

12 August 2020

**ASOS plc ("the Company")
Pre-close Trading Update**



Trading and Financial Performance

ASOS has continued to deliver a strong operational performance and year-on-year improvements in profitability this financial year as a result of a focus on trading dynamically and managing the business rigorously.

Today we are announcing that sales and profit for the full year are expected to be significantly ahead of market expectations. Revenue growth is now expected to be between 17% and 19% with PBT in the region of £130m-£150m. The improvement in expectations is supported by stronger than anticipated underlying demand and the continuation of the beneficial returns profile highlighted in our last trading statement.

We had expected to see underlying returns normalise once lockdown measures eased and customers were both able to ship returns and felt more comfortable doing so. However, in recent weeks, we have gained better visibility on this pattern in customer behaviour as we have progressed through the returns cycle and it has become evident that returns are not increasing at the rate we originally anticipated.

As a result, we have seen a significant and sustained reduction in returns rates since April. In part this reflects customer demand for 'lockdown' categories, such as activewear and face + body. However, rates have been further suppressed below estimated levels by a prolonged shift in customer behaviour towards more deliberate purchasing across all product categories, even when sales momentum has improved.

Outlook

Looking forward, the consumer and economic outlook remains uncertain and it is unclear how long the current favourable shopping behaviour will persist. We are providing updated expectations for the current year reflective of this uncertainty. The recent trading dynamics will deliver FY20 sales and PBT ahead of market expectations and further support strong underlying cash generation this year. However, the extent of this outperformance and any impact beyond this financial year will be driven by how customer shopping behaviour normalises.

The second half has been a period of tremendous change for ASOS, we have made real progress and shown resilience through the period and are exiting the year in a strong position. We have a robust balance sheet, with a differentiated product offer and global infrastructure to leverage. Against this backdrop we have increased confidence that ASOS will continue to progress as one of the few truly global leaders in fashion retail.

For further information:**ASOS plc**

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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.

Background note:

ASOS is an online retailer for fashion-loving 20-somethings around the world, with a purpose to give its customers the confidence to be whoever they want to be. Through its market-leading app and mobile/desktop web experience, available in ten languages and in over 200 markets, ASOS customers can shop a curated edit of 85,000 products, sourced from 850 of the best global and local third-party brands and its mix of fashion-led in-house labels – ASOS Design, ASOS Edition, ASOS 4505 and Collusion. ASOS aims to give all of its customers a truly frictionless experience, with an ever-greater number of different payment methods and hundreds of local deliveries and returns options, dispatched from state-of-the-art fulfilment centres in the UK, US and Germany.

ASOS's websites attracted 235.7 million visits during June 2020 (June 2019¹: 197.4 million) and as at 30 June 2020 it had 23.0 million active customers² (30 June 2019: 19.9 million), of which 7.0 million were located in the UK and 16.0 million were located in our international territories (30 June 2019: 6.3 million in the UK and 13.6 million internationally).

¹Restated visits, previously reported number 200.9 million, ²Defined as having shopped in the last twelve months as at 30 June