31 May 2024

JD SPORTS FASHION PLC

UNAUDITED FY24 RESULTS

FOR THE 53 WEEKS TO 3 FEBRUARY 2024

STRATEGIC PROGRESS IN A CHALLENGING MARKET

JD Sports Fashion Plc (the 'Group'), the leading global retailer of sports, fashion and outdoor brands, today announces its full year unaudited results for the 53 weeks ended 3 February 2024. To aid comparison, the FY24 results, associated commentary and percentage changes are presented below on an unaudited 52-week basis unless otherwise stated.

Commenting on the results, Régis Schultz, Chief Executive Officer of JD Sports Fashion Plc, said:

"In the period, we again outperformed the market delivering organic sales growth of 9% and Premium Sports Fashion organic sales growth* of 11%. This strong revenue performance was delivered in a challenging market, particularly through our peak trading period.*

"We made important strategic progress: putting the JD Brand First through opening over 200 new JD stores; strengthening our Complementary Concepts through the proposed acquisitions of Courir and, announced after the period end, Hibbett; simplifying the group by taking full control of ISRG and MIG and divesting non-strategic businesses; building the right governance and organisation for a global group of our size; and investing in our people and infrastructure to deliver our growth strategy.

"I would like to take the opportunity to thank our people throughout the business for their hard work in delivering another year of market outperformance.

"We have started the new financial year with Q1 in line with our expectations in a volatile market and we are on track to deliver our profit guidance for the full year. Looking further ahead, we have a strong business model and a clear strategy to deliver long-term growth and value creation for our shareholders."

Performance summary

£m	53w to 3 Feb 2024 (unaudited)	52w to 27 Jan 2024* (unaudited)	52w to 28 Jan 2023 (restated)[1] (unaudited)	Change (52v52)
Revenue	10,542.0	10,397.2	10,125.0	2.7%
Gross margin	47.9%	48.0%	48.2%	(20)bps
Operating profit before adjusting items*	979.9	973.9	1,060.3	(8.1)%
Operating margin before adjusting items*	9.3%	9.4%	10.5%	(20)bps
Profit before tax and adjusting items*	917.2	912.4	991.4	(8.0)%
Adjusted basic earnings per share* (p)	12.14		13.39	(9.1)%
Net cash before lease liabilities* at period end	1,032.0		1,469.3	
Statutory measures				(53v52)
Revenue	10,542.0		10,125.0	4.1%
Operating profit	927.2		806.0	15.0%
Net financial expense and impairment loss on financial assets	(116.0)		(319.3)	(63.7)%
Profit before tax	811.2		486.7	66.7%
Basic earnings per share (p)	10.45		3.65	
Dividend per share (p)	0.9		0.8	12.5%

[1]Explanations for restating FY23 numbers can be found in Note 15 of this announcement and Note 39 to the Consolidated Financial Statements

Throughout this release,'*' indicates the use of Alternative Performance Measures. Please refer to pages 56 to 62 for the further information including reconciliations to statutory measures.

Financial highlights

- Organic sales growth* of 9.0%, Premium Sports Fashion organic sales growth* of 10.9% and like-for-like sales growth* of 3.8%
- Revenue growth* of 2.7% to £10,397.2m, after disposal impact
- Gross margin of 48.0%, down slightly on prior period reflecting elevated market promotional activity during peak trading
- Profit before tax and adjusting items* for the 53-week period of £917.2m down 7.5%, reflecting continued investment in people, stores, systems & supply chain
- Profit before tax, for the 53-week period, of £811.2m, up 66.7% due to a reduction of £398.7m in adjusting items*
- Adjusted basic earnings per share* down 9.1%
- Net cash before lease liabilities* of £1,032.0m, down on prior period due mainly to acquisitions of ISRG & MIG, & increased capital expenditure* of £539.7m, in line with our strategy & delivering strong returns
- Proposed final dividend of 0.6p; total proposed dividend up 12.5% to 0.9p
- Q1 performance in line with expectations and maintaining full year profit before tax and adjusting items guidance of £955m-£1,035m

Strategic highlights

- JD Brand First
    - Opened over 200 new JD stores; plan for over 200 new JD stores in FY25
    - New stores exceeding internal sales expectations by 20% on average & delivering payback of less than our three-year internal target
- Complementary Concepts
    - Simplified the Group through acquiring non-controlling interests of ISRG & MIG, & disposing of majority of non-core businesses
    - Announced proposed acquisitions of Courir in Europe &, after the period end, of Hibbett, Inc. in North America
- Beyond Physical Retail
    - New distribution centre in Heerlen (Netherlands) began operations
    - New website platform rollout from FY25
- People, Partners & Communities
    - Investment in people of over £70m, in addition to minimum and living wage increases
    - Strengthened the management team; continued to invest in governance & control environment
    - Relaunched the JD Foundation
    - Maintained strong Carbon Disclosure Project climate change ratings

Enquiries:

JD Sports Fashion Plc	Tel: 0161 767 1000
Régis Schultz, Chief Executive Officer	
Dominic Platt, Chief Financial Officer	
Mark Blythman, Director of Investor Relations	
Advisors	
Bank of America – Antonia Rowan	Tel: 0207 628 1000
Peel Hunt LLP – Dan Webster	Tel: 0207 418 8869
FGS Global – Rollo Head, Jenny Davey, James Thompson	Tel: 0207 251 3801

Cautionary note regarding forward-looking statements

This announcement contains certain forward-looking statements relating to expected or anticipated results, performance or events. Such statements are subject to normal risks associated with the uncertainties in our business, supply chain and consumer demand along with risks associated with macro-economic, political and social factors in the markets in which we operate. Whilst we believe that the expectations reflected herein are reasonable based on the information we have as at the date of this announcement, actual outcomes may vary significantly owing to factors outside the control of the Group, such as cost of materials or demand for our products, or within our control such as our investment decisions, allocation of resources or changes to our plans or strategy. The Group expressly disclaims any obligation to revise forward-looking statements made in this or other announcements to reflect changes in our expectations or circumstances. No reliance may be placed on the forward-looking statements contained within this announcement.

Presentation of results

The presentation to analysts will take place at 0900 (BST) on 31 May 2024. To register for the live webcast of this presentation, please use the following link: https://brrmedia.news/JD_FY_24

Financial calendar

27 June 2024: AGM

August 2024: Q225 trading update

26 September 2024: H125 results

November 2024: Q325 trading update

January 2025: Q425 trading update

About JD Sports Fashion Plc

Founded in 1981, the JD Group ('JD') is a leading global omnichannel retailer of Sports Fashion brands. JD provides customers with the latest sports fashion through working with established and new brands to deliver products that our customers most want, across both footwear and apparel. The vision of JD is to inspire the emerging generation of consumers through a connection to the universal culture of sport, music and fashion. JD focuses on four strategic pillars: JD Brand First, first priority, first in the world; leveraging Complementary Concepts to support JD Group global expansion; moving Beyond Physical Retail by building the right infrastructure and creating a lifestyle ecosystem of relevant products and services; and doing the best for its People, Partners and Communities. JD is a constituent of the FTSE 100 index and had 3,317 stores worldwide at 3 February 2024.

Chief Executive Officer's Review

In the period, we once again outperformed a challenging and volatile market with organic sales growth* of 9%, broadly in line with our objective to deliver double digit growth, and organic sales growth* in Premium Sports Fashion of 11%, ahead of our objective. Our financial strength was highlighted by the investment in opening over 200 new JD stores in the period, in line with our plans, and the proposed acquisitions of Courir, announced in July 2023, and Hibbett, Inc. ('Hibbett'), announced after the period end in April 2024.

We achieved good progress in the first year of our five-year strategic plan across the four pillars of JD Brand First, Complementary Concepts, Beyond Physical Retail and People, Partners and Communities. Our drive to deliver this plan is unrelenting, exhibited most recently with the proposed acquisition of Hibbett in the key North American market. Hibbett will be one of our Complementary Concepts in North America, alongside Shoe Palace and DTLR, supporting the nationwide, mall-led growth opportunity in the US for the JD brand, with more regionalised growth in local communities. We are excited by the opportunities Hibbett will bring to our North America business.

We again made significant investments in our people, our governance and our control environment to ensure we have a strong platform for long-term growth: we've invested over £70m in our people through levelling up and increasing pay across our workforce, in addition to minimum and living wage increases; we are strengthening our cyber security and improving the quality of our operating systems platform; and we are ensuring we have a more efficient supply chain, reflecting the changing global business mix, both by geography and by sales channel. These investments are the right choices for the business but have weighed on profit progression in the period.

I am confident that the global sportswear market, and in particular, the athleisure space within it, has many years of structural growth ahead of it, with favourable trends like casualisation and active lifestyles continuing. Euromonitor[1] is forecasting that the sportswear market will achieve value growth of 6.6% per year from 2023 to 2028, on average. This would take the total value of the market from $396bn in 2023 to $544bn in 2028. We believe that through our growing brand presence, our industry-leading buying and merchandising team, our powerful brand partner relationships and both our strong balance sheet and cash generation capability, we will outperform the market and deliver double digit market shares in all our key markets.

Performance

In the 52 weeks to 27 January 2024, we achieved revenue* of £10,397.2m, 2.7% up on the comparative 52-week period, in what ended up being a very challenging market. In constant currency, sales growth* was 2.9%. Revenue growth* was impacted negatively by disposals made during the period. Like-for-like ('LFL') sales growth* was 3.8% and there was a 5.2% benefit from new stores, leading to organic sales growth* of 9.0%. This organic sales growth* exceeded estimated market value growth[1] of 6.3% in the period, meaning we outperformed the market organically and we increased our share of the global sportswear market by 10 basis points to 3.4%.

Region[2] - From a geographical point of view, all regions grew revenue in the period other than the UK, which was impacted principally by non-core divestments made over the last two years. UK revenue declined 8.3% to £3,510.2m. Europe revenue increased 16.3% to £3,093.5m, North America revenue increased 8.4% to £3,413.5m and Asia Pacific revenue increased 7.5% to £524.8m. Growth in our newer markets has resulted in a better business balance geographically with the UK generating 33% of revenue, North America 32%, Europe 29% and Asia Pacific 5%.

Channel[2] - Our retail stores grew revenue by 8.9% to £7,956.6m with our online channel declining by 7.6% to £2,350.3m, reflecting the continued shift back to pre-pandemic online participation and our investment in stores. As a result, stores now represent 76% of our revenue and online is 22%, with other, mainly gym memberships, outdoor living equipment and some wholesale revenue, at 2%. With our focus on customer satisfaction, we are increasingly channel agnostic, meaning we don't mind where a sale is made – bought in store, bought online and delivered to home, or bought online and delivered to store.

Category[2] - Footwear continued to perform strongly with revenue growth of 8.2% to £5,920.4m, while apparel revenue, impacted by the milder Autumn/Winter weather, declined 4.3% to £3,408.4m. Accessories revenue grew by 6.4% to £669.5m while other revenue, which includes outdoor living equipment, delivery income and gym memberships, grew 17.3% to £543.7m. This means we continue to build a good mix of products delivering a 'head-to-toe' shopping opportunity with footwear at 56%, apparel at 32% and accessories at 6% of revenue.

We ended the period with 3,317 stores worldwide, 73 fewer than at the start of the period, due mainly to the divestment of non-core businesses in the UK, our planned withdrawal from South Korea and the bankruptcy of the SUR business in the Netherlands, where 72 stores closed.

Gross margin was 48.0%, down slightly on the prior period, with a positive mix benefit from the strong organic sales growth* of the JD brand offsetting broadly the impact from the elevated market promotional environment we experienced mainly in Q4, specifically through the peak trading period in December.

Operating costs before adjusting items* were 5.1% up on the prior period as we accelerated our operating cost investment in people, systems, supply chain and new stores. In addition to the strong growth in minimum and living wages across a number of our markets, we invested £70m in our people, including removing age banding in the UK, and we are seeing the benefits of this investment through more productive teams and lower colleague turnover in our stores. Further, there were costs associated with investments we are making in stores, distribution centres ('DC') and systems in anticipation of generating the benefits from higher sales and a more efficient supply chain. As a result of these investments, operating profit before adjusting items* was down 8.1% to £973.9m and the operating margin before adjusting items* was 9.4%, down from 10.5% in the prior period.

Profit before tax and adjusting items* was £912.4m, down 8.0%, and in line with the revised guidance given in January which was on a 53-week basis. This was lower than we anticipated at the half year due to lower revenue in the second half of the period combined with continued cost investment for future growth. Profit before tax for the 53-week period to 3 February 2024 was up 66.7% to £811.2m due to a lower level of adjusting items* compared to the prior period.

Adjusted basic earnings per share* was 12.14p, 9.1% lower than the prior period due to lower profit before tax and adjusting items* and the increase in the adjusted effective tax rate*. Offset partially by an in-year benefit to adjusted basic earnings per share* from the buying out of the non-controlling interests ('NCI') in ISRG and MIG.

At the end of the period, we had net cash before lease liabilities* on our balance sheet of £1,032.0m. This reflects a cash outflow in the period of £437.3m, due mainly to mergers and acquisitions expenditure of £611.0m following the acquisitions of the ISRG and MIG NCIs and an increase in cash capital expenditure of £180.4m as we stepped up our store opening programme and continued to invest in strengthening our operational efficiency.

Reflecting the Group's performance, our continued strong operating cash generation and the Board's confidence in our long-term growth strategy and prospects, the Board is proposing a final dividend of 0.6p per ordinary share. This maintains the 1/3:2/3 split between the interim and proposed final dividend that was guided to at our half year results. This proposed final dividend takes the proposed total dividend for the period to 0.9p per ordinary share, an increase of 12.5% on the prior period. The proposed final dividend will be paid on 12 July 2024 to all shareholders on the register at 14 June 2024.

[1]Source: Euromonitor International Limited, Apparel & Footwear 2024 edition, retail value RSP incl sales tax, US$, year on year exchange rate, current terms

[2]The analysis of sales performance and breakdown by region, channel and category is on a 53-week basis, including the benefit of the 53rd week

Strategy Update

Our vision is to be the leading, global Sports Fashion powerhouse. Our five-year strategic plan, launched at our Capital Markets Day in February 2023, is the roadmap to achieving this vision. The plan has four key strategic pillars: -

1. JD Brand First – increasing the JD store footprint globally
2. Complementary Concepts – strengthening our complementary sports fashion offers
3. Beyond Physical Retail – building a stronger platform for long-term growth
4. People, Partners and Communities – being the best for our people, our partners and our communities

We have made good progress on all key elements of our five-year plan to become the leading, global sports fashion powerhouse retailer. In the period, we opened over 200 new JD stores across 23 countries; our other US fascias performed well and continue to give us reach across the US, the world's biggest sportswear market; we launched our JD STATUS loyalty programme in the UK; we opened our new DC in Europe; and we moved closer to rolling out our new Group HR Information System (HRIS).

We remain focused on delivering our 'triple-double' of double-digit sales growth[3], double-digit operating margin[3] and double-digit market shares in our key markets over the course of the plan. In respect of our target for double-digit sales growth[3], we made a good start in the first year, delivering organic sales growth* of 9.0% in what ended up being a challenging and volatile market. With the positive impact from the proposed acquisitions of Courir and Hibbett to come, we remain confident of achieving this target. On operating margin*, our target is to reach and maintain a double-digit operating margin[3] within the course of the plan. The operating margin* was lower this period than in the base period, reflecting the necessary investment in our operating platforms for long-term growth.

[3]Sales growth is measured using organic sales growth and operating margin is measured using operating margin before adjusting items*. These terms are defined in the Alternative Performance Measures section on pages 56 to 62.

JD Brand First

The JD brand is our priority and we have three growth pillars for our JD Brand First strategy; accelerating the opening of, and conversion to, JD stores in North America; accelerating the opening of, and conversion to, JD stores in Europe; and expanding the JD brand further by entering new markets through either acquisition or franchise. There is significant 'white space' for the JD brand to grow in North America, Europe and Asia Pacific. Accordingly, we anticipate the JD store opening programme will contribute around 5%pts of new space each year through the course of the five-year strategic plan.

This financial period saw an acceleration of our JD store opening programme. In total, we added 216 new JD stores in the period, constituting 157 new stores and 59 conversions from other brands, mainly Finish Line in the US, as planned. We opened in 23 countries across all our key markets and launched the brand in three new markets – Croatia, Cyprus and Slovakia – which took the total number of countries with a JD store to 30 around the world. Return on investment for our JD store opening programme remained ahead of expectations with an average payback of less than three years and new JD store uplifts are more than 20% ahead of expectations.

There continues to be good momentum in North America where we converted 57 Finish Line stores to the JD fascia and we opened a further 40 new JD stores across the US and Canada. New locations for the JD brand included the Aventura mall near Miami, the third largest in the US, the American Dream mall in New Jersey, the Fashion Show mall in Las Vegas and at Laval in Montreal, Canada.

In Europe, we opened 84 new JD stores, including the stores we acquired from Conbipel in Italy and the majority of the ex-GAP stores we acquired in and around Paris. We opened our first stores in Croatia, Cyprus and Slovakia, and we also opened new stores in European cities such as Athens, Bucharest and Vienna. After the period end, we opened our new flagship store on the Champs Elysees ahead of the 2024 Paris Olympics, which will help to grow global awareness of the JD brand. During the period, we acquired the NCIs in Iberia via ISRG and Central/Eastern Europe via MIG, which will strengthen our foothold in these geographies and accelerate our European expansion of the JD brand. We have identified between 40 and 50 stores for conversion to JD from within the ISRG and MIG businesses and we expect to complete these conversions over the course of the next 24 months.

In UK/ROI, the main strategic focus continues to be on improving locations or store size in existing cities and towns. During the period, we opened 21 new stores and closed 13, therefore growing our store portfolio by a net eight stores. Highlights included the relocation and upsizing of the Birmingham Bullring store and new stores in Coventry and Bedford. After the period end, we opened our new flagship store at Stratford in London.

In Asia Pacific, we opened 14 new JD stores but closed 13, including 12 due to our strategic withdrawal from South Korea. We opened new stores in cities such as Auckland, Bangkok and Kuala Lumpur and we finalised the acquisition of our NCIs interests in south east Asia, which is helping us accelerate the growth of the JD brand in these markets.

In addition to 'own store' growth, in July we signed our first franchise agreement in the Middle East with Gulf Marketing Group ('GMG'). This agreement has an initial target of 50 franchised JD stores by 2028 across UAE, Saudi Arabia and Egypt. After the period end, the first store was opened in Bahrain. Also, after the period end, we signed our second franchise agreement, this time in South Africa, with The Foschini Group and we are targetting over 40 franchised stores for this region over the next five years.

Importance of Complementary Concepts

Our Complementary Concepts allow us to widen our customer base and sharpen our customer focus. We have four key pillars within this element of our strategy: growing our community brands within North America; acquiring Courir to develop a new, complementary sports fashion offer; optimising the profitability of the ISRG and MIG businesses within Europe; and divesting non-core fascias within the Group. In addition, we leverage our complementary brands at the top of our brand pyramid, such as Size? and Footpatrol, by providing an environment for seeding new product ideas, launching exclusive ranges and introducing new brands to the Group.

The US market is segmented between malls and neighbourhoods. While the JD brand is focused on malls, our neighbourhood community fascias of Shoe Palace and DTLR ensure that the Group also has a strong community proposition as well. During the period, we opened 14 new stores across these fascias in the US, but closed 10 as we improved the overall strength of the store portfolio. In the new financial year, we plan to accelerate the opening programme to around 30 new community stores.

The acquisition of Courir has proved to be a lengthy process and it remains subject to review by the European Commission. Once the process is concluded, Courir will add a new dimension to our brand portfolio with its stronger female product range and customer base. This will not only complement our existing proposition in Europe but also provide learnings to the JD brand and other brands within the Group.

We simplified the Group further through the acquisition of the NCIs in ISRG and MIG in the period. This allowed us to accelerate our store conversion plans in these markets, as well as placing the loss-making SUR business into bankruptcy. We continued to reduce our portfolio of businesses through the disposals of brands such as Focus, GymNation and Hairburst. Following the NCI buyouts, we will improve the profitability of both ISRG and MIG by optimising the organisational structures and more closely integrating these businesses into the Group.

After the period end, we announced the proposed acquisition of Hibbett, Inc. for £899m. Hibbett is located in Birmingham, Alabama, it has 1,169 stores across its Hibbett and City Gear retail fascias, and it has strong relationships with the key brand partners in North America. This acquisition is in line with our strategic priorities and it is an important transaction for our strategic and financial development. Strategically, Hibbett will strengthen our Complementary Concepts division, enhance our North America presence and provide a stronger platform for the future organic growth of the Group in the region. Financially, it accelerates our North America growth plans and will be earnings enhancing from the first full year post-acquisition. Before completion, which we anticipate will be in the second half of 2024, the transaction will need Hibbett stockholder approval and US anti-trust clearance.

JD Beyond Physical Retail

Having expanded both our physical and digital channels successfully in recent years, we are now focusing on creating a single omnichannel experience. We are agnostic about which channel a sale is made in. The technology investments we are making, including loyalty, will make our proposition more omnichannel and give us a better single view of the customer. We believe that JD, as a brand, is trusted by consumers and this relationship can be developed further to create a lifestyle ecosystem of relevant products and services.

There are five areas of focus: replatforming our websites; strengthening our cyber security; developing our omnichannel proposition further; developing our loyalty programme; and improving the efficiency and effectiveness of our supply chain.

We are planning to go live in FY25 with our replatformed websites, starting with Italy as our proposed first go-live market. For all companies, cyber-crime is a growing global threat and we continue to invest in our cyber security. We have recruited a Chief Information Security Officer to lead our cyber programme.

Our click and collect trial in France is providing learnings for the future and we had over 100 stores live by the period end. We are now building out a roadmap for future click and collect markets in Europe.

Our JD STATUS loyalty programme in the US now has 5.1m active members and, following a successful trial, we rolled out JD STATUS across the UK during the period. By the period end, we had 800k app downloads in the UK, of which 75-80% were active users. The average transaction value of JD STATUS members in the UK is over 40% higher than non-members. Members of JD STATUS and Nike Connected will soon start to benefit from improved targetting of offers and other benefits as the two programmes improve their connectivity going forward, and we will launch JD STATUS into European markets during the new financial year.

We continued to make progress on our UK/European supply chain optimisation with the Heerlen DC opening manually for selected brand partners and own brand. Going forward, we will automate Heerlen, enabling it to serve as the logistics hub for the Group across Continental Europe.

People, Partners & Communities

We want to provide our colleagues with the best opportunities to develop their individual careers and to support them in achieving their ambitions, to be the best partner for the brands and the best partner for the communities where we operate. Improving ESG performance is an integral part of our Group strategy. As a FTSE 100 Company, we recognise that our scale enables us to make positive, lasting changes.

We are currently focused on: improving our people systems functionality; creating a target organisation for future growth and people development; developing our key partner programmes; and continuing to make a positive contribution to the communities where we operate.

Our people are at the heart of our business. We are investing in a new global HRIS which will ensure a more seamless HR experience for our people. We will start going live with the new system in 2024. We have invested £70m in our people in the period including through the removal of age wage banding in the UK, improved bonus and conditions for UK store managers and salary increases. As well as these investments, there have also been mandatory minimum and living wage increases. This helps to ensure we recruit and retain the best talent. In the UK, following this investment, we have seen a significant reduction in colleague turnover.

We strengthened our global leadership team with the hiring of Dominic Platt as the Group's new Chief Financial Officer (CFO) and Dominic has made a strong contribution to the Group in his first few months.

Our commitment to our community is showcased through our ongoing partnership with the JD Foundation and various community support programmes across the regions, such as the Shoe Palace 'Believe to Achieve' programme. The JD Foundation strategy is evolving to focus on social mobility, building stronger youth communities and transforming young people's lives through opportunities, engagement and social change. 60% of our employees are under 25 and 87% are under 35.

We are very proud of our ongoing climate achievements which include: achieving an 'A-' 'Climate Change' grade, ahead of the UK retail sector average, from the Carbon Disclosure Project (CDP) for the fourth successive year; achieving a 'B' grade for CDP Water Security, also ahead of the UK retail sector average; sourcing 95% of cotton for our private label products via the 'Better Cotton' initiative; and retaining our 'Zero Waste to Landfill' accreditation at our largest UK and European distribution and office locations.

Q125 Trading Update

Trading in the 13 weeks to 4 May 2024 was in line with our expectations. LFL sales* were down 0.7% against a strong comparative of 14.5% in Q1 last year and organic sales growth* was 4.9% against a comparative of 19.7% in Q1 last year. Promotional activity in the market remained elevated in Q125 across all regions. Regionally, we achieved LFL sales growth* in both Europe and North America with Asia Pacific down 0.1% (against a 22.5% comparative). In the UK, our continued promotional discipline, particularly in the online channel, and a tough comparative from Q1 last year, led to LFL sales* being, down 6.4%. The UK therefore held back the JD fascia overall, although LFL sales growth* was achieved in our complementary fascias in North America and in our Sporting Goods fascias.

Organically, reflecting the strength of our JD store rollout programme, both Europe and North America achieved double-digit organic sales growth* with Asia Pacific delivering high single-digit growth.

Q125	LFL sales growth*	Organic sales growth*
[1]UK	(6.4)%	(5.8)%
[1]Europe	1.6%	10.8%
North America	2.0%	8.2%
Asia Pacific	(0.1)%	10.1%
Group	(0.7)%	4.9%

[1]From FY25, we will move to new segmentation, which includes moving the reported sales from the Republic of Ireland from UK/ROI to Europe. This new segmentation is detailed within the CFO statement.

Gross margin was 48.2%, in line with the prior period, reflecting our margin discipline through Q1, and in line with our expectations.

We are maintaining our full year profit before tax and adjusting Items* guidance of £955m-1,035m. This includes a c.£55m annual increase, announced at our March update, from the accounting policy change to include amortisation of acquired intangibles as an adjusting item from FY25 onwards.

We will release our Q2 trading update in August 2024.

Régis Schultz

Chief Executive Officer

31 May 2024

Chief Financial Officer's Statement

Financial Performance

FY24 is a 53-week period ended 3 February 2024.

A number of prior period adjustments have been identified during the course of the audit that has led to a restatement of the comparative period. For more details on prior period adjustments see Note 15 of this announcement and Note 39 to the accounts. These findings reinforce the need to continue our programme to improve the effectiveness of our internal controls over financial reporting.

The comparative period is 52 weeks to 28 January 2023. To aid comparability, the headline results, associated commentary and percentage changes are presented on an unaudited 52-week basis unless otherwise stated.

£m	FY24 (unaudited) 53 weeks	exclude 53rd week*	**52 weeks***	FY23 (restated)[1] **52 weeks**	Change (52v52)
Revenue	**10,542.0**	**(144.8)**	**10,397.2**	**10,125.0**	**2.7%**
Gross profit	5,048.0	(61.7)	**4,986.3**	**4,877.6**	2.2%
Gross margin	**47.9%**	**42.6%**	**48.0%**	**48.2%**	**(20)bps**
Operating costs before adjusting items*	(4,068.1)	55.7	**(4,012.4)**	**(3,817.3)**	5.1%
Operating profit before adjusting items*	**979.9**	**(6.0)**	**973.9**	**1,060.3**	**(8.1)%**
Operating margin before adjusting items*	9.3%		**9.4%**	**10.5%**	(111)bps
Net financial expense and impairment loss on financial assets *	(62.7)	1.2	**(61.5)**	**(68.9)**	(10.7)%
Profit before tax and adjusting items *	**917.2**	**(4.8)**	**912.4**	**991.4**	**(8.0)%**
Adjusting items *	(106.0)		**(106.0)**	**(504.7)**	
Profit before tax	**811.2**	**(4.8)**	**806.4**	**486.7**	**65.7%**

Throughout this release,'*' indicates the use of Alternative Performance Measures. Please refer to pages 56 to 62 for further information including reconciliations to statutory measures.

1.A prior period adjustment of £37.9m has been recorded impacting the classification of marketing income from operating costs before adjusting items* to Gross profit. This has increased gross margin by 40bps compared to the prior period reported figure. Further details are included in Note 39 to the Consolidated Financial Statements, which also explain a net £45.8m increase to prior period reported adjusting items and profit before tax.

Consolidated Income Statement

Revenue*

Revenue* for the Group increased 2.7% to £10,397.2m (2023: £10,125.0m). Sales growth* in constant currency was 2.9%.

Organic sales growth* was 9.0% and this comprised 3.8% like-for-like ('LFL') sales growth* and 5.2% sales growth from net new space, which is not LFL period-on-period ('non-LFL'*).

The remaining difference between organic sales growth of 9.0% and sales growth in constant currency of 2.9% is the impact of disposals.

Gross Margin

Total gross margin was down slightly at 48.0% (2023: 48.2%). The increase in JD fascias driving a higher proportion of sales through our store channel, as opposed to online, and the higher gross margin from the JD fascia growth, offset largely the impact of elevated market promotional activity, particularly during peak trading.

Operating Profit Before Adjusting Items*

Operating profit before adjusting items* was £973.9m, being 8.1% down on the previous period. The operating margin before adjusting items* was 9.4%, down 111bps on the previous period. Overall, operating costs before adjusting items* grew 5.1% to £4,012.4m driven by selling & distribution expenses of £3,573.1m, up 6.5%, as we continued to invest in our operating platforms for future, long-term growth. This included operating cost investment in our people, our supply chain (including some double running costs in the period in new distribution centres), our systems and new stores.

A breakdown of operating costs before adjusting items* can be seen in the table below.

£m/52 weeks	FY24*	FY23 Restated[1]	Change
Selling and distribution expenses	(3,573.1)	(3,353.5)	6.5%
Administrative expenses before adjusting items	(476.9)	(497.3)	(4.1)%
Share of profits of equity-accounted investees	7.5	4.9	53.1%
Other operating income	30.1	28.6	5.2%
Operating costs before adjusting items*	**(4,012.4)**	**(3,817.3)**	**5.1%**

[1]A prior period adjustment of £37.9m has been recorded impacting the classification of marketing income from operating costs before adjusting items* to gross profit.

Net financial expense and impairment loss on financial assets* (53-week basis)

Net financial expense and impairment loss on financial assets before adjusting items* in the period was £62.7m, which is £6.2m lower than the prior period. Financial income rose by £30.8m compared with the prior period due to higher interest rates earned on our cash balances. Financial expenses before adjusting items increased by £24.6.m to £101.9m, the majority of which is lease liabilities expense under IFRS16 with the increase due mainly to the change in the mix of our property portfolio during the period, as we opened 249 high quality new stores and disposed of 322 non-core stores.

Profit Before Tax and Adjusting Items*

Profit before tax and adjusting items* for the 53 weeks to 3 February 2024 was £917.2m. For the 52 weeks to 27 January 2024, profit before tax and adjusting items* was £912.4m, which was 8.0% behind the previous period.

Adjusting Items

Adjusting items* for the 53 weeks to 3 February 2024 was a net charge of £106.0m (2023: net charge of £504.7m), as detailed in the table below.

£m	53 weeks to 3 February 2024	52 weeks to 28 January 2023 Restated[1]
Impairment of tangible and intangible assets and investments	39.2	137.2
Acquisition related costs: Courir	10.8	-
Loss on divestments and restructuring of group companies: principally sale of non-core fashion businesses	38.3	129.6
Gain arising on deconsolidation: ISRG Group - SUR bankruptcy	(36.1)	-
Deferred consideration charge / (release)	0.5	(12.5)
Adjusting items within administrative expenses	**52.7**	**254.3**
Impairment of loans not recoverable: ISRG Group – SUR bankruptcy	57.9	-
Put and call options: movement in present value of put and call options	(5.5)	250.4
Impairment of loans not recoverable from non-consolidated joint venture	0.9	-
Adjusting items within net financial expense	**53.3**	**250.4**
Adjusting items*	**106.0**	**504.7**

[1]Please refer to Note 39 of the Consolidated Financial Statements for further details of the restatement

The impairment of tangible and intangible assets and investments in the current period relates to the impairment of goodwill, fascia name and assets arising on the acquisition of Swim! (£19.9m), goodwill impairment prior to the divestment of GymNation (£7.9m), goodwill impairments of the Go Outdoors fascia (£8.8m) and impairment of the goodwill and fascia names on three non-material acquisitions (£2.6m).

Acquisition-related costs of £10.8m are in respect of the Courir acquisition which remains subject to review by the European Commission and, as at the date of this report, has not been concluded.

The Group incurred £38.3m of loss on divestments and restructuring of group companies. Following the Group's announcement in December 2022 to simplify its non-core fashion offering, the group has incurred losses on divestments of £31.4m. The most significant of these was Focus (£23.5m). Restructuring costs of £6.9m were incurred across certain businesses.

Costs were incurred during the period following the acquisition of the 49.99% non-controlling interests ('NCI') in Iberian Sports Retail Group (ISRG). These costs enabled the expansion of the JD brand across Iberia to be accelerated and improve the operating efficiency of this business. In addition, a strategic review of the ISRG business was undertaken, which resulted in the decision to declare Sports Unlimited Retail ('SUR'), ISRG's Dutch subsidiary, bankrupt. This resulted in ISRG incurring net costs of £21.8m, being the impairment of loans not recoverable (£57.9m) and a subsequent gain arising on the deconsolidation of SUR from ISRG (£36.1m). The remaining £0.9m relates to other impairments.

The £5.5m credit in the present value of the put and call options reflects changes in the present value of the future buyouts of NCIs and comprises primarily Genesis Topco Inc (£19.3m credit) and Cosmos (£5.7m charge). The credit on Genesis is driven by revised EBITDA projections for the business reflecting trading in the 53-week period. In addition, there was a credit of £3.9m in respect of the put option liability for ISRG and a £14.3m charge was incurred during the 26-week period ended 30 July 2023 in respect of the put option valuation of Marketing Investment Group S.A ('MIG'). The NCIs in ISRG and MIG were acquired during the second half of the accounting period (see Note 11). There are further, smaller movements on other put and call options that total a credit of £4.3m.

Operating Profit

On a 53-week basis, operating profit was £927.2m (2023: £806.0m), which is an increase of 15.0%. This is due to a reduction in adjusting items* charged within administrative expenses due to lower impairments of intangible assets and investments, and lower losses on disposal of Group companies.

Profit Before Tax

On a 53-week basis, the profit before tax is £811.2m (2023: £486.7m). The increase of £324.5m versus the prior period is due primarily to the reduction in adjusting items of £398.7m, resulting mostly from the impact of movement in present value of put and call options between periods, the loss on disposal of group companies recorded in the prior period and the reduced level of impairment charges compared to the prior period.

Income Tax Expense

The income tax expense for the 53-week period was £206.2m (2023: £214.2m). The effective tax rate fell from 44.0% to 25.4% due primarily to the movement in the value of the put and call valuations in the two periods. The £13.3m credit in the current period is non-taxable and the £250.4m charge in the prior period was not tax deductible.

The income tax expense before adjusting items* for the 53-week period was £224.6m (2023: £216.4m). The effective tax rate before adjusting items* rose from 21.8% to 24.5% due to the UK's mainstream corporation tax rate increasing from 19% to 25% on 1 April 2023.

Profits Attributable to Non-Controlling Interests

The charge relating to NCIs fell £18.0m from £84.2m in FY23 to £66.2m in FY24. This was due to the impact from the buyout of the 49.99% NCI in ISRG and the buyout of the 40% NCI in MIG during the period. The only material NCI left in the Group is the 20.0% in Genesis Topco Inc.

Earnings Per Share

On a statutory basis, basic and diluted earnings per ordinary share grew from 3.65p to 10.45p due to significantly lower adjusting items in the 53-week period.

Adjusted basic earnings per ordinary share* fell 9.1% from 13.39p to 12.14p due to lower profits in the 53-week period, reflecting the reduced profit before tax and adjusting items* and the increase in the effective tax rate before adjusting items*, offset partially by the benefit of the acquisition of the NCIs in ISRG and MIG.

Segmental Report

				Change		
£m/52 weeks*	Total	Sports Fashion	Outdoor	Total	Sports Fashion	Outdoor
Revenue	**10,397.2**	**9,844.8**	**552.4**	**2.7%**	**3.0%**	**(2.1)%**
Gross profit	4,986.3	4,752.1	234.2	2.2%	2.5%	(2.2)%
Gross margin	**48.0%**	**48.3%**	**42.4%**	**(20)bps**	**(20)bps**	**flat**
Operating costs before adjusting items*	(4012.4)	(3,771.1)	(241.3)	5.1%	4.9%	8.2%
Operating profit/ (loss) before adjusting items*	**973.9**	**981.0**	**(7.1)**	**(8.1)%**	**(6.0)%**	**n/a**
Operating margin before adjusting items*	9.4%	10.0%	(1.3)%	(111)bps	(95)bps	(420)bps
Net financial expense and impairment loss on financial assets before adjusting items*	(61.5)	(57.6)	(3.9)	(10.7)%	(11.8)%	8.3%
Profit /(loss) before tax and adjusting items*	**912.4**	**923.4**	**(11.0)**	**(8.0)%**	**(5.7)%**	**n/a**
Number of stores	3,317	3,074	243	(2.2)%	(2.1)%	(3.2)%

A performance summary of the different sub-segments in the Group can be seen in the table below.

£m/52 weeks*	Revenue* FY24	Revenue* FY23	Revenue* Change	Operating profit / (loss) before adjusting items* FY24	Operating profit / (loss) before adjusting items* FY23	Operating profit / (loss) before adjusting items* Change
UK/ROI	2,661.0	2,597.6	2.4%	340.4	369.5	(7.9)%
Europe	1,759.7	1,385.8	26.9%	69.3	102.2	(32.2)%
North America	3,069.0	2,845.6	7.9%	317.1	340.2	(6.8)%
Asia Pacific	481.7	430.9	11.8%	69.2	66.6	4.0%
Premium Sports Fashion Total	**7,971.4**	**7,259.9**	**9.8%**	**796.0**	**878.5**	**(9.4)%**
Other Fascias	1,625.4	1,983.0	(18.0)%	136.6	135.5	0.8%
Other Businesses	248.0	317.8	(22.0)%	48.4	30.0	61.1%
Sports Fashion Total	**9,844.8**	**9,560.7**	**3.0%**	**981.0**	**1,044.0**	**(6.0)%**
Outdoor	**552.4**	**564.3**	**(2.1)%**	**(7.1)**	**16.3**	**n/a**
Total	**10,397.2**	**10,125.0**	**2.7%**	**973.9**	**1,060.3**	**8.1%**

Sports Fashion

Our Sports Fashion segment generated 94.7% of Group revenue in FY24. On a 52-week basis*, revenue for this segment was up 3.0% to £9,844.8m with sales growth* of 3.2% in constant currency. LFL sales growth* was 4.2% and organic sales growth* was 9.7%. Gross margin was 48.3%, compared to 48.5% in the prior period. Operating costs before adjusting items* increased 4.9% to £3,771.1m, as we continued to invest for future growth, leading to operating profit before adjusting items* being down 6.0% and an operating margin before adjusting items* down 90bps to 10.0%. Profit before tax and adjusting items* was £923.3m, 5.7% down on the previous period.

There were 3,074 stores at the end of the period, compared to 3,139 at the end of the prior period, an overall reduction of 65 stores.

Premium Sports Fashion

Premium Sports Fashion generated 81.0% of Sports Fashion revenue in FY24. On a 52-week basis*, revenue was £7,971.4m, up 9.8% on the previous period, and sales growth* of 10.6% in constant currency. LFL sales growth* was 4.4% and organic sales growth* was 10.9%. Operating profit before adjusting items* was down 9.4%, partly as a result of this sub-segment bearing the majority of the investment costs for future growth.

UK/ROI – Premium Sports Fashion retail fascias grew revenue by 2.4% to £2,661.0m on a 52-week basis with 2.3% sales growth* in constant currency. LFL sales growth* was 0.5% and organic sales growth* was 2.3%. Operating profit before adjusting items* in Premium Sports Fashion was down 7.9% to £340.4m due partly to the UK elements of our increased investment in our people, our supply chain (including some double running costs in FY24 in new distribution centres) and our systems.

Europe – Premium Sports Fashion Revenue on a 52-week basis* grew 27.0% to £1,759.7m with 25.3% sales growth* in constant currency. LFL sales growth* was 10.5% and organic sales growth* was 25.3%. All major European countries saw strong organic sales growth* with Italy, Portugal and Spain leading the way. The conversion of 19 Conbipel stores in Italy to the JD brand helped to drive the strong sales growth in the period. These conversions are trading well and helped make Italy the fastest growing market for the JD brand in Europe. Operating profit before adjusting items* was £69.3m, down 32.2%, driven both by a reduction in gross margin following the elevated market promotional activity, especially over the peak trading period, and operating costs that rose ahead of revenue growth as we invested in growth. In addition, there were pre-opening costs associated with the acquired Gap and Conbipel stores in France and Italy respectively, and there were also additional supply chain costs (including some double running costs in FY24 in new distribution centres).

North America – Our market-leading proposition and continued sales outperformance in North America is built upon larger and better-invested stores, a broader sales mix and compelling brand partner relationships. Premium Sports Fashion revenue on a 52-week basis* was up 7.9% to £3,069.0m with 9.7% sales growth* in constant currency. LFL sales growth* was 3.9% and organic sales growth* was 9.7%. All our North American fascias – JD/Finish Line, DTLR and Shoe Palace – achieved strong organic sales growth* of at least 7%. North America operating profit before adjusting items* ended the period at £317.1m, down 6.8%, driven by weaker gross margins reflecting the more promotional peak trading season and investment in our future growth.

Asia Pacific – Premium Sports Fashion revenue on a 52-week basis* in Asia Pacific grew by 11.8% to £481.7m with 17.9% sales growth* in constant currency. LFL sales growth* was 12.5% and organic sales growth* was 24.4% with all countries in strong growth. Operating profit before adjusting items* was up 4.0% to £69.2m with strong sales growth* and good cost control offsetting a lower gross margin year-on-year.

Other Fascias

Due primarily to the divestment of non-core fashion businesses in the UK and the closing of the SUR business in the Netherlands, as we simplify and strengthen the Group, revenue on a 52-week basis* in our other fascias was down 18.0% to £1,625.4m with a 19.1% sales decline* in constant currency. LFL sales growth* was 3.6% and organic sales growth* was 4.1%.

Europe, which represents 76% of Other Fascias, achieved revenue growth on a 52-week basis* of 4.8% with sales growth* of 2.0% in constant currency. LFL sales growth* was 3.5% and organic sales growth* was 4.7%, led by Cosmos in Greece with growth of 22.2%.

Operating profit before adjusting items* for Other Fascias was up 0.8% to £136.6m, driven by the disposal of the loss-making SUR business.

Other Businesses

Revenue* on a 52-week basis decreased 22.0% to £248m due to the divestment of non-core businesses such as Topgrade, Source Lab and Focus partially offset by the growth in JD Gyms. In the period, we continued to roll out the JD Gyms fascia, expanding our market-leading, premium low-cost gyms business further across the UK. After opening eight new gyms in the period, including our first in Northern Ireland, the Group operated from 85 sites in the UK. We plan to maintain the momentum of our organic rollout in the future and plan to open a further eight gyms in FY25. The non-core divestments, and the subsequent increased contribution from the profitable JD Gyms, meant operating profit before adjusting items* increased 61.1% to £48.4m.

Outdoor

Revenue* on a 52-week basis was £552.4m, which was 2.1% down on the previous period. LFL sales* were down 2.6%, while organic sales* were down 2.1%.

Trading was impacted in the first half of the year by slower camping sales and in the second half of the year by unseasonably mild weather which affected sales of winter apparel and accessories.

Gross margin was in line with the previous period at 42.4% but the slightly lower sales, combined with additional labour, warehousing and freight costs through the period, led to a small operating loss before adjusting items* of £7.1m.

We acquired the remaining shares in Tiso Group Limited from the founding family, making the business 100% Group owned. To enhance our customer service and efficiency further, we opened a dedicated B2C e-commerce fulfilment centre at Trafford Park, enabling the existing large Distribution Centre in Cheshire to focus solely on store replenishment. We also converted a Blacks store to 'George Fisher' to test a more premium outdoor offer and we have seen encouraging initial trading.

Cashflow Statement

A summary cashflow showing how the change in cash and cash equivalents(1) is calculated, can be seen in the table below.

£m	53 weeks to 3 February 2024 (unaudited)	52 weeks to 28 January 2023 (unaudited)
Profit before tax	**811.2**	**486.7**
Add back impairments of tangible, intangible assets and investments	39.2	137.2
Add back non-cash other adjusting items	69.2	367.5
Depreciation and amortisation of non-current assets	664.1	633.2
Change in working capital	(197.0)	(398.6)
Repayment of lease liabilities	(400.0)	(393.0)
Capital expenditure	(539.7)	(359.3)
Income taxes paid	(208.6)	(174.4)
Other	(22.5)	15.0
Net cashflow before dividends, acquisitions and disposals*	**215.9**	**314.3**
Acquisition of NCI and cash consideration of disposals	(611.0)	(21.6)
Equity dividends paid	(50.1)	(24.8)
Dividends paid to NCI in subsidiaries net of dividends received	(2.1)	0.6
Change in net cash and cash equivalents including foreign exchange losses[1]	**(447.3)**	**268.5**
Cash and cash equivalents(1) at start of the period	**1,548.9**	**1,280.4**
Cash and cash equivalents(1) at end of the period	**1,101.6**	**1,548.9**

[1]Cash and cash equivalents equates to the cash and cash equivalents presented in the Consolidated Statement of Cash Flows, as reconciled in Note 33 of the Consolidated Financial Statements

Profit before tax was £811.2m (2023: £486.7m). The increase of £324.5m on the prior period was due primarily to the reduction in adjusting items of £398.7m, resulting from the impact of movement in the present value of put and call options between periods, the loss on disposal of group companies recorded in the prior period and the reduced level of impairment charges compared to the prior period.

These drivers of increased profit before tax are all non-cash charges and so there are fewer non-cash adjustments for this period compared to the previous period.

Total depreciation and amortisation for 53 weeks was £664.1m, up £30.9m or 4.9%, on the previous period, reflecting our increased investment programme. This included a £19.0m increase in depreciation on property, plant and equipment and a £14.9m increase in depreciation on right-of-use assets. Amortisation of intangibles reduced by £3.0m.

There was an increase in working capital of £197.0m in the period. This was due to an increase in inventory of £196.2m due to stock build ahead of new store openings in the US JD business and slightly elevated levels of inventory following the peak trading season.

Lease liability repayments increased 1.8% to £400.0m, as we continued to improve the quality of our overall portfolio.

Capital expenditure in the period was £539.7m, up £180.4m on the previous period. The increase was driven by the step up in new store openings in support of our strategic plan to increase the number of JD brand fascias around the world by over 1,200 by the end of FY28. Investment in new stores and gyms was £308.5m, or 57% of the total capital investment. The other major areas of investment were in our supply chain (£151.5m). as we developed new distribution centre capacity in the UK and Europe, and in further systems development (£79.7m).

We intend to maintain this level of capital investment in FY25 in line with our strategic plan.

£m	53 weeks to 3 February 2024	52 weeks to 28 January 2023
Investment in physical retail fascias & gyms	£308.5m	£213.4m
Investment in logistics infrastructure	£151.5m	£80.8m
Investment in technology & other	£79.7m	£65.1m
Capital expenditure*	**£539.7m**	**£359.3m**

As a result, net cashflow before dividends, acquisitions and disposals* was £215.9m in the period, compared to £314.3m in the previous period, with the reduction primarily related to the increase in capital expenditure.

Acquisition of NCIs and cash consideration from disposals* was £611.0m, as we bought out the NCIs in ISRG and MIG. In addition, there was a net cash outflow from the continuation of our non-core divestment programme of £54.1m, comprising disposals proceeds of £56.0m and cash transferred on sale of £110.1m. There was also a deferred consideration paid of £5.1m.

Dividend payments more than doubled to £50.1m.

As a result, the change in net cash and cash equivalents in the period was an outflow of £447.3m. Despite this reduction, we retained a strong balance sheet as our closing cash and cash equivalents balance was £1,101.6m.

Acquisitions and Disposals

Our delivered Mergers and Acquisitions strategy in the period was focused on business simplification through acquiring NCIs and divesting of non-core businesses, facilitating the growth of both the JD brand and Complementary Concepts, in line with JD's strategic pillars. We also entered into an agreement to acquire Courir during the period, which would strengthen Complementary Concepts within the Group.

- Iberian Sports Retail Group

We acquired the 49.99% NCI in ISRG in October 2023 from Balaiko Firaja Invest, S.L. and Sonae Holdings, S.A. for a total cash consideration of €500.1m to accelerate the expansion of the JD brand across Iberia and to improve the operating efficiency of the business.

At the time of the acquisition, ISRG operated over 460 stores across the JD, Sprinter, Sport Zone, Aktiesport, Perry Sport and Deporvillage fascias. Under 100% JD ownership, we have continued to deliver against the simplification plans through (i) the bankruptcy of Sports Unlimited Retail B.V ('SUR'), which operated Aktiesport, Perry Sport and Sprinter fascias in the Netherlands, in December 2023, following several years of accumulated losses and financial difficulty and (ii) post the period end, the disposal of ISRG's 50.1% shareholding in Bodytone and purchase of the minority interests in Sport Zone Canarias SL and JD Canary Islands Sports SL, taking full control of our continued development in the territory.

- Marketing Investment Group

Similar to ISRG, we acquired the 40% NCI in MIG to accelerate the expansion of the JD brand across Central and Eastern Europe and to improve the operating efficiency of the business. At 30 December 2023, MIG operated over 400 stores across 13 countries, including 23 JD stores.

- Groupe Courir ('Courir')

Following approval from the Courir employee works council, we entered into a Share Purchase Agreement in June 2023 to acquire Courir, which has over 300 stores across six European countries under the Courir and NAKED fascias. This acquisition remains subject to review by the European Commission and at the period end had not concluded.

In addition to the above, we have also concluded two further acquisitions of NCIs, delivering against our JD First strategic pillar which is at the heart of our five-year growth plan, which include: -

- JD Sports Fashion Germany GmbH (JD Germany). In April 2023, we concluded an acquisition of the 20% NCI in our JD Germany business.
- JD Sports Fashion SDN BHD (JD Malaysia). In August 2023, we concluded an acquisition of the 20% NCI in our JD Malaysia business.

Also, in line with our strategic plan, we have continued to divest non-core businesses. During the period, this included the disposals of various non-core UK fashion brands including Focus (February/March 2023), Hairburst Group (July 2023) and GymNation (November 2023), among others.

Dividend and Capital Allocation Priorities

The Board recognises that the Group is cash generative and is committed to further enhancing returns to shareholders.

In terms of capital allocation, our main priorities are to invest organically in our business to drive our growth strategy, supported by a strategic approach to mergers and acquisitions. These significant investments include our ongoing capital expenditure plans, recent cash outlays such as the NCI buyouts at ISRG and MIG, and future cash outlays such as the proposed Courir and Hibbett acquisitions (see post balance sheet event note below for further details) and then, further out, future costs associated with the potential acquisition of the NCI in North America.

Dividend payments sit alongside maintaining a strong balance sheet and these significant investments that we are making as we execute our strategy.

Consequently, the Board is proposing to increase the total dividend per share for the period to 0.9p (2023: 0.8p). This results in a recommended final dividend per share of 0.6p, reflecting a one-third/two-thirds split between the interim and the final dividend, keeping the payment split in line with the phasing of profit generated in the period.

Consolidated Statement of Financial Position

Total assets were broadly in line with the previous period end at £8,046.2m (2023: £8,110.6m).

In terms of our assets, the main material line-item movements on the balance sheet in the period were property, plant and equipment, which increased £276.3m to £1,151.9m as a result of investment in stores, supply chain, and systems. Inventory increased by £126.3m to £1,592.7m due to stock build ahead of new store openings in the US JD business.

In terms of our liabilities, the main movement was a reduction of £294.9m in our put and call option liabilities to £809.8m as a result of completing the minority interest buyouts in the period of ISRG and MIG, and a £37.5m reduction in the put and call option liability of Genesis TopCo Inc. The reduction in liability on Genesis is driven by revised EBITDA projections for the business reflecting trading in the 53-week period.

Cash and Cash Equivalents and Net cash Before Lease Liabilities*

Cash and cash equivalents were £447.3m lower at £1,101.6m reflecting primarily the acquisition of the NCIs in ISRG and MIG.

Net cash before lease liabilities* reduced by £437.3m, to £1,032.0m, as a result of the lower cash balances. Our interest-bearing loans and borrowings remained low at £129.5m, £16.3m higher than the prior period.

Prior Period Adjustments

A number of prior period adjustments have been identified during the course of the external audit. These non-cash adjustments primarily relate to the treatment of put and call arrangements, IFRS 16 lease accounting, the classification of supplier rebates, foreign currency translation of goodwill and fascia names and the treatment of assets held for sale. For further details see Note 15 of this announcement and Note 39 to the Consolidated Financial Statements. The control findings and recommendations from the external auditor are being incorporated into our on-going programme to significantly improve the effectiveness of our internal controls over financial reporting.

Post-Balance Sheet Events

On 7 March 2024, ISRG disposed of its 50.1% shareholding in Bodytone International Sport SL. The shares were sold back to founder management.

On 8 March 2024, we signed a franchise agreement with Foschini Retail Group (Pty) Limited to open over 40 franchised JD stores in South Africa over the next five years.

On 18 March 2024, JD Gyms acquired the trade and assets of four ‘Simply Gym’ sites from Bay Leisure Limited. The sites will be converted to JD Gyms under a phased conversion programme in the coming months. In the meantime, they will continue to trade under the Simply Gym banner with the support of the existing management team.

On 8 April 2024, JD Spain Sports Fashion 2010 SL acquired the remaining 10% shareholding in JD Canary Islands Sports SL and Sports Division SR, S.A. (Sport Zone Portugal) acquired the remaining 40% shareholding in Sport Zone Canarias (SL).

On 23 April 2024, we announced the proposed acquisition of Hibbett, Inc. (Hibbett) for $1,083m (£878m). Hibbett is located in Birmingham, Alabama and it has 1,169 stores across its Hibbett and City Gear retail fascias. This acquisition is in line with our strategic priorities and it is an important step for our strategic and financial development. Strategically, it will strengthen our Complementary Concepts division, enhancing our North America presence and providing a stronger platform for the future organic growth of the Group in the region. Financially, it accelerates our North America growth plans and will be earnings enhancing in the first full year following acquisition. The proposed acquisition will be funded through a combination of existing US cash resources of $300 million and a $1,000m extension to our existing bank facilities. Before completion, which we anticipate will be in the second half of 2024, the transaction requires Hibbett stockholder approval and US anti-trust clearance.

Store Portfolio

We have continued to invest in growing the JD fascia across our key markets, while also reducing the number of non-JD stores as we simplify the business and pursue our JD Brand First strategy.

In Premium Sports Fashion, we opened 207 new stores, of which 181 were the JD fascia. This excludes internal transfers between fascias. In addition, we opened the following fascias: 11 Shoe Palace; nine Finish Line; three DTLR; two Size and one Livestock. We also closed 86 stores, of which 34 were the JD fascia, including 12 in South Korea where we exited the market completely. Having opened the period with 1,922 stores, of which 1,073 were the JD fascia, we ended the period with 2,047 stores, of which 1,254 were the JD fascia.

In Other Fascias, we opened 37 stores mainly spread across the Cosmos and Sprinter within ISRG and in MIG. We closed 149 stores and disposed of 74 stores. Approximately half of the closures were from SUR, which was put into bankruptcy in early December 2023, while the rest were spread across the ISRG and MIG businesses, as well as Macy's concessions in the US. Early in the period, we disposed of 66 UK stores with the majority coming from the Tessuti fascia as part of the wider disposal of fashion fascias, and we disposed of eight Sea Sports Fashion stores in South Korea as part of our exit from that market.

In Outdoor, we opened five stores but closed 13, with the majority of closures coming from the Blacks fascia. We also converted 12 Blacks stores into the Go Outdoors Express fascia.

In addition, the Group now has 19 JD stores operating under joint venture arrangements with partners in Indonesia and Israel.

After opening eight gyms in the period, the Group now has 85 gyms in its principal UK market.

In terms of our store trading footprint, we added a net 180,000 sq.ft of retail trading space in the period. This constituted 614,000 sq.ft of trading space added in Premium Sports Fashion and 82,000sq.ft of trading space added in Outdoor, less 516,000 sq.ft of trading space removed from Other Fascias. As a result, our overall trading footprint per store grew from 4,010 sq.ft at the start of the period to 4,153 sq.ft at the period end, an increase of 3.6%.

A summary of the store movements in the period is as follows: -

No. of stores		Opening	New stores	Closures	Disposals	Transfers	Closing
Premium Sports Fashion	UK/ROI	444	21	(13)	0	2	454
	Europe	435	84	(9)	0	2	512
	North America	955	88	(51)	0	0	992
	Asia Pacific	88	14	(13)	0	0	89
	Total	**1,922**	**207**	**(86)**	**0**	**4**	**2,047**
Other Fascias	UK/ROI	70	0	0	(66)	(2)	2
	Europe	850	37	(137)	0	(2)	748
	North America	289	0	(12)	0	0	277
	Asia Pacific	8	0	0	(8)	0	0
	Total	**1,217**	**37**	**(149)**	**(74)**	**(4)**	**1,027**
Sports Fashion	**Total**	**3,139**	**244**	**(235)**	**(74)**	**0**	**3,074**
Outdoor		**251**	**5**	**(13)**	**0**	**0**	**243**
Group	**Total**	**3,390**	**249**	**(248)**	**(74)**	**0**	**3,317**

Adjustments to reported financials in the 28 March trading update

Following the completion of the FY24 year-end results process, we have made changes to some of the numbers reported at the time of the 28 March trading update. These can be seen in the table below.

	Old	New
LFL sales	Mix of sales including sales taxes and excluding sales taxes (revenue) Excluded certain businesses All disposals and held-for-sale businesses included	Revenue only All businesses included Only ongoing businesses included
Organic sales	Excluded £55m revenue from multichannel delivery income	Included as this is the ongoing basis for reporting
Gross margin	Excluded revenue from multichannel delivery income in FY24 trading update Marketing rebates were included in marketing expenses	Included, as this was already included in the FY23 comparative Reclassified to cost of sales in current period and prior period results restated

As a result, the changes to the FY24 numbers, as reported on 28 March 2024 are: -

1. LFL sales growth – from 4.2% to 3.8%
2. Organic sales growth – from 8.4% to 9.0%
3. Gross margin - from 47.3% to 48.0%

We have restated all quarterly LFL sales and organic sales for FY24 and this restatement will be available via the FY24 results presentation on the company website.

New Segmentation & Accounting Policy Changes

We announced at our 28 March 2024 trading update that we were introducing a change to our segmental reporting structure from FY25 and an update to our policy on Adjusting Items.

New Segmentation: this new structure aligns the financial reporting with the principles of the strategic review announced in the Group's Capital Markets Event on 2 February 2023. This is the level of information that will be provided to the Chief Operating Decision Maker to enable the business to operate and run the business going forward.

The Group's new operating and reportable segments under IFRS 8 ('Operating Segments') are proposed to be: -

- JD
- Complementary Concepts
- Sporting Goods and Outdoor
- Other

As shown below, the Group has aggregated operating segments with similar economic, brand or customer characteristics into these larger reportable segments. In doing so, the Group has concluded that this aggregation is consistent with the core principles of IFRS 8.

Operating and reportable segment	Operating segment
JD	JD: UK[1] JD: Europe[2] JD: Asia Pacific[3] JD & Finish Line: North America[4] JD Active[5] JD Brand Builders[6]
Complementary Concepts	Community[7] Complementary[8]
Sporting Goods and Outdoor	Sporting goods[9] Outdoor[10]
Other	Other[11]

[1]JD, Size?, Foot Patrol and Hip fascias in the UK. These fascias were all included previously within the Sports Fashion reporting segment with JD, Size? and Foot Patrol aggregated previously as 'Premium: UK & Republic of Ireland' while Hip was included previously as part of 'Other: UK & Republic of Ireland'.

[2]JD, Size? and Foot Patrol fascias in Europe inc. Republic of Ireland which were previously presented as 'Premium: Europe' within Sports Fashion.

[3]JD fascia in the Asia Pacific region which was previously presented as 'Premium: Asia Pacific' within Sports Fashion.

[4]JD, Size? and Finish Line fascias in North America including the Finish Line concessions in the Macy's department stores. These fascias were all included previously within the Sports Fashion reporting segment with JD, Size? and the Finish Line stand alone stores included previously as part of 'Premium: North America' while the Finish Line concessions in the Macy's stores were presented previously as 'Other: North America'.

[5]JD Gyms and Swim! which were included previously as part of 'Other Businesses' within Sports Fashion.

[6]Those non-retail businesses which develop and incubate brands largely for the future benefit of the JD fascia. These businesses, which include 2Squared and A Number of Names, were included previously as part of 'Other Businesses' within Sports Fashion.

[7]DTLR and Shoe Palace fascias in the United States, which have a premium sports brand proposition similar to JD but which are located largely in neighbourhoods at the heart of the community as opposed to malls. These fascias were included previously as part of 'Premium: North America' within Sports Fashion.

[8]Those businesses, including Sizeer in Eastern Europe, which, while they may sell a similar range of brands to JD, have a proposition and overall product offer which is targeted at a different consumer. These businesses are all currently based in Europe and were included previously as part of 'Other: Europe' within Sports Fashion.

[9]Those businesses, including Sprinter in Spain, Sport Zone in Portugal and Cosmos in Greece, whose proposition is more geared towards sports participation as opposed to lifestyle. These businesses are all currently based in Europe and were included previously as part of 'Other: Europe' within Sports Fashion.

[10]The aggregation of the businesses which were presented previously as the Outdoor reportable segment.

[11]Principally, the remaining branded fashion businesses in the UK, including Mainline Menswear, which were included previously as part of 'Other: UK & Republic of Ireland'.

Segmental Performance Summaries

The Group's profit before tax and adjusting items* for the last two financial periods, under this new segmental structure, may be summarised as follows:-

Year to 28 January 2023

Full Year to 28 January 2023

	FY23				
£m/52 weeks	**Total**	JD	Complementary Concepts	Sporting Goods & Outdoor	Other
Revenue	**10,125.0**	**6,802.6**	**1,241.3**	**1,511.4**	**569.7**
Gross profit	**4,877.6**	3,362.3	608.1	665.6	241.5
Gross margin	**48.2%**	**49.4%**	**49.0%**	**44.0%**	**42.4%**
Operating costs before adjusting items*	**(3,817.3)**	(2,541.1)	(465.5)	(592.4)	(218.3)
Operating profit before adjusting items*	**1,060.3**	821.3	142.6	73.2	23.2
Operating margin before adjusting items*	**10.5%**	12.1%	11.5%	4.8%	4.1%
Net financial expense and impairment loss on financial assets before adjusting items*	**(68.9)**	(34.8)	(19.0)	(9.5)	(5.6)
Profit before tax and adjusting items*	**991.4**	**786.5**	**123.6**	**63.7**	**17.6**
Number of stores	**3,390**	1,802	830	690	68

Year to 3 February 2024

52 Weeks to 27 January 2024*

	FY24				
£m/52 weeks to 27 January 2024*	Total	JD	Complementary Concepts	Sporting Goods & Outdoor	Other
Revenue	**10,397.2**	**7,414.7**	**1,321.9**	**1,545.8**	**114.8**
Gross profit	4,986.3	3,622.1	626.1	685.3	52.8
Gross margin	**48.0%**	**48.9%**	**47.4%**	**44.3%**	**46.0%**
Operating costs before adjusting items*	(4,012.4)	(2,902.9)	(481.5)	(639.1)	11.1
Operating profit before adjusting items*	973.9	719.3	144.6	46.2	63.8
Operating margin before adjusting items*	9.4%	9.7%	10.9%	3.0%	55.6%
Net financial expense and impairment loss on financial assets before adjusting items*	(61.5)	(29.6)	(15.8)	(15.6)	(0.5)
Profit before tax and adjusting items*	**912.4**	**689.7**	**128.8**	**30.5**	**63.4**
Number of stores	3,317	1,902	795	619	1

Accounting Policy Change

In line with the majority of large, UK-listed retail companies, we will exclude the non-cash amortisation of acquired intangibles from our profit before tax and adjusting items. This change will be implemented from FY25 and will increase profit before tax and adjusting items* by c.£55m per year.

Consolidated Income Statement
For the 53 weeks ended 3 February 2024

	Note	53 weeks to 3 February 2024 (unaudited)			Restated[1] 52 weeks to 28 January 2023 (unaudited)		
		Profit before adjusting items £m	Adjusting items £m	Profit for the period £m	Profit before adjusting items £m	Adjusting items £m	Profit for the period £m
Revenue	2	**10,542.0**	**–**	**10,542.0**	10,125.0	–	10,125.0
Cost of sales		**(5,494.0)**	**–**	**(5,494.0)**	(5,247.4)	–	(5,247.4)
Gross profit		**5,048.0**	**–**	**5,048.0**	4,877.6	–	4,877.6
Selling and distribution expenses		**(3,622.7)**	**–**	**(3,622.7)**	(3,353.5)	–	(3,353.5)
Administrative expenses	3	**(483.5)**	**(52.7)**	**(536.2)**	(497.3)	(254.3)	(751.6)
Share of profit of equity-accounted investees		**7.6**	**–**	**7.6**	4.9	–	4.9
Other operating income		**30.5**	**–**	**30.5**	28.6	–	28.6
Operating profit		**979.9**	**(52.7)**	**927.2**	1,060.3	(254.3)	806.0
Finance income		**39.2**	**–**	**39.2**	8.4	–	8.4
Finance expenses	3	**(101.9)**	**5.5**	**(96.4)**	(77.3)	(250.4)	(327.7)
Impairment loss on financial assets	3	**–**	**(58.8)**	**(58.8)**	–	–	–
Net financial expense		**(62.7)**	**(53.3)**	**(116.0)**	(68.9)	(250.4)	(319.3)
Profit before tax		**917.2**	**(106.0)**	**811.2**	991.4	(504.7)	486.7
Income tax expense	4	**(224.6)**	**18.4**	**(206.2)**	(216.6)	2.4	(214.2)
Profit for the period		**692.6**	**(87.6)**	**605.0**	774.8	(502.3)	272.5
Attributable to equity holders of the parent				**538.8**			188.3
Attributable to non-controlling interest				**66.2**			84.2
Basic earnings per ordinary share	5			**10.45p**			3.65p
Diluted earnings per ordinary share				**10.45p**			3.65p

(1) Please refer to Note 15 for further details of the restatements.

Consolidated Statement of Comprehensive Income
For the 53 weeks ended 3 February 2024

	53 weeks to 3 February 2024 (unaudited) £m	Restated[1] 52 weeks to 28 January 2023 (unaudited) £m
Profit for the period	**605.0**	272.5
Other comprehensive income:		
Items that may be classified subsequently to the Consolidated Income Statement:		
Exchange differences on translation of foreign operations	**(31.0)**	129.9
Total other comprehensive (expense)/income for the period	**(31.0)**	129.9
Total comprehensive income for the period (net of income tax)	**574.0**	402.4
Attributable to equity holders of the parent	**512.8**	284.2
Attributable to non-controlling interest	**61.2**	118.2

(1) Please refer to Note 15 for further details of the restatements.

The accompanying notes form part of the announcement.

Consolidated Statement of Financial Position
As at 3 February 2024

	Note	**As at 3 February 2024 (unaudited) £m**	Restated[(1)] As at 28 January 2023 (unaudited) £m	Restated[(1)] As at 30 January 2022 (unaudited) £m
Non-current assets				
Intangible assets		**1,429.3**	1,500.5	1,514.7
Property, plant and equipment		**1,151.9**	875.6	688.5
Investment properties		**3.1**	–	–
Right-of-use assets		**2,296.6**	2,181.8	2,075.9
Investments in associates and joint ventures		**43.5**	38.8	56.2
Other assets		**54.3**	56.9	57.0
Trade and other receivables		**0.7**	8.4	2.5
Deferred tax assets	4	**23.8**	12.9	81.7
Total non-current assets		**5,003.2**	4,674.9	4,476.5
Current assets				
Inventories		**1,592.7**	1,466.4	989.4
Trade and other receivables		**253.0**	263.8	215.4
Income tax receivables		**10.8**	–	0.6
Cash and cash equivalents		**1,152.7**	1,508.0	1,314.0
Current assets excluding held-for-sale		**3,009.2**	3,238.2	2,519.4
Assets held-for-sale	12	**33.8**	197.5	157.1
Total current assets		**3,043.0**	3,435.7	2,676.5
Total assets		**8,046.2**	8,110.6	7,153.0
Current liabilities				
Interest-bearing loans and borrowings		**(92.9)**	(75.2)	(72.6)
Lease liabilities		**(415.9)**	(430.1)	(384.6)
Trade and other payables		**(1,446.1)**	(1,471.2)	(1,279.5)
Put and call option liabilities	8	**–**	(184.4)	(97.1)
Provisions		**(7.5)**	(9.7)	(13.2)
Income tax liabilities		**(25.9)**	(17.5)	–
Current liabilities excluding held-for-sale		**(1,988.3)**	(2,188.1)	(1,847.0)
Liabilities held-for-sale	12	**(8.2)**	(165.6)	(142.6)
Total current liabilities		**(1,996.5)**	(2,353.7)	(1,989.6)
Non-current liabilities				
Interest-bearing loans and borrowings		**(36.6)**	(38.0)	(55.5)
Lease liabilities		**(2,068.1)**	(1,953.9)	(1,901.6)
Other payables		**(155.4)**	(102.4)	(10.6)
Put and call option liabilities	8	**(809.8)**	(920.3)	(762.0)
Provisions		**(21.7)**	(21.1)	(19.9)
Deferred tax liabilities	4	**(89.7)**	(90.2)	(127.4)
Total non-current liabilities		**(3,181.3)**	(3,125.9)	(2,877.0)
Total liabilities		**(5,177.8)**	(5,479.6)	(4,866.6)
Net assets		**2,868.4**	2,631.0	2,286.4
Capital and reserves				
Issued ordinary share capital		**2.5**	2.5	2.5
Share premium		**467.5**	467.5	467.5
Retained earnings		**2,213.8**	1,974.6	1,828.0
Share based payment reserve		**2.9**	0.3	0.1
Foreign currency translation reserve		**70.8**	96.8	1.0
Put and call option reserve		**(301.3)**	(424.6)	(426.3)
Total equity attributable to equity holders of the parent		**2,456.2**	2,117.1	1,872.8
Non-controlling interest		**412.2**	513.9	413.6
Total equity		**2,868.4**	2,631.0	2,286.4

(1) Please refer to Note 15 for further details of the restatements.

The accompanying notes form part of the announcement.

Consolidated Statement of Changes in Equity
For the 53 weeks ended 3 February 2024

	Ordinary share capital £m	Share premium £m	Retained earnings £m	Put and call option reserve £m	Share-based payment reserve £m	Foreign currency translation reserve £m	**Total equity attributable to equity holders of the parent (unaudited) £m**	Non-controlling interest £m	**Total equity (unaudited) £m**
Balance at 30 January 2022 (as reported)	**2.5**	**467.5**	**1,910.6**	**(414.5)**	**0.1**	**(40.2)**	**1,926.0**	**413.6**	**2,339.6**
Effect of prior period restatement (Note 15)	–	–	(82.6)	(11.8)	–	41.2	**(53.2)**	–	**(53.2)**
Balance at 30 January 2022 (restated[(1)])	**2.5**	**467.5**	**1,828.0**	**(426.3)**	**0.1**	**1.0**	**1,872.8**	**413.6**	**2,286.4**
Profit for the period (as reported)	–	–	142.5	–	–	–	**142.5**	84.2	**226.7**
Prior period restatement (Note 15)	–	–	45.8	–	–	–	**45.8**	–	**45.8**
Profit for the period (restated[(1)])	–	–	188.3	–	–	–	**188.3**	84.2	**272.5**
Other comprehensive income:									
Exchange differences on translation of foreign operations	–	–	–	–	–	95.8	**95.8**	34.0	**129.8**
Total other comprehensive income	–	–	–	–	–	95.8	**95.8**	34.0	**129.8**
Total comprehensive income for the period	–	–	188.3	–	–	95.8	**284.1**	118.2	**402.3**
Dividends to equity holders	–	–	(24.8)	–	–	–	**(24.8)**	(2.8)	**(27.6)**
Put and call options held with non-controlling interests	–	–	–	(19.1)	–	–	**(19.1)**	–	**(19.1)**
Put and call options held with non-controlling interests (restated[(1)])	–	–	–	5.1	–	–	**5.1**	–	**5.1**
Lapsed and disposed put options held by non- controlling interests	–	–	–	15.7	–	–	**15.7**	–	**15.7**
Acquisition of non-controlling interest	–	–	(16.9)	–	–	–	**(16.9)**	(16.4)	**(33.3)**
Divestment of non-controlling interest	–	–	–	–	–	–	**–**	(0.3)	**(0.3)**
Non-controlling interest arising on acquisition	–	–	–	–	–	–	**–**	1.6	**1.6**
Share-based payment charge	–	–	–	–	0.2	–	**0.2**	–	**0.2**
Balance at 28 January 2023 (restated[(1)])	**2.5**	**467.5**	**1,974.6**	**(424.6)**	**0.3**	**96.8**	**2,117.1**	**513.9**	**2,631.0**
Profit for the period	–	–	538.8	–	–	–	**538.8**	66.2	**605.0**
Other comprehensive income:									
Exchange differences on translation of foreign operations	–	–	–	–	–	(26.0)	**(26.0)**	(5.0)	**(31.0)**
Total other comprehensive (loss)	–	–	–	–	–	(26.0)	**(26.0)**	(5.0)	**(31.0)**
Total comprehensive income for the period	–	–	538.8	–	–	(26.0)	**512.8**	61.2	**574.0**
Dividends to equity holders (Note 9)	–	–	(50.1)	–	–	–	**(50.1)**	(2.1)	**(52.2)**
Additions to put and call options held with non-controlling interests (Note 8)	–	–	–	(428.8)	–	–	**(428.8)**	–	**(428.8)**
Lapsed and disposed put options held by non-controlling interests (Note 8)	–	–	129.7	72.0	–	–	**201.7**	–	**201.7**
Acquisition of non-controlling interest (Note 6)	–	–	(379.2)	480.1	–	–	**100.9**	(149.4)	**(48.5)**
Divestment of non-controlling interest	–	–	–	–	–	–	**–**	(11.4)	**(11.4)**
Share-based payment charge	–	–	–	–	2.6	–	**2.6**	–	**2.6**
Balance at 3 February 2024	**2.5**	**467.5**	**2,213.8**	**(301.3)**	**2.9**	**70.8**	**2,456.2**	**412.2**	**2,868.4**

(1) Please refer to Note 15 for further details of the restatements.

Consolidated Statement of Cash Flows
For the 53 weeks ended 3 February 2024

	Note	53 weeks to 3 February 2024 (unaudited) £m	Restated[1] 52 weeks to 28 January 2023 (unaudited) £m
Cash flows from operating activities			
Profit for the period		**605.0**	272.5
Adjustments for:			
Income tax expense (non-adjusting)	4	**206.2**	214.2
Finance expenses (non-adjusting)		**101.9**	77.3
Finance expenses (adjusting)		**(5.5)**	–
Finance income		**(39.2)**	(8.4)
Depreciation and amortisation of non-current assets		**664.1**	633.2
Foreign exchange gains on monetary assets and liabilities		**–**	2.5
Share based payment charge		**2.6**	–
Loss on disposal of non-current assets		**7.6**	5.1
Gain/loss on FX forward contracts (recorded in Cost of sales)		**(16.7)**	32.2
Impairment of other intangibles and non-current assets (non-adjusting)		**21.6**	3.4
Impairment of goodwill and fascia names (adjusting)		**34.9**	117.6
Impairment of investments in associates and joint ventures (adjusting)		**–**	19.6
Impairment of other intangibles and non-current assets (adjusting)		**4.3**	6.0
Other non-cash adjusting items		**69.2**	361.5
Share of profit of equity-accounted investees (net of tax)		**(7.6)**	(4.9)
Profit before working capital changes		**1,648.4**	1,731.8
Increase in inventories		**(196.2)**	(501.3)
Increase in trade and other receivables		**(35.6)**	(49.0)
Increase in trade and other payables		**34.7**	151.7
Cash generated from operations		**1,451.3**	1,333.2
Interest paid		**(17.5)**	(8.4)
Lease interest paid		**(84.4)**	(68.9)
Income taxes paid		**(208.6)**	(174.4)
Net cash from operating activities		**1,140.8**	1,081.5
Cash flows from investing activities			
Interest received		**39.2**	8.4
Proceeds from sale of non-current assets		**11.1**	11.5
Acquisition of intangible assets		**(29.5)**	(19.9)
Acquisition of property, plant and equipment		**(500.0)**	(326.6)
Acquisition of other non-current assets		**(10.2)**	(12.8)
Drawdown of lease liabilities		**–**	7.5
Dividends received from equity-accounted investees		**–**	3.4
Cash consideration of disposals (net of cash disposed)	7	**(54.1)**	59.6
Investment in associates and joint ventures		**–**	(2.8)
Acquisition of subsidiaries (net of cash acquired)	6	**–**	(20.0)
Net cash used in investing activities		**(543.5)**	(291.7)
Cash flows from financing activities			
Repayment of interest-bearing loans and borrowings		**(124.9)**	(37.4)
Drawdown of interest-bearing loans and borrowings		**119.1**	15.5
Repayment of lease liabilities	10	**(400.0)**	(400.5)
Divestment of non-controlling interests		**–**	0.1
Deferred consideration paid		**(5.1)**	(29.2)
Acquisition of non-controlling interests	6	**(551.8)**	(29.3)
Equity dividends paid	9	**(50.1)**	(24.8)
Dividends paid to non-controlling interests in subsidiaries		**(2.1)**	(2.8)
Net cash used in financing activities		**(1,014.9)**	(508.4)
Net (decrease)/increase in cash and cash equivalents	10	**(417.6)**	281.4
Cash and cash equivalents at the beginning of the period[2]	10	**1,548.9**	1,280.4
Foreign exchange losses on cash and cash equivalents	10	**(29.7)**	(12.9)
Cash and cash equivalents at the end of the period[2]	10	**1,101.6**	1,548.9

(1) Please refer to Note 15 for further details of the restatements.
(2) Cash and cash equivalents at the end of the period ended 28 January 2023 includes £74.5m within assets held-for-sale (see Note 10 and Note 12). Cash and cash equivalents at 3 February 2024 includes £8.8m within assets held-for-sale (see Note 10 and Note 12).

The accompanying notes form part of the announcement.

1. Basis of Preparation

General Information

JD Sports Fashion Plc (the 'Company') is a Company incorporated in the United Kingdom and registered in England and Wales. The financial statements for the 53 week period ended 3 February 2024 represent those of the Company and its subsidiaries (together referred to as the 'Group'). The financial statements will be approved for issue by the Board of Directors in due course.

Basis of Preparation

While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs.

This announcement was approved by the Board of Directors on 30 May 2024. The financial information in this announcement does not constitute the Group's statutory accounts for the periods ended 3 February 2024 or 28 January 2023. Statutory accounts for 28 January 2023 have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The audit of the statutory accounts for the period ended 3 February 2024 is not yet complete. These accounts will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the Registrar of Companies following the company's annual general meeting. The audited Consolidated Financial Statements from which the 2023 results are extracted have been prepared under the historical cost convention in accordance with IFRS (International Financial Reporting Standards), as adopted by those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The standards used are those published by the International Accounting Standards Board (IASB) and effective at the time of preparing these financial statements (May 2024).

The Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements of the Group.

Going Concern

The Directors have prepared the Group and the Company financial statements on a going concern basis for the following reasons:

At 3 February 2024, the Group had net cash balances of £1,101.6m (28 January 2023 (restated): £1,548.9m) with available committed UK borrowing facilities of £700m (28 January 2023: £700m) of which £Nil (28 January 2023: £Nil) has been drawn down and is available up to 6 November 2026 and US facilities of approximately $300m of which $13.0m was drawn down (28 January 2023: $Nil) and is available up until 24 September 2026.

These facilities are subject to certain covenants, please refer to the Annual Report and Accounts. The Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

On 23 April 2024, the Group entered into a binding agreement to acquire 100% of the outstanding share capital of Hibbett, Inc., a company listed on the Nasdaq Stock Market, for a price of $87.50 per share in cash, implying an equity value of $1,083m (c. £878m) and an enterprise value of $1,109m (£899m). There has been no material change in the extent of cash and facilities available since the period end.

The Group expects to fund the total consideration payable, and refinance Hibbett, Inc.'s existing debt, through a combination of existing US cash resources of $300m and a $1,000m extension to the Group's existing bank facilities which has been committed. This acquisition remains subject to antitrust review by the relevant US authorities.

Within the period, the Group announced the proposed acquisition of 100% of the issued share capital of Groupe Courir S.A.S ('Courir') for an enterprise value of €520m, which will be funded through a combination of the Group's existing cash reserves and an agreed extension to the Group's existing bank facilities. This acquisition remains subject to review by the European Commission.

These acquisitions have been considered as part of the going concern review.

The Directors have prepared cash flow forecasts for the Group covering a period of at least 12 months from the date of approval of the Group and Company financial statements, including specific consideration of a range of impacts that could arise from geo-political tensions and the actual and potential impact of inflationary cost pressures. These forecasts indicate that the Group and Company will be able to operate within the level of its agreed facilities and covenant compliance.

The Directors have considered that a combination of severe but plausible scenarios all occurring at the same time would be required for the Group to run out of cash and be fully drawn down on the available facilities/to breach a covenant before consideration of mitigating actions. This is not considered to be a plausible scenario, as the combination of all scenarios simultaneously is considered to be exceptionally remote.

The Directors have considered all of the factors noted above and are confident that the Group has adequate resources to continue to meet all liabilities as and when they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

1. Basis of Preparation (continued)

Alternative Performance Measures

The Directors measure the performance of the Group based on a range of financial measures, including measures not recognised by International Accounting Standards ('IAS') in conformity with the requirements of the Companies Act 2006. These Alternative Performance Measures may not be directly comparable with other companies' Alternative Performance Measures and the Directors do not intend these to be a substitute for, or superior to, IFRS measures. The Directors believe that these Alternative Performance Measures assist in providing additional useful information on the trading performance of the Group.

For the financial period ended 3 February 2024, the Group has updated the presentation of the Consolidated Income Statement to a three-column format to show adjusting items against the relevant income statement line item. The term 'adjusting items' as opposed to 'adjusted items' that was used in the prior period has been updated as has the definition of adjusting items to include the impairment of loan receivables. These updates are intended to provide enhanced disclosure and greater clarity over what is classified as an adjusting item and, by being more specific in terms of defining the adjusting items, results in the provision of more relevant information with greater comparability between financial periods.

Alternative Performance Measures are also used to enhance the comparability of information between reporting periods, by accounting for adjusting items. Adjusting items are disclosed separately when they are considered unusual in nature and not reflective of the trading performance and profitability of the Group. The separate reporting of adjusting items, which are presented as adjusting within the relevant category in the Consolidated Income Statement, helps provide an indication of the Group's trading performance. An explanation as to why items have been classified as adjusting is given in Note 3. Further information can be found in the Alternative Performance Measures section on pages 56 to 62.

Adoption of New and Revised Standards

The following amendments became effective for the period ended 3 February 2024. These have no significant impact on the consolidated results or financial position.

- Amendments to IFRS 17 – Insurance Contracts (effective from 1 January 2023).
- Amendments to IAS 1 – Disclosure of Accounting Policies (effective from 1 January 2023).
- Amendments to IAS 8 – Definition of Accounting Policies (effective from 1 January 2023).
- Amendments to IAS 12 – Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1 January 2023).
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules (effective from 1 January 2023).

The following amendments are in issue but have yet to become effective. These are not expected to have a significant impact on the consolidated results or financial position.

- Amendments to IFRS 10 – Lease Liability in a Sale and Leaseback (effective from 1 January 2024).
- Amendments to IAS 1 – Non-Current Liabilities with Covenants (effective from 1 January 2024).
- Amendments to IFRS 7 and IAS 7 – Supplier Finance Arrangements (effective from 1 January 2024).
- Amendments to IAS 21 – Lack of Exchangeability (effective from 1 January 2025).

IAS 12 Income Taxes

The Group has adopted the amendments to IAS 12 which apply to income taxes arising from tax law enacted, or substantively enacted, to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ('OECD').

The amendments include a mandatory temporary exemption of the accounting requirement for deferred taxes under IAS 12, such that an entity neither recognises nor discloses information regarding deferred tax assets and liabilities in respect of Pillar Two. The Group has adopted this exemption.

Other

The Group continues to monitor the potential impact of other new standards and interpretations which may be endorsed and require adoption by the Group in future reporting periods. The Group does not consider that any other standards, amendments or interpretations issued by the IASB, but not yet applicable, will have a significant impact on the financial statements.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements and estimates about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Critical Accounting Judgements

The following are critical judgements, apart from those involving estimations (which are presented separately below), that management have made in the process of applying the Group's accounting policies and that have the most effect on the amounts recognised in the consolidated Group financial statements.

Adjusting Items

Management exercises significant judgement in assessing whether items should be classified as adjusting items. This assessment covers the nature of the item, cause of occurrence and/or scale of impact of that item on the reported performance. In determining whether an item should be presented as adjusting the Group considers items which are significant because of either their size or their nature which management believes would distort an understanding of earnings if not separately presented.

An explanation as to why items have been classified as adjusting is given in Note 3. Further information about metrics that the Group utilises which exclude adjusting items can be found in the Alternative Performance Measures section on pages 56 to 62.

1. Basis of Preparation (continued)

Key Sources of Estimation Uncertainty

The key assumptions about the future, and other key sources of estimation uncertainty at the reporting period end, that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Genesis Put and Call Option

Genesis Put and Call Option agreements that allow the Group's equity partners to require the Group to purchase a non-controlling interest are recorded in the Consolidated Balance Sheet initially at the present value of the redemption amount, in accordance with IAS 32 Financial Instruments: Presentation. On initial recognition, the corresponding amount is recognised against the put and call option reserve. Changes in the measurement of the financial liability due to the unwinding of the discount or changes in the amount that the Group could be required to pay are recognised in the Consolidated Income Statement. If the contract expires without delivery, the carrying amount of the financial liability is reclassified to equity, otherwise the financial liability is derecognised for the amount settled.

The key significant option outstanding as at 3 February 2024 relates to the Group's US sub-group, Genesis. The Genesis put and call liability at 3 February 2024 was £763.5m (2023 (restated): £782.9m).

The Group uses a third-party valuation expert to independently determine the present value of the exercise price of the Genesis put and call options. The approach uses a Monte-Carlo simulation model applying a geometric Brownian motion to project the share price and an arithmetic Brownian motion for the projection of EBITDA forecasts. See Note 8 for the full accounting policy.

The critical estimate used for the calculation used to value the put and call option liability is the EBITDA forecasts and growth assumptions for future period used. Further information about the sensitivities used can be found in Note 8.

Accounting Policies

Supplier Rebates

Supplier rebates include promotion cost contributions and marketing initiative support and are recognised in the Consolidated Financial Statements when they are contractually agreed with the supplier and can be reliably measured. Such rebates typically relate to the launch of such initiatives and therefore rebate income is typically recognised across the period in which launch costs are recognised.

Contributions towards store fixtures are recognised as a credit within the Consolidated Income Statement within the period in which they are received. Other rebates are agreed with suppliers retrospectively once specific targets have been achieved and recognised after the end of the relevant supplier's financial year.

Future Changes in Accounting Policies

Segmental Analysis

As announced in the Group's FY24 Trading Update on 28 March 2024, with effect from the 52 week period ending 1 February 2025, new segmentation will be used for reporting, initially at the Q2 trading update in August 2024 and then for the interim results for the 26 week period ending 3 August 2024.

Adjusting items

In line with the majority of large, UK-listed retail companies, with effect from the 52 week period ending 1 February 2025 the Group will extend its definition of adjusting Items to include amortisation of acquired intangibles.

2. Segmental Analysis

Information regarding the Group's reportable segments for the 53 weeks to 3 February 2024 is shown below:

Income statement	Sports Fashion £m	Outdoor £m	Unallocated £m	**Total (unaudited) £m**
Gross revenue	9,982.4	559.6	–	**10,542.0**
Inter-segment revenue	(0.3)	0.3	–	**–**
Revenue	9,982.1	559.9	–	**10,542.0**
Gross profit %	48.4%	42.3%	–	**47.9%**
Operating profit/(loss) before adjusting items	987.2	(7.3)	–	**979.9**
Adjusting items	(42.9)	(9.8)	–	**(52.7)**
Operating profit/(loss)	944.3	(17.1)	–	**927.2**
Finance income	–	–	39.2	**39.2**
Impairment loss on financial assets	(58.8)	–	–	**(58.8)**
Finance expenses	(96.4)	–	–	**(96.4)**
Profit/(loss) before tax	789.1	(17.1)	39.2	**811.2**
Income tax expense	(206.1)	(0.1)	–	**(206.2)**
Profit/(loss) for the period	583.0	(17.2)	39.2	**605.0**

Total assets and liabilities	Sports Fashion £m	Outdoor £m	Eliminations £m	**Total (unaudited) £m**
Total assets	7,815.1	385.0	(153.9)	**8,046.2**
Total liabilities	(4,986.3)	(345.4)	153.9	**(5,177.8)**
Total segment net assets	2,828.8	39.6	–	**2,868.4**

Other segment information	Sports Fashion £m	Outdoor £m	**Total (unaudited) £m**
Capital expenditure:			
Intangible assets (software development)	29.5	–	**29.5**
Intangible assets (brand licences)	73.0	–	**73.0**
Property, plant and equipment	518.9	10.9	**529.8**
Right-of-use assets	582.8	10.0	**592.8**
Other non-current assets	10.2	–	**10.2**
Depreciation, amortisation and impairments:			
Amortisation of intangible assets	68.3	4.7	**73.0**
Depreciation of property, plant and equipment	168.8	9.0	**177.8**
Depreciation and amortisation of right-of-use assets	391.3	22.0	**413.3**
Impairment of non-current assets (adjusting items)	26.4	9.8	**36.2**
Impairment of non-current assets (non-adjusting items)	15.1	–	**15.1**

2. Segmental Analysis (continued)

The comparative segmental results for the 52 weeks to 28 January 2023 are shown below:

Income statement	Sports Fashion £m	Outdoor £m	Unallocated £m	Restated[(1)] Total (unaudited) £m
Gross revenue	9,560.9	564.1	–	**10,125.0**
Inter-segment revenue	(0.3)	0.3	–	**–**
Revenue	9,560.6	564.4	–	**10,125.0**
Gross profit %	48.5%	43.0%		**48.2%**
Operating profit before adjusting items	1,043.9	16.4	–	**1,060.3**
Adjusting items	(214.5)	(39.8)	–	**(254.3)**
Operating profit/(loss)	829.4	(23.4)	–	**806.0**
Finance income	–	–	8.4	**8.4**
Finance expenses	(327.7)	–	–	**(327.7)**
Profit/(loss) before tax	501.7	(23.4)	8.4	**486.7**
Income tax expense	(208.9)	(5.3)	–	**(214.2)**
Profit/(loss) for the period	292.8	(28.7)	8.4	**272.5**

Total assets and liabilities	Sports Fashion £m	Outdoor £m	Eliminations £m	Restated[(1)] Total (unaudited) £m
Total assets	7,842.1	462.1	(193.6)	**8,110.6**
Total liabilities	(5,273.5)	(399.7)	193.6	**(5,479.6)**
Total segment net assets	2,568.6	62.4	–	**2,631.0**

Other segment information	Sports Fashion £m	Outdoor £m	Restated[(1)] Total (unaudited) £m
Capital expenditure:			
Intangible assets (software development)	19.9	–	**19.9**
Intangible assets (brand licences)	78.4	–	**78.4**
Property, plant and equipment	305.6	21.0	**326.6**
Right-of-use assets	374.3	35.6	**409.9**
Other non-current assets	12.8	–	**12.8**
Depreciation, amortisation and impairments:			
Amortisation of intangible assets	71.6	4.4	**76.0**
Depreciation of property, plant and equipment	154.1	7.9	**162.0**
Depreciation of right-of-use assets	372.2	23.0	**395.2**
Impairment of non-current assets (adjusting items)	83.8	39.8	**123.6**
Impairment of investment in associates and joint ventures (adjusting items)	19.6	–	**19.6**
Impairment of non-current assets (non-adjusting items)	3.4	–	**3.4**

(1) Please refer to Note 15 for further details of the restatement.

2. **Segmental Analysis** (continued)

Geographical Information

The Group's operations are located in the UK, Andorra, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Israel, Italy, Latvia, Lithuania, Malaysia, the Netherlands, New Zealand, Poland, Portugal, the Republic of Ireland ('ROI'), Romania, Serbia, Singapore, Slovakia, Slovenia, South Korea, Spain and the Canary Islands, Sweden, Thailand, the UAE and the US.

The following table provides analysis of the Group's revenue by geographical market, irrespective of the origin of the goods/services:

Revenue	**53 weeks to 3 February 2024 (unaudited) £m**	52 weeks to 28 January 2023 (unaudited) £m
UK & ROI	**3,510.2**	3,826.7
Europe	**3,093.5**	2,659.9
North America	**3,413.5**	3,150.1
Rest of world	**524.8**	488.3
	10,542.0	10,125.0

The revenue from any individual country, with the exception of the UK, US and Spain, is not more than 10% of the Group's total revenue.

Revenue by channel

Revenue	**53 weeks to 3 February 2024 (unaudited) £m**	Restated(1) 52 weeks to 28 January 2023 **(unaudited)** £m
Retail stores	**7,956.6**	7,306.5
Online	**2,350.3**	2,543.3
Other(2)	**235.1**	275.2
	10,542.0	10,125.0

(1) Some amounts disclosed in the analysis above have been reclassified during the current and previous period to be consistent with the commercial analysis presented in the Alternative Performance Measures (see page 60). These reclassifications have no effect on the overall reported results.
(2) Other relates to revenue from leisure club memberships, wholesale and commission sales.

Revenue by product type

Revenue	**53 weeks to 3 February 2024 (unaudited) £m**	52 weeks to 28 January 2023 (unaudited) £m
Footwear	**5,920.4**	5,471.4
Apparel	**3,408.4**	3,560.6
Accessories	**669.5**	629.6
Other(3)	**543.7**	463.4
	10,542.0	10,125.0

(3) Other relates to revenue from sales of outdoor living equipment, delivery income and revenue from leisure club memberships.

The following is an analysis of the carrying amount of segmental non-current assets by the geographical area in which the assets are located.

Non-current assets	**53 weeks to 3 February 2024 (unaudited) £m**	Restated(4) 52 weeks to 28 January 2023 (unaudited) £m	Restated(4) 52 weeks to 30 January 2022 (unaudited) £m
UK & ROI	**1,254.1**	1,239.6	1,252.5
Europe	**1,702.5**	1,472.8	1,378.2
North America	**1,901.7**	1,800.6	1,682.5
Rest of world	**144.9**	161.9	163.3
	5,003.2	4,674.9	4,476.5

(4) Please refer to Note 15 for further details of the restatement.

3. Adjusting Items

For the financial period ended 3 February 2024, the Group has updated the presentation of the Consolidated Income Statement to a three-column format to show adjusting items against the relevant income statement line item. The term 'adjusting items', as opposed to 'adjusted items' that was used in the prior financial period, has been updated as has the definition of adjusting items to include the impairment of loan receivables not recoverable. These updates are intended to provide enhanced disclosure and greater clarity over what is classified as an adjusting item and, by being more specific in terms of defining the adjusting items, result in the provision of more relevant information with greater comparability between financial periods.

The Group exercises judgement in assessing whether items should be classified as adjusting items. This assessment covers the nature of the item, cause of occurrence and scale of impact of that item on the reported performance. In determining whether items should be presented as adjusting items, the Group considers items that are significant because of either their size or their nature which management believe would distort an understanding of earnings if not adjusted. In order for an item to be presented as an adjusting item, it should typically meet at least one of the following criteria:

- Impairments of tangible and intangible assets, investments and loan receivables not recoverable
- Unusual in nature or outside the normal course of business (for example, the non-cash movement in the present value of put and call options)
- Items directly incurred as a result of either an acquisition or a divestment, or arising from a major business change or restructuring programme.

The separate reporting of items, which are presented as adjusting items within the relevant category in the Consolidated Income Statement, helps provide an indication of the Group's trading performance in the normal course of business. The tax impact of these adjusting items is a tax credit of £18.4m (2023: £2.4m) as shown in Note 5 and on the face of the Consolidated Income Statement.

	Note	**53 weeks to 3 February 2024 (unaudited) £m**	Restated[1] 52 weeks to 28 January 2023 (unaudited) £m
Impairments of tangible and intangible assets and investments:			
Impairments of tangible and intangible assets and investments[2]		**39.2**	137.2
Items as a result of acquisitions, divestments, major business changes or restructuring:			
Divestment and restructuring[3]		**38.3**	129.6
Gain arising on deconsolidation[4]		**(36.1)**	–
Acquisition-related costs[5]		**10.8**	–
Deferred consideration charge/(release)[6]		**0.5**	(12.5)
Administrative expenses - Adjusting items		**52.7**	254.3
Items that are unusual in nature or outside the normal course of business:			
Movement in present value of put and call options	8	**(5.5)**	250.4
Finance expenses - Adjusting items		**(5.5)**	250.4
Impairments of loan receivables not recoverable[7]		**58.8**	–
Impairment loss on financial assets - Adjusting items		**58.8**	–
Adjusting items		**106.0**	504.7

(1) Please refer to Note 15 for further details of the restatement.
(2) The impairment of tangible and intangible assets and investments in the current period relates to the impairment of goodwill (£12.2m), fascia name (£3.4m), right-of-use assets (£2.5m), and property, plant and equipment (£1.8m) arising on the acquisition of Total Swimming Holdings Limited. The charge also includes goodwill impairment prior to the divestment of GymNation (£7.9m), the impairment of the Go Outdoors fascia (£9.8m) and impairment of the goodwill and fascia names on three non-core businesses (£1.6m). The impairment in the prior period primarily related to the goodwill and fascia name arising on the acquisition of Deporvillage (£24.7m), Hairburst (£21.6m), Leisure Lakes (£21.1m), Wheelbase (£18.7m), Bodytone (£12.4m), Missy Empire (£10.2m), Livestock (£7.1m), Wellgosh (£1.0m), Oi Polloi (£0.7m) and Philip Browne (£0.1m). In addition there was an impairment charge for the investment in Gym King of £19.6m.
(3) During the current period, £31.4m of divestment costs (2023: £121.5m) and £6.9m of restructuring charges (2023: £8.1m) were incurred.
(4) A net gain of £36.1m arose following the deconsolidation of Sports Unlimited Retail ('SUR') after the entity entered bankruptcy on 6 December 2023. From this point onwards the entity was no longer under the control of JD Sports Fashion Plc and was deconsolidated (see footnote (8) and Note 7 for further information).
(5) Acquisition-related costs of £10.8m are in respect of the Groupe Courir acquisition which remains subject to review by the European Commission and hence as at the date of this report, has not been concluded.
(6) In the current period, the £0.5m is related to acquisition-related deferred consideration. In the prior period, this related to acquisition-related release of contingent consideration for Leisure Lakes (£10.5m) and Total Swimming Holdings Limited (£2.0m).
(7) A £57.9 million impairment loss arose on the loan owed by Sports Unlimited Retail to Iberian Sports Retail Group and Sprinter Megacentros del Deporte SLU, at the time the entity entered bankruptcy (see footnote (4)). The remaining £0.9 million relates to other impairments.

4. Tax Expense

The total tax charge included in the Consolidated Income Statement consists of current and deferred tax.

Current Income Tax

Current tax is the expected tax payable on taxable income for the financial period, using the applicable enacted tax rates in each relevant jurisdiction. Tax expense is recognised in the Consolidated Income Statement except to the extent it relates to items recognised in the Consolidated Statement of Comprehensive Income or directly in the Consolidated Statement of Changes in Equity, in which case it is recognised in the relevant statement, respectively.

Deferred Tax

Deferred tax is accounted for using the balance sheet liability method, by providing for temporary differences that arise between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- Goodwill not deductible for tax purposes.
- The initial recognition of assets or liabilities that affect neither accounting nor taxable profit.
- Differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the Consolidated Income Statement, except when it relates to items charged or credited directly to the Consolidated Statement of Changes in Equity or the Consolidated Statement of Comprehensive Income, in which case the deferred tax is recognised in the relevant statement, respectively.

Tax provisions are recognised for uncertain tax positions where a risk of an additional tax liability has been identified and it is probable that the Group will be required to settle that tax. Measurement is dependent on management's expectation of the outcome of decisions by tax authorities in the various tax jurisdictions in which the Group operates. This is assessed on a case-by-case basis using in-house tax experts, professional advisers and previous experience.

Pillar Two Model Rules

The Group has continued to monitor developments in relation to the OECD's Two Pillar Solution to Address the Tax Challenges arising from the Digitalisation of the Economy ("Pillar Two Model Rules").

Based on the financial forecasts for the period ended 1 February 2025, approximately 1.8% of the group's annual profits for that period may be subject to a top-up tax. Prior to the application of the Pillar Two Model Rules, the Group would have expected these profits to be taxed at an average effective tax rate of 13.0%. As such, any top-up tax payable under the Pillar Two Model Rules is not expected to have a material impact on the Group's overall income tax charge. The Group continues to assess the impact of the Pillar Two income taxes legislation on its future financial performance. It has also applied the temporary exemption issued by the IASB in May 2023 in respect of IAS 12 and has not recognised or disclosed information in respect of deferred tax assets and liabilities relating to Pillar Two Model Rules income taxes.

	53 weeks to 3 February 2024 (unaudited) £m	Restated[1] 52 weeks to 28 January 2023 (unaudited) £m
Current tax		
UK corporation tax at 24.0% (2023: 19.0%)[2]	**221.9**	198.9
Adjustment relating to prior periods	**(5.8)**	(6.5)
Total current tax charge	**216.1**	192.4
Deferred tax		
Deferred tax (origination and reversal of temporary differences)	**(2.5)**	14.1
Adjustment relating to prior periods	**(7.4)**	7.7
Total deferred tax (credit)/charge	**(9.9)**	21.8
Income tax expense	**206.2**	214.2

4. **Tax Expense** (continued)

	53 weeks to 3 February 2024 (unaudited) £m	Restated[1] 52 weeks to 28 January 2023 (unaudited) £m
Profit before tax multiplied by the standard rate of corporation tax 24.0%[2] (2023: 19.0%)	**194.7**	92.5
Effects of:		
Expenses not deductible[3]	**31.0**	23.2
Put and call option movement not deductible[4]	**(3.3)**	47.5
Depreciation and impairment of non-qualifying non-current assets[5]	**2.1**	1.2
Non-qualifying profit on sale of PPE[6]	**0.1**	(0.2)
Utilisation of previously unrecognised tax losses[7]	**(0.9)**	(4.0)
Non-taxable income[8]	**(21.1)**	(4.0)
Effect of tax rates in foreign jurisdictions[9]	**(10.3)**	14.9
Research and development tax credits and other allowances[10]	**(5.2)**	(10.4)
Adjustments related to prior periods[11]	**(13.2)**	1.2
Other differences in tax rate[12]	**0.5**	3.7
Non-qualifying impairment of goodwill on consolidation[13]	**2.2**	24.4
Change in unrecognised temporary differences[14]	**12.9**	7.2
Other taxes due[15]	**16.7**	17.0
Income tax expense	**206.2**	214.2

(1) Please refer to Note 15 for further details of the restatement.
(2) The weighted standard rate of corporation tax for the period is 24% as the UK mainstream tax rate was 19% until 31 March 2023, when it increased to 25%.
(3) Certain legal and professional fees, together with the losses incurred on the divestment of non-core businesses in the current period, are not deductible for tax purposes.
(4) The movements in the put and call options per Note 8 are not deductible for tax.
(5) The depreciation adjustment relates to UK assets which are not eligible for capital allowances.
(6) The loss relates to the sale of tangible assets which are not eligible for capital allowances.
(7) Following a return to profitability of certain Group subsidiaries, brought forward losses have been utilised in the period and a deferred tax asset recognised in respect of any remaining losses.
(8) Non-taxable gain on deconsolidation of Sports Unlimited Retail Limited (see Note 3), the receipt of dividends and the release of deferred consideration which no longer falls due.
(9) A proportion of the Group's profits arise outside of the UK and are taxed at the prevailing tax rate. As the UK corporation tax rate has increased from 19% to 25% in the period, the impact of overseas tax rates has reduced.
(10) R&D and general business tax credits have been claimed in the US, Spain and Poland.
(11) The prior period adjustment reflects net current and deferred tax movements between Group reporting provisions and submitted returns.
(12) The adjustment reflects the difference between the deferred tax rate and corporate income tax rate. These differences have reduced as a result of the UK corporate income tax increasing to 25% on 1 April 2023.
(13) The impairment of goodwill on consolidation and investments in associates are non-deductible for corporate income tax purposes and does not attract deferred tax.
(14) The adjustment represents losses created in the period for which no deferred tax asset has been recognised, due to a lack of certainty over future taxable profits arising.
(15) Other taxes due are primarily in respect of US state taxes but also include local taxes payable in other overseas jurisdictions.

Deferred tax assets and liabilities are attributable to the following:

	Assets 2024 (unaudited) £m	Assets 2023 (unaudited) £m	**Liabilities 2024 (unaudited) £m**	Liabilities 2023 (unaudited) £m	**Net 2024 (unaudited) £m**	Net 2023 (unaudited) £m
Property, plant and equipment	**3.8**	2.1	**(68.9)**	(57.9)	**(65.1)**	(55.8)
Employee benefits	**12.4**	13.1	**–**	–	**12.4**	13.1
Property	**32.2**	31.0	**(0.5)**	(0.4)	**31.7**	30.6
Specific trade provisions	**8.5**	12.3	**–**	–	**8.5**	12.3
Losses	**10.1**	5.0	**–**	–	**10.1**	5.0
Fascia names	**–**	–	**(66.3)**	(85.0)	**(66.3)**	(85.0)
Other	**3.7**	2.6	**(0.9)**	(0.1)	**2.8**	2.5
Tax assets/(liabilities)	**70.7**	66.1	**(136.6)**	(143.4)	**(65.9)**	(77.3)

In accordance with IAS 12, UK deferred tax has been recognised at the enacted rate of 25% at the balance sheet date. Deferred tax is recognised at the local enacted rate for overseas territories.

The table above shows the split of the deferred tax balance by category. The Consolidated Statement of Financial Position shows the position after the legally enforceable right of offset. This results in an asset of £23.8m (2023: £12.9m) and a liability of £89.7m (2023: net liability £90.2m) in the Consolidated Statement of Financial Position. This reflects the net position of £65.9m liability (2023: £77.3m liability) shown in the table above.

5. Earnings Per Ordinary Share

Basic and Adjusted Earnings Per Ordinary Share

On 20 December 2022, JD Sports Fashion Plc completed the placing of new ordinary shares in the capital of the Company. A total of 25,000,000 new ordinary shares were issued at par, increasing the total ordinary shares in issue to 5,183,135,745.

The calculation of basic earnings per ordinary share at 3 February 2024 is based on the profit for the period attributable to equity holders of the parent of £538.8m (2023: £188.3m restated(1)) and a weighted average number of ordinary shares outstanding during the 53 week period ended 3 February 2024 of 5,183,135,745 (2023: 5,158,497,877).

There have been no other transactions involving ordinary shares or potential ordinary shares in the period or since the period end date and the date of signing of these financial statements.

Adjusted basic earnings per ordinary share have been based on the profit for the period attributable to equity holders of the parent for each financial period but excluding the post-tax effect of adjusting items. The Directors consider that this gives a more useful measure of the trading performance and profitability of the Group.

	53 weeks to 3 February 2024 (unaudited) millions	52 weeks to 28 January 2023 (unaudited) millions
Issued ordinary shares at beginning of period	**5,183.1**	5,158.1
Ordinary shares issued on 20 December 2022	**–**	25.0
Issued ordinary shares at end of period	**5,183.1**	5,183.1

	Note	53 weeks to 3 February 2024 (unaudited) £m	Restated(1)(2) 52 weeks to 28 January 2023 (unaudited) £m
Profit for the period attributable to equity holders of the parent		**538.8**	188.3
Adjusting items	3	**106.0**	504.7
Tax relating to adjusting items		**(18.4)**	(2.4)
Profit for the period attributable to equity holders of the parent excluding adjusting items		**626.4**	690.6
		millions	millions
Weighted average number of ordinary shares at end of the period (basic)		**5,158.2**	5,158.1
Dilution - Effect of potentially dilutive share options and awards		**0.7**	-
Weighted average number of ordinary shares at the end of the period (diluted)		**5,158.9**	5,158.1
Basic earnings per ordinary share		**10.45p**	3.65p
Diluted earnings per ordinary share		**10.45p**	3.65p
Adjusted basic earnings per ordinary share		**12.14p**	13.39p
Adjusted diluted earnings per ordinary share		**12.14p**	13.39p

(1) See Note 15 for further details of the restatement.
(2) On 20 December 2022, a total of 25,000,000 ordinary shares of 0.05 pence each were issued at par. The shares were delivered to the JD Sports Employee Benefit Trust ('Trust') and were issued, in part, to satisfy a buy-out award due to Régis Schultz, the Group's Chief Executive Officer with an effective date of 5 September 2022, of which a proportion of the award became vested in the period ended 3 February 2024 after certain continuous employment requirements were satisfied. In the same period, the remaining shares became dilutive.

6. Acquisitions

Business Combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect the returns through its power over the entity.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment, however, any resulting impairment will not be tax deductible. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the Consolidated Income Statement.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and the settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the Consolidated Income Statement.

Current Period Acquisitions - Acquisition of Non-Controlling Interests

JD Sports Fashion Germany GmbH

On 25 April 2023, JD Sports Fashion Plc ('JD') acquired the remaining 20% of the issued share capital in its existing subsidiary JD Sports Fashion Germany GmBH ('JD Germany') for a cash consideration of €7.2m (£6.1m). The Group now owns 100% of the issued share capital of JD Germany. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the step-up acquisition on 25 April 2023 does not result in a change of control, this has been accounted for as an equity transaction.

JD Sports Fashion SDN BDH

On 30 August 2023, JD acquired the remaining 20% of the issued share capital in its existing subsidiary JD Sports Fashion SDN BDH ('JD Malaysia') for a cash consideration of 195.5m MYR (£35.5m). The Group now owns 100% of the issued share capital of JD Malaysia. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the acquisition on 30 August 2023 does not result in a change of control, this has been accounted for as an equity transaction.

Iberian Sports Retail Group S.L.

On 10 October 2023, JD acquired the remaining 49.99% of the issued share capital in its existing subsidiary Iberian Sports Retail Group S.L. ('ISRG') for a cash consideration of €500.1m (£434.6m). At the date of the step-up acquisition the Group held a put and call option liability recognised in the period on the remaining 49.99% which carried a value of £428.8m. The Group now owns 100% of the issued share capital of ISRG. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the acquisition on 10 October 2023 does not result in a change of control, this has been accounted for as an equity transaction.

Marketing Investment Group S.A.

On 21 December 2023, JD acquired the remaining 40% of the issued share capital in its existing subsidiary Marketing Investment Group S. A. ('MIG') for a cash consideration of 343.2m PLN (£68.7m). At the date of the step-up acquisition the Group held a put and call option liability on the remaining 40% which carried a value of £66.7m. The Group now owns 100% of the issued share capital of MIG. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the step-up acquisition on 21 December 2023 does not result in a change of control, this has been accounted for as an equity transaction.

Other Acquisitions of Non-Controlling Interest

During the period ended 3 February 2024, the group made four other acquisitions of non-controlling interests which were not material for a cash consideration of £6.9m.

The table below presents the amounts recognised within retained earnings and non-controlling interest within the statement of changes in equity during the year.

	Retained earnings £m	Non-controlling interest £m	**Total (unaudited) £m**
Acquisition of non-controlling interest:			
ISRG	308.2	126.4	**434.6**
JD Germany	10.9	(4.8)	**6.1**
JD Malaysia	32.1	3.4	**35.5**
MIG	44.0	24.7	**68.7**
Other	7.2	(0.3)	**6.9**
	402.4	149.4	**551.8**

6. **Acquisitions** (continued)

Prior Period Acquisitions – 52 weeks to 28 January 2023

There were no significant acquisitions in the 52 week period ended 28 January 2023. The table below summarises the net assets acquired, consideration paid and goodwill arising on the acquisition in totality across all acquisitions in the period:

	Fair values acquired (unaudited) £m
Acquiree's net assets at acquisition date:	
Intangible assets	6.6
Property, plant and equipment	19.3
Right-of-use assets	9.2
Inventories	0.4
Cash and cash equivalents	1.1
Trade and other receivables	3.3
Trade and other payables	(11.6)
Bank loans and overdrafts	(3.8)
Deferred tax liability	(3.7)
Lease liabilities	(6.7)
Provisions	(0.5)
Net identifiable assets	**13.6**
Non-controlling interest (various)	(1.6)
Goodwill on acquisition	**12.6**
	24.6
Consideration – satisfied in cash	21.1
Consideration – deferred	3.5
Total consideration	**24.6**

Total Swimming Holdings Ltd

On 27 May 2022, JD completed, via its existing subsidiary JD Sports Gyms Limited, the acquisition of 60% of the issued share capital of Total Swimming Holdings Limited for an initial cash consideration of £11.1m

Additional deferred contingent consideration of up to £4.0m was included in the financial statements for the expected to be payable at the end of the period ended 28 January 2023. The fair value of the remaining contingent consideration as at 3 February 2024 was determined to be £1.4m.

Other Acquisitions

During the 52 week period to 28 January 2023, the Group made two other acquisitions for total cash consideration of £10m, which were not material. The acquiree's net assets at acquisition related to these acquisitions are also included in the fair value table above.

JD Sports Fashion Korea Inc

On 6 September 2022, JD acquired the remaining 50% of the issued share capital in its existing subsidiary JD Sports Fashion Korea Inc ('JD Korea') for a cash consideration of 26.1 billion KRW (£16.4m). The Group now owns 100% of the issued share capital of JD Korea. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the acquisition on 6 September 2022 does not result in a change of control, this has been accounted for as an equity transaction.

After the period ended 28 January 2023, the Group announced that JD would be withdrawing from the South Korean market.

Deporvillage S.L.

On 14 October 2022, ISRG, the Group's existing intermediate holding company in Spain, acquired a further 18% of the issued share capital in its existing subsidiary Deporvillage S.L. ('Deporvillage') for a cash consideration of €14.8m (£12.9m) and deferred consideration of €5.0m (£4.3m) subject to the non-controlling interests abiding by certain non-compete obligations. 50% of the deferred consideration was settled in the 53 week period to 3 February 2024 with the remaining 50% due on the second anniversary of the completion date. ISRG now owns 98% of the issued share capital and at the date of the acquisition, the Group owned an effective shareholding of 49% of the issued share capital of Deporvillage. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the acquisition on 14 October 2022 does not result in a change of control, this was accounted for as an equity transaction. Subsequent to the acquisition of the remaining 49.99% of ISRG on 10 October 2023, the Group now owns an effective shareholding of 98% of the issued share capital in Deporvillage.

7. Divestments

On 16 December 2022, the Group announced its plan to significantly simplify its business offering through the divestment of a number of non-core businesses in order to focus more fully on the opportunities across the rest of the Group. As a result, 16 businesses in total were divested for total cash consideration of £18.8m received in the period ended 3 February 2024, with deferred consideration of £2.0m.

The Group completed the divestment of 12 businesses for £14.7m at various dates in the period ended 3 February 2024:

- Tessuti Group Limited (100% equity interest) – including its subsidiaries Tessuti Limited (87.5% equity interest), Tessuti (Ireland) Limited (87.5% equity interest), Tessuti Retail Limited (100% equity interest) and Prima Designer Limited (100% equity interest) (divested on 7 February 2023);
- Choice Limited (87.5% equity interest) – including its subsidiary Choice 33 Limited (87.5% equity interest) (divested on 7 February 2023);
- Giulio Limited (87.5% equity interest) – including its subsidiaries Giulio Fashion Limited (87.5% equity interest) and Giulio Woman Limited (87.5% equity interest) (divested on 7 February 2023);
- R.D. Scott Limited (100% equity interest) (divested on 7 February 2023);
- Catchbest Limited (80% equity interest) (divested on 7 February 2023);
- Rascal Clothing Limited (75% equity interest) (divested on 6 February 2023);
- Source Lab Limited (85% equity interest) (divested on 28 February 2023);
- Topgrade Sportswear Holdings Limited including its subsidiaries Topgrade Sportwear Limited and GetTheLabel.com Limited (80% equity interest) (divested on 2 March 2023);
- Woodlandslove Limited (80% equity interest) (divested on 9 March 2023);
- 80s Casual Classics Limited including its subsidiary Modern Casuals Limited (70% equity interest) (divested on 26 May 2023);
- Bernard Esher Limited (80% equity interest) (divested on 4 July 2023); and
- Hairburst Holding Group Limited including its subsidiaries Hair Burst Limited, JMH Cosmetics Limited and Mrblancteeth Limited (75% equity interest) (divested on 24 July 2023).

In addition, on 23 May 2023, the Group disposed of Brand Stable Limited (49% equity interest) a fixed asset investment in a joint venture for cash consideration of £0.5m.

On 2 February 2024, the group sold 0.64% of its holding in Applied Nutrition Limited, while still retaining the Group as an associate, for cash consideration of £1.6m. The consideration was received fully in cash during the period. Costs to sell amounted to £0.3m.

On 30 August 2023, the Group disposed of SEA Sports Fashion SDN BHD (60% equity interest). The total cash consideration was £1.

Additionally, on 20 December 2023, the Group disposed of Kukri Sports Limited (75% equity interest) including its subsidiaries Kukri Asia Limited (100% equity interest), Kukri Sports Middle East JLT (100% equity interest, Kukri GB Limited (100% equity interest), Kukri PTE Limited (100% equity interest), Kukri NZ Limited (75% equity interest), Kukri Events Limited (100% equity interest), Kukri Sports Ireland Limited (100% equity interest), Frank Harrison Limited (90% equity interest), Kukri Sports Canada Inc (75% equity interest), Kukri (HK) Limited (100% equity interest), Kukri Australia Pty Limited (100% equity interest), Kukri (Shanghai) Limited (100% equity interest) and Squirrel Sports Limited (100% equity interest). The total consideration was £2.5m, of which £0.5m was deferred.

7. **Divestments** (continued)

At the date of disposal, the carrying amounts of the 16 divested businesses' (including one joint venture and part of an associate) net assets were as follows:

	(unaudited) £m
Intangible assets	**20.6**
Property, plant and equipment	**17.1**
Right-of-use assets	**31.0**
Deferred tax assets	**0.2**
Other non-current assets	**0.4**
Investments	**1.3**
Total non-current assets	**70.6**
Inventories	**63.0**
Trade and other receivables	**19.8**
Income tax recoverable	**0.1**
Cash and cash equivalents	**77.7**
Total current assets	**160.6**
Trade and other payables	**(174.4)**
Provisions	**(0.2)**
Lease liabilities	**(5.4)**
Total current liabilities	**(180.0)**
Deferred tax liabilities	**(1.1)**
Lease liabilities	**(27.6)**
Other payables and accrued expenses	**(1.2)**
Total non-current liabilities	**(29.9)**
Total assets less total liabilities	**21.3**
Net assets disposed of	**(21.3)**
Total consideration received in cash	**18.8**
Total deferred consideration	**2.0**
Provision for additional onerous leases	**(1.7)**
Intercompany debt written off	**(7.1)**
Loss on disposal	**(9.3)**
Total consideration received in cash	**18.8**
Cash and cash equivalents disposed of	**(77.7)**
Net cash paid	**(58.9)**

7. **Divestments** (continued)

GymNation

On 1 November 2023, the Group disposed of GymNation Holding Ltd (78.2% equity interest) including its subsidiary GymNation LLC. The total consideration was £34.2m. The net assets of the business were classed as held-for sale-in the half year results. At the date of the disposal, the carrying amounts of GymNation's net assets were as follows:

	(unaudited) £m
Intangible assets	19.2
Property, plant and equipment	6.8
Right-of-use assets	19.2
Total non-current assets	**45.2**
Inventories	0.2
Trade and other receivables	2.8
Cash and cash equivalents	11.9
Total current assets	**14.9**
Trade and other payables	(3.2)
Borrowings	(5.0)
Lease liabilities	(2.7)
Total current liabilities	**(10.9)**
Lease liabilities	(18.4)
Other payables and accrued expenses	(1.0)
Total non-current liabilities	**(19.4)**
Total assets less total liabilities	**29.8**
Net assets disposed of	(29.8)
Total consideration received in cash	34.2
Gain on disposal	**4.4**
Total consideration received in cash	**34.2**
Cash and cash equivalents disposed of	(11.9)
Net cash received	**22.3**

7. **Divestments** (continued)

Focus Brands Limited

On 24 January 2024, the Group disposed of Focus Brands Limited (100% equity interest) including its subsidiaries Focus Group Holdings Limited (100% equity interest), Focus International Limited (100% equity interest), Focus Sports & Leisure International Limited (100% equity interest), Focus Equipment Limited (100% equity interest), Focus International NL B.V. (100% equity interest) and Focus Italy S.p.a. (100% equity interest). The total consideration was £8m, of which £5m was deferred. This decision was made following the half year announcement, therefore the net assets were not classed as held-for-sale. At the date of the disposal, the carrying amounts of Focus Group's net assets were as follows:

	(unaudited) £m
Intangible assets	0.7
Property, plant and equipment	1.4
Right-of-use assets	5.6
Deferred tax assets	0.3
Total non-current assets	**8.0**
Inventories	12.2
Trade and other receivables	11.2
Income tax recoverable	0.6
Cash and cash equivalents	13.2
Total current assets	**37.2**
Trade and other payables	(7.9)
Lease liabilities	(1.2)
Total current liabilities	**(9.1)**
Lease liabilities	(4.6)
Total non-current liabilities	**(4.6)**
Total assets less total liabilities	**31.5**
Net assets disposed of	**(31.5)**
Total consideration received in cash	3.0
Total deferred consideration	5.0
Loss on disposal	**(23.5)**
Total consideration received in cash	3.0
Cash and cash equivalents disposed of	(13.2)
Net cash paid	**(10.2)**

7. **Divestments** (continued)

Sports Unlimited Retail B.V

On 6 December 2023, the Group made the decision to close the Sports Unlimited Retail B.V ('SUR') business. On this date, the entity entered bankruptcy and the control over the trade and assets of SUR was transferred to an independent trustee. No consideration was received. The net gain on disposal has been treated as an adjusting item (see Note 3). At the date of the disposal, the carrying amounts of SUR's net liabilities were as follows:

	(unaudited) £m
Property, plant and equipment	15.1
Right-of-use assets	27.9
Total non-current assets	**43.0**
Inventories	12.6
Trade and other receivables	4.3
Cash and cash equivalents	7.3
Total current assets	**24.2**
Trade and other payables	(73.5)
Lease liabilities	(10.1)
Total current liabilities	**(83.6)**
Lease liabilities	(18.0)
Other payables and accrued expenses	(1.7)
Total non-current liabilities	**(19.7)**
Total assets less total liabilities	**(36.1)**
Net liabilities disposed of	36.1
Gain on disposal	**36.1**
Total consideration received in cash	**–**
Cash and cash equivalents disposed of	(7.3)
Net cash paid	**(7.3)**

7. **Divestments** (continued)

Prior Period Divestments

Footasylum

On 5 August 2022, the Group disposed of its 100% equity interest in Footasylum and its associated subsidiaries to Aurelius Group for a cash consideration of £37.5m. The subsidiary was classified as held-for-sale in the 2022 Consolidated Financial Statements. The consideration was received fully in cash in 2022. At the date of disposal, the carrying amounts of Footasylum's net assets were as follows:

	(unaudited) £m
Intangible assets	6.7
Property, plant and equipment	27.0
Right-of-use assets	79.1
Deferred tax assets	0.2
Total non-current assets	**113.0**
Inventories	36.4
Trade and other receivables	24.9
Cash and cash equivalents	6.0
Total current assets	**67.3**
Trade and other payables	(24.7)
Other tax and social security	(3.7)
Accruals and deferred income	(19.1)
Borrowings	(3.5)
Lease liabilities	(15.6)
Income tax liabilities	(1.0)
Total current liabilities	**(67.6)**
Accruals and deferred income	(5.6)
Lease liabilities	(59.8)
Total non-current liabilities	**(65.4)**
Total assets less total liabilities	**47.3**
Net assets disposed of	**(47.3)**
Costs to sell	(5.0)
Loss on disposal	**(14.8)**
Total consideration received in cash	37.5
Cash and cash equivalents disposed of	(6.0)
Net cash received	**31.5**

In the 26 weeks to 30 July 2022, an impairment of £8.5m was recognised in order to present the Footasylum assets held-for- sale at the lower of carrying value and fair value less costs to sell in accordance with IFRS 5. A further £6.3m loss had been recognised following the reversal of £8.3m of right-of-use assets depreciation in order to cease depreciating these assets at the point of classification as held-for-sale in accordance with IFRS 5 and the release of a £2.0m provision for costs to sell that is no longer required. This resulted in a higher loss on disposal of the assets of £14.8m when compared to the impairment of £8.5m recognised in the 26 week period ended 30 July 2022.

Other non-core fashion businesses

On 16 December 2022, the Group announced its plan to significantly simplify its fashion branded offer through the divestment of 15 UK-based non-core fashion businesses ('Divested Businesses'), for cash consideration of £44.5m, in order to focus more fully on the opportunities across the rest of the Group, in particular the international and digital expansion of the Group's core premium Sports Fashion fascias.

Completion on the disposal of shares in eight of the Divested Businesses, and on the disposal of all of the debt owing to JD by the Divested Businesses, took place immediately on exchange. The initial eight divested businesses were:

- Base Childrenswear Limited (80% equity interest);
- Dantra Limited (75% equity interest);
- PG2019 Limited (100% equity interest);
- Prevu Studio Limited (100% equity interest);
- Nicholas Deakins Limited (100% equity interest);
- Uggbugg Fashion Limited – including its subsidiary Missy Empire Limited (51% equity interest);
- Clothingsites Holdings Limited – including its subsidiaries Clothingsites.co.uk Limited and Old Brown Bag Clothing Limited (100% equity interest); and
- WHCO Limited – including its subsidiaries The Watch Shop Holdings Limited and Watch Shop Logistics Limited (100% equity interest).

7. **Divestments** (continued)

Other non-core fashion businesses (continued)
The consideration was received fully in cash during the period ended 28 January 2023. At the date of disposal, the carrying amounts of the initial eight divested businesses net assets were as follows:

	(unaudited) £m
Intangible assets	22.6
Property, plant and equipment	3.9
Right-of-use assets	6.5
Total non-current assets	33.0
Inventories	29.8
Trade and other receivables	8.5
Cash and cash equivalents	16.4
Total current assets	54.7
Trade and other payables	(19.7)
Provisions	(0.1)
Borrowings	(11.6)
Lease liabilities	(7.4)
Income tax liabilities	(0.3)
Total current liabilities	(39.1)
Other payables and accrued expenses	(1.5)
Total non-current liabilities	(1.5)
Total assets less total liabilities	47.1
Total consideration received in cash	44.5
Intercompany debt	(86.0)
Net assets disposed of	(47.1)
Costs to sell	(0.6)
Impairment of assets held-for-sale (Note 12)	(17.5)
Loss on disposal	(106.7)
Total consideration received in cash	44.5
Cash and cash equivalents disposed of	(16.4)
Net cash received	28.1

Divestment of other non-controlling interests
During the period ended 28 January 2023, JD divested 5% of Kukri Sports Limited and 10% of JD Canary Islands Sports S.L. as a result of options exercised by non-controlling interests in the subsidiaries. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiaries. As the divestment does not result in a change of control, this has been accounted for as an equity transaction.

8. Put and Call Option Liabilities

Put and call options are in place over all or part of the remaining non-controlling interest shareholding in various subsidiaries. The Group recognises put and call options over non-controlling interests in its subsidiary undertakings as a liability in the Consolidated Statement of Financial Position at the present value of the estimated exercise price of the put and call options. The only material put and call option remaining at 3 February 2024 is Genesis at £763.5m (2023: Genesis (restated) £782.9m, MIG £52.4m, ISRG (restated) £206.4m).

The Group has used a third-party valuation expert to estimate the present value of the Group’s material put and call option liabilities using a Monte-Carlo simulation model, applying a geometric Brownian motion to project the share price and an arithmetic Brownian motion for the projection of EBITDA. The option formula and multiple are usually stated in the option agreement, allowing the strike price to be calculated from the simulated EBITDA; however, in the absence of a specified formula or multiple, the Group estimates this based on current evidence in the Mergers and Acquisitions market and the Group’s past experience of multiples paid for similar businesses. Upon initial recognition of put and call options, a corresponding entry is made to Other Equity (put and call option reserve), and for subsequent changes on remeasurement of the liability the corresponding entry is made to adjusting items in the Consolidated Income Statement.

8. Put and Call Option Liabilities (continued)

Inputs to the Monte-Carlo simulation models

The Group has used the Board approved 3-year plan to estimate profit and cash flow forecasts for future periods.

In estimating the present value of the Group's material put and call option liabilities, the key inputs to the Monte-Carlo simulation models are:

- The EBITDA forecasts and growth assumptions for future periods, including forecast net cash/debt and forecast capital expenditure, working capital movements and taxation.
- The EBITDA, which is projected using an Arithmetic Brownian Motion using EBITDA drift. The drift for each time period is estimated from forecast EBITDA and its standard deviation is estimated from historical EBITDA data.
- The risk-free discount rates, reflecting the current market assessment of the time value of money, used to discount the purchase price (subject to the option pricing cap as defined in the shareholder agreement) to the present value

Other Options

Within Other Options the two largest value options are Cosmos £23.7m (2023 (restated): £18.1m) and DTLR £13.9m (2023 (restated): £11.2m). Due to the value of these other options, management has used a third party valuation specialist to value these options. The valuation technique is outlined above. The valuation technique is consistent with that outlined above for the material options. The remaining options are valued in house, and total £46.3m (2023 (restated): £63.0m).

	Iberian Sports Retail Group ('ISRG') £m	Genesis Topco Inc ('Genesis') £m	Marketing Investment Group S.A. ('MIG') £m	Other £m	**Total Liability (unaudited) £m**
At 30 January 2022	119.0	520.3	51.9	73.5	**764.7**
Effect of prior period restatement	58.2	–	–	36.2	**94.4**
At 30 January 2022 – restated[1]	177.2	520.3	51.9	109.7	**859.1**
Acquisitions – restated[1]	–	–	–	14.1	**14.1**
Options lapsed and disposed during the period	–	–	–	(17.6)	**(17.6)**
Increase/(decrease) in the present value of the existing option liability – restated[1]	29.2	262.6	0.5	(43.2)	**249.1**
At 28 January 2023 – restated[1]	206.4	782.9	52.4	63.0	**1,104.7**
Acquisitions (Note 6)	428.8	–	–	–	**428.8**
Options lapsed and disposed during the period	(196.7)	–	–	(5.0)	**(201.7)**
Other movements	–	–	–	(13.2)	**(13.2)**
Options bought out (Note 10)	(434.6)	–	(68.7)	–	**(503.3)**
Increase/(decrease) in the present value of the existing option liability	(3.9)	(19.4)	16.3	1.5	**(5.5)**
At 3 February 2024	**–**	**763.5**	**–**	**46.3**	**809.8**

(1) Please refer to Note 15 for further details of the restatement.

8. Put and Call Option Liabilities (continued)

Sensitivity Analysis – Genesis Put and Call Option

Sensitivity analysis was performed over the key variable inputs to the valuation of the Genesis put and call option. The key variable inputs were determined to be the EBITDA forecasts per the Board approved 3-year plan. 10% was determined to be a reasonably possible change for the EBITDA forecasts included in the approved cash flow forecasts, reflecting recent experience in levels of forecasting accuracy. The result was that:

– A reduction of 10% to the forecast EBITDA would result in a reduction to the put and call option liability of £91.8m.

Option Details

Current options – Options details

Company	Options in existence	Exercise periods	Methodology	Maximum price	Short-term EBITDA growth assumptions	Discount rate applied	Recognised at 3 February 2024 (unaudited) £m
Genesis Topco Inc.	Put option whereby JD Sports Fashion Plc may be required to acquire the remaining 20% of the issued share capital of Genesis Topco Inc in four equal tranches with the ability to roll over a tranche that has not previously been subject to the exercise of a put option.	The put options are exercisable within 30 calendar days after the determination of the final put/call value for the financial period. The first put period will occur after the determination of the put/call value for the financial period ending on 1 February 2025. The final put option can be exercised within a period of 30 calendar days after the end of the fiscal period ending 1 February 2028.	The option price is calculated based on a multiple of earnings before interest, tax, depreciation and amortisation for the relevant financial period, less post-closing cash and debt.	The option price shall not exceed £1.46 billion.	6.4% - 12.5%	3.3% - 4.8%	**763.5**
Other put option liabilities							**46.3**
Total liability							**809.8**

9. Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Group and Company financial statements in the period in which it is approved.

After the reporting date, the following dividend was proposed by the Directors and will be payable to all shareholders on the register at 12 July 2024. The dividends were not provided for at the reporting date.

	53 weeks to 3 February 2024 (unaudited) £m	52 weeks to 28 January 2023 (unaudited) £m
0.60 pence per ordinary share (2023: 0.67 pence)	**31.1**	34.6

Dividends on Issued Ordinary Share Capital

	53 weeks to 3 February 2024 (unaudited) £m	52 weeks to 28 January 2023 (unaudited) £m
Final dividend of 0.67 pence (2023: 0.35 pence) per qualifying ordinary share paid in respect of prior period, but not recognised as a liability in that period	**34.6**	18.1
Interim dividend of 0.30 pence (2023: 0.13 pence) per qualifying ordinary share paid in respect of current period	**15.5**	6.7
	50.1	24.8

10. Analysis of Net Debt

Net debt consists of cash and cash equivalents together with other borrowings from bank loans and overdrafts, other loans, loan notes, lease liabilities and similar hire purchase contracts.

	As reported At 30 January 2022 £m	Prior period restatement(1) 2022 £m	Restated(1) At 30 January 2022 £m	On acquisition/ disposal of subsidiaries £m	Cash flow £m	FX movement £m	Non-cash movements(2) £m	**Restated(1) At 28 January 2023 (unaudited) £m**
Cash and cash equivalents	1,314.0	–	1,314.0	1.1	205.8	(12.9)	–	**1,508.0**
Overdrafts	(33.6)	–	(33.6)	–	–	–	–	**(33.6)**
Cash and cash equivalents held-for-sale(3)	–	–	–	–	74.5	–	–	**74.5**
Cash and cash equivalents for the purposes of the Consolidated Statement of Cash Flows	1,280.4	–	1,280.4	1.1	280.3	(12.9)	–	**1,548.9**
Bank loans	(94.5)	–	(94.5)	(3.8)	21.9	(3.2)	–	**(79.6)**
Lease liabilities (restated(1))	(2,242.9)	(43.3)	(2,286.2)	(2.7)	393.0	(95.7)	(392.4)	**(2,384.0)**
Total liabilities from financing activities	(2,337.4)	(43.3)	(2,380.7)	(6.5)	414.9	(98.9)	(392.4)	**(2,463.6)**
Net (debt)/cash	**(1,057.0)**	**(43.3)**	**(1,100.3)**	**(5.4)**	**695.2**	**(111.8)**	**(392.4)**	**(914.7)**

	As reported At 28 January 2023 £m	Prior period restatement(1) 2023 £m	Restated(1) At 28 January 2023 £m	On acquisition of subsidiaries £m	Cash flow £m	FX movement £m	Non-cash movements(2) £m	**At 3 February 2024 (unaudited) £m**
Cash and cash equivalents	1,582.5	(74.5)	1,508.0	–	(326.6)	(28.7)	–	**1,152.7**
Overdrafts	(33.6)	–	(33.6)	–	(25.2)	(1.1)	–	**(59.9)**
Cash and cash equivalents held-for-sale(3)	–	74.5	74.5	–	(65.7)	-	–	**8.8**
Cash and cash equivalents for the purposes of the Consolidated Statement of Cash Flows	1,548.9	–	1,548.9	–	(417.6)	(29.7)	–	**1,101.6**
Bank loans (4)	(79.6)	–	(79.6)	5.0	5.8	(0.8)	–	**(69.6)**
Lease liabilities (restated(1))	(2,339.2)	(44.8)	(2,384.0)	–	400.0	41.0	(541.0)	**(2,484.0)**
Total liabilities from financing activities	(2,418.8)	(44.8)	(2,463.6)	5.0	405.8	40.2	(541.0)	**(2,553.6)**
Net (debt)/cash	**(869.9)**	**(44.8)**	**(914.7)**	**5.0**	**(11.8)**	**10.5**	**(541.0)**	**(1,452.0)**

(1) Please refer to Note 15 for further details of the restatement.
(2) Other movements for the period ended 3 February 2024 include additional lease drawdowns of £592.8m and remeasurements credit of £51.8m (at 28 January 2023 this includes £420.3m of lease drawdowns and credit of £27.9m).
(3) See Note 14 for details of assets held-for-sale.
(4) £5m relates to the divestment of Gymnation. See Note 7 for further details.

10. Analysis of Net Debt (continued)

In addition to the liabilities included in the table above the Group, has accrued put and call option liabilities at 3 February 2024 of £809.8m (2023: £1,104.7m). £551.8m is included in financing activities in the Consolidated Statement of Cash Flows for the acquisition of non-controlling interest (NCI). Of this cash outflow £503.3m relates to the purchase of NCI where the Group held put and call options on the minority interest. The remaining £48.5m is related to acquisition of NCI with no associated put and call options.

In addition to the liabilities included in the table above the Group had accrued put and call option liabilities at 28 January 2023 of £1,104.7m (2022: £859.1m). £29.3m is included in financing activities in the Consolidated Statement of Cash Flows for the acquisition and divestment of NCI. Of this cash outflow £14.1m (restated) relates to the purchase of NCI where the Group held put and call options on the minority interest. The remaining £15.2m is related to acquisition of NCI with no associated put and call options.

11. Related Party Transactions and Balances

Transactions and balances with each category of related parties during the period are shown below. Outstanding balances are unsecured (unless otherwise stated) and will be settled in cash.

Transactions with Related Parties who are not Members of the Group

Pentland Group Limited

During the financial period, Pentland Group Limited and its subsidiaries owned 51.6% (2023: 51.6%) of the issued ordinary share capital of JD Sports Fashion Plc. The Group made purchases of inventory from Pentland Group Limited in the period and the Group also sold inventory to Pentland Group Limited. The Group also paid royalty costs to Pentland Group Limited for the use of a brand.

During the period, the Group entered into the following transactions with Pentland Group Limited:

	Income from related parties 2024 (unaudited) £m	**Expenditure with related parties 2024 (unaudited) £m**	Income from related parties 2023 (unaudited) £m	Expenditure with related parties 2023 (unaudited) £m
Sale of inventory	**0.3**	**–**	1.2	–
Purchase of inventory	**–**	**(32.3)**	–	(43.3)
Royalty costs	**–**	**(5.1)**	–	(4.0)
Marketing costs	**–**	**–**	–	(0.4)
Dividends	**–**	**(26.0)**	–	(12.8)

At the end of the period, the following balances were outstanding with Pentland Group Limited:

	Amounts owed by related parties 2024 (unaudited) £m	**Amounts owed to related parties 2024 (unaudited) £m**	Amounts owed by related parties 2023 (unaudited) £m	Amounts owed to related parties 2023 (unaudited) £m
Trade receivables/(payables)	**–**	**(1.3)**	0.4	(4.9)

Associates and Joint Ventures

During the period, the Group entered into the following transactions with its associates and joint ventures:

	Income from related parties 2024 (unaudited) £m	**Expenditure with related parties 2024 (unaudited) £m**	Income from related parties 2023 (unaudited) £m	Expenditure with related parties 2023 (unaudited) £m
Sale of inventory	**–**	**–**	0.1	–
Purchase of inventory	**–**	**(3.3)**	–	(12.4)
Recharge of expenses	**1.9**	**–**	2.6	–
Dividends and distributions received	**–**	**–**	3.4	–

At the end of the period, the Group had the following balances outstanding with its associates and joint ventures:

	Amounts owed by related parties 2024 (unaudited) £m	**Amounts owed to related parties 2024 (unaudited) £m**	Amounts owed by related parties 2023 (unaudited) £m	Amounts owed to related parties 2023 (unaudited) £m
Trade receivables	**3.8**	**–**	2.9	–
Loans receivable in less than 1 year	**0.4**	**–**	0.2	–
Loans receivable in more than 1 year	**–**	**–**	7.6	–
Trade payables	**–**	**–**	–	(1.0)

Other receivables from associates and joint ventures relate to costs incurred by the Group on behalf of these entities, which have then been recharged. The loan receivable in less than one year of £0.4m (2023: £0.2m) is presented within other receivables within current assets.

In addition to the above transactions a number of non-controlling interest buyout transactions occurred in the course of the financial period, as disclosed in Note 6.

11. Related Party Transactions and Balances (continued)

Transactions with Directors and Key Management Personnel

During the period, the Group entered into the following transactions with its key management personnel:

	Income from related parties 2024 (unaudited) £m	Expenditure with related parties 2024 (unaudited) £m	Income from related parties 2023 (unaudited) £m	Expenditure with related parties 2023 (unaudited) £m
Property rental	–	10.8	–	10.8

At the end of the period, the Group had the following balances outstanding with its key management personnel:

	Amounts owed by related parties 2024 (unaudited) £m	Amounts owed to related parties 2024 (unaudited) £m	Amounts owed by related parties 2023 (unaudited) £m	Amounts owed to related parties 2023 (unaudited) £m
Trade receivables/(payables)	–	0.9	–	0.6

Transactions with key management personnel

Members of the Board of Directors and Executive Committee of JD Sports Fashion Plc are deemed to be key management personnel. The Executive Committee are comprised Heads of Centres of Excellence and Heads of Business Units as outlined in the Annual Report.

Cost of key management personnel compensation for the financial year as follows:

	2024 (unaudited) £m	2023 (unaudited) £m
Salaries and short-term benefits	13.1	16.3
Pensions and cash in lieu of pensions	0.1	0.1
	13.2	16.4
Attributable to:		
The Board of Directors (including Non-executive Directors)	4.6	6.9
Executive Committee (members not on the Board of Directors)	8.6	9.5
	13.2	16.4

	At 3 February 2024	At 28 January 2023
Number of key management personnel	11	13

The JD Foundation

The JD Foundation receives its income from, but is independent of, JD Sports Fashion Plc. The Foundation is dependent on all income net of VAT arising from the sale of single use carrier bags in JD stores in England, Scotland, Wales, Northern Ireland and other European countries, as well as micro-donations from customers at the store point of sale and colleague donations and fundraising.

During the period, the Group entered into the following transactions with The JD Foundation:

	Income from related parties 2024 (unaudited) £m	Expenditure with related parties 2024 (unaudited) £m	Income from related parties 2023 (unaudited) £m	Expenditure with related parties 2023 (unaudited) £m
Donations	–	(2.6)	–	(1.7)

12. Held-for-sale

Mainline Menswear Holdings Limited

At 3 February 2024, Mainline Menswear Holdings Limited ('Mainline Menswear') was classified as held-for-sale at 3 February 2024 in line with the conditions of IFRS 5. As at 3 February 2024, the sale process was ongoing and Mainline Menswear and its associated subsidiaries were held at the lower of carrying value or fair value less costs to sell. A reconciliation is provided in the table below.

Mainline Menswear Holdings and its subsidiary Mainline Menswear Limited specialise in the retail of premium branded men's apparel and footwear. The group forms part of the Sports Fashion segment (see Note 2) and was initially marketed for sale in July 2023.

Included in the 53 week period ended 3 February 2024 was revenue of £75.2m and a profit before tax of £10.8m in respect of Mainline Menswear Holdings and its subsidiaries.

	As at 3 February 2024 (unaudited) £m
Intangible assets	7.5
Property, plant and equipment	0.5
Right-of-use assets	0.2
Inventories	14.8
Trade and other receivables	1.9
Income tax receivable	0.1
Cash and cash equivalents	8.8
Assets held-for-sale	33.8
Lease liabilities	(0.2)
Trade and other payables	(8.0)
Liabilities held-for-sale	(8.2)

Non-core fashion businesses

Seven of the Group's non-core fashion businesses were held-for-sale as at 28 January 2023. In addition, the Group agreed to the sale of Source Lab Limited ('Source Lab') to its non-controlling interest prior to 28 January 2023 and this completed on 28 February 2023. Therefore this business also was held-for-sale as at 28 January 2023. All businesses formed part of the Sports Fashion reportable segment (see Note 2).

As at 3 February 2024, all the divestments had taken place (see Note 7 for more detail on the divestments).

Included in the 52 week period ended 28 January 2023 was revenue of £223.8m and a loss before tax of £6.9m in respect of the non-core fashion entities held-for-sale. There was also revenue of £7.0m and a profit before tax of £0.6m in respect of Source Lab.

Included in the 53 week period ended 3 February 2024 was revenue of £4.6m and a loss before tax of £0.2m in respect of the non-core fashion entities held-for-sale. There was also revenue of £0.5m and a profit before tax of £0.1m in respect of Source Lab.

12. **Held-for-sale** (continued)

As at 28 January 2023, the non-core fashion businesses and Source Lab were held at the lower of carrying value or fair value less costs to sell. A reconciliation is provided in the table below.

	Non-core fashion businesses £m	Source lab £m	Restated (1) As at 28 January 2023 (unaudited) £m
Intangible assets	9.2	–	9.2
Property, plant and equipment	17.1	0.1	17.2
Right-of-use assets	30.8	–	30.8
Inventories	51.9	0.8	52.7
Trade and other receivables	11.9	1.2	13.1
Cash and cash equivalents	72.3	2.2	74.5
Assets held-for-sale	193.2	4.3	197.5
Lease liabilities	(32.1)	–	(32.1)
Trade and other payables	(131.7)	(1.4)	(133.1)
Provisions	(0.4)	–	(0.4)
Liabilities held-for-sale	(164.2)	(1.4)	(165.6)

(1) Please refer to Note 15 for further details of the restatement.

Reconciliation to lower of fair value less costs to sell or carrying value	Restated (1) As at 28 January 2023 (unaudited) £m
Net assets held-for-sale	31.9
Intercompany liabilities currently eliminating on consolidation	(9.9)
Impairment to lower of fair value less costs to sell (Note 7)	(17.5)
Cash consideration due to be received on completion	4.5

(1) Please refer to Note 15 for further details of the restatement.

13. Contingent Liabilities

Accounting policies

Contingent liabilities are potential future cash outflows, where the likelihood of payment is considered more than remote but is not considered probable or cannot be fully measured.

Claims and Litigation

The activities of the Group are overseen by regulators around the world and, whilst the Group strives to ensure full compliance with all its regulatory obligations, periodic reviews are inevitable which may result in a financial penalty. If the risk of a financial penalty arising from one of these reviews is more than remote but not probable or cannot be measured reliably then the Group will disclose this matter as a contingent liability. If the risk of a financial penalty is considered probable and can be measured reliably then the Group would make a provision for this matter.

CMA Investigation

On 23 September 2021, the CMA launched an investigation under section 25 of the Competition Act 1998 into suspected breaches of competition law by Leicester City Football Club Limited and JD, together with their affiliates. In the period ended 28 January 2023, the Group reported that there was insufficient certainty that a liability would arise and no provision was made in the financial accounts. On 31 July 2023, the CMA issued a decision finding that JD and Leicester City Football Club Limited broke competition law, however, on the basis that JD reported the conduct to the CMA, no fine was issued to JD.

14. Post Balance Sheet Events

Disposal of 50.1% shareholding in Bodytone

On 7 March 2024, Iberian Sports Retail Group S.L. (“ISRG”) disposed of its 50.1% shareholding in Bodytone International Sport S.L. The shares were sold back to founder management, for total consideration of €2.4m. The divestment aligns with the Group’s four strategic pillars.

Franchise agreement with The Foschini Retail Group

On 8 March 2024, JD Sports Fashion Plc signed a franchise agreement with Foschini Retail Group (Pty) Limited (a subsidiary of The Foschini Group Limited) to expand the JD footprint into the South African market.

Acquisition of the trade and assets of Simply Gyms

On 18 March 2024, JD Gyms acquired the trade and assets of four ‘Simply Gym’ sites from Bay Leisure Limited for £3.4m (of which £0.7m was deferred). The sites will be converted to JD Gyms under a phased conversion programme.

Acquisition of the minority shareholdings in Sport Zone Canaries (40%) and JD Canaries (10%)

On 8 April 2024, JD Spain Sports Fashion 2010 S.L. acquired the 10% minority shareholding in JD Canary Islands Sports S.L. and SDSR - Sports Division SR, S.A. (Sport Zone Portugal) acquired the 40% minority shareholding in Sport Zone Canarias (SL). Total consideration for both shareholdings was €19.9m. The JD Canary acquisition aligns with the JD Brand First strategy whilst the Sport Zone Portugal acquisition promotes the JD Complementary Concepts.

Acquisition of 100% of Hibbett, Inc.

On 23 April 2024, the Group entered into a binding agreement to acquire 100% of Hibbett Inc. (‘Hibbett’), a company listed on the Nasdaq Stock Market, for $87.50 per share. Genesis Holdings Inc. will acquire 100% of the shares in Hibbett. The Group will fund the total consideration payable of c.$1,083 million (c.£878 million), and expects to refinance Hibbett, Inc.’s existing debt, . through a combination of existing US cash resources of $300 million and a $1,000 million extension to the Group’s existing bank facilities, pending finance approval.

15. Prior Period Adjustments

The Group identified a number of prior period adjustments, impacting the opening position at 30 January 2022, 28 January 2023 and the year ended 3 February 2024. The impact of the prior period adjustments on the primary statements is presented in the tables below.

Put and Call Options

ISRG Put and Call Option

During the financial period ended 3 February 2024, the Group reviewed the accounting for put and call options and noted a put and call option obligation that was not previously recorded, but which should have been recognised in relation to the buy/sell agreement with Sonae Holdings, S.A., which held 29.99% of Iberian Sports Retail Group SL. Accordingly, the Group has restated the amounts at 30 January 2022 to recognise the present value of that obligation by increasing the put and call option liabilities by £58.2 million, with a debit to the put and call option reserve of £15.1m and a brought forward retained earnings impact of £43.1m. The subsequent remeasurement of that obligation during the period ended 28 January 2023 has also been recorded as a prior period adjustment, resulting in an increase in the put and call option liability of £9.6 million with a corresponding charge to the FY23 income statement.

Other Options

Following the identification of the above ISRG restatement, the Group reviewed the accounting for other put and call options and concluded that there were also adjustments required to correct the historic accounting in respect of those options. Notably, it was identified that the purchase price cap that is contained within the Genesis Topco Inc put and call option agreement had not been correctly factored in to the put and call option liability valuation in the prior period. It was also identified that the Group had used inappropriate discount rates to measure certain put and call liabilities and had failed to identify service provisions within certain other agreements. Consequently, the Group has restated the amounts at 30 January 2022 and 28 January 2023 which impacted:

- the Group’s net assets at 30 January 2022 by £36.1m, with a corresponding impact on retained earnings of £39.5m and on the put and call option reserve of £3.4m; and
- the put and call option liabilities at 28 January 2023 by a further £60.4m, with a corresponding impact on retained earnings of £55.4m and on the put and call option reserve of £5m.

Reclassifications

It was identified during the financial period ended 3 February 2024 that as at 28 January 2023, certain put and call options exercisable within 12 months were incorrectly stated as non-current in the Group’s balance sheet. This has been corrected through a prior period restatement to reclassify £150.5m to current liabilities.

It was also identified during the financial period ended 3 February 2024 that the Group had previously been recording the remeasurement charge in relation to put and call option valuations as an adjusting item within administrative expenses within the income statement. As the movement relates to options over the Group’s own equity, it is financing in nature and should be presented as an adjusting item within finance expenses. Accordingly, a reclassification has been made in the income statement for the period ended 28 January 2023 in the amount of £268.8m.

The tables below reconcile the overall movement in the financial statements in relation to the prior period adjustments outlined above:

			52 weeks to 30 January 2022
	ISRG Put and Call Option £m	Other options £m	**Net impact (unaudited) £m**
Net assets	(58.2)	(36.1)	**(94.3)**
Retained earnings	(43.1)	(39.5)	**(82.6)**
Put and call option reserve	(15.1)	3.4	**(11.7)**

15. Prior Period Adjustments (continued)

	Cumulative impact as at 30 January 2022	ISRG Put and Call Option £m	Other options £m	Reclassifications £m	Net impact (unaudited) £m
Administrative expenses	-	(9.6)	37.2	268.6	**296.2**
Finance expenses	-	-	18.2	(268.6)	**(250.4)**
Profit for the period	**-**	(9.6)	55.4	-	**45.8**
Current put and call option liabilities				(184.4)	**(184.4)**
Non-current put and call option liabilities	(94.3)	(9.6)	60.4	184.4	**140.9**
Net assets	(94.3)	(9.6)	60.4	-	**(43.5)**
Retained earnings	(82.6)	(9.6)	55.4	-	**(36.8)**
Put and call option reserve	(11.7)	-	5.0	**-**	**(6.7)**

Leases

During the financial period ended 3 February 2024, the Group reviewed the leases portfolio and identified property leases that should have been recognised in prior periods. Accordingly, the Group has restated the right-of-use assets and corresponding lease liabilities as at 30 January 2022 and 28 January 2023 amounting to £52.0m and £66.9m, respectively. The Group has also identified an overstatement of leases in MIG resulting in restatement of right-of-use assets and corresponding lease liabilities as at 30 January 2022 and 28 January 2023 amounting to £8.7m and £22.1m, respectively. The net impact to right-of- use assets and lease liabilities as at 30 January 2022 and 28 January 2023 amounts to £43.3m and £44.8m, respectively.

Foreign Exchange

During the financial period ended 3 February 2024, the Group reviewed the foreign currency translation of goodwill and fascia names and identified an error in foreign currency translation arising from accounting of prior period acquisitions resulting in the understatement of goodwill and fascia balances and overstatement of foreign currency translation reserve. Accordingly, the Group has restated the goodwill and fascia balances and related foreign currency translation reserve as at 30 January 2022 by £41.1m.

Supplier Rebates

During the financial period ended 3 February 2024, the Group reviewed the accounting for supplier rebates related to marketing initiative support and concluded that such rebates should be recognised within cost of sales instead of being recognised within administrative expenses. Accordingly, the Group has restated the related supplier rebates costs for the period ended 28 January 2023 amounting to £37.9m.

Assets Held-for-Sale

During the financial period ended 3 February 2024, the Group reviewed the assets held-for-sale and identified a reclassification adjustment from cash and cash equivalents to assets held-for-sale. Accordingly, the Group has restated the cash and cash equivalents and assets held-for-sale as at 28 January 2023 amounting to £74.5m related to Non-core fashion businesses.

Cash flow

The cashflow has been represented for the items noted above. In addition, in prior periods the Group adopted an accounting policy which presented the cash flows from forward contracts for the purchase of foreign currencies net within working capital. In the current year the Group has determined that separate presentation of the fair value movements of these derivatives is more useful for the analysis of the group’s cash flows when presented as a single line within the reconciliation from profit after tax to cashflows from operations. The prior period has been represented to reflect the accounting policy change.

Other Amendments

When preparing the FY24 financial statements, we have made other immaterial presentational changes and applied these consistently in the comparative periods.

15. Prior Period Adjustments (continued)

The following tables summarize the annual Consolidated Statements for the periods indicated, giving effect to the restatements described above.

Consolidated Income Statement
For the 52 week period ended 28 January 2023

	Reported £m	Put and call options £m	Supplier Rebates £m	Restated (unaudited) £m
Revenue	10,125.0	–	–	**10,125.0**
Cost of Sales	(5,285.3)	–	37.9	**(5,247.4)**
Gross profit	4,839.7	–	37.9	**4,877.6**
Selling and distribution expenses	(3,315.6)	–	(37.9)	**(3,353.5)**
Administrative expenses - before adjusting items	(497.3)	–	–	**(497.3)**
Administrative expenses - adjusting items	(550.5)	296.2	–	**(254.3)**
Administrative expenses - total	(1,047.8)	296.2	–	**(751.6)**
Share of profit of equity-accounted investees	4.9	–	–	**4.9**
Other operating income	28.6	–	–	**28.6**
Operating profit before financing	509.8	296.2	–	**806.0**
Finance income	8.4	–	–	**8.4**
Finance expenses	(77.3)	(250.4)	–	**(327.7)**
Net finance expense	(68.9)	(250.4)	–	**(319.3)**
Profit before tax	440.9	45.8	–	**486.7**
Income tax expense	(214.2)	–	–	**(214.2)**
Profit for the period	226.7	45.8	–	**272.5**
Attributable to equity holders of the parent	142.5	45.8	–	**188.3**
Attributable to non-controlling interest	84.2	–	–	**84.2**
Basic earnings per ordinary share	2.76p	0.89p	–	**3.65p**
Diluted earnings per ordinary share	2.76p	0.89p	–	**3.65p**

Consolidated Statement of Comprehensive Income
For the 52 week period ended 28 January 2023

	Reported £m	Put and call options £m	Supplier Rebates £m	Restated (unaudited) £m
Profit for the period	226.7	45.8	–	**272.5**
Other comprehensive income:				
Items that may be classified subsequently to the Consolidated Income Statement:				
Exchange differences on translation of foreign balances	129.9	–	–	**129.9**
Total other comprehensive income for the period	129.9	–	–	**129.9**
Total comprehensive income and expense for the period (net of income tax)	356.6	45.8	–	**402.4**
Attributable to equity holders of the parent	238.4	45.8	–	**284.2**
Attributable to non-controlling interest	118.2	–	–	**118.2**

15. Prior Period Adjustments (continued)
Consolidated Statement of Financial Position
For the 52 week period ended 28 January 2023

	Reported £m	Put and call options £m	Leases £m	Foreign exchange £m	Assets Held-for-Sale £m	Restated (unaudited) £m
Non-current assets						
Intangible assets	1,459.4	–	–	41.1	–	**1,500.5**
Property, plant and equipment	875.6	–	–	–	–	**875.6**
Right-of-use assets	2,137.0	–	44.8	–	–	**2,181.8**
Investments in associates and joint ventures	38.8	–	–	–	–	**38.8**
Other assets	56.9	–	–	–	–	**56.9**
Trade and other receivables	8.4	–	–	–	–	**8.4**
Deferred tax assets	12.9	–	–	–	–	**12.9**
Total non-current assets	4,589.0	–	44.8	41.1	–	**4,674.9**
Current assets					–	
Inventories	1,466.4	–	–	–	–	**1,466.4**
Trade and other receivables	263.8	–	–	–	–	**263.8**
Cash and cash equivalents	1,582.5	–	–	–	(74.5)	**1,508.0**
Current assets excluding held-for-sale	3,312.7	–	–	–	(74.5)	**3,238.2**
Assets held-for-sale	123.0	–	–	–	74.5	**197.5**
Total current assets	3,435.7	–	–	–	–	**3,435.7**
Total assets	8,024.7	–	44.8	41.1	–	**8,110.6**
Current liabilities						
Interest-bearing loans and borrowings	(75.2)	–	–	–	–	**(75.2)**
Lease liabilities	(423.8)	–	(6.3)	–	–	**(430.1)**
Trade and other payables	(1,471.2)	–	–	–	–	**(1,471.2)**
Put and call option liabilities	–	(184.4)	–	–	–	**(184.4)**
Provisions	(9.7)	–	–	–	–	**(9.7)**
Income tax liabilities	(17.5)	–	–	–	–	**(17.5)**
Current liabilities excluding held-for-sale	(1,997.4)	(184.4)	(6.3)	–	–	**(2,188.1)**
Liabilities held-for-sale	(165.6)	–	–	–	–	**(165.6)**
Total current liabilities	(2,163.0)	(184.4)	(6.3)	–	–	**(2,353.7)**
Non-current liabilities					–	
Interest-bearing loans and borrowings	(38.0)	–	–	–	–	**(38.0)**
Lease liabilities	(1,915.4)	–	(38.5)	–	–	**(1,953.9)**
Other payables	(102.4)	–	–	–	–	**(102.4)**
Put and call option liabilities	(1,061.2)	140.9	–	–	–	**(920.3)**
Provisions	(21.1)	–	–	–	–	**(21.1)**
Deferred tax liabilities	(90.2)	–	–	–	–	**(90.2)**
Total non-current liabilities	(3,228.3)	140.9	(38.5)	–	–	**(3,125.9)**
Total liabilities	(5,391.3)	(43.5)	(44.8)	–	–	**(5,479.6)**
Net assets	2,633.4	(43.5)	–	41.1	–	**2,631.0**
Capital and reserves						
Issued ordinary share capital	2.5	–	–	–	–	**2.5**
Share premium	467.5	–	–	–	–	**467.5**
Retained earnings	2,011.4	(36.8)	–	–	–	**1,974.6**
Share based payment reserve	0.3	–	–	–	–	**0.3**
Foreign exchange translation reserve	55.7	–	–	41.1	–	**96.8**
Put and call option reserve	(417.9)	(6.7)	–	–	–	**(424.6)**
Total equity attributable to equity holders of the parent	2,119.5	(43.5)	–	41.1	–	**2,117.1**
Non-controlling interest	513.9	–	–	–	–	**513.9**
Total equity	2,633.4	(43.5)	–	41.1	–	**2,631.0**

15. Prior Period Adjustments (continued)

Consolidated Statement of Financial Position (continued)
For the 52 week period ended 30 January 2022

	Reported £m	Put and call options £m	Leases £m	Foreign exchange £m	Restated (unaudited) £m
Non-current assets					
Intangible assets	1,473.6	–	–	41.1	**1,514.7**
Property, plant and equipment	688.5	–	–	–	**688.5**
Right-of-use assets	2,032.6	–	43.3	–	**2,075.9**
Investments in associates and joint ventures	56.2	–	–	–	**56.2**
Other assets	57.0	–	–	–	**57.0**
Trade and other receivables	2.5	–	–	–	**2.5**
Deferred tax assets	81.7	–	–	–	**81.7**
Total non-current assets	4,392.1	–	43.3	41.1	**4,476.5**
Current assets					
Inventories	989.4	–	–	–	**989.4**
Trade and other receivables	215.4	–	–	–	**215.4**
Income tax receivables	0.6	–	–	–	**0.6**
Cash and cash equivalents	1,314.0	–	–	–	**1,314.0**
Current assets excluding held-for-sale					
Assets held-for-sale	157.1	–	–	–	**157.1**
Total current assets	2,676.5	–	–	–	**2,676.5**
Total assets	7,068.6	–	43.3	41.1	**7,153.0**
Current liabilities					
Interest-bearing loans and borrowings	(72.6)	–	–	–	**(72.6)**
Lease liabilities	(379.0)	–	(5.6)	–	**(384.6)**
Trade and other payables	(1,279.5)	–	–	–	**(1,279.5)**
Put and call option liabilities	–	(97.1)	–	–	**(97.1)**
Provisions	(13.2)	–	–	–	**(13.2)**
Current liabilities excluding held-for-sale					
Liabilities held-for-sale	(142.6)	–	–	–	**(142.6)**
Total current liabilities	(1,886.9)	(97.1)	(5.6)	–	**(1,989.6)**
Non-current liabilities					
Interest-bearing loans and borrowings	(55.5)	–	–	–	**(55.5)**
Lease liabilities	(1,863.9)	–	(37.7)	–	**(1,901.6)**
Other payables	(10.6)	–	–	–	**(10.6)**
Put and call option liabilities	(764.8)	2.8	–	–	**(762.0)**
Provisions	(19.9)	–	–	–	**(19.9)**
Deferred tax liabilities	(127.4)	–	–	–	**(127.4)**
Total non-current liabilities	(2,842.1)	2.8	(37.7)	–	**(2,877.0)**
Total liabilities	(4,729.0)	(94.3)	(43.3)	–	**(4,866.6)**
Net assets	2,339.6	(94.3)	–	41.1	**2,286.4**
Capital and reserves					
Issued ordinary share capital	2.5	–	–	–	**2.5**
Share premium	467.5	–	–	–	**467.5**
Retained earnings	1,910.6	(82.6)	–	–	**1,828.0**
Share based payment reserve	0.1	–	–	–	**0.1**
Foreign exchange translation reserve	(40.1)	–	–	41.1	**1.0**
Put and call option reserve	(414.6)	(11.7)	–	–	**(426.3)**
Total equity attributable to equity holders of the parent	1,926.0	(94.3)	–	41.1	**1,872.8**
Non-controlling interest	413.6	–	–	–	**413.6**
Total equity	2,339.6	(94.3)	–	41.1	**2,286.4**

15. Prior Period Adjustments (continued)
Consolidated Statement of Cash Flows
For the 52 week period ended 28 January 2023

	Reported £m	Adjustment £m	Restated (unaudited) £m
Cash flows from operating activities			
Profit for the period	226.7	45.8	**272.5**
Adjustments for:			
Income tax expense	214.2	–	**214.2**
Financial expenses	77.3	–	**77.3**
Financial income	(8.4)	–	**(8.4)**
Depreciation and amortisation of non-current assets	633.2	–	**633.2**
Foreign exchange gains on monetary assets and liabilities	2.5	–	**2.5**
Loss on disposal of non-current assets	5.1	–	**5.1**
Gain/loss on FX forward contracts (recorded in Cost of sales)	–	32.2	**32.2**
Impairment of other intangibles and non-current assets (non-adjusting)	3.4	–	**3.4**
Impairment of goodwill and fascia names (adjusting)	117.6	–	**117.6**
Impairment of investments in associates and joint ventures (adjusting)	19.6	–	**19.6**
Impairment of other intangibles and non-current assets (adjusting)	6.0	–	**6.0**
Other non-cash adjusting items	407.3	(45.8)	**361.5**
Share of profit of equity-accounted investees (net of tax)	(4.9)	–	**(4.9)**
Profit before working capital changes	1,699.6	32.2	**1,731.8**
Decrease/(Increase) in inventories	(501.3)	–	**(501.3)**
Decrease/(Increase) in trade and other receivables	(42.2)	(6.8)	**(49.0)**
(Decrease)/Increase in trade and other payables	177.1	(25.4)	**151.7**
Cash generated from operations	1,333.2	–	**1,333.2**
Interest paid	(8.4)	–	**(8.4)**
Lease interest paid	(68.9)	–	**(68.9)**
Income taxes paid	(174.4)	–	**(174.4)**
Net cash from operating activities	1,081.5	–	**1,081.5**
Cash flows from investing activities:			
Interest received	8.4	–	**8.4**
Proceeds from sale of non-current assets	11.5	–	**11.5**
Acquisition of intangible assets	(19.9)	–	**(19.9)**
Acquisition of property, plant and equipment	(326.6)	–	**(326.6)**
Acquisition of other non-current assets	(12.8)	–	**(12.8)**
Drawdown of lease liabilities	7.5	–	**7.5**
Dividends received from equity-accounted investees	3.4	–	**3.4**
Cash consideration of disposals (net of cash disposed)	59.6	–	**59.6**
Investment in associates and joint ventures	(2.8)	–	**(2.8)**
Acquisition of subsidiaries (net of cash acquired)	(20.0)	–	**(20.0)**
Net cash used in investing activities	(291.7)	–	**(291.7)**
Cash flows from financing activities:			
Repayment of interest-bearing loans and borrowings	(37.4)	–	**(37.4)**
Drawdown of interest-bearing loans and borrowings	15.5	–	**15.5**
Repayment of lease liabilities	(400.5)	–	**(400.5)**
Deferred consideration paid(1)	(29.2)	–	**(29.2)**
Divestment of non-controlling interests	0.1	–	**0.1**
Acquisition of non-controlling interests	(29.3)	–	**(29.3)**
Equity dividends paid	(24.8)	–	**(24.8)**
Dividends paid to non-controlling interests in subsidiaries	(2.8)	–	**(2.8)**
Net cash used in financing activities	(508.4)	–	**(508.4)**
Net increase in cash and cash equivalents	281.4	–	**281.4**
Cash and cash equivalents at the beginning of the period	1,280.4	–	**1,280.4**
Foreign exchange losses on cash and cash equivalents	(12.9)	–	**(12.9)**
Cash and cash equivalents at the end of the period	1,548.9	–	**1,548.9**

(1) Deferred consideration paid has been represented within financing activities having previously been classified as investing. Classification as financing more accurately reflects the nature of the cash flow.

Alternative Performance Measures

The Directors measure the performance of the Group based on a range of financial measures, including measures not recognised by UK-adopted International Financial Reporting Standards. These Alternative Performance Measures may not be directly comparable with other companies' Alternative Performance Measures and the Directors do not intend these to be a substitute for, or superior to, IFRS measures. The Directors believe that these Alternative Performance Measures assist in providing additional useful information on the trading performance of the Group. Alternative Performance Measures are also used to enhance the comparability of information between reporting periods, by excluding adjusting items. The Group's operating and reportable segments under IFRS 8 are Sports Fashion and Outdoor, however, more granular information is provided within these Alternative Performance Measures which the Directors believe will further enhance the readers understanding of the Group.

Adjusted Basic Earnings per Share

The calculation of basic earnings per share is detailed in Note 5 to the financial statements. Adjusted basic earnings per ordinary share has been based on the profit for the period attributable to equity holders of the parent for each financial period but excluding the post-tax effect of certain adjusting items. A reconciliation between basic earnings per share and adjusted basic earnings per share is shown below:

	2024 (unaudited)	Restated[(1)] 2023 (unaudited)
Basic earnings per share per Note 5	**10.45p**	3.65p
Adjusting items	**2.05p**	9.79p
Tax relating to adjusting items	**(0.36)p**	(0.05)p
Adjusted basic earnings per ordinary share	**12.14p**	13.39p

(1) Please refer to Note 15 for further details of the restatement.

Adjusting Items

For the financial period ended 3 February 2024, the Group has updated the presentation of the Consolidated Income Statement to a three-column format to show adjusting items against the relevant income statement line item. The term 'adjusting items', as opposed to 'adjusted items' that was used in the prior financial period, has been updated as has the definition of adjusting items to include the impairment of loan receivables not recoverable. These updates are intended to provide enhanced disclosure and greater clarity over what is classified as an adjusting item and, by being more specific in terms of defining the adjusting items, results in the provision of more relevant information with greater comparability between financial periods.

The Group exercises judgement in assessing whether items should be classified as adjusting items. This assessment covers the nature of the item, cause of occurrence and scale of impact of that item on the reported performance. In determining whether an item should be presented as adjusting items, the Group considers items which are significant because of either their size or their nature which management believe would distort an understanding of earnings if not adjusted. In order for an item to be presented as an adjusting item, it should typically meet at least one of the following criteria:

- Impairments of tangible and intangible assets, investments and loan receivables not recoverable.
- Unusual in nature or outside the normal course of business (for example the non-cash movement in the present value of put and call options).
- Items directly incurred as a result of either an acquisition or a divestment, or arising from a major business change or restructuring programme.

The separate reporting of items, which are presented as adjusting items within the relevant category in the Consolidated Income Statement, helps provide an indication of the Group's trading performance in the normal course of business. An explanation as to why individual items have been classified as adjusting is given in Note 3 to the financial statements.

Furthermore, Alternative Performance Measures excluding adjusting items are intended to enhance the comparability of information between reporting periods and to help to provide an indication of the Group's trading performance.

Capital Expenditure

Capital Expenditure is the measure of total cash invested each period to maintain or build new retail fascias, logistics infrastructure, or technology assets. This investment is in the ongoing business and is invested to deliver growth in organic sales or improvements in gross profit or operating profit. This APM is therefore useful to understand the investment the company is making in its ongoing assets for which a return on investment is expected in the future.

This measure excludes other items within net cash used in investing activities in the cashflow statement as these are not related to investments in the ongoing business, but to acquisitions, investments or disposals of subsidiaries or joint ventures, proceeds of sale of non-current assets or interest received.

The table below details the cashflow expenditure on capital investment as detailed in the Consolidated Statement of Cash Flows.

	2024 (unaudited) £m	2023 (unaudited) £m
Acquisition of intangibles (software development)	**29.5**	19.9
Acquisition of property, plant and equipment	**500.0**	326.6
Acquisition of other non-current assets	**10.2**	12.8
Total capital expenditure	**539.7**	359.3

Alternative Performance Measures (continued)
Capital Expenditure (continued)

An alternative presentation of this is as follows:

	2024 (unaudited) £m	2023 (unaudited) £m
Investment in physical retail fascias	**301.4**	208.4
Investment in logistics infrastructure	**153.2**	85.8
Investment in technology and other	**85.1**	65.1
Total capital expenditure	**539.7**	359.3

Effective Tax Rate Before Adjusting Items

Being the adjusted tax charge as a percentage of the adjusted profit before tax as outlined in the Consolidated Income Statement.

	2024 (unaudited) £m	Restated[1] 2023 (unaudited) £m
Income tax expense	**206.2**	214.2
Profit before tax	**811.2**	486.7
Effective tax rate	**25.4%**	44.0%

	2024 (unaudited)	Restated[1] 2023 (unaudited)
Income tax expense before adjusting items	**224.6**	216.4
Profit before tax and adjusting items	**917.2**	991.4
Effective tax rate before adjusting items	**24.5%**	21.8%

(1) Please refer to Note 15 for further details of the restatement.

Income Tax Expense Before Adjusting Items

Income tax expense before the impact of adjusting items as shown in the Consolidated Income Statement and used in the Adjusted Effective Rate of Taxation measure shown above.

	2024 (unaudited) £m	Restated[1] 2023 (unaudited) £m
Income tax expense	**206.2**	214.2
Effect of adjusting items on income tax	**18.4**	2.2
Income tax expense before adjusting items	**224.6**	216.4

(1) Please refer to Note 15 for further details of the restatement.

Like-For-Like Sales Growth

The definition of Like-For-Like (“LFL”) sales growth is outlined in the Organic Sales Growth definition below.

Alternative Performance Measures (continued)

Net Cashflow Before Dividends, Acquisitions and Disposals

Net cashflow before dividends, acquisitions and disposals is the movement in cash and cash equivalents period on period excluding the impact of acquisition of subsidiaries or non-controlling interests, cash proceeds from disposals, purchase of equity investments, dividends paid to equity shareholders and non-controlling interests.

This performance measure gives insight into the cash generated from the annual operations of the business including capital expenditure reinvested in the business, and excludes cashflows related to dividends and acquisitions and disposals as these decisions are outside the normal course of business operations.

	2024 (unaudited) £m	Restated(1) 2023 (unaudited) £m
Profit before tax	**811.2**	486.7
Add back impairments of intangible assets and investments	**39.2**	137.2
Add back other non-cash adjusting items	**69.2**	367.5
Depreciation and amortisation of non-current assets	**664.1**	633.2
Change in working capital	**(197.0)**	(398.6)
Repayment of lease liabilities	**(400.0)**	(393.0)
Capital expenditure	**(539.7)**	(359.3)
Income taxes paid	**(208.6)**	(174.4)
Other	**(22.5)**	15.0
Net cashflow before dividends, acquisitions and disposals	**215.9**	314.3
Acquisition of NCI and cash consideration of disposals	**(611.0)**	(21.6)
Equity dividends paid	**(50.1)**	(24.8)
Dividends paid to NCI in subsidiaries net of dividend received	**(2.1)**	0.6
Change in cash and cash equivalents(2)	**(447.3)**	268.5
Cash and cash equivalents at the beginning of the period(2)	**1,548.9**	1,280.4
Cash and cash equivalents at the end of the period(2)	**1,101.6**	1,548.9

(1) Please refer to Note 15 for further details of the restatement.
(2) Cash and cash equivalents equates to the cash and cash equivalents presented in the Consolidated Statement of Cash Flows, as reconciled in Note 10.

Net Cash Before Lease Liabilities

Net cash before lease liabilities consists of cash and cash equivalents together with other borrowings from bank loans and overdrafts but before lease liabilities.

Net cash before lease liabilities is a measure of the Group's net indebtedness that provides an indicator of the overall strength of the Consolidated Statement of Financial Position. It is also a single measure that can be used to assess the combined effect of the Group's cash position and its indebtedness. Net cash before lease liabilities is considered to be an alternative performance measure as it is not defined in IFRS. The most directly comparable IFRS measure is the aggregate of borrowings and lease liabilities (current and non-current) and cash and cash equivalents.

A reconciliation of these measures with net cash can be found in Note 10 to the consolidated financial statements.

	2024 (unaudited) £m	Restated(1) 2023 (unaudited) £m
Net debt (Note 10)	**(1,452.0)**	(914.7)
Lease liabilities	**2,484.0**	2,384.0
Net cash before lease liabilities	**1,032.0**	1,469.3

(1) Please refer to Note 15 for further details of the restatement.

Net Financial Expense and Impairment Loss on Financial Assets Before Adjusting Items

	2024 (unaudited) £m	Restated(1) 2023 (unaudited) £m
Net financial expenses	**(116.0)**	(319.3)
Adjusting items (in financial expenses)	**(5.5)**	250.4
Adjusting items (impairment loss on financial assets)	**58.8**	-
Net financial expense and impairment loss on financial assets before adjusting items	**(62.7)**	(68.9)

(1) Please refer to Note 15 for further details of the restatement.

Alternative Performance Measures (continued)

Operating Costs Before Adjusting Items

Being operating costs before adjusting items included within operating costs.

	2024 (unaudited) £m	Restated[(1)] 2023 (unaudited) £m
Selling and distribution expenses	**3,622.7**	3,353.5
Administrative expenses	**536.2**	751.6
Adjusting items (within administrative expenses)	**(52.7)**	(254.3)
Total operating costs before adjusting items	**4,106.2**	3,850.8

(1) Please refer to Note 15 for further details of the restatement.

Operating Margin Before Adjusting Items

A reconciliation between operating margin and adjusting items can be found in the Summary Consolidated Income Statement On A 52 Week Basis on page 9.

Operating Profit Before Adjusting Items

A reconciliation is presented on page 60 between operating profit and operating profit before adjusting items by segment and sub-segment, including the impact of the unaudited 53rd week.

Organic Sales Growth

One of the key measures of performance is the growth in sales between reporting periods excluding the impact of currency, acquisitions and disposals. This is described by the Group as 'Organic Sales Growth'.

Organic Sales Growth is calculated at constant currency using the average exchange rate of the current period applied to sales from the current and prior periods. Organic Sales Growth is calculated by removing the impact of all sales in the prior period from:

- Disposals undertaken in the prior period;
- Disposals undertaken in the current period; and
- Assets held-for-sale at the end of the current period.

In this context, 'disposals' refers to businesses divested by the Group, and does not include individual store closures within continuing businesses. This gives a new prior period base from which to calculate Organic Sales Growth rates.

To calculate the Organic Sales Growth % in the current year, the new prior period base is compared to the current period sales, adjusted as follows:

- Exclude any sales from businesses acquired in the current period; and
- For acquisitions that were made in the prior period, exclude sales in the equivalent pre-acquisition period in the current period

This isolates Organic Sales Growth to the percentage change in year-on-year sales from businesses which were part of the Group in both the current and prior periods.

Organic Sales Growth is further split into like-for-like ("LFL") sales, which represent sales from stores of these businesses that existed in both periods, and 'non like-for-like' sales ("non-LFL") which represents sales from new net space, store relocations, and store conversions other than those that are part of the strategic Finish Line to JD migration programme. This split enables the performance of the retail stores to be measured on a consistent year-on-year basis and is a common term used in the industry, albeit how it is calculated can differ somewhat from company to company.

Additionally, in FY24 Organic Sales Growth is calculated on an unaudited 52-week basis vs. the prior period to aid comparability. The impact of the 53rd week has been analysed in the table below to allow comparison of the unaudited 52-week period from the current and prior period.

Alternative Performance Measures (continued)

The table below shows a reconciliation of adjusted operating profit for the unaudited 52 week period to 27 January 2024 to operating profit for the reported 53 week period to 3 February 2024 by operating segment and sub-segment.

	Operating profit before adjusting items	Operating profit before adjusting items	Operating profit before adjusting items	Adjusting items	**Operating profit for the period**
	52 weeks 2024 (unaudited) £m	53rd week 2024 (unaudited) £m	53 weeks 2024 (unaudited) £m	53 weeks 2024 (unaudited) £m	**53 weeks 2024 (unaudited) £m**
Sports Fashion (Reportable Segment)					
Premium Retail Fascias					
UK & ROI	340.4	3.0	343.4	(11.6)	**331.8**
Europe	69.3	(0.5)	68.8	-	**68.8**
Asia Pacific	69.2	1.1	70.3	-	**70.3**
North America	317.1	2.4	319.5	(2.2)	**317.3**
Other Retail Fascias					
UK & ROI	51.8	-	51.8	(16.5)	**35.3**
Europe	52.8	(0.1)	52.7	30.8	**83.5**
Asia Pacific	0.3	-	0.3	(0.4)	**(0.1)**
North America	31.7	0.3	32.0	-	**32.0**
Non-Retail Businesses	48.4	-	48.4	(43.0)	**5.4**
Total Sports Fashion	981.0	6.2	987.2	(42.9)	**944.3**
Outdoor (Reportable Segment)					
Total Outdoor	(7.1)	(0.2)	(7.3)	(9.8)	**(17.1)**
TOTAL GROUP	**973.9**	**6.0**	**979.9**	**(52.7)**	**927.2**

	Operating profit before adjusting items	Adjusting items	**Operating profit for the period**
	Restated [(1)] 52 weeks 2023 (unaudited) £m	Restated [(1)] 52 weeks 2023 (unaudited) £m	**Restated (1) 52 weeks 2023 (unaudited) £m**
Sports Fashion (Reportable Segment)			
Premium Retail Fascias			
UK & ROI	369.5	(9.1)	**360.4**
Europe	102.2	-	**102.2**
Asia Pacific	66.6	(8.1)	**58.5**
North America	340.2	(7.1)	**333.1**
Other Retail Fascias			
UK & ROI	23.2	(133.5)	**(110.3)**
Europe	67.2	(24.7)	**42.5**
Asia Pacific	0.2	-	**0.2**
North America	44.8	-	**44.8**
Non-Retail Businesses	30.0	(32.0)	**(2.0)**
Total Sports Fashion	1,043.9	(214.5)	**829.4**
Outdoor (Reportable Segment)			
Total Outdoor	16.4	(39.8)	**(23.4)**
TOTAL GROUP	**1,060.3**	**(254.3)**	**806.0**

(1) Please refer to Note 15 for further details of the restatement.

Alternative Performance Measures (continued)

The table below shows a reconciliation of organic Sales Growth for each operating segment and sub-segment for the unaudited 52 week period ended 27 January 2024 and reconciled to the 53 week period ended 3 February 2024. The analysis is split over two tables.

	Revenue 2023	Impact of retranslating at 2024 rates	Impact of 2023 and 2024 disposals	Revenue rebased 2023	Acquisitions 2024	Pre-disposal revenue of disposals 2024	Organic sales growth 2024	52 weeks 2024
	£m	£m	£m	£m	£m	£m	£m	£m
Sports Fashion (Reportable Segment)								
Premium Retail Fascias								
UK & ROI	2,597.6	2.6	-	2,600.2	-	-	60.8	2,661.0
Europe	1,385.8	18.3	-	1,404.1	-	-	355.6	1,759.7
Asia Pacific	430.9	(22.5)	(31.9)	376.5	-	13.2	92.0	481.7
North America	2,845.6	(48.8)	-	2,796.8	-	-	272.2	3,069.0
Total Premium Retail Fascias	7,259.9	(50.4)	(31.9)	7,177.6	-	13.2	780.6	7,971.4
Other Retail Fascias								
UK & ROI	520.4	-	(499.7)	20.7	-	85.5	(0.8)	105.4
Europe	1,179.7	32.0	(92.8)	1,118.9	-	64.2	52.7	1,235.8
Asia Pacific	2.2	(0.1)	(2.0)	0.1	-	1.6	-	1.7
North America	280.7	(4.7)	-	276.0	-	-	6.5	282.5
Non-Retail Businesses	317.8	(0.4)	(215.6)	101.8	7.6	132.1	6.5	248.0
Total Sports Fashion	9,560.7	(23.6)	(842.0)	8,695.1	7.6	296.6	845.5	9,844.8
Outdoor (Reportable Segment)								
Total Outdoor	564.3	-	-	564.3	-	-	(11.9)	552.4
TOTAL GROUP	**10,125.0**	**(23.6)**	**(842.0)**	**9,259.4**	**7.6**	**296.6**	**833.6**	**10,397.2**

Continued	52 Weeks 2024	Week 53 2024	53 weeks 2024	LFL 2024	Non-LFL 2024	LFL	Non-LFL	Organic sales growth
	£m	£m	£m	£m	£m	%	%	%
Sports Fashion (Reportable Segment)								
Premium Retail Fascias								
UK & ROI	2,661.0	30.9	2,691.9	13.5	47.3	+0.5%	+1.8%	+2.3%
Europe	1,759.7	27.9	1,787.6	147.8	207.8	+10.5%	+14.8%	+25.3%
Asia Pacific	481.7	9.4	491.1	46.9	45.1	+12.5%	+12.0%	+24.4%
North America	3,069.0	45.6	3,114.6	108.1	164.1	+3.9%	+5.9%	+9.7%
Total Premium Retail Fascias	7,971.4	113.8	8,085.2	316.3	464.3	+4.4%	+6.5%	+10.9%
Other Retail Fascias								
UK & ROI	105.4	0.9	106.3	4.2	(5.0)	+20.3%	-24.2%	-3.9%
Europe	1,235.8	19.4	1,255.2	38.6	14.1	+3.4%	+1.3%	+4.7%
Asia Pacific	1.7	-	1.7	-	-	-	-	-
North America	282.5	3.5	286.0	7.8	(1.3)	+2.8%	-0.4%	+2.4%
Non-Retail Businesses	248.0	-	248.0	(2.4)	8.9	-2.4%	+8.7%	+6.4%
Total Sports Fashion	9,844.8	137.6	9,982.4	364.5	481.0	+4.2%	+19.9%	+9.7%
Outdoor (Reportable Segment)								
Total Outdoor	552.4	7.2	559.6	(14.7)	2.9	-2.6%	+0.5%	-2.1%
TOTAL GROUP	**10,397.2**	**144.8**	**10,542.0**	**349.8**	**483.9**	**+3.8%**	**+5.2%**	**+9.0%**

Alternative Performance Measures (continued)

Sales Growth From Net New Space

The definition of sales growth from net new space is outlined in the Organic Sales Growth definition above.

Sales Growth

One of the key measures of performance is the growth in sales between reporting periods excluding the impact of currency. The figures below are extracted from the Organic Sales Growth table.

	Sales Growth £m
Revenue 52 weeks 2023	10,125.0
Impact of retranslating at 2024 currency rate	(23.4)
	10,101.6
Revenue 52 weeks 2024	10,397.4
Sales Growth	2.9%

Summary Consolidated Income Statement On A 52 Week Basis

In order to provide comparability with the prior year results for the 52 weeks ended 28 January 2023, the tables below present a summary of the Group's Consolidated Income Statement for the 53 week period to 3 February 2024, adjusted to remove the results of week 53, providing an unaudited 52 weeks period to 27 January 2024. In determining the week 53 adjustment, revenue and gross profit represents the actual trading performance in that week, with operating costs and net financial expenses allocated on a reasonable basis to reflect an estimate of costs for that week, unless a split was not deemed to sufficiently represent the actual costs incurred during week 53.

	53 weeks 2024	Exclude 53rd week 2024	**52 weeks (unaudited) 2024**	**Restated[1] 52 weeks (unaudited) 2023**	Change
	£m	£m	£m	**£m**	%
Revenue	10,542.0	(144.8)	**10,397.2**	**10,125.0**	+2.7
Gross profit	5,048.0	(61.7)	**4,986.3**	**4,877.6**	+2.2
Gross profit margin	**47.9%**	**42.6%**	**48.0%**	**48.2%**	
Operating costs before adjusting items	(4,068.1)	55.7	**(4,012.4)**	**(3,817.3)**	+5.1
Operating profit before adjusting items	979.9	(6.0)	**973.9**	**1,060.3**	-8.1
Operating margin before adjusting items	**9.3%**		**9.4%**	**10.5%**	
Net financial expense before adjusting items	(62.7)	1.2	**(61.5)**	**(68.9)**	-10.7
Profit before tax and adjusting items	917.2	(4.8)	**912.4**	**991.4**	-8.0
Adjusting items	(106.0)	-	**(106.0)**	**(504.7)**	-79.0
Profit before tax	**811.2**	**(4.8)**	**806.4**	**486.7**	**+65.7**

(1) Please refer to Note 15 for further details of the restatement.

The table below shows the reconciliation of operating costs between 52 weeks and 53 weeks as well as, the reconciliation between operating costs before adjusting items and operating costs.

	53 weeks 2024	Exclude 53rd week 2024	**52 weeks (unaudited) 2024**	**Restated[1] 52 weeks (unaudited) 2023**
	£m	£m	**£m**	**£m**
Selling and distribution expenses	(3,622.7)	49.6	**(3,573.1)**	**(3,353.5)**
Administrative expenses before adjusting items	(483.5)	6.6	**(476.9)**	**(497.3)**
Share of equity accounted investees	7.6	(0.1)	**7.5**	**4.9**
Other operating income	30.5	(0.4)	**30.1**	**28.6**
Operating costs before adjusting items	**(4,068.1)**	**55.7**	**(4,012.4)**	**(3,817.3)**
Adjusting items within administrative expenses	(52.7)	-	**(52.7)**	**(253.4)**
Operating costs	**(4,120.8)**	**55.7**	**(4,065.1)**	**(4,070.7)**

(1) Please refer to Note 15 for further details of the restatement.