

ASOS plc ("the Company")
Trading Statement for the three months ended 31 May 2022

- Since the end of February, ASOS has delivered accelerating sales driven by strong operational performance and an increase in event-led demand, with improving momentum in the US and good performance in the UK
- Gross sales accelerated, however net sales were impacted by a significant increase in returns rates in the UK and Europe towards the end of the period, reflecting inflationary pressures on consumers which has a disproportionate impact on profitability
- ASOS continues to make good strategic progress, underpinned by a compelling consumer offer, the roll out of Partner Fulfils, expansion of Premier, and the continued growth of the Topshop brands across key territories
- Guidance for the year updated to reflect uncertain consumer purchasing behaviour and the potential continuation of higher returns with revenue growth expected to be 4% to 7% and adjusted PBT now expected to be in the range of £20m to £60m
- Separately, ASOS today announces the appointment of José Antonio Ramos Calamonte as Chief Executive Officer and Jørgen Lindemann as Chair

£m ¹	Three months to 31 May					Nine months to 31 May			
	2022	2021	CCY ^{2,4} Increase (Ex Russia)	CCY ² Increase	Reported Increase	2022	2021	CCY ² Increase	Reported Increase
UK total sales	431.8	415.9	4%	4%	4%	1,327.2	1,241.7	7%	7%
EU total sales	294.0	310.2	(2%)	(2%)	(5%)	871.4	904.6	-%	(4%)
US total sales	141.9	117.5	15%	15%	21%	394.5	350.3	12%	13%
ROW total sales	115.7	144.3	(8%)	(20%)	(20%)	394.3	467.2	(13%)	(16%)
Total group revenue³	983.4	987.9	4%	-%	-%	2,987.4	2,963.8	2%	1%

¹All numbers subject to rounding throughout this document; ²Constant currency is calculated to take account of hedged rate movements on hedged sales and spot rate movements on unhedged sales; ³Includes retail sales, wholesale and other income. All references to segmental sales throughout the document are total sales unless otherwise stated. Any reference to total or retail sales growth throughout the document is on a constant currency basis. ⁴Excluding Russia reflecting decision announced 2nd March to suspend sales in the region. This is calculated by removing the impact of trade in Russia in the prior year period

Mat Dunn, COO, commented:

"At our half year results, we set out the actions we had taken as we faced into a more challenging backdrop, notably the work undertaken in the face of the global supply chain challenges which led to an improved stock profile and increased newness and availability. We saw the benefit of this come through in the shape of strong gross sales and a further acceleration of growth in the US. At the same time, we noted that the impact of inflationary pressures was yet to be felt by our customers.

What is now clear, based on the significant increase in returns rates that we have seen, is that this inflationary pressure is increasingly impacting our customers shopping behaviour. It is too early to tell for how long the current pattern of customer behaviour will continue but we are taking swift and decisive steps to minimise the impacts whilst continuing to deliver against the strategic initiatives we laid out in November that will ensure that ASOS builds for the long-term."

P3 Results Summary

- All sales numbers are quoted on a constant currency basis and exclusive of Russia sales in the base period, following ASOS' decision to suspend sales to Russia on 2nd March 2022
- Robust market share performance within key territories, reflecting the continued attractiveness of the customer offer
- Revenue growth of 4% (against a prior comparative growth rate of 47%) reflecting:
 - P3 gross sales growth broadly in line with expectations as ASOS hurdled tough comparatives in the prior year, with an acceleration throughout the period; a result of strong operational performance and increased event-led demand
 - Return rates in UK and Europe increased significantly as shopping behaviours changed in line with the impact of increased inflationary pressures on discretionary spend
 - Net revenue growth has accelerated in May with an exit rate of 10%
- Active customer base +0.1m excluding Russia, as new customer acquisition slowed with the annualization of both the successful Topshop acquisition and prior year COVID-19 restrictions
- Gross margin declined by 310 bps to 44.0% driven by:
 - Elevated freight costs as contractual rates locked in for H2 are at a higher rate year-on-year
 - Sustained levels of promotional activity
 - Product mix

Territory Performance

- UK grew by 4% with accelerating growth throughout the period, as the Company cycled a period of more normalised comparatives in the second half of P3. Strong performance in occasion-wear amidst uplift in demand driven by holidays, weddings and events partially offset by increased return rates
- EU declined by 2%, with return rates trending above pre-pandemic levels in some territories as inflationary pressures impacted consumer purchasing behaviours
- US grew by 15%, supported by continued strength of the Topshop brands, targeted promotional activity, and increased demand for going out wear
- ROW declined by 8%; however, Australia returned to growth as delivery propositions improved and Premier was reactivated

Business Update

- Strong operational progress as demonstrated by robust stock position supporting increased newness and availability
- The rollout of Partner Fulfils continues to progress to plan, with the delivery of range extension in the UK. Expansion to key territories within Europe remains on track for the second half of FY22
- Growth in Premier customers of 19% year-on-year, driving increased engagement and associated improvements in frequency, conversion, and average customer value
- Continued growth in the Topshop brands, +69% growth in P3 year-on-year, with 350 new style drops per week alongside increased speed to market
- Continued progress on Nordstrom partnership with the official launch of ASOS Design in 11 stores in the US, an expanded collection available on Nordstrom.com, with Topshop and Topman relaunched in Nordstrom Canada stores
- Return of ASOS Design to growth of +5%, supported by strong occasion-wear offer amid increased demand for going out wear, with ASOS Edition +84% year-on-year
- In May, ASOS launched the trial of a new partnership with clothing resale service, Thrift+, along with the launch of its second circular design collection
- Process to build out wider Executive team continues, including the appointment of Caroline Ross to the position of Interim Chief People Officer

Outlook

- Sales now expected to be in the range of 4% and 7% reflecting market volatility and an increased returns rate
- Gross margin now expected to be between 150bps and 200bps adverse, as elevated returns are expected to drive higher levels of markdown and a continuation in the negative impact of returns on product mix
- The impact of consumer behaviour on sales and in particular the anticipated continuation of higher return rates leads to a revised adjusted PBT range of between £20m and £60m

- As well as the impact of higher returns on warehousing and delivery costs, the guidance also considers both increased markdown and labour inefficiency to clear the returned stock
- The bottom of the range anticipates no improvement in returns rates relative to April levels along with some weakening in gross sales reflecting consumer pressure
- The upper end of the range projects a continuation of May's demand trends (against softer P4 comparatives) but with customers adjusting shopping behaviours and a resultant improvement in return rates from April levels
- Net debt expected to be in the range £75m and £125m reflecting the combination of lower profit and higher inventory levels

Investor and Analyst conference call:

ASOS will be hosting a conference call for analysts and investors at 7.45am (UK time) on 16th June 2022. To access live please dial 0800 640 6441/ +44 20 3936 2999, and use passcode: 169967. A recording of this webcast will be available on the ASOS Plc website later today: <https://www.asosplc.com/investor-relations/>

For further information:

ASOS plc

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Background note

ASOS is a destination 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 app and mobile/desktop web experience, available in ten languages and in over 200 markets, ASOS customers can shop a curated edit of over 100,000 products, sourced from nearly 900 global and local third-party brands alongside a mix of fashion-led own-brand labels – ASOS Design, ASOS Edition, ASOS 4505, Collusion, Reclaimed Vintage, Topshop, Topman, Miss Selfridge and HIIT. 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 delivery and return options, including Next-Day Delivery and Same-Day Delivery, dispatched from state-of-the-art fulfilment centres in the UK, US and Germany.

Important information

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.

Appendix 1 – Estimated Total sales growth by period in sterling, including Russia

P3 is restated in the prior year comparative to reflect only March, April and May. June is included in P4.

Year ending 31 August 2022

£m	P1 ¹ YOY%		P2 ¹ YOY%		P3 ¹ YOY%		P4 ¹ YOY%		2021/22 YTD YOY%
UK total sales	645.2	13%	250.2	(2%)	431.8	4%			1,327.2 7%
EU total sales	390.2	(3%)	186.7	(4%)	294.0	(5%)			871.4 (4%)
US total sales	172.6	7%	80.5	13%	141.9	21%			394.5 13%
ROW total sales	185.1	(20%)	93.5	1%	115.7	(20%)			394.3 (16%)
Total sales	1,393.1	2%	610.9	-%	983.4	-%			2,987.4 1%

Year ended 31 August 2021

£m	P1 ¹ YOY%		P2 ¹ YOY%		P3 ¹ YOY%		P4 ¹ YOY%		2020/21 YOY%
UK total sales	571.3	35%	254.5	46%	415.9	85%	410.3	5%	1,652.0 36%
EU total sales	400.6	18%	193.7	22%	310.1	33%	280.9	(6%)	1,185.3 15%
US total sales	161.7	12%	71.2	8%	117.5	25%	115.8	4%	466.2 12%
ROW total sales	230.5	16%	92.4	1%	144.5	2%	139.6	(19%)	607.0 1%
Total sales	1,364.1	23%	611.8	25%	988.0	43%	946.6	(3%)	3,910.5 20%

¹Periods are as follows:

P1: four months to 31 December

P2: two months to 28/29 February

P3: three months to 31 May

P4: three months to 31 August

Appendix 2 – Estimated Total sales growth by period at constant currency, including Russia Year ending 31 August 2022

P3 is restated in the prior year comparative to reflect only March, April and May. June is included in P4.

£m	P1¹ YOY%	P2¹ YOY%	P3¹ YOY%	P4¹ YOY%	2021/22 YOY%
UK total sales	13%	(2%)	4%		7%
EU total sales	2%	-%	(2%)		-%
US total sales	11%	12%	15%		12%
ROW total sales	(15%)	2%	(20%)		(13%)
Total sales	5%	1%	-%		2%

Year ended 31 August 2021

£m	P1¹ YOY%	P2¹ YOY%	P3¹ YOY%	P4¹ YOY%	2021/22 YOY%
UK total sales	35%	46%	85%	5%	36%
EU total sales	17%	20%	34%	(7%)	15%
US total sales	16%	13%	40%	15%	21%
ROW total sales	20%	9%	10%	(14%)	6%
Total sales	24%	26%	47%	(1%)	22%

¹Periods are as follows:

P1: four months to 31 December

P2: two months to 28/29 February

P3: three months to 31 May

P4: three months to 31 August