FY24 Analyst Presentation

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Making ASOS faster, more agile, and more profitable

Phase 1 complete: Foundations in place to build sustainable, profitable growth

Product in the best place it's been in years:

- Inventory down 50% on FY22 and old stock down 75%
- Newness performing well, with lower markdown, better sell-through, faster stock turn
- Test & React >10% of own-brand sales, PF c.5% of partner-brand GMV
- Added new and exciting partner brands

Reduced cost to serve despite volume deleverage

Generated positive free cash flow

Sales down 16% due to actions taken to improve profitability

FY25 guidance:

- Gross margin improvement of at least 300bps to >46%;
- Adj. EBITDA growth of at least 60% to £130m to £150m, after the impact of TSTM JV;
- Free cash flow broadly neutral

Balance sheet strengthened and financial flexibility improved through successful re-financing and sale of Topshop and Topman

Phase 2 is about taking more action to delight our customers... ...to win more of their time, love and fashion spend

Our Mission is to be the world's number one destination for fashion-loving 20-somethings.

Best & most relevant product

Presenting our customers with market leading assortment and unique curations of exclusive own brands and exciting partner brands only available at ASOS

Destination for style

Providing brands with a platform to showcase their potential in a fashion context - the only place where consumers can experience their favourite brands through our differentiated visual language

Engaging customer journey

Showing up at every stage of the customer journey with our compelling and distinct brand to grow our share of voice, loyalty and brand advocacy

Competitive convenience

Offering a seamless end-end experience underpinned by a unique delivery, returns and payment proposition, with an appetite for innovation

Back to Fashion key priorities

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

1

Most relevant product

Disciplined stock management and an obsession with speed

2

Stronger customer relationships

Reigniting our brand and developing a fashion-led customer experience

3

Reduced cost to serve

Disciplined capital allocation and operational excellence

Back to Fashion key priorities

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

1

Most relevant product

2

Stronger customer relationships

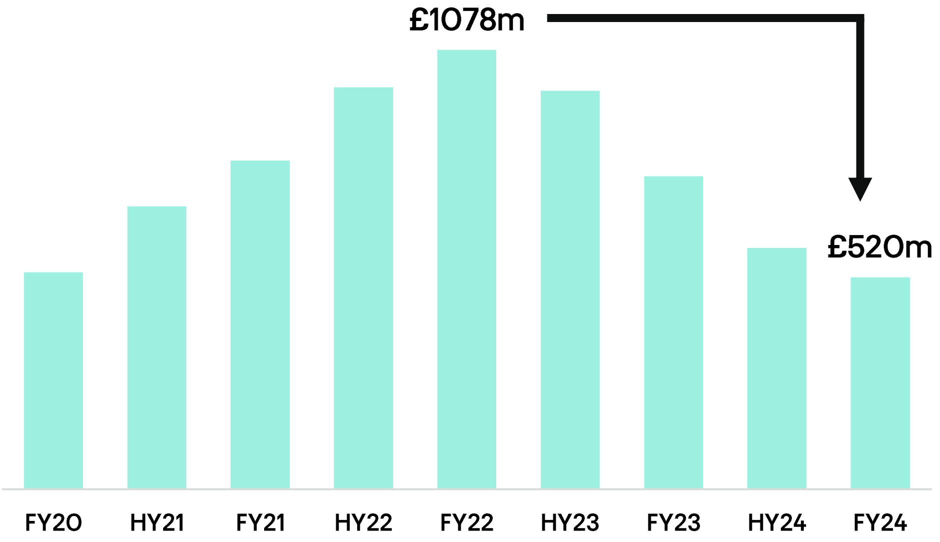
3

Reduced cost to serve

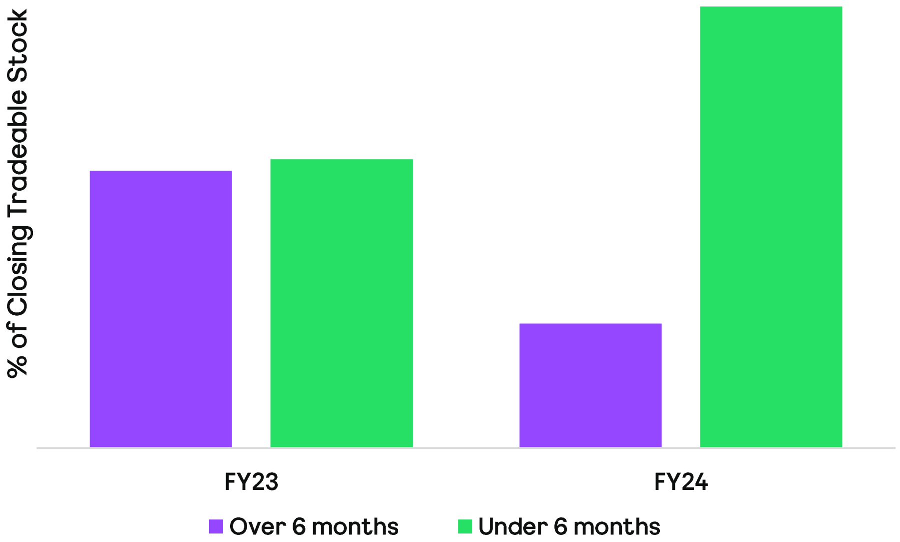
We have been on two journeys:
Firstly, dealing with the legacy of our old operating model

1. Most relevant product

Disciplined stock management and clearance of old stock



Our stock quality is materially fresher



1. Most relevant product

We have been on two journeys: Secondly, scaling our new commercial model

- Speed to market in own-brand
- Sourcing & quality
- A great partner for brands
- Clean, well-managed stock position

New commercial model drives higher full-price sales and improved sell-through

1. Most relevant product

Old commercial model: End of FY23	New commercial model: End of FY24
c.50% stock >6 months old	New & fresh assortment
Cut intake by c.30% to clear stock	c.80% of stock <6 months old
Heavy discounting to clear excess stock	+c.150bps markdown improvement in Q4
Headwind to gross margin	+15ppts better sell-through on 26 weeks

Back to Fashion key priorities

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

1 

Most relevant product

2 

Stronger customer relationships

3 

Reduced cost to serve

We're better placed to deliver great customer experiences

2. Stronger customer relationships

Average UK customer spend

£214

annually

UK existing customer average order frequency per annum

7x

Scaled to

c.1,500

Influencers per month

Return on Advertising Spend (ROAS)

+18%

YoY in Q4

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Back to Fashion key priorities

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

1

Most relevant product

2

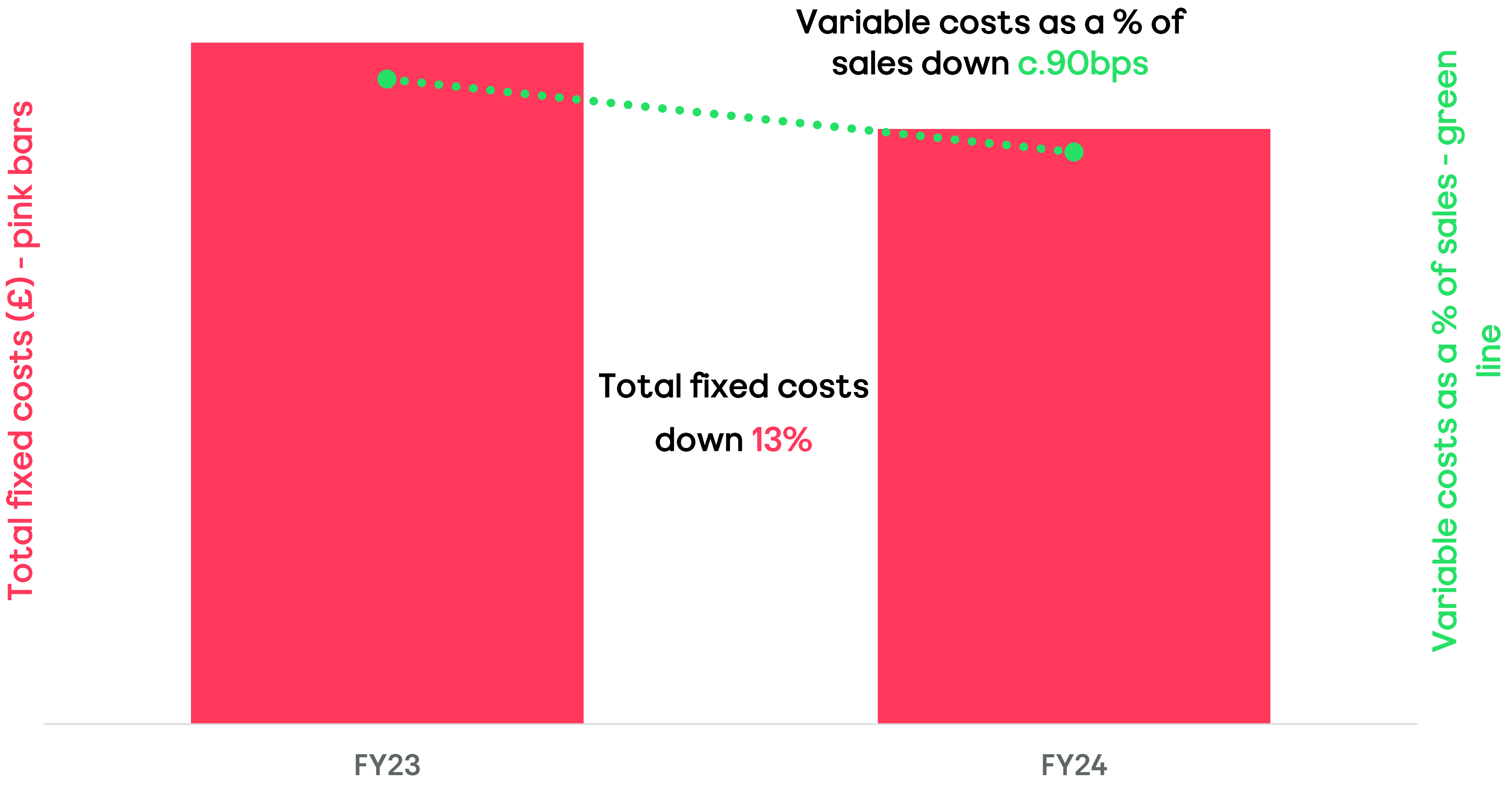
Stronger customer relationships

3

Reduced cost to serve

Strong progress on reducing both fixed & variable costs with improved unit economics

3. Reduced cost to serve



Retained our focus on operational excellence and disciplined capital allocation

Since the beginning of FY25:

Topshop Topman joint venture	Convertible bond re-financing
Bantry Bay re-financing	Significantly strengthen balance sheet

Recap: FY24 progress

FY24 goals: better product, right-sizing stock, unlocking cash

- Product in the best place it's been in years:
  - Inventory position much improved
  - Newness turning faster, with lower markdown
  - Added new and exciting third-party brands
- Hit targets on doubling scale of Test & React and Partner Fulfils
- Reduced cost to serve despite volume deleverage
- Generated positive free cash flow
- Balance sheet strengthened and financial flexibility improved through successful re-financing and sale of Topshop and Topman

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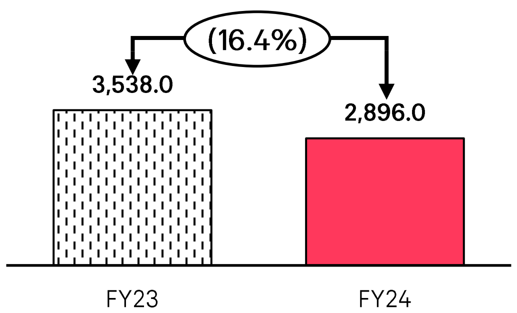
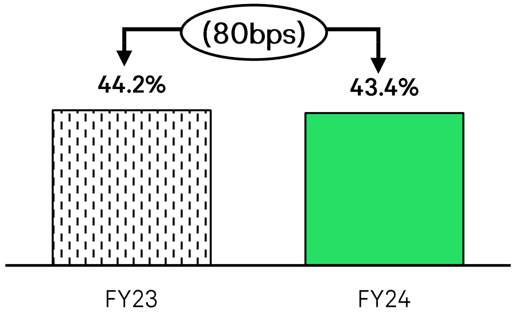
FY performance reflects discipline on costs despite reduction in sales

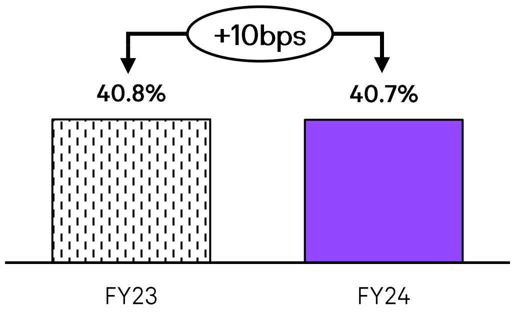
ADJUSTED SALES[1,2] (£'m)



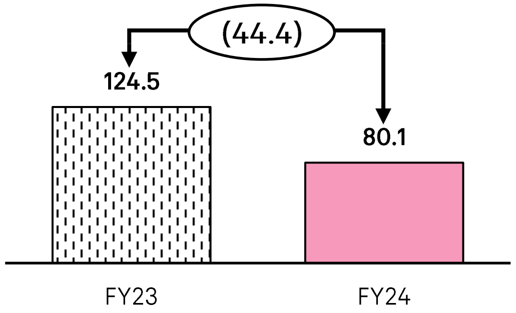
ADJUSTED[1] GROSS MARGIN (%)



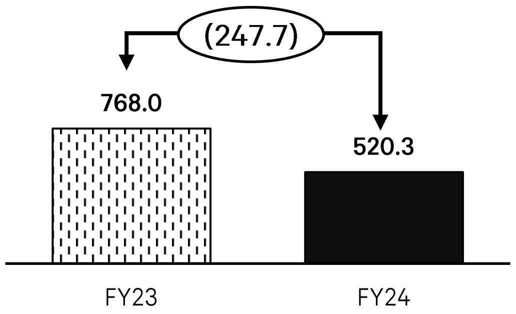
ADJUSTED COST TO SERVE[1,3] (% OF SALES)



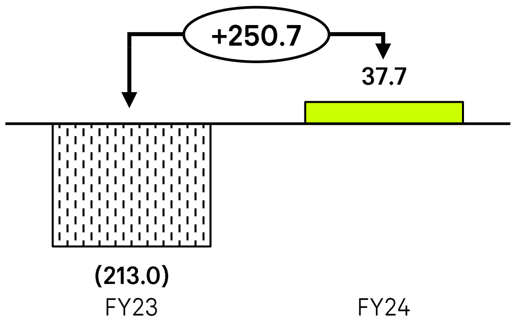
ADJUSTED[1] EBITDA (£'m)



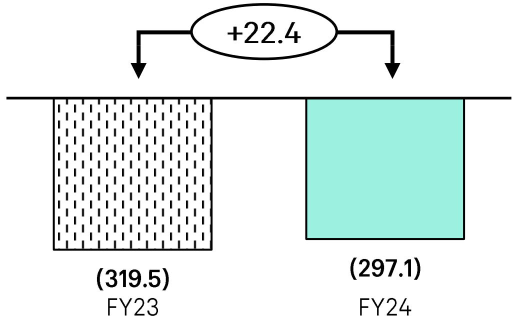
STOCK (£'m)



FREE CASHFLOW[4] (£'m)



NET DEBT[5] (£'m)



[1] Excluding adjusting items. Please see RNS for full breakdown
[2] Like-for-like ('LfL') adjusted revenue are adjusted for the impact of foreign exchange translation (constant currency sales) and the impact of four additional trading days in FY23
[3] Cost to serve defined as operating expenses (excluding depreciation and amortisation and excluding adjusting items) as a percentage of adjusted revenue
[4] 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.
[5] Net debt is cash and cash equivalents less the carrying amount of any borrowings but excluding outstanding lease liabilities

Key strategic indicators reflect our current and ongoing priorities

	Change vs. LY	Change vs. LY-1
Test & React % of Own-Brand Sales*	+5.5%	+11.6%
Flexible Fulfilment % of Partner Brand GMV*	+260bps	+450bps
Adjusted Gross Margin	-80bps	-20bps
Cost to Serve %	+10bps	-120bps
Variable Contribution per Order	+5%	+28%
Stock Turn % Change	+31%	+1%

Good strategic progress obscured by short-term discounts to right-size stock

* Test & React % of Own-Brand Sales and Flexible Fulfilment % of GMV both based on exit rate for the period (i.e. month of August).

Profit actions driving variation in segmental performance

UK — Performance impacted by lower intake and freshness.

EU — Continued profit actions and lower intake impacted EU performance.

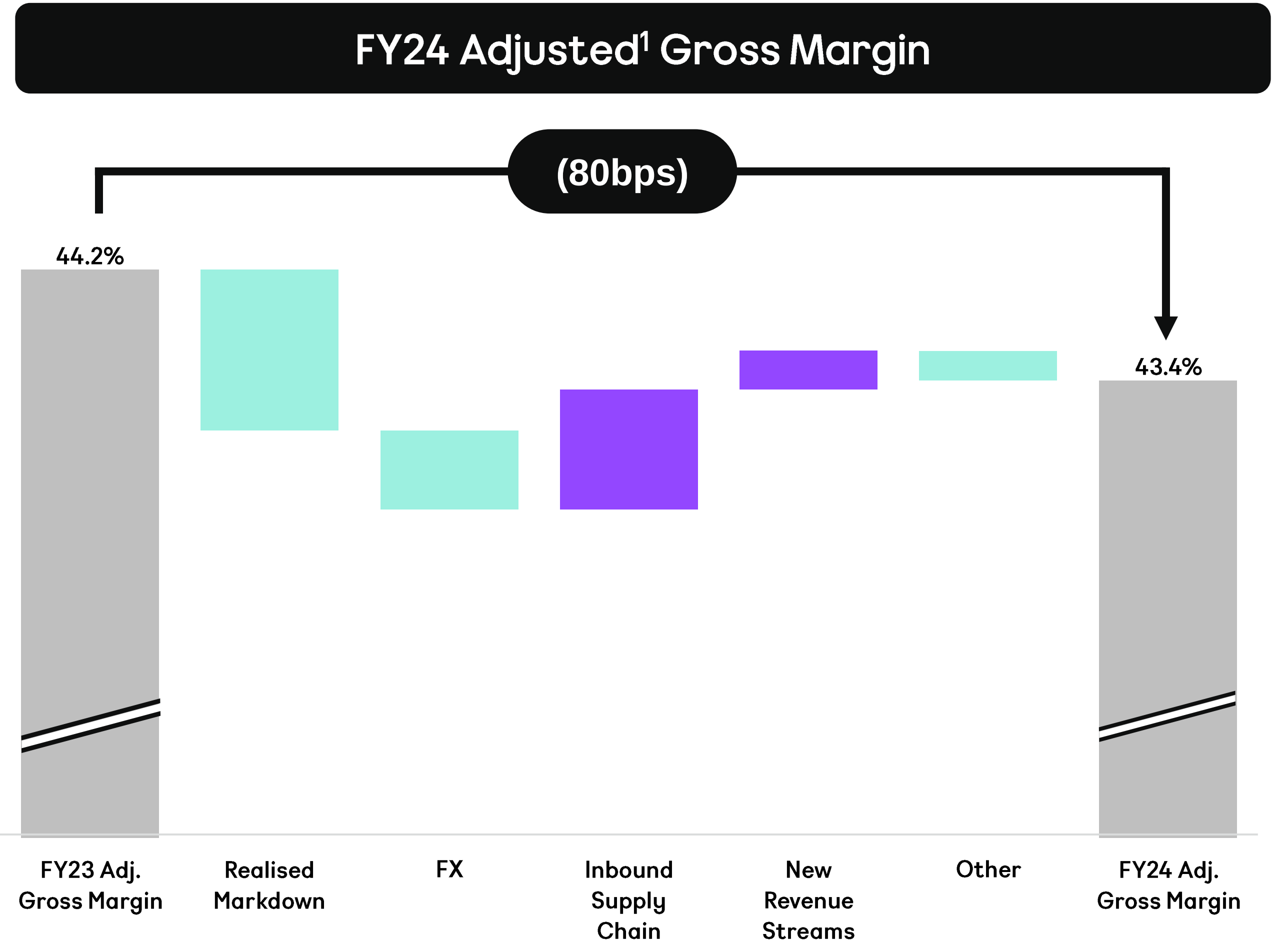
US — Continued to be the weakest of our core markets based on more meaningful profit measures.

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

	UK	EU	US	RoW	Group
Total Sales[1]	-14% (-12% LFL)	-14% (-13% LFL)	-32% (-28% LFL)	-29% (-30% LFL)	-18% (-16% LFL)
Visits	-14%	-16%	-23%	-13%	-15%
Conversion[2]	-30bps	flat	-20bps	-40bps	-10bps
Average Basket Value[3]	+4% (+4% CCY)	+4% (+5% CCY)	-3% (+1% CCY)	+7% (+5% CCY)	+2% (+2% CCY)
Total Orders	-18%	-17%	-31%	-38%	-20%
Active Customers[4]	7.0m (-13%)	9.0m (-11%)	2.1m (-27%)	1.4m (-36%)	19.6m (-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) and the impact of four additional trading days in FY23
[2] Calculated as total shipped orders divided by total visits
[3] Average Basket Value is calculated as adjusted net retail sales/number of orders in the period
[4] Active customers defined as having shopped in the last financial 12 months

FY reduction in adjusted gross margin due to elevated markdown to clear old stock



Realised Markdown

Discounting to drive clearance of stock

Inbound supply chain

Favourable freight rates

New revenue streams

Flexible Fulfilment scaling

FX

GBP strengthening against USD / EUR

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

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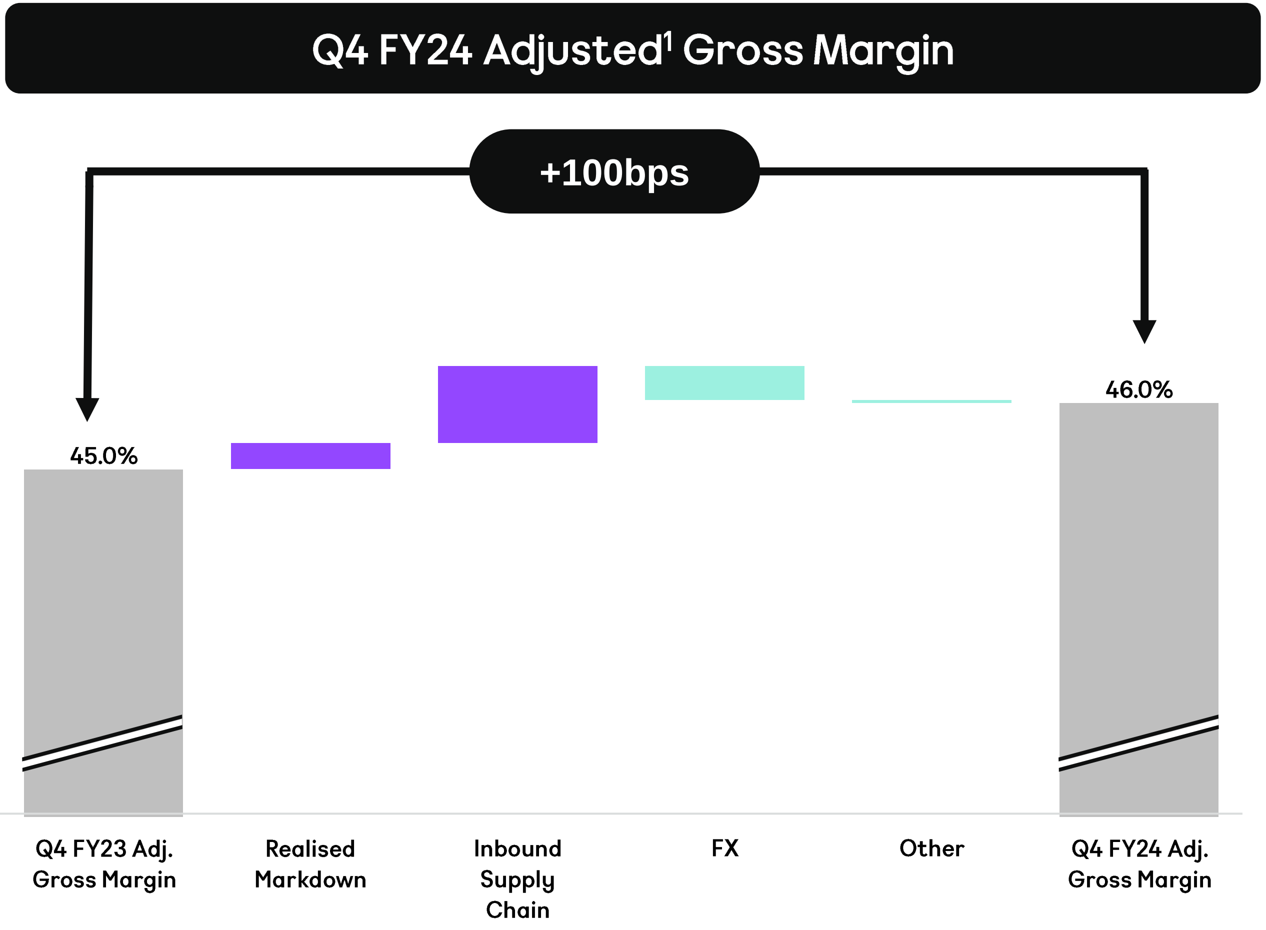
Improving adjusted gross margin in Q4 from new commercial model



Realised Markdown

Benefiting from lower markdown, more full-price sales

Inbound supply chain

Favourable freight rates

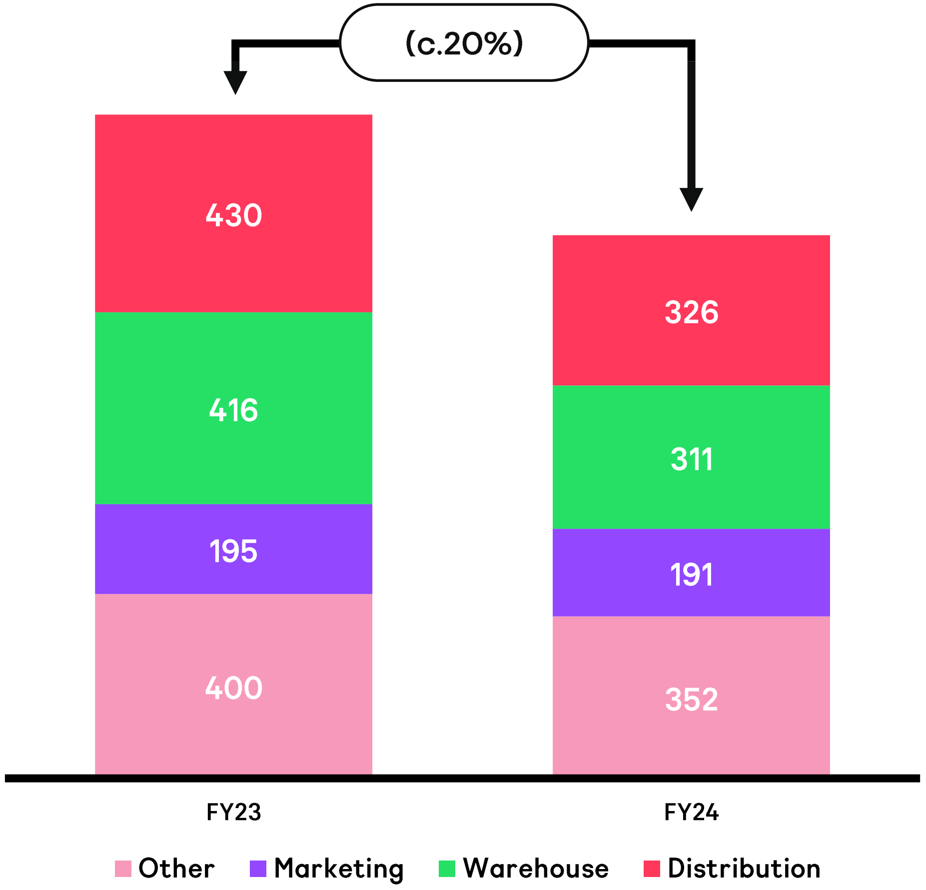
FX

GBP strengthening against USD / EUR

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

Reduction in cost to serve despite volume deleverage and marketing investment

	FY24 % of sales	Change
Adjusted Gross Margin[1]	43.4%	(80bps)
Distribution	11.3%	80bps
Warehouse	10.7%	110bps
Marketing	6.6%	(110bps)
Other	12.1%	(70bps)
Cost to Serve[2]	40.7%	10bps

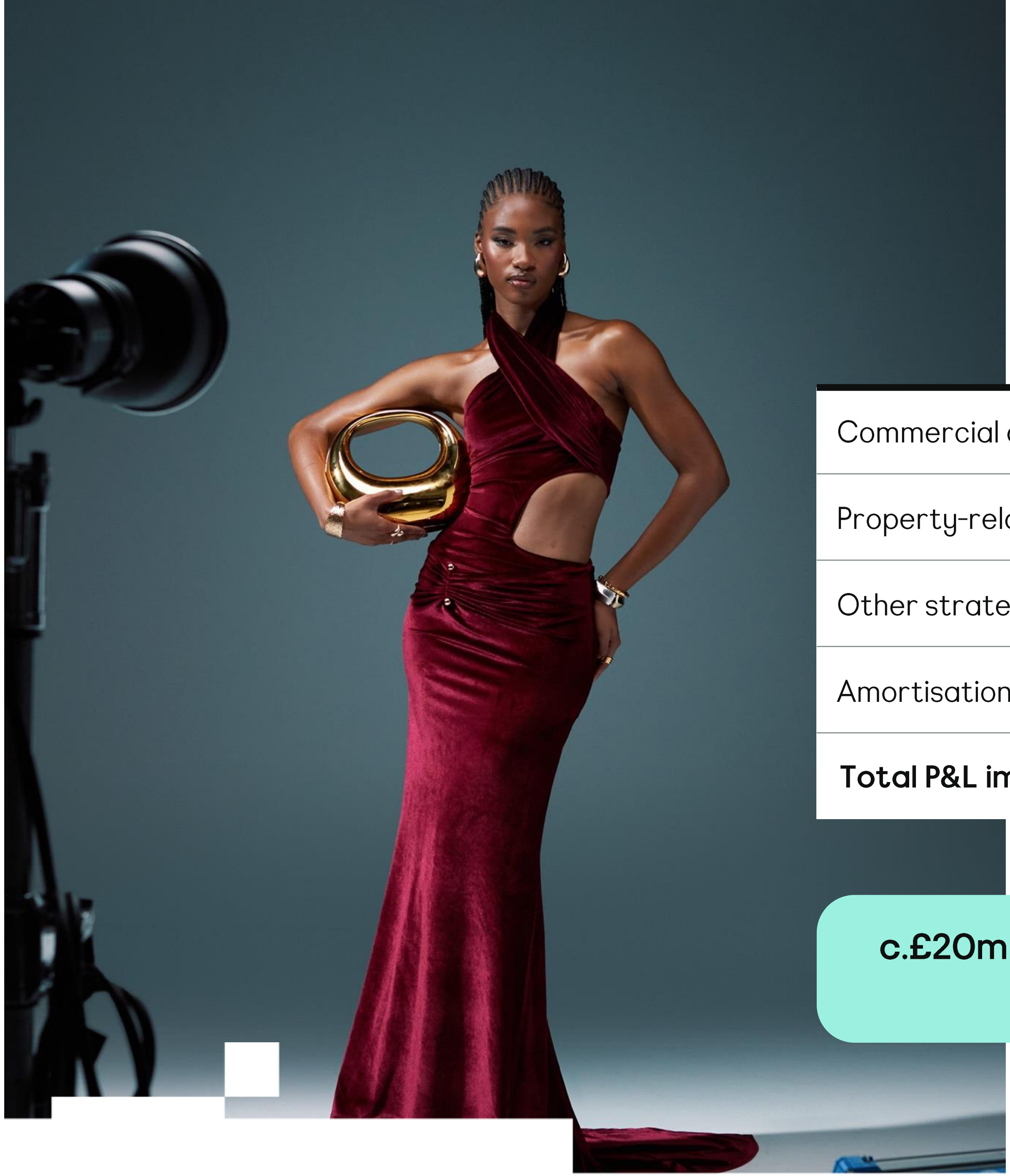


[1] Excluding adjusting items. Please see RNS for full breakdown
[2] Cost to serve defined as operating expenses (excluding depreciation and amortisation and excluding adjusting items) as a percentage of adjusted revenue

Discipline on costs offsetting deleverage but with EBITDA loss due to elevated clearance

FY24 Adjusted[1] EBITDA (£'m)

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



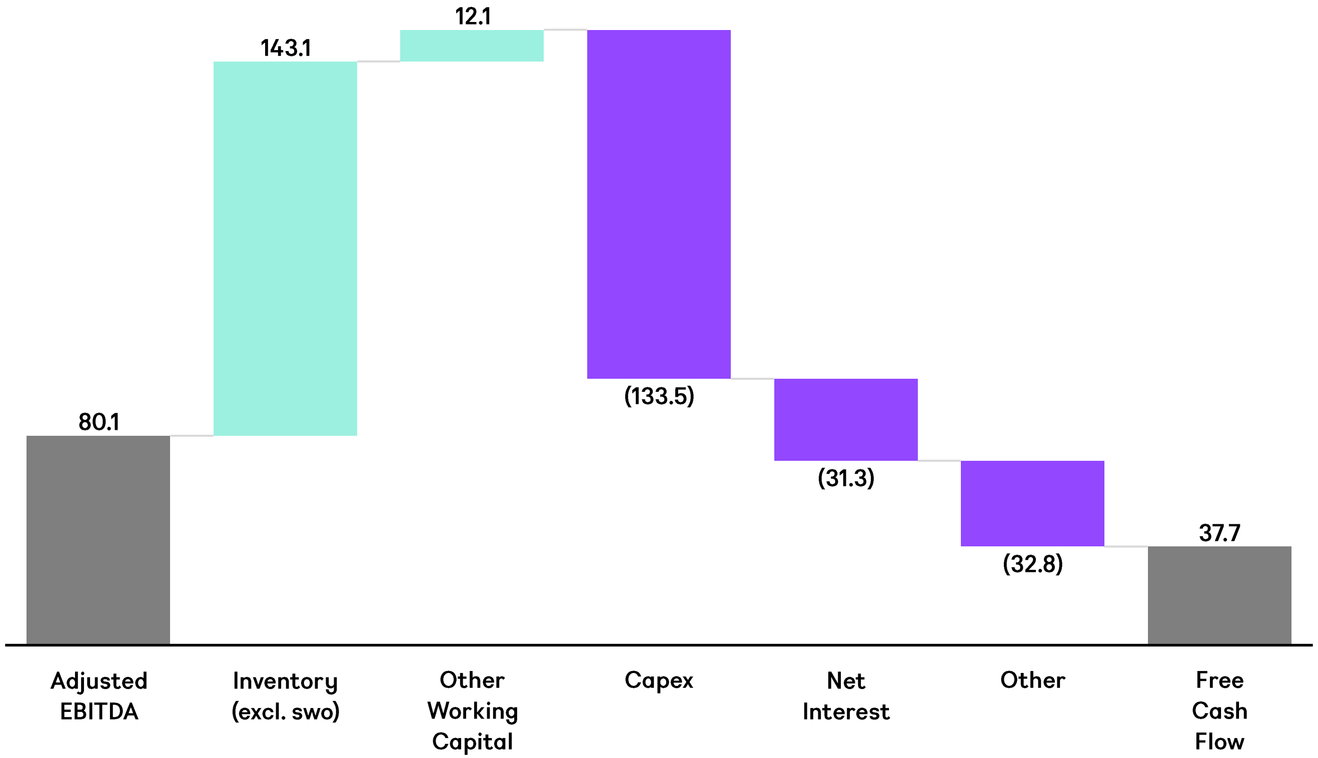
Adjusting items

	Total adjustments before tax (£'m)
Commercial operating model change	(94.8)
Property-related costs	(144.4)
Other strategic initiatives	(3.4)
Amortisation of acquisition intangibles	(10.7)
Total P&L impact of adjusting items	**(253.3)**

c.£20m cash impact from adjusting items with remainder mostly non-cash impairment

Progress on stock resulting in strong cash generation from working capital

FY24 Free Cash Flow[1] (£'m)



Free cash flow of £38m reflects a YoY improvement of £251m

Inventory Movement

£143m cash released from stock reduction to pre-Covid levels

Capex

£116m excluding £17m spend on mothballed Lichfield site

Closing Net Debt

Closing net debt of £297m, £22m lower than FY23

Closing Cash

Ample closing cash of >£390m

[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.

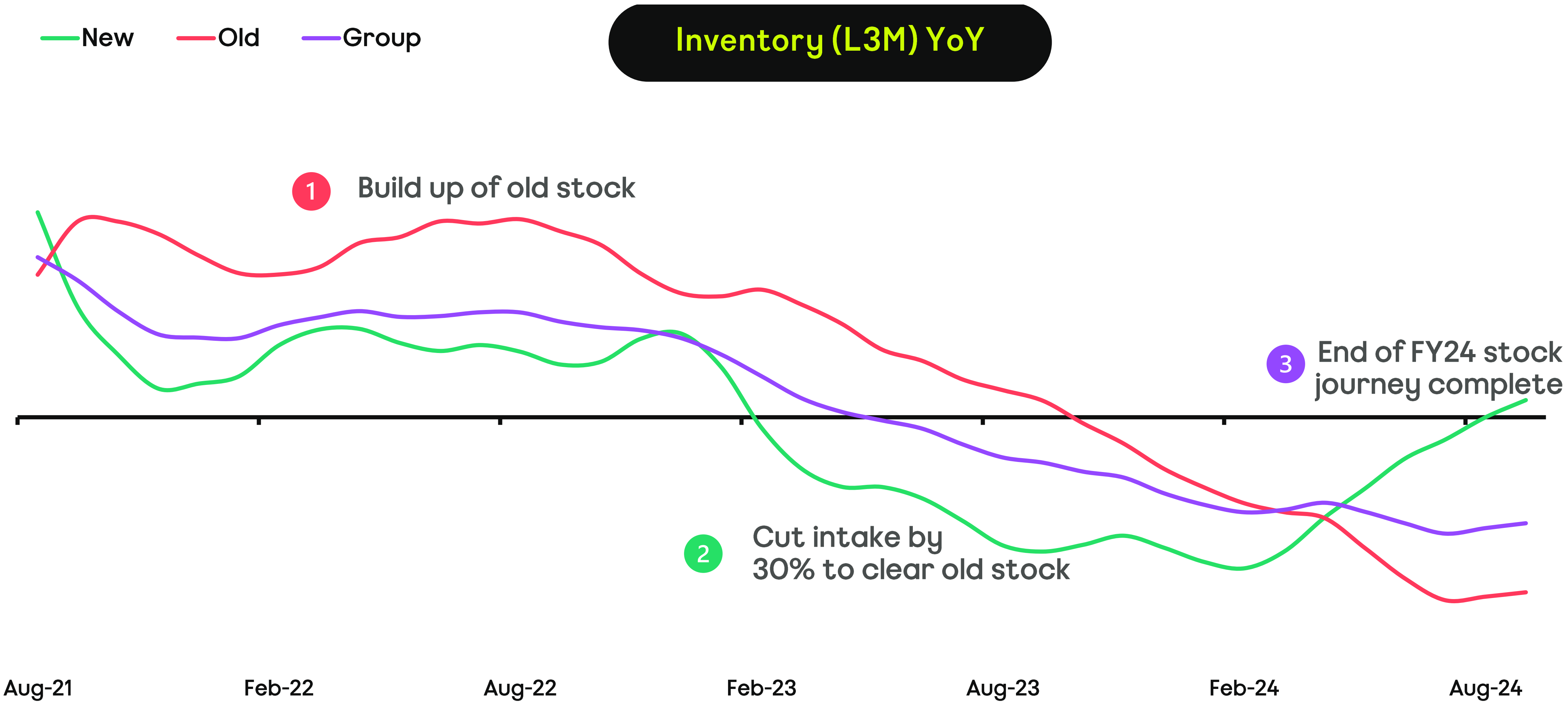
Our Right to Win

Delight our customers to win more of their time, love and fashion spend

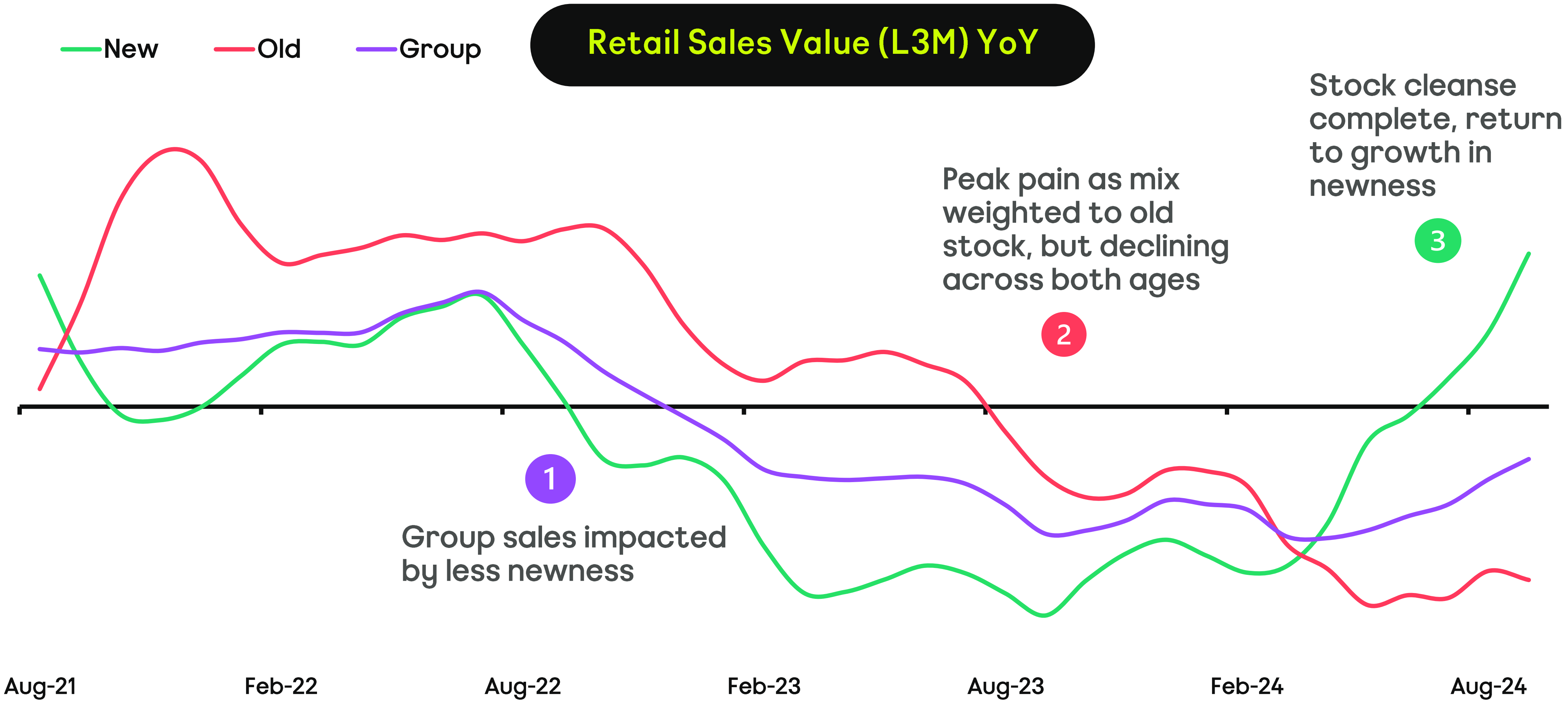
1	2	3	4
Best & most relevant product	Destination for Style	Engaging Customer Journey	Competitive Convenience

5 Disciplined capital allocation

FY23 and FY24 have been 'peak pain' as we cleared through excess stock



Our new commercial model is delivering growth in full price product



Delighting our customers

More newness, exciting brands

Test & React to 20% of own-brand sales

More onsite innovation

Relaunch Topshop.com

Lower returns

Loyalty

Continuous improvement

1. More newness, exciting brands

First for fashion

Be the trendsetter with bold, creative collections and brands that define what's next in fashion, inclusive and accessible to all.

Speed and Agility

React quickly to trends and customer needs with fast, flexible buying models that keep us ahead, staying affordable without ever compromising on quality.

Efficiency and Sustainability

Optimise operations with smart, lean processes by improving the buy, reducing waste, and aligning with our sustainability goals, all while delivering exceptional value for money.

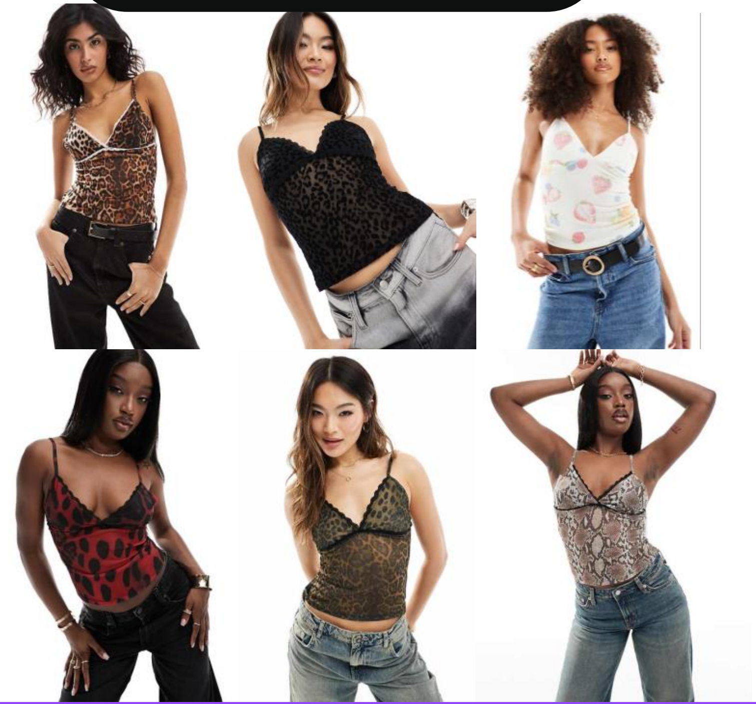
1a. First for fashion: Scale Test & React

Test & React on track for FY25 and mid-term ambition

Test

FY25 target: 20% OB sales

React



Mid-term: 30% OB sales

1b. First for fashion: Better for brands

Including scaling our Flexible Fulfilment model

Growing
top tier brands

Flexible Fulfilment
c.5%
partner-brand GMV

ARKET
adidas
LANEIGE
dyson
VEJA
THE NORTH FACE

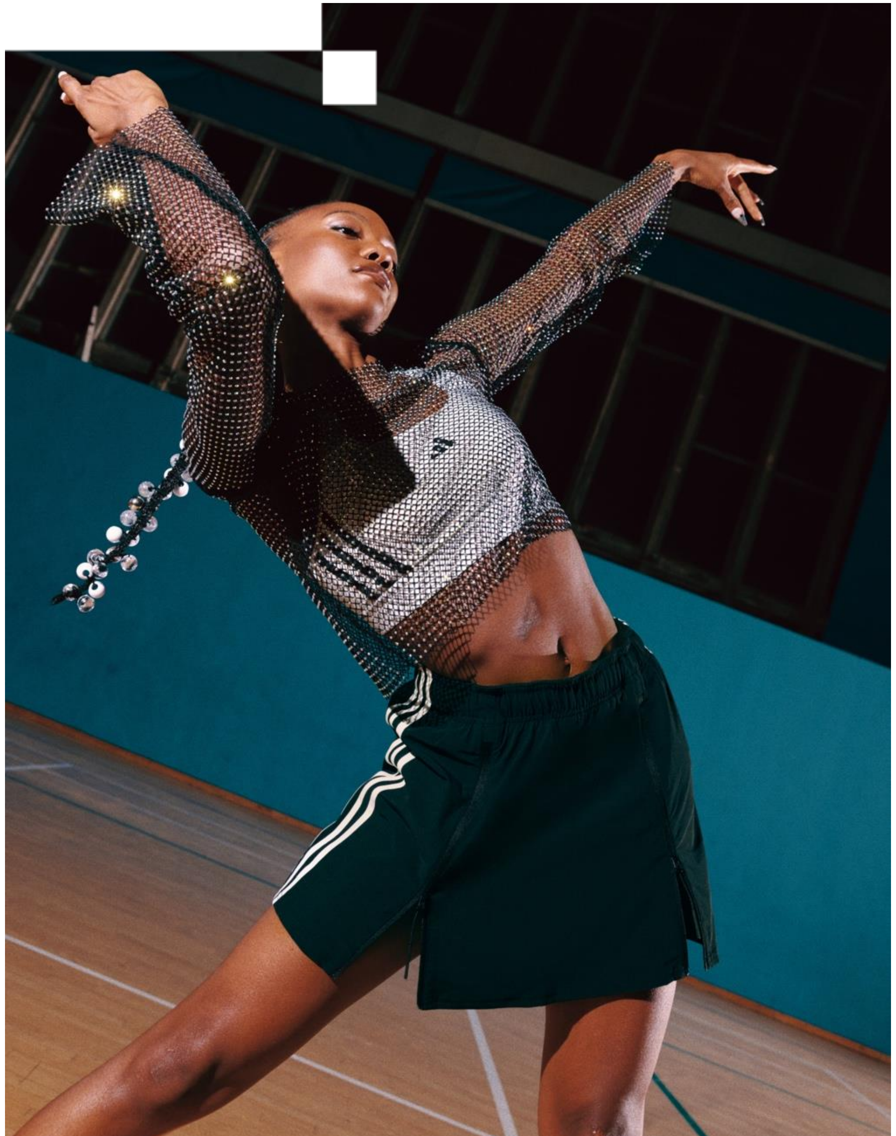
2. Transforming our customer experience

Speeding up ideation to delivery

Better alignment to business & customer outcomes

Better end-to-end ownership

Increasing software engineering capacity



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3. Re-establishing Topshop as a brand

TOPSHOP

4. Reducing unnecessary returns

Using data and insights to learn and drive forward a culture of minimizing returns rates

Product relevance

Delivering high quality products that meet (or exceed) customer expectations

On-site experience

Helpful and accurate product descriptions and size guides to ensure a consistent experience

Operational excellence

Efficient re-processing of returned stock to maximise customer satisfaction

Fair-use Policies

Ensuring the resources, service and privileges we provide customers are used responsibly and equitably

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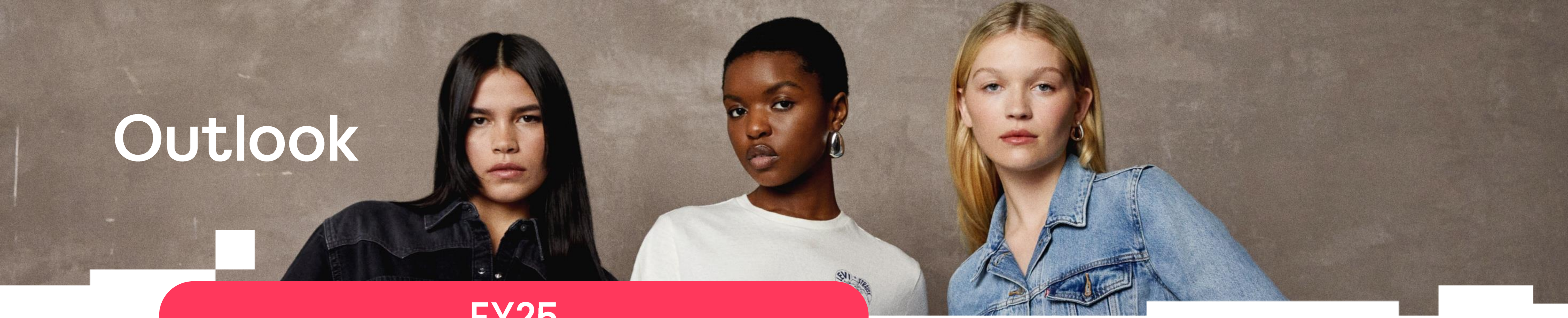


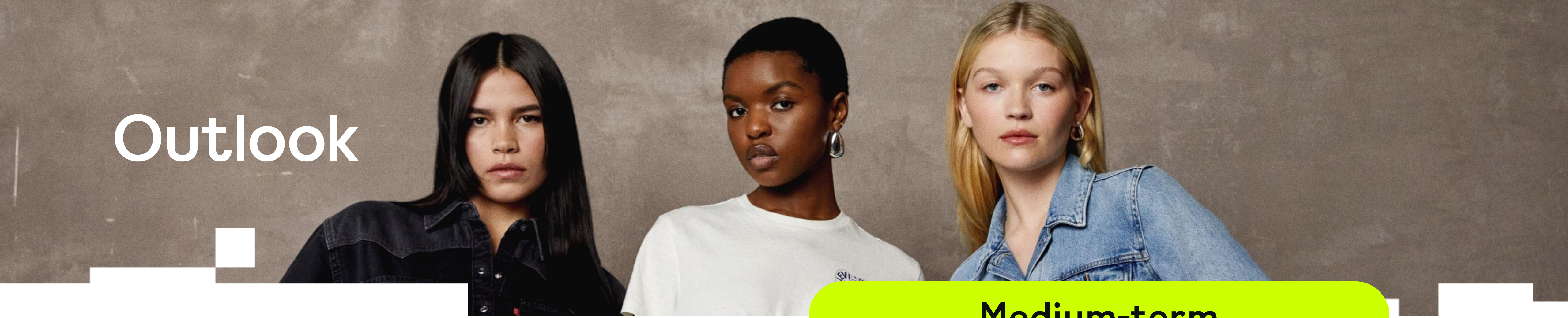
Outlook

FY25

- Gross margin improvement of at least 300bps to more than 46%
- Adj. EBITDA growth of at least 60% to £130m to £150m, after the impact of the TSTM JV[1]
- Revenue growth in line with consensus range[2] for FY25, with a continuation of current revenue trends in H1
- Free cash flow broadly neutral
- Capex of c.£130m
- Cash interest c.£35m, P&L interest c.£80m

[1] As guided in September, the TSTM JV is expected to have a £10-20m negative impact on EBITDA, and to be increasingly EBITDA accretive over time.
[2] Company-compiled consensus revenue growth range of -9% to +6%, as of 31 October 2024.

Outlook



Medium-term

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

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Appendix

TSTM joint venture

Financial impact

	FY25	Medium term	Commentary
Revenue			Tailwind as new channels (e.g. Brand.com) and partners established by ASOS. Also includes design fee
Gross margin			Immaterial impact on ASOS gross margin
Operating costs			Increase in operating costs as a result of royalty paid on TSTM sales
Operating income			Increasingly positive impact as JV's licence income (and therefore ASOS' profit share) grows
EBITDA	Negative £10-20m impact	Increasingly EBITDA accretive	