A woman with long brown hair stands in a field of purple lavender. She is wearing a long-sleeved, high-necked dress with a leopard print pattern. The dress has a gathered waist and a full skirt. The background shows a line of green trees under a cloudy sky.

July 2020

next

Income Statement

next

£m	July 2020	July 2019
Total sales	<u>1,357</u>	<u>2,059</u>
Operating profit	30	341
Interest	<u>(21)</u>	<u>(21)</u>
Profit before tax	<u>9</u>	<u>320</u>

The financial information presented excludes IFRS 16. Including IFRS 16 the statutory loss before tax for the 6 months to July 2020 is - £16.5m, compared to a profit before tax of £327.4m in the previous year.

Income Statement

next

£m	July 2020	July 2019
Total sales	<u>1,357</u>	<u>2,059</u>
Operating profit	30	341
Interest	<u>(21)</u>	<u>(21)</u>
Profit before tax	9	320

Non-recurring profit and loss items

Property profit	37	69
Business rates reduction	32	
Stock provisions & fabric	(39)	(96)
Property provisions/impairment	(37)	
Bad debt provision	(20)	
Total	<u>(27)</u>	

Income Statement

next

£m	July 2020	July 2019
Total sales	<u>1,357</u>	<u>2,059</u>
Operating profit	30	341
Interest	<u>(21)</u>	<u>(21)</u>
Profit before tax	9	320
Remove property profit	<u>(37)</u>	
Taxable loss	(28)	
Tax credit (offset H2 profit)	6	

Income Statement

next

£m	July 2020	July 2019		Brand Full Price
Total sales	<u>1,357</u>	<u>2,059</u>	- 34%	- 33%
Operating profit	30	341		
Interest	<u>(21)</u>	<u>(21)</u>		
Profit before tax	9	320		
Tax credit / (charge)	<u>6</u>	<u>(59)</u>		
Profit after tax	<u>15</u>	<u>261</u>		

The financial information presented excludes IFRS 16. Including IFRS 16 the statutory loss before tax for the 6 months to July 2020 is - £16.5m, compared to a profit before tax of £327.4m in the previous year.

Income Statement

next

£m

July 2020

July 2019

Brand
Full Price

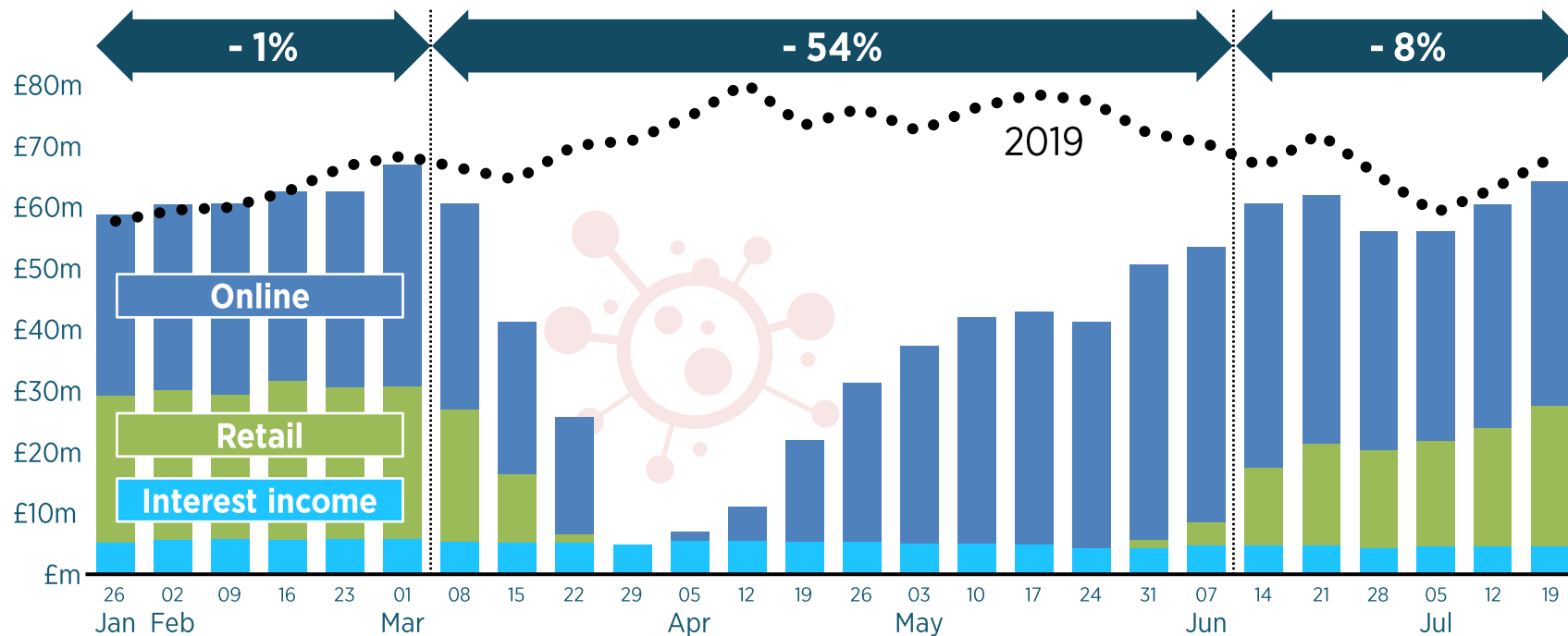
Total sales

1,357

2,059

- 34%

- 33%



Income Statement

next

£m	July 2020	July 2019		Brand Full Price
Total sales	1,357	2,059	- 34%	- 33%

SS20 Better performers

Home

Childrenswear

Sports

Lounge & underwear

FP sales - 17%

SS20 Poor performers

Formal

Occasion

Holiday

Shoes & accessories

FP sales - 53%

Income Statement

next

£m	July 2020	July 2019		Brand Full Price
Total sales	1,357	2,059	- 34%	- 33%

SS20 Better performers

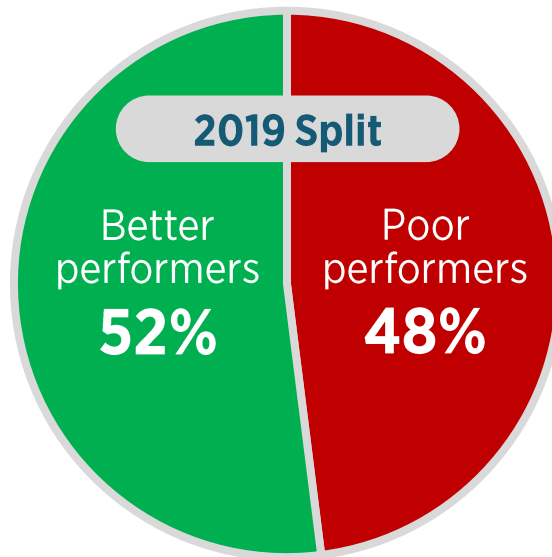
Home

Childrenswear

Sports

Lounge & underwear

FP sales - 17%



SS20 Poor performers

Formal

Occasion

Holiday

Shoes & accessories

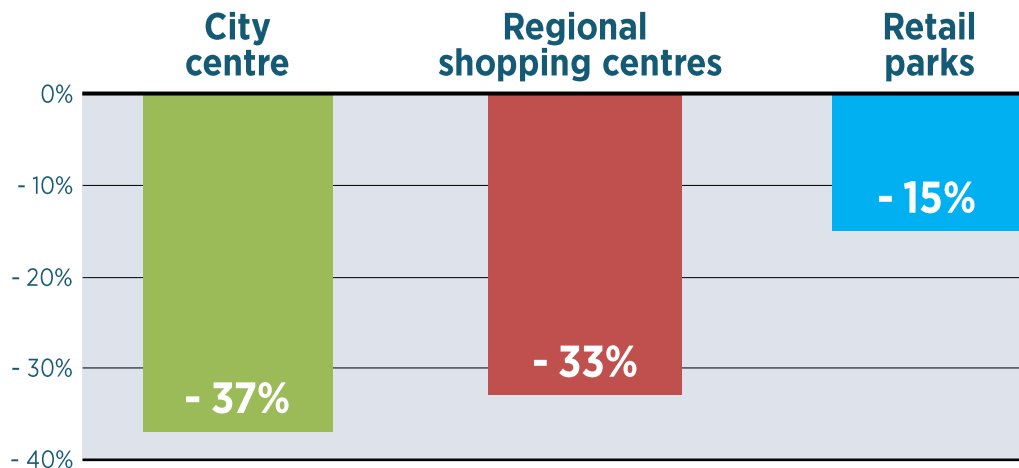
FP sales - 53%

Income Statement

next

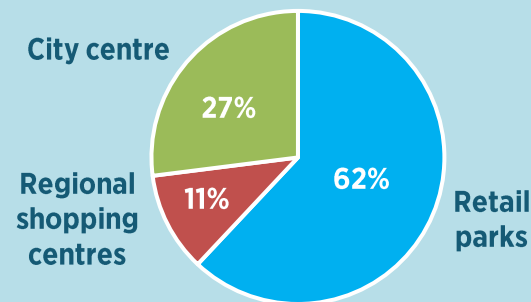
£m	July 2020	July 2019		Brand Full Price
Total sales	1,357	2,059	- 34%	- 33%

Retail store full price LFL sales | vs LY by store type



Participation % by sales

Year to Jan 2020



Cumulative sales since re-opening

Income Statement

next

£m	July 2020	July 2019	Var
Total sales	<u>1,357</u>	<u>2,059</u>	- 702
Operating profit	30	341	
Interest	<u>(21)</u>	<u>(21)</u>	
Profit before tax	9	320	- 311
Tax credit / (charge)	<u>6</u>	<u>(59)</u>	
Profit after tax	<u>15</u>	<u>261</u>	

£m

July 2020

Total lost sales	- 702
------------------	-------

Reduction in cost of stock	+ 220
----------------------------	-------

Cancelled contracts	+ 100
---------------------	-------

Reduced buy	+ 110
-------------	-------

Hibernated until Spring Summer 2021	+ 50
-------------------------------------	------

Stock provisions & fabric	- 40
---------------------------	------

Income Statement

next

£m

July 2020

Total lost sales	- 702
------------------	-------

Reduction in cost of stock	+ 220
----------------------------	-------

Reduced wages	+ 102
---------------	-------

Reduced occupancy costs	+ 45
-------------------------	------

Online marketing	+ 21
------------------	------

Other operational costs and group items	+ 3
---	-----

Profit before tax	- 311
-------------------	-------

Cash Flow

next

£m	July 2020	July 2019	Var
Profit before tax	9	320	- 311
Depreciation / disposals	174	61	+ 113
	Property disposal cash proceeds		+ 147
	Gain on sale and leaseback (non cash)		- 37
			<hr/>
			+ 110

The cash flow statement is not presented on a statutory basis.

Cash Flow

next

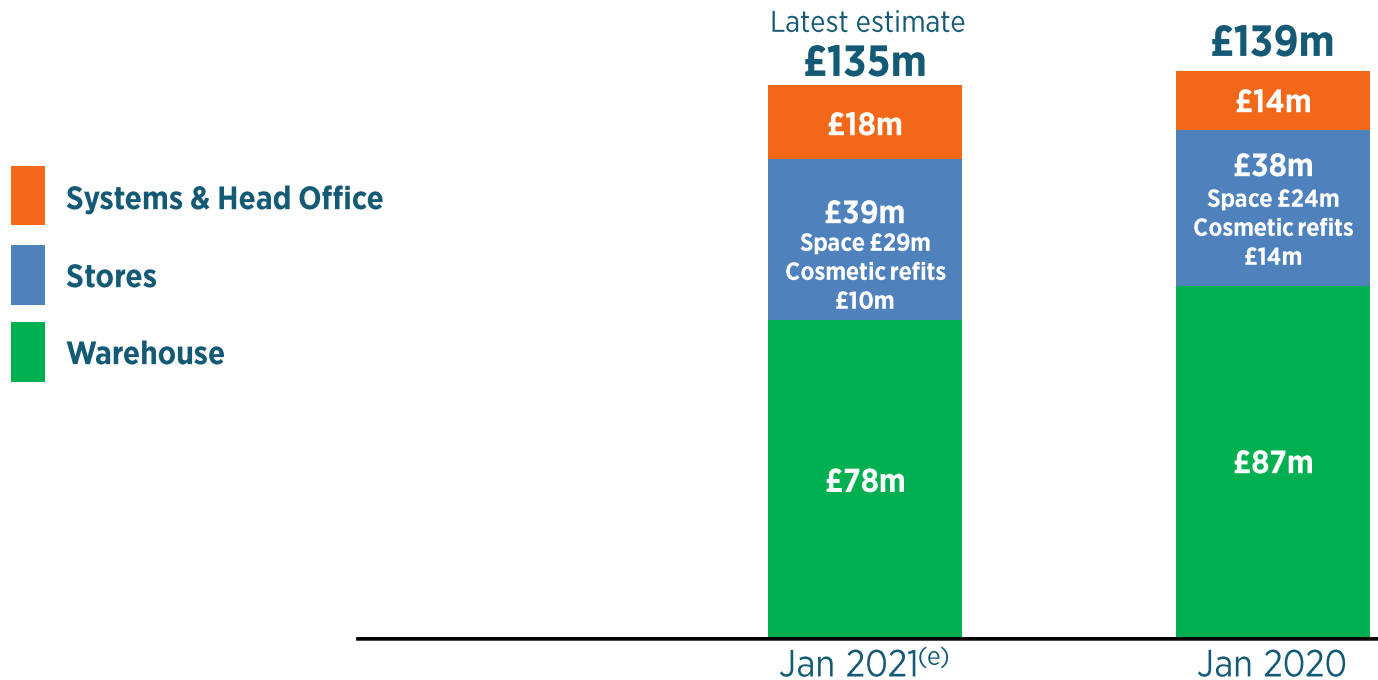
£m	July 2020	July 2019	Var
Profit before tax	9	320	- 311
Depreciation / disposals	174	61	+ 113
Capital expenditure	(47)	(65)	+ 18
Working capital / other	300	(28)	
Tax paid	(77)	(70)	
ESOT	7	(35)	
Cash flow before distribution	<u>366</u>	<u>183</u>	

The cash flow statement is not presented on a statutory basis.

Cash Flow

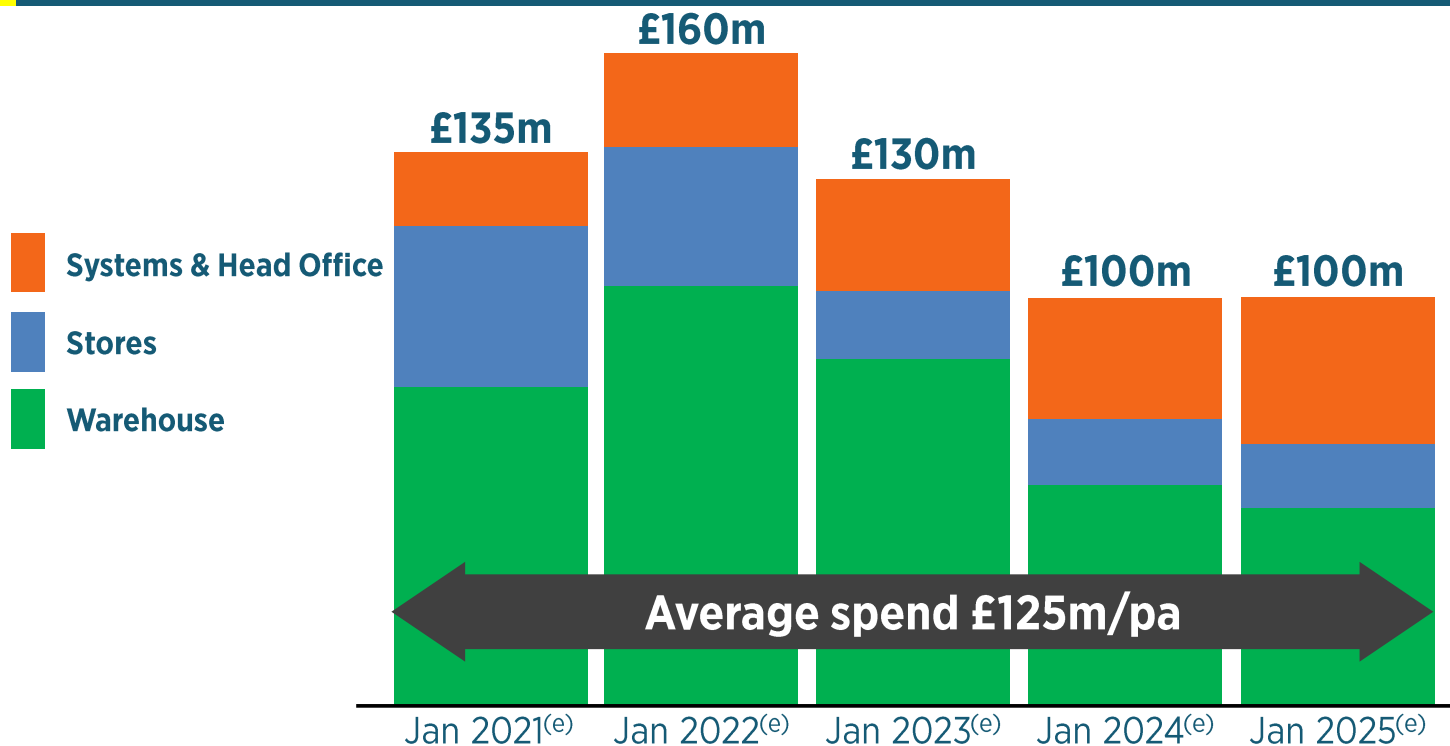
next

£m	July 2020	July 2019	Var
Capital expenditure	(47)	(65)	+ 18



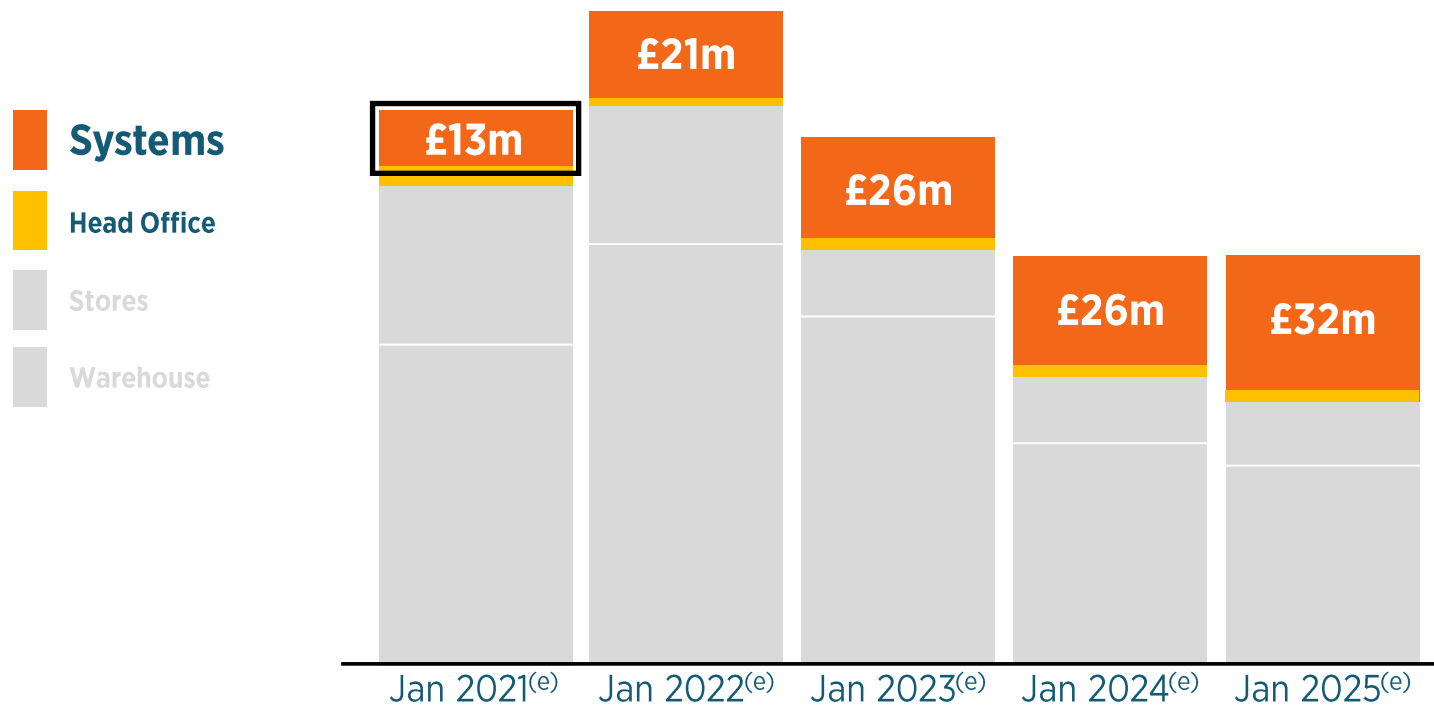
£m

Capital expenditure



£m

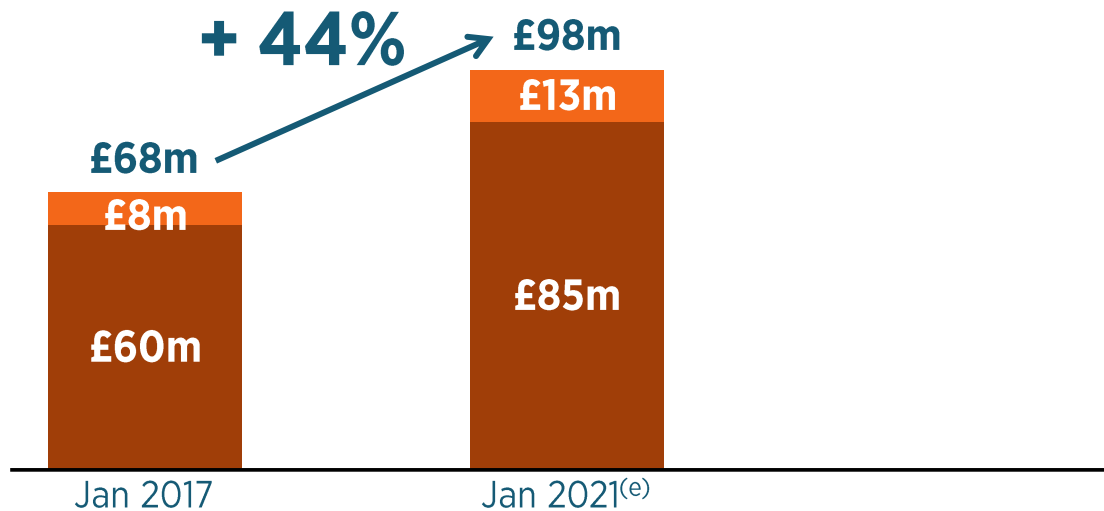
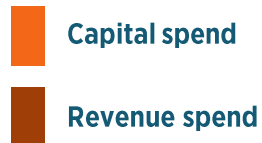
Capital expenditure



£m

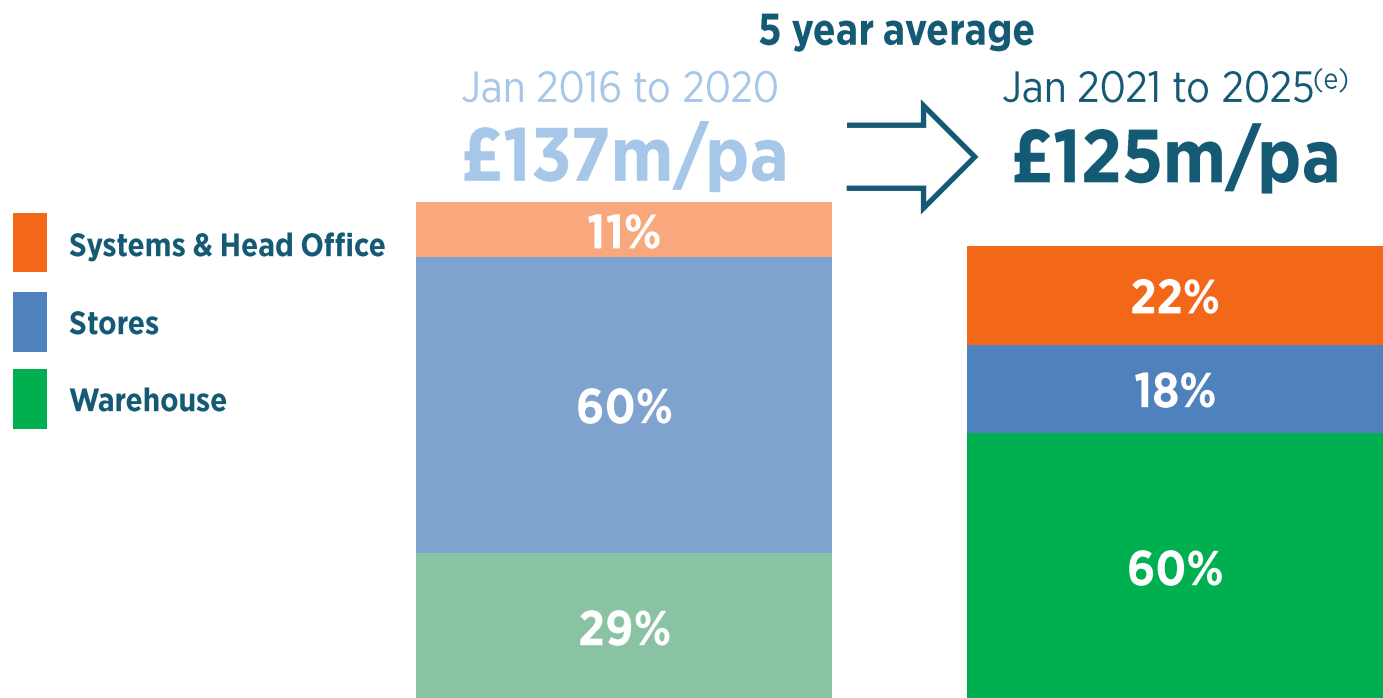
Capital expenditure

Systems



£m

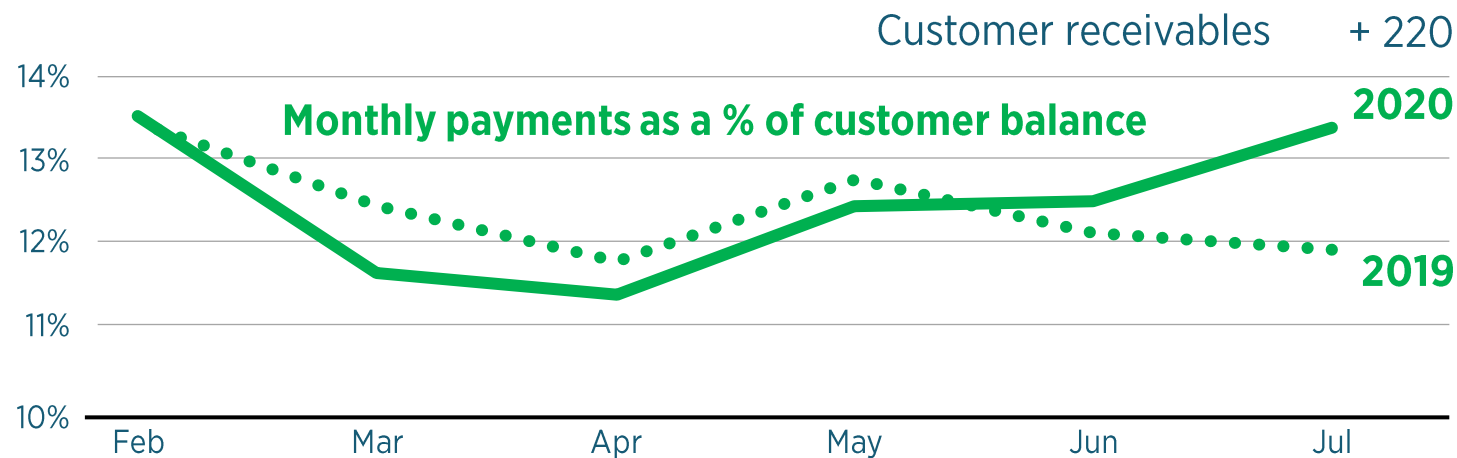
Capital expenditure



Cash Flow

next

£m	July 2020	July 2019	Var
Profit before tax	9	320	- 311
Depreciation / disposals	174	61	+ 113
Capital expenditure	(47)	(65)	+ 18
Working capital / other	300	(28)	+ 328



Cash Flow

next

£m	July 2020	July 2019	Var
Profit before tax	9	320	- 311
Depreciation / disposals	174	61	+ 113
Capital expenditure	(47)	(65)	+ 18
Working capital / other	300	(28)	+ 328

Customer receivables + 220

Stock reduction + 94

VAT deferral + 20

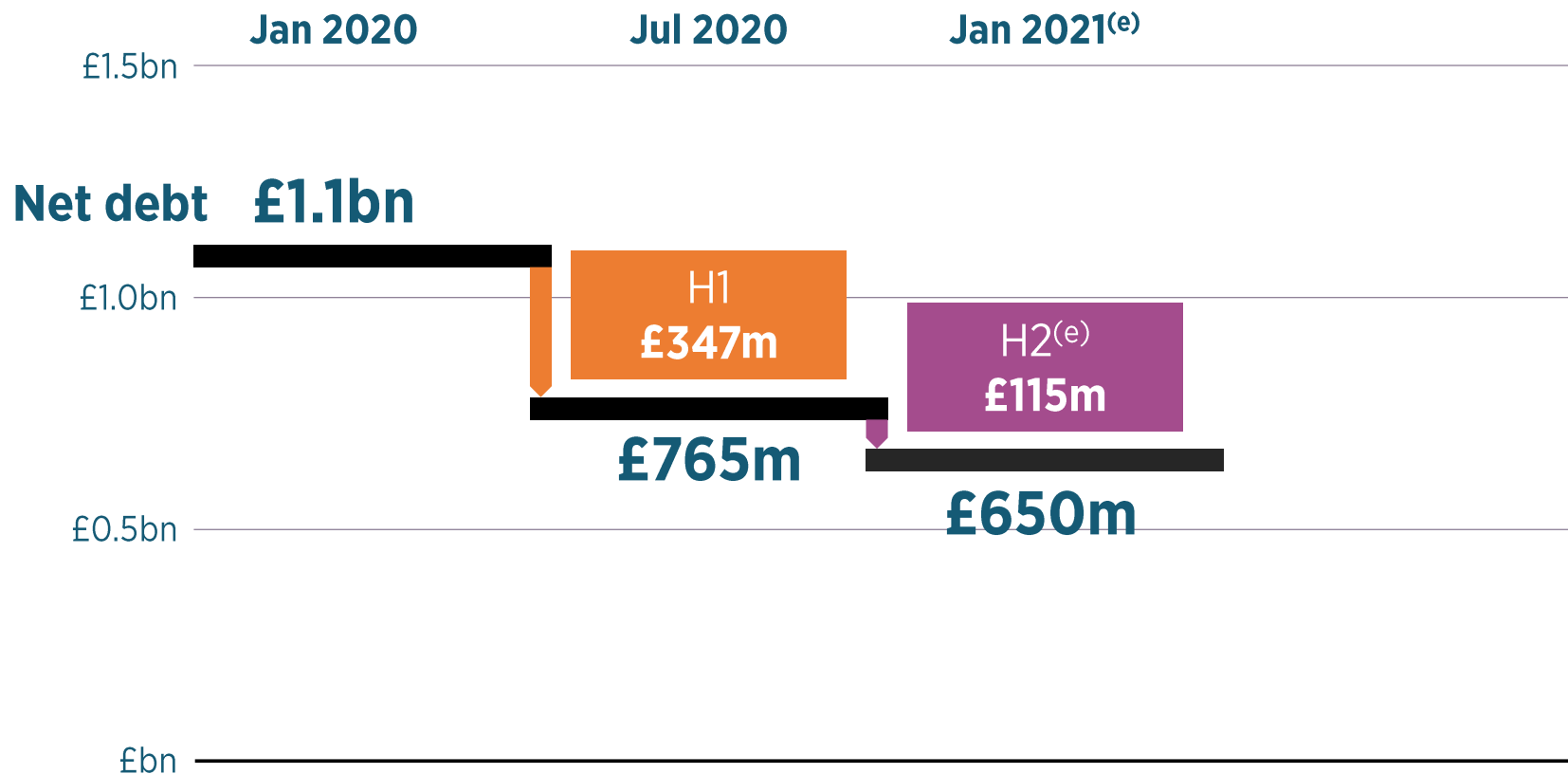
Other - 6

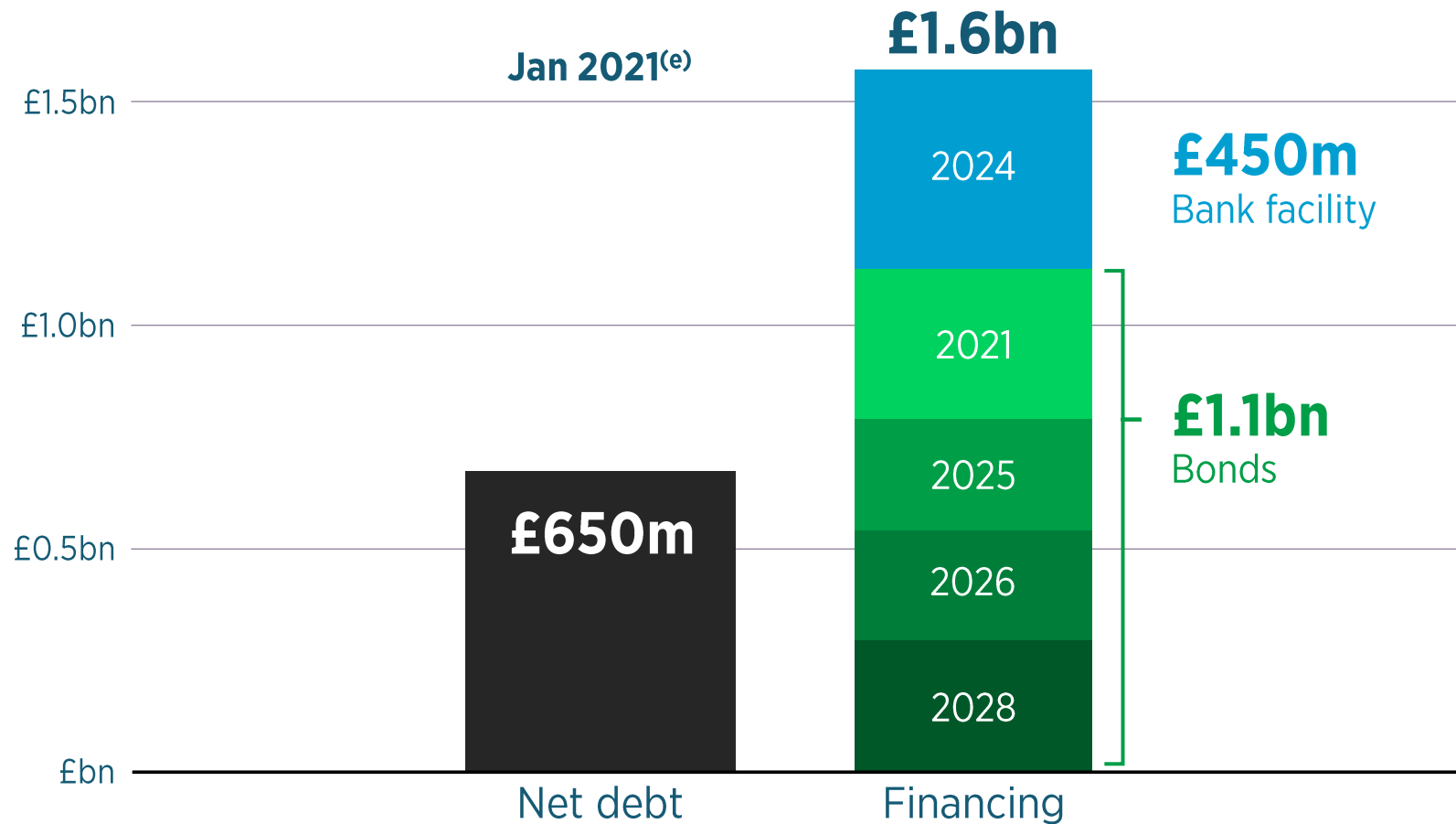
Cash Flow

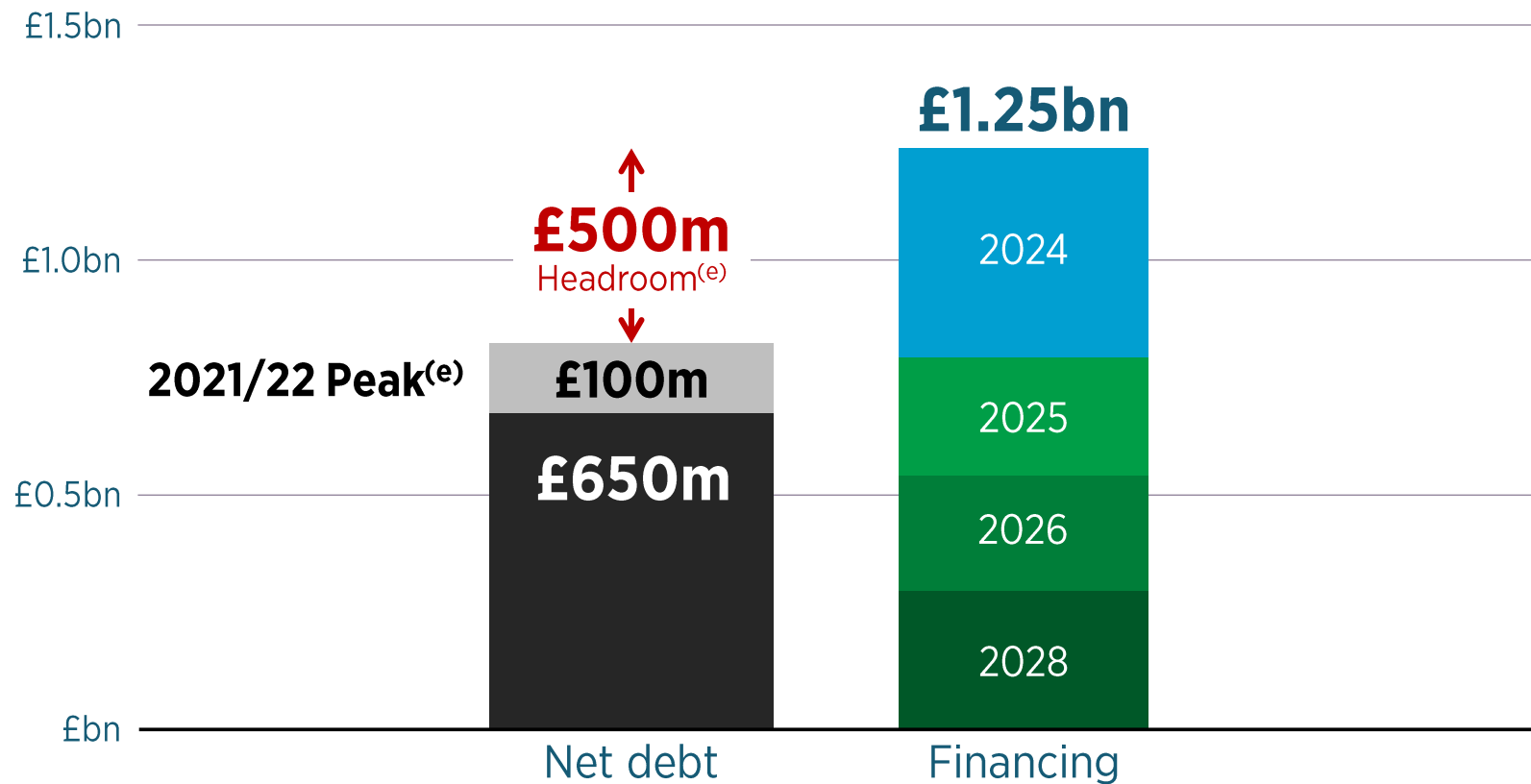
next

£m	July 2020	July 2019	Var
Profit before tax	9	320	- 311
Depreciation / disposals	174	61	+ 113
Capital expenditure	(47)	(65)	+ 18
Working capital / other	300	(28)	+ 328
Tax paid	(77)	(70)	- 7
ESOT	7	(35)	+ 42
Cash flow before distribution	366	183	
Buybacks	(19)	(280)	+ 261
Net cash flow	347	(97)	+ 444

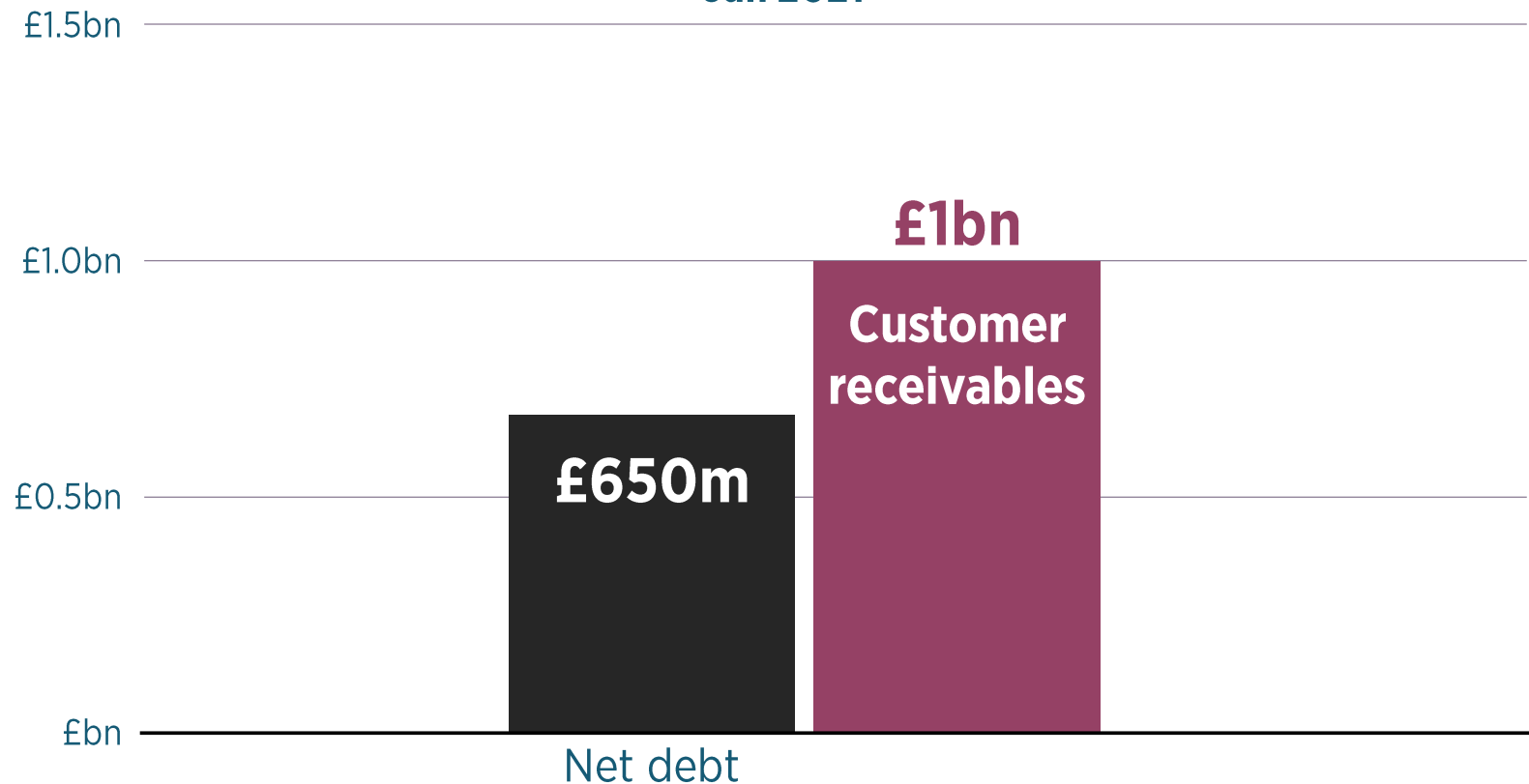
The cash flow statement is not presented on a statutory basis.







Jan 2021^(e)



Balance Sheet

next

£m	July 2020	July 2019	
Fixed assets and investments	465	575	
Goodwill and intangibles	44	45	
Stock	515	584	- 12%
Debtors / receivables	1,111	1,309	
Creditors / derivatives	(865)	(914)	
Dividends payable	0	(140)	
Pension surplus	88	142	
Net debt	(765)	(1,193)	
Net assets	593	408	

The financial information presented excludes IFRS 16

Balance Sheet

next

£m	July 2020	July 2019	Var
Fixed assets and investments	465	575	
Goodwill and intangibles	44	45	
Stock	515	584	- 69
Debtors / receivables	1,111	1,309	- 198

Customer receivables

July 2020
£1bn

- 16%

July 2019
£1.2bn

- 193

Increased debt provisions - 2%

Full year credit sales

12 months to
July 2020

- 12%

12 months to
July 2019

Accelerated payments in AW19 - 2%

Balance Sheet

next

£m	July 2020	July 2019	Var
Fixed assets and investments	465	575	
Goodwill and intangibles	44	45	
Stock	515	584	- 69
Debtors / receivables	1,111	1,309	- 198
Creditors / derivatives	(865)	(914)	
Dividends payable	0	(140)	
Pension surplus	88	142	
Net debt	(765)	(1,193)	
Net assets	593	408	+ 185

The financial information presented excludes IFRS 16



DIVISIONAL ANALYSIS

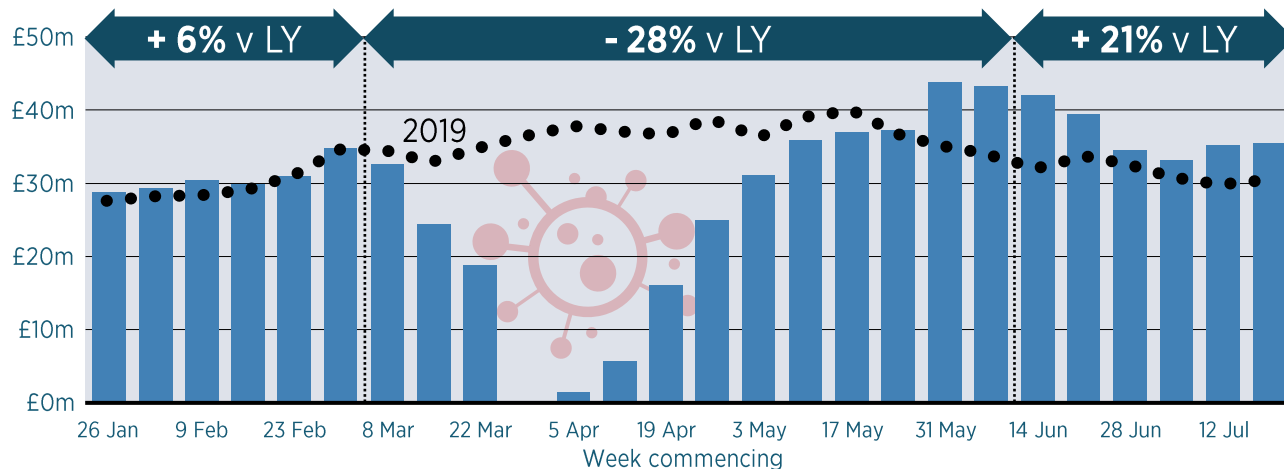
Online





£m	July 2020	July 2019		Full Price
Total sales	863	1,005	- 14%	- 11%
Operating profit	128	177		

Full price sales analysis





£m	July 2020	July 2019		Full Price
Total sales	863	1,005	- 14%	- 11%
Operating profit	128	177		

Full price sales analysis

	Increase on last year	
NEXT brand UK	- £46m	- 10%
LABEL	- £41m	
UK total	- £87m	- 13%

Lipsy UK - 48%

Other fashion brands - 19%

Beauty & Home + 24%

- 21%



£m	July 2020	July 2019		Full Price
Total sales	863	1,005	- 14%	- 11%
Operating profit	128	177		

Full price sales analysis

	Increase on last year	
UK total	- £87m	- 13%

Overseas by quarter

Q1	- 25%
Q2	+ 19%

Overseas	- £8m	- 3%
----------	-------	------

Total	- £95m	- 11%
--------------	---------------	--------------

- UK orders prioritised
- Russian/German warehouse



£m	July 2020	July 2019		Full Price
Total sales	863	1,005	- 14%	- 11%
Operating profit	128	177		

Full price sales analysis

Increase on last year

UK total - £87m - 13%

Overseas - £8m

Total - £95m - 11%

Overseas

by channel

3rd parties + 55%

NEXT Direct - 9%

- 3%



£m	July 2020	July 2019		Full Price
Total sales	863	1,005	- 14%	- 11%
Operating profit	128	177		

Full price sales analysis

Increase on last year

UK total - £87m - 13%

Overseas - £8m

Total - £95m - 11%

Overseas

by channel

LFL 3rd parties + 31%

NEXT Direct - 9%

- New partner
- Additional stock lines



£m	July 2020	July 2019		Full Price
Total sales	863	1,005	- 14%	- 11%
Operating profit	128	177		

Customer growth

	Full price sales	Avg. customers
UK total	- 13%	+ 2.5%
Overseas	- 3%	0%
Total	- 11%	+ 1.9%



£m	July 2020	July 2019		Full Price
Total sales	863	1,005	- 14%	- 11%
Operating profit	128	177		

Customer growth

	Full price sales	Avg. customers
UK credit	- 21%	0%
UK cash	+ 16%	+ 6%
UK total	- 13%	+ 2.5%



£m

July 2020

Total sales

- 142

Reduction in cost of stock

+ 45

Reduced wages

+ 32

Marketing

+ 21

Logistics costs

- 5

Operating profit

- 49



DIVISIONAL ANALYSIS

NEXT Finance

NEXT Finance | Key drivers of sales and profit

next

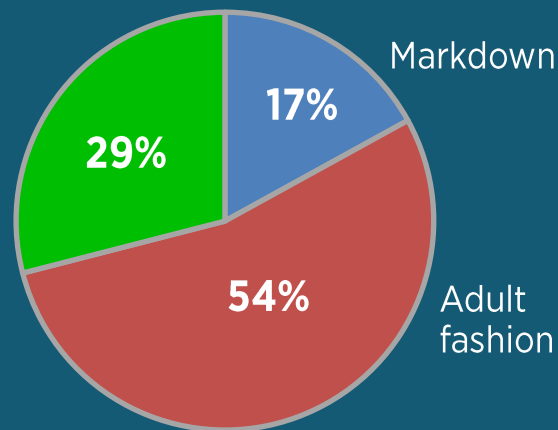


£m	July 2020	July 2019	
Credit sales*	620	833	- 26%
Average number of customers (000s)	2,569	2,568	0%
Sales per customer	£241	£325	- 26%

Credit merchandise sales

6 months to July 2019

Children
& Home



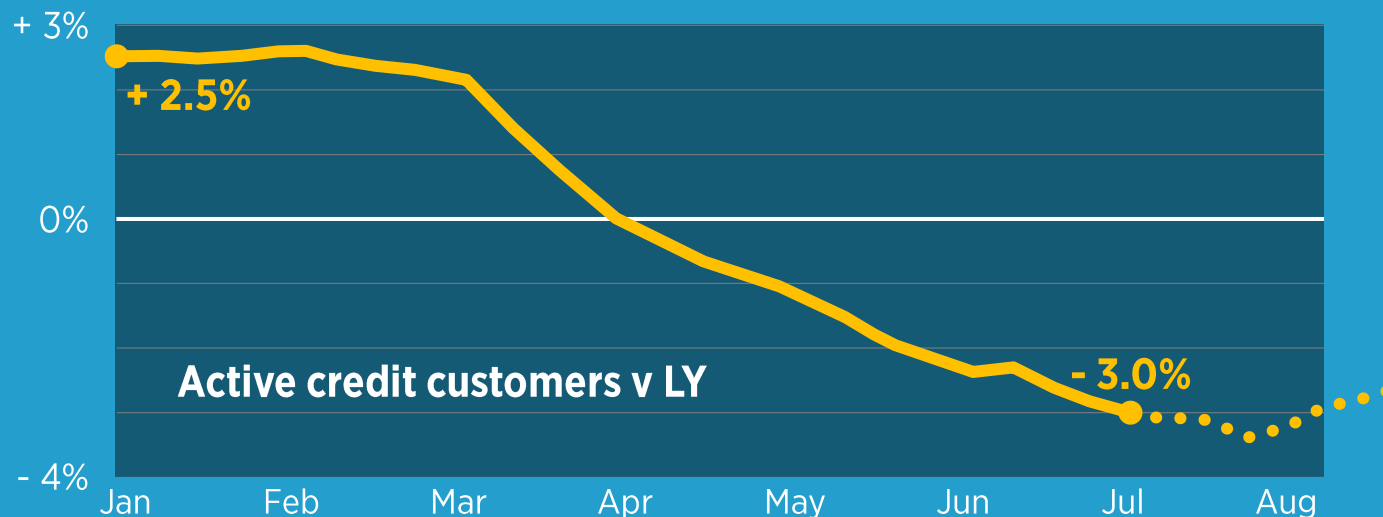
* Includes Online and Retail sales paid on a credit account plus interest income

NEXT Finance | Key drivers of sales and profit

next



£m	July 2020	July 2019	
Credit sales*	620	833	- 26%
Average number of customers (000s)	2,569	2,568	0%
Sales per customer	£241	£325	- 26%



* Includes Online and Retail sales paid on a credit account plus interest income

NEXT Finance | Income Statement

next



£m	July 2020	July 2019	
<i>Credit sales*</i>	620	833	- 26%
<i>Avg. customer receivables</i>	1,094	1,167	- 6%
Interest income	128	134	- 5%
Bad debt charge	(29)	(19)	+ 53%
Lower provision due to lower credit sales		6	
Sale of previously written off debt		4	
Provision for potential defaults from COVID		(20)	
July 2020		(29)	

* Includes Online and Retail sales paid on a credit account plus interest income

NEXT Finance | Income Statement

next



£m	July 2020	July 2019	
<i>Credit sales*</i>	620	833	- 26%
<i>Avg. customer receivables</i>	1,094	1,167	- 6%
Interest income	128	134	- 5%
Bad debt charge	(29)	(19)	+ 53%
Overheads	(20)	(21)	- 9%
Cost of funding recharge	(20)	(18)	+ 14%
Profit	59	76	- 22%
Avg. customer receivables	1,094	1,167	
Annual return on capital employed**	10.8%	13.0%	

* Includes Online and Retail sales paid on a credit account plus interest income

**Figures include cost of funding

DIVISIONAL ANALYSIS

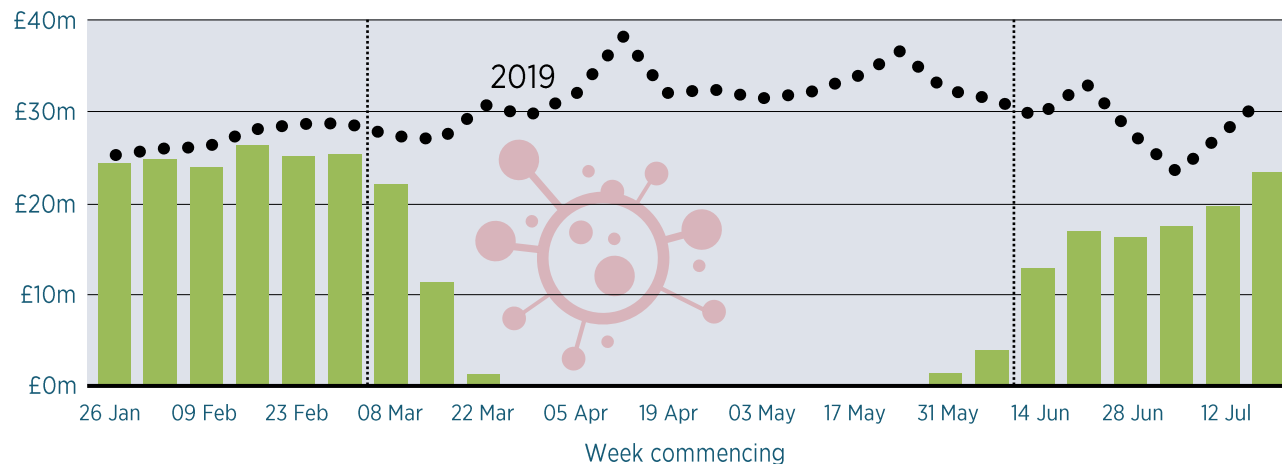
Retail





£m	July 2020	July 2019		Full Price
Total sales	345	874	- 61%	- 62%
Operating (loss)/profit	(175)	56		

Full price sales analysis



Full year estimate

6

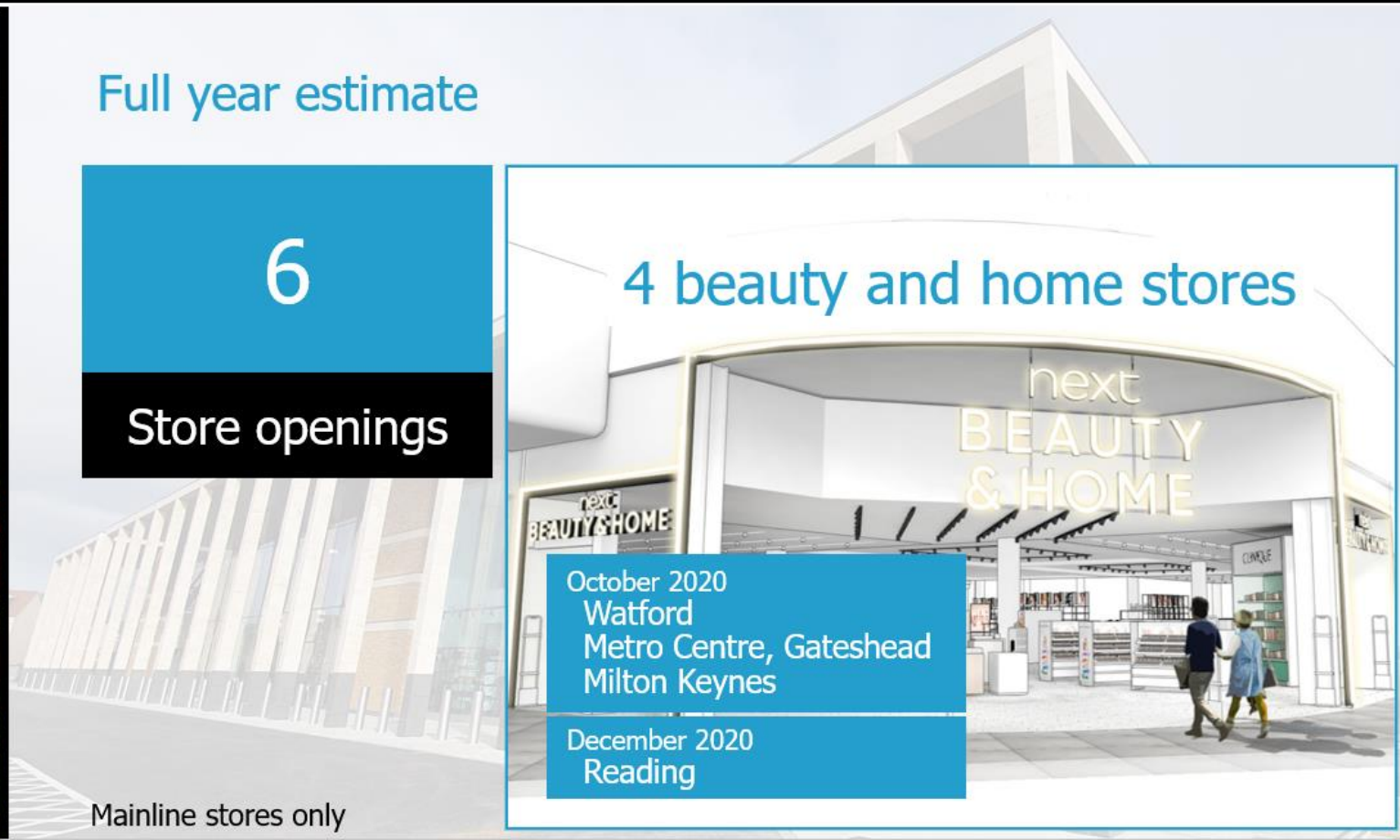
Store openings

4 beauty and home stores

October 2020
Watford
Metro Centre, Gateshead
Milton Keynes

December 2020
Reading

Mainline stores only



Full year estimate

6

Store openings

13

Store closures

60

Lease renewals

Mainline stores only



Including short term leases (< 2 years)

Lease renewals	60
Average rent reduction ¹	- 50%
Term	3.5 years
Average profit ²	24%

Annualised impact

Rent reduction
£10m^(e)

¹ Includes amortisation of unspent capital contributions / rent free periods over the lease length

² Average profit based on sales for the year to January 2020, less 20%

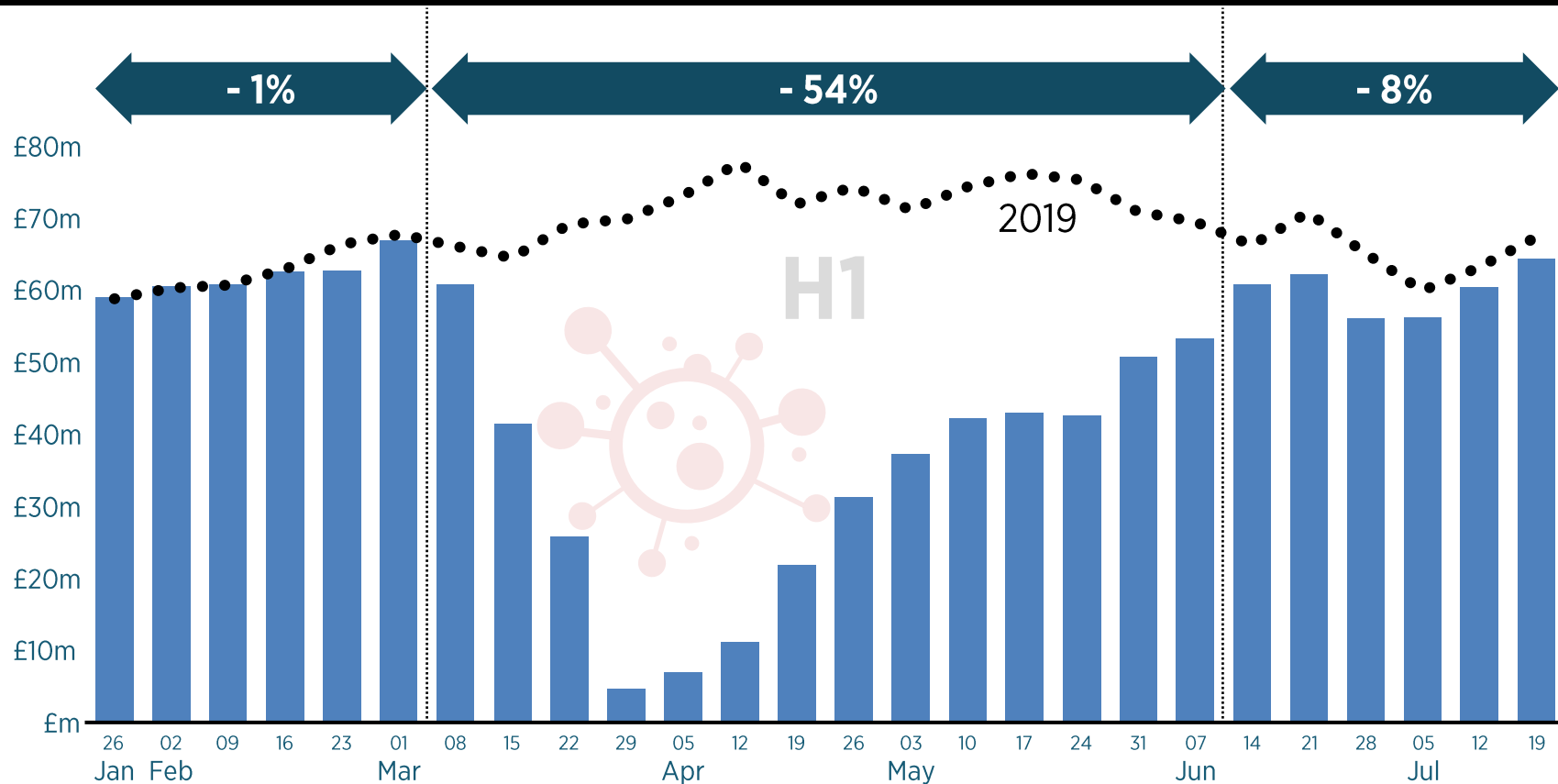


NEXT PLC SCENARIOS

Full Year Sales and Profit

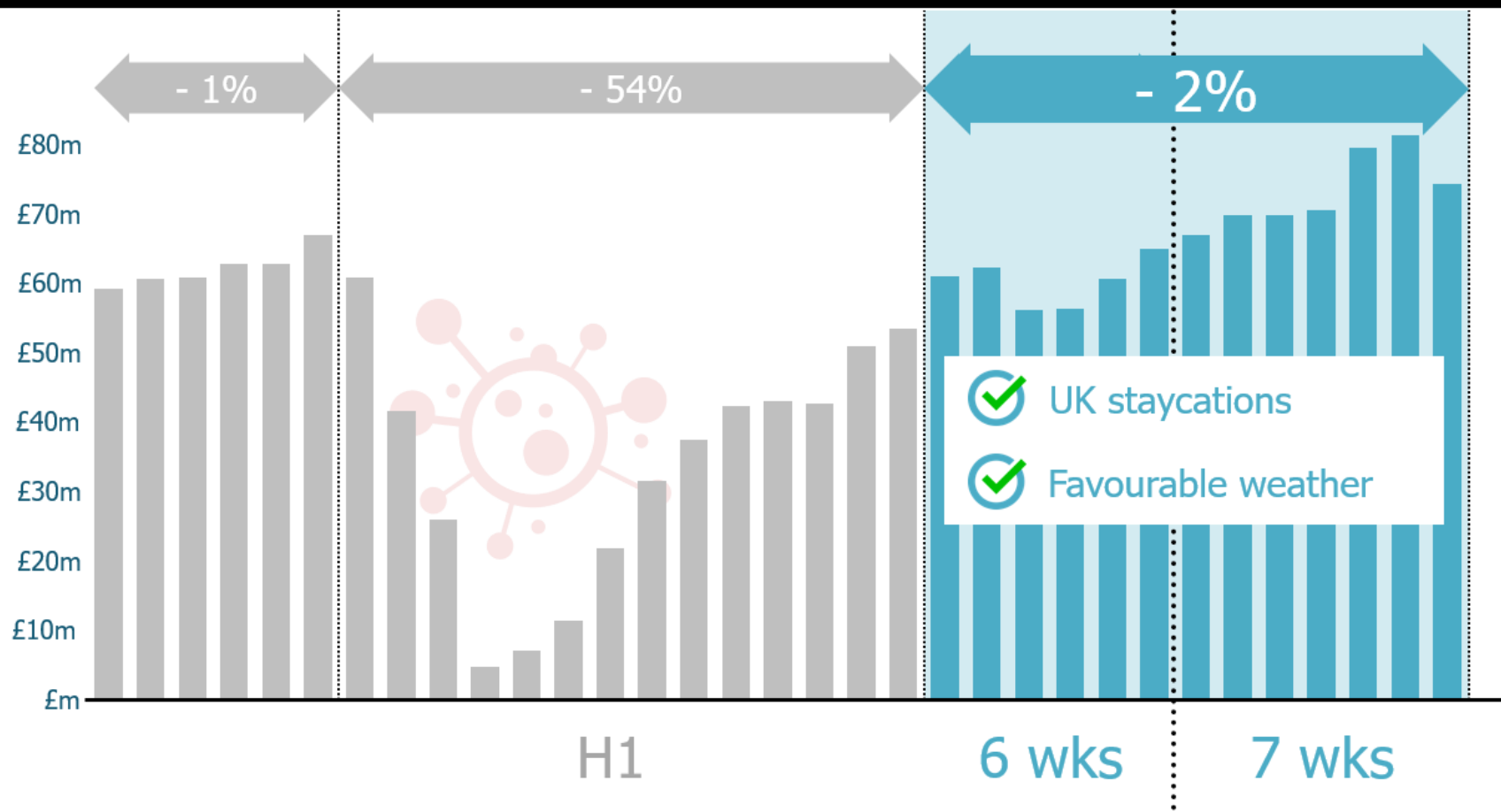
2020 /21 Full Price Brand Sales Analysis

next

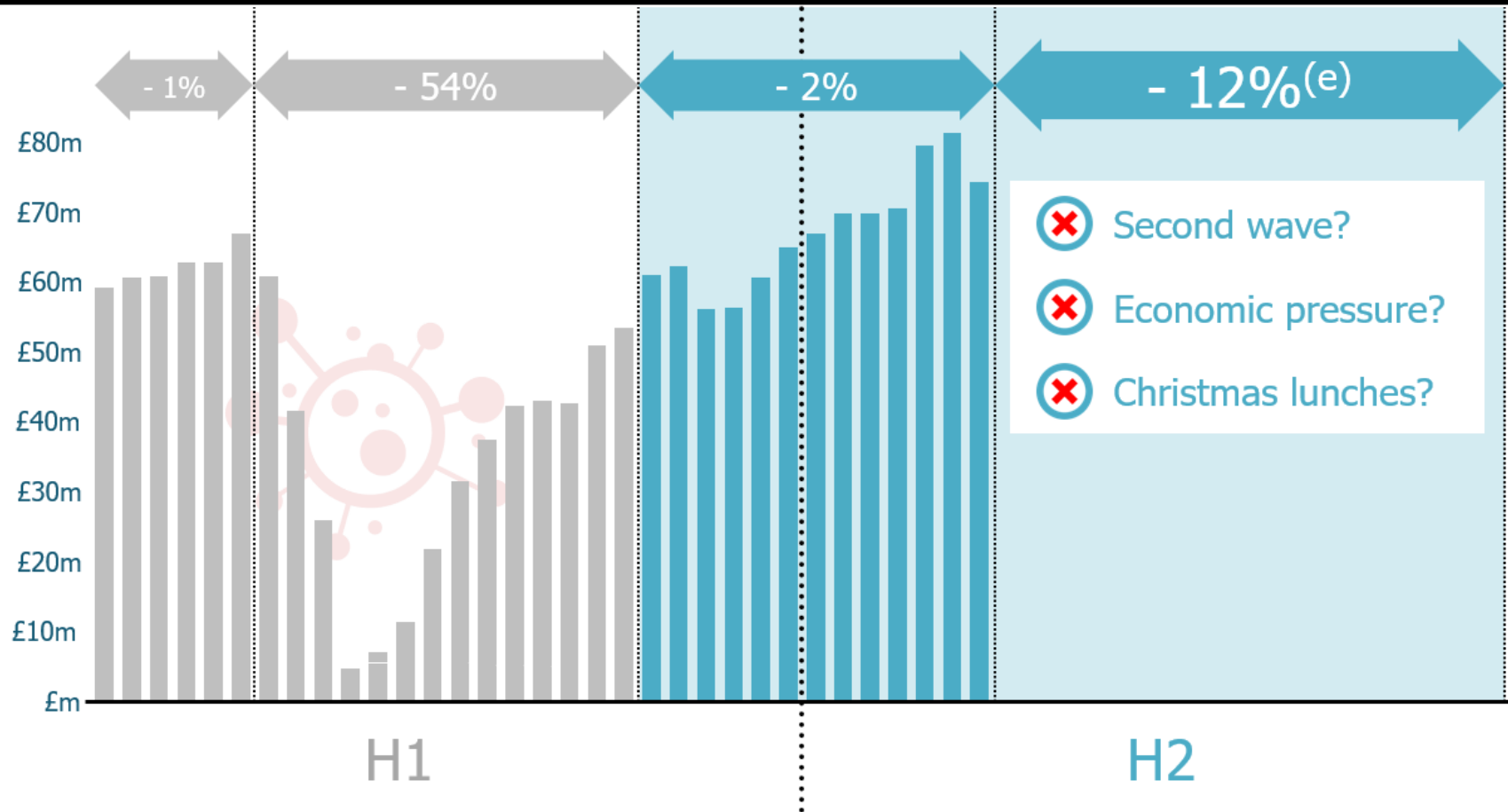


2020/21 Full Price Brand Sales Analysis

next



next



2020 /21 Full Price Brand Sales Analysis

next

Scenario v LY		Upside	Central	Downside
H1			- 33%	
H2	To date		+ 4%	
H2 ^(e)	Rest of year	- 4%	- 12%	- 34%
H2 ^(e)		- 2%	- 8%	- 25%

2020 /21 Full Price Brand Sales Analysis

next

Scenario v LY	Upside	Central	Downside
H1		- 33%	
H2 ^(e)	- 2%	- 8%	- 25%
Full Year ^(e)	- 17%	- 20%	- 29%
Underlying PBT ^(e)	£370m	£300m	£110m
Net Debt ^(e) *	£635m	£650m	£825m

* As at 53rd week



Talking Points



Talking Points

Sales resilience



Talking Points

Sales resilience

Financial stability



Talking Points

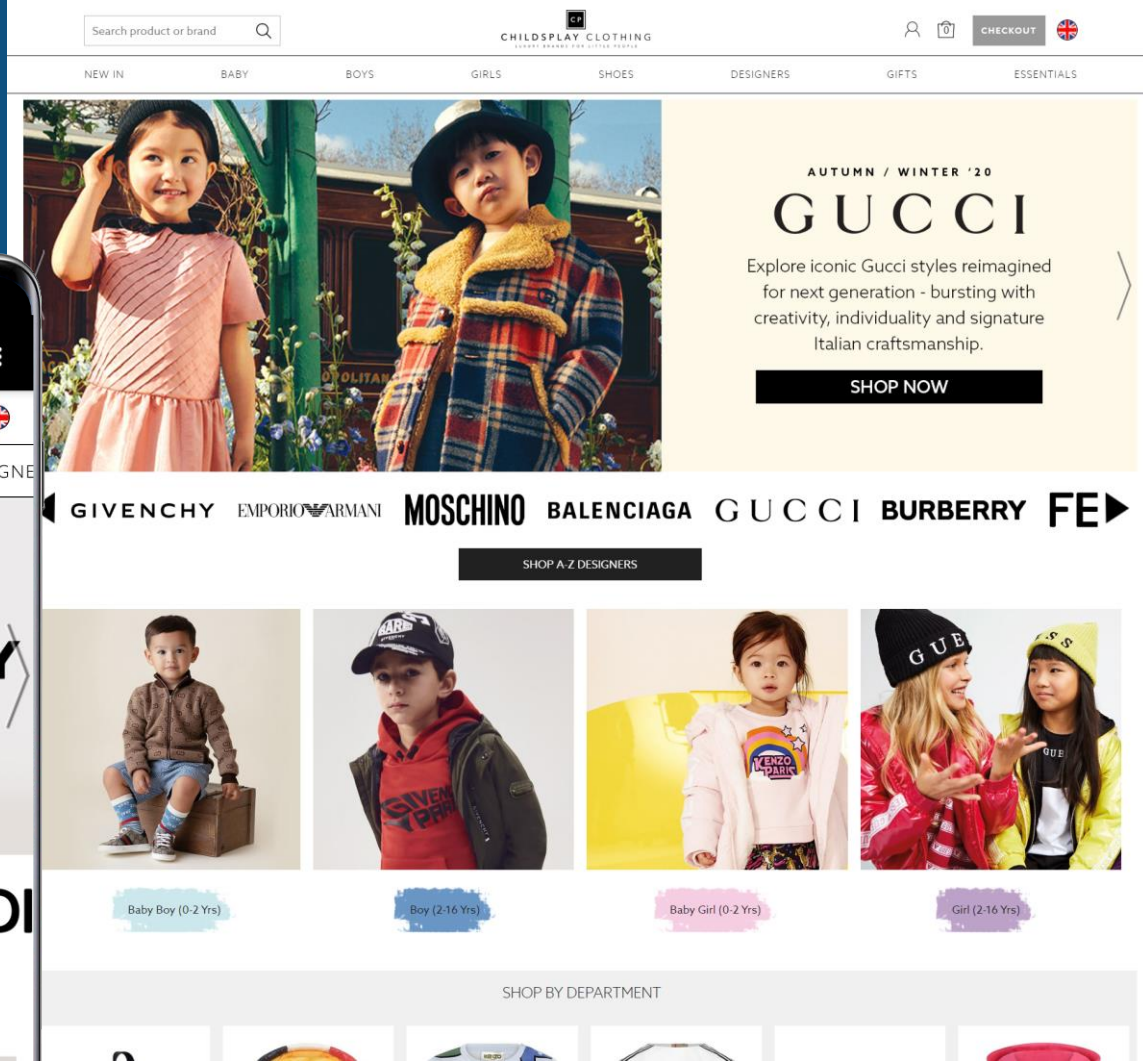
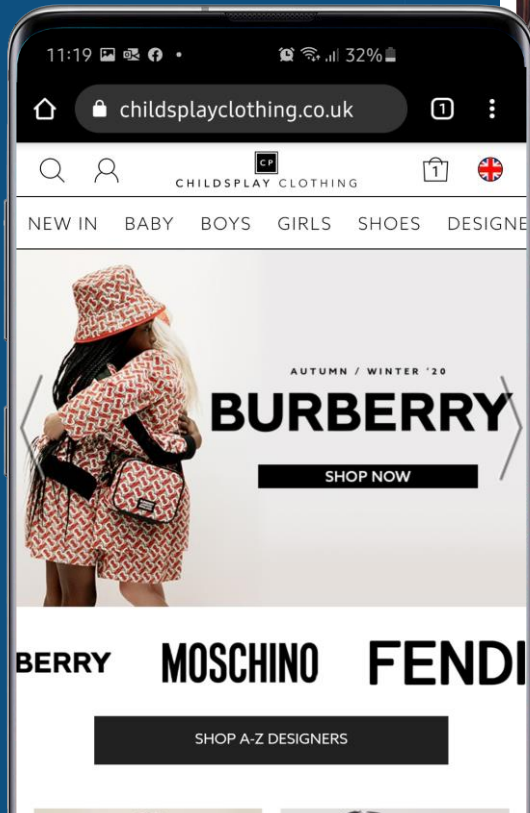
Sales resilience

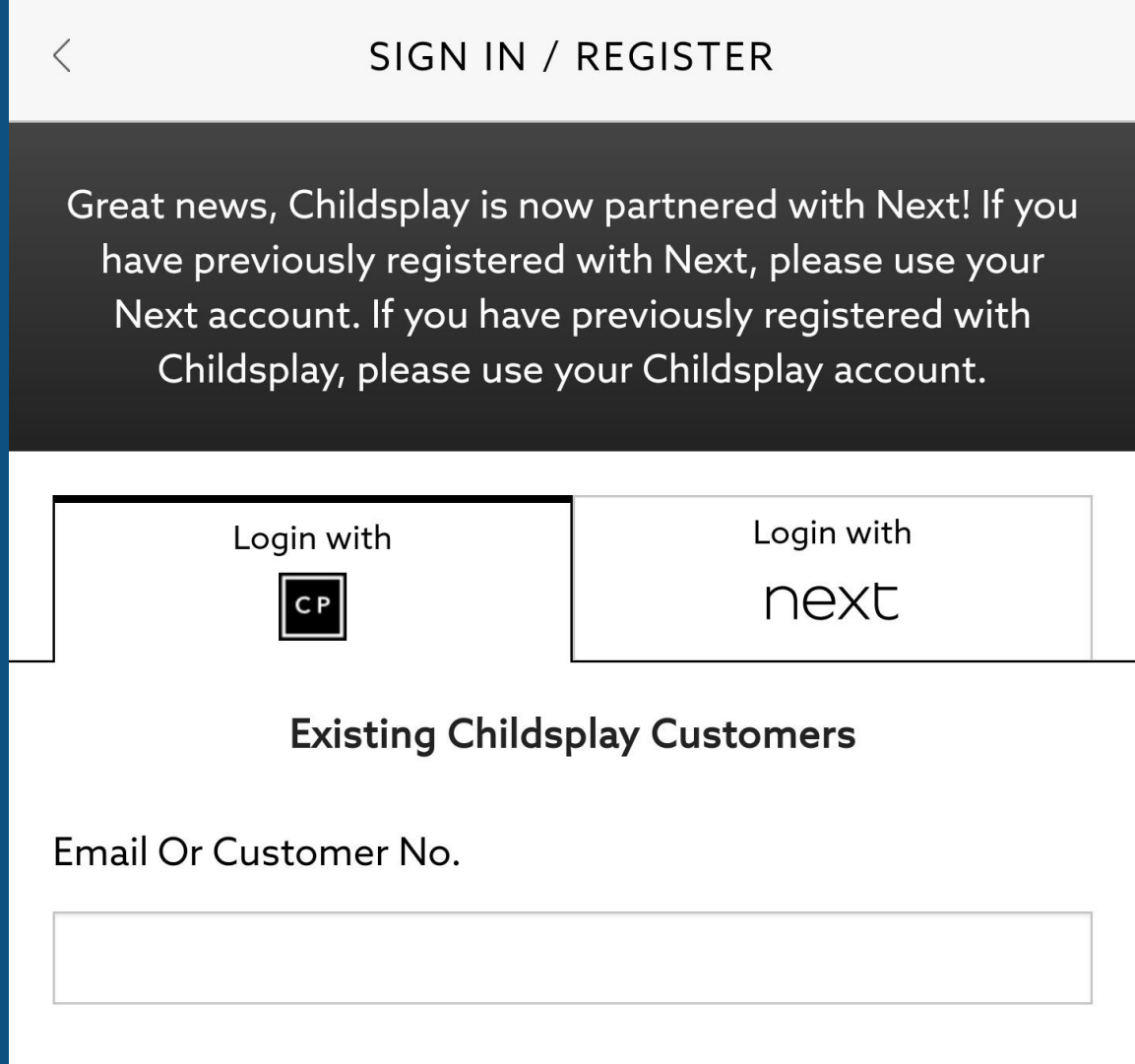
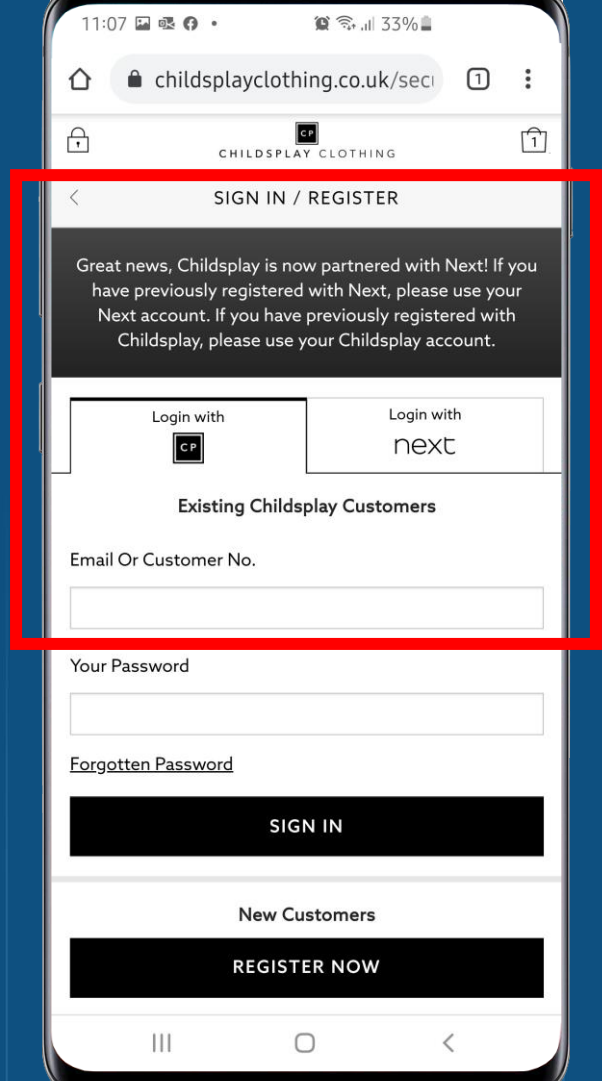
Financial stability

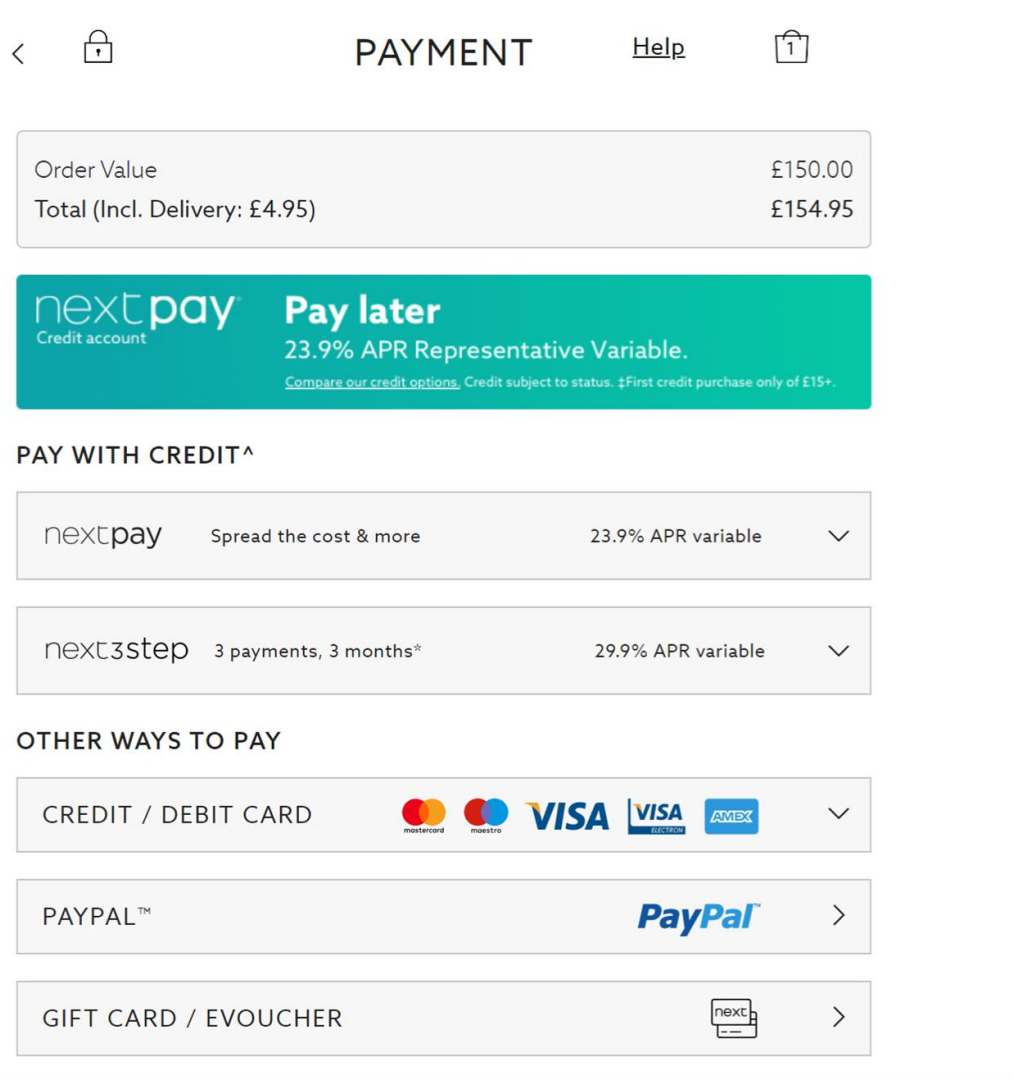
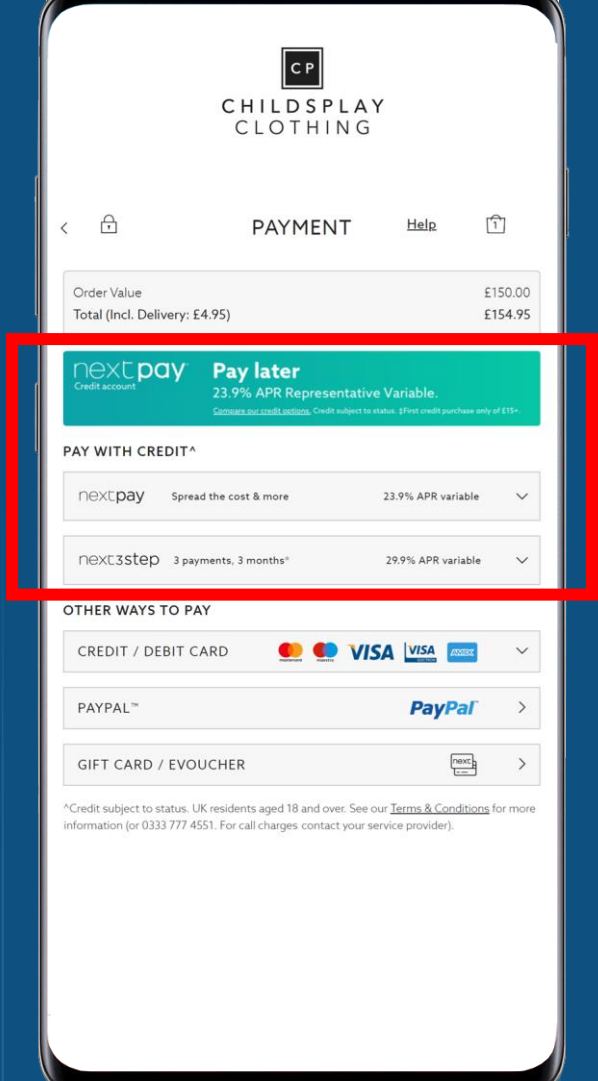
New opportunities



CHILDSPLAY
CLOTHING









CHILDSPLAY
CLOTHING





CHILDSPLAY
CLOTHING

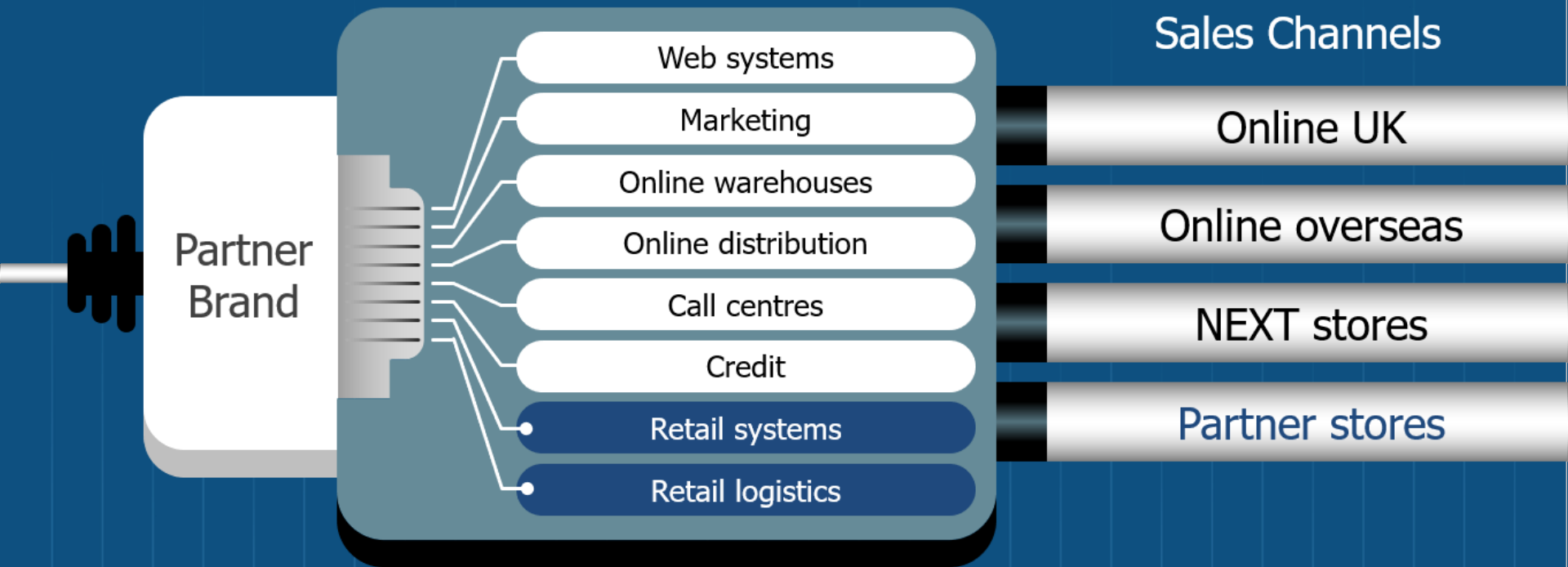
Y CLOTHING
FOR LITTLE PEOPLE



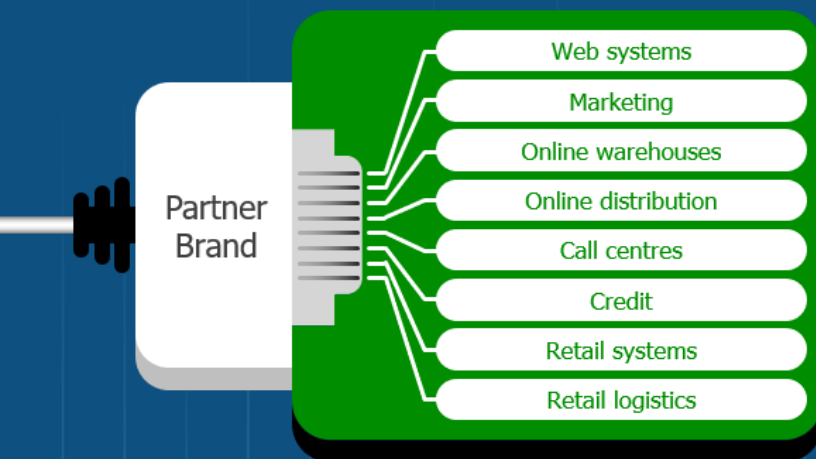
Y CLOTHING
FOR LITTLE PEOPLE







TOTAL



Pre-integrated

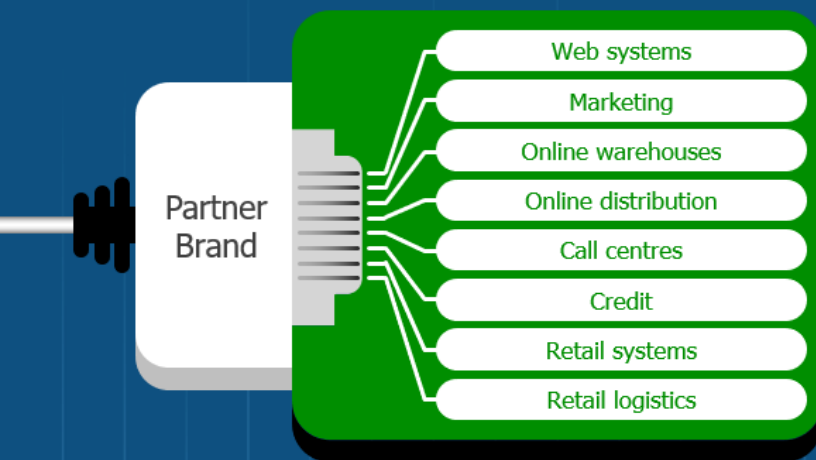
D036 MD CD01 AW20
A97510 CD8436906



POS: 899-435-057-002245

LARGE **WB/779**
PLEASE NOTE RETURNS WILL ONLY BE
ACCEPTED IF THIS TAG REMAINS ATTACHED

TOTAL



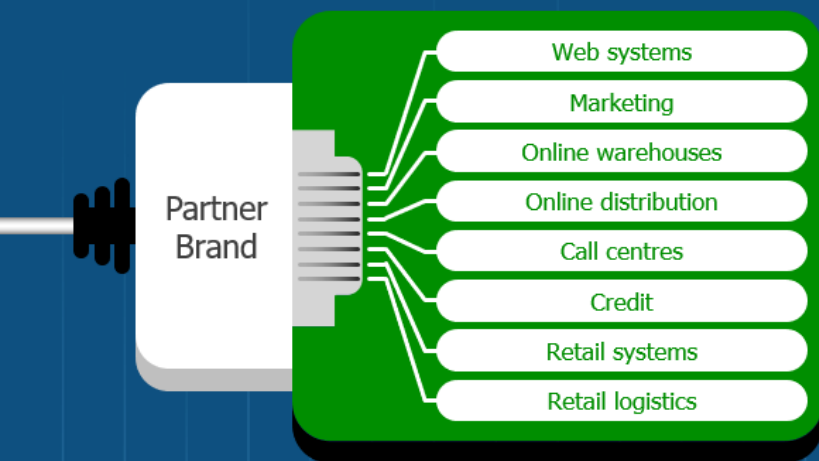
Pre-integrated



Commission model

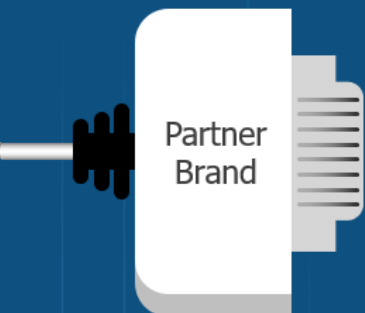
- Variable cost base
- Capex free
- Interests aligned

TOTAL



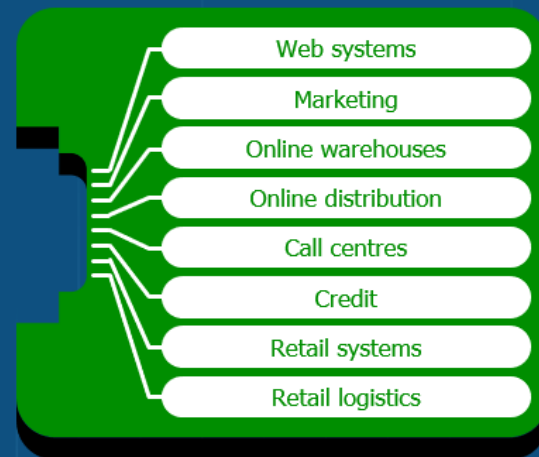
- ✓ Pre-integrated
- ✓ Commission model
- ✓ Better service at lower cost
- ✓ Painless growth

✔ Brand Focus



- Design
- Sourcing
- Buying
- Photography
- Branding

✔ NEXT Operations





Owned by Lbrands.



49%

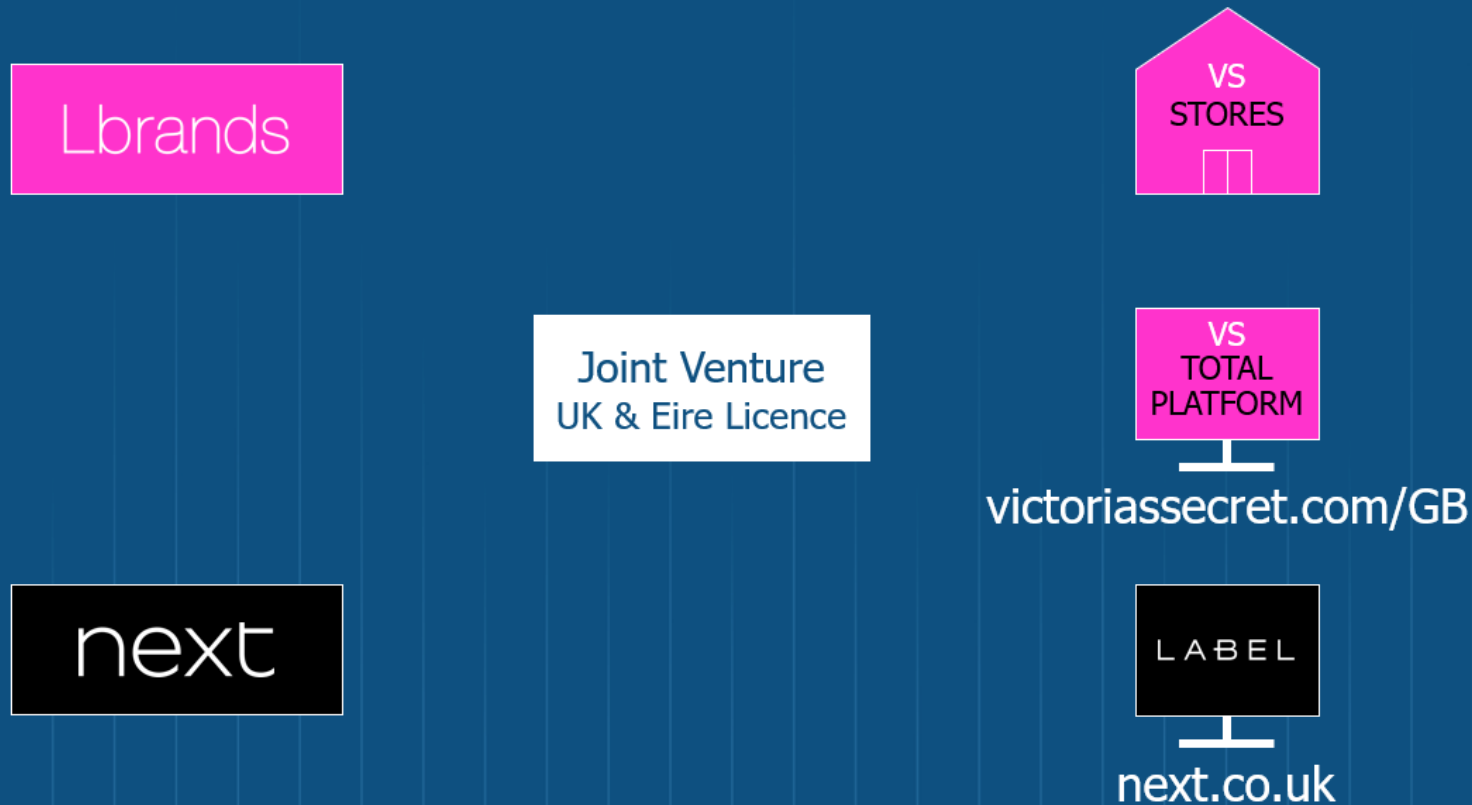
Lbrands

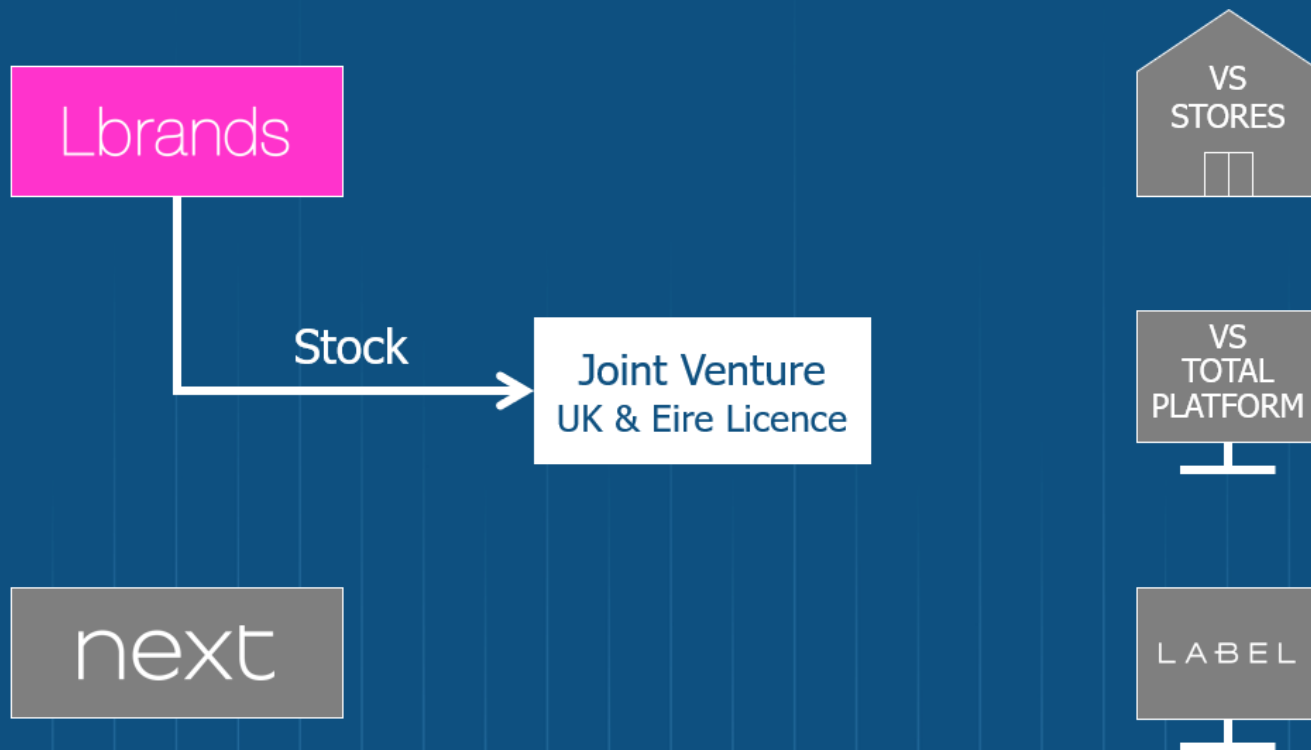
Joint Venture
UK & Eire Licence

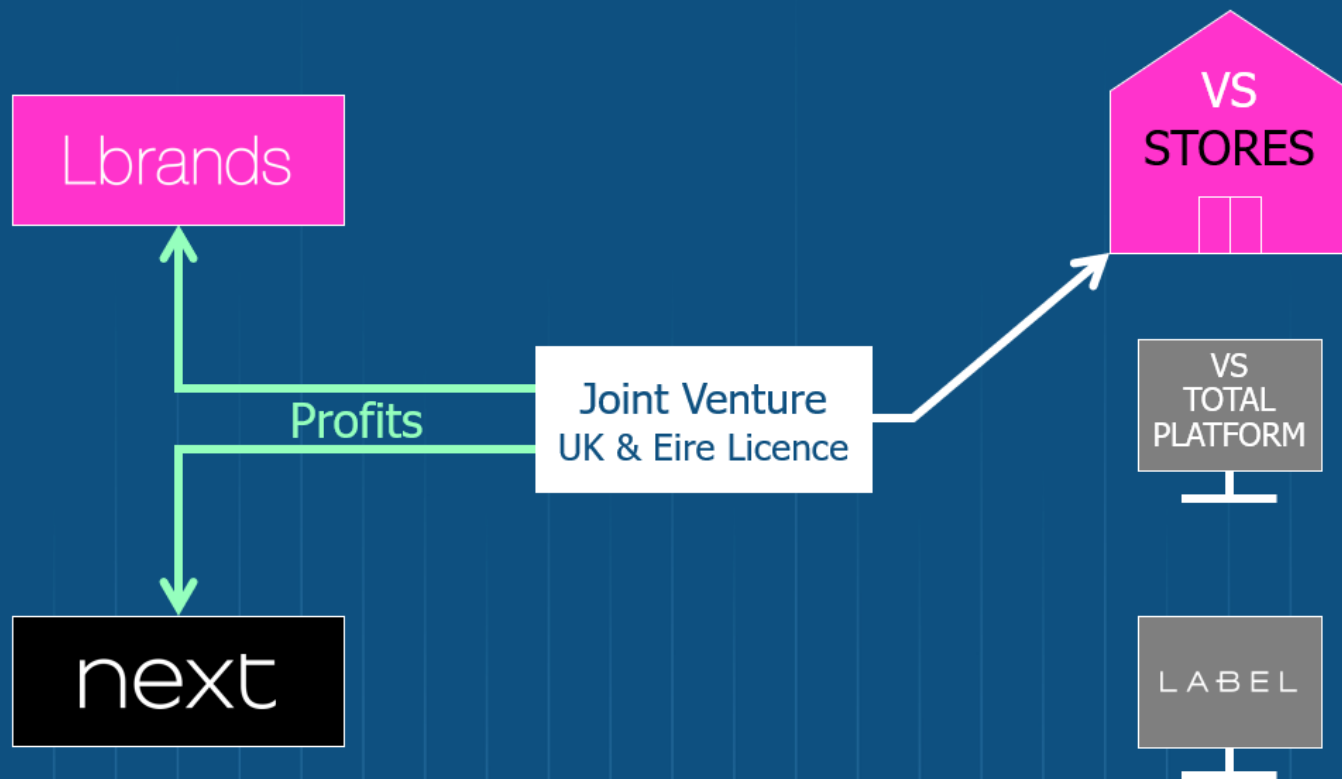
next

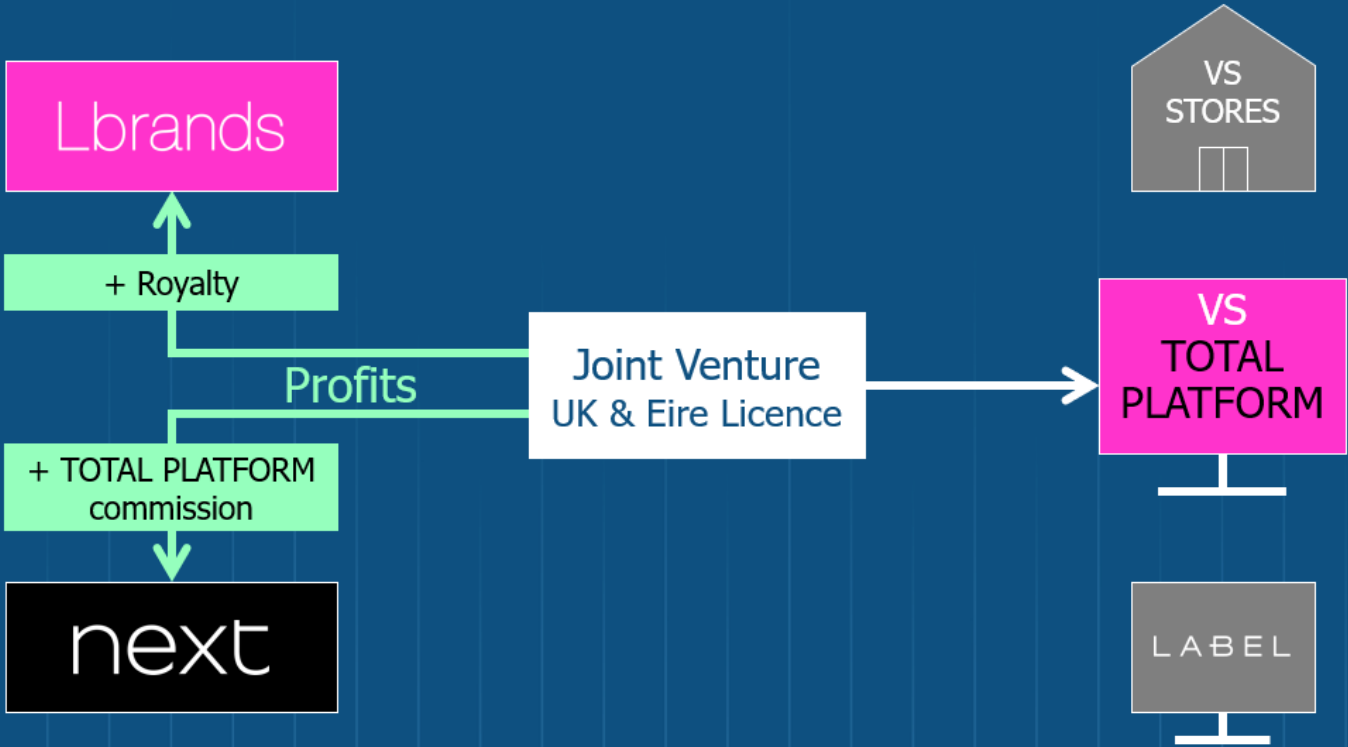
51%

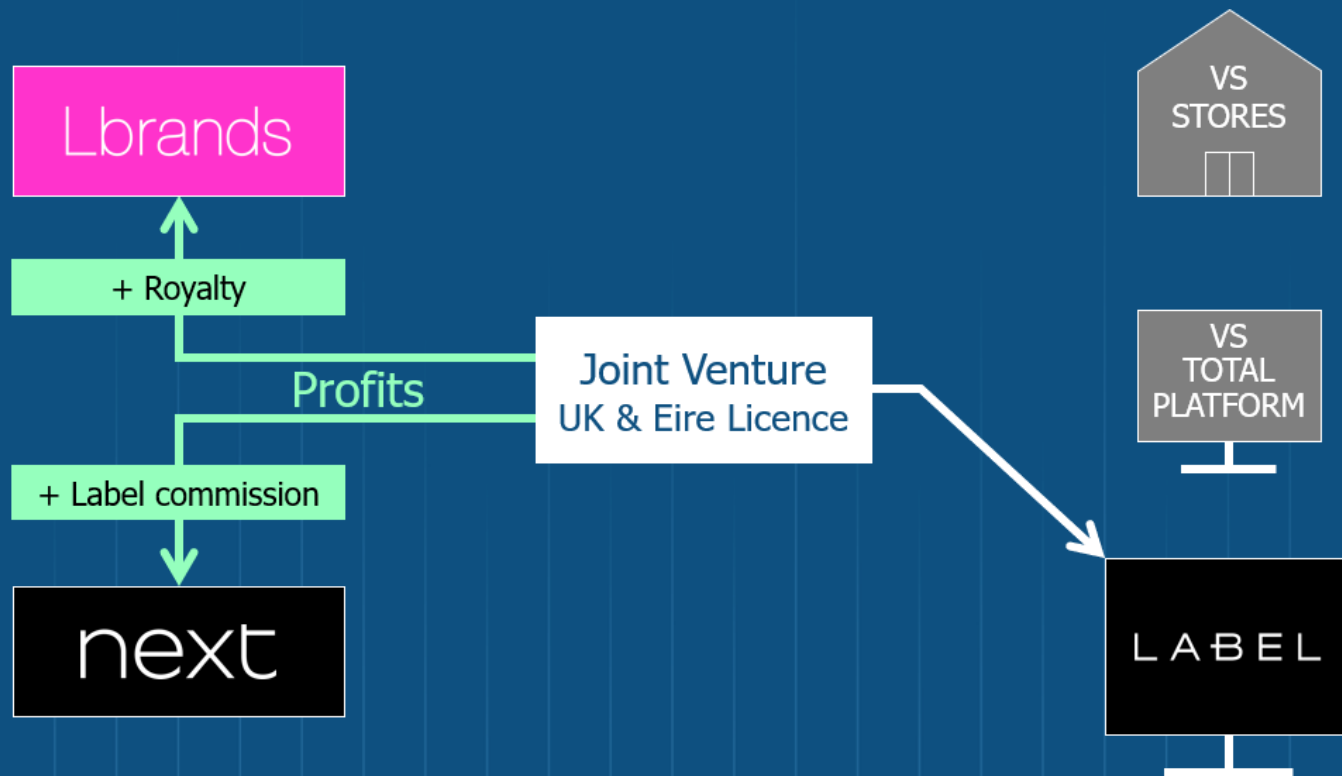
Agreement subject to regulatory clearances.

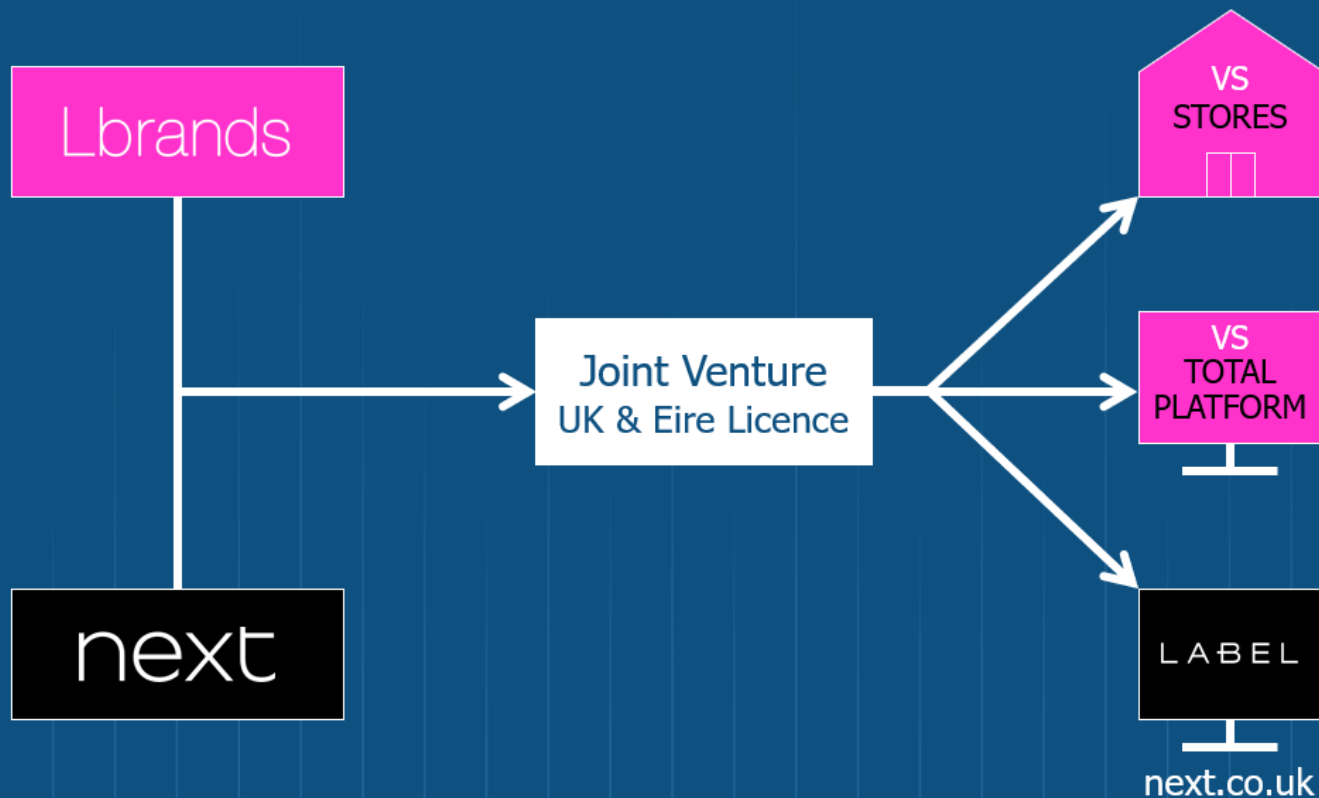


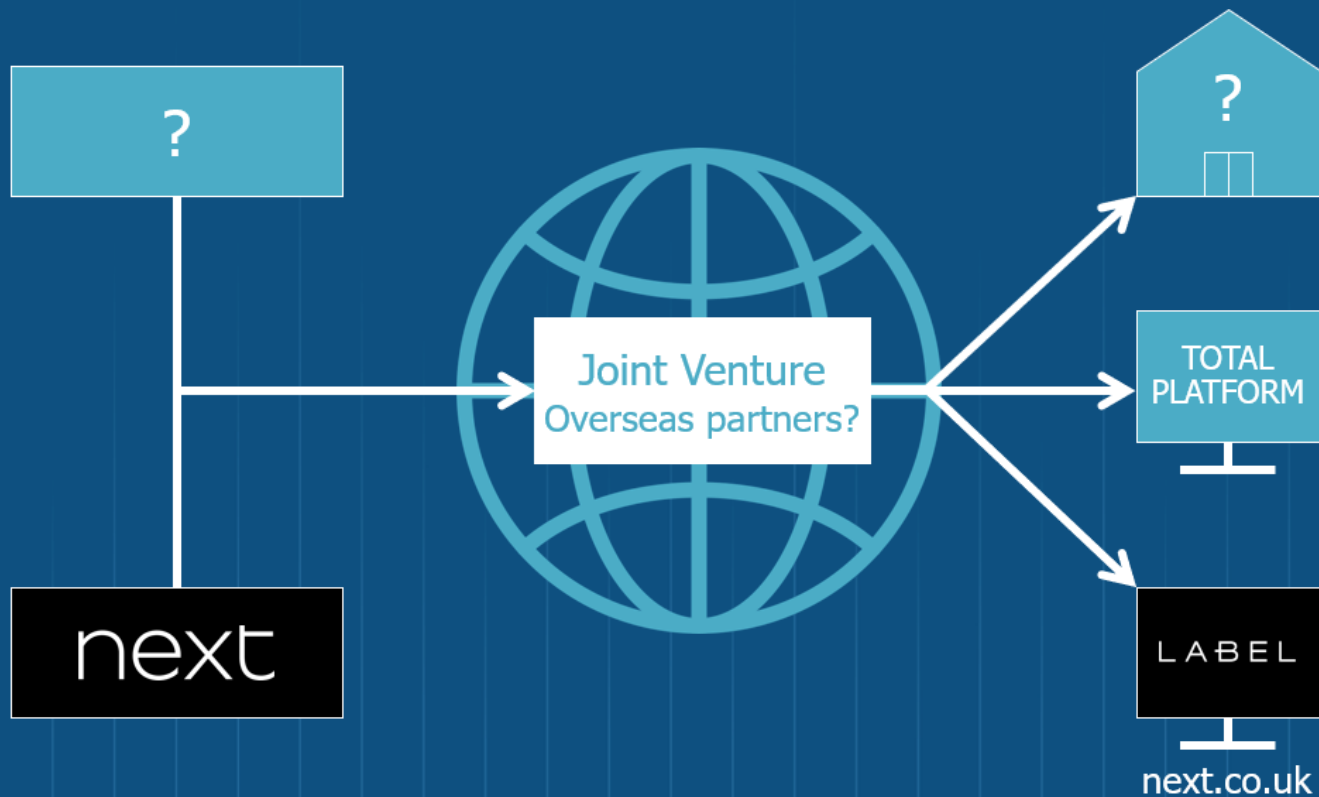


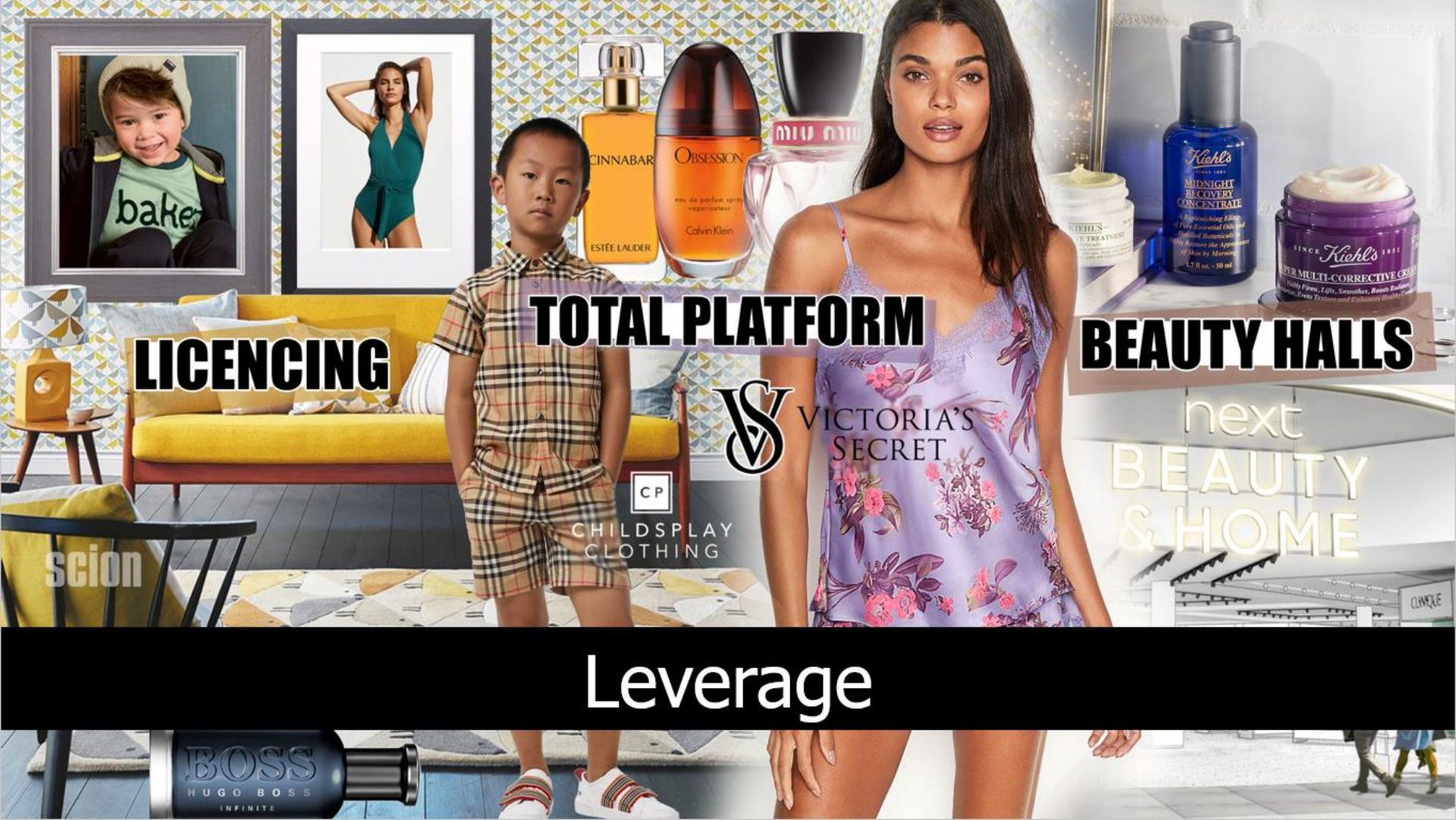












LICENCING

TOTAL PLATFORM

BEAUTY HALLS



VICTORIA'S
SECRET

CP

CHILDSPLAY
CLOTHING

next
BEAUTY
& HOME

Leverage

BOSS
HUGO BOSS
INFINITE

Four tests...

Create
value

Play to our
strengths

Make a
margin

Return
on capital employed

Leverage

Four tests...

Create
value

Play to our
strengths


Make a
margin

Return
on capital employed

New business

next
NEXT brand



A woman with long brown hair is standing in a field of purple lavender. She is wearing a long-sleeved, high-necked dress with a leopard print pattern. The dress has a gathered waist and a full skirt. She is looking towards the camera. The background shows a line of green trees under a cloudy sky.

July 2020

next

Summary