

Next set to reveal sales outlook after early summer boost

Fashion chain [Next](#) will give a glimpse into how the UK high street has fared this summer after a sunny June boosted sales earlier in the season.

The retail giant has nudged up its profit expectations throughout the year after benefitting from stronger online sales.

But investors will be looking to see what the outlook is for the group when it reveals its half-year financial results on Thursday.

Next last month said it had been buoyed by full-price trading and a strong end-of-season sale in the latest quarter, leading it to upgrade its profit target by £10 million to £845 million for the full year.

It marked the second time this year its profit guidance was lifted as it expected to do better over the full financial year than initial predictions.

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However, it would still mark a drop compared to last year's £870 million pre-tax profit.

Successfully keeping full-priced sales front and centre to avoid discounts is one of the reasons Next can boast some of the best margins in the sector

Unusually hot weather in June helped drive fashion sales higher for Next, which runs 466 shops across the UK, with online sales leading the jump.

But Aarin Chiekrie, an equity analyst for [Hargreaves Lansdown](#), said investors will want to see Next's full-price outlook stay on track.

Its full-price sales are currently expected to rise by 1.8% year-on-year, but analysts will be watching out for any amendments to that target.

Mr Chiekrie said: "This is a key metric for Next and arguably the main driving force behind overall performance.

"Successfully keeping full-priced sales front and centre to avoid discounts is one of the reasons Next can boast some of the best margins in the sector.

"But it's a tricky strategy to nail, especially alongside expanding its online presence and introducing third-party brands to its offering.

"This side of operations hasn't been as efficient as many would like, so we'll be hoping to see signs of improvement here."

The company's share price has jumped over the past year, rising by around 23%.

Meanwhile, rival fashion retailers Asos and JD Sports Fashion will also update investors on their financial performance over the coming week.

Online giant Asos has been in the middle of a turnaround plan in a bid to reduce costs and boost its profits. But investors will also be keeping an eye on its sales figures after a decline earlier in the year as consumer spending in the UK remained under pressure.

Sports fashion chain JD Sports is eyeing up profits of more than £1 billion for the full year. It will reveal its half-year results on Thursday.