VGR

// Q2 FY2026/27

NEXT

VGR MARKET INTELLIGENCE

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01

Executive Summary

Online International supplied 7.5 of the 9.7 points of Q2 product full price growth from 20.2% of the base; in the UK, LABEL grew 13.2% and NEXT Brand online fell 1.2%

NEXT reported full price sales up 9.2% in the 13 weeks to 1 August 2026, against its own forecast of 4.0% for the quarter: £70m ahead of that forecast, £19m in the UK and £51m overseas. First-half full price sales rose 7.7% (Q1: 6.2%). Full-year guidance for NEXT Group profit before tax rose by £25m to £1,243m, 7.3% above 2025/26, and for post-tax earnings per share to 812.9p, 9.2% above. The statement gives growth by division but no £m. Solving the division table for last year's weights, Online International was 20.2% of Q2 product full price sales in the comparative weeks (bound 19.9% to 20.6% on the rounding of the printed rates). At 36.9% growth it supplied 7.5 of the 9.7 points of product growth, 77.0%; the UK supplied 2.2 points. The £51m of the beat earned overseas, 72.9% of £70m, is consistent with that split. Inside the UK, LABEL was 43.1% of UK online and 25.2% of total UK in the comparative weeks; at 13.2% growth it contributed 3.3 points against UK growth of 2.8 points, 118.7% of the UK total. NEXT Brand online at −1.2% and Retail Stores at −0.3% together took away 0.5 points. The Q3 trading statement's division table settles whether NEXT Brand online stays below zero and whether International holds the 14.0% guided for the second half.

The £70m beat added £15m of profit, a 21.4% drop-through against 20.7% for guided full-year profit on full price sales; £10m of the £25m upgrade, 40.0%, is equity investments

The release carries no profit and loss account; guidance is the only profit figure disclosed. NEXT attributes £15m of the £25m upgrade to the £70m of extra full price sales and £10m to equity investments performing better than expected. VGR arithmetic: the incremental profit is 21.4% of the extra sales. Guided profit of £1,243m is 20.7% of guided full price sales of £6.0bn (bound 20.5% to 20.9% on the rounding of £6.0bn), so the extra sales converted at close to the year's average rate. On Total Group sales, which include markdown and investments, the guided rate is 16.6%, against 16.7% in the previous guidance and 16.5% on VGR's derived 2025/26 base. The 7.3% growth in profit is measured against a 2025/26 base that excludes £16m of exceptional property profit and £24m from the 53rd week; adding the £40m back to the derived base of £1,158.4m gives growth of 3.7% (section 03). The release does not say which investments produced the £10m.

Buybacks of £355m to date took 2.3% of shares out of issue, and guided EPS growth of 9.2% is 1.9 points above guided profit growth of 7.3%

EPS guidance assumes £524m of buybacks for the year, £14m more than the previous guidance. By 5 August NEXT had bought £355m at an average £127.69: 2.78m shares on VGR arithmetic, which at 2.3% of shares in issue implies an opening count of about 120.9m (bound 118.3m to 123.6m). Guided EPS growth over

guided profit growth, 1.092 against 1.073, is a per-share uplift of 1.8%; the release does not split it between the share count and the tax rate. The remaining £169m is subject to an 8% equivalent rate of return: on guided profit of £1,243m that caps market capitalisation at £15,538m, and the company sets the buyback price limit at £135. The release states that any part of the £169m not spent on buybacks would be returned by special dividend or capital return.

WHAT TO WATCH

Q3 trading statement (date not stated in the release). TOTAL ONLINE INTERNATIONAL full price sales growth against the 14.0% guided for the second half. A continuation is Q3 growth at or above 14.0%; a break is growth below 14.0%.

The same statement. UK - Online NEXT Brand full price sales growth. A continuation is a second quarter below zero after −1.2% in Q2; a break is a return to growth above zero.

Interim results, 17 September 2026. Full-year NEXT Group profit before tax guidance and the buyback total. A continuation is guidance at or above £1,243m with buybacks tracking the £524m assumed; a break is guidance below £1,243m, or a special dividend or capital return announced in place of the remaining £169m of buybacks.

VGR will publish the H1 2026/27 analysis when the figures are released.

The period in figures

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NEXT PLC · LSE: NXT · Q2 2026/27 TRADING STATEMENT · GBP AS PUBLISHED

PERIOD ENDED 1 AUGUST 2026 (13 WEEKS) · REPORTED 5 AUGUST 2026 · ANALYSIS 30 SEPTEMBER 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 Quarter 2, released 07:00 BST. Sterling as published. No line of the reported-figures block is disclosed for the quarter; section 12 lists what is.

Reported and on the VGR basis, side by side

The left-hand columns are the company's. The right-hand columns are VGR's weights of last year's comparative weeks, solved from the division table, and each division's contribution in points to Q2 product full price growth of 9.7%.

DIVISION	Q2 GROWTH	Q1 GROWTH	VGR: WEIGHT, Q2 LY	VGR: POINTS
UK - Online NEXT Brand	**−1.2%**	+5.8%	26.6%	**−0.3**
UK - Online LABEL	+13.2%	+15.7%	20.1%	+2.7
Retail Stores	**−0.3%**	**−3.4%**	33.1%	**−0.1**
Total UK	+2.8%	+4.4%	79.8%	+2.2
Total Online International	+36.9%	+12.8%	20.2%	+7.5
Total product full price sales	+9.7%	+6.5%	100.0%	+9.7
NEXT Finance interest income	+0.9%	+0.9%	—	—

DIVISION	Q2 GROWTH	Q1 GROWTH	VGR: WEIGHT, Q2 LY	VGR: POINTS
Total full price sales	+9.2%	+6.2%	—	—

Source: NEXT plc, Trading Statement for Quarter 2, 5 August 2026. Columns marked VGR are VGR arithmetic on the disclosed figures. Weights are shares of last year's offset weeks of product full price sales; rounded components may not sum to the rounded total.

03 · THE RESTATEMENT BRIDGE · BLOCK N

The restatement bridge

Two bases need stating before any comparison. Sales: 2025/26 had 53 weeks, so NEXT compares weeks 14 to 26 of this year with weeks 15 to 27 of last year. The quarter is therefore like-for-like in weeks, and VGR applies no further adjustment. Profit: the full-year growth rates are stated against a 2025/26 base that excludes £16m of exceptional property profit and £24m of profit from the 53rd week. The table restores both to the derived base. Flag: M (the restatement changes the profit growth rate by 3.6 points).

STEP	£M	DERIVATION
Guided 2026/27 NEXT Group PBT	1,243.0	as disclosed
Implied 2025/26 base, as guided	1,158.4	VGR: 1,243 / 1.073 (bound 1,157.9 to 1,159.0)
Cross-check from previous guidance	1,157.8	VGR: 1,218 / 1.052
Add back exceptional property profit	16.0	as disclosed
Add back 53rd-week profit	24.0	as disclosed
2025/26 base including both	1,198.4	VGR
Growth on the guided base	+7.3%	as disclosed
Growth on the base including both	+3.7%	VGR: 1,243 / 1,198.4 (bound 3.7% to 3.8%)

Source: NEXT plc, Trading Statement for Quarter 2, 5 August 2026. Columns marked VGR are VGR arithmetic on the disclosed figures. The two implied bases agree within the rounding of the printed growth rates.

Full price sales exclude Sale events, Clearance, Total Platform commission and the sales of subsidiaries, and include third-party brands and NEXT Finance interest income. Total Group sales add markdown and NEXT's share of subsidiaries' and investments' sales, and are not statutory revenue, as the release states.

04 · GROWTH COMPOSITION · BLOCK A

Growth composition

Flag: M. Q2 growth of 9.2% was 5.2 points above the company's forecast of 4.0%, worth £70m; on VGR arithmetic that implies last year's Q2 full price sales of about £1,346m (bound £1,311m to £1,382m). The weights solved in section 02 are stable across the periods the release prints, which supports the additive reading of the table: LABEL was 43.4%, 43.1% and 43.1% of UK online in the Q1, Q2 and H1 comparatives, and UK online 57.8%, 58.5% and 58.2% of the UK. International's weight moves more, 25.0% in Q1 and 20.2% in Q2; the release does not give the seasonal profile that would explain the difference. NEXT Finance interest income is 5.7% of total full price sales on the same method (bound 4.5% to 6.9%).

MEASURE	Q1	Q2	CHANGE, POINTS
Total full price sales	+6.2%	+9.2%	+3.0
International contribution to product growth (VGR)	+3.2	+7.5	+4.3
UK contribution to product growth (VGR)	+3.3	+2.2	**−1.1**
LABEL minus NEXT Brand online	9.9	14.4	+4.5
UK online minus Retail Stores	13.5	5.3	**−8.2**

Source: NEXT plc, Trading Statement for Quarter 2, 5 August 2026. Columns marked VGR are VGR arithmetic on the disclosed figures. Q1 contributions: International 25.0% x 12.8; UK 75.0% x 4.4.

The beat split gives the same reading from a second direction: £51m of £70m, 72.9%, was earned overseas, against International's 77.0% share of product growth. No constant-currency rate and no regional split of International are disclosed, so the currency component of the 36.9% is not calculable from the release.

05 · THE ESTATE · BLOCK B

MEASURE	DISCLOSED
Retail Stores full price sales, Q2	−0.3% (Q1: −3.4%; H1: −1.7%)
Store count, selling space, sales per square foot	not disclosed in the statement

Source: NEXT plc, Trading Statement for Quarter 2, 5 August 2026.

No flag. Retail Stores were 33.1% of product full price sales in the comparative weeks and subtracted 0.1 points in Q2.

06 · MARGIN ARCHITECTURE · BLOCK C

Margin architecture

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

RATIO	RATE	DERIVATION
Profit on the £70m beat	21.4%	VGR: 15 / 70
Guided PBT / guided full price sales	20.7%	VGR: 1,243 / 6,000 (bound 20.5% to 20.9%)
Guided PBT / Total Group sales, new	16.6%	VGR: 1,243 / 7,500 (bound 16.5% to 16.7%)
Guided PBT / Total Group sales, previous	16.7%	VGR: 1,218 / 7,300
2025/26 PBT / Total Group sales, derived	16.5%	VGR: 1,158.4 / 7,035.6

Source: NEXT plc, Trading Statement for Quarter 2, 5 August 2026. Columns marked VGR are VGR arithmetic on the disclosed figures.

The previous and new Group-sales rates differ by less than the rounding of £7.3bn and £7.5bn allows, so no change in the guided margin can be read from them.

07 · INVENTORY AND THE MARKDOWN CYCLE · BLOCK D

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

Source: NEXT plc, Trading Statement for Quarter 2, 5 August 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 · WORKING CAPITAL, CASH AND CAPITAL STRUCTURE · BLOCKS E AND F

MEASURE	DISCLOSED
Remaining surplus cash available for return	£169m
Working capital, cash flow, net debt	not disclosed in the statement

Source: NEXT plc, Trading Statement for Quarter 2, 5 August 2026.

No flag. The £169m is the only cash figure in the statement; section 09 sets out its use.

09 · CAPITAL ALLOCATION AND RETURNS · BLOCK G

Capital allocation and returns

Flag: N. Buybacks assumed for the year rose by £14m to £524m, against a profit upgrade of £25m.

MEASURE	FIGURE	DERIVATION
Buybacks assumed in EPS guidance	£524m	as disclosed (previous: £510m)
Bought to date	£355m	as disclosed
Average price	£127.69	as disclosed
Shares bought	2.78m	VGR: 355 / 127.69
Reduction in shares in issue	2.3%	as disclosed
Implied opening shares in issue	120.9m	VGR: 2.78 / 0.023 (bound 118.3m to 123.6m)
Remaining surplus cash	£169m	as disclosed; VGR 524 − 355 = 169
Market capitalisation at 8% ERR	£15,538m	VGR: 1,243 / 0.08
Buyback price limit	£135	as disclosed
Guided EPS / guided PBT growth	1.8%	VGR: 1.092 / 1.073

Source: NEXT plc, Trading Statement for Quarter 2, 5 August 2026. Columns marked VGR are VGR arithmetic on the disclosed figures.

The £15,538m ceiling divided by £135 gives 115.1m shares; the ERR is calculated on shares in circulation, which exclude the ESOT holding, and the release does not state that holding, so the gap to 120.9m is not reconciled here.

10 · EARNINGS QUALITY · BLOCK H

Earnings quality

Flag: N. £10m of the £25m upgrade, 40.0%, is attributed to equity investments rather than to NEXT's own trading. Guided NEXT Group profit before tax excludes brand amortisation and the profit attributable to minority holdings in subsidiaries. The release states that no exceptional items are anticipated in the current year; the 2025/26 comparative excluded £16m of exceptional property profit (section 03).

ELEMENT OF THE UPGRADE	£M	SHARE
Extra full price sales	15	60.0%
Equity investments	10	40.0%
Total upgrade	25	100.0%

Source: NEXT plc, Trading Statement for Quarter 2, 5 August 2026. Columns marked VGR are VGR arithmetic on the disclosed figures.

11 · GUIDANCE SCORECARD AND THE IMPLIED REQUIREMENT · BLOCK I

Guidance scorecard and the implied requirement

The prior for the quarter is the company's own: Q2 full price sales +4.0%, full-year profit £1,218m. The quarter delivered 9.2%, and profit guidance rose 2.1%. The second-half sales requirement is unchanged at +5.0%, so the full-year sales upgrade equals the Q2 beat.

GUIDANCE LINE	PREVIOUS	NEW	CHANGE
Q2 full price sales	+4.0%	+9.2% (actual)	+5.2 points
NEXT full price sales, FY	£5.9bn (+5.0%)	£6.0bn (+6.3%)	+1.3 points
Total Group sales, FY	£7.3bn (+4.6%)	£7.5bn (+6.6%)	+2.0 points
NEXT Group PBT, FY	£1,218m (+5.2%)	£1,243m (+7.3%)	+£25m
Post-tax EPS, FY	792.9p (+6.5%)	812.9p (+9.2%)	+20.0p
Full price sales, H2	+5.0%	+5.0%	unchanged

Source: NEXT plc, Trading Statement for Quarter 2, 5 August 2026.

DIVISION	H1 ACTUAL	H2 GUIDANCE	CHANGE, POINTS
UK	+3.6%	+2.8%	**−0.8**
International	+23.9%	+14.0%	**−9.9**
NEXT Finance interest income	+0.9%	+1.9%	+1.0
Total full price sales	+7.7%	+5.0%	**−2.7**

Source: NEXT plc, Trading Statement for Quarter 2, 5 August 2026. Columns marked VGR are VGR arithmetic on the disclosed figures.

The UK second-half guidance repeats the Q2 rate of 2.8%. International is guided 22.9 points below its Q2 rate; the company attributes the step to the August 2025 switch to ZEOS distribution for its European aggregator business. The guided full-year rate of 6.3% implies that H1 is 48.1% of last year's full price sales (bound 45.5% to 50.9%). Implied requirement for the Q3 statement: total full price sales growth of about 5.0%, UK about 2.8%, International about 14.0%.

12 · DISCLOSURE DELTA AND METRICS NOT REPORTED · BLOCK J

Disclosure delta and metrics not reported

Flag: N. The Q2 statement follows the same format as the Q1 statement: growth by division, guidance, buybacks. It carries no £m for any division.

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; the release names the Middle East and Northern Europe
Inventory, cash flow, net debt	not reported
Store count and space	not reported
Composition of the £10m from equity investments	not reported
Financial year-end date	not stated in the statement

Source: NEXT plc, Trading Statement for Quarter 2, 5 August 2026.

13 · THE COMPANY'S ACCOUNT, TESTED · BLOCK K

The company's account, tested

The release attributes the £70m beat to three causes and the second-half International rate to one. Each is set against the disclosed figures.

CLAIM	DISPOSITION	TEST
UK weather as warm as last year's summer, not anticipated	Not verifiable from the disclosure	£19m of the beat was UK; no weather-linked measure is disclosed
Pent-up demand in the Middle East and Northern Europe after a weaker Q1	Partially supported	International +36.9% after +12.8% in Q1; no regional split
More profitable marketing spend than anticipated	Not verifiable from the disclosure	no cost line; drop-through of 21.4% is near the 20.7% average
£51m of the £70m beat overseas	Supported by the disclosed figures	International 77.0% of product growth on VGR weights
H2 International moderates to +14% on the ZEOS comparative	Not verifiable from the disclosure	settled by the Q3 statement

Source: NEXT plc, Trading Statement for Quarter 2, 5 August 2026. Columns marked VGR are VGR arithmetic on the disclosed figures.

14 · METHOD, SOURCES AND PRECISION REGISTER

Method, sources and precision register

Every figure is taken from NEXT's Trading Statement for Quarter 2 of 5 August 2026, three pages, the only company document for the period. The statement's growth rates are printed to one decimal and are reproduced as printed. Derived weights are exact arithmetic on two printed rates and are bounded by the ±0.05 point rounding of those rates; the bounds are stated where they change the reading. Profit ratios on £bn guidance are bounded by the rounding of the £bn figure. Nothing published after 5 August 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, so a like-for-like peer rate for the same weeks is not available. The verbatim tables and every derivation are in Next_plc_Q2_FY2027_Source_Figures.md.

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METHODOLOGY

VGR Financial Analysis, standardised methodology v5. The comparability restatement runs before any measurement; the findings are ranked on the VGR ladder; the company's own account is tested against the arithmetic in section 13. No analyst estimate, consensus figure or third-party forecast is used.
Revised 30 September 2026 to methodology v5; first published 5 August 2026.

PRIMARY SOURCE

NEXT plc, "Trading Statement for Quarter 2", embargoed until 07:00, Wednesday 5 August 2026. https://www.nextplc.co.uk/~/media/Files/N/next-plc-v4/documents/2026/trading-statement-august-26.pdf

WORKING RECORD

Next_plc_Q2_FY2027_Source_Figures.md, which separates company-disclosed figures from VGR arithmetic and states every derivation. Sterling as published; no conversion applied.

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