

Peter Cowgill

Executive Chairman

Key Highlights

Summary Of Results

	2017 £m	2016 £m	
Revenue	2,378.7	1,821.7	+30.6%
<u>Operating Profit Split:</u>			
Sports Fashion	245.0	162.9	
Outdoor	1.2	(4.0)	
	246.2	158.9	+54.9%
Profit Before Tax & Exceptional Items	244.8	157.1	+55.8%
Profit Before Tax	238.4	131.6	+81.3%
Net Cash	213.6	209.4	
Total Dividend Per Share	1.55p	1.48p	+4.7%

Three Years Of Double Digit LFL Store Growth

	Year to Jan 2017	Year to Jan 2016	Year to Jan 2015	Year to Jan 2014
	+10.9%	+13.3%	+12.4%	+5.0%

Split:

H1	+10.7%	+14.5%	+12.9%	+4.6%
H2	+11.1%	+12.3%	+12.0%	+5.3%

Notes:

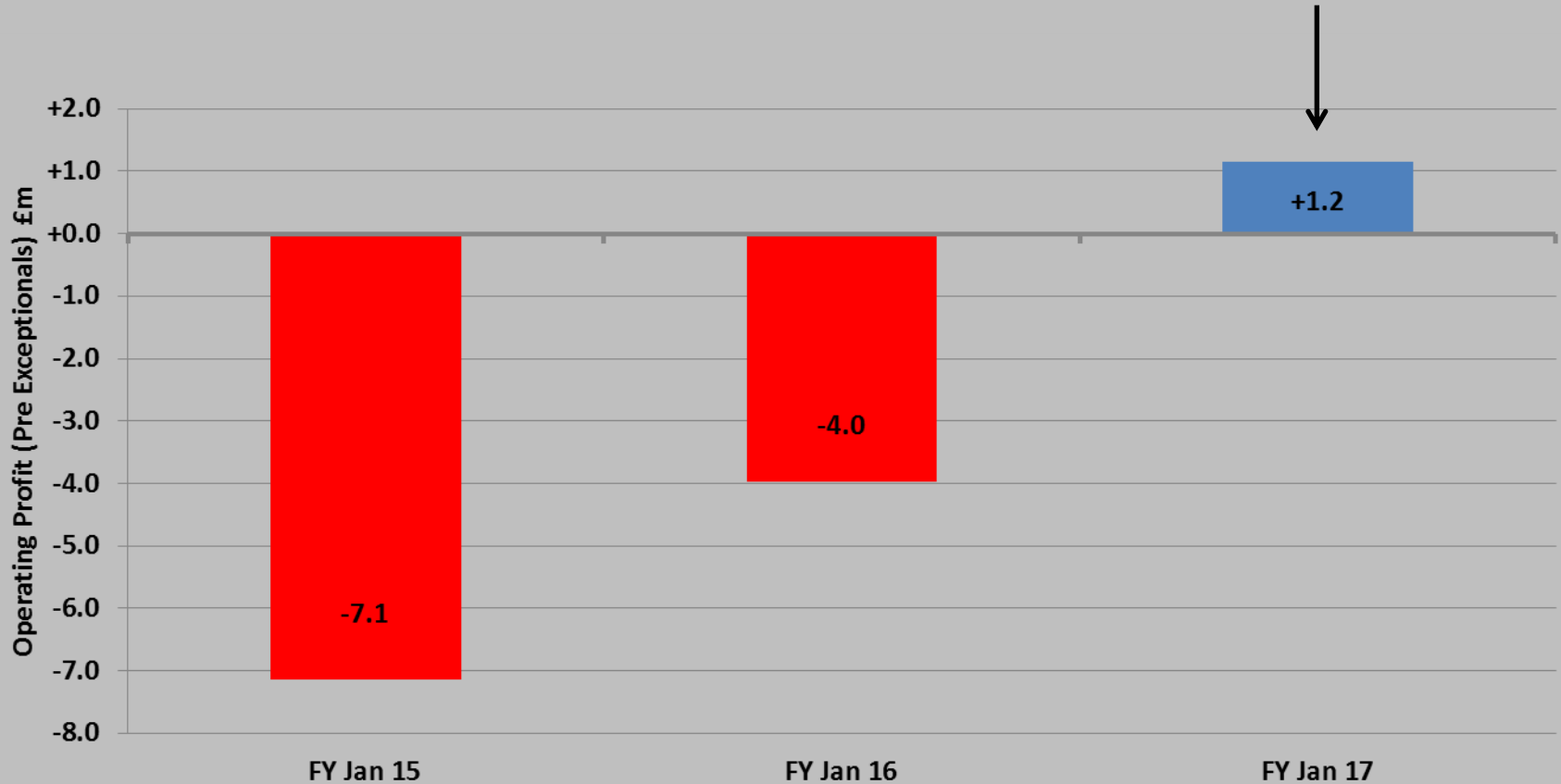
- (1) Stores become like for like after they have been open with same space for a year
- (2) Reflecting composite performance of Group fascias which have been in the Group for the full year
- (3) Reflects constant exchange rates
- (4) Excludes online sales

Strengthening Financial Performance Over A Number Of Years

		Year to Jan 2017	Year to Jan 2016	Year to Jan 2015	Year to Jan 2014
Revenue (£m)	UK & Ireland	1,791.4	1,516.1	1,288.4	1,030.2
	International	587.3	305.6	233.9	186.2
		<hr/> 2,378.7 <hr/>	<hr/> 1,821.7 <hr/>	<hr/> 1,522.3 <hr/>	<hr/> 1,216.4 <hr/>
Profit Before Tax & Exceptional Items (£m)		244.8	157.1	100.0	82.0
Net Cash (£m)		213.6	209.4	84.2	45.3
Basic Earnings Per Share		18.38p	10.03p	7.03p	5.82p
Total Dividend Per Share		1.55p	1.48p	1.41p	1.36p

Turnaround In Outdoor Continues

Minimal contribution from Go Outdoors in period from acquisition to end of the year. Improvement driven in legacy Blacks, Millets and Tiso businesses.



Brian Small

Chief Financial Officer

Financials

Segmental Summary

		Sports		Fashion			Outdoor	Group
	Core JD	JD		Other	Other			
	UK & ROI	International	International	Businesses	Total	Total	Total	Total
	(1)	(2)						
	£m	£m	£m	£m	£m	£m	£m	£m
Revenue To Jan 16	1,178.6	127.9	177.7	182.2	1,666.4	155.3	1,821.7	
Revenue To Jan 17	1,391.4	234.4	352.9	201.9	2,180.6	198.1	2,378.7	
<i>Memo: Acquisitions In Year</i>	-	6.4	123.4	5.3	135.1	34.2	169.3	
Operating Profit / (Loss) To Jan 16	145.7	3.9	11.2	2.1	162.9	(4.0)	158.9	
Operating Profit To Jan 17	217.3	14.1	6.3	7.3	245.0	1.2	246.2	
<i>Memo: Acquisitions In Year</i>	-	(1.3)	(6.6)	(0.6)	(8.5)	0.1	(8.4)	

Notes:

(1) Being JD fascias in Mainland Europe

(2) Being Sprinter (Spain), Chausport (France), SUR (Netherlands), Glue (Australia) and Malaysia fascias. Loss from acquisitions driven by a loss of £7.6m in SUR which was acquired from bankruptcy in March 2016 with a disjointed stock position, a broken supply chain and an unsustainable operational infrastructure.

Online Penetration - % Of Total Fascia Sales

	2017 %	2016 %
JD (UK & Ireland)	13.2%	10.4%
JD (Europe)	3.1%	2.0%
Size?	36.9%	36.5%
Chausport	13.6%	12.3%
Sprinter	1.0%	0.8%
Scotts	19.3%	17.9%
Tessuti	14.8%	11.6%
Blacks & Millets	21.9%	17.9%
Tiso	4.4%	3.1%

Notes:

(1) Online excludes in-store kiosks

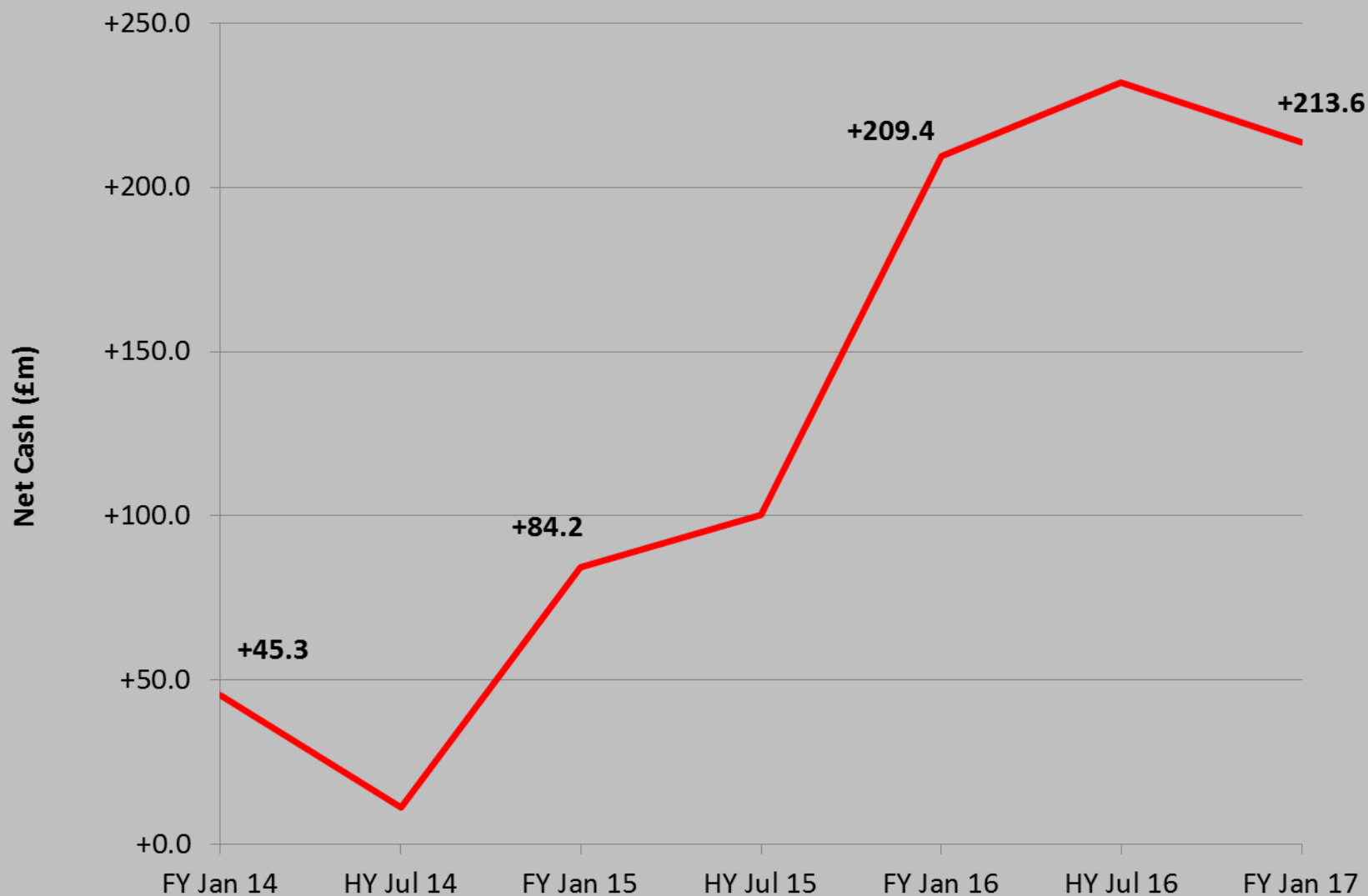
Balance Sheet

	January 2017 £m	January 2016 £m
Goodwill & Fascia Names	176.4	64.8
Brand Licences & Owned Brands	12.4	7.2
Tangible Fixed Assets	250.4	188.8
Key Money & Store Deposits	25.6	19.3
Stocks	348.0	238.3
Debtors / Prepayments	118.6	56.4
Net Cash	213.6	209.4
Liabilities / Provisions	(510.9)	(340.3)
Deferred Income On Lease Incentives	(55.3)	(43.1)
Net Assets	<u>578.8</u>	<u>400.8</u>

Cashflow

	2017 £m	2016 £m
Operating Profit (Excl Exceptional Items)	246.2	158.9
Exceptional Items	(6.4)	(25.5)
Profit Before Tax And Net Interest – All Businesses	239.8	133.4
Depreciation / Impairments	62.4	50.2
Increase In Stocks	(21.2)	(13.3)
Other Working Capital Movements	45.8	83.1
Net Cash Inflow From Operating Activities	326.8	253.4
Net Interest	(1.4)	(1.8)
Net Taxation	(40.1)	(30.0)
Capital Expenditure (Incl Bespoke Software Development)	(88.0)	(83.5)
Net Proceeds From Disposals	2.4	1.1
FREE CASH FLOW	199.7	139.2
Net Acquisition & Investments (Incl Debt Acquired)	(162.2)	-
Purchase of Own Shares From Minority in Sprinter	(14.8)	-
Dividends	(15.2)	(13.9)
Repayment Of Loans & Finance Leases	(3.3)	(0.1)
NET CASH GENERATION	4.2	125.2

Strong Net Cash Position Maintained & Retained For Further Investment



Investments

	Gross Cash Consideration	Cash / (Overdraft) Acquired	Net Acquisition Cost	Loans And Borrowings Acquired	Impact Of Acquisition On Net Cash
	£m	£m	£m	£m	£m
Go Outdoors	(112.3)	8.8	(103.5)	(20.2)	(123.7)
Sports Unlimited Retail	(19.0)	0.1	(18.9)	-	(18.9)
Next Ath Leisure	(3.9)	(5.5)	(9.4)	(2.7)	(12.1)
Sportiberica	(3.3)	0.6	(2.7)	(0.7)	(3.4)
Malaysia Fascias	(3.1)	-	(3.1)	-	(3.1)
Other Smaller Transactions	(1.5)	0.5	(1.0)	-	(1.0)
	(143.1)	4.5	(138.6)	(23.6)	(162.2)

Additional Investment In International Development

		2017	2016
		£m	£m
Retail Property	Sports Fashion – UK & Ireland (1)	29.5	25.4
	Sports Fashion – International	35.7	26.0
	Outdoor (2)	4.2	3.2
		69.4	54.6
Lease Premia, Key Money & Deposits		6.0	3.4
Warehouse Projects	Kingsway (3)	3.7	14.4
	Other	0.4	1.6
Other		8.5	9.5
Total Capex		88.0	83.5

Notes

(1) Including £5.4m (2016: £2.9m) re Gyms

(2) 2017 includes £0.7m re recently acquired Go Outdoors business

(3) 2016 includes £4.7m to acquire an additional plot of land at the Kingsway site – development works now commenced

Stocks By Segment

	Jan 2016	Acquisition (1)	Cashflow	Jan 2017
	£m	£m	£m	£m
JD & Size? (All Territories)	128.9	2.8	20.0	151.7
Other Sports Fashion	70.4	45.3	(0.2)	115.5
Sports Fashion	199.3	48.1	19.8	267.2
Blacks & Millets	33.6	-	2.5	36.1
Tiso	5.4	-	0.1	5.5
Go Outdoors	-	40.4	(1.2)	39.2
Outdoor	39.0	40.4	1.4	80.8
Total Stocks	238.3	88.5	21.2	348.0

Notes

(1) Sports Fashion acquisitions being:

- £2.8m re The Athlete's Foot (Portugal) – NB: subsequently converted to JD
- £2.0m re Malaysia fascias
- £28.6m re Aktiesport and Perry Sport (The Netherlands)
- £10.3m re Next Athleisure (Australia)
- £4.4m Other

Peter Cowgill
Executive Chairman **Strategy & Synopsis**

The Opportunities For Further Progression

- Further development of the Sports fascias both in established territories and new markets
- Partnerships with established regional players
- Acquisition of Go Outdoors business fundamentally changes scale of Outdoor operations
- Continuing to drive Multichannel penetration particularly in international markets

Challenges

- Maintaining / increasing sales density levels
- Working with global brands to maintain differentiation / exclusivity
- Cost pressures consequent to FX movements and their impact on the UK consumer
- High cost of property key money in high profile European locations
- Investment in core operational infrastructure required to deal with an increasingly large and complex business