

A photograph of four models (two men and two women) standing in front of a brick wall. The man on the far left is wearing a grey sweatshirt with 'EAT' and 'jdsportsfashionplc' on the chest. The woman next to him is wearing a bright green Adidas tracksuit. The man next to her is wearing a black hoodie with a visible tattoo on his neck. The woman on the far right is wearing a grey sweatshirt with 'NIKE' repeated on the sleeve. A large black and white 'IAM JD' logo is overlaid on the left side of the image.

IAM JD

JD SPORTS FASHION PLC FINAL RESULTS

JULY 2020



I AM **JD**

OVERVIEW

PETER COWGILL

SUMMARY OF RESULTS.

	Jan 20			Jan 19	
	Proforma IAS 17	Adjustment	Reported IFRS 16	Reported IAS 17	Jan 20 v Jan 19 (IAS 17 v IAS 17)
	£m	£m	£m	£m	
Revenue	6,110.8	-	6,110.8	4,717.8	+30%
EBITDA	623.6	356.2	979.8	488.4	+28%
Depreciation	(151.8)	(311.1)	(462.9)	(126.9)	
Operating Profit Excl Exceptionals	471.8	45.1	516.9	361.5	+31%
Finance Costs (incl Lease Interest)	(6.2)	(71.9)	(78.1)	(6.3)	
Profit Before Tax & Exceptional Items	465.6	(26.8)	438.8	355.2	+31%

Divisional Profit (1) - Sports Fashion	492.2	(23.7)	468.5	365.8
Divisional Profit (1) - Outdoor	(20.4)	(3.1)	(23.5)	(4.3)
Group Funding Costs	(6.2)	-	(6.2)	(6.3)
	465.6	(26.8)	438.8	355.2

(1) Divisional Profit includes a charge for £64.7m (Sports Fashion) and £7.2m (Outdoor) for lease interest calculated on a lease by lease basis in accordance with IFRS 16. Group Funding Costs are still regarded as cross divisional and so are not allocated to a specific Division. Therefore, Divisional Profit (incl lease interest charge) is the equivalent of Operating Profit under the previous presentation.

FIVE YEAR HISTORY.

		Jan 2020		Jan 2019	Jan 2018	Jan 2017	Jan 2016
		Proforma IAS 17	Reported IFRS 16	Reported IAS 17	Reported IAS 17	Reported IAS 17	Reported IAS 17
		£m	£m	£m	£m	£m	£m
Revenue (£m)	UK & ROI	2,836.5		2,334.8	2,229.6	1,791.5	1,635.6
	Europe	1,412.8		1,205.1	799.7	545.0	185.7
	United States	1,601.5		956.6	-	-	-
	Asia Pacific	260.0		221.3	132.1	42.2	0.4
		6,110.8		4,717.8	3,161.4	2,378.7	1,821.7
EBITDA (£m)		623.6	979.8	488.4	385.2	308.6	209.1
Profit Before Tax & Exceptional Items (£m)		465.6	438.8	355.2	307.4	244.8	157.1
LFL Total Sports Fashion Sales (%) – (1)		+12%		+6%	+8%	+15%	+17%
LFL Total Group Sales (%)		+10%		+5%	+7%	+14%	+16%

1) Reported LFL sales to Jan 2020 exclude the United States – total LFL sales (incl online) for the proforma 52 week period:

- Finish Line +9%
- Macy's +3%



IAM 

FINANCIALS

NEIL GREENHALGH

SPORTS FASHION: TRANSITION FROM IAS 17 TO IFRS 16.

	Jan 20			Jan 19	
	Proforma IAS 17	Adjustment	Reported IFRS 16	Reported IAS 17	Jan 20 v Jan 19 (IAS 17 v IAS 17)
	£m	£m	£m	£m	
Revenue	5,696.8	-	5,696.8	4,296.4	+33%
Gross Margin %	47.4%	-	47.4%	48.0%	
EBITDA	629.6	322.8	952.4	478.4	+32%
Depreciation	(132.0)	(281.8)	(413.8)	(110.2)	
Non-Trading Acquisition Amortisation	(5.4)	-	(5.4)	(2.4)	
Operating Profit (Excl Exceptionals)	492.2	41.0	533.2	365.8	+35%
Finance Costs (Lease Interest Charge)	-	(64.7)	(64.7)	-	
Divisional Profit (Excl Exceptionals)	492.2	(23.7)	468.5	365.8	+35%

SPORTS FASHION: SUMMARY

	JD & Size?				Other International Fascias				Sports Fashion
	UK & ROI (1)	Europe	Asia Pac	United States	Europe	Asia Pac	United States (2)	Other (3)	
Revenue to Jan 2019 (£m)	1,599.8	621.9	127.3	4.3	583.2	94.0	952.3	313.6	4,296.4
Revenue to Jan 2020 (£m)	1,805.1	801.9	231.9	31.9	610.9	28.1	1,569.6	617.4	5,696.8
Reconciliation of Divisional Profit									
Proforma Divisional Profit / (Loss) under IAS 17 (£m)	291.4	52.4	8.8	(0.3)	20.0	(1.2)	98.2	22.9	492.2
Net Impact of Transition to IFRS 16 (£m)	(6.8)	(5.1)	(2.4)	(0.1)	(1.9)	(0.3)	(3.6)	(3.5)	(23.7)
Divisional Profit / (Loss) to Jan 2020 (£m) (4)	284.6	47.3	6.4	(0.4)	18.1	(1.5)	94.6	19.4	468.5
Divisional Profit / (Loss) to Jan 2019 (£m)	273.4	45.5	7.6	-	5.9	(6.1)	27.9	12.9	365.8
Stores Start Of Period	419	264	46	5	438	33	878	84	2,167
Stores End Of Period	428	315	64	11	427	2	803	153	2,203
Total LFL Sales (%) (5)	+12%	+16%	+5%	-	+8%	-	-	+8%	+12%

(1) Profit in core UK & ROI business impacted by inefficiencies at Kingsway warehouse in the first half from short-term additional manual working

(2) Includes 295 branded concessions within Macy's department stores

(3) Includes Fashion fascias, Footasylum (acquisition completed 26 April 2019), Gyms and non-retail businesses

(4) Includes a charge for lease interest calculated on a lease by lease basis in accordance with IFRS 16

(5) Reported LFL sales to Jan 2020 exclude the United States



CONTRIBUTION FROM FINISH LINE AND JD IN THE UNITED STATES.

	Jan 2020			Jan 2019 Part Year Post Acquisition (2)			Jan 2019 52 Weeks Ended 2 Feb 2019 (3)
	Finish Line (1)	JD	Total	Finish Line (1)	JD (2)	Total	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Revenue	2,006.5	40.8	2,047.3	1,240.9	5.9	1,246.8	1,917.3
GP%	42.9%	46.7%	43.0%	40.7%	44.5%	40.7%	42.2%
EBITDA	170.2	1.4	171.6	68.7	(1.6)	67.1	125.4
Depreciation & Amortisation	(44.8)	(1.8)	(46.6)	(30.9)	(0.3)	(31.2)	(49.6)
Proforma Operating Profit / (Loss) under IAS 17	125.4	(0.4)	125.0	37.8	(1.9)	35.9	75.8
Net Impact of Transition to IFRS 16	(4.6)	(0.1)	(4.7)	-	-	-	-
Reported Divisional Profit / (Loss) (\$m)	120.8	(0.5)	120.3	37.8	(1.9)	35.9	75.8
Reported Divisional Profit / (Loss) (£m)	94.6	(0.4)	94.2	27.9	(1.3)	26.6	

(1) Includes Macy's concessions

(2) Post acquisition figures are from 18 June 2018 – 2 February 2019

(3) To present the results in line with the Group's financial period

OUTDOOR: TRANSITION FROM IAS 17 TO IFRS 16.

	Jan 20			Jan 19
	Proforma IAS 17	Adjustment	Reported IFRS 16	Reported IAS 17
	£m	£m	£m	£m
Revenue	414.0	-	414.0	421.4
Gross Margin %	41.9%	-	41.9%	42.5%
EBITDA	(6.0)	33.4	27.4	10.0
Depreciation	(9.9)	(29.3)	(39.2)	(9.8)
Non-Trading Acquisition Amortisation	(4.5)	-	(4.5)	(4.5)
Operating Profit (Excl Exceptionals)	(20.4)	4.1	(16.3)	(4.3)
Finance Costs (Lease Interest Charge)	-	(7.2)	(7.2)	-
Divisional Profit (Excl Exceptionals)	(20.4)	(3.1)	(23.5)	(4.3)

OUTDOOR: SUMMARY.

	Jan 2020		Jan 2019	
	Proforma IAS 17	Adjustment	Reported IFRS 16	Reported IAS 17
	£m	£m	£m	£m
EBITDA	(6.0)	33.4	27.4	10.0
Trading Depreciation	(9.9)	(29.3)	(39.2)	(9.8)
Non-Trading Acquisition Amortisation	(4.5)	-	(4.5)	(4.5)
Operating Profit / (Loss) Excl Exceptionals	(20.4)	4.1	(16.3)	(4.3)
Finance Costs (Lease Interest Charge)	-	(7.2)	(7.2)	-
Reported Divisional Profit / (Loss)	(20.4)	(3.1)	(23.5)	(4.3)
EBITDA analysed as:				
Blacks / Millets	3.2	13.1	16.3	1.7
Tiso	0.3	1.6	1.9	0.1
Go Outdoors (incl. Go Outdoors Fishing)	(9.5)	18.7	9.2	8.2

BALANCE SHEET.

	IFRS 16		IAS 17	
	Jan 2020	Jan 2019	Jan 2020	Jan 2019
	£m	£m	£m	£m
Right-of-Use Asset	1,854.1	1,780.2	-	-
Goodwill & Fascia Names	368.3	356.1	368.3	356.1
Brand Licences & Owned Brands	13.4	12.1	13.4	12.1
Other Intangibles	32.0	26.1	32.0	26.1
Property, Plant & Equipment	566.0	539.8	580.6	539.8
Other Fixed Assets & Investments	2.6	0.1	18.0	21.4
Key Money & Store Deposits	47.9	57.8	47.9	57.8
Stocks	811.8	763.8	811.8	763.8
Debtors / Prepayments	183.9	177.2	183.9	177.2
Net Cash / (Debt)	429.9	125.2	429.8	125.2
Liabilities / Provisions	(1,028.0)	(868.7)	(1,041.7)	(871.2)
Deferred Income On Lease Incentives	-	-	(135.2)	(131.5)
Lease Debt	(1,992.7)	(1,892.9)	-	-
	<u>1,289.2</u>	<u>1,076.8</u>	<u>1,308.8</u>	<u>1,076.8</u>

CASHFLOW.

	Year to Jan 2020 £m	Year to Jan 2019 £m
Operating Profit (Pre Exceptional Items)	516.9	361.5
Depreciation & Amortisation	462.9	126.9
Repayment Of Lease Liabilities	(264.8)	-
Lease Interest	(71.9)	-
Increase In Stocks	(9.5)	(26.2)
Other Working Capital Movements	56.5	3.3
Net Cash Inflow From Operating Activities	690.1	465.5
Net Taxation	(97.8)	(80.3)
Net Funding Costs	(6.2)	(6.3)
Capital Expenditure (Incl Bespoke Software Development)	(177.2)	(191.0)
Net Proceeds From Disposals	3.1	1.0
Free Cash Flow	412.0	188.9
Net Acquisition & Investments (Incl Debt Acquired)	(89.3)	(363.2)
Subsidiary Shares Issued to Non – Controlling Interests	-	6.4
Group Dividends	(16.7)	(15.9)
Dividends To Non-Controlling Interests In Subsidiaries	(1.3)	(0.7)
Net Cash Generation / (Utilisation)	304.7	(184.5)

ACQUISITIONS.

	FootAsylum £m	Other (1) £m	Subsidiaries £m	Other Investments £m	Total £m
Consideration Paid	86.0	8.0	94.0	3.1	97.1
Net Cash Acquired	(5.7)	(2.0)	(7.7)	(0.1)	(7.8)
	80.3	6.0	86.3	3.0	89.3
<u>Net Assets Acquired</u>					
Intangible Assets	64.6	9.2	73.8		
Right of Use Assets	100.4	0.0	100.4		
Property, Plant & Equipment	25.6	0.1	25.7		
Stocks	39.6	2.4	42.0		
Debtors / Prepayments	19.4	1.0	20.4		
Liabilities / Provisions	(155.8)	(3.2)	(159.0)		
Interest bearings loans & borrowings	(13.5)	(2.2)	(15.7)		
	80.3	7.3	87.6		
Minority Interest On Acquisition	-	(1.3)	(1.3)		
	80.3	6.0	86.3		

(1) Being Rascal Clothing, Giulio & Pretty Green



STOCKS.

		Jan 2019	Acquisition (1)	Cashflow	FX Translation (2)	Jan 2020
		£m	£m	£m	£m	£m
JD & Size?	UK & ROI	176.1	-	11.3	-	187.4
	Europe	51.8	-	12.6	(0.6)	63.8
	Asia Pac	38.2	-	(6.5)	(0.3)	31.4
Other International	Europe	110.4	-	5.0	(1.0)	114.4
	Asia Pac	11.3	-	(9.3)	-	2.0
	United States	210.7	-	(5.8)	(1.6)	203.3
Other Sports Fashion		62.8	42.0	(0.4)	-	104.4
Sports Fashion		661.3	42.0	6.9	(3.5)	706.7
Outdoor		102.5	-	2.6	-	105.1
TOTAL STOCKS		763.8	42.0	9.5	(3.5)	811.8

(1) Principally Footasylum £39.6m

(2) Reflecting difference in exchange rates between period ends

ADDITIONAL INVESTMENT IN INTERNATIONAL RETAIL.

		Guidance to Jan 2021 £m	Year to Jan 2020 £m	Year to Jan 2019 £m	Year to Jan 2018 £m
Retail Property	Sports Fashion – UK & Ireland	5.0 – 10.0	16.7	36.2	30.3
	Sports Fashion – International	75.0 – 87.5	84.2	59.3	38.6
	Outdoor	0 - 2.5	5.6	11.4	10.8
		80.0 – 100.0	106.5	106.9	79.7
Gyms		7.0 – 10.0	9.0	9.4	12.2
Lease Premia, Key Money & Deposits		0 – 3.0	6.9	5.6	10.9
Warehouse Projects	Kingsway	2.0 – 5.0	12.2	36.1	24.5
	Alicante (incl new HO)	5.0 – 7.5	7.4	2.4	16.6
	Other	1.0 – 2.5	2.2	1.1	3.0
Land & Buildings	Bury Head Office Campus	0 – 1.0	0.5	0.5	12.6
	Alicante Office & Warehouse	0 – 1.0	2.1	1.9	15.0
Other		15.0 – 20	30.4	27.1	12.1
		110.0 – 150.0	177.2	191.0	186.6