JOHN LEWIS PARTNERSHIP UNAUDITED FULL YEAR RESULTS FOR THE 52 WEEKS ENDED 25 JANUARY 2025

TRANSFORMATION DELIVERING SOLID PROGRESS

- Profit before tax and exceptional items[1] tripled from £42m to £126m
- Profit before tax grew from £56m to £97m, up 73%
- Sales[2] rose by 3% year-on-year, up from £12.4bn to £12.8bn
- Operating profit margin[3] improved to 2.0%, up 0.9 percentage points year-on-year
- Customer numbers grew by 2% over the year
- Cash generated from operations[4] increased by £99m to £532m, up 23%
- Repaid £300m Bond from cash reserves resulting in the lowest borrowings since 2002
- Strong balance sheet with total liquidity of £1.5bn
- Investing a further £114m in Partners' pay and up to £600m in business transformation; after careful consideration, we have prioritised this investment over sharing a Bonus this year

Jason Tarry, Chairman of the John Lewis Partnership, said: *"These are solid results, which show that our customers are responding well to our investments in quality products, value and service. We have made good progress with much more still to do.*

"Looking forward, I see significant opportunity for growth from both our Waitrose and John Lewis brands. Our focus will be on enhancing what makes these brands truly special for our customers. This will involve considerable catch-up investment in our stores and supply chain, underpinned by a strong focus on the core elements of great retail, delivered by our brilliant Partners.

"Our distinct Partnership model stands out as a key competitive differentiator, enabling us to adopt a long-term perspective. I am confident with the transformation momentum in the Partnership, we remain well placed to drive further growth in the year ahead and over the longer term - creating a Partnership that our customers and Partners are truly proud of."

Nish Kankiwala, CEO of the John Lewis Partnership, said: *"I want to thank all of our Partners for their incredible hard work this year and our customers for their loyalty, both of which led to continued momentum through the year and especially over Christmas. Tripling our profit is a significant testament to the progress of our transformation - focused on delighting customers while continuing to deliver efficiency improvements, thereby laying the foundations for long-term sustainable growth.*

"Both brands are showing good momentum. Our strategic investments in product innovation, quality, service and value have yielded significant improvements in customer satisfaction, attracting more customers to shop with us.

"As I step down after two years as CEO, which has been an incredible privilege, I want to express my gratitude to our Partners who have shown amazing commitment to our refreshed plan. I am confident in the Partnership's continued success given the momentum we have built and the opportunities that lie ahead."

[1] Profit before tax, Partnership Bonus and exceptional items (PBTBE)
[2] All references to Partnership sales or sales are Total trading sales which includes VAT, sale or return, and other non-cash accounting adjustments
[3] Operating profit margin is operating profit before exceptional items and property profit/(loss) as a percentage of revenue
[4] Net cash generated from operating activities before Partnership Bonus, bond finance costs and BonusSave plan

The John Lewis Partnership, home to Waitrose and John Lewis, reports a significant improvement in financial performance for the full year 2024/25 as profit before tax and exceptional items tripled from £42m to £126m.

Our full year performance demonstrates solid progress on our multi-year transformation plan as we maintain our focus on 'Brilliant Retail'.

Profit before tax increased by 73% from £56m to £97m. Partnership sales were £12.8bn, up 3% year-on-year. Operating profit margin increased 0.9 percentage points to 2.0% as our sharp focus on productivity showed benefits. Cash generated from operations was £532m, up £99m (23%) year-on-year.

More customers shopped with our brands this year, up 2%, and we saw growth in our loyalty schemes: My Waitrose up 7% to 4.6 million active members and My John Lewis up 11% to 3.7 million.

We invested a third more in 2024/25 in our business than the prior year and intend to step up our transformation plan in the year ahead, backed by planned self-funded investment of £600m. We will continue to invest in improving the customer experience through store refurbishments and openings, technology upgrades and supply chain modernisation.

Our balance sheet remains strong. Total liquidity closed the year at £1.5bn and we have the lowest levels of borrowings since 2002 after repaying a £300m bond in January 2025. We made recurring productivity savings of £255m this year, while growing customer satisfaction, with total benefits of £667m realised since 2021, on track towards our £900m target by January 2026.

As employee-owners, we have a shared responsibility to ensure the Partnership is sustainable over the long term. We've consistently said that at this point in our transformation, this is best served by investing in our retail businesses and in Partners' base pay. So after careful consideration, we do not believe it would be right to award a Partnership Bonus this year. We are increasing overall pay by £114m in 2025, building on the £116m increase in 2024.

Waitrose

Sales grew 4.4% to £8.0bn and volumes were up 2.6% as Waitrose continued its positive momentum. Investment in Waitrose's quality food proposition and lower prices - together with further improvements in technology and availability - helped drive this growth. Adjusted operating profit was £227m, up £122m as sales growth combined with productivity improvements delivered profit momentum. Operating margin doubled year-on-year to 3.0%.

Our focus on being the home for food lovers through innovation yielded strong results through:

- Investing in our ranges including the relaunch of Waitrose No.1 contributed to a 5.9% increase in sales of Waitrose own brand products. We also forged successful partnerships with exciting brands including Ottolenghi, WildFarmed and Gymkhana;
- Continuing our focus on lowering prices with £61m invested during the year, which means we have invested £150m since introducing New Lower Prices in 2023;

- Winning more Compassion in World Farming awards than any other supermarket and winning the best customer service award from *The Grocer* for the fourth year in a row;
- Opening the first Waitrose shop in six years with a convenience store in Hampton Hill, London, and revealing plans for a pipeline of new stores in the future;
- Refurbishing 14 Waitrose stores with new concepts as part of our store modernisation programme, delivering strong sales growth; and
- Growing on-demand grocery sales by 110% in the year and entering a new partnership with Just Eat, adding to Uber Eats and Deliveroo. We are also reaching even more customers through expanded relationships with Welcome Break and Shell.

John Lewis

Sales were in line with last year, at £4.8bn and ahead of the market with momentum building across the year. Adjusted operating profit was £45m. This year has been pivotal for our business in what remains a challenging environment for the sector. We have taken steps to invest in the performance of John Lewis. Our focus has been on providing even better value through the return of the Never Knowingly Undersold promise, improved customer service and better product ranges.

The strategy has shown early success, with the business experiencing contrasting halves within the year. The first half saw a 3% decrease in sales and a £24m drop in adjusted operating profit due to investments in growth. Marked improvement in the second half led to a 3% increase in sales and £8m growth in adjusted operating profit, creating momentum for the future.

John Lewis made major strides forward in the year by:

- Relaunching Never Knowingly Undersold, with improvements seen across all key metrics - from driving incremental sales and attracting new customers, to a 6pts gain in the second half on our 'net promoter score' and better value for money perceptions;
- Good Christmas performance with 4.1% year-on-year sales growth over the eight weeks of peak, industry celebrated Christmas advertising campaigns and 'Brand Buzz', as measured by YouGov, at its highest for four years;
- Investing across our store estate, attracting customers to brand new Beauty Halls in Oxford Street, High Wycombe and Cheadle; new Tech concepts in computing and exciting branded shop fits across Home and Fashion; as well as forging partnerships with brands including Waterstones, Jamie Oliver and Caffè Nero;
- Introducing new and in-demand brands, with more than 200 launches from the likes of Marc Jacobs and Sign of the Times in Fashion, Made and Ruggable in Home, the Oura Ring in Tech and Trinny London in Beauty;
- Capitalising on retail technology - including digital headsets, mobile payments and mobile ticket printing - which are improving customer service and efficiency; and
- Enhancing omnichannel through 'deliver from store' fulfillment - where online orders can be shipped by our stores and not just our warehouses - which is improving availability and sales.

Building complementary businesses for the long term

John Lewis Money, our financial services business, launched new products and payment methods, generating additional revenue and enhancing our retail businesses. The Partnership Card customer base grew 6% in the year. We also advanced plans to optimise the value of our property estate by building new rental homes, receiving planning approval for our Bromley site, with two more sites in the planning process.

Outlook

While we expect the macroeconomic environment to continue to be challenging for our customers and our business, we are confident in our strategy. Our improved cash generation and strong liquidity allow us to invest significantly in the year ahead - a planned £600m - to enhance our customer proposition.

We are making solid progress and have much more to achieve. By relentlessly focusing on our customers' needs, delivered by our brilliant Partners, we will pursue the headroom for growth that exists in our retail brands. We expect to see a further increase in profitability in 2025/26.

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