



INTERIM RESULTS

SEP 2023

WELCOME

Andrew Higginson
Chair

FINANCIAL RESULTS & STRATEGY UPDATE

Régis Schultz
Chief Executive Officer

Financial Results

DELIVERING ON OUR STRATEGY

Strong first half performance; organic growth of 12% and market share gains

Particularly good performance in North America; premium organic sales growth of 15% and profit growth of 12%

PBT before adjusted items in line with guidance of c.35% of full year consensus

JD brand growth; on track to open over 200 JD stores in the year, minority buyouts to accelerate brand growth in Europe

Strong cash position; dividend increased

Organic Sales Growth in All Regions

12% organic sales growth
 Driven by LFL growth of 8%;
 growth across all regions
 Total sales growth reflects UK
 non-core divestments

	Constant Currency					
	July 2023	July 2022	Change	Change	Organic Sales Growth	LFL Sales Growth
	£m	£m	%	%	%	%
UK & ROI	1,648.3	1,811.0	(9%)	(9%)	5%	4%
Europe	1,379.3	1,116.6	24%	19%	19%	12%
North America	1,514.2	1,292.6	17%	14%	14%	8%
Asia Pacific	242.1	197.9	22%	25%	24%	15%
	4,783.9	4,418.1	8%	7%	12%	8%

Performance in Line With Our Expectations

Revenue growth of 8%

Gross margins robust at 48% and above pre-pandemic levels

Investment in our cost base for future growth

PBT in line with guidance of c.35% of full year

Raised interim dividend to pre-pandemic dividend cover level

⁽¹⁾ This period reflects the reclassification of delivery income from operating costs to revenue, in line with the FY23 year-end. Zero cash and profit impact and -30bps on operating costs as a % of sales.

Summary

	July 2023 ⁽¹⁾	July 2022	Change
	£m	£m	%
Revenue	4,783.9	4,418.1	8%
Gross Profit %	48.0%	48.5%	
Operating Costs	(1,898.6)	(1,722.5)	10%
EBIT	398.4	418.1	(5%)
Interest	(24.9)	(34.6)	
Profit Before Tax & Adjusted Items	373.5	383.5	(3%)
Adjusted Items	1.7	(85.2)	
Profit Before Tax	375.2	298.3	26%
Dividend per share	0.30p	0.13p	

Premium Sports Fashion Driving Revenue Growth

Premium Sports Fashion

- Organic sales growth of 15%
- Opened and converted 83 JD stores

Other Fascias

- Non-core divestments reduce revenue

Other Businesses

- Operating profit up 30%

Outdoor

- Store LFL growth offset by online
- A break-even period

	Premium Sports Fashion	Other Fascias	Other Businesses	Sports Fashion	Outdoor	Total Group
Revenue to Jul 2022 (£m)	3,062.6	934.8	146.0	4,143.4	274.7	4,418.1
Revenue to Jul 2023 (£m)	3,594.2	783.8	133.9	4,511.9	272.0	4,783.9
Change %	17%	(16%)	(8%)	9%	(1%)	8%
Constant Currency Change %	16%	(18%)	(8%)	7%	(1%)	7%
Organic Sales Growth %	15%	6%	(4%)	13%	0%	12%
LFL Sales Growth %	9%	8%	-	9%	(1%)	8%
EBIT to Jul 2022 (£m)	353.1	44.7	14.9	412.7	5.4	418.1
EBIT to Jul 2023 (£m)	335.5	43.7	19.4	398.6	(0.2)	398.4
Stores Movement in Year	53	(92)	-	(39)	(4)	(43)
No. of Stores at End of Period	1,975	1,125	-	3,100	247	3,347

Detailed store movements can be found in the appendix

Premium Revenue Growth in All Regions

UK/ROI

- 8% organic sales growth
- Central future growth investment costs charged here

Europe

- 27% organic sales growth
- Profit impacted by store and DC costs

North America

- Strong period - good revenue and profit growth

Asia Pacific

- South Korea withdrawal reduces store count
- Still delivered revenue and profit growth

Premium Sports Fashion

	UK & ROI	Europe	North America	Asia Pacific	Total
Revenue to Jul 2022 (£m)	1,114.5	585.1	1,174.4	188.6	3,062.6
Revenue to Jul 2023 (£m)	1,202.5	773.8	1,387.0	230.9	3,594.2
Change %	8%	32%	18%	22%	17%
Constant Currency Change %	8%	28%	15%	26%	16%
Organic Sales Growth &	8%	27%	15%	26%	15%
LFL Sales Growth %	5%	15%	9%	15%	9%
EBIT to Jul 2022 (£m)	161.4	38.9	121.5	31.3	353.1
EBIT to Jul 2023 (£m)	141.9	25.0	136.2	32.4	335.6
Stores Movement in Period ⁽¹⁾	4	39	14	(4)	53
No. of Stores at End of Period	448	474	969	84	1,975

⁽¹⁾ North America movement net of 3 Finish Line closures. Movement excludes 16 stores converted to JD

Further Growth in Net Cash

Net balance sheet cash +£263m

Strong operating cash generation
of £193m

Inventory supporting revenue
growth

Capex of £209m: on track for
target full year investment

	Jul 2023	Jul 2022
	£m	£m
EBIT (Pre Adjusted Items)	398.4	418.1
Depreciation & Amortisation	318.2	309.3
Repayment of Lease Liabilities (Net of Drawdowns)	(187.9)	(189.7)
Lease Interest	(36.8)	(32.1)
Share of Associates & Joint Ventures	(3.1)	(0.8)
Increase in Inventories	(213.1)	(401.0)
Other Working Capital Movements	(82.5)	(37.1)
Net Cash Inflow From Operating Activities	193.2	66.7
Net Taxation	(109.4)	(71.6)
Net Funding Interest	11.9	(2.5)
Capital Expenditure	(209.1)	(156.6)
Deferred Consideration Paid	(3.6)	-
Net Outflow from Acquisition and Disposals	(61.3)	(11.6)
Acquisition and Divestment of Non-Controlling Interests	(12.4)	-
Net Dividends (Paid) / Received	(2.1)	2.8
Utilisation	(192.8)	(172.8)
Net Cash	1,276.5	1,013.1

Further Capex Investment in International Retail

		H1 to July 2023	H1 to July 2022	H1 to July 2021
		£m	£m	£m
Stores	Sports Fashion - UK & ROI	23.4	20.8	31.3
	Sports Fashion - Europe	53.7	25.6	14.1
	Sports Fashion - North America	34.2	24.8	13.3
	Sports Fashion - Asia Pacific	2.9	2.7	2.7
	Outdoor	5.2	13.5	0.8
		119.4	87.4	62.2
Lease Premia, Key Money & Deposits		4.1	5.7	1.5
Warehouse Projects	UK	16.1	35.7	3.8
	Europe	35.7	4.5	1.5
	North America	21.3	5.0	0.3
	Other	0.2	-	-
Systems & Other		12.3	18.3	14.2
Total		209.1	156.6	83.5

Guidance to Jan 2024 £500-550m capex

VIDEO

THE LEADING GLOBAL SPORTS-FASHION POWERHOUSE

JD Brand First

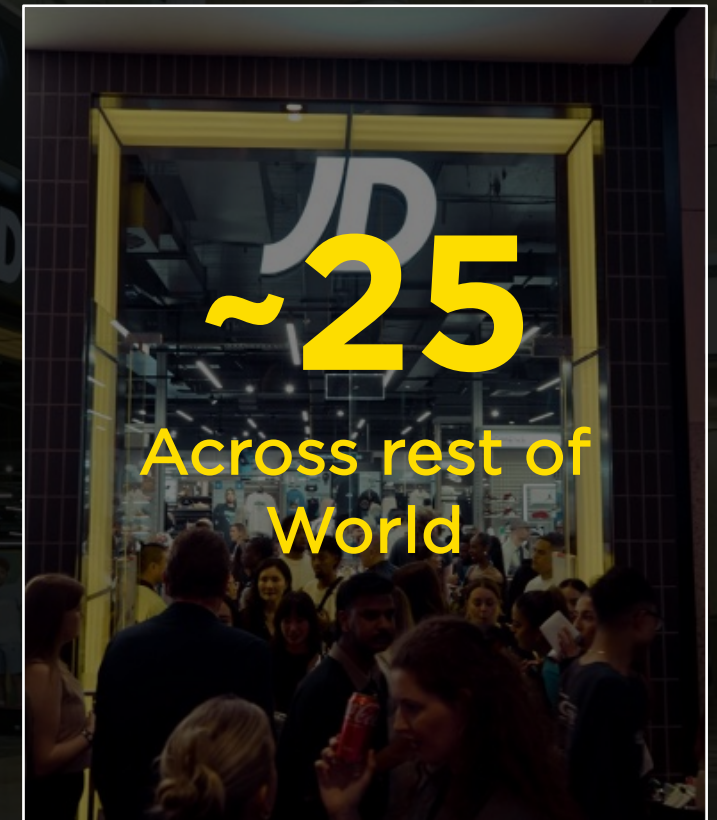
JD Complementary Concepts

JD Beyond Physical Retail

JD People, Partners & Communities

JD Brand First

ON TRACK TO OPEN 200+ NEW DOORS BY JAN 2024



JD Brand First



**KINGSWAY,
DERBY, UK**



**AVENTURA MALL,
MIAMI, US**



**PITT STREET,
SYDNEY, AUSTRALIA**



**COLOMBO, LISBON,
PORTUGAL**

JD Brand First

MINORITY BUY-OUTS TO ACCELERATE JD DEVELOPMENT AND SIMPLIFY GROUP STRUCTURE



JD Brand First

FRANCHISE MODEL GAINING TRACTION IN REST OF THE WORLD



Agreement signed with GMG in the Middle East

+ 50 store openings by 2028

Advanced discussions in Africa & South East Asia



THE LEADING GLOBAL SPORTS-FASHION POWERHOUSE

JD Brand First

JD Complementary Concepts

JD Beyond Physical Retail

JD People, Partners & Communities

JD Complementary Concepts

CONTINUING TO STRENGTHEN OUR COMPLEMENTARY BRANDS PORTFOLIO



Ongoing progress of
Courir acquisition



Complementary brands
continuing to deliver



Ongoing divestment
of non-core

THE LEADING GLOBAL SPORTS-FASHION POWERHOUSE

JD Brand First

JD Complementary Concepts

JD Beyond Physical Retail

JD People, Partners & Communities

JD Beyond Physical Retail

LAUNCH OF JD LOYALTY PROGRAMME



**Initial trial
in Manchester**



**Strong support
from our people**



**Good engagement
from our brands**



**Positive reaction
from customers**



JD Beyond Physical Retail

CONTINUED INVESTMENT IN OMNICHANNEL AND TECHNOLOGY



Cyber improvement programme



Replatforming of e-commerce



Relaunch of Click & Collect

JD Beyond Physical Retail

SUPPLY CHAIN EXPANSION TO SUPPORT GROWTH



Derby
UK



Heerlen
Europe



Morgan Hill
US

THE LEADING GLOBAL SPORTS-FASHION POWERHOUSE

JD Brand First

JD Complementary Concepts

JD Beyond Physical Retail

JD People, Partners & Communities

JD Best for People

COMMITMENT TO OUR PEOPLE



**£45M increase in pay
for sales associates**



**New CFO and CTO
appointed – global
leadership completed**



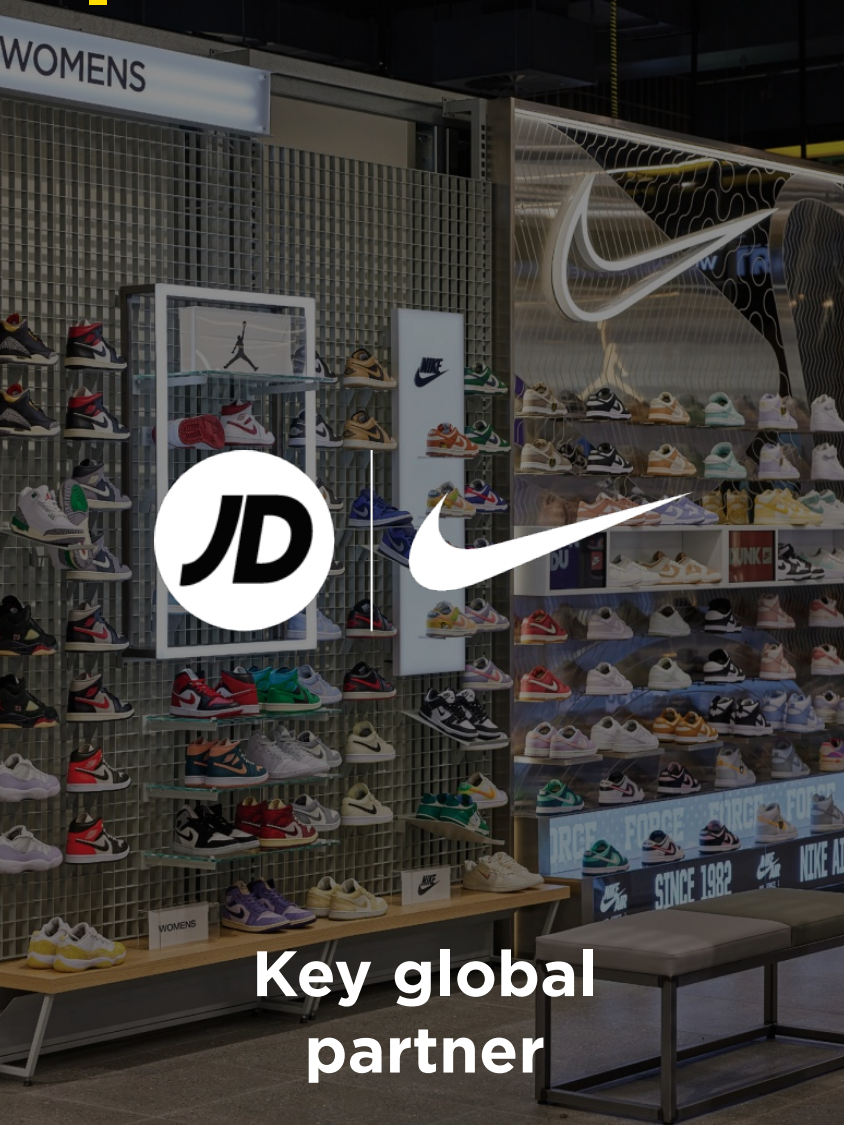
**New HR platform
in flight**

JD Best for Partners

WOMENS



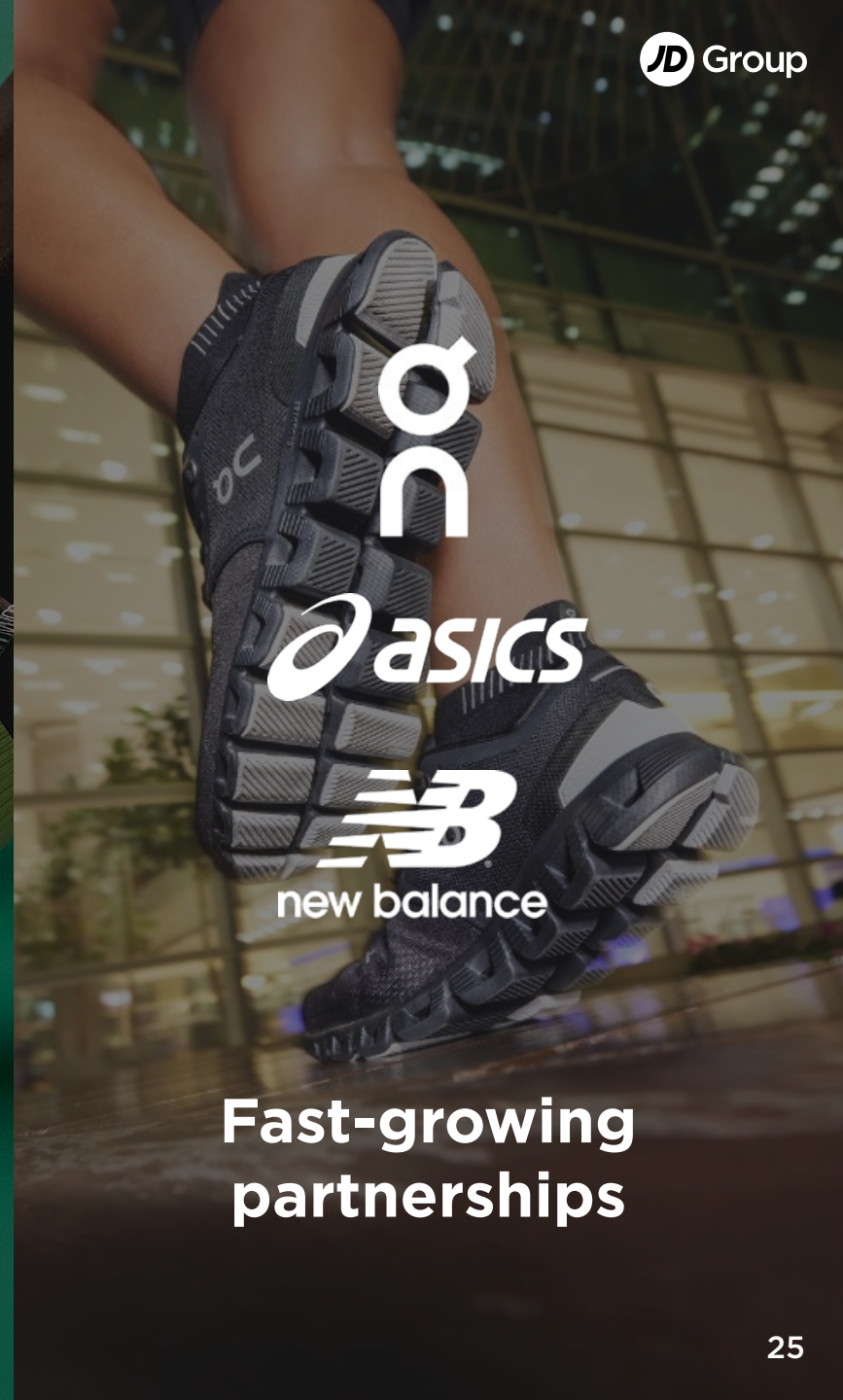
Key global partner



Largest global partner for lead style



Fast-growing partnerships



JD Best for Communities

COMMITMENT TO OUR COMMUNITY



Investing in our
community



Changing lives
through the
JD Foundation



Improving our
sustainability

Summary

DELIVERING ON OUR STRATEGY

Strong first half performance; organic growth of 12% and market share gains

Particularly good performance in North America; premium organic sales growth of 15% and profit growth of 12%

PBT before adjusted items in line with guidance of c.35% of full year consensus

JD brand growth; on track to open over 200 JD stores in the year, minority buyouts to accelerate brand growth in Europe

Strong cash position; dividend increased

Q&A



I APPENDIX

Healthy Balance Sheet

	Jul 2023	Jan 2023	Jul 2022
	£m	£m	£m
Intangible assets	1,344.7	1,459.4	1,614.8
Tangible assets	963.8	875.6	776.0
Right-of-use assets	2,071.1	2,137.0	2,075.1
Other non-current assets	136.5	117.0	182.3
Total non-current assets	4,516.1	4,589.0	4,648.2
Inventories	1,625.1	1,466.4	1,428.5
Cash	1,391.1	1,582.5	1,137.9
Trade and other receivables	385.0	386.8	497.7
Total current assets	3,401.2	3,435.7	3,064.1
Interest-bearing loans and borrowings	(82.2)	(75.2)	(83.0)
Trade and other payables	(1,439.4)	(1,471.2)	(1,406.9)
Other currency liabilities	(976.8)	(616.6)	(552.3)
Total current liabilities	(2,498.4)	(2,163.0)	(2,042.2)
Interest-bearing loans and borrowings	(32.4)	(38.0)	(41.8)
Other payables	(2,772.8)	(3,100.1)	(2,842.5)
Deferred tax	(109.8)	(90.2)	(124.6)
Total non-current liabilities	(2,915.0)	(3,228.3)	(3,008.9)
Net Assets	2,503.9	2,633.4	2,661.2

5 Year History

		Jul 2023	Jul 2022	Jul 2021	Jul 2020	Jul 2019
		£m	£m	£m	£m	£m
Revenue	UK & ROI	1,648.3	1,811.0	1,596.7	1,069.6	1,226.3
	Europe	1,379.3	1,116.6	789.0	530.0	636.3
	North America	1,514.2	1,292.6	1,357.7	829.3	725.2
	Asia Pacific	242.1	197.9	142.4	116.0	133.4
		4,783.9	4,418.1	3,885.8	2,544.9	2,721.2
GP%		48.0%	48.5%	48.5%	45.6%	46.9%
EBIT		398.4	418.1	471.7	95.4	199.8
Profit Before Tax & Adjusted Items		373.5	383.5	439.5	61.9	158.6

Other Fascias

	Other Fascias				
	UK & ROI	Europe	North America	Asia Pacific	Total
Revenue to Jul 2022 (£m)	290.6	525.3	118.2	0.7	934.8
Revenue to Jul 2023 (£m)	58.1	597.1	127.2	1.4	783.8
Change %	(80%)	14%	8%	100%	(16%)
Constant Currency Change %	(80%)	10%	5%	88%	(18%)
Organic Sales Growth %	2%	9%	5%	100%	6%
LFL Sales Growth %	7%	9%	5%	-	8%
EBIT to Jul 2022 (£m)	0.1	25.2	19.3	0.1	44.7
EBIT to Jul 2023 (£m)	6.2	22.1	15.3	0.1	43.6
Stores Movement in Period	(67)	(14)	(11)	-	(92)
No. of Stores at End of Period	3	836	278	8	1,125

Store Count

	Premium Sports Fashion				Other Fascias				Sports Fashion	Outdoor	Total Group
	UK & ROI	Europe	North America ⁽¹⁾	Asia Pacific	UK & ROI	Europe	North America ⁽¹⁾	Asia Pacific			
No. of Stores at Start of Period	444	435	955	88	70	850	289	8	3,139	251	3,390
Opened	8	41	24	4	-	24	-	-	101	1	102
Converted	1	1	-	-	(1)	(1)	-	-	-	-	-
Closed	(5)	(3)	(10)	(8)	-	(37)	(11)	-	(74)	(5)	(79)
Disposals	-	-	-	-	(66)	-	-	-	(66)	-	(66)
Movement	4	39	14	(4)	(67)	(14)	(11)	-	(39)	(4)	(43)
No. of Stores at End of Period	448	474	969	84	3	836	278	8	3,100	247	3,347

⁽¹⁾ Movement excludes 16 stores converted from Finish Line to JD in the period

Inventories

		Jan 2023	Cashflow	FX Translation	Held For Sale	Divestments ⁽¹⁾	Jul 2023
		£m	£m	£m	£m	£m	£m
Premium Sports Fashion	UK & ROI	256.8	66.0	(0.3)	-	-	322.5
	Europe	130.0	25.2	(2.3)	-	-	152.9
	North America	404.1	64.4	(15.0)	-	-	455.5
	Asia Pacific	52.5	0.5	(5.4)	-	-	47.6
Other Fascias	UK & ROI	28.4	(0.2)	-	(18.1)	(4.1)	6.0
	Europe	288.1	53.6	(0.7)	-	-	341.0
	North America	82.7	(2.2)	(2.6)	-	-	77.9
	Asia Pacific	0.6	(0.1)	(0.1)	-	-	0.4
Other Businesses		38.1	(7.2)	-	(2.9)	(2.9)	25.1
Sports Fashion		1,281.3	202.0	(26.4)	(21.0)	(7.0)	1,428.9
Outdoor		185.1	11.1	-	-	-	196.2
TOTAL INVENTORIES		1,466.4	213.1	(26.4)	(21.0)	(7.0)	1,625.1
Held For Sale		52.7	-	-	21.0	(52.7)	21.0
Total Divested at July 2023		-	-	-	-	(59.7)	-

⁽¹⁾ Divestments is made up of the value of stock divested in the period of £59.7m less the amounts classified as held-for-sale as at 28 January 2023 of £52.7m

Adjusted Items

	July 2023	July 2022
	£m	£m
Movement in Present Value of Put & Call Options ⁽¹⁾	(25.0)	40.2
Net Losses on Divestments ⁽²⁾	15.4	8.5
Impairments of Intangibles and Investments ⁽³⁾	7.9	36.5
Administrative Expenses – Adjusted Items	(1.7)	85.2

⁽¹⁾ Genesis Topco Inc credit of £35.8 million (2022: charge of £28.7 million), Iberian Sports Retail Group charge of £nil (2022: charge of £16.8 million), Marketing Investment Group S.A charge of £14.3 million (2022: £nil) and a credit of £3.5 million (2022: credit of £5.3 million) in relation to the other put and call options held by non-controlling interests.

⁽²⁾ Primarily relates to the loss on disposal of 80s Casual Classics and the losses in respect of the disposal of the non-core fashion businesses to Frasers Group PLC.

⁽³⁾ The current period relates to the impairment of goodwill arising in a prior period on the acquisition of GymNation. The impairment in the prior period primarily relates to the impairment of goodwill and fascia name arising in a prior period on the acquisition of Missy Empire (£10.2 million) and Hairburst (£12.7 million). Also included in the prior period is an impairment charge for the investment in the Group's joint venture, Gym King (£13.6 million).