



boohoo

group plc

OCTOBER 2023

FINANCIAL RESULTS | *For the six months ended 31 August 2023*

AGENDA

HY 24

Shaun McCabe

John Lyttle

Financial Review

Back to Growth



FINANCIAL

— *Review*

Shaun McCabe – Group CFO





FINANCIAL OVERVIEW

HY 24

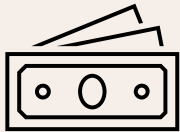
- **Improved first half EBITDA margin**
- **Strong working capital and inventory management**
- **Significant cost savings underpin P&L cost investments**
- **Disciplined projects, delivered on time on budget**
- **Medium term EBITDA margin target unchanged**

Delivering sustainable ROI



Stock Management

**Improvements in
stock turn**



Cost Out

**£ 125 million+ annualised
savings over FYs 24 - 25**



Cash Management

**£94 million
reduction in inventory**



Disciplined Investment

**Reinvesting savings into
growth opportunities**

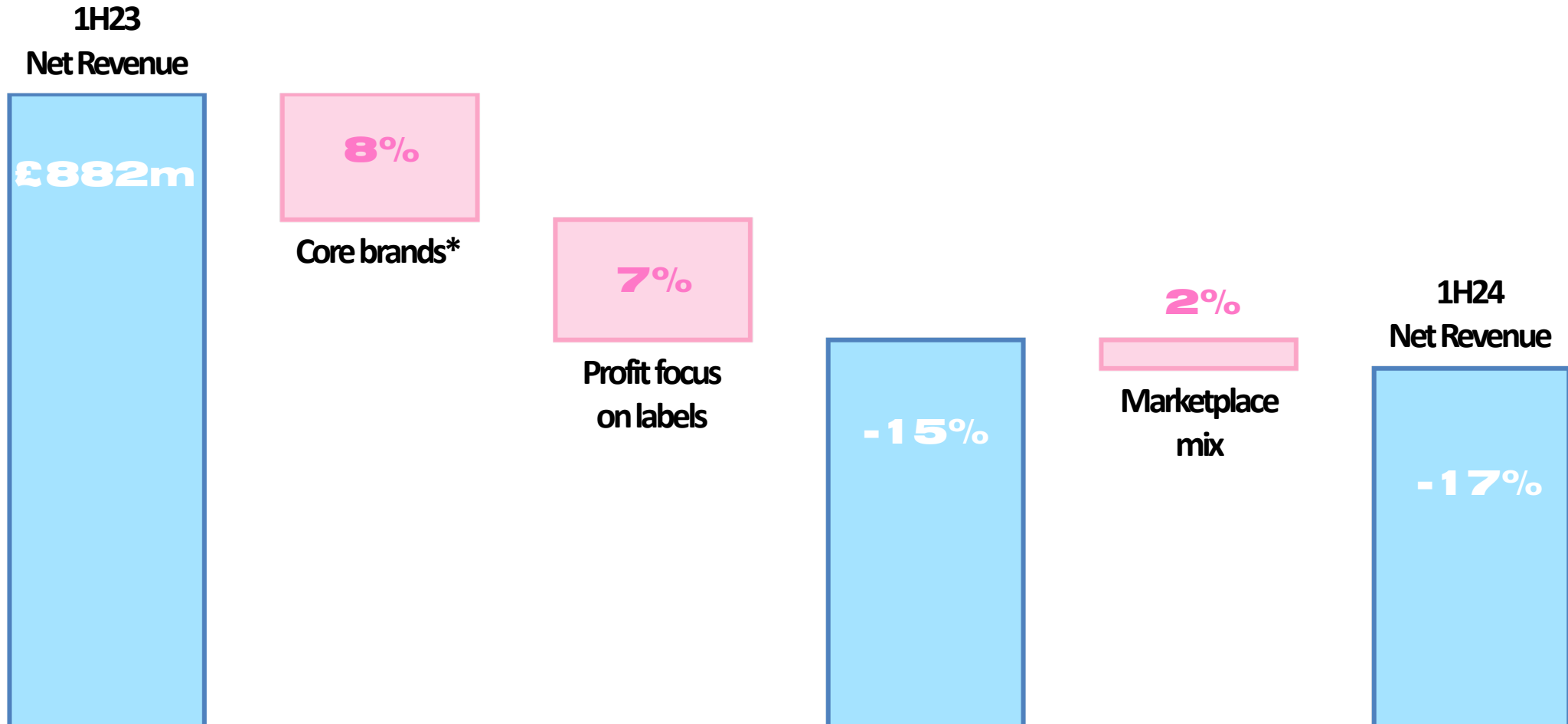


Key Financial Data

Six months to end August (£m)	HY24	HY23	Change
Revenue	729	882	-17%
Gross Profit	389	464	-16%
Gross Margin	53.4%	52.5%	90bps
Adjusted EBITDA	31	35	-12%
Adjusted EBITDA Margin	4.3%	4.0%	30bps
Net Cash / (Debt)	-35	-10	-25
Inventory	176	270	-94

TIGHT COST & MARGIN CONTROL WITH IMPROVED ADJUSTED EBITDA MARGIN

First half revenue bridge



*Core brands include: boohoo, boohooMAN, PrettyLittleThing, Karen Millen, Debenhams marketplace

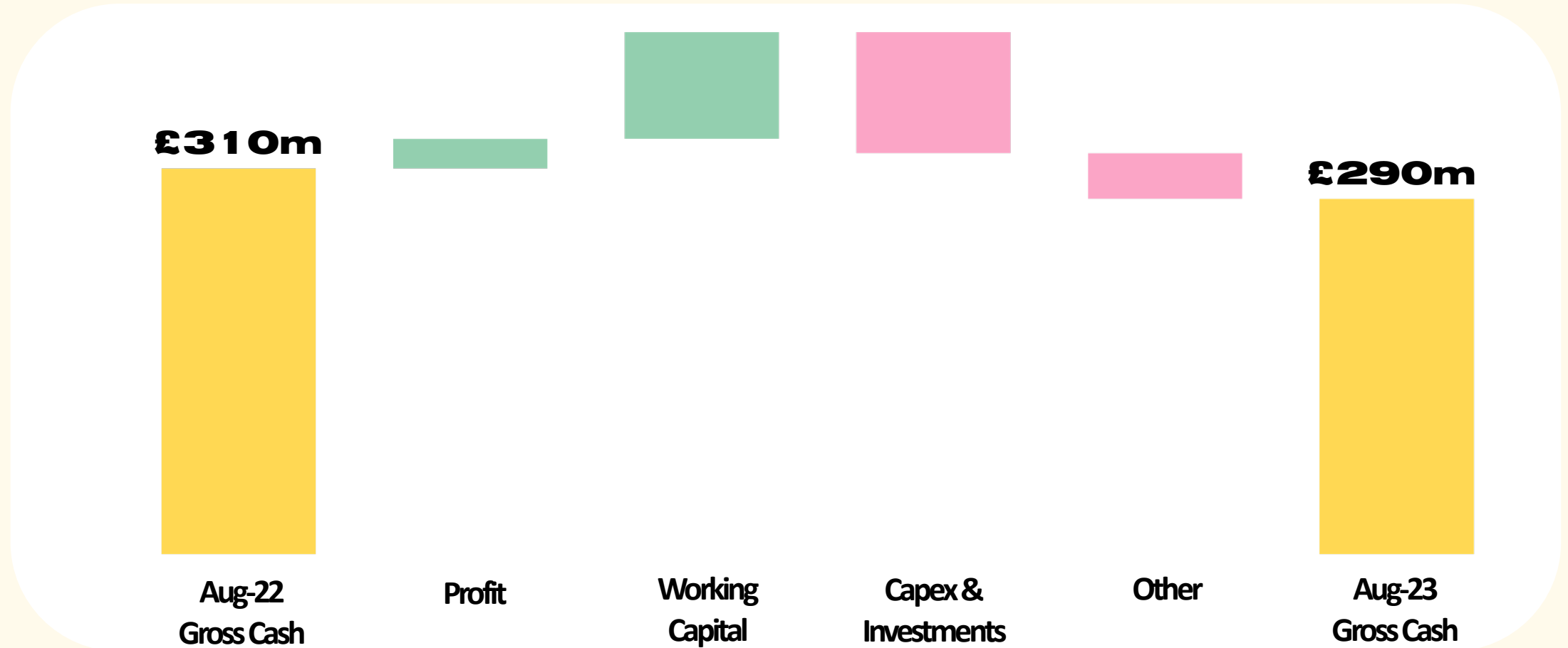
Managing costs with *opportunity ahead*

Six months to end August (£m)	HY24	HY23	Change
Marketing	90.0	93.6	-4%
Distribution	164.8	212.3	-22%
Admin Costs	103.2	122.2	-16%
Operating Costs	358.0	428.1	-16%

- Marketing reduced, deleverage from digital inflation & targeted investments
- Distribution savings delivered through automation efficiencies
- Overheads tightly controlled
- **Re-aligning costs whilst reinvesting into key strategic opportunities**



Strong cash management *underpins disciplined capital investments*



Disciplined investments

on time, on budget

INVESTMENT



Warehouse automation



International distribution centre



Technology stack

BENEFIT



Best in class logistics



Step change customer proposition



Lower costs, greater speed and agility

REINVESTING SIGNIFICANT SAVINGS TO DRIVE FUTURE GROWTH



FY24 GUIDANCE

- **Revenues to decline between 12% and 17% due to slower volume recovery than anticipated and continued targeting of more profitable sales within labels**
- **Adjusted EBITDA margins to be between 4% to 4.5% given the strong progress made on gross margin and cost control**
- **Capex of approximately £75 million**



Progress made against *medium term targets*

Investing in product, price, proposition



Volume growth

International growth

Unlock input cost deflation



Cost control



**MEDIUM TERM ADJUSTED EBITDA MARGIN
TARGET 6-8% UNCHANGED**

STRATEGIC

Update

John Lyttle – Group CEO



Executing Back to Growth strategy is our *#1 priority*

Customer first



Latest trends



Outstanding value



Great experience

Investing for growth



US warehouse



Automation



Leaner, lighter, faster

Delivering sustainable ROI



International growth



Rebuilding profitability



Cash management

Key strategic milestones delivered in H 1

Customer first



Faster lead times



Price investments



Tech re-platforming

Investing for growth



US DC launched



Automation payback



Scaling marketplace

Delivering sustainable ROI



Increase in margin



Unlocking savings



Unchanged medium term guidance

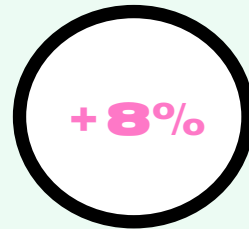
Reinforcing *Value credentials*

**Average
Selling Price**

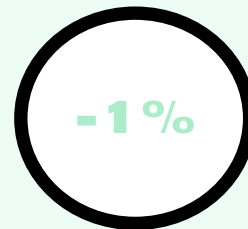
AUG 22

AUG 23

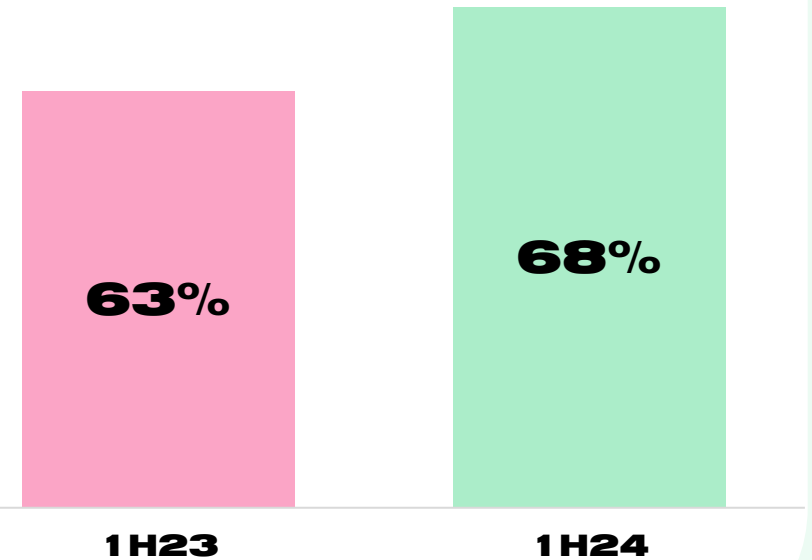
UK market



boohoo group



**Increasing product mix
at entry price points**



Leaner, lighter, faster

Backing more winners

Improved lead times

Faster stock turn

Relevant, fresher inventory

H1 FASHION TRENDS

Occasionwear



Denim



Swim, holiday, casual



Efficiency with *Automation*

- 7x increase in unit pick rate from 65 to over 450
- Significant savings in first 12 months
- Staff retention significantly improved



US proposition transformed

PRE GO-LIVE



UK customer more likely to purchase vs US customer

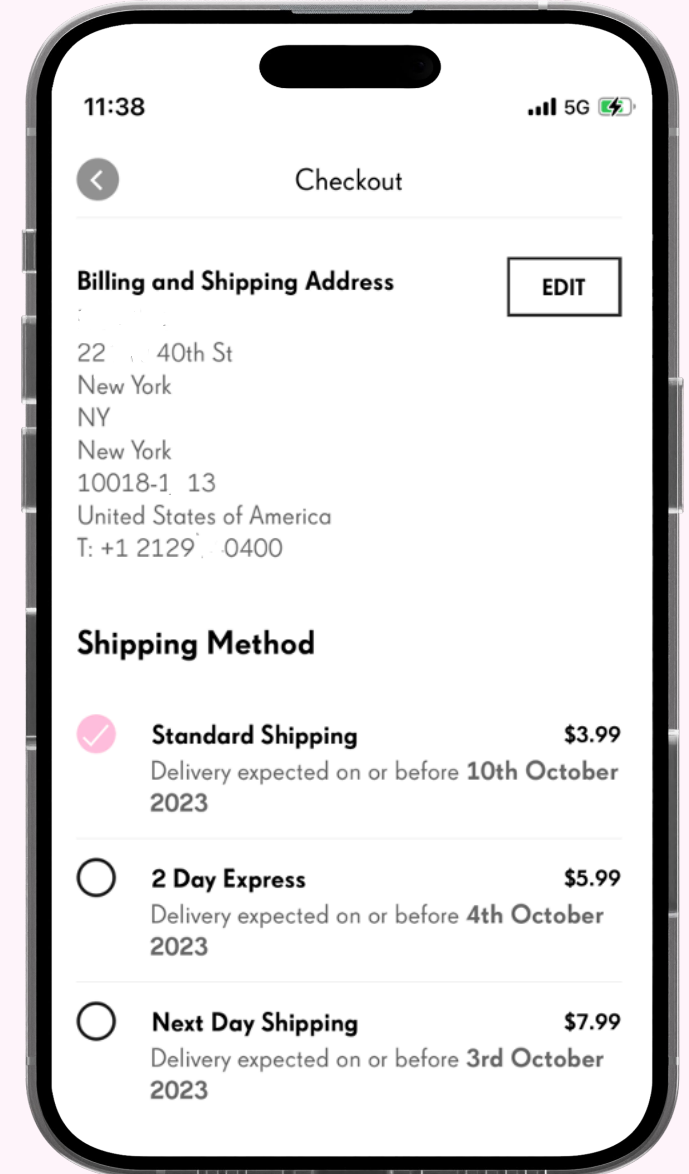
POST GO-LIVE AMBITION

Faster, consistent delivery

Conversion uplift

New customer acquisition

Customer frequency





Our US *Opportunity*

- **Market opportunity is HUGE**
- **Local infrastructure and capability now in place**
- **Enhanced customer proposition**
- **Investing to drive awareness and acquisition**



Aug '23:
PLT
go live



Sept '23:
Nasty Gal
go live



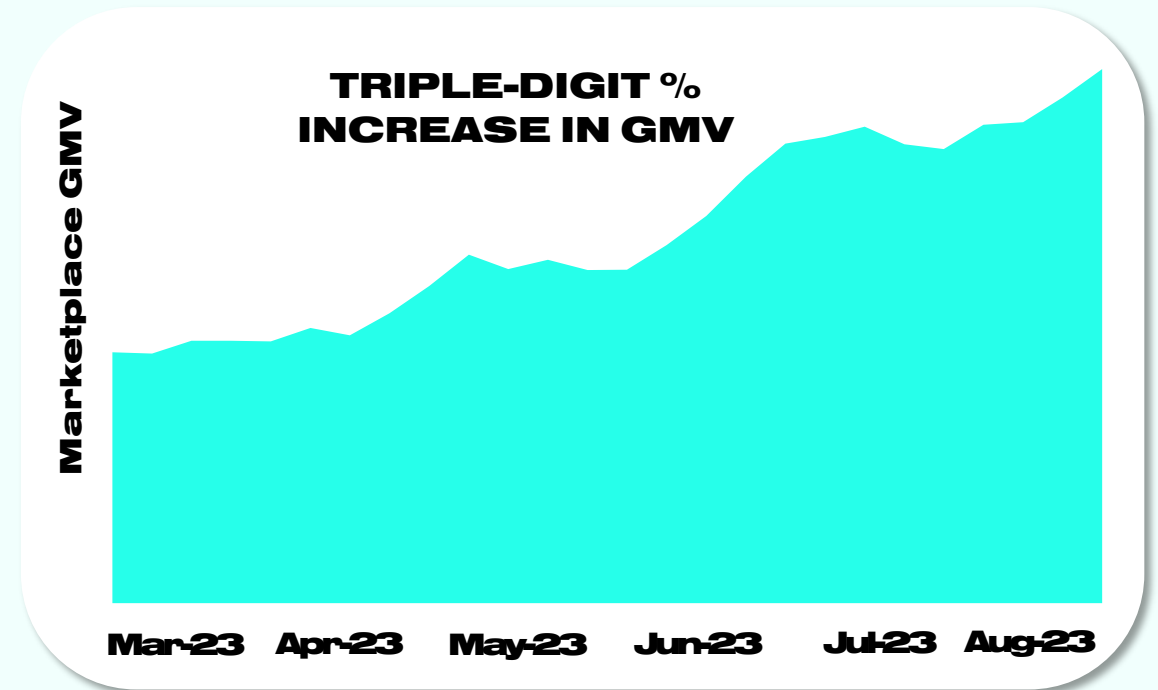
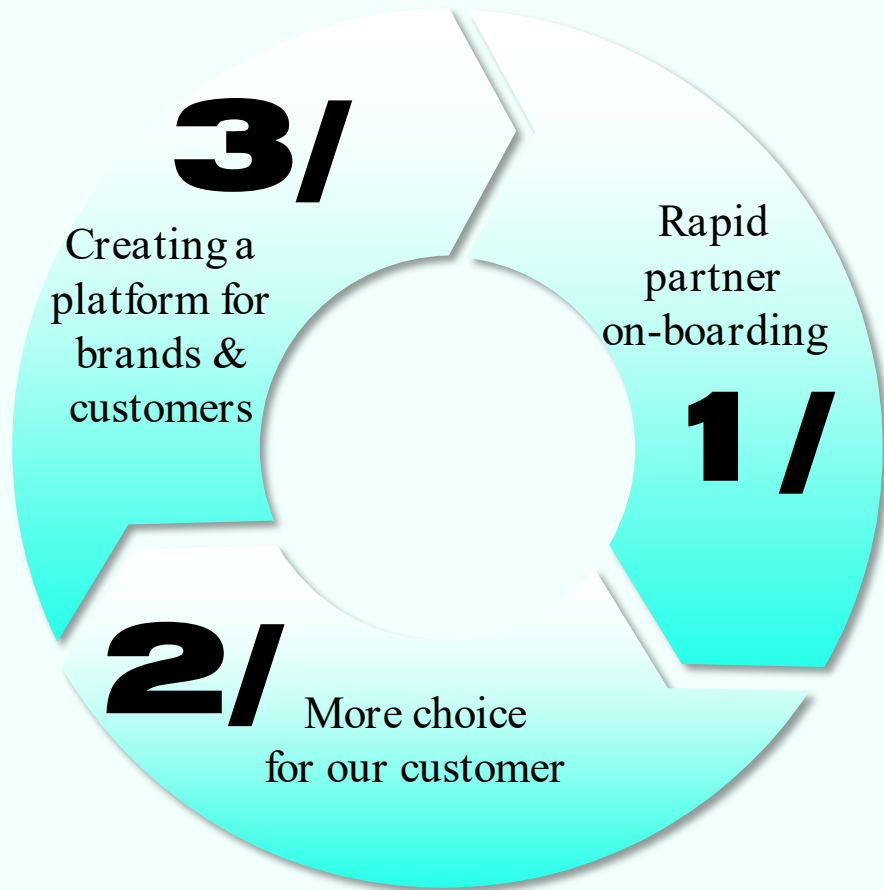
Summer '24:
Boohoo
launch



Autumn '24:
Karen Millen
launch

Debenhams

SIGNIFICANT PROGRESS MADE IN FASHION, HOME & BEAUTY



PROFITABLE & ON TRACK TO DELIVER RECORD MARKETPLACE GMV

Key strategic milestones delivered in H 1

Customer first



Faster lead times



Price investments



Tech re-platforming

Investing for growth



US DC launched



Automation payback



Scaling marketplace

Delivering sustainable ROI



Increase in margin



Unlocking savings



Unchanged medium term guidance



APPENDICES

CUSTOMER KPIs

<i>6 months to Aug</i>	1H 24	1H 23	Chg
Active Customers	17.0m	19.2m	(12%)
Number of Orders	23.2m	28.3m	(18%)
Order Frequency	2.98x	3.21x	(7%)
Conversion rate to sale	3.4%	3.6%	(20bps)
Average Order Value	£53.30	£53.85	(1%)
Items per basket	2.98	2.95	1%

REVENUE BY PERIOD: 1H 24

£m		3m to 31 May				3m to 31 August				6m to 31 August			
		FY24	FY23	YOY %	YOY % CER	FY24	FY23	YOY %	YOY % CER	FY24	FY23	YOY %	YOY % CER
Total		370.1	445.7	-17%	-17%	359.0	436.7	-18%	-18%	729.1	882.4	-17%	-18%
UK		221.2	272.1	-19%	-19%	220.1	272.5	-19%	-19%	441.3	544.6	-19%	-19%
ROE		43.4	49.6	-12%	-14%	42.4	52.5	-19%	-18%	85.8	102.1	-16%	-16%
USA		81.8	95.0	-14%	-14%	75.4	82.4	-8%	-9%	157.2	177.4	-11%	-12%
ROW		23.7	29.0	-18%	-23%	21.1	29.3	-28%	-28%	44.8	58.3	-23%	-25%

£m		3m to 31 May				3m to 31 February				6m to 31 August			
		FY23	FY22	YOY %	YOY % CER	FY23	FY22	YOY %	YOY % CER	FY23	FY22	YOY %	YOY % CER
Total		445.7	486.0	-8%	-10%	436.7	489.8	-11%	-13%	882.4	975.8	-10%	-11%
UK		272.1	274.5	-1%	-1%	272.5	294.9	-8%	-8%	544.6	569.4	-4%	-4%
ROE		49.6	54.4	-9%	-10%	52.5	50.0	5%	2%	102.1	104.4	-2%	-4%
USA		95.0	131.9	-28%	-31%	82.4	118.6	-31%	-35%	177.4	250.5	-29%	-33%
ROW		29.0	25.2	15%	10%	29.3	26.3	11%	5%	58.3	51.5	13%	8%

REVENUE BY PERIOD: FY23

£m	4m to 31 December				2m to 28 February				12m to 28 February			
	FY23	FY22	YOY %	YOY % CER	FY23	FY22	YOY %	YOY % CER	FY23	FY22	YOY %	YOY % CER
Total	637.7	714.5	-11%	-13%	248.6	292.4	-15%	-17%	1,768.7	1,982.8	-11%	-13%
UK	400.8	451.0	-11%	-11%	146.1	182.4	-20%	-20%	1,091.5	1,202.8	-9%	-9%
ROE	73.5	79.9	-8%	-11%	30.9	34.9	-11%	-14%	206.5	219.2	-6%	-8%
USA	128.9	145.8	-12%	-17%	57.4	55.3	4%	-3%	363.7	451.6	-19%	-24%
ROW	34.5	37.8	-9%	-15%	14.2	19.9	-28%	-36%	107.0	109.2	-2%	-8%

£m	3m to 31 May				3m to 31 February				6m to 31 August			
	FY23	FY22	YOY %	YOY % CER	FY23	FY22	YOY %	YOY % CER	FY23	FY22	YOY %	YOY % CER
Total	445.7	486.0	-8%	-10%	436.7	489.8	-11%	-13%	882.4	975.8	-10%	-11%
UK	272.1	274.5	-1%	-1%	272.5	294.9	-8%	-8%	544.6	569.4	-4%	-4%
ROE	49.6	54.4	-9%	-10%	52.5	50.0	5%	2%	102.1	104.4	-2%	-4%
USA	95.0	131.9	-28%	-31%	82.4	118.6	-31%	-35%	177.4	250.5	-29%	-33%
ROW	29.0	25.2	15%	10%	29.3	26.3	11%	5%	58.3	51.5	13%	8%

OPERATING COSTS

<i>6 months to Aug (£m)</i>	H1 24	H1 23	Chg
Marketing	90.0	93.6	-4%
Distribution	164.8	212.3	-22%
Other Admin	103.2	122.2	-16%
Total	358.0	428.1	-16%
Marketing	12.3%	10.6%	170bps
Distribution	22.6%	24.1%	-150bps
Other Admin	14.2%	13.8%	40bps
Total	49.1%	48.5%	60bps

GROUP BALANCE SHEET

6 months to Aug (£m)

1H 24

1H 23

Intangible assets	129	131
Property, plant and equipment	374	359
Right-of-use assets	125	61
Financial assets	1	1
Investments & Associates	27	7
Deferred tax	24	7
Non-current assets	680	566
Working capital	-113	-23
Lease liabilities	-127	-63
Net financial assets	-2	-27
Cash and cash equivalents	290	315
Interest bearing loans and borrowings	-325	-325
Deferred tax	-23	-25
Current tax liability	0	7
Net assets	380	425

GROUP CASH FLOW

6 months to Aug (£m)

1H 24

1H 23

Profit for the year	-22	-15
Share based payments	11	13
Depreciation and Amortisation	41	32
Finance income	-6	-1
Finance expense	11	4
(Gain) / Loss on assets, FX hedging & investments	-20	0
Tax expense	-4	-1
Change in working capital	10	8
Operating cash flow	22	41
Capital expenditure	-36	-39
Proceeds from the sale of fixed assets	1	1
Investments	-1	-7
Tax paid	2	2
Free Cash Flow	-13	-3
Other Cashflows	-27	216
Net Cash Flow	-41	213
Period End Gross Cash	290	315
Period End Net Cash / (Debt)	-35	-10

GLOSSARY

ADJUSTED EBITDA	Calculated as PBT, interest, depreciation, amortisation, share-based payment charges and exceptional items
ADJUSTED EBIT	Calculated as EBIT excluding share-based payment charges, amortisation of acquired intangible assets and exceptional items
ADJUSTED PBT	Calculated as PBT, excluding share-based payment charges, amortisation of acquired intangible assets and exceptional items
ADJUSTED DILUTED EPS	Calculated as Diluted EPS, excluding share-based payment charges, amortisation of acquired intangible assets and exceptional items
NET CASH	Net cash is cash less borrowings, excluding lease liabilities
ACTIVE CUSTOMERS	Defined as having shopped in the last 12 months
NUMBER OF ORDERS	Defined as number of orders in the period
ORDER FREQUENCY	Defined as number of orders in last 12 months divided by number of active customers
CONVERSION RATE	Defined as the percentage of orders taken to internet sessions
AVERAGE ORDER VALUE	Calculated as gross sales including sales tax divided by the number of orders

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This Presentation contains statements, included or incorporated by reference, which may be, or may be deemed to be, “forward-looking statements” in respect of the Group’s operations, performance, prospects and/or financial condition and other matters that are not historical facts. These statements are, by their nature, inherently predictive, speculative and involve risks and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. All statements that address expectations or projections about the future, including statements about operating performance, strategic initiatives, objectives, market position, industry trends, general economic conditions, expected expenditures, expected cost savings and financial results, are forward-looking statements.

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The Group’s principal risks are described in the 2023 Annual Report and Accounts which can be viewed online at <https://www.boohooplc.com/investors>. Such forward looking statements should therefore be construed in light of such risks, uncertainties and other factors and undue reliance should not be placed on them. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

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