NEXT

Results for the Half Year Ending July 2025

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CHIEF EXECUTIVE'S REVIEW

STRUCTURE OF THIS REPORT

PART ONE *p5*	**Headlines and Summary of Financial Performance** gives a short overview of the financial performance of the Group in the six months to July 2025 and our guidance for the full year 2025/26.
PART TWO *p6 - p21*	**The Big Picture** explains where NEXT's growth is coming from – by geography, product and brand. It then expands on the main drivers of growth.
PART THREE *p22 - p24*	**Focus on UK Employment** comments on the outlook for UK employment, drawing on NEXT's own recruitment figures. It highlights a growing pressure on employment and outlines the potential impact of the Employment Rights Bill on flexible part-time work.
PART FOUR *p25 - p29*	**Group Financial Performance and Full Year Guidance** details our sales and profit performance for the first half of the year, summarised by business division, along with our guidance for the full year 2025/26.
PART FIVE *p30 - p47*	**Retail Stores, Online, Finance, Total Platform, and Other Business** is a very detailed section, describing the financial performance of each major business division. This section is designed for analysts and investors who want a deeper understanding of the Group.
PART SIX *p48 - p52*	**Cash Flow, Shareholder Returns, Net Debt and Financing** gives a detailed breakdown of our cash flow guidance and shareholder distributions for 2025/26.

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PART ONE
HEADLINES AND SUMMARY OF FINANCIAL PERFORMANCE

HEADLINES

Performance in the Six Months to July 2025

- Full price sales[1] up **+10.9%** and total Group sales[2] (including markdown sales and subsidiaries) up **+10.3%.**
- NEXT Group profit before tax[3] **£515m**, up **+13.8%**.

Guidance for the Full Year to January 2026

- Guidance for full price sales growth in the second half is **+4.5%** versus last year, giving guidance for the full year of **+7.5%** (unchanged from our 31 July Trading Statement).
- Full year pre-tax profit guidance is unchanged at **£1,105m** (up **+9.3%** versus last year).

For a more detailed analysis of our guidance see page 28.

SALES AND PROFIT FOR THE FIRST HALF

Sales, Profit and Earnings Per Share	July 2025	July 2024	Var %
Total Group sales	£3,249m	£2,946m	+10.3%
NEXT Group profit before tax	£515m	£452m	+13.8%
NEXT Group profit after tax	£387m	£341m	+13.4%
NEXT Group post-tax Earnings Per Share[4]	330.2p	282.8p	+16.8%

Statutory revenue	*£3,145m*	*£2,860m*	*+9.9%*
Statutory profit before tax	*£509m*	*£432m*	*+17.8%*

[1] Full price sales include all items sold in Retail and Online, including third-party brands, plus NEXT Finance interest income, but excludes Sale events, Clearance, Total Platform commission and sales from subsidiaries.
[2] 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. See page 26 for a bridge between Group sales and statutory revenue.
[3] 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. See page 27 for a bridge between NEXT Group profit and statutory profit, and Note 3 of the financial statements for further details.
[4] All references to EPS in the CEO Review are 'Basic' EPS, based on 'NEXT Group profit', unless otherwise stated.

PART TWO
THE BIG PICTURE

OVERVIEW

An exciting place to work

These days, NEXT feels like an exciting place to work. With the worst of the structural shift from store to online trading long behind us, the opportunities for change and growth now present themselves in virtually every area of the business.

Product

There is a palpable increase in creative energy in NEXT's product departments. They are delivering newness – new trends, fabrics, prints and shapes – while striving to deliver quality that exceeds our customers' expectations at every price level. Where teams have been bolder in adopting new trends and improving quality, success has followed. That energy extends to the development of our growing portfolio of *new brands*, *licences* and *third-party brands*.

Platform

Creativity is often associated with artistic endeavours. But the creative energy and ingenuity delivered by the teams developing our online platform – technology, ecommerce, warehousing, logistics and contact centre – have been just as impressive. NEXT's online platform is improving every aspect of its operations at pace, delivering better customer services, improved marketing and operating efficiencies. This innovation has been accelerated by the modernisation of our internal software, new warehouse mechanisation and the increasing use of AI applications.

International

Alongside these endeavours to improve both our product and platform – and in part as a result of them – the NEXT brand has continued to gain traction in overseas markets, giving us a new avenue of profitable growth. Encouragingly, we are also seeing good international growth from our other wholly-owned brands and licences.

Keeping our feet on the ground

By NEXT standards, the last few paragraphs might sound a little gushing. A worrying state of affairs for any business – particularly so following a season where favourable weather and competitor disruption have enhanced our performance. Rest assured, the Company's enthusiasm for its many opportunities is grounded in a cautious realism.

There is a balance here; we want to encourage enthusiasm for new ideas, but must resist the temptation to overestimate the *net* sales generated by new initiatives. It is easy to forget that new brands, to some extent, compete with and cannibalise our existing business. This cannibalisation is never 100%, so innovation still drives net growth – but it is a reason to be measured about the overall impact on our top line. More importantly, standing still is not an option – if we don't pursue these opportunities, competitors will.

The UK Economy – a reason to be cautious

There is another reason to be cautious. The medium to long-term outlook for the UK economy does not look favourable.

To be clear, we do not believe the UK economy is approaching a cliff edge. At best we expect anaemic growth, with progress constrained by four factors: declining job opportunities, new regulation that erodes competitiveness, government spending commitments that are beyond its means, and a rising tax burden that undermines national productivity[5].

We first raised concerns about a potential weakening in UK employment in our report two years ago. Since then, vacancies have continued to fall, and PAYE payroll numbers are now moving backwards. The problem appears to be that employment, particularly at the entry level, faces the triple pressure of rising costs, increasing regulation, and displacement through mechanisation and AI (see Focus on UK Employment on page 22).

In summary

In spite of the challenges presented by the UK economy, NEXT is in a good place, with multiple opportunities for growth, both in the UK and overseas.

Our enthusiasm is tempered by the knowledge that the first half was boosted by factors that are unlikely to continue, and the belief that the UK economy is likely to weaken going forward.

However, on balance we believe the positives for NEXT materially outweigh the negatives. We remain optimistic about the prospects for the Group and are very clear about what we have to do:

- Continue to improve and expand our **product** offer.
- Improve our online **platform,** marketing and customer services.
- Develop our **international** businesses.
- Rigorously control our **costs** and deliver healthy returns on the **capital** we invest.

THE REST OF THE BIG PICTURE

The rest of this Big Picture section focuses on explaining where our growth is coming from by business, in terms of geography and product category. It goes on to explain some of the main drivers of growth – focusing on what we are doing to develop our Product Offer (page 10), International business (page 14) and Online Platform (page 19).

[5] Public sector productivity has fallen over the last five years, versus a modest increase in the private sector. (Source: ONS). So higher taxes risk shifting resources towards less productive parts of the economy.

SALES INSIGHT – BY GEOGRAPHY AND BRAND

Full price product sales (excluding Finance interest income) grew by +11.6% in H1, driven by very strong international growth and continued UK expansion. Growth came from all three categories of product: the NEXT brand, wholly-owned brands and licenses[6] (WOBL), and third-party brands.

The tables below aim to give a clear understanding of the shape of the business, and where our growth is coming from – by geography and category of brand. The tables[7] show: (1) sales participation by segment, (2) percentage growth rates, and (3) the cash contribution to growth.

SALES PARTICIPATION %[8]

Full price sales participation	NEXT brand	WOBL	3rd Party	TOTAL
UK Retail Stores	31%	< 1%	1%	33%
UK Online	26%	4%	15%	45%
Total UK	**57%**	**4%**	**16%**	**78%**
International NEXT websites	11%	1%	3%	15%
International 3rd Party Aggregators	6%	1%	-	7%
Total International	**17%**	**2%**	**3%**	**22%**
GRAND TOTAL (UK & International)	**74%**	**7%**	**19%**	**100%**

GROWTH RATE %

Full price sales: % growth vs last year	NEXT brand	WOBL	3rd Party	TOTAL
UK Retail Stores	+5%	+0%	+24%	+5%
UK Online	+7%	+15%	+12%	+9%
Total UK	**+6%**	**+13%**	**+13%**	**+8%**
International NEXT websites	+20%	+47%	+45%	+26%
International 3rd Party Aggregators	+21%	+325%	-	+33%
Total International	**+20%**	**+96%**	**+45%**	**+28%**
GRAND TOTAL (UK & International)	**+9%**	**+33%**	**+16%**	**+11.6%**

CASH GROWTH £m

Full price sales: £m growth vs last year	NEXT brand	WOBL	3rd Party	TOTAL
UK Retail Stores	+37	+0	+5	+42
UK Online	+40	+12	+41	+94
Total UK	**+77**	**+12**	**+46**	**+135**
International NEXT websites	+44	+12	+21	+77
International 3rd Party Aggregators	+27	+17	-	+44
Total International	**+72**	**+29**	**+21**	**+122**
GRAND TOTAL (UK & International)	**+149**	**+42**	**+67**	**+257**

[6] Under licence agreements, 3rd party brands supply NEXT with design inspiration & branding. NEXT sources and purchases the stock, which is held at NEXT's risk, and the licensor earns a royalty on sales. E.g. Baker by Ted Baker childrenswear.
[7] The rounding of these numbers may result in subtotals appearing not to add correctly (underlying numbers are correct).
[8] Participation: the percentage each segment accounts of our total *full price sales.*

Some questions and answers

The tables between them answer most of the questions shareholders and colleagues might have about the Group's sales. By way of example, here are three important questions answered by the tables.

Q: How did the NEXT brand do in the UK versus overseas?

A: The NEXT brand grew by +6% in the UK, with growth of +5% in stores and +7% online. The NEXT brand grew by +20% overseas.

Q: What contribution to growth are wholly-owned brands and licences making to the Group?

A: Wholly-owned brands and licences grew by +33% (up +13% in the UK, and +96% overseas). This delivered £42m of growth in the first half.

Q: What percentage of sales come from international aggregators (like Zalando & About You)?

A: 7% of total full price sales came from international aggregators. Aggregators accounted for nearly one third of international sales. Sales through aggregators were up +33%, contributing £44m to sales growth.

It will not always look like this…

There is a danger in disclosure – it creates a precedent. And this level of disclosure is very comfortable when all the numbers are positive. To be clear, it is unlikely to remain that way, so shareholders should not be surprised or worried if, going forward, some of the figures are negative.

We have already indicated that, in the second half, we are expecting sales growth to ease for the reasons set out in our guidance, and we are budgeting for sales in our stores to be down on last year in H2.

FOLLOWING THE MONEY

With so many different avenues of growth, investors often ask which ones we are prioritising. The answer is: we follow the money. We are not capital constrained and, if we lack the people or skills to make a business succeed, we can build or acquire those resources. So we aim to grow *all* our profitable revenue streams as much as we can, so long as they fulfil the following criteria:

- The business must genuinely **create value** for customers. We are not in the business of selling things just because we can. Our products and services have to give our customers goods or services that they could not get as conveniently or cost-effectively elsewhere. The test is simple: would we recommend a friend buy this product or use this service? If yes, then carry on.

- The business must deliver a **net margin** commensurate with the risks associated with the business. And for volatile retail businesses, this normally means a net margin of more than 10%.

- The business must deliver a healthy **return on capital** invested. This will vary by activity. It is acceptable for low risk, cost saving projects to deliver a lower rate of return (say an IRR[9] of 12%); whereas speculative, high risk activities demand a higher rate of return (IRR 15% - 30%).

So we do not ask ourselves where we *want* to grow the business, we *follow* the money and the rest takes care of itself – whether starting a new brand, opening a new shop, or marketing in a new country.

[9] IRR: Internal rate of return. This is equivalent to the interest rate you would need from a bank deposit to match the returns of the investment – assuming you reinvested all the returns at that same rate.

FOCUS ON PRODUCT OFFER

The Group's product offer is best viewed as three different categories:

- The **NEXT** brand.
- The development of the Group's **wholly-owned**[10] **brands** and **licences** (WOBL).
- The development of our offer of **third-party brands**.

THE NEXT BRAND

In our last two reports, we explained the steps we are taking to improve the NEXT brand. We remain focused on delivering more newness, better quality at existing prices and stretching the boundaries of the brand to include new, more aspirational products at the top end of our price architecture[11].

It feels like the right time to invest in quality – we believe that customers are choosing to buy slightly fewer, but better items. This year, factory gate cost prices have only increased marginally, if at all. This means that our selling prices have only increased by 1% on products that are the same, or little changed, from last year. Nonetheless the average selling prices of the NEXT branded goods sold – total cash taken divided by units sold – has moved forward by 4%.

A few examples give a flavour of the many things we are doing to elevate our product offer and brand:

- **Artwork and print**: Our design teams are consciously pushing for more diverse and original prints and artwork. Whether that be through their own designs – more prints that reflect their individual 'handwriting' and artistic skill – or through the selective use of licensed artwork and branding.
- **Fabric and yarn**: Working with mills earlier in the product lifecycle to develop fabrics and yarns before we know exactly which garments they will be used for. Where we have been able to adopt this 'fabric-first' approach, we have noticeably improved the look and feel of the final product, in most cases without increasing the cost to the consumer.
- **Next Sourcing (NS) design**: NS is our in-house sourcing office which, whilst exclusive, must compete with our other independent suppliers. NS has meaningfully increased the amount of time and money it invests in design – pushing the design process further 'upstream' into our supplier base.

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[10] Wholly-owned brands do *not* include subsidiaries like Reiss, FatFace and Joules which are partly owned by NEXT and run as standalone businesses. Where we sell these brands on NEXT websites, they are categorised as third-party brands.

[11] Price architecture refers to the number of products we have at different price points in any product category.

WHOLLY-OWNED BRANDS AND LICENCES

Beyond the boundaries of the NEXT Brand

We have worked hard to extend the reach of the NEXT brand, but it cannot stretch to every style, price point or point of view. That is where wholly-owned brands and licences (WOBL) come in – offering different perspectives and incremental sales. They serve different parts of our existing customers' wardrobe and attract customers who might not otherwise shop with NEXT.

Why the focus?

Wholly-owned brands and licences (WOBL) are *non-NEXT branded* products that we source and buy within the Group. They accounted for just 7% of our sales in H1 but grew by **+33%**, delivering £42m (16%) of our growth in the first half. This year we have also focused on further development of our WOBL brands, and selling them through our overseas websites and aggregators – with a step change in international sales (+96%).

WOBL brands pricing relative to NEXT

The table below shows a selection of the brands and licences we manage, categorised into Adult Clothing & Accessories, Childrenswear and Home, and by price. Wholly-owned brands are shown in **blue**, licences are **green**. The vast majority of our brands and licences are more expensive than NEXT. The only material exception to the price elevation principle is "The Set", which is a new value brand offering a curated range of essential and basic items.

So, as a portfolio, these brands elevate the perception of NEXT's platform, which makes it more attractive for other brands to trade on our website. The economics of higher average selling prices are also favourable, because unit handling costs do not increase much with the price of the items.

PRICE PROPOSITION	ADULT CLOTHING & ACCESSORIES	CHILDRENSWEAR	HOME	% OF SALES
VALUE >20% cheaper than NEXT	The Set	The Set	The Set	5%
SIMILAR to NEXT	Friends Like These, Self.		Lipsy, Cath Kidston, Clarke & Clarke, Shabby Chic by Rachel Ashwell, FatFace	20%
MORE EXPENSIVE NEXT plus 10-25%	Lipsy, Love & Roses, Cath Kidston, Rockett St George, Eleanor Bowmer, Bath & Body Works, Shabby Chic	Lipsy, Cath Kidston, Eleanor Bowmer, Little Bird by Jools Oliver	MADE, Laura Ashley, Rockett St George, French Connection, Joules	55%
PREMIUM NEXT plus 25% or more	Seraphine, Laura Ashley, Never Fully Dressed, Olivia Rubin	Baker by Ted Baker, smALLSAINTS, Castore, Clarks, Superdry, Paul Smith Junior	Nina Campbell, Jasper Conran	20%

Not a marketing exercise – it's about people and brands

To an outsider, the table above might look like a marketing exercise – draw a grid, with fashion and price as axes, plot where NEXT sits, and then fill in the gaps. It is not what we have done, that is not the way we work.

All the WOBL brands are different from NEXT – most are more expensive, some might be described as more classic, some as younger, some as more modern, kitsch or romantic. The difference has been discovered, not engineered. The process has been ad hoc and opportunistic, and we have simply looked for two things: great people and great brands.

NEW BRANDS – GREAT PEOPLE

Building new brands is all about discovering and developing talented teams – people with excellent product knowledge and a proven eye. For example*, Love & Roses* was created by a team who had previously worked at Oasis, and were looking to create a new brand when Oasis closed its UK stores. We didn't start with a customer segment – we began with people who knew how to create products that customers will love.

LICENCES – GREAT BRANDS

The vital ingredient for our *licences* is the inspiration, heritage and design libraries of our partner brands. Licences are focused on product categories where we can marry NEXT's specialist sourcing skills – such as childrenswear, swimwear and homeware – with the design flair of another brand. We only choose to licence brands we admire and who genuinely bring their design expertise to the collaboration. For example, *AllSaints* is a hugely successful adult fashion brand. We have taken their aesthetic, combined it with our specialist childrenswear sourcing skills, and translated it into a new, distinct children's range – the brilliantly named *smALLSAINTS*[12].

Profitability and economics

Wholly-owned brands and licences delivered a UK Online net margin of **16.6%** (after allocating a share of central overheads), 3.7% lower than the NEXT brand's online margin. Lower sales volumes mean that buying and design costs are higher as a percentage of sales. We also pay a royalty on licensed products, which is only partially offset by higher intake margins[13].

The risk of everything looking the same

We are acutely aware of the risk that licensed ranges end up looking like NEXT garments – with a different brand label. To that end, we ensure that:

- Licensed ranges are designed, bought and sourced by different, **independent teams**.
- Teams are free to work with their own network of suppliers and apply their own **quality standards** – so they do not have to follow all NEXT's procedures. Though, of course, they must adhere to all of the Group's rigorous ethical and environmental policies.
- Teams are not given access to each other's **sales information** or bestseller lists.

In summary

We have built the WOBL business through a combination of recruiting the right teams, acquiring great brand names (like MADE, Cath Kidston and, more recently, Seraphine) and forging licence collaborations with new brands. We plan to do more.

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[12] The name was actually invented by the ALLSAINTS Chief Executive's wife.

[13] Intake margin is the difference between the cost of manufacturing and importing the product and the retail selling price (ex-VAT) of the goods.

THIRD-PARTY BRANDS

Our third-party branded business sells non-NEXT brands that we do not wholly own or licence – such as Nike, Whistles, Boden, etc. Third-party brands had a good season, accounting for one fifth of Group sales, and just over a quarter of our growth.

We purchase these brands at wholesale prices, or sell them on a commission basis. Commission brands retain ownership of their stock, and we charge a commission on their sales[14]. The sales split between commission and wholesale is 60/40 respectively.

Overall, UK margins on third-party brands are healthy at 13.4%. Commission net margins are inevitably lower than wholesale – though still healthy at 11.0%. Wholesale margins, where we take stock risk, are 17.0%. Both of these numbers are lower than the 20.3% margin we make on the NEXT brand, where we own and have developed the brand equity.

We are developing our third-party brands business in four ways:

A focus on larger third-party brands

In short, we have focused our time on getting the best from our biggest brands. This means selecting the best of their ranges and ensuring we have sufficient depth of buy behind the lines we think will sell best. This often means being less reliant on traditional bestsellers in our partners' ranges, and taking more risk on what we think will be their best *new* lines. It is an approach that chimes exactly with the lessons we have learnt about backing newness in our own ranges.

Improving our sports offer

We have focused on improving the performance part of our sports offer, creating a new performance section of the website – Sports Club. In addition to increasing our performance offer with our existing brand partners, we are working with specialist performance sports brands to extend our offer, having recently launched On, and with Hoka launching next season.

Improving profitability

We have spent the last eighteen months improving the profitability of our third-party business. This has mainly involved eliminating lower value and higher returning lines. In some instances, partners have elected to keep low profitability products on our website but pay a higher commission rate on those sales. In H1, the profitability of our third-party business[15] was 13.4%, an underlying improvement of +2.0% on last year. We have largely completed this process, so do not expect further margin gains next year.

Developing our premium and luxury offer

In October 2024 we launched a premium and luxury fashion website called Seasons. This new business broadens the portfolio of brands we are able to offer our customers. It is focused on premium bags, performance trainers and women's fashion. Featured brands include Coach, Dragon Diffusion, Tory Burch, Marc Jacobs, Polo Ralph Lauren, Rixo, Carhartt and Belstaff – with more anticipated to follow as the business develops.

In the context of the NEXT Group, Seasons is still small and is likely to take years to scale. The same was once true of our wholly-owned brands and licence businesses. Like them, if executed well, Seasons will give us access to new markets and potential growth in the future.

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[14] We report commission-based sales at their gross transaction value (GTV) within NEXT's full price sales and Group sales. Statutory revenue includes only the commission earned on sales.

[15] This only relates to the UK sales of third-party brands, the profitability on our overseas websites is 9.0%.

FOCUS ON INTERNATIONAL GROWTH

In the previous section we explained how we are improving our product offer. But that improvement is not enough to explain the exceptional growth the business is achieving overseas. We believe there are five important factors at play:

- The continuing **convergence** of global fashion trends.
- The increasing reach of our direct business through more effective **marketing.**
- The development of our business through third-party international **aggregators.**
- Improved international website **functionality** and delivery **services.**
- The addition of wholly-owned brands, licences and third-party brands to our international **product offer.**

All but the first of these factors mean that there is a lot we can and must do to maximise the opportunities for the Group overseas. We will address each driver one by one.

THE CONVERGENCE OF GLOBAL FASHION TRENDS

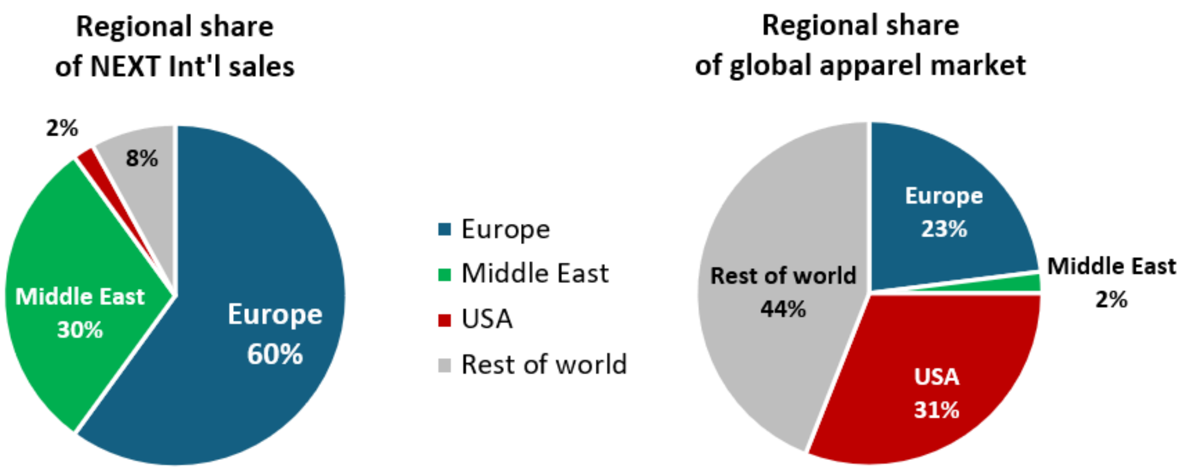
Possible causes of convergence

Our belief that global fashion trends are converging, is just that – a belief. Fashion tastes cannot be rigorously measured. So the best evidence is the fact that we, and so many other global brands, are gaining traction around the world. There are a number of factors we think are at play here:

- Global entertainment, news and media – from Netflix to Instagram – mean that we are seeing more images of the way in which people in other countries are dressing.
- Online trade has made international brands more accessible than ever before. You can order from the best retailers around the world from your living room – there is no need to travel to reach the best of the world's brands.
- And of course, there is some circularity here – the more people shop international brands, the more likely other people are to see that clothing. That visibility is self-reinforcing.

Sales participation and growth by region

The traction we have gained in some markets is much better than others. The pie charts show the difference between our sales participation by region compared to the regional distribution of the world's online apparel market[16].



The table below shows growth rates by region. Perhaps the most encouraging numbers are in the USA and Rest of World – territories in which we have traditionally struggled to gain traction. In the USA this is mainly down to the growth with a third-party aggregator. In other territories growth is being driven by improvements to our website functionality and marketing (see below).

	NEXT Growth %
Europe	+34%
Middle East	+18%
USA	+58%
Rest of world	+21%
TOTAL	**+28%**

[16] Countries in which we trade. Data sources: GlobalData and Statista for 2024 (total clothing, footwear and accessories).

INTERNATIONAL MARKETING

We estimate that marketing activity was responsible for 17% of the 26% increase in international direct sales in the first half. To achieve that growth, we increased the international marketing spend by +**57%**.

All campaigns are rigorously monitored to assess the incremental sales and profit they generate. The table below shows marketing expenditure and the estimated incremental profit[17], versus last year. It is unusual and encouraging that we have been able to increase expenditure by so much, without eroding the return on marketing spend.

	July 2025	July 2024	% Var
International marketing expenditure	£31.4m	£20.1m	+57%
Incremental profit per £1 spent on advertising	£1.75	£1.71	+2%

Marketing spend driven by return on investment – not "strategy"

It is sometimes assumed that the amount NEXT spends on digital marketing is a discretionary or 'strategic' decision. It is not. The amount of money spent on marketing is determined by the maximum we can spend without breaching our marketing investment hurdle. That hurdle is that we must generate at least **£1.50** of *incremental* profit for every £1 spent on marketing.

Achieving those returns is partly about improving the marketing itself, but also about improving the conversion and profitability of the website. Marketing can only bring customers to the site – how much they spend, and how much profit we make, depends on the site's product offer, functionality and economics. Every improvement to operations – from product listing page to delivery speed – makes our marketing work harder and enables us to spend more. The main activities we are undertaking are detailed below:

Better use of media

- Working closely with our largest media partners (e.g. Google and Meta) to make the best use of their latest **technology**.
- Improving and extending the use of existing media partners where we have yet to maximise their value (e.g. TikTok).
- Developing new **regional** media partnerships in countries where different platforms are important (e.g. LINE in Japan, Baidu in China).
- Rolling out advertising in our **smaller markets**, previously seen as too small to justify the spend.

Improved conversion and profitability

- Improving **shopping** and **checkout** functionality to ensure it is appropriate to local markets (e.g. sizing, language, tender types, etc.).
- **Pricing** – getting the balance right between having competitive prices and enough margin to invest in marketing.
- **Duty** and **administration** – avoid paying double duties and other unnecessary charges.

[17] Incremental marketing profit: the profit on incremental sales less direct costs, *excluding* the costs of the marketing itself.

- **Delivery** service and cost. Keeping costs low to preserve margin while delivering the speed and service customers need (e.g. parcel shop deliveries, local returns, etc.).

Marketing in the second half

In the second half, we believe we can profitably increase our marketing expenditure by 25% versus last year – though the actual increase will depend on the returns we are able to generate as the season progresses.

WEBSITE FUNCTIONALITY AND DELIVERY SERVICES

In January we highlighted gaps in international website functionality and delivery services. Over the last six months we have closed many of those gaps. The table below shows the progress made and how much of our functionality is now available across the territories where we trade.

For example, column B shows that we *now* have local currency payment in **83** territories, and column C shows this is **27** more countries than in January 2025. Column E shows that in the year to January 2025 we served 70% of the markets[18] in which we operate in local currency, whereas today we serve 100% (column D).

That improvement is not as exciting as it looks, because column F shows that we were already using local currency for 99.8% of our international business in the year to January 2025. And it is generally the case that improvements are in countries where we are not taking much money. That might seem like a lot of work for little reward. ***But*** this work will serve us well if fashion markets continue to converge. Because if we fail to invest in better functionality in countries where we sell very little, we are unlikely to ever make progress – not least because our marketing is unlikely to gain traction.

A	B	C	D	E	F
	Countries served (total 83)	Var	**% of markets[19] we serve TODAY**	% of markets[19] we served 6 months ago	% of total NEXT Int. sales Jan 25
Local currency	**83**	*+27*	**100%**	70%	99.8%
Local language address & registration	**54**	*+25*	**70%**	50%	91%
Local returns solution	**36**	*+22*	**55%**	45%	81%
Optimised product listing page	**60**	*+25*	**55%**	20%	81%
Appropriate local sizing convention	**72**	*+39*	**70%**	15%	81%
Apple Pay Express	**35**	*+18*	**25%**	15%	79%
Marketing expenditure >5% sales	**39**	*+8*	**30%**	25%	54%
Parcel shop solution	**5**	-	**5%**	5%	22%

[18] Markets in which we trade, for example these do not include Russia.

[19] This is the percentage of the markets we serve represented by the countries in the left-hand column. International online market size estimates obtained from GlobalData and Statista for 2024 (total clothing, footwear and accessories). Numbers are rounded to the nearest 5%.

THE DEVELOPMENT OF THIRD-PARTY AGGREGATORS

Our sales on third-party aggregation sites grew by £44m in H1, up +33% on last year. Around a quarter of the growth came from new aggregators as shown in the table below:

Full price sales increase	£m		% growth
LFL[20] Aggregators - NEXT branded stock	+£16m		+13%
LFL Aggregators - Other Brands (mainly WOBL)	+£17m		+286%
Total LFL Aggregators		+£33m	+25%
New Aggregators		+£12m	
TOTAL Aggregators		**+£44m**	**+33%**

New aggregators

New aggregators include About You (Europe), Amazon (France, Italy, Spain, Germany) and Nordstrom (USA). Amazon's sales have been ahead of our expectations, but sales are limited to our basic and essential products.

In the second half we plan to begin trading with a new European aggregator. We will also extend our presence on Amazon to The Netherlands and Belgium. In the first half of 2026 we plan to launch with at least one major Asian aggregator.

Like-for-like aggregators

More than half the growth with existing aggregators came from the addition of wholly-owned brands and licensed products. This is encouraging for our WOBL business, as it implies the effort we put into developing new brands and licences will have benefits beyond NEXT's own platform.

Going forward, we believe that the biggest opportunity with existing aggregators is to improve the breadth and availability of our product offer with them. To this end, the outsourcing deal we have done with Zalando is very important.

We are in the process of consolidating our European warehousing with Zalando through their ZEOS business division. This means that our own EU websites will be served from the same stock pool as our Zalando business. The overall effect should be to significantly increase our stock availability on Zalando's websites.

[20] Like-for-like aggregators, that we were trading with last year.

FOCUS ON DEVELOPING OUR ONLINE PLATFORM

The development of our operational platform is central to the success of the Group. Our aim is to be our customer's natural first choice for online fashion and homeware, and our third-party brand partners' most profitable and convenient indirect route to market. We can only achieve that aim if we deliver best-in-class service, and do so cost-effectively.

Controlling costs is not just about maintaining the profitability of our existing sales. As explained in the marketing section on page 16, improved margins directly increase our marketing returns, enabling us to spend more attracting customers to the site and accelerating growth. So controlling costs is an essential part of driving growth.

Three important platform projects

In our March report we outlined the three important operational projects we were undertaking to upgrade our online platform. These were:

- Commissioning and ramp up of a new mechanised warehouse for boxed garments, **Elmsall 3**.
- The transition of our **European Hub** to ZEOS (Zalando's distribution arm).
- A drive to improve our **IT capabilities** and **cost efficiency**.

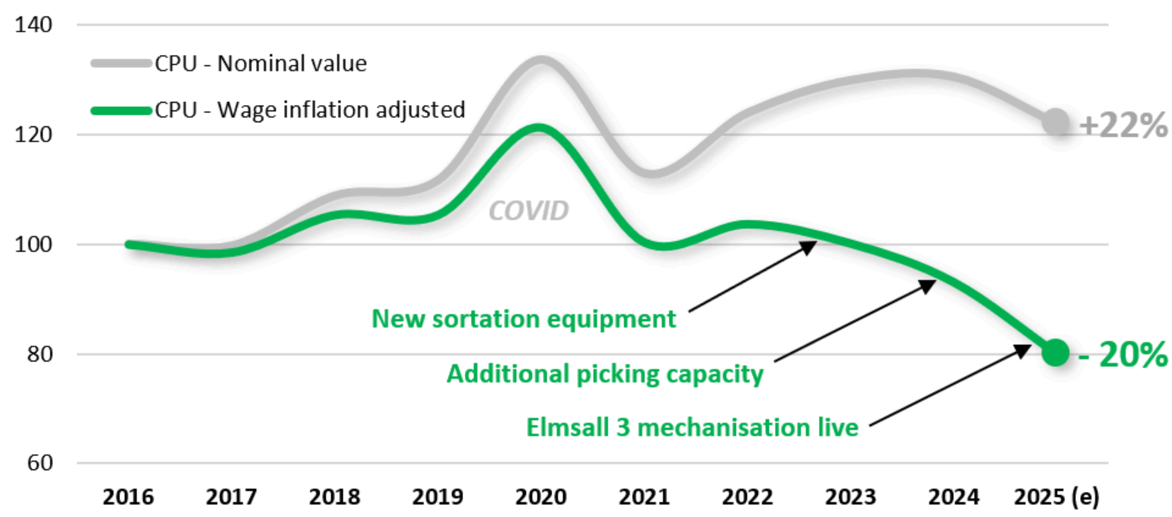
Elmsall 3 Mechanised Warehouse

On time, on budget and delivering cost savings

Our new mechanised boxed-garment warehouse increases boxed[21] capacity by more than 40%. The mechanisation is now fully operational and handling more than half of our boxed throughput. Mechanisation has ramped up in line with our plans, and is delivering marginally more cost savings than anticipated.

The graph puts this latest development in the context of the productivity gains we have made over the last ten years. The green line shows that the cost per unit, adjusted for our warehouse wage inflation, has reduced by 20%.

Warehouse Cost Per Unit – Indexed to 2016[22]



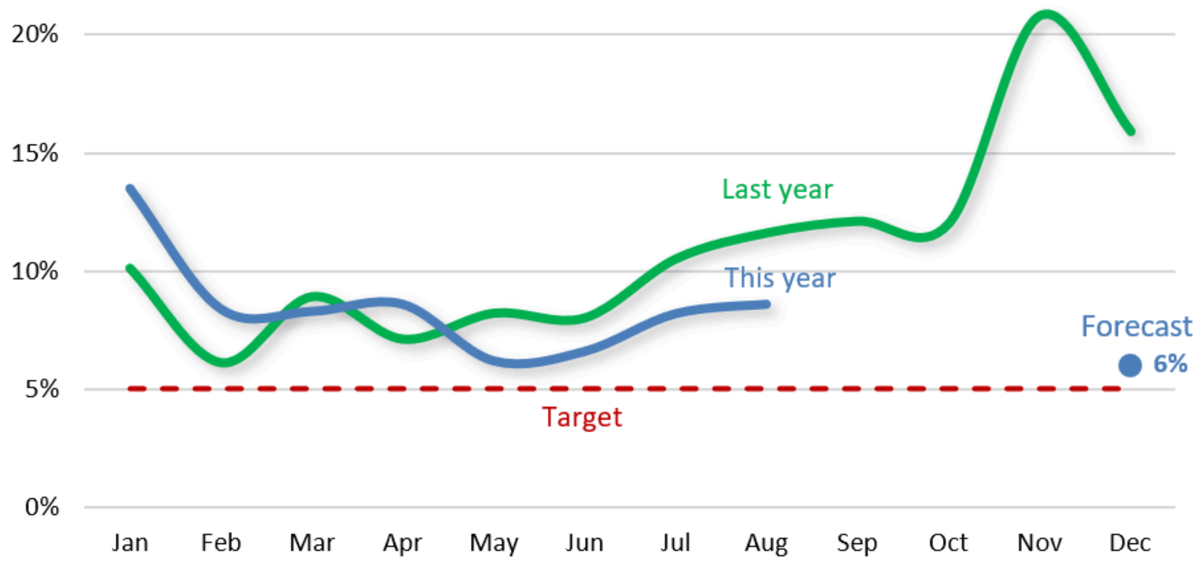
[21] Boxed products are folded items delivered in a standard cardboard carton, e.g. t-shirts.
[22] Boxed warehouse only.

Service levels

We have experienced more teething problems with the integration of third-party control software than anticipated. This has meant that we have not yet achieved the ambitious service level improvements in on-time rates and accuracy that we hoped to achieve. We are delivering markedly better service levels than last year and continue to make progress in smoothing out these issues. We are confident that we will see further improvements as the year progresses.

The graph below shows the percentage of orders that were *not* delivered in full and on time versus last year. Where failure occurs, generally the majority of an order is delivered on time and the vast majority of late items are delivered only one day late – but nonetheless anything more than 5% is not acceptable. We are now materially below last year's failure rate, and have the opportunity to significantly improve versus last year as we move into peak trade and aim to be below 6% by the end of December.

% of Orders Not Delivered on Time, in Full



European Hub Transition to ZEOS

This project is on time, on budget and nearly complete. We have now transitioned all bar one of our EU websites to the ZEOS operation. We have been hugely impressed with the professionalism and capability of the ZEOS teams.

We believe the benefits of this project will be:

- Quicker deliveries for European nextdirect.com websites.
- Improved stock availability and breadth of offer on Zalando's websites.
- A 6.5% reduction in the overall operational costs of our European Direct operations.

Technology

The delivery of innovative retail software is not a "nice-to-have" – it is a fundamental part of what we do. Our view has always been that writing excellent software is part and parcel of being a great retailer. That belief is all the more valid in a world of competing online platforms.

In our March report we detailed the measures we were taking to increase the speed, effectiveness and costs of software development. We have made good progress in the following areas:

- The transition of our major applications to the cloud.
- The adoption of AI assisted specification, development, deployment and maintenance of software is gathering pace and has further to go.
- Cost efficiency programs are on track. In the current year we expect technology costs to level off after five years of rapid growth.
- The modernisation of our bespoke software stack that we began in 2021 continues to plan and we are nearly 75% complete.

IN SUMMARY…

The growth of our international business brings home a deeper truth. Marketing drives most of our international growth. And we can only afford that marketing if it delivers a healthy return – which in turn depends on whether the new customer buys something, or not.

So everything we do to convert that customer visit into a sale – product improvements, available ranges, website functionality, stock availability, delivery timescales, reliability and more – makes the difference between increasing our marketing or standing still.

And it is not just about getting a sale, it is about making a profitable sale. So all the work our finance teams do to analyse every activity, all the work our operations and technology teams put into efficiency and cost saving does not just increase profitability. It fuels growth. The more profitable each transaction, the more we are able to spend on marketing, the more we grow.

The working days of our clothing designers, software developers, marketing executives, buyers, financial analysts, quality technicians, warehouse project engineers, store managers, web designers, data scientists and many others – in many respects – are worlds apart. Yet their success is mutually dependent – a dependency based on the talent and innovation each and every one of them brings to their work.

And while we are on the subject of innovation. Top of my long list of irritating business acronyms is BAU – Business As Usual. There is no "as usual" – our job is to continuously think of ways in which we can improve the way we work, the products we make, and the customer services we provide.

At NEXT people do not just have permission to innovate, it is a requirement of the job.

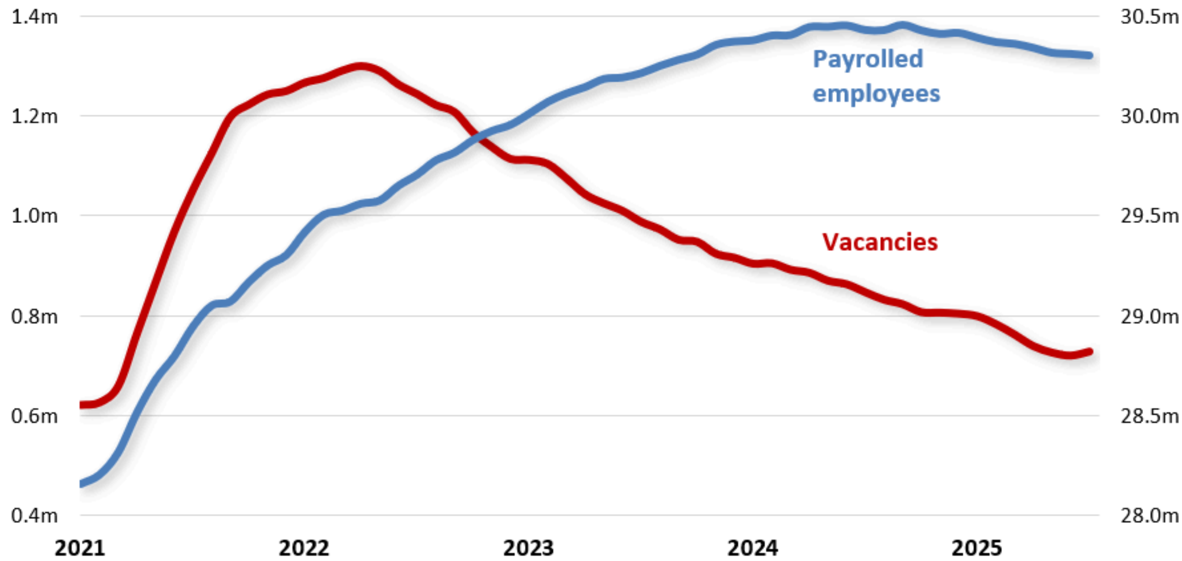
PART THREE
FOCUS ON UK EMPLOYMENT

This section looks beyond NEXT plc's performance to examine wider trends in UK employment. The analysis combines official data with our own recruitment statistics, and considers how rising costs, mechanisation, AI and new legislation may affect the future of work in retail and many other industries. There is now strong evidence of a material squeeze on UK employment.

ONS vacancies and HMRC payrolled employee data

The chart below shows how the continued fall in UK vacancies is *beginning* to be reflected in the number of UK payrolled employees. The graph below shows both data sets.

Vacancies and Payrolled Employees (ONS and HMRC)



NEXT plc — vacancies and applications information

These national trends are echoed in NEXT's own recruitment data. They tell the same story – if anything, more starkly. The table below shows our vacancies, applications and applications per vacancy versus two years ago:

- **Vacancies** have fallen across the board, down **-35%** overall but down more in stores.
- **Applications** have increased by +76%, with applications per vacancy 2.7 times higher than two years ago.

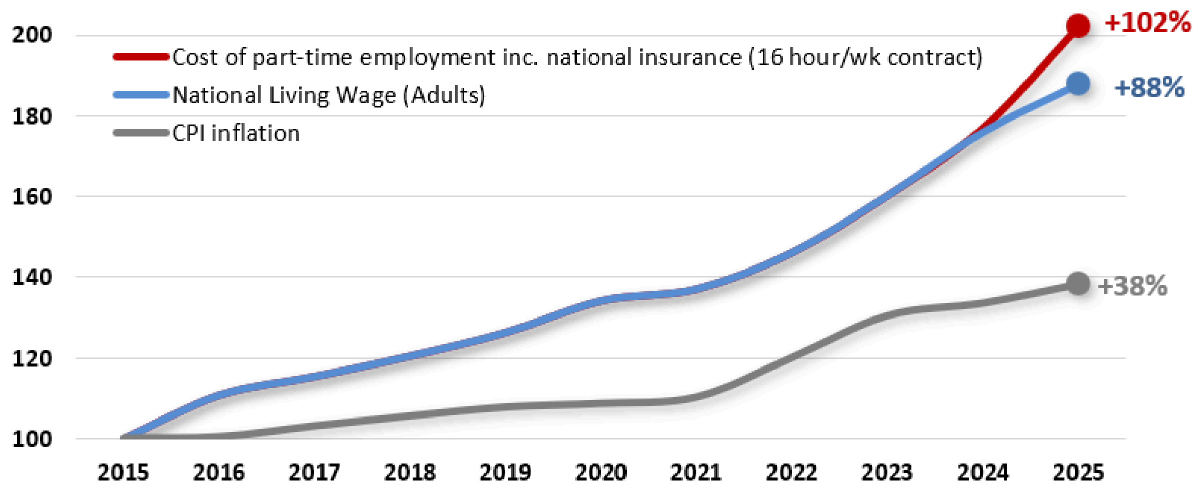
Division	Vacancies vs 2 years	Applications vs 2 years	Applicants per vacancy	Increase vs 2 years
Stores, warehouse & contact centre	- 35%	+72%	16	x 2.6
Head office	- 24%	+121%	67	x 2.9
TOTAL	**- 35%**	**+76%**	**17**	**x 2.7**

CAUSES

Increasing cost of employment

There has been a decade of above-inflation increases in the employment costs of entry level work at, or around, the National Living Wage (NLW). This increase has been compounded by the recent Employers' National Insurance increases. Of course, these NLW increases ripple up to other pay levels.

National Living Wage, Wage Costs and CPI, Indexed to 2015



Mechanisation and AI

The increase in costs detailed above is likely to have accelerated the rate at which businesses have mechanised. The effect of automating some manual work is mirrored, and likely amplified, by the potential for AI to improve the efficiency of many deskwork activities.

Increasing legislative barriers to employment

We welcome a good number of the well-intentioned reforms contained in the Employment Rights Bill. However, it seems likely that many of the measures in the Bill will have the unintended consequence of reducing jobs and eliminating earnings potential. A case in point is the adverse impact the Bill is likely to have on the part-time flexible working arrangements of many UK workers. The problem *and solution* are set out in the NEXT plc comment, on the next page.

ECONOMIC IMPACT: A VIEW

The pressure on employment is unlikely to be like past recessions, where structural changes have wiped out whole industries, resulting in mass redundancies and regional slumps. These changes are likely to affect people employed in most sectors, and so the effects will be more gradual over time.

Our guess is that most companies will respond to the increasing cost of employment by not filling vacancies, rather than large-scale redundancies (that has certainly been our experience). This, to some extent, is good news because it means we are unlikely to see widespread or sudden economic shocks.

The problem is likely to be felt by those looking to enter the workforce or move jobs – the challenge will be finding suitable vacancies. That certainly resonates with the stories we hear about the difficulties young people are experiencing when trying to find work.

NEXT COMMENT: LEGISLATIVE THREAT TO FLEXIBLE PART-TIME WORK

Background - unintended effect of zero-hours legislation

The Employment Rights Bill seeks to eliminate abuses associated with zero-hours contracts. NEXT does not, and has never, used zero-hour contracts and, for clarity, the Company supports the tighter regulation of zero-hour contracts.

The problem is that the Bill extends zero-hour protections to 'low-hour' contracts. This is understandable as it prevents employers from circumventing zero-hours provisions by offering token contracts. However, the Bill does not define what 'low-hours' means. *If* the definition of low-hours is set too high, the provision will undermine the working arrangements of millions of part-time workers, depriving them of the ability to volunteer for extra hours of work when it suits them.

The advantages of part-time flexible contracts

Many people choose part-time work because they *cannot commit* to working longer hours every week of the year. These include parents with childcare responsibilities, students balancing their studies with their earnings, carers for elderly relatives or those seeking a transition into retirement. People for whom a guaranteed part-time income provides a meaningful supplement for their household or student income, but who also value the opportunity to earn extra income as and when it suits them. Equally, flexible part-time contracts allow consumer-facing businesses to offer additional hours to experienced colleagues to cover seasonal and other trading peaks.

The problems with the way the Bill will work

The way the Bill operates means that employers must offer 'low-hours' workers a **permanent contract** for whatever additional hours they work, within a given reference period. If the provisions of the Bill extend to too many workers there will be two problems:

- **Affordability:** Businesses will have to offer new contracts to workers who take additional hours, whether or not that work is needed going forward. Shops, restaurants and pubs cannot simply afford to have the same number of people working in their establishments in February as they have in December. So they cannot take the risk that the extra hours required to cover seasonal peaks and sale events turn into permanent costs for the rest of the year.

- **Bureaucracy**: At the end of recurring reference periods (expected to be 12 weeks), employers must offer any additional hours worked by a low-hours worker in a new permanent contract. This process will not occur at fixed times of the year, but is determined for each employee, depending on the day they started their employment. So employers will have to develop systems that offer new contracts and accommodate those contracts in new rotas, every week of the year. Even for NEXT, with extensive resources, the software will take a year to develop – for small businesses, it looks close to impossible.

So the effect of the Bill is likely to be that companies will simply not offer experienced colleagues on 'low-hours' contracts the opportunity to work extra hours during seasonal peaks. Instead, the additional hours will have to be offered to temporary employees – with the counterproductive result that our colleagues may supplement their hours in other businesses, and vice versa.

The solution

The definition of 'low-hours' for the purposes of this legislation has yet to be determined by the Government. If the threshold is set at a reasonable level (say 4–8 hours), the Bill will achieve its aim of eliminating the abuses associated with zero-hour contracts. Any higher than that will, in our view, unnecessarily deprive millions of the UK's part-time workers of the opportunity to flexibly increase their earnings, and severely inhibit UK service industries from effectively serving their customers at busy times.

PART FOUR
GROUP FINANCIAL PERFORMANCE AND FULL YEAR GUIDANCE

NOTES ON THE PRESENTATION OF SALES AND PROFIT

Note 1 - Group sales

By way of reminder, since the year ending January 2024, we have aligned the way we report *sales* in our subsidiaries with the way we report profits. For example, we own 74% of Joules so include 74% of their sales[23] in our top line. For completeness, full details of our rationale for this method of reporting are repeated in Appendix 2 on page 55.

Note 2 - Brand amortisation costs

We adopt the accounting convention used by many acquisitive companies, where we exclude *brand* amortisation (a non-cash accounting cost) from our headline profit. For completeness, full details of our rationale for this method of reporting are repeated in Appendix 3 on page 56.

Please note all other forms of amortisation are still included in our reported profit, e.g. amortisation of software.

Note 3 - Rounding convention and casting

Figures shown in tables throughout the CEO Review are rounded to either no decimal place or one decimal place. The accurate rounding of numbers means that sometimes tables will appear as though they do not cast down. This is not the case. Subtotals, totals and variances shown in tables are all based on the actual, unrounded figures, and no figures are adjusted for casting purposes.

[23] This figure excludes their sales through next.co.uk (100% of which are included in our Online sales), Total Platform commission and revenue from cost-plus services (which are included within Total Platform sales).

GROUP SALES AND PROFIT SUMMARY

Total Group sales, including markdown sales and subsidiaries, in the first half were up **+10.3%** versus last year. Within this, NEXT full price sales were up **+10.9%**. Growth in total Group sales was lower than full price sales, mainly due to the reduction in markdown sales in our subsidiary companies.

The table below summarises total sales (including markdown sales) by division versus last year.

TOTAL GROUP SALES BY DIVISION

TOTAL GROUP SALES (VAT EX.) £m	July 2025	July 2024	Var %
Retail stores	899	867	+3.7%
Online (UK)	1,269	1,142	+11.1%
UK Product total	2,167	2,008	+7.9%
Online (International)	612	461	+32.7%
Product total	**2,779**	**2,469**	**+12.5%**
NEXT Finance	151	150	+0.5%
Total Platform	34	28	+23.4%
Franchise, Sourcing, Property and Other	48	52	- 7.6%
Total NEXT sales	**3,013**	**2,699**	**+11.6%**
NEXT's share of sales from investments	237	247	- 4.2%
Total Group sales	**3,249**	**2,946**	**+10.3%**
Statutory revenue	**3,145**	**2,860**	**+9.9%**

Walk forward from Group sales to statutory revenue

The differences between total Group sales and statutory revenue are summarised in the table below. By way of reminder, within Group sales we report the gross transaction value (GTV) of third-party goods sold on a commission basis. Under statutory reporting only the *commission earned* is reported as revenue, instead of reporting the full GTV.

£m	July 2025	July 2024
Total Group sales	**3,249**	**2,946**
less commission sales (full price and markdown, in the UK and International)	*- 340*	*- 289*
plus commission earned on third-party brands' sales	*+133*	*+113*
less sales from investments that are not consolidated in NEXT's accounts	*- 26*	*- 26*
plus the minority interests' share of sales in subsidiaries that are consolidated in NEXT's accounts (Joules, Reiss and FatFace)	*+74*	*+72*
plus other income (e.g. delivery charges)	*+54*	*+44*
Group statutory revenue	**3,145**	**2,860**

SUMMARY OF GROUP PROFIT BY DIVISION

PROFIT £m and EPS	Detail	July 2025	July 2024	Var %
Retail stores	*page 30*	97	98	- 1.1%
Online (UK)	*page 33*	230	196	+17.5%
UK Product total		327	294	+11.3%
Online (International)	*page 37*	93	69	+35.0%
Product total		**420**	**363**	**+15.8%**
NEXT Finance (after funding costs)	*page 41*	101	97	+4.6%
Investments and Total Platform[24]	*page 44*	27	23	+20.5%
NEXT Sourcing	*page 45*	15	13	+10.0%
Central costs, FX and other	*page 45*	(33)	(29)	+11.6%
Recharge of interest from Finance		24	24	- 2.2%
Operating profit		**555**	**491**	**+13.0%**
Lease interest	*page 46*	(24)	(24)	+2.7%
Operating profit after lease interest		**530**	**467**	**+13.5%**
External interest	*page 46*	(16)	(15)	+5.6%
NEXT Group profit before tax		**515**	**452**	**+13.8%**
PBT margin		*15.8%*	*15.4%*	
Taxation	*page 46*	(128)	(111)	+14.8%
Profit after tax		**387**	**341**	**+13.4%**
Pre-tax Earnings Per Share		**439.5p**	**375.3p**	**+17.1%**
Post-tax Earnings Per Share		**330.2p**	**282.8p**	**+16.8%**
Statutory profit before tax		**509**	**432**	**+17.8%**

Walk forward from NEXT Group pre-tax profit to statutory pre-tax profit

The differences between NEXT group pre-tax profit of £515m and statutory profit of £509m are summarised below, along with the equivalent numbers for the first half of last year.

£m	July 2025	July 2024
Headline NEXT Group profit before tax	**515**	**452**
Exceptional non-cash cost relating to the defined benefit pension scheme	*n/a*	*- 15*
Cost of brand amortisation (see page 56)	*- 9*	*- 9*
Profit/losses from minority interests in Joules, Reiss and FatFace	*+4*	*+4*
Group statutory profit before tax	**509**	**432**

[24] Loan interest associated with investments are reported in the interest line of the P&L. Total profit for Investments and Total Platform *including* interest is £27.9m (July 2025) and £23.5m (July 2024). See page 44 for more detail.

FULL YEAR SALES AND PROFIT GUIDANCE

We are maintaining the full price sales and profit guidance we issued on 31 July 2025. For completeness, this is repeated below. Our guidance for EPS reflects our latest assumptions on share buybacks (see page 51). On the next page, we provide a detailed profit walk forward for the Group.

GUIDANCE FOR PROFIT BEFORE TAX AND EPS

Guidance for sales, profit before tax and EPS is summarised below.

Guidance for the full year 2025/26 (52 weeks)	Full year (e)	% Versus 2024/25
NEXT full price sales	£5.44bn	+7.5%
NEXT Group profit before tax	£1,105m	+9.3%
Post-tax EPS	714.1p	+12.2%

Full Price Sales Guidance by Division and Geography

Full price sales guidance versus last year	First half (actual)	Second half (e)	Full year (e)
Retail stores	+5.4%	- 0.6%	+2.2%
Online UK	+9.2%	+3.6%	+6.1%
Total UK	**+7.6%**	**+1.9%**	**+4.5%**
Online International	+28.1%	+19.4%	+23.8%
TOTAL PRODUCT SALES	**+11.6%**	**+4.8%**	**+8.0%**
NEXT Finance interest income	+0.5%	- 0.5%	+0.0%
TOTAL FULL PRICE SALES	**+10.9%**	**+4.5%**	**+7.5%**

Sales Guidance for the UK Explained

We anticipate that growth in *UK sales* in the second half (+1.9%) will be lower than the first half (+7.6%), for the following three reasons.

- We expect UK employment opportunities to continue to diminish as we enter the second half, with the effects of April's National Insurance changes continuing to filter through into the economy as the year progresses. We believe that this will increasingly dampen consumer spending in the second half of the year.

- The comparative numbers in the second half of last year were much stronger than the first half. For reference, in H1 *last year* the UK business was up +0.7%, and in H2 it was up +4.3%.

- In the UK, we believe we exceeded expectations in Q2 as a result of better summer weather and trading disruption at a major competitor. We do not expect either of these factors to have a material effect in the second half.

Sales Guidance for International Explained

Overseas, we also come up against stronger comparatives in the second half, so we expect to achieve lower growth than the first half. For reference, international sales in Q1 were +30%, and +26% in Q2.

Profit Walk Forward from 2024/25 to 2025/26 (e)

The table below walks forward our profit before tax from last year to our guidance for the year ending January 2026.

£m		
Profit before tax 2024/25		**1,011**
Profit from full price sales, Total Platform (TP) and subsidiaries		
Profit from +7.5% (£380m) increase in full price sales	+112	
Additional profit from Total Platform Equity and Services	+3	
Additional profit from NEXT Sourcing	+3	
Total profit from full price sales, TP and subsidiaries		**+118**
Cost increases		
Wage cost inflation and National Insurance increases	- 67	
Digital and brand marketing (over and above sales growth)	- 11	
Packaging tax (EPR[25])	- 5	
Technology and other	- 8	
Total cost increases		**- 91**
Cost savings and gross margin gains		
Warehouse, distribution and stores improved operating efficiencies	+25	
Bought-in gross margin improvement from price increase of circa 1%	+13	
Electricity rate	+13	
Improved Clearance sales	+9	
Prior year Total Platform startup costs for FatFace not repeating	+6	
Total cost savings		**+66**
Profit before tax 2025/26 (e) (52 weeks)		**1,105**
Growth versus 2024/25		+9.3%

A 53-WEEK YEAR

As a reminder, this year is a 53-week year and profit from the additional week is *excluded* from the sales and profit guidance. We expect week 53 to add a further c.£20m of profit. In our results for the full year, we will report week 53 as a distinct item, so it does not distort year-on-year comparisons. Cash generated from the 53rd week is included in the cash flow forecast on page 48.

[25] Extended producer responsibility.

PART FIVE
RETAIL STORES, ONLINE, FINANCE, TOTAL PLATFORM & OTHER BUSINESS

NEXT RETAIL STORES

HEADLINES

Despite positive like-for-like sales, margin moved backwards mainly because of increases in the cost of the National Living Wage and National Insurance.

- Full price sales up +5.4% versus last year.
- Like-for-like[26] full price sales up +4.2%.
- Total sales (including markdown sales) up +3.7%.
- Retail stores' profit[27] £80m, down -1.4% versus last year.
- Net margin[27] 8.9%, down -0.5%.

SUMMARY OF RETAIL STORES' SALES AND PROFIT

Sales and profit for the first half are summarised in the table below.

£m	July 2025	July 2024	Var %
Total sales	899	867	+3.7%
Operating profit	97	98	- 1.1%
Lease interest charge (see note below)	(17)	(17)	+0.3%
Retail stores' profit	**80**	**81**	**- 1.4%**
Retail stores' margin %	8.9%	9.4%	

Stores' profit and margins are given *after* accounting for the cost of lease interest[28]. Lease interest was up +0.3% versus last year; this is the net result of:

- A *reduction* in stores' lease interest, which was down -6%. Lease liabilities have reduced as a result of a reduction in the weighted average term to lease expiry.
- An *increase* in warehouse lease interest, due to the extension of a lease during the second half of last year.

[26] Like-for-like sales growth excludes the impact of store closures, openings and refits.
[27] After deducting Retail lease interest costs.
[28] Lease interest is reported in the Interest line of the P&L. £17m is the proportion of the Group's total lease interest (£24m) attributable to the Retail business. The £7m balance is reported in Online and other Group activities.

RETAIL STORES MARGIN ANALYSIS

Net margin in the half was 8.9%, down -0.5% on last year. The margin impact of major cost categories is summarised below.

Retail net margin (after lease interest) on total sales to July 2024		**9.4%**
Bought-in margin	Underlying bought-in margin was up +0.2%. This was partially offset by the cost of the new 'EPR' packaging tax (-0.1%).	+0.1%
Markdown	Margin reduced due to lower clearance rates of surplus stock.	- 0.1%
Payroll	Wage inflation and the increase in Employers' National Insurance reduced margin (-0.7%). This was offset by improved productivity (+0.2%).	- 0.5%
Store occupancy costs	Margin improved due to lower energy prices and usage by (+0.3%); offset by lower business rates refunds (-0.1%). The increase in like-for-like sales, which reduced occupancy costs in those stores as a percentage of sales (+0.5%), was offset by the cost of new space (-0.5%).	+0.2%
Warehousing and distribution	Wage inflation and the increase in Employers' National Insurance reduced margin by -0.2%. This was offset by operational efficiencies and fixed cost leverage (+0.2%).	+0.0%
Central costs	Investment in store technology infrastructure (-0.1%) and higher marketing spend (-0.1%).	- 0.2%
Retail net margin (after lease interest) on total sales to July 2025		**8.9%**

Guidance for Retail Sales and Profit for the Full Year to January 2026

In the second half we are forecasting Retail full price sales, on a *like-for-like basis*, to be down -2.0%. The addition of new space is expected to add +1.4%, meaning that we expect Retail full price sales to be down -0.6% versus last year. This would result in full price sales for the year being up +2.2%.

We expect Retail profit for the full year to be around £185m, with a net margin of 9.8%, down -1.2% on last year's 11.0%. The reduction in margin is mainly due to wage inflation and the increase in Employers' National Insurance.

RETAIL SPACE

This year, we will open eight new stores and resite six stores to new locations. In addition, two Home stores are converting to Fashion stores.

The table below summarises our forecast for the change in store numbers and square footage this year.

	Store numbers	NEXT Sq. ft. (k)	Concessions Sq. ft. (k)	Total Sq. ft. (k)
Total stores @ January 2025	**457**	**7,591**	**488**	**8,078**
New mainline stores (inc. 6 resites) & reconfig's	+8	+125	+17	+142
Mainline closures	- 4	- 59	-	- 59
Change in mainline stores	**+4**	**+66**	**+17**	**+83**
Clearance stores	- 4	- 44	-	- 44
Total stores @ January 2026 (e)	**457**	**7,612**	**504**	**8,117**
Total change	-	+21	+17	+38

Financial performance of new space

We have opened eight stores so far this year, including a new store in Thurrock Lakeside shopping centre which is now our largest store. Overall, sales in new stores are forecast to be **2%** below their appraised targets.

The table below sets out sales versus target, store profitability[29], payback period and IRR for the new portfolio of stores. Thurrock is shown separately and has a much lower return on investment because it carried the design and prototyping costs of our new shopfit concept.

New store performance	Sales vs target	Store profitability	Payback period	IRR %
7 new stores	- 6%	18%	29 months	38%
Thurrock	+4%	15%	6 years	15%
Total	**- 2%**	**17%**	**42 months**	**25%**

The seven stores that opened in the first half missed their appraised estimates by 6%. Despite the miss, we expect their profitability to be 18% with a disappointing, but not unhealthy, 29 month payback on capital invested (IRR 38%).

Despite Thurrock's six year payback, the IRR on the store is still forecast to be 15%. This is because the store is on a 15 year lease. The length of the lease is de-risked by the fact that this store's occupancy costs are linked to turnover (i.e. if the store takes less sales our occupancy costs reduce).

Lease renewals in the year to January 2026

We expect to renew around 80 leases this year, with an average lease term of 4 years (weighted by value, to the earlier of the break clause or the lease end). We anticipate that these new leases will reduce our annualised occupancy cash costs in these stores by £2m (-8%).

Outstanding lease commitments

At the end of July 2025, our average lease commitment (weighted by value) was 3.9 years, compared with 4.1 years at the same time last year.

[29] Store profitability before central overheads, expressed over VAT inclusive sales.

NEXT ONLINE UK

As explained in our Year End report, we have now split the reporting of our Online business into the UK and International business (see page 37). This gives shareholders visibility of the very different economics of each business.

HEADLINES

The UK business has had a good half, somewhat flattered by disruption at a major competitor. The big increase in profitability is mainly as a result of the improved profitability of our LABEL business, which sells non-NEXT brands through the next.co.uk website.

- Full price sales up +9.2% versus last year.
- Total sales (including markdown sales) up +11.1%.
- Online UK profit £223m, up +17.7%.
- Online UK net margin improved by +1.0% to 17.6%.

SUMMARY OF ONLINE UK SALES, PROFIT AND MARGIN

The table below summarises total sales and profit for our Online UK business, which includes NEXT branded products and our LABEL business, which sells all other non-NEXT brands.

Online UK (£m)	**July 2025**	**July 2024**	**Var %**
Total sales	1,269	1,142	+11.1%
Operating profit	230	196	+17.5%
Lease interest charge	(7)	(6)	+11.8%
Online UK profit	**223**	**190**	**+17.7%**
Online UK margin %	17.6%	16.6%	

Please note that we include the cost of lease interest within Online profitability. Lease interest was up +11.8%, mainly due to the extension of a warehouse lease last year.

FULL PRICE SALES ANALYSIS

The table below summarises the full price sales performance of the different categories of brands sold through next.co.uk. Please note, we have split the sales in our 'LABEL' business into two distinct categories: (1) wholly-owned brands and licences, and (2) third-party brands.

Full price sales £m	July 2025	July 2024	Var %
NEXT Brand UK	634	594	+6.8%
Third-party brands	383	341	+12.1%
Wholly-owned brands and licences	97	85	+14.7%
LABEL total	*480*	*426*	*+12.6%*
Total Online UK	**1,114**	**1,020**	**+9.2%**

Definitions - wholly-owned brands, licences and third-party brands

For clarity, the table below shows examples of brands that fall into each category of non-NEXT branded product.

Wholly-owned brands	Licences	Third-party brands
Lipsy, Love & Roses, Friends Like These, Cath Kidston, MADE, The Set	Superdry, smALLSAINTS, Baker by Ted Baker kidswear, Little Bird, Nina Campbell, Rockett St George	Nike, Ralph Lauren, Tommy Hilfiger, Boden Mint Velvet, Reiss, FatFace

Under our licence agreements, a third-party brand (the licensor) supplies NEXT (the licensee) with design inspiration and branding. NEXT sources and purchases the stock, which is held at NEXT's risk, and the licensor earns a royalty on sales.

Please note that 'third-party brands' include businesses like Reiss and FatFace, in which we have a part-ownership. In total, part-owned brands account for 10% of our UK third-party brands' full price sales (and 3% of our total UK Online business).

UK digital marketing

In the UK we increased our digital marketing activity spend by +7%. As explained on page 16, we measure the return on our marketing spend in terms of the *incremental profit* it generates. For every £1 spent, we estimate that we generated £2.08; this was up +5% on last year.

	July 2025	July 2024	Var %
UK marketing spend	£37m	£35m	+6.7%
Incremental profit per £1 spent	£2.08	£1.97	+5.3%

ONLINE UK PROFIT AND NET MARGIN ANALYSIS

Overall, net margin in the UK's Online business was 17.6%, up +1.0% on last year. The margins of each part of our Online UK business are summarised in the table below.

Online UK division	Total sales £m	Profit £m	Margin %
NEXT branded product	718	146	20.3%
Third-party brands	432	58	13.4%
Wholly-owned brands and licences	118	20	16.6%
LABEL total	*550*	*77*	*14.1%*
Total Online UK	**1,269**	**223**	**17.6%**

NEXT branded product (UK) - Margin analysis

NEXT UK's margin of 20.3% was up +1.3% on last year; the margin impact of major cost categories is summarised below.

This year, we reviewed all of our central overhead costs and have reallocated c.£7m of marketing and technology costs from NEXT UK to LABEL UK. These costs are now fully allocated based on each business's sales participation. The effect of this was to increase NEXT UK's margin by +1.1% and reduce LABEL UK by -1.2%.

In the table below, we have restated last year's margin for the effect of this change in cost allocation. The change in *underlying* net margin was an increase of **+0.2%** (20.3% versus 20.1%).

Reported net margin on NEXT branded product sales to July 2024		**19.0%**
Central cost reallocation from NEXT UK to LABEL UK		+ 1.1%
Restated net margin on NEXT branded product sales to July 2024		**20.1%**
Bought-in gross margin	Underlying bought-in margin was up +0.2%, partially offset by the new 'EPR' packaging tax (-0.1%).	+0.1%
Markdown	Lower clearance rates on surplus stock reduced margin.	- 0.2%
Warehousing and distribution	Margin improved due to: ● Fixed cost leverage +0.6%. ● Operational efficiencies, mainly from our new Elmsall 3 warehouse +0.3%. ● Higher average selling prices, which reduces costs as a percentage of sales +0.1%. These benefits were offset by inflationary cost increases (mainly wages and national insurance) (-0.7%).	+0.3%
Net margin on NEXT branded product sales to July 2025		**20.3%**

LABEL (UK) - Margin Analysis

Net margin of 14.1% was up +0.7% versus last year. The change in underlying margin, excluding the change in central cost allocations, was an increase of **+1.9%** (14.1% versus 12.2% last year). The margin impact of major cost categories is summarised in the table below.

Reported net margin on LABEL sales to July 2024		**13.4%**
Central cost reallocation from NEXT UK (as explained above)		- 1.2%
Restated net margin on LABEL sales to July 2024		**12.2%**
Bought-in gross margin	Increased commission rate on low margin brands (+0.5%) and improved bought-in gross margin on third-party brands (+0.2%).	+0.7%
Markdown	Surplus stock was lower than last year, improving margin.	+0.1%
Warehouse and distribution	Margin improved due to: ● Fixed cost leverage +0.5%. ● Higher average selling prices, which reduces costs as a percentage of sales +0.5%. ● Lower returns rates +0.4%. ● Operational efficiencies, mainly from our new Elmsall 3 warehouse +0.2%. These benefits were offset by Inflationary cost increases (mainly wages and National Insurance) (-0.5%).	+1.1%
Net margin on LABEL sales to July 2025		**14.1%**

Managing LABEL profit margins

We continuously review the profitability of all LABEL third-party brands. Brands that sell items with low average selling price or high returns rates earn less profit because operating costs are a higher percentage of sales. Where third-party brands, or specific elements within their ranges, make insufficient margins we take corrective action. We either:

1. Negotiate a higher commission rate with the brand; or
2. Remove low profitability items/ranges from our website. These items either have low selling prices, high returns, or both.

The effect of both of these actions is seen in the margin analysis above.

Guidance for Online UK Margin by Division for the Full Year

In the second half, we are forecasting Online UK's full price sales to grow by +3.6% (NEXT UK +3.0% and LABEL UK +4.3%). Growth for the full year would therefore be +6.1%. Based on this forecast, we expect net margin for the year to be 18.3%. Margins by division are summarised below, along with last year *underlying* profit margins for reference. As in the tables above, we have calculated last year's underlying margins by applying the same margin correction we have made this year. This correction allocates marketing and technology costs more accurately between the brands.

Online UK net margins by division	**Jan 2026 (e)**	**Underlying Jan 2025**
NEXT branded product UK	21.5%	21.1%
LABEL UK	14.1%	12.9%
Online UK net margin	**18.3%**	**17.5%**

NEXT ONLINE INTERNATIONAL

HEADLINES

- Full price sales up +28% versus last year.
- Total sales (including markdown sales) up +33%.
- Online International profit[30] £93m, up +36%.
- Online International net margin improved to 15.2%, up +0.4%.

SUMMARY OF ONLINE INTERNATIONAL SALES, PROFIT AND MARGIN

£m	July 2025	July 2024	Var %
Total sales	612	461	+33%
Operating profit	93	69	+35%
Lease interest charge	(1)	(1)	- 15%
Net profit	**93**	**68**	**+36%**
Net margin %	15.2%	14.8%	

SALES ANALYSIS

The table below sets out the full price sales growth through NEXT websites (direct), and through third-party aggregators.

Sales £m	July 2025	July 2024	Var %
Full price sales: NEXT websites	375	298	+26%
Full price sales: third-party aggregators	179	135	+33%
Total full price	**555**	**433**	**+28%**
Markdown and Clearance	57	28	+105%
Total sales	**612**	**461**	**+33%**

Full price sales through NEXT websites were up +26%, driven by a 57% increase in profitable digital marketing spend (see page 16) and natural growth. Sales through third-party aggregators were up +33%; nearly half of this growth came from the addition of WOBL brands to our existing aggregators.

Markdown and Clearance sales were up +105%, because we are holding more Sale stock in our international hubs and third-party aggregators' warehouses than last year.

[30] Including lease interest costs.

Full price international sales by region

We have seen strong growth across all regions. Encouragingly, growth in 'long haul' territories has stepped forward again since last year, with a 28% increase in the 'Rest of World' region.

Full price sales by region £m	July 2025	July 2024	Var %
Europe	336	251	+34%
Middle East	163	138	+18%
Rest of World	56	44	+28%
Total full price sales	**555**	**433**	**+28%**

ONLINE INTERNATIONAL MARGIN ANALYSIS

It looks like our net margin has improved by +0.4% to 15.2%, but our underlying margin has in fact *reduced*, as would be expected with such a large increase in marketing spend.

The margin comparison to last year is distorted by the fact *last year's* reported margin of 14.8% was *understated* by 0.7% due to an over-provision of duty costs. This was corrected in the second half of the year, so it did not impact full year margins. The table below restates last year's margin from 14.8% to 15.5% to account for the duty correction, and summarises the main margin movements to this year's 15.2%.

Reported net margin on Online International sales to July 2024		**14.8%**
Adjusted for overstatement of duty costs last year.		+0.7%
Restated net margin on Online International sales to July 2024		**15.5%**
Bought-in gross margin	Underlying bought-in gross margin (+0.2%) and lower duty costs (+0.2%).	+0.4%
Markdown	Higher surplus stock, as explained on page 37, reduced margin.	- 0.5%
Warehouse & distribution	Margin improved due to: ● Leverage of fixed overheads (+0.4%) ● Increased handling charge income (+0.4%), and ● Operational efficiencies, including the benefits of our new E3 warehouse (+0.2%). These benefits were offset by Inflationary cost increases (-0.5%).	+0.5%
Marketing	Increased digital marketing spend in profitable international markets meant that marketing spend increased by more than sales.	- 0.7%
Net margin on Online International sales to July 2025		**15.2%**

Margin by Division

The table below shows how our international margin varies between our own websites (direct) and aggregators. Net margins are stated after allocating all relevant variable costs and a share of fixed overheads. We accept a lower margin on our aggregator business because it involves little or no capital investment.

International Online net margins by division	July 2025	July 2024
NEXT direct	16.1%	15.5%
Aggregators	13.1%	13.4%
International net margin	**15.2%**	**14.8%**

Guidance for Online International Margin for the Full Year

We expect net margin for the year to be 14.9%; this compares with 13.9% last year. This improvement reflects a higher bought-in gross margin and operational efficiencies. The margin erosion seen in the first half from higher markdown sales and marketing spend will begin to annualise in the second half of the year.

International Online net margins by division	Jan 2026 (e)	Jan 2025
NEXT direct	15.9%	14.4%
Aggregators	12.9%	12.8%
International net margin	**14.9%**	**13.9%**

NEXT ONLINE CUSTOMER ANALYSIS

Online customers can be split into three distinct groups:

- **UK credit customers** who pay using a NEXT credit account[31] ('nextpay' or 'pay in 3').
- **UK cash customers** who pay using credit cards, debit cards or other tender types.
- **International** customers who shop on our websites, using credit cards, debit cards or other tender types.

The total number of customers who placed an order *in the half* was **10.3m**, up +16%.

When we reported the Half Year to July 2024, we reported 'active' customer numbers; these are customers who have ordered in the previous 20 weeks. Whilst this is a good measure of the number of customers actively shopping with us, it is not an appropriate number to use when calculating average sales per customer. So, as explained in the Year End Results, we now only report the total number of customers who **placed an order**, instead of 'active' customers.

The table below sets out the change in customer numbers, sales and average sales per customer. It also includes sales achieved through our international third-party aggregators overseas, where we do not have visibility of customer numbers.

	Customers in the first half		**Sales £ per customer**		**Total £m sales value**	
	Jul 2025	vs Jul 2024	Jul 2025	vs Jul 2024	Jul 2025	vs Jul 2024
UK Credit	2.7m	+4%	296	+4%	808	+8%
UK Cash	4.3m	+12%	108	+5%	460	+18%
UK Total	**7.0m**	**+9%**	**181**	**+2%**	**1,269**	**+11%**
Int'l (NEXT websites)	3.3m	+36%	123	- 4%	410	+30%
Total ex. aggregators	**10.3m**	**+16%**	**162**	**- 1%**	**1,679**	**+15%**
Int'l 3rd party aggregators					202	+39%
Online Total					**1,881**	**+17%**

There are two numbers in the table that need further explanation:

- The +12% increase in UK cash customers is higher than we would normally expect. We believe that this is due to significant competitor disruption in the period, so we do not expect it to continue going forward.
- Sales per international customer reduced by -4%. The decline in spend per customer is the natural result of the exceptionally high growth in our customer base, because new customers typically spend less than established customers.

[31] Both NEXT credit offers are authorised and regulated by the Financial Conduct Authority. Note, 'pay in 3' was previously called 'next3step'.

NEXT FINANCE

HEADLINES

- Interest income up +0.5% versus last year.
- Underlying profit (before provision releases) **£91m, up +5.3%**.
- We have seen a further improvement in bad debt rates, with defaults of 2.2% being 0.6% lower than last year. As a result, we have:
    - lowered our provision rate on new debt, and
    - released £10m of our provisions on existing debt.
- Net profit after provision releases £101m, up +4.6%.

FINANCE PROFIT & LOSS SUMMARY

£m		**July 2025**	**July 2024[32]**	**Var %**
Credit sales[33]		*1,009*	*955*	*+5.7%*
Average customer receivables	*note 1*	*1,262*	*1,245*	*+1.3%*
Closing customer receivables		*1,278*	*1,257*	*+1.6%*
Interest income	*note 2*	151	150	+0.5%
Bad debt charge (underlying)	*note 3*	(10)	(14)	- 26.8%
Overheads		(26)	(25)	+1.9%
Profit before cost of funding & provision releases		**115**	**111**	**+3.7%**
Cost of funding	*note 4*	(24)	(24)	- 2.2%
Profit before bad debt provision release		**91**	**86**	**+5.3%**
Bad debt provision release	*note 3*	10	10	- 1.8%
Net profit (after provision releases)		**101**	**97**	**+4.6%**
ROCE (before bad debt provision release)		14.4%	13.9%	

The following paragraphs give further explanation of the year-on-year variances in each line of the Finance P&L.

[32] Customer receivables and ROCE for July 2024 have been restated.
(Average receivables previously reported as £1,217m, Closing receivables £1,226m, and ROCE 14.2%). Last year, and historically, we deducted the customer returns provision from our net receivables balance; however, we had incorrectly included the returns on *cash* customer accounts and should have limited this to credit accounts only.

[33] Credit sales include Online sales and Retail sales paid with a NEXT credit account plus interest income.

Note 1 Customer receivables

Average customer receivables were up +1.3% on last year, mainly due to the higher receivables balance at the start of the year. The increase in credit sales, which would normally increase customer balances by a corresponding amount, was offset by payments, as customers continued to pay down their balances faster. Debtor days decreased from 196 last year to 189.

Note 2 Interest income

Interest income was up +0.5%, broadly in line with the increase in customer receivables (excluding provision movements).

Note 3 Bad debt charge and default rates

A reduction in default rates so far this year (see chart below) has allowed us to make two changes to the bad debt charge:

1. We have reduced the rate at which we provide for bad debt in the first half, resulting in a £4m reduction in the underlying bad debt charge.
2. We have released a further £10m of historical bad debt provisions.

The recent reduction in observed defaults might suggest that the provision release should be higher, but given the current economic outlook we do not believe that a larger release would be appropriate at this time.

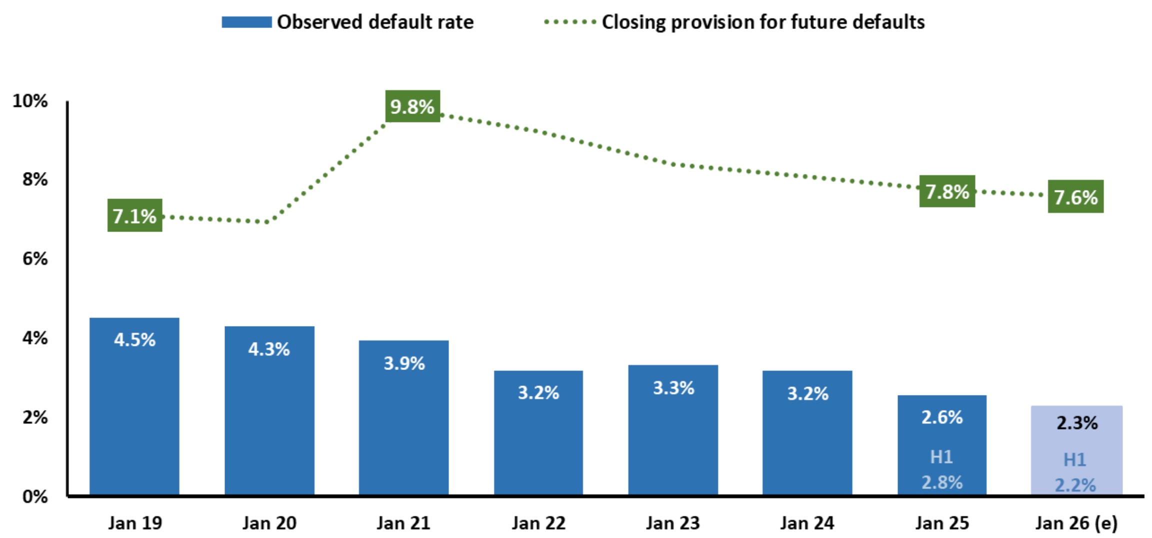
After accounting for the reduction in our bad debt provisions, our total bad debt provision rate remains prudent, as set out in the chart below.

Default rates and provision rates

The following chart shows:

- Observed annualised default rates[34] since 2019 (blue bars).
- The closing rate of provision for future defaults (green dotted line), which remains above our current default rate and allows for a material deterioration in defaults.
- The estimate for default rates for the year to January 2026 (pale blue bar) of 2.3%, which is 0.3% lower than last year. This assumes that defaults in the second half are in line with last year.

Annual Default and Closing Provision Rates



[34] Defaults are net of expected recoveries and presented as a percentage of the average customer receivables balance. Note, H1 last year has been restated from 2.9% to 2.8% in line with the restated customer receivables balance, as explained on the previous page.

Note 4 Cost of Funding

The cost of funding is an internal interest charge from the Group to our Finance business. This is based on the assumption that 85% of customer receivables are funded by debt lent by the Group to the Finance business, with the balance being funded by the Finance business's notional equity.

The cost of funding was down -2% versus last year, due to the lower interest rate on floating bond debt.

The table below details the cost of funding recharge calculation. The Group's *actual* external interest cost is much lower due to the lower average borrowings across the Group compared with the Finance business. This results in a notional profit on intercompany lending.

Group lending to NEXT Finance £m	**July 2025**
Average Group external borrowing (for reference)	*827*
Average NEXT Finance borrowing (for reference)	*1,073*
Group underlying net external interest rate (annualised)	*4.3%*
Interest charged by Group to NEXT Finance	(23.9)
Net external interest cost for the Group[35]	(19.9)
Group profit on its lending to NEXT Finance	**4.0**

FORECAST FOR THE FULL YEAR TO JANUARY 2026

We anticipate that NEXT Finance will generate full-year profit of **£185m,** up +2% versus last year. We are forecasting that the customer receivables balance at the year end will be around **£1.3bn**, in line with last year.

[35] This figure *excludes* interest earned from cash on deposit. The total *net external* interest cost for the Group in the first half was £16.1m, see page 46.

INVESTMENTS AND TOTAL PLATFORM

FINANCIAL SUMMARY

In the first half, the combined profit from investments (including interest)[36] and Total Platform services was **£27.9m**, up +19% on last year. For the full year, we expect profit of **£80m**, £2m higher than the previous guidance of £78m given in March.

	First half actual				Full year estimate		
Profit £m	**July 2025**	**July 2024**	**Var %**		**Jan 2026 (e)**	**Jan 2025**	**Var %**
Investments	21.6	19.8	+9%		64.3	63.6	+1%
Total Platform services	6.4	3.6	+76%		15.7	13.0	+21%
Total profit	**27.9**	**23.5**	**+19%**		**80.0**	**76.6**	**+4%**

Investments

A list of all the equity investments held by the Group are given in Appendix 5 on page 58. There has been no material change in equity share ownership in the year, with our most significant investments to date being in Reiss (74%), FatFace (97%) and Joules (74%).

If we achieve our full year profit guidance of **£64.3m**, this would deliver a return on capital employed (ROCE) of 25%. Full details of the performance of our investments and ROCE for the full year will be given at our Year End Results.

Total Platform Services

In the first half, profit of £6.4m was £2.8m higher than last year, due to the addition of FatFace to Total Platform in September 2024 and operational cost savings.

The table below sets out sales, profits and margins for the first half, along with last year. Margins, at 5.7% of clients' sales or 18.5% of our income, are in line with our target profitability.

Total Platform services £m	July 2025	July 2024	Var %
(A) Client online sales (GTV)	101.1	81.5	+24%
(B) Commission income on clients' GTV	21.0	16.3	+29%
(C) Income from cost-plus services inc. TEP	9.9	8.0	+24%
(D) Recharges for services at cost	3.4	3.5	- 2%
(E) Total Platform income (accounting)	34.3	27.8	+23%
(F) Total Platform profit from services	**6.4**	**3.6**	+76%
(G) Total Platform profit as a % of income = F / E	*18.5%*	*13.0%*	
(H) Total Platform profit as a % of clients' sales = F / (A + C)	*5.7%*	*4.0%*	

[36] Profit reported in this section includes the *loan interest* earned from TP investments, which is reported in the Interest line of the Group P&L (see page 46).
Profit from investments is stated *excluding* the cost of brand amortisation. Further details on the treatment of brand amortisation are given in Appendix 3 on page 56.

OTHER BUSINESS ACTIVITIES

The table below summarises the profits and losses in the first half of the year from other business activities, including our other Group trading companies and non-trading activities. Full year estimates are shown on the right. Non-recurring items that are significant are shown separately.

		First half actual		Full year estimate	
£m		**July 2025**	**July 2024**	**Jan 2026 (e)**	**Jan 2025**
NEXT Sourcing (NS)	*note 1*	14.8	13.5	34.7	31.4
Franchise and wholesale	*note 2*	4.3	3.2	7.2	7.5
Central costs	*note 3*	(36.0)	(31.6)	(69.8)	(61.9)
Foreign exchange		2.4	3.3	2.4	2.3
Total underlying profit/(loss)		**(14.5)**	**(11.5)**	**(25.4)**	**(20.8)**
Non-recurring central items					
Property management and provisions	*note 4*	(3.5)	0.1	(3.9)	(1.5)
Impairment of JoJo Maman Bébé		-	-	-	(13.0)
Total Platform startup costs/write-offs		-	(4.5)	-	(6.2)
Total non-recurring items		**(3.5)**	**(4.3)**	**(3.9)**	**(20.8)**
Total profit/(loss)		**(17.9)**	**(15.9)**	**(29.4)**	**(41.6)**

Note 1 - NEXT Sourcing (NS)

The majority of NS income and costs are denominated in US Dollars (or linked currencies). The table below sets out NS's sales and profit for the first half in US Dollars and Pounds. The exchange rate used is the average market rate of exchange during the year.

Sales and profit grew in the first half as a result of higher purchases by NEXT. The net margin of 5.0% was broadly in line with last year. For the full year we expect profit of around **£35m** (up +11%).

	US Dollars $m			Pounds £m		
	July 2025	**July 2024**		**July 2025**	**July 2024**	
Sales (mainly intercompany)	385.9	335.2	+15%	294.6	264.0	+12%
Operating profit	19.4	17.0	+14%	14.8	13.5	+10%
Net margin	5.0%	5.1%		5.0%	5.1%	
Exchange rate				1.31	1.27	

Note 2 - Franchise and Wholesale

The profit increase in the first half was mainly due to the timing of dispatches to our franchise partners. For the full year we expect profit of £7.2m marginally down on last year's figure of £7.5m.

Note 3 - Central Costs

Group Central costs of £36m were £4.4m higher than last year mainly due to higher share option costs. For the full year, we expect central costs to rise to £69.8m. Share options are allocated in proportion to salaries, and have risen in line with wages.

Note 4 - Property Management and Provisions

In the first half, we have increased property provisions by £3.5m. This increase relates to a warehouse lease in a subsidiary company, which we had previously expected to sublet.

INTEREST, TAX AND ESG

INTEREST

Our P&L interest charge[37] is set out below, detailing each category of interest. The full year estimate, along with the prior year, is given on the right-hand side.

	First half actual		Full year estimate	
£m	**July 2025**	**July 2024**	**Jan 2026 (e)**	**Jan 2025**
Net external interest	(16.1)	(15.4)	(34.7)	(32.2)
Lease interest	(24.4)	(23.8)	(49.2)	(47.8)
Total Platform loan interest income	0.6	0.7	1.6	1.5
Total interest	**(39.9)**	**(38.5)**	**(82.4)**	**(78.4)**

Net external interest

The net external interest charge of -£16.1m was £0.7m higher than last year. This increase was the net result of three factors:

- accelerated interest costs from the early redemption of part of our 2026 bond (-£2.4m), offset by
- lower interest on our floating rate instruments (+£1.2m) and
- interest earned from higher cash on deposit (+£0.5m).

For the full year, we expect net external interest to be £34.7m versus £32.2m last year. The £2.5m increase is mainly due to the increase in net debt in the second half.

Lease interest costs

Lease interest of £24.4m in the first half was £0.6m higher than last year, mainly due to the extension of a warehouse lease in the second half of last year.

Total Platform loan interest income

We have loan agreements with seven of our equity investments. These loans generated £0.6m of interest in the first half and we forecast £1.6m for the full year.

TAX

Our effective tax rate (ETR) for the first half was 24.9%. This is slightly lower than the UK headline rate of 25%, which is explained in the table below. For the full year we also expect an ETR of 24.9%.

	6 months to July 2025	Year to Jan 2026 (e)
Headline UK Corporation Tax rate	25.0%	25.0%
Overseas tax	- 0.3%	- 0.3%
Equity profit, which has already been taxed	- 0.2%	- 0.2%
Non-deductible costs	+0.4%	+0.4%
ETR	**24.9%**	**24.9%**

[37] Excludes net interest costs of Reiss, FatFace and Joules, which are reported in the equity investment profit figures given on page 44.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Full details of our ESG activities were set out in our 2025 Corporate Responsibility Report, available at www.nextplc.co.uk. Our ongoing, large ESG projects cover:

- Carbon Reduction
- Responsible Sourcing
- Reducing Packaging and Waste
- Recycling
- Supporting our employees and communities

Some other notable ESG projects that we have progressed this year include the following:

Protecting Workers in our Supply Chain

Supply Chain Grievance Mechanisms

We have completed the first stage roll out of a supply chain grievance mechanism across nine territories covering 80% (by value) of the products produced in these territories. The next step is to increase coverage in the remaining 20% of locations. So far this year we have received 120 grievances, the majority of which have been successfully resolved. For context, over 150,000 people are employed by our manufacturers.

Audit Tool

On 1 July 2025 we rolled out a new audit tool for our worldwide teams to use. The new tool is called Safety Culture. It will enable the teams to complete more audits in the time available and provide more granular data. This will improve our teams' ability to identify any non-compliance trends by region and product type. These improved systems will enable us to address issues more quickly and support the workers in our supply chain.

Zero Discharge of Hazardous Chemicals (ZDHC)

For the third consecutive year, NEXT achieved the highest possible score in the ZDHC 'Brands to Zero' annual audit. The programme focuses on eliminating the use of hazardous chemicals from manufacturing processes within the apparel, leather and footwear industries. NEXT is one of only 15 brands globally to achieve this top audit score.

Carbon Literacy Training

As part of our decarbonisation plan, NEXT hosted Carbon Literacy training at our Head Office, in association with the Carbon Literacy Project. Colleagues from UK and International Online, Distribution, Imports, and Retail Distribution gained valuable insights into climate change and emission reduction strategies. We are continuing to collaborate with these teams to identify further opportunities for impact reduction.

EQUAL PAY CLAIM

This time last year we gave a detailed account of the Equal Pay claim that the Company is currently subject to. For ease of reference, this account is repeated in Appendix 4 on page 57.

In October 2024, NEXT submitted an appeal against all findings made against us by the Employment Tribunal. A Preliminary hearing was held in May 2025. We expect a full Appeal hearing to take place in the Employment Appeal Tribunal in the first half of 2026. It has been agreed with the Claimants' lawyers that no compensation will be paid in respect of any claim until the outcome of the Employment Appeal Tribunal.

Our legal team continues to be very confident of our grounds for appeal. We expect the appeals process to take some time to conclude and therefore we do not expect a final resolution to be reached for at least a year, if not much longer.

PART SIX
CASH FLOW, SHAREHOLDER RETURNS, NET DEBT & FINANCING

CASH FLOW

In the year to January 2026, based on the profit guidance given on page 28, we expect to generate **£694m** of surplus cash, before investments and distributions to shareholders.

Leverage and Investment Grade Status

The Company remains committed to maintaining Investment Grade status for the Group, and we believe our leverage is now comfortably below that required to maintain it. For context the table below shows our year end debt (excluding lease debt), PBIT and leverage over the last ten years. We do not think it would be optimal for the Company's leverage to reduce further in the current year. So, this year, we plan to increase net debt *in line with growth in PBIT*. Assuming we hit our current guidance, that would mean year end debt of £720m as shown in the table below.

£m	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26 (e)
PBIT	852	828	760	773	792	385	858	905	953	1,044	1,140
Net debt	850	861	1,002	1,096	1,112	610	600	797	700	660	720
Leverage	x 1.0	x 1.0	x 1.3	x 1.4	x 1.4	x 1.6	x 0.7	x 0.9	x 0.7	x 0.6	x 0.6

The table below sets out a summarised cash flow forecast for this year, along with last year. For further details on individual cash flow movements, please see the page references given in the table.

£m		Jan 2026 (e)	Jan 2025
Profit before tax		**1,105**	**1,011**
Profit before tax from 53rd week		20	-
Depreciation/impairment on plant, property and equipment, and amortisation of software		155	148
Capital expenditure	*(see page 50)*	(179)	(151)
Tax paid	*(see page 49)*	(231)	(243)
Employee Share Option Trust (ESOT)		(57)	(45)
Working capital/other	*(see page 49)*	(152)	(30)
Trading cash flow		**661**	**690**
Customer receivables ('nextpay' and 'pay in 3')		33	(21)
Surplus cash before investments and distributions		**694**	**669**
Ordinary dividends	*(see page 51)*	(284)	(258)
Surplus cash available for investments, buybacks or distribution		**411**	**411**
Investments in third-party brands	*(see page 49)*	(1)	(11)
Share buybacks	*(see page 51)*	(470)	(360)
Change in net debt		**(60)**	**40**
Closing net debt (excluding lease debt)		**(720)**	**(660)**

TAX PAID

Tax paid, forecast at £231m, is £12m lower than last year due to deductible allowances relating to share option schemes.

WORKING CAPITAL

Working capital this year is forecast to be a £152m outflow. This is mainly due to:

- Higher stock purchases (£70m). (See below)
- A £50m increase in debtors, due to the timing of settlements and increased international sales with third-party aggregators.
- A £20m increase in the debtor balance for interest free loans for Retail furniture sales. These loans were brought in-house this year, and were previously funded by a third party.

Stock

At the Half Year, Group stock was up +13% (+£125m). This was driven by a 16% increase in NEXT's stock, with a 5% reduction in subsidiaries' stock.

Our buying teams have purchased autumn/winter stock earlier than last year. This has increased our stock weeks' cover to 26 weeks, versus 23 weeks last year. This cover is higher than normal, and reflects a degree of cautious planning to ensure timely deliveries for the new season. This increase may also provide a potential upside to sales, by avoiding some of the range gaps we experienced last year.

By the year end, we expect Group stock to be up +8%.

INVESTMENTS IN THIRD-PARTY BRANDS

So far this year, we have invested £0.6m acquiring the brand and intellectual property of Seraphine, a maternity fashion brand.

Last year, we invested £10m increasing our investment in Reiss, from 72% to 74%, and £0.8m acquiring a 16% share in Rockett St George.

CAPITAL EXPENDITURE

The table below sets out our capital expenditure forecast for this year, by category of spend, along with last year for comparison.

£m	Jan 2026 (e)	Jan 2025
Warehouse	53	49
Technology	35	34
Total warehouse and technology	**88**	**83**
Retail space expansion	53	26
Retail cosmetic/maintenance capex	17	20
Total Retail expenditure	**70**	**46**
Head office infrastructure and other	8	9
Other Group subsidiaries	14	12
Total capital expenditure	**179**	**151**

Warehousing

Warehousing spend, forecast at £53m this year, includes the completion of the automation projects in Elmsall 3, the upgrade of our sortation mechanisation in our other online warehouses and the purchase of new vehicles.

Technology

This year we expect to spend around £35m of capital modernising and upgrading our systems technology (£29m on software development and £6m on hardware).

Retail stores

Capital expenditure on Retail space expansion this year is forecast to be £53m, £27m higher than last year. This spend comes from the addition of eight new stores, the relocation of six existing stores and conversion of two Home stores to fashion stores.

Head office infrastructure and other

Capital expenditure on head office infrastructure is forecast to be £8m, compared to £9m last year. Projects include the redevelopment of a number of our head office and contact centre facilities.

Other Group subsidiaries

This year, we expect expenditure for all subsidiaries to be £14m, versus £12m last year. The increase is mainly due to new store openings and refits.

DIVIDENDS AND SHAREHOLDER RETURNS

The Company remains committed to returning surplus cash to shareholders by way of share buybacks or special dividends, if it cannot be profitably invested in the business. Surplus cash is defined as cash generation, after deducting interest, tax, capital expenditure, investments or acquisitions and ordinary dividends.

Any share buybacks are subject to achieving a minimum 8% equivalent rate of return (ERR). As a reminder, ERR is calculated by dividing (1) anticipated NEXT Group pre-tax profits by (2) the current market capitalisation[38]. Our latest guidance of pre-tax profits of £1,105m results in a buyback limit of circa £118 per share.

Ordinary dividends

An ordinary dividend of 158p per share was paid on 1 August 2025 (with a total value of £185m).

For the year to January 2026, we are declaring an interim ordinary dividend of 87p per share to be paid on 5 January 2026, a total value of around £99m. Shares will trade ex-dividend from 4 December 2025 and the record date will be 5 December 2025.

Share buybacks

The table below shows the buybacks we have done to date, by quarter. There were no buybacks in the second quarter because the share price remained above our buyback limit. As things stand today, we have circa £351m of surplus cash. This will either be used to buyback shares, returned as a special dividend, or invested in acquisitions.

2025/26 share buybacks	Buyback value £m	No. of shares 000's	Average share price £	% of shares in issue
Q1 (actual)	£81m	783	104	0.6%
Q2 (nil)	£0m	-	-	0.0%
Q3 to date (5 September)	£37m	316	118	0.3%
Rest of year forecast	*£351m*	*2,977*	*118*	*2.4%*
Full year total (e)	**£470m**	**4,076**	**115**	**3.3%**

[38] Market capitalisation is calculated based on shares in circulation, so excludes shares in the NEXT Employee Share Option Trust.

NET DEBT, BOND AND BANK FACILITIES

As at September 2025, the Group's bond and bank facilities total **£1,239m** (£714m in bonds and a £525m revolving credit facility (RCF)).

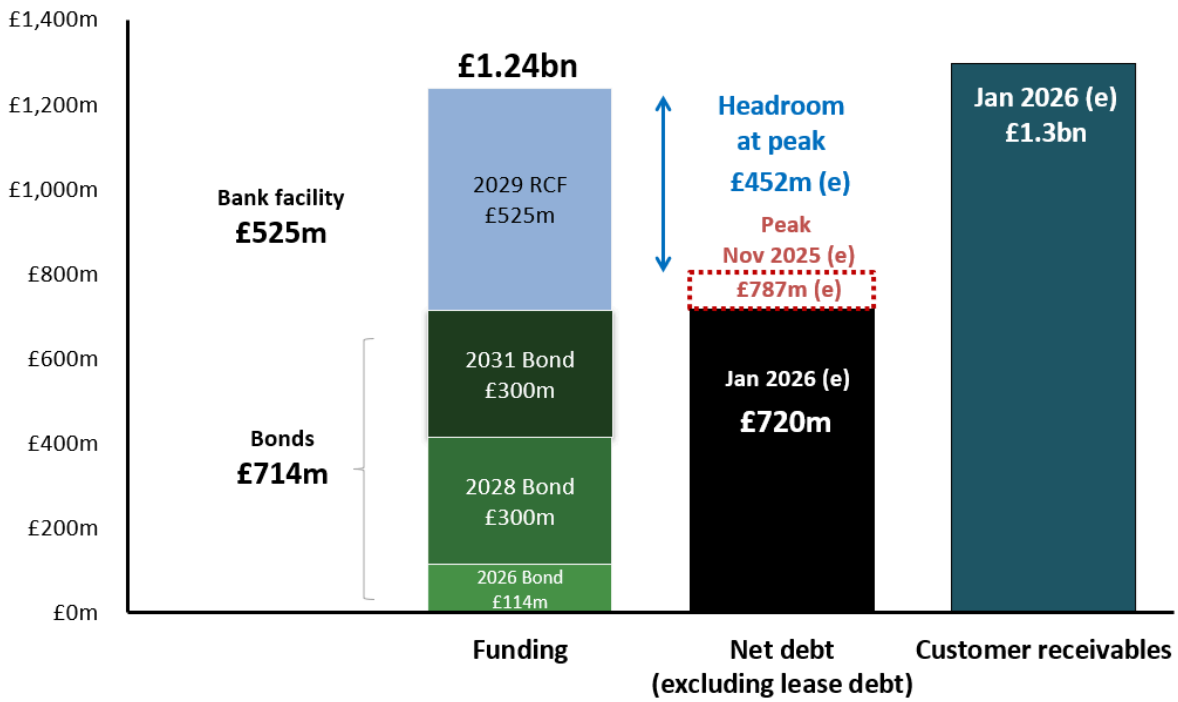
In July, we issued a new 6 year £300m bond. We also bought back £136m of our outstanding 2026 bonds, leaving £114m to repay at maturity next year. The £250m bond that matured in August 2025 was repaid. The table below sets out all the changes in our bond and bank facilities so far this year.

Group bond and bank facilities	**£m**
Facilities as at Jan 2025	**1,257**
New 6 year bond issued	+300
2026 bond partly repurchased	- 136
2025 bond repaid in full	- 250
RCF increased	+100
Subsidiaries' facilities expired	- 32
Facilities as at September 2025	**1,239**

Based on our cash flow guidance for this year, we anticipate that our net debt will peak in November 2025 at around £787m, leaving headroom of £452m; comfortably within our bond and bank facilities of £1,239m. We estimate that we will end the year with net debt (excluding lease debt) of around £720m.

The chart below sets out the Group's bond and bank facilities and year of maturity. For context, our forecast for customer receivables at January 2026 is £1.3bn; significantly higher than the value of our net debt.

Group Financing, Net Debt and Headroom 2025/26 (e)



THIRD QUARTER TRADING UPDATE

Our third quarter Trading Statement will cover the thirteen weeks to Saturday 25 October 2025 and is scheduled for Wednesday 29 October 2025.

Lord Wolfson of Aspley Guise
Chief Executive
18 September 2025

APPENDIX 1
RECONCILIATION TO STATUTORY RESULTS

OVERVIEW

The financial information presented in pages 5 to 52 is used by management in assessing business performance. It is also the financial information used to inform business decisions and investment appraisals. Some of these financial metrics and performance measures are not prepared on a full IFRS statutory accounting basis. It is common for these performance measures to be called 'Alternative Performance Measures' (APMs).

An explanation of the APMs used by the business is provided in the glossary at the end of the 2025 Annual Report and Accounts available at https://www.nextplc.co.uk/

Reconciliations between Total Group sales and statutory revenue, and NEXT Group profit before tax and statutory profit before tax are given in this report on pages 26 and 27 respectively.

In this Appendix we provide a reconciliation between our APMs and their statutory equivalents for NEXT Group EPS and statutory EPS.

1. NEXT GROUP EPS AND STATUTORY EPS

The EPS calculation on NEXT Group profit before tax, and its statutory equivalent are summarised below.

NEXT Group profit (£m) and EPS (pence) (APM)	**July 2025**	**July 2024**
NEXT Group profit before tax	**514.7**	**452.3**
Tax	(128.0)	(111.5)
NEXT Group profit after tax	**386.6**	**340.8**
Average number of shares (millions)	117.1	120.5
NEXT Group Earnings Per Share (EPS)	**330.2p**	**282.8p**

Statutory profit (£m) and EPS (pence)	**July 2025**	**July 2024**
Statutory profit before tax	**509.0**	**432.1**
Remove profit before tax on non-controlling interests	(3.7)	(3.7)
Statutory tax attributable to NEXT	(125.8)	(105.5)
Statutory profit after tax attributable to NEXT	**379.5**	**322.9**
Average number of shares (millions)	117.1	120.5
Earnings Per Share (EPS)	**324.2p**	**267.9p**

The statutory tax attributable to NEXT of £125.8m is calculated as being the £126.7m tax charge in the statutory income statement less the tax on the non-controlling interests of £0.9m (see difference between the profit before tax of £3.7m non-controlling interest and the £2.8m shown on face of the statutory income statement which is the post-tax equivalent).

APPENDIX 2
REPORTING OF SUBSIDIARIES' SALES AND PROFITS

The explanation below was given in the CEO Reviews in 2024 and 2025, and is repeated here for clarity.

Reporting the headline PROFITS of subsidiaries in which we have a part share

As NEXT began to acquire new businesses the question arose as to how we report the sales and profits from companies in which we own a part share. Accounting standards require our statutory accounts to consolidate the sales and profits of companies in which we have a controlling interest, but in the case of part ownership that means that we would start to include in our headline numbers, profit that our shareholders do not "own". The answer, we believe, is to report *our share* of our subsidiaries' profits[39]; so if we own 50% of the business we will include 50% of its profits in our headline number.

In summary: We include our share of subsidiary profits in our headline profit number for the Group.

Reporting the headline SALES of subsidiaries in which we have a part share

Prior to 2023/24 we did not include the sales of subsidiary companies in our headline sales number. Until then, that was not a problem, as they were not material. As we acquired more businesses the risk was that we overstated the headline net margins of the Group by including our share of their profits but excluded all of their sales.

To address this problem, we have adopted the same convention for sales as we have done for profits. So if we own 50% of a company we will report 50% of its profits and 50% of its sales in our headline numbers (subject to the qualification below). By maintaining the proportion of sales *and* profits in line with our ownership we give a more accurate picture of our profit and net margins.

In summary: We include our share of subsidiary sales in our headline sales number for the Group.

ISSUE: Avoiding the double counting of sales

Historically we have always included LABEL sales within our headline sales number, whether goods are sold on a wholesale or commission basis[40] and we continue with this convention. However, a subsidiary company's sales on LABEL will also be reported within *their* sales numbers. So if we include our share of their sales in our headline sales, including their LABEL sales, we will double count our share of their LABEL sales.

To avoid this problem, we exclude subsidiaries' LABEL sales from their sales *before* accounting for our share of their sales. So if we own 50% of a subsidiary that turns over £100m, of which £20m are LABEL sales, then we add 50% of £80m (i.e. £100m - £20m) to our headline sales number. On the same logic, we also deduct the value of Total Platform commission and revenue from cost-plus services from their sales.

In summary: We deduct subsidiary sales on LABEL and TP services before accounting for our share of their sales.

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[39] The term subsidiaries here is used to describe businesses in which we hold equity investments, as detailed in Appendix 5 on page 58.

[40] As previously explained, the gross transaction value of LABEL items sold on commission are not *statutory* sales but are included in our headline numbers.

APPENDIX 3
NOTE FOR ANALYSTS ON THE TREATMENT OF BRAND AMORTISATION

The explanation below was given in the CEO Reviews in 2024 and 2025, and is repeated here for clarity.

As NEXT acquired new businesses, the accounting effect of amortising the value of acquired brands[41] would increasingly understate the underlying profitability of the Group. Amortisation is a non-cash accounting adjustment similar to depreciation; accounting standards require that the value of brands is amortised over their life. In the case of FatFace and Reiss we are amortising the brand over 15 and 25 years respectively. This amortisation assumes that the value of these brands will drop to zero over the amortisation period; in reality it is more likely that they will *increase* in value than fall to zero.

By way of example: If NEXT plc was acquired, at its current market value, by a shell company that issued new shares in exchange for the company's current shares then, under statutory reporting, the acquiring company would then add the brand to the balance sheet and amortise it over the 'life' of the asset. A conservative accounting approach would result in a life of, say, 25 years, which would result in an annual amortisation charge of around £530m. So, despite having exactly the same cash flow, assets and debt as the existing company, the new company's reported profit would be around 48% lower than prior to the transaction - clearly not a true representation of the company's value.

So from the year ending January 2024 onwards, we adopted the accounting convention used by many acquisitive Groups, and reported our 'headline profits' *excluding* brand amortisation costs. Prior to the year ending January 2024, brand amortisation costs were not material to the Group.

[41] Acquired brands is used to describe the brand and any other related intangible assets acquired in the business.

APPENDIX 4
EQUAL PAY CLAIM

The summary below was given in our Half Year Report in September 2024, and is repeated here for reference. The only comments updated are in respect of the dates of the Appeal Hearing.

NEXT is currently subject to an equal pay claim. The claim is from a number of former and current employees in our Retail store network seeking equal pay with colleagues in our warehouses. The case revolves around the fact that a higher percentage of our sales consultants in stores are women, when compared to the warehouses where just over half (52%) the operatives are men. A decision on this matter was issued by the Employment Tribunal on 22 August 2024.

The Tribunal rejected the majority of the claims made by the Claimants, in particular all claims of direct discrimination, and all aspects of the claims made in respect of bonus pay. The Tribunal expressed serious criticisms of the Claimants' expert evidence, and overwhelmingly accepted the evidence of NEXT's expert and fact witnesses.

In respect of the 7 (out of 18) claims on which the Claimants succeeded, we have appealed and a hearing will take place in the Spring of 2026. This is the first equal pay group action in the private sector to reach a Tribunal decision of this type and raises a number of important points of legal principle.

NEXT is proud of its reputation as a fair employer. So it is important to stress that the Tribunal was clear that there was no direct discrimination by NEXT. It was established that NEXT did not deliberately set lower pay rates and premium payments because of gender, either consciously or subconsciously.

Further, the Tribunal found that market forces and the need to recruit and retain staff in the warehouses were the reason for the pay gap. Nevertheless, the Tribunal's approach to the law led it to conclude that, for some of the contractual terms, this did not justify the gap. This is the legal decision that NEXT is appealing, as an error of law.

Our legal team is very confident of our grounds for Appeal. We expect the appeals process to take some time to conclude so do not expect a final resolution to be achieved for at least a year, if not much longer.

In the possible (but unlikely) event we lose this case on appeal, there will be a financial cost to the Group and its ongoing future operating costs. However that is not our main concern; the ramifications go well beyond the profitability of the Group (which is protected by the fact that Retail stores are a relatively small percentage of our profits). The two concerns are as follows:

- Each of our stores is treated as a business in its own right, and must remain **individually profitable** if they are to open in the first place and continue trading at lease renewal. Inevitably some of our stores will no longer be viable if this ruling is upheld on appeal. Materially increasing store operating costs will result in more stores being closed when their leases expire, and will materially impede our ability to open new stores going forward.
- An additional concern is the effect the case would have on the **viability of our warehouse operation**. If, for many people, warehouse work is less attractive than work in stores (as the evidence before the Tribunal showed), how can a warehouse attract the number of employees it needs? On the Tribunal's approach, the warehouse cannot raise wages, as that must inevitably push up the pay of competing work in shops - a vicious circle. The Lead Claimant herself, giving evidence in open court, summed up the problem when she said that working in the warehouse "didn't seem particularly attractive" and she would only have considered it "if it had been a lot more money".

At its heart this case poses a fundamental question about the meaning of "equal value". In this case the work was assessed as being of "equal value", despite the fact it was being carried out in different workplaces, in different markets, and was of different value to the employer and attractiveness to the employee. We believe it should therefore be no surprise that they need to be paid differently.

APPENDIX 5
TOTAL PLATFORM CLIENTS AND EQUITY INVESTMENTS

Our Total Platform clients and investments in third-party brands are shown in the tables below.

Client	Equity interest or investment	TP launch date	Sales channels supported
Laura Ashley	Licence to trade in UK and Eire	Mar 2021	Online and stores
Victoria's Secret (UK and Eire)	51% share in UK and Eire franchise	May 2021	Online and stores
Reiss	74% equity share	Feb 2022	Online, stores and wholesale
GAP	51% share in UK JV with GAP coalition	Aug 2022	Online and stores
JoJo Maman Bébé	44% share in partnership with Davidson Kempner	May 2023	Online, stores and wholesale
MADE	100% acquisition of brand name, domain name and intellectual property	Jul 2023	Online and stores
Joules	74% share in partnership with Tom Joule	Oct 2023	Online, stores and wholesale
FatFace	97% equity share	Sep 2024	Online, stores and wholesale

Other investments in brands not on Total Platform

Brand	Equity interest or investment
Swoon	25% share
Sealskinz	19.9% share
Aubin	30.3% share
Cath Kidston	100% acquisition of brand name, domain name and intellectual property
Rockett St George	16% share
Seraphine	100% acquisition of brand name, domain name and intellectual property

UNAUDITED CONSOLIDATED INCOME STATEMENT

	Notes	26 weeks to 26 July 2025 £m	26 weeks to 27 July 2024 £m
Continuing operations			
Revenue (including credit account interest)	3, 4	**3,144.5**	2,860.1
Cost of sales		**(1,767.8)**	(1,633.8)
Impairment losses on customer and other receivables		**(1.7)**	(4.9)
Gross profit		**1,375.0**	1,221.4
Distribution costs		**(482.7)**	(422.8)
Administrative expenses		**(345.2)**	(313.6)
Other gains		**2.4**	3.3
Trading profit		**549.5**	488.3
Share of results of associates and joint ventures		**3.1**	1.9
Curtailment loss - exceptional item	6	**-**	(14.5)
Operating profit	5	**552.6**	475.7
Finance income	7	**5.4**	4.1
Finance costs	7	**(49.0)**	(47.7)
Profit before taxation		**509.0**	432.1
Taxation	8	**(126.7)**	(106.7)
Profit for the period		**382.3**	325.4
Profit attributable to:			
- Equity holders of the Parent Company		**379.5**	322.9
- Non-controlling interests		**2.8**	2.5
Profit for the period		**382.3**	325.4
Earnings Per Share (pence)			
Basic	9	**324.2p**	267.9p
Diluted	9	**317.7p**	263.5p

UNAUDITED CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME

	Notes	**26 weeks to 26 July 2025 £m**	26 weeks to 27 July 2024 £m
Profit for the period		**382.3**	325.4
Other comprehensive income and expenses:			
Items that will not be reclassified to profit or loss			
Actuarial losses on defined benefit pension scheme		**(0.7)**	(6.6)
Tax relating to items which will not be reclassified		**0.2**	1.7
Subtotal items that will not be reclassified		**(0.5)**	(4.9)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**3.7**	1.4
Foreign currency cash flow hedges:			
- fair value movements	13	**(105.6)**	(3.4)
Cost of hedging:			
- fair value movements		**0.1**	(1.9)
Tax relating to items which may be reclassified		**26.0**	1.3
Subtotal items that may be reclassified		**(75.8)**	(2.6)
Other comprehensive expense for the period		**(76.3)**	(7.5)
Total comprehensive income for the period		**306.0**	317.9
Total comprehensive income attributable to:			
- Equity holders of the Parent Company		**303.4**	315.4
- Non-controlling interests		**2.6**	2.5
		306.0	317.9

UNAUDITED CONSOLIDATED BALANCE SHEET

	Notes	**26 July 2025 £m**	27 July 2024 £m	25 January 2025 £m
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment		**651.0**	691.5	686.4
Intangible assets		**724.3**	744.9	735.4
Right-of-use assets		**737.9**	704.5	737.3
Associates, joint ventures and other investments		**35.8**	40.4	32.7
Defined benefit pension asset		**28.7**	38.0	30.8
Other financial assets	13	**0.4**	-	-
		2,178.1	2,219.3	2,222.6
Current assets				
Inventories		**1,029.8**	902.5	865.2
Customer and other receivables	11	**1,554.7**	1,440.0	1,508.4
Right of return asset		**29.7**	31.9	34.8
Other financial assets	13	**4.7**	7.6	31.8
Current tax assets		**9.8**	6.8	9.3
Assets classified as held for sale	18	**37.8**	-	-
Cash and short term deposits	16	**441.1**	153.6	200.4
		3,107.6	2,542.4	2,649.9
Total assets		**5,285.7**	4,761.7	4,872.5
Current liabilities				
Bank loans and overdrafts	16	**(15.1)**	(71.3)	(60.6)
Corporate bonds	14	**(250.0)**	-	(250.0)
Trade payables and other liabilities	12	**(1,111.9)**	(950.4)	(1,076.7)
Lease liabilities	16	**(169.9)**	(169.6)	(170.8)
Dividends payable	10	**(184.8)**	(168.9)	-
Other financial liabilities	13	**(54.7)**	(153.6)	(8.3)
		(1,786.4)	(1,513.8)	(1,566.4)
Non-current liabilities				
Bank loans and loan notes	16	**-**	(0.6)	-
Corporate bonds	14	**(712.1)**	(791.6)	(543.8)
Provisions		**(54.1)**	(53.9)	(55.7)
Lease liabilities	16	**(842.0)**	(828.9)	(843.6)
Other financial liabilities	13	**(36.1)**	(41.3)	(39.1)
Other liabilities		**(11.9)**	(9.8)	(11.5)
Deferred tax liabilities		**(23.2)**	(42.9)	(58.1)
		(1,679.4)	(1,769.0)	(1,551.8)
Total liabilities		**(3,465.8)**	(3,282.8)	(3,118.2)
NET ASSETS		**1,819.9**	1,478.9	1,754.3
TOTAL EQUITY		**1,819.9**	1,478.9	1,754.3

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Parent Company											
	Share capital £m	Share premium account £m	Capital redemption reserve £m	ESOT reserve £m	Cash flow hedge reserve £m	Cost of hedging reserve £m	Foreign currency translation £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
At 25 January 2025	**12.4**	**54.2**	**17.6**	**(427.7)**	**19.1**	**(0.2)**	**(9.7)**	**(1,448.9)**	**3,419.5**	**1,636.3**	**118.0**	**1,754.3**
Profit for the period	-	-	-	-	-	-	-	-	379.5	**379.5**	2.8	**382.3**
Other comprehensive income/(expense) for the period	-	-	-	-	(79.4)	0.1	3.7	-	(0.5)	**(76.1)**	(0.2)	**(76.3)**
Total comprehensive income/(expense) for the period	-	-	-	-	(79.4)	0.1	3.7	-	379.0	**303.4**	2.6	**306.0**
Reclassified to cost of inventory	-	-	-	-	29.8	-	-	-	-	**29.8**	-	**29.8**
Share buybacks and commitments	(0.1)	-	0.1	-	-	-	-	-	(81.4)	**(81.4)**	-	**(81.4)**
ESOT share purchases	-	-	-	(110.5)	-	-	-	-	-	**(110.5)**	-	**(110.5)**
Shares issued by ESOT	-	-	-	86.3	-	-	-	-	(20.8)	**65.5**	-	**65.5**
Share option charge	-	-	-	-	-	-	-	-	20.4	**20.4**	-	**20.4**
Fair value of put options	-	-	-	-	-	-	-	-	(4.3)	**(4.3)**	-	**(4.3)**
Tax recognised directly in equity	-	-	-	-	(7.3)	-	-	-	32.2	**24.9**	-	**24.9**
Equity dividends (Note 10)	-	-	-	-	-	-	-	-	(184.8)	**(184.8)**	-	**(184.8)**
At 26 July 2025	**12.3**	**54.2**	**17.7**	**(451.9)**	**(37.8)**	**(0.1)**	**(6.0)**	**(1,448.9)**	**3,559.8**	**1,699.3**	**120.6**	**1,819.9**
At 27 January 2024	**12.7**	**54.2**	**17.3**	**(387.3)**	**(4.7)**	**(0.3)**	**(7.5)**	**(1,443.8)**	**3,271.3**	**1,511.9**	**126.9**	**1,638.8**
Profit for the period	-	-	-	-	-	-	-	-	322.9	**322.9**	2.5	**325.4**
Other comprehensive income/(expense) for the period	-	-	-	-	(2.1)	(1.9)	1.4	-	(4.9)	**(7.5)**	-	**(7.5)**
Total comprehensive income/(expense) for the period	-	-	-	-	(2.1)	(1.9)	1.4	-	318.0	**315.4**	2.5	**317.9**
Reclassified to cost of inventory	-	-	-	-	2.5	-	-	-	-	**2.5**	-	**2.5**
Share buybacks and commitments	(0.1)	-	0.1	-	-	-	-	-	(259.6)	**(259.6)**	-	**(259.6)**
ESOT share purchases	-	-	-	(105.0)	-	-	-	-	-	**(105.0)**	-	**(105.0)**
Shares issued by ESOT	-	-	-	54.1	-	-	-	-	(3.4)	**50.7**	-	**50.7**
Share option charge	-	-	-	-	-	-	-	-	17.4	**17.4**	-	**17.4**
Fair value of put options	-	-	-	-	-	-	-	-	(20.2)	**(20.2)**	-	**(20.2)**
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	8.5	**8.5**	(8.5)	**-**
Tax recognised directly in equity	-	-	-	-	(0.6)	-	-	-	5.9	**5.3**	-	**5.3**
Equity dividends (Note 10)	-	-	-	-	-	-	-	-	(168.9)	**(168.9)**	-	**(168.9)**
At 27 July 2024	**12.6**	**54.2**	**17.4**	**(438.2)**	**(4.9)**	**(2.2)**	**(6.1)**	**(1,443.8)**	**3,169.0**	**1,358.0**	**120.9**	**1,478.9**

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

	Notes	**26 weeks to 26 July 2025 £m**	26 weeks to 27 July 2024 £m
Cash generated from operations	17	**568.7**	488.0
Corporation taxes paid		**(110.9)**	(117.5)
Net cash from operating activities		**457.8**	370.5
Cash flows from investing activities			
Additions to property, plant and equipment		**(60.6)**	(61.4)
Movement in capital accruals		**(1.9)**	(3.3)
Payments to acquire property, plant and equipment		**(62.5)**	(64.7)
Proceeds from sale of property, plant and equipment		**0.1**	0.1
Purchase of intangible assets		**(14.8)**	(12.7)
Repayment of loan notes arising on investment acquisition		**-**	(23.6)
Investments in associates and joint ventures		**-**	(0.4)
Loans to jointly controlled entities and associates		**(2.6)**	-
Net cash from investing activities		**(79.8)**	(101.3)
Cash flows from financing activities			
Repurchase of own shares		**(81.4)**	(122.7)
Purchase of shares by ESOT		**(110.5)**	(105.0)
Disposal of shares by ESOT		**70.9**	49.8
Repayment of unsecured bank loans		**(31.5)**	-
Purchase of equity from non-controlling interests		**-**	(5.0)
Incentives received for leases within the scope of IFRS 16		**0.8**	0.5
Lease payments		**(80.0)**	(80.2)
Interest paid (including lease interest)		**(53.5)**	(48.5)
Repayment of corporate bonds		**(136.4)**	-
Issue of corporate bonds		**298.4**	-
Net cash from financing activities		**(123.2)**	(311.1)
Net increase/(decrease) in cash and cash equivalents		**254.8**	(41.9)
Opening cash and cash equivalents		**171.3**	124.3
Effect of exchange rate fluctuations on cash held		**(0.1)**	(0.1)
Closing cash and cash equivalents	16	**426.0**	82.3

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The Group's interim results for the 26 weeks to 26 July 2025 (prior year 26 weeks to 27 July 2024) were approved by the Board of Directors on 18 September 2025 and have been prepared in accordance with UK adopted IAS 34 "*Interim financial reporting*" and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority.

The interim financial statements have not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on "*Review of interim financial information*".

The financial information contained in this report is condensed and does not include all of the information and disclosures required in the annual financial statements. It should be read in conjunction with the Group's annual consolidated financial statements for the 52 weeks to 25 January 2025 which were prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and which have been delivered to the Registrar of Companies. The audit report for those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

The financial statements have been prepared on the historical cost basis except for certain financial instruments, pension assets and liabilities and share-based payment liabilities which are measured at fair value. Where applicable, disclosures required by paragraph 16A of IAS 34 are given either in these interim financial statements or in the accompanying Chief Executive's Review.

In addition to the accounting policies included in the Annual Report and Accounts for the year ended 25 January 2025, the Group also applied the following policy for the 26 week period to 26 July 2025:

Assets held for sale

Non-current assets are classified as held-for-sale if all of the following criteria are met in line with IFRS 5:

- The carrying amount is expected to be recovered through the sale transaction;
- It is available for sale in its present condition;
- The Group has committed to sell and this sale plan has been initiated;
- It is being actively marketed at a price that is reasonable in relation to its fair value; and
- There is an expectation that the sale process will be completed within 12 months of the classification as held-for-sale.

Such assets are measured at the lower of their carrying amount and fair value less costs to sell. On disposal, the assets are derecognised and the profit and loss on disposal is recognised in the Consolidated Income Statement.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

1. Basis of preparation (continued)

New accounting standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim financial statements are the same as those set out in the Group's annual financial statements for the 52 weeks ended 25 January 2025 (other than in respect of the policy for Assets held for sale disclosed in this section). New interpretations and amendments issued in the year are noted below but none have impacted the interim statements:

- Lack of Exchangeability (Amendments to IAS 21)

Major sources of estimation uncertainty and judgement

The preparation of the interim financial statements requires the directors to form estimations, assumptions and judgements that affect the reported values of assets, liabilities, revenues and expenses. Estimates, underlying assumptions and judgements are reviewed on an ongoing basis with revisions to accounting estimates recognised in the year in which the estimate is revised.

In preparing these interim financial statements the directors have given specific consideration to events including the wider macroeconomic environment in which it trades. As a result, they have identified the following areas as significant estimates that have a significant risk of resulting in a material adjustment to the carrying value of assets and liabilities in the next year.

Expected credit losses (ECL) on Online customer receivables

The provision for the allowance for ECL (Note 11) is calculated using a combination of internally and externally sourced information, including: predicted future default levels (derived from historical defaults overlaid by indebtedness profiles and macro-economic assumptions); predicted future cash collection levels (derived from past trends); arrears stage; customer indebtedness; and other credit data. Please refer to the January 2025 Annual Report and Accounts for further details of the underlying assumptions used within the ECL calculations (page 187).

The most significant area of material estimation uncertainty in the July 2025 provision is the impact that the ongoing labour market uncertainty may have on customer payment behaviour. While we have observed improvements in customer default rates over the past year, there remain numerous downside risks as outlined further below.

UK consumers have experienced a prolonged period of elevated price inflation and disposable income is likely to continue to be restricted for the foreseeable future, with energy bills and housing costs remaining high. Recent softening of labour market indicators may also reduce consumers' ability to absorb cost increases through additional work or large real terms pay increases. Management believe this may adversely impact the recoverability of customer receivables, specifically those customers who have relatively low incomes (based on ONS income decile data) or those with high mortgage repayments relative to their gross income. An overlay to increase the assumed CII (Consumer Indebtedness Index) of these customers to align with that of those customers in higher risk bandings (relating to their current arrears stage) has been applied, which forms £21.6m of the total ECL.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

1. Basis of preparation (continued)

Other areas of estimation uncertainty and judgement
In August 2024 the First Tier Employment Tribunal issued its decision on an Equal Pay case brought against NEXT by both current and former employees. The Board has reviewed this decision and obtained further legal advice on the implications of this decision. Having carefully considered this advice the Board has exercised judgement regarding the likely success of the appeals process and concluded that it is more likely than not that NEXT would be successful on Appeal. Our position was informed by internal legal advice and external Counsel. See note 19 for further details.

Going concern
In adopting the going concern basis for preparing the interim financial statements, the directors have considered the business activities including the Group's principal risks and uncertainties. The Board also considered the Group's current cash position, the repayment profile of its obligations, its financial covenants and the resilience of its 12 month cash flow forecasts to a series of severe but plausible downside scenarios such as enforced store or warehouse closures. Having considered these factors the Board is satisfied that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of these interim financial statements, meet its financial covenants and therefore it is appropriate to adopt the going concern basis in preparing the consolidated interim financial statements for the 26 weeks ended 26 July 2025.

2. Risks and uncertainties

The Board has considered the principal risks and uncertainties for the remaining half of the financial year and determined that the risks presented in the January 2025 Annual Report and Accounts, described as follows, also remain relevant to the rest of the financial year: Business strategy development and implementation; Product design and selection; Key suppliers and supply chain management; Warehousing and distribution; Business critical systems; Management of long term liabilities and capital expenditure; Information security, data protection, business continuity and cyber risk; Financial, treasury, liquidity and credit risks; and Legal, regulatory and ethical standards compliance. These are detailed on pages 72 to 76 of the January 2025 Annual Report and Accounts, a copy of which is available on the Company's website at www.nextplc.co.uk.

3. Segmental analysis

The Group's operating segments are determined based on the Group's internal reporting to the Chief Operating Decision Maker (CODM). The CODM has been determined to be the Group Chief Executive, with support from the Board.

The Group's reportable segments have been identified as the following:

- Retail stores (previously called "NEXT Retail")
- Online (UK)*
- Online (International)*
- NEXT Finance
- Total Platform which represents the sales, profit and related assets from the Total Platform business. It includes Reiss, FatFace and Joules alongside our other equity investments.
- Other Business Activities (all other segments) includes the Property Management segment which holds properties and property leases that are recharged to other segments and external parties, as well as the "Franchise, Sourcing and other" segment. This segment also includes Central costs, the IFRS 2 "Share-based payment" expense and unrealised gains or losses on derivatives which do not qualify for hedge accounting.

* In the July 2025 financial statements, the NEXT Online segment has been split into two segments (i) Online (UK) and (ii) Online (International). To ensure comparability the prior period has been presented on the same basis with Online UK and Online International separately. This change reflects the growing size of the International business which is now also being tracked, monitored and appraised by the CODM as a standalone segment and is consistent with the CEO report.

"Total NEXT sales" (previously called "Total NEXT sales excluding VAT") is an alternative performance measure used by the CODM in assessing segment sales performance. For Retail stores, Online (UK) and Online (International), this represents the full customer sales value of NEXT owned products sales and third-party commission based sales. For NEXT Finance, this represents interest income from our Finance business. The Total Platform sales represent the commission and service income on sales with our Total Platform partners. Revenue from other business activities relates primarily to sales from our Franchise, Property Management and Sourcing business. Total NEXT sales is reconciled to statutory revenue within this note.

The reconciling items to arrive at statutory revenue are explained as:

i) "Revenue from acquired businesses and brands" relates to sales generated from our acquired brands, primarily Reiss, FatFace and Joules who retail through their own store portfolio and websites other than next.co.uk;
ii) "Commission sales adjustment" where third-party branded goods are sold on a commission basis, only the commission receivable is included in statutory revenue; and
iii) "Other IFRS 15 adjustments" which includes customer delivery charges, promotional discounts, Interest Free Credit commission costs and expired gift card balances.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

3. Segmental analysis (continued)

Segment sales and revenue

	26 weeks to 26 July 2025						
	Total NEXT sales £m	**Revenue from acquired businesses and brands £m**	**Commission sales adjustment £m**	**Other IFRS 15 adjustments £m**	**External revenue £m**	**Internal revenue £m**	**Total segment revenue £m**
Retail stores	**898.5**	**-**	**(21.3)**	**1.2**	**878.4**	**-**	**878.4**
Online (UK)	**1,268.7**	**-**	**(155.6)**	**43.0**	**1,156.1**	**-**	**1,156.1**
Online (International)	**612.0**	**-**	**(29.5)**	**9.3**	**591.8**	**-**	**591.8**
NEXT Finance	**150.8**	**-**	**-**	**0.3**	**151.1**	**-**	**151.1**
Total Platform	**34.3**	**284.6**	**-**	**-**	**318.9**	**-**	**318.9**
Other business activities (all other segments)	**48.2**	**-**	**-**	**-**	**48.2**	**381.2**	**429.4**
Total before eliminations	**3,012.5**	**284.6**	**(206.4)**	**53.8**	**3,144.5**	**381.2**	**3,525.7**
Eliminations	**-**	**-**	**-**	**-**	**-**	**(381.2)**	**(381.2)**
Total	**3,012.5**	**284.6**	**(206.4)**	**53.8**	**3,144.5**	**-**	**3,144.5**

	26 weeks to 27 July 2024						
	Total NEXT sales £m	Revenue from acquired businesses and brands £m	Commission sales adjustment £m	Other IFRS 15 adjustments £m	External revenue £m	Internal revenue £m	Total segment revenue £m
Retail stores	866.6	-	(12.9)	2.6	856.3	0.8	857.1
Online (UK)	1,141.6	-	(143.3)	36.6	1,034.9	-	1,034.9
Online (International)	461.0	-	(20.3)	5.0	445.7	-	445.7
NEXT Finance	150.1	-	-	-	150.1	-	150.1
Total Platform	27.9	293.1	-	-	321.0	-	321.0
Other business activities (all other segments)	52.1	-	-	-	52.1	343.3	395.4
Total before eliminations	2,699.3	293.1	(176.5)	44.2	2,860.1	344.1	3,204.2
Eliminations	-	-	-	-	-	(344.1)	(344.1)
Total	2,699.3	293.1	(176.5)	44.2	2,860.1	-	2,860.1

3. Segmental analysis (continued)

Segment profit

	26 weeks to 26 July 2025 £m	26 weeks to 27 July 2024 £m
Retail stores	**96.7**	97.8
Online (UK)	**230.1**	195.8
Online (International)	**93.5**	69.3
NEXT Finance	**101.0**	96.6
Total Platform (1)	**21.9**	17.2
Other business activities (all other segments) (2)	**(17.9)**	(16.1)
Recharge of interest (3)	**27.3**	29.6
Curtailment loss - exceptional items	**-**	(14.5)
Operating profit	**552.6**	475.7
Finance income	**5.4**	4.1
Finance costs	**(49.0)**	(47.7)
Profit before tax	**509.0**	432.1

(1) **Total Platform (TP) £21.9m** (2024: £17.2m): The TP segment includes NEXT's share of profits from its investments in associates and joint ventures. It also includes the profits from our TP subsidiaries (Joules, Reiss and FatFace). It excludes the non-recurring TP implementation costs for Joules and FatFace which, as noted below, are reported within Central and Other costs.

The Total Platform segment within the Chief Executive's Review:

1) excludes NEXT's share of the brand and customer relationship amortisation (both owned brands and those included within our associate and joint venture investments) of £9.4m (2024: £9.4m);
2) excludes the operating profit of the non-controlling interest of £3.9m (2024: profit of £3.9m).

(2) **Other Business Activities (all other segments) £17.9m cost** (2024: £16.1m cost): This segment includes the following:

- **Property management cost of £3.5m** (2024: profit of £0.1m)
- **Franchise and wholesale profit of £4.3m** (2024: profit of £3.2m)
- **Sourcing profit of £14.8m** (2024: profit of £13.5m)
- **Central and other costs of £33.5m cost** (2024: £32.9m cost) comprises the following:
  - a) Central costs of £12.6m (2024: £13.0m);
  - b) Share option charge of £23.3m (2024: £18.6m);
  - c) Unrealised foreign exchange gains of £2.4m (2024: gain of £3.3m);
  - d) The prior period also included 100% of non-recurring TP implementation costs associated with FatFace of £4.6m. Note that the Chief Executive's Review excludes the non controlling interest element of these costs.

(3) **Recharge of interest £27.3m** (2024: £29.6m): In the current year, the recharge of interest includes £3.4m (2024: £5.2m) of interest that has been reallocated to Total Platform. The remaining element is the cost of funding relating to the NEXT Finance segment.

4. Revenue

The Group's disaggregated revenue recognised under contracts with customers relates to the following categories and operating segments:

	26 weeks to 26 July 2025					
	Sale of goods £m	**Credit account interest £m**	**Royalties £m**	**Rental income £m**	**Service income £m**	**Total £m**
Retail stores	878.4	-	-	-	-	**878.4**
Online (UK)	1,156.1	-	-	-	-	**1,156.1**
Online (International)	591.8	-	-	-	-	**591.8**
NEXT Finance	-	151.1	-	-	-	**151.1**
Total Platform	313.3	-	1.1	-	4.5	**318.9**
Other business activities (all other segments)	30.8	-	6.0	11.4	-	**48.2**
Total	**2,970.4**	**151.1**	**7.1**	**11.4**	**4.5**	**3,144.5**

	26 weeks to 27 July 2024 - Restated					
	Sale of goods £m	Credit account interest £m	Royalties £m	Rental income £m	Service income £m	Total £m
Retail stores	856.3	-	-	-	-	856.3
Online (UK)	1,034.9	-	-	-	-	1,034.9
Online (International)	445.7	-	-	-	-	445.7
NEXT Finance	-	150.1	-	-	-	150.1
Total Platform*	315.1	-	1.1	-	4.8	321.0
Other business activities (all other segments)	36.3	-	5.3	10.5	-	52.1
Total	2,688.3	150.1	6.4	10.5	4.8	2,860.1

Service income of £4.5m (2024: £4.8m) relates to our Total Platform services to non controlled entities. It excludes the value of Total Platform services to our controlled (ie consolidated) entities Joules, Reiss and FatFace. In the CEO report, the service income in relation to both controlled and non controlled entities are reported within the Total Platform segment.

* In the comparative period, £6.7m of sale of goods was incorrectly classified as service income. This has been corrected within these interim financial statements. This correction is a classification only with no impact to Total Statutory Revenue.

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

5. Operating profit

Group operating profit is stated after charging/(crediting):

	26 weeks to 26 July 2025 £m	26 weeks to 27 July 2024 £m
Impairment charges on property, plant and equipment	**0.3**	0.9
Depreciation of property, plant and equipment	**56.3**	55.9
Loss on disposal of property, plant and equipment	**0.9**	0.5
Depreciation and impairment of right-of-use assets	**76.7**	72.3
Amortisation, impairment and (gain)/loss on disposal of intangible assets	**26.5**	25.4
Write down of inventories to net realisable value	**81.4**	65.7
Gain on financial instruments	**(2.4)**	(3.3)
Customer and other receivables:		
- Impairment charge	**2.3**	6.2
- Amounts recovered	**(0.6)**	(1.3)

Impairment charge and Amounts recovered on Customer and other receivables of £1.7m (July 2024: £4.9m) differs to the bad debt charge of £10.3m (July 2024: £14.1m) in the Chief Executive's Review due primarily to recoveries of previously written off assets taken directly to the Income Statement. Note that the impairment charge includes a bad debt provision *release* of £10.0m in the period (July 2024: £10.2m).

6. Exceptional items

	26 weeks to 26 July 2025 £m	26 weeks to 27 July 2024 £m
- Curtailment loss on pension scheme	**-**	14.1
- One-off costs associated with the closure of the pension scheme	**-**	0.4
Exceptional items	**-**	14.5

In March 2024, the NEXT defined benefit scheme was closed to future service accrual. As a result, a curtailment loss of £14.1m was recognised in the P&L. This loss arose because:

(1) Our pension liability, prior to closure, was based on the service that members had accrued *up to the date* of closure.
(2) Under a closure, the liability is based on the pension payable to date *plus* an estimate of future inflationary increases.

This was a non-recurring and non-cash item. Given its nature this was recognised within exceptional items alongside the associated costs.

7. Finance income and costs

	26 weeks to 26 July 2025 £m	26 weeks to 27 July 2024 £m
Interest on bank deposits	**4.5**	3.7
Other interest receivable	**0.9**	0.4
Finance income	**5.4**	4.1
Interest on bonds and other borrowings	**21.5**	20.5
Finance costs on lease liability	**27.5**	27.2
Finance costs	**49.0**	47.7

8. Taxation

Income tax expense is recognised based on management's best estimate of the full year effective tax rate based on estimated full year profits. It is adjusted for material, non-recurring transactions in the period to which they relate.

Deferred tax balances have been measured at the UK headline corporation tax rate of 25% (2024: 25%).

The Group is within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules. Pillar Two was enacted in the UK, the jurisdiction in which NEXT plc is incorporated, and came into effect for accounting periods starting on or after 31 December 2023, therefore this is the second year in which these rules apply for the Group. Under the legislation the Group is liable to pay a top-up tax for the difference between their Global Anti-base Erosion Rules (GloBE) effective tax rate per jurisdiction and the 15% minimum rate. In the periods to July 2025 and July 2024, the impact of Pillar Two on the Group's tax charge was immaterial.

9. Earnings Per Share

	26 weeks to 26 July 2025	26 weeks to 27 July 2024
Basic Earnings Per Share	**324.2p**	267.9p
Diluted Earnings Per Share	**317.7p**	263.5p

Basic Earnings Per Share (EPS) is based on the profit for the period attributable to the equity holders of the Parent Company divided by the net of the weighted average number of shares ranking for dividend less the weighted average number of shares held by the ESOT during the period.

Diluted EPS is calculated by adjusting the weighted average number of shares used for the calculation of basic EPS as increased by the dilutive effect of potential ordinary shares. The dilutive effect of put options over non controlling interests is based on the potential number of shares that could be issued using an option formula as prescribed in the respective shareholder agreement. The profit impact from inclusion of these put options is included within the numerator of the diluted EPS calculation and relates to the 26 weeks to 26 July 2025.

9. Earnings Per Share (continued)

In the current period, there were 0.6 million non-dilutive share options which were excluded from the diluted EPS calculation (July 2024: 1.8 million).

The table below shows the key variables used in the EPS calculations:

	26 weeks to 26 July 2025	26 weeks to 27 July 2024
Profit after tax attributable to equity holders of the Parent Company (£m)	**379.5**	322.9
Weighted average number of shares (millions):		
Weighted average shares in issue	**123.1**	126.8
Weighted average shares held by ESOT	**(6.0)**	(6.3)
Weighted average shares for basic EPS	**117.1**	120.5
Weighted average dilutive potential shares	**2.4**	2.0
Weighted average shares for diluted EPS	**119.5**	122.5

10. Dividends

It is intended that this year's ordinary interim dividend of 87p per share will be paid to shareholders on 5 January 2026. NEXT plc shares will trade ex-dividend from 4 December 2025 and the record date will be 5 December 2025.

Dividends paid or declared during the current and prior period were as follows:

	Paid	**Pence per share**	**Cash Flow Statement £m**	**Statement of Changes in Equity £m**	**Balance Sheet £m**
26 weeks to 26 July 2025					
Ordinary dividend	1 Aug 2025	158p	**-**	**184.8**	**184.8**
26 weeks to 27 July 2024					
Ordinary dividend	1 Aug 2024	141p	-	168.9	168.9

11. Customer and other receivables

	26 July 2025 £m	27 July 2024 £m	25 January 2025 £m
Gross customer receivables excluding Interest Free Credit receivable	**1,518.4**	1,513.3	1,546.5
Interest Free Credit receivable	**18.8**	-	9.3
Gross customer receivables	**1,537.2**	1,513.3	1,555.8
Less: refund liabilities*	**(62.9)**	(93.9)	(51.5)
Net customer receivables	**1,474.3**	1,419.4	1,504.3
Less: allowance for expected credit losses	**(178.2)**	(193.7)	(181.6)
	1,296.1	1,225.7	1,322.7
Other trade receivables	**97.9**	83.2	47.9
Less: allowance for doubtful debts	**(1.4)**	(1.5)	(1.4)
	1,392.6	1,307.4	1,369.2
Prepayments	**77.7**	78.5	68.3
Other debtors	**69.3**	42.5	58.7
Amounts due from associates and joint ventures	**15.1**	11.6	12.2
	1,554.7	1,440.0	1,508.4

*Refund liabilities represent the potential liability the Group has to pay out associated with customer returns. In July 2024, this included a provision for credit returns of £62.5m and cash returns of £31.4m. In the current period, the provision for refund liabilities relates to credit returns only, as the provision for cash returns of £26.6m (January 25: £21.8m) has been reclassified into creditors (note 12). Note that the July 2024 comparatives have not been restated on grounds of materiality.

No interest is charged on customer receivables if the statement balance is paid in full and to terms; otherwise balances bear interest at a variable annual percentage rate of 24.9% at the half year end date (2024: 24.9%) except for £104.1m (July 2024: £76.8m, January 2025: £95.6m) of “pay in 3” balances that bear interest at 29.9% (2024: 29.9%) when not paid in full and to terms.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision. The expected credit losses incorporate forward looking information. Expected irrecoverable amounts on balances with indicators of impairment are provided for based on past default experience, adjusted for expected behaviour. Receivables which are impaired, other than by age or default, are separately identified and provided for as necessary.

The fair value of customer receivables and other trade receivables is approximately £1,370m (July 2024: £1,280m, January 2025: £1,340m). This has been calculated based on future cash flows discounted at an appropriate rate for the risk of the debt. The fair value is within Level 3 of the fair value hierarchy (refer to the Fair Value Hierarchy table in Note 29 of the January 2025 Annual Report and Accounts).

12. Trade payables and other liabilities (current)

	26 July 2025 £m	27 July 2024 £m	25 January 2025 £m
Trade payables	**393.6**	316.5	355.8
Amounts owed to associates and joint ventures	**3.1**	0.9	1.4
Refund liabilities	**51.4**	10.4	47.7
Other taxation and social security	**134.3**	98.1	123.0
Deferred revenue from the sale of gift cards	**96.2**	88.4	107.5
Share-based payment liability	**0.1**	0.1	0.2
Accruals	**349.6**	361.2	359.9
Other creditors	**83.6**	74.8	81.2
	1,111.9	950.4	1,076.7

13. Other financial assets and liabilities

Other financial assets and other financial liabilities include the fair value of derivative contracts which the Group uses to manage its foreign currency and interest rate risks. All derivatives are categorised as Level 2 under the requirements of IFRS 13 “Fair value measurement”, as they are valued using techniques based significantly on observed market data (refer to the Fair Value Hierarchy table in Note 29 of the January 2025 Annual Report and Accounts).

Movements in the fair value of foreign currency hedging contracts (used for stock purchases) are recognised in other comprehensive income. When Sterling depreciates against the other currencies, this tends to give rise to fair value gains, and when Sterling appreciates in value this tends to result in fair value losses. The significant movement during the current period primarily reflects the strong appreciation of Sterling against the US Dollar during 2025.

Other current financial liabilities in the prior period also included £134.8m in respect of an outstanding commitment relating to an irrevocable share purchase agreement entered into by the Company for the purchase of shares in NEXT plc, there are no such outstanding commitments as at 26 July 2025. See note 15 for further details.

14. Corporate bonds

The table below shows the nominal and balance sheet values of the Group's outstanding corporate bonds:

	Balance sheet value			Nominal value		
	26 July 2025 £m	27 July 2024 £m	25 January 2025 £m	**26 July 2025 £m**	27 July 2024 £m	25 January 2025 £m
2025 Bond	**250.0**	250.0	250.0	**250.0**	250.0	250.0
2026 Bond	**112.1**	241.6	243.8	**113.6**	250.0	250.0
2028 Bond	**300.0**	300.0	300.0	**300.0**	300.0	300.0
2031 Bond	**300.0**	-	-	**300.0**	-	-
	962.1	791.6	793.8	**963.6**	800.0	800.0

On 17 July 2025, the Group issued a new Corporate Bond with a nominal value of £300m at a fixed rate of 5% repayable in July 2031.

On 17 July 2025, the Group used part of the Bond proceeds to purchase and early settle £136.4m of its 2026 Bond. A loss of £2.4m was recognised within Finance costs on early settlement.

Subsequent to the balance sheet date, the Group repaid the 2025 Bond and any associated accrued interest in full. See note 20 for further details.

15. Share buybacks

Movements in the Company's issued share capital during the period are shown in the table below:

	2025 Shares '000	**2025 £m**	2024 Shares '000	2024 £m
Shares in issue at start of year	**123,643**	**12.4**	127,424	12.7
Shares purchased for cancellation in the period	**(783)**	**(0.1)**	(1,380)	(0.1)
Shares in issue at July	**122,860**	**12.3**	126,044	12.6

The total cost of shares purchased for cancellation, as shown in the Statement of Changes in Equity, was £81.4m (2024: £259.6m).

In the prior year, £150.8m of the share buyback activity related to an irrevocable share purchase agreement that the Group entered into during the period. As at the July 2024 balance sheet date, £134.8m of the commitment was outstanding. There was no irrevocable share purchase agreement in place at the July 2025 balance sheet date. However, the Group entered into one in the post balance sheet period (see note 20).

16. Analysis of net debt

	26 July 2025 £m	27 July 2024 £m	25 January 2025 £m
Cash and short term deposits	**441.1**	153.6	200.4
Overdrafts and short term borrowings	**(15.1)**	(71.3)	(29.1)
Cash and cash equivalents	**426.0**	82.3	171.3
Bank loans	**-**	-	(31.5)
Loan notes	**-**	(0.6)	-
Corporate bonds	**(962.1)**	(791.6)	(793.8)
Fair value hedges of corporate bonds	**(1.5)**	(8.4)	(6.2)
Net debt excluding leases	**(537.6)**	(718.3)	(660.2)
Current lease liability	**(169.9)**	(169.6)	(170.8)
Non-current lease liability	**(842.0)**	(828.9)	(843.6)
	(1,011.9)	(998.5)	(1,014.4)
Net debt including leases	**(1,549.5)**	(1,716.8)	(1,674.6)

17. Cash generated from operations

	26 weeks to 26 July 2025 £m	26 weeks to 27 July 2024 £m
Cash flows from operating activities		
Operating profit	**552.6**	475.7
Depreciation, impairment and loss on disposal of property, plant and equipment	**57.5**	57.3
Depreciation and impairment on right-of-use assets	**76.7**	72.3
Amortisation, impairment and loss on disposal of intangible assets	**26.5**	25.4
Amortisation, impairment and disposal of investments	**0.1**	0.1
Share option charge	**20.4**	17.4
Share of profit of associates and joint ventures	**(3.1)**	(1.9)
Interest received	**4.3**	4.1
Exchange movement	**2.3**	1.5
Increase in inventories and right of return asset	**(159.5)**	(134.7)
(Increase)/decrease in customer and other receivables	**(43.2)**	9.4
Increase/(decrease) in trade and other payables	**32.7**	(53.2)
Net pension contributions less income statement charge and curtailment loss	**1.4**	14.6
Cash generated from operations	**568.7**	488.0

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

18. Assets held for sale

During the period, the Group started to actively market land in Waltham Abbey for sale. As such, the asset has been reclassified from Property, plant and equipment to Assets held for sale. The carrying value of the land is £37.8m.

19. Contingent liabilities

As reported in our January 2025 Annual Report and Accounts, NEXT is currently subject to Equal Pay claims from former and current employees in our store network. A decision on this matter was issued by the Employment Tribunal in August 2024. While NEXT was successful in its defence on the majority (eleven) of matters considered by the tribunal, there were seven matters on which it was not successful.

NEXT has carefully reviewed the findings of the Tribunal and, following advice from legal Counsel, has appealed the decision. The legal advice we have received suggests that we have good prospects of success with the appeal. As such, it remains the view of the Board that the likelihood of any payment remains possible, but not probable. Therefore, at this time, no provision has been made in the accounts pending the appeal process.

It is also important to recognise that there remains significant uncertainty in the total number of claims that may be received and the outcome from the appeals process is unknown. It is a complex case and is expected to continue to run for a number of years as important legal matters are considered and subject to further hearings.

It has been agreed between the parties that no payments should be made before the appeal process has completed. An estimate of the potential liability is not disclosed as doing so could be prejudicial to NEXT's position.

20. Post balance sheet events

Irrevocable share purchase

Subsequent to the balance sheet date the Group entered into an irrevocable share purchase agreement. Under the terms of the agreement the Group committed to purchase up to £84m of its own shares (including costs) between 19 August and up to and including 17 September 2025. As at 17 September 2025, £13.2m of shares had been purchased.

Bond repayment

Subsequent to the balance sheet date the Group repaid its 2025 Bond in full. The total paid in settlement was £257.5m, comprising £250m repayment of the principal and £7.5m of accrued interest. This was paid out of existing cash, no new financing was required.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

a) The condensed set of financial statements has been prepared in accordance with IAS 34 '*Interim financial reporting*';

b) The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c) The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

Lord Wolfson of Aspley Guise
Chief Executive

Jonathan Blanchard
Chief Financial Officer

18 September 2025

The full half year report and the results presentation can be found on the Company's website at www.nextplc.co.uk.

To view our range of beautifully designed, excellent quality clothing, homeware and beauty products go to www.next.co.uk.

Certain statements which appear in a number of places throughout this document are "forward looking statements" which are all matters that are not historical facts, including anticipated financial and operational performance, business prospects and similar matters. These forward looking statements are identifiable by words such as "aim", "anticipate", "believe", "budget", "estimate", "expect", "forecast", "intend", "plan", "project" and similar expressions. These statements reflect NEXT's current expectations concerning future events but actual results may differ materially from current expectations or historical results. Any such forward looking statements are subject to risks and uncertainties, including but not limited to: the risks described in "Risks & Uncertainties" on pages 72 to 76 of the January 2025 Annual Report and Accounts and those matters highlighted in the Chief Executive's Review; failure by NEXT to accurately predict customer fashion preferences; decline in the demand for merchandise offered by NEXT; competitive influences; changes in the level of store traffic or consumer spending habits; effectiveness of NEXT's brand awareness and marketing programmes; general economic conditions or a downturn in the retail industry; the inability of NEXT to successfully implement relocation or expansion of existing stores; insufficient consumer interest in NEXT Online; acts of war or terrorism worldwide; work stoppages, slowdowns or strikes; and changes in financial and equity markets. These forward looking statements do not amount to any representation that they will be achieved. They involve risks and uncertainties and relate to events and depend upon circumstances which may or may not occur in the future and there is no guarantee of future performance. Undue reliance should not be placed on forward looking statements which speak only as of the date of this document. NEXT does not undertake any obligation to update publicly or revise forward looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.