

# NEXT

## Trading Statement for Quarter 1 6 May 2026

### HEADLINES

- Full price sales<sup>1</sup> in the first quarter were up **+6.2%** on last year, against our forecast for the period of +4.0%. This was **£28m** ahead of forecast.
- The overachievement in sales was the result of exceptionally strong growth in the first five weeks of the year (+11.8%).
- The additional £28m sales added **+£8m** of profit, increasing our guidance<sup>2</sup> for the full year to **£1,218m**. We are maintaining our guidance for full price sales for the rest of the year.
- We plan to mitigate the ongoing cost increases caused by the conflict in the Middle East with a combination of moderate price increases in some international territories and operational cost savings. See page 4 for detail.

### FULL PRICE SALES PERFORMANCE BY BUSINESS DIVISION

Growth in the first quarter, by division, is set out below. Further analysis is given on the following page.

Full price sales by division versus last year	13 weeks to 2 May versus last year
UK - Online NEXT Brand	+5.8%
UK - Online LABEL	+15.7%
<b>UK - ONLINE TOTAL</b>	<b>+10.1%</b>
Retail Stores	- 3.4%
<b>TOTAL UK</b>	<b>+4.4%</b>
<b>TOTAL ONLINE INTERNATIONAL</b>	<b>+12.8%</b>
<b>TOTAL PRODUCT FULL PRICE SALES</b>	<b>+6.5%</b>
NEXT Finance interest income	+0.9%
<b>TOTAL FULL PRICE SALES</b>	<b>+6.2%</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.

Note, last year's financial year included a 53rd week, so sales comparisons are given against the corresponding 'offset' weeks last year; i.e. we are comparing weeks 1-13 of this year with weeks 2-14 of last year.

<sup>2</sup> Guidance for 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 property profit of £16m and £24m of profit from a 53rd week were also excluded. No exceptional items are anticipated in the current year.

## First quarter growth in more detail

Trade in the first quarter can be viewed as three distinct periods:

**Weeks 1-5:** Before the conflict in the Middle East; and *before* last year's UK sales strengthened as a result of unusually warm weather.

**Weeks 6-8:** The conflict in the Middle East began, with considerable disruption to service in the region.

**Weeks 9-13:** Trade began to recover in the Middle East as delivery services returned to normal.

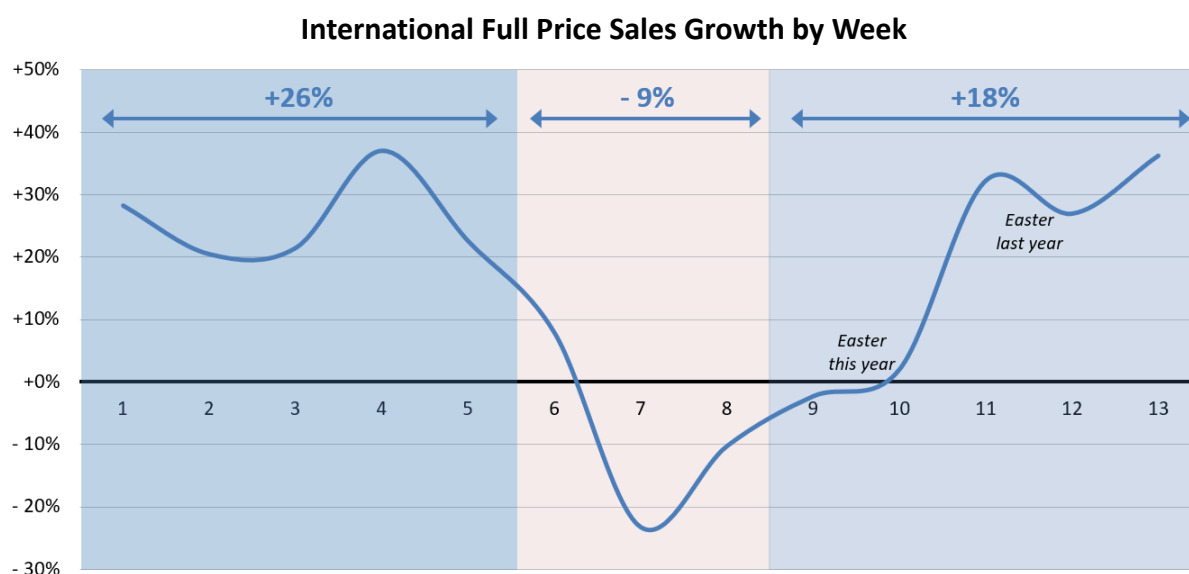
Full price sales versus last year	Weeks 1 - 5	Weeks 6 - 8	Weeks 9 - 13	Total Q1
Total UK	+8.6%	+3.3%	+1.7%	+4.4%
International	+26.0%	- 8.9%	+18.3%	+12.8%
<b>TOTAL PRODUCT FULL PRICE SALES</b>	<b>+12.7%</b>	<b>- 0.3%</b>	<b>+5.5%</b>	<b>+6.5%</b>
NEXT Finance interest income	+0.1%	+1.4%	+1.5%	+0.9%
<b>TOTAL FULL PRICE SALES</b>	<b>+11.8%</b>	<b>- 0.2%</b>	<b>+5.3%</b>	<b>+6.2%</b>

### UK sales

Sales in the UK, up +4.4%, have been better than expected (we had planned for Q1 UK sales to be up +1.3%). As anticipated, growth has weakened as we move into a period when last year's sales began to strengthen. Compared to *two years ago*, UK sales growth has remained consistent in all three periods, at around +13%.

### International sales

The graph below shows the impact of the conflict in the Middle East on our international sales. Over the last few weeks we have seen significant recovery, albeit growth was not as strong as in the first five weeks of the year. Weeks 9 to 13 need to be viewed as a whole, as the performance of individual weeks are distorted by the timing of Easter.



## Full Price Sales guidance for Q2 and the second half

We are maintaining our guidance for sales for the rest of the year, as set out below.

Full price sales by division versus last year	Q1 (Actual)	Q2 (e)	H2 (e)	Full year (e)
UK (Retail Stores + Online)	+4.4%	+1.0%	+2.9%	+2.8%
International	+12.8%	+17.0%	+14.0%	+14.4%
NEXT Finance interest income	+0.9%	+0.2%	- 0.6%	0.0%
<b>TOTAL FULL PRICE SALES</b>	<b>+6.2%</b>	<b>+4.0%</b>	<b>+5.0%</b>	<b>+5.0%</b>

In the UK, we expect sales in Q2 to be up +1.0% on last year. As a reminder, Q2 last year benefited from exceptionally warm weather and competitor disruption.

Our forecast for International sales in Q2 is to be up +17.0%, broadly in line with weeks 9-13 of Q1. Growth in the second half is expected to moderate to +14.0%. This is because in August last year we achieved a one-off step change in our aggregator sales when we switched to ZEOS distribution services, materially increasing stock availability in our European aggregator business. So our comparative numbers become tougher from August onwards.

## FULL YEAR GUIDANCE

### FINANCIAL IMPACT OF THE CONFLICT IN THE MIDDLE EAST

The table below sets out the forecast costs associated with the conflict in the Middle East along with planned mitigation. The guidance we gave in March estimated the cost of the conflict to be £15m, however that only covered the first three months of the war. We have now updated our guidance accounting for ongoing disruption for the remainder of the year based on two assumptions:

- Fuel costs remain at or around their current levels.
- Disruption in factories and global transport networks neither worsen or improve.

We have made these assumptions not because they are necessarily right, but because they explain the impact on profit assuming nothing changes. In the event things change we will adjust prices accordingly.

#### **International costs**

Cost increases in our international business mainly relate to the increased costs of air freight and local distribution networks. These costs will be offset by price increases overseas which will be implemented in May. Price increases outside Europe will vary by country, but will be no more than +8% in any territory. In Europe, cost increases have been offset by currency gains, so there is no need for price increases.

#### **UK costs**

Cost increases relate to the increased costs of transporting goods from suppliers to the UK, distribution within the UK, and energy costs. These costs will be offset by cost savings and margin gains. These were achieved through better than anticipated factory gate prices (normally such gains would be passed on to customers through lower prices). Based on our current estimates, we do not anticipate increasing our UK prices over and above the 0.6% we had forecast at the beginning of the year.

Middle East impact and mitigations (£m)	Previous forecast	Additional costs & savings	New full year forecast
<b>Cost increases in the International business</b>			
Outbound delivery to the Middle East	(5)	(12)	(17)
Outbound delivery to other overseas countries	(2)	(5)	(7)
Inbound bulk freight costs to the UK	(1)	(2)	(3)
	<b>(8)</b>	<b>(19)</b>	<b>(27)</b>
<b>Cost increases in the UK business</b>			
Inbound bulk freight costs to the UK	(3)	(8)	(11)
Fuel and energy cost increases within UK operations	(4)	(5)	(9)
<b>Total cost increases</b>	<b>(15)</b>	<b>(32)</b>	<b>(47)</b>
<b>Cost savings and margin gains</b>			
Price increases in the Middle East	1	12	13
Currency gains in Europe	-	5	5
Price increases in other overseas countries	-	1	1
Margin gains from better factory gate prices	2	10	12
Other cost savings	12	4	16
<b>Total cost savings and margin gains</b>	<b>15</b>	<b>32</b>	<b>47</b>
<b>Net impact</b>	<b>0</b>	<b>0</b>	<b>0</b>

## REVISED FULL YEAR GUIDANCE

Our revised guidance for the full year is summarised below, along with our previous guidance which is shown in grey. The guidance for sales, costs and profit is based on the assumption that the situation in the Middle East does not materially deteriorate or improve.

Guidance for the full year 2026/27	New guidance		Previous guidance	
	Full year (e)	% Versus 2025/26	Full year (e)	% Versus 2025/26
NEXT full price sales	£5.9bn	+5.0%	£5.9bn	+4.5%
Total Group sales <sup>3</sup> (inc. markdown & investments)	£7.3bn	+4.6%	£7.3bn	+4.2%
NEXT Group profit before tax	£1,218m	+5.2%	£1,210m	+4.5%
Post-tax EPS	792.9p	+6.5%	787.3p	+5.8%

## EPS AND SHARE BUYBACKS

Our guidance for EPS assumes that we complete £510m of share buybacks this year. So far this year, we have purchased £196m of shares at an average share price of £126.52, reducing the number of shares by 1.3%.

Share buybacks are subject to us achieving a minimum 8% equivalent rate of return (ERR) on the purchase. ERR is calculated by dividing (1) anticipated NEXT Group pre-tax profits by (2) the current market capitalisation<sup>4</sup>. Based on our latest guidance, our share price limit for buybacks is £132.

In the event we cannot spend all of the £510m on share buybacks, remaining cash would be returned to shareholders via a special dividend or capital return.

## NEXT TRADING STATEMENT

Our next sales update will cover the first 26 weeks of the year to 1 August 2026 and is scheduled for Wednesday 5 August 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 6 May 2026

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<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.

<sup>4</sup> Market capitalisation is calculated based on shares in circulation, so excludes shares in the NEXT ESOT.