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MARKS AND SPENCER GROUP PLC CHRISTMAS 2022/2023 TRADING 13 WEEKS TO 31 DECEMBER 2022*

M&S DELIVERS A STRONG CHRISTMAS TRADING PERFORMANCE

Third quarter sales covering Christmas trading, constant currency	£m	Total Sales %	Like-for-Like %
Food	2,110	10.2	6.3
Clothing & Home	1,179	8.8	8.6
Total UK	3,289	9.7	7.2
International	312	12.5	
Group	3,601	9.9	
<i>Memo:</i>			
<i>Clothing & Home online</i>	<i>364</i>	<i>0.7</i>	

**Third quarter sales are for 13 weeks to 31 December 2022 compared with 13 weeks to 1 January 2022. On 1 January 2022 most stores were closed. We estimate this had a positive effect of c.0.7% on the reported quarter. In addition, total Food sales growth reflects the impact of 3rd party sales by Gist Limited which had a positive effect of c.2.4%, like for like sales are unaffected. Ocado Retail sales are not included in this statement and are reported separately by Ocado Group plc.*

Stuart Machin, Chief Executive said: “M&S sustained trading momentum through the peak quarter and both Food and Clothing & Home have delivered strong growth.

M&S Food outperformed the market on volume and value in the critical four-week Christmas period for the second year running and reached its highest ever recorded market share. Clothing and Home delivered another outstanding performance, maintaining its market leadership position with its highest market share in seven years.

This outperformance was driven by M&S doing what it does best; exceptional product at value you can trust. Thanks to our unrivalled quality, innovation and growing style credentials, more customers shopped with M&S over the Christmas period than in recent years. I would like to thank all our colleagues for the fantastic service they delivered.

We saw the benefits of the acceleration in the steps we’re taking to reshape M&S as an omnichannel retailer supported by an increasingly promising store rotation programme. Our new full line and renewal stores outperformed expectations, while click and collect orders increased 20%, and the competitive advantage of M&S’s omnichannel platform was demonstrated by delivering c.50% growth in third party brand sales. This was supported by substantial growth in monthly active App users to c.5m.

Given the inflationary pressures impacting our customers and our business, M&S is taking action to structurally reduce costs and reinforce our customer proposition. Our singular focus is on delivering the M&S Reshaped programme to drive growth and value creation as the UK’s leading omnichannel retailer. This performance across both our businesses provides confidence in delivering our full year results.”

Food sales increased 10.2% with LFL sales up 6.3%, building on a strong Christmas performance reported in 2021. M&S outperformed the market¹ in both value and volume as we invested in quality and trusted value. The investment we made in Remarkable Value resulted in very strong growth in volumes with these lines now in over 20% of baskets. Alongside this, top tier M&S Collection sales also grew by over 20%. The business

generated its largest ever Christmas sales of over £80m on 23 December, supported by improved availability and strong sell-through of seasonal lines including turkeys, where M&S retained its leading market share for the third year running. Sales in new renewal stores performed well with strong initial sales growth in stores such as London Colney and Oatlands Harrogate.

Ocado Retail. While not reported in these numbers, M&S volumes through Ocado Retail represented c.30% of the average basket on Ocado.com over the Christmas peak.

Clothing & Home sales increased 8.8% with LFL sales up 8.6% and performance well ahead of the market. C&H achieved over 10% market share² in the period, its highest level since 2015, reinforcing its market leadership. Store sales increased 12.8% with standout early performances from new stores such as Colchester and Chesterfield which are part of the store rotation programme. Online sales increased 0.7%, driven by growth of 33% through the M&S App, with a strong performance of click and collect sales. We generated particularly strong sales growth in menswear, formalwear increased over 40% and partywear more than doubled. Sales of third party brands grew c.50% and represented c.8% of online sales in the period. Stock into sale was in line with plan and clearance rates to date have been strong.

International sales increased 12.5% at constant currency with strong retail sales growth in key franchise markets in the Middle East and owned markets including India.

Balance Sheet. During the period, the Group further strengthened its balance sheet and liquidity position by extending its £850m Revolving Credit Facility by one year to June 2026.

Profit Guidance. There are clear macro-economic headwinds ahead and underlying cost pressures, but our strong trading performance provides confidence that the results for the year will be consistent with the guidance set out at the Group's interim results in November.

We will report full year results for the 52 weeks ended 2 April 2022 on 24 May 2023.

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1. Kantar FMCG Purchase Panel; Total grocery 4 and 12 weeks ended 25 December 2022
2. Kantar Fashion Clothing & Footwear 12 weeks ended 11 December 2022

- Ends -

Statements made in this announcement that look forward in time or that express management's beliefs, expectations or estimates regarding future occurrences and prospects are "forward-looking statements" within the meaning of the United States federal securities laws. These forward-looking statements reflect Marks & Spencer's current expectations concerning future events and actual results may differ materially from current expectations or historical results. Any forward-looking statements are subject to various risks and uncertainties, including, but not limited to, failure by Marks & Spencer to predict accurately customer preferences; decline in the demand for products offered by Marks & Spencer; competitive influences; changes in levels of store traffic or consumer spending habits; effectiveness of Marks & Spencer's brand awareness and marketing programmes; general economic conditions including, but not limited to, those related to the Covid-19 pandemic or a downturn in the retail or financial services industries; acts of war or terrorism worldwide; work stoppages, slowdowns or strikes; and changes in financial and equity markets. For further information regarding risks to Marks & Spencer's business, please consult the risk management section of the 2022 Annual Report (pages 45-54).

The forward-looking statements contained in this document speak only as of the date of this announcement, and Marks & Spencer does not undertake to update any forward-looking statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.