16 April 2025

WH SMITH PLC

The global travel retailer

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025

Strong first half performance in Travel
Well-positioned for future growth as a pure play travel retailer

- Total revenue in Travel up 6%, with Travel UK up 7% year on year; North America up 5%*; Rest of the World ('ROW') up 15%*
- Total Group revenue up 3% to £951m (2024: £926m)
- Total Travel trading profit†[1] of £56m (2024: £50m) up 12%
- High Street trading profit†[1] of £15m (2024: £22m)
- Headline Group profit before tax and non-underlying items†[1] of £45m (2024: £46m)
- New store pipeline of over 90 stores[2] won and yet to open in Travel, including over 70 in North America. Expect to open over 60 stores this financial year
- Major contract won at US East Coast airport, cementing our presence as a leading operator in Travel Essentials on the East Coast
- Agreed sale of UK High Street business on 28 March 2025
- Interim dividend of 11.3p per share, reflecting strong trading and cash generation combined with the Board's confidence in the future growth prospects of the Group
- Previously announced £50m share buy back progressing with £27m purchased as at 15 April 2025
- Strong balance sheet with refinancing completed and leverage[1] now at 1.7x with further strengthening expected
- Trading in line with market expectations

Carl Cowling, Group Chief Executive, commented:

"The Group has had a good first half with consistent like-for-like growth across all our Travel businesses, and we are well-positioned for the peak summer trading period.

"Travel trading profit was up 12% at £56m, and the Board is today announcing an interim dividend of 11.3p, reflecting their confidence in the future growth prospects of the Group.

"Our UK Travel business has had a strong half with trading profit 8% ahead of last year. In North America, we are beginning to see the benefits of our work to re-engineer our space and improve our retail offer, with like-for-like revenue growth of 3% in the period. We continue to win new space, and I am delighted to announce that we have recently secured a significant contract at a major East Coast airport.

"It has been an exceptionally busy period, and I would like to thank our colleagues for their ongoing commitment.

"The second half of the financial year has started well, and we remain on track to deliver full year results in line with market expectations. We are mindful of the increased level of geopolitical and economic uncertainty, however given the resilient nature of our business, we are well-positioned to benefit from the growth opportunities in global travel retail."

* On a constant currency basis
† Pre-IFRS 16
[1] Alternative Performance Measure (APM) defined and explained in the Glossary on page 43
[2] Pipeline as at 28 February 2025

Group financial summary

	IFRS		Headline pre-IFRS 16[3]	
	6 months to Feb 2025	6 months to Feb 2024	**6 months to Feb 2025**	6 months to Feb 2024
Travel UK trading profit[1]	**£40m**	£39m	**£40m**	£37m
North America trading profit[1]	**£18m**	£14m	**£15m**	£14m
Rest of the World ('ROW') trading profit/(loss)[1]	**£5m**	£1m	**£1m**	£(1)m
Total Travel trading profit[1]	**£63m**	£54m	**£56m**	£50m
High Street trading profit[1]	**£20m**	£27m	**£15m**	£22m
Group profit from trading operations[1]	**£83m**	£81m	**£71m**	£72m
Group profit before tax and non-underlying items[1]	**£44m**	£44m	**£45m**	£46m
Diluted earnings per share before non-underlying items[1]	**23.1p**	22.9p	**23.8p**	24.4p
Non-underlying items[1]	**£(86)m**	£(16)m	**£(70)m**	£(14)m
Group (loss) / profit before tax	**£(42)m**	£28m	**£(25)m**	£32m
Basic (loss) / earnings per share	**(33.6)p**	13.2p	**(24.2)p**	15.5p
Diluted (loss) / earnings per share	**(33.6)p**	13.0p	**(24.2)p**	15.2p

Revenue performance

	6 months to Feb 2025 £m	6 months to Feb 2024 £m	% change	% change (constant currency)
Travel UK	384	360	7%	7%
North America	194	189	3%	5%
Rest of the World	134	121	11%	15%
Total Travel	712	670	6%	8%
High Street	239	256	(7)%	(7)%
Group	**951**	**926**	**3%**	**4%**

[3] The Group adopted IFRS 16 'Leases' with effect from 1 September 2019. The Group continues to monitor performance and allocate resources based on pre-IFRS 16 information (applying the principles of IAS 17), and therefore the results for the periods ended 28 February 2025, 31 August 2024 and 29 February 2024 have been presented on both an IFRS 16 and a pre-IFRS 16 basis.

Measures described as 'Headline' are presented pre-IFRS 16.

For the purposes of narrative commentary on the Group's performance and financial position, both pre-IFRS 16 and IFRS 16 measures are provided. Reconciliations from pre-IFRS 16 measures to IFRS 16 measures are provided in the Glossary on page 43.

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WH Smith PLC's Interim Results 2025 are available at whsmithplc.co.uk.

GROUP OVERVIEW

Our Travel business has had a strong first half with Total Travel generating Headline trading profit[1] up 12% to £56m (2024: £50m), Headline Group profit before tax and non-underlying items[1] of £45m (2024: £46m) and Headline diluted EPS before non-underlying items[1] down 2% to 23.8p (2024: 24.4p) reflecting the reduction in profits from the High Street business.

We saw strong momentum across our Travel markets, and we continue to focus on increasing our spend per passenger across each of our divisions.

Following the announcement on 28 March 2025 that we have agreed the sale of our UK High Street business to Modella Capital, we see further significant growth opportunities as a pure play global travel retailer.

We have a highly successful Travel business, operating in fast growing markets in 32 countries and we are constantly innovating to deliver strong returns and meet our customers' and partners' needs. Our Travel business currently accounts for around 75% of the Group's revenue and 85% of its trading profit. With the ongoing strength in our UK Travel division, and the scale of the growth opportunities in both North America and the Rest of the World, we are in a strong position to deliver enhanced growth as we move forward as a pure play travel retailer.

Passenger numbers are forecast to double over the next two decades, driven by population and economic growth. We are also seeing significant investment in airport infrastructure creating an improved retail offer for travellers. In addition, as landlords look to consolidate formats in travel retail, we are in a strong position to execute and further rollout our one-stop-shop format. These factors, combined with the four pillars of our growth strategy: increasing spend per passenger, optimal use of space, space growth, and growth in passenger numbers, give us confidence as we look ahead.

During the period, we have seen a notable increase in tender activity in North America and we are delighted to announce new wins at Albuquerque, Dallas, and Portland airports, as well as a significant win at a major East Coast airport, adding a further 26 stores to our growing North America portfolio. This brings the total number of stores won and yet to open in North America to over 70, primarily opening over the next 2 years. We expect to open c.25 in this financial year and anticipate c.13 closures, in line with our strategy to improve the quality of our space.

Across our Travel divisions, we have a new store pipeline of over 90 stores won and yet to open. Including the 30 openings in the first half, we expect to open over 60 stores this financial year. As part of our strategy to improve the quality of our space, we expect to close c.50 stores this financial year, including removing loss-makers, small franchise stores and landlord redevelopment. After closures, we expect to have net openings of c.10 stores this year.

Our forensic approach to retailing combined with the scalability of our business provides us with significant opportunities to win and open new stores, and with that to continue to grow revenue, profit, cash generation and, through operational gearing, grow our EBIT margins.

The transformation of our UK Travel business from a news, books and convenience retailer to a one-stop-shop for travel essentials is progressing well and it is delivering strong results, driving profitability and highlighting significant opportunities for the future. We are able to consolidate existing categories and introduce new ones such as food-to-go, tech accessories, and health and beauty. This transformation is most evident in our largest stores at London Heathrow, London Gatwick and Birmingham airports. We have also, more recently, opened stores under this one-stop-shop format at Edinburgh and Newcastle airports. It is a highly scalable format and applicable across all of our stores in Air, so we see plenty of good opportunities for the future. While the rollout has started in the UK, there is great potential for this retail format in our North America and ROW divisions.

North America, the world's largest travel market with significant market share opportunities, is our most exciting growth market where we see excellent prospects to further expand our airport business. This division will become an increasingly significant part of the Group and is now our second largest division in profit terms, after Travel UK.

Across each of our Travel divisions, we have made good progress in the first half, supported by the key pillars of our strategy and our ongoing forensic approach to retailing across each of our divisions.

These include:

- ***Space growth:***
    - Opening new stores;
    - Winning new business;
    - New, better quality space;
    - Extending contracts;
    - Developing formats and brands
- ***ATV growth:***
    - Space management;
    - Refitting stores;
    - Range development
- ***Category development:***
    - One-stop-shop travel essentials format;
    - Improving ranges, for example, health and beauty, food to go, and tech
- ***Cost and cash management:***
    - Flexible rent model;
    - Investing for growth (capex in the current financial year expected to be around £110m);
    - Productivity and efficiencies
- ***Disciplined capital allocation, supporting investment in growth and shareholder returns***

OUTLOOK

The second half of the financial year has started well, and we remain on track to deliver full year results in line with market expectations.

We are mindful of the increased level of geopolitical and economic uncertainty, however given the resilient nature of our business, we are well-positioned to benefit from the growth opportunities in global travel retail.

At the announcement of the sale of our High Street business on 28 March 2025, we indicated that the business was trading in line with market expectations. Based on current trading for the Group, our expectations remain unchanged.

Group revenue

	6 months to Feb 2025		
	Total revenue vs 2024	**Total revenue at constant currency vs 2024[4]**	**LFL revenue[1] vs 2024**
Travel UK	7%	7%	7%
North America	3%	5%	3%
Rest of the World	11%	15%	9%
Total Travel	**6%**	**8%**	**6%**
High Street[5]	(7)%	(7)%	(3)%
Group	**3%**	**4%**	**3%**

Total Group revenue at £951m (2024: £926m) was up 3% for the first six months compared to the prior year.

In Travel, we saw a strong performance across all our markets. Total Travel revenue for the first half was up 6% and up 6% on a like-for-like[1] ('LFL') basis. This was driven by strong performances in all three Travel divisions with Total revenue in the UK up 7%, North America up 5%[4], and ROW up 15%[4].

Our High Street business performed in line with market expectations for the first half.

[4] Constant currency
[5] Includes internet businesses

Group profit

Total Travel delivered a Headline trading profit[1] in the half of £56m (2024: £50m). In Travel UK, Headline trading profit[1] increased by £3m to £40m; in North America, Headline trading profit[1] increased by £1m to £15m. ROW delivered a Headline trading profit[1] of £1m, up from a loss of £1m on the prior year.

High Street delivered a Headline trading profit[1] of £15m (2024: £22m), reflecting the ongoing decline in footfall on UK high streets.

Headline Group profit from trading operations[1] for the period was £71m (2024: £72m) with Headline Group profit before tax and non-underlying items[1] at £45m (2024: £46m).

The Group loss before tax, on an IFRS 16 basis and after non-underlying items, was £42m (2024: profit of £28m) in the half.

Group balance sheet

The Group has a strong balance sheet, is highly cash generative and has substantial liquidity. The Group has the following cash and committed facilities as at 28 February 2025:

	28 February 2025	Maturity
Cash and cash equivalents[6]	£39m	
Revolving Credit Facility[7]	£400m	June 2029
Convertible bonds	£327m	May 2026

The Group has a 5 year sustainability-linked revolving credit facility (‘RCF’) and a £327m convertible bond with a maturity of 7 May 2026 which has a fixed coupon of 1.625%.

As at 28 February 2025, Headline net debt[1] was £454m (31 August 2024: £371m) and the Group has access to c. £244m of liquidity (£22m cash on deposit and £222m undrawn RCF). Leverage[1] at 28 February 2025 was 1.7x Headline EBITDA[1] (29 February 2024: 1.8x).

Refinancing

On 25 March 2025, the Group announced the successful completion of a £200m issue of US Private Placement (USPP) notes and a bank term loan of £120m.

The USPP notes, which represent the Group's debut issue in the USPP market, have a maturity of 7, 10 and 12 years and have been issued on investment grade terms. At the same time, the Group has agreed a £120m three-year bank term loan with two uncommitted extension options of one year each, which would, subject to lender approval, extend the tenor of the new bank loan to 4 and 5 years, if exercised.

The Group's existing £400m revolving credit facility ('RCF') is retained and matures in June 2029. The RCF has one remaining uncommitted extension option of one year, which would, subject to lender approval, extend the maturity date to June 2030, if exercised.

This refinancing will diversify the Group's sources of debt financing and extends the Group's debt maturity profile in advance of the convertible bond maturing on 7 May 2026. The income statement cost of the convertible bond is c.4.6% including the non-cash debt accretion charge. The income statement cost of the replacement financing will be c.6.3%.

Group cash flow

The Group generated an operating cash flow[1] of £94m (2024: £94m) in the half, demonstrating the cash generative nature of the business. Capex was £50m[8] (2024: £65m) as we continue to invest in new stores, with targeted returns ahead of our cost of capital. As expected, we had a working capital outflow of £87m[9] in the first half (2024: £68m). Of this outflow, most results from the usual working capital cadence in the Group where there has been a large working capital outflow in the first half due to the seasonality in the Travel business. As the Travel businesses grows, we will see greater seasonality in our cash flows.

[6] Cash and cash equivalents comprises cash on deposit of £22m and cash in transit of £17m
[7] Draw down of £178m as at 28 February 2025
[8] Excluding capex related to non-underlying items of £1m

The balance mainly relates to the investment in new stores. In total, there was a free cash outflow in the half of £69m (2024: £56m). This year, we would expect, subject to investment opportunities, an increase in free cash generation, and net debt to be around £400m at the end of the year.

Capital allocation policy

The cash generative nature of the Group is complemented by our disciplined approach to capital allocation. This has been in place for many years and continues to drive our decision making for utilising our cash:

- First, investing for growth in our existing business and in new opportunities where rates of return are ahead of the cost of capital. This financial year, we expect capex of c.£110m. The returns in Travel are good with ROCE[10] in the UK at 35%, North America at 15% and ROW at 26%.
- Second, paying a dividend, we have a progressive dividend policy with a target dividend cover, over time, of 2.5x; the Board is declaring an interim dividend of 11.3p per share
- Third, undertaking attractive value-creating acquisitions in strong and growing markets;
- And, lastly, returning surplus cash to shareholders via share buy backs.

The Board has declared an interim dividend of 11.3p per share (2024: 11.0p per share). This reflects our strong start to the year, the cash generative nature of the business and our confidence in the future growth prospects of the Group. Over time, we aim to have a cover ratio of around 2.5 times earnings[11]. The dividend payments are paid on an interim and final basis with a 1/3:2/3 split. The interim dividend will be paid on 31 July 2025 to shareholders registered at the close of business on 11 July 2025.

On 11 September 2024, the Group announced a £50m share buyback which reflects the strong ongoing cash flow, the receipt of the pension surplus cash return as well as the strength of our balance sheet. As at 15 April 2025, the Group had purchased 2.2m shares for cancellation for total consideration of £27m.

TOTAL TRAVEL

Total Travel revenue for the period was £712m (2024: £670m), up 6% compared to the previous year, generating a Total Travel Headline trading profit[1] of £56m (2024: £50m).

	Trading profit[1] (IFRS)		**Headline trading profit/(loss)[1] (pre-IFRS 16)**		**Revenue**	
£m	**6 months to Feb 2025**	**6 months to Feb 2024**	**6 months to Feb 2025**	**6 months to Feb 2024**	**6 months to Feb 2025**	**6 months to Feb 2024**
Travel UK	**40**	39	**40**	37	**384**	360
North America	**18**	14	**15**	14	**194**	189
Rest of the World	**5**	1	**1**	(1)	**134**	121
Total Travel	**63**	54	**56**	50	**712**	670

In Travel, our initiatives position us well for continued growth:

- ***Space growth - Business development and winning new business***
  Through building and managing relationships with all our landlord partners, we look to win new space, improve the quality and amount of space, develop new formats and extend contracts. We opened 30 stores during the half (13 net of closures). We now have a store pipeline of over 90 stores[2] (c.70 stores net of expected closures), which are due to open over the next three years. There are significant space growth opportunities across all our Travel markets and going forward, we expect to win, on average, 50 to 60 stores each year and close on average c.20 stores as we improve the quality of our space.

[9] Pre-IFRS 16
[10] Return on capital employed. ROCE is an Alternative Performance Measure (APM) defined and explained in the Glossary on page 43.
[11] Headline diluted earnings per share, before non-underlying items

- ***ATV growth and spend per passenger***
  We aim to grow ATV through our forensic analysis of the return on our space, cross-category promotions, merchandising, store layouts and store refits. The transition of our stores to a one-stop-shop for travel essentials is an important driver of this growth. During the period, we have continued to focus on re-engineering our ranges and we continue to see good ATV growth across all our channels.

- ***Category development***
  We do this by developing adjacent product categories relevant for our customers, such as health and beauty and tech ranges, and expanding existing categories such as food. During the half, we have continued to focus on identifying further opportunities for our one-stop-shop travel essentials format. More recently, we have opened 2 new one-stop-shops at Edinburgh and Newcastle airports. The results from our one-stop-shop travel essentials format have been positive for both our customers and our landlords.

- ***Cost and cash management***
  We remain focused on cost efficiency and productivity, for example, by continuing to invest in energy efficient chillers across our stores and investing in our supply chain capabilities in North America to more effectively serve our growing store estate on the East Coast of the US.

TRAVEL UK

Travel UK, our largest division, has delivered a strong first half performance and we continue to see good opportunities to grow this division further.

Total revenue in the period was £384m (2024: £360m) which, together with improved margins, resulted in a Headline trading profit[1] of £40m (2024: £37m).

Across all our channels, we continue to focus on our key growth drivers: space growth, increasing ATV and spend per passenger, driving EBIT margins and benefitting from the growth in passenger numbers. Momentum is strong and we are seeing good results, with revenue growing ahead of passenger numbers.

All our channels in Travel UK have performed strongly in the period with total revenue growth of 7% versus last year.

We are investing in our UK store portfolio while also identifying new and better quality space opportunities across each of our channels. During the half, we have opened 3 new stores – 1 in Air and 2 in Hospitals. We are on track to open a further 9 stores in the second half of the financial year. We see this annual space growth of around 10 to 15 new stores in Travel UK extending into the medium term. We closed 15 stores in the half in line with our strategy to improve the quality of our space.

Revenue growth by key channels

	Revenue (% change) 6 months to Feb 2025	
	Total revenue vs 2024	**LFL revenue[1] vs 2024**
Air	8%	9%
Hospitals	9%	4%
Rail	5%	4%
Total Travel UK	**7%**	**7%**

Air

We delivered a strong performance in the period across our UK Air channel with LFL revenue growth of 9%. Our one-stop-shop format is delivering strong results, driving profitability, and highlighting further significant opportunities for the future.

We continue to expand this format and we have recently refitted stores at Manchester and London Stansted airports by significantly increasing the space dedicated to health and beauty ranges. In addition, our stores at Edinburgh and Newcastle airports have seen a complete refit to our one-stop-shop format and we are seeing good results.

Across Edinburgh and Newcastle airports, we have designed stores encompassing everything you would expect from WHSmith, as well as a broader and improved product range, including health and beauty, tech and food to go.

Our food range, *Smith's Family Kitchen,* has resonated well with customers across all channels. During the period, we have further developed our ranges and improved our offer for customers, which now includes pastries and bakery items.

By widening our offer and creating a fast, convenient shopping experience, customers are purchasing more items which increases our spend per passenger and drives ATV.

This is a highly scalable format and applicable across all of our stores in Air. We therefore see plenty of good opportunities for the future.

Hospitals

The hospital channel is the second largest by revenue behind Air and it has delivered a good performance in the period with LFL revenue up 4%.

Our ongoing success in the Hospital channel illustrates our ability to generate increased profitability from our stores by improving our retail proposition. We do this by tailoring our product offer to the specific requirements of hospital staff, patients and visitors by providing an increased range of food, health and beauty and tech accessories.

During the first half, we have opened 2 hospital stores. We have also opened our second *Smith's Family Kitchen* café at Greater Manchester Hospital. While it is still very early days for this format, customer reaction has been positive and we are in discussion with hospital trusts on how we can work together to improve their food and beverage offer.

We expect to open a further 8 stores in the second half and we see plenty more opportunities to continue to grow our space and improve the retail proposition under our broad suite of brands and new formats. We currently have 147 stores across more than 100 hospitals and we see scope for at least one of our formats in up to 200 additional hospitals.

Rail

We have delivered a good performance in Rail with LFL revenue up 4%.

In line with our other channels, we continue to focus on investing in new formats and improving our ranges across many of our stores, including the refurbishment of some of our mainline rail stores such as Kings Cross and Charing Cross stations in London, to provide an improved customer proposition.

During the period, we have also refitted stores at Glasgow Queen Street station and York.

By increasing the space to more food-to-go and health and beauty products across these stores, we have increased our spend per passenger.

NORTH AMERICA

North America, the world's largest travel market, is our most exciting growth opportunity where we see excellent prospects for further growth in our airport business. This division will continue to become an increasingly significant part of the Group and is now our second largest division in profit terms, after Travel UK.

We are mindful of the increased level of geopolitical and economic uncertainty, however given the resilient nature of our business, our low average transaction value, and our strong spend per passenger growth, we are in a strong position to mitigate any potential weakening in passenger numbers. LFL revenue growth, despite a softening in passenger numbers, remains positive.

During the half, we delivered a good performance with 10 new store openings. We have increased revenue by 5%[4] on a constant currency basis, improved gross margins and we continue to invest in our store estate. Total revenue was £194m (2024: £189m), an increase of 3%. Headline trading profit[1] was up 7% to £15m (2024: £14m).

Our North American business is subject to changes in the GBP:USD exchange rates. A 5 cent change in this rate results in a c.£3m movement in annual Headline trading profit.

Our Air business, the largest part of our North American division, combines our Travel Essentials and InMotion businesses. LFL revenue in Air was up 4% and total growth on a constant currency basis was up 9%.

Travel Essentials is the largest, fastest growing part of our North American business and where we are investing the majority of our capital. In Travel Essentials, we delivered a strong performance with LFL revenue up 8% in the period. We see further good opportunities to win and open more Travel Essentials stores in Air, delivering good returns, as we aim to grow our market share to around 20% by 2028. By 2028, we would expect to be operating around 500 stores and our overall Air business to be around 85% of the total North American division, which will drive higher growth and profitability.

A key driver of our growth to date has been our ability to win significant new tenders.

We opened a further 10 stores (net of closures, 3) in the period including new stores at Boston, Salt Lake City and Washington Ronald Reagan airports. Early results are good, and customer and landlord feedback has been positive. During the half, we closed 7 stores, primarily InMotion stores.

We still have a very strong pipeline of new store openings and our success to date in winning tenders demonstrates why we remain confident in our ability to continue to win market share. We now have a new store pipeline of over.70 stores due to open primarily over the next 2 years and currently we anticipate closing c.20 stores, in line with our strategy to improve the quality of our space.

In the period, we have won 26 new airport stores at Albuquerque, Dallas, and Portland, as well as a significant win at a major East Coast airport, cementing our position as a leading operator in Travel Essentials on the East Coast.

As we build scale, we are also investing in our supply chain capabilities, for example, on the East Coast to more effectively serve our growing store estate and this is generating good efficiencies.

Including the 10 store openings in the period, we now have 258 stores in Air (including 120 InMotion stores), 84 stores in Resorts and 2 stores in Rail.

Revenue growth by key channels

	Revenue (% change) 6 months to Feb 2025		
	Total vs 2024	**Total at constant currency[4] vs 2024**	**LFL[1] vs 2024**
Air	6%	9%	4%
Resorts	(9)%	(6)%	(3)%
Total North America	**3%**	**5%**	**3%**

Air is the largest and fastest growing part of our North American division and combines our Travel Essentials and InMotion businesses.

Our approach to growing our Air business in North America is similar to the UK, but it is at a much earlier stage of development. Around 80% of passenger traffic in the US is domestic. During the first half, we have continued to focus on improving the quality and efficiency of our estate and driving profitability by applying the retail disciplines from our UK stores. Using the data from around 200 stores, we are forensically analysing our space to enhance our ranges, introduce new categories and review space allocation.

We are focused on increasing spend per passenger. In the first half, we have seen strong spend per passenger growth of around 5%. By focusing on the key areas of growth we can control, we are in a strong position to mitigate potential weakening in passenger numbers. In addition, our low average transaction value means we are less impacted than luxury retailers.

The changes we are making to improve our customer proposition are predominantly in our food and drink categories. We are increasing the space allocated to food-to-go and snacking and investing in more chillers across key stores. At the same time, we are developing our health and beauty category, as we have done in the UK, and this will become a more important part of our business.

Using these principles, we are delivering superior returns in spend per passenger and while this is encouraging, we know that there is scope to do more.

The smaller part of our Air business is InMotion. LFL revenue was down 1%. Since acquisition in 2018, we have doubled the profits and improved margins significantly by over 500bps as a result of working closely with our suppliers, reducing operating costs and fully integrating into our Air business.

InMotion has an important role in the Group: it resonates strongly with customers; it enables us to offer a market leading tech brand to landlords as part of tenders; to maintain strong global relationships with key brands such as Apple and Bose; to offer a broader selection of branded tech accessories in our Travel Essentials stores and; to broaden our higher margin own brand accessories ranges such as the Good Vibes range which is performing well.

In the Resorts business, which is the smallest part of our North America division and centred around Las Vegas, we saw total revenue on a constant currency basis down 6% reflecting the annualisation of the closure of 16 stores following two hotel closures on the Strip as previously signposted. LFL revenue was down 3% in the period, reflecting the phasing of the spring break this year, and as we anniversaried the Super Bowl in the prior year.

REST OF THE WORLD

Total revenue for the period in ROW was up 15%[4] on a constant currency basis and LFL revenue was up 9% on the prior year. Headline trading profit[1] was £1m compared to a loss of £1m in the prior year.

Our approach is clear: to continue to build scale in the countries we have a presence and enter new countries using our three operating models of directly-run, joint venture and franchise, and, over time, leveraging our fixed cost base to grow net margins.

During the period, we opened 17 stores in countries including Australia, Spain and the UAE.

We are focusing on driving ATV and spend per passenger across these stores by applying the same principles that we apply in the UK: expanding our categories and introducing a broader offer for customers to include tech accessories, health and beauty and food.

We have opened 3 InMotion stores across Copenhagen airport offering a world class range of electronics for the travelling customer, as well as experiential zones for brands to showcase their latest product launches.

In Australia, we now operate over 60 stores. Our focus in Australia is winning new Travel Essentials stores across airports and, as we do in the US, we take the learnings from our UK business and apply our retail disciplines, including design, marketing and category development to improve the customer proposition.

Outside of our Air business in Australia, we also operate in Hospitals. Alfred Hospital in Melbourne is a good example of how we have broadened our customer offer into a hospital environment. We have recently won all the food and beverage concessions within this hospital, serving customers from 3 café restaurants in the main food court. To provide a faster and more convenient service, we have introduced self-service screens where customers can order and pay easily and quickly.

This is an important gateway for the Group as we look to focus on growing our food and beverage credentials, and we can use the learnings from this business as we look to grow and adapt our food proposition across the globe.

The opportunities in this division are significant and where we are opening new stores, we are pleased with their performance and we tend to track significantly ahead of the previous incumbent.

We remain well-positioned to benefit from further opportunities as more space becomes available. We now have 352 stores open; 54% are directly-run; 8% are joint venture and; 38% are franchise. During the current financial year, we expect to open c.30 stores and close c.26 stores.

Total Travel stores

During the year, we opened 30 stores in Travel. As at 28 February 2025, our global Travel business operated from 1,278 stores (31 August 2024: 1,291). As part of our strategy to improve the quality of our space, we closed 43 stores in the half. 12 closures were the result of relocations or removing loss makers, and 19 were small, franchised stores. Outside of planned redevelopment, all of these closures were actioned in line with our strategy. Our focus will remain on opening more stores and better quality space. As a result, we expect to see further store closures in the current financial year of c.10 stores and to open a further c.35 stores.

Excluding franchise stores, Travel occupies 1.2m square feet (31 August 2024: 1.2m square feet). See page 19 for analysis of store numbers by region.

HIGH STREET

High Street delivered a performance in line with market expectations for the first half, with Headline trading profit[1] of £15m (2024: £22m) and revenue of £239m (2024: £256m). We managed the business tightly, keeping focused on costs and cash generation. LFL revenue was down 3% on last year.

As announced on 28 March 2025, we have agreed a sale of this business to Modella Capital for an enterprise value of £76m. We expect the transaction to complete in Q4 of the current financial year.

The sale does not include the WHSmith brand nor the Group's personalised online greeting card business, funkypigeon.com. The assets and liabilities of the High Street business have not been treated as held for sale in the interim financial statements (see Note 1 to the financial statements for more information).

As at 28 February 2025, the High Street business operated from 482 stores (31 August 2024: 500) which occupy 2.3m sq ft (31 August 2024: 2.4m sq ft). 18 stores were closed in the period.

FUNKYPIGEON.COM

This has been a period of investment for funkypigeon.com with higher levels of spend on the platform and brand than in 2024. Funkypigeon.com delivered total revenue of £18m (2024: £18m) and Headline EBITDA[1] was £nil (2024: £2m). We continue to see opportunities to grow revenue and profit over the medium term.

As announced on 28 March 2025, the Group is currently reviewing strategic options for this part of the Group, including a possible sale.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (‘ESG’)

We continue to make excellent progress against our key ESG commitments. We know that our customers, colleagues and business partners all want us to act in a responsible way and that operating sustainably enables better business performance.

We are the top performing speciality retailer in Morningstar’s Sustainalytics ESG Benchmark and we have been awarded an ESG rating of AAA from MSCI. In addition, we were included, once again, in the Dow Jones World Sustainability Index.

Our Scope 1 and 2 emissions continue to decrease, and we are making good progress towards our target for 45% of our supply chain emissions to be covered by science-based targets by the end of the financial year.

We continue to champion children’s literacy in partnership with the National Literacy Trust. Our financial assistance is providing direct early years’ support to families in communities where help is needed. In North America, our partnership with Miracle Flights continues to support children who need to travel to receive life-changing medical care.

FINANCIAL REVIEW

	IFRS		Headline pre-IFRS 16[1]	
£m	**6 months to Feb 2025**	**6 months to Feb 2024**	**6 months to Feb 2025**	**6 months to Feb 2024**
Travel UK trading profit[1]	**40**	39	**40**	37
North America trading profit[1]	**18**	14	**15**	14
Rest of the World trading profit / (loss)[1]	**5**	1	**1**	(1)
Total Travel trading profit[1]	**63**	54	**56**	50
High Street trading profit[1]	**20**	27	**15**	22
Group profit from trading operations[1]	**83**	81	**71**	72
Unallocated central costs[1]	**(14)**	(13)	**(14)**	(13)
Group operating profit before non-underlying items[1]	**69**	68	**57**	59
Net finance costs	**(25)**	(24)	**(12)**	(13)
Group profit before tax and non-underlying items[1]	**44**	44	**45**	46
Non-underlying items[1]	**(86)**	(16)	**(70)**	(14)
Group (loss) / profit before tax	**(42)**	28	**(25)**	32
Income tax credit / (charge)	**2**	(8)	**(3)**	(9)
(Loss) / profit for the period	**(40)**	20	**(28)**	23
Attributable to:				
Equity holders of the parent	**(43)**	17	**(31)**	20
Non-controlling interests	**3**	3	**3**	3
	(40)	20	**(28)**	23

Total Travel Headline trading profit[1] in the period was £56m (2024: £50m) of which the largest division, Travel UK, generated a Headline trading profit[1] of £40m (2024: £37m). North America delivered £15m (2024: £14m), ROW £1m (2024: loss of £1m) and High Street £15m (2024: £22m).

The Group generated a Headline profit before tax and non-underlying items[1] of £45m (2024: £46m) and, after non-underlying items and IFRS 16, a Group loss before tax of £42m (2024: profit before tax of £28m).

Net finance costs

	IFRS		Headline pre-IFRS 16[1]	
£m	**6 months to Feb 2025**	**6 months to Feb 2024**	**6 months to Feb 2025**	**6 months to Feb 2024**
Interest payable on bank loans and overdrafts	**5**	6	**5**	6
Interest on convertible bonds	**7**	7	**7**	7
Interest on lease liabilities	**13**	11	**-**	-
Net finance costs before non-underlying items	**25**	24	**12**	13

Headline net finance costs before non-underlying items[1] for the half were £12m (2024: £13m). This includes cash costs of £7m and £4m relating to the non-cash debt accretion charge from the convertible which has a fixed coupon of 1.625%.

Lease interest of £13m (2024: £11m) arises on lease liabilities recognised under IFRS 16, bringing the total net finance costs under IFRS 16 to £25m (2024: £24m).

Tax

The effective tax rate[1] was 24% (2024: 24%) on the profit for the half. Net corporation tax payments in the period were £17m (2024: £9m) after using all possible loss relief. Based on current legislation, we expect the effective tax rate[1] in the full year to be around 24%.

Earnings per share

Calculation of Headline earnings per share[1]

	Headline pre-IFRS 16[1]	
	6 months to Feb 2025	**6 months to Feb 2024**
Headline profit before tax[1, 12] (£m)	**45**	46
Income tax expense[12] (£m)	**(11)**	(11)
Headline profit for the period[12] (£m)	**34**	35
Attributable to non-controlling interests (£m)	**(3)**	(3)
Headline profit for the period attributable to equity holders of WH Smith PLC[12] (£m)	**31**	32
Weighted average shares in issue (diluted) (no. of shares - millions)	**130**	131
Headline diluted EPS[1, 12] (p)	**23.8p**	24.4p

[12] Before non-underlying items

The above measures are calculated on a pre-IFRS 16 basis.

Headline diluted EPS[1] was 23.8p (2024: 24.4p), a decrease of 2% on the previous year.

EPS calculated on an IFRS 16 basis is provided in Note 7 to the financial statements, and a reconciliation between the IFRS 16 and pre-IFRS 16 earnings per share is provided in Note A4 to the Glossary on page 43.

The diluted weighted average number of shares in issue used in the calculation of Headline diluted EPS[1] assumes that the convertible bond is not dilutive and reflects the number of shares held by the ESOP Trust.

Profit attributable to non-controlling interests primarily represents the joint venture partner share of profit in relation to airport contracts in the USA. As at 28 February 2025, the profit attributable to non-controlling interests was £3m (2024: £3m).

Non-underlying items[1]

Items which are not considered part of the normal operating costs of the business, are non-recurring and are exceptional because of their size, nature or incidence, are treated as non-underlying items and disclosed separately. Non-underlying items in the period are detailed in the table below. The cash impact of non-underlying items in the half is £25m, which includes some timing related spend from previous periods.

£m	Ref	IFRS 6 months to Feb 2025	IFRS 6 months to Feb 2024	IFRS Year ended Aug 2024	Headline pre-IFRS 16[1] 6 months to Feb 2025	Headline pre-IFRS 16[1] 6 months to Feb 2024	Headline pre-IFRS 16[1] Year ended Aug 2024
Items included in the Income statement							
Amortisation of acquired intangible assets	1	**(2)**	(2)	(3)	**(2)**	(2)	(3)
Transformation programmes – IT	2	**(5)**	(1)	(5)	**(5)**	(1)	(5)
Transformation programmes – operational efficiencies	3	**(7)**	-	-	**(7)**	-	-
Provisions for onerous contracts	4	**(1)**	(2)	(6)	**(3)**	(2)	(11)
Costs associated with pensions		**-**	(1)	(2)	**-**	(1)	(2)
IFRS 16 remeasurement gains		**-**	-	3	**-**	-	-
Re-platform of whsmith.co.uk and other costs		**-**	-	(4)	**-**	-	(4)
Impairment of goodwill	5	**(15)**	-	-	**(15)**	-	-
Impairment of non-current assets	6	**(40)**	(9)	(30)	**(22)**	(6)	(23)
Transformation programmes – supply chain	7	**(2)**	(1)	(4)	**(2)**	(1)	(4)
Transformation programmes – High Street store portfolio	8	**(8)**	-	-	**(8)**	-	-
Costs relating to M&A activity and Group legal entity structure	9	**(6)**	-	(4)	**(6)**	-	(4)
Total non-underlying items recognised in the income statement before finance costs		**(86)**	(16)	(55)	**(70)**	(13)	(56)
Finance costs – discount unwind on provisions for onerous contracts		**-**	-	-	**-**	(1)	(1)
Total non-underlying items recognised in the income statement		**(86)**	(16)	(55)	**(70)**	(14)	(57)
Items included in the Statement of comprehensive income							
Remeasurement of the recoverability of the retirement benefit surplus		**-**	-	87	**-**	-	87
Total non-underlying items including items recognised in the Statement of comprehensive income		**(86)**	(16)	32	**(70)**	(14)	30

(1) Amortisation of acquired intangible assets

Non-cash amortisation of acquired intangible assets of £2m (29 February 2024: £2m) primarily relates to the MRG and InMotion brands.

(2) Transformation programmes – IT

Costs of £5m (29 February 2024: £5m) have been classified as non-underlying in relation to Board-approved programmes relating to IT transformation (£5m), which were commenced during the year ended 31 August 2024. The IT transformation programme includes costs relating to upgrading core IT infrastructure, data migration and investment in data security, store systems modernisation and other significant IT projects. These strategic projects will provide additional stability, longevity and operational benefits. The implementation will cover several years and we anticipate total costs in the year ending 31 August 2025 to be around £15m.

(3) Transformation programmes – operational efficiencies

Costs of £7m (29 February 2024: £nil) have been classified as non-underlying in relation to Board-approved programmes relating to operational efficiencies. This programme includes £4m of costs associated with the restructuring of store and field management structures within the Travel UK segment, and £3m of head office restructuring costs across all segments. This programme will deliver a more efficient operating model to support the Group's strategic objectives. The programme will be completed in the current financial year, with expected second half costs of c.£4m.

(4) Provisions for onerous contracts

A charge of £3m on a pre-IFRS 16 basis (29 February 2024: £2m; IFRS 16 basis £1m; 29 February 2024: £2m) has been recognised in the income statement to provide for the unavoidable costs of continuing to service a number of non-cancellable supplier and lease contracts where the space is vacant, a contract is loss-making or currently not planned to be used for ongoing operations. This provision will be utilised over the next two to four financial years. The unwinding of the discount on provisions for onerous contracts is treated as an imputed interest charge, and has been recorded in non-underlying finance costs.

(5) Impairment of goodwill

The Group has carried out an assessment for indicators of impairment of goodwill. Following a period of challenging trading conditions, a strategic review of the High Street business was undertaken during the period. As a result an impairment review of the goodwill associated with the High Street business has been undertaken, based on management's latest view of the likely future performance of the group of cash-generating units ('CGUs') that comprise the High Street segment.

As a result of this exercise, a non-cash charge of £15m (29 February 2024: £nil) was recorded within non-underlying items for impairment of goodwill. Further information is provided in Note 8.

(6) Impairment of non-current assets

The Group has carried out an assessment for indicators of impairment of non-current assets across the store and online portfolio. Where an indicator of impairment has been identified, an impairment review has been performed to compare the value-in-use of CGUs, based on management's assumptions regarding likely future trading performance, to the carrying value of the CGUs. Following the strategic review of the High Street business during the period noted above, and management's latest estimates of the longer term prospects of the division, it was determined that there was a pervasive indicator of impairment in the High Street segment and therefore the entire High Street store portfolio was assessed for impairment.

As a result of this exercise, a non-cash charge of £40m was recorded within non-underlying items for impairment of property, plant and equipment, intangible assets and right-of-use assets, of which £33m relates to the High Street segment. Further information is provided in Note 8. The impairment recognised on a pre-IFRS 16 basis is provided in the Glossary on page 43.

(7) Transformation programmes – supply chain

Costs of £2m (29 February 2024: £1m) have been classified as non-underlying in relation to a Board-approved programme relating to supply chain which was commenced during the year ended 31 August 2024.

The supply chain transformation programme includes costs of reconfiguration of the Group's UK distribution centres following the outsourcing of operations to a third party (GXO), in order to generate a more efficient and productive supply chain to support the performance and growth of the Group's UK businesses. This project will conclude in 2025, incurring similar costs as in 2024.

(8) Transformation programmes – High Street store portfolio

Costs of £8m have been incurred in relation to a High Street store portfolio programme following a review of performance in the first half, and management's latest estimates of the longer term prospects of the division. Of these costs £6m relates to provisions for dilapidations for stores which have been identified for closure. The remaining £2m relates to closure costs of stores in the first half.

(9) Costs relating to M&A activity and Group legal entity structure

Costs incurred during the half primarily relate to legal and professional fees incurred in relation to the proposed sale of the High Street business.

A tax credit of £13m (29 February 2024: £3m) has been recognised in relation to the above items (£8m pre-IFRS 16 (29 February 2024: £2m)).

Cash flow

Free cash flow[1] reconciliation

£m	pre-IFRS 16[1] 6 months to Feb 2025	6 months to Feb 2024
Headline Group operating profit before non-underlying items[1]	**57**	59
Depreciation, amortisation and impairment (pre-IFRS 16)[13]	**32**	29
Non-cash items	**5**	6
Operating cash flow[1, 13]	**94**	94
Capital expenditure[8]	**(50)**	(65)
Working capital (pre-IFRS 16)[13]	**(87)**	(68)
Net tax paid	**(17)**	(9)
Net finance costs paid (pre-IFRS 16)	**(7)**	(8)
Movement on provisions	**(2)**	-
Free cash flow [1]	**(69)**	(56)

[13] Excludes cash flow impact of non-underlying items

The Group generated an operating cash flow[1] of £94m in the half (2024: £94m) demonstrating the cash generative nature of the business.

As expected, we had a working capital outflow of £87m in the period (2024: outflow of £68m). Most of this outflow results from the usual working capital cadence in the Group, where there has been a large working capital outflow in the first half, due to the seasonality in the Travel business. The balance mainly relates to the investment in new stores.

For the full year, we expect to generate a free cash inflow, reflecting the normal working capital cadence of the Group and the substantial level of operating cash flows generated by the Group during the second half.

Net corporation tax payments in the period were £17m (2024: £9m).

Capital expenditure in the half was £50m[8] (2024: £65m) which includes the spend from opening 30 stores around the world. We anticipate the full year capex spend to be around £110m which includes the additional spend from opening c.35 stores in the second half.

£m	6 months to Feb 2025	6 months to Feb 2024
New stores and store development	**26**	38
Refurbished stores	**11**	9
Systems	**8**	7
Other	**5**	11
Total capital expenditure	**50**	65

Reconciliation of Headline net debt[1]

Headline net debt[1] is presented on a pre-IFRS 16 basis. See Note 9 of the Financial statements and Note A8 of the Glossary for net debt on an IFRS 16 basis.

As at 28 February 2025, the Group had Headline net debt[1] of £454m comprising convertible bonds of £315m and net overdraft of £139m (31 August 2024: £371m, convertible bonds of £310m and net overdrafts of £61m).

£m	Headline pre-IFRS 16[1] 6 months to Feb 2025	Feb 2024	Year ended Aug 2024
Opening Headline net debt[1]	**(371)**	(330)	(330)
Free cash flow[1]	**(69)**	(56)	53
Dividends paid	**(29)**	(27)	(41)
Non-underlying items[1]	**(25)**	(6)	(28)
Purchase of own shares for cancellation	**(23)**	-	-
Cash refund of pension surplus	**75**	-	-
Net purchase of own shares for employee share schemes	**-**	(12)	(12)
Other	**(12)**	(6)	(13)
Closing Headline net debt[1]	**(454)**	(437)	(371)
Net overdraft	**(139)**	(132)	(61)
Convertible bond	**(315)**	(305)	(310)
Headline net debt[1]	**(454)**	(437)	(371)

In addition to the free cash outflow of £69m the Group returned £52m to shareholders via the 2024 final dividend of £29m (2024: £27m) and £23m of the £50m share buyback announced in November (2024: £nil). The cash spend on non-underlying items in the first half of 2025 was £25m (2024: £6m) and includes some timing related spend from previous periods. Other includes non-cash accretion on the convertible bond, and payments to non-controlling interests.

We anticipate full year Headline net debt[1] to be in the region of £400m.

On an IFRS 16 basis, net debt was £1,055m (2024: £1,039m), which includes an additional £601m (2024: £602m) of lease liabilities.

Fixed charges cover[1]

£m	pre-IFRS 16[1] 6 months to Feb 2025	6 months to Feb 2024
Headline net finance costs before non-underlying items[1]	**12**	13
Net operating lease rentals (pre-IFRS 16) (Note A12)	**181**	168
Total fixed charges	**193**	181
Headline profit before tax and non-underlying items[1]	**45**	46
Headline profit before tax, non-underlying items and fixed charges	**238**	227
Fixed charges cover - times	**1.2x**	1.3x

Fixed charges, comprising property operating lease charges and net finance costs, were covered 1.2 times (2024: 1.3 times) by Headline profit before tax, non-underlying items and fixed charges.

Return on capital employed[1]

	ROCE %	
	Feb 2025	**Feb 2024**
Travel UK	**35%**	32%
North America	**15%**	15%
Rest of the World	**26%**	16%
Total Travel	**25%**	23%
High Street	**27%**	37%
Group	**22%**	22%

Return on capital employed is calculated as the Headline trading profit[1] as a percentage of operating capital employed and is stated on a pre-IFRS 16 basis. Operating capital employed is calculated as the 12-month average net assets, excluding net debt, retirement benefit obligations and net current and deferred tax balances.

Balance sheet

	IFRS			Headline pre-IFRS 16[1]		
£m	**Feb 2025**	Feb 2024	Aug 2024	**Feb 2025**	Feb 2024	Aug 2024
Goodwill and other intangible assets	**488**	505	490	**490**	506	491
Property, plant and equipment	**321**	295	316	**313**	288	308
Right-of-use assets	**467**	484	505	**-**	-	-
Investments in joint ventures	**2**	2	2	**2**	2	2
	1,278	1,286	1,313	**805**	796	801
Inventories	**225**	207	217	**225**	207	217
Payables less receivables	**(105)**	(151)	(190)	**(92)**	(142)	(183)
Working capital	**120**	56	27	**133**	65	34
Net derivative financial asset	**-**	-	-	**-**	-	-
Net current and deferred tax asset	**54**	47	33	**54**	47	33
Provisions	**(17)**	(18)	(17)	**(30)**	(26)	(28)
Operating assets	**1,435**	1,371	1,356	**962**	882	840
Net debt	**(1,055)**	(1,039)	(997)	**(454)**	(437)	(371)
Net assets excluding retirement benefit surplus	**380**	332	359	**508**	445	469
Retirement benefit surplus	**-**	-	87	**-**	-	87
Total net assets	**380**	332	446	**508**	445	556

The Group had Headline net assets (before the retirement benefit surplus) of £508m, £39m higher than at 31 August 2024 reflecting the investment in new store openings and seasonality of working capital. Under IFRS the Group had net assets of £380m (29 February 2024: £332m).

Events after the balance sheet date

As at 15 April 2025, the Company has repurchased a further 0.3m of its own shares in the open market as part of the Company's share buyback programme for an aggregate consideration of £4m.

Total Travel stores by region

No. of stores		At 28 February 2025
Travel UK		**582**
North America		
	Air	**258**
	Resorts / Rail	**86**
	Total North America	**344**
Rest of the World		
	Europe	**157**
	Middle East and India	**78**
	Asia Pacific	**117**
	Total Rest of the World	**352**
Total Travel		**1,278**

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

The Group's Annual Report and Accounts 2024, a copy of which is available on the Group's website at www.whsmithplc.co.uk, sets out the principal and emerging risks and uncertainties which could impact the Group for the remainder of the current financial year along with mitigating activities relevant to each risk (see Annual Report and Accounts 2024 pages 59 to 65). These include:

- economic, political, competitive and market risks;
- brand and reputation;
- key suppliers and supply chain management;
- store portfolio;
- business interruption;
- reliance on key personnel;
- international expansion;
- cyber risk, data security and GDPR compliance;
- treasury, financial and credit risk management; and
- environment and social sustainability.

Reflecting the sale of the High Street business to Modella Capital agreed on 28 March 2025, that we expect to complete in final quarter of the financial year, we anticipate including a further note within the Principal Risks section of this year's annual report regarding the sale, as follows:

The sale of the High Street business carries certain risks. We have therefore ensured that appropriate planning, mitigation and monitoring arrangements are in place to oversee the continuity of operations for both businesses during the transition period and a successful outcome of this transaction.

This announcement contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results to differ from those anticipated. Nothing in this announcement should be construed as a profit forecast. We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

WH Smith PLC
Condensed Group Income Statement
For the 6 months to 28 February 2025

£m	Note	**6 months to 28 Feb 2025 (unaudited)** Before non-underlying items[1]	Non-underlying items[2]	Total	6 months to 29 Feb 2024 (unaudited) Before non-underlying items[1]	Non-underlying items[2]	Total	12 months to 31 Aug 2024 (audited) Before non-underlying items[1]	Non-underlying items[2]	Total
Revenue	2	**951**	**-**	**951**	926	-	926	1,918	-	1,918
Group operating profit / (loss)	2	**69**	**(86)**	**(17)**	68	(16)	52	213	(55)	158
Finance costs	4	**(25)**	**-**	**(25)**	(24)	-	(24)	(52)	-	(52)
Profit / (loss) before tax		**44**	**(86)**	**(42)**	44	(16)	28	161	(55)	106
Income tax (expense) / credit	5	**(11)**	**13**	**2**	(11)	3	(8)	(38)	9	(29)
Profit / (loss) for the period		**33**	**(73)**	**(40)**	33	(13)	20	123	(46)	77
Attributable to equity holders of the parent		**30**	**(73)**	**(43)**	30	(13)	17	113	(46)	67
Attributable to non-controlling interests		**3**	**-**	**3**	3	-	3	10	-	10
		33	**(73)**	**(40)**	33	(13)	20	123	(46)	77
(Loss) / earnings per share										
Basic	7			**(33.6)p**			13.2p			51.9p
Diluted	7			**(33.6)p**			13.0p			51.1p

[1] Alternative Performance Measure. The Group has defined and explained the purpose of its alternative performance measures in the Glossary on page 43.
[2] See Note 3 for an analysis of Non-underlying items. See Glossary on page 43 for definition of alternative performance measures.

WH Smith PLC
Condensed Group Statement of Comprehensive Income
For the 6 months to 28 February 2025

£m	Note	6 months to 28 Feb 2025 (unaudited)	6 months to 29 Feb 2024 (unaudited)	12 months to 31 Aug 2024 (audited)
(Loss) / profit for the period		**(40)**	20	77
Other comprehensive income / (loss):				
Items that will not be reclassified subsequently to the income statement:				
Remeasurement of the recoverability of retirement benefit surplus		**-**	-	87
Actuarial gains on defined benefit pension schemes		**-**	1	2
		-	1	89
Items that may be reclassified subsequently to the income statement:				
Gains on cash flow hedges				
- Net fair value gains		**1**	-	-
Exchange differences on translation of foreign operations		**21**	1	(15)
		22	1	(15)
Other comprehensive income for the period, net of tax		**22**	2	74
Total comprehensive (loss) / income for the period		**(18)**	22	151
Attributable to equity holders of the parent		**(23)**	19	142
Attributable to non-controlling interests		**5**	3	9
		(18)	22	151

WH Smith PLC
Condensed Group Balance Sheet
As at 28 February 2025

£m	Note	**At 28 Feb 2025 (unaudited)**	At 29 Feb 2024 (unaudited)	At 31 Aug 2024 (audited)
Non-current assets				
Goodwill	8	**428**	437	426
Other intangible assets	8	**60**	68	64
Property, plant and equipment	8	**321**	295	316
Right-of-use assets	8	**467**	484	505
Investments in joint ventures		**2**	2	2
Investments	1	**10**	-	-
Deferred tax assets		**38**	41	33
Trade and other receivables		**11**	9	12
		1,337	1,336	1,358
Current assets				
Inventories		**225**	207	217
Trade and other receivables		**133**	108	150
Retirement benefit surplus		**-**	-	87
Derivative financial assets		**-**	-	-
Current tax receivable		**16**	6	1
Cash and cash equivalents	9	**39**	44	56
		413	365	511
Total assets		**1,750**	1,701	1,869
Current liabilities				
Trade and other payables		**(259)**	(268)	(352)
Bank overdrafts and other borrowings	9	**(178)**	(176)	(117)
Lease liabilities	9	**(120)**	(124)	(125)
Current tax liability		**-**	-	(1)
Short-term provisions		**(2)**	(3)	(4)
		(559)	(571)	(599)
Non-current liabilities				
Bank loans and other borrowings	9	**(315)**	(305)	(310)
Long-term provisions		**(15)**	(15)	(13)
Lease liabilities	9	**(481)**	(478)	(501)
		(811)	(798)	(824)
Total liabilities		**(1,370)**	(1,369)	(1,423)
Total net assets		**380**	332	446
Shareholders' equity				
Called up share capital	11	**28**	29	29
Share premium		**316**	316	316
Capital redemption reserve		**14**	13	13
Translation reserve		**10**	6	(9)
Other reserves		**(267)**	(267)	(268)
Retained earnings		**245**	207	335
Total equity attributable to equity holders of the parent		**346**	304	416
Non-controlling interests		**34**	28	30
Total equity		**380**	332	446

WH Smith PLC
Condensed Group Cash Flow Statement
For the 6 months to 28 February 2025

£m	Note	6 months to **28 Feb 2025 (unaudited)**	6 months to 29 Feb 2024 (unaudited)	12 months to 31 Aug 2024 (audited)
Operating activities				
Cash generated from operating activities	10	**122**	90	335
Interest paid[1]		**(19)**	(19)	(42)
Income taxes paid		**(17)**	(9)	(18)
Net cash inflow from operating activities		**86**	62	275
Investing activities				
Purchase of property, plant and equipment		**(48)**	(58)	(115)
Purchase of intangible assets		**(3)**	(7)	(16)
Acquisition of subsidiaries, net of cash acquired		**-**	-	(6)
Cash flows from investments		**3**	-	-
Net cash outflow from investing activities		**(48)**	(65)	(137)
Financing activities				
Dividends paid	6	**(29)**	(27)	(41)
Purchase of own shares for employee share schemes		**-**	(12)	(12)
Purchase of own shares for cancellation		**(23)**	-	-
Distributions to non-controlling interests		**(4)**	(3)	(6)
Net drawdown on short term borrowings	9	**61**	92	33
Capital repayments of obligations under leases	9	**(60)**	(59)	(112)
Net cash outflow from financing activities		**(55)**	(9)	(138)
Net decrease in cash and cash equivalents in the period		**(17)**	(12)	**-**
Opening cash and cash equivalents		**56**	56	56
Effect of movements in foreign exchange rates		**-**	-	-
Closing cash and cash equivalents		**39**	44	56

[1] Includes interest payments of £12m on lease liabilities (29 February 2024: £11m; 31 August 2024: £25m)

WH Smith PLC
Condensed Group Statement of Changes in Equity
For the 6 months to 28 February 2025

£m	Called up share capital and share premium	Capital redemption reserve	Translation reserves	Other reserves[1]	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance at 1 September 2024	**345**	**13**	**(9)**	**(268)**	**335**	**416**	**30**	**446**
(Loss) / profit for the period	**-**	**-**	**-**	**-**	**(43)**	**(43)**	**3**	**(40)**
Other comprehensive income / (loss):								
Cash flow hedges	**-**	**-**	**-**	**1**	**-**	**1**	**-**	**1**
Exchange differences on translation of foreign operations	**-**	**-**	**19**	**-**	**-**	**19**	**2**	**21**
Total comprehensive income / (loss) for the period	**-**	**-**	**19**	**1**	**(43)**	**(23)**	**5**	**(18)**
Repurchase of shares	**(1)**	**1**	**-**	**-**	**(23)**	**(23)**	**-**	**(23)**
Employee share schemes	**-**	**-**	**-**	**-**	**5**	**5**	**-**	**5**
Dividend paid (Note 6)	**-**	**-**	**-**	**-**	**(29)**	**(29)**	**-**	**(29)**
Distributions to non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**	**(4)**	**(4)**
Non-cash movement on non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**3**
Balance at 28 February 2025 (unaudited)	**344**	**14**	**10**	**(267)**	**245**	**346**	**34**	**380**
Balance at 1 September 2023	345	13	5	(255)	209	317	23	340
Profit for the period	-	-	-	-	17	17	3	20
Other comprehensive (loss) / income:								
Actuarial gains on defined benefit pension schemes	-	-	-	-	1	1	-	1
Exchange differences on translation of foreign operations	-	-	1	-	-	1	-	1
Total comprehensive (loss) / income for the period	-	-	1	-	18	19	3	22
Employee share schemes	-	-	-	(12)	6	(6)	-	(6)
Dividend paid (Note 6)	-	-	-	-	(27)	(27)	-	(27)
Deferred tax on share-based payments	-	-	-	-	1	1	-	1
Distributions to non-controlling interest	-	-	-	-	-	-	(3)	(3)
Non-cash movement on non-controlling interests	-	-	-	-	-	-	5	5
Balance at 29 February 2024 (unaudited)	345	13	6	(267)	207	304	28	332
Balance at 1 September 2023	345	13	5	(255)	209	317	23	340
Profit for the year	-	-	-	-	67	67	10	77
Other comprehensive (loss) / income:								
Remeasurement of the recoverability of retirement benefit surplus	-	-	-	-	87	87	-	87
Actuarial gains on defined benefit pension schemes	-	-	-	-	2	2	-	2
Exchange differences on translation of foreign operations	-	-	(14)	-	-	(14)	(1)	(15)
Total comprehensive (loss) / income for the year	-	-	(14)	-	156	142	9	151
Employee share schemes	-	-	-	(13)	12	(1)	-	(1)
Dividends paid (Note 6)	-	-	-	-	(41)	(41)	-	(41)
Deferred tax on share-based payments	-	-	-	-	(1)	(1)	-	(1)
Distributions to non-controlling interest	-	-	-	-	-	-	(6)	(6)
Non-cash movement on non-controlling interests	-	-	-	-	-	-	4	4
Balance at 31 August 2024 (audited)	345	13	(9)	(268)	335	416	30	446

[1] Other reserve includes Revaluation reserve of £2m (February 2024 and August 2024: £2m), ESOP reserve of £(25)m (February 2024: £(27)m; August 2024: (£(27)m), convertible bond reserve of £40m (February 2024 and August 2024: £40m), hedging reserve of £1m (February 2024: £nil; August 2024: £nil) and Other reserves of £(285)m (February 2024: £(282)m; August 2024: £(283)m). The 'Other' reserve includes reserves created in relation to the historical capital reorganisation and proforma restatement of £(238)m (February 2024 and August 2024: £(238)m), the demerger from Smiths News PLC in 2006 of £69m (February 2024 and August 2024: £69m) and cumulative amounts relating to employee share schemes of £(116)m (February 2024: £(113)m; August 2024: £(114)m).

1. Basis of preparation, Accounting policies and Approval of Interim Statement

These Condensed Interim Financial Statements for the 6 months ended 28 February 2025 have been prepared in accordance with UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements do not include all of the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the Group's Annual Report and Accounts 2024, which has been prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006, and any public announcements made by WH Smith PLC during the interim reporting period.

The financial information set out in this report does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. The Annual Report and Accounts 2024 have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under s498(2) or s498(3) of the Companies Act 2006.

The Condensed Interim Financial Statements have been prepared in accordance with the accounting policies set out in the 2024 Annual Report and Accounts and it is these accounting policies which are expected to be followed in the preparation of the full financial statements for the financial year ended 31 August 2025, except as outlined below.

Investments of £10m relate to an investment in Permira Credit Solutions III Fund which was transferred to the Group following the buy out and wind up of the Group's defined benefit pension scheme, WHSmith Pension Trust. This investment is held at amortised cost, and is anticipated to convert to cash over the next two years.

Taxes on income in the interim period are accrued using the tax rate that would be applicable to the expected total annual profit or loss.

The Group has adopted the following standards and interpretations which became mandatory for the first time during the current financial year. The adoption of these standards has had no material impact on the Group.

IFRS 17	Insurance contracts
Amendments to IAS 1	Presentation of financial statements on classification of liabilities and non-current liabilities with covenants
Amendments to IFRS 16	Leases – Lease Liability in a Sale and Leaseback
Amendment to IAS 7 and IFRS 7	Supplier finance arrangements

At the balance sheet date, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been endorsed by the UK):

IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

The directors anticipate that the adoption of these standards and interpretations will have no material impact on the Group's financial statements.

Alternative performance measures (APM's)

The Group has identified certain measures that it believes will assist the understanding of the performance of the business. These APMs are not defined or specified under the requirements of IFRS.

The Group believes that these APMs, which are not considered to be a substitute for, or superior to, IFRS measures, provide stakeholders with additional useful information on the underlying trends, performance and position of the Group and are consistent with how business performance is measured internally. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' APMs.

The key APMs that the Group uses include: measures before non-underlying items, Headline profit before tax, Headline earnings per share, trading profit, Headline trading profit, Headline Group profit from trading operations, like-for-like revenue, gross margin, fixed charges cover, Headline EBITDA, effective tax rate, net debt and Headline net debt, free cash flow, operating cash flow, return on capital employed and leverage. These APMs are set out in the Glossary on page 43 including explanations of how they are calculated and how they are reconciled to a statutory measure where relevant.

Non-underlying items

The Group has chosen to present a measure of profit and earnings per share which excludes certain items, that are considered non-underlying and are not considered to be part of the normal operations of the Group. The Group believes that the separate disclosure of these items provides additional useful information to users of the financial statements to enable a better understanding of the Group's underlying financial performance.

1. Basis of preparation, Accounting policies and Approval of Interim Statement (continued)

Non-underlying items (continued)

The Group exercises judgement in determining whether income or expenses are reported as non-underlying. This assessment includes consideration of the size, nature or cause of occurrence of the item, as well as consistency with prior periods. Non-underlying items can include, but are not limited to, restructuring and transformation costs linked to Board agreed programmes, costs relating to M&A activity, impairment charges and other property costs, significant items relating to pension schemes, amortisation of intangible assets acquired in business combinations, and the related tax effect of these items. Reversals associated with items previously reported as non-underlying, such as reversals of impairments and releases of provisions or liabilities are also reported in non-underlying items.

Further details of the non-underlying items are provided in Note 3.

Items recognised in Other comprehensive income/loss may also be identified as non-underlying for the purposes of narrative explanation of the Group's performance, where the Group has determined that they are associated with the above categories and are judged to have met the Group's definition of non-underlying.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of condensed interim financial statements in conformity with generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information becomes available.

The most critical accounting judgements and sources of estimation uncertainty in determining the financial condition and results of the Group are those requiring the greatest degree of subjective or complex judgement. These relate to the classification of items as non-underlying, assessment of lease substitution rights, determination of the lease term, impairment reviews of non-current assets and inventory valuation.

The key areas where the judgments, estimates and assumptions applied have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are consistent with those applied in the Group's financial statements for the year ended 31 August 2024, as set out on pages 135 to 136 of those financial statements, except as explained below.

For details of changes to significant estimates for impairment of goodwill, property, plant and equipment, intangible assets and right-of-use assets in the current period, refer to Note 8.

On 28 March 2025, the Group announced the agreement of the sale of its High Street business to Modella Capital. At the balance sheet date there was a high degree of uncertainty over whether a sale agreement would be reached, with alternative strategic options being considered by the directors, and therefore the sale of the business was not considered to be highly probable given that a significant change to the plan to sell was not unlikely. Consequently, as all of the criteria of IFRS 5 were not met at the balance sheet date, the assets and liabilities of the High Street business have not been presented as held for sale in these interim financial statements, and its results have not been presented as a discontinued operation.

Going concern

The Condensed Interim Financial Statements have been prepared on a going concern basis.

The directors are required to assess whether the Group can continue to operate for the 12 months from the date of approval of these financial statements.

The Group overview describes the Group's financial position, cash flows and borrowing facilities and also highlights the principal risks and uncertainties facing the Group. The Group overview also sets out the Group's business activities together with the factors that are likely to affect its future developments, performance and position.

In making the going concern assessment, the directors have undertaken a rigorous assessment of current performance and forecasts for the 12-month period to April 2026, including expenditure commitments, capital expenditure and available borrowing facilities. The Group's borrowing facilities, including the recent refinancing, are described in the Group overview on page 5. The covenants on these facilities are tested half-yearly and are based on fixed charges cover and net borrowings. The directors have also considered the existence of factors beyond the going concern period that could indicate that the going concern basis is not appropriate.

1. Basis of preparation, Accounting policies and Approval of Interim Statement (continued)

Going concern (continued)

The directors have modelled a base case scenario consistent with the latest Board approved forecasts, which include management's best estimates of market conditions and include a number of assumptions including passenger numbers, sales growth and cost inflation. Under this scenario the Group has significant liquidity and complies with all covenant tests throughout the assessment period.

As a result of uncertainty and challenges in the macroeconomic environment, this base case scenario has been stress-tested by applying severe, but plausible, downside assumptions of a magnitude and profile in line with previous experience of economic downturns. These assumptions include reductions to revenue assumptions of between 5 and 10 per cent versus the base case, as appropriate by division, and additional inflationary pressures. Except for an equal reduction in turnover-based rents in our Travel businesses, this scenario does not assume a decrease in other variable costs, and is therefore considered severe. Under this downside scenario the Group would continue to have significant liquidity headroom on its existing facilities and complies with all covenant tests throughout the assessment period.

Following the announcement on 28 March 2025 of the proposed sale of the Group's High Street business, the directors have modelled further scenarios, under both base case and downside scenario assumptions, which exclude the forecast results and cash flows of the High Street business. Under these additional scenarios, the Group has sufficient liquidity and complies with all covenant tests throughout the assessment period.

Based on the above analysis, the directors have concluded that the Group is able to adequately manage its financing and principal risks, and that the Group will be able to continue to meet its obligations as they fall due and operate within the level of its facilities for at least 12 months from the date of approval of these financial statements.

2. Segmental analysis of results

IFRS 8 requires segment information to be presented on the same basis as that used by the Chief Operating Decision Maker for assessing performance and allocating resources. The Group's operating segments are based on the reports reviewed by the Board of Directors who are collectively considered to be the chief operating decision maker.

For management and financial reporting purposes, the Group is organised into two operating divisions which comprise four reportable segments – Travel UK, North America, Rest of the World within the Travel division, and High Street.

The information presented to the Board is prepared in accordance with the Group's IFRS accounting policies, on a pre-IFRS 16 basis, and is shown below as Headline information in Section b). A reconciliation to statutory measures is provided below in accordance with IFRS 8, and in the Glossary on page 43 (Note A2).

a) Group revenue

	6 months to		12 months to
£m	**28 Feb 2025 (unaudited)**	29 Feb 2024 (unaudited)	31 Aug 2024 (audited)
Travel UK	**384**	360	795
North America	**194**	189	401
Rest of the World[1]	**134**	121	270
Total Travel	**712**	670	1,466
High Street	**239**	256	452
Group revenue	**951**	926	1,918

[1] Rest of the World revenue includes revenue from Australia of £43m (29 February 2024: £42m), Ireland £27m (29 February 2024: £23m) and Spain £24m (29 February 2024: £22m). No other country has individually material revenue.

Seasonality

Revenue in the High Street business is subject to seasonal fluctuations, with peak demand in the Christmas trading period, which falls in the first half of the Group's financial year. Revenue in the Travel business is also subject to seasonal fluctuations, with higher demand during peak travel periods particularly during the summer holiday months, which fall in the second half.

2. Segmental analysis of results (continued)

b) Group results

	6 months to 28 Feb 2025 (unaudited)				6 months to 29 Feb 2024 (unaudited)			
£m	**Headline (pre-IFRS 16)[1]**	**Headline non-underlying items (pre-IFRS 16)[1]**	**IFRS 16**	**Total**	Headline (pre-IFRS 16)[1]	Headline non-underlying items (pre-IFRS 16)[1]	IFRS 16	Total
Travel UK trading profit	**40**	-	**-**	**40**	37	-	2	39
North America trading profit	**15**	-	**3**	**18**	14	-	-	14
Rest of the World trading profit / (loss)	**1**	-	**4**	**5**	(1)	-	2	1
Total Travel trading profit	**56**	-	**7**	**63**	50	-	4	54
High Street trading profit	**15**	-	**5**	**20**	22	-	5	27
Group profit from trading operations	**71**	-	**12**	**83**	72	-	9	81
Unallocated central costs	**(14)**	-	**-**	**(14)**	(13)	-	-	(13)
Group operating profit before non-underlying items	**57**	-	**12**	**69**	59	-	9	68
Non-underlying items (Note 3)	**-**	**(70)**	**(16)**	**(86)**	-	(13)	(3)	(16)
Group operating profit / (loss)	**57**	**(70)**	**(4)**	**(17)**	59	(13)	6	52
Finance costs	**(12)**	**-**	**(13)**	**(25)**	(13)	(1)	(10)	(24)
Group profit / (loss) before tax	**45**	**(70)**	**(17)**	**(42)**	46	(14)	(4)	28
Income tax (expense) / credit	**(11)**	**8**	**5**	**2**	(11)	2	1	(8)
Profit / (loss) for the period	**34**	**(62)**	**(12)**	**(40)**	35	(12)	(3)	20

[1] Presented on a pre-IFRS 16 basis. Alternative Performance Measures are defined and explained in the Glossary on page 43.

WH Smith PLC
Notes to the Condensed Interim Financial Statements
For the 6 months to 28 February 2025

2. Segmental analysis of results (continued)

c) Other segmental items

	6 months to 28 Feb 2025 (unaudited)				
	Non-current assets[1]			Right-of-use assets	
£m	Capital additions	Depreciation and amortisation	Impairment	Depreciation	Impairment
Travel UK	**13**	**(11)**	**-**	**-**	**-**
North America	**20**	**(10)**	**-**	**-**	**-**
Rest of the World	**6**	**(4)**	**-**	**-**	**-**
Total Travel	**39**	**(25)**	**-**	**-**	**-**
High Street	**11**	**(7)**	**-**	**-**	**-**
Headline, before non-underlying items	**50**	**(32)**	**-**	**-**	**-**
Headline non-underlying items (pre-IFRS 16)	**-**	**(2)**	**(37)**	**-**	**-**
Headline, after non-underlying items	**50**	**(34)**	**(37)**	**-**	**-**
Impact of IFRS 16	**-**	**(1)**	**-**	**(55)**	**-**
Non-underlying items (IFRS 16)	-	-	-	-	**(18)**
Group	**50**	**(35)**	**(37)**	**(55)**	**(18)**

	6 months to 29 Feb 2024 (unaudited)				
	Non-current assets[1]			Right-of-use assets	
£m	Capital additions	Depreciation and amortisation	Impairment	Depreciation	Impairment
Travel UK	21	(9)	-	-	-
North America	26	(8)	-	-	-
Rest of the World	6	(3)	-	-	-
Total Travel	53	(20)	-	-	-
High Street	9	(8)	-	-	-
Unallocated	-	(1)	-	-	-
Headline, before non-underlying items	62	(29)	-	-	-
Headline non-underlying items (pre-IFRS 16)	-	(2)	(6)	-	-
Headline, after non-underlying items	62	(31)	(6)	-	-
Impact of IFRS 16	-	(1)	-	(53)	-
Non-underlying items (IFRS 16)	-	-	-	-	(3)
Group	62	(32)	(6)	(53)	(3)

[1] Non-current assets including property, plant and equipment and intangible assets (including goodwill), but excluding right-of-use assets.

3. Non-underlying items

Items which are not considered part of the normal operating costs of the business are non-recurring and are considered exceptional because of their size, nature or incidence, are treated as non-underlying items and disclosed separately. Further details of the definition of the non-underlying items are included in Note 1.

£m	6 months to **28 Feb 2025 (unaudited)**	6 months to 29 Feb 2024 (unaudited)	12 months to 31 Aug 2024 (audited)
Amortisation of acquired intangible assets	**2**	2	3
Transformation programmes – IT	**5**	1	5
Transformation programmes – operational efficiencies	**7**	-	-
Provisions for onerous contracts	**1**	2	6
Costs associated with pensions	**-**	1	2
IFRS16 remeasurement gains	**-**	-	(3)
Re-platform of whsmith.co.uk and other costs	**-**	-	4
Impairment of non-current assets			
- goodwill associated with High Street	**15**	-	-
- property, plant and equipment and intangible assets	**22**	6	20
- right-of-use assets	**18**	3	10
Transformation programmes – High Street store portfolio	**8**	-	-
Transformation programmes – supply chain	**2**	1	4
Costs relating to M&A activity and Group legal entity structure	**6**	-	4
Non-underlying items, included in operating profit	**86**	16	55
Finance costs associated with refinancing	**-**	-	-
Non-underlying items, before tax	**86**	16	55
Tax credit on non-underlying items	**(13)**	(3)	(9)
Non-underlying items, after tax	**73**	13	46

Amortisation of acquired intangible assets

Non-cash amortisation of acquired intangible assets primarily relates to the MRG and InMotion brands.

Transformation programmes - IT

Costs of £5m (Feb 2024: £2m) have been classified as non-underlying in relation to IT transformation programmes, which were commenced during the year ended 31 August 2024. The IT transformation programme includes costs relating to upgrading core IT infrastructure, data migration and investment in data security, store systems modernisation and other significant IT projects. These strategic projects will provide additional stability, longevity and operational benefits. The implementation will cover several years, and we anticipate total costs in the year ending 31 August 2025 to be around £15m.

Transformation programmes – operational efficiencies

Costs of £7m (Feb 2024: £nil) have been classified as non-underlying in relation to Board-approved programmes relating to operational efficiencies. This programme includes £4m of costs associated with the restructuring of store and field management structures within the Travel UK segment, and £3m of head office restructuring costs across all segments. This programme will deliver a more efficient operating model to support the Group’s strategic objectives. The programme will be completed in the current financial year, with expected second half costs of c.£4m.

3. Non-underlying items (continued)

Impairment of goodwill

The Group has carried out an assessment for indicators of impairment of goodwill. Following a period of challenging trading conditions, a strategic review of the High Street business was undertaken during the period. As a result, an impairment review of the goodwill associated with the High Street business has been undertaken, based on management's latest view of the likely future performance of the group of cash-generating units ('CGUs') that comprise the High Street segment.

The recoverable amount has been calculated using value-in-use calculations of all of CGUs that make up the High Street segment, based on management's assumptions regarding likely future trading performance. This has been compared to the carrying value of all CGUs, including goodwill, as at 28 February 2025. Value-in-use was determined to be higher than fair value less costs of disposal. As a result of this exercise, a non-cash charge of £15m (Feb 2024: £nil) was recorded within non-underlying items for impairment of goodwill. Further information is provided in Note 8.

Impairment of property, plant and equipment, intangible assets and right-of-use assets

The Group has carried out an assessment for indicators of impairment of non-current assets across the store and online portfolio. Where an indicator of impairment has been identified, an impairment review has been performed to compare the value-in-use of CGUs, based on management's assumptions regarding likely future trading performance, to the carrying value of the CGUs. Following the strategic review of the High Street business during the period noted above, and management's latest estimates of the longer term prospects of the division, it was determined that there was a pervasive indicator of impairment in the High Street segment and therefore each CGU within the High Street store portfolio was assessed for impairment.

As a result of this exercise, a non-cash charge of £40m was recorded within non-underlying items for impairment of property, plant and equipment, intangible assets and right-of-use assets, of which £33m relates to the High Street segment. Further information is provided in Note 8. The impairment recognised on a pre-IFRS 16 basis is provided in the Glossary on page 43.

Transformation programmes – High Street store portfolio

Costs of £8m have been incurred in relation to a High Street store portfolio programme following a review of performance in the first half, and management's latest estimates of the longer term prospects of the division. Of these costs a charge in the period of £6m relates to additional provisions for dilapidations for stores which have been identified for closure. The remaining £2m relates to closure costs of stores in the first half.

Transformation programmes – Supply chain

Costs of £2m (Feb 2024: £2m) have been classified as non-underlying in relation to a Board-approved programme relating to supply chain which was commenced during the year ended 31 August 2024. The supply chain transformation programme includes costs of reconfiguration of the Group's UK distribution centres following the outsourcing of operations to a third party (GXO), in order to generate a more efficient and productive supply chain to support the performance and growth of the Group's UK businesses. This project will conclude in 2025, with second half costs similar to the first half.

Cost relating to M&A activity and Group legal entity structure

Costs incurred during the year primarily relate to legal and professional fees incurred in relation to the proposed sale of the High Street business.

A tax credit of £13m (Feb 2024: £3m) has been recognised in relation to non-underlying items.

Other prior year non-underlying items

Other non-underlying costs incurred during the prior year included:

- costs relating to professional fees associated with the buy out of the WHSmith Pension Trust (29 February 2024: £1m; 31 August 2024: £2m);
- costs in relation to the reconfiguration of the Group's online operations, and costs associated with the resolution of a long running dispute (29 February 2024: £nil; 31 August 2024: £4m); and,
- IFRS 16 remeasurement gains that have resulted from the derecognition of lease liabilities on exit from certain locations, in which right-of-use assets were previously impaired (29 February 2024: £nil; 31 August 2024: £3m).

4. Finance costs

£m	6 months to **28 Feb 2025 (unaudited)**	6 months to 29 Feb 2024 (unaudited)	12 months to 31 Aug 2024 (audited)
Interest payable on bank loans and overdrafts	**5**	6	13
Interest on convertible bonds	**7**	7	14
Interest on lease liabilities	**13**	11	25
	25	24	52

Interest on convertible bonds includes £3m accrued coupon (29 February 2024: £3m) and £4m non-cash debt accretion charge (29 February 2024: £4m).

5. Income tax (expense) / credit

£m	6 months to **28 Feb 2025 (unaudited)**	6 months to 29 Feb 2024 (unaudited)	12 months to 31 Aug 2024 (audited)
Tax on profit	**9**	5	21
Adjustment in respect of prior periods	**-**	-	-
Total current tax expense	**9**	5	21
Deferred tax – current period	**2**	6	22
Deferred tax – prior period	**-**	-	(5)
Tax expense on profit before non-underlying items	**11**	11	38
Tax on non-underlying items – current tax	**(7)**	-	(1)
Tax on non-underlying items – deferred tax	**(6)**	(3)	(8)
Total tax (credit) / expense on profit	**(2)**	8	29

The effective tax rate, before non-underlying items, was a charge of 24 per cent (29 February 2024: charge of 24 per cent). The UK corporation tax rate is 25 per cent.

The legislation implementing the Organisation for Economic Co-Operation and Development's (OECD) proposals for a global minimum corporation tax rate (Pillar Two) was substantively enacted in the UK on 20 June 2023 and applies to reporting periods beginning on or after 1 January 2024.

Under the legislation the Group is liable to pay a top-up tax for the difference between their Global Anti-Base Erosion Rules (GloBE) effective tax rate per jurisdiction and the 15% minimum rate. The rules are applicable to the Group for the year ended 31 August 2025. The Group has performed an assessment of the Group's potential exposure to Pillar Two top-up taxes. Based on this assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15% or will meet the financial thresholds required to meet the Transitional Safe Harbour Rules. However, there are a limited number of jurisdictions where the Transitional Safe Harbour relief does not apply, and the Pillar Two effective rate is close to 15%. There is no material exposure to Pillar Two taxes in those jurisdictions.

The Group applies the temporary exception from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred taxes in relation to Pillar Two.

WH Smith PLC
Notes to the Condensed Interim Financial Statements
For the 6 months to 28 February 2025

6. Dividends

Amounts paid and recognised as distributions to shareholders in the period are as follows:

£m	6 months to **28 Feb 2025 (unaudited)**	6 months to 29 Feb 2024 (unaudited)	12 months to 31 Aug 2024 (audited)
Dividends			
Final dividend for the year ended 31 August 2024 of 22.6p per ordinary share	**29**	-	-
Final dividend for the year ended 31 August 2023 of 20.8p per ordinary share	**-**	27	27
Interim dividend for the year ended 31 August 2024 of 11.0p per ordinary share	**-**	-	14
	29	27	41

The directors have declared an interim dividend in respect of the period ending 28 February 2025 of 11.3p per ordinary share. This will be paid on 31 July 2025 to shareholders registered at the close of business on 11 July 2025.

7. (Loss) / earnings per share

a) (Loss) / earnings

£m	6 months to **28 Feb 2025 (unaudited)**	6 months to 29 Feb 2024 (unaudited)	12 months to 31 Aug 2024 (audited)
(Loss) / profit for the period attributable to equity holders of the parent	**(43)**	17	67
Non-underlying items, after tax (Note 3)	**73**	13	46
Profit for the period before non-underlying items attributable to equity holders of the parent	**30**	30	113

b) Weighted average share capital

Millions	6 months to **28 Feb 2025 (unaudited)**	6 months to 29 Feb 2024 (unaudited)	12 months to 31 Aug 2024 (audited)
Weighted average ordinary shares in issue	**130**	131	131
Less weighted average ordinary shares held in ESOP Trust	**(2)**	(2)	(2)
Weighted average ordinary shares for basic earnings per share	**128**	129	129
Add weighted average number of ordinary shares under option	**2**	2	2
Weighted average ordinary shares for diluted earnings per share	**130**	131	131

c) Basic and diluted (loss) / earnings per share

Pence	6 months to **28 Feb 2025 (unaudited)**	6 months to 29 Feb 2024 (unaudited)	12 months to 31 Aug 2024 (audited)
Basic (loss) / earnings per share	**(33.6)**	13.2	51.9
Adjustments for non-underlying items	**57.0**	10.1	35.7
Basic earnings per share before non-underlying items	**23.4**	23.3	87.6
Diluted (loss) / earnings per share	**(33.6)**	13.0	51.1
Adjustments for non-underlying items	**56.2**	9.9	35.2
Impact of antidilutive potential shares	**0.5**	-	-
Diluted earnings per share before non-underlying items	**23.1**	22.9	86.3

Diluted earnings per share takes into account various share awards and share options including SAYE schemes, which are expected to vest, and for which a sum below fair value will be paid.

When the numerator in the earnings per share calculation is a loss, the weighted average number of ordinary shares applied is the basic value, rather than the diluted value, as the inclusion of potentially dilutive shares would improve the loss per share.

As at 28 February 2025 the convertible bond has no dilutive effect as the inclusion of these potentially dilutive shares would improve earnings per share (29 February 2024 and 31 August 2024: No dilutive effect).

The calculation of EPS on a pre-IFRS 16 basis is provided in the Glossary on page 43.

8. Non-current assets

During the 6 months to 28 February 2025, there were additions to property, plant and equipment of £47m (29 February 2024: £55m). There were no material disposals of tangible assets during the period (29 February 2024: £nil). During the 6 months to 28 February 2025, there were additions to right-of-use assets of £28m (29 February 2024: £100m) through signing of new leases and lease modifications.

Additions to intangible assets totalled £3m (29 February 2024: £7m) in the period. There were no material disposals of intangible assets during the period (29 February 2024: £nil).

Goodwill increased by £2m in the period, as a result of impairment of goodwill associated with the High Street segment of £15m as described below, offset by movements in exchange rates of £17m (29 February 2024: increased by £1m as a result of movements in exchange rates).

Impairment of non-current assets

For impairment testing purposes, the Group has determined that each store is a separate CGU or in some cases a group of stores is considered to be a CGU where the stores do not generate largely independent cash inflows. The identified indicators include loss-making stores, stores earmarked for closure and under-performance of individual stores versus forecast.

Total impairments to non-current assets of £55m (29 February 2024: £9m) have been presented as non-underlying items (see Note 3).

High Street segment

Following the strategic review of the High Street business during the period referenced in Note 3, and based on management's latest estimates of the longer term prospects of this division, it was determined that there was a pervasive indicator of impairment in the High Street segment and therefore the entire High Street store portfolio was assessed for impairment.

The recoverable amount of each of the High Street CGUs has been determined through value-in-use calculations. The recoverable amount has been calculated using discounted cash flows derived from the Group's latest Board-approved forecast, which reflects historical performance and knowledge of the current market, together with management's latest views on the future profitability of each CGU. Cash flows have been forecasted for up to five years, and reflect management's assessment of expected store closures and closure costs.

In addition, an impairment review of the goodwill associated with the High Street business of £15m, has been undertaken. The recoverable amount has been calculated based on the total value-in-use of all High Street CGUs as outlined above, and this has been compared to the carrying value of all High Street CGUs, including goodwill, as at 28 February 2025.

As a result of this exercise the Group has recognised a total impairment charge of £48m in relation to High Street non-current assets (29 February 2024: £4m), of which £15m relates to goodwill (29 February 2024: £nil), £15m property, plant and equipment (29 February 2024: £3m), £1m intangible assets (primarily software) (29 February 2024: £1m), and £17m right of use assets (29 February 2024: £nil).

The key assumptions on which the forecast cash flows of the High Street CGUs are based include revenue and the pre-tax discount rate. Other assumptions in the model relate to gross margin and cost inflation. In developing these forecasts, management have used available information, including historical knowledge of the store level cash flows.

The pre-tax discount rates are derived from the Group's weighted average cost of capital, which has been calculated using the capital asset pricing model, the inputs of which include the risk-free rate, equity risk premium, Group size premium and a risk adjustment (beta). The pre-tax discount rate used in the calculations was 11.7 per cent (31 August 2024: 10.7 per cent).

As disclosed in Note 1, Basis of preparation, the forecast cash flows used within the impairment model are based on assumptions which are sources of estimation uncertainty and changes to these assumptions could lead to further impairments to assets. The Group has applied, in isolation, an increase in the discount rate of two per cent and a reduction in expected future cash flows of 10 per cent. Neither of these sensitivities resulted in a material change to the calculated impairment charge.

The impairment was based on value-in-use, as this was determined to be higher than fair value less costs to sell, and the business was not considered to be held for sale as at 28 February 2025 (see Note 1). The impact on the impairment of the High Street assets of final disposal accounting will be determined at the time of completion.

8. Non-current assets (continued)

Impairment of non-current assets (continued)

Travel UK, North America and Rest of the World segments

No pervasive indicator of impairment has been identified for the Group's other segments.

For those CGUs where an indicator of impairment has been identified, property, plant and equipment and right-of-use assets have been tested for impairment by comparing the carrying amount of the CGU with its recoverable amount determined from value-in-use calculations. It was determined that value-in-use was higher than fair value less costs to sell. Where the value-in-use was less than the carrying value of the CGU, an impairment of property, plant and equipment and right-of-use assets has been recorded.

In addition to the amounts noted in relation to High Street, the Group has also recognised an impairment charge of £5m to property, plant and equipment and intangible assets (29 February 2024: £6m) and £2m to right-of-use assets (29 February 2024: £3m) as a result of impairment testing of non-current assets in the other segments.

9. Analysis of net debt

Movement in net debt can be analysed as follows:

£m	**Convertible bonds**	**Revolving credit facility**	**Leases[1]**	**Sub-total Liabilities from financing activities**	**Cash and cash equivalents**	**Net debt**
At 1 September 2024	**(310)**	**(117)**	**(626)**	**(1,053)**	**56**	**(997)**
Bond accretion and fee amortisation	**(5)**	**-**	**-**	**(5)**	**-**	**(5)**
Lease additions, modifications and interest	**-**	**-**	**(38)**	**(38)**	**-**	**(38)**
Cash movements	**-**	**(61)**	**72**	**11**	**(17)**	**(6)**
Currency translation	**-**	**-**	**(9)**	**(9)**	**-**	**(9)**
At 28 February 2025 (unaudited)	**(315)**	**(178)**	**(601)**	**(1,094)**	**39**	**(1,055)**

[1] Cash movements on Leases include £12m (2024: £11m) of interest paid presented within cash flow from operating activities.

£m	Convertible bonds	Revolving credit facility	Leases	Sub-total Liabilities from financing activities	Cash and cash equivalents	Net debt
At 1 September 2023	(301)	(84)	(566)	(951)	56	(895)
Bond accretion and fee amortisation	(4)	-	-	(4)	-	(4)
Lease additions, modifications and interest	-	-	(106)	(106)	-	(106)
Cash movements	-	(92)	70	(22)	(12)	(34)
At 29 February 2024 (unaudited)	(305)	(176)	(602)	(1,083)	44	(1,039)

An explanation of Alternative performance measures, including Net debt on a pre-IFRS 16 basis is provided in the Glossary on page 43.

9. Analysis of net debt (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

Lease liabilities

Non-cash movements in lease liabilities mainly relate to new leases, modifications and remeasurements in the period.

Revolving credit facilities

The Group has a £400m five-year committed revolving credit facility ('RCF') with a maturity date of 13 June 2029. The RCF has one remaining uncommitted extension option of one year, which would, subject to lender approval, extend the maturity date to June 2030, if exercised. The RCF is provided by a syndicate of banks: Barclays Bank PLC, BNP Paribas, Citibank N.A. London Branch, Fifth Third Bank National Association, HSBC UK Bank PLC, JP Morgan Securities PLC, PNC Capital Markets LLC, Banco Santander SA London Branch and Skandinaviska Enskilda Banken AB (PUBL). Utilisation is interest bearing at a margin over SONIA. As at 28 February 2025, the Group has drawn down £178m on the RCF (2024: £176m).

Transaction costs of £4m relating to the RCF are amortised to the Income statement on a straight-line basis.

Convertible bonds

The Group issued £327m guaranteed senior unsecured convertible bonds on 7 May 2021 with a 1.625% per annum coupon payable semi-annually in arrears in equal instalments. The bonds are convertible into new and/or existing ordinary shares of WH Smith PLC. The initial conversion price was set at £24.99 representing a premium of 40% above the reference share price on 28 April 2021 (£17.85). If not previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed at par on 7 May 2026.

The convertible bond is a compound financial instrument, consisting of a financial liability component and an equity component, representing the value of the conversion rights. The initial fair value of the liability portion of the convertible bond was determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liability is subsequently recognised on an amortised cost basis using the effective interest rate method until extinguished on conversion or maturity of the bonds. The remainder of the proceeds were allocated to the conversion option and recognised in equity (Other reserves), and not subsequently remeasured. As a result, £41m of the initial proceeds of £327m was recognised in equity representing the option component.

Transaction costs of £6m were allocated between the two components and the element relating to the debt component of £5m is amortised through the effective interest rate method. The issue costs apportioned to the equity component of £1m have been deducted from equity.

The carrying value of the convertible bond on the Group's balance sheet is £315m. The fair value of the convertible bond has been estimated at £312m using a discounted cash flow approach based on market interest rates. This represents Level 2 fair value measurements as defined by IFRS 13.

Refinancing

On 25 March 2025 the Group announced the completion of a £200m issue of US Private Placement (USPP) notes and a new bank term loan of £120m. Both facilities remain undrawn as at 15 April 2025.

The USPP notes have a maturity of seven, ten and twelve years and have been issued on investment grade terms.

The Group has agreed a £120m three-year term loan with two uncommitted extension options of one year each, which would, subject to lender approval, extend the tenor of the new bank loan to four and five years, if exercised. The term loan is provided by a syndicate of existing lending banks comprising: Fifth Third Bank National Association, HSBC UK Bank PLC, Banco Santander SA, London branch and Skandinaviska Enskilda Banken AB (PUBL).

This refinancing will diversify the Group's sources of debt financing and extends the Group's debt maturity profile in advance of the convertible bond maturing on 7 May 2026. The income statement cost of the replacement financing will be c.6.3%.

10. Cash generated from operating activities

£m	6 months to 28 Feb 2025 (unaudited)	6 months to 29 Feb 2024 (unaudited)	12 months to 31 Aug 2024 (audited)
Group operating (loss) / profit	**(17)**	52	158
Depreciation of property, plant and equipment	**28**	26	49
Impairment of property, plant and equipment	**21**	4	15
Amortisation of intangible assets	**7**	6	15
Impairment of intangible assets	**1**	2	5
Impairment of goodwill	**15**	-	-
Depreciation of right-of-use assets	**55**	53	112
Impairment of right-of-use assets	**18**	3	10
Non-cash change in lease liabilities	**-**	-	(3)
Non-cash movement in pensions	**-**	-	1
Share-based payments	**5**	6	11
Gains on remeasurement of leases	**-**	(2)	(4)
Other non-cash items (incl. foreign exchange)	**(7)**	1	9
(Increase) / decrease in inventories	**(5)**	(2)	(15)
Decrease / (increase) in receivables	**20**	8	(41)
(Decrease) / increase in payables	**(94)**	(69)	10
Movement on provisions (via utilisation or income statement)	**-**	2	3
Receipt of retirement benefit surplus	**75**	-	-
Cash generated from operating activities	**122**	90	335

11. Called Up Share Capital

	28 Feb 2025 (unaudited)		29 Feb 2024 (unaudited)		31 Aug 2024 (audited)	
	Number of shares (millions)	**Nominal value £m**	Number of shares (millions)	Nominal value £m	Number of shares (millions)	Nominal value £m
Equity						
Ordinary shares of 22 6/67p	**129**	**28**	131	29	131	29
Total	**129**	**28**	131	29	131	29

During the period, the Company repurchased 1.9m (29 February 2024: nil) of its own shares in the open market for an aggregate consideration of £23m (2024: £nil).

As at 15 April 2025 the Group has repurchased a further 0.3m of its own shares in the open market as part of the Group’s share buyback programme, for an aggregate consideration of £4m.

The holders of ordinary shares are entitled to receive dividends as declared from time-to-time and are entitled to one vote per share at the meetings of the Company.

12. Contingent liabilities and capital commitments

£m	**28 Feb 2025 (unaudited)**	29 Feb 2024 (unaudited)	31 Aug 2024 (audited)
Bank guarantees and guarantees in respect of contractual arrangements	**73**	67	71

Bank guarantees are principally in favour of landlords and could be drawn down on by landlords in the event that the Group does not settle its contractual obligations under lease or other agreements.

At 28 February 2025, contracts placed for future capital expenditure approved by the directors but not provided for amounted to £27m (29 February 2024: £23m).

13. Related parties

Other than directors' remuneration, there have been no material related party transactions during the interim period under review.

14. Events after the balance sheet date

Share buyback programme

As at 15 April 2025 the Group has repurchased a further 0.3m of its own shares in the open market as part of the Group's share buyback programme, for an aggregate consideration of £4m.

Refinancing

On 25 March 2025 the Group announced the successful completion of a £200m issue of US Private Placement (USPP) notes and a bank term loan of £120m. Further information is provided in Note 9.

Sale of High Street business

On 28 March 2025, the Group agreed the sale of its High Street business to Modella Capital. All stores, colleagues, assets and liabilities of the High Street business will move under Modella Capital's ownership as part of the Transaction. The High Street business will operate for a short transitional period under the WHSmith brand.

The transaction is expected to complete in the final quarter of the Group's current financial year, with anticipated gross cash proceeds of £36m at completion (subject to working capital adjustments based on timing of completion), a further £6m 12 months following completion, and up to £10m of additional proceeds based on timing and realisation of certain tax assets within the High Street business.

The High Street business is not accounted for as held for sale in these interim financial statements. See Note 1 on page 26 for further information.

Statement of Directors' Responsibilities

The directors confirm that these Condensed Interim Financial Statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The Directors of WH Smith PLC are listed on the website at www.whsmithplc.co.uk/about-us/our-board.

By order of the Board

Carl Cowling	**Max Izzard**
Group Chief Executive	**Chief Financial Officer**

16 April 2025

Independent review report to WH Smith PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed WH Smith Plc's condensed consolidated interim financial statements (the "interim financial statements") in the Interim Results Announcement of WH Smith PLC for the 6 month period ended 28 February 2025 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Group Balance Sheet as at 28 February 2025;
- the Condensed Group Income Statement and Condensed Group Statement of Comprehensive Income for the period then ended;
- the Condensed Group Cash Flow Statement for the period then ended;
- the Condensed Group Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Results Announcement of WH Smith PLC have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Results Announcement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Results Announcement, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Results Announcement in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim Results Announcement, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Responsibilities for the interim financial statements and the review (continued)

Our responsibilities and those of the directors (continued)

Our responsibility is to express a conclusion on the interim financial statements in the Interim Results Announcement based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
16 April 2025

WH Smith PLC
Glossary (unaudited)

Alternative Performance Measures

In reporting financial information, the Group presents alternative performance measures, "APMs", which are not defined or specified under the requirements of IFRS.

The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional useful information on the underlying trends, performance and position of the Group and are consistent with how business performance is measured internally. The alternative performance measures are not defined by IFRS and therefore may not be directly comparable with other companies' alternative performance measures.

Non-underlying items

The Group has chosen to present a measure of profit and earnings per share which excludes certain items, that are considered non-underlying and are not considered to be part of the normal operations of the Group. The Group believes that the separate disclosure of these items provides additional useful information to users of the financial statements to enable a better understanding of the Group's underlying financial performance.

The Group exercises judgement in determining whether income or expenses are reported as non-underlying. This assessment includes consideration of the size, nature or cause of occurrence of the item, as well as consistency with prior periods. Non-underlying items can include, but are not limited to, restructuring and transformation costs linked to Board agreed programmes, costs relating to M&A activity, impairment charges and other property costs, significant items relating to pension schemes, amortisation of intangible assets acquired in business combinations, and the related tax effect of these items. Reversals associated with items previously reported as non-underlying, such as reversals of impairments and releases of provisions or liabilities are also reported in non-underlying items.

Items recognised in Other comprehensive income/loss may also be identified as non-underlying for the purposes of narrative explanation of the Group's performance, where the Group has determined that they are associated with the above categories and are judged to have met the Group's definition of non-underlying.

IFRS 16

The Group adopted IFRS 16 in the year ended 31 August 2020. IFRS 16 superseded the lease guidance under IAS 17 and the related interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model as the distinction between operating and finance leases is removed. The only exceptions are short-term and low-value leases. At the commencement date of a lease, a lessee will recognise a lease liability for the future lease payments and an asset (right-of-use asset) representing the right to use the underlying asset during the lease term. Lessees are required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Management has chosen to exclude the effects of IFRS 16 for the purposes of narrative commentary on the Group's performance and financial position in the Strategic report. The effect of IFRS 16 on the Group income statement is to frontload total lease expenses, being higher at the beginning of a lease contract, and lower towards the end of a contract, and this is further influenced by timing of renewals and contract wins, and lengths of contracts. As a result of these complexities, IFRS 16 measures of profit and EBITDA (used as a proxy for cash generation) do not provide meaningful KPIs or measures for the purposes of assessing performance, concession quality or for trend analysis, therefore management continues to use pre-IFRS 16 measures internally.

The impact of the implementation of IFRS 16 on the Income statement and Segmental information is provided in Notes A1 and A2 below. There is no impact on cash flows, although the classification of cash flows has changed, with an increase in net cash flows from operating activities being offset by a decrease in net cash flows from financing activities, as set out in Note A9 below. The balance sheet as at 28 February 2025 both including and excluding the impact of IFRS 16 is shown in Note A10 below.

Leases policies applicable prior to 1 September 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value determined at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. These assets are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease. Lease payments are apportioned between finance charges and a reduction of the lease obligations so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised directly in the income statement.

Leases policies applicable prior to 1 September 2019 (continued)

Rentals payable and receivable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term. The Group has a number of lease arrangements in which the rent payable is contingent on revenue. Contingent rentals payable, based on store revenues, are accrued in line with revenues generated.

Definitions and reconciliations

In line with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority ('ESMA'), we have provided additional information on the APMs used by the Group below, including full reconciliations back to the closest equivalent statutory measure.

APM	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
Income Statement Measures			
Headline measures	Various	See Notes A1-A10 and Note A12	Headline measures exclude the impact of IFRS 16 (applying the principles of IAS 17). Reconciliations of all Headline measures are provided in Notes A1 to A10 and Note A12.
Group profit before tax and non-underlying items	Group profit before tax	See Group income statement and Note A1	Group profit before tax and non-underlying items excludes the impact of non-underlying items as described below. A reconciliation from Group profit before tax and non-underlying items to Group profit before tax is provided on the Group income statement on page 20, and on a Headline (pre-IFRS 16) basis in Note A1.
Group profit from trading operations and segment trading profit	Group operating profit	See Note 2 and Note A2	Group profit from trading operations and segment trading profit are stated after directly attributable share-based payment and pension service charges and before non-underlying items, unallocated costs, finance costs and income tax expense. A reconciliation from the above measures to Group operating profit and Group profit before tax on an IFRS 16 basis is provided in Note 2 to the Condensed Interim Financial Statements and on a Headline (pre-IFRS 16) basis in Note A2.
Non-underlying items	None	Refer to definition and see Note 3 and Note A6	Items which are not considered part of the normal operating costs of the business, are non-recurring and considered exceptional because of their size, nature or incidence, are treated as non-underlying items and disclosed separately. The Group believes that the separate disclosure of these items provides additional useful information to users of the financial statements to enable a better understanding of the Group's underlying financial performance. An explanation of the nature of the items identified as non-underlying on an IFRS 16 basis is provided in Note 3 to the Condensed Interim Financial Statements, and on a Headline (pre-IFRS 16) basis in Note A6.
Earnings per share before non-underlying items	Earnings per share	Non-underlying items, see Note 7 and Note A4	Profit for the period attributable to the equity holders of the parent before non-underlying items divided by the weighted average number of ordinary shares in issue during the interim period. A reconciliation is provided on an IFRS 16 basis in Note 7 and on a Headline (pre-IFRS 16) basis in Note A4.
Headline EBITDA	Group operating profit	Refer to definition	Headline EBITDA is Headline Group operating profit before non-underlying items adjusted for pre-IFRS 16 depreciation, amortisation and impairment.
Effective tax rate	None	Non-underlying items	Total income tax charge / credit excluding the tax impact of non-underlying items divided by Group Headline profit before tax and non-underlying items. See Note 5 on an IFRS 16 basis, and Notes A3 and A6 on a pre-IFRS 16 basis.
Fixed charges cover	None	Refer to definition	This performance measure calculates the number of times Headline Profit before tax covers the total fixed charges included in calculating profit or loss. Fixed charges included in this measure are net finance charges (excluding finance charges from IFRS 16 leases) and net operating lease rentals stated on a pre-IFRS 16 basis. The calculation of this measure is outlined in Note A5.
Gross margin	Gross profit margin	Not applicable	Where referred to throughout the Condensed Interim Financial Statements, gross margin is calculated as gross profit divided by revenue.
Like-for-like revenue	Movement in revenue per the income statement	- Revenue change from non like-for-like stores - Foreign exchange impact	Like-for-like revenue is the change in revenue from stores that have been open for at least a year, with a similar selling space at a constant foreign exchange rate. See A11.

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APM	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
Balance Sheet Measures			
Headline net debt	Net debt	Reconciliation of net debt	Headline net debt is defined as cash and cash equivalents, less bank overdrafts and other borrowings and both current and non-current obligations under finance leases as defined on a pre-IFRS 16 basis. Lease liabilities recognised as a result of IFRS 16 are excluded from this measure. A reconciliation of Net debt on an IFRS 16 basis provided in Note A8.
Other measures			
Free cash flow	Net cash inflow from operating activities	See Note A7 and Group Overview	Free cash flow is defined as the net cash inflow from operating activities before the cash flow effect of IFRS 16, non-underlying items and pension funding, less net capital expenditure. The components of free cash flow are shown in Note A7 and on page 16, as part of the Group Overview.
Operating cash flow	Net cash inflow from operating activities	See Group Overview	Operating cash flow is defined as Headline profit before tax and non-underlying items, excluding Headline depreciation, amortisation, impairment and other non-cash items. The components of Operating cash flow are shown on page 16, as part of the Group Overview.
Return on capital employed (ROCE)	None	Not applicable	Return on Capital Employed is calculated as the Headline trading profit as a percentage of operating capital employed, and is stated on a pre-IFRS 16 basis. Operating capital employed is calculated as the 12-month average net assets, excluding net debt, retirement benefit obligations and net current and deferred tax balances.
Leverage	None	Not applicable	Leverage is calculated as Headline net debt divided by rolling 12 month Headline EBITDA before non-cash items (on a pre-IFRS 16 basis).

A1. Reconciliation of Headline to Statutory Group operating profit and Group profit before tax

	6 months to 28 Feb 2025					
	pre-IFRS 16 Basis			IFRS 16 Basis		
£m	**Headline, before non-underlying items**	**Headline non-underlying items**	**Headline**	**IFRS 16 adjustments**	**IFRS 16 adjustments non-underlying items**	**Total**
Revenue	**951**	**-**	**951**	**-**	**-**	**951**
Cost of sales	**(367)**	**-**	**(367)**	**-**	**-**	**(367)**
Gross profit	**584**	**-**	**584**	**-**	**-**	**584**
Distribution costs	**(431)**	**-**	**(431)**	**9**	**-**	**(422)**
Administrative expenses	**(96)**	**-**	**(96)**	**2**	**-**	**(94)**
Other income	**-**	**-**	**-**	**1**	**-**	**1**
Non-underlying items	**-**	**(70)**	**(70)**	**-**	**(16)**	**(86)**
Group operating profit / (loss)	**57**	**(70)**	**(13)**	**12**	**(16)**	**(17)**
Finance costs	**(12)**	**-**	**(12)**	**(13)**	**-**	**(25)**
Profit / (loss) before tax	**45**	**(70)**	**(25)**	**(1)**	**(16)**	**(42)**
Income tax (charge) / credit	**(11)**	**8**	**(3)**	**-**	**5**	**2**
Profit / (loss) for the period	**34**	**(62)**	**(28)**	**(1)**	**(11)**	**(40)**
Attributable to:						
Equity holders of the parent	**31**	**(62)**	**(31)**	**(1)**	**(11)**	**(43)**
Non-controlling interests	**3**	**-**	**3**	**-**	**-**	**3**
	34	**(62)**	**(28)**	**(1)**	**(11)**	**(40)**

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A1. Reconciliation of Headline to Statutory Group operating profit and Group profit before tax (cont'd)

	6 months to 29 Feb 2024					
	pre-IFRS 16 basis			IFRS 16 Basis		
£m	Headline, before non-underlying items	Headline non-underlying items	Headline	IFRS 16 adjustments	IFRS 16 adjustments non-underlying items	Total
Revenue	926	-	926	-	-	926
Cost of sales	(370)	-	(370)	-	-	(370)
Gross profit	556	-	556	-	-	556
Distribution costs	(398)	-	(398)	8	-	(390)
Administrative expenses	(99)	-	(99)	-	-	(99)
Other income	-	-	-	1	-	1
Non-underlying items	-	(13)	(13)	-	(3)	(16)
Group operating profit	59	(13)	46	9	(3)	52
Finance costs	(13)	(1)	(14)	(11)	1	(24)
Profit before tax	46	(14)	32	(2)	(2)	28
Income tax (charge) / credit	(11)	2	(9)	-	1	(8)
Profit for the period	35	(12)	23	(2)	(1)	20
Attributable to:						
Equity holders of the parent	32	(12)	20	(2)	(1)	17
Non-controlling interests	3	-	3	-	-	3
	35	(12)	23	(2)	(1)	20

A2. Reconciliation of Headline to Statutory Segmental trading profit/(loss) and Group profit from trading operations

	6 months to 28 Feb 2025				
	pre-IFRS 16 basis			**IFRS 16 basis**	
£m	**Headline, before non-underlying items**	**Headline non-underlying items**	**Headline**	**IFRS 16 adjustments**	**Total**
Travel UK trading profit	**40**	**-**	**40**	**-**	**40**
North America trading profit	**15**	**-**	**15**	**3**	**18**
Rest of the World trading profit	**1**	**-**	**1**	**4**	**5**
Total Travel trading profit	**56**	**-**	**56**	**7**	**63**
High Street trading profit	**15**	**-**	**15**	**5**	**20**
Group profit from trading operations	**71**	**-**	**71**	**12**	**83**
Unallocated central costs	**(14)**	**-**	**(14)**	**-**	**(14)**
Group operating profit before non-underlying items	**57**	**-**	**57**	**12**	**69**
Non-underlying items	**-**	**(70)**	**(70)**	**(16)**	**(86)**
Group operating profit / (loss)	**57**	**(70)**	**(13)**	**(4)**	**(17)**

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A2. Reconciliation of Headline to Statutory Segmental trading profit/(loss) and Group profit from trading operations (cont'd)

	6 months to 29 Feb 2024				
	pre-IFRS 16 basis			IFRS 16 basis	
£m	Headline, before non-underlying items	Headline non-underlying items	Headline	IFRS 16 adjustments	Total
Travel UK trading profit	37	-	37	2	39
North America trading profit	14	-	14	-	14
Rest of the World trading (loss) / profit	(1)	-	(1)	2	1
Total Travel trading profit	50	-	50	4	54
High Street trading profit	22	-	22	5	27
Group profit from trading operations	72	-	72	9	81
Unallocated central costs	(13)	-	(13)	-	(13)
Group operating profit before non-underlying items	59	-	59	9	68
Non-underlying items	-	(13)	(13)	(3)	(16)
Group operating profit	59	(13)	46	6	52

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A3. Reconciliation of Headline to Statutory tax expense / (credit)

£m	**6 months to 28 Feb 2025** Headline (pre-IFRS 16)	IFRS 16 adjustments	Total	**6 months to 29 Feb 2024** Headline (pre-IFRS 16)	IFRS 16 adjustments	Total
Profit before tax and non-underlying items	**45**	**(1)**	**44**	46	(2)	44
Tax on profit	**9**	**-**	**9**	5	-	5
Adjustment in respect of prior periods	**-**	**-**	**-**	-	-	-
Total current tax expense	**9**	**-**	**9**	5	-	5
Deferred tax – current period	**2**	**-**	**2**	6	-	6
Deferred tax – prior period	**-**	**-**	**-**	-	-	-
Tax expense on profit before non-underlying items	**11**	**-**	**11**	11	-	11
Tax on non-underlying items	**(8)**	**(5)**	**(13)**	(2)	(1)	(3)
Total tax (credit)/expense on profit	**3**	**(5)**	**(2)**	9	(1)	8

A4. Calculation of Headline and Statutory (loss) / earnings per share

millions	**6 months to 28 Feb 2025** Basic EPS	Diluted EPS	6 months to 29 Feb 2024 Basic EPS	Diluted EPS
Weighted average number of shares in issue	**128**	**130**	129	131

	6 months to 28 Feb 2025 Profit for the period attributable to equity holders of the parent	Basic EPS	Diluted EPS	6 months to 29 Feb 2024 Profit for the period attributable to equity holders of the parent	Basic EPS	Diluted EPS
	£m	**pence**	**pence**	£m	pence	pence
Headline (pre-IFRS-16 basis)						
- Before non-underlying items	**31**	**24.2**	**23.8**	32	24.8	24.4
- Non-underlying items (after tax)	**(62)**	**(48.4)**	**(47.7)**	(12)	(9.3)	(9.2)
- Impact of antidilutive potential shares	**-**	**-**	**(0.3)**	-	-	-
Total	**(31)**	**(24.2)**	**(24.2)**	20	15.5	15.2
IFRS 16 adjustments						
- Before non-underlying items	**(1)**	**(0.8)**	**(0.7)**	(2)	(1.5)	(1.5)
- Non-underlying items	**(11)**	**(8.6)**	**(8.5)**	(1)	(0.8)	(0.7)
- Impact of antidilutive potential shares	**-**	**-**	**(0.2)**	-	-	-
Total	**(12)**	**(9.4)**	**(9.4)**	(3)	(2.3)	(2.2)
IFRS 16 basis						
- Before non-underlying items	**30**	**23.4**	**23.1**	30	23.3	22.9
- Non-underlying items (after tax)	**(73)**	**(57.0)**	**(56.2)**	(13)	(10.1)	(9.9)
- Impact of antidilutive potential shares	**-**	**-**	**(0.5)**	-	-	-
Total	**(43)**	**(33.6)**	**(33.6)**	17	13.2	13.0

A5. Fixed charges cover

£m	**6 months to 28 Feb 2025**	6 months to 29 Feb 2024
Net finance costs (pre-IFRS 16)	**12**	13
Net operating lease rentals (pre-IFRS 16)	**181**	168
Total fixed charges	**193**	181
Headline profit before tax and non-underlying items	**45**	46
Headline profit before tax, non-underlying items and fixed charges	**238**	227
Fixed charges cover – times	**1.2x**	1.3x

A6. Non-underlying items on pre-IFRS 16 and IFRS 16 bases

	6 months to 28 Feb 2025		6 months to 29 Feb 2024	
£m	**Headline (pre-IFRS 16)**	**IFRS 16**	Headline (pre-IFRS 16)	IFRS 16
Amortisation of acquired intangible assets	**2**	**2**	2	2
Transformation programmes – IT	**5**	**5**	1	1
Transformation programmes – operational efficiencies	**7**	**7**	-	-
Provisions for onerous contracts	**3**	**1**	2	2
Costs associated with pensions	**-**	**-**	1	1
Impairment of assets				
- goodwill associated with High Street	**15**	**15**	-	-
- property, plant and equipment and intangible assets	**22**	**22**	6	6
- right-of-use assets	**-**	**18**	-	3
Transformation programmes – High Street portfolio	**8**	**8**	-	-
Transformation programmes – supply chain	**2**	**2**	1	1
Costs relating to M&A activity and Group legal entity structure	**6**	**6**	-	-
Non-underlying items, included in operating profit	**70**	**86**	13	16
Finance costs associated with onerous contracts	**-**	**-**	1	-
Non-underlying items, before tax	**70**	**86**	14	16
Tax credit on non-underlying items	**(8)**	**(13)**	(2)	(3)
Non-underlying items, after tax	**62**	**73**	12	13

A description of non-underlying items on an IFRS 16 basis is provided in Note 3 to the financial statements.

Pre-IFRS 16 non-underlying items are calculated on a consistent basis to IFRS 16 non-underlying items, except as follows:

- Impairment of right-of-use assets, which are not recognised on a pre-IFRS 16 basis.
- Finance costs of £nil (2024: £1m) have been recorded in non-underlying items in relation to the unwind of the discount on onerous lease provisions that are not recognised under IFRS 16.

A tax credit of £13m (2024: £3m) has been recognised in relation to the above items (£8m pre-IFRS 16 (2024: £2m)).

A7. Free cash flow

£m	Note	**6 months to 28 Feb 2025**	6 months to 29 Feb 2024
Cash generated from operating activities	10	**122**	90
Interest paid		**(19)**	(19)
Income taxes paid		**(17)**	(9)
Net cash inflow from operating activities		**86**	62
Impact of IFRS 16 (Note A9)		**(60)**	(58)
Add back:			
- Cash impact of non-underlying items		**25**	6
- Receipt of retirement benefit surplus		**(75)**	-
- Non-cash items		**6**	(1)
Deduct:			
- Purchase of property, plant and equipment		**(48)**	(58)
- Purchase of intangible assets		**(3)**	(7)
Free cash flow		**(69)**	(56)

A8. Headline Net debt

£m	Note	**At 28 Feb 2025**	At 29 Feb 2024	At 31 Aug 2024
Borrowings				
- Revolving credit facility		**(178)**	(176)	(117)
- Convertible bonds	9	**(315)**	(305)	(310)
- Bank loans		**-**	-	-
- Lease liabilities	9	**(601)**	(602)	(626)
Liabilities from financing activities		**(1,094)**	(1,083)	(1,053)
Cash and cash equivalents		**39**	44	56
Net debt (IFRS 16)	9	**(1,055)**	(1,039)	(997)
- Add back lease liabilities recognised under IFRS 16[1]		**601**	602	626
Net debt (pre-IFRS 16)		**(454)**	(437)	(371)

[1] Excludes lease liabilities previously recognised as finance leases on a pre-IFRS 16 basis.

A9. Cash flow disclosure impact of IFRS 16

There is no impact on cash flows, although the classification of cash flows has changed, with an increase in net cash inflows from operating activities being offset by a decrease in net cash inflows from financing activities.

	6 months to 28 Feb 2025			6 months to 29 Feb 2024		
£m	**Headline (pre-IFRS 16)**	**IFRS 16 Adjustment**	**IFRS 16**	Headline (pre-IFRS 16)	IFRS 16 Adjustment	IFRS 16
Net cash inflow/(outflow) from operating activities	**26**	**60**	**86**	4	58	62
Net cash outflow from investing activities	**(48)**	**-**	**(48)**	(65)	-	(65)
Net cash inflow/(outflow) from financing activities	**5**	**(60)**	**(55)**	49	(58)	(9)
Net decrease in cash in the period	**(17)**	**-**	**(17)**	(12)	-	(12)

A10. Balance sheet impact of IFRS 16

The balance sheet as at 28 February 2025 including and excluding the impact of IFRS 16 is shown below:

	At 28 Feb 2025			At 29 Feb 2024		
£m	**Headline (pre-IFRS 16)**	**IFRS 16 Adjustment**	**IFRS 16**	Headline (pre-IFRS 16)	IFRS 16 Adjustment	IFRS 16
Goodwill and other intangible assets	**490**	**(2)**	**488**	506	(1)	505
Property, plant and equipment	**313**	**8**	**321**	288	7	295
Right-of-use assets	**-**	**467**	**467**	-	484	484
Investments in joint ventures	**2**	**-**	**2**	2	-	2
	805	**473**	**1,278**	796	490	1,286
Inventories	**225**	**-**	**225**	207	-	207
Payables less receivables	**(92)**	**(13)**	**(105)**	(142)	(9)	(151)
Working capital	**133**	**(13)**	**120**	65	(9)	56
Derivative financial asset	**-**	**-**	**-**	-	-	-
Net current and deferred tax asset	**54**	**-**	**54**	47	-	47
Provisions	**(30)**	**13**	**(17)**	(26)	8	(18)
Operating assets employed	**962**	**473**	**1,435**	882	489	1,371
Net debt	**(454)**	**(601)**	**(1,055)**	(437)	(602)	(1,039)
Total net assets	**508**	**(128)**	**380**	445	(113)	332

A11. Like-for-like revenue reconciliation

The reconciling items between like-for-like revenue change and total revenue change are shown below:

£m	**Travel UK**	**North America**	**Rest of the World**	**Travel Total**	**High Street**	**Group**
Like-for-like revenue change	**7%**	**3%**	**9%**	**6%**	**(3)%**	**3%**
Net space change impact	**-%**	**2%**	**6%**	**2%**	**(4)%**	**1%**
Foreign exchange	**-%**	**(2)%**	**(4)%**	**(2)%**	**-%**	**(1)%**
Total revenue change	**7%**	**3%**	**11%**	**6%**	**(7)%**	**3%**

A12. Operating lease expense

Amounts recognised in Headline Group operating profit on a pre-IFRS 16 basis are as follows:

£m	**6 months to 28 Feb 2025**	6 months to 29 Feb 2024
Net operating lease charges	**181**	168

For the year ended 31 August 2020, the Group adopted IFRS 16. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model as the distinction between operating and finance leases is removed. In order to provide comparable information, the Group has chosen to present Headline measures of operating profit and profit before tax, as explained in Note 2 Segmental analysis.

The table above presents the pre-IFRS 16 net operating lease charges, applying the principles of IAS 17, and Group accounting policies as applicable prior to 1 September 2019, as described in the Glossary on page 43.

The Group leases various properties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The Group has a number of lease arrangements in which the rent payable is contingent on revenue. Contingent rentals payable, based on store revenues, are accrued in line with revenues generated.

The average remaining lease length across the Group is four years (February 2024: four years).

Rentals payable and receivable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

A13. Analysis of retail stores and selling space

Number of High Street stores[1]

	1 Sep 2024	Opened	Closed	**28 Feb 2025**
Total	500	**-**	(18)	**482**

Number of Travel units

A Travel store may consist of multiple units within one location. On an individual unit basis, Travel stores can be analysed as follows:

	1 Sep 2024	Opened	Closed	**28 Feb 2025**
Non franchise units	847	13	(18)	**842**
Joint Venture and Franchise units[1]	444	17	(25)	**436**
Total	1,291	30	(43)	**1,278**

[1] Travel units include motorway and international franchise units, and exclude kiosks in India, and *Supanews* and *Wild Cards and Gifts* franchisees in Australia.

Retail selling square feet ('000s)

	1 Sep 2024	Opened	Closed	**28 Feb 2025**
High Street	2,424	-	(88)	**2,336**
Travel	1,202	33	(32)	**1,203**
Total	3,626	33	(120)	**3,539**

Total Retail selling square feet does not include franchise units.