Q3 2026 results

The 13 weeks to 26 September 2026. All figures are unaudited.

Highlights

- Group revenue was £1,284 million, up 4.2% on the third quarter of 2025.
- Like-for-like sales grew 2.9%, with stores up 3.4% and online up 0.8%.
- Group gross margin was 38.6%, down from 40.3% a year earlier, with online the main drag.
- Underlying EBITDA was £96 million, against £118 million a year earlier.
- Net debt to EBITDA was 3.1 times at the end of the quarter, up from 2.7 times at the half year.
- Cash and undrawn facilities came to £412 million.

Results by segment

Third quarter 2026	Revenue (£m)	Change on Q3 2025	Gross margin
Stores	1,031	+5.1%	40.2%
Online	253	+0.8%	32.1%
Group	**1,284**	**+4.2%**	**38.6%**

Stores

Store sales grew in every region. Fresh food and the Northwind own label did best, and the 14 stores refitted in the first half traded ahead of plan. Store gross margin was 40.2%, down from 41.0%, as higher wages outweighed better buying.

Online

Online sales grew 0.8%, slower than in the first half. Online gross margin fell to 32.1% from 37.5% a year earlier: delivery costs rose, and the free-delivery threshold was cut to £40 in July. We expect the online margin to recover from the first quarter of 2027, when the new fulfilment centre in Leeds opens.

Financing

Net debt was £1,190 million on 26 September 2026, and EBITDA for the last twelve months was £384 million. The senior facilities run to 14 February 2029. Their leverage covenant is tested each quarter, and we met it at every test this year.

Outlook

We expect revenue for the full year to grow by 3% to 4%, and underlying EBITDA of £400 million to £420 million. Capital expenditure will be about £210 million, including the Leeds fulfilment centre.

Priya Raman, Chief Financial Officer: “Our stores had a good quarter. Online cost us margin, and we are fixing that: Leeds opens in the new year, and delivery charges are under review.”

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