



# asos

## **P3 Trading Statement**

15 July 2020

# On track to deliver strong profit growth and positive FCF

## Performance managed rigorously through disruption

### Retail Sales

**+10%**

Steady recovery through the period as warehouse capacity, proposition and trading stance restored

### Item Growth

**+15%**

ASP drag from 'lockdown' product mix offsets stronger underlying demand

### Gross margin

**-70bps**

Adverse product mix offset with tight inventory management

### Delivering strong profitability & cash generation

- Strong operational grip & financial control
- Continued removal of non-strategic cost
- Robust working capital management

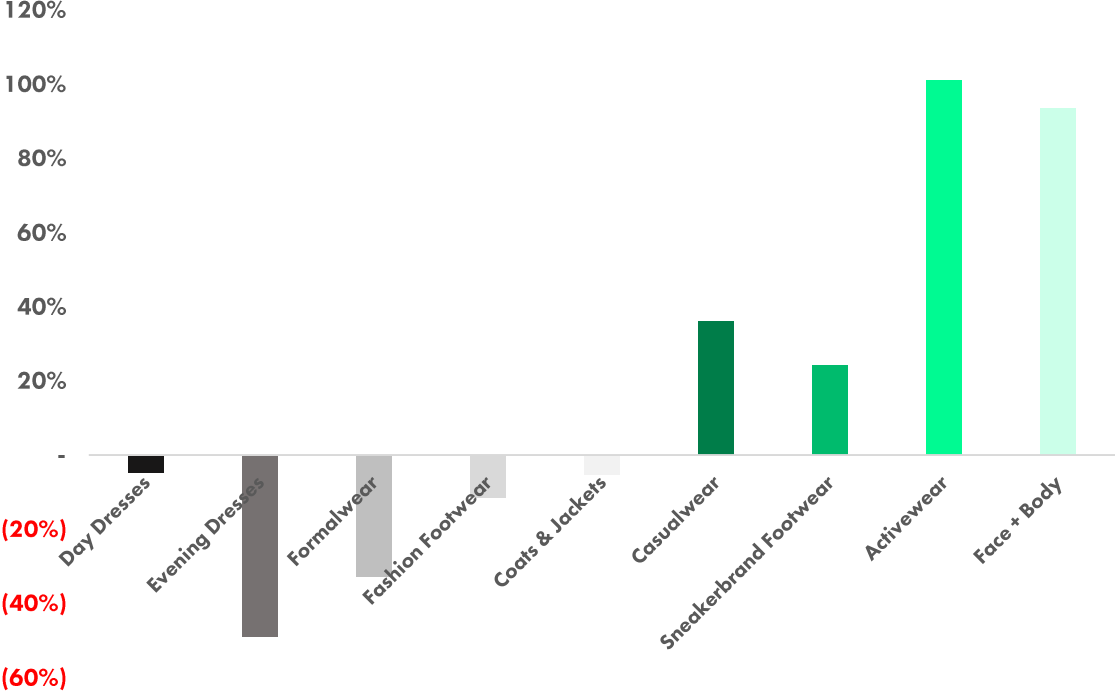


# Occasion led categories affected by shift in customer demand

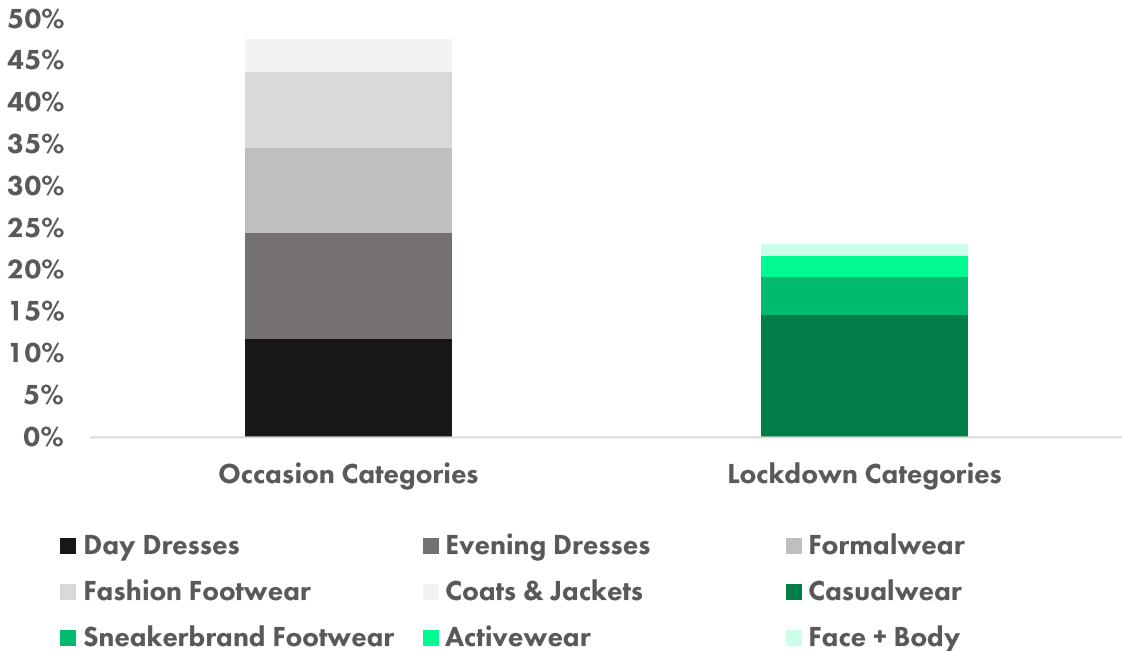
Growth in 'lockdown' categories has been very strong, offsetting a significant reduction in demand for more occasion led product...

... ASOS is well established in occasion led product and these categories represent a high portion of our product mix

P3 YoY Sales Growth



Last Year P3 Product Mix





# Throughput capacity was restricted in our warehouses

Effective social distancing and border closures restricted available labour in our warehouses...

...we took customer facing decisions to manage throughput in line with warehouse capacity

Available Labour vs Planned Labour



- Significantly impaired delivery proposition
  - Removal of NDD for 5-7 weeks
  - Up to 11 days added to standard delivery
- Softened promotional calendar
- Reduced performance marketing spend

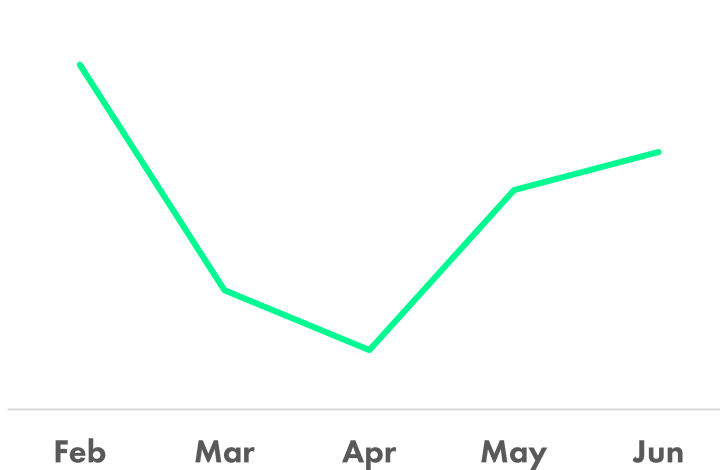
# Customer engagement remains strong despite disruption

Visits growth improved during the period reflecting customer engagement after the initial lockdown shock

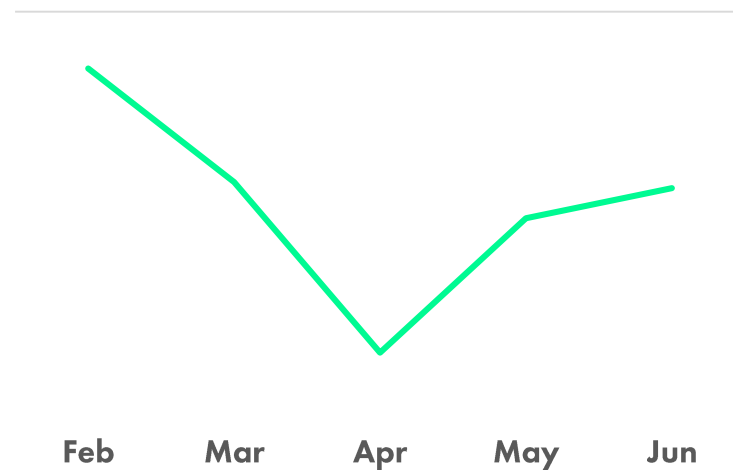
Conversion has also improved but remains behind year on year reflective of reduction in event led demand to shop

Our active customer base increased to 23m despite softening our promo stance, marketing and delivery proposition

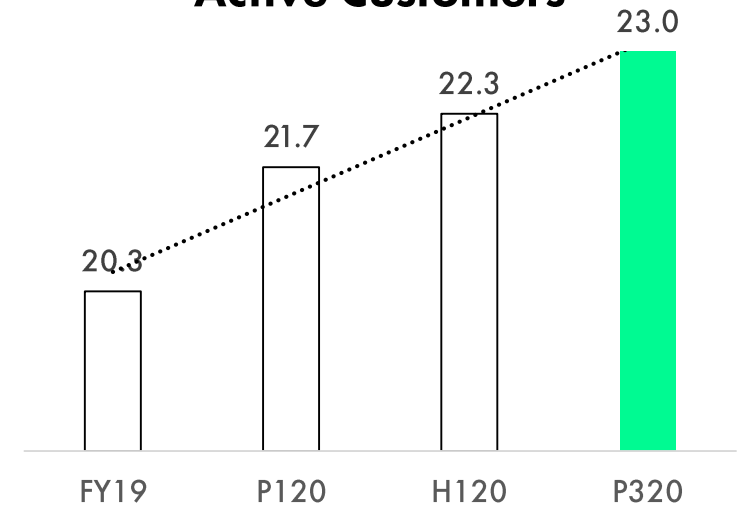
YoY Visits Growth



YoY Conversion



Active Customers



# Strong performance in EU & ROW, UK & US reflect more pronounced product mix shift and consumer dynamics related to lockdown measures

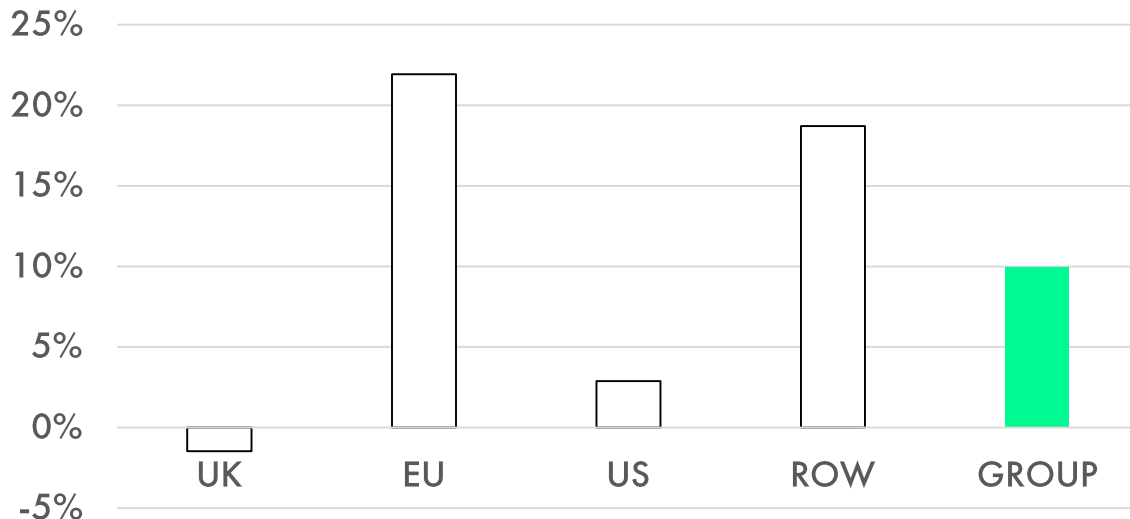
UK most impacted by product mix shift and consumer dynamics

EU supported by lockdown easing and good customer growth

US impacted by more pronounced product mix and product availability

ROW supported by strong promotional engagement particularly through Ramadan

P3 Sales Growth



P3 KPIs

Retail Sales	10%
ABV	(3%)
ASP	(9%)
Item growth	15%
Visits	13%
Active Customers*	16%

\*12 month measures – Active customers defined as having shopped in the last twelve months as at 30 June.

# On track to emerge as a stronger and more resilient business

**Continuing to trade with agility through season:**

- **Tight inventory management**
- **Dynamic promotional stance**

**Preparing extensively for next season:**

- **Working closely with supplier base to build right product offer**
- **Increasing capacity warehouse for peak**

**Remain cautious on demand in context of:**

- **Medium term economic impact to 20-somethings**
- **Continued social distancing restricting social events, holidays & occasions**

**Substantial FY20 Profit Growth**

**Positive FCF generation in FY20**

**Well positioned to be a global leader in retail**



# Q&A

Please type your question into the question box with your name and institution