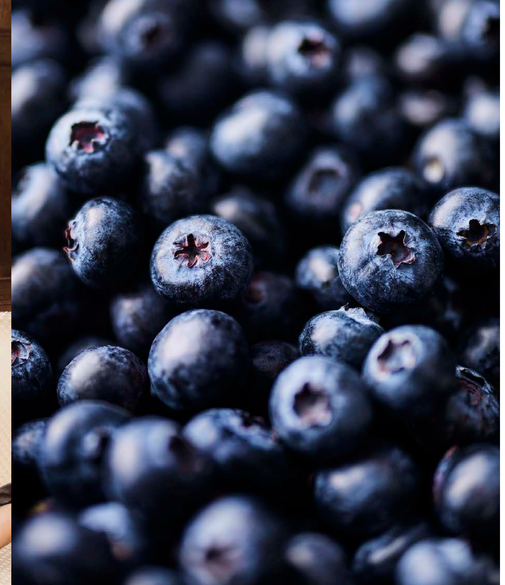




Capital Markets Day

November 2026

M&S





Reinvesting for growth

Stuart Machin

Chief Executive



A strong leadership team



Stuart Machin
Chief Executive Officer
8 YEARS | 4 YEARS



Alison Dolan
Chief Financial Officer
<2 YEARS | <2 YEARS



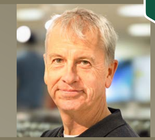
Nick Folland
Legal Counsel
8 YEARS | 8 YEARS



Mark Lemming
International Managing Director
4 YEARS | 2 YEARS



Alex Freudmann
Food Managing Director
4 YEARS | 4 YEARS



John Lyttle
Fashion, Home & Beauty Managing Director
<2 YEARS | <2 YEARS



Thinus Keevé
Retail Director
<2 YEARS | <2 YEARS



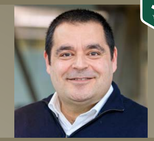
Hayley Tatum
Chief People Officer
1 YEAR | 1 YEAR



Alex Doorey
Corporate Affairs Director
<1 YEAR | <1 YEAR



John Hunt
Chief Digital and Technology Officer
<1 YEAR | <1 YEAR



Sacha Berendji
Operations Director
32 YEARS | 8 YEARS

TENURE
At M&S | In role





01

Where we are today



The Last 18 Months

Reflections

Incident

Lessons learned, but everyone pulled together. Customers unwavering in their support



Trust

The heart of our proposition



Culture

How we work together matters as much as what we do



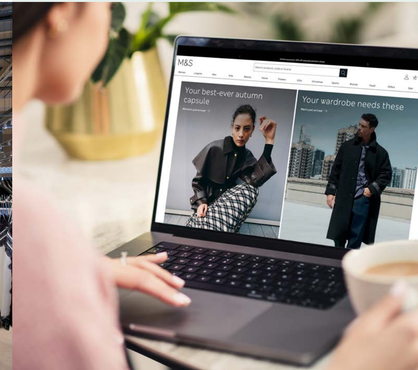
Product

We are a product company, with Own Label at our core



Transformation

Clear strategy, now for execution. All roads lead to D&T



The Last 18 Months

Fashion, Home and Beauty
Unvarnished truth

Product

Wrong mix of Core versus Fashion. Not enough volume and value



Stock Flow

Our product flow is complex, inefficient and costly



Systems and Technology

The incident exposed the need for fit-for-purpose systems



Culture

Inconsistency in how we lead and operate



We said

Reshaping M&S for growth

Value market share

+1% Food

+1% Fashion, Home & Beauty

Operating margin

>4% Food

>10% Fashion, Home & Beauty

Operating costs

£600m

Structural reduction

Investment

Disciplined capital allocation framework and clear hurdle rates









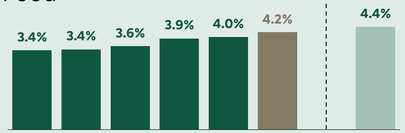
We've done to date

Reshaping M&S for growth



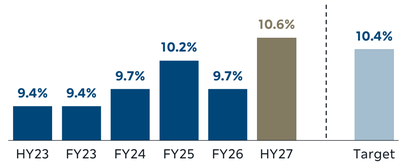
Value market share

Food

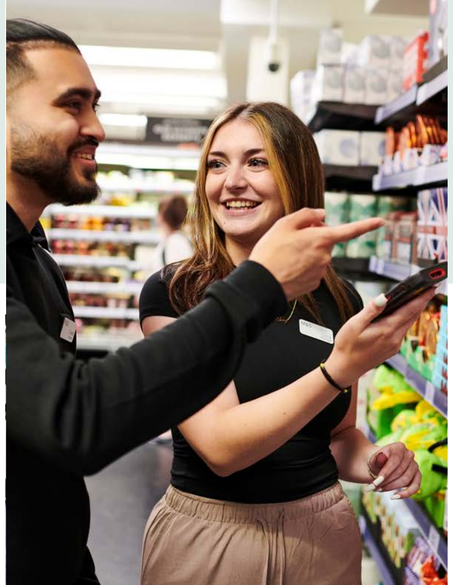


Source: Worldpanel, 52 weeks

Fashion, Home & Beauty

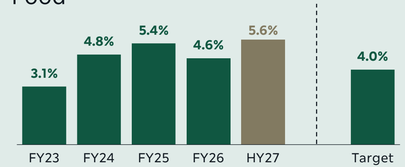


Source: Worldpanel, 52 weeks

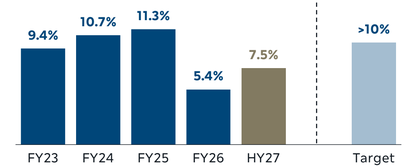


Operating margin

Food

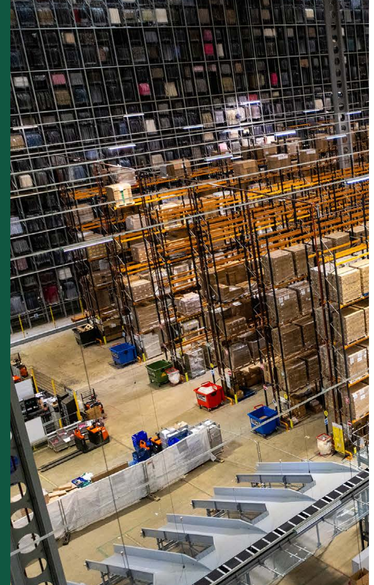


Fashion, Home & Beauty



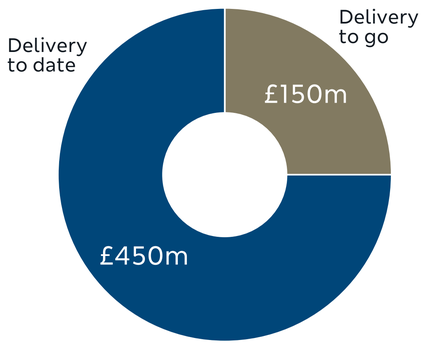
We've done to date

Reshaping M&S for growth



Operating costs

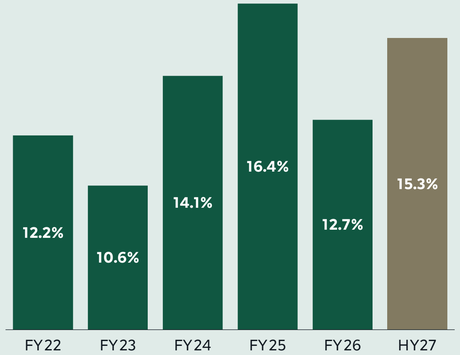
Structural cost reduction (£m)





Investment

Return on Capital Employed (%)



Updated Financial Targets

Value market share

+1% Food

+1% Fashion, Home & Beauty

Operating margin

c.5% Food

>10% Fashion, Home & Beauty

Operating costs

£600m

Structural cost reduction

Investment

Disciplined capital allocation framework and clear hurdle rates

Increasing shareholder returns through growing the dividend at least in line with earnings over time













02

The long-term opportunity



Our strategy

Protect the magic. Modernise the rest.

The strategy is unchanged



CREATE EXCEPTIONAL M&S PRODUCTS

- Quality food, stylish clothes, homeware and beauty
- Enhanced trusted value to drive volume



DRIVE PROFITABLE SALES GROWTH

- Bigger frequent customer base, shopping more broadly
- Online and omnichannel advantage
- Store rotation and renewal
- Global growth



DELIVER TARGET OPERATING MARGINS

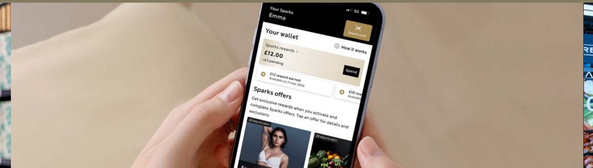
- Structurally lower cost base
- Modernised supply chains

BUILD THE M&S WE NEED TO BE

High performance, customer-centric culture



Better decisions and service through technology



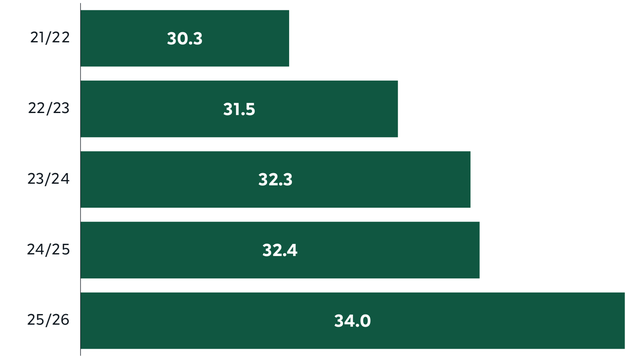
Disciplined capital investment and allocation





Our customer base has grown over **10%** in the past five years

M&S UK Customers (m)



Sources: Internal data

>50%

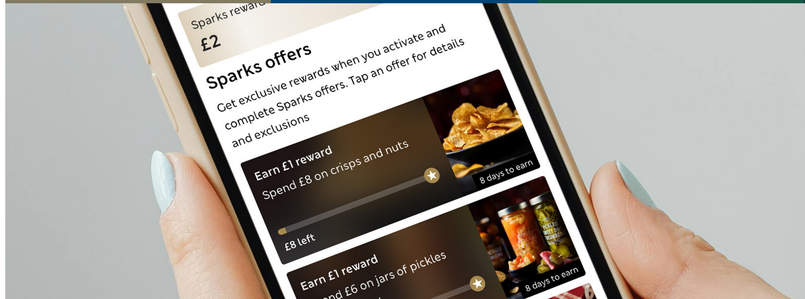
Penetration of UK adult population

1.5m

Households' growth in Food in the last two years

62%

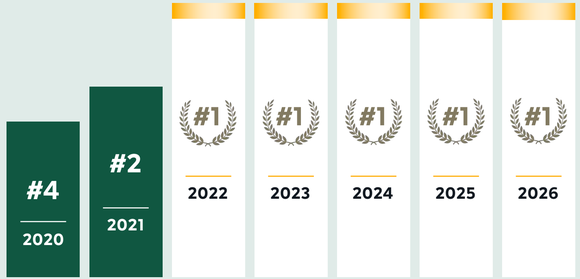
Female shoppers in Fashion, Home and Beauty



Our customer perceptions are improving over time



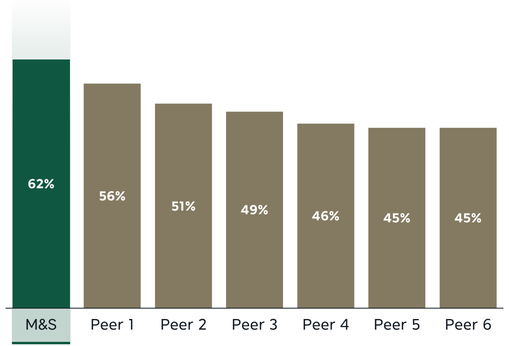
Voted best UK brand for the past 5 YEARS



Source: YouGov

Strong emotional connection to M&S Food

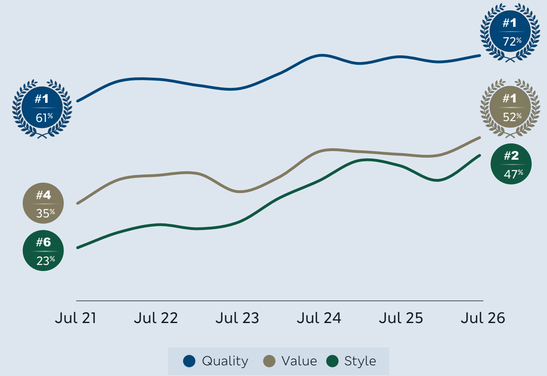
Consumers' relationship with food retailers



Source: Quadrangle survey (Mar-25)

Strong progress in Womenswear perceptions

Womenswear perception and ranking



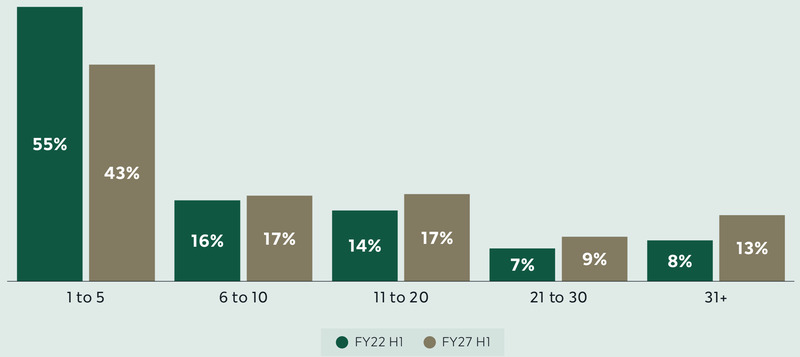
Source: YouGov

...but there are still so many opportunities



Drive frequency in Food shopping

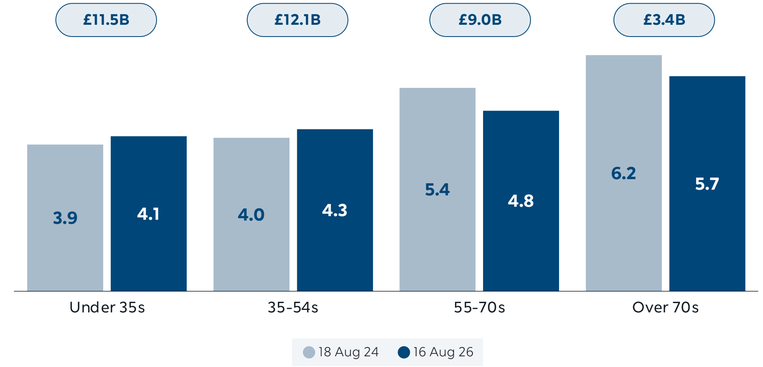
Frequency of visit per year



Source: Internal data, known customers

Grow customer base and frequency in FH&B

Annual M&S frequency and market size



Source: Worldpanel



Three accountable businesses, three clear strategies

Food

1. Shopping list retailer
2. Growing with families
3. Soul of a fresh market

Ambition: Double the Food business

Fashion, Home & Beauty

1. Win the core, with style for everyone
2. Lead on quality and value
3. Easy to shop across every channel

Ambition: Double the Online business with 50% sales participation

International

1. Bringing the best of M&S around the world
2. Focused markets with the right to win
3. Capital-light growth

Ambition: Build a global brand

DRIVEN BY

High-Performance Culture
Closer to customers and colleagues

Stores and Online

Strong Technology Foundations

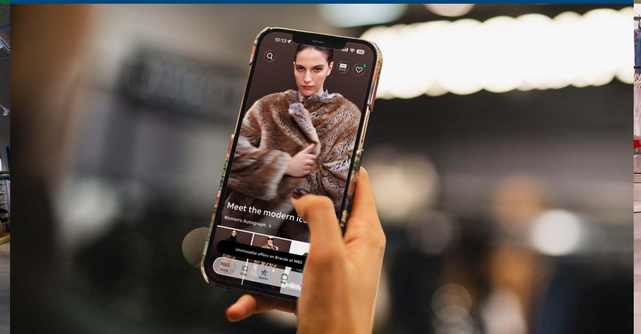
Disciplined capital allocation

The long-term opportunity

Double the Food business



Double the Fashion, Home & Beauty Online business with 50% sales participation



Build a global brand



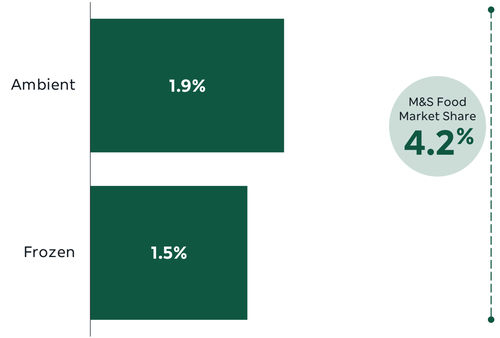
The long-term opportunity

Double the Food business



Shopping list retailer

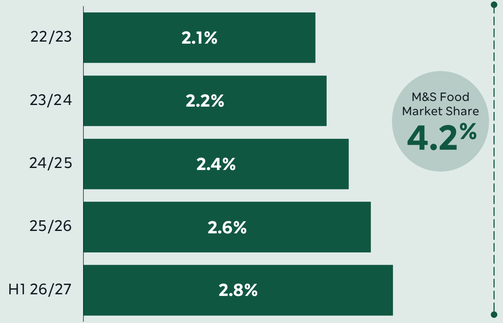
Market share opportunities



Source: Worldpanel

Growing with families

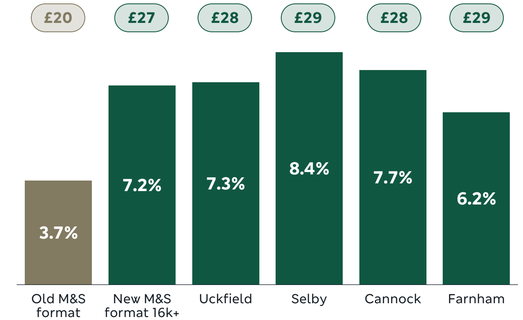
M&S market share of family spend %



Source: Worldpanel

Soul of a fresh market

Main shop mission share of total transactions and average basket value (£)



Source: Worldpanel

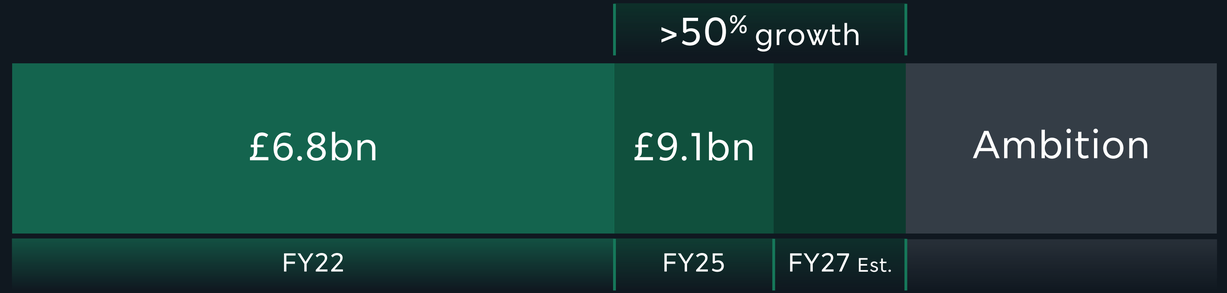
The long-term opportunity

Double the Food business



Food sales

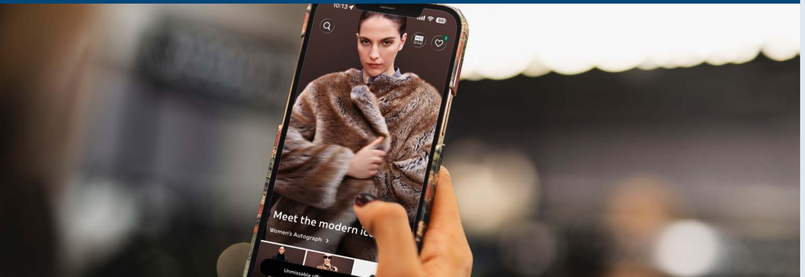
On track to double the Food business





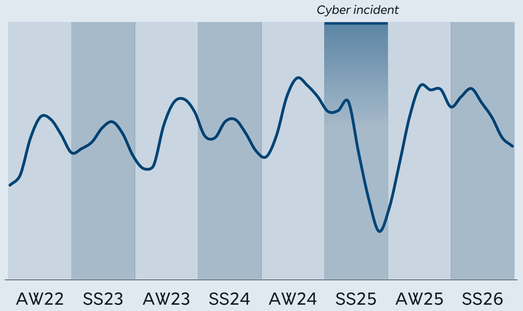
The long-term opportunity

Double the Fashion, Home & Beauty Online business with 50% sales participation



Win the core, with style for everyone

Womenswear value share Autumn Winter vs Spring Summer



Source: Worldpanel

Lead on quality and value

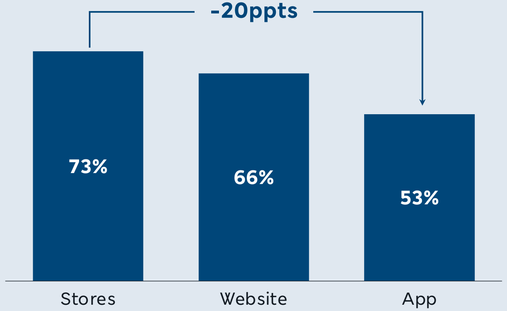
M&S value and quality perception

	ALL CUSTOMERS		FEMALE CUSTOMERS	
	Value Perception	Quality Perception	Value Perception	Quality Perception
Total	1	1	2	1
<35	2	1	4	1
35-54	2	1	4	1
55-70	1	1	1	1
>70	1	1	1	1

Source: YouGov

Easy to shop across every channel

Fashion ease of shop satisfaction by channel

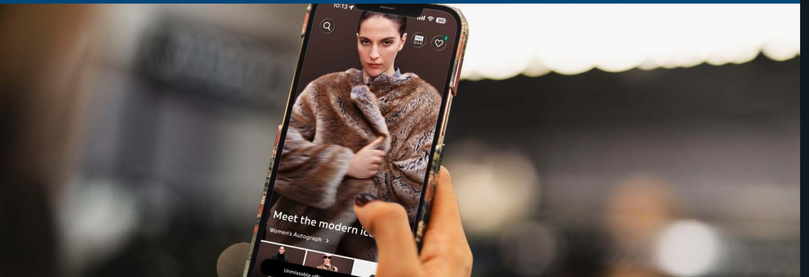


M&S easy to shop satisfaction scores

Source: M&S pulse survey (Oct-'26; N=500)

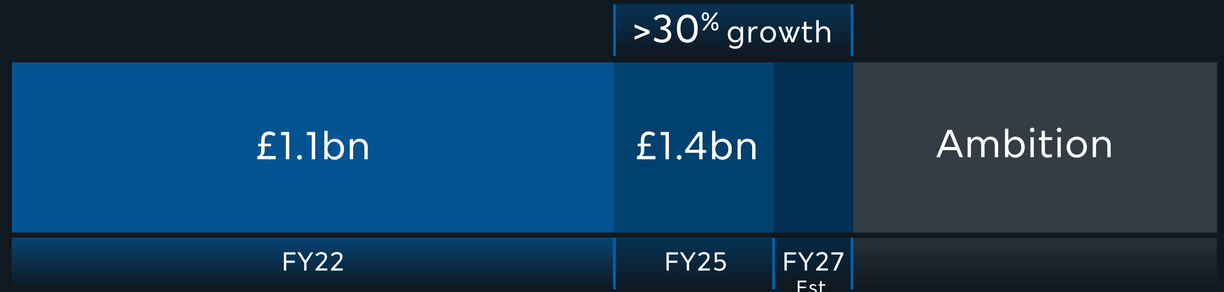
The long-term opportunity

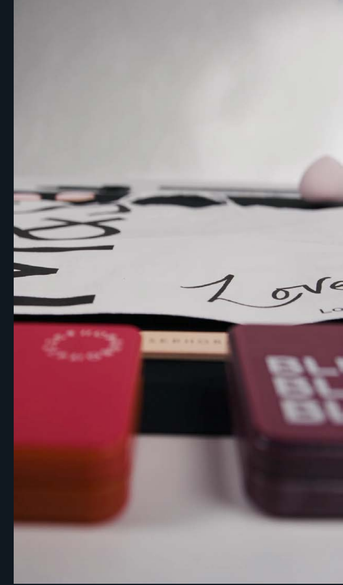
Double the Fashion, Home & Beauty Online business with 50% sales participation



Fashion, Home and Beauty Online sales

On track to double the FH&B Online business





Investment priorities

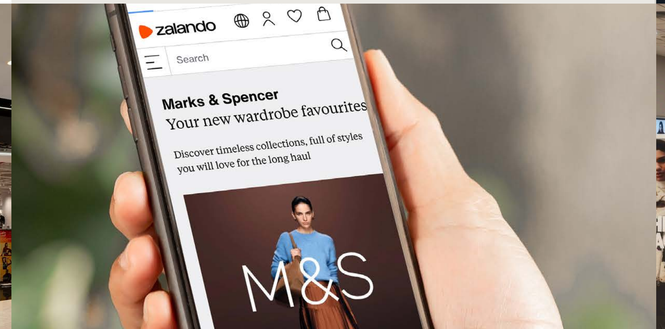
Build a global brand



Growing capital-light through partners



Scaling fashion online



Taking the M&S product engine global







03

Reinvesting for growth

Investment priorities to unlock the full potential of M&S

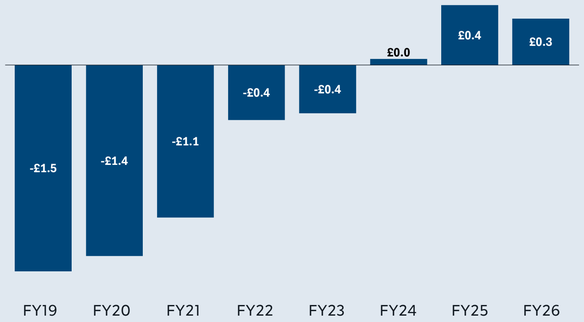


Reshaped M&S for growth

Strong financial health

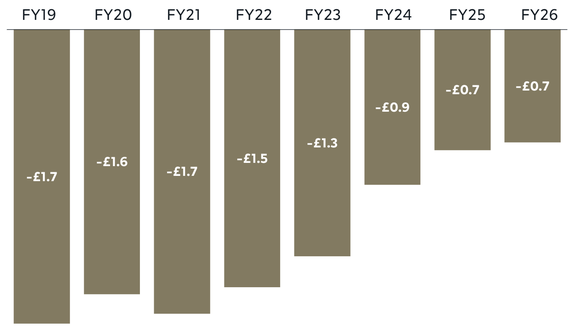
Balance Sheet strengthened

Financial net (debt)/funds excluding leases (£bn)



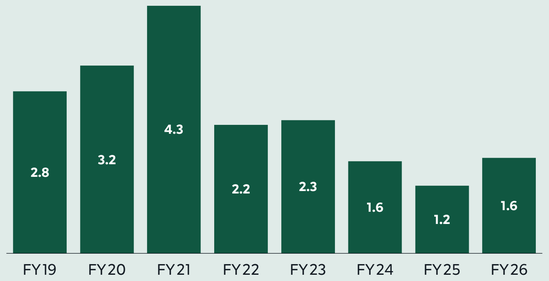
Gross debt reduced

Medium-Term Notes (£bn)



Leverage maintained at lower levels

Net Debt including leases / Adjusted EBITDA



Investment priorities

Store Rotation



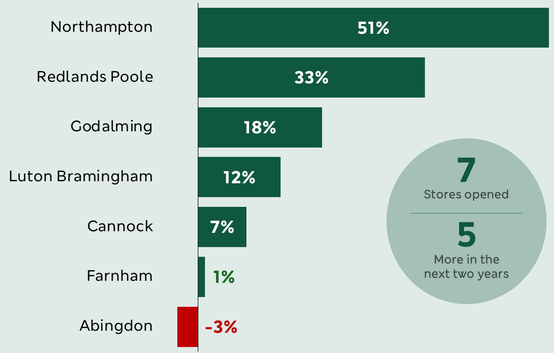
Store rotation making good progress

% estate new or renewed



Acquisition stores on track

Sales performance versus business case



Rotation driving strong returns

Doncaster Wheatley Hall Road

		FY24 2 stores	FY26 1 store
Food	**Space** sq. ft.	19k	12k
	Sales £m p.a.	£24m (£1,282 sales/sq. ft.)	£25m (£2,100 sales/sq. ft.)
	Annual Transactions (Wheatley Hall Rd)	0.5m	0.9m
Fashion, Home & Beauty	**Space** sq. ft.	28k	19k
	Sales £m p.a.	£4m (£158 sales/sq. ft.)	£6m (£327 sales/sq. ft.)

Payback of 2.5 years

Investment priorities

Supply Chain

Building capacity for growth

Automating to lower cost to serve

Making stores **simpler** to run









Investment priorities

Digital and Technology

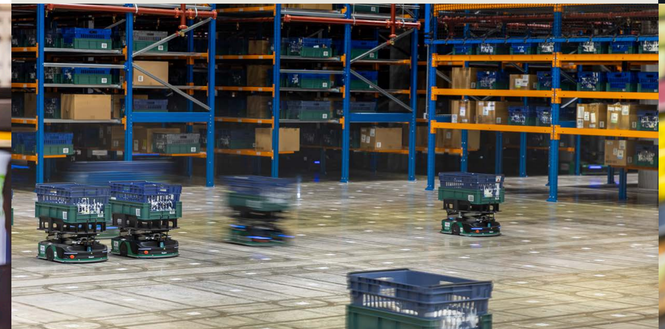
Simplifying the foundations

Tackling the cost base

Leveraging AI







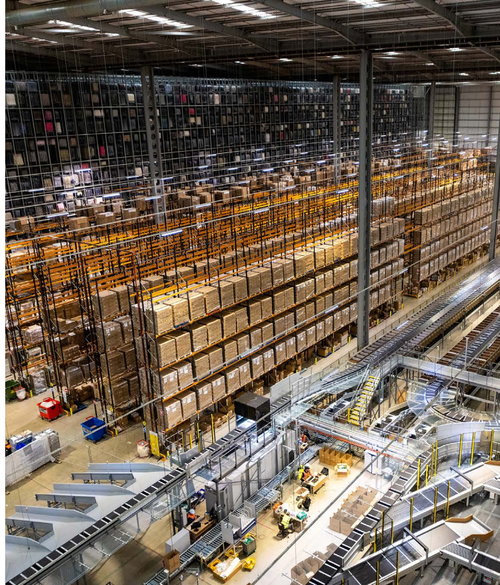


Investment priorities

Delivery over the medium term

M&S Food FH&B

Store Rotation	Supply Chain	Digital and Technology
Next Year		
c.210 Full Line stores - March 2028	Avonmouth Manual - Live	Delivery Pass - April 2027
c.350 Food stores - March 2028	National Returns Centre - December 2026	Planning Platform - July 2027
M&S x Sephora in 50 stores - March 2028	Lichfield Manual - January 2027	IRIS full rollout - September 2027
	Castle Donington Automation - June 2027	M&S Pay - September 2027
	Lichfield Automation - August 2027	Product Lifecycle Management - September 2027
	Avonmouth Mechanisation - February 2028	Digital Product Creation - March 2028
Following 2-3 Years		
M&S x Sephora in 100 stores - November 2028	Daventry - June 2029	SAP Upgrade - April 2028
200 Full Line stores - March 2030		Electronic Shelf Edge Labels – March 2029
390 Food stores - March 2030		







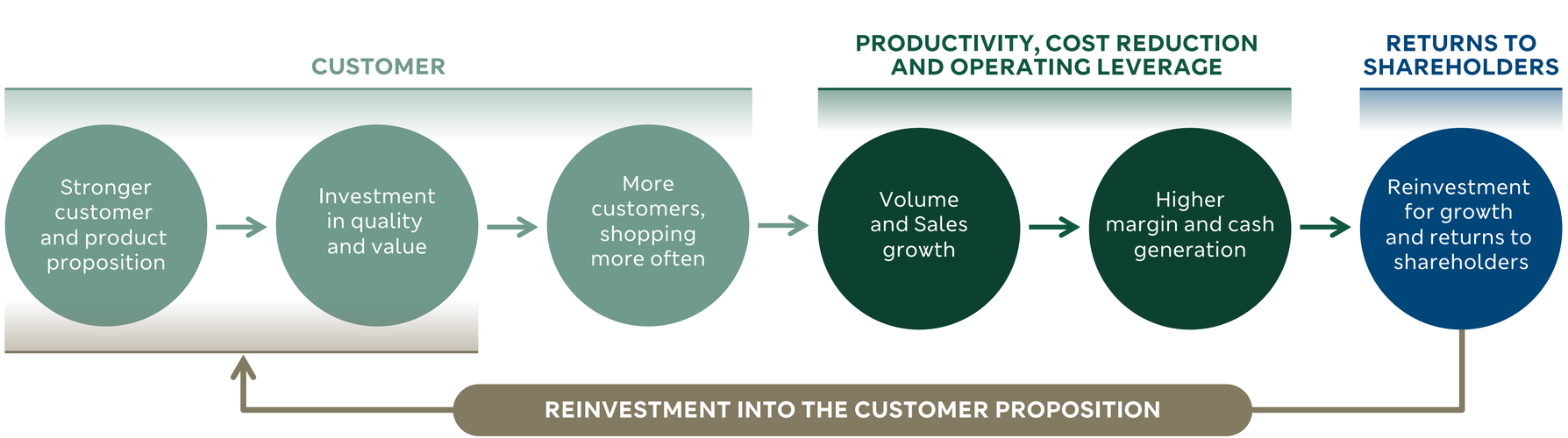
04

Value Creation



Value and volume

A simple model to drive value



Capital Allocation Priorities

Maintain

Strong investment grade balance sheet and generation of free cash flow

Reinvest for growth

Back into the business to generate strong returns

Deliver

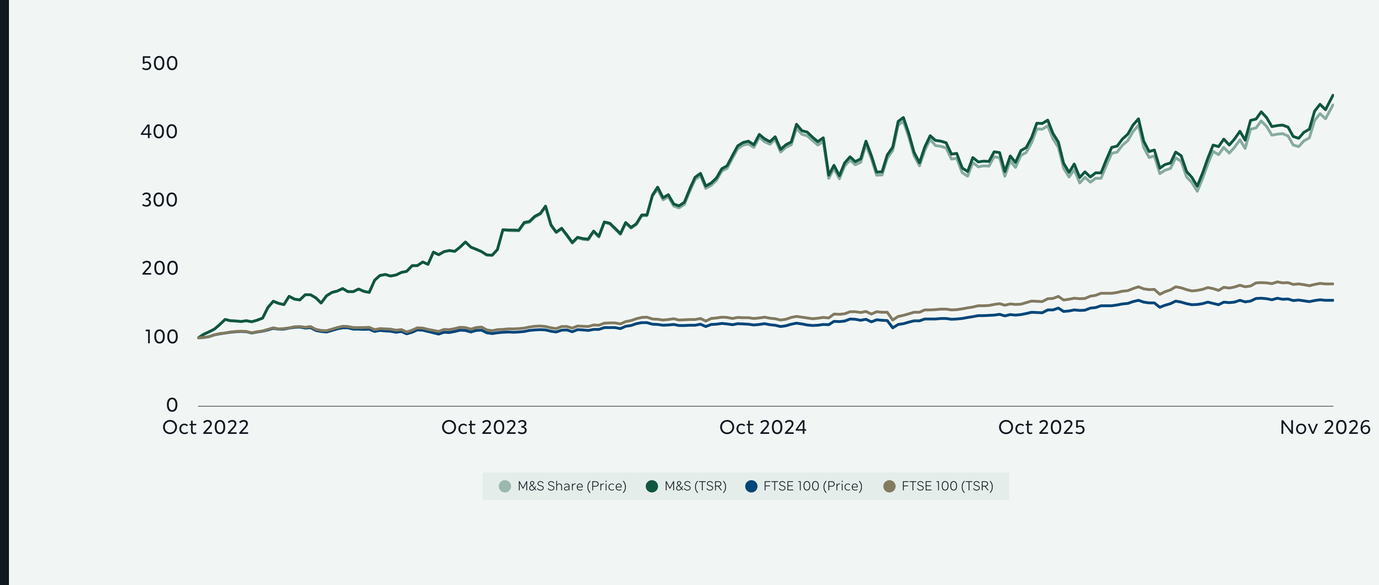
Dividends doubling this year and growing at least in line with earnings over time

Return

Excess cash flow to shareholders in a sustainable way

Reshaped M&S for growth

Strong growth ahead of the market





Why invest in M&S

What we want to deliver for stakeholders

Customers

Great quality products, accessible and at a trusted price



Colleagues

A great place to work and an environment where everybody can thrive



Supplier partners

A trusted partner to build with, grow with and win with



Shareholders

Satisfactory returns, and confidence in future performance



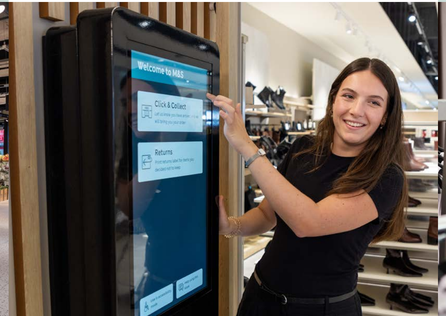
Long-term growth opportunity



UK’s most trusted brand



Distinct competitive advantages



Strong and experienced team



Consistent operational and financial delivery



Disciplined capital allocation and strong balance sheet









Transforming Fashion, Home & Beauty end-to-end

John Lyttle

Managing Director, Fashion, Home & Beauty



Fashion, Home & Beauty

My first 18 months











Building a Fashion, Home & Beauty brand people cannot live without

Our Mission

Grow from a business people have always lived with, to one they cannot live without, by protecting the magic and modernising the rest

Our Proposition

Win the core with style for everyone, leading on quality and value, easy to shop, across every channel

- Lead on product
- Accelerate omnichannel
- Deliver operating margin

We are proud of our product | We have a profit first mindset





Building a Fashion, Home & Beauty brand people cannot live without

Our Mission
Grow from a business people have always lived with, to one they cannot live without, by protecting the magic and modernising the rest

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Win the core with style for everyone, leading on quality and value, easy to shop, across every channel

- Lead on product
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Lead on product

What makes M&S distinctive today?

UK's strongest brand

#1 Most trusted fashion retailer and improved fashion retailer overall



Market leading perceptions

#1 Quality, Value & Style



Fashion market leader, winning in categories

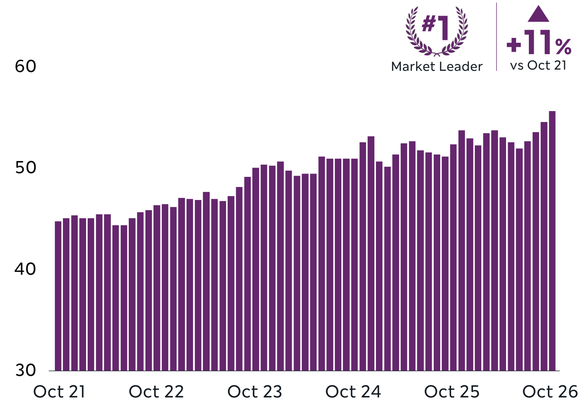
#1 Market leader in over 20 clothing categories



Lead on product

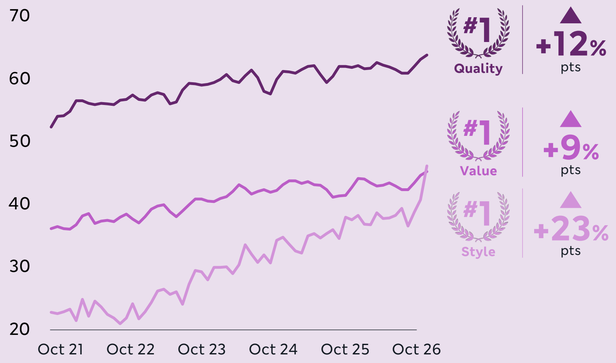
Our improved proposition is taking market share

Brand Consideration



YouGov

Quality, Value & Style Perception



YouGov

Clothing Market Share

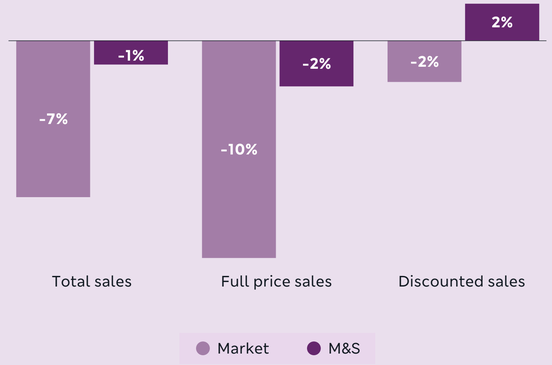


Worldpanel

Lead on product

We are not assuming market recovery

M&S route to growth is through gaining market share in a tough market

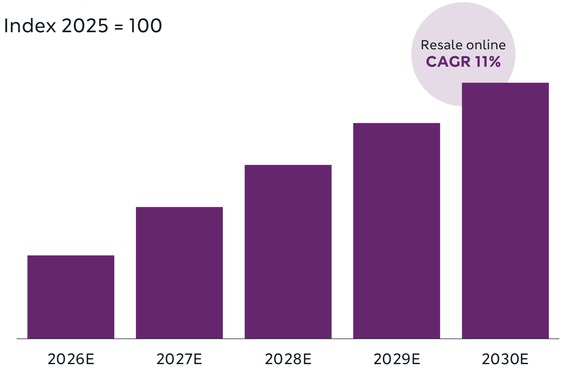


Worldpanel, 12 weeks ended 16 October 2026 vs 2024



The UK resale market is expected to grow rapidly

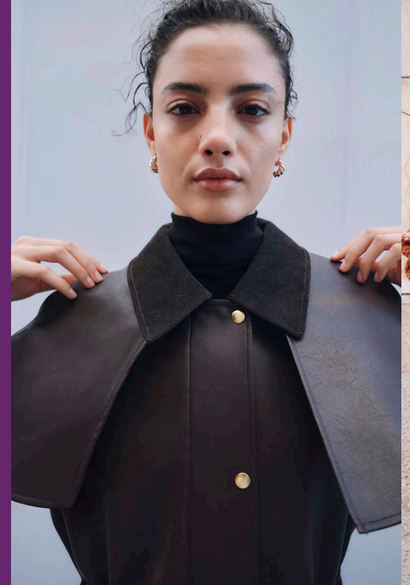
Index 2025 = 100

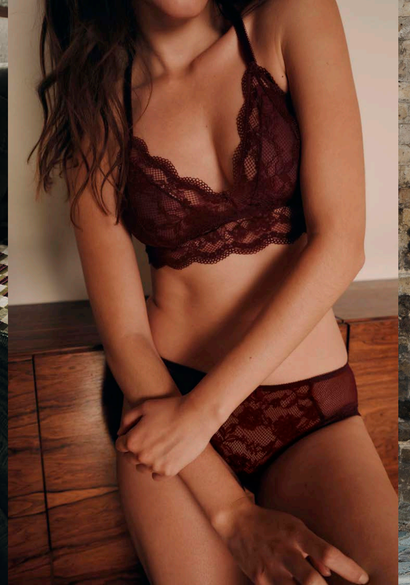


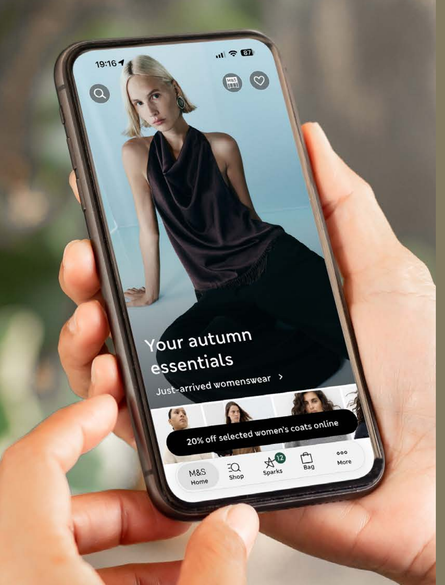
Barclays, EMEA Internet, Back to the Hanger Games, July 2026.

Lead on product

Protecting the Magic, while we modernise Product Operations



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Lead on product	Accelerate omnichannel	Deliver operating margin

We are proud of our product | We have a profit first mindset

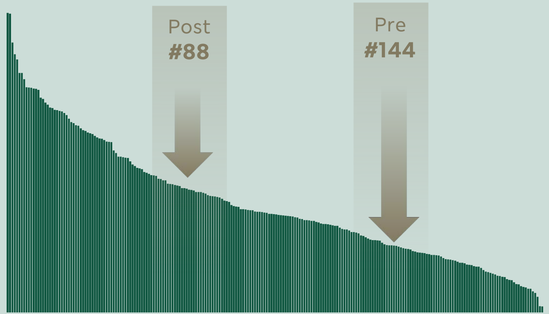


Accelerate omnichannel

Leveraging our store estate to drive growth

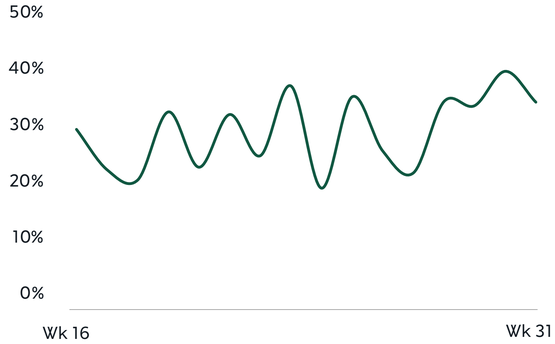
Rotate

Swindon store contribution improvement



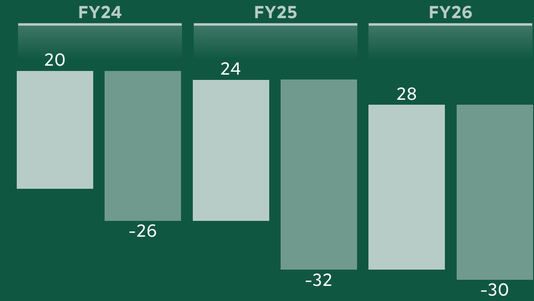
Renew

Oxford Steet, Pantheon FH&B sales performance vs LY-1



Reduce cost

£m



Accelerate omnichannel

Leveraging our store estate to drive growth: Pantheon Renewal



Accelerate omnichannel

Leveraging our store estate to drive growth

Pantheon



Epsom



Orpington

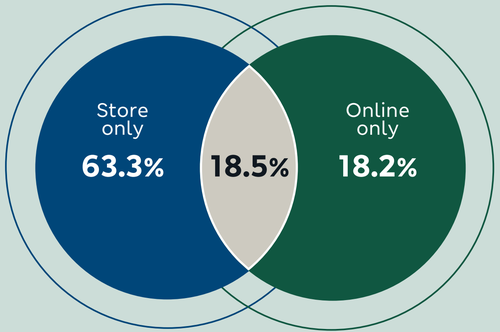


Accelerate omnichannel

Sales and volumes are growing in our highest cost to serve channel

Customer Cross Shopping

% spend by channel



Source: Internal data

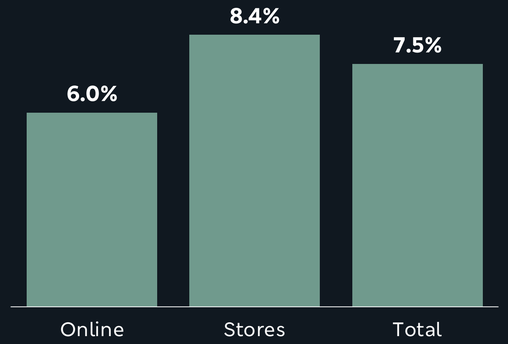
Sales Mix

% Total sales H1 FY27



H1 Operating Margin

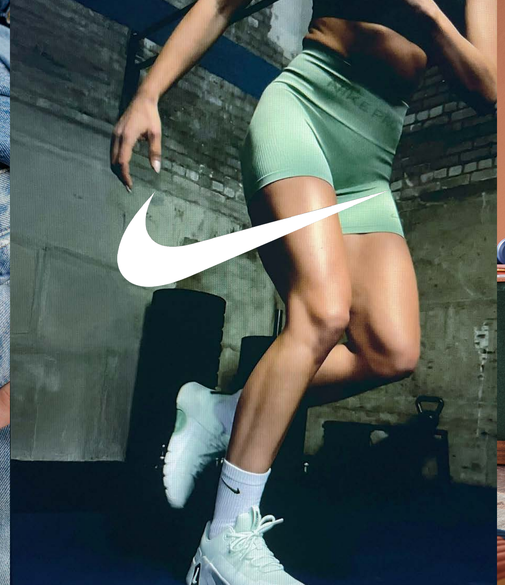
H1 26/27



Accelerate omnichannel

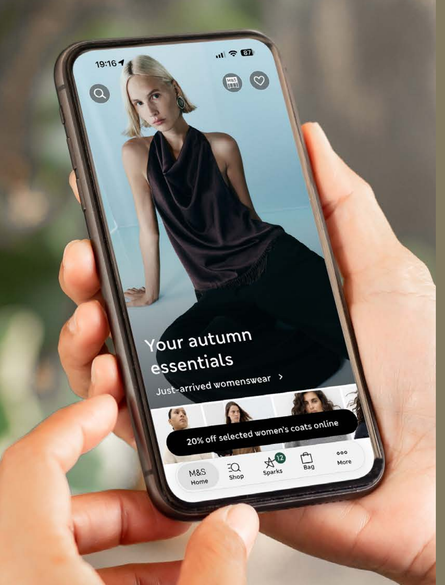
Brands driving more reasons to shop online











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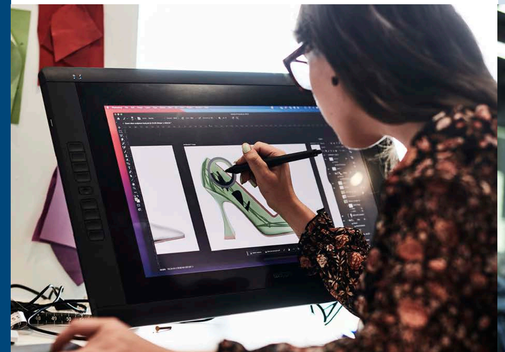


Deliver operating margin

Levers for growth

Product Operations

A shorter, sharper critical path



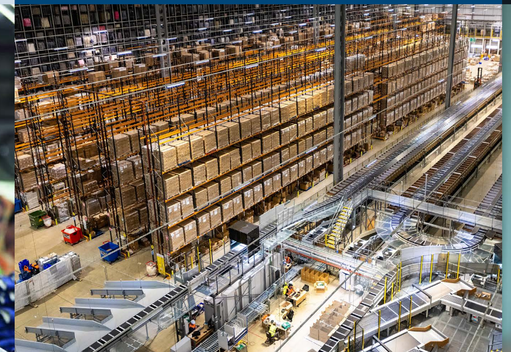
Sourcing

Turning our scale into better margins



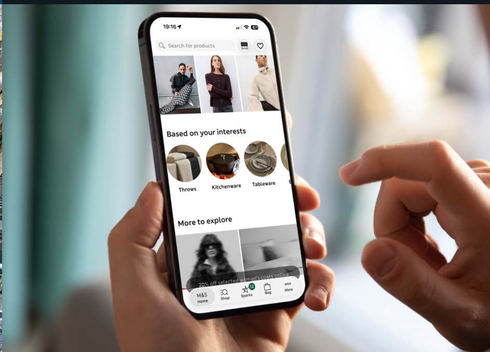
End to end supply chain

Simplifying product flow and reducing the cost to serve the customer



Online

Creating more valuable relationships and making it easy to shop



The opportunity for M&S Fashion, Home & Beauty

Our medium-term financial objective

Low-to-mid single-digit sales growth

>1% market share growth to FY28

Grow online to 50% of FH&B

With stable store sales

Sustainable operating margins >10%

Online margin at least comparable with stores





Jag Weatherley

Transformation Director

Mitch Hughes

Director of M&S Man

Maddy Evans

Director of M&S Woman



The opportunity

Improve availability



Increase full price sales



Reduce markdown

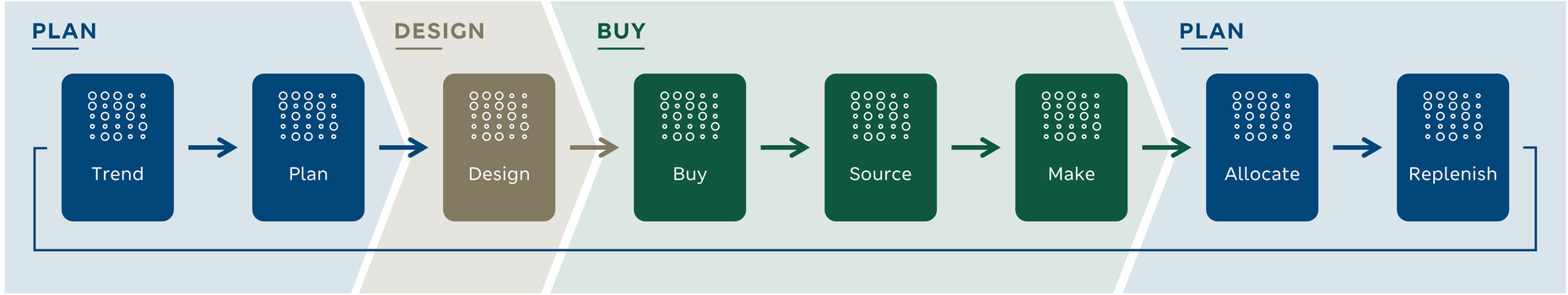


Grow market share



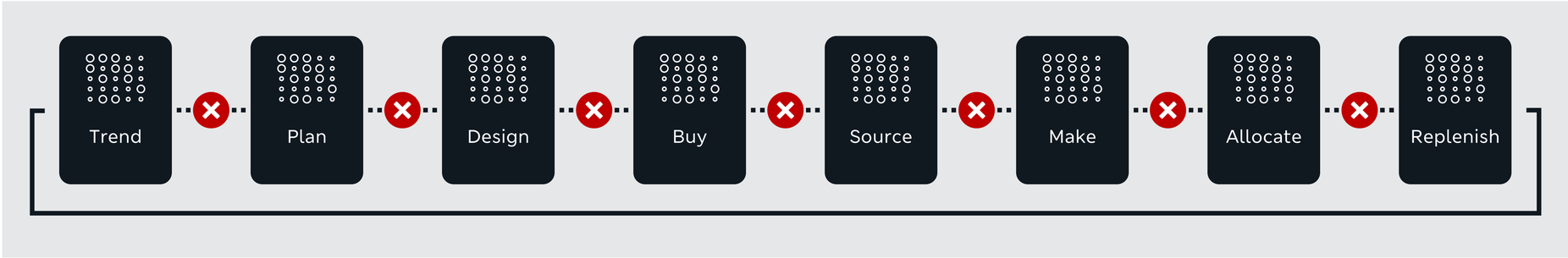
One connected product lifecycle

Future



Fragmented product lifecycle

Today



Multiple tools | Multiple handoffs | Multiple versions of the truth

Fragmented product lifecycle

Today

Plan



Design



Buy



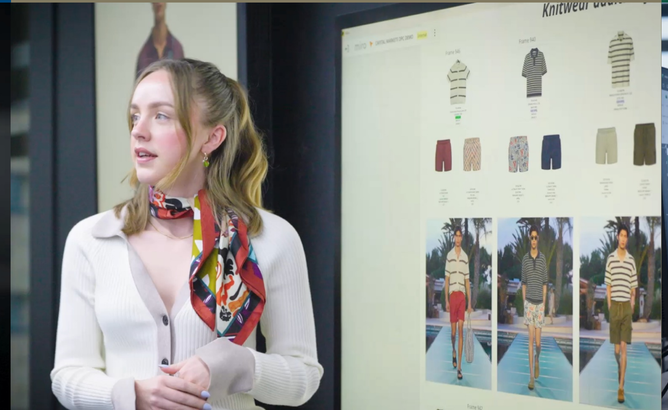
One connected product lifecycle

Future

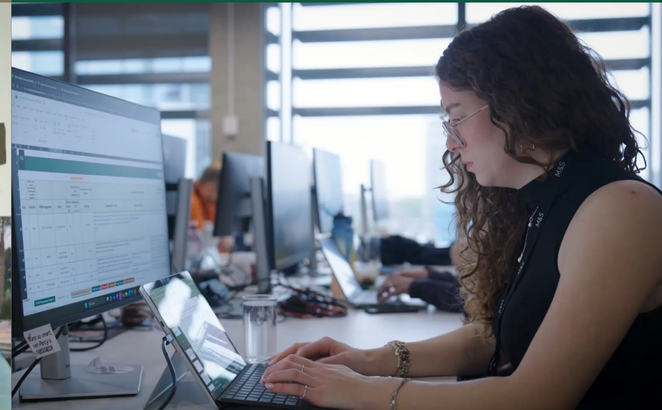
Planning Platform



Digital Product Creation



Product Lifecycle Management



Delivery plan over the short and medium term

Planning Platform	Digital Product Creation	Product Lifecycle Management
Next Year		
Build complete - April 2027 Demand Forecasting and allocation replenishment live - July 2027	70% adoption 100% Menswear - Now 100% Lingerie - November 2027 100% Kidswear - November 2027	Pilot range build complete – September 2027
Following 2-3 Years		
Brands and International build complete and adopted – July 2028	100% adoption – November 2028 100% Womenswear 100% Home	Planning platform, DPC and Product lifecycle integration complete – February 2028 100% departments onboarded for range building – May 2028



Fashion, Home & Beauty

The critical path opportunity

Faster, better informed decisions



Respond effectively to emerging trends



Reduce rework



Give teams greater focus



Fashion, Home & Beauty

Plan, buy and sell product

BEFORE
One process for all products

57 weeks

AMBITION
Average kick-off to launch

34 weeks

CONTINUITY 30 weeks — **90%** Target availability

SEASONAL 32–44 weeks — **90%** Target availability

FAST 9 weeks — **95%** Target availability





Faster seasonal process

57 → 44 weeks

BEFORE

4 WEEKS	4 WEEKS	9 WEEKS	8 WEEKS	18 WEEKS	14 WEEKS
Sprints	Strategy & plan	Product development	Range build	Production	Intake & outbound

NOW – SPRING 27

6 WEEKS	8 WEEKS	8 WEEKS	13 WEEKS	9 WEEKS
Strategy & plan	Design & development	Commercialise	Production	Intake & outbound

13 weeks shorter



1/3

Repeat customers



Continuity lane

30 weeks

½ million

sold this year
(black, navy, white)



49%

of full price sales
across FH&B

+3.5% pts

Margin Spring/Summer 2027



+20%
Sales vs LY-1



Seasonal lane

32-44 weeks

-26%
option reduction vs LY



43%
of full price sales across FH&B

+80%
Increased depth across white and blue vs LY



30 piece
Trend-led collection



Fast lane
9 weeks

57%
Under 55 customers



8%
of full price sales
across FH&B

4m
Organic social views



More stylish, relevant product









How will the changes address recent challenges?

Balanced range architecture



Right stock, right sizes



Faster response to change



Better informed decisions



Measures of success

>90%
Continuity availability

34 week
Critical path

9 week
Fast lane

Extend
Lead on Quality, Value, Style

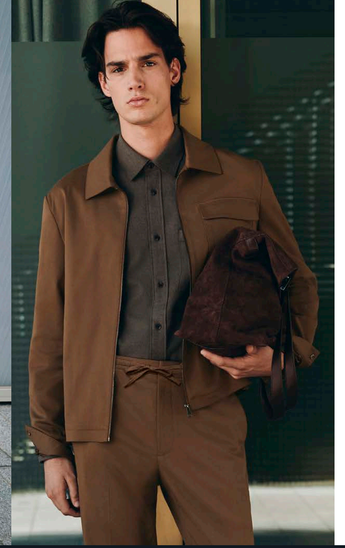












How do we turn our scale into better margins?

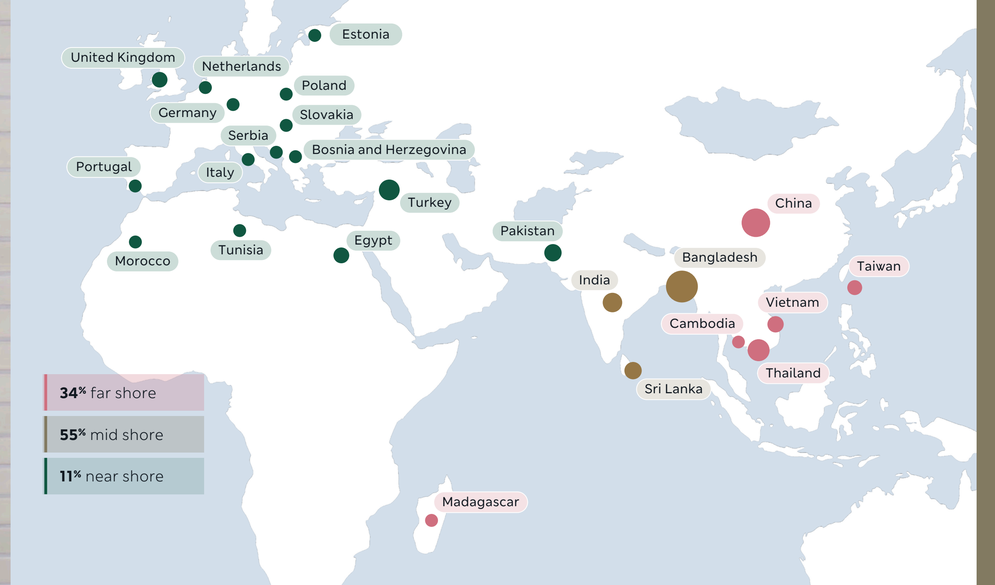
John Lyttle

Fashion, Home & Beauty Managing Director



A strong sourcing base to build from

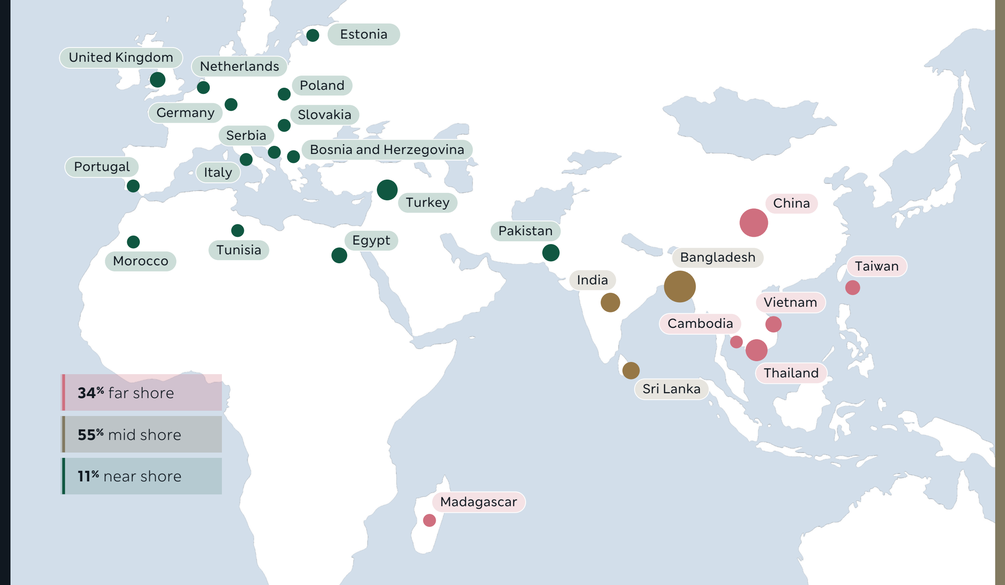


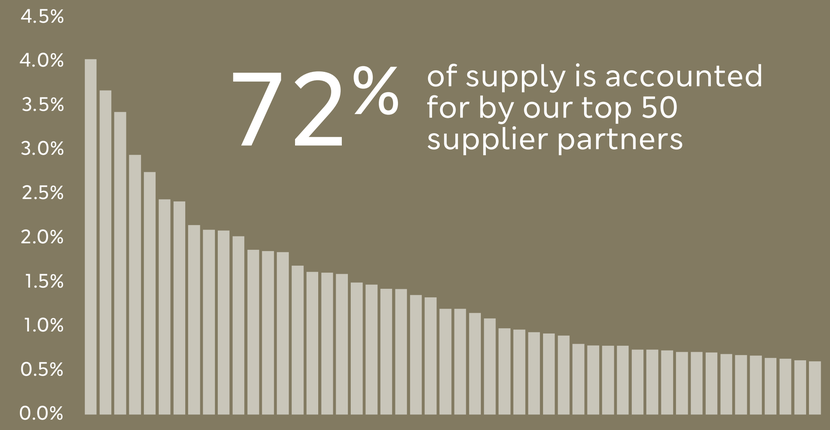


>230m
Annual buying volume units

>270m
including International

A strong sourcing base to build from





72% of supply is accounted for by our top 50 supplier partners

What our supplier partners are telling us

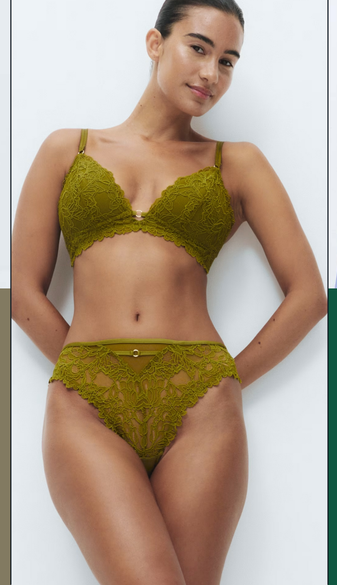


HONG KONG

Engage the partner upstream

Use supplier partner expertise

More autonomy for sourcing offices



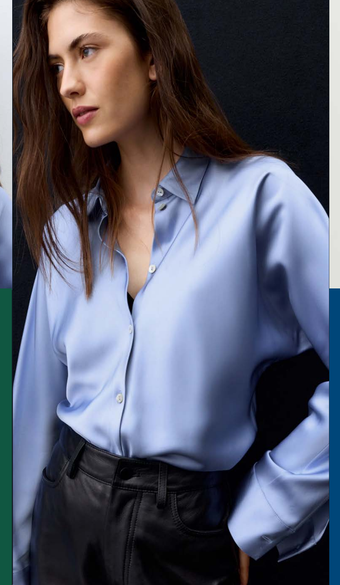


INDIA

Bring product faster to market

Use supplier partner innovation

Adopt push model, not pull model





BANGLADESH & SRI LANKA

Allow supplier to manage fabric negotiation

Explain clearly what we need

Enable the partner to come with solutions

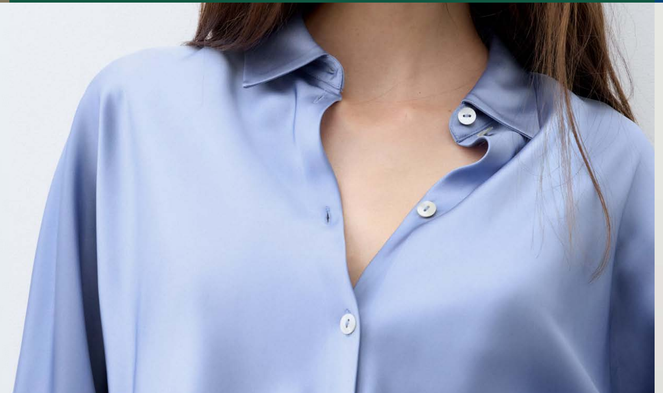


Creating a sourcing model that can scale

Leverage supplier partner capabilities



Respond faster to demand



Faster, confident decision making







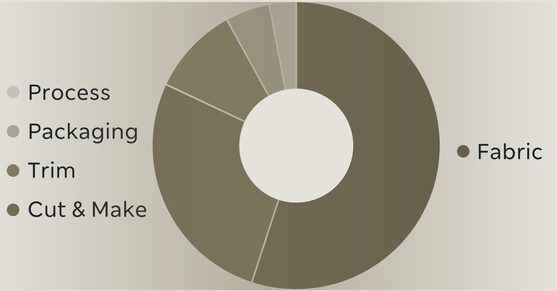
Potential cost benefits from **Fabric** benchmarking

2–4% Material costing

1–1.5% Fabric engineering

3–5% Product saving

>50% of costs are made up of fabric costs









Responding faster to demand

Denim supplier partner consolidation



Egypt

Near-shore route for faster delivery



Pakistan

Strategic scale, design and innovation



Bangladesh

Competition, capacity and resilience



A simpler, faster way for supplier partners to work with M&S

18 months time

One shared set of information connects product decisions with ordering and delivery

01 → Share the **product idea**

02 → Supplier partner submits **pricing & lead time**

03 → **Agree** the price, dates and details

04 → Create **Purchase Order**

05 Supplier partner sends **production sample**

Teams share the idea and agree costs in one system

Product details flow into the order

The system sends order confirmation to the supplier partner



What this all adds up to

Lower cost of goods



Lower stock holding



Increased speed to market







Improving stock flow and reducing cost to serve

John Lyttle

Fashion, Home & Beauty Managing Director



The opportunity in Supply Chain & Logistics

Better customer experience



Improved stock flow

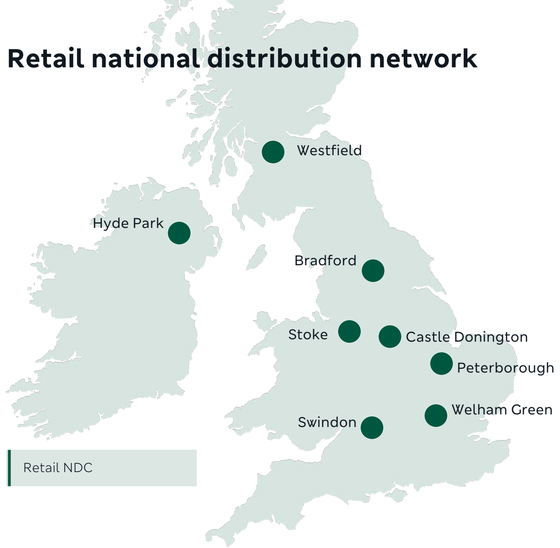


Reduced cost to serve



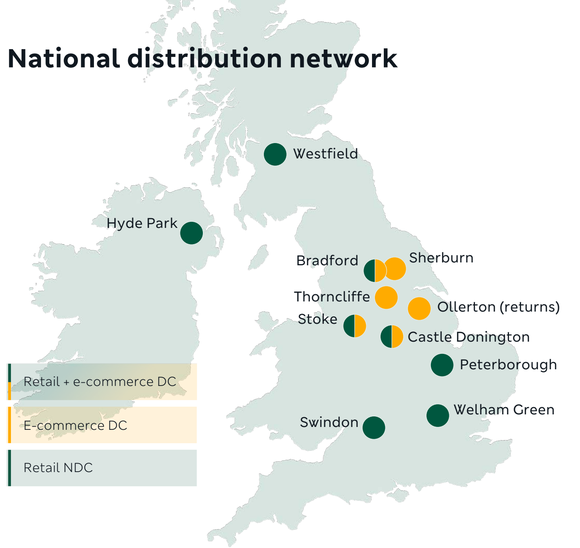
A network built for stores with e-commerce added later

Retail national distribution network





National distribution network



Substantial inter-DC movements adds cost

188m
Singles moved between DCs

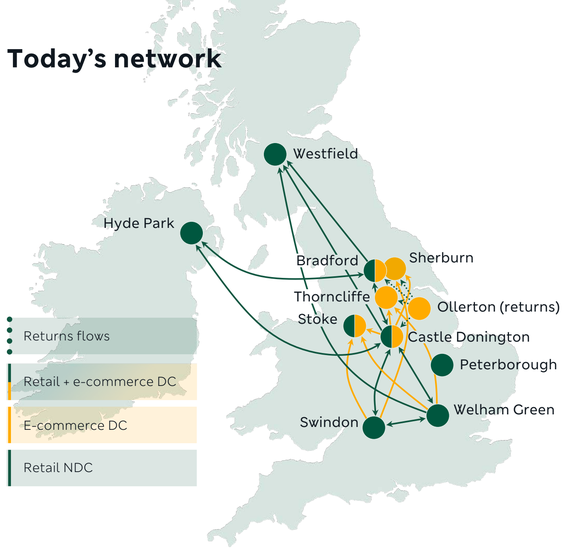
£14m
Transport cost added

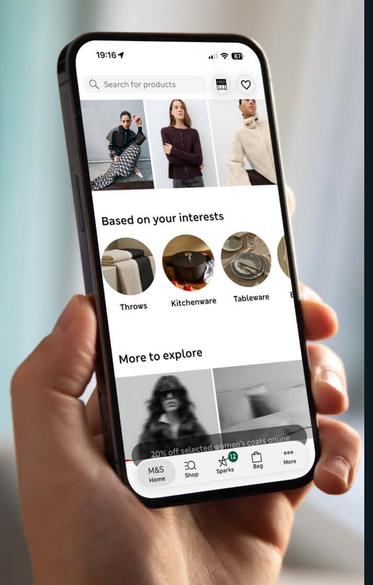
Longer
Product journeys

£15m
Cost due to split shipments



Today's network





Online growth has pushed volume into slower, higher cost routes

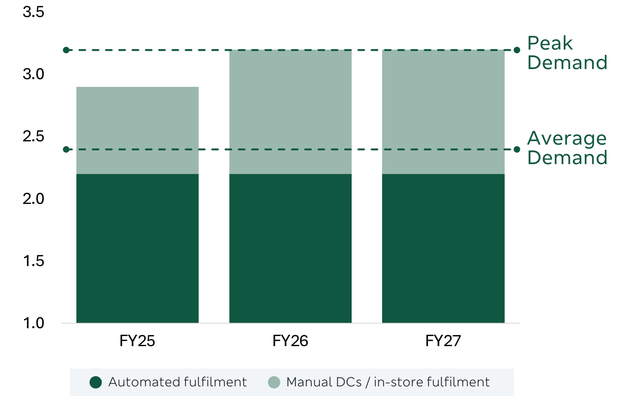
125m | **+12%** vs FY25

Total annual singles dispatch

3.3m | **+10%** vs FY25

Peak week singles demand

Peak week online demand vs capacity





Bradford warehouse product journey

Every touch point adds cost

	Inbound Cost of goods sold		Warehousing & distribution Logistics costs			Store handover Retail & property costs
	Supplier & freight	Transport to DC	DC inbound	Pick, pack, dispatch	Distribution to store	M&S Collected in store
Variable overheads	+£0.15	+£0.05	+£0.13	+£0.20	+£0.21	+£0.92
Fixed overheads			+£0.75			+£0.44

Average cost per single: **£1.29** Logistics costs (Variable & fixed) + **£1.56** All other costs (Inbound / Retail & Property) = **£2.85** Total cost to serve (Supplier to customer)



Decisions upstream can create cost downstream

Supplier & freight	Transport to DC	DC inbound	Pick, pack, dispatch	Distribution to store	M&S Collected in store
Shipping air	Modularity	Ecom Readiness	Not store ready	Part-full cages	Work pushed into store
Incorrect box sizes	Hanging vs boxed	Packaging type	Picked as singles, not launch packs	Deliveries to stores not optimised	Pre-retailing not done at source



Four item order picked from four locations

£16.70		**Autograph T Shirt** BRADFORD	**£2.85**
£20.80		**Crew Neck Jumper** CASTLE DONINGTON Arrives hanging	**£3.30**
£12.50		**CK Socks** THORNCLIFFE Manual site	**£4.41**
£25.00		**Christmas diffuser** PICKED IN STORE Single, own parcel	**£6.93**
(£12.50)		**One return** OLLERTON Back into stock	**£3.18**
£63 Total Sale Exc. VAT			**£20.67**

Four items	**£17.49**
+ One return	**£3.18**

COST TO SERVE

£20.67

TOTAL SALE

£63

Sales exc. VAT



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		£63 Total Sale Exc. VAT	**£20.67**

Four items £17.49
+ One return £3.18

COST TO SERVE
£20.67

TOTAL SALE
£63
Sales exc. VAT

33%
of the £63 kept

For the customer

- Different shipment times
- Slow delivery promise
- Early order cut offs

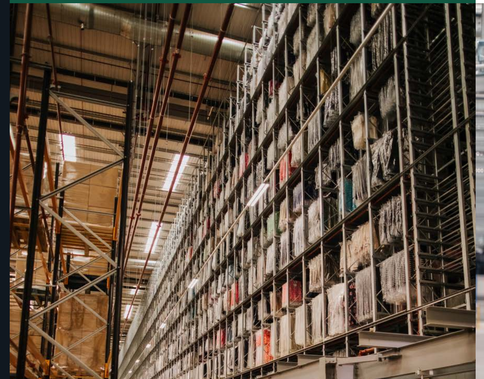
For the business

- In store retail hours
- Expensive carrier costs
- Slow, costly returns route



Our plan: Reinvesting for growth

Add capacity and lower cost in the existing network



Lichfield acquisition



Efficient returns capability



Flexible network with better end-to-end stock flow

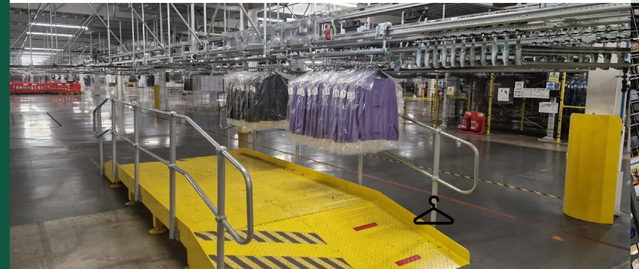


Lowering cost in existing network

Hanging garment capacity

Consolidates garment handling

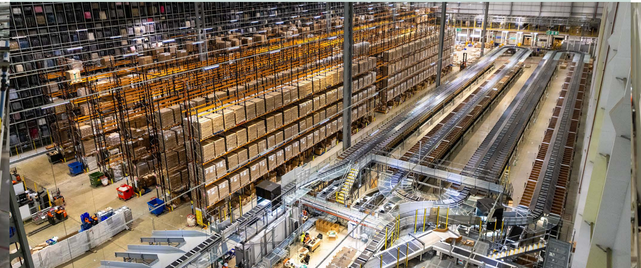
Creates capacity for growth



Click & Collect Sorter

Automates order sortation

Supports later cut-offs



Boxed automation

New shuttle technology

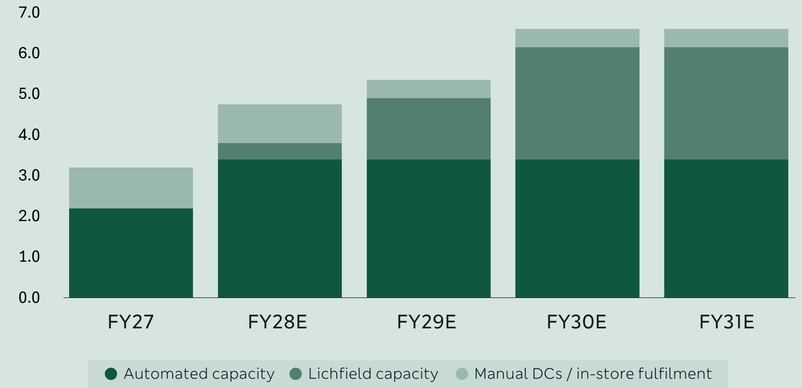
Creates automated capacity



Acquisition of Lichfield



FH&B Online capacity (m)



Castle Donington
Automated pick capacity

2.9m

Singles per week **post boxed expansion**

Lichfield NEW
Automated pick capacity

2.75m

Singles per week

Efficient Returns capability



Running cost per single

£3.18

est. 11 days
back on sale

Running cost per single

£1.56

est. 6 days
back on sale

TODAY

5	4	3	2	1
Allocated Warehouse	**Transport to Ecom Site**	**Retail Network**	**Transport to Hub Store**	**Simply Food Store**
Stock available		Returns processed		Sent to hub store

FROM FY28

5	4	3	2	1
Ecom DC	**Transport to Ecom Site**	**Sheffield returns warehouse**	**Transport to Returns Warehouse**	**Simply Food Store**
Automated Ecom Distribution		Processed once		Bagged and sent direct to Sheffield

The same order costs materially less to serve

Cost to serve **–11%**



Autograph T Shirt
LICHFIELD

£2.95



Crew Neck Jumper
LICHFIELD

£2.95



CK Socks
LICHFIELD

£2.95



Christmas diffuser
CASTLE DONINGTON

£3.30



One return
SHEFFIELD

£1.56

Four items **£12.15**
+ One return **£1.56**

COST TO SERVE
£13.71
was £20.67

c.22%
of the £63 sale

For the customer

Later next-day cut-off beyond 10pm

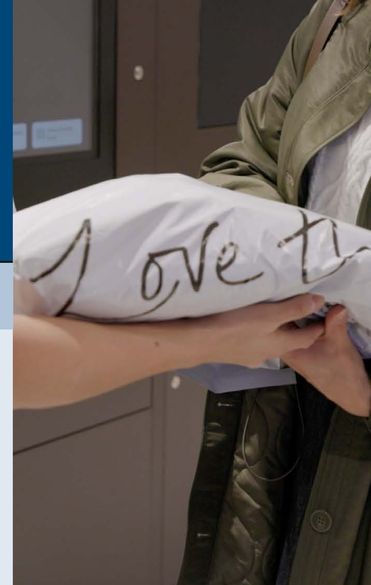
No more than two parcels

For the business

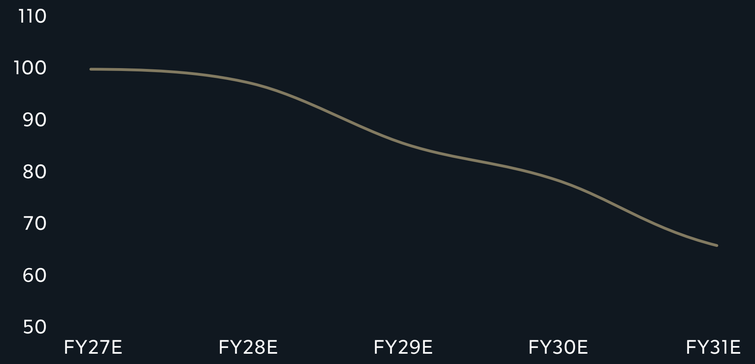
Lower cost to serve

More efficient stock flow

Quicker back on sale



Online Variable CPS Indexed





Supporting the long-term growth opportunity

Reduce split shipments & inter-DC movements

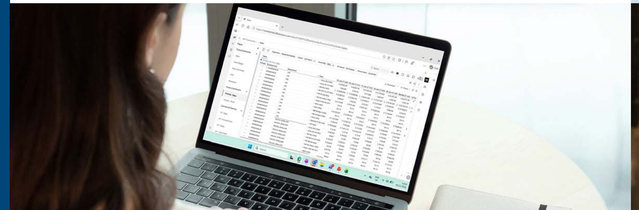
Reduce reliance on manual and high-cost routes

Reduce fixed costs as a proportion of sales as we grow

Better end to end stock flow

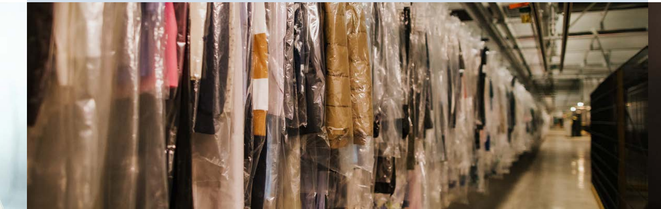
Systems enablement

- Better assortment and range planning
- More accurate demand planning
- Automated allocation and replenishment



Channel ready packaging

- Pack for the channel at source
- Improve carton, box and tote fill
- More launch packs, fewer singles



Stock positioning

- Put stock in the right place
- At the right time
- First time



The opportunity in Supply Chain & Logistics

Better customer experience



Improved stock flow



Reduced cost to serve







Accelerating Online Growth

David Clark

Director of Online and Omnichannel



What we want to achieve

FIND US

Attract and inspire customers



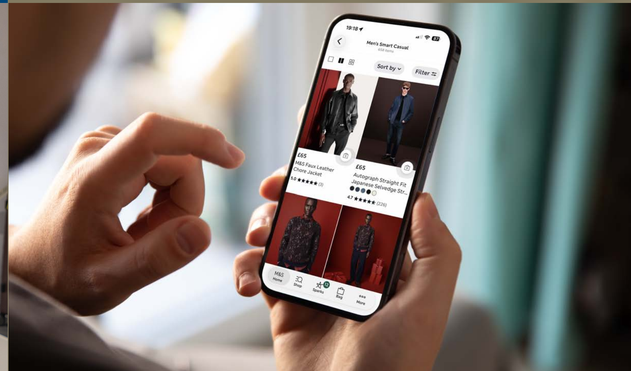
SHOP WITH US

Make buying effortless



STAY WITH US

Engage and bring customers back



Where we are today

£1.4bn FY25 Online sales

Fashion Own Label
£1.0bn



Brands
£148m



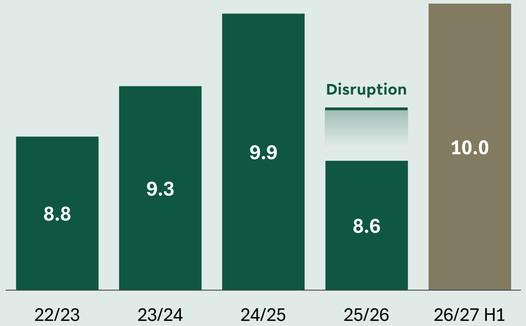
Home
£178m



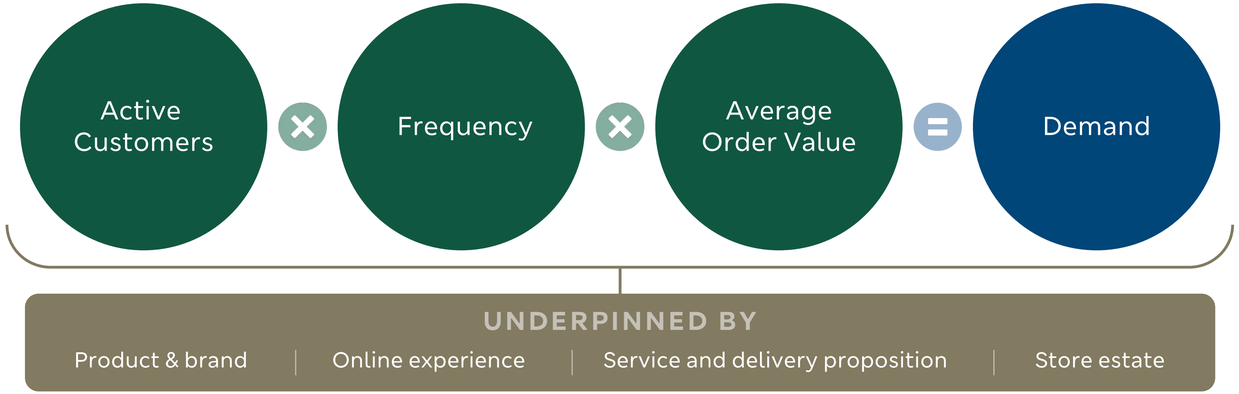
Beauty
£37m

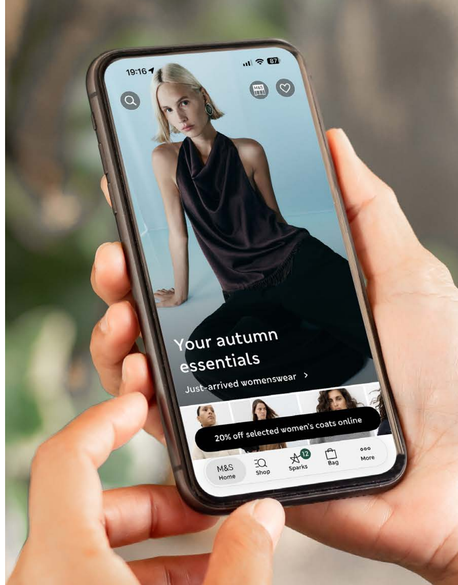


10m Active customer base



The simple online equation





...we have a base to work from

Large, loyal customer base

70%

Online revenue comes from customers who have been with us for 5+ years

Strong brand & product credentials

- #1 Voted Best UK brand
- #1 Quality
- #1 Value
- #1 Style

Stores as a competitive advantage

780

Collection points

30%

Of customers aware they can click & collect from Food stores

Lagging competitors on frequency

	M&S	Market Leader
Frequency (p/a)	3.1	5.1
Average annual customer spend	£129	£222

What we want to achieve

FIND US

Attract and inspire customers



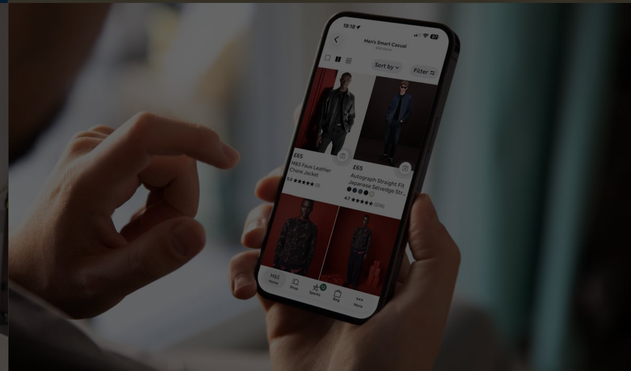
SHOP WITH US

Make buying effortless



STAY WITH US

Engage and bring customers back





Attract and inspire customers

Bold marketing driving style



London Fashion Week campaign

18m	Campaign views
+4%	Style perception
+6%	Awareness
+1%	Brand buzz



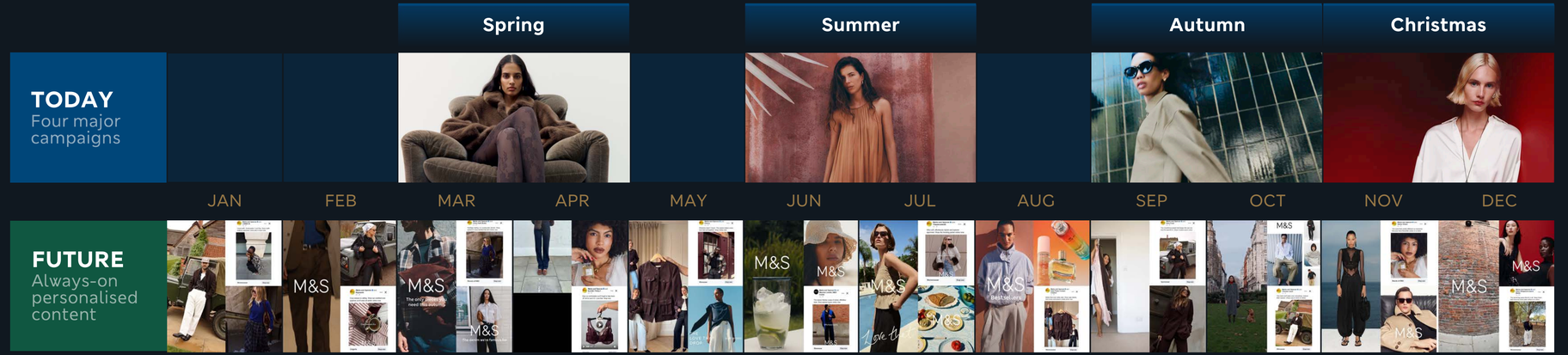
Silverstone campaign

15m	Campaign views
+2%	Style perception
+8%	New customers
£98	Basket

Attract and inspire customers

Always-on content

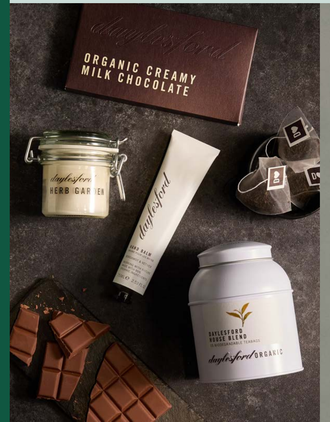
Mission and moment based



Attract and inspire customers

Curated, edited range

Curated brands driving bigger baskets





M&S Own Label elevated through collaborations



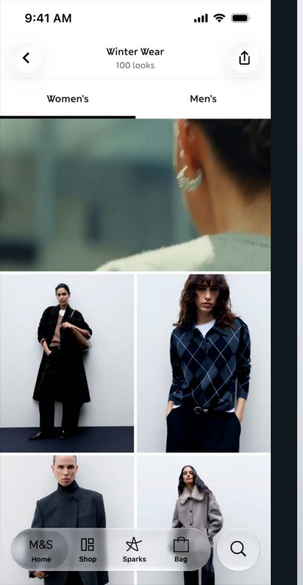


New partnerships to drive cross-shopping

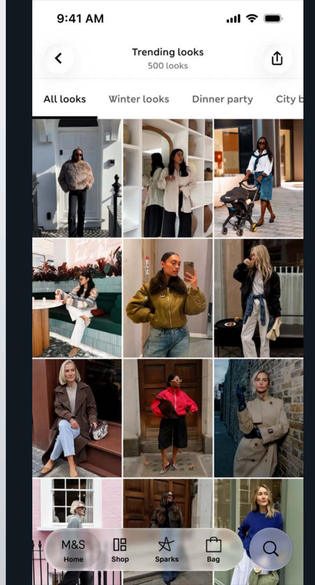


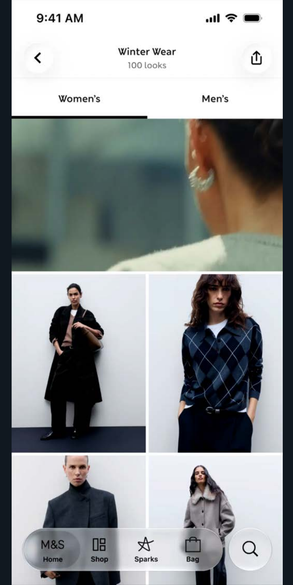
Attract and inspire customers

Inspiration to be brought onto our platforms













What we want to achieve

FIND US

Attract and inspire customers



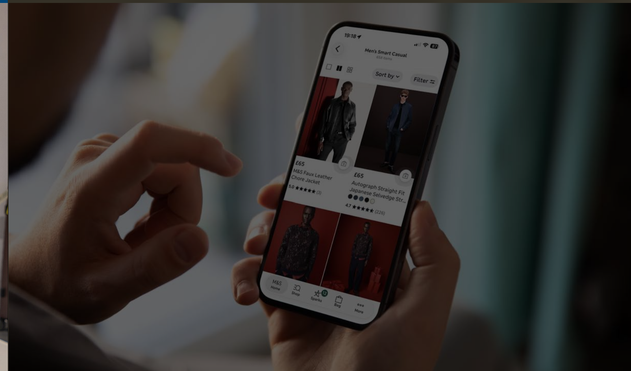
SHOP WITH US

Make buying effortless



STAY WITH US

Engage and bring customers back

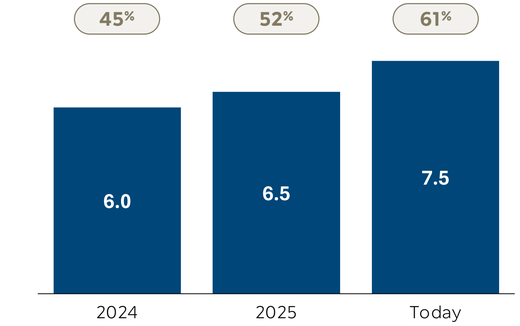


Attract and inspire customers

Lots of opportunity

App becoming central to our online sales

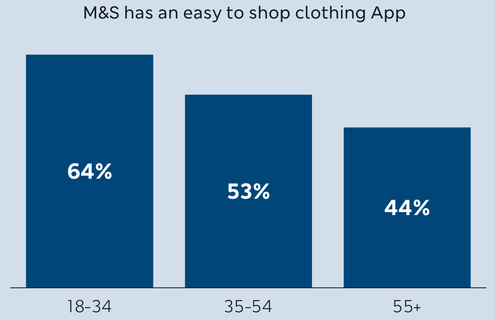
M&S App users (m) and App sales as % total online sales



Source: Internal data

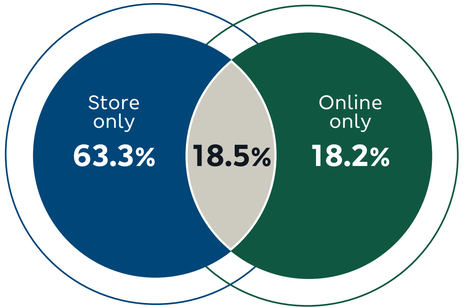
App experience to be improved

M&S App ease of use by age group



Source: M&S pulse survey (Oct-'26; N=500)

Only 18.5% of M&S customers shop in store and online

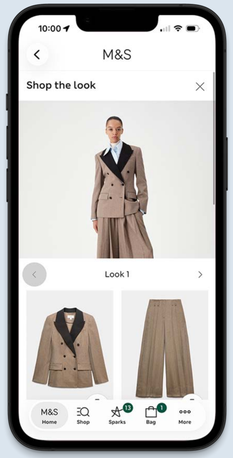


Source: Internal data

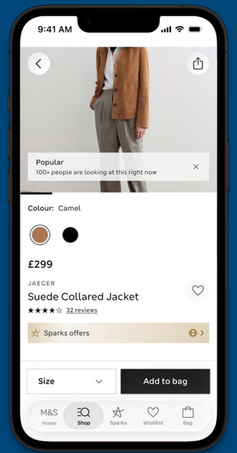
Making buying effortless

Online experience enhancements

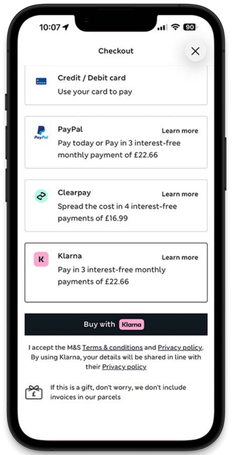
Personalised search



Sparks relevance



Klarna





What we want to achieve

FIND US

Attract and inspire customers



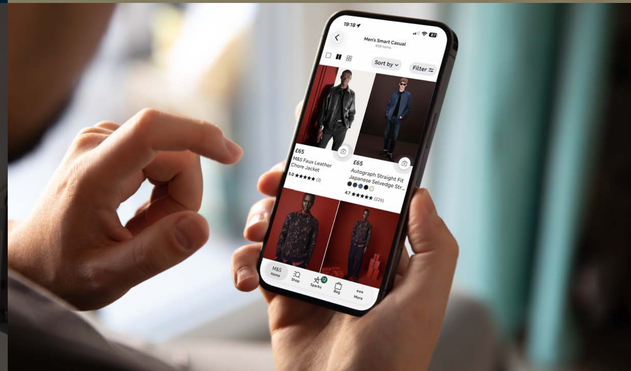
SHOP WITH US

Make buying effortless



STAY WITH US

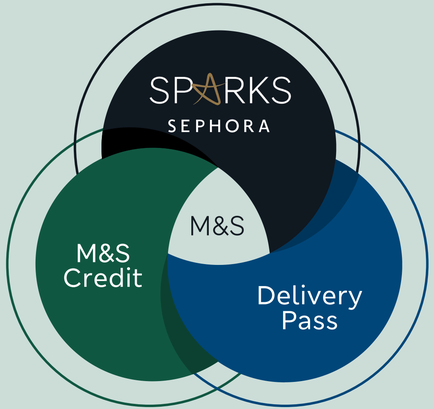
Engage and bring customers back



Engage and bring back customers

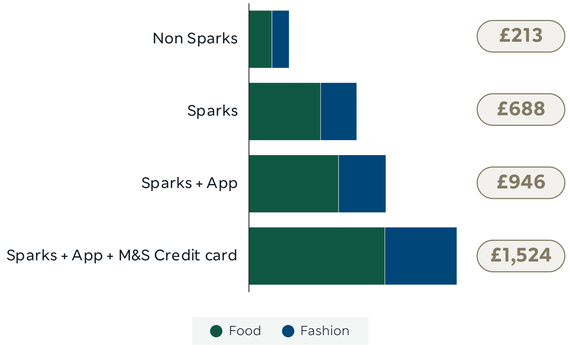
Engaging and bringing back customers

Interconnected customer propositions



Use delivery and credit to build frequency and value

Annual spend Food and FH&B, store and online, £



Source: internal data, annual spend Sept 2026

Use delivery and credit to build frequency and value

Current credit card and delivery pass trials results

2x

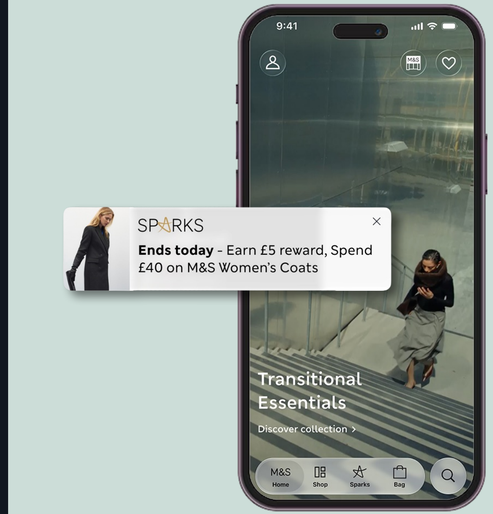
Higher frequency with M&S credit card than online average

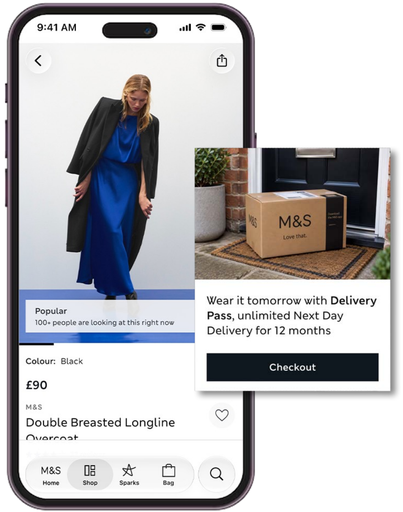
+4

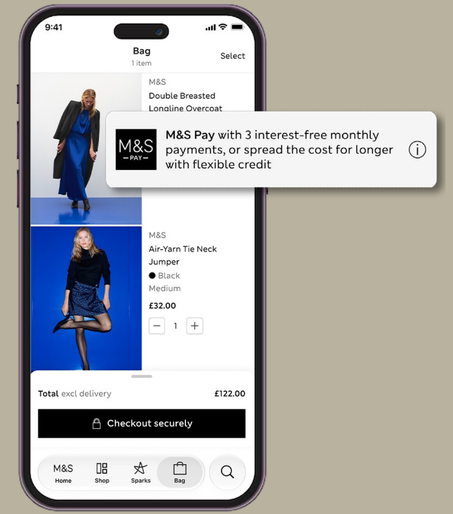
Net additional trips with Delivery pass (trial results)

Engage and bring back customers

Engaging and bringing back customers

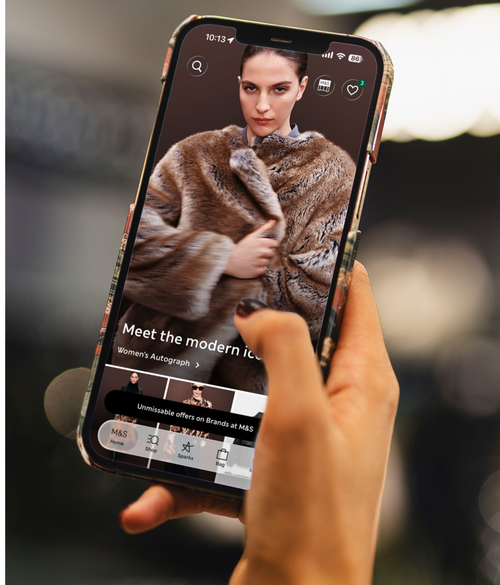






What success will look like

Attract and inspire customers	Make buying effortless	Engage and bring customers back
Next Year		
Marketing and content: Shift spend to drive conversion and modernise content approach	Improve outfit discovery, styling and recommendations	Launch **delivery pass**
ROI: Reset measurement and targeting towards profitable customer growth	Enhanced search and filter capabilities	Launch **M&S pay**
		Join up **Sparks,** Credit card and Sephora loyalty
Following 2-3 Years		
Content: Personalise content for every customer using AI	**AI:** Use AI to personalise the end-to-end journey from discovery to checkout	**Scale adoption** of delivery pass and M&S pay
Agentic commerce: Make our products and platforms ready for AI-powered shopping	**Omnichannel app:** Connect the store and online experience through the app	Build recurring customer **subscriptions**



Fashion, Home & Beauty

Delivery next year

Lead on Product

New Critical path

Planning Platform

Product Lifecyle Management live

Digital Product Creation (roll out complete by November 2028)

Accelerate Omnichannel

App UX enhancement

Delivery Pass and M&S Pay live

Better delivery proposition

Faster returns & fewer split ships

Store Renewal & Refresh continues

Sephora in 50 Stores & Online

Deliver Operating Margin

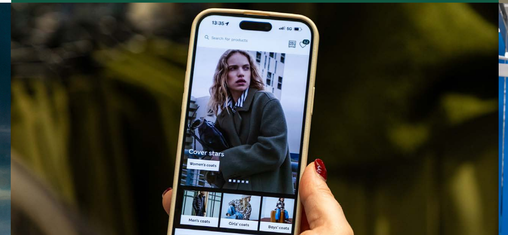
Lichfield automation live

National Returns Centre live

Better buying aligned to new critical path

Enhanced supplier partner ways of working









The opportunity for M&S Fashion, Home & Beauty

Our medium-term financial objective

Low-to-mid single-digit sales growth

>1% market share growth to FY28

Grow online to 50% of FH&B

With stable store sales

Sustainable operating margins >10%

Online margin at least comparable with stores





Delivering sustainable shareholder returns

Alison Dolan

Chief Financial Officer



M&S capital priorities

Protect strong balance sheet



Maintain healthy liquidity



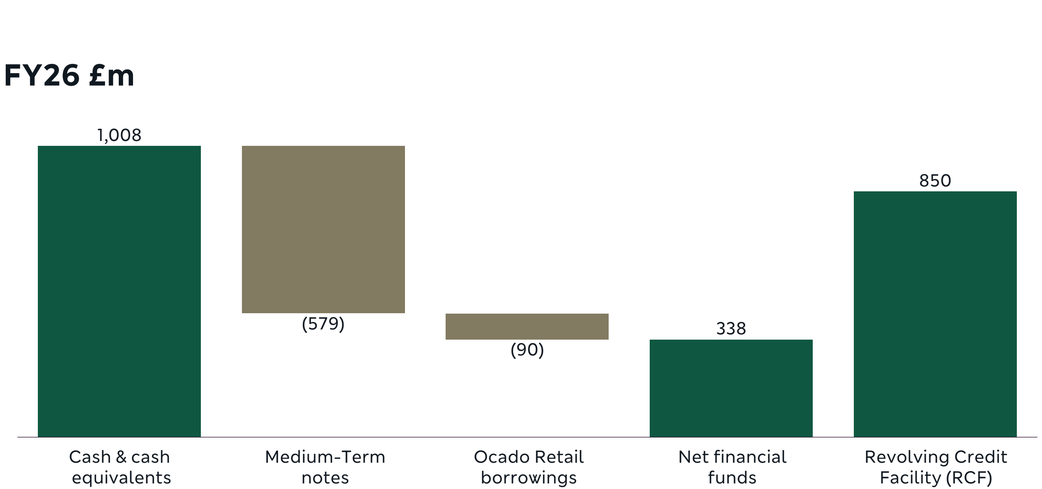
Reinvest for growth



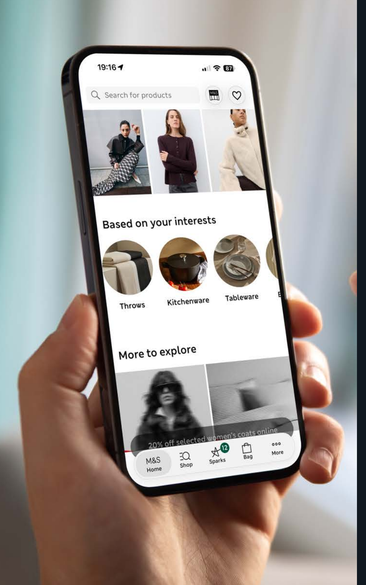
Increase shareholder returns



Strong cash position and access to additional liquidity



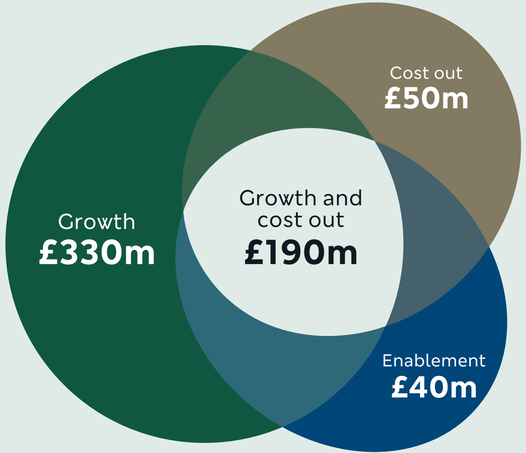




Reinvesting for growth

Average
£800m
net capital spend
FY28-FY30

Of which
£190m
is maintenance





Our minimum hurdle rates

STORE ROTATION

15% IRR

5-year payback



COST OUT

15% IRR

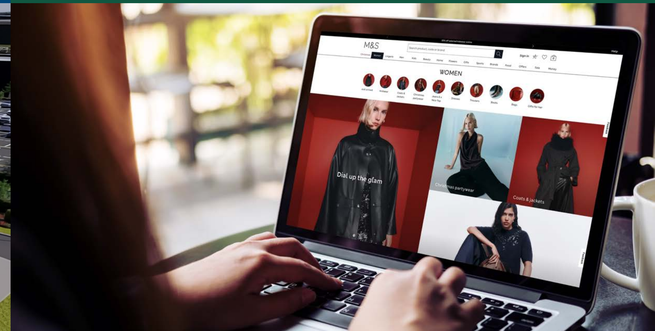
5-year payback



GROWTH

20% IRR

4-year payback

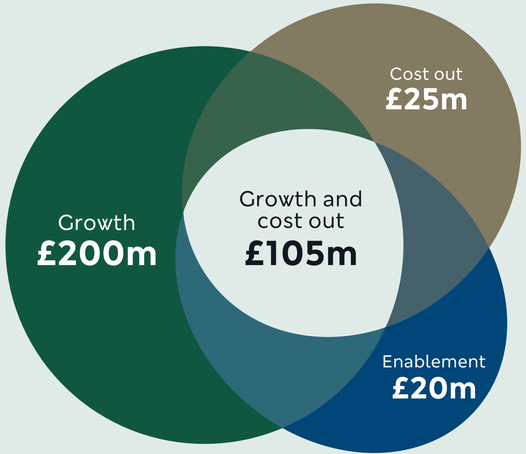




Food investment

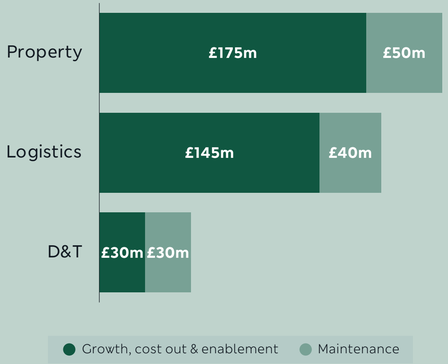
Average
£470m
Food net capital spend FY28-FY30

Of which
£120m
is maintenance



Average Food spend by function FY28-FY30

£m



Food investment priorities

Supply Chain Cost Out
5 years once operational



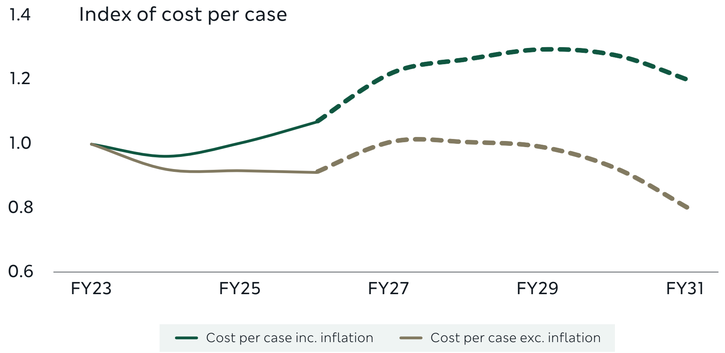
New stores or rotation
4-5 year payback



Food investment priorities

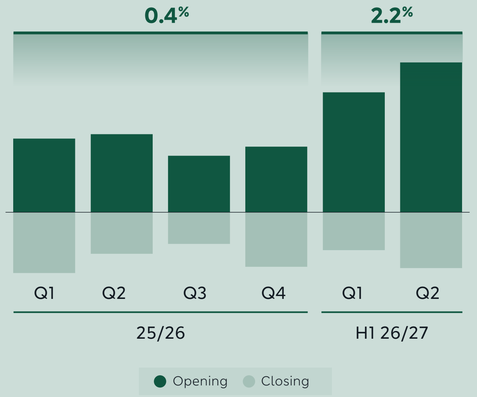
Cost out investment

Daventry and Avonmouth investments supporting volume growth and driving lower cost per case



Growth investment

New store space contributing to top line sales performance



10%

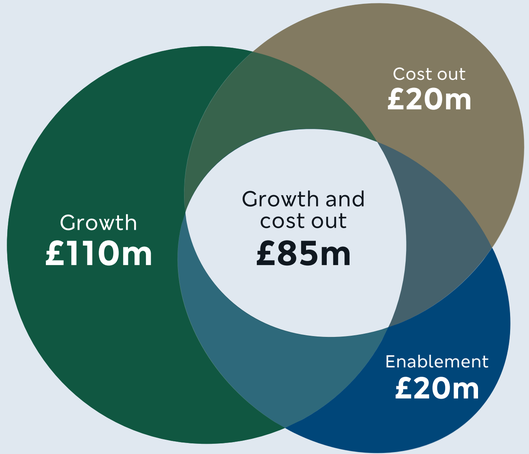
Gross new space contribution planned over the next 3 years



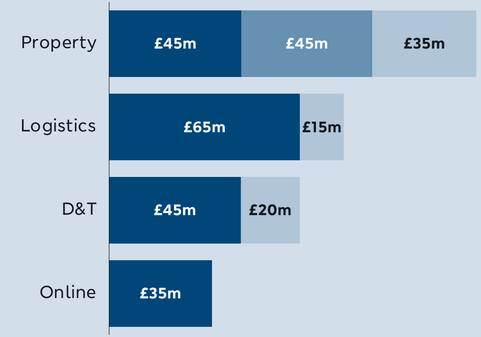
FH&B investment

Average
£305m
FH&B net capital spend FY28-FY30

Of which
£70m
is maintenance

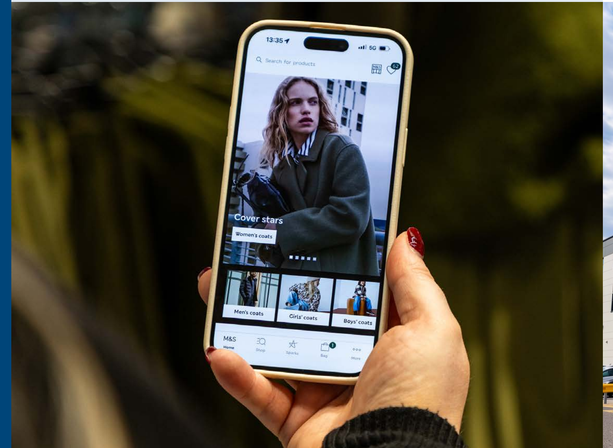


Average FH&B spend by function FY28-FY30
£m



FH&B investment

Online growth
Target 4 year payback



Supply Chain Cost Out
5 years once operational



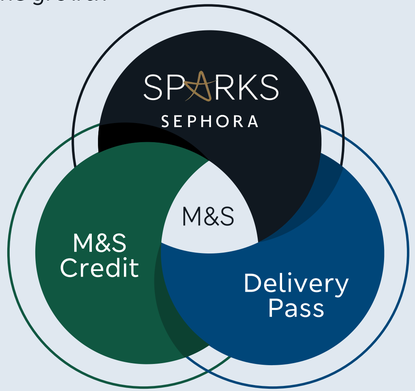
New stores or rotations
Target 5 year payback



FH&B investment priorities

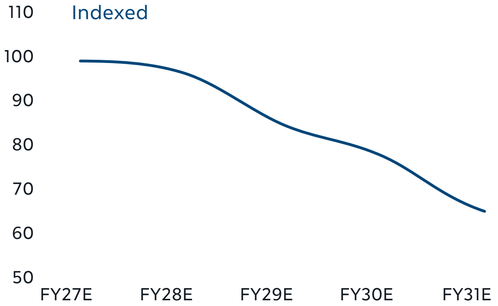
Growth investment

Online experience fuels brand engagement and topline growth



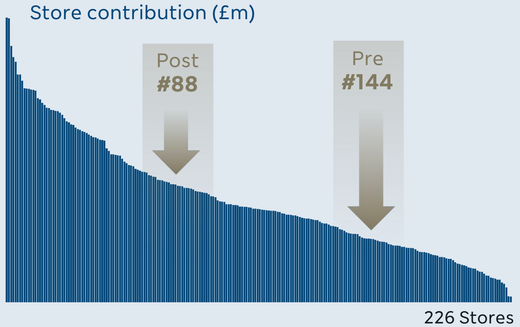
Cost out investment

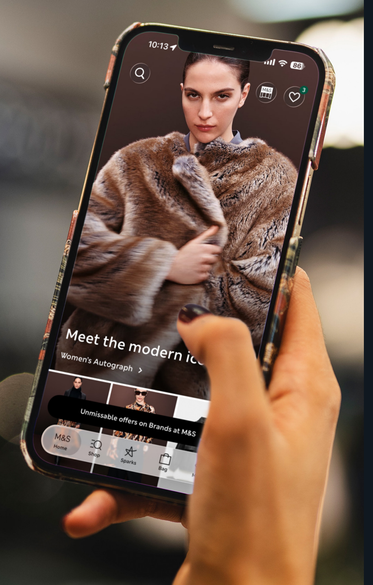
Online scale and supply chain efficiency drives lower cost per single from FY28



Growth investment

Store rotation, such as Swindon, makes the estate more profitable and efficient





D&T investments underpin our priorities

D&T

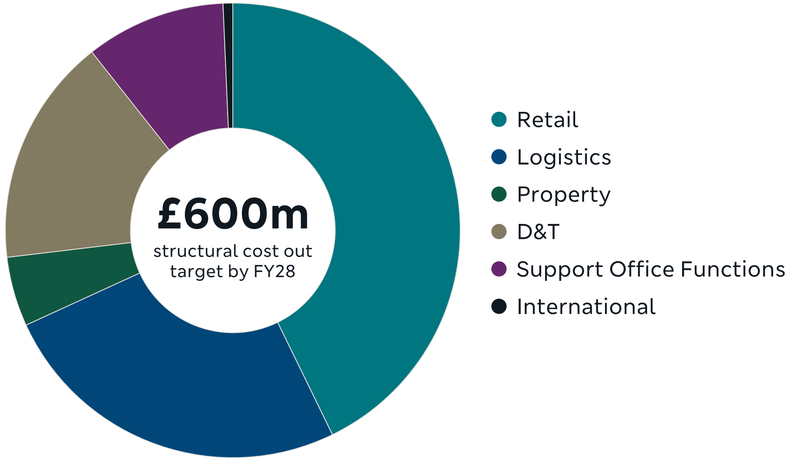
- Growth
- Cost out
- Enable
- Modernise

Supported by operating cost spend





Structural cost reduction





Profile of
future returns
on capex

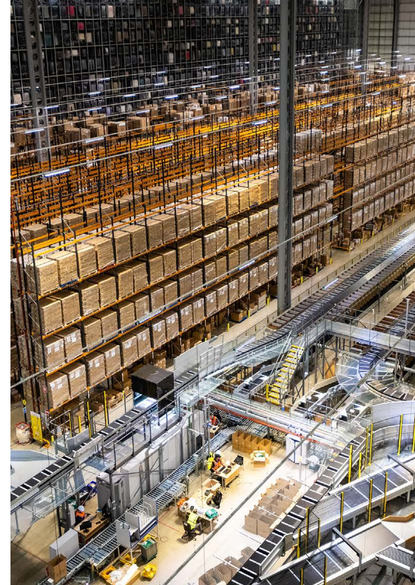
Mid to high
single digit
growth in
sales

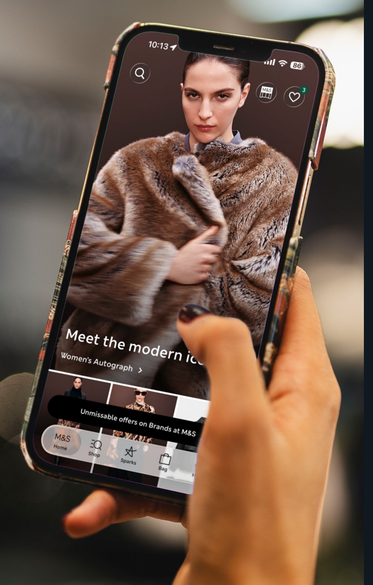


Profit growth
ahead of
sales

Profile of future returns on capex

	Initiative	Business Area	FY26	FY27	FY28	FY29	FY30
Sales	New Food store sales	Food	✓✓	✓✓	✓✓	✓✓	✓✓✓
	Omni-channel sales growth	FH&B		✓	✓	✓✓	✓✓
Structural cost out (Opex)	Daventry & Avonmouth driving down cost to serve	Food			✓	✓	✓✓
	Donington capacity investments	FH&B		✓	✓✓	✓✓	✓✓
	Lichfield driving down cost to serve online	FH&B			✓	✓✓	✓✓✓
	Sheffield returns centre	FH&B		✓	✓✓	✓✓	✓✓
	Increased store productivity	Food & FH&B			✓	✓	✓

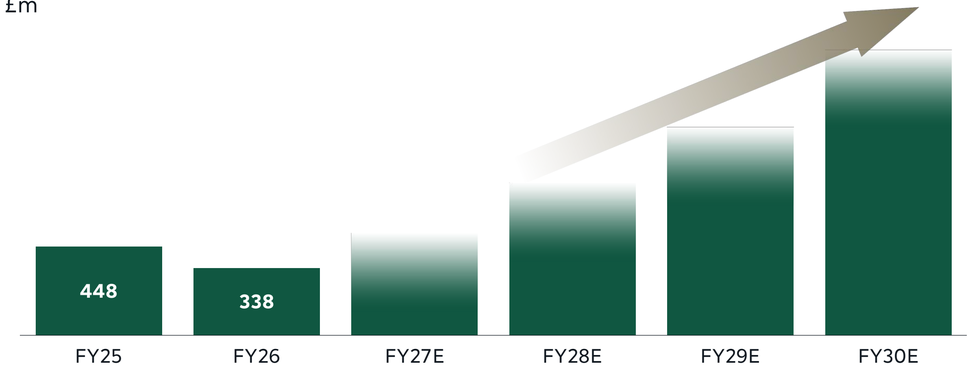




Strong cash generation alongside investments

Growing net financial funds over time

£m







Clear liquidity buffer protects the balance sheet

	FY27	FY28	FY29	FY30
Opening balance sheet	£1,000m	✓	✓✓	✓✓
Bond debt	£600m	£600m	£300m-£600m	£300m-£600m
Operational cash flow generation	✓	✓✓	✓✓	✓✓✓
Ordinary dividend	8.4p	✓	✓	✓
Free cash post dividend	✓	✓	✓✓	✓✓
Liquidity buffer	£500m	£500m	£500m	£500m
Surplus cash	✓	✓✓	✓✓	✓✓✓



Double-digit total shareholder returns over time

Compound Annual Growth

Possible sales growth FY27-FY30	+	Operating profit growth	+	Interest benefit from cash	=	EPS growth*	+	Dividend yield	=	Total shareholder returns
4% to 7%		5% to 10%		c.1%		6% to 11%				

* Assuming constant tax rate

