

Next booms again despite woes on the High Street

NEXT today offered further evidence that it is the best run retailer in Britain, upgrading profit forecasts for the fourth time this year as it shrugged off the struggles faced by rivals.

Sales in the first half of the year were up 8.4% and [profits](#) up 5.9% to £347 million compared to two years ago, pre-pandemic.

Next today told the [City](#) that full year profits should hit £800 million, far ahead of previous guidance of £764 million.

Chief executive [Simon Wolfson](#) said: “We have been surprised how strong sales have been in August and September.”

Asked about the four profit upgrades he replied: “I think as a company we are naturally cautious, but at the moment that makes a lot of sense.”

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Next has been taking stakes in rival retailers including Reiss

and Victoria Secrets, handling their web sales and warehouse operations.

Wolfson denied he was naturally inclined to look for reasons to be pessimistic in the face of his own companies' strong performance.

"Retail is a very uncertain business," he told the Standard. "You are only as good as your performance yesterday. It is a mistake to ever get too comfortable."

Next shares are up nearly 40% this year. They jumped another 312p to 8392p as trading began today.

Wolfson said the business is yet to be affected by the fuel crisis.

Veteran retail analyst Nick Bubb said: "If you thought that recent trading at Next would have been affected by all the shortages etc, then you have been sadly mistaken, as, notwithstanding the excellence of its management, it is extraordinary how the business seems constantly able to rise to the challenge."

The Next statement noted: "It is almost certain that underlying conditions are not as good as they currently appear. The combined effect of pent-up demand for clothing, record savings ratios and far fewer overseas holidays has materially boosted sales in recent months. The impact of these factors must inevitably diminish as time goes on."

Richard Hunter at interactive investor said: "Historically Next has had the habit of cautious projections being followed by far superior results, and these numbers are no exception."

Freetrade's Dan Lane said. "Next has a new lease of life. But it has been in the works for a while. A massive push online

has more than made up for empty high streets but the mistake would be to think it's been a mad rush at Next to get an online channel ready for lockdown shoppers. It might not be the most innovative name on the UK market but its site has quietly become the jewel in its crown over the past few years."