## FULL-YEAR RESULTS 2021/22





JOHN LEWIS & PARTNERS 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

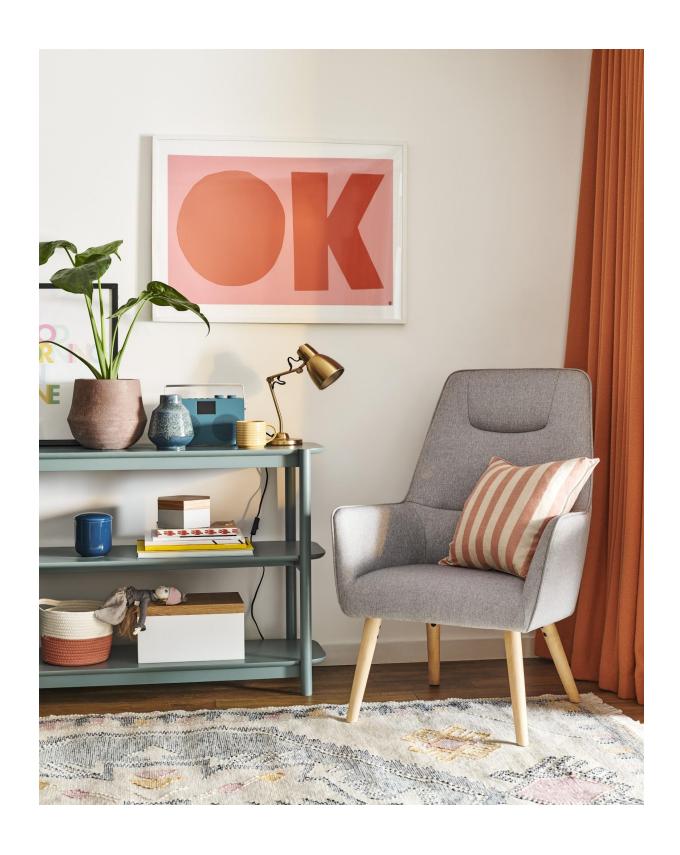
I.Ix better vs LY

#### WAITROSE – GROWN SALES & SHARE IN A TOUGH MARKET



- 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 refurbs, 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
- o 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





