Half Year Results

for the six months ended 28 February 2019

10 April 2019

Nick Beighton
CEO

H1 2019 Highlights

- A challenging 6 months
- Group sales +14%, PBT -87%
  - Transition costs of £24m, now falling
- We can and will do better
  - Detailed actions/plan to restore profitability
- Nearing end of heavy investment
  - EH2 automation 'go live' imminent
  - Atlanta back on track
  - £4bn+ sales capacity
- FCF positive from FY20, significantly so thereafter
- Long term ambitions unchanged

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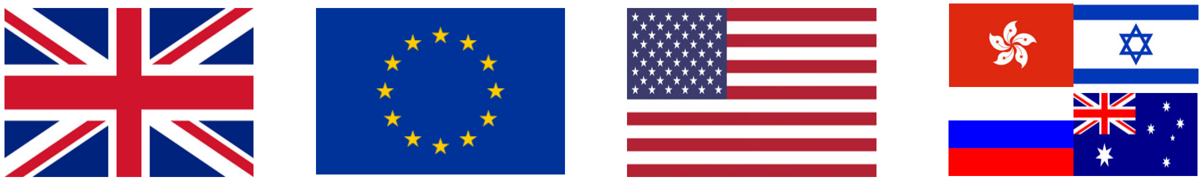
Global KPIs



	Group	UK	EU	US	ROW
Retail Sales	+13%	+16%	+15%	+8%	+8%
Visits	+11%	+4%	+14%	+12%	+13%
% Visits on Mobile	80.5% (+450bps)	84.0% (+340bps)	80.0% (+450bps)	75.0% (+550bps)	79.4% (+570bps)
Active Customers*	19.2m (+16%)	6.2m (+13%)	7.4m (+17%)	2.6m (+18%)	3.0m (+20%)
Orders Growth	+15%	+20%	+11%	+10%	+10%
Active App Installs	16.9m (+40%)	3.5m (+25%)	6.7m (+42%)	1.8m (+50%)	4.9m (+48%)
Order Frequency*	+4%	+11%	-4%	+14%	-4%
Conversion	+20bps	+70bps	-10bps	-10bps	-10bps
ABV	-2%	-1%	-5%	-1%	+3%

**** 12 month measures –*** *Active customers defined as having shopped in the last twelve months as at 28 February. Frequency calculated as last twelve months' total orders divided by active customers*

Our US opportunity

- Market opportunity is huge:
  - c.$400bn apparel market with growing online penetration
  - c.70m 20-34 year olds
- Local infrastructure and capability now in place
- Segmenting and localising experience across the US
- Focus on acquiring fashion loving audience
- Enhanced branded offer
- Upweighting investment in awareness
  - Summer of festivals
  - Influencer strategy

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Sales Growth

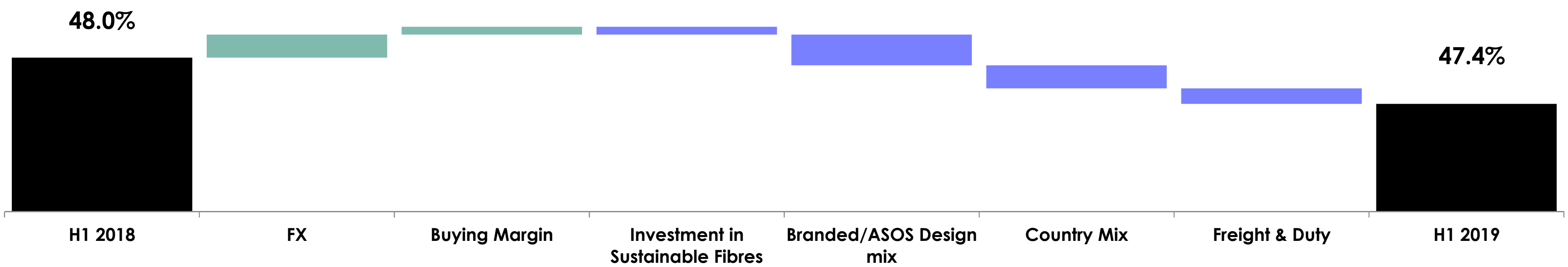
H1 2019	Group total	UK	EU	US	RoW	International total
Retail sales	**£1,281.3m**	**£481.5m**	**£402.2m**	**£161.6m**	**£236.0m**	**£799.8m**
Growth	*13%*	*16%*	*15%*	*8%*	*8%*	*12%*
CCY[1] Growth	*11%*	*16%*	*10%*	*4%*	*9%*	*9%*
Delivery receipts	**£29.5m**	**£12.8m**	**£7.5m**	**£5.3m**	**£3.9m**	**£16.7m**
Growth	*23%*	*39%*	*6%*	*43%*	*-*	*14%*
Third party revenues	**£3.7m**	**£3.6m**	**£0.1m**	**-**	**-**	**£0.1m**
Growth	*28%*	*29%*	*100%*	*(100%)*	*-*	*-*
Total sales	**£1,314.5m**	**£497.9m**	**£409.8m**	**£166.9m**	**£239.9m**	**£816.6m**
Growth	*14%*	*17%*	*15%*	*9%*	*8%*	*12%*
CCY[1] Growth	*12%*	*17%*	*10%*	*5%*	*9%*	*9%*

[1]Constant currency has been calculated to take into account hedged rate movements on hedged sales and spot rate movements on unhedged sales

Gross Margin

H1 2019	Group total	UK	EU	US	RoW	International total
Gross profit	**£639.9m**	**£216.0m**	**£207.4m**	**£97.5m**	**£119.0m**	**£423.9m**
Growth	*12%*	*14%*	*20%*	*9%*	*3%*	*12%*
Retail gross margin	**47.4%**	**41.5%**	**49.7%**	**57.1%**	**48.8%**	**50.9%**
Growth	*(60bps)*	*(150bps)*	*210bps*	*(60bps)*	*(240bps)*	*10bps*
Gross margin	**48.7%**	**43.4%**	**50.6%**	**58.4%**	**49.6%**	**51.9%**
Growth	*(50bps)*	*(120bps)*	*190bps*	*(40bps)*	*(250bps)*	*10bps*

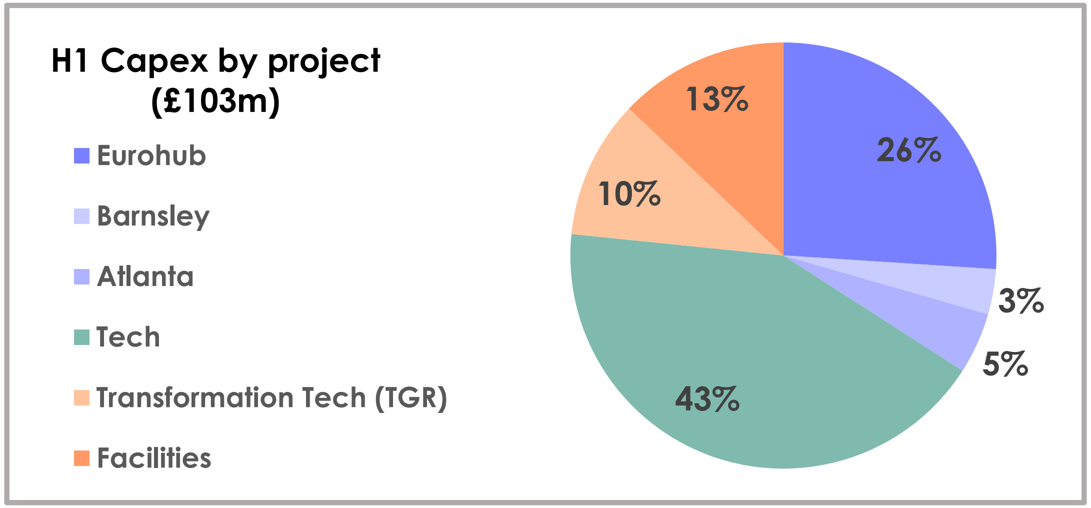
Group Retail Gross Margin Movements

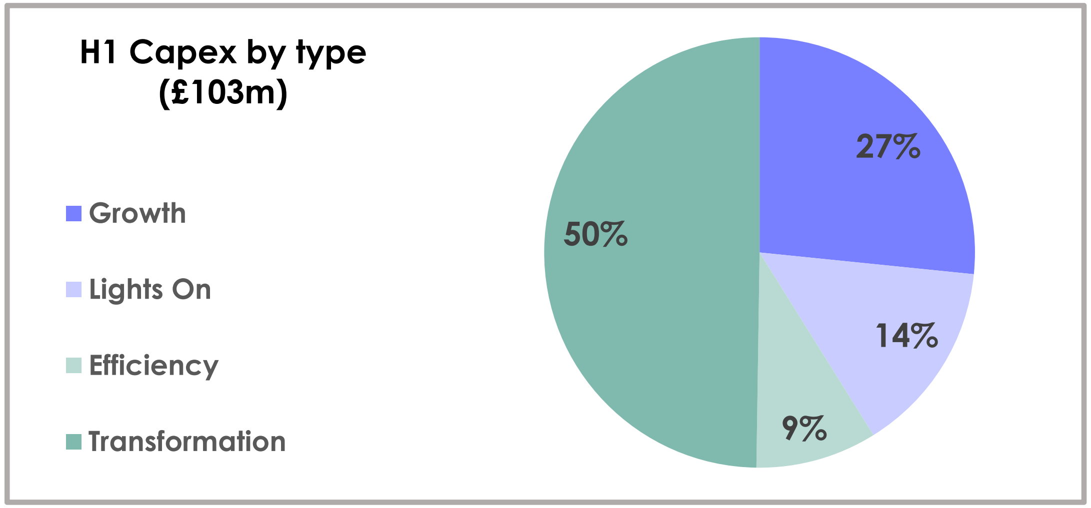


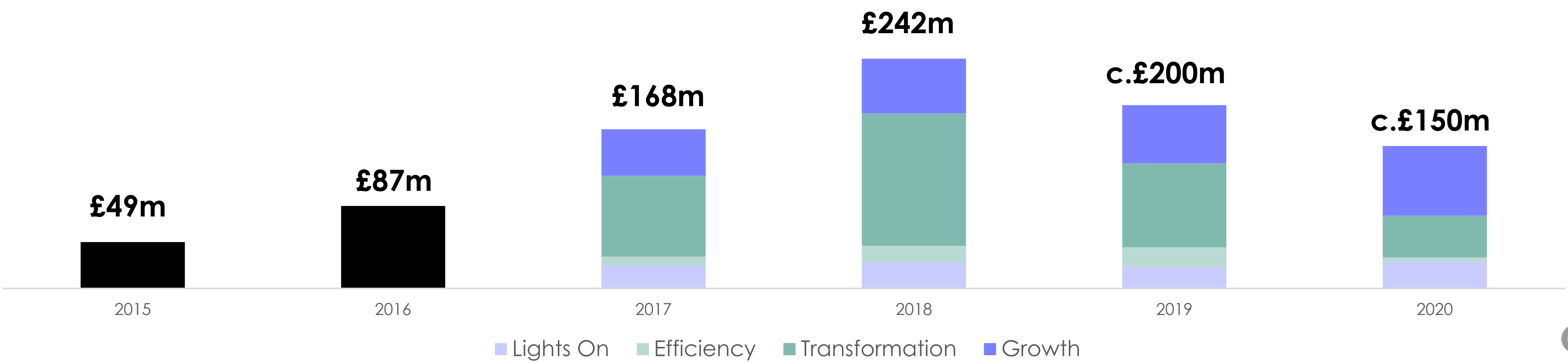
Operating costs

	H1 2019 % of SALES	H1 2018 % of SALES	CHANGE	GUIDANCE FY19
DISTRIBUTION COSTS	(15.6%)	(15.4%)	(20bps)	↓
WAREHOUSE	(11.0%)	(9.8%)	(120bps)	↑
PAYROLL AND STAFF COSTS	(7.9%)	(8.0%)	10bps	↓
MARKETING	(4.9%)	(5.0%)	10bps	↑
OTHER COSTS	(6.4%)	(6.2%)	(20bps)	↔
DEPRECIATION	(2.5%)	(2.2%)	(30bps)	↑

Major phase of investment concluding







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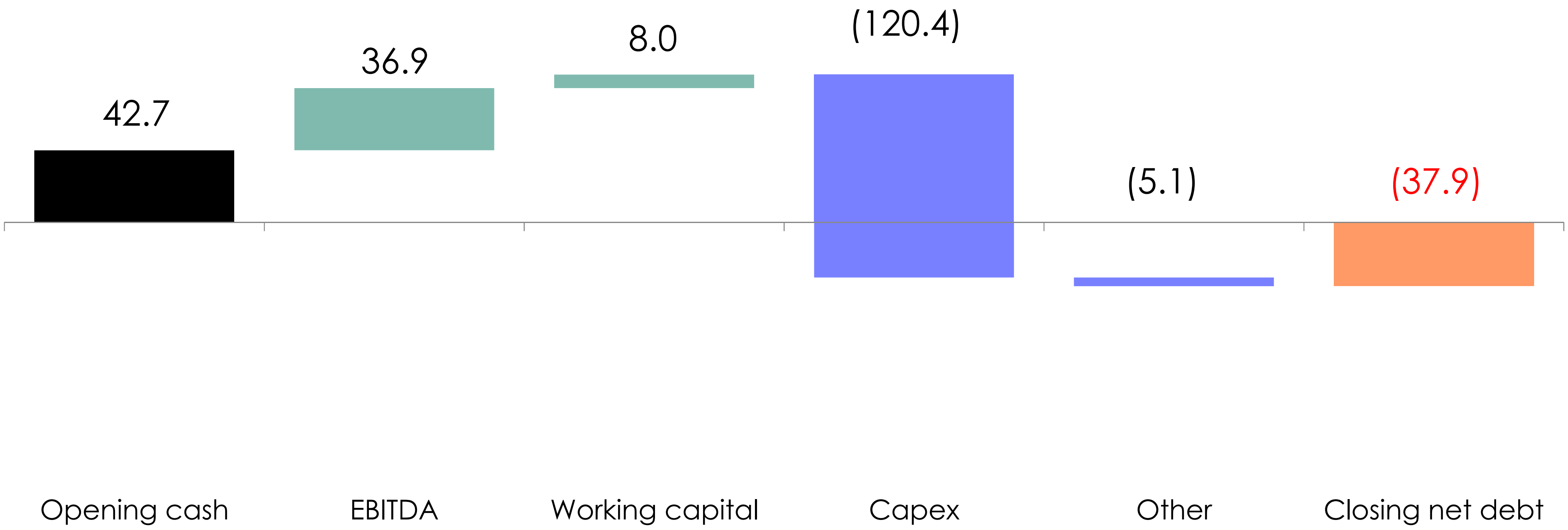
Cash position



Note: The Group now has in place a £220m RCF available for the period to 31 August 2019 and thereafter at £150.0m until May 2021. The above graph is after taking into account the drawdown from the facility of £60.0m at the end of February 2019

Areas of focus

- Product
  - Presentation & creative content
  - Product newness and range of options
  - ASOS Design performance & pricing
- Marketing
  - Velocity of conversations
  - Influencer activity
  - Traffic & customer acquisition
  - SEO optimisation
  - Investment in performance marketing
- Appropriate Cost Structure
- Landing Transformation projects
  - Atlanta stabilising
  - Euro Hub automation
  - TGR

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Product: Evolving our Presentation

Uplift
+54%

Uplift
+64%

Uplift
+85%

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Product: ASOS Design

- ASOS Design is a c. £1billion brand
  - c.36% mix, Collusion & venture brands c.2% more
- Renewed focus on newness
  - Intake options increased
  - More consistency of drops & newness across season
  - Increased mix into fast sourcing
- ASOS Trends
  - Presenting key trends as fashion collection
  - Success with key trends in AW (neon, animal print, oversized tops)
- Building brands at ASOS
  - Collusion – top 10 brand on site from standing start
  - ASOS 4505 – growing fast up c.100%

Product: 3rd Party Brands

- 280 Brands exited, 190 onboarded
  - New brands really resonating with 20 something fashion loving customer
- Face + Body growing fast
  - 31 new brands launched
  - £60m annual business from a standing start
  - On its way to £100m next year
- Outlet
  - 430 brands, over 16,000 options
- Marketplace
  - Over 700 boutiques globally, 160k options

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Marketing: Customer & Brand Engagement

- Realigning creative presentation
- Increasing velocity of conversations with customers
- Upweighting digital marketing
- Addressing organic customer acquisition & traffic
- Driving awareness & consideration
  - ASOS Design campaign
  - Influencer strategy
  - US Summer of Festivals

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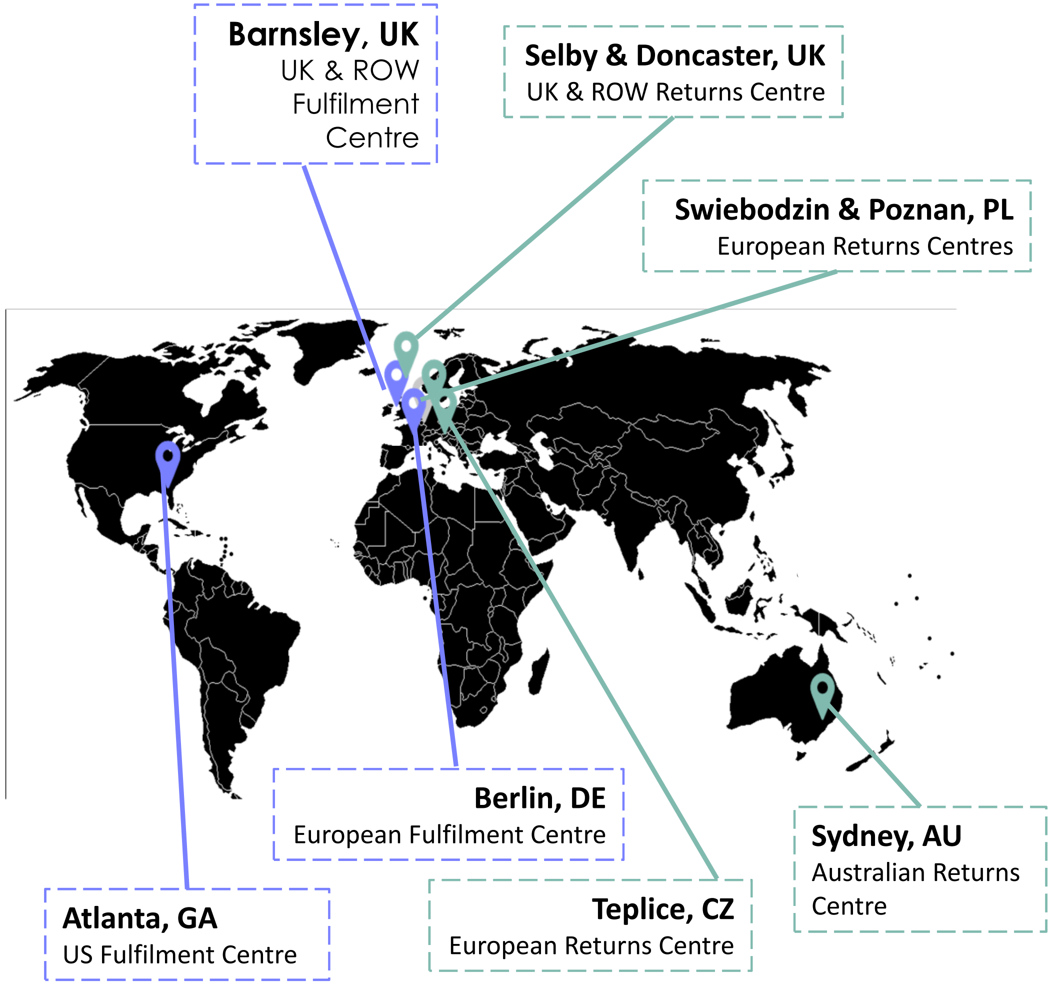
Transformation: Global Warehouse Capability

- US: Operations stabilised
  - 1m sq ft warehouse capable 1.5m item dispatch per week
- Europe: Automation go live imminent
  - 900k sq ft warehouse initial capability of 3.5m item dispatch per week
- UK: Optimisation phase
  - Dynamic buffer installed
  - 720k sq ft warehouse capable of 4.5m item dispatch per week
- Returns processing sites: Efficiencies
  - Returns processing software updated – c.10% improvement in productivity
  - 7 sites processing returns globally capable of processing 350k items per week



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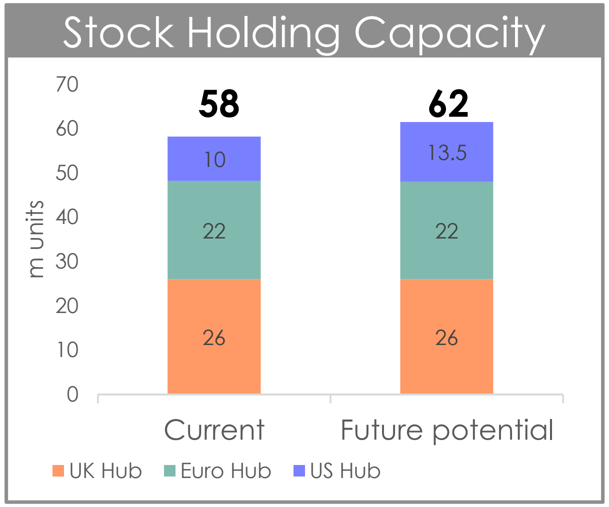
Transformation: Leverage our investments

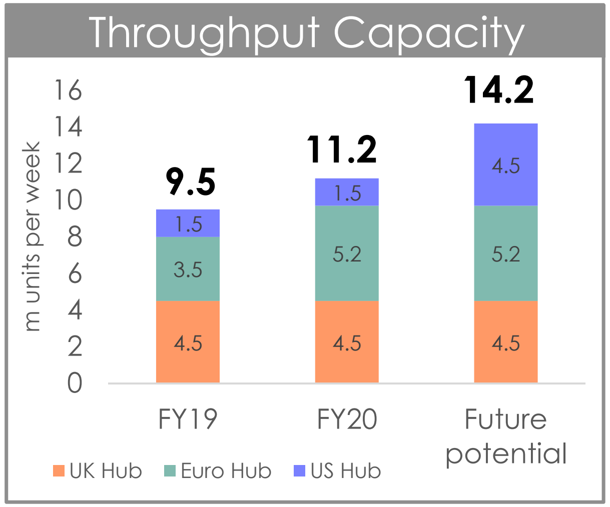
Efficiency & proposition improvements

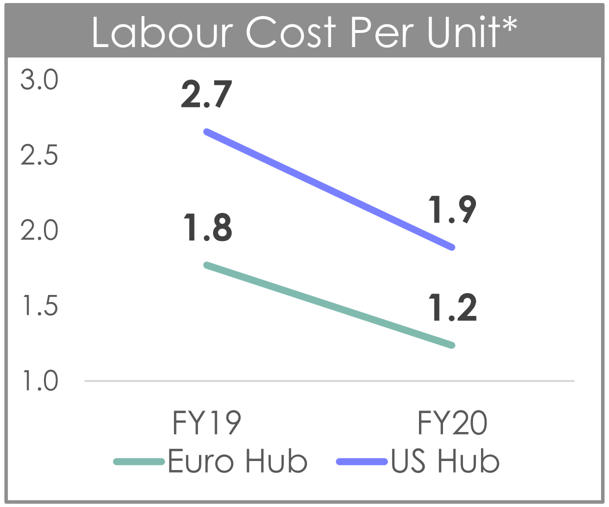
US
- Clustering for US – zonal delivery promises
- NDD to 5 cities
- 2 day improvement to standard delivery

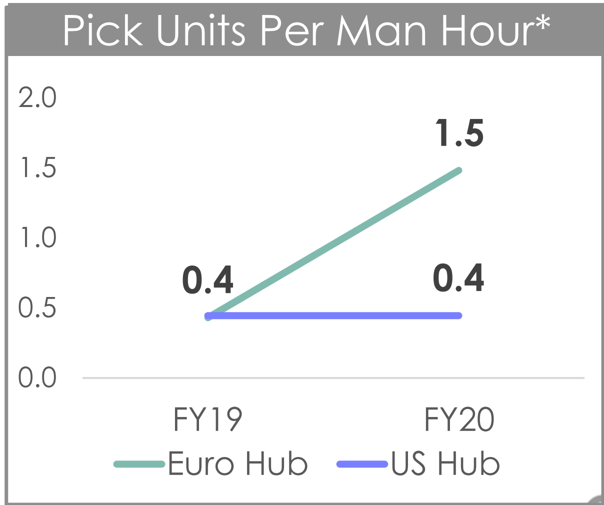
Europe
- Midnight cut off NDD to 25 German cities
- Freight cost savings – higher NDD mix via road

UK
- Optimisation phase





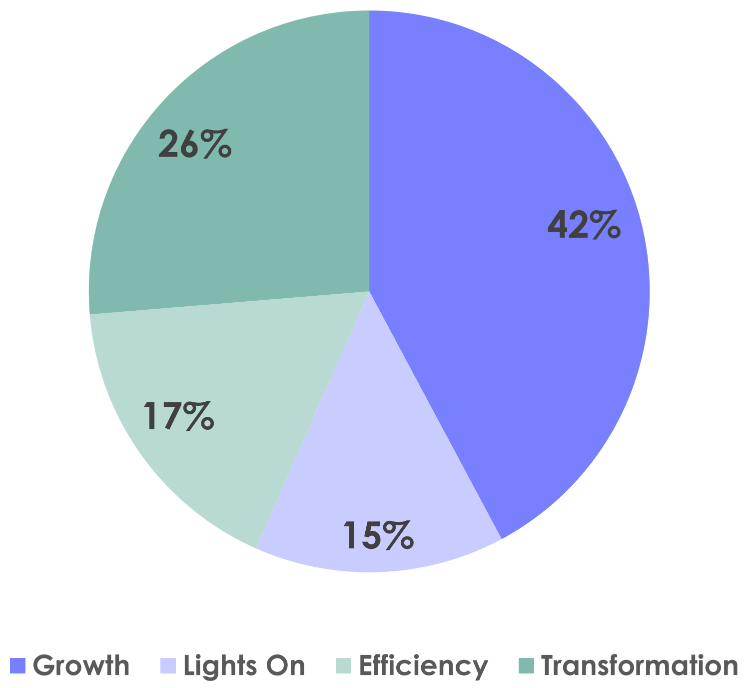




*Indexed to Barnsley warehouse operations

Transformation: Technology

H1 Investment - £55.1m



Lights on includes…
- Finance system
- Security competency

Efficiency includes…
- New processing software in returns centres
- Improved outbound carrier management software

Transformation includes…
- TGR Programme
- Euro Hub automation software
- Atlanta warehouse software

Growth includes…
- Fit assistant new experience
- ASOS Boards
- 4 new payment currencies
- 2 new payment methods
- AI driven recommendations developments

Our global opportunity

	UK	Europe[1]	US	Rest of World[2]	Total
Apparel market size 2018	£48.1bn	£287.9bn	£303.7bn	£668.7bn	£1,308.2bn
Online apparel market size 2018	£11.6bn	£46.0bn	£63.2bn	£101.3bn	£222.1bn
Online penetration 2014	17%	10%	15%	8%	
Online penetration 2018	24%	16%	21%	15%	17%
Online penetration forecast 2023	32%	25%	29%	25%	
Forecast apparel market CAGR 2018-23	8%	13%	11%	19%	
ASOS Market Share 2018	7.4%	1.6%	0.5%	0.4%	

Source: Global Data and ASOS estimates *[1]EU data for 22 European countries available through Global Data [2] ROW data for 25 Rest of World countries available through Global Data*

Summary

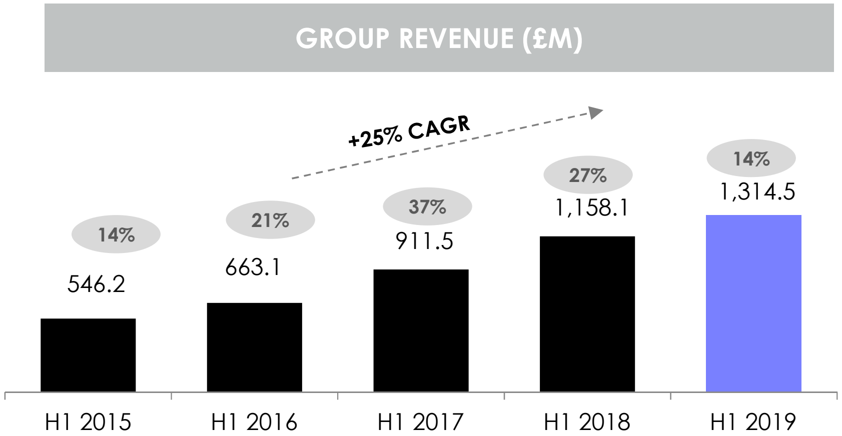
- Guidance unchanged
- Confident of stronger H2
- Corrective actions underway
- Significant Infrastructure benefits to come
- Profit recovery plan in place
  - Return to positive FCF FY20 and thereafter
- Medium term confident of maintaining top line growth, restoring EBIT margin and FCF generation
- Long term ambitions unchanged

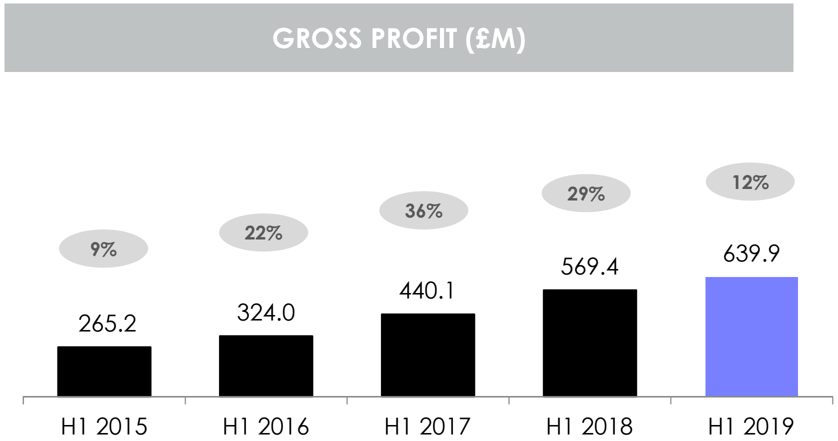
Q&A

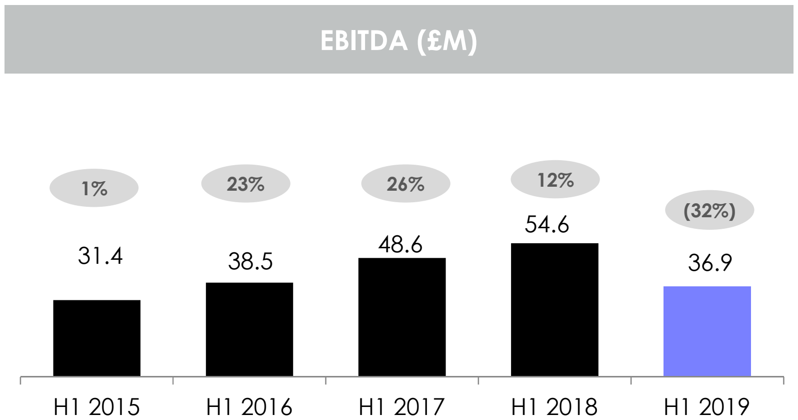
Please wait for the microphone and then state your name and institution.

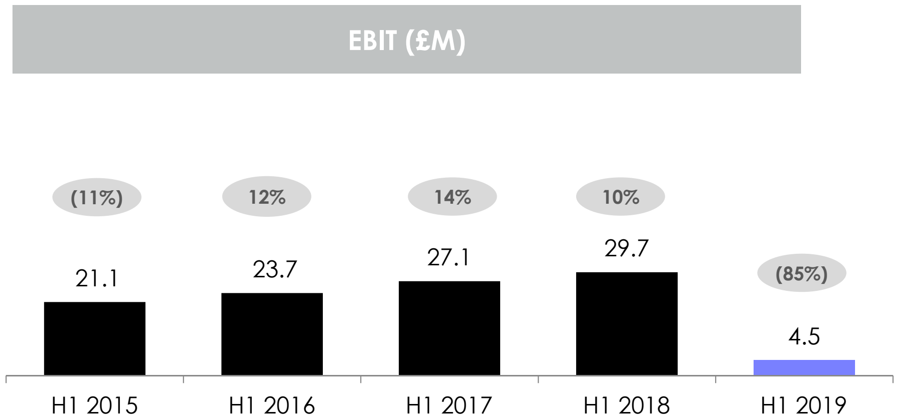
Appendix

Five year summary – 5 years to 28 February 2019









YOY growth rate

Note: All comparative numbers exclude results from discontinued operations in China

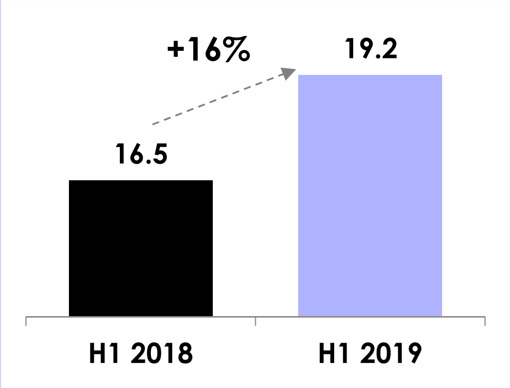
Five year KPI summary

	H1 2015	H1 2016	H1 2017	H1 2018	H1 2019
Active customers	9.3m (+13%)	10.9m (+17%)	14.1m (+29%)	16.5m (+17%)	19.2m (+16%)
Visits growth	+12%	+21%	+27%	+25%	+11%
% Visits on mobile	50.8% (+1,240bps)	61.8% (+1,100bps)	68.4% (+660bps)	76.0% (+760bps)	80.5% (+450bps)
Orders growth	+14%	+24%	+33%	+28%	+15%
Order frequency	+6%	+3%	+4%	+8%	+4%
Conversion	+10bps	+10bps	+10bps	+10bps	+20bps
Average basket value	+7%	+2%	+3%	+2%	-2%

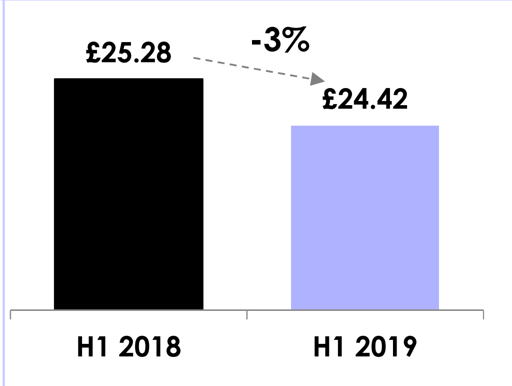
Subject to rounding

Operational KPIs

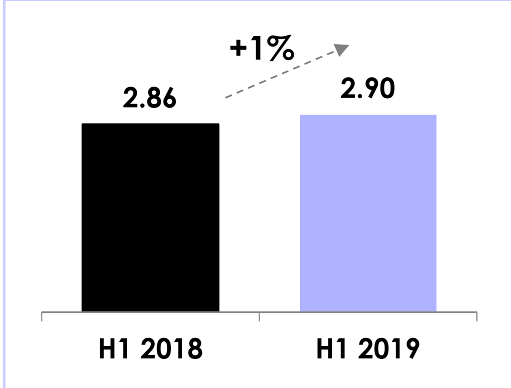
ACTIVE CUSTOMERS



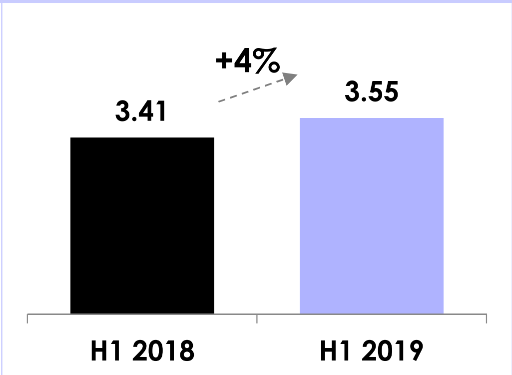
AVERAGE SELLING PRICE



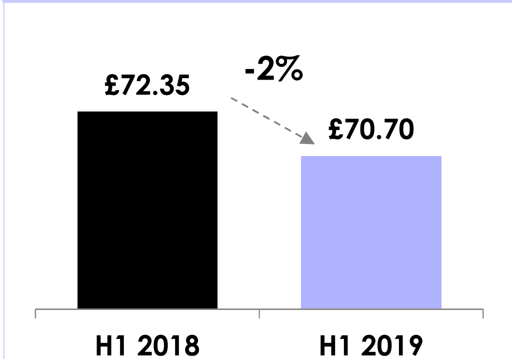
AVERAGE UNITS PER BASKET



ANNUAL ORDER FREQUENCY



AVERAGE BASKET VALUE



Statement of Comprehensive Income

	H1 2019	H1 2018	Change %
£m			
Revenue	**1,314.5**	**1,158.1**	**14%**
Cost of sales	(674.6)	(588.7)	(15%)
Gross profit	**639.9**	**569.4**	**12%**
Distribution expenses	(204.9)	(178.5)	(15%)
Administrative expenses	(430.5)	(361.2)	(19%)
Operating profit	**4.5**	**29.7**	**(85%)**
Net finance (expense)/income	(0.5)	0.2	
Profit before tax	**4.0**	**29.9**	**(87%)**
Income tax expense	(1.0)	(5.4)	
Profit after tax	**3.0**	**24.5**	
Effective tax rate	*25.0%*	*18.1%*	

H1 2019 Segmental sales

£m	Three months to 30 November 2018	Growth	CCY[1] Growth	Three months to 28 February 2019	Growth	CCY[1] Growth	Six months to 28 February 2019	Growth	CCY[1] Growth
UK retail sales	237.1	*19%*	*19%*	244.4	*14%*	*14%*	481.5	*16%*	*16%*
EU retail sales	*203.8*	*18%*	*14%*	*198.4*	*12%*	*8%*	*402.2*	*15%*	*10%*
US retail sales	*85.0*	*13%*	*11%*	*76.6*	*4%*	*(3%)*	*161.6*	*8%*	*4%*
ROW retail sales	*114.1*	*(3%)*	*(2%)*	*121.9*	*20%*	*21%*	*236.0*	*8%*	*9%*
International retail sales	402.9	*11%*	*9%*	396.9	*13%*	*9%*	799.8	*12%*	*9%*
Total retail sales	**640.0**	***13%***	***12%***	**641.3**	***13%***	***11%***	**1,281.3**	***13%***	***11%***
Total group revenues	**656.0**	***14%***	***13%***	**658.5**	***13%***	***11%***	**1,314.5**	***14%***	***12%***

[1]*Constant currency is calculated to take account of hedged rate movements on hedged sales and spot rate movements on unhedged sales*

H1 2019 Segmental sales

£m	Four months to 31 December 2018	Growth	CCY[1] Growth	Two months to 28 February 2019	Growth	CCY[1] Growth	Six months to 28 February 2019	Growth	CCY[1] Growth
UK retail sales	347.8	*16%*	*16%*	133.7	*18%*	*18%*	481.5	*16%*	*16%*
EU retail sales	*275.9*	*17%*	*13%*	*126.3*	*11%*	*7%*	*402.2*	*15%*	*10%*
US retail sales	*113.5*	*11%*	*8%*	*48.1*	*3%*	*(4%)*	*161.6*	*8%*	*4%*
ROW retail sales	*157.8*	*4%*	*5%*	*78.2*	*17%*	*18%*	*236.0*	*8%*	*9%*
International retail sales	547.2	*12%*	*9%*	252.6	*11%*	*8%*	799.8	*12%*	*9%*
Total retail sales	**895.0**	***13%***	***12%***	**386.3**	***13%***	***11%***	**1,281.3**	***13%***	***11%***
Total group revenues	**917.9**	***14%***	***12%***	**396.6**	***13%***	***11%***	**1,314.5**	***14%***	***12%***

[1]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	H1 2019	*% of sales*	H1 2018	*% of sales*	*Change %*	*Change in % of sales*
Distribution costs	**204.9**	***15.6%***	178.5	*15.4%*	***(15%)***	***(20bps)***
Payroll and staff costs	**103.9**	***7.9%***	92.8	*8.0%*	***(12%)***	***10bps***
Warehousing	**144.2**	***11.0%***	113.5	*9.8%*	***(27%)***	***(120bps)***
Marketing	**64.4**	***4.9%***	57.3	*5.0%*	***(12%)***	***10bps***
Production	**3.1**	***0.2%***	3.6	*0.3%*	***14%***	***10bps***
Technology	**29.1**	***2.2%***	21.3	*1.8%*	***(37%)***	***(40bps)***
Other operating costs	**53.4**	***4.0%***	47.8	*4.1%*	***(12%)***	***10bps***
Depreciation	**32.4**	***2.5%***	24.9	*2.2%*	***(30%)***	***(30bps)***
Total Operating costs	**635.4**	***48.3%***	**539.7**	***46.6%***	***(18%)***	***(170bps)***

Global order contribution analysis

H1 2019	**Group total**	**UK**	**EU**	**US**	**RoW**	**International Total**
Gross profit excluding third party revenues (£m)	**636.2**	**212.4**	**207.3**	**97.5**	**119.0**	**423.8**
Distribution costs (£m)	**(204.9)**	**(57.9)**	**(63.0)**	**(39.7)**	**(44.3)**	**(147.0)**
Total contribution (£m)	**431.3**	**154.5**	**144.3**	**57.8**	**74.7**	**276.8**
Number of orders (m)	**34.4**	**15.9**	**10.9**	**3.3**	**4.3**	**18.5**
Contribution per order (£)	**12.5**	**9.7**	***13.2***	***17.5***	**17.4**	**15.0**

H1 2018 contribution per order (£)	*13.0*	*10.4*	*12.8*	*17.3*	*18.9*	*15.0*
Variance	***(4%)***	***(7%)***	***3%***	***1%***	***(8%)***	**-**

Consolidated Statement of cashflows

£m	At 28 February 2019	At 28 February 2018	At 31 August 2018
Operating profit	**4.5**	**29.7**	**101.9**
Depreciation and amortisation	**32.4**	**24.9**	**54.6**
Loss on disposal of non-current assets	**-**	**0.4**	**0.8**
Investment write-off	**-**	**0.1**	**-**
Fixed asset impairment	**-**	**-**	**2.7**
Working capital	**8.0**	**(82.5)**	**(62.4)**
Share-based payments charge	**0.5**	**4.8**	**8.9**
Other non-cash items	**(1.4)**	**1.3**	**0.5**
Tax paid	**(3.7)**	**(6.5)**	**(13.1)**
Cash inflow/(outflow) from operating activities	**40.3**	**(27.8)**	**93.9**
Capital expenditure	**(120.4)**	**(95.4)**	**(213.0)**
Net finance (expense paid)/ income received	**(0.6)**	**0.2**	**0.1**
Net cash inflow relating to EBT[1]	**0.4**	**0.9**	**1.7**
Proceeds from borrowings	**60.0**	**-**	**-**
Total cash outflow	**(20.3)**	**(122.1)**	**(117.3)**
Opening cash and cash equivalents	**42.7**	**160.3**	**160.3**
Effect of exchange rates on cash and cash equivalents	**(0.3)**	**(0.5)**	**(0.3)**
Closing cash and cash equivalents	**22.1**	**37.7**	**42.7**

[1]*Employee Benefit Trust and Link Trust*

Statement of Financial Position

£m	At 28 February 2019	At 28 February 2018	At 31 August 2018
Goodwill and other intangible assets	**291.9**	205.5	258.0
Property, plant and equipment	**278.5**	192.3	241.6
Derivative financial assets	**18.3**	8.0	3.8
Non-current assets	**588.7**	405.8	503.4
Stock	**443.3**	370.0	407.6
Net current payables	**(533.8)**	(432.2)	(507.1)
Net (debt)/cash	**(37.9)**	37.7	42.7
Derivative financial assets/(liabilities)	**28.3**	(1.1)	3.4
Current tax asset/(liability)	**0.4**	(2.3)	(3.0)
Deferred tax liability	**(16.0)**	(3.9)	(8.2)
Net assets	**473.0**	374.0	438.8

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Key definitions

Retail sales	Sales of goods through our internet sites, net of returns
Group revenues	Retail sales, delivery receipts 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 12 months, as at 28 February
Return on invested capital	Profit before interest, exceptional items and discontinued operations but after tax, divided by average invested capital (net assets minus cash balance and hedging reserve)

FORWARD LOOKING STATEMENTS AND DISCLAIMER

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