

FY23 Results

For the 12 months ended 28 February 2023

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Introduction

John Lyttle

Back to growth

Shaun McCabe

Financial Review

John Lyttle

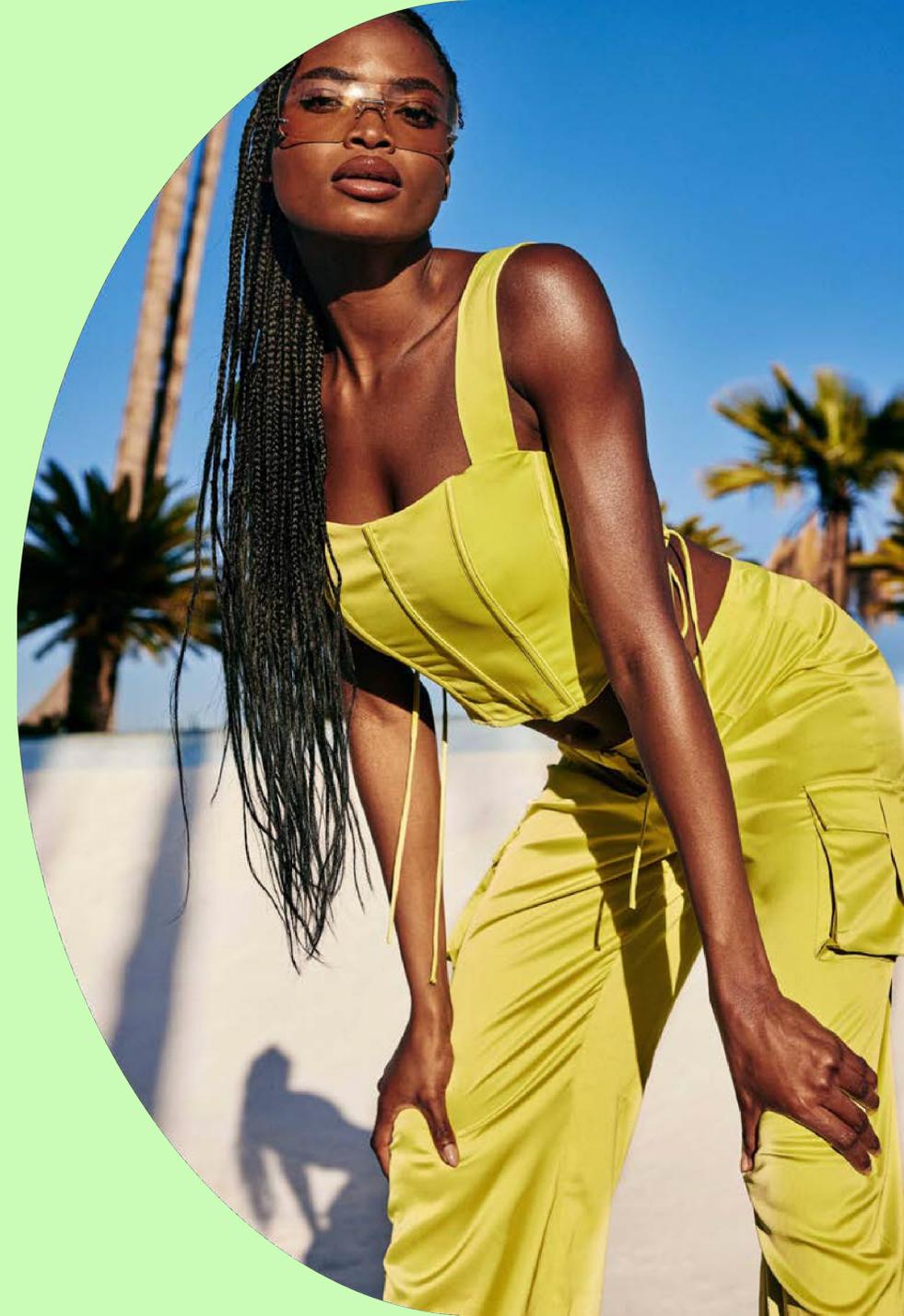
Strategic Update



Back to growth

John Lyttle – Group CEO

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Overview

Significant growth and market share gains over 3 years

Improving macro backdrop

Priorities:

- Test & Repeat
- Leaner, lighter, faster
- Automation efficiencies
- International fulfilment

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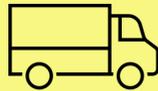




Improving outlook vs 6 months ago



Cost inflation outlook



Freight costs



Freight lead times



Consumer demand

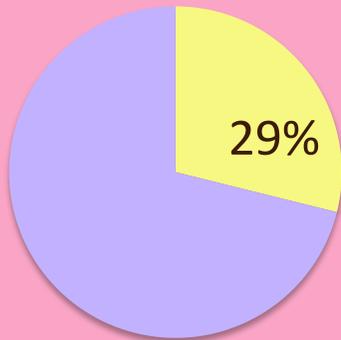


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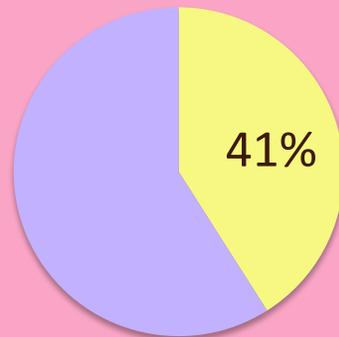
Significant *market opportunity*

Further online penetration

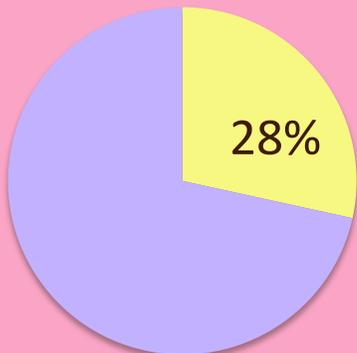
FY20



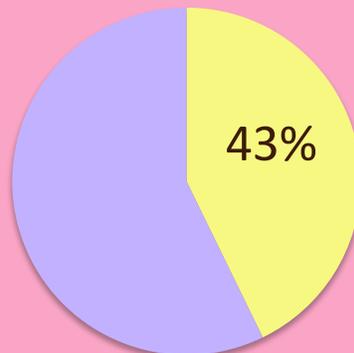
FY23



FY20



FY23

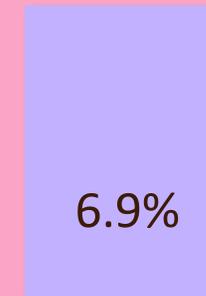


Market share increased

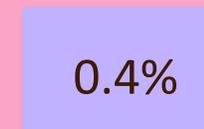
FY20



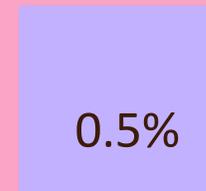
FY23



FY20



FY23



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Back to *Growth*

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

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Financial Review

For 12 months ended 28 February 2023

Shaun McCabe – Group CFO

Delivering *sustainable ROI*

Stock management

Cost out

Cash management

Selectively investing for growth

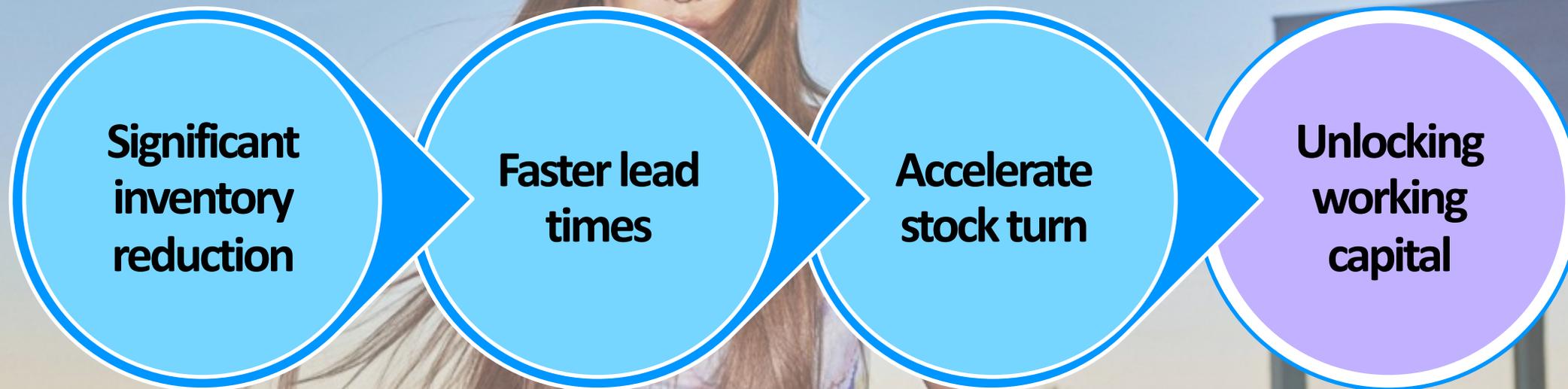
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Key Financial *Data*

12 months to Feb (£m)	FY23	FY22	Chg
Revenue	1,769	1,983	-11%
Gross Margin	50.6%	52.5%	-190bps
Adjusted EBITDA	63	125	-49%
Adjusted EBITDA Margin	3.6%	6.3%	-270bps
Net Cash / (Debt)	5.9	1.3	+4.6
Inventory	178	279	-36%

Leaner, lighter, *faster*



Inventory ↓ **36% YOY**

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Strong cash generation *underpins investments*



£330 million of liquidity headroom

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Tight cost control *with opportunity ahead*

Marketing

10.8%



Medium term view

Investment in growth

Distribution

23.0%



Scale and automation

Admin

13.2%



Cost out and scale



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Unlocking US



Growth



Faster delivery



Lower delivery costs



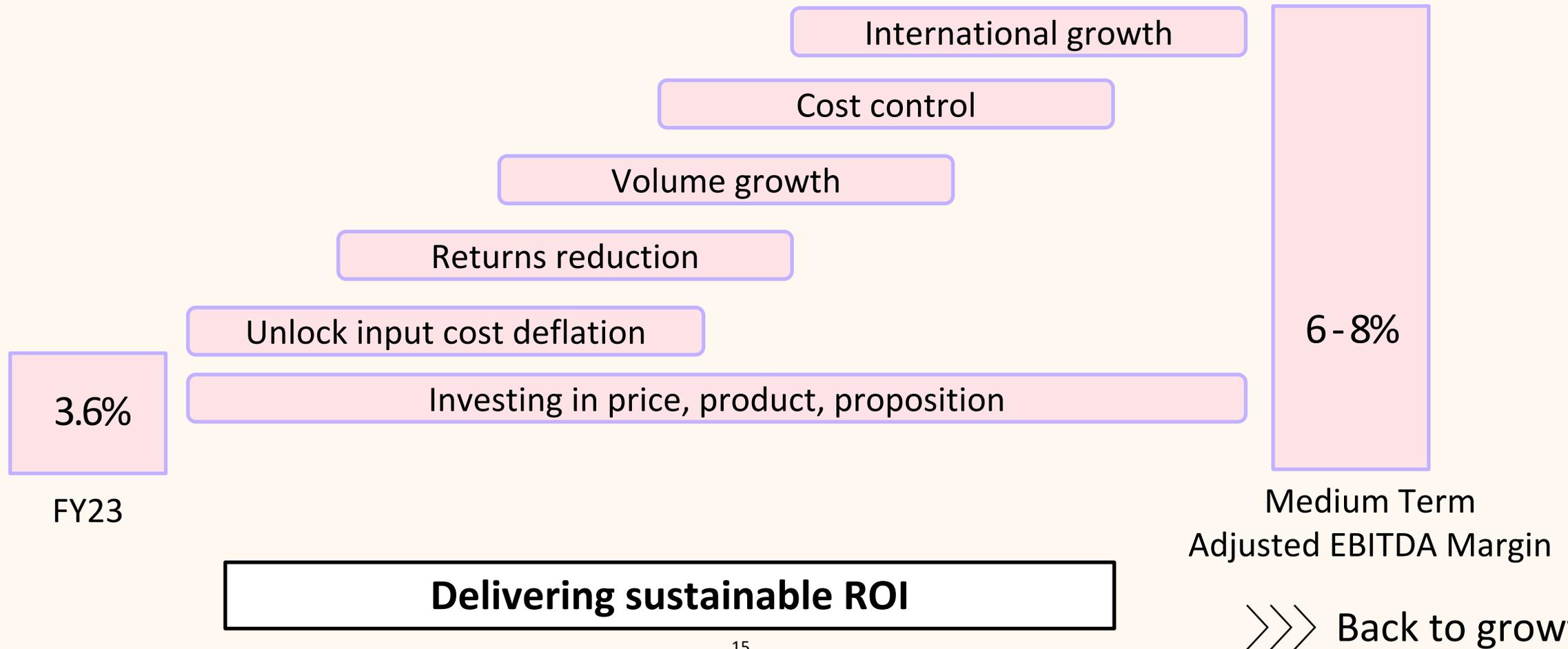
Additional capacity



Initial investment

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Clear path to improving *profitability*





FY24 Guidance

Full Year sales expected to be between flat & a decline of 5%

H1 sales expected to decline 10% to 15%, back to growth in H2

Adjusted EBITDA margin 4% to 4.5%

Capex: £80-90 million

FY24 year-end Net Debt / Adjusted EBITDA of ~1x



Strategic Update

John Lyttle – Group CEO

Test & Repeat

- *Flexible sourcing*
- *Short lead-time*
- *Outstanding value*

Leaner, lighter, faster



Fashion first, last & everything in between



2019

TRADITIONAL MIX



2020-21

ATHLEISURE / JERSEY



2022

PREMIUM / OCASSION WEAR



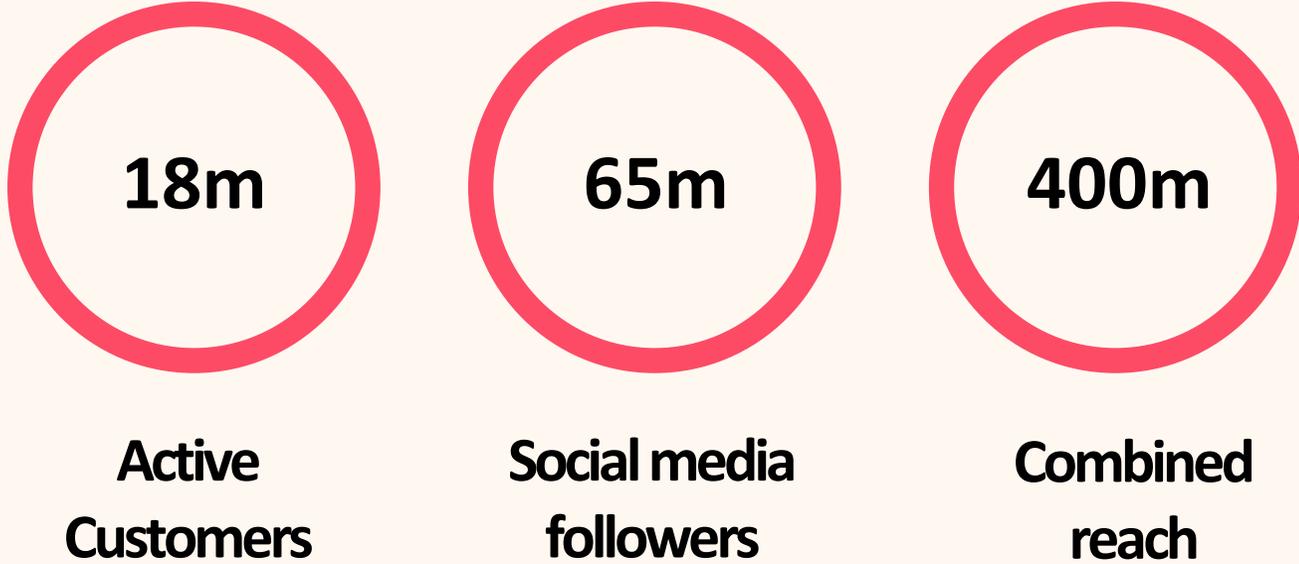
2023

BACK TO NORMAL

Up to 4k new lines added weekly

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Expanding our reach





Gearing for *growth*

Automation

Doubling capacity in Sheffield

Significant labour efficiencies

US Distribution Centre

Phased rollout

Transforming the delivery proposition

Debenhams

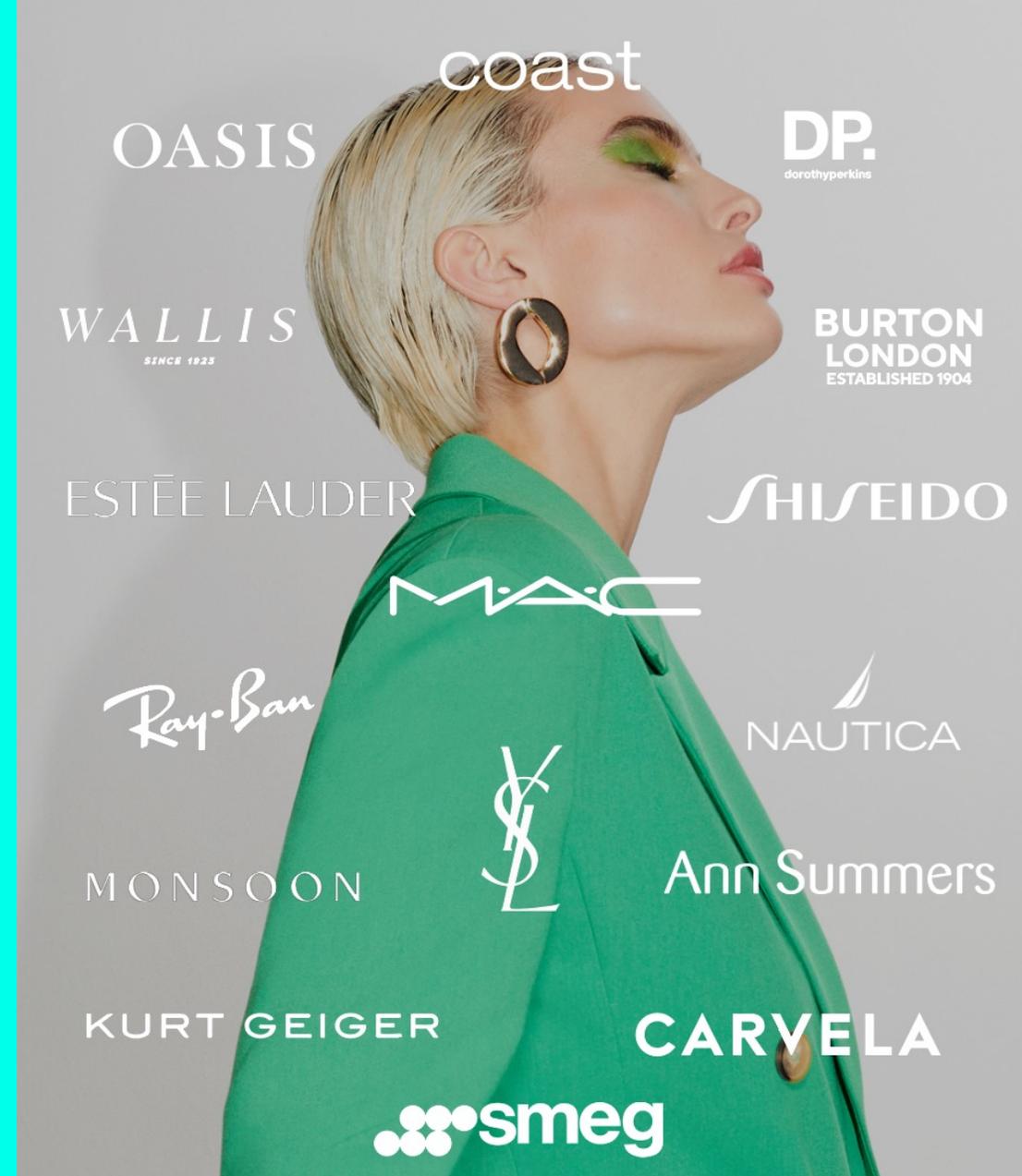
The digital department store

ACTIVE CUSTOMERS ↗ **2.5 MILLION**

BRANDS ON SITE ↗ **1,600**

PRODUCTS ON SITE ↗ **573,000**

UNPARALLELED CHOICE ACROSS
FASHION, BEAUTY AND HOME



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Global *Partnerships*



 Countries with wholesale presence

 THE VERY GROUP

 Myntra

VOGACLOSET

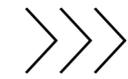
 ALSHAYA GROUP

ABOUT YOU[®]

Extends reach globally

Complementary routes to market

Elevates brand presence

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Summary

- Improving macro backdrop
- Controlling controllables
- Significant gains over 3 years

**Customer
First**

**Investing for
growth**

**Delivering
sustainable
ROI**

Leaner, lighter, faster...

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APPENDICIES

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CUSTOMER KPIs

<i>12 months to Feb (£m)</i>	FY 23	FY 22	Chg
Active Customers	18.0m	19.9m	-10%
Number of Orders	55.5m	62.4m	-11%
Order Frequency	3.08x	3.14x	-2%
Conversion rate to sale	3.7%	3.6%	10bps
Average Order Value	£53.32	£48.16	11%
Items per basket	2.82x	3.04x	-7%

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%

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OPERATING COSTS: FY20-23

<i>12 months to Feb (£m)</i>	FY 23	FY 22	Chg
Distribution`	407.2	467.9	-13%
Marketing	191.1	219.3	-13%
Other Admin	233.7	228.8	-2%
Total	832.0	916.0	-9%
Distribution	23.0%	23.6%	-60bps
Marketing	10.8%	11.1%	-30bps
Other Admin	13.2%	11.5%	+170bps
Total	47.0%	46.2%	+80bps

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GROUP BALANCE SHEET

<i>12 months to Feb (£m)</i>	FY 23	FY 22
Intangible assets	132	129
Property, Plant & Equipment	372	349
Right-of-use assets	136	50
Financial assets	0	3
Investments	15	0
Deferred tax	24	8
Non-current assets	679	538
Working capital	-105	-13
Lease liabilities	-139	-52
Net financial assets	-17	7
Cash and cash equivalents	331	101
Loans and borrowings	-325	-100
Deferred tax	-24	-25
Current tax liability	0	8
Net assets	400	464

GROUP CASH FLOW

12 months to Feb (£m)

FY 23

FY 22

Profit for the year	-76	-4
Share based payments	32	26
Depreciation and Amortisation	82	54
Finance income	-4	0
Finance expense	12	2
Loss on unsettled ineffective hedge contracts	14	0
Tax expense	-15	12
Change in working capital	85	-79
Operating cash flow	131	10
Capital expenditure	-91	-262
Investments	-15	0
Tax paid	6	0
Free Cash Flow	30	-251
Other Cashflows	199	76
Net Cash Flow	230	-175
Period End Gross Cash	331	101
Period End Net Cash / (Debt)	6	1

FINANCIAL CALANDER

EVENT	DATE
1H24 Interim Results	October 2023 (TBC)
Peak Trading Update	January 2024 (TBC)
FY24 Preliminary Results	May 2024 (TBC)

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
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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