Wearables + Toys – BRC, Value market share gains YoY, Q3 25/26
- 13 Fuel sales represent sales of fuel from our Petrol Filling Stations (PFS) and sales from our Ultra Rapid Electric Vehicle charging business, Smart Charge