

26 January 2024

WH Smith PLC

***The global travel retailer***

Ahead of its Annual General Meeting, the Company announces its trading update for the 20 week period to 20 January 2024

**Good start to the financial year. Strong momentum in Travel with revenue up 16%<sup>1</sup>**

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

*"I am pleased with the start to the financial year. Our Travel business is growing strongly across all our divisions and we have seen a notably strong performance in the UK, our largest division, with total revenue up 15% and like-for-like revenue up 14%.*

*"During the period, we successfully opened our largest UK Travel store at Birmingham airport – a one-stop-shop for travel essentials - and we have received very positive feedback from both landlord and customers.*

*"We continue to make excellent progress in North America, and I am particularly excited by the substantial growth opportunities that exist in this market. We are on track to open over 50 new stores in North America this financial year.*

*"In total, we are on track to open over 110 stores this financial year.*

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

*"The Group is trading well and is in its strongest ever position as a global travel retailer. We are confident of another year of significant growth in 2024."*

**Trading Update**

The Group has delivered a strong performance over the 20 week period with total Group revenue up 8%, compared to the prior year. Across our global Travel divisions, we have seen continued momentum since the start of the financial year, resulting in a strong 20 week performance, up 16% on 2023 on a constant currency basis. Our UK High Street division delivered a good performance, in line with our expectations, with store like-for-like (LFL) revenue up 1% in December.

	Revenue 20 Weeks to 20 January 2024		
	Total versus 2023	Total constant currency versus 2023	LFL versus 2023
UK	15%	15%	14%
North America	7%	14%	0%
Rest of the World	19%	24%	12%
<b>Total Travel</b>	<b>13%</b>	<b>16%</b>	<b>10%</b>
High Street <sup>2</sup>	(4)%	(4)%	(3)%
<b>Group</b>	<b>8%</b>	<b>9%</b>	<b>5%</b>

<sup>1</sup> Constant currency

<sup>2</sup> Includes internet businesses

### **Travel UK**

In Travel UK, our largest division, total revenue was up 15% compared to the prior year for the 20 week period and up 14% on a LFL basis. We continue to see improving passenger numbers across UK Air, a strong performance in Hospitals, and Rail is performing well. We recently opened our largest store in UK Travel - a 6,000 sq ft one-stop-shop format for travel essentials at Birmingham airport. Customer and landlord reaction has been very positive.

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 and customers.

In the UK, we are on track to open 15 stores in the year across all channels, and we expect to open 15 new stores each year over the medium term.

	<b>Revenue 20 Weeks to 20 January 2024</b>	
	<b>Total</b>	<b>LFL</b>
	<b>versus</b>	<b>versus</b>
	<b>2023</b>	<b>2023</b>
Air	14%	14%
Hospitals	17%	15%
Rail	18%	15%
<b>Total Travel UK</b>	<b>15%</b>	<b>14%</b>

### **Travel – North America**

Overall revenue for the 20 week period was up 14% compared to the prior year on a constant currency basis.

Our core MRG airport business (which is now approximately 50% of the revenue of our North American division) continues to perform strongly with good LFL growth. We are seeing passenger number growth and strong demand for our travel essentials categories. The performance of our smaller businesses, InMotion and the resorts business in Las Vegas, has remained as we reported in November.

The growth opportunities in North America are substantial and there is a good pipeline of tenders. We have a strong airport store opening programme in the year with the majority of these stores due to open in the second half, as expected. We are on target to open over 50 stores this financial year in North America.

### **Travel - Rest of the World (ROW)**

Total revenue for the 20 week period was up 24% on a constant currency basis, compared to the prior year. We have seen good LFL growth across our regions.

In the Rest of the World, space growth opportunities continue to be significant. We have opened the first of 6 stores at Budapest airport in the period, and we are on track to open over 40 stores in the year.

### **High Street**

In our UK High Street division, LFL revenue was 3% lower compared to the prior year, in line with our expectations, with store LFL revenue down 3%. In the 4 week period to 30 December 2023, store LFL revenue was up 1%. We maintained good stock availability and we exited Christmas with a clean stock position. We are on track to deliver our targeted full year cost savings of £10m.

## **Outlook**

We have made a good start to the financial year and, while there is some economic uncertainty, we are confident of another year of significant growth in 2024.

## **Interim Results Announcement**

WH Smith PLC, the global travel retailer, will announce its 2024 Interim results on Thursday 25 April 2024.

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