

Guidance for 2025/26

Profit

- We expect to deliver Retail underlying operating profit of more than £1 billion
- We expect Financial Services underlying operating profit contribution to be broadly breakeven in 2025/26

Finance costs

- We expect underlying net finance costs of between £300 million and £310 million, including around £265 million lease interest

Space

- We expect to open 12 new supermarkets and approximately 30 convenience stores, while anticipating a modest number of supermarket and convenience store closures
- We expect a net space impact on Retail sales growth of around 0.5 per cent in 2025/26

Depreciation and amortisation

- We expect retail underlying depreciation and amortisation of around £1.2 billion, including around £0.5 billion right of use asset depreciation

Items excluded from underlying results

- We expect to incur non-underlying cash costs relating to Retail restructuring programmes of around £100 million in 2025/26
- We expect to incur total non-underlying cash costs relating to our Next Level Sainsbury's strategy implementation of around £150 million over the three-year programme

Tax rate

- We expect an underlying tax rate of around 30 per cent

Capital allocation

- We expect cash proceeds from the disposal of our banking operations to exceed £400 million
- We will return £250 million of these proceeds to shareholders via special dividend
- We will additionally return £150 million of bank disposal proceeds through share buybacks, with £50 million to be added to the core £200 million buyback in financial year 2025/26 and £100 million to be added to the core buyback in financial year 2026/27

Capital expenditure

- We expect core retail cash capital expenditure (excluding Financial Services) in 2025/26 of £800 million to £850 million

Retail free cash flow

- We expect to generate more than £500 million of retail free cash flow in 2025/26, in line with our commitment of generating at least £1.6 billion of retail free cash flow over the three years to 2026/27

Net Debt

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

Pension

- We expect total pension scheme cash contributions to be around £26 million