10 May 2023

ASOS plc ("the Company")
Global Online Fashion Destination

Interim Results for the six months to 28 February 2023

Executing on Driving Change agenda, creating strong foundations for a return to profitability and cash generation in H2 FY23 and beyond

Summary financial results

£m[1]	Six months to 28 February 2023	Six months to 28 February 2022	Change	CCY[2] change	CCY change excluding Russia[2,3,4]
Headline measures					
Group revenue[5]	**1,840.6**	2,004.1	*(8%)*	*(10%)*	*(7%)*
Adjusted gross margin[6]	***42.9%***	*43.1%*	*(20bps)*		
Adjusted EBIT[6]	**(69.4)**	26.2			
Adjusted EBIT margin[6]	***(3.8%)***	*1.3%*	*(510bps)*		
Adjusted (loss)/profit before tax[6]	**(87.4)**	14.8			
Net debt[6]	**(431.7)**	(62.6)			
Free cash outflow[6]	**(262.7)**	(256.5)			
Statutory measures					
Gross margin	***36.1%***	*43.1%*	*(700bps)*		
Operating loss	**(272.5)**	(4.4)			
Reported loss before tax	**(290.9)**	(15.8)			

Strategic Update

- Despite the ongoing challenges in the operating environment, ASOS is on track to deliver full year targets of:
  - Over £300m of Driving Change agenda benefits, with over £100m delivered in H1. Actions already taken will drive more than 95% of c.£200m profitability benefits expected in H2 FY23;
  - Inventory reduction of c.20% year-on-year ('YoY'), with 9% reduction vs FY22 achieved in H1, slightly ahead of plan;
  - Adjusted gross margin improvement of c.100bps, with recent run-rate up more than 300bps YoY;
  - Profitability and cash generation in H2 FY23 and beyond, with £40-60m adjusted earnings before interest and tax ('EBIT') and over £150m free cash inflow[7] in H2 FY23;
- Robust and flexible balance sheet with an amendment and extension of existing £350m revolving credit facility ('RCF') through to November 2024. The facility steps down over the term, reducing to £220m by August 2024. The Company had cash and undrawn facilities over £400m at 28 February 2023.
- Refreshed management team, with newly formed Management Committee now largely complete.
- ASOS remains focused on executing the final stages of its Driving Change agenda, creating strong foundations for its next phase of growth.

H1 Results Summary

- Revenue[8] declined by 7% (down 8% on a reported basis) in H1 FY23 and 15% in P2 FY23, reflecting both deliberate actions on capital allocation to improve profitability and a challenging trading backdrop. The actions taken account for broadly 50% of the revenue decline since December but are driving improving order economics.
- Sales momentum in January and February reflected: (1) planned profitability actions including reduced markdown, discipline on marketing spend and country-specific proposition changes; (2) reduced width in the assortment as the Company took decisive action to right-size stock; and (3) a challenging online retail environment as online penetration declined YoY - although remaining notably higher than pre-pandemic.
- UK sales were down 10% YoY, Europe flat, US down 7% and Rest of World down 12%. Variation in performance reflects regional differences in the economic backdrop as well as country-specific profit actions taken by the

Company in-line with its focus on profitability over top-line growth. The regional trends in sales growth were reflected in active customer numbers in the period. However, ASOS has continued to grow its share of its core UK online retail market among its main 16-35 demographic and has increased its share of its customers' wallets[9].

- Adjusted gross margin[10] was broadly flat, both YoY and from P1 FY23, at 42.9%. It showed encouraging progress over the period, with February adjusted gross margin up more than 300bps YoY and sustained through March and April, supported by lower freight and duty rates.
- Stock has been reduced by 9% from the level reported at FY22, slightly ahead of the 5% H1 FY23 reduction planned at the time of the P1 FY23 update.
- H1 FY23 adjusted EBIT loss was £69.4m and adjusted loss before tax was £87.4m. Actions taken under the Driving Change agenda had a positive profit impact of more than £100m, partially offsetting anticipated headwinds of c.£180m (predominantly from inflation and normalisation of return rates).
- The reported loss before tax of £290.9m includes £203.5m of adjusting items, primarily relating to the execution of the Driving Change agenda. These include £128.2m relating to the previously announced stock write-off and £49.4m of non-cash property impairments and closure costs relating to the reduction of the Company's head office and logistics footprint. The cash outflow relating to adjusting items in the period was £23.0m. Further detail on the adjusting items is included in note 3 on pages 23-26.
- Free cash outflow[11] for the half was £262.7m mainly driven by the reported loss in the period, H1-weighted historical committed capex investment of £115.0m and the phasing of stock receipts and payments, with the cash benefit associated with the lower H1 intake expected in H2 FY23.
- ASOS ended H1 FY23 with cash and undrawn facilities totalling £408.6m at what is typically the seasonal trough in its net working capital cycle.

Current Trading & Outlook

- Sales momentum in P2 FY23 (-15% CCY ex-Russia) has broadly continued into March and April with approximately half of the sales decline driven by planned Driving Change initiatives. However, with adjusted gross margin run rate up more than 300bps YoY, adjusted gross profit was broadly flat YoY over the same period, reflective of the prioritisation of profitability over growth.
- ASOS will retain its focus on profitable sales in H2 FY23 and its commitment to exit the year with a cleaner inventory position. If there is no improvement to the external trading environment, expectations for H2 FY23 are:
    - Sales (CCY ex-Russia) decline of low double-digit YoY;
    - Adjusted gross margin up c.200bps YoY;
    - Inventory reduction of c.20% YoY;
    - Adjusted EBIT of £40-60m, adjusted EBIT margin c.3%;
    - Free cash inflow of over £150m, excluding all incremental refinancing costs (interest, arrangement and advisor fees). This equates to over £125m free cash inflow including refinancing costs;
    - Capex of £60-85m (in-line with FY23 guidance of £175-200m);
    - Interest expense of c.£30m, including amortisation of arrangement fees and related costs;
    - EBIT impact of adjusting items in the range of £25m-£30m in H2 FY23, of which £15m is non-cash (mostly relating to the Driving Change agenda).
- For FY23, free cash outflow (prior to incremental refinancing costs) will be around £100m (i.e. around the bottom end of the £0 to £100m outflow guidance provided at FY22).

José Antonio Ramos Calamonte, Chief Executive Officer said:

"Our focus is on improving our core profitability, prioritising order economics over top-line growth and I am pleased with the strategic and rapid operational progress the business has made in the first half of the financial year, against some very challenging trading conditions. Thanks to the hard work and commitment of our teams, we have accelerated the roll-out of our new commercial model, delivered more than £100m of profit optimisation and cost saving initiatives, extended our financing facility and continued to build out our top team while remaining committed to our Fashion with Integrity agenda. Taken together, these measures will create a more sustainably profitable and cash generative business as we reinforce our position as a leading destination for our fashion-loving customers.

"While some of these changes have impacted short-term sales growth, there are many causes for optimism as we progress through the second half of the year. We are improving our gross margin run rate in the face of significant headwinds, are starting to see the benefits of a repositioned stock profile, and are taking action to reduce the proportion of our sales which are not profitable. Initiatives are in place to drive a further c.£200m of benefit in the second half and I am very confident of our return to sustainable profit and cash generation in the second half of the year and beyond."

The amendment and extension to Revolving Credit Facility agreed with the Company's banking syndicate constitutes inside information. This announcement therefore includes inside information.

The person responsible for arranging the release of this announcement on behalf of ASOS is Emma Whyte, General Counsel and Company Secretary.

Notes

[1] All numbers subject to rounding throughout this document.
[2] Constant currency is calculated to take account of hedged rate movements on hedged sales and spot rate movements on unhedged sales.
[3] Calculation of metrics, or movements in metrics, on an ex-Russia basis involves the removal of Russia from H1 FY22 performance. This adjustment allows YoY comparisons to be made on a like-for-like basis following the decision to suspend trade in Russia on 2 March 2022.
[4] Excludes one-off jobber income in relation to the stock write-off program of £2.1m in H1 FY23. Further detail on the adjusting items can be found in note 3 on pages 23-26.
[5] Includes retail sales, wholesale and income from other services.
[6] Definitions of the adjusted performance measures used above and throughout this document can be found on pages 45-46.
[7] Free cashflow guidance is excluding all incremental refinancing costs (interest, arrangement and advisor fees).
[8] All sales numbers quoted in this document are at constant currency and exclude Russia from the H1 FY22 comparative base period unless otherwise stated.
[9] Share of UK online retail market based on Kantar | Total Market | Total Clothing, Footwear and Accessories | 16-35 year olds | Market Shares | 24 w/e 5th March 2023 vs LY, share of customers' wallets based on Kantar | ASOS Shoppers | Online | Spend % I 24 w/e 5th March 2023 vs LY.
[10] Excluding the gross profit impact of the stock write-off of £119.7m announced at FY22 and non-underlying sales tax of £4.9m. Reported gross margin of 36.1% (down 700bps YoY). Further detail on adjusting items can be found in note 3 on pages 23-26.
[11] Definition of free cash outflow can be found on pages 45-46.

Investor and analyst meeting:
The Company will be hosting an in-person presentation for analysts and investors at 9.00am at ASOS HQ, Greater London House, NW1 7FB. For those unable to attend in person a live webcast will be available, and a recording of the presentation will be uploaded to the ASOS investor relations website afterwards.

To access live please dial +44 203 901 7895 and use Meeting ID: 882 4156 1706 and passcode: 747285. A live stream of the event will be available here.

A recording of this webcast will be available on the ASOS Plc investor centre website after the event:
https://www.asosplc.com/investor-relations/

For further information:

ASOS Plc Tel: 020 7756 1000
José Antonio Ramos Calamonte, Chief Executive Officer
Katy Mecklenburgh / Sean Glithero, Interim Chief Financial Officer
Michelle Wilson, Senior Director of Strategy and Corporate Development
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JPMorgan Cazenove Tel: 020 7742 4000
Bill Hutchings / Will Vanderspar

Numis Securities Tel: 020 7260 1000
Alex Ham / Jonathan Wilcox / Tom Jacob

Berenberg Tel: 020 3207 7800
Matthew Armitt / Richard Bootle / Marie Moy

Background note

ASOS is a destination for fashion-loving 20-somethings around the world, with a purpose to give its customers the confidence to be whoever they want to be. Through its app and mobile/desktop web experience, available in nine languages and in over 200 markets, ASOS customers can shop a curated edit of over 60,000 products, sourced from nearly 900 global and local third-party brands alongside a mix of fashion-led own-brand labels – ASOS Design, ASOS Edition, ASOS 4505, Collusion, Reclaimed Vintage, Topshop, Topman, Miss Selfridge and HIIT. ASOS aims to give all of its customers a truly frictionless experience, with an ever-greater number of different payment methods and hundreds of local deliveries and return options, including Next-Day Delivery and Same-Day Delivery, dispatched from state-of-the-art fulfilment centres in the UK, US and Germany.

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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Global Online Fashion Destination

Interim Results for the six months to 28 February 2023

CEO Review

In my inaugural ASOS results announcement last October, I set out a frank assessment of the Company's many strengths, but also some areas where our performance was lacking. This is an incredible business with a compelling brand, customer offer and fashion credibility. The opportunity is in improving the way we operate, including delivering on our Fashion with Integrity programme on which we have published our second annual progress report. This diagnosis resulted in our Driving Change agenda, an action plan to accelerate the changes needed to transform ASOS into a sustainably profitable and cash generative business, built on four key principles: simplicity, speed to market, operational excellence; and flexibility and resilience. The economic environment we are operating in is extremely challenging, but I am delighted with the commitment and dedication of the ASOS team to deliver on our plan. The Driving Change initiatives implemented to date have generated more than £100m of benefit in H1 FY23 and created a strong foundation for ASOS' return to profitability in H2 FY23 and beyond. Indeed, more than 95% of the c.£200m of benefits expected in H2 FY23 are based on initiatives already in place.

Revenue declined 7%[1] YoY in H1 FY23 to £1,840.6m (down 8% on a reported basis[2]). This performance reflects both a challenging trading environment and the impact of profitability actions taken under the Driving Change agenda, largely since December. We remain convinced these measures are the right ones to achieve our ambition to become a sustainably profitable, cash generative business in the longer term and we have already seen order economics improve as a result. We are making these changes at the same time as our customers are feeling the squeeze financially and in the short-term are returning to physical stores post-pandemic. However, on a three-year view online penetration has increased substantially, and we remain confident in the structural drivers underpinning continued growth in the online channel in the medium term. In the meantime, we have grown our share of the 16 to 35 online retail market in the UK, maintaining our market leading position as our proposition continues to resonate with our core consumer. The strength of our offer is perhaps best reflected by the performance of the Topshop brand, which has delivered retail sales growth of 12%[3] YoY and a higher margin than the Company average.

A detailed update of our progress against our Driving Change agenda is covered in the following pages.

i. Renewed commercial model

The new commercial model comprises a comprehensive change in ASOS' approach to buying and merchandising, improved stock management discipline and reduced complexity in our logistics network to ensure that its fashion-loving 20-something core customer base is exposed to cutting edge fashion curated in ASOS' own unique way. The benefits of this are twofold: a more engaging customer experience with exposure to more inspirational, relevant product; and a higher proportion of more profitable full-price sales.

Current product lead times mean there is a lag between operational change and visible results. However, over the period ASOS has taken decisive action aimed at simplifying the product journey, including increasing flexibility in its buying processes, re-setting its stock profile and closing ancillary warehouse space. Encouragingly, there was positive progression in underlying gross margin through the half. While the sales outlook for the year is more challenging than initially anticipated, the current adjusted gross margin run rate is up more than 300bps YoY and provides headroom for ASOS to take action if necessary to ensure it exits the year with a significantly improved stock profile, thus laying the foundations for FY24.

[1] Total revenue CCY excluding Russia declined by 7% (down 10% CCY including Russia).
[2] Total reported revenue including Russia declined by 8% (down 5% on a reported basis excluding Russia).
[3] Topshop brand sales on the ASOS.com platform growth of 12% (excluding Russia) and 10% (including Russia).

Stock profile

To facilitate the introduction of the new model, ASOS is taking action to right-size its stock profile in three phases:

1. Stock write-off: At the FY22 results announcement, a non-underlying stock write-off of up to £130m was announced, taking decisive action to clear excess stock and deliver more efficient use of the Company's warehouse network. C.90% of the stock identified for write-off has now been extracted from the ASOS core network, enabling the implementation of supply chain efficiency initiatives under the Company's programme of cost saving measures described under pillar ii) below.
2. Spring / Summer intake: With the new commercial model initiated part-way through the Spring/Summer '23 buying cycle, the opportunity to reduce intake was predominantly via a reduction in the number of options. This has had a negative impact on current trading which is expected to continue through the remainder of the Spring / Summer season (i.e. the remainder of FY23) but will drive the planned c.20% reduction in stock by the end of the financial year.
3. Autumn / Winter intake: Looking ahead to Autumn/Winter '23, the principles underpinning the new model will be manifested in full. The newly formed central merchandise planning team is driving a more dynamic approach to stock management, facilitating a reduction in intake volumes while restoring width to the assortment. This approach is intended to increase stock turnover to pre-pandemic levels by the end of FY24.

Flexibility in the assortment

In the longer term, improved relevance and hence full-price sell-through are achieved by increasing flexibility in the ASOS product assortment. On its own-brand offer, the Company is currently running a 'Test and React' pilot using UK suppliers across a small number of product lines. The purpose of this pilot is to stress test ASOS' ability to reduce product lead times from concept to site to c.2 weeks in certain circumstances. For partner branded product, the Partner Fulfils model will play a strategic role by increasing the range and depth of products for sale without an associated stock risk for the Company. This will be particularly valuable in product categories with longer lead times such as sportswear. The Company has continued to build out the functional capability of the Partner Fulfils platform to enable the addition of more brands and services in H2 FY23 and beyond. Additional technology capabilities have also increased automation in the onboarding process, making for a more streamlined experience for ASOS' partners. 24 Partner Fulfils brands are currently live in the UK and Europe.

ii. Stronger order economics and a lighter cost profile

In parallel with changes to the commercial model, the Company also set out plans to optimise its cost base, improving order economics and maximising operating model efficiency to ensure a sustainable level of profitability and cash generation is achieved in all markets. At P1 FY23, a comprehensive package of profit optimisation and cost mitigation initiatives was announced under the Driving Change agenda with an expected full year benefit of more than £300m. Implementation of these initiatives is in line with plan and the Company delivered more than £100m in H1 FY23, partially mitigating the H1-weighted headwinds resulting from inflation, returns normalisation and cost deleverage to result in a £69.4m adjusted EBIT loss. These headwinds drove notable adversity in 'other costs' (+260bps YoY as a percentage of sales) and warehouse costs (+210bps YoY as a percentage of sales, which also reflects inefficiencies resulting from the high stock position at the start of the year).

The Company remains on track to deliver Driving Change agenda benefits in excess of £300m in FY23. Of the c.£200m of benefits guided for H2 FY23, more than 95% result from initiatives already implemented in the first half of the year. Against a backdrop of abating headwinds, this underpins expectations of a return to profitability and cash generation in H2 FY23.

As expected at the P1 FY23 trading update, c.60% of the more than £100m of benefits delivered in H1 FY23 related to profit optimisation initiatives while c.40% reflected cost mitigation.

Profit optimisation

As with stock profile, ASOS has taken action in three phases to improve customer profitability:

1. Brand level: The first phase of action, centred around unprofitable brands, was undertaken in October 2022. ASOS constantly reviews its brand portfolio to offer consumers the most exciting and inspiring curated edit of product. From October, a comprehensive review of brand profitability was undertaken. Brands can become unprofitable for a number of reasons including heightened promotional activity or returns, which is often correlated with, but not entirely dependent on product relevance. Where unprofitable partners are categorised as 'strategic' brands, remedial action was taken including reduced discounting with a view to improving their contribution. Those deemed not to be strategic have been removed from the platform in some or all geographies depending on local performance. As flagged at P1 FY23 results, ASOS identified 35 unprofitable brands for removal, and has ceased buying from these brands.
2. Country level: From November 2022, ASOS undertook a comprehensive review of country profitability, segmenting countries according to both their profit contribution and, in cases where profitability was not being maximised, the reasons behind this. A differentiated approach has been taken to remedy the issues facing countries in each segment. For example, free standard delivery was removed in five non-core European countries, delivery charges and thresholds were introduced or increased in a number of RoW markets and delivery prices were adjusted across the US. We have seen significant improvements in the underlying profit contribution from all our key territories during the period.
3. Customer level: The third, more targeted phase of action is at the customer level. ASOS has built a base of c.25m highly engaged, young, fashion-loving customers. However, there are a small number of customers that have a disproportionately negative impact on ASOS profitability (over £100m). This group, which in FY22 accounted for 6% of active customers, generated a loss of c.£6 per order due to a heavy reliance on discounted product and high return rate, and ordered significantly more frequently than average. This behaviour may be temporary, part of the lifetime journey of a profitable customer or simply bad business for ASOS. ASOS is now undertaking more refined action, using a more personalised approach to incentivise positive behaviours.

The decisive action taken to improve profitability at speed using brand and country level measures has, as expected, adversely impacted sales and customer numbers in some cases. Active customers declined by 0.6m YoY to 24.9m[1] as ASOS churned some of the increase seen during the pandemic and a more disciplined approach to marketing investment saw new customer acquisition fall in a weaker consumer environment. The Company also saw a 7% YoY decline in Premier customers as subscription prices increased and minimum order values were introduced, or increased, in many territories. However, the average customer value[2] of both active and Premier customers has increased over the period, and ASOS' share of its UK customers' wallet has also increased by 50bps YoY[3].

Cost mitigation

ASOS' operational excellence initiatives have impacted cost lines throughout the P&L. The most significant grouping of cost savings relate to supply chain (c.£27m), including the cessation of UK split orders being partially shipped from the Lichfield facility which, (in contrast to Barnsley) is not fully automated. Other significant categories include savings in overheads (c.£12m) and marketing (c.£6m). The Company reduced its investment in customer acquisition as it prioritised optimisation of existing customer profitability at a time of low growth, with marketing spend declining 8% YoY (flat YoY at 6% of sales). Within this, spend was curtailed in periods and geographies where consumer demand was weak and redeployed where it was more likely to generate value. These decisions are reflected in customer numbers as well as contributing to the variation in revenue by segment.

iii. **Robust, flexible balance sheet**

ASOS ended H1 FY23 with cash and undrawn facilities totalling £408.6m at what is typically the seasonal trough in its net working capital cycle. In May 2023 the Company agreed an amendment and extension of its RCF to November 2024. The amended facility replaces the current £350m existing RCF and steps down over the term to £220m by August 2024. The RCF extension secures the Company's funding beyond FY24, supporting the business as it continues to execute on its Driving Change agenda and return to profitability and cash generation. The financing is subject to liquidity, leverage and interest cover covenants.

[1] Active customers declined by 0.6m YoY to 24.9m excluding Russian active customers (down 1.8m YoY at 24.9m including Russian active customers).
[2] Average customer value calculated as gross billed revenue over last 12 months divided by active or Premier customers respectively.
[3] Kantar | ASOS Shoppers | Online | Spend % I 24 w/e 5th March 2023 vs LY.

The free cash outflow of £262.7m reflects the reported loss incurred in the period, the phasing of stock receipts and payments, with the cash benefit associated with the lower H1 intake expected in H2 FY23 and capex. Due to historical commitments, FY23 capex is more heavily weighted to the first half of the year, with £115.0m invested in support of technology investments into data services, data science, merchandising, warehouse, web and payments platforms, as well as contractual payments relating to the deferred Lichfield and Atlanta automation projects. The Company maintains its guidance for full-year capex of £175m to £200m. Net debt closed the half at £431.7m (H1 FY22: £62.6m).

iv. Reinforced leadership team and refreshed culture

The final pillar of the Driving Change agenda relates to simplification of ASOS' decision-making processes, developing a culture of innovation across the business, and reinforcing the senior leadership team with strategic key hires. This process is approaching completion. The wider, flatter structure that this represents acts to bring management closer to the organisation and facilitate quicker decision-making, breaking down silos.

ASOS is pleased to announce the appointment of Dan Elton as Senior Customer Director and Michelle Wilson as Senior Director of Strategy and Corporate Development. Supplementing the internal appointments to the management committee and previously announced external appointments, Dan and Michelle bring a wealth of relevant marketing, finance and capital markets experience to the ASOS leadership. The appointment of Sean Glithero as Interim CFO, replacing Katy Mecklenburgh who leaves the business following this results announcement, was also separately announced following the P1 FY23 trading update. Sean is an experienced CFO with a track record of delivery across a range of digital and fashion businesses, and will remain with ASOS until such time as a permanent CFO is appointed, having joined the business in February to ensure a thorough handover period. ASOS would like to thank Katy for her significant contribution during her time at ASOS.

On 6 April 2023, ASOS announced that it had further strengthened its Board with the appointment of Natasja Laheij and Jose Manuel Martínez Gutiérrez as Independent Non-Executive Directors joining the Board on 11 April 2023. Natasja and Jose Manuel have extensive experience in international commercial and financial management, e-commerce, and in the retail and fashion industry respectively. The Company also announced on 6 April 2023, that Patrick Kennedy stepped down from the Board with effect from 5 April 2023. The Board would like to thank Patrick for the important contribution he has made to ASOS. Mai Fyfield, who joined the Board in November 2019, has succeeded Patrick as Senior Independent Director of the Company.

Against a challenging backdrop, ASOS has achieved a great deal in this period of reset and is well positioned to return to profitability in H2 FY23 and beyond. While there remains much to be delivered in the next few months, I am confident that the ASOS will exit the year a more resilient and sustainably profitable business.

José Antonio Ramos Calamonte
Chief Executive Officer

Financial review

All revenue growth figures are stated at constant currency throughout this document unless otherwise indicated.

Overview

	Six months to 28 February 2023						
	UK	**EU**	**US**	**RoW[1]**	**Total reported**	**Adjusting items[4]**	**Total adjusted**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Retail sales[2]	775.1	572.7	244.3	172.7	1,764.8	(2.1)	1,762.7
Income from other services[3]	28.6	13.9	24.9	8.4	75.8	-	75.8
Total revenue	**803.7**	**586.6**	**269.2**	**181.1**	**1,840.6**	**(2.1)**	**1,838.5**
Cost of sales					(1,175.9)	126.7	(1,049.2)
Gross profit					**664.7**	**124.6**	**789.3**
Distribution expenses					(229.8)	-	(229.8)
Administrative expenses					(708.4)	78.5	(629.9)
Other income					1.0	-	1.0
Operating loss					**(272.5)**	**203.1**	**(69.4)**
Finance income					2.5	-	2.5
Finance expense					(20.9)	0.4	(20.5)
Loss before tax					**(290.9)**	**203.5**	**(87.4)**

ASOS delivered an adjusted loss before tax of £87.4m for the half, and a reported loss before tax of £290.9m. Adjusting items for the half totalled £203.5m, including the stock-write off (£128.2m), property impairments (£49.4m), and other costs associated with implementation of the Driving Change agenda such as consultancy and restructuring costs (£11.0m). There was also a non-underlying historic sales tax charge (£9.8m) and amortisation relating to the Topshop brands (£5.1m). The total cash outflow relating to adjusting items in the period was £23.0m. Further detail on each of these items can be found in note 3 on pages 23-26.

KPIs excluding Russia[5]	**Six months to 28 February 2023**	Six months to 28 February 2022	Change
Active customers[6] (m)	**24.9**	25.5	*(2%)*
Average basket value[7]	**£40.84**	£37.97	*8%*
Average basket value CCY[8]	**£39.86**	£37.97	*5%*
Average order frequency[9]	**3.73**	3.75	*(1%)*
Total shipped orders (m)	**43.2**	48.8	*(11%)*
Total visits (m)	**1,384.6**	1,463.7	*(5%)*
Conversion[10]	**3.1%**	3.3%	*(20bps)*

[1] Rest of World.
[2] Retail sales are internet sales recorded net of an appropriate deduction for actual and expected returns, relevant vouchers, discounts and sales taxes.
[3] Income from other services comprises of delivery receipt payments, marketing services, commission on partner-fulfilled sales and revenue from wholesale sales.
[4] The adjusting items and the adjusted performance measures used by ASOS are explained and defined on pages 23-26 and 45-46 respectively.
[5] Calculation of metrics, or movements in metrics, on an ex-Russia basis involves the removal of Russia from H1 FY22 performance. This adjustment allows YoY comparisons to be made on a like-for-like basis following the decision to suspend trade in Russia on 2 March 2022. The exception to this is visits, where ASOS have also excluded any visits from Russia in H1 FY23, in addition to H1 FY22.
[6] Defined as having shopped in the last 12 months as at 28 February.
[7] Average basket value is defined as net retail sales divided by shipped orders.
[8] Average basket value CCY is calculated as constant currency net retail sales / shipped orders.
[9] Calculated as last 12 months' total shipped orders divided by active customers.
[10] Calculated as total shipped orders divided by total visits.

KPIs including Russia	**Six months to 28 February 2023**	Six months to 28 February 2022	Change
Active customers[1] (m)	**24.9**	26.7	*(7%)*
Average basket value[2]	**£40.84**	£38.47	*6%*
Average basket value CCY[3]	**£39.86**	£38.47	*4%*
Average order frequency[4]	**3.73**	3.70	*1%*
Total shipped orders (m)	**43.2**	50.1	*(14%)*
Total visits (m)	**1,389.5**	1,587.2	*(12%)*
Conversion[5]	**3.1%**	3.2%	*(10bps)*

Total sales declined by 7%[6] (and (8%) on a reported basis), with challenging trading conditions affecting sales performance in P1 FY23 (September to December) continuing into P2 FY23 (January and February). In addition to widespread cost of living concerns and their impact on discretionary spend, consumers have returned to stores post-pandemic causing online penetration to step back in the short-term (albeit remaining notably higher on a three-year view). Sales declined further in P2 FY23 in part due to deliberate actions taken by the Company reflecting the prioritisation of structural profitability improvements and cash generation over top line growth. These actions included a reduction of Spring/Summer '23 intake (resulting in reduced assortment width), country-specific changes to pricing and delivery proposition, reduced investment in markdown and optimisation of marketing spend. Driving Change initiatives accounted for broadly half of the sales decline since December but have driven strengthening order economics and an improving adjusted gross margin as demonstrated by a recent run rate up more than 300bps YoY continuing beyond the period end into March and April.

These deliberate profitability actions also contributed to a 2% YoY decline in active customers[7]. Premier customers declined by 7% YoY, reflecting increases to subscription prices and the introduction of, or the increase in, minimum order thresholds for free delivery in some geographies. However, the average customer value[8] of both active and Premier customers has increased over the period. In the UK, ASOS has increased its share of its customers' wallet by 50bps YoY[9] and taken share in online retail among the target 16 to 35 demographic[10]. Average basket value ('ABV') increased by 5%[11], a positive outcome from the planned profitability initiatives supported by average selling price increases ('ASP'). Order frequency remained firm, down 1% YoY against a backdrop of steeper declines in visits, orders and conversion.

[1] Defined as having shopped in the last 12 months as at 28 February.
[2] Average basket value is defined as net retail sales divided by shipped orders.
[3] Average basket value CCY is calculated as constant currency net retail sales / shipped orders.
[4] Calculated as last 12 months' total shipped orders divided by active customers.
[5] Calculated as total shipped orders divided by total visits.
[6] Total sales CCY excluding Russia declined by 7% (down 10% CCY including Russia); total reported sales excluding Russia declined by 5% (down 8% on a reported basis including Russia).
[7] Active customers declined by 0.6m YoY to 24.9m excluding Russian active customers (down 1.8m YoY at 24.9m including Russian active customers).
[8] Average customer value calculated as gross billed revenue over last 12 months divided by active or Premier customers respectively.
[9] Kantar | ASOS Shoppers | Online | Spend % I 24 w/e 5th March 2023 vs LY.
[10] Kantar Total Market | Total Clothing, Footwear and Accessories | Top Retailers | Total , Online | 24 w/e 5th March 2023 vs LY.
[11] Group ABV CCY increased by 5% excluding Russia and increased by 4% CCY including Russia.

Performance by market

UK

UK KPIs	*Six months to 28 February 2023*
Total Sales	-10%
Visits	-8%
Orders	-14%
Conversion	-30bps
ABV	+4%
Active Customers	8.6m (-2%)

Sales in the UK declined by 10% against a backdrop of weak consumer sentiment and a challenging online retail environment. However UK sales remain c.35% above pre-pandemic levels (c.10% CAGR since February 2020). Trading was volatile from month to month, with notable weakness in September (negative news flow relating to the cost of living) and December (postal strikes).

UK performance was also affected by planned profitability actions, including more targeted marketing spend, a change in markdown approach and changes to the Premier proposition. As ASOS prioritised order profitability ahead of growth, marketing spend was curtailed in periods of softer demand caused by both weak consumer sentiment and by challenges in the delivery market around Christmas and New Year. Markdown spend was deliberately weighted towards the peak period to accelerate the sell through of aged stock and facilitate the movement towards the renewed commercial model. With an increased focus on full-price sales, markdown was substantially reduced YoY in January and February, resulting in markdown spend back on the year. Premier subscription prices were increased from £9.95 to £11.95 in November 2022 and minimum order threshold for free delivery were increased in January 2023 from £10 to £15. However, ASOS continued to grow its share of the UK online retail market amongst its core 16 to 35 year-old demographic and increased its share of UK customers' wallet in the period [1,2].

As a result of the factors outlined above, ABV increased 4%, underpinned by a higher ASP (supported by pricing increases and lower markdown). Visits (-8%), conversion (-30bps), orders (-14%) and Active Customers (-2%) all fell, reflective of ASOS' focus on sustainable, profitable growth.

EU

EU KPIs	*Six months to 28 February 2023*
Total Sales	+2% (flat CCY)
Visits	Flat
Orders	-5%
Conversion	-10bps
ABV	+7%
ABV (CCY)[3]	+6%
Active Customers	10.6m (+1%)

Constant currency sales in the EU were flat in the period, which was encouraging in the context of the wider macroeconomic backdrop and profitability measures taken in the region. EU sales remain 17% above pre-pandemic levels (c.6% CAGR since February 2020). As in the UK, markdown was reduced significantly in January and February with an adverse impact on sales in these months. Country-specific changes to delivery propositions and order thresholds were also implemented across the region.

Active customers grew 1% YoY, despite new customer acquisition being impacted by lower performance marketing spend and reduced promotional activity in certain EU territories. Encouragingly, Premier customers have grown strongly, up 13% YoY. Whilst visits were flat, orders and conversion were down 5% and 10bps respectively. However, the region saw strong growth in ASP and consequently growth in ABV. The Netherlands, Ireland and Southern Europe outperformed, offset by a weaker performance in Northern Europe.

[1] Kantar Total Market | Total Clothing, Footwear and Accessories | 16-35 year olds | Market Shares | 24 w/e 5th March 2023 vs LY.
[2] Kantar ASOS Shoppers | Online | Spend % I 24 w/e 5th March 2023 vs LY.
[3] ABV (CCY) is calculated as constant currency net retail sales / shipped orders.

US

US KPIs	*Six months to 28 February 2023*
Total Sales	+7% (-7% CCY)
Visits	-1%
Orders	-12%
Conversion	-20bps
ABV	+22%
ABV (CCY)[1]	+6%
Active Customers	3.2m (-9%)

US sales fell by 7% in the period at constant currency, against a backdrop of weak consumer sentiment and planned profitability initiatives. US sales remain 28% above pre-pandemic levels (c.9% CAGR since February 2020).

As reported in October 2022, return on investment in the US market in recent years has been particularly disappointing. During the period, ASOS reallocated capital away from the market, including reducing marketing spend and took action to improve the profitability of US orders including the removal of unprofitable brands and changes to the delivery proposition. While this resulted in a fall in visits (-1%), conversion (-20bps), orders (-12%) and active customers (-9%), with ABV +6% in constant currency (supported by price increases and reduced markdown), the profitability of the market was substantially improved.

As indicated at P1 FY23, ASOS' wholesale revenue in the US has slowed due to Topshop and Topman re-stocking in the prior year and reduced intake in reflection of the weaker consumer backdrop. Nordstrom remains a critical strategic partner for ASOS in the US and Topshop and Topman remain core brands in the Nordstrom portfolio. Sales of Topshop brands through the ASOS platform in the US were up over 50% in the period.

RoW

RoW KPIs	*Six months to 28 February 2023 excluding Russia*[2]	*Six months to 28 February 2023 including Russia*
Total Sales	-10% (-12% CCY)	-35% (-36% CCY)
Visits	-18%	-48%
Orders	-21%	-45%
Conversion	-10bps	+10bps
ABV	+13%	+17%
ABV (CCY)[1]	+11%	+15%
Active Customers	2.5m (-7%)	2.5m (-36%)

Sales in the RoW segment fell by 12%[3] at constant currency and excluding Russia, having seen some of the most substantial changes under the country profitability review undertaken in P1 FY23 alongside a sharp reduction in marketing spend YoY. Delivery prices were increased across the segment alongside widespread changes to delivery thresholds. Visits, orders and conversion all stepped back, but ABV increased by 11% supported by pricing.

Active customers declined by 7% YoY. This is largely due to new customer acquisition remaining challenging, and a more competitive e-commerce market, in key territories. Premier customers have increased by 78% YoY, albeit from a low base.

On a territory basis, Saudi Arabia delivered double-digit sales growth and grew active customers, performing well throughout the half except during highly competitive key promotional events. Performance in Australia was challenging in the face of reduced investment in markdown.

[1] ABV (CCY) is calculated as constant currency net retail sales / shipped orders.
[2] Calculation of metrics, or movements in metrics, on an ex-Russia basis involves the removal of Russia from H1 FY22 performance. This adjustment allows YoY comparisons to be made on a like-for-like basis following the decision to suspend trade in Russia on 2 March 2022. The exception to this is visits, where ASOS have also excluded any visits from Russia in H1 FY23, in addition to H1 FY22.
[3] RoW revenue CCY excluding Russia declined by 12% (down 36% CCY including Russia).

Gross margin

Adjusted gross margin[1] remained flat from P1 FY23 at 42.9% (-20bps YoY), demonstrating resilience in the face of headwinds, including input cost inflation. This was achieved primarily due to pricing on ASOS own-brands and improving freight rates (both from improved contract terms and reduced use of air freight).

Reported gross margin was back 700bps to 36.1%. This reflects the gross profit impact of the stock write-off (of £119.7m[1]) announced alongside ASOS' FY22 results, facilitating the Company's transition to its new commercial model and the cost of sales element of the non-underlying sales tax charge of £4.9m[2].

Operating expenses

£m	**Six months to 28 February 2023**	**% of sales**	Six months to 28 February 2022	% of sales	*Change*
Distribution costs	**(229.8)**	***12.5%[3]***	(255.6)	*12.8%*	*10%*
Warehousing	**(227.9)**	***12.4%[3]***	(207.2)	*10.3%*	*(10%)*
Marketing	**(109.9)**	***6.0%[3]***	(119.7)	*6.0%*	*8%*
Other operating costs	**(218.1)**	***11.9%[3]***	(186.1)	*9.3%*	*(17%)*
Depreciation and amortisation	**(74.0)**	***4.0%[3]***	(68.4)	*3.4%*	*(8%)*
Total operating costs (excl. adjusting items)	**(859.7)**	***46.8%[3]***	(837.0)	*41.8%*	*(3%)*
Adjusting items[4]	**(78.5)**	***4.2%***	(30.6)	*1.5%*	*(157%)*
Total operating costs	**(938.2)**	***51.0%***	(867.6)	*43.3%*	*(8%)*

Total operating costs excluding adjusting items increased by 3% YoY and by 500bps as a percentage of sales, reflecting the impact of inflationary pressures, increased return rates and deleverage on fixed costs.

Distribution costs as a percentage of sales decreased by 30bps YoY to 12.5%, with the impact of cost saving measures under the Driving Change agenda more than offsetting increased fuel surcharges. In November 2021, ASOS began fulfilling "split orders" after the opening of the Lichfield fulfilment centre. Split orders involved parcels being shipped from both Lichfield and Barnsley to fulfil a single order, and whilst split orders benefitted the customer proposition by ensuring maximum stock availability, they also increased fulfilment costs. As part of the Driving Change agenda, split orders were discontinued in January 2023, with Barnsley now holding all SKUs available for sale at any point in time, reducing distribution costs. Other measures taken include bringing more of the sortation process in-house, reducing costs.

Warehouse costs as a percentage of sales have increased by 210bps YoY to 12.4% due to increased labour inflation across all fulfilment centres, in addition to inflation in consumables and utilities and return rates normalisation. The high levels of stock reported at FY22 results created inefficiencies in the first few months of the year, that diminished as excess stock was cleared. Driving Change agenda initiatives designed to mitigate warehouse inflation include the winding down of ancillary storage, facilitated by the exceptional stock write-off, alongside simplification of UK returns infrastructure.

Marketing costs decreased by 8% YoY and remained flat at 6.0% of sales, despite increase in cost per click, as ASOS showed greater restraint on spending and focused on optimising investment to generate greater returns, in some cases reallocating spend between geographies based on underlying market conditions. Marketing investments were made ahead of peak trading in P1 FY23, but spend has since been scaled back, in-line with the Company's prioritisation of profitability over top-line growth.

Other operating costs as a percentage of sales increased by 260bps YoY (excluding adjusting items) due to the annualisation impact of headcount added in FY22 as well as wage inflation and contractual increases in third party technology services and overhead costs (including electricity, insurance, rates and waste management costs).

[1] Excluding the gross profit impact of the stock write-off £119.7m announced at FY22 and the non-underlying sales tax of £4.9m (see more detail in note 3 on pages 23-26). Total P&L impact of the stock write-off was £128.2m at H1 FY23 of which £119.7m related to gross profit, £7.8m warehousing costs and £0.7m depreciation costs. An additional c.£3.0m net P&L impact is expected to be booked in H2 FY23.
[2] Further detail in note 3 on pages 23-26.
[3] As a percentage of adjusted revenue
[4] Further detail on adjusting items can be found on pages 23-26

Depreciation and amortisation costs as a percentage of sales increased by 60bps YoY (excluding Topshop brands amortisation). The increase in depreciation was driven by increased warehouse capitalisation costs (including relating to Lichfield fulfilment centre) and employee tech upgrades. The increase in amortisation relates to growth in intangible assets including data services, operations systems and web and payments platforms.

Interest

Net interest costs were £18.4m in the period, an increase of £7.0m YoY primarily resulting from the drawdown of £250m on the Revolving Credit Facility on 8th September 2022.

Taxation

The reported effective tax rate ('ETR') is 25.0% based on the reported loss before tax of £290.9m. The H1 FY23 reported tax rate is different from the full year forecast rate of 21.1% due to a loss being incurred in H1 FY23, which is forecast to significantly reduce in H2 FY23. This loss creates a deferred tax asset, recognised at the higher rate of 25.0%, compared with the current year rate of 21.5%. This asset reduces in H2 FY23, and so the rate differential has a smaller impact on the overall ETR.

Going forward, ASOS expects the effective tax rate to be slightly higher than the prevailing rate of UK corporation tax due to permanently disallowable items and the higher tax rate paid in some of the non-UK based entities.

Earnings per share

Both basic and diluted loss per share were 218.7p (H1 FY22: basic and diluted loss per share of 13.5p). The decrease was driven by the reported loss before tax of £290.9m, down from a reported loss before tax of £15.8m last year. The potentially convertible shares related to both the convertible bond and ASOS' employee share schemes have been excluded from the calculation of diluted loss per share as they are anti-dilutive for the six months ended 28 February 2023.

Free Cash flow

There was a free cash outflow[1] for the half of £262.7m excluding the drawdown of £250.0m RCF on 8 September 2022, and ASOS ended the period with a net debt position of £431.7m. This was mainly driven by the reported EBITDA loss of £189.2m and capex investment weighted towards the first half.

The working capital outflow of £13.3m reflects the decrease of trade and other payables largely offset by the lower stock position versus FY22 as ASOS ended the period with stock of £978.4m (FY22: £1,078.4m, H1 FY22: £986.4m). This is resulting from the previously announced stock write-off[2] in line with the new commercial model and the phasing of stock receipts and payments, with the cash benefit associated with the lower H1 intake expected in H2 FY23.

Capital expenditure totalled £115.0m in support of technology investments into data services, operations systems and web and payments platforms, as well as contractual payments relating to the deferred Lichfield and Atlanta automation projects.

Katy Mecklenburgh
Interim Chief Financial Officer

[1] Definition of free cash outflow can be found on pages 45-46.
[2] Total stock impact on the balance sheet was £121.8m at H1 FY23.

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

for the six months to 28 February 2023

		Six months to 28 February 2023 (unaudited)			Six months to 28 February 2022 (unaudited)		
	Note	**Adjusted**	**Adjusting items (note 3)**	**Reported**	Adjusted	Adjusting items (note 3)	Reported
		£m	**£m**	**£m**	£m	£m	£m
Revenue		**1,838.5**	**2.1**	**1,840.6**	2,004.1	-	2,004.1
Cost of sales		**(1,049.2)**	**(126.7)**	**(1,175.9)**	(1,140.9)	-	(1,140.9)
Gross profit		**789.3**	**(124.6)**	**664.7**	863.2	-	863.2
Distribution expenses		**(229.8)**	**-**	**(229.8)**	(255.6)	-	(255.6)
Administrative expenses		**(629.9)**	**(78.5)**	**(708.4)**	(581.4)	(30.6)	(612.0)
Other income		**1.0**	**-**	**1.0**	-	-	-
Operating (loss)/profit		**(69.4)**	**(203.1)**	**(272.5)**	26.2	(30.6)	(4.4)
Finance income	5	**2.5**	**-**	**2.5**	0.1	-	0.1
Finance expense	5	**(20.5)**	**(0.4)**	**(20.9)**	(11.5)	-	(11.5)
(Loss)/profit before tax		**(87.4)**	**(203.5)**	**(290.9)**	14.8	(30.6)	(15.8)
Income tax credit	6	**22.2**	**50.5**	**72.7**	(3.8)	6.1	2.3
(Loss)/Profit for the financial period		**(65.2)**	**(153.0)**	**(218.2)**	11.0	(24.5)	(13.5)
Loss per share							
Basic per share	7			**(218.7p)**			(13.5p)
Diluted per share	7			**(218.7p)**			(13.5p)

All activities are continuing.

The notes on pages 20 to 42 form part of this condensed consolidated financial information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS)/INCOME (UNAUDITED)

for the six months to 28 February 2023

	Six months to 28 February 2023 (unaudited)	Six months to 28 February 2022 (unaudited)
	£m	£m
Loss for the financial period	**(218.2)**	(13.5)
Items that will not be reclassified to Group income statement		
Fair value (losses)/gains on cash flow hedges	**(13.3)**	7.1
Tax on items that will not be reclassified	**2.4**	(0.3)
	(10.9)	6.8
Items that may be subsequently reclassified to Group income statement		
Net translation movements offset in reserves	**-**	0.1
Fair value gains on cash flow hedges	**13.7**	30.5
Fair value movements reclassified from cash flow hedge reserve to Group income statement	**1.1**	(6.6)
Income tax charge relating to these items	**(0.2)**	(5.2)
	14.6	18.8
Other comprehensive income for the financial period	**3.7**	25.6
Total comprehensive (loss)/income for the financial period attributable to owners of the parent company	**(214.5)**	12.1

The notes on pages 20 to 42 form part of this condensed consolidated financial information.

CONSOLIDATED BALANCE SHEET (UNAUDITED)
at 28 February 2023

	Note	**28 February 2023 (unaudited) £m**	28 February 2022* (unaudited) £m	31 August 2022* (audited) £m
Non-current assets				
Goodwill and other intangibles	8	**703.6**	664.3	683.9
Property, plant and equipment	9	**367.4**	324.7	351.7
Right-of-use assets	10	**299.9**	354.7	380.3
Investment properties	2	**12.8**	–	–
Deferred tax assets		**15.2**	–	–
Derivative financial assets	13	**9.7**	14.7	27.0
		1,408.6	1,358.4	1,442.9
Current assets				
Inventories		**978.4**	986.4	1,078.4
Trade and other receivables		**63.4**	87.4	88.2
Derivative financial assets	13	**25.2**	40.8	41.4
Cash and cash equivalents		**308.6**	406.7	323.0
Current tax asset		**3.9**	8.7	23.0
		1,379.5	1,530.0	1,554.0
Current liabilities				
Trade and other payables	11	**(837.3)**	(927.0)	(993.3)
Borrowings	14	**(9.3)**	(1.4)	(1.4)
Lease liabilities	10	**(29.8)**	(24.9)	(24.3)
Derivative financial liabilities	13	**(11.2)**	(6.5)	(21.0)
Provisions	12	**(1.7)**	–	–
		(889.3)	(959.8)	(1,040.0)
Net current assets		**490.2**	570.2	514.0
Non-current liabilities				
Lease liabilities	10	**(316.1)**	(320.2)	(355.8)
Deferred tax liability		–	(45.6)	(58.2)
Provisions	12	**(54.2)**	(45.9)	(41.9)
Derivative financial liabilities	13	**(3.8)**	(1.8)	(11.6)
Borrowings	14	**(731.0)**	(467.9)	(474.5)
		(1,105.1)	(881.4)	(942.0)
Net assets		**793.7**	1,047.2	1,014.9
Equity attributable to owners of the parent				
Called up share capital		**3.5**	3.5	3.5
Share premium		**245.7**	245.7	245.7
Employee Benefit Trust reserve		**2.1**	2.1	2.1
Hedging reserve		**18.9**	39.8	26.2
Translation reserve		**(2.7)**	(2.3)	(2.7)
Equity portion of convertible debt		**58.9**	58.9	58.9
Retained earnings		**467.3**	699.5	681.2
Total equity		**793.7**	1,047.2	1,014.9

*See note 2 for detail on presentational changes

The notes on pages 20 to 42 form part of this condensed consolidated financial information.
These unaudited condensed consolidated interim financial statements for the six months ended 28 February 2023 were approved by the Board on 9 May 2023.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the six months to 28 February 2023

	Called up share capital £m	Share premium £m	Employee Benefit Trust reserve[1] £m	Hedging reserve £m	Translation reserve £m	Equity portion of convertible debt £m	Retained earnings[2] £m	Total equity £m
At 1 September 2022	**3.5**	**245.7**	**2.1**	**26.2**	**(2.7)**	**58.9**	**681.2**	**1,014.9**
Loss for the period	–	–	–	–	–	–	**(218.2)**	**(218.2)**
Other comprehensive income for the period	–	–	–	**3.7**	–	–	–	**3.7**
Total comprehensive income/(loss) for the period	–	–	–	**3.7**	–	–	**(218.2)**	**(214.5)**
Cash flow hedges gains and losses transferred to non-financial assets	–	–	–	**(11.0)**	–	–	–	**(11.0)**
Share-based payments charge	–	–	–	–	–	–	**4.0**	**4.0**
Tax relating to share option scheme	–	–	–	–	–	–	**0.3**	**0.3**
Balance as at 28 February 2023	**3.5**	**245.7**	**2.1**	**18.9**	**(2.7)**	**58.9**	**467.3**	**793.7**
At 1 September 2021	3.5	245.7	2.1	14.3	(2.4)	58.9	711.9	1,034.0
Loss for the period	–	–	–	–	–	–	(13.5)	(13.5)
Other comprehensive income for the period	–	–	–	25.5	0.1	–	–	25.6
Total comprehensive income/(loss) for the period	–	–	–	25.5	0.1	–	(13.5)	12.1
Share-based payments charge	–	–	–	–	–	–	1.9	1.9
Tax relating to share option scheme	–	–	–	–	–	–	(0.8)	(0.8)
Balance as at 28 February 2022	3.5	245.7	2.1	39.8	(2.3)	58.9	699.5	1,047.2
At 1 September 2021	3.5	245.7	2.1	14.3	(2.4)	58.9	711.9	1,034.0
Loss for the year	–	–	–	–	–	–	(30.8)	(30.8)
Other comprehensive income/(loss) for the year	–	–	–	6.4	(0.3)	–	–	6.1
Total comprehensive income/(loss) for the year	–	–	–	6.4	(0.3)	–	(30.8)	(24.7)
Cash flow hedges gains and losses transferred to non-financial assets	–	–	–	5.5	–	–	–	5.5
Share-based payments charge	–	–	–	–	–	–	0.8	0.8
Tax relating to share option scheme	–	–	–	–	–	–	(0.7)	(0.7)
Balance as at 31 August 2022	3.5	245.7	2.1	26.2	(2.7)	58.9	681.2	1,014.9

[1] *Employee Benefit Trust and Link Trust*

[2] *Retained earnings includes the share-based payments reserve*

The notes on pages 20 to 42 form part of this condensed consolidated financial information.

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
for the six months to 28 February 2023

	Six months to 28 February 2023 (unaudited) £m	Six months to 28 February 2022* (unaudited) £m
Operating loss	**(272.5)**	(4.4)
Adjusted for:		
Depreciation of property, plant and equipment and right-of-use assets	**34.5**	30.0
Amortisation of other intangible assets	**48.8**	43.7
Impairment loss on property, plant and equipment, intangible assets and right-of-use assets	**28.9**	18.9
Share-based payments charge	**3.3**	1.5
Other non-cash items	**4.6**	0.3
Decrease/(Increase) in inventories	**99.9**	(181.3)
Decrease/(increase) in trade and other receivables	**28.8**	(30.2)
Decrease in trade and other payables	**(142.0)**	(34.4)
Increase in provisions	**14.0**	2.7
Cash used in operating activities	**(151.7)**	(153.2)
Income tax received	**23.5**	2.0
Net cash used in operating activities	**(128.2)**	(151.2)
Investing activities		
Purchase of other intangible assets	**(68.8)**	(53.4)
Purchase of property, plant and equipment	**(46.2)**	(33.1)
Interest received	**2.5**	0.1
Net cash used in investing activities	**(112.5)**	(86.4)
Financing activities		
Drawdown of Revolving Credit Facility (RCF)	**250.0**	-
Refinancing amendment fees paid	**(3.9)**	-
Repayment of principal portion of lease liabilities	**(12.1)**	(13.4)
Interest paid	**(6.0)**	(5.5)
Net cash generated from/(used in) financing activities	**228.0**	(18.9)
Net decrease in cash and cash equivalents	**(12.7)**	(256.5)
Opening cash and cash equivalents	**323.0**	662.7
Effect of exchange rates on cash and cash equivalents	**(1.7)**	0.5
Closing cash and cash equivalents	**308.6**	406.7

*See note 2 for detail on presentational changes

The notes on pages 20 to 42 form part of this condensed consolidated financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

1. General information

ASOS Plc ('the Company') and its subsidiaries (together, 'the Group') is a global fashion retailer. The Group sells products across the world and has websites targeting countries that include the UK, US, Australia, France, Germany, Spain, Italy, Sweden, the Netherlands, Denmark and Poland. The Company is a public limited company whose shares are publicly traded on the London Stock Exchange. The Company is incorporated and domiciled in the UK and the address of its registered office is Greater London House, Hampstead Road, London NW1 7FB.

The financial period represents the six months to 28 February 2023 (comparative financial period six months to 28 February 2022; prior financial year 12 months to 31 August 2022). The financial information comprises the results of the Company and its subsidiaries.

2. Basis of preparation

The interim financial statements for the six months to 28 February 2023 have been prepared in accordance with the UK-adopted IAS 34, "Interim Financial Reporting" and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority. The interim financial statements should be read in conjunction with the Group's Annual Report and Accounts for the year to 31 August 2022, which was prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The interim financial statements have been reviewed, not audited, and do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The Annual Report and Accounts for the year to 31 August 2022 have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 498 of the Companies Act 2006.

The financial information contained in the Interim Results is presented in sterling, rounded to the nearest million (£m) unless otherwise stated.

2.1. Going concern

The Directors are satisfied that the Group has sufficient resources to continue in operation for a period of at least 12 months from the date of approval of the financial statements, and therefore continue to adopt the going concern basis in preparing the financial statements. In assessing the Group's going concern position, the Directors considered the Group's business activities and principal risks, reviewing the Group's forecasted cash flows, liquidity positions and borrowing facilities for the 18-month period to August 2024.

In assessing the Group's going concern position, the Directors have considered the Group's detailed forecasting process which considers the Group's financial performance, position and cash flows over the going concern period (the base case). These cash flow forecasts represent the Directors' best estimate of trading performance and costs implications in the market based on current agreements, market experience and consumer demand expectations. In conjunction with this, the Directors considered the Group's business activities and principal risks, reviewing the Group's cash flows, liquidity positions and borrowing facilities for the going concern period. The review included the recent amendment and extension (which extends the maturity of the facility to November 2024) to the Group's Revolving Credit Facility (RCF) agreement that was obtained in May 2023, further detail is included within Note 18. At 28 February 2023, the Group had £250m of the £350m RCF drawn (plus £50m ancillary facilities following exercise of a £50m accordion option in December 2022) and £500m convertible bonds with a maturity of April 2026.

2. Basis of preparation continued

As part of the assessment, the Group has considered various severe but plausible downside scenarios comprising a combination of scenarios. The downside scenarios include assumed reductions in forecast sales during the period under review of between 8% and 11%, and gross margin reductions of between 1% to 2%. Working capital shocks in excess of £100m and interest rate rises were modelled over the period, varying by month, with applied mitigations over and above the base case also being reflected in the projections. In both the base case and the severe but plausible downside scenario, the forecasts indicated that there was sufficient covenant headroom and liquidity for the business to continue based on the facilities available to the Group as described above.

Reverse stress tests have also been performed on both the Group's revenue and gross margin to see how far these would need to decline to cause a liquidity event. To test sales, the working capital shock used in the plausible downside scenario, and a gross margin decline of 2% were overlaid on the base case and then sales reduced until there was a covenant breach; sales could decline by a further 15% over the base case before there was a breach. To test gross margin, the working capital shock used in the plausible downside scenario and an average sales decline of 4% were overlaid on the base case allowing a gross margin decline of 4% before there was a breach. Both scenarios are considered remote based on results of previous significant economic shock events, particularly on the basis that the Group is annualising the softer market growth and global supply chain crisis experienced this year.

Based on the above, the Directors considered it appropriate to adopt the going concern basis of accounting in the preparation of the Group's financial statements.

2.2. Changes in presentation

Other comprehensive income

In accordance with IAS 1 'Presentation of Financial Statements', within the Consolidated Statement of Comprehensive (Loss)/Income, the Group presents items that may be and will not be subsequently reclassified to the income statement, which includes the fair value movements on effective cash flow hedges. In accordance with IFRS 9 'Financial Instruments', cash flow hedge gains and losses in relation to purchases of non-financial assets are recognised as part of the cost of the non-financial asset (a basis adjustment). For the Group this relates to foreign currency denominated purchases of inventory and property plant and equipment. The carrying value of the asset is adjusted for the accumulated gains or losses recognised directly in other comprehensive income, and then recognised in the income statement when sold (for inventory) or as depreciated (for property, plant and equipment).

This basis adjustment is not part of other comprehensive income. The Group has therefore separately presented effective fair value movements on hedges relating to inventory and property, plant and equipment, and those relating to effective hedges of foreign currency denominated sales, within the Consolidated Statement of Comprehensive (Loss)/Income, and shown the basis adjustments as a separate line within the Consolidated Statement of Changes in Equity. Comparative period amounts have not been adjusted on the grounds of materiality.

Consolidated balance sheet

The presentation of the Consolidated balance sheet has been updated as follows:

- Goodwill and other intangible assets are now disclosed as one line item
- Right-of-use assets are now presented separately from property, plant and equipment

The comparatives have also been updated to reflect these changes.

Consolidated cash flow statement

The presentation of the Consolidated cashflow statement has been updated so that movements in provisions are shown separately. These were previously included within movements in trade and other payables.

2. Basis of preparation continued

Reclassification of right-of-use assets as investment property

The Group has been subletting unused office space within its Leavesden property since November 2021, and as disclosed in note 3, further space has been vacated during the year with a view to ultimately sub-letting. As a result, the related space has been assessed to meet the definition of investment property under IAS 40 "Investment Properties". Right-of-use assets with a net book value of £12.8m have therefore been transferred from right-of-use assets to investment property during the year.

Comparative period amounts as at 28 February 2022 of £14.8m (and 31 August 2022: £13.5m) are not considered material, therefore have not been adjusted. The accounting policy for investment property is disclosed below, and is in line with that for the respective right-of-use assets. As a result, there is no change on profit and loss, net assets nor earnings per share.

Investment properties accounting policy

Investment property assets are carried at cost less accumulated depreciation and any recognised impairment in value. The depreciation policies for investment property are consistent with those described for right-of-use assets.

2.3. Accounting policies

The Group has considered the following amendments to published standards that are effective for the Group for the financial year beginning 1 September 2022 and concluded that they are either not relevant to the Group or that they do not have a significant impact on the Group's financial statements other than disclosures.

- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework – Amendments to IFRS 3

The interim financial statements have been prepared in accordance with the accounting policies set out in the Annual Report and Accounts for the year to 31 August 2022, with the exception of the items noted in note 2.2 above.

2.4. Significant accounting judgements and key sources of estimation uncertainty

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results might differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 August 2022, with the exception of the following items, which are concluded to no longer be significant judgements for the Group:

- Legal contingencies – the Group has no material contingent liabilities to disclose, therefore this is no longer considered a significant judgement
- Post balance sheet events – the prior year judgement was specifically in relation to the Group's commercial model change, therefore is no longer a post balance sheet event.

2.5. Alternative performance measures (APMs)

In the reporting of financial information, the Directors use various APMs. These APMs are defined and reconciled on pages 45-46, and should be considered in addition to, and are not intended to be a substitute for, IFRS measurements. As they are not defined by International Financial Reporting Standards, they may not be directly comparable with other companies' APMs.

3. Adjusted profit/(loss) before tax

In order to support shareholders' reviews of the year-on-year performance of the business, an adjusted measure of profit is provided to supplement the reported IFRS numbers. This aligns to how the business measures performance internally.

Judgement is required when determining which items are to be adjusted. In doing so, the Group considers items which are significant, either in size and/or nature, the inclusion of which could distort comparability between periods. The same assessment is applied consistently to any reversals of prior-period adjusting items. Adjusted profit/(loss) before tax (and similarly adjusted EBIT) is not an IFRS measure and therefore not directly comparable to other companies – refer to "Alternative Performance Measures" in the appendix for further detail.

More details on each adjusting item are included further below:

Six months to 28 February 2023 (unaudited)	**Revenue £m**	**Cost of sales £m**	**Administrative expenses £m**	**Finance expenses £m**	**Total £m**
Driving Change agenda					
Commercial operating model	**2.1**	**(121.8)**	**(8.5)**	**-**	**(128.2)**
Property-related costs	**-**	**-**	**(49.4)**	**-**	**(49.4)**
Other strategic initiatives	**-**	**-**	**(10.6)**	**(0.4)**	**(11.0)**
Non-underlying sales tax	**-**	**(4.9)**	**(4.9)**	**-**	**(9.8)**
Amortisation of acquired intangible assets	**-**	**-**	**(5.1)**	**-**	**(5.1)**
	2.1	**(126.7)**	**(78.5)**	**(0.4)**	**(203.5)**

Six months to 28 February 2022 (unaudited)	Revenue £m	Cost of sales £m	Administrative expenses £m	Finance expenses £m	Total £m
ASOS Re-imagined	-	-	(7.9)	-	(7.9)
Main Market transition costs	-	-	(5.5)	-	(5.5)
Impairment of Leavesden assets	-	-	(18.3)	-	(18.3)
Employee and other liabilities relating to Topshop brands acquisition	-	-	6.4	-	6.4
Amortisation of acquired intangible assets	-	-	(5.3)	-	(5.3)
	-	-	(30.6)	-	(30.6)

3. Adjusted profit/(loss) before tax continued

Driving Change agenda

In October 2022, the Group announced a change agenda to strengthen ASOS over the next 12 months and reorient the business towards the future, underpinned by four key actions:

a) A Renewed commercial model: Acceleration of changes in ASOS' approach to merchandising and buying in support of a more competitive proposition and tighter stock turnover.
b) Stronger order economics and a lighter cost profile: Actions to improve order economics and ensure a sustainable level of profitability in all markets, whilst focusing efforts on key markets in conjunction with a focus on optimising the Group's cost base, improving supply chain efficiencies, and eliminating excess costs through increased controls. This includes optimising the Group's space requirements through a mix of repurposing existing capacity and vacating any excess capacity.
c) Robust, flexible balance sheet: Aligning future investment with capacity requirements to ensure a more efficient allocation of capital, while maintaining planned strategic investment in technology in support of an improved customer experience. In addition, maintaining sufficient headroom on facilities, ensuring flexibility in the short term.
d) Enabled by a reinforced leadership team and refreshed culture: Simplifying decision-making processes to encourage a culture of innovation and creativity across the business, while reinforcing the senior leadership team with strategic key hires.

Various items of income and expenditure have been incurred during the period in relation to this, as outlined below.

3. Adjusted profit/(loss) before tax continued

Commercial operating model

As outlined in the FY22 results on 19th October 2022, a key focus for ASOS in FY23 is the renewal of the commercial operating model. The updated model aims to operate a shorter buying cycle with an accelerated speed to market, facilitating an enhanced customer proposition that offers new products, more regularly. To achieve this, ASOS is utilising off-site clearance routes that will enable the Group to clear inventory earlier in its lifecycle than previously, therefore reducing the overall breadth of inventory held in fulfilment centres, which in turn will reduce the volume that is sold on promotion via the ASOS site.

To transition to the new model, a reshaping of the inventory portfolio is required, and as a result additional costs have been recognised in relation to stock cleared during the period, as well as provisions for stock held that will be sold through alternative clearance channels.

	£m
Losses on the sale of stock sold cleared during the period	**(12.7)**
Associated holding and extraction costs incurred during the period	**(8.5)**
Inventory provisions on stock remaining to be cleared	**(107.0)**
	(128.2)

Losses on the sale of stock during the period are net of income received of £2.1m.

Property related costs

During the period it was agreed to vacate a number of Group-occupied sites, including office and warehouse space. As a result, costs of £49.4m have been incurred, comprising the following:

	£m
Impairment of property, plant and equipment (a)	**(5.7)**
Impairment of intangible assets (a)	**(1.7)**
Impairment of right of use assets (a)	**(21.5)**
Accelerated depreciation (b)	**(3.5)**
Exit provisions (c)	**(17.0)**
	(49.4)

a) Impairment of assets for sites vacated during the financial period
b) Where sites are to be vacated during the second half of the year, the remaining useful economic lives of corresponding sites have been reassessed to align with closure dates, resulting in an acceleration in depreciation of these assets. The accelerated depreciation (over and above the charge absent the closure decision) is recognised within adjusting items.
c) Exit provisions relate to onerous contract costs on leased sites that have been identified for closure. Upon initial recognition of exit provisions, management uses its best estimates of the relevant costs to be incurred as well as expected closure dates. This excludes business rates on leased property which are recognised in the period they are incurred.

Whilst the properties remain vacant, ongoing expenses relating to lease interest, onerous provision unwinds and business rates (totalling approximately £2m per year) will be reported outside adjusted profit given they do not relate to operational sites of the Group.

3. Adjusted profit/(loss) before tax continued

Other strategic initiatives

Other priorities for FY23 communicated at the FY22 results included; (i) stronger order economics and a lighter cost profile, (ii) a robust, flexible balance sheet, and, (iii) a reinforced leadership team and refreshed culture. ASOS has progressed with each of these priorities during the period, with non-underlying costs of £11.0m incurred, relating to external consultancy costs to support the launch of the programme and the identification of initiatives, business restructuring costs including severance, and costs incurred associated with the revolving credit facility covenant waiver as disclosed at year-end. The Driving Change agenda has replaced the Group's ASOS Reimagined programme that commenced in the prior year.

Costs incurred last year in relation to ASOS Reimagined totalled £25.4m, bringing cumulative change agenda costs incurred to date to £214.0m, of which £32.6m is cash (inclusive of the commercial operating model update).

Non-underlying sales tax

During the period, a historic overstatement of recoverable sales tax receivables was identified. The balance had built up over a number of years, predominantly prior to 2020. As at the year-end 31 August 2022, the cumulative amount on the balance sheet totalled £9.8m. Sales tax recognised on the balance sheet of £9.8m has therefore been written off this year. Furthermore, the adjustment is not considered to have a material impact on the prior year balance sheet nor income statement, therefore the comparative results have not been restated. Given this is an out of period cost and could distort comparability between reporting periods, this has been included as an adjusting item.

Amortisation of acquired intangible assets

Amortisation of acquired intangible assets is adjusted for as the acquisition the amortisation relates to was outside business-as-usual operations for ASOS. These assets would not normally be recognised outside of a business combination, therefore the associated amortisation is adjusted.

Classification as adjusting items

Given a number of the costs incurred as part of the above programmes facilitate future ongoing cost savings, it was considered whether it was appropriate to report these costs within adjusted profit/(loss). Whilst they arise from changes in the Group's underlying operations, they can be separately identified, are significant in size / nature and their inclusion within adjusted profit/(loss) does not facilitate meaningful comparison between financial years. Furthermore the costs incurred arise as a result of implementing changes for the future to evolve and reshape the business and are therefore not reflective of ordinary, in-year trading activity, and for areas being closed or restructured, these operations no longer relate to the Group's trading operations. Exclusion from adjusted profit/(loss) is therefore considered appropriate.

Cash flow impact of adjusting items

The total cash flow impact of adjusting items is as follows:

	Six months to 28 February 2023 (unaudited) £m	Six months to 28 February 2022 (unaudited) £m
Commercial operating model change	**(0.9)**	-
Other strategic initiatives (including ASOS Reimagined)	**(22.1)**	(6.1)
Main Market transition costs	**-**	(1.7)
Total adjusting items within operating cash flow	**(23.0)**	(7.8)

Of the £23.0m paid in the current year, £11.4m relates to expenditure incurred in the prior year.

4. Segmental analysis

IFRS 8 'Operating Segments' requires operating segments to be determined based on the Group's internal reporting to the Chief Operating Decision Maker. The Chief Operating Decision Maker has been determined to be the Management Committee (renamed from the Executive Committee as part of the Group's Driving Change agenda) which receives information on the basis of the Group's operations in key geographical territories. Management monitors and makes decisions considering the entire Group. The Group has reviewed its assessment of reportable segments under IFRS 8, "Operating Segments" and concluded that the Group continues to have one reportable segment.

	Six months to 28 February 2023 (unaudited)				
	UK £m	**EU £m**	**US £m**	**RoW[1] £m**	**Total £m**
Retail sales	**775.1**	**572.7**	**244.3**	**172.7**	**1,764.8**
Income from other services [2]	**28.6**	**13.9**	**24.9**	**8.4**	**75.8**
Total revenue	**803.7**	**586.6**	**269.2**	**181.1**	**1,840.6**
Cost of sales					**(1,175.9)**
Gross profit					**664.7**
Distribution expenses					**(229.8)**
Administrative expenses					**(708.4)**
Other income					**1.0**
Operating loss					**(272.5)**
Finance income					**2.5**
Finance expense					**(20.9)**
Loss before tax					**(290.9)**
Non-current assets[3]	**1,013.7**	**183.4**	**151.4**	**-**	**1,348.5**

1 Rest of World.
2 Income from other services comprises of delivery receipt payments, marketing services, commission on partner-fulfilled sales and revenue from wholesale sales.
3 Excluding goodwill, derivative financial assets and deferred tax assets.

	Six months to 28 February 2022 (unaudited)				
	UK £m	EU £m	US £m	RoW[1] £m	Total £m
Retail sales	867.2	564.1	226.0	270.1	1,927.4
Income from other services [2]	28.3	13.3	26.7	8.4	76.7
Total revenue	895.5	577.4	252.7	278.5	2,004.1
Cost of sales					(1,140.9)
Gross profit					863.2
Distribution expenses					(255.6)
Administrative expenses					(612.0)
Operating loss					(4.4)
Finance income					0.1
Finance expense					(11.5)
Loss before tax					(15.8)

4. Segmental analysis continued

	Six months to 28 February 2022 (unaudited)				
	UK £m	EU £m	US £m	RoW[1] £m	Total £m
Non-current assets (as at 28 February 2022)[3]	986.0	188.3	134.2	-	1,308.5
Non-current assets (as at 31 August 2022)[3]	1,006.7	188.8	185.2	-	1,380.7

1 Rest of World
2 Income from other services comprises of delivery receipt payments, marketing services, commission on partner-fulfilled sales and revenue from wholesale sales
3 Excluding goodwill, derivative financial assets and deferred tax assets.

Due to the nature of its activities, the Group is not reliant on any individual major customers.

5. Finance income and finance costs

	Six months to 28 February 2023 (unaudited) £m	Six months to February 2022 (unaudited) £m
Interest income on cash and cash equivalents	**2.5**	0.1
Interest on borrowings	**(19.1)**	(9.6)
Interest on lease liabilities	**(2.9)**	(2.6)
Provisions – unwinding of discount	**(0.6)**	(0.1)
Interest capitalised	**1.7**	0.8
Total finance costs	**(20.9)**	(11.5)

6. Taxation

	Six months to 28 February 2023 (unaudited) £m	Six months to February 2022 (unaudited) £m
Current year UK tax	**-**	(5.3)
Current year overseas tax	**0.6**	-
Adjustment in respect of prior year corporation tax	**(2.9)**	(0.3)
Total current tax credit	**(2.3)**	(5.6)
Origination and reversal of temporary differences	**(71.1)**	4.7
Adjustment in respect of prior years	**0.7**	(1.4)
Total deferred tax (credit)/expense	**(70.4)**	3.3
Total income tax credit in income statement	**(72.7)**	(2.3)
Analysed as:		
Underlying tax	(22.2)	3.8
Non-underlying tax	(50.5)	(6.1)
Total income tax credit in income statement	**(72.7)**	(2.3)
Effective tax rate	25.0%	14.6%

Income tax is recognised on management's estimate of the weighted average effective annual income tax rates for corporate and deferred taxes expected for the full financial year, including stock provision adjustments (refer note 3 for adjusting items) but excluding all other adjusting items, prior year adjustments, share based payments and derivatives, which are recognised on an actuals basis. The estimated average annual tax rate used for the six months to 28 February 2023 is 20.8% compared to 22.0% for the six months to 28 February 2022.

The reported effective tax rate is 25.0% based on the reported loss before tax of £290.9m. The H1 FY23 reported tax rate is different from the full year forecast rate due to expected disallowances in H2 FY23. The reported tax rate is above the prior year comparative of 14.6% due to the losses carried forward at the deferred tax rate of 25%, the ending of the super deduction on capital allowances relief from 1 April 2023 and the fall in share price impacting the tax on share based payments. In addition, prior year adjustments reduced the prior period ETR by c.10%.

7. (Loss)/Earnings per Share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to the owners of the parent company by the weighted average number of ordinary shares in issue during the period. Own shares held by the Employee Benefit Trust and Link Trust are eliminated from the weighted average number of ordinary shares.

Diluted earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to the owners of the parent company by the weighted average number of ordinary shares in issue during the period, adjusted for the effects of potentially dilutive ordinary shares.

	Six months to 28 February 2023 (unaudited)	Six months to 28 February 2022 (unaudited)
Weighted average share capital		
Weighted average shares in issue (no. of shares)	**99,775,925**	99,675,829
Weighted average effect of dilutive share options (no. of shares)[1]	–	–
Weighted average effect of convertible bond (no. of shares) [1]	–	–
Weighted average shares in issue for diluted earnings/(loss) per share (no. of shares)	**99,775,925**	99,675,829
Losses (£m)		
Loss attributable to owners of the parent company	**(218.2)**	(13.5)
Interest expense on convertible bonds[1]	–	–
Diluted loss attributable to owners of the parent company for diluted loss per share	**(218.2)**	(13.5)
Basic loss per share	**(218.7p)**	(13.5p)
Diluted loss per share	**(218.7p)**	(13.5p)

[1] Dilutive shares and interest not included where their effect is anti-dilutive.

8. Intangible assets

	Six months to 28 February 2023 (unaudited) £m	Six months to 28 February 2022 (unaudited) £m	Year to 31 August 2022 (audited) £m
Net book value			
At the beginning of the period	**683.9**	652.2	652.2
Additions	**70.2**	55.8	120.5
Amortisation charge	**(48.8)**	(43.7)	(88.8)
Impairment charge	**(1.7)**	-	-
At the end of the period	**703.6**	664.3	683.9

Details of the impairment charges are included within note 3.

The net book value comprises:

	Six months to 28 February 2023 (unaudited) £m	Six months to 28 February 2022 (unaudited) £m	Year to 31 August 2022 (audited) £m
Net book value			
Goodwill	**35.2**	35.2	35.2
Software	**443.6**	393.1	417.8
Customer relationships	**18.2**	21.2	19.7
Brands and domain names	**203.8**	211.5	207.6
Assets under construction	**2.8**	3.3	3.6
At the end of the period	**703.6**	664.3	683.9

Goodwill is not amortised, but tested annually for impairment, or when an indicator of impairment exists. For the purpose of impairment testing, goodwill is monitored on an entity wide basis at the reporting segment level as a singular cash-generating unit (CGU), the ASOS Group CGU. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to dispose. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment losses recognised for goodwill are not subsequently reversed.

Given the reported loss recognised during the period, an indicator was deemed to exist. The recoverable amount of the ASOS Group CGU was therefore determined using a value in use calculation, using key assumptions as follows:

- Cash flow years / assumptions: Cash flow projections for five years, derived from the Group's latest results and financial forecasts approved by the Board. Thereafter, a terminal value is calculated, based on estimated long-term growth rates.
- Pre-tax discount rate: 11.7%
- Post-tax discount rate: 10.1%
- Long term growth rate: 1.5%

No impairment charge in respect of goodwill has been recognised during the period (2022: £nil). No reasonably possible change in the assumptions used in the value-in-use calculations could result in a material impairment of goodwill.

9. Property, plant and equipment

	Six months to 28 February 2023 (unaudited) £m	Six months to 28 February 2022 (unaudited) £m	Year to 31 August 2022 (audited) £m
Net book value			
At the beginning of the period	**351.7**	314.0	314.0
Additions	**36.8**	35.1	78.3
Depreciation charge	**(15.4)**	(14.6)	(30.7)
Impairment charge	**(5.7)**	(9.8)	(9.9)
At the end of the period	**367.4**	324.7	351.7

Details of the impairment charges are included in note 3.

The net book value of property, plant and equipment comprises fixtures fittings, plant and machinery of £259.2 million (28 February 2022: £275.9m; 31 August 2022: £273.7m); computer equipment of £13.2m (28 February 2022: £12.3m; 31 August 2022: £15.1m) and assets under construction of £95.0m (28 February 2022: £36.5m; 31 August 2022: £62.9m).

At 28 February 2023, capital commitments contracted, but not provided for by the Group, amounted to £156.8m (28 February 2022: £166.4m; 31 August 2022: £206.0m).

10. Leases

Right-of-use assets

See below for the carrying amounts of right-of-use assets and the movements during the period:

	Six months to 28 February 2023 (unaudited) £m	Six months to 28 February 2022 (unaudited) £m	Year to 31 August 2022 (audited) £m
At the beginning of the period	**380.3**	345.2	345.2
New leases and modifications / reassessments[1]	**(24.1)**	32.9	72.6
Impairment charge	**(21.5)**	(9.1)	(9.3)
Depreciation charge	**(19.1)**	(15.4)	(30.3)
Transfers to investment property[2]	**(12.8)**	-	-
Disposals	**-**	-	(3.4)
Exchange differences	**(2.9)**	1.1	5.5
At the end of the period	**299.9**	354.7	380.3

[1] The Group presents additions to right-of-use assets in line with the disclosure requirements of IFRS 16 'Leases'. In doing so, additions to right-of-use assets above include the net impact of new leases and modifications/reassessments. This incorporates re-measurements of any associated dilapidation provisions.
[2] The Group now sublets unused office space within its Leavesden property, and as disclosed in note 3, further space has been vacated during the year with a view to ultimately sub-letting. As a result, the related space has been assessed to meet the definition of investment property under IAS 40 "Investment Properties". Right-of-use assets with a net book value of £12.8m have therefore been transferred from right-of-use assets to investment property during the year. Further detail is included within note 2.

Right of use assets comprise entirely leases for land and buildings.

Details of impairment charges are included in note 3.

Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Six months to 28 February 2023 (unaudited) £m	Six months to 28 February 2022 (unaudited) £m	Year to 31 August 2022 (audited) £m
At the beginning of the period	**380.1**	328.9	328.9
New leases and modifications / reassessments	**(20.5)**	30.1	75.2
Payments	**(15.0)**	(16.0)	(31.7)
Interest expense	**2.9**	2.6	5.4
Disposals	**-**	-	(3.9)
Exchange differences	**(1.6)**	(0.5)	6.2
At the end of the period	**345.9**	345.1	380.1

Current	**29.8**	24.9	24.3
Non-current	**316.1**	320.2	355.8
Total	**345.9**	345.1	380.1

10. Leases continued

Income statement / cash flow disclosures

The following amounts are included in the Group's consolidated financial statements in respect of its leases:

	Six months to 28 February 2023 (unaudited) £m	Six months to 28 February 2022 (unaudited) £m
Income statement		
Depreciation charge for right-of-use assets (excluding impairment)	**(19.1)**	(15.4)
Interest expense on lease liabilities	**(2.9)**	(2.6)
Expense relating to short-term leases	**(0.3)**	(0.2)
Expense relating to leases of low value assets that are not shown above as short-term leases	**(0.2)**	(0.3)
Cash flow		
Total cash outflow for leases comprising interest and capital payments	**(15.5)**	(16.5)
Sub-let income relating to leases under IFRS 16	**0.7**	0.2

11. Trade and other payables

	Six months to 28 February 2023 (unaudited) £m	Six months to 28 February 2022 (unaudited) £m	Year to 31 August 2022 (audited) £m
Trade payables	**110.7**	107.8	94.0
Other payables	**319.3**	320.6	402.8
Accruals	**307.1**	411.5	401.8
Deferred revenue	**81.8**	56.0	54.4
Taxation and social security	**18.4**	31.1	40.3
	837.3	927.0	993.3

Trade and other payables have been presented in more detail than previously in order to provide more useful information to users of the financial statements. In doing so, the allocation between some categories has changed. Prior periods have been represented where relevant.

12. Provisions

	Dilapidations £m	Onerous occupancy £m	Total £m
At 1 September 2022	**41.9**	**-**	**41.9**
Recognised	**0.4**	**17.0**	**17.4**
Utilised	**-**	**(0.1)**	**(0.1)**
Effects of movements in discount rates	**(4.0)**	**-**	**(4.0)**
Unwinding of discount	**0.5**	**0.1**	**0.6**
Exchange differences	**0.1**	**-**	**0.1**
At 28 February 2023 (unaudited)	**38.9**	**17.0**	**55.9**
Current	**-**	**1.7**	**1.7**
Non-current	**38.9**	**15.3**	**54.2**
At 28 February 2023 (unaudited)	**38.9**	**17.0**	**55.9**
At 1 September 2021	43.2	-	43.2
Recognised	2.8	-	2.8
Unwinding of discount	0.1	-	0.1
Exchange differences	(0.2)	-	(0.2)
At 28 February 2022 (unaudited)	45.9	-	45.9
Current	-	-	-
Non-current	45.9	-	45.9
At 28 February 2022 (unaudited)	45.9	-	45.9
At 1 September 2021	43.2	-	43.2
Recognised	10.8	-	10.8
Effects of movements in discount rates	(13.2)	-	(13.2)
Unwinding of discount	0.2	-	0.2
Exchange differences	0.9	-	0.9
At 31 August 2022 (audited)	41.9	-	41.9
Current	-	-	-
Non-current	41.9	-	41.9
At 31 August 2022 (audited)	41.9	-	41.9

Refer to note 3 for details of onerous occupancy provisions recognised during the financial period.

13. Financial instruments

Financial instruments by category
Set out below are the accounting classifications of each class of financial assets and liabilities:

	Amortised cost £m	**Fair value through profit or loss £m**	**Total (unaudited) £m**
As at 28 February 2023			
Derivative financial assets	**-**	**34.9**	**34.9**
Cash and cash equivalents	**308.6**	**-**	**308.6**
Trade and other receivables[1]	**38.7**	**-**	**38.7**
Derivative financial liabilities	**-**	**(15.0)**	**(15.0)**
Lease liabilities	**(345.9)**	**-**	**(345.9)**
Trade and other payables[2]	**(720.1)**	**-**	**(720.1)**
Borrowings	**(740.3)**	**-**	**(740.3)**
	(1,459.0)	**19.9**	**(1,439.1)**

	Amortised cost £m	Fair value through profit or loss £m	Total (unaudited) £m
As at 28 February 2022			
Derivative financial assets	-	55.5	55.5
Cash and cash equivalents	406.7	-	406.7
Trade and other receivables[1]	68.0	-	68.0
Derivative financial liabilities	-	(8.3)	(8.3)
Lease liabilities	(345.1)	-	(345.1)
Trade and other payables[2]	(819.2)	-	(819.2)
Borrowings	(469.3)	-	(469.3)
	(1,158.9)	47.2	(1,111.7)

	Amortised cost £m	Fair value through profit or loss £m	Total (audited) £m
As at 31 August 2022			
Derivative financial assets	-	68.4	68.4
Cash and cash equivalents	323.0	-	323.0
Trade and other receivables[1]	63.4	-	63.4
Derivative financial liabilities	-	(32.6)	(32.6)
Lease liabilities	(380.1)	-	(380.1)
Trade and other payables[2]	(880.9)	-	(880.9)
Borrowings	(475.9)	-	(475.9)
	(1,350.5)	35.8	(1,314.7)

[1] *Excludes prepayments and VAT receivables*
[2] *Excludes deferred income and any amounts in relation to taxation*

13. Financial instruments continued

The prior year interim balance for financial assets and liabilities measured at amortised cost has been amended to exclude certain assets and liabilities totalling £3.8m and £153.7m respectively that do not meet the definition of a financial instrument.

The Group operates internationally and is therefore exposed to foreign currency transaction risk, primarily on sales denominated in Euros, US dollars, Australian Dollars. The Group's policy is to mitigate foreign currency transaction exposures where possible and the Group uses financial instruments in the form of forward foreign exchange contracts to hedge future highly probable foreign currency cash flows.

These forward foreign exchange contracts are classified above as derivative financial assets/liabilities and are classified as Level 2 financial instruments under IFRS 13, "Fair Value Measurement." They have been fair valued at 28 February 2023 with reference to forward exchange rates that are quoted in an active market, with the resulting value discounted back to present value. All forward foreign exchange contracts were assessed to be highly effective during the financial period. All derivative financial liabilities at 28 February 2023 mature within three years based on the related contractual arrangements.

Carrying amount versus fair value

Set out below is a comparison of the carrying amount and the fair value of financial instruments that are carried in the financial statements at a value other than fair value. The fair value of financial assets and liabilities are based on prices available from the market on which the instruments are traded. Where market values are not available, the fair values of financial assets and liabilities have been calculated by discounting expected future cash flows at prevailing interest rates. The fair values of short-term deposits, trade receivables, payables and the revolving credit facility are assumed to approximate to their book values.

The fair values of cash and cash equivalents, trade receivables, overdrafts and payables are assumed to approximate to their book values.

	Carrying amount £m	**Fair value £m**
As at 28 February 2023		
Convertible bond	**(457.3)**	**(347.2)**
Nordstrom loan	**(22.0)**	**(21.9)**
	(479.3)	**(369.1)**

	Carrying amount £m	Fair value £m
As at 28 February 2022		
Convertible bond	(444.4)	(425.8)
Nordstrom loan	(22.0)	(21.9)
	(466.4)	(447.7)

	Carrying amount £m	Fair value £m
As at 31 August 2022		
Convertible bond	(451.0)	(371.7)
Nordstrom loan	(22.0)	(21.9)
	(473.0)	(393.6)

14. Borrowings

	28 February 2023 (unaudited) £m	28 February 2022 (unaudited) £m	31 August 2022 (audited) £m
Convertible bond	**(457.3)**	(444.4)	(451.0)
Nordstrom loan	**(22.0)**	(22.0)	(22.0)
Obligation to repurchase own shares	**(3.0)**	(2.9)	(2.9)
Revolving credit facility (including accrued interest)	**(258.0)**	-	-
	(740.3)	(469.3)	(475.9)
Current	**(9.3)**	(1.4)	(1.4)
Non-current	**(731.0)**	(467.9)	(474.5)
	(740.3)	(469.3)	(475.9)

The convertible bond represents the liability component of £500m convertible bonds issued on 16 April 2021, and pays a coupon of 0.75% until April 2026, or the conversion date, if earlier. The bonds are unsecured.

The Nordstrom loan attracts interest at 6.5% per annum, and was recognised as part of a strategic partnership with Nordstrom who purchased a minority interest in ASOS Holdings Limited in July 2021. As part of this agreement a written put option was provided to Nordstrom over their shares in ASOS Holdings Limited.

At the balance sheet date, the Group had in place a £350m Revolving Credit Facility (RCF) (plus £50m ancillary facilities following exercise of a £50m accordion option in December 2022), of which £250m was drawn down (HY22 £nil). In May 2023 the Group successfully negotiated an amendment and extension to the terms of the RCF – refer to Note 18 for further information.

15. Analysis of net debt

Group net debt comprises cash and cash equivalents less any borrowings drawn down at period-end (including accrued interest), but excluding outstanding lease liabilities.

	Lease liabilities	Borrowings	Cash and cash equivalents	Net borrowings
	£m	£m	£m	£m
At 1 September 2022	**(380.1)**	**(475.9)**	**323.0**	**(533.0)**
Cash flow movements	**15.0**	**(246.9)**	**(15.2)**	**(247.1)**
Net cash movement	**-**	**(250.0)**	**(12.7)**	**(262.7)**
Net interest paid/(received)	**2.9**	**3.1**	**(2.5)**	**3.5**
Lease liability payments	**12.1**	**-**	**-**	**12.1**
Non-cash movements	**19.2**	**(17.5)**	**0.8**	**2.5**
Movement in lease liabilities	**20.5**	**-**	**-**	**20.5**
Foreign exchange impacts	**1.6**	**-**	**(1.7)**	**(0.1)**
Accrued interest	**(2.9)**	**(17.5)**	**2.5**	**(17.9)**
At 28 February 2023	**(345.9)**	**(740.3)**	**308.6**	**(777.6)**
Net debt (excluding leases)				**(431.7)**
At 1 September 2021	(328.9)	(463.2)	662.7	(129.4)
Cash flow movements	16.0	2.9	(256.6)	(237.7)
Net cash movement	-	-	(256.5)	(256.5)
Net interest paid/(received)	2.6	2.9	(0.1)	5.4
Lease liability payments	13.4	-	-	13.4
Non-cash movements	(32.2)	(9.0)	0.6	(40.6)
Movement in lease liabilities	(30.1)	-	-	(30.1)
Foreign exchange impacts	0.5	-	0.5	1.0
Accrued interest	(2.6)	(9.0)	0.1	(11.5)
At 28 February 2022	(345.1)	(469.3)	406.7	(407.7)
Net debt (excluding leases)				(62.6)
At 1 September 2021	(328.9)	(463.2)	662.7	(129.4)
Cash flow movements	31.7	5.7	(340.7)	(303.3)
Net cash movement	-	-	(339.8)	(339.8)
Net interest paid/(received)	5.4	5.7	(0.9)	10.2
Lease liability payments	26.3	-	-	26.3
Non-cash movements	(82.9)	(18.4)	1.0	(100.3)
Movement in lease liabilities	(71.3)	-	-	(71.3)
Foreign exchange impacts	(6.2)	-	0.1	(6.1)
Accrued interest	(5.4)	(18.4)	0.9	(22.9)
At 31 August 2022	(380.1)	(475.9)	323.0	(533.0)
Net debt (excluding leases)				(152.9)

The cash and cash equivalents balance includes uncleared payment provider receipts of £44.6m (31 August 2022: £32.3m and 28 February 2022: £36.0m) that are generally receivable within 72 hours.

15. Analysis of net debt continued

Included within cash and cash equivalents is £1.7m (28 February 2022: £nil; 31 August 2022: £0.8m) of cash collected on behalf of partners of the Direct to Consumer fulfilment proposition 'Partner Fulfils'. ASOS Payments Limited and the Group are entitled to interest amounts earned on the deposits. Amounts are held in a segregated bank account and are settled on a monthly basis.

16. Related parties

The Group's related party transactions are with the Employee Benefit Trust, Link Trust, key management personnel and other related parties as disclosed in the Group's Annual Report and Accounts for the year to 31 August 2022.

Transactions with other related parties
During the period, the Group made purchases of inventory, net of VAT, totalling £38.9m (six months to 28 February 2022: £39.8m) from Aktieselskabet af 5.5.2010, a company which has a significant shareholding in the Group. At 28 February 2023, the amount due to Aktieselskabet af 5.5.2010 was £8.1m (28 February 2022: £5.8m). In addition, a rebate £0.1m (28 February 2022: £0.2m) was received during the period from Aktieselskabet af.

There have been no other material changes to the Group's related party transactions during the six months to 28 February 2023.

17. Contingent liabilities

From time to time, the Group is subject to various legal proceedings and claims that arise in the ordinary course of business, which due to the fast-growing nature of the Group and its e-commerce base, may concern the Group's brand and trading name or its product designs. All such cases brought against the Group are robustly defended and a liability is recorded only when it is probable that the case will result in a future economic outflow which can be reliably measured.

At 28 February 2023, the Group had contingent liabilities of £nil (28 February 2022: £nil).

18. Post balance sheet events

Post the balance sheet date, the Group successfully amended and extended its existing £350m Revolving Credit Facility (plus £50m ancillary facilities following exercise of a £50m accordion option in December 2022) to November 2024. The facility continues to have minimum liquidity, leverage and interest cover covenants and is subject to a floating and fixed charge over certain group assets. The minimum liquidity covenant will continue to apply for the duration of the facility, with the interest cover and leverage covenants being applicable from 31st August 2023. The facility steps down over the term, reducing to £220m by August 2024. The RCF extension secures the Company's funding beyond FY24, supporting the business as it continues to execute on its Driving Change agenda and return to profitability and cash generation. As a result of the extension our current expectation of H2 FY23 interest expenses is c.£30m including amortisation of arrangement fees and related costs.

Principal risks and uncertainties

The Board have concluded that the principal risks and uncertainties which could impact the Group over the remaining six months of the financial year to 31 August 2023 remain relatively unchanged from those set out in the Annual Report and Accounts for the year to 31 August 2022. The applicable risks are summarised as follows:

- Data breach
- Cyber security incidents
- Availability of technology services
- Macro-economic changes, including Russia/Ukraine conflict
- Foreign exchange rate exposure
- Supply Chain disruption
- E-commerce market dynamics and impact on our business
- Ethical trade issues in our supply chain
- Failure to comply with legislation or regulation
- Sustainability & climate change
- Engagement, capability & retention of talent
- Transformation fails to delivery required outcome

These are set out in detail on pages 48 to 53 of the Group's Annual Report and Accounts for the year to 31 August 2022, a copy of which is available on the Group's website, www.asosplc.com.

Statement of Directors' responsibilities

The Directors confirm that this set of Condensed Consolidated Interim Financial Statements has been prepared in accordance with UK adopted IAS 34 'Interim Financial Reporting' and the Disclosure and Transparency Rules of the UK's Financial Conduct Authority, and that the Interim Management Report herein includes a true and fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- that the report contains a fair review of important events that have occurred during the first 28 weeks of the financial year, and their impact on the condensed set of financial statements, and of the principal risks and uncertainties for the remaining six months of the financial year; and
- that the report contains a fair review of related party transactions.

The Directors of ASOS plc are listed on the Group's website: https://www.asosplc.com/this-is-asos/our-leadership/board-directors/

By order of the Board

José Antonio Ramos Calamonte
Chief Executive Officer

INDEPENDENT REVIEW REPORT TO ASOS PLC

REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Our conclusion

We have reviewed ASOS Plc's condensed consolidated interim financial statements (the "interim financial statements") in the interim results of ASOS Plc for the 6 month period ended 28 February 2023 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the consolidated balance sheet (unaudited) as at 28 February 2023;
- the consolidated income statement (unaudited) for the period then ended;
- the consolidated statement of total comprehensive (loss) / income (unaudited) for the period then ended;
- the consolidated cash flow statement (unaudited) for the period then ended;
- the consolidated statement of changes in equity (unaudited) for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim results of ASOS Plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the interim results, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT REVIEW REPORT TO ASOS PLC CONTINUED

Our responsibility is to express a conclusion on the interim financial statements in the interim results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
10 May 2023

Alternative performance measures (APMs)

The Group uses the below non-IFRS performance measures to allow shareholders to better understand underlying financial performance and position. These should not be seen as substitutes for IFRS measures of performance and may not allow a direct comparison to other companies.

Performance measure	Closest IFRS measure	Definition	How ASOS uses this measure
Revenue growth at constant currency	None	ASOS calculates constant currency (CCY) growth by adjusting the current year reported revenue number for the impact of year-on-year changes in the hedge rate on hedged sales and year-on-year spot rate movements on unhedged sales. This provides revenue growth on a like-for-like basis vs. last year, giving users of the accounts a better view of underlying sales performance that is not impacted by exchange rate fluctuations.	This measure is presented as a means of eliminating the effects of exchange rate fluctuations on the period-on-period reported results.
Retail sales	Revenue	Internet sales recorded net of an appropriate deduction for actual and expected returns, relevant vouchers, discounts and sales taxes. Retail sales exclude income from delivery receipt payments, marketing services, commission on partner-fulfilled sales and revenue from wholesale sales	A measure of the Group's trading performance focusing on the sale of products to end customers. Used by management to monitor overall performance across markets, and the basis of key internal KPIs such as ABV. A reconciliation of this measure is included in note 4.
Adjusted revenue	Revenue	Revenue excluding the impact of adjusting items.	A measure of the Group's revenue and gross profitability, excluding the impact of any adjusting items. Reconciliation is shown below:
Adjusted gross margin	None	Gross profit divided by revenue and excluding the impact of adjusting items.	

	Six months to 28 February 2023 £m	Six months to 28 February 2022 £m	% growth %
Revenue at constant currency	1,794.6	2,004.1	(10%)
Impact of foreign exchange translation	46.0	-	-
Group revenue	**1,840.6**	**2,004.1**	**(8%)**

	Six months to 28 February 2022 £m	Six months to 28 February 2021 £m	% growth %
Revenue at constant currency	2,045.9	1,975.9	4%
Impact of foreign exchange translation	(41.8)	-	-
Group revenue	**2,004.1**	**1,975.9**	**1%**

	Six months to 28 February 2023 £m	Six months to 28 February 2022 £m
Revenue	1,840.6	2,004.1
Adjusting items	(2.1)	-
Adjusted revenue	**1,838.5**	**2,004.1**
Gross profit	664.7	863.2
Adjusting items	124.6	-
Adjusted gross profit	**789.3**	**863.2**
Adjusted gross margin %	**42.9%**	**43.1%**

Alternative performance measures (APMs) continued

Performance measure	Closest IFRS measure	Definition	How ASOS uses this measure
Adjusted EBIT	Operating (loss)/profit	Profit before tax, interest, and any adjusting items excluded from adjusted profit before tax (see below).	A measure of the Group's underlying profitability for the period, excluding the impact of any transactions outside of the ordinary course of business and not considered to be part of ASOS' usual cost base. Used by management to monitor the performance of the business each month.
Adjusted (loss)/profit before tax	(Loss)/profit before tax	Adjusted (loss)/profit before tax excludes items recognised in reported profit or loss before tax which, if included, could distort comparability between periods. In determining which items to exclude, the Group considers items which are significant either by virtue of their size and/or nature, or that are non-recurring.	

	Six months to 28 February 2023 £m	Six months to 28 February 2022 £m
Operating loss	**(272.5)**	**(4.4)**
Adjusting items excluding finance costs (note 3)	203.1	30.6
Adjusted EBIT	**(69.4)**	**26.2**
Net finance costs (note 5)	(18.4)	(11.4)
Add back adjusting finance costs (note 3)	0.4	-
Adjusted (loss)/profit before tax	**(87.4)**	**14.8**
Group revenue	1,840.6	2,004.1
Adjusting items	(2.1)	-
Adjusted Group revenue	**1,838.5**	**2,004.1**
Adjusted EBIT margin	**(3.8%)**	**1.3%**

Details of adjusting items are included within note 3.

Net cash/(debt)	No direct equivalent	Cash and cash equivalents less the carrying value of borrowings (including accrued interest) drawn down at period-end, but excluding outstanding lease liabilities.	A measure of the Group's liquidity. Information is included in note 15. A reconciliation is included below:

	Six months to 28 February 2023 (unaudited) £m	Six months to 28 February 2022 (unaudited) £m
Cash and cash equivalents	**308.6**	**406.7**
Borrowings	(740.3)	(469.3)
Lease liabilities	(345.9)	(345.1)
Net borrowings	**(777.6)**	**(407.7)**
Add-back lease liabilities	**345.9**	345.1
Group net debt	**(431.7)**	**(62.6)**

Free cash flow	No direct equivalent	Free cash flow is net cash generated from operating activities, adjusted for payments to acquire intangible and tangible assets, the payment of the principal portion of lease liabilities, net finance expenses and fees in relation to any financing transactions carried out by the Group where relevant.	A measure of the cash generated by the Group outside cash flows relating to M&A and financing transactions, which allows management to better assess the cash being generated by the business. A reconciliation to the Group cash flow is shown below:

	Six months to 28 February 2023 £m	Six months to 28 February 2022 £m
Cash used in operations (per cash flow)	**(128.2)**	(151.2)
Purchase of tangible and intangible assets	**(115.0)**	(86.5)
Repayment of principal portion of lease liabilities	**(12.1)**	(13.4)
Net interest paid	**(3.5)**	(5.4)
Refinancing amendment fees	**(3.9)**	-
Free cash flow	**(262.7)**	(256.5)

Appendix 1 – Total sales growth by period in sterling, including Russia

Year ending 31 August 2023

£m	P1[1]	*YOY%*	P2[1]	*YOY%*	P3[1]	*YOY%*	P4[1]	*YOY%*	2022/23 YTD	*YOY%*
UK total sales	591.3	(8%)	212.4	(15%)					803.7	(10%)
EU total sales	417.3	7%	169.3	(10%)					586.6	2%
US total sales	198.1	15%	71.1	(11%)					269.2	7%
ROW total sales	129.8	(30%)	51.3	(45%)					181.1	(35%)
Total sales[3]	**1,336.5**	**(4%)**	**504.1**	**(17%)**					**1,840.6**	**(8%)**

Year ended 31 August 2022

£m	P1[1]	*YOY%*	P2[1]	*YOY%*	P3[1]	*YOY%*	P4[1]	*YOY%*	2021/22	*YOY%*
UK total sales	645.2	13%	250.3	(2%)	431.8	4%	435.5	6%	1,762.8	7%
EU total sales	390.2	(3%)	187.2	(3%)	294.0	(5%)	298.6	6%	1,170.0	(1%)
US total sales	172.6	7%	80.1	13%	141.9	21%	136.8	18%	531.4	14%
ROW total sales	185.1	(20%)	93.4	1%	96.4[2]	(33%)	97.4	(30%)	472.3	(22%)
Total sales[3]	**1,393.1**	**2%**	**611.0**	**-%**	**964.1[2]**	**(2%)**	**968.3**	**2%**	**3,936.5**	**1%**

Year ended 31 August 2021

£m	P1[1]	*YOY%*	P2[1]	*YOY%*	P3[1,4]	*YOY%*	P4[1,4]	*YOY%*	2020/21	*YOY%*
UK total sales	571.3	35%	254.5	46%	415.9	85%	410.3	5%	1,652.0	36%
EU total sales	400.6	18%	193.8	22%	310.1	33%	280.8	(6%)	1,185.3	15%
US total sales	161.7	12%	71.2	8%	117.5	25%	115.8	4%	466.2	12%
ROW total sales	230.5	16%	92.3	1%	144.5	2%	139.7	(19%)	607.0	1%
Total sales[3]	**1,364.1**	**23%**	**611.8**	**25%**	**988.0**	**43%**	**946.6**	**(3%)**	**3,910.5**	**20%**

[1]Periods are as follows:
P1: four months to 31 December
P2: two months to 28/29 February
P3: three months to 31 May
P4: three months to 31 August

[2]In the tables above RoW and Group total sales for P3 have been restated. This restatement relates to the removal of the £19.3m gain on RUB hedges, which was reported as revenue at P3 but subsequently reallocated to other income at year-end 2022.

[3]Includes retail sales, wholesale and income from other services comprising delivery receipt payments, marketing services and commission on partner-fulfilled sales

[4]P3 is restated to reflect only March, April, and May. P4 has been restated to include June.

Appendix 2 – Total sales growth by period at constant currency, including Russia

Year ending 31 August 2023

£m	*P1*[1] *YOY%*	*P2*[1] *YOY%*	*P3*[1] *YOY%*	*P4*[1] *YOY%*	*2022/23 YOY%*
UK total sales	(8%)	(15%)			(10%)
EU total sales	6%	(12%)			-%
US total sales	(2%)	(20%)			(7%)
ROW total sales	(31%)	(46%)			(36%)
Total sales[3]	**(6%)**	**(20%)**			**(10%)**

Year ended 31 August 2022

£m	*P1*[1] *YOY%*	*P2*[1] *YOY%*	*P3*[1] *YOY%*	*P4*[1] *YOY%*	*2021/22 YOY%*
UK total sales	13%	(2%)	4%	6%	7%
EU total sales	2%	1%	(2%)	9%	2%
US total sales	11%	12%	15%	4%	10%
ROW total sales	(15%)	2%	(33%)[2]	(31%)	(20%)
Total sales[3]	**5%**	**1%**	**(2%)**[2]	**1%**	**2%**

Year ended 31 August 2021

£m	*P1*[1] *YOY%*	*P2*[1] *YOY%*	*P3*[1,4] *YOY%*	*P4*[1,4] *YOY%*	*2020/21 YOY%*
UK total sales	35%	46%	85%	5%	36%
EU total sales	17%	20%	34%	(7%)	15%
US total sales	16%	13%	40%	15%	21%
ROW total sales	20%	9%	10%	(14%)	6%
Total sales[3]	**24%**	**26%**	**47%**	**(1%)**	**22%**

[1]Periods are as follows:
P1: four months to 31 December
P2: two months to 28/29 February
P3: three months to 31 May
P4: three months to 31 August

[2]In the tables above RoW and Group total sales for P3 have been restated. This restatement relates to the removal of the £19.3m gain on RUB hedges, which was reported as revenue at P3 but subsequently reallocated to other income at year-end 2022.

[3]Includes retail sales, wholesale and income from other services comprising delivery receipt payments, marketing services and commission on partner-fulfilled sales

[4]P3 is restated to reflect only March, April, and May. P4 has been restated to include June.

Appendix 3

Total sales growth by period in sterling, excluding Russia

Year ending 31 August 2023

£m	P1[1]	*YOY%*	P2[1]	*YOY%*	P3[1]	*YOY%*	P4[1]	*YOY%*	2022/23 YTD	*YOY%*
UK total sales	591.3	(8%)	212.4	(15%)					803.7	(10%)
EU total sales	417.3	7%	169.3	(10%)					586.6	2%
US total sales	198.1	15%	71.1	(11%)					269.2	7%
ROW total sales	129.8	(9%)	51.3	(14%)					181.1	(10%)
Total sales[3]	**1,336.5**	**(1%)**	**504.1**	**(13%)**					**1,840.6**	**(5%)**

Year ended 31 August 2022

£m	P1[1]	*YOY%*	P2[1]	*YOY%*	P3[1]	*YOY%*	P4[1]	*YOY%*	2021/22	*YOY%*
UK total sales	645.2	13%	250.3	(2%)	431.8	4%	435.5	6%	1,762.8	7%
EU total sales	390.2	(3%)	187.2	(3%)	294.0	(5%)	298.6	6%	1,170.0	(1%)
US total sales	172.6	7%	80.1	13%	141.9	21%	136.8	18%	531.4	14%
ROW total sales	142.0		59.7		96.4[2]	(7%)	97.4	(3%)	395.5	
Total sales[3]	**1,350.0**		**577.3**		**964.1[2]**	**2%**	**968.3**	**7%**	**3,859.7**	

Total sales growth by period at constant currency, excluding Russia

Year ending 31 August 2023

£m	*P1[1] YOY%*	*P2[1] YOY%*	*P3[1] YOY%*	*P4[1] YOY%*	*2022/23 YOY%*
UK total sales	(8%)	(15%)			(10%)
EU total sales	6%	(12%)			-%
US total sales	(2%)	(20%)			(7%)
ROW total sales	(10%)	(16%)			(12%)
Total sales[3]	**(3%)**	**(15%)**			**(7%)**

Year ended 31 August 2022

£m	*P1[1] YOY%*	*P2[1] YOY%*	*P3[1] YOY%*	*P4[1] YOY%*	*2021/22 YOY%*
UK total sales	13%	(2%)	4%	6%	7%
EU total sales	2%	1%	(2%)	9%	2%
US total sales	11%	12%	15%	4%	10%
ROW total sales			(7%)[2]	(4%)	
Total sales[3]			**2%[2]**	**6%**	

[1]Periods are as follows:
P1: four months to 31 December
P2: two months to 28/29 February
P3: three months to 31 May
P4: three months to 31 August

[2]In the tables above RoW and Group total sales for P3 have been restated. This restatement relates to the removal of the £19.3m gain on RUB hedges, which was reported as revenue at P3 but subsequently reallocated to other income at year-end 2022.

[3]Includes retail sales, wholesale and income from other services comprising delivery receipt payments, marketing services and commission on partner-fulfilled sales