asos

HY25 Analyst Presentation

H1 FY25
Analyst Presentation

- At a Glance
- CEO Update
- H1 FY25 Financial Results
- Outlook
- Q & A

H1 at a glance

Most inspirational destination for fashion loving 20s

Sustainable, profitable growth

Profitable, flexible and resilient business model

1 New Commercial Model

Offering the most relevant product through improved speed, flexibility and quality to drive full-price sales and faster sell-through

Own brand full price growth
Adjusted gross margin +490 bps YoY

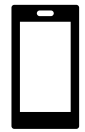
2 Efficient operations

Backed up by an efficient cost structure and capital allocation to build a solid and resilient business model

Sustained cost efficiency
Stock turn c.15% faster YoY

3 Engaging customer experience

Innovating faster than ever to deliver great customer experiences



Much more to come: AI Stylist, Lives, Loyalty, Topshop.com

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Our key priorities

Focus on making ASOS a faster, more agile, and more profitable business

1

Most relevant product

2

Efficient operations

3

Engaging customer experience

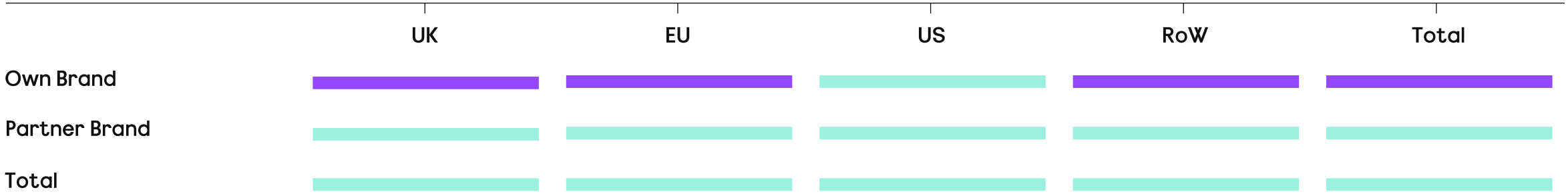
Our new commercial model is delivering...

...a transformational benefit to our profitability, through higher full-price sales mix

YoY Growth

YoY Decline

Full-Price Net Sales – H1 FY25 YoY



Variable Contribution – H1 FY25 YoY

Product strategy: Own brands

Own brands returning to growth, driven by latest trends and improved quality

Improved speed to market

Better quality

Enhanced flexibility

Own brand full-price sales YoY growth

ASOS Design gaining market share in UK

Test & React > 15% own-brand sales

Product strategy: Partner brands

Strong partner brand momentum, with more exclusive collaborations on the way

New Brand Acquisition & Development team

Deeper relationships with partner brands

Flexible Fulfilment ('FF') model

More than 25 new partners onboarded

Exclusive drops from adidas, New Balance, Misha Grimes

FF scaled to c.7% PB GMV, c.120 brands

Alma de Ace ARKET BIMBA Y LOLA ginatricot House of Sunny PRINCESS POLLY PROHIBITED sol beach

Exclusive collaborations to delight our customers

Unique adidas launch using Test & React

Exclusive cow print adidas trainers, launched alongside a capsule collection of 10 trend-driven pieces, created through T&R

Great customer engagement and excitement

Launch of collection drove a 70% uplift in traffic

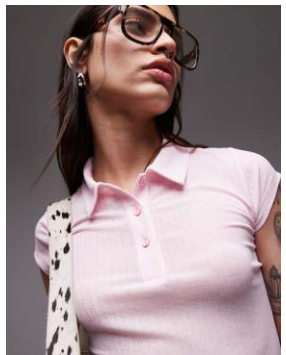
Strong commercial outcome

Exclusive trainers sold out in hours, capsule collection achieving 90% full price sell-through in <2 weeks, 70% of options repeated

asos adidas









Our key priorities

Focus on making ASOS a faster, more agile, and more profitable business

Most relevant product

Efficient operations

Engaging customer experience

More efficient operations, better capital allocation

Reducing ‘waste’ in the business to fuel investment

Supply chain efficiencies

c.140bps improvement in supply chain cost to serve in H1 through network consolidation, increased use of automation

Further opportunities:

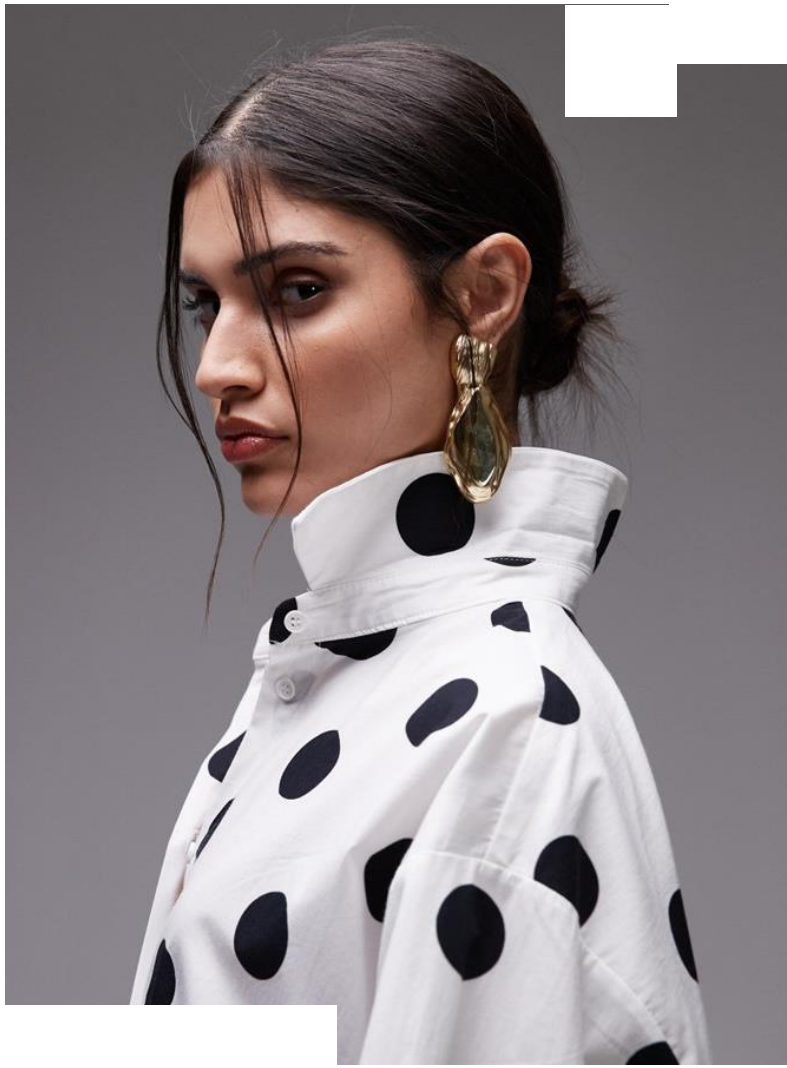
- Optimising delivery partners and contracts
- Mothballing of existing US fulfilment centre in Atlanta

Lowering returns

c.150bps reduction in underlying returns rate in H1 from reducing causes of unnecessary returns (e.g. size & fit), phased introduction of net returns threshold

Further opportunities:

- Better use of AI to understand & address causes of returns
- Further roll-out of net returns threshold



More efficient operations, better capital allocation

Reducing ‘waste’ in the business to fuel investment

Disciplined capital allocation

Balance sheet strengthened and financial flexibility improved through successful re-financing and TSTM JV

Further optimisation of global warehouse network, including mothballing of Atlanta fulfilment site

Disciplined inventory management through new commercial model

Disciplined inventory management through new commercial model

Improved stock health through a more efficient inventory model

Enabled by:

Improved speed to market

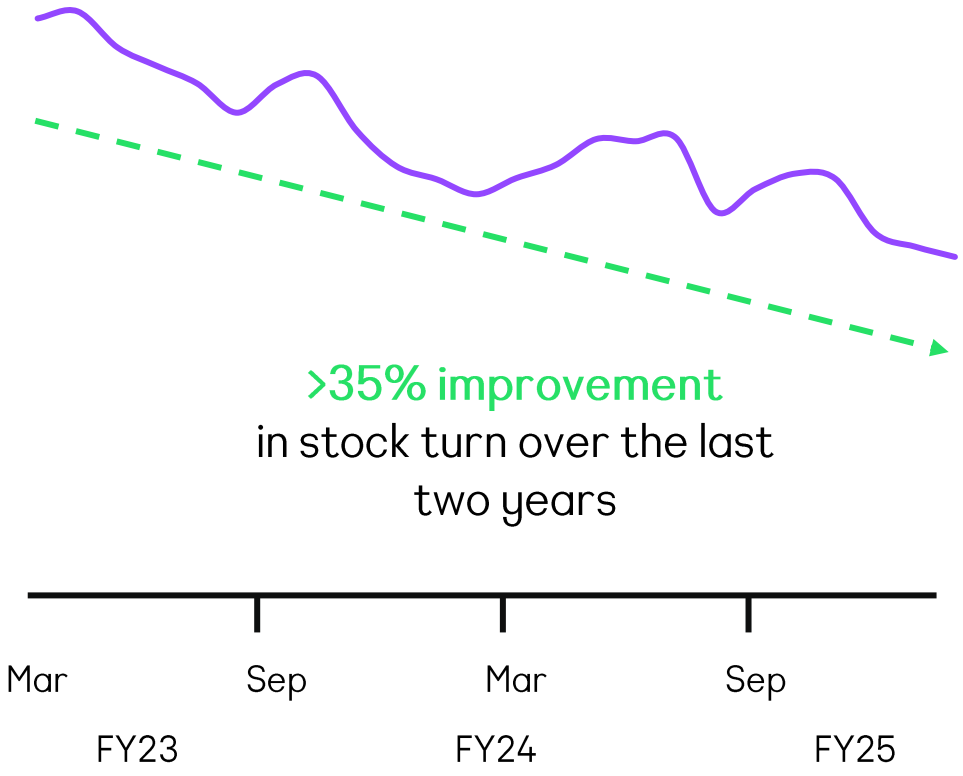
Effective in-season sell-through

Flexible fulfilment models

ROI = **Sell through** - **Markdown**

New commercial model sets systematic targets for ROI throughout the lifetime of our fashion products

Inventory Cover (Weeks)



>35% improvement
in stock turn over the last two years

Case Study: US strategy

US market demonstrates the deepest strategic and financial changes we have made

Over the last two years, we have fundamentally changed our approach to the US market:

- Lowered performance marketing by c.60% YoY
- Reduced markdowns by c.30% YoY

In recent months, we have taken further steps by changing our distribution model:

- Doubling availability of fashion product to US through hybrid distribution from Barnsley
- Removing Next Day Delivery to US, maintaining competitive delivery speeds via Express & Standard

We are seeing the impact financially:

Largest regional sales decline ↓ **-28% LFL in H1 YoY**

Largest regional variable contribution improvement (£m) ↑ **>100% in H1 YoY**

Early response to new distribution model:

Double-digit improvement in sales run-rate with significantly higher full-price mix

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Focus on returning to growth

Bringing the best of ASOS to more future core customers

Return on Advertising Spend (ROAS)

+23%

YoY in H1

Grown influencer network by

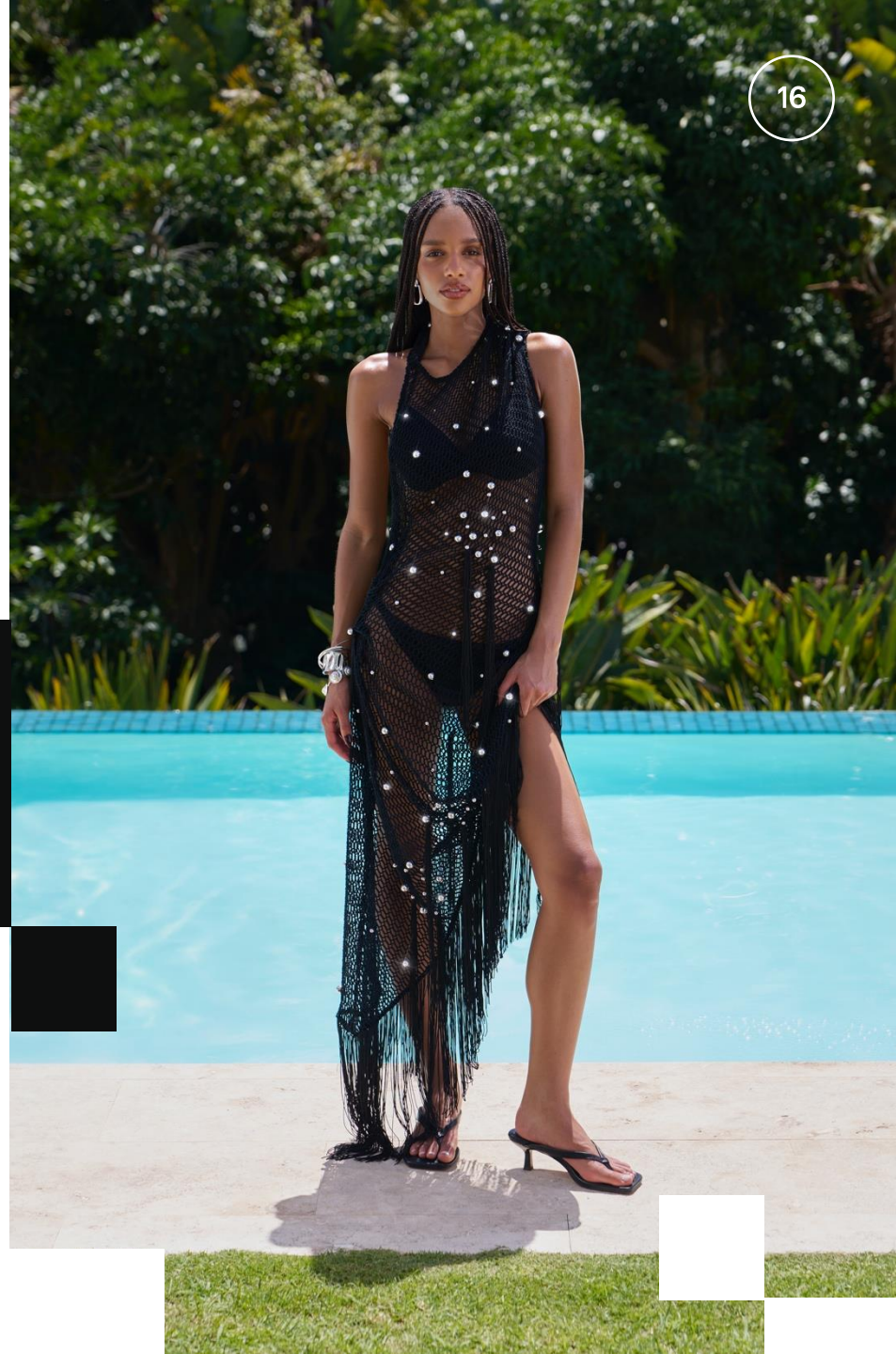
c.30%

since H2 FY24

UK customer reactivations

+7%

YoY in H1



More to come in H2 and beyond...

Test & React on track to hit 20% by end FY25

New category launches, including swimwear, tailoring

Successful launch of premium own-brand ARRANGE

Fashion-forward leader in the mid-level premium fashion market

Further scaling our flexible fulfilment models

New market launches, including Partner Fulfils in the US

New brand partner launches, including AFS with major brand partner

Additional 40 new partner brands joining, including:

for Love & Lemons · GOOD AMERICAN · JIMMY FAIRLY · BO+TEE · PAT McGRATH LABS · JW PEI · house of cb DESIGNED IN LONDON · oh POLLY

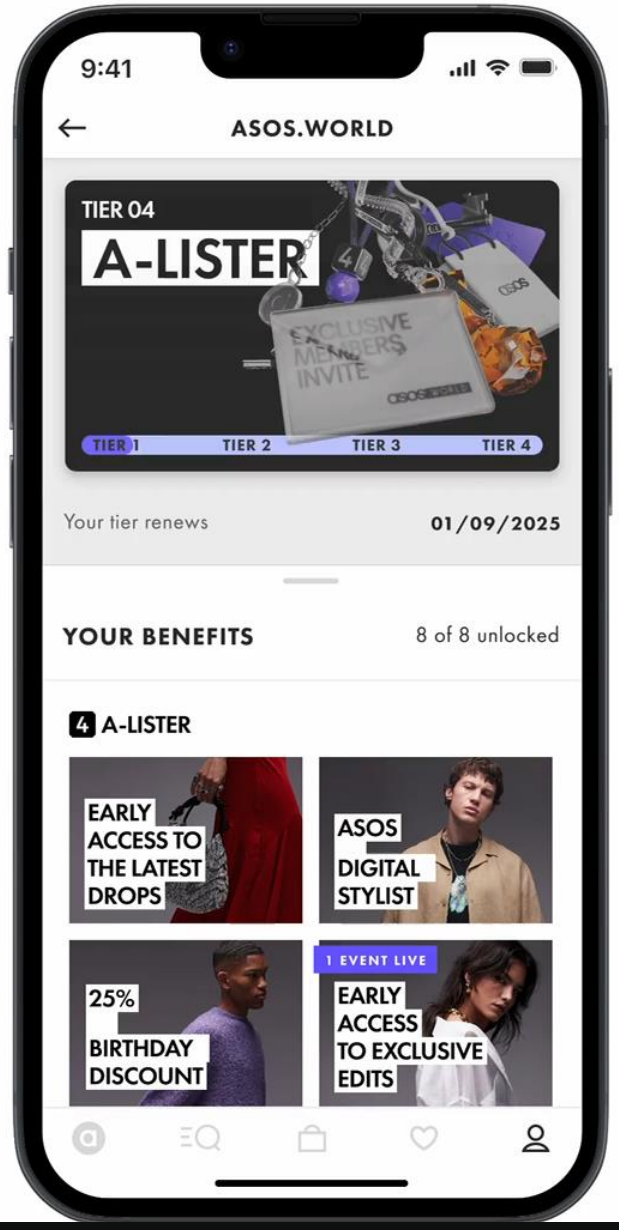
ASOS.WORLD

Introducing our new loyalty programme

First phase launched in March 2025 in UK, scaling further in H2

Tier-based approach

Exclusive fashion-first benefits, inc. early access to hottest products, invites to exclusive events, priority back-in-stock notifications



Innovating our on-site experience

Leveraging AI and technology to deliver more engagement

AI Stylist

Improved search and recommendations

ASOS Lives

AI Outfits

Bringing the best of Topshop and Topman

Topshop.com launching in H2

Bringing TSTM to customers through more channels, including new wholesale partners

Building customer engagement and ramping up brand activity

TOPSHOP

TOPMAN

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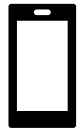

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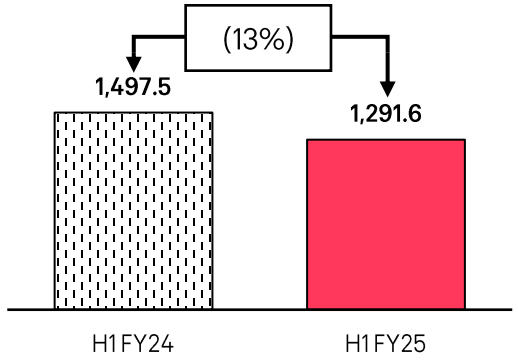
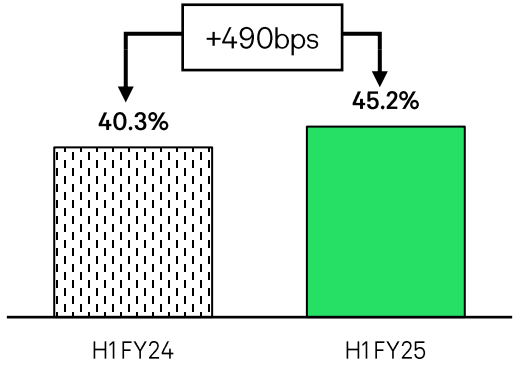
H1 performance reflects profit improvements driven by new commercial model

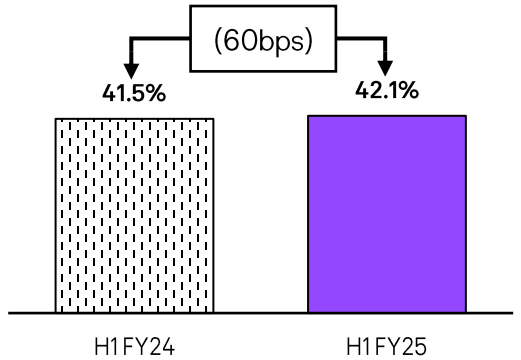
ADJUSTED LFL SALES[1] (£'m)



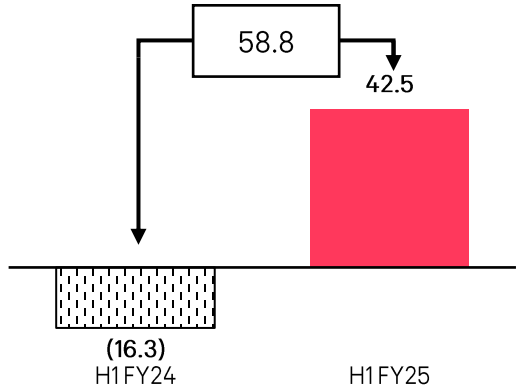
ADJUSTED[1] GROSS MARGIN (%)



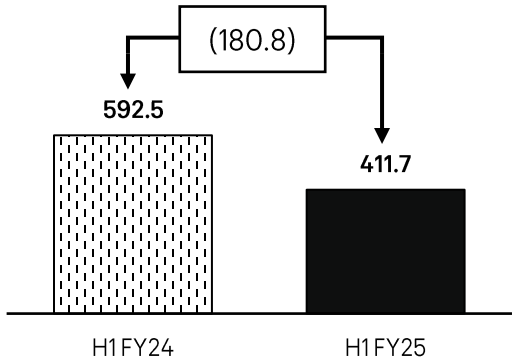
ADJUSTED COST TO SERVE[2] (% OF SALES)



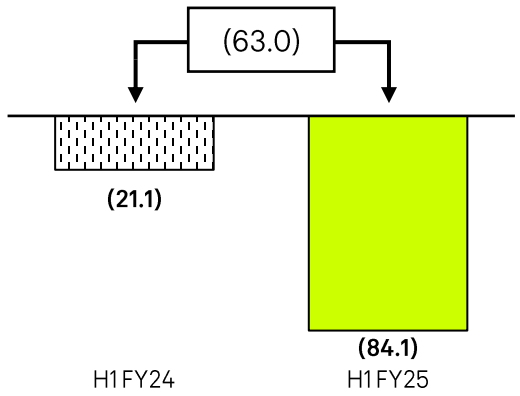
ADJUSTED[1] EBITDA (£'m)



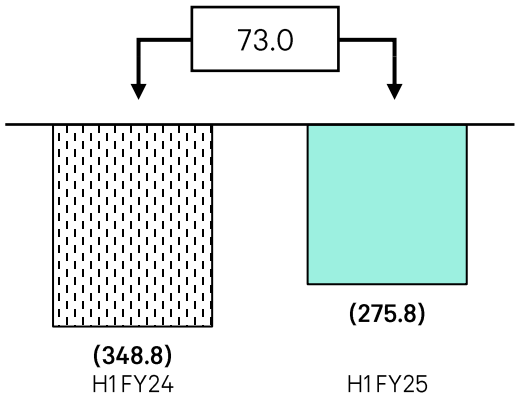
STOCK (£'m)



FREE CASHFLOW[3] (£'m)



NET DEBT[4] (£'m)



[1] Excluding adjusting items. Please see RNS for full breakdown
[2] Adjusted cost to serve defined as operating costs (excluding depreciation, amortisation, impairments and adjusting items) as a percentage of adjusted revenue
[3] Free cash flow is net cash generated from operating activities, less payments to acquire intangible and tangible assets, payment of the principal portion of lease liabilities and net finance expenses
[4] Net debt is cash and cash equivalents less the carrying amount of any borrowings but excluding outstanding lease liabilities

Profit actions driving variation in segmental performance

UK

Performance improving, ahead of group, with ASOS Design growing +9% YoY in the UK.

EU

Varied performance by country, reflecting consumer demand, competition and profit measures.

US

Top-line continues to be the weakest of our core markets, based on more meaningful profit improvements.

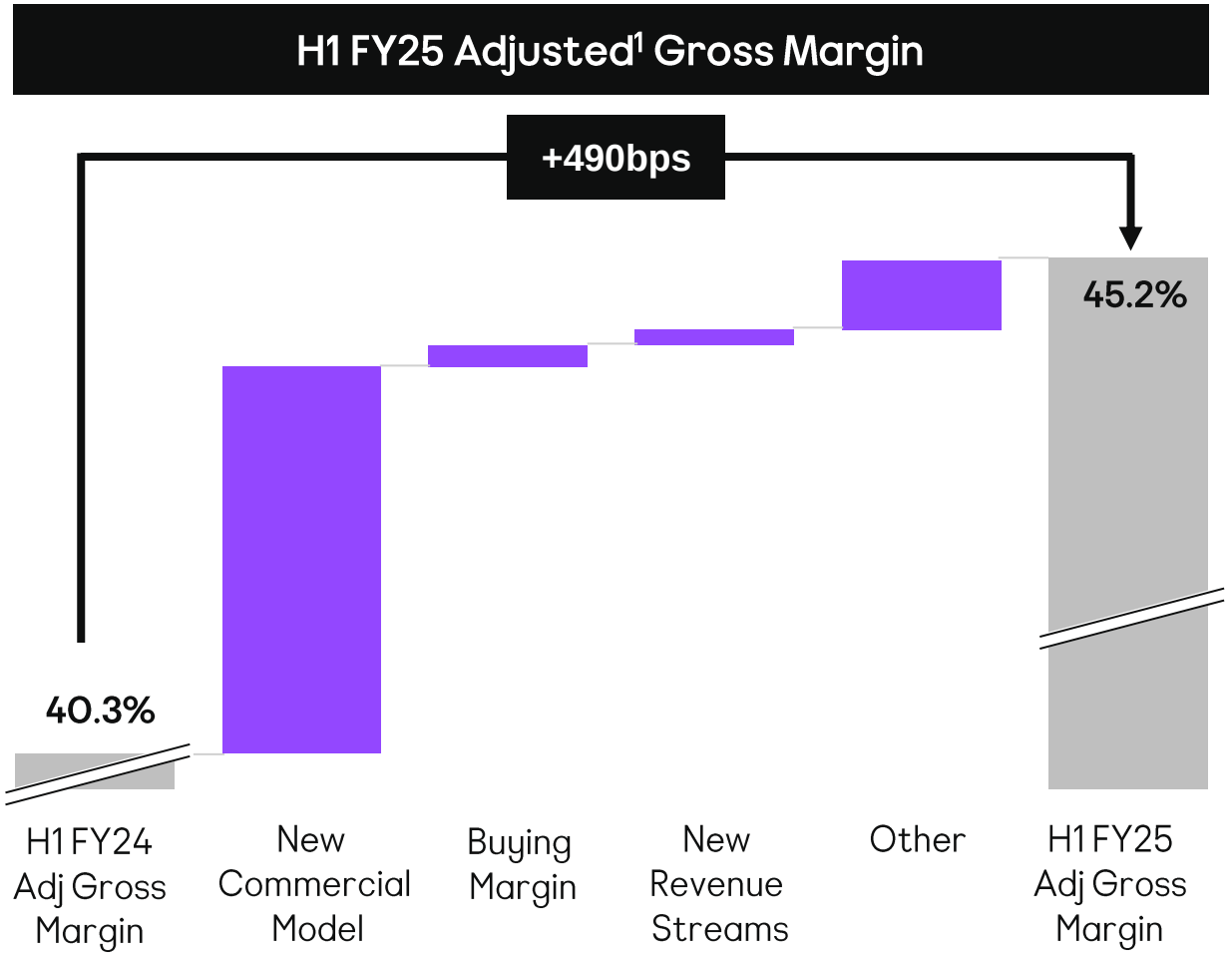
RoW

Segment primarily represents non-core countries with wide-ranging profit actions.

	UK	EU	US	RoW	Group
Total Sales[1]	-6% (-6% LFL)	-19% (-17% LFL)	-30% (-28% LFL)	-10% (-9% LFL)	-14% (-13% LFL)
Visits	-13%	-18%	-29%	-15%	-17%
Conversion[2]	flat	flat	-10bps	flat	flat
Average Basket Value[3]	+6% (+6% CCY)	+1% (+4% CCY)	+7% (+10% CCY)	+3% (+3% CCY)	+3% (+4% CCY)
Total Orders	-13%	-20%	-33%	-14%	-17%
Active Customers[4]	6.6m (-11%)	8.2m (-14%)	1.8m (-32%)	1.4m (-26%)	18.0m (-16%)

[1] Total sales include retail sales and income from other services excluding adjusting items. Please see RNS for full breakdown, LFL sales are also adjusted for the impact of foreign exchange translation (constant currency sales 'CCY')
[2] Calculated as total shipped orders divided by total visits
[3] Average Basket Value is calculated as adjusted net retail sales/number of shipped orders in the period on a CCY basis
[4] Active customers defined as having shopped in the last 12 months

Gross margin improvement driven by lower markdown, higher full-price sales



New Commercial Model

Improvement driven by lower discounting, higher full-price sales mix

New Revenue Streams

Impact of Flexible Fulfilment models (PF, AFS), and AMG

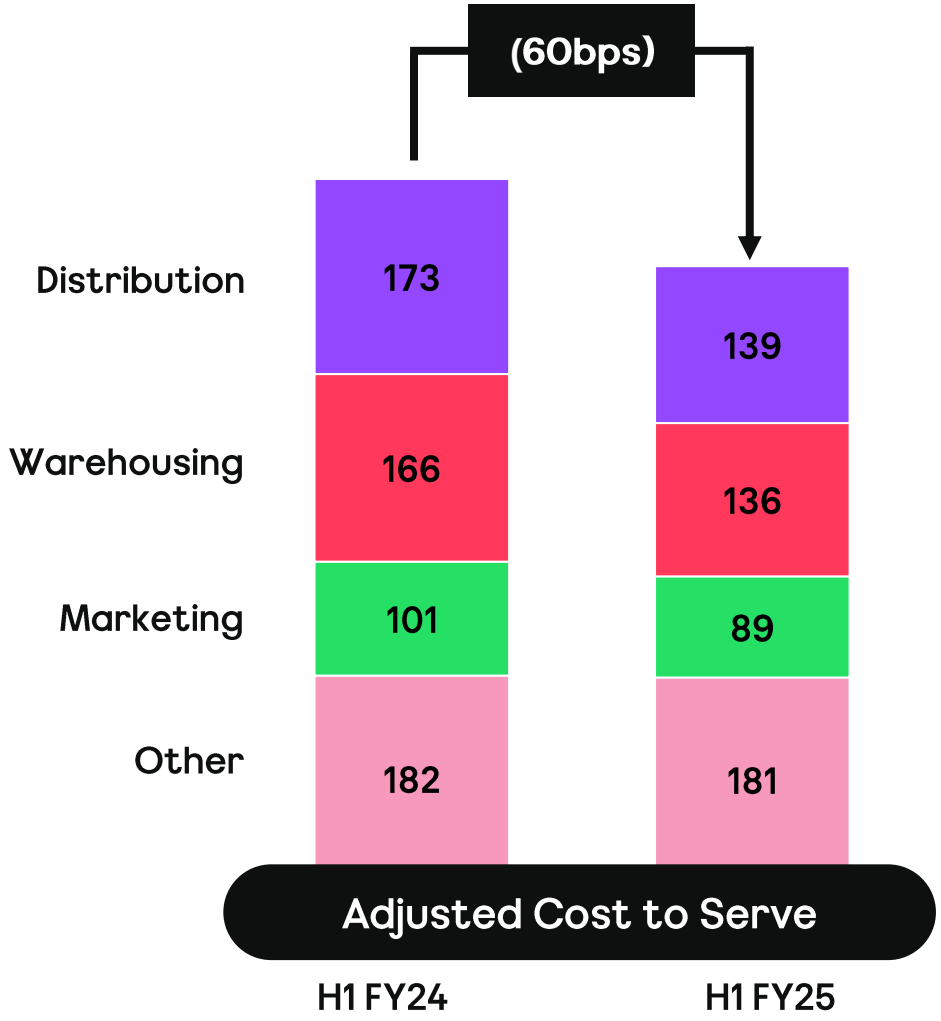
Other

Impact of FX, freight and duty

1 Excluding adjusting items. Please see RNS for full breakdown

Cost to serve improvements in supply chain offset by deleverage in other costs

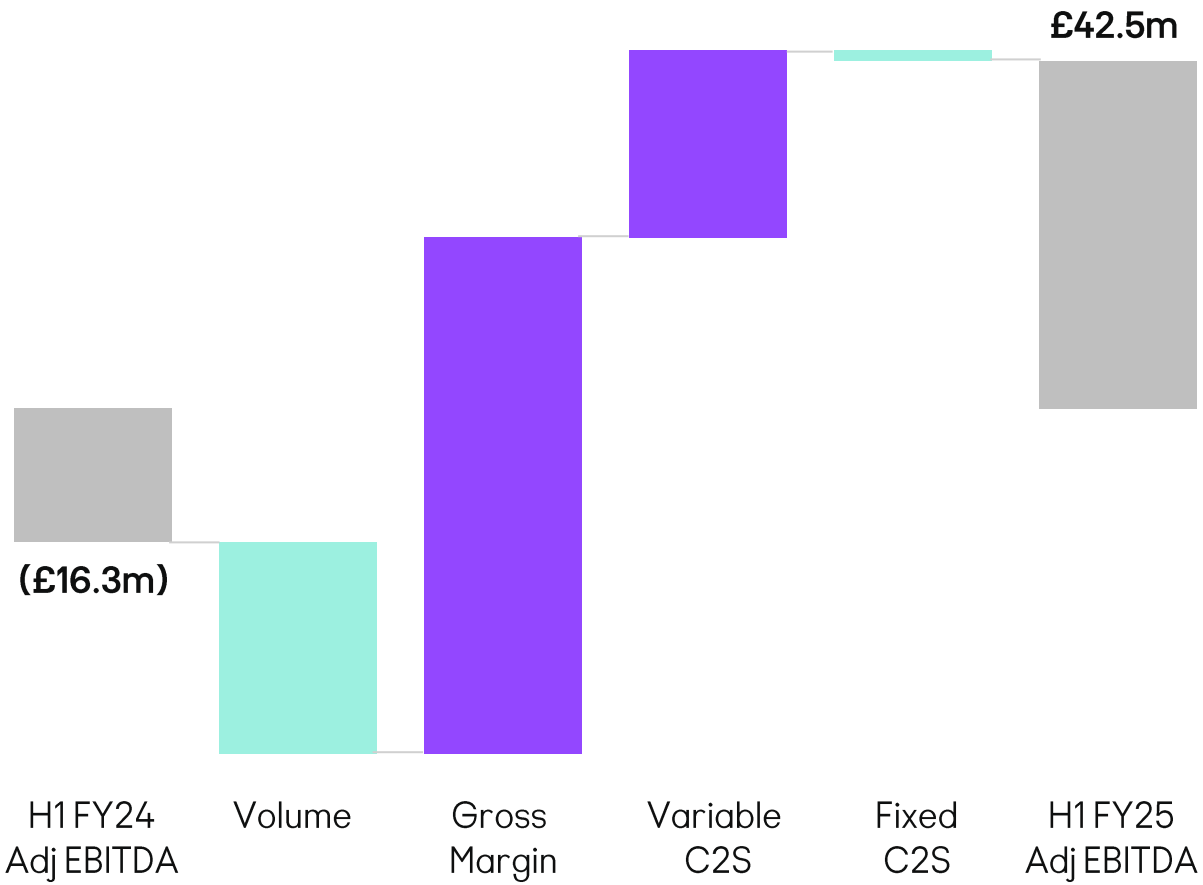
	H1 FY25 % of sales	Change
Adjusted Gross Margin[1]	45.2%	490bps
Distribution	10.7%	80bps
Warehouse	10.5%	60bps
Marketing	6.9%	(20bps)
Other	14.0%	(180bps)
Adjusted Cost to Serve[2]	42.1%	(60bps)



[1]Excluding adjusting items. Please see RNS for full breakdown
[2]Adjusted cost to serve defined as operating costs (excluding depreciation, amortisation, impairments and adjusting items) as a percentage of adjusted revenue

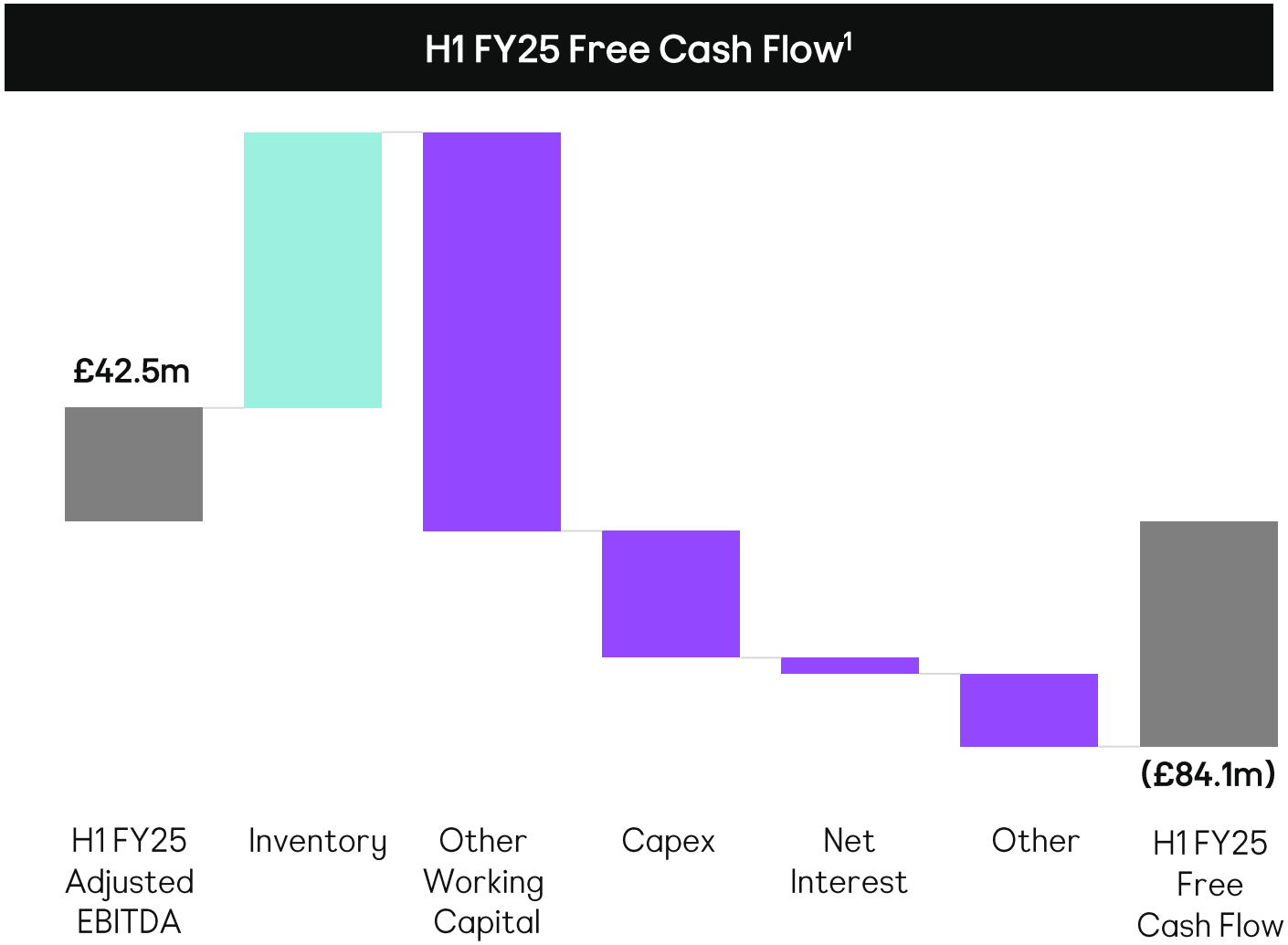
Significant adj. EBITDA improvement driven by gross margin and variable C2S improvements

H1 FY25 Adjusted[1] EBITDA



[1] Excluding adjusting items. Please see RNS for full breakdown.

H1 free cash outflow driven by return to normal intake seasonality



Inventory Movement

Cash released from stock reduction under new commercial model

Other Working Capital

c.£150m outflow, mainly driven by lower stock payables from return to normal intake seasonality

Closing Net Debt

Closing net debt of £276m, £73m lower than at H1 FY24

[1]Free cash flow is net cash generated from operating activities, less payments to acquire intangible and tangible assets, payment of the principal portion of lease liabilities and net finance expenses.

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Guidance

Reiterating FY25 profitability and medium-term guidance

FY25

- Gross margin improvement to more than 46%
- Adj. EBITDA growth of at least 60% to £130m to £150m[1]
- Revenue growth at bottom end of consensus range for FY25[2], with GMV growth 1-2ppts better than revenue growth
- Free cash flow broadly neutral
- Capex of c.£130m[3]
- Cash interest c.£35m, P&L interest c.£70m

Medium-term

- Return to growth
- Gross margin expansion towards 50%
- Adjusted EBITDA margin c.8%
- EBITDA sustainably ahead of capex, interest, tax and leases
- Inventory of c.100 days
- Capex to 3-4% of sales

[1] Adjusted EBITDA guidance of £130m to £150m is after the impact of the TSTM JV. As guided in September 2024, the TSTM JV is expected to have a £10-20m negative impact on EBITDA in FY25, and to be increasingly EBITDA accretive over time.
2 Company-compiled consensus range for FY25 revenue growth of -9% to -2%, as of 31 March 2025.
3 Capex guidance includes c£10-20m of spend related to the Atlanta automation project in H2, which has been re-classified as operating expenditure given the announced mothballing of Atlanta.

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