

# NEXT

## Trading Statement for Quarter 1 26 January to 26 April 2025

### HEADLINES

- The first quarter has been better than expected. In the thirteen weeks to **26 April**, NEXT full price sales<sup>1</sup> were up **+11.4%** versus last year. This was +£55m ahead of our forecast for the period, which was to be up +6.5%.
- We believe much of the over-performance in the first quarter has been the result of warmer weather, which has benefited the sale of summer-weight clothing. It is likely that some of these sales have been pulled forward from Q2. So, despite the strength of Q1, we are not increasing our sales guidance for Q2, or the rest of the year.
- Accounting for the £55m of additional sales in Q1, we are increasing our guidance for NEXT Group profit<sup>2</sup> before tax for the full year by **+£14m to £1,080m**.

### FULL PRICE SALES PERFORMANCE BY BUSINESS DIVISION

Our performance in both the UK and overseas was better than we had anticipated. Sales in our Retail shops have been much stronger than we expected but, in our experience, shops benefit disproportionately from the favourable weather. So we are expecting our Retail sales to return to being broadly flat for the rest of the year.

Full price sales by division versus last year	13 weeks to 26 April versus last year
Online NEXT UK	+4.2%
Online LABEL UK	+15.7%
<b>Total Online UK</b>	<b>+8.9%</b>
Retail	+5.2%
<b>Total UK</b>	<b>+7.3%</b>
<b>Online International</b>	<b>+29.6%</b>
<b>Total Product full price sales</b>	<b>+12.1%</b>
NEXT Finance interest income	+1.0%
<b>Total full price sales</b>	<b>+11.4%</b>

<sup>1</sup> NEXT full price sales include items sold in Retail and Online plus NEXT Finance interest income, but excludes Sale events, Clearance, Total Platform commission and the sales from subsidiaries.

<sup>2</sup> NEXT Group profit before tax excludes: (1) the cost of brand amortisation, (2) the profit attributable to shares that we do not own in subsidiary companies. In the prior year an exceptional, non-cash, loss relating to the closure of our defined benefit pension scheme was also excluded. No exceptional items are anticipated in the current year.

## GUIDANCE FOR SALES, PROFIT AND EARNINGS PER SHARE (EPS)

Our revised guidance for the full year is summarised below, along with our previous guidance which is shown in grey.

Guidance for the full year 2025/26 (52 weeks)	New guidance		Previous guidance	
	Full year (e)	% Versus 2024/25	Full year (e)	% Versus 2024/25
NEXT full price sales	£5.4bn	+6.0%	£5.3bn	+5.0%
Total Group sales <sup>3</sup> (inc. markdown & investments)	£6.6bn	+5.0%	£6.6bn	+4.4%
NEXT Group profit before tax	£1,080m	+6.8%	£1,066m	+5.4%
Pre-tax EPS	929.6p	+10.0%	919.6p	+8.8%
Post-tax EPS	698.1p	+9.7%	690.7p	+8.5%

### Sales guidance for Q2 and the second half

Our sales guidance for the rest of the year is summarised below. We have increased our full year guidance by the overachievement in full price sales to date. We have not revised our expectations for the rest of the year, because we think some of the overachievement in Q1 will have pulled forward sales of summer-weight products from Q2.

As we mentioned in our March guidance, we are more cautious about sales in the second half because the comparative numbers (in Autumn Winter 2024) were much stronger. In addition, we believe that the full effects of this April's National Insurance increases will begin to filter through to the wider economy in the second half. For completeness, we have shown the two year growth (versus 2023/24) in the right hand column in grey.

Full price sales guidance (52 weeks)	% Versus 2024/25	% Versus 2023/24
Q1 (actual)	+11.4%	+17.7%
Q2 (e)	+6.5%	+10.0%
<b>First half (e)</b>	<b>+8.8%</b>	+13.6%
Second half (e)	+3.5%	+10.9%
<b>Full year (e)</b>	<b>+6.0%</b>	<b>+12.2%</b>

<sup>3</sup> Total Group sales are the sum of total sales (full price and markdown) from all of the Group's divisions plus revenue from subsidiaries and investments. Group sales are not statutory revenue.

### *Assumptions on EPS and share buybacks*

Please note, our guidance for EPS assumes that we make no further acquisitions and buy back £316m of shares during this financial year. This is in line with the guidance given in our Year End Results in March. To date, we have purchased £81m of shares. However, the NEXT share price is currently above our buyback limit.

Share buybacks are subject to us achieving a minimum 8% Equivalent Rate of Return (ERR) on the purchase. As a reminder, ERR is calculated by dividing anticipated NEXT Group pre-tax profits by the current market capitalisation<sup>4</sup>. Our latest guidance of pre-tax profits of £1,080m results in a buyback limit of circa £116 per share.

In the event that we buy back no further shares this year, our post-tax EPS growth for the year would reduce from +9.7% to +9.0%. In the absence of any acquisitions, any surplus cash we were unable to spend on share buybacks would be returned to shareholders by way of a special dividend early next year (2026).

### *A 53-week year*

As a reminder, this year is a 53-week year, and profit from the additional week is *excluded* from this sales and profit guidance. We expect week 53 to add a further c.£20m of profit. At our Year End Results, we will report week 53 as a distinct item, so it does not distort any comparisons.

## **NEXT TRADING STATEMENT**

Our next sales update will cover the first 26 weeks of the year to 26 July 2025 and is scheduled for Thursday 31 July 2025.

### *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.

<b>Date:</b>	Embargoed until 07:00 hrs, Thursday 8 May 2025		
<b>Contacts:</b>	Jonathan Blanchard, Chief Financial Officer (analyst calls)		
	<b>NEXT PLC</b>		<b>Tel: 0333 777 8888</b>
	Alistair Mackinnon-Musson		Email: <a href="mailto:next@rowbellpr.com">next@rowbellpr.com</a>
	<b>Rowbell PR</b>		<b>Tel: 020 7717 5239</b>
<b>Photographs:</b>	<a href="https://www.nextplc.co.uk/media/image-gallery/campaign-images">https://www.nextplc.co.uk/media/image-gallery/campaign-images</a>		

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<sup>4</sup> Market capitalisation is calculated based on expected average shares in circulation for the year, and excludes shares in the NEXT Employee Share Option Trust.