



# asos

discover fashion online

## **Full Year Results for the year to 31 August 2013**

23 October 2013

# Twelve Month Highlights

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- Strong sales
- Active customers +42%
- Russia launched / China imminent
- Step change in investment





A portrait of a young woman with vibrant red, curly hair styled upwards. She has numerous freckles on her face and is smiling slightly, with her right hand resting near her chin. She is wearing a dark green, sequined, one-shoulder dress. Her hair is adorned with several decorative hairpins, including a large, colorful, multi-faceted one on the left and a silver, floral-shaped one on the right. A ring is visible on her right ring finger. The background is a plain, light-colored wall. Overlaid on the center of the image is the text "Nick Beighton CFO" in a bold, black, sans-serif font.

**Nick Beighton**  
**CFO**

# Highlights

<b>£'000s</b>	<b>Year to 31 August 2013</b>	<b>Year to 31 August 2012</b>	<b>Change</b>
Group revenues <sup>1</sup>	769,396	552,854	39%
Retail sales	753,807	537,887	40%
<i>UK retail sales</i>	<i>276,027</i>	<i>205,258</i>	<i>34%</i>
<i>International retail sales</i>	<i>477,780</i>	<i>332,629</i>	<i>44%</i>
Gross profit	398,580	282,857	41%
<i>Retail gross margin</i>	<i>50.8%</i>	<i>49.8%</i>	<i>100bps</i>
<i>Gross margin</i>	<i>51.8%</i>	<i>51.2%</i>	<i>60bps</i>
Profit before tax and exceptional items	54,670	44,473	23%
Profit before tax	54,670	40,010	37%
Diluted underlying earnings per share <sup>2</sup>	49.2p	39.6p	24%
Net funds <sup>3</sup>	71,139	27,884	155%

<sup>1</sup> Includes retail sales, delivery receipts and third party revenues

<sup>2</sup> Underlying earnings per share has been calculated using profit after tax but before exceptional items of £nil (2012: £4.5m)

<sup>3</sup> Cash and cash equivalents less bank borrowings

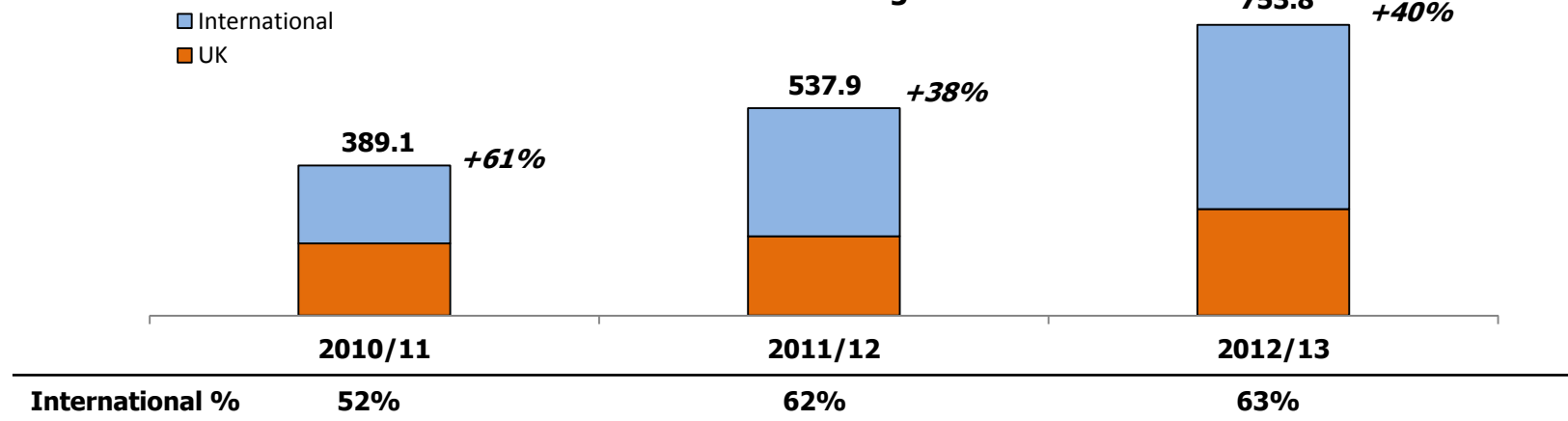
# Statement of Comprehensive Income

<b>£'000s</b>	<b>Year to 31 August 2013</b>	<b>Year to 31 August 2012</b>	<b>% change</b>
<b>Revenue</b>	<b>769,396</b>	<b>552,854</b>	<b>39%</b>
Cost of sales	(370,816)	(269,997)	
<b>Gross profit</b>	<b>398,580</b>	<b>282,857</b>	<b>41%</b>
Distribution costs excluding exceptional items	(115,172)	(79,076)	46%
Administrative expenses excluding exceptional items	(228,953)	(158,199)	45%
<b>Operating profit before exceptional items</b>	<b>54,455</b>	<b>45,582</b>	<b>19%</b>
Finance income	283	-	
Finance costs	(68)	(1,109)	
<b>Profit before tax and exceptional items</b>	<b>54,670</b>	<b>44,473</b>	<b>23%</b>
Exceptional items	-	(4,463)	
<b>Profit before tax</b>	<b>54,670</b>	<b>40,010</b>	<b>37%</b>
Income tax expense	(13,744)	(10,473)	
<b>Profit after tax</b>	<b>40,926</b>	<b>29,537</b>	<b>39%</b>
<b><i>Effective tax rate excluding exceptional items</i></b>	<b><i>25.1%</i></b>	<b><i>26.0%</i></b>	<b><i>90bps</i></b>

# Sales growth

Year to 31 August 2013		International				Group Total
£'000s	UK	US	EU	RoW	Total	
Retail sales	276,027	77,678	177,708	222,394	477,780	753,807
<i>Growth</i>	34%	57%	51%	35%	44%	40%
Delivery receipts	5,314	1,456	2,212	3,028	6,696	12,010
<i>Growth</i>	(25%)	39%	37%	65%	49%	3%
Third party revenues	3,579	-	-	-	-	3,579
<i>Growth</i>	7%	-	-	-	-	7%
<b>Group revenues</b>	<b>284,920</b>	<b>79,134</b>	<b>179,920</b>	<b>225,422</b>	<b>484,476</b>	<b>769,396</b>
<i>Growth</i>	32%	56%	51%	35%	44%	39%

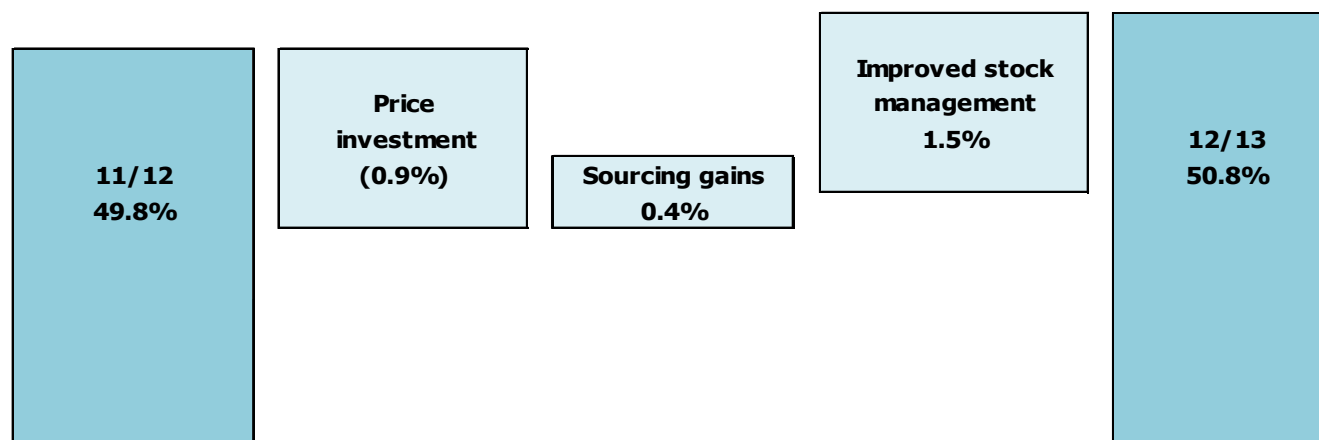
**Group Retail Sales (£m)**  
Year to 31 August



# Gross profit performance

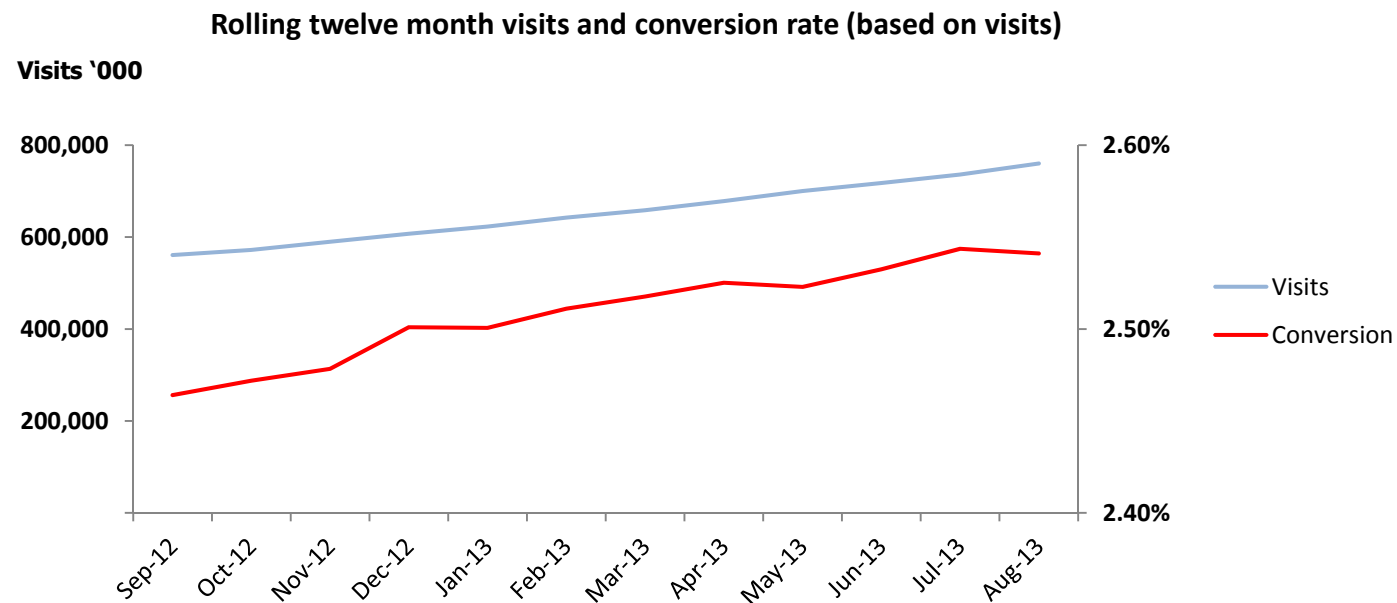
Year to 31 August 2013		International				Group Total
£'000s	UK	US	EU	RoW	Total	
Gross profit	136,235	46,447	91,055	124,843	262,345	398,580
<i>Growth</i>	33%	51%	53%	39%	46%	41%
Retail gross margin	46.1%	57.9%	50.0%	54.8%	53.5%	50.8%
<i>Growth</i>	120bps	(180bps)	90bps	140bps	70bps	100bps
Gross margin	47.8%	58.7%	50.6%	55.4%	54.2%	51.8%
<i>Growth</i>	20bps	(190bps)	80bps	150bps	70bps	60bps

## Retail gross margin movement 2012/13 versus 2011/12



# KPI Highlights

- 7.1 million active customers at 31 August 2013 (UK 2.8 million; International 4.3 million)
- Average units per basket up 5% to 2.47; up in all segments
- Average selling price down 6% to £24.69; down in all segments due to re-price during first half of year and increased mix of lower priced brands
- Increased conversion during the year; increased for both desktop and mobile sites



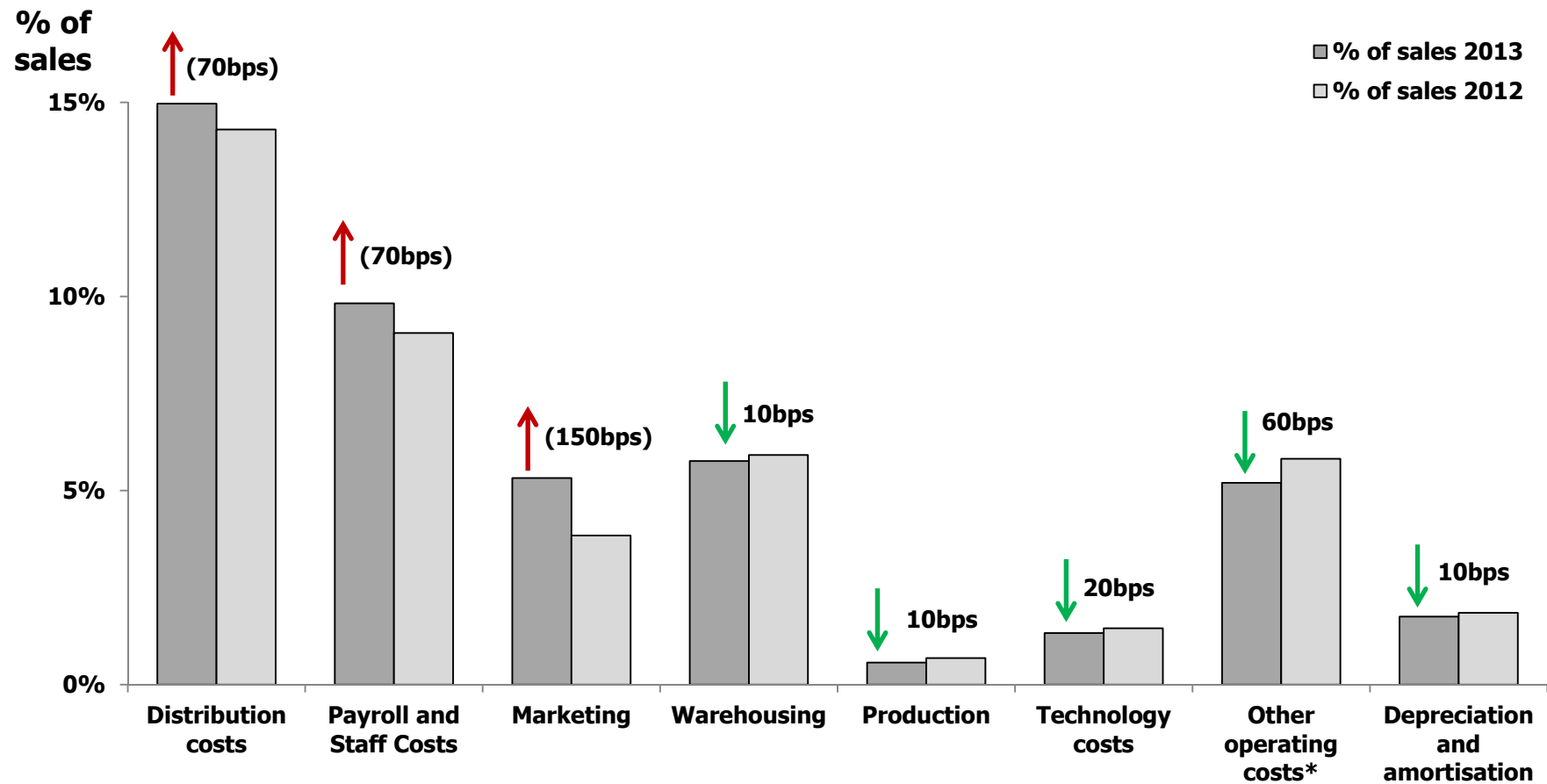


# Operating expense investments

180 bps increase in operating costs to sales ratio following investments ahead of future sales growth

Investing to drive future growth

Efficiencies driving operating leverage



# Cash flow

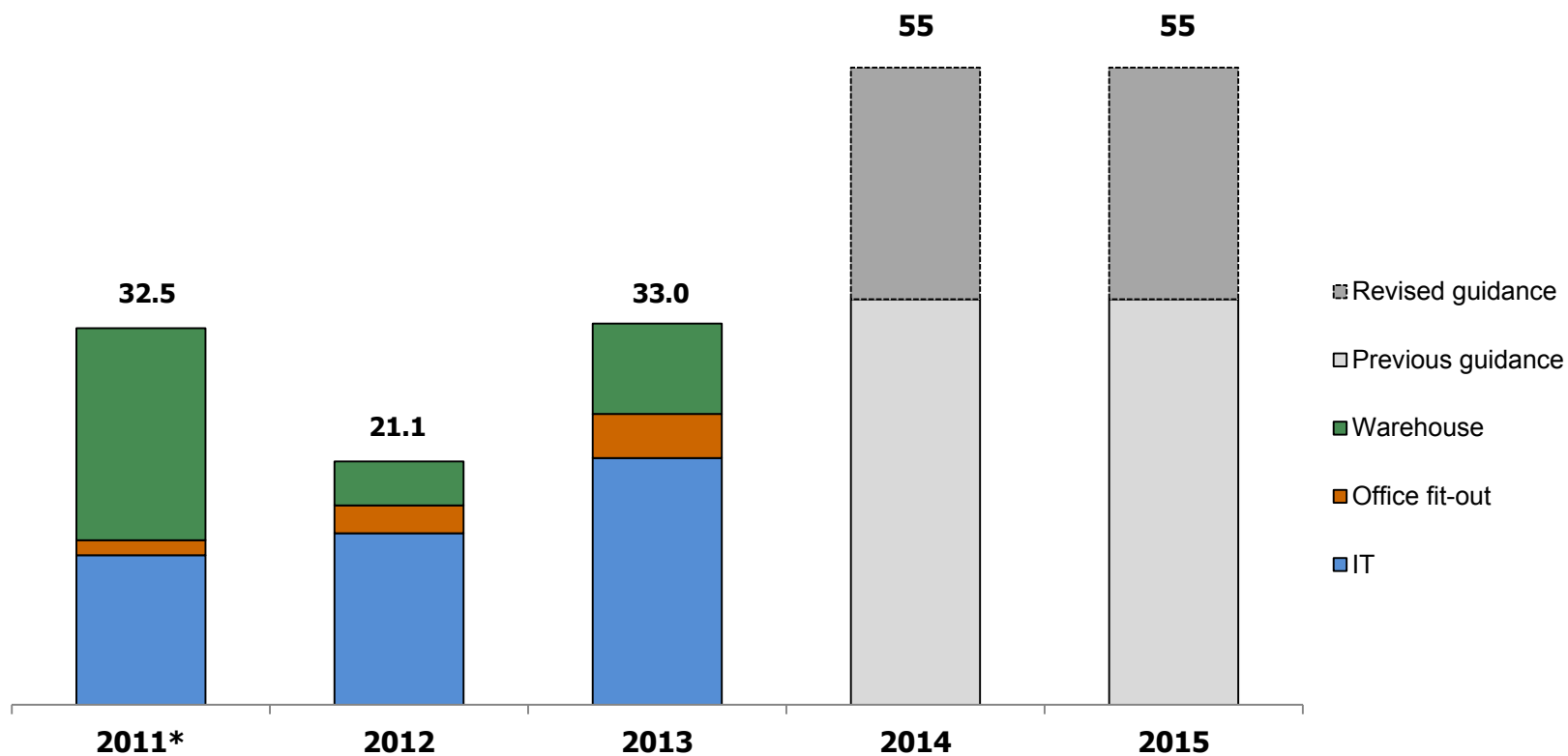
£ million



\* Includes share based payments charges, issue of share capital, purchase of shares by Employee Benefit Trust and net interest paid

# Fixed asset additions

£ million



\* Includes warehouse transition expenditure

# Guidance

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- Sales: £1bn
- China: c.£4-6m operating investment in each of FY 2014 and FY 2015
- Retail gross margin c.50bps
- EBIT margin: c.7.0% post ALTIP charge in FY 2014, increasing to c.8% post ALTIP charge in FY 2015
- Capital expenditure: c.£55m in each of FY 2014 and FY 2015
- No dividend currently planned







**Nick Robertson**  
**CEO**



**Last 6 months video**



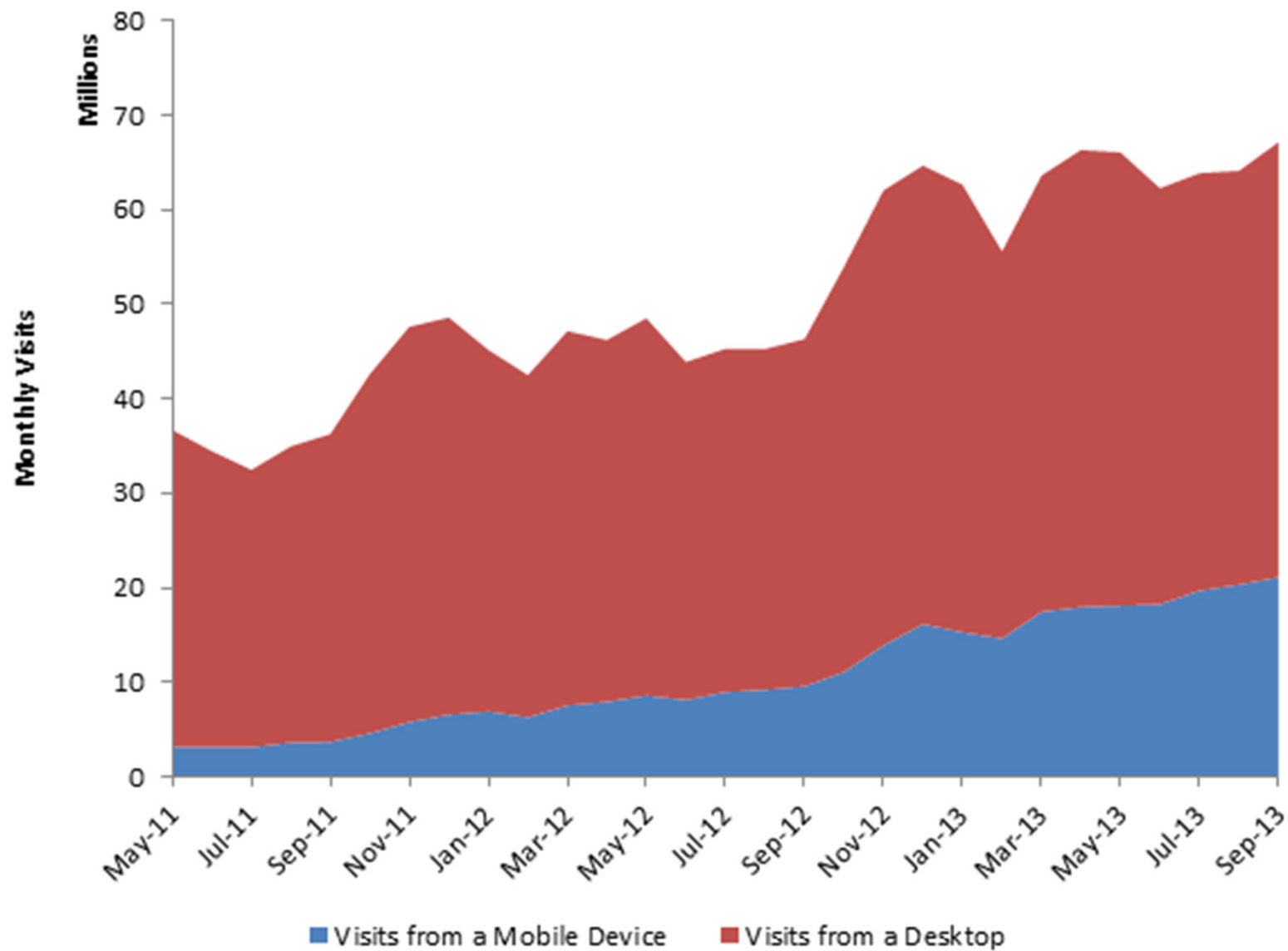


# Our strategy remains unchanged

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# The fashion destination – desktop and mobile



# THIS JUST HAPPENED... Daily content

ASOS
MARKETPLACE
OUTFITS & LOOKS


discover fashion online


Search ASOS

WOMEN | MEN

FREE DELIVERY WORLDWIDE >

SALE: UP TO 70% OFF WOMEN > MEN >

Thursday 17 October 2013




Scooped some sweet deals and showed the sale who's boss? Nice going! Now Instagram yourself in your best buys and share that happy buzz with the rest of us.

Haven't hit up the sale yet? There's still time...


Women's News
Men's News

ALSO AT ASOS


THIS JUST HAPPENED...




STYLE NEWS  
Meet the glamsie (that's a glam onesie, btw): perfect to party in  
an hour ago




CELEBRITY NEWS  
First K-Pez for CoverGirl – now look who's the new face of Chanel No5  
5 hours ago




POWER PAIR  
Lily Collins works bold brows with a knotted tee for a girls' night out  
8 hours ago



BEAUTY FLASH  
Watch how to create a Brigitte Bardot beehive in just a few easy steps  
19 hours ago



CELEBRITY NEWS  
It's not just Gravity. Astronauts are totally a thing (hello, Miley)  
21 hours ago




BREAK IT DOWN  
The Tunnel's Clémence Poésy has a head for fashion. We're digging it  
a day ago

Women's News
Men's News


DAILY

17 OCTOBER 2013




FIFTY SHADES CASTING TAKEOVER  
Jack Nicholson as Christian Grey? >

16 OCTOBER 2013



DAVID BRENT IS BACK  
And this time he's live on stage (seriously) >

16 OCTOBER 2013



CLIMB HIGH FOR...PATAGONIA  
A brand you need to know >

# Product

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## c.800 brands

- New brands E.g. New Look, The Kooples, Pull & Bear and Jack Wills

## 65,000 products and growing

- Over 2,500 a week

## Range expansion

- New categories e.g. Gifting
- Size 2-28, XXXS-XXXL

## Marketplace

- 145,000 listings (+40%)

## Sourcing Strategy



# Global service & logistics

## UK

- 9pm NDD
- Offsite returns processing
- Bulk storage
- Barnsley upgrade
  - New management
  - Despatch Sorter
  - 25% extension underway
  - Mechanisation go live 2014/2015

## International

- Quicker delivery in 25 countries
- New carriers & increased tracking
- France NDD
- US move to Ohio & fulfilment from returns
- China in country stock
- Scoping N. European operation

# Deep dive: Customer Care - video





# In Summary

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- Strong momentum into 13/14
- Step change in investment planned
- Focussed on execution...
- Beyond the £1bn

# Appendix

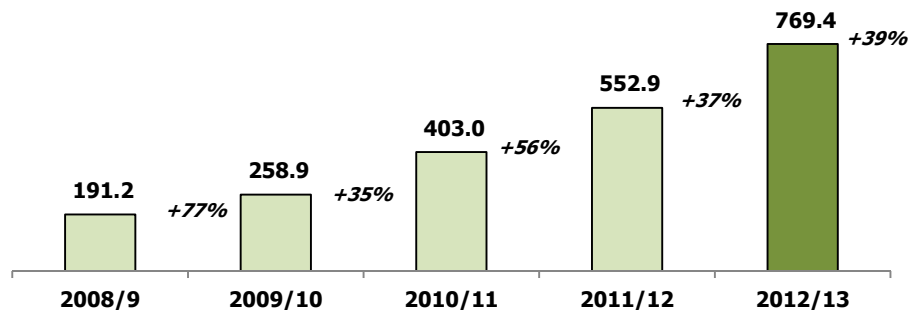


# Group KPIs to August 2013

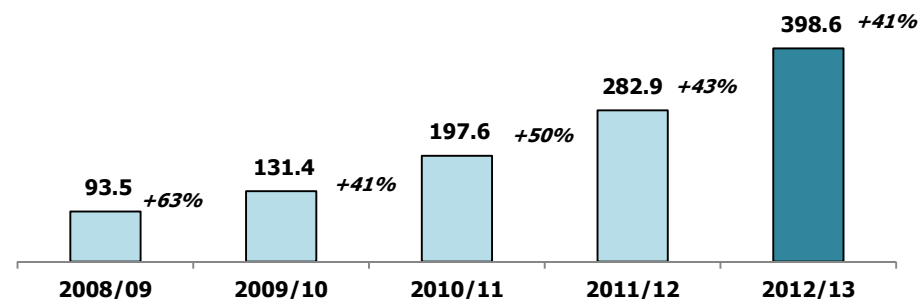


# 5 year summary to August 2013

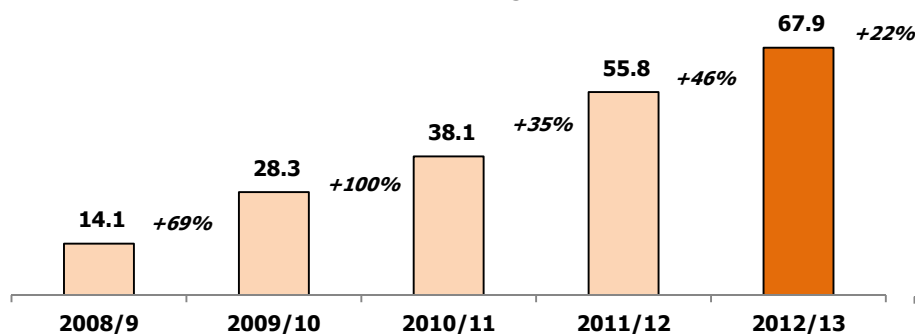
**Group Revenue £m**  
Year to 31 August



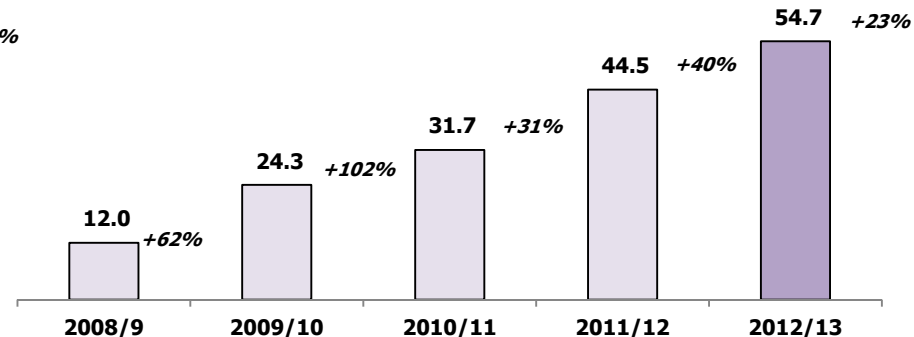
**Gross profit £m**  
Year to 31 August



**EBITDA\* £m**  
Year to 31 August



**PBT\* £m**  
Year to 31 August



\* Underlying, excluding exceptional items

# Global order contribution analysis

Year to 31 August 2013		International				Group Total
	UK	US	EU	ROW	Total	
Total sales excluding third party revenues (£'000)	<b>281,341</b>	79,134	179,920	225,422	<b>484,476</b>	<b>765,817</b>
Gross profit excluding third party revenues (£'000)	<b>132,656</b>	46,447	91,055	124,843	<b>262,345</b>	<b>395,001</b>
Distribution costs (£'000)	<b>(26,140)</b>	(27,804)	(27,046)	(34,182)	<b>(89,032)</b>	<b>(115,172)</b>
Total contribution (£'000)	<b>106,516</b>	18,643	64,009	90,661	<b>173,313</b>	<b>279,829</b>
Number of orders ('000)	<b>8,536</b>	1,917	4,652	4,267	<b>10,836</b>	<b>19,372</b>
<b>Contribution per order (£)</b>	<b>12.48</b>	9.73	13.76	21.25	<b>15.99</b>	<b>14.45</b>
<i>Year to 31 August 2012 contribution per order (£)</i>	<i>12.71</i>	<i>13.11</i>	<i>13.66</i>	<i>20.81</i>	<i>16.59</i>	<i>14.79</i>
<b>Variance</b>	<b>(2%)</b>	<b>(26%)</b>	<b>(1%)</b>	<b>(2%)</b>	<b>(4%)</b>	<b>(2%)</b>

# Operating costs

<b>£m</b>	<b>2012/13</b>	<b>% of sales</b>	<b>2011/12</b>	<b>% of sales</b>	<b>Change %</b>	<b>Change in % of sales</b>
Distribution costs	115.2	15.0%	79.1	14.3%	46%	(70bps)
Payroll and staff costs	75.6	9.8%	50.1	9.1%	51%	(70bps)
Warehousing	44.3	5.8%	32.7	5.9%	35%	10bps
Marketing	40.9	5.3%	21.2	3.8%	93%	(150bps)
Production	4.4	0.6%	3.8	0.7%	15%	10bps
Technology	10.2	1.3%	8.0	1.5%	27%	20bps
Other operating costs	40.0	5.2%	32.2	5.8%	25%	60bps
Depreciation	13.5	1.7%	10.2	1.8%	32%	10bps
<b>Operating costs</b>	<b>344.1</b>	<b>44.7%</b>	<b>237.3</b>	<b>42.9%</b>	<b>45%</b>	<b>180bps</b>



# Statement of Financial Position

<b>£'000s</b>	<b>31 August 2013</b>	<b>31 August 2012</b>
Goodwill and other intangible assets	39,686	23,236
Property, plant and equipment	30,031	27,293
Deferred tax asset	8,902	8,111
<b>Non-current assets</b>	<b>78,619</b>	<b>58,640</b>
Working capital	12,257	19,038
Net funds <sup>1</sup>	71,139	27,884
Derivative financial assets	225	-
Current tax (liability)/asset	(2,441)	425
<b>Net assets</b>	<b>159,799</b>	<b>105,987</b>

<sup>1</sup> Cash and cash equivalents less bank borrowings

# Revised external reporting timetable

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	Period	Reporting date FY 2014
First trading update	4 months to 31 December	14 January 2014
Second trading update	2 months to 28 February	Mid March 2014
Third trading update	3 months to 31 May	Early June 2014
Fourth trading update	3 months to 31 August	Mid September 2014
Interim results announcement	6 months to 28 February	April
Final results announcement	Year to 31 August	October

# Historic trading results

Historic segmental retail sales for the year to 31 August 2013 under the Group's revised external reporting timetable are as follows:

£'000s	Four months to 31 December 2012		Two months to 28 February 2013		Three months to 31 May 2013		Three months to 31 August 2013	
		Growth		Growth		Growth		Growth
UK retail sales	97,713	28%	39,866	23%	64,347	39%	74,101	49%
<i>US retail sales</i>	25,280	56%	10,271	48%	21,255	59%	20,872	59%
<i>EU retail sales</i>	51,780	29%	25,677	53%	47,215	56%	53,036	73%
<i>ROW retail sales</i>	69,083	39%	32,593	34%	60,796	38%	59,922	26%
Total international retail sales	146,143	38%	68,541	43%	129,266	48%	133,830	47%
<b>Total retail sales</b>	<b>243,856</b>	<b>34%</b>	<b>108,407</b>	<b>35%</b>	<b>193,613</b>	<b>45%</b>	<b>207,931</b>	<b>47%</b>
<b>Total group revenues</b>	<b>249,219</b>	<b>33%</b>	<b>110,512</b>	<b>35%</b>	<b>197,199</b>	<b>43%</b>	<b>212,466</b>	<b>46%</b>

# Historic trading results

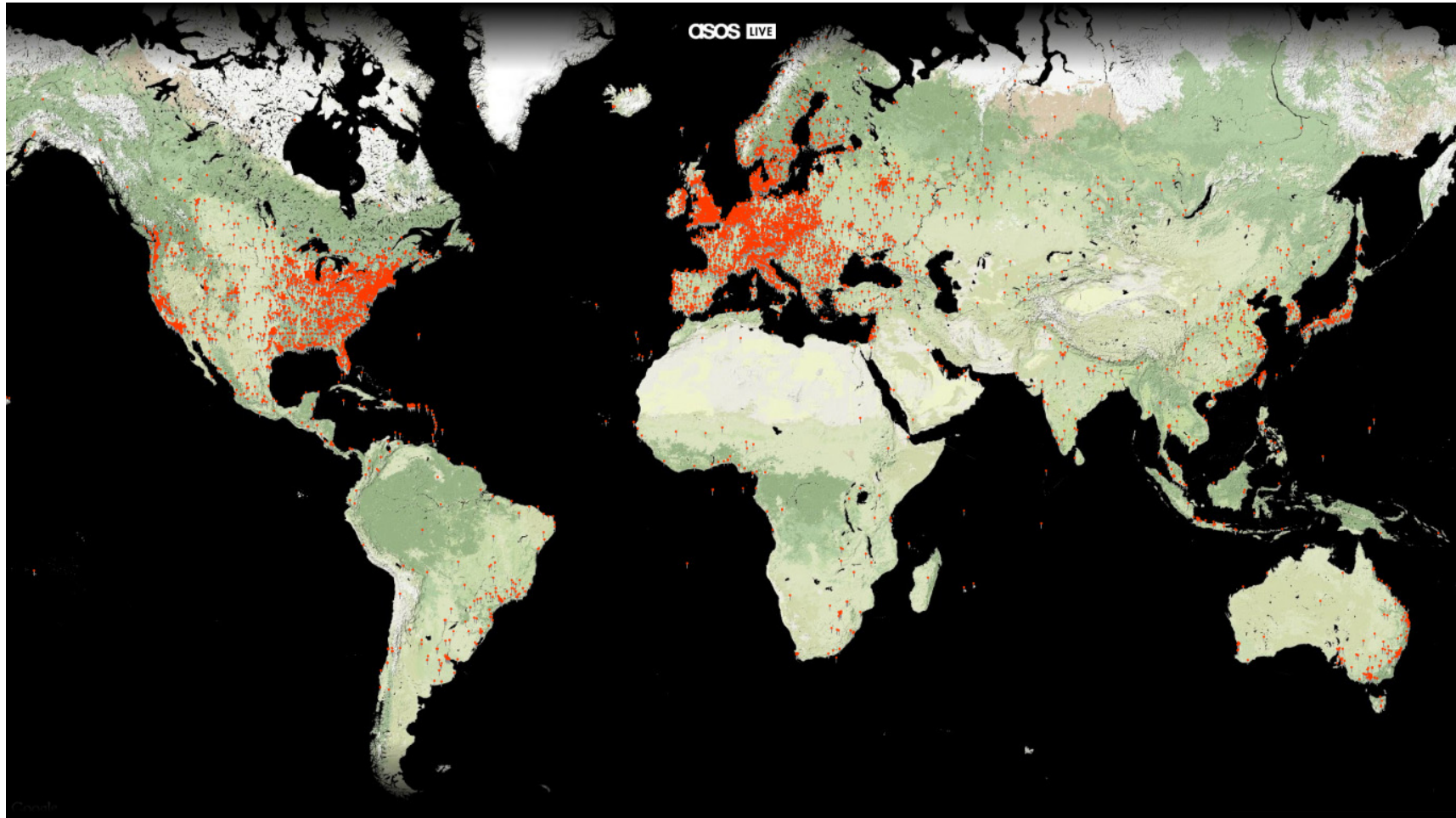
Historic segmental retail sales for the year to 31 August 2012 under the Group's revised external reporting timetable are as follows:

£'000s	Four months to 31 December 2011	Growth	Two months to 29 February 2012	Growth	Three months to 31 May 2012	Growth	Three months to 31 August 2012	Growth
UK retail sales	76,581	11%	32,386	4%	46,437	8%	49,854	15%
<i>US retail sales</i>	16,209	154%	6,928	66%	13,351	78%	13,097	65%
<i>EU retail sales</i>	40,118	37%	16,728	29%	30,224	27%	30,678	22%
<i>ROW retail sales</i>	49,654	196%	24,317	106%	43,912	71%	47,413	53%
Total international retail sales	105,981	102%	47,973	66%	87,487	54%	91,188	42%
<b>Total retail sales</b>	<b>182,562</b>	<b>50%</b>	<b>80,359</b>	<b>34%</b>	<b>133,924</b>	<b>34%</b>	<b>141,042</b>	<b>31%</b>
<b>Total group revenues</b>	<b>187,768</b>	<b>48%</b>	<b>82,158</b>	<b>32%</b>	<b>137,760</b>	<b>34%</b>	<b>145,168</b>	<b>31%</b>

# Heat map

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Highlighting cities sending traffic to ASOS during June-Aug 2013



# Key terms and definitions

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Retail sales	Sales of goods through our internet sites, net of returns
Group revenues	Retail sales, postage and packaging income and third party revenues
Net funds	Cash and cash equivalents less bank borrowings
Average basket value	Total order value including VAT and excluding returns, divided by total orders
Average units per basket	Total orders divided by total units sold, excluding returns
Average selling price per unit	Total order value including VAT and excluding returns, divided by total units sold
Active customers	Customers who have shopped with ASOS during the last twelve months, as at 31 August 2013
Labour cost per unit (LCPU)	Warehouse labour costs divided by units processed; excludes non-labour warehouse costs

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