



# **Interim Results JD Sports Fashion PLC**

**September 2018**



## **Peter Cowgill**

### **Key Highlights**

## Summary of Results

	Jul 18 £m	Jul 17 £m	
Revenue	1,846.3	1,367.2	+35%
<u>EBITDA Split:</u>			
Sports Fashion	168.9	130.3	
Outdoor	2.9	6.5	
	<b>171.8</b>	<b>136.8</b>	<b>+26%</b>
<u>Operating Profit Split:</u>			
Sports Fashion	127.7	103.2	
Outdoor	(3.8)	0.1	
	<b>123.9</b>	<b>103.3</b>	<b>+20%</b>
<b>Profit Before Tax</b>	<b>121.9</b>	<b>102.7</b>	<b>+19%</b>
Net (Debt) / Cash	(85.1)	222.7	

## Four Year History

		H1 to Jul 2018	H1 to Jul 2017	H1 to Jul 2016	H1 to Jul 2015
Revenue (£m)	UK & Ireland	1,038.5	975.1	763.2	672.5
	Europe	536.6	344.0	204.5	137.4
	Asia Pacific	91.2	48.1	2.9	-
	US	180.0	-	-	-
	International	807.8	392.1	207.4	137.4
		1,846.3	1,367.2	970.6	809.9
EBITDA (£m)		171.8	136.8	107.6	67.5
Profit Before Tax (£m)		121.9	102.7	77.4	44.7





**Brian Small  
Financials**

## Sports Fashion Summary

	JD & Size?			Other International Fascias			Other Businesses (3)	Sports Fashion
	UK & ROI	Europe (1)	Asia Pac	Europe	Asia Pac	United States (2)		
Revenue to Jul 2017 (£m)	673.0	173.1	14.1	170.9	34.0	-	105.5	1,170.6
<b>Revenue to Jul 2018 (£m)</b>	<b>706.9</b>	<b>269.5</b>	<b>44.8</b>	<b>267.1</b>	<b>46.4</b>	<b>180.0</b>	<b>123.4</b>	<b>1,638.1</b>
<b><u>Reconciliation of Operating Profit To Jul 2018</u></b>								
Operating Profit / (Loss) pre Full Cost Recharge (£m)	113.8	17.3	2.7	(5.9)	(3.5)	4.8	(1.5)	127.7
Impact of Fully Allocated Overhead Recharge (£m) (4)	5.0	(5.0)	-	-	-	-	-	-
<b>Operating Profit / (Loss) to Jul 2018 (£m)</b>	<b>118.8</b>	<b>12.3</b>	<b>2.7</b>	<b>(5.9)</b>	<b>(3.5)</b>	<b>4.8</b>	<b>(1.5)</b>	<b>127.7</b>
Operating Profit / (Loss) to Jul 2017 (£m)	92.1	10.9	1.0	0.8	(1.5)	-	(0.1)	103.2
Stores Start Of Period	414	222	12	445	67	-	77	1,237
<b>Stores End Of Period</b>	<b>420</b>	<b>242</b>	<b>33</b>	<b>436</b>	<b>46</b>	<b>928</b>	<b>79</b>	<b>2,184</b>

(1) Includes 10 Size? stores at the period end after one opening in the period at Antwerp together with the first store for Foot Patrol in Europe also opened in Paris

(2) Includes 375 branded concessions within Macy's department stores

(3) Includes Fashion fascias, Gyms and non-retail businesses

(4) JD Europe businesses now charged for central operational infrastructure on a full allocation basis

## Positive EBITDA Maintained In Outdoor After A Uniquely Challenged Trading Period

	H1 to Jul 2018	H1 to Jul 2017	H1 to Jul 2016	H1 to Jul 2015
	£m	£m	£m	£m
EBITDA (1)	2.9	6.5	(0.6)	(2.9)
Trading Depreciation	(4.5)	(4.0)	(1.7)	(1.6)
Non-Trading Acquisition Amortisation	(2.2)	(2.4)	-	-
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Operating Profit / (Loss) Pre Exceptionals	(3.8)	0.1	(2.3)	(4.5)
Exceptional Items	-	-	-	(0.3)
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<b>Operating Profit</b>	<b>(3.8)</b>	<b>0.1</b>	<b>(2.3)</b>	<b>(4.8)</b>
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<u>(1) EBITDA analysed as:</u>				
Blacks / Millets	(1.5)	-	(0.6)	(2.6)
Tiso	(0.4)	-	-	(0.3)
Go Outdoors	4.8	6.5	-	-

## Balance Sheet

	July 2018 £m	January 2018 £m	July 2017 £m
Goodwill & Fascia Names	363.2	193.2	175.5
Brand Licences & Owned Brands	13.2	14.0	11.1
Other Intangibles	34.4	3.8	2.9
Property, Plant & Equipment	497.8	376.9	276.8
Other Fixed Assets	21.4	15.9	11.7
Key Money & Store Deposits	53.5	50.6	32.7
Stocks	824.1	478.0	414.3
Debtors / Prepayments	217.3	146.3	138.4
Net Cash	(85.1)	309.7	222.7
Liabilities / Provisions	(903.6)	(692.2)	(576.7)
Deferred Income On Lease Incentives	(117.3)	(61.9)	(57.4)
	<u>918.9</u>	<u>834.3</u>	<u>652.0</u>



# Acquisitions

	Finish Line £m	Base £m	Subsidiaries £m	Other Investments (1) £m	Total £m
Consideration Paid	400.5	0.2	400.7	7.8	408.5
Net (Cash) / Debt Acquired	(28.3)	0.6	(27.7)		(27.7)
	<b>372.2</b>	<b>0.8</b>	<b>373.0</b>	<b>7.8</b>	<b>380.8</b>
<b><u>Net Assets Acquired</u></b>					
Goodwill & Fascia Names	167.0	0.7	167.7	.	
Other Intangibles	25.0	0.2	25.2		
Property, Plant & Equipment	71.7	0.8	72.5		
Stocks	268.4	1.9	270.3		
Debtors / Prepayments	43.2	0.6	43.8		
Liabilities / Provisions	(150.8)	(3.5)	(154.3)		
Deferred Income On Lease Incentives	(52.3)	-	(52.3)		
	<b>372.2</b>	<b>0.7</b>	<b>372.9</b>		
Minority Interest On Acquisition	-	0.1	0.1		
	<b>372.2</b>	<b>0.8</b>	<b>373.0</b>		

(1) Principally £7.7m to increase shareholding in JD Sports Fashion Korea from 15% to 50%

# Cashflow

	H1 to Jul 2018 £m	H1 to Jul 2017 £m
Operating Profit	123.9	103.3
Depreciation & Amortisation	47.9	33.9
Increase In Stocks	(78.1)	(65.9)
Other Working Capital Movements	8.5	39.8
Net Cash Inflow From Operating Activities	102.2	111.1
Net Interest	(2.0)	(0.6)
Net Taxation	(27.3)	(32.5)
Capital Expenditure (Incl Bespoke Software Development)	(91.4)	(76.3)
Net Proceeds From Disposals	0.2	6.6
<b>FREE CASH FLOW</b>	<b>(18.3)</b>	<b>8.3</b>
Net Acquisition & Investments (Incl Net Debt Acquired)	(380.8)	(1.7)
Dividends Paid to Non-Controlling Interest In Subsidiaries	(0.1)	(0.6)
Net Drawdown Of Finance Leases	4.4	3.1
<b>NET CASH (UTILISATION) / GENERATION</b>	<b>(394.8)</b>	<b>9.1</b>

## Stocks by Segment

		Jan 2018	Acquisition	Other Fair Value (2)	Cashflow	Jul 2018	Jul 2017
		£m	£m	£m	£m	£m	£m
JD & Size?	UK & ROI (1)	150.5	-	-	38.8	189.3	152.0
	Europe	42.6	-	-	6.4	49.0	37.8
	Asia Pac	9.0	-	-	15.2	24.2	6.3
Other International	Europe	112.3	-	(2.3)	(0.5)	109.5	65.6
	Asia Pac	24.7	-	-	(3.8)	20.9	13.0
	United States	-	268.4	-	1.9	270.3	-
Other Sports Fashion		49.4	1.9	-	10.6	61.9	46.7
Sports Fashion		388.5	270.3	(2.3)	68.6	725.1	321.4
Outdoor		89.5	-	-	9.5	99.0	92.9
<b>TOTAL STOCKS</b>		<b>478.0</b>	<b>270.3</b>	<b>(2.3)</b>	<b>78.1</b>	<b>824.1</b>	<b>414.3</b>

(1) Includes warehouse stocks for European businesses

(2) Fair value measurement adjustment to inventories in Sport Zone (acquired in previous financial year)

## Additional Investment in International Development and Kingsway

		Guidance to Jan 2019	H1 2018	H1 2017	H1 2016
		£m	£m	£m	£m
Retail Property	Sports Fashion – UK & Ireland	35	12.1	14.9	4.6
	Sports Fashion – International	65	24.9	20.5	11.4
	Outdoor	12	7.0	4.9	1.7
		112	44.0	40.3	17.7
Gyms		15	5.8	3.2	2.8
Lease Premia, Key Money & Deposits		5	1.7	3.5	1.5
Warehouse Projects	Kingsway	32	28.5	10.2	0.2
	Alicante (incl new HO) (1)	5	2.5	15.6	-
	Other	-	-	-	1.1
Technology & Other Systems		8	4.4	1.6	1.1
Other		8	4.5	1.9	3.0
		185	91.4	76.3	27.4

(1) H1 2018 includes €1.0m re fit out of new head office with H1 2017 including purchase of warehouse building at a cost of €15.1m



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