

Next

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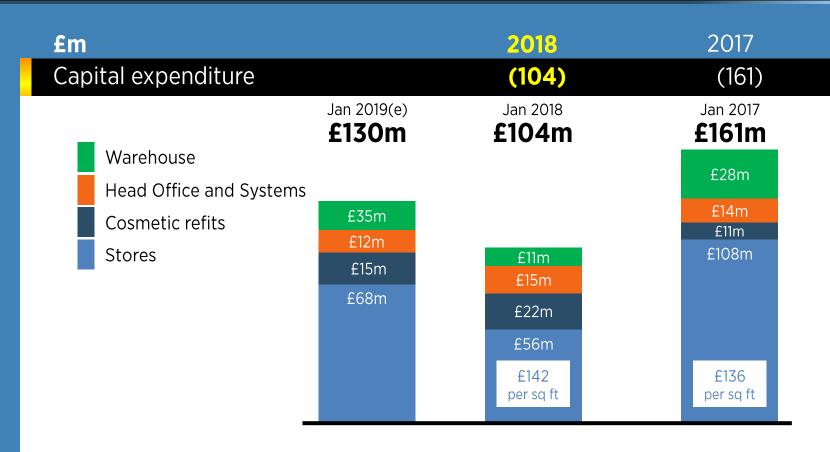
Income Statement

£m	2018	2017	Brand Full Price
Total sales	4,118	4,137	- 0.5% + 0.7%
Operating profit	760	828	- 8.2%
Interest	(34)	(38)	+ £4m
Profit before tax	726	790	- 8.1%
Taxation	(134)	(155)	
Profit after tax	592	635	- 6.8%
EPS (underlying)	416.7p	441.3p	- 5.6%
Ordinary dividends per share	158p	158p	
Dividend cover	2.6 x		

Cash Flow

£m	2018	2017
Profit before tax	726	790
Depreciation / disposals	124	119
Capital expenditure	(104)	(161)
Working capital / other	(170)	(85)
Tax paid	(106)	(151)
ESOT	(26)	(21)
Cash flow before distribution	444	491

Cash Flow



Cash Flow

£m	2018	2017
Profit before tax	726	790
Depreciation / disposals	124	119
Capital expenditure	(104)	(161)
Working capital / other	(170)	(85)
Tax paid	(106)	(151)
ESOT	(26)	(21)
Ordinary dividends	(224)	(226)
Special dividends / buybacks	(361)	(276)
Net cash flow	(141)	(11)

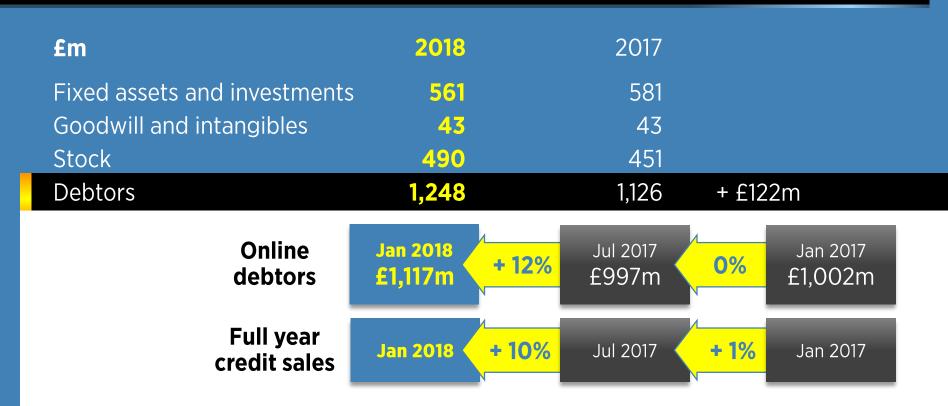
Balance Sheet





Balance Sheet



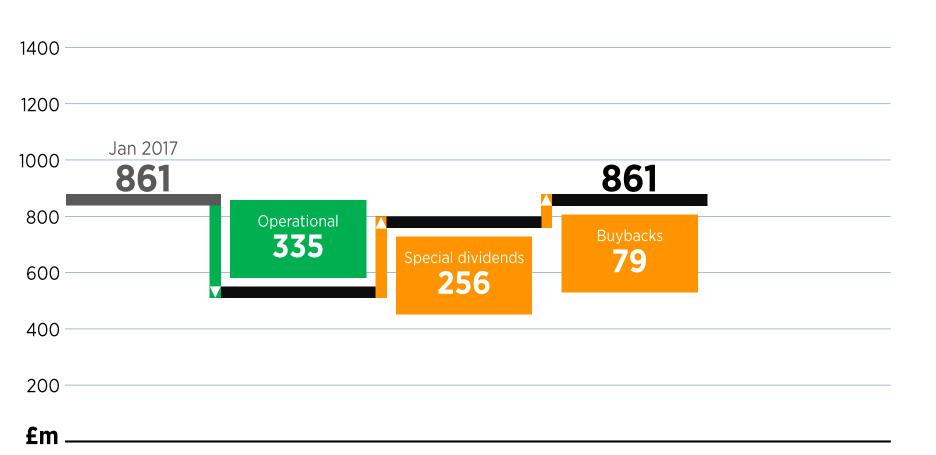


Balance Sheet

£m	2018	2017
Fixed assets and investments	561	581
Goodwill and intangibles	43	43
Stock	490	451
Debtors	1,248	1,126
Creditors / derivatives	(963)	(893)
Pension surplus	106	63
Net debt	(1,002)	(861)
Net assets	483	510

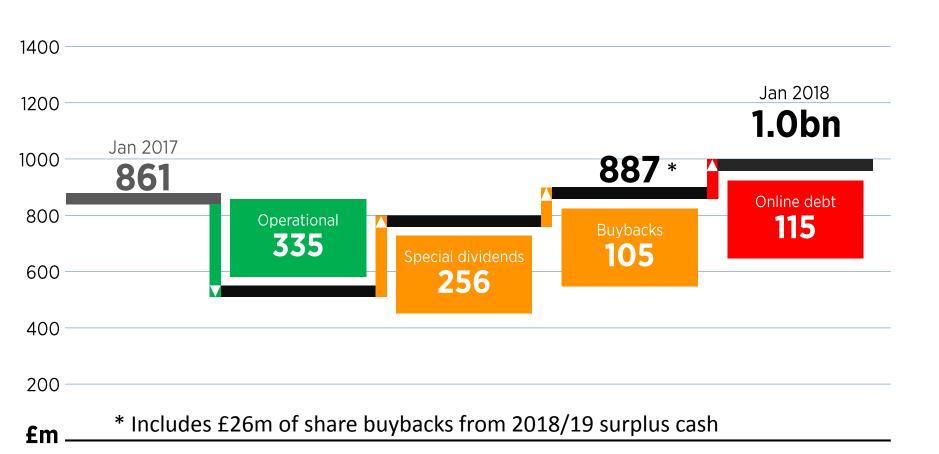
Full Year Debt and Cash Flow

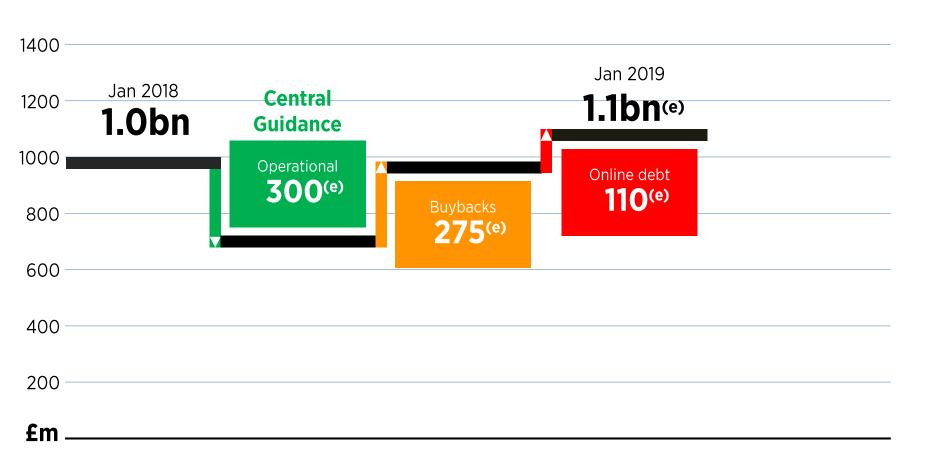




Full Year Debt and Cash Flow

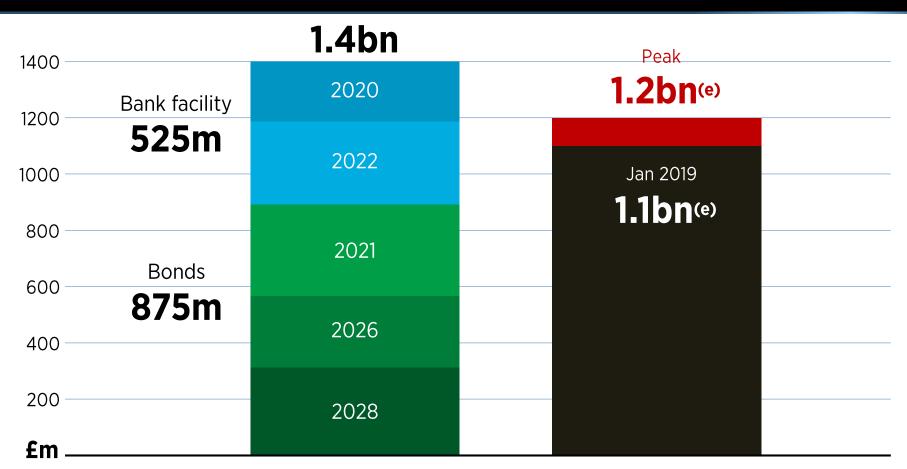






Funding Requirements







Operating Profit: Restatement

	Retail	Online ———	Brand
2016/17 profit reported	£339m	£444m	£783m
Change in cost allocation	+ £14m	- £14m	
2016/17 profit restated	£353m	£430m	£783m

Retail: Sales Analysis





£m	2018	2017		Full Price
Total sales	2,123	2,305	- 7.9%	- 7.0%
Operating profit	269	353 Rest	ated	

Retail: Store Openings and Closures





	Stores	Sq. ft. 000's
January 2017	538	7,978
New	7	70
Extensions (4), resites (1	1)	143
Closed (14), resites (3)	(17)	(162)
January 2018	528	8,029
	(10)	+ 51

Retail: Store Openings and Closures





Sto	ores	NBC	NBC %
Closed	14	£2.7m	12%
Compulsory purchase	1	£0.8m	24%
Lease end	11	£1.7m	10%
Sublet	2	£0.2m	8%

Retail: Sales Analysis





£m	2018	2017		Full Price
Total sales	2,123	2,305	- 7.9%	- 7.0%
Operating profit	269	353		

Performance of new space

Sales v target	Payback (months)	Store profit
- 1.5%	24.8	21 %

^{*} Forecast for stores opened or extended in the last 12 months

Retail: Profit Analysis





£m	2018	2017		Full Price
Total sales	2,123	2,305	- 7.9%	- 7.0%
Operating profit	269	353	- 24.0%	
% to sales	12.7%	15.3%		

Margin movement

Bought-in gross margin	+ 0.1%
Markdown	- 0.3%

Stock loss

Achieved gross margin

- 0.3%

0.1%

Markdown sales

Sale stock

- 16%

- 9%

Retail: Profit Analysis



7.0%



£m Total sales	2018 2,123	2017 2,305	- 7.9%	
Operating profit	269	353	- 24.0%	
% to sales	12.7%	15.3%		
Achieved gross m Store payroll Store occupancy	argin	- 0.3% + 0.2% - 1.7%		

- 0.2%

- 0.6%

- 2.6%

Warehousing and distribution

Central overheads

Margin movement







£m	2018	2017		Full Price
Total sales	1,887	1,728	+ 9.2%	+ 11.2%
Operating profit	461	430 Restated		

Full price sales analysis

UK total	+ £108m	+ 9%	+ 3%	+ 14%
LABEL	+ £92m	+ 43%	+ 41%	+ 45%
NEXT Brand UK	+ £16m	+ 2%	- 4%	+ 7%
	Increase on last year		H1	H2





£m	2018	2017		Full Price
Total sales	1,887	1,728	+ 9.2%	+ 11.2%
Operating profit	461	430		

Full price sales analysis

Increase on last year

Total	+ £167m	+ 11%
Overseas	+ £59m	+ 26%
UK total	+ £108m	+ 9%





£m	2018	2017		Full Price
Total sales	1,887	1,728	+ 9.2%	+ 11.2%
Operating profit	461	430		

Full price sales analysis

Total	+ £167m	+ 9%	+ 4%
Overseas	+ £59m	+ 10%	+ 10%
UK total	+ £108m	+ 9% Constant Currency	+ 3%
	Increase or	n last year	Avg. customers





£m	2018	2017		Full Price
Total sales	1,887	1,728	+ 9.2%	+ 11.2%
Operating profit	461	430		

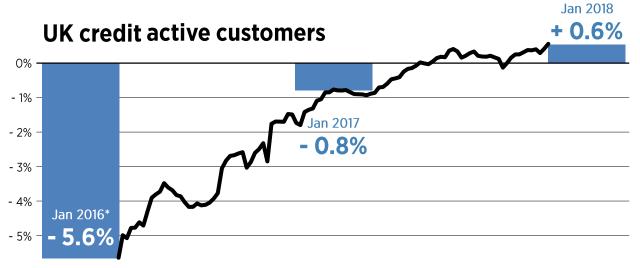
Full price sales analysis

	Increase on I	J	Avg. customers
UK credit	+ £98m	+ 9%	0%
UK cash	+ £10m	+ 5%	+ 8%
UK total	+ £108m	+ 9%	+ 3%





£m	2018	2017		Full Price
Total sales	1,887	1,728	+ 9.2%	+ 11.2%
Operating profit	461	430		



^{*} Prior year active customers have been restated as reflected last year

Online: Profit Analysis





£m	2018	2017		Full Price
Total sales	1,887	1,728	+ 9.2%	+ 11.2%
Operating profit	461	430	+ 7.4%	
% to sales	24.4%	24.8%		

Margin movement

Bought-in gross margin - 0.6%

Markdown - 0.2%

Achieved gross margin - 0.8%

Sale stock

+ 5%

6

Markdown sales

- 1%

Online: Profit Analysis

next



£m	2018	2017
Total sales	1,887	1,728
Operating profit	461	430
% to sales	24.4%	24.8%
Achieved gross ma	- 0.8%	
Interest income	- 0.3%	
Catalogues and m	+ 1.0%	
Online marketing	- 0.3%	
Systems	- 0.2%	
Central overheads	+ 0.2%	
Margin movement	t	- 0.4%

+ 9.2% + 11.2%

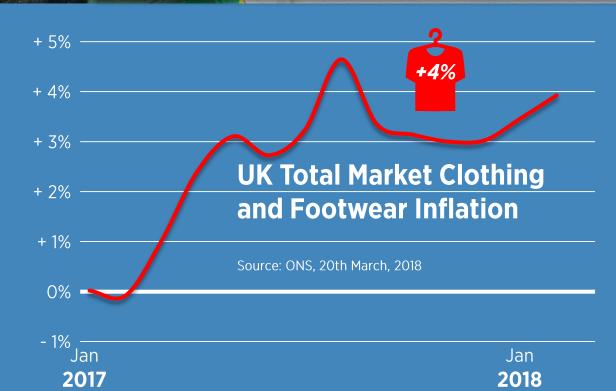
+ 7.4%





2017/18

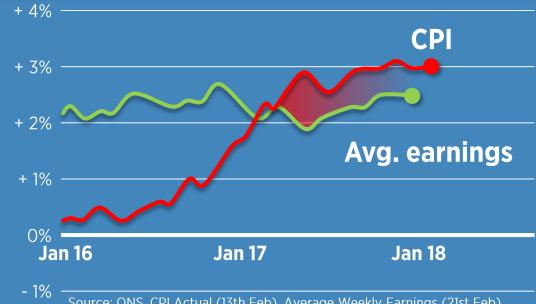
Cost price inflation



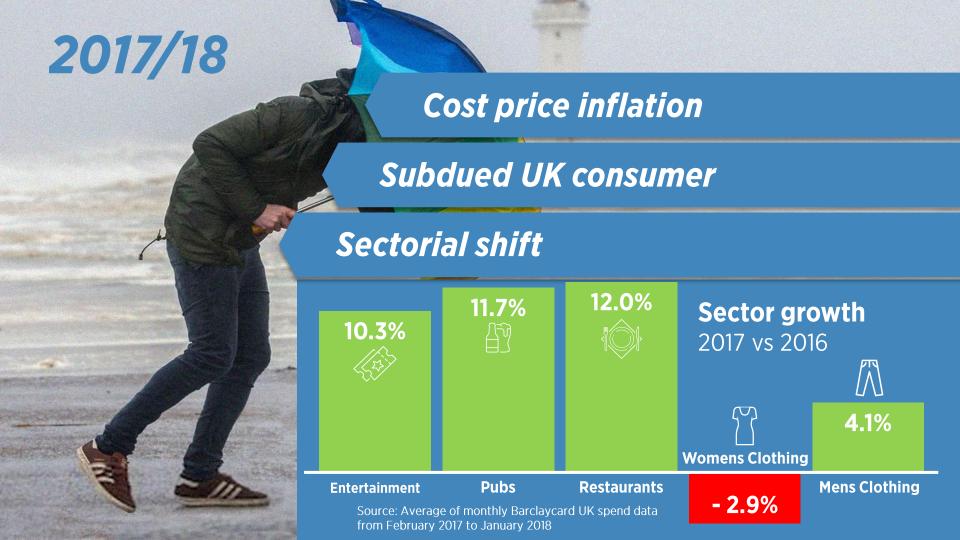


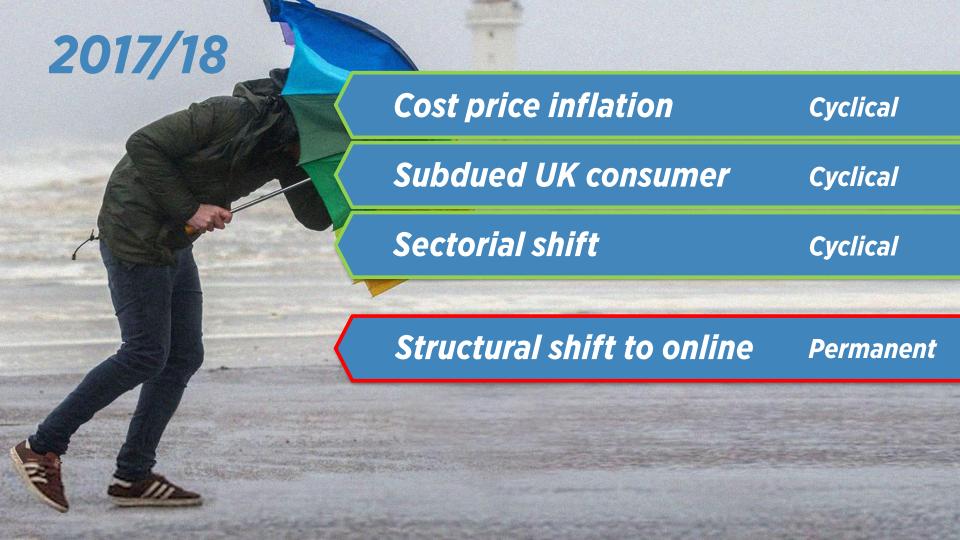
Cost price inflation

Subdued UK consumer



Source: ONS, CPI Actual (13th Feb), Average Weekly Earnings (21st Feb)





Structural shift to online Full price sales performance

Retail

- £141m

- 7.0%

Online

+ £167m

+ 11.2%

Brand

+ £26m

+ 0.7%

Structural shift to online Profit performance

2017/18 Full price sales + 0.7%

2016/17 **£790m**

-£141m

Retail full price sales **£86m**

+ £167m

Structural shift to online Profit performance

2017/18 Full price sales + 0.7%

2016/17 **£790m**

-£141m

Retail full price sales **£86m**

+ £141m + £167m **If...NEXT Brand UK**

Online full price sales **£68m**

Structural gap **£18m**

13p

Structural shift to online Profit performance

2017/18 Full price sales + 0.7%

2016/17 **£790m**

-£141m

Retail full price sales **£86m**

+ £167m

If...NEXT Brand UK

Online full price sales **£80m**

Structural shift to online Profit performance

2017/18 Full price sales + 0.7%

2016/17 **£790m**

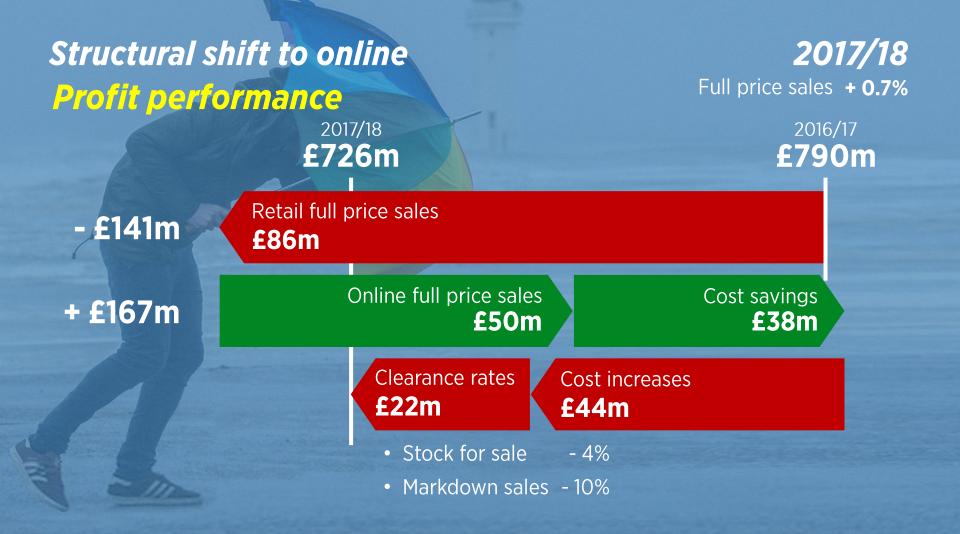
-£141m

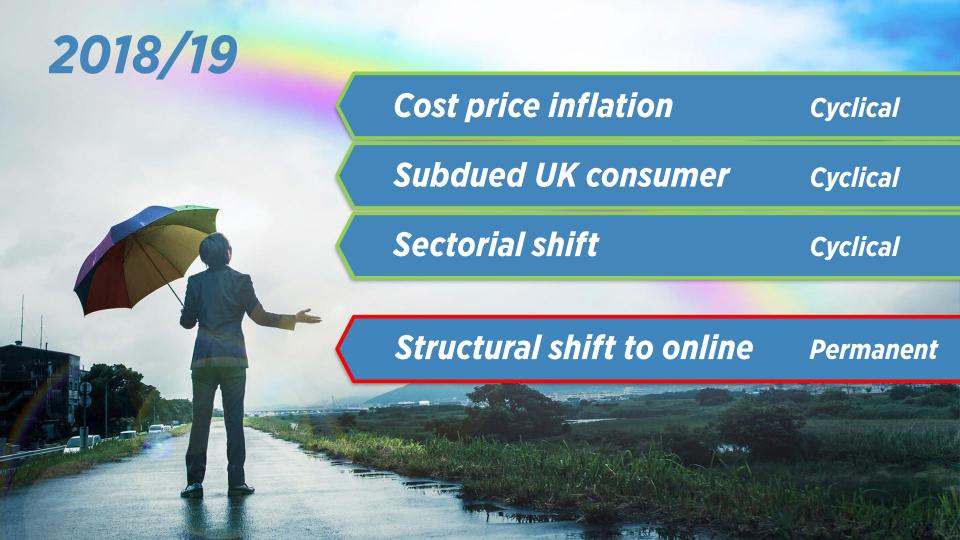
Retail full price sales **£86m**

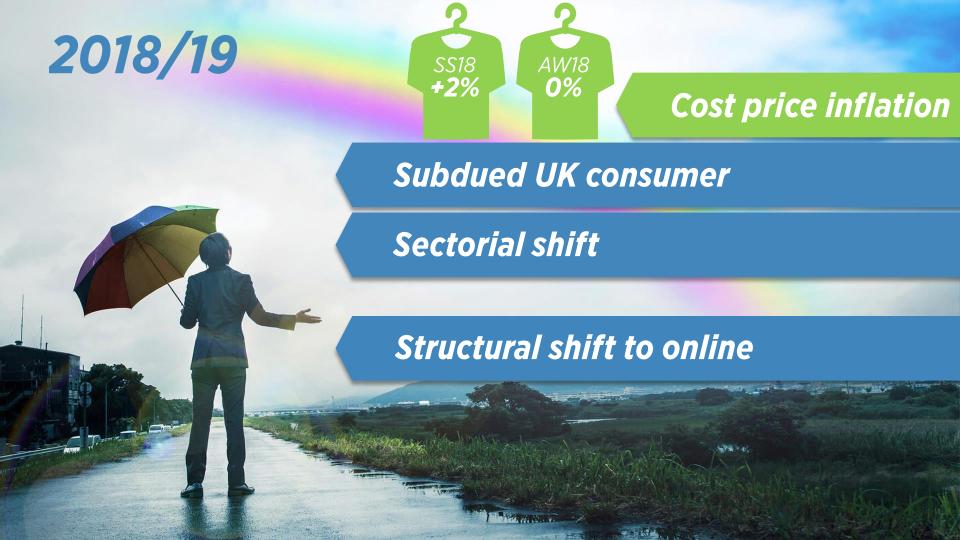
+ £167m

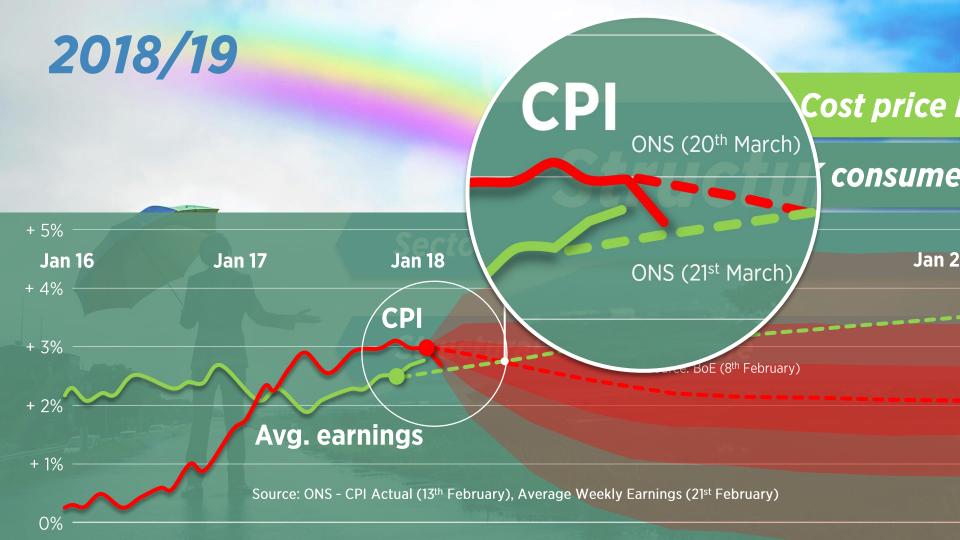
Online full price sales **£50m**

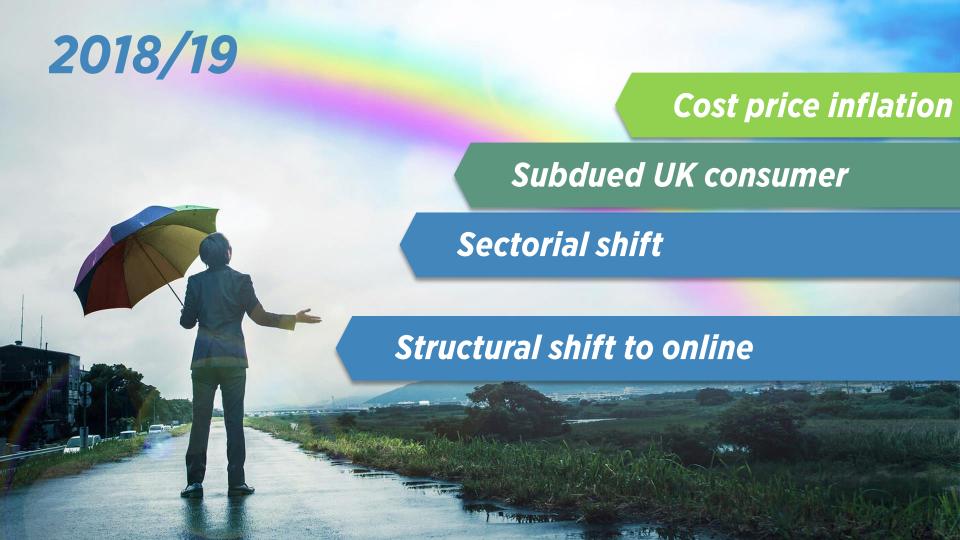
3rd party brands **£30m**

















Improve ranges







BLACK CORSET TOP £38 100% polyester: 468-843
WHITE RELAXED JEANS £26 989-788 See page 74









56% acrylic 23% nylon 12% wool 5% alpaca 4% elastane. 165-760

PINK/GREY CHECK TAPER TROUSERS £40 63% polyester 32% viscose 5% elastane. Petito 512-112 Reg/Long/XL Tall 186-152

GOLD TONE TASSEL DETAIL DROP EARRINGS ER SO 986-085 GOLD CONE HEEL SLINGBACKS

55% acrylic 42% polyester 3% wool. 63% polyester 52% viscose 5% elastane. Lining and shows 100% notwester Dry clean, 178-879

ECRU LONGLINE SHIRT £36 100% Tencel* tyacet. 182-445

With internal zip pocket, 100% leather PINK/GREY CHECK MINI SKIRT £32 Lining 100% polyester, 26 x 32 x 12cm. 453-028 63% polyester 32% viscose 5% elastane Lining 100% polyester. 895-105

Lining 100% polyeste TAN LEATHER FORMAL TOTE BAG £80

TAN SIMPLE STRAP WATCH £20 156-055







Full price sales outlook | 2017/18^(e)







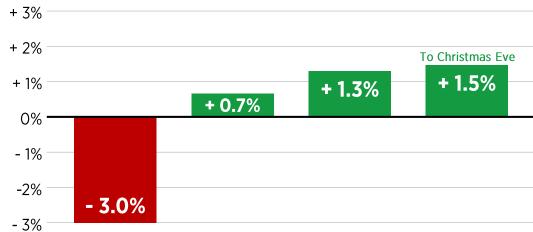


Presented on 23rd March 2017



Improve ranges

Full price sales by quarter | 2017/18



Full price sales outlook | 2017/18(e)





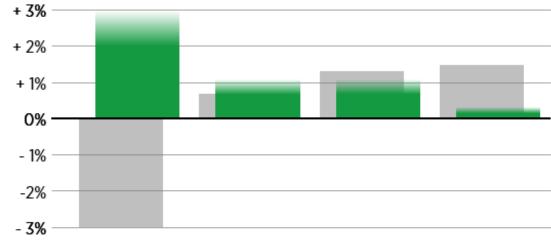






Improve ranges

Full price sales by quarter | 2018/19(e)



Full price sales outlook | 2017/18^(e)











Defend Retail sales

Stock visibility













































Defend Retail sales

Stock visibility







































Defend Retail sales

customer

Stock visibility





40%^(e)
in a local store



















Retail manhours

£6m^(e)

Saving

£2m

RFID, stock on shop floor

Units scanned/hour

Before

1,275







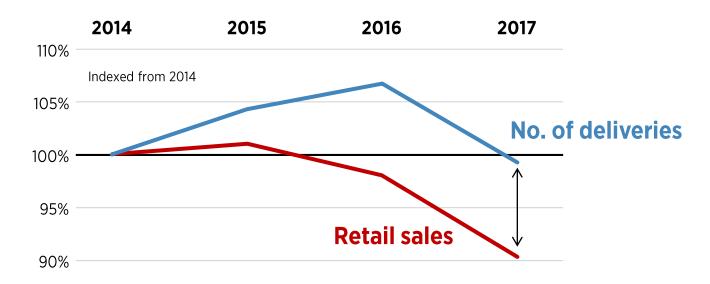
After **5,100**



Retail deliveries

£4m^(e)

New delivery schedule





2017/18 rent/concessions

Before

After

Gross rent (19 stores)

£6.5m

£4.9m* - 25%

Capital contributions

£5.0m

^{*} Excludes any capital contributions or incentives



2017/18 rent/concessions

Gross rent (19 stores) Concessions	- £80k	After* £4.9m - £250k £4.6m	
Net rent to sales Average lease length	10.3%	→ 7.5% ge profit	- 20%
7 years	21%		

^{*} Excludes any capital contributions or incentives



2018/19 rent/concessions (e)

Before

After

Gross rent (29 stores)

£9.3m

£7.3m* - 22%

Capital contributions

£7.0m

^{*} Excludes any capital contributions or incentives



2018/19 rent/concessions (e)

Gross rent (29 stores) Concessions		£7.3m - £560k	
	£9.2m	£6.7m	- 27%
Net rent to sales	9.0%	→ 6.5 %	
Average lease length 5 years	Average profit 21%		

^{*} Excludes any capital contributions or incentives



2018/19 rent/concessions (e)

2017/18 2018/19

Concession income £8m £13m

^{*} Excludes any capital contributions or incentives



£800k(e)

Restaurant/bar



Bridal





Car



Paperchase



New Costa

2 restaurant/bars open...

Manchester Arndale

• Hull Appraised

Profit % 12%

Capex £2.7m

IRR **28**%





4 more planned...

- Sheffield Meadowhall
- Sheffield city centre
- Leeds Thorpe Park
- Solihull

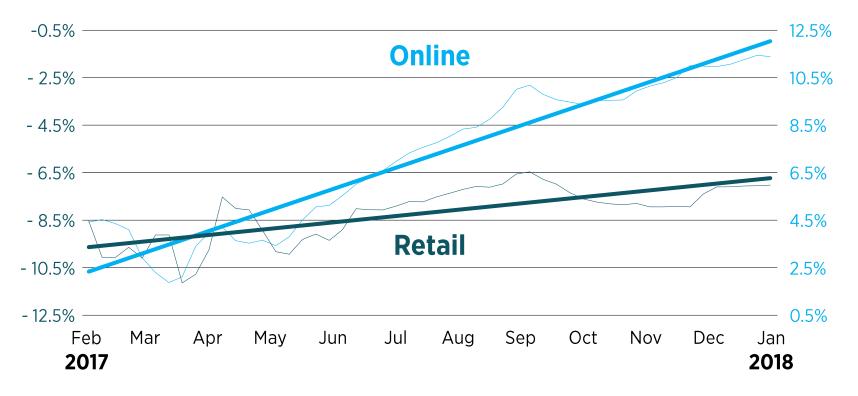


Reduced pages

Catalogues and photography	£7m ^(e)	
	Saving	
Photography	£3m	
Catalogue distribution	£2m	



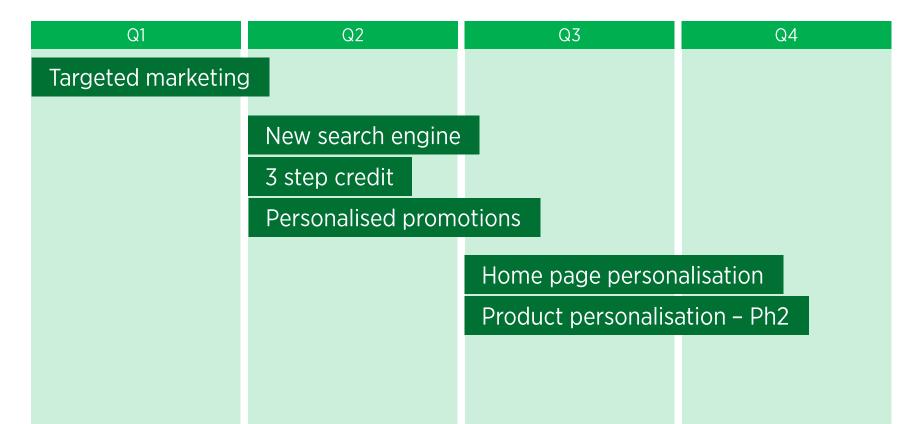
2017/18 FP sales growth (cumulative)



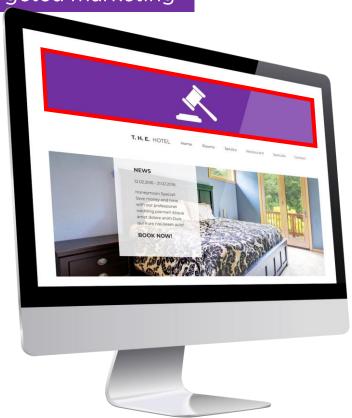
Online development 2017/18



Online development 2018/19...more to do

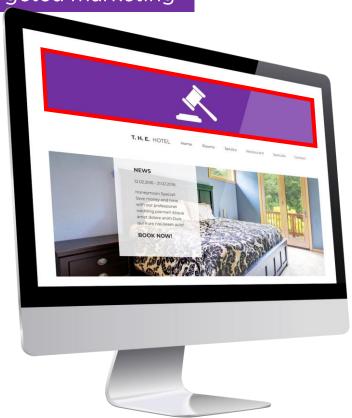


Targeted marketing



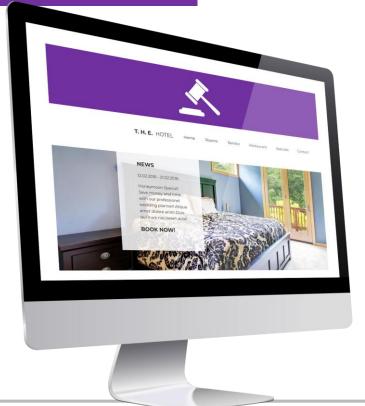
Digital marketing auction

Targeted marketing



10m visitors/month

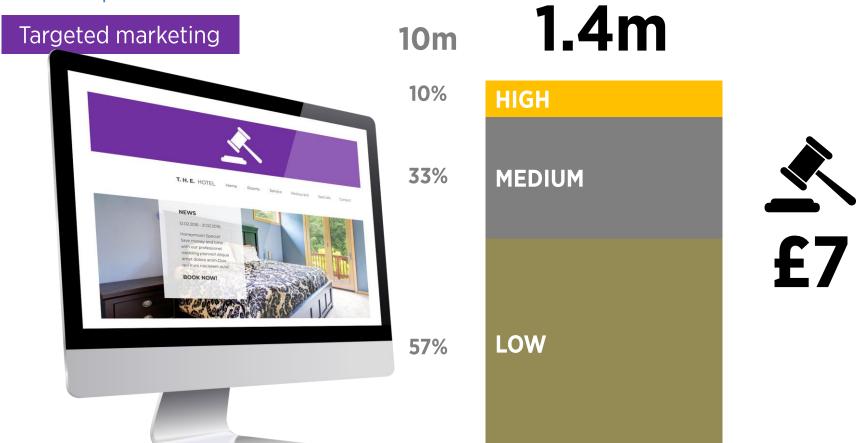
Targeted marketing

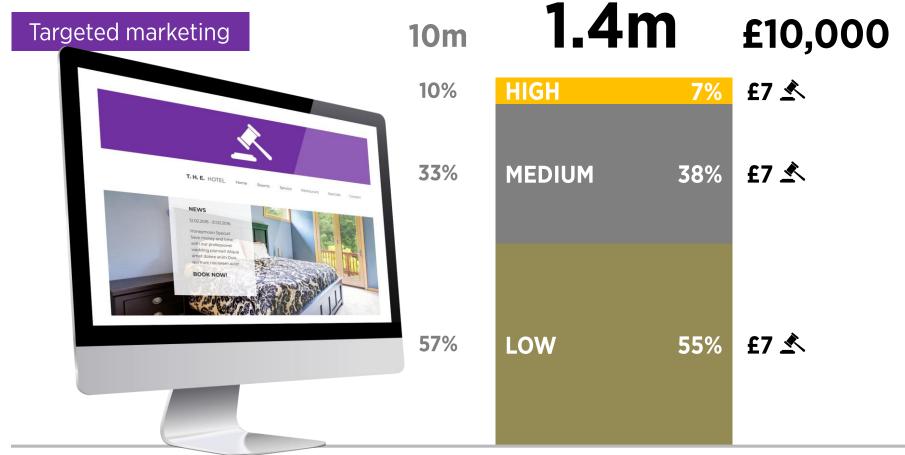


10m

HIGH	10%
MEDIUM	33%
LOW	57%

Propensity to buy





Targeted marl	keting	£10,000	1.4m		£10,000
HIGH	22%	£11_\$	HIGH	7%	£7 🖍
			MEDIUM :	38%	£7 🖍
MEDIUM	48%	£7 ≰			
LOW	40%	£3 🖄	LOW !	55%	£7 🖍

Targeted marketing £10,000

£11 🖈 HIGH 22% 48% £7 ⊀ **MEDIUM** LOW 40% £3 🖎

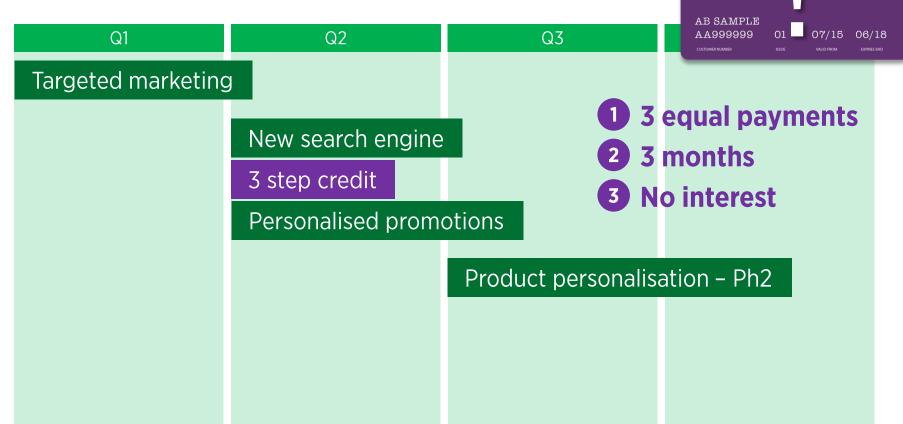
Uplift in return on advertising spend

+ 12%

Uplift in IRR

+ 75%

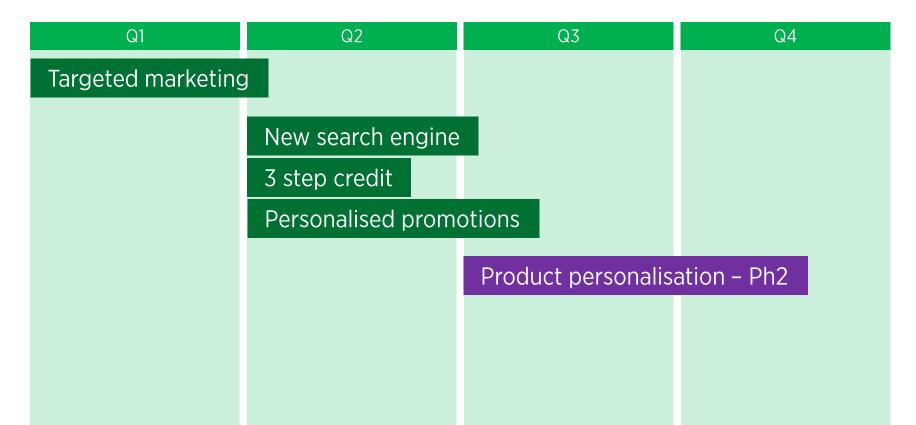
Online development 2018/19...more to do



next

next 35 tep

Online development 2018/19...more to do



PERSONALISED

My Account | Quickshop | Help | Store Locator

Sort By Most Relev... V

SPORTS LIPSY FLOWERS & GIFTS CLEARANCE

Turnover £7m(e)

Product personalisation – Ph2

602 PRODUCTS

■ New In (73)

■ In Stock (451)

✓ PERSONALISED

Can be personalised (550)

✓ DEPARTMENT

Homeware (437)

Fashion (165)

> GENDER

> CATEGORY

> COLOUR

> SIZE

> BRAND

> PRICE



Personalised Small Cosmetic Bag By L...

£12 *****



Personalised Two Dog Lead Hooks By ...

£25 ****

personalise me Personalised Golf Print By Letterfest

£45

Personalised Love You Giant Chocolate...



Personalised Embroidered Robe By My...



£20

Personalised Knitted Pom Pom Hat By ... £24



Personalised Holme Contemporary Ho...



Personalised Steel and Gold Disk Cuffli..



Personalised Unicorn Wall Sticker by L...

£18 ****



Personalised Gin Queen Balloon Glass ... Personalised Pet Dog Cushion By Lette... £30 *****



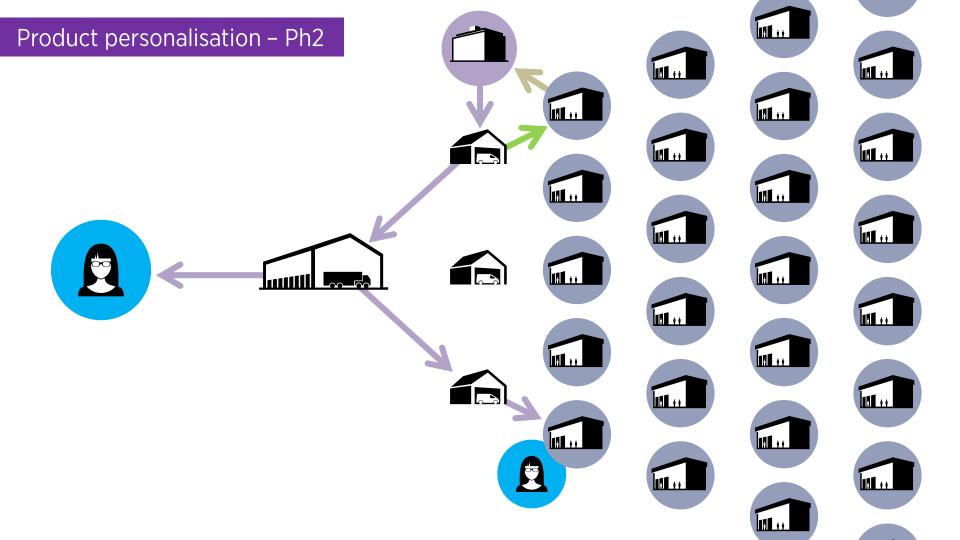
ASHLEY PEARCE

ASHLEY'S HOTES ON LIFE

personalise me

Personalised Named Notebook By Oak...

Product personalisation - Ph2 'Customer Orders' delivery Depot لننالا Depot Depot



Product personalisation – Ph2

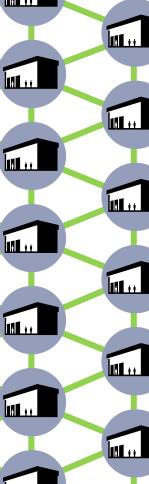
- Store to store ordering
- Same day click and collect
- Personalised product delivery











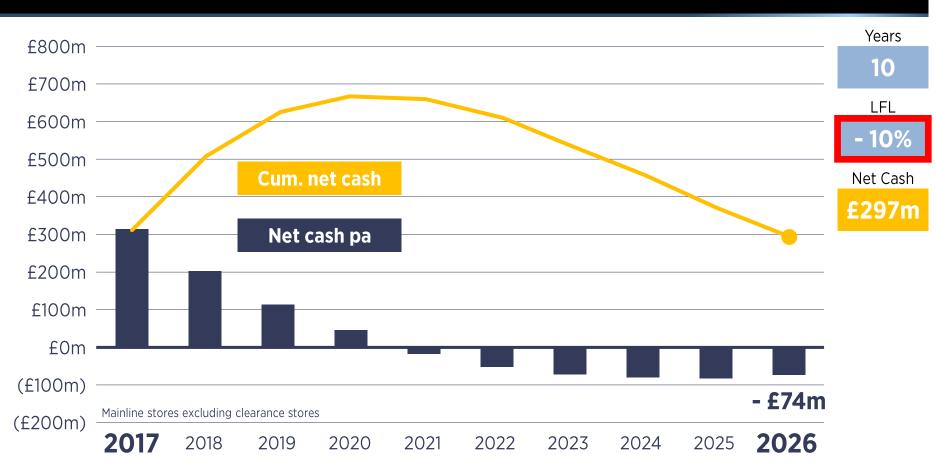
50% orders to store

80% returns to store

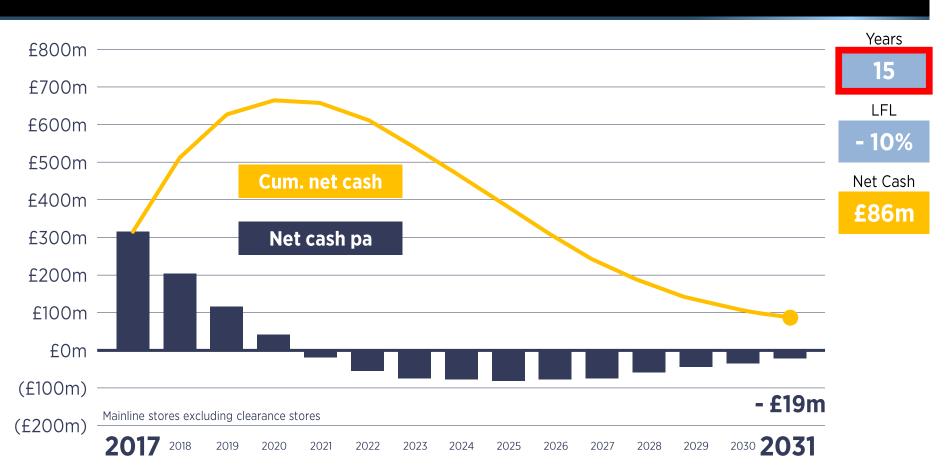




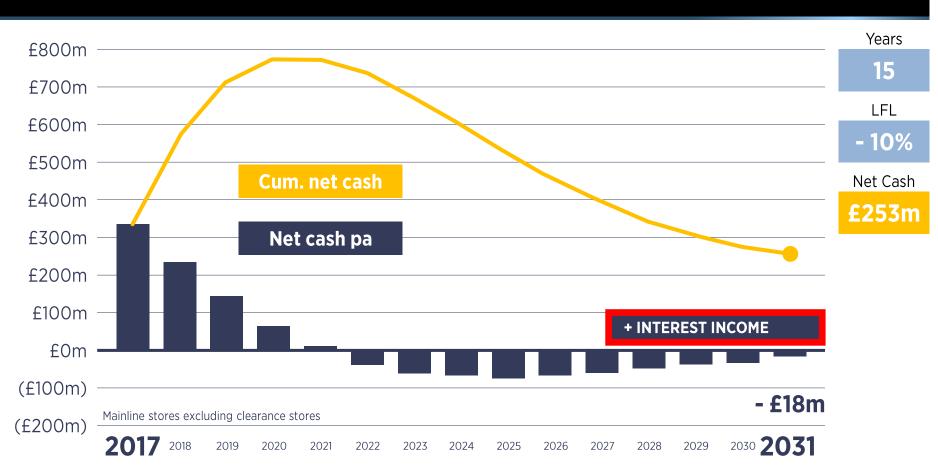




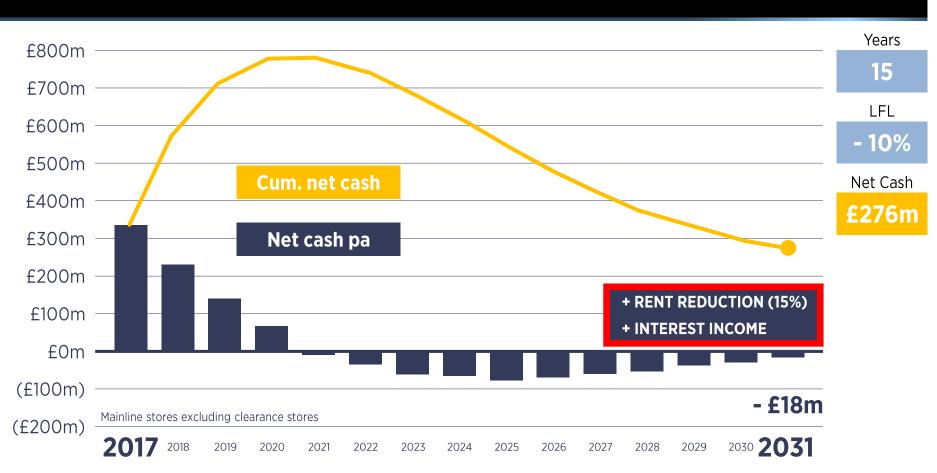




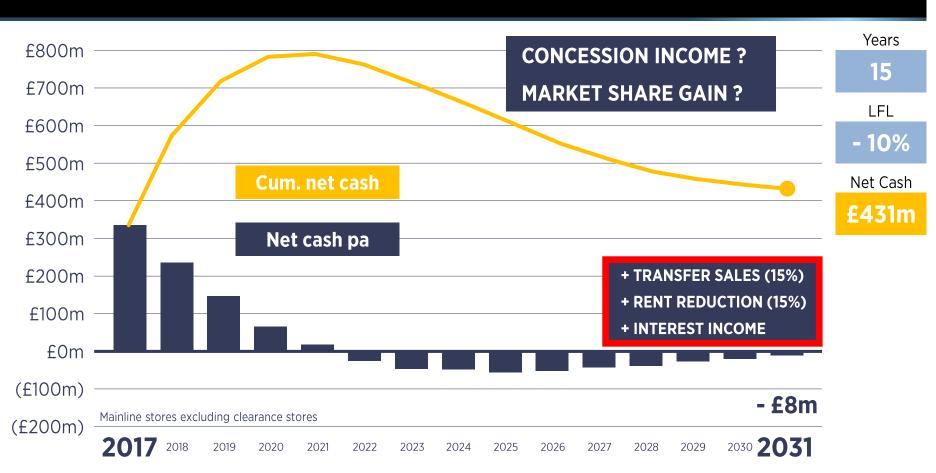














+1.0%

Retail

- £137m

- 7.4%

Online

+ £172m

+ 10.3%

Brand

+ £35m

+ 1.0%

Full year Brand full price sales

Profit performance

- £137m

Retail full price sales **£76m**

+ £172m

+ 1.0%

2017/18 **£726m**



+ £172m

Online full price sales

£83m



Central Guidance | 2018/19^(e)





Central Guidance | 2018/19^(e)





Central Guidance | 2018/19^(e)

next

£705m

422.6p

Full year Brand full price sales

Profit before tax

Growth in EPS

Ordinary dividend yield*

TSR underlying (at constant PE ratio)

+ 1.0%

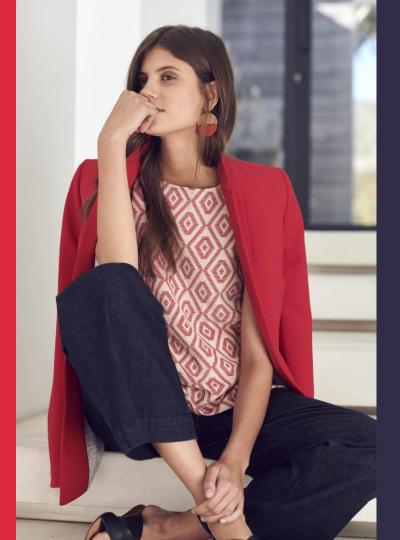
- 2.9%

+ 1.4%

3.2%

4.6%

^{*} Based on a share price of £48.95, the average share price during February 2018



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