Disclaimer

This document contains forward-looking statements with respect to the operations, performance and financial condition of WH Smith PLC. By their nature, these statements are subject to risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied because they relate to future events.

Unless otherwise required by applicable law, regulation or accounting standard, we do not undertake to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise. Nothing in this presentation should be construed as a profit forecast.

The financial information referenced in this presentation does not contain sufficient detail to allow a full understanding of the results of WH Smith PLC. For more detailed information, please see the preliminary results announcement for the twelve months ended 31 August 2026 which can be found on the Investors section of the WH Smith PLC website - www.whsmithplc.co.uk



WHSmith

2025/26 PRELIMINARY RESULTS

THE WORLD'S ESSENTIAL TRAVEL RETAILER

Agenda

▪ Introduction	Leo Quinn
▪ Financial Review	Max Izzard
▪ Business Review	Leo Quinn
▪ Q&A	

Where we are today

- Structural growth market and strong, recognised brand
- High barriers to entry; premium locations
- Strong customer proposition
- Focused global portfolio
- Opportunity to improve capital discipline
- Aligned and motivated team focused on cash, cost and profitable growth

Opportunity for significant value creation

FY26 FINANCIAL REVIEW



Max Izzard, Group CFO

WHSmith

Financial Performance Headlines

Total Group revenue growth 5%

Group Headline Profit before tax and non-underlying items £76m

Free Cash Flow £52m; structural working capital improvements

Balance sheet strengthened; Net Debt £325m, leverage reduced

Group Revenue £1,625m	Group Headline Profit before tax[1] £76m
Free Cash Flow £52m	Headline net debt[2] £325m

1. Excludes non-underlying items, Pre-IFRS 16
2. Pre-IFRS, excluding lease liabilities

Group Headline Income Statement[1,2]

	FY 26	FY 25
	£m	£m
UK	107	130
North America	15	15
Rest of the World and Other	8	14
Group trading profit	**130**	**159**
Group trading profit margin	**8%**	**10%**
Unallocated central costs	(24)	(25)
Group operating profit	**106**	**134**
Net finance costs	(30)	(26)
Group profit before tax	**76**	**108**
Group profit before tax margin	**5%**	**7%**
Diluted earnings per share	**30.3p**	**43.4p**

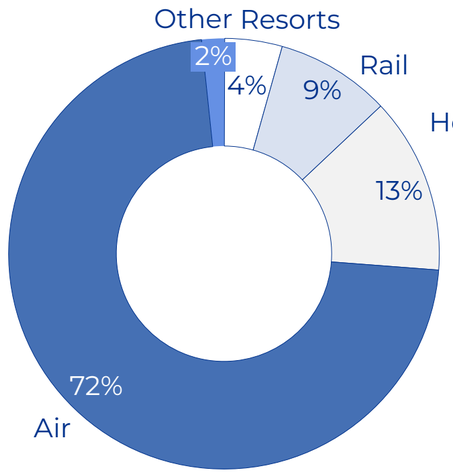
Revenue by Division and Channel

TOTAL REVENUE GROWTH IN ALL DIVISIONS

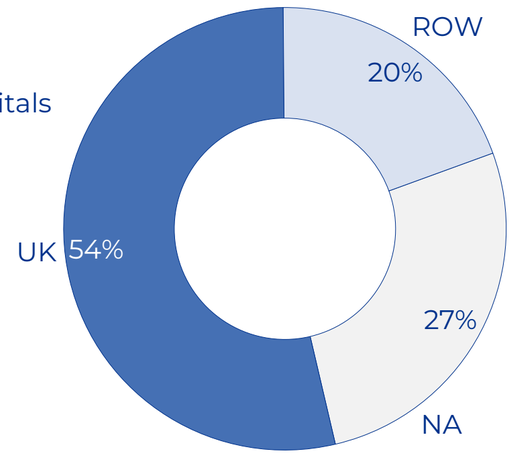
AIR SEGMENT >70%
UK DIVISION >50%

	FY 26 £m	FY 25 £m	Year on year growth: Total %	CER[1] %	LFL[1] %
Air	487	471	4	4	1
Hospitals	215	197	9	9	6
Rail	140	136	3	3	1
Other	28	30	(6)	(6)	(4)
UK	870	834	4	4	2
Air	367	330	12	15	1
Resorts	70	83	(16)	(14)	(8)
NA	437	413	6	9	0
ROW and Other	318	306	4	1	4
Group	**1,625**	**1,553**	**5**	**5**	**2**

Segment



Division

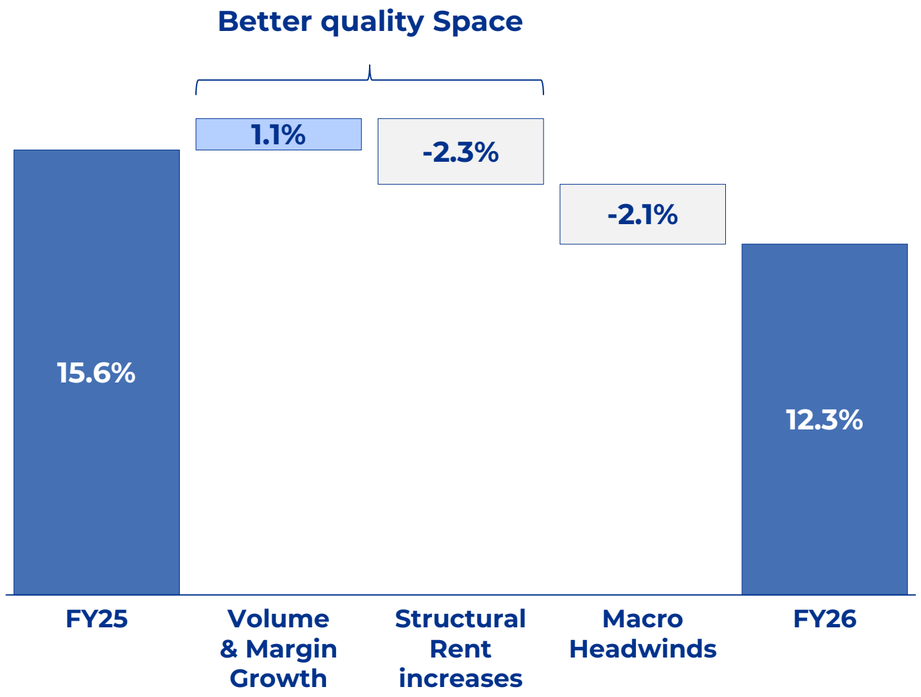


1. Constant currency

UK Trading margin

BETTER-QUALITY SPACE SECURED; MACRO HEADWINDS IMPACTED H2

UK Headline Trading Profit Margin[1]



Improving the Quality of the Estate

- Air contract renewal activity concentrated within 18–24-month period
- >80% of Air contracts now secured
- Competitive environment intensified across the estate
- Travel Essentials remains our core growth opportunity
- Rent reduced margin by 230 bps, further 30–50 bps expected in FY27

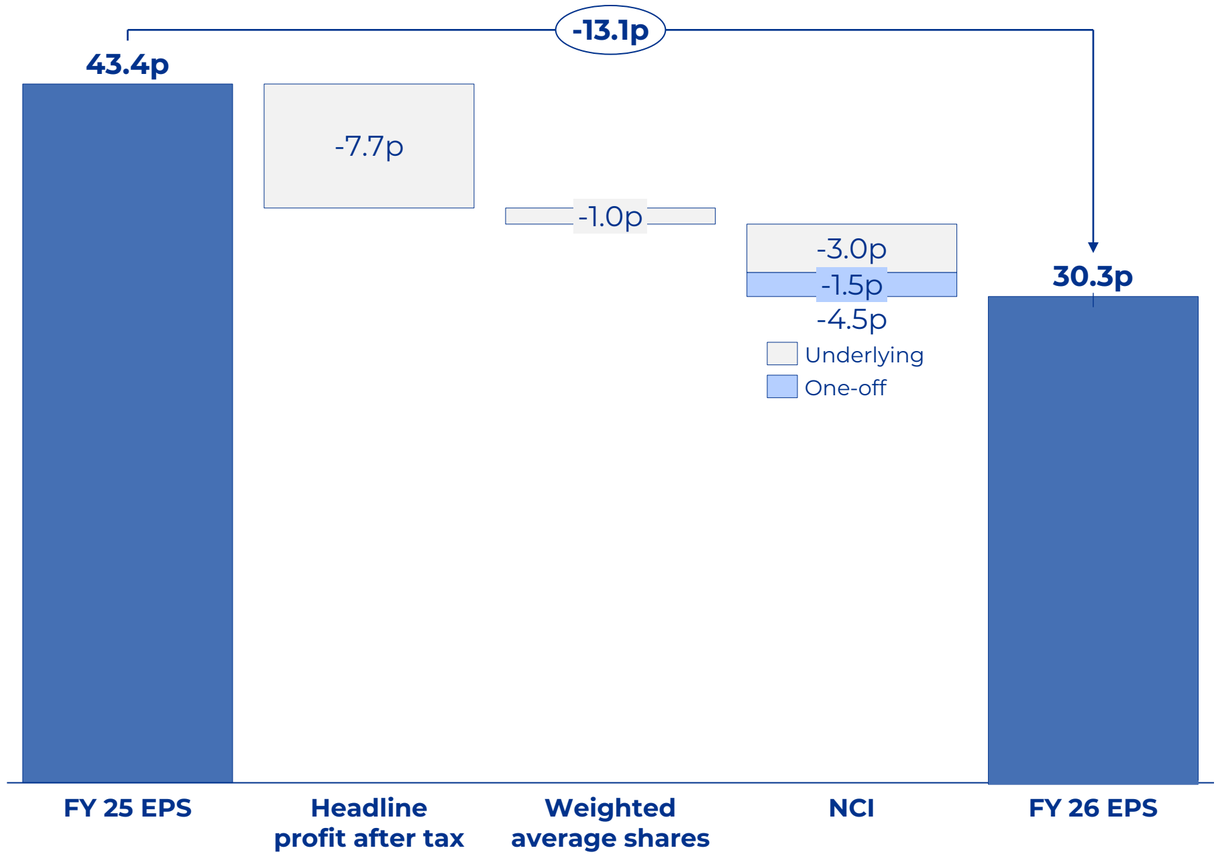
Macro Headwinds

- Weaker consumer sentiment led to increased promotional activity and lower than expected brand marketing in the second half
- Cost-saving initiatives partly offset inflationary pressures

1. Excludes non-underlying items, Pre-IFRS 16

Group Headline Diluted EPS[1]

HEADLINE DILUTED EPS



SUMMARY

Profit after tax

- Trading profit reduced; tax rate lower at 29% (2025: 42%)

Weighted average shares

- Increased share count following the equity raise in June

Non-controlling interests (NCI)

- FY26 includes a one-off £2m non-cash charge
- Increasing share of profits to minority partners as the Air business has grown
- Actions in place to evolve NCI model with a focus on cost allocation framework and commercial terms

Non-Underlying Costs[1]

SIGNIFICANT CHARGES INCURRED AS PART OF INVESTMENT INTO THE STRATEGIC RESET

	FY 26 £m
Restructuring and operational efficiencies	10
Rationalisation programmes	22
IT and Finance transformation	9
Transformation	**41**
Remediation and regulatory related costs	14
Amortisation of acquired intangibles and Other	6
Sub Total	**20**
Impairment non-current assets & provision for onerous contracts	**103**
Non-underlying items in Headline operating profit	**164**
Non-underlying items cash outflow (inc: prior year c/f)	**48**

TRANSFORMATION INVESTMENTS OF £50m COMPLETE IN FY27/28

Outlook - Two-year programme of investment:

- **P&L c.£50m** (FY27 c.£30m / FY28 c.£20m)
- **Cash c.£65m** (FY27 c.£40m / FY28 c.£25m), cash outflow includes FY26 payables timing

Transformation: FY27-28 P&L c.£35m

- Restructuring and operational efficiency to reduce costs
- Store closures, principally across NA and Rest of the World to improve profitability
- Infrastructure investment to strengthen the foundations and improve returns continues

Remediation, Amortisation & Other: FY27-28 P&L c.£15m

Impairments: Minimise with focus on capital discipline

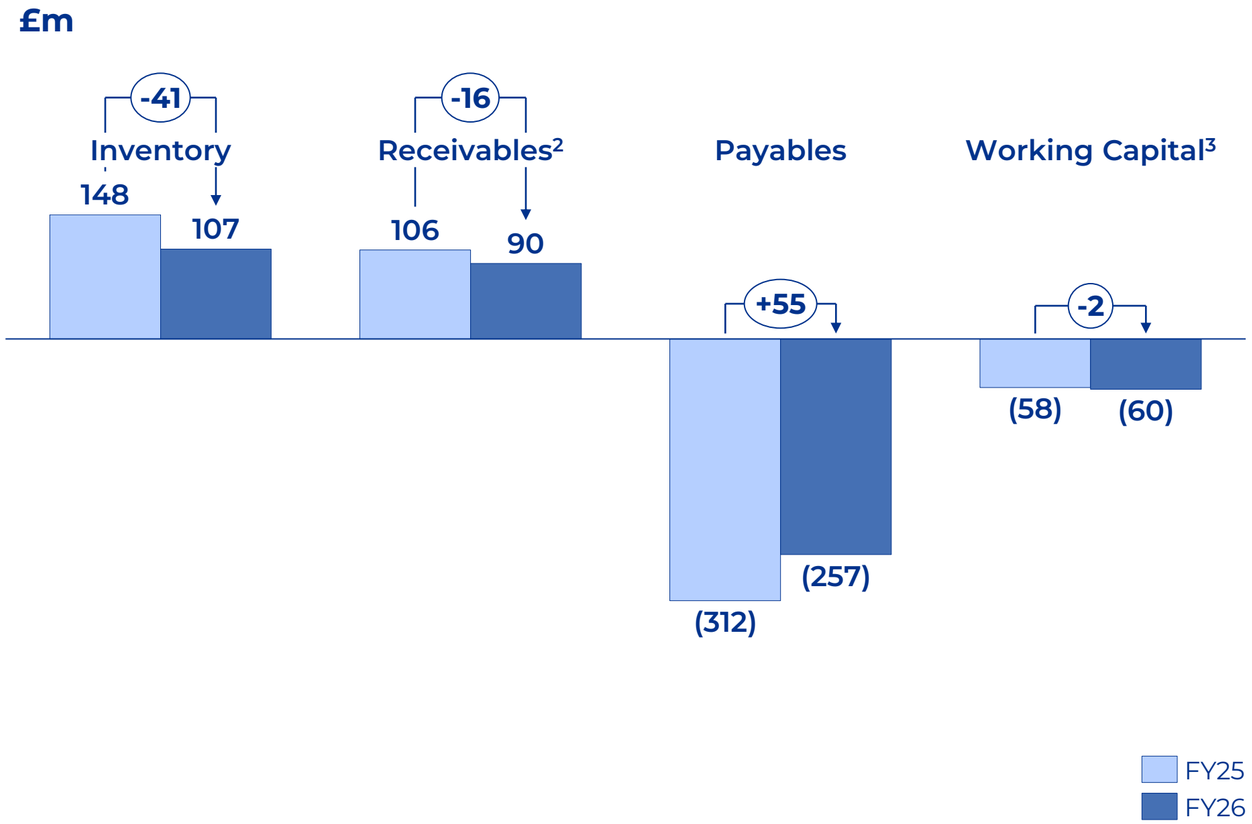
1. Pre-IFRS 16 and from continuing operations

Free Cash Flow and Working Capital[1]

FREE CASH FLOW

	FY 26 £m	FY 25 £m
Headline Group operating profit[2]	106	134
Depreciation, amortisation and impairment[2]	52	51
Non-cash items	8	2
Headline EBITDA	166	187
Capital expenditure	(94)	(81)
Working capital	(3)	4
Net tax refunded/(paid)	3	(28)
Net finance costs paid	(20)	(19)
Free cash flow	52	63

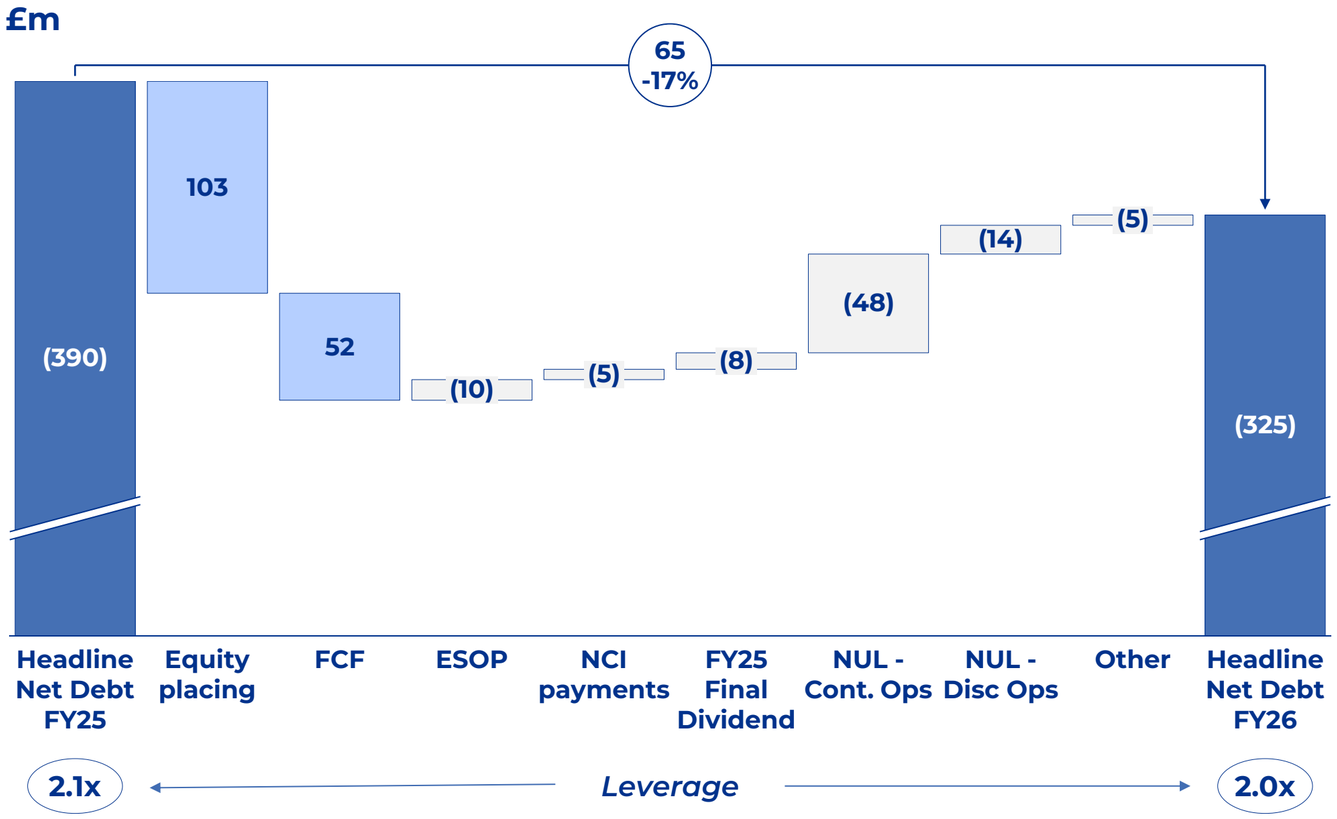
WORKING CAPITAL IN FOCUS; INVENTORY STRUCTURALLY REDUCING



1. Excludes non-underlying items, Pre-IFRS 16
2. Excludes non-current receivables
3. Reflects movement in the Balance sheet position

Balance Sheet

NET DEBT[1] REDUCING



LIQUIDITY AND LEVERAGE POSITION STRENGTHENED

£720m of committed long-term debt funding

- £200m fixed-rate USPP notes (7–12 yr term)
- £120m floating-rate bank term loan
- £400m floating-rate RCF
- No refinancing required in the near-term

£103m equity placing in June

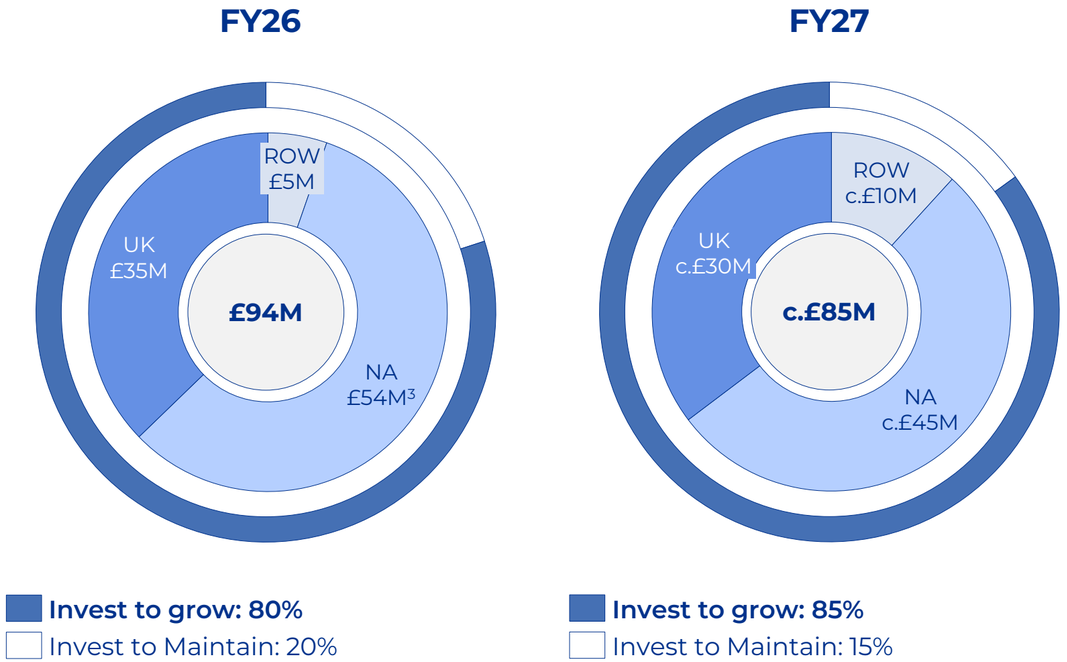
Group leverage[1] of 2.0x provides headroom to 3.0x leverage covenant

Further deleveraging over the medium-term

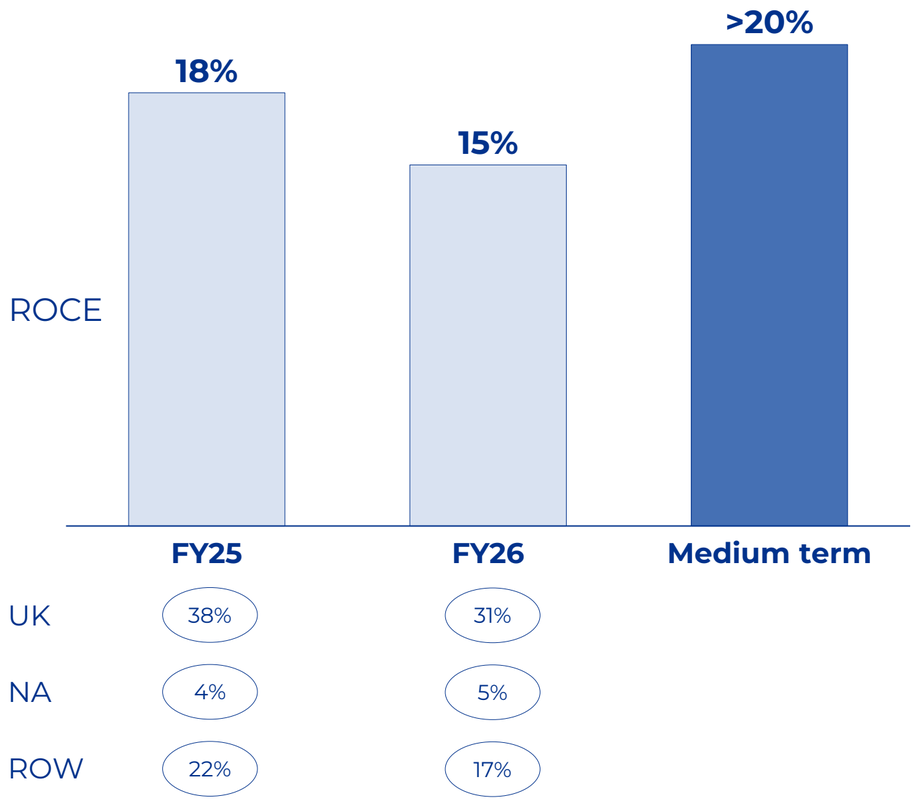
1. Pre-IFRS 16

Capital Investment and ROCE

INVESTMENT FOCUSED ON RETURNS AND ENHANCED PROFITABILITY



ROCE[2] TO GROW OVER THE MEDIUM TERM AS CAPEX DISCIPLINE TIGHTENED



1. Invest to grow – new stores and store development. Invest to Maintain – Maintenance and refurbishment
2. ROCE is calculated as the Headline trading profit as a percentage of operating capital employed. Operating capital employed is calculated as the 12-month average net assets, excluding net debt, retirement benefit. Surplus and net current and deferred tax balances.
3. Includes £8m of capital expenditure outflow attributable to non-controlling interests

Capital Allocation

Strengthen the Balance Sheet

Focus on cost and cash

Diversified debt structure delivered with extended maturity profile

De-leverage[1] over the medium-term

Disciplined Investment

Investment in the business with returns at or above hurdle rates

Infrastructure investment to continue strengthening the foundations and facilitate returns

FY27 Capex c.£85m

Reduce over the Medium-term <£80m

Shareholder Returns

Rebalance of capital allocation

Optimise returns

Capital returns under continual review

Summary and FY27 Outlook

- Strengthened the balance sheet
- Tightened focus on cash and costs
- Improved controls and governance under remediation plan
- First 10 weeks trading of current financial year reflects ongoing consumer and macro pressures
- Group continues to plan cautiously: Group Headline PBT for 12 months to Aug 2027 expected to be £75m-£85m

BUSINESS REVIEW

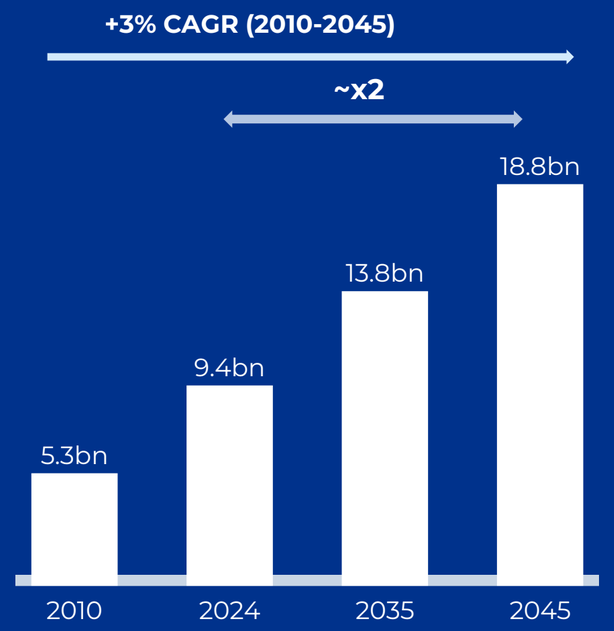


Leo Quinn, Executive Chair

WHSmith

Attractive market

Global air passenger traffic to double by the mid-2040s[1]



Strong and recognised brand 200+ years

Premium locations with high footfall: 1,200 stores

Infrastructure investment driving airport capacity

Secured medium to long-term agreements

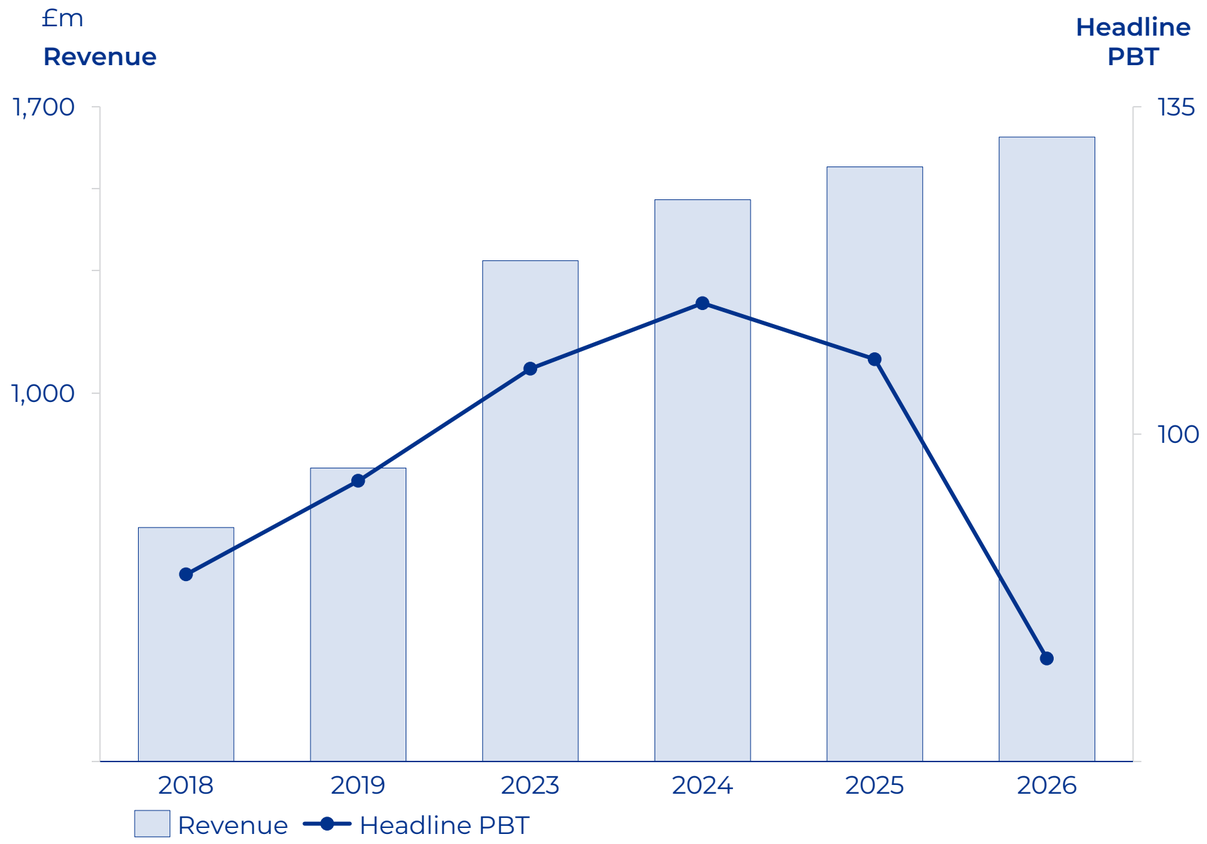
Relevant 'convenience' customer proposition

Focused portfolio

Well-positioned to capitalise on the opportunity

1. Airports Council International World Airport Traffic Forecasts

Forced growth



- Too many loss makers
- Costs too high
- Acquisitions not integrated
- High organisational complexity
- Siloed organisation
- Lack of operational disciplines
- Growth funded through debt

Negative return on £1bn invested

Selective growth

SEVEN EXISTING SPECIALITY STORES

Store Format

1. Confectionery
2. Fashion
3. Liquor
4. Souvenirs
5. Souvenirs
6. F&B
7. Tech

~

Revenue across all 7 stores c.$10m	Four-wall EBITDA <10%
Capex $7m	Average payback c.7 years

ONE NEW TRAVEL ESSENTIALS STORE

Revenue c.$10m	Four-wall EBITDA >20%
Capex $4m	Payback c.2.5 years

Focused disciplined investment where the returns are strongest

Group transformation

SIMPLIFY THE PORTFOLIO

Focus on profitable markets and formats | Exit loss-makers
Reduce complexity | Grow through Travel Essentials

UK:

- Capitalise on strong market position
- Grow cash and profit
- Strengthen market-leading Travel Essentials proposition



North America:

- Significant growth opportunity
- Focus on Travel Essentials
- Rationalisation of InMotion, Resorts and Speciality

Rest of the World:

- Exit sub-scale markets
- Focus on core markets
- Grow franchise model

STRENGTHEN THE FOUNDATIONS

Reset the cost base | Invest in IT infrastructure | Drive inventory improvements
Improve commercial delivery and execution | Strengthen controls | Tighten cash and capital discipline

UK

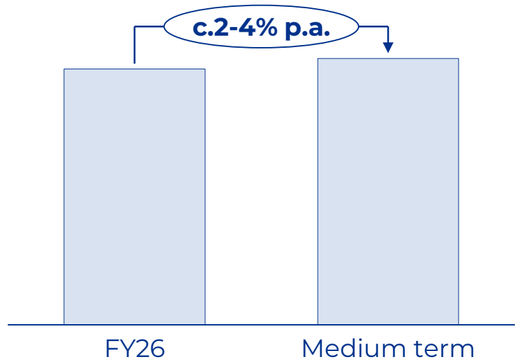
BETTER QUALITY STORE ESTATE

STORE ESTATE REMAINS BROADLY STABLE

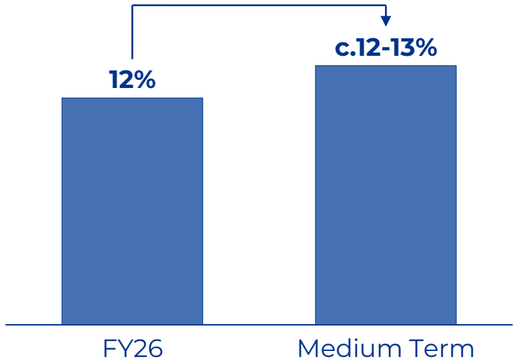


TOTAL REVENUE AND TRADING MARGIN

TOTAL REVENUE, %

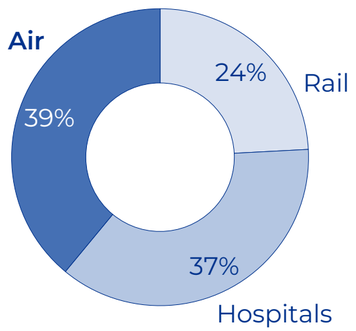


TRADING PROFIT MARGIN, %

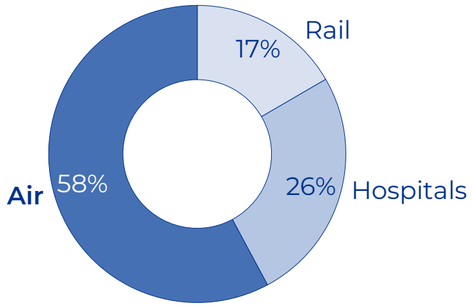


STORE & REVENUE SEGMENTATION BROADLY STABLE

FY26 STORE ESTATE[1]



FY26 REVENUE BY SEGMENT[1]



DRIVERS

- **High market share**
- **Over 80% of contracts secured – medium to long-term**
- **Capitalise on the value of premium locations**
- **Cost take out to mitigate inflation**
- **Maximise one-stop-shop format**

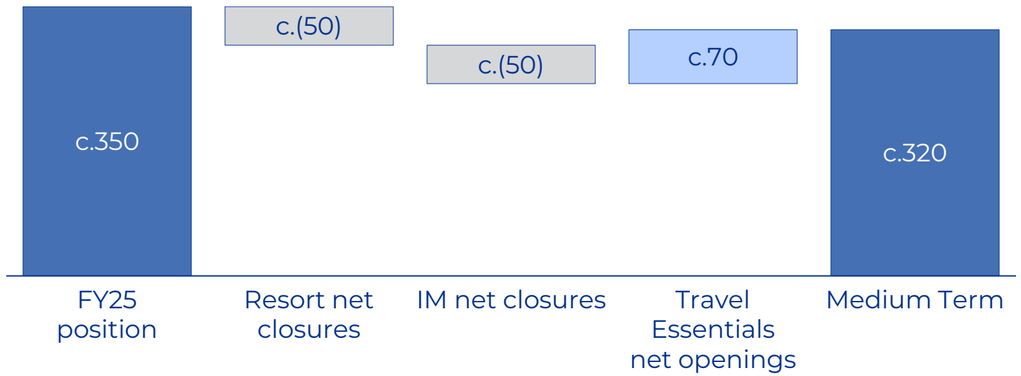
Mature market capable of delivering substantial free cash flow

1. UK store estate excludes Other

North America

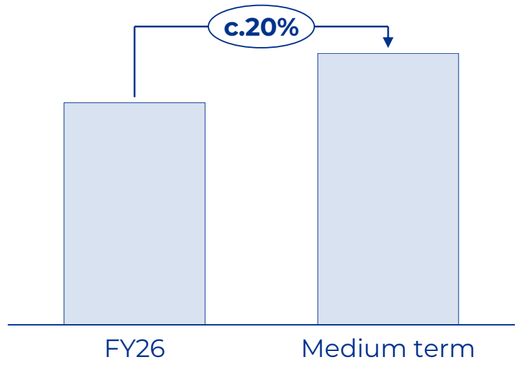
IMPROVING THE QUALITY OF THE STORE ESTATE

PIVOTING TO TRAVEL ESSENTIALS

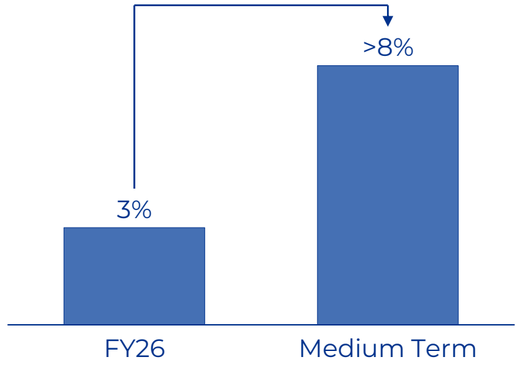


TOTAL REVENUE AND TRADING MARGIN

TOTAL REVENUE, %

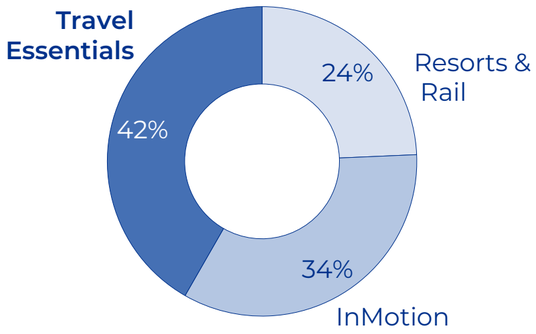


TRADING PROFIT MARGIN, %

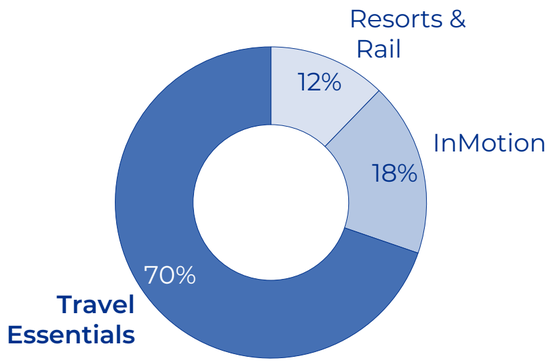


GROW TRAVEL ESSENTIALS STORES

FY25 STORE ESTATE



MEDIUM TERM STORE ESTATE



DRIVERS

- **Rationalise loss-makers: Resorts, InMotion and Speciality**
- **Reset Minority Interest**
- **Reset cost base**
- **Strengthened management team**
- **Significant Travel Essentials store pipeline**
  - Orlando, JFK, Seattle and Nashville airports

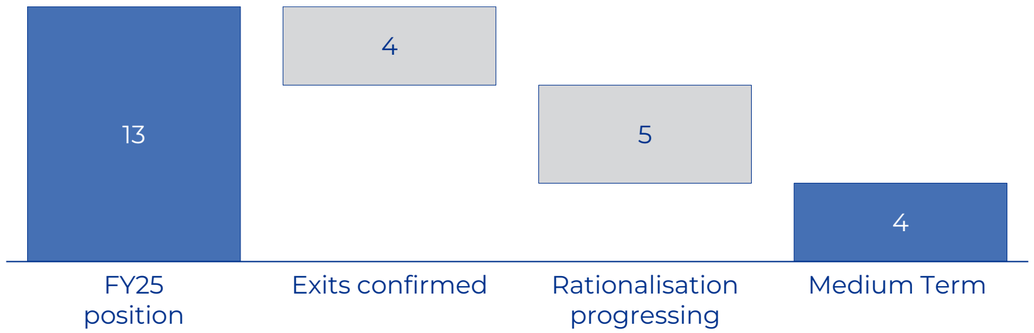
Opportunity to create significant value

1. Constant currency

Rest of the World

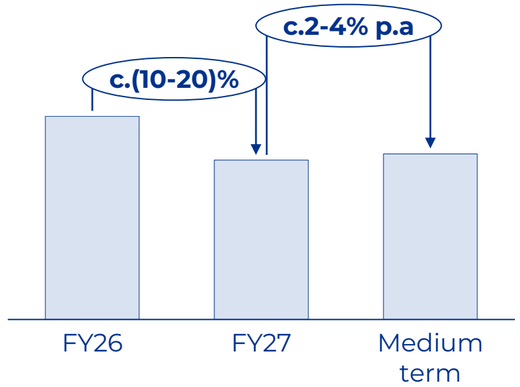
COUNTRIES: EXIT 70% OF DIRECTLY RUN OPERATIONS

DIRECTLY RUN COUNTRY OPERATIONS

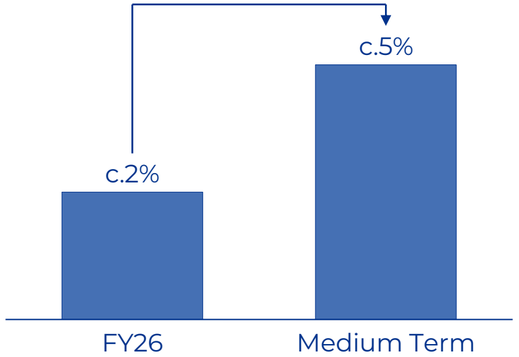


TOTAL REVENUE AND TRADING MARGIN

TOTAL REVENUE, %

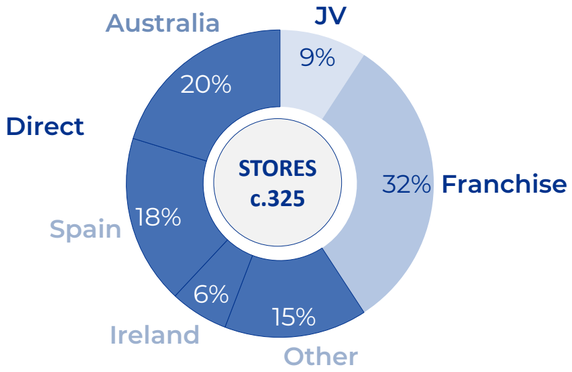


TRADING PROFIT MARGIN, %

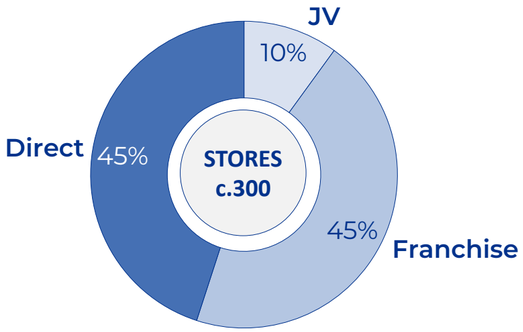


ACTIVELY RESHAPING THE STORE PORTFOLIO

FY25 STORE ESTATE



MEDIUM TERM STORE ESTATE



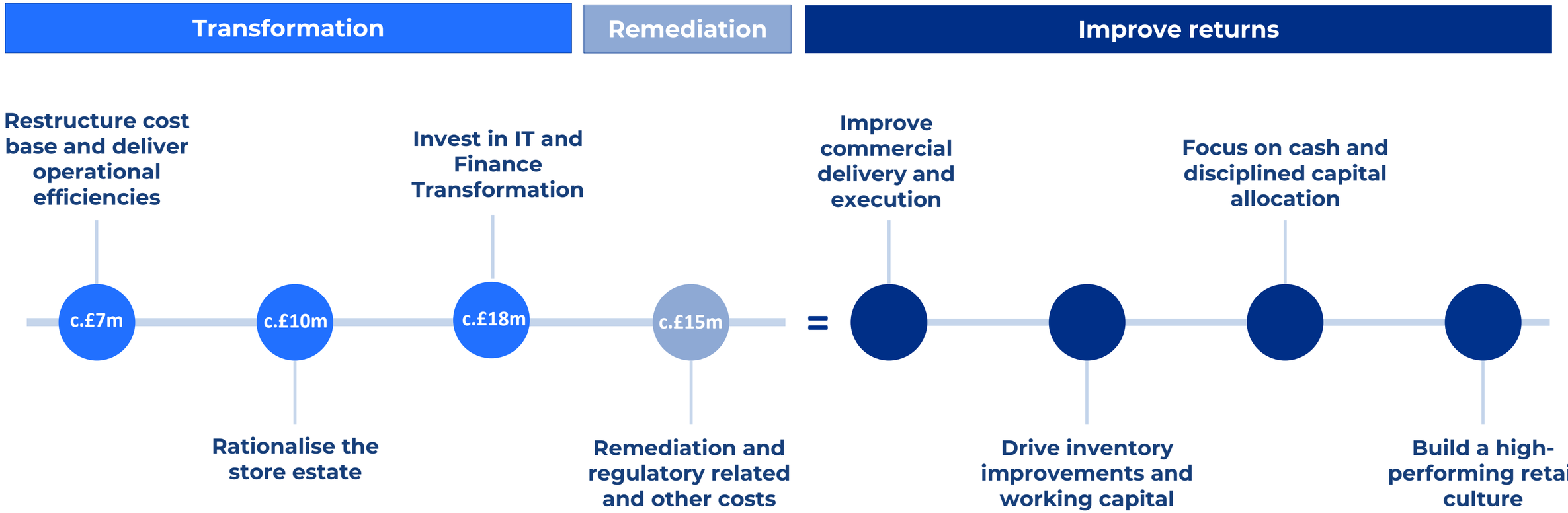
DRIVERS

- **Loss making markets; few scale economies – Forced Growth**
- **Capital-light, lower risk franchise model; c.100 stores**
  - 7 new franchise stores including Saudi Arabia and UAE
- **Focus on core markets**
  - Irish airports contracts extended with one-stop-shops
- **Reset cost base**

Simplified, lower-risk cash generation

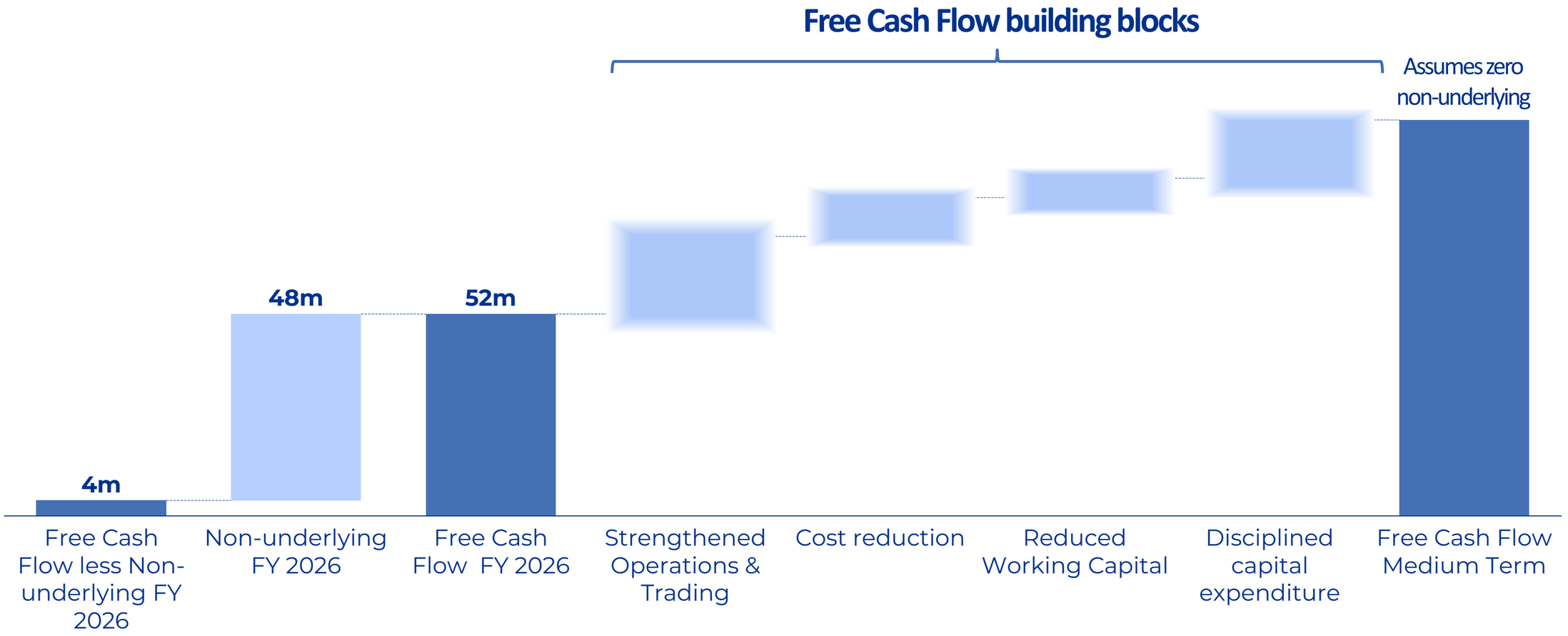
1. Constant currency

Building a strong foundation to drive value



Transformation investment complete in 2027/28

Medium-term free cash flow



Targeting significant annual free cash flow in the medium-term

Drive to build value underway

- Transformation moving at pace: portfolio and foundations
- A fundamental reset of the Group - laser focused on:
  - Cash
  - Scaling our profitable retail model
  - Disciplined capital allocation
  - Building a motivated and aligned team
- Underpinned by multiple self-help improvement programmes

A stronger WHSmith delivering more cash and better returns

QUESTIONS


WHSmith
Roame
FORGOTTEN YOUR BEAUTY ESSENTIALS?
look your best, zero stre
Smith's FAMILY KITCHEN
Roame
FORGOTTEN YOUR BEAUTY ESSENTIALS?
PAYMENT & SERVICE
MAGAZINES
Meal Deal
Meal Deal
Ready for refreshment
3 for 2
Mini Toiletries
FEEL GOOD MINIS FOR LIFE ON THE MOVE
WHSmith

APPENDIX


WHSmith
Smith's
FAMILY KITCHEN
feel
GOOD
food
holidays
With direct flights and hundreds of 4 and 5*
hotels available directly from Liverpool.
LHTC
LIVERPOOL HAIR
TRANSPLANT
Exceptional Results!
BOOKS
Meal Deal
Meal Deal
Only
£1
each
New

Current Operational & Technical planning assumptions

Planning assumptions provided for 12 months ended 31 August 2027.
Planning assumptions to 31 December 2027 will be provided at the second interims in October 2027.

12 MONTHS - YEAR END 31 AUGUST 2027 (PRE IFRS 16 BASIS)

Operational	Total Revenue	UK: Broadly Flat NA: Low single digit growth ROW: 10-20% decline
	Divisional Trading Profit Margin	UK: Around 12% NA: Slight improvement ROW: Slight improvement
	Headline Group PBT and Non underlying items	£75-85m Weighted to H2 as per FY26
Technical	Central Costs	c.£28m
	Financing cost	c.£28m
	Effective tax Rate	c.30%
	Cash Tax	c.£20m
	Capex	c.£85m
	Working Capital	c.£20m inflow
	Non-Underlying	P&L c.£30m / Cash c.£40m
	Non-controlling interests (NCI)	P&L c.£13m / Cash c.8m
	ESOP	c.£10m
	Net Debt	c.£320m

Change of financial year end

Following the change in seasonality as a result of the sale of the High Street business, WHSmith is aligning its reporting calendar with common market practice.

FINANCIAL YEAR END MOVING FROM 31 AUG TO 31 DEC WITH IMMEDIATE EFFECT

Following this change, the group's reporting schedule will be as follows:

- **Trading update** providing Group revenue to be published on 26 January 2027.
- **Interim results** for the six months ending 28 February 2027, to be published in April 2027.
- **Trading update** providing Group revenue to be published early September 2027.
- **Second interim results** for the twelve months ending 31 August 2027, to be published October 2027.
- **Final results** for the sixteen-month period ending 31 December 2027, together with a trading update for the four months ending 31 December 2027, to be published in March 2028.

- **2028 onwards**, WHS expects to publish final full year results for the 12 months ending 31 December in March and interim results in August at the latest. Quarterly trading results are expected to be published in May and October.

IFRS 16 Impact on Income Statement

	Headline pre-IFRS 16	IFRS 16 adjustments	IFRS 16
	FY 26 £m	FY 26 £m	FY 26 £m
UK [1]	107	6	113
North America [1]	15	11	26
Rest of the World and Other [1]	8	2	10
Group trading profit [1]	**130**	**19**	**149**
Unallocated central costs	(24)	-	(24)
Group operating profit before non-underlying items	**106**	**19**	**125**
Net finance costs	(30)	(22)	(52)
Group profit before tax before non-underlying items	**76**	**(3)**	**73**

IFRS 16 Impact on Cash flow Statement

	Headline pre-IFRS 16	IFRS 16 adjustments	IFRS 16
	FY 26 £m	FY 26 £m	FY 26 £m
Net cash inflow from operating activities	83	79	162
Net cash outflow from investing activities	(91)	-	(91)
Net cash outflow from financing activities	(20)	(79)	(99)
Net decrease in cash in the period	**(28)**	**-**	**(28)**

IFRS 16 Impact on Balance sheet

	Headline pre-IFRS 16	IFRS 16 adjustments	IFRS 16
	FY 26 £m	FY 26 £m	FY 26 £m
Goodwill and other intangible assets	444	(2)	442
Property, plant and equipment	219	1	220
Right-of-use assets	-	361	361
Other non-current assets	6	-	6
Non-current assets	**669**	**360**	**1,029**
Inventories	107	-	107
Payables less receivables	(132)	-	(132)
Net working capital	**(25)**	**-**	**(25)**
Net debt	(325)	(524)	(849)
Other assets and liabilities	(14)	47	33
Net assets	**305**	**(117)**	**188**