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Photographs: <https://www.nextplc.co.uk/media/image-gallery/campaign-images>

next PLC

Trading Statement – 3 November 2021

Unless otherwise stated, all sales comparisons in this Trading Statement are given relative to two years ago (2019/20). Comparisons with last year are distorted because for much of the year, our stores were closed.

HEADLINES

- Full price sales in the thirteen weeks to 30 October were up +17.0% versus two years ago.
- Full price sales in the last five weeks, since the update given in our Half Year Results issued in September, were up +14.0%. This is better than our forecast of +10%.
- We are maintaining our Q4 full price sales guidance at +10% and full year profit before tax at £800m.

FULL PRICE SALES PERFORMANCE BY BUSINESS

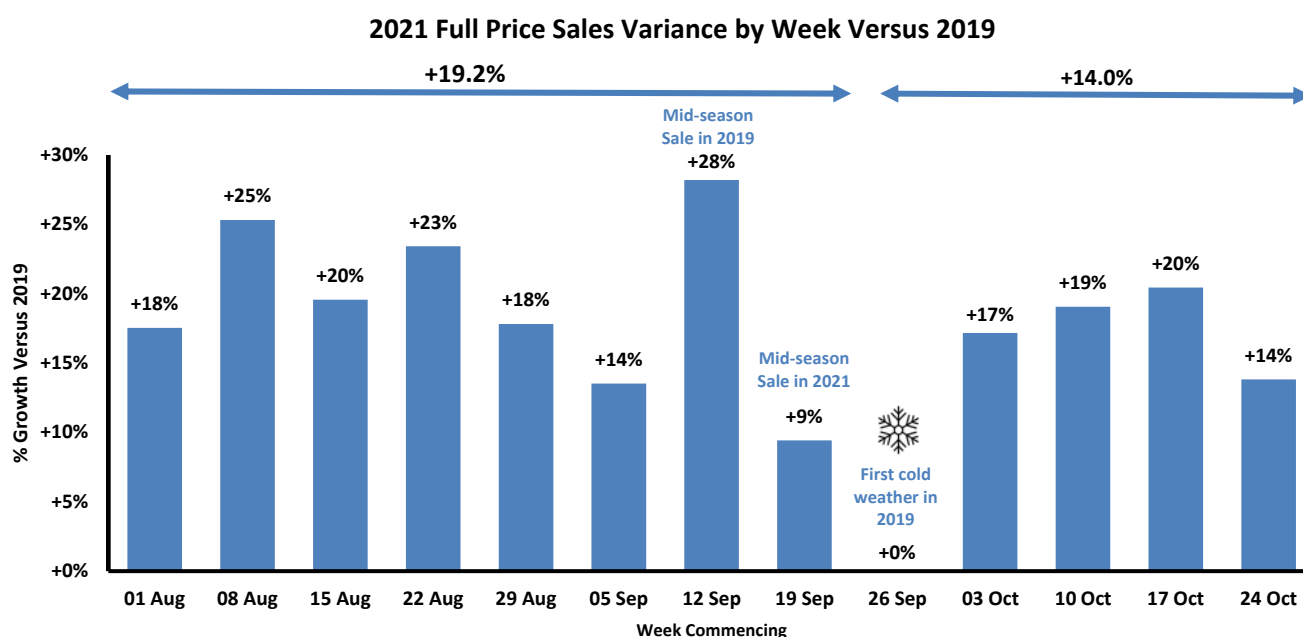
The table below sets out the performance in the quarter and for the year to date for our Online, Retail and Finance businesses. Online sales are broken down into (1) NEXT branded stock sold in the UK, (2) LABEL third-party brands sold in the UK and (3) sales Overseas. LABEL sales have been particularly strong in the third quarter.

Full price sales (VAT exclusive) versus 2019/20	Q3 to 30 October	Year to 30 October
Online NEXT UK	+21%	+37%
Online LABEL UK	+86%	+73%
Online Overseas	+41%	+55%
Total Online	+40.0%	+49.5%
Retail (UK and Ireland)	- 6.1%	- 28.8%
Total Product full price sales	+18.7%	+12.8%
Finance interest income	- 5.0%	- 8.9%
Total full price sales including interest income	+17.0%	+11.2%
<i>Total full price sales including interest income versus 2020/21</i>	<i>+12.7%</i>	<i>+39.1%</i>

For completeness, the last row of the table shows our sales performance compared to last year (2020/21).

Sales Performance by Week

The chart below gives the week by week growth in full price sales for the third quarter. As expected, sales growth has moderated in the last five weeks as the effect of pent-up demand begins to diminish.



FULL PRICE SALES AND PROFIT GUIDANCE

Full Price Sales Guidance for the Fourth Quarter

We do not expect sales to continue at the level seen in Q3 and are maintaining our guidance for full price sales to be up +10% in the fourth quarter. We believe that growth in the fourth quarter will be lower than Q3 for the following reasons:

- The effects of pent-up demand are likely to continue to diminish.
- Stock availability has improved but remains challenging, with delays in our international supply chain being compounded by labour shortages in the UK transport and warehousing networks. However, to date, stock limitations appear to be offset by strong underlying demand.
- Although consumer finances are in good shape, price increases in essential goods (such as fuel) may moderate demand for more discretionary purchases.

Full Price Sales Summary Table

The over-performance in the last five weeks has added +0.3% to our full year guidance as set out below.

Full price sales 2021/22 versus 2019/20 (2 years)	Year to date	Q4 guidance	Full year guidance
Actual/new guidance	+11.2%	+10.2%	+11.0%
Previous guidance		+10.2%	+10.7%

Profit Guidance, EPS and Net Debt

During the last five weeks we have beaten our full price sales forecast by £14m which generated around £4m of profit. We anticipate that this will be largely offset by: (1) further investment in digital marketing and (2) increased use of inbound air freight and other Online distribution costs. So, we are maintaining our full year profit guidance of £800m.

Profit before tax, EPS and net debt	Full year guidance	Versus 2019/20
Group profit before tax ¹	£800m	+6.9%
Earnings Per Share	516.9p	+9.4%
Year end net debt (excluding lease liabilities)	£610m	- 45.2%

CHRISTMAS TRADING STATEMENT

We intend to give an update on sales to Saturday 25 December on Thursday 6 January 2022.

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.

¹ Profit before tax is reported on an IFRS 16 basis.