

23 April 2026

WH SMITH PLC
INTERIM RESULTS ANNOUNCEMENT
FOR THE PERIOD ENDED 28 FEBRUARY 2026

Solid first half trading performance; cautious outlook ahead of peak summer trading period

- Total Group revenue up 5% to £748m (2025¹: £716m)
 - UK up 2%; North America (NA) up 10%*; Rest of the World and Other ('ROW') up 8%*
- Headline Group profit before tax and non-underlying items² £3m (2025¹: £21m)
 - Headline Group trading profit² of £32m (2025¹: £47m)
- Headline diluted EPS before non-underlying items² (0.8)p (2025¹: 11.5p)
- Good progress against the key priorities set out in December across all divisions
- UK trading performance in H1 impacted, as expected, by disruption following the refurbishment of multiple large airport stores and inflation headwinds
- Successfully opened global flagship stores at Heathrow Terminals 3, 4 and 5 in March and April
- Travel Essentials stores in North America delivering a strong performance with total revenue up 22%* in H1; decisive actions taken in the Resorts business; good progress made against remediation plan
- Continued progress in core ROW markets with actions to address challenging performance and reduce exposure in sub-scale markets
- Suspension of the dividend to reduce debt and strengthen the Group's financial position
- In light of the uncertainty arising from the conflict in the Middle East, the Group is taking a more cautious outlook reflecting the impact on passenger numbers and weaker consumer confidence. At this stage, the Group expects to deliver FY26 Headline Group profit before tax and non-underlying items² of £90m – £105m.

Leo Quinn, Executive Chair, commented:

"The immediate focus is to restore confidence and ensure the right foundations are in place to support profitable growth and long-term value creation.

"Moving forward, the Board and management team will have a relentless focus on driving cash, cost discipline and strengthening the balance sheet. As a first step, the Board has taken the prudent decision to suspend the dividend.

"This is a business with a strong brand and proposition in high-footfall travel markets and the new flagship stores opened across Heathrow airport are raising the global standard for travel essentials retail.

"None of this is achievable without our people. Making sure our colleagues are empowered is a key priority, as engaged teams execute better, serve customers better and drive higher performance over time.

"While the near-term outlook is uncertain, I am confident that, with the right focus and discipline, the business can deliver superior returns for the benefit of our colleagues, partners and shareholders over the longer-term."

* On a constant currency basis

¹ Comparative periods have been restated to correct the accelerated supplier income recognition and inventory-related items in the North America division (refer to Note 1b for further details) and to separately disclose results from discontinued operations (refer to Note 1a for further details)

² Alternative Performance Measure (APM) defined and explained in the Glossary on page 48. All numbers presented are from continuing operations unless otherwise stated

Group financial summary – continuing operations

£m unless indicated otherwise	IFRS 16		Headline pre-IFRS 16 ³	
	Feb 2026	Feb 2025	Feb 2026	Feb 2025
Trading profit²		Restated ¹		Restated ¹
UK	38	40	34	40
North America	9	8	2	5
Rest of the World and Other ('ROW')	(5)	5	(4)	2
Group trading profit²	42	53	32	47
Group profit before tax and non-underlying items²	2	17	3	21
Diluted (loss)/earnings per share before non-underlying items ²	(1.6)p	8.5p	(0.8)p	11.5p
Non-underlying items ²	(27)	(21)	(28)	(20)
Group profit before tax	(25)	(4)	(25)	1
Basic and diluted loss per share	(20.0)p	(5.5)p	(20.0)p	(1.6)p

Revenue performance – continuing operations

£m	Total Revenue Half Year 2026	Total Revenue Half Year 2025 Restated ¹	Total Revenue % change	Constant currency Half Year 2026 % change ⁴	LFL Half Year 2026 % change	LFL 7 weeks to 18 April 2026 % change
UK	392	384	2%	2%	2%	0%
North America	204	194	5%	10%	1%	2%
Rest of the World and Other	152	138	10%	8%	6%	5%
Group	748	716	5%	5%	2%	2%

Current trading

In the first 7 weeks of trading for H2 2026, Group like for like ('LFL') revenue² was up 2%. By division, the UK delivered flat LFL revenue growth, largely reflecting a softening in Air following disruption to flight schedules to the Middle East. In North America, LFL revenue growth was 2% with the core Travel Essentials business continuing to perform well with LFL revenue growth of 6%. Rest of the World delivered LFL revenue growth of 5%.

Outlook and planning assumptions

In light of the uncertainty arising from the conflict in the Middle East, the Group is taking a more cautious outlook reflecting the impact on passenger numbers and weaker consumer confidence. Much will depend on the peak summer trading period and the Group assumes no immediate improvement in consumer confidence and assumes that jet fuel supplies can be maintained. At this stage, the Group expects to deliver FY26 Headline Group profit before tax and non-underlying items² of £90m – £105m.

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 years ended 31 August 2025 and 31 August 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 48. Group revenue was not affected by the adoption of IFRS 16, and therefore all references to and discussion of revenue are based on statutory measures.

⁴ Constant currency

Planning assumptions for the full year ending 31 August 2026: total Group revenue growth of c.3%-5%. In the UK, total revenue growth of c.1%-3%, in North America c.6%-8%, and in the Rest of the World division, c.2%-4%.

Headline trading profit margin² in the UK of c.13%-14%, North America c.7%, and c.4% in the Rest of the World. This reflects the expected reduction in brand marketing, increased promotional activity and inflation headwinds.

Full year headline net debt² is expected to be around £420m.

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WH Smith PLC's Interim Results 2026 are available at whsmithplc.co.uk.

GROUP OVERVIEW

The Group has delivered a solid first half trading performance against a backdrop of investment related disruption and inflation headwinds.

The UK business is focused on retaining category leadership in Travel Essentials through the one-stop-shop format. Good progress has been made, with refurbished stores opening under this format across Heathrow Terminals 3, 4 and 5, Liverpool, Belfast and East Midlands airports. Within the UK, the focus also remains on expanding the Travel Essentials proposition by targeting new and better quality space. Growth categories of health and beauty, including the recently launched own-brand 'Roame' range, and expanding food-to-go remain a priority.

In North America, the core Travel Essentials business continues to perform well with this segment being the focus for investment and profitable growth going forward. The Resorts and InMotion businesses continue to perform below expectations. Following a review of the Resorts business in the first half, 3 unprofitable fashion stores have closed and the business is on track to exit additional unprofitable fashion and speciality stores by the end of the current financial year. The InMotion business, including the breadth of the portfolio of stores, is under active review and future store openings under this brand will only be considered as part of strategically important tender packages.

In the ROW division, future investments will be focused in strategically important markets where the business already has scale, including Ireland, Spain and Australia. In the first half, new investments were agreed in the Republic of Ireland, including key units at Dublin airport. Moving forward, the focus will be to reduce the Group's presence in or exit sub-scale markets. Consistent with this approach, 4 uneconomic stores were closed at Dusseldorf airport in the period and the Group's Norwegian business has been closed. Future growth opportunities will only be considered using a less capital-intensive franchise model.

The Group's remediation plan implemented following the issues identified in the North America division, to strengthen governance, controls and systems and globally aligned processes is progressing well.

The Group continues to cooperate with the FCA following an investigation into the Company in respect of its compliance with UK Listing Principles and Rules and the Disclosure and Transparency Rules in relation to the matters announced by the Company on 19 November 2025. The Group is committed to cooperating fully with any engagement in relation to the North America accounting issue from any regulatory body or other authority.

On 7 April 2026, Leo Quinn joined the WHSmith Group as Executive Chair.

Looking ahead, the immediate focus for the Group is to drive cash, improve efficiency, reduce debt, and restore the business to profitable growth.

Group revenue – continuing operations

	6 months to 28 February 2026		
	Total vs 2025	Total constant currency ⁴ vs 2025	LFL ² vs 2025
UK	2%	2%	2%
North America	5%	10%	1%
Rest of the World and Other	10%	8%	6%
Group	5%	5%	2%

Total Group revenue at £748m (2025¹: £716m) increased by 5%, with LFL² revenue up 2%, compared to the prior year. By division, the UK was up 2% on a total basis, North America was up 10%⁴, and ROW was up 8%⁴. On a LFL basis, the UK was up 2%, North America was up 1%, and ROW was up 6%.

Headline Group trading profit

The Group delivered a Headline trading profit² in the period of £32m (2025¹: £47m). The UK decreased by £6m to £34m; North America decreased by £3m to £2m; and ROW decreased by £6m to a loss of £4m.

Headline Group profit before tax and non-underlying items² was down £18m to £3m (2025¹: £21m). Group loss before tax, including non-underlying items and on an IFRS 16 basis, was £25m (2025¹: £4m) in the period.

Group balance sheet

The Group maintains a solid balance sheet with cash generative trading operations and good liquidity. The Group had the following cash and committed facilities as at 28 February 2026:

£m	28 February 2026	Maturity
Cash and cash equivalents ⁵	48	
Revolving Credit Facility ⁶	400	June 2030
Convertible bonds	327	May 2026
US Private Placement notes	200	2032-2038
Term loan	120	March 2029

The Group has a revolving credit facility ('RCF') with a maturity date of 30 June 2030 and a £327m convertible bond with a maturity of 7 May 2026 which has a fixed coupon of 1.625%.

As at 28 February 2026, Headline net debt² was £496m (August 2025: £390m) and the Group has access to c.£550m of liquidity. Leverage² at 28 February 2026 was 2.9x Headline EBITDA² (August 2025¹: 2.1x). Net debt including IFRS 16 lease liabilities at 28 February 2026 was £1,010m (August 2025: £874m).

The Group's refinancing, as previously announced, extends and smooths the maturity profile of its debts. In March 2026, the US private placement notes were fully drawn down and the Group cancelled its 12-month £200m term loan facility. Additionally, the Group exercised the first of two one-year extension options on the £120m term loan taking its maturity to March 2029. The term loan is expected to be drawn down ahead of repayment of the convertible bonds in May 2026.

Group cash flow

The Group generated a Headline EBITDA² of £48m in the period (2025¹: £62m). Capex was £50m (2025: £38m⁷). As expected, working capital outflow was £54m⁸ in the period (2025^{1,8}: outflow of £72m), which results from a one-off payables timing headwind linked to one of our large franchisor partners at the end of last year, new store openings, and the seasonality of the business.

⁵ Cash and cash equivalents comprises cash in bank and on deposit of £33m and cash in transit of £15m

⁶ Draw down of £219m as at 28 February 2026

⁷ Excluding capex related to non-underlying items of £nil (2025: £1m)

⁸ Pre-IFRS 16 and before non-underlying items

In total, there was a free cash outflow² in the period of £61m (2025¹: £72m). This year, it is expected that, subject to investment opportunities, Headline net debt² will be in the region of £420m at the end of the financial year.

Capital allocation

The Group remains focused on maintaining an efficient balance sheet and on a disciplined approach to capital allocation. In the near-term, the Group has rebalanced its capital allocation priorities to:

- strengthen the balance sheet through tighter cash control and improved cash generation;
- invest to grow and protect value. This will be achieved by investing in business development and new space growth with a clear focus on attractive returns. Furthermore, business assets will be protected through maintenance and transformation projects. It is anticipated that capex spend will be c.£90m in the current financial year; and
- the dividend has been suspended to support the strengthening of the balance sheet and the Group will look to reinstate returns to shareholders when excess cash is available.

CONTINUING OPERATIONS

Total revenue for the Group was £748m (2025¹: £716m), an increase of 5% compared to the previous year, generating a Headline trading profit² in the period of £32m (2025¹: £47m).

£m	Trading profit ² (IFRS 16)		Headline trading profit ² (pre-IFRS 16)		Revenue	
	Feb 2026	Feb 2025 Restated ¹	Feb 2026	Feb 2025 Restated ¹	Feb 2026	Feb 2025 Restated ¹
UK	38	40	34	40	392	384
North America	9	8	2	5	204	194
Rest of the World and Other	(5)	5	(4)	2	152	138
Total	42	53	32	47	748	716

UK

In the UK, total revenue in the first half was £392m (2025: £384m) which resulted in a Headline trading profit² of £34m (2025: £40m). This reduction year on year reflects the inflationary pressures on the business and the expected disruption caused as a result of the store refurbishments across several airport locations in the period.

Within this division, a key area of focus is to develop ranges and formats that are relevant to the customer at each stage of their journey enabling them to make best use of their time when travelling and put more products into their baskets to grow spend per passenger.

In food-to-go, the *Smith's Family Kitchen* offer is going from strength to strength with award-winning products, an expanded meal deal proposition and an enhanced hot food and coffee range that is resonating strongly with customers.

The health and beauty category is delivering strong growth and, during the first half, the business launched its first own-brand health and beauty product range under the brand 'Roame'.

These extended ranges enable the business to continue to innovate through format development, ensuring that the one-stop-shop proposition is credible to customers and landlords while creating further space growth opportunities.

Optimising the estate and reviewing the division's operating model has also been a key area of focus in order to realise substantial cost efficiencies in the face of inflationary cost pressures. This will continue into the second half of the financial year.

During the period, 7 new stores were opened, including 4 at airports, 1 Hospital store, 1 Rail store and 1 motorway service area franchise. 11 small and less well-located stores were closed.

Revenue growth by key channels

	Revenue (% change) 6 months to 28 February 2026	
	Total vs 2025	LFL ² vs 2025
Air	1%	2%
Hospitals	8%	4%
Rail	1%	(2)%
Total UK	2%	2%

Air

Total revenue increased by 1%, with LFL revenue up 2%, reflecting the expected trading disruption resulting from the division's largest ever store development programme. In the first 7 weeks of trading in the second half, LFL revenue was down 3%. This reflects the trading disruption from the store refurbishments, the impact on passenger numbers as a result of the conflict in the Middle East and inflation headwinds.

Since the beginning of the financial year, 6 one-stop-shops have opened ahead of the summer, including refurbished stores at Heathrow, Liverpool, Belfast and East Midlands airports. These new format stores will broaden the offer for customers and improve convenience and basket size in these high-footfall locations.

Health and beauty and food-to-go remain attractive growth categories and they are well aligned to passenger needs.

Over the past 4 weeks, 3 flagship stores have opened across Heathrow Terminals 3, 4 and 5. Each of these locations showcase the full breadth of the Travel Essentials proposition, including a full health and beauty offer and instore pharmacies. These latest store openings are setting a new global benchmark for Travel Essentials with improved design, in store navigation and extensive ranges. While it is early days, their performance is encouraging.

Heathrow Terminal 3 is the division's highest density store with c.6,500 transactions per day. This 5,500 sq ft store showcases the best of the one-stop-shop format with a full health and beauty offer, including an instore pharmacy, alongside a *Smith's Family Kitchen* food-to-go range and a new coffee and breakfast offer. These categories continue to drive good growth demonstrating the vast choice available to customers and customer demand.

At Heathrow Terminal 5, a larger 6,500 sq ft refurbished store opened at the beginning of April encompassing the full one-stop-shop offer with an adjoined InMotion store. The reduced InMotion footprint has enabled greater investment into higher growth and higher margin categories, including health and beauty and food-to-go. Within the InMotion store, customers can browse a full Apple shop-in-shop alongside headphones and tech accessories from other major global brands.

During the period, 4 new stores were opened at Manchester airport and 9 stores were closed, primarily as a result of landlord redevelopment.

Hospitals

Hospitals is the UK division's second largest channel by revenue and it delivered a strong performance in the period, with revenue increasing by 8% and LFL revenue up 4%. In the first 7 weeks of trading in the second half, LFL revenue increased by 3%. This growth reflects the strength of the multi-format approach and the strong partnerships in place.

During the period, 1 new hospital store was opened. The division currently operates from 155 stores in over 100 hospitals, and there are still significant space growth opportunities in this channel.

Rail

Total revenue in Rail increased by 1% year on year with LFL revenue down 2%. In the first 7 weeks of trading in the second half, LFL revenue decreased by 1%. During the period, 1 new store opened at London Bridge station featuring the one-stop-shop format. In addition, a key area of focus in this channel is on broadening more food and beverage on-the-go ranges in order to maximise customer convenience. There is the opportunity to expand this further across more stores in Rail. 1 store was closed in the period.

NORTH AMERICA

Despite the challenges at the start of the financial year, North America is an attractive market and investment opportunity. This is the largest travel retail market in the world with significant investment and long-term structural growth trends. There is therefore plenty of opportunity to capitalise on the substantial growth opportunities given the division's small market share.

Total revenue in North America in the period increased by 10%⁴, on a constant currency basis, with total revenue up 5% to £204m (2025: £194m). The Air segment in North America was up 15% on a constant currency basis and LFL revenue increased by 3%. Within this, the Travel Essentials business, which accounts for over 55% of revenue in North America, was the key driver of performance, with total revenue on a constant currency basis up 22% and up 6% on a LFL basis.

This division delivered a Headline trading profit² of £2m (2025¹: £5m), with the reduction year on year largely driven by increased costs associated with the new logistics set up and the annualisation of increases in labour costs. The prior half year has been restated for the supplier income and inventory-related items identified at FY25.

During the first half, 18 new stores were opened across airports including Dallas Fort Worth, Denver, Detroit and Albuquerque.

Travel Essentials

The Travel Essentials business has consistently delivered a strong performance, growing 19% on a constant currency basis in FY25 and up 22% in the first half, underpinned by customer demand and attractive double-digit margins.

Travel Essentials is the division's most profitable segment and on a fully allocated basis generates around a 10% Headline trading profit margin². It is anticipated that as the business grows and operations are enhanced, margins will grow further, which in turn, will support the profitability of the North America division overall.

In January, the team opened a new store at Albuquerque airport featuring a marketplace format. This is a good example of where it is possible to introduce the convenience of everything under one roof, similar to the Group's one-stop-shop format in the UK. Under this contract, there is the flexibility to realign category mix over the term of the lease to ensure the proposition remains relevant for customers and ahead of changing trends. The payback period is less than two years and a long-term contract has been secured.

In Portland, the new East Bank Market store opened during the period which is performing ahead of expectations. This store has a payback period of less than two years. Both these examples demonstrate that the Group has a clear ability to win in prime locations, adapt formats and drive attractive and profitable returns.

The division's new store pipeline is strong and following a review, these new stores will meet the Group's investment hurdle rates. We expect a good tender pipeline of new stores in the second half of the year.

InMotion

InMotion LFL revenue decreased by 4% in the first half of the year. In the first 7 weeks of trading, LFL revenue is up 3% as a result of increased store footfall in the period.

InMotion is highly regarded by landlords. However, this segment is in like-for-like decline and it is now essential that the focus turns to the commercial proposition, reducing the number of product lines and improving availability while reducing working capital.

In the first half of the year, 9 stores were closed with 6 new store openings across Dallas, Denver, Detroit and Albuquerque airports, primarily as part of wider retail packages within these airports. Moving forward, new store openings will be limited, with any new InMotion stores being considered only as part of strategically important tender packages with strong returns.

The review of the existing store portfolio is ongoing and is expected to complete in the second half of the year. This review includes undertaking a deeper diagnostic of the estate to determine the factors that need to be in place for these stores to succeed.

Over time, the number of InMotion stores will decline by around 20%-30%, with store numbers reducing below 100 in the medium-term.

Despite store closures, there is an opportunity to increase the margin over time with the best performing stores retained, range optimisation complete and a strengthened operational performance.

Resorts

LFL revenue in Resorts decreased by 6% in the period, driven by the continued reduction in Las Vegas visitor numbers. This trend has continued in the first 7 weeks of the second half with Resorts down 8%.

As announced at the Group's Preliminary Results in December 2025, there is no plan to open any new stores in Resorts. Decisive action has been taken to begin a controlled exit of the fashion stores and to reduce the number of speciality stores.

In the first half of the year, 8 Resort stores were closed: 3 fashion and 5 speciality where the leases were short or there were opportunities to exit without penalty. An additional 8 Fashion stores will be closed in the balance of year. There are a further 4 fashion stores where discussions are ongoing with landlords to look to reformat these stores and 10 stores where discussions are ongoing with third parties. We aim to largely complete the exit of the fashion stores this year.

Other format options or controlled exit options for the remaining speciality stores, where the lease arrangements run over the medium term, are under review.

The Hotel Convenience and Welcome to Las Vegas stores are profitable and cash generative and these will continue to be optimised.

Revenue growth by key channels

	Revenue (% change) 6 months to 28 February 2026		
	Total vs 2025	Total at constant currency ⁴ vs 2025	LFL ² vs 2025
Air	9%	15%	3%
Resorts	(11)%	(6)%	(6)%
Total North America	5%	10%	1%

During the period, 18 new stores were opened and 18 stores were closed.

There are over 50 stores which have been won and are yet to open.

Including the 18 store openings in the period, the North America division now operates from 282 stores in Air (including 120 InMotion stores), and 80 stores across Resorts and Rail.

Strengthening the operating model has been a key area of focus in the period and the Group's remediation plan has progressed. Global accounting policies are being implemented across all divisions with associated operational systems and controls. Key financial reporting controls have been embedded into the North America month end processes and commercial finance capabilities have been strengthened.

REST OF THE WORLD AND OTHER

The Rest of the World division delivered total revenue growth of 8% on a constant currency basis with LFL revenue up 6%. The division delivered a Headline trading loss² of £4m (2025: Headline trading profit of £2m). This reflects a challenging performance in some locations and the inflationary pressures on staff and logistics costs. These locations are part of the current divisional review.

Further investment will be targeted where the business already has scale and expertise, ensuring profitability is strengthened in the largest-serving markets, with a particular focus in Ireland, Spain and Australia.

During the first half, new investments were agreed in the Republic of Ireland which is an important market for the division. This will also see the introduction of the successful one-stop-shop format into Dublin, Cork and Shannon airports. New stores were also opened at Melbourne and Tenerife airports.

Managing the division's store portfolio is also a key priority which will result in exiting and reducing exposure for the Group in sub-scale markets as contracts expire or through active portfolio management. During the first half, 4 uneconomic stores were closed at Dusseldorf airport, and, more recently, the Group

has exited its uneconomic Norwegian business. The Group continues to explore the potential to withdraw from other uneconomic markets while also assessing the possibility to move to a franchise model in some locations.

Looking ahead to the next phase of growth, the Group will focus on a less capital intensive franchise-led model, an area where there is already considerable experience. This approach will enable expansion across high-potential markets where there is an opportunity to extend the Group's presence.

Consistent with the less capital-intensive franchise led model, during the first half we opened a further franchise store in the Philippines, and 2 further stores opened at the start of H2 in Saudi Arabia. An additional 5 stores were opened in Malaysia under a joint venture agreement. By working in partnership with experienced local operators, it is possible to leverage their local expertise alongside the Group's space and promotional management to optimise performance.

The ROW division now has 324 stores open. Of these, 58% are directly-run, 11% are joint venture and 31% are franchise.

CultPens.com delivered a good performance in the period, in line with the Group's expectations.

Technical planning assumptions FY26 (Pre IFRS 16 basis)

Central costs	£30-£32m
Interest charges	£33-£35m
Effective tax rate ²	c.25%
Non-underlying ²	c.£50m
Capex	c.£90m
Headline net debt ²	c.£420m

Total stores

No. of stores	6 months ended 28 February 2026			
	UK	North America	ROW	Total
At 31 August 2025	593	362	325	1,280
Opened	7	18	11	36
Closed	(11)	(18)	(12)	(41)
Net (closures)/openings	(4)	-	(1)	(5)
At 28 February 2026	589	362	324	1,275
Closures:				
Relocations / loss-makers	(6)	(5)	-	(11)
Landlord redevelopment	(5)	(1)	(1)	(7)
Lease expiries	-	(12)	(11)	(23)
	(11)	(18)	(12)	(41)

During the period, 36 stores were opened. As at 28 February 2026, the Group operated from 1,275 stores (2025: 1,280). 41 stores were closed in the period. The Group's focus will remain on opening more profitable stores and better quality space. In the current financial year, it is anticipated that a further c.30-40 stores will close with c.10-20 new store openings.

ENVIRONMENTAL AND SOCIAL GOVERNANCE ('ESG')

The Group continues to make solid progress against its main sustainability commitments and it is on track to meet its current net zero targets to reduce Scope 1 and 2 emissions by 80% by 2030 and have 75% of supply chain emissions covered by science-based carbon reduction targets by 2027.

Work on packaging reduction and the transition to more recyclable options continues, aligned to producer responsibility legislation in all UK and European markets.

Our colleague networks continue to grow, providing a channel for colleague-led engagement on our diversity and inclusion initiatives and employee policies and processes.

Our charity partnership with the National Literacy Trust continues to support children's literacy and Miracle Flights supports children who need to travel to receive life-changing medical care.

WHSmith is the top performing speciality retailer in Morningstar's Sustainalytics ESG Benchmark and has been awarded an ESG rating of AAA from MSCI.

FINANCIAL REVIEW

£m	IFRS		Headline pre-IFRS 16 ²	
	Feb 2026	Feb 2025 Restated ¹	Feb 2026	Feb 2025 Restated ¹
Trading profit²				
UK	38	40	34	40
North America	9	8	2	5
Rest of the World and Other	(5)	5	(4)	2
Group trading profit – continuing operations²	42	53	32	47
Unallocated central costs	(15)	(14)	(15)	(14)
Group operating profit before non-underlying items – continuing operations²	27	39	17	33
Net finance costs	(25)	(22)	(14)	(12)
Group profit before tax and non-underlying items – continuing operations²	2	17	3	21
Non-underlying items ²	(27)	(21)	(28)	(20)
Group profit before tax – continuing operations²	(25)	(4)	(25)	1
Income tax charge	4	(1)	4	(1)
Loss for the year – continuing operations	(21)	(5)	(21)	-
Loss for the year – discontinued operations	(2)	(42)	(2)	(35)
Loss for the year – total operations	(23)	(47)	(23)	(35)
Attributable to:				
Equity holders of the parent	(27)	(49)	(27)	(37)
Non-controlling interests	4	2	4	2
	(23)	(47)	(23)	(35)

Total Headline trading profit² in the period was £32m (2025¹: £47m) of which the largest division, UK, generated a Headline trading profit² of £34m (2025: £40m). North America delivered £2m (2025¹: £5m) and ROW a Headline trading loss² of £4m (2025: Headline trading profit of £2m).

The Group generated a Headline profit before tax and non-underlying items² of £3m (2025¹: £21m).

Net finance costs – Continuing operations

£m	IFRS		Headline pre-IFRS 16 ²	
	Feb 2026	Feb 2025 Restated ¹	Feb 2026	Feb 2025 Restated ¹
	Interest payable on bank loans and overdrafts	7	5	7
Interest on convertible bonds	8	7	8	7
Interest income on joint venture loans	(1)	-	(1)	-
Interest on lease liabilities	11	10	-	-
Net finance costs	25	22	14	12

Headline net finance costs (pre-IFRS 16) in the period were £14m (2025¹: £12m). This includes cash outflows of £9m (2025: £7m) and £4m (2025: £4m) relating to the non-cash debt accretion charge from the convertible bond which has a fixed coupon of 1.625%.

Lease interest of £11m arises on lease liabilities recognised under IFRS 16, bringing the total net finance costs on an IFRS 16 basis to £25m (2025¹: £22m).

Tax

The effective tax rate² in the period was 16% (2025¹: 19%) on profit before tax and non-underlying items². Net corporation tax receipts in the period were £5m (2025: payments of £17m). Based on current legislation, it is expected that the effective tax rate² in the current financial year will be around 25%.

Earnings per share

Calculation of Headline diluted earnings per share – Continuing operations²

£m – Unless otherwise stated	Headline pre-IFRS 16 ²	
	Feb 2026	Feb 2025 Restated ¹
Headline profit before tax ⁹	3	21
Income tax expense ⁹	-	(4)
Headline profit for the year⁹	3	17
Attributable to non-controlling interests	(4)	(2)
Headline profit for the year attributable to equity holders of WH Smith PLC⁹	(1)	15
Weighted average shares in issue (diluted) (no. of shares - millions) ¹⁰	126	130
Headline diluted EPS²	(0.8)p	11.5p

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

Headline diluted EPS² was (0.8)p (2025¹: 11.5p).

EPS calculated on an IFRS 16 basis is provided in Note 7, and a reconciliation between the IFRS 16 and pre-IFRS 16 earnings per share is provided in Note A4 to the Glossary on pages 54 to 55.

The diluted weighted average number of shares in issue used in the calculation of Headline diluted EPS² 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. For the six months ended 28 February 2026, the profit attributable to non-controlling interests was £4m (2025¹: £2m) and is determined based on operating financial performance of the associated stores prior to allocation of administrative costs.

⁹ Before non-underlying items

¹⁰ Where profit attributable to equity holders represents a loss, the basic weighted average shares in issue are used in the diluted EPS calculation. Refer to Note 7 for further details.

Non-underlying items²

The Group has chosen to present a measure of profit and earnings per share that excludes certain items, which are considered non-underlying and exceptional due to their size, nature or incidence, or are not considered to be part of the normal operations of the Group. Non-underlying items in the year in the Income statement are detailed in the table below.

£m	Ref.	IFRS		Headline pre-IFRS 16 ²	
		Feb 2026	Feb 2025 Restated ¹	Feb 2026	Feb 2025 Restated ¹
Items included in the Income statement					
Amortisation of acquired intangible assets	(1)	(1)	(2)	(1)	(2)
Impairment of non-current assets	(2)	(16)	(6)	(11)	(5)
Provisions for onerous contracts	(2)	-	(1)	(4)	(1)
Transformation programmes – supply chain, IT and operational efficiencies	(3)	(6)	(12)	(6)	(12)
Costs relating to the investigation into accelerated recognition of supplier income in North America	(4)	(3)	-	(3)	-
Impairment of other receivables	(5)	(2)	-	(2)	-
IFRS 16 remeasurement gains		2	-	-	-
Other non-underlying costs		(1)	-	(1)	-
Total non-underlying items recognised in the income statement – continuing operations		(27)	(21)	(28)	(20)

(1) Amortisation of acquired intangible assets

Non-cash amortisation of acquired intangible assets of £1m (2025: £2m) primarily relate to the MRG and InMotion brands.

(2) Impairment of non-current assets and provision for onerous contracts

The Group has carried out an assessment for indicators of impairment of non-current assets across the store portfolio.

Where an indicator of impairment has been identified, an impairment review has been performed to compare the value-in-use of cash generating units, based on management's assumptions regarding likely future trading performance, aligned with the latest Board approved forecast, to the carrying value of the cash-generating unit as at 28 February 2026.

As a result of this exercise, a non-cash charge of £11m (2025¹: £5m) was recorded within non-underlying items for impairment of non-current assets on a pre-IFRS 16 basis, of which £10m (2025¹: £5m) relates to property, plant and equipment and £1m (2025¹: £nil) relates to intangible assets (primarily software). On an IFRS 16 basis, the total impairment charge of £16m (2025¹: £7m) comprises £11m property, plant and equipment (2025¹: £5m), £1m intangible assets (2025¹: £nil) and £4m (2025¹: £1m) right-of-use assets.

A charge of £4m on a pre-IFRS 16 basis (2025¹: £1m; IFRS 16 basis £nil; 2025¹: £1m) has been recognised in the income statement to provide for the unavoidable costs of continuing to service a number of non-cancellable supplier and property 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 in line with the profile of the contracts to which they relate.

Of the total charge for impairment and onerous contracts, on a pre-IFRS 16 basis, £1m is attributable to the UK operating division, £8m to North America and £6m to Rest of the World and Other. Impairment charges in the North America and Rest of the World and Other operating divisions have principally arisen due to a lower trading outlook in certain individual stores across these regions.

(3) Transformation programmes

Costs of £6m (2025: £12m) have been classified as non-underlying in relation to a number of Board-approved programmes relating to IT transformation (£4m; 2025: £3m), operational efficiencies (£2m; 2025: £7m) and supply chain (£nil; 2025: £2m).

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. Costs in FY26 are expected to be around £7m and approximately £5m in FY27 before the current programme completes.

The operational efficiencies programme commenced in 2025 and costs include head office restructuring and transformation costs across all segments. This programme will deliver a more efficient operating model to support the Group's strategic objectives. The current programme will largely complete in FY26 and we would expect the remaining cost for these items to be around £3-4m in the remainder of the financial year.

These multi-year programmes are reported as non-underlying items on the basis that they are significant in quantum, relate to a Board-approved programme and to aid comparability from one period to the next.

(4) Costs associated with the investigation into accelerated recognition of supplier income in North America

Costs incurred during the period include £3m of professional fees in relation to the investigation into accelerated recognition of supplier income in North America including costs of the investigation, remediation and regulatory related costs. We expect further costs in FY26 in the region of £3-4m.

(5) Impairment of other receivables

The Group's other receivables include amounts due from non-controlling interest equity shareholders in certain of the Group's North America subsidiaries which relate to contributions owed towards property, plant and equipment construction for stores and are received in accordance with the cash requirements of the subsidiary. Certain of these contributions are no longer considered to be recoverable based on the expected credit loss that considers the counterparty's ability to pay, which reflects the financial outlook of the associated stores. Such expected credit losses of £2m (2025: £nil) are recognised within non-underlying items where an impairment charge for store non-current assets has also been recognised within non-underlying items.

A tax credit of £4m (2025¹: £3m) has been recognised in relation to the above items (£4m pre-IFRS 16 (2025¹: £3m)) from continuing operations.

Cash flow

Free cash flow² reconciliation – Continuing operations

£m	pre-IFRS 16 ²	
	Feb 2026	Feb 2025 ¹
Headline Group operating profit before non-underlying items ²	17	33
Depreciation, amortisation and impairment (pre-IFRS 16) ¹¹	27	25
Non-cash items	4	4
Headline EBITDA^{2, 11}	48	62
Capital expenditure ⁷	(50)	(38)
Working capital (pre-IFRS 16) ¹¹	(54)	(72)
Net tax refunded/(paid)	5	(17)
Net finance costs paid (pre-IFRS 16) ¹¹	(10)	(7)
Free cash flow²	(61)	(72)

The Group generated a Headline EBITDA² of £48m in the period (2025¹: £62m) demonstrating the cash generative nature of the business. Capex was £50m (2025¹: £38m⁷) as the Group continued to invest in new stores, IT and energy efficient chillers and other store equipment. As expected, there was a working capital outflow⁸ of £54m in the period (2025¹: outflow⁸ of £72m), which results from a one-off payables timing headwind linked to one of our large franchisor partners at the end of last year, new store openings, and the seasonality of the business. In total, there was a free cash outflow of £61m (2025¹: £72m).

¹¹ Excludes cash flow impact of non-underlying items

Capex was £50m (2025¹: £38m⁷) which includes the additional spend from opening 36 stores around the world.

£m	Feb 2026	Feb 2025 ^{1,7}
New stores and store development	42	23
Refurbished stores	6	8
Systems	2	4
Other	-	3
Total capital expenditure	50	38

Reconciliation of Headline net debt²

Headline net debt² is presented on a pre-IFRS 16 basis. See Note 8 and Note A8 of the Glossary for the impact of IFRS 16 on net debt.

As at 28 February 2026, the Group had Headline net debt² of £496m comprising convertible bonds of £325m and net overdrafts of £171m (31 August 2025: £390m, convertible bonds of £320m and net overdrafts of £70m).

£m	Headline ² pre-IFRS 16		
	6 months to Feb 2026	Feb 2025	Year ended Aug 2025 ¹
Opening Headline net debt ²	(390)	(371)	(371)
Free cash flow ²	(61)	(72)	63
Non-underlying items ² – continuing operations	(22)	(18)	(38)
Dividends paid	(8)	(29)	(43)
Purchase of own shares for cancellation	-	(23)	(50)
Receipt of pension surplus	-	75	75
Non-underlying items ² - discontinued operations	(10)	(4)	(25)
Other	(5)	(12)	(1)
Closing Headline net debt²	(496)	(454)	(390)
Net overdraft	(171)	(139)	(70)
Convertible bond	(325)	(315)	(320)
Headline net debt²	(496)	(454)	(390)

In addition to the free cash flow², the Group had outflows relating to non-underlying items² from continuing operations of £22m mainly relating to transformation projects and costs associated with the investigation into accelerated recognition of supplier income in North America and this includes costs charged in the prior year; the final dividend from 2025 of £8m; and a net cash outflow related to separation costs associated with discontinued operations of £10m.

Subject to investment opportunities, it is expected that Headline net debt² will be in the region of £420m at the end of the year. The increase relates to continuing investment in new stores in North America alongside ongoing transformation costs.

On an IFRS 16 basis, net debt was £1,010m (August 2025: £874m; February 2025: £1,055m), which includes an additional £514m (August 2025: £484m; February 2025: £601m) of lease liabilities.

Leverage² – Continuing operations

£m	pre-IFRS 16 ²	
	Feb 2026	
Headline EBITDA ² – six months to Feb 2026	48	
Headline EBITDA ² – six months to Aug 2025	125	
Headline net debt ²	496	
Leverage - multiple	2.9x	

Leverage² at 28 February 2026 was 2.9x (August 2025¹: 2.1x), comprising Headline net debt² over rolling 12 months of Headline EBITDA², with a seasonal increase relating to the expected higher net debt at February 2026. In the near-term, the Group plans to strengthen the balance sheet through tighter cost control and improved cash generation to reduce leverage below 2.0x.

Fixed charges cover² – Continuing operations

£m	pre-IFRS 16 ²	
	Feb 2026	
Headline net finance costs before non-underlying items ² (Note A1) – six months to Feb 2026	14	
Headline net finance costs before non-underlying items ² (Note A1) – six months to Aug 2025	14	
Headline fixed operating lease charges ² (Note A12) – six months to Feb 2026	131	
Headline fixed operating lease charges ² (Note A12) – six months to Aug 2025	121	
Total fixed charges	280	
Headline EBITDA ² – six months to Feb 2026 (Note A13)	48	
Headline EBITDA ² – six months to Aug 2025 (Note A13)	125	
Headline fixed operating lease charges ² (Note A12) – six months to Feb 2026	131	
Headline fixed operating lease charges ² (Note A12) – six months to Aug 2025	121	
Headline EBITDA before Headline fixed operating lease charges²	425	
Fixed charges cover² - times	1.5x	

Fixed charges, comprising property operating lease charges and net finance costs, were covered 1.5 times (August 2025¹: 1.6 times) by Headline EBITDA² before Headline fixed operating lease charges.

Return on capital employed² – Continuing operations

	pre-IFRS 16 ²	
	Feb 2026	Aug 2025 ¹
UK	36%	38%
North America	3%	4%
Rest of the World and Other	15%	22%
Group	16%	18%

Return on capital employed² is calculated as the Group operating profit before non-underlying items² 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 surplus/obligation and net current and deferred tax balances.

Balance sheet

£m	IFRS			Headline ² pre-IFRS 16		
	Feb 2026	Aug 2025	Feb 2025 ¹	Feb 2026	Aug 2025	Feb 2025 ¹
Goodwill and other intangible assets	445	447	488	446	449	490
Property, plant and equipment	267	254	321	265	251	313
Right-of-use assets	393	367	467	-	-	-
Investments in joint ventures	2	2	2	2	2	2
Non-current investments	2	4	10	2	4	10
	1,109	1,074	1,288	715	706	815
Inventories	140	148	212	140	148	212
Payables less receivables	(109)	(191)	(141)	(103)	(181)	(128)
Working capital	31	(43)	71	37	(33)	84
Net current and deferred tax asset	31	31	62	30	31	62
Net derivative liability	(1)	-	-	(1)	-	-
Provisions	-	(1)	(17)	(23)	(25)	(30)
Operating assets	1,170	1,061	1,404	758	679	931
Net debt	(1,010)	(874)	(1,055)	(496)	(390)	(454)
Net assets excluding retirement benefit surplus	160	187	349	262	289	477
Retirement benefit surplus	1	1	-	1	1	-
Total net assets	161	188	349	263	290	477

The Group had Headline net assets of £263m, £27m lower than at 31 August 2025. Under IFRS the Group had net assets of £161m (2025¹: £188m).

Events after the balance sheet date

On 10 March 2026, the first extension option on the term loan was exercised taking the maturity date to 24 March 2029. On 11 March 2026, the US private placements were fully drawn.

Total stores by region

No. of stores	At 28 February 2026
UK	589
North America	
Air	282
Resorts / Rail	80
Total North America	362
Rest of the World and Other	324
Total	1,275

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

The Group's Annual Report and Accounts 2025, 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 2025 pages 65 to 71). These include:

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

The Group continues to monitor and respond to the impact of the ongoing conflict in the Middle East with respect to the principal risks listed above.

This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulations.

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 2026

£m	Note	6 months to 28 Feb 2026 (unaudited)			6 months to 28 Feb 2025 restated ¹ (unaudited)			12 months to 31 Aug 2025 (audited)		
		Before non- underlying items ²	Non- underlying items ³	Total	Before non- underlying items ²	Non- underlying items ³	Total	Before non- underlying items ²	Non- underlying items ³	Total
Revenue	2	748	–	748	716	–	716	1,553	–	1,553
Group operating profit/(loss) – continuing operations	2,3	27	(27)	–	39	(21)	18	148	(99)	49
Net finance costs	4	(25)	–	(25)	(22)	–	(22)	(46)	(1)	(47)
Profit/(loss) before tax – continuing operations		2	(27)	(25)	17	(21)	(4)	102	(100)	2
Income tax credit/(expense)	5	–	4	4	(4)	3	(1)	(44)	18	(26)
Profit/(loss) for the period – continuing operations		2	(23)	(21)	13	(18)	(5)	58	(82)	(24)
(Loss)/profit for the period – discontinued operations		–	(2)	(2)	13	(55)	(42)	24	(137)	(113)
Profit/(loss) for the period – total operations		2	(25)	(23)	26	(73)	(47)	82	(219)	(137)
Attributable to equity holders of the parent		(2)	(25)	(27)	24	(73)	(49)	75	(219)	(144)
Attributable to non-controlling interests		4	–	4	2	–	2	7	–	7
		2	(25)	(23)	26	(73)	(47)	82	(219)	(137)
Loss per share - continuing operations										
Basic	7			(20.0)			(5.5)			(24.4)
Diluted	7			(20.0)			(5.5)			(24.4)
Loss per share - total operations										
Basic	7			(21.6)			(38.3)			(113.4)
Diluted	7			(21.6)			(38.3)			(113.4)

¹ Comparative periods have been restated to correct the accelerated supplier income recognition and inventory related items in the North America division (refer to Note 1b for further details) and to separately disclose results from discontinued operations (refer to Note 1a for further details).

² Alternative performance measure. The Group has defined and explained the purpose of its alternative performance measures in the Glossary on page 48.

³ See Note 3 for an analysis of non-underlying items. See Glossary on page 48 for a definition of Alternative Performance Measures.

WH Smith PLC
Condensed Group Statement of Comprehensive Income
For the 6 months to 28 February 2026

£m	6 months to 28 Feb 2026 (unaudited)	6 months to 28 Feb 2025 restated ¹ (unaudited)	12 months to 31 Aug 2025 (audited)
Loss for the period	(23)	(47)	(137)
Other comprehensive income/(loss):			
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	(9)
Other comprehensive income/(loss) for the period, net of tax	-	22	(9)
Total comprehensive loss for the period	(23)	(25)	(146)
Attributable to equity holders of the parent	(28)	(29)	(150)
Attributable to non-controlling interests	5	4	4
	(23)	(25)	(146)
Total comprehensive (loss)/income arising from:			
Continuing operations	(21)	17	(33)
Discontinued operations	(2)	(42)	(113)
	(23)	(25)	(146)

¹ Comparative periods have been restated to correct the accelerated supplier income recognition and inventory related items in the North America division (refer to Note 1b for further details) and to separately disclose results from discontinued operations (refer to Note 1a for further details).

WH Smith PLC
Condensed Group Balance Sheet
As at 28 February 2026

£m	Note	At 28 Feb 2026 (unaudited)	At 28 Feb 2025 restated ¹ (unaudited)	At 31 Aug 2025 (audited)
Non-current assets				
Goodwill	11	401	428	402
Other intangible assets	11	44	60	45
Property, plant and equipment	11	267	321	254
Right-of-use assets	11	393	467	367
Investments in joint ventures		2	2	2
Non-current investments		2	10	4
Retirement benefit surplus		1	–	1
Deferred tax assets		19	43	16
Trade and other receivables		36	25	25
		1,165	1,356	1,116
Current assets				
Inventories		140	212	148
Trade and other receivables		77	109	102
Current tax receivable		19	19	23
Cash and cash equivalents	8	48	39	71
		284	379	344
Total assets		1,449	1,735	1,460
Current liabilities				
Trade and other payables		(222)	(275)	(318)
Bank overdrafts and other borrowings	8	(544)	(178)	(461)
Lease liabilities	8	(99)	(120)	(90)
Derivative financial liabilities		(1)	–	–
Current tax payable		–	–	(1)
Short-term provisions		–	(2)	(1)
		(866)	(575)	(871)
Non-current liabilities				
Bank loans and other borrowings	8	–	(315)	–
Long-term provisions		–	(15)	–
Lease liabilities	8	(415)	(481)	(394)
Deferred tax liabilities		(7)	–	(7)
		(422)	(811)	(401)
Total liabilities		(1,288)	(1,386)	(1,272)
Total net assets		161	349	188
Shareholders' equity				
Called up share capital		28	28	28
Share premium		316	316	316
Capital redemption reserve		14	14	14
Translation reserve		(16)	10	(15)
Other reserves		(254)	(267)	(254)
Retained earnings		37	219	69
Total equity attributable to equity holders of the parent		125	320	158
Non-controlling interests		36	29	30
Total equity		161	349	188

¹ Comparative periods have been restated to correct the accelerated supplier income recognition and inventory related items in the North America division and to reclassify certain receivables from current to non-current (refer to Note 1b for further details).

WH Smith PLC
Condensed Group Cash Flow Statement
For the 6 months to 28 February 2026

£m	Note	6 months to		12 months to
		28 Feb 2026 (unaudited)	28 Feb 2025 restated ¹ (unaudited)	31 Aug 2025 (audited)
Operating activities				
Cash generated from continuing operations	9	20	99	330
Interest paid ²		(18)	(17)	(32)
Financing arrangement fees		(1)	–	(3)
Income taxes refunded/(paid)		5	(17)	(28)
Net cash (outflow)/inflow from operating activities - discontinued operations		(10)	27	9
Net cash (outflow)/inflow from operating activities		(4)	92	276
Investing activities				
Purchase of property, plant and equipment		(46)	(38)	(77)
Purchase of intangible assets		(4)	(1)	(4)
(Payment)/receipt on settlement of financial instruments		–	(6)	7
Proceeds received from investments		2	3	8
Net cash inflow/(outflow) from investing activities - discontinued operations		1	(12)	(3)
Net cash outflow from investing activities		(47)	(54)	(69)
Financing activities				
Dividends paid		(8)	(29)	(43)
Purchase of own shares for cancellation		–	(23)	(50)
Distributions to non-controlling interests		(3)	(4)	(7)
Net drawdown on borrowings	8	78	61	24
Capital repayments of obligations under leases ³	8	(39)	(41)	(86)
Net cash outflow from financing activities - discontinued operations		–	(19)	(30)
Net cash inflow/(outflow) from financing activities		28	(55)	(192)
Net (decrease)/increase in cash and cash equivalents in the period		(23)	(17)	15
Opening cash and cash equivalents		71	56	56
Closing cash and cash equivalents		48	39	71

¹ Comparative periods have been restated to separately disclose results from discontinued operations (refer to Note 1a for further details) and to reclassify the Receipt from settlement of financial instruments from Operating activities to Investing activities.

² Includes interest payments of £9m on lease liabilities (28 February 2025: £10m; 31 August 2025: £16m) for continuing operations. Interest payments on lease liabilities for discontinued operations were £nil (28 February 2025: £2m; 31 August 2025: £4m).

³ Capital repayments of obligations under leases for discontinued operations were £nil (28 February 2025: £19m; 31 August 2025: £30m).

WH Smith PLC
Condensed Group Statement of Changes in Equity
For the 6 months to 28 February 2026

£m	Called up share capital and share premium	Capital redemption reserve	Translation reserves	Other reserves ²	Retained earnings	Total equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Balance at 1 September 2025	344	14	(15)	(254)	69	158	30	188
(Loss)/profit for the period – total operations	–	–	–	–	(27)	(27)	4	(23)
Other comprehensive (loss)/income:								
Exchange differences on translation of foreign operations	–	–	(1)	–	–	(1)	1	–
Total comprehensive (loss)/income for the period	–	–	(1)	–	(27)	(28)	5	(23)
Employee share schemes	–	–	–	–	3	3	–	3
Dividend paid (Note 6)	–	–	–	–	(8)	(8)	–	(8)
Distributions to non-controlling interest	–	–	–	–	–	–	(3)	(3)
Non-cash movement on non-controlling interests	–	–	–	–	–	–	4	4
Balance at 28 February 2026 (unaudited)	344	14	(16)	(254)	37	125	36	161
Balance at 1 September 2024 - restated ³	345	13	(9)	(268)	315	396	26	422
(Loss)/profit for the period – total operations ¹	–	–	–	–	(49)	(49)	2	(47)
Other comprehensive income:								
Cash flow hedges	–	–	–	1	–	1	–	1
Exchange differences on translation of foreign operations	–	–	19	–	–	19	2	21
Total comprehensive (loss)/income for the period¹	–	–	19	1	(49)	(29)	4	(25)
Employee share schemes	–	–	–	–	5	5	–	5
Dividend paid (Note 6)	–	–	–	–	(29)	(29)	–	(29)
Share repurchase	(1)	1	–	–	(23)	(23)	–	(23)
Distributions to non-controlling interest	–	–	–	–	–	–	(4)	(4)
Non-cash movement on non-controlling interests	–	–	–	–	–	–	3	3
Balance at 28 February 2025¹ (unaudited)	344	14	10	(267)	219	320	29	349
Balance at 1 September 2024 - restated ¹	345	13	(9)	(268)	315	396	26	422
(Loss)/profit for the year – total operations	–	–	–	–	(144)	(144)	7	(137)
Other comprehensive loss:								
Exchange differences on translation of foreign operations	–	–	(6)	–	–	(6)	(3)	(9)
Total comprehensive (loss)/income for the year	–	–	(6)	–	(144)	(150)	4	(146)
Employee share schemes	–	–	–	–	5	5	–	5
Dividends paid (Note 6)	–	–	–	–	(43)	(43)	–	(43)
Share repurchase	(1)	1	–	–	(50)	(50)	–	(50)
Distributions to non-controlling interest	–	–	–	–	–	–	(7)	(7)
Non-cash movement on non-controlling interests	–	–	–	–	–	–	7	7
Disposals of businesses	–	–	–	14	(14)	–	–	–
Balance at 31 August 2025 (audited)	344	14	(15)	(254)	69	158	30	188

¹ Comparative periods have been restated to correct the accelerated supplier income recognition and inventory related items in the North America division and to reclassify certain receivables from current to non-current (refer to Note 1b for further details).

² Other reserves includes Revaluation reserve of £2m (February 2025 and August 2025: £2m), ESOP reserve of £(16)m (February 2025 and August 2025: £(25)m), convertible bond reserve of £40m (February 2025 and August 2025: £40m), hedging reserve of £nil (February 2025: £1m; August 2025: £nil) and Other reserves of £(280)m (February 2025: £(285)m; August 2025: £(271)m). The 'Other' reserve includes reserves created in relation to the historical capital reorganisation and proforma restatement of £(238)m (February 2025 and August 2025: £(238)m), the demerger from Smiths News PLC in 2006 of £69m (February 2025 and August 2025: £69m) and cumulative amounts relating to employee share schemes of £(111)m (February 2025: £(116)m; August 2025: £(102)m).

³ Restated to correct the accelerated supplier income recognition and inventory related items in the North America division resulting in a reduction to retained earnings of £20m and non-controlling interest of £4m. Refer to Note 1b of the Group's Annual Report and Accounts for further details.

WH Smith PLC

Notes to the Condensed Interim Financial Statements

For the 6 months to 28 February 2026

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

These Condensed Interim Financial Statements for the 6 months to 28 February 2026 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 2025, 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 2025 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 2025 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 to 31 August 2026, except as outlined below.

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 amendments to IAS 21 regarding 'Lack of exchangeability' which became mandatory for the first time during the current financial year. The adoption of this amendment has had no material impact on the Group.

Alternative performance measures (APMs)

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, return on capital employed and leverage. These APMs are set out in the Glossary on page 48 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 that excludes certain items, which are considered non-underlying and exceptional due to their size, nature or incidence, or 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.

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 non-underlying items recognised in the Income statement in the current and prior year are provided in Note 3.

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Notes to the Condensed Interim Financial Statements

For the 6 months to 28 February 2026

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

Going concern

The consolidated financial statements have been prepared on a going concern basis. The directors are required to assess whether the Group can continue to operate for at least 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 period to 31 August 2027, including expenditure commitments, capital expenditure and available borrowing facilities. The covenants on the Group's facilities are tested half-yearly and are based on fixed charges cover and leverage. 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. We received legal advice, and waivers were obtained where required, for the facilities in place as at 28 February 2026 to allow for any potential impacts as a result of the North America accounting issues. We are not aware of any other events within the going concern period which could trigger a breach of covenants associated with the facilities.

The directors have modelled a base case scenario consistent with the latest Board approved forecasts, and include a number of assumptions including passenger numbers, spend per passenger, headline trading margin and cost inflation. Under this scenario the Group has significant liquidity and complies with all covenant tests throughout the assessment period.

Whilst the Group has limited direct operations across the Middle East, consideration has been given to the ongoing conflict, which commenced after the base case forecast was prepared. This consideration includes potential direct impacts through lower passenger volumes and indirect impacts including weaker consumer sentiment and elevated inflationary pressures. As a result of these challenges and the ongoing uncertainty, Middle East downside assumptions for the six-month period to 31 August 2026 have been incorporated into the severe, but plausible, downside assumptions.

The downside scenario therefore includes a 12 per cent reduction to revenue and a 16 per cent reduction to headline trading profit for the six-month period to 31 August 2026, compared to the base case to reflect this Middle East uncertainty. For the remainder of the going concern period, the downside scenario forecasts a decrease of revenue in a phased manner from five per cent to 10 per cent relative to the base case, with the associated drop through to headline trading profit together with a decrease in certain variable costs, including turnover-based rents. Under this downside scenario, with additional mitigations of suspended dividend payments, a 10% decrease in administrative costs and reductions to or deferrals of certain capital expenditure, the Group would continue to have liquidity headroom on its existing facilities and comply with all covenant tests throughout the assessment period. The broader grounding of aircraft, for a prolonged period due to global jet fuel shortages, at airports out of which we operate is not considered plausible.

A reverse stress test scenario, which excludes further stress testing of the Middle East downside assumptions, has been conducted to understand the level of revenue downside that could be absorbed before covenants are breached. In this reverse stress test scenario, without further mitigations to those described in the above severe but plausible downside scenario, a covenant breach occurs upon revenue decreasing by 11 per cent relative to the base case on a phased basis over a 12-month period and a flat 11 per cent reduction for the six months thereafter.

Based on the above analysis, whilst the Group acknowledges that there is uncertainty in modelling future forecasts, principally in respect of the ongoing Middle East conflict, the Group considers that sufficient mitigations within its control remain available, including further reductions to or deferrals of capital expenditure and further decreases to fixed costs, and the Group would seek further mitigations outside of its control as considered necessary, such that in the event of a more severe downside scenario to that forecast, the Group would continue to have liquidity headroom on its existing facilities and comply with all covenant tests throughout the assessment period. Accordingly, the directors do not consider this uncertainty to reflect a material uncertainty and 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.

WH Smith PLC

Notes to the Condensed Interim Financial Statements

For the 6 months to 28 February 2026

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

a. Discontinued operations in the prior period

A discontinued operation is a component of the Group that (i) either has been disposed of or is classified as held for sale; and (ii) represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. The results of discontinued operations are presented as a single amount of profit or loss after tax in the consolidated income statement, separate from the results of continuing operations. Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Depreciation of such assets ceases once they are classified as held for sale.

On 28 March 2025, the Group agreed to sell its UK High Street business comprising of approximately 480 stores to Modella Capital. The transaction excluded the WH Smith brand, which was retained by the Group. The High Street business represented a separate major line of business and geographical area of operations. Accordingly, the results of this business have been classified as discontinued operations in the prior period in accordance with IFRS 5. The related assets and liabilities were derecognised on completion of the sale in the year to 31 August 2025.

On 14 August 2025, the Group completed the sale of its online personalised greeting cards business, funkypigeon.com Ltd, to Card Factory PLC for total consideration of £25m. The associated cost of sale amounted to £3m. funkypigeon.com Ltd was reported within the High Street segment, represented a major line of business that the Group exited as part of its strategic shift to become a travel-focused retailer and has therefore been classified as a discontinued operation in accordance with IFRS 5. One of the factors in concluding that funkypigeon.com Ltd constitutes a major line of business was its inclusion within the High Street segment, which the Group has exited as part of its strategic shift to become a travel-focused retailer. Its results are presented within discontinued operations for the prior period, together with those of the High Street business. The assets and liabilities of funkypigeon.com Ltd were derecognised from the Group's consolidated statement of financial position upon completion of the sale in the year to 31 August 2025.

The next page shows the Group income statement for the period to 28 February 2025 as previously reported along with the impact of discontinued operations.

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Notes to the Condensed Interim Financial Statements

For the 6 months to 28 February 2026

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

a. Discontinued operations in the prior period (continued)

Group income statement for the 6 months to 28 February 2025

£m	6 months to 28 February 2025 as previously reported			Reclassification of discontinued operations			6 months to 28 February 2025 after reclassification of discontinued operations		
	Before non-underlying items	Non-underlying items	Total	Before non-underlying items	Non-underlying items	Total	Before non-underlying items	Non-underlying items	Total
Revenue	951	–	951	(235)	–	(235)	716	–	716
Group operating profit/(loss) – continuing operations	69	(86)	(17)	(20)	65	45	49	(21)	28
Finance costs	(25)	–	(25)	3	–	3	(22)	–	(22)
Profit/(loss) before tax – continuing operations	44	(86)	(42)	(17)	65	48	27	(21)	6
Income tax (expense)/credit	(11)	13	2	4	(10)	(6)	(7)	3	(4)
Profit/(loss) for the period – continuing operations	33	(73)	(40)	(13)	55	42	20	(18)	2
Profit/(loss) for the period – discontinued operations	–	–	–	13	(55)	(42)	13	(55)	(42)
Profit/(loss) for the period – total operations	33	(73)	(40)	–	–	–	33	(73)	(40)
Attributable to equity holders of the parent	30	(73)	(43)	–	–	–	30	(73)	(43)
Attributable to non-controlling interests	3	–	3	–	–	–	3	–	3
	33	(73)	(40)	–	–	–	33	(73)	(40)
Total comprehensive loss			(18)			–			(18)

WH Smith PLC

Notes to the Condensed Interim Financial Statements

For the 6 months to 28 February 2026

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

b. Restatement of prior year financial statements

In August 2025, the Group identified that the recognition of supplier income was being accelerated and identified additional one-off costs regarding inventory-related items in the North America division. As a result, prior year consolidated financial statements have been restated. Amendments to the previously reported consolidated primary financial statements for the period to 28 February 2025 are shown below, after taking into account the adjustments for discontinued operations arising from the sale of the High Street and funkypigeon.com businesses in the year. The reclassification of discontinued operations within the Group income statement have been presented in Note 1a. Certain other reclassification restatements to primary financial statements have also been identified and are set out below, including the reclassification of certain receivables from current to non-current assets and the reclassification of certain cash flows from operating cash flows to investing cash flows.

Group income statement

£m	6 months to 28 February 2025 after reclassification of discontinued operations			Restatement		6 months to 28 February 2025 restated' (unaudited)			
	Before non- underlying items	Non- underlying items	Total	Before non- underlying items	Non- underlying items	Total	Before non- underlying items	Non- underlying items	Total
Revenue	716	–	716	–	–	–	716	–	716
Group operating profit/(loss)¹ – continuing operations	49	(21)	28	(10)	–	(10)	39	(21)	18
Finance costs	(22)	–	(22)	–	–	–	(22)	–	(22)
Profit/(loss) before tax – continuing operations	27	(21)	6	(10)	–	(10)	17	(21)	(4)
Income tax (expense)/credit	(7)	3	(4)	3	–	3	(4)	3	(1)
Profit/(loss) for the period – continuing operations	20	(18)	2	(7)	–	(7)	13	(18)	(5)
Profit/(loss) for the period – discontinued operations	13	(55)	(42)	–	–	–	13	(55)	(42)
Profit/(loss) for the period – total operations	33	(73)	(40)	(7)	–	(7)	26	(73)	(47)
–	–	–	–	–	–	–	–	–	–
Attributable to equity holders of the parent	30	(73)	(43)	(6)	–	(6)	24	(73)	(49)
Attributable to non-controlling interests	3	–	3	(1)	–	(1)	2	–	2
	33	(73)	(40)	(7)	–	(7)	26	(73)	(47)
Total comprehensive loss			(18)			(7)			(25)

¹ All restatements impacting Group operating profit/(loss) relate to Cost of sales.

WH Smith PLC

Notes to the Condensed Interim Financial Statements

For the 6 months to 28 February 2026

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

b. Restatement of prior year financial statements (continued)

£m	6 months to 28 February 2025 as previously reported ¹				Restatement				6 months to 28 February 2025 restated			
	Headline before non-underlying items (pre-IFRS 16)	Headline non-underlying items (pre-IFRS 16)	IFRS 16	Total	Headline before non-underlying items (pre-IFRS 16)	Headline non-underlying items (pre-IFRS 16)	IFRS 16	Total	Headline before non-underlying items (pre-IFRS 16)	Headline non-underlying items (pre-IFRS 16)	IFRS 16	Total
UK	40	–	–	40	–	–	–	–	40	–	–	40
North America	15	–	3	18	(10)	–	–	(10)	5	–	3	8
Rest of the World and Other ¹	2	–	3	5	–	–	–	–	2	–	3	5
Group trading profit – continuing operations	57	–	6	63	(10)	–	–	(10)	47	–	6	53

¹ Restated for the revision to operating segments following the sale of the High Street and funkypigeon.com businesses in 2025.

WH Smith PLC
Notes to the Condensed Interim Financial Statements
For the 6 months to 28 February 2026

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

b. Restatement of prior year financial statements (continued)

Group income statement - disaggregation of restatement

£m	Accelerated supplier income recognition			Inventory related items			Total restatement		
	Before non-underlying items	Non-underlying items	Total	Before non-underlying items	Non-underlying items	Total	Before non-underlying items	Non-underlying items	Total
Revenue	-	-	-	-	-	-	-	-	-
Group operating loss¹	(4)	-	(4)	(6)	-	(6)	(10)	-	(10)
Finance costs	-	-	-	-	-	-	-	-	-
Loss before tax – continuing operations	(4)	-	(4)	(6)	-	(6)	(10)	-	(10)
Income tax credit	1	-	1	2	-	2	3	-	3
Loss for the period – continuing operations	(3)	-	(3)	(4)	-	(4)	(7)	-	(7)
Profit/(loss) for the period – discontinued operations	-	-	-	-	-	-	-	-	-
Loss for the period – total operations	(3)	-	(3)	(4)	-	(4)	(7)	-	(7)
Attributable to equity holders of the parent	(3)	-	(3)	(3)	-	(3)	(6)	-	(6)
Attributable to non-controlling interests	-	-	-	(1)	-	(1)	(1)	-	(1)
	(3)	-	(3)	(4)	-	(4)	(7)	-	(7)
Total comprehensive loss			(3)			(4)			(7)

¹ All restatements impacting Group operating loss relate to Cost of sales

WH Smith PLC
Notes to the Condensed Interim Financial Statements
For the 6 months to 28 February 2026

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

b. Restatement of prior year financial statements (continued)

Group earnings per share

£m	6 months to 28 February 2025 As previously reported	Reclassification of discontinued operations	6 months to 28 February 2025 after reclassification of discontinued operations	Accelerated supplier income recognition	Inventory related items	6 months to 28 February 2025 Restated
Basic (loss)/earnings per share – continuing operations	(33.6)	32.8	(0.8)	(2.4)	(2.3)	(5.5)
Diluted (loss)/earnings per share – continuing operations	(33.6)	32.8	(0.8)	(2.4)	(2.3)	(5.5)
Basic (loss)/earnings per share – total operations	(33.6)	–	(33.6)	(2.4)	(2.3)	(38.3)
Diluted (loss)/earnings per share – total operations	(33.6)	–	(33.6)	(2.4)	(2.3)	(38.3)

Group cash flow statement extract – 6 months to 28 February 2025

£m	6 months to 28 February 2025 As previously reported	Classification of financial instrument settlements ¹	6 months to 28 February 2025 Restated
Net cash inflows from operating activities	86	6	92
Net cash outflows from investing activities	(48)	(6)	(54)
Net cash outflows from financing activities	(55)	–	(55)
Net decrease in cash in the period	(17)	–	(17)

¹ Reclassification of cash flows linked to the settlement of financial instruments from operating to investing activities.

WH Smith PLC
Notes to the Condensed Interim Financial Statements
For the 6 months to 28 February 2026

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

b. Restatement of prior year financial statements (continued)

Group balance sheet extract – as at 28 February 2025

£m	As at 28 February 2025 As previously reported	Accelerated supplier income recognition	Inventory related items	Other receivables: current vs non-current ¹	As at 28 February 2025 Restated
Deferred tax assets	38	5	–	–	43
Trade and other receivables	11	–	–	14	25
Total non-current assets	1,337	5	–	14	1,356
Inventories	225	(4)	(9)	–	212
Trade and other receivables	133	(10)	–	(14)	109
Current tax receivable	16	1	2	–	19
Total current assets	413	(13)	(7)	(14)	379
Trade and other payables	(259)	(9)	(7)	–	(275)
Total current liabilities	(559)	(9)	(7)	–	(575)
Total non-current liabilities	(811)	–	–	–	(811)
Total net assets	380	(17)	(14)	–	349
Retained earnings	245	(14)	(12)	–	219
Non-controlling interests	34	(3)	(2)	–	29
Total equity	380	(17)	(14)	–	349

¹ Reclassification of certain receivables related to joint venture arrangements in North America from current to non-current.

c. 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 indicator assessment for store-based non-current assets; and revenue growth assumptions in the Rest of the World and Other goodwill impairment assessment. Other estimates include the measurement of contingent consideration related to the sale of the High Street business; valuation of inventory; and supplier income accounting. 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 to 31 August 2025, as set out on pages 159 to 160 of those financial statements.

WH Smith PLC
Notes to the Condensed Interim Financial Statements
For the 6 months to 28 February 2026

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.

Following the sale of the High Street and funkypigeon.com businesses during the year to 31 August 2025, for management and financial reporting purposes, the continuing operations of the Group are organised into three divisions and reportable segments – UK, North America and Rest of the World and Other.

The information presented to the Board is prepared in accordance with the Group's IFRS accounting policies, with the exception of IFRS 16, 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 53 (Note A2).

a) Revenue

	6 months to		12 months to
	28 Feb 2026 (unaudited)	28 Feb 2025 restated ¹ (unaudited)	31 Aug 2025 (audited)
£m			
UK	392	384	834
North America	204	194	413
Rest of the World and Other	152	138	306
Revenue – continuing operations	748	716	1,553
Revenue – discontinued operations	–	235	358
Revenue – total operations	748	951	1,911

¹ Comparative periods have been restated to separately disclose results from discontinued operations (refer to Note 1a for further details).

Revenue in the Group is subject to seasonal fluctuations, with higher demand during peak travel periods particularly during the summer holiday months, which fall in the second half.

Rest of the World revenue includes revenue from Australia of £46m (28 February 2025: £43m), Ireland £29m (28 February 2025: £27m) and Spain £27m (28 February 2025: £24m). No other country has individually material revenue.

WH Smith PLC
Notes to the Condensed Interim Financial Statements
For the 6 months to 28 February 2026

2. Segmental analysis of results (continued)

b) Group results

£m	6 months to 28 Feb 2026 (unaudited)				6 months to 28 Feb 2025 restated ¹ (unaudited)				Total
	Headline before non- underlying items ² (pre-IFRS 16)	Headline non- underlying items ² (pre- IFRS16)	IFRS 16	Total	Headline before non- underlying items ² (pre-IFRS 16)	Headline non- underlying items ² (pre- IFRS16)	IFRS 16	Total	
UK	34	-	4	38	40	-	-	40	
North America	2	-	7	9	5	-	3	8	
Rest of the World and Other	(4)	-	(1)	(5)	2	-	3	5	
Group trading profit - continuing operations	32	-	10	42	47	-	6	53	
Unallocated central costs	(15)	-	-	(15)	(14)	-	-	(14)	
Group operating profit before non-underlying items - continuing operations	17	-	10	27	33	-	6	39	
Non-underlying items (Note 3)	-	(28)	1	(27)	-	(20)	(1)	(21)	
Group operating profit/(loss) - continuing operations	17	(28)	11	-	33	(20)	5	18	
Finance costs	(14)	-	(11)	(25)	(12)	-	(10)	(22)	
Profit/(loss) before tax - continuing operations	3	(28)	-	(25)	21	(20)	(5)	(4)	
Income tax credit/(expense)	-	4	-	4	(4)	3	-	(1)	
Profit/(loss) for the period - continuing operations	3	(24)	-	(21)	17	(17)	(5)	(5)	
(Loss)/profit for the period - discontinued operations	-	(2)	-	(2)	10	(45)	(7)	(42)	
Profit/(loss) for the period - total operations	3	(26)	-	(23)	27	(62)	(12)	(47)	

¹ Comparative periods have been restated to correct the accelerated supplier income recognition and inventory related items in the North America division (refer to Note 1b for further details) and to separately disclose results from discontinued operations (refer to Note 1a for further details).

² Presented on a pre-IFRS 16 basis. Alternative Performance Measures are defined and explained in the Glossary on page 48.

WH Smith PLC
Notes to the Condensed Interim Financial Statements
For the 6 months to 28 February 2026

2. Segmental analysis of results (continued)

c) **Other segmental items**

£m	6 months to 28 Feb 2026 (unaudited)				
	Non-current assets ¹			Right-of-use assets	
	Capital additions	Depreciation and amortisation	Impairment	Depreciation	Impairment
UK	20	(11)	-	-	-
North America	30	(11)	-	-	-
Rest of the World and Other	2	(5)	-	-	-
Headline, before non-underlying items (pre-IFRS 16) – continuing operations	52	(27)	-	-	-
Headline non-underlying items (pre-IFRS 16)	-	(1)	(11)	-	-
Headline, after non-underlying items (pre-IFRS 16) – continuing operations	52	(28)	(11)	-	-
Impact of IFRS 16	-	-	-	(40)	-
Non-underlying items (IFRS 16) ²	-	-	(1)	-	(4)
Group – continuing operations	52	(28)	(12)	(40)	(4)

£m	6 months to 28 Feb 2025 restated ² (unaudited)				
	Non-current assets ¹			Right-of-use assets	
	Capital additions	Depreciation and amortisation	Impairment	Depreciation	Impairment
UK	13	(11)	-	-	-
North America	20	(10)	-	-	-
Rest of the World and Other	6	(4)	-	-	-
Headline, before non-underlying items (pre-IFRS 16) – continuing operations	39	(25)	-	-	-
Headline non-underlying items (pre-IFRS 16)	-	(2)	(5)	-	-
Headline, after non-underlying items (pre-IFRS 16) – continuing operations	39	(27)	(5)	-	-
Impact of IFRS 16	-	-	-	(40)	-
Non-underlying items (IFRS 16)	-	-	-	-	(1)
Group – continuing operations	39	(27)	(5)	(40)	(1)
Group – discontinued operations	11	(8)	(32)	(15)	(17)
Group – total operations	50	(35)	(37)	(55)	(18)

¹ Non-current assets including property, plant and equipment and intangible assets, but excluding right-of-use assets.

² Comparative periods have been restated to separately disclose results from discontinued operations (refer to Note 1a for further details).

WH Smith PLC
Notes to the Condensed Interim Financial Statements
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2. Segmental analysis of results (continued)

d) Write-down of inventory

£m	6 months to		12 months to
	28 Feb 2026 (unaudited)	28 Feb 2025 (unaudited)	31 Aug 2025 (audited)
Write-down of inventory – continuing operations	17	15	40

3. Non-underlying items

Items which are considered exceptional due to their size, nature or incidence, or are not considered to be part of the normal operations of the Group not considered part of the normal operating costs of the business 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		12 months to
	28 Feb 2026 (unaudited)	28 Feb 2025 restated ¹ (unaudited)	31 Aug 2025 (audited)
Amortisation of acquired intangible assets	1	2	3
Impairment of non-current assets			
- property, plant and equipment	11	5	24
- intangible assets	1	–	–
- right-of-use assets	4	1	29
Provisions for onerous contracts	–	1	3
Transformation programmes – IT	4	3	11
Transformation programmes – supply chain	–	2	3
Transformation programmes – operational efficiencies	2	7	11
Costs associated with the investigation into accelerated recognition of supplier income in North America	3	–	10
Impairment of other receivables	2	–	3
Costs related to M&A activity and Group legal entity structure	–	–	1
IFRS 16 remeasurement gains	(2)	–	–
Other non-underlying costs	1	–	1
Non-underlying items, included in operating profit – continuing operations	27	21	99
Finance costs associated with onerous contracts	–	–	1
Non-underlying items, before tax – continuing operations	27	21	100
Tax credit on non-underlying items	(4)	(3)	(18)
Non-underlying items, after tax – continuing operations	23	18	82
Non-underlying items, after tax – discontinued operations	2	55	137
Non-underlying items, after tax – total operations	25	73	219

¹ Comparative periods have been restated to separately disclose results from discontinued operations (refer to Note 1a for further details).

3. Non-underlying items (continued)

Amortisation of acquired intangible assets

Amortisation of acquired intangible assets primarily relates to the MRG and InMotion brands.

Impairment of non-current assets

The Group has carried out an assessment for indicators of impairment of non-current assets across the store portfolio. Where an indicator of impairment has been identified, an impairment review has been performed to compare the value-in-use of cash generating units ('CGUs'), based on management's assumptions regarding likely future trading performance, to the carrying value of the CGUs.

As a result of this exercise, a non-cash charge of £16m (28 February 2025: £6m) was recorded within non-underlying items for impairment of non-current assets, of which £11m (28 February 2025: £5m) relates to property, plant and equipment, £1m (28 February 2025: £nil) relates to intangible assets and £4m (28 February 2025: £1m) relates to right-of-use assets. Of the total impairment charge, £1m (28 February 2025: £3m) is attributable to the UK operating segment, £12m (28 February 2025: £3m) to North America and £3m (28 February 2025: £nil) to Rest of the World and Other. Impairment charges in the North America and Rest of the World and Other operating segments have principally arisen due to a lower trading outlook in certain individual stores across these regions.

The impairment recognised on a pre-IFRS 16 basis is provided in note A6 of the Glossary on page 56.

Provisions for onerous contracts

A charge of £nil (28 February 2025: £1m) has been recognised in the income statement to provide for the unavoidable costs of continuing to service a number of non-cancellable supplier and property contracts where the space is vacant, a contract is loss-making or currently not planned to be used for ongoing operations.

Transformation programmes – IT

Administrative expenses of £4m (28 February 2025: £3m) have been classified as non-underlying in relation to a Board-approved IT transformation programme. The IT transformation programme includes one-off 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 programme is expected to complete in the next financial year.

Transformation programmes - operational efficiencies

Administrative expenses of £2m (28 February 2025: £7m) have been classified as non-underlying in relation to Board-approved programmes relating to operational efficiencies. This programme commenced in the year to 31 August 2025 and costs include head office restructuring and transformation costs across all segments. This programme will deliver a more efficient operating model to support the Group's strategic objectives. The current programme will largely complete in FY26.

Costs associated with the investigation into accelerated recognition of supplier income in North America

Administrative expenses incurred during the period include £3m (28 February 2025: £nil) of professional fees in relation to the investigation into accelerated recognition of supplier income in North America, including costs of the investigation, remediation and regulatory related costs. We expect further costs in FY26 due to ongoing regulatory related professional fees.

Impairment of other receivables

The Group's other receivables include amounts due from non-controlling interest equity shareholders in certain of the Group's US subsidiaries which relate to contributions owed towards property, plant and equipment construction for stores and are received in accordance with the cash requirements of the subsidiary. Certain of these contributions are no longer considered to be recoverable based on the expected credit loss that considers the counterparty's ability to pay, which reflects the financial outlook of the associated stores. Such expected credit losses of £2m (28 February 2025: £nil) are recognised within non-underlying items where an impairment charge for store non-current assets has also been recognised within non-underlying items.

WH Smith PLC
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3. Non-underlying items (continued)

IFRS 16 remeasurement gains

IFRS 16 remeasurement gains of £2m (28 February 2025: £nil) have arisen from the derecognition of lease liabilities on exit of certain locations, in which right-of-use assets were previously impaired.

A tax credit of £4m (28 February 2025: £3m) has been recognised in relation to non-underlying items.

4. Net finance costs

£m	6 months to		12 months to
	28 Feb 2026 (unaudited)	28 Feb 2025 restated ¹ (unaudited)	31 Aug 2025 (audited)
Interest payable on bank loans and overdrafts	7	5	11
Interest on convertible bonds	8	7	15
Interest on lease liabilities	11	10	20
Interest income on joint venture loans	(1)	-	-
Non-underlying finance costs	-	-	1
Total Group – continuing operations	25	22	47
Total Group – discontinued operations	-	3	3
Total Group	25	25	50

¹ Comparative periods have been restated to separately disclose results from discontinued operations (refer to Note 1a for further details).

Interest on convertible bonds includes £3m (28 February 2025: £2m) coupon interest, £4m (28 February 2025: £4m) non-cash debt accretion charges and £1m (28 February 2025: £1m) fee amortisation.

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5. Income tax (credit)/expense

£m	28 Feb 2026 (unaudited)	6 months to 28 Feb 2025 restated ¹ (unaudited)	12 months to 31 Aug 2025 (audited)
Tax on profit	–	4	23
Adjustment in respect of prior years	–	–	(6)
Total current tax expense	–	4	17
Deferred tax – current period	–	–	27
Deferred tax – prior period	–	–	2
Deferred tax – change in tax rates	–	–	(2)
Tax on profit before non-underlying items	–	4	44
Tax on non-underlying items – current tax	(1)	(2)	(10)
Tax on non-underlying items – deferred tax	(3)	(1)	(8)
Total tax on (loss)/profit – continuing operations	(4)	1	26
Total tax on (loss)/profit – discontinued operations	–	(6)	(3)
Total tax on (loss)/profit – total operations	(4)	(5)	23

¹ Comparative periods have been restated to correct the accelerated supplier income recognition and inventory related items in the North America division (refer to Note 1b for further details) and to separately disclose results from discontinued operations (refer to Note 1a for further details).

The effective tax rate, before non-underlying items, was a charge of 26 per cent (28 February 2025: charge of 23 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 to 31 August 2025 onwards. 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 not a 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 2026

6. Dividends

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

£m	6 months to		12 months to
	28 Feb 2026 (unaudited)	28 Feb 2025 (unaudited)	31 Aug 2025 (audited)
Dividends			
Final dividend for the year to 31 August 2025 of 6.0p per ordinary share	8	–	–
Interim dividend for the 6 months to 28 February 2025 of 11.3p per ordinary share	–	–	14
Final dividend for the year to 31 August 2024 of 22.6p per ordinary share	–	29	29
	8	29	43

The Board has not declared an interim dividend in respect of the six-month period to 28 February 2026.

7. (Loss)/earnings per share

a) (Loss)/earnings

£m	6 months to		12 months to
	28 Feb 2026 (unaudited)	28 Feb 2025 restated ¹ (unaudited)	31 Aug 2025 (audited)
(Loss)/profit for the period before non-underlying items, attributable to equity holders of the parent – continuing operations	(2)	11	51
Non-underlying items, after tax (Note 3)	(23)	(18)	(82)
Loss for the period, attributable to equity holders of the parent - continuing operations	(25)	(7)	(31)
Loss for the period - discontinued operations	(2)	(42)	(113)
Total loss for the period, attributable to equity holders of the parent	(27)	(49)	(144)

¹ Comparative periods have been restated to correct the accelerated supplier income recognition and inventory related items in the North America division (refer to Note 1b for further details) and to separately disclose results from discontinued operations (refer to Note 1a for further details).

b) Weighted average share capital

Number (millions)	6 months to		12 months to
	28 Feb 2026 (unaudited)	28 Feb 2025 (unaudited)	31 Aug 2025 (audited)
Weighted average ordinary shares in issue	126	130	129
Less weighted average ordinary shares held in ESOP Trust	(1)	(2)	(2)
Weighted average shares in issue for earnings per share	125	128	127
Add weighted average number of ordinary shares under option	1	2	2
Weighted average ordinary shares for diluted earnings per share	126	130	129

WH Smith PLC
Notes to the Condensed Interim Financial Statements
For the 6 months to 28 February 2026

7. (Loss)/earnings per share (continued)

	6 months to		12 months to
	28 Feb 2026 (unaudited)	28 Feb 2025 restated ¹ (unaudited)	31 Aug 2025 (audited)
Pence			
Basic (loss)/earnings per share before non-underlying items – continuing operations	(1.6)	8.6	40.2
Adjustment for non-underlying items	(18.4)	(14.1)	(64.6)
Basic loss per share – continuing operations	(20.0)	(5.5)	(24.4)
Basic loss per share – discontinued operations	(1.6)	(32.8)	(89.0)
Basic loss per share – total operations	(21.6)	(38.3)	(113.4)
Diluted (loss)/earnings per share before non-underlying items – continuing operations	(1.6)	8.5	39.5
Adjustment for non-underlying items	(18.4)	(13.8)	(63.6)
Impact of antidilutive potential shares	–	(0.2)	(0.3)
Diluted loss per share – continuing operations	(20.0)	(5.5)	(24.4)
Diluted loss per share – discontinued operations	(1.6)	(32.8)	(89.0)
Diluted loss per share – total operations	(21.6)	(38.3)	(113.4)

¹ Comparative periods have been restated to correct the accelerated supplier income recognition and inventory related items in the North America division (refer to Note 1b for further details) and to separately disclose results from discontinued operations (refer to Note 1a for further details).

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 2026 the convertible bond has no dilutive effect as the inclusion of these potentially dilutive shares would improve earnings per share (28 February 2025 and 31 August 2025: No dilutive effect). Furthermore, the probability of the bond converting before its maturity in May 2026 is considered to be remote given the disparity between the bond conversion price and the current share price.

The calculation of earnings per share on a pre-IFRS 16 basis is provided in note A4 of the Glossary on pages 54 to 55.

WH Smith PLC
Notes to the Condensed Interim Financial Statements
For the 6 months to 28 February 2026

8. Analysis of net debt

Movement in net debt can be analysed as follows:

£m	Convertible bonds	Revolving credit facility	Leases	Sub-total Liabilities from financing activities	Cash and cash equivalents	Net debt
At 1 September 2025	(320)	(141)	(484)	(945)	71	(874)
Bond accretion and fee amortisation	(5)	-	-	(5)	-	(5)
Lease additions, modifications and interest	-	-	(77)	(77)	-	(77)
Cash movements	-	(78)	48	(30)	(23)	(53)
Currency translation	-	-	(1)	(1)	-	(1)
At 28 February 2026 (unaudited)	(325)	(219)	(514)	(1,058)	48	(1,010)

£m	Convertible bonds	Revolving credit facility	Leases	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)

An analysis of Net debt on a pre-IFRS 16 basis, is provided in note A8 of the Glossary on page 57.

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, measurements and interest in the year. Cash movements on leases include principal repayments of £39m (28 February 2025: £60m) and interest paid of £9m (28 February 2025: £12m).

Revolving credit facilities

The Group has a £400m committed revolving credit facility ("RCF"). The last extension option was exercised during the previous financial year, taking the maturity to 13 June 2030.

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 2026, the Group has drawn down £219m on the RCF (28 February 2025: £178m).

Transaction costs of £5m relating to the RCF have been capitalised and are amortised to the Income statement on a straight-line basis.

WH Smith PLC
Notes to the Condensed Interim Financial Statements
For the 6 months to 28 February 2026

8. Analysis of net debt (continued)

Revolving credit facilities (continued)

The Group considers in respect of its revolving credit facility, which has a maturity date of 13 June 2030 and carries financial covenants, there is not a right to defer settlement for at least 12 months from the reporting date following a requirement to restate the statutory company financial statements of certain subsidiaries that act as guarantors to the facility. Such restatements comprise primary statement reclassifications only with no impact on profit before tax or net assets. Whilst waivers were subsequently agreed with lenders, these were not in place at 28 February 2026. As a result, the amounts drawn down under the facility are presented as a current liability. The Group anticipates that such amounts may be reclassified to non-current liabilities in future reporting periods.

Convertible bonds

The Group issued £327m guaranteed senior unsecured convertible bonds on 7 May 2021 with a 1.625 per cent 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 per cent above the reference share price on 28 April 2021 (£17.85). The conversion price at 28 February 2026 was £23.3660 (28 February 2025: £23.6106). 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 was 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.

Term loans

The Group has a three-year £120m committed term loan. The term loan has two uncommitted extension options of one year, which would, subject to lender approval, extend the maturity date to 24 March 2030. On the 10 March 2026 the first extension option was exercised taking the maturity date to the 24 March 2029.

The term loan is provided by a syndicate of banks: Fifth Third Bank National Association, HSBC UK Bank PLC, Banco Santander SA London Branch and Skandinaviska Enskilda Banken AB (PUBL). Utilisation is interest bearing at a margin over SONIA. As at 28 February 2026, the term loan is undrawn.

Transaction costs of £1m relating to the term loan have been capitalised and are amortised to Income statement on a straight-line basis.

US private placements

The Group has £200m of committed US Private Placement notes ("USPP") which have a tenor of seven, ten and twelve years. Utilisation is interest bearing at a fixed rate. As at 28 February 2026, the USPP notes are undrawn. On the 11 March 2026, the USPP was fully drawn. Transaction costs of £1m relating to the USPP have been capitalised and are amortised to Income statement on a straight-line basis.

Backstop facility

In November 2025, the Group entered into a £200m syndicated 12-month term loan. The facility is provided by a syndicate of banks: PNC Capital Markets LLC, J.P. Morgan Securities PLC, BNP Paribas, London Branch and Skandinaviska Enskilda Banken AB (PUBL). The loan has two extension options, which would, if exercised, extend the maturity date to 31 August 2027. As at 28 February 2026, the syndicated loan is undrawn. On the 11 March 2026 the syndicated 12-month term loan was cancelled.

WH Smith PLC
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9. Cash generated from continuing operations

£m	6 months to		12 months to
	28 Feb 2026 (unaudited)	28 Feb 2025 restated ¹ (unaudited)	31 Aug 2025 (audited)
Group operating profit - continuing operations	–	18	49
Depreciation of property, plant and equipment	24	22	45
Impairment of property, plant and equipment	11	5	24
Amortisation of intangible assets	4	5	9
Impairment of intangible assets	1	–	–
Depreciation of right-of-use assets	40	40	80
Impairment of right-of-use assets	4	1	29
Share-based payments	3	4	3
Gain on remeasurement of leases	(4)	–	(1)
Other non-cash items (incl. foreign exchange)	1	–	(1)
Decrease/(increase) in inventories	9	(9)	(22)
Decrease in receivables	17	11	9
(Decrease)/increase in payables	(89)	(71)	33
Receipt of retirement benefit surplus	–	75	75
Movement on provisions	(1)	(2)	(2)
Cash generated from continuing operations	20	99	330

¹ Comparative periods have been restated to correct the accelerated supplier income recognition and inventory related items in the North America division (refer to Note 1b for further details), to re-present settlement receipts for swap contracts as investing activities and to separately disclose results from discontinued operations (refer to Note 1a for further details).

10. Supplier Income

Amounts related to supplier income held on the Balance Sheet are as follows:

£m	At 28 Feb 2026 (unaudited)	At 28 Feb 2025 (unaudited)	At 31 Aug 2025 (audited)
Within inventories	(9)	(10)	(8)
Within trade and other receivables			
Trade receivables	20	33	44
Accrued income	20	29	23
Within trade and other payables			
Trade payables ¹	15	12	14
Deferred income	(12)	(15)	(20)

¹ Trade payables is stated net of £15m (28 February 2025: £12m) amounts receivable from suppliers in relation to supplier income, that has been invoiced, for which the Group has the right to set off against amounts payable at the balance sheet date.

WH Smith PLC
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11. Non-current assets

During the six months to 28 February 2026, there were additions to property, plant and equipment of £48m (28 February 2025: £47m). There were no material disposals of tangible assets during the period (28 February 2025: £nil). During the six months to 28 February 2026, there were increases to right-of-use assets of £70m (28 February 2025: £28m) through signing of new leases and lease modifications.

Additions to intangible assets totalled £4m (28 February 2025: £3m) in the period. There were no material disposals of intangible assets during the period (28 February 2025: £nil).

Goodwill decreased by £1m in the period due to movements in exchange rates (28 February 2025: increased by £2m as a result of impairment of goodwill associated with the High Street segment of £15m, offset by movements in exchange rates of £17m).

Impairment of store-based 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. Grouping is limited to certain stores at the same airport and/or with the same landlord, being the level at which decisions are made regarding the continuing or disposing of store operations.

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.

The value-in-use of CGUs is calculated in a consistent manner with and underpinned by the same key assumptions as those described in the Group's 2025 Annual Report and Accounts, except for use of a pre-tax discount rate of 10.6 per cent (31 August 2025: 12.6 per cent).

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 was recorded. The Group has recognised an impairment charge of £11m (28 February 2025: £5m) to property, plant and equipment, £4m (28 February 2025: £1m) to right-of-use assets and £1m (28 February 2025: £nil) to intangible assets.

Impairments to non-current assets have been presented as non-underlying items (see Note 3).

Impairment of goodwill and other indefinite-lived intangible assets

The Group tests goodwill and other indefinite-lived intangible assets for impairment annually or where there is an indication that goodwill might be impaired. In determining whether an indicator of impairment is present, the Group considers internal and external factors, and the significance by which the recoverable amount exceeded the carrying value in the annual impairment test performed as of 31 August 2025. As of 28 February 2026, the Group has tested the Rest of the World and Other segment for impairment.

The value-in-use of the CGU is calculated in a consistent manner with and underpinned by the same key assumptions as those described in the Group's 2025 Annual Report and Accounts, except for use of a pre-tax discount rate of 10.6 per cent (31 August 2025: 12.6 per cent) and updates required to reflect market conditions, including what was known about the Middle East, as at the balance sheet date. No impairment charge was recorded.

The recoverable amount currently exceeds the carrying value by £32m (31 August 2025: £36m) for the Rest of the World and Other segment and therefore no impairment charge has been recorded. The recoverable amount and carrying value would be equal, if, in isolation, with approximately one third of the impact mitigated by lower variable costs, revenues were to miss forecasts in each year of the initial forecast period and the terminal value year by one per cent (31 August 2025: two per cent), or if headline EBITDA were to miss forecasts by 11 per cent (31 August 2025: 13 per cent). These sensitivities are deemed to be reasonably possible scenarios.

WH Smith PLC
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12. Contingent liabilities and capital commitments

£m	28 Feb 2026 (unaudited)	28 Feb 2025 (unaudited)	31 Aug 2025 (audited)
Bank guarantees and guarantees in respect of contractual arrangements	74	73	76

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.

Contracts placed for future capital expenditure approved by the directors but not provided for in these financial statements amount to £56m (28 February 2025¹: £97m; 31 August 2025: £66m).

¹ Comparative periods have been restated to correct the previously reported commitments

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

Financing

On 10 March 2026 the first extension option on the term loan was exercised taking the maturity date to the 24 March 2029. On the 11 March 2026, the US private placements was fully drawn.

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

Leo Quinn
Executive Chairman

Max Izzard
Chief Financial Officer

23 April 2026

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 2026 (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 2026;
- 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.

Independent review report to WH Smith PLC (continued)

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.

Use 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
23 April 2026

WH Smith PLC
Glossary (unaudited)
For the 6 months to 28 February 2026

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. Alternative performance measures reflect continuing operations unless otherwise stated.

Non-underlying items

The Group has chosen to present a measure of profit and earnings per share that excludes certain items, which are considered non-underlying and exceptional due to their size, nature or incidence, or 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.

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 to 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 2026 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.

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.

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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 A12-A14	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 A12 to A14.
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. 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 18, 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 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	Excludes items which are considered non-underlying and exceptional due to their size, nature or incidence, or 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. An explanation of the nature of the items identified as non-underlying on an IFRS 16 basis is provided in Note 3 to the 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 year 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 financial year. 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 and Note A13	Headline EBITDA is Headline Group operating profit before non-underlying items adjusted for pre-IFRS 16 depreciation, amortisation and impairment and before non-cash items. See Note A13.

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APM	Closest equivalent IFRS measure	Reconciling items to IFRS measure	Definition and purpose
Income statement measures (continued)			
Effective tax rate	None	Non-underlying items, see Note 3 and Notes A3 and A6	Total income tax charge excluding the tax impact of non-underlying items divided by Group Headline profit before tax and non-underlying items. See Note 3 on an IFRS 16 basis, and Notes A3 and A6 on a pre-IFRS 16 basis.
Fixed charges cover	None	Refer to definition and Note A5	This performance measure calculates the number of times Headline EBITDA before operating lease rentals stated on a pre-IFRS 16 basis 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 fixed 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	Refer to definition	Where referred to throughout the Preliminary announcement statement, 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 Note A11.
Balance sheet measures			
Headline net debt	Net debt	Reconciliation of net debt, see Note 8 and Note A8	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.
Return on capital employed (ROCE)	None	Refer to definition	Return on Capital Employed is calculated as the Headline Group operating 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	Refer to definition and Note A14	Leverage is calculated as Headline net debt divided by rolling 12-month Headline EBITDA (on a pre-IFRS 16 basis). See Note A14.

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

6 months to 28 Feb 2026							
£m	Pre-IFRS 16 Basis			IFRS 16 Basis			Total
	Headline, before non-underlying items	Headline non-underlying items	Headline	IFRS 16 adjustments	IFRS 16 adjustments non-underlying items		
Revenue	748	-	748	-	-		748
Cost of sales	(340)	-	(340)	-	-		(340)
Group profit – continuing operations	408	-	408	-	-		408
Distribution costs	(314)	-	(314)	9	-		(305)
Administrative expenses	(78)	-	(78)	1	-		(77)
Other income	1	-	1	-	-		1
Non-underlying items	-	(28)	(28)	-	1		(27)
Group operating profit/(loss) – continuing operations	17	(28)	(11)	10	1		-
Finance costs	(14)	-	(14)	(11)	-		(25)
Profit/(loss) before tax – continuing operations	3	(28)	(25)	(1)	1		(25)
Income tax credit	-	4	4	-	-		4
Profit/(loss) for the period - continuing operations	3	(24)	(21)	(1)	1		(21)
Loss for the period - discontinued operations	-	(2)	(2)	-	-		(2)
Profit/(loss) for the period - total operations	3	(26)	(23)	(1)	1		(23)
Attributable to:							
Equity holders of the parent	(1)	(26)	(27)	(1)	1		(27)
Non-controlling interests	4	-	4	-	-		4
	3	(26)	(23)	(1)	1		(23)

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

6 months to 28 Feb 2025 restated ¹							
£m	Pre-IFRS 16 Basis			IFRS 16 Basis			Total
	Headline, before non-underlying items	Headline non-underlying items	Headline	IFRS 16 adjustments	IFRS 16 non-underlying adjustments		
Revenue	716	–	716	–	–		716
Cost of sales	(319)	–	(319)	–	–		(319)
Gross profit – continuing operations	397	–	397	–	–		397
Distribution costs	(293)	–	(293)	4	–		(289)
Administrative expenses	(71)	–	(71)	1	–		(70)
Other income	–	–	–	1	–		1
Non-underlying items	–	(20)	(20)	–	(1)		(21)
Group operating profit/(loss) – continuing operations	33	(20)	13	6	(1)		18
Finance costs	(12)	–	(12)	(10)	–		(22)
Profit/(loss) before tax – continuing operations	21	(20)	1	(4)	(1)		(4)
Income tax (charge)/credit	(4)	3	(1)	–	–		(1)
Profit/(loss) for the period - continuing operations	17	(17)	–	(4)	(1)		(5)
Profit/(loss) for the period - discontinued operations	10	(45)	(35)	3	(10)		(42)
Profit/(loss) for the period - total operations	27	(62)	(35)	(1)	(11)		(47)
Attributable to:							
Equity holders of the parent	25	(62)	(37)	(1)	(11)		(49)
Non-controlling interests	2	–	2	–	–		2
	27	(62)	(35)	(1)	(11)		(47)

¹ Comparative periods have been restated a) to correct the accelerated supplier income recognition and inventory-related items in the North America division (refer to Note 1b for further details), totalling a £10m reduction to previously reported cost of sales; b) to reclassify certain costs amounting to £27m from distribution costs to cost of sales for consistency with the current period; and c) to separately disclose results from discontinued operations (refer to Note 1a for further details).

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

6 months to 28 Feb 2026						
	Pre-IFRS 16 basis			IFRS 16 basis		
	Headline, before non-underlying items	Headline non-underlying items	Headline	IFRS 16 adjustments	Total	
UK	34	-	34	4	38	
North America	2	-	2	7	9	
Rest of the World and Other	(4)	-	(4)	(1)	(5)	
Group profit from trading operations- continuing operations	32	-	32	10	42	
Unallocated central costs	(15)	-	(15)	-	(15)	
Group operating profit before non-underlying items – continuing operations	17	-	17	10	27	
Non-underlying items	-	(28)	(28)	1	(27)	
Group operating profit/(loss) – continuing operations	17	(28)	(11)	11	-	

6 months to 28 Feb 2025 restated ¹						
£m	Pre-IFRS 16 basis			IFRS 16 basis		
	Headline, before non-underlying items	Headline non-underlying items	Headline	IFRS 16 adjustments	Total	
UK	40	-	40	-	40	
North America	5	-	5	3	8	
Rest of the World and Other	2	-	2	3	5	
Group profit from trading operations- continuing operations	47	-	47	6	53	
Unallocated central costs	(14)	-	(14)	-	(14)	
Group operating profit before non-underlying items – continuing operations	33	-	33	6	39	
Non-underlying items	-	(20)	(20)	(1)	(21)	
Group operating profit/(loss) – continuing operations	33	(20)	13	5	18	

¹ Comparative periods have been restated to correct the accelerated supplier income recognition and inventory related items in the North America division (refer to Note 1b for further details) and to separately disclose results from discontinued operations (refer to Note 1a for further details).

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A3. Reconciliation of Headline to Statutory tax expense

£m	6 months to 28 Feb 2026			6 months to 28 Feb 2025 restated ¹		
	Headline (pre-IFRS 16)	IFRS 16 adjustments	Total	Headline (pre-IFRS 16)	IFRS 16 adjustments	Total
Profit before tax and non-underlying items	3	(1)	2	21	(4)	17
Tax on profit - Standard rate of UK corporation tax 25% (28 February 2025: 25%)	-	-	-	4	-	4
Tax charge on profit before non-underlying items	-	-	-	4	-	4
Tax on non-underlying items – current tax	(1)	-	(1)	(2)	-	(2)
Tax on non-underlying items – deferred tax	(3)	-	(3)	(1)	-	(1)
Total tax (credit)/charge on (loss)/profit - continuing operations	(4)	-	(4)	1	-	1
Total tax (credit)/charge on (loss)/profit - discontinued operations	-	-	-	(11)	5	(6)
Total tax (credit)/charge on (loss)/profit - total operations	(4)	-	(4)	(10)	5	(5)

¹ Comparative periods have been restated to correct the accelerated supplier income recognition and inventory related items in the North America division (refer to Note 1b for further details) and to separately disclose results from discontinued operations (refer to Note 1a for further details).

A4. Calculation of Headline and Statutory earnings per share

millions	6 months to 28 Feb 2026		6 months to 28 Feb 2025	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of shares in issue	125	126	128	130

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

	6 months to 28 Feb 2026			6 months to 28 Feb 2025 restated ¹		
	Profit for the year attributable to equity holders of the parent £m	Basic EPS pence	Diluted EPS pence	Profit for the year attributable to equity holders of the parent £m	Basic EPS pence	Diluted EPS pence
Headline (pre-IFRS-16 basis)						
- Before non-underlying items	(1)	(0.8)	(0.8)	15	11.7	11.5
- Non-underlying items	(24)	(19.2)	(19.2)	(17)	(13.3)	(13.1)
- Continuing operations	(25)	(20.0)	(20.0)	(2)	(1.6)	(1.6)
- Discontinued operations	(2)	(1.6)	(1.6)	(35)	(27.3)	(27.3)
- Total operations	(27)	(21.6)	(21.6)	(37)	(28.9)	(28.9)
IFRS 16 adjustments						
- Before non-underlying items	(1)	(0.8)	(0.8)	(4)	(3.1)	(3.0)
- Non-underlying items	1	0.8	0.8	(1)	(0.8)	(0.7)
- Impact of anti-dilutive potential shares	-	-	-	-	-	(0.2)
- Continuing operations	-	-	-	(5)	(3.9)	(3.9)
- Discontinued operations	-	-	-	(7)	(5.5)	(5.5)
- Total operations	-	-	-	(12)	(9.4)	(9.4)
IFRS 16 basis						
- Before non-underlying items	(2)	(1.6)	(1.6)	11	8.6	8.5
- Non-underlying items	(23)	(18.4)	(18.4)	(18)	(14.1)	(13.8)
- Impact of anti-dilutive potential shares	-	-	-	-	-	(0.2)
- Continuing operations	(25)	(20.0)	(20.0)	(7)	(5.5)	(5.5)
- Discontinued operations	(2)	(1.6)	(1.6)	(42)	(32.8)	(32.8)
- Total operations	(27)	(21.6)	(21.6)	(49)	(38.3)	(38.3)

¹ Comparative periods have been restated to correct the accelerated supplier income recognition and inventory related items in the North America division (refer to Note 1b for further details) and to separately disclose results from discontinued operations (refer to Note 1a for further details).

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A5. Fixed charges cover

£m	Note	12 months to 28 Feb 2026
Headline net finance costs before non-underlying items for 6 months to 28 Feb 2026	A1	14
Headline net finance costs before non-underlying items for 6 months to 31 Aug 2025		14
Headline fixed operating lease charges for 6 months to 28 Feb 2026 (pre-IFRS 16)	A12	131
Headline fixed operating lease charges for 6 months to 31 Aug 2025 (pre-IFRS 16)		121
Total fixed charges		280
Headline EBITDA for 12 months to 28 Feb 2026	A13	173
Headline fixed operating lease charges for 6 months to 28 Feb 2026 (pre-IFRS 16)	A12	131
Headline fixed operating lease charges for 6 months to 31 Aug 2025 (pre-IFRS 16)		121
Headline EBITDA before headline fixed operating lease charges and non-underlying items (pre-IFRS 16) - continuing operations		425
Fixed charges cover – times – continuing operations		1.5x

¹ Comparative periods have been restated to correct the accelerated supplier income recognition and inventory related items in the North America division (refer to Note 1b for further details) and to separately disclose results from discontinued operations (refer to Note 1a for further details).

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

£m	6 months to 28 Feb 2026		6 months to 28 Feb 2025 restated ¹	
	Headline (pre-IFRS16)	IFRS 16	Headline (pre-IFRS16)	IFRS 16
Amortisation of acquired intangible assets	1	1	2	2
Impairment of non-current assets				
- property, plant and equipment	10	11	5	5
- intangible assets	1	1	–	–
- right-of-use assets	–	4	–	1
Provisions for onerous contracts	4	–	1	1
Transformation programmes – IT	4	4	3	3
Transformation programmes – supply chain	–	–	2	2
Transformation programmes – operational efficiencies	2	2	7	7
Costs associated with the investigation into accelerated recognition of supplier income in North America	3	3	–	–
Impairment of other receivables	2	2	–	–
IFRS 16 remeasurement gains	–	(2)	–	–
Other non-underlying costs	1	1	–	–
Non-underlying items, before tax – continuing operations	28	27	20	21
Tax credit on non-underlying items	(4)	(4)	(3)	(3)
Non-underlying items, after tax – continuing operations	24	23	17	18

¹ Comparative periods have been restated to separately disclose results from discontinued operations (refer to Note 1a for further details).

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

Non-underlying items on a pre-IFRS 16 basis are calculated on a consistent basis with IFRS 16, with the exception of the below items.

Impairment of right-of-use assets and IFRS 16 remeasurement gains

On a pre-IFRS 16 basis right-of-use assets are not recognised, therefore the right-of-use asset impairment of £4m (28 February 2025: £1m) and IFRS 16 remeasurement gains of £2m (28 February 2025: £nil) are also not recognised.

Provisions for onerous contracts

A charge of £4m (28 February 2025: £1m) has been recognised on a pre-IFRS 16 basis to provide for the unavoidable costs of continuing to service certain non-cancellable supplier and property contracts where the space is vacant, a contract is loss-making or currently not planned to be used for ongoing operations. On an IFRS 16 basis there is a £nil charge, as the pre-IFRS 16 charge is replaced by impairments to right-of-use assets that are not recognised on a pre-IFRS 16 basis.

A tax credit of £4m (28 February 2025: £3m) has been recognised in relation to the above items (£4m pre-IFRS 16 (28 February 2025: £3m)).

A7. Free cash flow

£m	6 months to 28 Feb 2026	6 months to 28 Feb 2025 restated ¹
Net cash inflow from operating activities – continuing operations	6	65
Cash flow impact of IFRS 16 (Note A9)	(39)	(41)
Add back:		
- Cash impact of non-underlying items	22	18
Deduct:		
- Purchase of property, plant and equipment (incl. £nil non-underlying capital expenditure (28 February 2025: £1m))	(46)	(38)
- Purchase of intangible assets	(4)	(1)
- Pension funding	–	(75)
Free cash flow - continuing operations	(61)	(72)
Free cash flow - discontinued operations	–	3
Free cash flow - total operations	(61)	(69)

¹Comparative periods have been restated to separately disclose results from discontinued operations (refer to Note 1a for further details).

A8. Headline net debt

The table below shows Headline net debt (pre-IFRS 16). This excludes lease liabilities recognised on application of IFRS 16.

£m	Note	At 28 Feb 2026	At 28 Feb 2025	At 31 Aug 2025
Borrowings				
- Revolving credit facility		(219)	(178)	(141)
- Convertible bonds		(325)	(315)	(320)
- Lease liabilities		(514)	(601)	(484)
Liabilities from financing activities		(1,058)	(1,094)	(945)
Cash and cash equivalents		48	39	71
Net debt (IFRS 16)	8	(1,010)	(1,055)	(874)
- Add back lease liabilities recognised under IFRS 16		514	601	484
Net debt (pre-IFRS 16)		(496)	(454)	(390)

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A9. Cash flow disclosure impact of IFRS 16

There is no impact of IFRS 16 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.

£m	6 months to 28 Feb 2026			6 months to 28 Feb 2025 restated ¹		
	Headline (pre-IFRS 16)	IFRS 16 Adjustment	IFRS 16	Headline (pre-IFRS 16)	IFRS 16 Adjustment ²	IFRS 16
Net cash (outflow)/inflow from operating activities	(43)	39	(4)	32	60	92
Net cash outflow from investing activities	(47)	-	(47)	(54)	-	(54)
Net cash inflow/(outflow) from financing activities	67	(39)	28	5	(60)	(55)
Net decrease in cash in the period	(23)	-	(23)	(17)	-	(17)

¹ Comparative periods have been restated to reclassify the settlement of financial instruments from Operating activities to Investing activities

² Comprises £41m related to continuing operations and £19m related to discontinued operations

A10. Balance sheet impact of IFRS 16

The balance sheet including and excluding the impact of IFRS 16 is shown below:

£m	At 28 Feb 2026			At 28 Feb 2025 restated ¹		
	Headline (pre-IFRS 16)	IFRS 16 Adjustment	IFRS 16	Headline (pre-IFRS 16)	IFRS 16 Adjustment	IFRS 16
Goodwill and other intangible assets	446	(1)	445	490	(2)	488
Property, plant and equipment	265	2	267	313	8	321
Right-of-use assets	-	393	393	-	467	467
Investments in joint ventures	2	-	2	2	-	2
Non-current investments	2	-	2	10	-	10
	715	394	1,109	815	473	1,288
Inventories	140	-	140	212	-	212
Payables less receivables	(103)	(6)	(109)	(128)	(13)	(141)
Working capital	37	(6)	31	84	(13)	71
Net current and deferred tax assets	30	1	31	62	-	62
Net derivative financial liability	(1)	-	(1)	-	-	-
Provisions	(23)	23	-	(30)	13	(17)
Operating assets employed	758	412	1,170	931	473	1,404
Net debt	(496)	(514)	(1,010)	(454)	(601)	(1,055)
Net assets excluding retirement benefit surplus	262	(102)	160	477	(128)	349
Retirement benefit surplus	1	-	1	-	-	-
Total net assets	263	(102)	161	477	(128)	349

¹ Comparative periods have been restated in accordance with the items set out in Note 1b.

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A11. Like-for-like revenue reconciliation

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

Per cent	UK	North America	Rest of the World and Other	Total Group – continuing operations
Like-for-like revenue change	2	1	6	2
Net space impact	-	3	-	2
Foreign exchange	-	1	4	1
Total revenue change	2	5	10	5

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 2026	6 months to 28 Feb 2025 restated ¹
Fixed charges	131	111
Variable charges	37	43
Net operating lease charges – continuing operations	168	154

¹Comparative periods have been restated to separately disclose results from discontinued operations (refer to Note 1a for further details).

In the year to 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 48.

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 five 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. Headline EBITDA

£m	12 months to 28 Feb 2026
Group operating profit (Note A1) – continuing operations	17
Depreciation, amortisation and impairment (Note 2c)	27
Non-cash items	4
Headline EBITDA for 6 months to 28 Feb 2026 – continuing operations	48
Headline EBITDA for 6 months to 31 Aug 2025 – continuing operations ¹	125
Total Headline EBITDA for 12 months to 28 Feb 2026 – continuing operations	173

¹ Includes non-cash items of £(2)m.

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A14. Leverage

£m	Note	6 months to 28 Feb 2026
Total Headline EBITDA for 12 months to 28 Feb 2026	A13	173
Headline net debt	A8	496
Leverage - multiple – continuing operations		2.9x