

The information contained within this announcement is deemed by the company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended) ("UK MAR"). Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

boohoo group plc – Trading Update ("boohoo" or "the Group")

Boohoo today provides an update for the three months to 30 November 2021 ("the Period"). Boohoo has seen gross demand growth in the Period exceed that achieved in each of the first and second quarters of the financial year, however expectations for the financial year ending 28 February 2022 will be lower than previously guided. This is as a consequence of significantly higher returns rates impacting net sales growth and costs, with continued disruption to our international delivery proposition impacting international demand, and significant ongoing pandemic-related cost inflation.

It is the view of the board that the factors currently negatively impacting the business are primarily related to the ongoing impact of the pandemic and are, therefore, transient in nature.

| £ million | Three months to 30 November | | | | Nine months to 30 November | | | |
|------------------------------|-----------------------------|-------|---------------|---------------|----------------------------|---------|---------------|---------------|
| | FY22 | FY21 | 1 Year Change | 2 Year Change | FY22 | FY21 | 1 Year Change | 2 Year Change |
| Group total net sales | 506.2 | 460.7 | 10% | 53% | 1,482.1 | 1,277.1 | 16% | 65% |
| By region | | | | | | | | |
| UK | 320.3 | 243.6 | 32% | 78% | 889.8 | 673.7 | 32% | 80% |
| ROE | 53.9 | 61.2 | -12% | 15% | 158.8 | 185.0 | -14% | 18% |
| USA | 104.6 | 121.3 | -14% | 36% | 355.1 | 323.5 | 10% | 89% |
| ROW | 27.4 | 34.6 | -21% | -4% | 78.3 | 95.0 | -17% | -2% |

Overview

- Gross sales up 28% in the three-month period, net sales up 10%
- Exceptional UK demand, validating the strength of our business model where our leading proposition across price, product and service continues to resonate strongly with customers across our brand portfolio
 - UK gross sales up 58% vs FY21; 102% vs FY20
 - UK net sales up 32% vs FY21; 78% vs FY20
 - Net sales impacted by returns rates that are 12.5 percentage points higher than last year, and 7 percentage points higher than pre-pandemic levels driven by an exceptionally high dress mix
- International performance across the Group's brands and markets impacted by significantly longer customer delivery times as a result of the pandemic, with all of our international sales currently fulfilled from our UK distribution network
 - Having seen strong signs of a recovery in September, revenue in Europe has declined in the latter months of the Period with increased consumer uncertainty
 - Performance in the US has not seen the recovery previously anticipated due to the continued impact of reduced air freight capacity on delivery times to customers
- Significant and ongoing pandemic related inbound freight cost inflation impacted gross margin in the Period, down 100bps year on year. This is estimated to impact EBITDA by approximately £20 million in the financial year, the majority of which is in the second half
- Strong balance sheet with current liquidity of over £170 million and net cash of £70 million
- The Group continues to invest in building a distribution network capable of supporting in excess of £5 billion of net sales, with our first US distribution centre expected to go live in 2023, and we are considering options to expedite this process.

Guidance and Outlook

For the year ending 28 February 2022, the Group now expects net sales growth to be 12% to 14%, compared to previous guidance of 20% to 25% growth. This reflects our expectation that the factors impacting our performance in the Period persist through the remainder of the financial year, and recent developments surrounding the Omicron variant could pose further demand uncertainty and elevated returns rates particularly in January and February.

Adjusted EBITDA margin for the year is expected to be 6% to 7%, compared to previous guidance of 9% to 9.5%, implying adjusted EBITDA of between £117 million to £139 million. This is due to significantly higher returns rates impacting net sales growth and costs, with continued extended delivery times impacting international demand, consequently driving lower returns on marketing expenditure, and significant ongoing pandemic-related inbound freight cost inflation.

The Group expects to incur cash exceptional items for the year of around £33 million, compared to £22.5 million previously guided, primarily due to warehouse and new brand restructuring.

The Group remains highly confident about its future growth prospects given the exceptional growth achieved in the UK where our leading proposition across price, product and service continues to resonate strongly with customers across our brand portfolio. The Group continues to make significant investment into its infrastructure, including progressing plans for its US distribution centre, to support its future international growth ambitions with a network capable of delivering in excess of £5 billion of net sales, and returning towards normalised growth rates of 25% per annum post-pandemic.

In addition, the Group's confidence in its medium-term margin guidance for 10% Adjusted EBITDA margin is unchanged, with financial performance this financial year containing costs that are pandemic-related which will unwind, as well as our investment into recently acquired brands and the Debenhams platform that will leverage as they scale. These costs consist of:

- inbound freight cost inflation of approximately £20 million;
- outbound freight cost inflation of approximately £45 million as a consequence of higher carriage rates compared to pre-pandemic levels; and
- start-up costs of approximately £10 million into the brands acquired earlier this year

John Lyttle, Group CEO, commented:

"The strong performance in our core UK market, across both our established and acquired brands, demonstrates the potential to capture and grow market share in key markets. In international markets, our proposition continues to be significantly impacted by ongoing service disruption due to the pandemic, which, in addition to increased recent consumer uncertainty, has weighed on our performance.

The Group has gained significant market share during the pandemic. The current headwinds are short term and we expect them to soften when pandemic related disruption begins to ease. Looking ahead, we are encouraged by the strong performance in the UK, which clearly validates the boohoo model. Our focus is now on improving the international proposition through continued investment in our global distribution network, capable of delivering in excess of £5 billion of net sales, to support future growth."

Investor and Analyst conference call

boohoo group plc will today host a conference call for analysts and investors at 7.30 am GMT, and a recording of this conference call will be available later today on the boohoo group plc investor website: <https://www.boohooplc.com/>

The dial in details for the call are as follows:

UK Number: +44 (0)330 336 9601

Participant pin code: 9556144

Notice of trading update

The Group intends to provide a trading update for the year ending 28 February 2022 in early March 2022.

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Enquiries

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Sophie Wills

About boohoo group plc

"Leading the fashion eCommerce market"

Founded in Manchester in 2006, boohoo is an inclusive and innovative global brand targeting young, value-orientated customers, pushing boundaries to bring its customers up-to-date and inspirational fashion, 24/7.

In 2017, the group extended its customer offering through the acquisitions of the vibrant fashion brand PrettyLittleThing and free-thinking brand Nasty Gal. In March 2019, the group acquired the MissPap brand, in August 2019 the Karen Millen and Coast brands and in June 2020 the Warehouse and Oasis brands, all complementary to the group's scalable, multi-brand platform. In January 2021, the group acquired the intellectual property assets of Debenhams, with the goal of transforming a leading UK fashion and beauty retailer into a digital department store and marketplace through a new capital-light and low-risk operating model. In February 2021, the group acquired the intellectual property assets of UK brands Dorothy Perkins, Wallis and Burton. As at 31 August 2021, the boohoo group had 19 million active customers across all its brands around the world.

Cautionary Statement

Certain statements included or incorporated by reference within this announcement may constitute "forward-looking statements" in respect of the group's operations, performance, prospects and/or financial condition. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words and words of similar meaning as "anticipates", "aims", "due", "could", "may", "will", "should", "expects", "believes", "intends", "plans", "potential", "targets", "goal" or "estimates". By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those

statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. 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. No responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast. This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase any shares or other securities in the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or investment decisions relating thereto, nor does it constitute a recommendation regarding the shares or other securities of the Company. Past performance cannot be relied upon as a guide to future performance and persons needing advice should consult an independent financial adviser. Statements in this announcement reflect the knowledge and information available at the time of its preparation. Liability arising from anything in this announcement shall be governed by English law. Nothing in this announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.