VGR

// Q3 FY2026/27

NEXT

VGR MARKET INTELLIGENCE

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01

Executive Summary

Primary source: NEXT plc, "Trading Statement for the Third Quarter", 5 November 2026. https://www.nextplc.co.uk/~/media/Files/N/next-plc-v4/documents/2026/trading-statement-nov-26.pdf

Full price sales beat guidance by £33m and profit guidance did not move

NEXT reported full price sales up 8.1% in the 13 weeks to 31 October 2026, £33m ahead of its guidance of 5.8% for the second half. The company says all of the over-performance came from international. Guidance for NEXT Group profit before tax is unchanged at £1,255m, up 8.4%, because the additional £5m of profit on the extra sales is offset by higher international operating costs. The statement carries no profit and loss account and no division sales in £m.

Online International supplied 6.9 of the 8.5 points of product growth

Online International grew 32.2% against a forecast of 20.5%. Direct sales rose 32.7% and third-party aggregator sales 31.3%. On VGR arithmetic International was 21.5% of last year's product full price sales in the comparative weeks (bound 21.1% to 21.9%) and supplied 6.9 of the 8.5 points of product growth, 81.5%. The UK, with 78.5% of the base, supplied 1.6 points.

UK growth slowed to 2.0% and wholly-owned brands online to 18.9%

UK full price sales rose 2.0%, against 3.6% in the first half. UK online grew 4.4% against 7.4%, and Retail Stores fell 1.7%, the same rate as in the first half. Wholly-owned brands and licences online grew 18.9% against 33.5% in the first half; NEXT brand online grew 2.2% and third-party brands 4.0%. The company states that unseasonably warm weather adversely affected sales in September.

The £5m of profit on the extra sales is offset by international operating costs

Marketing spend rose 67% against guidance of 42%, which the company links to more profitable marketing. New EU tariffs, effective 1 July and 1 November 2026, add a net cost of around £5m this year on EU orders fulfilled from UK stock. VGR arithmetic: the £5m of profit is 15.2% of the £33m beat.

Q4 guidance needs International to slow by 11.7 points, and the buyback price limit is £136.50

Fourth-quarter full price sales growth is guided to 5.8%, with International at 20.5% and the UK at 2.0%. Full-year full price sales guidance rose to £6.03bn, up 7.3%, from £6.00bn, up 6.7%, and EPS guidance moved to 820.6p from 820.8p. Buybacks to date are £355m, leaving £136m, and the share price is above the £136.50 limit. The £44m purchase of the Enderby head office cut funds for distribution from £535m to £491m.

WHAT TO WATCH

Continuation: Online International growth at or above the 20.5% guided for Q4, and UK growth at 2.0%, in the update on sales to 26 December 2026 scheduled for 6 January 2027.

Break: International below 20.5%, or full-year NEXT Group profit before tax guidance below £1,255m.

Buyback: whether the share price returns to or below £136.50, the limit stated for the remaining £136m.

VGR will publish the next analysis when the figures are released.

02 · THE PERIOD IN FIGURES

The period in figures

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NEXT PLC · LSE: NXT · Q3 2026/27 TRADING STATEMENT · GBP AS PUBLISHED

PERIOD ENDED 31 OCTOBER 2026 (13 WEEKS) · REPORTED 5 NOVEMBER 2026 · ANALYSIS 11 NOVEMBER 2026

NET REVENUES	GROSS PROFIT	OPERATING PROFIT	NET PROFIT
not provided	not provided	not provided	not provided

	GROSS MARGIN	OPERATING MARGIN	RoS
	not provided	not provided	not provided

Quarter against the same quarter a year earlier; a quarterly trading statement: NEXT publishes full price sales growth by division and full-year guidance, and no profit and loss account for the quarter

Primary source: NEXT plc, Trading Statement for the Third Quarter, released 07:00 on 5 November 2026. Sterling as published. Section 12 lists what is disclosed.

Full price sales growth by division

The first three numeric columns are the company's. The last column is VGR's weight of each division in last year's comparative weeks (weeks 28 to 40), solved from the printed rates.

DIVISION	H1	Q3	YEAR TO DATE	VGR: Q3 WEIGHT
UK online: NEXT brand	+2.1%	+2.2%	+2.2%	not solvable
UK online: wholly-owned brands and licences	+33.5%	+18.9%	+27.9%	not solvable
UK online: third-party brands	+9.5%	+4.0%	+7.5%	not solvable
UK online total	+7.4%	+4.4%	+6.3%	47.6%
Retail Stores	−1.7%	−1.7%	−1.7%	30.9%
Total UK	+3.6%	+2.0%	+3.0%	78.5%
Total Online International	+23.9%	+32.2%	+26.8%	21.5%
Total product full price sales	+8.1%	+8.5%	+8.3%	100.0%
NEXT Finance interest income	+0.9%	+1.2%	+1.0%	—
Total full price sales	+7.7%	+8.1%	+7.9%	—

Source: NEXT plc, Trading Statement for the Third Quarter, 5 November 2026. Weights, contributions and ratios are VGR arithmetic on the disclosed figures. Weights are shares of last year's product full price sales; the three UK online rows cannot be weighted separately because two printed rates leave three weights open.

03 · THE SALES BEAT AND THE PROFIT GUIDANCE

The sales beat and the profit guidance

Flag: M. Q3 growth of 8.1% was 2.3 points above the 5.8% guided for the second half, worth £33m. On VGR arithmetic that implies last year's Q3 full price sales of about £1,435m (bound £1,375m to £1,500m). The company states that all of the over-performance came from international: International grew 11.7 points above its 20.5% forecast, and at 20.3% of total full price sales it accounts for 2.4 points of the 2.3-point beat, which is consistent within rounding with the UK being in line. The same 11.7 points on £33m implies a last-year Q3 International base of about £282m (bound £276m to £288m).

STEP	FIGURE	DERIVATION
Q3 full price sales growth	+8.1%	as disclosed
Guidance for the second half	+5.8%	as disclosed
Sales ahead of guidance	£33m	as disclosed
Extra profit from those sales	£5m	as disclosed
Drop-through of the beat	15.2%	VGR: 5 / 33 (bound 13.6% to 16.7%)
Net tariff cost increase this year	around £5m	as disclosed, after other cost savings
Change in full-year PBT guidance	£0m	as disclosed: £1,255m unchanged

Source: NEXT plc, Trading Statement for the Third Quarter, 5 November 2026. Weights, contributions and ratios are VGR arithmetic on the disclosed figures.

Profit before tax guidance of £1,255m, up 8.4%, implies a 2025/26 base of £1,157.7m (bound £1,157.2m to £1,158.3m). That base excludes profit from the 53rd week and exceptional profits, as the company states, and the guidance excludes brand amortisation and profit attributable to minority shareholdings in subsidiaries.

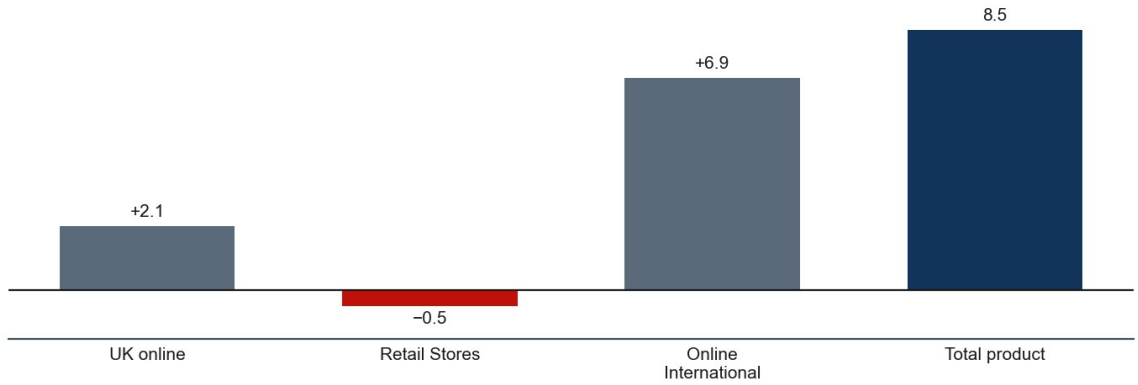
04 · GROWTH COMPOSITION

Growth composition

Flag: M. The division table is additive, so each pair of printed rates fixes a weight. Online International was 21.5% of last year's Q3 product full price sales (22.2% in H1, 22.3% year to date), UK online 47.6% and Retail Stores 30.9%. Contributions are weight times growth.

Online International supplied 6.9 of the 8.5 points of Q3 product full price growth

NEXT contribution to full price sales growth by division, 13 weeks to 31 October 2026 · percentage points



Source: NEXT plc, Trading Statement for the Third Quarter. Contributions: VGR arithmetic (weights solved from the printed rates).

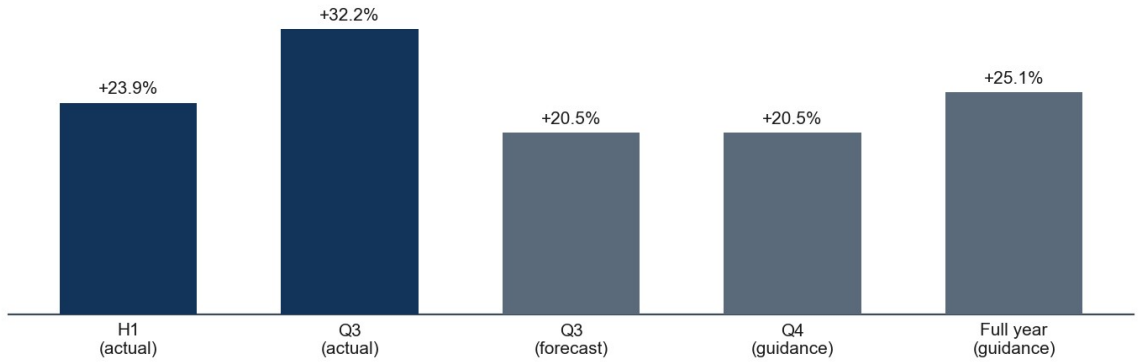
MEASURE	H1	Q3	CHANGE, POINTS
Total full price sales	+7.7%	+8.1%	+0.4
UK full price sales	+3.6%	+2.0%	−1.6
UK online	+7.4%	+4.4%	−3.0
Wholly-owned brands and licences online	+33.5%	+18.9%	−14.6
Online International	+23.9%	+32.2%	+8.3
NEXT Finance interest income	+0.9%	+1.2%	+0.3

Source: NEXT plc, Trading Statement for the Third Quarter, 5 November 2026. Weights, contributions and ratios are VGR arithmetic on the disclosed figures.

Within International, direct sales grew 32.7% and aggregator sales 31.3%. The printed total of 32.2% puts direct at about 64% of the base (bound 53% to 77%). The company links the direct growth to marketing spend up 67% against 42% guided; no marketing figure in £m and no return on that spend is disclosed. NEXT Finance interest income is 5.5% of total full price sales on the same method (bound 4.1% to 6.9%). The statement gives no constant-currency rate and no regional split.

Online International grew 32.2% in Q3 against a forecast of 20.5%

NEXT Online International full price sales growth against last year · %



Source: NEXT plc, Trading Statement for the Third Quarter. Q3 forecast as stated in the commentary; Q4 and full year from the guidance table.

05 · THE ESTATE

The estate

MEASURE	DISCLOSED
Retail Stores full price sales, Q3	−1.7% (H1: −1.7%; year to date: −1.7%)
Store count, selling space, sales per square foot	not disclosed in the statement

Source: NEXT plc, Trading Statement for the Third Quarter, 5 November 2026.

No flag. Retail Stores were 30.9% of product full price sales in the comparative weeks and subtracted 0.5 points from Q3 product growth on VGR weights.

06 · MARGIN ARCHITECTURE

Margin architecture

Flag: N. No gross margin, operating margin or cost line is disclosed for the quarter. The margin arithmetic available is guided profit over guided sales.

RATIO	NEW	PREVIOUS
Guided PBT / guided full price sales	20.8%	20.9%
Guided PBT / Total Group sales	16.6%	16.8%

RATIO	NEW	PREVIOUS
Full price sales guidance	£6.03bn	£6.00bn
Total Group sales guidance	£7.54bn	£7.49bn
NEXT Group PBT guidance	£1,255m	£1,255m

Source: NEXT plc, Trading Statement for the Third Quarter, 5 November 2026. Weights, contributions and ratios are VGR arithmetic on the disclosed figures. Bounds: 20.80% to 20.83% and 20.90% to 20.93%; 16.63% to 16.66% and 16.75% to 16.77%.

Sales guidance rose and profit guidance did not, so both ratios fell by about 0.1 point. The Group sales upgrade of £50m is larger than the full price upgrade of £30m; the other £20m sits in markdown sales and investments, within the rounding of the £bn figures.

07 · INVENTORY AND THE MARKDOWN CYCLE

Inventory and the markdown cycle

MEASURE	DISCLOSED
Inventory, stock days, markdown sales	not disclosed in the statement

Source: NEXT plc, Trading Statement for the Third Quarter, 5 November 2026.

No flag. Full price sales exclude Sale events and Clearance. The markdown effect sits inside Total Group sales guidance and is not split out.

08 · CASH, DEBT AND THE ENDERBY PURCHASE

Cash, debt and the Enderby purchase

Flag: N. The company bought its Head Office complex in Enderby for £44m and states an IRR of 8.5% on it. Funds for distribution to shareholders fall by that amount.

MEASURE	FIGURE	DERIVATION
Funds for distribution before Enderby	£535m	as disclosed
Enderby head office purchase	£44m	as disclosed
Funds for distribution now	£491m	as disclosed; VGR 535 − 44 = 491
Reduction in funds for distribution	8.2%	VGR: 44 / 535
Year-end net debt guidance (excl. leases)	£815m	as disclosed, unchanged

Source: NEXT plc, Trading Statement for the Third Quarter, 5 November 2026. Weights, contributions and ratios are VGR arithmetic on the disclosed figures.

The 8.5% IRR on Enderby compares with the minimum 8% equivalent rate of return the company requires on buybacks; the two measures are defined differently and the release gives no rent or yield figure for the property.

09 · CAPITAL ALLOCATION AND RETURNS

Capital allocation and returns

Flag: N. Of £491m for distribution, £355m has been returned through buybacks and £136m remains. EPS guidance assumes the £136m is spent on buybacks.

MEASURE	FIGURE	DERIVATION
Distributable this year	£491m	as disclosed
Bought back to date	£355m	as disclosed
Remaining	£136m	as disclosed; VGR 491 − 355 = 136
Buyback price limit	£136.50	as disclosed; share price above it
Maximum shares for £136m at the limit	1.0m	VGR: 136 / 136.50
Market capitalisation at 8% ERR	£15,688m	VGR: 1,255 / 0.08
Shares in circulation at that value and the limit	114.9m	VGR: 15,688 / 136.50
EPS guidance	820.6p (+10.3%)	previous 820.8p (+10.3%)
EPS growth less PBT growth	1.9 points	VGR: 10.3 − 8.4

Source: NEXT plc, Trading Statement for the Third Quarter, 5 November 2026. Weights, contributions and ratios are VGR arithmetic on the disclosed figures.

The statement gives no average buyback price and no share count this time, so the share reduction to date is not calculable. If the £136m cannot be spent on buybacks, the company states it will be distributed by special dividend or capital distribution, or invested in acquisitions.

10 · EARNINGS QUALITY

Earnings quality

Flag: N. Guided profit excludes brand amortisation, profit attributable to shares NEXT does not own in subsidiaries, and exceptional items. The 2025/26 comparative excludes profit from the 53rd week. The profit effect of the Q3 beat is £5m, and the company states the same amount of

extra cost from EU tariffs and other international operating costs. It expects to mitigate the tariff cost over time through operational changes and selective EU price increases.

ITEM	FIGURE
Extra profit on the £33m of sales	£5m
Net tariff cost increase this year	around £5m
Tariff effective dates	1 July 2026 and 1 November 2026
Change in PBT guidance	none

Source: NEXT plc, Trading Statement for the Third Quarter, 5 November 2026.

11 · GUIDANCE AND THE IMPLIED REQUIREMENT

Guidance and the implied requirement

The prior is the company's own: second-half full price sales growth of 5.8% and International growth of 20.5%. Q3 delivered 8.1% and 32.2%. Q4 guidance is maintained at the same rates.

GUIDANCE LINE	PREVIOUS	NEW	CHANGE
NEXT full price sales, FY	£6.00bn (+6.7%)	£6.03bn (+7.3%)	+0.6 points
Total Group sales, FY	£7.49bn (+6.9%)	£7.54bn (+7.6%)	+0.7 points
NEXT Group PBT, FY	£1,255m (+8.4%)	£1,255m (+8.4%)	unchanged
Post-tax EPS, FY	820.8p (+10.3%)	820.6p (+10.3%)	−0.2p

Source: NEXT plc, Trading Statement for the Third Quarter, 5 November 2026.

DIVISION	Q3 ACTUAL	Q4 GUIDANCE	CHANGE, POINTS
UK	+2.0%	+2.0%	0.0
Online International	+32.2%	+20.5%	−11.7
NEXT Finance interest income	+1.2%	+3.0%	+1.8
Total full price sales	+8.1%	+5.8%	−2.3

Source: NEXT plc, Trading Statement for the Third Quarter, 5 November 2026. Weights, contributions and ratios are VGR arithmetic on the disclosed figures.

The Q4 International weight implied by the guidance table is 21.1% (bound 20.4% to 21.7%), in line with 21.5% in Q3. The company attributes the slowdown to stronger aggregator growth in Q4 last year, and the Finance step to a higher APR on pay-in-3 credit accounts. Weighting the four quarters equally gives 7.3% for the year, matching the printed rate; the weights are not disclosed, so this is a check, not a derivation. Implied requirement for the 6 January 2027 update on sales to 26 December: UK about 2.0% and International about 20.5%.

12 · DISCLOSURE DELTA AND METRICS NOT REPORTED

Disclosure delta and metrics not reported

Flag: N. The statement changes the UK online division rows. The August statement showed NEXT brand and LABEL; this statement shows NEXT brand, wholly-owned brands and licences, and third-party brands. The NEXT brand rate for H1 is unchanged at 2.1%. The statement adds the marketing spend growth, the EU tariff cost and the Enderby purchase.

METRIC	STATUS
Revenue, gross profit, operating and net profit for the quarter	not reported: no P&L in a trading statement
Division sales in £m	not reported; weights derived by VGR (section 02)
Constant-currency growth	not reported
International by region	not reported
Marketing spend in £m	not reported; growth of 67% only
Inventory, cash flow	not reported
Store count and space	not reported
Average buyback price and share count	not reported in this statement
Financial year-end date	not stated in the statement

Source: NEXT plc, Trading Statement for the Third Quarter, 5 November 2026.

13 · THE COMPANY'S ACCOUNT, TESTED

The company's account, tested

The statement gives causes for the beat, the UK slowdown, the profit offset and the Q4 slowdown. Each is set against the disclosed figures.

CLAIM	DISPOSITION	TEST
All of the over-performance came from international	Supported by the disclosed figures	UK in line; 11.7 points x 20.3% weight = 2.4 points against the 2.3-point beat
UK growth slowed, in line with guidance	Partially supported	UK +2.0% against +3.6% in H1; the Q3 UK guidance rate is not printed
Unseasonably warm weather hurt September UK sales	Not verifiable from the disclosure	no monthly figures
Marketing was more profitable than expected; spend +67% against +42%	Not verifiable from the disclosure	no marketing £m and no return on spend

CLAIM	DISPOSITION	TEST
The £5m of extra profit is offset by international operating costs	Not verifiable from the disclosure	no cost line; guidance unchanged is consistent
International moderates in Q4 against stronger aggregator growth last year	Not verifiable from the disclosure	settled by the 6 January 2027 update
Enderby delivers an IRR of 8.5%	Not verifiable from the disclosure	no rent or yield figure

Source: NEXT plc, Trading Statement for the Third Quarter, 5 November 2026. Weights, contributions and ratios are VGR arithmetic on the disclosed figures.

14 · METHOD, SOURCES AND PRECISION

Method, sources and precision

Every figure is taken from NEXT's Trading Statement for the Third Quarter of 5 November 2026, four pages, the only company document for the period. Printed growth rates are reproduced as printed, to one decimal. Derived weights are exact arithmetic on printed rates and are bounded by the ±0.05 point rounding of those rates; bounds are stated where they change the reading. Ratios on £bn guidance are bounded by the rounding of the £bn figure. The weekly UK chart in the release is not reproduced and no figure is read from it. Nothing published after 5 November 2026 is used. The Cross-Section Test is not applied: no company in the VGR archive reports full price sales excluding markdown on NEXT's offset-week basis. The verbatim tables and every derivation are in Next_plc_Q3_FY2026-27_Source_Figures.md.

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Analysis by Pau Almar, VGR.

METHODOLOGY

VGR Standardised Financial Analysis Methodology v5. Arithmetic before language; every finding names the disclosure that would settle it.

PRIMARY SOURCE

NEXT plc (LSE: NXT), "Trading Statement for the Third Quarter", embargoed until 07:00, Thursday 5 November 2026. https://www.nextplc.co.uk/~/media/Files/N/next-plc-v4/documents/2026/trading-statement-nov-26.pdf

WORKING RECORD

Next_plc_Q3_FY2026-27_Source_Figures.md, with company-disclosed figures, VGR arithmetic, the claims register and metrics not reported in separate parts, alongside the source file in _src. Sterling as published; no conversion applied.

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