

THIS ANNOUNCEMENT INCLUDES INSIDE INFORMATION

WH Smith PLC

10 June 2026

Trading Update

Revised outlook ahead of peak summer trading against a backdrop of ongoing uncertainty. Good progress on restructuring plans.

Placing to strengthen capital position to enable ongoing transformation

WHSmith today announces its trading update for the 14 week period to 6 June 2026. The Group has announced separately today a proposed placing of new ordinary shares in the company.

Total revenue in the 14 weeks to 6 June 2026 increased by 5% on a constant currency basis versus the prior year and LFL revenue was up 2% versus the prior year.

Group revenue growth in the period compared to 2025 has been:

	Revenue 14 Weeks to 6 June 2026			LFL revenue in 7 weeks to 6 June 2026
	Total versus 2025	Total constant currency versus 2025	LFL versus 2025	
Air	4%	4%	(1)%	0%
Hospitals	10%	10%	7%	11%
Rail	3%	3%	2%	4%
Total UK	5%	5%	2%	4%
Air	15%	17%	1%	(2)%
Resorts	(18)%	(16)%	(9)%	(11)%
Total North America	8%	10%	(1)%	(4)%
Rest of the World (ROW) and Other*	2%	(2)%	3%	2%

Group	5%	5%	2%	1%
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*Includes Cultpens.com

UK

Total revenue for the 14 week period increased by 5% year on year, with LFL revenue up 2%. Air passenger numbers continue to be impacted by disruption to Middle East flight schedules and weaker consumer confidence has impacted spend per passenger, resulting in a lower level of growth during the period.

LFL revenue in Air was down 1%, while the Hospital channel grew by 7% and Rail increased by 2% with a slightly improved trend in the last 7 weeks, supported by softer comparatives in Hospitals last year.

The division's one-stop-shop openings across Belfast, East Midlands, Heathrow and Liverpool airports are delivering good year on year growth with positive landlord and customer feedback.

North America

Total revenue in North America for the 14 week period increased by 10% compared to the prior year on a constant currency basis. LFL revenue in the same period was down 1%. Over the last 7 weeks, LFL revenue declined by 4%.

In Air, in the last 7 weeks, LFL revenue decreased by 2%, reflecting reduced passenger numbers following recent air fare inflation and a reduction in airline capacity linked to the Middle East conflict, which drove lower store footfall and in addition softer consumer demand led to lower spend per passenger growth.

- Travel Essentials LFL revenue decreased by 1% over the last 7 weeks
- InMotion LFL revenue decreased by 5% over the last 7 weeks with a significant decline in store footfall over the period. The InMotion store portfolio review is ongoing.

As a result of a softening in consumer demand, further promotional activity has been and will be required, whilst brand marketing investment is reducing and inflation headwinds continue. Together, these have resulted in gross margin pressure.

In Resorts, LFL revenue decreased by 11% in the last 7 weeks, driven by the continued reduction in Las Vegas visitor numbers.

Further action has been taken in the Resorts segment to address underperformance, with 14 uneconomic fashion stores now either closed or with agreed closure dates. The remaining 12 fashion stores are likely to be exited in the balance of the year. The Group is also considering strategic options for its Welcome to Las Vegas business.

Rest of the World and Other

Total revenue for the 14 week period decreased by 2% on last year on a constant currency basis and increased by 3% on a LFL basis, reflecting the softening in passenger growth over recent weeks.

In the 14 week period, 5 uneconomic stores were closed in Norway. Further landlord discussions are advancing to either exit or transition stores to a franchise model.

Outlook and planning assumptions

Given the ongoing uncertainty from the Middle East conflict and pressures on gross margins, including the recent deterioration in the North America division, the Group expects to deliver FY26 Headline Group profit before tax and non-underlying items of £75m - £90m.

Management's expectations for the full financial year reflect the observed and anticipated decline in passenger numbers and weakening consumer demand across all divisions and a reduction in brand marketing, increased promotional activity and inflation headwinds across the Group. The Group assumes no near-term improvement in consumer confidence and that jet fuel supplies can be maintained. Consistent with prior years, the Group's trading profit is heavily weighted to the final quarter of the financial year.

North America planning assumptions for FY26 revenue growth of 4% - 6% and Headline trading profit margin of c.5%. All other divisional trading assumptions are unchanged.

As a result of the North America InMotion review, store exit programme and ROW restructuring, the Group anticipates a significant non-underlying non-cash impairment charge of up to £150m for the full year relating to goodwill and store impairments.

Strengthening of the Company's financial position through the proposed placing of ordinary shares

The Group continues to focus on cost and cash discipline and is today announcing its intention to conduct a non-pre-emptive placing of new ordinary shares in the Group (the "Capital Raise").

Full details of the Capital Raise are contained in a separate announcement released by the company.

Looking ahead, the strengthened balance sheet and clear focus on capital discipline is intended to position the Group to capitalise on attractive growth opportunities across its key markets and deliver improved, sustainable returns over the medium-term.

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Important notices

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