

FULL-YEAR RESULTS 2021/22



JOHN LEWIS
& PARTNERS

JOHN LEWIS
PARTNERSHIP

WAITROSE
& PARTNERS

THE PARTNERSHIP – BUILDING MOMENTUM



- **Entering year two of five-year plan** to return Partnership to sustainable profit
- **The turnaround is on track** – another year of rapid adaptation to transform and grow
- Ambition for Waitrose and John Lewis to continue as UK's **go-to brands for service, quality, value and sustainability**
- **Building momentum** – encouraging results in challenging circumstances
- **Our Partners powered us through** – rewarding them as much as we can as they contend with inflation
- **Partnership Bonus of 3%** – shared among our Partners because **they own the business**

THE PARTNERSHIP PLAN

— WORKING IN PARTNERSHIP FOR A HAPPIER WORLD —

RETAIL CUSTOMERS LOVE

Customers shopping the way they want with expert advice, brilliantly edited choices and truly memorable experiences

INSPIRATIONAL NEW SERVICES

Trusted new propositions that allow us to play a bigger role in customers' lives

PARTNERSHIPS FOR GROWTH

Accelerated growth by combining our unique strengths with the capabilities of others

LEAN, SIMPLE, FAST

A lower cost, far simpler business that creates more pace and freedom for Partners and more cash for growth

A THRIVING PARTNERSHIP, LOVED BY PARTNERS AND CUSTOMERS

OUR FINANCIAL PERFORMANCE

Profit before tax, bonus and exceptionals

£181m

+£50m (+38%) vs LY +£111m (+159%) vs LY-1

Cost savings

£170m

Partnership Bonus

3%

0% LY

Loss before tax

£26m

£491m better vs LY £172m worse vs LY-1

OUR FINANCIAL PERFORMANCE

Investment

£767m

£474m LY

Total liquidity

£1.9bn

£0.1bn less than LY

Total net debts

£1.4bn

£0.7bn better vs LY

Debt ratio

2.3x

1.1x better vs LY

A top-down view of a rustic table set with various Mediterranean dishes. The table is covered with a dark, textured cloth. In the center, there is a large bowl of hummus topped with olive oil and herbs. To the left, a plate of falafel is served with a side of pita bread. A bowl of tabbouleh is also visible. Other dishes include a plate of roasted vegetables, a bowl of chickpea salad, and a plate of pita bread. The table is garnished with fresh herbs, lemons, and a small bowl of red spices. The overall atmosphere is warm and inviting, typical of a traditional Mediterranean meal.

- **Strong trade** – sales of £7.5bn, up 1% like-for-like on last year
- **Outperformed the market** by 1%
- **Online sales of c£1.2bn** – now 17% of sales (up from 14% a year ago, 5% in 2019/20)
- **Significant store investment** – £90m, 18 full refurb, 23 in 2022/23
- **Better Together** – John Lewis now in 40 Waitrose - will double by end 2022. One third of customers say they will shop more as a result
- **Growing routes to new customers via partnerships** – Shell, Deliveroo, Mindful Chef and others
- **Won 17 Grocer 33 Awards; Service at Grocer Gold Awards**
- **Margin headwinds** from incremental costs of Covid, online mix and inflation, especially in supply chain
- **Shape of trade expected to change** in 2022 – post-Covid behaviours, inflation and cost of living

JOHN LEWIS – HIGHEST SALES ON RECORD



- **Record sales** of £4.9bn, up 8% like-for-like on last year
- **Margin** improved markedly - sales increase and more fashion & home
- Strong in key categories - **Nursery, Home and Christmas & Gifting**
- **ANYDAY**
 - Most successful JL own-brand launch - £120m sales
 - 93% of customers also shop other John Lewis ranges
 - 25% new or reactivated customers (500k)
- **230 new brands**
- **£25m investment in shops** and £40m planned for 2022/23
- **£56m planned investment in online**, which accounts for 67% of sales
 - **Increased capacity** - 2 new distribution centres
 - **App relaunched** - 23% of online sales, up 40% vs LY
- Focus on **customer service & services**
- **John Lewis Finance** - Point of Sale Credit; Savings and Investments launched

REWARDING AND INVESTING IN OUR PARTNERS



- Partners receiving a **bonus of 3%**
- **Real Living Wage nationwide** this year; pay budget up by £54m
- **Skills agenda**
 - LGV Driver Academy and driver apprenticeships
 - School of Service – training Waitrose and John Lewis Partners
- **Looking outwards**
 - First UK retailer to announce equal parental pay and leave, introduced two weeks' paid leave for pregnancy loss
 - Career support for young people leaving care system

OUTLOOK AND TRADING PRIORITIES



- Facing significant uncertainty in external environment – war in Ukraine and cost of living
- Focusing on **quality, value for money and service**
- Continuing to find ways to **run the business more efficiently**
- Responding to how customers want to shop **with us** - in store and online
- **Making long-term investments in new areas** where trust matters:
 - Accelerating growth in **Financial Services** this coming year
 - Making good progress on **rental property** proposition

QUESTIONS

JOHN LEWIS
& PARTNERS

JOHN LEWIS
PARTNERSHIP

WAITROSE
& PARTNERS