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# JD SPORTS FASHION PLC INTERIM RESULTS

SEPTEMBER 2020



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**RESULTS OVERVIEW**

**PETER COWGILL, EXECUTIVE CHAIRMAN**



# SUMMARY OF RESULTS

	Jul 20			Jul 19		
	Proforma IAS 17	Adjustment	Reported IFRS 16	Proforma IAS 17	Adjustment	Reported IFRS 16
	£m	£m	£m	£m	£m	£m
Revenue	2,544.9	-	2,544.9	2,721.2	-	2,721.2
EBITDA	148.9	188.1	337.0	235.2	167.7	402.9
Depreciation	(73.2)	(168.4)	(241.6)	(65.3)	(137.8)	(203.1)
Operating Profit Excl Exceptionals	75.7	19.7	95.4	169.9	29.9	199.8
Finance Costs (incl Lease Interest)	(2.9)	(30.6)	(33.5)	(3.7)	(37.5)	(41.2)
Profit Before Tax & Exceptional Items	72.8	(10.9)	61.9	166.2	(7.6)	158.6
Divisional Profit - Sports Fashion	89.6	(8.0)	81.6	188.1	(5.7)	182.4
Divisional Profit - Outdoor	(13.9)	(2.9)	(16.8)	(18.2)	(1.9)	(20.1)
Group Funding Costs	(2.9)	-	(2.9)	(3.7)	-	(3.7)
	72.8	(10.9)	61.9	166.2	(7.6)	158.6

# FIVE YEAR HISTORY

		Jul 2020		Jul 2019		Jul 2018	Jul 2017	Jul 2016
		Proforma IAS 17	Reported IFRS 16	Proforma IAS 17	Reported IFRS 16	Reported IAS 17	Reported IAS 17	Reported IAS 17
		£m	£m	£m	£m	£m	£m	£m
Revenue (£m)	UK & ROI	1,071.7		1,226.3		1,038.5	975.1	763.2
	Europe	528.0		636.3		536.6	343.9	204.6
	North America	829.2		725.2		180.0	-	-
	Asia Pacific	116.0		133.4		91.2	48.2	2.8
		<b>2,544.9</b>		<b>2,721.2</b>		<b>1,846.3</b>	<b>1,367.2</b>	<b>970.6</b>
EBITDA (£m)		<b>148.9</b>	<b>337.0</b>	<b>235.2</b>	<b>402.9</b>	<b>171.8</b>	<b>136.8</b>	<b>107.6</b>
Profit Before Tax & Exceptional Items (£m)		<b>72.8</b>	<b>61.9</b>	<b>166.2</b>	<b>158.6</b>	<b>121.9</b>	<b>102.7</b>	<b>77.4</b>



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## FINANCIALS

NEIL GREENHALGH, CHIEF FINANCIAL OFFICER

## SPORTS FASHION SUMMARY

	JD & Size?				Other International Fascias				
	UK & ROI	Europe	Asia Pac	North America	Europe	Asia Pac	North America (1)	Other Businesses	Sports Fashion
Revenue to Jul 2019 (£m)	793.5	360.1	105.1	10.7	276.1	28.3	714.5	228.8	2,517.1
Revenue to Jul 2020 (£m)	685.2	316.8	115.5	30.2	211.2	0.5	799.0	244.0	2,402.4
	-13.6%	-12.0%	+9.9%	+182.2%	-23.5%		+11.8%	+6.6%	-4.6%
<b>Reconciliation of Divisional Profit</b>									
Proforma Operating Profit / (Loss) under IAS 17 (£m)	52.8	(9.9)	8.5	2.6	(28.8)	(0.3)	72.7	(8.0)	89.6
Net Impact of IFRS 16 (£m)	(0.8)	(1.3)	(1.7)	(0.1)	(0.9)	-	(1.4)	(1.8)	(8.0)
<b>Divisional Profit / (Loss) to Jul 2020 (£m)</b>	<b>52.0</b>	<b>(11.2)</b>	<b>6.8</b>	<b>2.5</b>	<b>(29.7)</b>	<b>(0.3)</b>	<b>71.3</b>	<b>(9.8)</b>	<b>81.6</b>
Divisional Profit / (Loss) to Jul 2019 (£m)	114.9	25.2	1.6	(1.2)	1.9	(1.4)	36.9	4.5	182.4
<b>Stores End Of Period</b>	<b>426</b>	<b>325</b>	<b>68</b>	<b>17</b>	<b>428</b>	<b>1</b>	<b>794</b>	<b>151</b>	<b>2,210</b>

(1) Includes a profit of £0.4 million in relation to Livestock (Canada) which was acquired in February 2020

# CONTRIBUTION FROM FINISH LINE & JD IN THE UNITED STATES

	Jul 2020			Jul 2019		
	Finish Line (1)	JD	Total	Finish Line (1)	JD	Total
	\$m	\$m	\$m	\$m	\$m	\$m
<b>Revenue</b>	<b>997.0</b>	<b>37.9</b>	<b>1,034.9</b>	<b>934.2</b>	<b>14.0</b>	<b>948.2</b>
EBITDA	119.9	5.2	125.1	71.1	(0.9)	70.2
Depreciation & Amortisation	(23.8)	(1.7)	(25.5)	(21.0)	(0.6)	(21.6)
<b>Proforma Operating Profit / (Loss) under IAS 17</b>	<b>96.1</b>	<b>3.5</b>	<b>99.6</b>	<b>50.1</b>	<b>(1.5)</b>	<b>48.6</b>
Net Impact of IFRS 16	(1.6)	(0.1)	(1.7)	1.4	-	1.4
<b>Reported Divisional Profit / (Loss)</b>	<b>94.5</b>	<b>3.4</b>	<b>97.9</b>	<b>51.5</b>	<b>(1.5)</b>	<b>50.0</b>
<b>Reported Divisional Profit / (Loss) (£m)</b>	<b>70.9</b>	<b>2.5</b>	<b>73.4</b>	<b>36.9</b>	<b>(1.2)</b>	<b>35.7</b>

(1) Includes Macy's concessions

# OUTDOOR SUMMARY

	Jul 2020			Jul 2019		
	Proforma IAS 17	Adjustment	Reported IFRS 16	Proforma IAS 17	Adjustment	Reported IFRS 16
	£m	£m	£m	£m	£m	£m
Revenue	142.5	-	142.5	204.1	-	204.1
EBITDA	(8.9)	12.8	3.9	(11.5)	15.9	4.4
Trading Depreciation	(4.0)	(12.9)	(16.9)	(4.7)	(14.1)	(18.8)
Non-Trading Acquisition Amortisation	(1.0)	-	(1.0)	(2.0)	-	(2.0)
<b>Operating Loss Excl Exceptionals</b>	<b>(13.9)</b>	<b>(0.1)</b>	<b>(14.0)</b>	<b>(18.2)</b>	<b>1.8</b>	<b>(16.4)</b>
Finance Costs (Lease Interest Charge)	-	(2.8)	(2.8)	-	(3.7)	(3.7)
<b>Reported Divisional Profit / (Loss)</b>	<b>(13.9)</b>	<b>(2.9)</b>	<b>(16.8)</b>	<b>(18.2)</b>	<b>(1.9)</b>	<b>(20.1)</b>
<b>EBITDA analysed as:</b>						
Blacks / Millets	(3.1)	6.1	3.0	(1.5)	5.2	3.7
Tiso	(0.8)	0.8	-	(0.4)	0.8	0.4
Go Outdoors (incl. Go Outdoors Fishing)	(5.0)	5.9	0.9	(9.6)	9.9	0.3
	<b>(8.9)</b>	<b>12.8</b>	<b>3.9</b>	<b>(11.5)</b>	<b>15.9</b>	<b>4.4</b>



# BALANCE SHEET

	IFRS 16			Memo: IAS 17
	Jul 2020	Jan 2020	Jul 2019	Jul 2020
	£m	£m	£m	£m
Right-of-Use Asset	1,676.9	1,854.1	2,107.7	-
Goodwill & Fascia Names	367.1	368.3	417.9	367.1
Brand Licences & Owned Brands	3.8	13.4	14.7	3.8
Other Intangibles	33.7	32.0	31.2	33.7
Property, Plant & Equipment	566.6	566.0	585.5	581.0
Other Fixed Assets & Investments	2.6	2.6	12.5	17.1
Key Money & Store Deposits	62.9	47.9	62.7	62.9
Stocks	764.7	811.8	913.2	764.7
Debtors / Prepayments	193.8	183.9	255.5	193.8
Net Cash / (Debt)	764.9	429.9	118.1	764.9
Liabilities / Provisions	(1,304.8)	(1,028.1)	(1,054.3)	(1,304.4)
Deferred Income On Lease Incentives	-	-	-	(120.9)
Lease Debt	(1,791.1)	(1,992.6)	(2,237.4)	-
	1,341.1	1,289.2	1,227.3	1,363.7

# CASH FLOW

	H1 to Jul 2020 £m	H1 to Jul 2019 £m
Operating Profit (Pre Exceptional Items)	95.4	199.8
Depreciation & Amortisation	241.6	203.3
Repayment Of Lease Liabilities	(146.2)	(160.6)
Lease Interest	(30.6)	(37.5)
Decrease / (Increase) In Stocks	57.7	(59.1)
Other Working Capital Movements	232.1	47.3
<b>Net Cash Inflow From Operating Activities</b>	<b>450.0</b>	<b>193.2</b>
Net Taxation	(27.2)	(39.4)
Net Funding Interest	(2.9)	(3.7)
Capital Expenditure (Incl Bespoke Software Development)	(52.3)	(69.8)
Net Proceeds From Disposals	0.4	1.9
<b>Free Cash Flow</b>	<b>368.0</b>	<b>82.2</b>
Net Acquisition & Investments (Incl Debt Acquired)	(32.0)	(89.3)
Dividends To Non-Controlling Interests In Subsidiaries	(1.0)	-
<b>Net Cash Generation / (Utilisation)</b>	<b>335.0</b>	<b>(7.1)</b>

# ACQUISITIONS

	Livestock £m	X4L Gyms £m	Total £m
Consideration Paid	7.0	24.2	31.2
Net Debt Acquired	0.8	-	0.8
	<b>7.8</b>	<b>24.2</b>	<b>32.0</b>
<b><u>Net Assets Acquired</u></b>			
Goodwill & Fascia Names	6.7	18.8	25.5
Other Intangibles	1.2	-	1.2
Right of Use Asset	0.5	-	0.5
Property, Plant & Equipment	0.4	7.7	8.1
Stocks	0.5	-	0.5
Debtors / Prepayments	0.1	0.1	0.2
Liabilities / Provisions	(1.0)	(2.4)	(3.4)
Lease Liabilities	(0.5)	-	(0.5)
	<b>7.9</b>	<b>24.2</b>	<b>32.1</b>
Minority Interest On Acquisition	(0.1)	-	(0.1)
	<b>7.8</b>	<b>24.2</b>	<b>32.0</b>

## STOCKS

		Jan 2020	Acquisition (1)	Cashflow	FX Translation (2)	Jul 2020	Jul 2019
		£m	£m	£m	£m	£m	£m
JD & Size?	UK & ROI	187.4	-	22.4	-	209.8	193.2
	Europe	62.3	-	(14.1)	3.1	51.3	61.4
	Asia Pac	31.4	-	(7.8)	(0.4)	23.2	40.9
Other International	Europe	115.9	-	14.5	5.2	135.6	121.2
	Asia Pac	2.0	-	(2.0)	-	-	8.5
	United States	203.3	0.5	(59.5)	2.2	146.5	267.7
Other Sports Fashion		104.4	-	(2.2)	-	102.2	113.6
Sports Fashion		706.7	0.5	(48.7)	10.1	668.6	806.5
Outdoor		105.1	-	(9.0)	-	96.1	106.7
TOTAL STOCKS		811.8	0.5	(57.7)	10.1	764.7	913.2

(1) Livestock (Canada)

(2) Reflecting difference in exchange rates between period ends



# CAPEX - FOCUS ON INTERNATIONAL RETAIL

		Guidance to Jan 2021 £m	H1 Jul 2020 £m	H1 Jul 2019 £m	H1 Jul 2018 £m
Retail Property	Sports Fashion – UK & Ireland	10.0 – 14.0	7.3	6.4	12.1
	Sports Fashion – International	67.5 – 80.0	25.2	29.7	24.9
	Outdoor	2.5 – 4.0	1.3	5.4	7.0
		80.0 – 98.0	33.8	41.5	44.0
Gyms		7.0 – 10.0	2.0	3.4	5.8
Lease Premia, Key Money & Deposits		2.0 – 3.5	1.8	4.5	1.7
Warehouse Projects	Kingsway	2.5 – 4.0	2.1	2.8	28.5
	Alicante	1.0 – 2.0	0.6	2.5	2.5
	Other	1.0 – 2.0	0.1	2.6	-
Land & Buildings	Bury Head Office	0.5 – 1.0	-	-	0.4
	Alicante Office	1.0 – 2.0	0.7	1.4	1.9
Other		15.0 – 17.5	11.2	11.1	6.6
Total		110.0 – 140.0	52.3	69.8	91.4