

9 April 2025

JD SPORTS FASHION PLC

MEDIUM-TERM PLAN UPDATE

JD Sports Fashion Plc (the 'Group'), the leading retailer of sports, fashion and outdoor brands, today announces an update on its medium-term plans.

Régis Schultz, CEO of JD Sports Fashion Plc, said:

"JD operates within an attractive, long-term growth market and we are well positioned to continue growing market share. We have strong brand partner relationships and an agile, multi-brand model which allows us to drive, and respond quickly to, market trends. We are highly cash generative and disciplined in terms of our capital allocation opportunities.

"We have made significant strategic progress over the last two years: we have accelerated the growth of the JD brand, particularly in North America and Europe; we have continued building a global sports fashion powerhouse through the acquisitions of Hibbett and Courir, taking full ownership of ISRG in Iberia and MIG in Eastern Europe, and disposing of around 30 non-core businesses; we have upgraded our global supply chain; and we have built the required infrastructure and governance for a group of our scale.

"Reflecting slower market growth and the investments we have made in our supply chain and infrastructure, we are updating our medium-term plans to capitalise on our organic growth opportunities in North America and Europe, deliver productivity and efficiency benefits from the investments and utilise our strong cash generation to deliver improved returns for our shareholders."

Highlights

- Evolving our medium-term plans to focus on growth, profitability and improved returns
 - North America: leverage our multi-fascia customer proposition to grow ahead of the market and improve our return on space
 - Europe: improve profitability by focusing on key markets and delivering European supply chain investment benefit
 - UK: stabilise and improve UK productivity
- Updated, balanced capital allocation priorities, reflecting improved cash generation
 - Capital expenditure to trend from 5% to 3-3.5% of revenue, reflecting the end of our heightened investment phase
 - Agreement to defer Genesis¹ buyout to 2029 and 2030
 - Launch of an initial £100m share buyback programme

¹There is a 20% non-controlling interest in Genesis, the holding company for our North American business. This was scheduled initially to be bought out by the Group via four tranches of 5% across 2025-2028. This has now been deferred to two tranches of 10% across 2029 and 2030.

Strategic progress to date

Our current five-year strategic plan was launched in February 2023 with the aim of building a leading sports fashion powerhouse. We created four strategic pillars to cover the main elements of the plan: JD First; Complementary Concepts; Beyond Physical Retail; and People, Partners & Communities. Over the first two years of the plan, we made significant progress across all four of our strategic pillars: -

- JD First

• JD First

- Opened c.400 new JD stores globally, delivering average payback of less than three years
- Developed and launched our capital-light franchise model
- Complementary Concepts
 - Improved our reach with the acquisitions of Hibbett and Courir for £1.4bn
 - Took full ownership of ISRG in Iberia and MIG in Eastern Europe, and disposed of c.30 non-core businesses
- Beyond Physical Retail
 - Upgraded our global supply chain with the opening of new distribution centres in the Netherlands, US west coast and Australia
 - Developed our JD Status loyalty programme; now over 8m active users worldwide
- People, Partners & Communities
 - Built a governance, controls and systems infrastructure to support our global scale with significant capital and operating investment
 - Invested over £100m of additional people cost across minimum wage increases and removal of under-age wage banding

Medium-term plan update

JD Group has become the leading, global Sports Fashion powerhouse. Our four strategic pillars and our business model position us well to deliver long-term growth, healthier margins and stronger cash generation. Global sports fashion is an attractive and growing market, but we now expect it to grow at a slower rate over the medium term. We are therefore adapting our plans to capitalise on our growth opportunities and the investments we have made in our infrastructure over the last two years to improve returns for our shareholders.

Across our four strategic pillars, there are a number of focused actions to highlight: -

- JD First
 - Build JD brand awareness in North America through the opening of new stores and completing the conversion of Finish Line stores to JD
 - Improve Europe profitability by focusing on key markets and delivering supply chain investment benefits
 - Improve UK productivity through investment in our estate and delivering cost efficiencies
- Complementary Concepts
 - Capitalise on our multi-fascia customer proposition in North America to grow ahead of the market and improve our return on space
 - Accelerate growth of the Courir brand in Europe
 - Enhance our European Sporting Goods business and sharpen our UK Outdoor business
- Beyond Physical Retail
 - Deliver benefits from our significant supply chain investment in the last two years
 - Integrate US supply chain and systems on time and to budget delivering targeted synergies
 - Continue to improve our omnichannel proposition
- People, Partners and Communities
 - Deliver benefits from our investments in people and systems across support functions

Capital priorities and shareholder returns

Our strategy to drive shareholder value will be led by growing organic revenue ahead of the market and growing profit ahead of revenue. This will drive strong cash generation and enhance shareholder returns.

Underpinned by a strong balance sheet, our capital allocation priorities are: -

- Organic investment in the business. We will invest to capitalise on our growth opportunities across North America and Europe, and maintain our disciplined approach on store investment to deliver a three-year payback. As we come to the end of our significant investment in our supply chain and infrastructure, we

expect capital expenditure to trend from c.5% of revenue to 3-3.5% over the medium term.

- Ensure we can meet future commitments. Reflecting the important role the Mersho family continues to play in the integration, development and long-term growth of our North American business, we have agreed to defer the buyout of their 20% non-controlling interest in Genesis, the parent company of our North American business, to two tranches of 10% each in 2029 and 2030.
- Pay a progressive dividend.
- Using surplus cash to improve returns. We anticipate generating material surplus cash after those commitments. This cash can be applied to increasing investment in the Group, M&A or to providing incremental returns to shareholders.

As we are now moving into a lower phase of capital investment with no material M&A opportunities in the pipeline, and reflecting the liquidity headroom created by the deferral of the Genesis option, we are in a position to provide incremental shareholder returns. In line with this, the Board intends to announce the commencement of an initial £100m share buyback programme.

Enquiries:

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Cautionary note regarding forward-looking statements

This announcement contains certain forward-looking statements relating to expected or anticipated results, performance or events. Such statements are subject to normal risks associated with the uncertainties in our business, supply chain and consumer demand along with risks associated with macro-economic, political and social factors in the markets in which we operate. Whilst we believe that the expectations reflected herein are reasonable based on the information we have as at the date of this announcement, actual outcomes may vary significantly owing to factors outside the control of the Group, such as cost of materials or demand for our products, or within our control such as our investment decisions, allocation of resources or changes to our plans or strategy. The Group expressly disclaims any obligation to revise forward-looking statements made in this or other announcements to reflect changes in our expectations or circumstances. No reliance may be placed on the forward-looking statements contained within this announcement.

Analyst and investor Q&A

We will be hosting an invite-only event for institutional investors and analysts at 1400 BST on 9 April 2025 with CEO Régis Schultz and CFO Dominic Platt. The presentation will be held at Peel Hunt, 100 Liverpool Street, London, EC2M 2AT and it will end no later than 1530 BST. The presentation will focus on an update on the Group's medium-term plan.

To register for the live webcast of this event, please visit the following link:

<https://app.webinar.net/eKmVwr3PWq0>

If you are unable to attend in person and wish to ask questions, please visit the following link:

<https://registrations.events/direct/Q41899877>

For those unable to attend in real time, either in person or virtually, the presentation will be made available directly following the live presentation on the Investor Relations section of the JD PLC website:

[Results Centre | JD Sports Fashion \(jdplc.com\)](https://www.jdplc.com/Results-Centre).

2025 financial calendar

21 May: FY25 results/Q126 update

July: Annual General Meeting

August: Q226 trading update

September: H126 results

September: FY20 results

November: Q326 trading update

About JD Sports Fashion Plc

Founded in 1981, the JD Group ('JD') is a leading global omnichannel retailer of Sports Fashion brands. JD provides customers with the latest sports fashion through working with established and new brands to deliver products that our customers most want, across both footwear and apparel. The vision of JD is to inspire the emerging generation of consumers through a connection to the universal culture of sport, music and fashion. JD focuses on four strategic pillars: JD Brand First, first priority, first in the world; leveraging Complementary Concepts to support JD Group global expansion; moving Beyond Physical Retail by building the right infrastructure and creating a lifestyle ecosystem of relevant products and services; and doing the best for its People, Partners and Communities. JD is a constituent of the FTSE 100 index and had 4,850 stores worldwide at 1 February 2025.

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