HALF YEAR RESULTS

M&S Reinvesting for Growth

4 NOVEMBER 2026





Stuart Machin

CHIEF EXECUTIVE

M&S

Financial headlines

Reinvesting for growth on track

M&S Group adjusted profit before tax £403.2m up 119%, against £184.1m in the prior year

Statutory profit before tax £355.1m, vs £3.4m prior year

Food sales up 13.9%; adjusted operating profit of £288.6m, margin of 5.6%

Fashion, Home & Beauty sales up 17.5%; adjusted operating profit of £150.5m, margin of 7.5%

International sales up 22.1%; adjusted operating profit of £15.3m, margin of 4.9%

Adjusting items of £51.7m against £167.8m in the prior year

Strong balance sheet position, net funds excluding lease liabilities of £374.7m and cash and short-term investments of £1,072.1m



Our strategic priorities

Reinvesting for growth

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CREATE EXCEPTIONAL PRODUCTS



QUALITY FOOD, STYLISH CLOTHES, HOMEWARE AND BEAUTY

Food drumbeat of quality investment and innovation widening family appeal in core categories

Fashion perceptions at highest level to date for quality and style

ENHANCED TRUSTED VALUE TO DRIVE VOLUME

Over £50m annualised invested in value in Food in H1. Stronger value perception relative to market

FH&B improved core product availability, stock flow and inventory management.

DELIVER PROFITABLE SALES GROWTH



BIGGER FREQUENT CUSTOMER BASE, SHOPPING MORE BROADLY

1.5m more Food customers over 2 years, with growth in 'shopping list' categories

Sparks loyalty programme relaunched

ONLINE AND OMNICHANNEL ADVANTAGE

M&S Food sales on Ocado up 23%, now 31% of average basket, with Ocado Retail moved into operating profit FH&B

FH&B Online participation increases to 35%

STORE ROTATION AND RENEWAL

18 store investments in H1, with larger stores performing strongly

Oxford Street flagship renewed, providing a test-bed for future stores

GLOBAL GROWTH

Sales rebound from incident with new partnerships offsetting Middle East disruption

Zeos launch reducing marketplace delivery times and costs

IMPROVE OPERATING MARGINS



STRUCTURALLY LOWER COST BASE

Over £120m structural cost savings expected in 2026/27

Absorbed approximately £35m of packaging taxes as well as higher pay and national insurance costs

MODERNISED SUPPLY CHAINS

Avonmouth and Daventry investment on-track, adding over 30% more Food capacity at a lower cost per case

Lichfield warehouse acquisition and new Sheffield returns warehouse will reduce online fulfilment and returns costs

BUILD THE M&S WE NEED TO BE



HIGH PERFORMANCE, CUSTOMER-CENTRIC CULTURE

Relentless customer focus with support centre colleagues working 7 days per year in store

Attracting talent, accelerating internal development and fast-tracking progression

BETTER DECISIONS AND SERVICE THROUGH TECHNOLOGY

Technology investment stepped up in FH&B planning tools and digital capabilities

DISCIPLINED CAPITAL INVESTMENT AND ALLOCATION

£750m capex programme on track, maintaining a strong investment-grade credit rating

Interim dividend increased by 16.7% to 1.4p

Food

Becoming a shopping list retailer

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Volume-led growth ahead of the market

Like-for-like sales up 11.7%, driven by volume growth in core categories

More shoppers, shopping more often for larger baskets[a] driving market share gains[b]

Winning share in shopping list categories

Strong share gains across everyday shopping list categories: Produce, Meat, Dairy and Grocery[c]

A long hot summer and the world cup lifted Frozen, Soft Drinks and Beers & Spirits in peak temperature weeks

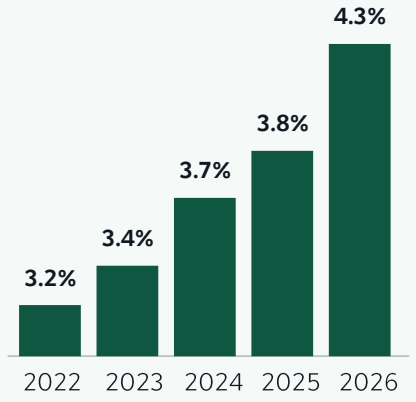
Value investment converting into volume

£50m annualised price investment in value, focused on lines which matter most to customers

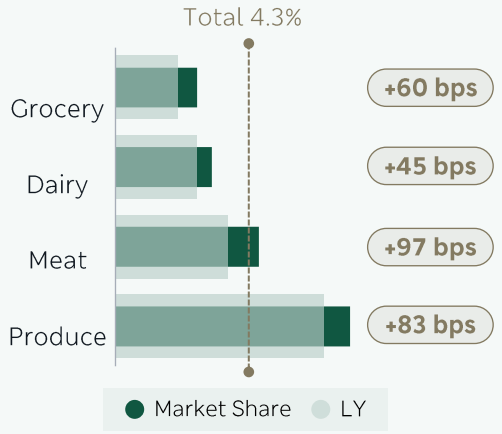
Salmon and Organic price investment already bringing strong volume growth

M&S value perception relative to the market at its strongest position in October[1]

Market share growth momentum continues in Food



Source: Worldpanel[b]



Source: Worldpanel[c]

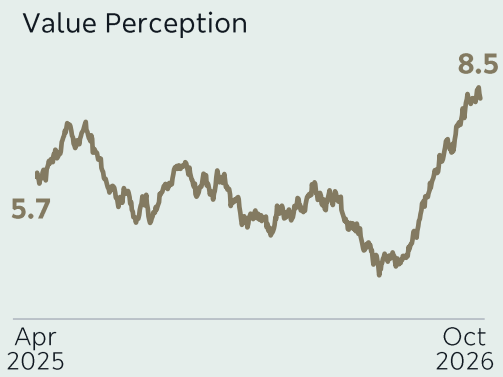
Ongoing value investment in key lines to support ambition to be a "shopping list retailer" reflected in value perception



SALMON
+40%
Volume growth vs LY-1



ORGANIC
+38%
Volume growth vs LY-1



Source: YouGov.
Proportion of survey respondents that gave a positive response for retailer vs all supermarkets.
12 week ending data, April 2025 to October 2026



Worldpanel sourcing is listed at the end of this document

Food

Reinvesting for growth in new stores and supply chain capacity

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Larger new stores driving incremental growth

Increased activity during H1: seven new stores, three relocations, two extensions, four food renewals & one downsize

Average trading space of new openings doubled over past five years. Larger ex Homebase stores performing well

Building pipeline of new openings driving increased contribution to sales

Supply chain capacity investment on track

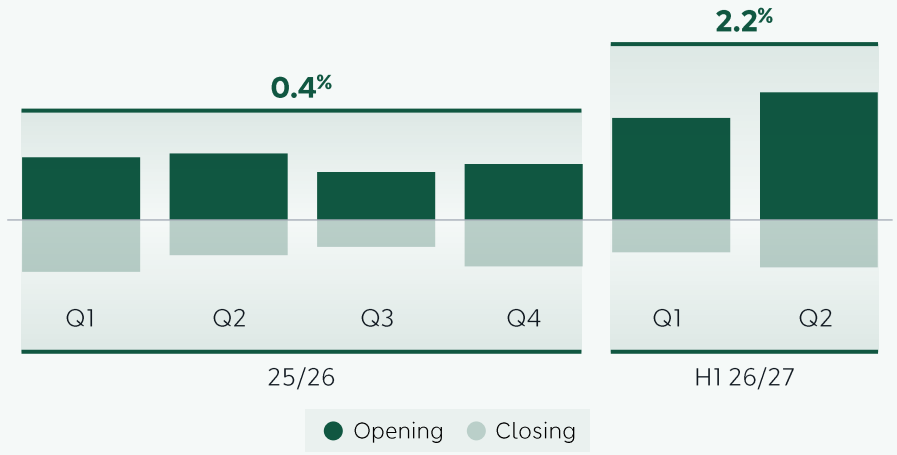
30% growth in capacity expected from ongoing investment into the food supply chain, which remains on track

Avonmouth supporting volumes through our peak period, while mechanisation installed

Daventry building shell complete, with fit-out getting underway

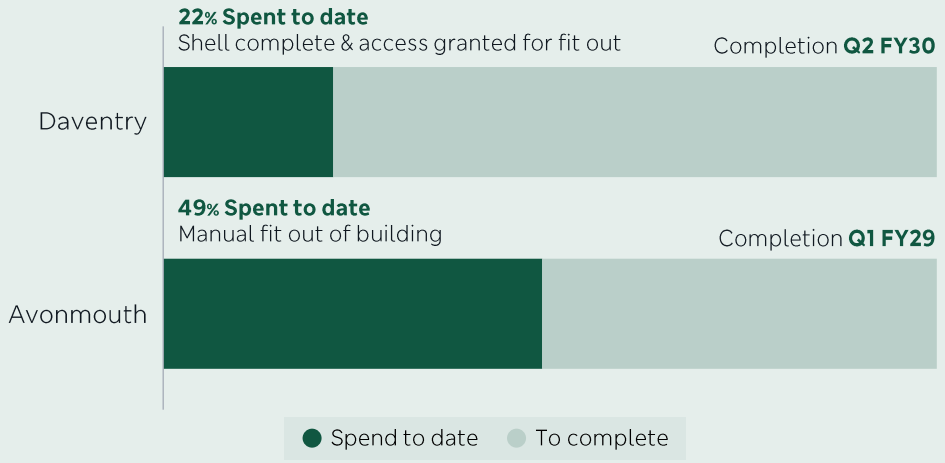
Temporary space has been leased to support volume growth until new sites open

Estimated contribution to Food sales from new space



[1]Estimated contribution to sales growth

Investments in supply chain capacity remain on track





Fashion, Home & Beauty

Improving performance and rebuilding momentum

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Brand strength driving share gains in a difficult market

#1 for value, quality and style, with quality and style at their highest level to date

Market share growth in a declining clothing market[d], with menswear performing strongly[e]

Online spend growing, particularly among younger age groups

Demand growth online, with reduced store sales during the summer

Online sales participation increased to 35%

Store sales below two years ago with effect most evident in high street locations

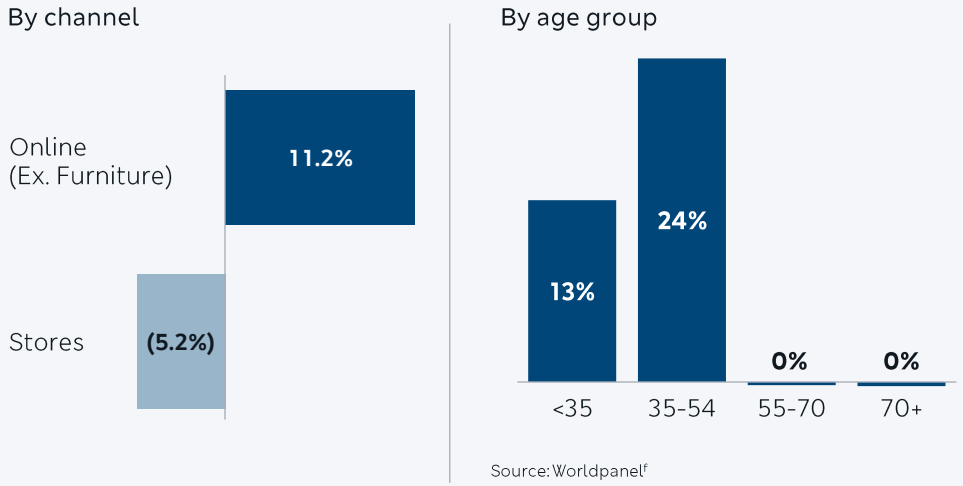
Larger, modern stores continued to outperform

Availability recovering into Autumn/Winter

Availability constrained in some core womenswear lines as manual ordering impact after incident lasted longer than expected

Ahead of Autumn/Winter, Fashion, Home & Beauty has acted to improve core product availability, through improvements in stock flow and inventory management

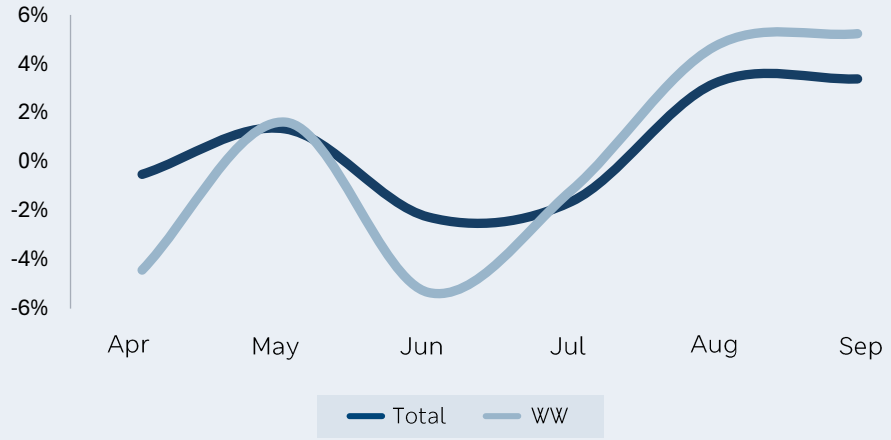
Online growth vs LY-1 driven by younger age groups



Source: Worldpanel[f]

Product availability constrained store sales through summer

Availability vs LY-1





Fashion, Home & Beauty

Doubling the online business

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Investment in new planning tools to support growth

Roll out of planning platform to improve stock flow and availability

Buying and merchandising process changes alongside new tools

Opportunity in sourcing to buy core ranges better while shortening lead times on seasonal and fast-selling lines

Supply chain investment on track

Lichfield acquired: Automated capacity to support profitable online growth

New returns warehouse in Sheffield for simpler, lower cost returns

Capacity investment at Castle Donington: lower fulfilment costs and more efficient operations

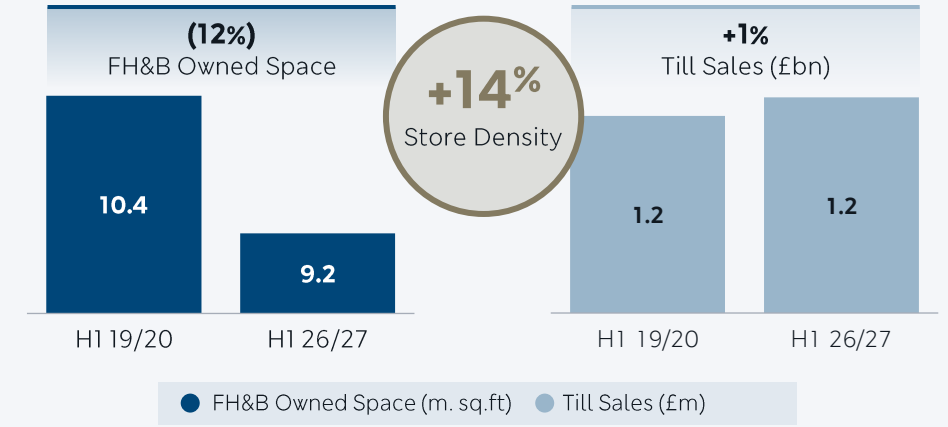
A smaller, more productive omni-channel estate

Aim to create a more focused, productive estate of full-line stores in growth locations

Pantheon renewal a test bed for future store investment

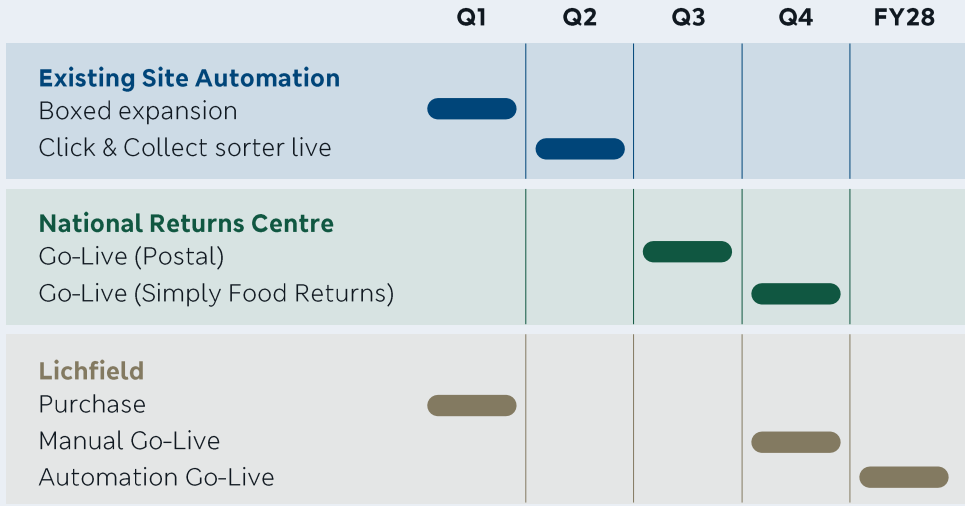
Focus on improved retention and frequency across a larger online customer base

Store sales holding level despite space decreasing by 12%



*UK Excl. ROI Till Sales

Investment in supply chain is on track





International

Increasing sources of growth

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Sales and profit growth despite Middle East disruption

Healthy growth driven by online, franchise and wholesale

New partnerships offsetting disruption in the Middle East

Franchise and wholesale: Capital light routes to growth

Growth in Food and Fashion franchise following the ongoing reset of commercial terms

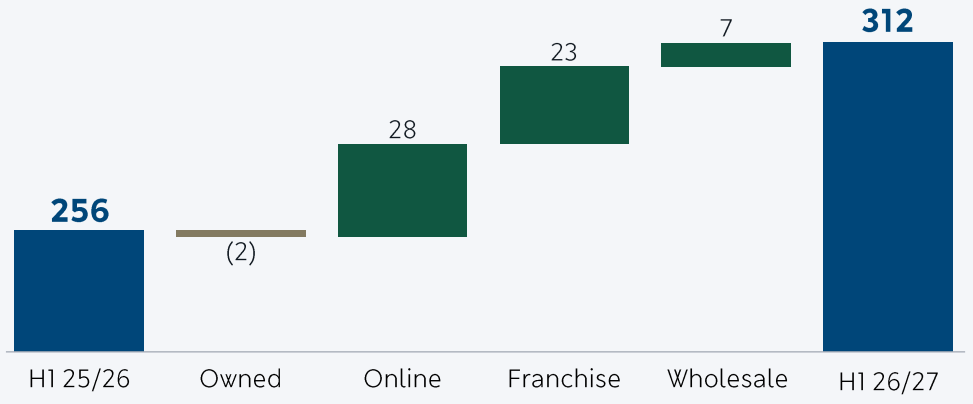
Wholesale partnership with Target scaling from a small base

Online marketplaces: Scaling at lower cost

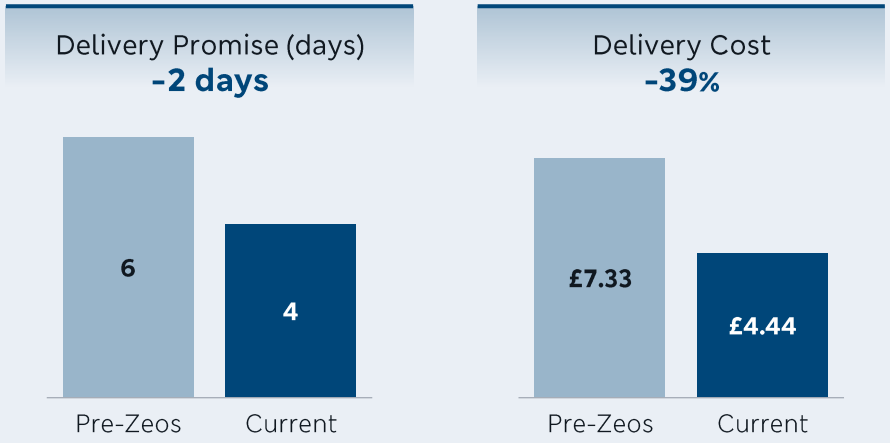
Online sales up substantially following recovery from the cyber incident, and strong marketplace demand in Europe

Zeos fulfilment reducing delivery times and costs

International sales increased by 22% despite conflict in the Middle East



Zeos improving customer experience





Ocado Retail

Growth and scale driving profitability

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Ocado Retail delivers profit before tax in H1

Sales up 16% driven by more active customers, more orders and strength of M&S products

Operating profit before adjusting items of £25.6m compared with £3.1m loss last year

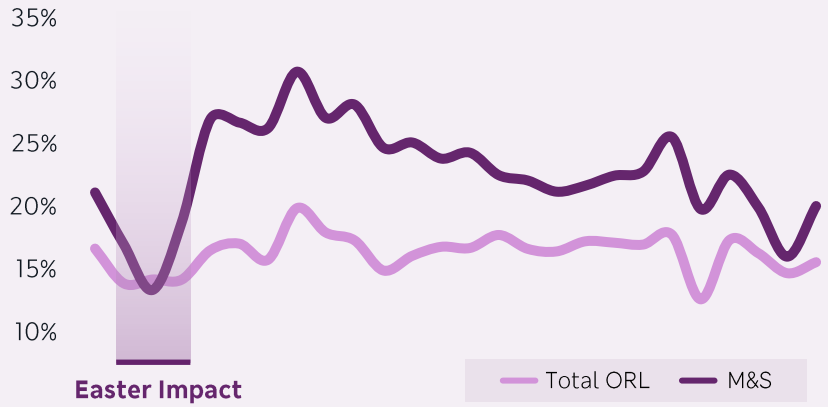
M&S products growing faster than Ocado, now more than 50% share in fresh categories

Improved units per hour and delivery efficiency driving margin as business grows



M&S share of Basket 31%, over indexing in fresh categories

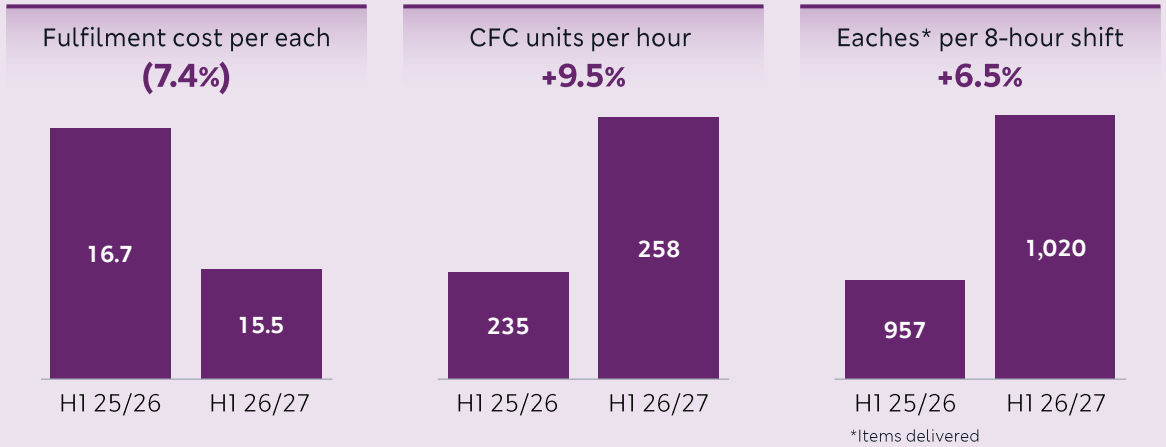
Sales growth YOY



30.9%
M&S Share of Basket
Last 26 Weeks

50.9%
Fresh Categories Share of Basket
Last 26 Weeks

Operational metrics improving



Outlook

M&S enters the second half focused on executing its growth strategy

Food continues to outperform the market, driven by ongoing investment in value, quality and innovation

In Fashion, Home & Beauty, market conditions remain challenging. However, performance is expected to improve in the second half compared with the first. Availability has improved, creating a better balance between core and seasonal stock

M&S continues to build its structural cost reduction programme across technology, logistics and stores, while cost growth including marketing was weighted towards the first half

For the full year, Food margins are expected to be ahead of 2024/25. In Fashion, Home & Beauty, the actions underway are expected to support a progressive improvement in profitability

M&S therefore expects Group adjusted profit before tax for the full year to be in line with current market expectations




Alison
Dolan
CHIEF FINANCIAL OFFICER
M&S

Half year financials at a glance



£9.3bn

+16.2% vs 25/26

Group sales

£403.2m

+119.0% vs 25/26

M&S Group adjusted profit before tax

14.8p

+8.2p vs 25/26

Adjusted basic earnings per share (EPS)

£102.2m

Free cash flow from operations

£374.7m

Net funds excluding leases

15.3%

Adjusted return on capital employed

Group profit

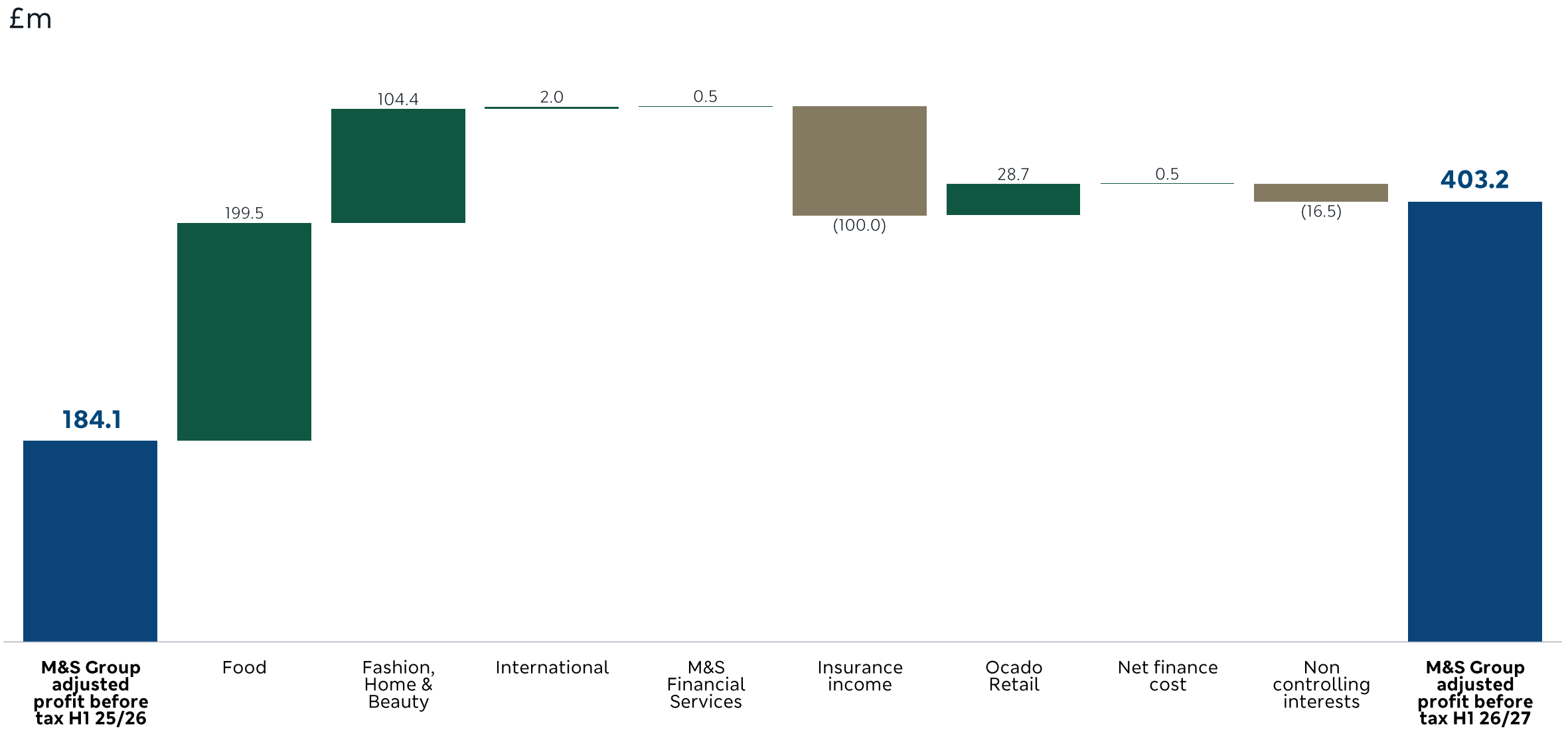
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£m	H1 26/27	H1 25/26	Change % vs 25/26	H1 24/25	Change % vs 24/25
Food	5,162.9	4,531.9	13.9%	4,204.5	22.8%
Fashion, Home & Beauty	1,995.4	1,697.6	17.5%	2,030.5	(1.7%)
International	312.2	255.8	22.1%	289.3	7.9%
Ocado Retail	1,784.5	1,479.9	20.6%		N/A
Total Sales	**9,255.0**	**7,965.2**	**16.2%**	**6,524.3**	**41.9%**
Group Sales exc. Ocado Retail	7,470.5	6,485.3	15.2%	6,524.3	14.5%
Food	288.6	89.1	N/A	216.4	33.4%
Fashion, Home & Beauty	150.5	46.1	N/A	243.4	(38.2%)
International	15.3	13.3	15.0%	10.7	43.0%
Ocado Retail	25.6	(3.1)	N/A		N/A
Share of result in Ocado Retail Limited			N/A	(16.0)	(100.0%)
M&S Financial Services / Other	6.5	6.0	8.3%	8.2	(20.7%)
Insurance Income	-	100.0	(100.0%)		N/A
Total adjusted operating profit	**486.5**	**251.4**	**93.5%**	**462.7**	**5.1%**
Total Net Interest	(79.7)	(80.2)	(0.6%)	(54.9)	45.2%
Profit before tax and adjusting items	**406.8**	**171.2**	**N/A**	**407.8**	**(0.2%)**
Adjusted non controlling interests before tax	(3.6)	12.9	N/A	5.3	N/A
M&S Group adjusted profit before tax	**403.2**	**184.1**	**N/A**	**413.1**	**(2.4%)**
Profit before tax and adjusting items	**406.8**	**171.2**	**N/A**	**407.8**	**(0.2%)**
Adjusting items	(51.7)	(167.8)	(69.2%)	(15.9)	N/A
Statutory profit before tax	**355.1**	**3.4**	**N/A**	**391.9**	**(9.4%)**



M&S Group adjusted profit before tax bridge versus H1 25/26

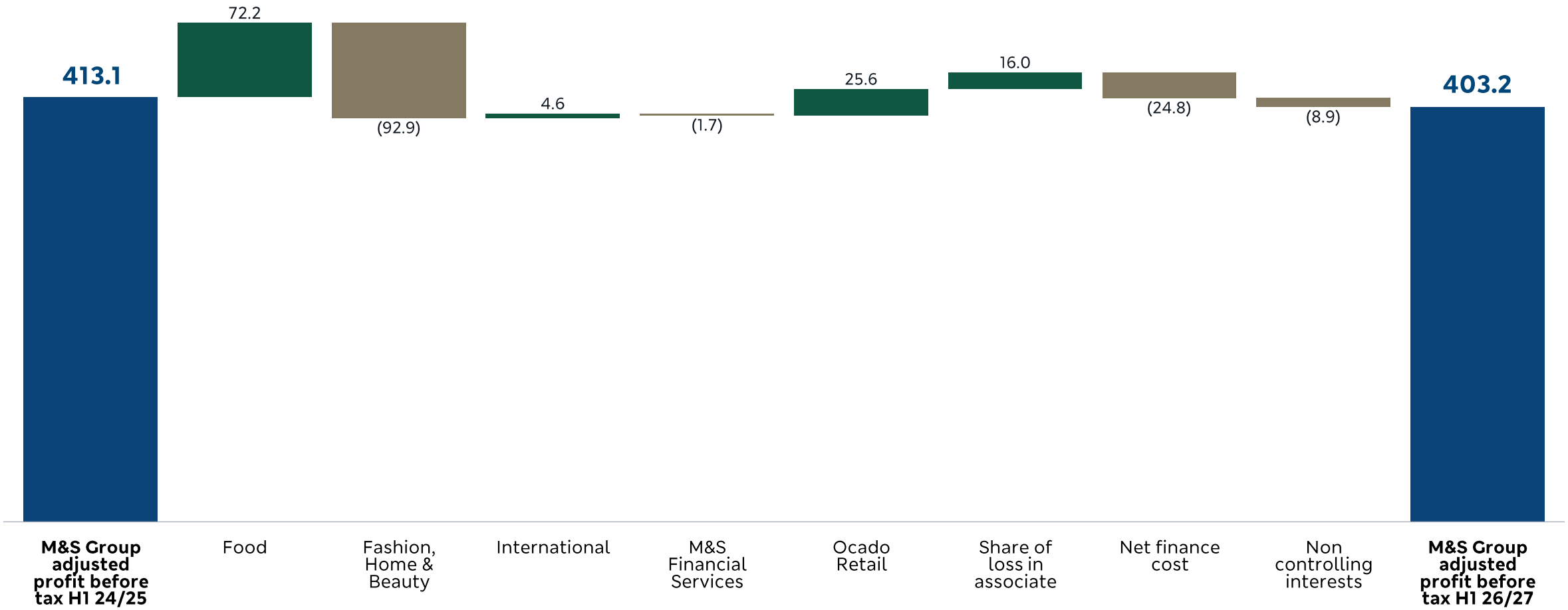
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M&S Group adjusted profit before tax bridge versus H1 24/25

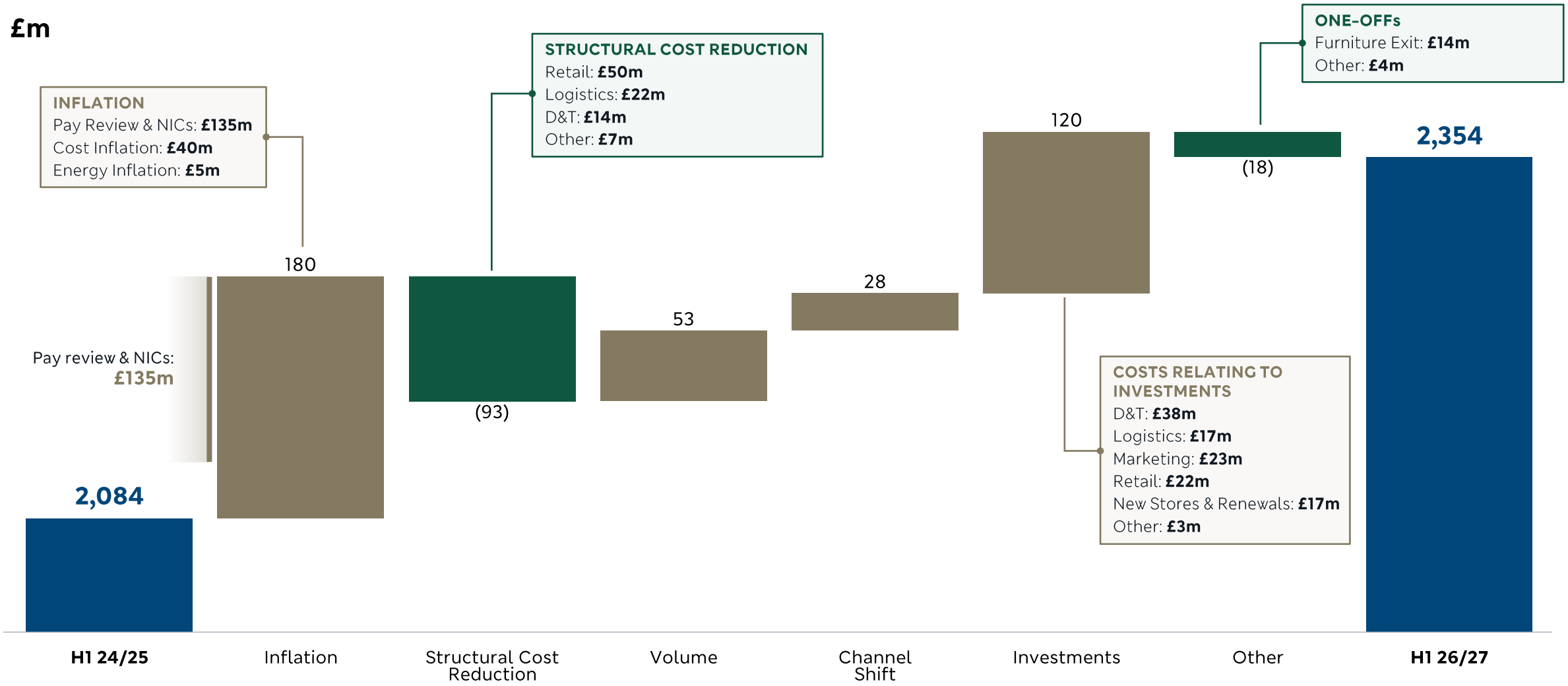
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£m



H1 operating cost drivers versus 2024/25

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Food performance

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26 weeks ended	H1 26/27	H1 25/26	Change vs 25/26	H1 24/25	Change vs 24/25
Sales (£m)	**5,163**	**4,532**	13.9%	**4,205**	22.8%
Operating profit before adjusting items (£m)	**288.6**	**89.1**	N/A	**216.4**	33.4%
Operating margin %	**5.6%**	**2.0%**	3.6% pts	**5.1%**	0.5% pts



Food operating profit margin bridge

Operating profit margin before adjusting items %	%
H1 24/25	**5.1**
Gross margin	(0.1)
Operating costs	0.6
H1 26/27	**5.6**

Operating costs to sales	%
Retail costs	0.1
Logistics costs	0.1
Digital & Technology	0.0
Central costs	0.4
Total	**0.6**



Fashion, Home & Beauty performance

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0.0% Excluding Furniture Exit

26 weeks ended	H1 26/27	H1 25/26	Change vs 25/26	H1 24/25	Change vs 24/25
Sales (£m)	1,995	1,698	17.5%	**2,030**	**(1.7%)**
Operating profit before adjusting items (£m)	150.5	46.1	N/A	**243.4**	**(38.2%)**
Operating margin %	7.5%	2.7%	4.8% pts	**12.0%**	**(4.5%) pts**
Store sales (£m)	1,290	1,315	(2.0%)	1,361	(5.2%)
Online sales (£m)	706	382	84.6%	670	5.4%

+11.2% Excluding Furniture Exit



Numbers may not cast due to rounding

Fashion, Home & Beauty operating profit margin bridge

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Operating profit margin before adjusting items	%
H1 24/25	**12.0**
Gross margin	(0.4)
Operating costs	(4.1)
H1 26/27	**7.5**

Operating costs to sales	%
Retail costs	(0.8)
Logistics costs	(0.9)
Digital & Technology	(0.8)
Central Costs, of which	(1.6)
Marketing	*(1.4)*
Total	**(4.1)**



International performance

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26 weeks ended	H1 26/27	H1 25/26	Change vs 25/26	H1 24/25	Change vs 24/25
Sales (£m)	312.2	255.8	22.1%	289.3	7.9%
Franchise	147.3	124.2	18.6%	136.0	8.3%
Owned	107.5	109.0	(1.4%)	120.0	(10.4%)
Online & Marketplace	37.5	9.9	N/A	22.9	63.8%
Wholesale	19.9	12.7	56.7%	10.4	91.3%
Operating profit before adjusting items (£m)	15.3	13.3	15.0%	10.7	43.0%
Operating margin %	4.9%	5.2%	(0.3) pts	3.7%	1.2 pts



Ocado Retail performance

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26 weeks ended	H1 26/27	H1 25/26	Change vs H1 25/26	25 weeks ending 28 Sep 25/26
Sales (£m)	1,785	1,539	16.0%	1,480
Operating profit before adjusting items (£m)	25.6	(3.6)	n/a	(3.1)
Operating margin %	1.4%	(0.2%)	1.6% pts	(0.2%)



Disciplined capital allocation

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1. Generation of free cash flow
2. Invest for growth and structural cost reduction
3. Returns on investment
4. Reducing net debt
5. Value creation for shareholders



Free cash flow

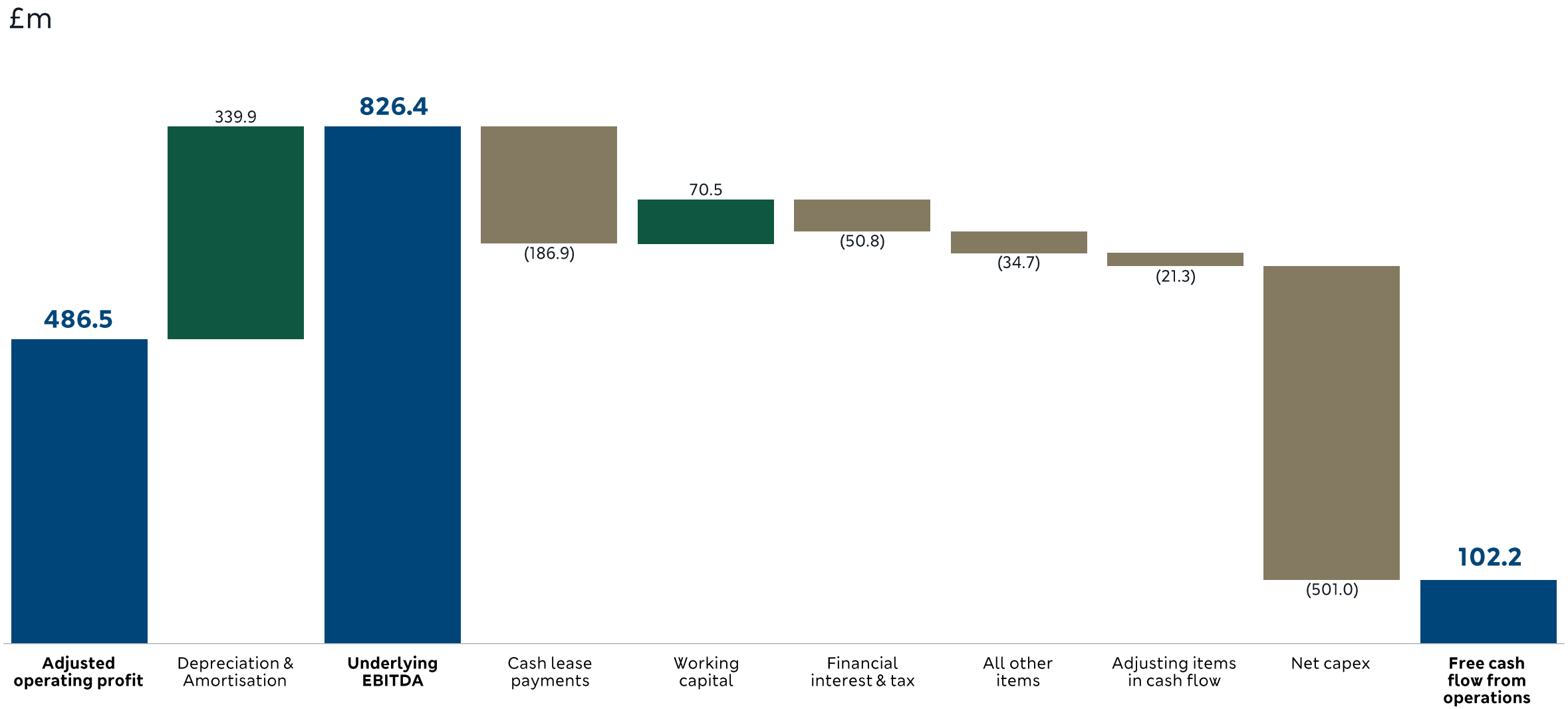
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Cash flow	H1 26/27	H1 25/26	Change vs 25/26
Adjusted operating profit	**486.5**	**251.4**	**235.1**
Depreciation and amortisation	339.9	318.9	21.0
Underlying EBITDA	**826.4**	**570.3**	**256.1**
Cash lease payments	(186.9)	(180.1)	(6.8)
Change in working capital	70.5	(334.2)	404.7
Defined benefit scheme pension funding	(42.2)	(42.1)	(0.1)
Capex and disposals	(501.0)	(172.2)	(328.8)
Financial interest	(1.6)	(9.7)	8.1
Taxation	(49.2)	(3.5)	(45.7)
Employee-related share transactions	8.0	19.0	(11.0)
Share of result from associate	(0.5)	(1.3)	0.8
Adjusting items outflow	(21.3)	(39.2)	17.9
Free cash flow from operations	**102.2**	**(193.0)**	**295.2**
Surrenders	(2.0)	0.0	(2.0)
Acquisition, investments, and divestments	(2.3)	(2.9)	0.6
Free cash flow	**97.9**	**(195.9)**	**293.8**
Dividends	(61.5)	(52.4)	(9.1)
Free cash flow after shareholder returns	**36.4**	**(248.3)**	**284.7**



Free cash flow from operations H1 26/27

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Net debt bridge vs FY 25/26

FY 25/26	£m
Opening net debt including lease commitments	**(2,411.8)**
Free cash flow from operations	102.2
Dividends paid	(61.5)
Surrender payments	(2.0)
Acquisitions, investments, and divestments	(2.3)
New lease commitments	(226.0)
Decrease in lease obligations	130.9
Exchange and other non-cash movements	3.8
Closing net debt including lease commitments	**(2,466.7)**
Increase in total net debt	**(54.9)**



Net Debt

26-Sep-2026	£m
Cash and short-term investments[1]	1,072.1
Ocado Retail Borrowing	(90.0)
Medium Term Notes	(607.4)
Net funds/ (debt) excluding lease liabilities	**374.7**
Lease liabilities	(2,841.4)
Group net debt	**(2,466.7)**

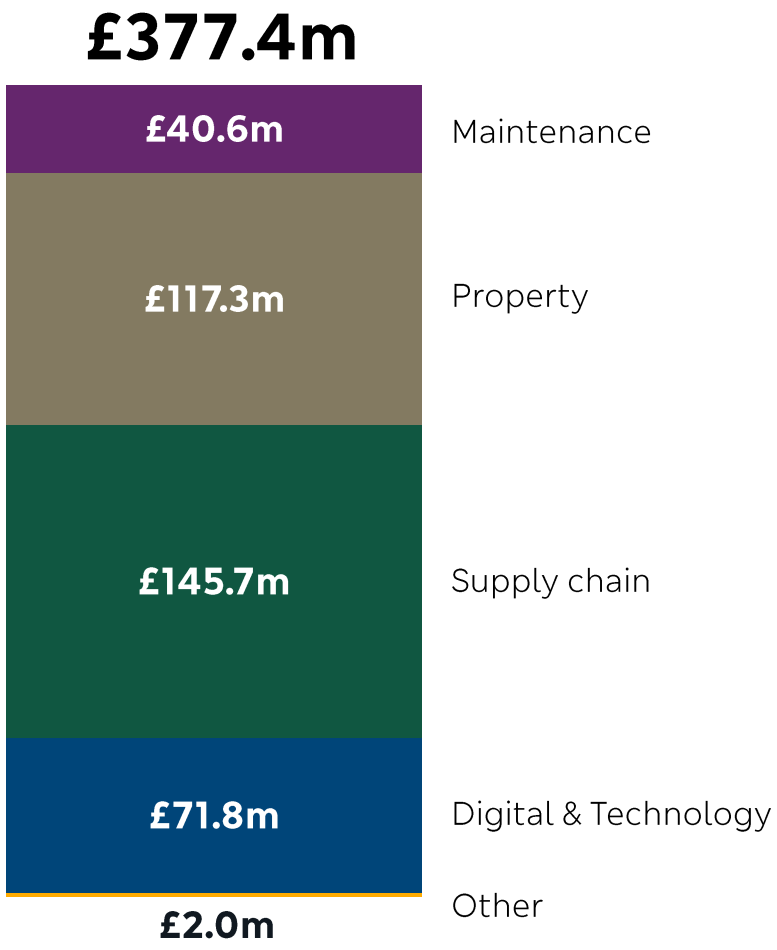
[1] Comprises cash and cash equivalents and current financial assets



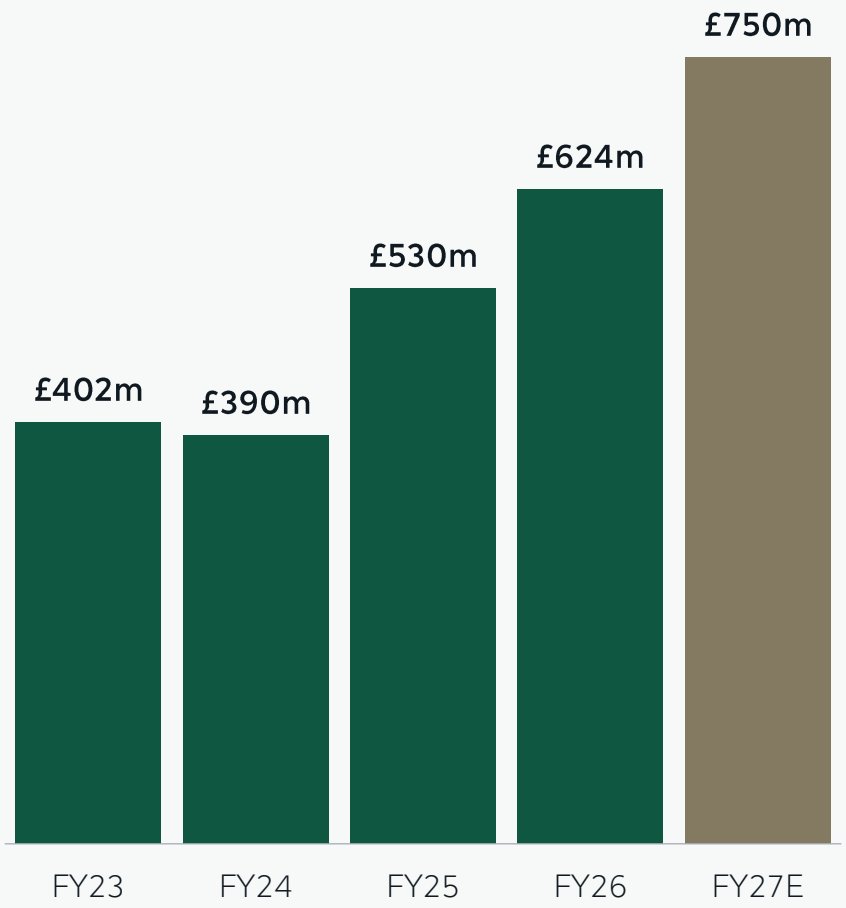
M&S Group capital expenditure

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Capex net of disposals H1 26/27



Anticipated capex net of disposals FY 26/27



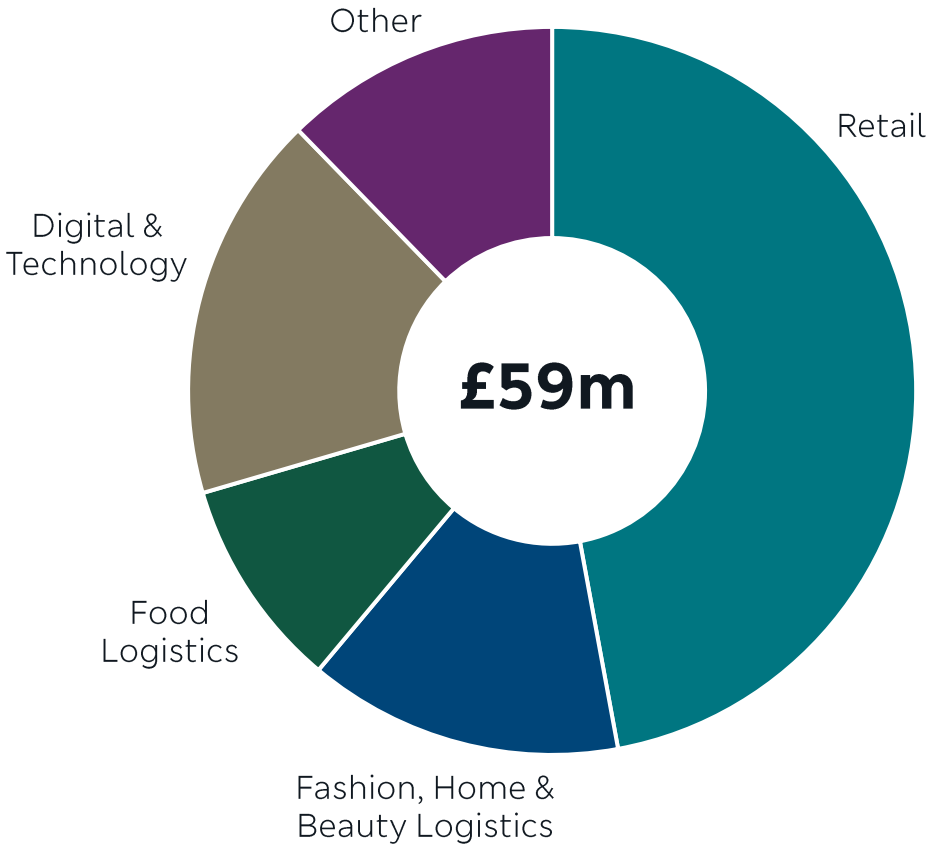


Excludes Ocado Retail and movement in accruals

Structural cost reduction programme

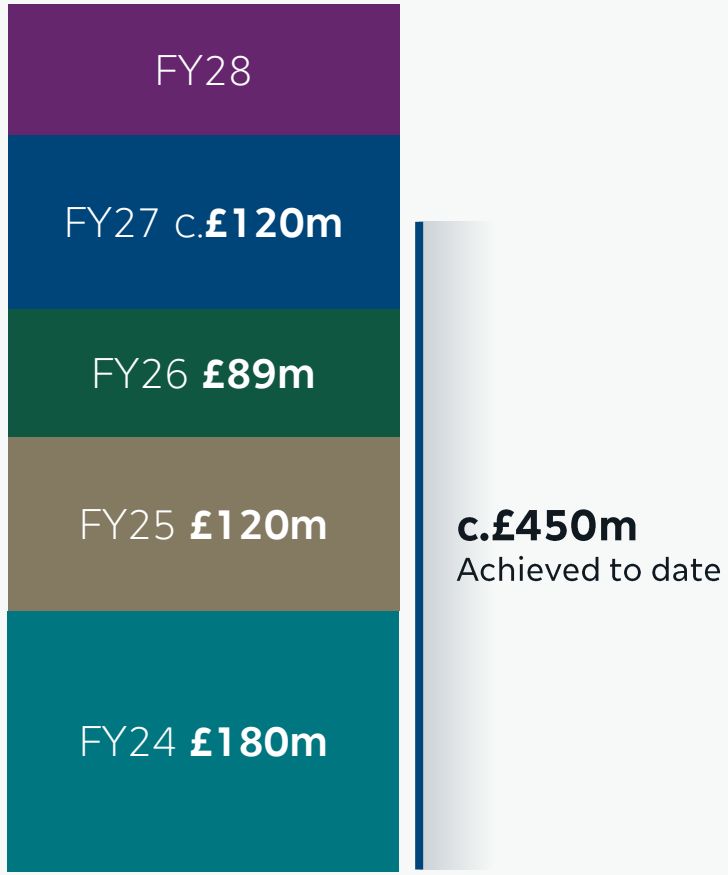
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Delivered H1 26/27



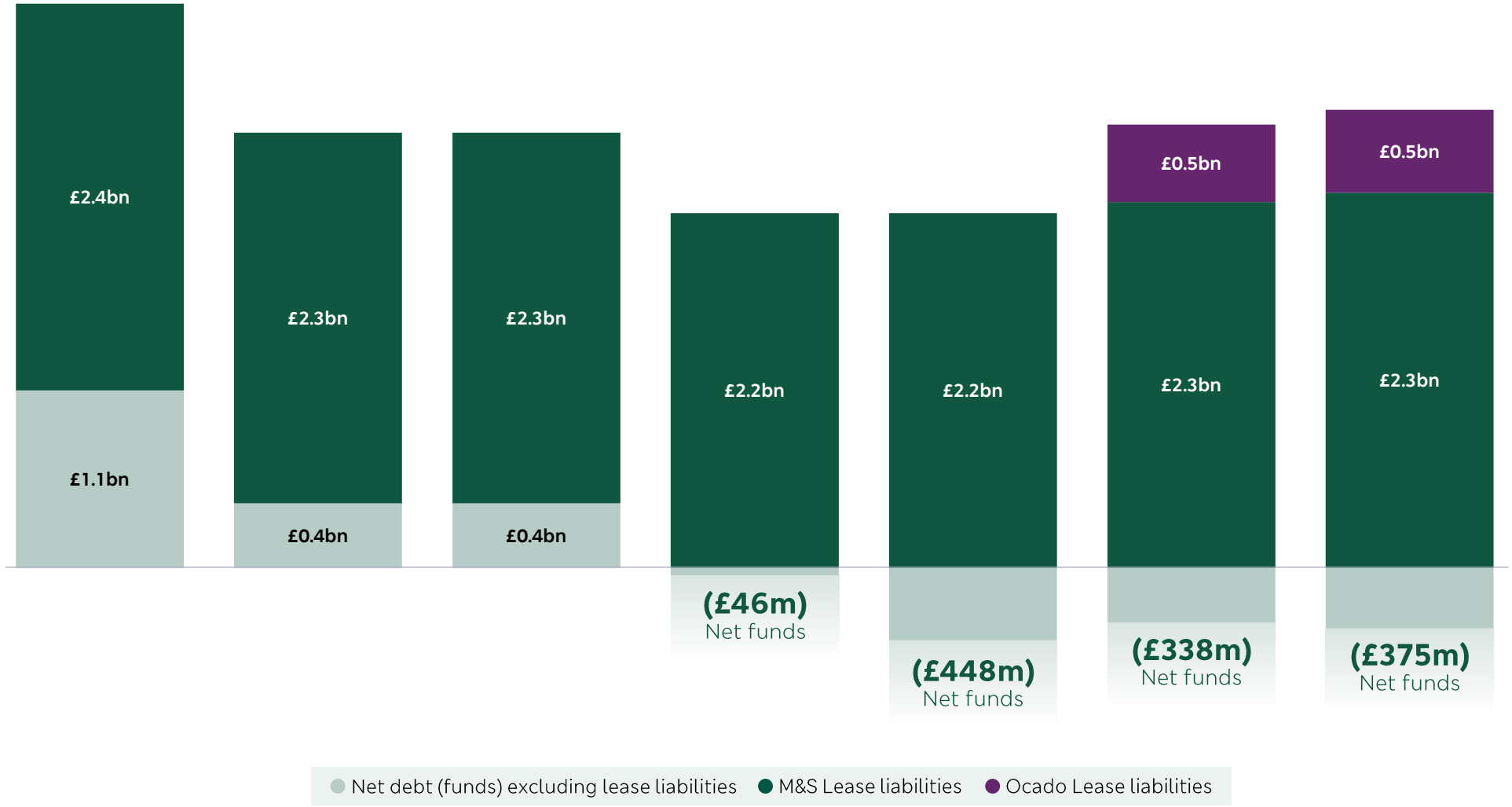
FY28 ambition

£600m





Balance sheet metrics





Summary

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1. The first half reflects recovery from last year's disruption
2. Food delivered strong sales and profit growth, whilst Fashion, Home & Beauty remains below our expectations
3. International improved profitability despite Middle East disruption, while Ocado Retail improved efficiencies and grew profit
4. Cost growth was first-half weighted, with structural savings more weighted to the second half
5. For the full year, we expect Food margins ahead of 2024/25 and progressive improvement in Fashion, Home & Beauty profitability



Appendix



Adjusting items

M&S

£m	H1 26/27	vs H1 25/26
Strategic programmes	**(33.7)**	**(27.2)**
Store estate	(34.0)	(17.5)
Organisation	5.9	5.9
FH&B Transformation	(4.8)	(4.8)
D&T Transformation	(0.8)	0.1
Other	0.0	(10.9)
Other adjusting items	**(13.5)**	**142.2**
M&S Bank transformation and insurance mis-selling provisions	(6.5)	18.8
Amortisation and FV adjustments relating to Ocado Retail Limited	(3.4)	18.0
Costs associated with the cyber incident	(0.3)	101.3
Other	(3.3)	4.1
M&S Group Adjusting Items	**(47.2)**	**115.0**
Non controlling interest adjusting items	(4.5)	1.1
Adjustments to profit before tax	**(51.7)**	**116.1**



Depreciation and amortisation

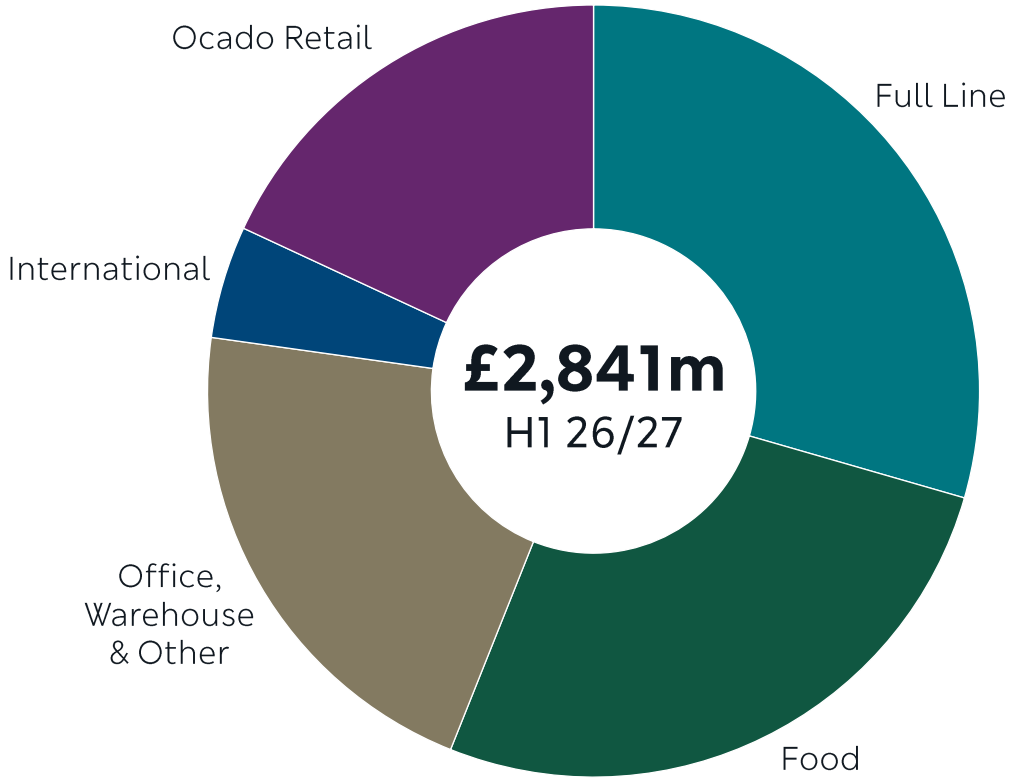
M&S

	H1 26/27					
£m	**Food**	**FH&B**	**Intl**	**Ocado Retail**	**All other segments**	**Group**
Adjusted operating profit	**288.6**	**150.5**	**15.3**	**25.6**	**6.5**	**486.5**
Depreciation						
Tangible Asset	84.9	70.3	6.5	8.9		170.6
Right of use asset	54.5	34.2	13.0	28.1		129.8
Amortisation	15.1	17.1	2.2	1.1		35.5
Write offs & disposals	1.3	2.5	(0.7)	0.4		3.5
Impairment	1.2	(2.1)	1.4	0.0	0.0	0.5
Depreciation & Amortisation[1]	**157.0**	**122.0**	**22.4**	**38.5**	**0.0**	**339.9**
Underlying EBITDA	**445.6**	**272.5**	**37.7**	**64.1**	**6.5**	**826.4**
Interest payable on leases	30.4	26.8	4.6	14.1	0.0	75.9

[1]Depreciation, amortisation and impairment before adjusting items



Lease liability breakdown







Stores and selling space

M&S

		NUMBER OF STORES				
UK	**Selling space (m sq. ft)**	**Sep 26**	**Mar 26**	**Openings**	**Closures**	**Change**
Shopping Centre	1.6	16	16	0	0	0
Retail Park	4.7	84	83	1	0	1
High Street	1.8	61	65	0	(4)	(4)
High Street - large	4.2	62	63	0	(1)	(1)
Full Line total	**12.3**	**223**	**227**	**1**	**(5)**	**(4)**
FH&B only	0.0	1	1	0	0	0
Outlets	0.3	31	32	0	(1)	(1)
Food stores – Owned	3.0	332	333	10	(11)	(1)
Food stores – Franchise	0.8	466	466	2	(2)	0
UK total	**16.3**	**1,053**	**1,059**	**13**	**(19)**	**(6)**
FH&B – Owned	9.2	255	260	1	(6)	(5)
Food – Owned	6.3	332	333	10	(11)	(1)
ROI & Channel Islands stores	**0.7**	**64**	**60**	**5**	**(1)**	**4**
UK, ROI & Channel Islands stores	**17.0**	**1,117**	**1,119**	**18**	**(20)**	**(2)**
International		**Sep 26**	**Mar 26**	**Openings**	**Closures**	**Change**
Owned/JV	1.2	127	127	4	(4)	-
Franchise	2.2	205	218	3	(16)	(13)
International stores	**3.4**	**332**	**345**	**7**	**(20)**	**(13)**

Non-controlling interests

P&L	Sep-26			Sep-25
	ORL £m	Other £m	Total £m	Total £m
Adjusted NCI (Pre Tax)	**4.6**	**(1.0)**	**3.6**	**(12.9)**
NCI adjusting items	(4.5)	-	(4.5)	(5.6)
Non-controlling interests (Pre Tax)	**0.1**	**(1.0)**	**(0.9)**	**(18.5)**
Taxation	-	0.2	0.2	0.4
Non-controlling interests after tax	**0.1**	**(0.8)**	**(0.7)**	**(18.0)**



Worldpanel references

M&S

a FMCG, 12 week ending 4 October 2026.M&S Yr/Yr growth Buyers, Frequency and Basket Size

b FMCG, 12 week ending 4 October 2026 and previous years. M&S spend share

c FMCG, 12 week ending 4 October 2026 and previous year. M&S category spend share

d Fashion, Total Category, Value Share, 12 w/e 13th Sept 2026 vs last year

e Fashion, Total Category, Value Share, 12 w/e 13th Sept 2026 vs last year

f Total Fashion, Online, Value, 12 w/e 13th Sept 2026 vs two years ago

