



Interim Results 2026/27

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

8 October 2026



Continuing to strengthen the customer offer and create long-term value

Highest ever customer satisfaction

Strong financial performance

Strong progress against our strategic ambitions



Significant growth across all customer satisfaction measures

Our NPS has increased +16ppts since August 2021¹



Progress across all measures in the first half¹



1. BASIS Global Brand Tracker 13 weeks rolling NPS

Highlights across the first half

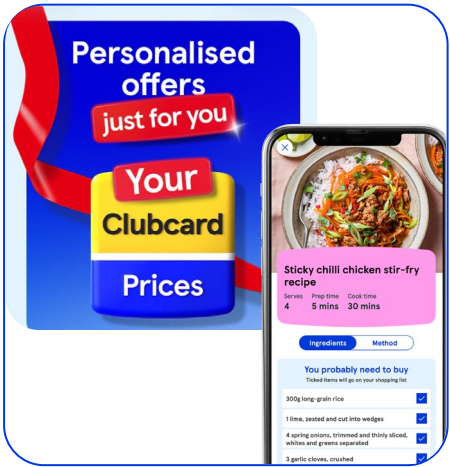
Significant progress for customers and laying the foundations for future growth



Customer satisfaction at an all-time high



Over 800 new and improved products



More Your Clubcard Prices; rolling out AI meal planner



UK's #1 for rapid grocery + Tesco now on Uber Eats & Deliveroo



New F&F website showcasing our full range

Our colleagues are our greatest ambassadors

Over £200m invested in UK store colleague pay¹, alongside broad package of benefits

Rolled out cross-store shifts, giving colleagues more flexibility

Our largest investment in colleague training for over five years

Creating 5,000 work experience placements for 18-24 year olds through 'Opening Shift' scheme

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

Delivering for all our stakeholders



Suppliers

#1 in Advantage supplier survey
for 11th year



Communities

Doubling our Free Fruit & Veg for
Schools programme



Planet

Six new and updated
sustainability commitments



Shareholders

Further returns via dividends
and buyback

Financial Performance

Imran Nawaz, Chief Financial Officer



Performance headlines

Further sales growth, building on strong performance last year

Strong profit growth: improved mix and S2I delivery offsetting customer investments and cost inflation

Increasing contribution from newer income streams including Tesco Media and Whoosh

Another period of strong cash delivery

Strong balance sheet; net debt ratio 2.0x

Group sales¹
+1.6%

Like-for-like² +1.0%

Group adj. op. profit¹
£1,783m

+6.3% vs. last year

EPS³
17.3p

+12.2% vs. last year

Free cash flow
£1,570m

+21.0% vs. last year⁴

Dividend
5.05p

+5.2% vs. last year⁴

Net debt⁵
£(10,037)m

Net debt / EBITDA ratio at 2.0x

1. Group sales and Group adjusted operating profit change at constant rates of exchange. Group sales exclude VAT and fuel
2. Like-for-like sales growth on a 1-year basis unless stated otherwise
3. Adjusted diluted EPS. Change shown at actual exchange rates
4. Change shown at actual exchange rates
5. As at the balance sheet date

Segmental performance

- Further sales growth on top of strong performance last year
- Profit growth ahead of sales in all segments, supported by strong Save to Invest delivery

H1 26/27	Sales change				Adj. operating profit			
	Sales ¹ (£m)	Change at constant rates	1-year LFL ²	2-year LFL ³	Profit (£m) ⁴	Change at constant rates	Margin ⁵	Margin change
UK & ROI	26,848	2.4%	1.7%	6.6%	1,557	6.0%	5.1%	9 bps
Booker	4,616	(2.5)%	(2.6)%	(1.0)%	163	0.1%	3.5%	10 bps
Central Europe	2,312	1.1%	0.4%	3.8%	63	38.4%	2.6%	62 bps
Group	33,776	1.6%	1.0%	5.2%	1,783	6.3%	4.8%	13 bps

1. Group sales exclude VAT and fuel

2. LFL refers to like-for-like sales growth

3. Two-year LFL is calculated by comparing current year sales to sales in 2024/25 for those stores that were trading in both years

4. Adjusted operating profit

5. Margin % at actual exchange rates

Further sales growth

2.1%

Total sales growth

1.5%

LFL sales growth

6.4%

2-year LFL sales growth

2.4%

Food LFL sales growth

Large stores grow against demanding base

Large store LFL +1.1%

Tesco Express sales broadly flat
Total convenience LFL (1.7)%

Opened 19 Express stores
+1 Large store in Whitburn

Particularly strong growth in Finest and Online

Tesco Finest sales +8.9%

Online LFL +8.4%, with market share¹ up +16bps

Grocery Home Shopping² order growth +4.9%; Delivery Saver +6.1%

Whoosh sales +37% driven by increased orders and basket size

1. Online market share based on Worldpanel by Numerator Total Grocery for 12 weeks ended 6 September 2026, excludes rapid delivery
2. Orders per week excludes Whoosh, Marketplace and F&F Online

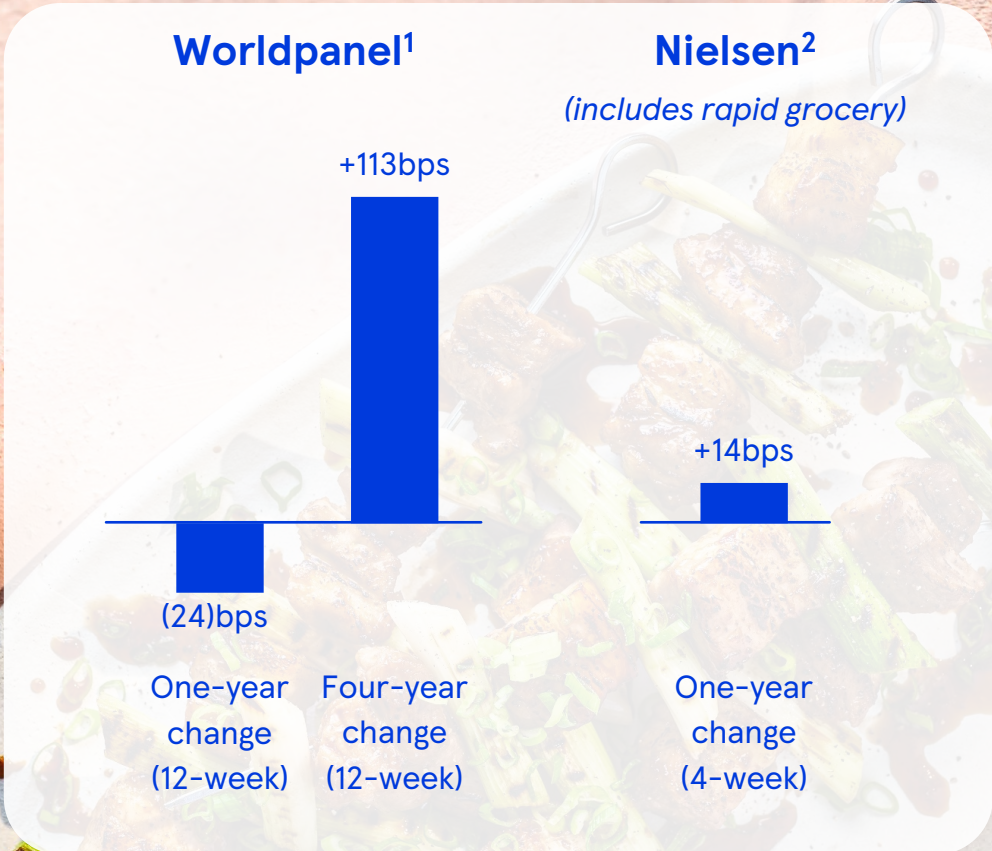
Market share performance

One-year Worldpanel change reflects exceptionally strong prior year base, as anticipated

Four-year Worldpanel share gain now +113bps¹

Latest four-week Nielsen UK market share read up +14bps; includes rapid grocery²

1. Worldpanel by Numerator Total Grocers Total Till Roll for 12 weeks ended 6 September 2026, and equivalent period in prior years
2. NIQ Total Grocers Total Till Roll ended 5 September 2026



ROI

Strong sales growth¹



Sales and volume growth across all channels

Large	+3.3%
Online	+11.9%
Convenience	+3.1%

Strong market share and further reach

- Market share² +44bps to 24.1% supported by LFL and new space
- 9 new stores in the last 12 months including 4 Large stores
- Whoosh now operating from nearly half of Express stores

1. Growth shown at constant exchange rates
2. ROI market share based on Worldpanel by Numerator Total Grocers Total Grocery for 12 weeks ended 6 September 2026

Booker

Underlying progress during the period

1-year LFL performance reflects contract exit in core retail¹, strong base in catering & tobacco

2-year LFL sales up 2.7% (exc. tobacco), with growth across all parts of the business

Better buying and Save to Invest support profit

	Sales (£m)	LFL	2-year LFL
Core retail¹	1,714	(0.6)%	3.3%
Core catering	1,418	(3.2)%	2.3%
Best Food Logistics	744	0.6%	2.1%
Booker excluding tobacco	3,876	(1.4)%	2.7%
Tobacco	740	(8.9)%	(16.6)%
Total Booker	4,616	(2.6)%	(1.0)%

1. Core retail LFL sales change includes a c.(200)bps impact from the exit of a lower-margin national account in August 2025. Excluding this impact, Core retail LFL sales grew 1.4% and Booker excluding tobacco LFL sales declined (0.5)%

Central Europe

Volume-led sales growth



Strong profit growth, supported by sales



Extending our reach



1. Growth shown at constant exchange rates

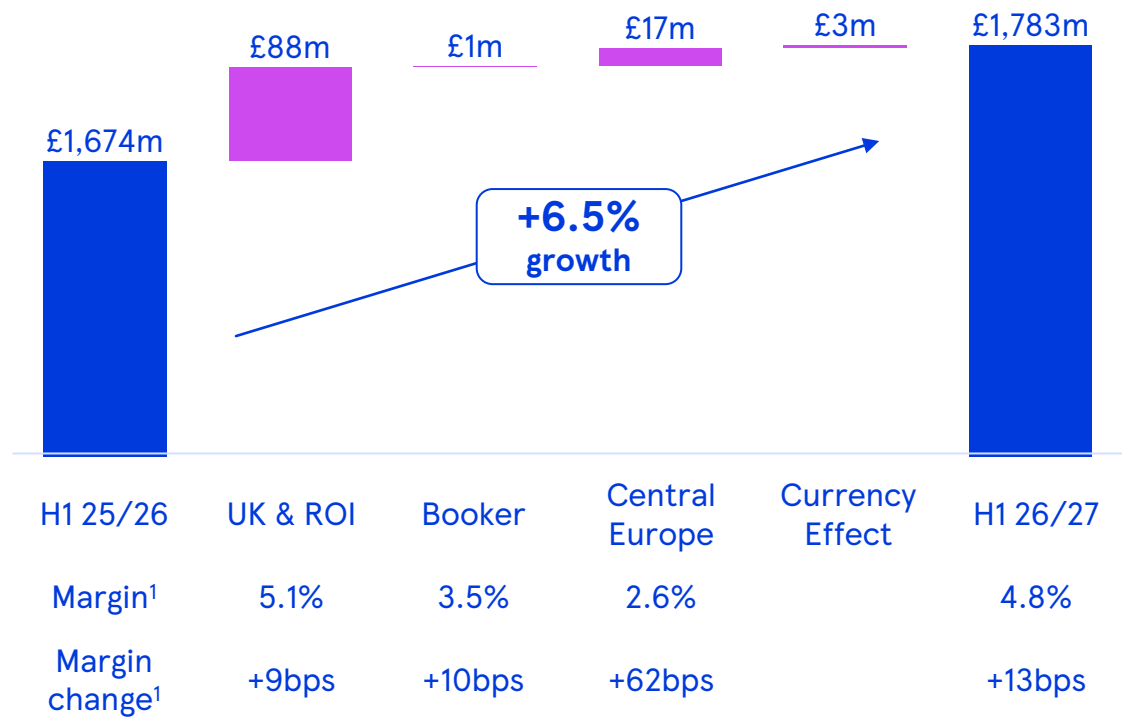
Group adjusted operating profit

Group adjusted operating profit up +6.5%¹

Sales growth, Save to Invest and newer income streams helping drive profit growth

Ongoing investments into price, quality and service

Group adjusted operating profit bridge²



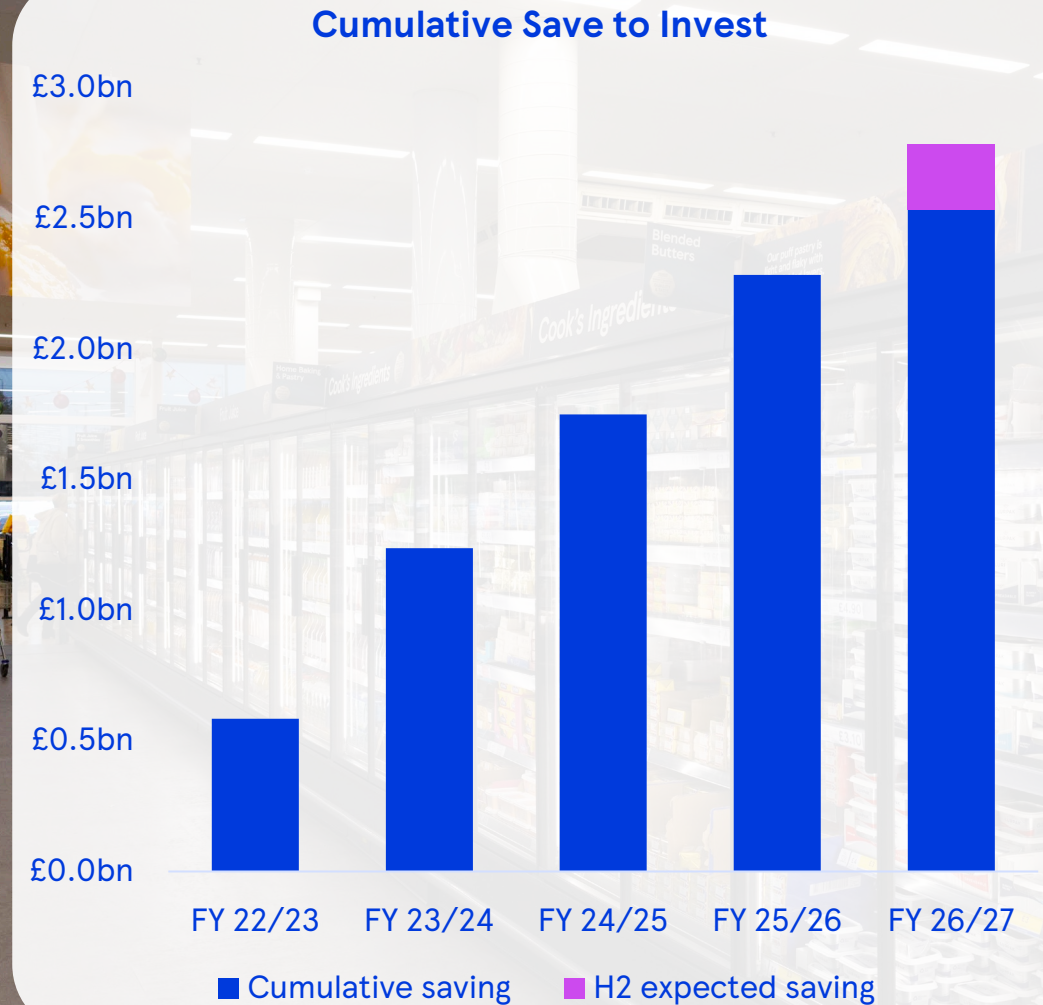
1. At actual exchange rates
2. Year-on-year change by segment shown before adjusting items and at constant exchange rates

Further Save to Invest progress

On track to deliver £500m Save to Invest this year, contributing to >£2.7bn in five years

In-year savings include:

- Online picking optimisation
- AI-led in-store replenishment improvement
- Energy efficiency measures
- Projects to further reduce inventory loss



A meaningful and growing contribution from newer income streams

Complementary to our core food business

Leverage our existing asset base

Strong sales growth and highly attractive returns

TescoMedia
dunnhumby

Whoosh.[®]

TESCO
Insurance


TESCO
mobile

F&F

Adjusted and statutory profit after tax

£m	H1 26/27	H1 25/26	Change
Adjusted operating profit	1,783	1,674	+6.5%
Adjusted net finance costs	(274)	(263)	
JVs and associates	(4)	(1)	
Tax on adjusted profit	(404)	(379)	
Adjusted profit after tax	1,101	1,031	+6.8%
Adjusting items after tax	(39)	(81)	
Statutory profit after tax	1,062	950	+11.8%

Adjusted profit after tax up +6.8%

- Adjusted net finance cost increase reflects return of Bank proceeds during FY 25/26
- Adjusted effective tax rate steady at 26.8%

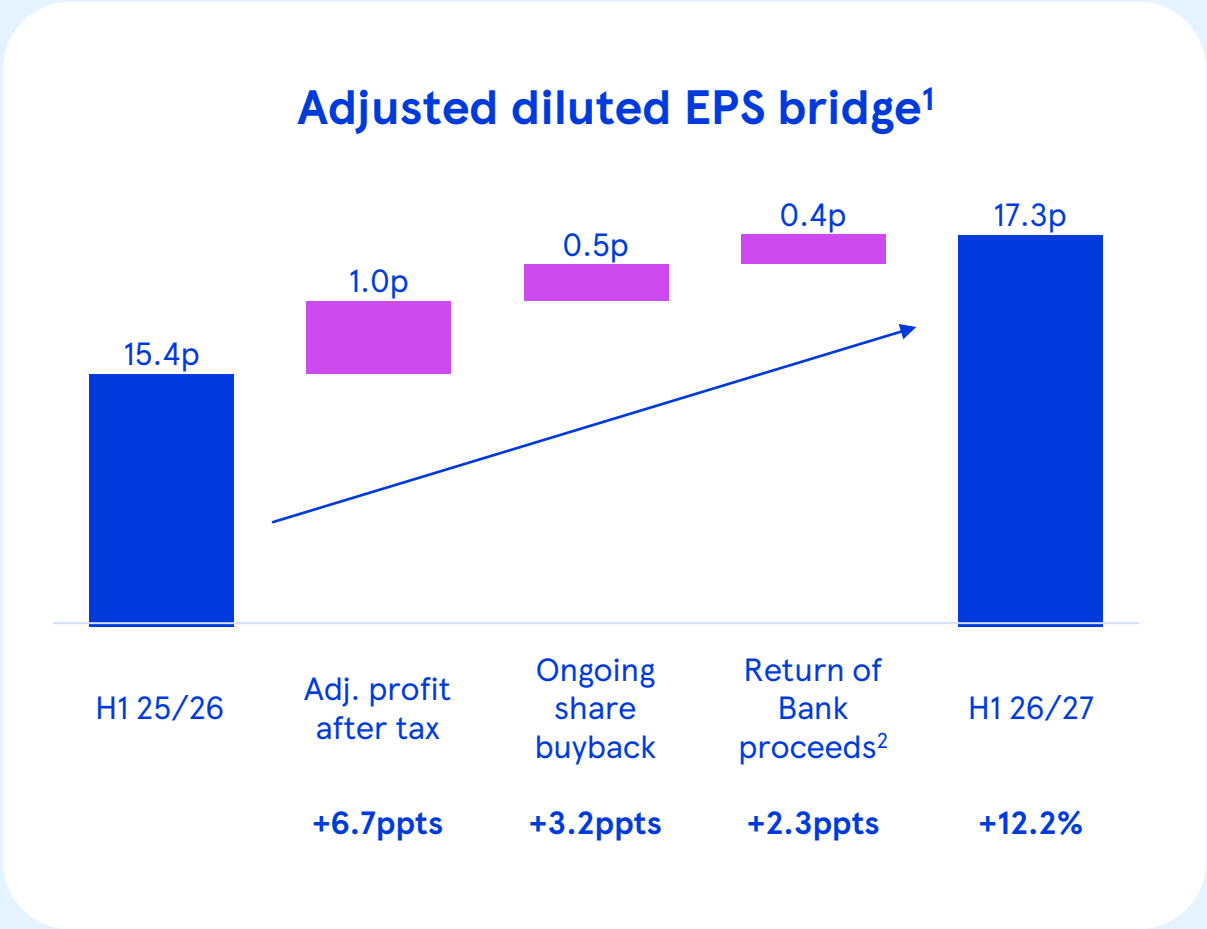
Statutory profit after tax up +11.8%

- Reflects lower level of adjusting items

Adjusted diluted EPS

12.2%
EPS growth

+6.7ppts driven by strong growth in adjusted profit after tax
+5.5ppts total share buyback benefit



1. Adjusted diluted EPS as per the Group's APM definition. Change shown at actual exchange rates
2. Return of Bank proceeds reflects full year effect of EPS accretion from additional share buyback following the sale of our banking operations

Free cash flow

£m	H1 26/27	H1 25/26
Cash generated pre-working capital	2,638	2,426
Decrease in working capital	567	408
Operating cash flow	3,205	2,834
Cash capex ¹	(757)	(716)
Net interest paid	(268)	(269)
Tax paid	(241)	(226)
Repayments of obligations under leases	(324)	(314)
Other ²	(45)	(11)
Free cash flow	1,570	1,298

Strong Free cash flow delivery

- Underlying Free cash flow in line with H1 25/26
- Also includes a c.£250m net benefit, primarily due to timing of payroll cycle which reverses in H2
- Working capital inflow also reflects seasonality and strong working capital management
- Step-up in cash capex as expected

1. Cash capex excluding store buybacks, direct store purchases and associated refits. Cash capex differs from Tesco's APM definition of Capex because it reflects the actual cash paid in the period, irrespective of accruals or deferrals

2. Other includes dividends received in H1 25/26 from IMS and own shares purchased for share schemes

Clear priorities for capital allocation

Our capital allocation framework

1	Reinvest in business and customer offer	FY 26/27: c.£1.7bn of Capex
2	Maintain a solid investment grade balance sheet	Net debt/EBITDA c.2.3–2.8x
3	Pay a progressive dividend	Target a pay-out ratio of c.50% of earnings
4	Consider inorganic growth opportunities	Including property buybacks where economically viable
5	Return surplus cash to shareholders	FY 26/27: £950m inc. additional £200m buyback

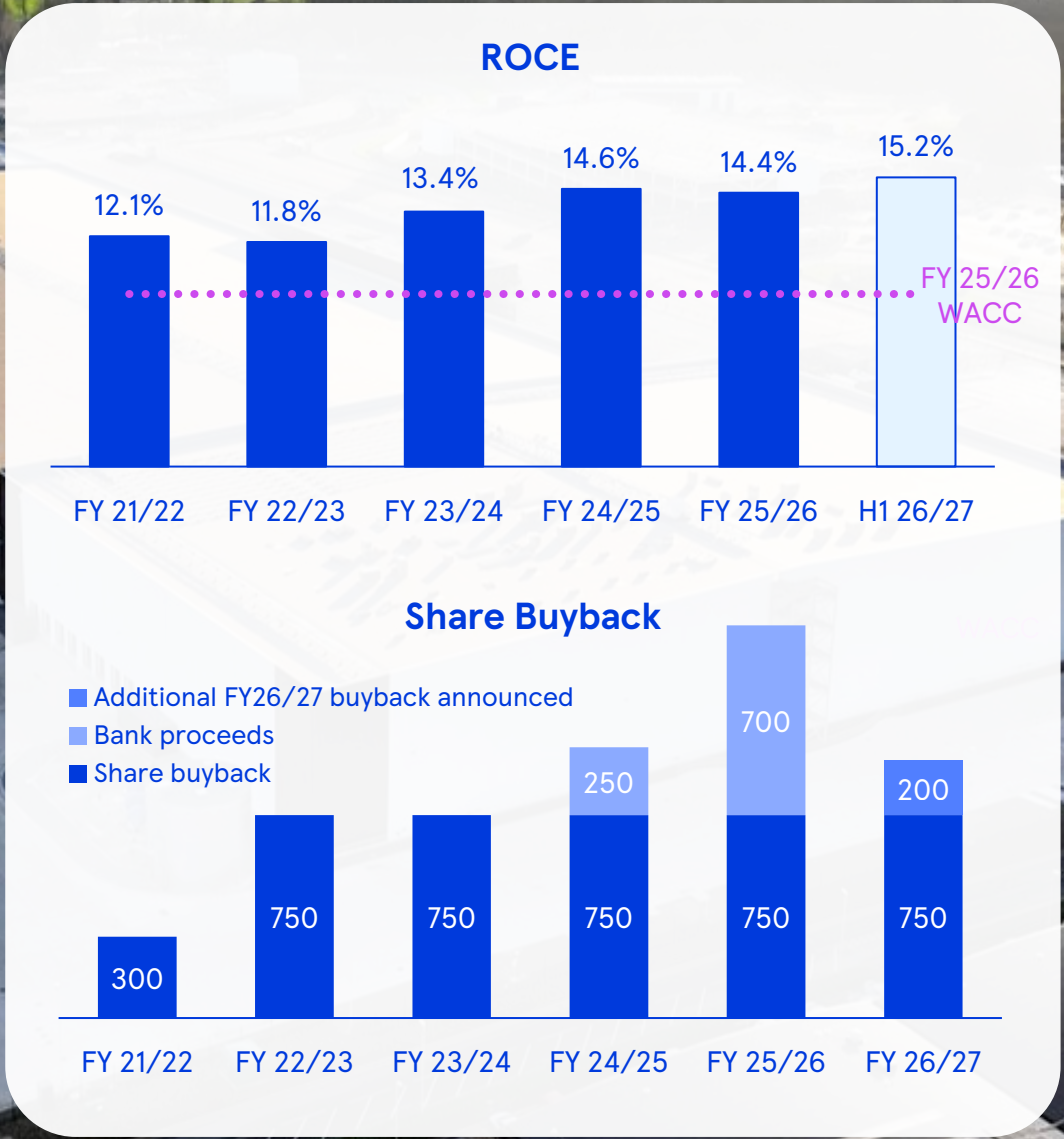
Increasing FY 26/27 Capex and share buyback

Now expect c.£1.7bn of FY Capex; includes spend on energy efficiency & distribution transformation¹

Disciplined approach, with ROCE well-ahead of WACC as we prioritise high returning projects^{2,3}

Increasing FY 26/27 share buyback to £950m reflecting strong balance sheet and sustained cash delivery

1. Capital expenditure as per Tesco's APM definition of Capex
2. Return on capital employed (ROCE) uses a rolling 52-week EBITDA and is a Group APM
3. UK FY25/26 pre-tax weighted average cost of capital



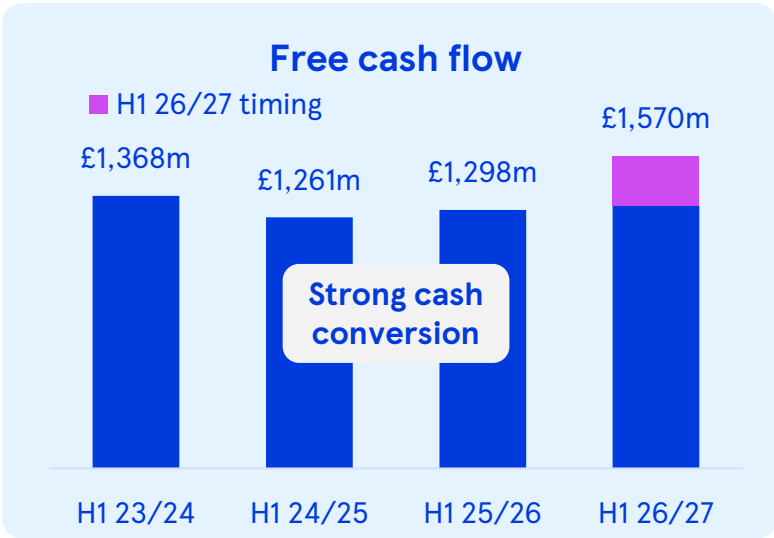
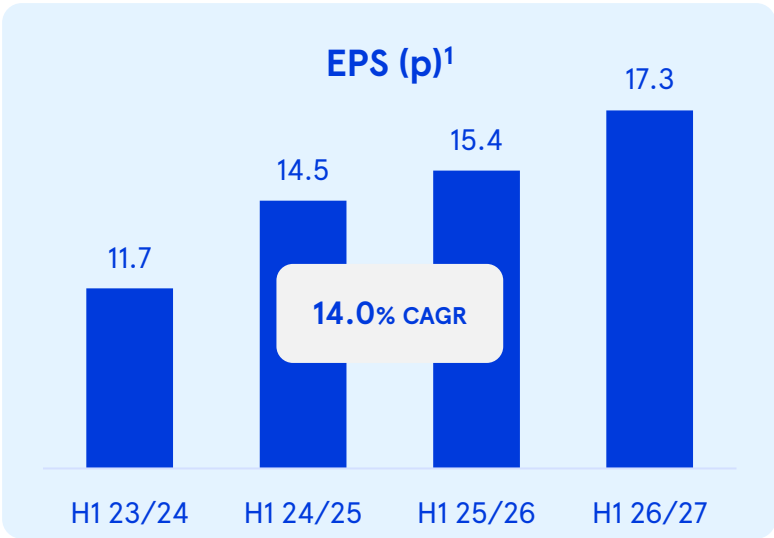
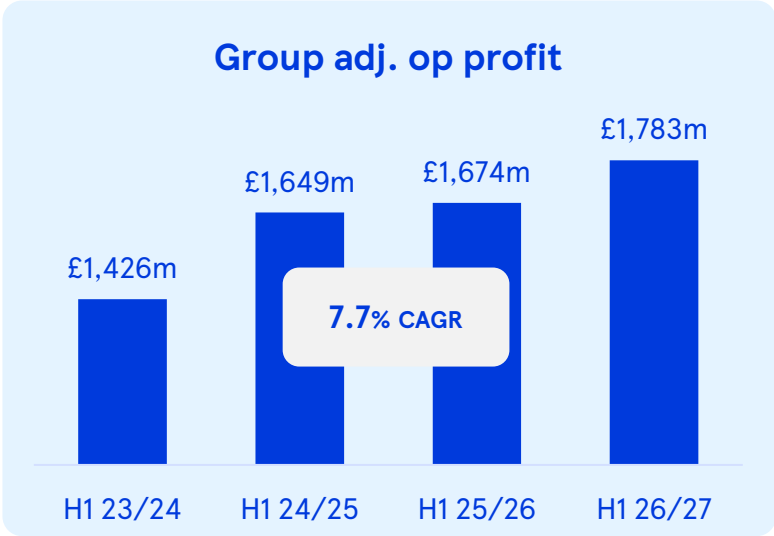
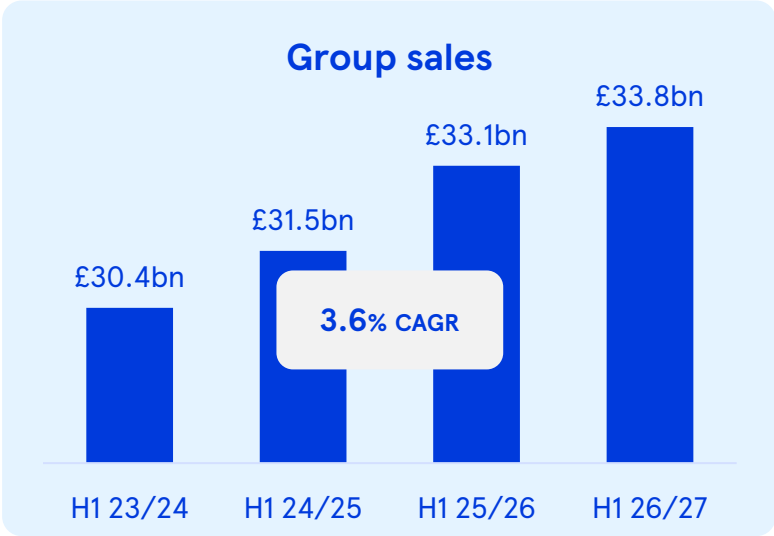
FY 26/27 Outlook

Group adjusted operating profit between £3.15bn and £3.30bn (previously £3.0bn to £3.3bn)

Free cash flow within our £1.5bn to £2.0bn medium-term guidance range



Strong delivery against our multi-year performance framework



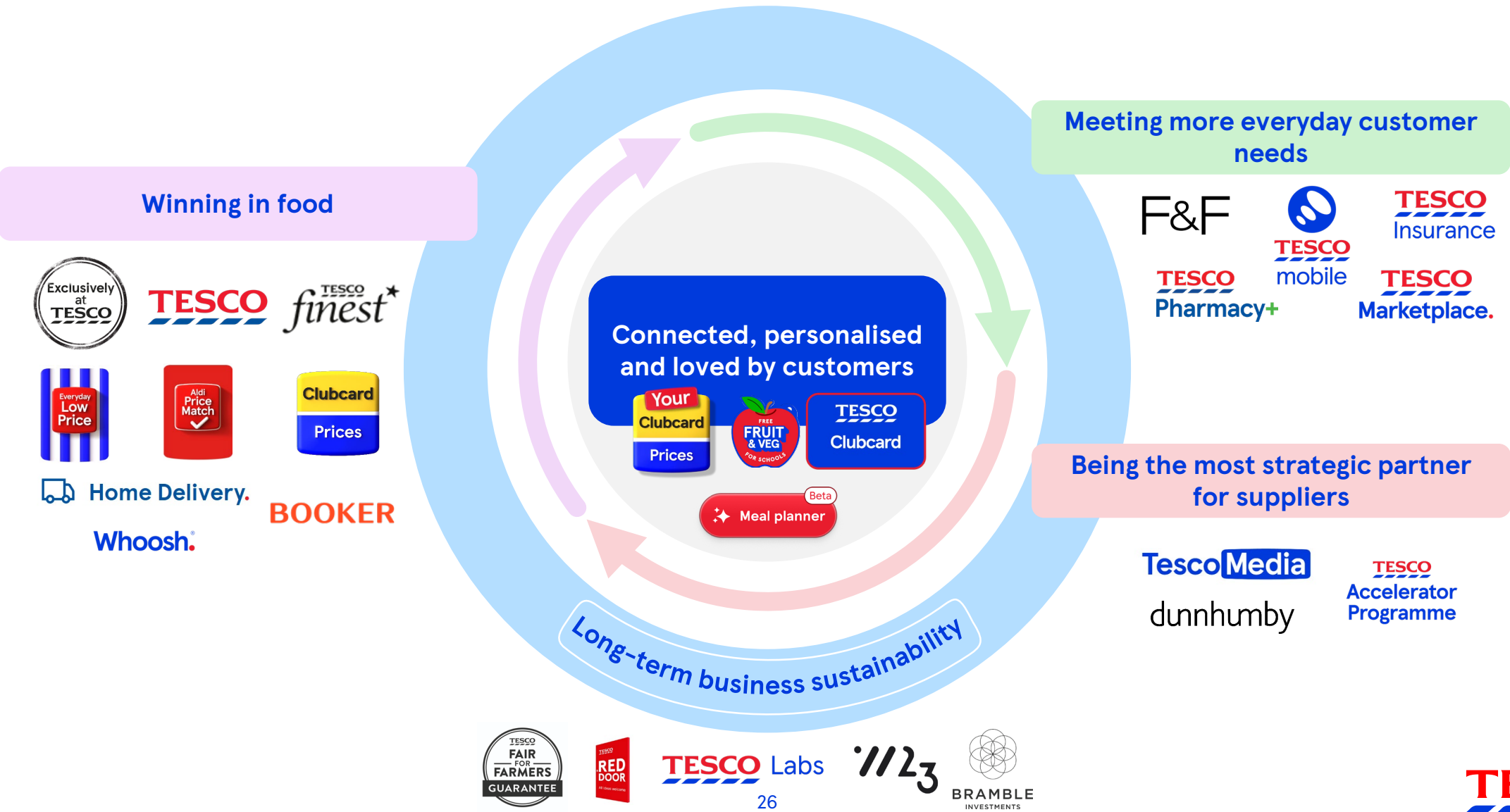
1. Adjusted diluted EPS as per the Group’s APM definition. Change shown at actual exchange rates

Strategic Update

Ken Murphy, Group Chief Executive



Creating a leading food-first retail ecosystem



Continuing to deliver against our multi-year performance framework

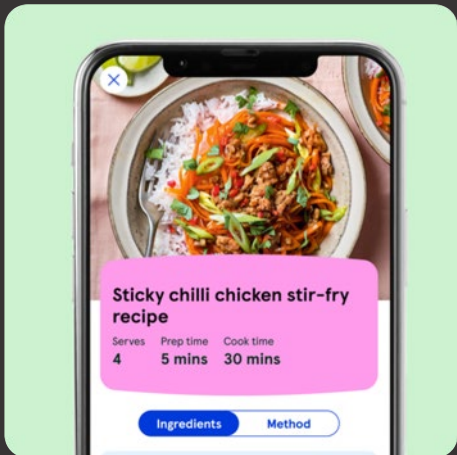
Drive top-line growth

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

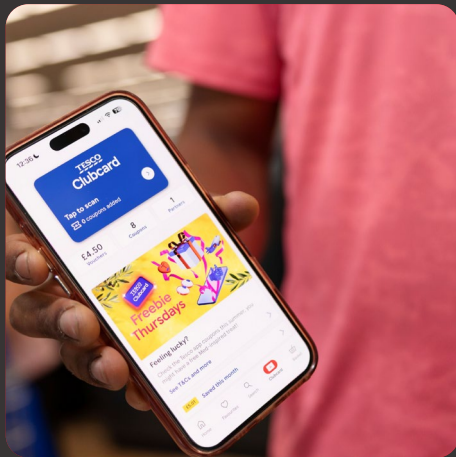
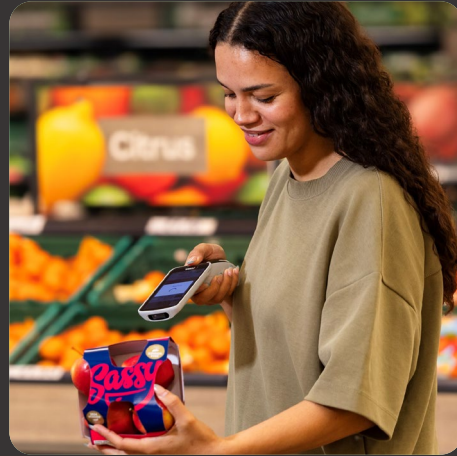
Grow absolute profits & maintain sector-leading margins

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

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



Our strategy begins and ends with food



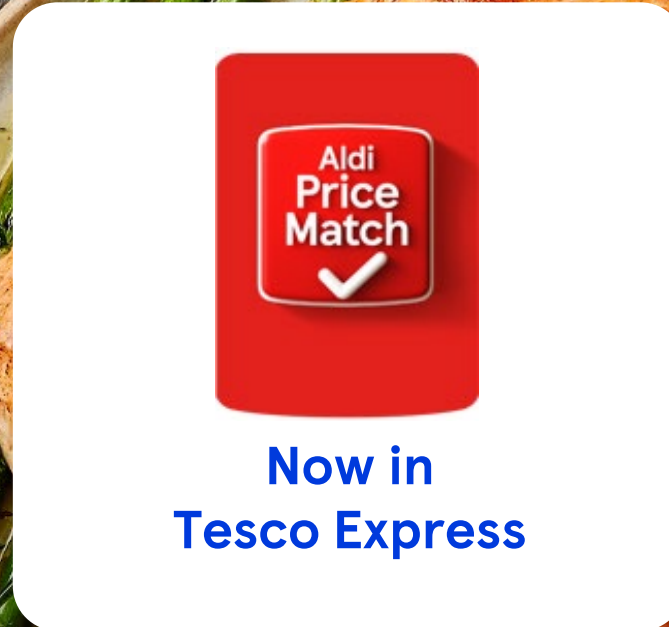
TESCO



Delivering the best value to customers



Maintained our strong price position versus the market¹



Expanded Aldi Price Match to over 2,000 Express stores



Around 2.5m customers offered Your Clubcard Prices each week

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

Strong innovation across our ranges

+6ppts Increase in quality perception over 5 years¹, supported by innovation

800+ New and improved products launched in the first half

8.9% Finest sales growth in H1

£3bn+ Annualised Finest sales

Award-winning quality

Winning in food

35

Great Taste 2026 Awards, including 4 three-star Great Taste cheeses

187

Award wins at the IWSC and IWC wine awards, including 7 Gold medals

2026

Free From Awards Retailer of the Year

86

Blas na hÉireann Irish Food award wins



TESCO

The UK's leading rapid grocery offer

No.1

Customer choice for rapid grocery¹

Over
2,100

Whoosh locations (up +436); over 75% population coverage

+37%

Whoosh sales growth in H1



New rapid grocery partnerships, complementing **Whoosh**.



7066 02

TESCO
Every little helps

Scaling online capacity

+11%

Increase in active customers during the half

c.10%

More slot capacity added across our estate in the last month

6am

Delivery slots now available in our most popular locations

Over
2,000

Electric delivery vans in operation, doubled in the last year

Winning in food



TESCO

Making healthy food choices even easier for customers

Winning in food



Enhancing nutrient profiles; fibre-enriched bakery lines



Simplifying ingredients, inc. new 'Finest Just X Ingredients' range



Own-brand innovation including high-protein ready meals



The most strategic partner for scaling health brands

Unlocking F&F's online growth

New website with hundreds of additional styles, more sizes and exclusive online collections

Easier for customers to browse, discover and buy our full range

On-site video and 'Shop the look' functionality

F&F



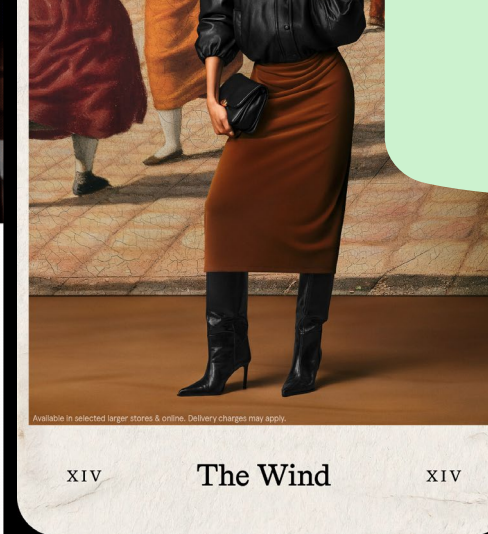
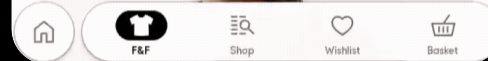
The Edit: On Duty

This season, outerwear takes centre stage – think strong-shouldered maxi coats, military-inspired pea coats and cropped faux furs.

[Shop the collection](#)

In the spotlight

Just dropped at F&F – the latest pieces for your wardrobe



XIV

The Wind

XIV



F&F Crew Neck Jumper in Navy

Colour: Navy



Size

X-Small

Meeting more everyday customer needs



II

Turn of Events

II

Shop by category



Women



Lingerie & Nightwear



Men



G

Trending now



Progress in meeting more everyday customer needs

Meeting more everyday customer needs



10% Clubcard discount on motor insurance through Tesco Insurance



Barclays' Cashback Rewards on fuel purchases at Tesco, leveraging our banking partnership



Refreshed 201 in-store phone shops¹



Over 1,000 sellers now on Marketplace, supported by AI-powered onboarding

1. Refreshed stores to date

Tesco Media creates value at every point in the customer journey

Strong revenue and profit growth; +17% growth in active advertisers and a further increase in campaigns per advertiser

Tesco Media supports across all elements of the customer journey, from creating awareness, prompting the purchase, to building long-term loyalty

Leveraging AI to enhance the Tesco Media platform to support scalable, cost-effective growth for suppliers of all sizes



Being the most strategic partner for suppliers

Connecting customers with a new favourite: the Poppi launch story



Further unlocking the power of Clubcard

Connected, personalised and
loved by customers

Rewards and surprises including Freebie
Thursdays

Nudges to customers to **showcase**
Clubcard benefits

Adobe x Tesco Innovation Lab helping us
optimise **helpful nudges** for customers

Double your
Clubcard
vouchers with
our holiday
partners.

Know what you're sitting on.

TESCO
Clubcard

TESCO

Refreshing our store network

The Fresh Market

Helping Tesco to be the preferred store in every community

Putting fresh food at the heart of our stores

69 refreshes in the half including Sandhurst, one of our largest UK stores

Connected, personalised and loved by customers



TESCO

Investing in digital infrastructure

Electronic shelf-edge labels in all UK stores across the next two years as part of Save to Invest

Replacing over 40k paper labels in each large store; freeing up colleague hours for customers

Other opportunities include smarter replenishment, faster online picking and retail media



Long-term business sustainability



Investing in retail innovation

Long-term business sustainability



In-house R&D capability through Group Innovation & Tesco Labs teams



Retail innovators have direct access to Tesco including through our Red Door programme



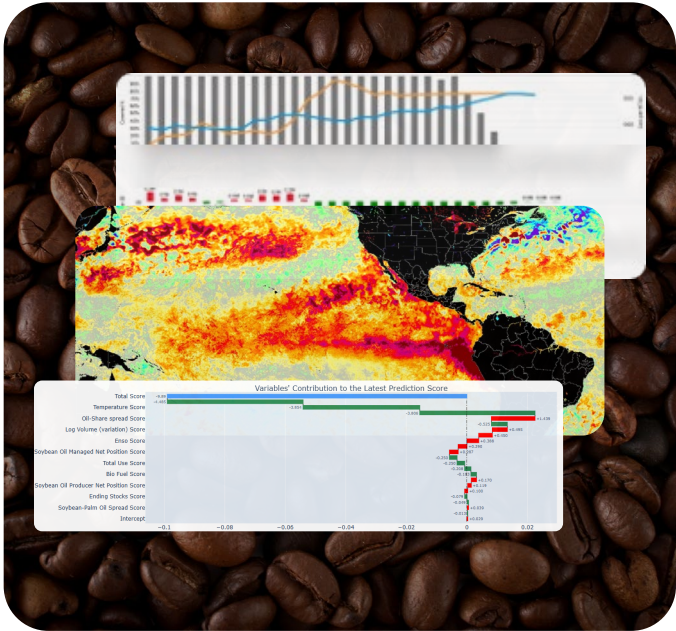
One of five global grocers behind W23 Global, a \$125m fund invested in 13 start-ups



Committed £20m as anchor investor in new Bramble Fund, accelerating UK food innovation

Enhancing our long-term resilience

Long-term business sustainability



AI-powered demand forecasting;
key commodity modelling across
20 markets



Six Sustainable Farming Groups:
premiums offered for meeting higher
standards and sustainability objectives



Collaborating to improve longer-term
resilience on the ground

Summary

Strong financial and strategic progress

Customer satisfaction at an all-time high

Focused on delivering for customers and creating long-term value for all our stakeholders



Appendix



Adjusting items H1 26/27

	H1 26/27 £m	H1 25/26 £m
Amortisation of acquired intangible assets	(38)	(38)
Separation costs related to disposal of Banking operations	(25)	(13)
Restructuring and adjusting property transactions	(11)	(20)
Total adjusting items included within operating profit	(74)	(71)
Net finance income / (costs)	24	(34)
Taxation	11	24
Total adjusting items included within profit after tax	(39)	(81)

Debt and liquidity

Smooth debt maturity profile

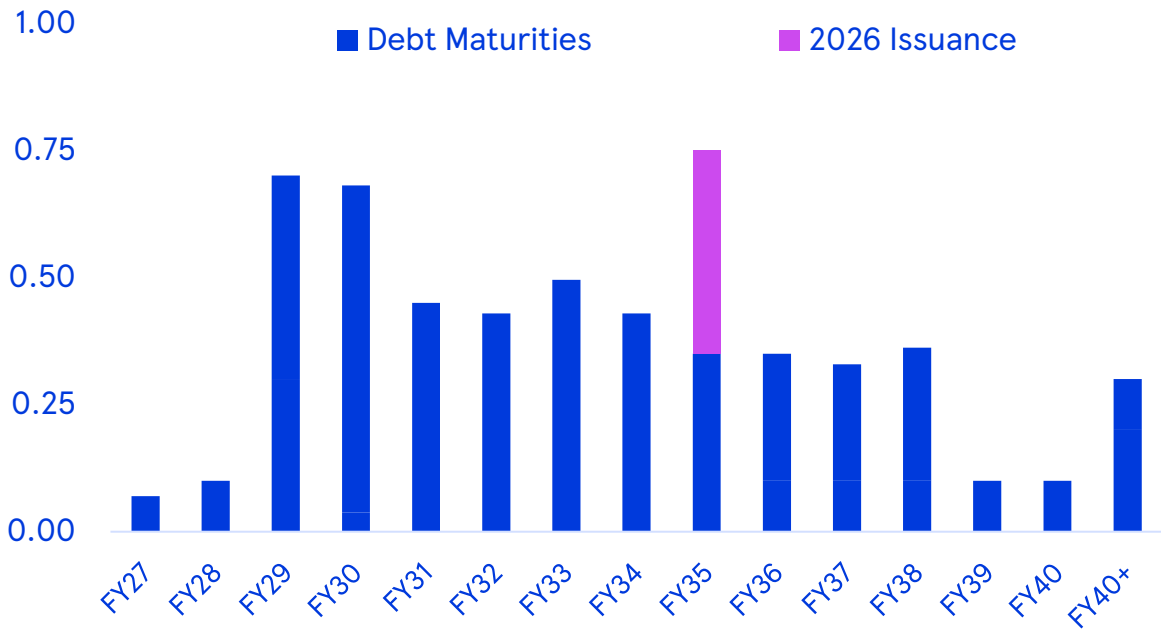
Less than £1bn maturing in any one year
Weighted average maturity of c.6 years

Weighted average interest cost of c.4.8% (excluding leases)

Strong liquidity position

£3.1bn cash¹
£2.5bn of undrawn committed facilities

Debt maturity profile (£bn)



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

Guidance FY 26/27

Group profit	Adjusted operating profit between £3.15bn and £3.30bn
Free cash flow	Within our medium-term guidance range of £1.5bn to £2.0bn
Capex	Invest £1.7bn with continued focus on high-returning projects
Net finance costs ¹	Adjusted net finance costs, which principally comprise lease interest, to be c.£(575)m
Tax	Effective tax rate to remain around 27% in FY 26/27
Dividend	Progressive (broadly c.50% of earnings) Interim dividend 35% of prior year full year dividend, in line with our policy
Share buyback	Increasing current year share buyback from £750m to £950m, to be completed by April 2027

1. Guidance relates to adjusted net finance costs (including finance charges payable on lease liabilities)



Disclaimer

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