

「HALF-YEAR RESULTS

16 SEPTEMBER 2021

JOHN LEWIS
& PARTNERS

JOHN LEWIS
PARTNERSHIP

WAITROSE
& PARTNERS

OUR PERFORMANCE: POSITIVE PROGRESS IN FIRST HALF

- **Nearly one year into five-year plan** to return the Partnership to sustainable profit
- **Positive momentum** in the first half
- **Strengthening Waitrose and John Lewis** while moving to **diversify** where customer demand is strong
- **We're adapting fast**, responding to customer needs and the shift to online
- **Partners went above and beyond** to serve customers despite operational challenges



OUR FINANCIAL PERFORMANCE

Profit before PB, tax and exceptionals

£69m

+£124m vs LHY +£121m vs LHY-1

Loss before tax

£(29)m

+£606m vs LHY £(221)m vs LHY-1

Net Debt

£(1.7)bn

+£0.4bn vs FY20/21

Liquidity

£1.4bn

£(0.1)bn vs FY20/21

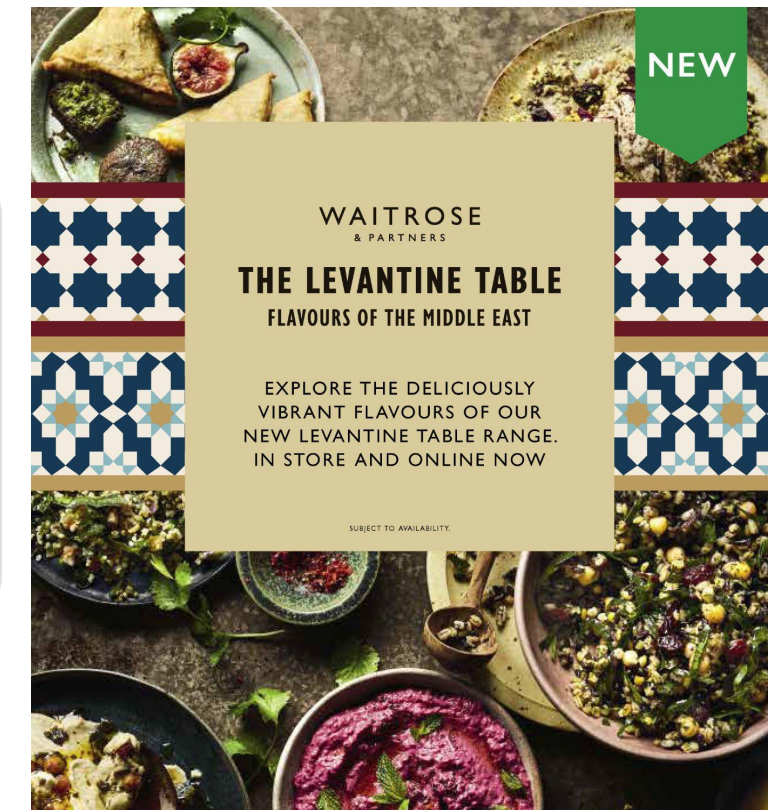
Cost savings

£66m

Targeting £300m annual costs savings by end 2022/23

WAITROSE - GOOD MOMENTUM

- Like-for-like sales **+3.5%** - only supermarket in growth in Q2 Kantar data
- Challenging industry conditions but Partners worked hard to deliver market leading customer service - recognised by **Grocer 33 Gold Award**
- **Channel shift to 17% online** inevitably dilutes operating margin - material medium term opportunities to improve overall profitability
- **Convenience:** Deliveroo in **150 locations**, almost **£1m** sales per week from new younger customers; reached agreement to expand Waitrose to **125** Shell forecourts by 2025
- On track to complete **18 full refurbishments** in the year as part of commitment to **£500m** investment in shops in next 5 years
- **Better Together** - John Lewis areas now in **17** Waitrose, on track for approx. 40 by year end



JOHN LEWIS - MUCH IMPROVED PERFORMANCE

- Like-for-like sales **+13%**; trading operating profit **+93%**
- Highest ranked retailer for customer service (**July UKCS Index**)
- **£50m** investment in johnlewis.com planned this year; proportion of orders made via the App increased from **14% to 24%**
- **ANYDAY** most successful own brand Spring launch - **700k** customers (25% new). **3,600** products including Fashion
- Plans for **90 new brands** in Fashion and Beauty
- **Major investments in Nursery** - sales up 18%
- **Over 55k** tickets sold to virtual events
- **Edinburgh** refurb completed as part of **£200m** earmarked for stores
- Pre-planning for **new shop formats** underway



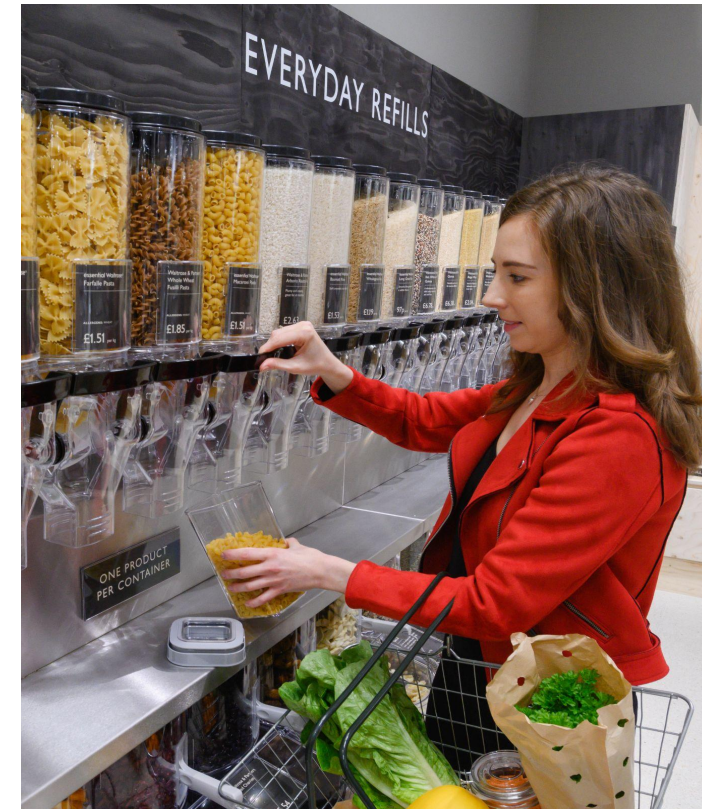
DIVERSIFYING WHERE TRUST MATTERS

- Financial services progress:
 - First **investment products** with Nutmeg - £1m invested so far
 - More flexible **home insurance**
 - **Point of sale credit** across all channels, reaching £31m sales
- Adapting to how our customers want to shop:
 - Extended John Lewis Click & Collect to **over 1,000 sites**
 - Furniture rental range with Fat Llama extended to over **350 lines**
 - Launched **vintage furniture** trial with Vinterior allowing customers to buy restored products
- Ambitions to build **10,000 rental homes** over next decade, in the process of shortlisting partners



PROGRESS ON COMMUNITIES & SUSTAINABILITY

- Charitable donations of **£2.5m** through our **Give A Little Love** campaign and other causes including international disaster relief
- **Helping customers reduce waste:**
 - Extended **Waitrose 'Unpacked'**, refillable sales +9%
 - **BeautyCycle** has saved 425,000 products from landfill
 - **John Lewis mattress range** using Waitrose wool
 - Provided one million **meals to vulnerable** homes
 - **Bag removal for waitrose.com** saving 40 million bags
- Significant move into **plant-based** and **vegetarian** food with new ranges
- Partnering with Shell, installing **800** EV charging points in **100** Waitrose shops by **2025**



SUPPORTING OUR PARTNERS

- **Toughest ever year for Partners.** Major focus on practical support for mental, physical and financial health and wellbeing
- **Free food and higher Waitrose discount** in the lead up to Christmas
- **Modernising** our overall pay and benefits package. 81% of Partners paid voluntary Real Living Wage post April pay review, up from 47%. Committed to pay all Partners the voluntary Real Living Wage when profit reaches £200m
- **Ambition to become UK's most inclusive business:**
 - First retailer to introduce **26 weeks equal parenthood** paid maternity and paternity leave
 - Introduction of 2 weeks' **paid pregnancy loss** leave
 - New **Flexible First policy**; jobs advertised as flexible working
 - Launched two pilots to give career support and job opportunities for young people leaving the **care system**
- **£54m** invested in pay for non-management Partners, leading to a 4% average increase for non-management Partners.



OUTLOOK AND SECOND HALF TRADING PRIORITIES

- Working hard to deliver the best Christmas for our customers
- Proactive steps to mitigate risks:
 - Additional freight secured for John Lewis Christmas products
 - Campaigns to recruit drivers and over 7,000 seasonal roles
 - Free food while working from October to end December
 - Continuing to be efficient to help absorb inflationary pressure
- **Waitrose:**
 - Expanding John Lewis areas within Waitrose to **approx 40 shops** by early 2022
 - A bigger Waitrose **Levantine** range and new **vegan/vegetarian** own brands - Plant Life and GoVeggie.
 - Over **100** brand new Christmas products
- **John Lewis:**
 - Build on success of **ANYDAY** launch with Autumn/Winter expansion to include Men's, Women's and Children's Fashion, more Home products
 - 10 new **Christmas emporiums** in John Lewis - 3m Christmas products
 - Further investment in **johnlewis.com**
 - Relaunching the **MyJL app** to improve rewards for customers

