



**boohoo**  
group plc

**OCTOBER 2023**

# AGENDA

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*HY 24*

**Shaun McCabe**

**John Lyttle**

**Financial Review**

**Back to Growth**

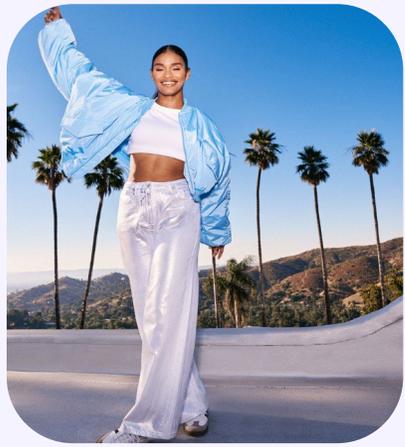


**FINANCIAL**

*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



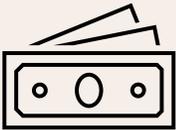
## *Stock Management*

**Improvements in  
stock turn**



## *Cash Management*

**£94 million  
reduction in inventory**



## *Cost Out*

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



## *Disciplined Investment*

**Reinvesting savings into  
growth opportunities**

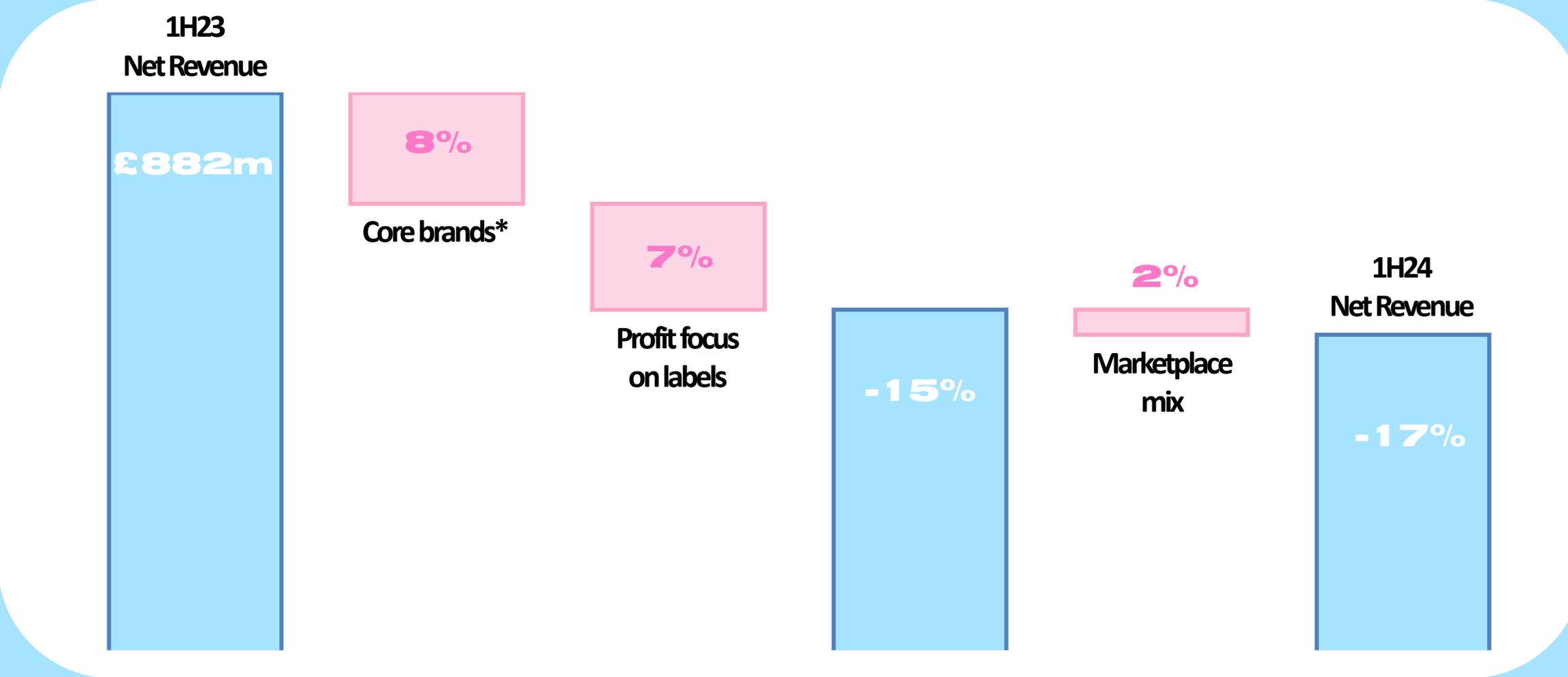


# Key Financial Data

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*

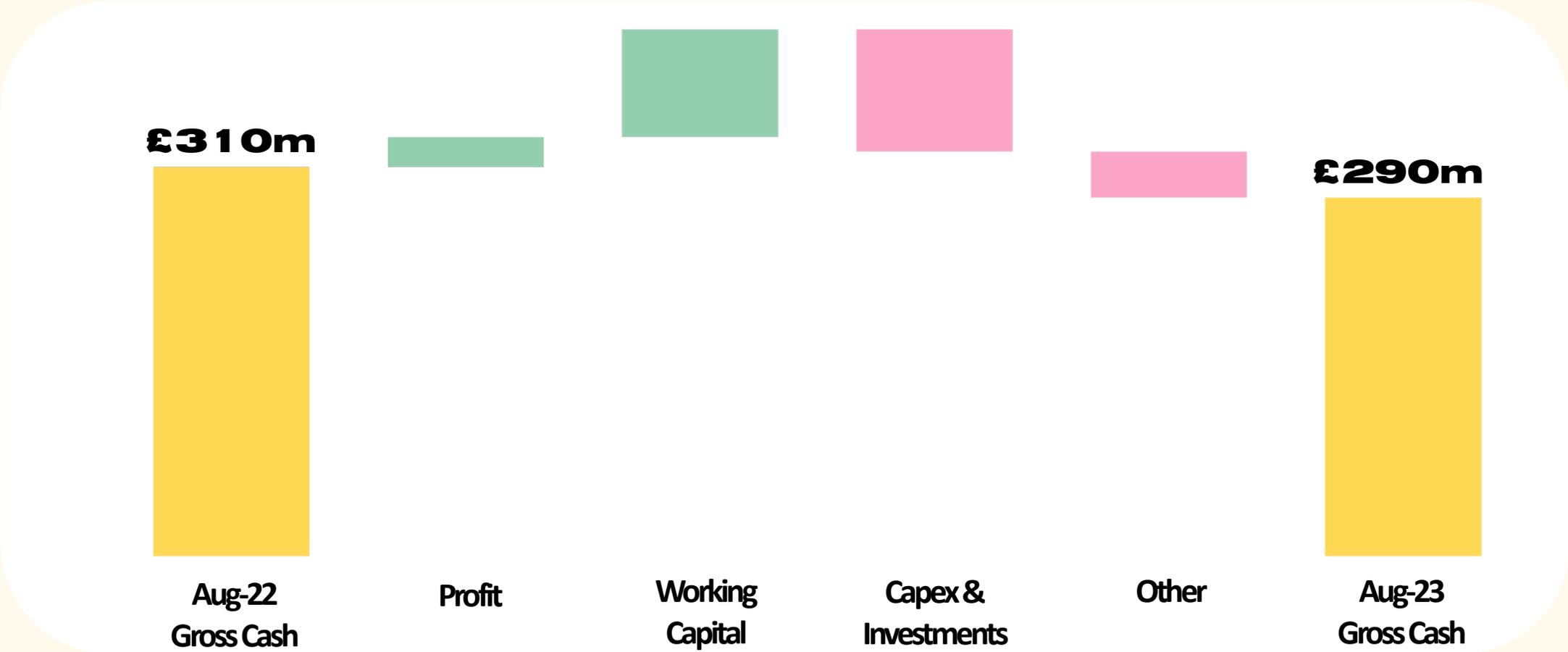
Six months to end August (£m)	HY24	HY23	Change
Marketing	90.0	93.6	-4%
Distribution	164.8	212.3	-22%
Admin Costs	103.2	122.2	-16%
<b>Operating Costs</b>	<b>358.0</b>	<b>428.1</b>	<b>-16%</b>

- 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**

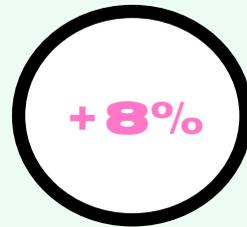
# Reinforcing *Value credentials*

## Average Selling Price

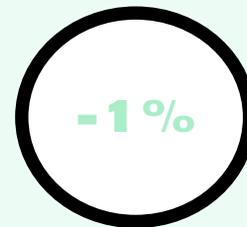
AUG 22

AUG 23

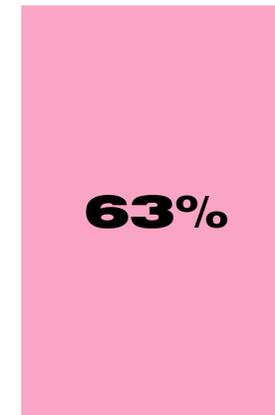
UK market



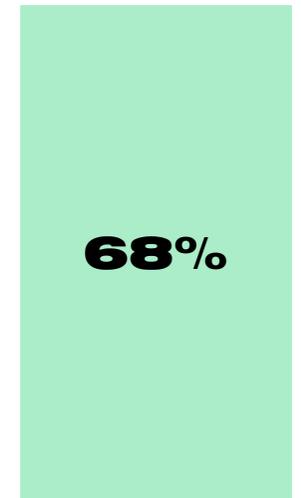
boohoo group



## Increasing product mix at entry price points



1H23



1H24

# Leaner, lighter, faster

Backing more winners

Improved lead times

Faster stock turn

Relevant, fresher inventory

## H 1 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**

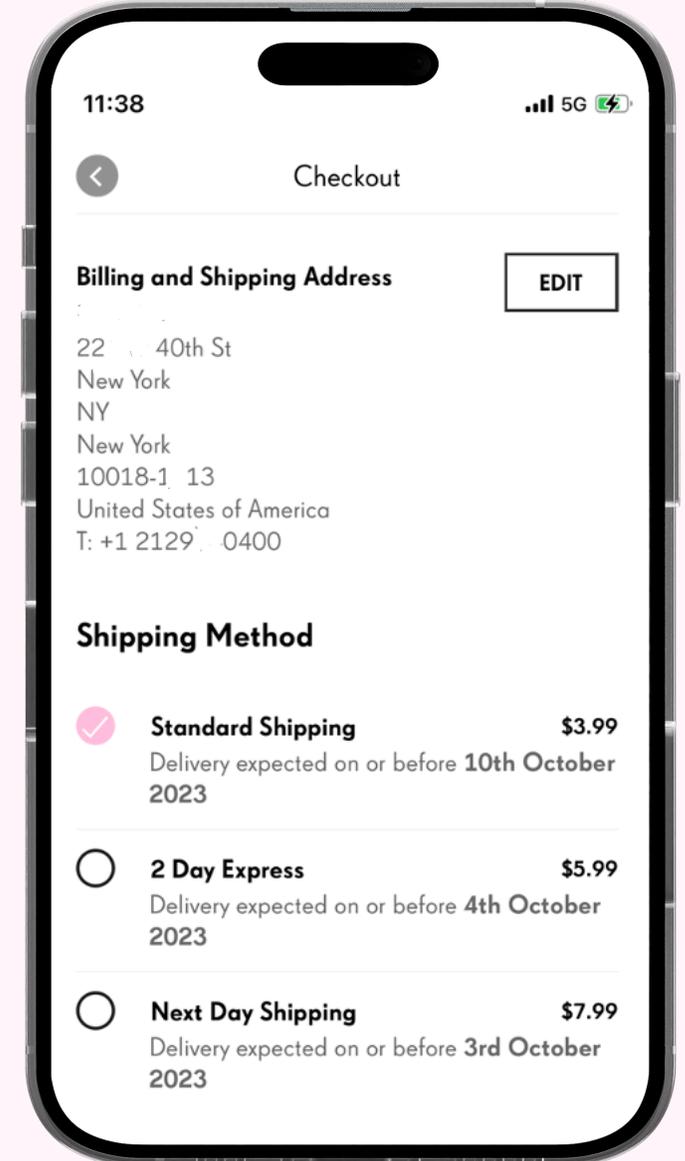
## POST GO-LIVE AMBITION

**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



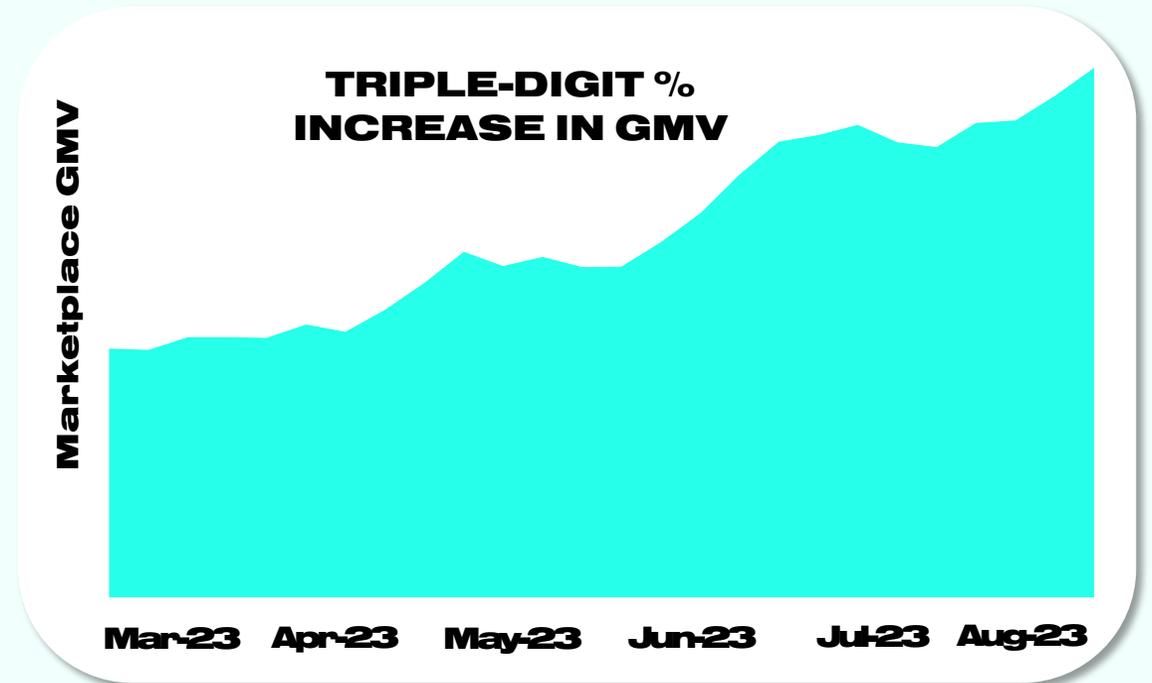
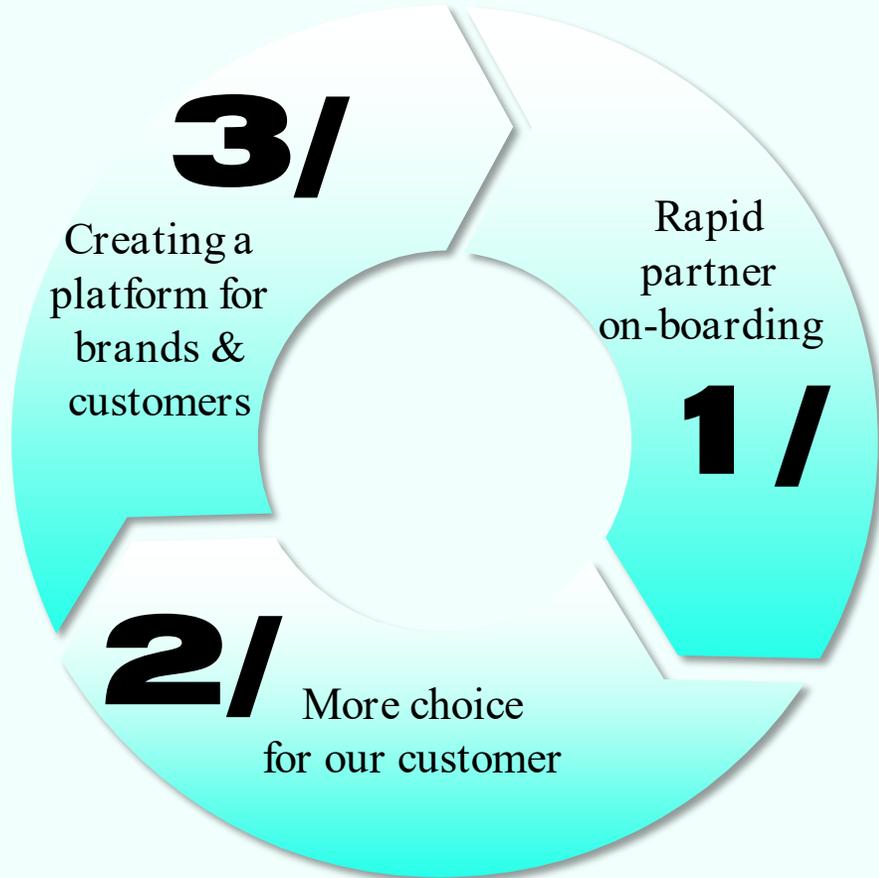
Summer '24:  
Boohoo  
launch



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>	<b>1H 24</b>	<b>1H 23</b>	<b>Chg</b>
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
<b>Total</b>	<b>370.1</b>	<b>445.7</b>	<b>-17%</b>	<b>-17%</b>	<b>359.0</b>	<b>436.7</b>	<b>-18%</b>	<b>-18%</b>	<b>729.1</b>	<b>882.4</b>	<b>-17%</b>	<b>-18%</b>
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
<b>Total</b>	<b>445.7</b>	<b>486.0</b>	<b>-8%</b>	<b>-10%</b>	<b>436.7</b>	<b>489.8</b>	<b>-11%</b>	<b>-13%</b>	<b>882.4</b>	<b>975.8</b>	<b>-10%</b>	<b>-11%</b>
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

	4m to 31 December				2m to 28 February				12m to 28 February				
	£m	FY23	FY22	YOY %	YOY % CER	FY23	FY22	YOY %	YOY % CER	FY23	FY22	YOY %	YOY % CER
<b>Total</b>		<b>637.7</b>	<b>714.5</b>	<b>-11%</b>	<b>-13%</b>	<b>248.6</b>	<b>292.4</b>	<b>-15%</b>	<b>-17%</b>	<b>1,768.7</b>	<b>1,982.8</b>	<b>-11%</b>	<b>-13%</b>
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%

	3m to 31 May				3m to 31 February				6m to 31 August				
	£m	FY23	FY22	YOY %	YOY % CER	FY23	FY22	YOY %	YOY % CER	FY23	FY22	YOY %	YOY % CER
<b>Total</b>		<b>445.7</b>	<b>486.0</b>	<b>-8%</b>	<b>-10%</b>	<b>436.7</b>	<b>489.8</b>	<b>-11%</b>	<b>-13%</b>	<b>882.4</b>	<b>975.8</b>	<b>-10%</b>	<b>-11%</b>
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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>	<b>H1 24</b>	<b>H1 23</b>	<b>Chg</b>
Marketing	90.0	93.6	-4%
Distribution	164.8	212.3	-22%
Other Admin	103.2	122.2	-16%
<b>Total</b>	<b>358.0</b>	<b>428.1</b>	<b>-16%</b>
Marketing	12.3%	10.6%	170bps
Distribution	22.6%	24.1%	-150bps
Other Admin	14.2%	13.8%	40bps
<b>Total</b>	<b>49.1%</b>	<b>48.5%</b>	<b>60bps</b>

# 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
<b>Non-current assets</b>	<b>680</b>	<b>566</b>
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
<b>Net assets</b>	<b>380</b>	<b>425</b>

# 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
<b>Operating cash flow</b>	<b>22</b>	<b>41</b>
Capital expenditure	-36	-39
Proceeds from the sale of fixed assets	1	1
Investments	-1	-7
Tax paid	2	2
<b>Free Cash Flow</b>	<b>-13</b>	<b>-3</b>
Other Cashflows	-27	216
<b>Net Cash Flow</b>	<b>-41</b>	<b>213</b>
<b>Period End Gross Cash</b>	<b>290</b>	<b>315</b>
<b>Period End Net Cash / (Debt)</b>	<b>-35</b>	<b>-10</b>

# GLOSSARY

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

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