

The slide features a background of a dense, repeating geometric pattern of black and white triangles. A central black rectangle contains the ASOS logo in white. Below the logo, a teal horizontal band contains the text '2020 Full Year Results' in white. At the bottom of the black rectangle, the date '14 October 2020' is written in white.

asos

2020 Full Year Results

14 October 2020

Overview

Nick Beighton | CEO

Results summary

Retail Sales

+19%

UK +18% EU +22%
US +18% ROW +18%

EBITDA Margin*

7.4%

+350bps YoY

PBT

£142.1m

Including c.£45m Covid-19
tailwind

Net Cash*

£407.5m

Strong financial
position

Active customers

23.4m

+3.1m in the year



Strengthened foundations for growth with delivery against key priorities

1

Strengthen organisational capabilities

4 new executive appointments completing 8 strong new exec team

2

Remove non-strategic cost

Progress across business supported the c.180bps improvement in underlying profitability

3

Product choice, availability, price & newness

Product mix pivoted to drive greater choice in lockdown categories

4

Presentation & social media engagement

Over 79 million engagements through social channels

5

Optimise customer acquisition retention

3.1m customers added to base alongside marketing cost efficiency

6

Leverage benefits from transformational investments

Euro Hub pick rate +57%

Supporting delivery of..

**Strong retail sales growth
across all territories**

Great customer momentum

**From an increasingly
efficient base**

**Record financial
performance**

UK Sales	+18%
----------	------

US Sales	+18%
----------	------

EU Sales	+22%
----------	------

RoW Sales	+18%
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Active Customers	+15%
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New Customers	+19%
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Operating Cost % Sales	-470bps
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EH pick rate (exit rate)	+57%
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EH pack rate (exit rate)	+14%
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Cash generation*	+£258.6m
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EBITDA margin**	+350bps
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PBT Margin	+320bps
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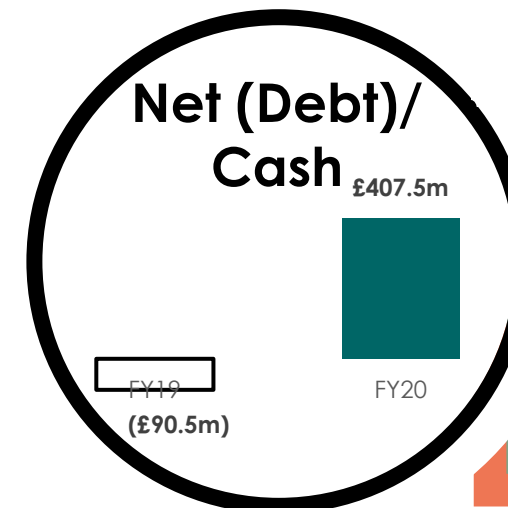
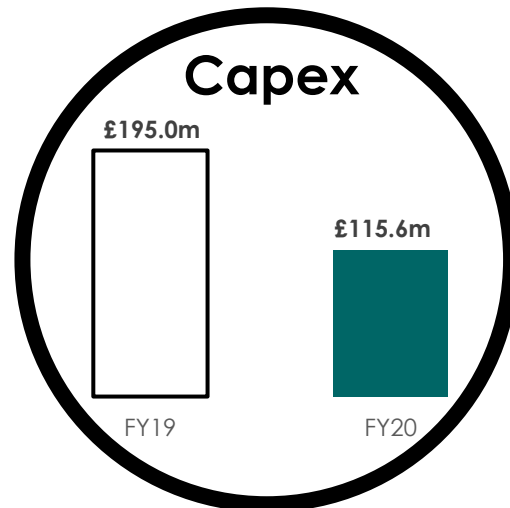
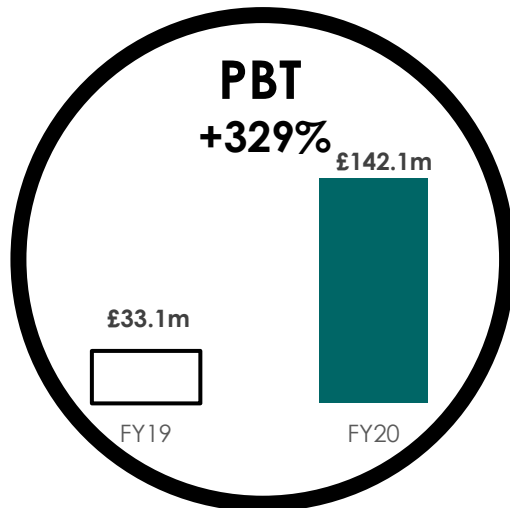
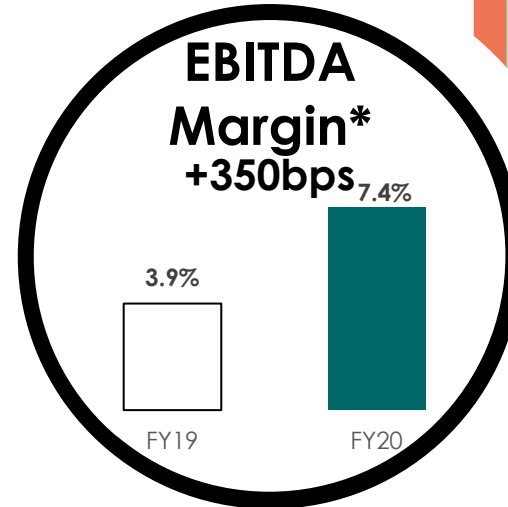
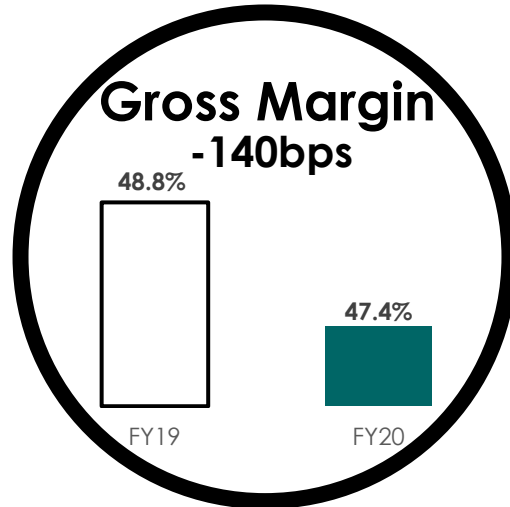
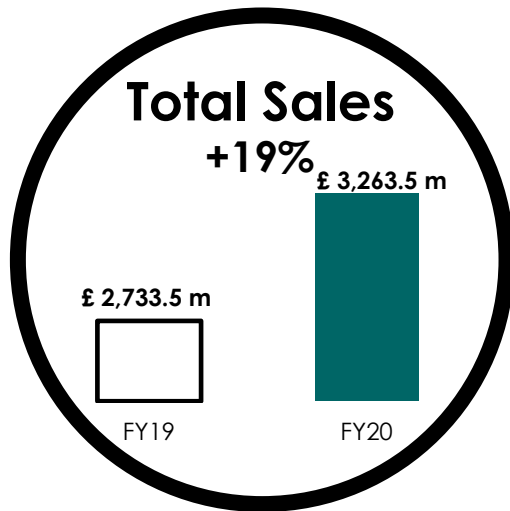
*Cash generation is the movement between opening and closing net cash/(debt) position. FY20 figure is excluding the net equity raise proceeds of £239.4m

**EBITDA margin is excluding IFRS 16; including IFRS 16 is 8.2% +430bps YoY

Business Performance

Mat Dunn | CFO

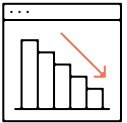
Financials at a glance



*EBITDA margin is excluding IFRS 16; including IFRS 16 is 8.2% +430bps YoY

Underlying performance

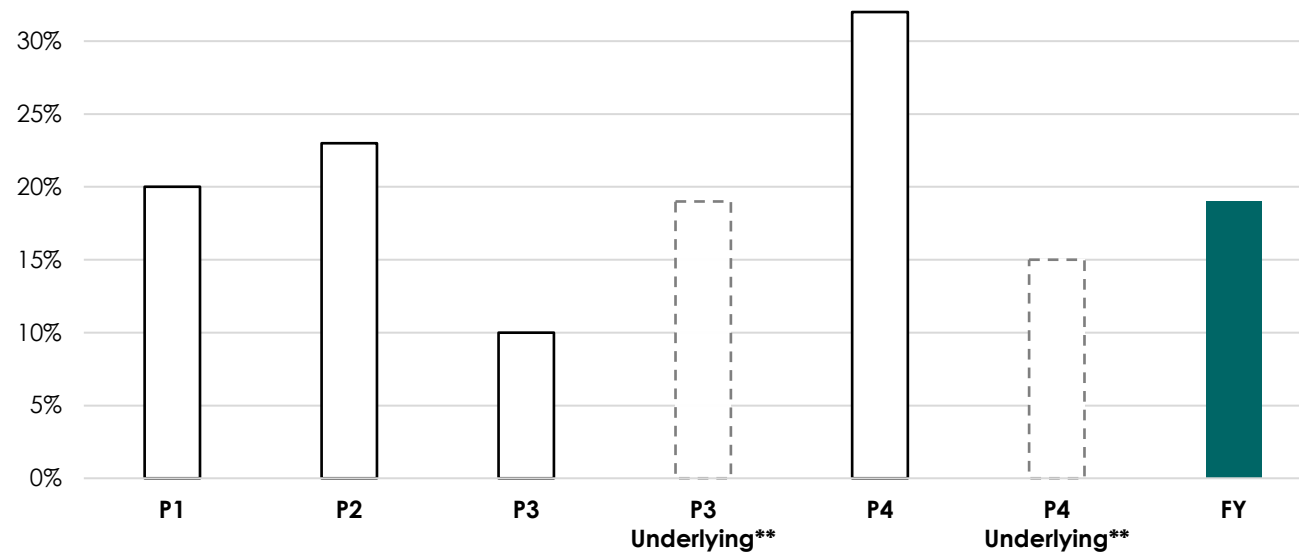
Matching actual returns through lockdown against the associated sales reflects underlying consumer demand



Overall demand continues to be impacted by reduction in 'going out' occasions; strong growth across all casualwear



Favourable returns driven by product mix and move towards more deliberate purchasing

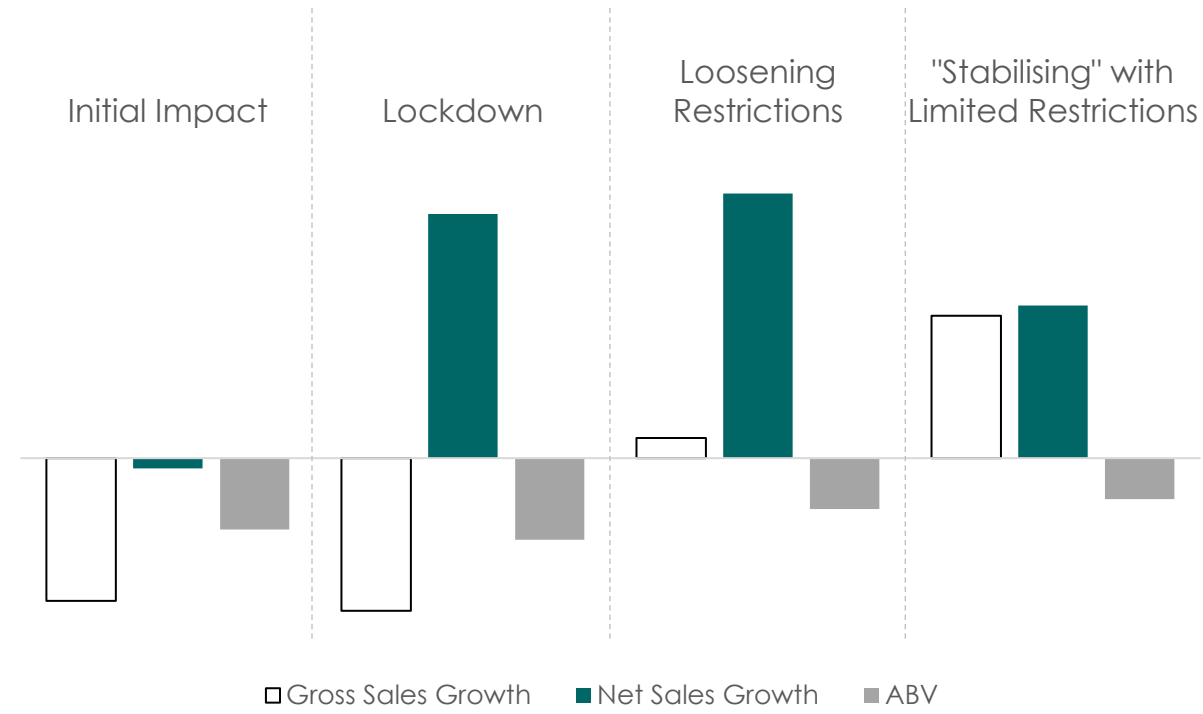
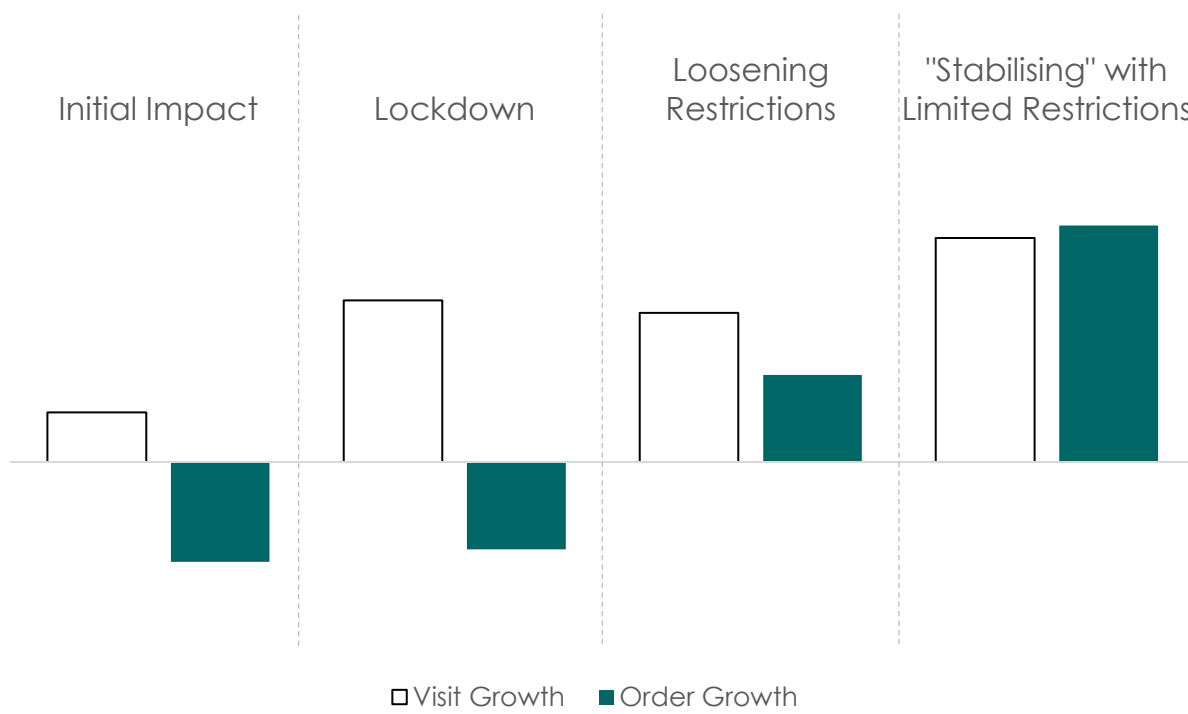


***Adjusted for underlying returns rates*

UK KPI Covid-19 case study

Visits recovered quickly after initial shock but the shift to more deliberate purchasing caused a slower recovery in order growth, which is also evident in...

...the difference between gross and net sales. The change in ABV reflects customer demand for lower selling price 'lockdown' categories through the half



UK performance

Sales increased 18% with continued market share growth



Shift to lower ASP lockdown categories drove H2 reduction in ABV



More deliberate lockdown purchasing reflected in H2 conversion and orders



Continued growth in active customer base +700k in FY20

	H1 20 KPIs	H2 20 KPIs	FY 20 KPIs
Retail Sales	+20%	+17%	+18%
Visits	+18%	+16%	+17%
Orders	+18%	+3%	+10%
Conversion	+10bps	-60bps	-30bps
ABV	+6%	(6%)	Flat
Active Customers*	6.8m (+10%)	7.1m (+11%)	7.1m (+11%)

* 12 month measures – Active customers defined as having shopped in the last 12 months as at 31 August.

EU performance

Momentum rebuilt reflecting improved proposition and stock availability



Strong customer momentum as active base grew by 1.4million



Leveraging investment in automation to enhance delivery proposition



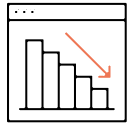
H2 performance supported by closure of retail outlets

	H1 20 KPIs	H2 20 KPIs	FY 20 KPIs
Retail Sales	+21%	+22%	+22%
Visits	+26%	+14%	+20%
Orders	+21%	+8%	+14%
Conversion	-10bps	-20bps	-20bps
ABV	+1%	(3%)	(1%)
Active Customers*	8.7m (+18%)	9.2m (+18%)	9.2m (+18%)

* 12 month measures – Active customers defined as having shopped in the last 12 months as at 31 August.

US performance

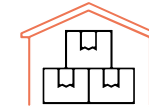
Strong start to the year supported by improved stock offer, second half impacted by Covid-19 consumer demand and airfreight disruption



US stock offer disrupted by Covid-19 airfreight restrictions



US delivery proposition improvements resonating well; NDD mix continues to grow



Continued focus on developing US stock offer

	H1 20 KPIs	H2 20 KPIs	FY 20 KPIs
Retail Sales	+25%	+11%	+18%
Visits	+16%	+22%	+19%
Orders	+21%	(3%)	+9%
Conversion	+20bps	-60bps	-20bps
ABV	+2%	(5%)	(2%)
Active Customers*	3.1m (+19%)	3.2m (+14%)	3.2m (+14%)

* 12 month measures – Active customers defined as having shopped in the last 12 months as at 31 August.

ROW performance

Localised trading stance supported customer momentum



Solid growth in Australia despite significant disruption to airfreight



Standout growth in MENA region supported by strong Ramadan



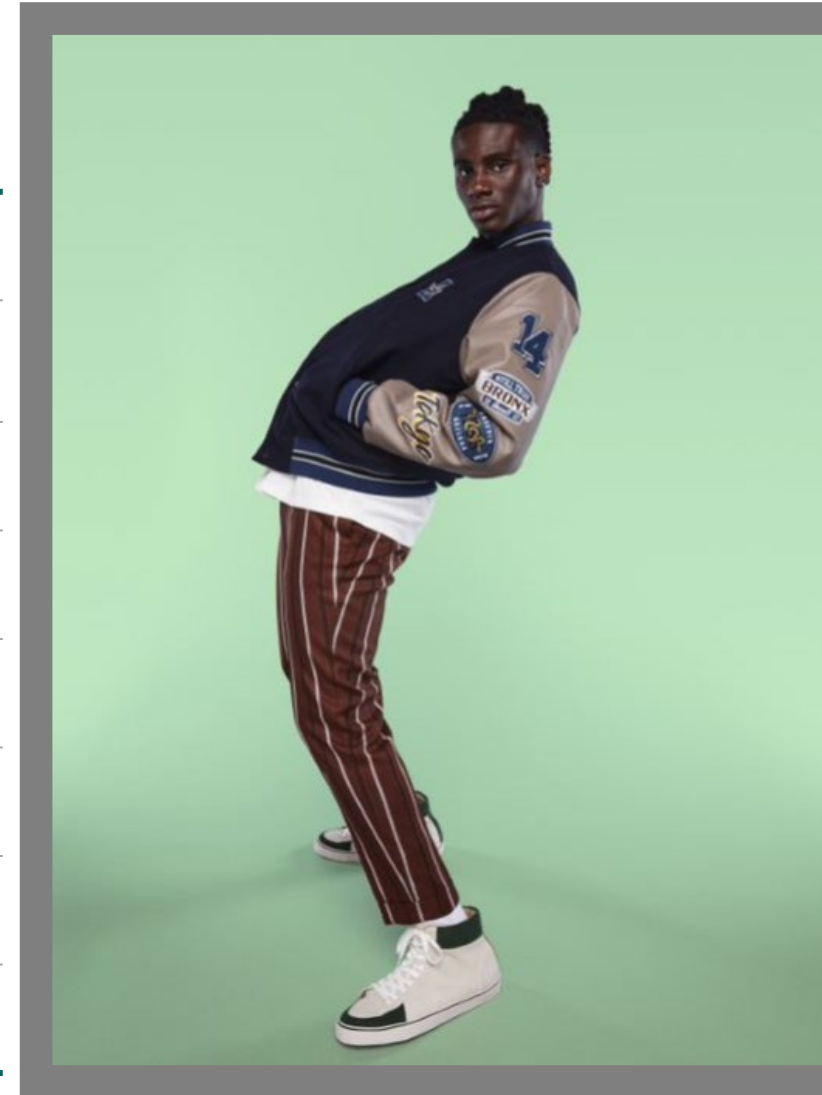
Growth in items per basket and ABV driven by optimisation of delivery proposition

	H120 KPIs	H2 20 KPIs	FY 20 KPIs
Retail Sales	+20%	+16%	+18%
Visits	+24%	+15%	+19%
Orders	+19%	(6%)	+5%
Conversion	Flat	-30bps	-20bps
ABV	+6%	+18%	+12%
Active Customers*	3.7m (+23%)	3.9m (+18%)	3.9m (+18%)

* 12 month measures – Active customers defined as having shopped in the last 12 months as at 31 August.

Income statement

	FY20 % of sales incl IFRS 16	<i>IFRS 16 Impact</i>	FY20 % of sales excl IFRS 16	FY19 % of sales	Underlying Change
Gross Margin¹	47.4%		47.4%	48.8%	(140bps)
Distribution Costs ¹	(13.6%)		(13.6%)	(15.2%)	160bps
Warehouse	(9.6%)	40bps	(10.0%)	(11.0%)	100bps
Marketing	(3.7%)		(3.7%)	(4.4%)	70bps
Other Costs	(12.3%)	40bps	(12.7%)	(14.3%)	160bps
EBITDA Margin	8.2%		7.4%	3.9%	350bps
Depreciation	(3.6%)	(80bps)	(2.8%)	(2.6%)	(20bps)
EBIT Margin	4.6%		4.6%	1.3%	330bps



¹Distribution costs benefited from local distribution in the US which has offset additional costs incurred in gross margin for freight and duty.
Note: Above table subject to rounding

Profitability



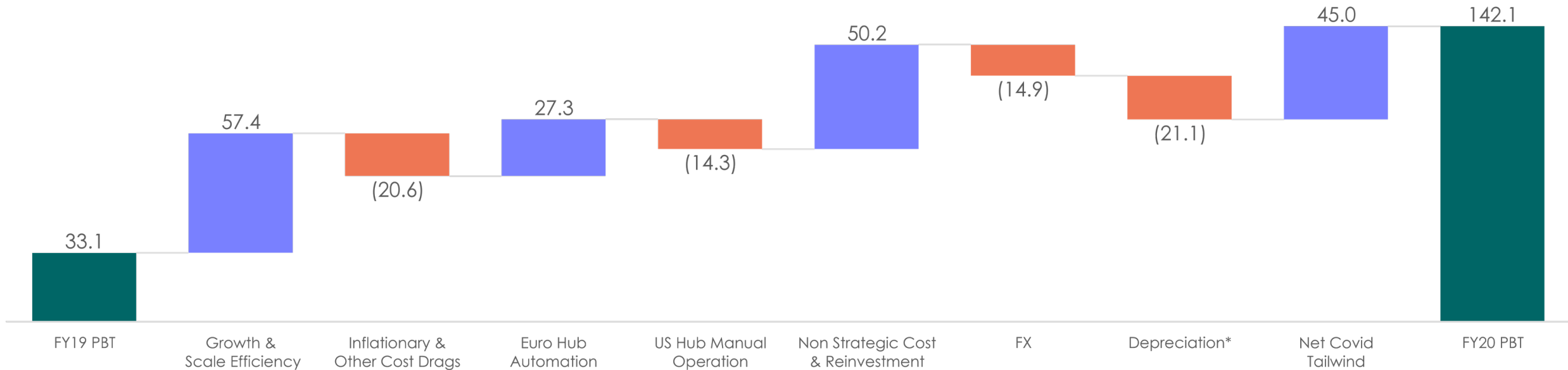
c.£45m net Covid-19 tailwind from reduction in return rates



Euro Hub automation driving significant efficiency



c.£50m net cost benefit from removal of non-strategic cost



*Depreciation excluding IFRS 16

**Including net profit drag from IFRS 16

Cash flow and net cash



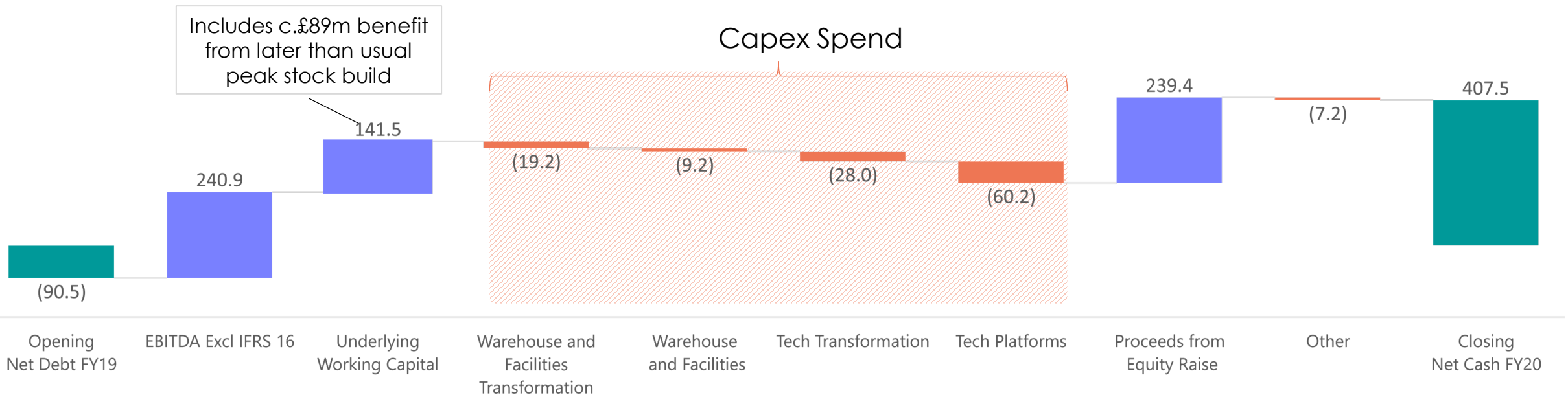
Strong cash position driven by record EBITDA and proactive capital raise



Underlying improvements in working capital and lower capital expenditure



Closing position enhanced by timing of peak stock build

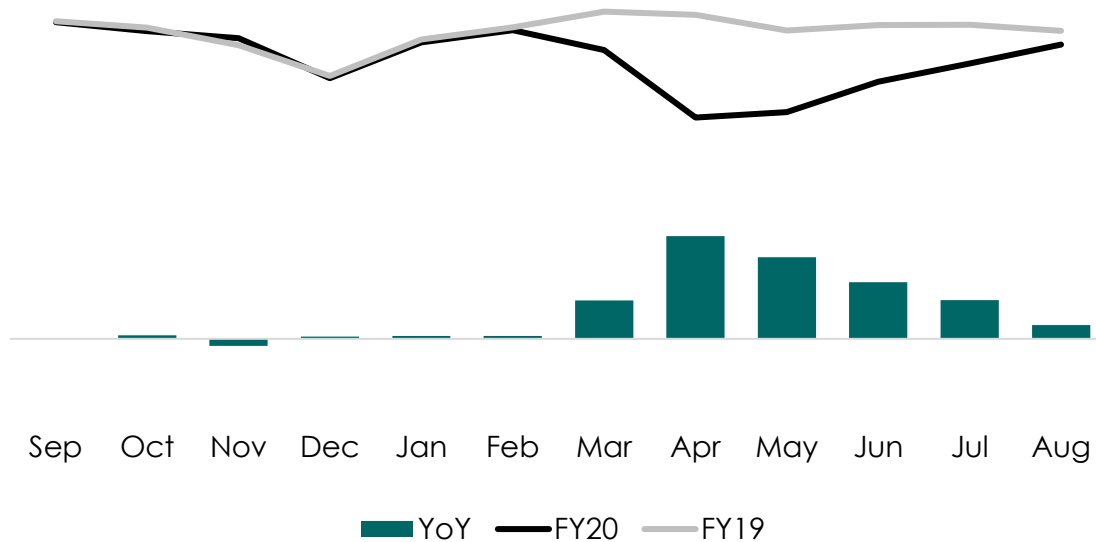


Outlook for customer behaviour

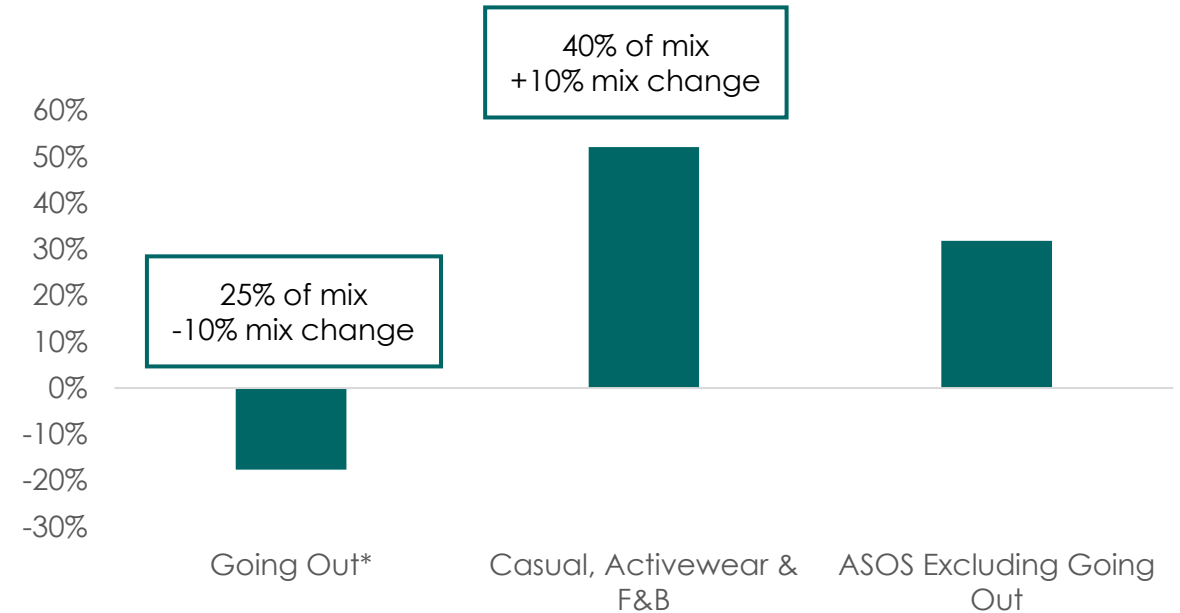
We expect underlying returns rates to continue to normalise...

...whilst we expect demand for 'going out' product to remain subdued

Underlying Return Rate



P4 Sales Growth



*Dresses, formal wear and fashion footwear

Expectations, technical & funding



Funding platform

£408m

Net Cash

+

£350m

RCF

- Robust financial position; positioned for growth despite uncertainty ahead
- Net cash position to support trading and operations; RCF providing contingency for volatility



Expectations & Technical

- Capex increasing to £170m-£180m including rephasing of TGR and commencement of investment in 4th Fulfilment Centre
- Expect to absorb ongoing incremental Covid-19 costs of c.£22m from warehouse and freight disruption
- Brexit preparations well advanced; financial impact assessment of WTO tariffs estimated at c.£25m



Building a Global Retail Leader

Nick Beighton | CEO

The ASOS vision

To be the #1 destination for fashion loving
20-somethings worldwide

We become the #1 destination, **by meeting all the fashion needs of 20-somethings** in a way that engages, inspires and excites through...

The ASOS Brands

Design that can't
be found anywhere
else

The ASOS Platform

One platform with all
the relevant product,
all of the time

The ASOS Experience

Inspiring, exciting,
friction-free and
personalised

Our strategy is to deliver this worldwide, supported by an effective, efficient and sustainable model

1. Truly global retailer

2. The ASOS Brands

Design that can't
be found anywhere
else

3. The ASOS Platform

One platform with all
the relevant product,
all of the time

4. The ASOS Experience

Inspiring, exciting,
friction-free and
personalised

5. Effective, efficient and sustainable model

We are pursuing a clear set of priorities to guide our focus over the next 3 years



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

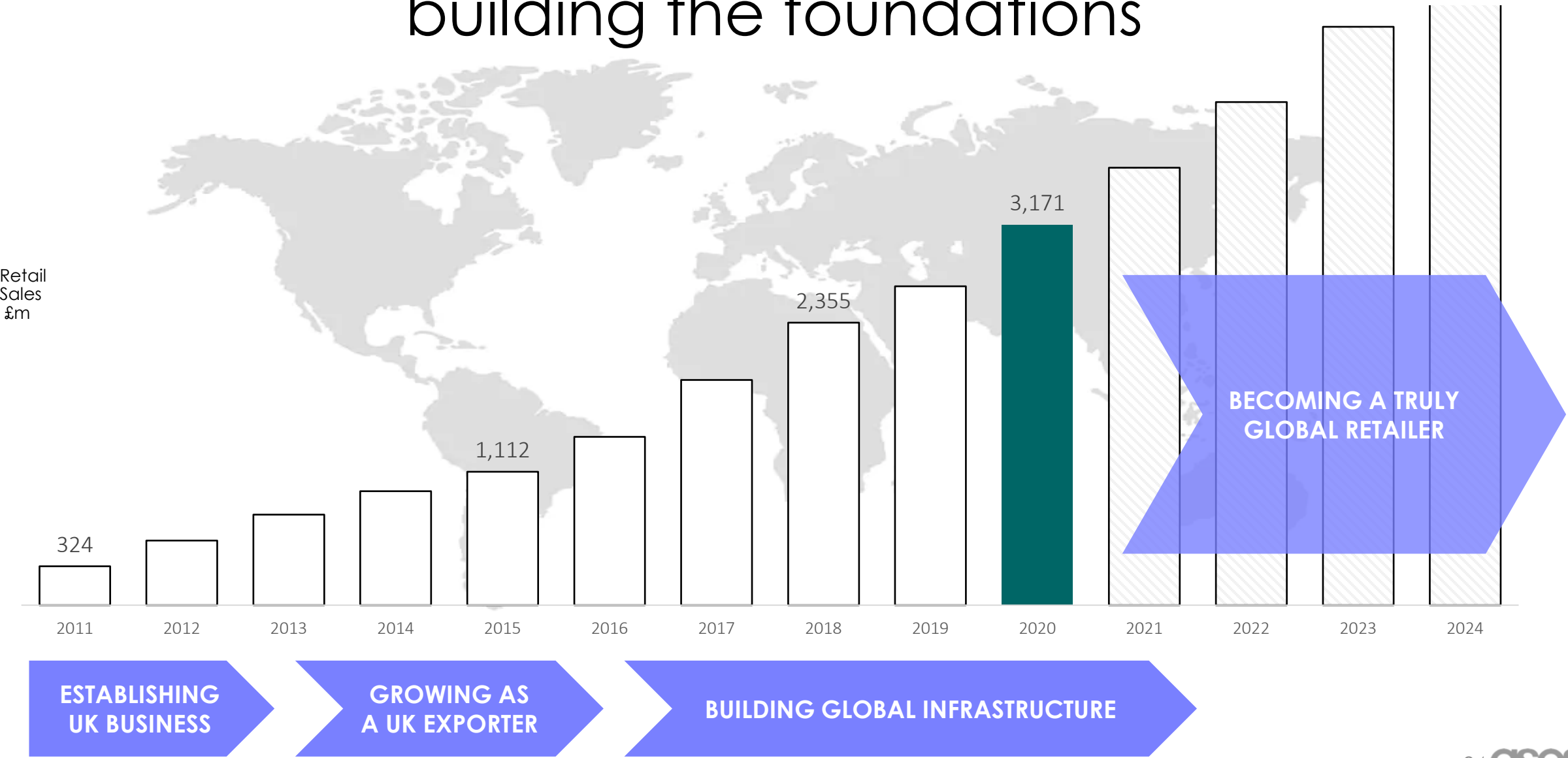
02. **Grow our unique ASOS brands** by launching new brands and improving on both speed to market and price

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

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

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

Our journey to becoming Truly Global started with building the foundations



1. Truly global retailer

2. The ASOS
Brands

3. The ASOS
Platform

4. The ASOS Customer
Experience

5. Effective, efficient and sustainable model

Expand our global reach and local scale by accelerating growth in key markets

TGR is transforming our Technology to enable global growth



Planning and ranging by fulfilment centre...



...trading dynamically by market

Supporting Full Price Sales

Planning tools to optimise the width, depth and size range of product in each fulfilment centre

Driving Availability

Better visibility of intake and commitments across the supply chain

Sharpening Pricing

Greater flexibility and speed on pricing by market

Enhancing Choice

Giving customers access to product from across our global stock pool
Unlocking key brands DTC

Our warehouse infrastructure delivers global capabilities to support our ambitions

UK Hub *Barnsley*

Euro Hub *Berlin*

US Hub *Atlanta*



720k sq ft



Automated solution



Net sales throughput of **c.£1.5-1.8bn**



Fulfilling UK and ROW



Supports UK NDD with **10pm** cut off and **2 day** Express to Australia



900k sq ft



Automated solution



Net sales throughput of **c.£1.5-1.8bn**



Fulfilling EU and Russia



Supports Germany NDD with **2pm** cut off, Berlin Same Day and Express to Russia



1000k sq ft



Manual solution with possibility to automate



Net sales throughput of **c.£0.7-1.0bn**



Fulfilling US



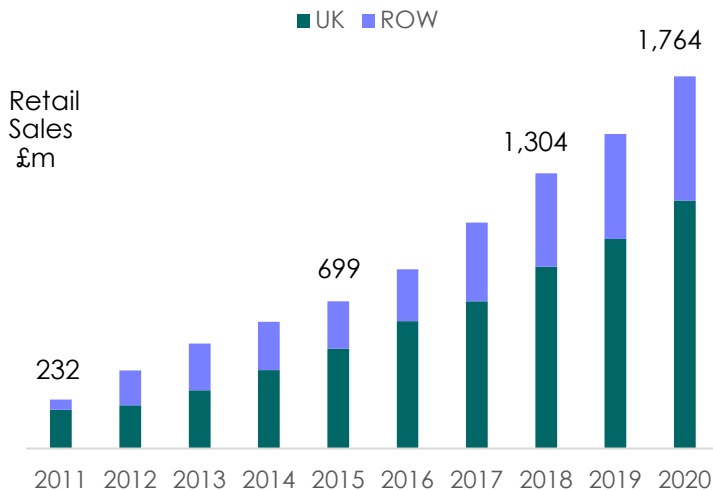
Supports NDD to over **99%** of US customers

We are continuing to invest in capacity to support our growth trajectory

ASOS will outgrow Barnsley capacity in the next few years

Deploying learnings from our previous fulfilment centre builds..

...and developing capacity now ahead of requirements



Russia fulfilment switched to Euro Hub to provide current headroom for UK growth

Gradual project build

Project timing designed to allow gradual ramp up ahead of capacity requirements for peak FY23

Capacity at risk reduced

Capacity and fulfilment capabilities in existing 3 fulfilment centres reduces risk of disruption when bringing 4th centre on stream

Greater experience managing new facility ramp up

Deploying learnings and implementing stronger cross-functional approach to build

2nd UK Hub Lichfield



430k sq ft



Manual solution to be automated



Phased ramp up from H1 22



Flexible fulfilment for UK and ROW



c.£90m investment over 3 years

1. Truly global retailer

2. The ASOS
Brands

3. The ASOS
Platform

4. The ASOS Customer
Experience

5. Effective, efficient and sustainable model

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

The ASOS Brands Architecture

ASOS Brands

asos
DESIGN

asos
EDITION

asos
4505

asos
LUXE

asos
MADE IN
KENYA

Destinations

● UTLET®

asos MARKET
PLACE

Venture Brands

COLLUSION*

Logo Carriers

dark
future

UNRVLLD/SPPLY

CROOKED
TONGUES

ACTUAL

daysocial

RECLAIMED
VINTAGE

As You

Collusion & ASOS 4505

Delivering great growth with strong demand through lockdown



4505

+89%
vs LY

Collusion

+44%
vs LY



COLLUSION*

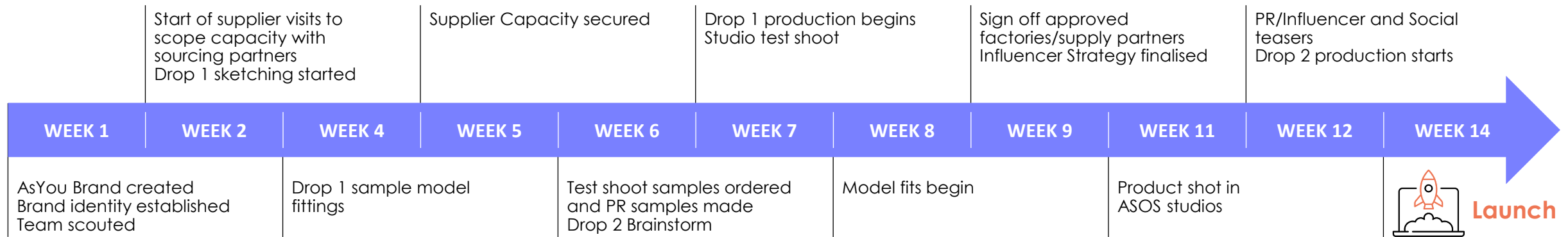
ASOS Luxe & Dark Future

Performance supported by increased product choice and influencer campaigns



Continuing to develop our brands at speed

Launching AsYou – fashion forward product at lower price points



AsYOU

Launching AsYou – fashion forward product at lower price points



1. Truly global retailer

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

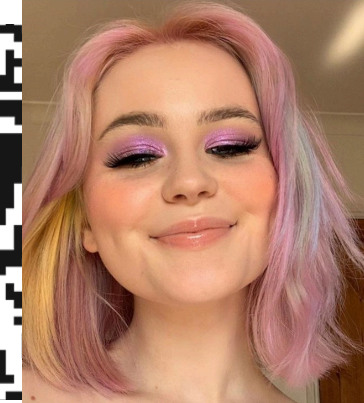
Increasing choice through our multi-brand platform with development of relevant categories

Activewear

*"Curating the **best edit** of **sports lifestyle** and **activewear** product for our **20-something** customer from the most **globally relevant brands**"*

+49%

**FY20
Activewear
Sales**



Face + Body

*"The **best global edit** of brands spanning **mass to luxury**, supporting ASOS' purpose to **give customers confidence** to be who they want to be...
A wonderland of possibilities with **endless ways to be you**"*

+73%

**FY20
Face + Body
Sales**



Flexible Fulfilment will further enhance curated customer choice on our platform

Enhancing US
branded offer
with key brands in
our network

Expand to include
other brands
across our
network

Fully flexible
offer

Improve availability with
key brand partners with
D2C

Enhance range with
new partners
offering D2C

Now

FY23

Network



Choice and Availability



Global Brand Partnerships



1. Truly global retailer

2. The ASOS
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Platform

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5. Effective, efficient and sustainable model

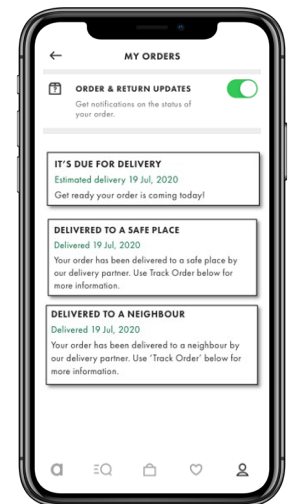
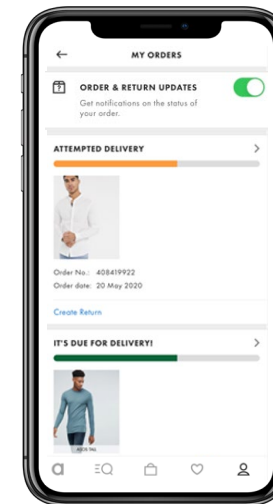
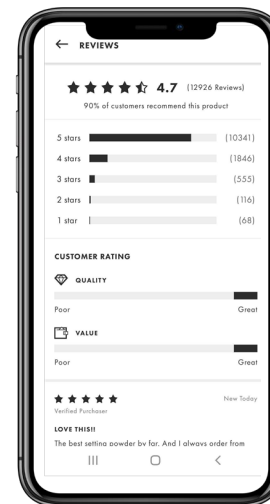
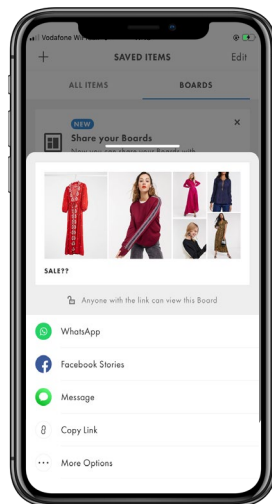
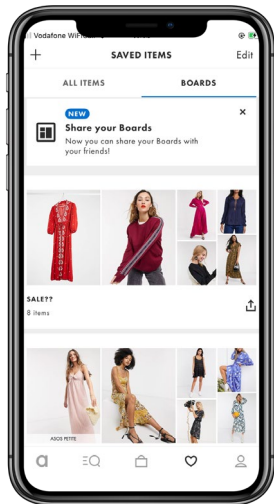
*Improve our **personalised customer experience** through the application of data science and experimentation to deliver the most engaging experience*

Continuing to build engagement through our apps & sites with a constantly evolving customer experience

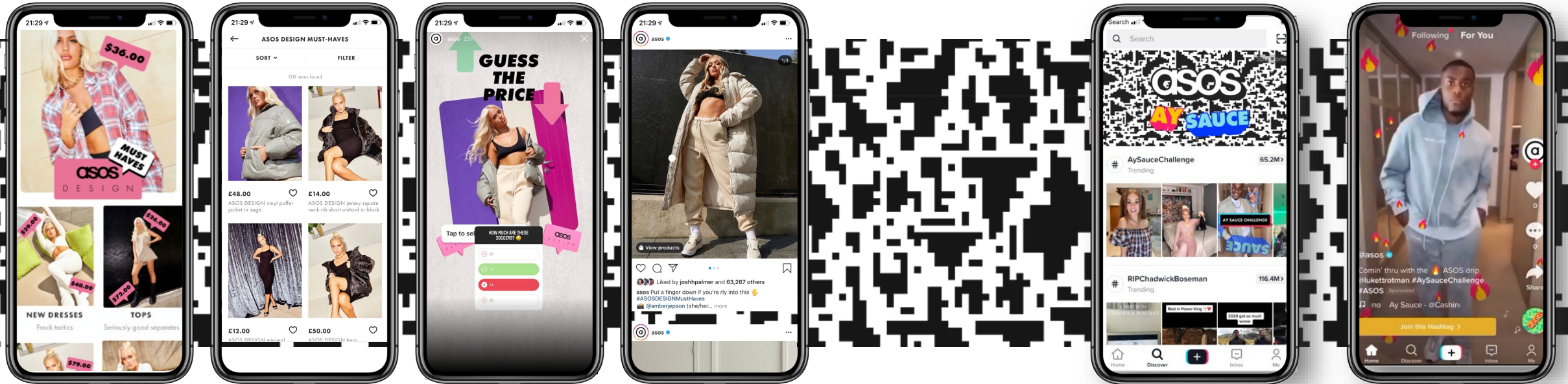
Customers can now share their ASOS Product Boards with friends

Customer reviews support engagement and purchase confidence

Customers can now track orders and receive order and return status updates



Delivering inspirational presentation and engaging content across the most relevant channels



Inspirational fashion-led presentation...

...supported by the most relevant influencers...

...across multiple content formats and channels

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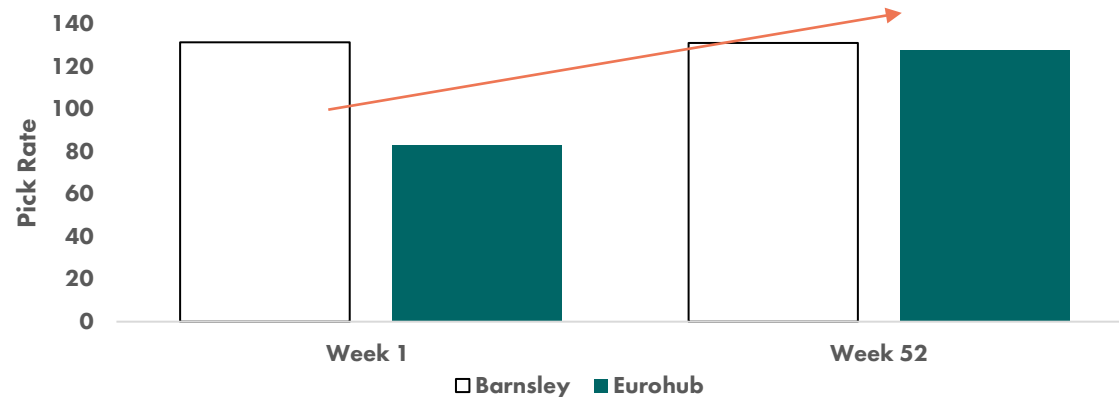
5. Effective, efficient and sustainable model

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

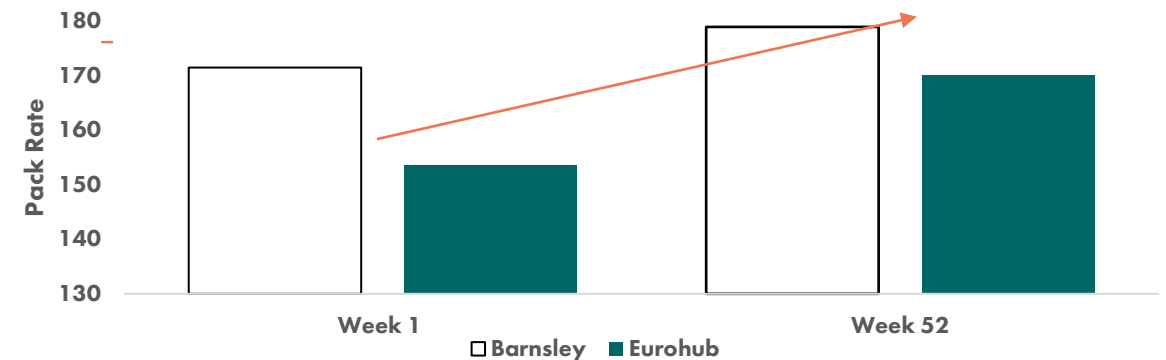
Leveraging benefits from our transformational investments

Investment in automation driving significant KPI improvements

Warehouse Pick Efficiency



Warehouse Pack Efficiency



Developing our organisational culture & structure

Enhancing our organisation capabilities...

4 new executives added to complete 8 strong exec team

Reshaped our teams into more effective structures

...building a more robust model for delivering strategic change...

Cross functional team to co-ordinate change and projects across the business

Driving alignment and momentum

...and embedding greater discipline into our culture

Authentic

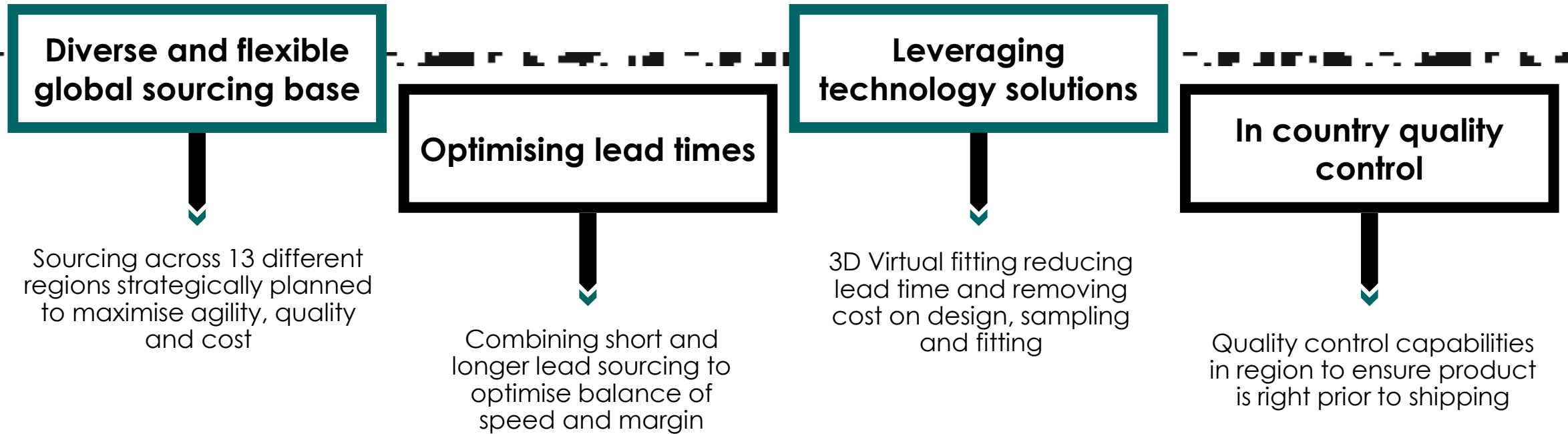
Brave

Creative

Disciplined



Delivering speed to market through an increasingly efficient supply chain



Fashion With Integrity

Fashion

With

Integrity

Product

- ASOS Design **85%** more **sustainable cotton** & **40%** more **sustainable fibres**;
- Launched first **circular design** collection;
- 20% reduction in carbon use, 4% reduction in waste and 10% reduction in water use in our product manufacture vs. a 2012 baseline.*

People

- Strengthened requirements for brand partners with UK manufacturing, requiring commitment to Transparency Pledge and Fast Forward auditing;
- Joined the ILO Global Proposal Call to Action;
- Submitted evidence to the Government, providing our recommendations on strengthening of the Modern Slavery Act

Planet

- Concluded our Carbon 2020 programme, delivering a **30% reduction in carbon emissions per order** since 2015;
- Continued rollout of low-impact electric vehicles to Berlin following launch in London

Packaging

- Joined the Ellen MacArthur Initiative's *New Plastics Economy Global Commitment* and set a range of ambitious plastic targets for 2025;
- Transitioned to 90%-recycled content in our garment bags and 80%-recycled in our mailing bags, both of which are 100% recyclable;
- Removed close to 40% of unnecessary packaging lines

FY21 priorities

Announce our ambitious commitments for Fashion With Integrity for 2025 and beyond, bringing together our workstreams across the business;

Continue to accelerate our communication and engagement with our customers on these topics;

Further develop and launch initiatives around clothing takeback and resale, and trial reusable mailing bags.

Summary

Strong profit & cash generation driven through rigorous performance management

Navigated a challenging year with a clear focus on doing the right thing for our people and partners

Strengthened foundations for growth; emerging as a stronger, more resilient and agile business

Robust funding in place to manage volatility and support future growth

Significant short-term uncertainty reflecting disruption to 20-something lifestyles

Well positioned to capture future global opportunity



Q&A

Please type your question into the question box