



Preliminary Results 2025/26

Ken Murphy, Group Chief Executive
Imran Nawaz, Chief Financial Officer

16 April 2026



Putting customers first, well-placed for long-term growth

Increased customer satisfaction, with
highest market share for a decade

Profit and free cash flow ahead of guidance

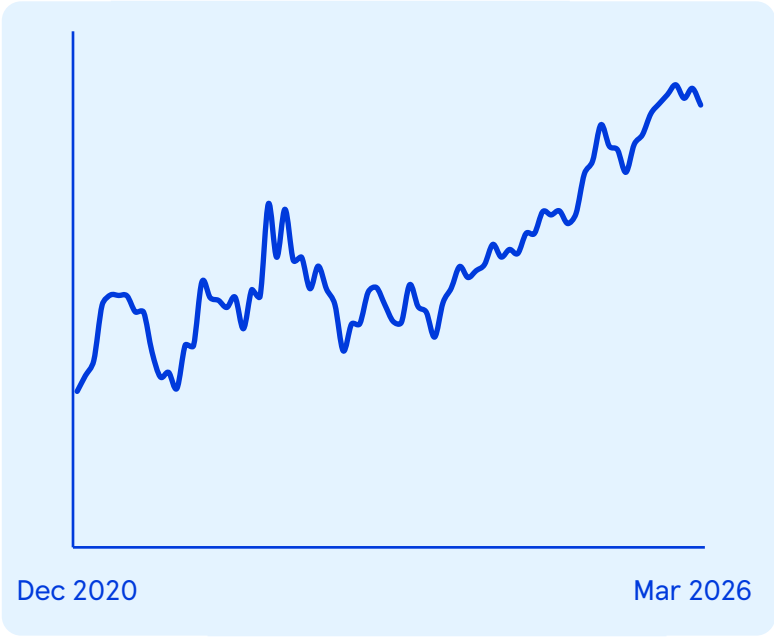
Using our reach, data and AI to unlock
long-term growth opportunities



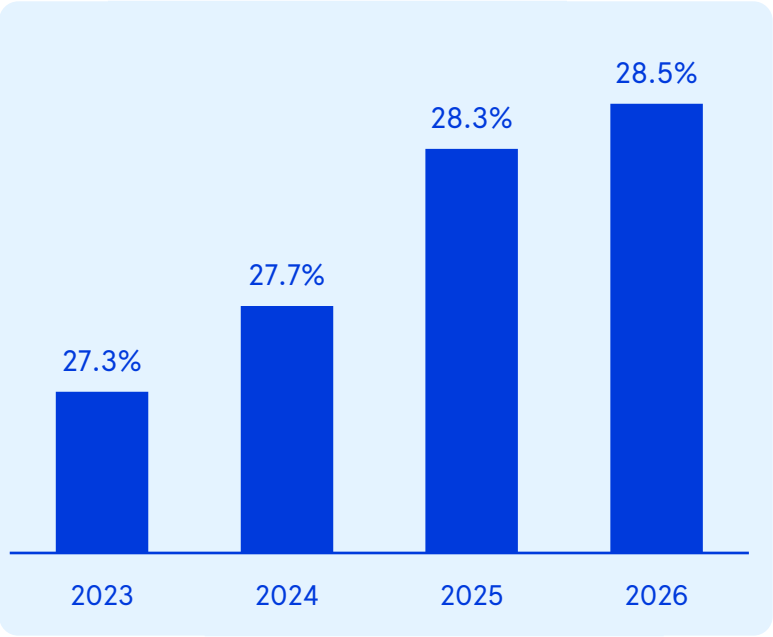
Winning with customers

Further gains in customer satisfaction and market share

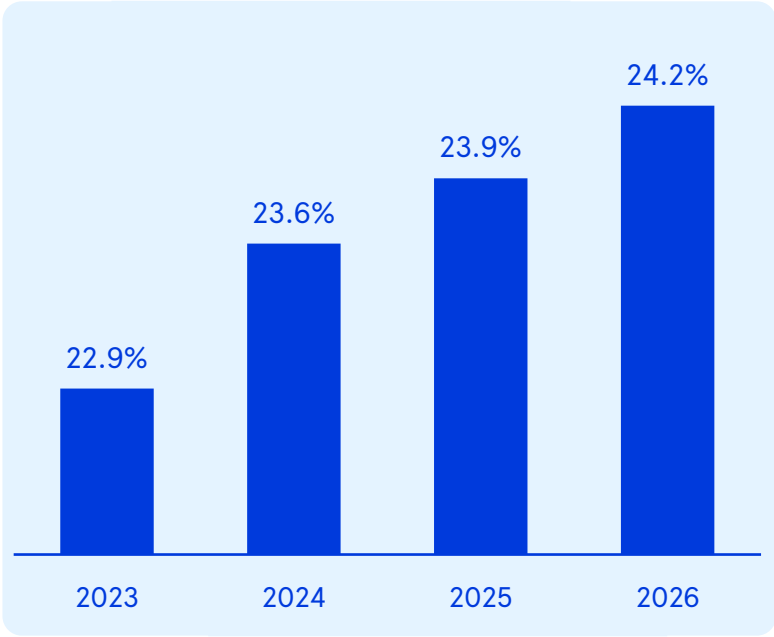
Improving customer NPS¹



UK market share gains²



Further ROI share gains³



1. BASIS Global Brand Tracker 13 weeks rolling NPS
2. Worldpanel by Numerator Total Grocers Total Till Roll for 12 weeks ended 22 February 2026, and equivalent period in prior years
3. Worldpanel by Numerator Total Take Home Grocery on 12-week rolling basis to 22 February 2026, and equivalent period in prior years

Continued investment in value

Maintained strong price position versus the competition

Tripled the number of products on Everyday Low Prices to 3,000

Over 10,000 prices lower versus the start of the year



Investing in quality across our ranges

TESCO
finest★

+15% sales growth

Innovation

>2,000 new and improved products

Frozen

Large range refresh across tiers

TESCO

Rewarding our colleagues

£209m

Investment in colleague pay¹

+43%

Increase in hourly pay for store-based colleagues over last 5 years

>22k

Colleagues benefitting from share scheme maturity in FY 25/26

£65m

Additional performance award for hourly paid colleagues

1. Total investment in hourly pay for UK store colleagues from 29 March 2026

Delivering for our broader stakeholders



Communities

Fruit & Veg for Schools
supporting over 500 schools



Suppliers

Ranked no.1 in the Advantage
survey for 10th year running



Planet

68% reduction in operational
emissions¹, ahead of 2025 target



Shareholders

Returned £2.4bn to shareholders
in-year via dividends and buybacks²

1. Against 2015/16 baseline year
2. Includes £750m via ongoing share buyback programme and c.£700m additional buyback to return proceeds from the sale of our Banking operations

Financial Performance

Imran Nawaz, Chief Financial Officer



Performance headlines

On a continuing operations basis

Like-for-like sales growth across all segments

Profit growth, with sales growth and Save to Invest offsetting investments in the customer offer and cost inflation (including regulatory costs)

Strong cash delivery, above the upper end of guidance range

£1.45bn share buyback completed

Strong balance sheet

Group sales¹
+4.3%

Like-for-like +3.5%

Group adj. op. profit¹
£3,152m

+0.6% vs. last year

EPS²
29.0p

+6.0% vs. last year

Free cash flow
£1,957m

+11.8% vs. last year³

Dividend
14.5p

+5.8% vs. last year³

Net debt⁴
£(10,563)m

Net debt / EBITDA ratio at 2.1x

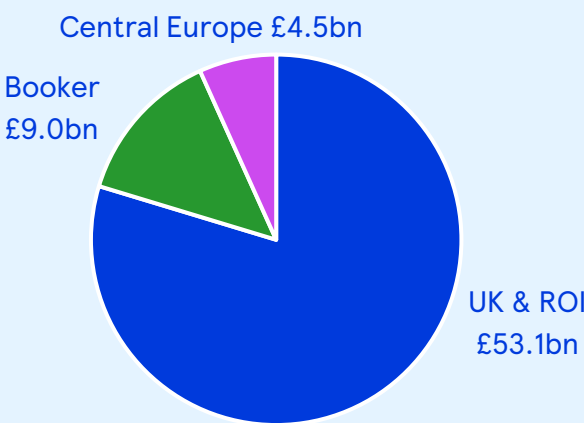
1. On a 52-week basis. Group sales and Group adjusted operating profit change at constant rates of exchange. Group sales exclude VAT and fuel
2. Adjusted diluted EPS. Change shown at actual exchange rates
3. Change shown at actual exchange rates
4. As at the balance sheet date

Segmental performance

On a continuing operations basis

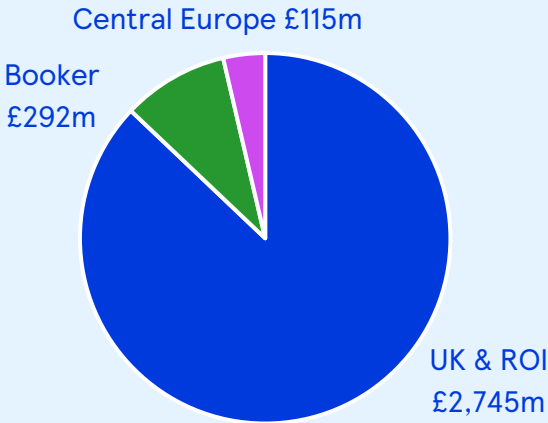
- Sales growth in all segments
- Group adjusted operating profit ahead of guidance

Group sales¹: £66.6bn



	Change at constant rates	LFL ³
UK & ROI	5.0%	4.2%
Booker	0.6%	0.2%
Central Europe	3.7%	2.2%
Group	4.3%	3.5%

Group adj. operating profit²: £3,152m



	Change at constant rates	Margin ⁴
UK & ROI	0.7%	4.7%
Booker	0.7%	3.2%
Central Europe	(0.9)%	2.5%
Group	0.6%	4.3%

1. On a 52-week basis. Group sales exclude VAT and fuel
2. On a 52-week basis. Group adjusted operating profit before adjusting items
3. LFL refers to like-for-like sales growth
4. Margin % at actual exchange rates

Sales growth driven by Food



LFL growth across all channels

Large	+3.9%
Convenience	+0.3%
Online	+11.2%

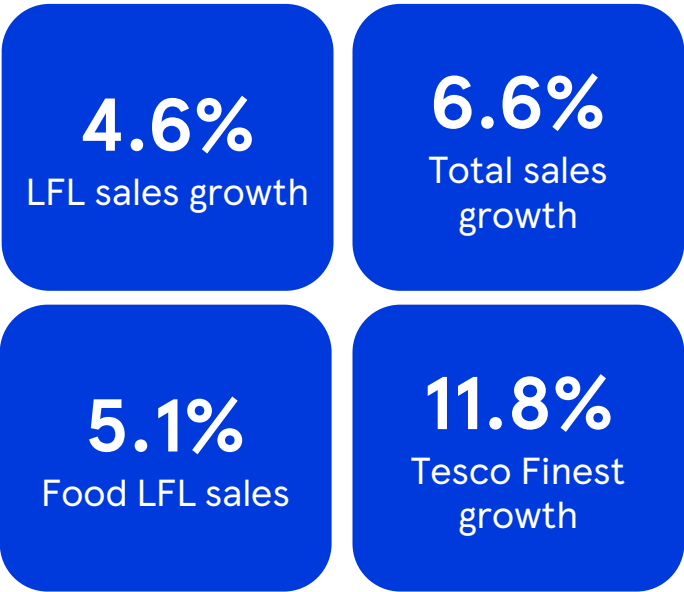
Further gains in Online



1. Online market share based on Worldpanel by Numerator Total Grocery for 12 weeks ended 22 February 2026
 2. Orders per week and basket size excludes Whoosh, Marketplace and F&F Online

ROI

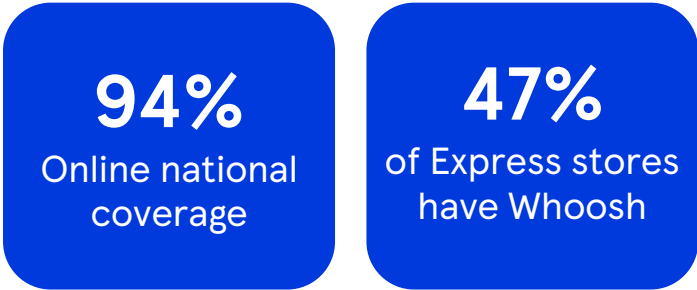
Strong LFL sales growth¹



LFL growth across all channels

Large	+3.1%
Convenience	+4.3%
Online	+17.4%

Expanded reach and offer



1. Growth shown at constant exchange rates
2. Market share based on Worldpanel by Numerator Total Take Home Grocery on 12-week rolling basis to 22 February 2026

Booker

LFL growth, despite ongoing decline in tobacco sales

Core retail – supported by symbol brands growth¹, +369 net new retailer partners. Includes c.100bps impact from ending of a lower-margin national account

Core catering – increased customer satisfaction; strong contribution from Venus Wine and Spirits Merchants

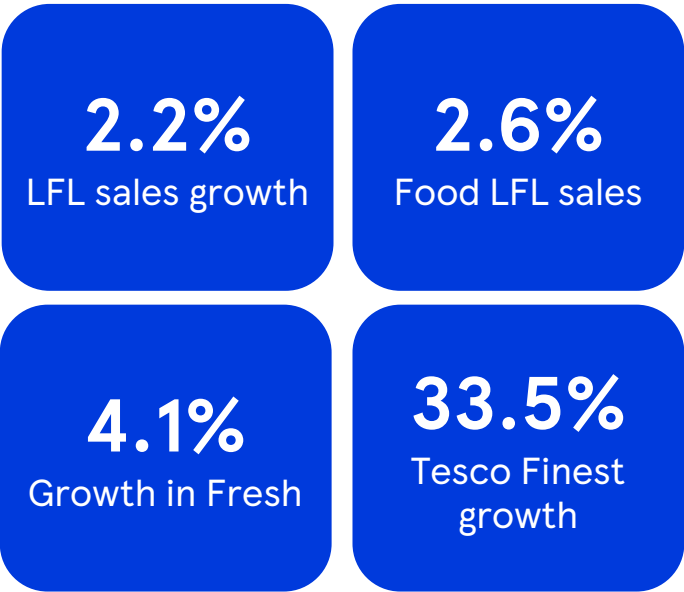
Other – BFL resilient in a challenging fast-food market; tobacco sales declining by (9.5)%

	Sales (£m)	LFL
Core retail	3,307	2.2%
Core catering ²	2,752	3.8%
Other (tobacco & BFL) ³	2,981	(4.9)%
Total Booker	9,040	0.2%

1. Symbol brands refers to Premier, Londis, Budgens and Family Shopper
2. Includes sales to small businesses and sales from Venus Wine and Spirit Merchants Limited, which was acquired in June 2024 and included in LFL growth from June 2025
3. Other includes tobacco and Best Food Logistics where LFL declined (9.5)% and grew 0.6% respectively

Central Europe

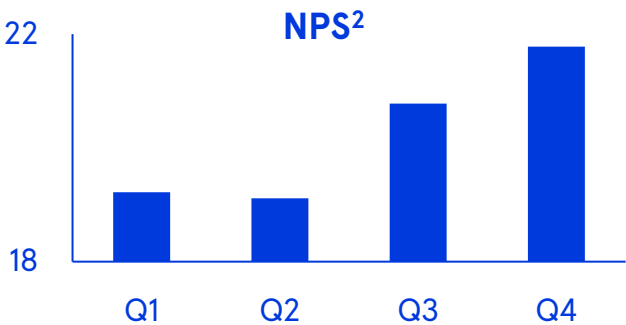
Fresh food driving growth¹



Scaling our online business

Large	+1.4%
Convenience	+3.1%
Online	+17.5%

Customer satisfaction gains



Celebrated 15 years of Clubcard with a wide range of customer rewards

>900 new and improved products launched in the year

1. Growth shown at constant exchange rates
2. BASIS Global Brand Tracker Net Promoter Score (NPS), average NPS per quarter

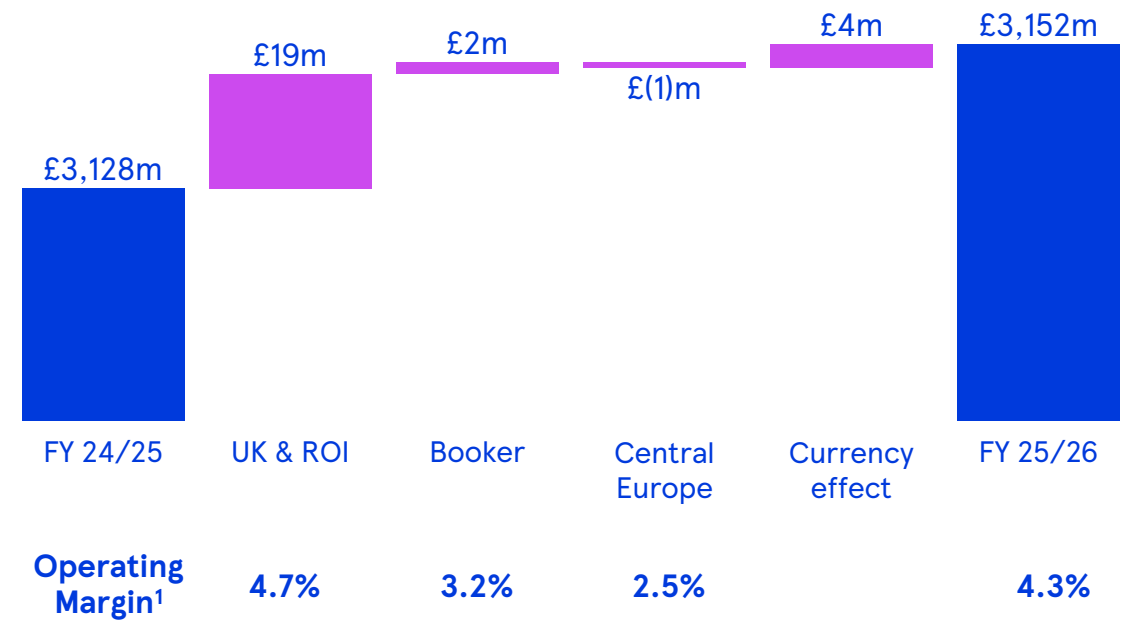
Group adjusted operating profit

Group adjusted operating profit up +0.8%¹

Continued investment into value, quality and service

c.£535m contribution from Save to Invest, helping fund price investment and offset cost inflation

Group adjusted operating profit bridge²



1. At actual rates
2. Year-on-year change by segment shown before adjusting items at constant rates

Statutory profit after tax

On a continuing operations basis

£m	25/26 53 weeks	24/25 52 weeks
Adjusted operating profit (52 weeks)	3,152	3,128
Week 53 adjusted operating profit	42	-
Adjusted operating profit	3,194	3,128
Adjusted net finance costs	(541)	(536)
JVs and associates	(1)	(4)
Tax on adjusted profit	(712)	(690)
Adjusted profit after tax	1,940	1,898
Adjusting items	(153)	(294)
Statutory profit after tax	1,787	1,604

Adjusting items of £(153)m reflects:

- Amortisation of acquired intangibles of £(78)m
- Non-cash net impairment charge of £(53)m
- Restructuring and adjusting property transactions of £(50)m
- Bank separation costs of £(28)m
- Adjusting items within net finance costs of £(40)m
- Tax on adjusting items of £96m

Free cash flow

Delivered £1.96bn of free cash flow, up +£207m versus last year

Working capital inflow reflects growth in sales and strong working capital management

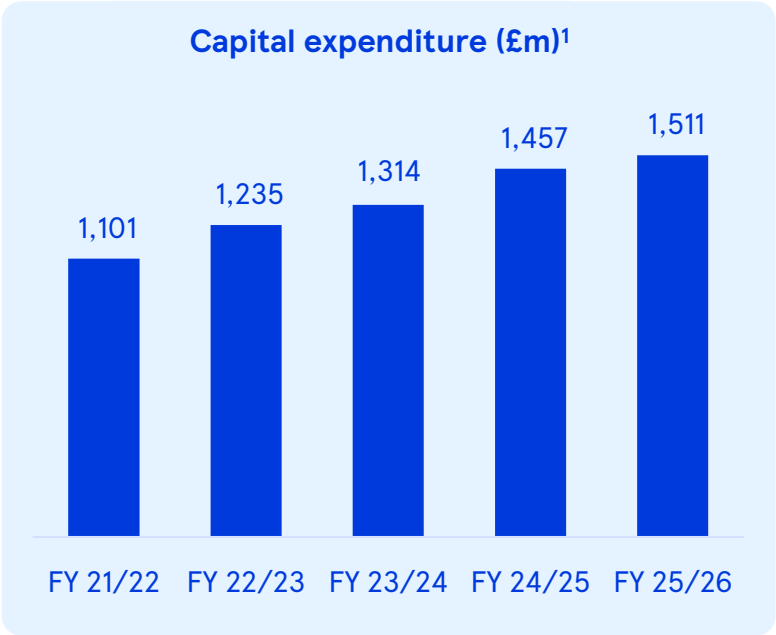
Capex of £1.5bn, with continued investment in growth and long-term capability

£m	25/26	24/25
Cash generated pre-working capital	4,784	4,692
Decrease/(increase) in working capital	385	(45)
Operating cash flow	5,169	4,647
Cash capex ¹	(1,515)	(1,392)
Net interest paid	(518)	(503)
Tax paid	(497)	(355)
Repayments of obligations under leases	(634)	(595)
Other ²	(48)	(52)
Free cash flow	1,957	1,750

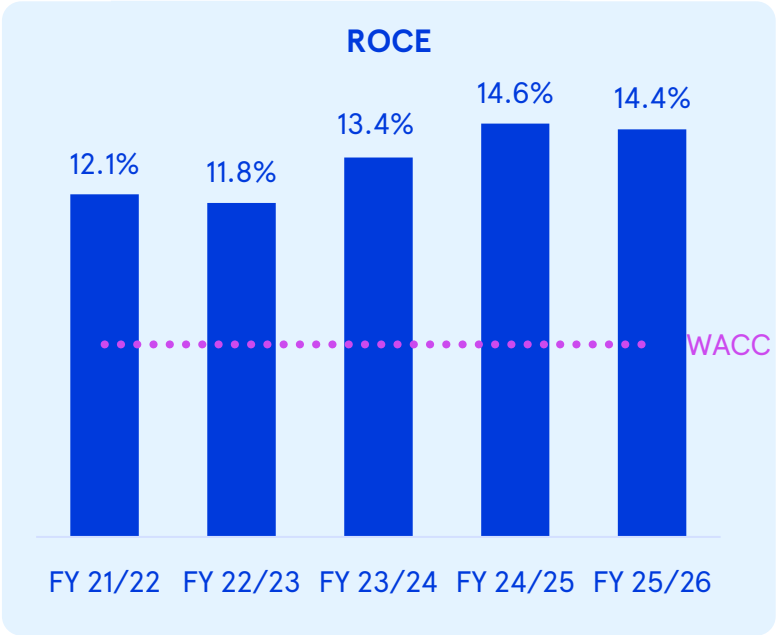
1. Cash capex excluding store buybacks, direct store purchases and associated refits. Cash capex differs from Tesco's APM definition of Capex because it reflects the actual cash paid in the period, irrespective of accruals or deferrals
2. Other includes dividends received from IMS and own shares purchased for share schemes

Investing in growth and delivering strong returns

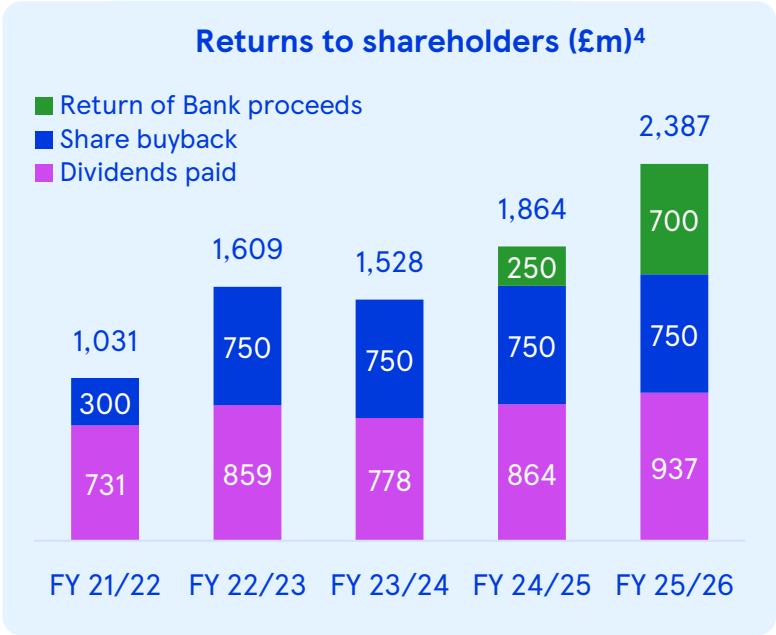
Disciplined increase in capex



Strong returns versus WACC^{2,3}



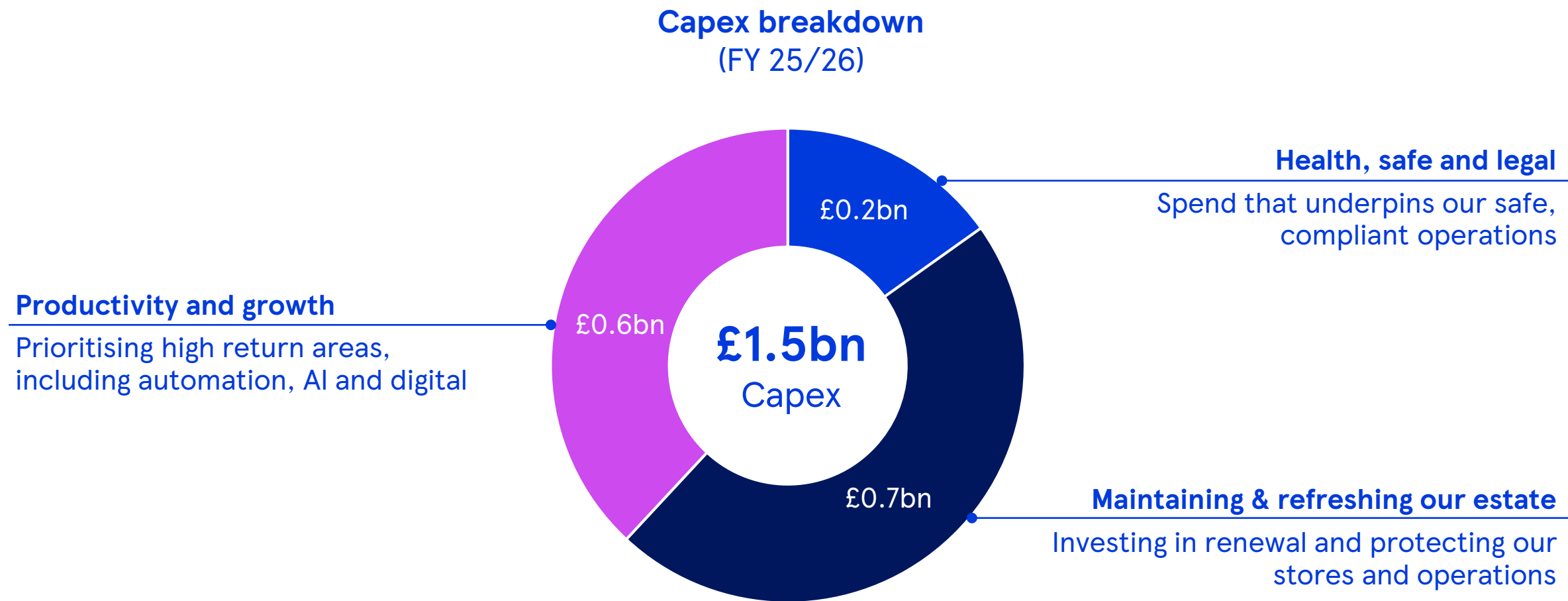
Continued shareholder returns



1. Capital expenditure as per Tesco's APM definition of Capex
2. Return on capital employed (ROCE) uses a rolling 52-week EBITDA and is a Group Alternative Performance Measure (APM), defined in the Glossary starting on page 42 of the 25/26 Preliminary Results statement
3. Group pre-tax weighted average cost of capital
4. Share buybacks exclude transaction costs and stamp duty



A disciplined approach to capex



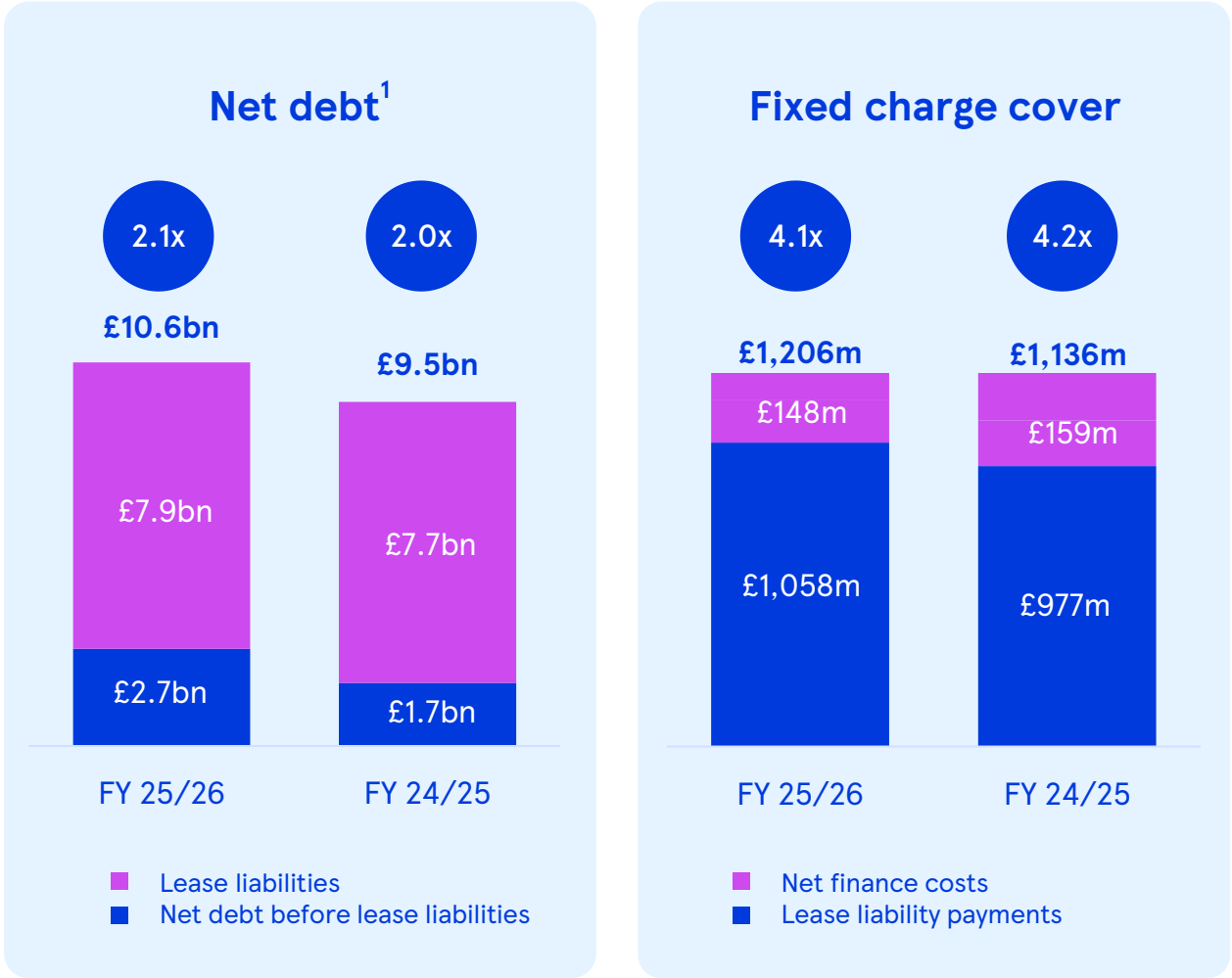
Strong balance sheet

Net debt¹ increase driven by return of £0.7bn Bank sale proceeds to shareholders

Net debt ratio at 2.1x vs 2.0x last year

Fixed charge cover remains strong at 4.1x

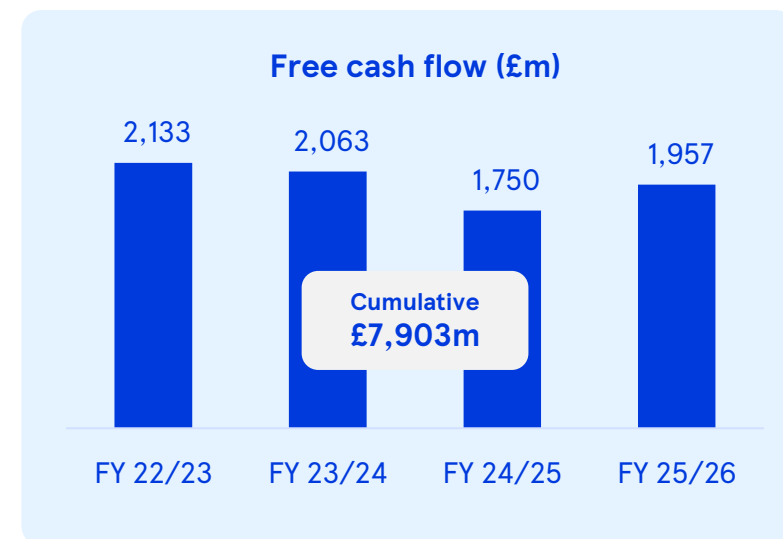
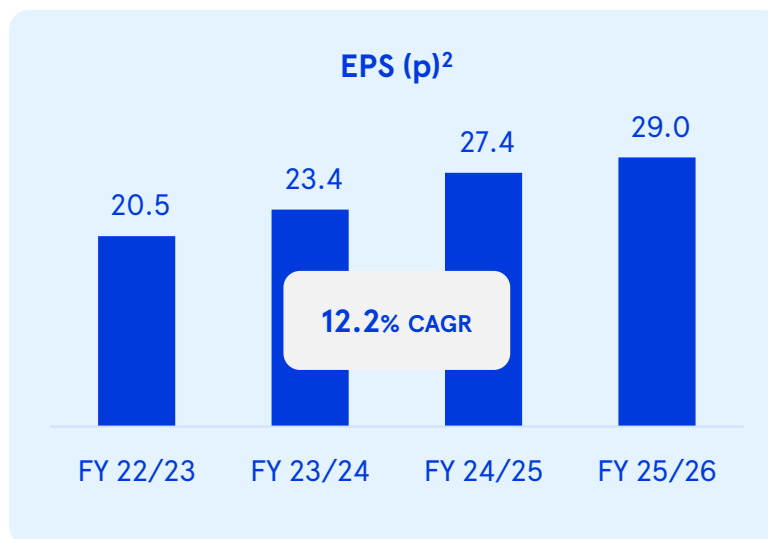
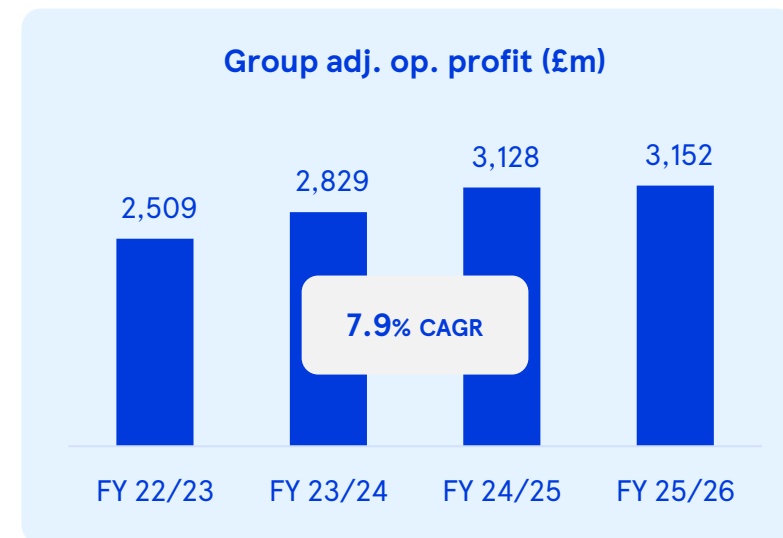
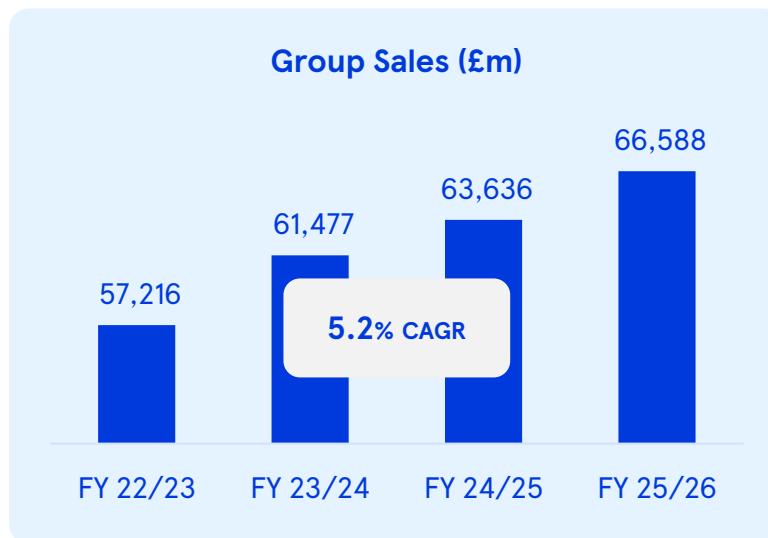
Pension surplus² of £220m net of tax versus deficit of £(180)m last year



1. Net debt is inclusive of IFRS 16 lease liabilities and shown as at the balance sheet date
2. On an IAS 19 accounting basis. Actuarial position of the Tesco PLC Pension Scheme for funding purposes was in surplus, with a funding level of 106% (31 March 2022: 104%)

Driving sales, operating profit, EPS and free cash flow

Strong delivery against our multi-year performance framework¹



1. FY 22/23 comparatives have been restated for the adoption of IFRS 17 'Insurance contracts' and to present Banking operations as a discontinued operation
2. Adjusted diluted EPS as per the Group's APM definition. Change shown at actual exchange rates

Clear priorities for capital allocation

Our capital allocation framework

1	Reinvest in business and customer offer	FY 26/27: c.£1.6bn of Capex
2	Maintain a solid investment grade balance sheet	Net debt/EBITDA c.2.8–2.3x
3	Pay a progressive dividend	Target a pay-out ratio of c.50% of earnings
4	Consider inorganic growth opportunities	Include property buybacks where economically viable
5	Return surplus cash to shareholders	FY 26/27: £750m buyback

Multi-year performance framework

Raising our medium-term cash guidance range

Drive top-line growth

- Increasing customer satisfaction relative to the market
- Growing or at least maintaining our core UK market share

Grow absolute profits & maintain sector-leading margins

- Leveraging our assets efficiently across all channels
- Accessing new revenue streams across our digital platform
- Targeting productivity initiatives to at least offset inflation

**In doing so, generate
£1.5bn to £2.0bn
free cash flow
per year**

Summary

Strong delivery with LFL growth across all segments,
Group profit and cash flow ahead of guidance

£2.4bn returned to shareholders via dividends and
share buybacks, including return of proceeds from sale
of Banking operations

FY 26/27 Guidance

- Group adjusted operating profit of £3.0bn to £3.3bn
 - Free cash flow within our upgraded medium-term guidance range of £1.5bn to £2.0bn
-



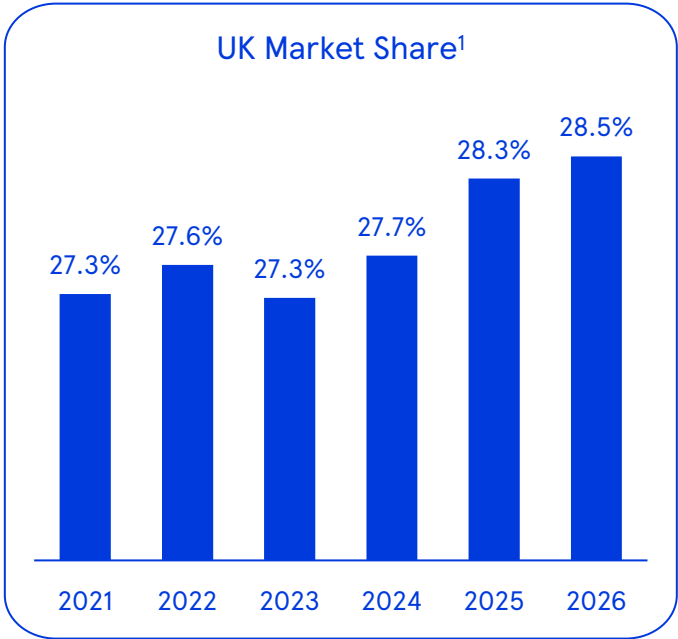
Strategic Update

Ken Murphy, Group Chief Executive



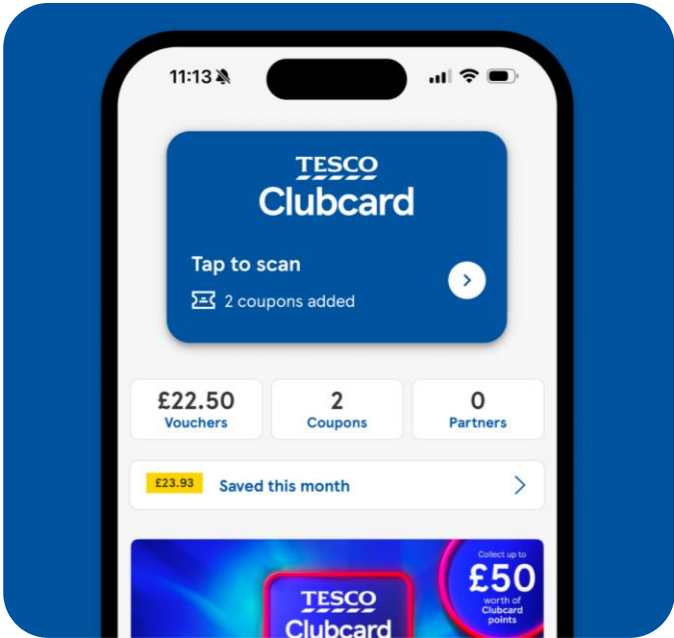
Significant progress over the past five years

Strengthened our core business



+120bps market share gain since February 2021

Built strong digital foundations



Enhanced capabilities in digital, retail media and personalisation

Delivered for all stakeholders



Including investment of over £1bn in store colleague pay over five years

1. Worldpanel by Numerator Total Grocers Total Till Roll for 12 weeks ended 22 February 2026, and equivalent period in prior years

We have five key ambitions

Winning in food

We want to deliver the best value, quality, and innovation in food

Meeting more everyday customer needs

We want to help customers with more of their daily needs through trusted products and services

Being the most strategic partner for suppliers

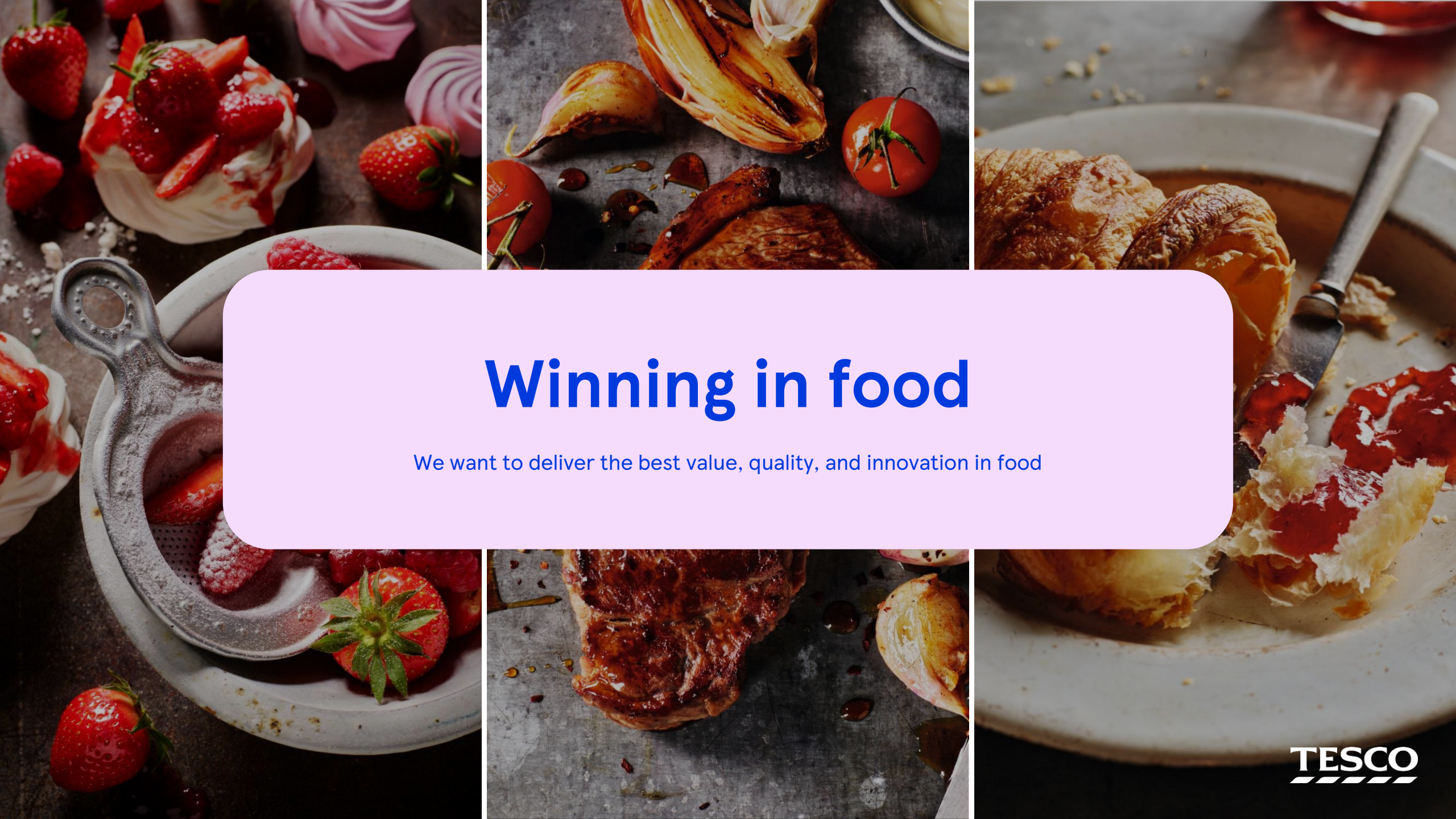
We want to use our unique insights to build new revenue opportunities and partnerships

Connected, personalised and loved by customers

We want shopping with us to be even easier, more personal and rewarding

Long-term business sustainability

We want to further strengthen our resilience, efficiency and sustainability, ready for future growth



Winning in food

We want to deliver the best value, quality, and innovation in food

TESCO

We want to deliver the best combination of price and quality at every tier



Across 3,000 lines

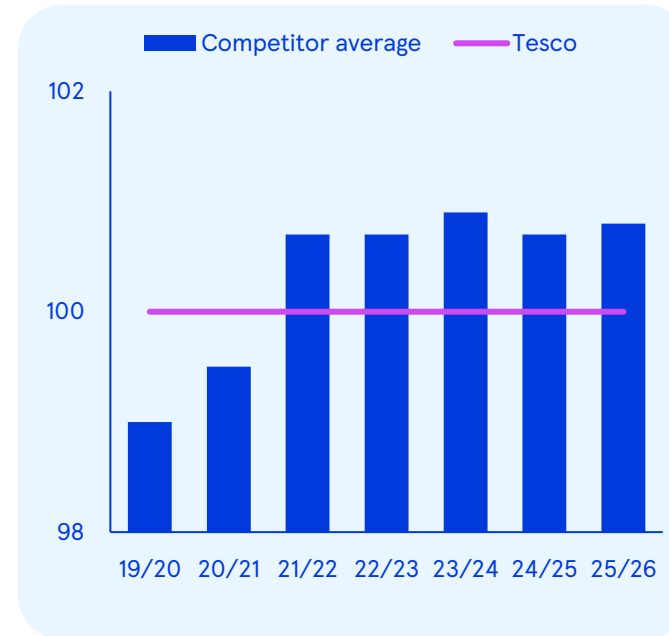


Over 10,000 products per week



Over 600 products

Unrivalled value across branded and own-brand lines



Maintaining our strong price position¹



Finding new opportunities to help customers save

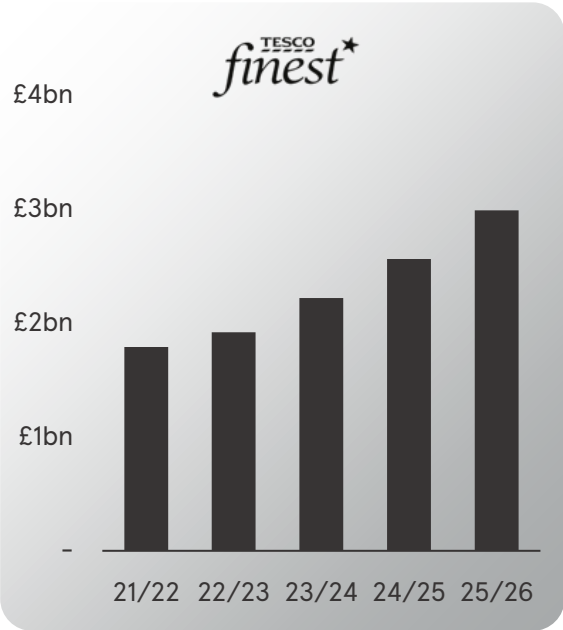
1. UK Price Index is an internal measure calculated using the retail selling price of each item on a per unit or unit of measure basis. Competitor retail selling prices are collected weekly by a third party. The price index includes price cut promotions and is weighted by sales to reflect customer importance

We want to deliver the best combination of price and quality at every tier

Winning in food



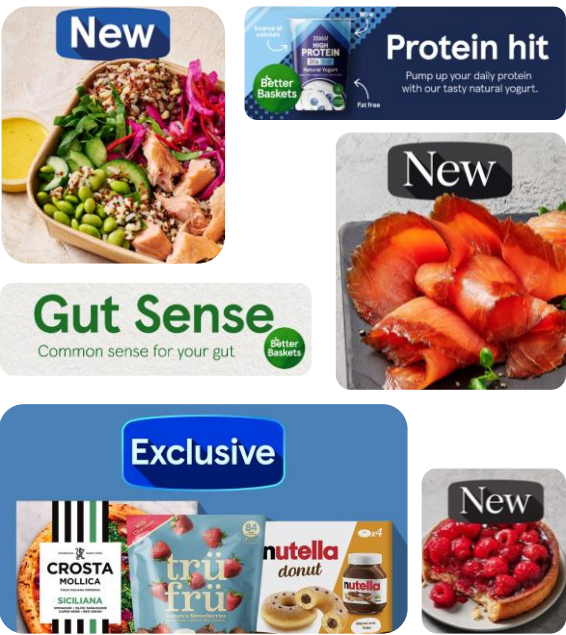
Investing in quality across every tier



Grow Finest beyond a £3bn brand



Relevant, localised product ranges using AI



Known for newness and innovation

Serving customers wherever, whenever and however they choose to shop



28.5% UK grocery market share¹



>99% household coverage in grocery home shopping



Further rollout of Whoosh, including into large stores



Booker serving catering and retail missions nationwide

1. Worldpanel by Numerator Total Grocers Total Till Roll for 12 weeks ended 22 February 2026

Tesco Mobile

5G 87

20
37

Wed

Meeting more everyday customer needs

We want to help customers with more of their daily needs through trusted products and services



Tesco Mobile

now

We're happy to be your second
most important network.



TESCO

Wide range of everyday products and services

Meeting more everyday customer needs



F&F fast approaching £1.5bn of fashion and lifestyle sales



Award-winning mobile network with over five million customers



Insurance products & money services, including personalised Clubcard Prices

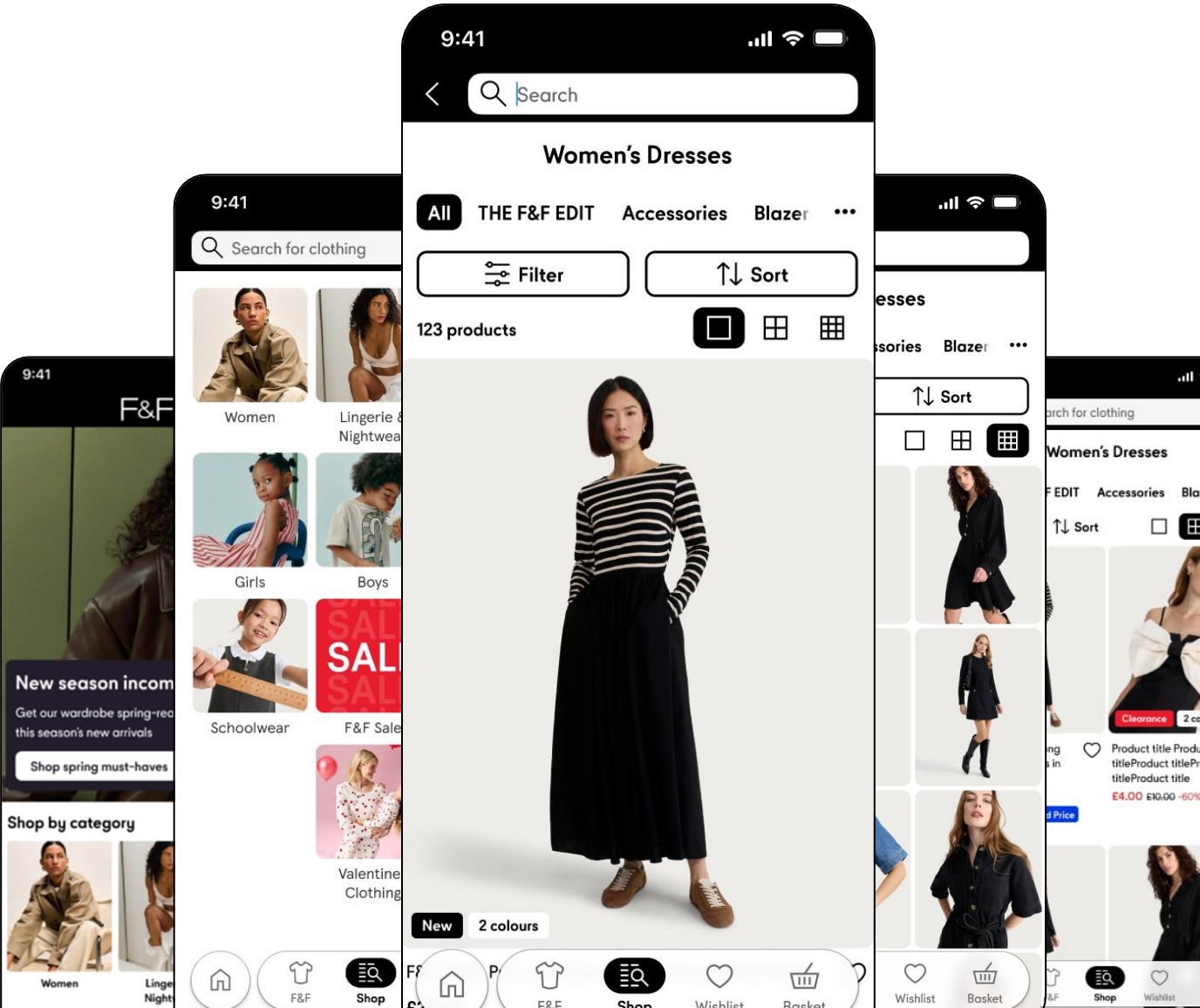
Expanding our F&F offering

Meeting more everyday customer needs

Ambition to grow into a leading fashion and lifestyle brand

Launched F&F Online this year, giving customers access to a much fuller range of clothing

New F&F platform across web and app coming later this year to elevate customer experience



Marketplace opportunity

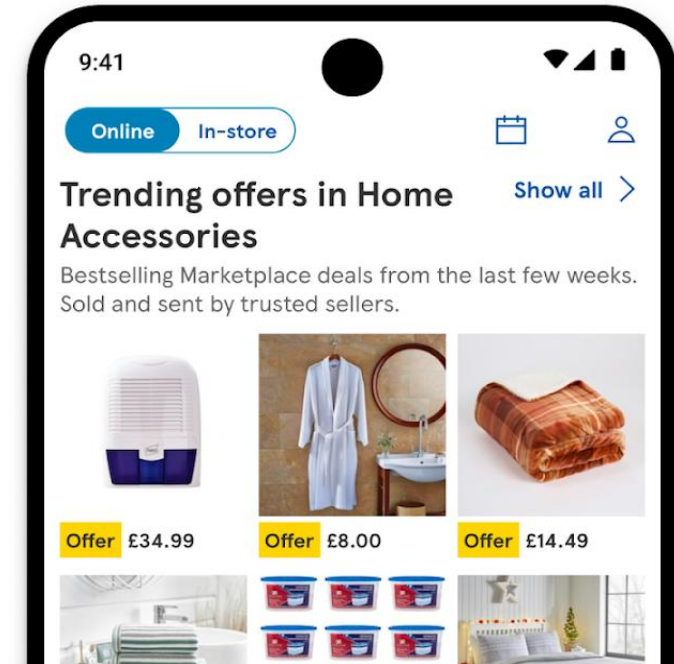
Meeting more everyday
customer needs

Tesco Marketplace offers an expanded range of c.450k third-party SKUs from >500 sellers

Over one million customers have now tried Marketplace for the first time

Re-platformed with Mirakl for AI-powered seller onboarding and enhanced customer experience

1,000s more products
from brands you love on
TESCO Marketplace.



The first choice for health and wellbeing

Meeting more everyday customer needs



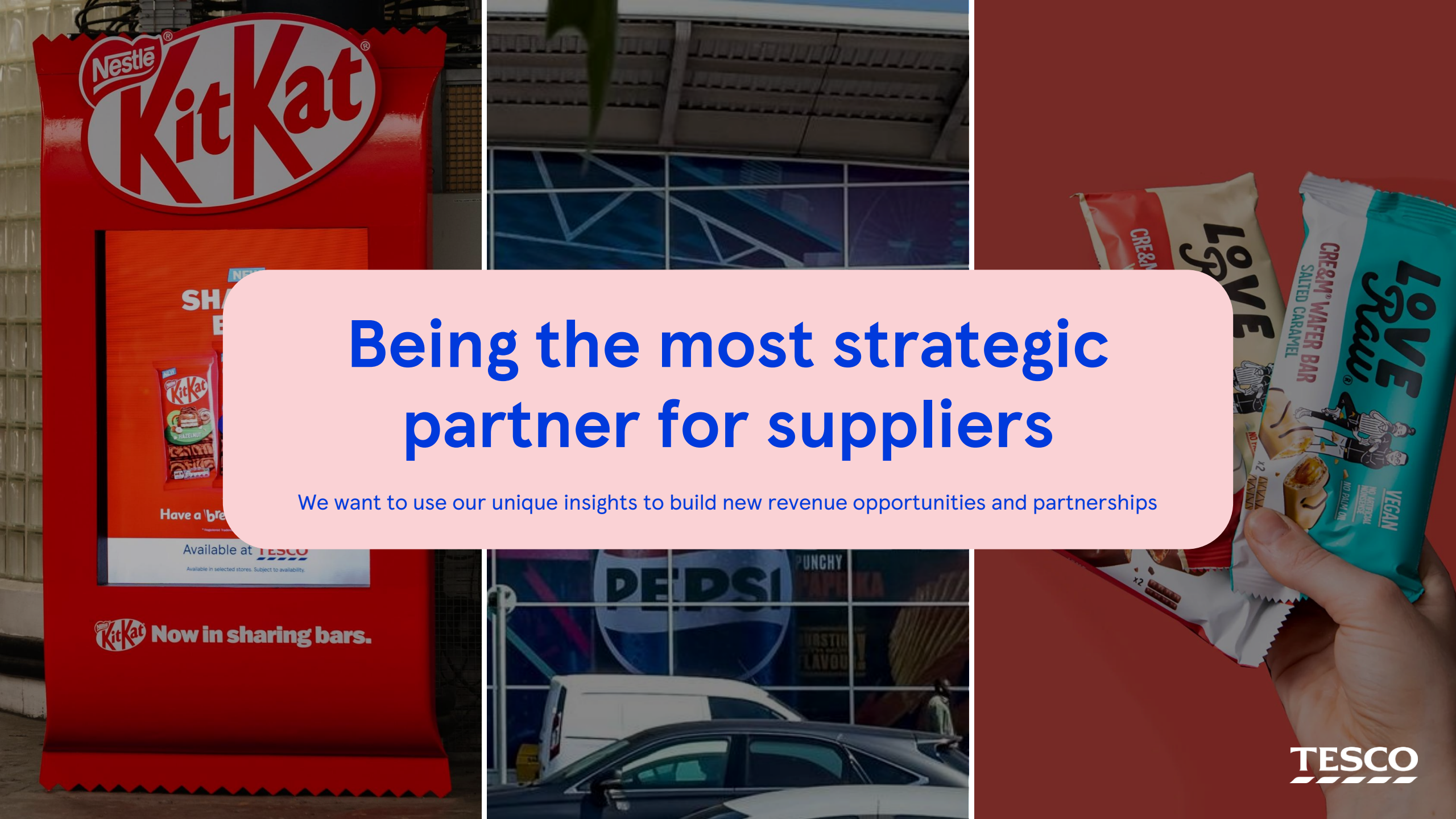
355 in-store pharmacies offering a broad range of services



Weight loss management service launched nationwide in January



Vaccines, free blood pressure checks and NHS-led advice available in-store



Being the most strategic partner for suppliers

We want to use our unique insights to build new revenue opportunities and partnerships

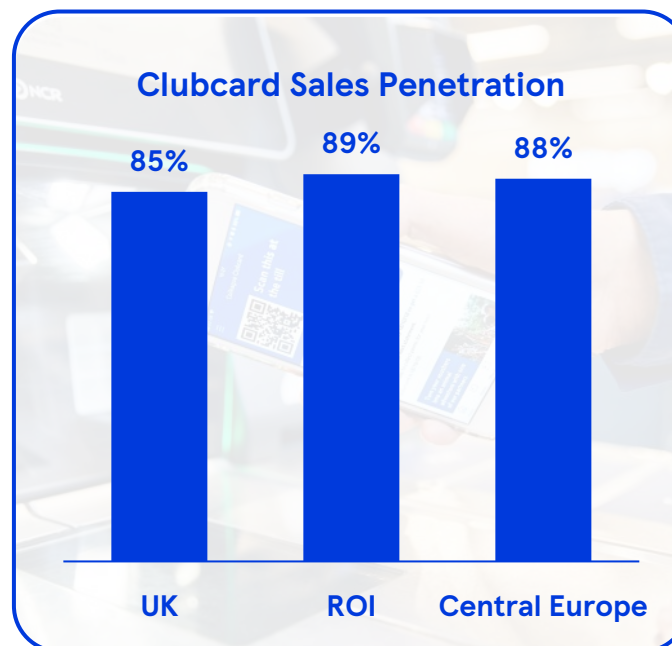
TESCO

Being the most strategic
partner for suppliers

Clubcard gives us a unique ability to better understand and serve customers



Three decades of knowledge
and understanding from the
UK's largest loyalty scheme



More than 85% of sales across
the Tesco Group are linked to
a Clubcard



Insight from food, mobile,
insurance, money services and
more across >1.8bn transactions

Retail media across our store and digital canvas

Being the most strategic partner for suppliers

+24% Total number of campaigns increased to over 12,500

91% of advertisers increased their spend year-on-year

GenAI Powered 'Creative Studio' to simplify and speed up ad production

New Onsite premium video launched across digital platforms



A strategic partner for innovation and brand-building

A unique partner for building brands with the UK's largest loyalty programme and leading market share

Accelerator programme in its 6th cohort focusing on emerging trends including health and sustainability

Partnered >80 start-ups and challenger brands on new product development and innovation

“Tesco’s Accelerator programme has been integral to PerfectTed’s success. It gave us the commercial rigour, mentorship, and access to the right people at exactly the moment we needed it most”

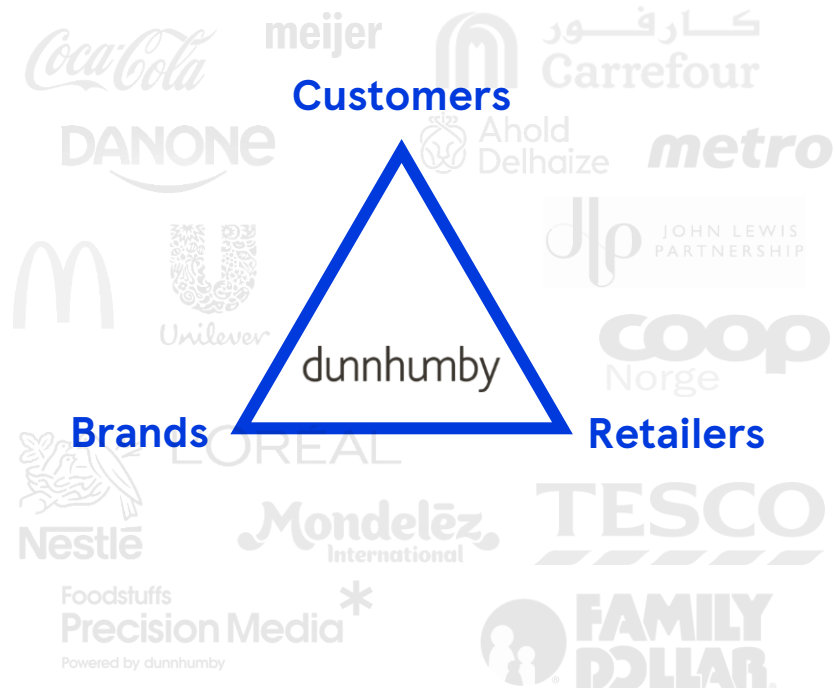
Marisa Poster, co-founder of PerfectTed



dunnhumby – our intelligence layer

Application of data science and AI across the ecosystem to:

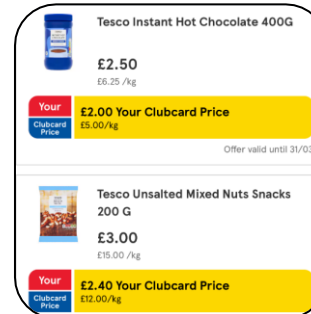
- better serve customers
- unlock growth for suppliers
- make the right decisions for retailers



Recent solutions supported by dunnhumby:



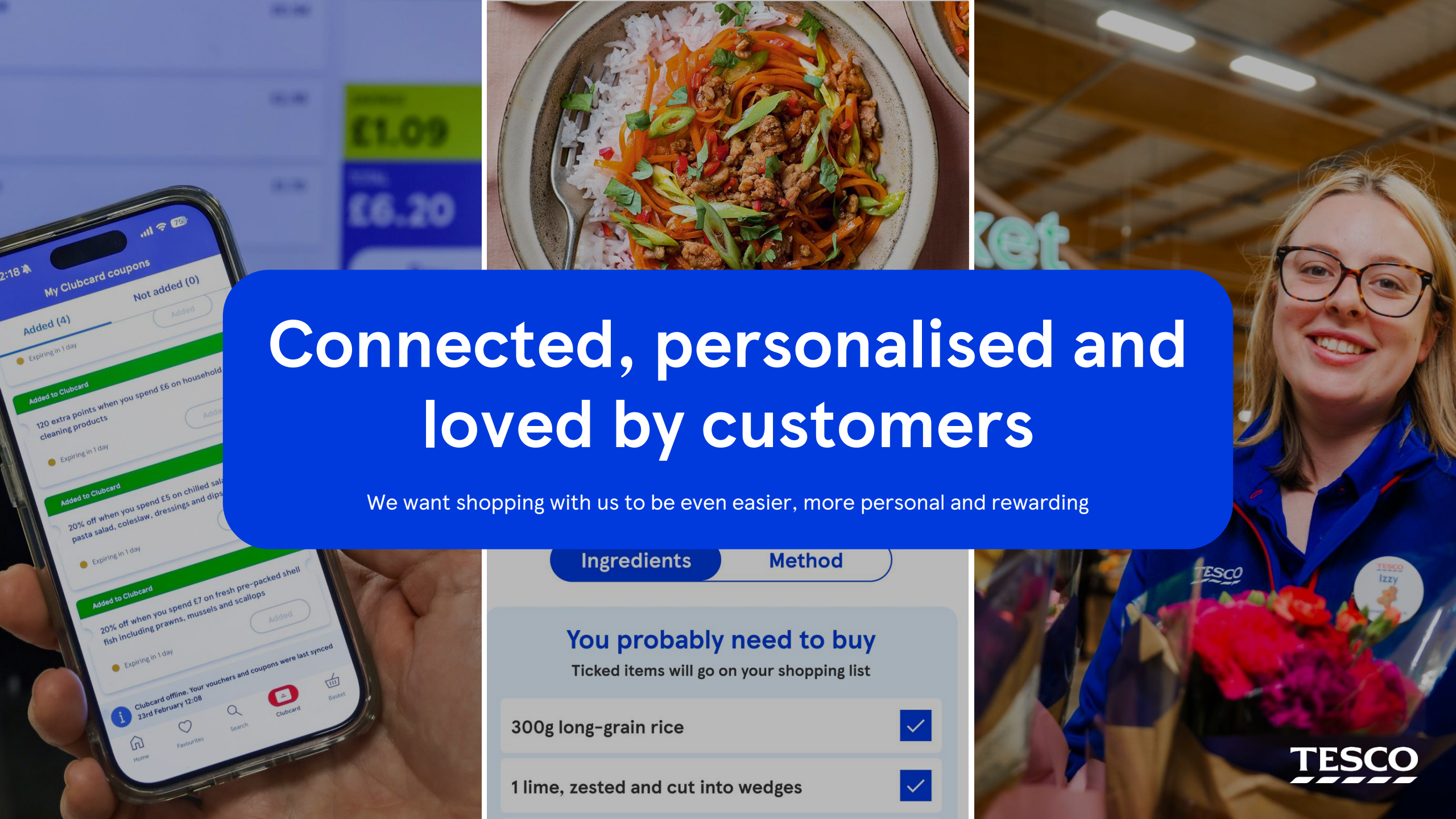
Using machine learning and data science to power smarter range reviews



Powering new personalisation capability, optimisation and measurement



Smarter customer segmentation to identify brand growth opportunities



Connected, personalised and loved by customers

We want shopping with us to be even easier, more personal and rewarding

Ingredients

Method

You probably need to buy

Ticked items will go on your shopping list

300g long-grain rice



1 lime, zested and cut into wedges



TESCO

Every Little Helps begins with our colleagues

Connected, personalised and loved by customers



>80% of colleagues recommend Tesco as a Great Place to Work¹



>1 million training hours for UK store colleagues

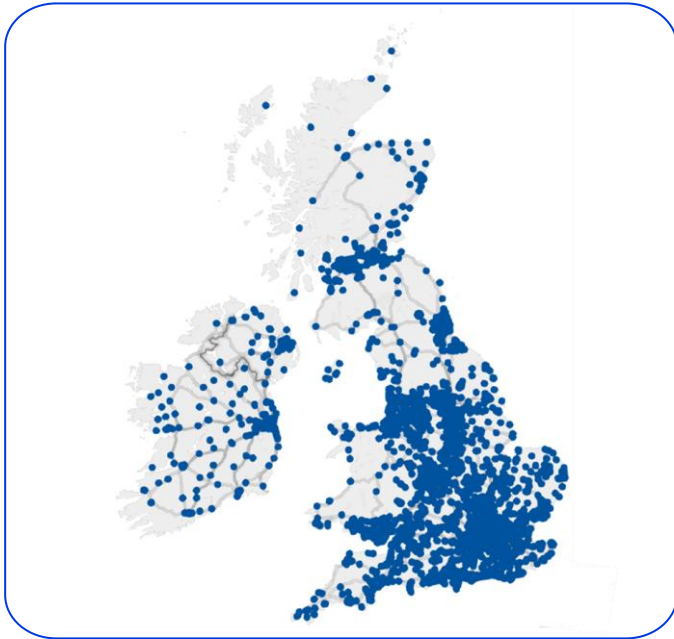


We want our >335,000 colleagues to be our biggest advocates

1. 2026 Every Voice Matters (EVM) colleague survey

Meeting local needs better than anyone

Connected, personalised and
loved by customers



**Largest store network in the
UK & ROI, over 4,200 stores**

Serving customers across food, clothing,
home, mobile, money and health



**Extensive convenience
presence**

Over 3,000 Express and One Stop
stores at the heart of communities



**We want Tesco to be the preferred
store in every community**

Expanding and updating our
stores, with a focus on Fresh

The UK's most rewarding loyalty scheme

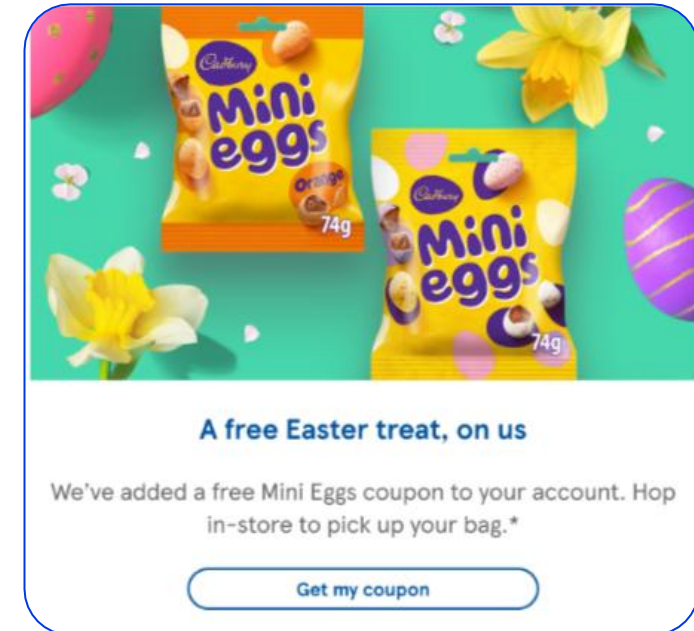
Connected, personalised and
loved by customers



24m households earn
Clubcard points on everything
from food to fuel



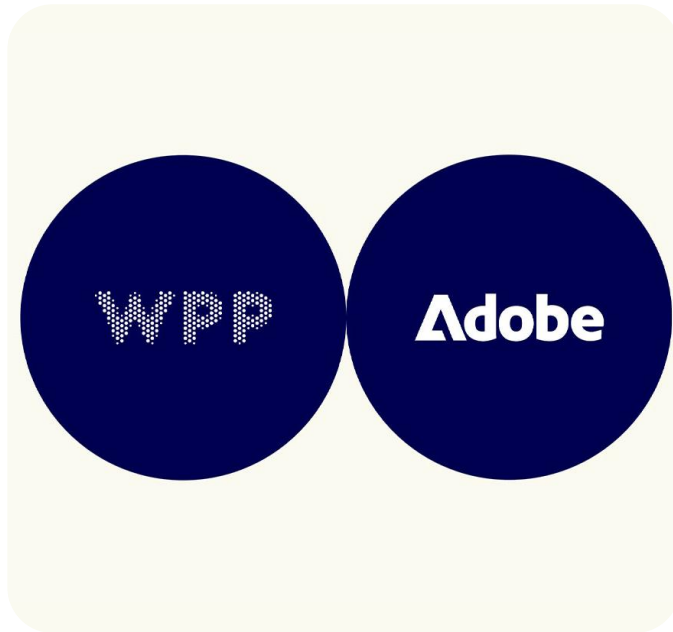
Up to 3x points value on
dining, travel and days out
with >100 reward partners



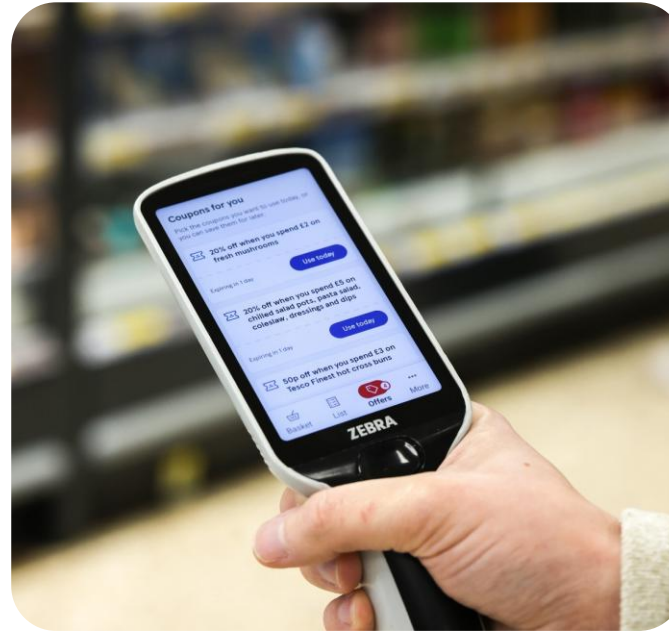
Rolling out thoughtful
freebies designed to surprise
and delight customers

We want shopping to be even more seamless and relevant

Connected, personalised and loved by customers



Strategic partnerships with WPP Open and Adobe unlocking new capabilities



Millions of highly personalised coupons and offers in-app, online and in-store



Personalised Your Clubcard Prices launched to first 1.5m customers

Personalised to you

Connected, personalised and
loved by customers

Buy it again
for less
Jamie



£2.15

£1.95

Your
Clubcard
Price

Hello
Nadia



Upgrade
your
burger

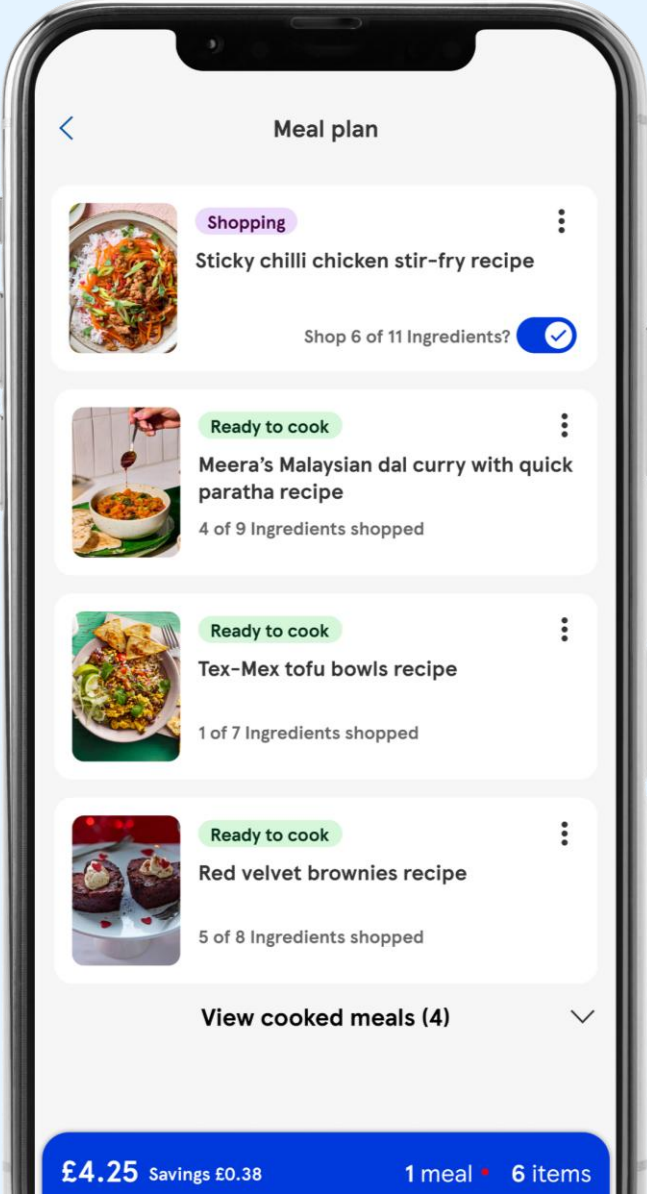
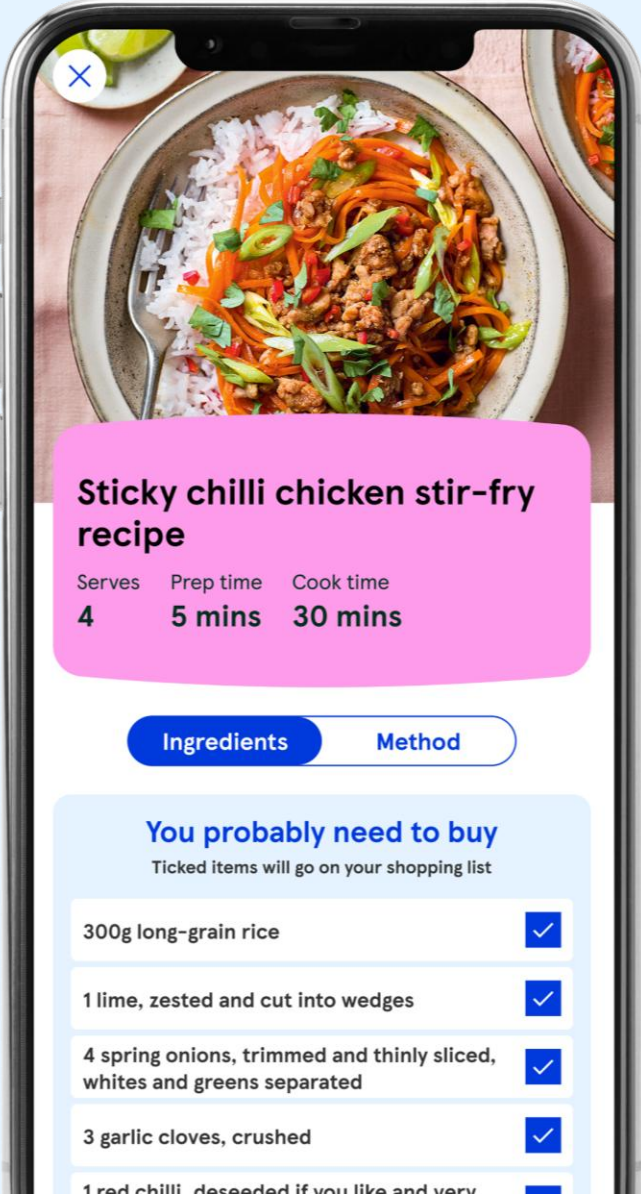
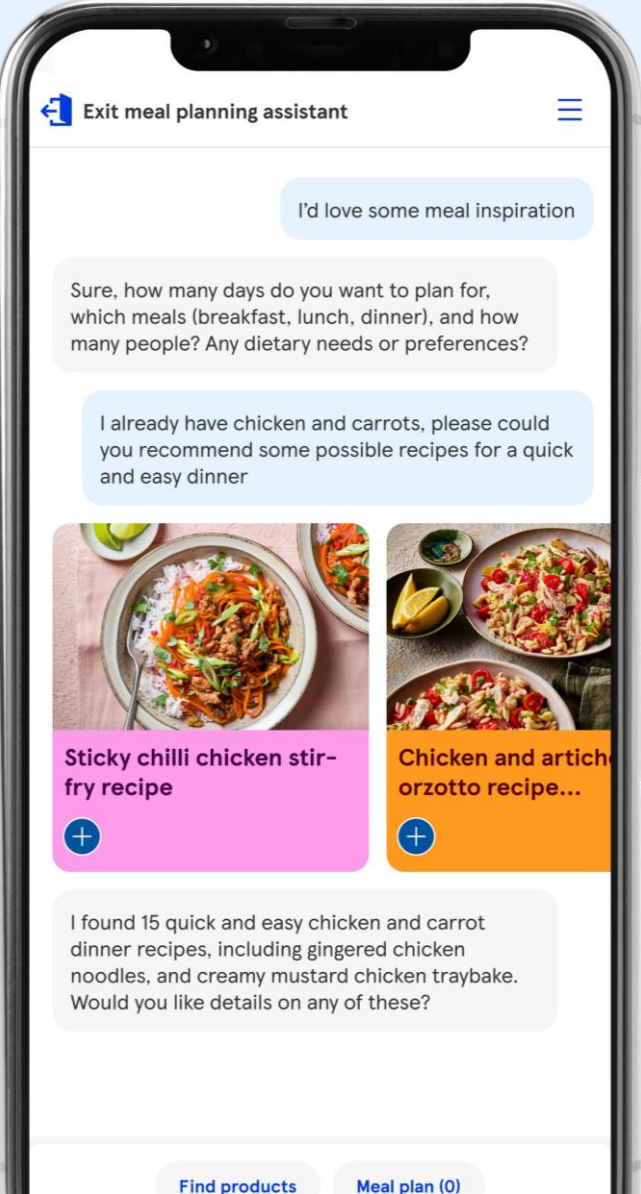
Your
Clubcard
Prices

Just for you
George
A free
croissant
on us!



New AI assistant to lighten the load for customers

Connected, personalised and loved by customers



£4.25 Savings £0.38

1 meal • 6 items



Long-term business sustainability

We want to further strengthen our resilience, efficiency and sustainability, ready for future growth

TESCO

Optimising our operations

Long-term business sustainability

Well established Save to Invest programme helps us simplify and boost productivity

Opened new semi-automated fresh food distribution centre in Aylesford

Started construction of automated distribution centre at DP World London Gateway, opening 2029

Targeting a further £500m of savings in FY 26/27

Save to Invest has unlocked £2.2bn of cumulative savings over 4 years



Building resilient supply chains

Committed to long-term supplier partnerships

Competitive advantage across supply risk mapping, centralised sourcing & commodity risk management

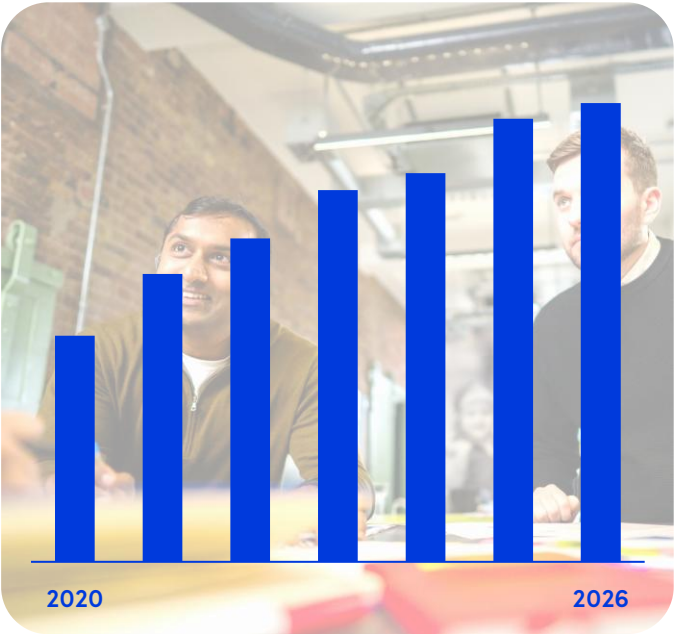
Driving innovation as British agriculture’s biggest customer through six sustainable farming groups

Long-term business sustainability

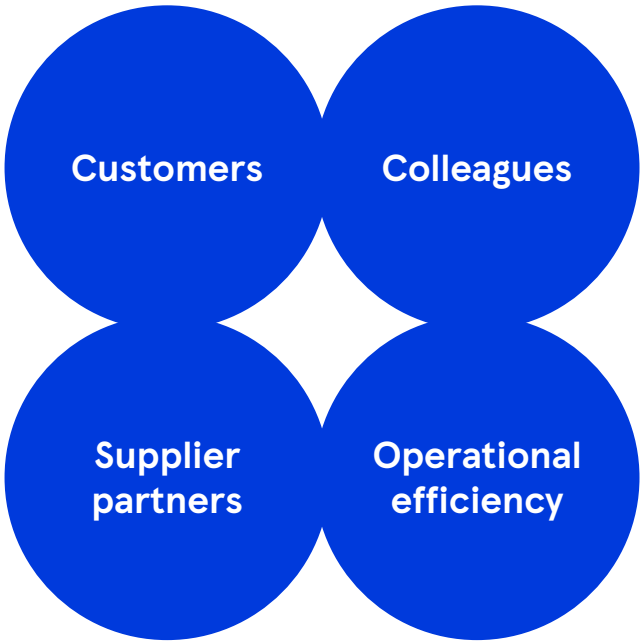


Further enhancing our business with technology and AI

Long-term business sustainability



Doubled tech team in six years to >6,000 colleagues



Cohesive AI strategy across four domains

Three circular icons are arranged vertically. The top icon shows three stylized people with lines above their heads, representing a customer experience. The middle icon shows a delivery truck, representing a supply chain. The bottom icon shows a wrench and a screwdriver crossed, representing operational efficiency.

- Enables the most connected, relevant customer experience
- Gives us a more interconnected, agile and resilient supply-chain
- Drives sustainable operational efficiencies at scale and pace

Unlocking value across our business

Progressing our Planet Plan

Refreshing our Planet Plan commitments, focusing on the areas where we can have the greatest impact and accelerate change

2050 Commitment to net-zero across
our value chain

68% Reduction in operational emissions¹,
ahead of 60% December 2025 target

65% Healthy sales target by volume
achieved December 2025

New Low-carbon concept store
in Harrogate opened in December

Cool fact #1

Doors help to reduce
the amount of
electricity we use.

Every little helps

1. Against 2015/16 baseline year

We have five key ambitions

Winning in food

We want to deliver the best value, quality, and innovation in food

Meeting more everyday customer needs

We want to help customers with more of their daily needs through trusted products and services

Being the most strategic partner for suppliers

We want to use our unique insights to build new revenue opportunities and partnerships

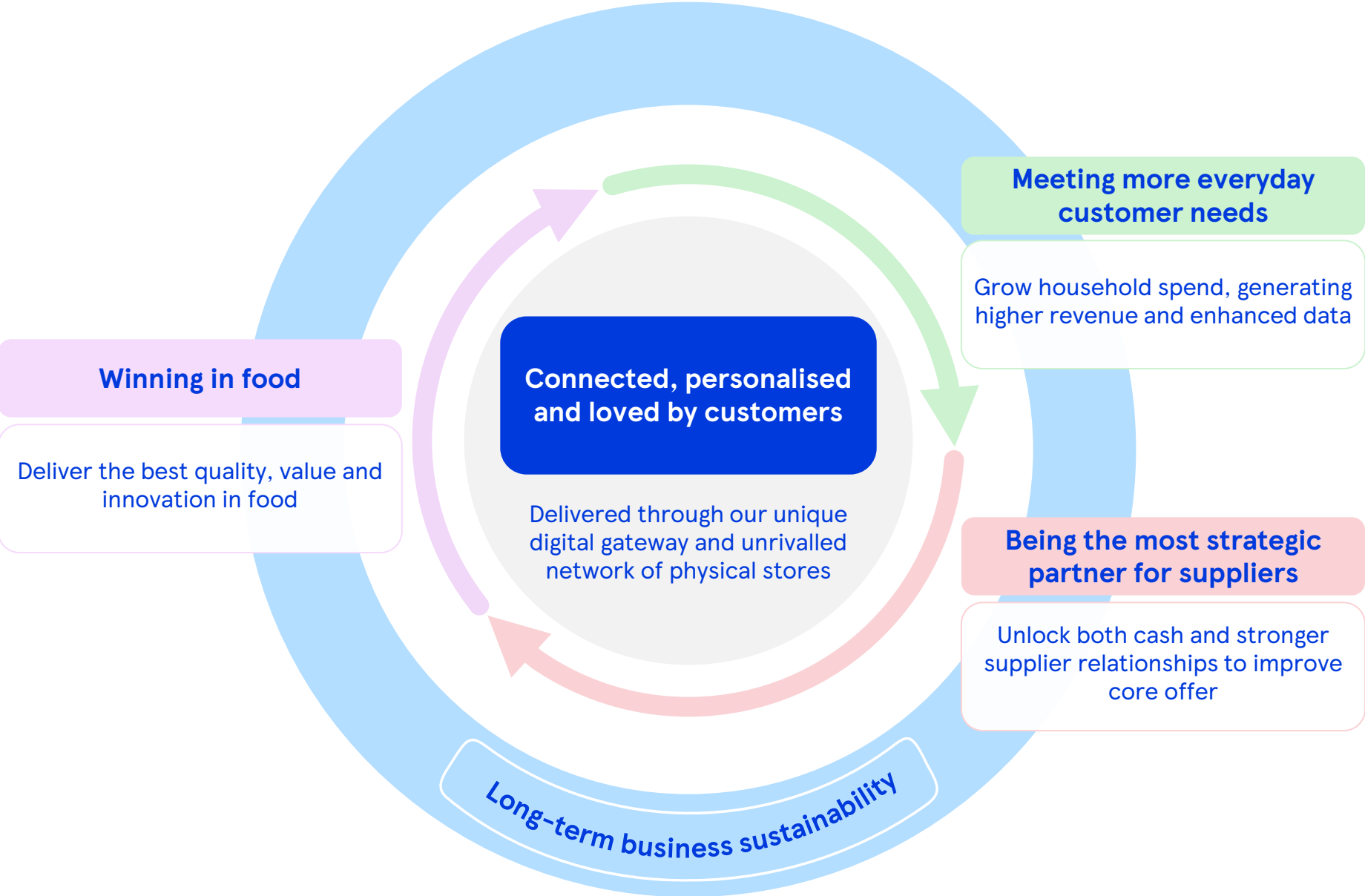
Connected, personalised and loved by customers

We want shopping with us to be even easier, more personal and rewarding

Long-term business sustainability

We want to further strengthen our resilience, efficiency and sustainability, ready for future growth

Creating a leading food-first retail ecosystem



Q&A

Ken Murphy, Group Chief Executive
Imran Nawaz, Chief Financial Officer





Thank you.

For more information, please contact:

investor.relations@tesco.com

Appendix



Adjusting items FY 25/26

	FY 25/26 (53 weeks) £m	FY 24/25 (52 weeks) £m
Net impairment charge on non-current assets	(53)	(286)
Amortisation of acquired intangible assets	(78)	(76)
Separation costs related to disposal of Banking operations	(28)	(14)
Restructuring and adjusting property transactions	(50)	(41)
Total adjusting items included within operating profit	(209)	(417)
Net finance (costs) / income	(40)	44
Taxation	96	79
Total adjusting items included within profit after tax (continuing operations)	(153)	(294)
Adjusting items (discontinued operations)	-	(65)
Total adjusting items	(153)	(359)

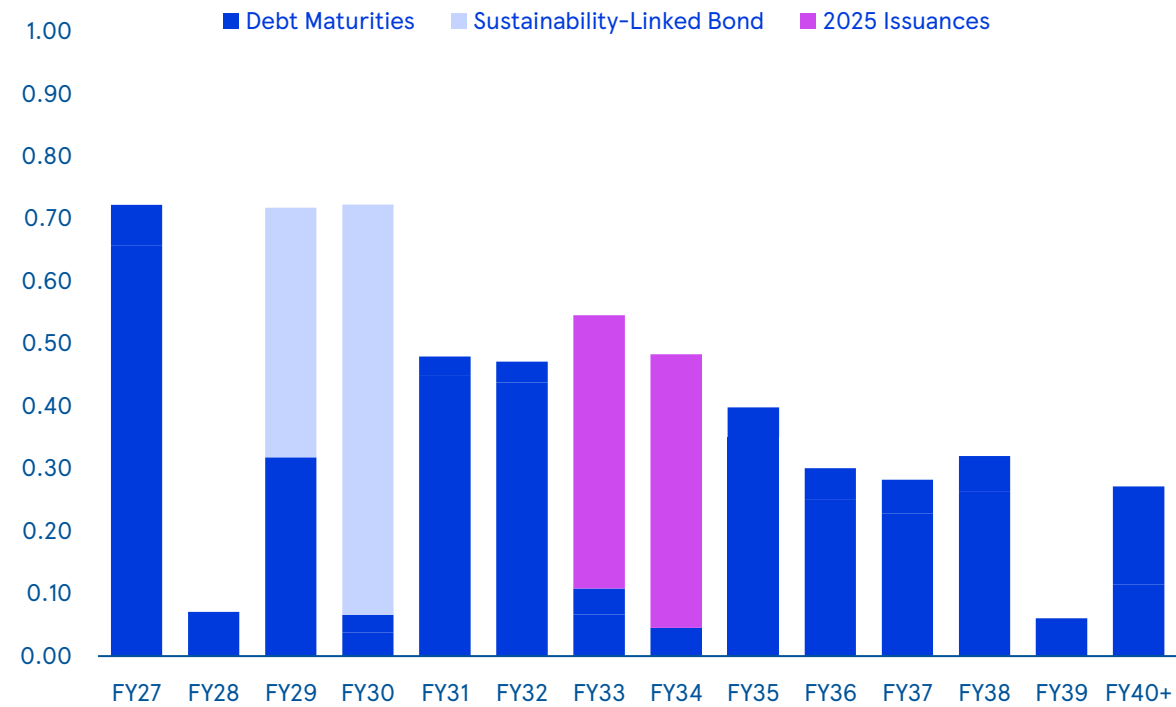
Debt and liquidity

Smooth debt maturity profile
Less than £1bn maturing in any one year
Weighted average maturity of c.6 years

Weighted average interest cost of c.4.5% (excluding leases)

Strong liquidity position
£2.9bn cash¹
£2.5bn of undrawn committed facilities

Debt maturity profile (£bn)



1. Cash and cash equivalents plus short-term investments less overdrafts

Guidance

Group profit	Adjusted operating profit of between £3.0bn and £3.3bn
Free cash flow	Within our upgraded medium-term guidance range of £1.5bn to £2.0bn
Capex	Invest c.£1.6bn with continued focus on high-returning projects
Net finance costs¹	To normalise to levels similar to FY 23/24 (£(558)m)
Leverage ratio	Targeting c.2.8 – 2.3 times Net debt ² /EBITDA
Tax	Effective tax rate to remain around 27% in FY 26/27
Dividend	Progressive (broadly targeting c.50% of earnings) Interim dividend 35% of prior year full year dividend, in line with our policy
Share buyback	Further £750m share buyback to be completed by April 2027

1. Guidance relates to adjusted net finance costs (including finance charges payable on lease liabilities)
2. Net debt is inclusive of IFRS 16 lease liabilities



Disclaimer

Certain statements made in this document are forward-looking statements. For example, statements regarding future financial performance, market trends and our product pipeline are forward-looking statements. Phrases such as "aim", "plan", "intend", "should", "anticipate", "well-placed", "believe", "estimate", "expect", "target", "consider" and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements are based on current expectations and assumptions and are subject to a number of known and unknown risks, uncertainties and other important factors that could cause actual results or events to differ materially from what is expressed or implied by those statements. Many factors may cause actual results, performance or achievements of Tesco to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Important factors that could cause actual results, performance or achievements of Tesco to differ materially from the expectations of Tesco include, among other things, general business and economic conditions globally, industry trends, the outcome of any litigation, competition, changes in government and other regulation and policy, including in relation to the environment, health and safety and taxation, labour relations and work stoppages, interest rates and currency fluctuations, changes in its business strategy, political and economic uncertainty, including as a result of global pandemics. As such, undue reliance should not be placed on forward-looking statements. Any forward-looking statement is based on information available to Tesco as of the date of the statement.

All written or oral forward-looking statements attributable to Tesco are qualified by this caution. Other than in accordance with legal and regulatory obligations, Tesco undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.