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Photographs: Reiss images can be downloaded via: <https://we.tl/t-gGJ5JB1QJk>
NEXT images: <http://www.nextplc.co.uk/media/image-gallery/campaign-images>

NEXT PLC

Acquisition of an Interest in Reiss

NEXT plc ("NEXT") announces that it has agreed the terms of a deal to acquire a 25% indirect interest in Reiss Limited ("Reiss") through the acquisition of shares from existing shareholders, in the holding company of the Reiss business.

Upon completion of this deal, which is subject to regulatory clearance, NEXT will make an equity investment of £33m and a debt investment of £10m, financed from NEXT's own cash resources.

Under the terms of the agreement, NEXT has an option to acquire an additional 26% interest at pre-agreed terms which, if exercised, would take NEXT's holding to 51%. The option falls away after July 2022.

Reiss was founded in 1971 by David Reiss, originally as a menswear brand. It is now an affordable luxury apparel brand, producing and selling high-quality, classic and modern men's and women's clothing and accessories. In May 2016, US private equity firm Warburg Pincus acquired a majority stake in Reiss, with the Reiss family retaining a minority holding.

Christos Angelides was appointed CEO of Reiss in 2017 and will remain in that role. Christos previously worked for NEXT for 28 years, serving 14 years on the NEXT plc Board as Group Product Director.

An important aspect of the NEXT investment is that Reiss will retain its management autonomy and creative independence. Reiss will have its own independent Board of Directors and continue to be headquartered in London.

Reiss's websites and Online operations, both in the UK and overseas, will be contracted to NEXT through NEXT's Total Platform. Total Platform will also provide warehousing and distribution services for Reiss's retail, franchise, wholesale and concession businesses, all of which will continue to be operated by Reiss. It is anticipated Reiss will go live on NEXT's Total Platform in February 2022.

The intention is that NEXT's infrastructure - its online systems, warehousing, distribution assets and sourcing base - can serve as a launch pad for Reiss's growth plans, both in the UK, and overseas.

In the year to 1 February 2020, Reiss achieved turnover of £227.4m through all its sales channels, an increase of 22% on the prior year. The company currently operates in 14 countries from 79 stores, 104 concessions and via wholesale and franchises. In its first year, after accounting for integration and acquisition costs, the investment is expected to have minimal impact on NEXT group profits but we expect a positive contribution thereafter.

Simon Wolfson, NEXT Chief Executive said: "Reiss is an outstanding brand with enormous potential and a first class management team. We are excited to see what can be achieved through the combination of Reiss's exceptional product, marketing and brand building skills with NEXT's Total Platform infrastructure."

Christos Angelides, Reiss Chief Executive said: "I believe the partnership with NEXT will be transformational for Reiss's operational effectiveness. NEXT's infrastructure will ensure Reiss is not only more efficient as a business but more effective at serving its customers directly through Reiss stores, at [reiss.com](https://www.reiss.com) and through its worldwide partners. Whilst we will continue to focus on creating authentic and timeless collections, today's announcement provides a great opportunity for Reiss to realise the Brand's global potential as a Modern Fashion House."

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About NEXT

NEXT plc (LON: NXT) is a FTSE 100 company based in Leicester and is the UK's number one online clothing retailer. NEXT has around 500 stores in the UK and Eire and an online presence in over 70 countries selling the NEXT brand and over 700 other fashion, home and beauty brands, including Reiss.

About Reiss

Reiss, the modern fashion house, has designed and curated authentic luxury fashion, tailored for modern living, since 1971. Modern style should be enduring. Our Creative Team combines authentic design and creativity with an uncompromised approach to excellence and high levels of service. The Reiss complete wardrobe collections are thoughtfully-made, with versatile pieces to elevate the everyday. Wear now, keep forever, we try to empower the customer to dress to their style and to their purpose. The brand operates via multiple channels including: owned stores, on-line, wholesale, licensing, franchise and concession with more than 257 points of sale in 14 countries across the UK, US, EMEA and APAC. Please visit [reiss.com](https://www.reiss.com)