

Interim Results

2024/25



Sainsbury's

Next Level Sainsbury's

We make **good food joyful, accessible** and **affordable** for everyone, every day

First choice for food

Attract many more people to choose Sainsbury's as the place they come to for good food and play a leading role in creating a sustainable food system in the UK

Loyalty everyone loves

Build a world-leading loyalty platform
- more personalised, joyful, rewarding and transparent
- for everyone

More Argos, more often

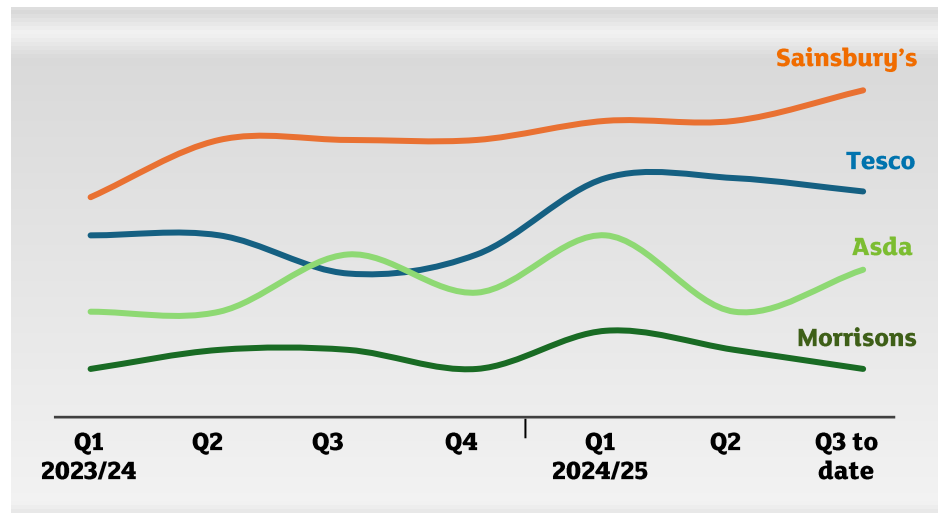
Unleash and transform Argos around the three things that have always made it brilliant
- curated range, famously convenient experience and great value – so more customers buy more complete baskets more often

Save and invest to win

Save £1 billion and invest in transforming our capabilities
- taking another big leap forward in efficiency, productivity and customer focus, continuing to build a platform for growth

Our winning combination is delivering

Continued outperformance on customer satisfaction¹

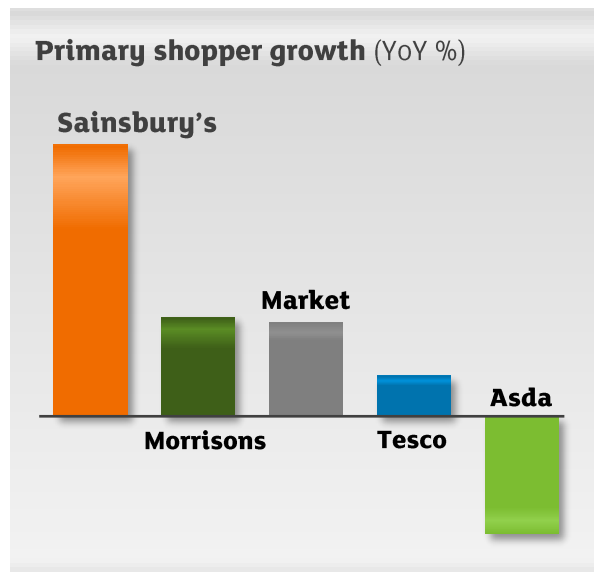


Outstanding quality
+
Leading customer service
+
Improved value perception
=
Winning combination

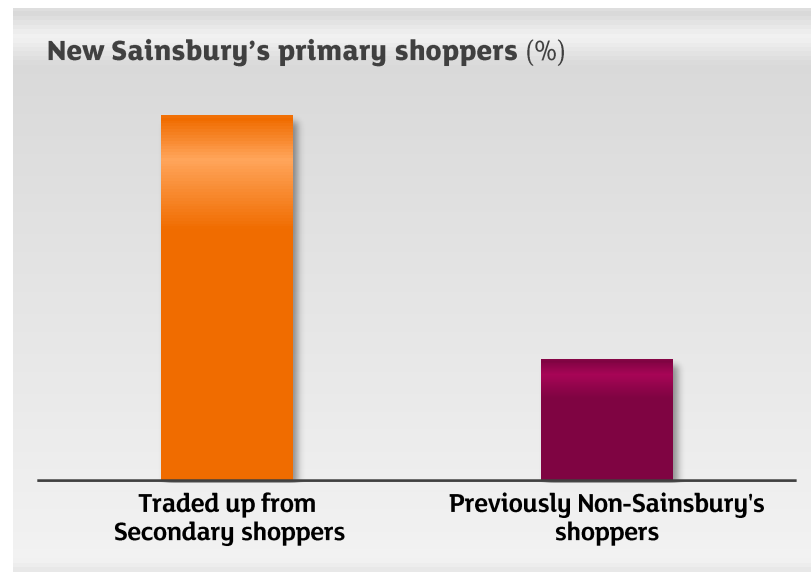
1. CSAT Supermarket Competitor Benchmarking data – Overall Supermarket Satisfaction. Q3 to date covers 4 weeks to 12th October 2024

More and more customers are choosing Sainsbury's for their big food shop

Winning more big basket primary customers¹



One quarter of new primary shoppers are new to Sainsbury's²

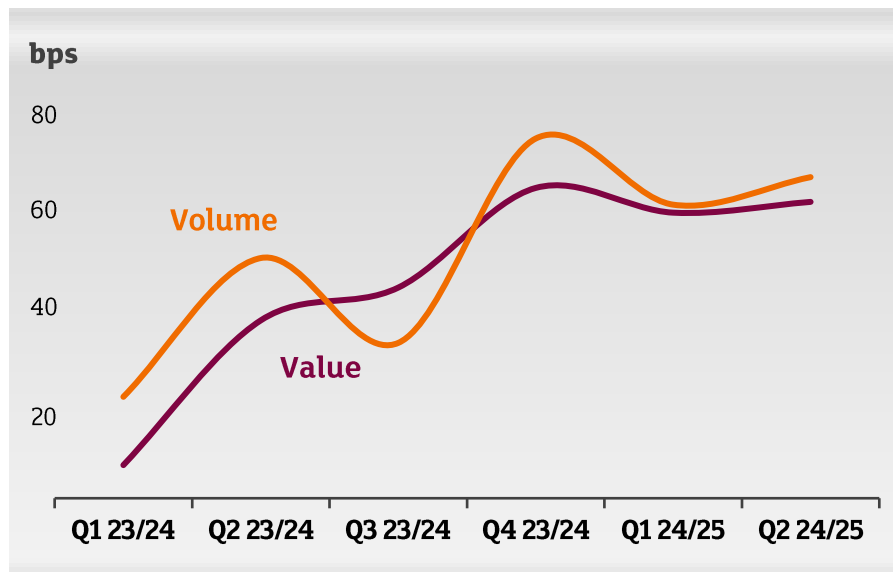


1. Kantar Panel, Total FMCG (exc. Kiosk and Tobacco), Primary shopper numbers growth YoY, 28 weeks to 15 September 2024

2. Kantar Panel, Total FMCG (exc. Kiosk and Tobacco), Shoppers Primary & Secondary churn, 28 weeks to 15 September 2024

Biggest grocery volume share gains in the market

Six quarters of volume and value market share gains¹



Strongest switching gains of all retailers²



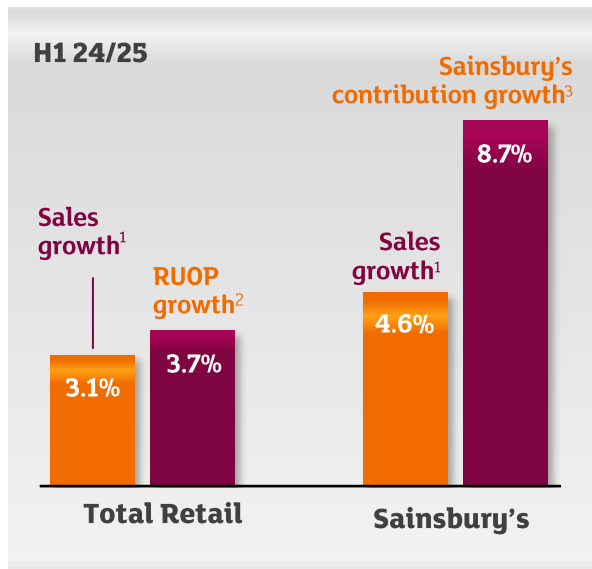
Slide Heading - Kantar Panel data. Total FMCG (excl. Kiosk and Tobacco). Grocery Volume YoY market share gains – Q2 24/25, 12 weeks to 15 September 2024

1. Kantar Panel data. Total FMCG (excl. Kiosk and Tobacco). Grocery Value and Volume YoY market share gains – quarterly trended

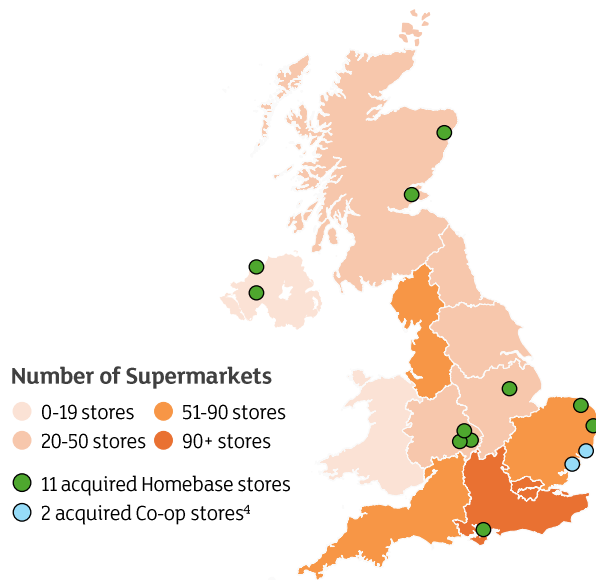
2. Kantar Panel data. Total FMCG (excl. Kiosk and Tobacco). Retailers net Packs switching gains & losses, 28 weeks to 1 September 2024

Strong start to our Next Level plan

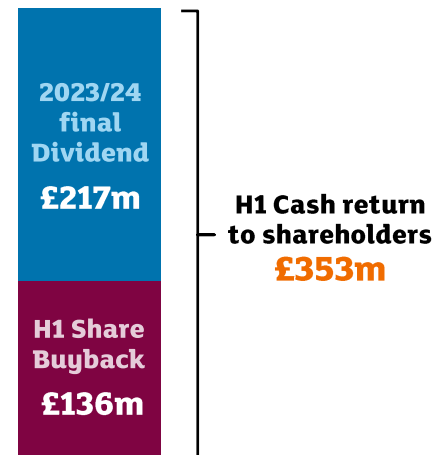
Operating profit growth ahead of sales



Growing our supermarket coverage in key locations



Delivering enhanced shareholder returns



1. Inc. VAT, excl. Fuel

2. RUOP: Retail underlying operating profit

3. Contribution - Sainsbury's operating profit before allocation of Group items

4. Two Co-op stores completing in H2 2024/25

Our Commitments

Food volume growth ahead of the market

.....
Customer satisfaction higher 26/27 vs 23/24

.....
Colleague engagement higher 26/27 vs 23/24

.....
Deliver our **Plan for Better commitments**

Deliver profit leverage from sales growth

.....
£1bn cost savings over three years to 26/27

.....
£1.6bn+ retail free cash flow over three years to 26/27

.....
Higher return on capital employed¹

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

Financial Highlights

Bláthnaid Bergin
Chief Financial Officer



Sainsbury's

Our financial framework

01



Food volume growth

+

SG&A/sales reduction

+

Measured reinvestment in the
customer proposition

=

**Profit leverage
from sales growth**

02



Robust profitability

+

Disciplined capital investment

=

**Strong sustained cash flows
and
higher return on capital**

03

Strong sustained
cash flows

+

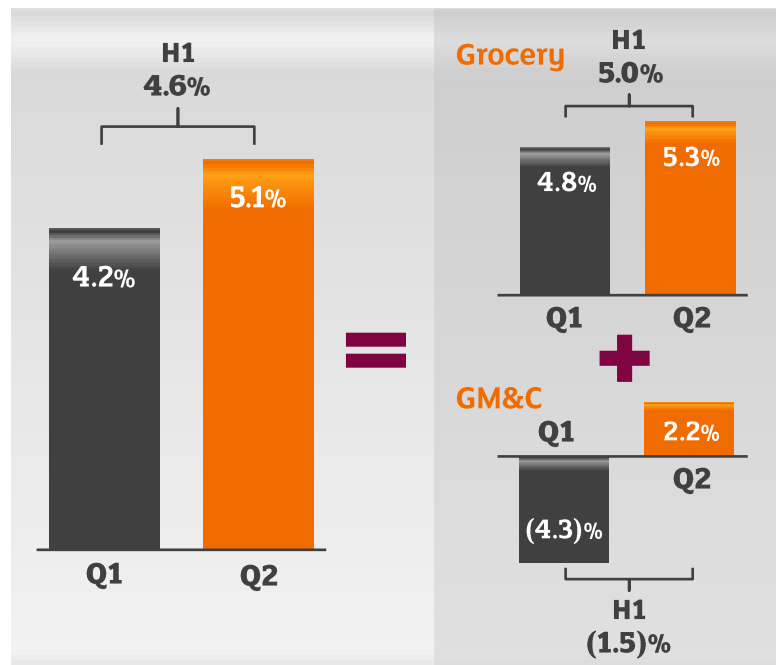
Focused capital allocation

=

**Enhanced
shareholder returns**

Retail sales growth by category

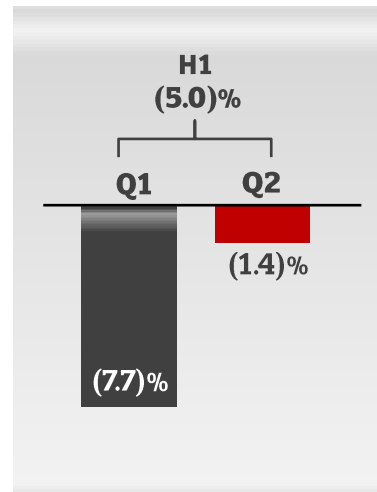
Sainsbury's sales growth¹



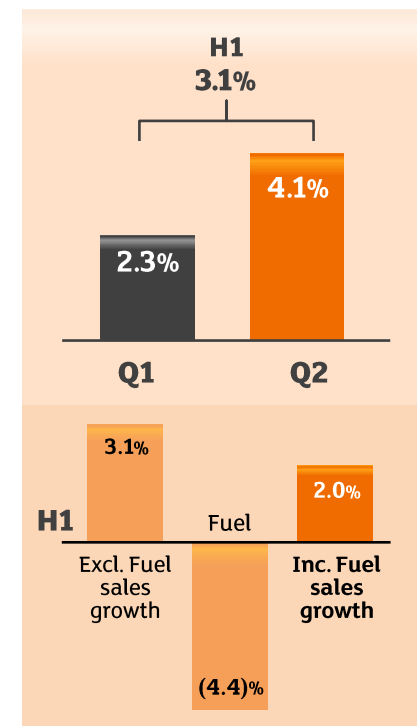
1. Excl. Fuel, inc. VAT

2. Including Republic of Ireland (ROI)

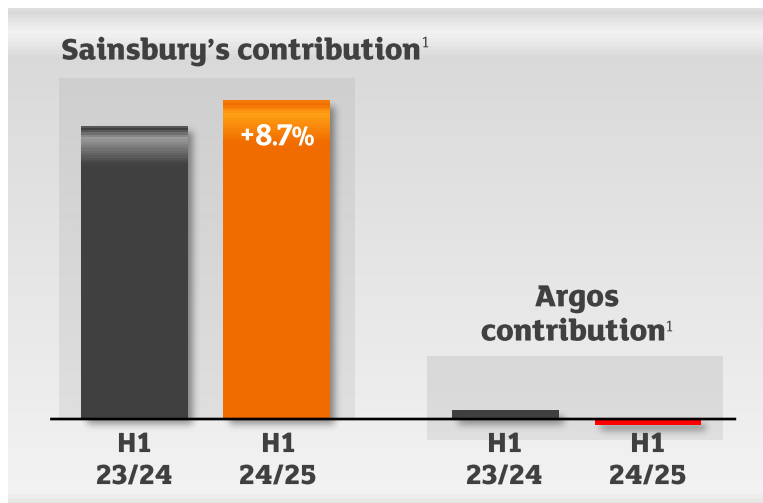
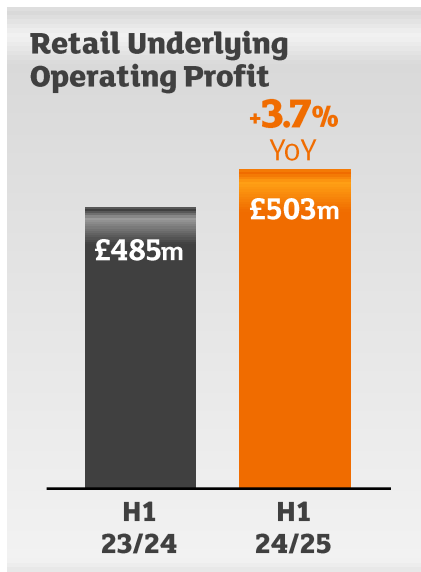
Argos sales growth²



Total Retail sales growth¹



Retail underlying operating profit



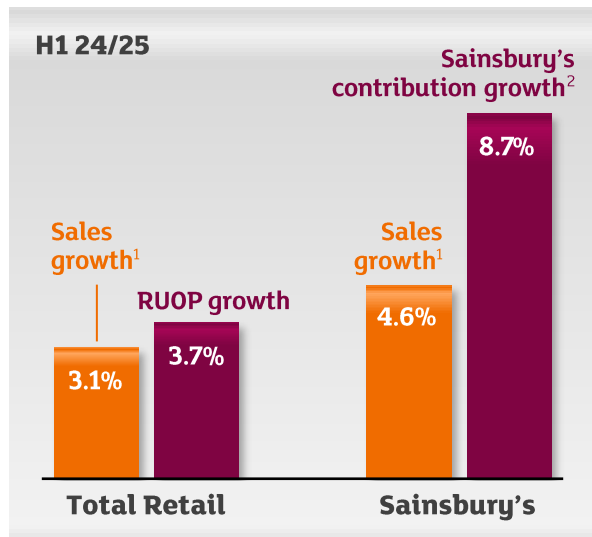
2024/25 Guidance

We continue to expect to deliver retail underlying operating profit of **between £1,010m and £1,060m**, growth of between five per cent and ten per cent year-on-year

1. £m contribution, Sainsbury's and Argos operating profit before group cost allocation

Profit leverage from sales growth

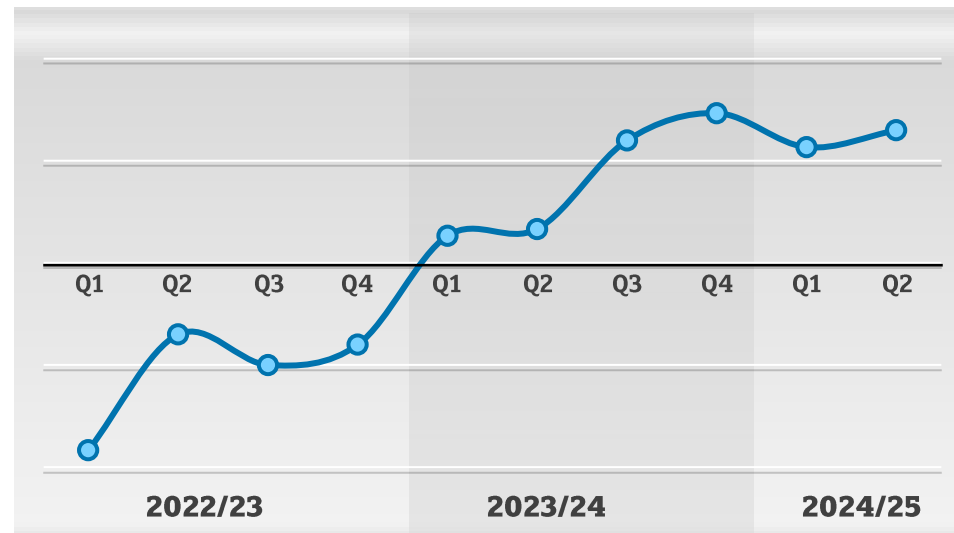
Grocery volume growth delivering profit leverage



1. Inc. VAT, excl. Fuel

2. £m contribution, Sainsbury's operating profit before group cost allocation

Grocery: six consecutive quarters of volume growth



FY 25-27 commitment:
Deliver profit leverage from sales growth

Financial Services

Financial Services ¹	H1 2024/25	H1 2023/24
Underlying revenue	£320m	£318m
Total Underlying operating profit	£18m	£13m
Net interest margin ²	4.4%	4.7%
Cost/income ratio ³	69%	70%
Bad debt as a percentage of lending ⁴	2.1%	2.1%
Total Capital Ratio ⁵	18.4%	18.1%

2024/25 Guidance

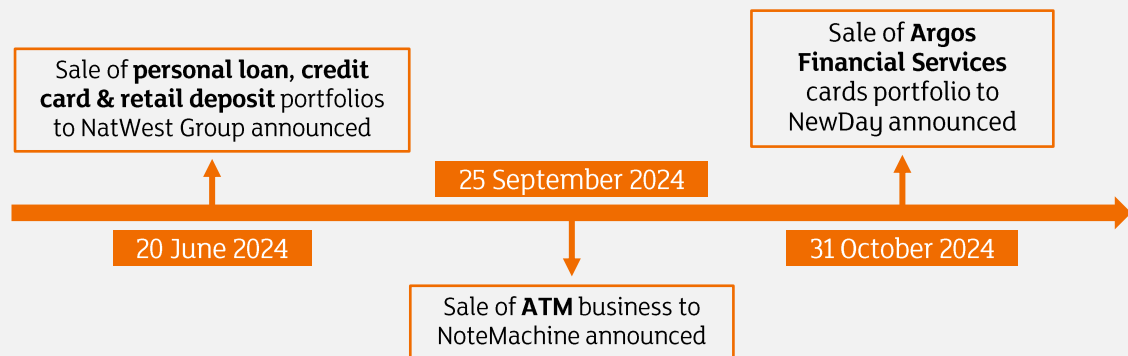
We now expect total Financial Services underlying operating profit of **between £15m and £25m¹**.

Previous guidance was that we expected total Financial Services underlying operating profit of between breakeven and £15m.

1. Inclusive of discontinued operations
2. Net interest income / average interest-bearing assets
3. Cost/ income ratio is on an underlying basis
4. Bad debt expense / average net lending
5. Total capital / risk weighted assets

Financial Services guidance

Financial Services phased withdrawal

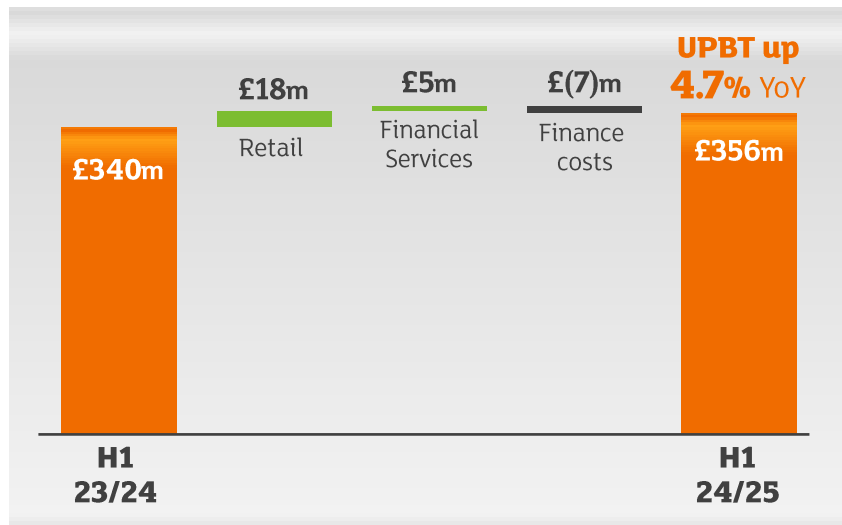


Guidance

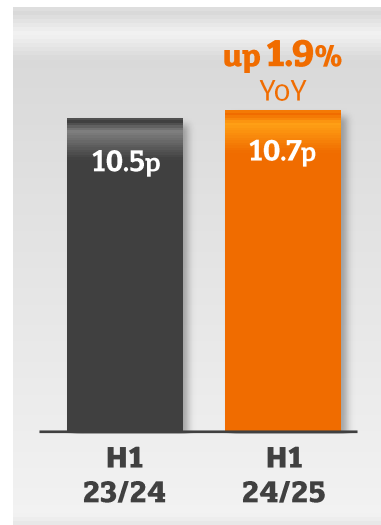
- We expect Argos Financial Services income, together with commission income from insurance, travel money and ATMs to **deliver sustainable annual income of at least £40m in the financial year to March 2028**
- Continue to expect Sainsbury's Bank to return **excess capital of at least £250m**, which we intend to return to shareholders – update in April 2025

Underlying profit before tax

UPBT YoY movement¹



Earnings per Share²



2024/25 Guidance

We expect an underlying tax rate of **around 30 per cent**.

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

1. On a total basis including discontinued operations

2. Underlying basic eps - calculated on a total basis, including discontinued operations

Items excluded from underlying results

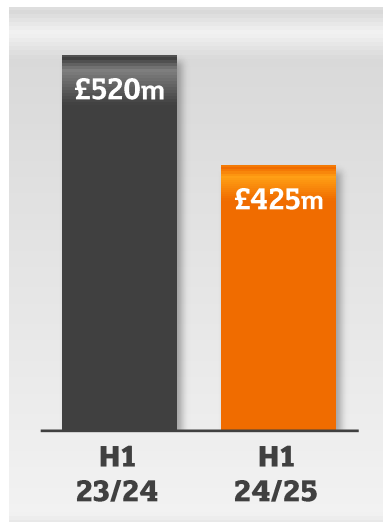
£m	H1 2024/25	H1 2023/24
Retail restructuring programme	(37)	(32)
Impairment of non-financial assets	(12)	-
IAS 19 pension income	14	21
Other	(6)	(40)
Items excluded from underlying results before Financial Services	(41)	(51)
Financial Services phased withdrawal – continuing operations	(29)	-
Items excluded from underlying – continuing operations	(70)	(51)
Financial Services loss on disposal – discontinued operations	(104)	(14)
Financial Services phased withdrawal – discontinued operations	(51)	-
Items excluded from underlying – discontinued operations	(155)	(14)
Total items excluded from underlying results	(225)	(65)

2024/25 Guidance

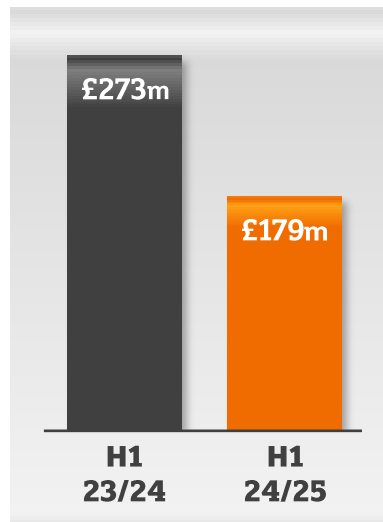
We expect to incur non-underlying Retail cash costs of **around £100m** in 2024/25, of which £29m were incurred in H1 24/25

Cash flow metrics

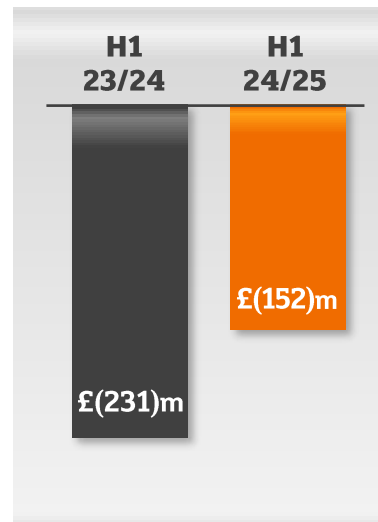
Retail Free Cash Flow



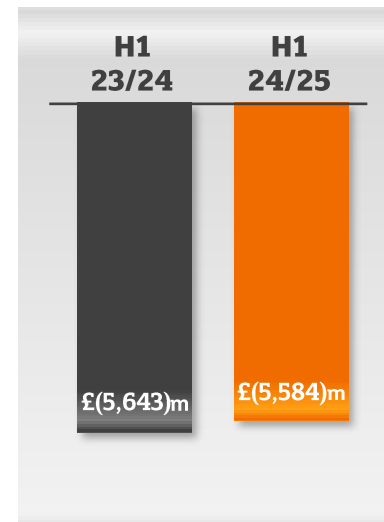
Working Capital movement



Net debt excluding leases



Net debt including leases



Net debt and Retail free cash flow

£m	H1 2024/25	H1 2023/24
Net cash from operating activities	1,074	1,145
<i>of which working capital movements¹</i>	179	273
<i>of which pension cash contributions</i>	(23)	(23)
Capital expenditure	(394)	(389)
Disposal proceeds, Interest income	22	27
Lease repayments ²	(277)	(263)
Retail free cash flow	425	520
Dividends paid on ordinary shares	(217)	(215)
Share buyback	(136)	-
Highbury & Dragon Store Portfolio acquisition	-	372
Other ³	(102)	24
Movement in net debt	(30)	701
Opening net debt⁴	(5,554)	(6,344)
Closing net debt⁴	(5,584)	(5,643)
<i>of which Lease liabilities</i>	<i>(5,432)</i>	<i>(5,412)</i>
<i>of which Net debt exc. lease liabilities⁴</i>	<i>(152)</i>	<i>(231)</i>

2024/25 Guidance

We continue to expect core retail cash capital expenditure (excluding Financial Services) in 2024/25 of **£800m to £850m**.

We now expect **£25m** of strategic investment in our EV charging business, lower than the previous guidance of £70m.

Our 2024/25 Retail free cash flow (FCF) guidance is unchanged, with the impact on FCF of lower EV charging spend offset by the lease premium paid on the acquisition of 11 Homebase stores and 2 Co-op stores.

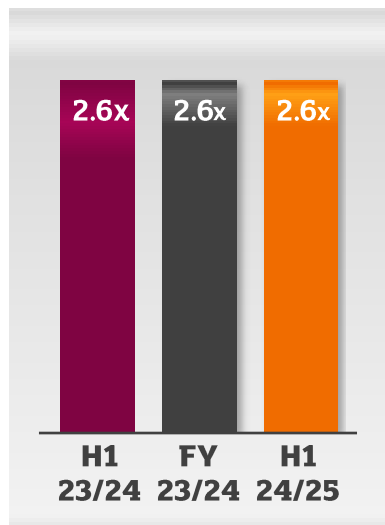
FY 25-27 commitment:

£1.6bn+ free cash flow over 3 years to 2026/27, and at least £500m per year

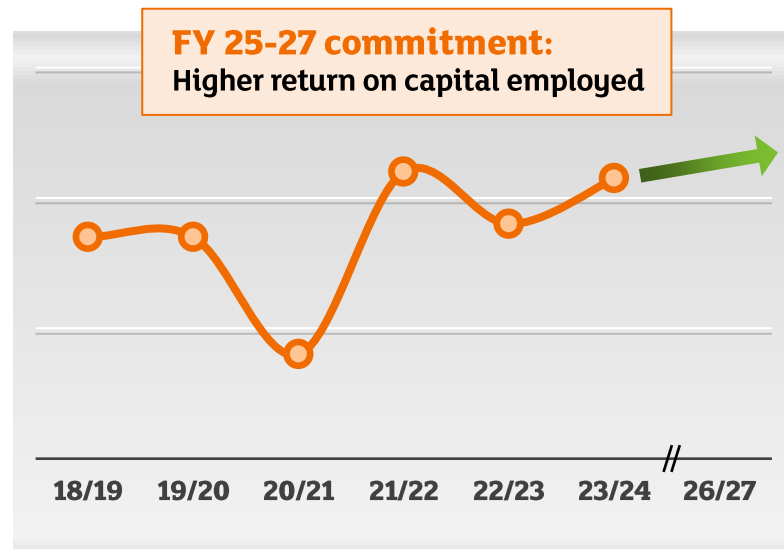
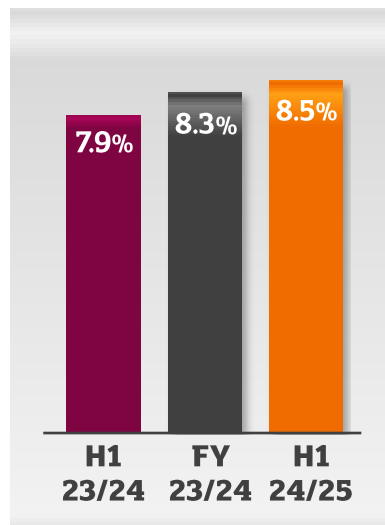
1. H1 23/24 working capital has been restated due to the reclassification of £11m interest received as cash flows from investing activities where previously it had been included within cash generated from operations
2. Includes initial direct costs on right-of-use assets
3. Includes the net movement to lease liabilities, reflecting non-cash additions in the period offset by payments made. Also includes cash impact of share purchases (excluding share buyback) and proceeds from issuance of shares
4. Net debt definition excludes derivatives not linked to borrowings

Balance sheet metrics

Net debt / EBITDA¹



Return on capital employed²



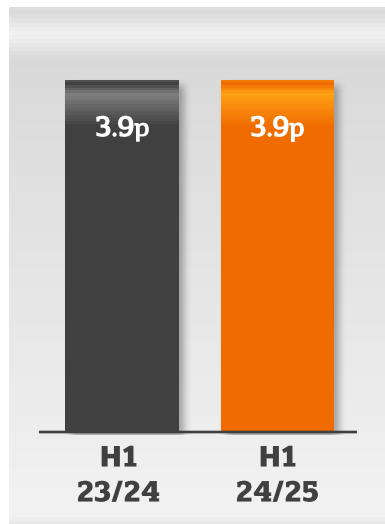
Guidance

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

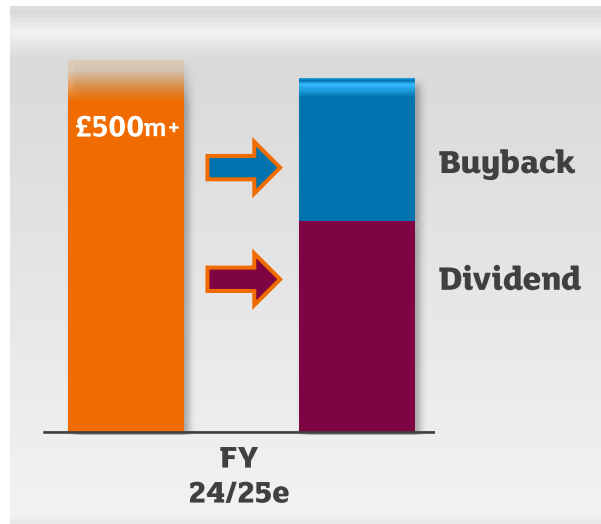
1. Net debt including leases of £5,584 million divided by Group underlying EBITDA of £2,163 million based on a 52 week rolling basis
2. Return is defined as a 52 week rolling underlying profit before interest and tax. Capital employed is defined as group net assets excluding the pension surplus and net debt. The average is calculated on a 14 point basis, on an inclusive of discontinued operations basis

Shareholder returns

Interim Dividend per Share



Free Cash Flow



2024/25 Guidance

£200m Share Buyback

- £150m tranche 1 completed
- £50m tranche 2 commencing tomorrow

Summary

What we've delivered in H1 24/25

- Strong grocery sales and volume growth in both quarters
- Retail operating profit up 3.7%; strong Sainsbury's and Nectar growth partially offset by a lower Argos contribution
- Good free cash flow generation
- Execution of Financial Services transactions

Looking ahead

- Retail operating profit growth of between £1,010m and £1,060m
- £500m+ Retail free cash flow
- Enhanced shareholder returns:
 - Completion of £200m buyback
 - Progressive dividend

Strategic Highlights

Simon Roberts
Chief Executive



Sainsbury's

First choice for food

Attract many more people to choose Sainsbury's as the place they come to for good food – and play a leading role in creating a sustainable food system in the UK

First choice
for food

- **More food** choice for **more customers**
- **Consistent value**, every day
- The **leader in freshness**, availability and innovation
- A **complementary range** of relevant products and services
- A **more resilient UK food system**

More customers, more often, with bigger baskets

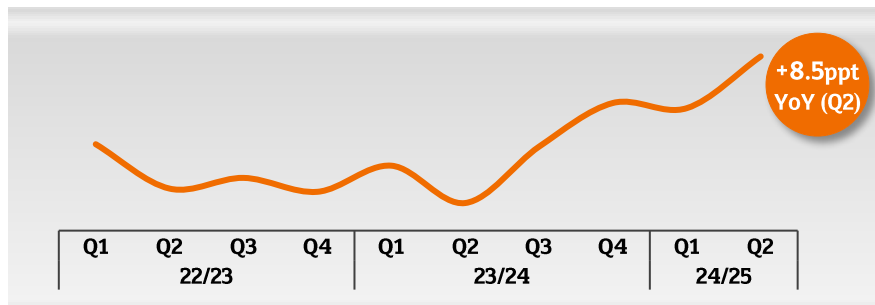
Biggest share gains in Main Shop mission¹



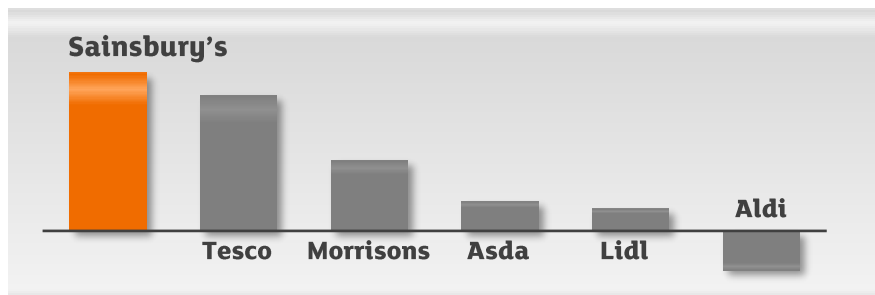
1. Kantar Panel, total FMCG (exc. Kiosk and Tobacco), Volume Share of Market by Mission - Main Shop, YoY share % change (% pts), 28 weeks to 15 September 2024

Value perception catching up with reality

Biggest ever improvement in value perception¹...



...with strong progress ahead of competitors²



1. YouGov Brand Index – Supermarket Value for Money Perception metric %, Largest YoY increase since 2009/10

2. YouGov Brand Index – Supermarket Value for Money Perception metric, YoY %pt improvement, 12 weeks to 15 September 2024

Maintaining strong competitive price position

Extended Aldi Price Match to >650 Products

Rolling out Nectar Prices across multi-save and dine-in offers

Market-leading, exclusive value events resonating with customers

Setting the pace on quality and innovation

First choice
for food

Launched >540 new products during H1



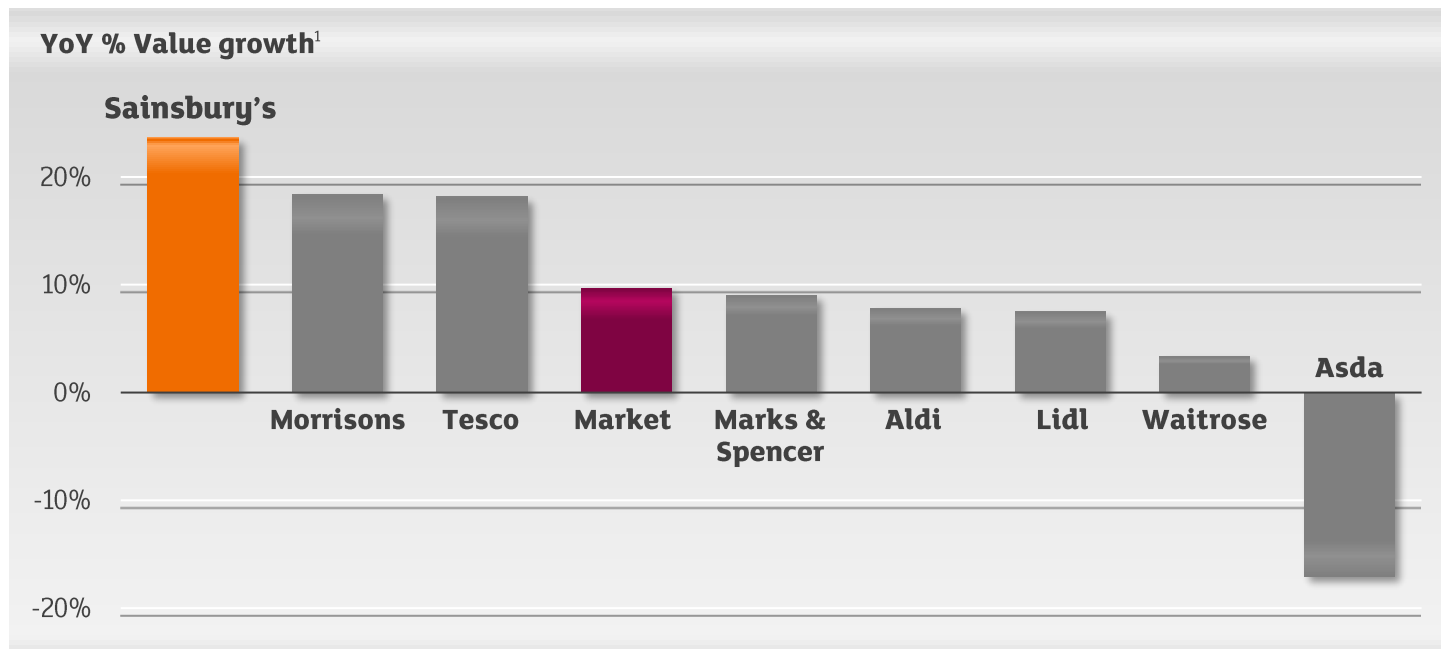
+18%
Taste the
Difference
Growth¹

1 in 3
Baskets contain
Taste the
Difference
products²

c. 2 in 3
Big shops contain
Taste the
Difference
products³

1. Total Taste the Difference sales growth - Q2 2024/25
2. Kantar Panel, total FMCG (exc. Kiosk and Tobacco), % of baskets containing Premium Own Label tier. 52w to 29 September 2024
3. Kantar Panel, total FMCG (exc. Kiosk and Tobacco), Premium Own Label trip penetration – % of Main Shop mission baskets containing JS Premium Own Label tier. 52w to 29 September 2024

Strongest Premium Own Label performance in the market



1. Kantar Panel, total FMCG (exc. Kiosk and Tobacco), Premium Own Label tier, YoY % value growth, 28 weeks to 15 September 2024

Championing resilience in the UK food system

Driving greater sustainability

Innovation in product and packaging



First UK supermarket to introduce peat-free conventional mushrooms

First major retailer to vacuum pack all lamb mince, using 65% less plastic



New bakery packaging 560 tonnes annual plastic reduction

Supporting British farming

First UK retailer to launch egg farmer group



- Leadership position on pay
- Continuous improvement in animal welfare
- Sharing data and insights

Enabling new farming practices

Launched an agroforestry initiative



- Celebrating 20-year Woodland Trust partnership
- Supporting positive environmental impact for farmers and growers

More for More:

Optimising for customer experience, trading intensity and ROCE



Rebalancing space
towards food



More of the **right
range &
propositions**
accessible to
more customers



Simple and
frictionless
shopping missions



Connecting
customers to our
brand and value

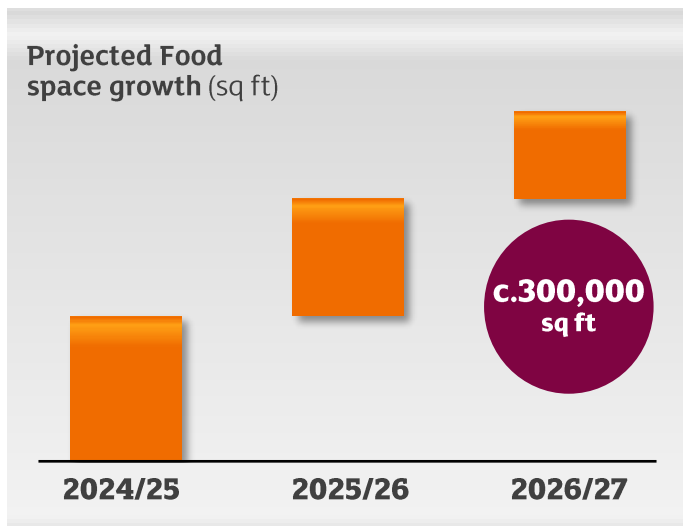


Leading digital
capabilities driving
greater relevancy &
profitability

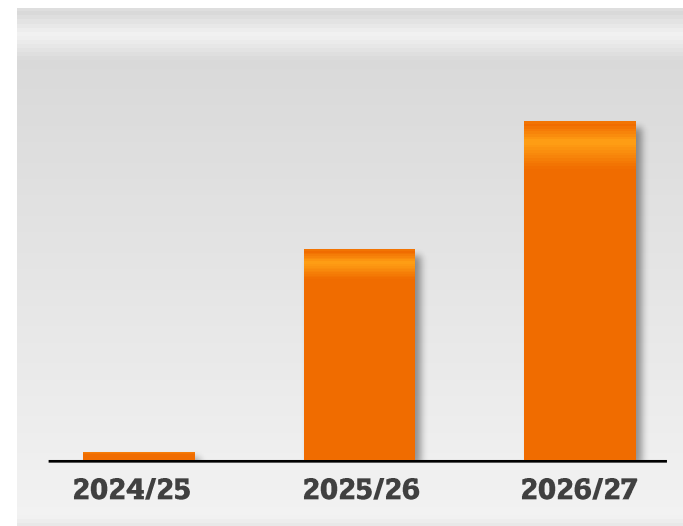
More for More:

Leveraging our unique opportunity to rebalance space and drive volume gains

Rebalancing supermarket space towards food



Projected cumulative Food sales uplift (£m)



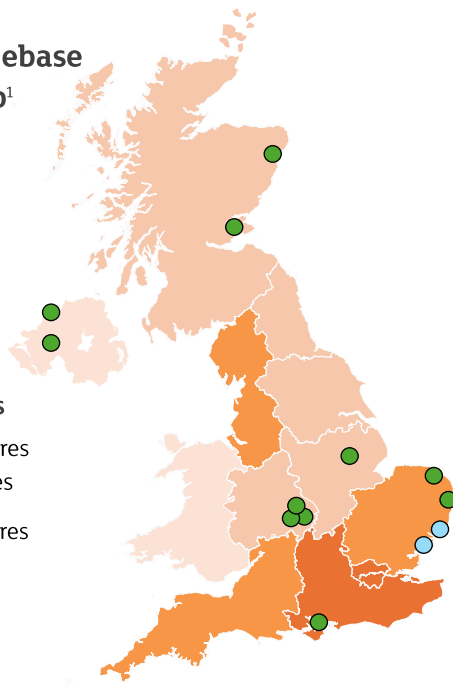
Investing to grow our supermarket coverage

Acquisitions in key target locations:

- 11 stores acquired from Homebase
- 2 stores acquired from Co-op¹

Number of Supermarkets

- 0-19 stores
- 20-50 stores
- 51-90 stores
- 90+ stores
- 11 acquired Homebase stores
- 2 acquired Co-op stores



Bringing our quality and value to new customers

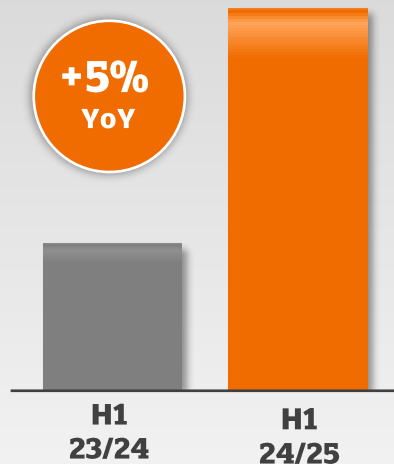
- c.20 new supermarkets to open over the next **18 months** (including acquisitions)
- **c.400,000 sq ft** of supermarket trading space
- **600,000+ more people within 10-minute drive** of a Sainsbury's supermarket
- **Expect strong returns, with ROCE in the low teens**

1. Two Co-Op stores completing in H2 2024/25

Strong sales growth and share gains in Convenience

First choice
for food

Convenience sales growth



Availability¹

+4ppts
YoY

Customer
satisfaction¹

+2ppts
YoY

Quality¹

+3ppts
YoY

Market share²

+30bps
YoY

1. CSAT Convenience Competitor Benchmarking data – Q2 2024/25. Availability of Products, Quality of Products, Overall Customer Satisfaction

2. Nielsen EPoS. Convenience value market share change YoY (% pts). 28 weeks to 14 September 2024

Enhancing our Convenience store offering

First choice
for food

Rebalancing space and optimising range



- **Two-week transformation**
- **>600** new products
- Improving store environment

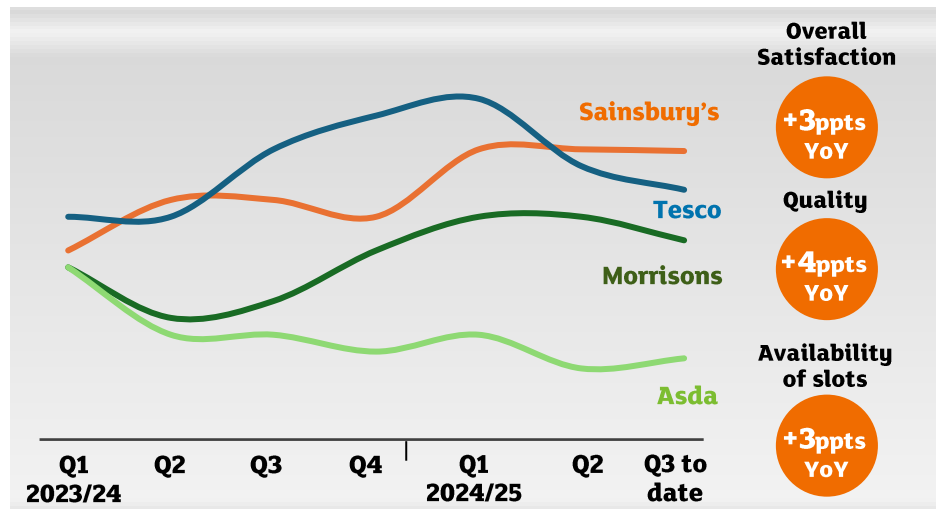
Only grocer to launch Aldi Price Match in Convenience



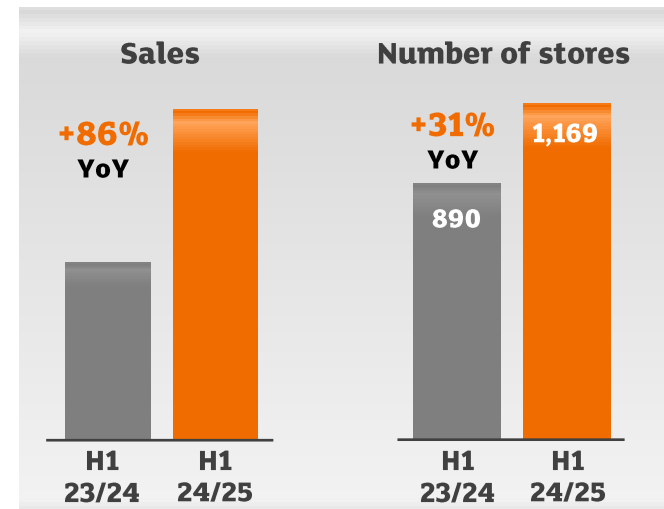
- Now live in **>800 convenience stores**
- Offer covers a range of up to **200 of the products that customers buy most often**

Continuing to strengthen Online and OnDemand

Leading Online customer satisfaction heading into Christmas¹



Strong growth in OnDemand



1. CSAT Groceries Online Competitor Benchmarking data – Q2 2024/25 Overall Satisfaction, Quality of Items, Availability of Delivery Slots at Price I wanted. Line chart: Q3 to date covers 4 weeks to 12th October 2024

Renewed focus on design in Tu Clothing

Tu Clothing

Renewed focus on design
in Womenswear:
Q2 sales +10%

Market share gains¹

Significant improvement
in availability

Improving our
essentials range

Strong performance in kids
and babywear with further
opportunity



1. Kantar Panel, Total Clothing, Footwear and Accessories. Retailer share of volume—YoY % share gains. 24 weeks ending 15 September 2024

Growing Smart Charge participation

Ultra-rapid electric vehicle charging network, powered by Sainsbury's



62
Locations

>500
Charging
bays



- **Nectar partnership:** 60% of Nectar Smart Charge customers are shopping with Sainsbury's whilst charging
- **New tech capability** enabling access to fleet fuel card market
- Shifting focus to **growing participation, furthering tech capability and enhancing customer offer**
- **70 locations by end of 2024/25**

Loyalty everyone loves

Build a world-leading loyalty platform – more personalised, joyful, rewarding and transparent – for everyone

Loyalty everyone loves

- **Personalised, rewarding and integrated** loyalty
- Joy and **connection beyond transactions**
- **World-leading** Nectar360 capabilities
- Strong **coalition** of partners
- **Always transparent** use of data

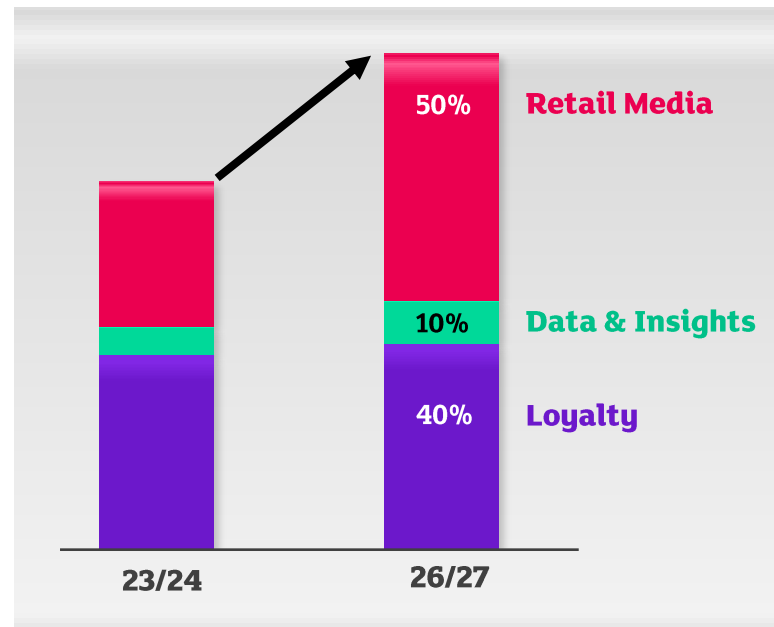
On track to deliver at least £100m incremental profit

Loyalty
everyone
loves

Forecast incremental profit contribution...



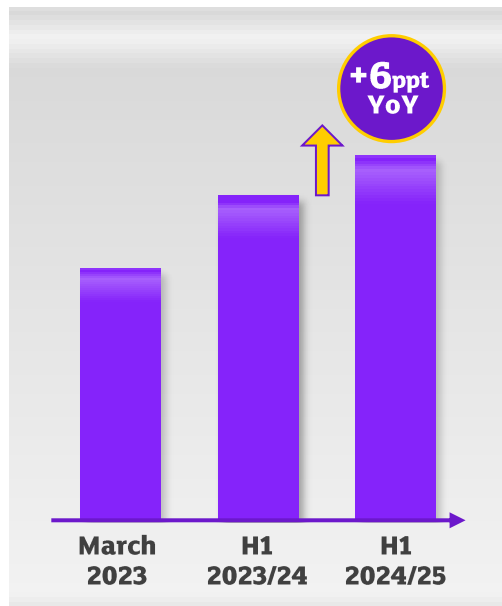
... driven by strong growth in Retail Media¹



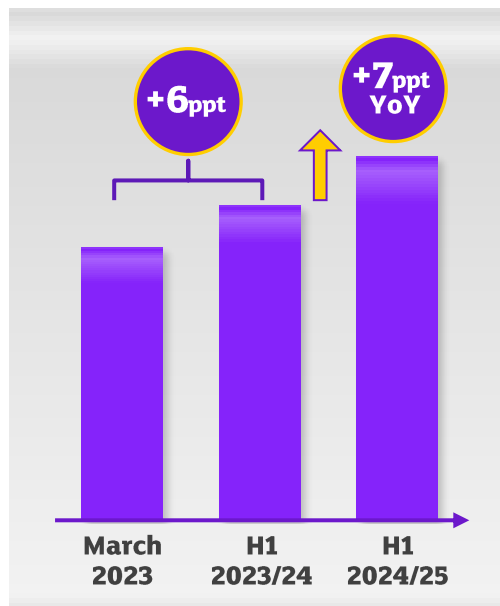
1. Nectar360 billings – three-year plan

Personalised and rewarding Nectar loyalty scheme

Strong growth in Nectar participation¹

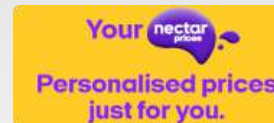


Significant improvement in Nectar value perception²



£2bn
saved since launch

5m
customers per week



£70m
saved in the last year

1m
customers per week

1. Across Supermarkets and Groceries Online

2. Brand Tracker data. Nectar Value Perception, Sainsbury's shoppers only, "Helps save everyday" measure

Growing our Nectar360 capabilities

Extending the Nectar coalition



Strengthening agency and digital partnerships



Digitising instore media



- Sainsbury's Live – on track to reach 800 connected screens by year end
- Additional 200 screens as part of store digitisation programme this year

More Argos, more often

Unleash and transform Argos around the three things that have always made it brilliant – curated range, famously convenient experience and great value – so more customers buy more complete baskets more often

More Argos,
more often

- Famous for **convenience**
- Inspiring **choice**, always great **value**
- **Supercharged digital** capabilities
- **Accessible and relevant credit**, care and services
- **Smarter, simpler** service and stock flow

Tough Q1, stronger Q2

More Argos,
more often



1. BRC. Total NFNC market (excl. Health & Beauty and Stationery) vs Argos (Total Basis) sales YoY % growth – trended by quarter

Q1

- **Weather-impacted** slow start to summer
- **Reduction in online traffic**
- **Weaker consumer demand** for large ticket items: impact on ASP

↓ ↓ ↓ ↓

Volume Traffic ASP Market Share

Q2

- **Stronger seasonals performance**
- **Improvement in online traffic**
- **Improving volume**

↑ ↑ ↓ ↑

Volume Traffic ASP Market Share

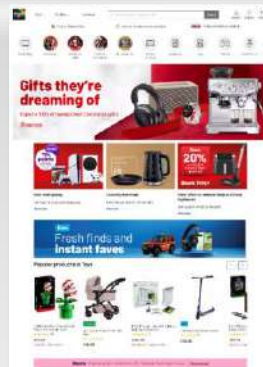
**More Argos,
more often**

Improving our digital experience

Driving traffic and improving conversion



Growing our digital presence to ensure Argos is top of mind for customers



Homepage personalisation driving **increased click through rates**



Enhanced add-on recommendations delivering **basket growth**

Strengthening the breadth of our range

More Argos,
more often

Extending our offer through Supplier Direct Fulfilment

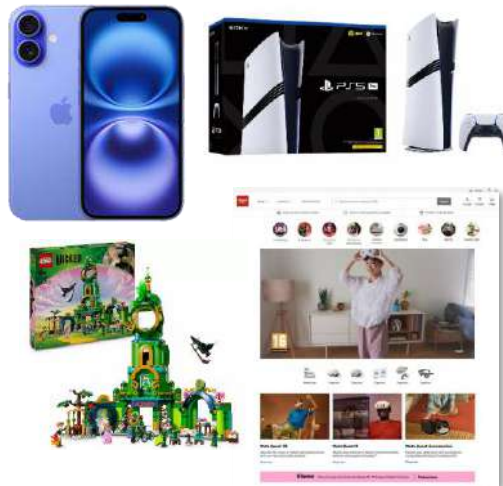
1,600 new products

25 new brands

+7% sales growth



Securing supplier support for biggest global launches



Refocusing on our own brand



Launched **Made to Order**
2,000+ combinations to choose from



BUSH

Revitalising own brand ranges
in Toys and Electricals
– relaunch from 2025

Resetting our trading events

More Argos,
more often



The BIG RED Event

- Multi-day Promotional events
- >9,000 Products
- Value perception¹ +2ppts YoY
- Appealing Promotions¹ +3ppts YoY

- **Impactful and focused value** activity
- Biggest and **most popular brands** included
- **Nectar points multiplier**



Hero products

Brands shown: LG, fitbit, Ray-Ban, SAMSUNG, dyson, Leap Frog, habitat.

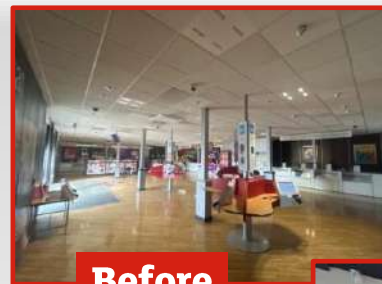
1. Argos Customer Satisfaction – internal measure. Q2 2024/25 - Value for Money and Appealing Promotions

Improving efficiency and working capital

More Argos,
more often

Rightsizing stores and refining operating model

- **Delivering simpler stock flow**
 - Optimising availability and immediacy
 - Reducing stock holding
- **Flexing collection and delivery propositions**
- **Continued transformation to more digital experience**
 - 78 fewer standalone stores vs year end 22/23
 - Refining store operating model by cluster
 - Improving service and efficiency
- **More efficient, right-sized replenishment network**
 - Released phase one of new warehouse management system
 - On track to go live with Integrated GM Warehouse in Summer 2025



Before

- Reduced shopfloor size
- Improved look and feel
- Reduced complexity in stockroom
- Improved customer experience



After

Save and invest to win

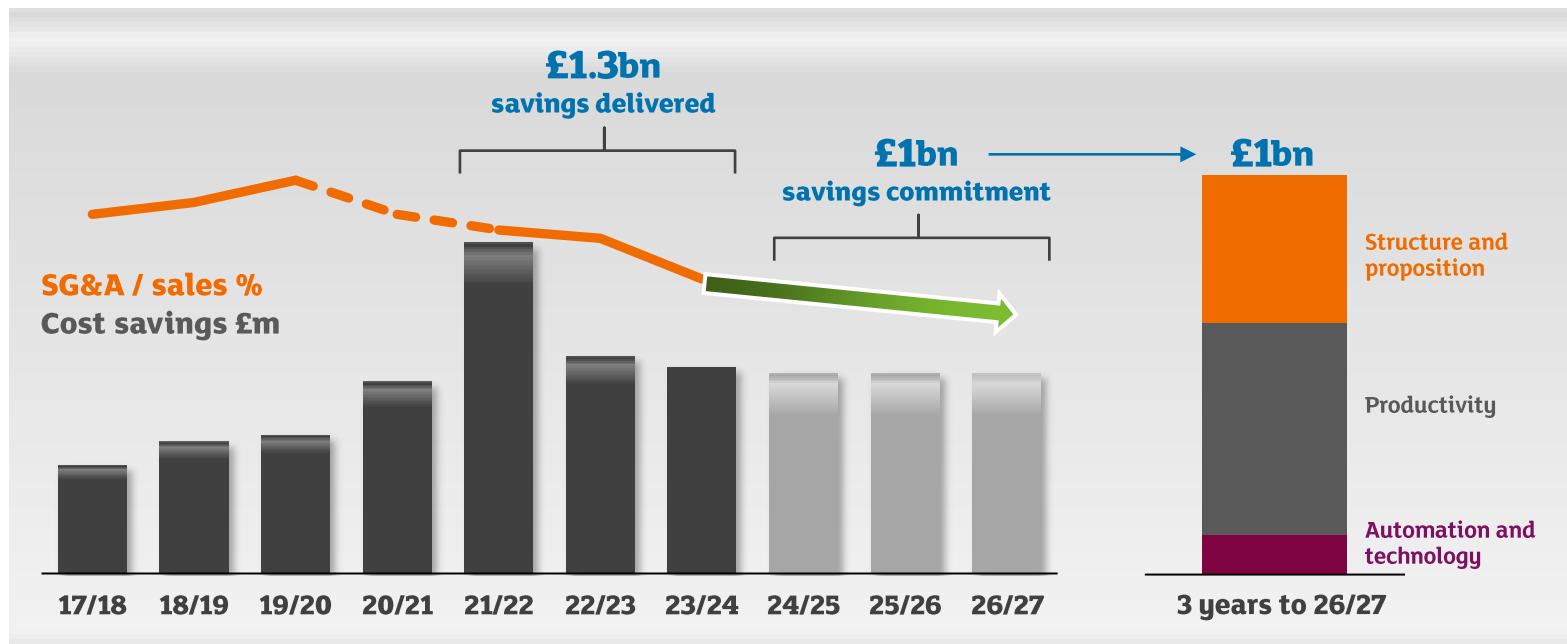
Save £1 billion and invest in transforming our capabilities – taking another big leap forward in efficiency, productivity and customer focus, continuing to build a platform for growth

Save and
invest
to win

- **£1 billion** of structural **cost reduction**
- **Well-invested technology platform** protecting, competing and **unlocking the next level**
- **Simplified, automated**, more process-led business
- **Right-sized organisation**, set up to win

Operating cost savings

£1bn savings commitment by March 2027



Technology capabilities enabling our next phase of growth

Why:

Invest to
Protect

Invest to
Compete

Invest for
**Next
Level**

How:



Streamlining and
simplifying



Efficient & intelligent
customer centricity



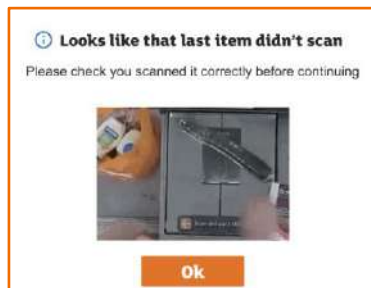
Maximising
existing platforms

High returning investments in technology driving efficiencies

Shrink protection technology

Invest to
Protect

- Shrink video analytics technology being rolled out to **up to 200 stores** by year end
- Positive early results in identifying mis-scanned items



Optimisation of our checkouts

Invest to
Compete

On track to complete in all supermarkets by end of 2024/25

+21%

Self-service participation¹

£70m

Cost savings delivered¹

Collaboration to transform commercial systems

Invest for
Next Level

- Creation of **single platform using cloud-based solutions**
- Future system flexibility
- Flexible management of promotions



accenture

1. Since the start of the programme in 2021/22

Delivering productivity benefits through end-to-end programmes

Migration of all Food products to machine learning forecasting

**+170
bps¹**

Availability

**Down
0.7%²**

Stock holding

**Down
1.1%²**

Waste/ sales ratio

Simplifying replenishment

- Rollout of pushers and dividers in ambient categories



• Category resets: Soft Drinks case study

- Increase in merchandising units
- Range reduction: **-10%**
- Capacity on key lines: **+30%**
- Volume market share **↑**
- Availability **↑**

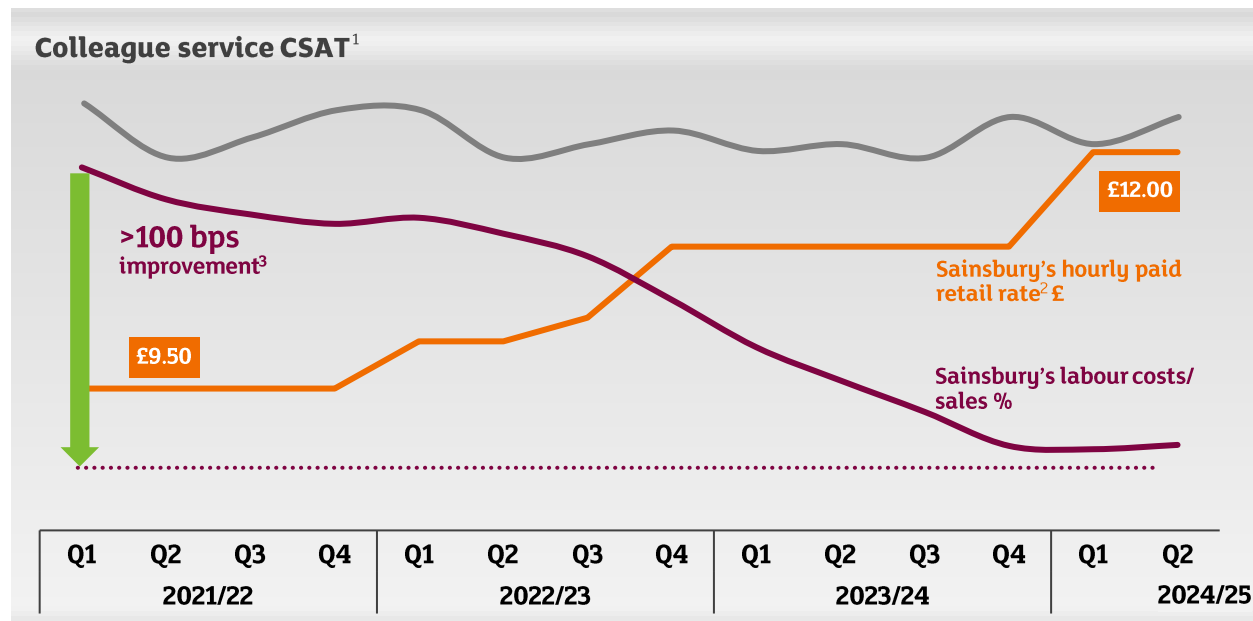
Driving significant efficiencies in primary and secondary replenishment

1. Since start of migration Q2 24/25 vs Q4 22/23

2. Q2 24/25 YoY movement

Delivering on cost and efficiency

Productivity improved and service maintained



1. CSAT Supermarket Competitor Benchmarking data – Friendliness of staff

2. Rates of pay relate to the National rate (excluding London)

3. Reduction in labour costs / sales (excl. fuel) % Q2 24/25 vs Q1 21/22

Well set to deliver another strong Christmas performance



Appendices



Sainsbury's

Guidance for 2024/25

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

Sales growth by quarter

Like-for-like sales growth

	2023/24			
	Q1	Q2	Q3	Q4
Like-for-like sales (exc. fuel)	9.8%	6.6%	7.4%	4.8%
Like-for-like sales (inc. fuel)	3.9%	2.2%	5.3%	2.9%

Total sales performance

	2023/24			
	Q1	Q2	Q3	Q4
Sainsbury's	9.9%	7.5%	8.4%	6.5%
<i>Grocery</i>	11.0%	8.9%	9.3%	7.3%
<i>GM (Sainsbury's) + Clothing</i>	(2.5)%	(8.7)%	(0.3)%	(5.5)%
Argos	5.1%	(2.6)%	(0.9)%	(6.6)%
Total Retail (exc. fuel)	9.2%	5.8%	6.5%	4.3%
Fuel	(21.4)%	(17.1)%	(7.2)%	(7.8)%
Total Retail (inc. fuel)	3.3%	1.5%	4.4%	2.4%

Total sales performance – previously reported detail

	2023/24			
	Q1	Q2	Q3	Q4
Total General Merchandise	4.0%	(2.6)%	(0.6)%	(5.6)%
<i>GM (Sainsbury's)</i>	(1.2)%	(2.7)%	0.9%	0.4%
<i>GM (Argos) (inc. ROI)</i>	5.1%	(2.6)%	(0.9)%	(6.6)%
Clothing	(3.7)%	(14.6)%	(1.7)%	(11.7)%

2024/25

	Q1	Q2	H1
	2.7%	4.2%	3.4%
	2.4%	1.9%	2.2%

2024/25

	Q1	Q2	H1
	4.2%	5.1%	4.6%
	4.8%	5.3%	5.0%
	(4.3)%	2.2%	(1.5)%
	(7.7)%	(1.4)%	(5.0)%
	2.3%	4.1%	3.1%
	0.4%	(10.6)%	(4.4)%
	2.1%	1.9%	2.0%

2024/25

Excl. Argos Republic of Ireland closure

	Q1	Q2	H1
	4.2%	5.1%	4.6%
	4.8%	5.3%	5.0%
	(4.3)%	2.2%	(1.5)%
	(6.2)%	(1.4)%	(4.2)%
	2.6%	4.1%	3.2%
	0.4%	(10.6)%	(4.4)%
	2.3%	1.9%	2.1%

2024/25

	Q1	Q2	H1
	(7.3)%	(1.7)%	(4.9)%
	(5.3)%	(3.3)%	(4.4)%
	(7.7)%	(1.4)%	(5.0)%
	(3.3)%	8.3%	1.3%

Sales performance by category and channel

Total sales¹ performance by category	H1 2024/25 £bn	H1 2023/24 £bn	Change %	H1 2024/25 Proportion %
Sainsbury's	14.0	13.4	4.6	74
<i>Grocery</i>	13.1	12.4	5.0	69
<i>GM (Sainsbury's) + Clothing</i>	0.9	0.9	(1.5)	5
Argos	2.3	2.4	(5.0)	12
Total Retail sales (excl. fuel)	16.3	15.8	3.1	86
Fuel sales	2.6	2.7	(4.4)	14
Retail (incl. fuel)	18.9	18.5	2.0	100

Total sales¹ performance by channel	H1 2024/25 %	H1 2023/24 %
Total sales fulfilled by supermarket stores	4.7	9.6
<i>Supermarkets (inc Argos stores in Sainsbury's)</i>	4.3	10.8
<i>Groceries Online</i>	7.3	2.3
Convenience	4.9	10.5

1. Including VAT

Retail margin

As of 14 September 2024

	H1 2024/25	H1 2023/24	Change
Retail sales (exc. VAT, inc fuel) £m	17,050	16,665	2.3%
Retail underlying EBITDA ¹ £m	1,119	1,082	3.4%
Retail underlying EBITDA margin ² %	6.56	6.49	7bps
Retail underlying operating profit ³ £m	503	485	3.7%
Retail underlying operating margin ⁴ %	2.95	2.91	4bps

1. Retail underlying operating profit before underlying depreciation and amortisation of £616 million

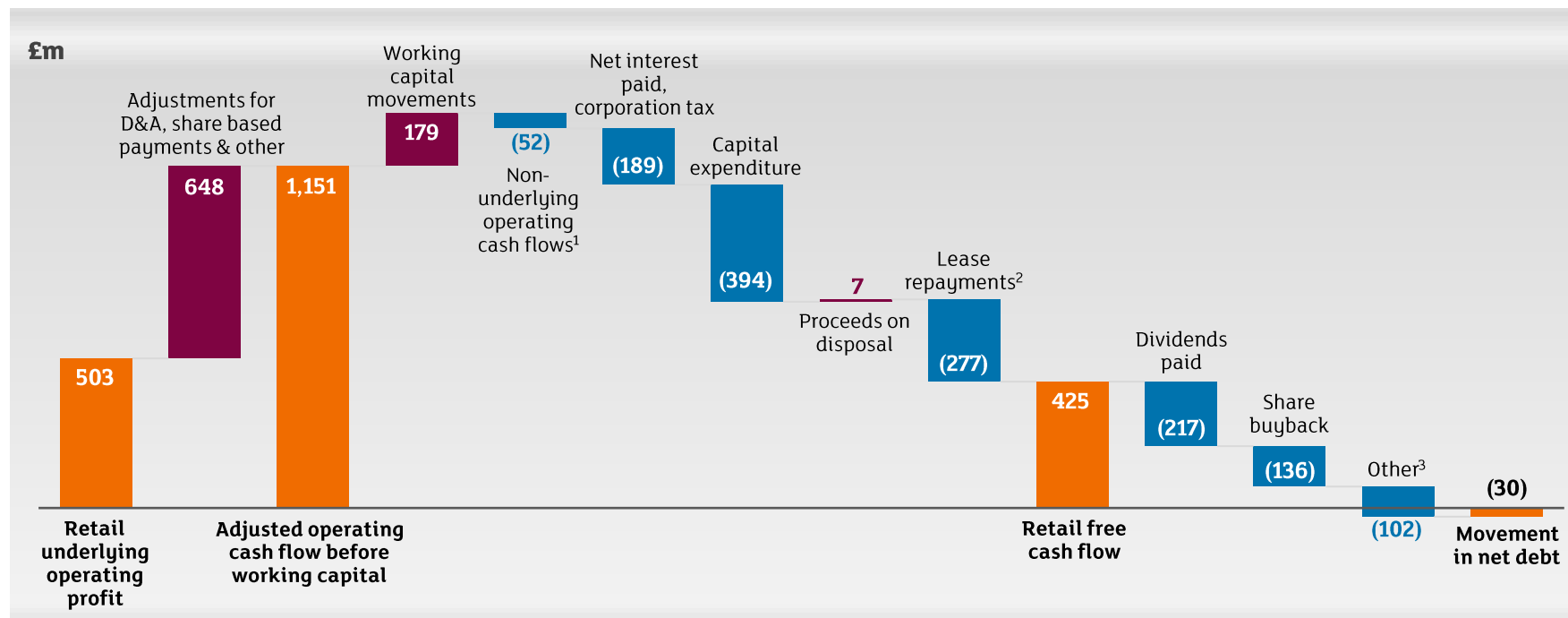
2. Retail underlying EBITDA divided by retail sales excluding VAT

3. Profit before interest and tax for the retail segment excluding non-underlying items

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

Cash flow and net debt

H1 24/25 Cash Flow



1. Includes pension cash contributions

2. Includes initial direct costs on right-of-use assets. Lease interest paid included in "net interest paid, corporation tax" bar

3. Includes the net movement to lease liabilities, reflecting non-cash additions in the period offset by payments made. Also includes cash impact of share purchases (excluding share buyback) and proceeds from issuance of shares

Financial metrics

As of 14 September 2024

	H1 2024/25	H1 2023/24
Return on capital employed ¹	8.5%	7.9%
Net debt to EBITDA ²	2.6x	2.6x
Fixed charge cover ³	2.7x	2.6x
Underlying tax rate	29.2%	27.6%

1. Return is defined as a 52 week rolling underlying operating profit. Capital employed is defined as Group net assets excluding pension surplus, less net debt. The average is calculated on a 14-point basis which uses the average of 14 data points

2. Retail net debt of £5,584 million divided by Group underlying EBITDA of £2,163 million, based on a 52 week rolling basis

3. Group underlying EBITDA divided by rent (both capital and interest repayments on leases) and underlying net finance costs. All items are calculated on a 52 week rolling basis

Sainsbury's sales area and store numbers

As at 14 September 2024

Supermarkets

	Area (‘000 sq ft)	Number
Opening figures 23/24 ¹	20,857	597
New stores	13	1
Closures	-	-
Reclassifications	10	1
Closing figures H1 24/25	20,880	599

Convenience

	Area (‘000 sq ft)	Number
Opening figures 23/24 ¹	2,016	834
New stores	17	6
Closures	(2)	(1)
Reclassifications	(10)	(1)
Closing figures H1 24/25	2,021	838

Total

	Area (‘000 sq ft)	Number
Opening figures 23/24 ¹	22,873	1,431
New stores	30	7
Closures	(2)	(1)
Reclassifications	-	-
Closing figures H1 24/25	22,901	1,437

1. Space (sq ft) adjusted at 2 March 2024 to include the net change of all store re-measures throughout the year including those made post-investment

Sainsbury's store estate

As at 14 September 2024

Number of stores

Sq ft sales area	Under 10,000	10,000 to 20,000	20,000 to 40,000	40,000 to 60,000	Over 60,000	Total
Convenience	838	0	0	0	0	838
Supermarkets	43	117	193	183	63	599
Total stores	881	117	193	183	63	1,437

Space by store size ('000 sq ft)

Sq ft sales area	Under 10,000	10,000 to 20,000	20,000 to 40,000	40,000 to 60,000	Over 60,000	Total
Convenience	2,021	0	0	0	0	2,021
Supermarkets	340	1,759	5,632	8,872	4,277	20,880
Total stores	2,362	1,759	5,632	8,872	4,277	22,901

Argos store numbers

	As at 2 March 2024	New stores	Disposals/ closures	As at 14 September 2024
Argos stores	213	-	(6)	207
Argos stores in Sainsbury's	446	3	-	449
Argos total store numbers	659	3	(6)	656
Argos Collection Points	456	8	(2)	462
Argos points of presence	1,115	11	(8)	1,118

Sainsbury's store openings and closures

H1 2024/25

Supermarket

New stores

Winchburgh	Q1
------------	----

Convenience





New stores

Liverpool – Princes Dock Local	Q1
Bradwell – Bluebell Meadow Local	Q1
Clapham – Northcote Road Local	Q1
Lewisham – Lee High Road Local	Q2
Tower Hamlets – Norton Folgate Local	Q2
Bury St Edmunds Lark Grange Local	Q2

Closures

Chester Watergate Street Local	Q2
--------------------------------	----

Breadth of our online grocery options

	 GOL Delivery	 GOL Click & Collect	 Chop Chop	 Deliveroo / Uber Eats / Just Eat
Stores	263	319	293	1,126
Cities & towns	99% UK population		105	316
Average basket size	£100-£110	£90-£100	£30-£40	£20-£30
Average weekly orders	560k	50k	280k	

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



Nick Grant
General Counsel
and Company Secretary

Plc Board

Martin Scicluna Chair

Date of Appointment:

March 2019 (joined the Board November 2018)

Skills and experience

Martin joined the Board as Chair 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 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 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**.

Simon has worked in retail for over 35 years, having started at Marks and Spencer and joined Sainsbury's from Boots where he was Executive Vice President of Walgreens Boots Alliance and President of Boots UK and Ireland.

Simon is President of IGD, a Member of the Government's Retail Sector Council and an Advisory Board Member of Diversity in Retail.

Simon is leading Sainsbury's plan to become First choice for food. 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. Simon is the Operating Board Sponsor for Inclusion and 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 moving to Commercial and Retail Finance Director in 2021. Bláthnaid is the Operating Board Co-Sponsor for Disability.

Prior to joining Sainsbury's, Bláthnaid held senior finance leadership roles at Aviva and RSA. 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 a highly respected leader with a strong record of financial leadership. Over the last five years at Sainsbury's she 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, 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 from 1984 to 1992. Jo was previously a Non-Executive Director and Chair of the Remuneration Committee of InterContinental Hotels Group plc. Jo is as Non-Executive Director and Chair of the Remuneration Committee of Halma plc, Non-Executive Director and member of the Remuneration Committee and Nominations Committee of Centrica plc, and Director of Chapter Zero.

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 Stadtsparkasse 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 Nomination and Governance Committee and the Remuneration Committee**.

Tanuj is an international banker with significant experience in transformation, talent and change management, both in the UK and globally. She is the Chief Strategy and Talent Officer of Standard Chartered Bank, where she leads the strategy, HR, corporate affairs, brand and marketing, property and supply chain teams and in turn is responsible for how the Standard Chartered Bank develops, executes and communicates its strategy. She joined Standard Chartered in 2017 and was the Bank's Chief Human Resources Officer from 2018 to 2024. Prior to this, Tanuj built her career in banking over 17 years in key global and regional HR leadership roles across multiple markets within HSBC. She has also previously served as a Director of Financial Services Skills Commission Limited. Tanuj is a recognised thought-leader on the future of work and has been featured by leading global media on a range of topics, including culture, leadership, inclusion and skills. Tanuj is also an Associate Non-Executive Director of the Board of NHS England, a member of the Asia House Board of Trustees, and on the Board of Autumn, an integrated digital wealth, health and lifestyle solutions start-up.

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

Plc Board

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 also 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. Keith was awarded a CBE for services to the advertising and marketing industry in the 2021 New Years Honours List. 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 plays an important role in Sainsbury's strategic focus to become First choice for food and delivering on our Plan for Better. He has an excellent understanding of both sustainability and digital and the ways that technology is transforming businesses.

Nick Grant

General Counsel and Company Secretary

Date of Appointment:

July 2024

Skills and experience

Nick was appointed to the newly created role of General Counsel & Company Secretary in July 2024. Nick provides legal and corporate governance advice and support to the Board and Committees and oversees secretarial support for all legal entities within the Group.

Prior to this appointment Nick was for 8 years Director of Legal Services at Sainsbury's, leading a full-service in-house team of 40 legal advisors and advising senior management on corporate transactions, material litigation and reputation management.

Operating Board



Simon Roberts
Chief Executive



Bláthnaid Bergin
Chief Financial Officer



Rhian Bartlett
Chief Food Commercial Officer



Graham Biggart
Chief Transformation &
General Merchandise Commercial Officer



Mark Given
Chief Marketing Officer



Prerana Issar
Chief People Officer



Clodagh Moriarty
Chief Retail and Technology Officer

Operating Board

Simon Roberts
Chief Executive

See Appendix 12

Bláthnaid Bergin
Chief Financial Officer

See Appendix 12

Rhian Bartlett
Chief Food Commercial Officer

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. She is responsible for delivering the commercial performance of Sainsbury's food business and brands. Rhian is also the Operating Board Sponsor for Gender. 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 at Speedy Hire Plc and is a Trustee of GroceryAid.

Graham Biggart
Chief Transformation &
General Merchandise Commercial Officer

Date of Appointment:
March 2022

Skills and experience

Graham joined the Operating Board in March 2022. As Chief Transformation & General Merchandise Commercial Officer, Graham is responsible for our strategy and the delivery of major change programmes across our business, in addition to our Supply Chain, Logistics & Fulfilment, and Central Business Services. He is also accountable for the commercial performance of our General Merchandise and Clothing brands; including Argos, Habitat and Tu. 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 in Food, General Merchandise and Clothing, as well as the Sainsbury's Local and Argos Republic of Ireland businesses. Prior to Sainsbury's, Graham worked at McKinsey & Company, and before that at Brunswick Group.

Graham is a Non-Executive Director and Chair of the Risk & Audit Committee of GS1 UK.

Operating Board

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 the Operating Board Sponsor for the LGBT+ inclusion lane.

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

Prerana joined the Operating Board in May 2023. 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.

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. 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.

Clodagh is a Non-Executive Director of Taylor Wimpey plc and sits on their Nomination and Governance and Remuneration Committees.

Supplementary financial details

1. Weighted average number of shares

	H1 2024/25	H1 2023/24
Weighted average number of shares (m)	2,346.3	2,332.5
Diluted weighted average number of shares (m)	2,387.9	2,386.9

2. Share count

2023/24 Closing shares	2,370,612,927
H1 2024/25 Closing shares	2,360,418,647

3. Dividend

	2024/25	2023/24
Interim	3.9p	3.9p
Final		9.2p
Total		13.1p

The Interim dividend dates:

Ordinary shares	
Ex-dividend	14 November 2024
Record	15 November 2024
Payment	20 December 2024

4. Financial calendar

Q3 Trading Statement 10 January 2025
(16 weeks to 4 January 2025)

Preliminary results 17 April 2025
(52 weeks to 1 March 2025)