



## **INTERIM RESULTS**

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**FOR THE SIX MONTHS ENDED 28 FEBRUARY 2017**

**4 APRIL 2017**

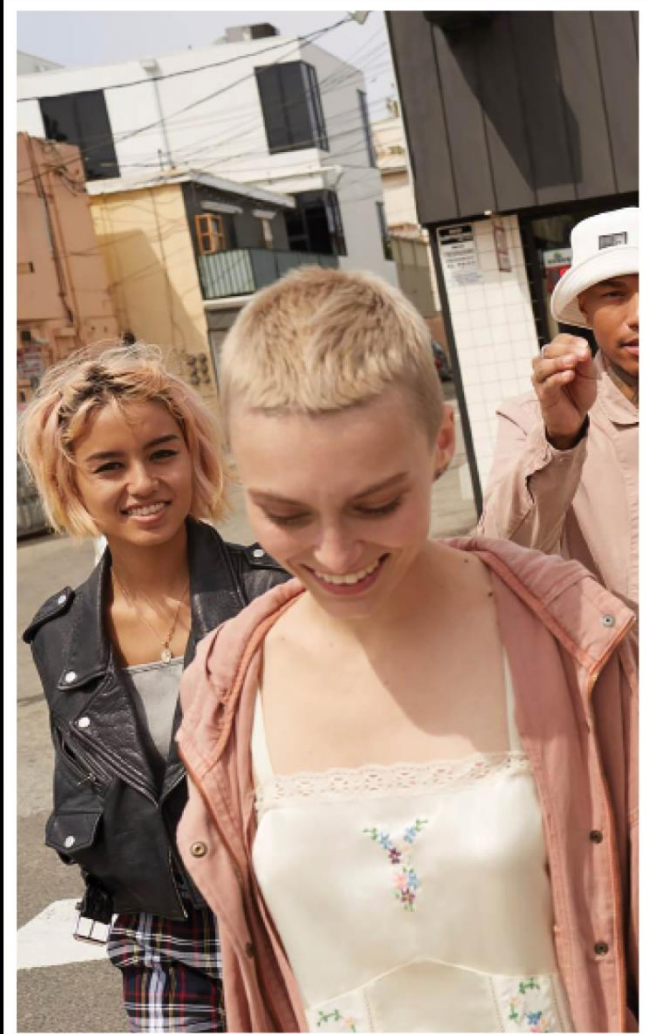
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# INTRODUCTION

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NICK BEIGHTON – CEO

asos



# HY 2017 HIGHLIGHTS

- Total sales +37%, PBT +14% to £27.3m
  - Retail sales\*: UK +18%, EU +48%, US +62%, RoW +59%
- Exceptional growth boosted by currency dislocation
- 29% growth in active customers to 14.1m
- 21.3m social media followers (+25% YoY)
- Major investment programmes progressing to plan
- Fashion with integrity



# GEOGRAPHICAL PERFORMANCE



Active customers	5.0m (+16%)	5.0m (+35%)	2.0m (+43%)	2.1m (+40%)
% Visits on mobile	75.5% (+370bps)	66.3% (+210bps)	63.3% (+600bps)	65.2% (+850bps)
Orders growth	+20%	+45%	+50%	+48%
Order frequency	+8%	+6%	+3%	+2%
Conversion	+10bps	+30bps	+40bps	+20bps
Premier customer growth	+41%	+233% <sup>1</sup>	+101%	n/a <sup>2</sup>
Market share <sup>3</sup>	5.9%	1.6%	0.5%	<1%

**Note:** <sup>1</sup> Currently only available in France, Germany, Italy & Spain; <sup>2</sup> Premier is only available in one territory <sup>3</sup> Based on Conlumino 2017 estimates which may not include data for every single country

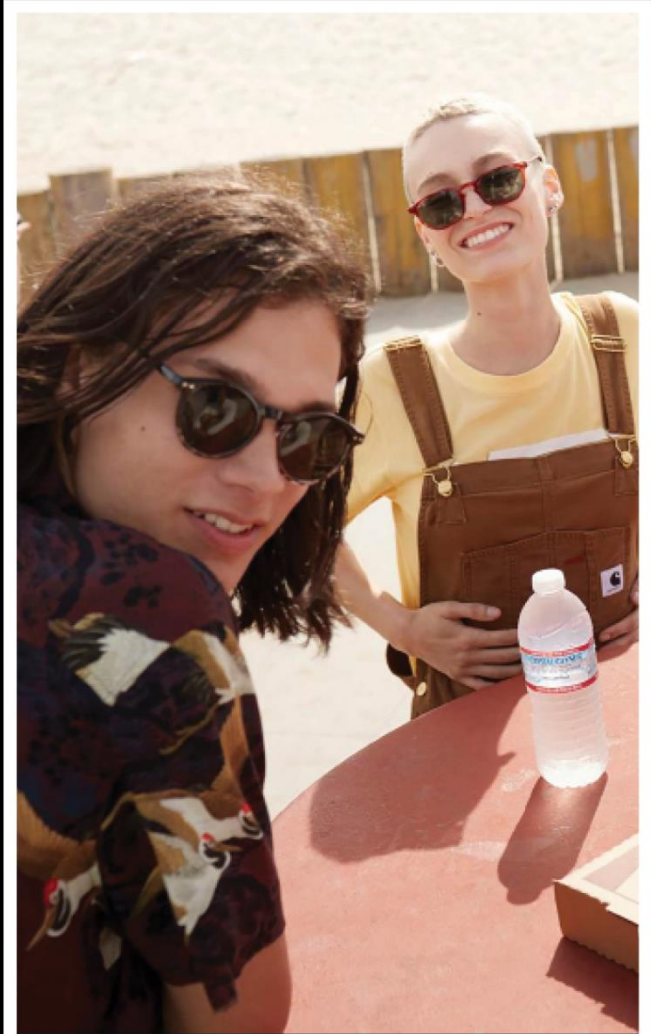
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# FINANCIALS

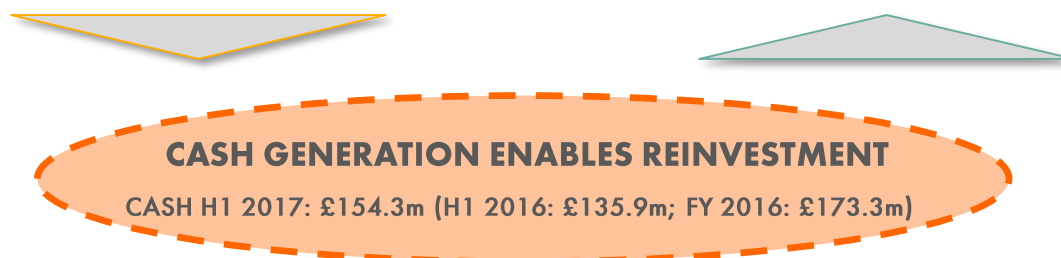
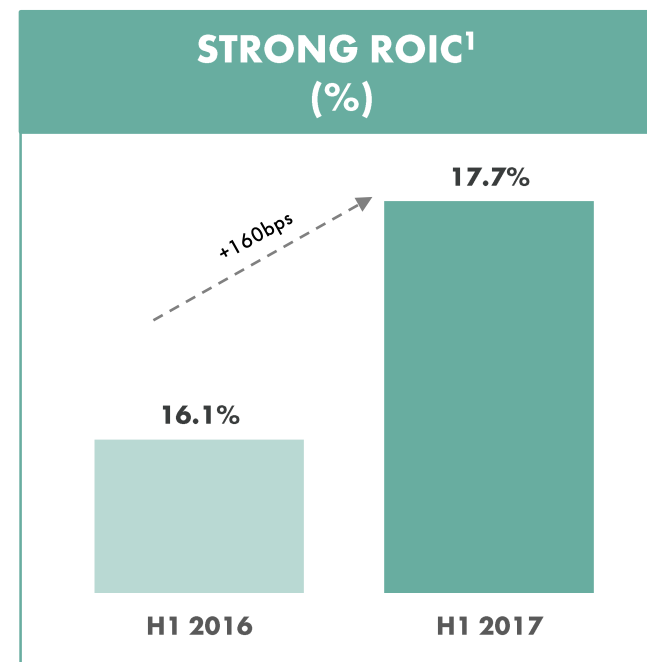
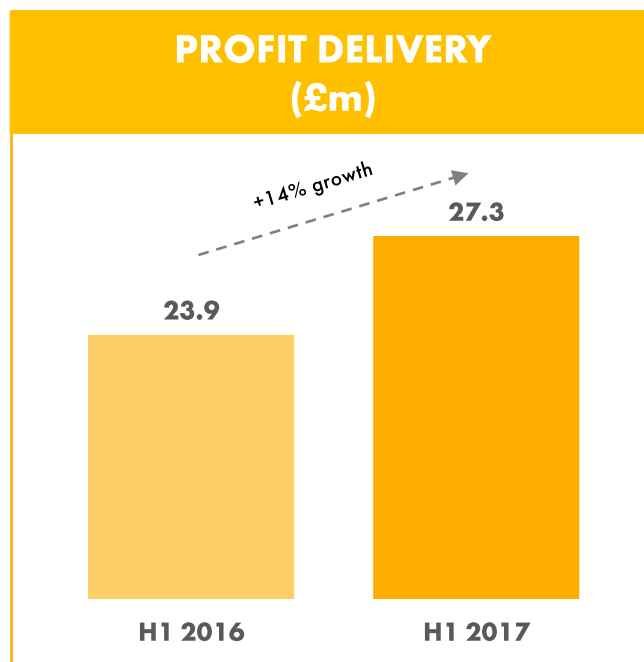
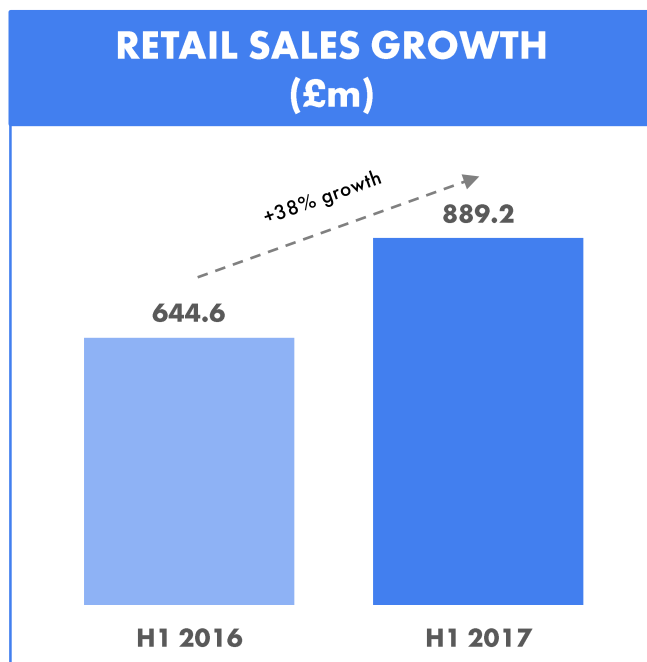
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HELEN ASHTON – CFO

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# H1 REVENUE ACCELERATION DRIVEN BY CONTINUED INVESTMENT OF FX TAILWINDS

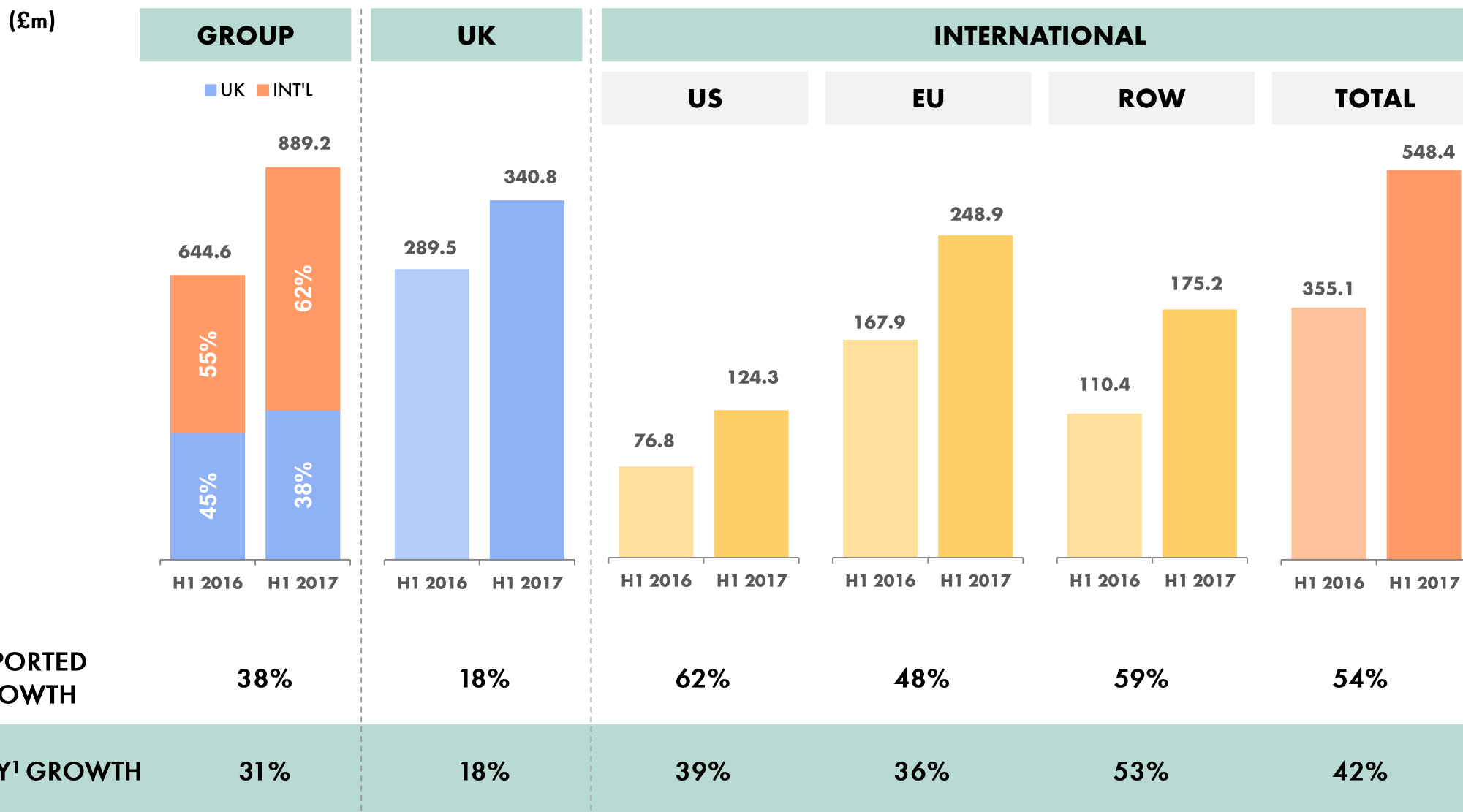


**STRONG FIRST HALF DELIVERING ON OUR FINANCIAL DISCIPLINES**

<sup>1</sup>ROIC = profit before interest and exceptional items but after tax, divided by average invested capital (net assets minus cash balance and hedging reserve)

**Note:** All H1 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax of £2.7m in the comparative period

# RETAIL SALES GROWTH AHEAD OF GUIDANCE



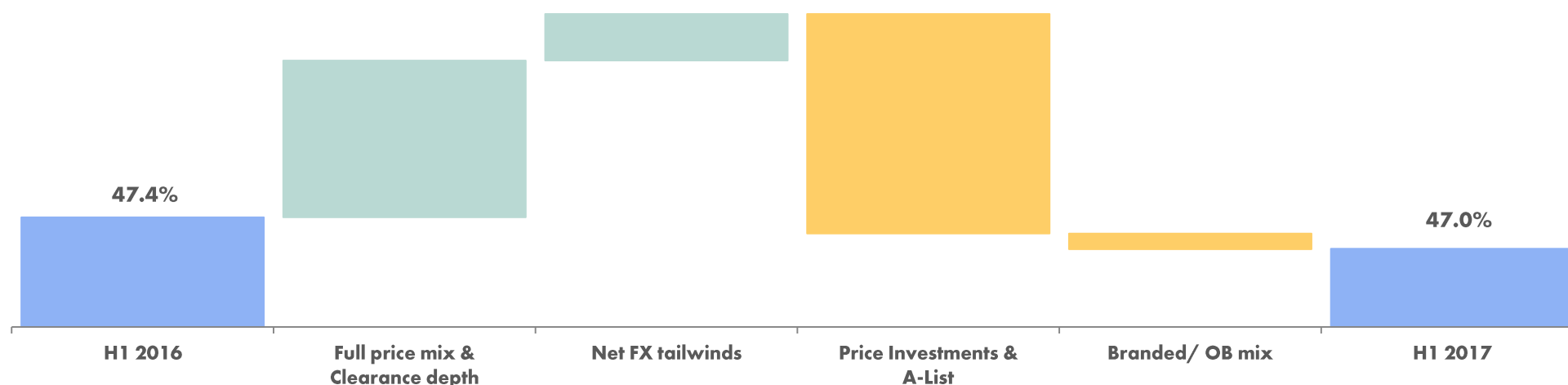
<sup>1</sup>Constant currency has been calculated to take into account hedged rate movements on hedged sales and spot rate movements on unhedged sales

Note: All H1 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax of £2.7m in the comparative period

# SIGNIFICANT INVESTMENT IN RETAIL GROSS MARGIN

H1 2017	Group total	UK	US	EU	RoW	International total
Gross profit	£440.1m	£155.6m	£76.9m	£115.2m	£92.4m	£284.5m
Growth	36%	12%	61%	45%	58%	54%
Retail gross margin	47.0%	42.6%	59.5%	44.3%	50.5%	49.7%
Growth	(40bps)	(200bps)	90bps	(100bps)	20bps	-
Gross margin	48.3%	44.3%	60.4%	45.4%	51.6%	50.8%
Growth	(60bps)	(210bps)	40bps	(90bps)	10bps	(10bps)

## GROUP RETAIL GROSS MARGIN MOVEMENTS



Note: All H1 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax of £2.7m in the comparative period

## FOCUSSED INVESTMENT OF RESOURCES

	H1 2017 % of SALES	H1 2016 % of SALES	CHANGE
<b>GROSS MARGIN</b>	48.3%	48.9%	(60bps)
<b>DISTRIBUTION COSTS</b>	(15.4%)	(14.7%)	(70bps)
<b>WAREHOUSE</b>	(8.2%)	(8.0%)	(20bps)
<b>MARKETING</b>	(5.3%)	(5.2%)	(10bps)
<b>OTHER COSTS</b>	(16.4%)	(17.4%)	100bps
<b>EBIT MARGIN</b>	3.0%	3.6%	(60bps)

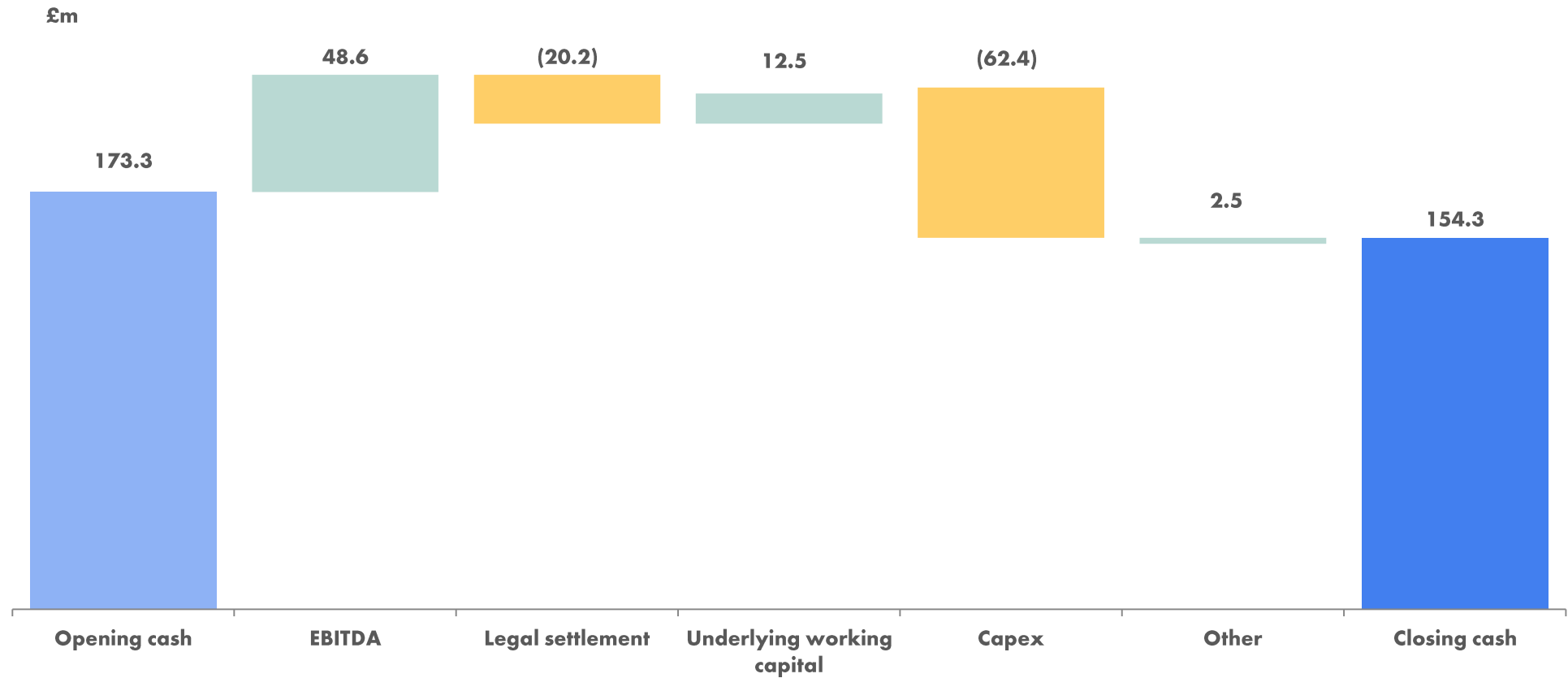
Note: All H1 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax of £2.7m in the comparative period

# STATEMENT OF FINANCIAL POSITION

£m	At 28 February 2017	At 28 February 2016	At 31 August 2016
Goodwill and other intangible assets	143.7	92.9	113.5
Property, plant and equipment	90.5	66.9	77.2
Deferred tax asset	7.9	2.3	13.3
<b>Non-current assets</b>	<b>242.1</b>	<b>162.1</b>	<b>204.0</b>
Stock	249.0	198.0	257.7
Net current payables	(342.1)	(235.6)	(355.7)
Cash and cash equivalents	154.3	135.9	173.3
Derivative financial liabilities <sup>1</sup>	(48.6)	(36.9)	(76.0)
Current tax liability	(6.9)	(5.2)	(2.9)
Deferred tax asset	-	0.9	-
<b>Net assets</b>	<b>247.8</b>	<b>219.2</b>	<b>200.4</b>

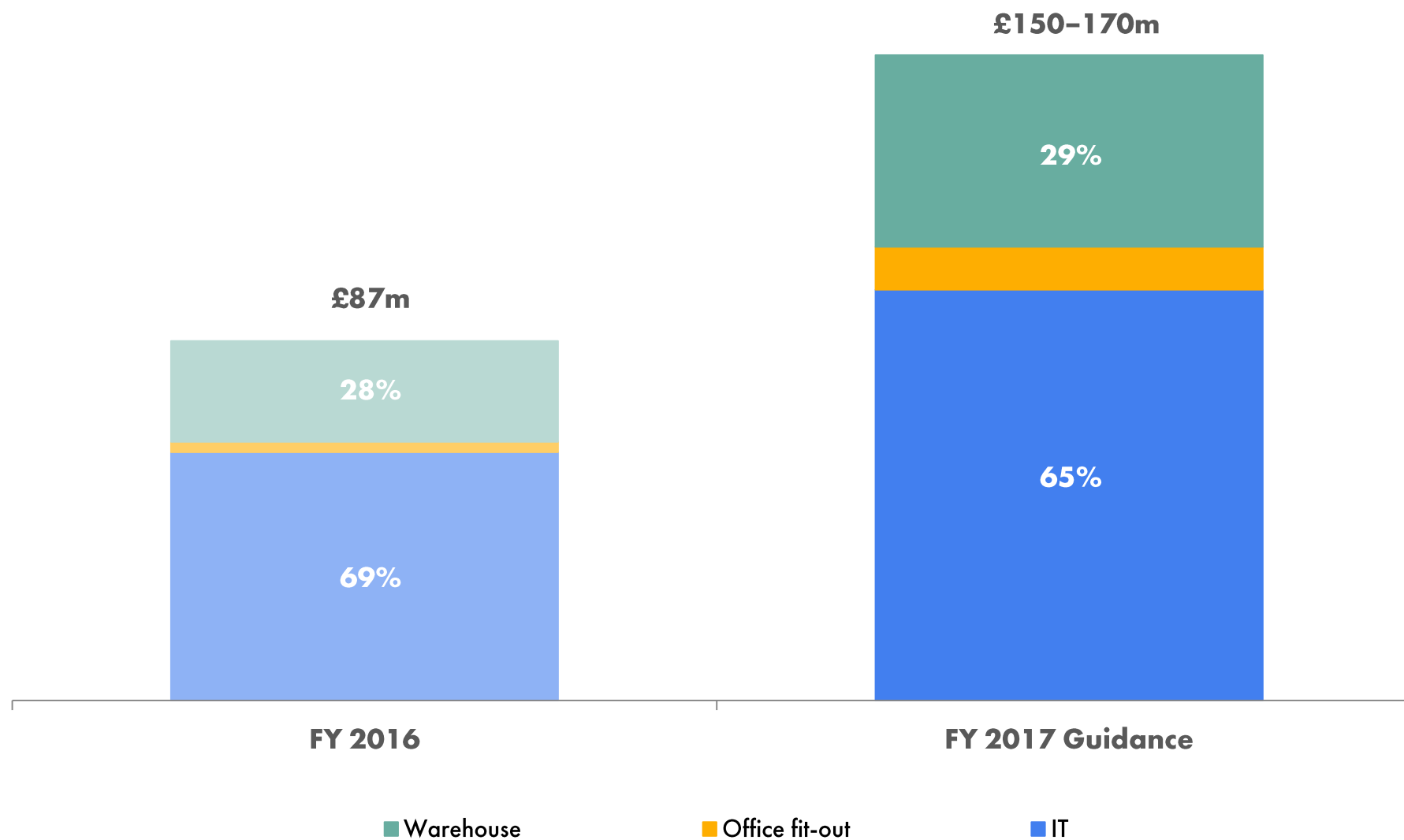
<sup>1</sup> Liability position is as a result of valuing all outstanding forward contracts to market spot rates as per accounting standard requirements

# CASH MOVEMENTS



\* Other includes share-based payments, purchase of shares by Employee Benefit Trust, net interest received, tax paid and other non-cash items

# CAPITAL EXPENDITURE



## FY 2017 GUIDANCE

- FY 2017 REPORTED SALES GUIDANCE INCREASED TO 30-35%
- MEDIUM TERM REPORTED SALES GUIDANCE UNCHANGED AT 20-25%
- RETAIL MARGIN GUIDANCE UNCHANGED AT BROADLY STABLE
- PBT GUIDANCE UNCHANGED; EXPECT TO DELIVER BROADLY IN LINE WITH MARKET CONSENSUS<sup>1</sup> AS WE CONTINUE TO INVEST TO DRIVE TOP LINE GROWTH
- CAPEX GUIDANCE UNCHANGED AT £150-£170m
- TAX RATE GUIDANCE UNCHANGED AT c.100 BPS ABOVE STATUTORY RATE

<sup>1</sup> Company compiled PBT market consensus for FY 2017: range £72m-£84.5m, mid point £78.25m, mean £80.6m

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# BUSINESS REVIEW

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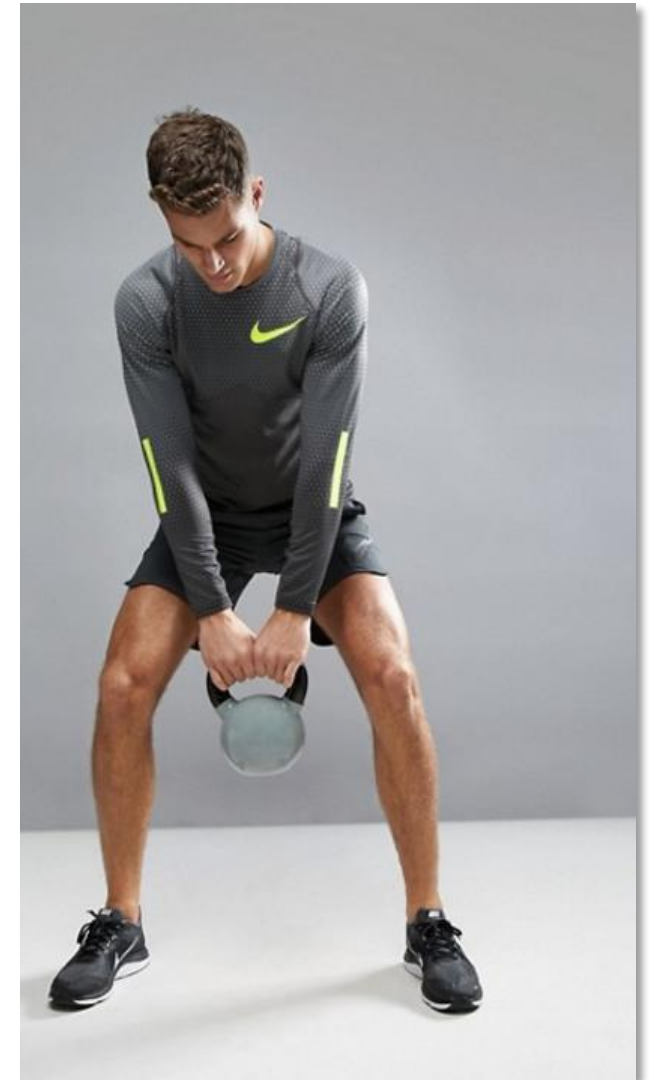
NICK BEIGHTON – CEO

asos



# GREAT FASHION, GREAT PRICE

- 85,000+ lines
  - c.4,500 new styles added every week
  - +1,000 boutiques / 105k products on Market Place from 48 Countries
  - c.60% of our offering remains exclusive to us
- Further price investment in US, EU and RoW
- Further investment in to ASOS Brand
  - Plus and Tall menswear launched
  - ASOS Activewear to come
- 100 new brands added, 100 brands exited
  - Under Armour, Miss Selfridge, Burton...
  - Existing brand extensions into Activewear
- ASOS Brand / 3rd party mix: 40% / 60%
- ASOS Supports Talent and Fashion Discovery



*"The greatest possible choice of relevant fashion, at the best price, whatever your shape or size"*

# FASHION WITH INTEGRITY FRAMEWORK



**OUR  
PRODUCTS**

Ethical Sourcing  
Sustainable Sourcing  
Animal Welfare



**OUR  
BUSINESS**

Carbon 2020  
Waste Reduction  
Waste Compliance



**OUR  
CUSTOMERS**

Body Confidence &  
Self Esteem  
Celebrate Inclusiveness  
Cultural Intelligence



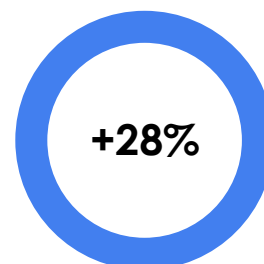
**OUR  
COMMUNITY**

Young Talent  
Volunteering & Payroll  
Giving  
ASOS Foundation

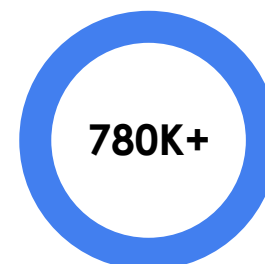
# AWESOME AT MOBILE

*"Our vision is to fundamentally change the way our customers live and shop fashion on mobile"*

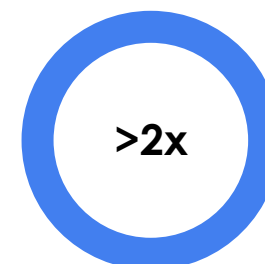
- Roll out of new mobile checkout completed
- Continued strong mobile KPIs
- Represents 70% of our traffic and 58% of our orders
- At the heart of what we do
- Exciting future developments...



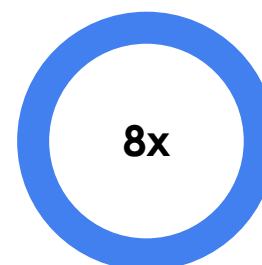
DAILY  
DOWNLOADS



NEW DOWNLOADS  
EVERY MONTH



PRODUCT VIEWS IN  
APPS VS WEB



MONTHLY AVERAGE  
FREQUENCY

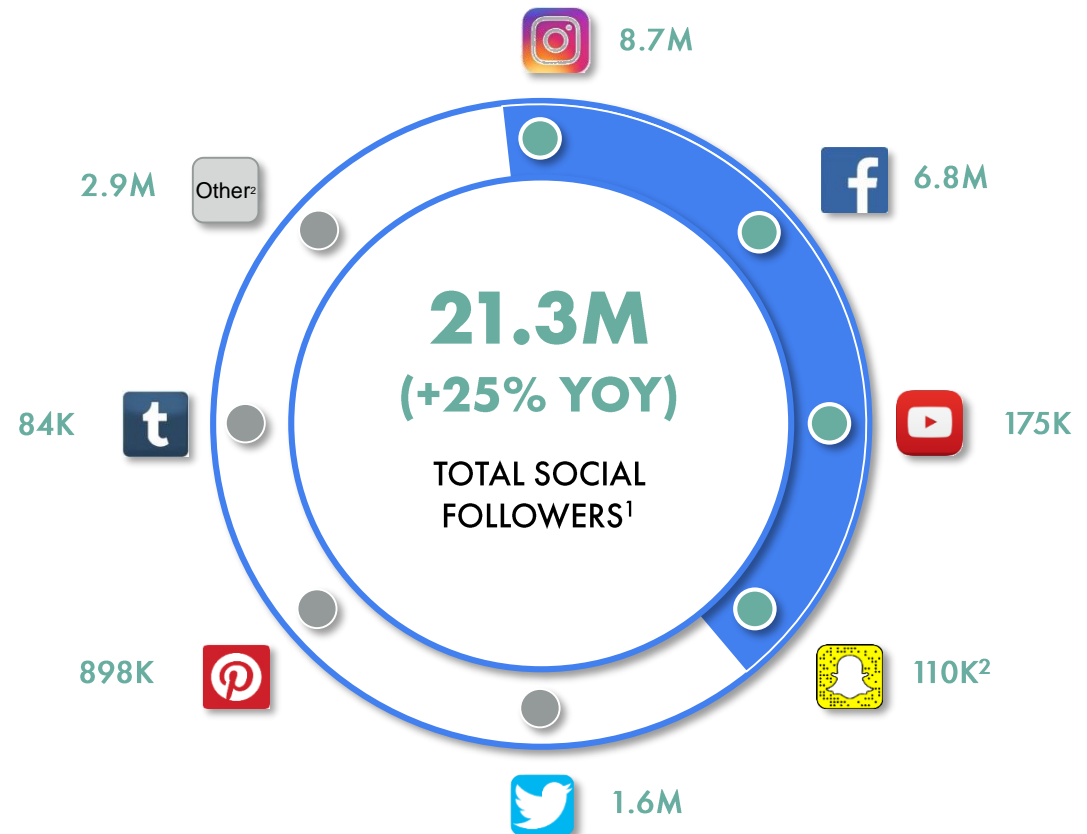


MONTHLY AVERAGE  
TIME SPENT



**c.5 STAR RATING**  
on 180,000+  
Customer Reviews

# ENGAGING CONTENT & EXPERIENCES



**VISITS**  
**+27%**

**ORDERS**  
**+33%**

**AVERAGE BASKET  
VALUE**  
**+3%**

**AVERAGE ORDER  
FREQUENCY**  
**+4%**

**ACTIVE  
CUSTOMERS**  
**+29%**

Source: Facebook Analytics, Twitter Analytics, Sprinklr, ASOS own records  
Note: <sup>1</sup> ASOS brand accounts only. <sup>2</sup> Other social media platforms include VK, Google Plus, Spotify. <sup>2</sup> Snapchat figure provided by Snapchat as at 31 August 2016.

# BEST-IN-CLASS SERVICE: DELIVERY SOLUTIONS

We delivered **>100** delivery solutions improvements over the last six months

## Speed

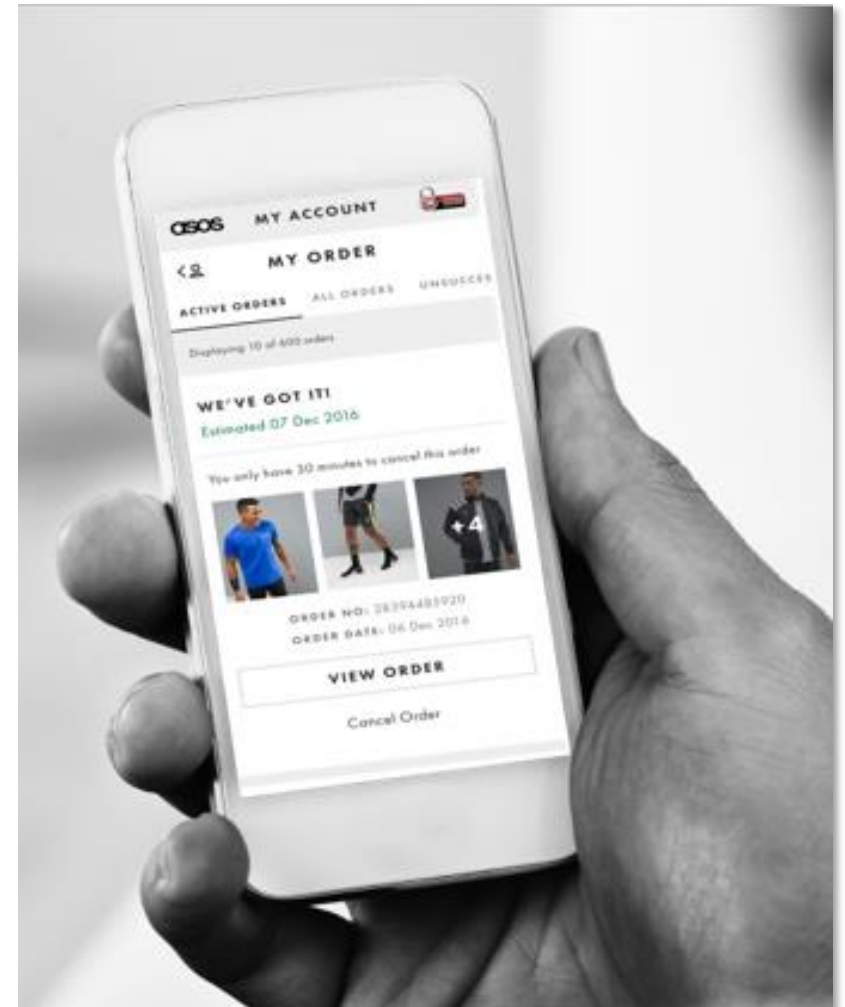
## Convenience

- |  |  |
|--|--|
| ■ Reduced UK standard delivery shipping from 4 days to 3   | ■ Completed Click & Collect rollout to all 79 UK Doodle locations      |
| ■ All orders to Switzerland, Finland, Slovenia and Slovakia are now sent using a fully tracked service | ■ Next day deliver to store options now available in Denmark           |
| ■ Reduced standard delivery lead times in a further 76 countries                                       | ■ Free returns now available in Hong Kong, New Zealand and Switzerland |
| ■ Sped up express delivery in 11 countries   | ■ In flight SMS order notification implemented in Australia            |

*Much more to come....*

# TECHNOLOGY

- New platform rolled out
  - >600 tech releases in H1 and at least 1,000 expected for FY
  - Accelerating velocity
- Major programme update
  - Truly Global Retail (TGR)
  - Global fulfilment programme
  - New Finance solution
- Further customer improvements
  - New payment methods
  - Local AU bank acquirer
  - Enhanced video and zoom quality
- Innovative & Creative to our core
  - Hackathon



*"Building the flexibility and agility to stay ahead of the curve"*

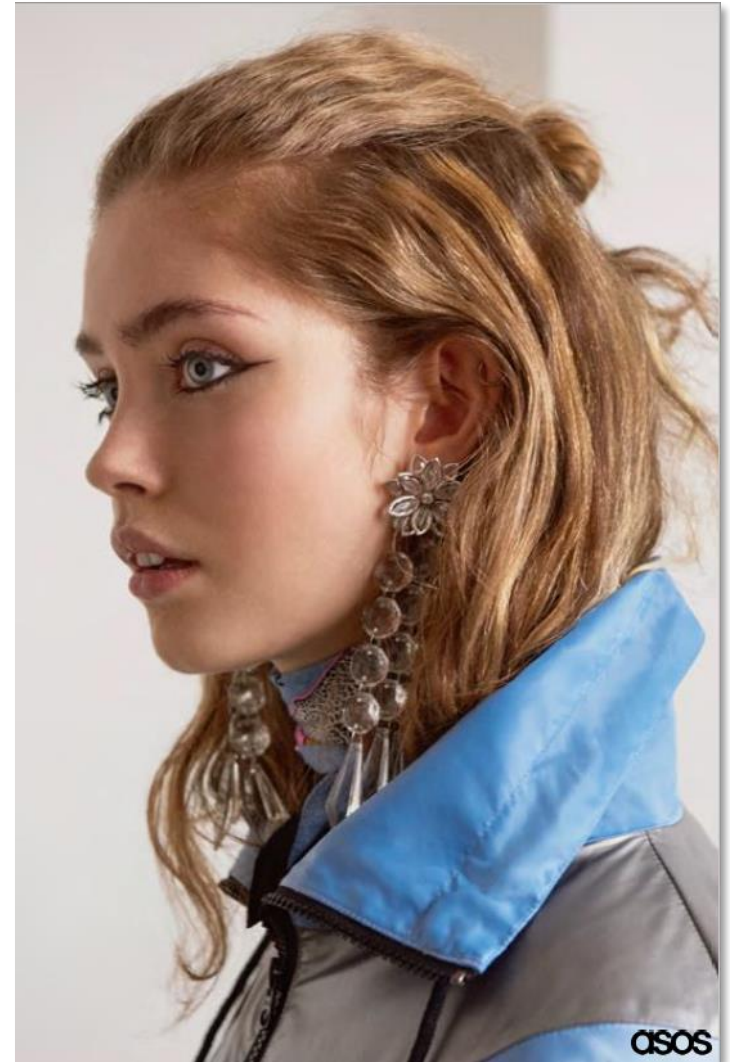
# WAREHOUSING

- Further investment into Barnsley
  - Second despatch sorter / fifth packing module
  - Further enhancing facilities
  - XPO voluntary recognition agreement with Community Union
  - All employees on National Living Wage Foundation standard by April 2018
- Eurohub 2 transitioned from Eurohub 1
  - Phase 1 up and running
  - c. 2x stock holding & 4x throughput capacity
  - Next 3 months ramp up critical
  - Phase 2 build expansion commenced
- US warehouse
  - Extensive network modelling exercise taken place
  - Search narrowed to 3 east coast locations



# SUMMARY

- Strong momentum continuing
- Focusing on what defines and differentiates ASOS
  - Customer experience
  - Technology
  - Logistics execution
  - Unleashing internal talent
- Multi year investments progressing to plan
- Looking to the future with confidence



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# APPENDIX

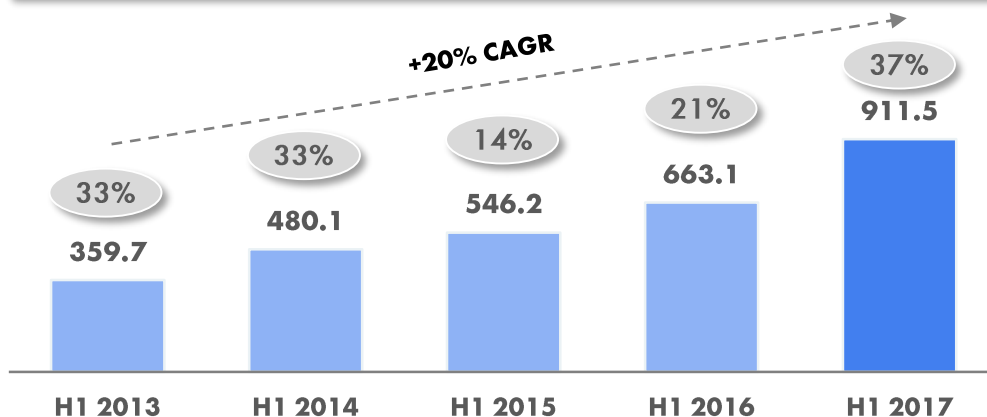
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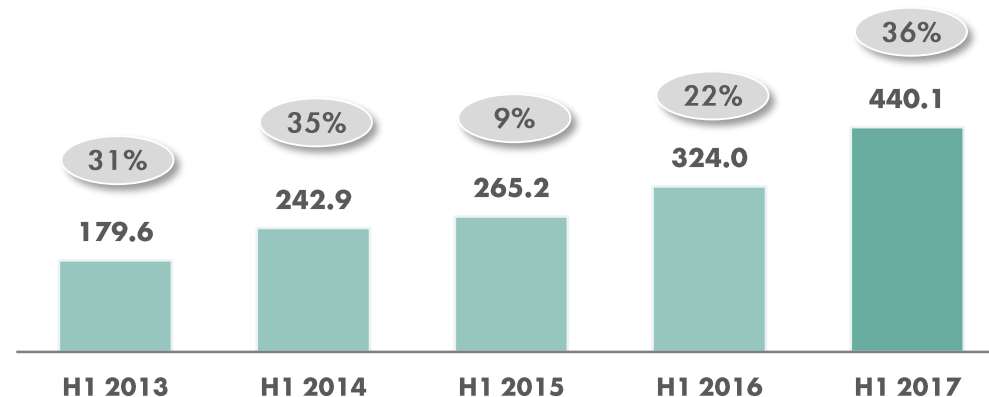


# FIVE YEAR SUMMARY – 6 MONTHS TO 28 FEBRUARY

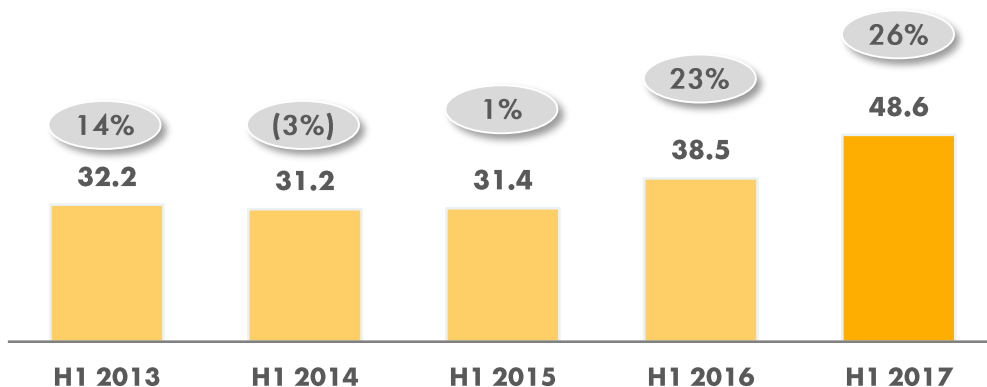
## GROUP REVENUE (£M)



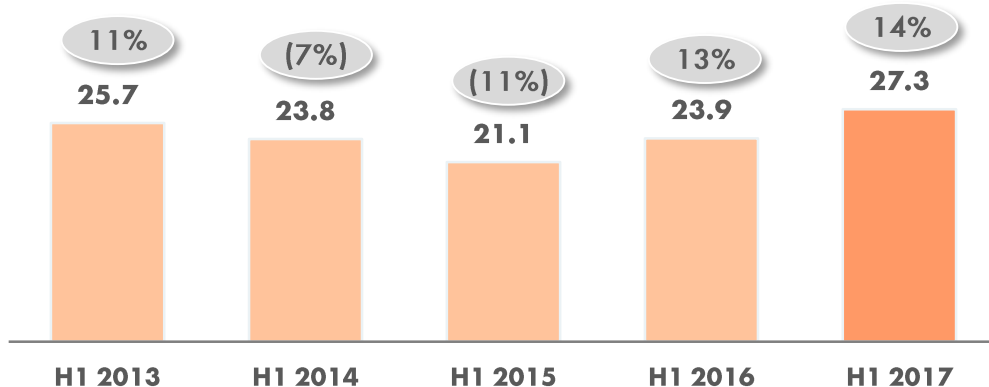
## GROSS PROFIT (£M)



## EBITDA (£M)



## PBT (£M)



x% yoy growth rate

Note: All H1 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax of £2.7m in the comparative period

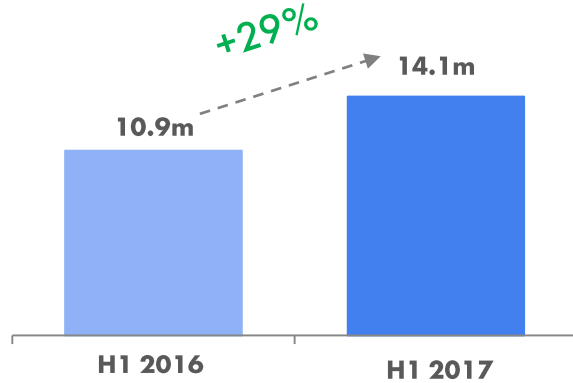
## FIVE YEAR KPI SUMMARY – 6 MONTHS TO 28 FEBRUARY

	H1 2013	H1 2014	H1 2015	H1 2016	H1 2017
<b>Active customers</b>	6.0m (+41%)	8.2m (+36%)	9.3m (+13%)	10.9m (+17%)	14.1m (+29%)
<b>Visits growth</b>	+31%	+30%	+12%	+21%	+27%
<b>% Visits on mobile</b>	15.0%	38.4% (+2340bps)	50.8% (+1240bps)	61.8% (+1100bps)	68.4% (+660bps)
<b>Orders growth</b>	+40%	+36%	+14%	+24%	+33%
<b>Order frequency</b>	(1%)	+3%	+6%	+3%	+4%
<b>Conversion</b>	+110bps	+10bps	+10bps	+10bps	+10bps
<b>Premier customer growth</b>	+194%	+107%	+69%	+50%	+55%

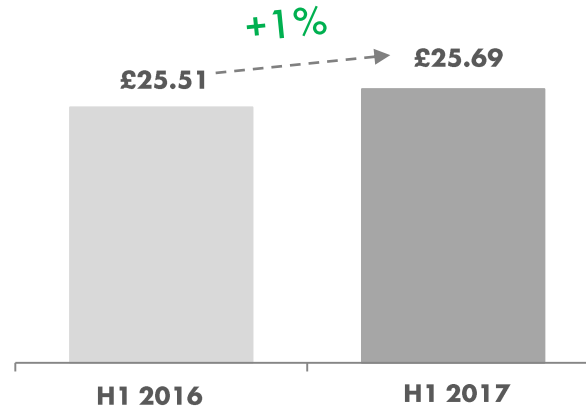
\* All numbers subject to rounding

# OPERATIONAL KPIs

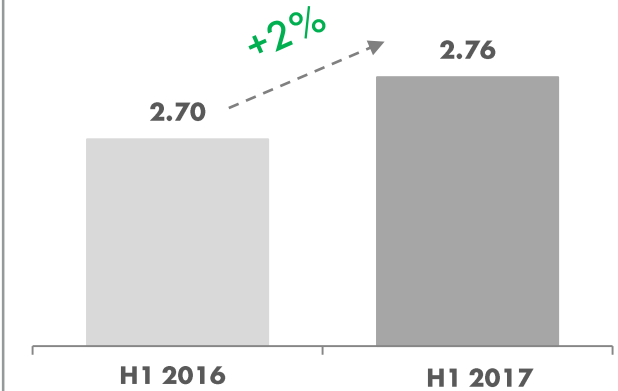
## ACTIVE CUSTOMERS



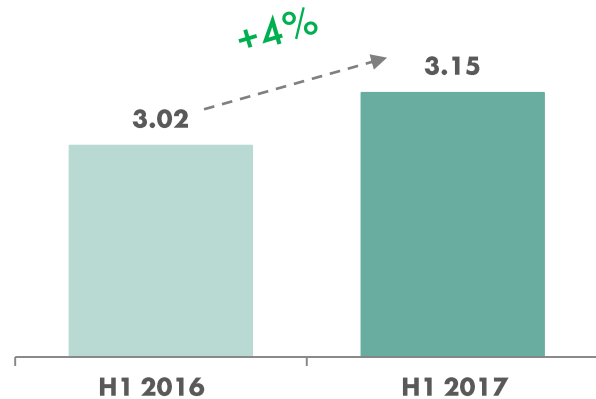
## AVERAGE SELLING PRICE



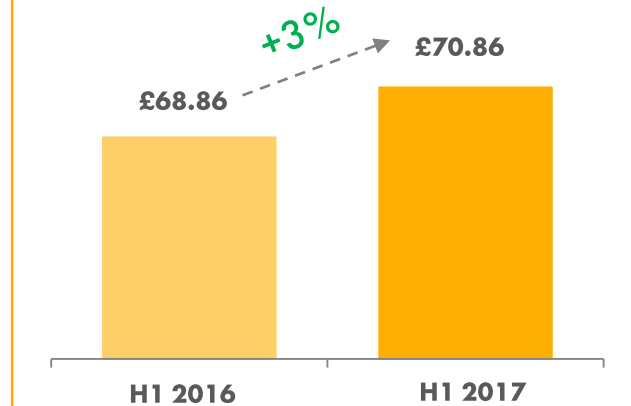
## AVERAGE UNITS PER BASKET



## ANNUAL ORDER FREQUENCY



## AVERAGE BASKET VALUE



# STATEMENT OF COMPREHENSIVE INCOME

	H1 2017	H1 2016	Change %
£m			
Revenue	911.5	663.1	37%
Cost of sales	(471.4)	(339.1)	
Gross profit	440.1	324.0	36%
Distribution expenses	(140.2)	(97.2)	(44%)
Administrative expenses*	(272.8)	(203.1)	(34%)
Operating profit	27.1	23.7	14%
Net finance income	0.2	0.2	
Profit before tax from continuing operations	27.3	23.9	14%
Income tax expense	(5.4)	(5.0)	
Profit after tax from continuing operations	21.9	18.9	
Effective tax rate	19.8%	20.9%	
Loss before tax from discontinued operations	-	(2.7)	
Income tax expense	-	(1.0)	
Profit after tax from discontinuing operations	-	(3.7)	
Group profit before tax	27.3	21.2	29%
Group profit after tax	21.9	15.2	44%
Effective tax rate	19.8%	28.3%	

\* Administrative expenses includes non-cash share based payment charges of £3.4m (H1 2016: £1.6m)

Note: All H1 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax of £2.7m in the comparative period

# H1 2017 SALES GROWTH BY SEGMENT

H1 2017 (£m)	Group total	UK	US	EU	RoW	International total
Retail sales	889.2	340.8	124.3	248.9	175.2	548.4
Growth (%)	38%	18%	62%	48%	59%	54%
Growth at constant exchange rate <sup>1</sup> (%)	31%	18%	39%	36%	53%	42%
Delivery receipts	19.3	7.6	2.9	4.9	3.9	11.7
Growth (%)	21%	6%	7%	53%	39%	34%
Third party revenues	3.0	2.9	0.1	-	-	0.1
Growth (%)	15%	21%	-	-	(100%)	(50%)
Total revenues	911.5	351.3	127.3	253.8	179.1	560.2
Growth (%)	37%	17%	60%	48%	58%	54%

<sup>1</sup>Constant currency is calculated to take account of hedged rate movements on hedged sales and spot rate movements on unhedged sales

**Note: All H1 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax of £2.7m in the comparative period**

## P2 2017 SALES GROWTH BY SEGMENT

P2 2017 (£m)	Group total	UK	US	EU	Row	International total
Retail sales	283.5	96.8	41.6	83.1	62.0	186.7
Growth (%)	42%	16%	54%	46%	88%	60%
Growth at constant exchange rate <sup>1</sup> (%)	33%	16%	34%	36%	70%	45%
Delivery receipts	5.6	2.1	0.9	1.5	1.1	3.5
Growth (%)	14%	-	-	50%	22%	25%
Third party revenues	1.1	1.1	-	-	-	-
Growth (%)	38%	38%	-	-	-	-
Total revenues	290.2	100.0	42.5	84.6	63.1	190.2
Growth (%)	41%	16%	52%	46%	86%	59%

<sup>1</sup>Constant currency is calculated to take account of hedged rate movements on hedged sales and spot rate movements on unhedged sales

**Note: All H1 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax of £2.7m in the comparative period**

# TOTAL OPERATING COSTS

£m	H1 2017	% of sales	H1 2016	% of sales	Change %	Change in % of sales
Distribution costs	140.2	15.4%	97.2	14.7%	44%	(70bps)
Payroll and staff costs <sup>1</sup>	74.1	8.1%	60.6	9.1%	22%	100bps
Warehousing	74.3	8.2%	52.8	8.0%	41%	(20bps)
Marketing	48.1	5.3%	34.2	5.2%	41%	(10bps)
Production	3.6	0.4%	2.9	0.4%	24%	-
Technology	16.4	1.8%	11.8	1.8%	39%	-
Other operating costs	34.8	3.8%	26.0	3.9%	34%	10bps
Depreciation	21.5	2.3%	14.8	2.2%	45%	(10bps)
<b>Total Operating costs</b>	<b>413.0</b>	<b>45.3%</b>	<b>300.3</b>	<b>45.3%</b>	<b>38%</b>	<b>-</b>

<sup>1</sup> Inclusive of £3.4m non-cash share based payment charges (H1 2016: £1.6m)

Note: All H1 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax of £2.7m in the comparative period

# GLOBAL ORDER CONTRIBUTION ANALYSIS

H1 2017	Group total	UK	US	EU	RoW	International Total
Gross profit excluding third party revenues (£m)	437.1	152.7	76.9	115.1	92.4	284.4
Distribution costs (£m)	(140.2)	(38.7)	(33.1)	(39.3)	(29.1)	(101.5)
Total contribution (£m)	296.9	114.0	43.8	75.8	63.3	182.9
Number of orders (m)	23.3	10.7	2.4	7.1	3.1	12.6
Contribution per order (£)	12.7	10.7	18.3	10.7	20.4	14.5
H1 2016 contribution per order (£)	12.8	11.6	15.6	11.4	19.2	14.1
Variance	(1%)	(8%)	17%	(6%)	6%	3%

Note: All H1 2016 P&L figures have been restated to exclude discontinued operations in China which made a net loss before tax of £2.7m in the comparative period

# CONSOLIDATED STATEMENT OF CASHFLOWS

£m	At 28 February 2017	At 29 February 2016	At 31 August 2016
Operating profit from continuing operations	27.1	23.7	42.1
Loss before tax from discontinued operations	-	(2.7)	(10.1)
<b>Operating profit</b>	<b>27.1</b>	<b>21.0</b>	<b>32.0</b>
Depreciation and amortisation	21.5	14.9	31.7
Loss on disposal of non-current assets	0.1	-	5.1
Working capital	(7.7)	14.1	69.1
Share-based payments charge	3.4	1.6	4.5
Other non-cash items	(1.0)	(0.3)	(1.7)
Tax paid	(1.2)	(3.5)	(10.0)
<b>Cash inflow from operating activities</b>	<b>42.2</b>	<b>47.8</b>	<b>130.7</b>
Capital expenditure	(62.4)	(31.9)	(79.2)
Net cash inflow relating to EBT <sup>1</sup>	0.6	-	0.7
Net finance income received	0.2	0.3	0.7
<b>Total cash (outflow)/inflow</b>	<b>(19.4)</b>	<b>16.2</b>	<b>52.9</b>
Opening cash and cash equivalents	173.3	119.2	119.2
Effect of exchange rates on cash and cash equivalents	0.4	0.5	1.2
<b>Closing cash and cash equivalents</b>	<b>154.3</b>	<b>135.9</b>	<b>173.3</b>

<sup>1</sup>Employee Benefit Trust and Capita Trust

# KEY TERMS AND DEFINITIONS

<b>Retail sales</b>	Sales of goods through our internet sites, net of returns
<b>Group revenues</b>	Retail sales, delivery receipts and third party revenues
<b>Net funds</b>	Cash and cash equivalents less bank borrowings
<b>Average basket value</b>	Total order value including VAT and excluding returns, divided by total orders
<b>Average units per basket</b>	Total orders divided by total units sold, excluding returns
<b>Average selling price per unit</b>	Total order value including VAT and excluding returns, divided by total units sold
<b>Active customers</b>	Customers who have shopped with ASOS during the last twelve months, as at 28 February 2017
<b>Labour cost per unit (LCPU)</b>	Barnsley warehouse labour costs divided by units processed; excludes non-labour warehouse costs
<b>Return on invested capital</b>	Profit before interest and exceptional items but after tax, divided by average invested capital (net assets minus cash balance and hedging reserve)

# FINANCIAL CALENDAR 2017

Date	Event
11 May	Goldman Sachs, European Small and Mid- Cap Symposium, UK
16 May	JP Morgan, Global Consumer & Retail Conference, UK
17-18 May	Citi, European Internet & Digital Conference, UK
2 June	Societe Generale, The 'Nice' Conference, France
20-21 June	Jefferies, Jefferies Nantucket Conference, US
13 July	Publication of the Third Quarter Results 2017
20 September	Bank of America Merrill Lynch, Global Consumer & Retail Conference, UK
17 October	Publication of the Full Year Results 2017
7 November	Societe Generale, The European ESG/SRI Conference, France
30 November	Annual General Meeting 2017

# FORWARD LOOKING STATEMENTS AND DISCLAIMER

## Forward looking statements:

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.

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