



## FULL YEAR RESULTS

---

FOR THE YEAR ENDED 31 AUGUST 2017

17 OCTOBER 2017

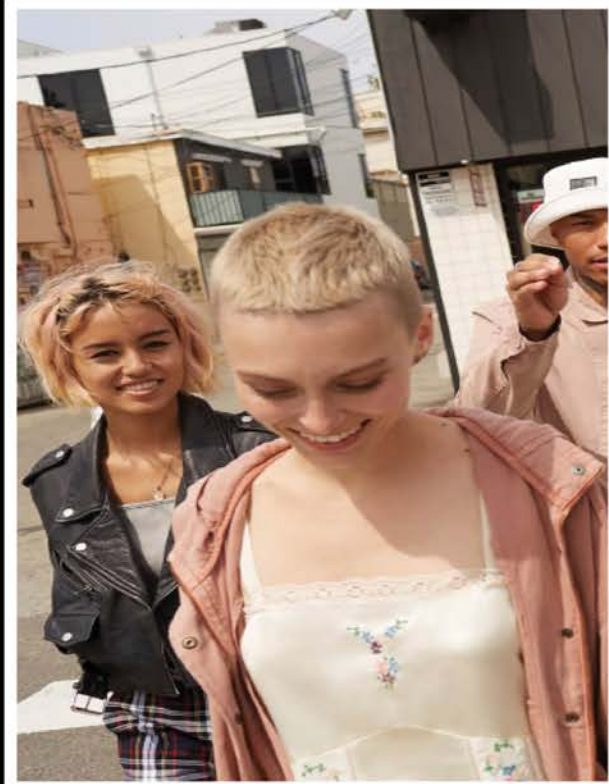
---

# INTRODUCTION

---

NICK BEIGHTON – CEO

asos



# FY 2017 HIGHLIGHTS

- Group sales +33%, PBT +26% to £80.0m
  - Total retail sales\* +34%: UK +16%, EU +45%, US +46%, RoW +52%
- All KPI metrics improving
- Major investment programmes progressing to plan
- Velocity is accelerating;
  - 1,300 tech releases
  - 200 delivery solutions improvements
- Strong momentum, confident in outlook



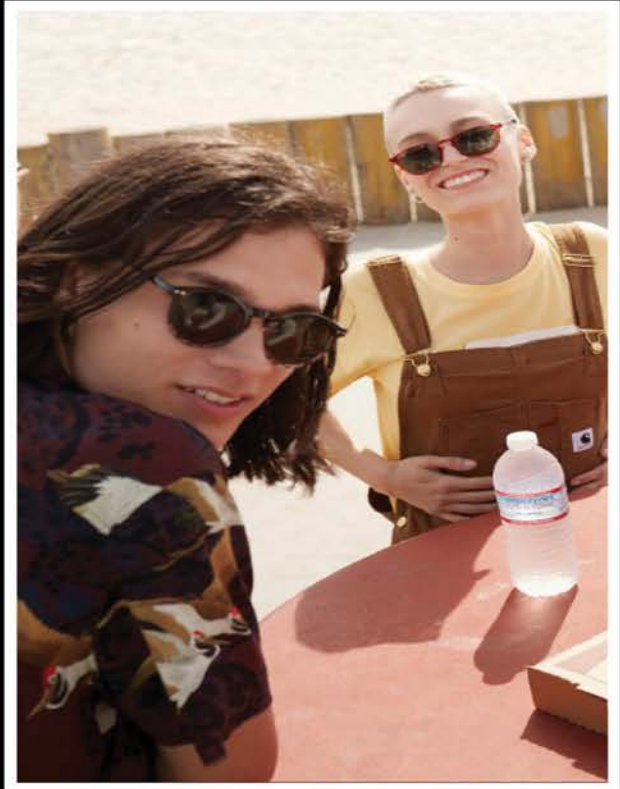
---

# FINANCIALS

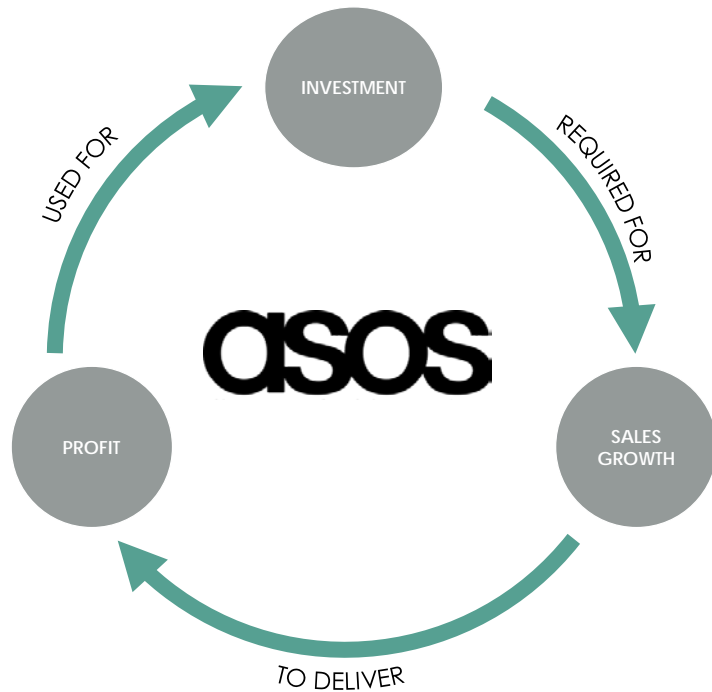
---

HELEN ASHTON – CFO

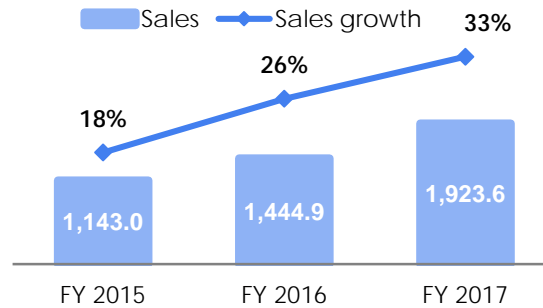
asos



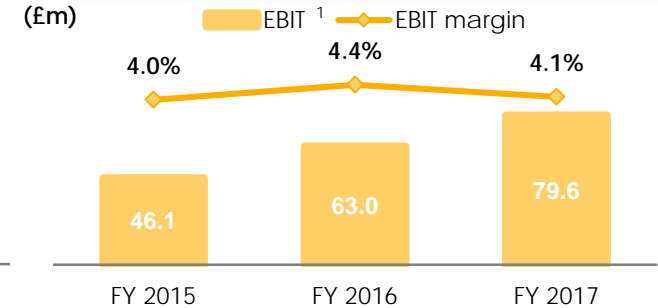
# INVESTMENT CONTINUES TO DRIVE STRONG SALES GROWTH



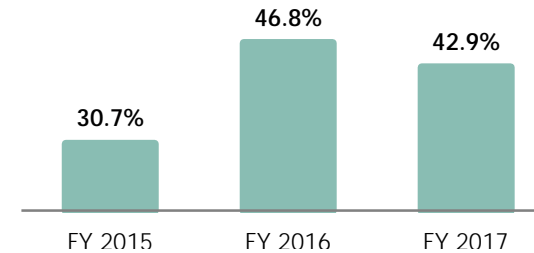
## IMPROVING TOTAL SALES TRAJECTORY



## STABLE PROFIT MARGINS



## ROIC<sup>2</sup>



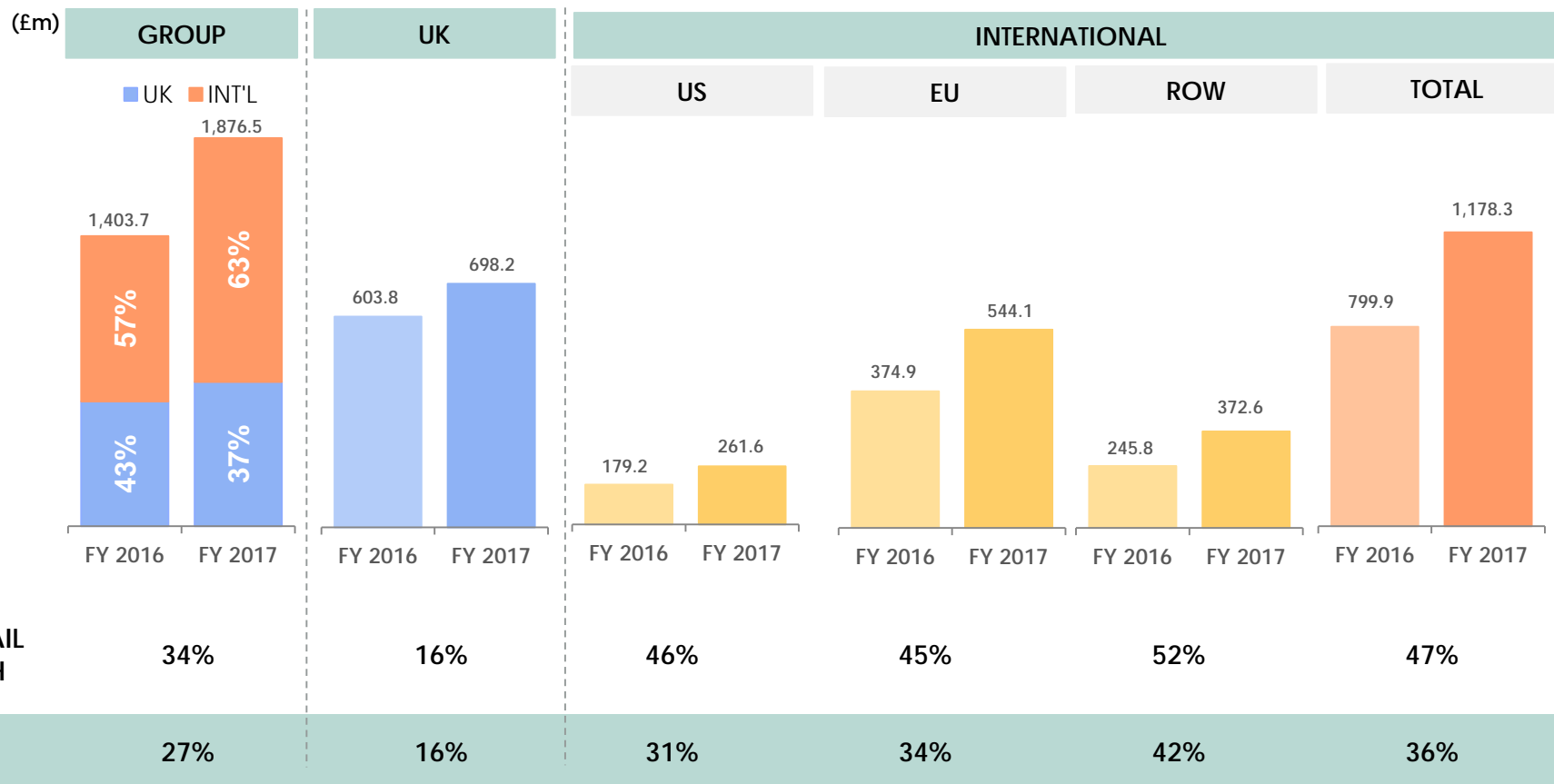
## PROVEN TRACK RECORD OF REINVESTING PROFIT TO GENERATE HIGH LEVELS OF SALES GROWTH

<sup>1</sup>EBIT = earnings before interest, tax and exceptional items and discontinued operations

<sup>2</sup>ROIC = profit before interest, exceptional items and discontinued operations but after tax, divided by average invested capital (net assets minus cash balance and hedging reserve)

Note: All 2015 and 2016 P&L figures have been restated to exclude exceptional items and discontinued operations in China. All numbers subject to rounding.

# STRONG SALES GROWTH DRIVEN BY INTERNATIONAL



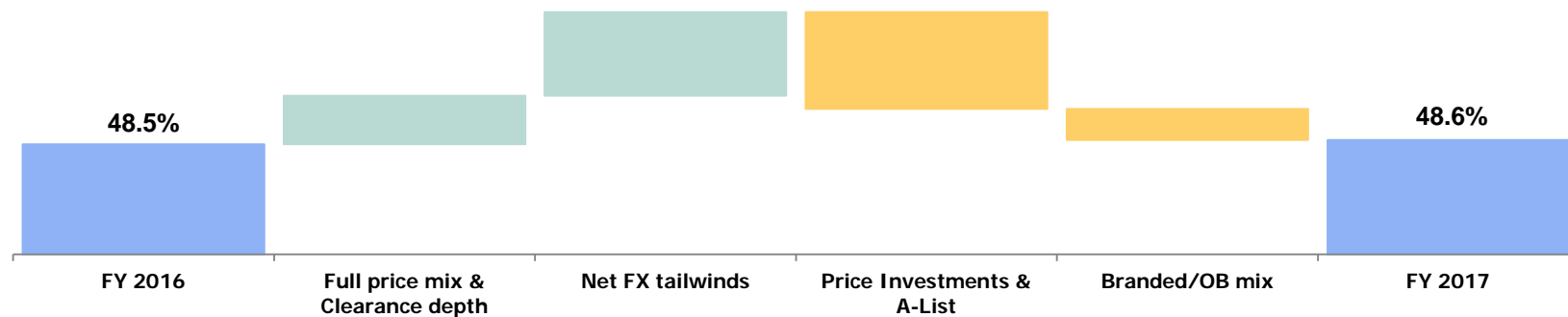
<sup>1</sup>Constant currency has been calculated to take into account hedged rate movements on hedged sales and spot rate movements on unhedged sales

Note: All 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax and exceptional items of £10.1m in the comparative period. All numbers subject to rounding.

## TRADING STANCE DELIVERS STRONG FULL PRICE MIX....

FY 2017	Group total	UK	US	EU	RoW	International total
Gross profit	£958.3m	£330.6m	£164.6m	£262.6m	£200.5m	£627.7m
Growth	33%	12%	47%	46%	47%	47%
Retail gross margin	48.6%	44.2%	60.4%	46.3%	51.8%	51.1%
Growth	10bps	(100bps)	110bps	30bps	(90bps)	10bps
Gross margin	49.8%	45.9%	61.4%	47.3%	52.7%	52.2%
Growth	(20bps)	(120bps)	80bps	30bps	(120bps)	-

### GROUP RETAIL GROSS MARGIN MOVEMENTS



...FUNDING REINVESTMENT ACROSS A-LIST AND INTERNATIONAL PRICE POINTS

# INVESTING TO UNLOCK FUTURE GROWTH

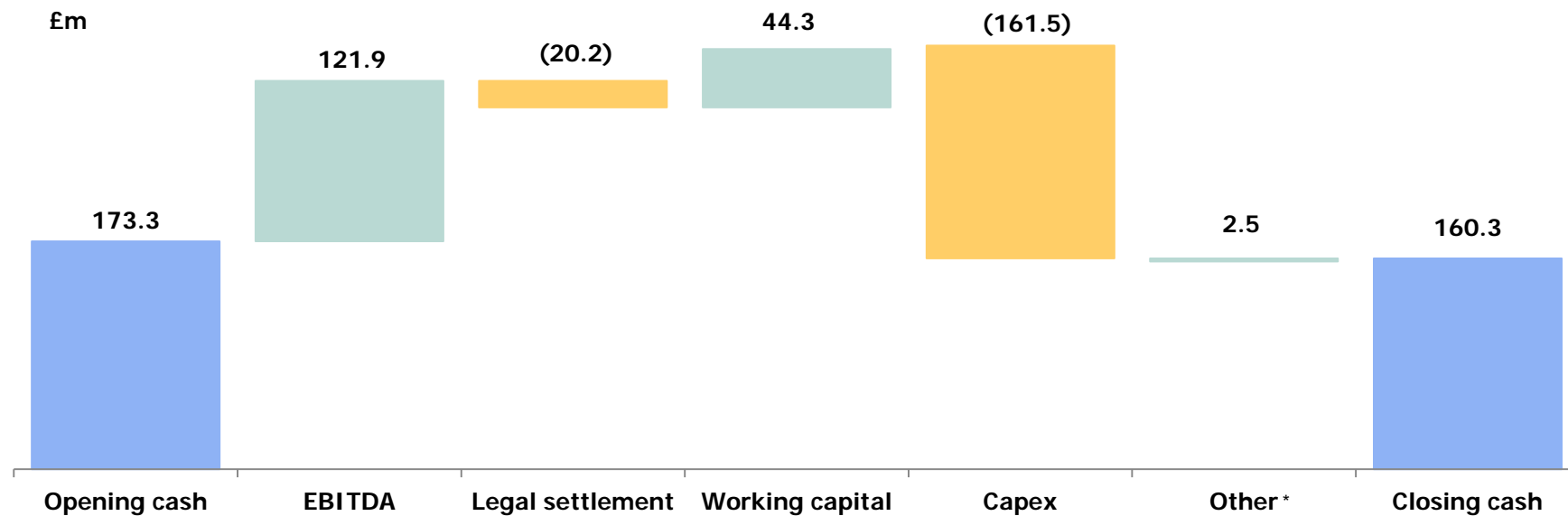
	FY 2017 % of SALES	FY 2016 % of SALES	CHANGE	FY 2018 OUTLOOK
DISTRIBUTION COSTS	(15.6%)	(14.9%)	(70bps)	↔
WAREHOUSE	(8.8%)	(7.9%)	(90bps)	↑
MARKETING	(4.5%)	(5.3%)	80bps	↔
OTHER COSTS	(16.8%)	(17.5%)	70bps	↓

Note: All 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax and exceptional items of £10.1m in the comparative period. All numbers subject to rounding.

## STATEMENT OF FINANCIAL POSITION

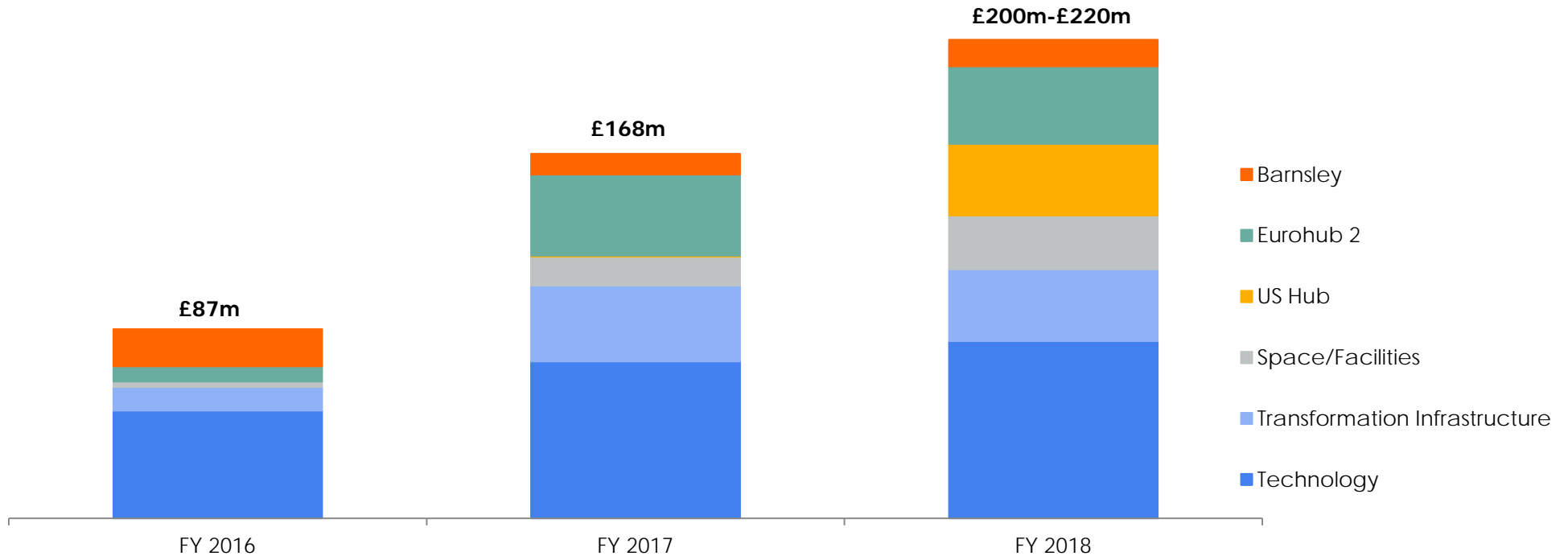
£m	At 31 August 2017	At 31 August 2016
Goodwill and other intangible assets	178.0	113.5
Property, plant and equipment	137.4	77.2
Derivative financial assets	1.3	-
Deferred tax asset	9.2	13.3
<b>Non-current assets</b>	<b>325.9</b>	<b>204.0</b>
Stock	323.3	257.7
Net current payables	(452.1)	(355.7)
Cash and cash equivalents	160.3	173.3
Derivative financial liabilities	(64.5)	(76.0)
Current tax liability	(5.8)	(2.9)
<b>Net assets</b>	<b>287.1</b>	<b>200.4</b>

## STRONG CASH POSITION



\* Other includes share-based payments, purchase of shares by Employee Benefit Trust, net interest received, tax paid and other non-cash items

## INVESTING TO SUPPORT LONG TERM GROWTH



2018 TO BE PEAK CAPEX AS % OF SALES

## FY 18 GUIDANCE

- **FY18 REPORTED SALES** GUIDANCE OF 25-30%
- **RETAIL MARGIN** GUIDANCE OF UP TO 100 BPS IMPROVEMENT
- **CAPEX** GUIDANCE AT £200-£220m
- **TAX RATE** GUIDANCE UNCHANGED AT c.100 BPS ABOVE STATUTORY RATE
- **ROIC** TO CONTINUE TO EXCEED OUR 25% TARGET

---

# BUSINESS REVIEW

---

NICK BEIGHTON – CEO

asos



# ASOS DEFENDABLE PILLARS...



Which makes our business and our brand differentiated, desirable and defendable

To give you the confidence to be whoever you want to be

Creating and curating the most relevant product for fashion loving 20 somethings



Living our  
**PURPOSE**

Our unique  
**PRODUCT**

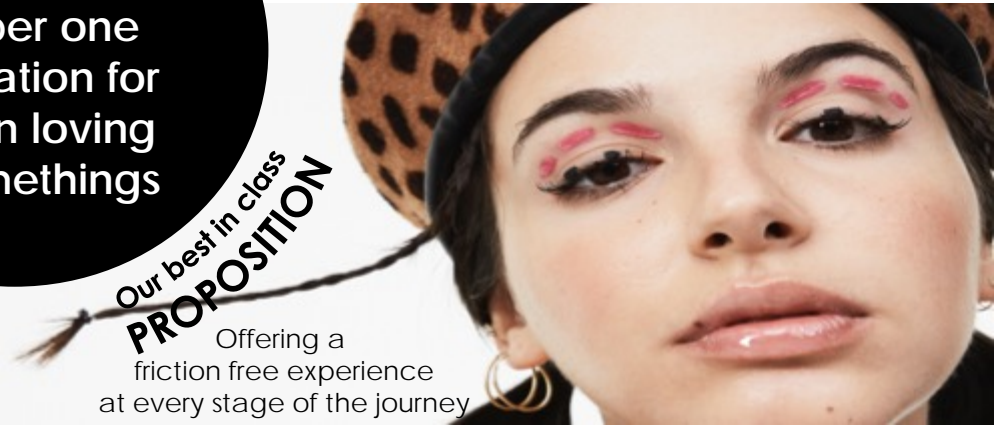
To become  
the world's  
number one  
destination for  
fashion loving  
20 somethings

Power of our  
**PEOPLE**

Our best in class  
**PROPOSITION**

Supporting our customers, our team and our partners to realise their potential

Offering a friction free experience at every stage of the journey



## OUR UNIQUE PRODUCT

- c. 85,000+ lines
  - c. 5,000 new styles added every week
- ASOS Brand
  - Expanding ranges
  - Face + Body
  - ASOS . 4505
- Venture Brands
  - Reclaimed Vintage, Noak, Heart & Dagger, Crooked Tongues
- 200 new brands added, 200 brands exited
- Talent @ ASOS



CREATING AND CURATING THE MOST RELEVANT PRODUCT FOR FASHION-LOVING 20-SOMETHINGS

## FACE + BODY @ ASOS

- Changing way category presented and shopped
- Incremental wallet opportunity
- Market Opportunity: projection £450bn p.a. globally by 2020



**inkysnapper** Love this!!! Be who you want to be labels are for the insecure individuals who don't know how to be free 🖤

**blameitonthedisney** The art direction and copy is DOPE!

**iamdartis** Love how artistic and diverse this ad is 🤔👏👏👏! Good job @asos\_man, well done



**A\_s** 1 day ago

I always wonder who produces these videos because they are amazing :))?

**natalie\_binns** Very inclusive, I like it 🍌

**ritavilardamota** I'm just sad that this video is so short

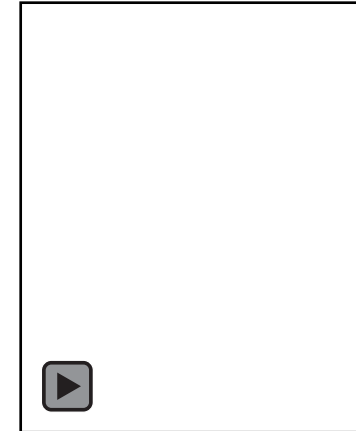
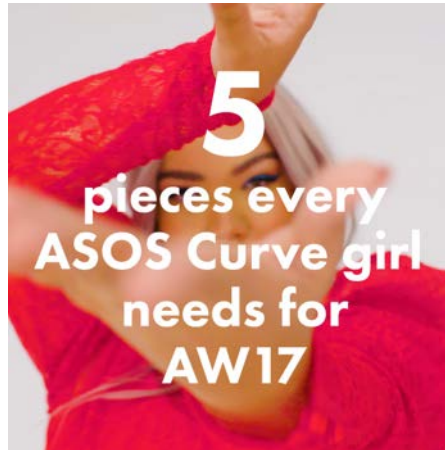
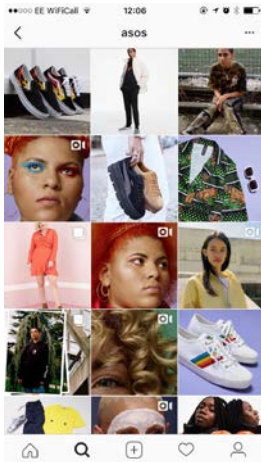
**lilithlenihan** This campaign genuinely touched me, wow.

**ranamedawar** I LOVE THIS

**snehal\_vade** This is just so perfect.. lyrics video each thing ❤️

WELCOME TO A MORE PLAYFUL REALITY

# BRAND EXPERIENCE & ENGAGEMENT THROUGH CONTENT



VISITS  
+24%

ORDERS  
+30%

AVERAGE BASKET  
VALUE  
+2%

AVERAGE ORDER  
FREQUENCY  
+5%

ACTIVE  
CUSTOMERS  
+24%

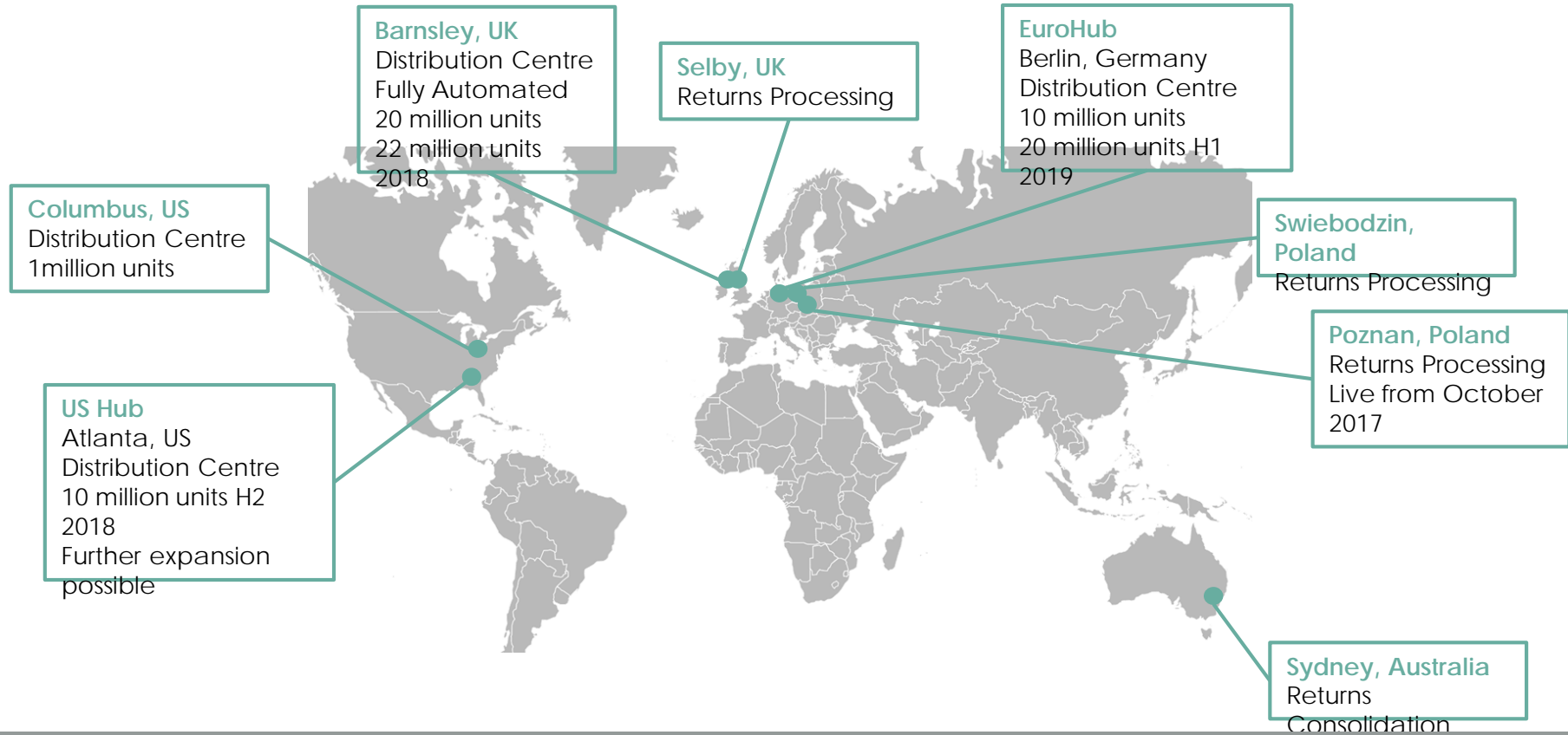
# RELENTLESS INNOVATION IN DELIVERY SOLUTIONS

>200 *delivery solutions improvements over the last 12 months*

Speed	Convenience
■ Launched ASOS Instant into London	■ UK Click & Collect locations increased to 9,000 and extended order cut off time to 7pm
■ Reduced standard delivery in Italy and Spain to 4 days	■ Launched Click & Collect into US and Italy, adding 11,000 locations
■ Introduced Saturday ordering cut off for Monday delivery in key European markets	■ Track & Trace live in customers accounts section
■ Saturday launched as standard delivery promise in UK	■ DPD 'Predict' extended to Germany providing inflight notifications, delivery windows and options

MUCH MORE TO COME...

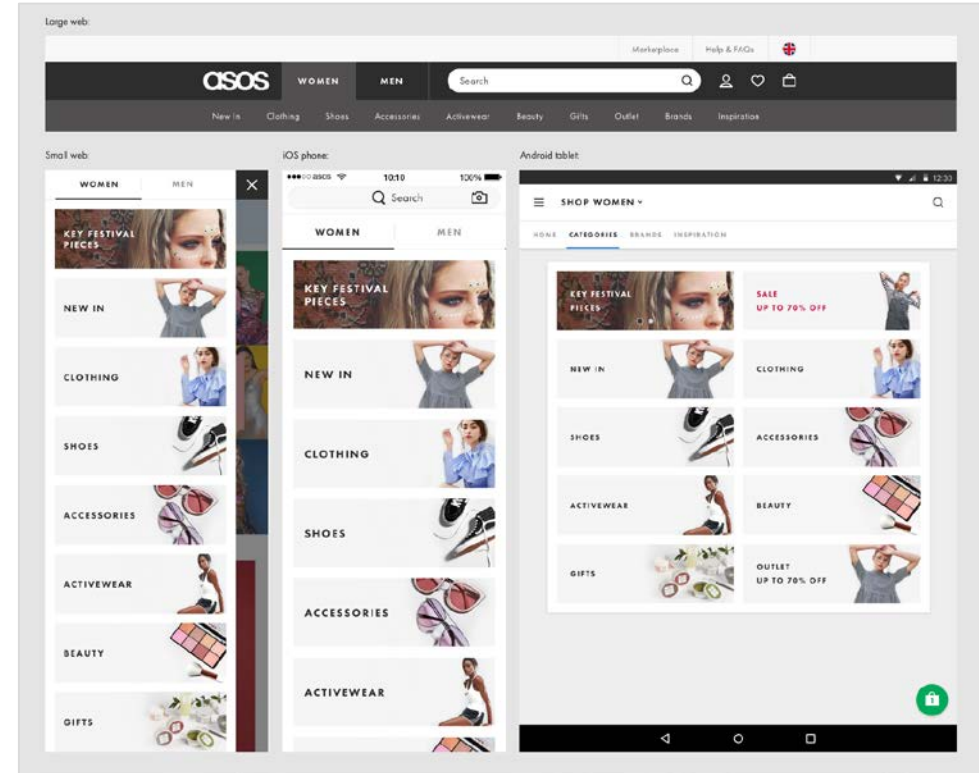
## BUILDING GLOBAL CAPACITY FOR > 50 MILLION UNITS



CAPACITY FOR c.£4 BILLION OF NET SALES

# ASOS TECH IS POWERING GROWTH

- New platform rolled out
  - Fast & Flexible – 1,300 individual releases
  - 33 orders per second during peak
- Major programme update
  - Truly Global Retail (TGR)
  - Global fulfilment programme
- Further customer improvements
  - Style Match & Fit Assistant
  - Personalisation
  - Refreshed site navigation
- Innovative & Creative to our core
  - AI Bot
  - AR (Beauty app beta, 3D models)
- New Languages/Sites/Payment Methods



BUILDING THE FLEXIBILITY AND AGILITY TO STAY AHEAD OF THE CURVE

## ASOSER'S: POWER OF OUR PEOPLE

- Protecting our unique culture
- Being true to our values
- Attracting talent and investing in our people
- Apprenticeships and Intern programmes
- The Academy



SUPPORTING OUR CUSTOMERS, OUR TEAM AND OUR PARTNERS TO REALISE THEIR POTENTIAL

# FASHION WITH INTEGRITY

- Significant progress at Barnsley
- Global Framework signed with IndustriAll
- Signatory to UN Women's Empowerment Principles
- Greater transparency in our supply chains
- Progress on sustainable cotton usage and greater transparency in carbon emissions
- ASOS Modern Slavery Statement
- Circular economy commitment
- Celebrating diversity

## OUR PRODUCTS



Start closing the loop

## OUR BUSINESS



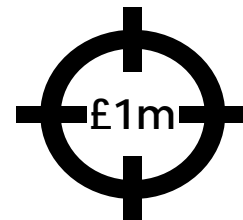
Use less new plastic

## OUR CUSTOMER



Celebrate Diversity

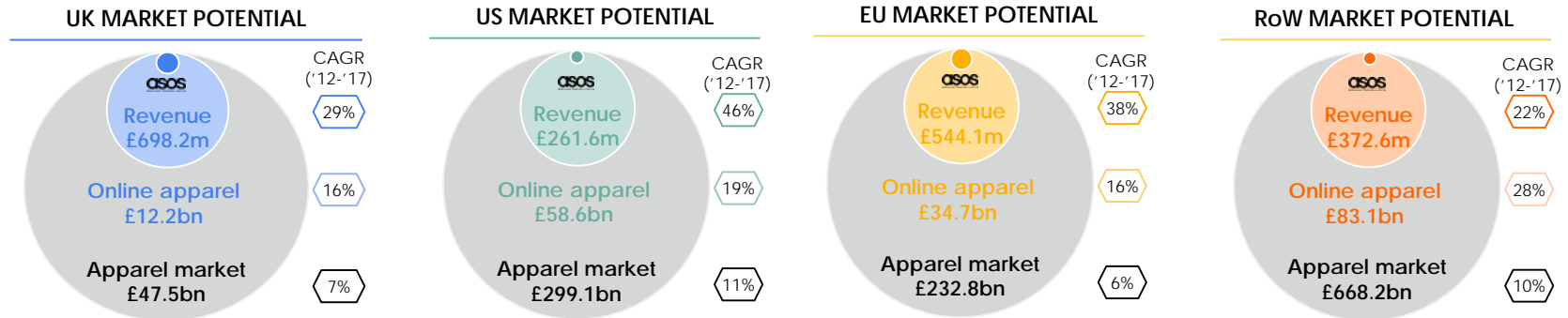
## OUR COMMUNITY



Transform more lives

SETTING THE STANDARD FOR TRADING IN AN ETHICAL AND SUSTAINABLE WAY

# MARKET OPPORTUNITIES



Active customers	5.2m (+11%)	2.1m (+24%)	5.7m (+33%)	2.4m (+41%)
% Visits on mobile	76.8% (+240bps)	63.8% (+270bps)	69.2% (+770bps)	66.9% (+670bps)
Orders growth	+18%	+37%	+41%	+42%
Order frequency	+7%	+7%	+7%	+1%
Conversion	+10bps	+20bps	+20bps	+10bps
Premier growth	+35%	+133%	+193%	n/a
Market share	5.7%	0.4%	1.6%	0.4%

Source: Conlumino – total apparel and online apparel from all channels (clothing and footwear);

# SUMMARY

- Strong momentum continuing
- Focusing on what defines and differentiates ASOS
  - Customer experience
  - Technology
  - Logistics execution
  - Unleashing internal talent
  - Fashion with Integrity
- Medium term guidance
- Looking to the future with confidence



---

# Q&A

---

Please wait for the microphone and then state your name and institution

asos



---

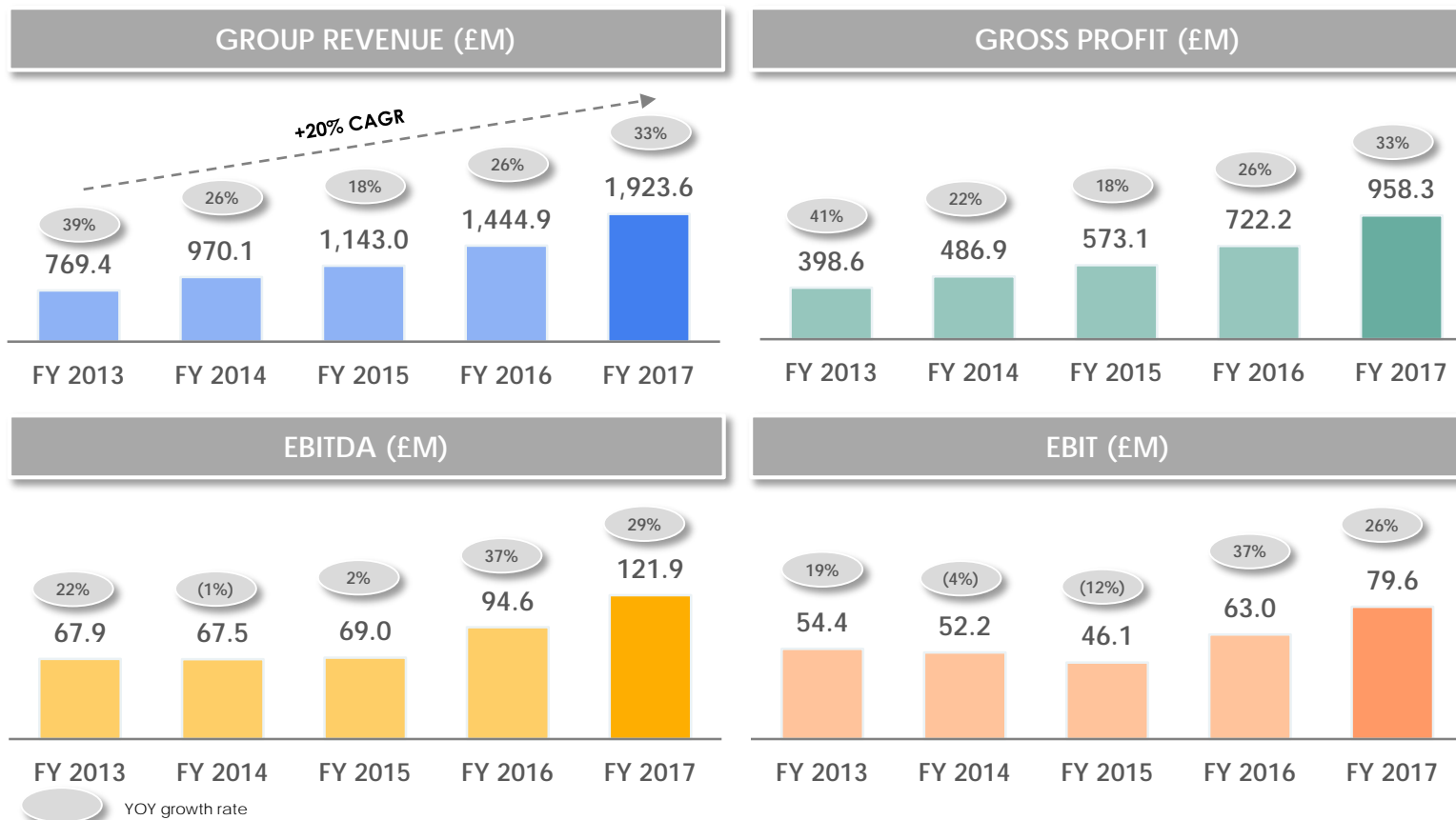
# APPENDIX

---

ASOS



## FIVE YEAR SUMMARY – 5 YEARS TO 31 AUGUST 2017



Note: All comparative numbers exclude results from discontinued operations in China and exceptional items. All numbers subject to rounding.

## FIVE YEAR KPI SUMMARY – 5 YEARS TO 31 AUGUST 2017

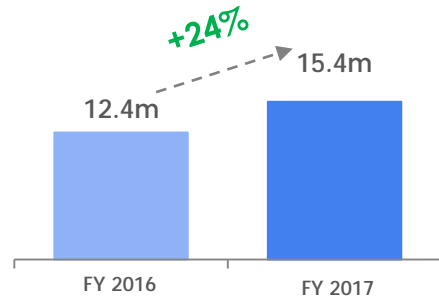
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Active customers	7.1m (+42%)	8.8m (+25%)	9.9m (+13%)	12.4m (+25%)	15.4m (+24%)
Visits growth	+46%	+20%	+19%	+22%	+24%
% Visits on mobile	14.8%	46.9% (+3210bps)	57.9% (+1100bps)	65.5% (+760bps)	70.3% (+480bps)
Orders growth	+43%	+31%	+16%	+30%	+30%
Order frequency	+1%	+4%	+3%	+4%	+5%
Conversion	+10bps	+20bps	-	+10bps	+20bps
NPS <sup>1</sup>	N/A	N/A	64	63	66

<sup>1</sup>Net Promoter Score as at 31 August - current measure only applied from FY 2015

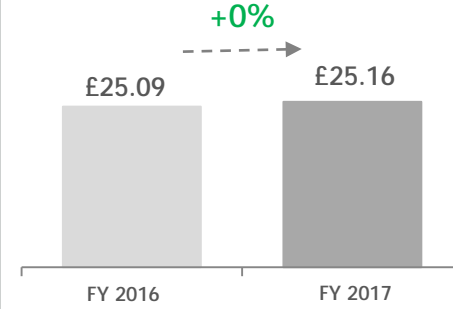
Note: All numbers subject to rounding

# OPERATIONAL KPIs

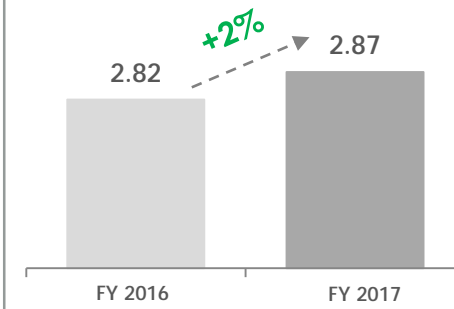
## ACTIVE CUSTOMERS



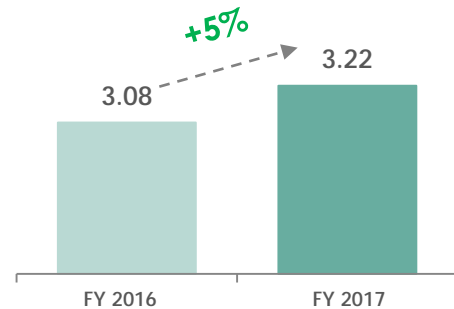
## AVERAGE SELLING PRICE



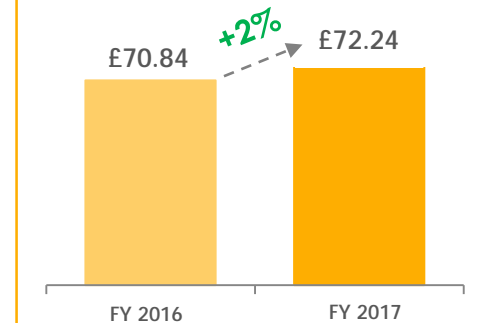
## AVERAGE UNITS PER BASKET



## ANNUAL ORDER FREQUENCY



## AVERAGE BASKET VALUE



# STATEMENT OF COMPREHENSIVE INCOME

	FY 2017	FY 2016	Change %
£m			
<b>Revenue</b>	<b>1,923.6</b>	<b>1,444.9</b>	<b>33%</b>
Cost of sales	(965.3)	(722.7)	
<b>Gross profit</b>	<b>958.3</b>	<b>722.2</b>	<b>33%</b>
Distribution expenses	(299.2)	(216.0)	(39%)
Administrative expenses <sup>1</sup>	(579.5)	(464.1)	(25%)
<b>Operating profit</b>	<b>79.6</b>	<b>42.1</b>	<b>89%</b>
Net finance income	0.4	0.7	
<b>Profit before tax from continuing operations</b>	<b>80.0</b>	<b>42.8</b>	<b>87%</b>
Income tax expense	(15.9)	(8.1)	
<b>Profit after tax from continuing operations</b>	<b>64.1</b>	<b>34.7</b>	
<i>Effective tax rate</i>	<i>19.9%</i>	<i>18.9%</i>	
<b>Loss before tax from discontinued operations</b>	<b>-</b>	<b>(10.1)</b>	
Income tax expense	-	(0.2)	
<b>Profit after tax from discontinuing operations</b>	<b>-</b>	<b>(10.3)</b>	
<b>Group profit before tax</b>	<b>80.0</b>	<b>32.7</b>	
<b>Group profit after tax</b>	<b>64.1</b>	<b>24.4</b>	
<i>Effective tax rate</i>	<i>19.9%</i>	<i>25.2%</i>	

<sup>1</sup>Administrative expenses include non-cash share based payment charges of £7.6m (2016: £4.5m)

Note FY16 is after exceptional items of £20.9m (including legal fees) relating to the legal settlement

## FY 2017 SALES GROWTH BY SEGMENT

FY 2017 (£m)	Group total	UK	US	EU	RoW	International total
Retail sales	1,876.5	698.2	261.6	544.1	372.6	1,178.3
Growth (%)	34%	16%	46%	45%	52%	47%
Growth at constant exchange rate <sup>1</sup> (%)	27%	16%	31%	34%	42%	36%
Delivery receipts	40.8	16.1	6.3	10.8	7.6	24.7
Growth (%)	18%	5%	15%	48%	19%	29%
Third party revenues	6.3	6.0	0.2	0.1	-	0.3
Growth (%)	(6%)	(6%)	100%	-	(100%)	-
<b>Total revenues</b>	<b>1,923.6</b>	<b>720.3</b>	<b>268.1</b>	<b>555.0</b>	<b>380.2</b>	<b>1,203.3</b>
<b>Growth (%)</b>	<b>33%</b>	<b>15%</b>	<b>45%</b>	<b>45%</b>	<b>51%</b>	<b>47%</b>

<sup>1</sup>Constant currency is calculated to take account of hedged rate movements on hedged sales and spot rate movements on unhedged sales

Note: All 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax and exceptional items of £10.1m in the comparative period. All numbers subject to rounding.

**ASOS**

## FY17 SEGMENTAL SALES – REPORTED GROWTH

£m	Four months to 31 December 2016	Growth	Two months to 28 February 2017	Growth	Four months to 30 June 2017	Growth	Two months to 31 August 2017	Growth
UK retail sales	244.0	18%	96.8	16%	234.6	16%	122.8	10%
<i>US retail sales</i>	82.7	66%	41.6	54%	94.4	38%	42.9	26%
<i>EU retail sales</i>	165.8	49%	83.1	46%	196.6	41%	98.6	46%
<i>ROW retail sales</i>	113.2	46%	62.0	88%	134.5	54%	62.9	31%
International retail sales	361.7	52%	186.7	60%	425.5	44%	204.4	37%
<b>Total retail sales</b>	<b>605.7</b>	<b>36%</b>	<b>283.5</b>	<b>42%</b>	<b>660.1</b>	<b>32%</b>	<b>327.2</b>	<b>25%</b>
<b>Total group revenues</b>	<b>621.3</b>	<b>36%</b>	<b>290.2</b>	<b>41%</b>	<b>675.8</b>	<b>32%</b>	<b>336.3</b>	<b>25%</b>

## FY17 SEGMENTAL SALES – CCY<sup>1</sup> GROWTH

£m	Four months to 31 December 2016	Growth	Two months to 28 February 2017	Growth	Four months to 30 June 2017	Growth	Two months to 31 August 2017	Growth
UK retail sales	244.0	18%	96.8	16%	234.6	16%	122.8	10%
<i>US retail sales</i>	82.7	42%	41.6	34%	94.4	26%	42.9	21%
<i>EU retail sales</i>	165.8	38%	83.1	36%	196.6	30%	98.6	36%
<i>ROW retail sales</i>	113.2	44%	62.0	70%	134.5	41%	62.9	23%
International retail sales	361.7	41%	186.7	45%	425.5	32%	204.4	28%
<b>Total retail sales</b>	<b>605.7</b>	<b>30%</b>	<b>283.5</b>	<b>33%</b>	<b>660.1</b>	<b>26%</b>	<b>327.2</b>	<b>21%</b>
<b>Total group revenues</b>	<b>621.3</b>	<b>30%</b>	<b>290.2</b>	<b>32%</b>	<b>675.8</b>	<b>26%</b>	<b>336.3</b>	<b>20%</b>

<sup>1</sup>Constant currency is calculated to take account of hedged rate movements on hedged sales and spot rate movements on unhedged sales

# TOTAL OPERATING COSTS

£m	FY 2017	% of sales	FY 2016	% of sales	Change %	Change in % of sales
Distribution costs	299.2	15.6%	216.0	14.9%	39%	(70bps)
Payroll and staff costs <sup>1</sup>	162.8	8.5%	132.6	9.2%	23%	70bps
Warehousing	168.5	8.8%	114.3	7.9%	47%	(90bps)
Marketing	86.8	4.5%	76.6	5.3%	13%	80bps
Production	6.8	0.3%	6.3	0.4%	8%	10bps
Technology	35.1	1.8%	24.5	1.7%	43%	(10bps)
Other operating costs	77.2	4.0%	57.3	4.0%	35%	-
Depreciation	42.3	2.2%	31.6	2.2%	34%	-
<b>Total Operating costs</b>	<b>878.7</b>	<b>45.7%</b>	<b>659.2</b>	<b>45.6%</b>	<b>33%</b>	<b>(10bps)</b>

<sup>1</sup>Inclusive of £7.6m non-cash share based payment charges (2016: £4.5m)

Note: All 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax and exceptional items of £10.1m in the comparative period. All numbers subject to rounding.



# GLOBAL ORDER CONTRIBUTION ANALYSIS

FY 2017	Group total	UK	US	EU	RoW	International Total
Gross profit excluding third party revenues (£m)	952.0	324.6	164.4	262.5	200.5	627.4
Distribution costs (£m)	(299.2)	(81.9)	(69.2)	(89.8)	(58.3)	(217.3)
Total contribution (£m)	652.8	242.7	95.2	172.7	142.2	410.1
Number of orders (m)	49.6	22.3	5.2	15.7	6.4	27.3
Contribution per order (£)	13.2	10.9	18.3	11.0	22.2	15.0
FY 2016 contribution per order (£)	13.0	11.4	17.1	11.3	20.8	14.6
Variance	2%	(4%)	7%	(3%)	7%	3%

Note: All 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax and exceptional items of £10.1m in the comparative period. All numbers subject to rounding.

# CONSOLIDATED STATEMENT OF CASHFLOWS

£m	FY 2017	FY 2016
Operating profit from continuing operations	79.6	42.1
Loss before tax from discontinued operations	-	(10.1)
<b>Operating profit</b>	<b>79.6</b>	<b>32.0</b>
Depreciation and amortisation	42.3	31.7
Loss on disposal of non-current assets	0.5	5.1
Working capital	24.1	69.1
Share-based payments charge	7.6	4.5
Other non-cash items	(0.6)	(1.7)
Tax paid	(7.6)	(10.0)
<b>Cash inflow from operating activities</b>	<b>145.9</b>	<b>130.7</b>
Capital expenditure	(161.5)	(79.2)
Net cash inflow relating to EBT <sup>1</sup>	1.8	0.7
Net finance income received	0.5	0.7
<b>Total cash (outflow)/inflow</b>	<b>(13.3)</b>	<b>52.9</b>
Opening cash and cash equivalents	173.3	119.2
Effect of exchange rates on cash and cash equivalents	0.3	1.2
<b>Closing cash and cash equivalents</b>	<b>160.3</b>	<b>173.3</b>

<sup>1</sup>Employee Benefit Trust and Capita Trust

## KEY TERMS AND DEFINITIONS

<b>Retail sales</b>	Sales of goods through our internet sites, net of returns
<b>Group revenues</b>	Retail sales, delivery receipts and third party revenues
<b>Net funds</b>	Cash and cash equivalents less bank borrowings
<b>Average basket value</b>	Total order value including VAT and excluding returns, divided by total orders
<b>Average units per basket</b>	Total orders divided by total units sold, excluding returns
<b>Average selling price per unit</b>	Total order value including VAT and excluding returns, divided by total units sold
<b>Active customers</b>	Customers who have shopped with ASOS during the last 12 months, as at 31 August
<b>Labour cost per unit (LCPU)</b>	Barnsley warehouse labour costs divided by units processed; excludes non-labour warehouse costs
<b>Return on invested capital</b>	Profit before interest, exceptional items and discontinued operations but after tax, divided by average invested capital (net assets minus cash balance and hedging reserve)

# FINANCIAL CALENDAR AND CONFERENCE PARTICIPATION

Date	Event
17 October	Full Year Results
17 October onwards	Full Year Results UK and US Roadshow
7 November	Societe Generale, The European ESG/SRI Conference, Paris
10 November	Deutsche Bank, Retail Round Table, London
13-14 November	JP Morgan, Global TMT Conference, Hong Kong
15-17 November	Morgan Stanley, European Technology, Media & Telecom Conference, Barcelona
28-29 November	Berenberg, West Coast Consumer Conference, San Francisco
<b>30 November</b>	<b>Annual General Meeting 2017</b>
7 December	Berenberg, European Consumer Conference, Surrey
11 December	Barclays, European Retail Forum, London
<b>11 January*</b>	<b>P1 Trading Update</b>

# FORWARD LOOKING STATEMENTS AND DISCLAIMER

## **Forward looking statements:**

This announcement may include statements that are, or may be deemed to be, "forward-looking statements" (including words such as "believe", "expect", "estimate", "intend", "anticipate" and words of similar meaning). By their nature, forward-looking statements involve risk and uncertainty since they relate to future events and circumstances, and actual results may, and often do, differ materially from any forward-looking statements. Any forward-looking statements in this announcement reflect management's view with respect to future events as at the date of this announcement. Save as required by applicable law, the Company undertakes no obligation to publicly revise any forward-looking statements in this announcement, whether following any change in its expectations or to reflect events or circumstances after the date of this announcement.

## **Disclaimer:**

This presentation and information communicated verbally to you may contain certain projections and other forward-looking statements with respect to the financial condition, results of operations, businesses and prospects of ASOS plc ("ASOS"). These statements are based on current expectations and involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Any of the assumptions underlying these forward-looking statements could prove inaccurate or incorrect and therefore any results contemplated in the forward-looking statements may not actually be achieved. Nothing contained in this presentation or communicated verbally should be construed as a profit forecast or profit estimate. Investors or other recipients are cautioned not to place undue reliance on any forward-looking statements contained herein. ASOS undertakes no obligation to update or revise (publicly or otherwise) any forward-looking statement, whether as a result of new information, future events or other circumstances. Neither this presentation nor any verbal communication shall constitute an invitation or inducement to any person to subscribe for or otherwise acquire securities in ASOS.