

J Sainsbury plc

Interim Results

2023/24



J Sainsbury plc

Simon Roberts
Chief Executive



Agenda



01

Progress against priorities

02

Financial highlights

03

Strategic progress

Our priorities



- Better value and innovation
- Underpinned by buying benefits and lower cost to serve



- Customer and profit focus
- Supporting the core food business



- Structurally lower operating costs to fuel investment in the core
- Cutting complexity and increasing pace of execution



Know and serve our customers better, use the power of Nectar

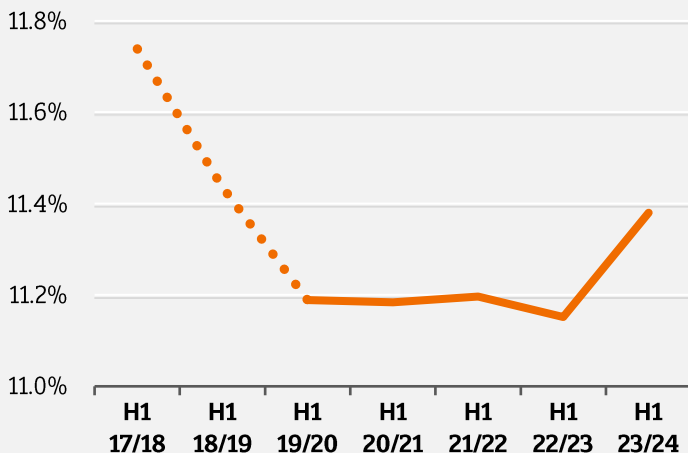


Environmental and social sustainability at our core

Food is firmly back at the heart of Sainsbury's

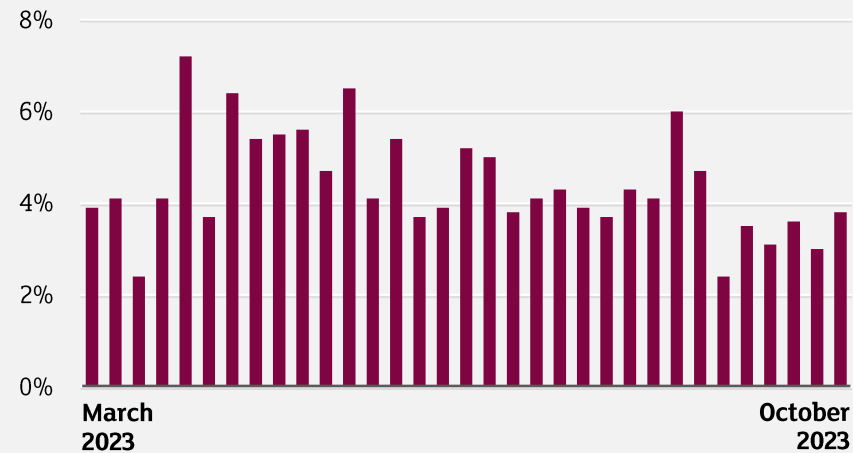
Strongest market share gains since launching Food First strategy

Grocery volume share¹



Consistently growing volumes ahead of the market

Weekly volume growth differential²

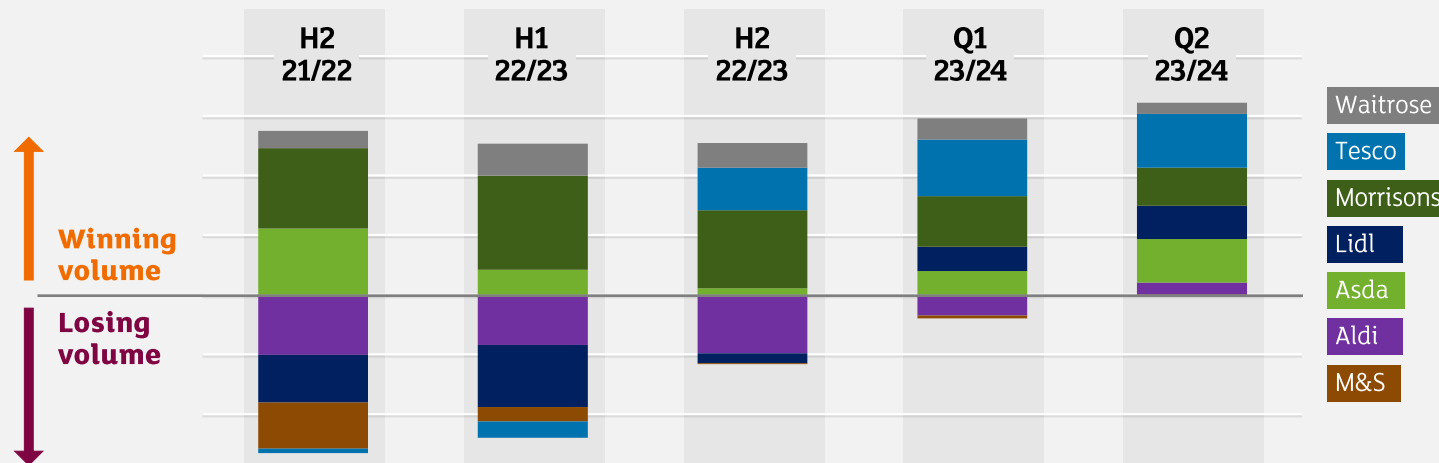


1. Source: Nielsen Panel volume market share H1 17/18 - H1 23/24. Total FMCG (Excl. Kiosk & Tobacco), Market Universe: Total Outlets

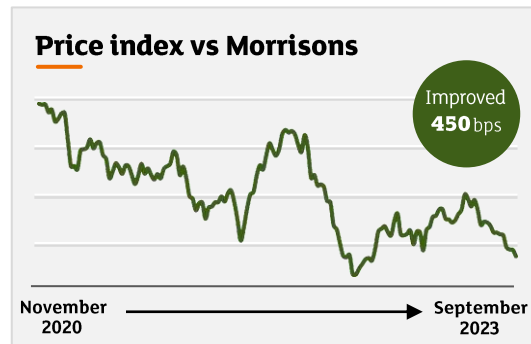
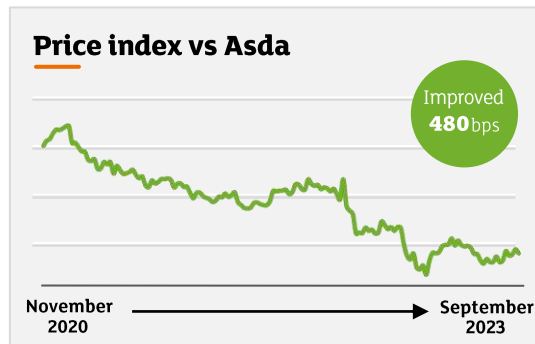
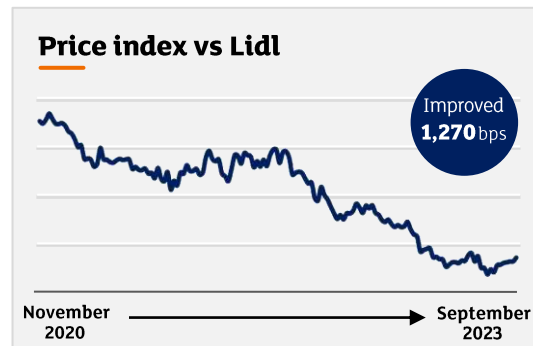
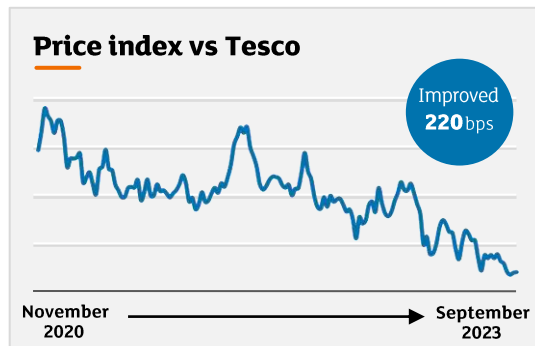
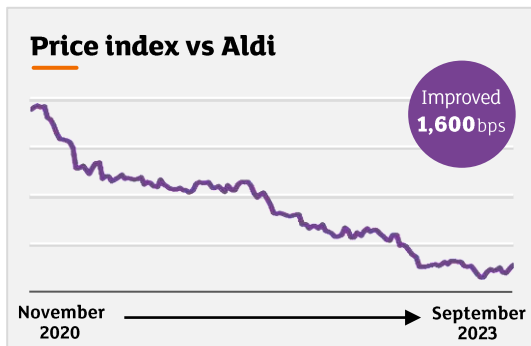
2. Source: Nielsen EPOS data – Sainsbury's weekly volume growth differential to market. Weekly from 5th March to 21st October 2023

We're gaining volume from all of our competitors

Sainsbury's net volume switching

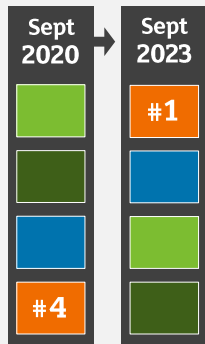


We're at our most competitive on price

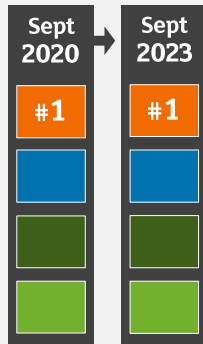


We're number one for our customers

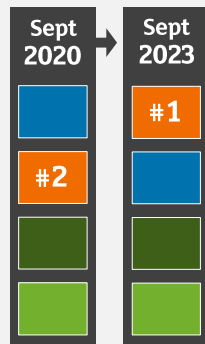
Value Perception Ranking



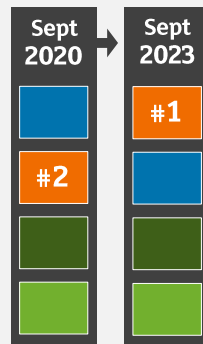
Quality Ranking



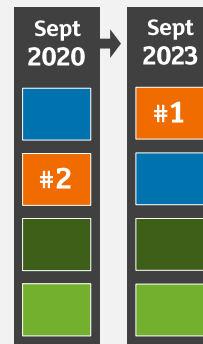
Range Ranking



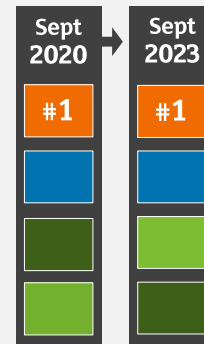
Product Availability Ranking



Colleague Availability Ranking



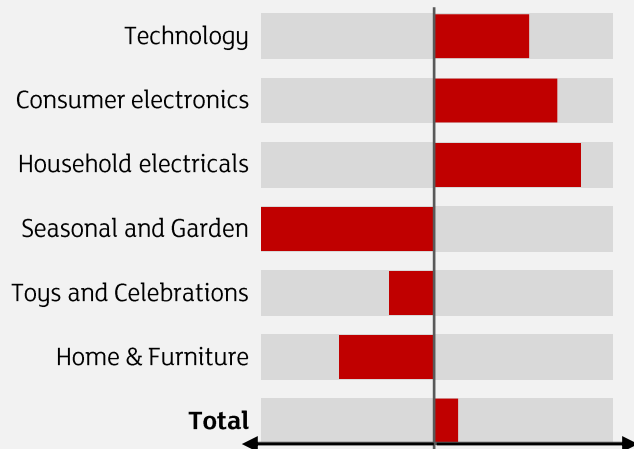
Overall Satisfaction Ranking



Argos resilient despite seasonal challenges

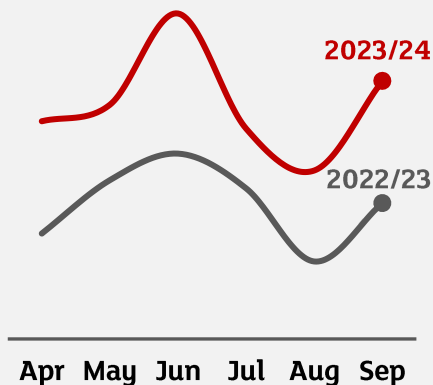
Sales performance by category

H1 YoY %

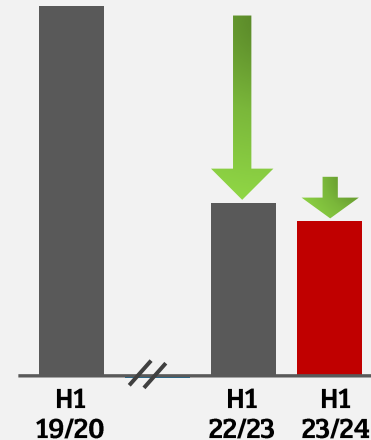


Market share¹

up **0.6% pts** YoY



SG&A to sales %



1. Source: GfK tracked market share 6 months to September 2023 vs 6 months to September 2022


Strong progress on our 8 key metrics


Delivering for customers and driving stronger financial outcomes

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 employed¹ 

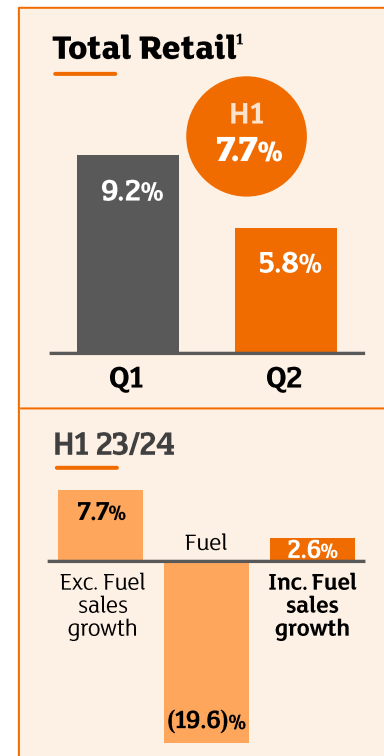
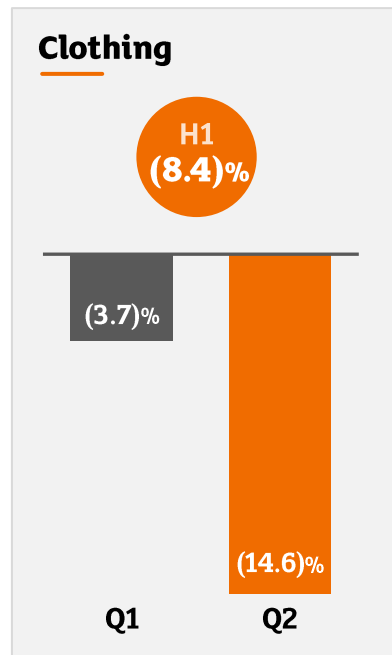
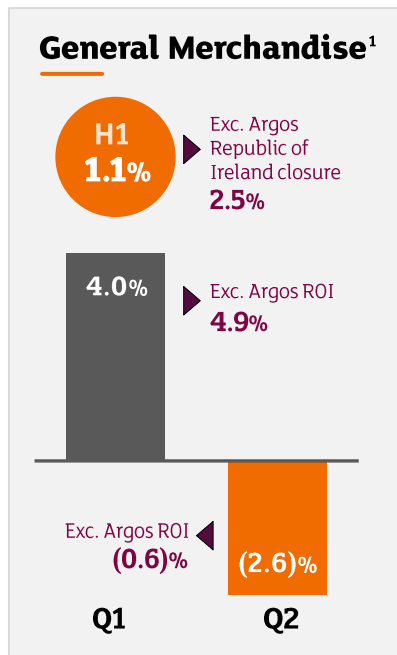
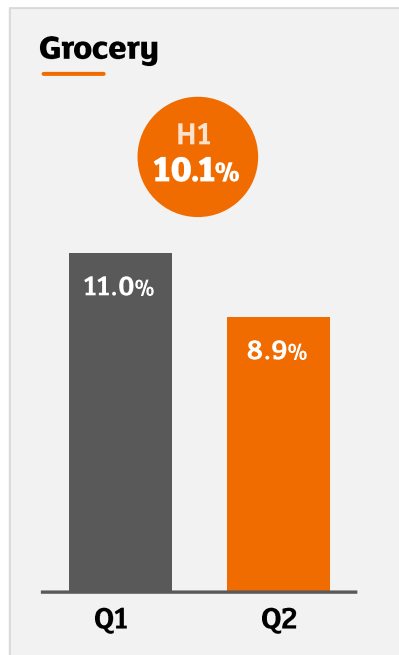
1. ROCE: return divided by capital employed. Return is defined as a 52 week rolling underlying profit before interest and tax. Capital employed is defined as group net assets excluding the pension surplus and less Retail net debt. The average is calculated on a 14 point basis.

J Sainsbury plc

Bláthnaid Bergin
Chief Financial Officer



Retail sales growth by category

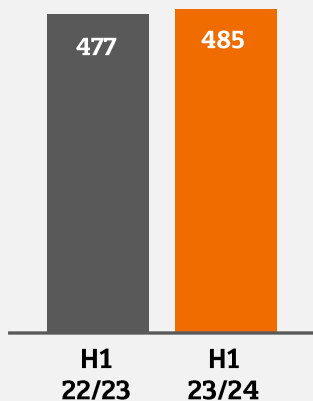


1. As a result of the closure process of the Argos business in the Republic of Ireland:

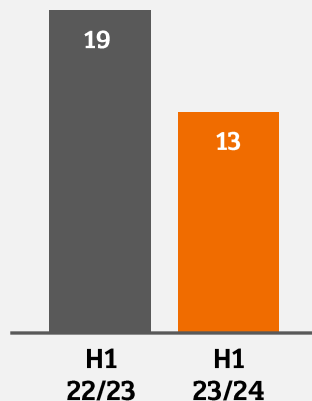
- Q1 General Merchandise sales growth was diluted by c.0.9% (c.1.1% Argos sales, c.0.2% of Total Retail exc. fuel sales, c.0.2% of Total Retail inc. fuel sales)
- Q2 General Merchandise sales growth was diluted by c.2.0% (c.2.5% Argos sales, c.0.4% of Total Retail exc. fuel sales, c.0.4% of Total Retail inc. fuel sales)
- H1 General Merchandise sales growth was diluted by c.1.4% (c.1.6% Argos sales, c.0.3% of Total Retail exc. fuel sales, c.0.2% of Total Retail inc. fuel sales)

Group performance overview

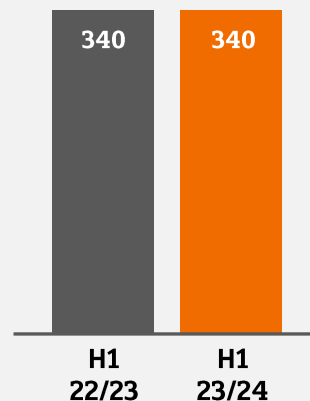
Retail underlying operating profit



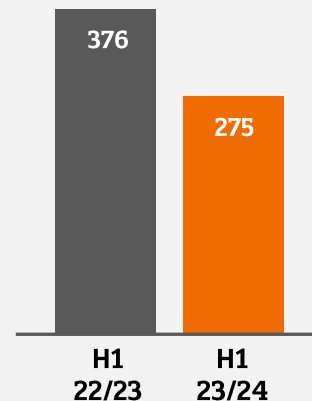
Financial Services operating profit¹



Underlying profit before tax



Statutory profit before tax



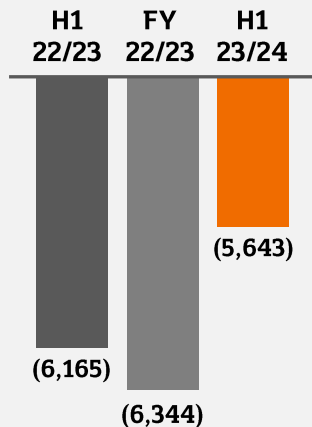
All figures £m

1. Underlying Financial Services operating profit

Balance sheet metrics

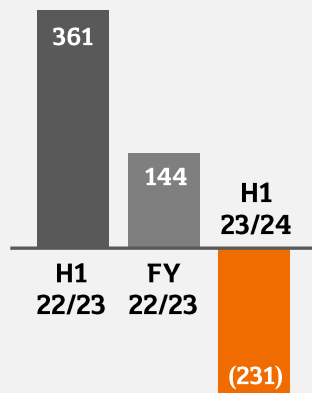
Net debt including leases

£m

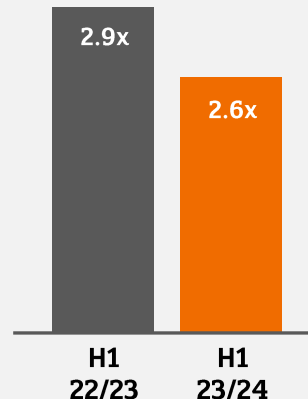


Net funds / (debt) excluding leases

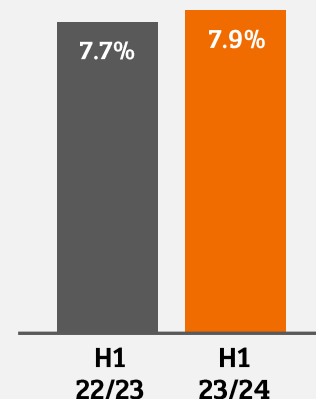
£m



Net debt / EBITDA¹



Return on capital employed



Highbury and Dragon property transaction

£1,042m Non-cash reduction of lease debt

£(670)m Net cash costs

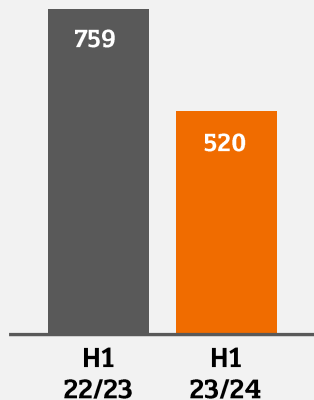
£372m Net impact

1. Net debt of £5,643 million includes lease obligations under IFRS 16, divided by Group underlying EBITDA of £2,130 million, calculated for a 52-week period to 16 September 2023

Balance sheet metrics

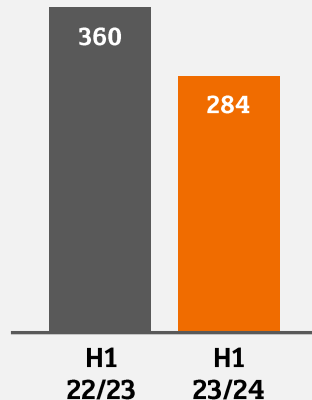
Retail Free Cash Flow

£m

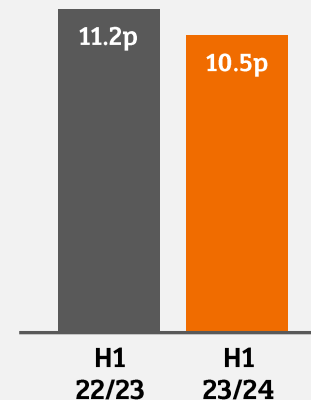


Working Capital movement

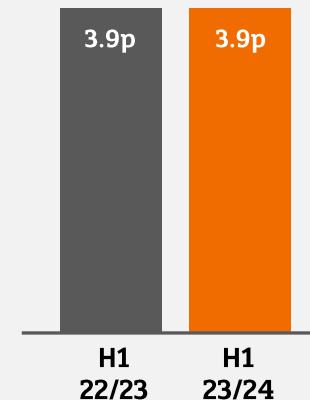
£m



Earnings per Share¹



Dividend per Share

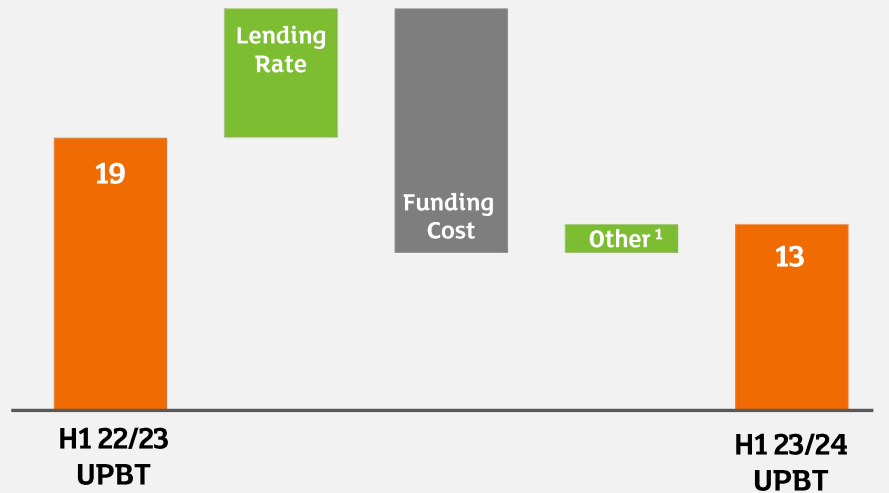


1. Underlying basic earnings per share

Financial Services

UPBT YoY movement

£m



£m	H1 2023/24	H1 2022/23
Underlying revenue	£318m	£254m
Underlying operating profit	£13m	£19m
Net interest margin ²	4.7%	5.2%
Cost/income ratio	70%	67%
Bad debt as a percentage of lending ³	2.1%	2.2%
Total Capital Ratio ⁴	18.1%	17.3%
Customer Deposits	£(4.8)bn	£(4.6)bn
Total Customer Lending ⁵	£4.8bn	£5.1bn
<i>of which Unsecured Lending</i>	£4.8bn	£4.4bn
<i>of which Secured Lending</i>	-	£0.7bn

1. Other reflects income uplifts due to increased volumes offset by higher costs, including the impact of inflation

2. Net interest income / average interest-bearing assets

3. Bad debt expense / average net lending

4. Total capital / risk weighted assets

5. Amounts due from customers at the Balance Sheet date in respect of loans, mortgages, credit cards and store cards net of provisions

Items excluded from underlying results

£m	H1 2023/24	H1 2022/23
Restructuring programmes	(32)	(33)
Income recognised in relation to legal disputes	-	30
Disposal of mortgage book	(14)	-
IAS 19 pension income	21	35
Property, finance and acquisition adjustments	(40)	4
Total items excluded from underlying results	(65)	36

Guidance

Restructuring, impairment and integration one-off costs of £900 million-£1 billion from FY 2020/21, with the majority by March 2024 (c. £300 million cash)¹. In addition to the £40 million cash costs in the period, we expect to incur a further £20 million in relation to this programme, giving total cash cost of £60 million for FY 2023/24.

1. To date we have incurred costs of £778 million and cash costs of £243 million.

Net debt and Retail free cash flow

£m	H1 2023/24	H1 2022/23	FY 2022/23
Net cash from operating activities	1,156	1,232	
<i>of which working capital movements</i>	284	360	
Capital expenditure	(389)	(297)	
Disposal proceeds	16	28	
Lease repayments ¹	(263)	(254)	
Dividends received from Sainsbury's Bank	-	50	
Retail free cash flow	520	759	
Dividends paid on ordinary shares	(215)	(229)	
Highbury & Dragon Store Portfolio acquisition	372	-	
<i>of which non-cash lease reduction</i>	1,042	-	
<i>of which net consideration paid</i>	(670)	-	
Other ²	24	64	
Movement in net debt	701	594	
Opening net debt³	(6,344)	(6,759)	
Closing net debt	(5,643)	(6,165)	(6,344)
Of which:			
Lease liabilities	(5,412)	(6,526)	(6,488)
Net (debt) / funds excluding lease liabilities	(231)	361	144

Guidance

Capital expenditure (excluding Financial Services) in FY23/24 to be £750-£800 million.

1. Includes initial direct costs on right-of-use assets
2. Includes net proceeds from borrowings and net movement in lease liabilities, reflecting non-cash additions in the period offset by payments made
3. Net debt definition excludes derivatives not linked to borrowings

Capital allocation framework

1	Invest in the business to support our strategy	Capex to remain in range of £700m-£750m, continue to generate FCF of £500m+ per year
2	A solid investment grade balance sheet	Target leverage of 3.0x-2.4x net debt/EBITDA
3	Deliver strong dividends for shareholders	Payout ratio around 60% of underlying earnings
4	Selectively invest in projects to grow or strengthen the business	Where commercially interesting or NPV positive opportunities exist, such as lease buy-ins
5	Return surplus cash to shareholders	Through higher dividends and/or share buybacks

Summary and Outlook

H1 performance

- Strong Grocery sales and volume growth across both quarters
- Resilience in General Merchandise and Clothing despite tough weather comparatives
- Headwinds in Financial Services
- Underlying profit before tax flat year-on-year
- Strong underlying retail free cash flow generation

Outlook

- Continue to make balanced choices to deliver for all stakeholders
- Expect continued momentum into peak trading
- Forecast lower Financial Services profits in FY 2023/24
- Expect underlying profit before tax in FY 2023/24 of between £670 million and £700 million
- Expect to generate retail free cash flow in FY 2023/24 of at least £600 million

J Sainsbury plc

Simon Roberts
Chief Executive



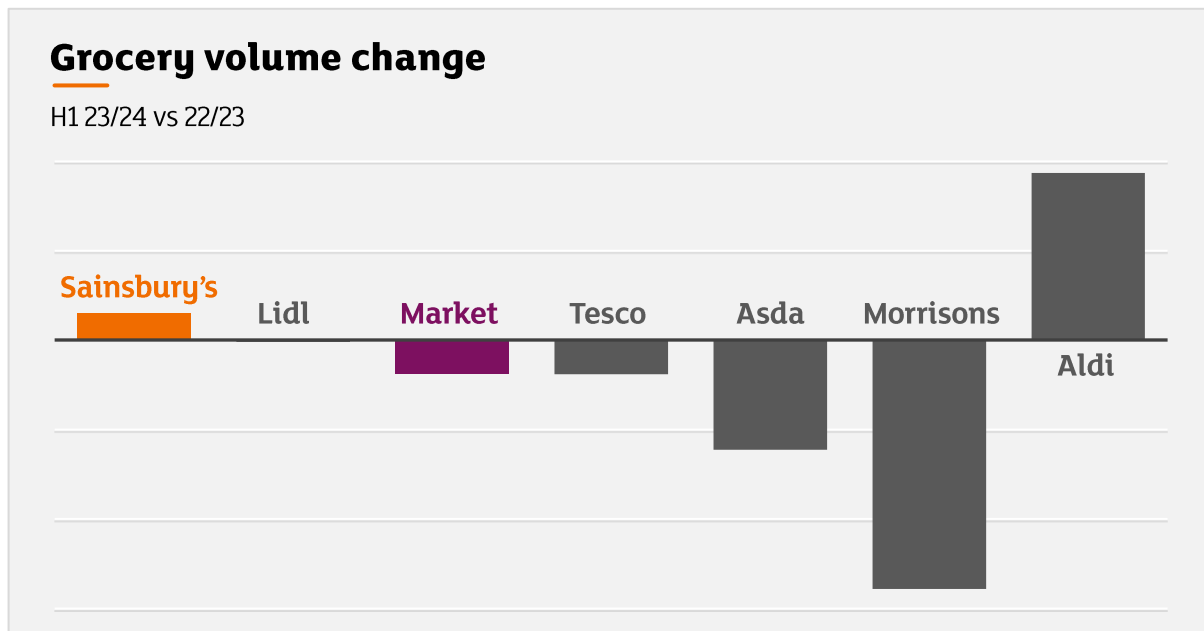


- Better value and innovation
- Underpinned by buying benefits and lower cost to serve

- Improve real and perceived **value for money**
- Increase **innovation** pace
- Grow **Online** capacity and extend routes to market
- Expand physical points of distribution, focusing on **Convenience**
- Deliver **Plan for Better** commitment
- **Tailor** price, proposition and operations to catchments and local customers
- Adapt **supermarket formats** for changing role and to drive efficiency
- Focus **customer service and operational excellence** on what matters for customers

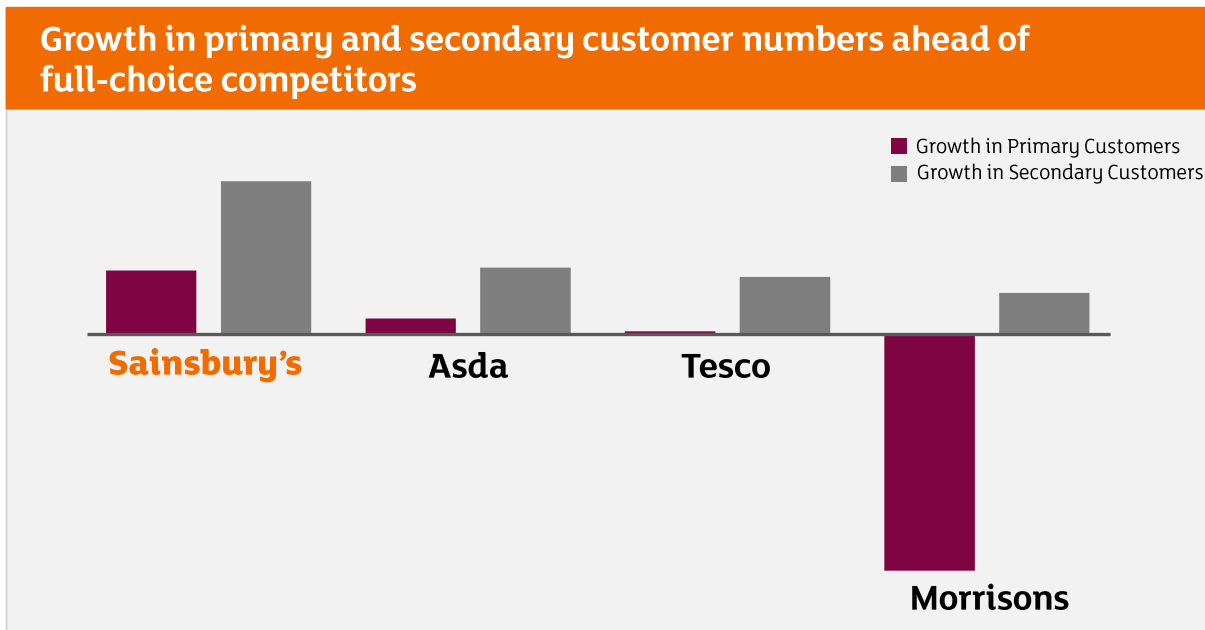


Food First delivering volume growth ahead of the market





More customers are shopping with us

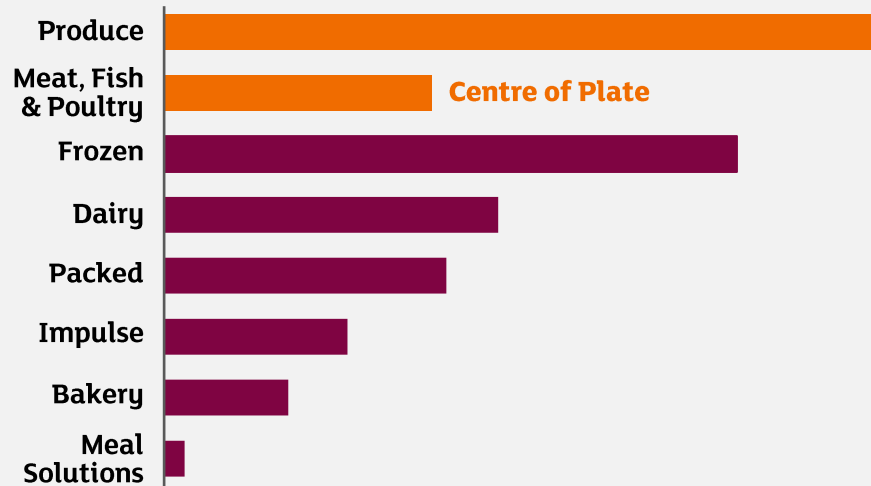




Gaining volume across the full basket

Volume growth differential

H1 23/24 vs 22/23



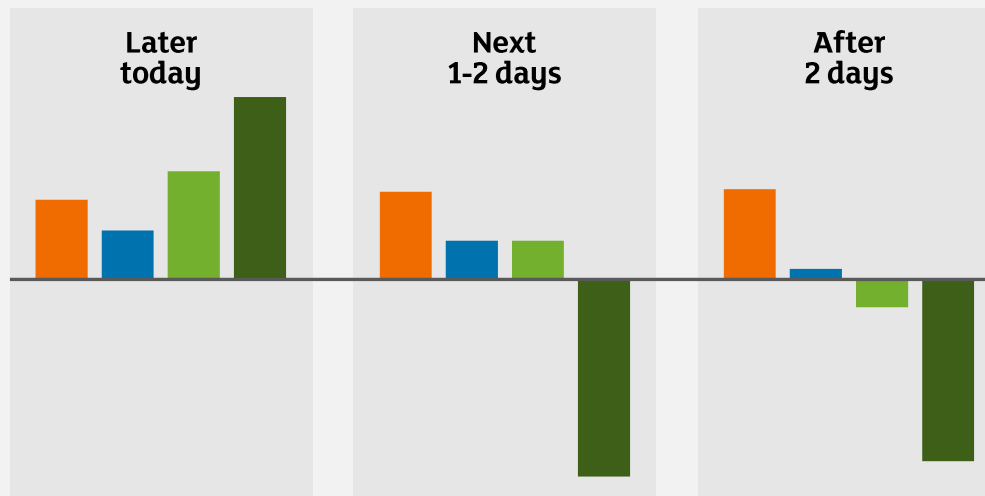
Source: Nielsen panel data, Total FMCG excl. Kiosk and Tobacco. Volume growth differential to the market by category, (Bakery = Bought In Bakery only). 28 weeks to 16 September 2023



Customers are noticing our improved value, innovation and service

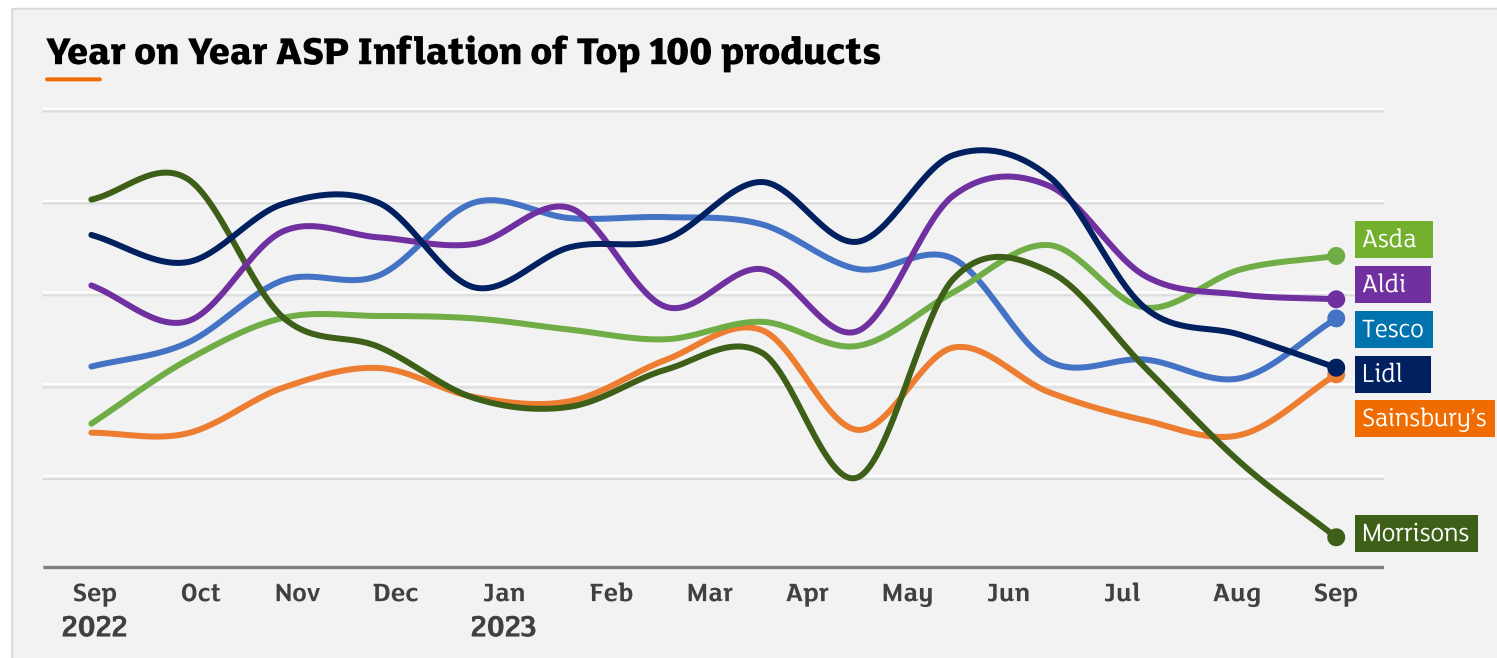
Growth in total shopper missions

H1 23/24 vs 22/23





Consistently inflating behind key competitors





The vast majority of our customers are now shopping with Nectar Prices

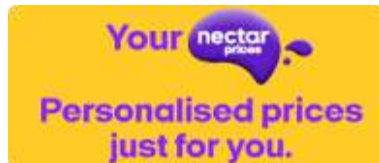


>£450m

Customer savings
since launch

c.£10

Saving on a typical
£80 weekly shop

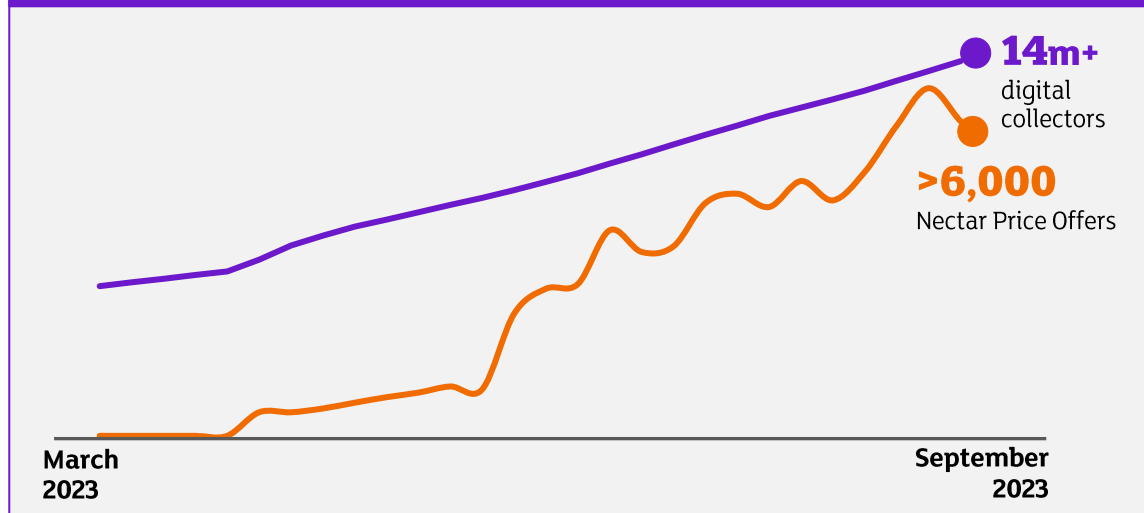


>£80m

Customer savings
since launch

Now available on
**Groceries
Online**

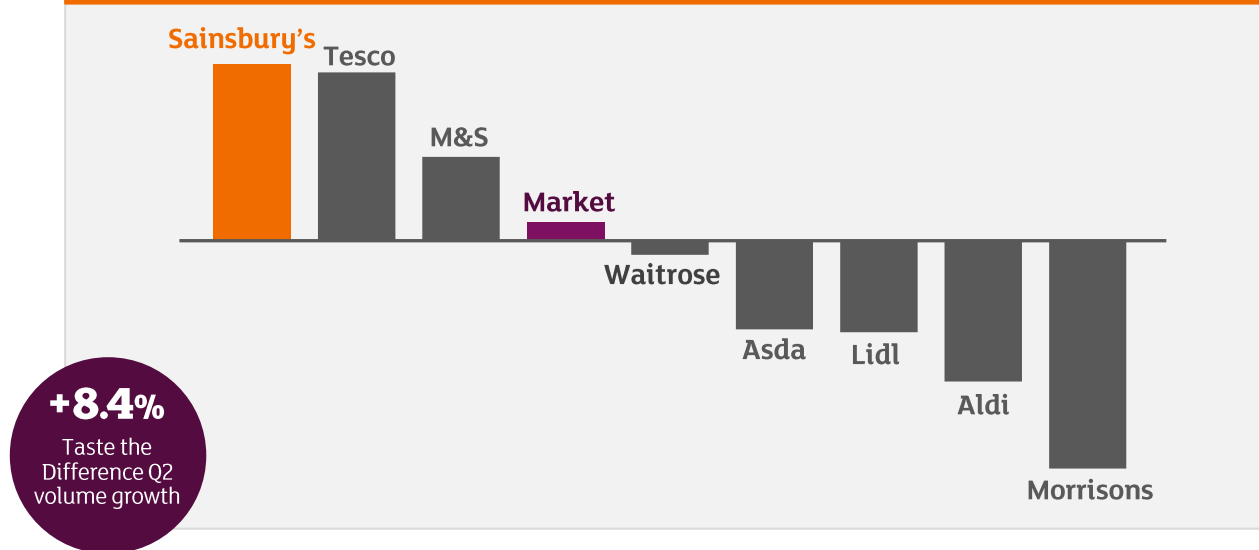
3 million+ new Digital Nectar collectors since Nectar Prices launch





Innovation driving outperformance

Premium Own Label volume growth ahead of all competitors



Kitchen Deli and our new back wall propositions

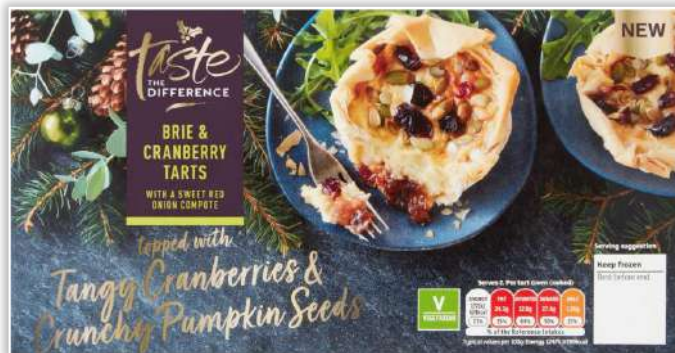


New Charcuterie and Cheeseboard displays



Ambitious plan for Taste the Difference this Christmas

More than 170 new Christmas products





Plan for Better

Supporting British farming

Revolutionising beef production

25%
Lower
carbon
footprint¹



- New **Taste the Difference Aberdeen Angus range** largest lower carbon beef range in the UK
- **Decade of development** and five years of production
- Reducing carbon through **superior cattle breeding and animal management**
- **Greater security and stability for farmers** - fixed forward pricing, animal financing options and free of charge farm management software

Investment to support dairy farmers

£6m
Additional
Annual
Investment



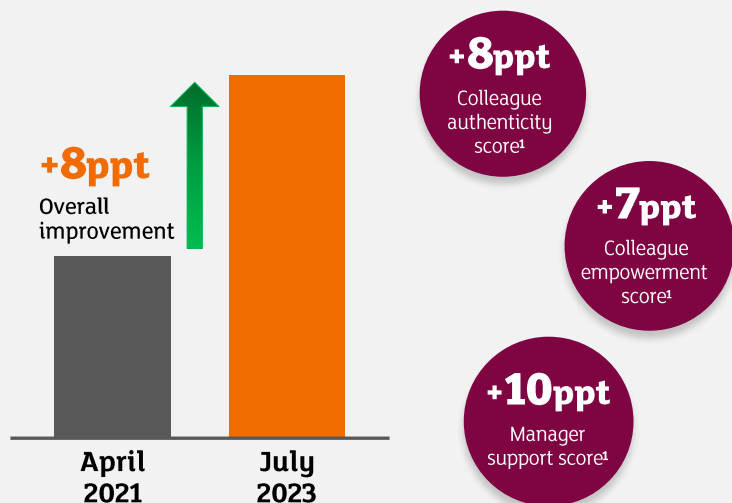
- Recognise **responsibility to support farmers** and the need for **continuous investment in sector**
- **Additional fixed price per litre** on top of Cost of Production price
- Further **sustainability bonuses linked to carbon reduction** targets

1. vs industry average



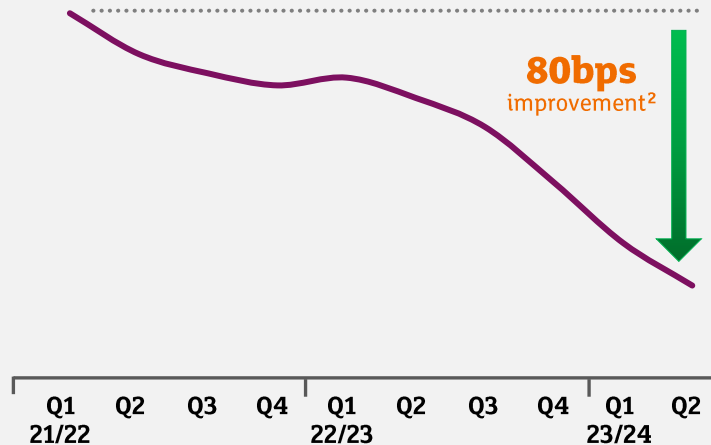
More engaged and productive colleagues

Greater colleague engagement



Improved productivity

Sainsbury's
labour costs/sales %



1. Source: eSAT scores July 2023 vs April 2021 (baseline)

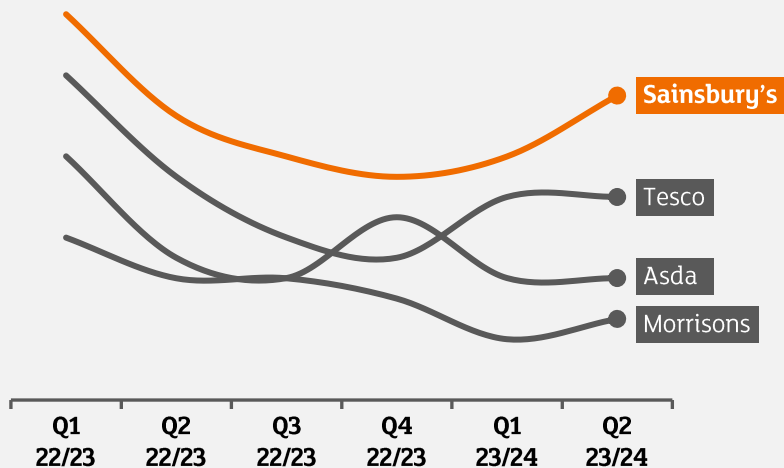
2. Reduction in labour cost/sales (excl. fuel) % Q2 23/24 vs Q1 21/22



Delivering leading customer satisfaction

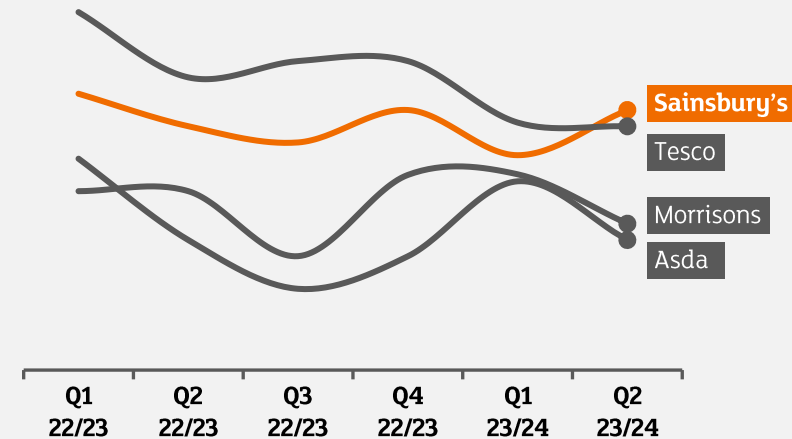
Supermarkets

Customer satisfaction index



Online

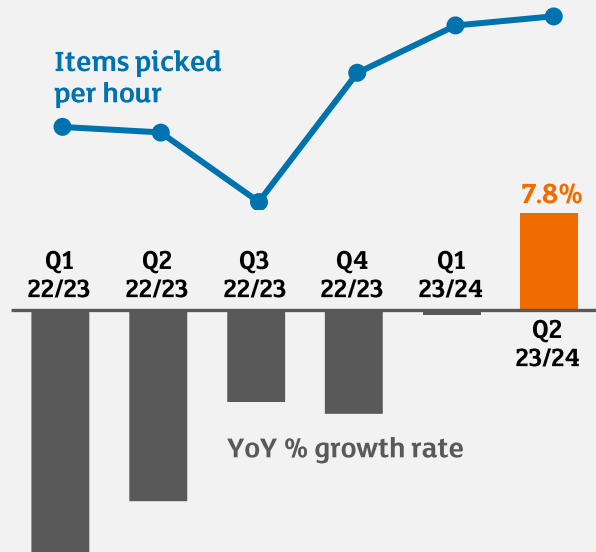
Customer satisfaction index





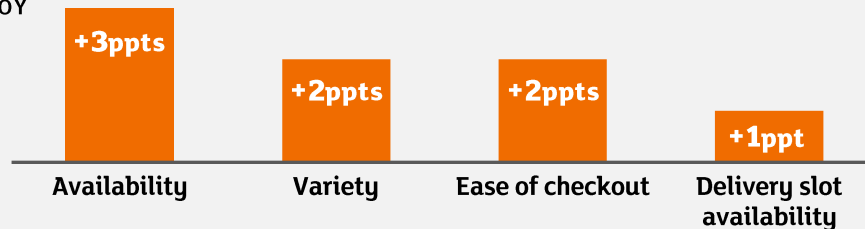
Prioritising online service and efficiency

Online sales back in growth

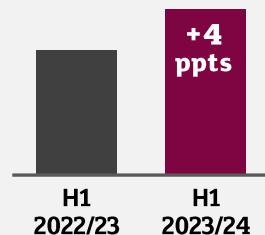


Improved online customer satisfaction¹

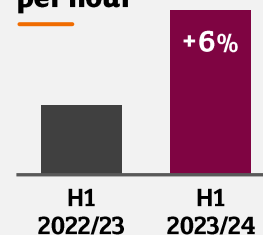
Q2 YoY



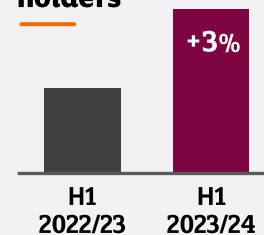
Picked in Full



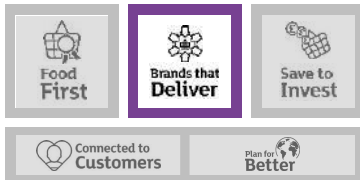
Items picked per hour



Delivery pass holders



1. Source: Competitor benchmarking survey. Groceries Online customer satisfaction % scores 12 weeks to 16 September 2023 vs 12 weeks to 17 September 2022
Availability = Availability of Items Offered



**Brands that
Deliver**

- Customer and profit focus
- Supporting the core food business



N E C
T A R
3 6 0

Focus on food, coalition
and data monetisation



Tu

habitat[®]

Reduce cost to serve
Improve profit delivery

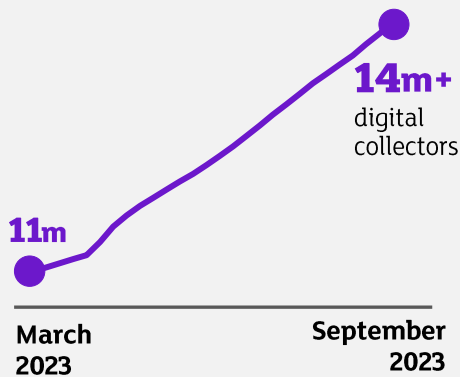
**Sainsbury's
Bank**

Simplify and
strengthen

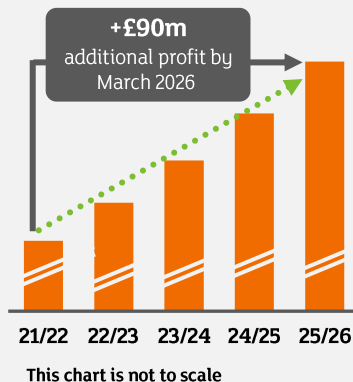
Nectar360:

Retail media driving significant incremental growth

Powered by Digital Nectar



On track to deliver additional profit contribution



Sainsbury's Live

- Building one of the largest digital retailer screen networks in the UK **800 screens**
- Tailored campaigns reaching **millions of shoppers** every week
- Entire network powered by Sainsbury's **renewable energy**



Argos transformation delivering for customers

Digital first, omni channel retailer



#3¹
most visited
UK retail
website

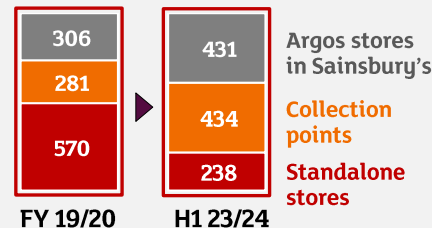
Online sales
participation
73%
+13%pts
vs H1 19/20

Nectar
participation
+5% YoY

Market leader in same day delivery

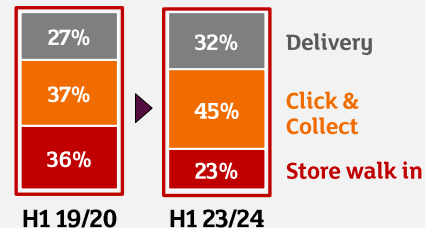
Rebalancing the store estate

1,100 points of presence



93%
Households
with same day
delivery coverage

Convenient for customers

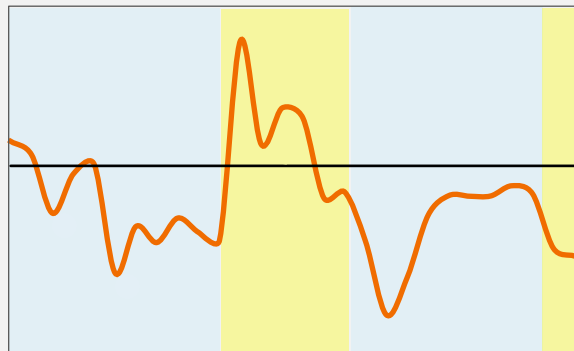


90%
Households
within
15-minute drive

Tu Clothing:

Colder and wetter weather challenge to summer performance

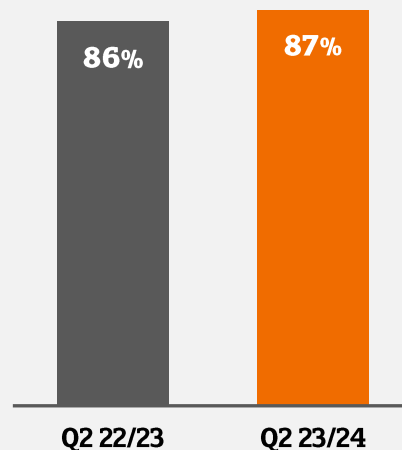
Weekly sales performance



March 2023 → September 2023

- Weekly sales YoY %
- Colder than last year¹
- Warmer than last year¹

Stable full-price sales participation in store



Growing our branded proposition at pace

- More customers shopping **third party brands**
- Creating **fashion destination hubs** in > 50 stores





- Structurally lower operating costs to fuel investment in the core
- Cutting complexity and increasing pace of execution

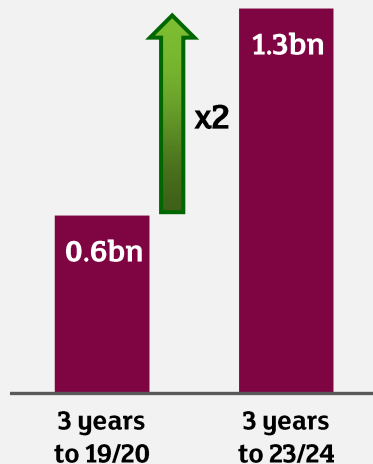
Structural change to accelerate cost reduction

- Reduce operating costs to **fuel investment in the core**
- Transform our approach to costs and radically simplify our organisation
- Reduce retail operating costs to sales by more than **200bps**
- Work with suppliers to drive value



Continued momentum: £1.1bn of cost savings to date

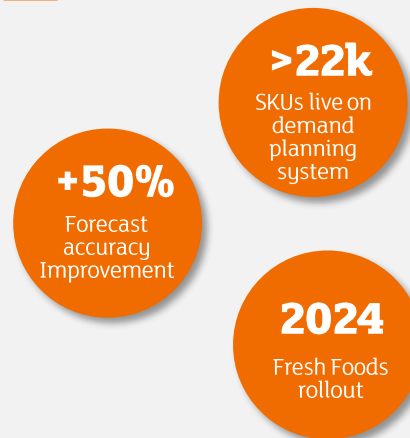
On track to deliver £1.3bn of cost savings



H1 progress on End to End transformation

- **Data centre** migration and consolidation
- Expert partnerships across **logistics operations**
- **Changing product flows** in Food and General Merchandise to improve in store operations
- Further transforming **Argos** store and distribution network

Leading automation and machine learning in supply chain



Our priorities



- Better value and innovation
- Underpinned by buying benefits and lower cost to serve



- Customer and profit focus
- Supporting the core food business



- Structurally lower operating costs to fuel investment in the core
- Cutting complexity and increasing pace of execution



Know and serve our customers better, use the power of Nectar



Environmental and social sustainability at our core

We are set up to deliver another strong Christmas



**Best ever
Christmas value
position powered
by Nectar Prices**



**Bold and ambitious
festive innovation
in Taste the
Difference**



**Building on Argos's
reputation for great
value, desirable
brands and leading
convenience**



**Fully focused on
strong execution
and outstanding
customer service**

J Sainsbury plc

Appendices



Guidance for 2023/24

Profit

- We expect underlying profit before tax of between £670 million to £700 million
- We expect full year Financial Services profits to be lower than last year

Space

- We expect to open three supermarkets and around 25 new convenience stores, and to close around one supermarket and five to ten convenience stores
- We expect to open around 25 Argos stores inside Sainsbury's and close around 100 Argos standalone stores, including 34 stores in Ireland which were closed during the first half
- In the UK we expect the standalone Argos store estate will reduce to around 180 stores by March 2024, while we expect to have 430-460 Argos stores inside Sainsbury's supermarkets as well as 450-500 Argos collection points

Depreciation and amortisation

- We expect retail underlying depreciation and amortisation of around £1,150 million, including around £450 million right of use asset depreciation

Finance costs

- We expect underlying net finance costs of between £295 million – £305 million, including around £245 million - £255 million lease interest

Items outside of underlying

- We still expect to incur one off costs in relation to the restructuring programmes announced in the year ended 6 March 2021 of around £900 million to £1 billion, with cash costs of around £300 million, with the majority to be incurred in the period to March 2024. To date we have incurred costs of £778 million and cash costs of £243 million. In addition to the £40 million cash costs in the period, for 2023/24 we expect to incur a further £20 million in relation to this programme, giving total cash costs of £60 million for 2023/24

Tax rate

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

Pension

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

Capital expenditure

- We expect capital expenditure to be around £750 million to £800 million

Retail free cash flow

- We expect to generate retail free cash flow of at least £600 million

Sales growth by quarter

Like-for-like sales growth

	2022/23				2023/24			2023/24 Excl. Argos Republic of Ireland closure		
	Q1	Q2	Q3	Q4	Q1	Q2	H1	Q1	Q2	H1
Like-for-like sales (exc. fuel)	(4.0)%	3.7%	5.9%	7.8%	9.8%	6.6%	8.4%	10.0%	6.6%	8.5%
Like-for-like sales (inc. fuel)	2.9%	7.7%	6.8%	5.9%	3.9%	2.2%	3.2%	4.0%	2.2%	3.2%

Total sales growth

	2022/23				2023/24			2023/24 Excl. Argos Republic of Ireland closure		
	Q1	Q2	Q3	Q4	Q1	Q2	H1	Q1	Q2	H1
Grocery	(2.4)%	3.8%	5.6%	7.4%	11.0%	8.9%	10.1%	11.0%	8.9%	10.1%
Total General Merchandise	(11.2)%	1.2%	4.6%	7.6%	4.0%	(2.6)%	1.1%	4.9%	(0.6)%	2.5%
GM (Argos)	(10.5)%	1.6%	4.5%	9.3%	5.1%	(2.6)%	1.7%	6.1%	(0.1)%	3.3%
GM (Sainsbury's supermarkets)	(14.6)%	(1.3)%	5.4%	(1.0)%	(1.2)%	(2.7)%	(1.9)%	(1.2)%	(2.7)%	(1.9)%
Clothing	(10.1)%	(0.2)%	1.3%	(1.9)%	(3.7)%	(14.6)%	(8.4)%	(3.7)%	(14.6)%	(8.4)%
Total Retail (exc. fuel)	(4.5)%	3.1%	5.2%	7.1%	9.2%	5.8%	7.7%	9.3%	6.2%	8.0%
Fuel	48.3%	29.1%	12.2%	(2.8)%	(21.4)%	(17.1)%	(19.6)%	(21.4)%	(17.1)%	(19.6)%
Total Retail (inc. fuel)	2.5%	7.2%	6.2%	5.4%	3.3%	1.5%	2.6%	3.5%	1.9%	2.8%

Sales performance by category

Total sales performance by category

	H1 2023/24	H1 2022/23	Change	H1 2023/24 Proportion
Grocery £bn	12.4	11.3	10.1%	67%
General Merchandise £bn	2.9	2.9	1.1%	15%
Clothing £bn	0.5	0.5	(8.4)%	3%
Retail (excl. fuel) £bn	15.8	14.7	7.7%	85%
Fuel sales £bn	2.7	3.4	(19.6)%	15%
Retail (incl. fuel) £bn	18.5	18.1	2.6%	100%

Grocery sales performance by channel

	H1 2023/24	H1 2022/23
Total Sales fulfilled by Supermarket stores	9.6%	(0.5)%
<i>Supermarkets (inc Argos stores in Sainsbury's)</i>	10.8%	2.9%
<i>Groceries Online</i>	2.3%	(17.4)%
Convenience	10.5%	10.5%

Retail margin

As of 16 September 2023

	H1 2023/24	H1 2022/23	Change
Retail sales (inc. VAT, inc fuel) £m	18,547	18,084	2.6%
Retail sales (exc. VAT, inc fuel) £m	16,665	16,154	3.2%
Retail underlying EBITDA £m ¹	1,082	1,087	(0.5)%
Retail underlying EBITDA margin % ²	6.49	6.73	(24)bps
Retail underlying operating profit £m ³	485	477	1.7%
Retail underlying operating margin % ⁴	2.91	2.95	(4)bps

1. Retail underlying operating profit before underlying depreciation and amortisation of £597 million

2. Retail underlying EBITDA divided by retail sales excluding VAT

3. Retail underlying earnings before interest, tax and Sainsbury's underlying share of post-tax profit from joint ventures

4. Retail underlying operating profit divided by retail sales excluding VAT

Financial metrics

	H1 2023/24	H1 2022/23
Return on capital employed ¹	7.9%	7.7%
Net debt to EBITDA ²	2.6x	2.9x
Fixed charge cover ³	2.6x	2.7x
Underlying tax rate	27.6%	23.5%

1. 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

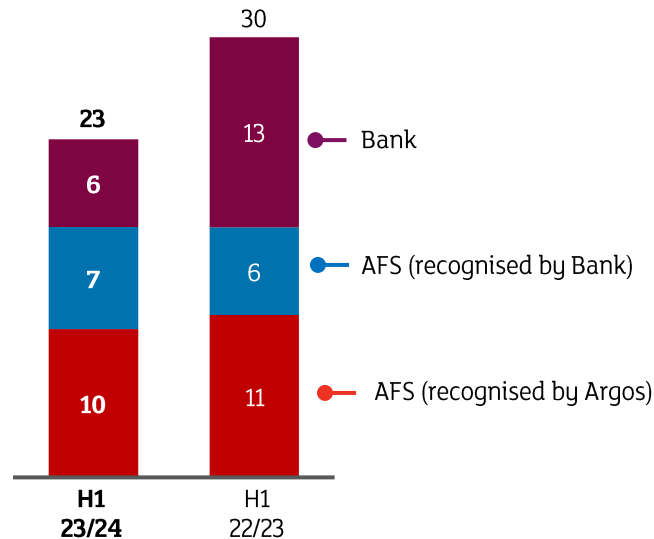
2. Net debt of £5,643 million includes lease obligations under IFRS 16, divided by Group underlying EBITDA of £2,130 million, calculated for a 52-week period to 16 September 2023

3. Group underlying EBITDA divided by rent (both capital and interest) and net underlying finance costs

Financial Services

Group contribution basis	H1 2023/24	H1 2022/23	Change
Total income ¹	£231m	£232m	↔ 0%
Underlying operating profit	£23m	£30m	↓ (24)%
Customer deposits	£4.8bn	£4.6bn	↑ 4%
Customer lending ²	£4.8bn	£5.1bn	↓ (6)%
Active customers – Bank	1.9m	1.9m	↔ 0%
Active customers – Argos FS	2.1m	2.1m	↔ 0%
Cost:income ratio	67%	63%	↑ 300bps
Net interest margin ³	4.7%	5.2%	↓ (50)Bps
Bad debt as a percentage of lending ⁴	2.1%	2.2%	↓ (10)Bps
Total Resource ⁵	1,982	1,870	↑ 6%
Total Capital Ratio ⁶	18.1%	17.3%	↑ 80bps
CET 1 Ratio ⁷	15.6%	14.9%	↑ 70bps

Financial Services UPBT £m, Group Contribution



1. Net interest, net commission and other operating income
2. Amounts due from customers at the Balance Sheet date in respect of loans, mortgages, credit cards and store cards net of provisions
3. Net interest income / average interest-bearing assets
4. Bad debt expense / average net lending
5. FTE and contractors
6. Total capital / risk weighted assets
7. Common equity tier 1 capital / risk-weighted assets

Sainsbury's sales area and store numbers

As at 16 September 2023

Supermarkets

	Area (‘000 sq ft)	Number
Opening figures 23/24 ¹	20,610	595
New stores	25	1
Closures	-	-
Closing figures H1 23/24	20,635	596

Convenience

	Area (‘000 sq ft)	Number
Opening figures 23/24 ¹	1,961	814
New stores	26	9
Closures	(4)	(2)
Closing figures H1 23/24	1,983	821

Total

	Area (‘000 sq ft)	Number
Opening figures 23/24 ¹	22,571	1,409
New stores	51	10
Closures	(4)	(2)
Closing figures H1 23/24	22,618	1,417

1. In H1 2023/24 there was a store re-measurement exercise resulting in changes to sales areas for 577 Supermarkets and 788 Convenience stores

Sainsbury's store estate

As at 16 September 2023

Number of stores

Sq ft sales area	Under 10,000	10,000 to 20,000	20,001 to 40,000	40,000 to 60,000	Over 60,000	Total
Convenience	821	-	-	-	-	821
Supermarkets	42	116	197	179	62	596
Total stores	863	116	197	179	62	1,417

Space by store size ('000 sq ft)

Sq ft sales area	Under 10,000	10,000 to 20,000	20,001 to 40,000	40,000 to 60,000	Over 60,000	Total
Convenience	1,983	-	-	-	-	1,983
Supermarkets	331	1,735	5,747	8,646	4,176	20,635
Total stores	2,314	1,735	5,747	8,646	4,176	22,618

Argos and Habitat store numbers

	As at 4 March 2023	New stores	Disposals/closures	As at 16 Sept 2023
Argos stores	285	-	(47)	238
Argos stores in Sainsbury's	424	7	-	431
Argos total store numbers	709	7	(47)	669
Argos Collection Points	420	15	(1)	434
Habitat	3	-	(3)	-
Total stores	1,132	22	(51)	1,103

Sainsbury's store openings and closures

HY 2023/24

Supermarket

New stores

Hook	Q1
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Convenience

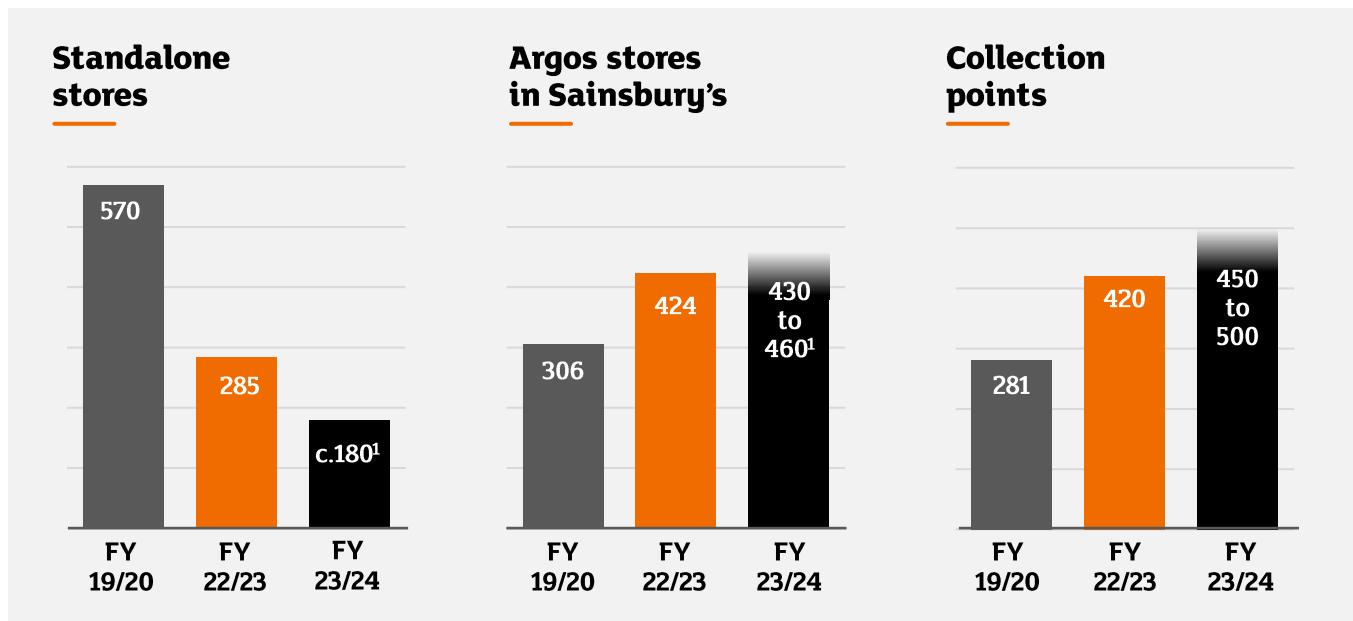
New stores

Maghull - Central Square Local	Q1
Coventry Station Local	Q1
Bewdley - Dog Lane Local	Q1
Henfield - High Street Local	Q1
Oxford - Walton Street Local	Q2
Wapping Lane Local	Q2
Ketley - Holyhead Road Local	Q2
East Horsley - Ockham Road South Local	Q2
Deptford Station Local	Q2

Closures





Reading Shinfield Road Local	Q1
Fenchurch St Local	Q1

Argos transformation



1. exc. Republic of Ireland stores

Breadth of our online grocery options

	 GOL Delivery	 GOL Click & Collect	 Chop Chop	 Deliveroo / Uber Eats / Just Eat
Stores	264	321	96	847
Cities & towns	99% UK population		38	297
Average basket size	£100-£110	£85-£95	£30-£40	£20-£30
Average weekly orders	530k	45k	157k	

Plc Board



Martin Scicluna
Chair



Simon Roberts
Chief Executive



Bláthnaid Bergin
Chief Financial Officer



Jo Bertram
Non-Executive Director



Brian Cassin
Senior Independent Director



Jo Harlow
Non-Executive Director



Adrian Hennah
Non-Executive Director



Tanuj Kapilashrami
Non-Executive Director



Keith Weed CBE
Non-Executive Director

Plc Board

Martin Scicluna Chair

Date of Appointment:

March 2019 (joined the Board November 2018)

Skills and experience

Martin joined the Board as Chairman Designate and Non-Executive Director on 1 November 2018. He was appointed **Chair of the Board** on 10 March 2019 and is also **Chair of the Nomination and Governance Committee** and a **member of the Corporate Responsibility and Sustainability Committee**.

Martin brings a wealth of experience from over 30 years' service as an executive and non-executive board director at a wide range of companies. Previous roles include Chairman of RSA Insurance Group plc, Chairman of Great Portland Estates plc, Senior Independent Director and Chair of the Audit Committee of Worldpay Inc., and Non-Executive Director and Chair of the Audit Committee of Lloyds Banking Group plc. He was a partner at Deloitte LLP for 26 years, serving as Chairman from 1995 to 2007, where his clients included Dixons, WH Smith, Alliance Unichem and Cadbury.

Martin has extensive experience as a Chair. He brings valuable knowledge and skills in developing strategy and evaluating business opportunities, along with an understanding of the financial services sector and how it operates. As Chair, Martin has a deep understanding of governance and what is needed to lead an effective Board.

Simon Roberts Chief Executive

Date of Appointment:

June 2020 (joined the Operating Board July 2017)

Skills and experience

Simon was appointed as Chief Executive Officer on 1 June 2020, having joined Sainsbury's and the Operating Board in July 2017 as Retail & Operations Director, with responsibility for Stores, Central Operations and Logistics. He is a **member of the Corporate Responsibility and Sustainability Committee** and the Operating Board Sponsor for Inclusion.

Simon has worked in retail for over 30 years, having started at Marks and Spencer and joining Sainsbury's from Boots where he was most recently Executive Vice President of Walgreens Boots Alliance and President of Boots UK and Ireland.

Simon is a member of the Prime Minister's Business Council, the Government's Retail Sector Council and an Advisory Board Member of Diversity in Retail.

Simon is leading Sainsbury's plan to put food back at the heart of the business. Under Simon's stewardship, Sainsbury's has launched its Plan for Better, which is integrated into our strategy and includes a bold commitment to become Net Zero across our own operations by 2035. Simon has led significant investments into colleague pay, most recently leading the industry in paying the Living Wage across the whole country as part of a cost of living support package. Simon is a dedicated, determined and enthusiastic champion for our customers and colleagues and for inclusion and diversity across our company.

Bláthnaid Bergin Chief Financial Officer

Date of Appointment:

March 2023

Skills and experience

Bláthnaid was appointed as Chief Financial Officer on 5 March 2023, having joined Sainsbury's in 2019 as Group Director of Finance before becoming Commercial and Retail Finance Director in 2021.

Prior to joining Sainsbury's, Bláthnaid was Chief Finance Operations Officer at Aviva. She was also Group Financial Controller for RSA Insurance, as well as Joint Interim Group Chief Financial Officer for six months. She is a qualified Chartered Accountant and spent most of her career at GE in various finance roles working across Europe, Asia and Australia. Bláthnaid was previously Non-Executive Director, Chair of the Audit Committee and Senior Independent Director for Artemis Alpha Investment Trust.

Bláthnaid is well embedded in our business and is a highly respected leader. She has a strong record of financial leadership and, over the last three years at Sainsbury's, has supported the development and delivery of our strategy. Bláthnaid has extensive international and finance experience gained during previous and current executive and non-executive positions.

Plc Board

Jo Bertram**Non-Executive Director****Date of Appointment:**

July 2022

Skills and experience

Jo joined the Board on 7 July 2022 and is a **member of the Nomination and Governance Committee and the Corporate Responsibility and Sustainability Committee.**

Jo is a highly talented strategic business leader with significant experience leading transformation and change. Prior to becoming Managing Director, Business & Wholesale at Virgin Media O2, Jo held senior Director and Strategy roles at O2. Between 2013 and 2017, she held the position of Regional General Manager, Northern Europe at Uber. Jo has previously worked at McKinsey and Accenture and holds an MBA from INSEAD.

Jo has worked in growing hi-tech sectors which benefits our customers as we explore new ways to use digital solutions to make shopping easy and convenient.

Brian Cassin**Senior Independent Director****Date of Appointment:**

July 2022 (joined the Board April 2016)

Skills and experience

Brian joined the Board on 1 April 2016 and became the Senior Independent Director on 7 July 2022. He is a **member of the Audit Committee and the Nomination and Governance Committee.**

Brian brings relevant experience of running a FTSE 100 group with knowledge of big data and analytics, both areas of key importance to Sainsbury's. As Chief Executive Officer of Experian plc, Brian brings strong leadership experience and a substantial background in operating within a regulated environment. He joined Experian plc as Chief Financial Officer in April 2012, a post he held until his appointment as Chief Executive Officer in July 2014. Prior to this, Brian spent his career in investment banking at Greenhill & Co, where he was Managing Director and Partner. Brian has also held various roles at Baring Brothers International and at the London Stock Exchange.

Brian's current experience as a Chief Executive and his work in the financial and technology sectors provide valuable industry insight.

Jo Harlow**Non-Executive Director****Date of Appointment:**

September 2017

Skills and experience

Jo joined the Board on 11 September 2017 and became **Chair of the Remuneration Committee** in July 2022. She is a **member of the Nomination and Governance Committee and the Corporate Responsibility and Sustainability Committee.**

Jo brings a wealth of experience in consumer-facing businesses and the telecoms and technology industries, both in the UK and internationally. She was Corporate Vice President of the Phones Business Unit at Microsoft Corporation and, before that, was Executive Vice President of Smart Devices at Nokia Corporation, following a number of senior management roles at Nokia from 2003. Prior to that, Jo held marketing, sales and management roles at Reebok International Limited from 1992 to 2003 and at Procter & Gamble Company from 1984 to 1992. Jo currently serves as Non-Executive Director and Chair of the Remuneration Committee of InterContinental Hotels Group plc, Non-Executive Director and Chair of the Remuneration Committee of Halma plc and Director of Chapter Zero Limited.

Jo has broad experience from executive and non-executive roles and she has helped the business deliver and evolve its sustainability strategy. She also brings current external Remuneration Committee experience.

Plc Board

Adrian Hennah Non-Executive Director

Date of Appointment:

April 2021

Skills and experience

Adrian joined the Board on 1 April 2021. He is **Chair of the Audit Committee** and a **member of the Remuneration Committee, and the Nomination and Governance Committee**.

Adrian has significant financial and strategic expertise from leading the performance and strategy of many large companies. He started his career working in audit and consultancy with PwC and Stadsparkasse Köln, the German regional bank. Adrian spent 18 years in Chief Financial Officer roles at three FTSE 100 companies. He was Chief Financial Officer at Reckitt Benckiser (RB) for seven years and held the same position at Smith & Nephew and Invensys. Prior to this, he spent 18 years at GlaxoSmithKline, working in both finance and operations. He was also previously Non-Executive Director and Chair of the Audit Committee at RELX. Adrian currently serves as a Non-Executive Director of Oxford Nanopore Technologies plc, a Non-Executive Director of Unilever plc, an external member (NED) of the Finance Committee (Board) of Oxford University Press and a Trustee of Our Future Health.

Adrian brings extensive financial and leadership experience to Sainsbury's gained from Chief Financial Officer positions held in some of the UK's largest companies, notably at RB, which produces leading hygiene, health and nutritional brands.

Tanuj Kapilashrami Non-Executive Director

Date of Appointment:

July 2020

Skills and experience

Tanuj joined the Board on 1 July 2020 and is a **member of the Remuneration Committee and the Nomination and Governance Committee**.

Tanuj is a highly experienced HR professional with significant experience in talent and change management, both in the UK and internationally. She joined Standard Chartered Bank in 2017 and is currently the Group Head of HR. Prior to this, Tanuj spent 17 years in key global and regional HR leadership roles within HSBC. Tanuj is also a Trustee of Asia House and a Director of Financial Services Skills Commission Limited.

Tanuj is a valuable member of the Board as the business continues to adapt and support its colleagues in a rapidly changing marketplace.

Keith Weed CBE Non-Executive Director

Date of Appointment:

July 2020

Skills and experience

Keith joined the Board on 1 July 2020 and became **Chair of the Corporate Responsibility and Sustainability Committee** on 7 July 2022. He is a **member of the Audit Committee and the Nomination and Governance Committee**.

Keith is an exceptionally capable marketing and digital leader. He has championed new ways of integrating sustainability into business and building brands with purpose. He has a strong business background, having spent 36 years at Unilever plc, most recently as Chief Marketing and Communications Officer, which included leading the company's ground-breaking sustainability programme globally. Whilst at Unilever, Keith led different parts of the business, during which time he worked closely with Sainsbury's and other retailers. He has strong international experience and knowledge, having run international businesses both in the UK and overseas. He is currently a Non-Executive Director of WPP PLC, Trustee Director of Business in the Community, Trustee Director of The Leverhulme Trust and President of The Royal Horticultural Society. He is also a trustee of Grange Park Opera. Keith was awarded a CBE for services to the advertising and marketing industry in the 2021 New Year Honours List.

Keith plays an important role in Sainsbury's strategic focus to put food back at the heart of the business and deliver on our Plan for Better. He has an excellent understanding of both sustainability and digital, and the ways that technology is transforming businesses.

Operating Board



Simon Roberts
Chief Executive



Bláthnaid Bergin
Chief Financial Officer



Rhian Bartlett
Food Commercial Director



Graham Biggart
Chief Transformation Officer



Jim Brown
Chief Executive Officer,
Sainsbury's Bank



Tim Fallowfield OBE
Company Secretary
and Corporate
Services Director



Mark Given
Chief Marketing Officer



Prerana Issar
Chief People Officer



Clodagh Moriarty
Chief Retail and
Technology Officer



Paula Nickolds
General Merchandise
Commercial Director

Operating Board

Simon Roberts
Chief Executive

See Appendix 13

Bláthnaid Bergin
Chief Financial Officer

See Appendix 13

Rhian Bartlett
Food Commercial Director

Date of Appointment:
November 2020

Skills and experience

Rhian joined the Operating Board in November 2020, having returned to Sainsbury's in 2019 as Director of Fresh Food. Rhian is also the Operating Board Sponsor for Gender.

Rhian is responsible for delivering the commercial performance of Sainsbury's food business and brands. She has over 20 years' experience in the retail industry and has held a variety of senior commercial roles, including Customer and Digital Director at Screwfix and Director of UK Trading at eBay. Rhian's previous roles at Sainsbury's include Business Unit Director Non-Food Grocery and Head of Online Merchandising. Rhian is a Non-Executive Director of Speedy Hire Plc and is a Trustee of GroceryAid.

Graham Biggart
Chief Transformation Officer

Date of Appointment:
March 2022

Skills and experience

As Chief Transformation Officer, Graham is responsible for our strategy and the delivery of our major end-to-end change programmes across Sainsbury's, Argos, Habitat and Tu. He is also accountable for our Supply Chain, as well as Logistics, Fulfilment & Transport, and our Central Business Services teams. Graham is the Operating Board Sponsor for Ethnicity.

Graham joined Sainsbury's in 2015 and has led a number of different areas of the business in that time, across commercial, operations and channels, including as Commercial Director for Fresh Food & Foodservice and as Commercial Operations Director covering Range, Space, Price & Formats, as well as Sainsbury's Local and Argos Republic of Ireland. Prior to Sainsbury's, Graham worked at McKinsey & Company, primarily on strategy and transformation topics and, before that, at Brunswick Group, focused on media, investor and government communications. Graham is a Non-Executive Director and Chair of the Risk & Audit Committee of GS1 UK.

Jim Brown
Chief Executive Officer, Sainsbury's Bank

Date of Appointment:
June 2019

Skills and experience

Jim joined Sainsbury's Bank in June 2019. He has held several senior international financial services roles, most recently at RBS in the UK as Chief Executive Officer of Williams & Glyn. Prior to that, Jim was Chief Executive Officer of Ulster Bank in Northern Ireland and the Republic of Ireland. Before moving to Ireland, Jim was based in Hong Kong and was Chief Executive Officer of Retail and Commercial Banking, Asia and the Middle East for RBS and ABN AMRO. He has also been a member of the RBS Group Management Committee, ABN AMRO Top Executive Group, ABN AMRO Global Consumer Leadership Team and the RBS/Bank of China Joint Steering Committee. Earlier in his career, he held several senior executive roles for Citibank in Asia, Australia and New Zealand. Jim has also held board positions at Ulster Bank, Saudi Hollandi Bank, The Royal Bank of Scotland (China) Co. Ltd and RBS (Pakistan) Ltd. He is a past President of the Institute of Banking, is a Certified Bank Director, and is currently an advisor to Circuit Limited. Jim is a Non-Executive Director of Just Group plc and is a member of their Remuneration Committee, Group Risk and Compliance Committee, and the Just Retirement Limited and Partnership Life Assurance Company Limited Investment Committees.

Operating Board

Tim Fallowfield OBE**Company Secretary and Corporate Services Director****Date of Appointment:**

September 2004

Skills and experience

Tim joined Sainsbury's in 2001 as Company Secretary, having previously held the position of Company Secretary and General Counsel at Exel plc, the global logistics company, now part of DHL. Tim is a qualified solicitor and began his career at the international law firm, Clifford Chance. He joined Sainsbury's Operating Board in September 2004 and, in his role as Company Secretary and Corporate Services Director, he is responsible for the Corporate Services Division, comprising Legal Services, Data Governance and Information Security, Safety and Insurance, and Shareholder Services. He also chairs the Group Safety Committee and the Data Governance Committee. Tim is the Operating Board Sponsor for Caring Responsibility and Hidden and Visible Physical Disability.

Tim is Chairman of the Disability Confident Business Leaders Group, which works with government in shaping the disability employment agenda and in raising awareness of the benefits of employing disabled people. He was awarded an OBE for services to disability awareness in the 2020 New Year Honours List. Tim is a member of the Trustee Board of Save the Children.

Mark Given**Chief Marketing Officer****Date of Appointment:**

June 2020

Skills and experience

Mark joined the Operating Board in June 2020. He has significant experience in customer insight, brand communication and digital marketing. Mark joined Sainsbury's in 2012, becoming Marketing Director in 2017. He was appointed Chief Marketing Officer in August 2019 and has responsibility for Marketing & Loyalty across the Sainsbury's, Argos, Tu clothing and Habitat brands. Mark has also been responsible for the Nectar Loyalty coalition and the Nectar360 media business since 2018. In 2021, Mark assumed responsibility for all Corporate Responsibility & Sustainability activity, including delivery of our Plan for Better targets. Mark is also the Operating Board Sponsor for Neurodiversity.

Prior to joining Sainsbury's, Mark built his digital skills leading the Priority programme at O2, where he was Head of Sponsorship. Before this, Mark worked with key brands at Heineken UK where he was Brand Director. He began his career at Procter & Gamble UK before working across Europe on a variety of brands. Mark is currently a Council Member of the Incorporated Society of British Advertisers (ISBA) and a Fellow of the Marketing Society.

Prerana Issar**Chief People Officer****Date of Appointment:**

May 2023

Skills and experience

Prior to joining Sainsbury's, Prerana was the NHS's first Chief People Officer and supported the 1.2 million people who work for the NHS to deliver critical care for patients, including through the COVID-19 pandemic, the most challenging period of the NHS's history. Before that, Prerana worked at the United Nations World Food Programme as Director of Public-Private Partnerships and Chief HR Officer. She is focused on HR delivering commercial impact, having started her career at Unilever plc, where she spent 15 years and finishing her time there as Vice President of HR for Global Food. Prerana is a trustee on the Marie Curie Board of Trustees.

Operating Board

Clodagh Moriarty**Chief Retail and Technology Officer****Date of Appointment:**

June 2018

Skills and experience

Clodagh joined the Operating Board in 2018 and was appointed as Chief Retail and Technology Officer in March 2023, combining the leadership of Technology with the Group's Digital and Retail teams. She is responsible for all stores and their operations, as well as Sainsbury's digital offer and strategy, ensuring customers experience an integrated and seamless shopping experience across Sainsbury's, Argos, Tu, Sainsbury's Bank and Nectar. Clodagh's previous roles in Sainsbury's include Retail and Digital Director and Chief Digital Officer. Clodagh is the Operating Board Sponsor for Wellbeing, ensuring we uphold our colleague mental health and wellbeing commitments across the business. Clodagh joined Sainsbury's as Head of Strategy, following nine years at Bain & Company and, during her time with us, has had numerous leadership roles across commercial and channels. She is a Non-Executive Director and member of the Remuneration and Nomination and Governance Committees of Taylor Wimpey plc.

Paula Nickolds**General Merchandise Commercial Director****Date of Appointment:**

June 2021

Skills and experience

Paula joined Sainsbury's and the Operating Board in June 2021. She is also the Operating Board Sponsor for LGBT+.

Paula is responsible for delivering performance across all general merchandise brands at Sainsbury's. Paula has 25 years' experience in retail, gained at the John Lewis Partnership, which she joined as a graduate trainee before holding a variety of senior roles in product, buying and marketing. Most recently, she was Buying and Brand Director and then Commercial Director, before becoming Managing Director in 2017. Paula is an Ambassador for the UK charity Smart Works, Chair of the Advisory Board of NearSt and Non-Executive Chair of CurrentBody.

Supplementary financial details

1. Weighted average number of shares

	H1 2023/24	H1 2022/23
Weighted average number of shares (m)	2,332.5	2,314.3
Diluted weighted average number of shares (m)	2,386.9	2,350.2

2. Dividend

	2023/24	2022/23
Interim	3.9p	3.9p
Final		9.2p
Total		13.1p

The Interim dividend dates:

	Ordinary shares
Ex-dividend	9 November 2023
Record	10 November 2023
Payment	15 December 2023

3. Financial calendar

Q3 Trading Statement

(16 weeks to 6 January 2024) 10 January 2024

Strategy Update

7 February 2024

Preliminary results

(52 weeks to 2 March 2024) 25 April 2024