NEXT

Trading Statement – 6 January 2026

HEADLINES

Christmas Trading and Full Year Guidance - Year Ending January 2026

- In the nine weeks to 27 December, full price sales[1] were up **+10.6%** versus last year, which compares to our guidance for the quarter of +7.0%
  - UK sales were up **+5.9%**
  - International sales were up **+38.3%**
- This over-achievement, along with additional sales forecast in January, adds **£51m** to full price sales and we are increasing guidance for full year profit before tax[2] by +£15m to **£1,150m**
- Profit before tax is now forecast to be up **+13.7%** versus last year, and post-tax Earnings Per Share (EPS) up **+16.1%**

Initial Guidance for the Year Ahead - Year Ending January 2027

- Full price sales growth forecast to be up **+4.5%**
- Group profit before tax forecast to be **£1,202m**, up **+4.5%**
- Assuming the Group makes no further acquisitions, cash available for distribution to shareholders, *including* ordinary dividends, is expected to be £768m**.** This represents **4.8%** of our current market capitalisation
- Anticipated shareholder distributions, combined with forecast EPS growth of +4.3%, would deliver total shareholder return (at a constant P/E ratio) of **9.1%**

The Remainder of this Statement

The remainder of this document is divided into two parts: **Part 1** focuses on the current year and **Part 2** gives our initial guidance for sales, profit and cash flow in the year ahead.

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[1] Full price sales include all items sold in NEXT Retail Stores, NEXT Online including third-party brands, and NEXT Finance interest income, but excludes Sale events, Clearance, Total Platform commission and subsidiaries' sales.

[2] 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, (3) an exceptional £16m gain from the sale of land in November 2025 and (4) profit from this year's 53rd week. Note, last year also excluded an exceptional, non-cash, loss relating to the closure of our defined benefit pension scheme.

PART 1: THE CURRENT YEAR

Full Price Sales Performance to 27 December 2025

The table below sets out the full price sales performance for the nine weeks to 27 December and for the year to 27 December. Performance in the year to the end of Q3 is shown in grey.

Full price sales by division versus last year	Year to Q3	Q4 to date: 9 wks to 27 Dec	Year to date: 48 wks to 27 Dec
UK - Online NEXT Brand	+5.8%	+8.8%	+6.5%
UK - Online LABEL	+12.7%	+9.5%	+11.9%
UK - ONLINE TOTAL	+8.7%	**+9.1%**	**+8.8%**
Retail stores	+4.3%	+1.4%	+3.5%
TOTAL UK	+6.8%	**+5.9%**	**+6.6%**
ONLINE INTERNATIONAL	+31.5%	**+38.3%**	**+33.0%**
TOTAL PRODUCT FULL PRICE SALES	+11.5%	**+11.1%**	**+11.4%**
NEXT Finance interest income	+0.3%	- 0.3%	+0.2%
TOTAL FULL PRICE SALES	+10.8%	**+10.6%**	**+10.7%**

Growth in the **UK** slowed but not by as much as we expected. UK growth was +5.9%, compared to our previous guidance of +4.1%. We believe that sales benefited from higher stock levels than last year, when supplier deliveries were delayed by disruption in Bangladesh and global freight networks.

International Online sales were up +38.3%, materially better than our guidance of +24.3%. This overperformance was driven by two factors:

- We were able to increase profitable marketing expenditure by more than anticipated.
- Sales through our main European aggregator, Zalando, were better than anticipated following our transition to ZEOS's platform in August. This change improved stock availability by allowing the same stock-holding to serve both the Zalando and NEXT websites across Europe.

End-of-Season Sale

The amount of stock in our end-of-season Sale was higher than we previously anticipated and up +5% on last year. The adverse effect of more Sale stock was offset by better than expected clearance rates. The net effect was to add £30m to guidance for total Group sales, but was profit neutral.

Sales and Profit Guidance for the Current Year

Our sales, profit and EPS guidance for the current year is set out below along with our previous guidance. We have assumed that sales growth in January will be in line with Q4 to date.

	New guidance		Previous guidance	
Guidance for the full year 2025/26 (52 weeks)	**Full year (e)**	**% Versus 2024/25**	Full year (e)	% Versus 2024/25
NEXT full price sales	£5,603m	+10.7%	£5,552m	+9.7%
Total Group sales[3] (inc. markdown & investments)	£6,971m	+10.3%	£6,870m	+8.7%
NEXT Group profit before tax	£1,150m	+13.7%	£1,135m	+12.2%
Post-tax EPS	738.8p	+16.1%	729.4p	+14.6%

[3] Total Group sales are the sum of total sales (full price and markdown) from all of the Group's divisions plus revenue from subsidiary companies. Subsidiaries' turnover is calculated using our share of our subsidiaries' turnover.

53rd Week

The financial year ending January 2026 is a 53-week year. The guidance above relates to a 52-week period in order to provide a direct comparison against previous years. The addition of week 53 will add around £22m of profit before tax and around £20m of cash flow, which is reflected in the 53-week cash flow forecast below.

Cash Generation, Shareholder Distributions and Net Debt

Cash generation in the year remains strong and we expect to generate **£474m** of surplus cash, *after* deducting interest, tax, capital expenditure, funding customer receivables and paying ordinary dividends, but *before* any investments and further distributions to shareholders. This includes the exceptional £54m cash inflow from the sale of land near Waltham Abbey, Essex, as announced in the RNS statement issued on 25 November.

As explained in our previous guidance, we plan to increase net debt in line with the increase in PBIT (profit before interest and tax). This will increase net debt (excluding lease liabilities) at the year end by around £79m to £739m. Our forecast for cash and shareholder distributions is summarised below.

Cash flow and shareholder distributions £m	**2025/26 (e)**
Cash generation before investments and shareholder distributions	706
Additional cash generated from land sale (exceptional)	54
Ordinary dividends	(286)
Surplus cash after ordinary dividends	**474**
Increase in net debt	79
Cash available for distribution/investment	**553**
Investments in third-parties	(1)
Share buybacks	(131)
Proposed capital distribution by B Share Scheme	(421)
Remaining surplus cash	**0**

Share buybacks

During the year we purchased £131m of shares at an average share price of £109. This reduced the number of net shares[4] by 1.0% since the start of this financial year. For most of the year, our share price has largely remained above our buyback price limit, limiting the scope for buybacks.

We have always aimed to achieve a minimum 8% Equivalent Rate of Return (ERR) on the purchase of our own shares. ERR is calculated by dividing anticipated NEXT Group pre-tax profits by the current market capitalisation[5].

Capital return through proposed B Share Scheme

As announced in the RNS issued on 19 December, we propose that remaining surplus cash for 2025/26, totalling £421m, is returned to shareholders by way of a B Share Scheme. This scheme is subject to shareholder approval at the General Meeting scheduled for Thursday 15 January 2026.

The effect of the scheme will be to return **£3.60** per ordinary share. The proposed record time to participate in the scheme is 6pm on 15 January 2026, with shares issued that day. The B Shares will be redeemed and cancelled on 16 January 2026. Payment to shareholders would be on or before Wednesday 28 January 2026.

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[4] Net shares are shares in issue less the shares held in our Employee Share Ownership Trust.

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

PART 2: GUIDANCE FOR THE YEAR AHEAD

GUIDANCE FOR SALES, PROFIT AND EPS IN 2026/27

Guidance for the full year 2026/27 (52 wks vs 52 wks)	Full year (e)	% Versus 2025/26
NEXT full price sales	£5,855m	+4.5%
Total Group sales (inc. markdown & investments)	£7,261m	+4.2%
NEXT Group profit before tax	£1,202m	+4.5%
Post-tax EPS (assuming no share buybacks)	770.4p	+4.3%

Currently our share price is above our buyback price limit of £128, so we have assumed that surplus cash will be returned by way of a special dividend or other capital return. This may of course change but, for the moment, we are not forecasting any enhancement in EPS through buybacks. For details of surplus cash, please see below.

Full Price Sales

We are forecasting that full price sales, including NEXT Finance interest income, will be up +4.5%. Growth forecast in the UK and International business is summarised below. For comparison, the right hand column shows the equivalent numbers for the current year to date.

Full price sales guidance versus prior year	2026/27 (e)	Year to date 2025/26
UK (Online + Retail Stores)	+1.6%	+6.6%
International Online	+16.5%	+33.0%
TOTAL PRODUCT SALES	**+4.8%**	**+11.4%**
NEXT Finance interest income	- 0.6%	+0.2%
TOTAL FULL PRICE SALES	**+4.5%**	**+10.7%**

We expect growth next year to be lower than the current year for four reasons:

- In the **UK**, growth in the *current year* was boosted by very favourable summer weather, competitor disruption and improved stock levels. So we will face **tough UK comparatives**, particularly in the first half.

- Continuing pressures on **UK employment** are likely to filter through into the consumer economy as the year progresses.

- Growth from our overseas direct websites is likely to moderate from the exceptional levels achieved this year. In the current year, direct international sales benefited from +60% increase in **profitable marketing expenditure**. We think it is unlikely that we will be able to profitably increase our marketing expenditure by as much next year. Within this guidance, we have assumed that overseas marketing will increase by around +25%.

- In 2025, two one-off changes in overseas stock availability served to boost our international sales. These were:
  - A significant increase in the amount of **wholly-owned brands** and licensed products made available on overseas websites
  - Combining our Direct and Aggregator **stock holdings** in Europe through ZEOS in August resulted in a step change in Aggregator sales

Total Group Sales

Total Group sales growth of +4.2% is lower than full price sales growth of +4.5%, mainly due to markdown sales not growing as quickly.

CASH GENERATION, SHAREHOLDER DISTRIBUTIONS AND NET DEBT

In the year to January 2027, we expect to generate **£417m** of surplus cash *after* deducting interest, tax, capital expenditure, funding customer receivables and paying ordinary dividends, but *before* any investments and distributions to shareholders. We plan to increase our net debt in line with PBIT and close the year at around £777m (excluding lease liabilities).

Our forecast for cash and shareholder distributions is summarised as follows:

Cash flow and shareholder distributions £m	**2026/27 (e)**
Cash generation before investments and shareholder distributions	730
Ordinary dividends	(313)
Surplus cash after ordinary dividends	**417**
Increase in net debt	38
Cash available for distribution/investments	**455**
Investments, share buybacks, special dividends or other capital return	(455)
Remaining surplus cash	**0**

The combination of ordinary dividends and capital returns, totalling £768m, represents **4.8%** of our current market capitalisation. This, combined with underlying EPS growth of +4.3%, would deliver a total shareholder return (at a constant P/E ratio) of **9.1%**.

FULL YEAR RESULTS ANNOUNCEMENT

We are scheduled to announce our results for the full year ending 31 January 2026 on Thursday 26 March 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, Tuesday 6 January 2026	
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