

FULL YEAR RESULTS

2022

22.06.22 // LONDON // FULL YEAR RESULTS

# FULL YEAR RESULTS TO 29 JAN 2022



**Introduction**

Helen Ashton – Interim Chair

**Financials**

Neil Greenhalgh – CFO

**What Makes JD A Success**

Kath Smith – Interim CEO

**North America Developments**

Wayne Davies – Joint CEO JD NA

**Brand Partnerships**

Michael Armstrong – Group Buying Director

**Synopsis & Outlook**

Helen Ashton – Interim Chair

**Q&A**

Helen Ashton & Kath Smith



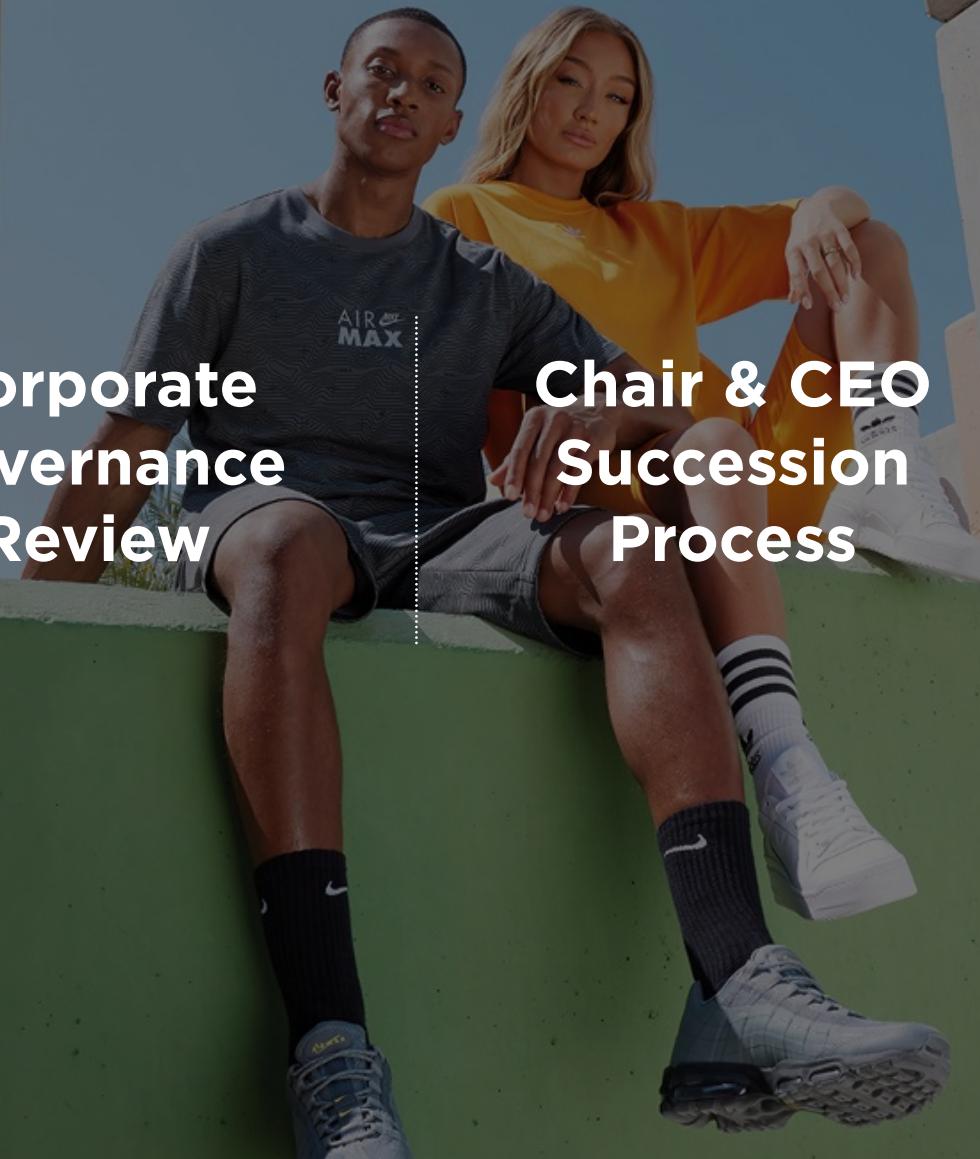
**Group**

Strong  
Financial  
Performance

Corporate  
Governance  
Review

Chair & CEO  
Succession  
Process

ESG /  
Covid  
Support



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JD Group

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# FINANCIALS

NEIL GREENHALGH // CFO



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**FULL YEAR RESULTS**

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**2022**

## Summary of Results

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	Jan 2022			Jan 2021		
	Proforma IAS 17	Adjustment	Reported IFRS 16	Proforma IAS 17	Adjustment	Reported IFRS 16
	£m	£m	£m	£m	£m	£m
Revenue	8,563.0	-	8,563.0	6,167.3	-	6,167.3
EBITDA	1,196.7	410.1	1,606.8	649.3	340.9	990.2
Depreciation	(231.8)	(361.3)	(593.1)	(183.1)	(324.8)	(507.9)
Operating Profit Excl Exceptionals	964.9	48.8	1,013.7	466.2	16.1	482.3
Finance Costs (incl Lease Interest)	(7.0)	(59.5)	(66.5)	(6.1)	(54.9)	(61.0)
Profit Before Tax & Exceptional Items	957.9	(10.7)	947.2	460.1	(38.8)	421.3
Divisional Profit - Sports Fashion	939.0	(10.7)	928.3	469.5	(36.0)	433.5
Divisional Profit - Outdoor	25.9	-	25.9	(3.3)	(2.8)	(6.1)
Group Funding Costs	(7.0)	-	(7.0)	(6.1)	-	(6.1)
	957.9	(10.7)	947.2	460.1	(38.8)	421.3

\* IAS17 is used internally to measure financial performance

## Five Year History

		Jan 2022	Jan 2021	Jan 2020	Jan 2019	Jan 2018
		£m	£m	£m	£m	£m
<b>Revenue (£m)</b>	UK & ROI	3,720.8	2,800.7	2,836.6	2,334.8	2,229.6
	Europe	1,947.9	1,336.6	1,412.8	1,205.1	799.7
	North America	2,591.8	1,770.4	1,601.4	956.6	-
	Asia Pacific	302.5	259.6	260.0	221.3	132.1
		<b>8,563.0</b>	<b>6,167.3</b>	<b>6,110.8</b>	<b>4,717.8</b>	<b>3,161.4</b>

### IFRS 16

<b>EBITDA (£m)</b>	1,606.8	990.2	979.8	-	-
<b>Profit Before Tax &amp; Exceptional Items (£m)</b>	947.2	421.3	438.8	-	-

### IAS 17

<b>EBITDA (£m)</b>	1,196.7	649.3	623.6	488.4	385.2
<b>Profit Before Tax &amp; Exceptional Items (£m)</b>	957.9	460.1	465.6	355.2	307.4

\* IAS17 is used internally to measure financial performance

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## Sports Fashion Summary

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	Premium Sports Fashion				Other Fascias				Sports Fashion
	UK & ROI	Europe	Asia Pacific	North America (1)	UK & ROI	Europe	Asia Pacific	North America (2)	
Revenue to Jan 2021 (£m)	1,810.1	792.2	259.6	1,534.7	467.6	544.4	-	235.7	163.7
Revenue to Jan 2022 (£m)	<b>2,318.1</b>	<b>1,024.3</b>	<b>300.8</b>	<b>2,341.9</b>	<b>649.4</b>	<b>916.2</b>	<b>0.4</b>	<b>249.9</b>	<b>248.6</b>
Gross Profit to Jan 2021 (%)									<b>48.4%</b>
Gross Profit to Jan 2022 (%)									<b>49.5%</b>
Divisional Profit to Jan 2021 (£m)	249.6	(2.3)	13.7	146.6	13.1	(16.4)	-	25.3	3.9
<i>Memo: Profit pre JDIP Recharge (£m)</i>	<b>205.7</b>	<b>15.8</b>	<b>17.4</b>	<b>168.5</b>	<b>13.1</b>	<b>(16.4)</b>	-	<b>25.5</b>	<b>3.9</b>
Divisional Profit to Jan 2022 (£m)	<b>437.3</b>	<b>8.6</b>	<b>30.9</b>	<b>297.6</b>	<b>33.9</b>	<b>51.3</b>	-	<b>45.4</b>	<b>23.3</b>
<i>Memo: Profit pre JDIP Recharge (£m)</i>	<b>386.4</b>	<b>29.2</b>	<b>36.6</b>	<b>322.2</b>	<b>33.9</b>	<b>51.3</b>	-	<b>45.4</b>	<b>23.3</b>
Number of Stores End of Period	<b>436</b>	<b>377</b>	<b>79</b>	<b>931</b>	<b>151</b>	<b>889</b>	<b>2</b>	<b>289</b>	-
									<b>3,154</b>

(1) Being:

(a) JD, Finish Line, Shoe Palace and DTLR in the United States. NB: 26 stores transferred from Finish Line to JD in the period

(b) JD, Livestock and Size? in Canada

(2) Being Finish Line concessions in Macy's department stores

## North America Summary

	FY to Jan 2022						FY to Jan 2021							
	Finish Line / JD	Macy's	Shoe Palace (1)	Livestock / JD Canada (2)	DTLR (3)	Total		Finish Line / JD	Macy's	Shoe Palace (1)	Livestock / JD Canada (2)	Total		
	\$m	\$m	\$m	\$m	\$m	\$m		\$m	\$m	\$m	\$m	\$m		
Revenue	2,136.8	343.6	535.9	20.7	526.3	3,563.3		1,893.0	303.5	71.6	12.8	2,280.9		
GP %							49.8%							46.7%
EBITDA	311.0	65.8	107.2	(0.6)	105.0	588.4		222.1	36.6	20.1	2.2	281.0		
Depreciation & Amortisation	(49.4)	(3.4)	(22.2)	(0.5)	(31.8)	(107.3)		(45.1)	(4.0)	(0.9)	(0.4)	(50.4)		
Proforma Operating Profit under IAS 17	261.6	62.4	85.0	(1.1)	73.2	481.1		177.0	32.6	19.2	1.8	230.6		
Net Impact of IFRS 16	0.5	-	(6.3)	(0.1)	(3.6)	(9.5)		(7.9)	-	(1.4)	-	(9.3)		
Reported Divisional Profit	262.1	62.4	78.7	(1.2)	69.6	471.6		169.1	32.6	17.8	1.8	221.3		
<i>Memo: Profit pre JDIP Recharge</i>	295.9	62.4	78.7	(1.2)	69.6	505.4		197.5	32.6	17.8	1.8	249.7		

(1) Acquired on 14 December 2020

(2) Acquired on 10 February 2020. Also includes Size? store in Toronto, Size? Canada trading website and two JD Canada stores. Figures stated in USD equivalent.

(3) Acquired on 17 March 2021

## Outdoor Summary

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	BORL (1)	Go Outdoors (2)	Tiso	Naylor's Equestrian (3)	Wheelbase (4)	Leisure Lakes (5)	Outdoor Total
	£m	£m	£m	£m	£m	£m	£m
Revenue to Jan 2021 (£m)	123.9	213.4	20.4	1.6	-	-	359.3
Revenue to Jan 2022 (£m)	151.2	316.3	31.1	6.4	4.0	4.4	513.4
Gross Profit to Jan 2021 (%)							42.2%
Gross Profit to Jan 2022 (%)							43.9%
Divisional Profit / (Loss) to Jan 2021 (£m)	(0.2)	(5.8)	(0.3)	0.2	-	-	(6.1)
Divisional Profit / (Loss) to Jan 2022 (£m)	5.3	19.4	1.2	0.1	0.2	(0.3)	25.9
Number of Stores End of Period	151	68	13	3	3	10	248

(1) Being Blacks, Millets and Ultimate Outdoors

(2) Includes Go Fishing (ex Fishing Republic)

(3) Naylor's Equestrian was acquired on 17 November 2020

(4) Wheelbase was acquired on 30 September 2021

(5) Leisure Lakes was acquired on 19 November 2021

# Balance Sheet

	Post IFRS 16		Pre IFRS 16	
	Jan 2022	Jan 2021	Jan 2022	Jan 2021
	£m	£m	£m	£m
Right-of-Use Assets	2,032.6	1,752.4	-	-
Goodwill & Fascia Names	1,416.9	774.5	1,416.9	774.5
Brand Licences & Owned Brands	14.5	13.2	14.5	13.2
Other Intangibles	42.2	32.0	42.2	32.0
Property, Plant & Equipment	688.5	564.0	688.5	580.0
Other Fixed Assets & Investments	58.7	2.7	69.4	16.8
Key Money & Store Deposits	57.0	63.2	57.0	63.2
Deferred Tax Assets	81.7	40.6	68.1	32.2
Stocks	989.4	813.7	989.4	813.7
Debtors / Prepayments	216.0	141.2	248.8	184.3
Assets Held-For-Sale	157.1	-	78.6	-
Net Cash	1,185.9	795.4	1,185.9	795.4
Liabilities / Provisions	(2,215.4)	(1,566.7)	(2,283.7)	(1,633.7)
Deferred Income On Lease Incentives	-	-	(126.8)	(124.2)
Lease Debt	(2,242.9)	(1,929.8)	-	-
Liabilities Held-for-Sale	(142.6)	-	(60.6)	-
	<b>2,339.6</b>	<b>1,496.4</b>	<b>2,388.2</b>	<b>1,547.4</b>

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**Cashflow**

	Year to Jan 2022	Year to Jan 2021
	£m	£m
Operating Profit (Pre-Exceptional Items)	1,013.7	482.3
Depreciation & Amortisation	593.1	507.9
Repayment Of Lease Liabilities	(350.8)	(285.2)
Lease Interest	(59.5)	(54.9)
(Increase) / Decrease In Stocks	(31.8)	63.5
Other Working Capital Movements	5.8	204.4
<b>Net Cash Inflow From Operating Activities</b>	<b>1,170.5</b>	<b>918.0</b>
Net Taxation	(244.1)	(130.4)
Net Funding Interest	(7.0)	(6.1)
Capital Expenditure	(247.9)	(128.2)
Acquisition of Brand Licenses	(5.2)	(3.8)
<b>Net Proceeds From Disposals</b>	<b>7.8</b>	<b>2.1</b>
<b>Free Cash Flow</b>	<b>674.1</b>	<b>651.6</b>
Net Acquisition & Investments (Net of Cash Acquired)	(616.5)	(206.3)
Financial Debt Acquired on Acquisition	(156.2)	(73.7)
Group Dividends	(14.9)	-
Proceeds from Issue of Shares	455.9	0.3
Acquisition and Divestment of Non-Controlling Interests	43.0	(5.2)
<b>Net Dividends Received / (Paid)</b>	<b>5.1</b>	<b>(1.2)</b>
<b>Net Cash Generation</b>	<b>390.5</b>	<b>365.5</b>

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**Acquisitions**

	<b>DTLR £m</b>	<b>MIG £m</b>	<b>Deporvillage £m</b>	<b>Cosmos £m</b>	<b>Other Acquisitions £m</b>	<b>Sub-Total £m</b>	<b>Other Investments (1) £m</b>	<b>Total £m</b>
<b>Consideration Paid</b>	300.8	63.6	85.1	65.0	174.3	<b>688.8</b>	57.0	<b>745.8</b>
<b>Net (Cash) / Debt Acquired</b>	(95.2)	16.8	(2.4)	(13.2)	(35.3)	<b>(129.3)</b>	-	<b>(129.3)</b>
<b>Net Cash Outflow</b>	<b>205.6</b>	<b>80.4</b>	<b>82.7</b>	<b>51.8</b>	<b>139.0</b>	<b>559.5</b>	<b>57.0</b>	<b>616.5</b>
<b>Deferred / Contingent Consideration</b>	4.4	2.4	19.0	-	18.7	<b>44.5</b>	0.1	<b>44.6</b>
	<b>210.0</b>	<b>82.8</b>	<b>101.7</b>	<b>51.8</b>	<b>157.7</b>	<b>604.0</b>	<b>57.1</b>	<b>661.1</b>
<b><u>Net Assets Acquired</u></b>								
Goodwill & Fascia Names	313.6	70.6	107.0	52.8	158.5	<b>702.5</b>		
Other Intangibles	5.0	2.6	12.7	-	2.6	<b>22.9</b>		
Right of Use Asset	139.9	66.2	1.1	38.2	26.3	<b>271.7</b>		
Property, Plant & Equipment	49.3	16.6	0.3	14.0	8.5	<b>88.7</b>		
Other Non-Current Assets	0.3	1.1	-	1.0	0.2	<b>2.6</b>		
Stocks	40.3	67.2	28.6	24.3	31.6	<b>192.0</b>		
Debtors / Prepayments	4.3	6.0	4.7	5.7	9.6	<b>30.3</b>		
Current Liabilities / Provisions	(38.5)	(56.9)	(29.3)	(27.9)	(24.5)	<b>(177.1)</b>		
Income Tax	0.4	0.1	(1.0)	0.3	(4.4)	<b>(4.6)</b>		
Deferred Tax	(24.5)	(4.5)	(11.5)	(3.5)	(6.6)	<b>(50.6)</b>		
Lease Liabilities	(139.9)	(66.2)	(1.1)	(38.2)	(26.3)	<b>(271.7)</b>		
Interest Bearing Loans and Borrowings	(140.2)	(3.7)	(1.3)	(8.5)	(6.2)	<b>(159.9)</b>		
	<b>210.0</b>	<b>99.1</b>	<b>110.2</b>	<b>58.2</b>	<b>169.3</b>	<b>646.8</b>		
<b>Minority Interest On Acquisition</b>	-	(16.3)	(8.5)	(6.4)	(11.6)	<b>(42.8)</b>		
	<b>210.0</b>	<b>82.8</b>	<b>101.7</b>	<b>51.8</b>	<b>157.7</b>	<b>604.0</b>		

## Stocks

		Jan 2021	Acquisitions	Cashflow	FX Translation (1)	Footasylum Held-For-Sale	Jan 2022
		£m	£m	£m	£m	£m	£m
Premium Sports Fashion	UK & ROI	199.2	-	6.6	(0.9)	-	204.9
	Europe	86.7	-	9.5	(6.7)	-	89.5
	Asia Pacific	30.9	-	6.3	(2.6)	-	34.6
	North America	108.5	44.8	(2.9)	1.7	-	152.1
Other Fascias	UK & ROI	80.7	10.8	22.5	-	(27.0)	87.0
	Europe	109.9	121.4	(16.8)	(15.6)	-	198.9
	Asia Pacific	-	-	0.5	-	-	0.5
	North America	59.9	-	(11.9)	1.0	-	49.0
Other Businesses		26.6	5.8	(1.6)	2.0	-	32.8
Sports Fashion		702.4	182.8	12.2	(21.1)	(27.0)	849.3
Outdoor		111.3	9.2	19.6	-	-	140.1
<b>TOTAL STOCKS</b>		<b>813.7</b>	<b>192.0</b>	<b>31.8</b>	<b>(21.1)</b>	<b>(27.0)</b>	<b>989.4</b>

(1) Reflecting difference in exchange rates between period ends

## Additional Investment in International Retail

		Guidance to Jan 2023	Year to Jan 2022	Year to Jan 2021	Year to Jan 2020
		£m	£m	£m	£m
Retail Property	Sports Fashion – UK & Ireland	40.0 – 45.0	28.6	15.2	16.7
	Sports Fashion – Europe	54.0 – 57.0	36.2	29.8	53.7
	Sports Fashion – Asia Pacific	6.0 – 8.0	6.8	4.6	10.1
	Sports Fashion – North America	45.0 – 50.0	48.7	21.0	20.4
	Outdoor	15.0 – 20.0	3.7	2.9	5.6
		<b>160.0 – 180.0</b>	<b>124.0</b>	<b>73.5</b>	<b>106.5</b>
Gyms		20.0 – 25.0	28.8	6.9	9.0
Lease Premia, Key Money & Deposits		3.0 – 4.0	3.3	4.0	6.9
Warehouse Projects	UK (1)	51.0 – 58.0	23.9	5.3	12.2
	Europe (2)	34.0 – 38.0	9.4	3.2	7.4
	Other	15.0 – 20.0	0.2	1.0	2.2
Land & Buildings	Bury Head Office	6.0 – 8.0	0.6	0.4	0.5
	Alicante Office	1.0 – 2.0	3.0	2.3	2.1
Other incl Technology		35.0 – 40.0	54.7	31.6	30.4
Total		<b>325.0 – 375.0</b>	<b>247.9</b>	<b>128.2</b>	<b>177.2</b>

(1) Includes new warehouse dedicated to online fulfilment at Derby

(2) Includes fitting out of new Dublin warehouse and costs on new European DC at Heerlen, the Netherlands

## Effective Tax %

	Jan 2022			Jan 2021		
	Operating	Exceptionals	Total	Operating	Exceptionals	Total
	%	%	%	%	%	%
Basic Tax Rate	19.0	-	19.0	19.0	-	19.0
Net Non Deductible Expenses	0.8	-	0.8	1.9	0.3	2.2
Non Deductible Movement on Put Options	-	8.5	8.5	-	1.2	1.2
Non Qualifying Depreciation / Impairment	0.5	-	0.5	1.1	1.6	2.7
Effect of Overseas Tax Rate	1.6	-	1.6	2.1	-	2.1
Other Taxes Due (1)	2.8	-	2.8	2.6	-	2.6
Prior Year Adjustments	(1.8)	-	(1.8)	(2.2)	-	(2.2)
Other	(1.6)	-	(1.6)	1.5	-	1.5
	<b>21.3</b>	<b>8.5</b>	<b>29.8</b>	<b>26.0</b>	<b>3.1</b>	<b>29.1</b>

### Split of Total Effective Tax Rate %

UK (2)	42.4	25.8
Overseas	24.1	32.0

(1) Other taxes due are primarily in respect of US state taxes but also includes other taxes payable in other jurisdictions

(2) The increase above mainstream rate (19%) is mainly due to a non-deductible put option charge. As this is recognised in the UK, it increases the UK effective tax rate  
The expected annual impact of the increase in the UK tax rate (from mainstream 19% to 25%) from 1 April 2023 on the Group effective tax rate is 3.0%

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# WHAT MAKES JD A SUCCESS

KATH SMITH // INTERIM CEO



Record results,  
reflecting strong  
performances in UK,  
ROI and North  
America

Globally recognised  
brand, with cultural  
connections in sport,  
music and fashion

Talented and resilient  
senior management  
team who are leading  
figures in their fields

Strong multi-brand  
and omnichannel  
proposition





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# NORTH AMERICA DEVELOPMENTS

WAYNE DAVIES // JOINT CEO JD NORTH AMERICA





We are a portfolio of brands strategically assembled  
to serve & inspire unique consumer groups on  
their terms and in their neighborhoods





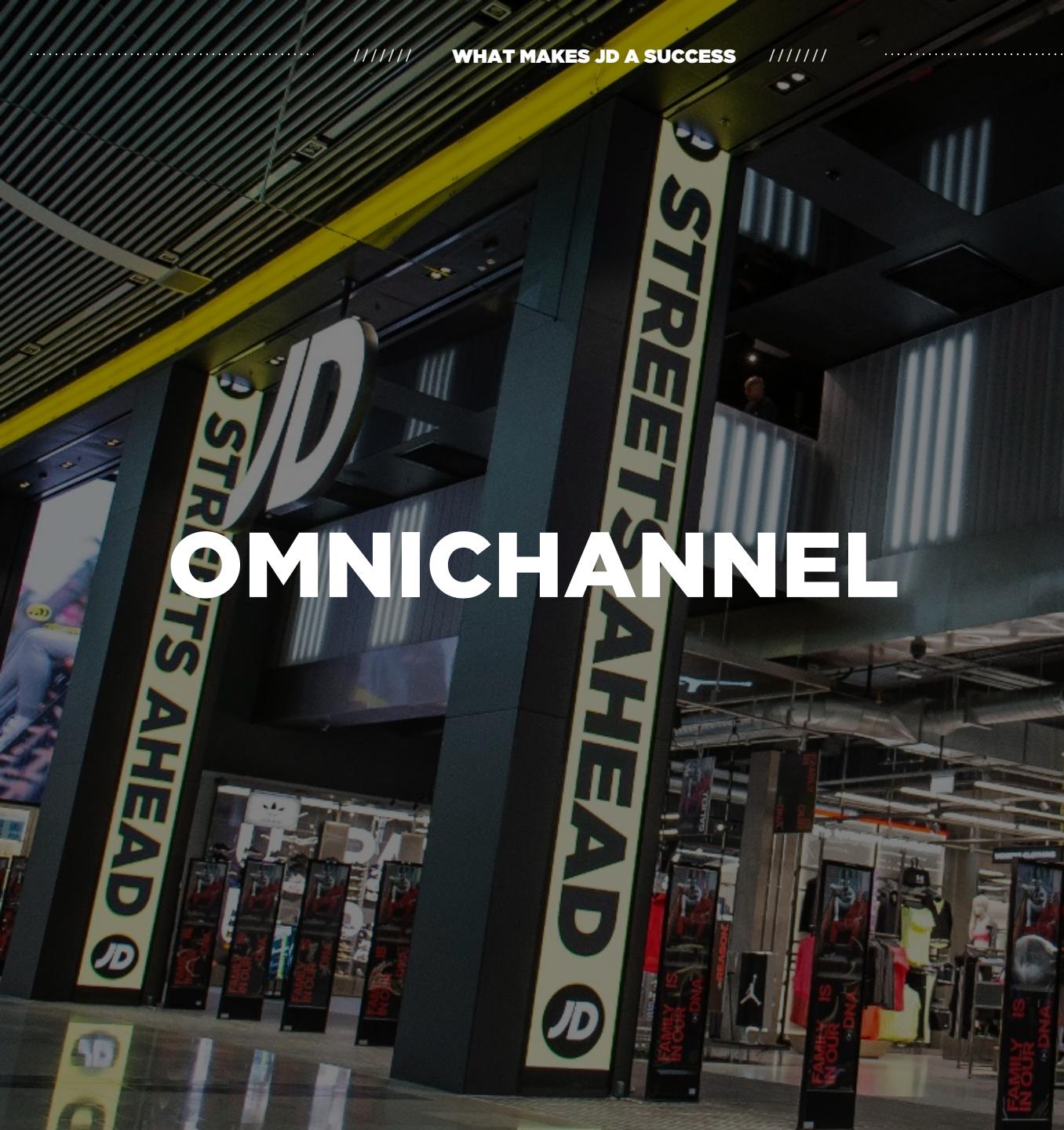
# FY22 Highlights

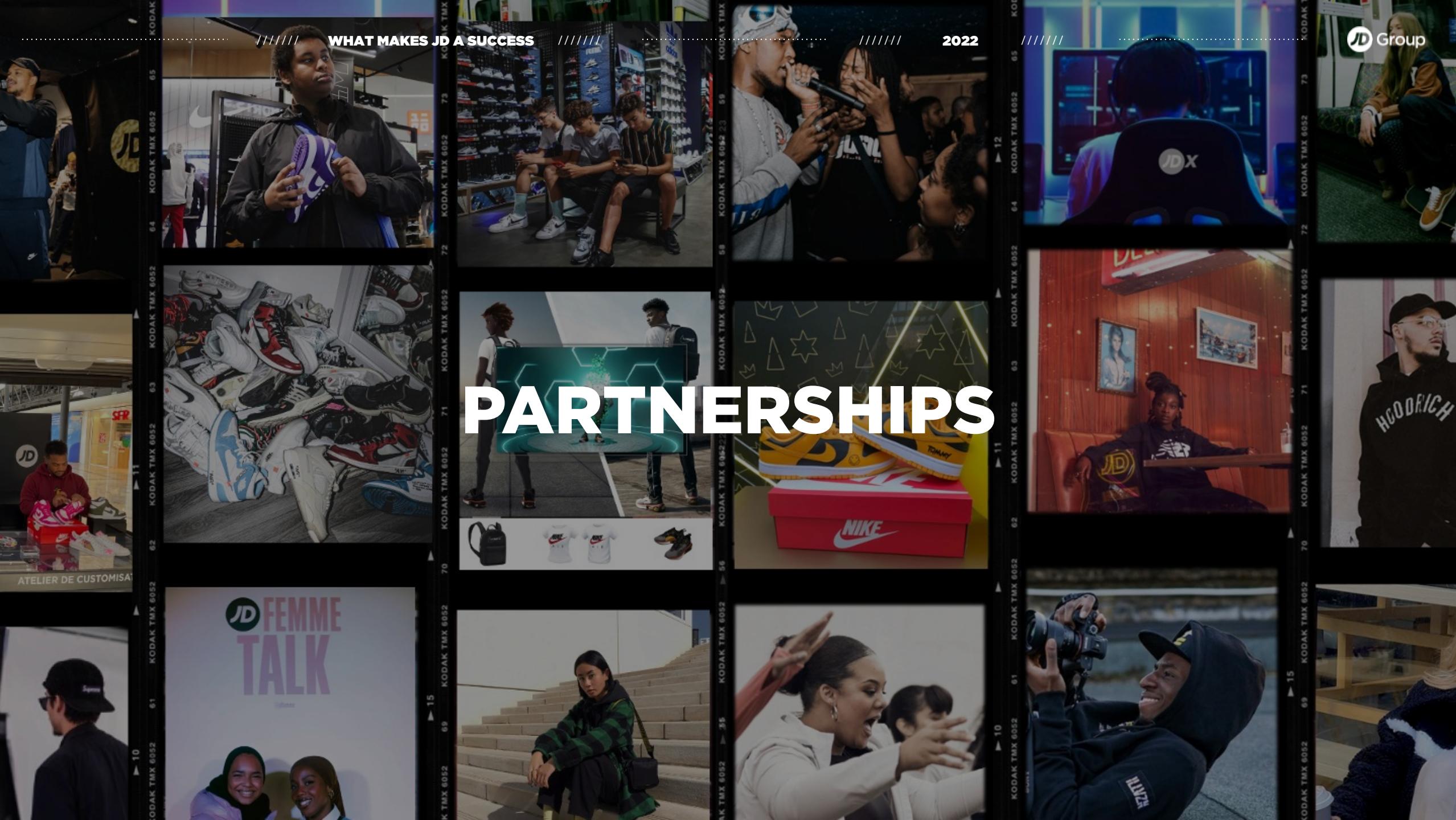
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- Completed the strategic acquisition of DTLR in March 2021
- Opened 45 new JD stores in the United States since the beginning of FY22, bringing our total to 94 as of today
- Continued to expand apparel offering, strengthening our head to toe strategy
- Increased  loyalty members to almost 5 million and enhanced status member benefits
- Deepened key brand partner relationships through customer and community connections
- Began back of house consolidation efforts to support JD North America and realize synergies



# OMNICHANNEL





# PARTNERSHIPS



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# BRAND PARTNERSHIPS

MICHAEL ARMSTRONG // GROUP BUYING DIRECTOR





# Brand Partnerships

We have a shared commitment with our branded partners to continue to elevate, innovate and connect with our consumers.

Our partnerships are based on alignment and mutual benefit.





## GLOBAL STRATEGY FRAMEWORK



# Brand Differentiators

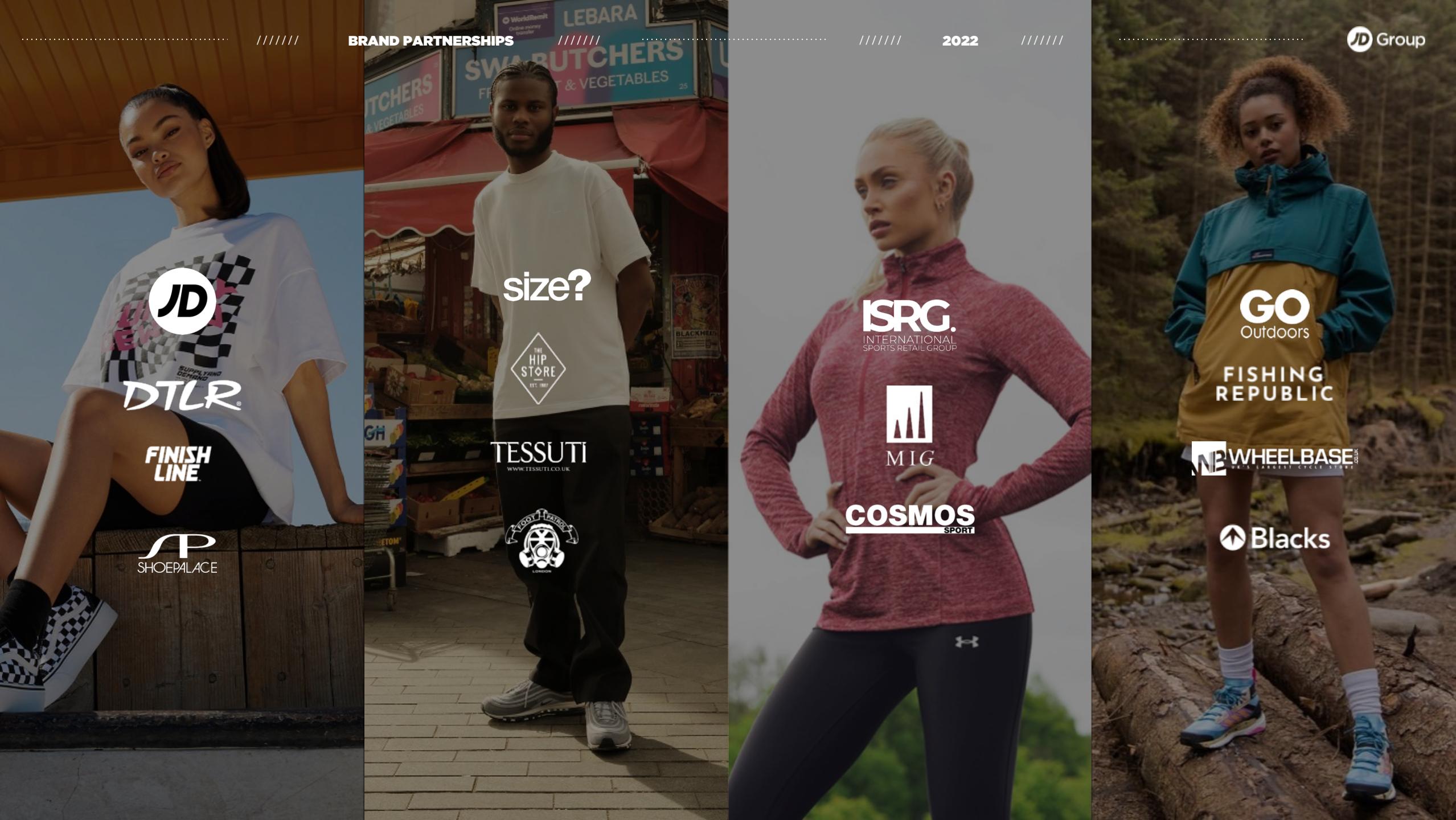
Unique Brand Perspective &  
Consumer Connection

Focused on The Power of  
Stores & Retail Experience

Digital Leadership Connected  
Retail & Membership



# A Category Destination for Apparel





# Brand Privileges



Close to market opportunities



Exclusivity/SMU capability



Product access at all levels



Enhanced Allocation



Partner programs



Segmentation



Benefiting from brands marketplace strategies

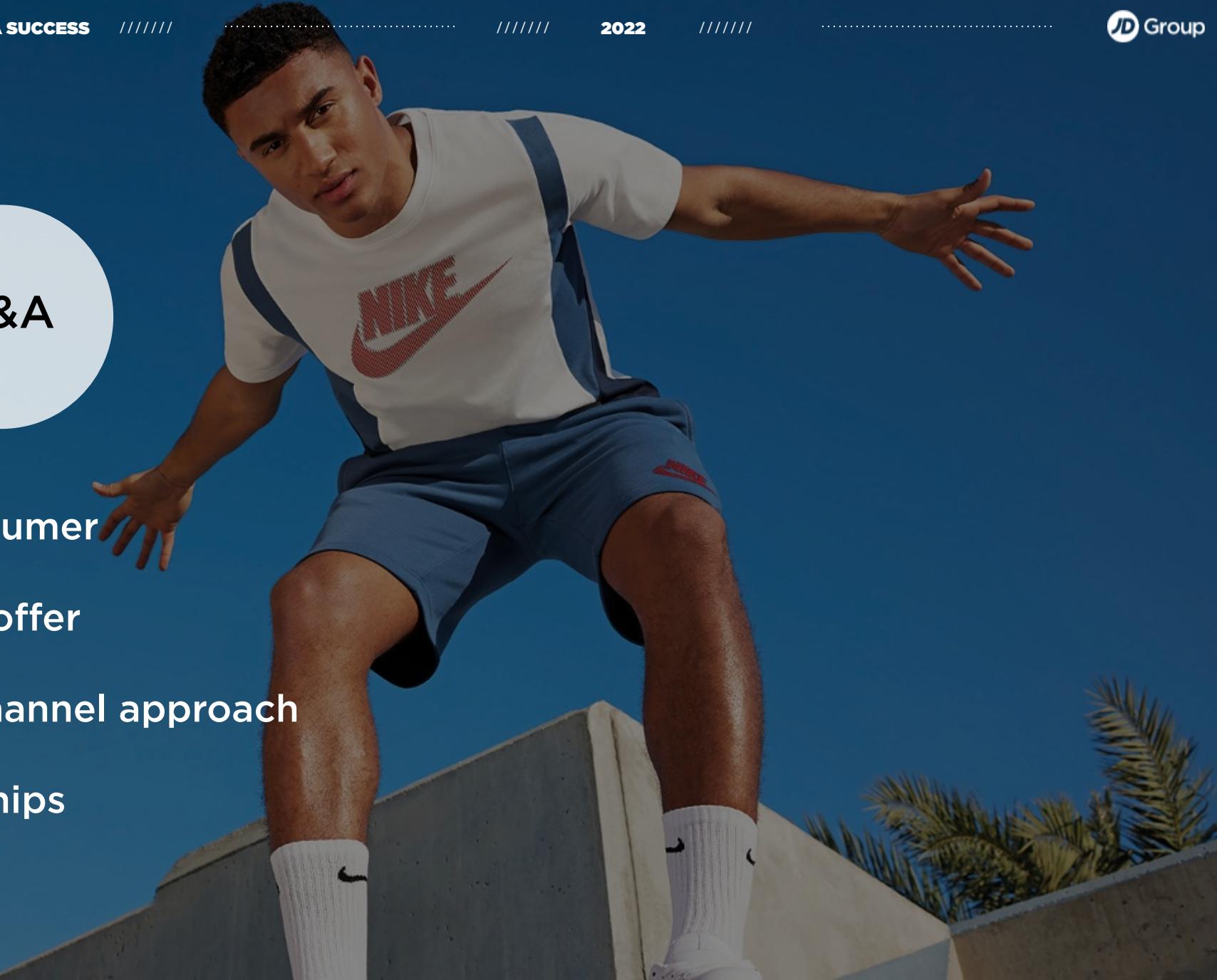
- Growth commitments with our key branded partners
- Supply chain improvements
- Ongoing changes to the brands European segmentation and distribution policies





M&amp;A

- Laser focus on the consumer
- Differentiated product offer
- Fully integrated omnichannel approach
- Trusted brand partnerships



# Synopsis & Outlook

- Outstanding progress in year to January 2022
- JD is a globally recognised iconic multichannel retailer with a proven strategy and clear momentum
- Reassured with ongoing trading to date this year
- Expect profit for January 2023 to be in line with record profit to January 2022



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# Q&A

