

24 January 2018

## WH SMITH PLC

### Trading update for the 20 week period to 20 January 2018

#### Continued good performance across the Group

##### Commenting on today's announcement, Stephen Clarke, Group Chief Executive said:

"The Group has delivered another good performance over the 20 week period with total sales flat year on year and like-for-like sales down 1%, against a very successful period last year.

"Our Travel business now accounts for almost two thirds of the Group's annual profit and we continue to deliver strong sales growth across all our key channels. This was driven by ongoing investment in the business and continued growth in passenger numbers in our airport stores over the Christmas period. Our recently opened new concept store in Gatwick South has performed particularly well and is ahead of plan.

"High Street sales were in line with expectations. Our stationery and seasonal ranges, including cards and wrap, performed well with good sales growth versus last year. Book sales were more challenging due to the decline in spoof humour titles and no new, big publishing trends.

"I would like to take this opportunity to thank our 14,000 colleagues across the Group for their hard work over this busy period. Without their ongoing support we would not be able to achieve these results.

"Looking ahead, while there is some uncertainty in the broader economic environment, we remain confident that the Group is well positioned for the year ahead as we continue to focus on profitable growth, cash generation and investing in new opportunities."

##### Trading update

The Group delivered a good performance in the period with total sales flat year on year and like-for-like sales down 1% for the 20 weeks.

Total sales in Travel were up 7% with like-for-like sales up 3%. We have continued to see good sales growth across all of our key channels and gross margin continues to grow in line with plan driven by category mix management. Our store opening programme in the UK is on track and we expect to open around 15 new units this year. Our new large airport stores in Gatwick and Stansted opened in the period and are performing well with good feedback from both landlords and customers.

Our International business continues to grow and we now have 249 units open, including 2 of the 10 units we have won in Changi Airport, Singapore. We expect all 10 units there to be open this spring.

In High Street, total sales were down 5% with like-for-like sales down 4%, in line with expectations. Gross margin was up year on year although slightly less than anticipated, in part reflecting the lower sales of high margin spoof humour books compared to the same period last year when humour books had a particularly strong performance. However, we continue with our cost efficiency programme and now expect full year cost savings to be in the region of £12m, slightly ahead of target.

<sup>1</sup> Like-for-like sales are calculated on stores with similar Like selling space that have been open for more than a year (constant currency basis)

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**Advance Notice of Interim Results**

WH Smith PLC will announce its Interim Results 2018 on Thursday 12 April 2018.