

NEXT

July 2022

All figures presented on an IFRS 16 basis

Figures shown using 3 year comparisons (unless otherwise stated)

Rounding differences in tables not adjusted



Income Statement

NEXT

£m	July 2022	July 2019	Var
----	-----------	-----------	-----

Total sales	2,546	2,059	+ 24%
-------------	-------	-------	-------

Full price sales	Online	+ 46%
	Retail	- 1%
		+ 22%

FP CAGR	+ 6.9%
Incl. Finance	

Total sales are not presented on a statutory basis.

Income Statement

NEXT

£m	July 2022	July 2019	Var
Total sales	<u>2,546</u>	<u>2,059</u>	+ 24%
Operating profit	434	380	+ 14%
Lease interest	(23)	(32)	
Operating profit after lease interest	411	348	+ 18%
Operating profit %	16.1%	16.9%	



Overseas margin decline
Investment in technology



Retail margin improvement
No catalogues

Total sales are not presented on a statutory basis.

Income Statement

NEXT

£m	July 2022	July 2019	Var
Total sales	<u>2,546</u>	<u>2,059</u>	+ 24%
Operating profit	434	380	+ 14%
Lease interest	(23)	(32)	
Financing interest	<u>(10)</u>	<u>(21)</u>	
Interest	<u>(33)</u>	<u>(53)</u>	
▶ Profit before tax	401	327	+ 22%
Tax charge	<u>(72)</u>	<u>(60)</u>	
▶ Profit after tax	<u>329</u>	<u>267</u>	+ 23%
▶ EPS	262.3p	204.4p	+ 28%

Total sales are not presented on a statutory basis.

Cash Flow

NEXT

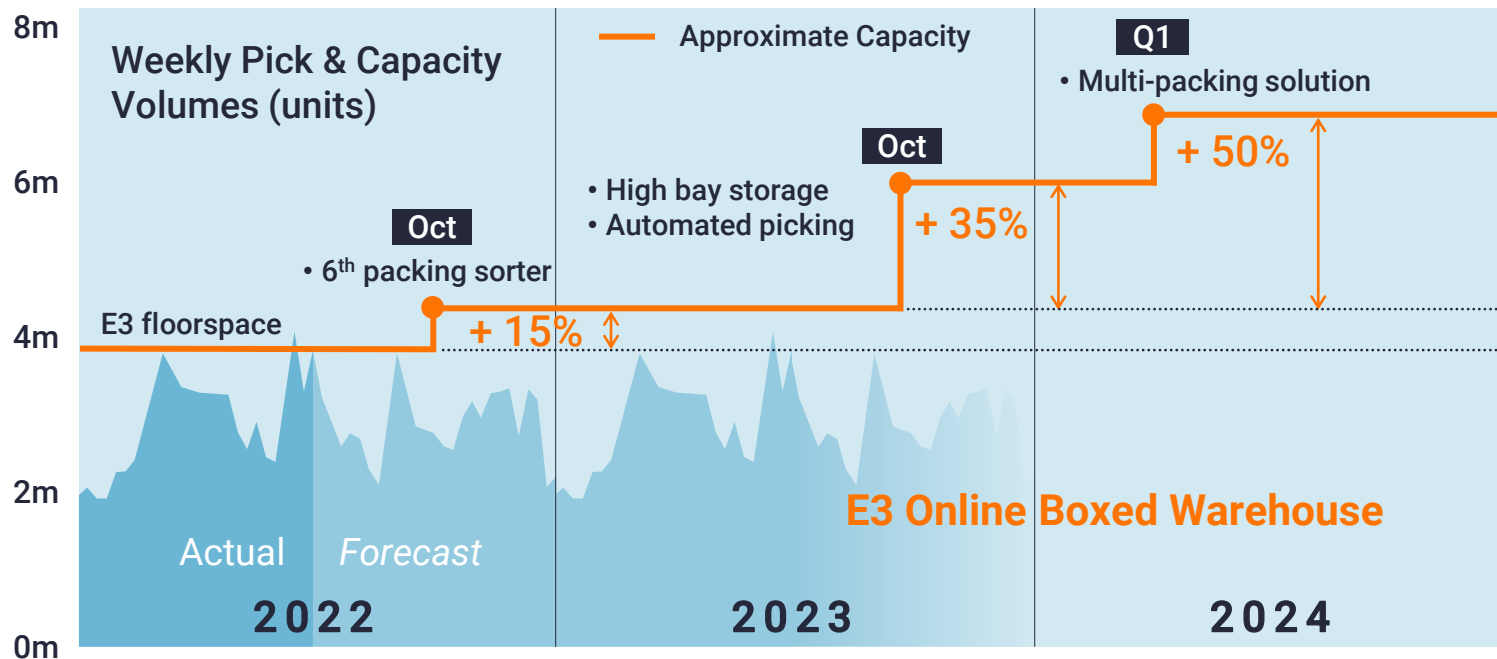
£m	July 2022	July 2019	Var
Profit before tax	401	327	
Depreciation and impairment	57	61	
▶ Capital expenditure	(107)	(65)	- 42m
Investments	(64)	(0)	
▶ Working capital / other	(174)	(35)	- 139m
Tax paid	(70)	(70)	
▶ ESOT	(77)	(35)	- 42m
Cash flow before distribution	(33)	183	
Buybacks	(228)	(280)	
Net cash flow	(262)	(97)	

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

Cash Flow

NEXT

£m	July 2022	July 2019	Var
Capital expenditure	(107)	(65)	- 42m



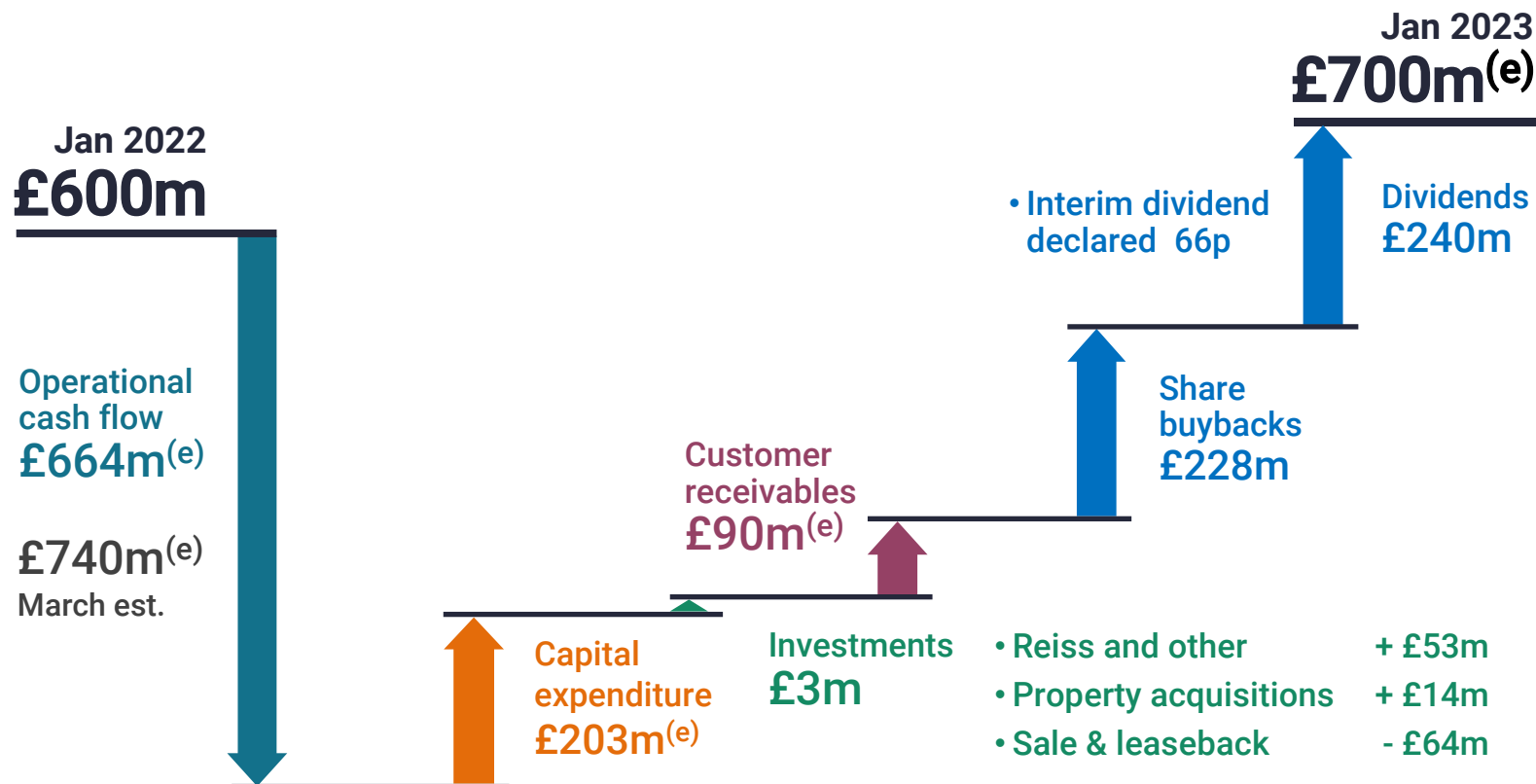
The cash flow statement is not presented on a statutory basis.

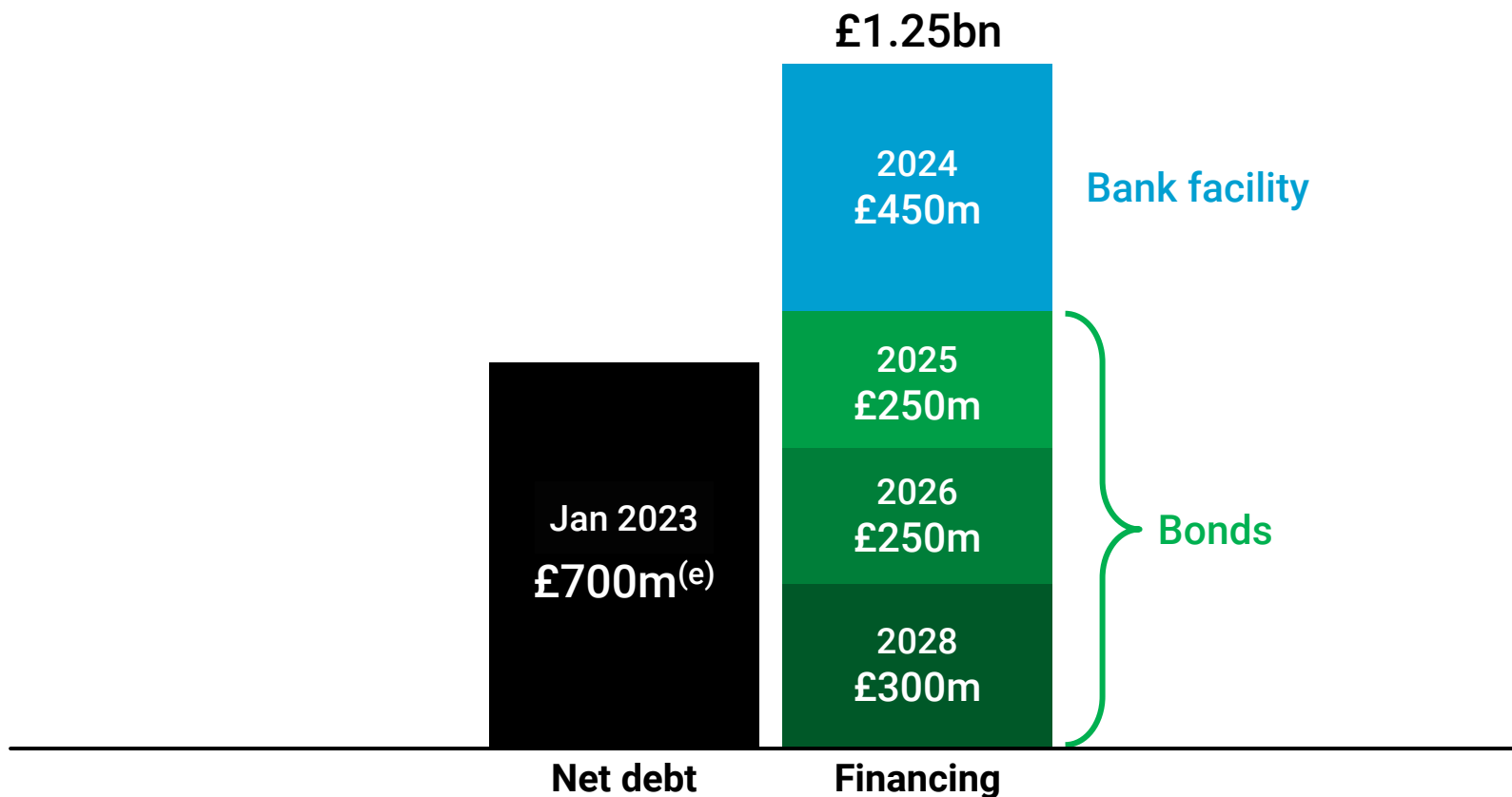
Cash Flow

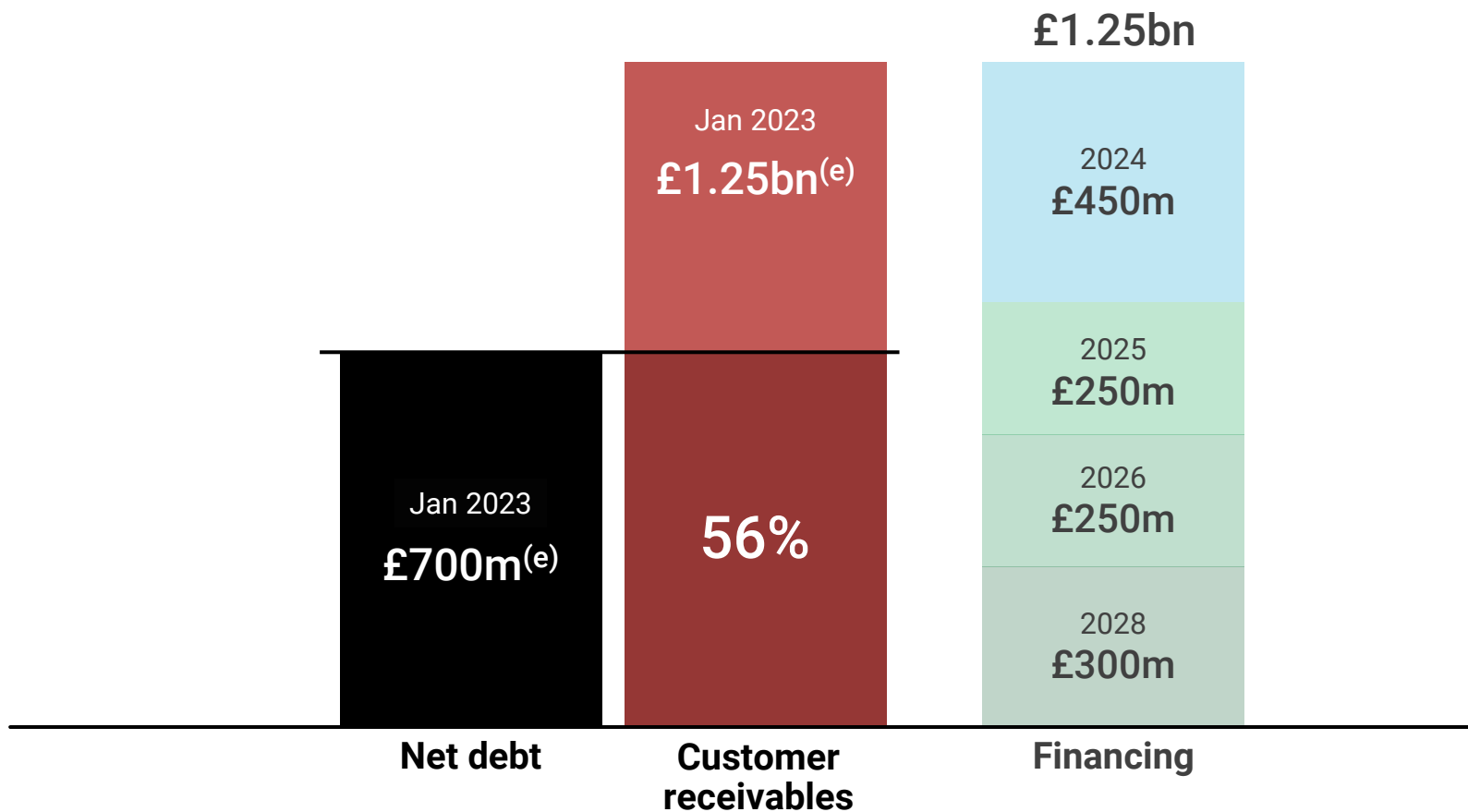
NEXT

£m	July 2022	July 2019	Var
Profit before tax	401	327	
Depreciation and impairment	57	61	
Capital expenditure	(107)	(65)	
Investments	(64)	(0)	
Working capital / other	(174)	(35)	- 139m
	Stock		c. - 90m
	2021 staff incentives		c. - 50m

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







Balance Sheet

NEXT

£m	July 2022	July 2019	Var
Fixed assets and investments	709	575	+ 134m
Goodwill and intangibles	93	45	Investments
Stock	805	584	+ 109m
Debtors / other receivables	1,318	1,254	
Other creditors / derivatives	(738)	(627)	
Pension surplus	191	142	
Dividends payable	(157)	(140)	
Net debt (exc. lease debt)	(862)	(1,193)	
Right-of-use assets	648	917	
Lease debt	(1,066)	(1,331)	
Net assets	941	226	

The balance sheet is not presented on a statutory basis.

Balance Sheet

NEXT

£m	July 2022	July 2019	Var
Fixed assets and investments	709	575	
Goodwill and intangibles	93	45	+ 48m
Stock	805	584	Capitalised software
Debtors / other receivables	1,318	1,254	
Other creditors / derivatives	(738)	(627)	
Pension surplus	191	142	
Dividends payable	(157)	(140)	
Net debt (exc. lease debt)	(862)	(1,193)	
Right-of-use assets	648	917	
Lease debt	(1,066)	(1,331)	
Net assets	941	226	

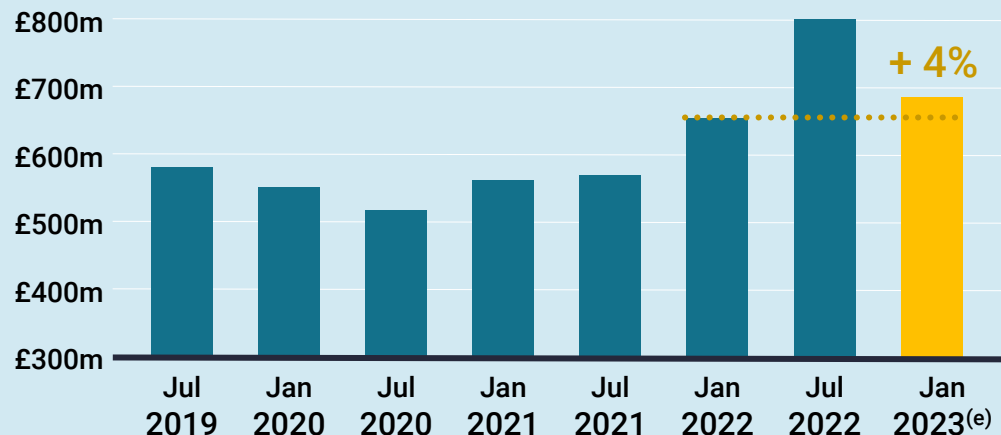
The balance sheet is not presented on a statutory basis.

Balance Sheet

NEXT

£m	July 2022	July 2019	Var
Fixed assets and investments	709	575	
Goodwill and intangibles	93	45	
Stock	805	584	+ 38%

6 monthly stock balance



Warehouse stock + 27%

Freight lead times + 2.5 weeks

The balance sheet is not presented on a statutory basis.

Balance Sheet

NEXT

£m	July 2022	July 2019	Var
Fixed assets and investments	709	575	
Goodwill and intangibles	93	45	
Stock	805	584	
Debtors / other receivables	1,318	1,254	
Other creditors / derivatives	(738)	(627)	
Pension surplus	191	142	
Dividends payable	(157)	(140)	
▶ Net debt (exc. lease debt)	(862)	(1,193)	↓ 331m
Right-of-use assets	648	917	
Lease debt	(1,066)	(1,331)	
Net assets	<u>941</u>	<u>226</u>	

The balance sheet is not presented on a statutory basis.

Balance Sheet IFRS 16

NEXT

£m	July 2022	July 2019	Var
Fixed assets and investments	709	575	
Goodwill and intangibles	93	45	
Stock	805	584	
Debtors / other receivables	1,318	1,254	
Other creditors / derivatives	(738)	(627)	
Pension surplus	191	142	
Dividends payable	(157)	(140)	
Net debt (exc. lease debt)	(862)	(1,193)	
Right-of-use assets	648	917	- 269m
Lease debt	(1,066)	(1,331)	+ 265m
Net assets	<u>941</u>	<u>226</u>	+ 715m

The balance sheet is not presented on a statutory basis.



Retail

DIVISIONAL ANALYSIS

Manchester Arndale

Retail | Sales and Profit Analysis

NEXT



£m	July 2022	July 2019	Var	Full Price
----	-----------	-----------	-----	------------

Total sales	880	874	+ 1%	- 1%
-------------	-----	-----	------	------

Like For Like full price NSVE sales

LFL Full Price + 0.5%

vs 3 years

Low stock

+ 7.5%

Great weather

- 6.9%

Q1

Q2

Retail | Sales and Profit Analysis

NEXT



£m

July 2022

July 2019

Var

Full Price

Total sales

880

874

+ 1%

- 1%

NEXT UK Retail full year sales history (Full price NSVE sales)

£2.5bn

£2bn

£1.5bn

£1bn

£0.5bn

£bn

CAGR - 6.2%

2.0bn

1.9bn

1.7bn

1.7bn

2016/17

2017/18

2018/19

2019/20

2020/21

2021/22

2022/23^(e)

Retail | Sales and Profit Analysis

NEXT

£m

July 2022

July 2019

Var

Full Price

Total sales

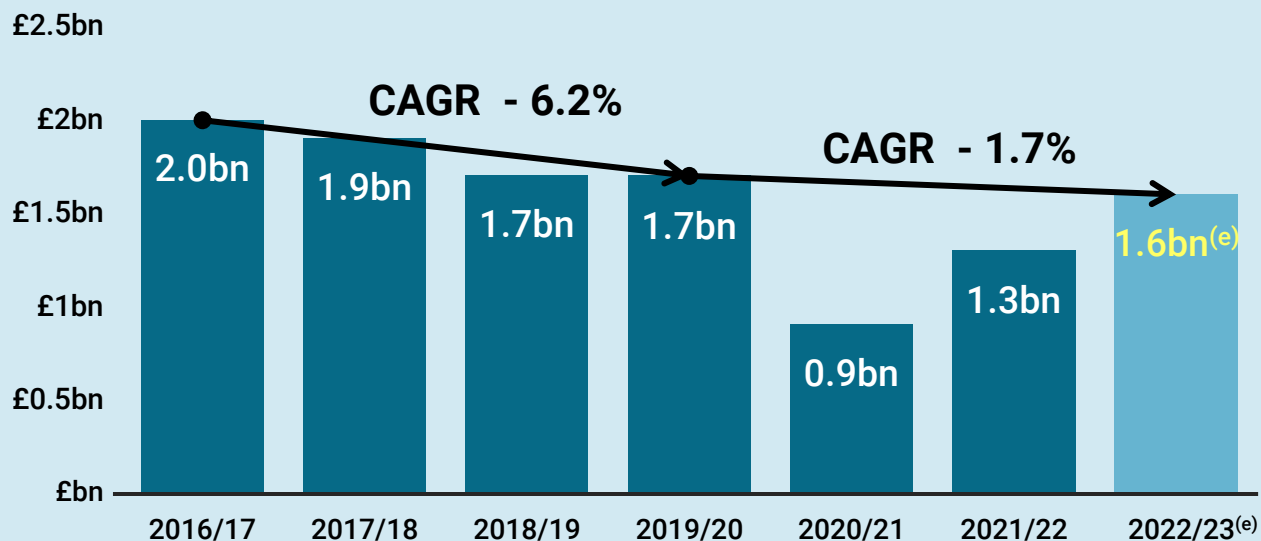
880

874

+ 1%

- 1%

NEXT UK Retail full year sales history (Full price NSVE sales)



Retail | Sales and Profit Analysis

NEXT



£m	July 2022	July 2019	Var
<i>Total sales</i>	880	874	+ 1%
Operating profit	101	91	+ 11%
Lease interest charge	(19)	(30)	- 37%
Operating profit inc. lease interest	82	61	+ 34%

Retail | Sales and Profit Analysis

NEXT



£m	July 2022	July 2019	Var
<i>Total sales</i>	880	874	+ 1%
Operating profit inc. lease interest	82	61	
% to sales	9.3%	7.0%	+ 2.3%
Cash saving	+ 2.3%		
Increase in fully depreciated assets	+ 1.2%		
Impact of new leases / IFRS 16 timing	+ 0.8%		
Onerous Lease Provision utilisation	+ 0.4%		
Total occupancy costs (inc. lease interest)	+ 4.7%		

Retail | Sales and Profit Analysis

NEXT



£m	July 2022	July 2019	Var	
Total sales	880	874	+ 1%	
Operating profit inc. lease interest	82	61	+ 34%	
% to sales	9.3%	7.0%		
Total occupancy costs	+ 4.7%	(inc. lease interest)		
FY 2022 ^(e) rent reductions				
Total	No. of stores 74	Weighted avg. term 4.7 years	Occ. saving* - 33%	Annualised saving* £12.5m
Fixed rent	42	4.0 years		
TOC** deals	25	5.1 years		

* Inc. rates and service charge for TOC deals .

** Total Occupancy Costs are charged as a % of sales and include rent, rates and service charge.

Retail | Sales and Profit Analysis

NEXT



£m	July 2022	July 2019	Var
<i>Total sales</i>	880	874	+ 1%
Operating profit inc. lease interest	82	61	+ 34%
% to sales	9.3%	7.0%	
Total occupancy costs (inc. lease interest)	+ 4.7%		
Freight costs	- 0.6%		
Surplus	- 0.8%		
Achieved gross margin	- 1.4%		
			<div> <div>→ Stock for sale</div> <div>+ 22%</div> </div> <div> <div>→ Cash recovery*</div> <div>- 5%</div> </div>

* Cash recovery is measured as the cash received compared to the original full price selling value.

Retail | Sales and Profit Analysis

NEXT



£m	July 2022	July 2019	Var
<i>Total sales</i>	880	874	+ 1%
Operating profit inc. lease interest	82	61	+ 34%
% to sales	9.3%	7.0%	+ 2.3%
Total occupancy costs (inc. lease interest)	+ 4.7%	FY operating profit guidance Inc. lease interest 2022/23^(e) ~10.5%	
Achieved gross margin	- 1.4%		
Logistics & central costs	- 1.0%		
Total margin movement	<u>+ 2.3%</u>		



Online

DIVISIONAL ANALYSIS

Online | Sales Analysis

NEXT



Trend

Division

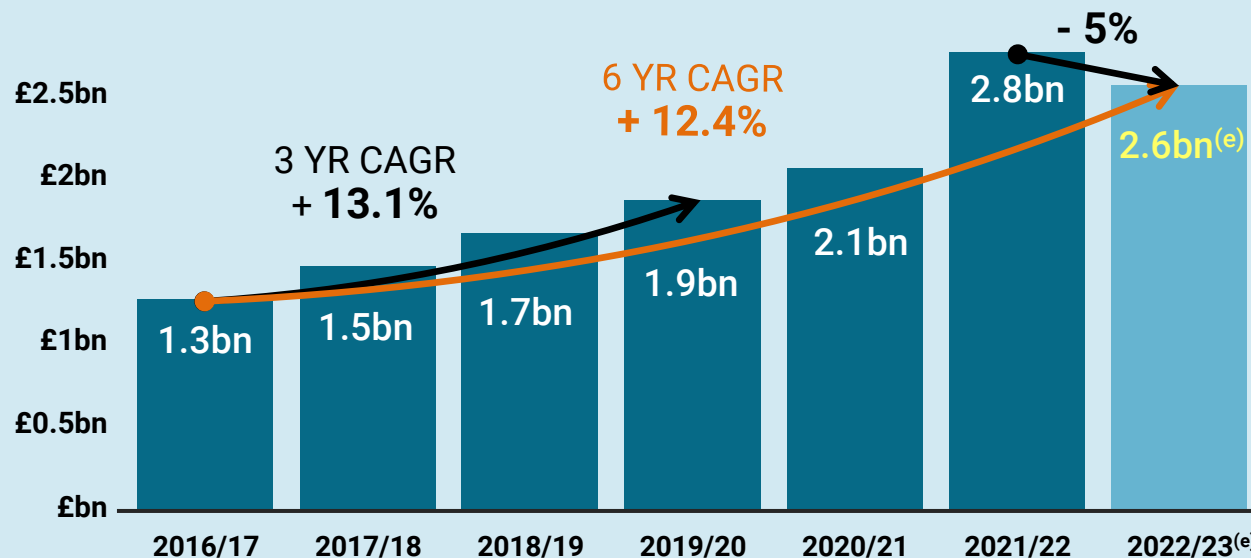
Customer type

Returns rates

£m	July 2022	July 2019	Var	Full Price
----	-----------	-----------	-----	------------

Total sales	1,427	1,005	+ 42%	+ 46%
-------------	-------	-------	-------	-------

NEXT Online full year sales history (Full price NSVE sales)



FP CAGR
+ 13.5%

Online | Sales Analysis

NEXT



Trend

Division

Customer type

Returns rates

£m	July 2022	July 2019	Var	Full Price
----	-----------	-----------	-----	------------

Total sales	1,427	1,005	+ 42%	+ 46%
-------------	-------	-------	-------	-------

Full price NSVE sales 2022 vs 2019

By division

NEXT Brand UK

LABEL UK

UK total

H1

24%

105%

48%

LABEL sales growth contribution

New brands
55%

Existing brands
50%

Online | Sales Analysis

NEXT



£m	July 2022	July 2019	Var	Full Price
----	-----------	-----------	-----	------------

Total sales	1,427	1,005	+ 42%	+ 46%
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Full price NSVE sales 2022 vs 2019

By division

H1

NEXT Brand UK

24%

LABEL UK

105%

UK total

48%

Overseas

41%

Online total

46%

Exc.
Russia &
Ukraine

55%

50%

Trend

Division

Customer type

Returns rates

Online | Sales Analysis

NEXT



Trend

Division

Customer type

Returns rates

£m	July 2022	July 2019	Var	Full Price
----	-----------	-----------	-----	------------

Total sales	1,427	1,005	+ 42%	+ 46%
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Full price NSVE sales 2022 vs 2019

By division

NEXT Brand UK

LABEL UK

UK total

Overseas*

Online total

H1

24%

105%

48%

55%

50%

Overseas sales growth participation

Aggregators
25%

NEXTdirect.com*
30%

* Exc. Russia and Ukraine

Online | Sales Analysis

NEXT



Trend

Division

Customer type

Returns rates

£m	July 2022	July 2019	Var	Full Price
----	-----------	-----------	-----	------------

Total sales	1,427	1,005	+ 42%	+ 46%
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Full price NSVE sales 2022 vs 2019

By division

H1

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UK total

48%

Overseas*

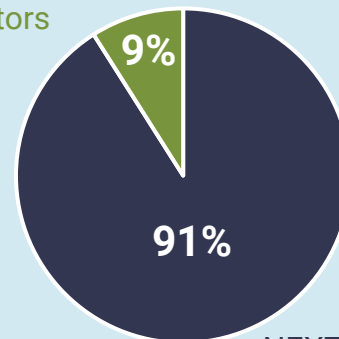
55%

Online total

50%

Overseas sales participation 2019

Aggregators



NEXTdirect.com*

* Exc. Russia and Ukraine

Online | Sales Analysis

NEXT



Trend

Division

Customer type

Returns rates

£m	July 2022	July 2019	Var	Full Price
----	-----------	-----------	-----	------------

Total sales	1,427	1,005	+ 42%	+ 46%
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Full price NSVE sales 2022 vs 2019

By division

H1

NEXT Brand UK

24%

LABEL UK

105%

UK total

48%

Overseas*

55%

Online total

50%

Overseas sales participation 2022

Aggregators

3 year growth
+ 274%

22%

78%

3 year growth
+ 32%

NEXTdirect.com*

* Exc. Russia and Ukraine

Online | Sales Analysis

NEXT



£m	July 2022	July 2019	Var	Full Price
----	-----------	-----------	-----	------------

Total sales	1,427	1,005	+ 42%	+ 46%
-------------	-------	-------	-------	-------

Full price NSVE sales 2022 vs 2019

By customer type

UK credit + 31%

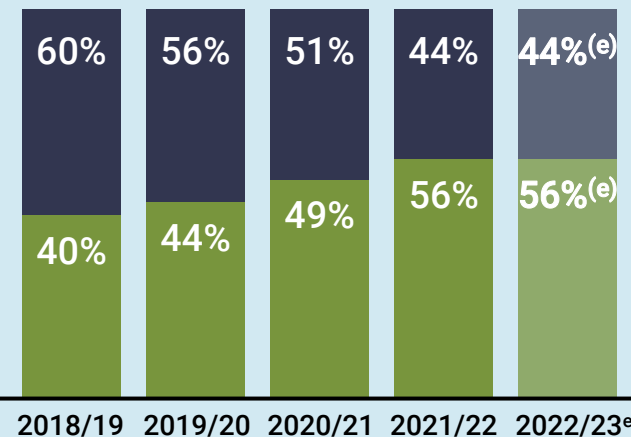
UK cash + 112%

UK total + 48%

Customer participation



Credit
Cash



Online | Sales Analysis

NEXT



£m	July 2022	July 2019	Var	Full Price
----	-----------	-----------	-----	------------

Total sales	1,427	1,005	+ 42%	+ 46%
-------------	-------	-------	-------	-------

Full price NSVE sales 2022 vs 2019

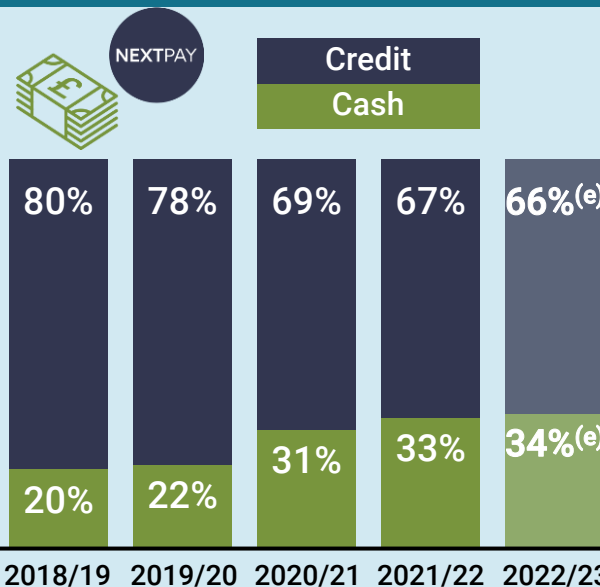
By customer type

UK credit + 31%

UK cash + 112%

UK total + 48%

Total NSVE sales participation



Online | Sales Analysis

NEXT



£m	July 2022	July 2019	Var	Full Price
----	-----------	-----------	-----	------------

Total sales	1,427	1,005	+ 42%	+ 46%
-------------	-------	-------	-------	-------

Spend per customer* (exc. Russia & Ukraine)

By customer type

H1 2022

vs H1 2019

UK credit

£243

+ 19%

UK cash

£86

+ 19%

UK total

£156

+ 6%

Overseas

£140

- 8%

Country mix + 3%

New customer pn - 11%

* Spend per customer is for online transactions on NEXT websites (exc. overseas aggregators)



£m	July 2022	July 2019	Var	Full Price
----	-----------	-----------	-----	------------

Total sales	1,427	1,005	+ 42%	+ 46%
-------------	-------	-------	-------	-------

Returns rate analysis

Full price sales

H1 2019
41.1%

H1 2022
41.9%

Cash / credit mix
- 2.2%

Aggregator &
country mix
+ 1.4%

Product mix
+ 0.7%

Average spend
+ 0.9%

Trend

Division

Customer type

Returns rates

Online | Profit Analysis

NEXT



£m	July 2022	July 2019	Var
Total sales	1,427	1,005	+ 42%
Operating profit	221	185	+ 19%
% to sales	15.5%	18.4%	- 2.9%
Freight costs	- 0.6%		
LABEL vs NEXT mix	- 1.5%		
Bought-in gross margin	- 2.1%		

Online | Profit Analysis

NEXT



£m	July 2022	July 2019	Var
Total sales	1,427	1,005	+ 42%
Operating profit	221	185	+ 19%
% to sales	15.5%	18.4%	

Bought-in gross margin	- 2.1%
Markdown	- 0.2%
Achieved gross margin	<u>- 2.3%</u>

Online | Profit Analysis

NEXT



£m	July 2022	July 2019	Var
Total sales	1,427	1,005	+ 42%
Operating profit	221	185	+ 19%
% to sales	15.5%	18.4%	
Achieved gross margin	- 2.3%		
Warehouse & distribution	- 1.4%		
		UK cost inflation	- 2.1%
		Overseas	- 0.6%
		Increase in ASP	+ 1.3%

Online | Profit Analysis

NEXT



£m	July 2022	July 2019	Var
Total sales	1,427	1,005	+ 42%
Operating profit	221	185	+ 19%
% to sales	15.5%	18.4%	

Achieved gross margin	- 2.3%
Warehouse & distribution	- 1.4%
Technology	- 0.7%
Print	+ 1.5%
Total margin movement	<u>- 2.9%</u>

FY guidance

2022/23 margin
~15.3%(e)

Online | Profit Analysis

NEXT



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Total sales	1,427	1,005	
-------------	-------	-------	--

Operating profit	221	185	
------------------	-----	-----	--

% to sales	15.5%	18.4%	
------------	-------	-------	--

Margin by revenue stream

NEXT brand UK

21.2%

Reallocate
overheads

+ 0.9%

Inc. Lipsy

LABEL UK

13.3%

- 2.2%

+ 1.0%

Overseas

17.0%

+ 0.2%

Online | Profit Analysis

NEXT



£m	July 2022	July 2019	Var
Total sales	1,427	1,005	
Operating profit	221	185	
% to sales	15.5%	18.4%	

Margin by revenue stream

NEXT brand UK	21.0%	21.2%	- 0.2%
LABEL UK	13.2%	13.3%	- 0.1%
Overseas	7.4%	17.0%	- 9.6%

Online | Profit Analysis

NEXT



£m	July 2022	July 2019	Var
Total sales	1,427	1,005	
Operating profit	221	185	
% to sales	15.5%	18.4%	

Margin by revenue stream

Overseas	7.4%	17.0%	- 9.6%
Middle East duty & import VAT			- 2.7%
Technology			- 0.8%
Delivery costs & logistics			- 2.5%
Aggregator margin & participation			- 2.0%
Higher surplus			- 1.6%

Online | Profit Analysis

NEXT



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Total sales	1,427	1,005	
-------------	-------	-------	--

Operating profit	221	185	
------------------	-----	-----	--

% to sales	15.5%	18.4%	
------------	-------	-------	--

Margin by revenue stream

Overseas	7.4%	17.0%	- 9.6%
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H2 guidance	9.0%(e)		
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Long term target...	12.0%		
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NEXT Finance

DIVISIONAL ANALYSIS

1 year comparison vs 2021/22



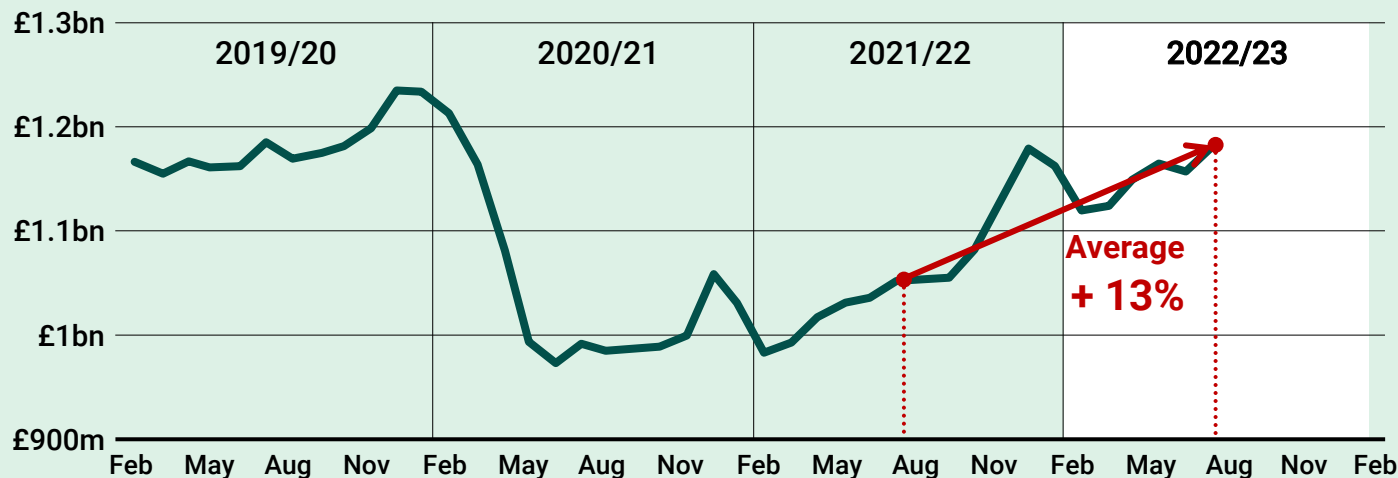
NEXT Finance | Key Drivers of Sales and Profit

NEXT



£m	July 2022	July 2021	Var
Credit sales*	967	939	+ 3%
Avg. customer receivables	1,152	1,020	+ 13%

Closing customer receivables balance by month



* Inc. Online and Retail sales paid on a NEXT credit account plus interest income

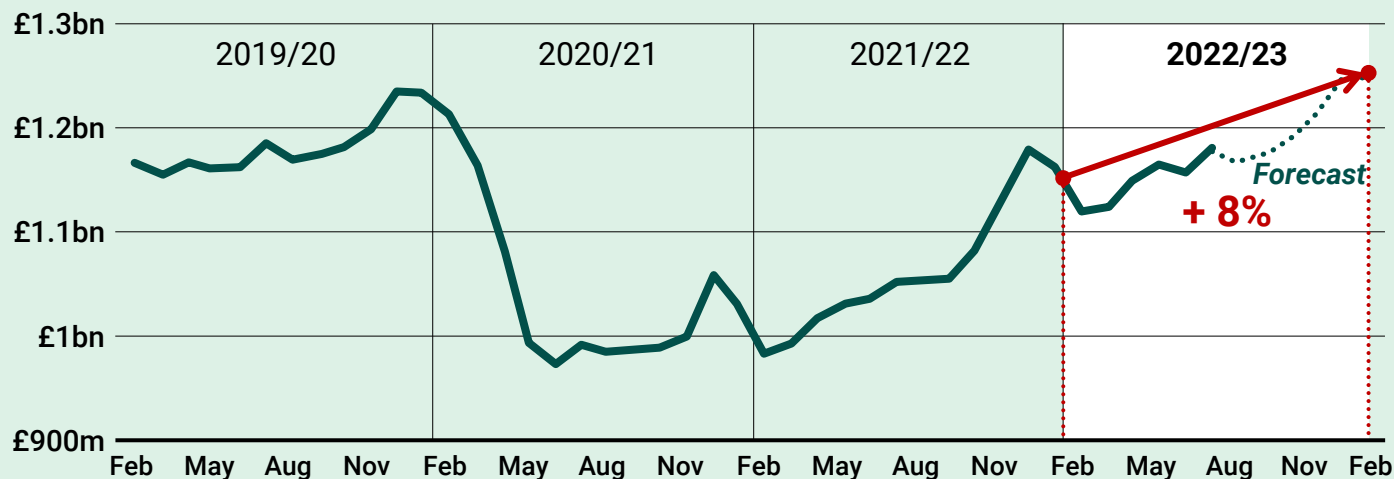
NEXT Finance | Key Drivers of Sales and Profit

NEXT



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Avg. customer receivables	1,152	1,020	+ 13%


Closing customer receivables balance by month



* Inc. Online and Retail sales paid on a NEXT credit account plus interest income

NEXT Finance | Income Statement

NEXT

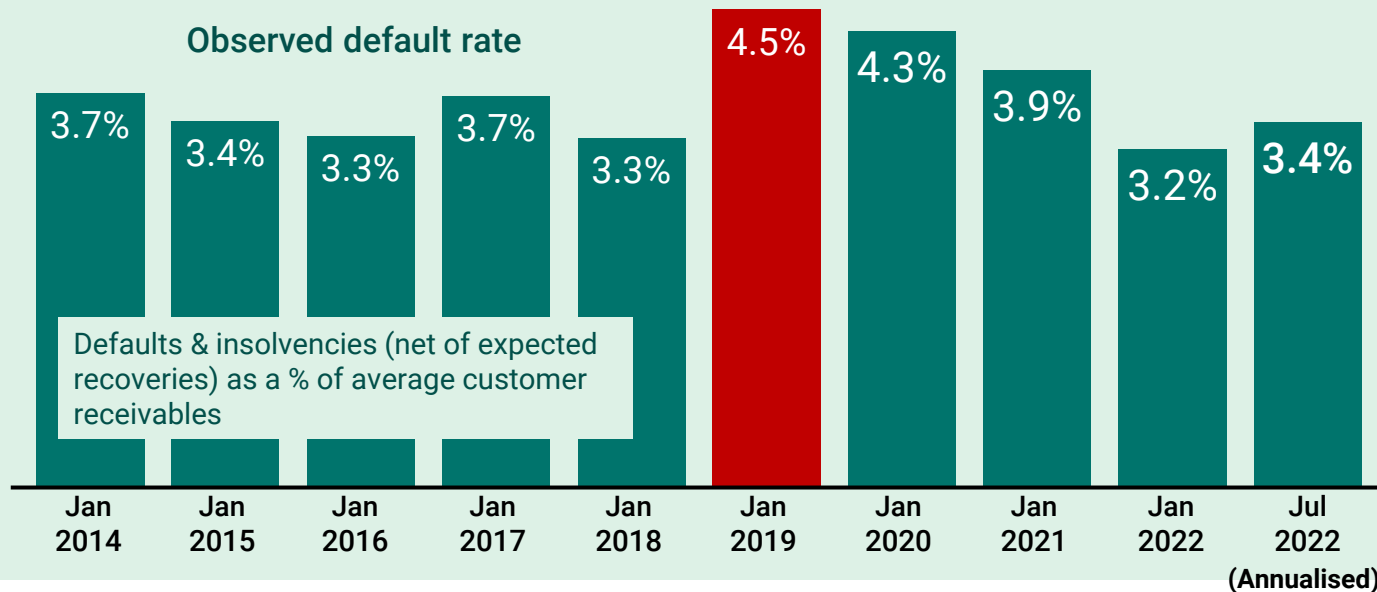


£m	July 2022	July 2021	Var
<i>Credit sales*</i>	967	939	+ 3%
<i>Avg. customer receivables</i>	1,152	1,020	+ 13%
Interest income	134	119	+ 12%
Bad debt charge	(10)	(17)	
Covid provision release		3	
Debt sale		3	
Reduced provision rate		3	

* Inc. Online and Retail sales paid on a NEXT credit account plus interest income.

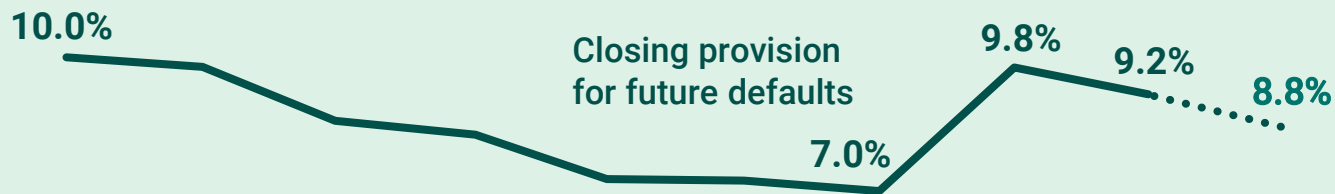


Provision rate and defaults

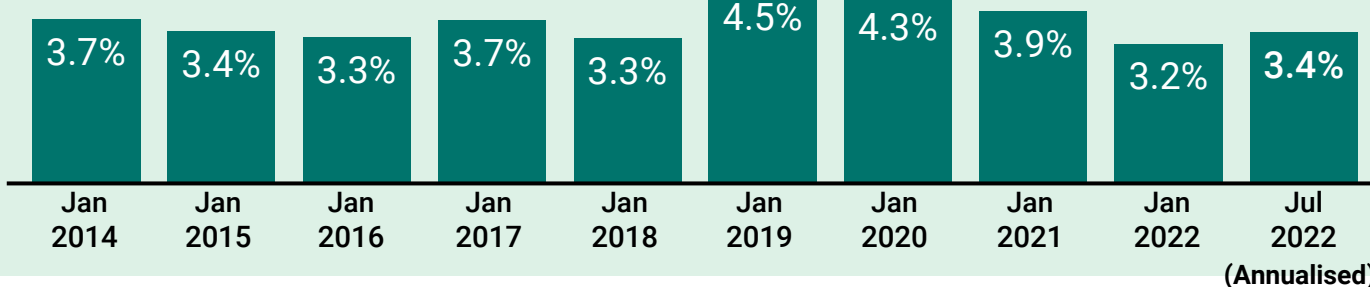




Provision rate and defaults

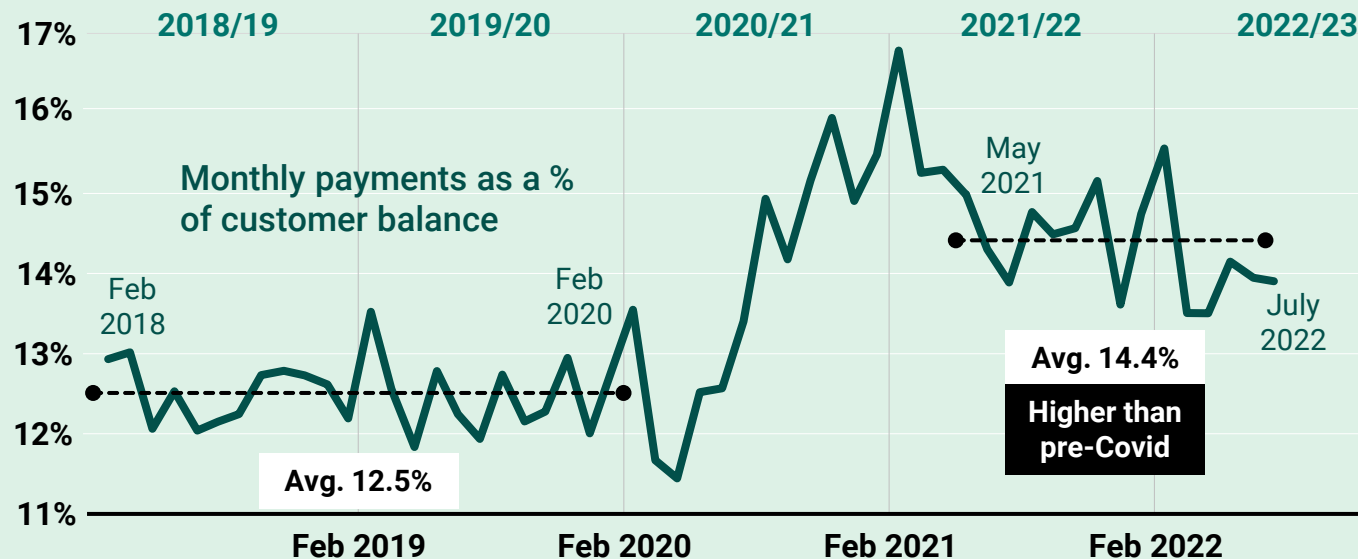


Observed default rate





Payment rates



NEXT Finance | Income Statement

NEXT



£m	July 2022	July 2021	Var
<i>Credit sales</i>	967	939	+ 3%
<i>Avg. customer receivables</i>	1,152	1,020	+ 13%
Interest income	134	119	+ 12%
Bad debt charge	(10)	(17)	
Overheads	(27)	(21)	
Profit before cost of funding	96	81	
Cost of funding	(16)	(16)	
▶ Net profit	81	66	+ 23%
ROCE (after cost of funding)	14.0%	12.9%	
▶ Net profit (inc. Lipsy)	86	68	+ 27%

“There are two kinds of forecasters. Those who don't know, and those who don't know they don't know.”

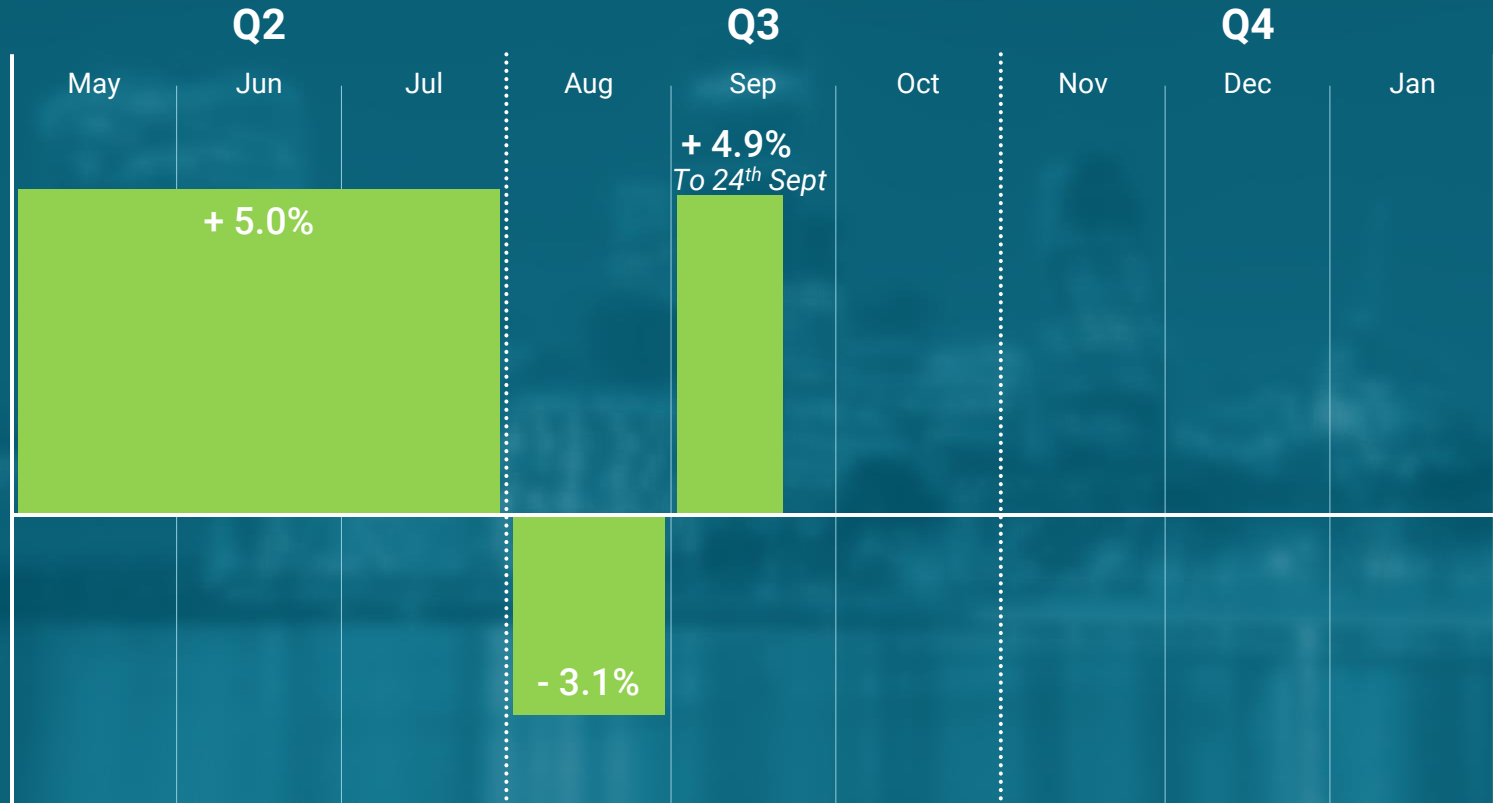
John Kenneth Galbraith

2022/23 Outlook

NEXT PLC

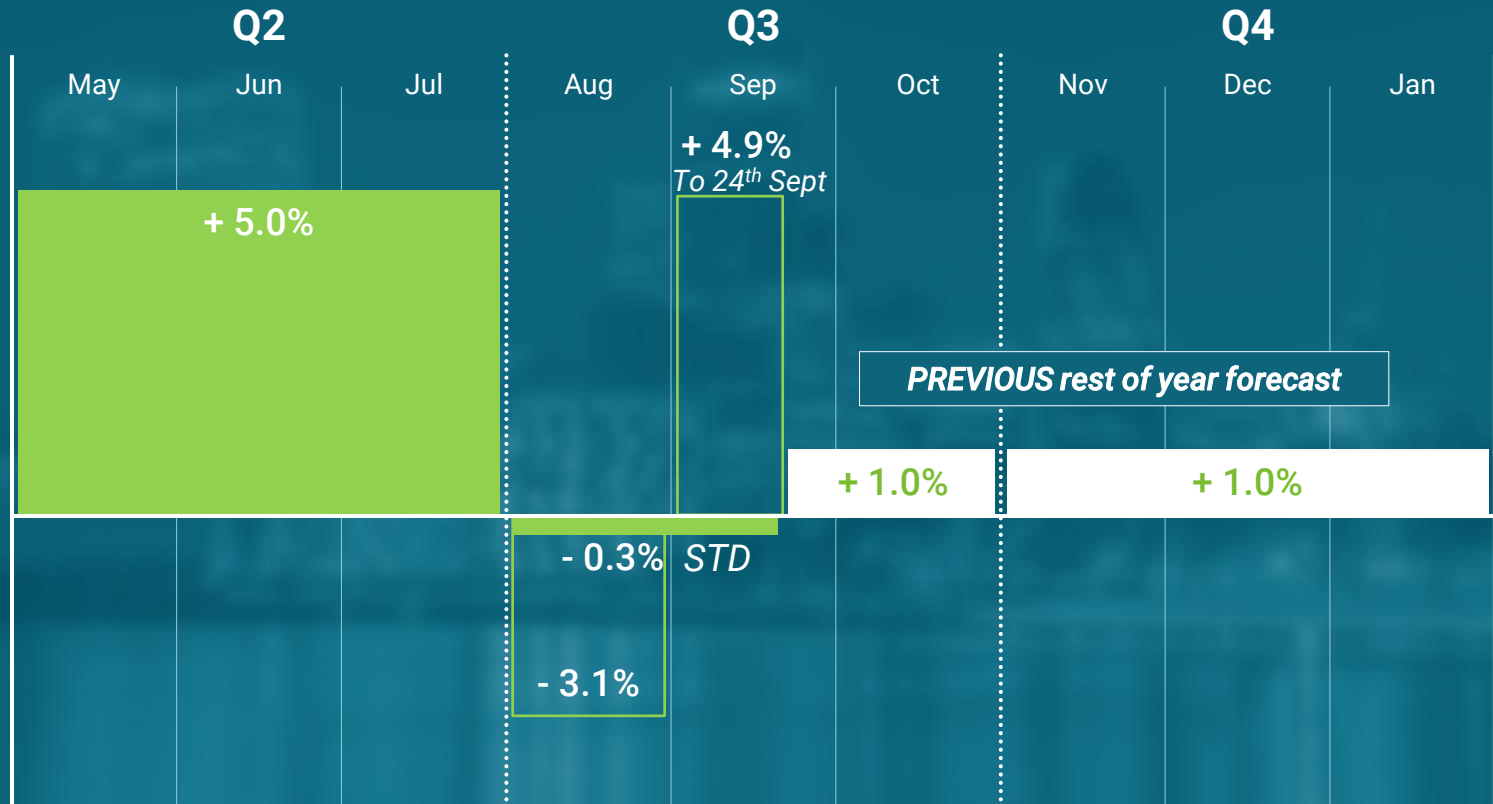
2022/23^(e) Full Price Sales | 1 Year Comparison vs 2021/22

NEXT



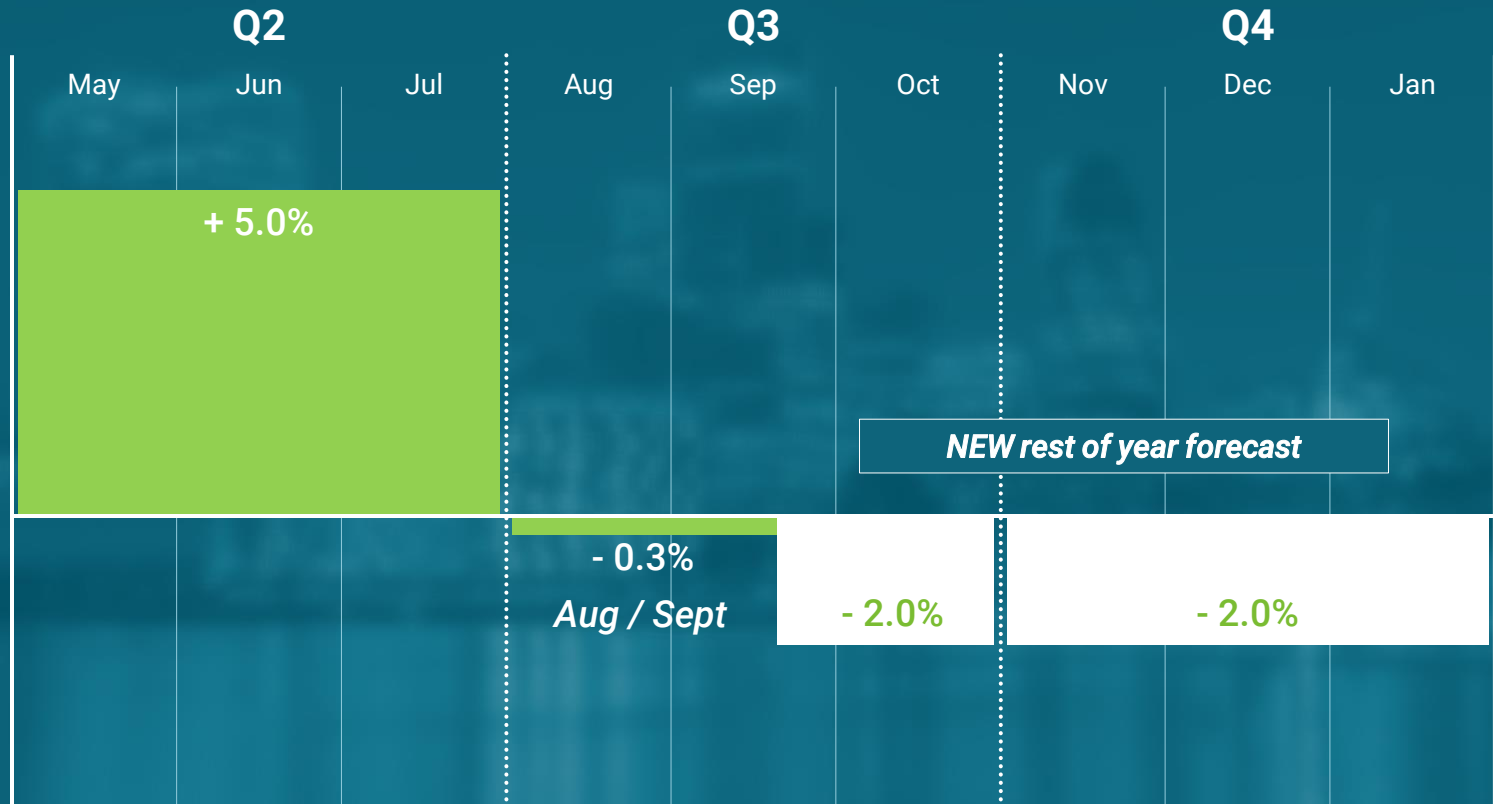
2022/23^(e) Full Price Sales | 1 Year Comparison vs 2021/22

NEXT



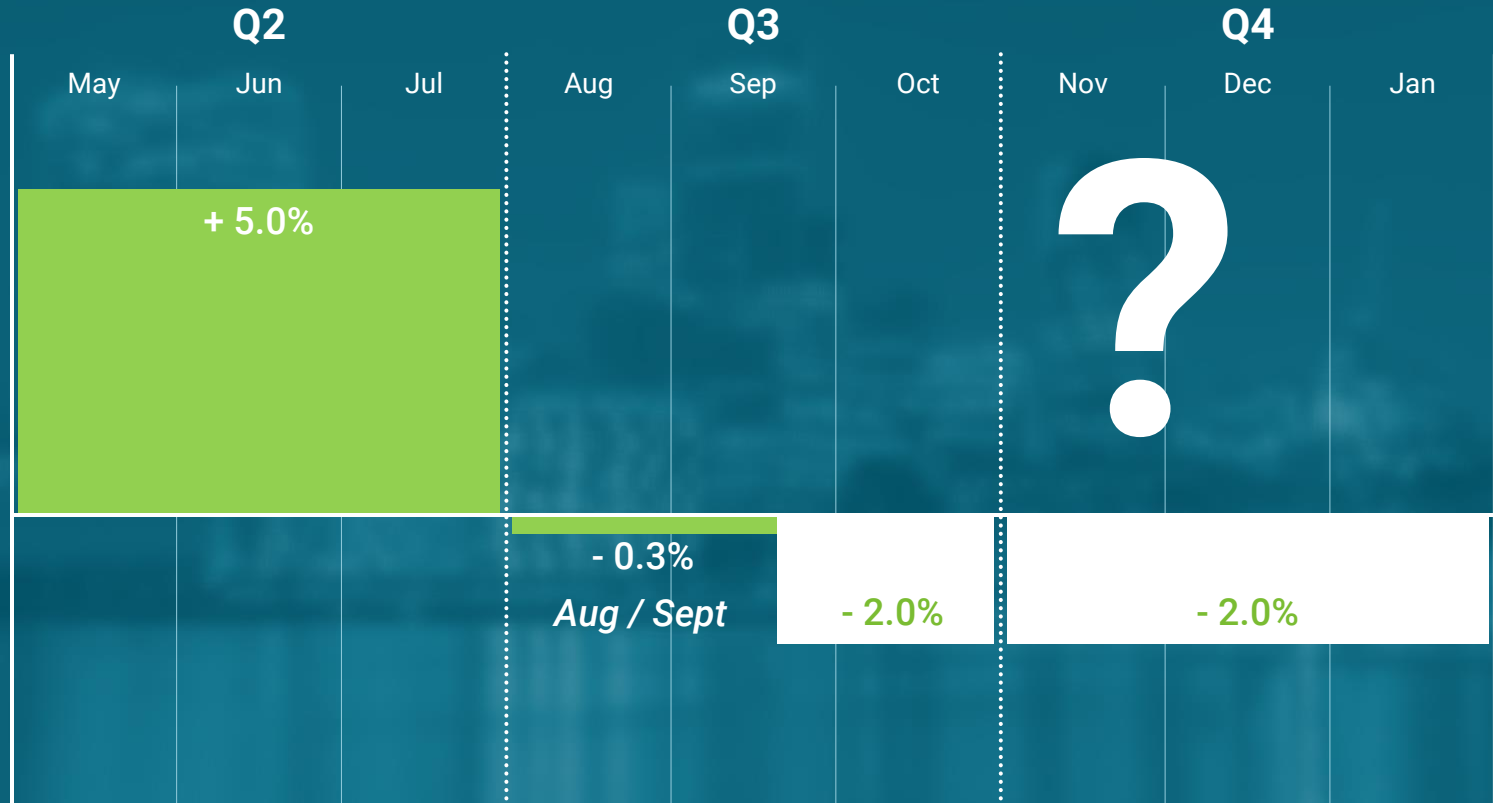
2022/23^(e) Full Price Sales | 1 Year Comparison vs 2021/22

NEXT



2022/23^(e) Full Price Sales | 1 Year Comparison vs 2021/22

NEXT



2022/23^(e) Full Price Sales | 1 Year Comparison vs 2021/22

NEXT

	H1	Aug/Sep	Rest of year	Full year
Retail	+ 66%	+ 3%	+ 3%	+ 26%
Online	- 6%	- 3%	- 5%	- 5%
Finance	+ 12%	+ 8%	+ 6%	+ 9%
Group sales	+ 12.4%	- 0.3%	- 2.0%	+ 4.8%

Previous guidance	£860m	vs 2019
New guidance	£840m	+ 2.1%
EPS*	545.1p	+ 2.7%

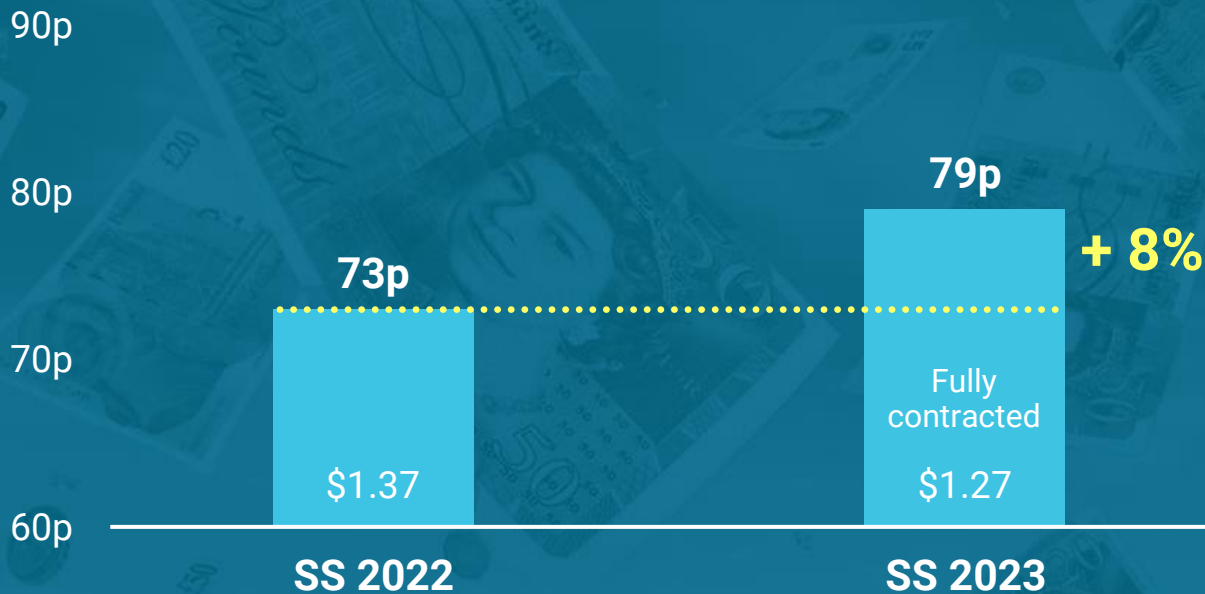
* EPS includes the effects of buybacks and assumes 19% corporation tax.

The background of the image is a dense, overlapping collage of various UK banknotes and coins, including £50, £20, £10, and £5 notes, as well as 1p, 2p, 5p, 10p, and 20p coins. The entire image is covered with a semi-transparent blue filter. Centered over this background is the text "2023/24 Currency?".

2023/24 Currency?

NEXT US\$ exchange

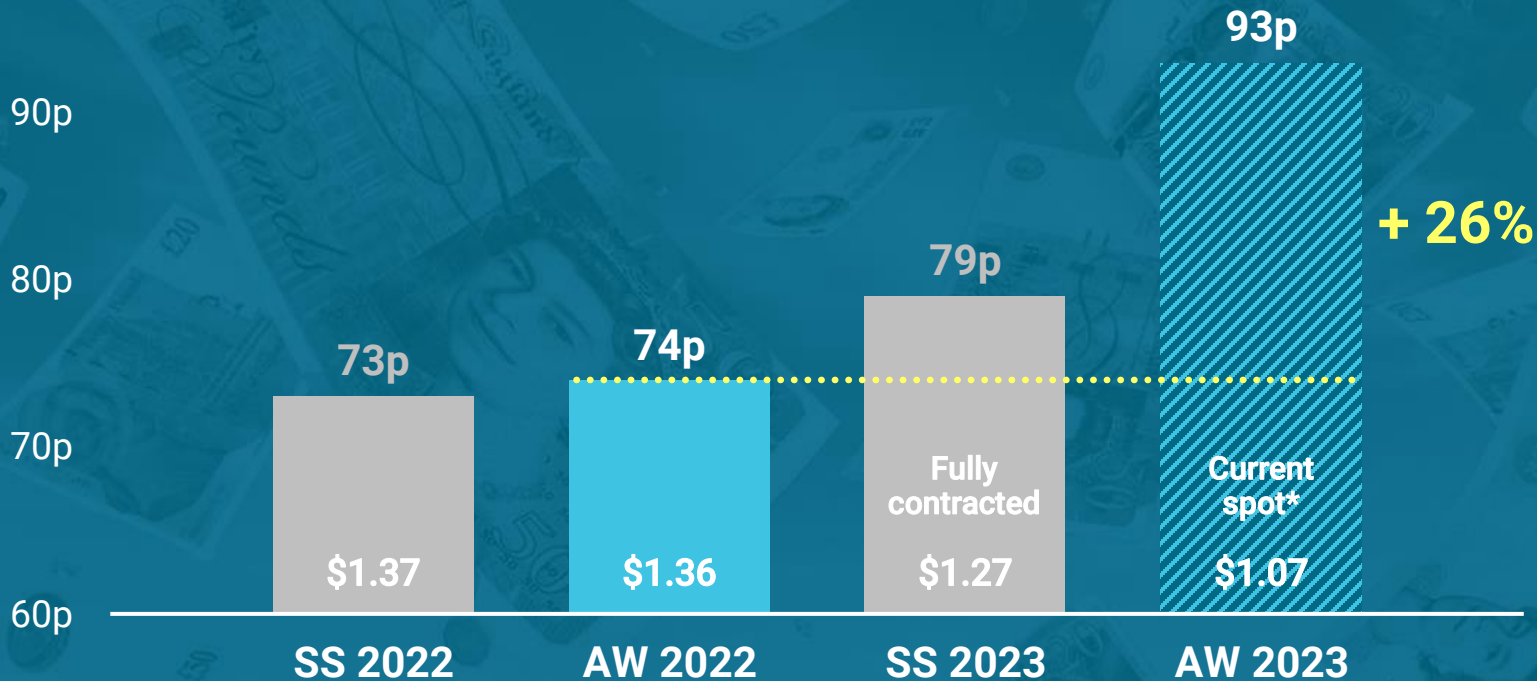
Cost of \$1



* US Dollar spot rate on 27 September 2022

NEXT US\$ exchange

Cost of \$1



* US Dollar spot rate on 27 September 2022

NEXT US\$ exchange

Cost of \$1





Financial
Strength



Continued
Investment



New
Priorities



Financial Strength

NEXT

Strong balance sheet

Net debt

56% of customer receivables

Cash flow

Highly cash generative

Profit

£840m^(e)

Margin

Operating profit margin ~ 16%



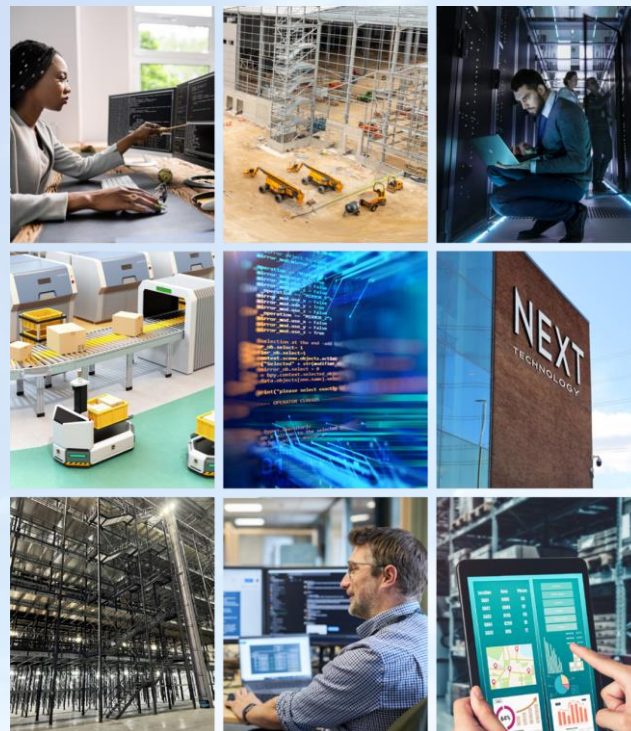
Continued Investment

NEXT

Product



Technology





Managing costs

- Efficiencies
- Service

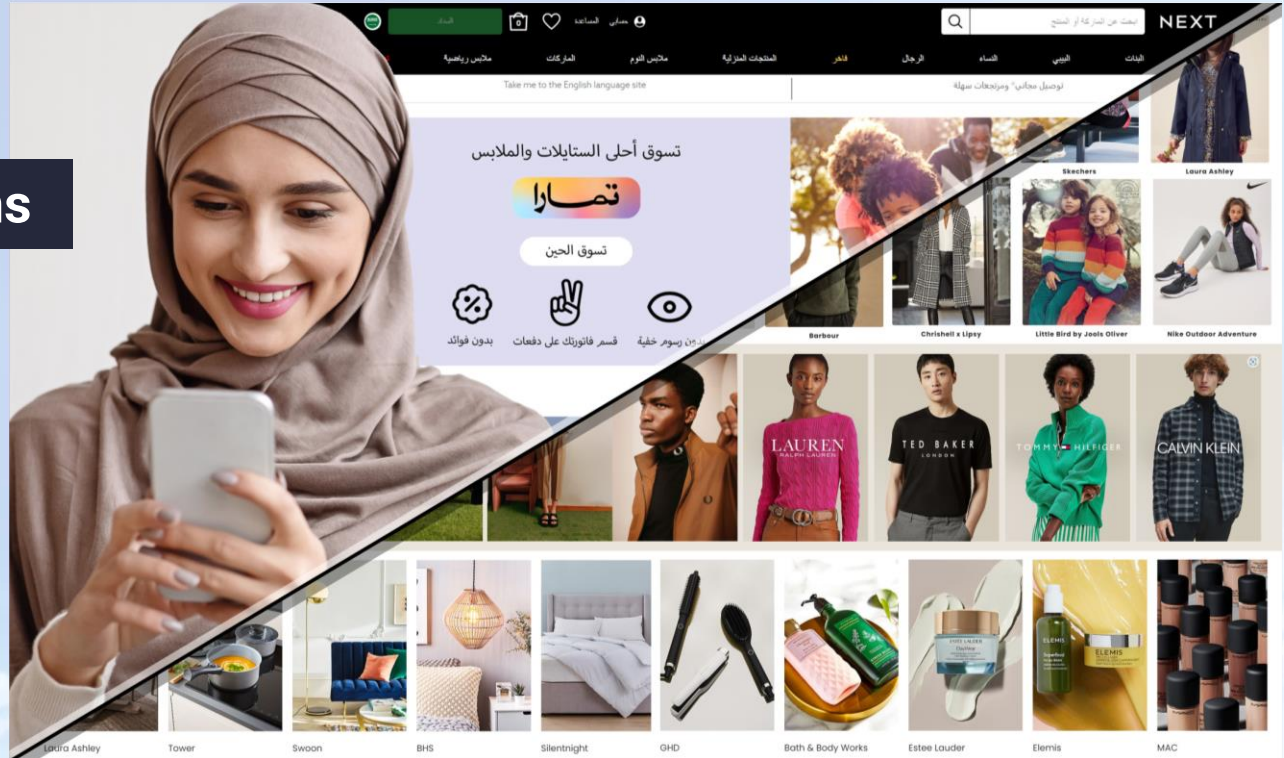




Managing costs

Managing margins

- Overseas
- LABEL



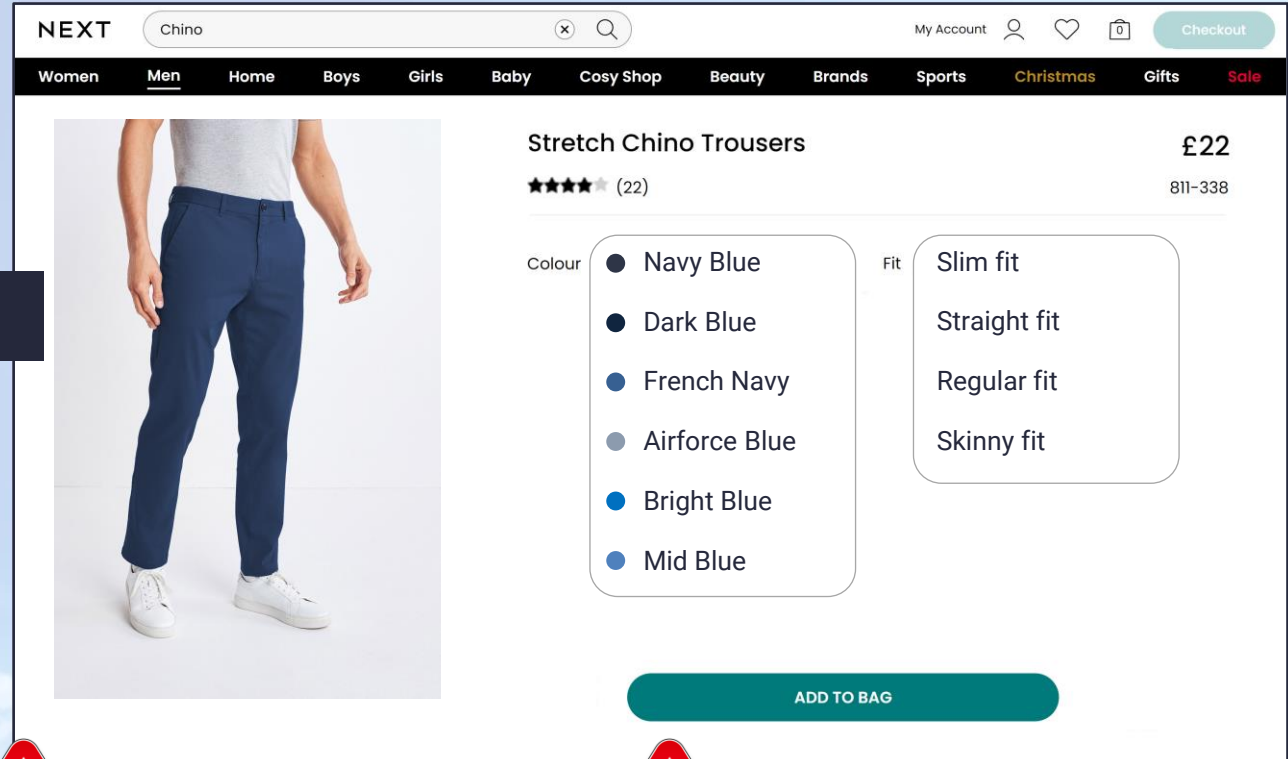


Managing costs

Managing margins

Managing choice

- Duplication v choice



500+ forward locations



Stock & availability

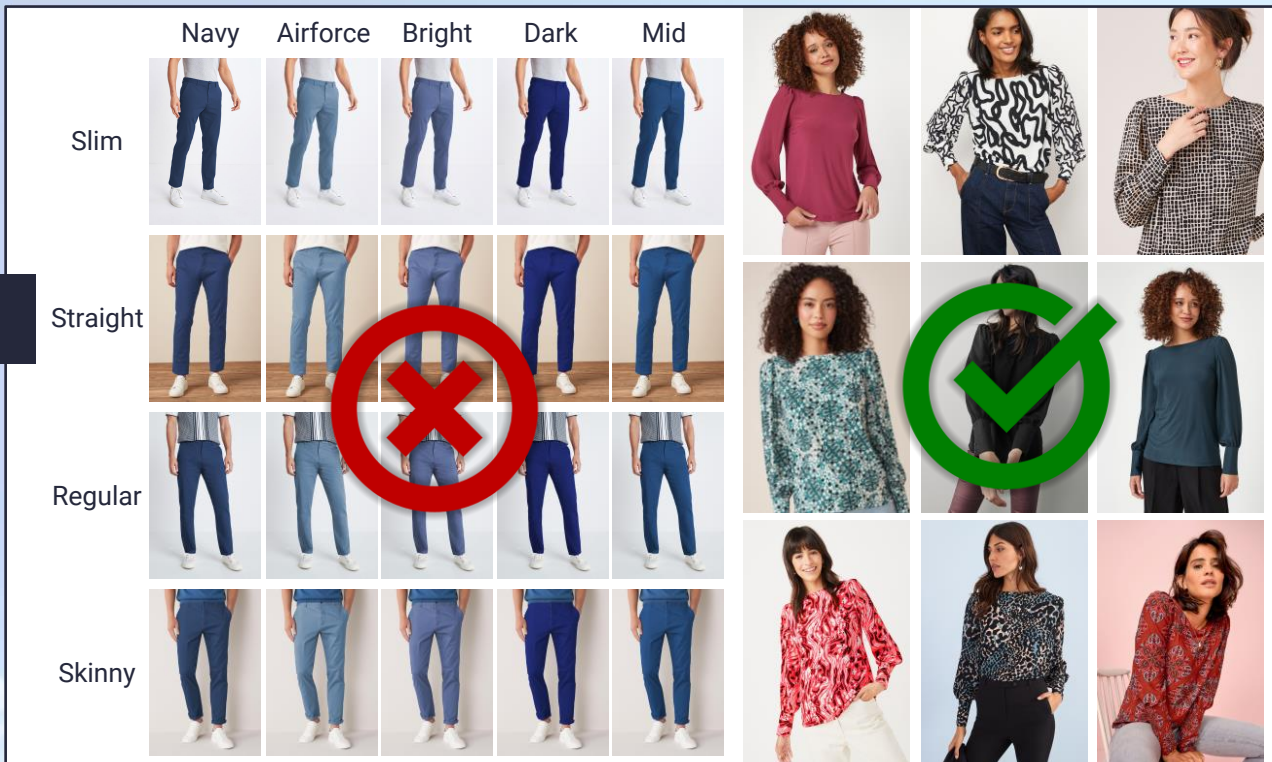


Managing costs

Managing margins

Managing choice

- Duplication v choice





Greater Focus

NEXT

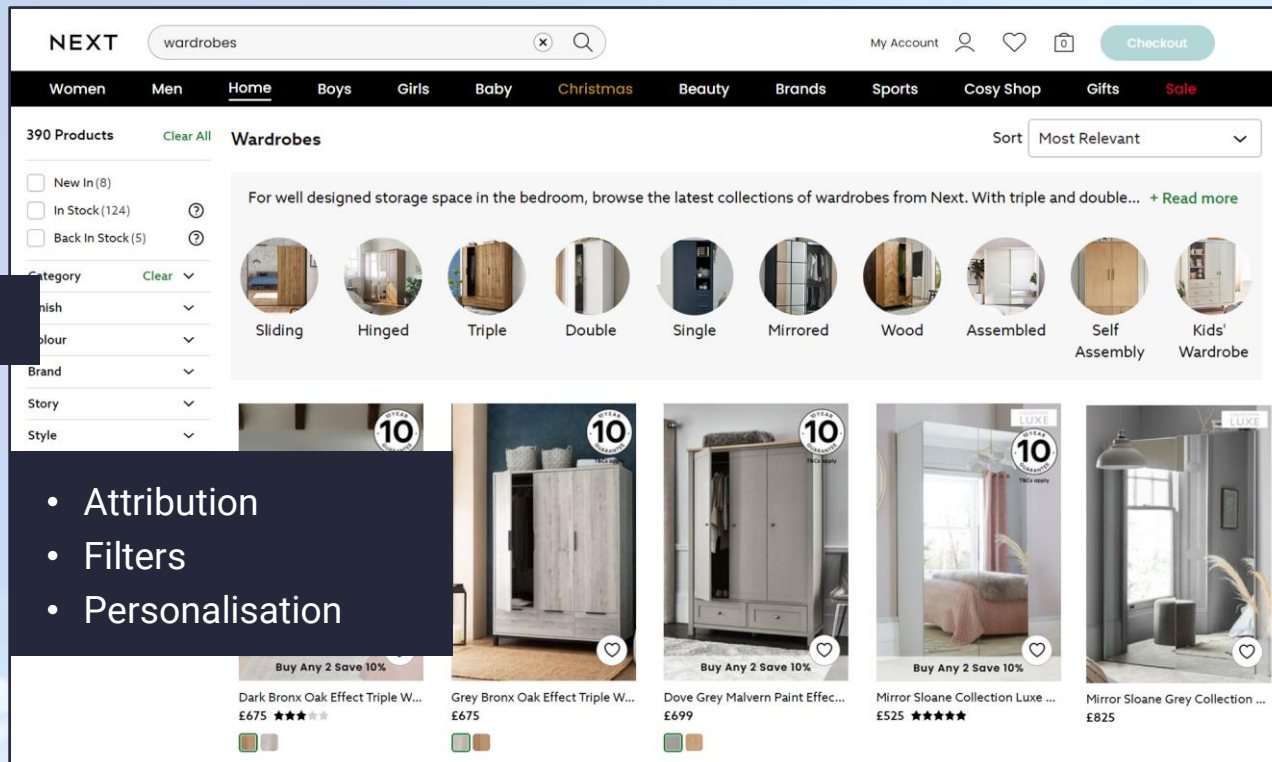
Managing costs

Managing margins

Managing choice

- Duplication v choice
- Website navigation

- Attribution
- Filters
- Personalisation





Managing costs

Managing margins

Managing choice

Managing cost of goods

- Ethical
- Reliable
- Good quality
- Good design



NEXT

July 2022

