

NEXT

29 October 2025

Trading Statement for the Third Quarter

HEADLINES

- In the thirteen weeks to 25 October, NEXT full price sales¹ were up **+10.5%** versus last year. This was +£76m ahead of our guidance for the period of +4.5%.
- Sales overperformed in both the UK and overseas:
 - Sales in the **UK** were up **+5.4%** versus last year; lower than the +7.6% growth we achieved in the first half, but ahead of our guidance of +1.9%.
 - **Overseas** sales were up **+38.8%** versus last year; ahead of the +28.1% growth we achieved in the first half, and materially better than our guidance of +19.4%.
- We are increasing our guidance for full price sales in the fourth quarter from +4.5% to **+7.0%**. This adds a further £36m of full price sales to our forecast.
- The increase in sales in Q3, along with our improved sales guidance for Q4, means that we are increasing our full year guidance for profit² before tax by **+£30m to £1,135m**.

FULL PRICE SALES PERFORMANCE BY BUSINESS DIVISION

Our full price sales performance versus last year, by business division, is set out below for the third quarter and the year to date.

Full price sales by division versus last year	H1: 26 wks to 26 July	Q3: 13 wks to 25 Oct	Year to date: 39 wks to 25 Oct
UK - Online NEXT Brand	+6.8%	+4.2%	+5.8%
UK - Online LABEL	+12.6%	+13.0%	+12.7%
UK - ONLINE TOTAL	+9.2%	+7.8%	+8.7%
Retail stores	+5.4%	+2.0%	+4.3%
TOTAL UK	+7.6%	+5.4%	+6.8%
TOTAL ONLINE INTERNATIONAL	+28.1%	+38.8%	+31.5%
TOTAL PRODUCT FULL PRICE SALES	+11.6%	+11.2%	+11.5%
NEXT Finance interest income	+0.5%	- 0.1%	+0.3%
TOTAL FULL PRICE SALES	+10.9%	+10.5%	+10.8%

¹ 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.

² NEXT Group profit before tax excludes: (1) the cost of brand amortisation and (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.

COMMENTARY ON SALES PERFORMANCE

UK

As expected, sales growth in the UK weakened in comparison to the exceptional performance achieved in H1. As a reminder, our UK sales performance in the first half benefitted from favourable weather conditions and competitor disruption. Nonetheless, UK growth of +5.4% was stronger than we had expected. In hindsight, we think we underestimated the positive effect of improved stock levels this year. Last year, stock deliveries were delayed by disruption in Bangladesh and constraints in global freight capacity.

International

Direct to consumer websites (nextdirect.com)

Growth through our direct websites was better than expected because we were able to spend more on profitable digital marketing than anticipated. Marketing expenditure in Q3 was up +50% versus our previous guidance of +25%. The increase in marketing expenditure was driven by the strength of the returns we were able to achieve. Our marketing budget is an estimate, not a fixed sum. As long as returns remain above our hurdle rate, we will continue to carefully increase our investment.

Third-party aggregators

Sales in Europe have also benefitted from the consolidation of our stockholding in the region. Up until Q3 this year, the warehousing for our direct websites was separate from the warehouses serving Zalando, our largest aggregation partner. As a result of merging these activities into one warehousing operation and one stockholding, stock availability for our business on Zalando has been significantly improved. The new operation is managed by Zalando's third-party logistics division, ZEOS.

Q4 FULL PRICE SALES GUIDANCE

We are upgrading our sales guidance for the final quarter from +4.5% to +7.0%. The following paragraphs explain our reasoning and set out the guidance in detail.

In the UK, we expect sales growth to continue to moderate, slowing from +5.4% in Q3, to +4.1% in Q4.

Last year, sales growth *overseas* stepped forward dramatically from Q3 to Q4. As we annualise this step change we expect sales growth overseas to moderate from +39% to +24%. The +24% growth number is derived from our two-year performance. On a two-year basis growth in Q4 would be +65%, versus +67% achieved in Q3.

Full price sales guidance versus last year	H1	Q3	Q4 (e)	Full year (e)
UK (Online + Retail Stores)	+7.6%	+5.4%	+4.1%	+6.0%
International Online	+28.1%	+38.8%	+24.3%	+29.7%
TOTAL PRODUCT SALES	+11.6%	+11.2%	+7.4%	+10.3%
NEXT Finance interest income	+0.5%	- 0.1%	- 0.1%	+0.2%
TOTAL FULL PRICE SALES	+10.9%	+10.5%	+7.0%	+9.7%

GUIDANCE FOR FULL YEAR SALES, PROFIT AND EARNINGS PER SHARE

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	£5,552m	+9.7%	£5,440m	+7.5%
Total Group sales (inc. markdown & investments)	£6,870m	+8.7%	£6,720m	+6.3%
NEXT Group profit before tax	£1,135m	+12.2%	£1,105m	+9.3%
Post-tax EPS	729.4p	+14.6%	714.1p	+12.2%

The guidance for EPS in the table above assumes no further buybacks, as explained below.

Total Group sales

Guidance for total Group sales³ has increased by £150m; this is £38m more than the increase in NEXT full price sales. £23m of this increase comes from the timing of markdown sales. This season, we placed more of our surplus stock into our mid-season Sale in September rather than our Christmas Sale. This stock therefore has longer to sell during this financial year than the equivalent Sale stock last year. We expect total surplus stock in the second half to be up around +3.5%. The remaining £15m comes mainly from additional Clearance⁴ sales.

Assumptions on share buybacks and surplus cash

We anticipate that we will generate around £425m of surplus cash⁵ this year. This, combined with our planned increase in net debt, means that we have c.£500m available for distribution. As explained in our Half Year Results in September, the forecast increase in net debt is intended to maintain the Company's net debt to PBIT ratio in line with last year, at 0.63.

We have returned £131m to shareholders through share buybacks, but we are assuming that we make no further share buybacks in the current financial year. This is because our share price is currently much higher than our buyback limit which, based on our latest guidance, is £121 per share.

As a reminder, NEXT share buybacks are subject to us achieving a minimum 8% Equivalent Rate of Return (ERR) on the purchase. ERR is calculated by dividing anticipated NEXT Group pre-tax profits by the current market capitalisation⁶.

Based on our latest guidance, remaining surplus cash is forecast to be £369m.

Special dividends

In the absence of any acquisitions or further buybacks, we intend to return remaining surplus cash by way of a special dividend at the end of January 2026. Based on that assumption and our latest guidance, this special dividend would be around £3.10 per share.

As previously announced, our interim dividend (87p per share) will be paid on 5 January 2026.

³ 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.

⁴ Our Clearance division sells unsold Sale stock from previous seasons. This stock has been written down in value and carried over to the following season, where it is then sold at full margin.

⁵ Surplus cash is defined as cash generated after deducting interest, tax, capital expenditure, funding customer receivables, investments or acquisitions, and ordinary dividends.

⁶ Market capitalisation is calculated based on expected average shares in circulation for the year, and excludes shares in the NEXT Employee Share Option Trust.

A 53-week year

This year is a 53-week year, and profit from the additional week is *excluded* from this sales and profit guidance. The extra week is included in our cash forecast. 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 the year-on-year comparisons.

CHRISTMAS TRADING STATEMENT

We are scheduled to give an update on sales to Saturday 27 December 2025, on Tuesday 6 January 2026.

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, Wednesday 29 October 2025		
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