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# JD Sports Fashion PLC Final Results

April 2021





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# Results Overview

Peter Cowgill, Executive Chairman



# Summary of Results

|                                       | Jan 2021           |            |                     | Jan 2020           |            |                     |
|---------------------------------------|--------------------|------------|---------------------|--------------------|------------|---------------------|
|                                       | Proforma<br>IAS 17 | Adjustment | Reported<br>IFRS 16 | Proforma<br>IAS 17 | Adjustment | Reported<br>IFRS 16 |
|                                       | £m                 | £m         | £m                  | £m                 | £m         | £m                  |
| Revenue                               | 6,167.3            | -          | 6,167.3             | 6,110.8            | -          | 6,110.8             |
| EBITDA                                | 649.3              | 340.9      | 990.2               | 623.6              | 356.2      | 979.8               |
| Depreciation                          | (183.1)            | (324.8)    | (507.9)             | (151.8)            | (311.1)    | (462.9)             |
| Operating Profit Excl Exceptionals    | 466.2              | 16.1       | 482.3               | 471.8              | 45.1       | 516.9               |
| Finance Costs (incl Lease Interest)   | (6.1)              | (54.9)     | (61.0)              | (6.2)              | (71.9)     | (78.1)              |
| Profit Before Tax & Exceptional Items | 460.1              | (38.8)     | 421.3               | 465.6              | (26.8)     | 438.8               |
| Divisional Profit - Sports Fashion    | 469.5              | (36.0)     | 433.5               | 492.2              | (23.7)     | 468.5               |
| Divisional Profit - Outdoor           | (3.3)              | (2.8)      | (6.1)               | (20.4)             | (3.1)      | (23.5)              |
| Group Funding Costs                   | (6.1)              | -          | (6.1)               | (6.2)              | -          | (6.2)               |
|                                       | 460.1              | (38.8)     | 421.3               | 465.6              | (26.8)     | 438.8               |

\*Highlighted figures are IAS17 which are used internally to measure financial performance

# Five Year History

|  |               | Jan 2021           |                     | Jan 2020           |                     | Jan 2019           | Jan 2018           | Jan 2017           |
|--|---------------|--------------------|---------------------|--------------------|---------------------|--------------------|--------------------|--------------------|
|  |               | Proforma<br>IAS 17 | Reported<br>IFRS 16 | Proforma<br>IAS 17 | Reported<br>IFRS 16 | Reported<br>IAS 17 | Reported<br>IAS 17 | Reported<br>IAS 17 |
|  |               | £m                 | £m                  | £m                 | £m                  | £m                 | £m                 | £m                 |
| Revenue (£m)                               | UK & ROI      | 2,800.7            |                     | 2,836.6            |                     | 2,334.8            | 2,229.6            | 1,791.5            |
|  | Europe        | 1,336.6            |                     | 1,412.8            |                     | 1,205.1            | 799.7              | 545.0              |
|  | North America | 1,770.4            |                     | 1,601.4            |                     | 956.6              | -                  | -                  |
|  | Asia Pacific  | 259.6              |                     | 260.0              |                     | 221.3              | 132.1              | 42.2               |
|  |               | 6,167.3            |                     | 6,110.8            |                     | 4,717.8            | 3,161.4            | 2,378.7            |
| EBITDA (£m)                                |               | 649.3              | 990.2               | 623.6              | 979.8               | 488.4              | 385.2              | 308.6              |
| Profit Before Tax & Exceptional Items (£m) |               | 460.1              | 421.3               | 465.6              | 438.8               | 355.2              | 307.4              | 244.8              |

\*Highlighted figures are IAS17 which are used internally to measure financial performance



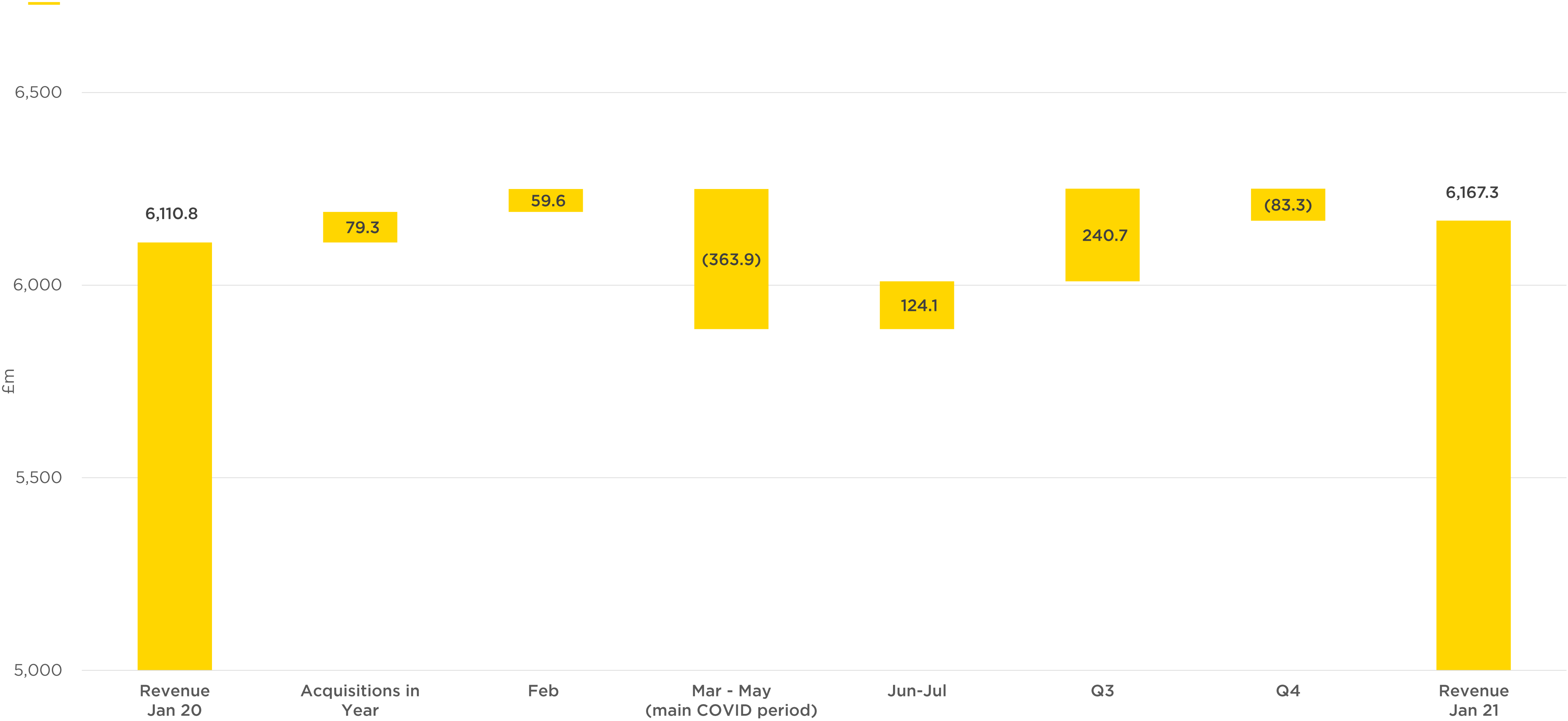


# Financials

Neil Greenhalgh, Chief Financial Officer



# Revenue Bridge



# Sports Fashion Summary

|                                    | Premium Sports Fashion |        |              |                   | Other Fascias |            |              |                   |                      |                |
|------------------------------------|------------------------|--------|--------------|-------------------|---------------|------------|--------------|-------------------|----------------------|----------------|
|                                    | UK & ROI               | Europe | Asia Pacific | North America (1) | UK & ROI (2)  | Europe (3) | Asia Pacific | North America (4) | Other Businesses (5) | Sports Fashion |
| Revenue to Jan 2020 (£m)           | 1,805.1                | 801.9  | 231.9        | 1,320.4           | 427.2         | 610.9      | 28.1         | 281.0             | 190.3                | 5,696.8        |
| Revenue to Jan 2021 (£m)           | 1,810.1                | 792.2  | 259.6        | 1,534.7           | 455.5         | 544.4      | -            | 235.7             | 175.8                | 5,808.0        |
| Gross Profit to Jan 2020 (%)       |                        |        |              |                   |               |            |              |                   |                      | 47.4%          |
| Gross Profit to Jan 2021 (%)       |                        |        |              |                   |               |            |              |                   |                      | 48.4%          |
| Divisional Profit to Jan 2020 (£m) | 284.6                  | 47.4   | 6.2          | 68.0              | 3.9           | 18.2       | (1.2)        | 26.2              | 15.2                 | 468.5          |
| Divisional Profit to Jan 2021 (£m) | 249.6                  | (2.3)  | 13.7         | 146.6             | 13.7          | (16.4)     | -            | 25.3              | 3.3                  | 433.5          |
| Number of Stores End of Period     | 423                    | 345    | 69           | 684               | 154           | 431        | -            | 290               | -                    | 2,396          |

(1) Being JD, Finish Line, Shoe Palace and Livestock in the United States and Canada  
(2) Being Fashion businesses including Footasylum  
(3) Being Sprinter (Spain), Sport Zone (Portugal), Chausport (France) and Aktiesport / Perry Sport (the Netherlands)  
(4) Being Finish Line concessions in Macy's department stores  
(5) Includes Gyms

# North American Summary

|  | FY to Jan 2021   |        |                 |               |         | FY to Jan 2020   |        |             |           |         |
|--|------------------|--------|-----------------|---------------|---------|------------------|--------|-------------|-----------|---------|
|  | Finish Line / JD | Macy's | Shoe Palace (1) | Livestock (2) | Total   | Finish Line / JD | Macy's | Shoe Palace | Livestock | Total   |
|  | \$m              | \$m    | \$m             | \$m           | \$m     | \$m              | \$m    | \$m         | \$m       | \$m     |
| Revenue                                | 1,893.0          | 303.5  | 71.6            | 12.8          | 2,280.9 | 1,688.1          | 359.2  | -           | -         | 2,047.3 |
| Gross Profit %                         |                  |        |                 |               | 46.7%   |                  |        |             |           | 43.0%   |
| EBITDA                                 | 222.1            | 36.6   | 20.1            | 2.2           | 281.0   | 133.7            | 37.9   | -           | -         | 171.6   |
| Depreciation & Amortisation            | (45.1)           | (4.0)  | (0.9)           | (0.4)         | (50.4)  | (42.2)           | (4.4)  | -           | -         | (46.6)  |
| Proforma Operating Profit under IAS 17 | 177.0            | 32.6   | 19.2            | 1.8           | 230.6   | 91.5             | 33.5   | -           | -         | 125.0   |
| Net Impact of IFRS 16                  | (7.9)            | -      | (1.4)           | -             | (9.3)   | (4.7)            | -      | -           | -         | (4.7)   |
| Reported Divisional Profit             | 169.1            | 32.6   | 17.8            | 1.8           | 221.3   | 86.8             | 33.5   | -           | -         | 120.3   |
| Reported Divisional Profit (£m)        | 131.3            | 25.3   | 13.9            | 1.4           | 171.9   | 68.0             | 26.2   | -           | -         | 94.2    |
| H1 (£m)                                | 66.9             | 6.5    | -               | 0.4           | 73.8    | 24.9             | 10.8   | -           | -         | 35.7    |
| H2 (£m)                                | 64.4             | 18.8   | 13.9            | 1.0           | 98.1    | 43.1             | 15.4   | -           | -         | 58.5    |

(1) The Shoe Palace acquisition took place on 14 December 2020, the numbers reflect the 6 week period post acquisition  
(2) Acquired on 10 February 2020. The figures were converted from CAD to USD using an average YTD spot rate



# Outdoors Summary

|   | BORL<br>(1) | Go Outdoors | Tiso  | Naylor's<br>Equestrian (2) | Outdoor Total |
|---|-------------|-------------|-------|----------------------------|---------------|
|   | £m          | £m          | £m    | £m                         | £m            |
| Revenue to Jan 2020 (£m)                    | 153.4       | 233.8       | 26.8  | -                          | 414.0         |
| Revenue to Jan 2021 (£m)                    | 123.9       | 213.4       | 20.4  | 1.6                        | 359.3         |
| Gross Profit to Jan 2020 (%)                |             |             |       |                            | 41.9%         |
| Gross Profit to Jan 2021 (%)                |             |             |       |                            | 42.2%         |
| Divisional Profit / (Loss) to Jan 2020 (£m) | 1.3         | (23.8)      | (1.0) | -                          | (23.5)        |
| Divisional Profit / (Loss) to Jan 2021 (£m) | (0.2)       | (5.8)       | (0.3) | 0.2                        | (6.1)         |
| Number of Stores End of Period              | 155         | 69          | 13    | 3                          | 240           |

|       | Jan 2021 | Jan 2020 | Variance |
|-------|----------|----------|----------|
| H1 £m | (16.8)   | (20.1)   | 3.3      |
| H2 £m | 10.7     | (3.4)    | 14.1     |
|       | (6.1)    | (23.5)   | 17.4     |

(1) Being Blacks, Millets and Ultimate Outdoors  
(2) Naylor's Equestrian was acquired on 17 November 2020

Q3: A “Clean” Period

|                  |          | LFL      |            |        | Online Participation |
|------------------|----------|----------|------------|--------|----------------------|
|                  |          | Footfall | Conversion | Stores | Q3 Only              |
| JD               | UK & ROI | (24.5%)  | 28.5%      | 4.5%   | 33.3%                |
|                  | Europe   | (25.3%)  | 29.2%      | (2.1%) | 22.0%                |
| Finish Line / JD |          | (21.1%)  | 12.7%      | 1.4%   | 34.5%                |

# Balance Sheet

|                                     | Post IFRS 16 |           | Pre IFRS 16 |           |
|-------------------------------------|--------------|-----------|-------------|-----------|
|                                     | Jan 2021     | Jan 2020  | Jan 2021    | Jan 2020  |
|                                     | £m           | £m        | £m          | £m        |
| Right of Use Asset                  | 1,752.4      | 1,854.1   | -           | -         |
| Goodwill & Fascia Names             | 774.5        | 368.4     | 774.5       | 368.3     |
| Brand Licences & Owned Brands       | 13.2         | 13.3      | 13.2        | 13.4      |
| Other Intangibles                   | 32.0         | 32.0      | 32.0        | 32.0      |
| Property, Plant & Equipment         | 564.0        | 566.0     | 580.0       | 580.6     |
| Other Fixed Assets & Investments    | 2.7          | 2.6       | 16.8        | 18.0      |
| Key Money & Store Deposits          | 63.2         | 47.9      | 63.2        | 47.9      |
| Deferred Tax Assets                 | 40.6         | -         | 32.2        | -         |
| Stocks                              | 813.7        | 811.8     | 813.7       | 811.8     |
| Debtors / Prepayments               | 141.2        | 183.9     | 184.3       | 183.9     |
| Net Cash                            | 795.4        | 429.9     | 795.4       | 429.9     |
| Liabilities / Provisions            | (1,566.7)    | (1,028.0) | (1,633.7)   | (1,041.8) |
| Deferred Income On Lease Incentives | -            | -         | (124.2)     | (135.2)   |
| Lease Debt                          | (1,929.8)    | (1,992.7) | -           | -         |
|                                     | 1,496.4      | 1,289.2   | 1,547.4     | 1,308.8   |

# Cashflow

|   | Year to Jan 2021 | Year to Jan 2020 |
|---|------------------|------------------|
|   | £m               | £m               |
| Operating Profit (Pre Exceptional Items)                | 482.3            | 516.9            |
| Depreciation & Amortisation                             | 507.9            | 462.9            |
| Repayment Of Lease Liabilities                          | (285.2)          | (264.8)          |
| Lease Interest  | (54.9)           | (71.9)           |
| Decrease / (Increase) In Stocks                         | 63.5             | (9.5)            |
| Other Working Capital Movements                         | 130.7            | 56.5             |
| Net Cash Inflow From Operating Activities               | 844.3            | 690.1            |
| Net Taxation  | (130.4)          | (97.8)           |
| Net Funding Interest                                    | (6.1)            | (6.2)            |
| Capital Expenditure (Incl Bespoke Software Development) | (132.0)          | (177.2)          |
| Net Proceeds From Disposals                             | 2.1              | 3.1              |
| Free Cash Flow  | 577.9            | 412.0            |
| Net Acquisition & Investments (Incl Debt Acquired)      | (206.3)          | (89.3)           |
| Group Dividends   | -                | (16.7)           |
| Subsidiary Shares Issued in the Period                  | 0.3              | -                |
| Acquisition and Divestment of Non-Controlling Interests | (5.2)            | -                |
| Dividends To Non-Controlling Interests In Subsidiaries  | (1.2)            | (1.3)            |
| Net Cash Generation                                     | 365.5            | 304.7            |



# Acquisitions

|                                       | Livestock<br>£m | X4L Gyms<br>£m | Shoe Palace<br>£m | A Number of Names<br>£m | Other<br>£m | Total<br>£m |
|---------------------------------------|-----------------|----------------|-------------------|-------------------------|-------------|-------------|
| Consideration Paid                    | 6.4             | 24.2           | 170.4             | 3.3                     | 5.3         | 209.6       |
| Net Debt Acquired                     | 0.8             | -              | (1.4)             | (1.8)                   | (0.9)       | (3.3)       |
| Net Cash Outflow                      | 7.2             | 24.2           | 169.0             | 1.5                     | 4.4         | 206.3       |
| Fair Value of Shares as Consideration | 1.8             | -              | 274.1             | -                       | -           | 275.9       |
| Deferred / contingent consideration   | 0.6             | -              | 73.1              | 1.5                     | -           | 75.2        |
|                                       | 9.6             | 24.2           | 516.2             | 3.0                     | 4.4         | 557.4       |
| Net Assets Acquired                   |                 |                |                   |                         |             |             |
| Goodwill & Fascia Names               | 9.6             | 14.2           | 515.0             | 1.9                     | 3.1         | 543.8       |
| Right of use asset                    | 0.5             | -              | 139.8             | 0.1                     | 2.8         | 143.2       |
| Tangible Fixed Assets                 | 0.5             | 12.4           | 26.4              | 0.2                     | 1.3         | 40.8        |
| Stocks                                | 0.5             | -              | 54.7              | 0.4                     | 5.0         | 60.6        |
| Other Working Capital                 | (0.4)           | (1.5)          | (47.2)            | 0.5                     | (3.8)       | (52.4)      |
| Income Tax                            | (0.3)           | -              | -                 | -                       | (0.1)       | (0.4)       |
| Deferred Tax                          | (0.3)           | (0.9)          | (32.7)            | -                       | (0.1)       | (34.0)      |
| Lease Liabilities                     | (0.5)           | -              | (139.8)           | (0.1)                   | (2.8)       | (143.2)     |
| Interest Bearing Loans and Borrowings | -               | -              | -                 | -                       | (0.6)       | (0.6)       |
|                                       | 9.6             | 24.2           | 516.2             | 3.0                     | 4.8         | 557.8       |
| Minority Interest On Acquisition      | -               | -              | -                 | -                       | (0.4)       | (0.4)       |
|                                       | 9.6             | 24.2           | 516.2             | 3.0                     | 4.4         | 557.4       |

# Stocks

|                        |               | Jan 2020 | Acquisitions<br>(1) | Cashflow | FX Translation<br>(2) | Jan 2021 |
|------------------------|---------------|----------|---------------------|----------|-----------------------|----------|
|                        |               | £m       | £m                  | £m       | £m                    | £m       |
| Premium Sports Fashion | UK & ROI      | 187.4    | -                   | 11.8     | -                     | 199.2    |
|                        | Europe        | 62.3     | -                   | 23.3     | 1.1                   | 86.7     |
|                        | Asia Pacific  | 31.4     | -                   | 0.5      | (1.0)                 | 30.9     |
|                        | North America | 203.3    | 55.2                | (97.6)   | 7.5                   | 168.4    |
| Other Fascias          | UK & ROI      | 79.5     | 4.5                 | (3.3)    | -                     | 80.7     |
|                        | Europe        | 115.9    | -                   | (3.2)    | (2.8)                 | 109.9    |
|                        | Asia Pacific  | 2.0      | -                   | (2.0)    | -                     | -        |
| Other Businesses       |               | 24.9     | -                   | 1.7      | -                     | 26.6     |
| Sports Fashion         |               | 706.7    | 59.7                | (68.8)   | 4.8                   | 702.4    |
| Outdoor                |               | 105.1    | 0.9                 | 5.3      | -                     | 111.3    |
| TOTAL STOCKS           |               | 811.8    | 60.6                | (63.5)   | 4.8                   | 813.7    |

(1) Principally Shoe Palace, £54.7m  
(2) Reflecting difference in exchange rates between period ends

# Additional Investment in International Retail

|                                    |  | Guidance<br>to Jan 2022 | Year to Jan 2021 | Year to Jan 2020 | Year to Jan 2019 |
|------------------------------------|--|-------------------------|------------------|------------------|------------------|
|                                    |  | £m                      | £m               | £m               | £m               |
| Retail Property                    | Sports Fashion – UK & Ireland                            | 15.0 – 20.0             | 15.2             | 16.7             | 36.2             |
|                                    | Sports Fashion – International (excluding North America) | 40.0 – 50.0             | 34.4             | 63.8             | 47.3             |
|                                    | Sports Fashion – North America                           | 40.0 – 50.0             | 21.0             | 20.4             | 12.0             |
|                                    |  |                         |                  |                  |                  |
|                                    |  | 5.0 – 7.0               | 2.9              | 5.6              | 11.4             |
|                                    |  | 100.0 – 127.0           | 73.5             | 106.5            | 106.9            |
|                                    |  |                         |                  |                  |                  |
| Gyms                               |  | 25.0 – 30.0             | 6.9              | 9.0              | 9.4              |
|                                    |  |                         |                  |                  |                  |
| Lease Premia, Key Money & Deposits |  | 2.0 – 3.5               | 4.0              | 6.9              | 5.6              |
|                                    |  |                         |                  |                  |                  |
| Warehouse Projects                 | Kingsway   | 3.0 – 5.0               | 5.3              | 12.2             | 36.1             |
|                                    | Alicante   | 5.0 – 7.5               | 3.2              | 7.4              | 2.4              |
|                                    | Europe (1)   | 13.0 – 18.0             | -                | -                | -                |
|                                    | Other  | 1.0 – 2.0               | 1.0              | 2.2              | 1.1              |
|                                    |  |                         |                  |                  |                  |
| Land & Buildings                   | Bury Head Office   | 0.5 – 1.0               | 0.4              | 0.5              | 0.5              |
|                                    | Alicante Office  | 0.5 – 1.0               | 2.3              | 2.1              | 1.9              |
|                                    |  |                         |                  |                  |                  |
| Other (2)                          |  | 25.0 – 30.0             | 35.4             | 30.4             | 27.1             |
|                                    |  |                         |                  |                  |                  |
| Total                              |  | 175.0 – 225.0           | 132.0            | 177.2            | 191.0            |

(1) European logistics developments (including Dublin)  
(2) Year to Jan 21 includes Multichannel and IT spend of £14.5m (Jan 20: £16.1m, Jan 19: £20.6m)

# Effective Tax %

|  | Jan 2021  |              |       | Jan 2020  |              |       |
|--|-----------|--------------|-------|-----------|--------------|-------|
|  | Operating | Exceptionals | Total | Operating | Exceptionals | Total |
|  | %         | %            | %     | %         | %            | %     |
| Basic Tax Rate                           | 19.0      | -            | 19.0  | 19.0      | -            | 19.0  |
| Net Non Deductible Expenses              | 1.9       | 1.5          | 3.4   | 1.8       | 1.7          | 3.5   |
| Non Qualifying Depreciation / Impairment | 1.1       | 1.6          | 2.7   | 0.8       | 2.3          | 3.1   |
| Effect of Overseas Tax Rate              | 2.1       | -            | 2.1   | 1.8       | -            | 1.8   |
| Other Taxes Due (1)                      | 2.6       | -            | 2.6   | 1.2       | -            | 1.2   |
| Prior Year Adjustments                   | (2.1)     | -            | (2.1) | (1.2)     | -            | (1.2) |
| Other                                    | 1.4       | -            | 1.4   | 0.6       | -            | 0.6   |
|  | 26.0      | 3.1          | 29.1  | 24.0      | 4.0          | 28.0  |

## Split of Total Effective Tax Rate %

|          |      |      |
|----------|------|------|
| UK       | 25.8 | 28.3 |
| Overseas | 32.0 | 27.6 |

(1) Other Taxes Due is mainly US state tax