VGR

// H1 FY2026/27

NEXT

VGR MARKET INTELLIGENCE

VERYGOODRETAIL.AI

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01

Executive Summary

Online International supplied £162m, 55.7% of the £291m rise in Total Group sales, from 21.9% of the sales base

NEXT reported Total Group sales of £3,540m for the 26 weeks to July 2026, up 9.0% from £3,249m. NEXT Group profit before tax rose 10.5% to £569m (£515m), profit after tax 10.4% to £427m (£387m) and post-tax earnings per share 12.2% to 370.4p (330.2p). On the statutory basis, revenue rose 9.6% to £3,447m and profit before tax 11.2% to £566m. VGR's allocation of the £291m sales increase across NEXT's own divisions, on the printed £m: Online International £162m (55.7%), Online UK £101m (34.7%), NEXT's share of sales from Investments £20m (6.9%), Other business activities and Total Platform Services £10m (3.4%), NEXT Finance £1m (0.3%). Retail Stores, 25.3% of Total Group sales, fell £4m (−1.4% of the increase). Online International grew 26.4% against 8.0% for Online UK; within it, the company's wholly-owned brands and licences category grew from £68m to £130m. The same allocation of the £54m rise in NEXT Group profit before tax gives Online International £21m (38.9%), Online UK £20m (37.0%) and Other business activities £12m (22.2%). The divisional £m sum to £290m and £53m against printed totals of £291m and £54m, a rounding residual. The next check is the full-year divisional sales table in the results for the year to January 2027.

The fastest-growing division lost 47bp of margin, and the wholly-owned brands category accounts for 76bp of that on a like-for-like mix

NEXT does not print a gross-profit line; its margin disclosure is divisional profit over divisional sales. Online International's margin was 14.8% against 15.2% as printed (−0.4 points); on the printed £m the change is −47bp. Holding the H1 FY2025/26 category margins constant, the fall in the wholly-owned brands and licences margin from 24.1% to 19.6% costs £5.9m, 76bp of division sales. The NEXT-branded margin (14.4% from 14.9%) costs a further 35bp and third-party brands (10.4% from 9.0%) add 17bp, a rate effect of −94bp. A larger weight of the higher-margin wholly-owned category offsets about 47bp. By channel, NEXT Direct's margin fell from 16.1% to 14.6% and the aggregator margin rose from 13.1% to 15.3%. The other divisions moved up on the printed £m: Online UK +16bp, Retail Stores +38bp, and NEXT Group PBT margin +22bp to 16.1%, against a company-printed change of +0.3 points from 15.8%. NEXT Finance profit fell £11m to £90m; the printed lines give £91m for the prior half against the £101m printed, a £10m item the tables do not itemise. Profit before cost of funding was £115m in both halves.

Half-year buybacks of £355m equal 83.1% of profit after tax, and the £535m full-year plan exceeds forecast surplus cash by £102m

The release states half-year share buybacks of £355m against £81m a year earlier, in prose rather than a table. VGR arithmetic: 83.1% of H1 profit after tax, against

20.9% in H1 FY2025/26. NEXT's full-year cash-flow forecast plans £535m of buybacks against a forecast £433m of surplus cash after ordinary dividends of £319m; the £102m difference is the forecast rise in closing net debt, excluding leases, from £713m to £815m, and in the net debt:PBIT ratio from 0.60 to 0.63. The same forecast carries capital expenditure of £245m against £168m, with warehouse spending at £140m against £52m. The half-year net debt figure is not in the material reviewed (section 10).

WHAT TO WATCH

Results for the year to January 2027 (date not stated in the release). NEXT Group profit before tax against the £1,255m in the company's full-year forecast. The forecast implies a second half of £686m, 6.7% above the £643m second half of FY2025/26 on the 52-week figure. A continuation is second-half growth at or above 6.7%; a break is full-year profit below £1,255m.

The same results. Online International profit margin by brand category. A continuation is the wholly-owned brands and licences margin below 24.1% while its sales keep growing faster than the division; a break is that margin back at 24.1% or above.

The same results. Closing net debt excluding leases and full-year share buybacks. A continuation is buybacks at or near £535m with net debt near £815m; a break is buybacks held near the £355m first-half figure, with net debt at or below £713m.

VGR will publish the FY2026/27 analysis when the figures are released.

02

The period in figures

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NEXT PLC · LSE: NXT · HALF YEAR 2026/27 · GBP AS PUBLISHED

PERIOD ENDED JULY 2026 (26 WEEKS) · REPORTED 17 SEPTEMBER 2026 · ANALYSIS 30 SEPTEMBER 2026

NET REVENUES
+9.0%
3,540 vs 3,249

GROSS PROFIT
not provided

OPERATING PROFIT
+10.7%
588 vs 531

NET PROFIT
+10.4%
427 vs 387

GROSS MARGIN
not provided

OPERATING MARGIN
16.6%
from 16.3%

RoS
12.1%
from 11.9%

£m, half-year against the same half a year earlier; net revenues are NEXT's Total Group sales and operating profit is NEXT Group PBIT, both on the company's Group basis, which includes its share of Investments; net profit is NEXT Group profit after tax. NEXT does not print a gross-profit line. Changes, margins and RoS (profit after tax over Total Group sales) are VGR arithmetic on the printed £m

MEASURE	H1 26/27	H1 25/26	CHANGE
Total Group sales	£3,540m	£3,249m	+9.0%
Statutory revenue	£3,447m	£3,145m	+9.6%
NEXT Group PBIT	£588m	£531m	+10.7%
NEXT Group profit before tax	£569m	£515m	+10.5%
Statutory profit before tax	£566m	£509m	+11.2%
Profit after tax	£427m	£387m	+10.4%
Pre-tax EPS	493.8p	439.5p	+12.4%
Post-tax EPS	370.4p	330.2p	+12.2%
NEXT Group PBT margin, as printed	16.1%	15.8%	+0.3 pts

MEASURE	H1 26/27	H1 25/26	CHANGE
NEXT Group PBT margin, VGR on printed £m	16.1%	15.9%	+22bp
Interim dividend per share	98p	not provided	not provided

Source: NEXT plc, Results for the Half Year 2026/27, 17 September 2026, 07:00, Parts One and Three. Changes as printed by the company except the VGR margin row. The interim dividend is taken from the RNS announcement text; no prior-year comparative was in the material reviewed.

03

The two reporting bases

NEXT leads its release with Group measures, which include its share of the sales and profit of equity-accounted Investments. Statutory revenue and profit before tax are the IFRS-consolidated figures. No total changes between the two; the table sets out the difference and its movement.

£M	H1 26/27	H1 25/26	CHANGE
Total Group sales	3,540	3,249	+291
Statutory revenue	3,447	3,145	+302
Difference, sales	93	104	**−11**
NEXT Group profit before tax	569	515	+54
Statutory profit before tax	566	509	+57
Difference, profit before tax	3	6	**−3**

Source: NEXT plc, Results for the Half Year 2026/27, 17 September 2026, Part One. Differences are VGR arithmetic on the printed £m.

Statutory revenue grew 0.6 points faster than Total Group sales and statutory profit before tax 0.7 points faster than Group profit before tax. The composition of the difference is not itemised in the tables reviewed.

04

Growth composition

Total Group sales rose £291m and NEXT Group profit before tax £54m. The table allocates both increases across NEXT's reporting divisions. Divisional profit is after the company's own recharges; NEXT Finance is after funding costs.

DIVISION	SALES Δ, £M	% OF SALES Δ	PROFIT Δ, £M	% OF PBT Δ
Online (International)	+162	55.7%	+21	38.9%
Online (UK)	+101	34.7%	+20	37.0%
Share of Investments	+20	6.9%	+8	14.8%
Other business activities	+4	1.4%	+12	22.2%
Total Platform Services	+6	2.1%	+2	3.7%
NEXT Finance	+1	0.3%	**−11**	**−20.4%**
Retail Stores	**−4**	**−1.4%**	+3	5.6%
Recharge of interest from Finance	not provided	not provided	+1	1.9%
Net external interest	not provided	not provided	**−3**	**−5.6%**

VGR arithmetic on NEXT plc, Results for the Half Year 2026/27, 17 September 2026, Part Three division tables. Divisional sums (£290m sales, £53m profit) differ from the printed totals (£291m, £54m) by £1m each, a rounding residual on whole-£m disclosure.

Online UK and Online International together supplied £263m, 90.4% of the sales increase, and £41m, 75.9% of the profit increase. Retail Stores sales fell 0.4% while its profit rose £3m. Other business activities moved from a £18m loss to a £6m loss: central costs fell from £36m to £29m and property management moved from a £3m loss to a £5m profit, partly offset by a £2m foreign-exchange gain in the prior half that did not recur.

Within Online UK, third-party brands added £49m of sales (£432m to £481m), wholly-owned brands and licences £32m (£118m to £150m) and NEXT-branded product £22m (£718m to £740m). Within Online International, NEXT-branded product added £82m, wholly-owned brands and licences £62m and third-party brands £18m. The company prints Online International category growth in whole percentages (+18%, +90%, +24%); those are shown as printed.

05

Margin by division and brand category

DIVISION	H1 26/27	H1 25/26	COMPANY CHANGE	VGR CHANGE
Online (UK)	17.7%	17.6%	+0.1 pts	+16bp
Retail Stores	9.3%	8.9%	+0.4 pts	+38bp
UK Product total	14.4%	14.0%	+0.4 pts	+41bp
Online (International)	14.8%	15.2%	**−0.4 pts**	**−47bp**
NEXT Online and Retail Stores	14.5%	14.2%	+0.3 pts	+26bp
NEXT Group	16.1%	15.8%	+0.3 pts	+22bp

Source: NEXT plc, Results for the Half Year 2026/27, 17 September 2026, Part Three, summary of Group margins (margins and company change as printed). VGR change is computed on the printed divisional profit and sales in £m. The company's margins appear to be computed on unrounded figures: Online International profit of £114m on sales of £774m gives 14.7%, where 14.8% is printed.

The Online International margin is the one divisional margin that fell. The company prints its profit and margin by brand category and by channel. The table below holds each category's H1 FY2025/26 margin constant to separate the change in category margins from the change in category weights.

ONLINE INTERNATIONAL	SALES H1 26/27	SALES H1 25/26	MARGIN H1 26/27	MARGIN H1 25/26	RATE EFFECT
NEXT branded product	£548m	£466m	14.4%	14.9%	**−35bp**
Wholly-owned brands and licences	£130m	£68m	19.6%	24.1%	**−76bp**
Third-party brands	£96m	£78m	10.4%	9.0%	+17bp
Total	£774m	£612m	14.8%	15.2%	**−94bp**

VGR arithmetic on NEXT plc, Results for the Half Year 2026/27, 17 September 2026, Part Four. Rate effect = H1 26/27 category sales × change in printed category margin, over division sales of £774m. The remainder of the −47bp division change, about +47bp, is the shift in weight toward the wholly-owned category (16.8% of division sales, from 11.1%).

By channel, the company prints an Online International margin of 14.6% for NEXT Direct (16.1%) and 15.3% for aggregators (13.1%). Channel sales are not in the material reviewed, so the channel mix effect is not calculable. In Online UK the wholly-owned category margin rose from 16.6% to 18.1% and the third-party margin fell from 13.4% to 12.3%; the two categories moved in opposite directions in the two online divisions.

06

NEXT Finance and the lines below divisional profit

NEXT FINANCE, £M	H1 26/27	H1 25/26	CHANGE
Credit sales	1,086	1,009	+7.6%
Average customer receivables	1,303	1,262	+3.2%
Closing customer receivables	1,309	1,278	+2.5%
Interest income	152	151	+0.9%
Bad debt charge, underlying	(10)	(10)	+1.2%
Overheads	(26)	(26)	+2.9%
Profit before cost of funding	115	115	+0.4%
Cost of funding	(25)	(24)	+6.4%
Net profit after provision releases	90	101	**−10.9%**
ROCE, excluding provision release	13.8%	14.4%	**−60bp**

Source: NEXT plc, Results for the Half Year 2026/27, 17 September 2026, Part Four, NEXT Finance table; changes as printed except the ROCE change, VGR. Profit before cost of funding less cost of funding gives £90m and £91m; the prior-half printed total of £101m includes £10m not itemised in the table.

The table's own labels, "net profit after provision releases" and ROCE "excluding provision release", place the £10m in a provision release; its amount and period are not stated in the material reviewed. On the lines that are printed, NEXT Finance profit after funding moved from £91m to £90m. Interest income over average receivables, VGR arithmetic, was 11.7% against 12.0%.

Net external interest rose from £16m to £19m. Lease interest, reported separately, was £25m against £24m. Taxation was £142m against £128m; the company states an effective tax rate of 25.0% for both halves. The composition of Other business activities, which supplied 22.2% of the profit increase, is set out in section 04.

07

Cash, capital returns and net debt

The cash-flow table in the material reviewed is the company's full-year forecast for the year to January 2027 beside the two prior full years. It is a forecast, not a half-year statement, and is used here as such.

£M, FULL YEAR	JAN 2027 (FORECAST)	JAN 2026	JAN 2025
Profit before tax	1,255	1,158	1,011
Capital expenditure	(245)	(168)	(151)
Trading cash flow	808	764	690
Surplus cash before investments	752	792	669
Ordinary dividends	(319)	(286)	(258)
Surplus for investments and buybacks	433	506	411
Share buybacks	(535)	(131)	(360)
B share scheme distribution	-	(421)	-
Closing net debt, excluding leases	(815)	(713)	(660)
Net debt:PBIT	0.63	0.60	0.63

Source: NEXT plc, Results for the Half Year 2026/27, 17 September 2026, Part Five, cash flow table (selected lines, as printed).

Planned buybacks of £535m exceed the forecast £433m surplus by £102m, the forecast change in net debt. First-half buybacks of £355m, stated in the text, are 66.4% of the full-year plan. Capital expenditure is forecast 45.8% higher, with warehouse spending at £140m (£52m) and retail space expansion at £29m (£49m). In the year to January 2026 the company returned £552m through buybacks and the B share scheme combined.

08

Full-year forecast and the implied second half

NEXT GROUP PROFIT BEFORE TAX, £M	FULL YEAR	FIRST HALF	SECOND HALF
Year to January 2027, forecast	1,255	569	686
Year to January 2026, 52-week basis	1,158	515	643
Change, 52-week basis	+8.4%	+10.5%	+6.7%
Year to January 2026, including 53rd-week profit of £24m	1,182	515	667
Change, including 53rd week	+6.2%	+10.5%	+2.8%

VGR arithmetic on NEXT plc, Results for the Half Year 2026/27, 17 September 2026, Parts Three and Five. Second half = full year less first half. The cash-flow table prints the £24m 53rd-week profit on a separate line from the £1,158m; both bases are shown.

The forecast requires second-half profit before tax growth of between 2.8% and 6.7%, depending on whether the 53rd week is counted in the base, against 10.5% in the first half. No earlier NEXT guidance is recorded in VGR's ledgers, so the half is not scored against a prior.

09

The company's account, tested

CLAIM	DISPOSITION	BASIS
"Full price sales up +7.7%"	Not verifiable	No full-price or markdown split is printed in the tables reviewed.
"total sales including markdown up +8.9%"	Partially supported	+8.9% matches NEXT Online, Retail Stores and Finance; Total Group sales rose 9.0%.
Finance profit "after provision releases"	Partially supported	Label consistent with the £10m gap in section 06; the release amount is not printed.

Source: NEXT plc, Results for the Half Year 2026/27, 17 September 2026, Parts One and Four. Claims quoted verbatim.

The dispositions use the four v5 terms. None of the claims changes a finding in section 01.

10

Disclosure, method and precision

NEXT's half-year release is a Chief Executive's review in five parts, built around company-printed tables. The text retrieved for this analysis runs as far as Part Five; no condensed income statement, balance sheet, cash-flow statement or notes appear in it. The following are therefore not used in this analysis:

- Net assets, inventory, receivables and payables at the half-year end, and net debt at the half-year end.
- A half-year cash-flow statement; section 07 uses the company's full-year forecast.
- Borrowing facilities, headroom and maturities.
- Store numbers, selling space, stock cover and markdown metrics.
- The amount and period of the NEXT Finance provision release (section 06).
- A prior-year interim dividend per share.

Precision: company margins and growth rates are printed as the company prints them; Online International category growth is printed in whole percentages. Every VGR figure is exact arithmetic on two printed numbers, rounded when printed; the second-half growth in section 08 is a bound between two stated bases. The verbatim tables are in Next plc_H1 FY2026-27_Source_Figures.md. This analysis restricts every figure to NEXT's own release and prints no peer comparison.

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METHODOLOGY

VGR Standardised Financial Analysis Methodology v5.

Revised 30 September 2026 to methodology v5; first published 17 September 2026.

PRIMARY SOURCE

NEXT plc, "Results for the Half Year 2026/27", published 17 September 2026, 07:00.
https://www.nextplc.co.uk/~/media/Files/N/next-plc-v4/documents/2026/half-year-results-july2026.pdf

WORKING RECORD

Next plc_H1 FY2026-27_Source_Figures.md and _source_next-plc-h1-fy2026-27.txt.

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