boohoo group plc

H125 RESULTS

FOR THE 6 MONTHS ENDED 31 August 2024

AGENDA

- **HY25 Overview** Dan Finley
- **Financial Review** Stephen Morana
- **Maximising shareholder value** Dan Finley
- **Summary and Q&A**

boohoo group plc

DAN FINLEY
GROUP CEO

H125 OVERVIEW

OVERVIEW OF HY25

- Announcement of new CEO – new beginnings
- Successful equity placing
- Group plans to unlock and maximise value for all shareholders, through its Business Review
- Capital markets day, Q1 2025
- Completion of refinancing with existing lenders
- GMV trend continues to improve, EBITDA impacted by investment into brands
- Continued growth in Debenhams marketplace, c.10,000 brands on our platform already achieving 2024 target (c.3,500 vs Feb-24)
- Positive GMV growth in Karen Millen
- Performance in Youth Brands impacted by weak consumer environment
- Continued cost reduction, operating costs down £128m vs H1 23. Well ahead of target annualised savings of £125m vs FY23

STEPHEN MORANA

GROUP CFO

FINANCIAL REVIEW FOR 6 MONTHS ENDED
31 AUGUST 2024

FINANCIAL OVERVIEW | H125

- **GMV post returns (6)% YOY, continued improvement vs trend. Higher GMV expected in H2 vs H1**

  - H1 24 (16)%, H2 24 (10)%

- **Revenue (15)% YOY, greater impact from Marketplace effect, Youth Brands impacted by macro environment**
- **Adjusted EBITDA £21m H1. H2 performance expected to be stronger than H1, despite further investment into the brands**
- **Decisive action to close US distribution centre to focus on profitability**
- **Refinancing completed**
- **Inventory down £38m vs Feb-24, continued focus on being lean & stockless model**
- **Capex of £15m, down £21m vs H1 24. Focus on free cash flow**

KEY FINANCIAL | DATA

6 MONTHS AUG (£M)	H1 25	H1 24	*CHG*
GMV Pre Returns	1,177	1,270	*(7)%*
GMV Post Returns	808	861	*(6)%*
Revenue	620	729	*(15)%*
Gross Margin	50.7%	53.4%	*(2.7)%pts*
Operating Costs*	(294)	(358)	*(18)%*
Adjusted EBITDA	21	31	*(11)*
Adjusted EBITDA %	3.4%	4.3%	*(0.9)%pts*

AS AT AUG (£M)	H1 25	FY24	*CHG*	H1 24	*CHG*
Net Cash / (Debt)	(143)	(95)	*(48)*	(35)	*(108)*
Inventory	170	208	*(38)*	176	*(6)*

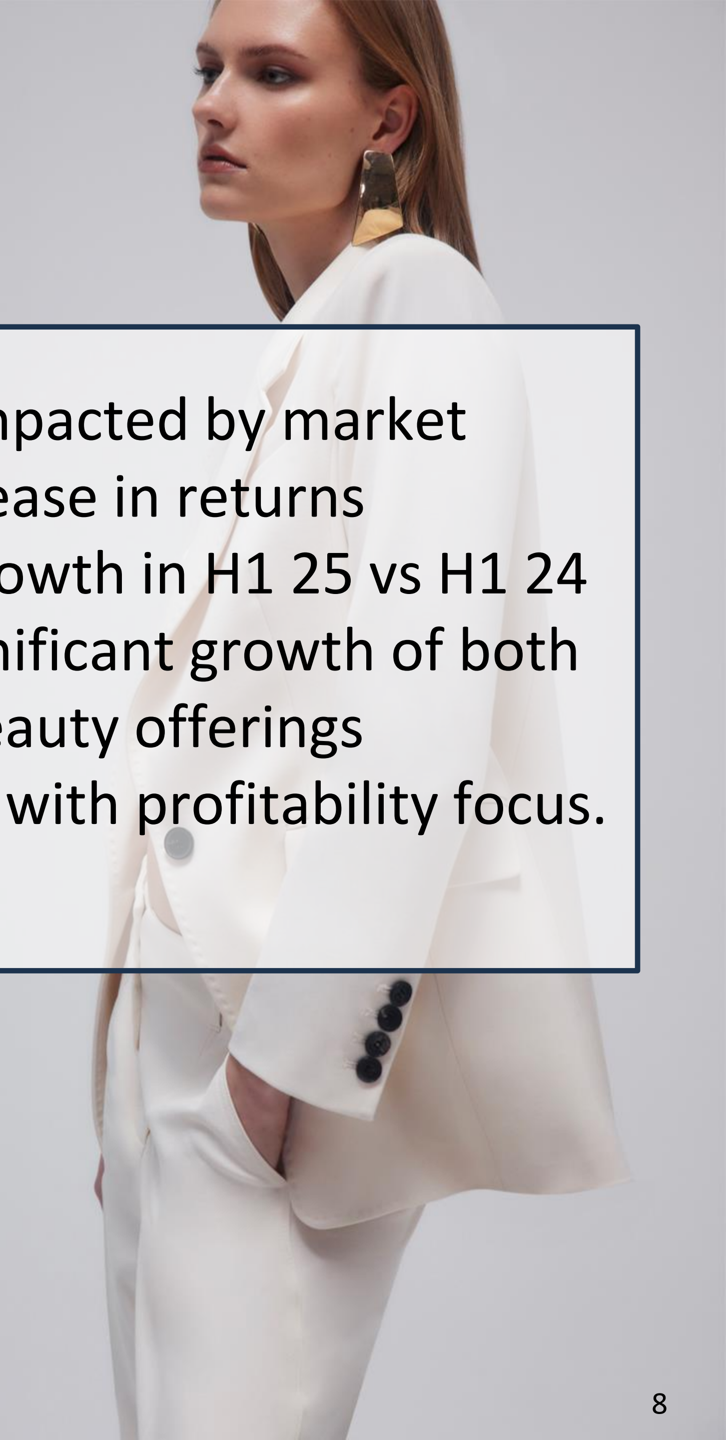
**Excluding depreciation, amortisation, exceptional items & share based payments*

H125 GMV PRE & POST RETURNS

	H1 25	H1 24	*YoY%*
GMV Pre Returns	1,177	1,270	-7.3%
Youth Brands	833	991	*-15.9%*
Karen Millen	78	76	*2.3%*
Debenhams Group	266	202	*31.2%*
Debenhams	*179*	*66*	*170.1%*
Debenhams Labels	*87*	*136*	*-36.5%*
GMV Post Returns	808	861	-6.2%

Youth brands include: boohoo, boohooMAN, PrettyLittleThing and NastyGal. Debenhams includes both marketplace and beauty

- Youth brands – impacted by market conditions & increase in returns
- Karen Millen – Growth in H1 25 vs H1 24
- Debenhams – significant growth of both Marketplace & Beauty offerings
- Labels - managed with profitability focus. Trend improving

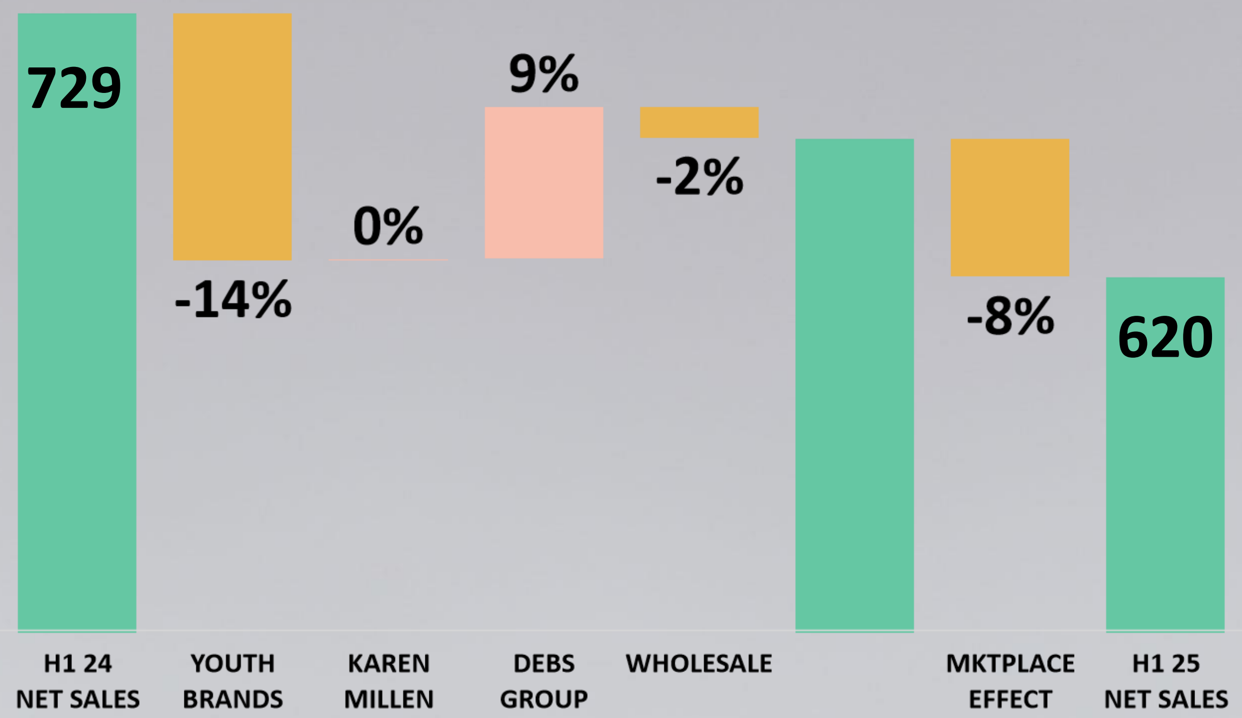


H125 NET REVENUE

- Continued market headwinds & consumer demand
- Labels profitably managed with ongoing migration onto Marketplace to support own brand products
- Wholesale shown separately from brands, reduction driven by focus on profitability
- Marketplace effect represents the recognition of commission rather than the product value for accounting purposes

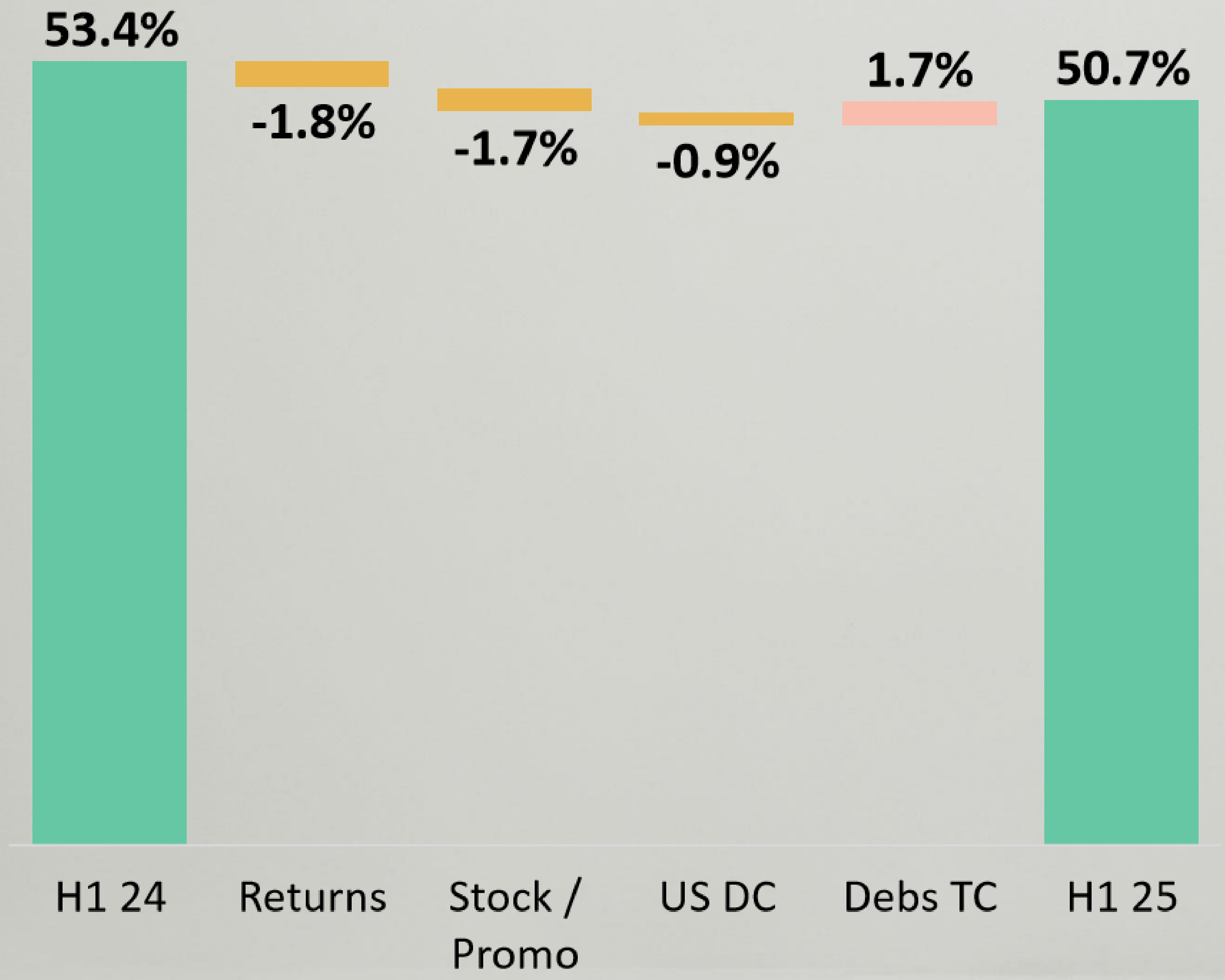
	H1 25	H1 24	YOY
TOTAL	620	729	-15.0%
% pts movement			
Youth brands	506	611	-17.3%
Karen Millen	32	31	2.2%
Debenhams	160	95	68.2%
Wholesale	2	16	-85.3%
Marketplace effect	-80	-25	227.0%

Amounts in Youth Brands, Karen Millen & Debenhams exclude Wholesale



Youth brands include: boohoo, boohooMAN, PrettyLittleThing and NastyGal

GROSS MARGIN



- **Returns** increase in line with other peers & industry. Focus on improving supplier quality & removing unprofitable, significantly high returning customers
- **Stock / Promo** promo activity to reduce excess stock, inventory down £38 million vs Feb-24, and react to weak consumer environment
- **US DC** Margin impact on increased duty and freight
- **Debenhams** margin improvement on the Group. Debenhams EM 100% Gross Margin business

Changes to operations in the US market

- As announced on 11th September, cease supplying US customers from US DC, all US orders fulfilled from state-of-the-art automated UK DC in Sheffield
- PLT and NastyGal impacted brands
- Cheaper, faster and more reliable carriage into US from the UK vs recent trends
- Full product range offered to US customers following trial
- US DC had a negative EBITDA margin impact on H1 25 of 120bps
- Cost benefits of closure expected in second half of H2 25

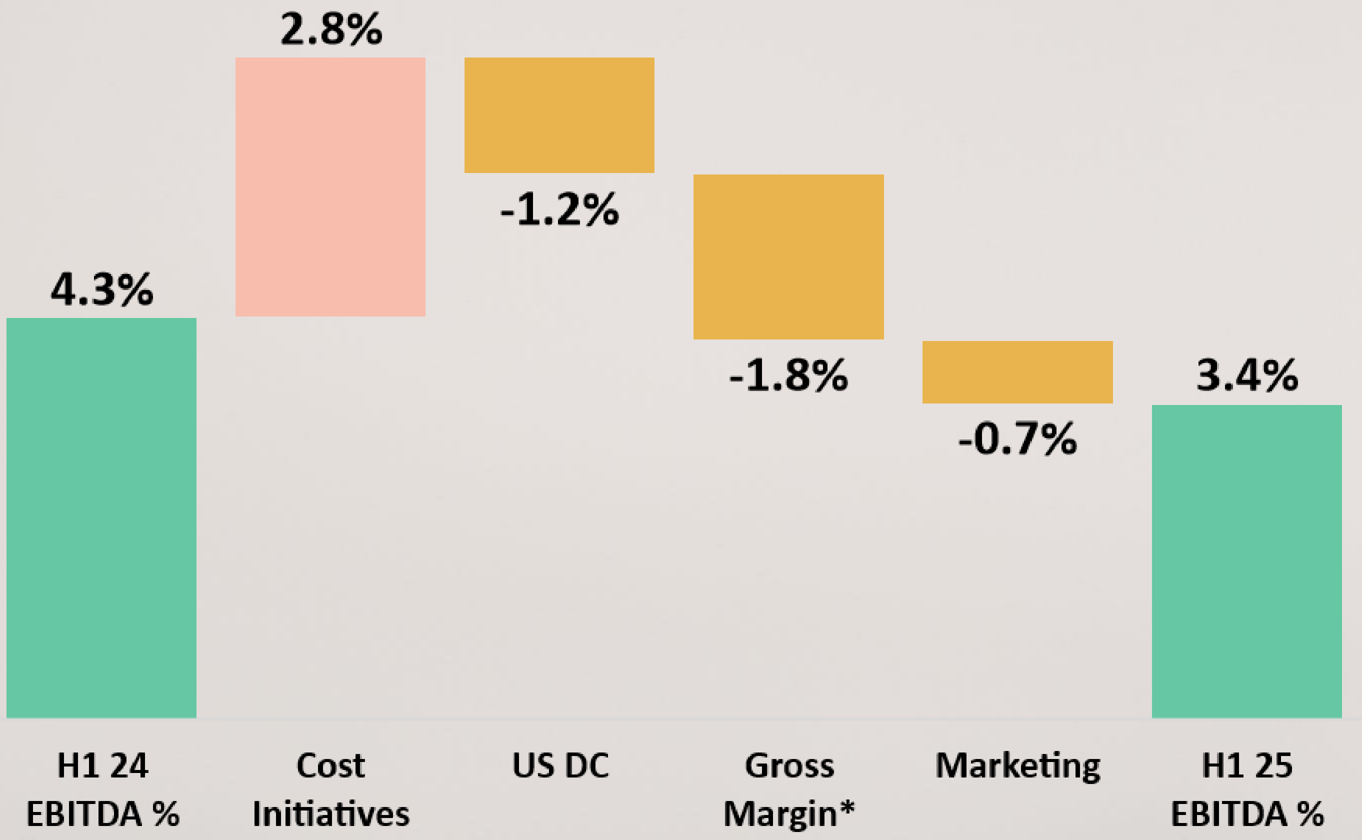
CONTINUED COST MANAGEMENT

6 MONTHS AUG (£M)	H1 25	H1 24	H1 25 vs H1 24	H1 23	H1 25 vs H1 23
MARKETING	81	90	*(10)%*	94	*(14)%*
DISTRIBUTION	142	165	*(14)%*	212	*(33)%*
ADMIN COSTS	78	103	*(25)%*	122	*(37)%*
OPERATING COSTS*	**300**	**358**	***(16)%***	**428**	***(30)%***

**Excluding depreciation, amortisation, exceptional items & share based payments*

- Marketing reducing as leverage of growing brands increases
- Distribution costs expected to reduce, partly driven by closure of US DC
- Overhead costs tightly managed despite inflationary headwinds
- **£128m reduction in Operating Costs vs H1 23**
- **Now delivered £125m annualised fixed cost saving. Cost reduction programme continues with further benefits expected in H2**

EBITDA MARGIN



**Gross margin excludes the impact of US distribution centre*

- **Cost initiatives –** structural operating cost savings
- **US DC –** additional US duty, warehouse costs offset by carriage savings
- **Gross margin* –** increased returns and higher promo activity offset by Debenhams growth
- **Marketing –** investment into brand growth to maximise shareholder value

NET DEBT SUMMARY

FY24 Net Debt	**(95.0)**
Inflows	
Adjusted EBITDA	20.8
Stock	38.1
Outflows	
Working Capital Timing	(66.4)
Capex	(14.9)
Exceptional Costs	(9.7)
Finance & Lease Costs	(16.0)
HY25 Net Debt	**(143.1)**

Net Debt decreased by £(48.1) million from FY24 to HY25, key movements were:

- Inflows from EBITDA and stock reduction programme
- Outflows include: £(66)m working capital timing of payments; capex payments of £(14.9)m down £21.4m vs H1 23; and exceptional cash costs of £(9.7)m predominately relating to the closure of US & UK distribution centres

EXCEPTIONAL COSTS & IMPAIRMENT OF ASSETS

TWELVE MONTHS TO END OF FEB (£M)	H1 25	H1 24
US Distribution Centre Lease Asset Write-Off	(64.5)	-
US Distribution Centre Asset Write-Off	(28.8)	-
US Distribution Closure	(7.6)	
Other Distribution Centre costs	(2.8)	(8.6)
Other exceptionals	(5.0)	(1.6)
Total P&L impact of adjusting items	**(108.7)**	**(10.2)**

- US DC asset write downs to reflect closure of site
- US DC costs relate to additional stock provision (non-cash) and closure costs. US cash impact for 1H FY25 of £1.3m
- Other Distribution Centre costs relate to UK warehouse rationalisation programme
- Other exceptionals relate re-platforming the group's e-commerce front end to its own in-house developed tech stacks

2025 OUTLOOK

- **Higher GMV and a stronger adjusted EBITDA performance in H2, when compared to H1 25, despite further investment to drive shareholder value**
- **Strong continued Marketplace growth**
- **Ongoing headwinds in Youth Brands**
- **Benefits from historic cost actions to reduce cost base YoY**
- **Significantly reduced capex vs prior periods**

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DAN FINLEY

GROUP CEO

BRAND UPDATES

MAXIMISING VALUE FOR ALL SHAREHOLDERS

The Board has a credible plan to unlock and maximise shareholder value through its Business Review

PRETTYLITTLETHING

boohoo

MAN

Debenhams

KAREN MILLEN

DEDICATED AUTOMATED INFRASTRUCTURE

SHEFFIELD, UK **BURNLEY, UK**

CEO leading the process

Independent advisors appointed

Ongoing actions to strengthen further through non-core, non-strategic assets

Capital markets day planned for Q1 2025

PRETTYLITTLETHING






- On-trend fashion for everyBODY
- Strong brand identity, loyal customers & scale
- +26 million social media followers
- Over 40% of 16-25 year old females in the UK have shopped in the last two years
- Supported by state-of-the-art infrastructure
- Potential to partner with other brands and expand customer offering into marketplace
- Speed to market, agile fast turning inventory

KAREN MILLEN

ESTABLISHED BRAND

FORWARD THINKING STYLE PIONEER

CAREER MINDED WOMEN

AFFORDABLE LUXURY FASHION

- **Delivering H1 Growth: GMV pre returns LTM +£150m**
- **High Gross Margin business**
- **Transformed into a digital first, premium, global brand**
- **Expanding into capital light, low risk licensing partnerships**
- **Leveraging 3rd party opportunities**

WE ARE DEBENHAMS

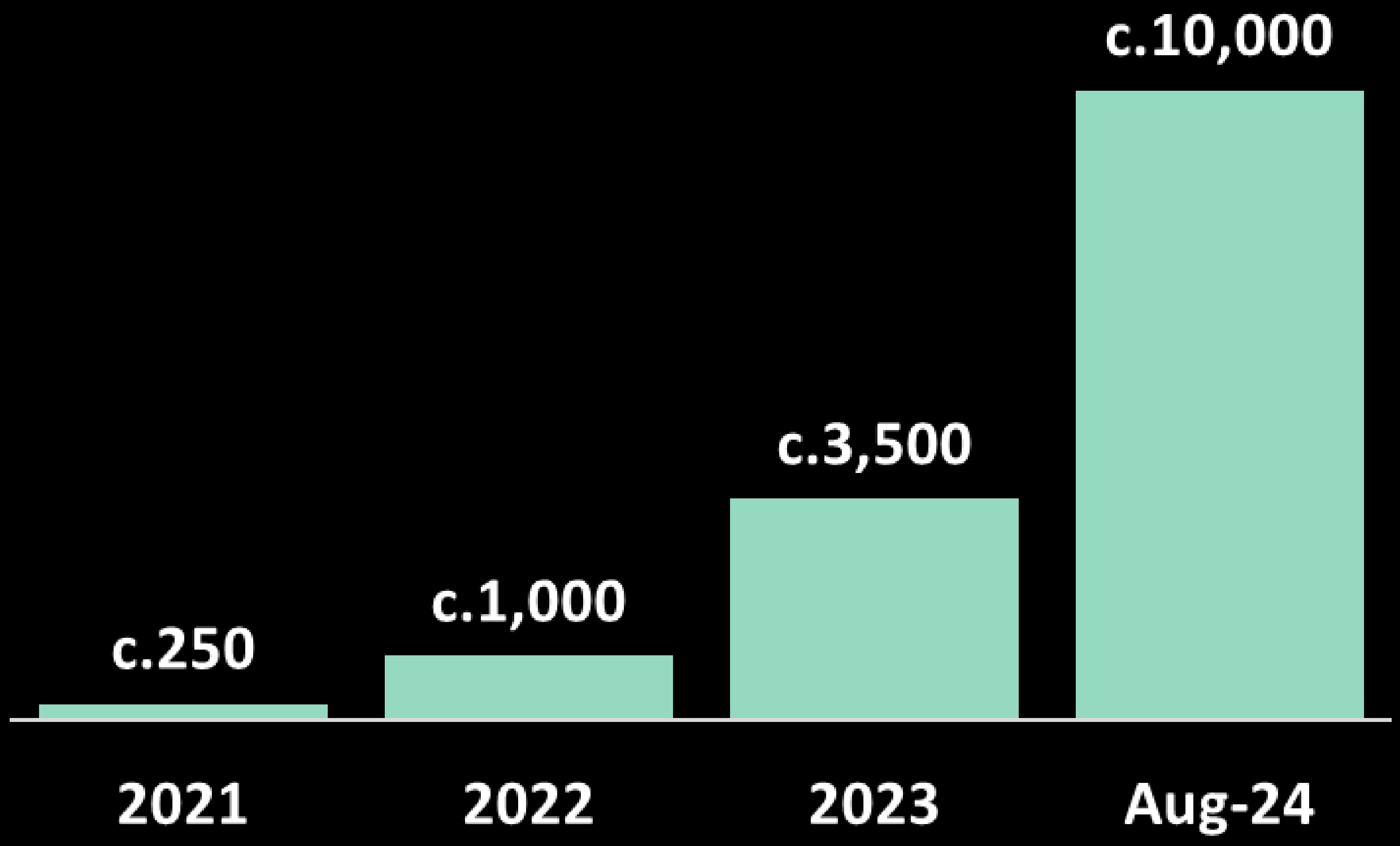
PROUD HISTORY, ICONIC BRITISH BRAND

VISION TO BE THE GREAT BRITISH DIGITAL DEPARTMENT STORE

CUSTOMER & PARTNER DESTINATION OF CHOICE

SELECTION
CURATION
PERSONALISATION
DESTINATION

Debenhams



PARTNERS ONBOARD

Kiehl's
SINCE 1851
ESTĒE LAUDER
SHISEIDO
M·A·C
MARC JACOBS
PRADA
benefit
SAN FRANCISCO
CLARINS
it
iT COSMETICS
KIKO
MILANO
Murad
DAISY WILD
MARC JACOBS
LANCÔME
PARIS
URBAN
DECAY
YSL
BOSS
HUGO BOSS
WAYNE GOSS
DOLCE & GABBANA
Timberland
WAREHOUSE
coast
WHISTLES
ALTRA
crocs
NAPAPIJRI
TED BAKER
LONDON
DKNY
LACOSTE
HOFF
GANT
BOSS
HUGO BOSS
VERSACE
Juicy Couture
PUMA
Aquascutum
LONDON
HUNTER
havaianas
smeg
beko
LEGO
YANKEE CANDLE
LIVIVO
Shark
dyson
Outsunny
Slumberdown
bodum
KENWOOD
Roberts
morphy richards
maze
Virgin wines
Cotton
TRADERS
neo

ELIZABETH HURLEY STUNS IN GLITZY NEW CHRISTMAS ADVERT FOR DEBENHAMS ALONGSIDE SUPERMODEL LEOMIE ANDERSON AND HANNAH COOPER-DOMMETT.

THE MAIL

WITH A STAR-STUDDED CAST INCLUDING ELIZABETH HURLEY, LEOMIE ANDERSON, ELLIE TAYLOR, AND HANNAH COOPER-DOMMETT, THIS AD SUGGESTS HOW EASY FESTIVE ONLINE SHOPPING CAN BE.

THE SUN

ELIZABETH HURLEY'S SEQUIN PARTY DRESS IS PERFECT FOR CHRISTMAS - AND IT'S FROM DEBENHAMS.

THE MIRROR

WE ARE GETTING RESULTS

10K BRANDS ON OUR PLATFORM
RAPID GMV GROWTH
PROFITABLE

OPPORTUNITY AHEAD

Debenhams

Continued growth, target of +£1.5bn GMV pre returns with double digit EBITDA margin

PRETTYLITTLETHING

boohoo MAN

+£1.8bn GMV pre returns business today. 6-8% EBITDA margin target

KAREN MILLEN

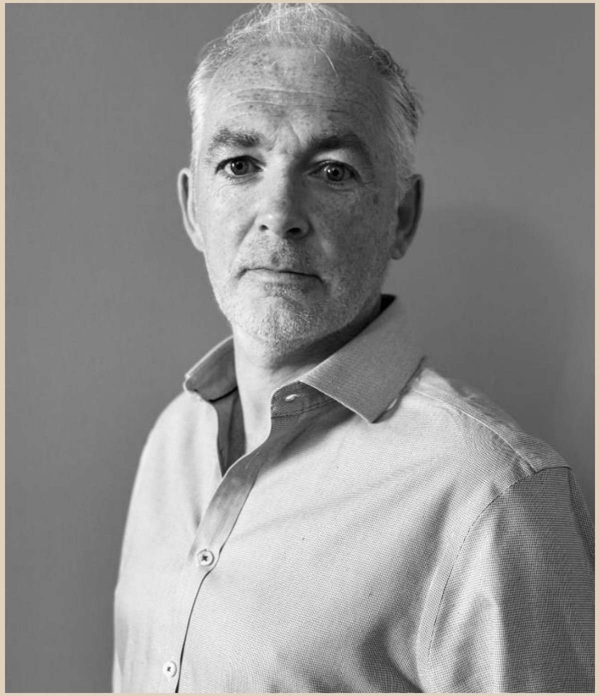
Premium, high margin brand. Double digit EBITDA margin target

SUMMARY

- New beginnings
- Successful equity placing
- Business review underway
- Potential to scale marketplace model
- Opportunity to further reduce stock levels
- More significant cost efficiencies
- Capital markets day, Q1 2025
- Maximise value for all shareholders

Q&A

DAN FINLEY
Group CEO



STEPHEN MORANA
Group CFO

APPENDICES

INCOME STATEMENT

6 MONTHS AUG (£M)	HY25	HY24
Revenue	**619.8**	**729.1**
Cost of sales	(305.4)	(339.9)
Gross profit	**314.4**	**389.2**
Gross margin	50.7%	53.4%
Operating costs	(294.3)	(358.0)
Other income	0.7	0.1
Adjusted EBITDA	**20.8**	**31.3**
Adjusted EBITDA %	*3.4%*	*4.3%*
Depreciation & Amortisation	(39.1)	(35.2)
Adjusted EBIT	**(18.3)**	**(3.9)**
Adjusted EBIT %	*-3.0%*	*-0.5%*
Net Finance Costs	(9.1)	(5.2)
Adjusted loss before Tax	**(27.4)**	**(9.1)**

GROUP BALANCE SHEET

AS AT AUG (£M)	HY25	HY24
Intangible assets	97.0	128.6
Property, plant and equipment	304.4	374.3
Right-of-use assets	12.7	125.1
Financial assets	-	1.0
Investments	29.9	26.8
Deferred tax	39.1	24.3
Non-current assets	**483.1**	**680.1**
Working capital	(62.9)	(113.4)
Lease liabilities	(114.4)	(127.1)
Net financial assets	1.6	(2.3)
Cash and cash equivalents	131.9	290.0
Interest bearing loans and borrowings	(275.0)	(325.0)
Deferred tax	(16.0)	(22.6)
Current tax liability	-	-
Net assets	**148.3**	**379.7**

GROUP CASH FLOW

6 MONTHS AUG (£M)	HY25	HY24
Loss for the year	**(138.9)**	**(32.5)**
Share based payments	7.3	11.2
Depreciation and Amortisation	136.3	41.3
(Gain)/loss on sale of PPE	0.5	(0.1)
Loss on unsettled ineffective hedge contracts	(0.4)	(9.7)
Exchange movements	(1.2)	-
Net finance expense	9.1	5.2
Tax expense	(8.4)	(4.1)
Working Capital movements	(28.3)	10.5
Operating cash flow	**(24.0)**	**21.8**
Capital expenditure	(14.9)	(36.3)
Investments	-	(1.3)
Proceeds from the sale of fixed assets	3.5	1.2
Tax paid	3.3	1.7
Free Cash Flow	**(32.1)**	**(12.9)**
Free Cash Flow exc. Working capital	*(3.8)*	*(23.4)*
Repayment of borrowings	(50.0)	-
Other Cashflows	(16.0)	(28.0)
Net Cash Flow	**(101.9)**	**(64.3)**
Period End Gross Cash	**131.9**	**290.0**
Period End Net Cash / (Debt)	**(143.1)**	**(35.0)**

GLOSSARY

GMV PRE RETURNS	All merchandise sold to customers after cancellations and before returns, including VAT, carriage receipts and premier subscription income
GMV POST RETURNS	All merchandise sold to customers after cancellations and returns, including VAT, carriage receipts and premier subscription income
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 / DEBT	Net cash / debt is cash less borrowings
ACTIVE CUSTOMERS	Defined as having shopped in the last 12 months

FORWARD LOOKING STATMENTS

This Presentation contains statements, included or incorporated by reference, which may be, or may be deemed to be, “forward-looking statements” in respect of the Group’s operations, performance, prospects and/or financial condition and other matters that are not historical facts. These statements are, by their nature, inherently predictive, speculative and involve risks and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. All statements that address expectations or projections about the future, including statements about operating performance, strategic initiatives, objectives, market position, industry trends, general economic conditions, expected expenditures, expected cost savings and financial results, are forward-looking statements.

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The Group's principal risks are described in the [2023 Annual Report and Accounts] which can be viewed online at [web address]. Such forward looking statements should therefore be construed in light of such risks, uncertainties and other factors and undue reliance should not be placed on them. 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.

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