

Guidance for 2026/27

Profit

- We expect to deliver Total underlying operating profit of between £975 million and £1,075 million
- Following completion of the exit from core banking, Financial Services will no longer be reported as a separate operating segment

Finance costs

- We expect underlying net finance costs of around £320 million

Space

- Subject to final planning consent, we expect to open around ten supermarkets in 2026/27, complementing our existing organic supermarket growth pipeline. In addition, we expect to open around 20 more convenience stores
- We expect a net space growth impact on Retail sales of around 0.5 per cent in 2026/27

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 cash costs relating to Retail restructuring programmes of around £50 million in 2026/27
- We expect to incur total non-underlying cash costs relating to our Next Level Sainsbury's strategy implementation of around £150 million over the three-year programme

Tax rate

- We expect an underlying tax rate of around 29 per cent

Capital allocation

- For the financial year 2026/27 we will buy back £300 million of shares, including a £200 million core buyback and an additional return of £100 million of net bank disposal proceeds. We will continue to review the level of cash return to shareholders through buybacks on an annual basis

Capital expenditure

- We expect core retail cash capital expenditure of between £800 million and £850 million

Retail free cash flow

- We expect to generate more than £500 million of retail free cash flow in 2026/27, in line with our commitment to generate at least £1.6 billion of retail free cash flow over the three years to 2026/27

Net Debt

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

Pension

- We expect total defined benefit pension scheme cash contributions to be around £27 million