



HALF-YEAR RESULTS

17 SEPTEMBER

2020

JOHN LEWIS
PARTNERSHIP

JOHN LEWIS
& PARTNERS

WAITROSE
& PARTNERS

OUR PERFORMANCE

- Traded well with sales up due to the dedication of our Partners and strength of our online services
- Almost 1,800 John Lewis Partners transferred to Waitrose and we served on average over 2.5m customers a week across both brands
- Creditable performance, with loss in line with same period last year, but ahead of expectations from our April trading update
- Positive start to trading in the second half, which is ahead of this time last year, with strong online sales continuing and shop trade building well
- Improved our cash and liquidity position to prepare for an uncertain outlook



OUR PERFORMANCE

- Reopened our textiles factory Herbert Parkinson during lockdown to make 12,000 protective gowns for the NHS
- Donated 110,000 much-needed care packages and gifts to NHS staff
- Reserved 25% of all online delivery slots on Waitrose.com for the vulnerable and elderly and priority access given to NHS staff
- Committed £2.7m to charities and local communities



KEY FINANCIAL HEADLINES

Total trading sales

£5.57bn, up 1% vs last year

Loss before PB, tax and exceptionals

£(55)m, in line with last year

Liquidity

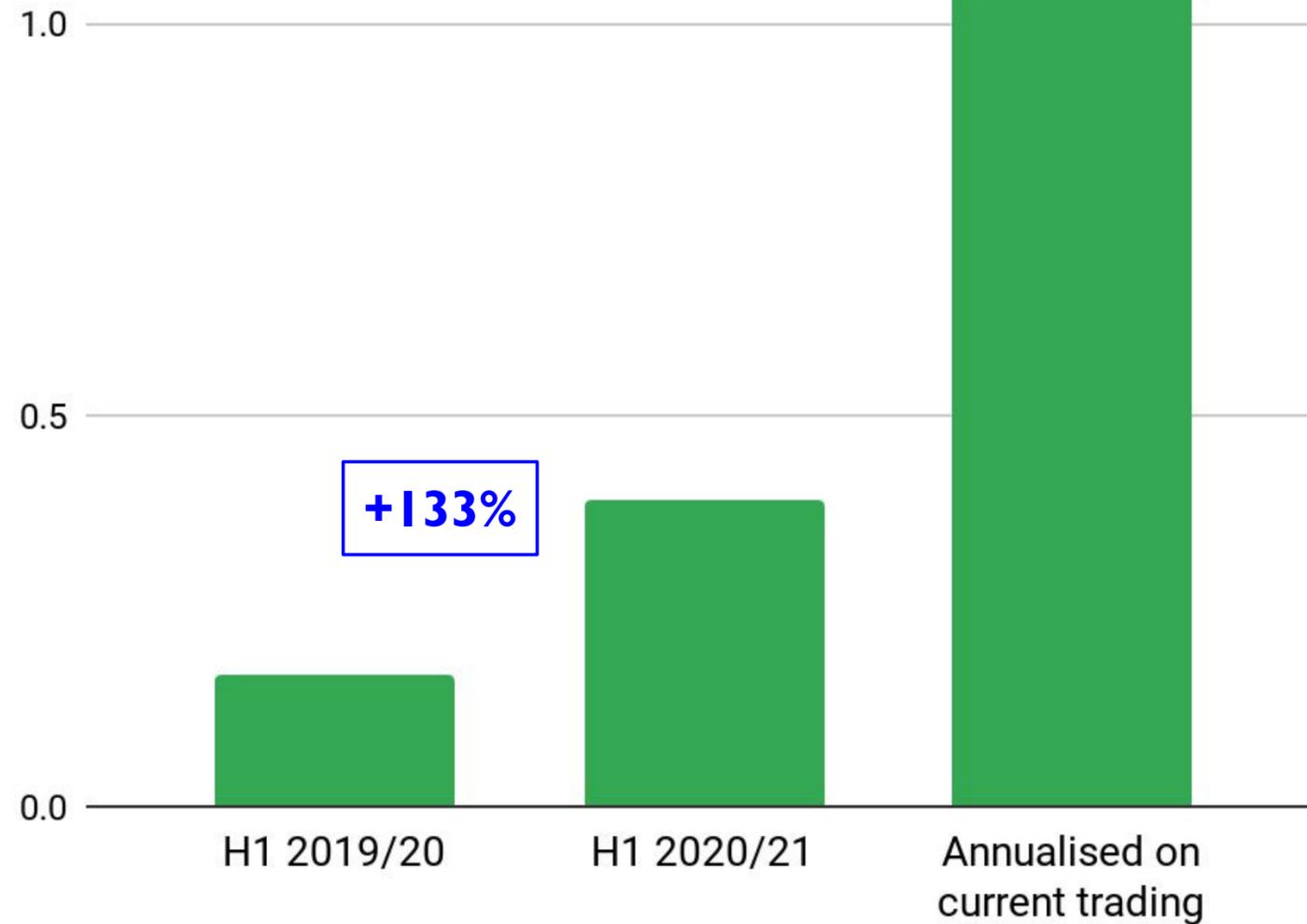
£2.1bn, up 47% vs Jan 2020

Total net debts

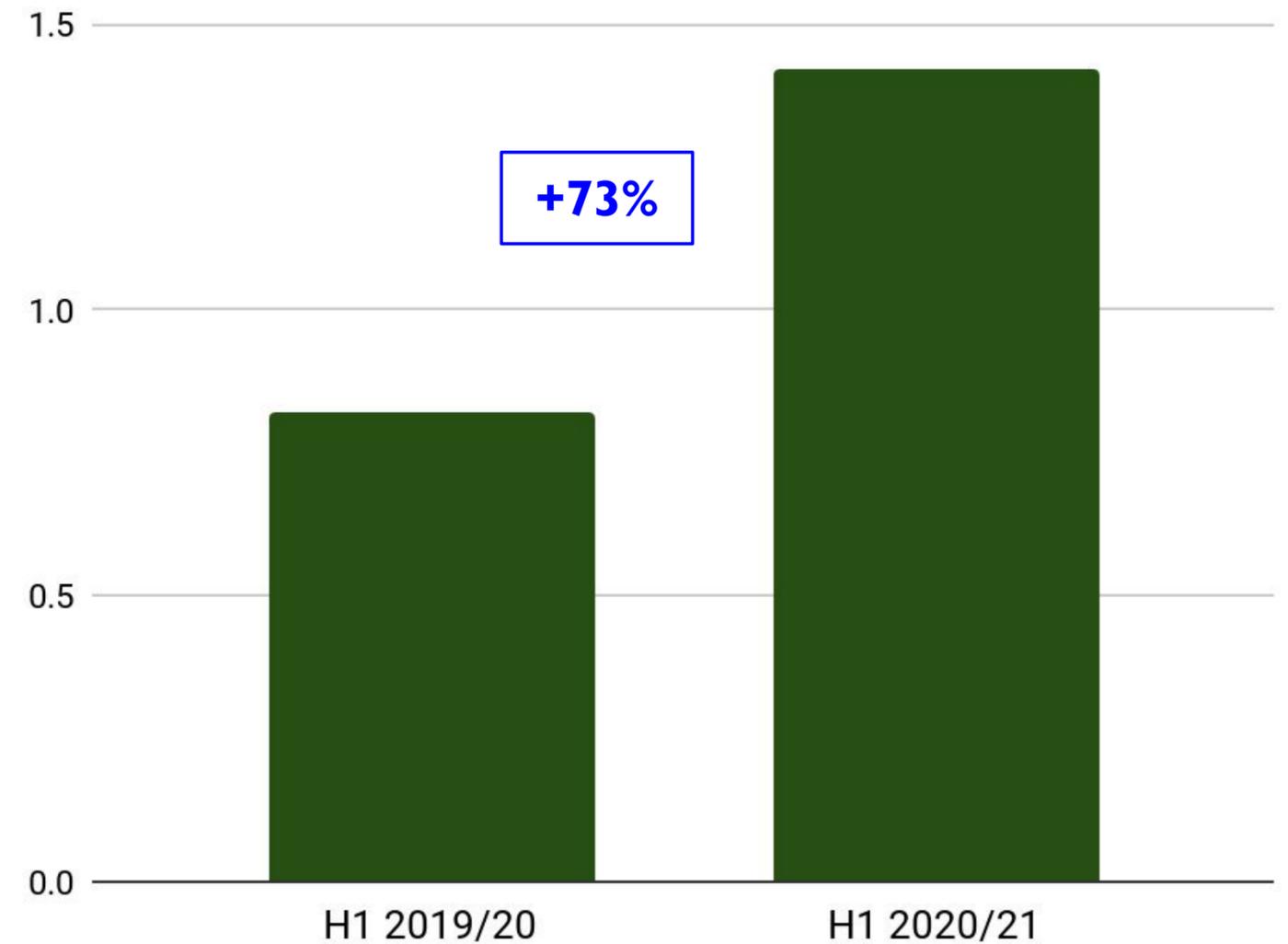
£2,335m, reduced £100m vs Jan 2020

PARTNERSHIP SALES UP WITH STRONG ONLINE SALES GROWTH

Waitrose online grocery sales (£bn)



John Lewis online sales (£bn)



PROFITABILITY LEVEL WITH LAST YEAR

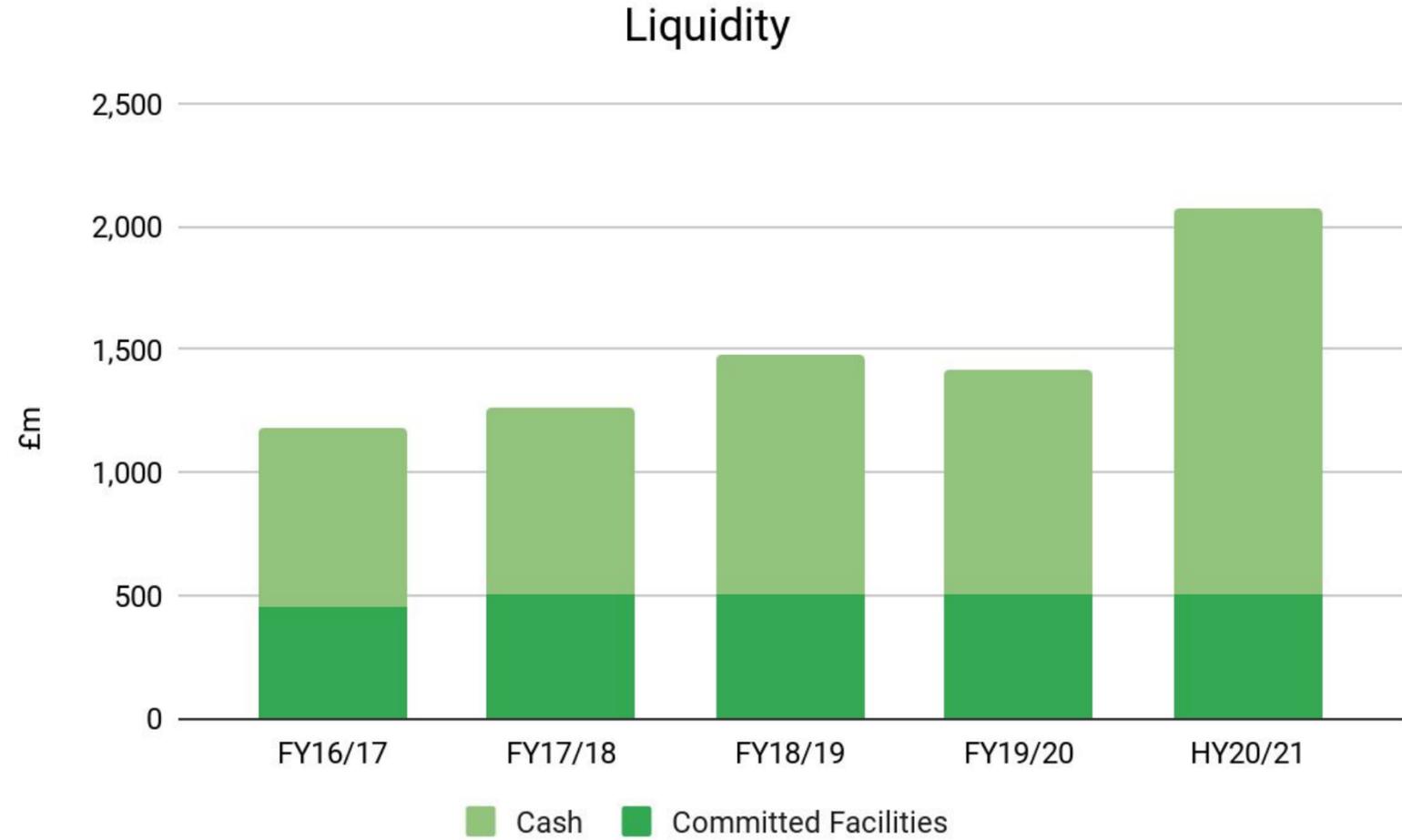
YoY improvement
Waitrose trading
Operational costs
Head office costs
Financing costs

YoY deterioration
John Lewis trading

EXCEPTIONAL ITEMS

	20/21 £m	19/20 £m
Defined benefit pension closure	-	249
Branch impairments - John Lewis	(471)	13
Branch impairments - Waitrose	9	8
Strategic restructuring and redundancy programmes	(118)	(38)
Other	-	12
	(580)	244

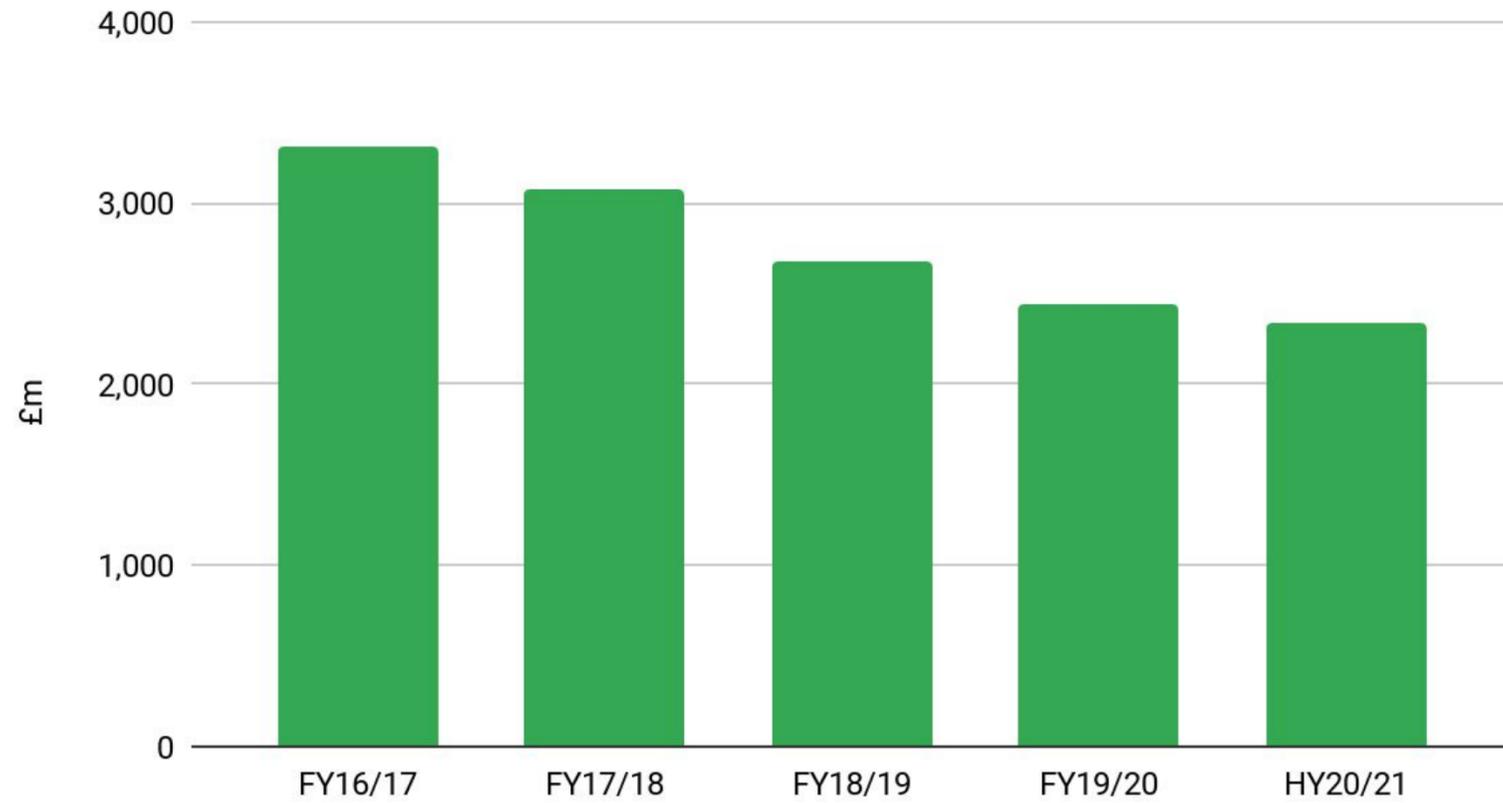
STRENGTHENED CASH AND LIQUIDITY



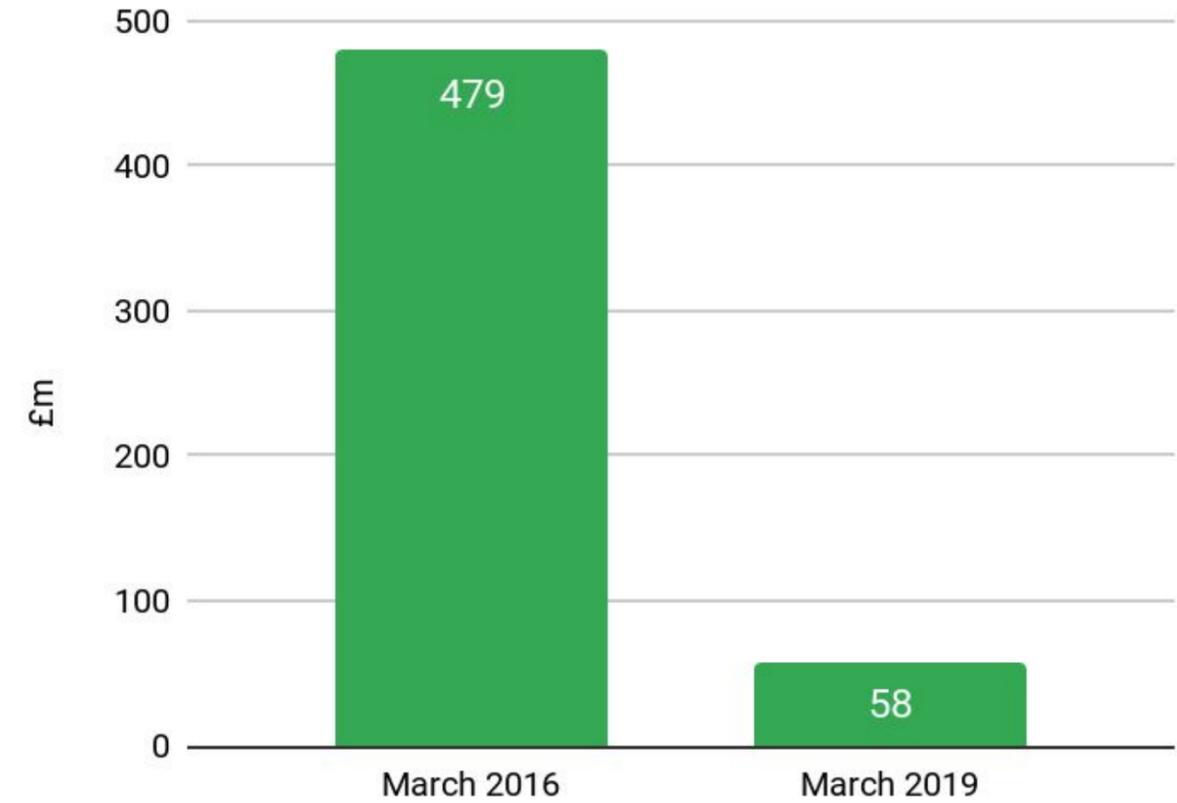
New borrowing	£m	Maturity
BoE Covid Corporate Financing Facility	300	March 2021
Bank loan	75	November 2022
Bank loan	75	December 2022
	450	

TOTAL NET DEBTS REDUCED, TRIENNIAL PENSION VALUATION AGREED

Total net debts



Actuarial pension deficit



A vibrant assortment of fresh vegetables including beets, carrots, and leafy greens. The background is a dense collection of various types of beets with green, red, and yellow stems, along with several bright orange carrots and some leafy greens like chard. The overall composition is rich in color and texture, set against a dark background.

WAITROSE

& PARTNERS

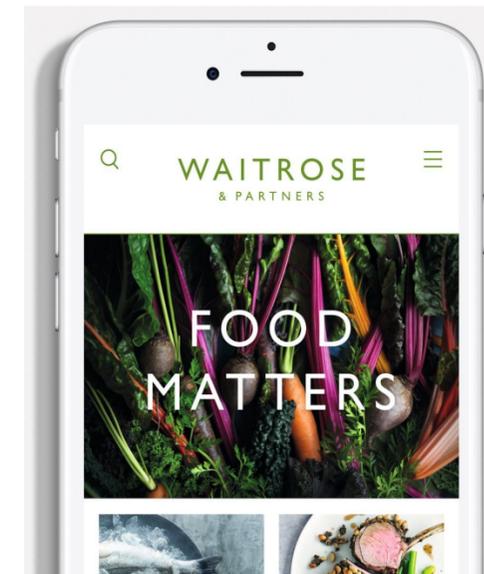
STRONG HALF-YEAR

- Like-for-like sales strong, almost 10% higher than a year ago and trading operating profit increased 11% to £586m
- Impressive online growth means Waitrose.com has become a £1bn annualised business
- Customer satisfaction improved by 4 percentage points versus the same period last year
- Won The Grocer magazine's Store of the Week award 13 times during 2020, more than any other supermarket
- Pandemic encouraged strong sales of frozen foods, up 86%, baking items like flour up 68%. Feel good, affordable luxuries to enjoy at home grew, with sales of Rosé wine up 59% and tequila up 103%



STEPPING UP OUR ONLINE OFFER

- Expanded Waitrose.com, tripling the size, delivering around 170,000 weekly orders, up from 60,000 before the pandemic
- Kantar data shows Waitrose.com was the fastest growing online retailer for the 12 weeks to 6 September. We saw a 9% increase (almost 14,000) in customer orders in the week of the Ocado switchover
- Waitrose.com, powered by Partners, will further increase online delivery capacity by around 50% to 250,000 weekly orders
- Investing £100m in online and have made Waitrose.com faster and easier to navigate. We opened a new customer fulfillment centre in Enfield, with another opening in early 2021
- Minimum online shopping spend will be reduced to £40 on 21 September
- Very positive early response on a new trial with Deliveroo, which is helping us to reach new customers and we also expanded Waitrose Rapid



NEW PRODUCTS AND INNOVATION

- Continuing to invest in good quality products and innovating with the help of our Food Innovation Studio and new head chef
- Essential Waitrose range relaunched with 300 new and improved lines along and less packaging used. New products include Honey Greek Style Yoghurt and Lamb Shank. Since relaunch, sales up 9% YOY
- New innovations for Christmas with more than 350 new products such as Waitrose Queen of Trifles and Heston Citrus Gin Smoked Salmon
- New product development supported our producers with a 'Best of British Cheesemakers' box to help artisan suppliers hit by lower sales on cheese counter



SUPPORTING COMMUNITIES AND THE ENVIRONMENT

- Supported British farmers in a national campaign by urging the public to Pick for Britain, and reinforced our commitment to British produce and animal welfare
- Proud to be a member of the Child Food Poverty Taskforce led by Marcus Rashford
- Launched £1m Community Support Fund to allow shops to support their own communities affected by Covid-19 and gave an additional £200,000 through the Waitrose Foundation to suppliers in need
- To reduce carbon emissions, we are building an on-site biomethane gas filling station for our heavy trucks and will use electric vans for Waitrose.com
- Created dedicated daily shopping hour and e-gift card for the elderly, the vulnerable and their carers





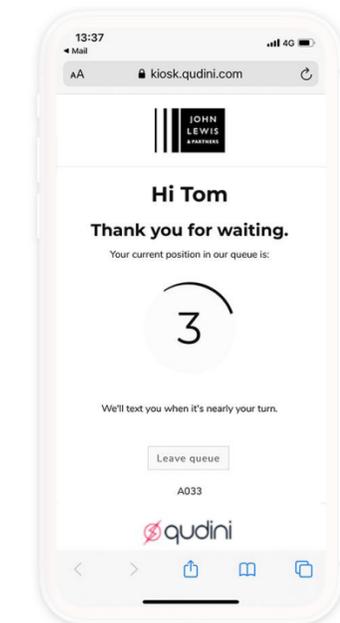
JOHN LEWIS & PARTNERS



IMPRESSIVE ONLINE SALES GROWTH

- Impressive online growth of 73% helped soften sales impact from shop closures, with sales down (10)% overall on last year
- Trading momentum building in reopened stores but seeing regional differences, with sales down around 40% in London and around 15% down in retail parks
- Highest customer service net promoter score of 70, up 4 points year-on-year

Category	Sales performance	Sales highlights
Fashion	High demand for sportswear, casual wear and athleisure. Shift away from formal wear saw overall fashion sales down 28%. Nursery, however, saw sales up almost 20% as parents kept children entertained during lockdown	Hoodies and sweatshirts up 67%, leggings up 392%. Playing items like baby rockers, bouncers and playpens up 98%
Home	Key lines for working from home (desks, chairs) saw sales spikes. Overall, Home sales reduced by 17% as shops closed during lockdown	Home office furniture up 55%
Electrical Home Technology	Total sales up almost 19%, driven by customers working from home and preparing food at home	Computer monitors up 170% (by volume) and freezers up 34%



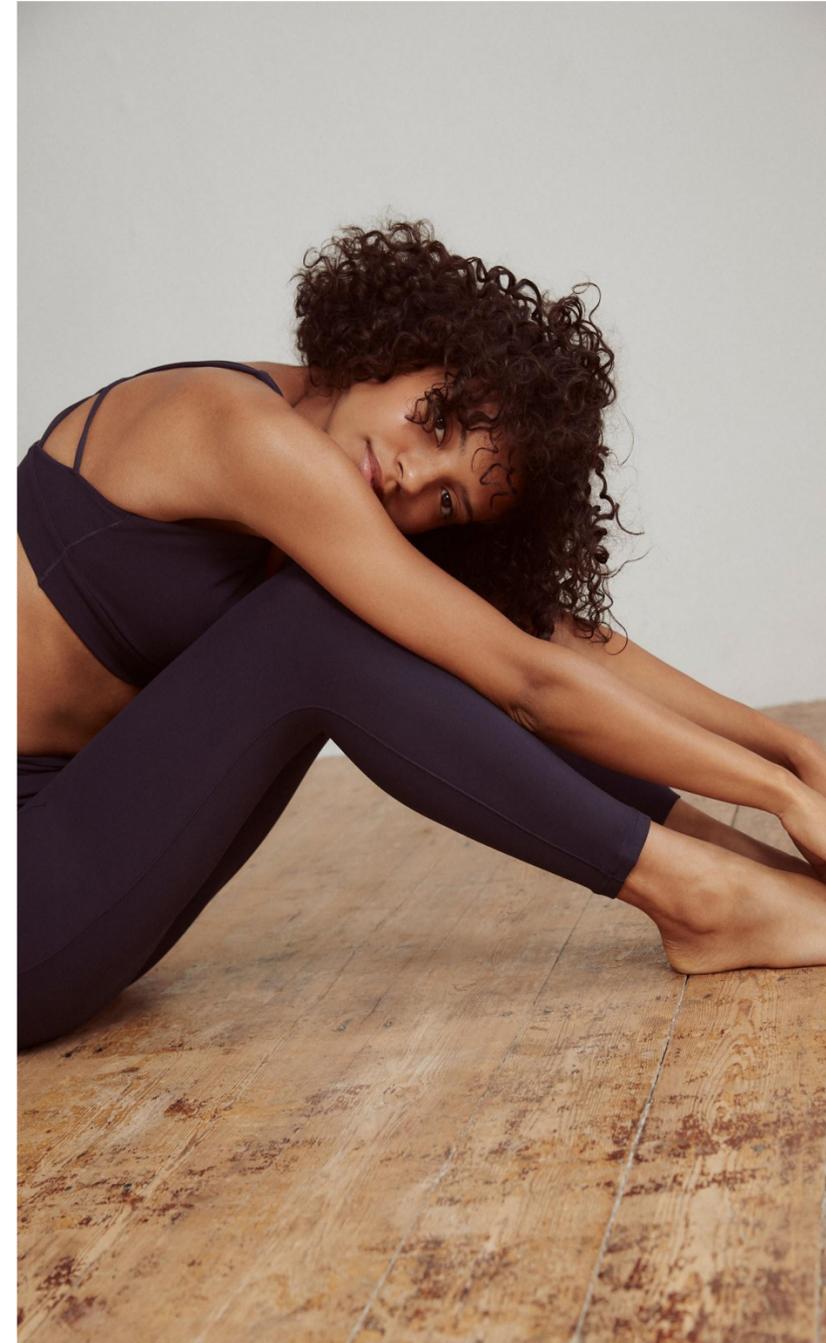
A MULTI-CHANNEL RETAILER

- Improving the Johnlewis.com and app with an initial investment of £30m
- Extended our Click & Collect network and now have nearly 900 locations
- Blending online and in-store services to offer customers the best of both worlds. Taken many in-store services online, hosting more than 3,000 virtual appointments, covering nursery, home design and personal styling.
- As part of myJL virtual beauty weekend, almost 5,000 customers attended 17 masterclass events
- To enable customers to visualise products in their home, we launched an augmented reality feature 'Virtual Sofa' on the app
- Collaborated with London Fashion Week for first virtual catwalk challenge
- Launched a new rewards programme on the Partnership credit card



NEW PRODUCTS AND INNOVATION

- Created new At Home customer magazine and complements our new autumn/winter Home collection. A major revamp of Home is set for the spring
- New partnership with Fat Llama, trialling furniture rental. To date, all products are now rented out
- Created our first ever virtual beauty tech department with new brands MZ Skin, Dermaflash, Foreo and BeGlow
- Modernising our fashion offer, investing in new brands such as Sweaty Betty and Aesop
- Fitness platform Peloton launched concessions in nine shops
- Trialling virtual queueing in three John Lewis shops



SUPPORTING COMMUNITIES AND THE ENVIRONMENT

- Launched our first vegan friendly, fully recyclable mattress, which is made using 200 recycled plastic bottles
- Introduced new labelling 'Wear it, Love it, Hand it down' on own-brand babywear and childrenswear to encourage a culture of recycling clothing
- Launched our most sustainable fashion collection to date with contemporary brand Mother of Pearl
- Designed and sold trainers, mugs and face coverings to support NHS Charities Together who will receive all the profit
- Introduced Style with Purpose, new fashion supporting Refuge, the domestic abuse charity, which receives 15% of the retail price of every piece sold



LOOKING AHEAD



WORKING BETTER TOGETHER

- Continued investment in our John Lewis Click & Collect network, with 325 Waitrose stores already supporting
- More collaboration on new products. This Christmas, Waitrose are producing hampers for John Lewis
- More Waitrose food stores will be introduced into John Lewis and our ambition is every Waitrose that currently sells general merchandise (280) will sell John Lewis products by the end of 2021
- Virtually we launched Waitrose Cookery School classes and wine and gin tasting experiences via johnlewis.com and waitrose.com
- John Lewis hospitality Partners received training through the Waitrose School of Food, with the aim of building passion for food and creating fantastic guest experiences
- Plans to launch a joint loyalty scheme programme



OUTLOOK AND FOCUS FOR THE NEXT SIX MONTHS

- Strong momentum to trading in the second half with strength of online continuing and shop trade building well. For the first 7 weeks of the second half, sales up 5% in John Lewis and 6% up in Waitrose
- Deliver a great Christmas across both brands with customer demand already high in John Lewis, with Christmas trees up 158% and baubles incredibly popular
- In John Lewis our focus will be on Home with sustainability at its heart, launch new Nursery virtual and in-store appointments, review pricing and investing further in Johnlewis.com
- In Waitrose we will continue transforming Waitrose.com, run a customer autumn savings campaign and update our shops, with 15 receiving major investment



STRATEGIC REVIEW PROGRESS

- We provided an update on our Strategic Review at the end of July, which outlined five key areas of focus
- These are: Modernising our purpose, Simplifying how we work, Strengthening retail, Expanding into more services and Growing through Partnerships
- We will publish a concrete plan in October, which is designed to see our profits recovering over the next three to five years
- First moves include reaching new customers through partnerships with Deliveroo and Fat Llama
- New investments in online, as well as stores such as John Lewis Sheffield
- Tackling inequality by supporting charities and local communities, and Waitrose joining the Child Food Poverty Taskforce led by Marcus Rashford





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