

## WH Smith PLC

8 July 2021

### Trading update for the 18 week period to 3 July 2021

#### **Announcement of significant new business wins; 18 technology and accessories stores to open across major UK airports with further opportunities ahead**

#### **WH Smith UK Travel: New business wins**

The Group has continued to explore new business opportunities and we are pleased to announce that we have successfully won 18 technology and accessories stores across a number of significant UK airports, including London Heathrow, London Stansted, Manchester, London Luton, Birmingham and East Midlands. These stores will trade under the InMotion brand, our market leading tech and accessories business in North America. Combining our learnings and expertise from North America, these stores will provide passengers with a superior customer service experience and a combination of premium products from brands such as Apple and Samsung, as well as an extensive range of tech accessories. In a fully recovered travel environment, we anticipate that these stores will deliver sales of c.£60m per year. We expect these new wins will incur capex and working capital investment of c.£15m which will be incurred in the financial year ending 31 August 2022.

#### **WH Smith Trading Update**

While both our Travel and High Street businesses continue to be impacted by the current trading environment, we are encouraged by the improving trends. Total Group revenue in the period as a percentage of 2019 total revenue has been:

	% of 2019 Revenue		
	Q1	Q2	18 weeks to 3 July 21
High Street	88%	84%	86%
Travel	39%	34%	48%
Group	59%	58%	62%

#### **WHSmith Travel**

While passenger numbers remain significantly down versus 2019, we are seeing a gradual recovery in sales as restrictions are eased. In the 18 weeks to 3 July 2021, UK Travel total revenue was 32% versus 2019. By channel in the UK, air was 10%, hospitals were 80% and rail was 34% compared to 2019 levels. In the week to 3 July, total UK Travel revenue was 38% compared to 2019.

Our strategy to focus on customer conversion and increasing average transaction values continues to progress well. In air, we continue to plan cautiously as we await further government guidance on air travel. In our hospital channel, we continue to see an improved performance as hospitals return to general medical care. Rail has continued to improve as leisure traffic has increased and more people have returned to office working. Going forward, we see further opportunities to win additional WH Smith stores in airports and hospitals and we are well positioned as travel markets recover and passenger numbers increase.

Our North America business has continued its encouraging recovery with total revenue during the 18 week period at 74% of 2019 levels with more recent sales, in June, at 88% of 2019 levels. TSA (Transportation Security Administration) data recorded passenger numbers for the week ending 4 July 2021 at 82% of 2019 levels, versus 57% of 2019 levels for the week ending 25 April 2021. In addition, our resorts channel, primarily based in Las Vegas, has seen a significant improvement in recent weeks. Visitors to Las Vegas continue to recover and in May 2021 were 22% down versus May 2019, with all Covid related restrictions being lifted in Las Vegas from 1 June 2021. As a result, our North America business is trading ahead of our expectations.

In Europe, where travel restrictions have been eased in recent weeks, we are seeing a gradual improvement as passenger numbers begin to recover. Outside of North America and Europe, our international business is seeing broadly similar trends to UK air, with passenger numbers significantly down versus 2019. As we have done in the UK, we continue to focus on increasing average transaction value and we are well positioned to benefit from the growth opportunities that exist both in the news, books and convenience category as well as in tech accessories.

Our new store opening programme remains on track and of the 100 Travel stores won, but yet to open, announced at our Interim results, we have opened 16 of these stores to date.

### **WH Smith High Street**

In High Street, total revenue in the 18 week period to 3 July 2021 was 86% versus 2019. This performance reflects high street footfall which remains below pre-pandemic levels. However, our websites, including [funkypigeon.com](http://funkypigeon.com), continue to deliver a good performance.

During the period, we accelerated our commitment to champion literacy across the UK. Customers can now donate money at the till point and via [whsmith.co.uk](http://whsmith.co.uk) to support children's literacy and deliver a shared goal to reach the 380,000 children in the UK that do not own a book.

### **Funding and Liquidity**

Our liquidity position remains strong and is consistent with our refinancing announced at our Interim results on 29 April 2021. We continue to focus on minimising cashflows and our cash burn over the March to June period was approximately £2m per month. As at the end of June 2021, we had cash of £95m and our revolving credit facility of £250m remains undrawn.

### **Outlook**

Following the stronger than anticipated performance from our North America business, we anticipate a small improvement to management's expectations for the current financial year.

### **Enquiries:**

#### **WH Smith PLC**

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

#### **Brunswick**

Tim Danaher	0207 404 5959
-------------	---------------

### **WH Smith**

WH Smith is a leading global retailer in news, books and convenience for the world's travelling customer. With more than 1,700 stores across over 30 countries worldwide, WH Smith offer customers a wide range of books, newspapers and magazines, travel and tech accessories and food and drink. The Company has a growing international business with over 580 stores primarily across the world's leading airports. In November 2018, WH Smith acquired InMotion, a leading technology and digital accessories retailer in US airports. In December 2019, WH Smith acquired Marshall Retail Group, a leading and fast-growing US travel retailer with over 170 stores. WH Smith's High Street business comprises over 560 stores across the UK and customers can shop online 24/7 at [www.whsmith.co.uk](http://www.whsmith.co.uk).

### **InMotion**

InMotion is the largest airport-based digital accessories retailer in North America, comprising 117 stores across 43 airports in the United States, with a presence in nine of the top ten and 22 of the top 25 busiest US airports. InMotion sells a range of technology and digital accessories which, supported by strong and trusted supplier relationships from the leading brands in the category, includes premium headphones and earbuds, travel accessories, mobile power, portable speakers and action cameras.