

Interim Results for the 28 weeks ended 12 September 2026
Consistently strong value, quality and service deliver volume and profit growth

Simon Roberts, Chief Executive of J Sainsbury plc, said: "We know many households are finding things tough at the moment and we're making it easier for customers to enjoy good food every day, whatever their budget. That's why more people are choosing us for their weekly shop, driving continued volume growth in the first half.

"We're delivering trusted value for customers. Through Nectar Prices and the biggest Aldi Price Match in the market, Sainsbury's is helping customers save on the products they buy most often and inflating behind the market.

"Innovation is powering our progress. We're bringing more choice and exciting new food to customers and expanding ranges in more stores. Taste the Difference sales grew by more than six per cent and our restaurant-quality Taste the Difference Discovery range will soon have 200 products. We're also making healthier choices easy, affordable and delicious through our expanded Full on Fibre range.

"Our long-term relationships with British farmers and suppliers help us deliver the food customers love at great value, while giving producers a predictable profit and the confidence to invest and plan for the future. My huge thanks go to our colleagues, farmers and suppliers whose passion, expertise and commitment make this possible every day.

"As we progress the sale of Argos and further sharpen our focus on food, we are building a simpler, more focused Sainsbury's. With great value, outstanding quality and exciting new food across our ranges, we're looking forward to helping customers enjoy a really special Christmas."

Financial Highlights

- Agreed sale of Argos to Swift Partners; transaction expected to complete by the end of February 2027 and full separation expected by February 2029. Argos has been classified as a discontinued operation
- Sales from continuing operations (excluding Fuel) £14.0bn, up 2.6%. Grocery sales £13.2bn, up 2.9%, reflecting continued volume growth and lower inflation. Sainsbury's General Merchandise & Clothing sales £0.8bn, down 3.4%, reflecting General Merchandise space reduction and a subdued clothing market. Fuel sales £2.3bn, up 17.8%, reflecting higher wholesale prices
- Continuing underlying operating profit £525m, up 3.6%, reflecting volume growth, continued cost savings delivery and consistent balanced investment in value, quality, availability and service
- Statutory loss after tax £(164)m (H1 2025/26: profit £155m), primarily relating to discontinued operations
- Free cash flow £333m. On track to deliver more than £500m for the full year
- Completed £200m of previously announced £300m share buyback, with the remaining £100m to be completed in H2
- Interim dividend of 4.1 pence per share. Consistent with prior years, this is 30 per cent of the prior year's full year dividend per share

H1 Financial Summary	2026/27	2025/26	YoY
Business performance			
Underlying sales (excl. fuel) ^{1,2}	£13,959m	£13,611m	2.6%
Underlying operating profit ¹	£525m	£507m	3.6%
Underlying profit before tax ¹	£366m	£348m	5.2%
Underlying basic earnings per share ^{1,3}	11.7p	10.6p	10.4%
Proposed interim dividend per share	4.1p	4.1p	-
Free cash flow ⁴	£333m	£276m	£57m
Net debt (inc. lease liabilities) ⁵	£(5,634)m	£(5,527)m	£(107)m
Non-lease net debt ⁵	£(75)m	£(81)m	£6m
Return on capital employed ⁶	9.2%	9.0%	20bps

Statutory performance			
Revenue (inc. fuel) ¹	£16,243m	£15,596m	4.1%
(Loss)/profit after tax ^{1,3}	£(164)m	£155m	n/a
o/w Continuing operations	£212m	£190m	11.6%
o/w Discontinued operations	£(376)m	£(35)m	n/a
Total basic (losses)/earnings per share ³	(7.4)p	6.8p	n/a
Net cash generated from operating activities – continuing ¹	£890m	£703m	£187m

2026/27 Outlook

The consistent strength of our customer offer helped deliver volume growth, share gains and profit growth in the first half. Looking to the second half, we expect the market to remain very competitive and we will make deliberate, balanced choices to sustain the strength of our offer, investing in value, quality, availability and service.

Reflecting this alongside our first half performance and the classification of Argos as a discontinued operation, we have adjusted our profit guidance. Our previous guidance of £975 million to £1,075 million would be equivalent to £965 million to £1,065 million on a continuing operations basis, removing Argos's contribution.

We are now raising the lower end of this range and expect underlying operating profit from continuing operations of between £1,025 million and £1,065 million. We continue to expect to deliver free cash flow of more than £500 million.

Strategic Highlights

As part of the Next Level Sainsbury's plan that we set out in February 2024, we made eight 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 of cost savings** over three years to 26/27
- **£1.6bn+ Retail free cash flow** over three years to 26/27
- **Higher return on capital employed**

In the final year of this plan, we continue to make good progress against these commitments. We have consistently sustained a strong competitive position, investing in all aspects of the customer offer and we have made market share gains despite tough comparatives. Investment in our colleagues, technology, infrastructure and long-term supplier relationships has built a more resilient and sustainable business. This investment in the long-term strength of our business has been balanced with stronger financial delivery. We have consistently generated strong free cash flow and we have enhanced cash returns to shareholders while our cost savings programme has helped support profit growth and improved return on capital.

Our progress against the commitments has been driven by the four strategic outcomes we established as part of the Next Level Sainsbury's strategy: First choice for food, Loyalty everyone loves, More Argos, more often and Save and invest to win. In July we announced the planned sale of Argos to Swift Partners. The separation allows both businesses to pursue their own distinct strategies, creating a simpler, more focused Sainsbury's and enabling Argos to continue its transformation under new ownership.

First choice for food

Over the last six years, we have re-established the unique strength of the Sainsbury's food offer, improving and consistently delivering a winning combination of value, quality and service. More and more customers are choosing Sainsbury's as a result and we have grown our share of big basket primary customers⁷ and made significant market share gains⁸.

We made further progress in the first half, generating volume growth⁹ and further growing our share of main shop customers¹⁰. We will continue to focus on the delivery of sustainable sales and profit growth while building on Sainsbury's strong food heritage and supplier relationships to deliver outstanding food innovation, choice and quality.

Volume growth and market outperformance

- Continued market share gains¹¹ and volume growth⁹
- Further increase in market share of main shop customers¹⁰

Delivering consistent value

- Strengthened value position against key competitors¹², inflating behind the market¹³
- Unique value combination - biggest Aldi Price Match in the market¹⁴, Nectar Prices on almost 11,000 products, additional personalised value through Your Nectar Prices - continues to resonate with customers
- Customer satisfaction scores in value for money and appealing promotions ahead of all other full choice grocers¹⁵

Driving food innovation, quality and healthy choices

- Investing in fresh food, delivering sales growth of 4.3 per cent and completing biggest-ever changes to fresh food offer - range and space allocation changes across all supermarkets to provide greater choice, convenience and product discovery
- Accelerating the pace of innovation, with more than 2,000 new and improved products expected this year, our biggest innovation programme ever
 - Taste the Difference sales up more than six per cent, continuing to grow faster than the market¹⁶. Discovery range of restaurant-quality meals has doubled this year, driving one quarter of Taste the Difference growth and extending into new categories including BBQ and Italian meals. Expected to exceed 200 products by year end
 - Supported healthier choices through innovation and product reformulation. More than 750 products now included in our Full on Fibre range

Strengthening our estate and operational resilience

- Store investment programme delivering positive customer and financial outcomes, with customer satisfaction¹⁷ and sales growth in invested stores performing ahead of the rest of the estate
- Invested in more than 170 stores during the half
- Added an average of 1,500 new products per store in key space reallocation investments
- Investment in refrigeration, stores and technology supported strong availability and operational resilience during periods of extreme heat; fresh food availability nearly two percentage points ahead of key competitors during most challenged heatwave weeks¹⁸
- Opened two new supermarkets and 14 convenience stores in the first half and expect to open around ten new supermarkets and around 25 convenience stores in total during the year. Strong like-for-like growth in stores opened last year and encouraging early performance from new stores

Delivering for customers however they want to shop with us

- Overall supermarket customer satisfaction continued to improve, maintaining lead against key competitors¹⁹
- Focus on improving in-store shopping experience driving increase in supermarket customer satisfaction metrics for ease of finding products and ease of moving around the store²⁰
- Enhanced Sainsbury's app now consolidates Groceries Online, SmartShop and OnDemand and includes new innovations including "Search your store" product finder and AI-driven "SmartLists"
- Groceries Online²¹ sales up 9.0 per cent. OnDemand extended to nearly 95 per cent of stores. Sales up 27 per cent
- Convenience²² sales up 0.8 per cent in a challenging market. Strong performance of new stores offsetting impact of disruption during extreme heat
- Continued investment in colleagues, with pay increase for hourly-paid colleagues of five per cent. Launched KickStarter, our new Modern Work Experience Programme to make work experience fairer and more accessible to everyone, creating around 10,000 training opportunities for young people to help build skills. Welcomed the first cohort of FutureMaker, our new flagship graduate programme
- Expansion of Sainsbury's Money with launches in partnership with NatWest of personal loans in September and savings in October, rewarding Nectar customers with additional value. Credit cards to follow later this year

Supporting farmers and growers to build a more resilient food system

- Long-term partnerships with farmers and suppliers helping deliver quality food at great value, while ensuring fair returns, supporting profitability and investment for the future. Helping build a more resilient food system and maintain quality and availability for customers despite increasingly challenging growing conditions
 - By the end of 2026, 60 per cent of products in fresh produce, dairy, meat, fish and poultry will be in long-term agreements
 - New ten-year agreement with Thanet Earth supporting investment in glasshouse capacity and technology. Enabling Sainsbury's customers to buy British-grown cucumbers through the winter for the first time and strengthening supply resilience
 - Growing partnership with the Woodland Trust for a further four years, supporting farmers and growers across our supply chain to adopt agroforestry practices that improve farm resilience, enhance biodiversity and support sustainable food production

Helping to make good food accessible for all

- Continued to address food insecurity through strategic partnership with Comic Relief, supporting children and families facing hardship
- Supported ambition to raise £30 million for Comic Relief by 2030, launching first Move for Meals fundraising campaign. Colleagues, customers and suppliers raised £1.1 million, matched by Sainsbury's to donate a total of £2.2 million to Comic Relief
- Committed £8 million through partnership with Comic Relief to complement the Government's Holiday Activities and Food programme and create additional holiday club places for children

Resilient Tu Clothing performance and continued General Merchandise optimisation

- Tu sales down two per cent, reflecting tough comparatives and a subdued clothing market²³
- Outperformed the clothing market²³, reflecting strong progress on style perceptions²⁴, improved availability and best ever back-to-school performance, with sales up eight per cent
- Completed roll-out of clothing RFID²⁵, improving stock accuracy, product availability and operational efficiency
- Sainsbury's General Merchandise sales down five per cent, primarily reflecting strategic decision to allocate more space to food and rationalise range, driving stronger stock efficiency, better availability, a simpler shopping experience and higher space productivity. Success of toys range reset completed last year, with fewer, better products, reflected in H1 sales up 13 per cent year on year.

Loyalty everyone loves

Nectar participation and digital engagement continue to grow, with more customers recognising the benefits of Nectar Prices, personalised value through Your Nectar Prices, targeted rewards and an expanding coalition of partners where they can earn and redeem rewards. The strength of this engaged, loyal customer base is fundamental to the success of Nectar360, where investment in market-leading Retail Media solutions is driving growth and supporting incremental profit generation.

Nectar Prices and personalised Your Nectar Prices continue to unlock value for customers

- Digital Nectar users up nine per cent²⁶
- Customers saved more than £16 on £80+ big trolley shop as they continue to access the great value offered by Nectar
- Your Nectar Prices continues to grow in popularity, with 350 million personalised offers per week and 17 per cent more customers accessing these on their favourite products each week²⁷
- Continued to engage with customers through digital campaigns such as Healthy Choice Challenge and Taste the Difference Challenge, supporting customers making healthier choices and driving trade up to our premium ranges

Creating more value for customers with Nectar partnerships

- Broadened Nectar ecosystem and enhanced customer value through existing partnerships, driving greater relevance and reward across customers' leisure and family spending
 - Expanded Nectar earning opportunities for customers through Uber Eats
 - Merlin partnership now offering customers double value for Nectar points, delivering on average £36 additional value per redemption transaction over the summer
 - Launch of Ambassador Cruise Line partnership, with customers able to earn up to 150,000 Nectar points

Leading the development of Retail Media in the UK

- Strong adoption of Pollen, Nectar360's market-leading platform for planning, activating and measuring Retail Media campaigns. More than 600 campaigns delivered for around 100 clients
- Nectar360 is the first UK Retail Media business to be accredited and independently audited against IAB Europe Retail²⁸ Media Measurement Standards, reinforcing leadership in transparency, accountability and measurement
- Omnichannel campaigns continue to deliver strong results, including Diet Coke x The Devil Wears Prada campaign, which reached over eight million customers and generated a 3.7x incremental return on advertising spend²⁹

Expanding media network and capabilities

- Continued integration of Pollen and in-store media network, creating more connected omnichannel proposition across in-store, onsite and offsite channels. Expanded connected in-store media network to more than 3,500 digital screens – expecting to reach around 5,000 screens by year end
- On track to deliver at least £100 million of incremental profit over the three years to March 2027

More Argos, more often

The sale of Argos to Swift Partners will support the next phase of Argos' development, providing greater flexibility to accelerate its transformation programme, pursue its strategic priorities and unlock future growth opportunities. Swift will build on the strength of the Argos brand, multichannel model and store network, bringing expertise and investment, unlocking the future potential of Argos for its customers and colleagues.

Securing a stronger future for Argos

- Full year trading profit, reported as part of non-underlying discontinued operations, expected to be in line or ahead of last year
- Sales, now reported within non-underlying discontinued operations, down 1.8 per cent (excluding Marketplace GMV³⁰), partially reflecting highly competitive market and continued slower sales of bigger ticket items such as furniture, particularly during prolonged summer heatwave
- Sales also impacted by in-year transition of legacy storecard customers to new digital financial services proposition, with strong new customer take-up of proposition outweighed by transitional sales impact
- Successful launch of Marketplace offer. Number of sellers and product range will continue to expand, with 200,000 additional marketplace and supplier direct fulfilled products in Argos by financial year end
- On track to deliver accelerated cost savings target, offsetting investment in people, technology, logistics and stores

Save and invest to win

In the final year of our Next Level plan, we remain on track to deliver our £1 billion cost saving target and a total of £2.3 billion over the past six years. By moving from stand-alone initiatives to end-to-end improvements in processes and ways of working we are making our business more efficient and resilient and creating a strong foundation for future savings opportunities.

Investing in connected stores and modernising logistics

- SmartShop now available in all supermarkets, with 20 per cent more handsets year on year, supporting operational capacity and bigger basket trolley shops ahead of peak
- Connecting real-time data, AI-driven decision making and store execution to improve customer satisfaction and availability while reducing loss and increasing productivity
 - Enhanced SmartShop rescanning, improving identification of mis-scanned baskets, more targeted interventions and better customer experience
 - Self-checkout video analytics now in nearly 600 stores - continued roll-out across supermarkets and introduction into convenience stores
 - Good progress rolling out facial recognition technology following a successful trial which saw logged incidents fall by 46 per cent and more than 90 per cent of identified offenders not return
- Data-led stock replenishment capabilities helping stores identify and move available stock to the shop floor more efficiently, improving availability, reducing lost sales opportunities and simplifying replenishment
- Optimised price reduction algorithm rolled out to all stores, reducing waste and improving colleague efficiency. Already delivered double digit million pound saving
- More than 100 automated mobile robots now live at our Northampton warehouse, improving efficiency and increasing capacity in the ambient grocery picking operation

Sales performance^{1,2}

Like-for-like sales performance	2025/26				2026/27		
	Q1	Q2	Q3	Q4	Q1	Q2	H1
Like-for-like sales (exc. fuel)	4.8%	5.1%	4.4%	3.7%	2.3%	1.2%	1.9%
Like-for-like sales (inc. fuel)	2.0%	3.3%	3.7%	1.9%	4.2%	3.4%	3.9%

Total sales performance	2025/26				2026/27		
	Q1	Q2	Q3	Q4	Q1	Q2	H1
Sainsbury's	5.0%	5.6%	4.9%	4.5%	3.0%	1.9%	2.6%
Grocery	5.1%	5.9%	5.4%	4.7%	3.5%	2.2%	2.9%
GM (Sainsbury's) & Clothing	4.4%	2.0%	(1.1)%	1.5%	(3.7)%	(2.9)%	(3.4)%
Total Continuing (exc. fuel)	5.0%	5.6%	4.9%	4.5%	3.0%	1.9%	2.6%
Fuel ³¹	(13.6)%	(7.8)%	(1.2)%	(10.1)%	17.5%	18.2%	17.8%
Total Continuing (inc. fuel)	2.3%	3.7%	4.2%	2.5%	4.8%	3.9%	4.5%
Argos – discontinued	4.2%	0.3%	(0.9)%	0.7%	(1.1)%	(2.7)%	(1.8)%

Total sales performance (£m)	2025/26				2026/27		
	Q1	Q2	Q3	Q4	Q1	Q2	H1
Sainsbury's	7,804	5,807	8,437	3,856	8,041	5,918	13,959
Grocery	7,349	5,458	7,830	3,647	7,603	5,579	13,182
GM (Sainsbury's) & Clothing	455	349	607	209	438	339	777
Total Continuing (exc. fuel)	7,804	5,807	8,437	3,856	8,041	5,918	13,959
Fuel ³¹	1,115	824	1,103	517	1,310	974	2,284
Total Continuing (inc. fuel)	8,919	6,631	9,540	4,373	9,351	6,892	16,243
Argos – discontinued ¹	1,122	863	1,597	552	1,110	840	1,950

Notes

Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward-looking statements. They appear in a number of places throughout this announcement and include statements regarding our intentions, beliefs or current expectations and those of our officers, directors and employees concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the business we operate. Unless otherwise required by applicable law, regulation or accounting standard, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

A webcast presentation and live Q&A will be held at 09:00 (BST). This will be available to view on our website at the following link: <https://sainsburys-interim-results-announcement-october-2026.open-exchange.net>

A recorded copy of the webcast and Q&A call, alongside slides and a transcript of the presentation will be available at www.about.sainsburys.co.uk/investors/results-reports-and-presentations following the event.

Sainsbury's will issue its 2026/27 Third Quarter Trading Statement at 07:00 (GMT) on 8 January 2027.

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¹ Comparatives have been restated to present Argos operations as a discontinued operation. Refer to notes 2 and 7 of the financial statements for further detail

² Total sales in prior periods as previously presented plus commission on Financial Services

³ The comparative period has been restated to reflect the deferred tax impact of an increased proportion of assets qualifying for tax allowances

⁴ Prior period comparatives exclude Financial Services as it is recorded on a Retail basis. Comparatives have also been restated to present Argos operations as a discontinued operation. Refer to note 2 of the financial statements for definition change and note A2.1 for reconciliation to the nearest IFRS measure

⁵ Net debt H1 2025/26 as previously reported. From the beginning of 2026/27 net debt has been restated to include Financial Services, following substantive completion of the exit from core banking operations and change in the business model. Refer to notes 2.2, 2.7 and 4 of the financial statements for further details

⁶ Return on capital employed: H1 2026/27 return is now stated exclusive of Argos discontinued operations whilst capital employed is presented after total net debt. No adjustment has been made to H1 2025/26, which remains as previously presented.

⁷ Worldpanel by Numerator Panel, Total Fresh & Grocery excl. Kiosk & Tobacco, Primary Shopper (defined as a shopper who bought 40% or more of their groceries in a retailer over the stated time period) shopper growth H1 2021/22 vs. H1 2026/27, 28 weeks to 6 September 2026

⁸ Worldpanel by Numerator Panel, Total Fresh & Grocery excl. Kiosk & Tobacco, Sainsbury's volume market share H1 2021/22 vs. H1 2026/27, 28 weeks to 13 September 2026

⁹ NielsenIQ EPOS, Total FMCG excl. Kiosk & Tobacco & GM, units YoY growth, 28 weeks to 12 September 2026

¹⁰ Worldpanel by Numerator Panel, Total Fresh & Grocery exc. Kiosk & Tobacco, Main shop mission shoppers YoY change, 28 weeks to 6 September 2026

¹¹ NielsenIQ EPOS, Total FMCG excl. Kiosk & Tobacco & GM, market share, 28 weeks to 12 September 2026

¹² Value Reality, September 2026 vs February 2026; Acuity, internal modelling

¹³ NielsenIQ EPOS, Total FMCG excl. Kiosk & Tobacco & GM, ASP YoY% growth, 28 weeks to 12 September 2026

¹⁴ Based on average number of products included in Aldi Price Match over the first half

¹⁵ CSAT Supermarket Competitor Benchmark data – Value for money and Appealing promotions Q2 2026/27 vs full choice grocers

¹⁶ Worldpanel by Numerator Panel, Total Fresh & Grocery exc. Kiosk & Tobacco, Premium OL, Sainsbury's value growth differential versus Market excluding M&S, 28 weeks to 13 September 2026

¹⁷ Lettuce Know. Customer satisfaction scores. Overall satisfaction - invested vs non-invested estate P1-P7 2026/2027 YoY

¹⁸ NielsenIQ OSA EU GB Barometer– week 22: 24 to 30 May 2026 & week 26: 21 to 27 June 2026

¹⁹ CSAT Supermarket Competitor Benchmark data – Overall supermarket satisfaction Q2 2026/27 vs Q2 2025/26 vs full choice grocers

²⁰ CSAT Supermarket Competitor Benchmark data – Ease of finding items and Ease of walking through store, Q2 2026/27 vs Q2 2025/26

²¹ Groceries Online includes sales through Sainsburys.co.uk and sales through OnDemand channels serviced by supermarket and convenience locations

²² In-store only sales

²³ Worldpanel by Numerator Panel, Total Clothing, Footwear and Accessories, Total market YoY volume growth and Tu YoY volume growth differential vs the market, 24 weeks to 16 August 2026

²⁴ YouGov Brand Tracking, Style, H1 2026/27 vs H1 2025/26

²⁵ Radio-frequency identification

²⁶ 8-week digital active Nectar users – week 28 2026/27 vs 2025/26

²⁷ Your Nectar Prices customers P7 2026/27 vs 2025/26

²⁸ IAB Europe is the European-level association for the digital marketing and advertising ecosystem. The Retail Media Certification Programme is designed to bring greater clarity and consistency to how Retail Media is measured and reported

²⁹ From measured channels activated through Nectar360 Pollen

³⁰ Gross merchandise value: Marketplace GMV is the total transaction value from the sale of products supplied by third-party e-commerce marketplace vendors. Reported sales include only the commission earned by Argos on those transactions

³¹ Fuel sales represent sales of fuel from our Petrol Filling Stations (PFS) and sales from our Ultra Rapid Electric Vehicle charging business, Smart Charge

Financial review for the 28 weeks to 12 September 2026

“We delivered strong underlying operating profit growth of 3.6 per cent while continuing to invest in the strength of our proposition, inflating behind the market, improving the quality and breadth of our ranges and investing in our stores, people and technology, strengthening the business for future growth and resilience. Cash generation remained a key focus, with free cash flow of £333 million, supported by disciplined capital investment and working capital management.”

On 31 July 2026 the Group announced that it had entered into an agreement for the sale of Argos operations to Swift Partners. The transaction is expected to complete in February 2027. As a result, assets and liabilities (“the Argos disposal group”) subject to the transaction are presented separately in the Group balance sheet as held for sale. The results directly attributable to the Argos operations, and associated cash flows, have been presented as a discontinued operation. Consequently, the comparative results have been restated; further details can be found in notes 2 and 7.

A number of Alternative Performance Measures (APMs) have been adopted by the Directors to provide additional information on the underlying performance of the Group. These measures are intended to supplement, rather than replace the measures provided under IFRS. Underlying performance within this financial review refers to the Group's performance on a continuing operations basis, unless otherwise stated. Underlying performance measures are reconciled to their IFRS equivalents on the face of the income statement with non-underlying items set out in more detail in note 3 to the financial statements. Other APMs are defined and reconciled to the nearest IFRS measures in notes A1 to A4.

Income Statement

Summary income statement	28 weeks to 12 September 2026 £m	28 weeks to 13 September 2025 £m	Change %
Underlying sales	16,243	15,596	4.1
Underlying operating profit	525	507	3.6
Underlying net finance costs	(159)	(159)	0.0
Underlying profit before tax – continuing operations	366	348	5.2
Underlying tax expense	(106)	(104)	1.9
Underlying profit after tax – continuing operations	260	244	6.6
Items excluded from continuing underlying results	(60)	(64)	6.3
Non-underlying tax credit	12	10	20.0
Profit after tax - continuing operations	212	190	11.6
Loss after tax - discontinued operations	(376)	(35)	n/a
(Loss)/profit for the financial period	(164)	155	n/a
Underlying basic earnings per share – continuing operations	11.7p	10.6p	10.4
Basic earnings per share - continuing operations	9.5p	8.3p	14.5
Interim dividend per share	4.1p	4.1p	0.0

In the 28 weeks to 12 September 2026, underlying sales grew by 4.1 per cent, with sales excluding fuel increasing by 2.6 per cent and fuel sales increasing by 17.8 per cent as a result of higher wholesale prices.

Underlying operating profit of £525 million was up 3.6 per cent, driven primarily by the strong performance of our grocery business and the continued delivery of our cost savings programme, offsetting higher operating costs.

Underlying net finance costs of £159 million were flat year-on-year and underlying tax increased 1.9 per cent, resulting in underlying profit after tax of £260 million (HY 2025/26: £244 million).

Underlying basic EPS increased to 11.7 pence (HY 2025/26: 10.6 pence) primarily due to an increase in underlying earnings and a 3.1 per cent reduction in the weighted average number of shares as a result of the share buyback programme.

Continuing items excluded from underlying results of £60 million were largely driven by impairment and transaction-related costs following the announced sale of Argos in July 2026 and final steps in the Bank exit. This led to a profit after tax of £212 million (HY 2025/26: £190 million). Statutory basic EPS for continuing operations increased to 9.5 pence (HY 2025/26: 8.3 pence).

Continuing Sales

Total sales performance by category	28 weeks to 12 September 2026 £m	28 weeks to 13 September 2025 £m	Change %
Sainsbury's Grocery	13,182	12,807	2.9
Sainsbury's GM & Clothing	777	804	(3.4)
Sales (exc. Fuel)	13,959	13,611	2.6
Fuel sales ^{a)}	2,284	1,939	17.8
Sales (inc Fuel)	16,243	15,550	4.5
Financial Services - interest receivable	-	46	n/a
Total continuing sales	16,243	15,596	4.1

	28 weeks to 12 September 2026	28 weeks to 13 September 2025
Continuing like-for-like sales performance		
Like-for-like sales (exc. fuel)	1.9%	4.9%
Like-for-like sales (inc. fuel)	3.9%	2.6%

a) Fuel sales represent sales of fuel from our Petrol Filling Stations (PFS) and sales from our Ultra Rapid Electric Vehicle charging business, Smart Charge

Grocery sales increased by 2.9 per cent, with modest volume growth despite tough comparatives. Performance was also shaped by cautious consumer spending and seasonal factors, particularly in convenience stores. Taste the Difference continues to grow ahead of total, supported by strong volume growth.

General Merchandise and Clothing sales decreased by 3.4 per cent. Clothing sales reflected a more promotional market and tough comparatives against a strong summer performance last year. In General Merchandise, sales were lower year on year as expected, reflecting range rationalisation and reduced space allocation.

Fuel sales increased by 17.8 per cent, driven by higher wholesale prices as conflict in the Middle East pushed up fuel and energy commodity costs. Smart Charge sales also continued to grow, supported by our expanding network and increasing market demand, with 84 locations operating at the end of the first half.

Total sales growth performance by channel	28 weeks to 12 September 2026 %	28 weeks to 13 September 2025 %
Supermarkets	1.6	3.4
Groceries Online (inc. OnDemand) ^{a)}	9.0	13.4
Convenience	0.8	2.7

a) Groceries Online includes sales through Sainsburys.co.uk and sales through OnDemand channels

Supermarket sales increased by 1.6 per cent with a strong Grocery performance as we continue to reallocate space to increase our food offering, delivering a broader range, greater choice and improved availability.

Groceries Online sales grew by 9.0 per cent, supported by positive volume growth across Online and OnDemand as customers continued to prioritise ease and convenience. Both order numbers and average basket size increased, alongside an improvement in customer satisfaction.

Underlying operating profit

Underlying operating profit	Note ^{a)}	28 weeks to 12 September 2026	28 weeks to 13 September 2025	Change
Underlying operating profit (£m)	A1.2a)	525	507	3.6%
Underlying operating margin (%)	A1.2a)	3.23	3.25	(2)bps
Underlying EBITDA (£m)	A1.2b)	1,115	1,085	2.8%
Underlying EBITDA margin (%)	A1.2b)	6.86	6.96	(10)bps

a) Note references for reconciliations refer to the Alternative Performance Measures on pages 50 to 55

Underlying EBITDA increased to £1,115 million (HY 2025/26: £1,085 million). The underlying EBITDA margin decreased by 10 basis points to 6.86 per cent (HY 2025/26: 6.96 per cent), primarily reflecting continued operating cost inflation and investment in the customer proposition.

Underlying operating profit increased by 3.6 per cent to £525 million (HY 2025/26: £507 million), while underlying operating margin declined by 2 basis points to 3.23 per cent (HY 2025/26: 3.25 per cent).

In 2026/27, we expect an underlying depreciation and amortisation charge of around £1.1 billion.

We expect to deliver underlying operating profit of between £1,025 million and £1,065 million in 2026/27.

Space

Store numbers and retailing space	As at 28 February 2026	New stores	Disposals / Closures	Reclassifications / Extensions	As at 12 September 2026
Supermarkets	609	2	-	-	611
Supermarkets area '000 sq. ft.	21,139	62	-	31	21,232
Convenience	885	14	-	-	899
Convenience area '000 sq. ft.	2,120	31	-	(2)	2,149
Sainsbury's total store numbers	1,494	16	-	-	1,510

During the first half, we opened two new supermarkets (both of which were Homebase conversions) and 14 new convenience stores, bringing our total estate to 1,510 sites.

Subject to final planning consents, in total for 2026/27, we expect to open around ten new supermarkets and around 25 convenience stores. Overall, we expect a net space growth impact on sales of around 0.5 per cent in 2026/27.

Underlying net finance costs

	28 weeks to 12 September 2026	28 weeks to 13 September 2025	Change
Underlying net finance costs	£m	£m	%
Non-lease net interest costs	(17)	(24)	29.2
Net finance costs on lease liabilities	(142)	(135)	(5.2)
Total underlying net finance costs	(159)	(159)	-

Underlying net finance costs were £159 million (HY 2025/26: £159 million). Non-lease net interest costs were £17 million (HY 2025/26 £24 million) with the reduction driven by higher interest income due to higher freely available cash to invest and lower interest costs incurred on our inflation-linked amortising loan.

Net financing costs on lease liabilities were £142 million (HY 2025/26: £135 million), up year on year due to higher costs associated with equipment leases, property regears and rent reviews.

We expect underlying net finance costs in 2026/27 to be between £300 and £310 million.

Items excluded from underlying results

To provide shareholders with insight into the underlying performance of the business, items recognised in reported profit before tax which, by virtue of their size and/or nature, do not reflect the underlying performance are excluded from the underlying results and shown in the table below.

Items excluded from underlying results	28 weeks to 12 September 2026 £m	28 weeks to 13 September 2025 £m
Continuing operations:		
Retail restructuring programmes	8	(59)
Impairment of non-financial assets	-	(1)
IAS 19 pensions	9	16
Divestment costs	(87)	(2)
Other	10	(18)
Items excluded from underlying results from continuing operations	(60)	(64)

Continuing operations

Retail restructuring programme credits in the period primarily reflected gains from lease exits and the renegotiation of dilapidation provisions recognised in prior periods, partly offset by redundancy and property strip-out costs associated with bakery closures.

Divestment costs in the period principally comprised non-cash impairment charges relating to non-trading sites and Sainsbury's stores, following the announced disposal of Argos operations and the resulting reduction in their forecast cash flow contribution to the relevant cash-generating units. The remaining costs primarily comprised adviser fees associated with the disposal and final employee costs arising from the Financial Services strategic review.

Other items in the period comprised non-underlying lease interest costs, more than offset by fair value gains arising from favourable movements in long-term fixed-price power purchase arrangements.

Taxation

Tax charged within the 28 weeks ended 12 September 2026 has been calculated by applying the effective rate of tax which is expected to apply to the Group for the period ending 27 February 2027 using rates substantively enacted by 12 September 2026 as required by IAS 34 'Interim Financial Reporting'.

The tax charge for continuing operations was £94 million (HY 2025/26: £94 million). The underlying tax rate was 29.0 per cent (HY 2025/26: 29.9 per cent) and the effective tax rate was 30.7 per cent (HY 2025/26: 33.1 per cent). The effective tax rate is higher than the standard rate of corporation tax in the UK of 25% primarily due to the impact of non-qualifying depreciation.

The Group is within the scope of global minimum tax ("GMT") under the OECD Pillar Two rules ("Pillar Two"). Pillar Two reporting requirements were enacted for the UK on 18 July 2023 and applied to the Group from the period ended 1 March 2025. Under these requirements, the Group is liable to pay a top-up tax for any deficit between the minimum tax rate of 15% and the effective tax rate per jurisdiction. As a primarily UK-focused Group, the impact of any top-up taxes is not anticipated to be material.

Deferred tax assets have not been recognised in respect of capital losses of £403 million (28 February 2026: £403 million; 13 September 2025: £389 million) for which their use against chargeable capital gains is restricted. These capital losses have no date of expiry.

We expect an underlying tax rate in 2026/27 of around 29 per cent. This rate is higher than the standard rate of corporation tax due to the ongoing impact of depreciation on assets which do not qualify for capital allowances.

Earnings per share

Underlying basic EPS increased to 11.7 pence (HY 2025/26: 10.6 pence), due to an increase in underlying earnings and a reduction in the weighted average number of shares as a result of the share buyback programme. Statutory basic EPS for continuing operations also increased to 9.5 pence (HY 2025/26: 8.3 pence).

Dividends and Share Buyback

The Board has recommended an interim dividend of 4.1 pence per share (HY 2025/26: 4.1 pence). Consistent with prior years, this represents 30% of the prior year's full year dividend per share. This will be paid on 18 December 2026 to shareholders on the Register of Members at the close of business on 13 November 2026.

Sainsbury's has a Dividend Reinvestment Plan (DRIP). This allows shareholders to reinvest their cash dividends in our shares. The last date that shareholders can elect for the DRIP is 27 November 2026.

We announced in April 2026 that we would buy back £300 million of shares in the financial year 2026/27, comprising a £200 million core buyback and an additional return of £100 million of net bank disposal proceeds. We bought back 62,949,419 shares with an aggregate purchase price of £200 million in the period between 24 April 2026 and 12 September 2026. We will complete the remaining £100 million mentioned above by the end of the 2026/27 financial year.

Net debt and free cash flows

Summary cash flow statement	Note a)	28 weeks to 12 September 2026 £m	28 weeks to 13 September 2025 ^{b)} £m
Underlying operating profit	4	525	505
Adjustments for:			
Underlying depreciation and amortisation		590	578
Share-based payments and other		14	27
Adjusted underlying operating cash flow before changes in working capital ^{a)}		1,129	1,110
Decrease in underlying working capital		67	84
Continuing non-underlying operating cash flows (excluding pensions and divestment costs)		(7)	(44)
Pension cash contributions		(14)	(13)
Adjusted cash generated from operations		1,175	1,137
Interest paid		(180)	(172)
Corporation tax paid		(64)	(37)
Adjusted net cash generated from operating activities		931	928
Cash capital expenditure ^{c)}		(376)	(447)
Repayments of lease liabilities		(238)	(217)
Initial direct costs on right-of-use assets		(3)	(1)
Proceeds from disposal of property, plant and equipment		2	1
Interest income		17	12
Free cash flow ^{a)}		333	276
Dividends paid on ordinary shares		(213)	(223)
Purchase of own shares - share buyback		(200)	(158)
Net repayment of borrowings		(33)	(28)
Other share related transactions ^{d)}		(8)	6
Dividend received from Sainsbury's Bank		-	300
Divestment costs		(41)	(50)
Discontinued operations		(72)	34
Net (decrease)/increase in cash and cash equivalents		(234)	157
Decrease in debt		297	273
Other non-cash and net interest movements ^{e)}		(284)	(199)
Movement in net debt		(221)	231
Opening Retail net debt as previously reported		(5,743)	(5,758)
Opening adjustments		330	-
Opening net debt ^{f)}		(5,413)	(5,758)
Closing net debt	12	(5,634)	(5,527)
Of which:			
Lease liabilities	12	(5,559)	(5,446)
Net debt excluding lease liabilities		(75)	(81)

a) Note references relate to financial statements. Other totals are reconciled in the Alternative Performance Measures in notes A2.1 and A2.2

b) Prior period comparatives are as originally reported, presented as Retail (excluding Financial Services) but restated to present Argos operations on a discontinued basis. This is consistent with the Alternative Performance Measures in note A2.1

c) Cash capital expenditure relates to the purchase of property, plant and equipment and intangible assets

d) Other share related transactions relate to proceeds from issuance of ordinary shares and purchase of own shares for share schemes

e) Other non-cash movements relate to new leases, foreign exchange and fair value adjustments relating to derivatives

f) Net debt HY26 as previously reported. From the beginning of FY27 net debt has been restated to include Financial Services, following substantive completion of the exit from core banking operations and change in the business model. Refer to notes 2.2, 2.7 and 4 of the financial statements for further details

Free cash flow

Free cash flow increased by £57 million to £333 million (HY 2025/26: £276 million), driven by a £71 million reduction in cash capital expenditure, primarily reflecting higher prior-year investment in new space, alongside lower non-underlying operating cash costs and higher underlying profit from continuing operations. These benefits were partly offset by higher corporation tax payments, mainly reflecting timing of quarterly payments and higher lease liability payments following inflation-linked rent reviews and the regearing of existing leases. We expect to deliver free cash flow of more than £500 million in 2026/27, in line with our commitment to generate at least £1.6 billion of Retail free cash flow over the three years to 2026/27.

We expect continuing cash capital expenditure of between £750 million and £800 million in 2026/27.

Total cash costs for the three-year Next Level Sainsbury's restructuring programme are expected to remain around £150 million.

Net debt

Following the change in Financial Services business model as disclosed in notes 2.2, 2.7 and 4 to the financial statements, net debt now includes all Financial Services net debt and associated cash flows. Opening Retail net debt has been adjusted accordingly; comparatives have not been restated given the prospective nature of the change in Financial Services operations.

Net debt including lease liabilities increased by £221 million as free cash flow of £333 million was offset by shareholder returns, together with discontinued operations and divestment-related cash costs. Shareholder returns comprised £213 million of dividends and £200 million relating to the previously announced £300 million share buyback programme. Divestment-related cash costs principally related to the wind-down of previously provided Bank exit costs and adviser fees associated with the disposal of Argos operations, while discontinued operations cash flows reflected Argos trading cash inflows and cash outflows to settle onerous contracts previously provided for in relation to the Bank portfolio sales.

Financial Ratios

Key financial ratios ^{a) b)}	As at 12 September 2026	As at 13 September 2025
Return on capital employed	9.2%	9.0%
Net debt to underlying EBITDA	2.6x	2.5x
Fixed charge cover	2.8x	2.8x

a) Reconciliations are set out in notes A4.1, A3.2 and A4.2 of the APMs

b) Comparatives shown are as previously reported and have not been restated for changes to discontinued operations.

Return on capital employed of 9.2 per cent improved 20 basis points.

We continue to target leverage of 3.0x - 2.4x to deliver a solid investment grade balance sheet. Net debt to underlying EBITDA remains stable within the targeted leverage range. Fixed charge cover is stable.

Defined benefit pensions

At 12 September 2026, the net defined benefit surplus under IAS 19 for the Group was £373 million (excluding deferred tax). This marks a decrease of £152 million from the year-end date of 28 February 2026. This was primarily driven by a narrowing of AA credit spreads of around 10 basis points over the half year, which increased the benefit obligations. The reduction in surplus was also impacted by the adoption of the latest CMI mortality projection model, which reflected an increase in life expectancy and experience losses arising from higher-than-assumed RPI and CPI inflation in the period.

For 2026/27, the total defined benefit pension scheme contributions are expected to be around £27 million.

Retirement benefit obligations	As at 12 September 2026	As at 28 February 2026
	£m	£m
Present value of funded obligations	(5,446)	(5,823)
Fair value of plan assets	5,840	6,371
Retirement benefit surplus	394	548
Present value of unfunded obligations	(21)	(23)
Net retirement benefit surplus	373	525
Deferred income tax liability	(153)	(194)
Net retirement benefit surplus (net of deferred tax)	220	331

Discontinued Operations

Discontinued Operations	28 weeks to 12 September 2026			28 weeks to 13 September 2025		
	Argos	Financial Services	Total	Argos	Financial Services	Total
	£m	£m	£m	£m	£m	
Revenue	1,950	-	1,950	1,985	63	2,048
Operating costs	(1,958)	(11)	(1,969)	(1,986)	(68)	(2,054)
Operating loss	(8)	(11)	(19)	(1)	(5)	(6)
Loss on disposal	(317)	-	(317)	-	-	-
Restructuring and impairment costs	(37)	-	(37)	(4)	(21)	(25)
Loss before interest and tax	(362)	(11)	(373)	(5)	(26)	(31)
Net finance costs	(7)	-	(7)	(8)	-	(8)
Loss before tax	(369)	(11)	(380)	(13)	(26)	(39)
Income tax credit/(expense)	4	-	4	(2)	6	4
Loss for the financial period	(365)	(11)	(376)	(15)	(20)	(35)

On 31 July 2026, the Group announced it had entered into an agreement for the sale of Argos. The results and cash flows directly attributable to the operation have been re-presented as a discontinued operation. On announcement, assets and liabilities associated with the transaction have been classified as held for sale, measured by reference to the pricing mechanism outlined within the agreement as at the balance sheet date.

Consequently, the Group has recognised a non-cash impairment loss of £215 million on the disposal group, and a provision pursuant to the satisfaction of the full separation plan of £102 million. The fair value of consideration will be remeasured on completion date by reference to the assets and liabilities of the disposal group. As such, amounts recognised as at 12 September 2026 are not reflective of the final proceeds.

Financial Services relate to the previously announced withdrawal from core banking activities. Following the surrender of the banking licence on 1 July 2026 the withdrawal is now substantially complete.

See note 7 for further details.

Group income statement

		28 weeks to 12 September 2026			28 weeks to 13 September 2025 (restated*)		
	Note	Underlying items £m	Non-underlying items (Note 3) £m	Total £m	Underlying items £m	Non-underlying items (Note 3) £m	Total £m
Continuing operations							
Revenue	4	16,243	-	16,243	15,596	-	15,596
Cost of sales		(15,132)	(33)	(15,165)	(14,533)	(50)	(14,583)
Gross profit/(loss)		1,111	(33)	1,078	1,063	(50)	1,013
Administrative expenses		(621)	(39)	(660)	(592)	(34)	(626)
Other income		35	2	37	36	4	40
Operating profit/(loss)		525	(70)	455	507	(80)	427
Finance income	5	21	15	36	12	22	34
Finance expense	5	(180)	(5)	(185)	(171)	(6)	(177)
Profit/(loss) before tax - continuing operations		366	(60)	306	348	(64)	284
Income tax (expense)/credit	6	(106)	12	(94)	(104)	10	(94)
Profit/(loss) after tax - continuing operations		260	(48)	212	244	(54)	190
Loss after tax - discontinued operations	7	-	(376)	(376)	-	(35)	(35)
Profit/(loss) for the financial period		260	(424)	(164)	244	(89)	155
Earnings/(losses) per share	8	pence		pence	pence		pence
Basic - total		11.7		(7.4)	10.6		6.8
Diluted - total		11.5		(7.2)	10.5		6.7
Earnings per share - continuing operations	8						
Basic - continuing				9.5			8.3
Diluted - continuing				9.4			8.2

* Comparative periods have been restated in respect of tax and to present Argos operations as a discontinued operation. Refer to notes 2 and 7 for further details.

The notes on pages 21 to 46 form an integral part of these condensed consolidated interim financial statements.

Group statement of comprehensive income/(loss)

		28 weeks to 12 September 2026	28 weeks to 13 September 2025 (restated*)
	Note	£m	£m
(Loss)/profit for the financial period		(164)	155
Items that will not be subsequently reclassified to the income statement			
Remeasurement on defined benefit pension schemes	14	(175)	(93)
Tax relating to items that will not be reclassified		43	23
		(132)	(70)
Items that may be subsequently reclassified to the income statement			
Items reclassified from other financial assets at fair value through other comprehensive income		-	(1)
Cash flow hedges fair value movements		63	(29)
Items reclassified from cash flow hedge reserve		(8)	2
Tax relating to items that may be reclassified		(16)	7
		39	(21)
Total other comprehensive loss for the financial period (net of tax)		(93)	(91)
Total comprehensive (loss)/income for the financial period		(257)	64
Total comprehensive income/(loss) arising from:			
Continuing operations		113	121
Discontinued operations	7	(370)	(57)
		(257)	64

* Comparatives have been restated to reclassify certain line items and to present Argos operations as a discontinued operation. Refer to notes 2 and 7 for further details.

The notes on pages 21 to 46 form an integral part of these condensed consolidated interim financial statements.

Group balance sheet

		12 September 2026	28 February 2026	13 September 2025
	Note	£m	(restated*)	(restated*)
		£m	£m	£m
Non-current assets				
Property, plant and equipment		9,091	9,386	9,355
Right-of-use assets		4,239	4,486	4,371
Goodwill		187	282	282
Intangible assets		476	556	537
Investments in joint ventures and associates		2	2	2
Other financial assets	10	12	129	126
Trade and other receivables		18	22	26
Derivative financial assets	10	57	18	30
Retirement benefit surplus	14	394	548	690
		14,476	15,429	15,419
Current assets				
Inventories		1,375	1,987	2,023
Trade and other receivables		327	431	499
Other financial assets	10	117	-	222
Derivative financial assets	10	26	7	7
Income taxes receivable		27	19	58
Cash and cash equivalents	12	672	1,067	1,246
		2,544	3,511	4,055
Assets of disposal group and non-current assets held for sale	13	1,395	3	28
		3,939	3,514	4,083
Total assets		18,415	18,943	19,502
Current liabilities				
Trade and other payables		(4,815)	(5,565)	(5,580)
Amounts due to Financial Services customers and other deposits	10	-	-	(138)
Borrowings	12	(88)	(80)	(80)
Lease liabilities		(458)	(505)	(509)
Other financial liabilities	10	(33)	(21)	-
Derivative financial liabilities	10	(10)	(20)	(39)
Income taxes payable		(2)	-	-
Provisions		(119)	(140)	(198)
		(5,525)	(6,331)	(6,544)
Liabilities of disposal group held for sale	13	(1,129)	-	-
		(6,654)	(6,331)	(6,544)
Net current liabilities		(2,715)	(2,817)	(2,461)
Non-current liabilities				
Trade and other payables		(8)	(22)	(20)
Borrowings	12	(932)	(981)	(1,012)
Lease liabilities		(4,861)	(5,035)	(4,937)
Derivative financial liabilities	10	(9)	(3)	(4)
Retirement benefit deficit	14	(21)	(23)	(22)
Deferred income tax liability		(308)	(302)	(337)
Provisions		(127)	(96)	(129)
		(6,266)	(6,462)	(6,461)
Total liabilities		(12,920)	(12,793)	(13,005)
Net assets		5,495	6,150	6,497
Equity				
Called up share capital		633	647	655
Share premium		1,485	1,465	1,464
Merger reserve		173	173	173
Capital redemption and other reserves		17	(65)	(14)
Retained earnings		3,187	3,930	4,219
Total equity shareholders' funds		5,495	6,150	6,497

* Comparatives have been restated to separately disclose goodwill from intangible assets and, for 13 September 2025 only, restated in respect of tax and to reclassify certain line items. Refer to note 2 for further details.

The notes on pages 21 to 46 form an integral part of these condensed consolidated interim financial statements.

Group statement of changes in equity

		Called up share capital £m	Share premium account £m	Merger reserve £m	Capital redemption and other reserves £m	Retained earnings £m	Total Equity £m
28 weeks to 12 September 2026							
At 1 March 2026	Note	647	1,465	173	(65)	3,930	6,150
Loss for the financial period		-	-	-	-	(164)	(164)
Other comprehensive income/(loss) (pre-tax)		-	-	-	55	(175)	(120)
Tax relating to components of other comprehensive income/(loss)		-	-	-	(16)	43	27
Total comprehensive income/(loss)		-	-	-	39	(296)	(257)
Cash flow hedges gains transferred to inventory		-	-	-	9	-	9
Transactions with owners:							
Dividends	9	-	-	-	-	(216)	(216)
Share-based payment		-	-	-	-	31	31
Purchase of own shares for share schemes	12	-	-	-	(50)	-	(50)
Shares allocated in respect of share option schemes		4	20	-	66	(66)	24
Purchase of own shares for cancellation		-	-	-	(200)	-	(200)
Cancellation of own shares	a)	(18)	-	-	218	(200)	-
Tax on items charged to equity		-	-	-	-	4	4
At 12 September 2026		633	1,485	173	17	3,187	5,495

- a) During the period, 62.9 million of the Company's own shares were purchased, and subsequently cancelled, for total consideration of £200 million inclusive of £1 million of directly attributable costs. £200 million has been transferred from the investment in own share reserve (within capital redemption and other reserves) to retained earnings and £18 million of share capital has been transferred to the capital redemption reserve owing to the cancellation.

		Called up share capital £m	Share premium account £m	Merger reserve £m	Capital redemption and other reserves £m	Retained earnings £m	Total Equity £m
28 weeks to 13 September 2025							
At 2 March 2025	Note	669	1,448	173	(54)	4,529	6,765
Profit for the financial period (restated*)		-	-	-	-	155	155
Other comprehensive loss (pre-tax)		-	-	-	(28)	(93)	(121)
Tax relating to components of other comprehensive loss		-	-	-	7	23	30
Total comprehensive (loss)/income		-	-	-	(21)	85	64
Cash flow hedges losses transferred to inventory		-	-	-	(2)	-	(2)
Transactions with owners:							
Dividends	9	-	-	-	-	(223)	(223)
Share-based payment		-	-	-	-	42	42
Purchase of own shares for share schemes	12	-	-	-	(12)	-	(12)
Shares allocated in respect of share option schemes		2	16	-	59	(59)	18
Purchase of own shares for cancellation		-	-	-	(158)	-	(158)
Cancellation of own shares	a)	(16)	-	-	174	(158)	-
Tax on items charged to equity		-	-	-	-	3	3
At 13 September 2025 (restated*)		655	1,464	173	(14)	4,219	6,497

- a) During the period, 56.8 million of the Company's own shares were purchased, and subsequently cancelled, for total consideration of £158 million inclusive of £1 million of directly attributable costs. £158 million has been transferred from the investment in own share reserve (within capital redemption and other reserves) to retained earnings and £16 million of share capital has been transferred to the capital redemption reserve owing to the cancellation.

* Profit for the comparative financial period has been restated in respect of tax. Refer to note 2 for further details.

Group statement of changes in equity (continued)

52 weeks to 28 February 2026	Note	Called up share capital £m	Share premium account £m	Merger reserve £m	Capital redemption and other reserves £m	Retained earnings £m	Total Equity £m
At 2 March 2025		669	1,448	173	(54)	4,529	6,765
Profit for the financial year		-	-	-	-	393	393
Other comprehensive loss (pre-tax)		-	-	-	(37)	(265)	(302)
Tax relating to components of other comprehensive loss		-	-	-	5	67	72
Total comprehensive (loss)/income		-	-	-	(32)	195	163
Cash flow hedges gains transferred to inventory		-	-	-	13	-	13
Transactions with owners:							
Transfer between reserves		-	-	-	6	(6)	-
Dividends	9	-	-	-	-	(566)	(566)
Share-based payment		-	-	-	-	80	80
Purchase of own shares for share schemes	12	-	-	-	(85)	-	(85)
Shares allocated in respect of share option schemes		3	17	-	62	(62)	20
Purchase of own shares for cancellation		-	-	-	(251)	-	(251)
Cancellation of own shares	a)	(25)	-	-	276	(251)	-
Tax on items charged to equity		-	-	-	-	11	11
At 28 February 2026		647	1,465	173	(65)	3,930	6,150

- a) During the period, 85.4 million of the Company's own shares were purchased, and subsequently cancelled, for total consideration of £251 million inclusive of £1 million of directly attributable costs. £251 million has been transferred from the investment in own shares reserve (within capital redemption and other reserves) to retained earnings and £25 million of share capital has been transferred to the capital redemption reserve owing to the cancellation.

The notes on pages 21 to 46 form an integral part of these condensed consolidated interim financial statements.

Group cash flow statement

		28 weeks to 12 September 2026	28 weeks to 13 September 2025 (restated*)
	Note	£m	£m
Cash flows from operating activities			
Operating profit - continuing operations		455	427
Depreciation		499	522
Amortisation		91	82
Net impairment loss on non-financial assets		65	7
Profit on sale of non-current assets and early termination of leases		(12)	(2)
Fair value movements		(22)	2
Share-based payments expense		22	33
Defined benefit scheme expense	14	6	5
Defined benefit pension scheme payments	14	(14)	(13)
Operating cash flows before changes in working capital - continuing operations		1,090	1,063
Changes in working capital	11		
Increase in inventories		(16)	(35)
Decrease in other financial assets		-	1,586
(Increase)/decrease in trade and other receivables		(5)	36
Increase in trade and other payables		66	83
Decrease in amounts due to Financial Services customers and other deposits		-	(1,809)
Decrease in provisions		(1)	(22)
Cash generated from operating activities - continuing operations		1,134	902
Interest paid		(180)	(178)
Corporation tax paid		(64)	(21)
Net cash generated from operating activities - continuing operations		890	703
Cash flows from investing activities			
Purchase of property, plant and equipment		(278)	(353)
Initial direct costs on new leases		(3)	(1)
Purchase of intangible assets		(98)	(94)
Proceeds from disposal of property, plant and equipment		2	1
Interest received		17	12
Net cash used in investing activities - continuing operations		(360)	(435)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		24	18
Repayment of borrowings		(33)	(28)
Purchase of own shares for share schemes		(32)	(12)
Purchase of own shares for cancellation		(200)	(158)
Capital repayment of lease obligations		(238)	(217)
Dividends paid on ordinary shares	9	(213)	(223)
Net cash used in financing activities - continuing operations		(692)	(620)
Net decrease in cash and cash equivalents			
Continuing operations		(162)	(352)
Discontinued operations	7	(72)	(604)
Total decrease in cash and cash equivalents		(234)	(956)
Opening cash and cash equivalents		1,066	2,221
Closing cash and cash equivalents		832	1,265
Disclosed in the balance sheet:			
Cash and cash equivalents	12	672	1,246
Overdraft	12	(4)	(2)
Cash within assets held for sale	7	164	21
		832	1,265

* The comparative period has been restated to correct the classification of £25 million of investment securities from cash and cash equivalents to financial assets and to present Argos operations as a discontinued operation. Refer to notes 2 and 7 for further details.

The notes on pages 21 to 46 form an integral part of these condensed consolidated interim financial statements.

1. General information

J Sainsbury plc is a public limited company (the “Company”) incorporated in the United Kingdom, whose shares are publicly traded on the London Stock Exchange. The Company is domiciled in the United Kingdom and its registered address is 33 Charterhouse Street, London EC1M 6HA, United Kingdom.

The Condensed Consolidated Interim Financial Statements are unaudited but have been reviewed by the auditors. The financial information presented herein does not amount to statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The financial period represents the 28 weeks to 12 September 2026 (comparative financial period 28 weeks to 13 September 2025; prior financial year 52 weeks to 28 February 2026). The financial information comprises the results of the Company and its subsidiaries (the “Group”) and the Group’s interests in joint ventures and associates.

The principal activities of the Group are Food, General Merchandise and Clothing retailing.

2. Basis of preparation and accounting policies

2.1 Basis of preparation

The Interim Results, comprising the Condensed Consolidated Interim Financial Statements and the Interim Management Report, have been prepared in accordance with the Disclosure and Transparency Rules sourcebook of the UK’s Financial Conduct Authority and with IAS 34 ‘Interim Financial Reporting’ under UK-adopted international accounting standards.

The financial information contained in the Condensed Consolidated Interim Financial Statements should be read in conjunction with the Annual Report and Financial Statements 2026, which were prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The Annual Report and Financial Statements 2026 have been filed with the Registrar of Companies. The auditor’s report on those Financial Statements was unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

Unless otherwise stated, material accounting policies have been applied consistently with those used in preparing the Annual Report and Financial Statements 2026.

2.2 Re-presentation of comparative periods

a) Argos disposal group classification as discontinued operations

On 31 July 2026 the Group announced that it had entered into an agreement for the sale of Argos operations to Swift Whistle Midco Limited (“Swift Partners”). The transaction is expected to complete in February 2027. As a result, assets and liabilities (“the Argos disposal group”) subject to the transaction are presented separately in the Group balance sheet as held for sale.

As the Argos operations represent a separate major line of business and are operationally and financially distinguishable from the Group, it has been concluded to meet the definition of a component. The Argos component has therefore been assessed as qualifying for classification as a discontinued operation. Accordingly, the results directly attributable to the Argos operations have been separately presented within the Group income statement, the Group statement of comprehensive income/(loss) and the Group cash flow statement as a discontinued operation. Comparative periods have been re-presented on a consistent basis.

Operations classified as discontinued are presented within non-underlying and disclosed further in notes 3 and 7.

2. Basis of preparation and accounting policies (continued)

b) Change in reportable operating segments

As outlined in note 2.5, in the prior year judgement was exercised to report Sainsbury's and Argos under one aggregated 'Retail' operating segment in the Group's external segmental reporting given their similar economic characteristics. Financial Services was also presented as a separate reportable operating segment.

Following the agreement reached for the sale of the Argos operations and completion of the Group's withdrawal from Financial Services, consistent with information presented to the Chief Operating Decision Maker ("CODM"), the reportable operating segments now comprise continuing operations – Sainsbury's and discontinued operations - Argos.

The comparative period has therefore been re-presented to bifurcate the previously aggregated Retail operating segment. In addition, the operating results of the previously presented Financial Services operating segment, to the extent they continue to be managed as part of the retail businesses, have been allocated to the continuing Sainsbury's and discontinued Argos operating segments as appropriate.

c) Re-presentation of intangible assets

Intangible assets have been re-presented from £838 million at 28 February 2026 and £819 million at 13 September 2025 to separately disclose Goodwill of £282 million in each respective period.

d) Cash flow hedges fair value movements

For the 28 weeks to 13 September 2025, the Group statement of comprehensive income/(loss) has been re-presented to accurately reflect cash flow hedges fair value movements by reclassifying them from 'items that will not be subsequently reclassified to the income statement' to 'items that may be subsequently reclassified to the income statement'. The revised presentation accurately represents the subsequent reclassification to the income statement when the hedged item affects profit or loss.

2.3 Prior period restatements

a) Deferred tax

The tax charge in the comparative period income statement and the comparative period balance sheet up to and as at 13 September 2025 has been restated to incorporate the deferred tax impact arising from a misclassification of assets between those impacting deferred tax and those which do not, and an omission of the tax effects of prior year impairments and disposals. Prior year adjustments from the finalisation of each year's tax compliance process that are related to fixed assets have been included within the restated figures. Therefore, the restatement also includes current tax impacts.

No restatement has been made for the comparative financial year ended and as at 28 February 2026 as this was corrected in the Group's Annual Report and Financial Statements 2026.

b) Cash and cash equivalents

Cash and cash equivalents have been re-presented to reclassify other investment securities, whereby the maturity date of the underlying instrument exceeded 3 months at recognition but was less than 3 months at the prevailing balance sheet date, to other financial assets within current assets.

Prior period comparatives

The prior period comparatives have been restated in accordance with IAS 8 'Accounting Policies, Changes in Accounting Policies and Errors' and have impacted the primary financial statements as follows:

2. Basis of preparation and accounting policies (continued)

Group income statement

	Underlying items				Non-underlying items				Total			
	As previously reported	Deferred tax 2.3 (a)	Discontinued operations 2.2 (a)	As restated	As previously reported	Deferred tax 2.3 (a)	Discontinued operations 2.2 (a)	As restated	As previously reported	Deferred tax 2.3 (a)	Discontinued operations 2.2 (a)	As restated
for the 28 weeks to 13 September 2025	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Continuing operations												
Revenue	17,581	-	(1,985)	15,596	-	-	-	-	17,581	-	(1,985)	15,596
Cost of sales	(16,398)	-	1,865	(14,533)	(50)	-	-	(50)	(16,448)	-	1,865	(14,583)
Gross profit/(loss)	1,183	-	(120)	1,063	(50)	-	-	(50)	1,133	-	(120)	1,013
Administrative expenses	(718)	-	126	(592)	(40)	-	6	(34)	(758)	-	132	(626)
Other income	41	-	(5)	36	6	-	(2)	4	47	-	(7)	40
Operating profit/(loss)	506	-	1	507	(84)	-	4	(80)	422	-	5	427
Finance income	12	-	-	12	22	-	-	22	34	-	-	34
Finance expense	(178)	-	7	(171)	(7)	-	1	(6)	(185)	-	8	(177)
Profit/(loss) before tax - continuing operations	340	-	8	348	(69)	-	5	(64)	271	-	13	284
Income tax (expense)/credit	(103)	1	(2)	(104)	17	(11)	4	10	(86)	(10)	2	(94)
Profit/(loss) after tax - continuing operations	237	1	6	244	(52)	(11)	9	(54)	185	(10)	15	190
Loss after tax - discontinued operations	-	-	-	-	(20)	-	(15)	(35)	(20)	-	(15)	(35)
Profit/(loss) for the financial period	237	1	6	244	(72)	(11)	(6)	(89)	165	(10)	-	155

Group statement of comprehensive income

	As previously reported	Discontinued operations 2.2 (a)	Deferred tax 2.3 (a)	Cash flow hedges fair value movements 2.2 (d)	As restated
for the 28 weeks to 13 September 2025	£m	£m	£m	£m	£m
Profit for the financial period	165	-	(10)	-	155
Items that will not be subsequently reclassified to the income statement					
Cash flow hedges fair value movements – inventory hedges	(27)	-	-	27	-
Tax relating to items that will not be reclassified	30	-	-	(7)	23
	(90)	-	-	20	(70)
Items that may be subsequently reclassified to the income statement					
Cash flow hedges fair value movements - non-inventory hedges	(2)	-	-	2	-
Cash flow hedges fair value movements	-	-	-	(29)	(29)
Tax relating to items that may be reclassified	-	-	-	7	7
	(1)	-	-	(20)	(21)
Total comprehensive income for the financial period	74	-	(10)	-	64
Total comprehensive income/(loss) arising from:					
Continuing operations	94	37	(10)	-	121
Discontinued operations	(20)	(37)	-	-	(57)
	74	-	(10)	-	64

2. Basis of preparation and accounting policies (continued)

Group balance sheet

	As previously reported	Deferred tax 2.3 (a)	Cash 2.3 (b)	Intangible assets 2.2 (c)	As restated
	£m	£m	£m	£m	£m
As at 13 September 2025					
Non-current assets					
Goodwill	-	-	-	282	282
Intangible assets	819	-	-	(282)	537
	15,419	-	-	-	15,419
Current assets					
Other financial assets	197	-	25	-	222
Income tax receivables	48	10	-	-	58
Cash and cash equivalents	1,271	-	(25)	-	1,246
	4,073	10	-	-	4,083
Total assets	19,492	10	-	-	19,502
Current liabilities					
Income taxes payable	(2)	2	-	-	-
	(6,546)	2	-	-	(6,544)
Net current liabilities	(2,473)	12	-	-	(2,461)
Non-current liabilities					
Deferred income tax liability	(429)	92	-	-	(337)
	(6,553)	92	-	-	(6,461)
Total liabilities	(13,099)	94	-	-	(13,005)
Net assets	6,393	104	-	-	6,497
Equity					
Retained earnings	4,115	104	-	-	4,219
Total equity shareholders' funds	6,393	104	-	-	6,497

Cash flow statement

	As previously reported	Discontinued operations 2.2 (a)	Opening cash 2.3 (b)	Closing cash 2.3 (b)	As restated
	£m	£m	£m	£m	£m
For the 28 weeks to 13 September 2025					
Operating profit	422	5	-	-	427
Depreciation	567	(45)	-	-	522
Amortisation	103	(21)	-	-	82
Share-based payments expense	40	(7)	-	-	33
Operating cash flows before changes in working capital	1,131	(68)	-	-	1,063
Changes in working capital					
(Increase)/decrease in inventories	(79)	44	-	-	(35)
Decrease/(increase) in other financial assets	1,056	-	555	(25)	1,586
Decrease/(increase) in trade and other receivables	44	(8)	-	-	36
Increase/(decrease) in trade and other payables	173	(90)	-	-	83
Increase/(decrease) in provisions	(45)	23	-	-	(22)
Cash generated from operating activities - continuing operations	471	(99)	555	(25)	902
Interest paid	(185)	7	-	-	(178)
Net cash generated from operating activities - continuing operations	265	(92)	555	(25)	703
Cash flows from investing activities					
Purchase of property, plant and equipment	(361)	8	-	-	(353)
Initial direct costs on new leases	(3)	2	-	-	(1)
Purchase of intangible assets	(114)	20	-	-	(94)
Net cash used in investing activities - continuing operations	(465)	30	-	-	(435)
Cash flows from financing activities					
Capital repayment of lease obligations	(245)	28	-	-	(217)
Net cash used in financing activities - continuing operations	(648)	28	-	-	(620)
Net (decrease)/increase in cash and cash equivalents					
Continuing operations	(848)	(34)	555	(25)	(352)
Discontinued operations	(638)	34	-	-	(604)
Total (decrease)/increase in cash and cash equivalents	(1,486)	-	555	(25)	(956)
Opening cash and cash equivalents	2,776	-	(555)	-	2,221
Closing cash and cash equivalents	1,290	-	-	(25)	1,265
Disclosed in the balance sheet:					
Cash and cash equivalents	1,271	-	-	(25)	1,246

2. Basis of preparation and accounting policies (continued)

Segmental reporting

28 weeks to 13 September 2025						
	As previously reported £m	Reallocate Retail £m	Reallocate Financial Services £m	Eliminations £m	Reallocation for discontinued operations £m	As restated £m
Revenue						
Sainsbury's	-	15,535	61	-	-	15,596
Argos	-	1,985	4	-	-	1,989
Eliminations	-	-	-	(4)	-	(4)
Retail (as previously reported)	17,516	(17,516)	-	-	-	-
Financial Services (as previously reported)	65	-	(65)	-	-	-
	17,581	4	-	(4)	-	17,581
Underlying operating profit/(loss)						
Sainsbury's	-	505	2	-	-	507
Argos	-	(1)	-	-	1	-
Retail (as previously reported)	504	(504)	-	-	-	-
Financial Services (as previously reported)	2	-	(2)	-	-	-
	506	-	-	-	1	507
Non-underlying items						
Sainsbury's	(80)	-	-	-	-	(80)
Argos	(4)	-	-	-	(1)	(5)
	(84)	-	-	-	(1)	(85)
Operating profit/(loss)						
Finance income						
Non-underlying	22	-	-	-	-	22
Finance costs						
Underlying	(178)	-	-	-	7	(171)
Non-underlying	(7)	-	-	-	(7)	(14)

2. Basis of preparation and accounting policies (continued)

2.4 Going concern

The Directors are satisfied that the Group has sufficient resources to continue in operation for a period of at least 12 months from the date of approval of the Condensed Consolidated Interim Financial Statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The assessment period for the purposes of considering going concern is the 16 months to 26 February 2028.

In assessing the Group's ability to continue as a going concern, the Directors have considered the Group's most recent corporate planning processes. This includes an annual review which considers profitability, the Group's cash flows, committed funding and liquidity positions and forecast future funding requirements typically over three years, with a further year of indicative movements.

The Group's most recent corporate planning processes include assumed cash flows to address climate change risks, including costs associated with initiatives in place as part of the Plan for Better commitment which include reducing environmental impacts and meeting customer expectations in this area, notably through reducing packaging and energy usage across the estate. Climate-related risks do not result in any material uncertainties affecting the Group's ability to continue as a going concern.

The Group manages its financing by diversifying funding sources, for example through the investment grade corporate bond markets and structuring core borrowings with phased maturities to manage refinancing risk, evidenced by the issuance in January 2025 of £550 million of Investment Grade Corporate Bonds, split into two tranches, a £250 million tranche maturing in June 2030 and a £300 million tranche maturing in January 2035 which remain in issuance. In addition, the Group has in place an inflation-linked amortising loan with a principal of £346 million outstanding at the reporting date, with a maturity date of April 2031.

The Group also seeks to minimise liquidity risk and maintain sufficient levels of standby liquidity and a suitable level of undrawn additional funding capacity via the Revolving Credit Facility. The Revolving Credit Facility of £1,000 million comprises two £500 million tranches. Tranche A has a final maturity of December 2029 and Tranche B has a final maturity of December 2028. As at 12 September 2026, the Revolving Credit Facility was undrawn. No additional forms of financing are assumed in the assessment of the Group as a going concern.

In assessing going concern, severe but plausible scenarios in relation to the Group's principal risks have been considered by overlaying them into the Corporate Plan and assessing the impact on cash flows, net debt, financial covenants and funding headroom. These severe but plausible scenarios included modelling inflationary pressures on both food margins and general recession-related risks, the impact of a cyber-attack on operations, the failure to deliver planned cost savings and the potential financial risks associated with an unsuccessful complete separation of the Argos business following the announced disposal on 31 July 2026. In addition, a reverse stress test was performed to assess the level of sales decline required before the Group fully utilises its available funding and mitigations or breaches its financial covenants. The required reduction was considered extreme and implausible.

In performing the above analysis, the Directors have made certain assumptions around the availability and effectiveness of the mitigating actions available to the Group. These include reducing any non-essential capital expenditure and operating expenditure, bonus and pay awards and pausing dividend payments.

As a consequence of the work performed, the Directors considered it appropriate to adopt the going concern basis in preparing the Condensed Consolidated Interim Financial Statements with no material uncertainties to disclose.

2. Basis of preparation and accounting policies (continued)

2.5 Accounting judgements and estimates

The preparation of these Condensed Consolidated Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these Condensed Consolidated Interim Financial Statements, the significant judgements and the key sources of estimation uncertainty made by management in applying the Group's accounting policies were consistent with those that applied to the Consolidated Group Financial Statements for the year ended 28 February 2026, with the exception of the judgement previously made over the aggregation of operating segments.

To ensure appropriate focus on both the Sainsbury's and Argos businesses, in the comparative period the operating results of both were regularly reviewed by the CODM, assessed to be the Group plc Board, to make optimal decisions about resources to be allocated to each as:

- Retail – Sainsbury's;
- Retail – Argos; and
- Financial Services.

It was previously concluded that the two Retail segments should be aggregated into one 'Retail' reportable operating segment owing to the similar economic characteristics between the two.

Following the agreement reached for the sale of the Argos operations, information presented to the CODM now separately reflects continuing, and discontinued operations as two reportable operating segments. This now most appropriately reflects the basis on which the CODM uses the information to assess performance and direct resources, and provides users with the financial information needed to evaluate the ongoing business. Consequently, the judgement over aggregation of reportable operating segments is no longer exercised.

2.6 New standards, interpretations and amendments

Effective for the Group in these financial statements

Standards, interpretations and amendments effective in the current financial period have not had a material impact on the Condensed Consolidated Interim Financial Statements.

Standards and revisions effective for future periods

The Group has not applied any other standards, interpretations or amendments that have been issued but are not yet effective.

The Group is continuing to assess the impact of applying IFRS 18 'Presentation and Disclosure in Financial Statements' and is on track to report its first IFRS 18-compliant annual financial statements for the 52 weeks ending 26 February 2028. The Group will adopt the standard retrospectively, with comparative information restated from a transition date of 28 February 2027.

Based on the assessment performed to date, the Group does not expect to meet the criteria for a specified main business activity under IFRS 18. IFRS 18 is expected to affect how the Group presents and discloses its financial performance but is not expected to affect the recognition or measurement of items within the financial statements. The Group's profit before tax is not expected to change as a result of adopting the standard. The Group expects the primary impacts of the standard to relate to the presentation and disclosure of information within the financial statements, including the income statement, balance sheet, statement of cash flows and notes to the financial statements.

2. Basis of preparation and accounting policies (continued)

The Group currently presents alternative performance measures to users of the financial statements. Some of these measures are expected to meet the definition of management-defined performance measures (“MPMs”) under IFRS 18 and the Group is assessing the related disclosure requirements. The Group is also assessing the impact of the new aggregation and disaggregation requirements on the presentation of information within the financial statements.

The Group continues to assess the transition requirements and the impact on comparative financial information. As the assessment remains ongoing, it is not yet practicable to reasonably estimate the full impact of adopting IFRS 18.

Other standards, interpretations and amendments issued but not yet effective are not expected to have a material impact.

2.7 Alternative performance measures (APMs)

In the reporting of financial information, the Directors use various APMs. These APMs should be considered in addition to, and are not intended to be a substitute for, IFRS measurements. As they are not defined by International Financial Reporting Standards, they may not be directly comparable with other companies’ APMs.

The Directors believe that these APMs provide additional useful information for understanding the financial performance and health of the Group. They are also used to enhance the comparability of information between reporting periods (such as like-for-like sales and underlying performance measures) by adjusting for non-recurring factors which affect IFRS measures, and to aid users in understanding the Group’s performance. Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive setting purposes.

Non-underlying items

In order to provide shareholders with additional insight into the year-on-year performance of the business, underlying profit measures are provided to supplement the reported IFRS numbers and reflect how the business measures continuing performance internally. These adjusted measures exclude items recognised in reported profit or loss before tax which, if included, could distort comparability between periods. Underlying profit is not an IFRS measure and therefore may not be directly comparable to other companies.

Reconciliations to IFRS measures

The income statement shows the non-underlying items excluded from reported results to determine underlying results with a more detailed analysis of the non-underlying items set out in note 3. Other APMs are detailed in notes A1, A2, A3 and A4 of this report which includes further information on the definition, purpose and reconciliation to the closest IFRS measure.

Changes to APMs

Following the completed withdrawal from Financial Services and the announced agreement for the sale of the Argos disposal group, the following APMs used by the Directors to assess the financial performance of the Group have been revised:

- **Net debt:** Following the cessation of lending activities during the second half of the year ended 28 February 2026, a change in business model was identified within the previously disclosed Financial Services reportable operating segment and is applied prospectively from 1 March 2026.

Resultantly, net debt has been updated during the period to present cash and cash equivalents, borrowings, overdrafts, lease liabilities, other financial securities and derivatives used in hedging borrowings, previously referred to as Group net debt. The revised approach is considered to provide more relevant information on the Group’s overall financial position and the nature of the business model moving forward.

In prior periods, the primary measure of net debt was presented to exclude net debt items directly attributable to the previously disclosed Financial Services reportable operating segment. This presentation reflected the nature of the Group’s activities at that time. As the change in business model is applied prospectively, the comparative period has not been restated and continues to present net debt directly attributed to the previously disclosed Retail reported operating segment.

- **Free Cash Flow:** Net cash generated from continuing operations, after capital expenditure and including payments of lease obligations, and cash flows from joint ventures and associates. Excludes any other exceptional cash movements associated with the agreed sale of the Argos operations and exit from Core Banking. Free Cash Flow represents the core measure used by management to measure cash generated from its core continuing operations.

2. Basis of preparation and accounting policies (continued)

In prior periods this measure was presented as Retail Free Cash Flow, excluding the cash generated from the previously reported Financial Services reportable operating segment and excluded capital injections to, dividends from, and any other exceptional cash movements with or on behalf of Sainsbury's Bank and its subsidiaries.

The revised approach is considered to provide more relevant information to users on the cash generated from the Group's continuing operations. Accordingly, the comparative Free Cash Flow measure has been re-presented to exclude cash flows directly attributable to the Argos operations classified as discontinued operations, while continuing to exclude cash flows from the Financial Services operations, given the prospective nature of the Financial Services change.

- **Like-for-like sales:** The definition of like-for-like sales has been updated during the period to exclude sales associated with the Argos operations subsequently classified as discontinued operations. The revised approach is considered to provide more relevant information by aligning more closely with amounts presented under IFRS and the continuing operations of the Group. Accordingly, the comparative like-for-like sales APM reconciliation has been re-presented to reflect this change.
- **Underlying profit measures:** In the prior periods underlying subtotals were presented for the Retail reported operating segment only, excluding the results of the Financial Services reported operating segment.

Following the completed withdrawal from Core Banking activities, underlying subtotals of income and expenses, including underlying earnings before interest, tax, depreciation, and amortisation; underlying operating profit and margin; underlying profit before tax; and underlying profit after tax subtotals are now presented for the Group, excluding non-underlying items.

As a consequence of Argos operations being classified as a discontinued operation for the current and comparative periods, underlying subtotals have also been restated to present the continuing underlying results only.

3. Non-underlying items

28 weeks to 12 September 2026						
	Note	Divestment costs 3.1 £m	Retail restructuring programme 3.2 £m	Pensions 3.3 £m	Other 3.4 £m	Total £m
Continuing operations						
Cost of sales		(56)	10	-	13	(33)
Administrative expenses		(31)	(2)	(6)	-	(39)
Other income		-	-	-	2	2
Affecting operating profit/(loss)		(87)	8	(6)	15	(70)
Net finance income/(costs)	5	-	-	15	(5)	10
Affecting profit/(loss) before tax – continuing operations		(87)	8	9	10	(60)
Income tax credit	6					12
Affecting profit/(loss) after tax – continuing operations						(48)
Affecting loss after tax – discontinued operations	7					(376)
Affecting profit/(loss) for the financial period						(424)
Being:						
Impairment of right-of-use assets		(57)	-	-	-	(57)
Impairment of property, plant and equipment		(5)	-	-	-	(5)
Gain on disposal of properties		-	-	-	2	2
Property provisions		(2)	11	-	2	11
Employee costs		(5)	1	-	-	(4)
Non-underlying finance income/(costs)		-	-	15	(5)	10
Fair value movements		-	-	-	11	11
Other net costs		(18)	(4)	(6)	-	(28)
Affecting profit/(loss) before tax – continuing operations		(87)	8	9	10	(60)

The impact of non-underlying items on cash generated from operations is presented in note A2.2.

3. Non-underlying items (continued)

28 weeks to 13 September 2025 (restated*)						
Note	Divestment costs 3.1 £m	Retail restructuring programme 3.2 £m	Impairment of non-financial assets £m	Pensions 3.3 £m	Other 3.4 £m	Total £m
Continuing operations						
Cost of sales	-	(47)	(1)	-	(2)	(50)
Administrative expenses	(2)	(12)	-	(5)	(15)	(34)
Other income	-	-	-	-	4	4
Affecting operating profit/(loss)	(2)	(59)	(1)	(5)	(13)	(80)
Net finance income/(costs)	5	-	-	21	(5)	16
Affecting profit/(loss) before tax – continuing operations	(2)	(59)	(1)	16	(18)	(64)
Income tax credit	6	-	-	-	-	10
Affecting profit/(loss) after tax – continuing operations						(54)
Affecting loss after tax – discontinued operations	7	-	-	-	-	(35)
Affecting profit/(loss) for the financial period						(89)
Being:						
Impairment of right-of-use assets	-	-	(1)	-	-	(1)
Impairment of property, plant and equipment	-	(6)	-	-	-	(6)
Accelerated depreciation of assets and acquisition adjustments	-	(25)	-	-	-	(25)
Property closure provisions	-	(21)	-	-	(1)	(22)
Employee costs	-	(3)	-	-	-	(3)
Non-underlying finance income/(costs)	-	-	-	21	(5)	16
Fair value movements	-	-	-	-	(2)	(2)
Other net costs	(2)	(4)	-	(5)	(10)	(21)
Affecting profit/(loss) before tax – continuing operations	(2)	(59)	(1)	16	(18)	(64)

* The comparative period has been restated to present Argos operations as a discontinued operation. Refer to notes 2 and 7 for further details.

3.1 Divestment costs

In January 2024, following a strategic review of the Financial Services offering, it was announced that there would be a phased withdrawal from the Core Banking business and the move to a distributed operating model through dedicated third-party providers. Following the completed disposals of financial services products, on 1 July 2026 Sainsbury's ceased to be an authorised bank and completed the surrender of the banking licence.

On 31 July 2026 the Group announced that it had entered into an agreement for the sale of Argos operations to Swift Partners. The transaction is expected to complete in February 2027.

Costs incurred associated with the respective exits that are directly attributable to the disposal groups have been classified as discontinued operations as set out in note 7.

Costs which are not directly attributable to the disposal groups but have been incurred as part of the respective transactions, have been recognised within non-underlying items in continuing operations. This principally comprised non-cash impairment charges over non-trading assets of £45 million, comprising £40 million of right-of-use assets and £5 million of property, plant and equipment, as well as £17 million over certain Sainsbury's stores. This reflects a reassessment of the recoverable amount supported by the cash inflows now expected from the sites' separately identifiable areas, including sublet and previously unutilised space.

The remaining costs related primarily to adviser fees associated with the disposal and final employee costs arising from the Financial Services strategic review.

3.2 Retail restructuring programme

As part of our Next Level Sainsbury's strategy implementation, we commenced a multi-year restructuring programme in the financial year ended 1 March 2025 which will update our central management structures to support faster decision making. As previously announced, the programme also includes the closure of food counters, converting cafes to expert partners, and converting remaining scratch bakeries. Costs have continued to be incurred in the current period.

3. Non-underlying items (continued)

As the costs incurred facilitate future underlying cost savings, it was considered whether it was appropriate to report these costs within underlying profit. Whilst they arise from changes in the Group's underlying operations, they can be separately identified, are material in size and do not relate to ordinary in-year trading activity. In addition, the areas being closed or restructured no longer relate to the Group's remaining underlying operations and their exclusion provides meaningful comparison between financial periods.

Separately, a credit of £11 million has been recognised following the earlier settlement than expected of obligations related to sites closed in prior years.

3.3 Pensions

Such amounts relate to the defined benefit pension scheme (the "Scheme") and are treated as non-underlying owing to the Scheme being closed to future accrual and accordingly not forming part of ongoing operating activities.

3.4 Other

Comprises:

- £5 million of finance costs (28 weeks ended 13 September 2025: £5 million) relating to lease interest on impaired non-trading sites;
- £11 million gain (28 weeks ended 13 September 2025: £2 million cost) within cost of sales relating to favourable (2025: adverse) movements on long-term, fixed price power purchase arrangements (PPAs) with independent producers. These are classified as derivatives which are not in a hedge relationship and owing to potentially significant fluctuations in value from external market factors are treated as non-underlying to enable consistency between periods; and
- Property related income of £4 million primarily following lease exits and the sale of surplus land.

4. Segment reporting

The Group's operating segments have been determined based on the information regularly provided to the CODM, which is considered to be the Group plc Board, which uses the information regularly provided to make optimal decisions on the allocation of resources and assess performance. As outlined in note 2.5, information reported to the CODM during the period now reflects continuing operations – Sainsbury's and discontinued operations – Argos.

The Group's reportable operating segments have been identified as follows:

- Sainsbury's; comprising the sale of food, household, general merchandise, clothing, fuel and commission-based products. Reflecting the Group's continuing operations; and,
- Argos; comprising the sale of general merchandise and third-party financial services products operating under the Argos brand which forms part of the Argos operation and disposal group to be sold to Swift Partners.

The CODM uses underlying profit before tax as the key measure of segmental performance as it represents the ongoing trading performance with additional insight into year-on-year performance that is more comparable over time. As described in note 2.7, the use of underlying profit before tax aims to provide parity and transparency between users of the financial statements and the CODM in assessing the core performance of the business and performance of management.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets and liabilities, including investments in associates and joint ventures, are not disclosed because they are not reported to, or reviewed by, the CODM.

Following the cessation of lending activities during the second half of the year ended 28 February 2026, a change in business model was identified over certain financial assets held within the previously disclosed Financial Services reportable operating segment. As a result, interest income and costs earned on financial assets and liabilities attributed to the previously reported segment are presented within finance income and costs, respectively, from 1 March 2026 having previously been reported in revenue and cost of sales. No restatement is made in respect of these amounts.

Group discontinued operations represents income and costs directly attributable to the Argos disposal group but excludes the gross effect of discontinued operations directly attributable to the phased withdrawal from the Core Banking activities. Discontinued operations attributable to the disposed Core Banking activities continue to be presented net after tax within loss after tax – Financial Services withdrawal. Comparative periods have been re-presented on a consistent basis.

4. Segment reporting (continued)

4.1 Income statement

		28 weeks to 12 September 2026					
	Note	Sainsbury's £m	Argos £m	Eliminations £m	Group Total £m	Group Discontinued operations £m	Group Continuing operations £m
Revenue							
Grocery, General Merchandise & Clothing		13,959	1,956	(4)	15,911	1,952	13,959
Fuel		2,284	-	(2)	2,282	(2)	2,284
		16,243	1,956	(6)	18,193	1,950	16,243
Underlying operating profit		525	-	-	525	-	525
Non-underlying items	3	(186)	(246)	-	(432)	(362)	(70)
Operating profit/(loss)		339	(246)	-	93	(362)	455
Finance income	5				21	-	21
Underlying					15	-	15
Non-underlying							
Finance costs	5				(180)	-	(180)
Underlying					(12)	(7)	(5)
Non-underlying							
(Loss)/profit before tax					(63)	(369)	306
Income tax (expense)/credit	6				(106)	-	(106)
Underlying					16	4	12
Non-underlying							
(Loss)/profit after tax					(153)	(365)	212
Discontinued operations:	7				(11)	(11)	
Loss after tax - Financial Services withdrawal					-	(365)	
Loss after tax – Argos disposal group							
(Loss)/profit after tax - total					(164)	(376)	212

		28 weeks to 13 September 2025 (restated*)					
	Note	Sainsbury's £m	Argos £m	Eliminations £m	Group Total £m	Group Discontinued operations £m	Group Continuing operations £m
Revenue							
Grocery, General Merchandise & Clothing		13,611	1,989	(4)	15,596	1,985	13,611
Fuel		1,939	-	-	1,939	-	1,939
Interest receivable		46	-	-	46	-	46
		15,596	1,989	(4)	17,581	1,985	15,596
Underlying operating profit		507	-	-	507	-	507
Non-underlying items	3	(80)	(5)	-	(85)	(5)	(80)
Operating profit/(loss)		427	(5)	-	422	(5)	427
Finance income	5				12	-	12
Underlying					22	-	22
Non-underlying							
Finance costs	5				(171)	-	(171)
Underlying					(14)	(8)	(6)
Non-underlying							
Profit/(loss) before tax					271	(13)	284
Income tax (expense)/credit	6				(104)	-	(104)
Underlying					8	(2)	10
Non-underlying							
Profit/(loss) after tax					175	(15)	190
Discontinued operations:	7				(20)	(20)	
Loss after tax - Financial Services withdrawal					-	(15)	
Loss after tax – Argos disposal group							
Profit/(loss) after tax - total					155	(35)	190

* Comparative periods have been restated in respect of tax and to present Argos operations as a discontinued operation. Refer to notes 2 and 7 for further details.

5. Finance income and finance costs

	28 weeks to 12 September 2026			28 weeks to 13 September 2025 (restated*)		
	Underlying £m	Non- underlying £m	Total £m	Underlying £m	Non- underlying £m	Total £m
Continuing operations						
Interest on bank deposits and other financial assets	21	-	21	11	-	11
Finance fair value movements	-	-	-	-	1	1
IAS 19 pension financing income	-	15	15	-	21	21
Finance income on net investment in leases	-	-	-	1	-	1
Finance income	21	15	36	12	22	34
Secured borrowings	(13)	-	(13)	(15)	-	(15)
Unsecured borrowings	(25)	-	(25)	(20)	-	(20)
Lease liabilities	(142)	(5)	(147)	(136)	(5)	(141)
Provisions - amortisation of discount	-	-	-	-	(1)	(1)
Finance costs	(180)	(5)	(185)	(171)	(6)	(177)

* Comparative periods have been restated to present Argos operations as a discontinued operation. Refer to notes 2 and 7 for further details.

6. Income tax expense

	28 weeks to 12 September 2026 £m	28 weeks to 13 September 2025 (restated*) £m
Continuing operations		
Current tax		
Current year UK tax	83	49
Total current tax expense	83	49
Deferred tax		
Origination and reversal of temporary differences	11	39
Under provision in prior years	-	6
Total deferred tax expense	11	45
Total income tax expense	94	94
Analysed as:		
Underlying tax	106	104
Non-underlying tax	(12)	(10)
Total income tax expense	94	94
Underlying tax rate	29.0%	29.9%
Effective tax rate	30.7%	33.1%

* Comparative periods have been restated in respect of tax and present Argos operations as a discontinued operation. Refer to notes 2 and 7 for further details.

Tax charged within the 28 weeks ended 12 September 2026 has been calculated by applying the effective rate of tax which is expected to apply to the Group for the year ending 27 February 2027 using rates substantively enacted by 12 September 2026 as required by IAS 34 'Interim Financial Reporting'.

The effective tax rate is higher than the standard rate of corporation tax in the UK of 25% primarily due to the impact of non-qualifying depreciation.

The Group is within the scope of the OECD Pillar Two rules ("Pillar Two"). Pillar Two legislation has been enacted in the UK, the jurisdiction in which the plc is incorporated, and is effective in the current period of accounts. Under the legislation, the group is liable to pay top-up tax in the UK for the difference between the Global Anti-Base Erosion ("GloBE") effective tax rate for each jurisdiction and the 15% minimum rate. In addition, top-up taxes are payable locally where qualifying domestic minimum top-up taxes have been legislated and are in effect. As a primarily UK focused Group, the impact of any top-up taxes is not anticipated to be material, whilst the majority of the group's overseas subsidiaries being able to benefit from the transitional safe harbour rules is anticipated.

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as required by the amendments to IAS 12 'Income Taxes' issued by the International Accounting Standards Board ("IASB") in May 2023. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

6. Income tax expense (continued)

Deferred tax assets have not been recognised in respect of capital losses of £403 million (28 February 2026: £403 million; 13 September 2025: £389 million) for which their use against chargeable capital gains is restricted. These capital losses have no date of expiry. Deferred income tax assets and liabilities are only offset where there is a legally enforceable right of offset and relate to taxes levied by the same tax authority. In addition, deferred tax has not been recognised on £249 million (28 February 2026 and 13 September 2025: £249 million) of non-trade loan relationship deficits, an element of which arose from the reactivation of previously disallowed Corporate Interest Restriction amounts within acquired companies in prior years. As it is not considered probable that these losses will be available for future relief, the Group has not recognised a deferred tax asset in respect of them.

7. Discontinued operations

On 31 July 2026 the Group announced that it had entered into an agreement for the sale of Argos operations to Swift Partners. The transaction is expected to complete in February 2027. As a result, assets and liabilities subject to the transaction ("the Argos disposal group") are presented separately in the Group balance sheet as held for sale. The results directly attributable to the Argos operations, and associated cash flows, have been presented as a discontinued operation as outlined in note 2. Comparatives have been re-presented on a consistent basis.

The Group and Swift Partners will enter into certain transitional service arrangements ("TSAs") until the implementation of the full separation of the Argos business, which is anticipated to take up to 24 months. The expected separation timeline does not preclude the conclusions made over the classification as held for sale and the component as a discontinued operation as the transfer of control is still expected to occur within the next 12 months and the activities required to separate Argos from the Group are considered normal of a business of this size. Whilst the TSAs represent post-completion operational and administrative support arrangements they are limited to transitional support services and they do not confer upon the group any residual control over, or economic rights over, the Argos business following legal completion.

Similarly, the Group and Swift Partners have also entered into a series of ongoing commercial agreements in relation to Argos stores and Collection Points inside Sainsbury's and with Nectar, Nectar360 and Habitat. As the TSAs and ongoing commercial arrangements are reflective of pre-existing arrangements that will continue immediately following completion, management have elected to eliminate the existing intra-group arrangements between the continuing and discontinued operations within discontinued operations. Management believes this presentation provides a more meaningful indication of the results of the continuing business on an ongoing basis, consistent with the objective of IFRS 5.

In January 2024, the Group announced that it had completed its strategic review of the Financial Services division, culminating in a single co-ordinated plan to move to a third-party distributed model. Owing to the complex nature of assets and liabilities that make up the separate major line of business, this resulted in a phased withdrawal with components completing at various stages. In January 2026 the sale of the Travel Money business to Fexco Group completed, the final discontinued operation to be sold as part of the Financial Services strategic review. The strategic exit is now substantially complete.

The loss for these operations is set out in note 7.2. Further costs associated with the Argos transaction will be incurred across the completion and separation timeline. The net loss on disposal is measured by reference to the fair value consideration receivable, based on the pricing mechanism as set out within the sale agreement measured at the respective reporting date, as detailed in note 7.3, less the costs of disposal.

7.1 Discontinued operations as disclosed in the Group income statement and statement of comprehensive income/(loss)

		28 weeks to 12 September 2026			28 weeks to 13 September 2025 (restated*)		
	Note	Argos	Financial Services	Total £m	Argos £m	Financial Services £m	Total £m
Loss after tax	7.2	(48)	(11)	(59)	(15)	(20)	(35)
Loss on disposal after tax	7.3	(317)	-	(317)	-	-	-
Loss after tax - discontinued operations		(365)	(11)	(376)	(15)	(20)	(35)
Other comprehensive income/(loss)		6	-	6	(22)	-	(22)
Total comprehensive income/(loss)		(359)	(11)	(370)	(37)	(20)	(57)

* Comparative periods have been restated to present Argos operations as a discontinued operation. Refer to note 2 for further details.

7. Discontinued operations (continued)

7.2 Discontinued operations loss after tax

	28 weeks to 12 September 2026			28 weeks to 13 September 2025 (restated*)		
	Argos £m	Financial Services £m	Total £m	Argos £m	Financial Services £m	Total £m
Revenue	1,950	-	1,950	1,985	63	2,048
Operating costs	(1,958)	(11)	(1,969)	(1,986)	(68)	(2,054)
Operating loss	(8)	(11)	(19)	(1)	(5)	(6)
Restructuring and impairment costs	(37)	-	(37)	(4)	(21)	(25)
Loss before interest and tax	(45)	(11)	(56)	(5)	(26)	(31)
Net finance costs	(7)	-	(7)	(8)	-	(8)
Loss before tax	(52)	(11)	(63)	(13)	(26)	(39)
Income tax credit/(expense)	4	-	4	(2)	6	4
Loss for the financial period	(48)	(11)	(59)	(15)	(20)	(35)

* Comparative periods have been restated to present Argos operations as a discontinued operation. Refer to note 2 for further details.

7.3 Discontinued operations net loss arising from disposals

	28 weeks to 12 September 2026	28 weeks to 13 September 2025
	Argos £m	Financial Services £m
Fair value of consideration receivable/(payable)	a) 238	(273)
Carrying value of net (assets)/liabilities classified as held for sale	b) (453)	273
Loss on classification as held for sale	(215)	-
Separation costs	c) (102)	-
Loss on disposal before tax	(317)	-
Income tax	-	-
Loss on disposal after tax	(317)	-

- a) 28 weeks to 12 September 2026: The fair value of consideration has been measured at £243 million based on pricing mechanisms set out in the sale agreement at the reporting date, using the income approach, net of £5 million directly attributable costs to sell. As a result, an impairment of £215 million has been recognised over the carrying value of assets within the disposal group.

28 weeks to 13 September 2025: Represents consideration paid in relation to the Core Banking activities disposed based on pricing mechanisms set out in the sale agreement at the completion date of 1 May 2025.

- b) 28 weeks to 12 September 2026: Comprises the carrying value of net assets attributable to the Argos operations prior to classification as held for sale.

28 weeks to 13 September 2025: Comprises the fair value of assets and liabilities of the Core Banking portfolios at the completion date of 1 May 2025. Net assets were measured to fair value immediately prior to completion of the sale with associated fair value movements recognised within operating costs.

- c) On signing of the sale and purchase agreement dated 31 July 2026, a present legal obligation to fulfil the terms of the binding agreement was crystallised. Consequently, a provision of £102 million has been recognised, reflecting the best estimate of expenditure pursuant to the satisfaction of the full separation plan.

7. Discontinued operations (continued)

7.4 Assets and liabilities of disposal group and non-current assets classified as held for sale

		12 September 2026 Argos £m	28 February 2026 Financial Services £m	13 September 2025 Financial Services £m
	Note			
Assets of disposal group classified as held for sale				
Property, plant and equipment		168	-	-
Right-of-use assets		158	-	-
Intangible assets		64	-	-
Deferred income tax asset		14	-	-
Derivative financial assets		5	-	-
Inventories		683	-	-
Trade and other receivables		111	-	-
Cash and cash equivalents		164	-	21
Total assets of disposal group and non-current assets classified as held for sale	13	1,367	-	21
Liabilities of disposal group classified as held for sale				
Trade and other payables		(841)	-	-
Provisions		(37)	-	-
Lease liabilities		(240)	-	-
Derivative financial liability		(5)	-	-
Income taxes payable		(6)	-	-
Total liabilities of disposal group classified as held for sale	13	(1,129)	-	-
Net assets held for sale associated with discontinued operations		238	-	21

Upon classification as held for sale, the Group recognised an impairment loss of £215 million on remeasuring the disposal group to fair value less cost to sell in accordance with the pricing mechanism as set out in note 7.3 above.

The impairment loss has been allocated first to goodwill, impairing the balance to £nil, and subsequently to other non-current assets within the scope of IFRS 5, pro-rata on the basis of the carrying value of each asset class. Consequently, £95 million has been allocated to goodwill, reducing the balance to £nil, £50 million to property, plant and equipment, £50 million to right-of-use assets and £20 million to intangible assets.

7. Discontinued operations (continued)

7.5 Discontinued operations cash flow statement

	28 weeks to 12 September 2026			28 weeks to 13 September 2025 (restated*)		
	Argos £m	Financial Services £m	Total £m	Argos £m	Financial Services £m	Total £m
Net cash flows from:						
Operating activities	71	(82)	(11)	92	(366)	(274)
Investing activities	(35)	-	(35)	(30)	(272)	(302)
Financing activities	(26)	-	(26)	(28)	-	(28)
	10	(82)	(72)	34	(638)	(604)

* Comparative periods have been restated to present Argos operations as a discontinued operation. Refer to note 2 for further details.

8. Earnings/(losses) per share

The calculations of basic and underlying basic earnings/(losses) per share are based on profit/(loss) after tax and underlying profit after tax for the financial period, respectively, divided by the weighted average number of Ordinary shares in issue during the year, excluding own shares held by the Employee Share Ownership Trust (ESOT).

Diluted and underlying diluted earnings/(losses) per share are calculated on the same basis as basic and underlying basic earnings/(losses) per share, but where the weighted average share numbers have also been adjusted for the weighted average effects of potentially dilutive shares. Such potentially dilutive shares comprise share options and awards granted to employees, where the scheme to date performance is deemed to have been earned.

	12 September 2026 million	13 September 2025 million
Weighted average number of shares in issue for calculating basic earnings/(losses) per share	2,220.1	2,291.9
Weighted average number of dilutive share options	45.6	37.8
Total number of shares for calculating diluted earnings/(losses) per share	2,265.7	2,329.7

	Note	28 weeks to 12 September 2026 £m	28 weeks to 13 September 2025 (restated*) £m
Underlying profit after tax attributable to ordinary shareholders of the parent		260	244
Adjustment for non-underlying items after tax		(48)	(54)
Profit after tax attributable to ordinary shareholders of the parent - continuing operations		212	190
Loss after tax from discontinued operations	7	(376)	(35)
(Loss)/profit after tax attributable to ordinary shareholders of the parent		(164)	155

	Pence per share	Pence per share (restated*)
Basic – total	(7.4)	6.8
Diluted – total	(7.2)	6.7
Basic - discontinued operations	(16.9)	(1.5)
Diluted - discontinued operations	(16.6)	(1.5)
Basic – continuing operations	9.5	8.3
Diluted – continuing operations	9.4	8.2
Basic - underlying	11.7	10.6
Diluted - underlying	11.5	10.5

* Comparative periods have been restated in respect of tax and to present Argos operations as a discontinued operation. Refer to notes 2 and 7 for further details.

9. Dividends

	28 weeks to 12 September 2026 pence per share	28 weeks to 13 September 2025 pence per share	52 weeks to 28 February 2026 pence per share	28 weeks to 12 September 2026 £m	28 weeks to 13 September 2025 £m	52 weeks to 28 February 2026 £m
Amounts recognised as distributions to ordinary shareholders:						
Financial year ended 1 March 2025						
- Final dividend	-	9.7	9.7	-	223	223
Financial year ended 28 February 2026						
- Interim dividend	-	-	4.1	-	-	93
- Special dividend	-	-	11.0	-	-	250
- Final dividend*	9.6	-	-	214	-	-
- Movement in unclaimed dividend	-	-	-	2	-	-
	9.6	9.7	24.8	216	223	566
Proposed interim dividend	4.1			90		

* Final dividend for the financial year ended 28 February 2026 of which £213 million was paid in cash and £1 million remains unpaid at the balance sheet date.

The proposed interim dividend was approved by the Board on 21 October 2026 and has not been included as a liability in these Condensed Consolidated Interim Financial Statements.

10. Financial instruments

	Note	12 September 2026 £m	28 February 2026 £m	13 September 2025 (restated*) £m
Held at amortised cost				
Financial assets				
Cash and cash equivalents		427	601	688
Trade and other receivables	a)	210	297	347
Other financial assets	b)	117	-	-
Financial liabilities				
Trade and other payables	a)	(3,948)	(4,534)	(4,607)
Borrowings		(1,020)	(1,061)	(1,092)
Other financial liabilities	c)	(33)	(21)	-
Amounts due to Financial Services customers and other deposits		-	-	(138)
Lease liabilities		(5,319)	(5,540)	(5,446)
Held at fair value through other comprehensive income (OCI)				
Other financial assets	b,d)	-	117	336
Held at fair value through profit or loss				
Other financial assets		12	12	12
Cash and cash equivalents		245	466	558
Derivative financial instruments		64	2	(6)
		(9,245)	(9,661)	(9,348)

- As at 13 September 2025, trade and other payables have been restated from £(4,668) million to £(4,607) million following a reassessment of the underlying balances to ensure amounts relating to employer rights and obligations arising from employee benefits, contract liabilities, and taxes and social security contributions are excluded from financial liabilities. Trade and other receivables have been restated from £231 million to £347 million to include accrued income balances which meet the definition of a financial asset.
- Following the cessation of lending activities during the second half of the year ended 28 February 2026, a change in business model was identified over financial assets held within the previously disclosed Financial Services reportable operating segment. As a result, the UK government bond (GILT) of £117 million previously recognised within other financial assets held at FVOCI was reclassified to being measured at amortised cost on 1 March 2026.
- Pursuant to the satisfaction of future unvested share awards, on 25 August 2026, the Group entered into an irrevocable discretionary programme with Equiniti Trust (Jersey) Limited, in its capacity as trustee of the ESOT, to purchase up to a maximum of 15 million ordinary shares in line with the agreed pricing grids up to a maximum value of £54 million. During the period, 4,012,500 shares were purchased for consideration of £14 million in respect of this election which includes £6 million payable at the end of the period recognised within other payables. The remaining buyback outstanding as at 12 September 2026 is recognised as a financial liability of £33 million.
- As at 13 September 2025, cash and cash equivalents measured at fair value through other comprehensive income has been re-presented from £25 million to £nil and other financial assets held at FVOCI have been re-presented from £311 million to £336 million. Refer to note 2 for further details.

10. Financial instruments (continued)

10.1 Fair value estimation of amounts held at amortised cost

The fair value of financial assets and liabilities are based on prices available from the market on which the instruments are traded. Where market values are not available, the fair values of financial assets and liabilities have been calculated by discounting expected future cash flows at prevailing interest rates. The fair values of cash and cash equivalents, trade receivables, other receivables, overdrafts, trade and other payables, other financial liabilities and lease liabilities are assumed to approximate to their book values.

		12 September 2026		28 February 2026		13 September 2025	
	Level	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Financial assets							
UK government bond (gilt)	1	117	117	-	-	-	-
Financial liabilities							
Loans due 2031	2	(352)	(338)	(386)	(377)	(419)	(411)
Unsecured bond	1	(544)	(539)	(556)	(567)	(553)	(555)
Tier 2 Capital due 2028	1	(125)	(132)	(125)	(135)	(125)	(139)
Amounts due to Financial Services customers and other banks	2	-	-	-	-	(138)	(139)

10.2 Fair value measurements recognised in the balance sheet

The Group has an established control framework with respect to the measurement of fair values. The Group's treasury team has overall responsibility for overseeing all significant fair value measurements for financial assets and liabilities, including Level 3 fair value measurements.

The following table provides an analysis of financial instruments that are recognised at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1: fair value measurements are derived from quoted market prices (unadjusted) in active markets for identical assets or liabilities at the balance sheet date. This level includes listed equity securities, debt instruments on public exchanges and money market funds.
- Level 2: fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments is determined by discounting expected cash flows at prevailing interest rates.
- Level 3: fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In measuring assets and liabilities grouped in Level 3, significant unobservable inputs and valuation adjustments are reviewed at least twice annually. This includes key contractual inputs, including forecast volumes, fixed prices and contract maturity dates. Forecast volume assumptions are independently validated by a third-party specialist. In addition, the Group operates a contract review process to identify new agreements, amendments or side letters that could affect the fair value measurements.

Significant fair value measurements and related valuation matters are reported through the Group's established governance processes.

	12 September 2026				28 February 2026			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial instruments at fair value through other comprehensive income								
Other financial assets	-	-	-	-	117	-	-	117
Financial instruments at fair value through profit and loss								
Cash and cash equivalents	245	-	-	245	466	-	-	466
Other financial assets	12	-	-	12	12	-	-	12
Derivative financial assets	-	31	52	83	-	12	13	25
Derivative financial liabilities	-	(19)	-	(19)	-	(21)	(2)	(23)

10. Financial instruments (continued)

	13 September 2025 (restated*)			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial instruments at fair value through other comprehensive income				
Other financial assets	124	212	-	336
Financial instruments at fair value through profit and loss				
Cash and cash equivalents	558	-	-	558
Other financial assets	12	-	-	12
Derivative financial assets	-	7	30	37
Derivative financial liabilities	-	(43)	-	(43)

*As at 13 September 2025, cash and cash equivalents measured at fair value through other comprehensive income within level 1 have been re-presented from £25 million to £nil and financial assets have been re-presented from £99 million to £124 million. Refer to note 2 for further details of cash and cash equivalents restatement.

There have been no transfers over the reported period between levels 1, 2 and 3.

10.3 Level 3 Financial assets

a) Power Purchase Agreements

The Group has entered into several long-term fixed and CPI linked price Power Purchase Agreements with independent producers and values these agreements as the net present value of the estimated future usage at the market implied forward energy price less the contracted fixed price discounted at the prevailing swap rate.

All Power Purchase Agreements are physical arrangements. Arrangements designated in hedging relationships are classified as hedging instruments, whereas those not designated in hedging relationships are not classified as hedging instruments. The credit risk exposure associated with the Power Purchase Agreements is considered immaterial.

Commodity derivative values

	12 September 2026 £m	28 February 2026 £m	13 September 2025 £m
At beginning of financial period	11	29	29
Charged to income statement - cost of sales	11	(7)	(2)
Charged to other comprehensive income	30	(11)	3
At end of financial period	52	11	30

b) Significant unobservable inputs within Level 3

The following tables summarise the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements:

	12 September 2026				
	Average annual output MWh	Annual output range Min MWh	Max MWh	Long-term pricing range Min £ per MWh	Max £ per MWh
Not in a hedge relationship	43,391	29,553	50,406	68.97	165.76
In a hedge relationship	111,072	78,958	146,331	65.89	165.76

	28 February 2026				
	Average annual output MWh	Annual output range Min MWh	Max MWh	Long-term pricing range Min £ per MWh	Max £ per MWh
Not in a hedge relationship	39,402	17,138	48,088	56.07	78.58
In a hedge relationship	110,489	78,658	145,311	55.06	78.58

	13 September 2025				
	Average annual output MWh	Annual output range Min MWh	Max MWh	Long-term pricing range Min £ per MWh	Max £ per MWh
Not in a hedge relationship	38,027	19,402	48,919	66.45	87.62
In a hedge relationship	108,746	91,940	127,071	64.65	87.62

10. Financial instruments (continued)

c) Sensitivity of Power Purchase Agreement derivatives

The Group makes an assumption regarding expected energy output based on the historical performance and the producer's estimate of expected electricity output. The sensitivity of this is shown below:

	12 September 2026		28 February 2026		13 September 2025	
	Change in output volume +/-20.0%	Change in forward pricing +/-20.0%	Change in output volume +/-20.0%	Change in forward pricing +/-20.0%	Change in output volume +/-20.0%	Change in forward pricing +/-20.0%
	£m	£m	£m	£m	£m	£m
Not in a hedge relationship	3/(3)	5/(5)	1/(1)	4/(4)	2/(2)	6/(6)
Designated in a cash flow hedge relationship	8/(8)	32/(32)	2/(2)	27/(27)	4/(4)	30/(30)

11. Reconciliation of working capital cash flow

28 weeks to 12 September 2026

	Inventories £m	Other financial assets £m	Trade and other receivables £m	Trade and other payables £m	Provisions £m
At 12 September 2026	1,375	129	345	(4,823)	(246)
At 1 March 2026	1,987	129	453	(5,587)	(236)
Transferred to assets held for sale*	(636)	-	(106)	754	71
At 1 March 2026 for continuing operations	1,351	129	347	(4,833)	(165)
Balance sheet movement	(24)	-	2	(10)	81
Fair value movements	-	(1)	-	-	-
Hedge adjustments	8	-	-	-	-
Reclassification to other lines in the cash flow statement	-	-	1	(29)	-
Movement in capital accruals	-	-	(2)	76	-
Discontinued operations (Financial Services)	-	-	(7)	34	46
Other	-	1	1	(5)	(128)
Movement shown in cash flow statement	(16)	-	(5)	66	(1)

* Following the classification of Argos operations as discontinued, cash flows associated with the disposal group are separately reported as discontinued operations. Working capital movements during the year therefore reflect the continuing operations. Resultantly, amounts presented as an adjustment to the opening amounts are not indicative of the disposal group at the reporting date.

28 weeks to 13 September 2025

Other than the balance sheet adjustment between cash and other financial assets as further detailed in note 2, prior year reconciliation movements are as previously reported given that the prior year balance sheet as at 13 September 2025 is not restated for Argos discontinued operations.

- Trade and other receivables: Cash flows differ from the movement in the balance sheet owing mainly to the presentation of cash flows as discontinued operations of £42 million relating to Financial Services.
- Trade and other payables: Cash flows differ from the movement in the balance sheet owing mainly to reclassifications to other lines in the cash flow statement of £85 million.

12. Net debt

12.1 Analysis of net debt

	12 September 2026 £m	28 February 2026 £m	13 September 2025 (restated*) £m
Retail			
Net derivative financial instruments		4	1
Borrowings (excluding overdrafts)		(935)	(965)
Lease liabilities		(5,540)	(5,446)
Purchase of own shares for share schemes		(21)	-
Arising from financing activities		(6,492)	(6,410)
Cash and cash equivalents		729	885
Bank overdrafts		(1)	(2)
Less: Purchase of own shares for share schemes		21	-
Retail net debt		(5,743)	(5,527)
Financial Services			
Borrowings (excluding overdrafts)		(125)	(125)
Arising from financing activities		(125)	(125)
Other financial assets		117	336
Cash and cash equivalents*		338	361
Financial Services net funds		330	572
Group net debt			
Net derivative financial instruments	(8)	4	1
Borrowings (excluding overdrafts)	(1,016)	(1,060)	(1,090)
Lease liabilities	(5,319)	(5,540)	(5,446)
Lease liabilities within liabilities held for sale	(240)	-	-
Purchase of own shares for share schemes	(33)	(21)	-
Arising from financing activities	(6,616)	(6,617)	(6,535)
Other financial assets**	117	117	336
Cash and cash equivalents*	672	1,067	1,246
Cash and cash equivalents within assets held for sale	164	-	-
Bank overdrafts	(4)	(1)	(2)
Less: Purchase of own shares for share schemes	33	21	-
Group net debt	(5,634)	(5,413)	(4,955)

* As at 13 September 2025, certain cash and cash equivalents within Financial Services have been re-presented to other financial assets. Refer to note 2 for further details.

** Other financial assets exclude other financial assets held at fair value through profit or loss which are held for the purpose of hedging pension liabilities.

As disclosed in Note 2.2 (b), following the Group's withdrawal from Financial Services, and consistent with information provided to the CODM there is no longer an allocation of net debt between Financial Services and Retail. As such, as at 12 September 2026 the Group's net debt comprises all Group balances, including amounts within held for sale as disclosed within note 7. Other than the restatement for cash and cash equivalents, comparative periods are as previously reported.

12.2 Restricted cash

	12 September 2026 £m	28 February 2026 £m	13 September 2025 £m
Restricted cash amounts included above			
Held within the Group's Employee Share Ownership Trust	1	5	-
Held for unclaimed dividends	3	3	-
Held for insurance purposes	5	1	3
	9	9	3

12.3 Undrawn facilities

As at 12 September 2026, the Revolving Credit Facility of £1,000 million was undrawn.

12. Net debt (continued)

12.4 Reconciliation of own shares purchased in respect of share schemes

The table below presents the reconciliation of own shares purchased in respect of share schemes between the Group statement of changes in equity and the Group cash flow statement:

		12 September 2026 £m	28 February 2026 £m	13 September 2025 £m
Included in the Group statement of changes in equity		(50)	(85)	(12)
Settlement of financial liability		(21)	-	-
Outstanding amount recognised as financial liabilities	a)	33	21	-
Outstanding amount recognised within other payables	b)	6	-	-
Included in the Group cash flow statement		(32)	(64)	(12)

a) Refer to note 16 for further information on post-balance sheet events.

b) As at 12 September 2026, 1,810,000 shares had been acquired but remained unpaid. The related liability of £6 million has been recognised within other payables.

13. Assets and liabilities of disposal group and non-current assets held for sale

As described in note 7, on 31 July 2026, the Group announced that it had reached an agreement for the sale of Argos to Swift Partners. The transaction is expected to complete in February 2027. As a result, assets and liabilities subject to the transaction perimeter have been classified as held for sale.

In respect of the comparative periods, assets and liabilities of disposal group held for sale relate to the exit from Core Banking.

Non-current assets held for sale have a carrying value of £28 million. Proceeds from disposals of non-current assets held for sale for continuing operations have been presented within proceeds from disposal of property, plant and equipment in the Group cash flow statement.

13.1 Assets of disposal group and non-current assets held for sale

	Note	28 weeks to 12 September 2026 £m	52 weeks to 28 February 2026 £m	28 weeks to 13 September 2025 £m
Opening balance		3	2,527	2,527
Classified as held for sale in the year		1,395	27	27
No longer classified as held for sale in the year		(3)	(19)	(12)
Sold in the period		-	(2,532)	(2,514)
Closing balance		1,395	3	28
Of which:				
Assets of disposal group held for sale	7	1,367	-	21
Non-current assets classified as held for sale		28	3	7
		1,395	3	28

13.2 Liabilities of disposal group held for sale

	Note	28 weeks to 12 September 2026 £m	52 weeks to 28 February 2026 £m	28 weeks to 13 September 2025 £m
Opening balance		-	(3,136)	(3,136)
Classified as held for sale in the year		(1,129)	-	-
Transfer to provisions		-	27	-
Sold in the period		-	3,109	3,136
Closing balance	7	(1,129)	-	-

14. Retirement benefit obligations

All retirement benefit obligations relate to the Sainsbury's Pension Scheme plus three unfunded pension liabilities relating to former senior employees of Sainsbury's and Home Retail Group.

The Sainsbury's Pension Scheme has two segregated sections:

- the Sainsbury's Section, which holds the assets and liabilities of the original Sainsbury's Pension Scheme; and,
- the Argos Section, which holds the assets and liabilities of the former Home Retail Group Pension Scheme.

On 31 May 2026 Sainsbury's Supermarkets Ltd replaced Argos Limited as the sponsoring employer of the Argos section of the Sainsbury's Pension Scheme. Consequently, it does not form part of the Argos disposal group classified as held for sale.

Following the change in sponsoring employer, the previously presented Sainsbury's and Argos sections have been aggregated for the purpose of presentation as they share substantially similar risk profiles and characteristics.

The most recent triennial valuation as at 30 September 2024 was completed on 20 March 2026 and showed an actuarial surplus of £171 million (comprising a surplus of £93 million in the Sainsbury's section and £78 million in the Argos section), including the estimated value of the Scheme's entitlements under the asset backed contribution (ABC) structure. Excluding these entitlements, the surplus was £15 million (a surplus of £44 million in the Argos section and a deficit of £29 million in the Sainsbury's section).

This surplus has been recognised as the Group has concluded that it has an unconditional right to a refund of any surplus once all member benefits have been paid. The Group's judgement is that the Trustees would be unable to unconditionally wind up the plan or enhance members' benefits without the Group's consent.

The unfunded pension liabilities are unwound when each former employee reaches retirement and takes their pension from the Group payroll or is crystallised if the employee takes the provision as a one-off cash payment.

On 25 July 2024, the Court of Appeal upheld the High Court's decision in Virgin Media v NTL Pension Trustees. This case found that changes made between 1997 and 2016 to pension benefits from a contracted-out salary related scheme could be void where trustees do not have written Section 37 confirmation from the scheme actuary. In response, The Pension Schemes Act 2026 ("the Act"), passed into law on 29 April 2026, has subsequently introduced legislation that provides pension schemes that are missing necessary S37 certificates a mechanism to obtain retrospective certification.

Based on a review of the changes made to the Scheme during this period, and the contents of the Act, the Group does not consider that any adjustments to the financial statements are required in respect of this matter.

14.1 Balance sheet

	12 September 2026 £m	28 February 2026 £m	13 September 2025 £m
Present value of funded obligations	(5,446)	(5,823)	(5,351)
Fair value of plan assets	5,840	6,371	6,041
Retirement benefit surplus	394	548	690
Present value of unfunded obligations	(21)	(23)	(22)
Net retirement benefit surplus	373	525	668
Analysed in the Group balance sheet:			
Retirement benefit surplus	394	548	690
Retirement benefit deficit	(21)	(23)	(22)
Net retirement benefit surplus	373	525	668

14. Retirement benefit obligations (continued)

14.2 Movements in net surplus

	28 weeks to 12 September 2026	52 weeks to 28 February 2026	28 weeks to 13 September 2025
	£m	£m	£m
As at the beginning of the financial period	525	731	731
Interest income	15	40	21
Remeasurement losses	(175)	(265)	(93)
Pension scheme expenses	(6)	(8)	(5)
Employer contributions	13	26	13
Benefits paid	1	1	1
As at the end of the financial period	373	525	668

14.3 Valuation of plan private market assets

The Pension Scheme has circa £710 million of private market assets, split between private debt, private equity and property. The valuation of private market assets is based on the latest available manager statements, adjusted for cash contributed or remitted. The assets have been assessed for impairment, from the most recent statement date through the analysis of returns on similar public market indices.

14.4 Actuarial assumptions for measuring funded obligations

	12 September 2026	28 February 2026	13 September 2025
	%	%	%
Discount rate	6.40	5.55	5.85
Inflation rate – RPI	3.30	3.05	3.00
Inflation rate – CPI	2.75	2.50	2.40
Future pension increases	2.05 - 3.10	1.95 - 2.90	1.90 - 2.85

14.5 Sensitivities

The obligations are sensitive to the above assumptions as well as demographic factors whereby the main impacts of such changes are:

Change in present value of funded obligations – increase/(decrease)

		£m	£m
Financial sensitivities:			
Discount rate	+/-0.1%	(62)	64
Discount rate	+/-1.0%	(578)	691
Inflation rate	+/-0.1%	26	(42)
Inflation rate	+/-1.0%	339	(355)
Inflation rate for future pension increases	+/-0.1%	13	(29)
Inflation rate for future pension increases	+/-1.0%	199	(232)
Demographic sensitivities:			
Life expectancy	+/-1 year	139	(152)

Any impact on the obligations at a future balance sheet date due to a change in the discount rate and/or inflation assumptions would be expected to be at least partially offset by a change in the value of hedged assets, and so any impact on the Scheme's surplus would be smaller than indicated above.

15. Contingent liabilities

The Group through the size, nature and scope of its operations and people is exposed to a wide range of applicable laws and regulations including: employment related legislation such as the Equality Act 2010 and the Health and Safety at Work Act 1974; business conduct legislation such as the Competition Act 1998, the Modern Slavery Act 2015 and the Bribery Act 2010; product or sales related legislation such as the Food Safety Act 1990 and the Digital Markets, Competition and Consumers Act 2024, and is also exposed to risks relating to past corporate transactions such as guarantees made in relation to disposed assets. These expose the Group to potential material liabilities which may crystallise following events such as civil legal action, regulatory enforcement action, or under property disposal guarantees in the event of insolvency of current tenants and their ultimate parents. In assessing the required disclosure or recognition of potential liabilities, the Group considers factors including probability, materiality and quantifiability of any claims received.

Along with other retailers, the Group is currently subject to claims from current and ex-employees in the Employment Tribunal for equal pay under the Equality Act 2010 and/or the Equal Pay Act 1970. There are currently circa 21,100 equal pay claims from circa 15,200 claimants, in which the claimants are alleging that their work within Sainsbury's stores is, or was, of equal value to that of colleagues working in Sainsbury's distribution centres, and that differences in terms and conditions relating to pay are not objectively justifiable. The claimants are seeking the differential back pay based on the higher wages in distribution centres, and the equalisation of wages and terms and conditions on an ongoing basis. The Group believes further claims will be served.

There are three stages in the tribunal procedure for equal pay claims of this nature and the claimants will need to succeed in all three. The first stage is whether store claimants have the legal right to make the comparison with depot workers. Following European and Supreme Court decisions in other similar litigation, Sainsbury's has conceded this point. The second stage is the lengthy process to determine whether any of the claimants' roles are of equal value to their chosen comparators. Whilst there is at present no definitive timetable for the litigation, the Group anticipates judgment from the Tribunal in respect of the second stage will be given in the course of 2028. This judgment is very likely to be subject to appeal proceedings.

In the event that any of the claimants succeed at the second stage, there will be a third stage comprising further hearings, in the following years, to consider material factor defences relating to non-discriminatory reasons for any pay differential.

Both outstanding stages will involve contested hearings and appeals. It is not possible to predict a final date with any certainty.

If the Group is unsuccessful at the end of the litigation, the liability could be material but, due to the complexity and multitudinous factual and legal uncertainties, particularly in relation to the second and third stages of the litigation, the outcome remains highly uncertain. The Group cannot make any assessment of the likelihood or quantum of any outcome. No provision has therefore been recognised on the Group's balance sheet. There are substantial factual and legal defences to these claims and the Group intends to continue to defend them vigorously.

16. Post-balance sheet events

Subsequent to the balance sheet date, the Group acquired 10,087,589 shares through the ESOT, for the purpose of satisfying future share awards under the Group's employee share plans. The financial liability of £33 million recognised at the balance sheet date has subsequently been derecognised following the acquisition and settlement of directly attributable costs.

Principal risks and uncertainties

Risk is an inherent part of doing business and the J Sainsbury plc Board has overall responsibility for the Group's system of risk management, internal control and the identification of principal and emerging risks. The Board has identified the following principal risks and uncertainties as those most likely to affect the successful delivery of the Group's strategy and performance. Since publication of the Annual Report and Financial Statements 2026, the agreed sale of Argos has introduced additional execution and operational risks associated with the separation of the two businesses within the business strategy and change principal risk. The following risks remain the most significant risks facing the Group in the second half of the financial year.

- Business continuity, operational resilience and major incidents response
- Business strategy and change
- Colleague engagement, retention and capability
- Data security
- Environment and social sustainability
- Safety and security
- Political and regulatory environment
- Product safety and sourcing
- Trading environment and customer expectations

The principal risks and uncertainties remain those reported in detail in the Group's Annual Report and Financial Statements 2026. For more information on these risks, please refer to pages 40 to 47 of the [J Sainsbury plc Annual Report and Financial Statements 2026](#), a copy of which is available on the Group's corporate website.

Statement of Directors' responsibilities

The directors confirm that these condensed interim financial statements have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first 28 weeks of the financial year, and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining 24 weeks of the financial year; and
- material related-party transactions in the first 28 weeks of the financial year and any material changes in the related-party transactions described in the last annual report.

At the date of this statement, the directors are those listed in the J Sainsbury plc Annual Report 2026. A list of current directors is maintained on the Group's corporate website: corporate.sainsburys.co.uk/investors/corporate-governance/.

By order of the Board

Simon Roberts
Chief Executive
21 October 2026

Bláthnaid Bergin
Chief Financial Officer
21 October 2026

Independent review report to J Sainsbury plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed J Sainsbury plc's condensed consolidated interim financial statements (the "interim financial statements") in the Interim Results for the 28 weeks ended 12 September 2026 of J Sainsbury plc for the 28 week period ended 12 September 2026 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Group balance sheet as at 12 September 2026;
- the Group income statement and the Group statement of comprehensive income/(loss) for the period then ended;
- the Group cash flow statement for the period then ended;
- the Group statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Results for the 28 weeks ended 12 September 2026 of J Sainsbury plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Results for the 28 weeks ended 12 September 2026 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Results for the 28 weeks ended 12 September 2026, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Results for the 28 weeks ended 12 September 2026 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim Results for the 28 weeks ended 12 September 2026, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Results for the 28 weeks ended 12 September 2026 based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of this report

This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
21 October 2026

Alternative performance measures (APMs)

In the reporting of financial information, the Directors use various APMs which they believe provide additional useful information for understanding the financial performance and financial health of the Group. These APMs should be considered in addition to, and are not intended to be a substitute for, IFRS measurements. As they are not defined by International Financial Reporting Standards, they may not be directly comparable with other companies who use similar measures.

A1 Income statement measures

A1.1 Revenue

a) Like-for-like sales (Closest IFRS equivalent: none)

Definition and purpose

Year-on-year growth in sales, excluding fuel, discontinued operations and Financial Services, for stores that have been open for more than one year.

The measure is used widely in the retail sector.

Reconciliation		
	28 weeks to 12 September 2026	28 weeks to 13 September 2025 (restated*)
Like-for-like sales (exc. fuel)	1.9%	4.9%
Underlying net new space impact	0.7%	0.4%
Sales growth (exc. fuel)	2.6%	5.3%
Fuel impact	1.9%	(2.4)%
Total sales growth (inc. fuel)	4.5%	2.9%

* Comparative periods have been restated to exclude sales directly attributable to the Argos operation subsequently classified as a discontinued operation. Refer to note 2.7 for details.

A1.2 Profit

a) Underlying operating profit and margin (Closest IFRS equivalent: Profit before tax – continuing operations)

Definition and purpose

Profit before interest and tax excluding non-underlying items.

This is the lowest level at which the Group can be viewed from a management perspective, with finance costs managed for the Group as a whole.

Calculated as underlying operating profit as a percentage of sales. Refer to A1.2b)

b) Underlying EBITDA (Closest IFRS equivalent: Profit before tax – continuing operations)

Definition and purpose

Underlying operating profit as above, before underlying depreciation and amortisation.

Used to review the Group's profit generation and the sustainability of ongoing capital reinvestment and finance costs.

Reconciliation

		28 weeks to 12 September 2026	28 weeks to 13 September 2025 (restated*)
	Note	£m	£m
Underlying operating profit	4.1	525	507
Underlying depreciation and amortisation		590	578
Underlying EBITDA		1,115	1,085
Revenue - continuing operations	4.1	16,243	15,596
Underlying EBITDA margin		6.86%	6.96%
Underlying operating margin		3.23%	3.25%

* Comparative periods have been restated to exclude underlying operating profit, depreciation and amortisation directly attributable to the Argos operation subsequently classified as a discontinued operation. Refer to note 2 for further details.

A1 Income statement measures (continued)

A1.2 Profit (continued)

c) Underlying profit before tax (Closest IFRS equivalent: Profit before tax – continuing operations)

Definition and purpose

Profit before tax excluding non-underlying items.

Represents the key measure that the CODM uses to measure ongoing trading performance and provides shareholders with additional insight into the year-on-year performance.

Reconciliation

Face of the income statement.

Non-underlying items as set out in note 3 to the consolidated condensed interim financial statements.

d) Underlying basic and diluted earnings per share (Closest IFRS equivalent: Basic and diluted earnings per share – continuing operations)

Definition and purpose

Earnings per share using profit after tax excluding non-underlying items.

A key measure to evaluate the performance of the business and returns generated for investors.

Reconciliation

Note 8 to the consolidated condensed interim financial statements.

e) Underlying net finance costs (Closest IFRS equivalent: Finance income less finance costs – continuing operations)

Definition and purpose

Net finance costs before any non-underlying items that are recognised within finance income / expenses.

Provides shareholders with additional insight into the underlying net finance costs.

Reconciliation

Note 5 to the consolidated condensed interim financial statements.

f) Underlying tax rate (Closest IFRS equivalent: Effective tax rate – continuing operations)

Definition and purpose

Tax on underlying items, divided by underlying profit before tax.

Provides an indication of the tax rate across the Group before the impact of non-underlying items.

Reconciliation

Non-underlying tax is analysed in note 6 to the consolidated condensed interim financial statements.

A2 Cash flows and borrowings

A2.1 Free cash flows (Closest IFRS equivalent: Group cash flows)

Definition and purpose

Free cash flows identified as a separate component of Group cash flows.

Free cash flow: Net cash generated from continuing operations, after capital expenditure and including payments of lease obligations, and cash flows from joint ventures and associates. Excludes any other exceptional cash movements associated with the agreed sale of the Argos disposal group and the exit from Core Banking, referred to as 'divestment costs'. This measures cash generation, working capital efficiency and capital expenditure of the continuing Group.

A2 Cash flows and borrowings (continued)

A2.1 Free cash flows (Closest IFRS equivalent: Group cash flows) (continued)

Other cash flows: Individual cash flow line items segregated from Group cash flows to allow individual cash flows to be identified. This enables management to assess the cash generated from its core continuing operations, and to assess core capital expenditure in the financial period in order to review the strategic business performance.

Reconciliation

	Note	28 weeks to 12 September 2026 £m
Net cash generated from operating activities – continuing		890
Net cash used in investing activities - continuing		(360)
Capital repayment of lease obligations		(238)
Add back divestment costs	A2.2	41
Free cash flow		333

	28 weeks to 13 September 2025 (restated*)				
	Retail underlying £m	Retail non-underlying £m	Retail £m	Financial Services £m	Group £m
Operating profit/(loss) – continuing	505	(77)	428	(1)	427
Depreciation and amortisation	578	26	604	-	604
Share-based payments and other	-	7	7	-	7
Net impairment loss on non-financial assets	-	-	(2)	-	(2)
Profit on sale of non-current assets and early termination of leases	(2)	-	2	-	2
Fair value movements	29	2	31	2	33
Share-based payments expense	-	5	5	-	5
Defined benefit scheme expenses	-	(13)	(13)	-	(13)
Cash contributions to defined benefit scheme	-	(48)	1,062	1	1,063
Operating cash flows before changes in working capital	1,110	(48)	1,062	1	1,063
Movements in working capital	84	(9)	75	(236)	(161)
Cash generated from operations – continuing	1,194	(57)	1,137	(235)	902
Interest paid	(172)	-	(172)	(6)	(178)
Corporation tax (paid)/received	(37)	-	(37)	16	(21)
	985	(57)	928	(225)	703
Cash flows from investing activities – continuing					
Purchase of property, plant and equipment	(353)	-	(353)	-	(353)
Purchase of intangible assets	(94)	-	(94)	-	(94)
Capital expenditure	(447)	-	(447)	-	(447)
Initial direct costs on new leases	(1)	-	(1)	-	(1)
Proceeds from disposal of property, plant and equipment	1	-	1	-	1
Interest received	12	-	12	-	12
	(435)	-	(435)	-	(435)
Cash flows from financing activities – continuing					
Proceeds from issuance of ordinary shares	18	-	18	-	18
Purchase of own shares for share schemes	(12)	-	(12)	-	(12)
Other share related transactions	6	-	6	-	6
Purchase of own shares for cancellation	(158)	-	(158)	-	(158)
Repayment of borrowings	(28)	-	(28)	-	(28)
Capital repayment of lease obligations	(217)	-	(217)	-	(217)
Dividends paid on ordinary shares	(223)	-	(223)	-	(223)
	(620)	-	(620)	-	(620)
Intragroup funding	300	-	300	(300)	-
Net increase/(decrease) in cash and cash equivalents – continuing	230	(57)	173	(525)	(352)
Net increase/(decrease) in cash and cash equivalents – discontinued operations	-	(16)	(16)	(588)	(604)
	230	(73)	157	(1,113)	(956)
Bridge to Retail Free Cash Flow					
Retail cash flows from operating activities – continuing	985	(57)	928		
Retail cash flows from investing activities – continuing	(435)	-	(435)		
Capital repayment of lease obligations	(217)	-	(217)		
Retail Free Cash Flow	333	(57)	276		

* Comparative periods have been restated to correct the classification of £25 million of investment securities from cash and cash equivalents to financial assets and to present Argos operations as a discontinued operation as disclosed in notes 2 and 7. They are also presented as they were originally reported, being allocated between Retail (underlying and non-underlying) and Financial Services.

A2 Cash flows and borrowings (continued)

A2.2 Underlying cash flow movements (Closest IFRS equivalent: None)

Definition and purpose

Identifies cash movements in respect of non-underlying items and also sets out a breakdown of items included in the summary cash flow statement set out in the Financial Review.

Reconciliation

	Underlying £m	28 weeks to 12 September 2026 Non-underlying £m	Total £m
Operating profit/(loss) – continuing	525	(70)	455
Depreciation and amortisation	590	-	590
Share-based payments and other:			
Net impairment charge on non-financial assets	3	62	65
Profit on sale of non-current assets and early termination of leases	-	(12)	(12)
Fair value movements	(11)	(11)	(22)
Share-based payments expense	22	-	22
Defined benefit scheme expenses	-	6	6
Cash contributions to defined benefit scheme	-	(14)	(14)
Operating cash flows before changes in working capital	1,129	(39)	1,090
Movements in working capital	67	(23)	44
Cash generated from operations – continuing	1,196	(62)	1,134
Interest paid	(180)	-	(180)
Corporation tax paid	(64)	-	(64)
Net cash generated from operating activities - continuing operations	952	(62)	890
Non-underlying cash movements within Free Cash Flow:			
Cash contributions to defined benefit scheme		(14)	
Retail restructuring programmes		(7)	
Non-underlying cash movements outside Free Cash Flow:			
Divestment costs		(41)	
		(62)	

	28 weeks to 13 September 2025 (restated*) £m
Non-underlying cash movements within Free Cash Flow:	
Cash contributions to defined benefit scheme	(13)
Retail restructuring programmes	(44)
	(57)

* The comparative period has been restated to present Argos operations as a discontinued operation. Refer to notes 2 and 7 for further details.

A3 Borrowings

A3.1 Net debt (Closest IFRS equivalent: Borrowings, cash, derivatives, financial assets at FVOCI, lease liabilities)

Definition and purpose – 12 September 2026

In the current period, net debt includes cash and cash equivalents, borrowings, overdrafts, lease liabilities, other financial securities and derivatives used in hedging borrowings.

This metric shows the liquidity and indebtedness of the Group and whether the Group can cover its debt commitments.

Definition and purpose – Comparatives

In the comparative periods, net debt includes the capital injections into Sainsbury's Bank, but excludes the net debt of Sainsbury's Bank and its subsidiaries. Financial Services' net debt balances were excluded because they were required as part of the business as usual operations of a bank, as opposed to specific forms of financing for the Group. Derivatives exclude those not used to hedge borrowings, and borrowings exclude bank overdrafts as they are disclosed separately. Hence net debt is presented as Retail net debt.

This metric shows the liquidity and indebtedness of the Group and whether the Group can cover its debt commitments after taking into account regulatory commitments within its banking operations.

Reconciliation

Note 12.1 to the consolidated condensed interim financial statements.

A3.2 Net debt / underlying EBITDA (Closest IFRS equivalent: none)

Definition and purpose

Net debt divided by underlying EBITDA based on a 52 week rolling basis.

Helps management measure the ratio of the business's debt to operational cash flow.

Reconciliation

	Note	52 weeks to 12 September 2026 £m	52 weeks to 13 September 2025* £m	52 weeks to 28 February 2026* £m
Net debt*	12	5,634	5,527	5,743
Underlying EBITDA		2,129	2,218	2,211
Net debt/underlying EBITDA		2.6x	2.5x	2.6x

* Comparatives are as originally reported

Underlying EBITDA is reconciled within the fixed charge cover analysis in note A4.2.

A4 Other measures

A4.1 Return on capital employed (Closest IFRS equivalent: none)

Definition and purpose

Return divided by average capital employed.

Return is defined as 52 week rolling underlying operating profit.

Capital employed is defined as 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, representing the previous 13 period ends and the opening position.

Represents the total capital that the Group has utilised in order to generate profits. Management uses this to assess the performance of the business.

Reconciliation

Net debt as set out in note 12 to the consolidated condensed interim financial statements.

	Note	52 weeks to 12 September 2026 £m	52 weeks to 13 September 2025* £m	52 weeks to 28 February 2026* £m
Return (underlying operating profit)		1,032	1,046	1,025
Net assets	Balance sheet	5,495	6,393	6,150
Less: net pension surplus	14	(373)	(668)	(525)
Deferred tax on pension surplus		153	199	194
Less: net debt	12	5,634	5,527	5,743
Effect of in-year averaging		262	169	(17)
Capital employed		11,171	11,620	11,545
Return on capital employed		9.2%	9.0%	8.9%

* Comparatives are as originally reported

A4.2 Fixed charge cover (Closest IFRS equivalent: none)

Definition and purpose

Underlying EBITDA divided by rent (representing capital and interest repayments on leases) and underlying net finance costs.

All items are calculated on a 52 week rolling basis.

This helps assess the Group's ability to satisfy fixed financing expenses from performance of the business.

Reconciliation

	52 weeks to 12 September 2026 £m	52 weeks to 13 September 2025* £m	52 weeks to 28 February 2026* £m
Underlying operating profit	1,032	1,046	1,025
Add: Underlying depreciation and amortisation expense	1,097	1,172	1,186
Underlying EBITDA	2,129	2,218	2,211
Repayment of capital element of lease obligations	(470)	(489)	(504)
Underlying finance income	33	28	24
Underlying finance costs	(327)	(334)	(331)
Fixed charges	(764)	(795)	(811)
Fixed charge cover	2.8x	2.8x	2.7x

* Comparatives are as originally reported