News Release

Release date: 2nd July 2019

2018/19 Financial Statements – restated for IFRS 16

As previously announced, Morrisons is adopting the fully retrospective approach to the new IFRS 16 lease standard.

At the 2018/19 preliminary results, we outlined the impact of IFRS 16. It will have no economic effect on the business or cash flow. It does however impact the way assets, liabilities and the income statement are presented.

Our first Financial Statements to be prepared under IFRS 16 will be the 2019/20 interims, to be reported on 12 September. Ahead of those results, we are today publishing first half and full year restated 2018/19 results on a post-IFRS 16 basis.

Morrisons is predominantly a freehold business, and we own 86% of our stores, which means the impact of the new lease accounting standard on profit is relatively low. As previously announced, restated 2018/19 profit before tax and exceptionals is £10m lower under IFRS 16, falling from £406m to £396m (2.5%). This move comprises £103m lower rent, £58m higher depreciation and £55m higher finance costs.

Operating profit before exceptionals increases by £45m, to £510m, and operating margin by 25 basis points, to 2.9%.

On the balance sheet, the Group will be recognising lease liabilities of £1,397m and corresponding right-of-use assets of £745m. The net result is restated net assets for 2018/19 of £4,325m, £306m lower than the previously reported position.

Full details of the post-IFRS 16 2018/19 Financial Statements can be found here: https://www.morrisons-corporate.com/investor-centre/

Morrisons is hosting an IFRS 16 seminar for sell-side analysts at 11.00am UK time today.

Enquiries:

Wm Morrison Supermarkets plc

Trevor Strain – Group Chief Finance and Commercial Officer	0845 611 5000
Andrew Kasoulis – Investor Relations Director	0778 534 3515

Media Relations

Wm Morrison Supermarkets plc:	Julian Bailey	0796 906 1092
Citigate Dewe Rogerson:	Simon Rigby	0203 926 8522
	Kevin Smith	0203 926 8509

- ENDS -