

18 January 2023

WH Smith PLC - The global travel retailer

Ahead of its Annual General Meeting, the Company announces its trading update for the 20 week period to 14 January 2023

Strong performance; significantly ahead of last year

Commenting on today's announcement, Carl Cowling, Group Chief Executive said:

"The Group has made a strong start to the financial year, with our global travel retail business growing strongly across all regions.

"Our strategy to transform our customer offer continues at pace through broadening our categories and expanding our ranges, to include health and beauty and tech accessories, and is underpinned by a forensic approach to retail.

"We continue to make good progress with our store opening programme and, in the year to date, we have opened over 40 new stores. We have also won significant tenders at Reagan National airport in Washington and Palm Springs airport in the US, as well as a further three InMotion stores in Italy at Rome Fiumicino airport. This takes the total number of stores we have won and yet to open to over 130.

"I would like to take this opportunity to thank our team across the globe and, in particular, our store colleagues who have worked exceptionally hard serving our customers throughout this busy trading period.

"The Group is in its strongest ever position as a global travel retailer. This strength, combined with the ongoing improvement in passenger numbers across the globe, means that we are confident of another year of significant growth in 2023."

Trading Update

The Group has delivered a strong performance over the 20 week period with total Group revenue up 41% compared to the prior year and up 20% versus 2019. Across our global Travel business, we have seen continued momentum since the start of the financial year resulting in a strong 20 week performance up 48% on 2019 and up 77% on 2022. This is despite passenger numbers remaining well below 2019 levels. Our UK High Street division delivered a good performance, in line with our expectations.

	Revenue 20 Weeks to 14 January 2023			
	Total versus 2022	Total versus 2019 ¹	LFL ³ versus 2022	LFL ³ versus 2019 ¹
UK	70%	18%	52%	2%
North America ²	31%	20%	21%	(2)%
Rest of the World ³	198%	30%	126%	(1)%
Total Travel⁴	77%	48%	48%	1%
High Street ⁵	(2)%	(14)%	-%	(10)%
Group	41%	20%	26%	(4)%

¹ Equivalent month in 2019; ² Proforma, constant currency; ³ Constant currency; ⁴ As reported; ⁵ Includes internet businesses

TRAVEL

Travel UK

In Travel UK, total revenue was up 70% compared to the prior year for the 20 week period and up 18% versus 2019. We continue to see improving passenger numbers across UK air, a strong performance in hospitals, and rail performing well.

We continue to focus on initiatives that position us well for future growth. We have increased average transaction values and broadened our categories during the period, for example, by ranging more health and beauty and wellbeing products, providing customers with a one-stop-shop for all their travel essentials. Our market leading tech accessories stores, InMotion, are performing strongly.

In the UK, we are on track to open 15 stores in the year across all channels.

	Revenue 20 Weeks to 14 January 2023			
	Total versus 2022	Total versus 2019¹	LFL versus 2022	LFL versus 2019¹
Air	132%	35%	92%	4%
Hospitals	32%	18%	28%	8%
Rail	24%	(13)%	26%	(9)%
Total Travel UK	70%	18%	52%	2%

Travel – North America

Overall revenue for the 20 week period was up 31% compared to the prior year and on a proforma basis was up 20% versus 2019. Air passenger numbers continued to improve through the key Thanksgiving and holiday season with Transportation Security Administration ('TSA') data for the key three week holiday period down only 4% compared to 2019.

The growth opportunities in North America are substantial and our strong track record of tender wins continues. We have recently won a further eight new stores across Reagan National airport in Washington and Palm Springs airport. We now have over 60 stores won and due to open in North America over the next three years, with 37 due to open in the current financial year.

Travel - Rest of the World (ROW)

Total revenue was up 198% compared to the prior year for the 20 week period and up 30% versus 2019. Outside of the UK and North America, we have seen notable improvements in Australia and Asia, with Europe the best performing region in the period.

There are very good opportunities to win new business under the WHSmith brand and our tech accessories brand, InMotion, outside of the UK and the US. Since our last trading update in November 2022, we have opened 12 new stores including at Brussels and Kuala Lumpur airports and the Gold Coast and Melbourne in Australia. In addition, we have won three InMotion stores at Rome Fiumicino airport which brings the total number of stores won and yet to open in ROW to over 60.

HIGH STREET

LFL revenue was flat on the prior year in line with our expectations. Through the peak period, we maintained good stock availability and we exited Christmas with a clean stock position. Our cost savings target for the full year is on track.

Outlook

We had a strong start to the year and, while there is economic uncertainty, passenger numbers globally continue to improve and this, combined with the strength of the Group's growth opportunities, means that we are confident of a year of significant progress in 2023.

Interim Results Announcement

WH Smith PLC, the global travel retailer, will announce its 2023 Interim results on Thursday 20 April 2023.

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