21 September 2023

JD SPORTS FASHION PLC
UNAUDITED INTERIM RESULTS
FOR THE 26 WEEKS TO 29 JULY 2023

JD Sports Fashion Plc (the 'Group'), the leading retailer of sports, fashion and outdoor brands, today announces its interim results for the 26 weeks ended 29 July 2023 (comparative figures are shown for the 26-week period ended 30 July 2022).

DELIVERING ON OUR STRATEGY; STRONG SALES GROWTH & PROFIT ON TRACK

Commenting on the results, Régis Schultz, Chief Executive Officer of JD Sports Fashion Plc, said:

"We have delivered a strong first half to our financial period with organic sales growth[1] of 12% and profit on track for the full year. In line with our strategic plan, growth is being driven by our premium Sports Fashion business with an impressive performance in Europe (+27%) and North America (+15%), supported by a strong performance in our more mature UK market (+8%). This performance continued in the important back to school period.

"We have made good progress delivering on our strategic pillars, focusing on expanding the JD brand and we will open more than 200 JD stores worldwide in this financial period. We are going to accelerate JD brand growth in Europe through purchasing the non-controlling interest in both ISRG and MIG, and the acquisition of GAP stores in France. This is alongside the proposed acquisition of Courir in the region, which will, when completed, enhance the Group's existing portfolio of complementary concepts, bringing into the company its market-leading focus on the female customer. Meanwhile, we are building and investing in talent and infrastructure to support future growth.

"Our first half performance would not have been possible without the efforts of our people across the world and I am extremely grateful for their continued hard work and commitment. I would also like to thank outgoing CFO Neil Greenhalgh specifically for his support since I joined and for his years of service to JD. I look forward to working with Dominic Platt, who will start as our new CFO in October 2023.

"Looking ahead, our core consumers remain resilient in the face of the ongoing global macro-economic challenges. The JD brand continues to strengthen its global presence, supported by our strategic partnerships with much-loved brands and our strong balance sheet."

Performance summary

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m	Year on Year £m
Revenue[2]	**4,783.9**	4,418.1	8.3%
Gross Profit %[2]	**48.0%**	48.5%	
Operating profit before adjusted items[1]	**398.4**	418.1	(4.7)%
Net interest expense	**(24.9)**	(34.6)	
Profit before tax and adjusted items[1]	**373.5**	**383.5**	**(2.6)%**
Net cash at period end[3]	**1,276.5**	1,013.1	26.0%
Statutory measures			
Operating profit	**400.1**	332.9	20.2%
Net interest expense	**(24.9)**	(34.6)	
Profit before tax	**375.2**	**298.3**	**25.8%**
Basic earnings per share (GBp)	**4.65**	3.58	29.9%
Adjusted earnings per share[1] (GBp)	**4.62**	5.23	(11.7)%
Interim dividend per share (GBp)	**0.30**	0.13	130.8%

[1]Alternative performance measure (APM) - further detail setting out the background to the APMs (and a reconciliation to statutory measures) is provided after the CFO Review
[2]This period reflects the reclassification of delivery income from operating costs to revenue, in line with the FY23 year end. Nil cash and profit impact but +30 basis points impact on GP% and -30 basis points impact on operating costs as a % of revenue
[3]Net cash consists of cash and cash equivalents less interest-bearing loans and borrowings

Financial highlights

- Group revenue growth of 8% to £4,783.9m and 12% on an organic[1,3] basis, reflecting the impact of non-core UK divestments
- Premium Sports Fashion delivered 15% organic growth, or 9% like-for-like[1,4] (LFL); further market share gains in key regions
- Gross margins robust at 48% and well above pre-pandemic levels; H1 more normal promotional environment
- Strong performance from our North America premium Sports Fashion fascias: organic growth of 15%, LFL growth of 9% and EBIT up 12%
- Group Profit before Tax and adjusted items of £373.5m, reflecting a more normal H1 contribution of c.35% and investment in our people, systems and supply chain. After incorporating the adjusted items, Group Profit before Tax was £375.2m
- Balance sheet net cash of £1,276.5m, up £263.4m versus 12 months ago
- Inventory levels well managed and in line with sales growth expectations
- Interim dividend increased; returning to pre-pandemic dividend cover[1]

Strategic highlights

- Delivering progress on all key elements of our strategy
- On track to add over 200 new JD stores globally by January 2024
- Strong trading from US complementary concepts DTLR and Shoe Palace
- New distribution centres on track and began loyalty trial in the UK
- Strong relationships with key brand partners
- New leadership and organisation structure embedding well

[3]Total sales excluding acquisitions and disposals but including new stores
[4]Same stores trading for at least 12 months

Current trading and outlook

In the last seven weeks, trading across the Group has continued in line with our expectations. At constant exchange rates, organic sales growth[1] was 10%. In addition, we have continued to open new JD stores worldwide and are on track to meet our full-year store targets.

We are acutely aware of how tough the macro-economic environment is for consumers across the world. Despite this context, assuming current exchange rates, we expect the Group's headline profit before tax and adjusted items for the 53-week period ending 3 February 2024 will be in line with the current market consensus expectations of £1.04 billion.

Enquiries:

JD Sports Fashion Plc	Tel: 0161 767 1000
Régis Schultz, Chief Executive Officer	
Neil Greenhalgh, Chief Financial Officer	
Mark Blythman, Director of Investor Relations	
Advisors	
Investec Bank Plc - David Flin	Tel: 0207 597 5970
Peel Hunt LLP – Dan Webster	Tel: 0207 418 8869
FGS Global – Rollo Head, Jenny Davey, James Thompson	Tel: 0207 251 3801

Presentation of interim results

The presentation to analysts will take place at 10.30am (BST) on 21 September 2023. To register for the live webcast of this presentation, please use the following link: https://brrmedia.news/JD_IR23

Financial calendar

Pre-close trading statement: Mid-January 2024

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 exclusive products from its strategic partnerships with the most-loved premium brands – including Nike, Adidas and The North Face. 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: global expansion focused on the JD brand first; leveraging complementary concepts; moving beyond physical retail by 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 3,347 stores worldwide at 29 July 2023.

Chief Executive Officer's Review

Performance

Group

Performance for the 26 weeks to 29 July 2023 was in line with our expectations. The Group grew revenue by 8% to £4,783.9m, including the impact of non-core divestments in the UK. In constant currency[1] terms, total revenue growth was 7% and organic[1] sales growth was 12%, maintaining the trend seen across the previous financial period. LFL sales growth, excluding new sites opened during the last 12 months, was 8%. By quarter, we had a particularly strong Q1, helped significantly by much fuller brand availability year-on-year, especially in North America, but a softer Q2 driven also by North America, with June the slowest month. July was better, helped by strong 'back to school' trading in North America, and this more positive trading has continued since the period end.

We ended the period with 3,347 retail stores, 43 less than at the start of the period because of the strategic divestment of 66 non-core premium fashion fascias.

The Group gross profit margin was 48.0%, 50 basis points ('bps') lower than the same period last year, driven mainly by the more normalised promotional environment due to restored product availability. The reclassification of delivery income boosted gross profit margin by 30 bps.

Operating costs before adjusted items[1] were 10% ahead of the first half last year as we accelerated our investment in people, systems, infrastructure and new store rollouts. This was the first full period where we saw the financial impact of the investment in our retail colleague base in the UK but we are already seeing the benefits of this investment through more productive teams and lower colleague turnover in our stores. Further, there continue to be upfront costs associated with the various operational investments such as store acquisitions and new distribution centres ('DCs') ahead of generating the benefits from higher sales and a more efficient supply chain. The reclassification of delivery income reduced operating cost as % of revenue by 30bps in the period. As a result of these impacts, operating profit before adjusted items[1] was down 5% to £398.4m.

Group profit before tax and adjusted items[1] was £373.5m, in line with expectations and reflecting the move back to a more normal first half contribution of around 35%.

Our net cash[1] position improved 26% from 12 months ago to reach £1,276.5m. Capital expenditure was £209.1m, up £52.5m on the first half last year, as we started stepping up our store opening programme and continued to invest in strengthening our operational efficiency.

Reflecting the Group's first half performance, our continued strong cash generation and the Board's confidence in our long-term growth strategy and prospects within the Sports Fashion market, the Board is proposing an increase in the interim dividend from 0.13p per ordinary share to 0.30p per ordinary share. This returns the interim dividend to its pre-pandemic cover levels. This will be paid on 5 January 2024 to all shareholders on the register at 8 December 2023.

Governance

As part of the investment in strengthening our infrastructure, we are on track to complete the governance transformation programme in line with the plan we set out in June 2022. Highlights from the programme over the last six months include: Ian Dyson, Angela Luger and Darren Shapland joining the Board as independent non-executives; determining a clear path to setting up a Board ESG committee, which will be led by Angela Luger; and attaining overwhelming shareholder support for our updated Remuneration Policy. Going forward, we will continue to act in line with best practice while preparing for potential upcoming changes to the Corporate Governance Code.

M&A update

Our M&A strategy is currently a combination of business simplification, through both acquiring non-controlling interests and divesting of non-core businesses, and facilitating the future growth of both the JD brand and complementary concepts.

- Groupe Courir ('Courir')

Following approval from the Courir employee works council, we entered into a Share Purchase Agreement in June 2023 to acquire Courir, which has over 300 Courir-bannered stores across six European countries. This acquisition remains subject to competition authority approval and we are currently in the 'pre-notification' phase. We still anticipate closing this acquisition prior to our full year results announcement in 2024.

- Iberian Sports Retail Group ('ISRG')

We were served with a buy/sell notice by the non-controlling interest in April 2023 to either acquire the other 49.98% stake in ISRG or sell our 50.02% interest. We chose to acquire the minority stake to accelerate the development of the JD brand in Iberia. We will shortly publish the shareholder circular seeking approval for this transaction. The General Meeting of Shareholders will be held on 9 October 2023 and we expect to complete the acquisition in October.

- Marketing Investment Group ('MIG')

We exercised an option to acquire the minority 40% stake on 8 August 2023 with the plan to accelerate the growth of the JD brand in Eastern and Central Europe, including entering two new countries in the region. This transaction is subject to customary competition authority approval. We aim to complete this acquisition later this calendar year.

- Malaysia

After the period-end date, we concluded an acquisition of the non-controlling interest in our Malaysian, Thai and Singaporean business. Once more, this will help us to deliver further on our JD First strategy which is at the heart of our five-year growth plan.

Sports Fashion

Our Sports Fashion business achieved revenue of £4,511.9m in the period, up 9% on the corresponding period last year, or 7% in constant currency[1]. The gross profit margin was 48.4%, 60bps down on last year, due mainly to operating in a more normalised promotional environment because of much better product availability, especially in North America. Before adjusted items[1], operating profit was £398.6m, 3% lower than last year as we continued to invest in our operational infrastructure.

Premium

Premium Sports Fashion revenue, which represents 80% of our Sports Fashion segment by revenue, was up 17% to £3,594.2m, or 16% in constant currency[1]. Organic sales growth[1] was 15%. Operating profit was £335.5m, down 5% on the corresponding period last year, due primarily to operational infrastructure investment.

UK and Republic of Ireland

This was another good performance from our longest-standing region. With our premium Sports Fashion retail fascias growing revenue by 8% to £1,202.5m and organic sales growth[1] of 8%.

Operating profit in premium Sports Fashion was down 12% to £141.9m as head office elements of our investment in future growth, such as dual-running of DCs, acquisition costs and certain systems developments, are attributed to this region.

In terms of store numbers, we ended the period at 448 premium Sports Fashion stores, up four since the start of the period. The UK remains an opportunity for selective growth – new stores in the period included Derby, which was our 400th JD store in the UK and our 100th on a retail park, and upsizes to come include premium malls such as the Trafford Centre in Manchester and Stratford in London.

Europe

Premium Sports Fashion revenue grew 32% to £773.8m, or 28% in constant currency[1], with organic sales growth[1] of 27% and LFL sales growth of 15%. Footfall was very strong in Q1 helped by better year-on-year product availability. All major European countries saw strong organic sales growth[1] with Italy, Holland and Spain leading the way. The conversion of 19 Conbipel stores in Italy to the JD brand helped to drive the strong sales growth in the period. These conversions are trading well and ahead of expectations, and helped Italy to be the fastest growing market for the JD brand in Europe.

In line with our expectations, operating profit was £25.0m, down 36% on the first half last year. While gross profit margins were down year-on-year due primarily to the more normal promotional environment, increased operating costs were the main reason for the reduction in profit: we paid rent and staff costs on the nine acquired GAP stores in France, which will commence trading over the course of H2; we were fully costed on the Conbipel stores in Italy but with only a small proportion of the full expected returns being generated in the period; and we have been taking on additional supply chain costs related to the new Heerlen DC as we ramp up towards full opening.

We ended the period with 474 premium Sports Fashion stores, up 39 on the period end. We opened 41 new premium Sports Fashion stores across 12 different countries with Italy contributing around half of these new stores.

North America

Our North American businesses continue to trade well. Our market-leading proposition and continued outperformance is built upon larger and better-invested stores, a broader sales mix and compelling brand partner relationships.

Premium Sports Fashion revenue was up 18% in the first half to £1,387.0m with constant currency[1] growth of 15%. Organic sales growth[1] was also 15%. All our North American businesses achieved good organic sales growth[1] with the three largest – Finish Line/JD, DTLR and Shoe Palace - delivering between 13% and 17% organic sales growth[1]. Q1 trading was stronger than Q2 in North America – in Q1 we benefitted significantly from better stock availability, while in Q2 organic sales growth[1] was much softer. Within Q2, June was slow which can be attributed partly to a lower level of new product releases than in previous periods. Sales growth improved in July and since then, organic sales growth[1] has continued to improve, helped by a strong ‘back to school’ season.

Premium Sports Fashion gross margins were down on last year due mainly to a more normalised promotional environment but operating profit grew 12% to £136.2m.

There were 969 premium stores in North America at the period end, up a net 14 versus the start of the period. 24 new stores were opened of which 16 were conversions from Finish Line to JD. Including Canada, we now have 168 JD stores in North America, as we continue to grow the JD brand presence in the region. There were a net three new Shoe Palace openings in the period including at Pearland and Brazos in Texas, as this business extends its presence in the Southern border states.

Asia Pacific

Premium Sports Fashion revenue in Asia Pacific grew strongly by 22% in the period to £230.9m, and 26% on a constant currency[1] basis. Organic sales growth[1] was also 26% with all countries in growth including Australia, our principal market in the region.

Operating profit was up 4% to £32.4m as the closure of our South Korea business progressed as planned. Going forward, our Sydney distribution centre (DC) will relocate in 2024 to a new, expanded site to ensure we have sufficient capacity for the next stage of growth.

We ended the period with 84 stores, four less than the start of the period. We opened four stores in the period, and in August 2023 we have subsequently opened a new flagship store on Pitt Street in Sydney which is Australia's prime retail destination. This store achieved our best-ever opening day for a new store globally.

Other Sports Fashion Fascias

Due solely to the UK divestments of non-core fashion businesses, revenue in our other Sports Fashion fascias was £783.8m, down 16% or 18% in constant currency[1]. Organic sales growth[1] was 6% and all regions achieved organic sales growth[1]. Europe, which now represents 76% of our other Sports Fashion fascias, performed particularly well with organic sales growth* of 9% led by Cosmos in Greece and Sport Zone in Portugal. Operating profit was broadly in line with the corresponding period last year at £43.7m.

We ended the period with 1,125 stores, down 92 on the period start. 66 of these were from the non-core fashion business divestments in the UK.

Sports Fashion - Gyms

In the period, we continued to roll-out the JD Gyms fascia, expanding our market-leading, premium low-cost gyms business across the UK but particularly in the South of England. After opening two new gyms in the period, the Group operated from 80 sites in the UK. We plan to increase the pace of our organic rollout going forward and have a strong pipeline of new sites. We expect to open a further six locations in the current financial period.

Outdoor

We achieved revenue of £272.0m in the first half of this financial period, which was 1% down on the corresponding period last year having reduced the total number of stores by four to 247 by the period end. We made a small operating loss in the half of £0.2m due primarily to the impact from slower camping sales. We saw an uptick in performance in July and August when the UK weather became more unsettled.

Our new Go Outdoors stores are performing above our expectations including new flagship stores in Derby and Swindon. We also refreshed a further seven GO Outdoors large-format stores during the period, including in Bristol and Milton Keynes.

We acquired the remaining shares in Tiso Group Limited from the founding family, making the business 100% Group owned, while to enhance our customer service and efficiency further, we opened a dedicated B2C e-commerce fulfilment centre at Trafford Park, enabling the existing large DC in Cheshire to focus solely on store replenishment.

Strategy update

We launched our new strategy at our Capital Markets Day in February 2023. We are making strong progress on all key elements of the strategy and we are on track to deliver year one's targets across our four strategic pillars. Going forward, strategic delivery will help to drive double-digit revenue growth, double-digit market shares in our major markets and a double-digit operating profit margin

JD Brand First

The JD brand is our priority and the acceleration of our JD store opening programme has begun. In total, we added 83 new JD stores in the period, of which 17 were conversions. With our strong pipeline of new stores in place, supported by an expanded team in all regions, we are on track to deliver over 200 new stores this year.

As we accelerate our store opening programme, we will maintain our demanding performance targets for new stores. Sales uplifts from conversions, globally, are 20% while payback on our new JD stores continues to be within three years.

There is good momentum in North America where we converted 16 Finish Line stores and opened 14 new JD stores across the US and Canada. New locations for the JD brand included the Aventura mall near Miami, the third largest in the US, and the Mall at Prince George's, in Washington DC. We expect to convert a further 15 to 20 Finish Line stores to JD in H2.

In Europe, we opened a net 39 new JD stores, including some of the 19 of the 21 stores we acquired from Conbipel in Italy. We have now re-opened all the Conbipel stores and they are trading ahead of expectations. We opened our first stores in Slovakia and Cyprus, taking to 30 the number of countries with a JD fascia, while we are on track to open our new flagship store on the Champs Elysees ahead of the 2024 Paris Olympics.

The minority acquisitions in Iberia via ISRG and Central/Eastern Europe via MIG, strengthen our foothold in these geographies and will accelerate our European expansion through an enhanced focus on new JD store openings and conversions.

In UK/ROI, the main strategic focus is improving locations or store size in existing cities and towns. We opened a net four JD stores, upsized our Birmingham Airport store and have begun the expansion of our flagship store at Stratford in London, which will reopen in Q1 of FY25.

In Asia Pacific, we opened four new JD stores but closed eight following our withdrawal from South Korea. We finalised the acquisition of our non-controlling interests across Malaysia, Thailand and Singapore after the period end, which will help us to accelerate the growth of the JD brand in these markets.

In addition to 'own store' growth, we signed our first JD franchise agreement in July in the Middle East with Gulf Marketing Group ('GMG'). This agreement has an initial target of 50 franchised JD stores by 2028 across UAE, Saudi Arabia and Egypt. We expect our JD franchise model to gain real traction going forward. We are working on other exciting opportunities to build a larger JD franchise footprint in regions such as Africa and South East Asia.

Importance of Complementary Concepts

We continue to leverage our complementary brands at the top of our brand pyramid, such as Size? and Footpatrol providing an environment for seeding new product ideas, launching exclusive ranges and introducing new brands to the Group. In the US, both DTLR and Shoe Palace, which cater primarily to a different demographic to JD/Finish Line, continued to perform well in the period.

The acquisition of Courir continues to progress and we expect completion in either Q4 2023 or Q1 2024. Courir will add a new dimension to our brand portfolio with its stronger female product range and customer base and this will provide material learnings to the JD brand and other brands within the Group.

JD Beyond Physical Retail

Towards the end of the period, we launched our loyalty programme pilot scheme, JD Status, across ten stores around Manchester. It is very early days in the scheme but initial results are encouraging with a very positive reaction from our customers and brand partners. Assuming continued success, the next stage would be a programme rollout across the UK.

We continue to invest in other areas of our omnichannel strategy to develop our capability. An end-to-end cyber improvement programme was initiated in the period to strengthen security architecture and we have an ambitious development roadmap in place to enhance this further. We also commenced the initial scoping for a new global e-commerce platform.

In addition, to keep ahead of our footprint growth, we continue to make improvements and investments in our supply chain. All major projects are progressing at pace. Our new European DC at Heerlen, in The Netherlands, will start receiving stock by December 2023 ahead of starting to ship to stores from early 2024 as planned. The fit out of the latest technology and automation solutions is underway, enabling it to serve as the logistics hub for all JD operations across Continental Europe. Our new UK B2C facility in Derby is moving towards optimum capacity and is on track to fulfil most UK online orders ahead of our peak trading period in Q4 2023. The planned exit from the temporary third-party logistics DC in Leeds was completed as planned earlier this year.

People, Partners & Communities

Our people are at the heart of our business. We have invested an annual £45m in our retail colleagues' base salaries to ensure we recruit and retain the best talent and, following this investment, we have seen a significant reduction in colleague turnover. We are also investing in a new global HRIS project which will ensure a much more seamless HR experience for our people.

Our new global leadership team is almost fully embedded now and driving the JD First strategy across the business. In October, Dominic Platt will join as the Group's new Chief Financial Officer and Adam Warne will join as the new Chief Technology Officer, taking full responsibility for our systems across the globe.

Our partner relationships are as strong as ever. We are Nike's key global partner, while we are Adidas's biggest global partner for the 'terrace' category, within which we've seen a great performance from Gazelle and Samba. Alongside the larger brands, through our scale and global reach, we are well placed to support the global development of fast-growing brands and in H1 we saw particularly strong growth from New Balance and On Running.

Our commitment to our community is showcased through our ongoing partnership with the JD Foundation and various community support programmes across the regions, such as the Shoe Palace 'Believe to Achieve' programme. The JD Foundation strategy is evolving to focus on building stronger youth communities and transforming young people's lives through opportunities, engagement and social change.

Régis Schultz
Chief Executive Officer
21 September 2023

Chief Financial Officer's Statement

Financial Performance

Revenue and Gross Margin

Total revenue for the Group for the first half of the period increased to £4,783.9 million (2022: £4,418.1 million) with growth in organic sales at constant exchange rates[1] compared to the prior period of 12% with all of the Group's premium Sports Fashion businesses benefitting from the enhanced availability of key footwear styles.

As expected, the enhanced availability of footwear resulted in a more normalised promotional environment and so total gross margin for the first half has decreased slightly to 48.0% (2022: 48.5%). Within this, gross margins across the Group's businesses in North America, where footwear still represents approximately 80% of total sales, decreased to 46.7% (2022: 49.4%). However, this margin is still 3.7% ahead of the position before the COVID-19 pandemic (2019: 43.0%) which is a fair indication of the underlying progress that we have made in this market.

Profit Before Tax

Profit before tax and adjusted items[1] is also broadly constant with the prior period at £373.5 million (2022: £383.5 million). This result is entirely consistent with the more normalised trading and promotional patterns that the Group would expect to see in the current period with around 35% of annual profits generated in the first half of the period.

As expected, our premium businesses in North America saw an increase in profit in the period, as these are the businesses which have benefitted most from the normalisation of supply from some of the major international brands, with these businesses delivering an aggregate profit before tax and adjusting items of £123.8 million (2022: £111.1 million).

There was a net credit for adjusting items in the period of £1.7 million (2022: charge of £85.2 million) principally from the movement in the present value of the liabilities in respect of future put and call options:

	2023 £m	2022 £m
Impairments of intangible assets and investments (1)	7.9	36.5
Items that are unusual in nature or outside of the normal course of business:		
Movement in present value of put and call options (2)	(25.0)	40.2
Items as a result of acquisitions, divestments, major business changes or restructuring:		
Divestment and restructuring (3)	15.4	8.5
Administrative expenses – adjusted items	**(1.7)**	**85.2**

1. The impairment in the current period relates to the impairment of goodwill arising in a prior period on the acquisition of GymNation (£7.9 million) which has been classified as held-for-sale as at 29 July 2023 (see Note 8). The impairment in the prior period primarily relates to the impairment of goodwill and fascia name arising in a prior period on the acquisition of Missy Empire (£10.2 million) and Hairburst (£12.7 million). Also included in the prior period is an impairment charge for the investment in the Group's joint venture, Gym King (£13.6 million).
2. Movement in the present value of the liabilities in respect of put and call options as re-measured at each reporting date is a net credit of £25.0 million, comprising Genesis Topco Inc credit of £35.8 million (2022: charge of £28.7 million), Iberian Sports Retail Group charge of £nil (2022: charge of £16.8 million), Marketing Investment Group S.A charge of £14.3 million (2022: £nil) and a credit of £3.5 million (2022: credit of £5.3 million) in relation to the other put and call options held by non-controlling interests.
3. The divestment and restructuring loss of £15.4 million primarily relates to the loss on disposal of 80s Casual Classics of £9.5 million. The balance comprises further losses in respect of the disposal of the non-core fashion businesses to Frasers, which were completed in the current financial period (see Note 7 for divestments). The divestment and restructuring charge in the prior period relates to the divestment of Footasylum (£8.5 million).

Group profit before tax ultimately increased to £375.2 million (2022: £298.3 million).

Cash and Working Capital

The Group's capacity to generate cash in its retail operations remains as strong as ever which is reflected in the fact that the net cash[1] balance at the end of the period has increased to £1,276.5 million (2022: £1,013.1 million).

Our priority for utilising the cash resources remains focused on investment in our retail fascias, particularly where it helps expand the global presence of JD, and complementary acquisitions. In this regard, the Group has submitted its mandatory anti-trust filing on the proposed acquisition of Groupe Courir in France and is working collaboratively with the relevant authorities to provide additional information as requested. After deducting net debt of €195 million, the amount payable at completion, subject to certain adjustments, will be €325 million which will be funded through the available cash resources.

Net inventories across the Group at the end of the period were £1,625.1 million (2022: £1,428.5 million). Within this, inventories in our businesses in North America increased to £533.4 million (2022: £379.7 million), with the sell through of the delayed Summer 2022 apparel ranges progressing as expected.

Gross capital expenditure[1] (excluding disposal costs) increased to £209.1 million (2022: £156.6 million) with the primary focus of our capital expenditure continuing to be our physical retail fascias and gyms, where spend in the period was £119.4 million (2022: £87.4 million). As usual, we would expect the overall spend through the second half to be higher than that in the first half with capital expenditure for the full 53 week period now anticipated to be in the range of £500 million to £550 million (52 weeks to 28 January 2023: £359.3 million).

Earnings per Ordinary Share

The basic earnings per ordinary share increased by 29.9% to 4.65p (2022: 3.58p) consistent with the uplift in profit attributable to equity holders.

The adjusted[1] earnings per ordinary share decreased to 4.62p (2022: 5.23p).

Environmental and Sustainable Sourcing Update

The Group continues to make excellent progress with its environmental and sustainable sourcing work programmes. These programmes are consolidated into three main pillars:

- Reducing the impact of climate change
- Sustainable sourcing
- Circular economy and recycling

Progress to date this period on these pillars includes the following:

- The Group has completed its largest Solar Panel installation to date with over 5,000 panels installed on the roof of the new 620,000 sqft warehouse facility at Heerlen in the Netherlands which are forecast to deliver a saving of almost 1,500 tonnes of CO^2 per annum
- The Group's #IAMSUSTAINABLE course, which delivers regional specific content, is now live in 13 countries and has been completed by over 14,000 colleagues
- The Group continues to work with its private label production partners to extend the use of renewable energy deeper into the tiers of the supply chain with 51% of factories in China and 73% of factories in India now using dye houses which have access to renewable energy
- The Group has implemented a customer takeback scheme at 15 Go Outdoors stores. If successful, we will look to expand the scheme to more than 50 stores by the end of the calendar year

Store Portfolio

During the period, store numbers have moved as follows:

	Period Start	New Stores	Transfers	Disposed	Closures	**Period End**
Premium Sports Fashion						
UK & Republic of Ireland	**444**	8	1	-	(5)	**448**
Europe	**435**	41	1	-	(3)	**474**
Asia Pacific	**88**	4	-	-	(8)	**84**
North America	**955**	24	-	-	(10)	**969**
	1,922	**77**	**2**	**-**	**(26)**	**1,975**
Other Fascias						
UK & Republic of Ireland	**70**	-	(1)	(66)	-	**3**
Europe	**850**	24	(1)	-	(37)	**836**
Asia Pacific	**8**	-	-	-	-	**8**
North America	**289**	-	-	-	(11)	**278**
	1,217	**24**	**(2)**	**(66)**	**(48)**	**1,125**
Total Sports Fashion	**3,139**	**101**	**-**	**(66)**	**(74)**	**3,100**
Total Outdoor	**251**	**1**	**-**	**-**	**(5)**	**247**
Total Group	**3,390**	**102**	**-**	**(66)**	**(79)**	**3,347**

In addition, the Group now has 16 JD stores operating under joint venture arrangements with partners in Indonesia and Israel as follows:

	Period Start	New Stores	**Period End**
Indonesia	**7**	1	**8**
Israel	**6**	2	**8**
	13	**3**	**16**

After opening five gyms in the period, the Group now has 91 gyms with 80 gyms in its principal UK market and 11 gyms in the United Arab Emirates ('UAE').

	Period Start	New Sites	Closures	**Period End**
Gyms				
JD (UK)	**75**	2	-	**77**
X4L (UK)	**4**	-	(1)	**3**
Total UK	**79**	**2**	**(1)**	**80**
Gymnation (UAE)	**8**	3	-	**11**
Total Gyms	**87**	**5**	**(1)**	**91**

Neil Greenhalgh
Chief Financial Officer

21 September 2023

Alternative Performance Measures (terms are listed in alphabetical order)

The Directors measure the performance of the Group based on a range of financial measures, including measures not recognised by International Accounting Standards (‘IAS’) in conformity with the requirements of the Companies Act 2006 and in accordance with UK-adopted International Accounting Standards. These alternative performance measures may not be directly comparable with other companies’ alternative performance measures and the Directors do not intend these to be a substitute for, or superior to, IFRS (International Financial Reporting Standard) measures. The Directors believe that these alternative performance measures assist in providing additional useful information on the trading performance of the Group. Alternative Performance Measures are also used to enhance the comparability of information between reporting periods, by excluding adjusted items (see below). The Group’s reportable segments under IFRS 8 are Sports Fashion and Outdoor, however, more granular information is provided within these Alternative Performance Measures which the Directors believe will further enhance the readers understanding of the Group.

Adjusted Earnings per Share

The calculation of basic earnings per share is detailed in Note 5. Adjusted basic earnings per ordinary share has been based on the profit for the period attributable to equity holders of the parent for each financial period but excluding the post-tax effect of certain adjusted items. A reconciliation between basic earnings per share and adjusted earnings per share is shown below:

	26 weeks to 29 July 2023	26 weeks to 30 July 2022	52 weeks to 28 January 2023
Basic earnings per share	**4.65p**	3.58p	2.76p
Adjusted items	**(0.03p)**	1.65p	10.67p
Tax relating to adjusted items	**-**	-	(0.04p)
Adjusted earnings per ordinary share	**4.62p**	5.23p	13.39p

Adjusted Items

For the financial period ended 29 July 2023 (and 52 weeks to 28 January 2023), the Group has used the term ‘adjusted items’ as opposed to ‘exceptional items’ as used in the previous interim financial period to 30 July 2022 and the definitions of adjusted items have also been updated. These updates are intended to provide greater clarity over what is classified as an adjusted item and, by being more specific in terms of defining adjusted items, results in the provision of more relevant information with greater comparability between financial periods. This change has only affected the presentation of the items within the Adjusted Items note, the balances in the prior period remain unchanged.

The Group exercises judgement in assessing whether items should be classified as adjusted items. This assessment covers the nature of the item, cause of occurrence and scale of impact of that item on the reported performance. In determining whether an item should be presented as adjusted, the Group considers items which are significant because of either their size or their nature. In order for an item to be presented as adjusted, it should typically meet at least one of the following criteria:

- Impairments of intangible assets and investments recognised on acquisition.
- It is unusual in nature or outside the normal course of business (for example, the movement in the present value of put and call options).
- Items directly incurred as a result of either an acquisition or a divestment, or arising from a major business change or restructuring programme.

The separate reporting of items, which are presented as adjusted items within the relevant category in the Consolidated Income Statement, helps provide an indication of the Group’s trading performance. An explanation as to why individual items have been classified as adjusted is given in Note 3.

Dividend Cover

During the pandemic, the Group took a cautious approach with regards to dividend pay-outs so as to ensure that that cash reserves were maintained. As a consequence, in the aftermath of the pandemic, there was a disconnect between company earnings and dividend pay-outs. The Board addressed this by way of an enhanced final dividend for the year ended 28 January 2023 which returned the dividend cover, when measured relative to the adjusted earnings per ordinary share, to the levels paid in the period prior to the pandemic. The Board recognises that JD is a very cash generative business and is committed to further enhancing returns to shareholders whilst ensuring that dividend pay-outs sit alongside other near-term cash outlays such as the minority buyouts of ISRG and MIG, the impending Courir acquisition and then, further out, future costs associated with any potential acquisition of the non-controlling interest in North America. Consequently, the Board is proposing to increase the interim dividend by more than two-fold with the split between interim and full year dividends reverting back to the historic one-third / two-third apportionment in line with the generation of profits through the year.

Alternative Performance Measures (continued)

Being the number of times that the interim period dividend is covered by the adjusted earnings per ordinary share.

	29 July 2023	30 July 2022	31 July 2021	1 August 2020	3 August 2019
Adjusted earnings per ordinary share (pence)	**4.62**	5.23	5.83	1.22	2.51
Interim period dividend per share (pence)	**0.30**	0.13	-	-	0.06
Dividend cover	**15.40**	40.23	N/A	N/A	41.83

EBITDA Before Adjusted Items

Earnings before interest, tax, depreciation, amortisation and adjusted items.

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m	52 weeks to 28 January 2023 £m
Profit for the period	**279.0**	216.3	226.7
Addback / (deduct)			
Financial expenses	**41.0**	35.7	77.3
Income tax expense	**96.2**	82.0	214.2
Depreciation, amortisation and impairment of non-current assets	**318.2**	309.3	636.6
Adjusted items (see note 3)	**(1.7)**	85.2	550.5
Financial income	**(16.1)**	(1.1)	(8.4)
EBITDA before adjusted items	**716.6**	727.4	1,696.9

Gross Capital Expenditure

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m	52 weeks to 28 January 2023 £m
Investment in software	**8.1**	11.0	19.9
Acquisition of property, plant and equipment	**197.7**	139.9	326.6
Acquisition of non-current other assets	**3.3**	5.7	12.8
Total gross capital expenditure	**209.1**	156.6	359.3

An alternative presentation of this is as follows:

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m	52 weeks to 28 January 2023 £m
Investment in physical retail fascias and gyms	**119.4**	87.4	213.4
Investment in logistics infrastructure	**73.3**	45.2	80.8
Investment in technology and other	**16.4**	24.0	65.1
Total gross capital expenditure	**209.1**	156.6	359.3

Like-for-Like (LFL) sales

The percentage change in the period-on-period sales, removing the impact of new store openings and closures in the current or previous financial period. This metric enables the performance of the retail stores to be measured on a consistent period-on-period basis and is a common term used in the industry.

Net Cash / (Debt)

Net cash / (debt) consists of cash and cash equivalents together with interest-bearing loans, borrowings and lease liabilities. The group also measures net cash / (financial debt) before lease liabilities, which is a good indication of the strength of the Group's Balance Sheet position and is widely used by credit rating agencies. A reconciliation of net cash / (debt) is provided on page 21.

Alternative Performance Measures (continued)

Operating Costs Before Adjusted Items

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m	52 weeks to 28 January 2023 £m
Selling and distribution expenses – excluding adjusted items	**1,664.6**	1,496.5	3,315.6
Administrative expenses – excluding adjusted items	**250.2**	241.8	497.3
Total operating costs before adjusted items	**1,914.8**	1,738.3	3,812.9

Operating Profit Before Adjusted Items

A reconciliation between operating profit and adjusted items can be found in the Consolidated Income Statement.

Organic Revenue Growth at Constant Exchange Rates

One of the key measures of performance is the growth in revenues between reporting periods. Historically, the Group has considered the growth in revenues on a like-for-like basis which removes the impact of new store openings and closures in the current or previous financial period. However, the growth on a like-for-like basis became less relevant during periods impacted by COVID-19 related trading restrictions, particularly in stores. Consequently, the consideration of revenues on a like-for-like basis has lacked context and so the Group has, instead, considered the revenue performance on a basis which aggregates stores and websites. Acquisitions and disposals, including the annualisation impact of acquisitions or disposals in the previous period, are excluded to ensure that the growth which is reported reflects the same period of ownership in both reporting periods.

Organic sales growth at constant exchange rates for each operating segment is calculated as follows for the 26 week period ended 29 July 2023:

	Revenue 26 weeks to 30 July 2022	Re-translated (1) revenue 26 weeks to 30 July 2022	Acquisitions, Disposals & Annualisations (2)	Organic Growth (3)	**Revenue 26 weeks to 29 July 2023**	Organic Growth (4)
	Actual £m	Re-translated £m	Actual £m	Actual £m	**Actual £m**	%
Sports Fashion (Reportable segment)						
Premium Retail Fascias						
UK & ROI	1,114.5	1,117.1	-	85.4	**1,202.5**	7.6%
Europe	585.1	604.3	7.1	162.4	**773.8**	26.9%
Asia Pacific	188.6	183.9	-	47.0	**230.9**	25.6%
North America	1,174.4	1,202.4	-	184.6	**1,387.0**	15.4%
Other Retail Fascias						
UK & ROI	290.6	290.6	(239.2)	6.7	**58.1**	2.3%
Europe	525.3	545.2	5.4	46.5	**597.1**	8.5%
Asia Pacific	0.7	0.7	-	0.7	**1.4**	100%
North America	118.2	121.1	-	6.1	**127.2**	5.0%
Non-Retail Businesses	146.0	146.4	(6.5)	(6.0)	**133.9**	-4.1%
Total Sports Fashion	**4,143.4**	**4,211.7**	**(233.2)**	**533.4**	**4,511.9**	**12.7%**
Outdoor (Reportable segment)						
Total Outdoor	274.7	274.7	(2.4)	(0.3)	**272.0**	-0.1%
Total Group	**4,418.1**	**4,486.4**	**(235.6)**	**533.1**	**4,783.9**	**11.9%**

1) Being revenues in the 26 week period to 30 July 2022 re-translated at the average exchange rate in the 26 week period to 29 July 2023.
2) Being the net impact of acquisitions and disposals made in the period and the annualisation of acquisitions made in the prior period.
3) Being revenue growth for the same period of ownership in both periods.
4) Being organic revenue growth in the 26 week period to 29 July 2023 as a % of the revenues for the 26 week period to 30 July 2022 (as re-translated for current period exchange rates).

Alternative Performance Measures (continued)

Organic sales growth at constant exchange rates for each operating segment is calculated as follows for the 26 week period ended 30 July 2022:

	Revenue 26 weeks to 31 July 2021	Re-translated (1) revenue 26 weeks to 31 July 2021	Acquisitions, Disposals & Annualisations (2)	Organic Growth (3)	Revenue 26 weeks to 30 July 2022	Organic Growth (4)
	Actual £m	Re-translated £m	Actual £m	Actual £m	Actual £m	%
Sports Fashion (Reportable segment)						
Premium Retail Fascias						
UK & ROI	1,008.3	1,007.0	-	107.5	1,114.5	10.7%
Europe	441.3	431.7	2.9	150.5	585.1	34.9%
Asia Pacific	142.2	144.5	4.3	39.8	188.6	27.5%
North America	1,236.8	1,349.7	4.3	(179.6)	1,174.4	-13.3%
Other Retail Fascias						
UK & ROI	245.9	245.9	21.7	23.0	290.6	9.4%
Europe	347.7	339.4	153.3	32.6	525.3	9.6%
Asia Pacific	0.2	0.2	0.3	0.2	0.7	100%
North America	120.9	131.9	-	(13.7)	118.2	-10.4%
Non-Retail Businesses	107.3	107.3	17.0	21.7	146.0	20.2%
Total Sports Fashion	**3,650.6**	**3,757.6**	**203.8**	**182.0**	**4,143.4**	**4.8%**
Outdoor (Reportable segment)						
Total Outdoor	235.2	235.2	18.6	20.9	274.7	8.9%
Total Group	**3,885.8**	**3,992.8**	**222.4**	**202.9**	**4,418.1**	**5.1%**

1) Being revenues in the 26 week period to 31 July 2021 re-translated at the average exchange rate in the 26 week period to 30 July 2022.
2) Being the net impact of acquisitions and disposals made in the period and the annualisation of acquisitions made in the prior period.
3) Being revenue growth for the same period of ownership in both periods.
4) Being organic revenue growth in the 26 week period to 30 July 2022 as a % of the revenues for the 26 week period to 31 July 2021 (as re-translated for current period exchange rates).

Profit Before Tax and Adjusted Items

A reconciliation between profit before tax and profit before tax and adjusted items is as follows:

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m	52 weeks to 28 January 2023 £m
Profit before tax	**375.2**	298.3	440.9
Adjusted items	**(1.7)**	85.2	550.5
Profit before tax and adjusted items	**373.5**	383.5	991.4

Unaudited Condensed Consolidated Income Statement
For the 26 weeks to 29 July 2023

	Note	**26 weeks to 29 July 2023 £m**	26 weeks to 30 July 2022 £m	52 weeks to 28 January 2023 £m
Revenue		**4,783.9**	4,418.1	10,125.0
Cost of sales		**(2,486.9)**	(2,277.5)	(5,285.3)
Gross profit		**2,297.0**	2,140.6	4,839.7
Selling and distribution expenses – excluding adjusted items		**(1,664.6)**	(1,496.5)	(3,315.6)
Administrative expenses – excluding adjusted items		**(250.2)**	(241.8)	(497.3)
Administrative expenses – adjusted items	3	**1.7**	(85.2)	(550.5)
Other operating income		**16.2**	15.8	33.5
Operating profit before financing		**400.1**	332.9	509.8
Financial income		**16.1**	1.1	8.4
Financial expenses		**(41.0)**	(35.7)	(77.3)
Profit before tax		**375.2**	298.3	440.9
Income tax expense		**(96.2)**	(82.0)	(214.2)
Profit for the period		**279.0**	216.3	226.7
Attributable to equity holders of the parent		**239.9**	184.5	142.5
Attributable to non-controlling interests		**39.1**	31.8	84.2
Basic earnings per ordinary share	5	**4.65p**	3.58p	2.76p
Diluted earnings per ordinary share	5	**4.65p**	3.58p	2.76p

Operating profit before financing		**400.1**	332.9	509.8
Adjusted items	3	**(1.7)**	85.2	550.5
Operating profit before financing and adjusted items		**398.4**	418.1	1,060.3

Unaudited Condensed Consolidated Statement of Comprehensive Income
For the 26 weeks to 29 July 2023

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m	52 weeks to 28 January 2023 £m
Profit for the period	**279.0**	216.3	226.7
Other comprehensive (expense) / income:			
Items that may be classified subsequently to the Consolidated Income Statement:			
Exchange differences on translation of foreign operations	**(76.1)**	133.0	129.9
Total other comprehensive (expense) / income for the period	**(76.1)**	133.0	129.9
Total comprehensive income and expense for the period (net of income tax)	**202.9**	349.3	356.6
Attributable to equity holders of the parent	**174.0**	290.6	238.4
Attributable to non-controlling interests	**28.9**	58.7	118.2

Unaudited Condensed Consolidated Statement of Financial Position
As at 29 July 2023

	As at 29 July 2023 £m	As at 30 July 2022 £m	As at 28 January 2023 £m
Assets			
Intangible assets	**1,344.7**	1,614.8	1,459.4
Property, plant and equipment	**963.8**	776.0	875.6
Right-of-use assets	**2,071.1**	2,075.1	2,137.0
Investments in associates and joint ventures	**40.6**	42.1	38.8
Other assets	**55.4**	62.0	56.9
Other receivables	**8.4**	8.3	8.4
Deferred tax assets	**32.1**	69.9	12.9
Total non-current assets	**4,516.1**	4,648.2	4,589.0
Inventories	**1,625.1**	1,428.5	1,466.4
Trade and other receivables	**292.1**	332.0	263.8
Cash and cash equivalents	**1,391.1**	1,137.9	1,582.5
	3,308.3	2,898.4	3,312.7
Assets held-for-sale	**92.9**	165.7	123.0
Total current assets	**3,401.2**	3,064.1	3,435.7
Total assets	**7,917.3**	7,712.3	8,024.7
Liabilities			
Interest-bearing loans and borrowings	**(82.2)**	(83.0)	(75.2)
Lease liabilities	**(432.0)**	(395.8)	(423.8)
Trade and other payables	**(1,439.4)**	(1,406.9)	(1,471.2)
Put and call option liabilities	**(495.5)**	-	-
Provisions	**(7.7)**	(13.0)	(9.7)
Income tax liabilities	**(2.3)**	(4.3)	(17.5)
	(2,459.1)	(1,903.0)	(1,997.4)
Liabilities directly associated with assets held-for-sale	**(39.3)**	(139.2)	(165.6)
Total current liabilities	**(2,498.4)**	(2,042.2)	(2,163.0)
Interest-bearing loans and borrowings	**(32.4)**	(41.8)	(38.0)
Lease liabilities	**(1,840.0)**	(1,903.4)	(1,915.4)
Other payables	**(85.7)**	(100.5)	(102.4)
Put and call option liabilities	**(822.0)**	(815.9)	(1,061.2)
Provisions	**(25.1)**	(22.7)	(21.1)
Deferred tax liabilities	**(109.8)**	(124.6)	(90.2)
Total non-current liabilities	**(2,915.0)**	(3,008.9)	(3,228.3)
Total liabilities	**(5,413.4)**	(5,051.1)	(5,391.3)
Total assets less total liabilities	**2,503.9**	2,661.2	2,633.4

Unaudited Condensed Consolidated Statement of Financial Position (continued)
As at 29 July 2023

	As at 29 July 2023 £m	As at 30 July 2022 £m	As at 28 January 2023 £m
Capital and reserves			
Issued ordinary share capital	**2.5**	2.5	2.5
Share premium	**467.5**	467.5	467.5
Retained earnings	**2,193.6**	2,076.8	2,011.4
Put and call option reserve	**(694.2)**	(425.4)	(417.9)
Share-based payment reserve	**0.5**	-	0.3
Foreign currency translation reserve	**(10.2)**	65.9	55.7
Total equity attributable to equity holders of the parent	**1,959.7**	2,187.3	2,119.5
Non-controlling interest	**544.2**	473.9	513.9
Total equity	**2,503.9**	2,661.2	2,633.4

Unaudited Condensed Consolidated Statement of Changes in Equity
For the 26 weeks to 29 July 2023

	Ordinary share capital £m	Share premium £m	Retained earnings £m	Put and call option reserve £m	Share-based payment reserve £m	Foreign currency translation reserve £m	Total equity attributable to equity holders of the parent £m
Balance at 28 January 2023	2.5	467.5	2,011.4	(417.9)	0.3	55.7	2,119.5
Profit for the period	-	-	239.9	-	-	-	239.9
Other comprehensive income:							
Exchange differences on translation of foreign operations	-	-	-	-	-	(65.9)	(65.9)
Total other comprehensive income	-	-	-	-	-	(65.9)	(65.9)
Total comprehensive income for the period	-	-	239.9	-	-	(65.9)	174.0
Dividends to equity holders	-	-	(34.6)	-	-	-	(34.6)
Put and call options held with non-controlling interests	-	-	-	(428.8)	-	-	(428.8)
Put and call options lapsed	-	-	-	138.6	-	-	138.6
Divestment of put and call options	-	-	-	13.9	-	-	13.9
Derecognition of put and call options for disposed entities	-	-	(6.1)	-	-	-	(6.1)
Share-based payment charge	-	-	-	-	0.2	-	0.2
Divestment of non-controlling interests	-	-	(0.6)	-	-	-	(0.6)
Acquisition of non-controlling interests	-	-	(16.4)	-	-	-	(16.4)
Balance at 29 July 2023	**2.5**	**467.5**	**2,193.6**	**(694.2)**	**0.5**	**(10.2)**	**1,959.7**

	Total equity attributable to equity holders of the parent £m	Non-controlling Interest £m	Total equity £m
Balance at 28 January 2023	2,119.5	513.9	2,633.4
Profit for the period	239.9	39.1	279.0
Other comprehensive income:			
Exchange differences on translation of foreign operations	(65.9)	(10.2)	(76.1)
Total other comprehensive income	(65.9)	(10.2)	(76.1)
Total comprehensive income for the period	174.0	28.9	202.9
Dividends to equity holders	(34.6)	(2.1)	(36.7)
Put and call options held with non-controlling interests	(428.8)	-	(428.8)
Put and call options lapsed	138.6	-	138.6
Divestment of put and call options	13.9	-	13.9
Derecognition of put and call options for disposed entities	(6.1)	-	(6.1)
Share-based payment charge	0.2	-	0.2
Divestment of non-controlling interests	(0.6)	(1.6)	(2.2)
Acquisition of non-controlling interests	(16.4)	5.1	(11.3)
Balance at 29 July 2023	**1,959.7**	**544.2**	**2,503.9**

Unaudited Condensed Consolidated Statement of Changes in Equity (continued)
For the 26 weeks to 30 July 2022

	Ordinary share capital £m	Share premium £m	Retained earnings £m	Put and call option reserve £m	Share-based payment reserve £m	Foreign currency translation reserve £m	Total equity attributable to equity holders of the parent £m
Balance at 29 January 2022	2.5	467.5	1,910.6	(414.5)	0.1	(40.2)	1,926.0
Profit for the period	-	-	184.5	-	-	-	184.5
<u>Other comprehensive income:</u>							
Exchange differences on translation of foreign operations	-	-	-	-	-	106.1	106.1
Total other comprehensive income	-	-	-	-	-	106.1	106.1
Total comprehensive income for the period	-	-	184.5	-	-	106.1	290.6
Dividends to equity holders	-	-	(18.3)	-	-	-	(18.3)
Put and call options held with non-controlling interests	-	-	-	(10.9)	-	-	(10.9)
Share-based payment charge	-	-	-	-	(0.1)	-	(0.1)
Acquisition of non-controlling interests	-	-	-	-	-	-	-
Balance at 30 July 2022	**2.5**	**467.5**	**2,076.8**	**(425.4)**	**-**	**65.9**	**2,187.3**

	Total equity attributable to equity holders of the parent £m	Non-controlling Interest £m	Total equity £m
Balance at 29 January 2022	1,926.0	413.6	2,339.6
Profit for the period	184.5	31.8	216.3
<u>Other comprehensive income:</u>			
Exchange differences on translation of foreign operations	106.1	26.9	133.0
Total other comprehensive income	106.1	26.9	133.0
Total comprehensive income for the period	290.6	58.7	349.3
Dividends to equity holders	(18.3)	-	(18.3)
Put and call options held with non-controlling interests	(10.9)	-	(10.9)
Share-based payment charge	(0.1)	-	(0.1)
Acquisition of non-controlling interests	-	1.6	1.6
Balance at 30 July 2022	**2,187.3**	**473.9**	**2,661.2**

Unaudited Condensed Consolidated Statement of Cash Flows
For the 26 weeks ended 29 July 2023

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m	52 weeks to 28 January 2023 £m
Cash flows from operating activities			
Profit for the period	**279.0**	216.3	226.7
Income tax expense	**96.2**	82.0	214.2
Financial expenses	**41.0**	35.7	77.3
Financial income	**(16.1)**	(1.1)	(8.4)
Depreciation and amortisation of non-current assets	**316.5**	309.1	633.2
Forex (gains) / losses on monetary assets and liabilities	**(2.3)**	9.5	2.5
Impairment of other non-current assets (non-adjusted items)	**1.7**	0.2	3.4
Loss on disposal of non-current assets	**2.5**	2.2	5.1
Other adjusted items	**(9.6)**	48.7	407.3
Impairment of goodwill and fascia names (adjusted items)	**7.9**	22.9	117.6
Impairment of other non-current assets (adjusted items)	**-**	13.6	25.6
Share of profit of equity-accounted investees, net of tax	**(3.1)**	(0.8)	(4.9)
Increase in inventories	**(213.1)**	(401.0)	(501.3)
Increase in trade and other receivables	**(30.7)**	(103.4)	(42.2)
(Decrease)/increase in trade and other payables	**(22.8)**	43.2	177.1
Interest paid	**(4.2)**	(3.6)	(8.4)
Lease interest	**(36.8)**	(32.1)	(68.9)
Income taxes paid	**(109.4)**	(71.6)	(174.4)
Net cash from operating activities	**296.7**	169.8	1,081.5
Cash flows from investing activities			
Interest received	**16.1**	1.1	8.4
Proceeds from sale of non-current assets	**3.5**	4.5	11.5
Investment in software	**(8.1)**	(11.0)	(19.9)
Acquisition of property, plant and equipment	**(197.7)**	(139.9)	(326.6)
Acquisition of non-current other assets	**(3.3)**	(5.7)	(12.8)
Drawdown of finance lease liabilities	**0.1**	4.1	7.5
Dividends received from equity-accounted investees	**-**	3.0	3.4
Cash consideration of divestments (net of cash divested)	**(61.3)**	-	59.6
Deferred consideration paid	**(3.6)**	-	(29.2)
Investments in associates and joint ventures	**-**	-	(2.8)
Acquisition of subsidiaries, net of cash acquired	**-**	(11.6)	(20.0)
Net cash used in investing activities	**(254.3)**	(155.5)	(320.9)
Cash flows from financing activities			
Repayment of interest-bearing loans and borrowings	**(39.4)**	(21.7)	(37.4)
Drawdown of interest-bearing loans and borrowings	**32.8**	12.5	15.5
Repayment of lease liabilities	**(188.0)**	(193.8)	(400.5)
Divestment of non-controlling interests	**-**	-	0.1
Acquisition of non-controlling interests	**(12.4)**	-	(29.3)
Equity dividends paid	**-**	-	(24.8)
Dividends paid to non-controlling interests in subsidiaries	**(2.1)**	(0.2)	(2.8)
Net cash used in financing activities	**(209.1)**	(203.2)	(479.2)

Unaudited Condensed Consolidated Statement of Cash Flows (continued)
For the 26 weeks ended 29 July 2023

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m	52 weeks to 28 January 2023 £m
Net (decrease) / increase in cash and cash equivalents	**(166.7)**	(188.9)	281.4
Cash and cash equivalents at the beginning of the period	**1,548.9**	1,280.4	1,280.4
Foreign exchange (losses) / gains on cash and cash equivalents	**(38.3)**	4.6	(12.9)
Cash and cash equivalents at the end of the period	**1,343.9**	1,096.1	1,548.9

Analysis of Net Cash
As at 29 July 2023

	At 28 January 2023 £m	Cash flow £m	Non-cash movements £m	**At 29 July 2023 £m**
Cash at bank and in hand	1,582.5	(153.1)	(38.3)	**1,391.1**
Overdrafts	(33.6)	(13.6)	-	**(47.2)**
Cash and cash equivalents	**1,548.9**	**(166.7)**	**(38.3)**	**1,343.9**
Interest-bearing loans and borrowings:				
Bank loans	(79.6)	6.6	5.6	**(67.4)**
Net cash / (financial debt) before lease liabilities	**1,469.3**	**(160.1)**	**(32.7)**	**1,276.5**
Lease liabilities	(2,339.2)	188.0	(120.8)	**(2,272.0)**
Net (debt) / cash	**(869.9)**	**27.9**	**(153.5)**	**(995.5)**

1. Basis of Preparation

JD Sports Fashion Plc (the 'Company') is a company incorporated and domiciled in the United Kingdom. The unaudited half year financial report for the 26 week period to 29 July 2023 represents that of the Company and its subsidiaries (together referred to as the 'Group').

This half year financial report is an interim management report as required by DTR 4.2.3 of the Disclosure and Transparency Rules of the UK's Financial Conduct Authority and was authorised for issue by the Board of Directors on 21 September 2023. The condensed set of financial statements included in this half year financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The annual financial statements of the Group are prepared in accordance with UK-adopted International Accounting Standards. The comparative figures for the 52 week period to 28 January 2023 are not the Group's statutory accounts for that financial period. Those accounts have been reported on by the Group's Auditor and delivered to the Registrar of Companies. The Report of the Auditor was (i) unqualified, (ii) did not include a reference to any matters to which the Auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 of the Companies Act 2006.

The information contained in the half year financial report for the 26 week period to 29 July 2023 has not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on "Review of interim financial information" and do not include all of the information required for full annual financial statements.

As required by the Disclosure and Transparency Rules of the UK's Financial Conduct Authority, the half year financial report has been prepared by applying the same accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the 52 week period to 28 January 2023.

Adoption of New and Revised Standards
The Group continues to monitor the potential impact of other new standards and interpretations which have been or may be endorsed and require adoption by the Group in future reporting periods. The following amendments to accounting standards and interpretations, issued by the International Accounting Standards Board ('IASB'), have been adopted for the first time by the Group in the period with no significant impact on the consolidated results or financial position:

– Amendments to IAS 12 Income Taxes - International Tax Reform - Pillar Two Model Rules

Pillar II approach
The Group has continued to monitor developments in relation to the OECD's Two Pillar Solution to Address the Tax Challenges arising from the Digitalisation of the Economy ("Pillar 2 rules"). The UK substantively enacted Pillar 2 legislation on 20 June 2023. The first accounting period the UK rules will apply to the Group will be the period ending 1 February 2025. Given the rules are not yet final across all territories, it has not been possible to carry out a full assessment of the potential impact on the future tax charge of the Group, however, it is not expected to be material.

Revenue Recognition – Delivery Income
During the 52 week period ended 28 January 2023, management reviewed its accounting for the delivery income relating to online sales. Consequently, in the current 26 week period ended 29 July 2023, £26.0 million of delivery income relating to online sales has been shown as revenue (52 week period ended 28 January 2023: £64.7 million). In the prior 26 week period ended 30 July 2022, the delivery income of £29.8 million was included within selling and distribution expenses (as a credit). The prior period has not been restated as the amount of the delivery income was not considered to be material.

Alternative Performance Measures
The Directors measure the performance of the Group based on a range of financial measures, including measures not recognised by International Accounting Standards in conformity with the requirements of the Companies Act 2006. These alternative performance measures may not be directly comparable with other companies' alternative performance measures and the Directors do not intend these to be a substitute for, or superior to, IFRS measures. The Directors believe that these alternative performance measures assist in providing additional useful information on the trading performance of the Group.

Alternative Performance Measures are also used to enhance the comparability of information between reporting periods, by accounting for adjusted items. Adjusted items are disclosed separately when they are considered unusual in nature and not reflective of the trading performance and profitability of the Group. The separate reporting of adjusted items, which are presented as adjusted within the relevant category in the Consolidated Income Statement, helps provide an indication of the Group's trading performance. An explanation as to why items have been classified as adjusted is given in Note 3.

Critical Accounting Estimates and Judgements
The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and judgements disclosed below are those which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

1. Basis of Preparation (continued)

Critical Accounting Estimates and Judgements (continued)
In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the 52 week period to 28 January 2023.

Previous Accounting Estimate
In previous financial periods, the Group estimated the present value of the exercise price of the put and call options using Board approved forecasts multiplied by an earnings multiple. The option formula and multiple are stated in the option agreements with the exception of the ISRG option which does not have a multiple stated in the agreement. In the absence of a specified formula or multiple, the Group estimated this based on current evidence in the Mergers & Acquisitions market and our past experience of multiples paid for similar businesses. These forecast cash flows were discounted using a discount rate reflecting the current market assessment of the time value of money and any specific risk premiums relevant to the individual businesses involved. These discount rates were considered to be equivalent to the rates a market participant would use.

Current Accounting Estimate
For the 52 week period ended 28 January 2023, a change in the accounting estimation methodology was introduced using a third-party valuation expert to independently determine the present value of the exercise price of the material put and call options. The revised approach uses a Monte-Carlo simulation model applying a geometric Brownian motion to project the share price and arithmetic Brownian motion for the projection of EBITDA. This was considered to be a more suitable method of valuation given how material the put and call options are in terms of value and the Directors consider that this statistical based approach better accounts for the variability in assumptions and risk. Previously, the Group used a singular forecast model whereby the risk was dealt with via the discount rate premia. The Monte-Carlo model is considered to be more sophisticated in its simulation of historical and forecast data and earnings volatility to assess potential impacts across a wide range of future scenarios. The Monte-Carlo method has been used for the period ended 29 July 2023.

Change in Accounting Estimate
The Group considers that the change in accounting estimate was a result of a modification in estimating techniques, rather than a change in policy and therefore it was accounted for prospectively, in accordance with IAS 8. During the 26 week period to 30 July 2022 the previous accounting estimate method was applied.

Other Accounting Judgements
Groups of Cash-Generating Units ('Group CGUs')
The cash-generating units used to monitor goodwill and test it for impairment are the store portfolios and individual businesses. The cash-generating units are referred to throughout the Annual Report as Group CGUs. Online sales channels are included at a Group CGU level rather than allocating to individual stores as these cashflows are not considered to be independent with no reasonable basis of allocation. Corporate assets that contribute to the future cash flows of more than one Group CGU are allocated to each Group CGU on a pro-rata basis based on forecast turnover. This allocation method has been applied consistently.

Other Accounting Estimates
Impairment of Goodwill and Other Intangible Assets
Goodwill is allocated to the groups of cash-generating units ('Group CGUs'), that are expected to benefit from the synergies of the business combination from which goodwill arose, being portfolios of stores or individual businesses. Other intangible assets arising on acquisition, such as fascia names, brand names and customer relationships are also allocated to the Group CGUs. The recoverable amount, including the portion of the corporate assets, is compared with the carrying amount of the Group CGU including goodwill. The recoverable amount of an asset or Group CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or Group CGU.

Impairment of Brand Licences
At each reporting date, the Group reviews the carrying amounts of its brand licences to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Impairment losses are recognised within administrative expenses in the Consolidated Income Statement. The recoverable amount of brand licences is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows expected to arise from the continuing operation of the relevant asset until the licence expiry date and the choice of a suitable discount rate in order to calculate the present value.

Income Tax
In accordance with IAS 34 Interim Financial Reporting, the Group's tax charge has been calculated by applying the forecast annual effective corporate income tax rate on a jurisdictional basis to the relevant pre-tax income for the 26 weeks to 29 July 2023. Adjusting items that occurred in the interim period have been accounted for.

Tax provisions have been recognised in respect of uncertain tax positions where there is a risk of an additional tax liability arising. The effective tax rate was 25.7% for the 26 weeks to 29 July 2023. This is lower than the effective tax rate of 27.5% for the 26 weeks to 30 July 2022. The prior period effective tax rate was higher as a result of one-off adjusting items.

1. Basis of Preparation (continued)

Income Tax (continued)
The effective tax rate for the 26 weeks to 29 July 2023 was higher than the UK mainstream hybrid rate of 24% (2022: 19%) due to the non-qualifying impairment of assets held for sale +0.5% (2022: +2.3%), the movement in unrecognised timing differences +1.2% (2022: +0.5%), profits that have arisen in jurisdictions that have a higher rate of corporate and local taxes than the UK +0.6% (2022: +4.5%) and tax relief claims under government incentives including R&D and enhanced capital expenditure -0.6% (2022: -0.4%). The impact of these adjustments has fallen when compared to the prior period because of the increase in the UK mainstream rate.

Risks and Uncertainties
The Board has considered the risks and uncertainties for the remaining 27 week period to 3 February 2024 and determined that the risks presented in the Annual Report and Accounts 2023 noted below, remain relevant:

- Strategic risk
- Supply chain
- Environmental and social
- Governance
- Retail property factors
- Personnel
- Treasury and financial
- Technology
- Cyber risk/Data breach
- Cost of living crisis
- Expansion risk

A major variable, and therefore risk, to the Group's financial performance for the remainder of the financial period is the sales and margin performance in the retail fascias, particularly in December and January.

Going Concern
The Directors have prepared the Group financial statements on a going concern basis. At 29 July 2023, the Group had net cash[1] balances of £1,276.5 million (28 January 2023: £1,469.3 million) with available committed UK borrowing facilities of £700 million (28 January 2023: £700 million) of which £nil (28 January 2023: £nil) has been drawn down and US facilities of approximately $300 million of which $nil was drawn down (28 January 2023: $nil).

These facilities are subject to certain covenants. With a UK facility of £700 million available up to 6 November 2026 and a US facility of approximately $300 million available up until 24 September 2026, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Group had net cash[1] balances of £1,209.2 million and £nil drawn down on the facilities as at 11 September 2023.

The Directors have prepared cash flow forecasts for the Group covering a period of at least 12 months from the date of approval of the Group financial statements, including specific consideration of a range of impacts that could arise from geopolitical tensions and the actual and potential impact on inflationary cost pressures. These forecasts indicate that the Group will be able to operate within the level of its agreed facilities and covenant compliance. A reverse stress test has also been performed, which assumes a reduction in revenue of 37% is required for the Group to run out of cash and be fully drawn down on the available facilities / to breach a covenant. This is not considered to be plausible.

For the purposes of Going Concern Reporting, the Directors have prepared severe but plausible downside scenarios which cover the same period as the base case, including specific consideration of a range of impacts that could arise from a significant business continuity event adversely impacting one of the Group's main Distribution Centres and peak trading. Further, the Directors have modelled the impact of a significant cyber-attack resulting in a significant proportion of the Group's stores being unable to trade for a period of one month, impacting the peak trading period of December 2023. As part of this analysis, mitigating actions within the Group's control, should these severe but plausible scenarios occur, have also been considered, including reductions in capital expenditure, discretionary spend and dividends. The Directors have also considered the impact on the base case and severe but plausible downside scenarios, of the acquisition activity recently announced in respect of acquiring the remaining shares in the Group's existing subsidiaries, Iberian Sports Retail Group S.L. and Marketing Investment Group S.A. plus the proposed acquisition of 100% of Groupe Courir S.A.S which is conditional on the receipt of merger control approval.

The forecast cash flows in the severe but plausible downside scenarios indicate that there remains sufficient headroom for the Group to operate within the committed facilities and to comply with all relevant banking covenants during the forecast period.

The Directors have considered all of the factors noted above and are confident that the Group has adequate resources to continue to meet all liabilities as and when they fall due for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

1. Basis of Preparation (continued)

Other Accounting Policies
Government Support
Government support is recognised in the Consolidated Financial Statements when it can be reliably measured, which the Group considers to be on receipt. During the period ended 30 July 2022 (and 52 week period ended 28 January 2023), the Group repaid the £24.4 million of furlough income that it received from the UK Government in the 52 week period ended 29 January 2022. The repayment was accrued for as at 29 January 2022 and was shown as an expense within employed staff costs.

2. Segmental Analysis

IFRS 8 'Operating Segments' requires the Group's segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker to allocate resources to the segments and to assess their performance. The Chief Operating Decision Maker is considered to be the Chief Executive Officer of JD Sports Fashion Plc.

Information reported to the Chief Operating Decision Maker is focused on the nature of the businesses within the Group. The Group’s reportable segments under IFRS 8 are Sports Fashion and Outdoor. In accordance with IFRS 8.12, we have aggregated several operating segments with similar economic characteristics into a larger Sports Fashion operating segment and concluded that, in doing so, the aggregation is still consistent with the core principles of IFRS 8.

When aggregating the operating segments into the larger Sports Fashion operating segment, we have primarily taken into consideration:

- IFRS 8.12.a the nature of products or services;
- IFRS 8.12.c type or class of customer; and
- IFRS 8.12.d the methods used to distribute their products.

The entities included in the Sports Fashion operating segment have similar characteristics as well-established, leading retailers or wholesalers of footwear, apparel and accessories from a mix of international sports fashion brands and private labels. When determining what to include within the Sports Fashion segment, we have considered that the fascias all target a similar demographic in terms of both age range and an aspiration to achieve a certain style, whether the product is to be used for lifestyle wear or active sports participation. The entities typically have similar economic characteristics in terms of sales metrics, long-term average gross margins, levels of capital investment and operating cash flows. The Outdoor segment differs from the Sports Fashion segment in that Outdoor is focused on retailing specialist apparel, footwear and technical products for outdoor pursuits. Further, the Outdoor segment typically appeals to an older and/or family-oriented demographic as compared with the younger and more style-focused demographic targeted by the Sports Fashion businesses.

The Chief Operating Decision Maker receives and reviews segmental operating profit. Certain central administrative costs including Group Directors’ salaries are included within the Group’s Sports Fashion result. This is consistent with the results as reported to the Chief Operating Decision Maker.

IFRS 8 requires disclosure of information regarding revenue from major customers. The majority of the Group’s revenue is derived from the retail of a wide range of apparel, footwear and accessories to the general public. As such, the disclosure of revenues from major customers is not appropriate.

The Board considers that certain items are cross-divisional in nature and cannot be allocated between the segments on a meaningful basis. Certain net funding costs are treated as unallocated, reflecting the nature of the Group’s syndicated borrowing facilities. The eliminations remove intercompany transactions and balances between different segments which primarily relate to the net drawdown of long-term loans and short-term working capital funding provided by JD Sports Fashion Plc (within Sports Fashion) to other companies in the Group, and intercompany trading between companies in different segments. Inter-segment transactions are undertaken in the ordinary course of business on arm’s length terms.

2. Segmental Analysis (continued)

Business Segments

Information regarding the Group's reportable operating segments for the 26 weeks to 29 July 2023 is shown below:

Income statement

	Sports Fashion £m	Outdoor £m	Unallocated £m	**Total £m**
Revenue	**4,511.9**	**272.0**	-	**4,783.9**
Gross profit %	48.4%	43.3%		**48.0%**
Operating profit / (loss) before adjusted items	398.6	(0.2)	-	**398.4**
Adjusted items	1.7	-	-	**1.7**
Operating profit / (loss)	**400.3**	**(0.2)**	**-**	**400.1**
Financial income	-	-	16.1	**16.1**
Financial expenses	(35.5)	(1.3)	(4.2)	**(41.0)**
Profit / (loss) before tax	**364.8**	**(1.5)**	**11.9**	**375.2**
Income tax expense				**(96.2)**
Profit for the period				**279.0**

	Sports Fashion £m	Outdoor £m	Eliminations £m	**Total £m**
Total assets	7,733.8	397.5	(214.0)	**7,917.3**
Total liabilities	(5,288.5)	(338.9)	214.0	**(5,413.4)**
Total segment net assets	**2,445.3**	**58.6**	**-**	**2,503.9**

2. Segmental Analysis (continued)

The comparative segmental results for the 26 weeks to 30 July 2022 are as follows:

Income statement

	Sports Fashion £m	Outdoor £m	Unallocated £m	**Total £m**
Revenue	**4,143.4**	**274.7**	-	**4,418.1**
Gross profit %	49.0%	42.2%	-	**48.5%**
Operating profit before adjusted items	412.7	5.4	-	**418.1**
Adjusted items	(85.2)	-	-	**(85.2)**
Operating profit	**327.5**	**5.4**	**-**	**332.9**
Financial income	-	-	1.1	**1.1**
Financial expenses	(30.7)	(1.4)	(3.6)	**(35.7)**
Profit / (loss) before tax	**296.8**	**4.0**	**(2.5)**	**298.3**
Income tax expense				**(82.0)**
Profit for the period				**216.3**

	Sports Fashion £m	Outdoor £m	Unallocated(i) £m	Eliminations £m	**Total £m**
Total assets	7,265.5	483.1	**-**	(36.3)	**7,712.3**
Total liabilities	(4,818.7)	(268.7)	**-**	36.3	**(5,051.1)**
Total segment net assets	**2,446.8**	**214.4**	-	**-**	**2,661.2**

(i) Certain prior period amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations. A presentational adjustment was made between Unallocated, Sports Fashion and Outdoor, with amounts reported in the 2022 unaudited interim results previously designated as Unallocated now designated to either Sports Fashion or Outdoor. These items were a deferred tax asset of £69.9 million, a deferred tax liability of £124.6 million and an income tax liability of £4.3 million.

2. Segmental Analysis (continued)

Geographical Information

The Group's operations are located in the UK, Andorra, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Israel, Italy, Latvia, Lithuania, Malaysia, the Netherlands, New Zealand, Poland, Portugal, the Republic of Ireland ('ROI'), Romania, Serbia, Singapore, Slovakia, Slovenia, South Korea, Spain and the Canary Islands, Sweden, Thailand, the UAE and the US.

Revenue analysis

The following table provides analysis of the Group's revenue by geographical market, irrespective of the origin of the goods / services:

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m
UK & ROI	**1,608.1**	1,748.0
Europe	**1,399.8**	1,152.5
North America	**1,520.4**	1,300.4
Rest of world	**255.6**	217.2
	4,783.9	4,418.1

The revenue from any individual country, with the exception of the UK & US, is not more than 10% of the Group's total revenue.

The following table provides analysis of the Group's revenue by channel:

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m
Retail stores	**3,634.4**	3,233.5
Multichannel	**1,006.7**	1,033.4
Other (ii)	**142.8**	151.2
	4,783.9	4,418.1

(ii) Other relates to revenue from leisure club memberships and wholesale revenue.

The following table provides analysis of the Group's revenue by product type:

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m
Footwear	**2,743.9**	2,397.3
Apparel	**1,490.2**	1,533.1
Accessories	**298.9**	270.0
Other (iii)	**250.9**	217.7
	4,783.9	4,418.1

(iii) Other relates to revenue from sales of outdoor living equipment, delivery income and revenue from leisure club memberships.

2. Segmental Analysis (continued)

Non-current assets analysis

The following is an analysis of the carrying amount of segmental non-current assets by the geographical area in which the assets are located.

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m
UK & ROI	**1,208.8**	1,314.0
Europe	**1,538.5**	1,387.0
North America	**1,672.1**	1,791.8
Rest of world	**96.7**	155.4
Unallocated (iv)	**-**	-
	4,516.1	4,648.2

(iv) Certain prior period amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations. A presentational adjustment was made between Unallocated and the geographical areas listed above with the deferred tax asset of £69.9 million reported in the 2022 financial statements previously designated as Unallocated now designated to the appropriate geographical area.

3. Adjusted Items

The Group exercises judgement in assessing whether items should be classified as adjusted items. This assessment covers the nature of the item, cause of occurrence and scale of impact of that item on the reported performance. In determining whether an item should be presented as adjusted items, the Group considers items which are significant because of either their size or their nature. In order for an item to be presented as adjusted items, it should typically meet at least one of the following criteria:

- Impairments of intangible assets and investments recognised on acquisition.
- It is unusual in nature or outside the normal course of business (for example, the movement in the present value of put and call options).
- Items directly incurred as a result of either an acquisition or a divestment or arising from a major business change or restructuring programme.

The separate reporting of items, which are presented as adjusted items within the relevant category in the Consolidated Income Statement, helps provide an indication of the Group's trading performance.

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m	52 weeks to 28 January 2023 £m
Impairment of intangible assets and investments (1)	**7.9**	36.5	137.2
Items that are unusual in nature or outside of the normal course of business:			
Movement in present value of put and call options (2)	**(25.0)**	40.2	296.2
Items as a result of acquisitions, divestments, major business changes or restructuring:			
Divestment and restructuring (3)	**15.4**	8.5	129.6
Deferred consideration release (4)	**-**	-	(12.5)
Administrative expenses – adjusted items	**(1.7)**	85.2	550.5

1. The impairment in the current period relates to the impairment of goodwill arising in a prior period on the acquisition of GymNation (£7.9 million) which has been classified as held-for-sale as at 29 July 2023 (see Note 8). The impairment in the prior period primarily relates to the impairment of goodwill and fascia name arising in a prior period on the acquisition of Missy Empire (£10.2 million) and Hairburst (£12.7 million). Also included in the prior period is an impairment charge for the investment in the Group's joint venture, Gym King (£13.6 million).
2. Movement in the present value of the liabilities in respect of put and call options as re-measured at each reporting date is a net credit of £25.0 million, comprising Genesis Topco Inc credit of £35.8 million of which £29.0 million relates to foreign exchange differences driven by improvements in USD:GBP as the option is denominated in USD (2022: charge of £28.7 million), Iberian Sports Retail Group charge of £nil (2022: charge of £16.8 million), Marketing Investment Group S.A charge of £14.3 million (2022: £nil) and a credit of £3.5 million (2022: credit of £5.3 million) in relation to the other put and call options held by non-controlling interests.
3. The divestment and restructuring loss of £15.4 million primarily relates to the loss on disposal of 80s Casual Classics of £9.5 million. The balance comprises further losses in respect of the disposal of the non-core fashion businesses to Frasers, which were completed in the current financial period (see Note 7 for divestments). The divestment and restructuring charge in the prior period relates to the divestment of Footasylum (£8.5 million).
4. Acquisition related release of contingent consideration for Leisure Lakes (£10.5 million) and Total Swimming Holdings Limited (£2.0 million).

4. Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which it is approved. After each reporting date, the following dividends were proposed by the Directors. The dividends were not provided for at each reporting date.

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m	52 weeks to 28 January 2023 £m
0.30 pence per ordinary share (30 July 2022: 0.13 pence, 28 January 2023: 0.67 pence)	**15.5**	6.7	34.6

Dividends on Issued Ordinary Share Capital	**26 weeks to 29 July 2023 £m**	26 weeks to 30 July 2022 £m	52 weeks to 28 January 2023 £m
Final dividend of 0.67 pence (30 July 2022: nil pence, 28 January 2023: 0.35 pence) per qualifying ordinary share paid in respect of prior period but not recognised as a liability in that period	**34.6**	-	18.1
Interim dividend of nil pence (30 July 2022: nil, 28 January 2023: 0.13 pence)	**-**	-	6.7
	34.6	-	24.8

5. Earnings per Ordinary Share

Basic and Adjusted Earnings per Ordinary Share

On 20 December 2022, JD Sports Fashion Plc completed the placing of new ordinary shares in the capital of the Company. A total of 25,000,000 new ordinary shares were issued, increasing the total ordinary shares in issue to 5,183,135,745.

The calculation of basic earnings per ordinary share at 29 July 2023 is based on the profit for the period attributable to equity holders of the parent of £239.9 million (26 weeks to 30 July 2022: £184.5 million; 52 weeks to 28 January 2023: £142.5 million) and a weighted average number of ordinary shares outstanding during the 26 week period ended 29 July 2023 of 5,158,497,877 (26 weeks to 30 July 2022 of 5,158,135,745; 52 weeks to 28 January 2023 of 5,158,497,877). Adjusted earnings per ordinary share have been based on the profit for the period attributable to equity holders of the parent for each financial period but excluding the post-tax effect of certain adjusted items. The Directors consider that this gives a more useful measure of the trading performance and profitability of the Group.

	26 weeks to 29 July 2023 Number millions	26 weeks to 30 July 2022 Number millions	52 weeks to 28 January 2023 Number millions
Issued ordinary shares at beginning of period	**5,183.1**	5,158.1	5,158.1
Ordinary shares issued on 20 December 2022	**-**	-	25.0
Issued ordinary shares at end of period	**5,183.1**	5,158.1	5,183.1

	Note	**26 weeks to 29 July 2023 £m**	26 weeks to 30 July 2022 £m	52 weeks to 28 January 2023 £m
Profit for the period attributable to equity holders of the parent		**239.9**	184.5	142.5
Adjusted items	3	**(1.7)**	85.2	550.5
Tax relating to adjusted items		**-**	(0.1)	(2.4)
Profit for the period attributable to equity holders of the parent excluding adjusted items		**238.2**	269.6	690.6
Adjusted earnings per ordinary share		**4.62p**	5.23p	13.39p
Basic earnings per ordinary share		**4.65p**	3.58p	2.76p

5. Earnings per Ordinary Share (continued)

	26 weeks to 29 July 2023 Number millions	26 weeks to 30 July 2022 Number millions	52 weeks to 28 January 2023 Number millions
Weighted average number of ordinary shares at beginning of period	**5,158.5**	5,158.1	5,158.1
Effect of ordinary shares issued on 20 December 2022	-	-	2.8
Effect of ordinary shares held by the JD Sports Employee Benefit Trust as treasury shares[1]	**-**	-	(2.4)
Issued ordinary shares at end of period	**5,158.5**	5,158.1	5,158.5

Diluted Earnings per Ordinary Share

Diluted earnings per ordinary share for the 26 weeks to 29 July 2023 is 4.65p (26 weeks to 30 July 2022: 3.58p; 52 weeks to 28 January 2023: 2.76p). Diluted adjusted earnings per share is 4.62p (26 weeks to 30 July 2022: 5.23p; 52 weeks to 28 January 2023: 13.39p).The calculation of diluted earnings per ordinary share at 29 July 2023 is based on the profit for the period attributable to equity holders of the parent of £239.9 million (26 weeks to 30 July 2022: £184.5 million; 52 weeks to 28 January 2023: £142.5 million) and a weighted average number of ordinary shares outstanding during the period after adjusted for the effects of all dilutive potential ordinary shares calculated as follows:

	26 weeks to 29 July 2023 Number millions	26 weeks to 30 July 2022 Number millions	52 weeks to 28 January 2023 Number millions
Weighted average number of ordinary shares at beginning of period (diluted)	**5,158.6**	5,158.2	5,158.2
Effect of ordinary shares issued on 20 December 2022	**-**	-	2.8
Effect of ordinary shares held by the JD Sports Employee Benefit Trust as treasury shares[1]	**-**	-	(2.4)
Issued ordinary shares at end of period	**5,158.6**	5,158.2	5,158.6

[1] On 20 December 2022, a total of 25,000,000 ordinary shares of 0.05 pence each were issued at par. The shares were delivered to the JD Sports Employee Benefit Trust ('Trust') and were issued, in part to satisfy a buyout award due to Régis Schultz, the Group's Chief Executive Officer with an effective date of 5 September 2022. The remainder of the new shares shall be held by the Trust in connection with the Long-Term Incentive Plan 2022.

6. Acquisitions

Current Period Acquisitions
There were no acquisitions during the 26 week period ended 29 July 2023.

Acquisition of Non-Controlling Interests

JD Sports Fashion Germany GmbH
On 25 April 2023, JD Sports Fashion Plc acquired the remaining 20% of the issued share capital in its existing subsidiary JD Sports Fashion Germany GmbH for cash consideration of €7.1 million (£6.4 million). The Group now owns 100% of the issued share capital of JD Sports Fashion Germany GmbH. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the acquisition on 25 April 2023 did not result in a change of control, this has been accounted for as an equity transaction.

Other Acquisitions of Non-Controlling Interests

During the period, the Group made four other acquisitions of non-controlling interests which were not material:

- On 8 March 2023 the Group acquired a further 0.341% of the issued share capital of DTLR Villa LLC via its existing intermediate holding company in the US. The Group now owns an effective shareholding of 79% of the issued share capital of DTLR Villa LLC.

- On 28 March 2023 the Group acquired the remaining 40% of the issued share capital in its existing subsidiary Tiso Group Limited. The Group now owns 100% of the issued share capital of Tiso Group Limited.

- On 11 April 2023 the Group acquired a further 1% of the issued share capital in its existing subsidiary JD Sports Gyms Limited. The Group now owns 95% of the issued share capital of JD Sports Gyms Limited.

- On 27 April 2023 the Group acquired the remaining 20% of the issued share capital in its existing subsidiary NQ Retail Limited (formerly Oi Polloi Limited). The Group now owns 100% of the issued share capital of NQ Retail Limited.

In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled these subsidiaries. As the acquisitions did not result in a change of control, they were accounted for as equity transactions.

6. Acquisitions (continued)

Prior Period - Non-Significant Acquisitions

	Fair values acquired £m
Acquiree's net assets at acquisition date:	
Intangible assets	**6.6**
Property, plant and equipment	**19.3**
Right-of-use assets	**9.2**
Inventories	**0.4**
Cash and cash equivalents	**1.1**
Trade and other receivables	**3.3**
Trade and other payables	**(11.6)**
Bank loans and overdrafts	**(3.8)**
Deferred tax liability	**(3.7)**
Lease liabilities	**(6.7)**
Provisions	**(0.5)**
Net identifiable assets	**13.6**
Non-controlling interests (various)	**(1.6)**
Goodwill on acquisition	**12.6**
Consideration – satisfied in cash	**21.1**
Consideration – deferred	**3.5**
Total consideration	**24.6**

Total Swimming Holdings Ltd

On 27 May 2022, JD Sports Fashion Plc completed, via its existing subsidiary JD Sports Gyms Limited, the acquisition of 60% of the issued share capital of Total Swimming Holdings Limited for an initial cash consideration of £11.1 million. Total Swimming Holdings was founded by former Olympic swimmers Steve Parry, Rebecca Adlington and Adrian Turner to make swimming more accessible and includes Swim!, the first multi-site operator of dedicated children's 'learn to swim' centres in the UK. The acquisition provides a broadening of the Group's leisure interests, which now includes gyms and pools.

Additional deferred contingent consideration of up to £4.0 million was payable if certain targets and performance criteria are achieved. The fair value of the contingent consideration as at the acquisition date was determined to be £3.5 million. During the financial period ended 28 January 2023, one of the performance criteria for receiving the deferred consideration was not met. Since this was as a result of a post-acquisition event, the release of £2.0 million of contingent consideration was taken through the Consolidated Income Statement (Note 3, Adjusted Items) for the period ended 28 January 2023. The fair value of the remaining contingent consideration as at 29 July 2023 was determined to be £1.5 million.

Put and call options, to enable future exit opportunities for the management team, have also been agreed and become exercisable from 2026 onwards. We assessed the substance of the put and call option agreement, taking into account the management leaver terms, and concluded that an element of the future option payment is linked to continued future service and is therefore expensed on a straight-line basis over the service period. A valuation of the remaining put and call option liability has been performed using an earnings multiple, a suitable discount rate and Board approved forecasts, and the initial liability of £9.2 million was recognised with the corresponding entry to Other Equity in accordance with the present value method of accounting. The present value of these options is required to be estimated at each accounting period date.

Included within the fair value of the net identifiable assets on acquisition was an intangible asset of £5.5 million representing the fascia names acquired on acquisition and £1.1 million representing the customer relationships. The Board believes that the excess of consideration paid over net assets on acquisition of £12.4 million is best considered as goodwill on acquisition representing the market position of the business, the assembled workforce and the potential future growth opportunities from opening new sites under the Swim! concept. As at the date of this report, the period in which measurement adjustments could be made has now closed on this acquisition and no further fair value measurement adjustments have been made.

Included in the 52 week period ended 28 January 2023 was revenue of £15.4 million and a profit before tax of £0.1 million in respect of Total Swimming Holdings.

6. Acquisitions (continued)

Other Acquisitions
During the period, the Group made two other acquisitions which were not material. The acquiree's net assets at acquisition related to these acquisitions are also included in the fair value table above.

Full Period Impact of Acquisitions
Had the acquisitions of the entities acquired been affected at 30 January 2022, the revenue and profit before tax of the Group for the 52 week period to 28 January 2023 would have been £10.1 billion and £227.1 million respectively.

Acquisition Costs
Acquisition related costs amounting to £0.1 million have been excluded from the consideration transferred and have been recognised as an expense in the period, within administrative expenses in the Consolidated Income Statement.

Acquisition of Non-Controlling Interests

JD Sports Fashion Korea Inc
On 6 September 2022, JD Sports Fashion Plc acquired the remaining 50% of the issued share capital in its existing subsidiary JD Sports Fashion Korea Inc for cash consideration of 26.1 billion KRW (£16.4 million). The Group now owns 100% of the issued share capital of JD Sports Fashion Korea Inc. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the acquisition on 6 September 2022 did not result in a change of control, this has been accounted for as an equity transaction. During the period ended 28 January 2023, the Group announced that JD would be withdrawing from the South Korean market.

Deporvillage S.L.
On 14 October 2022, Iberian Sports Retail Group S.L. ('ISRG'), the Group's existing intermediate holding company in Spain, acquired a further 18% of the issued share capital in its existing subsidiary Deporvillage S.L. for cash consideration of €14.8 million (£12.9 million) and deferred consideration of €5.0 million (£4.3 million) subject to the non-controlling interests abiding by certain non-compete obligations. 50% of the deferred consideration is due within one year of the completion date of 14 October 2022 with the remaining 50% due on the second anniversary of the completion date. ISRG now owns 98% of the issued share capital and the Group now owns an effective shareholding of 49% of the issued share capital of Deporvillage S.L. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the acquisition on 14 October 2022 did not result in a change of control, this was accounted for as an equity transaction.

7. Divestments

Current Period - Non-Significant Divestments

On 16 December 2022, the Group announced its plan to significantly simplify its business offering through the divestment of a number of non-core businesses in order to focus more fully on the opportunities across the rest of the Group. As a result, during the 26 week period to 29 July 2023 12 businesses were divested for total cash consideration of £14.7 million:

- Rascal Clothing Limited (75% equity interest);
- Tessuti Group Limited (100% equity interest) – including its subsidiaries Tessuti Limited (87.5% equity interest), Tessuti (Ireland) Limited (87.5% equity interest), Tessuti Retail Limited (100% equity interest) and Prima Designer Limited (100% equity interest);
- Choice Limited (87.5% equity interest) – including its subsidiary Choice 33 Limited (87.5% equity interest);
- Giulio Limited (87.5% equity interest) – including its subsidiaries Giulio Fashion Limited (87.5% equity interest) and Giulio Woman Limited (87.5% equity interest);
- R.D. Scott Limited (100% equity interest);
- Catchbest Limited (80% equity interest).
- Source Lab Limited (85% equity interest);
- Topgrade Sportswear Holdings Limited including its subsidiaries Topgrade Sportwear Limited and GetTheLabel.com Limited (80% equity interest);
- Woodlandslove Limited (80% equity interest);
- 80s Casual Classics Limited including its subsidiary Modern Casuals Limited (70% equity interest);
- Bernard Esher Limited (80% equity interest); and
- Hairburst Holding Group Limited including its subsidiaries Hair Burst Limited, JMH Cosmetics Limited and Mrblancteeth Limited (75% equity interest).

7. Divestments (continued)

Current Period - Non-Significant Divestments (continued)

In addition, on 23 May 2023, the Group disposed of Brand Stable Limited (49% equity interest) a fixed asset investment in a joint venture for cash consideration of £0.5 million.

The consideration was received fully in cash during the period. Costs to sell amounted to £0.3 million. At the date of disposal, the carrying amounts of the 13 divested businesses (including one joint venture) net assets were as follows:

	£m
Intangible assets	**20.4**
Property, plant and equipment	**17.0**
Right-of-use assets	**30.8**
Deferred tax assets	**0.6**
Other non-current assets	**0.4**
Investments	**1.3**
Total non-current assets	**70.5**
Inventories	**59.7**
Trade and other receivables	**14.5**
Cash and cash equivalents	**76.5**
Total current assets	**150.7**
Trade and other payables	**(89.7)**
Provisions	**(0.8)**
Borrowings	**(74.4)**
Lease liabilities	**(5.2)**
Total current liabilities	**(170.1)**
Deferred tax liabilities	**(1.1)**
Other payables and accrued expenses	**(1.2)**
Lease liabilities	**(27.6)**
Total non-current liabilities	**(29.9)**
Total assets less total liabilities	**21.2**
Total consideration received in cash	**15.2**
Total deferred consideration receivable	**1.5**
Provision for onerous agreements	**(3.8)**
Provision for intercompany balances	**(7.1)**
Net assets disposed of	**(21.2)**
Loss on disposal	**(15.4)**
Total consideration received in cash	**15.2**
Cash and cash equivalents disposed of	**(76.5)**
Net cash	**(61.3)**

7. Divestments (continued)

Prior period divestments

Footasylum
On 5 August 2022, the Group disposed of its 100% equity interest in Footasylum and its associated subsidiaries to Aurelius Group for cash consideration of £37.5 million. The subsidiary was classified as held-for-sale as at 30 July 2022 (see Note 8). The consideration was received fully in cash in 2022. At the date of disposal, the carrying amounts of Footasylum's net assets were as follows:

	£m
Intangible assets	**6.7**
Property, plant and equipment	**27.0**
Right-of-use assets	**79.1**
Deferred tax assets	**0.2**
Total non-current assets	**113.0**
Inventories	**36.4**
Trade and other receivables	**24.9**
Cash and cash equivalents	**6.0**
Total current assets	**67.3**
Trade and other payables	**(24.7)**
Other tax and social security	**(3.7)**
Accruals and deferred income	**(19.1)**
Borrowings	**(3.5)**
Lease liabilities	**(15.6)**
Income tax liabilities	**(1.0)**
Total current liabilities	**(67.6)**
Accruals and deferred income	**(5.6)**
Lease liabilities	**(59.8)**
Total non-current liabilities	**(65.4)**
Total assets less total liabilities	**47.3**
Total consideration received in cash	**37.5**
Net assets disposed of	**(47.3)**
Costs to sell	**(5.0)**
Loss on disposal	**(14.8)**
Total consideration received in cash	**37.5**
Cash and cash equivalents disposed of	**(6.0)**
Net cash received	**31.5**

In the 26 weeks to 30 July 2022, an impairment of £8.5 million was recognised in order to present the Footasylum assets held-for-sale at the lower of carrying value and fair value less costs to sell in accordance with IFRS 5. A further £6.3 million loss was recognised following the reversal of £8.3 million of right-of-use assets depreciation in order to cease depreciating these assets at the point of classification as held-for-sale in accordance with IFRS 5 and the release of a £2.0 million provision for costs to sell that were no longer required. This resulted in a higher loss on disposal of the assets of £14.8 million when compared to the impairment of £8.5 million recognised in the 26 week period ended 30 July 2022.

Other non-core fashion businesses
On 16 December 2022, the Group announced its plan to significantly simplify its fashion branded offer through the divestment of 15 UK-based non-core fashion businesses ('Divested Businesses') to Frasers Group Plc ('Frasers'), for cash consideration of £44.5 million, in order to focus more fully on the opportunities across the rest of the Group, in particular the international and digital expansion of the Group's core premium Sports Fashion fascias.

7. Divestments (continued)

Prior period divestments (continued)

Other non-core fashion businesses (continued)

Completion on the acquisition of shares in eight of the Divested Businesses, and on the acquisition of all of the debt owing to JD by the Divested Businesses, took place immediately on exchange. The initial eight divested businesses were:

- Base Childrenswear Limited (80% equity interest);
- Dantra Limited (75% equity interest);
- PG2019 Limited (100% equity interest);
- Prevu Studio Limited (100% equity interest);
- Nicholas Deakins Limited (100% equity interest);
- Uggbugg Fashion Limited – including its subsidiary Missy Empire Limited (51% equity interest);
- Clothingsites Holdings Limited – including its subsidiaries Clothingsites.co.uk Limited and Old Brown Bag Clothing Limited (100% equity interest); and
- WHCO Limited – including its subsidiaries The Watch Shop Holdings Limited and Watch Shop Logistics Limited (100% equity interest).

The consideration was received fully in cash during the period. At the date of disposal, the carrying amounts of the initial eight divested businesses net assets were as follows:

	£m
Intangible assets	**22.6**
Property, plant and equipment	**3.9**
Right-of-use assets	**6.5**
Total non-current assets	**33.0**
Inventories	**29.8**
Trade and other receivables	**8.5**
Cash and cash equivalents	**16.4**
Total current assets	**54.7**
Trade and other payables	**(19.7)**
Provisions	**(0.1)**
Borrowings	**(11.6)**
Lease liabilities	**(7.4)**
Income tax liabilities	**(0.3)**
Total current liabilities	**(39.1)**
Other payables and accrued expenses	**(1.5)**
Total non-current liabilities	**(1.5)**
Total assets less total liabilities	**47.1**
Total consideration received in cash	**44.5**
Intercompany debt	**(86.0)**
Net assets disposed of	**(47.1)**
Costs to sell	**(0.6)**
Impairment of assets held-for-sale (note 3)	**(17.5)**
Loss on disposal	**(106.7)**
Total consideration received in cash	**44.5**
Cash and cash equivalents disposed of	**(16.4)**
Net cash received	**28.1**

The assets and liabilities of the remaining seven Divested Businesses were classified as held-for-sale at 28 January 2023 (see Note 8). Subsequent to the period end, the Group completed the disposal of the remainder of these Divested Businesses (see page 36 and 37).

8. Held-For-Sale

	As at 29 July 2023 £m	As at 30 July 2022 £m	As at 28 January 2023 £m
Intangible assets	**34.5**	6.7	9.2
Property, plant and equipment	**6.8**	26.9	17.2
Trade and other receivables	**5.1**	27.9	13.1
Inventories	**21.0**	36.5	52.7
Cash and cash equivalents	**12.2**	-	-
Right-of-use assets	**19.5**	71.0	30.8
Income tax asset	**1.4**	-	-
Deferred tax assets	**0.3**	0.2	-
Impairment recognised in accordance with IFRS 5	**(7.9)**	(3.5)	-
Assets held-for-sale	**92.9**	165.7	123.0

	As at 29 July 2023 £m	As at 30 July 2022 £m	As at 28 January 2023 £m
Trade and other payables	**(18.1)**	(63.4)	(133.1)
Lease liabilities	**(21.2)**	(74.8)	(32.1)
Provisions	**-**	-	(0.4)
Income tax liability	**-**	(1.0)	-
Liabilities held-for-sale	**(39.3)**	(139.2)	(165.6)

Held-for-sale – current period

Other Businesses Held-for-sale
On 16 December 2022, the Group announced its plan to significantly simplify its business offering through the divestment of a number of non-core businesses in order to focus more fully on the opportunities across the rest of the Group. Further details of this strategy change were provided at the Group's Capital Market Event on 2 February 2023 and disclosed in the Group's strategic report within the 2023 Annual Report and Accounts. As a result, during the 26 week period to 29 July 2023 a further three businesses were classified as being held-for-sale.

The businesses have been classified as held-for-sale as at 29 July 2023 as:
- the carrying amount of the businesses will be recovered through the sale transaction;
- the businesses are available for sale in their present condition;
- the Group has committed to sell the businesses and this sale plan has been initiated;
- the businesses are being actively marketed at a price that is reasonable in relation to its fair value; and
- there is an expectation that the sale process would be completed within 12 months of the classification as held-for-sale.

Discontinued Operations
The presentation of an operation as a discontinued operation is limited to a component of an entity that either has been disposed of or is classified as held-for-sale, and:

- represents a separate major line of business or geographic area of operations; and
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations, or is a subsidiary acquired exclusively with a view to resale.

The businesses held-for-sale as at 29 July 2023 are subject to individual plans and can be distinguished operationally and for financial reporting purposes. However, the Group has other subsidiaries and operations which continue to operate within the same segment and geographic territories as the three businesses that were classified as held-for-sale. Therefore, these entities do not represent a separate major line of business or geographic area for the Group and were not classified as discontinued operations as at 29 July 2023.

8. Assets Held-For-Sale (continued)

Assets and Liabilities of Other Businesses Held-for-Sale

As at 29 July 2023, Mainline Menswear Holdings Limited, Kukri Sports Limited, Gymnation Holding Limited and their associated subsidiaries were held at the lower of carrying value or fair value less costs to sell (excluding cash and cash equivalents). A reconciliation is provided in the table below. Cash and cash equivalents as at 29 July 2023 of £8.9 million has been presented within the Group's cash and cash equivalents in accordance with IFRS 5 representing the amount not included within held-for-sale for businesses sold on a cash free basis. Cash and cash equivalents as at 29 July 2023 of £12.2 million has been included within held-for-sale for those businesses not due to be sold on a cash-free basis:

	As at 29 July 2023 £m
Intangible assets	**34.5**
Property, plant and equipment	**6.8**
Trade and other receivables	**5.1**
Inventories	**21.0**
Cash and cash equivalents	**12.2**
Right-of-use assets	**19.5**
Income tax asset	**1.4**
Deferred tax assets	**0.3**
Impairment recognised in accordance with IFRS 5	**(7.9)**
Assets held-for-sale	**92.9**

	As at 29 July 2023 £m
Trade and other payables	**(18.1)**
Lease liabilities	**(21.2)**
Liabilities held-for-sale	**(39.3)**

Held-for-sale – previous period ended 30 July 2022

Footasylum

Following a review by the Competition and Markets Authority ('CMA'), a final ruling was issued on 4 November 2021 to prohibit the Group's acquisition of Footasylum. The final CMA undertakings were issued on 14 January 2022 which was effectively the start date for the Footasylum sale process. Footasylum was classified as held-for-sale as at 29 January 2022 as:

- the carrying amount of Footasylum was expected to be recovered through the sale transaction;
- it was available for sale in its present condition;
- the Group had committed to sell Footasylum and this sale plan had been initiated;
- Footasylum was being actively marketed at a price that was reasonable in relation to its fair value; and
- there was an expectation that the sale process would be completed within 12 months of the classification as held-for-sale.

8. Assets Held-For-Sale (continued)

Held-for-sale – previous period ended 30 July 2022 (continued)
Assets and Liabilities of Footasylum held-for-sale
As at 30 July 2022, Footasylum was stated at the lower of its carrying value (excluding cash and cash equivalents) and fair value less costs to sell in accordance with IFRS 5. Cash and cash equivalents as at 30 July 2022 of £6.0 million were presented within the Group's cash and cash equivalents.

	As at 30 July 2022 £m
Intangible assets	6.7
Property, plant and equipment	26.9
Deferred tax assets	0.2
Right-of-use assets	71.0
Inventories	36.5
Trade and other receivables	27.9
Impairment recognised in accordance with IFRS 5	(3.5)
Assets held-for-sale	**165.7**

	As at 30 July 2022 £m
Trade and other payables	(63.4)
Lease liabilities	(74.8)
Income tax liability	(1.0)
Liabilities held-for-sale	**(139.2)**

Footasylum was classified as held-for-sale as at 30 July 2022 and was subject to an individual plan and could be distinguished operationally and for financial reporting purposes. However, the Group had other subsidiaries and operations within the Sports Fashion segment in the UK. Therefore, Footasylum did not represent a separate major line of business or geographic area for the Group and was not classified as a discontinued operation as at 30 July 2022.

On 29 July 2022, JD Sports Fashion Plc exchanged contracts to sell Footasylum and its associated subsidiaries to Aurelius Group for cash consideration of £37.5 million. The transaction subsequently completed on 5 August 2022.

Held-for-sale – previous period ended 28 January 2023

Assets and Liabilities of Non-Core Businesses Held-for-Sale
As at 28 January 2023, eight non-core businesses were held at the lower of carrying value or fair value less costs to sell (excluding cash and cash equivalents). A reconciliation is provided in the table below. Cash and cash equivalents as at 28 January 2023 of £74.5 million were presented within the Group's cash and cash equivalents in accordance with IFRS 5.

Subsequent to the period end, on 7 February 2023, the Group completed the disposal of five of these businesses to Frasers Group Plc as per the terms of the transaction agreed on 16 December 2022:

- Tessuti Group Limited (100% equity interest) – including its subsidiaries Tessuti Limited (87.5% equity interest), Tessuti (Ireland) Limited (87.5% equity interest), Tessuti Retail Limited (100% equity interest) and Prima Designer Limited (100% equity interest);
- Choice Limited (87.5% equity interest) – including its subsidiary Choice 33 Limited (87.5% equity interest);
- Giulio Limited (87.5% equity interest) – including its subsidiaries Giulio Fashion Limited (87.5% equity interest) and Giulio Woman Limited (87.5% equity interest);
- R.D. Scott Limited (100% equity interest); and
- Catchbest Limited (80% equity interest).

8. Assets Held-For-Sale (continued)

Assets and Liabilities of Non-Core Businesses Held-for-Sale (continued)

Rascal Clothing Limited ('Rascal') was withdrawn from the transaction with Frasers as one of the founders exercised a pre-emption right agreed as part of the Group's acquisition of Rascal on 5 February 2019. The divestment of 75% equity interest in Rascal completed on 6 February 2023.

On 28 February 2023, the Group completed the divestment of Source Lab Limited to its non-controlling shareholder.

On 2 March 2023, the Group completed the disposal of 80% equity interest in Topgrade Sportswear Holdings Limited (including Topgrade Sportswear Limited and GetTheLabel.com Limited), the final entity outstanding as part of the Frasers transaction.

	As at 28 January 2023 £m
Intangible assets	**9.2**
Property, plant and equipment	**17.2**
Inventories	**52.7**
Trade and other receivables	**13.1**
Right-of-use assets	**30.8**
Assets held-for-sale	**123.0**

	As at 28 January 2023 £m
Trade and other payables	**(133.1)**
Provisions	**(0.4)**
Lease liabilities	**(32.1)**
Liabilities held-for-sale	**(165.6)**

Reconciliation to lower of fair value less costs to sell or carrying value	**52 weeks to 28 January 2023 £m**
Net liabilities held-for-sale	**(42.6)**
Cash and cash equivalents	**74.5**
Intercompany liabilities eliminating on consolidation	**(9.9)**
Impairment to lower of fair value less costs to sell	**(17.5)**
Cash consideration due to be received on completion	**4.5**

The businesses held-for-sale as at 28 January 2023 were subject to individual plans and would be distinguished operationally and for financial reporting purposes. However, the Group has other subsidiaries and operations which continue to operate within the same segment and geographic territories as the businesses that were classified as held-for-sale. Therefore, these entities do not represent a separate major line of business or geographic area for the Group and were not classified as discontinued operations as at 28 January 2023.

9. Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of economic benefits will be required to settle the obligation and the obligation can be estimated reliably.

Property Provision
Within the property provision, management has provided for expected dilapidations on stores and warehouses. This provision covers expected dilapidation costs for any lease considered onerous, any related to stores recently closed, stores which are planned to close or are at risk of closure and those under contract but not currently in use. Management maintains all properties to a high standard and carry out repairs whenever necessary during the Group's tenure. Therefore, if there is no risk of closure, any provision would be minimal and management does not consider it necessary to hold dilapidation provisions for these properties.

Other Provisions
Other provisions comprises various other trade provisions and legal costs. The provisions are estimated based on accumulated experience, supplier communication and management approved forecasts.

Onerous Contract Provision
Within the onerous contract provision, management has provided against the minimum contractual cost for the remaining term on a non-cancellable logistics services contract for the Azambuja warehouse in Portugal within the SportZone division. The provision will be unwound over the remaining seven years to the period ending 30 September 2030**.** During the period ended 29 July 2023 management have also provided for contracts now considered to be onerous following the disposal of the non-core fashion businesses.

	Property provision £m	Other provisions £m	Onerous contract provision £m	**Total £m**
Balance at 30 July 2022	21.7	9.3	4.7	**35.7**
Provisions reclassified from accruals	0.2	-	-	**0.2**
Provisions released during the period	(1.4)	(5.1)	(0.4)	**(6.9)**
Provisions created during the period	2.1	1.7	-	**3.8**
Provisions utilised during the period	(0.7)	(0.8)	-	**(1.5)**
Provisions transferred to held for sale	(0.4)	-	-	**(0.4)**
Provisions divested in the period	(0.1)	-	-	**(0.1)**
Balance at 28 January 2023	21.4	5.1	4.3	**30.8**
Provisions released during the period	(0.2)	-	(0.4)	**(0.6)**
Provisions created during the period	-	0.8	5.0	**5.8**
Provisions utilised during the period	-	(2.1)	(0.7)	**(2.8)**
Provisions divested in the period (Note 7)*	(0.2)	-	(0.2)	**(0.4)**
Balance at 29 July 2023	21.0	3.8	8.0	**32.8**

*The total value of divestments detailed in the table above for the period ended 29 July 2023 is in relation to the non-core fashion businesses. A total of £0.8m was divested as per note 7 where £0.4m was held-for-sale in the 52 week period ended 28 January 2023.

Provisions have been analysed between current and non-current as follows:

	26 weeks to 29 July 2023 £m	26 weeks to 30 July 2022 £m	52 weeks to 28 January 2023 £m
Current	**7.7**	13.0	9.7
Non-current (within 10 years)	**25.1**	22.7	21.1
Total provisions	**32.8**	35.7	30.8

10. Related party transactions

Transactions and balances with related parties during the period are shown below. Transactions were undertaken in the ordinary course of business on an arm's length basis. Outstanding balances are unsecured (unless otherwise stated) and will be settled in cash.

Transactions with Related Parties Who Are Not Members of the Group

Pentland Group Limited
During the period, Pentland Group Limited owned 51.6% (2022: 51.9%) of the issued ordinary share capital of JD Sports Fashion Plc. The Group made purchases of inventory from Pentland Group Limited in the period and the Group also sold inventory to Pentland Group Limited. The Group also paid royalty costs to Pentland Group Limited for the use of a brand.

During the period, the Group entered into the following transactions with Pentland Group Limited:

	Transactions with related parties 26 weeks to 29 July 2023 £m	Transactions with related parties 26 weeks to 30 July 2022 £m	Transactions with related parties 52 weeks to 28 January 2023 £m
Sale of inventory	**0.2**	0.5	1.2
Purchase of inventory	**(12.8)**	(14.2)	(43.3)
Royalty costs	**(3.5)**	(8.1)	(4.0)
Other costs	**(0.3)**	(0.7)	(0.4)
Dividends paid	**-**	-	(12.8)

At the end of the period, the following balances were outstanding with Pentland Group Limited:

	Amounts owed to / by related parties 26 weeks to 29 July 2023 £m	Amounts owed to / by related parties 26 weeks to 30 July 2022 £m	Amounts owed to / by related parties 52 weeks to 28 January 2023 £m
Trade receivables	**-**	-	0.4
Trade payables	**(3.7)**	(5.4)	(4.9)

Transactions with Associates and Joint Ventures

During the period, the Group entered into the following transactions with its associates and joint ventures:

	Transactions with related parties 26 weeks to 29 July 2023 £m	Transactions with related parties 26 weeks to 30 July 2022 £m	Transactions with related parties 52 weeks to 28 January 2023 £m
Sale of inventory	**0.6**	0.2	0.1
Purchase of inventory	**(2.2)**	(5.1)	(12.4)
Recharge of expenses	**-**	-	2.6
Dividends and distributions received	**-**	3.0	3.4

10. Related party transactions (continued)

Transactions with Associates and Joint Ventures (continued)

At the end of the period, the Group had the following balances outstanding with its associates and joint ventures:

	Amounts owed to / by related parties 26 weeks to 29 July 2023 £m	Amounts owed to / by related parties 26 weeks to 30 July 2022 £m	Amounts owed to / by related parties 52 weeks to 28 January 2023 £m
Trade receivables	**3.1**	0.2	2.9
Loans receivable in less than 1 year	**0.1**	-	0.2
Loans receivable in more than 1 year	**8.4**	-	7.6
Trade payables	**(0.3)**	(0.4)	(1.0)

Transactions with Directors
Other than the remuneration of Directors, there have been no other transactions with Directors in the period (26 week period ended 30 July 2022: £nil).

11. Contingent Liabilities

The activities of the Group are overseen by a number of regulators around the world and, whilst the Group strives to ensure full compliance with all its regulatory obligations, periodic reviews are inevitable which may result in a financial penalty. If the risk of a financial penalty arising from one of these reviews is more than remote but not probable or cannot be measured reliably then the Group will disclose this matter as a contingent liability. If the risk of a financial penalty is considered probable and can be measured reliably then the Group would make a provision for this matter.

12. Financial Instruments

The tables below show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy**.**

Fair Value Hierarchy

As at 29 July 2023, the Group held non-hedged foreign exchange forward contracts which were carried at fair value on the Consolidated Statement of Financial Position. With reference to the put and call options, in the consolidated accounts the synthetic forward is measured at the present value of the exercise price.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instrument
by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

12. Financial Instruments (continued)

	Carrying amount £m	Level 1 £m	Level 2 £m	Level 3 £m
At 29 July 2023				
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**1.5**	-	1.5	-
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**(15.7)**	-	(15.7)	-
Other financial liabilities				
Interest-bearing loans and borrowings – current	**(82.2)**	-	(82.2)	-
Interest-bearing loans and borrowings – non-current	**(32.4)**	-	(32.4)	-
Put and call options held by non-controlling interests (1)	**(1,317.5)**	-	-	(1,317.5)

1. During the period ended 29 July 2023 the Group announced its intention to acquire the remaining 49.98% shares in ISRG for a total cash consideration of £428.8 million following the exercise of a Buy/Sell Option within the shareholders agreement. A proportion of the Buy/Sell Option relates to the same shareholding as the ISRG put option previously recognised by the Group as a financial liability as at 28 January 2023 of £138.6 million and, as a result, this previously recognised put option has expired unexercised. The financial liability of £138.6 million has been removed with the corresponding entry to the put and call option reserve. In respect of the Buy/Sell Option, a financial liability of £428.8 million has been recognised as at 29 July 2023 alongside a corresponding put and call option reserve entry for the same amount on initial recognition of the option. This option was not previously recognised as a financial liability as it did not have a specified time period for execution and the acquisition or sale of the option holding was at the Group's discretion.

	Carrying amount £m	Level 1 £m	Level 2 £m	Level 3 £m
At 30 July 2022				
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**32.3**	-	32.3	-
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**(11.3)**	-	(11.3)	-
Other financial liabilities				
Interest-bearing loans and borrowings – current	**(83.0)**	-	(83.0)	-
Interest-bearing loans and borrowings – non-current	**(41.8)**	-	(41.8)	-
Put and call options held by non-controlling interests	**(815.9)**	-	-	(815.9)

	Carrying amount £m	Level 1 £m	Level 2 £m	Level 3 £m
At 28 January 2023				
Financial assets at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**14.5**	-	14.5	-
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts – non-hedged	**(30.4)**	-	(30.4)	-
Other financial liabilities				
Interest-bearing loans and borrowings – current	**(75.2)**	-	(75.2)	-
Interest-bearing loans and borrowings – non-current	**(38.0)**	-	(38.0)	-
Put and call options held by non-controlling interests	**(1,061.2)**	-	-	(1,061.2)

13. Post Balance Sheet Events
Acquisitions and divestments

Marketing Investment Group S.A. ('MIG')
On 8 August 2023, JD Sports Fashion Plc announced that it had exercised its rights under a call option and entered into a conditional agreement to acquire the outstanding 40% minority stake of MIG from its non-controlling shareholders and will become the 100% sole owner. Completion of the acquisition is subject to customary competition approval by the European Commission and anticipated in the second half of the financial period.

JDSF Holdings (Canada)
On 26 August 2023, JD Sports Fashion Plc transferred its 80% shareholding in JDSF Holdings (Canada) Inc into the Group's existing 80% owned US sub-group for cash consideration of CAD $14.4 million (£8.4 million). As a result of the transfer, JD Sports Fashion Plc now owns an effective shareholding of 64% of JDSF Holdings (Canada) Inc. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary and the transfer on 26 August 2023 did not result in a change of control.

JD Sports Fashion SDN BHD
On 30 August 2023, JD Sports Fashion Plc acquired the remaining 20% of the issued share capital in its existing subsidiary in Malaysia, JD Sports Fashion SDN BHD, for cash consideration of £35.5 million. The Group now owns 100% of the issued share capital of JD Sports Fashion SDN BHD and its subsidiaries. In accordance with IFRS 10, the Group had previously assessed and concluded that it controlled the subsidiary. As the acquisition on 30 August 2023 did not result in a change of control, this has been accounted for as an equity transaction.

SEA Sports Fashion
On 30 August 2023, JD Sports Fashion Plc disposed of its 60% shareholding in its Malaysian subsidiary SEA Sports Fashion SDN. BHD to the non-controlling interest. This transaction was not material.

14. Interim Report

This interim report is available to download from www.jdplc.com. Paper based copies will be available on application to the Company Secretary, JD Sports Fashion Plc, Hollinsbrook Way, Pilsworth, Bury, Lancashire, BL9 8RR.

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

– the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted for use in the UK; and
– the interim management report includes a fair review of the information required by:

a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

Régis Schultz

Chief Executive Officer
Hollinsbrook Way
Pilsworth
Bury
Lancashire

21 September 2023

Disclaimer

This announcement contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of JD Sports Fashion Plc. These statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts.