

J Sainsbury plc

# Preliminary Results

2021/22



J Sainsbury plc

**Simon Roberts**  
Chief Executive Officer

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# Agenda

01



**Progress against priorities**

02



**Financial highlights**

03



**Strategic highlights**

# Responding to a year of unprecedented change

## Customers and colleagues first



- Market leading safety scores
- Over £100m wage rate investment
- Maintained increased online capacity

## Industry impact and change



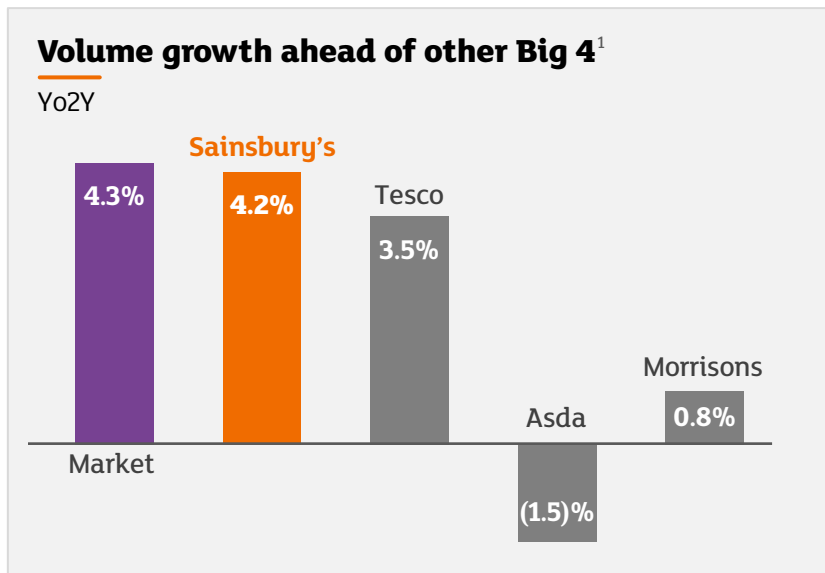
- Leveraged strong supplier relationships and scale
- Invested in operations to improve availability

## At our most competitive



- Volume market performance ahead of key competitors
- Inflating behind competitors

## Pace of change driving Food First momentum



### Strengthening of Food business, funded through ambitious cost plan:

- Market share performance ahead of key competitors
- Radically shifted competitiveness
- Launched nearly 2,000 new products
- Ambitious store improvements

<sup>1</sup> NielsenIQ Panel volume growth Yo2Y. Total FMCG (excluding Kiosk & Tobacco), 52 weeks to P13. Market Universe: Total Outlets

## We are delivering on our priorities



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



- Customer and profit focus
- Supporting the core food business



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



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



Environmental and social sustainability at our core

## 8 key metrics

### Delivering for customers and driving stronger financial outcomes

#### Operational

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Grocery market share performance

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Strong customer satisfaction scores

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Maintain strong colleague engagement

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Deliver our Plan for Better commitment

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#### Financial

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UPBT growth

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200bps+ reduction in retail operating cost to sales

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Dependable retail free cash flow: £500m+ pa average

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Increase Return on Capital employed<sup>1</sup>

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

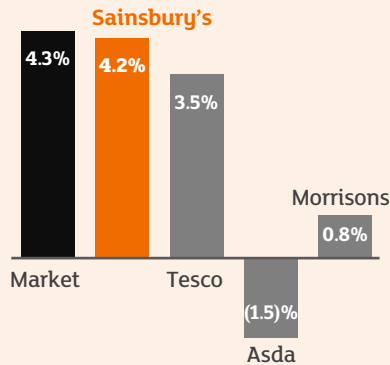
# One year into our plan, we're making good progress on our metrics

## Operational

### Grocery market share performance



Volume growth ahead of other Big 4<sup>1</sup>



### Strong customer satisfaction scores



**+2ppt**  
Overall CSAT vs 19/20

Ahead of competitors on Supermarket CSAT<sup>2</sup>



### Maintain strong colleague engagement



**+2ppt**  
Colleague engagement score<sup>3</sup>

**+3ppt**  
Colleague authenticity score<sup>3</sup>

**+3ppt**  
Colleague empowerment<sup>3</sup>

**+3ppt**  
Manager support<sup>3</sup>

### Deliver our 'Plan for Better' commitment



<sup>1</sup> NielsenIQ Panel volume growth Yo2Y. Total FMCG (excluding Kiosk & Tobacco), 52 weeks to March 2022. Market Universe: Total Outlets

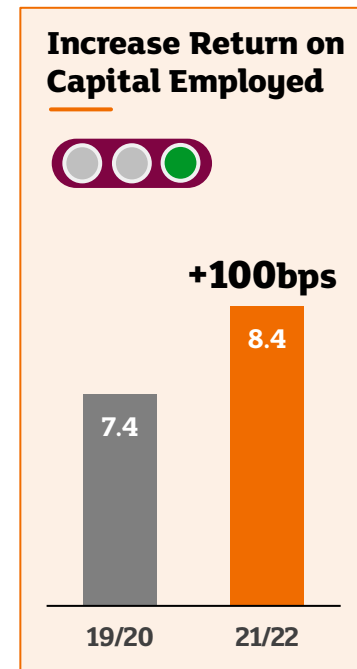
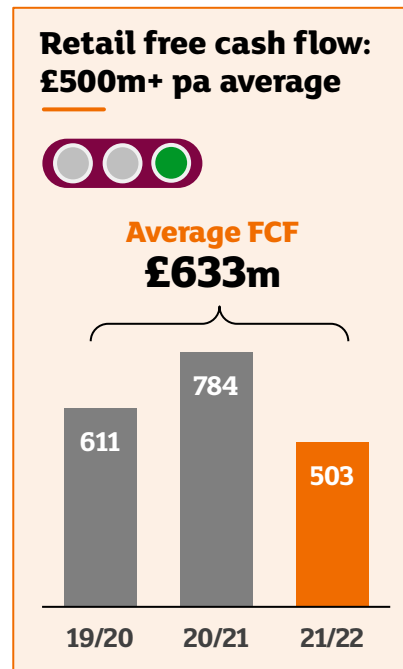
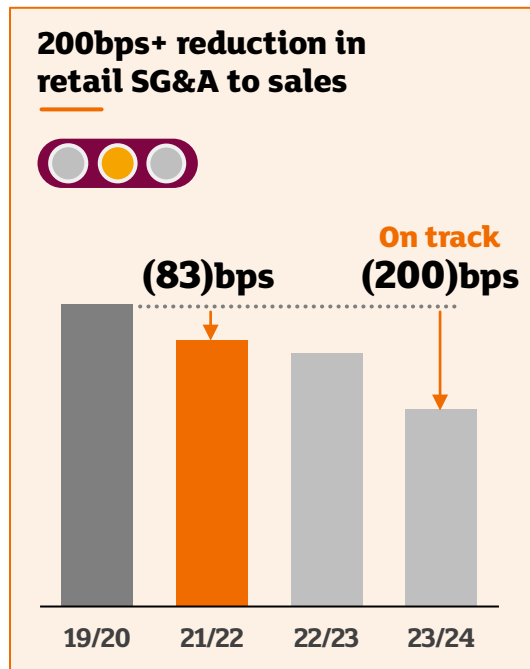
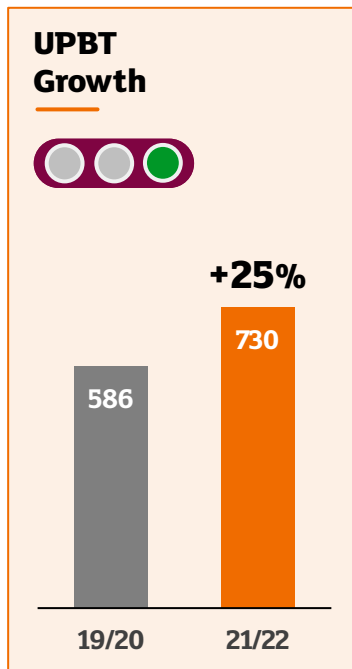
<sup>2</sup> Competitor benchmarking survey

<sup>3</sup> Feb 22 eSAT scores vs April 2021 eSAT baseline scores



# One year into our plan, we're making good progress on our metrics

## Financial



# We've made significant investments in 21/22



## Improving Value

- Inflated behind competitors
- Sainsbury's Quality, Aldi Price Match
- Price Lock
- Nectar Prices



## Product innovation

- Nearly 2,000 new products
- Taste the Difference growth
- New brands launched
- Habitat



## Technology and space

- Nectar Prices on SmartShop
- Store Digitisation
- Cloud Strategy
- 4 supermarkets & 19 convenience stores opened



## Leading pay and benefits

- Over £100m wage rate investment
- First major supermarket to pay Real Living Wage
- Uplifted colleague discount
- Family leave policy



## Supporting our communities

- Supporting those affected by Ukraine humanitarian crisis
- Comic Relief
- Nectar Donate
- Neighbourly
- COP-26 principal partner

# We have momentum and are in a strong position to navigate 22/23

## **Sustain**

Strong  
Value position

## **Drive**

Further Trade Up

## **Invest**

In stores, strengthen  
customer service

## **Deliver**

Cost Savings target

## **Build on**

General  
Merchandise  
transformation

## **Embed**

Plan for Better

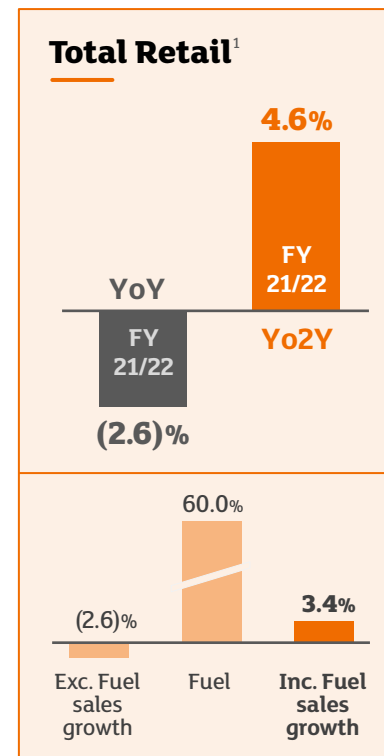
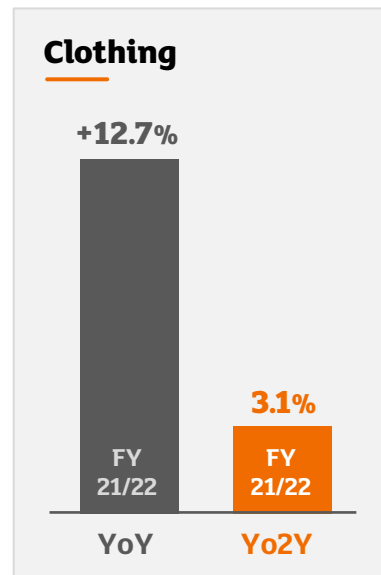
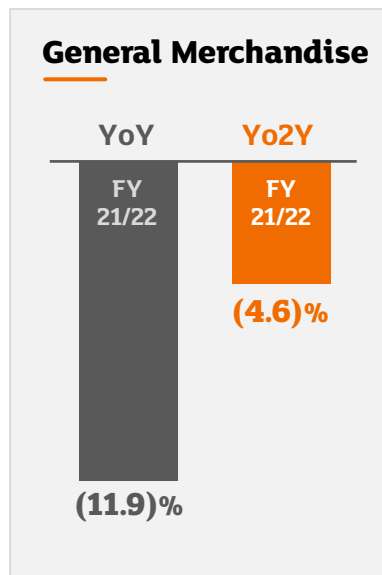
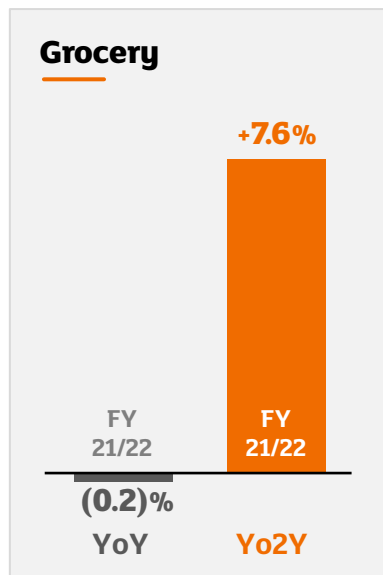
J Sainsbury plc

**Kevin O'Byrne**  
Chief Financial Officer

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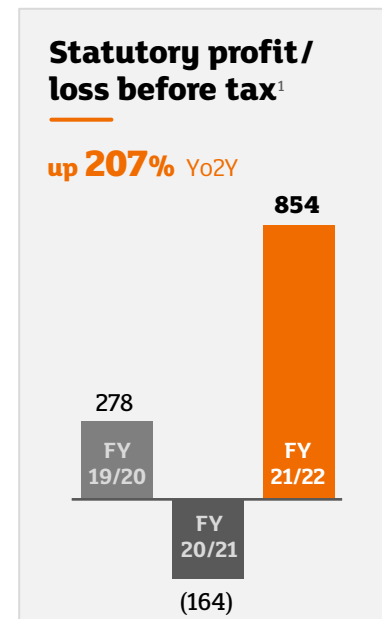
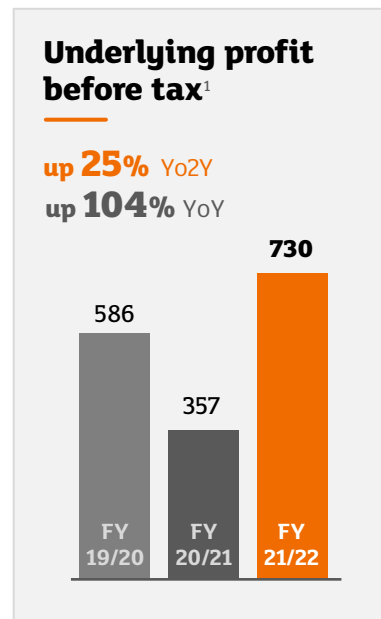
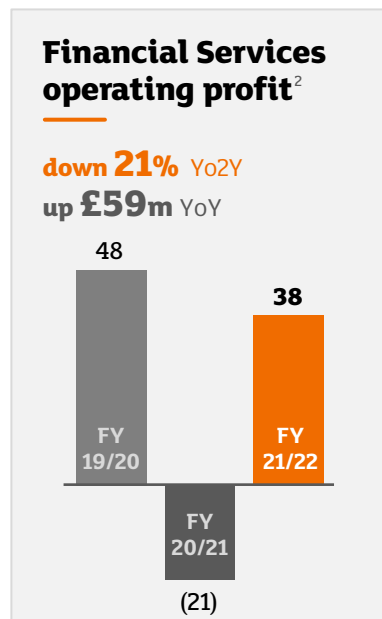
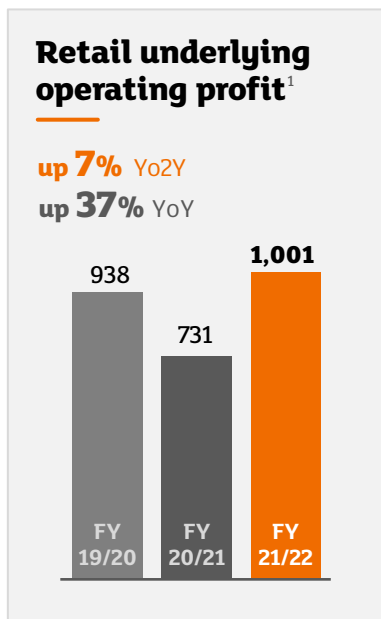


# Retail sales growth by category



<sup>1</sup> Exc. fuel

# Group performance overview



All figures £m

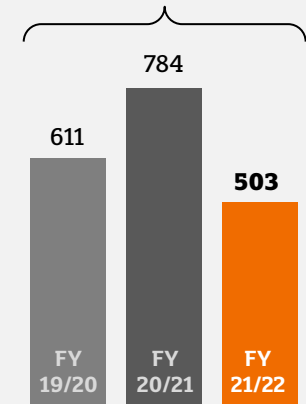
1 The results for 2021 and 2020 have been restated to remove business rates from onerous contract provisions in line with IFRIC 21. Refer note 2 of financial statements

2 Underlying Financial Services operating profit

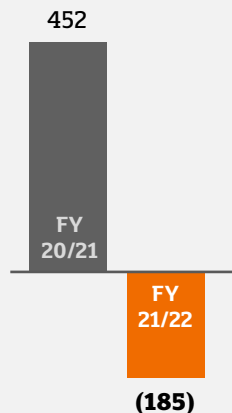
# Group performance overview

## Retail free cash flow

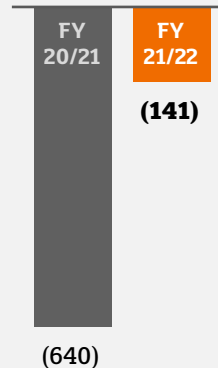
Average £633m



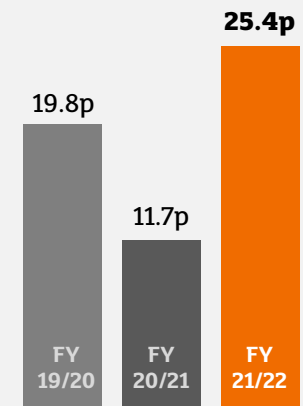
## Working capital movement<sup>1</sup>



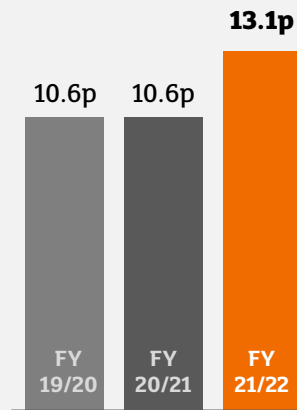
## Net debt excluding leases



## Earnings per share<sup>1,2</sup>



## Dividend per share

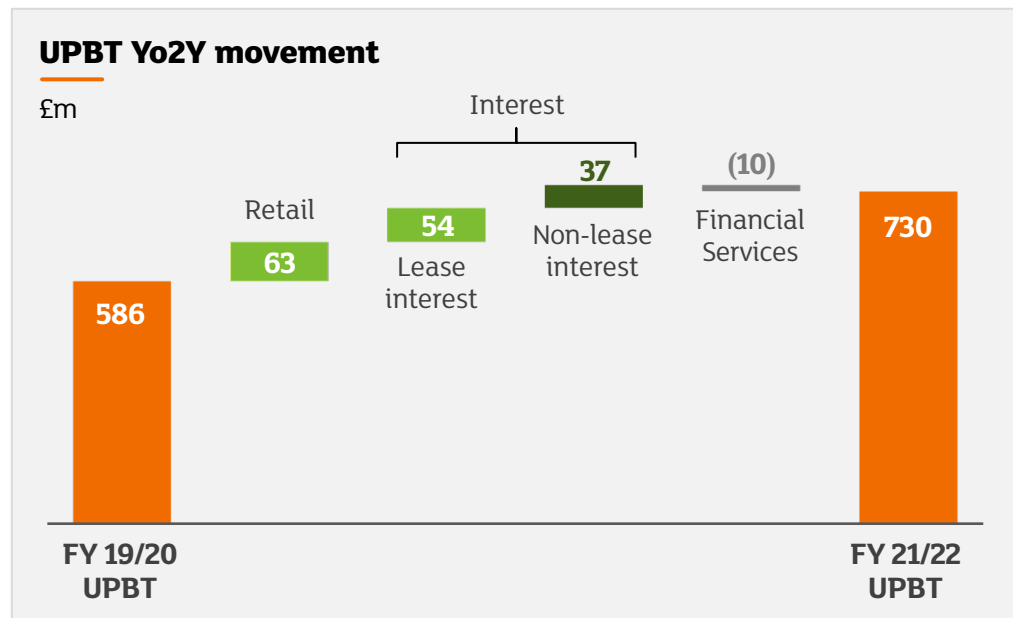


All figures £m

<sup>1</sup> The results for 2021 and 2020 have been restated to remove business rates from onerous contract provisions in line with IFRIC 21. Refer note 2 of financial statements

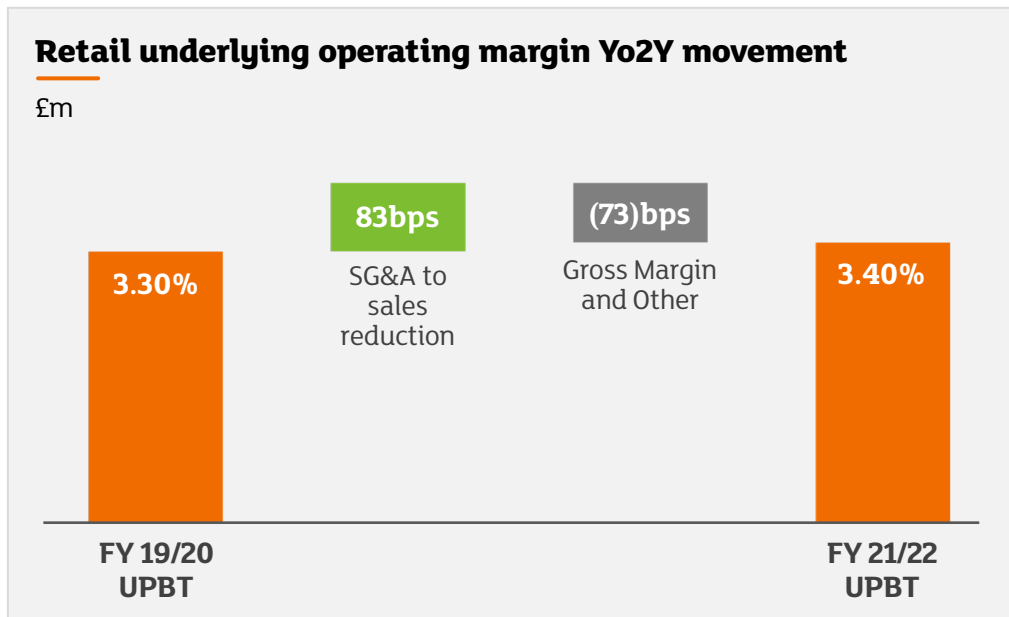
<sup>2</sup> Underlying basic earnings per share

## Underlying profit before tax

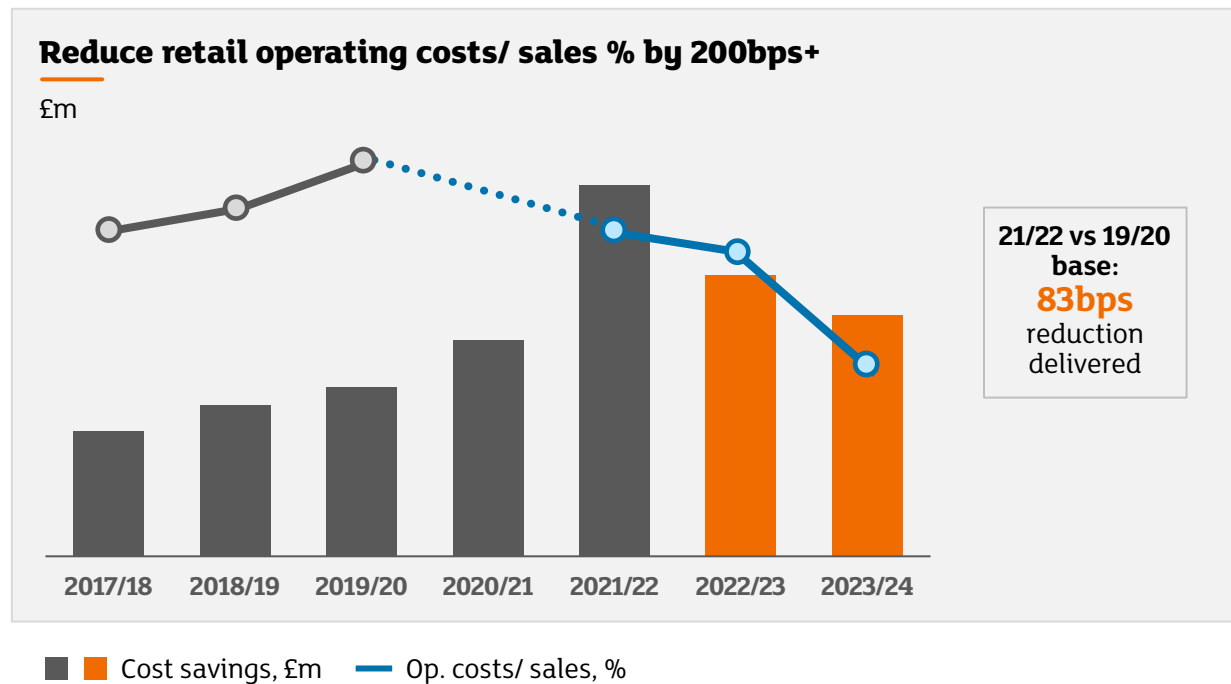




## Retail underlying operating margin



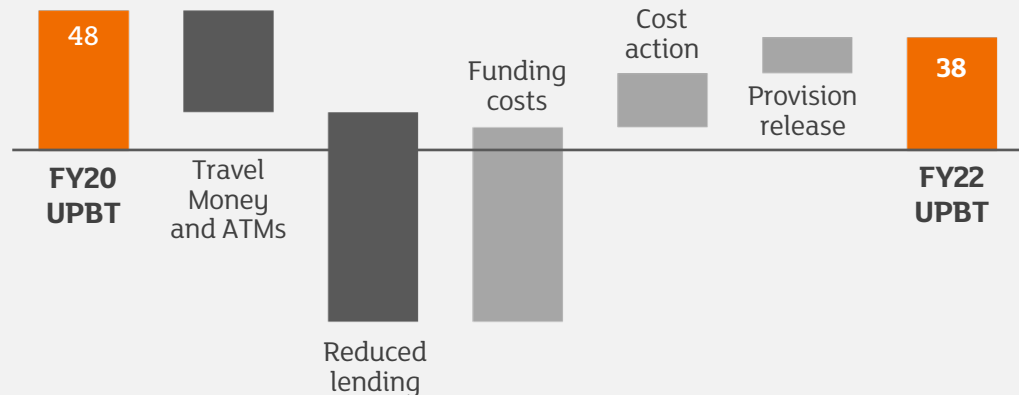
## Strategic cost reduction plan on track



# Financial Services

## UPBT Yo2Y movement

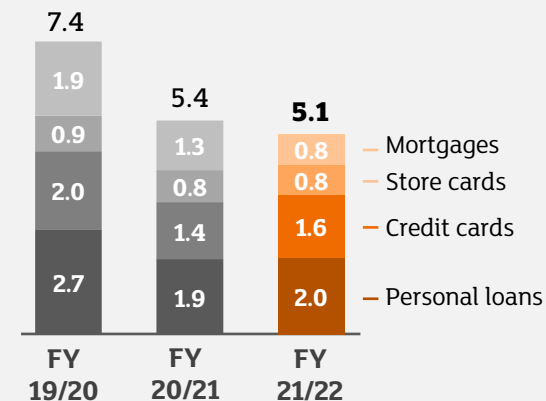
£m



## £50m dividend to Group

### Customer Assets

£bn



## Items excluded from underlying results

£m	FY 2021/22	FY 2020/21 <sup>1</sup>
Restructuring programmes	(103)	(345)
Impairment charges (Retail and FS) <sup>2</sup>	-	(220)
Income recognised in relation to legal disputes	182	42
Software as a service accounting adjustment	(21)	-
IAS 19 pension income	11	6
Property, finance and acquisition adjustments	55	(4)
<b>Total items excluded from underlying results</b>	<b>124</b>	<b>(521)</b>

### Guidance

Restructuring, impairment and integration one-off costs of £900m-£1bn from FY20/21, with the majority by March 2024 (c. £300m cash), with around £100m cash in FY22/23

### Cash impact of current year legal disputes

- **£75m** cash received in prior financial years
- **£93m** received in FY 21/22

<sup>1</sup> The results for 2021 and 2020 have been restated to remove business rates from onerous contract provisions in line with IFRIC 21. Refer note 2 of financial statements

<sup>2</sup> In the prior year, the effect of COVID-19 and accelerated structural integration programme were deemed an impairment indicator in line with IAS 36.

A full review was performed covering Retail and Financial Services assets

## Net debt and Retail free cash flow

£m	FY 2021/22	FY 2020/21
<b>Net cash from operating activities</b>	1,594	1,809
<i>of which working capital movements</i>	(189)	452
Capital expenditure	(645)	(568)
Disposal proceeds <sup>2</sup>	48	49
Lease repayments <sup>3</sup>	(494)	(506)
<b>Retail free cash flow</b>	<b>503</b>	<b>784</b>
Dividends paid on ordinary shares	(238)	(232)
Impact of convertible bond	240	-
Net lease additions and Other <sup>4</sup>	(802)	(74)
<b>Movement in net debt</b>	<b>(290)</b>	<b>478</b>
<b>Opening net debt<sup>5</sup></b>	<b>(6,469)</b>	<b>(6,947)</b>
<b>Closing net debt<sup>5</sup></b>	<b>(6,759)</b>	<b>(6,469)</b>
Of which:		
<b>Lease liabilities</b>	<b>(6,618)</b>	<b>(5,829)</b>
<b>Net debt excluding lease liabilities<sup>5</sup></b>	<b>(141)</b>	<b>(640)</b>

- Working capital reversal from strong FY2020/21 position
- Net debt exc. lease liabilities down **£499m** from FY 2020/21
- Net debt inc. lease liabilities up **£290m** from FY 2020/21
- Lease liabilities increased as we served notice to purchase 21 stores upon lease expiry

1 The results for 2021 and 2020 have been restated to remove business rates from onerous contract provisions in line with IFRIC 21. Refer note 2 of financial statements

2 Includes dividends received from JVs, net of JV capital injections

3 Includes initial direct costs on right-of-use assets

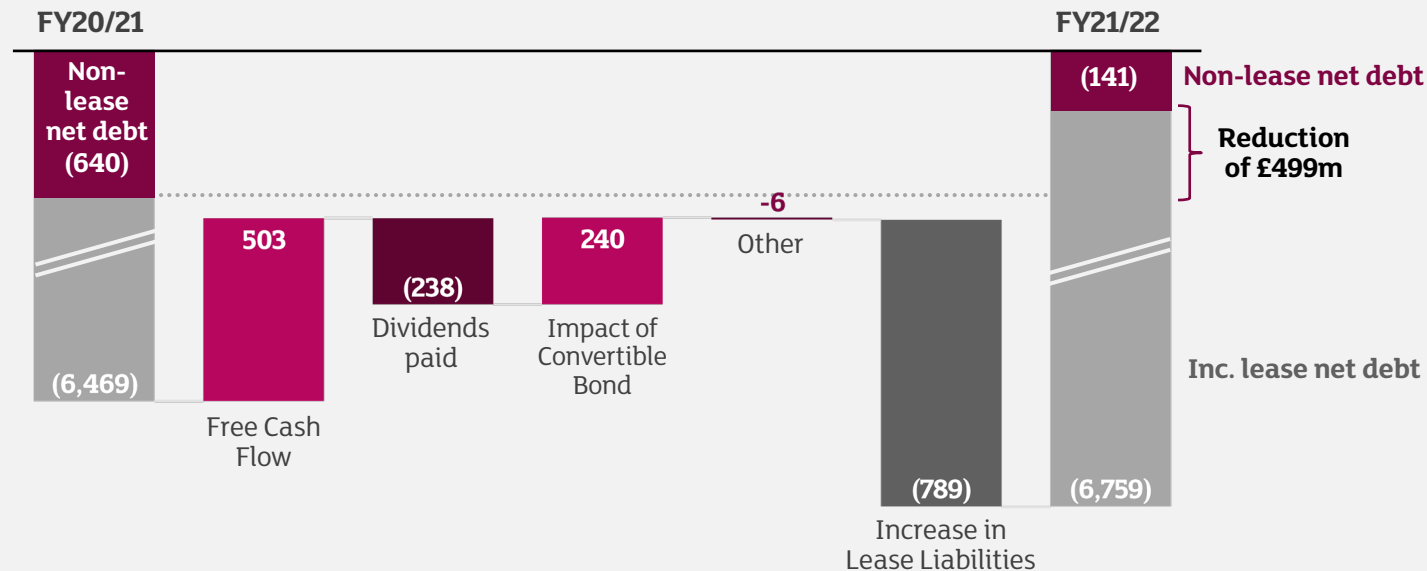
4 Includes the net movement to lease liabilities, reflecting non-cash additions in the period offset by payments made. Also includes impact of conversion of perpetual securities, cash impact of share purchases and share issuances.

5 Net debt definition excludes derivatives not linked to borrowings, and includes perpetual securities as debt

# Net debt movement

## Movement in Net Debt inc. Leases

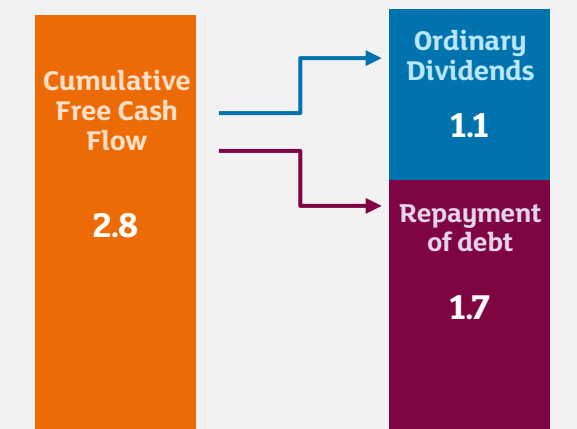
£m



# Significant Free Cash Flow generation over the last 5 years

## Free Cash Flow driving debt paydown and stable dividends

£bn, Cumulative 17/18 to 21/22



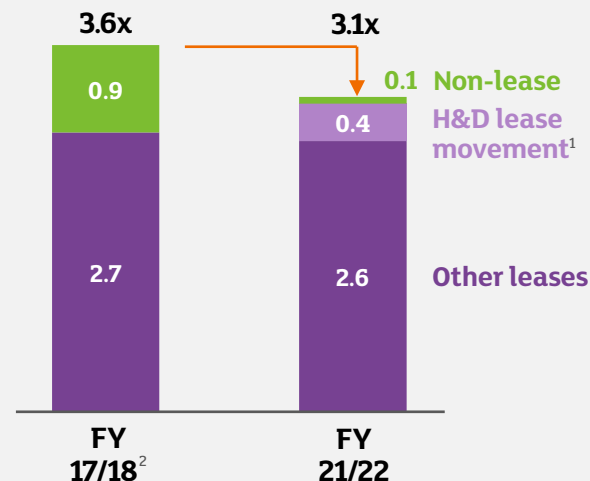
### 5 years to 21/22:

- Total Ordinary dividends paid £1.1bn
- Average UPAT payout ratio 52%

### Capital allocation framework:

- UPAT payout ratio of around 60% from 22/23

## Leverage reduction: Net debt to EBITDA



<sup>1</sup> Highbury and Dragon investment vehicles

<sup>2</sup> Net debt including perpetual securities as debt

## Updated capital allocation framework

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



## Summary and Outlook

### Strong performance

- Grocery sales up on a two year basis reflecting tailwinds from sustained in-home consumption and investments made in the food offer
- Volume market share gains, strong value position
- Strong cost savings progress; 83bps reduction in SG&A to sales
- Underlying profit before tax up 25% on a two year basis
- Good underlying retail free cash flow generation; average £633m over three years
- Net debt reduction target delivered ahead of schedule; £1,381m reduction over three years
- Returning higher proportion of underlying profit to shareholders

### Outlook

- At this early stage of the financial year, we expect UPBT of £630m-£690m in FY22/23
- Expect further Financial Services underlying profit improvement in FY22/23
- Average free cash flow £500m+ p.a. three years to March 2025

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**Simon Roberts**  
Chief Executive Officer

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## We are delivering on our priorities



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



- Customer and profit focus
- Supporting the core food business



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



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



Environmental and social sustainability at our core



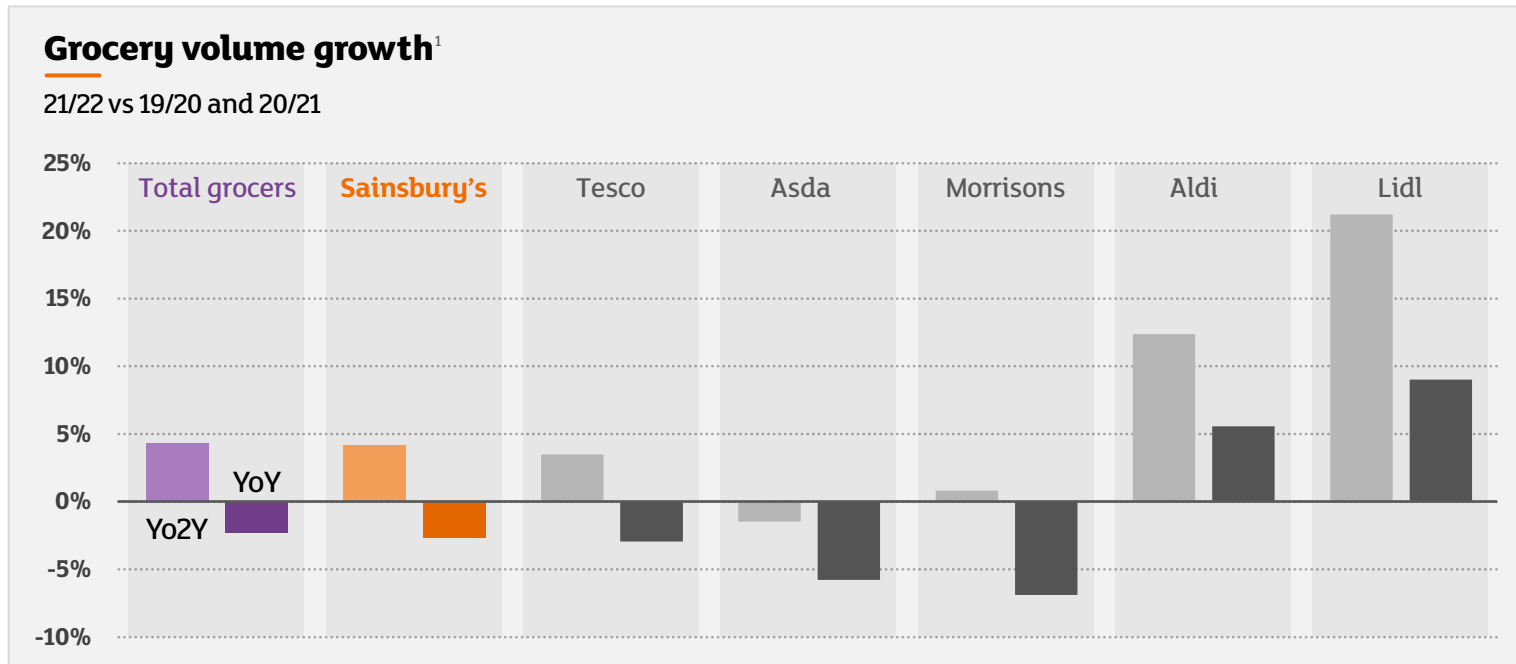
- Better value and innovation
- Underpinned by buying benefits and lower cost to serve

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



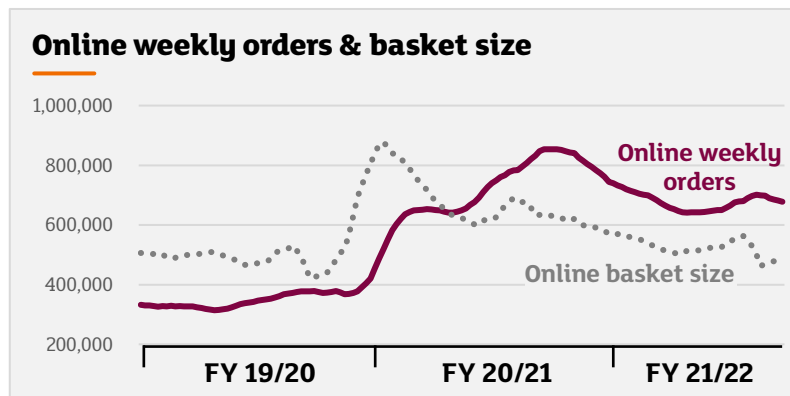
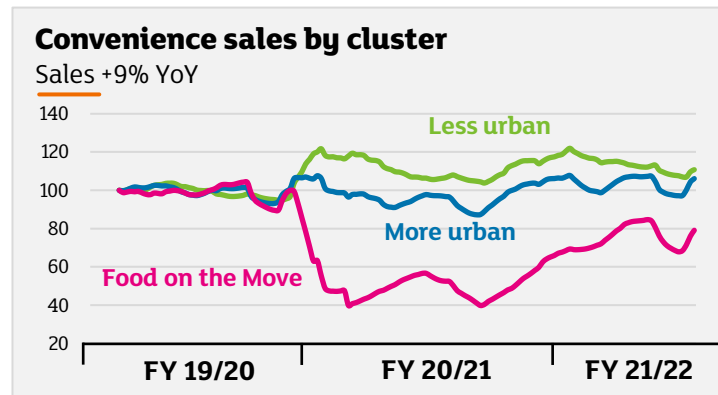
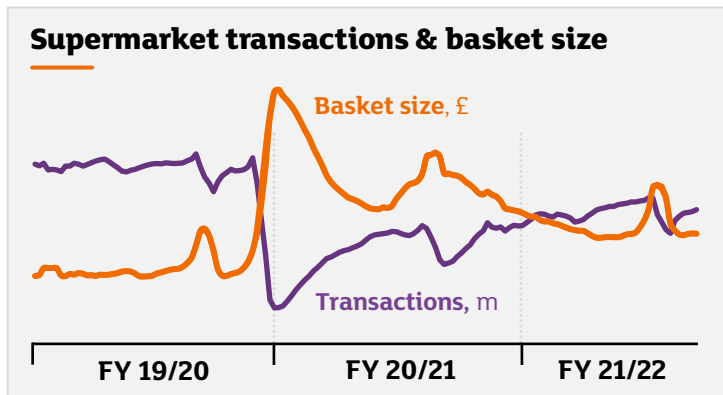
# Volume market share:

Growing ahead of Tesco, Asda and Morrisons on a one-year and two-year basis

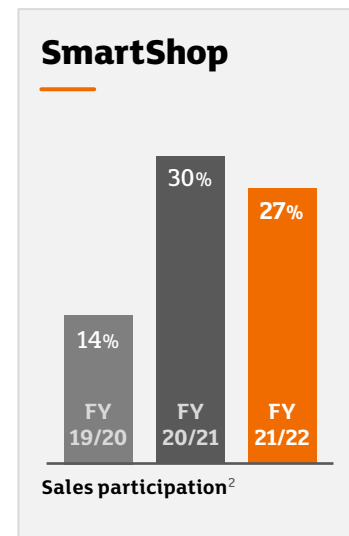
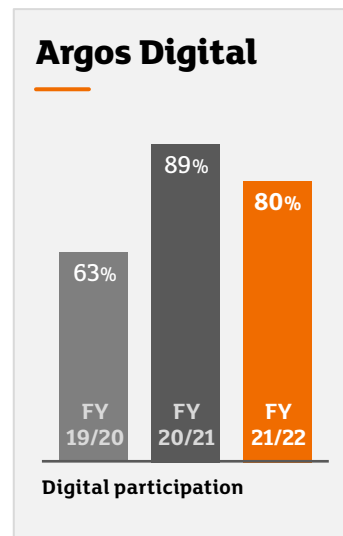
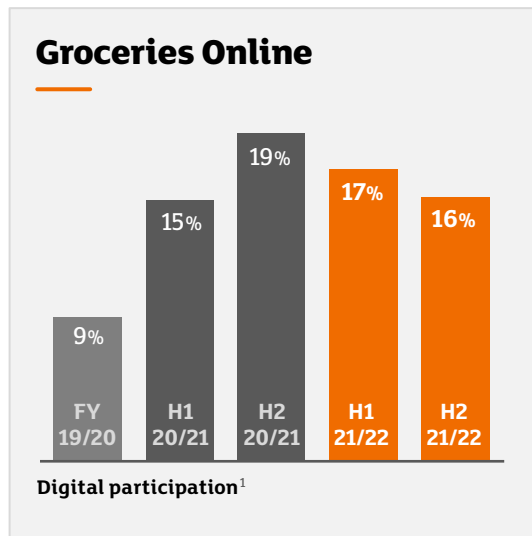
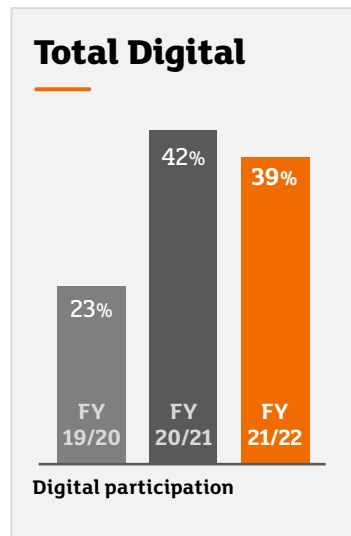


<sup>1</sup> NielsenIQ Panel volume growth YoY and Yo2Y. Total FMCG (excluding Kiosk & Tobacco), 52 weeks to March 2022. Market Universe: Total Outlets.

# Customer behaviour continues to normalise



# Digital participation significantly ahead of pre-pandemic



1 Of total Grocery sales

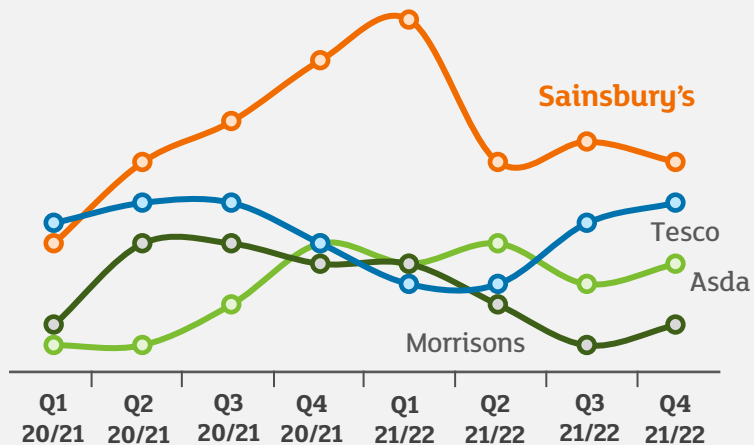
2 Sales participation in stores with handsets



# Supermarket customer satisfaction ahead of competitors

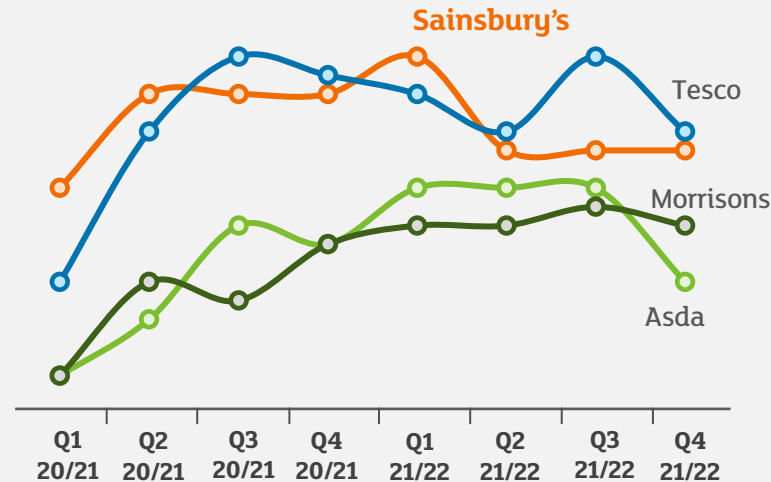
## Supermarkets

Customer satisfaction index<sup>1</sup>



## Online

Customer satisfaction index<sup>1</sup>



<sup>1</sup> Supermarket and Online customer satisfaction %. Source: Competitor benchmarking survey

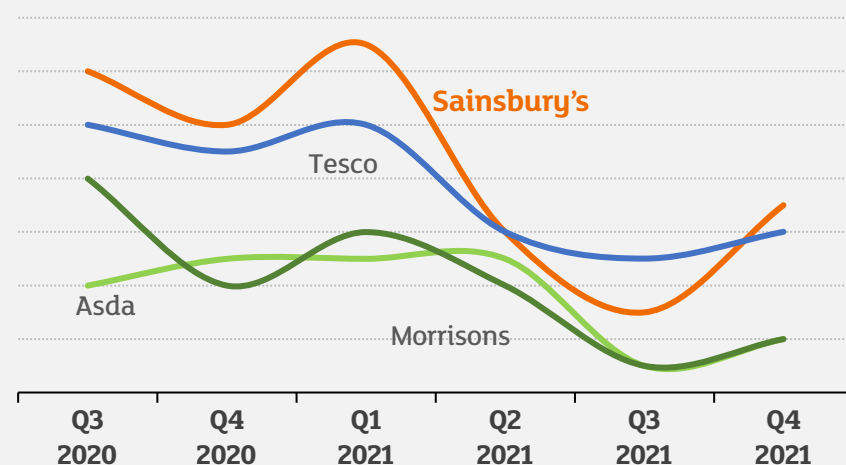




# Focus on key customer satisfaction metrics

## Recovery in Availability CSAT - supermarkets

Customer satisfaction index<sup>1</sup>



	Yo2Y improvement <sup>2</sup>
Availability of Staff	+6.7%
Speed of Checkout	+14.7%
Ease of Finding Items	+9.0%
Quality of Items	+4.7%
Value for the Money Spent	+2.2%

<sup>1</sup> Supermarket customer satisfaction %. Source: Competitor benchmarking survey

<sup>2</sup> Improvement between FY19/20 and FY21/22 in CSAT metrics Source: Competitor benchmarking survey

# Value: our strongest relative price position in years

## Price Lock



- Biggest campaign of key competitors
- Up to 2,000 SKUs in latest campaign



## Core, high volume investment



- Focus on Produce and MFP
- Market outperformance in key Fresh categories



## Sainsbury's Quality, Aldi Price Match

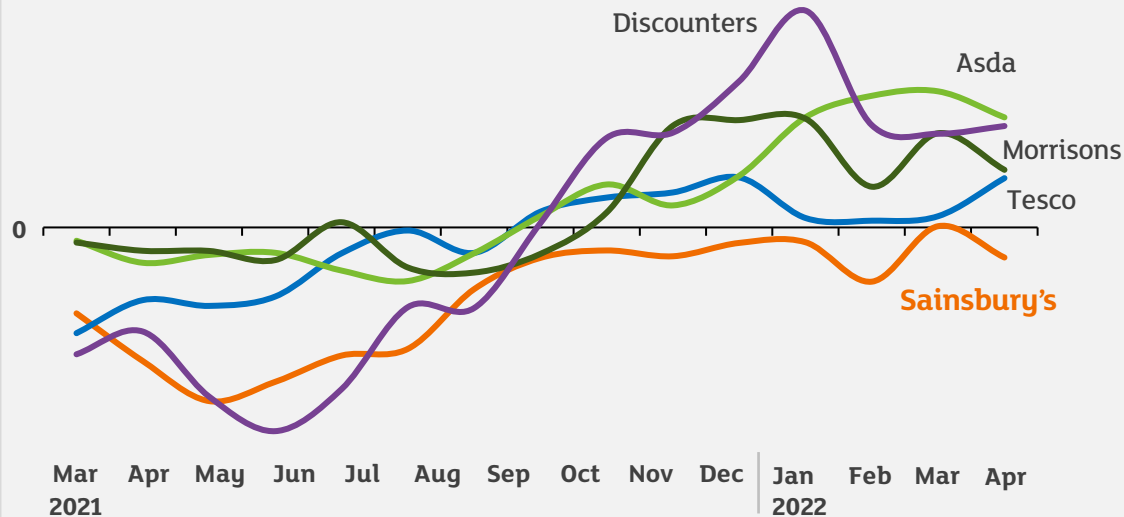


- **Increased investment:** high volume lines
- **Fresh focus:** Nearly 90% volume in Fresh



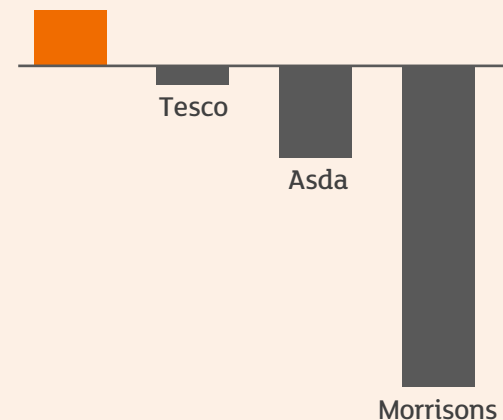
# Continuing to inflate behind the market

## ASP Inflation of Top 100 products<sup>1</sup>



## Volume growth from secondary customers ahead of the other Big 4<sup>2</sup>

### Sainsbury's

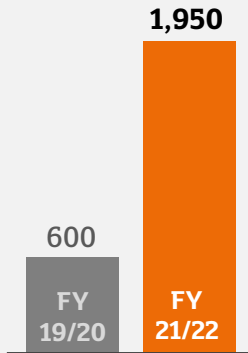


<sup>1</sup> Source: Nielsen panel data, Top 100 SKUs by retailer. Average Selling Price YoY growth

<sup>2</sup> Source: Secondary Shoppers – Volume Growth. Nielsen Panel, Total FMCG (excl. Kiosk & Tobacco), 12wks to March 22. Market Universe: Total Outlets.

# Food Innovation: highest number of new products in a decade

## Achieved target to triple innovation



**+4.7ppt**  
Quality of Items CSAT<sup>1</sup>

## Taste The Difference: strong growth



**+15%**  
Sales growth Yo2Y

**300+**  
New lines in 21/22

**Bold**  
Ambitions for 22/23

## Inspired To Cook brand launch

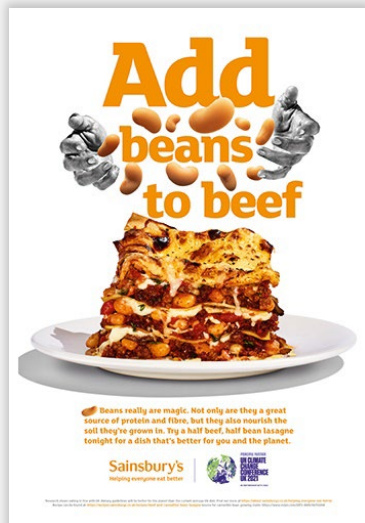


<sup>1</sup> Yo2Y improvement, Competitor benchmarking survey



# Food Innovation: Helping Everyone Eat Better

## Inspiring Customers



## Growing Plant Pioneers



**70+**  
New lines  
in 21/22

## Higher Welfare Products

- **100%** ASC<sup>1</sup> certified fresh Scottish salmon



- **Improved welfare chicken** by March 2023
  - **+20%** more space<sup>2</sup>

## Food Redistribution

**+119%**  
Increase  
YoY<sup>3</sup>



**neighbourly**



1 Aquaculture Stewardship Council  
2 Than industry standards  
3 Food redistribution for human consumption



# Significant investment to improve our stores

**HFSS** landing October 2022

ALL  
England  
stores



## 1 Fresh

- **Produce**  
new merchandising

>200  
stores

- **Bakery**  
transformed proposition

>100  
stores

- **Food To Go Hubs**  
More efficient proposition

50  
stores

## 2 Food Service

- Transformation of Food to Eat In offer, replacing cafes

68  
stores

## 3 Grocery

- **World Foods**  
Significantly expanded offer

350  
stores

- **Beauty**  
Continued rollout of new format

>100  
stores

## 4 Clothing & GM

- **Habitat** – creating a destination Home and Furniture department

25  
stores

- **Argos SiS** – Integrated shop floor

25  
stores

## 5 Future Front end

- More Self Checkouts and SmartShop

# Improvements across our food halls

## Produce

- Highest market share category
- First impression of store
- Sales uplift in trials



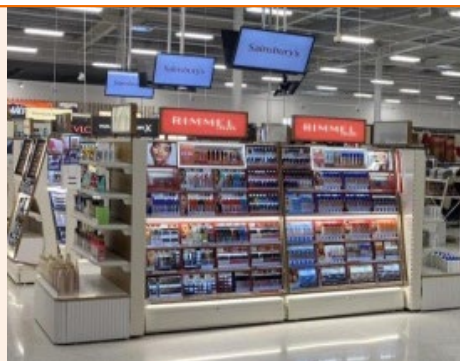
## World Foods

- Material space increase: ambient, chilled and frozen
- Significant sales opportunity
- Inclusivity



## Beauty transformation

- Driving sales uplift
- Trialing small format and new location next to non-food
- Market share growth

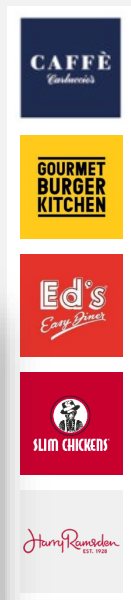


## Bakery reset

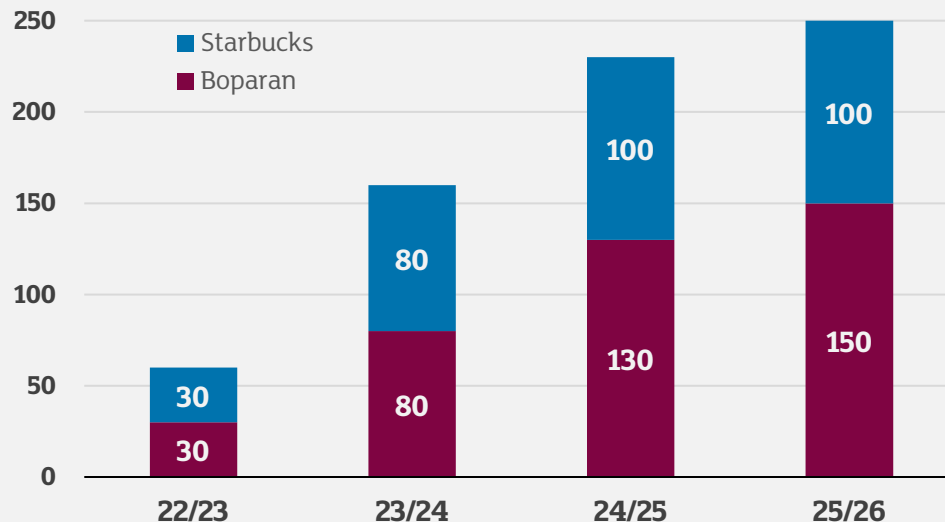
- Look and feel improvements
- Scratch to bake-off efficiencies
- Quality perception



# Food Service transformation underway



## Transform eat-in and takeaway proposition in 250 stores

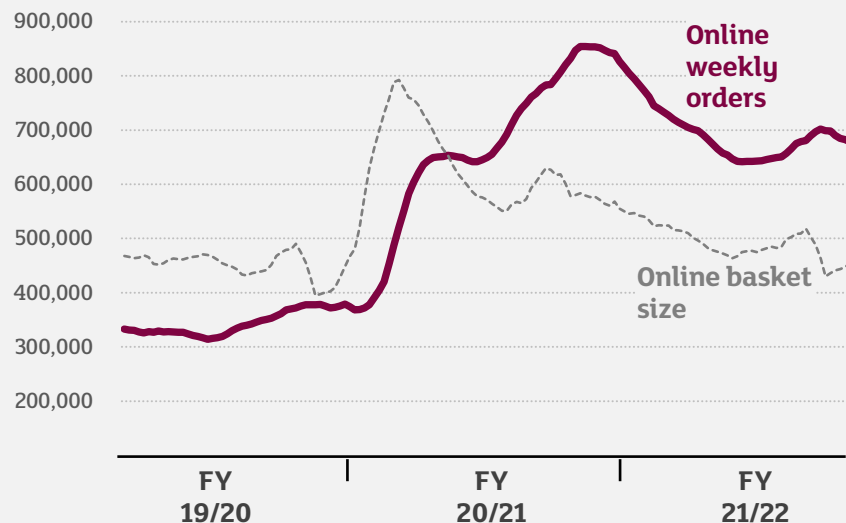






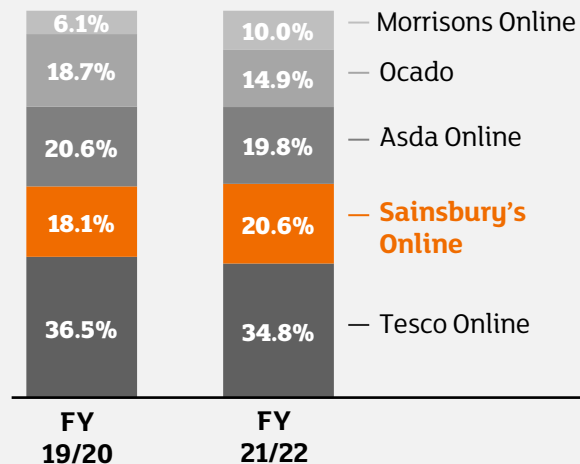
# Online: market share winner

## Online weekly orders<sup>1</sup>



## Market share gains, market #2<sup>2</sup>

Share of top 5 competitors



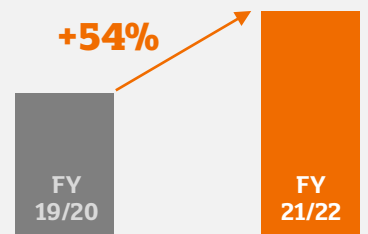
<sup>1</sup> 8 week rolling average, Groceries Online Home Delivery and Click&Collect

<sup>2</sup> Nielsen panel data, Value share of top 5 competitors. 52 weeks to FY19/20 and FY 21/22

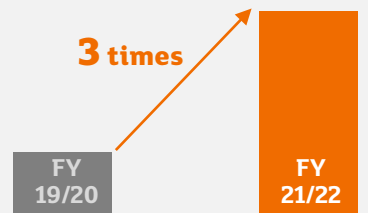


# Online: productivity gains

## Profit contribution margin



## Online profit contribution



## Basket size



## IPH

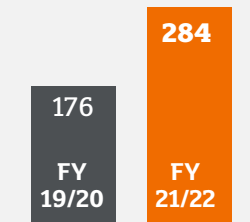


## Drops per hour



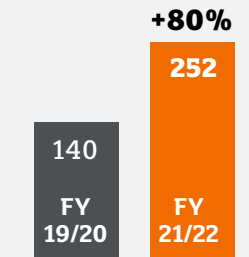
## Same day delivery and C&C relaunched

Number of stores



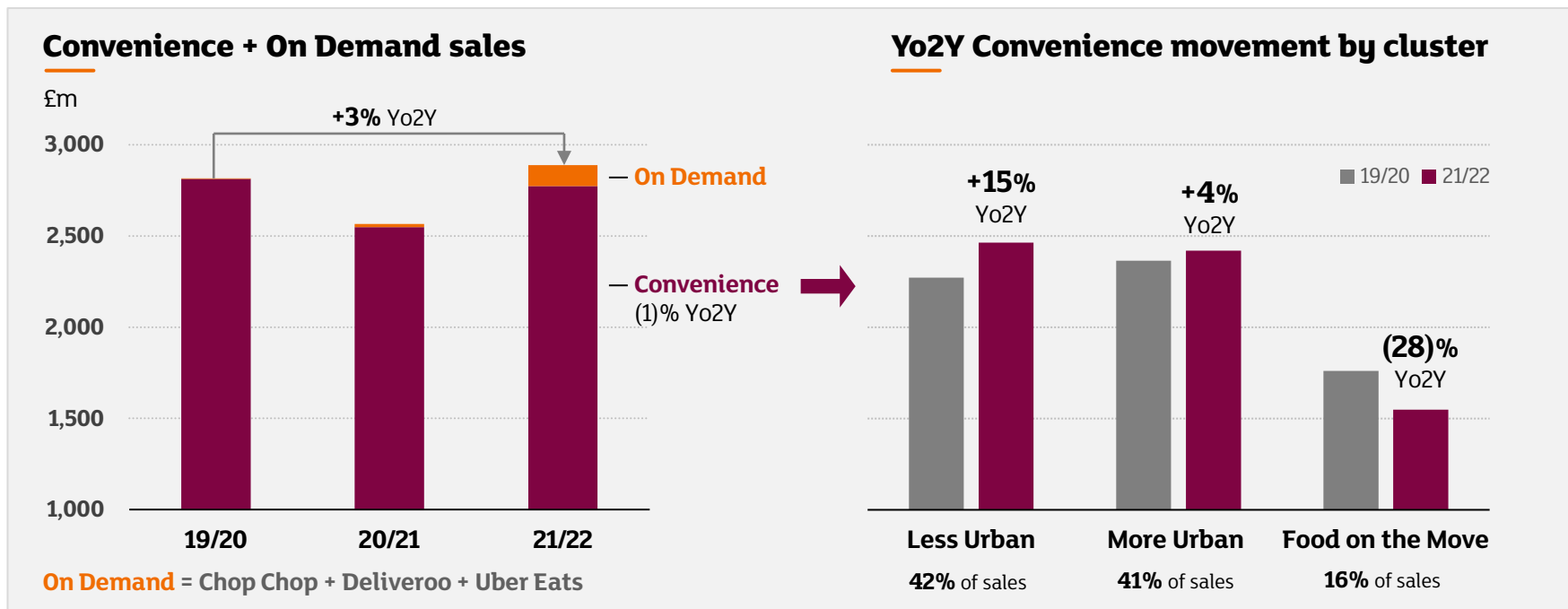
## Delivery Pass holders

'000s






# Convenience recovery and On Demand growth






**Brands that Deliver**

- Customer and profit focus
- Supporting the core food business



Focus on food, coalition and data monetisation



Reduce cost to serve  
Improve profit delivery

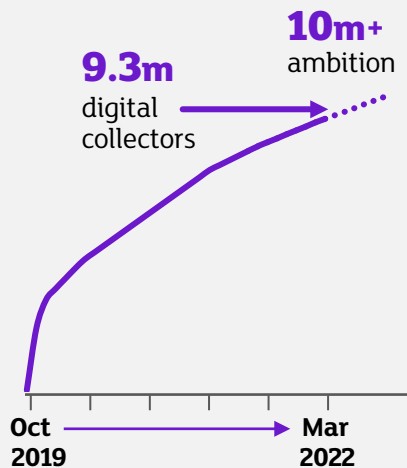


Simplify and strengthen



# Nectar: growing digital customer base, advancing personalisation

## Digital Nectar



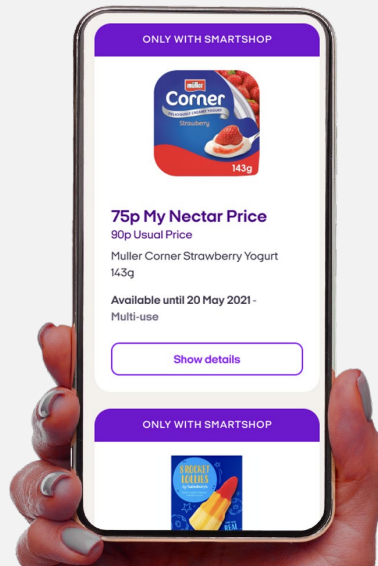
## My Nectar Prices

Steady growth in customer engagement

Over 1 million customers benefiting from My Nectar Prices

Uplift in Value Perception in SmartShop

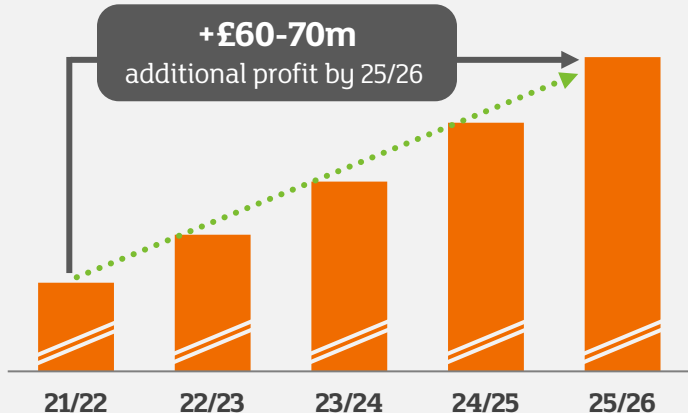
Roll out across further channels





# Nectar360 Profit Growth: strong performance across services

## Ahead of plan on profit contribution



This chart is not to scale

## Loyalty

Retained long-term Nectar partnerships

Argos redemptions

+50%

Key partnerships

extended



## Data and Insights

Bespoke analytics and insight products

Sainsbury's Insights

Platform 94%

satisfaction



## Shopper Marketing

Advertising in and around store

Driving profit

growth



## Digital Media

Advertising onsite and offsite

eCommerce funding:

double-digit growth

Digital Trading

Platform: new

functionality to come

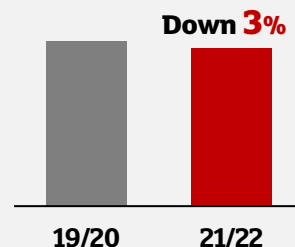


# General Merchandise and Clothing: structural profit improvement

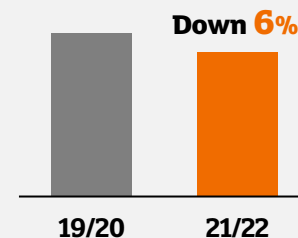
## A structurally more profitable business



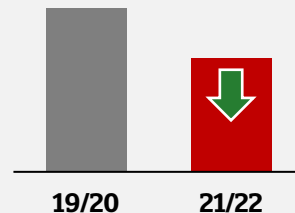
## Argos sales



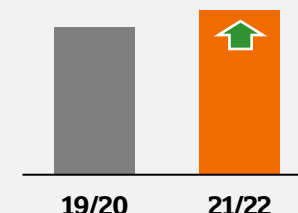
## JS GM&C sales



## Argos SG&A to sales



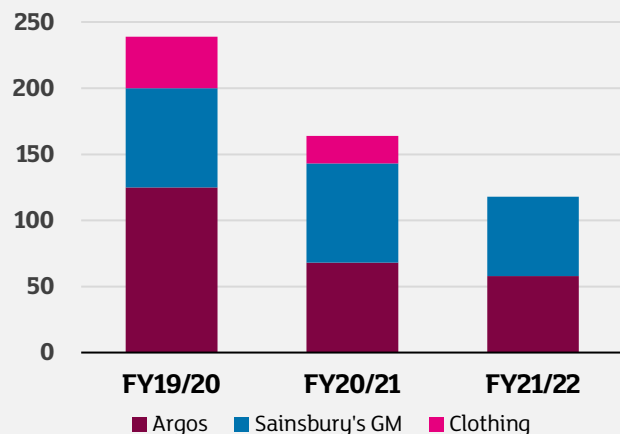
## Total GM&C Gross Margin



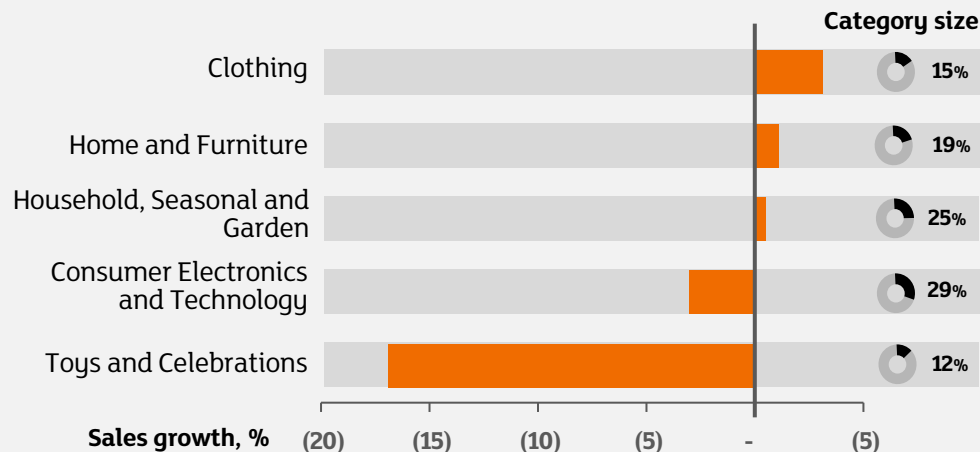


# Strategic choices on promotions and focus categories

## General Merchandise and Clothing Promotional days



## Total GM&C Category performance on a 2-year basis

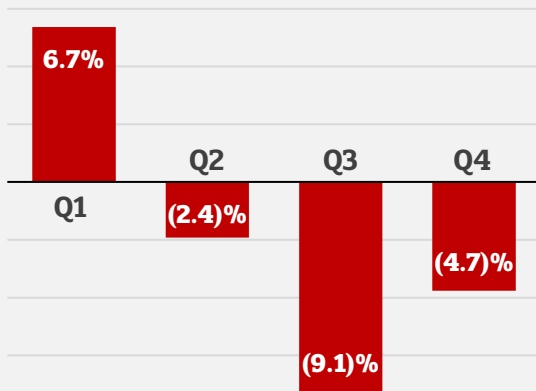




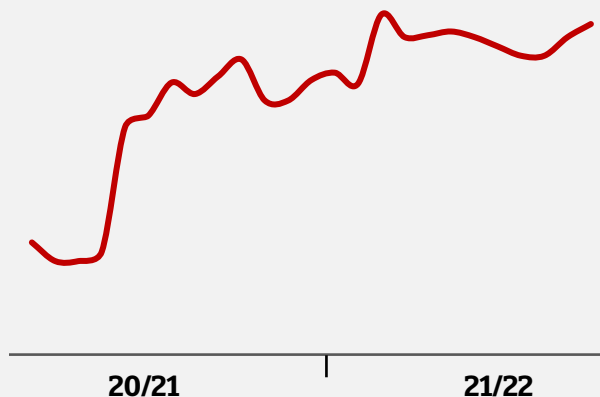


# Encouraging Argos trajectory

## Argos Yo2Y sales by quarter



## Improving Argos CSAT



## Perceived availability<sup>1</sup>



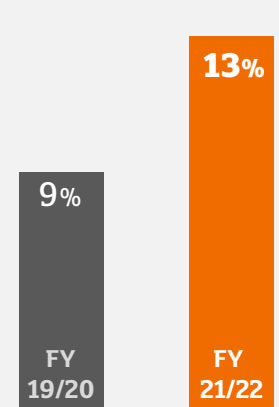
<sup>1</sup> Uplift in Overall Argos "Availability of items" CSAT scores

# Clothing: a stronger, more profitable business



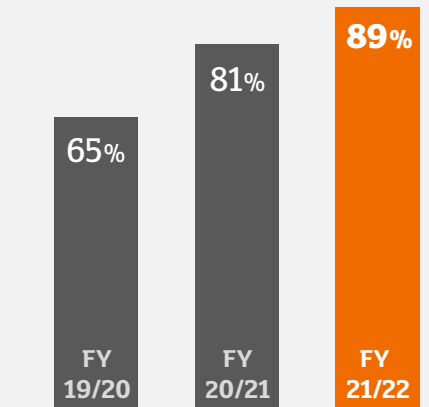
## Online sales

**+49%** Yo2Y



Online participation

## Growing full price sales participation



Full price sales participation



# Financial Services

Material short term COVID-19 impact but focused on delivering strategic commitments

<b>1</b> <b>Stop putting cash into Financial Services</b>	<b>2</b> <b>Improve returns</b>	<b>3</b> <b>Financial services cash generative</b>	<b>4</b> <b>Transform the cost base</b>	<b>5</b> <b>Reduce risk profile to group</b>	<b>6</b> <b>Focus on Sainsbury's customer base</b>
No capital input from the group <sup>1</sup>	Double UPBT; double digit ROCE within 5 years	Upstream cash within 5 years <sup>2</sup> First dividend to Group declared	Cost to Income c.50% <sup>3</sup> within 5 years	Mortgage acquisition ceased; stable balance sheet	Increase connectivity and value for group

1 Subject to regulatory changes/ requirements

2 Subject to regulatory approval

3 On a Group contribution basis

## Strong Financial Services platform

### Sainsbury's Bank:

New & improved **digital Savings & Loans application** journey



**Around 80%** Bank customers have a nectar card



Strong and improving **customer NPS**

Up 7 points from last year



### Argos Financial Services:

**AFS Monthly Payment Plan (MPP)** launched



**90%** of AFS customers are self-serving online



Argos Financial Services funded over **£1.1bn Argos sales**





## Save to Invest

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

## Structural change to accelerate cost reduction

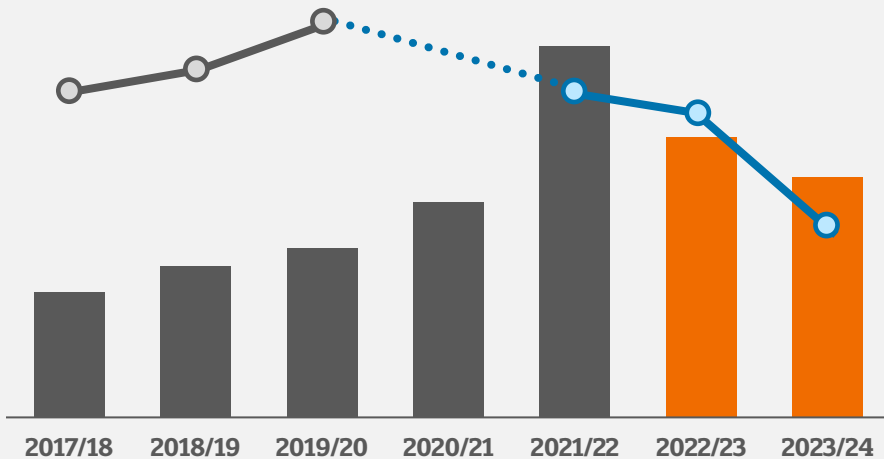
- Reduce operating costs to **fuel investment in the core**
- Transform our approach to costs and radically simplify our organisation
- Reduce retail operating costs to sales by more than **200bps**
- Work with suppliers to drive value



# Cost reductions creating headroom to invest

## Reduce retail operating costs/sales % by 200bps+

£m



21/22 vs 19/20  
base:  
**83bps**  
reduction  
delivered

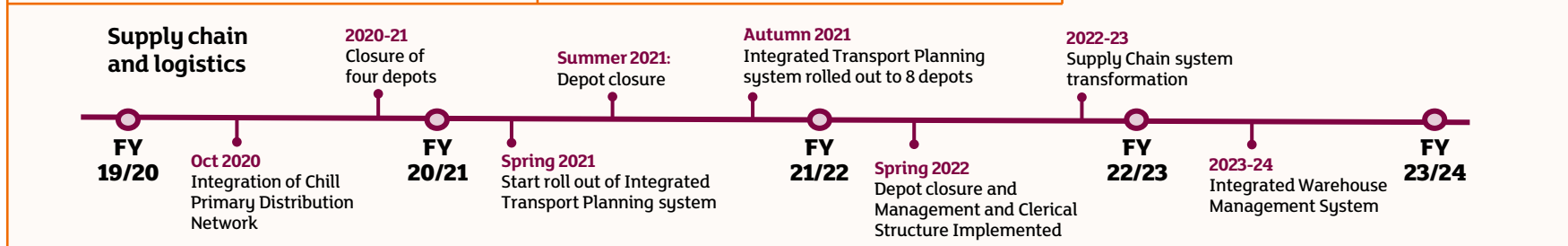
■ Cost savings, £m — Op. costs/sales, %

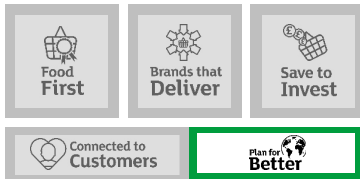


# Key Cost Saving Programmes



<p><b>£70m - £100m</b></p> <p><b>Centrals &amp; Organisation</b></p> <ul style="list-style-type: none"> <li>• Office Space reduction</li> <li>• New Ways of Working</li> <li>• Reduction of central support roles</li> </ul>	<p><b>£125m - £150m</b></p> <p><b>Food Services</b></p> <ul style="list-style-type: none"> <li>• Counters closures</li> <li>• Cafes closures and Food Service transformation</li> <li>• Bakery reset</li> </ul>	<p><b>£50m</b></p> <p><b>Groceries online</b></p> <ul style="list-style-type: none"> <li>• Online Operating Model:             <ul style="list-style-type: none"> <li>– New routing system rollout</li> <li>– New Frozen picking process</li> <li>– Efficiencies in pick speed</li> </ul> </li> </ul>
<p><b>£50m</b></p> <p><b>Future front end</b></p> <ul style="list-style-type: none"> <li>• SCO and Checkout Programmes</li> <li>• Dynamic colleague operating model</li> </ul>	<p><b>£105m</b></p> <p><b>Argos transformation</b></p> <ul style="list-style-type: none"> <li>• Store Rationalisation</li> <li>• Local Fulfilment Centre Programme</li> </ul>	<p><b>£250m - £300m</b></p> <p><b>Logistics Transformation</b></p>





# Plan for Better

Environmental and social sustainability at our core

- Driving **progress against our targets** through the commercial integration of our Plan for Better
- Continued focus on our commitment to **help everyone eat better**
- Committed to **working as an industry** to identify the key issues we face, and collaborating so that we can accelerate progress together





# Plan for Better: bold commitments to drive positive change



Better for you

## Healthy & sustainable diets

At least **83% healthy and better for you sales** tonnage by **2025**



Better for the planet

## Reduction in Carbon emissions

Reduce **Scope 1 & 2** emissions to **Net Zero by 2035**  
Reduce **Scope 3** emissions by **30% by 2030**

## Reduction in Food waste

Reduce food waste by **50% by 2030**

## Reduction in plastic packaging

Reduce our use of plastic packaging by **50% by 2025** and **increase recycling**

## Sustainable sourcing & biodiversity

Sourcing with integrity and delivering a **Net positive** impact of operations on biodiversity



Better for everyone

## Championing human rights

Committed to **championing** human rights

## Community & Partnerships

Leave a **measurable positive impact** on the communities we serve and source from

## Skills and opportunities for all

Ahead of national rates, at least **75%** of our colleagues on an **apprenticeship** will **successfully complete** their programme

## An inclusive place to work and shop

Committed to achieving our **diverse leadership representation targets** by **2024**



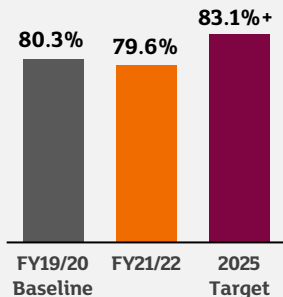
# Plan for Better: progress against our priority pillars

## Healthy & sustainable diets



Better for you

At least **83% healthy and better for you sales tonnage by 2025**



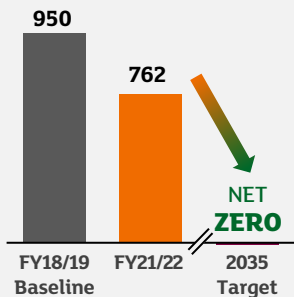
% as a proportion of total sales tonnage

## Reduction in Carbon emissions



Better for the planet

Reduce **Scope 1 & 2 emissions to Net Zero by 2035**



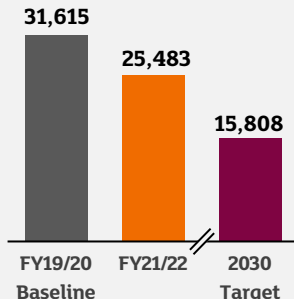
Scope 1 & 2 GHG annual emissions (tonnes, 000s)

## Reduction in Food waste



Better for the planet

Reduce food waste by **50% by 2030**



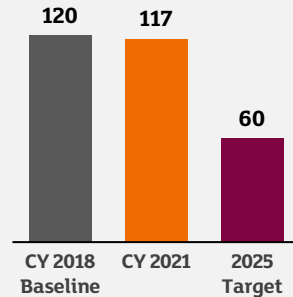
Anaerobic digestion food waste (tonnes)

## Reduction in plastic packaging



Better for the planet

Reduce our use of plastic packaging by **50% by 2025** and **increase recycling**



Tonnes (000s) of plastic packaging (own brand and branded)

## An inclusive place to work and shop



Better for everyone

Committed to achieving our **diverse leadership representation targets by 2024**

Target	Senior Leadership today	Senior Leadership by 2024
Female	40.1%	50%
Ethnically diverse	8.2%	12%
Black heritage	2.4%	3%

# Plan for Better: deforestation free supply chains by 2025

**60%**

of biodiversity loss  
is driven by  
agriculture<sup>1</sup>

**75%**

of soybean  
produced globally  
used in **animal  
feed**<sup>2</sup>

**Soy**  
is the  
**third main**  
agriculture  
driver<sup>3</sup>

A deforestation free soy supply chain  
is a key lever in  
**achieving our Scope 3  
reduction target**



**UK Soy  
Manifesto**  
founding  
signatories

Clear  
**Soy Roadmap  
to 2025**  
across animal  
feed



UN CLIMATE  
CHANGE  
CONFERENCE  
UK 2021  
IN PARTNERSHIP WITH ITALY

1 Globally, source: WWF

2 TABLE Debates

3 Globally, source: WRI, Global Forest Review

## Moving at pace to change our business

- » Putting our **customers first** and doing the right thing for our **colleagues**, our **suppliers** and **every community** we serve
- » **Food back at the heart** of Sainsbury's
- » Portfolio brands supporting food, delivering for **customers and shareholders** in their own right
- » **Structurally lower cost to sales ratio**  
(by at least 200bps)
- » **Pursue partnerships** or outsource where faster
- » **Robust profit delivery**, consistent dependable cashflow
- » **8 key metrics**, consistent reporting, linked to incentives



# Delivering for shareholders

## One year in to our three year plan

- Strong momentum, good progress against priorities
  - Delivering on cost savings
  - Investing where it matters most to customers and colleagues
  - Improved value position relative to competitors
  - Financially strengthened

## Pressures and uncertainties in the year ahead

- Normalisation of elevated Covid-19 driven grocery demand
- Higher operating cost inflation
- Cost of living pressures on disposable income

## Well placed to navigate these pressures

- Good operating momentum
- Comprehensive cost saving programme
- More customers trusting our improved value position
- Good cash flow generation, strengthened balance sheet, stronger commitments to shareholders

J Sainsbury plc

# Appendices

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# Guidance for 2022/23

## Profit

- At this early stage of the financial year we expect underlying profit before tax in FY 2022/23 will be between £630m and £690m

## Space

- In FY 2022/23, we expect to open one supermarket and around 20 new convenience stores, and to close around two supermarkets and around five convenience stores
- In FY 2022/23, we expect to open around 25 Argos stores inside Sainsbury's, and to close around 60 Argos standalone stores
- The standalone Argos store estate will reduce to around 100 stores by March 2024, while we expect to have 430-460 Argos stores inside Sainsbury's supermarkets as well as 450-500 Argos collection points

## Depreciation and amortisation

- We expect retail underlying depreciation and amortisation of around £1.2bn, including around £500m right of use asset depreciation

## Financial Services

- We expect a further improvement in Financial Services underlying operating profit in FY22/23 from the FY21/22 base of £38m

## Items outside of underlying

- Restructuring, impairment and integration one-off costs of £900m-£1bn from FY 2020/21, with the majority by March 2024 (around £300m cash)
- Of this, we expect to incur cash of around £100m in FY 2022/23

## Finance costs

- We expect underlying net finance costs of between £315m-£325m, including around £270m-£280m lease interest in FY22/23

## Capital allocation

- Looking forward, we will continue to invest in the business to support and accelerate our strategy, including the Save to Invest programme and the ongoing transition to a more digital future
- We expect capital expenditure to remain in the range of £700 million to £750 million
- We expect to continue to generate retail free cash flow of at least £500 million per year
- We will use some of this retail free cash flow to deleverage further, targeting a solid investment grade balance sheet consistent with target leverage of net debt to EBITDA of 3.0x - 2.4x
- We are focused on delivering strong dividends and will return a higher proportion of underlying earnings to shareholders, in the first instance through the ordinary dividend, where we will increase the dividend payout ratio from around 53 per cent of underlying earnings to around 60 per cent
- We expect leverage to move below 3x over time, helped by a reduced impact of lease liabilities relating to properties currently in the Highbury and Dragon property investment pools. Once the leverage is comfortably within our target range, we expect to be able to return more cash to shareholders through higher dividends and/or share buybacks

## Pension

- Cash contributions for FY 2022/23 are expected to be £62 million

## Tax rate

- We expect an underlying tax rate in FY 2022/23 of around 25 per cent

## Unique breadth of online grocery options for customers



### GOL Delivery



### GOL Click & Collect



### Chop Chop



### Deliveroo / Uber Eats

Stores

262

330

81

502

Cities & towns

98% UK population

98% UK population

31

125

Average basket size

£95-£100

£90-£95

£35-£40

£20-£25

Average weekly orders

625k

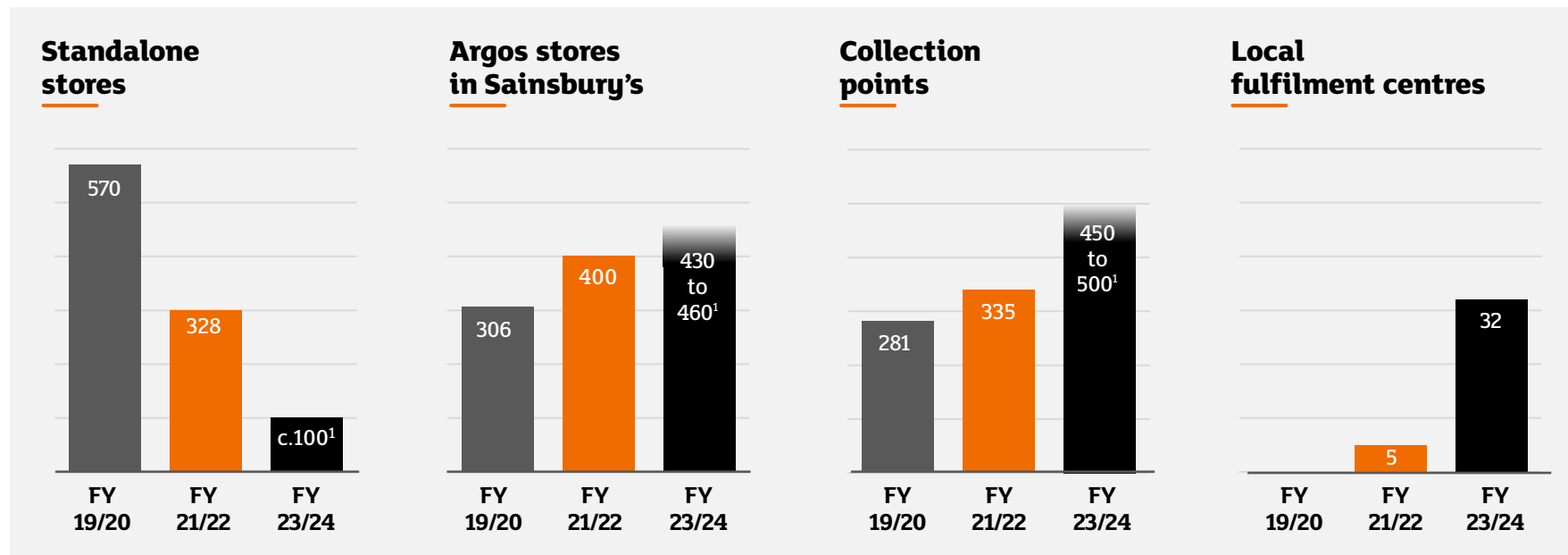
65k

c.100k

**c.60% sales in London**



## Argos transformation: lower cost to serve by £105m



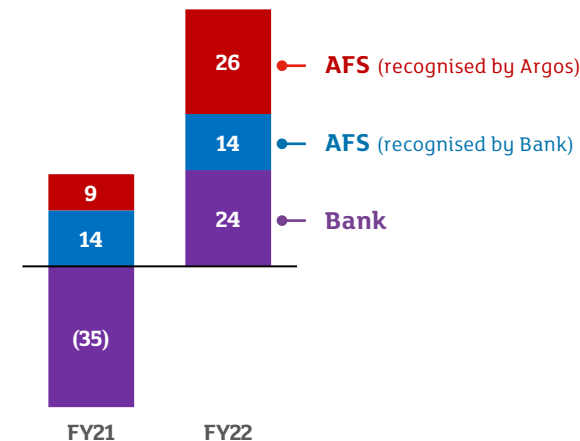
<sup>1</sup> exc. Republic of Ireland stores

# Financial Services

Group contribution basis	FY 2021/22	FY 2020/21	Change
Total income <sup>1</sup>	£385m	£350m	10% ↑
Underlying operating profit	£64m	£(12)m	N/A ↑
Customer lending <sup>2</sup>	£5.1bn	£5.4bn	(6)% ↓
Customer deposits	£4.2bn	£5.1bn	(17)% ↓
Active customers – Bank	1.8m	1.8m	- ↔
Active customers – Argos FS	2.1m	2.2m	(4)% ↓
Cost/income ratio	68%	72%	400bps ↓
Net interest margin <sup>3</sup>	4.5%	3.5%	100bps ↑
Bad debt as a percentage of lending <sup>4</sup>	1.2%	1.8%	60bps ↓
Total Capital Ratio <sup>6</sup>	18.1%	20.2%	(210)bps ↓
Liquidity Coverage Ratio <sup>7</sup>	190%	194%	(400)bps ↓
Total Resource <sup>8</sup>	1,837	2,015	(9)% ↓

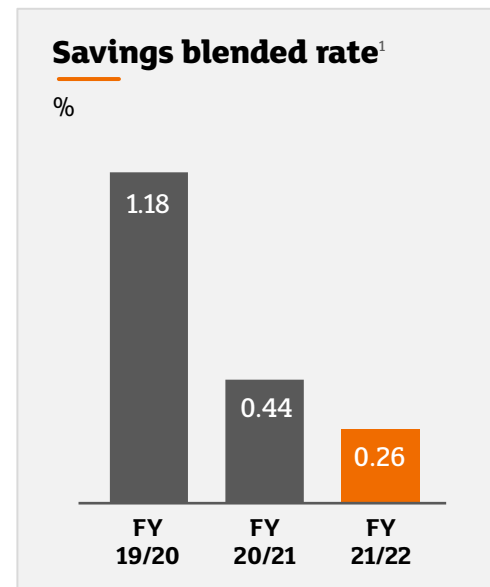
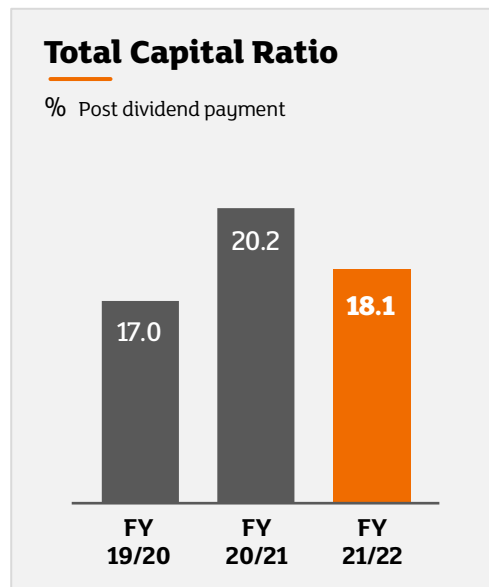
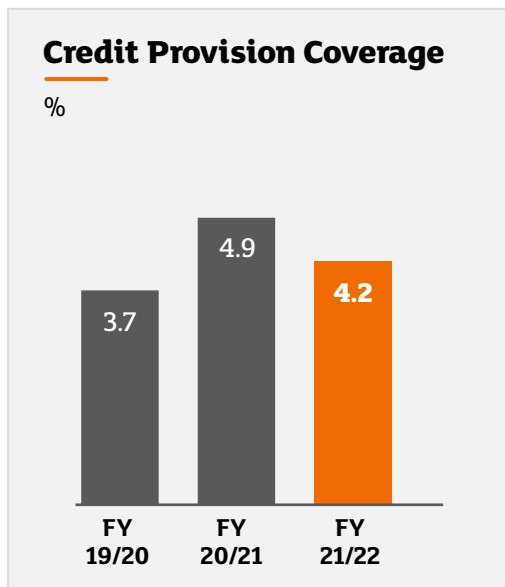
## Financial Services UPBT

£m, Group Contribution



- 1 Net interest, net commission and other operating income
- 2 Amounts due from customers at the Balance Sheet date in respect of loans, mortgages, credit cards and store cards net of provisions
- 3 Net interest receivable / average interest-bearing assets
- 4 Bad debt expense / average net lending
- 5 Common equity tier 1 capital / risk-weighted assets
- 6 Total capital / risk-weighted assets
- 7 Liquidity coverage ratio 12 month average
- 8 FTE and contractors

## Financial Services: performance drivers and coverage



<sup>1</sup> Spot at Feb

# Sainsbury's sales area and store numbers

As at 5 March 2022

## Supermarkets

	Area (‘000 sq ft)	Number
Opening figures 2021/22	20,822	598
New stores	134	4
Closures	(78)	(4)
Replacement stores	-	-
Extensions / refurbishments / downsizes	(75)	65
Space optimisation	-	-
<b>Closing figures FY 2021/22</b>	<b>20,803</b>	<b>598</b>

## Convenience

	Area (‘000 sq ft)	Number
Opening figures 2021/22	1,929	813
New stores	42	19
Closures	(54)	(23)
Replacement stores	-	-
Extensions / refurbishments / downsizes	1	1
Space optimisation	-	-
<b>Closing figures FY 2021/22</b>	<b>1,918</b>	<b>809</b>

## Total

	Area (‘000 sq ft)	Number
Opening figures 2021/22	22,751	1,411
New stores	176	23
Closures	(132)	(27)
Replacement stores	-	-
Extensions / refurbishments / downsizes	(74)	66
Space optimisation	-	-
<b>Closing figures FY 2021/22</b>	<b>22,721</b>	<b>1,407</b>

# Sainsbury's store estate

As at 5 March 2022

## Number of stores

Sq ft sales area	Under 10,000	10,000 to 20,000	20,001 to 40,000	40,001 to 60,000	Over 60,000	Total
Convenience	809	0	0	0	0	<b>809</b>
Supermarkets	42	119	192	181	64	<b>598</b>
<b>Total stores</b>	<b>851</b>	<b>119</b>	<b>192</b>	<b>181</b>	<b>64</b>	<b>1,407</b>

## Space by store size ('000 sq ft)

Sq ft sales area	Under 10,000	10,000 to 20,000	20,001 to 40,000	40,001 to 60,000	Over 60,000	Total
Convenience	1,918	-	-	-	-	<b>1,918</b>
Supermarkets	331	1,793	5,639	8,734	4,306	<b>20,803</b>
<b>Total stores</b>	<b>2,249</b>	<b>1,793</b>	<b>5,639</b>	<b>8,734</b>	<b>4,306</b>	<b>22,721</b>

## Argos and Habitat store numbers

	As at 6 March 2021	New stores	Disposals/closures	As at 05 March 22
Argos stores	401	-	(73)	328
Argos stores in Sainsbury's	336	64	-	400
<b>Argos total store numbers</b>	<b>737</b>	<b>64</b>	<b>(73)</b>	<b>728</b>
Argos Collection Points	306	62	(33)	335
Habitat	3	-	-	3
<b>Total Argos and Habitat points of presence</b>	<b>1,046</b>	<b>126</b>	<b>(106)</b>	<b>1,066</b>

# Sainsbury's investment programme

FY 2021/22

## Supermarket

### New stores

Staplehurst	Q1
Colwick	Q3
Aylesbury Gatehouse	Q3
Ludlow	Q3

### Closures

Welshpool	Q2
Fulwell	Q3
Hanley	Q4
Craigavon	Q4

## Convenience

### New stores

York - Davygate	Q1
Wembley - Wembley Place	Q1
Wapping - London Dock	Q1
Bristol - Charlton Hayes	Q2
Hamilton - Portland Place	Q2
Salford - New Bailey Square	Q2
York Station	Q2
Newham - Brunel Street Works	Q2
Aberdeen - Countesswells	Q3
Nottingham - Clumber Street	Q3
Westminster - Marble Arch	Q3
Croydon - Brighton Road	Q3
Harrogate - Cambridge Street	Q3
Glasgow - Ingram Street	Q4
Liverpool - Allerton Road	Q4
Berrylands - Raeburn Avenue	Q4
St Albans - Station Approach	Q4
Elephant & Castle - Newington Butts	Q4
Bristol - Avon Street	Q4

### Closures

Brandon	Q1
Rugby Town	Q1
Wold Rd	Q1
Premier	Q1
Chilwell	Q1
Fleet Street	Q2
Mid City Place	Q2
Sheffield Upper Hanover Street	Q2
Beckfield Lane	Q2
Martineau Place	Q2
Hull - Jameson Street	Q4
Bournemouth Rd	Q4
Roseberry Centre	Q4
Hockley Spa Road	Q4
Nottingham Carrington	Q4
Gloucester Barton Street	Q4
Hinckley Rd	Q4
Alcester Rd	Q4
Dudley Pensnett	Q4

### Closures contd.

Penkridge Stone Cross	Q4
Bingley - Main Street	Q4
Crewe Edleston Road	Q4
Worcester - Foregate Street	Q4

## Property: Mixed Use Developments

Number of schemes	Status	Net receipts
<b>3</b>	<b>Completed pre 2019</b>	<b>£156m</b>
3	Completed or on-site (2019-2022)	£45m
4	Well advanced (2022-2025)	£55 to £65m
3	Identified and commercial approach being confirmed (2026-2031)	£170 to £190m
<b>10</b>	<b>Total expected from 2019-2031</b>	<b>£270m to £300m</b>

# Retail margin

As of 5 March 2022

£m	FY 2021/22	FY 2020/21 <sup>1</sup>	Change
Retail sales (inc VAT, inc fuel)	32,924	31,854	3.4% ↑
Retail sales (excl VAT, inc fuel)	29,463	28,617	3.0% ↑
Retail underlying EBITDA <sup>2</sup>	2,145	1,910	12.3% ↑
Retail underlying EBITDA margin % <sup>3</sup>	7.28	6.67	61bps ↑
Retail underlying operating profit <sup>4</sup>	1,001	731	36.9% ↑
Retail underlying operating margin % <sup>5</sup>	3.40	2.55	85bps ↑

## Grocery sales performance by channel

	FY 2021/22	FY 2020/21
Total Sales fulfilled by Supermarket stores	(2.0)%	11.4%
<i>Supermarkets (inc Argos stores in Sainsbury's)</i>	(1.8)%	2.5%
<i>Groceries Online</i>	(4.7)%	119.6%
Convenience	8.8%	(9.4)%

1 The prior year results have been restated to reflect the removal of business rates from onerous property contract provisions.

Refer to note 2 of the accounts for further information

2 Retail underlying operating profit before underlying depreciation and amortisation of £1,144 million

3 Retail underlying EBITDA divided by retail sales excluding VAT

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

5 Retail underlying operating profit divided by retail sales excluding VAT



## Financial metrics

	FY 2021/22	FY 2020/21 <sup>1</sup>
Return on capital employed <sup>2</sup>	8.4%	5.6%
Net debt to EBITDA <sup>3</sup>	3.1x	3.4x
Fixed charge cover <sup>4</sup>	2.8x	2.2x
Underlying tax rate	21.1%	29.4%

1 The prior year results have been restated to reflect the removal of business rates from onerous property contract provisions. Refer to note 2 of the accounts for further information

2 ROCE: Return is defined as a 52 week rolling underlying profit before interest and tax. Capital employed is defined as group net assets excluding the pension deficit/surplus less excluding net debt (excluding perpetual securities). This is calculated using the average of 14 datapoints – the prior year closing capital employed, the current year closing capital employed and 12 intra-year periods as this more closely aligns to the recognition of profit / loss

3 Net debt of £6,759 million includes lease obligations under IFRS 16 and perpetual securities treated as debt, divided by Group underlying EBITDA of £2,206 million

4 Group underlying EBITDA divided by rent (both capital and interest) and net underlying finance costs, where interest on perpetual securities is treated as an underlying finance cost

# Plc Board



**Martin Scicluna**  
Chairman



**Simon Roberts**  
Chief Executive



**Kevin O'Byrne**  
Chief Financial Officer



**Brian Cassin**  
Non-Executive Director



**Jo Harlow**  
Non-Executive Director



**Adrian Hennah**  
Non-Executive Director



**Tanuj Kapilashrami**  
Non-Executive Director



**Dame Susan Rice**  
Senior Independent Director



**Keith Weed**  
Non-Executive Director



**Jo Bertram**  
Non-Executive Director

# Plc Board

## Martin Scicluna

### Chairman

#### Date of Appointment:

March 2019 (joined the Board November 2018)

#### Skills and experience

Martin joined the Board as Chairman Designate and Non-Executive Director on 1 November 2018. He was appointed **Chairman of the Board** on 10 March 2019 and is also **Chairman of the Nomination Committee** and a **member of the Corporate Responsibility & Sustainability Committee**. Martin brings a wealth of experience from over 25 years' service as an executive and non-executive board director at a wide range of companies. Previous roles include Chairman of RSA Insurance Group plc, Chairman of Great Portland Estates plc, Senior Independent Director and Chair of the Audit Committee of Worldpay Inc., and Non-Executive Director and Chair of the Audit Committee of Lloyds Banking Group plc. He was a partner at Deloitte LLP for 26 years, serving as Chairman from 1995 to 2007, where his clients included Dixons, WH Smith, Alliance Unichem and Cadbury.

Martin has extensive experience as a Chair. He brings valuable knowledge and skills in developing strategy and evaluating business opportunities, along with understanding of the financial services sector and how it operates. Martin also led a robust selection process, culminating in the appointment of Simon Roberts as Sainsbury's Chief Executive Officer.

## Simon Roberts

### Chief Executive Officer

#### Date of Appointment:

June 2020 (joined the Operating Board July 2017)

#### Skills and experience

Simon was appointed as Chief Executive Officer on 1 June 2020, having joined Sainsbury's and the Operating Board in July 2017 as Retail & Operations Director, with responsibility for Stores, Central Operations and Logistics. He is a **member of the Corporate Responsibility & Sustainability Committee**. Simon brings a wide range of experience and leadership skills to the Board from previous executive and non-executive roles. He has over 30 years' experience leading major UK retail brands, having spent 15 years at Marks and Spencer and 13 years at Boots. Prior to joining Sainsbury's, Simon was Executive Vice President of Walgreens Boots Alliance and President of Boots UK and Ireland. During his tenure, Simon led Boots to achieve growth in sales and transactions, increased retail gross margin and doubled sales online. Before Boots, Simon was at Marks and Spencer Group plc, where he started his career in stores. He is currently the Non-Executive Chairman of the Institute of Customer Service.

Simon is leading Sainsbury's new plan to put food back at the heart of the business and making good progress. One year into the plan we offer improved value, have achieved our target to triple the number of new products on our shelves and our colleagues are delivering great service in our stores and online. In recognition of their extraordinary efforts, in January this year we announced an investment of over £100 million in colleague pay and all Sainsbury's and Argos store colleagues are paid at least £10 per hour.

Our plan is underpinned by our portfolio of Brands that Deliver – Argos, Habitat, Tu, Nectar and Sainsbury's Bank and our Save to Invest priority. Under Simon's stewardship, Sainsbury's has also launched our sustainability Plan for Better, which is integrated into our strategy and includes a bold commitment to become Net Zero across our own operations by 2035.

Simon is a dedicated, determined and enthusiastic champion of customers and colleagues. He is the Operating Board Sponsor of diversity and inclusion within Sainsbury's.

# Plc Board

## Kevin O'Byrne Chief Financial Officer

### Date of Appointment:

January 2017

### Skills and experience

Kevin joined the Board on 9 January 2017 and brings a wealth of international retail and finance experience to the Board from his previous Chief Executive and Chief Financial Officer roles. His skills and experience in leading finance and driving performance improvement provide the business with valuable expertise in pursuing its strategy. Kevin was previously Chief Executive Officer of Poundland Group PLC until December 2016 and held executive roles at Kingfisher plc from 2008 to 2015, including Divisional Director UK, China and Turkey, Chief Executive Officer of B&Q UK & Ireland and Group Finance Director. Prior to this, he was Group Finance Director of Dixons Retail plc and European Finance Director of Quaker Oats. He was a Non-Executive Director of Land Securities Group PLC from 2008 to September 2017, where he was Chairman of the Audit Committee and Senior Independent Director. Kevin is currently a Non-Executive Director and Chairman of the Audit Committee of Centrica plc. Kevin will be appointed as Senior Independent Director of Centrica plc with effect from 1 June 2022.

Kevin is a skilled Chief Financial Officer, with extensive international retail and finance experience gained during previous and current executive and non-executive positions. He has applied this knowledge to the Finance, Internal Audit, Investor Relations, Property, Procurement and Strategy functions at Sainsbury's, driving the performance of the business. Kevin is the Operating Board Sponsor for the LGBT+ inclusion stream within Sainsbury's.

## Brian Cassin Non-Executive Director

### Date of Appointment:

April 2016

### Skills and experience

Brian joined the Board on 1 April 2016 and is a member of the **Audit and Nomination Committees**. He brings relevant experience of running a FTSE 100 group with knowledge of big data and analytics, both areas of key importance to Sainsbury's. As Chief Executive Officer of Experian plc, Brian brings strong leadership experience and a substantial background in operating within a regulated environment. He joined Experian plc as Chief Financial Officer in April 2012, a post he held until his appointment as Chief Executive Officer in July 2014. Prior to this, he spent his career in investment banking at Greenhill & Co, where he was Managing Director and Partner. Brian has also held various roles at Baring Brothers International and at the London Stock Exchange.

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

## Jo Harlow Non-Executive Director

### Date of Appointment:

September 2017

### Skills and experience

Jo joined the Board on 11 September 2017 and became **Chair of the Corporate Responsibility & Sustainability Committee** in May 2018. She is a **member of the Nomination and Remuneration Committees**. Jo brings a wealth of experience in consumer-facing businesses and the telecoms and technology industries, both in the UK and internationally. She was Corporate Vice President of the Phones Business Unit at Microsoft Corporation and before that was Executive Vice President of Smart Devices at Nokia Corporation, following a number of senior management roles at Nokia from 2003. Prior to that, she held marketing, sales and management roles at Reebok International Limited from 1992 to 2003 and at Procter & Gamble Company from 1984 to 1992. Jo currently serves as Non-Executive Director and Chair of the Remuneration Committee of InterContinental Hotels Group plc, Non-Executive Director and Chair of the Remuneration Committee of Halma plc and Director of Chapter Zero.

Jo has broad experience from executive and non-executive roles and as Chair of the Corporate Responsibility and Sustainability Committee, she has helped the business deliver and evolve its sustainability strategy. She also brings current external Remuneration Committee experience.

# Plc Board

## Adrian Hennah

### Non-Executive Director

#### Date of Appointment:

April 2021

#### Skills and experience

Adrian joined the Board on 1 April 2021 and is **Chair of the Audit Committee** and a **member of the Nomination Committee**. Adrian has significant financial and strategic expertise leading the performance and strategy of many large companies. He started his career working in audit and consultancy with PwC and Stadtsparkasse Köln, the German regional bank. Adrian spent 18 years in Chief Financial Officer roles at three FTSE 100 companies. He was Chief Financial Officer at Reckitt Benckiser (RB) for seven years and held the same position at Smith & Nephew and Invensys. Prior to this he spent 18 years at GlaxoSmithKline working in both finance and operations. He was also previously Non-Executive Director and Chair of the Audit Committee at RELX. Adrian currently serves a Non-Executive Director of Oxford Nanopore Technologies plc, a Non-Executive Director of Unilever Plc, an external member (NED) of the Finance Committee (Board) of Oxford University Press and a Trustee of Our Future Health.

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

## Tanuj Kapilashrami

### Non-Executive Director

#### Date of Appointment:

July 2020

#### Skills and experience

Tanuj joined the Board on 1 July 2020 and is a **member of the Nomination and Remuneration Committees**. She is a highly experienced HR professional with significant experience in talent and change management both in the UK and internationally. Tanuj joined Standard Chartered Bank in 2017 and is currently the Group Head of HR. Prior to this, she spent 17 years in key global and regional HR leadership roles within HSBC. Tanuj is also a Trustee of Asia House and a Director of Financial Services Skills Commission Limited.

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

## Dame Susan Rice

### Senior Independent Director

#### Date of Appointment:

Joined the Board June 2013. Senior Independent Director since 6 July 2016. Susan will step down from the Board after the AGM on 7 July 2022.

#### Skills and experience

Susan joined the Board on 1 June 2013 and has been the **Senior Independent Director** since 6 July 2016. She is also **Chairman of the Remuneration Committee** and a **member of the Nomination Committee**. Susan has extensive experience as a Non-Executive Director, as well as in retail banking, financial services, leadership and sustainability. She has been a member of the Scottish First Minister's Council of Economic Advisors, a Managing Director of Lloyds Banking Group Scotland and Chief Executive, then Chairman, of Lloyds TSB Scotland plc. She has also held a range of non-executive directorships, including at the Bank of England and SSE plc. Susan is currently Chair of Scottish Water and Scottish Water Business Stream Limited, Chair of the Financial Services Culture Board, Chair of the Scottish Fiscal Commission and Senior Independent Director of The North American Income Trust plc.

Susan provides insight to the Board from her extensive experience gained as Chair, Senior Independent Director and Non-Executive Director of various businesses. As Chair of the Remuneration Committee, she has played a key role in revising the current Remuneration Policy and strategy. Her expertise in financial services is invaluable to the Board as part of its oversight of Sainsbury's Bank and Argos Financial Services.

# Plc Board

## Keith Weed CBE Non-Executive Director

**Date of Appointment:**  
July 2020

### Skills and experience

Keith joined the Board on 1 July 2020 and is a **member of the Audit, Corporate Responsibility & Sustainability and Nomination Committees**. Keith is an exceptionally capable marketing and digital leader. He has championed new ways of integrating sustainability into business and building brands with purpose. Keith has a strong business background, having spent 36 years at Unilever, most recently as Chief Marketing and Communications Officer which included leading the company's ground-breaking sustainability programme globally. Whilst at Unilever, Keith led different parts of the business, during which time he worked closely with Sainsbury's and other retailers. He has strong international experience and knowledge, having run international businesses both in the UK and overseas. He is currently a Non-Executive Director of WPP PLC, Trustee Director of Business in the Community, Trustee Director of Leverhulme Trust and President of the Royal Horticultural Society. He is also a trustee of Grange Park Opera. Keith was awarded a CBE for services to the advertising and marketing industry in the 2021 New Year Honours List.

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

## Jo Bertram Non-Executive Director

**Date of Appointment:**  
To be appointed on 7 July 2022

### Skills and experience

Subject to shareholder approval, Jo Bertram will be appointed as Non-Executive Director with effect from 7 July 2022 and will become a member of the **Nomination and Corporate Responsibility & Sustainability Committees**. Jo is a highly talented strategic business leader with significant experience leading transformation and change. Prior to becoming Managing Director, Business & Wholesale, Virgin Media O2, Jo held senior Director and Strategy roles at O2. Between 2013 and 2017 she held the position of Regional General Manager, Northern Europe at Uber. Jo has previously worked at McKinsey and Accenture and holds an MBA from INSEAD. Jo has worked in growing hi-tech sectors which will benefit our customers as we explore new ways to use digital solutions to make shopping easy and convenient.

## Board Changes

Subject to shareholder approval, **Jo Bertram** will be appointed as a Non-Executive Director with effect from 7 July 2022.

After nine years' service as a Non-Executive Director, **Dame Susan Rice** will step down from the Board at the conclusion of the AGM on 7 July 2022.

Following Susan's retirement from the Board, **Brian Cassin** will be appointed as Senior Independent Director, **Jo Harlow** will become Chair of the Remuneration Committee and **Keith Weed** will be appointed as Chair of the CR&S Committee.

## Retirements in 2021/22

**David Keens** retired from the Board on 9 July 2021

# Operating Board



**Simon Roberts**  
Chief Executive Officer



**Kevin O'Byrne**  
Chief Financial Officer



**Rhian Bartlett**  
Food Commercial Director



**Graham Biggart**  
Chief Transformation Officer



**Jim Brown**  
Chief Executive Officer,  
Sainsbury's Bank



**Tim Fallowfield OBE**  
Company Secretary  
and Corporate  
Services Director



**Mark Given**  
Chief Marketing  
Officer



**Phil Jordan**  
Chief Information  
Officer



**Clo Moriarty**  
Retail & Digital  
Director



**Paula Nickolds**  
General Merchandise &  
Clothing Director



**Angie Risley**  
Group HR Director

# Operating Board

**Simon Roberts**  
**Chief Executive Officer**  
See Appendix 13

**Kevin O’Byrne**  
**Chief Financial Officer**  
See Appendix 14

**Rhian Bartlett**  
**Food Commercial Director**

**Date of Appointment:**  
November 2020

**Skills and experience**  
Rhian joined the Operating Board in November 2020, having returned to Sainsbury’s in 2019 as Director of Fresh Food. Rhian is responsible for delivering the commercial performance of Sainsbury’s food business and brands. She has over 20 years’ experience in the retail industry and has held a variety of senior commercial roles, including Customer and Digital Director at Screwfix and Director of UK Trading at eBay. Rhian’s previous roles at Sainsbury’s include Business Unit Director Non-Food Grocery and Head of Online Merchandising. Rhian is a Non-Executive Director at Speedy Hire Plc and is a Trustee of GroceryAid.

**Graham Biggart**  
**Chief Transformation Officer**

**Date of Appointment:**  
March 2022

**Skills and experience**  
Chief Transformation Officer, Graham is responsible for our end-to-end change programmes across Sainsbury’s, Argos, Habitat and Tu, to deliver our strategy and future operating model; he is also accountable for our Supply Chain, Logistics & Transport Operations, and Central Business Services. Graham joined Sainsbury’s in 2015 and has led a number of different areas of the business in that time, across commercial, operations and channels, including Fresh Food & Foodservices, Sainsbury’s Local, and Argos Republic of Ireland. Prior to Sainsbury’s, Graham worked at McKinsey & Company, primarily on strategy and transformation topics, and before that at Brunswick Group, focused on media, investor and government communications.

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

**Jim Brown**  
**Chief Executive Officer, Sainsbury’s Bank**

**Date of Appointment:**  
June 2019

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



# Operating Board

## Tim Fallowfield OBE

Company Secretary and Corporate Services Director

### Date of Appointment:

September 2004

### Skills and experience

Tim joined Sainsbury's in 2001 as Company Secretary, having previously held the position of Company Secretary and General Counsel at Exel plc, the global logistics company, now part of DHL. Tim is a qualified solicitor and began his career at the international law firm, Clifford Chance. He joined Sainsbury's Operating Board in September 2004 and, in addition to his role as Company Secretary and Corporate Services Director, he is responsible for the Corporate Services Division, comprising Legal Services, Data Governance and Information Security, Safety and Insurance, and Shareholder Services. He also chairs the Group Safety Committee and the Data Governance Committee. Tim is Chairman of the Disability Confident Business Leaders Group, which works with government in shaping the disability employment agenda and in raising awareness of the benefits of employing disabled people. He was awarded an OBE for services to disability awareness in the 2020 New Year Honours List.

## Mark Given

Chief Marketing Officer

### Date of Appointment:

June 2020

### Skills and experience

Mark joined the Operating Board in June 2020. He has significant experience in customer insight, brand communication and digital marketing. Mark joined Sainsbury's in 2012, becoming Marketing Director in 2017. He was appointed Chief Marketing Officer in August 2019 and has responsibility for marketing across Sainsbury's, Argos, *Tu* clothing and Habitat brands. Mark has also been responsible for the Nectar Loyalty coalition and Nectar360 since the business was acquired by Sainsbury's in 2018. Prior to joining Sainsbury's, Mark built his digital skills leading the Priority programme at O2, where he was Head of Sponsorship. Before this, Mark worked with key brands at Heineken UK where he was Brand Director. He began his career at Procter & Gamble UK and worked across Europe on a variety of brands. Mark is currently a Council Member of the Incorporated Society of British Advertisers (ISBA) and a Fellow of the Marketing Society.

## Phil Jordan

Chief Information Officer

### Date of Appointment:

January 2018

### Skills and experience

Phil joined the Board in January 2018 and has brought a fresh, global perspective on technology to the Operating Board, in addition to a wealth of experience in digital, data and business transformation. Prior to joining Sainsbury's, Phil had a long and successful track record in telecommunications. Most recently, he was Global Chief Information Officer at Telefónica, overseeing Digital Transformation and Information Technology and, prior to that, was Chief Information Officer for Vodafone UK/Ireland. Phil has worked as a Non-Executive Director and Advisor on Technology in the Telecommunications, Investment & Retail Banking sector. He is Chair-Elect at Digital 9 Infrastructure PLC.

# Operating Board

## **Clodagh Moriarty** Chief Digital Officer

### **Date of Appointment:**

June 2018

### **Skills and experience**

Clodagh was appointed Retail and Digital Director in June 2020, having served as Chief Digital Officer since June 2018, when she joined the Operating Board. Clodagh is responsible for all stores and their operations, as well as Sainsbury's digital offer and strategy, ensuring customers experience an integrated and seamless shopping experience across Sainsbury's, Argos, *Tu*, Sainsbury's Bank and Nectar. She is also a member of the Sainsbury's Bank Board and sits on its Nomination and Remuneration Committees. Clodagh has previously been Director of Online, Head of Online Trading, Merchandising & Content and Category Manager for Meal Solutions at Sainsbury's. She joined Sainsbury's as Head of Strategy, following nine years at Bain & Company.

## **Paula Nickolds** General Merchandise & Clothing Commercial Director

### **Date of Appointment:**

June 2021

### **Skills and experience**

Paula joined Sainsbury's and the Operating Board in June 2021. She is responsible for delivering performance across general merchandise and clothing brands at Sainsbury's. Paula has 25 years' experience in retail, gained at the John Lewis Partnership, which she joined as a graduate trainee before holding a variety of senior roles in product, buying and marketing. Most recently, she was Buying and Brand Director and then Commercial Director, before becoming Managing Director in 2017. Paula is an Ambassador for the UK charity Smart Works and Chair of the Advisory Board of Near Street.

## **Angie Risley** Group HR Director

### **Date of Appointment:**

January 2013

### **Skills and experience**

Angie was appointed Group HR Director and became a member of the Operating Board with responsibility for human resources in January 2013. Before joining Sainsbury's, Angie was the Group HR Director for Lloyds Banking Group and an Executive Director of Whitbread PLC with responsibility for HR and Corporate Social Responsibility. She was previously a Non-Executive Director and Chair of the Remuneration Committee of Serco plc. Angie is currently a Non-Executive Director, member of the Compliance & Culture Committee and Chair of the Remuneration Committee at Smith & Nephew plc.

# Supplementary financial details

## 1. Weighted average number of shares

FY 2021/22 was 2,271.8m (and 2,351.0m diluted)

FY 2020/21 was 2,210.0m (and 2,320.1m diluted)

## 2. Dividend

	2021/22	2020/21
Interim	3.2p	3.2p
Final	9.9p	7.4p
<b>Total</b>	<b>13.1p</b>	<b>10.6p</b>

### The final dividend dates:

#### Ordinary shares

**Ex-dividend** 09 June 2022

**Record** 10 June 2022

**Payment** 15 July 2022

## 3. Financial calendar

**Q1 trading statement** 05 July 2022  
(16 weeks to 25 June 2022)

**Interim results** 03 November 2022  
(28 weeks to 17 September 2022)