

PUTTING CUSTOMERS FIRST, WELL-PLACED FOR LONG-TERM GROWTH

Performance highlights (52-week comparable basis) ^{1,2}	FY 25/26	FY 24/25	Change at actual rates	Change at constant rates
Sales (exc. VAT, exc. fuel) ²	£66,588m	£63,636m	4.6%	4.3%
Adjusted operating profit ²	£3,152m	£3,128m	0.8%	0.6%
Free cash flow ²	£1,957m	£1,750m	11.8%	
Net debt ² (at the balance sheet date)	£(10,563)m	£(9,454)m	(11.7)%	
Adjusted diluted EPS ²	29.0p	27.4p	6.0%	
Dividend per share	14.5p	13.7p	5.8%	
Statutory measures (53-week basis, continuing operations basis) ¹				
Revenue (exc. VAT, inc. fuel)	£73,712m	£69,916m	5.4%	
Operating profit	£2,985m	£2,711m	10.1%	
Profit before tax	£2,403m	£2,215m	8.5%	
Diluted EPS	27.1p	23.1p	16.9%	
Statutory measures (53-week basis, inc. discontinued operations) ¹				
Profit for the year (after tax)	£1,787m	£1,630m	9.6%	
Diluted EPS	27.1p	23.5p	15.1%	

The Group's statutory financial results for the year ended 28 February 2026 reflect a 53-week reporting period. Alternative Performance Measures (APMs) are presented for the 52 weeks to 22 February 2026 to aid comparability, except for net debt which is presented at the balance sheet date. There is no impact from the additional week on Insurance & Money Services and Central Europe, which report to the end of February every year.

Ken Murphy, Chief Executive:

"We are committed to doing whatever we can to help keep down the cost of the weekly shop, and with the conflict in the Middle East creating further uncertainty for consumers and the economy more broadly, that commitment matters more than ever. Over the last year, despite cost pressures from new regulation, we have increased our investments in keeping prices low, further improving quality and offering even better service. Customers are choosing to shop more with us as a result, leading to our highest market share for over a decade. Our investments have been made possible by our Save to Invest programme, which has delivered over £2.2bn of savings over the last four years, funding lower prices for customers and higher pay for colleagues, including our recent 5.1% increase in UK hourly pay. Recognising their exceptional service over the last year, I am also pleased to announce a £65m special performance award for colleagues in our stores, distribution centres and customer engagement centres.

Our further investments in value included tripling the number of products on Everyday Low Prices to 3,000, running alongside over 10,000 Clubcard Prices and more than 600 Aldi Price Match lines. We have also continued to invest in quality and innovation, with over 2,000 new and improved products across the year, and Finest growing 15% to reach sales of £3bn. We continued to meet customer needs wherever, whenever and however they chose to shop with us, with overall online sales growing 11%, including Tesco Whoosh growth of 51%.

Since setting out our multi-year performance framework in 2021, we have delivered meaningful progress for all our stakeholders. As new opportunities and challenges have emerged, we have evolved our strategic ambitions, positioning us well to deliver sustained long-term growth by providing even better value for customers."

Sales growth across all markets with profit growth and strong cash delivery (on a 52-week basis unless otherwise stated)

- UK customer satisfaction reaching record high; Group like-for-like³ sales up +3.5% with growth across all operating segments: UK +4.2%, ROI +4.6%, Booker +0.2%, CE +2.2%
- Group adjusted operating profit² up +0.6% at constant exchange rates to £3,152m:
 - UK & ROI up +0.7% to £2,745m with further market share gains and progress in Save to Invest offsetting significant investments into the customer offer and operating cost inflation
 - Booker up +0.7% to £292m with sales growth in the core retail and core catering businesses and a record Save to Invest contribution more than offsetting operating cost inflation
 - Central Europe down (0.9)% to £115m, reflecting £(9)m YoY impact from sale of five mall properties in H2 24/25
- Adjusted diluted EPS² increased +6.0% to 29.0p, driven by our ongoing share buyback programme and profit growth
- Statutory operating profit £2,985m up +10.1% (on 53-week basis); includes £(53)m impairment charge versus £(286)m LY
- Free cash flow² up +11.8% to £1,957m, reflecting the benefit of sales growth and disciplined working capital management, offsetting increased cash tax payments and increased capital investment in future growth opportunities
- Net debt² at £(10,563)m; prior year of £(9,454)m benefited from c.£700m proceeds from the sale of our Banking operations which were subsequently returned to shareholders during FY 25/26; Net debt/EBITDA ratio at 2.1 times

EVOLVING OUR STRATEGIC AMBITIONS

Our goal is to create long-term sustainable value for all our stakeholders, by consistently delivering for customers.

Over the last five years, we have made meaningful progress, with material investments into price, quality and service, driving a significant increase in customer satisfaction and leading to our highest market share for over a decade.

The retail landscape continues to evolve. Households have had to adjust to persistent cost of living pressures and competition remains intense, with new entrants and technologies giving customers more choice than ever. Customer expectations are increasing too – in addition to great tasting, high quality food at the best possible price, they also want nutritious products that support their health goals, from a brand they can trust to do the right thing.

To continue delivering for all our stakeholders, we have evolved our strategic ambitions into five mutually reinforcing goals:

- 1) **Winning in food**
- 2) **Meeting more everyday customer needs**
- 3) Being **the most strategic partner for suppliers**
- 4) To be **connected, personalised and loved by customers**
- 5) All underpinned by **long-term business sustainability**

These build on our underlying strengths and allow us to deliver even more value for our customers, creating a path for long-term sustainable growth. Further detail on each ambition, and the progress we have made this year, is set out below:

1) Winning in food

We want to deliver the very best value, quality, range, and innovation in food. Delicious, affordable and nutritious food matters more than ever to our customers and their families, and our ability to provide this at the very best price underpins our whole business. Through our market-leading presence across stores, online grocery and rapid delivery, combined with the reach of Booker's wholesale business, we are better placed than anyone to serve customers great value and great tasting food wherever, whenever and however they want to be served.

- UK market share at 28.5%, up +24bps YoY, outperforming the market on both a value and volume basis; across the last three years we have gained +122bps of market share, and in December 2025 we reached our highest share in over a decade
- ROI market share at 24.2%, up +32bps YoY; now into a fourth consecutive year of share gains
- UK NPS growing ahead of the competition, with further gains across value and reputation
- Continued our commitment to low prices with the tripling of Everyday Low Prices to 3,000 lines, running alongside over 10,000 Clubcard Prices and Aldi Price Match on more than 600 products
- Launched over 2,000 new and improved products, including over 750 in Finest; overall Finest sales growth of +15%
- Achieved our goal of ensuring at least 65% (by volume) of products sold in UK & ROI are classified as healthy
- UK online sales up +11% to over £7bn, with market share up +30bps to 35.7%; ROI up +17% and CE up +17%
- Tesco Whoosh sales up +51% to over £400m, with growth in basket size and new customers; further rollout of Whoosh in ROI, now in 31 stores; over 300 retailers using Scoot, Booker's rapid delivery service
- Opened 93 stores across the Group, including 65 Express stores in the UK; Booker added 369 net new retail partners

2) Meeting more everyday customer needs

We want to help customers with more of their daily needs, and the frequency and trust we earn through food allows us to serve a wider range of products and services. In addition to further growth in existing offers such as F&F clothing, Pharmacy, Insurance & Money Services and Tesco Mobile, we are building emerging digital businesses such as Tesco Marketplace and F&F Online. Meeting these additional needs helps deepen our customer relationships, while generating capital-light revenue streams.

- F&F clothing sales up +5.1% to over £1.2bn with F&F Active and F&F Edit ranges performing strongly; launch of F&F Online during the year gives more customers access to an even wider range of clothing
- UK's leading supermarket pharmacy network with over 350 branches, fulfilling over 17m prescriptions and delivering over 230,000 flu jabs for customers across the last year; weight loss management service launched nationwide in January
- Over 2.5m insurance policies in force through IMS, and c.4m banking customers served through our Barclays partnership; first full-year of partnership income contributing to IMS adjusted operating profit growth of +£12m to £167m
- Tesco Mobile won 'Best Network for Customer Service' for 5th year; extended 'no EU roaming fees' for all 5.5m customers
- Tesco Marketplace offering a range of over 450,000 SKUs; platform migrated to Mirakl in October to improve seller onboarding process and enhance the customer proposition

3) Being the most strategic partner for suppliers

By using our unique data and insights to build new revenue opportunities and partnerships, we can work with our suppliers to become the most strategic retail partner for innovation and brand-building. By leveraging our store and digital footprint we will grow advertising income with Tesco Media and, as we meet more everyday needs, we can further build our understanding of customers, creating a more holistic data set. The additional insights, innovations and financial benefits we generate can flow back into our core customer offer, further enhancing the value we offer customers and reinforcing our ability to win in food.

- Voted #1 in the Advantage supplier survey for the tenth consecutive year
- Entering the sixth iteration of our Accelerator Programme, designed to support innovative start-ups and challenger brands
- Over 100 supplier partners engaged in Clubcard Challenges, inc. multi-step, multi-channel Coca-Cola Christmas campaign
- Over 800 brands using Tesco Media as their media partner, including strong growth in smaller brands; launched new tools including AI-powered audience prediction, which identifies customers who are at risk of lapsing from a brand
- Tesco Media awarded 'Media Brand of the Year' at Media Week Awards for 'blending omnichannel reach with retail precision'
- Over 400 data scientists at dunnhumby developing our 'intelligence layer', connecting customer and brand insight through science, AI and global retail expertise; innovations include AI-powered tools that adapt ranges to local tastes

4) Connected, personalised and loved by customers

We want shopping with us to be easier, more personalised and increasingly rewarding. As the glue that holds the whole Tesco ecosystem together, Clubcard and new AI tools can make every interaction more seamless and relevant by anticipating needs, offering timely nudges and making smarter recommendations. Our unrivalled store network will continue to meet local needs better than anyone, with our colleagues continuing to provide the most helpful service.

- Launching large-scale trial of new AI assistant with c.280,000 colleagues; assistant offers inspiration, support with meal-planning and basket building, and will be rolled out to customers later in the year
- 100% of active Clubcard customers' grocery home shopping journeys now personalised on a one-to-one basis; launched Your Clubcard Prices to 1.5m customers in March 2026
- Personalised digital coupons and rewards regularly offered to over 9m customers; Clubcard Challenges offered to a total audience of up to 7m customers; trialling thoughtful surprises such as free Easter treats
- Formed strategic partnerships with Adobe and WPP Open, further accelerating our personalisation & marketing capabilities
- New Tesco x Adobe Innovation Lab bringing together Tesco's in-house technology and expertise with Adobe's leading capabilities in AI to deliver personalised content, offers and experiences to customers in real time
- New 'Scan as You Shop' shopping list functionality to help customers quickly find what they want in store
- Even more rewards with Clubcard including triple-value dining vouchers at seven major restaurant chains and discounted cinema tickets through 'Tesco Tuesdays' at Cineworld; over half a million households participating to date

5) Long-term business sustainability

We are always looking for ways to further strengthen our resilience, efficiency and sustainability. From best-in-class store, transport and distribution infrastructure, optimised through our ongoing Save to Invest programme, to resilient and secure supply chains, we are constantly evolving our business model to adapt to environmental and geopolitical change. As a key enabler, we will continue to enhance our best-in-class retail technology capability, harnessing the power of AI.

- Save to Invest ahead of FY 25/26 target at c.£535m; committing to new £500m target for FY 26/27
- Progress automating parts of our distribution network, such as the opening of our new Aylesford fresh-food distribution centre; started construction of a new distribution centre at DP World London Gateway, expected to open in 2029
- Further strengthened our technology capability, having doubled our team in the last six years to over 6,000 technology experts based across the UK, Ireland, Central Europe and our campus in Bengaluru
- Brought together c.250 separate AI-workstreams into a cohesive AI strategy across four domains: customer, colleagues, supplier partners & operational efficiency; in addition to our new AI customer assistant, progress in the last year includes:
 - Increasingly leveraging AI in our supply chain to identify external risks and opportunities, helping our commercial teams to make earlier and smarter decisions; developing tools to optimise markdown and waste routines
 - New AI-led finance tools supporting faster decision making; implementing integrated self-service business-wide data hub
 - Agreement signed with Mistral AI, including establishing a joint 'AI lab' to co-create generative AI solutions
- Proud to be the largest customer of British agriculture, driving innovation through our six sustainable farming groups
- Delivered 68% reduction in Scope 1 and 2 emissions, ahead of 60% December 2025 target (versus FY 15/16 baseline); donated over 15m portions of fruit & veg to date through our Stronger Starts Schools programme

CAPITAL ALLOCATION AND SHAREHOLDER RETURNS

Our strategy is underpinned by our unchanged capital allocation framework:

- **Reinvestment into the business and customer offer**
- **Maintain a solid investment grade balance sheet:** Net debt/EBITDA c.2.8–2.3x
- **Paying a progressive dividend:** pay-out ratio c.50% of earnings
- **The consideration of inorganic growth opportunities**
- **The return of surplus cash to shareholders**

Over the past five years we have prioritised capital spend on high-returning areas which has helped drive growth and cash flow, in turn allowing us to steadily increase annual capital expenditure to £1.5bn, whilst significantly improving our return on capital employed (FY 25/26: 14.4%). We will continue to prioritise disciplined reinvestment in the business, with a particular emphasis on new growth opportunities including technology, and initiatives which drive further productivity through our Save to Invest programme.

With further opportunities to invest into high-returning projects, including warehouse automation and electronic shelf-edge labels, we expect capital expenditure of c.£1.6bn in the year ahead.

We see our share buyback programme as a critical driver of shareholder returns, reflecting the strength of our balance sheet and our confidence in continuing to deliver strong future cash flows. In addition to £937m of dividends paid during the year, we also completed the £1.45bn share buyback programme we announced in April 2025. Since October 2021, we have returned £4.3bn of capital through share buybacks, at an average price of 317p per share.

We are announcing today a further share buyback of £750m to be completed by April 2027. Consistent with our policy to pay a progressive dividend, broadly targeting a 50% pay-out of adjusted earnings per share, we propose to pay a final dividend of 9.7 pence per ordinary share, which combined with the interim dividend of 4.8 pence per ordinary share paid in November 2025, takes the full year dividend to 14.5 pence per ordinary share. See page 12 for more details.

MULTI-YEAR PERFORMANCE FRAMEWORK

We are confident that disciplined capital management and progress against our strategic ambitions will allow us to continue to deliver against the sales and profit ambitions of the multi-year performance framework we set out in 2021. Reflecting our confidence in future cash generation, we are upgrading our medium-term free cash flow guidance range:

- **Drive top-line growth**, underpinned by:
 - Increasing customer satisfaction relative to the market
 - Growing or at least maintaining our core UK market share
- **Grow our 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 £1.5bn and £2.0bn free cash flow** (previously £1.4bn and £1.8bn)

OUTLOOK

Reflecting the increased uncertainty caused by the conflict in the Middle East, we are providing a wider range of guidance than we were previously planning.

Much will depend upon the duration of the conflict and in particular, the potential implications for UK households and the economy more broadly. At this stage, we are expecting to deliver adjusted operating profit of between £3.0bn and £3.3bn for the 2026/27 financial year.

We will continue to do whatever we can to deliver the very best prices, quality and service for our customers, and are targeting a further £500m saving this year through our Save to Invest programme, to help fund investments in our customer offer.

We expect free cash flow of between £1.5bn and £2.0bn, in line with the upgraded medium-term guidance range set out above.

GROUP REVIEW OF PERFORMANCE

On a continuing operations basis¹

	FY 25/26	FY 25/26	FY 24/25	Change at actual rates	Change at actual rates	Change at constant rates
	53 weeks	52 weeks	52 weeks	53 weeks	52 weeks	52 weeks
Sales (exc. VAT, exc. fuel)²	£67,725m	£66,588m	£63,636m	6.4%	4.6%	4.3%
Fuel	£5,987m	£5,876m	£6,280m	(4.7)%	(6.4)%	(6.5)%
Revenue (exc. VAT, inc. fuel)	£73,712m	£72,464m	£69,916m	5.4%	3.6%	3.3%
Statutory operating profit	£2,985m		£2,711m	10.1%		
Adjusted operating profit²	£3,194m	£3,152m	£3,128m	2.1%	0.8%	0.6%
Adjusted net finance costs ²	£(541)m	£(531)m	£(536)m	(0.9)%	0.9%	
Joint ventures and associates	£(1)m	£(1)m	£(4)m			
Tax on adjusted profit	£(712)m	£(703)m	£(690)m	(3.2)%	(1.9)%	
Adjusted profit after tax²	£1,940m	£1,917m	£1,898m	2.2%	1.0%	
Adjusting items after tax	£(153)m		£(294)m			
Statutory profit after tax	£1,787m		£1,604m	11.4%		
Adjusted diluted EPS ²		29.0p	27.4p		6.0%	
Statutory diluted EPS	27.1p		23.1p	16.9%		
Dividend per share	14.5p		13.7p	5.8%		
Net debt²	£(10,563)m		£(9,454)m	(11.7)%		
Free cash flow²		£1,957m	£1,750m		11.8%	
Capex⁴		£1,511m	£1,457m		3.7%	

The Group's statutory financial results for the year ended 28 February 2026 reflect a 53-week reporting period. Alternative Performance Measures (APMs) are presented for the 52 weeks to 22 February 2026 to aid comparability, except for net debt which is presented at the balance sheet date. There is no impact from the additional week on Insurance & Money Services and Central Europe, which report to the end of February every year. Unless otherwise stated, commentary is on a 52-week basis.

Sales² increased by 4.3% at constant rates with growth across all operating segments. Group volumes continued to grow, supported by further investments in the customer offer, made partially in response to an increased level of competitive intensity in the UK. Revenue increased by 3.3%, which included a (6.5)% decline in fuel sales, driven primarily by lower retail fuel prices year-on-year.

Adjusted operating profit² increased by 0.6% at constant exchange rates or 0.8% at actual rates. We continued to invest in value, quality, and service, driving strong sales growth. Combined with a further c.£535m delivered through our Save to Invest programme, this sales growth more than offset our investments into the customer offer and operating cost inflation.

Statutory operating profit for the 53 weeks to 28 February 2026 increased by 10.1%. The prior year was impacted by a £(286)m non-cash net impairment charge versus £(53)m in the current year. The current year also benefited from an additional week's trading.

Adjusted net finance costs² were slightly lower year-on-year, reflecting lower effective borrowing rates on new debt issued, partially offset by higher lease interest costs. In addition, FY 25/26 benefited from interest income earned on the c.£700m proceeds from the disposal of our Banking operations, which has now been returned to shareholders.

The increase in tax on adjusted profit was driven by higher adjusted profit, with the Group's adjusted effective tax rate steady at 26.8% (FY 24/25: 26.7%).

Adjusted diluted EPS² grew by 6.0%, supported by £1.45bn of share buybacks during the year and growth in adjusted profit after tax². Statutory diluted EPS for the 53 weeks grew by 16.9%, higher than adjusted diluted EPS² growth due to an additional week's trading and last year's non-cash impairment charge. We propose to pay a final dividend of 9.7 pence per ordinary share, taking the full year dividend to 14.5 pence, up 5.8%.

We generated free cash flow² of £1,957m, up 11.8% year-on-year. Strong working capital management and solid sales performance drove a net working capital inflow of £385m, which more than offset increased cash tax payments and increased capex in technology and our distribution network.

Net debt² increased by £(1,109)m, with the prior year including c.£700m of proceeds from the sale of our Banking operations, which have now been returned to shareholders, and lease liabilities increasing by £(168)m driven by lease renewals and extensions. This increased our Net debt/EBITDA ratio to 2.1 times versus 2.0 times at the end of last year.

Further commentary on these metrics can be found below and a full income statement can be found on page 16.

Operating segment presentation – UK & ROI and Booker

As communicated at the half year, following changes to the Group Executive Committee, Booker, which was reported as part of the UK & ROI operating segment in previous years, now meets the definition of an operating segment, as set out in IFRS 8 ‘Operating Segments’. Our full year results are therefore presented on this basis.

Footnotes:

1. In line with its treatment when presented last year, the performance of the Banking operations in FY 24/25 is presented as a discontinued operation. The Insurance & Money Services business (IMS) is presented on a continuing operations basis and therefore within the headline performance measures. There are no discontinued operations in the current year.
2. The Group has defined and outlined the purpose of its Alternative Performance Measures, including its performance highlights, in the Glossary starting on page 42. The Group's statutory financial results for the year ended 28 February 2026 reflect a 53-week reporting period, with the prior year reflecting a 52-week period to 22 February 2025. Alternative Performance Measures (APMs) for FY 25/26 are presented for the 52 weeks to 22 February 2026 to aid comparability, with net debt presented as at the balance sheet date. There is no impact from the additional week on the IMS and Central Europe businesses, which report to the end of February every year.
3. Like-for-like (LFL) sales growth is a measure of growth in Group sales from stores that have been open for at least a year and online sales (at constant exchange rates, excluding VAT and fuel). LFL excludes revenue from dunnhumby, Insurance & Money Services and mall rental income as this revenue is not directly linked to the sale of goods.
4. Capex excludes additions arising from business combinations, property buybacks (typically stores) and other store purchases and their associated refit costs. Refer to page 47 for further details.

Segmental review of performance:

Sales performance:

(exc. VAT, exc. fuel)^{2,3}

	52-week basis			
	Sales (£m)	LFL sales change ³	Total sales change at actual rates	Total sales change at constant rates
On a continuing operations basis ¹				
- UK	49,819	4.2%	4.9%	4.9%
- ROI	3,239	4.6%	8.9%	6.6%
UK & ROI	53,058	4.2%	5.1%	5.0%
Booker	9,040	0.2%	0.6%	0.6%
Central Europe	4,490	2.2%	7.2%	3.7%
Group	66,588	3.5%	4.6%	4.3%

Further information on sales performance is included in the appendices starting on page 51.

Adjusted operating profit² performance:

	52-week basis				
	Profit (£m)	Change at actual rates	Change at constant rates	Margin % at actual rates	Margin % change at actual rates
On a continuing operations basis ¹					
UK & ROI	2,745	0.7%	0.7%	4.7%	(15)bps
Booker	292	0.7%	0.7%	3.2%	0bps
Central Europe	115	2.7%	(0.9)%	2.5%	(10)bps
Group	3,152	0.8%	0.6%	4.3%	(12)bps

Further information on operating profit performance is included in Note 2 starting on page 22.

UK & ROI OVERVIEW:

Like-for-like sales for the UK & ROI segment increased by 4.2%, with market share gains and volume growth in both markets. The sales performance in the UK reflects a strong customer reaction to our targeted investments in price and the shopping experience, made partially in response to an increase in competitive intensity in the UK, with both markets also benefiting from warmer weather in the first half of the financial year.

UK & ROI adjusted operating profit was £2,745m, up 0.7% at constant rates. The strong sales performance and a further contribution from our ongoing Save to Invest programme more than offset our investments in the customer offer and ongoing cost inflation, which included increased National Insurance contributions and the new Extended Producer Responsibility (EPR) levy.

UK – Strong positive response to targeted investments driving further market share gains:

Like-for-like sales grew by 4.2%, with growth delivered across all channels.

Overall market share increased by +24bps to 28.5%. Across the last three years we have gained +122bps of market share and in December 2025 we reached our highest share in a decade. Throughout the year we have continued to prioritise investment in our customer offer. As a result, we have maintained our strong price position against the market, helping support a further year-on-year improvement in our net promoter score, including improvements across Value and Reputation.

Food like-for-like sales grew by 5.2%, with a strong contribution from fresh food which grew 6.9%. We launched over 2,000 new and improved products, including a large-scale refresh of our frozen food offer. Dine-in ranges, such as our Finest Valentine's and Finest Steakhouse ranges have performed well, as customers looked to enjoy restaurant inspired meals at home. In the first half of the year, good weather helped support our sales and, later in the year, we were pleased with our continued

market share gains and the customer response to our new and improved Christmas ranges. Tesco Finest saw sales growth of 14.5%, continuing to benefit from strong volume growth.

In January, we expanded our Everyday Low Prices commitment from 1,000 to 3,000 products, sitting alongside Aldi Price Match on over 600 lines and thousands of Clubcard Prices every week. Over 10,000 products were cheaper at the end of the year than at the start, with an average price reduction of 9.5%.

Clothing like-for-like sales grew 5.1% driven by a continued strong performance in womenswear, with expanded ranges in activewear and our curated 'F&F Edit' ranges both performing well. Growth was also supported by the launch of F&F online during the year, which offers customers access to a much fuller range of clothing.

Home like-for-like sales declined (0.7)% but grew 1.8% on an underlying basis when excluding the impact of the transition to a commission model with the Entertainer for toys, which completed in the second half of FY 24/25. The partnership, which offers customers an even better range of toys in our stores, means we no longer recognise toy sales and instead earn commission income. Underlying growth was primarily driven by the continued success of our relaunched F&F Home range.

Like-for-like sales grew across both our large and convenience store formats. Large store like-for-like sales grew 3.9% as we maintained our market leading availability and saw a positive customer response to investments made to the overall shopping experience, in particular in customer service and at the checkout. Convenience like-for-like sales grew by 0.3%, with convenience market share growing +71bps year-on-year, with strong food performance offsetting the ongoing decline in the tobacco market.

Online sales grew by 11.2%, including a c.2ppts contribution from Tesco Whoosh, our rapid delivery service, where we extended national coverage to 73% of households. Average online orders per week for our grocery home shopping business grew 6.0% year-on-year as we rolled out further improvements to our website. The number of delivery saver subscribers increased by 7.6% to 834k, while online market share (which excludes rapid grocery) grew +30bps to 35.7%.

Online performance (excluding Tesco Marketplace)	FY 25/26 52 weeks	YoY change
Sales inc. VAT	£7.5bn	11.2%
Online % of UK total sales	14.3%	0.8%
<i>Grocery home shopping:</i>		
- Orders per week	1.22m	6.0%
- Basket size	£112	2.7%

Average weekly traffic to Tesco Marketplace more than doubled during the year and average basket spend grew by c.90%. As part of our work to further enhance the seller experience and provide an even better proposition for customers, we have now successfully migrated Tesco Marketplace to a new Mirakl platform.

ROI – Ongoing volume growth driving further market share gains:

Our Ireland business delivered sales growth of 6.6% at constant rates, with strong like-for-like sales growth of 4.6%. Our market share grew +32bps to 24.2%, the fourth consecutive year of share growth. New space also supported sales growth, which included the opening of four new superstores and five Express stores during the year.

Food like-for-like sales grew by 5.1%, with a strong contribution from our core fresh food offer. Food growth was further supported by a strong Tesco Finest performance where sales were up 11.8% year-on-year.

We delivered like-for-like sales growth across all channels, with Online delivering 17.4% growth year-on-year. We launched Tesco Whoosh in Ireland this year, which is now in 31 stores, and we expect the service to meaningfully contribute to our online business moving forward. Large store sales grew 3.1% as we continue to improve price competitiveness in the market, with our price index improving year-on-year.

Non-food sales were broadly flat on an underlying basis when excluding the impact from the transition to a commission model with the Entertainer for toys.

BOOKER OVERVIEW – Robust growth across core retail and catering:

	Sales £m 52 weeks	LFL
Core retail	3,307	2.2%
Core catering*	2,752	3.8%
Tobacco	1,532	(9.5)%
Best Food Logistics	1,449	0.6%
Total Booker	9,040	0.2%

*Includes sales to small businesses and sales from Venus Wine and Spirit Merchants Limited, which was acquired in June 2024 and is included in like-for like growth from June 2025.

Booker like-for-like sales grew 0.2%, with robust growth in core retail and catering offset by the continuing decline in the tobacco market. Best Food Logistics delivered like-for-like growth of 0.6% despite continued weakness in parts of the fast-food market.

Core retail grew by 2.2%, including the impact from the ending of a lower-margin national account in August 2025. We continue to see strong growth in our core symbol brands with a further 369 net new retailer partners across the year and we saw further improvements in customer satisfaction scores across our retail customer base. Core catering performed well with like-for-like sales growth of 3.8%, supported by a strong contribution from Venus, our specialist wine and spirit merchant, and good weather over the summer. Customer satisfaction scores also improved in catering, and we continued to deliver great value and availability.

Booker operating profit grew 0.7% to £292m, with a strong contribution from Save to Invest and sales growth helping to offset significant cost inflation.

CENTRAL EUROPE OVERVIEW – Strong delivery amidst increased competition and ongoing regulatory pressure:

Like-for-like sales grew by 2.2%, with food growing by 2.6% across the region. Fresh food grew by 4.1% as customers continued to value our competitive price position and high-quality offer amid increased competition and ongoing regulatory pressure. Tesco Finest sales also continued to perform well, up 33.5%.

Large, Convenience and Online all delivered like-for-like growth across the region, with Online growing by 17.5%. Convenience like-for-like sales grew 3.1% and Large store like-for-like sales grew 1.4%, with the channel weighed by softer non-food sales, impacted by challenging consumer confidence and poor weather during key trading periods.

Central Europe delivered adjusted operating profit of £115m, up 2.7% at actual exchange rates but down by (0.9)% at constant rates. The decline in constant rate profitability includes the impact from the disposal of certain mall properties in the prior year. Excluding this impact, adjusted operating profit grew 8.1% year-on-year at constant rates, supported by a strong contribution from our Save to Invest initiatives, helping to offset the impact of increased competition, particularly in Slovakia, and ongoing regulatory pressure.

Adjusting items:

	FY 25/26 £m 53 weeks	FY 24/25 £m 52 weeks
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 from continuing operations	(153)	(294)
Adjusting items included within discontinued operations	-	(65)
Total adjusting items	(153)	(359)

Adjusting items are excluded from our adjusted profit performance by virtue of their size and nature, to provide a helpful perspective of the year-on-year performance of our ongoing business.

Total adjusting items in statutory operating profit from continuing operations resulted in a net charge of £(209)m, compared to a net charge of £(417)m in the prior period.

Whilst overall performance was strong across our operating segments, we recognised a non-cash net impairment charge of £(53)m in the current year, principally reflecting an increase in the competitive intensity in the Slovakian market. In the prior year there was a £(286)m non-cash net impairment charge, mainly reflecting an increase in discount rates across the Group.

We continue to present amortisation of acquired intangible assets, principally relating to the merger with Booker, as an adjusting item. The amortisation of acquired intangible assets was £(78)m (FY 24/25: £(76)m).

We incurred £(28)m of separation costs relating to the disposal of our Banking operations (FY 24/25: £(14)m), with the transition activities expected to complete in FY 26/27.

Restructuring and adjusting property transactions in the current year mainly relates to our Save to Invest programme and costs associated with our multi-year programme to optimise our distribution network in the UK. The prior year costs primarily related to our Save to Invest programme.

Adjusting items in net finance (costs) / income and tax are explained in the relevant sections below.

Adjusting items included within discontinued operations in the prior year primarily related to fair value remeasurement of assets of the disposal group associated with the sale of our Banking operations to Barclays in November 2024.

Further detail on adjusting items can be found in Note 4, starting on page 24.

Net finance costs:

On a continuing operations basis ¹	FY 25/26 £m 53 weeks	FY 25/26 £m 52 weeks	FY 24/25 £m 52 weeks
Net interest costs	(140)	(137)	(157)
Net finance expenses from insurance contracts	(11)	(11)	(9)
Finance charges payable on lease liabilities	(390)	(383)	(370)
Adjusted net finance costs	(541)	(531)	(536)
Fair value remeasurements of financial instruments	(26)		76
Net pension finance costs	(14)		(32)
Adjusting items included in net finance costs	(40)		44
Statutory net finance costs	(581)		(492)

Adjusted net finance costs of £(531)m on a 52-week basis were slightly lower than last year (FY 24/25: £(536)m), reflecting lower effective borrowing rates on new debt issued, partially offset by higher lease interest costs. In addition, FY 25/26 benefited from interest income earned on the cash received from the disposal of our Banking operations in the second half of FY 24/25.

Now that these proceeds have been returned to shareholders, we expect adjusted net finance costs to normalise to levels similar to FY 23/24 (£558m).

Within adjusting items, fair value remeasurements of financial instruments led to a charge of £(26)m, compared to income of £76m in the prior year. The charge mainly relates to non-cash mark-to-market movements on certain derivative financial instruments which hedge inflation on some of our lease arrangements. The movement principally reflects changes in long term UK inflation expectations since the start of the year.

Net pension finance costs decreased by £18m, driven by a reduction in the opening net deficit position of the defined benefit pension plans.

Statutory net finance costs of £(581)m were £(89)m higher than last year, largely due to the impact of adjusting items explained above.

Further detail on finance income and costs can be found in Note 5 on page 25, as well as further detail on the adjusting items in Note 4, starting on page 24.

Group tax:

	FY 25/26 £m 53 weeks	FY 25/26 £m 52 weeks	FY 24/25 £m 52 weeks
Tax on adjusted profit	(712)	(703)	(690)
Tax on adjusting items	96		79
Statutory tax on profit	(616)		(611)

Tax on adjusted profit on a 52-week basis was £(703)m, slightly higher than last year primarily reflecting an increase in adjusted profit, with the adjusted effective tax rate steady at 26.8% (FY 24/25: 26.7%). The adjusted effective tax rate is higher than the UK statutory rate of 25%, primarily due to the depreciation of assets which do not qualify for tax relief. We expect our FY 26/27 adjusted effective tax rate to remain around 27%.

Adjusting tax credits in both years primarily relate to deferred tax on impairment charges on qualifying assets and the amortisation of acquired intangible assets.

Statutory tax on profit of £(616)m was £(5)m higher than last year, primarily due to an increase in adjusted profit, partially offset by higher tax credits on adjusting items.

Earnings per share:

	FY 25/26 £m 53 weeks	FY 25/26 £m 52 weeks	FY 24/25 £m 52 weeks	YoY change
On a continuing operations basis¹				
Adjusted diluted EPS		29.0p	27.4p	6.0%
Statutory diluted EPS	27.1p		23.1p	16.9%
Statutory basic EPS	27.5p		23.4p	17.3%
On a total basis, including discontinued operations				
Statutory diluted EPS	27.1p		23.5p	15.1%
Statutory basic EPS	27.5p		23.8p	15.4%

Adjusted diluted EPS was 29.0p, 6.0% higher year-on-year, driven by a reduction in the number of shares in issue from our ongoing share buyback programme and growth in adjusted operating profit.

Statutory diluted EPS was 27.1p, a year-on-year increase of 16.9%. The higher statutory growth rate in diluted EPS is due to a lower level of adjusting items in the current year and the effect of an additional week's trading profits.

Dividend:

We propose to pay a final dividend of 9.7 pence per ordinary share, which combined with the interim dividend of 4.8 pence per ordinary share paid in November 2025, takes the full year dividend to 14.5 pence per ordinary share. The full year dividend is based on our dividend policy to pay a progressive dividend, broadly targeting a 50% pay-out of adjusted earnings per share.

The proposed final dividend was approved by the Board of Directors on 15 April 2026 and is subject to the approval of shareholders at this year's Annual General Meeting. The final dividend will be paid on 26 June 2026 to shareholders who are on the register of members at close of business on 15 May 2026 (the Record Date). Shareholders may elect to reinvest their dividend in the dividend reinvestment plan (DRIP). The last date for receipt of DRIP elections and revocations will be 5 June 2026.

Summary of Net debt (at the balance sheet date):

	Feb-26 £m	Feb-25 £m	Movement £m
Net debt before lease liabilities	(2,679)	(1,738)	(941)
Lease liabilities	(7,884)	(7,716)	(168)
Net debt	(10,563)	(9,454)	(1,109)
Net debt / EBITDA*	2.1x	2.0x	

*Net debt to EBITDA is calculated using EBITDA on a 52-week basis.

Net debt was £(10,563)m, an increase of £(1,109)m year-on-year. The increase in net debt is mainly due to the prior year including c.£700m of proceeds from the sale of our Banking operations which were returned to shareholders via additional share buybacks during the year. Lease liabilities increased by £(168)m driven by lease renewals and extensions, partially offset by the buyback of seven leasehold sites across the UK and Booker.

We generated free cash flow on a 52-week basis of £1,957m, which more than covered cash outflows relating to our ongoing share buyback programme of £(750)m and dividend payments of £(937)m.

Our Net debt to EBITDA ratio was 2.1 times at the end of the year, up from 2.0 times at the end of last year.

We continue to hold strong levels of liquidity totalling £2.9bn including cash, highly liquid short-term deposits and money market investments. In addition, we have an undrawn £2.5bn committed revolving credit facility which is in place until at least November 2027.

Fixed charge cover remained broadly in line with last year at 4.1 times (FY24/25: 4.2 times).

Defined benefit pension schemes (at the balance sheet date):

	Feb-26 £m	Feb-25 £m	Movement £m
Defined benefit schemes in surplus	324	56	268
Defined benefit schemes in deficit	(127)	(307)	180
Deferred tax asset	23	71	(48)
Surplus / (deficit) in schemes at the end of the year (net of deferred tax)	220	(180)	400

Net of tax, the net IAS 19 pension position improved from a deficit of £(180)m to a surplus of £220m, principally reflecting asset performance. The principal defined benefit pension plan within the Group is the Tesco PLC Pension Scheme (the "Scheme"), a UK scheme that has been closed to future accrual since 2015.

During the year, we completed the 31 March 2025 triennial funding valuation for the Scheme together with the Scheme trustee. This showed that the actuarial position of the Scheme for funding purposes was in surplus, with a funding level of 106% (31 March 2022: 104%). As a result, it was agreed with the Scheme trustee that no pension deficit contributions would be required from the Group.

Further detail on post-employment benefits can be found in Note 18, starting on page 35.

Summary free cash flow:

The following table reconciles Group adjusted operating profit to free cash flow (on a 52-week basis). Further details are included in the Glossary starting on page 42.

On a continuing operations basis ¹	FY 25/26 £m	FY 24/25 £m	Movement £m
Adjusted operating profit (53-week basis)	3,194		
Less: Adjusted operating profit (for week 53)	(42)		
Adjusted operating profit (52-week basis)	3,152	3,128	24
Less: IMS adjusted operating profit	(167)	(155)	(12)
Retail adjusted operating profit	2,985	2,973	12
Add back: Depreciation and amortisation	1,764	1,680	84
Share based payments and other items	66	69	(3)
Pensions	(31)	(30)	(1)
Decrease / (increase) in working capital	385	(45)	430
Cash generated from operations before adjusting items	5,169	4,647	522
Cash capex	(1,515)	(1,392)	(123)
Net interest paid	(518)	(503)	(15)
Tax paid	(497)	(355)	(142)
Dividends received	52	2	50
Repayment of capital element of obligations under leases	(634)	(595)	(39)
Own shares purchased for share schemes	(100)	(54)	(46)
Free cash flow (52-week basis)	1,957	1,750	207
<i>Memo (not included in free cash flow definition):</i>			
- Net acquisitions and disposals	(18)	(61)	
- Property buybacks, store purchases and disposal proceeds	(144)	(93)	
- Restructuring and property transactions in adjusting items	(54)	(55)	

We delivered free cash flow of £1,957m, with cash generated from operations improving by £522m year-on-year, driven by working capital inflows and growth in adjusted operating profit. Free cash flow was £207m higher than last year, with the increase in cash generated from operations partly offset by higher cash capex, tax payments and own shares purchased for employee share schemes.

The net working capital inflow of £385m is mainly driven by our solid sales performance, which led to higher trade payables, strong working capital management, and a payable relating to the new EPR levy.

Cash capex was £(123)m higher than last year reflecting incremental investments to optimise our distribution network, refresh and enhance our store estate, and deliver a more personalised and connected experience for our customers.

Net interest paid was £(15)m higher year-on-year, principally due to the timing of coupon payments.

Tax payments increased by £(142)m year-on-year mainly driven by the end of historical tax deductions and the prior year benefiting from a tax deduction arising on the disposal of our Banking operations.

Dividends received were £50m higher, reflecting dividends received from Insurance and Money Services.

Within the memo lines shown, the net £(18)m acquisitions and disposals outflow includes the settlement of deferred consideration on Booker's acquisition of Venus Wine and Spirit Merchants PLC. The £(144)m net outflow relating to property transactions primarily relates to the buyback of seven stores in the UK and Booker. Restructuring and property transactions in adjusting items of £(54)m primarily relates to operational restructuring changes as part of our Save to Invest programme.

Capital expenditure and space:

	UK & ROI		Booker		Central Europe		Group	
	FY 25/26	FY 24/25	FY 25/26	FY 24/25	FY 25/26	FY 24/25	FY 25/26	FY 24/25
Capex (52-week basis)	£1,347m	£1,284m	£57m	£63m	£107m	£110m	£1,511m	£1,457m
Openings (k sq ft)	361	311	-	-	48	84	409	395
Closures (k sq ft)	(94)	(98)	(11)	-	(6)	(45)	(111)	(143)
Repurposed (k sq ft)	2	(235)	-	-	(57)	(145)	(55)	(380)
Net space change (k sq ft)	269	(22)	(11)	-	(15)	(106)	243	(128)

Space in the above table is defined as net space in store adjusted to exclude checkouts, space behind checkouts, customer service desks and customer toilets. The data reflects space changes over the 53-week statutory financial year and excludes space relating to franchise stores.

Capital expenditure shown in the table above reflects expenditure on ongoing business activities across the Group, excluding property buybacks.

Our capital expenditure for the full year was £1,511m, an increase of £54m compared to last year. We continue to invest in opportunities to grow our store estate and further enhance the in-store experience for our customers. Over the course of the year, we opened a total of 77 stores in the UK, 9 in ROI and 7 in Central Europe. Additionally, we refreshed 300 stores across the Group.

In addition to continuing to invest in our core assets, we have stepped up our investment in delivering efficiencies across our operations, including the opening of our Aylesford distribution centre and a first phase investment in our new distribution centre at DP World London Gateway. The London site is expected to open in 2029 and will leverage the latest technology to enhance our supply chain and support future growth.

Statutory capital expenditure for the financial year was £1.7bn, including property buybacks and store purchases.

We expect around £1.6bn on capital expenditure in FY 26/27, as we continue to invest in attractive opportunities to optimise our existing operations, improve our technology and digital capability, whilst continuing to enhance our existing store estate.

Further details of current space can be found in the appendices starting on page 51.

Property value (at the balance sheet date):

	UK & ROI		Booker		Central Europe		Group	
	Feb-26	Feb-25	Feb-26	Feb-25	Feb-26	Feb-25	Feb-26	Feb-25
Property ¹ – fully owned								
Estimated market value	£15.5bn	£15.0bn	£0.4bn	£0.4bn	£1.8bn	£1.6bn	£17.7bn	£17.0bn
NBV	£15.2bn	£14.9bn	£0.4bn	£0.4bn	£1.4bn	£1.3bn	£17.0bn	£16.6bn
% store selling space owned	58%	58%	29%	29%	65%	64%	60%	59%
% property owned by value ²	61%	61%	27%	26%	62%	55%	60%	60%

1. Stores, malls, investment property, offices, distribution centres, fixtures and fittings, work-in-progress. Excludes joint ventures.

2. Excludes fixtures and fittings.

The estimated market value of our fully owned property as at the year-end increased by £0.7bn to £17.7bn. The increase was largely driven by a modest increase in rental values, with yields remaining fairly stable across the Group. The UK & ROI increase in market value also reflects the buyback of seven stores in the UK. The market value represents a surplus of £0.7bn over the net book value.

Group store selling space ownership percentage was 60%, marginally higher year-on-year, driven by store buybacks in the UK.

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This document is available at www.tescopl.com/prelims2526.

A webcast including a Q&A will be held today at 9.00am for investors and analysts and will be available on our website at www.tescopl.com/prelims2526. This will be available for playback after the event. All presentation materials, including a transcript, will be made available on our website.

We will release our Q1 Trading Statement on 18 June 2026.

LEI: 2138002P5RNKC5W2JZ46

Sources

- UK market share based on Worldpanel by Numerator Total Grocers Total Till Roll for 12 weeks ended 22 February 2026.
- UK channels market share based on Worldpanel by Numerator Total Grocery for 12 weeks ended 22 February 2026.
- ROI market share based on Worldpanel by Numerator Total Take Home Grocery on 12-week rolling basis to 22 February 2026.
- Relative price positioning is based on our UK Price index, 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.
- Customer satisfaction and Brand NPS is based on BASIS Global Brand Tracker for 13 weeks ended 28 February 2026. Responses to the question: "How likely is it that you would recommend the following company to a friend or colleague as a place to shop?"
- Availability based on Multi channel tracker for 13 weeks ended 28 February 2026. Responses to: "I Can Get What I Want".
- Number of new Booker retail partners is net of openings and closures, including national accounts.
- Tesco Mobile 'Best Network for Customer Service' refers to 2026 Uswitch Telecoms Awards.
- As part of the Multi-year Performance Framework, 'Core UK Market share' refers to our market share across Tesco stores and online in the UK.

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.

Group income statement

		53 weeks ended 28 February 2026			52 weeks ended 22 February 2025		
	Notes	Before adjusting items £m	Adjusting items (Note 4) £m	Total £m	Before adjusting items £m	Adjusting items (Note 4) £m	Total £m
Continuing operations							
Revenue from sale of goods and services		72,886	–	72,886	69,191	–	69,191
Insurance revenue		826	–	826	725	–	725
Revenue	2,3	73,712	–	73,712	69,916	–	69,916
Cost of sales		(67,284)	(91)	(67,375)	(63,886)	(319)	(64,205)
Insurance service expenses		(752)	–	(752)	(598)	–	(598)
Net expenses from reinsurance contracts held		(47)	–	(47)	(62)	–	(62)
Gross profit/(loss)		5,629	(91)	5,538	5,370	(319)	5,051
Administrative expenses		(2,435)	(118)	(2,553)	(2,242)	(98)	(2,340)
Operating profit/(loss)	2	3,194	(209)	2,985	3,128	(417)	2,711
Share of post-tax profit/(loss) of joint ventures and associates		(1)	–	(1)	(4)	–	(4)
Finance income	5	233	–	233	254	–	254
Finance costs	5	(774)	(40)	(814)	(790)	44	(746)
Profit/(loss) before tax from continuing operations		2,652	(249)	2,403	2,588	(373)	2,215
Taxation		(712)	96	(616)	(690)	79	(611)
Profit/(loss) for the year from continuing operations		1,940	(153)	1,787	1,898	(294)	1,604
Discontinued operations							
Profit/(loss) for the year from discontinued operations		–	–	–	91	(65)	26
Profit/(loss) for the year		1,940	(153)	1,787	1,989	(359)	1,630
Attributable to:							
Owners of the parent		1,940	(153)	1,787	1,985	(359)	1,626
Non-controlling interests		–	–	–	4	–	4
		1,940	(153)	1,787	1,989	(359)	1,630
Earnings per share from continuing and discontinued operations							
Basic	8			27.5p			23.8p
Diluted	8			27.1p			23.5p
Earnings per share from continuing operations							
Basic	8			27.5p			23.4p
Diluted	8			27.1p			23.1p

The notes on **pages 21 to 41** form part of this condensed consolidated financial information.

Group statement of comprehensive income/(loss)

	Notes	53 weeks ended 28 February 2026 £m	52 weeks ended 22 February 2025 £m
Items that will not be reclassified to the Group income statement			
Change in fair value of financial assets at fair value through other comprehensive income		–	4
Remeasurements of defined benefit pension schemes	18	437	387
Net fair value gains/(losses) on inventory cash flow hedges		(77)	7
Tax on items that will not be reclassified		(46)	(95)
		314	303
Items that may subsequently be reclassified to the Group income statement			
Change in fair value of financial assets at fair value through other comprehensive income		20	14
Currency translation differences:			
Retranslation of net assets of overseas subsidiaries, joint ventures and associates		166	(89)
Impact of net investment hedges		(73)	33
Gains/(losses) on cash flow hedges:			
Net fair value gains/(losses)		(7)	33
Reclassified and reported in the Group income statement		(16)	(71)
Finance income/(expenses) from insurance contracts issued		(4)	–
Finance income/(expenses) from reinsurance contracts held		1	1
Tax on items that may be reclassified		(3)	6
		84	(73)
Total other comprehensive income/(loss) for the year		398	230
Profit/(loss) for the year		1,787	1,630
Total comprehensive income/(loss) for the year		2,185	1,860
Attributable to:			
Owners of the parent		2,187	1,858
Non-controlling interests		(2)	2
Total comprehensive income/(loss) for the year		2,185	1,860
Total comprehensive income/(loss) attributable to owners of the parent arising from:			
Continuing operations		2,187	1,832
Discontinued operations		–	26
		2,187	1,858

The notes on **pages 21 to 41** form part of this condensed consolidated financial information.

Group balance sheet

	Notes	28 February 2026 £m	22 February 2025 £m
Non-current assets			
Goodwill and other intangible assets		5,092	5,087
Property, plant and equipment	9	17,728	17,262
Right of use assets	10	5,777	5,569
Investment property		20	24
Investments in joint ventures and associates		121	110
Other investments		983	934
Trade and other receivables		161	158
Reinsurance contract assets	15	123	124
Derivative financial instruments		613	663
Post-employment benefit surplus	18	324	56
Deferred tax assets	6	49	47
		30,991	30,034
Current assets			
Other investments		220	151
Inventories		2,840	2,768
Trade and other receivables		1,318	1,210
Derivative financial instruments		15	172
Current tax assets		32	27
Short-term investments	12	1,429	2,223
Cash and cash equivalents	12	2,515	2,255
		8,369	8,806
Non-current assets classified as held for sale		114	50
		8,483	8,856
Current liabilities			
Trade and other payables		(10,746)	(10,364)
Borrowings	14	(1,824)	(1,861)
Lease liabilities	10	(659)	(618)
Provisions		(273)	(300)
Insurance contract liabilities	15	(772)	(652)
Derivative financial instruments		(48)	(12)
Current tax liabilities		(7)	(13)
		(14,329)	(13,820)
Net current liabilities		(5,846)	(4,964)
Non-current liabilities			
Trade and other payables		(42)	(40)
Borrowings	14	(5,372)	(5,089)
Lease liabilities	10	(7,225)	(7,098)
Provisions		(164)	(166)
Derivative financial instruments		(123)	(205)
Post-employment benefit deficit	18	(127)	(307)
Deferred tax liabilities	6	(635)	(503)
		(13,688)	(13,408)
Net assets		11,457	11,662
Equity			
Share capital	19	404	426
Share premium		5,166	5,165
Other reserves	19	3,167	3,140
Retained earnings		2,726	2,935
Equity attributable to owners of the parent		11,463	11,666
Non-controlling interests		(6)	(4)
Total equity		11,457	11,662

The notes on **pages 21 to 41** form part of this condensed consolidated financial information.

Group statement of changes in equity

	Notes	Share capital £m	Share premium £m	Other reserves (Note 19) £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
At 22 February 2025		426	5,165	3,140	2,935	11,666	(4)	11,662
Profit/(loss) for the year		–	–	–	1,787	1,787	–	1,787
Other comprehensive income/(loss)								
Retranslation of net assets of overseas subsidiaries, joint ventures and associates		–	–	166	–	166	–	166
Impact of net investment hedges		–	–	(73)	–	(73)	–	(73)
Change in fair value of financial assets at fair value through other comprehensive income		–	–	–	20	20	–	20
Remeasurements of defined benefit pension schemes	18	–	–	–	437	437	–	437
Gains/(losses) on cash flow hedges		–	–	(84)	–	(84)	–	(84)
Cash flow hedges reclassified and reported in the Group income statement		–	–	(14)	–	(14)	(2)	(16)
Finance income/(expenses) from insurance contracts issued		–	–	(4)	–	(4)	–	(4)
Finance income/(expenses) from reinsurance contracts held		–	–	1	–	1	–	1
Tax relating to components of other comprehensive income		–	–	6	(55)	(49)	–	(49)
Total other comprehensive income/(loss)		–	–	(2)	402	400	(2)	398
Total comprehensive income/(loss)		–	–	(2)	2,189	2,187	(2)	2,185
Inventory cash flow hedge movements								
(Gains)/losses transferred to the cost of inventory		–	–	61	–	61	–	61
Total inventory cash flow hedge movements		–	–	61	–	61	–	61
Transactions with owners								
Own shares purchased for cancellation	19	–	–	(1,443)	–	(1,443)	–	(1,443)
Own shares cancelled	19	(22)	–	1,465	(1,443)	–	–	–
Own shares purchased for share schemes		–	–	(279)	–	(279)	–	(279)
Share-based payments		–	–	181	(23)	158	–	158
Share forfeiture	19	–	1	–	–	1	–	1
Dividends	7	–	–	–	(936)	(936)	–	(936)
Transfer from own shares held to retained earnings		–	–	44	(44)	–	–	–
Tax on items (charged)/credited to equity		–	–	–	48	48	–	48
Total transactions with owners		(22)	1	(32)	(2,398)	(2,451)	–	(2,451)
At 28 February 2026		404	5,166	3,167	2,726	11,463	(6)	11,457

	Notes	Share capital £m	Share premium £m	Other reserves (Note 19) £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
At 24 February 2024		445	5,165	3,131	2,930	11,671	(6)	11,665
Profit/(loss) for the year		–	–	–	1,626	1,626	4	1,630
Other comprehensive income/(loss)								
Retranslation of net assets of overseas subsidiaries, joint ventures and associates		–	–	(89)	–	(89)	–	(89)
Impact of net investment hedges		–	–	33	–	33	–	33
Change in fair value of financial assets at fair value through other comprehensive income		–	–	–	18	18	–	18
Remeasurements of defined benefit pension schemes	18	–	–	–	387	387	–	387
Gains/(losses) on cash flow hedges		–	–	40	–	40	–	40
Cash flow hedges reclassified and reported in the Group income statement		–	–	(69)	–	(69)	(2)	(71)
Finance income/(expenses) from reinsurance contracts held		–	–	1	–	1	–	1
Tax relating to components of other comprehensive income		–	–	7	(96)	(89)	–	(89)
Total other comprehensive income/(loss)		–	–	(77)	309	232	(2)	230
Total comprehensive income/(loss)		–	–	(77)	1,935	1,858	2	1,860
Transfer from translation reserve to retained earnings		–	–	36	(36)	–	–	–
Inventory cash flow hedge movements								
(Gains)/losses transferred to the cost of inventory		–	–	(4)	–	(4)	–	(4)
Total inventory cash flow hedge movements		–	–	(4)	–	(4)	–	(4)
Transactions with owners								
Own shares purchased for cancellation	19	–	–	(1,016)	–	(1,016)	–	(1,016)
Own shares cancelled	19	(19)	–	1,035	(1,016)	–	–	–
Own shares purchased for share schemes		–	–	(204)	–	(204)	–	(204)
Share-based payments		–	–	239	(49)	190	–	190
Dividends	7	–	–	–	(865)	(865)	–	(865)
Tax on items (charged)/credited to equity		–	–	–	36	36	–	36
Total transactions with owners		(19)	–	54	(1,894)	(1,859)	–	(1,859)
At 22 February 2025		426	5,165	3,140	2,935	11,666	(4)	11,662

The notes on **pages 21 to 41** form part of this condensed consolidated financial information.

Group cash flow statement

	Notes	53 weeks ended 28 February 2026 £m	52 weeks ended 22 February 2025 £m
Cash flows generated from/(used in) operating activities			
Operating profit/(loss) of continuing operations		2,985	2,711
Operating profit/(loss) of discontinued operations		–	35
Depreciation and amortisation		1,895	1,775
(Profit)/loss arising on sale of property, plant and equipment, investment property, intangible assets and assets classified as held for sale		–	1
Net impairment loss/(reversal) on property, plant and equipment, right of use assets, intangible assets and investment property	11	53	298
Impairment loss on other investments		–	10
Net remeasurement loss of non-current assets held for sale		1	64
Adjustment for non-cash element of pensions charge		8	–
Defined benefit pension scheme payments	18	(31)	(30)
Share-based payments		55	37
Fair value movements included in operating profit/(loss)		–	9
(Increase)/decrease in inventories		(40)	(141)
(Increase)/decrease in trade and other receivables and reinsurance assets		(72)	(5)
Increase/(decrease) in trade and other payables and insurance liabilities		350	158
Increase/(decrease) in provisions		(36)	(10)
Increase/(decrease) in deposits from central bank		–	(908)
(Increase)/decrease in working capital of the Banking operations disposal group		–	53
(Increase)/decrease in working capital		202	(853)
Cash generated from/(used in) operations		5,168	4,057
Interest paid*		(759)	(772)
Corporation tax paid		(503)	(366)
Net cash generated from/(used in) operating activities		3,906	2,919
Cash flows generated from/(used in) investing activities			
Proceeds from sale of property, plant and equipment, investment property, intangible assets and assets classified as held for sale		47	137
Purchase of property, plant and equipment and investment property		(1,344)	(1,247)
Purchase of intangible assets		(322)	(292)
Disposal of subsidiaries, net of cash disposed		2	–
Disposal of Banking operations, net of cash disposed		–	157
Acquisition of subsidiaries, net of cash acquired		(9)	(46)
Proceeds from sale of joint ventures and associates		1	–
Increase in loans to joint ventures and associates		(1)	(1)
Investments in joint ventures and associates		(12)	(15)
Dividends received from joint ventures and associates		2	2
Cash inflows from maturing short-term investments – deposits		1,375	1,910
Cash outflows on investing in short-term investments – deposits		(1,275)	(1,771)
(Investments in)/proceeds from other short-term investments		693	(234)
Proceeds from sale of other investments*		163	994
Purchase of other investments		(261)	(290)
Interest received		235	255
Net cash generated from/(used in) investing activities		(706)	(441)
Cash flows generated from/(used in) financing activities			
Proceeds from sale of untraced shares	19	1	–
Own shares purchased for cancellation	19	(1,443)	(1,016)
Own shares purchased for share schemes, net of cash received from employees		(100)	(54)
Repayment of capital element of obligations under leases*		(668)	(599)
Cash outflows exceeding the incremental increase in assets in a property buyback		(62)	(92)
Increase in borrowings		919	462
Repayment of borrowings*		(803)	(764)
Cash inflows from derivative financial instruments*		78	61
Cash outflows from derivative financial instruments*		(71)	(74)
Dividends paid to equity owners	7	(937)	(864)
Net cash generated from/(used in) financing activities		(3,086)	(2,940)
Net increase/(decrease) in cash and cash equivalents		114	(462)
Cash and cash equivalents at the beginning of the year		1,399	1,874
Effect of foreign exchange rate changes		(2)	(13)
Cash and cash equivalents at the end of the year	12	1,511	1,399

* Comparatives have been re-presented following the Group's change in accounting policy for economic hedges. There is no impact on Net increase/(decrease) in cash and cash equivalents, and no impact on any APMs. See **Note 22** for more details.

The notes on **pages 21 to 41** form part of this condensed consolidated financial information.

Note 1 Basis of preparation

This preliminary consolidated financial information has been prepared in accordance with the Disclosure and Transparency Rules of the UK Financial Conduct Authority, and the principles of UK-adopted IFRS. The accounting policies applied, and the judgements, estimates and assumptions made in applying these policies, are consistent with those used in preparing the Annual Report and Group financial statements 2026, which are the same as those used in preparing the Annual Report and Group financial statements 2025, except as noted below. The financial year represents the 53 weeks ended 28 February 2026 (prior financial year 52 weeks ended 22 February 2025). This preliminary consolidated financial information does not constitute statutory consolidated financial statements for the 53 weeks ended 28 February 2026 as defined under section 434 of the Companies Act 2006.

The Annual Report and Group financial statements for the 53 weeks ended 28 February 2026 were approved by the Board of Directors on 15 April 2026. The report of the auditor on those Group financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The Annual Report and Group financial statements for 2026 will be filed with the Registrar in due course.

The Annual Report and Group financial statements for the 52 weeks ended 22 February 2025 were approved by the Board of Directors on 9 April 2025. The report of the auditor on those Group financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, which reflects a period of 18 months from the date of approval of the financial statements, and have concluded that there are no material uncertainties relating to going concern. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated Group financial statements. Further information on the Group's liquidity position is given in the Summary of Net debt section of the Group review of performance.

Adoption of new IFRSs

Standards, interpretations and amendments that became effective in the current financial year have not had a material impact on the consolidated financial statements.

The Group has not applied any standards, interpretations or amendments that have been issued but are not yet effective.

The impact of the following is under assessment:

– IFRS 18 'Presentation and disclosure in financial statements', which will become effective in the consolidated Group financial statements for the financial year ending 26 February 2028. The Group will adopt the standard retrospectively, with comparatives restated from a transition date of 1 March 2026.

IFRS 18 will affect how the Group presents and discloses its financial performance; it will not impact the recognition or measurement of any items in the financial statements. Income and expenses will be classified into five categories on the face of the income statement: operating, investing, financing, taxation and discontinued operations. The Group's profit before tax will not change. Disclosures relating to 'management-defined performance measures', a subset of the Group's alternative performance measures, will be included in the audited notes to the financial statements.

The Group is well progressed with its impact assessment and its project to implement finance system change to enable reporting in accordance with IFRS 18. During the next financial year, the Group will finalise those system changes, commence a parallel reporting process for the comparative period, and quantify the impact of the new standard on the comparative period primary financial statements and the Group's alternative performance measures. Until this work is completed, it is not practical to quantify the financial effects of IFRS 18.

Other standards, interpretations and amendments issued but not yet effective are not expected to have a material impact on the consolidated Group financial statements.

Segmental reporting

Following changes to the Group Executive Committee and management reporting to the Chief Operating Decision Maker (CODM) within the year, Booker is now a separate operating and reportable segment (refer to **Note 2**). Segmental comparatives have been restated accordingly.

Presentation of economic hedges in the Group cash flow statement

The Group now classifies economic hedges in the same cash flow statement category as the underlying risk or hedged item and presents the related derivative cash flow movements net with the cash flows from the underlying risk being hedged (refer to **Note 22**). Comparatives have been restated accordingly.

Impact of the conflict in the Middle East

In light of the escalation of the conflict in the Middle East on 28 February 2026 (the Group balance sheet date), the Group has considered whether any adjustments are required to reported amounts in the financial statements. The Group considers there to be no observable indicators at the balance sheet date requiring adjustment in the Group financial statements.

The Group also reviewed non-adjusting macroeconomic movements after the balance sheet date (for example discount rates, asset values, inflation and future cash flow expectations) and concluded that, where relevant, those movements were within the range of the Group's existing sensitivities, hence no additional disclosures were required.

Sensitivities of reasonably possible changes in key inputs to impairment testing of goodwill and non-current assets and pension obligations are given in **Notes 11 and 18**, respectively.

Note 2 Segmental reporting

The Group's operating segments are determined based on the Group's organisational structure and internal reporting to the Chief Operating Decision Maker (CODM). The CODM has been determined to be the Group Chief Executive, with support from the Executive Committee, as the function primarily responsible for the allocation of resources to segments and assessment of performance of the segments. The Group's operating segments are the same as its reportable segments listed below.

Following changes to the Group Executive Committee and management reporting to the CODM during the year, Booker is now a separate operating and reportable segment. Comparatives have been restated accordingly.

The principal activities of the Group are presented in the following reportable segments:

- UK & ROI – the United Kingdom and Republic of Ireland. Revenues are derived from the sale of goods (in store, fuel and online), Clubcard, data science services, insurance brokerage commission, insurance revenue and money services.
- Booker – Revenues are derived from the sale of wholesale goods.
- Central Europe – Czech Republic, Hungary and Slovakia. Revenues are derived from the sale of goods (in store, fuel and online) and Clubcard.

The CODM uses Adjusted operating profit, as reviewed at periodic Executive Committee meetings, as the key measure of the segments' results as it reflects the segments' trading performance and aids comparability over time. Adjusted operating profit is a consistent measure within the Group as defined within the Glossary. Refer to **Note 4** for adjusting items.

Income statement

The segment results (which are on a 52-week basis) and the reconciliation of the segment measures to the respective statutory items included in the Group income statement are as follows:

53 weeks ended 28 February 2026 At constant exchange rates	Notes	UK & ROI £m	Booker £m	Central Europe £m	Total 52 weeks at constant exchange £m	Foreign exchange £m	Include 53rd week* £m	Total 53 weeks at actual exchange £m
Revenue	3	58,731	9,040	4,474	72,245	219	1,248	73,712
Less: Fuel sales		(5,737)	–	(134)	(5,871)	(5)	(111)	(5,987)
Sales		52,994	9,040	4,340	66,374	214	1,137	67,725
Adjusted operating profit		2,745	292	111	3,148	4	42	3,194
Adjusting items	4	(84)	(81)	(31)	(196)	(1)	(12)	(209)
Operating profit		2,661	211	80	2,952	3	30	2,985
Adjusted operating margin		4.7%	3.2%	2.5%	4.4%			4.3%

53 weeks ended 28 February 2026 At actual exchange rates	Notes	UK & ROI £m	Booker £m	Central Europe £m	Total 52 weeks £m	Include 53rd week* £m	Total 53 weeks £m
Revenue	3	58,795	9,040	4,629	72,464	1,248	73,712
Less: Fuel sales		(5,737)	–	(139)	(5,876)	(111)	(5,987)
Sales		53,058	9,040	4,490	66,588	1,137	67,725
Adjusted operating profit		2,745	292	115	3,152	42	3,194
Adjusting items	4	(84)	(81)	(32)	(197)	(12)	(209)
Operating profit		2,661	211	83	2,955	30	2,985
Adjusted operating margin		4.7%	3.2%	2.5%	4.3%		4.3%
Share of post-tax profit/(loss) of joint ventures and associates							(1)
Finance income	5						233
Finance costs	5						(814)
Profit/(loss) before tax							2,403

* Refer to **page 42** for details of week 53 adjustments for the Group's APMs.

Note 2 Segmental reporting continued

52 weeks ended 22 February 2025
At actual exchange rates

	Notes	UK & ROI (restated*) £m	Booker £m	Central Europe £m	Total £m
Revenue	3	56,593	8,990	4,333	69,916
Less: Fuel sales		(6,133)	–	(147)	(6,280)
Sales		50,460	8,990	4,186	63,636
Adjusted operating profit		2,726	290	112	3,128
Adjusting items	4	(209)	(78)	(130)	(417)
Operating profit		2,517	212	(18)	2,711
Adjusted operating margin		4.8%	3.2%	2.6%	4.5%
Share of post-tax profit/(loss) of joint ventures and associates					(4)
Finance income	5				254
Finance costs	5				(746)
Profit/(loss) before tax					2,215

* Comparatives have been restated to reflect the reclassification of the Booker business to its own segment.

Included within the UK & ROI segment is £1,123m of revenue and sales (2025: £1,043m), £167m of adjusted operating profit (2025: £155m), £(28)m of adjusting items (2025: £(14)m) and £139m of operating profit (2025: £141m) related to the Insurance and Money Services business.

Other segment information

The tables below show the Group's total capital expenditure, depreciation and amortisation for continuing operations:

53 weeks ended 28 February 2026	UK & ROI £m	Booker £m	Central Europe £m	Total 52 weeks £m	Include 53rd week ^(a) £m	Total 53 weeks £m
Capital expenditure (including acquisitions through business combinations):						
Property, plant and equipment ^(b)	1,182	75	97	1,354	15	1,369
Goodwill and other intangible assets ^(c)	310	–	10	320	6	326
Depreciation and amortisation:						
Property, plant and equipment	(841)	(51)	(88)	(980)	(16)	(996)
Right of use assets	(441)	(90)	(50)	(581)	(10)	(591)
Other intangible assets	(212)	(78)	(11)	(301)	(6)	(307)

(a) Refer to **page 42** for details of week 53 adjustments for the Group's APMs.

(b) Includes £nil (2025: £1m) of property, plant and equipment acquired through business combinations.

(c) Includes £3m (2025: £56m) of goodwill and other intangible assets acquired through business combinations.

52 weeks ended 22 February 2025	UK & ROI (restated ^(a)) £m	Booker £m	Central Europe £m	Total segments £m
Capital expenditure (including acquisitions through business combinations):				
Property, plant and equipment ^(b)	1,182	82	98	1,362
Goodwill and other intangible assets ^(c)	276	56	10	342
Depreciation and amortisation:				
Property, plant and equipment	(800)	(50)	(87)	(937)
Right of use assets	(419)	(82)	(49)	(550)
Other intangible assets	(199)	(77)	(11)	(287)

(a) Comparatives have been restated to reflect the reclassification of the Booker business to its own segment.

(b)-(c) Refer to previous table for footnotes.

Note 3 Revenue

Continuing operations	Notes	53 weeks 2026 £m	52 weeks 2025 £m
UK		56,590	53,619
ROI		3,299	2,974
UK & ROI*		59,889	56,593
Booker		9,194	8,990
Hungary		1,616	1,445
Czech Republic		1,562	1,471
Slovakia		1,451	1,417
Central Europe	2	4,629	4,333
Total Group	2	73,712	69,916

* Comparatives have been restated to reflect the reclassification of the Booker business to its own segment. Refer to **Note 2**.

Note 4 Adjusting items

Group income statement

53 weeks ended 28 February 2026

Profit/(loss) for the year included the following adjusting items:

	Cost of sales £m	Administrative expenses £m	Total adjusting items included within operating profit £m	Finance income/ (costs) £m	Taxation £m	Total adjusting items £m
Property transactions ^(a)	3	–	3	–	(2)	1
Net impairment (loss)/reversal of non-current assets ^(b)	(48)	(5)	(53)	–	39	(14)
Restructuring ^(c)	(31)	(22)	(53)	–	11	(42)
Amortisation of acquired intangible assets ^(d)	–	(78)	(78)	–	20	(58)
Separation programme costs related to disposal of Banking operations ^(e)	(15)	(13)	(28)	–	16	(12)
Net pension finance income/(costs) ^(f)	–	–	–	(14)	4	(10)
Fair value remeasurements of financial instruments ^(f)	–	–	–	(26)	8	(18)
Total adjusting items^(g)	(91)	(118)	(209)	(40)	96	(153)

(a) Includes profits and losses related to the disposal of surplus properties.

(b) Refer to **Note 11** for further details on net impairment (loss)/reversal of non-current assets.

(c) Provisions relating to operational restructuring changes announced as part of 'save to invest', a multi-year programme which commenced in June 2022, and a multi-year programme to restructure the UK distribution network, which commenced in the current year. The total cost of the 'save to invest' programme recognised as adjusting since its start date is £(316)m (2025: £(275)m). Future cost savings will not be reported within adjusting items.

(d) Amortisation of acquired intangibles relates to assets acquired through business combinations and does not reflect the Group's ongoing trading performance.

(e) Separation programme costs incurred in the continuing Group in relation to the disposal of the Group's Banking operations in the prior year.

(f) Net pension finance costs and fair value remeasurements of financial instruments are included within adjusting items, as they can fluctuate significantly due to external market factors that are outside management's control. Refer to **Note 5** for details of finance income and costs. Refer to **Note 18** for details of pension schemes.

(g) For the 53 weeks ended 28 February 2026 (prior year 52 weeks ended 22 February 2025). The impact of adjusting items in the 53rd week is not material. See **page 45**.

52 weeks ended 22 February 2025

Profit/(loss) for the year included the following adjusting items:

	Cost of sales £m	Administrative expenses £m	Total adjusting items included within operating profit £m	Finance income/ (costs) £m	Taxation £m	Adjusting items included within discontinued operations £m	Total adjusting items £m
Property transactions	1	1	2	–	–	–	2
Net impairment (loss)/reversal of non-current assets	(274)	(12)	(286)	–	57	–	(229)
Restructuring	(38)	(5)	(43)	–	11	–	(32)
Amortisation of acquired intangible assets	–	(76)	(76)	–	19	–	(57)
Separation programme costs related to disposal of Banking operations	(8)	(6)	(14)	–	4	–	(10)
Net pension finance income/(costs)	–	–	–	(32)	8	–	(24)
Fair value remeasurements of financial instruments	–	–	–	76	(20)	–	56
Total adjusting items from continuing operations	(319)	(98)	(417)	44	79	–	(294)
Adjusting items relating to discontinued operations	–	–	–	–	–	(65)	(65)
Total adjusting items	(319)	(98)	(417)	44	79	(65)	(359)

Note 4 Adjusting items continued

Group cash flow statement

The table below shows the impact of adjusting items on the Group cash flow statement:

	Cash flows from operating activities		Cash flows from investing activities		Cash flows from financing activities	
	53 weeks 2026 £m	52 weeks 2025 £m	53 weeks 2026 £m	52 weeks 2025 £m	53 weeks 2026 £m	52 weeks 2025 £m
Property transactions ^(a)	(1)	–	39	130	(31)	–
Restructuring ^(b)	(53)	(55)	–	–	–	–
Separation (costs)/proceeds related to disposal of Banking operations ^(c)	(26)	(26)	–	586	–	–
Disposal of subsidiaries ^(d)	–	–	2	–	–	–
Total	(80)	(81)	41	716	(31)	–
Adjusting items relating to discontinued operations ^(e)	–	–	–	(429)	–	–
Total	(80)	(81)	41	287	(31)	–

- (a) Property transactions include £37m proceeds from the sale of 28 sites and the leaseback of 10 associated stores in the UK and a £(31)m premium related to a significant transaction in the UK, which due to their size and nature, are treated as adjusting. The prior year related to the sale of four malls and the leaseback of the four associated stores in Central Europe, previously classified as held for sale.
- (b) Cash outflows relating to operational restructuring changes as part of the multi-year 'save to invest' programme, which commenced in June 2022, and a multi-year programme to restructure the UK distribution network, which commenced in the current year.
- (c) Separation programme costs incurred in the continuing Group in relation to the disposal of the Group's Banking operations. The prior year related to net proceeds from the sale and costs incurred in the disposal.
- (d) Deferred proceeds received in the current year relating to the disposal of Booker subsidiary Ritter-Courivaud Limited in June 2023.
- (e) In the prior year, the Banking operations disposal group held £429m in cash and cash equivalents at the date of disposal. Refer to **Note 8** in the Annual Report and Financial Statements 2025 for the net book value of assets disposed.

Note 5 Finance income and costs

	Notes	53 weeks 2026 £m	52 weeks 2025 £m
Continuing operations			
Finance income			
Interest income on:			
Bank balances		103	113
Short-term investments		99	119
Loans to joint ventures and associates		7	7
Other investments and receivables		20	12
Net investment in leases		2	1
Finance income on reinsurance contracts held		2	2
Total finance income		233	254
Finance costs			
GBP MTNs and loans		(172)	(204)
EUR MTNs		(83)	(82)
USD bonds		(14)	(16)
Interest expense on lease liabilities*		(390)	(370)
Finance expense on insurance contracts issued		(13)	(11)
Interest expense on bank overdrafts		(91)	(97)
Undrawn committed facility fee		(5)	(5)
Unwind of discount on provision		(6)	(5)
Total finance costs before adjusting items		(774)	(790)
Fair value remeasurements of financial instruments		(26)	76
Net pension finance income/(costs)	18	(14)	(32)
Total finance costs		(814)	(746)
Net finance costs		(581)	(492)

* Interest expense on lease liabilities is presented net of £14m hedging impact (2025: £7m).

Note 6 Taxation

Recognised in the Group income statement

	53 weeks 2026 £m	52 weeks 2025 £m
Continuing operations		
Current tax (credit)/charge		
UK corporation tax	456	394
Overseas tax	85	88
Adjustments in respect of prior years	(35)	(18)
	506	464
Deferred tax (credit)/charge		
Origination and reversal of temporary differences	84	137
Adjustments in respect of prior years	26	6
Change in tax rate	-	4
	110	147
Total income tax (credit)/charge	616	611

Reconciliation of effective tax charge

	53 weeks 2026 £m	52 weeks 2025 £m
Continuing operations		
Profit/(loss) before tax	2,403	2,215
Tax credit/(charge) at the UK corporation tax rate of 25% (2025: 25%)	(601)	(554)
Effect of:		
Non-qualifying depreciation	(41)	(41)
Expenses not deductible	(24)	(20)
Net impairment (loss)/reversal of non-current assets	25	(8)
Unrecognised tax losses	(5)	(3)
Differences in overseas taxation rates	23	11
Adjustments in respect of prior years	9	12
Share of profits/(losses) of joint ventures and associates	-	(1)
Change in tax rate	-	(4)
Irrecoverable withholding tax	(2)	(3)
Total income tax credit/(charge)	(616)	(611)
Effective tax rate (statutory)	25.6%	27.6%

Reconciliation of effective tax charge on adjusted profit before tax

	53 weeks 2026 £m	52 weeks 2025 £m
Continuing operations		
Profit/(loss) before tax	2,403	2,215
Exclude: Adjusting items	249	373
Adjusted profit before tax	2,652	2,588
Tax credit/(charge) at the UK corporation tax rate of 25% (2025: 25%)	(663)	(647)
Effect of:		
Non-qualifying depreciation	(41)	(41)
Expenses not deductible	(25)	(21)
Unrecognised tax losses	(5)	(3)
Differences in overseas taxation rates	20	20
Adjustments in respect of prior years	4	12
Share of profits/(losses) of joint ventures and associates	-	(1)
Change in tax rate	-	(6)
Irrecoverable withholding tax	(2)	(3)
Total income tax credit/(charge) before adjusting items	(712)	(690)
Adjusted effective tax rate	26.8%	26.7%

The tax credit/(charge) on adjusted profit before tax for week 53 is £(9)m. The Adjusted effective tax rate is the same on both a 53-week and 52-week basis.

Note 6 Taxation continued

Deferred tax

The following are the major deferred tax (liabilities)/assets recognised by the Group and movements thereon during the current and prior financial years, measured using the tax rates that are expected to apply when the liability is settled or the asset realised, based on the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised when it is probable sufficient taxable profits will be available to utilise deductible temporary differences or unused tax losses. This assessment is based on the Group's three-year long-term plan which is updated and approved annually by the Board and is consistent with the Group's longer-term viability statement and impairment assessments.

Continuing operations	Property-related items ^(a) £m	Acquired intangibles £m	Post-employment benefits ^(b) £m	Share-based payments £m	Short-term timing differences £m	Tax losses £m	Financial instruments £m	Total £m
At 24 February 2024	(493)	(77)	162	49	74	73	(25)	(237)
(Charge)/credit to the Group income statement	(100)	19	2	(5)	8	(68)	(3)	(147)
(Charge)/credit to the Group statement of changes in equity	-	-	-	22	-	-	-	22
(Charge)/credit to the Group statement of comprehensive income/(loss)	-	-	(93)	-	-	-	4	(89)
Acquisition	-	(5)	-	-	-	-	-	(5)
At 22 February 2025	(593)	(63)	71	66	82	5	(24)	(456)
(Charge)/credit to the Group income statement	(134)	20	5	3	15	(1)	(18)	(110)
(Charge)/credit to the Group statement of changes in equity	-	-	-	35	-	-	-	35
(Charge)/credit to the Group statement of comprehensive income/(loss)	-	-	(54)	-	-	-	-	(54)
Foreign exchange and other movements	(1)	-	1	-	(1)	-	-	(1)
At 28 February 2026	(728)	(43)	23	104	96	4	(42)	(586)

(a) Property-related items are a deferred tax liability on accelerated tax depreciation of £(729)m (2025: £(610)m), deferred tax liability on rolled-over gains of £(421)m (2025: £(422)m), deferred tax asset on capital losses of £242m (2025: £239m) and deferred tax asset on IFRS 16 balances of £180m (2025: £200m).

(b) Post-employment benefits include a tax (charge)/credit to the Group statement of comprehensive income/(loss) relating to remeasurement gain/(loss). The closing deferred tax relates to a deferred tax asset on pension schemes in deficit or a deferred tax liability on schemes in surplus if no withholding tax applies. Refer to **Note 18** for further details.

Note 7 Dividends

	2026		2025	
	Pence/share	£m	Pence/share	£m
Paid prior financial year final dividend ^(a)	9.45	626	8.25	576
Paid interim dividend ^(b)	4.80	310	4.25	289
Amounts recognised through equity as distributions to owners	14.25	936	12.50	865
(Increase)/decrease in unclaimed dividends	-	1	-	(1)
Dividend paid in the financial year		937		864
Proposed final dividend at financial year end	9.70	619	9.45	637

(a) Excludes £5m prior financial year final dividend waived (2025: £5m) and £4m (2025: £nil) relating to shares cancelled prior to the ex-dividend date. Presented net of £2m (2025: £nil) of unclaimed dividends credited to retained earnings.

(b) Excludes £2m interim dividend waived (2025: £2m) and £2m (2025: £nil) relating to shares cancelled prior to the ex-dividend date.

The proposed final dividend was approved by the Board of Directors on 15 April 2026 and is subject to the approval of shareholders at the AGM. The proposed dividend has not been included as a liability as at 28 February 2026. If approved by shareholders, it will be paid on 26 June 2026 to shareholders who are on the register of members at close of business on 15 May 2026.

A dividend reinvestment plan (DRIP) is available to shareholders who would prefer to invest their dividends in the shares of the Company. For those shareholders electing to receive the DRIP, the last date for receipt of a new election is 5 June 2026.

For all dividends, the Group has a share forfeiture programme following the completion of a tracing and notification exercise to any shareholders who have not had contact with Tesco PLC over the past 12 years, in accordance with the provisions set out in the Company's Articles of Association. £2m (2025: £nil) of unclaimed dividends have been adjusted for in retained earnings. Refer to **Note 19** for further details.

Note 8 Earnings/(losses) per share and diluted earnings/(losses) per share

	53 weeks ended 28 February 2026			52 weeks ended 22 February 2025		
	Basic	Dilutive share options and awards	Diluted	Basic	Dilutive share options and awards	Diluted
Profit/(loss) (£m)						
Continuing operations*	1,787	–	1,787	1,600	–	1,600
Discontinued operations	–	–	–	26	–	26
Total	1,787	–	1,787	1,626	–	1,626
Weighted average number of shares (millions)	6,507	99	6,606	6,835	83	6,918
Earnings/(losses) per share (pence)						
Continuing operations	27.5	(0.4)	27.1	23.4	(0.3)	23.1
Discontinued operations	–	–	–	0.4	–	0.4
Total	27.5	(0.4)	27.1	23.8	(0.3)	23.5

* Excludes profits/(losses) attributable to non-controlling interests of £nil (2025: £4m).

APM: Adjusted diluted earnings/(losses) per share

	Notes	2026			2025
		As reported on a 53-week basis	Exclude 53rd week ^(a)	On a 52-week basis	52 weeks
Continuing operations					
Profit before tax (£m)		2,403	(25)	2,378	2,215
Exclude: Adjusting items (£m)	4	249	(7)	242	373
Adjusted profit before tax (£m)		2,652	(32)	2,620	2,588
Adjusted profit before tax attributable to the owners of the parent (£m) ^(b)		2,652	(32)	2,620	2,584
Taxation on adjusted profit before tax attributable to the owners of the parent (£m)	6	(712)	9	(703)	(690)
Adjusted profit after tax attributable to the owners of the parent (£m)		1,940	(23)	1,917	1,894
Basic weighted average number of shares (millions)		6,507	3	6,510	6,835
Adjusted basic earnings per share (pence)				29.5	27.7
Diluted weighted average number of shares (millions)		6,606	2	6,608	6,918
Adjusted diluted earnings per share APM (pence)				29.0	27.4

(a) Refer to page 42 for details of week 53 adjustments for the Group's APMs.

(b) Refer to previous table for footnote.

Note 9 Property, plant and equipment

	2026			2025		
	Land and buildings ^(a) £m	Other ^(b) £m	Total £m	Land and buildings ^(a) £m	Other ^(b) £m	Total £m
Net book value						
Opening balance	14,759	2,503	17,262	14,997	2,224	17,221
Foreign currency translation	166	32	198	(77)	(14)	(91)
Additions ^(c)	458	911	1,369	504	857	1,361
Acquired through business combinations	–	–	–	–	1	1
Transfers (to)/from assets classified as held for sale	(88)	(3)	(91)	(34)	–	(34)
Disposals	(21)	(10)	(31)	(70)	(12)	(82)
Reclassifications	1	–	1	(2)	2	–
Depreciation charge for the year	(477)	(519)	(996)	(464)	(473)	(937)
Impairment losses ^(d)	(168)	(102)	(270)	(292)	(119)	(411)
Reversal of impairment losses ^(d)	245	41	286	197	37	234
Closing balance	14,875	2,853	17,728	14,759	2,503	17,262
Construction in progress included above^(e)	115	383	498	155	361	516

(a) The estimated fair value of land and buildings is £15.4bn (2025: £15.0bn).

(b) Other assets consist of fixtures and fittings with a net carrying value of £2,183m (2025: £1,874m), office equipment with a net carrying value of £301m (2025: £269m) and motor vehicles with a net carrying value of £369m (2025: £360m). Depreciation charge for the year is £(338)m (2025: £(306)m), £(82)m (2025: £(75)m) and £(99)m (2025: £(92)m), respectively.

(c) Includes £163m (2025: £199m) relating to store buybacks, direct store purchases and refits associated with both direct store purchases and business combinations.

(d) Refer to Note 11.

(e) Construction in progress does not include land.

Commitments for capital expenditure contracted for, but not incurred, at 28 February 2026 were £501m (2025: £191m) principally relating to store development and multi-year distribution investment.

Note 10 Leases

Group as lessee Right of use assets

	2026			2025		
	Land and buildings £m	Other £m	Total £m	Land and buildings £m	Other £m	Total £m
Net carrying value						
Opening balance	5,431	138	5,569	5,365	113	5,478
Additions (including sale and leaseback transactions)	296	98	394	476	66	542
Acquired through business combinations	–	–	–	5	–	5
Depreciation charge for the year	(542)	(49)	(591)	(512)	(38)	(550)
Impairment losses ^(a)	(178)	(1)	(179)	(223)	(2)	(225)
Reversal of impairment losses ^(a)	130	–	130	130	–	130
Other movements ^(b)	455	(1)	454	190	(1)	189
Closing balance	5,592	185	5,777	5,431	138	5,569

(a) Refer to Note 11.

(b) Other movements include lease terminations, modifications and reassessments, foreign exchange, reclassifications between asset classes and entering into finance subleases.

Lease liabilities

The following table shows the discounted lease liabilities included in the Group balance sheet and the contractual undiscounted lease payments:

	2026 £m	2025 £m
Current	659	618
Non-current	7,225	7,098
Total lease liabilities	7,884	7,716
Total undiscounted lease payments	11,071	10,876

A reconciliation of the Group's opening to closing lease liabilities balance is presented in Note 21.

Note 11 Impairment of non-current assets

Goodwill

There was no impairment of goodwill balances in the current year (2025: £nil).

As a result of the separation of the UK & ROI and Booker operating segments, the £3.702m goodwill previously allocated to the UK group of cash-generating units including Booker has been allocated to the UK (£3.331m) and Booker (£371m) businesses based on their relative values, as required by IAS 36. The goodwill and associated other non-current asset balances have been reviewed for any indicators of impairment. No indicators were observed and both the UK and Booker had significant headroom.

Other non-current assets

The tables below summarise the Group's pre-tax impairment losses and reversals on other non-current assets, aggregated by segment due to the large number of individually immaterial cash-generating units. This includes any (losses)/reversals recognised immediately prior to classifying an asset or disposal group as held for sale but excludes any changes in fair value less costs to sell post classification as held for sale. There were no impairment losses or reversals in the year (2025: £nil) with respect to investments in joint ventures and associates and no impairments of other non-current assets in Booker (2025: £nil). Impairments are typically treated as adjusting where there is significant volatility arising from inputs outside the control of management.

53 weeks ended 28 February 2026	UK & ROI		Central Europe		Total		Net
	Impairment loss £m	Impairment reversal £m	Impairment loss £m	Impairment reversal £m	Impairment loss £m	Impairment reversal £m	Impairment (loss)/reversal £m
Group balance sheet							
Other intangible assets	(27)	9	–	–	(27)	9	(18)
Property, plant and equipment	(246)	278	(24)	8	(270)	286	16
Right of use assets	(153)	112	(26)	18	(179)	130	(49)
Investment property	(2)	–	–	–	(2)	–	(2)
Total impairment (loss)/reversal of other non-current assets	(428)	399	(50)	26	(478)	425	(53)
Group income statement							
Cost of sales ^(a)	(409)	389	(50)	22	(459)	411	(48)
Administrative expenses ^(b)	(19)	10	–	4	(19)	14	(5)
Total impairment (loss)/reversal from continuing operations	(428)	399	(50)	26	(478)	425	(53)

(a) Of which £(48)m is adjusting (2025: £(274)m).

(b) Of which £(5)m is adjusting (2025: £(12)m).

Note 11 Impairment of non-current assets continued

Other non-current assets continued

52 weeks ended 22 February 2025	UK & ROI		Central Europe		Total		Net
	Impairment loss £m	Impairment reversal £m	Impairment loss £m	Impairment reversal £m	Impairment loss £m	Impairment reversal £m	Impairment (loss)/reversal £m
Group balance sheet							
Other intangible assets	(35)	8	-	-	(35)	8	(27)
Property, plant and equipment	(336)	233	(75)	1	(411)	234	(177)
Right of use assets	(165)	125	(60)	5	(225)	130	(95)
Investment property	-	1	-	-	-	1	1
Total impairment (loss)/reversal of other non-current assets	(536)	367	(135)	6	(671)	373	(298)
Group income statement							
Cost of sales ^(a)	(517)	360	(134)	5	(651)	365	(286)
Administrative expenses ^(b)	(19)	7	(1)	1	(20)	8	(12)
Total impairment (loss)/reversal from continuing operations	(536)	367	(135)	6	(671)	373	(298)

Refer to previous table for footnotes.

The net impairment loss is primarily due to market pressures in Central Europe, the reclassification of certain stores to assets held for sale in the UK and the normal fluctuations expected from store-level performance, which also drive the gross non-current asset impairment losses and reversals.

Impairment methodology

Following the reclassification of Booker to its own segment, the groups of cash-generating units have changed. For the Group's retail operations, each country represents a group of cash-generating units and Booker, dunnhumby, insurance, and money services each represent separate groups. Otherwise, the impairment methodology is unchanged from that described in the Annual Report and Financial Statements 2025.

Key assumptions and sensitivity

Key assumptions

For value in use calculations, the key assumptions to which the recoverable amounts are most sensitive are discount rates, long-term growth rates and future cash flows (incorporating sales volumes, prices and costs). For fair value less costs of disposal calculations, the key assumption is property fair values.

The discount rates and long-term growth rates relating to the goodwill carrying values that are significant to the Group's total goodwill are:

	UK		Booker	
	2026 %	2025 %	2026 %	2025 %
Pre-tax discount rates	9.1	9.1	9.7	9.6
Post-tax discount rates	6.8	6.8	7.3	7.2
Long-term growth rates	2.0	2.0	2.0	2.0

The discount rates and long-term growth rates for the Group's portfolio of store cash-generating units, aggregated by segment due to the large number of individually immaterial store cash-generating units, are as follows. Booker is not presented as there were no indicators of possible impairment.

	UK & ROI		Central Europe	
	2026 %	2025 %	2026 %	2025 %
Pre-tax discount rates	7.8-9.1	8.2-9.1	8.7-10.9	8.9-12.9
Post-tax discount rates	6.8	6.8-7.2	6.9-9.9	7.0-8.5
Long-term growth rates	2.0	2.0	2.0-3.0	2.0-3.0

Sensitivity

The Group has carried out sensitivity analyses on the reasonably possible changes in key assumptions in the impairment tests for (a) the goodwill carrying values that are significant compared to the Group's total goodwill and (b) for its portfolio of store cash-generating units.

- (a) Neither a reasonably possible increase of 1.0%pt in discount rates, a 5.0% decrease in future cash flows nor a 0.5%pt decrease in long-term growth rates would indicate impairment in the goodwill carrying values that are significant compared to the Group's total goodwill.
- (b) While there is not a significant risk of an adjustment to the carrying amount of any one store cash-generating unit that would be material to the Group as a whole in the next financial year, the table below summarises the reasonably possible changes in key assumptions which most impact the impairment of the Group's entire portfolio of store cash-generating units, presented in aggregate due to the large number of individually immaterial store cash-generating units. For the probability-weighted cash flow scenarios, the impairment is most sensitive to the downside scenario relating to geopolitical and global supply issues (weighting 6.5%). Impairment is not highly sensitive to the climate or upside scenarios. The reasonably possible change below applies the corresponding change to the base scenario.

Key assumption	Reasonably possible change	Impact on impairment	2026 £m
Post-tax discount rates*	Increase of 1.0%pt for each geographic region	Increase	(326)
	Decrease of 1.0%pt for each geographic region	Decrease	309
Future cash flows	Increase of 5.0% for each geographic region	Decrease	136
	Decrease of 5.0% for each geographic region	Increase	(143)
Long-term growth rates	Increase of 0.5%pt for each geographic region	Decrease	96
	Decrease of 0.5%pt for each geographic region	Increase	(96)
Property fair values	Increase of 10.0% for each geographic region	Decrease	181
	Decrease of 10.0% for each geographic region	Increase	(188)
Geopolitical and global supply downside scenario weighting	Increase of 5.0%pt for each geographic region	Increase	(108)
	Decrease of 2.5%pt for each geographic region	Decrease	53

* Sensitivities are applied to post-tax discount rates used to derive the pre-tax discount rates.

Note 12 Cash and cash equivalents and short-term investments

Cash and cash equivalents

	2026 £m	2025 £m
Cash at bank and on hand	2,463	2,190
Short-term deposits	52	65
Cash and cash equivalents in the Group balance sheet	2,515	2,255
Bank overdrafts	(1,004)	(856)
Cash and cash equivalents in the Group cash flow statement	1,511	1,399

Short-term investments

	2026 £m	2025 £m
Money market funds, deposits and similar instruments	1,429	2,223

Cash and cash equivalents include £28m (2025: £26m) of restricted amounts mainly relating to unclaimed dividends, the Group's pension schemes and employee benefit trusts.

Note 13 Commercial income

Below are the commercial income balances included within inventories and trade and other receivables, or netted against trade and other payables.

	2026 £m	2025 £m
Current assets		
Inventories	(14)	(14)
Trade and other receivables		
Trade receivables	105	110
Accrued income	130	142
Current liabilities		
Trade payables	157	173

Note 14 Borrowings

Borrowings are classified as current and non-current based on their scheduled repayment date, and not their maturity date. Repayments of principal amounts are classified as current if the repayment is scheduled to be made within one year of the balance sheet date.

During the year ended 28 February 2026, the Group made principal repayments of £890m, comprising:

- £400m relating to a GBP MTN which matured in May 2025;
- £430m relating to a GBP MTN (LPI bond) which matured in November 2025, and;
- £60m on amortising secured debt.

The Group issued £859m of borrowings in the year (2025: £350m), comprising:

- €500m bond issuance in April 2025 (net investment hedge), maturing in May 2032, and;
- €500m bond issuance in October 2025, maturing in October 2033.

In the prior year ended 22 February 2025, the Group made principal repayments of:

- €473m relating to a Euro MTN which matured July 2024;
- €88m partial repayment on the Euro 2047 MTN;
- £56m on amortising secured debt; and
- £146m Senior MREL Notes relating to the Insurance and Money Services business (previously part of the Tesco Bank segment).

Current

	2026 £m	2025 £m
Bank loans and overdrafts	1,026	882
Borrowings	798	979
	1,824	1,861

Non-current

	2026 £m	2025 £m
Borrowings	5,372	5,089

Borrowing facilities

The Group has a £2.5bn syndicated revolving credit facility available at 28 February 2026 expiring between one and two years (22 February 2025: £2.5bn). The revolving credit facility was undrawn as at these dates. All conditions precedent had been met at these dates. It incurs commitment fees at market rates and would provide funding at floating rates, both linked to three ESG targets.

Note 15 Insurance

Balances disclosed in this note relate to the Group's subsidiary, Tesco Underwriting Limited (TU), part of the UK & ROI segment.

Insurance contract liabilities and reinsurance contract assets

The breakdown of portfolios and groups of insurance contracts issued and reinsurance contracts held is set out in the table below:

	2026			2025		
	Insurance contract liabilities £m	Reinsurance contracts held £m	Net (liabilities)/assets £m	Insurance contract liabilities £m	Reinsurance contracts held £m	Net (liabilities)/assets £m
(Liabilities)/assets for remaining coverage	(211)	176	(35)	(270)	181	(89)
(Liabilities)/assets for incurred claims	(561)	(53)	(614)	(382)	(57)	(439)
	(772)	123	(649)	(652)	124	(528)
Contracts measured under PAA	(684)	82	(602)	(510)	71	(439)
Contracts not measured under PAA*	(88)	41	(47)	(142)	53	(89)
	(772)	123	(649)	(652)	124	(528)

* Contracts not measured under the premium allocation approach (PAA) are measured using the general measurement model (GMM).

Measurement components of insurance contract liabilities and reinsurance contract assets are set out in the table below. The estimate of the present value of future cash flows is adjusted for events since the actuarial valuation:

	2026				2025			
	Present value of future cash flows £m	Risk adjustment £m	CSM £m	Total £m	Present value of future cash flows £m	Risk adjustment £m	CSM £m	Total £m
Insurance contract liabilities	(681)	(42)	(49)	(772)	(557)	(24)	(71)	(652)
Reinsurance contract assets	82	14	27	123	83	7	34	124
Net (liabilities)/assets	(599)	(28)	(22)	(649)	(474)	(17)	(37)	(528)

Note 16 Financial instruments

The expected maturity of financial assets and liabilities is not considered to be materially different to their current and non-current classification.

Fair value of financial assets and liabilities measured at amortised cost

The table excludes cash and cash equivalents, short-term investments, trade receivables and payables, other receivables and payables, and accruals where the carrying values approximate fair value. The levels in the table refer to the fair value measurement hierarchy.

	Level	28 February 2026		22 February 2025	
		Carrying value £m	Fair value* £m	Carrying value £m	Fair value* £m
Financial assets measured at amortised cost					
Investments in debt instruments at amortised cost	1	188	199	192	197
Investments in debt instruments at amortised cost	2	4	4	4	4
Joint ventures and associates loan receivables	2	98	107	97	105
Financial liabilities measured at amortised cost					
Borrowings					
Amortised cost	1	(5,406)	(5,263)	(4,916)	(4,651)
Bonds in fair value hedge relationships	1	(1,790)	(1,849)	(2,034)	(2,088)

* Refer to the fair value measurement by level of fair value hierarchy section for details on valuation methodology.

Fair value measurement by level of fair value hierarchy

The following tables present the Group's financial assets and liabilities that are measured at fair value, by level of fair value hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

There have been no changes to the fair value methodology as disclosed in **Note 26** of the Annual Report and Financial Statements 2025.

At 28 February 2026	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets				
Investments at fair value through other comprehensive income	993	–	18	1,011
Short-term investments at fair value through profit or loss	716	–	–	716
Cash and cash equivalents at fair value through profit or loss	–	44	–	44
Derivative financial instruments:				
Interest rate swaps	–	–	14	14
Cross-currency swaps	–	–	129	129
Index-linked swaps	–	–	469	469
Foreign currency forward contracts	–	11	–	11
Commodity derivatives	–	5	–	5
Total assets	1,709	60	630	2,399
Liabilities				
Derivative financial instruments:				
Interest rate swaps	–	–	(56)	(56)
Cross-currency swaps	–	–	(81)	(81)
Foreign currency forward contracts	–	(34)	–	(34)
Total liabilities	–	(34)	(137)	(171)
Net assets	1,709	26	493	2,228

Fair value measurement by level of fair value hierarchy continued

At 22 February 2025

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets				
Investments at fair value through other comprehensive income	855	–	19	874
Short-term investments at fair value through profit or loss	1,386	–	–	1,386
Cash and cash equivalents at fair value through profit or loss	–	61	–	61
Other investments at fair value through profit and loss	–	–	15	15
Derivative financial instruments:				
Interest rate swaps	–	–	24	24
Cross-currency swaps	–	–	138	138
Index-linked swaps	–	–	646	646
Foreign currency forward contracts	–	27	–	27
Total assets	2,241	88	842	3,171
Liabilities				
Derivative financial instruments:				
Interest rate swaps	–	–	(74)	(74)
Cross-currency swaps	–	–	(130)	(130)
Foreign currency forward contracts	–	(11)	–	(11)
Commodity derivatives	–	(2)	–	(2)
Total liabilities	–	(13)	(204)	(217)
Net assets	2,241	75	638	2,954

During the year, there were no transfers (2025: no transfers) between Level 1 and Level 2 fair value measurements.

Level 3 instruments

The following table presents the changes in Level 3 instruments:

	2026		2025	
	Uncollateralised derivatives £m	Unlisted investments £m	Uncollateralised derivatives £m	Unlisted investments £m
At the beginning of the year	604	34	545	37
Gains/(losses) recognised in finance costs ^(a)	(15)	–	(14)	(1)
Gains/(losses) recognised in other comprehensive income not reclassified to the income statement	–	–	–	4
Gains/(losses) recognised in other comprehensive income that may subsequently be reclassified to the income statement	11	–	35	–
Impairment recognised in cost of sales	–	–	–	(10)
Additions	2	–	–	5
Disposals	–	(16)	–	–
Settlements	(127)	–	38	–
Transfers of assets from Level 3 ^(b)	–	–	–	(1)
At the end of the year	475	18	604	34

(a) Net unrealised gains/(losses) of £42m (2025: £105m) are attributable to those assets and liabilities held at the end of the year and have been recognised in finance costs in the Group income statement.

(b) There were £nil transfers to Level 3 during the year (2025: £nil). There were £nil transfers from Level 3 to Level 2 (2025: £1m) and £nil transfers from Level 3 to Level 1 (2025: £nil).

Note 17 Share-based payments

The table below shows amounts charged to the Group income statement in respect of share-based payments:

	2026 £m	2025 £m
Income statement		
Equity-settled share-based payment charge ^(a)	105	119
Cash-settled share-based payment charge	19	–
Cash-settled National Insurance contributions ^(b)	16	17
	140	136

(a) Includes £nil (2025: £4m) in relation to discontinued operations.

(b) Includes £nil (2025: £1m) in relation to discontinued operations.

The table below shows amounts included in the Group cash flow statement in relation to share-based payments and own shares purchased for share schemes:

	2026 £m	2025 £m
Share-based payment charge included in operating profit/(loss)	(140)	(136)
Share-based payments non-cash movement	55	37
Increase/(decrease) in trade and other payables*	85	99
Included in Group operating cash flows	–	–
Cash paid to purchase own shares including related fees and taxes	(152)	(123)
Cash received from employees exercising SAYE options	52	69
Included in Group financing cash flows	(100)	(54)

* Comprises of shares withheld from employees in order to settle their tax liability, cash-settled share-based payments and National Insurance.

Note 18 Post-employment benefits

Pensions

The Group operates a variety of post-employment benefit arrangements, covering both funded and unfunded defined benefit schemes and defined contribution schemes.

The principal defined benefit pension plan within the Group is the Tesco PLC Pension Scheme (the Scheme), a UK scheme that has been closed to future accrual since 2015. The latest triennial actuarial pension funding valuation for the Scheme as at 31 March 2025 using the projected unit credit method showed a funding level under the Technical Provisions basis of 106% (31 March 2022: 104%). Following this triennial valuation, it was agreed with the Scheme Trustee that no pension deficit contributions would be required from the Company.

As set out in the Annual Report and Group financial statements for 2025, the Group has continued to monitor the Virgin Media vs NTL Pension Trustees and other related court cases. In June 2025 the UK Government announced that it intends to introduce legislation to deal with issues arising from the Virgin Media vs NTL Pension Trustees judgement. From the work performed to date, management's view continues to be that no material adjustments to the financial statements are needed as a result of the judgement. Work is ongoing with regards to the smaller schemes within the UK (Booker & Budgens), however given their comparable size, the Group does not anticipate any material findings. Management will continue to monitor developments of the associated court cases and the legislation and will assess any change in risk and potential impact on the Group as required.

IFRIC 14

For schemes in an accounting surplus position, these surpluses are recognised on the balance sheet in line with IFRIC 14, as the Group has an unconditional legal right to any future economic benefits by way of future refunds following a gradual settlement.

Note 18 Post-employment benefits continued
Movement in the Group pension surplus/(deficit) during the year

	Net defined benefit surplus/(deficit)	
	2026 £m	2025 £m
Opening balance	(248)	(631)
Past service cost on plan amendments	(10)	–
Current service and administration costs	(10)	(17)
Finance income/(cost)	(14)	(32)
Included in the Group income statement	(34)	(49)
Remeasurement gain/(loss):		
Financial assumptions gain/(loss)	68	981
Demographic assumptions gain/(loss)	77	17
Experience gain/(loss)	59	(62)
Return on plan assets excluding finance income	314	(550)
Foreign currency translation	2	(1)
Included in the Group statement of comprehensive income/(loss)	520	385
Employer contributions	12	17
Additional employer contributions	23	23
Benefits paid	8	7
Other movements	43	47
Closing balance	281	(248)
Withholding tax on surplus ^(a)	(84)	(3)
Closing balance, net of withholding tax	197	(251)
Consisting of:		
Schemes in deficit	(127)	(307)
Schemes in surplus ^(b)	324	56
Deferred tax asset/(liability) ^(c)	23	71
Surplus/(deficit) in schemes at the end of the year, net of deferred tax	220	(180)

(a) The movement in the year is recognised through other comprehensive income in remeasurements of defined benefit pension schemes.

(b) Schemes in surplus in the UK are presented on the balance sheet net of a 25% (2025: 25%) withholding tax.

(c) Including £(9)m deferred tax liability relating to the ROI scheme in surplus where no withholding tax is applicable (2025: £(6)m).

Scheme principal assumptions

The principal assumptions, on a weighted average basis, used by external actuaries to value the defined benefit obligation of the Scheme were as follows:

	2026 %	2025 %
Discount rate	5.7	5.7
Price inflation	2.8	3.0
Rate of increase in deferred pensions*	2.5	2.6
Rate of increase in pensions in payment*		
Benefits accrued before 1 June 2012	2.7	2.9
Benefits accrued after 1 June 2012	2.5	2.6

* In excess of any guaranteed minimum pension element.

Sensitivity analysis of significant actuarial assumptions

The sensitivity of significant assumptions upon the Scheme defined benefit obligation is detailed below:

	2026		2025	
	Discount rate £m	Inflation rate* £m	Discount rate £m	Inflation rate* £m
Financial assumptions – Increase/(decrease) in UK defined benefit obligation				
Impact of 0.1% increase of the assumption	(157)	134	(157)	146
Impact of 0.1% decrease of the assumption	157	(134)	168	(135)
Impact of 1.0% increase of the assumption	(1,400)	1,412	(1,459)	1,492
Impact of 1.0% decrease of the assumption	1,736	(1,221)	1,829	(1,279)

* Inflation sensitivities reflect changes in inflation rate and associated changes in the inflation-related assumptions.

	2026 £m	2025 £m
Mortality assumptions – Increase/(decrease) in UK defined benefit obligation		
Impact of 1 year increase in longevity	314	292
Impact of 1 year decrease in longevity	(325)	(325)

The sensitivities reflect the range of recent assumption movements and illustrate that the financial assumption sensitivities do not move in a linear fashion. Movements in the defined benefit obligation from discount rate and inflation rate changes may be partially offset by movements in assets.

Note 19 Share capital and other reserves

Share capital

	2026		2025	
	Ordinary shares of 6 1/4p each		Ordinary shares of 6 1/4p each	
	Number	£m	Number	£m
Allotted, called-up and fully paid:				
At the beginning of the year	6,736,841,762	426	7,038,930,440	445
Shares cancelled	(351,658,966)	(22)	(302,088,678)	(19)
At the end of the year	6,385,182,796	404	6,736,841,762	426

No shares were issued during the current or prior financial year in relation to share options or bonus awards. The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

The Group has a share forfeiture programme, following the completion of a tracing and notification exercise to any shareholders who have not had contact with the Company over the past 12 years, in accordance with the provisions set out in the Company's Articles of Association. Under the share forfeiture programme, the shares and dividends associated with shares of untraced members are forfeited, with the resulting proceeds transferred to the Group to use for good causes in line with the Group's Sustainability strategy. During the current financial year, the Group received £1m (2025: £nil) proceeds from the sale of untraced shares and £2m (2025: £nil) write-back of unclaimed dividends, which are reflected in share premium and retained earnings respectively.

Other reserves

The tables below set out the movements in other reserves:

	Capital redemption reserve £m	Hedging reserve £m	Translation reserve £m	Own shares held* £m	Merger reserve £m	Insurance finance reserve £m	Total £m
At 22 February 2025	80	49	186	(280)	3,090	15	3,140
Other comprehensive income/(loss)							
Retranslation of net assets of overseas subsidiaries, joint ventures and associates	-	-	166	-	-	-	166
Impact of net investment hedges	-	-	(73)	-	-	-	(73)
Gains/(losses) on cash flow hedges	-	(84)	-	-	-	-	(84)
Cash flow hedges reclassified and reported in the Group income statement	-	(14)	-	-	-	-	(14)
Finance income/(expenses) on insurance contracts issued	-	-	-	-	-	(4)	(4)
Finance income/(expenses) from reinsurance contracts held	-	-	-	-	-	1	1
Tax relating to components of other comprehensive income	-	5	-	-	-	1	6
Total other comprehensive income/(loss)	-	(93)	93	-	-	(2)	(2)
Inventory cash flow hedge movements							
(Gains)/losses transferred to the cost of inventory	-	61	-	-	-	-	61
Total inventory cash flow hedge movements	-	61	-	-	-	-	61
Transactions with owners							
Own shares purchased for cancellation	-	-	-	(1,443)	-	-	(1,443)
Own shares cancelled	22	-	-	1,443	-	-	1,465
Own shares purchased for share schemes	-	-	-	(279)	-	-	(279)
Share-based payments	-	-	-	181	-	-	181
Transfer from own shares held to retained earnings	-	-	-	44	-	-	44
Total transactions with owners	22	-	-	(54)	-	-	(32)
At 28 February 2026	102	17	279	(334)	3,090	13	3,167

* Includes 36.4 million shares held by employee benefit trusts (2025: 37.1 million), which represents 0.57% of called-up share capital at the end of the year (2025: 0.55%).

Note 19 Share capital and other reserves continued

Other reserves continued

	Capital redemption reserve £m	Hedging reserve £m	Translation reserve £m	Own shares held* £m	Merger reserve £m	Insurance finance reserve £m	Total £m
At 24 February 2024	61	75	206	(315)	3,090	14	3,131
Other comprehensive income/(loss)							
Retranslation of net assets of overseas subsidiaries, joint ventures and associates	–	–	(89)	–	–	–	(89)
Impact of net investment hedges	–	–	33	–	–	–	33
Gains/(losses) on cash flow hedges	–	40	–	–	–	–	40
Cash flow hedges reclassified and reported in the Group income statement	–	(69)	–	–	–	–	(69)
Finance income/(expenses) from reinsurance contracts held	–	–	–	–	–	1	1
Tax relating to components of other comprehensive income	–	7	–	–	–	–	7
Total other comprehensive income/(loss)	–	(22)	(56)	–	–	1	(77)
Transfer from translation reserve to retained earnings	–	–	36	–	–	–	36
Inventory cash flow hedge movements							
(Gains)/losses transferred to the cost of inventory	–	(4)	–	–	–	–	(4)
Total inventory cash flow hedge movements	–	(4)	–	–	–	–	(4)
Transactions with owners							
Own shares purchased for cancellation	–	–	–	(1,016)	–	–	(1,016)
Own shares cancelled	19	–	–	1,016	–	–	1,035
Own shares purchased for share schemes	–	–	–	(204)	–	–	(204)
Share-based payments	–	–	–	239	–	–	239
Total transactions with owners	19	–	–	35	–	–	54
At 22 February 2025	80	49	186	(280)	3,090	15	3,140

Refer to previous table for footnote.

Own shares held

351.7 million (2025: 302.1 million) shares were purchased for cancellation at an average price of £4.08 per share (2025: £3.36). This represented 5.5% of the called-up share capital as at 28 February 2026 (22 February 2025: 4.5%). The total consideration was £1,443m (2025: £1,016m) including a discount and stamp duty of a net £7m (2025: net expenses of £16m).

The table below presents the reconciliation of own shares purchased for share schemes between the Group statement of changes in equity and the Group cash flow statement:

	2026 £m	2025 £m
Own shares purchased for share schemes		
Included in the Group statement of changes in equity	(279)	(204)
Shares withheld to settle employee tax	50	81
Cash received from employees exercising SAYE options	52	69
Outstanding amount recognised as financial liabilities*	77	–
Included in the Group cash flow statement	(100)	(54)

* A financial liability of £77m (2025: £nil) in respect of shares to be delivered under an agreement with an external bank is included in other payables.

Note 20 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its joint ventures and associates are disclosed below:

Transactions

	Joint ventures		Associates	
	2026 £m	2025 £m	2026 £m	2025 £m
Sales to related parties	847	645	–	–
Purchases from related parties	128	109	–	–
Dividends received	2	2	–	–
Injection of equity funding	8	10	4	5

Sales to related parties consist of service/management fees and loan interest.

Transactions between the Group and the Group's pension plans are disclosed in **Note 18**.

Note 20 Related party transactions continued

Balances

	Joint ventures		Associates	
	2026 £m	2025 £m	2026 £m	2025 £m
Amounts owed to related parties	(11)	(7)	–	–
Amounts owed by related parties	77	57	–	–
Lease liabilities payable to related parties ^(a)	(1,824)	(1,840)	–	–
Loans to related parties ^(b)	98	97	–	–

(a) Lease liabilities payable to related parties represent leases entered into by the Group for properties held by joint ventures.

(b) A 12-month ECL allowance is recorded on initial recognition. In the current and prior financial years, the ECL allowance was immaterial.

Amounts owed to and owed by related parties are measured at amortised cost and the carrying values approximate fair value. The undiscounted cash flow amounts owed to related parties are due within one year and do not differ from the amounts included in the table above.

Note 21 Analysis of changes in net debt

The Group's Net debt APM is defined in the Glossary.

	2026 £m	2025 £m
Borrowings, excluding overdrafts	(6,192)	(6,094)
Lease liabilities	(7,884)	(7,716)
Net financing derivatives	476	602
Share purchase obligations	(77)	–
Liabilities from financing activities	(13,677)	(13,208)
Cash and cash equivalents in the balance sheet	2,515	2,255
Overdrafts*	(1,004)	(856)
Cash and cash equivalents (including overdrafts) in the cash flow statement	1,511	1,399
Short-term investments	1,429	2,223
Joint venture loans	98	97
Interest and other receivables	18	19
Net operating and investing derivatives	(19)	16
Exclude: Share purchase obligations	77	–
Net debt APM	(10,563)	(9,454)

* Overdraft balances are included within borrowings in the Group balance sheet, and within cash and cash equivalents in the Group cash flow statement. Refer to **Note 12**.

The tables below set out the movements in liabilities from financing activities:

	Borrowings, excluding overdrafts £m	Lease liabilities £m	Net financing derivative financial instruments ^(a) £m	Share purchase obligations ^(b) £m	Liabilities from Group financing activities ^(a) £m
At 22 February 2025	(6,094)	(7,716)	602	–	(13,208)
Cash flows arising from financing activities ^(c)	40	668	(163)	1,595	2,140
Cash flows arising from operating activities:					
Interest paid	239	395	29	–	663
Non-cash movements:					
Fair value gains/(losses)	(59)	–	53	–	(6)
Foreign exchange	(103)	(60)	–	–	(163)
Interest income/(charge)	(215)	(404)	(45)	–	(664)
Lease additions, terminations, modifications and reassessments	–	(767)	–	–	(767)
Share purchase agreements	–	–	–	(1,672)	(1,672)
At 28 February 2026	(6,192)	(7,884)	476	(77)	(13,677)

(a) Net financing derivatives comprise those derivatives which hedge the Group's exposures in respect of lease liabilities and borrowings. Net operating and investing derivatives of £(19)m (2025: £16m), which form part of the Group's Net debt APM, are not included in liabilities from financing activities.

(b) Share purchase obligations form part of the liabilities arising from the Group's financing activities, but do not form part of Net debt. Cash flows arising from financing activities exclude £nil (2025: £(91)m) cash outflows relating to other cancellable arrangements and prepayments, and £52m (2025: £69m) cash received from employees exercising SAYE options.

(c) Cash flows arising from financing activities for Borrowings, excluding overdrafts and Net financing derivative financial instruments are presented gross. In the Group cash flow statement, these amounts are presented net.

Note 21 Analysis of changes in net debt continued

	Borrowings, excluding overdrafts £m	Lease liabilities £m	Net financing derivative financial instruments ^(a) £m	Share purchase obligations ^(b) £m	Liabilities from Group financing activities ^(a) £m
At 24 February 2024	(6,407)	(7,622)	544	–	(13,485)
Cash flows arising from financing activities ^{(c)(d)}	347	597	(32)	1,016	1,928
Cash flows arising from operating activities:					
Interest paid ^(d)	210	380	85	–	675
Non-cash movements:					
Fair value gains/(losses)	(92)	–	96	–	4
Foreign exchange	58	25	–	–	83
Interest income/(charge)	(210)	(377)	(91)	–	(678)
Acquisitions and disposals	–	(5)	–	–	(5)
Lease additions, terminations, modifications and reassessments	–	(714)	–	–	(714)
Share purchase agreements	–	–	–	(1,016)	(1,016)
At 22 February 2025	(6,094)	(7,716)	602	–	(13,208)

(a)–(c) Refer to previous table for footnotes.

(d) Following the Group's change in presentation of economic hedges in the Group cash flow statement, Cash flows arising from financing activities and Interest paid within Lease liabilities have been re-presented by £3m each. See **Note 22** for full details.

Note 22 Change in accounting policy

Presentation of economic hedges in the Group cash flow statement

As set out in the Group's interim results 2025/26, the Group now classifies economic hedges in the same cash flow statement category as the underlying risk or hedged item and presents the related derivative cash flow movements net with the cash flows from the underlying risk being hedged. This simplification in presentation is consistent with the existing presentation of derivatives in formal hedge accounting relationships and is considered reliable and more relevant because the Group manages its risk exposure in cash flow terms on a net, after-hedging basis, regardless of whether the derivatives are in a formal hedge accounting relationship or not.

The Group previously presented such economic hedges on a gross basis in the investing and financing sections, separately to the cash flows from the underlying risk being hedged.

To the extent that any derivative cash flows do not have an associated risk cash flow, such as for financing activities across the Group related to the management of foreign exchange on intercompany loans or foreign currency funding needs, these derivative cash flows will continue to be presented on a gross basis in the financing section.

The comparatives for the year ended 22 February 2025 have been re-presented as follows:

	As reported £m	Adjustment £m	Re-presented £m
Interest paid	(769)	(3)	(772)
Cash flows generated from/(used in) operating activities	2,922	(3)	2,919
Proceeds from sale of other investments	966	28	994
Investing cash inflows from derivative financial instruments	29	(29)	–
Investing cash outflows from derivative financial instruments	(1)	1	–
Net cash generated from/(used in) investing activities	(441)	–	(441)
Repayment of capital element of obligations under leases	(602)	3	(599)
Repayment of borrowings	(809)	45	(764)
Financing cash inflows from derivative financial instruments	485	(424)	61
Financing cash outflows from derivative financial instruments	(453)	379	(74)
Net cash generated from/(used in) financing activities	(2,943)	3	(2,940)
Net increase/(decrease) in cash and cash equivalents	(462)	–	(462)
Free cash flow	1,750	–	1,750

Note 23 Contingent liabilities

As previously reported, Tesco Stores Limited (TSL) (along with all the major supermarkets) has received claims from current and former hourly-paid store colleagues alleging that they do equal work to that of colleagues working in its distribution centres and that differences in terms and conditions relating to pay are not objectively justifiable (the Equal Pay Claims). The claimants are seeking the differential between the pay terms looking back, and equivalence of pay terms moving forward. As at the date of this disclosure, there are approximately 62,000 claims against TSL, with the number of claims expected to continue to increase as the litigation progresses.

UK equal pay law provides that an employee is entitled to the same terms in relation to pay as those of a comparator of the opposite sex in the same employment if they are employed to do equal work. The legislation achieves this by implying a clause into the contract of employment, which has the effect of importing into the employee's contract the more favourable term(s) of the comparator.

Equal pay claims are typically heard in three stages and the claimants have to win at every stage in order to succeed. The first stage is comparability, which is effectively a technical gateway to the claims proceeding. The claimants have to show that there is a valid basis in law for comparing their pay and the pay of any comparator. One of the legal bases here is that pay terms are set by the same body. Following a European court ruling on this, TSL has made a concession on comparability.

The subsequent stages comprise an equal work assessment and the consideration of TSL's material factor defences (non-discriminatory reasons for differentials in pay terms). The employment tribunal hearing of TSL's material factor defences is due to commence on 1 May 2026. The employment tribunal hearing for the equal value assessment is currently due to commence on 1 February 2027 (although it is likely to move to a later date). The Equal Pay Claims have been split into three tranches (with tranche 1 being heard first) and the stages apply to each tranche. Although the claims that have been heard to date involve female claimants, male store workers (being close to 50% of the current store worker population) may also bring claims by comparing themselves against any successful female claimants. Male claimants who have pre-emptively brought such claims currently make up approximately 47% of the Equal Pay Claims against TSL in the employment tribunal. The ultimate determination of all claims is likely to take many years, including as a result of appeals.

At present, the total number of Equal Pay Claims that may be received, the merits, and likely outcome of those claims and of TSL's defences to them, and the potential impact on the Group, are subject to various and substantial uncertainties. There are multiple factual and legal defences to these claims and the Group intends to defend them vigorously, while at the same time taking appropriate steps to mitigate the risks. The Group therefore cannot make an assessment of the likely outcome of the litigation, or the potential quantum of its liability or the potential impact on the Group at this stage. Depending on the outcome at the various stages of the Equal Pay Claims, and dependent on the number of any ultimately successful claims, the potential quantum of its liability could be material.

There are a number of other contingent liabilities that arise in the normal course of business, which if realised, are not expected to result in a material liability to the Group.

Note 24 Events after the reporting period

See **Note 1** for details on the Group's assessment of the impact of the conflict in the Middle East. There were no other material events after the reporting period requiring disclosure.

Glossary – Alternative performance measures

Introduction

In the reporting of financial information, the Directors have adopted various Alternative performance measures (APMs).

These measures are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies' APMs, including those in the Group's industry. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measures.

Purpose

The Directors believe that these APMs assist in providing additional useful information on the trends, performance and position of the Group. APMs aid comparability between geographical units or provide measures that are widely used across the industry. They also aid comparability between reporting periods; adjusting for certain costs or incomes that derive from events or transactions that fall within the normal activities of the Group but which, by virtue of their size or nature, are adjusted, and can provide a helpful alternative perspective on year-on-year trends, performance and position that aids comparability over time.

The alternative view presented by these APMs is consistent with how management views the business, and how it is reported internally to the Board and Executive Committee for performance analysis, planning, reporting, decision-making and incentive-setting purposes.

Further information on the Group's adjusting items, which is a critical accounting judgement, can be found in **Note 4**.

Some of the Group's IFRS measures are translated at constant exchange rates. Constant exchange rates are the average actual periodic exchange rates for the previous financial period and are used to eliminate the effects of exchange rate fluctuations in assessing performance. Actual exchange rates are the average actual periodic exchange rates for that financial period.

All income statement measures are presented on a continuing operations basis.

Changes to APMs

There were no changes to APMs in the year.

Week 53 reporting

As with many retail businesses, the Group operates a weekly accounting calendar to ensure equal trading days, and has a 53-week financial year every five to six years. As detailed in **Note 1**, the financial statements cover the 53 weeks ended 28 February 2026 (prior financial year 52 weeks ended 22 February 2025) for the UK & ROI (excluding Insurance and Money Services) and Booker. For all other operations, the results are for the calendar year ended 28 February 2026 (prior calendar year 28 February 2025).

In order to provide comparability with the prior year results, certain APMs are presented on a 52-week basis by adjusting the Group's statutory 53-week results to exclude the 53rd week for the UK & ROI (excluding Insurance and Money Services) and Booker. No week 53 adjustments are required in respect of the Group's operations in Central Europe or Insurance and Money Services as these results are already comparable with the prior year.

In determining the week 53 adjustments, revenue, sales, cost of goods sold and payroll expenses predominantly represent the actual trading performance for week 53. Overhead expenses where weekly data is not available are allocated proportionally based on the 5-week period ended 28 February 2026.

Group APMs

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose
Income statement			
Revenue measures			
Sales	Revenue	– Fuel sales	– Excludes the impact of fuel sales made at petrol filling stations. This removes fuel price volatility which is outside of the control of management. – This measure is presented on a country, segmental and Group continuing operations basis. – This is a key management incentive metric.
Growth in sales	No direct equivalent	– Ratio N/A	– Growth in sales is a ratio that measures year-on-year movement in Group Sales from continuing operations on a 52-week basis. It shows the annual rate of increase in the Group's sales and is considered a good indicator of how rapidly the Group's core business is growing. – This measure is presented at both actual and constant foreign exchange rates.
Like-for-like (LFL) sales growth	No direct equivalent	– Ratio N/A	– LFL sales growth is a measure of growth in Group online sales and sales from stores that have been open for at least a year (but excludes prior year sales of stores closed during the year) at constant foreign exchange rates. – It excludes revenue from dunnhumby, Insurance and Money Services, and mall rental income as this revenue is not directly linked to the sale of goods. – It is a widely used indicator of a retailer's current trading performance and is important when comparing growth between retailers that have different profiles of expansion, disposals and closures.
Profit measures			
Adjusted operating profit	Operating profit from continuing operations ^(a)	– Adjusting items ^(b)	– Adjusted operating profit is the headline measure of the Group's performance, based on operating profit from continuing operations before the impact of adjusting items. Refer to the APM Purpose section of the Glossary for further information on adjusting items. – Amortisation of acquired intangibles is included within adjusting items because it relates to business combinations and does not reflect the Group's ongoing trading performance (related revenue and other costs from acquisitions are not adjusted). – This measure is presented on a segmental and Group continuing operations basis. – This is a key management incentive metric.
Adjusted net finance costs	Net finance costs	– Adjusting items ^(b)	– Adjusting items within net finance costs include net pension finance income/(costs) and fair value remeasurements on financial instruments. Net pension finance income/(costs) are impacted by corporate bond yields, which can fluctuate significantly and are reset each year based on external market factors that are outside management's control. Fair value remeasurements are impacted by changes to credit risk and various market indices, which can fluctuate significantly outside of management's control. This measure helps to provide an alternative view of year-on-year trends in the Group's net finance costs.
Adjusted profit before tax	Profit before tax	– Adjusting items ^(b)	– This measure is the summation of the impact of all adjusting items on profit before tax. Refer to the APM Purpose section of the Glossary for further information on adjusting items.
Adjusted operating margin	No direct equivalent	– Ratio N/A	– Adjusted operating margin is calculated as Adjusted operating profit divided by revenue. Progression in Adjusted operating margin is an important indicator of the Group's operating efficiency.
Adjusted diluted earnings per share	Diluted earnings per share from continuing operations	– Adjusting items ^(b)	– This metric shows the adjusted profit after tax from continuing operations attributable to owners of the parent divided by the weighted average number of ordinary shares in issue during the financial period, adjusted for the effects of dilutive share options.
EBITDA (earnings before adjusting items, interest, tax, depreciation and amortisation)	Operating profit from continuing operations ^(a)	– Adjusting items^(b) – Depreciation and amortisation	– This measure is widely used by analysts, investors and other users of the accounts to evaluate comparable profitability of companies, as it excludes the impact of differing capital structures and tax positions, variations in tangible asset portfolios, and differences in identification and recognition of intangible assets. It is used to derive the Net debt/EBITDA ratio, and Fixed charge cover APMs.
Tax measures			
Adjusted effective tax rate	Effective tax rate	– Adjusting items ^(b)	– Adjusted effective tax rate is calculated as total income tax credit/(charge) excluding the tax impact of adjusting items, divided by Adjusted profit before tax. This APM provides an indication of the ongoing tax rate across the Group.

(a) Operating profit is presented on the Group income statement and is a generally accepted profit measure.

(b) Refer to **Note 4**.

Group APMs continued

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose
Balance sheet measures			
Net debt	No direct equivalent	– N/A	– Net debt excludes the net debt of discontinued operations to reflect the net debt obligations of the continuing business. – Net debt comprises borrowings, lease liabilities and net derivative financial instruments, offset by cash and cash equivalents, short-term investments, joint venture loans, and interest and other receivables. – It is a useful measure of the progress in generating cash and strengthening of the Group's balance sheet position, and is a measure widely used by credit rating agencies.
Net debt/EBITDA ratio	No direct equivalent	– Ratio N/A	– Net debt/EBITDA ratio is calculated as Net debt divided by the rolling 12-month EBITDA. It is a measure of the Group's ability to meet its payment obligations, showing how long it would take the Group to repay its current net debt if both net debt and EBITDA remained constant. It is widely used by analysts and credit rating agencies.
Fixed charge cover	No direct equivalent	– Ratio N/A	– Fixed charge cover is calculated as the rolling 12-month EBITDA divided by the sum of net finance costs (excluding net pension finance costs, finance charges payable on lease liabilities, capitalised interest and fair value remeasurements on financial instruments) and all lease liability payments from continuing operations. It is a measure of the Group's ability to meet its payment obligations and is widely used by analysts and credit rating agencies.
Capex	Property, plant and equipment, intangible asset, and investment property additions, excluding those from business combinations	– Additions relating to property buybacks and store purchases – Additions relating to decommissioning provisions and similar items	– Capex excludes additions arising from business combinations, buybacks of properties (typically stores), purchases of store properties, refits associated with business combinations and purchases of store properties, as well as additions relating to decommissioning provisions and similar items. – Property buybacks and purchases of store properties are variable in timing, with the number and value of transactions dependent on opportunities that arise within any given financial year. Excluding property buybacks and store property purchases therefore gives an alternative view of trends in capital expenditure in the Group's ongoing trading operations. – Additions relating to decommissioning provisions and similar items are adjusted because they do not result in near-term cash outflows.
Return on capital employed (ROCE)	No direct equivalent	– Ratio N/A	– ROCE is Adjusted operating profit divided by the average of opening and closing capital employed from continuing operations. – Capital employed from continuing operations is defined as net assets of the Group excluding: the pension deficit/surplus; net assets of the disposal group and non-current assets classified as held for sale; current and deferred tax balances and an adjustment to remove the impact of deferred tax liabilities recorded against identified assets acquired in business combinations; and Net debt. – This metric represents the profit generated as a proportion of the total average capital that the business has utilised in the period. – Management believes this is a useful measure to assess performance.
Cash flow measures			
Free cash flow	No direct equivalent	– N/A	– Free cash flow includes the following cash flows (excluding Insurance and Money Services and adjusting cash flows): – Continuing cash flows from operating activities of the business. – Investing cash flows relating to: the purchase of property, plant and equipment (excluding property buybacks and store purchases and refits associated with both store purchases and business combinations) and investment property; purchase of intangible assets; dividends received from Insurance and Money Services (excluding special dividends); dividends received from joint ventures and associates; and interest received. – Financing cash flows relating to: market purchase of shares net of proceeds from shares issued in relation to share schemes; and repayment of obligations under leases. – Directors and management believe this provides a view of free cash flow generated by the Group's trading operations, excluding Insurance and Money Services, that is more predictable and comparable over time, and reflects the cash available to shareholders. Insurance and Money Services is excluded because free cash flow is not a common metric within this industry. – This is a key management incentive metric.

APMs: Reconciliation of income statement measures

Sales

A reconciliation of Sales is provided in **Note 2**.

Growth in sales and Like-for-like (LFL) sales growth

Continuing operations	Notes	2026	2025
Revenue – current year on a 53-week basis (£m)	2,3	73,712	69,916
Exclude: 53rd week	2	(1,248)	n/a
Revenue – current year on a 52-week basis (£m)	2	72,464	n/a
Revenue – prior year (£m)	2,3	69,916	68,187
Revenue growth		3.6%	2.5%
Exclude: Fuel impact		1.0%	1.0%
Growth in sales at actual rate		4.6%	3.5%
Exclude: Foreign exchange		(0.3)%	0.5%
Growth in sales at constant rate		4.3%	4.0%
Exclude: Revenue from dunnhumby, Insurance and Money Services, and mall rental income ^(a)		(0.3)%	(0.4)%
Exclude: Underlying net new space impact		(0.3)%	(0.5)%
Exclude: Impact of retail partnerships reclassification ^(b)		(0.2)%	n/a
Like-for-like sales growth		3.5%	3.1%

(a) From the start of the current financial year, mall rental income was reclassified from cost of sales to revenue. Prior year revenue has not been restated as amounts were immaterial. This has no impact on Like-for-like (LFL) sales growth because mall rental income is excluded in both years.

(b) From the start of the current financial year, certain retail partnerships income was reclassified from cost of sales to revenue. Prior year revenue has not been restated as amounts were immaterial. Growth in retail partnerships income has been excluded in the year of change to ensure a like-for-like comparison and will be included in future reporting periods.

Adjusted operating profit and EBITDA

Continuing operations	Notes	2026			2025
		As reported on a 53-week basis £m	Exclude 53rd week £m	On a 52-week basis £m	52 weeks £m
Operating profit	2	2,985	(30)	2,955	2,711
Exclude: Adjusting items	4	209	(12)	197	417
Adjusted operating profit	2	3,194	(42)	3,152	3,128
Include: Depreciation and amortisation before adjusting items		1,813	(30)	1,783	1,697
EBITDA		5,007	(72)	4,935	4,825

Adjusted profit before tax

A reconciliation of Adjusted profit before tax is provided in **Note 6**.

Adjusted operating margin

A reconciliation of Adjusted operating margin is provided in **Note 2**.

Adjusted diluted earnings per share

A reconciliation of Adjusted diluted earnings per share is provided in **Note 8**.

Adjusted effective tax rate

Adjusted effective tax rate is provided in **Note 6**.

APMs: Reconciliation of balance sheet measures

Net debt

A reconciliation of Net debt is provided in **Note 21**.

Reconciliation from Free cash flow to Net debt

	Notes	2026 £m	2025 £m
Opening Net debt	21	(9,454)	(9,684)
Free cash flow		1,957	1,750
Other cash movements:			
Own shares purchased for cancellation		(1,443)	(1,016)
Dividends paid to equity owners		(937)	(864)
Adjusting items included in operating cash flow activities		(80)	(81)
Repayments of capital element of obligations under leases ^(a)		668	597
Interest paid on lease liabilities ^(a)		395	380
Net other interest paid/(received)		129	136
Proceeds from sale of property, plant and equipment, investment property, intangible assets and assets held for sale		47	137
Cash outflows attributable to property buybacks and store purchases		(191)	(225)
Disposal of Banking operations, net of costs to sell		–	586
Free cash flow impact of 53rd week		(163)	–
Other cash movements ^(b)		5	(21)
Non-cash movements in Net debt:			
Fair value movements		(45)	20
Foreign exchange movements		(98)	44
Net interest charge		(122)	(144)
Non-cash movements in lease liabilities		(1,231)	(1,066)
Non-cash movement arising from acquisitions and disposals		–	(5)
Other non-cash movements		–	2
Closing Net debt	21	(10,563)	(9,454)

(a) Comparatives have been re-presented following the Group's change in accounting policy for economic hedges. There is no impact on Net debt. See **Note 22** for further details.

(b) Predominantly relates to the equivalent of free cash flow for Insurance and Money Services and proceeds from/(purchase of) other investments.

Net debt/EBITDA ratio

Net debt is presented as at the balance sheet date. EBITDA is presented on a 52-week basis.

	Notes	2026 £m	2025 £m
Net debt	21	10,563	9,454
EBITDA		4,935	4,825
Net debt/EBITDA ratio		2.1	2.0

Adjusted net finance costs and Fixed charge cover

	Notes	2026			2025
		As reported on a 53-week basis £m	Exclude 53rd week £m	On a 52-week basis £m	52 weeks £m
Net finance costs	5	581	(5)	576	492
Exclude: Net pension finance income/(costs)	5	(14)	–	(14)	(32)
Exclude: Fair value remeasurements of financial instruments	5	(26)	(5)	(31)	76
Adjusted net finance costs		541	(10)	531	536
Exclude: Interest expense on lease liabilities*	5	(390)	7	(383)	(377)
Adjusted net finance cost, excluding finance charges payable on lease liabilities		151	(3)	148	159
Include: Total lease liability payments		1,063	(5)	1,058	980
Exclude: Discontinued operations total lease liability payments		–	–	–	(3)
		1,214	(8)	1,206	1,136
EBITDA		5,007	(72)	4,935	4,825
Fixed charge cover (ratio)				4.1	4.2

* Interest expense on lease liabilities is presented net of £14m hedging impact (2025: gross of £7m).

APMs: Reconciliation of balance sheet measures continued**Capex**

	Notes	2026			2025
		As reported on a 53-week basis £m	Exclude 53rd week £m	On a 52-week basis £m	52 weeks £m
Property, plant and equipment additions*	9	1,369	(15)	1,354	1,361
Goodwill and other intangible asset additions*		323	(6)	317	286
Exclude: Additions from property buybacks	9	(141)	–	(141)	(157)
Exclude: Additions from store purchases and associated refits	9	(22)	–	(22)	(24)
Exclude: Additions from refits associated with business combinations	9	–	–	–	(18)
Exclude: Additions relating to decommissioning provisions and similar items		3	–	3	9
Capex		1,532	(21)	1,511	1,457

* Excluding amounts acquired through business combinations.

Return on capital employed (ROCE)

Adjusted operating profit is presented on a 52-week basis. Capital employed is presented as at the balance sheet date.

	Notes	2026 £m	2025 £m
Adjusted operating profit	2	3,152	3,128
Capital employed from continuing operations:			
Net assets		11,457	11,662
Exclude: Pension deficit/(surplus) gross of deferred tax	18	(197)	251
Exclude: Non-current assets classified as held for sale		(114)	(50)
Exclude: Net current tax (asset)/liability		(25)	(14)
Exclude: Deferred tax assets		(49)	(47)
Exclude: Deferred tax liabilities		635	503
Exclude: Adjustment to remove the impact of deferred tax liabilities recorded against identified assets acquired in business combinations		(133)	(133)
Exclude: Net debt	21	10,563	9,454
Capital employed		22,137	21,626
Average capital employed from continuing operations		21,882	21,475
Return on capital employed (ROCE)		14.4%	14.6%

APMs: Reconciliation of cash flow measures

Free cash flow

	Continuing operations excluding Insurance and Money Services					Insurance and Money Services	Total Group
	On a 52-week basis (APM) £m	Include 53rd week £m	On a 53-week basis before adjusting items £m	Adjusting items £m	Total £m	Total £m	Total £m
53 weeks ended 28 February 2026							
Operating profit/(loss)	2,985	42	3,027	(181)	2,846	139	2,985
Depreciation and amortisation	1,764	30	1,794	82	1,876	19	1,895
Net impairment loss/(reversal) on property, plant and equipment, right of use assets, intangible assets and investment property	–	–	–	53	53	–	53
Net remeasurement (gain)/loss on non-current assets held for sale	–	–	–	1	1	–	1
Defined benefit pension scheme payments	(31)	–	(31)	–	(31)	–	(31)
Share-based payments	56	2	58	–	58	(3)	55
Other reconciling items ^(a)	10	–	10	(2)	8	–	8
Cash generated from/(used in) operations excluding working capital	4,784	74	4,858	(47)	4,811	155	4,966
(Increase)/decrease in working capital	385	(216)	169	(7)	162	40	202
Cash generated from/(used in) operations	5,169	(142)	5,027	(54)	4,973	195	5,168
Interest paid	(745)	(14)	(759)	–	(759)	–	(759)
Corporation tax paid	(497)	3	(494)	–	(494)	(9)	(503)
Net cash generated from/(used in) operating activities	3,927	(153)	3,774	(54)	3,720	186	3,906
Include the following cash flows generated from/ (used in) investing activities:							
Purchase of property, plant and equipment and investment property ^(b)	(1,200)	(7)	(1,207)	(4)	(1,211)	(4)	(1,215)
Purchase of intangible assets	(315)	(5)	(320)	–	(320)	(2)	(322)
Ordinary dividends received from Insurance and Money Services	50	–	50	–	50	(50)	–
Dividends received from joint ventures and associates	2	–	2	–	2	–	2
Interest received	227	4	231	–	231	4	235
Include the following cash flows generated from/ (used in) financing activities:							
Own shares purchased for share schemes, net of cash received from employees	(100)	–	(100)	–	(100)	–	(100)
Repayment of capital element of obligations under leases	(634)	(2)	(636)	(31)	(667)	(1)	(668)
Free cash flow	1,957						

(a) Other reconciling items primarily relate to adjustment for non-cash element of pensions charge (2025: primarily relate to (profit)/loss arising on sale of property, plant and equipment, investment property, intangible assets, assets classified as held for sale and early termination of leases). Refer to the Group cash flow statement.

(b) Total purchase of property, plant and equipment and investment property in the Group cash flow statement of £(1,344)m (2025: £(1,247)m) excluding £(129)m (2025: £(133)m) of store buybacks, direct store purchases and refits associated with both direct store purchases and business combinations.

APMs: Reconciliation of cash flow measures continued

Free cash flow

	Continuing operations excluding Insurance and Money Services			Insurance and Money Services	Discontinued operations	Tesco Group
	Before adjusting items £m	Adjusting items £m	Total £m	Total £m	Total £m	Total £m
52 weeks ended 22 February 2025						
Operating profit/(loss) of continuing operations	2,973	(403)	2,570	141	–	2,711
Operating profit/(loss) of discontinued operations	–	–	–	–	35	35
Depreciation and amortisation	1,680	78	1,758	17	–	1,775
Net impairment loss/(reversal) on property, plant and equipment, right of use assets, intangible assets and investment property	12	286	298	–	–	298
Net remeasurement (gain)/loss on non-current assets held for sale	–	–	–	–	64	64
Defined benefit pension scheme payments	(30)	–	(30)	–	–	(30)
Share-based payments	39	–	39	(6)	4	37
Fair value movements included in operating profit/(loss)	–	–	–	(7)	16	9
Other reconciling items ^(a)	18	(15)	3	8	–	11
Cash generated from/(used in) operations excluding working capital	4,692	(54)	4,638	153	119	4,910
(Increase)/decrease in working capital	(45)	(1)	(46)	(860)	53	(853)
Cash generated from/(used in) operations	4,647	(55)	4,592	(707)	172	4,057
Interest paid ^(c)	(758)	–	(758)	(13)	(1)	(772)
Corporation tax paid	(355)	–	(355)	(11)	–	(366)
Net cash generated from/(used in) operating activities	3,534	(55)	3,479	(731)	171	2,919
Include the following cash flows generated from/(used in) investing activities:						
Purchase of property, plant and equipment and investment property ^(b)	(1,112)	–	(1,112)	(2)	–	(1,114)
Purchase of intangible assets	(280)	–	(280)	(5)	(7)	(292)
Dividends received from joint ventures and associates	2	–	2	–	–	2
Interest received	255	–	255	–	–	255
Include the following cash flows generated from/(used in) financing activities:						
Own shares purchased for share schemes, net of cash received from employees	(54)	–	(54)	–	–	(54)
Repayment of capital element of obligations under leases ^(c)	(595)	–	(595)	(2)	(2)	(599)
Free cash flow	1,750					

(a)–(b) Refer to previous table for footnotes.

(c) As a result of the Group's change in presentation of economic hedges in the Group cash flow statement, comparatives for Interest paid and Repayment of capital element of obligations under leases have been re-presented by £3m. There is no impact on the Free cash flow APM. See **Note 22** for full details.

Glossary – Other

CPI

Consumer price index.

Dividend per share

This is calculated as interim dividend per share paid plus final dividend per share declared in respect of that financial year.

Expected credit loss (ECL)

Credit loss represents the portion of the debt that a company is unlikely to recover. The expected credit loss is the projected future losses based on probability-weighted calculations.

ESG

Environmental, social and governance.

FTE

Full-time equivalents.

LPI

Limited price index.

Market capitalisation

The total value of all Tesco shares calculated as total number of shares multiplied by the closing share price at the year end.

MTN

Medium term note.

Net promoter score (NPS)

This is a loyalty measure based on a single question requiring a score between 0–10. The NPS is calculated by subtracting the percentage of detractors (scoring 0–6) from the percentage of promoters (scoring 9–10). This generates a figure between –100 and 100 which is the NPS.

RPI

Retail price index.

SONIA

Sterling Overnight Index Average.

Appendices

Appendix 1

Like-for-like sales performance (exc. VAT, exc. fuel)

On a 52-week basis	Like-for-like sales						
	Q1 2025/26	Q2 2025/26	Q3 2025/26	Q4 2025/26	H1 2025/26	H2 2025/26	FY 2025/26
UK & ROI	5.1%	4.6%	4.0%	3.2%	4.9%	3.6%	4.2%
UK	5.1%	4.6%	3.9%	3.1%	4.9%	3.5%	4.2%
ROI	5.5%	4.0%	5.0%	3.9%	4.8%	4.4%	4.6%
Booker	2.0%	1.3%	(0.9)%	(1.8)%	1.7%	(1.3)%	0.2%
Central Europe	4.1%	2.9%	1.2%	0.9%	3.4%	1.0%	2.2%
Like-for-like sales growth	4.6%	4.0%	3.1%	2.4%	4.3%	2.7%	3.5%

Appendix 2

Growth in sales (exc. VAT, exc. fuel)

On a 52-week basis	Actual rates			Constant rates		
	H1 2025/26	H2 2025/26	FY 2025/26	H1 2025/26	H2 2025/26	FY 2025/26
UK & ROI	5.6%	4.7%	5.1%	5.6%	4.4%	5.0%
UK	5.6%	4.3%	4.9%	5.6%	4.3%	4.9%
ROI	6.4%	11.2%	8.9%	6.5%	6.7%	6.6%
Booker	2.4%	(1.4)%	0.6%	2.4%	(1.4)%	0.6%
Central Europe	4.4%	9.8%	7.2%	5.0%	2.4%	3.7%
Growth in sales	5.1%	4.2%	4.6%	5.1%	3.5%	4.3%

Country level revenue detail is provided in **Note 3**.

Appendix 3

UK sales area by size of store

Store size (sq. ft.)	28 February 2026			22 February 2025		
	No. of stores	Million sq. ft.	% of total sq. ft.	No. of stores	Million sq. ft.	% of total sq. ft.
0-3,000	2,755	6.1	15.7%	2,716	5.9	15.4%
3,001-20,000	282	3.0	7.7%	281	3.0	7.7%
20,001-40,000	304	9.0	23.2%	302	9.0	23.3%
40,001-60,000	192	9.7	25.0%	192	9.7	25.2%
60,001-80,000	111	7.6	19.6%	111	7.6	19.6%
80,001-100,000	31	2.7	7.0%	31	2.7	7.0%
Over 100,000	6	0.7	1.8%	6	0.7	1.8%
Total*	3,681	38.8	100.0%	3,639	38.6	100.0%

* Excludes franchise stores.

Appendix 4

Actual Group space – store numbers

	2024/25 year end	Openings	Closures/ disposals	Net gain/ (reduction) ^(a)	2025/26 year end
Large	809	4	–	4	813
Convenience	2,094	65	(11)	54	2,148
Online only	6	–	–	–	6
UK excluding One Stop	2,909	69	(11)	58	2,967
One Stop ^(c)	730	8	(24)	(16)	714
UK^(e)	3,639	77	(35)	42	3,681
ROI	182	9	–	9	191
UK & ROI^{(c)(d)}	3,821	86	(35)	51	3,872
Booker	190	–	(1)	(1)	189
Czech Republic ^(c)	184	1	(1)	–	184
Hungary	198	3	(1)	2	200
Slovakia	179	3	–	3	182
Central Europe^(c)	561	7	(2)	5	566
Group excluding franchise stores	4,572	93	(38)	55	4,627
UK (One Stop)	354	67	(35)	32	386
Czech Republic	114	1	(2)	(1)	113
Franchise stores	468	68	(37)	31	499
Total Group	5,040	161	(75)	86	5,126

(a) The net gain/(reduction) reflects the number of store openings less the number of store closures/disposals and, for sq. ft. tables, adjustments for repurposing/extensions.

(b) Repurposing of retail selling space.

(c) Excludes franchise stores.

(d) The 2024/25 figures have been restated to exclude Booker. Refer to **Note 2**.

Actual Group space – '000 sq. ft.

	2024/25 year end	Openings	Closures/ disposals	Repurposing/ extensions ^(b)	Net gain/ (reduction) ^(a)	2025/26 year end
Large	31,092	71	–	–	71	31,163
Convenience	5,615	186	(54)	–	132	5,747
Online only	716	–	–	–	–	716
UK excluding One Stop	37,423	257	(54)	–	203	37,626
One Stop ^(c)	1,205	15	(40)	–	(25)	1,180
UK^(e)	38,628	272	(94)	–	178	38,806
ROI	3,572	89	–	2	91	3,663
UK & ROI^{(c)(d)}	42,200	361	(94)	2	269	42,469
Booker^(e)	7,653	–	(11)	–	(11)	7,642
Czech Republic ^(c)	4,085	20	(3)	(16)	1	4,086
Hungary	5,316	9	(3)	(29)	(23)	5,293
Slovakia	3,179	19	–	(12)	7	3,186
Central Europe^(c)	12,580	48	(6)	(57)	(15)	12,565
Group excluding franchise stores	62,433	409	(111)	(55)	243	62,676
UK (One Stop)	509	102	(47)	–	55	564
Czech Republic	103	1	(2)	–	(1)	102
Franchise stores	612	103	(49)	–	54	666
Total Group	63,045	512	(160)	(55)	297	63,342

(a)–(d) Refer to previous table for footnotes.

(e) The 2024/25 figures have been re-presented for sales area remeasurements.

Appendices continued

Group space forecast to 27 February 2027 – '000 sq. ft

	2025/26 year end	Openings	Closures/ disposals	Repurposing/ extensions ^(b)	Net gain/ (reduction) ^(a)	2026/27 year end
Large	31,163	32	–	–	32	31,195
Convenience	5,747	168	(11)	–	157	5,904
Online only	716	–	–	–	–	716
UK excluding One Stop	37,626	200	(11)	–	189	37,815
One Stop ^(c)	1,180	–	(15)	–	(15)	1,165
UK^(c)	38,806	200	(26)	–	174	38,980
ROI	3,663	105	–	–	105	3,768
UK & ROI^{(c)(d)}	42,469	305	(26)	–	279	42,748
Booker	7,642	–	–	–	–	7,642
Czech Republic ^(c)	4,086	18	–	(1)	17	4,103
Hungary	5,293	–	(51)	(8)	(59)	5,234
Slovakia	3,186	93	–	(18)	75	3,261
Central Europe^(c)	12,565	111	(51)	(27)	33	12,598
Group excluding franchise stores	62,676	416	(77)	(27)	312	62,988
UK (One Stop)	564	46	(3)	–	43	607
Czech Republic	102	–	–	–	–	102
Franchise stores	666	46	(3)	–	43	709
Total Group	63,342	462	(80)	(27)	355	63,697

Refer to previous table for footnotes.