

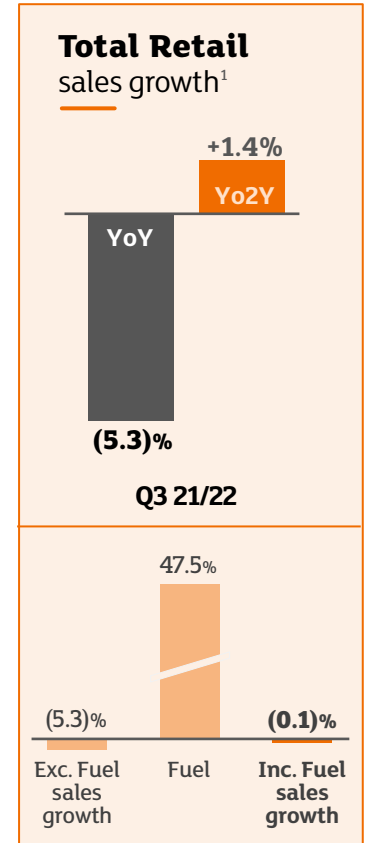
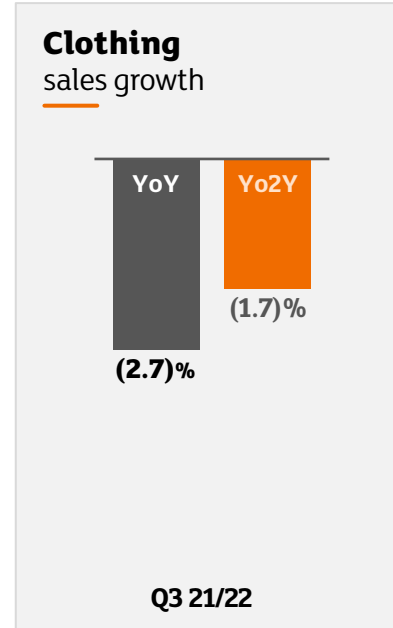
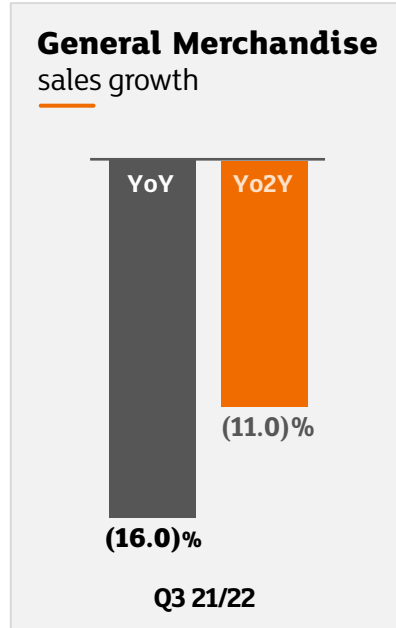
J Sainsbury plc

Q3 Trading Statement

2021/22

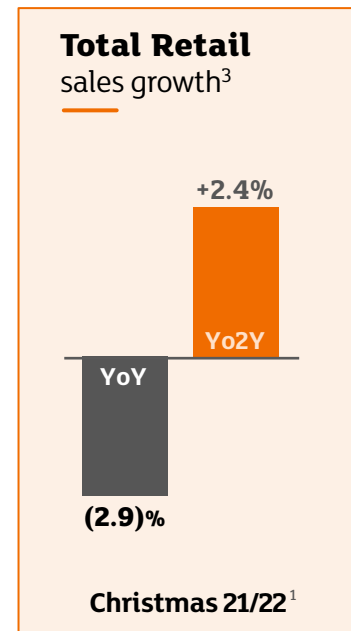
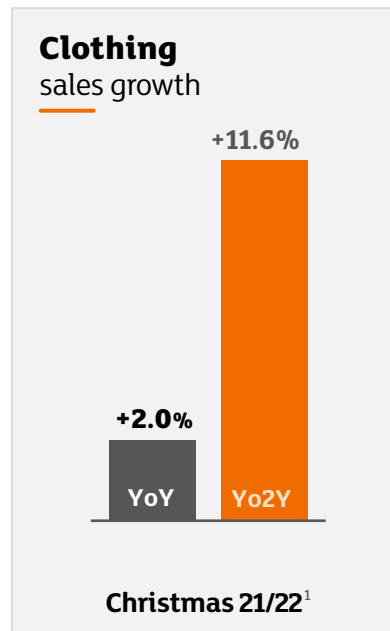
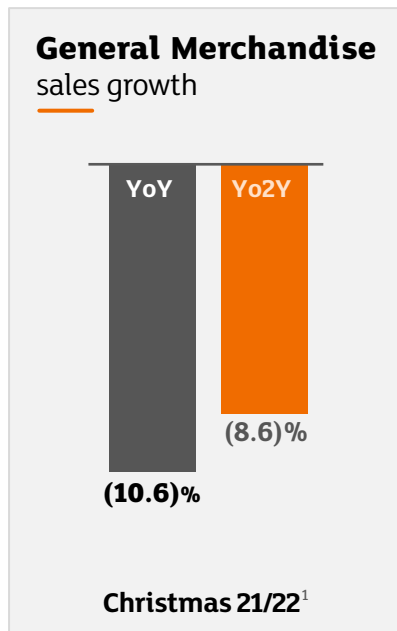
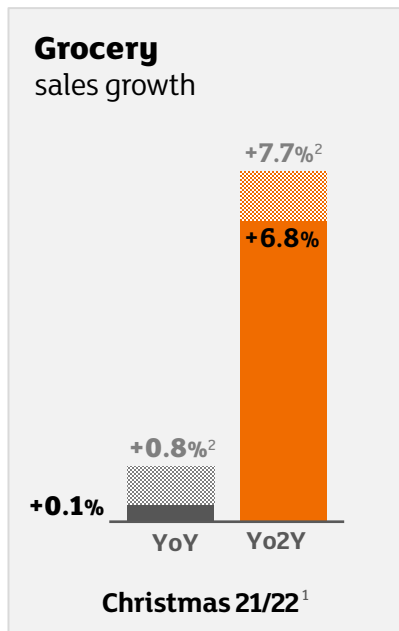


Q3 Retail sales growth



1 Exc. fuel

Christmas Retail sales growth

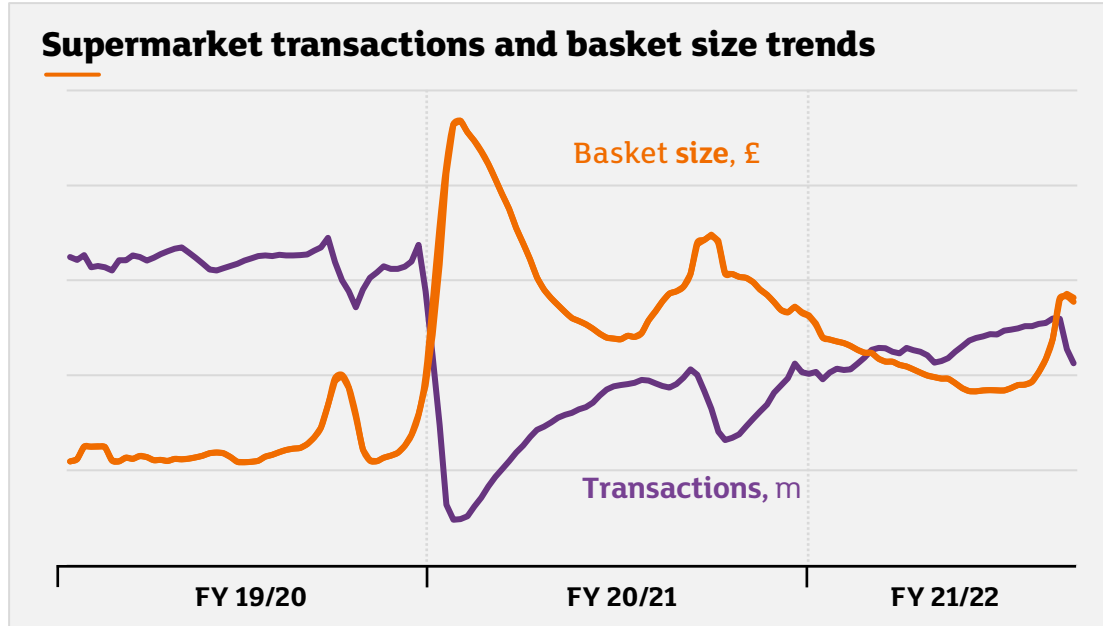


1 6 weeks to 8 January 22

2 Adjusted for Boxing Day 2021 closure by excluding Boxing Day sales from prior years

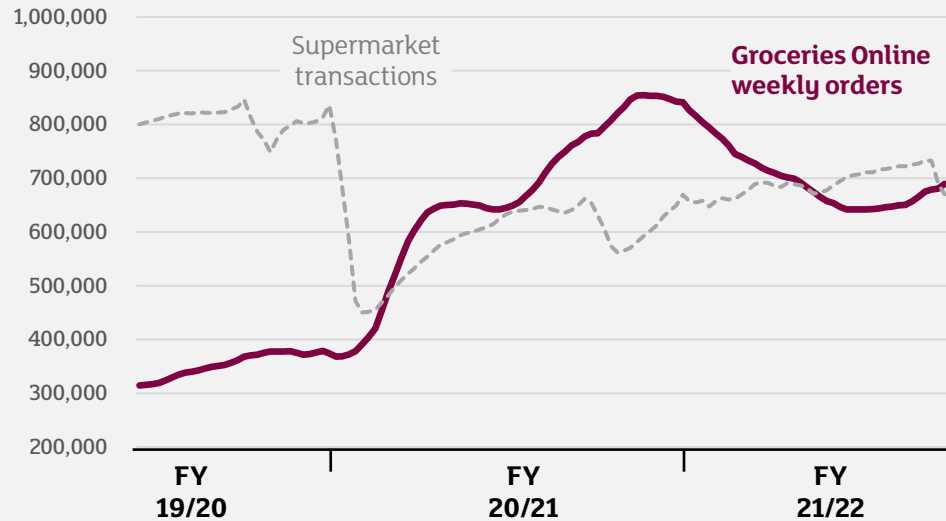
3 Exc. fuel

Supermarket transactions continue to recover



Online demand remains strong

Online weekly orders¹



Basket size

down
6%
YoY



Q3
20/21



Q3
21/22

Items picked per hour (IPH)

up
4%
YoY



Q3
20/21



Q3
21/22

Drops per hour

up
2%
YoY



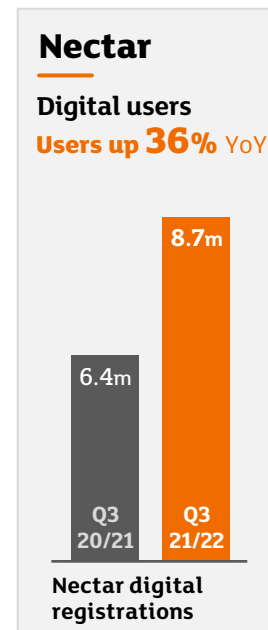
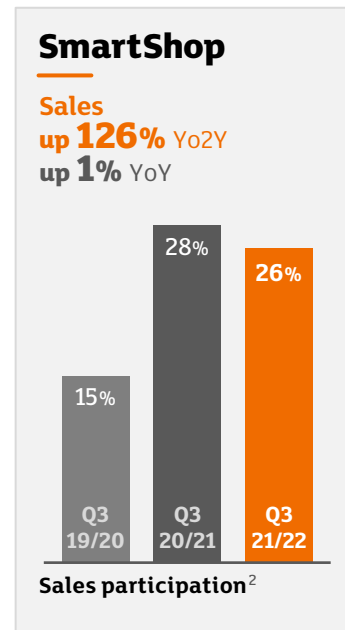
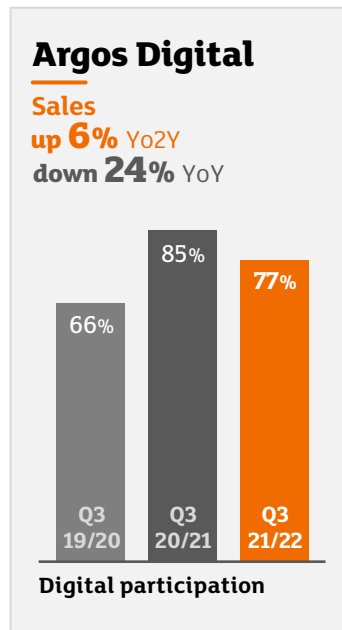
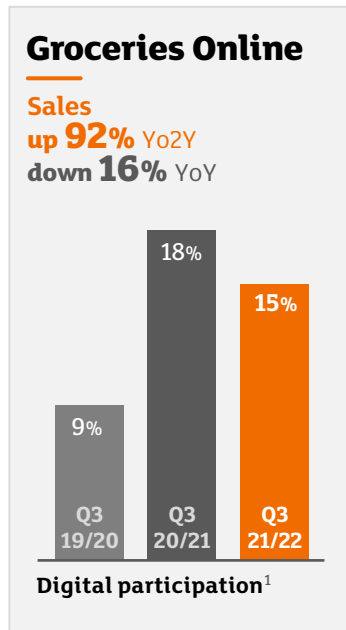
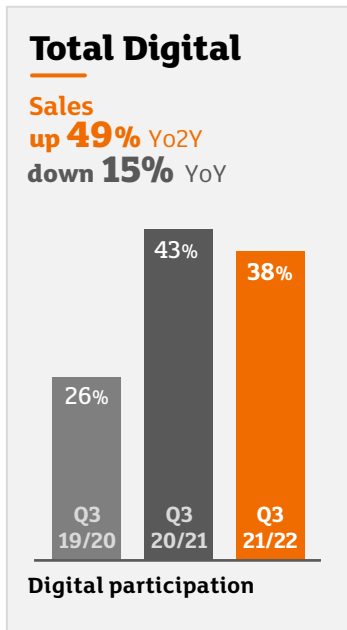
Q3
20/21



Q3
21/22

¹ 8 week rolling average, Groceries Online Home Delivery and Click&Collect

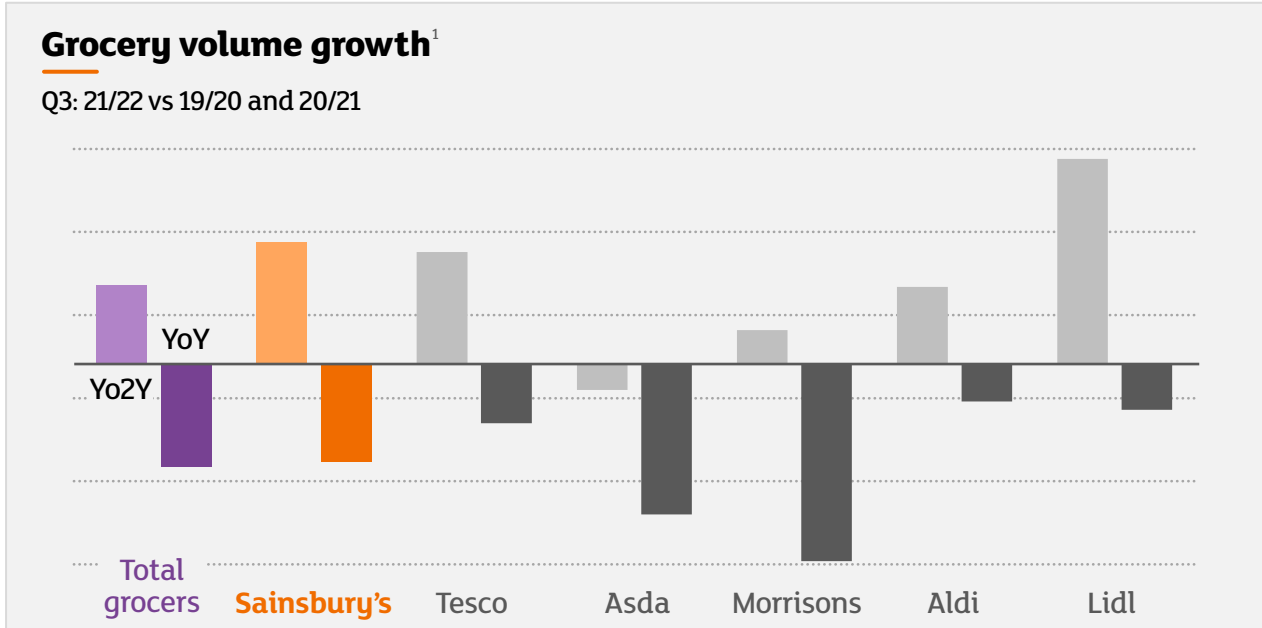
Digital sales significantly ahead of 19/20



¹ Of total Grocery sales

² Sales participation in stores with handsets

Ahead of the market on a two-year and one-year basis



¹ Kantar Worldpanel division, 12 weeks to 26 December 21, 27 December 20 and 29 December 19. Total Grocery volume growth

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



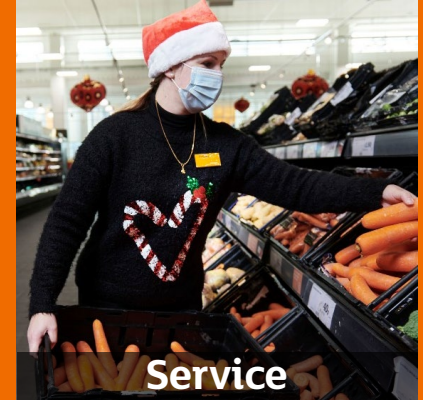
- Better value and innovation
- Underpinned by buying benefits and lower cost to serve



Value

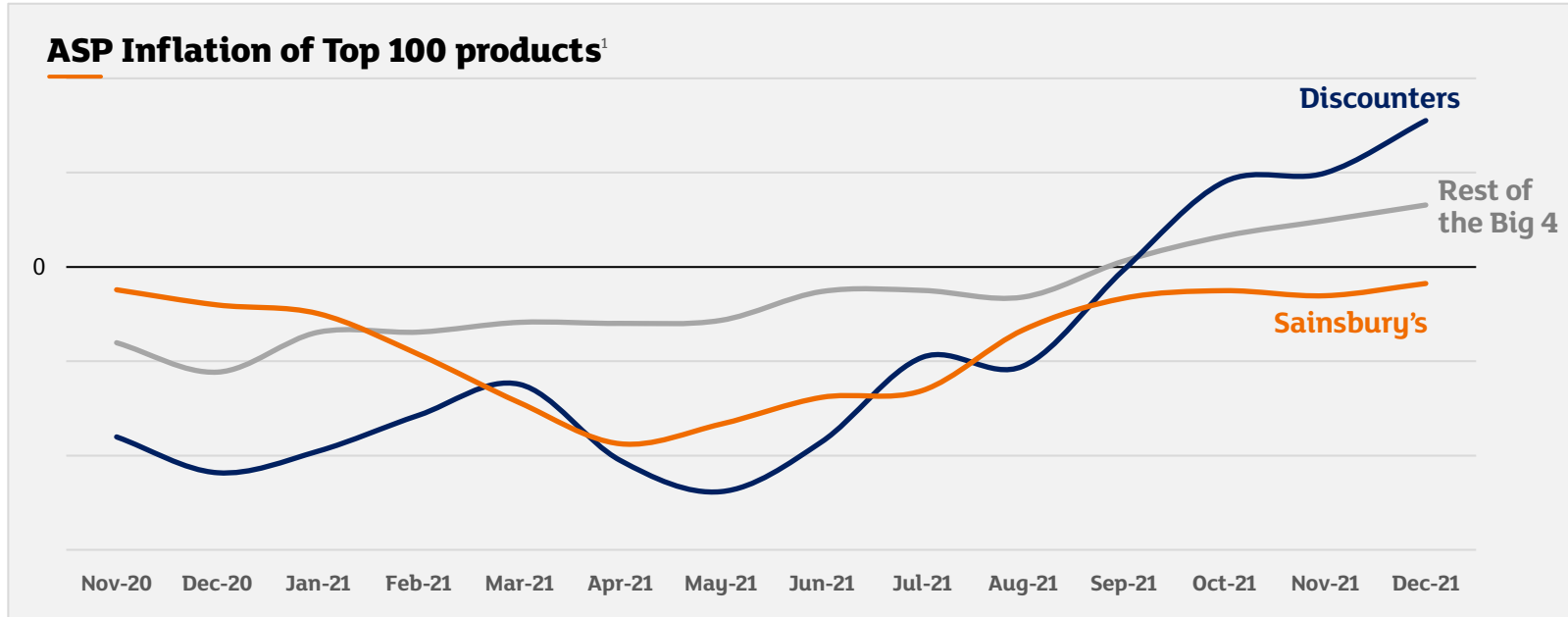


Innovation



Service

Investing ahead of the market in value



¹ Nielsen panel data, Top 100 SKUs by retailer, Average Selling Price Inflation YoY

Strongest ever Christmas value position



Sainsbury's Quality, Aldi Price Match Christmas dinner

- Significant volume growth: +23% YoY and +44% Yo2Y¹
- Double-digit market outperformance in invested categories²
- Value Perception step change: +110bps in Christmas week³
- Increased secondary customers conversion +480bps participation Yo2Y⁴

¹ Volume growth of SKUs included in SQAPM Christmas campaign, week to 25 December YoY and Yo2Y

² Nielsen Unit Growth Differential, week to 25 December YoY. Double digit market growth differential in Beef joints, Gammon, Christmas vegetables and Frozen Dessert

³ Lettuce Know Value Satisfaction scores, week to 25 December vs week to 18 December 2021

⁴ Nectar card data Yo2Y change in secondary shoppers 2 weeks to 25 December vs 2 weeks to 11 December Yo2Y

Value: Sainsbury's Quality, Aldi Price Match

Increased total investment – focus on Fresh and high-volume lines



Sainsbury's
Helping everyone eat better

Everything you need for a fresh start. 150 fresh products price matched to Aldi.

ALDI PRICE MATCH

The advertisement features a variety of fresh products including vegetables (cucumbers, tomatoes, mushrooms, leafy greens, eggplants, corn, lemons, limes, and oranges), fruits (bananas), and packaged items (meat, dairy, and pre-washed produce). A blue circular badge with a white checkmark and the text 'ALDI PRICE MATCH' is positioned in the bottom right corner of the product display.

90%
Volume now in
Fresh

Value: Price Lock

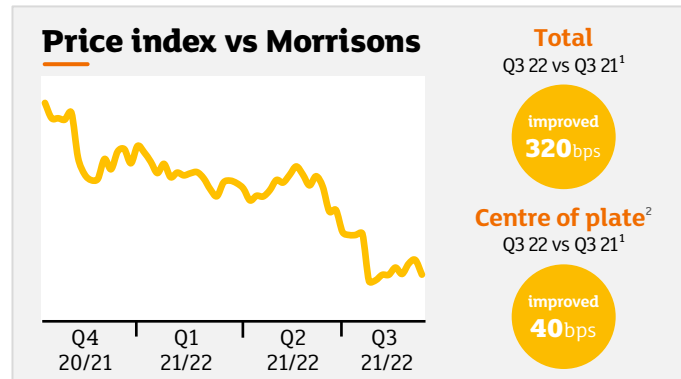
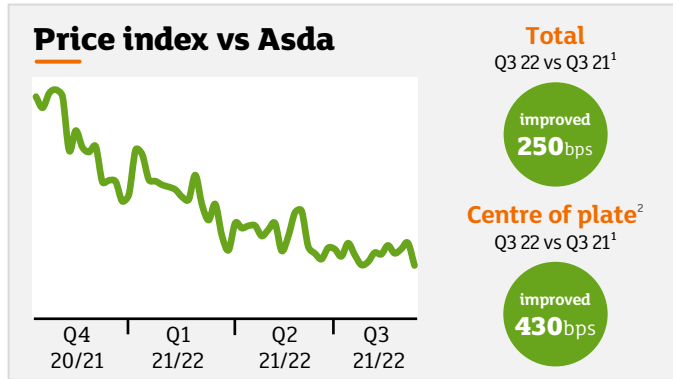
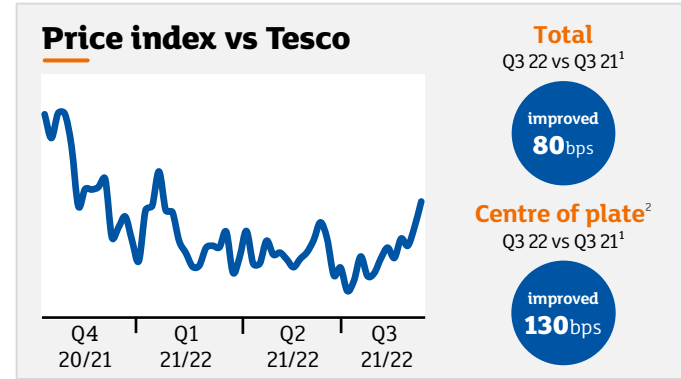
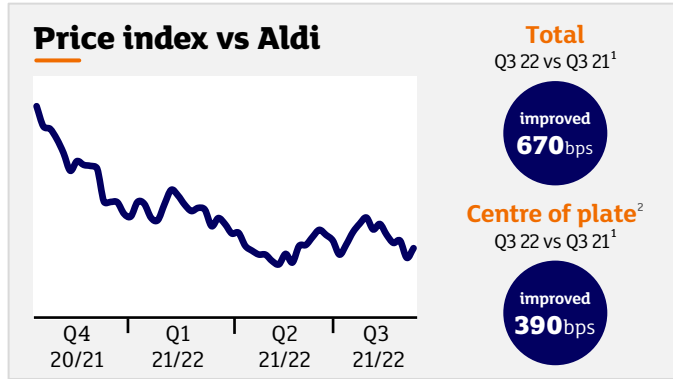
We continue to run the biggest EDLP campaign¹

Number of SKUs



¹ Edge by Ascential data, 05/01/22

Value: continued momentum on price investment



1 Value Reality, Sep 21-Jan 22 vs Sep 20 – Jan 21; Edge by Ascential; internal modelling

2 Meat, Fish and Poultry

Food Innovation: Christmas new product development

On track to triple innovation

600

New lines
in Q3

300

New Christmas
lines

Growth in Taste the Difference

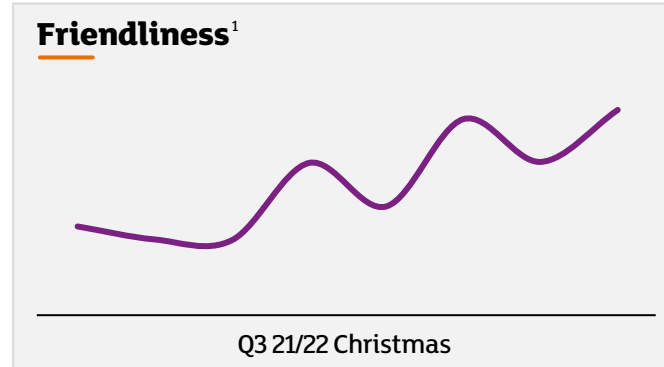
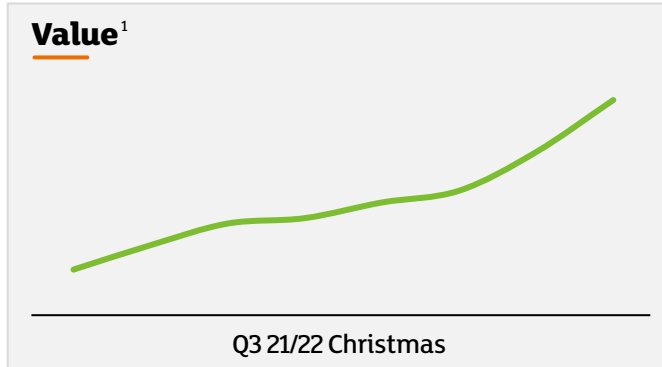
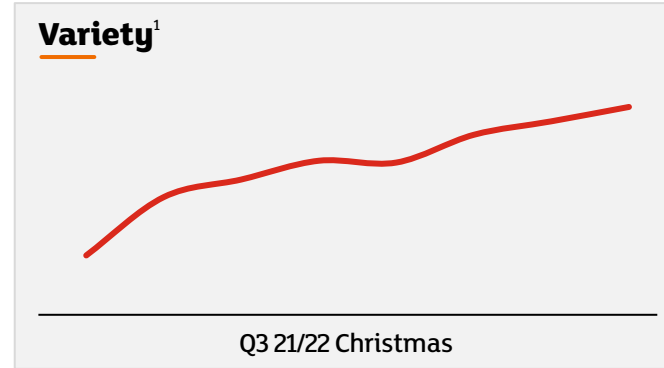
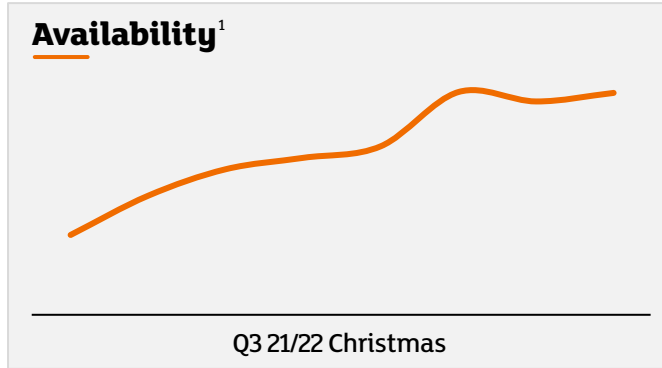
- Taste the Difference sales grew **+13%** in key Christmas weeks vs two years ago¹
- Meat, Fish and Poultry TTD **+25%**
- Produce TTD **+16%**
- Bakery TTD **+12%**
- Beers, Wines and Spirits TTD **+11%**

Christmas heroes

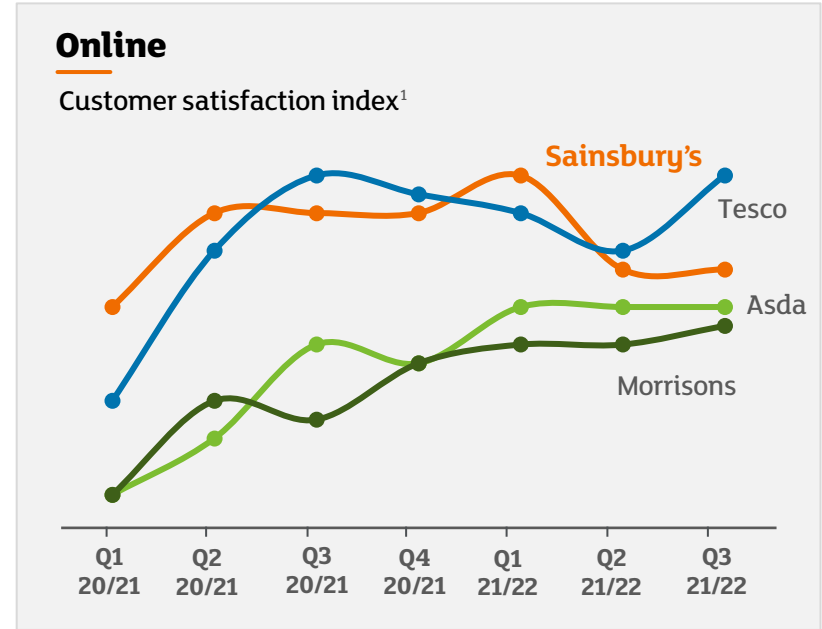
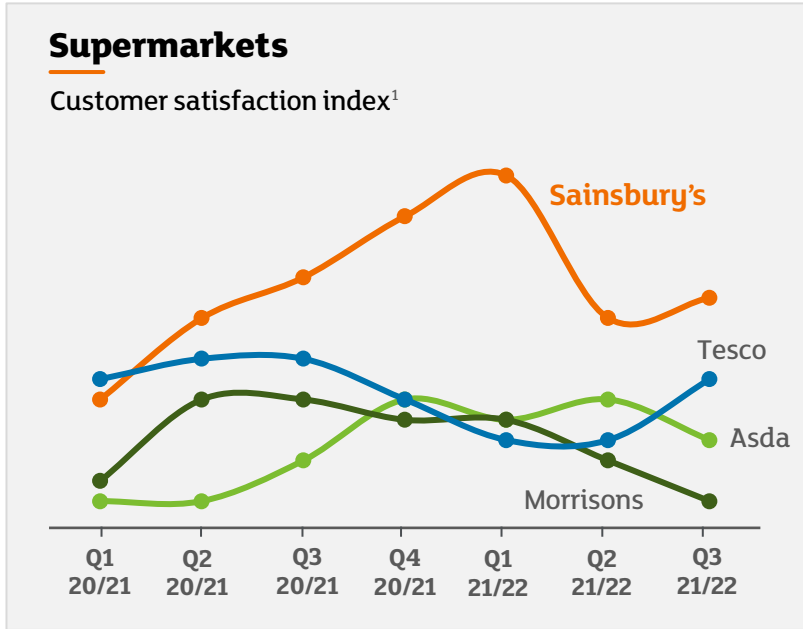


¹ 6 weeks to 8 January 2022, Yo2Y growth

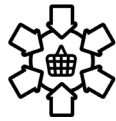
Customer Satisfaction improvement through Q3 Christmas



Supermarket customer satisfaction ahead of competitors



¹ Supermarket and Online customer satisfaction %. Source: Competitor benchmarking survey



Brands that Deliver

- Customer and profit focus
- Supporting the core food business



Tu
habitat 

- Reduce cost to serve
- Improve profit delivery

General merchandise category performance

Subdued market¹

Gaming market



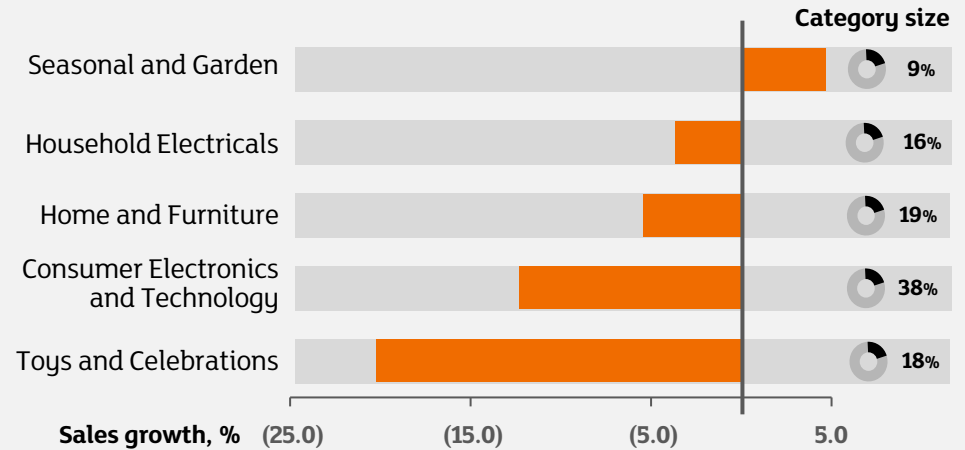
Technology market



Toys market



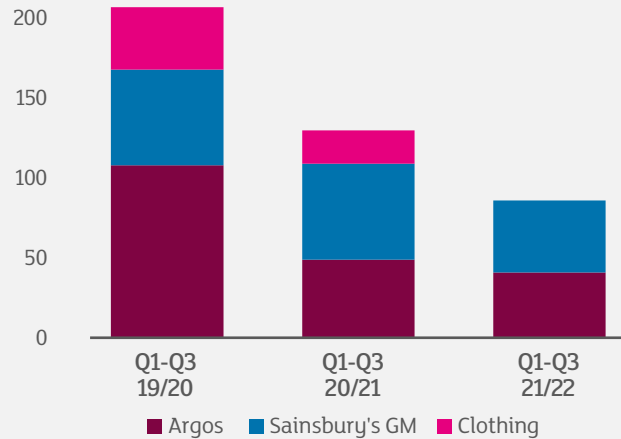
Total GM Category performance on a 2-year basis



¹ Source: Tracked Markets Sep-Nov 21 Yo2Y market growth by volume. GFK data for Gaming and Technology, NPD data for Toys

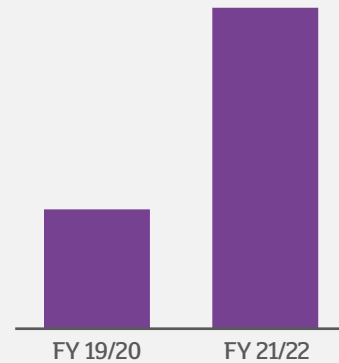
Strategic reduction in promotional participation; focus on margins

General Merchandise and Clothing Promotional days¹

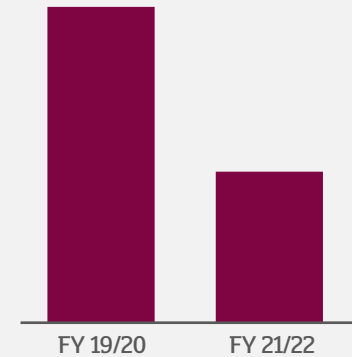


Improving margins

Sainsbury's GM&C Gross Margin



Argos Operating Costs to Sales



¹ Number of days on promotion: includes sale days, voucher offer days, Clothing, Furniture, Toy and Black Friday promotion days. Q1-Q3 YTD data

8 key metrics

Delivering for customers and driving stronger financial outcomes

Operational

Grocery market share performance

Strong customer satisfaction scores

Maintain strong colleague engagement

Deliver our Plan for Better commitment

Financial

UPBT growth

200bps+ reduction in retail operating cost to sales

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

Increase Return on Capital employed¹

¹ 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

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Environmental and social sustainability at our core

J Sainsbury plc

Q&A

