Agenda

FY23 Results

FY23 Financial Results

FY24 and Medium-Term Outlook

Our Right to Win
In FY23 we launched the Driving Change agenda to restore profitability

- We delivered on all four Driving Change agenda pillars:
  1. **Renewed commercial model** → tackled oldest stock, reduced intake, speed to market
  2. **Stronger order economics and a lighter cost profile** → £300m profit/cost savings, PPO1 +30%
  3. **Robust and flexible balance sheet** → May 2023 refinancing / equity raise; H2 cash generation
  4. **Refreshed leadership and culture** → internal talent complemented with external hires

- Reflected in our performance with a much-improved H2:

  Resetting model in the face of substantial H1 headwinds → Self-help measures resulting in H2 profit and cash generation

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1 Profit per order calculated as variable contribution divided by billed orders
FY23 reflects improvement in H2 improvement as self-help measures took effect

**Adjusted Total Sales ( £’m)**

FY22: 3,937  
FY23: 3,538  

-11% decrease

**Adjusted Gross Margin (%)**

FY22: 43.6%  
FY23: 44.2%  

+60bps increase

**Adjusted EBIT Margin (%)**

FY22: 1.1%  
FY23: -0.8%  

-190bps decrease

**Adjusted PBT ( £’m)**

FY22: 22.0  
FY23: -70.3  

-£92.3m decrease

**CAPEX (£’m)**

FY22: 182.9  
FY23: 177.9  

-3% decrease

**Net Debt (£’m)**

FY22: -£166.6m  
FY23: -£152.9  

-£13.7m decrease

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1. Total adjusted sales, on a CCY basis, excluding Russia from H1 FY22, and removing the impact of the 3 extra trading days in FY23.
2. Excluding adjusting items. Please see RNS for full breakdown.
3. CAPEX reflects cash capital and excludes any fixed asset additions in relation to the right use of assets as part of IFRS 16.
4. Net cash (debt) is cash and cash equivalents less the carrying amount of arg/borrowings at year-end, but excluding outstanding lease liabilities.
KPIs reflect changes to address unprofitable geographies, brands and customers driving order profitability +30%  

<table>
<thead>
<tr>
<th>Group KPIs</th>
<th>FY23¹</th>
<th>Change vs LY</th>
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</thead>
<tbody>
<tr>
<td>Visits</td>
<td>2,661m</td>
<td>-8% ↓</td>
</tr>
<tr>
<td>ABV CCY²</td>
<td>£39.65</td>
<td>+5% ↑</td>
</tr>
<tr>
<td>Average Order Frequency³</td>
<td>3.6</td>
<td>-6% ↓</td>
</tr>
<tr>
<td>Active Customers⁴</td>
<td>23.3m</td>
<td>-9% ↓</td>
</tr>
<tr>
<td>Premier Customers</td>
<td></td>
<td>-11% ↓</td>
</tr>
<tr>
<td>Conversion⁵</td>
<td>3.1%</td>
<td>-30bps ↓</td>
</tr>
</tbody>
</table>

1. Group KPIs are on an ex-Russia basis in FY22.  
2. Average Basket Value defined as adjusted net retail sales divided by shipped orders, quoted on a constant currency basis excluding Russia.  
3. Calculated as last 12 months’ total shipped orders divided by active customers.  
4. Active customers defined as having shipped in the last 12 months.  
5. Calculated as total shipped orders divided by total visits.  
6. Kantar Top 20 Retailers | Total Channels vs Online | TotalAdultwear | Under 35s | 124 w/e 20th August 2023 vs 2022.  
7. Profit per order is calculated as variable contribution divided by billed orders.

Profit per Order⁷  

| FY22 | FY23 | +30% |

ABV +5% due to pricing and mix into higher ASP categories  
Order frequency -6% - fewer, larger baskets are more profitable  
Active customers -9% due in part to profit actions  
Maintained position as leading pureplay online retailer in the UK 16-35 apparel market⁶
Focus on profitability visible in all segments, with variation in performance due to market conditions and our own actions

**Performance impacted by inflation, weak sentiment, and challenging weather conditions**

**More resilient performance with strong ABV offsetting declining volumes**

**Discipline on marketing reflected in softer traffic partially offset by higher ABV**

**Profit improvement measures including on pricing most significant in RoW with largest impact on customers and sales**

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>EU</th>
<th>US</th>
<th>RoW¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales CCY²</td>
<td>-13%</td>
<td>-4%</td>
<td>-14%</td>
<td>-16%</td>
</tr>
<tr>
<td>Visits</td>
<td>-10%</td>
<td>-6%</td>
<td>-5%</td>
<td>-15%</td>
</tr>
<tr>
<td>Conversion³</td>
<td>-40bps</td>
<td>-10bps</td>
<td>-40bps</td>
<td>-20bps</td>
</tr>
<tr>
<td>CCY ABV⁴</td>
<td>+5%</td>
<td>+7%</td>
<td>+4%</td>
<td>+10%</td>
</tr>
<tr>
<td>Average Order Frequency⁵</td>
<td>5.4 (-9%)</td>
<td>2.9 (-3%)</td>
<td>2.3 (-6%)</td>
<td>2.1 (-8%)</td>
</tr>
<tr>
<td>Active Customers⁶</td>
<td>8.1m (-9%)</td>
<td>10.1m (-7%)</td>
<td>2.9m (-12%)</td>
<td>2.2m (-17%)</td>
</tr>
<tr>
<td>Profit Per Order⁷</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔ ✔ ✔</td>
</tr>
</tbody>
</table>

¹Calculation of metrics, or movements in metrics, on an ex-Russia basis involves the removal of Russia from FY22 performance. This adjustment allows YoY comparisons to be made on a like-for-like basis following the decision to suspend trade in Russia on 2 March 2022. The exception to this is visits, where ASOS have also excluded any visits from Russia in FY23, in addition to FY22.
²Segmental sales based on total sales, which includes retail sales and income from other services, and growth rates calculated on a constant currency basis, excluding Russia, and not LFL.
³Calculated as total shipped orders divided by total visits.
⁴AVB CCY metrics is calculated as adjusted net retail sales/number of orders in the period on a CCY basis.
⁵Calculated as last 12 months’ total shipped orders divided by active customers.
⁶Active customers defined as having shopped in the last 12 months.
⁷Profit per order is calculated as variable contribution divided by billed orders.
Improvement in adjusted gross margin driven by freight and pricing partially offset by increased markdown to clear stock

FY23 Adjusted Gross Margin Bridge

43.6% → +60bps → 44.2%

FY22 Adj Gross Margin  Freight and Duty  Trade  Other  FY23 Adj Gross Margin

Adjusted Gross Margin Impacts

- Freight and duty benefit from better contracted rates
- Elevated discounting to prioritise stock reduction
- Improving own brand intake margin from improvements to sourcing
Cost saving initiatives introduced in H1 drove substantial improvements across multiple cost lines in H2

<table>
<thead>
<tr>
<th>Cost Line</th>
<th>FY23 % of sales</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Gross Margin¹</td>
<td>44.2%</td>
<td>+60bps</td>
</tr>
<tr>
<td>Distribution Costs</td>
<td>(12.1%)</td>
<td>+120bps</td>
</tr>
<tr>
<td>Warehouse</td>
<td>(11.8%)</td>
<td>(100bps)</td>
</tr>
<tr>
<td>Marketing</td>
<td>(5.5%)</td>
<td>+20bps</td>
</tr>
<tr>
<td>Other Costs</td>
<td>(11.3%)</td>
<td>(160bps)</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>(4.3%)</td>
<td>(70bps)</td>
</tr>
<tr>
<td>Other Income</td>
<td>0.1%</td>
<td>(40bps)</td>
</tr>
<tr>
<td>Adjusted EBIT Margin¹</td>
<td>(0.8%)</td>
<td>(190bps)</td>
</tr>
</tbody>
</table>

Excluding adjusting items. Please see RNS for full breakdown. Note: Above table subject to rounding.

### Cost Line Comparison

- **Distribution Costs %**
  - H1: 12.5%
  - H2: 11.8%

- **Warehouse Costs %**
  - H1: 12.4%
  - H2: 11.1%

- **Other Costs £m**
  - H1: 218
  - H2: 182
Driving Change agenda delivered >£300m of gross profit and cost benefits to mitigate inflation and increased returns

FY23 Adjusted EBIT Bridge (£’m)

Headwinds vs. Tailwinds

Headwinds – H1 weighted
- Inflation, returns, annualisation and stock
- Deleverage impact of declining sales

Tailwinds – H2 weighted
- >£300m of profit / cost initiatives
- Freight benefits under long-term contract

\[\text{Excluding adjusting items totalling £} 9.5\text{m in FY23 (FY22: £53.9 m). Please see RNS for full breakdown.}\]
Adjusting items mostly relate to the Driving Change agenda

<table>
<thead>
<tr>
<th>Driving Change agenda</th>
<th>Total adjustments before tax</th>
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</thead>
<tbody>
<tr>
<td>Commercial operating model change</td>
<td>(133.2)</td>
</tr>
<tr>
<td>Property-related costs</td>
<td>(60.7)</td>
</tr>
<tr>
<td>Other strategic initiatives</td>
<td>(31.0)</td>
</tr>
<tr>
<td>Amortisation of acquisition intangibles</td>
<td>(10.7)</td>
</tr>
<tr>
<td>Other items</td>
<td>9.2</td>
</tr>
<tr>
<td>Total</td>
<td>(226.4)</td>
</tr>
</tbody>
</table>

**Key adjusting items**

- c.£130m stock write-off for transition to new model
- 95% of stock identified for offsite clearance sold
- c.£53.8m cash outflow from adjusting items, of which £31m relates to refi fees
Free cashflow was adversely impacted by decline in payables primarily from reduced intake

FY23 Free Cash Flow Bridge (£’m)

- £125m
- £993m
- £13m
- £680m

Trade & Other Payables (£’m)

-31%

Average Payables Days P4

71 Days
- 11%

63 Days

FY23 Adjusted EBITDA

CAPEX

Inventory Movement

Other Working Capital

Tax

Other

Free Cash Flow

Closing FY22

Closing FY23

1Movement in stock (excluding £30m non-cash write-off)

2Average payables days calculated as stock intake and operating costs for P4, over closing stock and non-stock creditor balances
Ended the year with £320m of net debt due to free cash outflow per previous slide.

**FY23 Net Debt Bridge**

- Free Cash Flow
- Term Loan
- Equity Raised
- Refinancing fees
- Drawn Debt
- Other
- FY23 Net Debt

**Net Debt Impacts**

- Free cash outflow (£213m) with cash generation in H2

**May 2023 refinancing**
- Repayment of Old RCF (£250m) using:
  - New £200m term loan
  - Proceeds of c.£76m equity raise
  - £31m of fees
  - £75m New RCF undrawn

**Closing liquidity of £428m**
Agenda
FY23 Results

- FY23 Financial Results
- FY24 and Medium-Term Outlook
- Our Right to Win
Investing in FY24 to ensure sustainably profitable & cash generative growth in FY25 and beyond

FY24

- Sales -5% to -15%, with P4 trend continuing through H1
- Adjusted EBITDA positive
- Stock around £600m
- Capex c.£130m\(^1\)
- Free cash flow generative
- Reducing net debt position

FY25

- Return to growth
- EBITDA margin around pre-COVID levels (c.6%)

Medium-term

- Gross margin expansion towards 50%
- EBITDA sustainably ahead of capex, interest, tax and leases
- Inventory of c.100 days
- Capex to 3-4% of sales

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\(^1\)c.£45m automation investment at Lichfield fulfilment centre now treated as adjustingopex as on-site operations planned to cease in FY24
Agenda

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- FY23 Financial Results
- FY24 and Medium-Term Outlook

Our Right to Win
With strong foundations in place, FY24 will prioritise a shift Back to Fashion

1. Best & most relevant product
2. Destination for style
3. Exciting customer journey
4. Competitive convenience
5. Disciplined capital allocation
This strategy will drive wide ranging benefits and lead to sustainable growth and cash generation.
Best & most relevant product
Best & most relevant product

Unique mix of own and partner branded product is a powerful driver of basket economics and customer value

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c.40%
The role of ASOS own brands

- Differentiation and exclusivity
  71% of customers have purchased an own brand item

- Acquire customers and drive traffic
  55% of new customer orders contain own brand product

- Authenticity as a destination for fashion
  We are a fashion brand selling fashion, we truly understand the target customer and the industry

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c.60%
Our role for partner brands

- Access to global fashion-loving 20 somethings
  Amplify brands to younger consumers and places they cannot reach by themselves

- Fashion credibility and relevance
  Reframe brands through a unique fashion-led visual approach

- Profitable platform for growth
  Provide brands with a brand-building and profitable distribution channel for growth
Best & most relevant product

Moving from...

✔ Exclusive own brand
✔ Strong brand relationships
✘ Too much stock
✘ Too much discounting
✘ Too slow to market
✘ Wholesale only model

...to

✔ Exclusive own brand
✔ Strong brand relationships
✔ Better stock management
✔ Better sourcing
✔ Faster
✔ Better for brands
Better stock management

COVID exposed weaknesses in our model and created recent reliance on discounting to clear stock

Stock Balance & Stock Turnover

- Stock
- Stock Turnover

FY18 | FY19 | FY20 | FY21 | FY22 | FY23
Better stock management

Our new operating model involves managing stock more tightly at all stages of its life.
Better stock management

Path to operating entirely on our new model in three phases

Starting stock

1. Clear old stock
2. Flexible and rigorous intake
3. In-season cleansing

Closing stock

<table>
<thead>
<tr>
<th></th>
<th>FY22</th>
<th>FY23</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1" alt="Graph" /></td>
<td><img src="image2" alt="Graph" /></td>
<td><img src="image3" alt="Graph" /></td>
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<tr>
<td><img src="image4" alt="X" /></td>
<td><img src="image5" alt="Check" /></td>
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<tr>
<td><img src="image7" alt="X" /></td>
<td><img src="image8" alt="Check" /></td>
<td><img src="image9" alt="Check" /></td>
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<tr>
<td><img src="image10" alt="X" /></td>
<td><img src="image11" alt="Check" /></td>
<td><img src="image12" alt="Check" /></td>
</tr>
</tbody>
</table>
Better stock management

Made good progress on clearing oldest stock carried forward from previous years

We cleared through 84% of the £1.1bn stock carried forward from FY22

- 84%
  with stock write-off c13ppt of the reduction
Better stock management

Short-term drag on gross margin until remaining old model stock is cleared in FY24

ASOS has not always been so promotional – by re-emphasising fashion we can drive a return to more full price sales
Better stock management

New model will be fully operational in FY25

Starting stock

1. Clear old stock
2. Flexible and rigorous intake
3. In-season cleansing

Closing stock
# Better stock management

Clearance in-season drives better profitability and cash generation

<table>
<thead>
<tr>
<th>Stock Type</th>
<th>Average Markdown</th>
<th>Moving up the funnel</th>
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<tbody>
<tr>
<td>New stock</td>
<td>&lt;10%</td>
<td>Faster</td>
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<tr>
<td></td>
<td></td>
<td>Better sourcing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Better buying</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Better pricing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Brand marketing</td>
</tr>
<tr>
<td>In-season promotion</td>
<td>20-30%</td>
<td>Better data</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Personalized promotions</td>
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<tr>
<td></td>
<td></td>
<td>Clear-as-we-go</td>
</tr>
<tr>
<td>End-of-season clearance</td>
<td>30-50%</td>
<td>Eliminate aged stock</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Deeper end-of-season discount</td>
</tr>
<tr>
<td>Aged clearance</td>
<td>&gt;50%</td>
<td></td>
</tr>
</tbody>
</table>
Better sourcing

Sourcing improvements driving c.2ppt of own-brand intake margin in FY23 with more to come

Bangladesh
c.20% of mix by FY25 (c.10% in FY23)

Winning locations
+LSD ppt

Deeper partnerships
+LSD ppt

Local sourcing teams
+LSD ppt

Streamlined processes

Improved pricing

Improved quality

Better visibility of sustainability and human rights practices

Turkey sourcing office from Sept 2023
In our business model, speed is the key to delivering the most relevant product for our customers.
Test & React gives our quickest lead time with substantial margin benefits

- Design to site within c.2 weeks
- Stock turn 3x faster than BAU*
- Discount depth c.15ppt lower than BAU*
- Gross margin 5ppt higher than average
- Appealing to youngest customer base
- Targeting 30% of own-brand sales in mid-term

9,300 units sold
5,700 units sold

* BAU: business as usual
1 Better for brands

Partner brands critical to our offer with relationships stronger than ever

1 | Brand activation
Reigniting the way we present brands to our customers

2 | Business models
Deploy new strategic win-win business models

3 | Engagement model
Redefine how we engage with brands as key growth partner

4 | Go-to-market
Accelerate go-to-market processes and optimise trading mechanisms
### Better for brands

Partner Fulfils and AFS provide more flexible collaboration with brand partners

<table>
<thead>
<tr>
<th>Model</th>
<th>Ownership</th>
<th>Fulfillment</th>
<th>Customer Sale</th>
<th>Today</th>
<th>FY24</th>
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</thead>
<tbody>
<tr>
<td>Wholesale</td>
<td>a</td>
<td>a</td>
<td>a</td>
<td>c.99% GMV</td>
<td>Remains high margin model &amp; preference for high performing SKUs</td>
</tr>
<tr>
<td>Partner fulfils</td>
<td>3P brand</td>
<td>3P brand</td>
<td>a</td>
<td>33 brands 6 markets 1% GMV</td>
<td>x2 brands markets GMV</td>
</tr>
<tr>
<td>ASOS Fulfilment Services</td>
<td>3P brand</td>
<td>a</td>
<td>a</td>
<td>Ready for launch</td>
<td>First partner onboard</td>
</tr>
</tbody>
</table>
Destination for style
In fashion, context is everything: the same skirt can tell many different stories.
Our market leading creative is critical to an inspirational customer experience.

Distinct visual language attracting the best brands and products.

Whole outfit, multi-brand approach driving larger baskets.

Driving customer engagement, loyalty and lifetime value.
“ASOS are our partnership of choice for the GenZ consumer. The ASOS tone of voice, assortment curation, aesthetic and execution in bringing our products to life is unequivocally adding immense value and authenticity for our brands to our target consumer demographics.”

Director Menswear & Jeans, PVH

“ASOS provides a unique, credible and relevant connection to the Fashion minded, female, Gen-Z consumer in Europe. This provides an opportunity to accelerate Sport with non-traditional demographics.”

Sales Director, Adidas EMEA
Destination for style

Outfit-led approach makes the same product relevant regardless of personal style

MODERN LUXE

INSTA

GEN NOW
Destination for style

Styling sets us apart from competitors and increases our visibility through access to top tier talent.

SHOP NOW

FOREVER. PALERMO. WORN BY JACK GREALISH

ASOS.COM
Multi-brand, outfit-based styling improves customer engagement and drives better basket economics

**ASOS DESIGN MW BOMBER JACKET: £30**

**TOPMAN**
- Oversized fit t-shirt in grey marl
  - £12.00
- Taper herringbone wool mix trousers with turn up in grey
  - £50.00

**TOPMAN**
- Rains micro backpack in black
  - £76.00

**ALLSAINTS**
- AllSaints Rhett suede Chelsea boots in black
  - £89.00

**ALLSAINTS**
- ASOS DESIGN fisherman ribbed beanie in black
  - £8.00
- AllSaints Wilderness t-shirt in washed black
  - £35.00
- River Island slim fit jeans in black
  - £43.00
- Converse Chuck 70 Hi unisex trainers in black
  - £85.00

Basket value: £337

Basket value: £221
2 Destination for style

B Developing new tools to improve customer experience and reinforce our focus on fashion

Currently

• Based around products
• Machine-led
• Sub-optimal Cx

New approach

• Based around outfits
• Creative/fashion-led
• Out of stock recommendations
• Seamless shopping experience

Next steps:

• User generated content
• Connected looks
Customer journey around fashion
One-dimensional marketing approach means the ASOS brand lacks an emotional connection with our market.

ASOS marketing mix

- Performance media: +25%
- New customers falling to FY19 levels
- Churn increasing, particularly among new customers
- Declining share of branded search

Incremental £30m UK brand investment in FY24
Customer journey around fashion

Customer strategy will reinforce ASOS as a destination for fashion, engaging high quality customers.

- Re-activate:
  - Win back churned customers
  - Re-ignite brand heat

- Acquire:
  - Full funnel marketing

- Prevent churn:
  - Reduce risk proactively
  - Grow value of customer base

- Develop:
  - Stronger fashion relationships
  - Brand heat activations

- High value actions
- Personalisation
- Loyalty
Customer journey around fashion

We will acquire customers by reigniting brand heat with a full funnel approach...

1. Implement full funnel marketing
   - Regular, disruptive marketing campaigns
   - Full media approach inclusive of TikTok mission, digital videos, OOH

2. Build stronger fashion relationships
   - Micro and mid-tier influencers
   - ASOSers featured in Social content
   - Brand ambassadors

3. Create moments of brand heat
   - Experiential pop-ups
   - Brand and Talent Collaborations
   - Cultural collaborations
Customer journey around fashion

1. Drive high value actions
   - App downloads
   - Premier subscriptions
   - Multi-category shopping

2. Enhancing personalisation
   - 1:1 recommendations
   - Personalised journey
   - AI enabled promo and product offerings

3. Grow Loyalty and Premier programs
   - Exclusive events and experiences
   - Free gifts

...Preventing churn and developing lifetime value by improving customer experience and rewarding loyalty
3 Customer journey around fashion

Full funnel marketing has a different payback profile with greater medium-term benefits than performance marketing.

3 – 6 months

- Social share of voice
- Brand search
- Campaign performance (lift studies)

6 – 12 months

- Organic visits
- Customers

> 12 months

- Brand health
- Frequency
- Higher overall ROAS

We will measure the impact of our investment using both leading and lagging indicators of success.
In the UK we're launching a full funnel* brand campaign to drive brand reappraisal. The emphasis will be on social, as this is where our audience is, with 572m estimated impressions.

*Full funnel = marketing that aims to meet objectives at every stage of a consumers’ relationship with a brand - by building awareness of the brand, by improving consideration to shop with that brand, to drive purchase, and to encourage repeat purchase and loyalty.
Customer journey around fashion

asos your way
Customer journey around fashion
Customer journey around fashion
Customer journey around fashion
Customer journey around fashion
Customer journey around fashion

Crowdsourced creators, with 40 million impressions guaranteed within 12 days
Customer journey around fashion

Building strong, bottom-up relationships with long-tail influencers creates authentic relationships

Potential reach of over 50M

Mega talent
Build Awareness / Broad Reach

Macro talent
Build Awareness / Broad Reach

Micro/Mid Tier talent
Engagement & Awareness / Niche Audience / Affordable investment

Higher Individual Reach

Authentic Engagement

Share of Voice
Customer journey around fashion

ASOS IN REAL LIFE
LONDON - NOVEMBER
3 Customer journey around fashion

LOCATION

PRODUCT

FACE & BODY

IMMERSIVE EXPERIENCE

SCHEDULE OF EVENTS
Competitive convenience
Convenience remains a key reason to shop online.

- Customers want fast delivery.
- Customers want free returns.
- Customers want payment options.

We are a fast follower of innovation and will continuously evolve to offer what customers value most.
### Competitive convenience

ASOS competes with the best for convenience in our core markets despite reducing cost to serve in FY23

<table>
<thead>
<tr>
<th>Free delivery above MOV</th>
<th>NDD available</th>
<th>Free returns</th>
<th>BNPL payment options</th>
<th>Other local payments</th>
</tr>
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<tbody>
<tr>
<td>UK</td>
<td>✔️</td>
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</tr>
</tbody>
</table>

- Delivery in 2 days to 95% of customers globally
- Free returns in core markets
- Locally relevant payment options including BNPL
Worldwide fast delivery and efficient returns are enabled by our capacity-optimised logistics network.
Disciplined capital allocation
Disciplined capital allocation

Efficient capital allocation model will allow us to eliminate waste and invest where we see opportunity

A  Operational excellence
Removing waste to invest in opportunity
- New model
- Prioritisation
- ‘Bad’ returns

B  International model
Investment based on market segmentation
- Core
- Adjacent
- Non-core

C  Innovative tech
Innovation in priority areas at the right level of cost
- Improved use of data
- Machine learning capability
- Generative AI

D  Leadership & culture
Refreshed leadership with disruptive mindset at all levels
- Board
- Management Committee
- Business culture
Disciplined capital allocation

Our international model balances competitiveness with profitability

<table>
<thead>
<tr>
<th>Market structure</th>
<th>Core</th>
<th>Adjacent</th>
<th>Non-core</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Big, profitable markets (or with the potential to be so)</td>
<td>Potential to be big, profitable, or both</td>
<td>Loss-making, or small and low-profit markets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marketing</th>
<th>Core</th>
<th>Adjacent</th>
<th>Non-core</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dedicated marketing &amp; localised social media</td>
<td>Light touch localised marketing</td>
<td>Market-specific only around key trading events</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Proposition</th>
<th>Core</th>
<th>Adjacent</th>
<th>Non-core</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Match best-in-class on delivery &amp; returns</td>
<td>Competitive convenience</td>
<td>Optimised for profitability</td>
</tr>
<tr>
<td></td>
<td>Premier offering</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operations</th>
<th>Core</th>
<th>Adjacent</th>
<th>Non-core</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local DC capable of NDD</td>
<td>Utilise DCs of core countries</td>
<td>No dedicated resource</td>
</tr>
<tr>
<td></td>
<td>Small dedicated team</td>
<td>Shared resource</td>
<td>For all brands</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wholesale</th>
<th>Core</th>
<th>Adjacent</th>
<th>Non-core</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Highly selectively for Topshop</td>
<td>Highly selectively for Topshop</td>
<td>For all brands</td>
</tr>
</tbody>
</table>
Our future success is about **being more ASOS**

1. Best & most relevant product
2. Destination for style
3. Exciting customer journey
4. Competitive convenience
5. Disciplined capital allocation
This strategy will drive wide ranging benefits and ultimately lead to sustainable growth and cash generation in FY25 and beyond.
By focusing on **what makes us unique**, our model will drive sustainably profitable and cash generative growth in the medium term.

<table>
<thead>
<tr>
<th>sales growth</th>
<th>gross margin expansion</th>
<th>more profitable</th>
<th>cash generative</th>
<th>less stock</th>
<th>disciplined investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY25 return to growth</td>
<td>gross margin towards 50%</td>
<td>EBITDA margin above pre-COVID levels</td>
<td>EBITDA &gt; capex, interest, tax and leases</td>
<td>c.100 days</td>
<td>Capex 3-4% of sales</td>
</tr>
</tbody>
</table>
PENCIL MIDI SKIRT £12
ASOS DESIGN jersey pencil midi skirt in black

Product Details +
Brand +
Size & Fit +
Look After Me +
About Me +
Q&A