

JOHN LEWIS PARTNERSHIP UNAUDITED INTERIM RESULTS FOR THE 26 WEEKS ENDED 26 JULY 2025

11 September 2025



JOHN LEWIS PARTNERSHIP UNAUDITED INTERIM RESULTS **FOR THE 26 WEEKS ENDED 26 JULY 2025**

Investing for customers and on track for full year profit growth

- Partnership sales¹ grew to £6.2bn, an increase of 4% year-on-year
- Customer satisfaction at its highest recorded level. Both Waitrose and John Lewis outperformed their respective markets in the period
- Cash generated from operations² was £177m, a £30m increase year-on-year
- Investment increased to £191m in the half, with significant uplift planned in the second half
- Loss before tax and exceptionals³ of £34m, stepped back from last year due to non-like-for-like taxation costs and a planned step up in investment costs

Jason Tarry, Chairman of the John Lewis Partnership, said: “Our clear focus on accelerating investment in our customers and our brands is working: more customers are shopping with us, driving sales, and helping Waitrose and John Lewis outperform their markets. We achieved our highest recorded levels of positive customer satisfaction, a testament to the great service of our Partners.”

“The investments we are making, combined with our plans for peak trading, provide a strong foundation for the remainder of the year. While we are reporting a loss in the first half, we’re well positioned to deliver full year profit growth, which we’ll continue to invest in our customers and Partners.”

Financial and operational review The first half results show positive momentum across the John Lewis Partnership as a direct result of our customer-focused investments.

Our strategy is to invest in our customer experience to drive long-term, sustainable growth. In the first half, we adopted a deliberate strategy to accelerate investment in store upgrades, digital services and essential modernisations to our technology and supply chain.

These investments are showing good progress, delivering growth in sales, volumes, customer numbers and market share in the first half. Partnership sales were £6.2bn, an increase of 4% year-on-year, while total revenue grew 5% to £5.4bn. We achieved our highest recorded level of positive customer satisfaction in the half, attracted more customers, with customer numbers up 4%, and saw pleasing growth in our loyalty schemes, My Waitrose (up 6%) and My John Lewis (up 13%).

Our strong balance sheet allows us to make long-term investments from our own resources. Cash generated from operations was £177m, a £30m increase year-on-year. Our growing cash generation

¹ All references to Partnership sales or sales are Total trading sales which includes VAT, sale or return and other non-cash accounting adjustments

² Net cash generated from operating activities before Partnership Bonus, bond finance costs and BonusSave plan

³ Profit/loss before tax, Partnership Bonus and exceptional items (PBTBE/LBTBE). Additional detail is included in the Glossary. Partnership Bonus is £nil for the first half of 2025/26 (2024/25: £nil) and exceptional items are described on page 12

saw us end the half with £1.5bn liquidity, further strengthened by renewing our revolving credit facility, now £460m for five years. This financial strength gives us the ability to continue to self-fund our investment plans, reflected in £191m investment in the half, with a significant uplift planned in the second half.

We reported a loss before tax and exceptional items (LBTBE) of £34m for the first half. This result was significantly impacted by costs not present in the equivalent prior period, including £29m of costs for the new Extended Producer Responsibility (EPR) packaging levy (where we took the full annual cost in our first half results), alongside higher National Insurance Contributions (NICs).

On a like-for-like basis, our loss before tax and exceptional items (LBTBE) was broadly flat compared to last year's £5m. This stable result also includes a planned £30m of strategic investment in operating costs targeted at technology, financial services, and our central teams to accelerate our growth. While this impacts profitability in the short term, it is a foundational part of our strategy for the benefit of our customers and Partners. Our strong cash generation and liquidity, combined with our ability to take a long-term perspective, enables us to make these crucial investments to support our growth in the second half and for years to come. Loss before tax in the half was £88m, inclusive of £54m of exceptional items relating to our ongoing transformation and non-cash asset impairments.

Outlook We have stepped up investment in our customers and our brands this year, ahead of the all important second half where we deliver the majority of our sales and profit. Our investments have helped build momentum over the first half, delivering growth in sales, customer numbers, loyalty and satisfaction. We have also increased both our cash generation and productivity savings, which will drive ongoing investment in our brands. While we expect the macroeconomic environment to remain challenging, our momentum, coupled with exciting plans for the second half, sees us well positioned to deliver full year profit growth.

Waitrose performed ahead of the market with sales surpassing £4bn in the first half for the first time. This performance was driven by a 6% increase in sales to £4.1bn and a 3% rise in volumes, with almost all growth like-for-like. Reflecting the brand's appeal, we recorded another period of customer growth in the first half, with 9%⁴ more people now shopping with Waitrose than two years ago.

This performance was driven by investment in quality food, physical stores and technology. We saw our highest recorded customer satisfaction scores this half, and our commitment to service was recognised with us winning *The Grocer* Gold Award for Customer Service for the fourth year in a row and, for the first time ever, the Award for Product Availability, reflecting the successful transformation of our forecasting and ordering systems.

⁴ Increase in the number of customers shopping at Waitrose in the second quarter of 2025/26 compared to in the second quarter of 2023/24

We reinforced our ethical credentials by becoming the first UK supermarket to meet the Better Chicken Commitment, launched 130 new products, and saw strong growth in our No.1 and Duchy Organic ranges. We completed seven major refurbishments, opened one new convenience store, two new Welcome Break shops, and announced both our first large store opening in almost a decade, and a new distribution centre. Adjusted operating profit⁵ was £110m in the first half, down £3m, with sales growth and margin progress, combined with productivity improvements offsetting incremental non-like-for-like taxation costs of £22m from the new EPR packaging levy and incremental NICs.

John Lewis sales rose 2% to £2.1bn, outperforming a market impacted by ongoing economic uncertainty. We have attracted more customers through our commitment to offering quality, style and value, which has resonated strongly. We achieved our highest recorded customer sentiment scores and were named best retailer by both Which? and the UK Customer Satisfaction Index.

Our strategic initiatives are gaining positive momentum, with our sharpened focus on our customer proposition driving growth. We continued to invest for the long term, through a major refurbishment of our Liverpool store, more omnichannel shopping options including 'deliver from store' and rapid online delivery and - last year - the return of our 100 year old Never Knowingly Undersold promise, which has continued to drive sales, relevance and value for money perceptions.

These investments and a renewed focus on compelling value, compounded by a sales mix shift towards Technology and Beauty, impacted gross margin in the short term. Adjusted operating loss was £53m in the first half, down £4m, including incremental non-like-for-like taxation costs of £7m from the new EPR packaging levy and incremental NICs. Our first half investment allows us to look forward with confidence; our focus is now heading into peak where we see significant opportunity for all our core assortments.

ENQUIRIES

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A glossary of financial and non-financial terms is included on pages 25 to 28 of this document.

⁵ Adjusted operating profit is Operating profit before exceptional items and profit/loss on property disposals

Consolidated income statement for the 26 weeks to 26 July 2025 (unaudited)

Notes		26 weeks to 26 July 2025	26 weeks to 27 July 2024	52 weeks to 25 January 2025
		£m	£m	£m
5, 6	Revenue	5,446	5,195	11,113
	Cost of sales	(3,762)	(3,542)	(7,549)
	Gross profit	1,684	1,653	3,564
	Other operating income	53	63	123
	Operating and administrative expenses	(1,774)	(1,693)	(3,492)
	of which:			
4	Exceptional items (net)	(54)	(25)	(29)
	Partnership Bonus	-	-	-
	Share of (loss)/profit of joint venture (net of tax)	(1)	-	1
5	Operating (loss)/profit	(38)	23	196
7	Finance costs	(71)	(87)	(165)
7	Finance income	21	34	66
	(Loss)/profit before tax	(88)	(30)	97
8	Taxation	25	10	(17)
	(Loss)/profit for the period	(63)	(20)	80
	(Loss)/profit before Partnership Bonus, tax and exceptional items	(34)	(5)	126

Consolidated statement of comprehensive income for the 26 weeks to 26 July 2025 (unaudited)

Notes		26 weeks to 26 July 2025	26 weeks to 27 July 2024	52 weeks to 25 January 2025
		£m	£m	£m
	(Loss)/profit for the period	(63)	(20)	80
	Other comprehensive (expense)/income:			
	Items that will not be reclassified to profit or loss:			
11	Remeasurement of defined benefit pension scheme	(25)	(61)	(64)
	Movement in deferred tax on pension scheme	6	15	16
	Items that may be reclassified subsequently to profit or loss:			
	Fair value loss on cash flow hedges	(13)	(4)	(1)
	Cash flow hedge loss reclassified and reported in the consolidated income statement	-	(1)	-
	Movement in deferred tax on cash flow hedges	2	-	(3)
	Loss on foreign currency	-	-	(1)
	Other comprehensive expense for the period	(30)	(51)	(53)
	Total comprehensive (expense)/income for the period	(93)	(71)	27

Consolidated balance sheet as at 26 July 2025 (unaudited)

Notes		26 July 2025 £m	27 July 2024 £m	25 January 2025 £m
	Non-current assets			
9	Intangible assets	322	392	371
9	Property, plant and equipment	2,754	2,728	2,766
9	Right-of-use assets	1,250	1,264	1,260
	Trade and other receivables	23	25	22
13	Derivative financial instruments	-	-	1
	Investment in and loans to joint venture	6	5	6
	Deferred tax asset	78	72	59
		4,433	4,486	4,485
	Current assets			
	Inventories	724	679	722
	Trade and other receivables	297	278	295
	Current tax receivable	25	14	5
13	Derivative financial instruments	4	1	5
	Short-term investments	248	484	153
	Cash and cash equivalents	806	764	925
		2,104	2,220	2,105
	Total assets	6,537	6,706	6,590
	Current liabilities			
13	Borrowings and overdrafts	(6)	(306)	(8)
	Trade and other payables	(1,668)	(1,543)	(1,663)
	Current tax payable	(5)	(6)	(5)
13	Lease liabilities	(161)	(139)	(152)
13	Other liabilities held at amortised costs	(2)	(2)	(2)
10	Provisions	(98)	(113)	(91)
13	Derivative financial instruments	(9)	(11)	(3)
		(1,949)	(2,120)	(1,924)
	Non-current liabilities			
13	Borrowings	(427)	(426)	(426)
	Trade and other payables	(23)	(27)	(26)
13	Lease liabilities	(1,638)	(1,683)	(1,652)
13	Other liabilities held at amortised costs	(57)	(59)	(58)
10	Provisions	(95)	(102)	(107)
13	Derivative financial instruments	(1)	(1)	-
11	Retirement benefit obligations	(398)	(356)	(363)
	Deferred tax liability	(5)	(5)	(4)
		(2,644)	(2,659)	(2,636)
	Total liabilities	(4,593)	(4,779)	(4,560)
	Net assets	1,944	1,927	2,030
	Equity			
	Share capital	1	1	1
	Other reserves	2	1	6
	Retained earnings	1,941	1,925	2,023
	Total equity	1,944	1,927	2,030

Consolidated statement of changes in equity for the 26 weeks to 26 July 2025 (unaudited)

Notes	Share capital	Capital redemption reserve	Capital reserve	Hedging reserve	Foreign currency translation reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m	£m
Balance at 27 January 2024	1	5	1	(6)	1	1,991	1,993
Loss for the period	-	-	-	-	-	(20)	(20)
II Remeasurement of defined benefit pension scheme	-	-	-	-	-	(61)	(61)
Fair value loss on cash flow hedges	-	-	-	(4)	-	-	(4)
Cash flow hedge loss reclassified and reported in the consolidated income statement	-	-	-	(1)	-	-	(1)
Tax on above items recognised in equity	-	-	-	-	-	15	15
Total comprehensive expense for the period	-	-	-	(5)	-	(66)	(71)
Hedging losses transferred to cost of inventory	-	-	-	5	-	-	5
Balance at 27 July 2024	1	5	1	(6)	1	1,925	1,927
Balance at 27 January 2024	1	5	1	(6)	1	1,991	1,993
Profit for the year	-	-	-	-	-	80	80
II Remeasurement of defined benefit pension scheme	-	-	-	-	-	(64)	(64)
Fair value loss on cash flow hedges	-	-	-	(1)	-	-	(1)
Tax on above items recognised in equity	-	-	-	(3)	-	16	13
Loss on foreign currency translations	-	-	-	-	(1)	-	(1)
Total comprehensive income for the period	-	-	-	(4)	(1)	32	27
Hedging losses transferred to cost of inventory	-	-	-	10	-	-	10
Balance at 25 January 2025	1	5	1	-	-	2,023	2,030
Loss for the period	-	-	-	-	-	(63)	(63)
II Remeasurement of defined benefit pension scheme	-	-	-	-	-	(25)	(25)
Fair value loss on cash flow hedges	-	-	-	(13)	-	-	(13)
Tax on above items recognised in equity	-	-	-	2	-	6	8
Total comprehensive expense for the period	-	-	-	(11)	-	(82)	(93)
Hedging losses transferred to cost of inventory	-	-	-	7	-	-	7
Balance at 26 July 2025	1	5	1	(4)	-	1,941	1,944

Consolidated statement of cash flows for the 26 weeks to 26 July 2025 (unaudited)

Notes		26 weeks to 26 July 2025	26 weeks to 27 July 2024	52 weeks to 25 January 2025
		£m	£m	£m
12	Cash generated from operations before Partnership Bonus	239	203	648
	Net taxation paid	(5)	(1)	(8)
	Finance costs paid on lease and other liabilities	(57)	(55)	(108)
	Net cash generated from operating activities before Partnership Bonus, bond finance costs and BonusSave plan	177	147	532
	Partnership Bonus paid	-	-	-
	Finance costs paid in respect of bonds and related financial instruments	-	(5)	(35)
	Net cash flow in relation to BonusSave plan shares	(2)	(3)	(4)
	Net cash generated from operating activities	175	139	493
	Cash flows from investing activities			
	Purchase of property, plant and equipment	(97)	(66)	(190)
	Purchase of intangible assets	(53)	(70)	(133)
	Proceeds from sale of property, plant and equipment and intangible assets	-	-	2
	Finance income received	21	29	61
13	Cash (outflow)/inflow from short-term investments	(95)	(224)	107
	Net cash used in investing activities	(224)	(331)	(153)
	Cash flows from financing activities			
	Payment of capital element of leases	(69)	(71)	(141)
	Outflow in relation to other liabilities at amortised cost	(1)	(1)	(2)
	Cash outflow from borrowings	-	-	(300)
	Net cash used in financing activities	(70)	(72)	(443)
	Decrease in net cash and cash equivalents	(119)	(264)	(103)
13	Net cash and cash equivalents at beginning of the period	925	1,028	1,028
	Net cash and cash equivalents at end of the period	806	764	925
	Net cash and cash equivalents comprise:			
	Cash at bank and in hand	168	145	159
	Short-term deposits	638	619	766
		806	764	925

Notes to the financial statements (unaudited)

I Basis of preparation

This condensed set of interim financial statements was approved by the Board on 10 September 2025. The condensed set of interim financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The condensed set of interim financial statements is unaudited and has not been reviewed by the auditor. The comparative information for the 26 weeks to, or as at, 27 July 2024 has not been audited or reviewed.

The results for the 26 weeks to 26 July 2025 have been prepared using the discrete period approach, considering the interim period as an accounting period in isolation. The tax charge is based on the effective rate estimated for the full year, which has been applied to the loss in the 26 weeks to 26 July 2025.

The Partnership's published financial statements for the 52 weeks to 25 January 2025 have been reported on by the Partnership's auditor and filed with the Registrar of Companies. The report of the auditor was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

This condensed set of interim financial statements for the 26 weeks ended 26 July 2025 has been prepared in accordance with UK-adopted IAS 34 'Interim Financial Reporting'. The condensed set of interim financial statements should be read in conjunction with the Annual Report and Accounts for the 52 weeks to 25 January 2025, which have been prepared in accordance with UK-adopted International Financial Reporting Standards (UK-adopted IFRS). Changes to significant accounting policies are described in note 2.

Going concern

In determining the appropriate basis of preparation of the condensed set of interim financial statements for the period ended 26 July 2025, the Directors are required to consider whether the Partnership can continue in operational existence for a period of at least 12 months from the approval of these financial statements. The Board has concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts with specific consideration to the trading position of the Partnership. As at 26 July 2025, the Partnership had total assets less current liabilities of £4.6bn and net assets of £1.9bn. Total liquidity as at that date remains strong at £1.5bn, made up of cash and cash equivalents, short-term investments and a new, undrawn revolving credit facility of £460m maturing in 2030. The revolving credit facility is undrawn at the balance sheet date and has not been drawn at any point since it was acquired.

The Directors have modelled a severe but plausible downside scenario ('severe downside scenario') which reflects a deeper economic downturn and under-delivery of the Partnership Plan. The modelling covers the going concern assessment period, being for the 12 month period ending September 2026. Consistent with prior periods, the Directors have further considered a longer period to January 2027 to ensure alignment with the Partnership's internal planning cycle and peak trading. For the purposes of the going concern assessment, it is assumed that all Partnership borrowings are repaid at their maturity date and that no further refinancing or funding is undertaken.

The severe downside scenario has a significant adverse impact on sales, margin, costs and cash flow: Waitrose and John Lewis continue to trade both in store and online, albeit with lower sales and margins compared to current trading levels. This severe downside scenario assumes a poor trading environment throughout the assessment period, as well as a reduction in gross margin against expectations across both Lines of Business, a higher impairment charge, a decrease in pension scheme assets, and under-delivery of key activities - which includes future productivity plans. The impact of the severe downside adjustments has been reviewed against the Partnership's projected cash position and financial covenants.

The severe downside scenario modelled indicates that without mitigating actions, the Partnership would breach the covenant relating to the syndicate term loan in 2026/27, due to the reduction in profits and net assets modelled. Without mitigations, the cash position also falls to a low of £32m in 2026/27.

I Basis of preparation (continued)

Should the severe downside scenario occur, mitigating actions would be required to ensure that the Partnership remains liquid and financially viable. The Directors have identified available mitigations in the going concern assessment period, all within management's control, to reduce costs and optimise the Partnership's cash flow, liquidity and covenant headroom. These mitigations would only be triggered in the event of the severe downside scenario materialising. Mitigating actions include, but are not limited to, reducing investment expenditure through postponing or pausing projects and change activity, deferring or cancelling discretionary spend (including discretionary Partner benefits), and reducing marketing spend. Post mitigating actions, there would be no breaches of financial covenants and the cash low point under such a scenario would be £418m, with further mitigations available. If outcomes are unexpectedly significantly worse, the Directors may need to consider what additional mitigating actions are needed, for example, leveraging the value of our asset base to support liquidity.

Consequently, the Directors have concluded that the Partnership will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the condensed set of interim financial statements and therefore have prepared the financial statements on a going concern basis.

2 Accounting policies

The Partnership's results for the 26 weeks to 26 July 2025 have been prepared on a basis consistent with the Partnership's accounting policies published in the financial statements for the 52 weeks to 25 January 2025.

A number of amendments to, and the interpretation of, existing accounting standards became effective during the period, none of which have had a significant impact on the condensed interim financial statements.

3 Risks and uncertainties

The Partnership has a formal risk assessment, mitigation and monitoring process, which includes rigorous analysis of internal, external, existing and emerging risks Partnership wide. The principal risks and uncertainties affecting the Partnership were reported in the Strategic Report, set out on pages 32 to 37 of the John Lewis Partnership Annual Report and Accounts 2025, a copy of which is available on the Partnership's website www.johnlewispartnership.co.uk. There has been one change to the Partnership's principal risk profile in the first half of this financial year. Whilst the risk to Partner wellbeing continues to be assessed and monitored on an ongoing basis as part of risk management processes, the reduced external threat to wellbeing and associated internal mitigation delivery post Covid, through the cost of living crisis and significant transformation, has reduced the risk such that it is no longer one of our most significant threats.

Our principal risks are:

- Productivity: Insufficient improvement in our productivity levels to deliver the necessary step change in financial performance;
- Change delivery: Change does not realise the desired benefits to agreed timelines and drives unforeseen cost and consequences;
- Information security: Loss of key customer, Partner and/or commercially sensitive data leading to financial, regulatory, legal, operational and reputational issues;
- Strategic resilience: Failure of our strategy to respond to changes in the external environment sufficiently or fast enough to secure the future success of the Partnership, and/or be sufficiently clear or compelling to inspire and engage Partners;
- Regulatory non-compliance: Failure to comply with key regulatory requirements;
- Operational resilience: Inability to prevent, remedy, and recover from a major/sustained business interruption, due to a loss of key IT systems; premises (including plant/equipment) or suppliers;
- Customer experience: Customers do not receive differentiated, excellent customer service across touchpoints;
- Customer proposition: Failure to deliver profitable, market-leading propositions to inspire our customers and maintain competitive advantage;
- Partner differentiation: The responsibilities and benefits of membership are not sufficiently felt and experienced by Partners and/or do not drive a distinctive and better business in service of our purpose; and
- Ethics and Sustainability: Failure to live up to our ethics and sustainability ambition.

The economic outlook and consumer sentiment remain uncertain which may affect the pace or outcome of our Partnership Plan delivery.

4 Exceptional items

	26 weeks to 26 July 2025		26 weeks to 27 July 2024		52 weeks to 25 January 2025	
	Operating expenses	Taxation credit	Operating expenses	Taxation credit	Operating (expenses)/ income	Taxation credit/ (charge)
	£m	£m	£m	£m	£m	£m
Strategic restructuring and redundancy programmes:						
Productivity	(7)	2	(18)	5	(32)	8
Physical estate	(2)	-	(7)	1	(8)	2
	(9)	2	(25)	6	(40)	10
Store impairments						
Waitrose	-	-	-	-	17	(1)
John Lewis	-	-	-	-	(6)	3
	-	-	-	-	11	2
Other items						
Cloud technology modernisation	(6)	2	-	-	-	-
Non-current asset write offs	(39)	7	-	-	-	-
	(45)	9	-	-	-	-
	(54)	11	(25)	6	(29)	12

Our Partnership Plan is focused on providing a brilliant retail experience for our customers, inspired by our Partners. During the year, a number of ongoing transformation projects which were announced in previous years have continued. These are across our physical estate, shop operations and central operations.

The costs incurred over the life of the change programmes outlined are significant in value and, given the level of change, they are significant in nature, therefore the Partnership considers them exceptional items which provide a more meaningful view of the Partnership's underlying business performance. The financial impacts of these programmes are detailed below.

Productivity: Improving our productivity through being leaner, simpler and faster is a key pillar of the Partnership Plan. In the 26 week period to 26 July 2025, a charge of £(7)m (27 July 2024: £(18)m) has been recorded; which is principally the redundancy and restructuring costs from simplifying central teams and John Lewis shops. In the 52 week period to 25 January 2025, a charge of £(32)m was recorded, principally the redundancy and project costs for the reorganisations of central teams and John Lewis retail.

Physical estate: Since 2017, we have been working on our programme of rebalancing our existing estate; this includes ensuring that the size and shape of our physical estate is delivering on both our customer proposition, and financial returns. With the launch of the Partnership Plan, and the acceleration of change we have seen in customer shopping behaviour, we have refocused on the need to ensure our stores reflect how our customers want to shop - 'right space, right place' - and as a result we anticipate these changes will extend to 2027/28.

A charge of £(2)m was recognised for the 26 week period to 26 July 2025 (27 July 2024: £(7)m), principally in relation to the closure of the Theale customer delivery hub and Blakelands national distribution centre. For the 52 week period to 25 January 2025, a £(8)m charge was recorded principally relating to the closure of two Waitrose locations; the online customer fulfilment centre in Enfield, London, and the store in Hall Green, Birmingham. The costs principally comprise redundancy and asset impairment.

Store impairments - Waitrose: In the 26 week period to 26 July 2025, no impairment charge or release was recognised (27 July 2024: £nil, 25 January 2025: £17m release).

4 Exceptional items (continued)

Store impairments - John Lewis: In the 26 week period to 26 July 2025, no impairment charge or release was recognised (27 July 2024: £nil, 25 January 2025: £(6)m charge).

Cloud technology modernisation: The Partnership has commenced a one-off exercise of exiting the Partnership's data centres and moving the Partnership's applications, databases and mainframe principally to the cloud. This is a three year programme and the costs principally relate to developing the hosting environment, decommissioning the data centre, dual running costs and incremental project costs. In the 26 week period to 26 July 2025, a charge of £(6)m was recorded (27 July 2024: £nil, 25 January 2025: £nil).

Non-current asset write offs: Following a review of the Partnership's non-current assets during the first half of the year, the Directors have written off certain intangible assets and plant, property and equipment that will no longer have any continued value to the Partnership. In the 26 week period to 26 July 2025, a charge of £(39)m was recorded (27 July 2024: £nil, 25 January 2025: £nil).

5 Segmental reporting

The Partnership's reporting segments are determined based on the internal financial reporting to the chief operating decision-maker (CODM), which is the Executive Team. Our segments are: John Lewis, Waitrose and Other Partnership, (which includes John Lewis Money, Build to Rent and Enterprise). The Executive Team reviews the operating performance of our Lines of Business using two alternative performance measures: Total trading sales and Adjusted operating profit.

Total trading sales represents the full customer sales value including VAT as reported to the Partnership's Executive Team, before adjustments including 'sale or return' sales and other accounting adjustments. This measure shows the headline sales trend and is used by the Executive Team to assess the performance of our Lines of Business.

Adjusted operating profit is an alternative performance measure derived from Operating profit. It excludes exceptional items, profit or loss on disposal of assets, net interest, bonus and tax. These items are outside of the control of the segments and are a function of the Partnership decision making process.

Adjusted operating profit is calculated for each segment using a direct and indirect allocation methodology to allocate centrally incurred costs to segments. Direct costs are those costs which are directly identifiable by segments. Indirect costs are the remaining costs which are incurred centrally for multiple segments and are allocated to a segment in order to assess performance, allocate future spend and manage targetery. The allocation is apportioned to each segment based on the type of spend. It is set at the start of each yearly budget/forecasting cycle and reviewed during the year.

The Waitrose business is not subject to highly seasonal fluctuations although there is an increase in trading in the fourth quarter of the year. There is a more marked increase in the fourth quarter for the John Lewis business.

5 Segmental reporting (continued)

	Waitrose	John Lewis	Other Partnership ¹	Total
	£m	£m	£m	£m
26 weeks to 26 July 2025				
Total trading sales	4,124	2,069	-	6,193
Value added tax	(231)	(336)	-	(567)
Sale or return and other accounting adjustments	(29)	(151)	-	(180)
Revenue	3,864	1,582	-	5,446
Adjusted operating profit/(loss)²	110	(53)	(40)	17
Other operating expenses - exceptional items				(54)
Loss on property disposals				(1)
Operating loss				(38)
Operating profit margin ³	2.8%	(3.4)%		0.3%

Other segmental information:

Depreciation and amortisation ⁴	(143)	(101)	(4)	(248)
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¹ Other Partnership includes John Lewis Money, Build to Rent and Enterprise which do not require separate reporting

² Included in Adjusted operating profit/(loss) is other operating income of which £48m (split between operating segments: £23m Waitrose, £21m John Lewis and £4m Other Partnership) represents further income from customers. This is reported to the CODM separately as part of other income and expenses

³ Operating profit margin is adjusted operating profit as a percentage of revenue

⁴ This measure is also included within Adjusted operating profit

	Waitrose	John Lewis	Other Partnership ¹	Total
	£m	£m	£m	£m
26 weeks to 27 July 2024				
Total trading sales	3,909	2,027	-	5,936
Value added tax	(223)	(329)	-	(552)
Sale or return and other accounting adjustments	(32)	(157)	-	(189)
Revenue	3,654	1,541	-	5,195
Adjusted operating profit/(loss)²	113	(49)	(16)	48
Other operating expenses - exceptional items				(25)
Profit on property disposals				-
Operating profit				23
Operating profit margin ³	3.1%	(3.2)%		0.9%

Other segmental information:

Depreciation and amortisation ⁴	(149)	(97)	(6)	(252)
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¹ Other Partnership includes John Lewis Money, Build to Rent and Enterprise which do not require separate reporting

² Included in Adjusted operating profit/(loss) is other operating income of which £60m (split between operating segments: £23m Waitrose, £24m John Lewis and £13m Other Partnership) represents further income from customers. This is reported to the CODM separately as part of other income and expenses

³ Operating profit margin is adjusted operating profit as a percentage of revenue

⁴ This measure is also included within Adjusted operating profit

5 Segmental reporting (continued)

	Waitrose	John Lewis	Other Partnership ¹	Total
	£m	£m	£m	£m
52 weeks to 25 January 2025				
Total trading sales	7,997	4,763	-	12,760
Value added tax	(456)	(773)	-	(1,229)
Sale or return and other accounting adjustments	(69)	(349)	-	(418)
Revenue	7,472	3,641	-	11,113
Adjusted operating profit/(loss)²	227	45	(48)	224
Other operating expenses - exceptional items				(29)
Profit on property disposals				1
Operating profit				196
Operating profit margin ³	3.0%	1.2%		2.0%

Other segmental information:

Depreciation and amortisation ⁴	(302)	(206)	(10)	(518)
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¹ Other Partnership includes John Lewis Money, Build to Rent and Enterprise which do not require separate reporting

² Included in Adjusted operating profit/(loss) is other operating income of which £117m (split between operating segments: £47m Waitrose, £48m John Lewis, and £22m Other Partnership) represents further income from customers (restated, see note 2). This is reported to the CODM separately as part of other income and expenses

³ Operating profit margin is adjusted operating profit as a percentage of revenue

⁴ This measure is also included within Adjusted operating profit

6 Revenue

Disaggregation of revenue from contracts with customers

The revenue recognition policy is unchanged from that described in the Annual Report and Accounts for the 52 weeks to 25 January 2025.

We analyse our revenue between goods and services. Goods are split into four major product lines: Grocery, Home, Fashion and Technology. Services comprise free service guarantees on selected goods.

	26 weeks to 26 July 2025	26 weeks to 27 July 2024	52 weeks to 25 January 2025
	£m	£m	£m
Major product lines			
Goods			
- Grocery	3,849	3,640	7,443
- Home ¹	425	432	978
- Fashion ¹	526	508	1,214
- Technology	592	557	1,361
Services			
- Free warranty	7	8	17
Other revenue	47	50	100
	5,446	5,195	11,113

¹ Included in the revenue for Home and Fashion categories are £2m and £102m respectively (July 2024: £1m and £94m respectively; January 2025: £3m and £201m respectively) relating to concession income from sales or return transactions.

7 Net finance costs

	26 weeks to 26 July 2025 £m	26 weeks to 27 July 2024 £m	52 weeks to 25 January 2025 £m
Finance costs			
Finance costs in respect of borrowings and lease liabilities ¹	(61)	(75)	(145)
Fair value measurements and other	-	-	(1)
Net finance costs arising on defined benefit retirement scheme	(10)	(12)	(19)
Total finance costs	(71)	(87)	(165)
Finance income			
Finance income in respect of cash and short-term investments ²	21	34	66
Total finance income	21	34	66
Net finance costs	(50)	(53)	(99)

¹ Finance costs in respect of borrowings and lease liabilities include interest payable on interest rate swaps of £nil (July 2024: £5m; January 2025: £10m) and lease liabilities of £47m (July 2024: £47m; January 2025 £93m)

² Finance income in respect of cash and short-term investments includes interest receivable on interest rate swaps of £nil (July 2024: £3m; January 2025: £6m)

Capitalised borrowing costs totalled £1m (27 July 2024: £2m; 25 January 2025: £6m) which were capitalised within intangible assets and property, plant and equipment.

8 Income taxes

Income tax credit is calculated based on management's best estimate of the full year effective tax rate based on estimated full year profits excluding any discrete items. The tax credit on discrete items at half year is calculated separately. The effective tax rate for the 26 weeks to 26 July 2025 is higher than the statutory rate of 25% primarily due to non-qualifying depreciation and other general disallowables.

9 Property, plant and equipment, Intangible assets and Right-of-use assets

	Property, plant and equipment	Intangible assets	Right-of-use assets	Total
	£m	£m	£m	£m
Net book value at 25 January 2025	2,766	371	1,260	4,397
Additions ¹	101	52	67	220
Depreciation and amortisation ²	(102)	(70)	(76)	(248)
Disposals and write-offs	(11)	(31)	(1)	(43)
Net book value at 26 July 2025	2,754	322	1,250	4,326

¹ For the period ended 26 July 2025, additions include the non-cash capital expenditure accrual on property, plant and equipment of £33m (January 2025: £31m) and intangible assets of £1m (January 2025: £3m)

² For the period ended 26 July 2025, depreciation and amortisation includes an impairment charge of £nil to right-of-use assets (January 2025: £3m charge), £nil to land and buildings (January 2025: £25m release), and £nil to fixtures and fittings (January 2025: £16m charge)

Intangible assets primarily relate to internally developed computer software.

Right-of-use assets are recognised in relation to the Partnership's leases, representing the economic benefits of the Partnership's right to use the underlying leased assets. The Partnership's lease portfolio is principally comprised of property leases of land and buildings in relation to Waitrose and John Lewis stores, distribution centres and head offices. The Partnership also holds a number of vehicle and equipment leases and service agreements deemed to meet the definition of a lease under IFRS 16.

In accordance with IAS 36, the Partnership reviews its property, plant, intangible assets and right-of-use assets for impairment at least annually or whenever events or circumstances indicate that the value on the balance sheet may not be recoverable. The impairment review methodology is unchanged from that described in the Annual Report and Accounts for the 52 weeks to 25 January 2025.

For the 26 weeks to 26 July 2025 an assessment was completed to identify if there were any indicators for impairment of intangible assets, tangible assets or cash-generating units (CGUs). Management considered financial performance as well as macroeconomic factors. In the 26 week period to 26 July 2025, no impairment charge or release was recognised (27 July 2024: £nil, 25 January 2025: £6m release).

10 Provisions

	Long leave	Customer refunds	Insurance claims	Reorganisation	Other	Total
	£m	£m	£m	£m	£m	£m
At 25 January 2025	(114)	(20)	(22)	(8)	(34)	(198)
Charged to income statement	(9)	-	(4)	(9)	(3)	(25)
Released to income statement	-	-	-	2	12	14
Utilised	5	1	5	4	1	16
At 26 July 2025	(118)	(19)	(21)	(11)	(24)	(193)
Of which:						
Current	(45)	(19)	(11)	(11)	(12)	(98)
Non-current	(73)	-	(10)	-	(12)	(95)

The Partnership has a long leave scheme, open to all Partners, which provides up to six months' paid leave after 25 years' service. There is no proportional entitlement for shorter periods of service. The provision for the liabilities under the scheme is assessed on an actuarial basis, reflecting Partners' expected service profiles, salary growth, National Insurance and overtime earnings assumptions. The discount rate applied differs from the discount rate used for the Partnership's retirement benefit obligations (note 11) as it reflects a rate appropriate to the shorter duration of the long leave liability so as to accrue the cost over Partners' service periods.

Provisions for customer refunds reflect the Partnership's expected liability for returns of goods sold, based on experience of rates of return.

The provision for insurance claims covers potential liabilities arising from claims that fall below certain thresholds. These claims relate to the Partnership's employer's, public and vehicle third-party liability insurances. The provision is recognised when there is a present obligation arising from a past event, including both reported and incurred but not reported claims as of the reporting date. The provision is calculated using independent actuarial assessments.

Provisions for reorganisation reflect restructuring and redundancy costs, principally in relation to productivity reviews, central operations reviews, shop closures and the review of shop management structures (see note 4).

Other provisions primarily include property-related costs including dilapidations provisions. Dilapidations provisions are calculated with reference to specific lease terms, where we can reliably estimate the expected cost and payment for dilapidations is probable. In making this assessment, we consider the recent history of dilapidations payments and the time horizon for any payments. The effect of discounting non-current provisions is not individually material.

11 Retirement benefit obligations

The pension scheme operated by the Partnership is the John Lewis Partnership Trust for Pensions. The scheme includes a defined benefit section, providing pensions and death benefits to members. All contributions to the defined benefit section of the scheme are funded by the Partnership. The defined benefit section of the scheme closed to new members and future accrual on 1 April 2020 and all active members of the scheme moved to become deferred members.

The scheme also includes a defined contribution section. Contributions to the defined contribution section of the scheme are made by both Partners and the Partnership.

The pension scheme is subject to a full actuarial valuation every three years using assumptions agreed between the Pensions Trustee and the Partnership. The purpose of this valuation is to design a funding plan to ensure that the pension scheme has sufficient funds available to meet future benefit payments. The most recent triennial pension valuation as at 31 March 2022 resulted in an actuarial surplus of £320m (31 March 2019: deficit of £58m). A valuation as at 31 March 2025 has commenced.

Scheme assets are stated at market value at 26 July 2025.

The following financial assumptions have been used:

	26 July 2025	27 July 2024	25 January 2025
Discount rate	6.02%	5.25%	5.72%
Future retail price inflation (RPI)	2.84%	2.96%	3.02%
Future consumer price inflation (CPI)	2.54%	2.62%	2.70%
Increase in pensions - in payment			
Pre-April 1997	1.83%	1.86%	1.89%
April 1997 - April 2016	2.54%	2.80%	2.84%
Post-April 2016	1.83%	1.86%	1.89%
Increase in pensions - deferred	2.54%	2.62%	2.70%

The movement in the net defined benefit liability in the period is as follows:

	26 weeks to 26 July 2025 £m	26 weeks to 27 July 2024 £m	52 weeks to 25 January 2025 £m
Net defined benefit liability at beginning of period	(363)	(287)	(287)
Operating cost/Pension expense	(2)	(2)	(4)
Interest cost on pension liabilities	(107)	(104)	(208)
Interest income on assets	97	96	193
Contributions	2	2	7
Total losses recognised in equity	(25)	(61)	(64)
Net defined benefit liability at end of period	(398)	(356)	(363)
of which:			
Total funded defined benefit liability at end of period	(385)	(342)	(350)
Defined benefit obligation for unfunded arrangements	(13)	(14)	(13)

11 Retirement benefit obligations (continued)

The post-retirement mortality assumptions used in valuing the pension liabilities were based on the 'S3' (25 January 2025: 'S3'; 27 July 2024: 'S3') series standard tables. Based on scheme experience, the probability of death at each age was multiplied by 112% for males and 95% for females who were non pensioners and 103% for males and 92% for females who were pensioners (25 January 2025: 112% for males and 95% for females who were non pensioners and 103% for males and 92% for females who were pensioners; 27 July 2024: 112% for males and 95% for females who were non pensioners and 103% for males and 92% for females who were pensioners). Future improvements in life expectancy have been allowed for in line with the latest Continuous Mortality Investigation (CMI) 2023 improvements model with a smoothing parameter of 7.0 (January 2025: CMI 2023, smoothing parameter of 7.0) subject to a long-term trend of 1.25% (25 January 2025: 1.25%; 27 July 2024: 1.25%).

The average life expectancies assumed were as follows:

	26 July 2025		27 July 2024		25 January 2025	
	Men	Women	Men	Women	Men	Women
Average life expectancy for a 65 year old (in years)	21.2	24.1	21.2	24.0	21.2	24.1
Average life expectancy at age 65, for a 50 year old (in years)	21.5	24.9	21.4	24.8	21.5	24.9

12 Reconciliation of loss before tax to cash generated from operations before Partnership Bonus

	26 weeks to 26 July 2025	26 weeks to 27 July 2024	52 weeks to 25 January 2025
	£m	£m	£m
(Loss)/profit before tax	(88)	(30)	97
Amortisation and write offs of intangible assets ¹	100	80	163
Depreciation and write offs of tangible assets ¹	188	172	348
Share of loss/(profit) of joint venture (net of tax)	1	-	(1)
Net finance costs	50	53	99
Loss on disposal of property, plant and equipment and intangible assets	3	2	4
Increase in inventories	(2)	-	(46)
Increase in receivables	(3)	(9)	(26)
(Decrease)/increase in payables	(2)	(62)	64
(Decrease)/increase in retirement benefit obligations	(1)	1	(3)
Decrease in provisions	(7)	(4)	(51)
Cash generated from operations before Partnership Bonus	239	203	648

¹ Includes no impairment charge or release (July 2024: release, January 2025: release)

13 Analysis of net debt

	25 January 2025		Cash Movements		Non-cash movements		26 July 2025
					Fair value gains/(losses)	Other, including lease additions, terminations, modifications and reassessments	
	£m	£m	£m	£m	£m	£m	£m
Non-current assets							
Derivative financial instruments	1	-	(1)	-	-	-	-
	1	-	(1)	-	-	-	-
Current assets							
Cash and cash equivalents	925	(119)	-	-	-	-	806
Short-term investments	153	95	-	-	-	-	248
Derivative financial instruments	5	(1)	-	-	-	-	4
	1,083	(25)	-	-	-	-	1,058
Current liabilities							
Borrowings and overdrafts	(8)	2	-	-	-	-	(6)
Other liabilities held at amortised cost	(2)	1	-	(1)	-	(1)	(2)
Lease liabilities	(152)	115	-	(124)	-	(124)	(161)
Derivative financial instruments	(3)	5	(11)	-	-	-	(9)
	(165)	123	(11)	(125)	-	(125)	(178)
Non-current liabilities							
Borrowings	(431)	-	-	-	-	-	(431)
Unamortised debt transaction costs	5	-	-	(1)	-	(1)	4
Other liabilities amortised cost	(58)	-	-	1	-	1	(57)
Lease liabilities	(1,652)	-	-	14	-	14	(1,638)
Derivative financial instruments	-	-	(1)	-	-	-	(1)
	(2,136)	-	(1)	14	-	14	(2,123)
Total net debt	(1,217)	98	(13)	(111)	(13)	(111)	(1,243)

13 Analysis of net debt (continued)

Reconciliation of net cash flow to net debt

	26 weeks to 26 July 2025	26 weeks to 27 July 2024	52 weeks to 25 January 2025
	£m	£m	£m
Decrease in net cash and cash equivalents in the period	(119)	(264)	(103)
Cash outflow from borrowings	-	5	300
Cash outflow/(inflow) from movement in short-term investments	95	224	(107)
Cash outflow from SIP shares	2	3	4
Cash outflow from other liabilities held at amortised cost	1	-	2
Cash outflow from movement in other net debt items	119	125	248
Cash movement in net debt for the period	98	93	344
Opening net debt	(1,217)	(1,370)	(1,370)
Non-cash movements in net debt for the period	(124)	(101)	(191)
Closing net debt	(1,243)	(1,378)	(1,217)

14 Management of financial risks

The principal financial risks to which the Partnership is exposed are capital and long-term funding risk, liquidity risk, interest rate risk, foreign currency risk, credit risk, and energy risk.

This condensed set of interim financial statements does not include all risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Annual Report and Accounts for the 52 weeks to 25 January 2025. During the 26 weeks to 26 July 2025, the Partnership has continued to apply the financial risk management process and policies as detailed in the Annual Report and Accounts for the 52 weeks to 25 January 2025.

Valuation techniques and assumptions applied in determining the fair value of each class of asset or liability are consistent with those used as at 25 January 2025 and reflect the current economic environment.

Fair value estimation

The different levels per the IFRS 13 fair value hierarchy have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

During the 26 weeks to 26 July 2025, there have been no transfers between any levels of the IFRS 13 fair value hierarchy and there were no reclassifications of financial assets as a result of a change in the purpose or use of those assets.

The fair value of a derivative financial instrument represents the difference between the value of the outstanding contracts at their contracted rates and a valuation calculated using the forward rates of exchange and interest rates prevailing at the balance sheet date. The fair value of the derivative financial instruments held by the Partnership are classified as Level 2 under the IFRS 13 fair value hierarchy, as all significant inputs to the valuation model used are based on observable market data and are not traded in an active market. At 26 July 2025, the net fair value of derivative financial instruments was a liability of £6m (25 January 2025: £3m asset; 27 July 2024: £11m liability).

14 Management of financial risks (continued)

The following table compares the Partnership's liabilities held at amortised cost, where there is a difference between carrying value (CV) and fair value (FV):

	26 July 2025		27 July 2024		25 January 2025	
	£m	£m	£m	£m	£m	£m
	CV	FV	CV	FV	CV	FV
Financial liabilities						
Listed bonds	(296)	(242)	(595)	(531)	(295)	(229)

The fair values of the Partnership's listed bonds have been determined by reference to market price quotations and classified as Level 1 under the IFRS 13 fair value hierarchy. For other financial assets and liabilities, there are no material differences between carrying value and fair value.

15 Capital commitments

At 26 July 2025, contracts had been entered into for future capital expenditure of £99m (25 January 2025: £24m; 27 July 2024: £55m) of which £92m (25 January 2025: £18m; 27 July 2024: £47m) relates to property, plant and equipment and £7m (25 January 2025: £6m; 27 July 2024: £8m) relates to intangible assets.

16 Related party transactions

There have been no material changes to the principal subsidiaries listed in the Annual Report and Accounts for the 52 weeks to 25 January 2025. All related party transactions arise during the ordinary course of business. There were no material changes in the transactions or balances during the 26 weeks to 26 July 2025.

17 Subsequent events

There are no disclosable subsequent events.

Statement of Directors' responsibilities

The Directors confirm that to the best of their knowledge the condensed set of interim financial statements has been prepared in accordance with UK-adopted IAS 34 Interim Financial Reporting.

There have been no changes to the directors of John Lewis Partnership plc to those listed in the Partnership's 2025 Annual Report and Accounts. A list of current directors is maintained on the Partnership's website:
www.johnlewispartnership.co.uk.

For and by order of the Board

Jason Tarry, Chairman

Andy Mounsey, Chief Financial Officer

10 September 2025

GLOSSARY OF FINANCIAL AND NON-FINANCIAL TERMS

This glossary gives an explanation of financial and non-financial terms included in the results statement. Where applicable tables have been included to give a year-on-year comparison.

Adjusted cash flow (not updated at half year)

Operating profit before Partnership Bonus, exceptional items, depreciation and amortisation, but after lease adjusted interest and tax. This measure is important to assess our Debt ratio.

	2024/25 £m	2023/24 £m
Operating profit/(loss)	196	147
<i>add back</i>		
Depreciation, amortisation and write-offs	518	495
Exceptional items (net)	29	(14)
Partnership Bonus	-	-
<i>less</i>		
Lease adjusted interest	(98)	(93)
Tax excluding tax on exceptional items	(29)	(9)
Adjusted cash flow	616	526

Adjusted operating profit

Adjusted operating profit represents operating profits used to assess the performance of all the Lines of Business of the Partnership and to determine the allocation of resources. It excludes exceptional items, profit or loss on disposal of property, net interest, Partnership Bonus and tax.

	Waitrose £m	John Lewis £m	Other Partnership £m	Total £m
26 weeks to 26 July 2025				
Adjusted operating profit/(loss)	110	(53)	(40)	17
Other operating expenses - exceptional items				(54)
Loss on property disposals				(1)
Operating loss				(38)
	Waitrose £m	John Lewis £m	Other Partnership £m	Total £m
26 weeks to 27 July 2024				
Adjusted operating profit/(loss)	113	(49)	(16)	48
Other operating expenses - exceptional items				(25)
Profit on property disposals				-
Operating profit				23

Capital investment

Cash outflows in relation to additions to tangible assets (property, plant and equipment), and intangible assets (IT software) recognised on the balance sheet.

Debt ratio (not updated at half year)

Comparison of our Total net debts to Adjusted cash flow. This measure is important as it provides an indication of our ability to repay our debts.

	2024/25	2023/24
	£m	£m
Total net debts	(1,640)	(1,740)
Adjusted cash flow	616	526
Debt ratio	2.66x	3.31x

Exceptional items

Items of income and/or expense which are significant by virtue of their size and nature are presented as exceptional items. The separate reporting of exceptional items helps to provide a better understanding of our underlying business performance.

Investment

Total investment spend includes capital investment, restructuring and redundancy costs, and lease disposal costs.

Line of Business

The Partnership's Lines of Business are Waitrose, John Lewis, John Lewis Money, Build to Rent and Enterprise. Enterprise represents the costs specific to running the Partnership, which cannot be influenced or controlled at the Line of Business level. Note 5 shows our segments are Waitrose, John Lewis and Other Partnership, where Other Partnership comprises John Lewis Money, Build to Rent and Enterprise.

Loss before tax, Partnership Bonus and exceptional items (LBTBE)

This measure is important as it allows for a comparison of underlying profit performance.

	26 weeks to 26 July 2025	26 weeks to 27 July 2024
	£m	£m
Loss before tax, Partnership Bonus and exceptional items	(34)	(5)
Exceptional items	(54)	(25)
Partnership Bonus	-	-
Loss before tax	(88)	(30)

Total liquidity

The cash, short term investments and undrawn committed credit facilities we have available to us, which we can use to settle liabilities as they fall due.

Total net debts (not updated at half year)

The Partnership's borrowings and overdrafts, lease liabilities, derivative financial instruments and IAS 19 pension deficit (net of deferred tax), less any liquid cash, short-term deposits and investments.

	2024/25	2023/24
	£m	£m
Borrowings and overdrafts	(434)	(733)
Derivative financial instruments	3	(14)
Pension deficit (after deferred tax)	(296)	(239)
Other liabilities held at amortised cost	(60)	(62)
Lease liabilities	(1,804)	(1,849)
Liquid cash, short-term deposits and investments	951	1,157
Total net debts	(1,640)	(1,740)

Total trading sales

Total trading sales represents the full customer sales value, including VAT, that is used to assess ongoing sales performance. It is before adjustment for sale or return sales and other accounting adjustments. A reconciliation between Total trading sales and Revenue is provided below.

Reconciliation of Total trading sales to Revenue

	Waitrose £m	John Lewis £m	Partnership £m
26 weeks to 26 July 2025			
Total trading sales	4,124	2,069	6,193
<i>Deduct:</i>			
Value added tax	(231)	(336)	(567)
Sale or return and other accounting adjustments	(29)	(151)	(180)
Revenue	3,864	1,582	5,446

	Waitrose £m	John Lewis £m	Partnership £m
26 weeks to 27 July 2024			
Total trading sales	3,909	2,027	5,936
<i>Deduct:</i>			
Value added tax	(223)	(329)	(552)
Sale or return and other accounting adjustments	(32)	(157)	(189)
Revenue	3,654	1,541	5,195

Reconciliation of Operating loss to LBTBE

	26 weeks to 26 July 2025 £m	26 weeks to 27 July 2024 £m
Operating (loss)/profit	(38)	23
<i>Add back:</i>		
Exceptional items	54	25
Partnership Bonus	-	-
<i>Deduct:</i>		
Net finance costs	(50)	(53)
LBTBE	(34)	(5)

Reconciliation of Loss before tax to LBTBE

	26 weeks to 26 July 2025 £m	26 weeks to 27 July 2024 £m
Loss before tax	(88)	(30)
<i>Add back:</i>		
Exceptional items	54	25
Partnership Bonus	-	-
LBTBE	(34)	(5)