

# Tesco Preliminary Results 2021/22.

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

13 April 2022







# Agenda.

**01.** Introduction

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**02.** Full year results

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**03.** Strategic priorities

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**04.** Market environment &  
outlook

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**05.** Q&A

# Introduction.



An extraordinary year

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Resolutely focused on customers

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Unwavering commitment to value

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Continued strong growth

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A brilliant team effort





# Ukraine – Supporting those affected by the crisis.



# An extraordinary year.



## Supporting customers & colleagues through the pandemic

Prioritised safety and well-being throughout

Supported absent & isolating colleagues

Online capacity maintained at 1.2m orders per week; app users +71%

Donated 53m meals via food redistribution; 3m through 'Buy One to Help a Child'



## Navigating significant industry disruption

Leveraged supplier partnerships & supply chain capability

960 HGV drivers added via recruitment, conversion courses and apprenticeships

Significantly increased rail freight, including new UK refrigerated service

Maintained industry-leading availability



## Improved competitive position despite inflationary pressures

Consistent, compelling value proposition; perception strengthening vs rest of big 4

Quality perception +11bps vs market (32)bps<sup>1</sup>

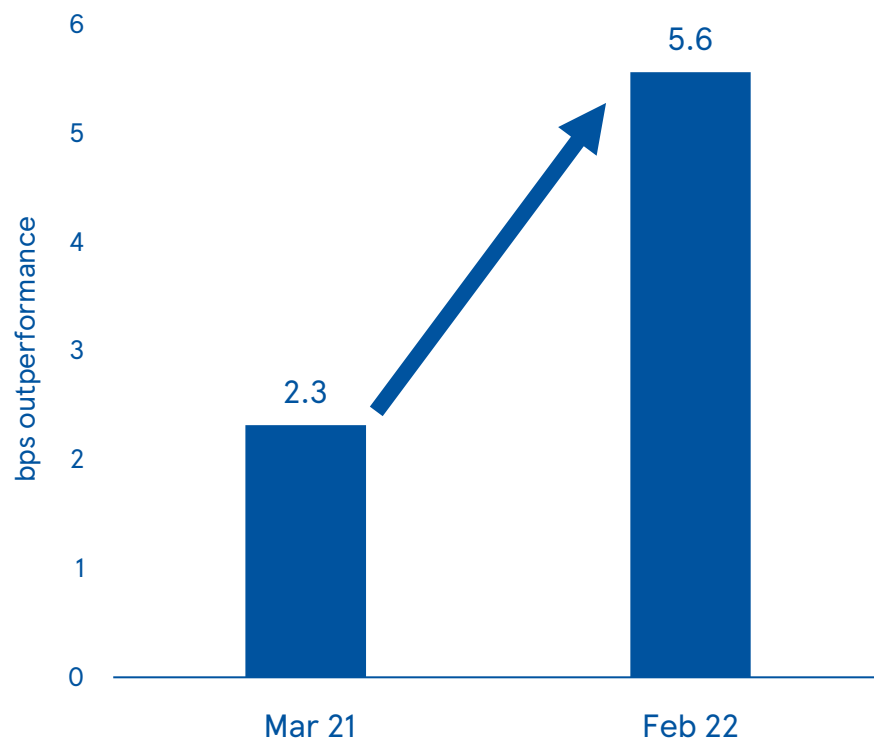
Accelerating Brand NPS outperformance

Value and volume market share growth

# Customer satisfaction.

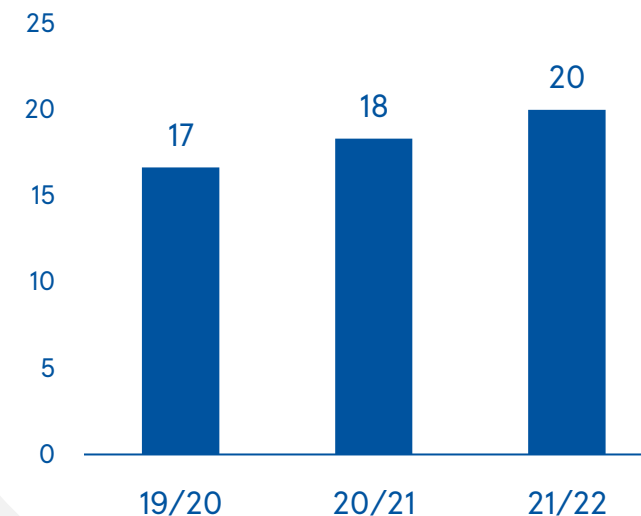
## Customer Recommend<sup>1</sup>

### Tesco outperformance increasing vs. rest of big 4



## Brand NPS<sup>2</sup>

### Further improvements



1. UK Multichannel Tracker. 3 period rolling data. Chart represents responses to the question, "Based on your most recent experience, how likely is it that you would recommend this store to a friend or colleague?" 'Rest of big 4' consists of Sainsbury's, Morrisons and Asda.
2. BASIS Global Brand Tracker. 3 period rolling data. Chart represents responses to the question: "How likely is it that you would recommend the following company to a friend or colleague?"

# UK market share.

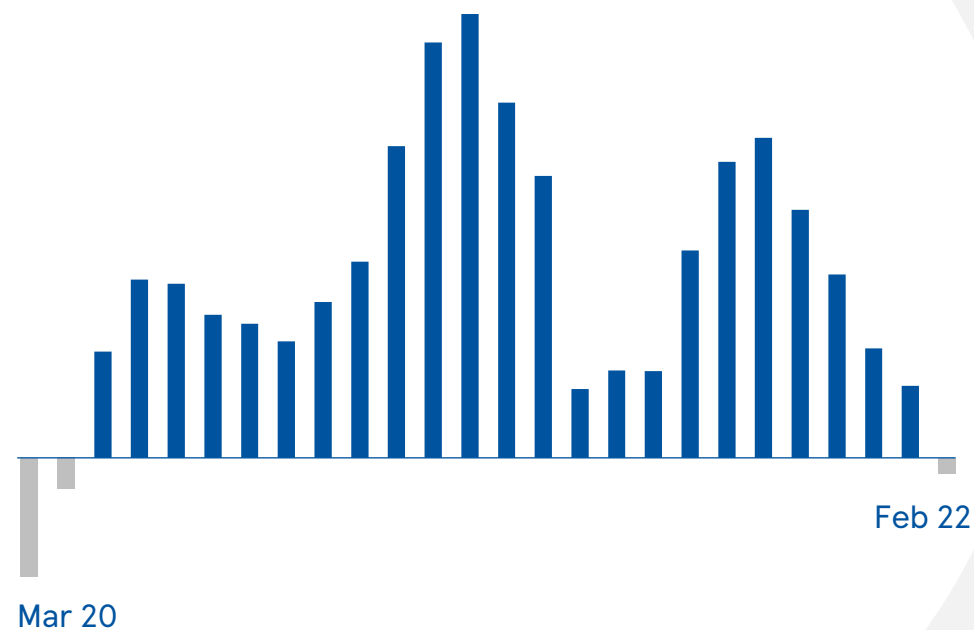
## Market outperformance

	Sales value			Sales volume		
	21/22	20/21	bps change	21/22	20/21	bps change
<b>Tesco</b>	28.2%	27.9%	<b>+29</b>	27.7%	27.2%	<b>+52</b>
<b>Rest of big 4</b>	39.9%	40.5%	<b>(63)</b>	38.1%	39.3%	<b>(119)</b>

Market share gains<sup>1</sup>

## Switching gains

23 consecutive periods of gains<sup>2</sup>

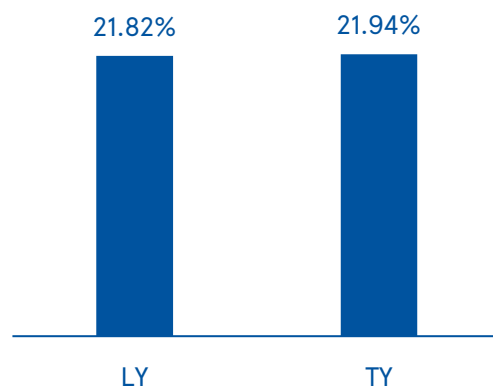


1. Kantar value and volume market share gains of Total Grocers Grocery sales on a 12 week rolling basis to 20 February 2022. 'Rest of big 4' consists of Sainsbury's, Morrisons and Asda. This differs to the market share of 27.7% with +30bps as referenced in the preliminary results statement which is based on Tesco share of Total Grocers Till Roll sales on a 12 week rolling basis to 20 February 2022 which does not include a volume dimension.
2. Kantar net switching gains from competitors refer to 12 w/e to 20 February 2022.

# Making progress across the Group.

## Republic of Ireland

Market share +11bps<sup>1</sup>



Quality  
perception<sup>2</sup>  
**+3%**

## Booker

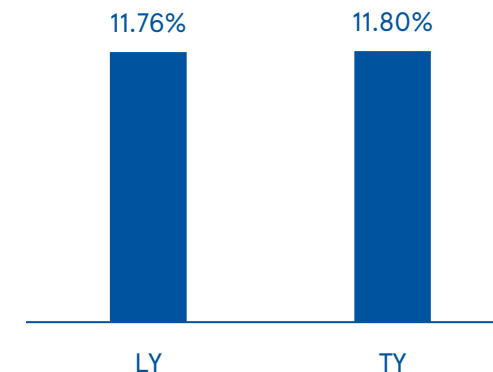


- Largest UK Wholesaler in 2021<sup>3</sup>
- 37,000 new catering customers
- 283 retail partner net openings

Customer  
satisfaction<sup>4</sup>  
**84.6%**

## Central Europe

Market share +4bps<sup>5</sup>



Brand NPS<sup>6</sup>  
**16**

1. GFK market share data on a 12 week rolling basis to 31 January 2022.

2. BASIS Customer Tracker 12 w/e to 8 February 2022 vs. February 2021. Chart represents response to question, "To what extent do you agree you can trust the quality of the fresh food at each of the following retailers?"


3. The Grocer, 30 Biggest wholesalers in 2021.

4. Q4 2021/22 survey of 40,000 customers across catering and retail, data represents response to question, "How likely is it that you would recommend to a friend or colleague?"

5. Kantar market share data on a 12 week rolling basis to 20 February 2022.

6. BASIS Global Brand Tracker. 3 month rolling data. Metric is weighted according to market revenue each FY.



A close-up photograph of fresh green broccoli florets, filling the background of the slide. The florets are vibrant green and tightly packed, with some stems visible.

# Full year results.

Imran Nawaz

# Group performance.

Sales<sup>1</sup>

**+3.0%**

+10.2% vs. 19/20

Group profit<sup>2</sup>

**£2,825m**

+58.9% vs. last year

Retail free cash flow<sup>3</sup>

**£2,277m**

+£0.9bn vs. last year

Net debt

**down £1.4bn**

EPS<sup>4</sup>

**21.86p**

+88.8% vs. last year

Dividend

**10.90p**

+19.1% vs. last year

1. Sales exclude VAT and fuel. Sales change shown at constant rates.

2. Operating profit before adjusting items. Change shown at constant rates.

3. Our Retail free cash flow APM is consistent with the amendment made in the Interim results, to provide a more consistent and predictable view of free cash flow generated by the core retail operation.

4. The share base used in Adjusted diluted EPS in the prior year is adjusted to capture the full impact of the share consolidation which followed the sale of our businesses in Thailand and Malaysia, as if it took place at the start of the 2020/21 financial year. As such, Adjusted diluted EPS (adjusted for share consolidation) is presented on a basis other than in accordance with IAS 33.



# Segmental performance.

	Sales	Change at constant rates	1-year LFL	2-year LFL <sup>1</sup>	Adjusted operating profit <sup>2</sup>	Change at constant rates	Margin
UK & ROI	£49,984m	2.6%	2.2%	8.8%	£2,481m	35.4%	4.4%
Central Europe	£3,862m	3.7%	2.9%	2.5%	£168m	41.1%	4.2%
<b>Total Retail</b>	<b>£53,846m</b>	<b>2.7%</b>	<b>2.3%</b>	<b>8.3%</b>	<b>£2,649m</b>	<b>35.8%</b>	<b>4.4%</b>
Bank	£922m	25.4%	-	-	£176m	n/m	19.1%
<b>Group</b>	<b>£54,768m</b>	<b>3.0%</b>	<b>2.3%</b>	<b>8.3%</b>	<b>£2,825m</b>	<b>58.9%</b>	<b>4.6%</b>

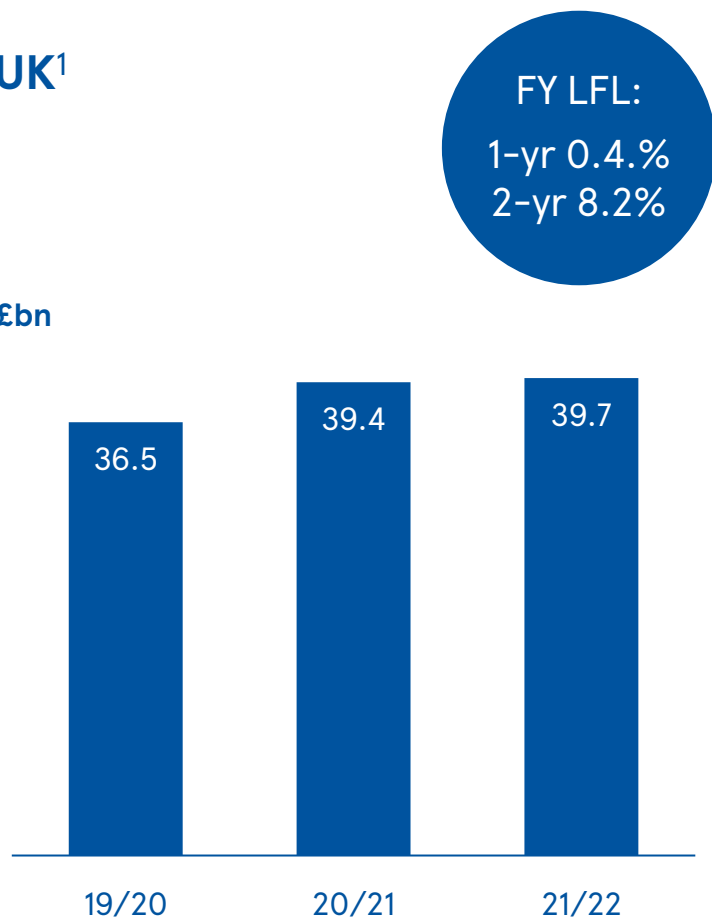
1. 2-year LFL sales growth is calculated by comparing current year sales to sales in 2019/20 and includes sales from those stores which were trading in both years.

2. Operating profit before adjusting items.

# UK & ROI sales.

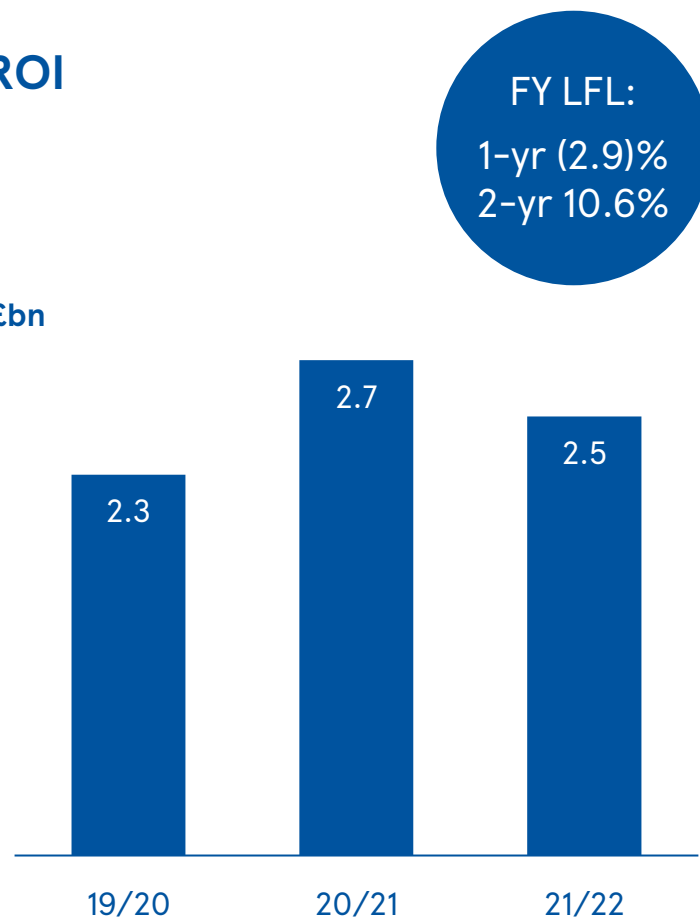
## UK<sup>1</sup>

£bn



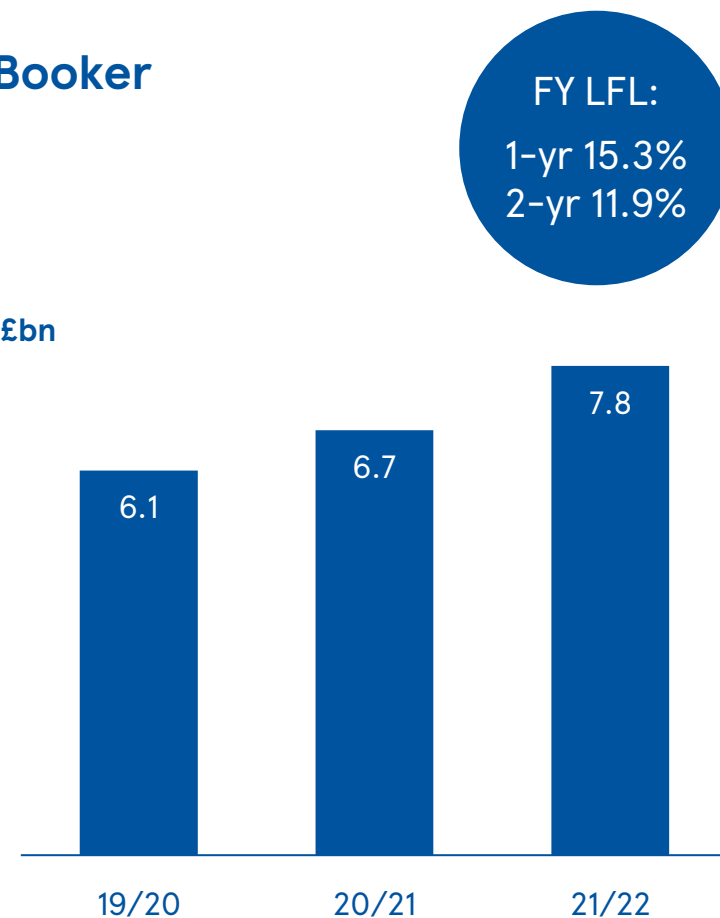
## ROI

£bn



## Booker

£bn



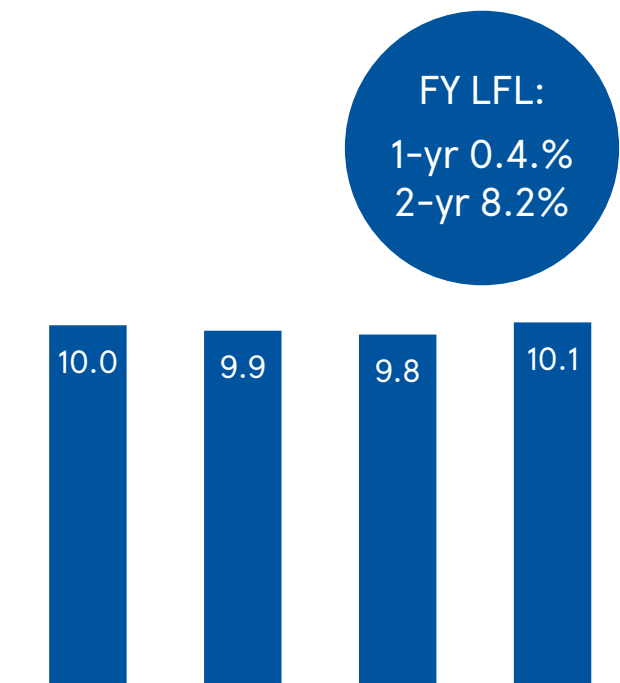
1. UK includes Tesco UK retail business, One Stop and dunnhumby.



# UK & ROI sales.

## UK<sup>1</sup>

£bn



FY LFL:

1-yr 0.4%  
2-yr 8.2%

Q1

Q2

Q3

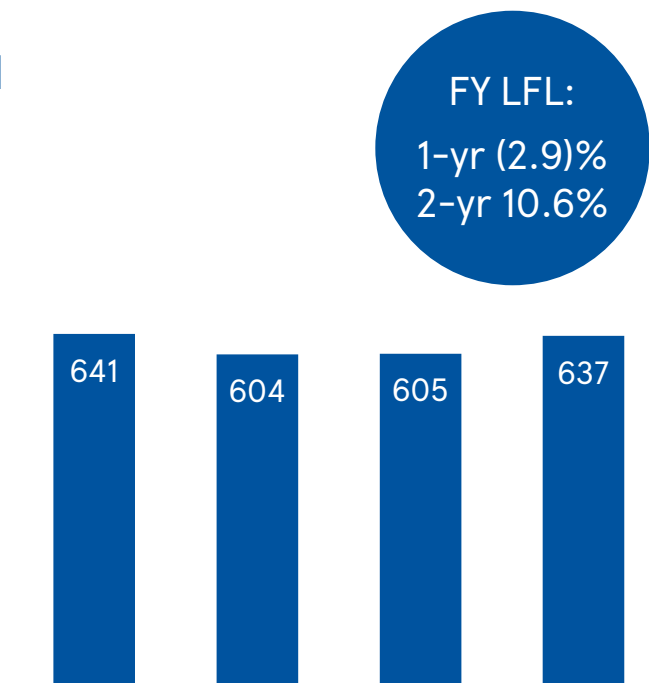
Q4

1-yr LFL 0.5% 2.0% 0.2% (1.2)%

2-yr LFL 9.3% 8.5% 6.9% 8.1%

## ROI

£m



FY LFL:

1-yr (2.9)%  
2-yr 10.6%

Q1

Q2

Q3

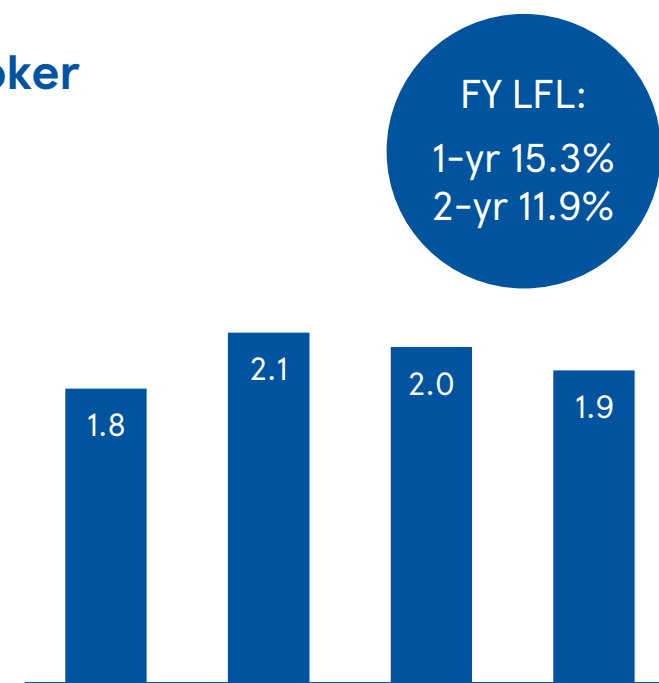
Q4

1-yr LFL (6.1)% 1.2% (3.3)% (3.0)%

2-yr LFL 13.0% 11.4% 7.8% 10.5%

## Booker

£bn



FY LFL:

1-yr 15.3%  
2-yr 11.9%

Q1

Q2

Q3

Q4

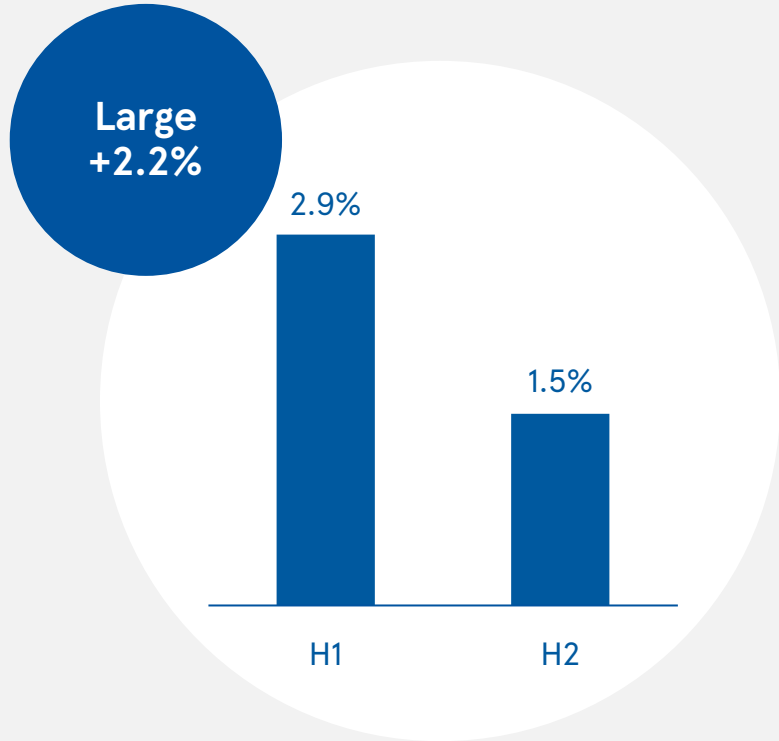
1-yr LFL 9.2% 12.5% 16.2% 24.2%

2-yr LFL 3.1% 14.8% 16.7% 13.1%

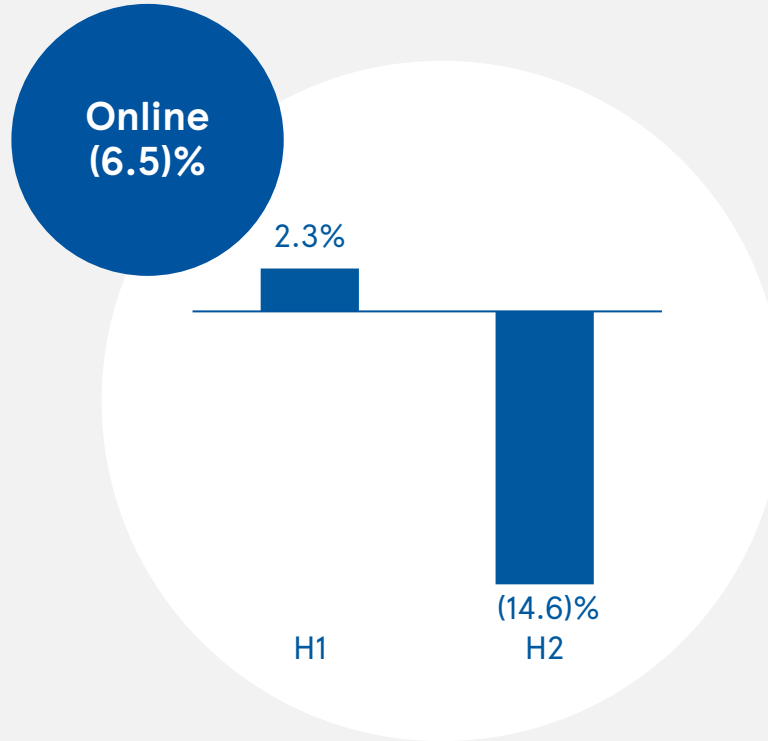
1. UK includes Tesco UK retail business, One Stop and dunnhumby.

# UK sales.

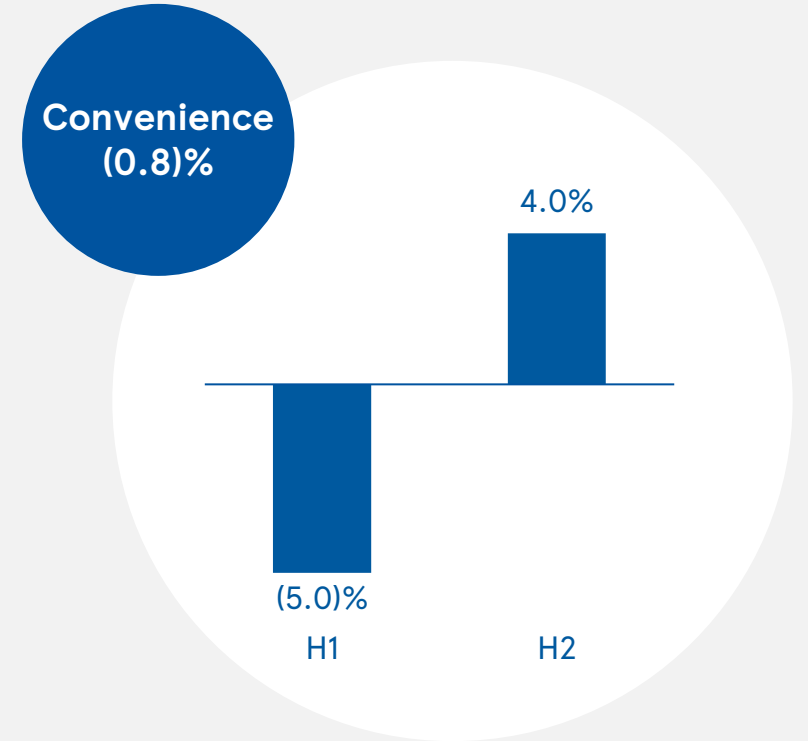
One-year like-for-like sales by channel



Drove UK growth, particularly strong contribution from non-food



H2 reflects peak demand last year

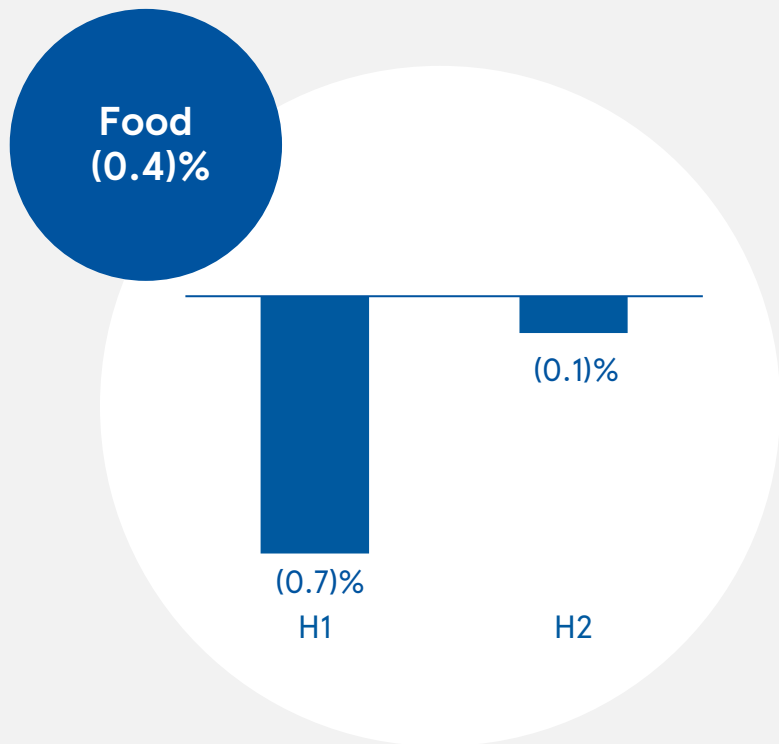


Footfall in city centres recovering from Q2

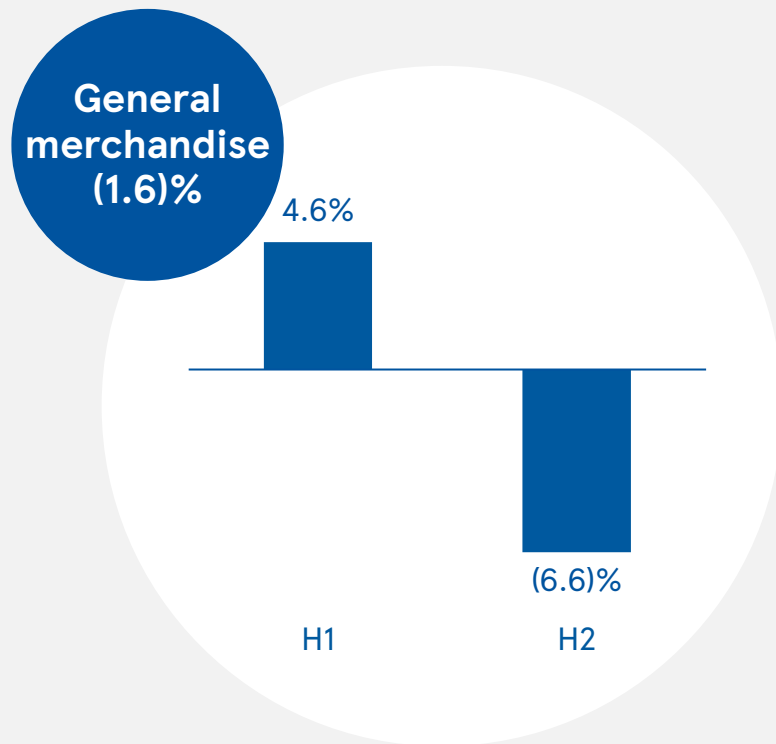


# UK sales.

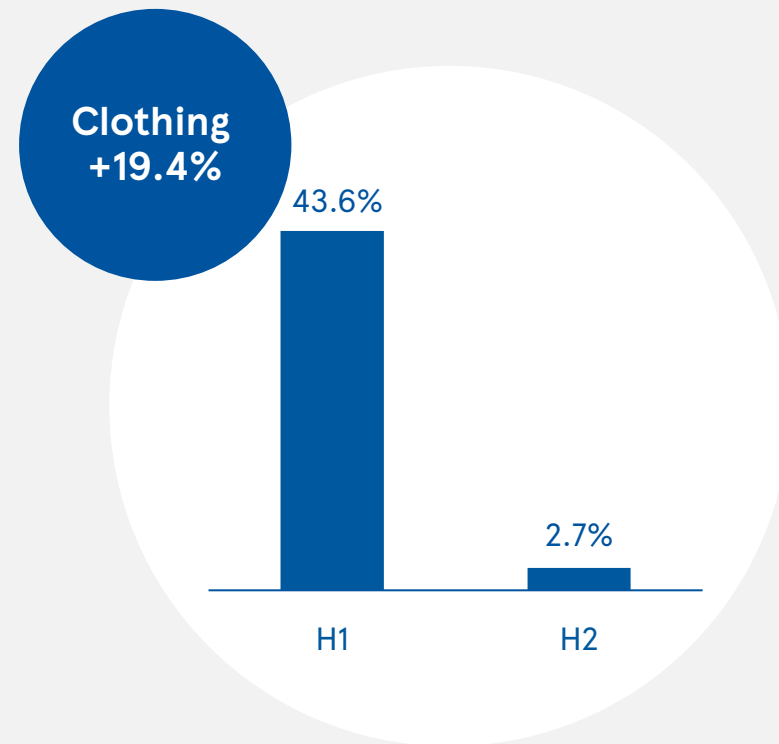
One-year like-for-like sales by category



Elevated levels of in-home consumption last year



Performance strongly correlated to restrictions last year



Recovery in store footfall and benefit of rebalancing space in 116 stores

# ROI.

Strong growth across all channels and categories versus pre-pandemic

Trading over exceptional COVID-19 demand on a one-year basis

Strong growth in Online offer – now represents 8% of sales

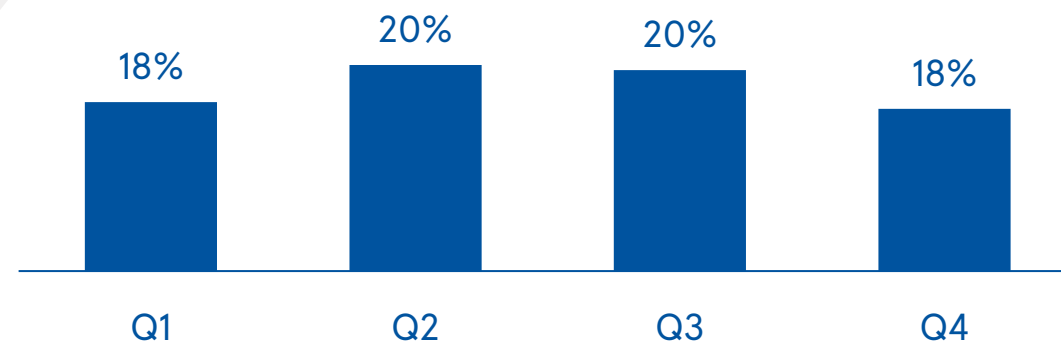
Announced intention to acquire ten Joyce's stores<sup>1</sup>

		1-year LFL	2-year LFL
Channel	Total	(2.9)%	10.6%
	Stores	(3.5)%	7.7%
	Online	3.1%	64.5%
Category	Food	(4.1)%	10.3%
	GM	(6.6)%	11.7%
	Clothing	28.5%	25.0%

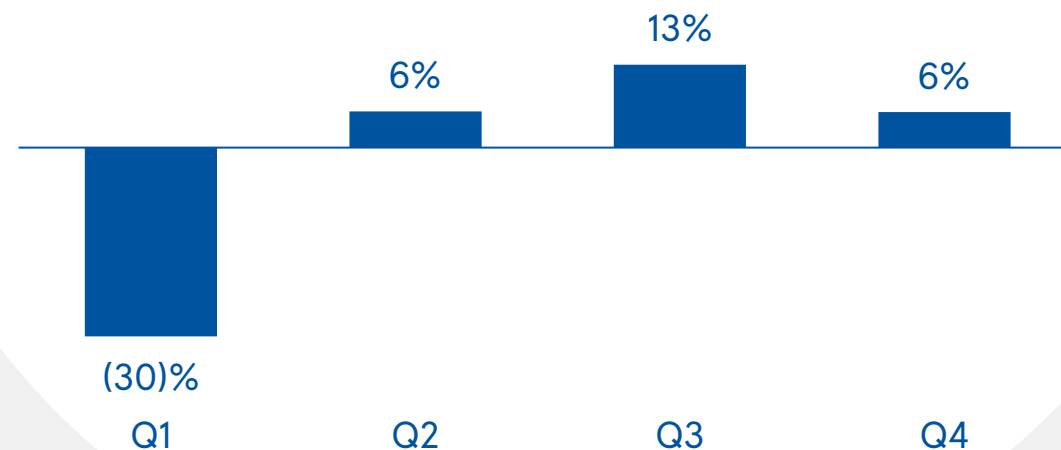
1. Subject to the approval of the Competition and Consumer Protection Commission (CCPC).

	Sales	1-yr LFL	2-yr LFL
<b>Total</b>	<b>£7,755m</b>	<b>15.3%</b>	<b>11.9%</b>
Retail	£4,651m	0.7%	19.3%
Catering	£2,866m	56.1%	(1.6)%
Booker Catering	£1,687m	52.0%	(1.6)%
Best Food Logistics	£1,179m	62.5%	n/a

## Retail 2-year LFL



## Catering 2-year LFL





# Central Europe.

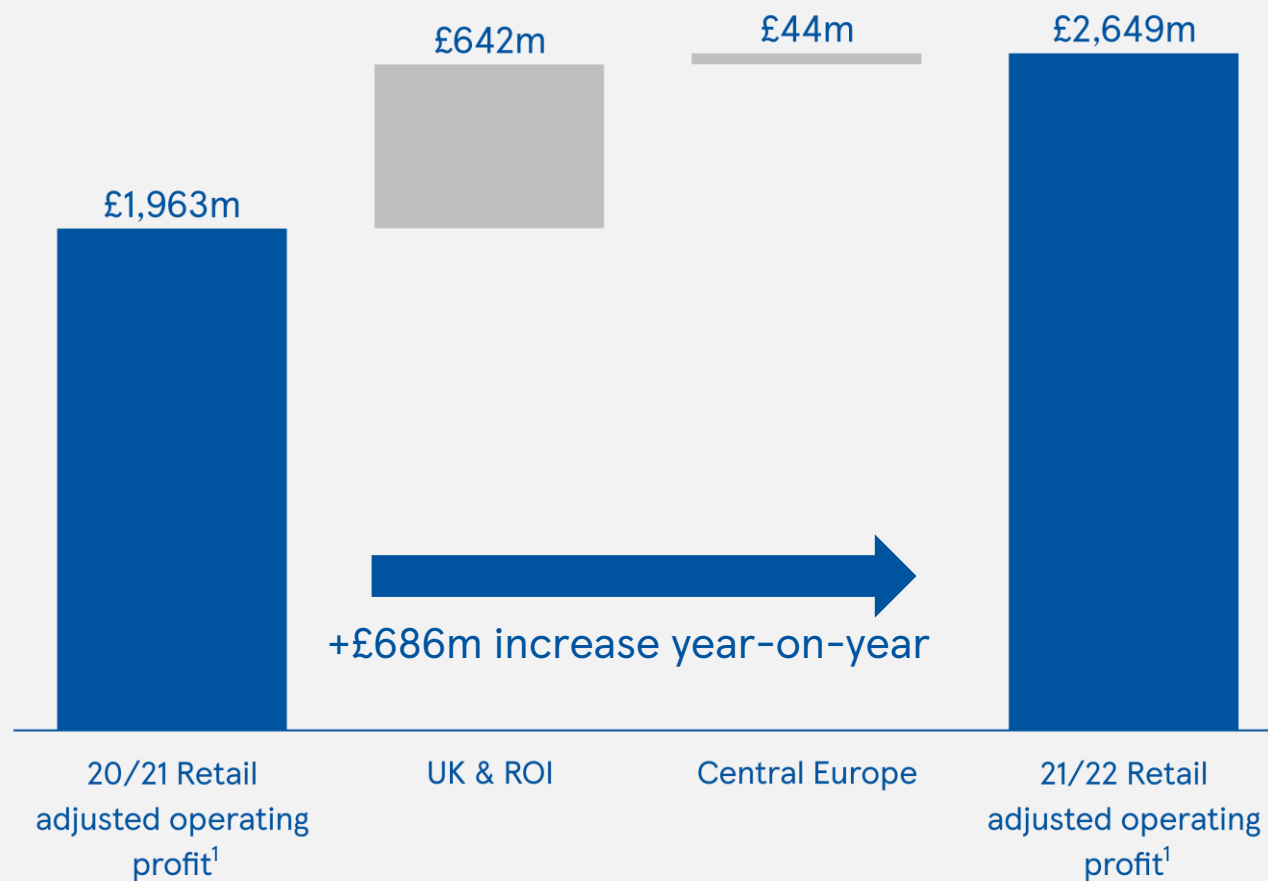
Growth in all channels and categories on a one-year and two-year basis

Non-food trading restrictions and reduced store opening hours last year

Strong contribution from non-food as customers returned to Large stores

		1-year LFL	2-year LFL
Channel	Total	2.9%	2.5%
	Stores	2.9%	1.1%
	Online	5.4%	100.2%
Category	Food	1.0%	1.4%
	GM	9.8%	12.1%
	Clothing	19.5%	10.6%

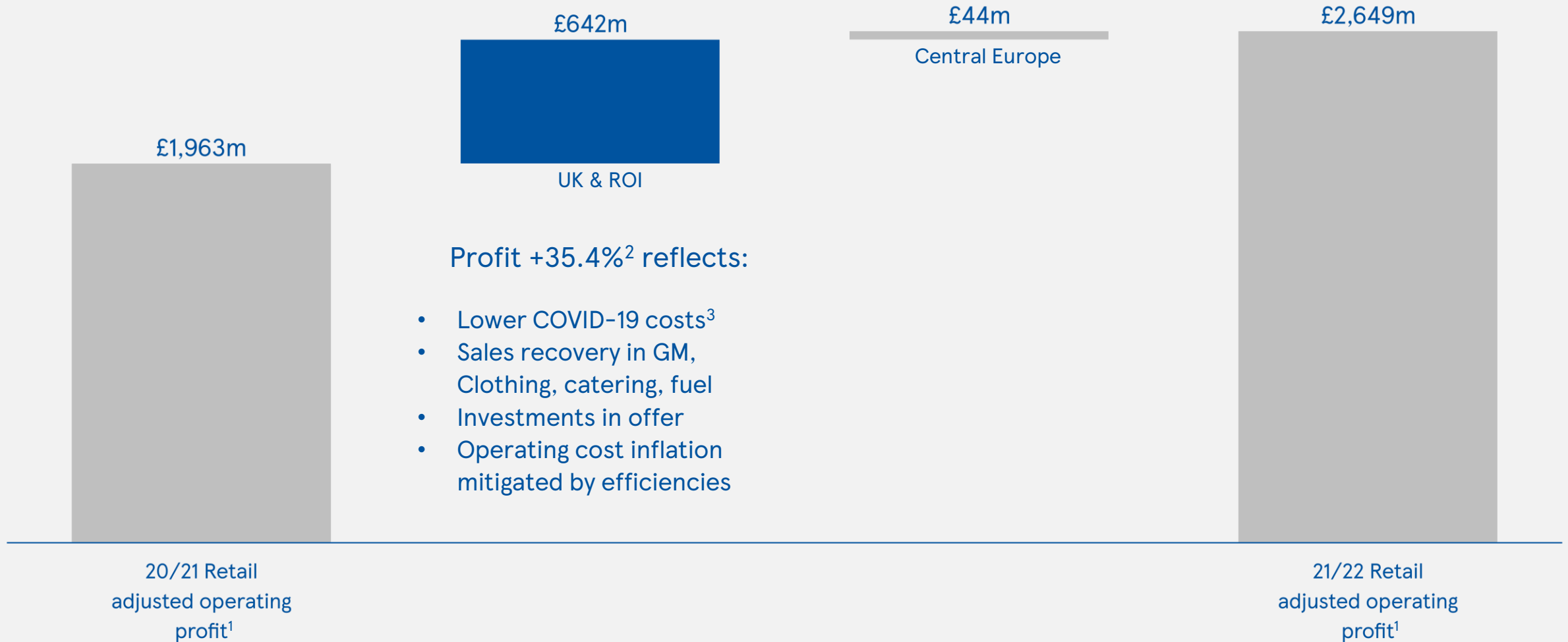
# Retail operating profit.



	UK & ROI	CE	Retail
Adjusted operating profit <sup>1</sup>	£2,481m	£168m	<b>£2,649m</b>
Year-on-year	£642m	£44m	<b>£686m</b>
Change % <sup>2</sup>	35.4%	41.1%	<b>35.8%</b>
Margin (%)	4.4%	4.2%	<b>4.4%</b>

1. Operating profit before adjusting items.  
 2. Percentage change shown at constant rates.

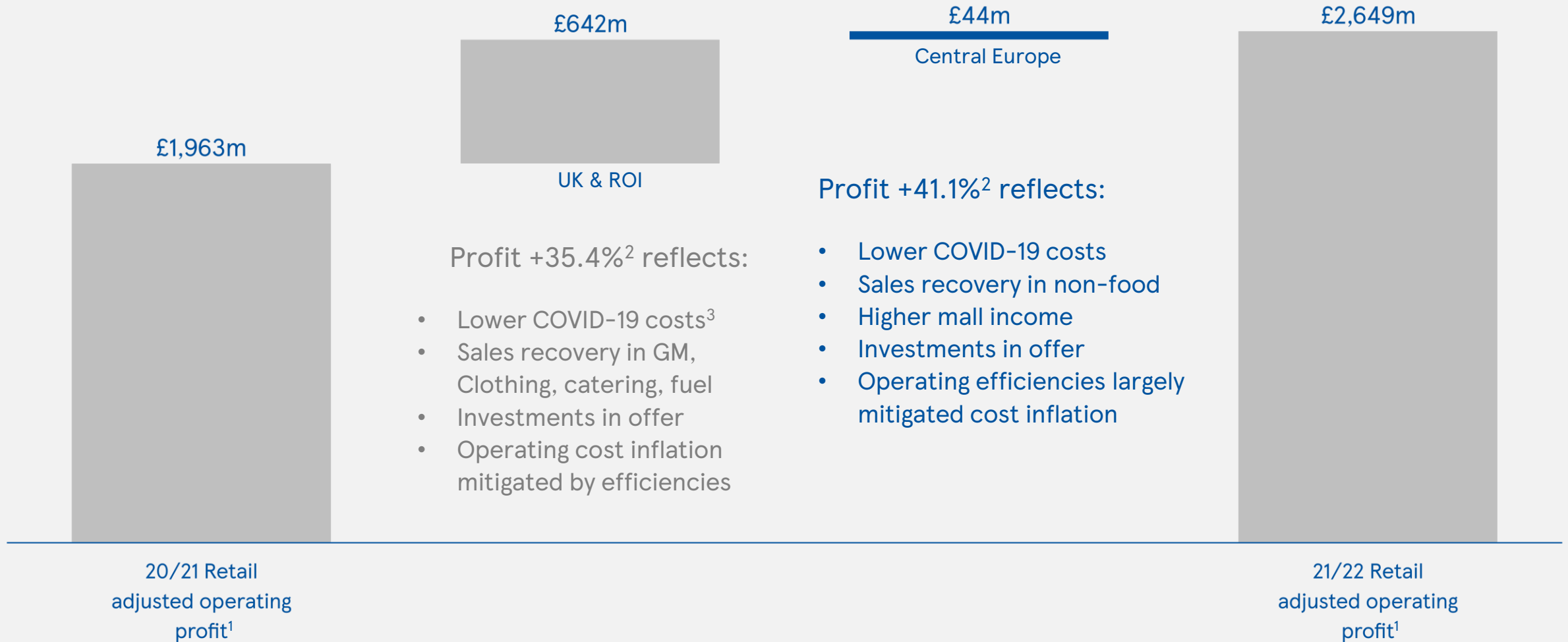
# Retail operating profit – UK & ROI.



1. Operating profit before adjusting items.  
2. Percentage change shown at constant rates.  
3. Includes COVID-19 related costs incurred in Core UK business, Booker and One Stop. This year £(220)m, last year £(892)m.



# Retail operating profit – Central Europe.



1. Operating profit before adjusting items.  
2. Percentage change shown at constant rates.  
3. Includes COVID-19 related costs incurred in Core UK business, Booker and One Stop. This year £(220)m, last year £(892)m.

# Tesco Bank.

Some recovery in volumes, although lending balances still below 19/20 levels

## Return to profitability

- Predominantly driven by YoY effect of bad debt
- Incl. £13m contribution from Tesco Underwriting, fully consolidated since May

## Balance sheet remains strong

£87m dividend to Tesco Group  
(incl. £37m catch-up in respect of 20/21)

	FY 21/22	FY 20/21
Operating profit <sup>1</sup>	£176m	£(175)m
Net interest margin	5.0%	4.7%
Cost:income ratio	77.0%	70.0%
Tier 1 capital ratio	24.4%	25.3%
Bad debt coverage ratio	7.0%	8.9%

1. Operating profit before adjusting items.

# Statutory profit after tax.

	FY 21/22	FY 20/21	Change %
<b>Adjusted operating profit</b>	<b>£2,825m</b>	<b>£1,788m</b>	<b>58.9%</b>
Adjusting items	£(265)m	£(241)m	This year's number includes £(193)m of historical shareholder litigation claims
Net finance costs	£(542)m	£(937)m	
<i>Net finance costs before FV remeasurements</i>	<i>£(665)m</i>	<i>£(723)m</i>	Lower net pension finance costs and lower interest charge on lease liabilities
<i>FV remeasurements</i>	<i>£123m</i>	<i>£(214)m</i>	Fair value remeasurement gains related to the mark-to-market movement on inflation linked swaps
Joint ventures and associates	£15m	£26m	YoY change driven by acquisition of partner's stake in Tesco Underwriting in May 2021
Group tax	£(510)m	£(104)m	Reflects higher levels of retail operating profit as well as a return to profit at Tesco Bank
<b>Statutory profit after tax</b>	<b>£1,523m</b>	<b>£532m</b>	<b>186.3%</b>



# Retail free cash flow.

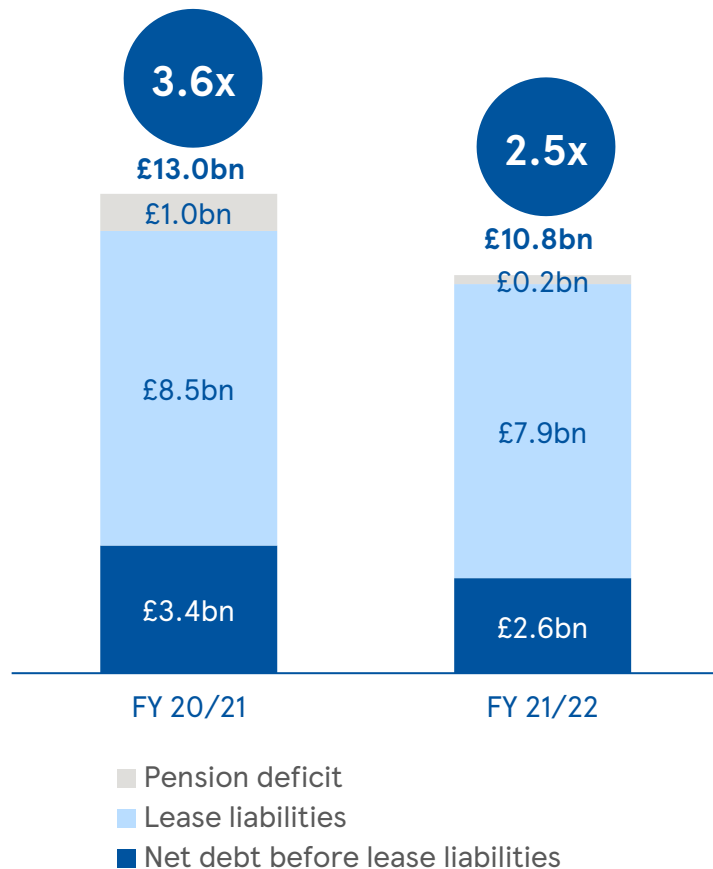
	FY 21/22	FY 20/21	YoY	
<b>Retail cash generated from operations exc. working capital</b>	<b>£4,268m</b>	<b>£3,227m</b>	<b>£1,041m</b>	Increase driven by higher sales, lower COVID-19 costs & benefit from one-off pension contribution in prior year
Decrease in working capital	£501m	£450m	£51m	Sharp recovery in fuel volumes & Booker's catering business in 1H
<b>Retail operating cash flow</b>	<b>£4,769m</b>	<b>£3,677m</b>	<b>£1,092m</b>	
Cash capex (exc. buybacks)	£(1,050)m	£(902)m	£(148)m	Increase due to more store openings and online expansion
Net interest	£(641)m	£(670)m	£29m	
Tax paid	£(195)m	£(161)m	£(34)m	Ongoing benefit from one-off pension contribution LY, super-deduction on capital investments & utilisation of prior year losses
Dividends	£109m	£23m	£86m	
Own shares purchased for share schemes	£(144)m	£(66)m	£(78)m	
Repayments of obligations under leases	£(571)m	£(561)m	£(10)m	
<b>Retail free cash flow</b>	<b>£2,277m</b>	<b>£1,340m</b>	<b>£937m</b>	

# Other cash items.

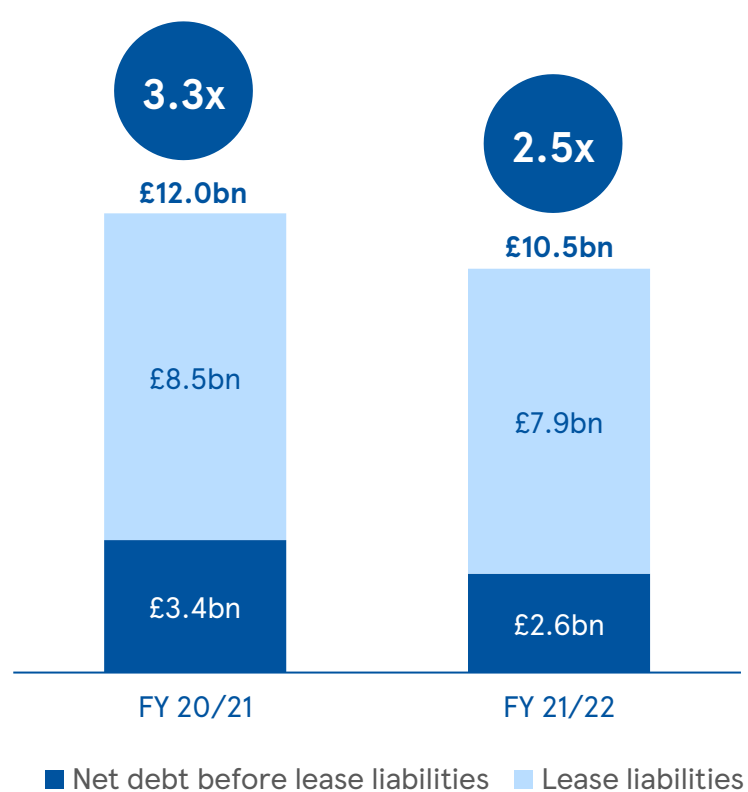
	FY 21/22	FY 20/21	
<b>Retail free cash flow (FCF)</b>	<b>£2,277m</b>	<b>£1,340m</b>	
Acquisitions & disposals	£122m	£(2)m	Proceeds from sale of Polish business to Salling Group A/S
Property proceeds & purchases	£228m	£(110)m	Includes disposal of Fenny Lock distribution centre in UK and retained Poland properties
Cash impact of adjusting items	£(316)m	£(41)m	Includes historical shareholder litigation settlements
<b>Retail FCF after acquisitions, property &amp; adjusting items</b>	<b>£2,311m</b>	<b>£1,187m</b>	

# Balance sheet metrics.

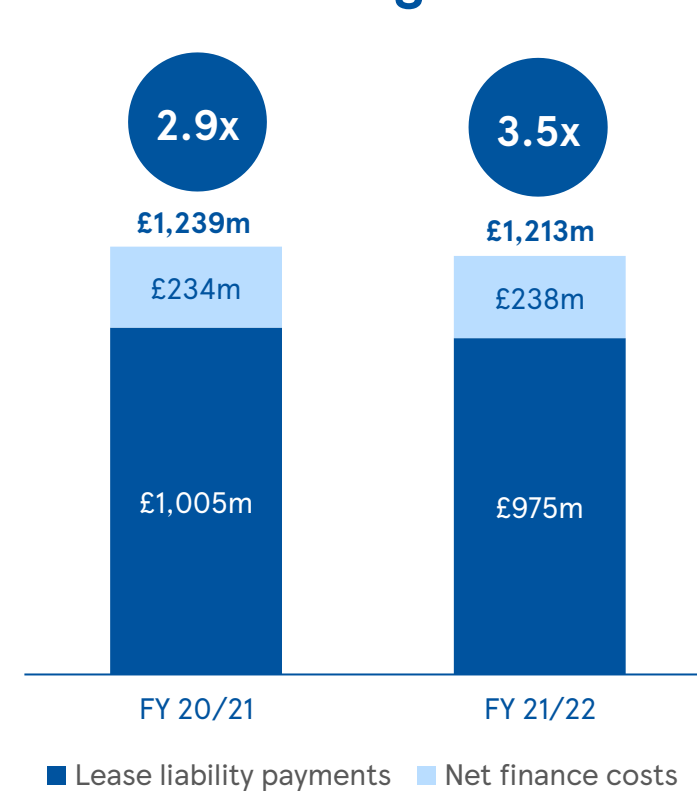
## Total indebtedness<sup>1</sup>



## Net debt<sup>2</sup>



## Fixed charge cover<sup>3</sup>



1. Total indebtedness post-IFRS 16 comprises net debt (inc. lease liabilities) plus the IAS 19 deficit in the pension schemes (net of tax) for both continuing and discontinued operations.

2. Net debt is inclusive of IFRS 16 lease obligations.

3. Fixed charge comprises net finance costs excluding net pension finance cost, adjusting items, capitalised interest, fair value remeasurements of financial instruments and finance charges payable on lease liabilities plus retail total lease liability payments.





# Delivering for shareholders.

Strong performance across all metrics

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Confidence in multi-year performance framework

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Full year dividend 10.90p, +19.1% year-on-year

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Leverage currently 2.5x, within target range, with confidence in future cash flows

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Share buyback: £300m purchased to date; commitment to buy back £750m over the next 12 months



# Strategic priorities.

Ken Murphy

# Our strategic priorities.



**Magnetic  
value for  
customers**

Re-defining value to become  
the customer's favourite



**I love my  
Tesco  
Clubcard**

Creating a competitive  
advantage through powerful  
digital capability



**Easily the  
most  
convenient**

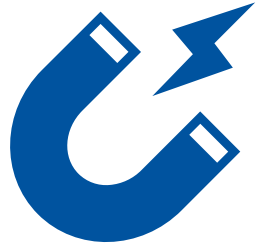
Serving customers wherever,  
whenever and however they  
want to be served



**Save to  
invest**

Simplify, become more  
productive & reduce costs





# Magnetic value for customers.



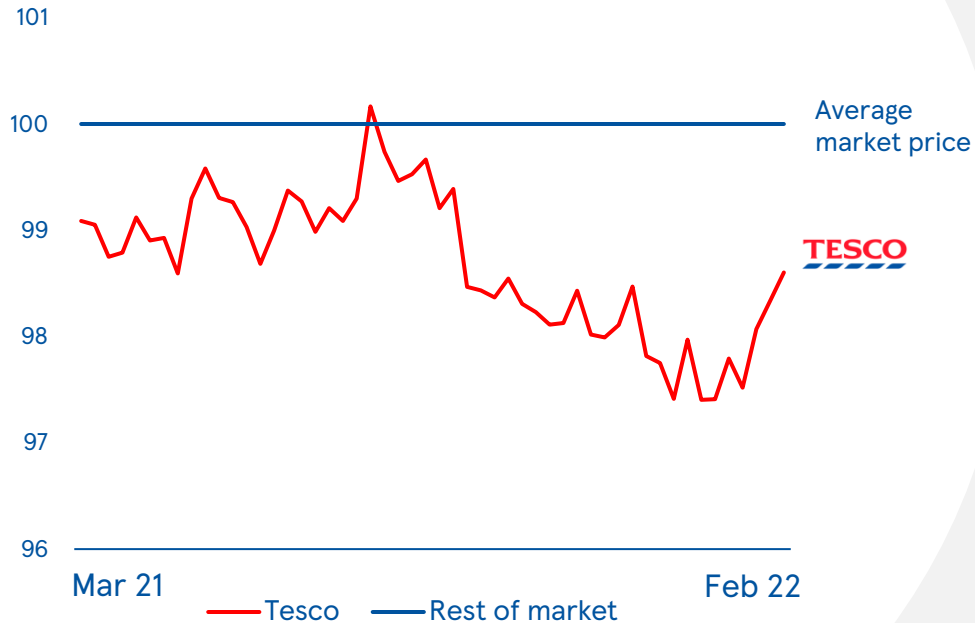


# Great prices.



## Price position vs market<sup>1</sup>

### Lower prices relative to competition



## Value perception<sup>2</sup>

### Customers recognising Tesco's value



1. Calculated using the single retail selling price of each item, including price cut promotions; the index is weighted by sales and market share to reflect customer importance and competitor size. Competitor set consists of Sainsbury's, Morrisons, Asda, Aldi and Lidl.
2. YouGov Value perception on a 12 week rolling basis to 27 February 2022. 'Rest of big 4' consists of Sainsbury's, Morrisons and Asda.



# Great prices.



- c.650 lines
- In 99% of baskets<sup>1</sup>

## Powerful combination



- c.1,600 lines
- In 72% of baskets<sup>1</sup>



- 100% of promotions
- £3 meal deal

# Great quality.



## New and improved products



## Finest\*

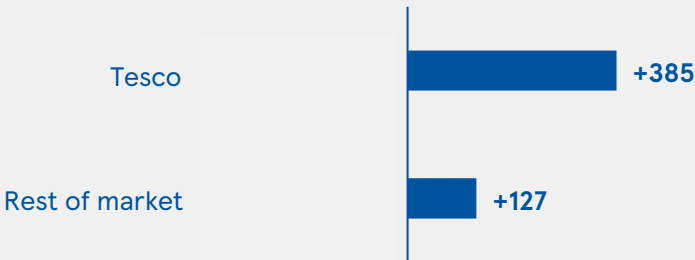


## Quality perception<sup>1</sup>

### 1-year improvement



### 2-year improvement



1. YouGov quality perception on a 12 week rolling basis to 27 February 2022. YoY is comparing the 12 weeks to 27 February 2022 to the 12 weeks to 28 February 2021. Rest of market consists of Sainsbury's, Morrisons, Asda, Aldi, Lidl, Waitrose, M&S, Co-op and Iceland.





# Leading on health.



**7.7bn more calories removed**



**Launched Wicked Kitchen in  
Booker & Plant Chef in CE**



**58%<sup>1</sup> sales are of healthy  
products**



**Trialling changes ahead of  
upcoming HFSS legislation**

1. Sales of products with a 'healthy' health score, as a proportion of total sales, for all retail food and drink categories, excluding household, pet care, health and wellness, baby, beauty, beers, wines and spirits. The Tesco health score is calculated based on the Government's Nutrient Profiling Model.



# Leading on sustainability.



New net zero ambitions for own operations (2035) and entire value chain (2050)



First electric HGVs in UK; pilot in Hungary and Czech Republic



1.6bn pieces of plastic removed; soft plastic recycling in c.900 stores



Innovation in packaging & food waste



3m meals donated through 'Buy One to Help a Child' campaign



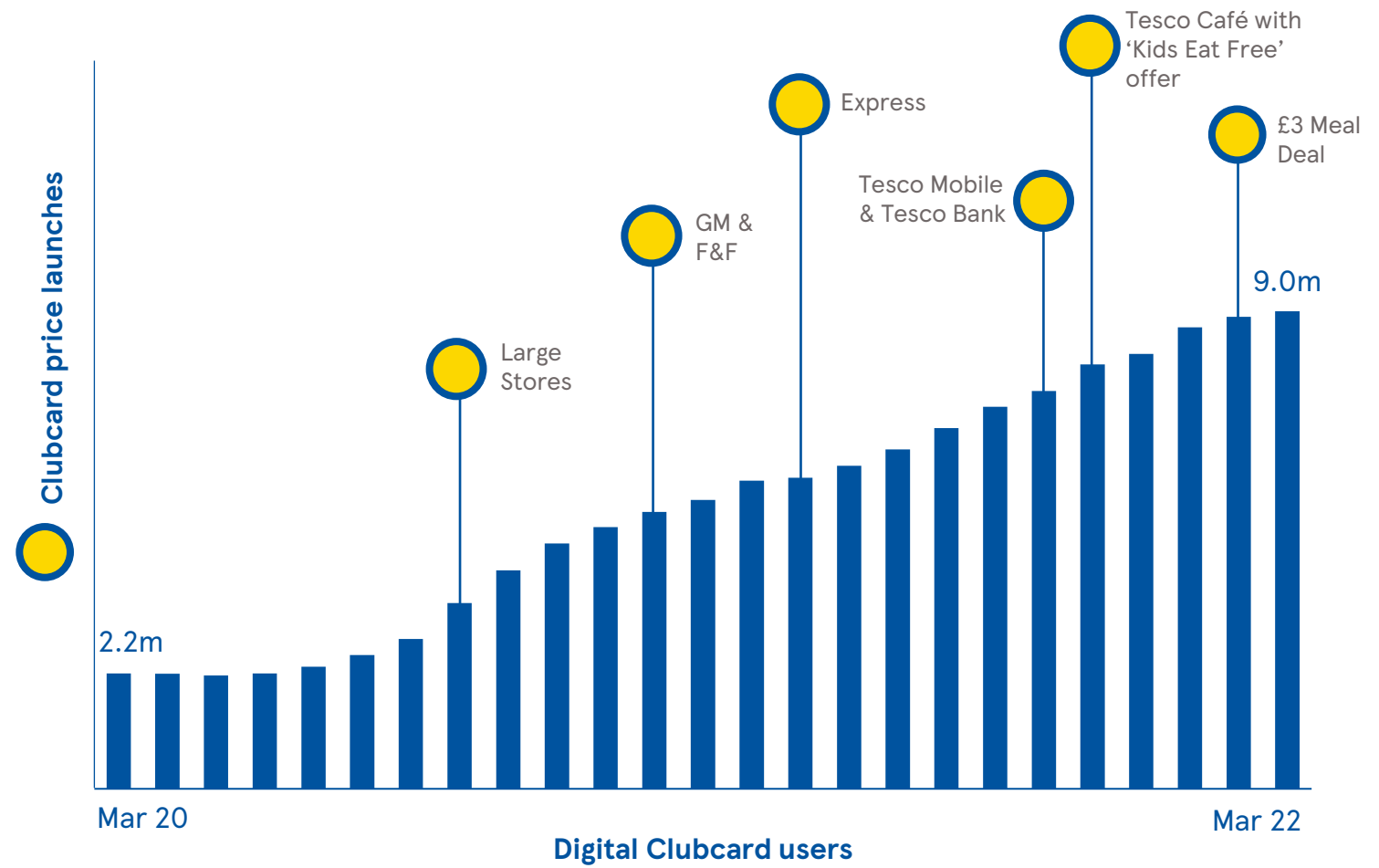
I love my  
Tesco  
Clubcard.







# Migrating Clubcard to a digital platform.



# More engaging, relevant & personal.



## Clubcard penetration<sup>1</sup>

Large: 79% → 86%

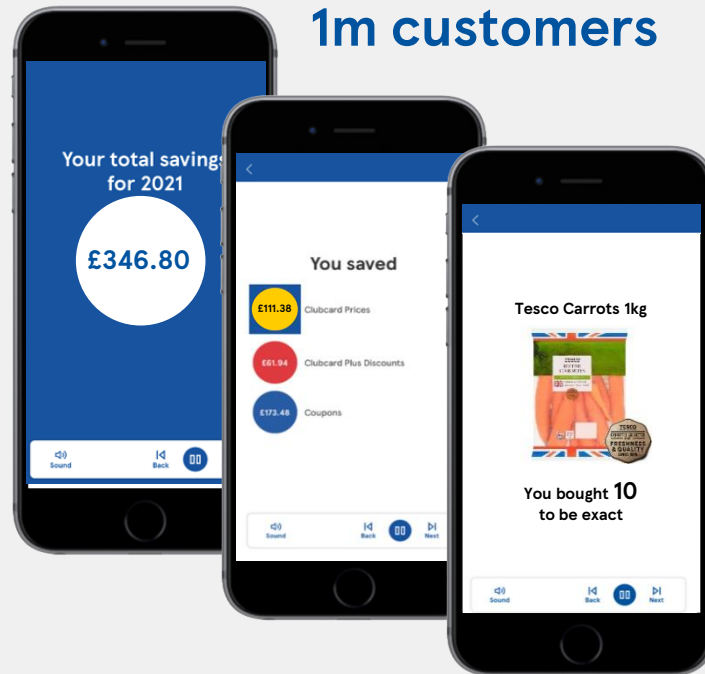
Express: 25% → 46%

All stores: 70% → 74%



## In-app personalised summary

1m customers



## Increasingly relevant rewards



ENGLISH  
HERITAGE



NEW



1. Clubcard sales penetration in Large, Express and All stores (excl. PFS) for February 2021 and February 2022.





**Easily  
the most  
convenient.**





# Online performance.

Orders averaging c.1.2m per week –  
vs 0.7m pre COVID-19

One million new customers gained during  
pandemic – c.67% continue to shop with us

Online market share +142bps YoY<sup>1</sup>

	21/22	1-year	2-year
LFL sales	<b>£5.9bn</b>	(6.5)%	+66.1%
Orders/week	<b>1.22m</b>	+0.9%	+63.3%
Basket size	<b>£94</b>	(6.8)%	+2.2%
% of UK sales	<b>14.0%</b>	(1.1)% pts	+4.8% pts
Delivery saver subscribers	<b>683k</b>	+11%	+38%

# Online – evolution of the offer.



## UFC's

Opening fifth UFC next month

Pick rates four times higher than store-based picking

Learning & refining the model



## C&C

19.7% of online sales

102 sites added

Refining customer experience



## Whoosh<sup>®</sup>



200 stores opened in last nine months



Over 80,000 customers



600 stores by February 2023



31 min average delivery time





# Enhancing our physical network.



## Convenience growth

- 40 new Express stores<sup>1</sup>
- 59 new One Stop stores



## Booker

- Over 37k new catering customers
- 283 retail partner net openings



## ROI acquisition

- Intention to acquire ten Joyce's stores in Galway<sup>2</sup>



1. Includes 19 One Stop conversions.  
2. Pending approval of the Competition and Consumer Protection Commission (CCPC).



Save to  
invest.





# Save to invest.



Goods & services  
not for resale



Property

**c.£1bn  
cost  
savings**



Operations



Central overheads



# Save to invest.



**Counters removed  
in 317 stores**



**Increased checkout  
efficiency**



**Moved replenishment  
nights to days**



**Simplification**

# Market environment & outlook.



# Market environment.

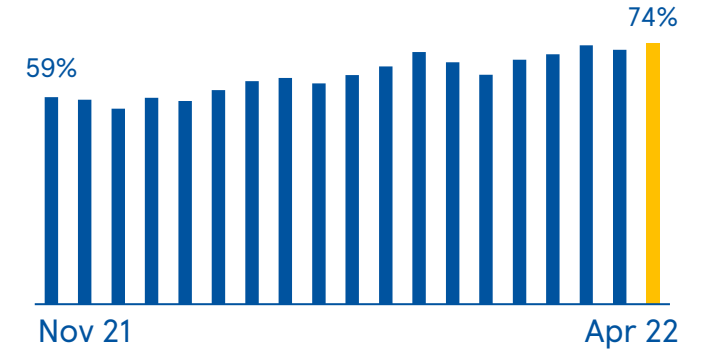
Biggest cost of living increases in 30 years

Significant increase in household energy costs

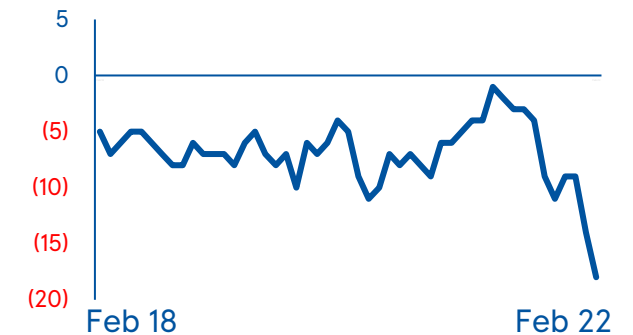
Post COVID-19 normalisation uncertainty

Impact of war in Ukraine adding to sourcing pressures for suppliers

Concerns about inflation<sup>1</sup>



IGD Shopper Confidence Index<sup>2</sup>



1. Kokoro: The Score Survey and Qualitative Interviews from 26 Nov 2021 to 1 April 2022, 2,025 respondents.  
2. IGD Shopper Vista data to 1 February 2022.

# Market environment.

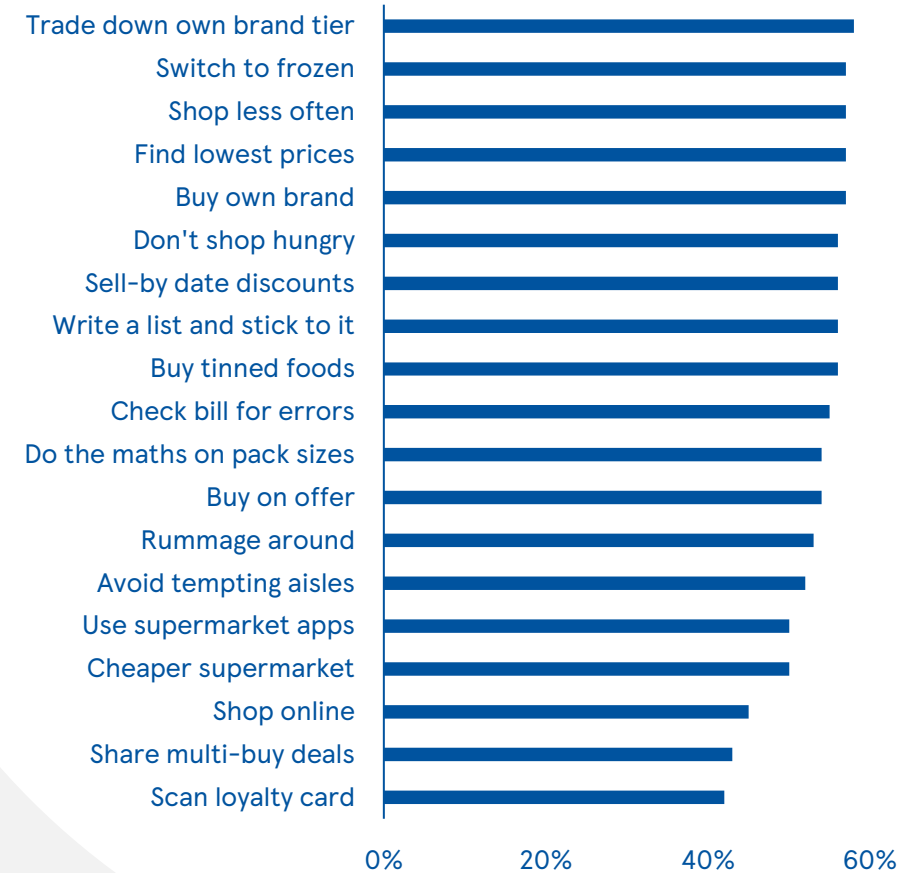
Biggest cost of living increases in 30 years

Significant increase in household energy costs

Post COVID-19 normalisation uncertainty

Impact of war in Ukraine adding to sourcing pressures for suppliers

Consumers are planning to do more of the following to help manage costs<sup>1</sup>



1. Kokoro, The Score, 18 March 2022, 1,769 UK respondents.



# Market environment.

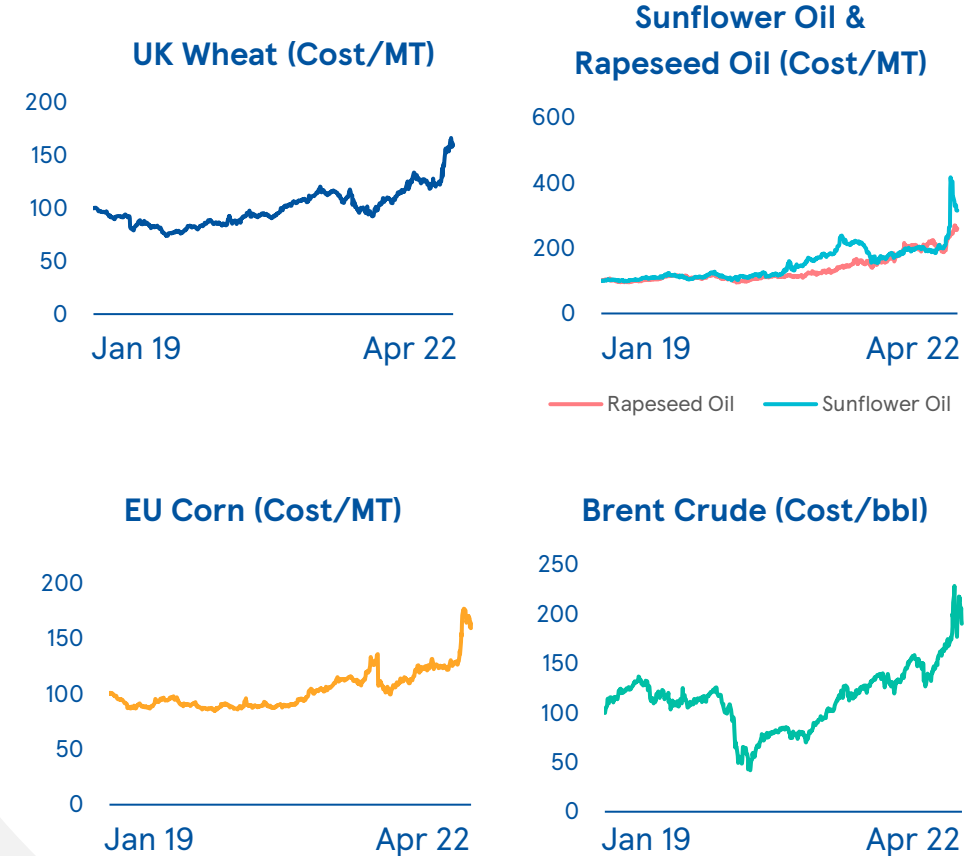
Biggest cost of living increases in 30 years

Significant increase in household energy costs

Post COVID-19 normalisation uncertainty

Impact of war in Ukraine adding to sourcing pressures for suppliers

## Commodity Costs<sup>1</sup>



1. Mintec data based on "spot" commodity prices indexed to 1 January 2019.

# Championing great value for customers.

- 1 Continue to ensure price does not become a reason to shop elsewhere
- 2 A brilliant offer for customers choosing to trade down from Eating out to Eating in
- 3 Be there for customers as their needs change – e.g. staycations

Spag bol for four, £3.37.



Because right now, every little helps.

**TESCO**

# FY 22/23 Outlook.

Retail adjusted operating profit: c.£2.4bn to £2.6bn

---

Bank adjusted operating profit of c.£120m to £160m

---

Strong retail free cash performance within our £1.4bn to £1.8bn range

---

Commitment to buy back £750m by no later than April 2023

# Summary.

Strong performance in an extraordinary year

---

Most competitive positioning for many years

---

Unwavering commitment to value

---

Creating long-term value for all of our stakeholders

---

Firmly committed to returning capital



Q&A.





# Appendix.



# Capital allocation.

## Principles

1

Reinvest in business and customer offer

2

Maintain a solid investment grade balance sheet

3

Pay a progressive dividend

4

Consider inorganic growth opportunities that may arise

5

Return surplus cash to shareholders

## Parameters

=>

Capex within range of £0.9bn to £1.2bn per year

=>

Target/maintain leverage at c.2.8-2.3 times Net debt<sup>1</sup>/EBITDA

=>

Target a pay-out ratio of c.50% of earnings

=>

Include property buybacks where economically viable

=>

Likely to be in the form of share buybacks

1. Net debt is inclusive of IFRS 16 lease obligations.



# FY 22/23 Guidance.

Retail profit <sup>1</sup>	c.£2.4bn to £2.6bn
Bank profit <sup>1</sup>	c.£120m to £160m
Retail free cash flow	Within our £1.4bn to £1.8bn range
Capex	At top end of guidance range of c.£0.9bn-£1.2bn per annum
Net finance costs	c.3.5% of long-term debt p.a.
Leverage ratio	Targeting c.2.8 – 2.3 times Net debt <sup>2</sup> /EBITDA
Tax	Effective tax rate 21% – 22% for FY 22/23; around 26% from FY 23/24
Dividend	Progressive (broadly targeting c.50% of earnings) Interim dividend 35% of prior year full year dividend
Share buyback	Ongoing programme: £750m to be repurchased by April 2023 Cumulative £1.05bn repurchased since the start of the programme

1. Retail adjusted operating profit and Bank adjusted operating profit.

2. Net debt is inclusive of IFRS 16 lease obligations.

# Multi-year performance framework.

## **Drive top-line growth, underpinned by:**

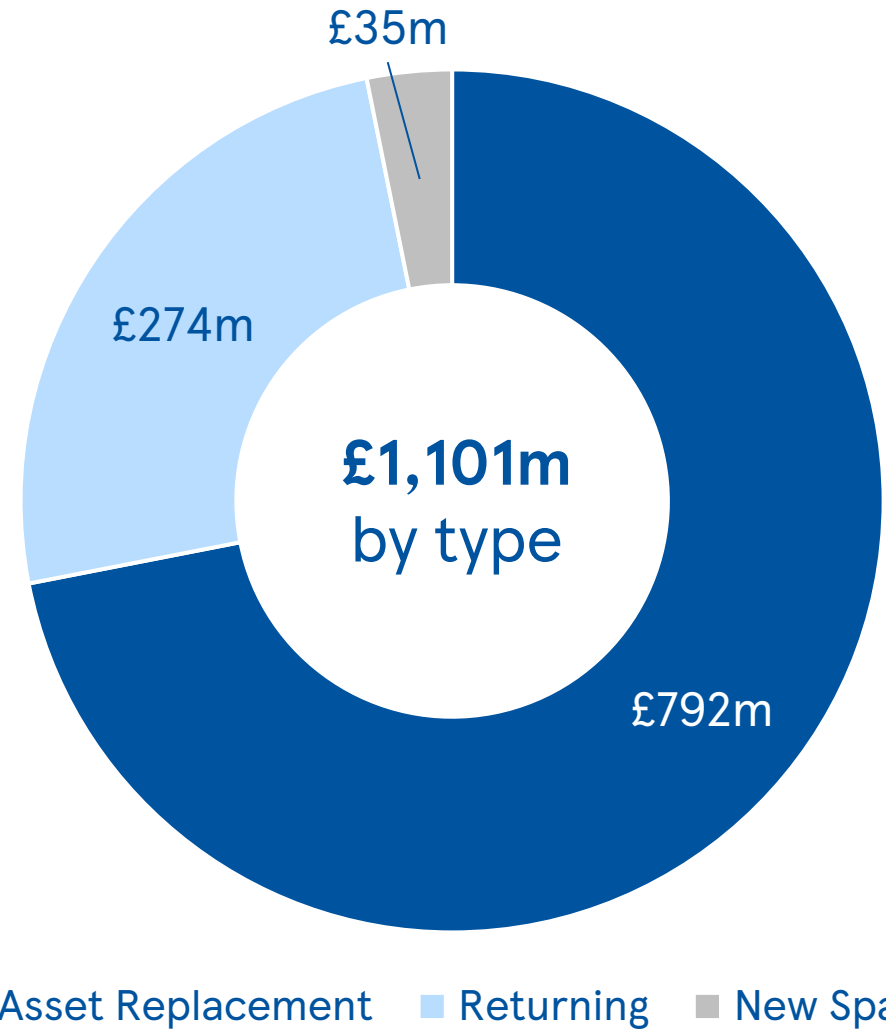
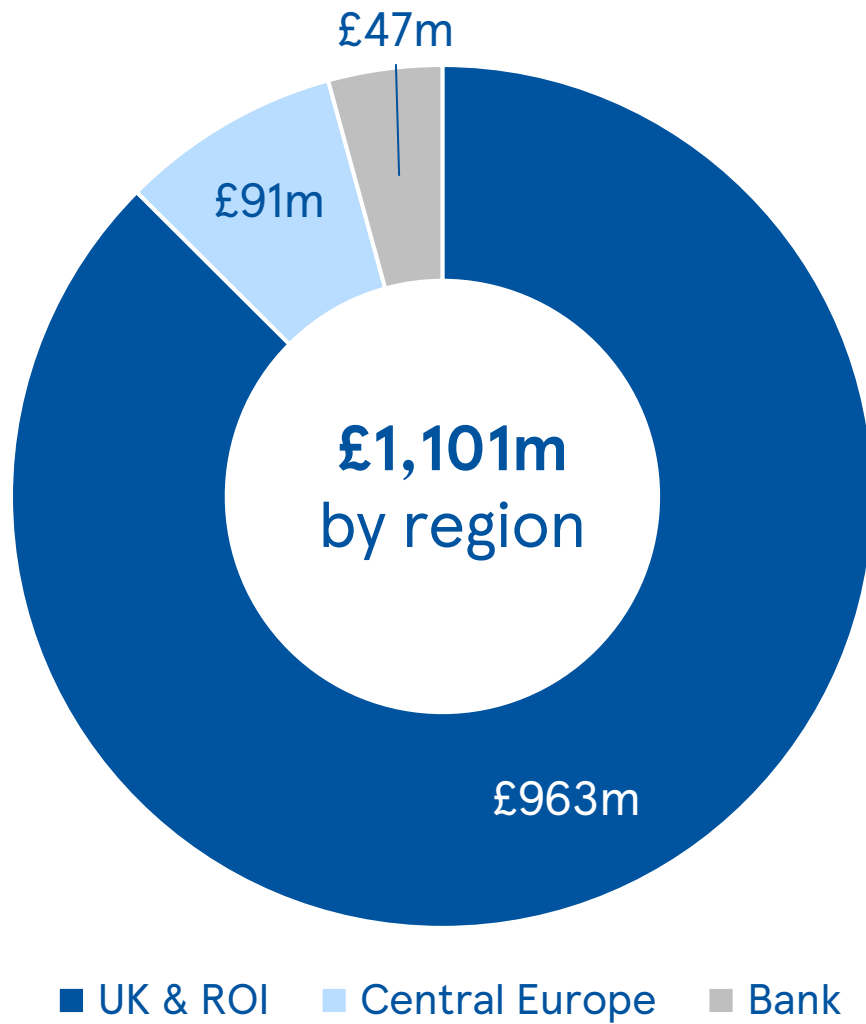
- Increasing customer satisfaction relative to the market
- Growing or at least maintaining our core UK market share

## **Grow absolute profits whilst maintaining sector-leading margins through:**

- 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 between £1.4bn and £1.8bn retail free cash flow per year**

# Capital expenditure – FY 21/22.





# Debt and liquidity.

Debt  
maturity  
profile

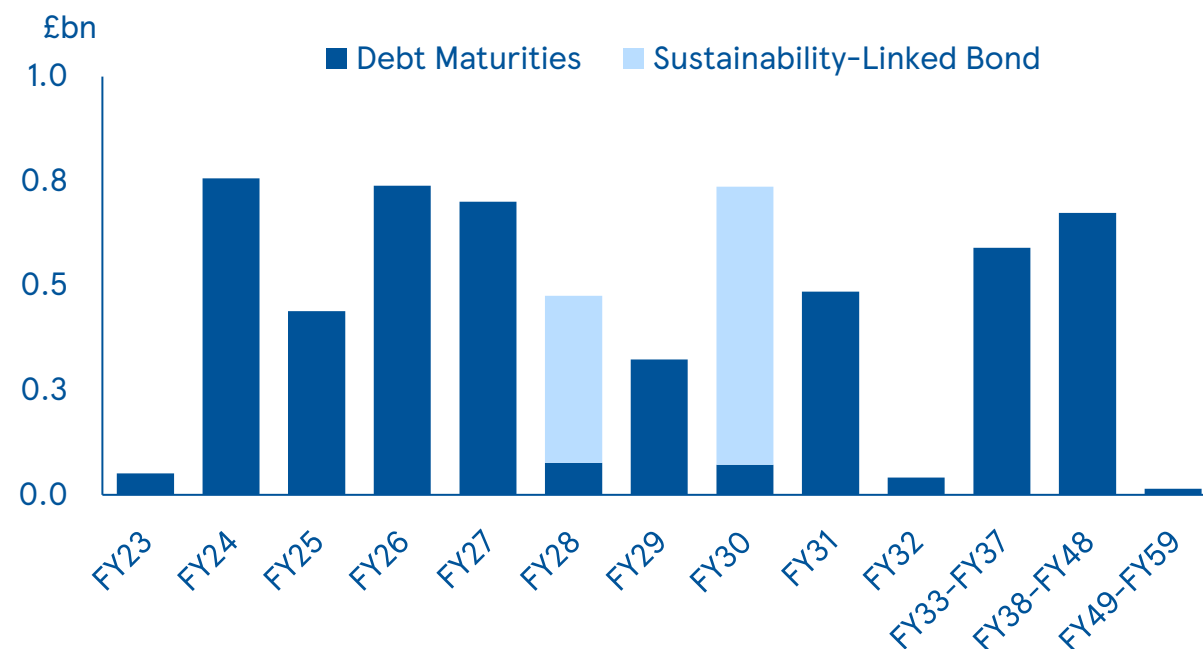
## Smooth debt maturity profile

- Less than £1bn maturing in any year
- Weighted average maturity of c.7 years

Weighted average interest cost of 3.3%

## Strong liquidity position

- £3.0bn cash<sup>1</sup>
- £2.5bn of undrawn committed facilities



1. Cash and cash equivalents plus short term investments less reported overdraft (figure excludes Tesco Bank and discontinued operations).

# Adjusting items – FY 21/22.

On a continuing operations basis	FY 21/22	FY 20/21
Litigation costs	£(193)m	£(93)m
Property transactions	£128m	£26m
Net impairment reversal of non-current assets	£(115)m	£128m
Amortisation of acquired intangible assets	£(76)m	£(76)m
Restructuring provisions	£(44)m	-
Asia licence fee income	£26m	-
Disposal of China associate	£15m	-
Fair value less cost of disposal movements on assets held for sale	£(6)m	-
Impairment charge on Tesco Bank goodwill	-	£(295)m
UK – ATM business rates	-	£105m
Booker integration costs	-	£(25)m
GMP Equalisation	-	£(7)m
Employee share scheme	-	£(4)m
<b>Total adjusting items in statutory operating profit</b>	<b>£(265)m</b>	<b>£(241)m</b>

# 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, 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.