

J Sainsbury plc

Q3 Trading statement

2020/21

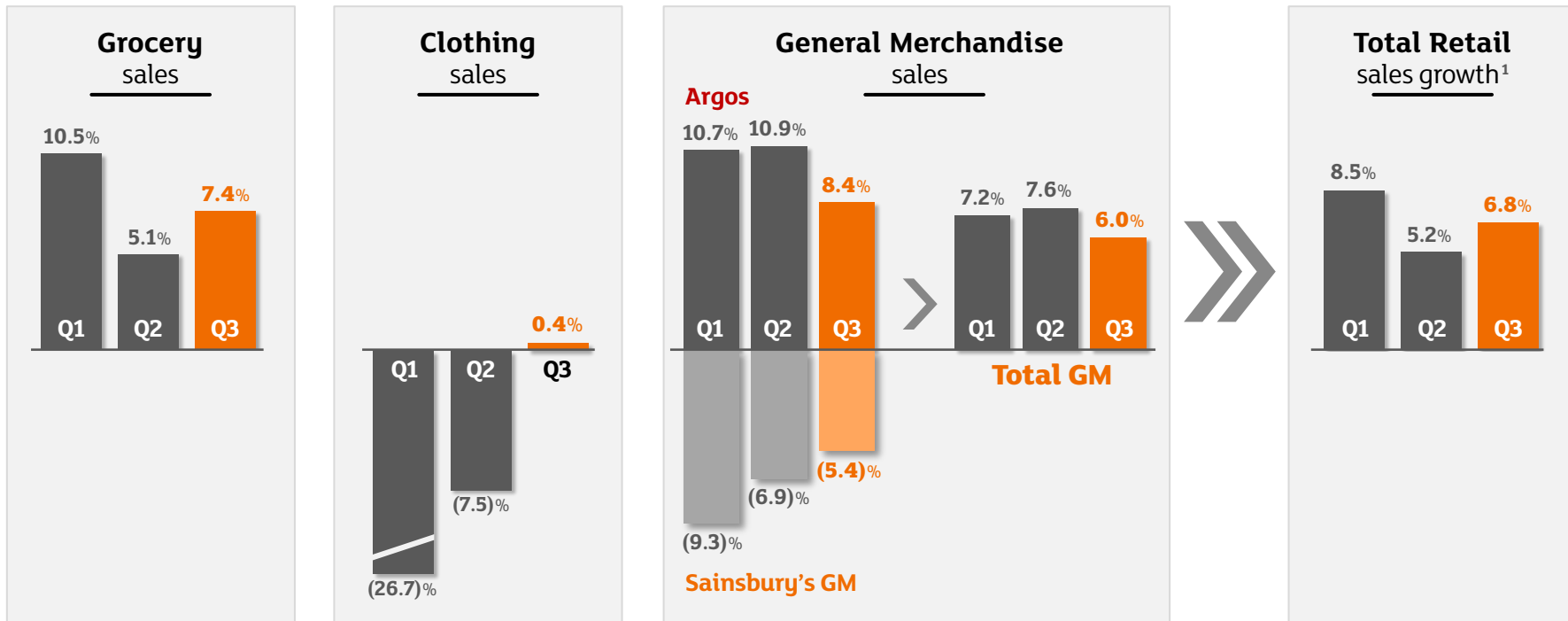


Q3 and Christmas performance

- Strong operating performance despite external challenges
 - Good availability
 - Continued acceleration of online grocery capacity growth
 - Record customer satisfaction scores
 - Argos digital transformation delivered through peak trading
- Q3 LfL sales growth 8.6%
 - 9.3% over shorter Christmas period¹
 - Upgrade to profit expectations reflects stronger sales and margin performance

¹ Total retail (exc. Fuel) LfL sales growth, 9 weeks to 2 Jan 21

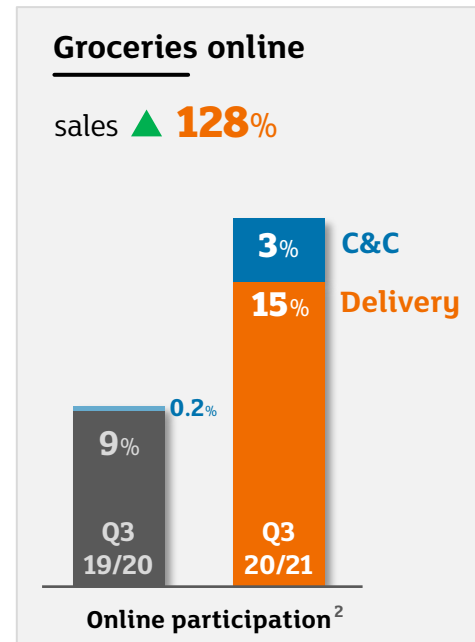
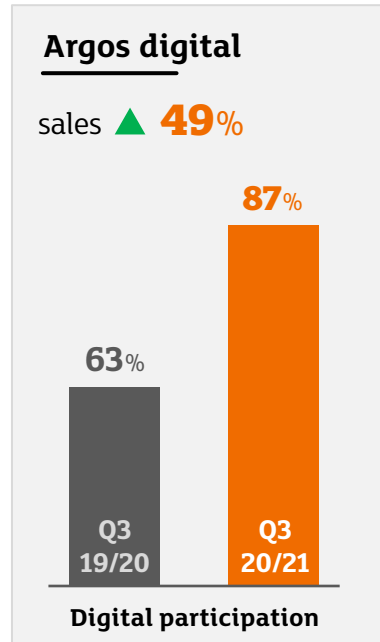
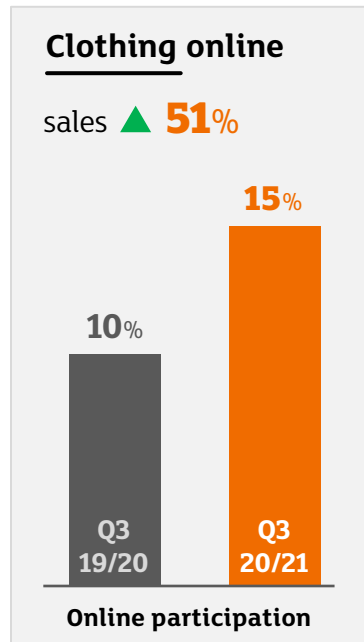
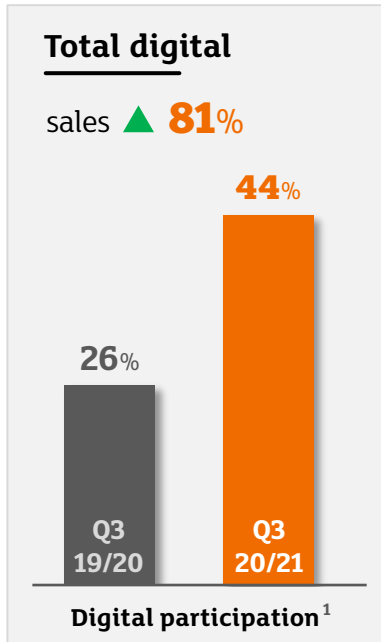
Retail sales growth by category



1 Exc. fuel

Q3 digital sales of £4bn

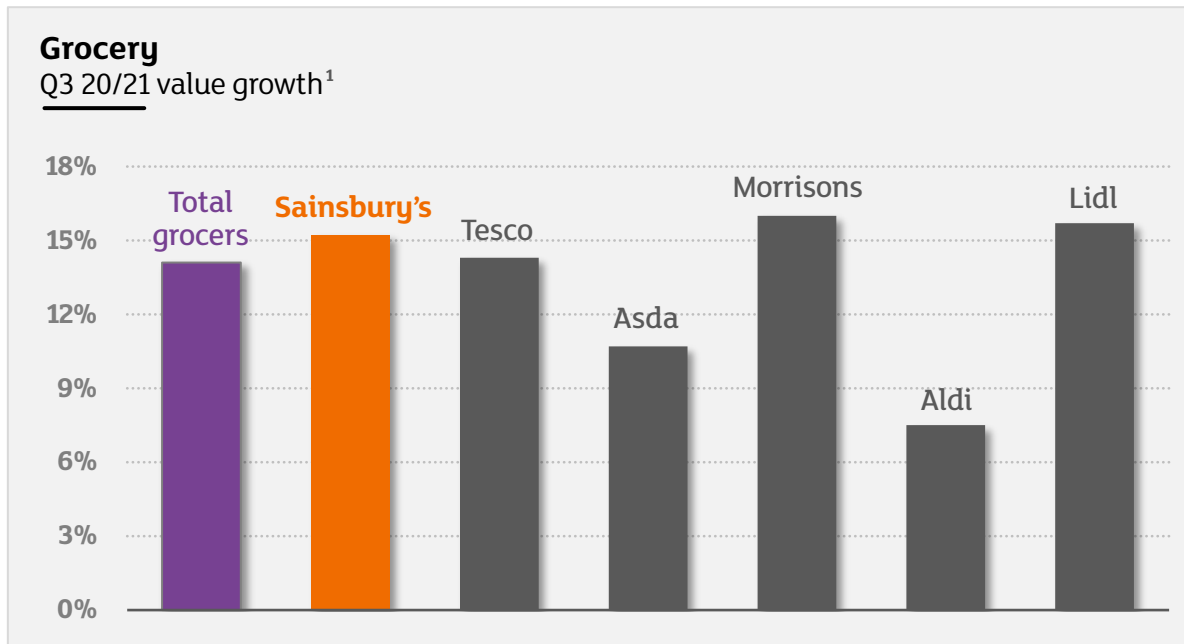
Strong digital participation



¹ Of total Retail sales exc. Fuel. Includes SmartShop sales

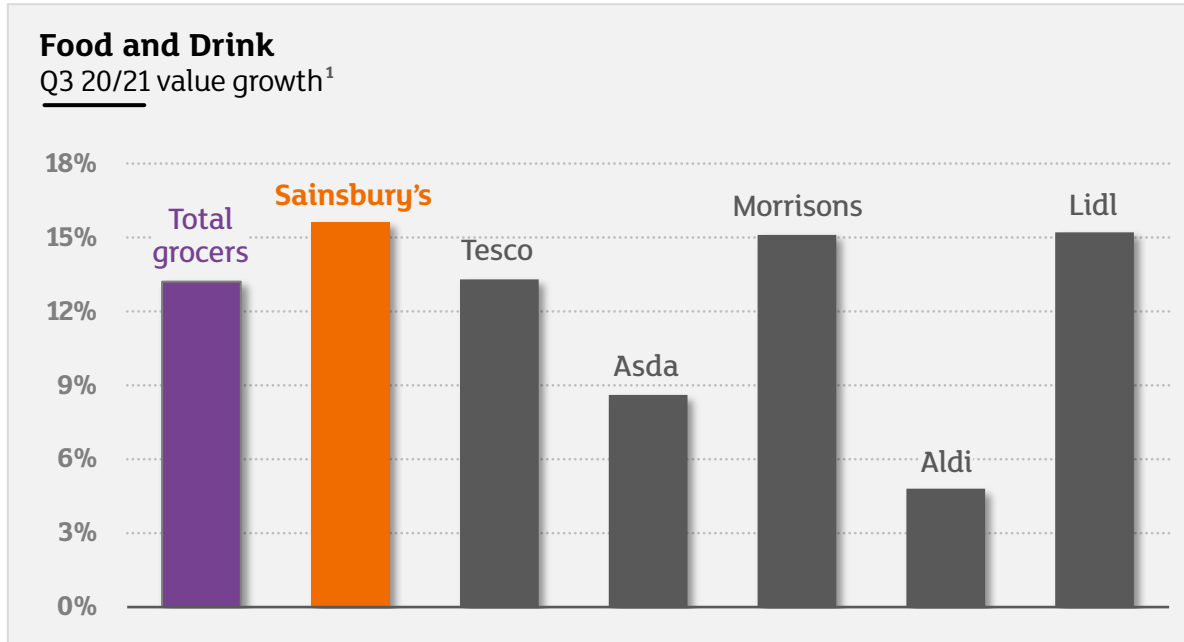
² Of total Grocery sales

Grocery sales performance versus market



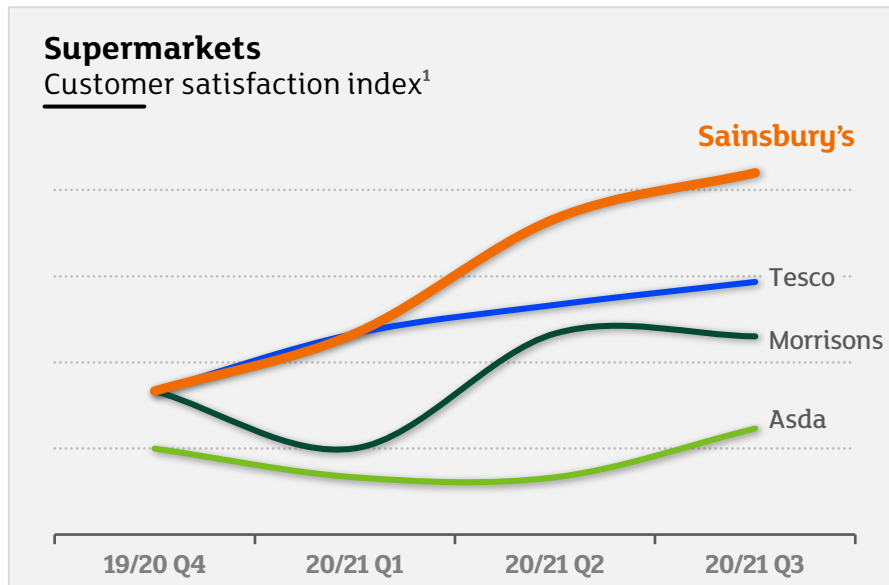
¹ Kantar Total Grocery 12-week value YoY growth, 12 weeks to 27 Dec 2020. Includes Food, Beverages, Alcohol, some Household and Health & Beauty categories

Grocery sales performance versus market



¹ Kantar Total Food & Drink 12-week value YoY growth, 12 weeks to 27 Dec 2020. Includes Fresh & Chilled, Ambient Groceries & Frozen Food. Excludes Alcohol, Household, Toiletries & Healthcare

Customers recognising our investment in service



Speed of checkout

+16%

Availability of products

+6%

Variety of items

+10%

Availability of colleagues

+10%

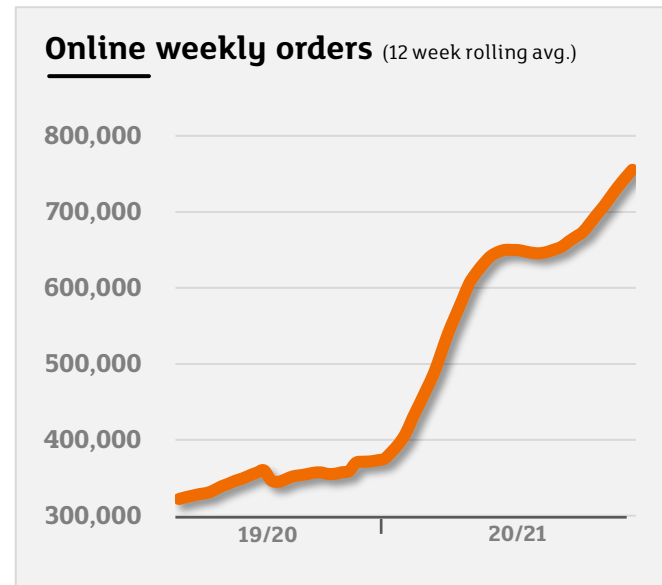
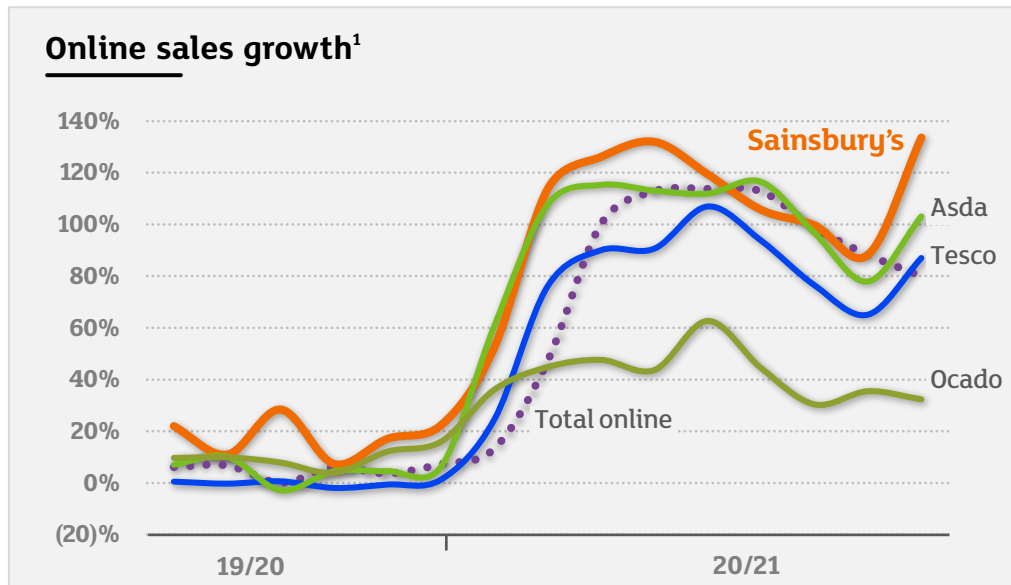
Value for money spent

+1%

¹ Supermarket customer satisfaction %. Competitor benchmarking survey.

² Lettuce Know customer satisfaction data, 4 week average 6 Dec 2020 – 2 Jan 2021, YoY percentage point growth

We have grown online grocery capacity faster than competitors



¹ Nielsen Panel Data; Total Business; Rolling 4 wklly Value Sales, % YoY Growth; to 28 Nov 2020

² 12 weekly rolling basis, from H1 19/20 to Q3 20/21

Groceries Online: driving productivity

Rapid profitable expansion leveraging technology investments

Orders per van

+56%¹

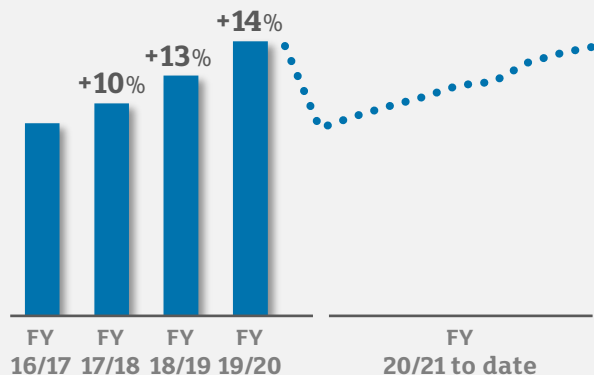
Average basket size

+9%

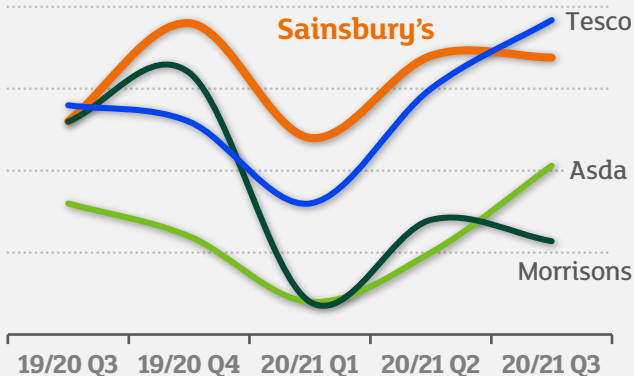
Click and Collect participation

from 3% to 16%²

Items picked per hour



Online Customer satisfaction index³

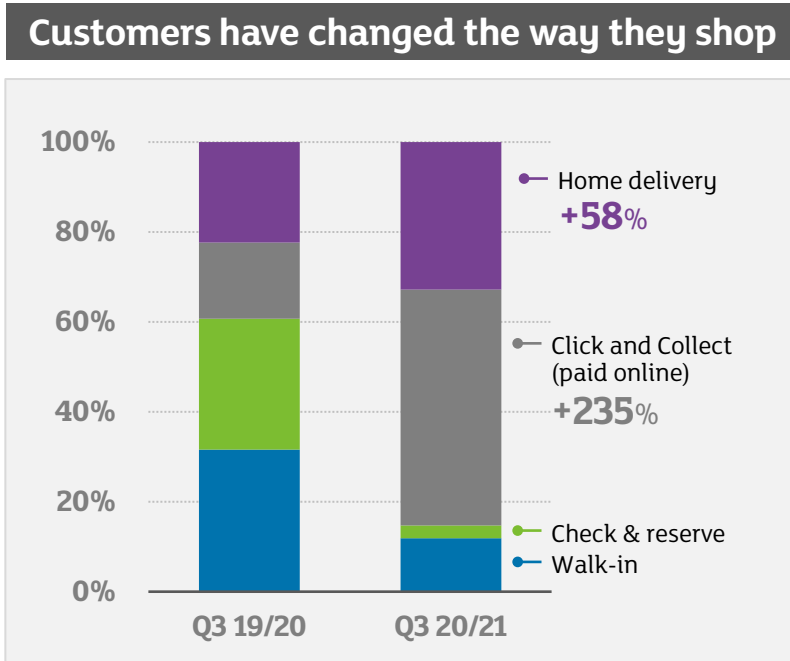


¹ exc. C&C orders

² Sales participation of total groceries online sales Q3 20/21 vs Q3 19/20

³ Online customer satisfaction %. Competitor benchmarking survey

Nearly 90% of Argos sales online in peak quarter



In the next 3 years we will transform our business

We are clear on our priorities



Food First

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



Brands that Deliver

- Customer and profit focus
- Supporting the core food business



Save to Invest

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



Connected to Customers

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



Net Zero 2040

Become net zero by 2040

7 key metrics

Delivering for customers and driving stronger financial outcomes

Operational

- Strong customer satisfaction scores
 - Maintain strong colleague engagement
 - Deliver our Net Zero commitment
-

Financial

- UPBT growth
 - Grocery market share performance
 - 200bp+ reduction in retail operating cost to sales
 - Dependable retail free cash flow: £500m pa average¹
-

¹ From March 2023 onwards