

NEXT

January 2023

3 year comparison v 2020



Income Statement

NEXT

£m	Jan 2023	Jan 2020	Var
----	----------	----------	-----

Total sales	5,415	4,362	+ 24%
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Total sales excluding Total Platform	+ 20.8%
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Full price sales	+ 20.5%
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Total sales are not presented on a statutory basis

Income Statement

NEXT

£m	Jan 2023	Jan 2020	Var
----	----------	----------	-----

Total sales	5,415	4,362	+ 24%
-------------	-------	-------	-------

Full price sales

Online	+ 41.5%
--------	---------

Retail	- 0.4%
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Finance	+ 2.1%
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+ 20.5%

FP CAGR inc. Finance	+ 6.4%
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Total sales are not presented on a statutory basis

Income Statement

NEXT

£m	Jan 2023	Jan 2020	Var
▶ Total sales	5,415	4,362	+ 24%
Operating profit	943	854	
Lease interest	(47)	(62)	
Operating profit after lease interest	895	792	+ 13%
▶ Operating profit %	16.5%	18.2%	- 1.6%
	— Warehouse & distribution		- 1.4%
	— Technology costs		- 1.0%
	+ Lower retail occupancy costs		+ 0.7%

Total sales are not presented on a statutory basis

Income Statement

NEXT

£m	Jan 2023	Jan 2020	Var
Total sales	<u>5,415</u>	<u>4,362</u>	+ 24%
Operating profit after lease interest	895	792	+ 13%
▶ Finance interest	(25)	(43)	
Interest paid	(30)	(43)	
Preference dividend and loan interest	5	-	

Total sales are not presented on a statutory basis

Income Statement

NEXT

£m	Jan 2023	Jan 2020	Var
Total sales	<u>5,415</u>	<u>4,362</u>	+ 24%
Operating profit after lease interest	895	792	+ 13%
Finance interest	<u>(25)</u>	(43)	
▶ Profit before tax	870	749	+ 16%
▶ Tax charge	(159)	(138)	
Effective tax rate	18.2%	18.5%	
Effective tax rate (exc. equity profit)	18.5%		

Total sales are not presented on a statutory basis

Income Statement

NEXT

£m	Jan 2023	Jan 2020	Var
Total sales	<u>5,415</u>	<u>4,362</u>	+ 24%
Operating profit after lease interest	895	792	+ 13%
Finance interest	<u>(25)</u>	<u>(43)</u>	
Profit before tax	870	749	+ 16%
Tax charge	<u>(159)</u>	<u>(138)</u>	
Profit after tax	<u>712</u>	<u>610</u>	
▶ EPS	573.4p	472.4p	+ 21.4%
▶ Total ordinary dividend	206.0p	36% of profit	

Total sales are not presented on a statutory basis

Income Statement

NEXT

£m	Jan 2023	3 year var	1 year var
Total sales	<u>5,415</u>	+ 24%	+ 11%
Operating profit after lease interest	895		
Finance interest	<u>(25)</u>		
Profit before tax	<u>870</u>	+ 16%	+ 6%
Tax charge	<u>(159)</u>		
Profit after tax	<u>712</u>		
EPS	<u>573.4p</u>	+ 21.4%	+ 8.0%

Total sales are not presented on a statutory basis

Cash Flow

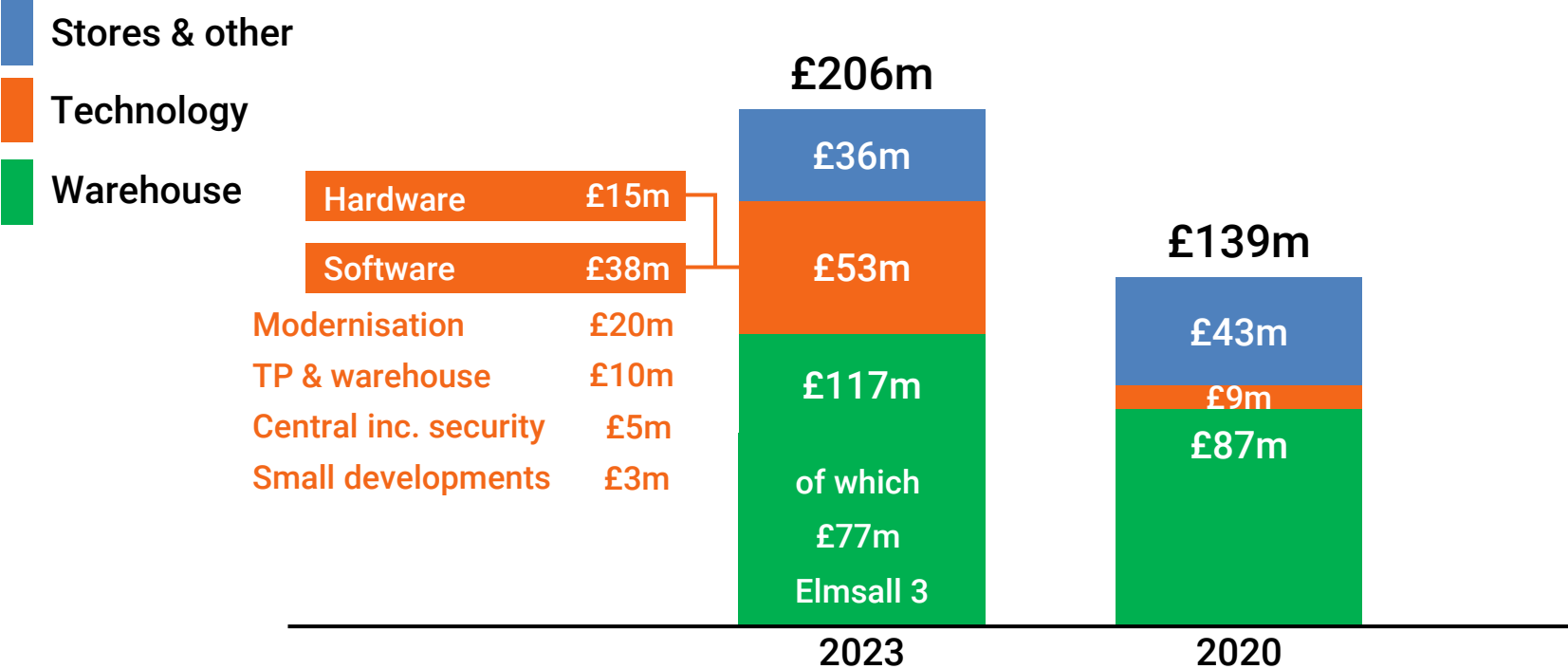
NEXT

£m	Jan 2023	Jan 2020	Var
Profit before tax	870	749	+ 121m
Depreciation and impairment	110	125	
Capital expenditure	(206)	(139)	- 67m
Investments	(91)	-	- 91m
Customer receivables	(92)	(27)	- 65m
Working capital / other	(172)	(72)	- 100m
Tax paid	(151)	(138)	
Cash flow before distribution	<u>268</u>	<u>498</u>	- 230m
Share buybacks	(228)	(300)	
Ordinary dividends	<u>(237)</u>	<u>(214)</u>	
Cash flow after distribution	<u>(197)</u>	<u>(16)</u>	

Cash Flow

NEXT

£m	Jan 2023	Jan 2020	Var
Capital expenditure	(206)	(139)	↑ 67m



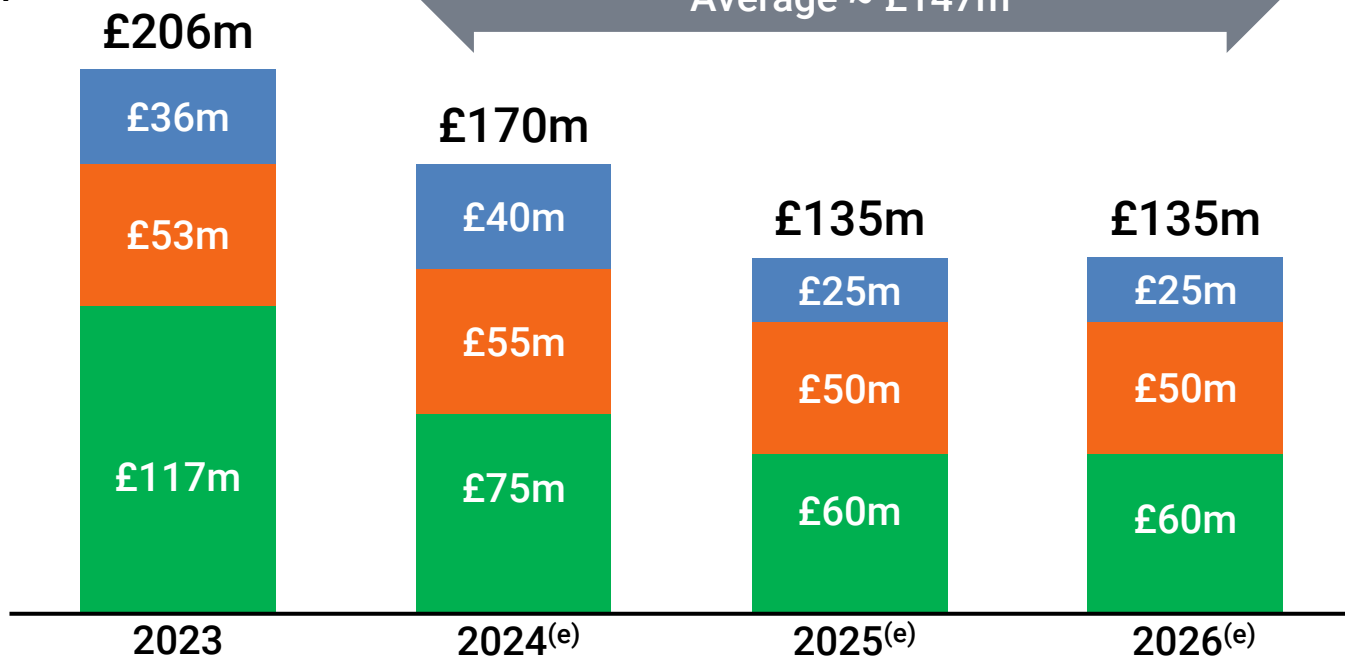
Cash Flow | 3 Year View

NEXT

£m	Jan 2023	Jan 2020	Var
Capital expenditure	(206)	(139)	↑ 67m

- Stores & other
- Technology
- Warehouse

← Average ~ £147m →



Cash Flow

NEXT

£m	Jan 2023	Jan 2020	Var
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Profit before tax	870	749	
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Depreciation and impairment	110	125	
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Capital expenditure	(206)	(139)	
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Investments	(91)	-	
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Additional 26% REISS	(45)		
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74% Joules	(36)	<div> <div>Equity</div> <div>Debt</div> <div>Head Office</div> </div>	£15.7m
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44% JoJo Maman Bébé	(16)		£13.1m
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Swoon, Made.com, Sealskinz	(9)		£7.4m
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REISS dividend	15		
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Cash Flow

NEXT

£m	Jan 2023	Jan 2020	Var
Profit before tax	870	749	
Depreciation and impairment	110	125	
Capital expenditure	(206)	(139)	
Investments	(91)	-	
Customer receivables	(92)	(27)	
▶ Working capital / other	(172)	(72)	- 100m

ESOT - 62m

Head Office bonus & incentives - 47m

Balance Sheet

NEXT

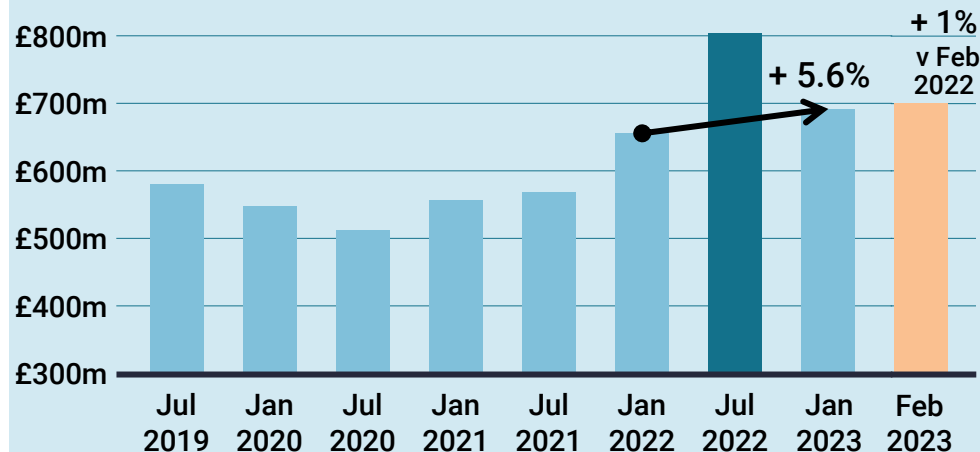
£m	Jan 2023	Jan 2020	Var
Fixed and intangible assets	726	579	
Goodwill and investments	171	49	+ 122m
Stock	695	552	Equity partners
Debtors / other receivables	1,387	1,315	
Other creditors / derivatives	(813)	(676)	
Pension surplus	157	133	
Right-of-use assets	662	853	
Lease debt	(1,023)	(1,251)	
Net debt (excluding lease debt)	(797)	(1,112)	
Net assets	<u>1,165</u>	<u>442</u>	

Balance Sheet

NEXT

£m	Jan 2023	Jan 2020	Var
Fixed and intangible assets	726	579	
Goodwill and investments	171	49	
Stock	695	552	+ 26%

Six monthly stock balance



FP sales

+ 20.5%

Balance Sheet

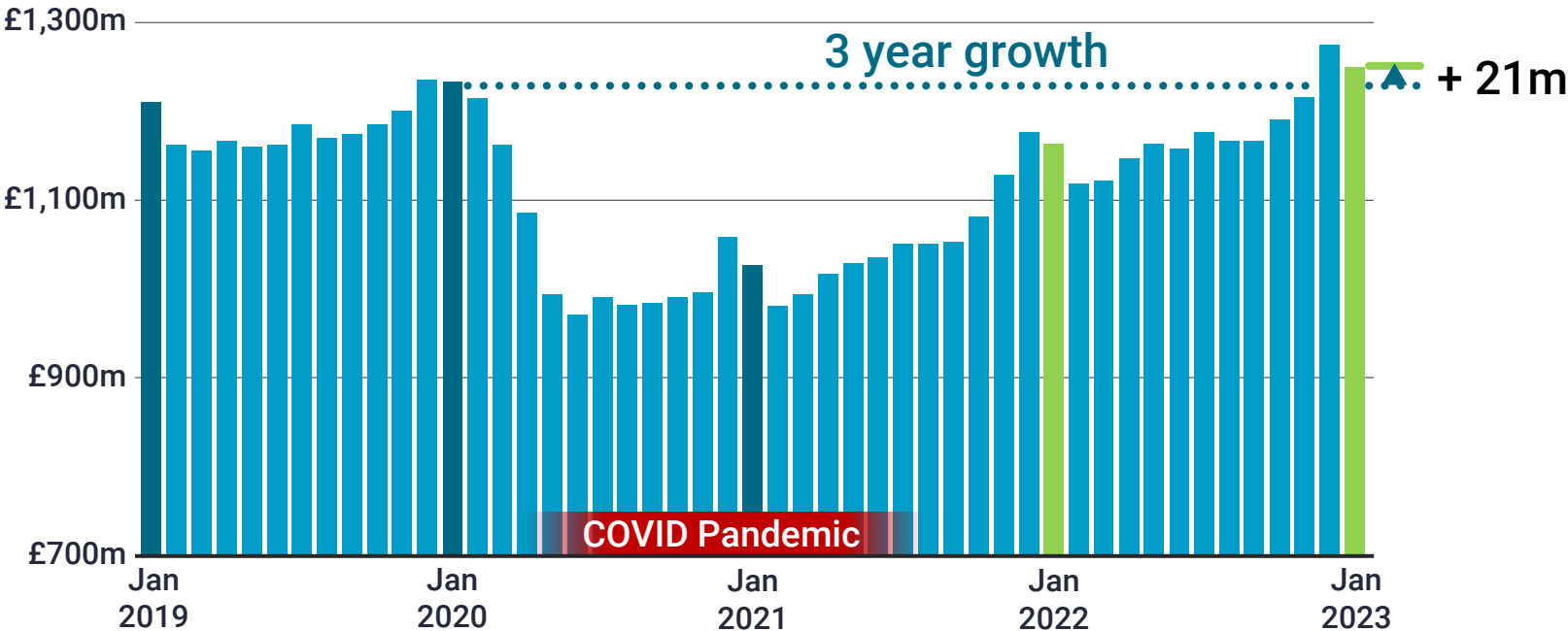
NEXT

£m	Jan 2023	Jan 2020	Var
Fixed and intangible assets	726	579	
Goodwill and investments	171	49	
Stock	695	552	
Debtors / other receivables	1,387	1,315	+ 72m

Customer receivables	+ 21m
Total Platform clients	+ 18m
Timing of payments	+ 18m
International aggregators	+ 15m

£m Var

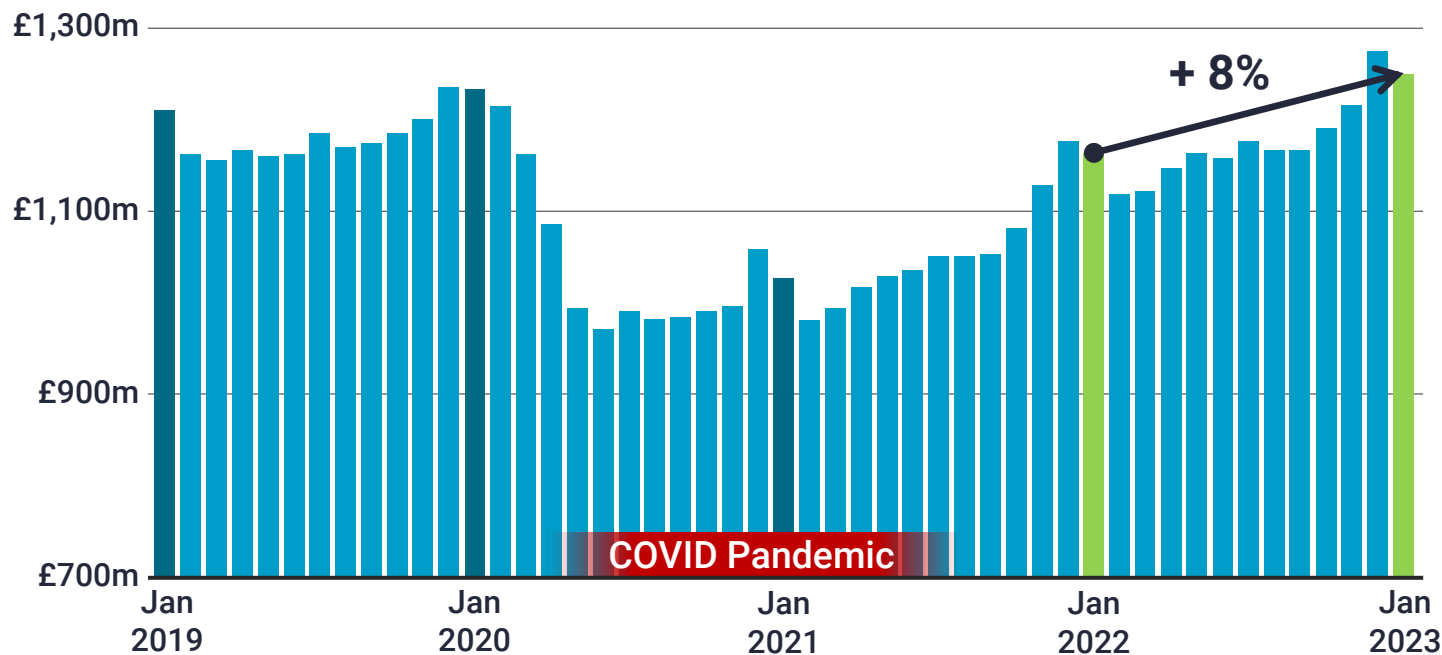
Customer receivables - monthly closing balance



£m

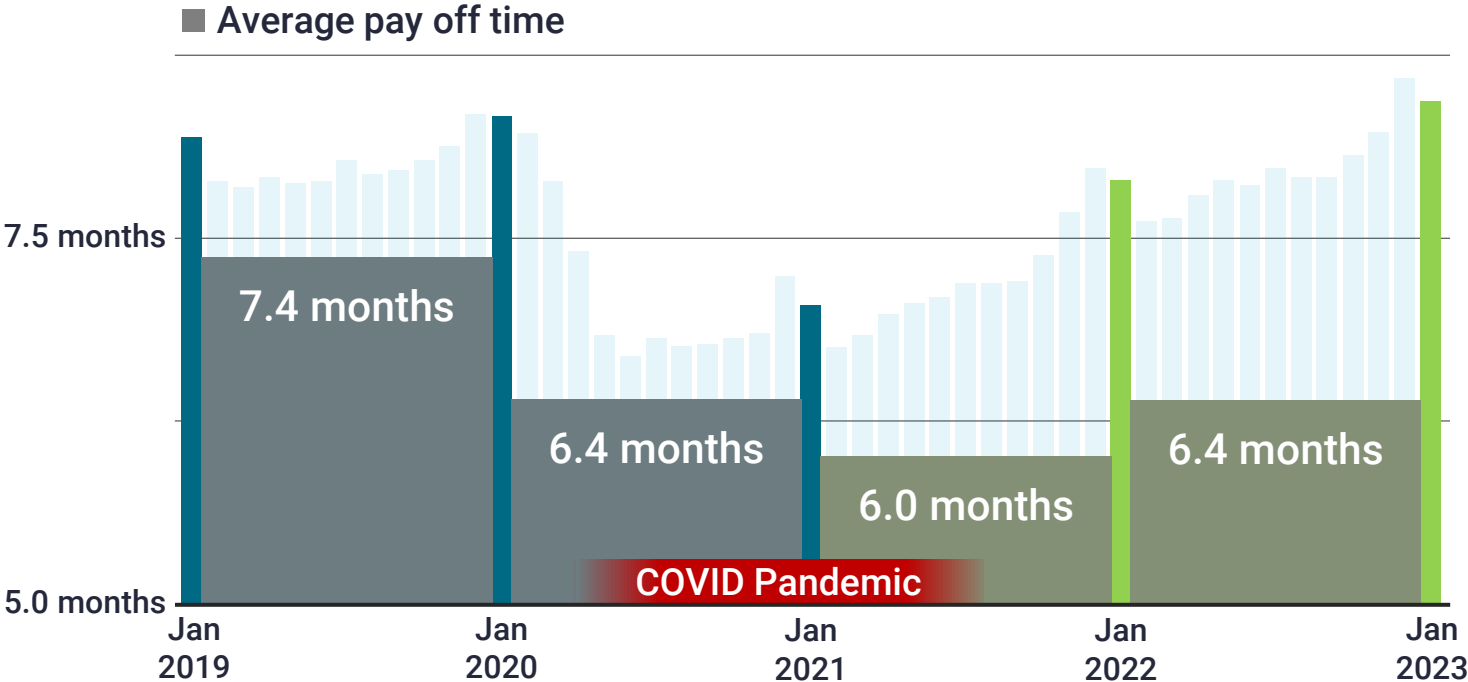
Var

Customer receivables - monthly closing balance



£m Var

Customer receivables - monthly closing balance



Balance Sheet

NEXT

£m	Jan 2023	Jan 2020	Var
Debtors / other receivables	1,387	1,315	+ 72m

Bad Debt

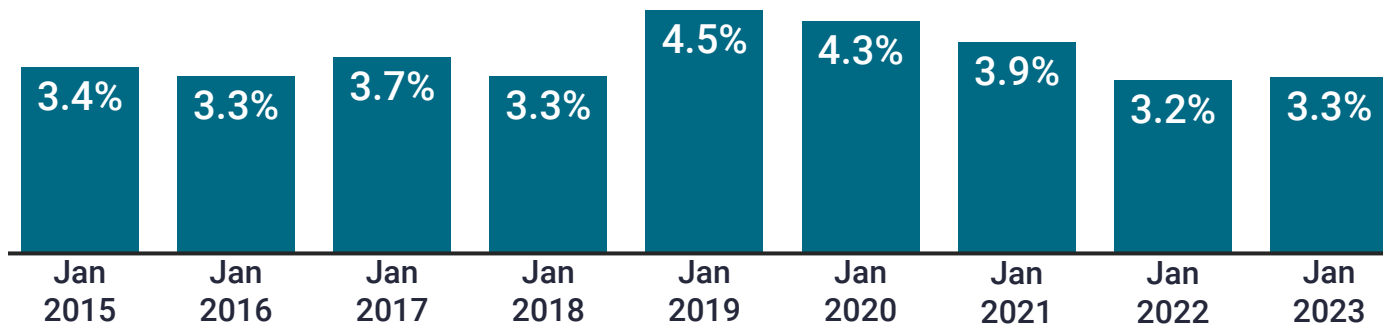
10.0%

Closing provision
for future defaults

7.0%

8.4%

Observed default rate



Balance Sheet

NEXT

£m	Jan 2023	Jan 2020	Var
Debtors / other receivables	1,387	1,315	+ 72m

Bad Debt

Closing provision
for future defaults

33.0m

Observed
default rate

UK total employment
Q1 2020 to Q4 2022

32.8m

4.3%

3.9%

3.2%

3.3%

Jan
2020

Jan
2021

Jan
2022

Jan
2023

Balance Sheet

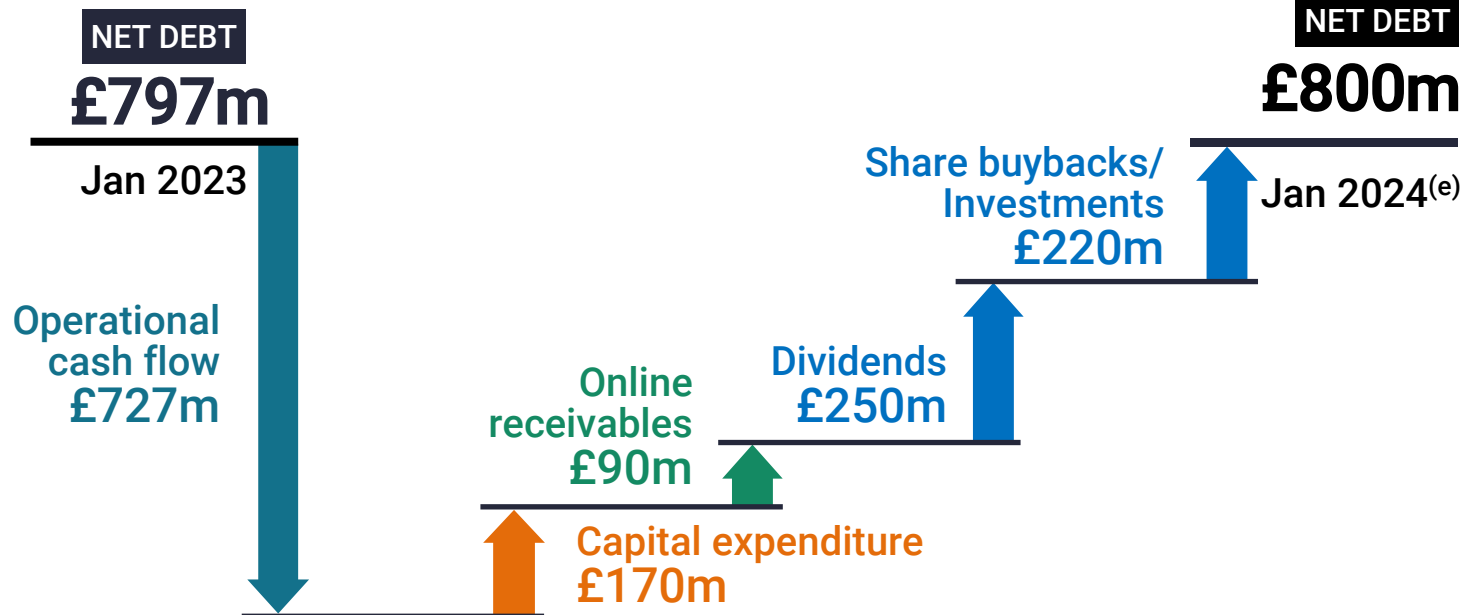
NEXT

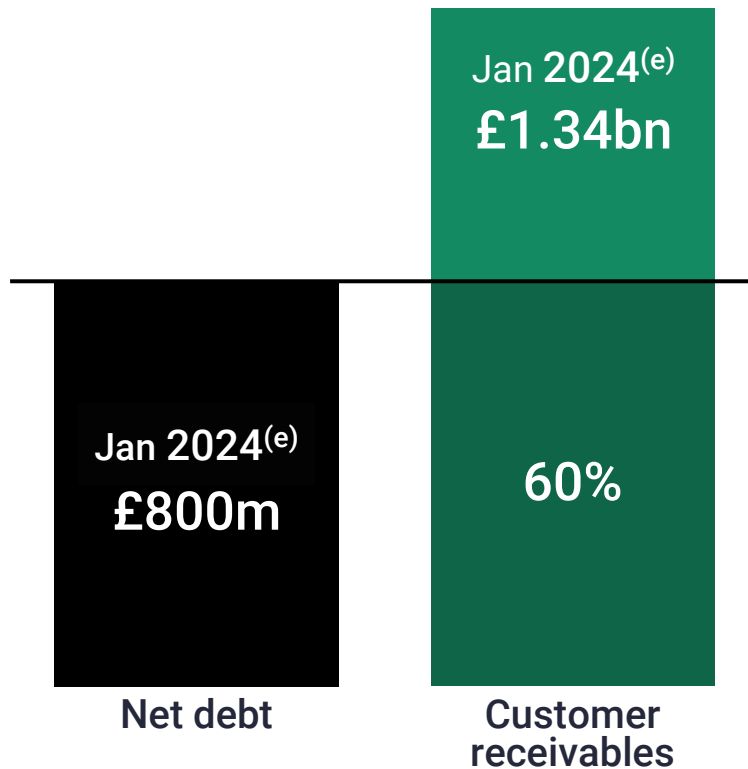
£m	Jan 2023	Jan 2020	Var
Fixed and intangible assets	726	579	
Goodwill and investments	171	49	
Stock	695	552	
Debtors / other receivables	1,387	1,315	
Other creditors / derivatives	(813)	(676)	
Pension surplus	157	133	
Right-of-use assets	662	853	
Lease debt	(1,023)	(1,251)	
▶ Net debt (excluding lease debt)	(797)	(1,112)	↓ 315m
Net assets	<u>1,165</u>	<u>442</u>	

Net Debt and Financing

NEXT

NET DEBT
£1,112m
Jan 2020





Exeter

DIVISIONAL ANALYSIS

Retail



Retail | Sales & Profit Analysis

NEXT

£m	Jan 2023	Jan 2020	Var
Total sales	1,865	1,852	+ 1%

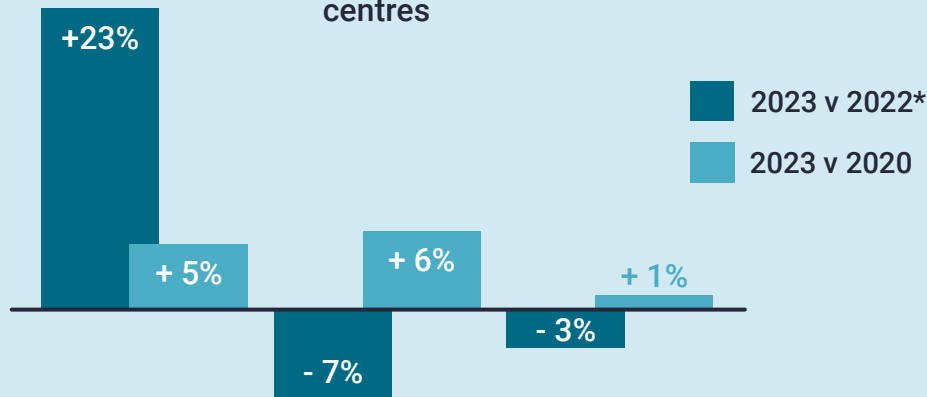
Full price sales by store type

FP sales - 0.4%

LFL full price + 2.6%

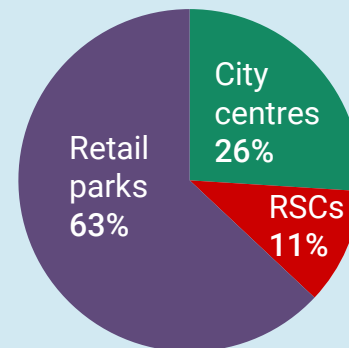
Like-for-like full price sales

City centres Regional shopping centres Retail parks



Sales Participation

Year ending Jan 2023



*Stores were closed from week 1 to week 10 in year end Jan 22, Like-for-likes are based on weeks 11 to week 52.

Retail | Sales & Profit Analysis

NEXT



£m	Jan 2023	Jan 2020	Var
Total sales	1,865	1,852	+ 1%
Operating profit	240	234	
Lease interest charge	(36)	(57)	
Operating profit inc. lease interest	204	177	+ 16%

Retail | Sales & Profit Analysis

NEXT



£m	Jan 2023	Jan 2020	Var
Total sales	1,865	1,852	+ 1%
Operating profit inc. lease interest	204	177	+ 16%
% to sales	11.0%	9.5%	
Achieved margin	- 1.0%	Bought-in gross margin	- 0.5%
Warehouse, distribution & technology	- 1.4%	Markdown	- 0.5%
Branch payroll	- 0.2%		
Energy costs	- 0.9%	Store closures	+ 1.0%
Store occupancy	+ 5.0%	Lower lease costs	+ 2.3%
		Fully depreciated assets	+ 1.7%
Margin movement	+ 1.5%		

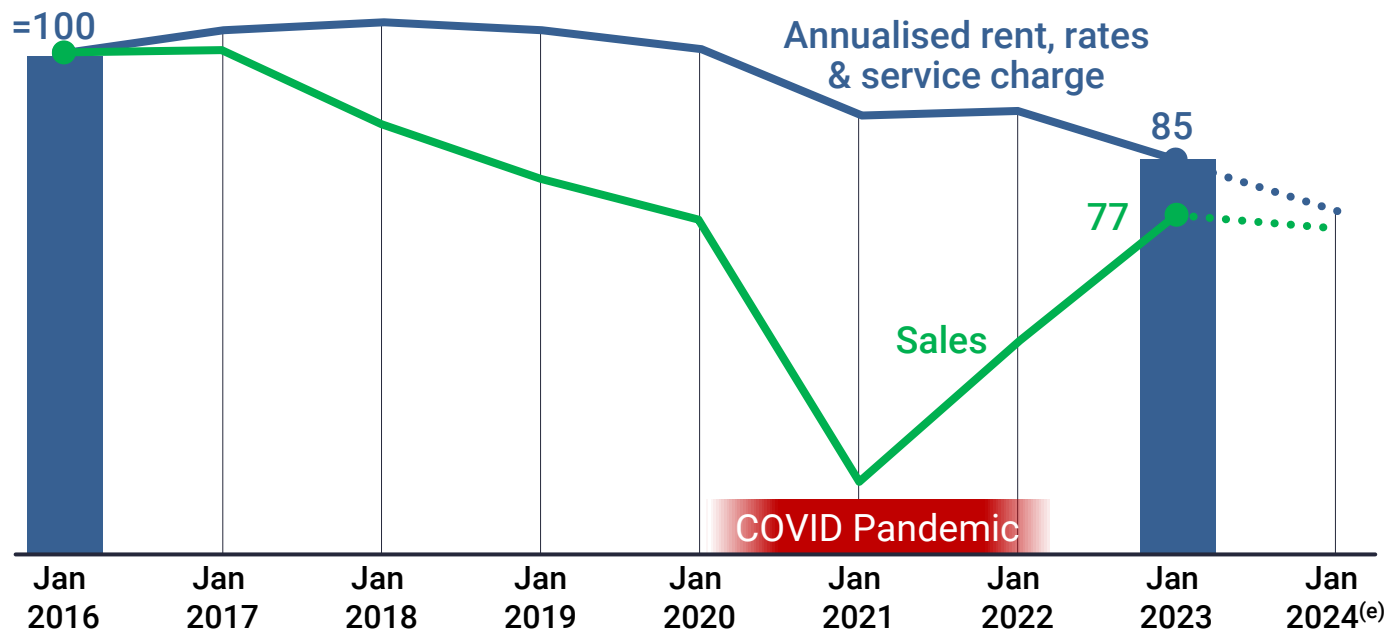
2022/23 Rent reductions

	No. of stores	Weighted avg. term (years)	Occupancy saving	Annualised saving
	62	5.0	- 30%	£11.1m
TOC deals	25	5.5		
Rent only deals	37	3.9		

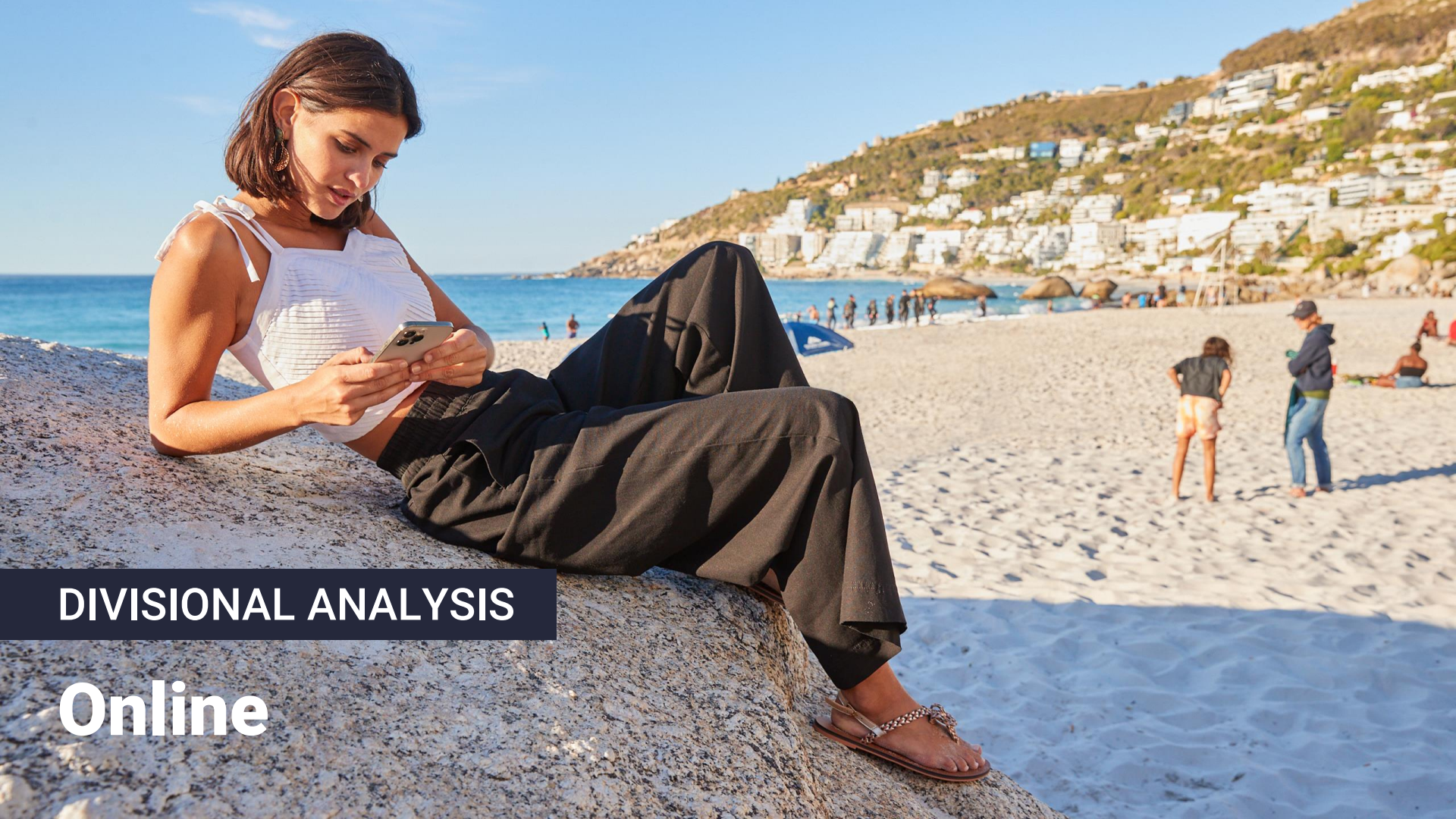
Rent only deals include fixed and turnover rent deals.

Total occupancy costs (TOC deals) are charged as a % of sales and include rent, rates and service charge.

Retail sales and costs indexation

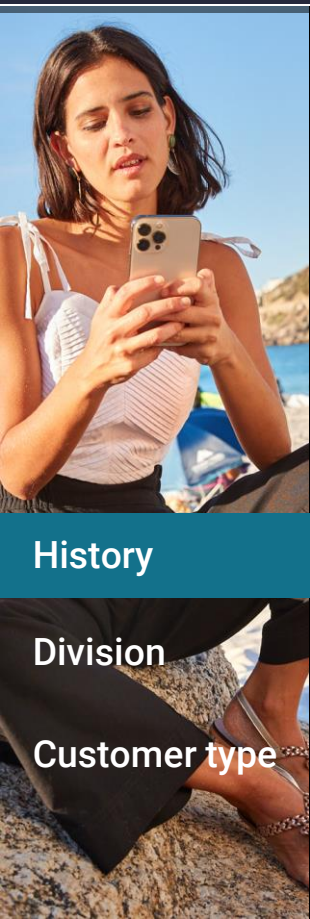


Annualised sales at the end of each year indexed to 100 at 31st January 2016



DIVISIONAL ANALYSIS

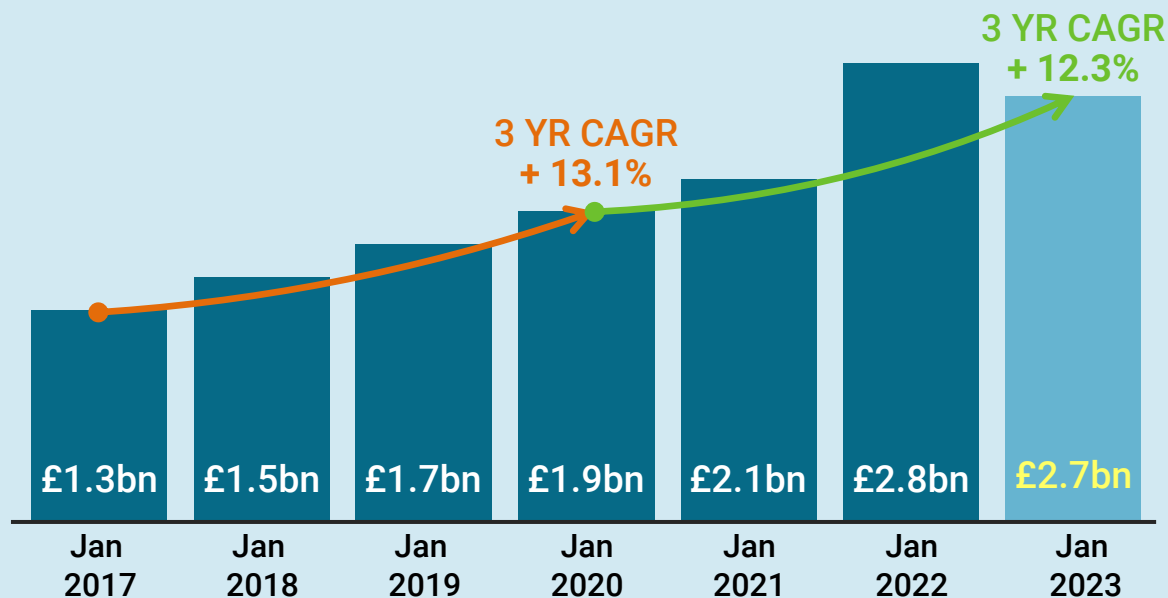
Online



£m	Jan 2023	Jan 2020	Var	Full price
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Total sales	3,007	2,147	+ 40%	+ 42%
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Full price sales history



History

Division

Customer type

£m	Jan 2023	Jan 2020	Var	Full price
----	----------	----------	-----	------------

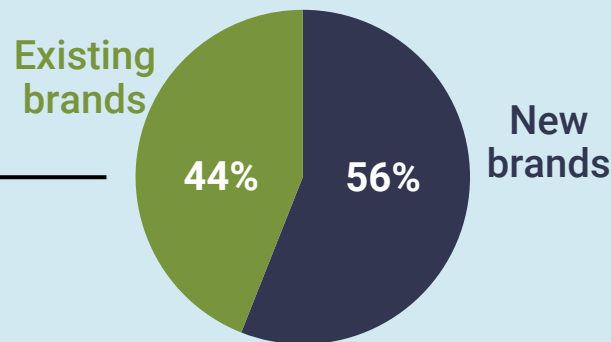
Total sales	3,007	2,147	+ 40%	+ 42%
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Full price sales 2023 vs 2020

By division

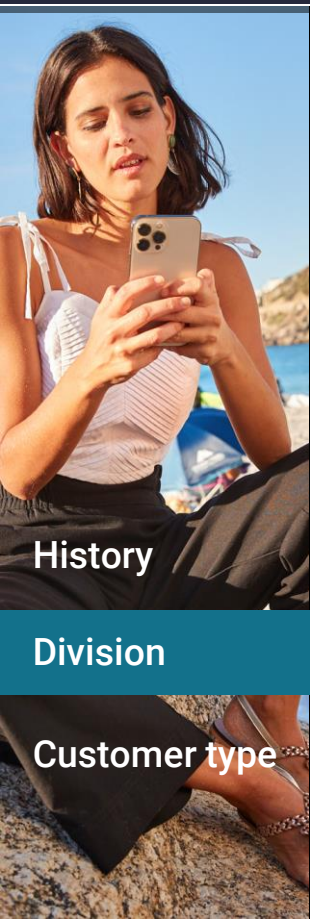
NEXT Brand UK	+ 19%
LABEL UK	+ 100%
UK total	+ 44%
Overseas	+ 35%

LABEL sales growth contribution



41% Third party
15% Licensing & wholly owned

New brands is the net of new and discontinued brands



History

Division

Customer type

£m	Jan 2023	Jan 2020	Var	Full price
----	----------	----------	-----	------------

Total sales	3,007	2,147	+ 40%	+ 42%
-------------	-------	-------	-------	-------

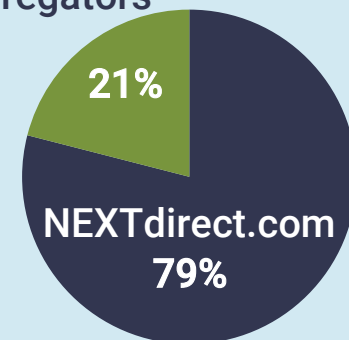
Full price sales 2023 vs 2020

By division

NEXT Brand UK	+ 19%
LABEL UK	+ 100%
UK total	+ 44%
Overseas	+ 35%
NEXTdirect.com	+ 16%
Aggregators	+ 232%

Overseas sales participation

Aggregators



History

Division

Customer type

Online | Sales Analysis

NEXT

£m

Jan 2023

Jan 2020

Var

Full price

Total sales

3,007

2,147

+ 40%

+ 42%

Full price sales 2023 vs 2020

By customer type

Avg. no of customers

Avg. annual spend

UK credit

+ 22%

2.8m

+ 10%

£487

+ 11%

UK cash

+ 118%

3.6m

+ 78%

£198

+ 23%

Overseas (exc. Russia & Ukraine) + 27%

1.6m

+ 37%

£280

- 7%

Overseas (NEXTdirect.com inc. Russia and Ukraine) + 16%

History

Division

Customer type

Online | Profit Analysis

NEXT



£m	Jan 2023	Jan 2020	Var
Total sales	3,007	2,147	
Operating profit*	457	413	
% to sales	15.2%	19.2%	- 4.0%
Bought-in gross margin	- 2.8%	Higher LABEL & overseas mix - 2.5%	
Markdown	+ 0.2%		
Achieved gross margin	- 2.6%	Unplanned freight costs	- 0.3%

* Including lease interest costs

Jan 2020 has been restated to include Lipsy in full and an allocation of lease interest

Online | Profit Analysis

NEXT



£m	Jan 2023	Jan 2020	Var
% to sales	15.2%	19.2%	- 4.0%
Achieved gross margin	- 2.6%	Inflationary costs	- 1.8%
Warehouse & distribution	- 1.5%	Higher selling prices, fewer units	+ 1.2%
Technology & other	- 1.1%	E3, depreciation & other occupancy costs	- 0.6%
Marketing & photography	+ 1.2%	International costs	- 0.3%
Total margin movement	- 4.0%	No printed catalogues	+ 1.8%
		Digital marketing	- 0.6%

E3 is our new boxed warehouse

Jan 2020 has been restated to include Lipsy in full and an allocation of lease interest

Online | Profit Analysis

NEXT



£m	Jan 2023	Jan 2020	Var
% to sales	15.2%	19.2%	- 4.0%
Margin by Online division			
NEXT Brand UK	19.9%	22.0%	- 2.1%
LABEL UK	12.9%	15.4%	- 2.5%
Overseas	8.6%	16.5%	- 7.9%
	Duty & import VAT		- 2.4%
	Delivery costs		- 1.5%
	Aggregator participation		- 1.8%
	Technology & marketing		- 1.1%
	Markdown		- 1.1%

Jan 2020 has been restated to include Lipsy in full and an allocation of lease interest

Online | Profit Analysis

NEXT



£m	Jan 2024 ^(e)	Jan 2023	Var
% to sales	14.3%	15.2%	
Margin by Online division			
NEXT Brand UK	17.5%	19.9%	- 2.4%
LABEL UK	11.5%	12.9%	- 1.4%
Overseas	12.0%	8.6%	+ 3.4%



REISS

DIVISIONAL ANALYSIS

Total Platform



JoJo Maman Bébé

MADE.COM

LAURA
ASHLEY

VICTORIA'S
SECRET

Total Platform | 2023 Sales & Profit Analysis

NEXT

A woman with long dark hair, wearing a black strapless dress with a deep V-neckline and a high slit, is walking on a light-colored surface. She is carrying a small, light-colored handbag.

£m	Jan 2023	<i>Discontinued operations</i>	Continued operations
Sales on the TP website	129		
Service income (cost plus services for retail stores)	<u>15</u>		
Total sales (GTV) inc. cost plus activities	144	(19)	126
▶ Trading profit	5.1	(0.3)	5.4

4.3%

GTV = gross transaction value

Total Platform | 2023 Sales & Profit Analysis

NEXT

£m	Jan 2024 ^(e)	Jan 2023
Total sales (GTV) inc. cost plus activities	177	126
Trading profit	9.2	5.4 4.3%
Equity profit	13.3	16.8
Underlying equity profit	19.0	16.3
Deferred tax asset (historical)	1.3	3.5
Joules	(7.0)	(3.0)
Total TP profit	<u>22.5</u>	<u>22.2</u>

GTV = gross transaction value Equity profit includes preference dividend and loan interest

Total sales and Trading profit for Jan 2023 are stated excluding discontinued operations





NEXT plc

2023/24 Guidance

2023/24 Full Price Sales Guidance

NEXT

Average selling price inflation

+ 8%

January 2023^(e)

+ 6%

+ 7%

March 2023^(e)

+ 3%

- 0.2%

- 3.0%

H1

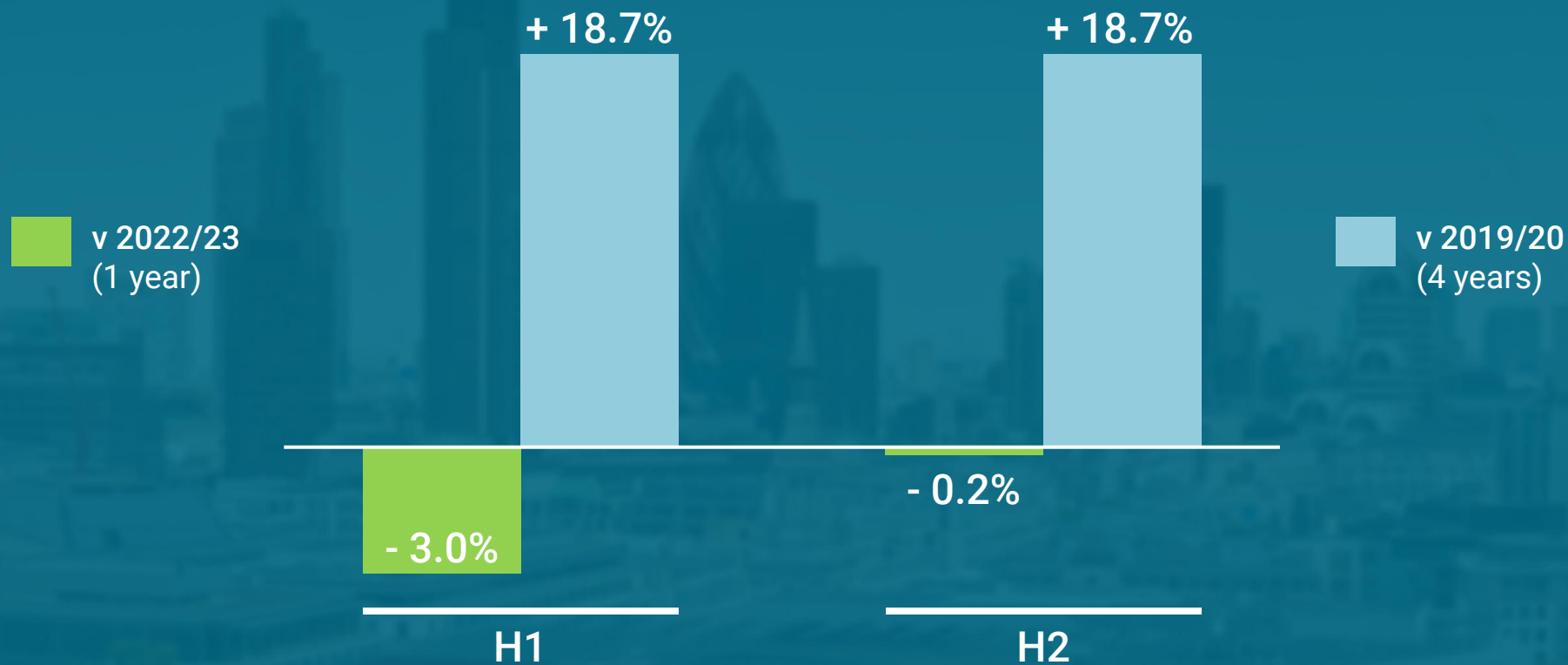
H2

v 2022/23
(1 year)



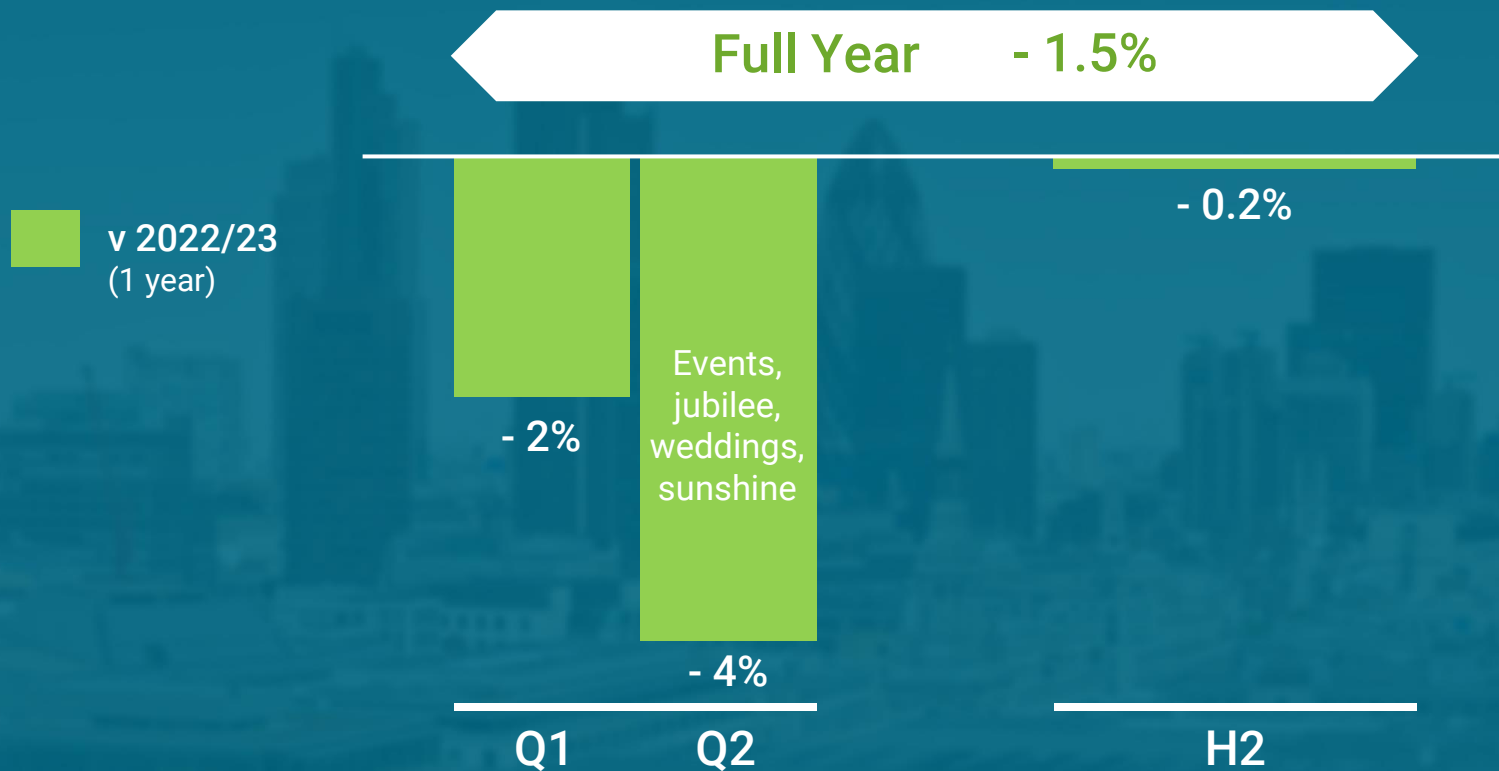
2023/24 Full Price Sales Guidance

NEXT



2023/24 Full Price Sales Guidance

NEXT



v 2022/23

Full Year

Retail

- 4%

Online

- 1%

Finance

+ 8%

Brand

- 1.5%

2023/24^(e) Profit Guidance

NEXT

FP sales
movement

FP margin before
fixed overheads

- £70m

55%

- £22m

40%



2023/24^(e) Profit Guidance

NEXT

FP sales
movement

- £70m

- £22m

+ £22m

Retail
- £39m

2022/23
£870m

Online
£5m

Finance
£7m

Cost increases
£116m

Wage inflation – NEXT	£52m
Wage inflation – 3 rd Party	£15m
Energy	£25m
Technology	£19m

Cost savings
£68m

ASP increase	£25m
Occupancy	£21m
Markdown & clearance	£22m

2023/24^(e)
£795m - 8.7%

<i>If full price sales*</i>	- 1.5%
£ profit before tax	£795m
% profit before tax	- 8.7%
Pre-tax EPS	- 6.4%
Effective tax rate 23.5% (up from 18.25%)	
Post-tax EPS	- 12.5%

* Full price sales excludes sales made through Total Platform websites.



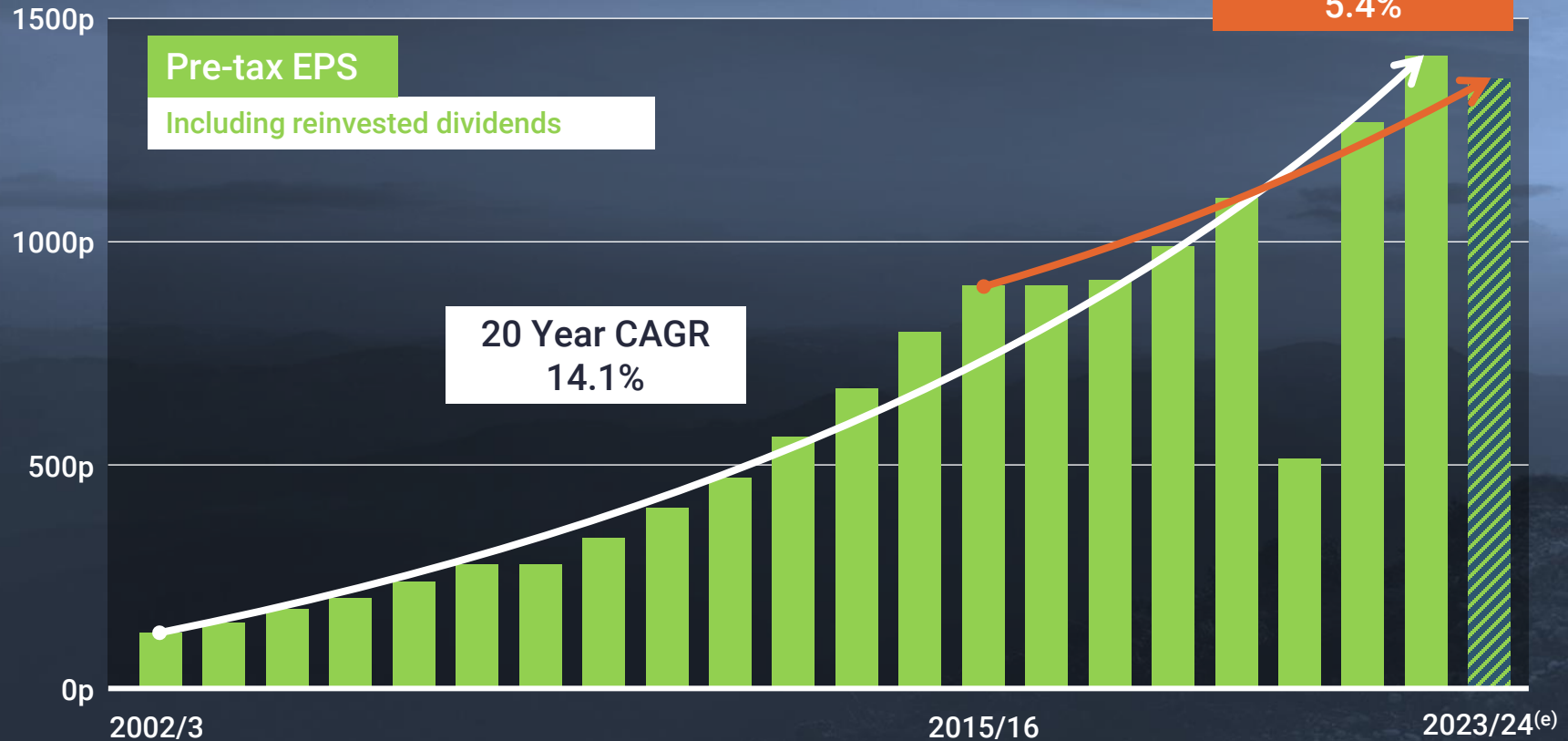
NEXT plc

The Big Picture

NEXT Shareholder Return



NEXT Shareholder Return



* EPS data is sourced from Factset

NEXT Shareholder Return



* EPS data is sourced from Factset

NEXT Shareholder Return



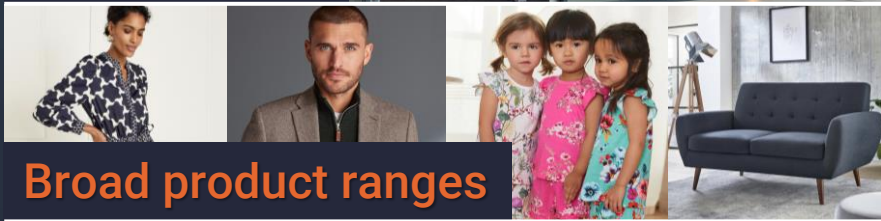
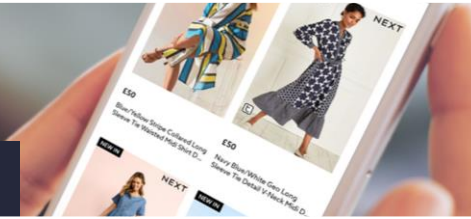
* EPS data is sourced from Factset

Established

7m UK customers

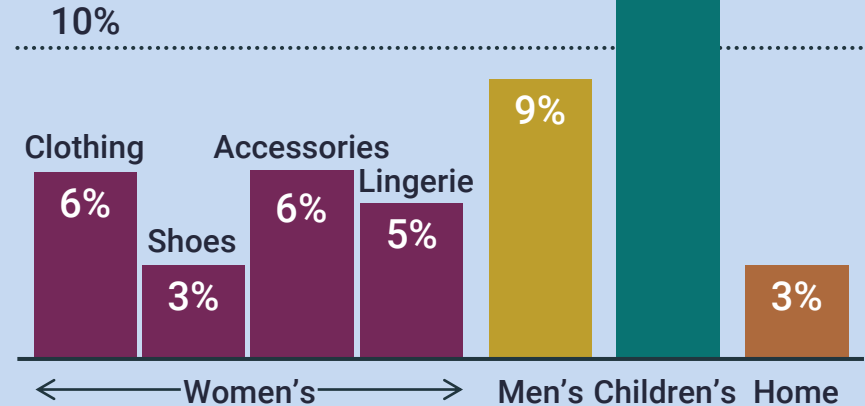
466 UK stores

Broad product ranges



Room for Growth

NEXT Brand UK Market share by product



Source: Kantar & Globalreach (Home), for 52 weeks to 3 Feb 2023

Established



11m sq. ft.

Warehousing & Distribution



>1,000 applications

Bespoke Software & Systems



>2,000 employees & 466 stores

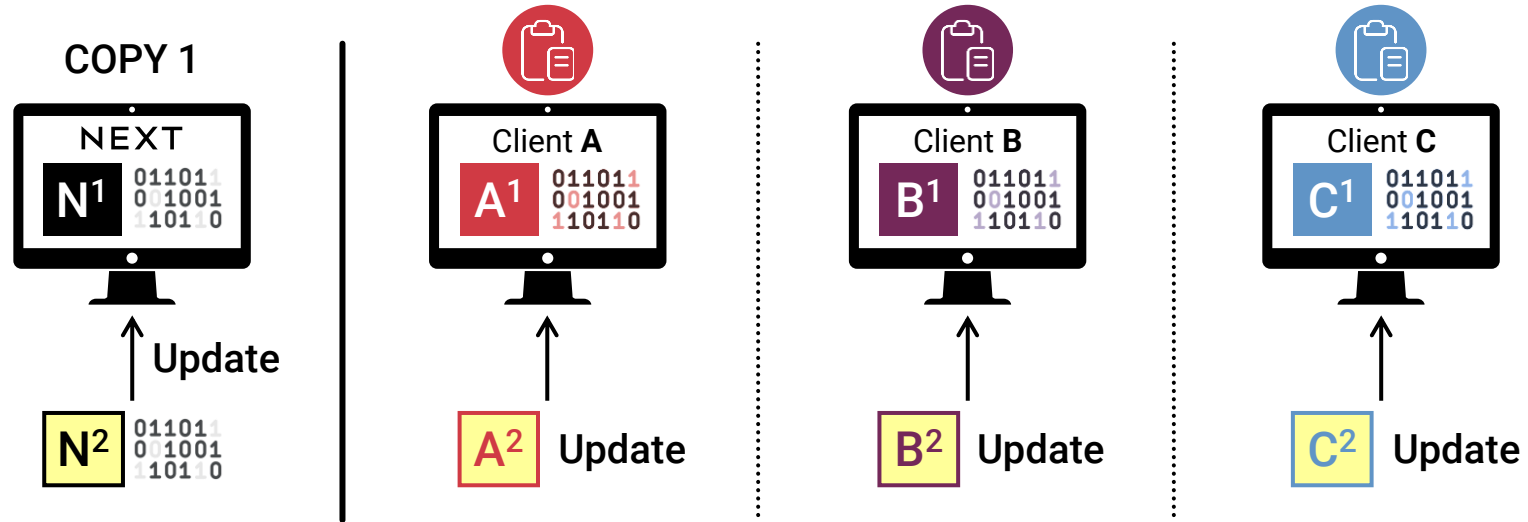
Contact Centre & Stores

Total Platform

- ✓ Better service
- ✓ Frictionless growth
- ✓ Lower costs (variable)
- ✓ Capex free
- ✓ Focus
- ✓ Warehouse capacity
October 2023
- ✓ Technology timescales
March 2024

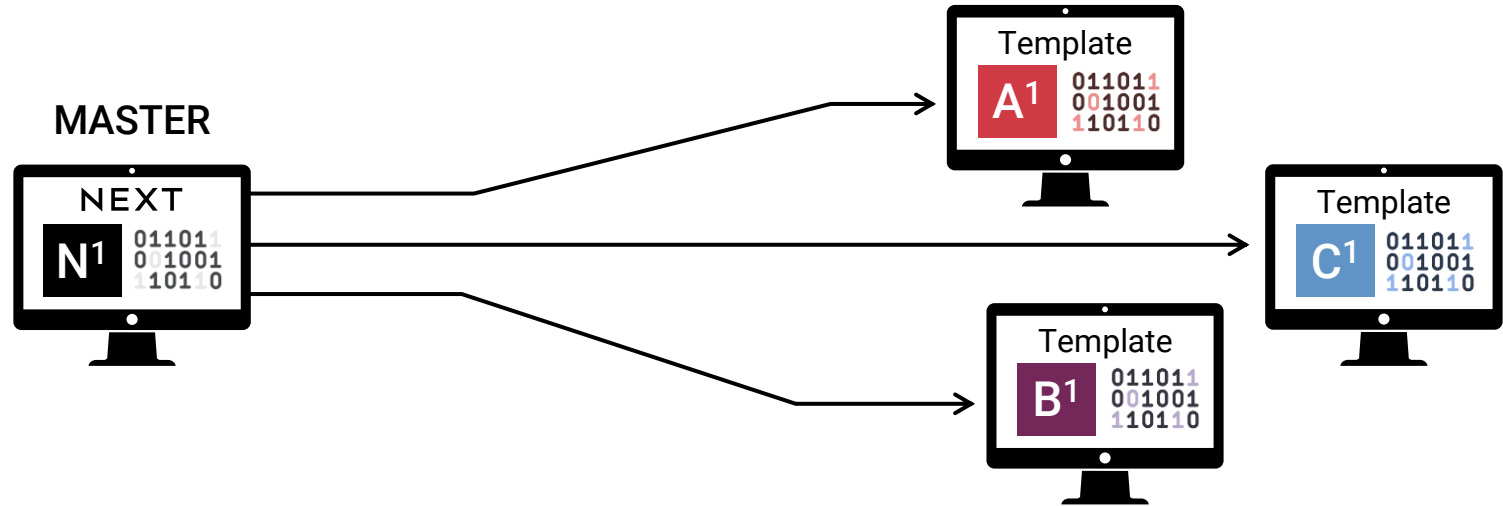
Technology Timescales

Historical



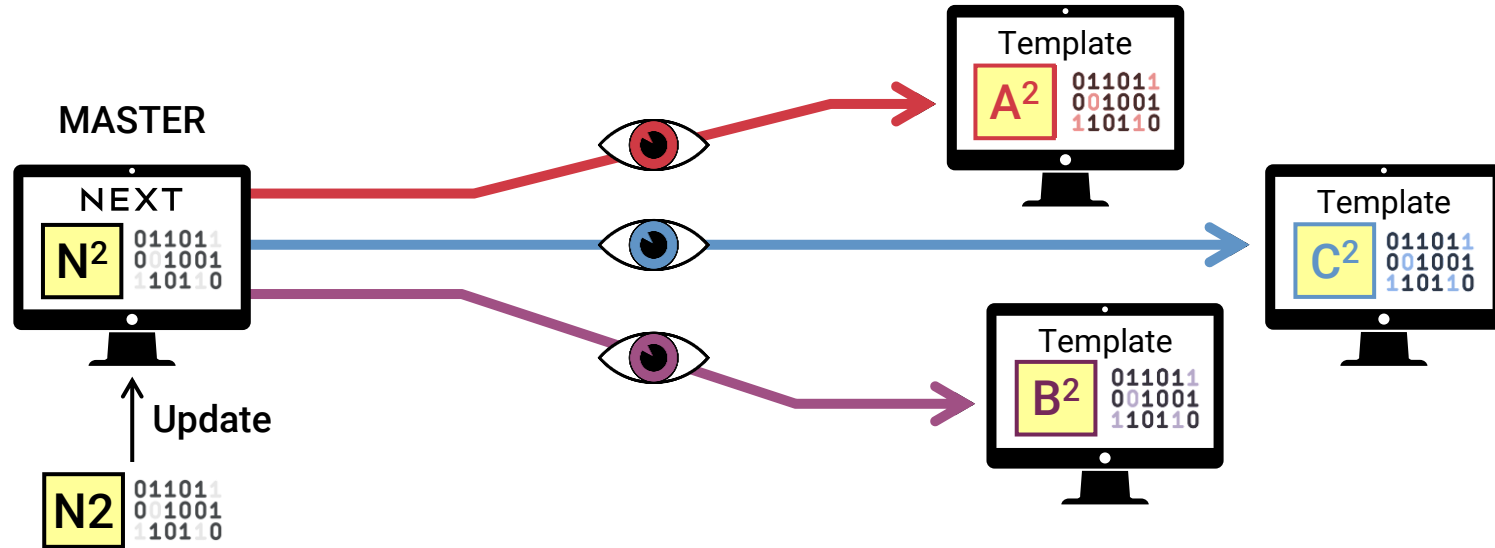
Technology Timescales

Today



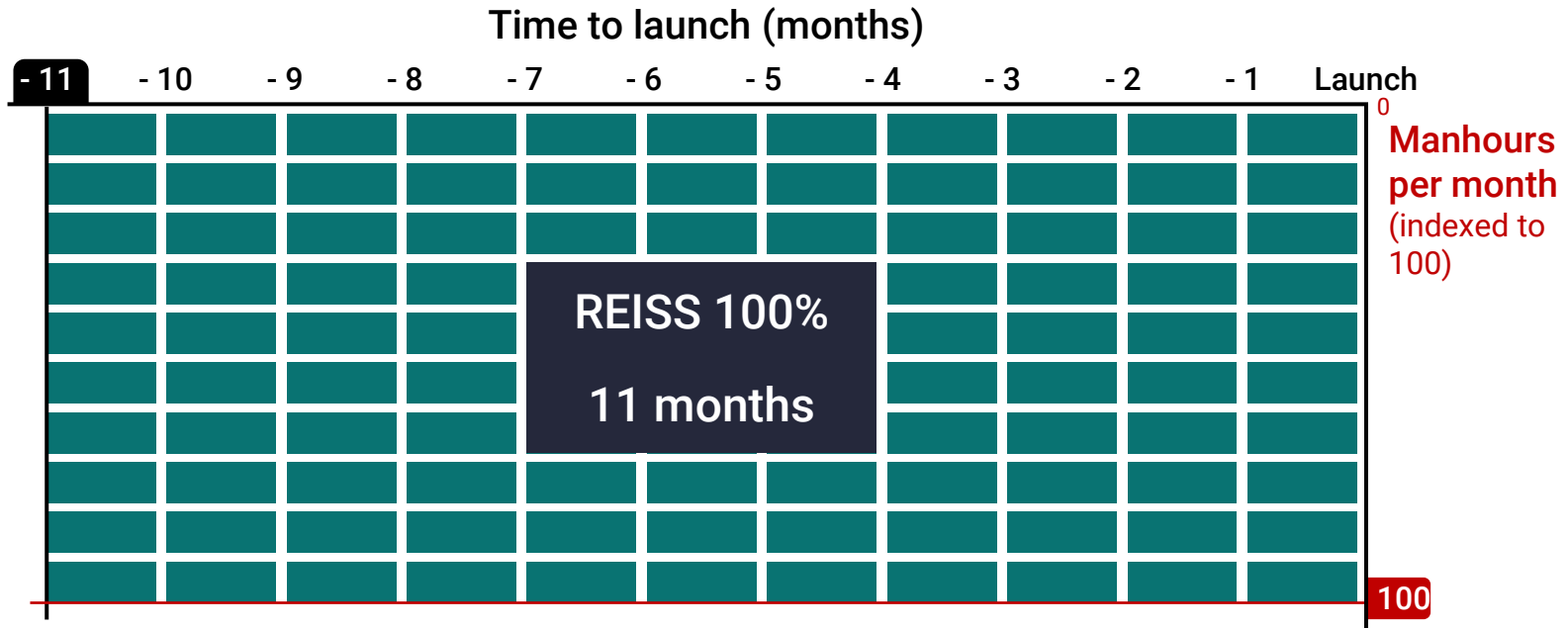
Technology Timescales

Today



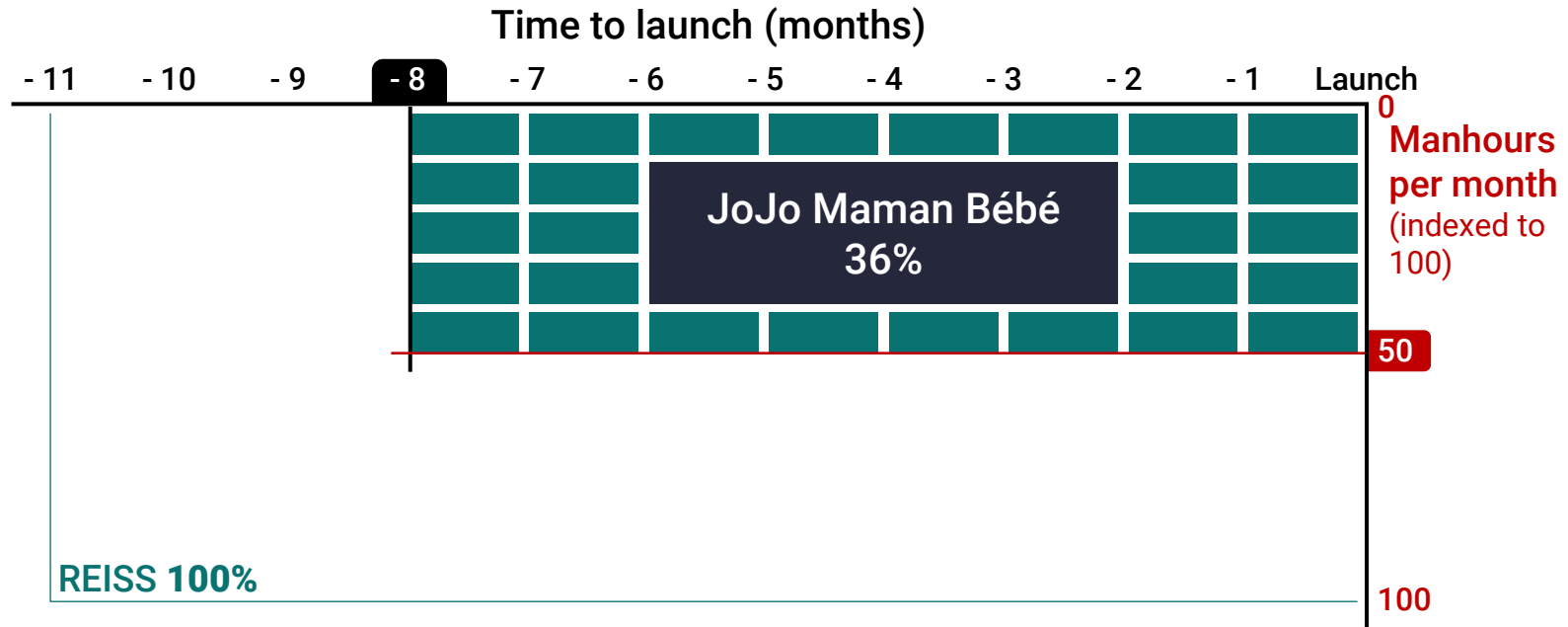
Technology Timescales

Faster Deployment



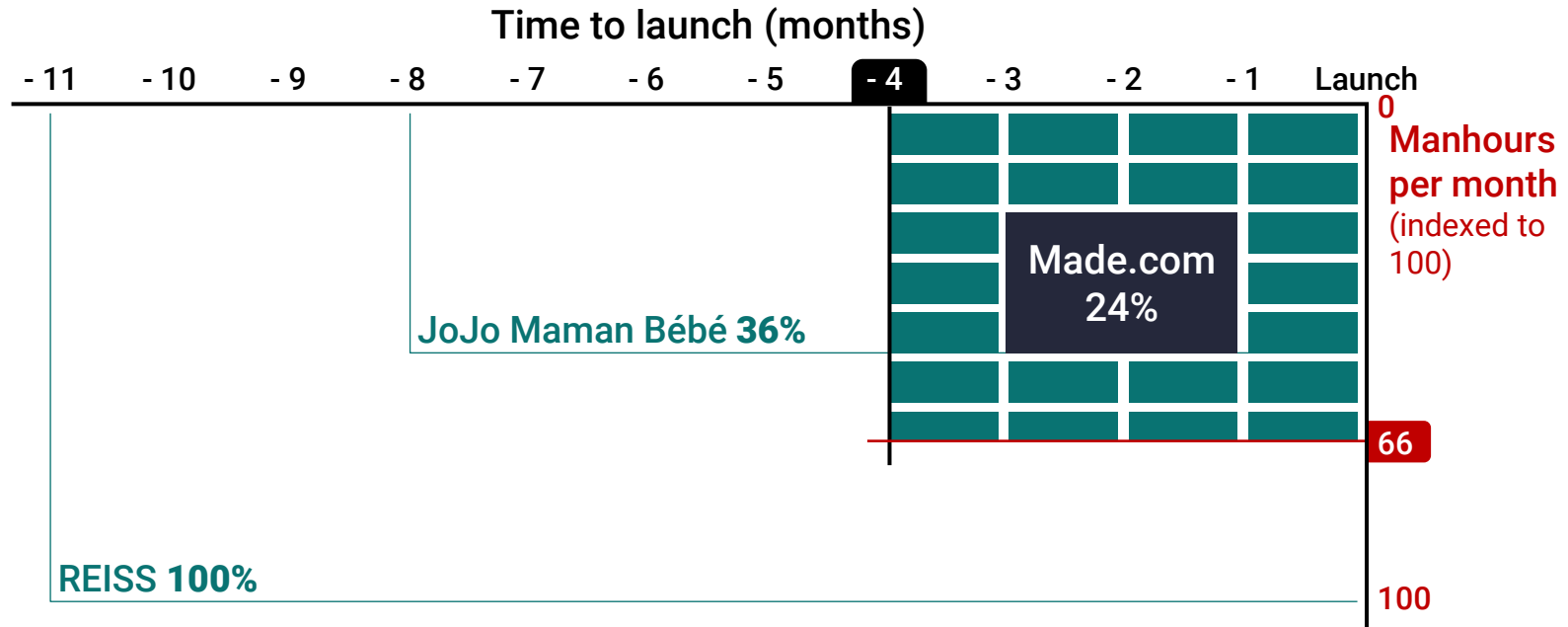
Technology Timescales

Faster Deployment



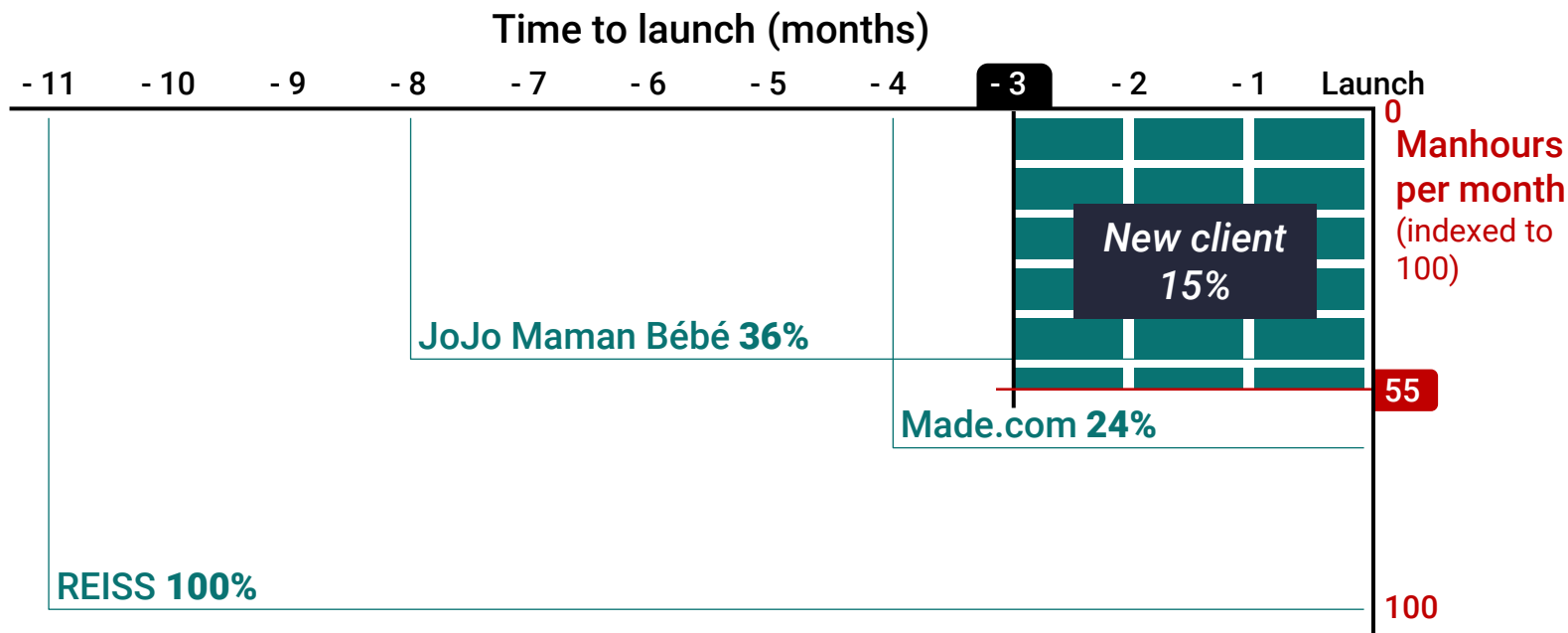
Technology Timescales

Faster Deployment



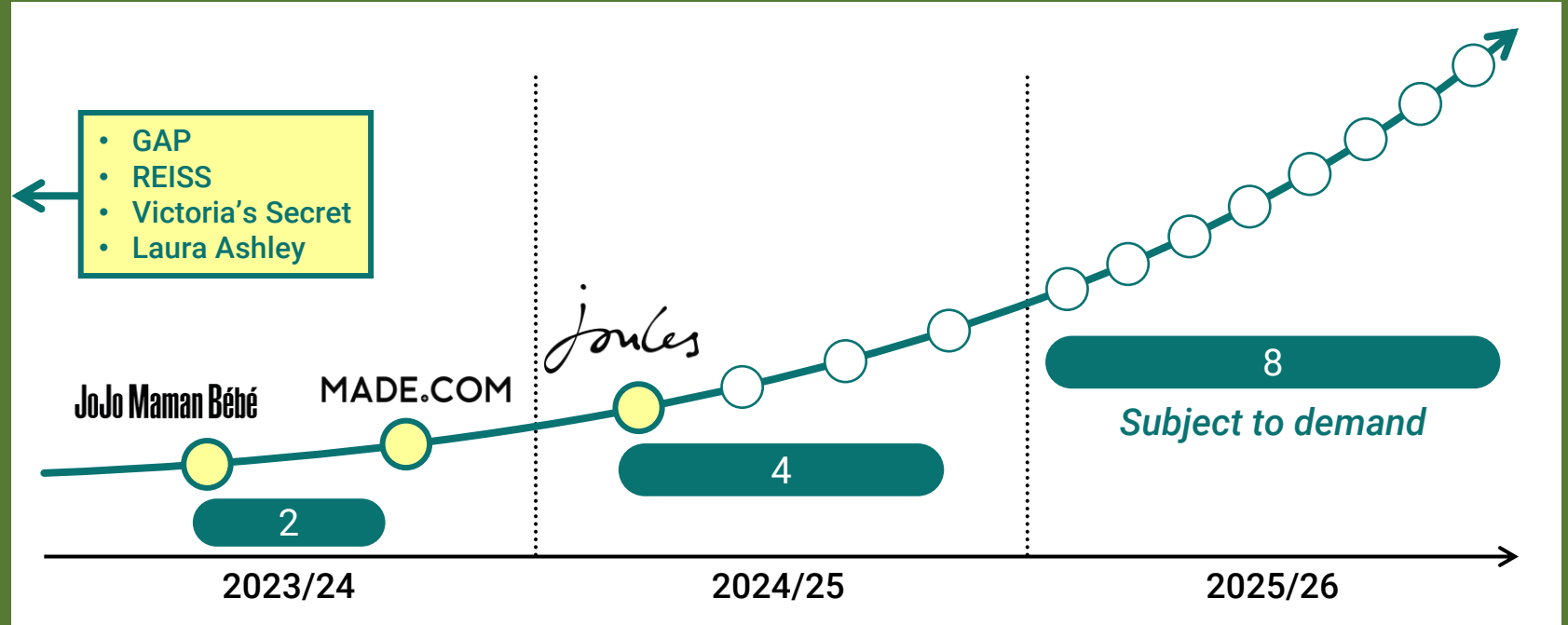
Technology Timescales

Faster Deployment



Technology Timescales

Roll Out Potential



Established



Warehousing & Distribution



Bespoke Software & Systems



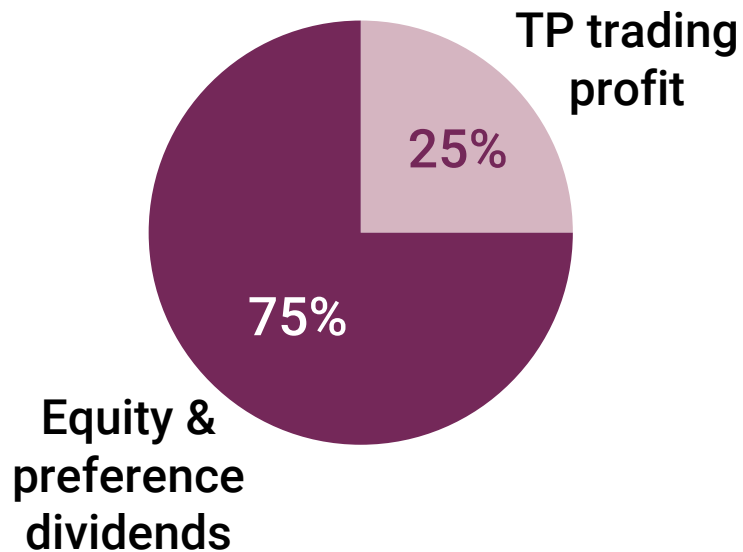
Contact Centre & Stores

Total Platform

Equity Investments

Equity Investments

Jan 2023 Profit



Share in the upside



Align interests

Equity Investments

Investment Criteria

- ✓ Great brands
- ✓ The potential to add value
- ✓ Great management
- ✓ Right price

‘More than a venture capitalist but not a retail conglomerate’

Managing the Investments



Brand Independence

NEXT acting as a Financial Investor



NEXT Operations

Established



Warehousing & Distribution



Bespoke Software & Systems



Contact Centre & Stores



Sourcing & Product Skills

Total Platform

Equity Investments

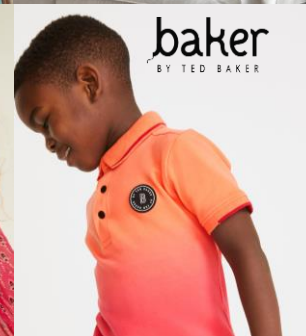
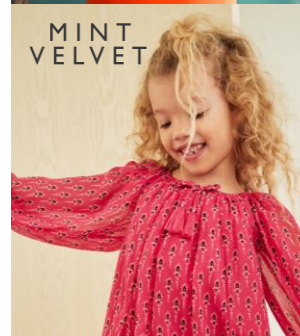
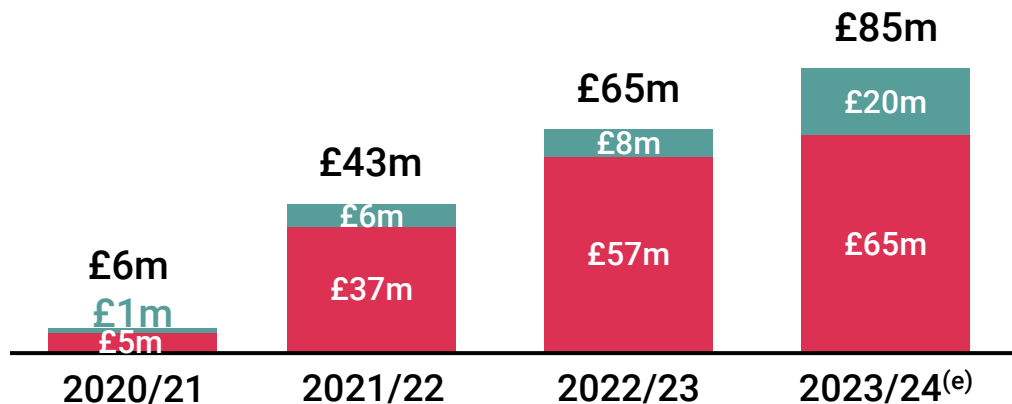
Licensing & New Brands

Licensing and New Brands

Full price sales growth

Licensing

- Home
- Fashion



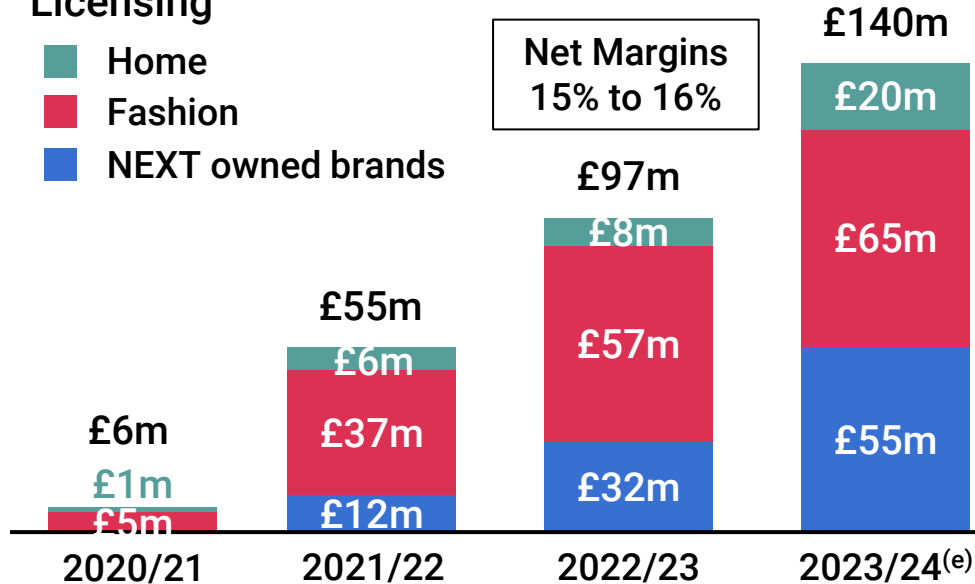
Licensing and New Brands

Full price sales growth

Licensing

- Home
- Fashion
- NEXT owned brands

Net Margins
15% to 16%



Established



Warehousing & Distribution



Bespoke Software & Systems



Contact Centre & Stores



Sourcing & Product Skills



NEXT Brand

Total Platform

Equity Investments

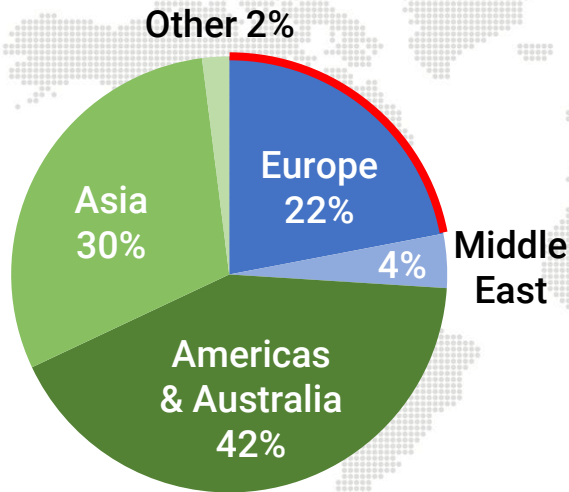
Licensing & New Brands

NEXT Brand Overseas

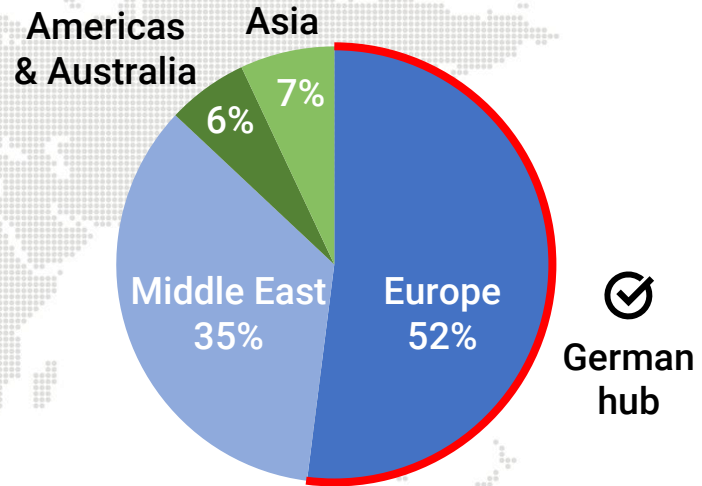
NEXT Brand Overseas

Market Penetration

Total Global Spending by Region*



NEXT Sales by Region



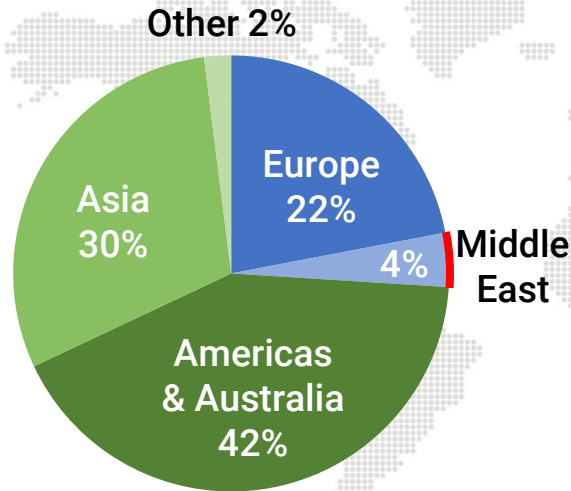
* 2021 or latest available

Charts exclude UK

NEXT Brand Overseas

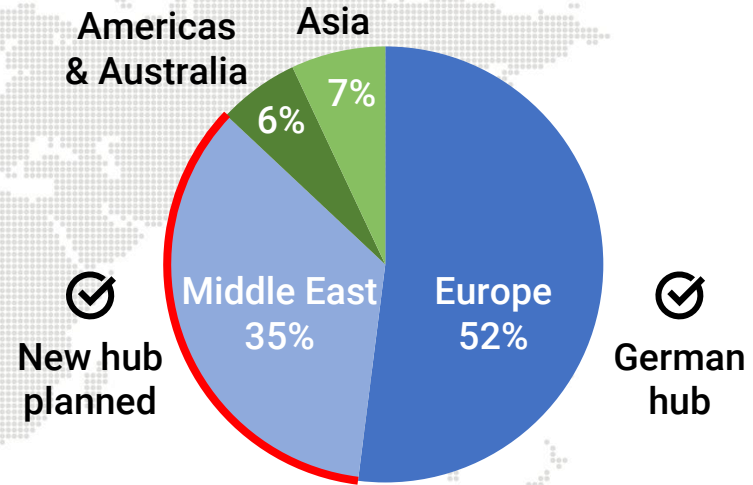
Market Penetration

Total Global Spending by Region*



* 2021 or latest available

NEXT Sales by Region



Charts exclude UK

NEXT Brand Overseas

Market Penetration

Challenges

- Consumer preference ☒
- Tariffs and admin ✓
- Delivery times ✓
- Strong local operators ✓

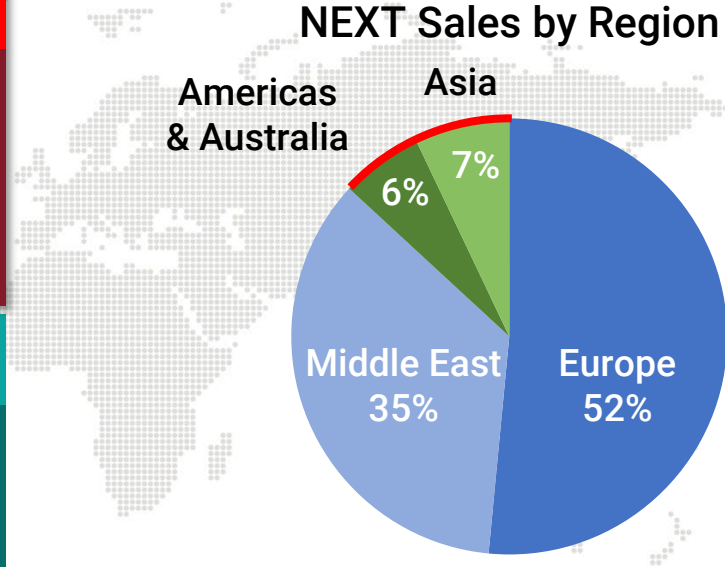
Opportunities

- Franchise and wholesale
- Local aggregators
- Licensing



DIRECT SHIP
FROM SOURCE

NEXT Sales by Region





£39m

5% of Group Profit

2022/23 Profit

Total Platform

£5m

Equity Investments

£17m

Licensing & New Brands

£10m

NEXT Brand Overseas

£7m
(Franchise)



Group Investment, Acquisitions and Third Parties Division

LABEL Partners

Total Platform

Equity Investments

Licensing & New Brands

NEXT Brand Overseas (Franchise)

The Priorities Ahead

Service

Costs

Product

FACTORY VISITS

TRAVEL

INSPIRATION

SELECTION



The Priorities Ahead

Product

Costs

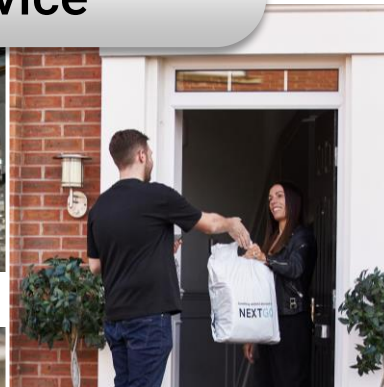
Service



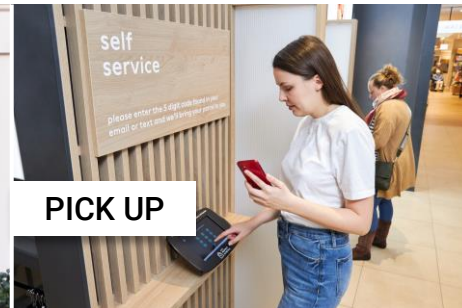
AUTOMATION



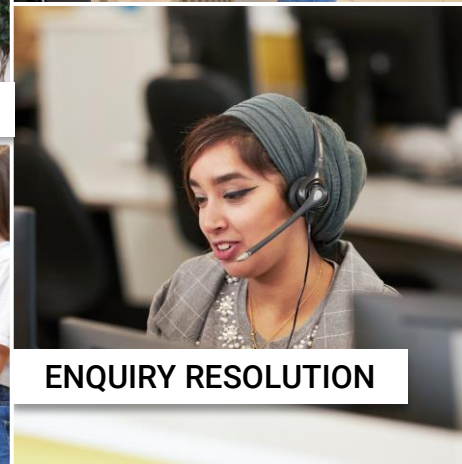
PICK & PACK



DELIVERIES & RETURNS



PICK UP



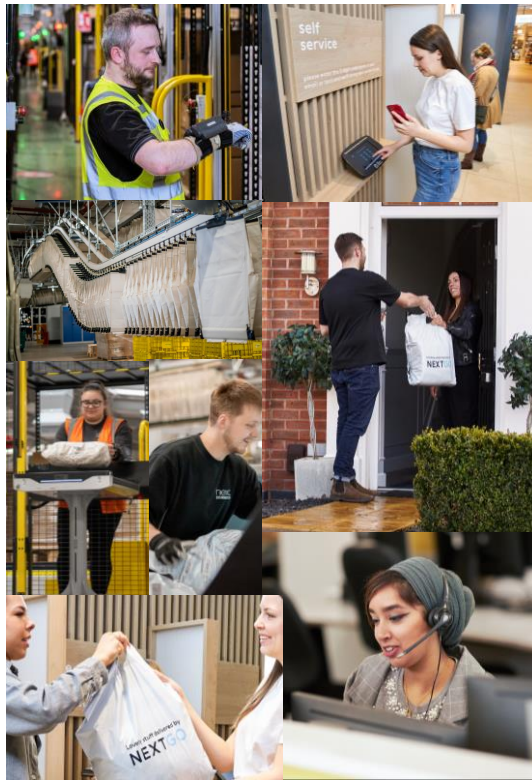
ENQUIRY RESOLUTION

The Priorities Ahead

Product



Service



Costs

- Cost of goods
- Cost of operations
- Profitability
- Technology value

The Priorities Ahead



Product

Service

Costs

Foundations

