

NEXT

Second Quarter Trading Statement – 3 August 2023

HEADLINES

- Full price sales¹ in the second quarter (May-July) were up **+6.9%** on last year.
- On 19 June we issued an unscheduled Trading Statement after a period of much better than expected full price sales, mainly driven by exceptionally warm weather. Since then, full price sales have been up **+3.7%** on last year. This was ahead of our guidance of +0.5%.
- The end-of-season Sale has gone well and clearance rates were ahead of our expectations.
- We are increasing our full year guidance for Group profit before tax by **£10m** to **£845m**.

FULL PRICE SALES PERFORMANCE

Full price sales performance versus last year, by business division, is set out below for the second quarter and the first half. For completeness, performance reported in the unscheduled Trading Statement is shown in grey along with the last six weeks.

Full price sales by division versus last year	Q2: 7 weeks to 17 June	Q2: 6 weeks to 29 July	Q2: 13 weeks to 29 July	H1: 26 weeks to 29 July
Online	+13.7%	+5.0%	+10.0%	+4.1%
Retail	+3.1%	+1.0%	+2.2%	+0.9%
Total Product full price sales	+9.5%	+3.4%	+6.9%	+2.9%
Finance interest income	+6.5%	+7.4%	+6.9%	+7.1%
Total full price sales inc. interest income	+9.3%	+3.7%	+6.9%	+3.2%

END-OF-SEASON SALE

Stock levels have been well controlled and we went into the end-of-season Sale with surplus stock down -22% versus last year. Clearance rates, to date, are ahead of last year and ahead of our internal forecasts, which has added around £4m to Group profit before tax.

¹ Full price sales are VAT exclusive sales (including the full value of commission based sales), less items sold in Sale events and Clearance. They also exclude Joules sales and sales through Total Platform. Full price sales are not statutory sales.

GUIDANCE FOR FULL PRICE SALES, PROFIT AND EARNINGS PER SHARE

Full price sales guidance

We are maintaining our forecast for full price sales to be up +0.5% versus last year in the second half, which implies full price sales for the full year will be up +1.8%.

Revised profit and EPS full year guidance

The combination of:

- £16m of additional full price sales in the last six weeks and
- improved clearance rates in our end-of-season summer Sale

mean that we expect to generate £10m more profit than we anticipated in our last Trading Statement. Accordingly, we are raising our guidance to £845m. The table below sets out our new guidance for the full year, along with the previous guidance.

Full year guidance	Latest guidance	Versus last year	Previous guidance ²	Versus last year
Full price sales	£4.68bn	+1.8%	£4.67bn	+1.4%
NEXT Profit before tax	£845m	-2.9%	£835m	-4.1%
Pre-tax EPS	700.1p	-0.2%	692.0p	-1.3%
Post-tax EPS	535.3p	-6.6%	529.2p	-7.7%

INTERIM RESULTS

We are scheduled to announce our results for the first half of the year on Thursday 21 September 2023.

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.

Date: Embargoed until 07:00 hrs, Thursday 3 August 2023

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Photographs: <https://www.nextplc.co.uk/media/image-gallery/campaign-images>

² Please note that EPS guidance was not provided in June’s Unscheduled Trading Statement. The EPS forecast at that time is shown here for completeness.