



# FULL-YEAR RESULTS 2022



## JOHN LEWIS PARTNERSHIP UNAUDITED RESULTS FOR YEAR ENDED 29 JANUARY 2022

THURSDAY 10 MARCH 2022

### RESULTS SUMMARY

- Profit before exceptional items<sup>1</sup> rebounds to £181m, up 38% on last year.
- Loss before tax was £26m, £491m better than last year.
- Bonus of 3% awarded to Partners, equivalent to 1.5 weeks' pay.
- Partnership to pay voluntary Real Living Wage nationwide this year; 2% pay rise.
- Total Partnership sales<sup>2</sup> of £12.5bn, up 1%.
- John Lewis achieved its highest ever sales of £4.93bn, up 8% like-for-like<sup>3</sup> on last year.
- Waitrose sales hit £7.54bn, up 1% like-for-like on last year.

Dear Partner

I want to thank you for your commitment and dedication in what has been another tough year. With the pandemic and with so much change within our business, I don't underestimate the personal impact and I am truly grateful.

As we head into the second year of the Partnership Plan, our five year strategy to transform the business, we're gaining momentum in the most competitive retail market in history. Our focus on quality, value, sustainability and exceptional service is serving us well.

### KEY RESULTS

You may recall that we report our profit using two measures - before and after exceptional items and Bonus. Measuring our profit without these items gives a better indication of our underlying performance. Profit before Bonus, tax and exceptional items - or 'PBTBE' - was £181m. This was £50m (38%) higher than 2020/21 and £111m (159%) better than two years ago.

When we include exceptional items (£161m) and Bonus (£46m), our loss before tax was £26m. This was £491m (95%) better than our loss in 2020/21 (when we had a big 'write down' in the value of our John Lewis stores) and £172m (118%) lower than the profit two years ago, when we had a one-off benefit from closing our defined benefit pension scheme. Our exceptional costs were mostly restructuring costs, property lease exit costs and a small write down of John Lewis stores.

Waitrose sales were £7.5bn, up 1% like-for-like on last year (down 1% as reported) and up 11% like-for-like on two years

ago (up 9% as reported).

John Lewis achieved the highest sales in its history, £4.9bn, which was up 8% like-for-like on last year (4% as reported). Against two years ago, John Lewis sales were up 10% like-for-like (2% as reported).

Reducing costs remains a key priority. We cut costs by £170m, a major factor behind our profit growth compared to last year.

This has involved difficult decisions that have affected Partners deeply: reducing management roles in our shops and reducing our central teams. We have also closed eight John Lewis stores and a delivery hub. These were necessary decisions to ensure the Partnership is sustainable in the future.

## BONUS

In 2020, the Board set the minimum thresholds for paying a Bonus again: a combination of PBTBE of £150m and debt ratio of less than 4x. We achieved both of these targets. Given the positive performance, and the extraordinary contribution of Partners, the Board decided to share a 3% Bonus with Partners; while the Executive team and I are donating our Bonus to the British Red Cross.

With our Partners, like the whole country, facing a cost of living squeeze, we believe that this is the right time to pay the voluntary Real Living Wage, nationwide. In addition, this year's pay review has been set at 2%, making the total pay investment £54m (excluding Bonus, which adds a further £46m).

## OUTLOOK

We have made a good start to our Partnership Plan but are only one year through our five year transformation. Looking ahead, we see continued uncertainty from global events, affecting the economic environment, our customers, Partners and society. As inflation and energy prices rise, our customers face higher living costs. While this creates uncertainties as we look ahead, we remain focused on investing significantly in our Partnership Plan to transform and grow our business. In 2022/23, this will involve:

- Investing £119m in our John Lewis shops, digital services and our distribution capabilities;
- On top of these investments, we're committing £500m to give John Lewis customers everyday quality and value, and an improved MyJL loyalty proposition is coming later this year;
- £55m investment to complete a further 23 major refurbishments of Waitrose stores and £72m investment in digital services and distribution;
- Working with our Waitrose suppliers to keep prices as low as possible and offering savings on products that customers buy the most through the revamped MyWaitrose loyalty scheme;
- Accelerating growth in John Lewis Financial Services with a £53m investment;
- Continuing to develop and progress our property rental proposition;
- Targeting further sustainable cost savings by year end as we become more efficient.

This is a year of opportunity for the Partnership, despite economic headwinds. We have come through so much already and our solidarity will continue to carry us through. I am confident that by continuing to invest in our strategy we will deliver for our customers, Partners, suppliers and communities.

SHARON WHITE  
PARTNER & CHAIRMAN

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1 Profit before Partnership Bonus, tax and exceptional items (PBTBE)

2 All references to sales are Total trading sales which includes VAT, sale or return and other accounting adjustments


3 We report sales using two measures: as reported and like-for-like. 'As reported' is the comparison between the statutory balances for two periods of time (e.g. this year to last year). 'Like-for-like' sales are the 'as reported' sales after adjustments to remove the impact of shop openings and closures and the impact of a 53rd week for 2020/21. Waitrose like-for-like sales excludes fuel. Like-for-like sales gives a better comparison of our underlying performance

**2020/21 was a 53-week year and therefore benefitted from an additional week's trade compared to 2021/22. The impact**

on PBTBE is small.

A glossary of financial and non-financial terms is included on pages 13 to 15 of the full statement document.

 Download Statement

 Download Presentation

## NOTES TO EDITORS

### ABOUT THE JOHN LEWIS PARTNERSHIP

The John Lewis Partnership owns and operates two of Britain's best-loved retail brands - John Lewis and Waitrose. Started as a radical idea nearly a century ago, the Partnership is the largest employee-owned business in the UK and amongst the largest in the world, with approximately 80,000 employees who are all Partners in the business. For all intents and purposes, the Partnership is a social enterprise; the profits made are reinvested into the business - for customers and Partners. John Lewis operates 34 shops plus one outlet across the UK as well as johnlewis.com. Waitrose has 331 shops in England, Scotland, Wales and the Channel Islands, including 59 convenience branches, and another 27 shops at Welcome Break locations. Our omnichannel business includes the online grocery service, Waitrose.com, as well as specialist online shops, including waitrosecellar.com for wine and waitroseflorist.com for plants and flowers.

## MEDIA ENQUIRIES

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Useful Information

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Other websites

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