

**Date:** Embargoed until 07:00 hrs, Thursday 5 May 2022  
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**Photographs:** <https://www.nextplc.co.uk/media/image-gallery/campaign-images>

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## Trading Statement – 5 May 2022

### HEADLINES

- In the thirteen weeks to 30 April full price sales<sup>1</sup> were up **+21.3%** versus last year, in line with our guidance for this period.
- We are maintaining our guidance for full year profit before tax at **£850m**, which would be up +3.3% versus last year. Guidance for Earnings Per Share of **557.3p** would be up **+5.0%** versus last year.

### FULL PRICE SALES PERFORMANCE BY BUSINESS CHANNEL

Full price sales versus last year are set out below. Last year, most of our Retail stores were shut for the majority of the first quarter, which is why Retail growth is so strong at +285%. Conversely, last year Online sales were boosted by Retail closures, which is why we planned Online sales to be down in the first quarter against last year. Online sales against three years ago remained strong and were up +47% versus 2019/20.

The right hand column shows the three year growth versus 2019/20, which is the most recent year *not* disrupted by COVID. The three year growth of +19.5% is the equivalent of a compound annual growth rate (CAGR) of +6.1%.

Full price sales (VAT exclusive) by division	13 weeks to 30 April One year growth 2022/23 vs 2021/22	13 weeks to 30 April Three year growth 2022/23 vs 2019/20
Online NEXT UK	- 24%	+23%
Online LABEL UK	+20%	+106%
<b>Total Online UK</b>	<b>- 11%</b>	<b>+47%</b>
Online Overseas <sup>2</sup>	- 12%	+47%
<b>Total Online</b>	<b>- 11%</b>	<b>+47%</b>
Retail (UK and Ireland)	+285%	- 8%
<b>Total Product full price sales</b>	<b>+22%</b>	<b>+21%</b>
Finance interest income	+11%	- 2%
<b>Total full price sales including interest income</b>	<b>+21.3%</b>	<b>+19.5%</b>

<sup>1</sup> Full price sales are total sales excluding VAT, less items sold in our mid-season and end-of-season Sales events, our Clearance operations and sales through Total Platform. These are not statutory sales.

<sup>2</sup> In March, we closed our websites in Ukraine and Russia. Excluding Ukraine and Russia, Overseas full price sales were down -7% versus last year and up +60% versus three years ago.

## GUIDANCE FOR FULL PRICE SALES, PROFIT AND EARNINGS PER SHARE

Our guidance for the full year is set out below. The guidance for sales and profit before tax remains unchanged from that given in our Year End Results in March.

Guidance for 2022/23	Lower	Central guidance	Upper
Q1 full price sales versus 2021/22 (actual)	+21.3%	+21.3%	+21.3%
Q2 - Q4 full price sales versus 2021/22	- 2.9%	+0.8%	+4.6%
<b>Full year full price sales versus 2021/22</b>	<b>+2.0%</b>	<b>+5.0%</b>	<b>+8.0%</b>
Profit before tax	£795m	£850m	£895m
Profit before tax versus 2021/22	- 3.4%	+3.3%	+8.7%
Earnings Per Share	521.3p	557.3p	586.8p
Earnings Per Share versus 2021/22	- 1.8%	+5.0%	+10.6%

For completeness, full price sales guidance against *three years ago* is shown below. The table demonstrates that, on a three year basis, our central guidance for sales growth for the rest of the year is 1.5% lower than that experienced in the first quarter.

Guidance for 2022/23 versus 2019/20	Lower	Central guidance	Upper
Q1 full price sales versus 2019/20 (actual)	+19.5%	+19.5%	+19.5%
Q2 - Q4 full price sales versus 2019/20	+13.6%	+18.0%	+22.4%
<b>Full year full price sales versus 2019/20</b>	<b>+15.0%</b>	<b>+18.4%</b>	<b>+21.7%</b>

## CASH FLOW, SHAREHOLDER DISTRIBUTIONS AND INVESTMENTS

In our Year End Results in March we forecast that, at our central guidance, we would generate around £220m of surplus cash (after interest, tax, capital expenditure, investments or acquisitions and ordinary dividends), which we would either (1) return to shareholders (via share buybacks or special dividends) or (2) invest in equity stakes in potential Total Platform clients. Since then, we have purchased £107.5m of shares and spent £20m acquiring minority stakes in a number of businesses, the lion's share of this investment being in JoJo Maman Bébé.

### Share Buybacks

So far this year, we have purchased 1.6m shares at an average share price of £65.52, totalling £107.5m. This has reduced the number of shares in issue by 1.2% since the January 2022 year end.

## SECOND QUARTER TRADING STATEMENT

Our next sales update will cover the first 26 weeks of the year to 30 July 2022 and is scheduled for Thursday 4 August 2022.

#### *Forward Looking Statements*

Certain statements in this Trading Update are forward looking statements. These statements may contain the words “anticipate”, “believe”, “intend”, “aim”, “expects”, “will”, or words of similar meaning. By their nature, forward looking statements involve risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. As such, undue reliance should not be placed on forward looking statements. Except as required by applicable law or regulation, NEXT plc disclaims any obligation or undertaking to update these statements to reflect events occurring after the date these statements were published.