



Junior Trader – NXT.L (Next plc) Retail Case Study Pack

Company Overview

Next plc is a major UK fashion and homeware retailer, known for strong management, efficient stock control and a balanced mix of stores and online sales.

Business Model – How Next Makes Money

Next earns revenue from clothing and homeware sales, third-party brand sales online, credit accounts, international sales and partnerships.

Key Retail Metrics

Revenue, full-price sales, markdowns, like-for-like sales, online vs store mix and stock levels are the main figures to watch.

Why the Share Price Moves

Share price rises with strong trading updates, higher full-price sales and cost control. It falls with weak demand, high return rates, warm winters, inflation or guidance cuts.

Strengths and Weaknesses

Strengths include strong management, profitability and brand trust. Weaknesses include UK focus, seasonality and competition from fast fashion.

What News to Watch

Christmas trading updates, guidance changes, inflation, consumer confidence, online growth and weather impacts.

Portfolio Decision Check – NXT.L

- Do I understand how Next makes money?
- Are recent sales and trading updates positive or negative?
- Are full-price sales strong and markdowns controlled?
- Are consumers spending confidently right now?
- Is the season or weather helping or hurting sales?

- Has management upgraded, maintained or cut guidance?
- Is Next performing better than other retailers?
- Does this improve balance in my portfolio?

Decision: Buy / Hold / Sell

Reason (one sentence): _____