



18 July 2019

**ASOS plc ("the Company")
Trading Statement for the four months ended 30 June 2019**

ASOS today announces a trading update for the four months to 30th June 2019. Total sales growth in the period was 12%. Sales in the UK and ROW remained robust but in Europe and US sales were held back by operational issues associated with our transformational warehouse programmes. Whilst we are clear on the root causes, we now expect the transition issues to continue for the remainder of the financial year and we are reducing expectations accordingly.

| £m ¹ | Four months to 30 June | | | | Ten months to 30 June | | | |
|--|------------------------|--------------|-------------------|---------------------------|-----------------------|----------------|-------------------|---------------------------|
| | 2019 | 2018 | Reported Increase | CCY ² Increase | 2019 | 2018 | Reported Increase | CCY ² Increase |
| UK retail sales | 334.1 | 288.0 | 16% | 16% | 815.6 | 702.5 | 16% | 16% |
| EU retail sales | 269.0 | 257.4 | 5% | 3% | 671.2 | 606.5 | 11% | 7% |
| US retail sales | 121.4 | 108.1 | 12% | 6% | 283.0 | 257.1 | 10% | 5% |
| ROW retail sales | 169.5 | 149.2 | 14% | 16% | 405.5 | 367.9 | 10% | 12% |
| International retail sales | 559.9 | 514.7 | 9% | 8% | 1,359.7 | 1,231.5 | 10% | 8% |
| Total retail sales | 894.0 | 802.7 | 11% | 11% | 2,175.3 | 1,934.0 | 12% | 11% |
| Total group revenue³ | 919.8 | 823.9 | 12% | 11% | 2,234.3 | 1,982.0 | 13% | 11% |

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, delivery receipts and third-party revenues

Highlights include:

- Total sales grew at +12% on a reported basis and +11% on a constant currency basis
- Sales in UK & ROW remained robust at +16% and +14% respectively
- Sales in EU & US held back by warehouse transformation at +5% and +12% respectively
- Total orders placed 24.8m (+14% YoY)
- Positive momentum in customer engagement with visits +16% YoY

Revised guidance for FY19:

- Sales growth broadly in line with performance year to date
- Retail gross margin c.-250bps
- PBT £30-35m after c.£47m transition costs (previously c.£35m) and c.£3.5m restructuring costs
- Capex guidance unchanged at c.£200m
- Year end net debt c.£100m (new RCF of £350m)

Nick Beighton, CEO, commented:

"Whilst we are making good progress in improving customer engagement, our recent performance in the EU and US was held back by operational issues associated with our transformational warehouse programmes. Embedding the change from the major overhaul of infrastructure and technology in our US and European warehouses has taken longer than we had anticipated, impacting our stock availability, sales and cost base in these regions. Where we have been unencumbered by these issues we have seen robust growth and overall our customer momentum is improving with the business hitting 20m active customers globally for the first time.

We are clear on the root causes of the operational challenges we have had, are making progress on resolving them, and now expect to complete these projects by the end of September. Despite these short-term challenges, the move to a multi-site logistics infrastructure will enable us to offer customers across the world our market leading proposition, facilitate our future growth, as well as leading to longer-term efficiency benefits."

Total group sales for the period were up 12% on a reported basis and 11% in constant currency. Our UK and ROW territories, which are serviced by our established automated distribution centre in Barnsley, continued to trade well. However, growth in the US and EU was lower than we anticipated, with sales impacted by operational challenges from our ongoing warehouse transformation programmes in Berlin and Atlanta. Execution of this programme is progressing, however the speed of ramp up in our Euro Hub automation and stock build within our US Hub has been behind our ambitious expectations. This has restricted product availability and range for our customers in these territories and we have seen a corresponding impact on sales as well as additional costs in support of transition. As a result, whilst visits growth across the group has shown positive momentum, sales have been held back by availability where we have seen operational challenges.

Operating Performance

Sales growth of 5% in the EU reflects weaker stock availability than planned reflecting the challenge of embedding new automation software in our Euro Hub. Whilst installation of the equipment was completed in line with plan, we have found challenges in ramp up as we increased the volume of stock being processed through the systems. Challenges with the interaction between our automation and warehouse software meant the expected efficiencies have been delayed and this has correspondingly impacted availability. As a result, order growth of 11% lagged visits growth of 19%. Sales were further impacted by the ASP mix of available product.

US sales growth of 12% was held back by slower than planned build of branded stock in our Atlanta warehouse with orders and ABV affected. Third party brands providing product to the US for the first time proved slower to resolve US specific compliance issues than we had anticipated and we have not yet received the width of range from some of our more established brand partners. ASOS Design, which was not impacted by these issues, grew at a pleasing 26%.

Outside of the regions encumbered by stock availability, sales have been strong. In UK sales growth of 16% was slightly ahead of our expectations despite strong competitive and promotional pressures. Trading within ROW was also robust, supported by a reactive, locally relevant promo calendar. These territories are both serviced from our long-established Barnsley warehouse which was only mildly affected by the changes as it had to service certain European territories as part of the transition.

Demand Generation

ASOS Design has been a key focus during the period and we have continued to improve velocity of newness, as set out in April. We have refreshed and restyled the presentation for customers and have seen real improvement in run rates where unencumbered by stock availability, exiting the period at double digit growth. The velocity of our social media activity and the quality of engagement with our customers has also improved as we maintain our focus on relevant and inspirational content, increasingly so in video format. This has driven a reacceleration in visits, up 16% in the period and on an increasing trajectory, and stronger customer metrics. New customer acquisition is recovering, and we are seeing decreasing churn from our existing customer base.

Building capability

Building on the actions we detailed at our interim results, we continue to transform our business to equip us to capture the substantial opportunity ahead. As a part of this, we are in the process of aligning cost base and support services to ensure they are appropriately set up for our future growth ambitions. At the same time we are strengthening our leadership team to ensure we have the roles and skills in place appropriate for a global business of increasing scale and complexity.

Outlook

To the end of June, we have absorbed and offset the profit impact associated with the warehouse transformation issues encountered in both higher transition costs and lost sales. However, we now expect the temporary lack of stock availability in Europe and more limited width in USA to continue to impact growth levels for the remainder of the financial year which when combined with extra costs to get our warehouses

into a position to operate at the right capacity and efficiency has led to reduced expectations for this financial year. As a result, we now expect sales growth for this financial year to be broadly in line with year to date performance. The impact of the lower sales, higher warehouses transition costs and costs associated with organisational restructuring are set to impact our overall profit which is now anticipated to be in the range of £30m-£35m.

Our expectations for capital expenditure remain unchanged at c.£200m for this financial year, but as a result of the reduction in earnings, capital creditor expectations and working capital profile we now expect net debt at the year end to be c.£100m. We have finalised a new £350m five year revolving credit facility, ensuring the business has adequate liquidity and headroom in place to navigate the next stage of growth.

Execution of our transformational logistics programme has been challenging, but we are clear on the root causes and are moving decisively to address them. We now expect to complete automation of the Euro Hub by the end of September, with gradual build to full targeted stock width in the US by the end of Autumn. Whilst these issues are short term in nature, we do expect it may take some time to regain and reactivate any impacted customers. We will provide a further update at our full year results in October.

We have already begun to see encouraging change from the corrective actions we set out at our interim results, and are seeing positive customer momentum as a result. Despite the short-term issues we have faced, we are confident we are taking the right actions to ensure we are in the best possible shape to drive the next phase of global growth for ASOS.

Investor and Analyst conference call:

ASOS will be hosting a conference call for analysts and investors at 9.30am (UK Time) today. Please dial 08003767922 within the UK, or +44 (0) 2071 928000 if outside the UK. The conference call ID is: 1340547. Participants should dial in 15 minutes early to avoid any delay in joining the call.

A recording of this conference call will be available on the ASOS Plc investor centre website later today: <http://www.asosplc.com/investors.aspx>

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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.

Background note:

ASOS is a global fashion destination for 20-somethings, selling all the freshest styles complemented by exclusive content, making ASOS.com the hub of a thriving fashion community and giving our audience the confidence to be whoever they want to be. ASOS sells over 85,000 branded and ASOS Brand products through localised app and mobile/desktop web experiences, delivering from fulfilment centres in the UK, US and Europe. ASOS curates a mix of our in-house designed labels, ASOS DESIGN, ASOS EDITION, ASOS WHITE, ASOS 4505 and Collusion with global and local brands sold through our own channels to deliver a locally relevant offer. Our ground-breaking propositions help bring our amazing products to almost every country in the world and we serve customers globally with increasingly tailored local experiences: relevant languages, payment methods and delivery and return options. You can currently shop ASOS in over 200 markets, in eight languages, using an ever greater number of different payment methods, with hundreds of local deliveries and returns options from pick up and drop off networks to Next-Day Delivery. We aim to give all our global customers a truly frictionless experience.

ASOS's websites attracted 200.9 million visits during June 2019 (June 2018¹: 169.1 million) and as at 30 June 2019 it had 20.0 million active customers² (30 June 2018: 18.0 million), of which 6.3 million were located in the UK and 13.6 million were located in our international territories (30 June 2018: 5.8 million in the UK and 12.2 million internationally).

¹Restated visits, previously reported number 180 million, ²Defined as having shopped in the last twelve months as at 30 June

Appendix 1 – Retail sales growth by period in sterling

Year ending 31 August 2019

| £m | P1 ¹ YOY% | | P2 ¹ YOY% | | P3 ¹ YOY% | | P4 ¹ YOY% | | 2018/19 YTD YOY% | |
|----------------------------|----------------------|------------|----------------------|------------|----------------------|------------|----------------------|--|---------------------|------------|
| UK retail sales | 237.1 | 19% | 244.4 | 14% | 334.1 | 16% | | | 815.6 | 16% |
| <i>EU retail sales</i> | 203.8 | 18% | 198.4 | 12% | 269.0 | 5% | | | 671.2 | 11% |
| <i>US retail sales</i> | 85.0 | 13% | 76.6 | 4% | 121.4 | 12% | | | 283.0 | 10% |
| <i>ROW retail sales</i> | 114.1 | (3%) | 121.9 | 20% | 169.5 | 14% | | | 405.5 | 10% |
| International retail sales | 402.9 | 11% | 396.9 | 13% | 559.9 | 9% | | | 1,359.7 | 10% |
| Total retail sales | 640.0 | 13% | 641.3 | 13% | 894.0 | 11% | | | 2,175.3 | 12% |

Year ended 31 August 2018

| £m | P1 ¹ YOY% | | P2 ¹ YOY% | | P3 ¹ YOY% | | P4 ¹ YOY% | | 2017/18 YOY% | |
|----------------------------|----------------------|--|----------------------|--|----------------------|------------|----------------------|------------|----------------|------------|
| UK retail sales | 199.6 | | 214.9 | | 288.0 | 23% | 158.8 | 29% | 861.3 | 23% |
| <i>EU retail sales</i> | 172.1 | | 177.0 | | 257.4 | 31% | 132.6 | 34% | 739.1 | 36% |
| <i>US retail sales</i> | 75.2 | | 73.8 | | 108.1 | 15% | 54.5 | 27% | 311.6 | 19% |
| <i>ROW retail sales</i> | 117.3 | | 101.4 | | 149.2 | 11% | 75.3 | 20% | 443.2 | 19% |
| International retail sales | 364.6 | | 352.2 | | 514.7 | 21% | 262.4 | 28% | 1,493.9 | 27% |
| Total retail sales | 564.2 | | 567.1 | | 802.7 | 22% | 421.2 | 29% | 2,355.2 | 26% |

¹Periods are as follows:

P1: three months to 30 November

P2: three months to 28 February

P3: four months to 30 June

P4: two months to 31 August

Appendix 2 – Retail sales growth by period at constant currency

Year ending 31 August 2019

| £m | P1 ¹ YOY% | | P2 ¹ YOY% | | P3 ¹ YOY% | | P4 ¹ YOY% | | 2018/19 YTD YOY% | |
|----------------------------|----------------------|-------------|----------------------|-------------|----------------------|------------|----------------------|--|------------------|------------|
| UK retail sales | 237.1 | 19% | 244.4 | 14% | 334.1 | 16% | | | 815.6 | 16% |
| <i>EU retail sales</i> | <i>203.8</i> | <i>14%</i> | <i>198.4</i> | <i>8%</i> | <i>269.0</i> | <i>3%</i> | | | <i>671.2</i> | <i>7%</i> |
| <i>US retail sales</i> | <i>85.0</i> | <i>11%</i> | <i>76.6</i> | <i>(3%)</i> | <i>121.4</i> | <i>6%</i> | | | <i>283.0</i> | <i>5%</i> |
| <i>ROW retail sales</i> | <i>114.1</i> | <i>(2%)</i> | <i>121.9</i> | <i>21%</i> | <i>169.5</i> | <i>16%</i> | | | <i>405.5</i> | <i>12%</i> |
| International retail sales | 402.9 | 9% | 396.9 | 9% | 559.9 | 8% | | | 1,359.7 | 8% |
| Total retail sales | 640.0 | 12% | 641.3 | 11% | 894.0 | 11% | | | 2,175.3 | 11% |

Year ended 31 August 2018

| £m | P1 ¹ YOY% | | P2 ¹ YOY% | | P3 ¹ YOY% | | P4 ¹ YOY% | | 2017/18 YOY% | |
|----------------------------|----------------------|--|----------------------|--|----------------------|------------|----------------------|------------|----------------|------------|
| UK retail sales | 199.6 | | 214.9 | | 288.0 | 23% | 158.8 | 29% | 861.3 | 23% |
| <i>EU retail sales</i> | <i>172.1</i> | | <i>177.0</i> | | <i>257.4</i> | <i>23%</i> | <i>132.6</i> | <i>24%</i> | <i>739.1</i> | <i>28%</i> |
| <i>US retail sales</i> | <i>75.2</i> | | <i>73.8</i> | | <i>108.1</i> | <i>22%</i> | <i>54.5</i> | <i>29%</i> | <i>311.6</i> | <i>25%</i> |
| <i>ROW retail sales</i> | <i>117.3</i> | | <i>101.4</i> | | <i>149.2</i> | <i>11%</i> | <i>75.3</i> | <i>18%</i> | <i>443.2</i> | <i>18%</i> |
| International retail sales | 364.6 | | 352.2 | | 514.7 | 19% | 262.4 | 23% | 1,493.9 | 24% |
| Total retail sales | 564.2 | | 567.1 | | 802.7 | 21% | 421.2 | 26% | 2,355.2 | 24% |

¹Periods are as follows:

P1: three months to 30 November

P2: three months to 28 February

P3: four months to 30 June

P4: two months to 31 August