



asos

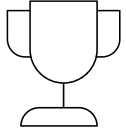
2021 Half-Year Results

8 April 2021

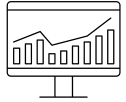
OVERVIEW

Nick Beighton | CEO

Key results



Record first half adjusted* PBT number of £112.9m with underlying momentum double year on year (excluding COVID tailwind £48.5m)



Strong first half retail sales (+24%, +25% CC) and adjusted* EBIT margin of 5.9%, both ahead of consensus



Good customer growth of 12% to 24.9m YoY. Active customers +1.5m in the first half



Net cash position of £92.0m despite £266.0m acquisition cost outlay



Integration of Topshop, Topman, Miss Selfridge and HIIT on track



*Excluding Topshop brands acquisition and integration one-off costs of £5.9m and amortisation of acquired intangible assets of £0.6m

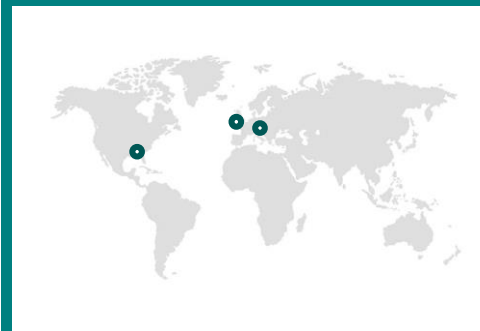
The last 12 months has taught us a lot about our business



**The commitment,
resilience and
professionalism of
our people has been
amazing**



**Built greater agility
into our model and
enhanced our
category breadth**



**Fully tested the
resilience and
flexibility of our
operations and
processes**



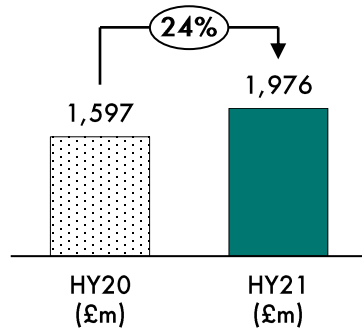
**Opened up new
ideas and
innovation for us to
explore**

FINANCIAL RESULTS

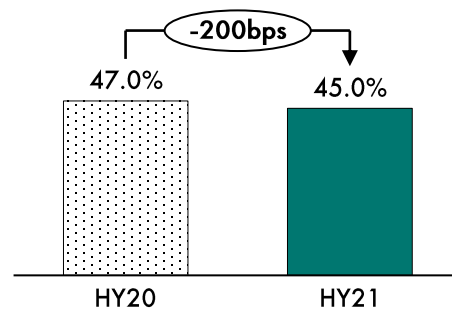
Mat Dunn | CFO

Financials at a glance

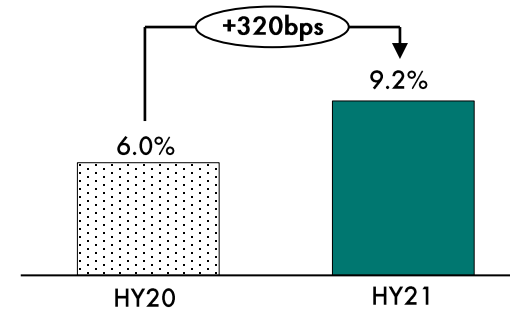
TOTAL SALES



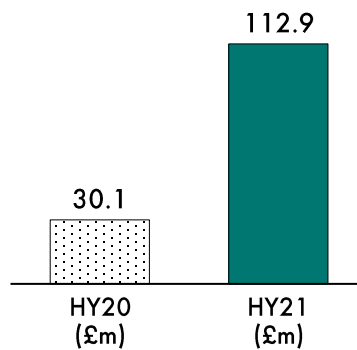
GROSS MARGIN



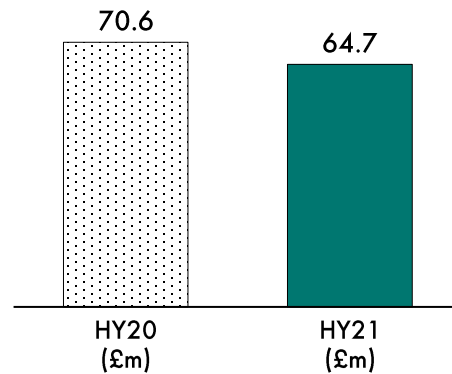
ADJUSTED¹ EBITDA MARGIN



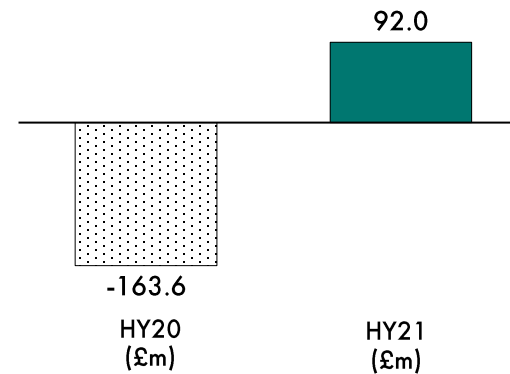
ADJUSTED² PBT



CAPEX³



NET CASH



¹Excluding Topshop brands acquisition and integration one-off costs of £5.9m and share based payments

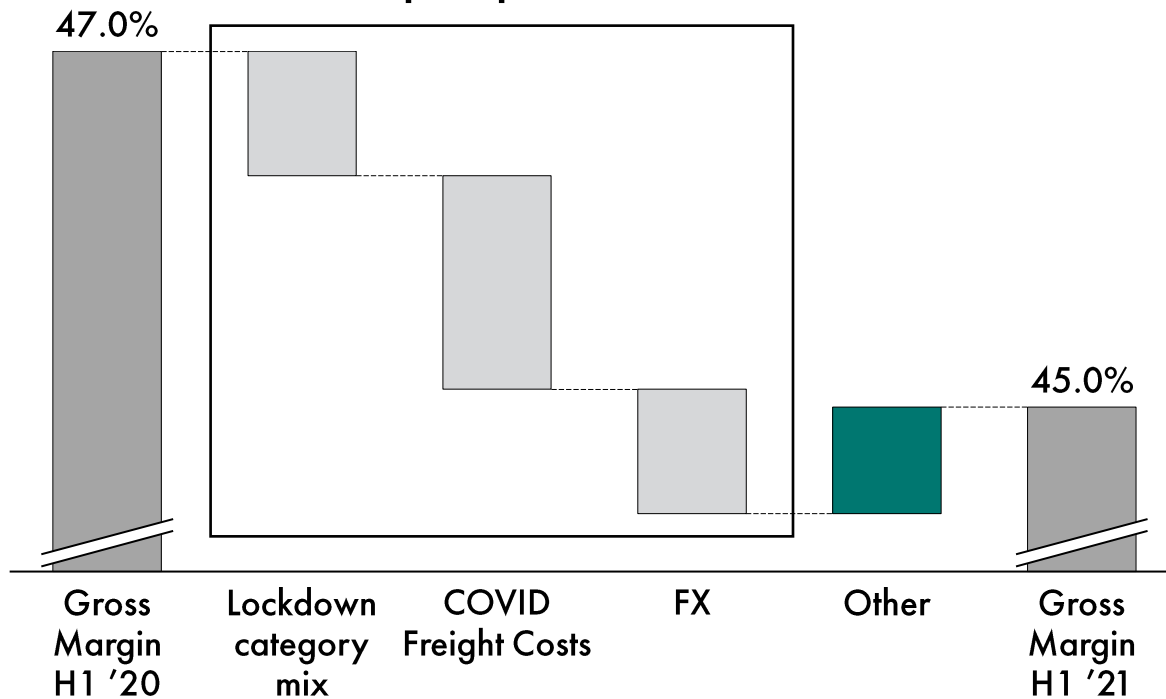
²Excluding Topshop brands acquisition and integration one-off costs of £5.9m and amortisation of acquired intangible assets of £0.6m

³Excluding any fixed asset additions in relation to the right use of assets as part of IFRS16 and any Topshop brands acquired assets

Unpacking the impact of COVID on our cost base

Gross margin has been impacted by incremental COVID freight costs, lockdown product mix and FX movements

COVID and FX have had a
260 bps impact on GM



...which have offsetting impacts in operating costs, with COVID changing the shape of our underlying P&L

	HY21 % of sales	HY20 % of sales	Change
Distribution Costs	(12.5%)	(14.0%)	150bps
Warehouse	(8.7%)	(10.1%)	140bps
Marketing	(5.5%)	(4.3%)	(120bps)
Other Costs	(9.7%)	(12.8%)	310bps

P&L overview

	HY21 % of sales	HY20 % of sales	Change
Gross Margin	45.0%	47.0%	(200bps)
Distribution Costs	(12.5%)	(14.0%)	150bps
Warehouse	(8.7%)	(10.1%)	140bps
Marketing	(5.5%)	(4.3%)	(120bps)
Other Costs	(9.7%)	(12.8%)	310bps
EBITDA Margin	8.6%	5.8%	280bps
Adjusted EBITDA Margin¹	9.2%	6.0%	320bps
Depreciation	(3.1%)	(3.6%)	50bps
EBIT Margin	5.6%	2.2%	340bps
Adjusted EBIT Margin²	5.9%	2.2%	370bps

¹Excluding Topshop brands acquisition and integration one-off costs of £5.9m and share based payments

²Excluding Topshop brands acquisition and integration one-off costs of £5.9m and amortisation of acquired intangible assets of £0.6m

Note: Above table subject to rounding

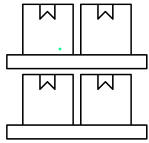


Non-strategic costs

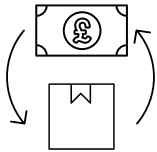
We continue to actively pursue reductions in non-strategic costs and see improvements across different business areas



Focused marketing investment on more efficient channels



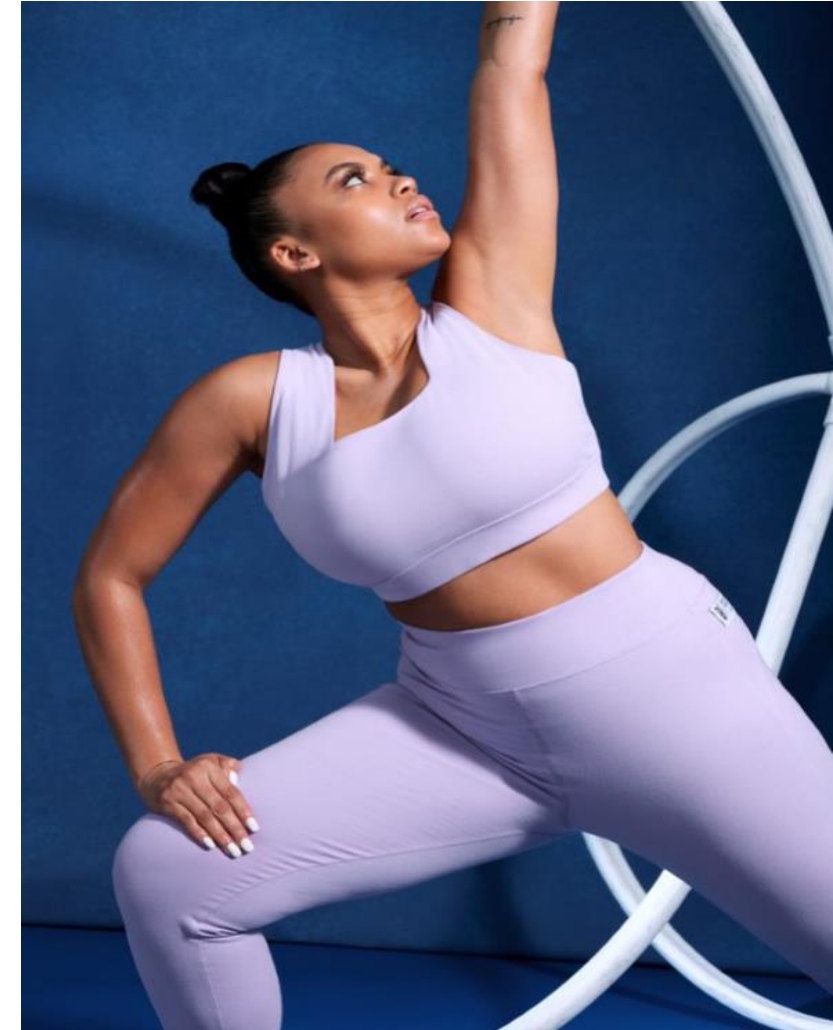
Alignment of organisational structure and capabilities further refined



Cost savings from increased effectiveness across central costs, targeted procurement activity and underlying supply chain costs



Increased efficiency through improved processes in key areas such as returns, product re-processing and customer care



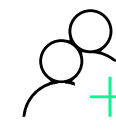
Key financials by region







Strong customer engagement with newly acquired customer behaviours offsetting reduction in low frequency occasion-wear shoppers



Exceptional UK growth with US and ROW impacted by higher exposure to going-out product



Deliberate purchasing influencing conversion behaviours but more than offset by associated returns profile

	 UK	 EU	 US	 ROW	GROUP
RETAIL SALES CC	+39%	+18%	+16%	+16%	+25%
VISITS	+31%	+15%	+22%	+10%	+19%
ORDERS	+24%	+12%	0%	-2%	+15%
CONVERSION	-30bps	0bps	-60bps	-20bps	-10bps
ABV	-5%	-4%	0%	+10%	-3%
ACTIVE CUSTOMERS ¹	7.8m (+15%)	9.9m (+14%)	3.3m (+6%)	3.9m (+5%)	24.9m (+12%)

¹Defined as having shopped in the last 12 months as at 28/29 February

Cash flow



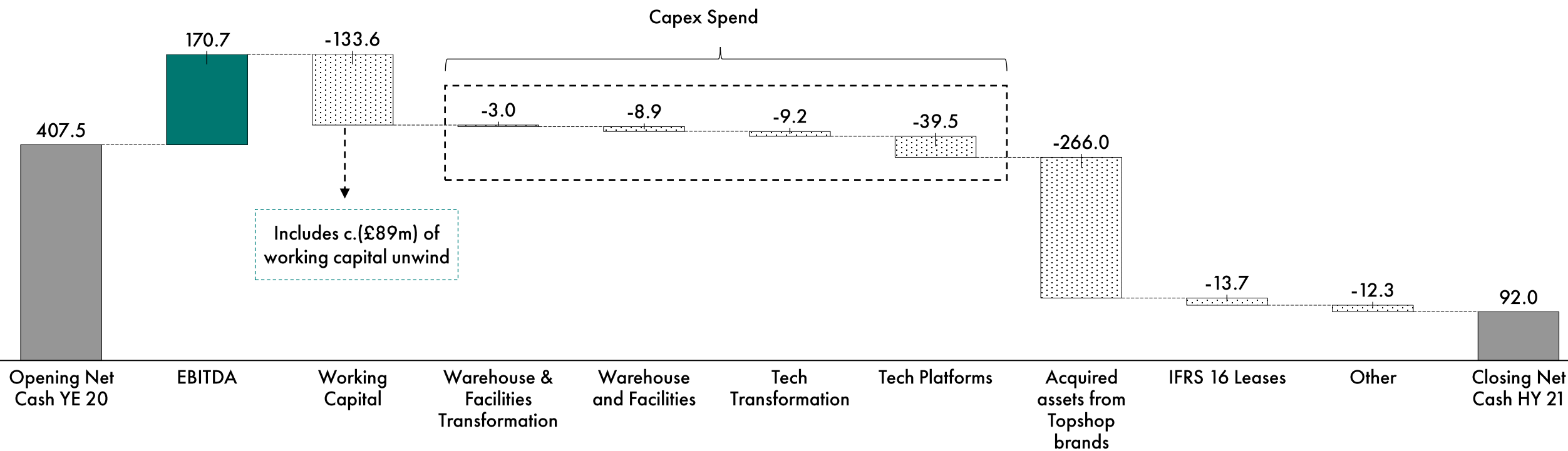
Strong profitability supporting EBITDA and free cash flow generation



Total cash capex investment of £60.6m across warehouse and technology infrastructure



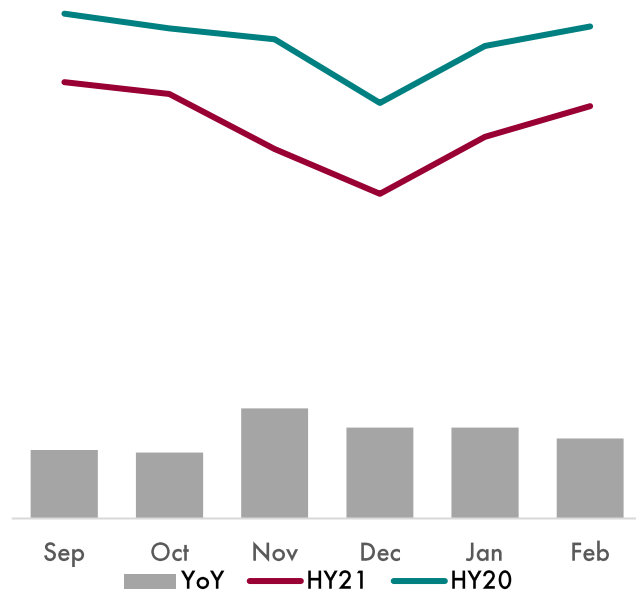
Retain net cash position following Topshop acquisition and anticipated working capital outflow



Consumer behaviour

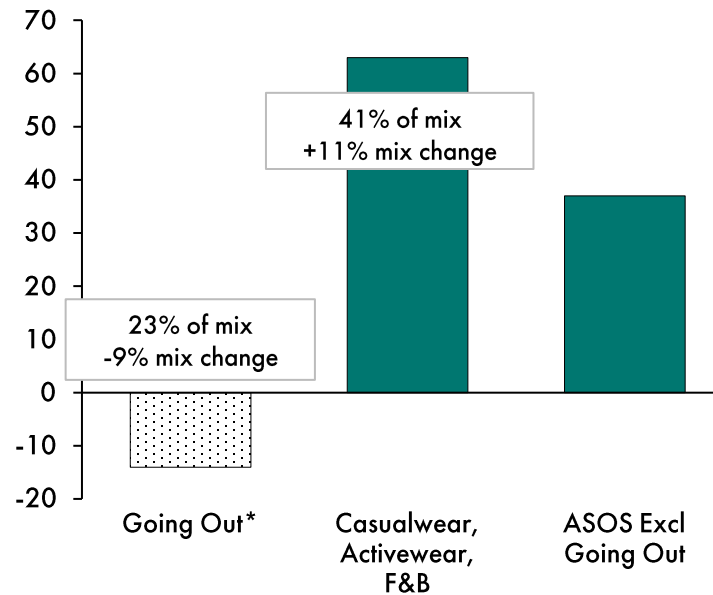
We expect returns rates to normalise as restrictions lift...

Underlying Returns Rate



...and correspondingly expect demand for going out product to start to return...

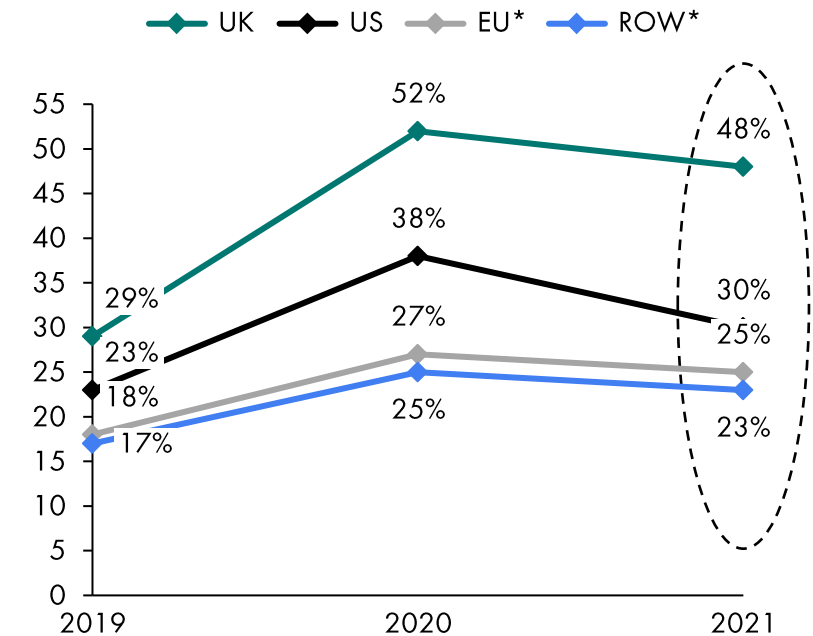
Mar '20 to Feb '21 YoY Sales Growth: COVID Period



*Dresses, formal wear and fashion footwear

...and we expect online penetration to stabilise above pre-pandemic penetration levels

Online Penetration by Segment



Source: GlobalData Jan21 update based on calendar year including tax & kidswear; * Available data only for 19 EU and 28 ROW countries

Expectations, technical & investor relations

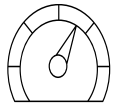
Expectations



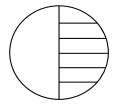
Positioned for event-led growth whilst remaining cautious on the consumer outlook, increased focus and investment to support global opportunity



Returns rate expected to start to normalise as restrictions ease, however freight rates expected to remain at elevated levels for the balance of the year



Increased FY21 expectations in line with first half performance, second half remains unchanged despite investment into EU pricing to enhance customer perception

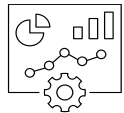


Topshop one-off acquisition and integration costs now expected to be c.£10m in 2021 (reduced from c.£20m)

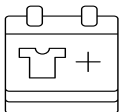


Expect positive FCF in second half, CAPEX guidance unchanged at c.£190m

Technical & IR



Adoption of adjusted measures to demonstrate underlying performance and aid comparability following acquisition



We will be hosting a series of CME's kicking off with an event showcasing ASOS brands on 20 April, with a fuller update in the late summer



PROGRESS AGAINST OUR STRATEGIC PRIORITIES

Nick Beighton | CEO

our vision is to be the number 1 destination for fashion-loving 20-somethings worldwide



01. Expand our overall scale and local scale by accelerating growth in key markets

02. Grow our unique ASOS brands by launching new brands and improving on both speed to market and price

03. Enhance our flexible and multi-brand platform by growing high potential categories, implementing flexible fulfilment and improving our proposition

04. Improve our inspiring and personalised customer experience through the application of data science and AI to deliver the most engaging experience

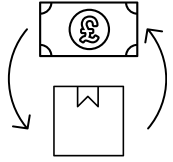
05. Develop our effective, efficient and sustainable model by transforming our organisation and operations including upgrading talent and capabilities, improving cross-functional ways of working and further driving responsible fashion into everything we do

and our **relentless focus** on our strategic priorities will make this a reality

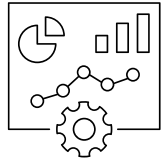
01. Become a truly global retailer

We have strengthened our foundation for global growth with the roll-out of TGR, bringing with it some key benefits to our internal ways of working

TRULY GLOBAL RETAIL



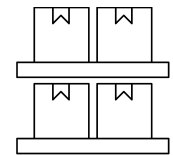
Restructures the way we plan and trade our products



Improves internal decision-making with better reporting, visibility and data



Delivers better pricing flexibility



Improves stock pool management and inbound stock planning

Successfully launched in eight phases over a five-week period which completed on **23 March**, with continuous post go-live support

Key enabler to support our growth ambitions

01. Become a truly global retailer

Our capacity expansion plans are progressing as planned to deliver over £6bn of net sales capacity by the second half of FY23

Lichfield build on track



 Manual launch on track for FY21 with automation planned for H2 FY23

 6 million units stockholding to expand to 17 million units

 Supporting UK and ROW territories

US Automation will come online in H2 FY23








 Automation is currently in design phase

 Stockholding will increase by c.50% to 15.5 million units

 Throughput will increase to 3.1 million units per week

02. Grow our unique ASOS brands



ASOS Brands

asos
DESIGN

asos
EDITION

asos
4505

asos
LUXE

asos
MADE IN
KENYA

Venture Brands

COLLUSION*

RECLAIMED
VINTAGE

As You

T O P S H O P

T O P M A N

Miss Selfridge

HIIT

Destinations

UTLET®

asos MARKET
PLACE

Logo Carriers




dark
future

UNRVLLD/SPPLY

CROOKED
TONGUES

ACTUAL

daysocial



02. Grow our unique ASOS brands

We have delivered each milestone of our Topshop, Topman, Miss Selfridge and HIIT integration on schedule

Day 1



- Cross-functional 'deal team' working group to reach an agreement with administrators
- Initial planning of integration approach
- Key integration principals agreed

Day 2



- 3 days post completion
- ASOS web pages and app content live and redirections active
- Marketing launch across multiple social media channels
- Critical data transfers completed

Day 21



- 3 weeks post completion
- Full customer re-launch supported by multi-channel marketing and website auto re-direct
- Stock extraction, transfer and processing completed to plan, enabling customer relaunch

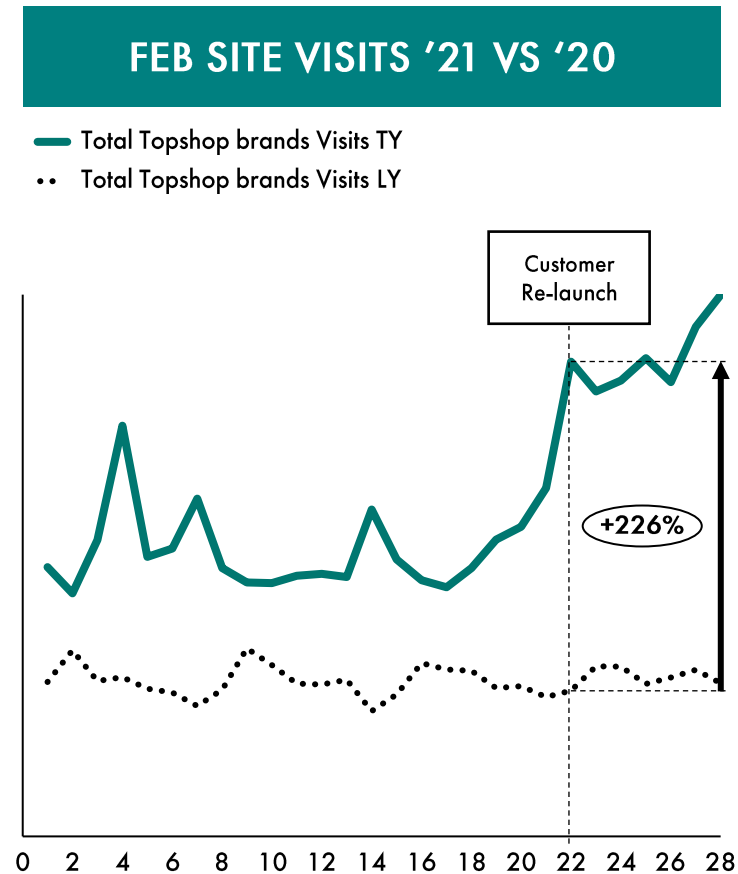
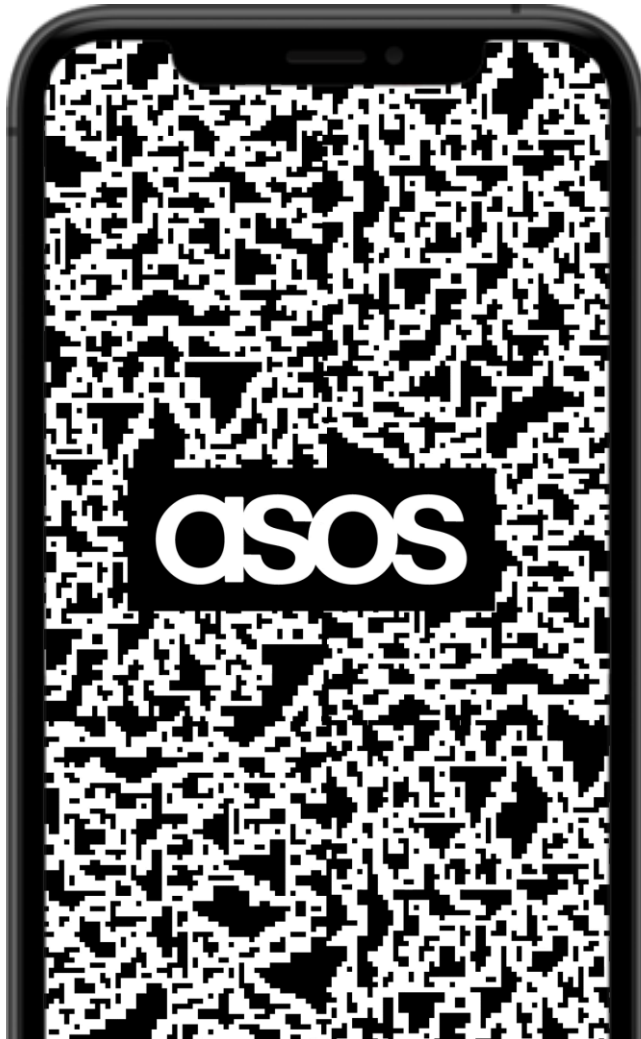
Day 100



- Now integrated into BAU, internal working groups to draw up longer term plan for brands to enable them to reach full global potential

02. Grow our unique ASOS brands

Site traffic saw a significant step-change post acquisition with a further step up after re-launch driving strong sales momentum



Strong sales momentum with **triple digit** growth across Topshop, Topman and HIIT

Miss Selfridge posting **double digit** growth rates

Strongest growth rates coming from the US, UK and Germany

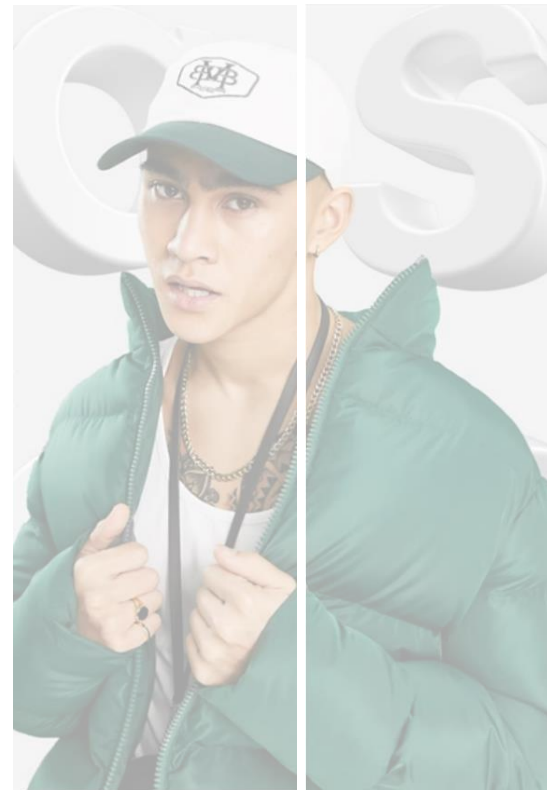
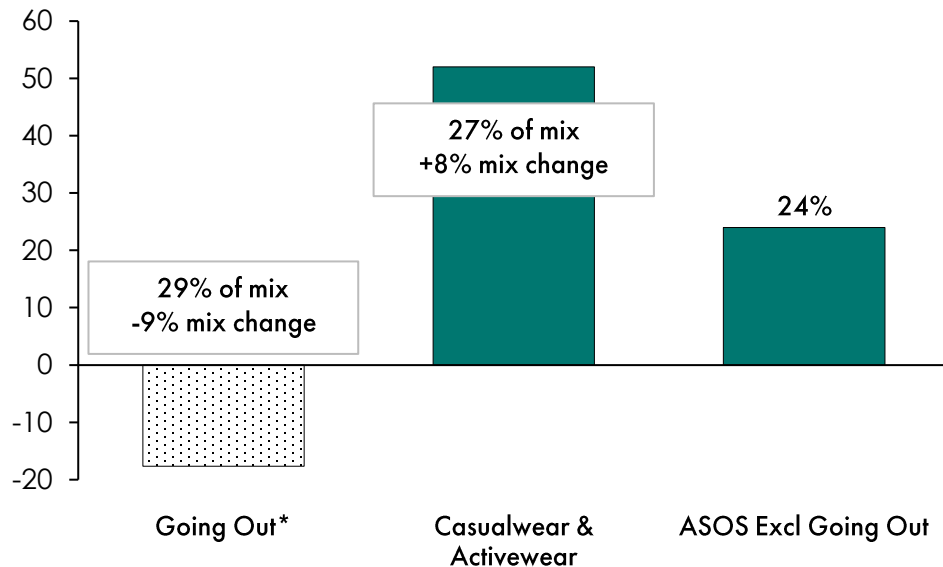
02. Grow our unique ASOS brands

Strong growth in ASOS design despite the step-back in 'going out' wear, well-positioned to react dynamically to changing consumer trends as social restrictions ease

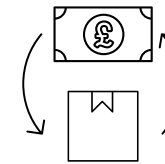
asos

D E S I G N

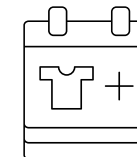
ASOS Design H1 YoY Growth by Category



Increased portion of Open to Buy



Continual focus on agility in the supply chain



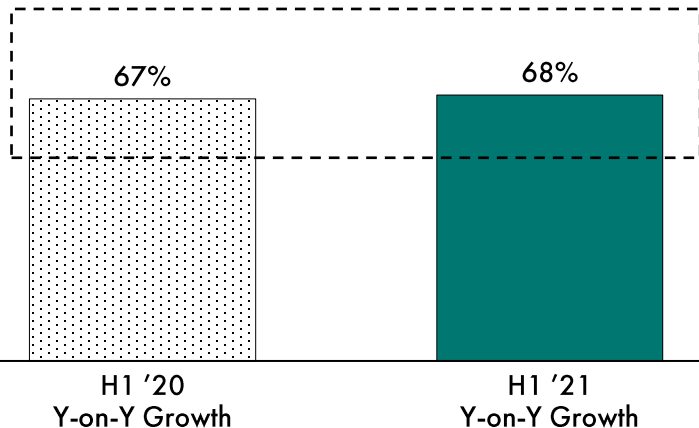
Upweight short-lead time products

02. Grow our unique ASOS Brands

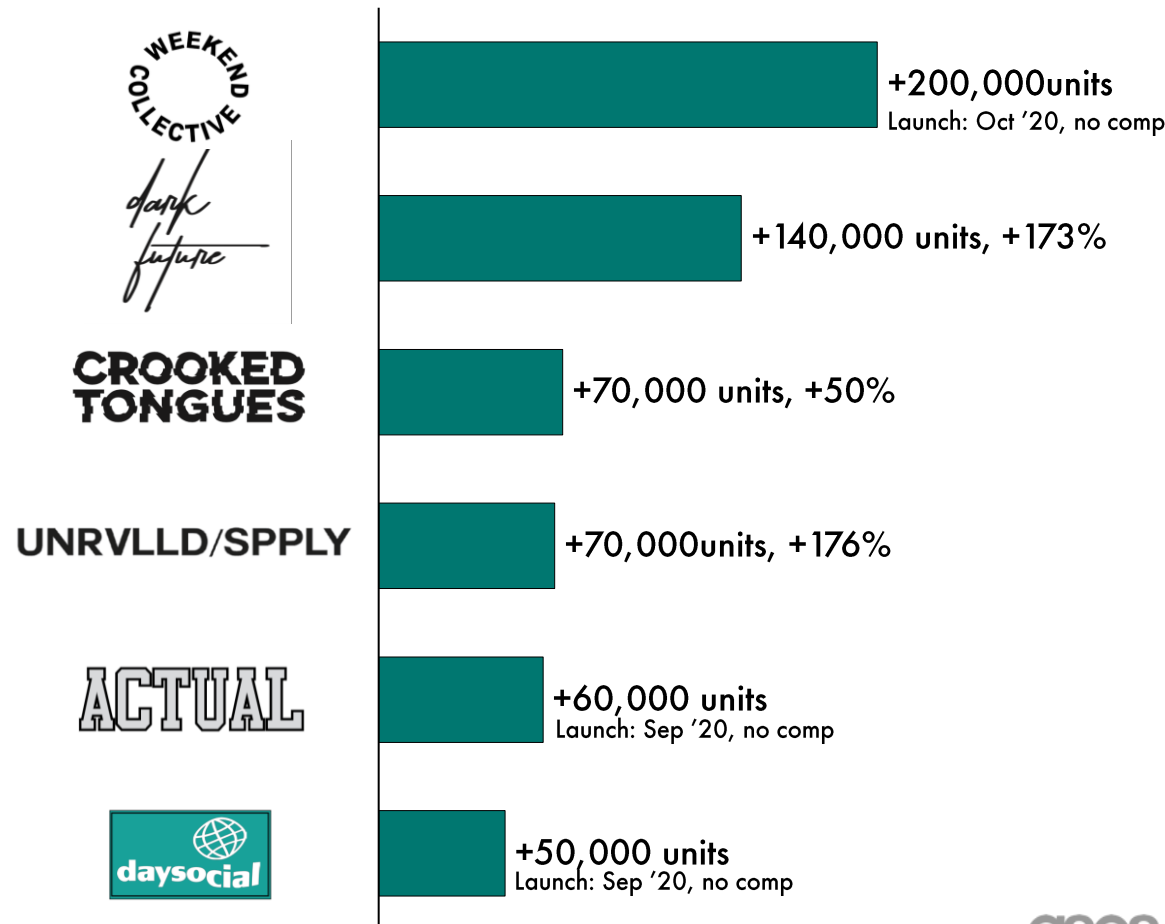
ASOS 4505 delivering consistently strong YoY growth with our Logo Carriers growing exponentially in a very short space of time

**ASOS
4505**

YoY Growth in Net Sales



Logo Carriers Net Units Sold, YoY Growth Rate



02. Grow our unique ASOS Brands

Our venture brands posted record sales growth

GROWTH RATE

MIX GROWTH

COLLUSION*

+93%

+70bps

**RECLAIMED
VINTAGE**

+92%

+30bps

03. Enhance our flexible and multi-brand platform

We saw further outperformance of “lockdown” categories supported by continued flexibility in shaping product offer to demand

FACE +
BODY

+114%



ACTIVE
WEAR

+95%



CASUAL
WEAR

+69%



03. Enhance our flexible and multi-brand platform

Our platform continues to strengthen with increased product availability, consistent newness, expanded customer choice and convenience

+120

New Brands



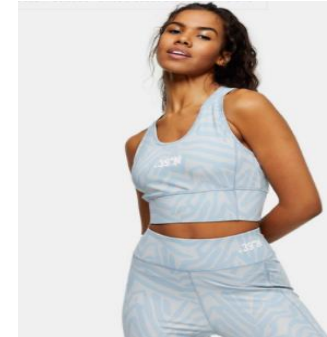
+100

Delivery
improvements



18,300+

New click & collect
locations

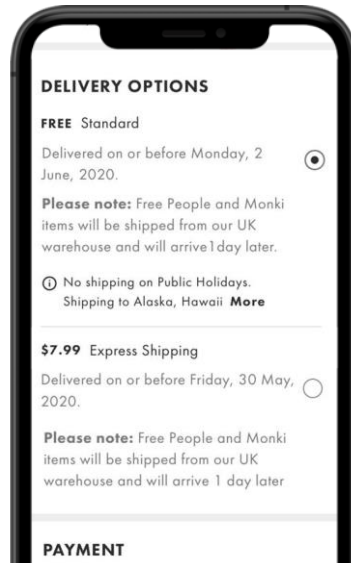


03. Enhance our flexible and multi-brand platform

We are seeing positive results through our first phase of Flexible Fulfilment roll-out, with our Partner Fulfilment roll-out planned for the end of this calendar year

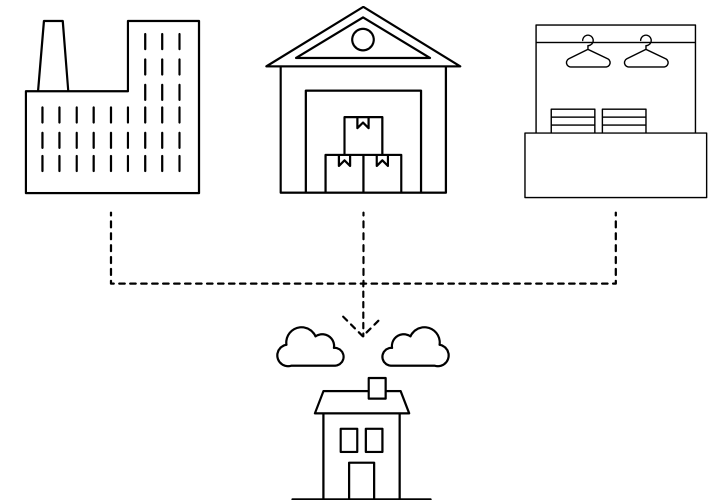
ASOS Flex Fulfilment

Phase 1 – ASOS Fulfils



- Allows for stock pool optimization
- Ability to fulfil orders from multiple ASOS warehouses to our customers

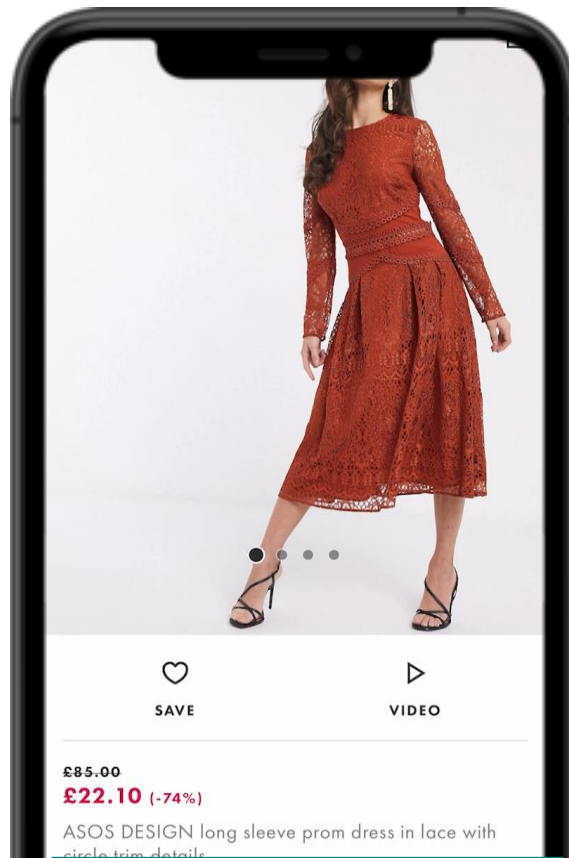
Phase 2 – Partner Fulfilment



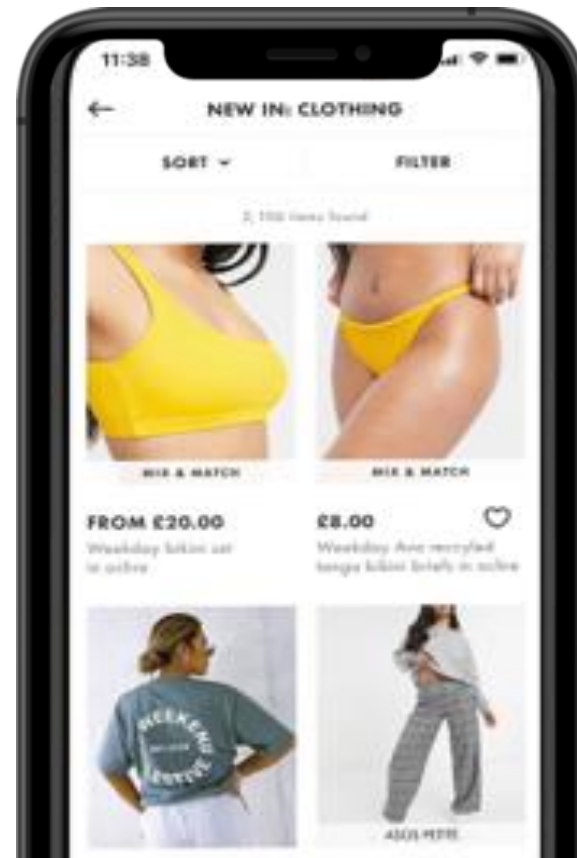
- Delivery capability from a 3rd party brand direct to consumer
- Improves stock availability and expands choice

04. Improve our inspiring and personalised customer experience

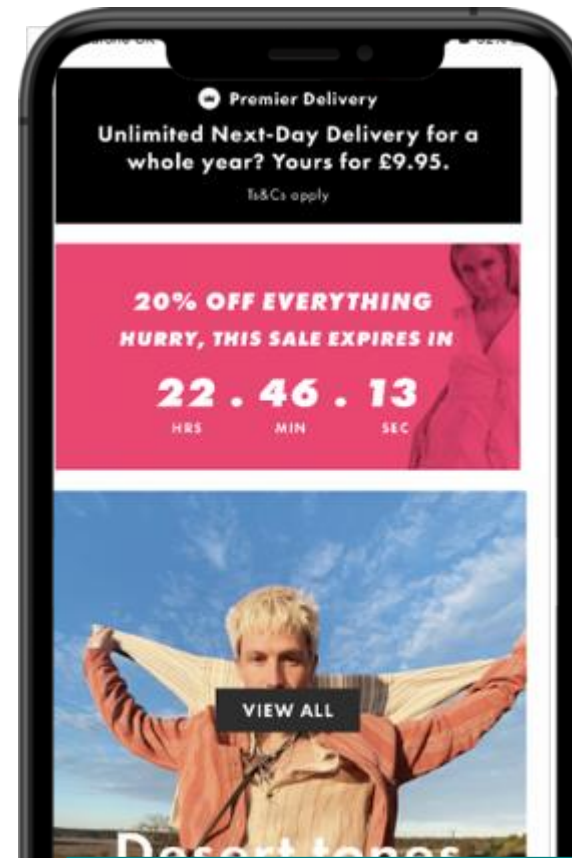
We are advancing our use of AI and data science to deliver an aspirational customer experience



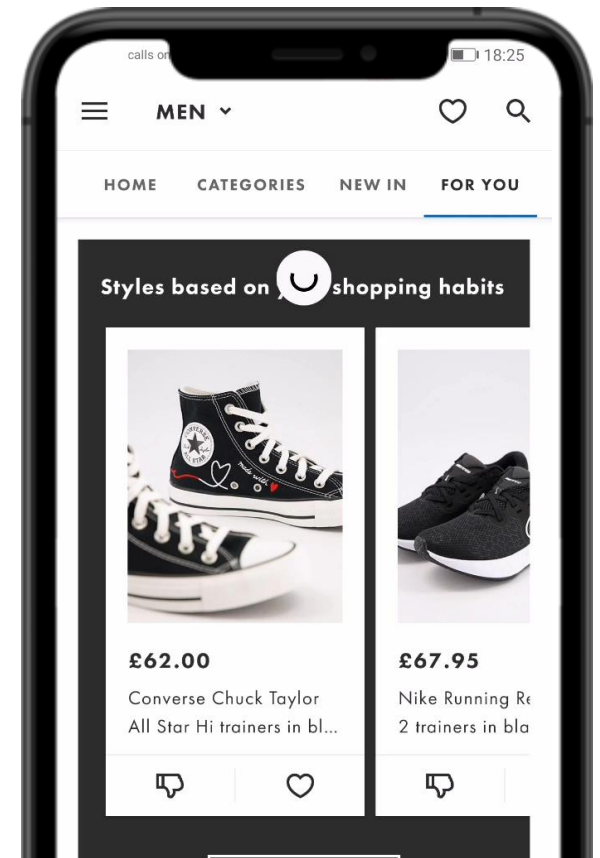
RATINGS AND
REVIEW



NEW IN RECS



PROMO
COUNTDOWN



FOR YOU

05. Develop our effective, efficient and sustainable model

With our strengthened, globally experienced leadership team in place we have realigned responsibilities

Nick Beighton
Chief Executive Officer

Mat Dunn
Chief Financial
Officer

Cliff Cohen
Chief Information
Officer

Robert Birge
Chief Growth
Officer

Jo Butler
Chief People
Officer

Patrik Silén
Chief Strategy
Officer

**José Antonio
Ramos**
Chief Commercial
Officer

Finance, Legal,
Procurement +
Supply Chain

Technology

Marketing +
Insights

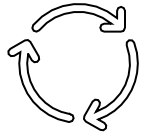
People + Space
& Business
Services

Strategy +
Change &
Transformation

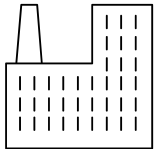
Retail, Trading,
Buying &
Design

05. Develop our effective, efficient and sustainable model

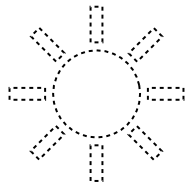
Fashion with integrity is the backbone of our business and alignment to our principles is non-negotiable



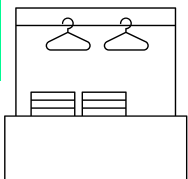
Launch of the ASOS Design Circular Collection



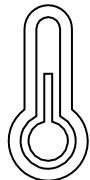
Leading the UK garment industry in raising sourcing standards



75% of all ASOS operations are powered by renewable energy



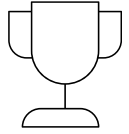
Aim to achieve full transparency on the Topshop brands supply chain by calendar year end



Joined the British Retailer Consortium's Net Zero Carbon roadmap and committed to setting Science-Based Targets



In summary



Exceptionally strong first half: strong retail sales growth, record profitability and net cash position



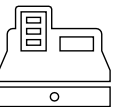
Solid executional delivery with continued discipline and strong operational grip



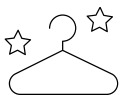
Increasing focus and investment to support global growth opportunity



Well positioned to capture demand for event-led product when lifestyles normalise; retaining caution on near-term consumer outlook



FY21 expectations increased in line with first half performance; outlook for the second half unchanged despite pricing investment



Integration of Topshop, Topman, Miss Selfridge and HIIT on track



Q&A

Please type your question into the question box