

# WH Smith PLC

## *The global travel retailer*

### Pre-close Trading Update

#### Strong Summer Trading - Full Year in Line with Expectations

**6 September 2023**

Prior to entering its close period ahead of reporting its preliminary results for the twelve months ending 31 August 2023 on 9 November 2023, WH Smith PLC announces the following pre-close update.

#### **Full Year Result**

WH Smith PLC expects the outcome for the year to 31 August 2023 to be in line with the upgraded expectations which followed the third quarter trading update on 31 May 2023.

#### **Group Revenue**

Group revenue was up 28%<sup>1</sup> for the year versus 2022, driven by Travel which was up 42%<sup>1</sup>. The shape of the sales performance in the year reflects the much stronger passenger numbers in the second half of our 2022 financial year compared to the first half of 2022, which included the impact from the Omicron variant. We have seen a strong performance from Travel in the second half, as passenger numbers continue their positive trajectory.

Group revenue compared to 2022 has been:

	Total vs 2022 <sup>1</sup>			LFL <sup>2</sup> vs 2022 <sup>1</sup>		
	H1	H2	Full Year	H1	H2	Full Year
Travel	75%	23%	42%	48%	15%	27%
High Street <sup>3</sup>	(1)%	-%	(1)%	-%	1%	1%
<b>Group</b>	<b>41%</b>	<b>17%</b>	<b>28%</b>	<b>27%</b>	<b>11%</b>	<b>18%</b>

#### **Travel**

Total revenue in Travel compared to 2022 has been:

	Total vs 2022			LFL <sup>2</sup> vs 2022		
	H1	H2	Full Year	H1	H2	Full Year
UK	66%	18%	36%	52%	17%	30%
North America	53%	17%	31%	22%	3%	11%
Rest of the World	209%	55%	98%	122%	27%	53%
<b>Total Travel</b>	<b>75%</b>	<b>23%</b>	<b>42%</b>	<b>48%</b>	<b>15%</b>	<b>27%</b>

<sup>1</sup> Unaudited

<sup>2</sup> At constant currency

<sup>3</sup> Includes internet businesses

Further to the Group's trading update on 31 May 2023, our Travel businesses continued to benefit from the recovery in passenger numbers across all our key travel markets. Our focused in-store strategy has delivered strong ATV growth and higher penetration, driven by our enhanced ranges including food, and the broadening of our categories, most notably health and beauty and technology.

In the UK, we saw continued strength in air passenger numbers in the peak holiday season, building on the recovery in passenger numbers that we saw in the second half of the previous financial year. Our hospital channel is performing well, and our rail channel has been resilient in view of the ongoing industrial action impacting rail. During the year, we opened 20 new stores, including 8 new stores in hospitals. We anticipate opening over 15 new stores in the financial year ending August 2024.

Our businesses in North America and the Rest of the World continued to show good momentum, whilst also reflecting the strength in sterling. The North American travel market, which recovered ahead of other markets, has returned to normal trading patterns. At the same time, we continue to win significant market share. During the year, we opened 43 stores in North America, and have had further recent significant tender wins, including 4 stores at San Diego airport. In the Rest of the World, we have opened an additional 30 stores and have won further new business, including new stores at Budapest and Madrid airports.

In the financial year ending 31 August 2024, we anticipate opening over 40 new stores in North America and 25 new stores in the Rest of the World. Including our UK Travel business, we therefore anticipate opening over 80 new stores across all our Travel businesses in the financial year ending August 2024, demonstrating the growth prospects in Travel across all our geographical markets. We continue to be active in a number of ongoing tenders.

### **High Street**

Our High Street business has performed well and in line with expectations. Our strategy remains unchanged as we continue to focus on cost efficiencies and the return on space.

### **2023 Preliminary Results**

The WH Smith PLC preliminary results investor and analyst presentation for the year ending 31 August 2023 will be held on Thursday 9 November 2023.

### **Enquiries:**

#### **WH Smith PLC**

Mark Boyle	Investor Relations	07879 897687
Nicola Hillman	Media Relations	01793 563354

#### **Brunswick**

Tim Danaher		020 7404 5959
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