



boohoo  
group plc

## FY24 RESULTS

FOR THE 12 MONTHS ENDED 29 FEBRUARY 2024

# AGENDA

- **Introduction** Mahmud Kamani
- **Overview** John Lyttle
- **Financial Review** Stephen Morana
- **Strategic Update** John Lyttle
- **Q&A** Mahmud Kamani, John Lyttle, Stephen Morana, Carol Kane





**MAHMUD KAMANI**

**CHAIRMAN**

**WELCOME & INTRODUCTION**

**JOHN LYTTLE**

**CEO**

**FY24 OVERVIEW**





## OVERVIEW OF FY24 PERFORMANCE

- Clear brand strategy for future growth, improvement in core brands
- Growing confidence in marketplace
- Improved EBITDA margin
- Investment cycle is complete – benefits of automation and efficiency beginning to materialise across the group
- Sheffield automation delivered on time and on budget
- Continued cost reduction, on track to meet £125m annualised savings by FY25
- Improving market dynamics; cost inflation easing, consumer demand increasing

# BOOHOO GROUP TODAY

*Fashion first, online apparel leader with a disruptive business model and strong market share*

5 CORE BRANDS

8 LABELS

GLOBAL  
CUSTOMER BASE

UK & USA CORE  
MARKETS

## STRATEGIC FOCUS

### TEST & REPEAT

RIGHT PRODUCT, RIGHT CUSTOMER,  
RIGHT TIME

### VALUE CREDENTIALS

OUR BRANDS PROVIDE QUALITY AT  
VALUE PRICES

### LEANER, LIGHTER, FASTER

FOCUSED ON INVENTORY AND COST  
CONTROL

### AUTOMATION EFFICIENCIES

DELIVERING SCALE AND ENHANCED  
PROFITABILITY

### INTERNATIONAL FULFILMENT

MORE PRODUCTS TO MORE  
CUSTOMERS FASTER

### VERSATILE CHANNELS

DIRECT TO CONSUMER, OWN  
BRANDS AND MARKETPLACE

## 5 CORE BRANDS

boohoo boohooMAN

PRETTYLITTLETHING

KAREN  
MILLEN

Debenhams.com

## 3 DISTRIBUTION CENTRES



SHEFFIELD, UK



BURNLEY, UK



PENNSYLVANIA, USA



# STRATEGIC PILLARS – KEY PRIORITIES





CUSTOMER FIRST	INVESTING FOR GROWTH	DELIVERING SUSTAINABLE ROI
 LATEST TRENDS	 US WAREHOUSE	 INTERNATIONAL GROWTH
 OUTSTANDING VALUE	 AUTOMATION	 REBUILDING PROFITABILITY
 GREAT EXPERIENCE	 LEANER, LIGHTER, FASTER	 CASH MANAGEMENT
EXECUTION OF CLEAR BRAND STRATEGY		





# FY24 MARKET DYNAMICS

HEADWINDS IMPACTED OPERATIONS ACROSS 2024

HEADWIND	MITIGATING ACTION	FY25 OUTLOOK
 <b>CONSUMER DEMAND</b>	<b>FRESH INVENTORY</b>	<b>IMPROVING</b>
 <b>COST INFLATION</b>	<b>INCREASED EFFICIENCY</b>	<b>IMPROVING</b>
 <b>FREIGHT COSTS</b>	<b>FLEXIBLE SOURCING</b>	<b>NORMALISED</b>
 <b>FREIGHT LEAD TIMES</b>	<b>STOCK MANAGEMENT</b>	<b>NORMALISED</b>



**STEPHEN  
MORANA** GROUP CFO

FINANCIAL REVIEW FOR 12 MONTHS  
ENDED 29 FEBRUARY 2024





## FINANCIAL OVERVIEW | FY24

- **Enhanced focus on driving profitable sales**
- **Improved EBITDA margin to 4.0%**
- **Successful completion of 2 major capex projects**
  - Sheffield automation
  - Roll out of US distribution centre
- **Inventory levels higher due to US investment**
- **Significant cost savings beginning to come through**
- **Robust balance sheet**
- **Medium term EBITDA margin target of 6-8% unchanged**

# KEY FINANCIAL | DATA

12 MONTHS TO END OF FEB (£M)	FY24	FY23	CHG
GMV	1,809	2,086	(13%)
Revenue	1,461	1,769	(17%)
Gross Margin	51.8%	50.6%	120bps
Operating Costs*	699	832	(16%)
Adjusted EBITDA	59	63	(7%)
Adjusted EBITDA Margin	4.0%	3.6%	40bps
Capex	64	91	(27)m
Net Cash / (Debt)	(95)	6	(101)m

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



# WHY WE'RE REPORTING GMV



CUSTOMER BUYS A  
BOOHOO DRESS



GMV = £30  
NET REVENUE = £24\*  
GROSS MARGIN = 50%

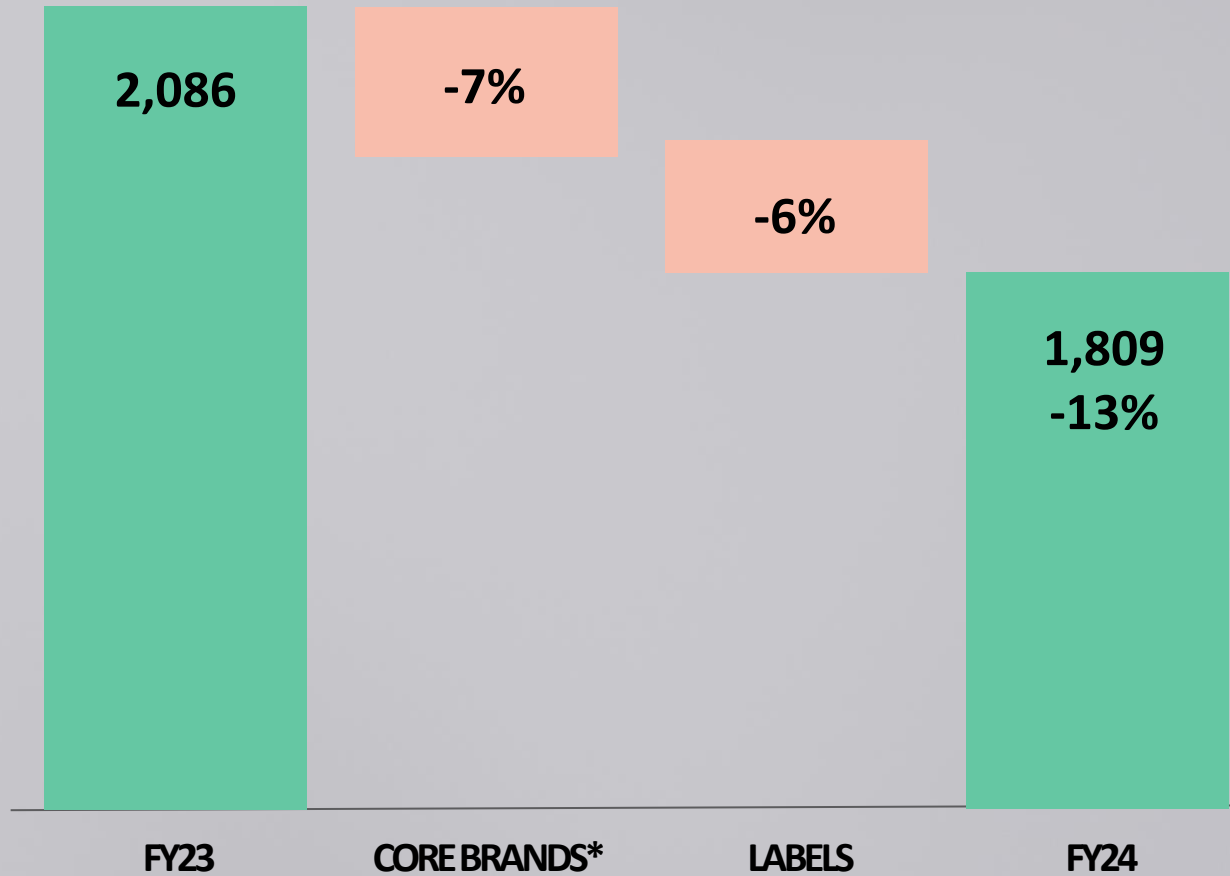
CUSTOMER BUYS A  
DRESS FROM 3<sup>rd</sup> PARTY  
BRAND ON DEBENHAMS



GMV = £30  
NET REVENUE = £5-6\*  
GROSS MARGIN = 100%

- With the addition of Marketplace's, commission only revenue model, GMV provides a consistent indication of growth across the group
- Marketplace generates lower revenue but is 100% margin with zero cost of sales, driving enhanced profitability through a stockless model

# FY24 GMV



£M	H124	H224
<b>FY24</b>	864	945
YOY	(16%)	(10%)
Core YOY	(9%)	(4%)
Labels YOY	(7%)	(6%)

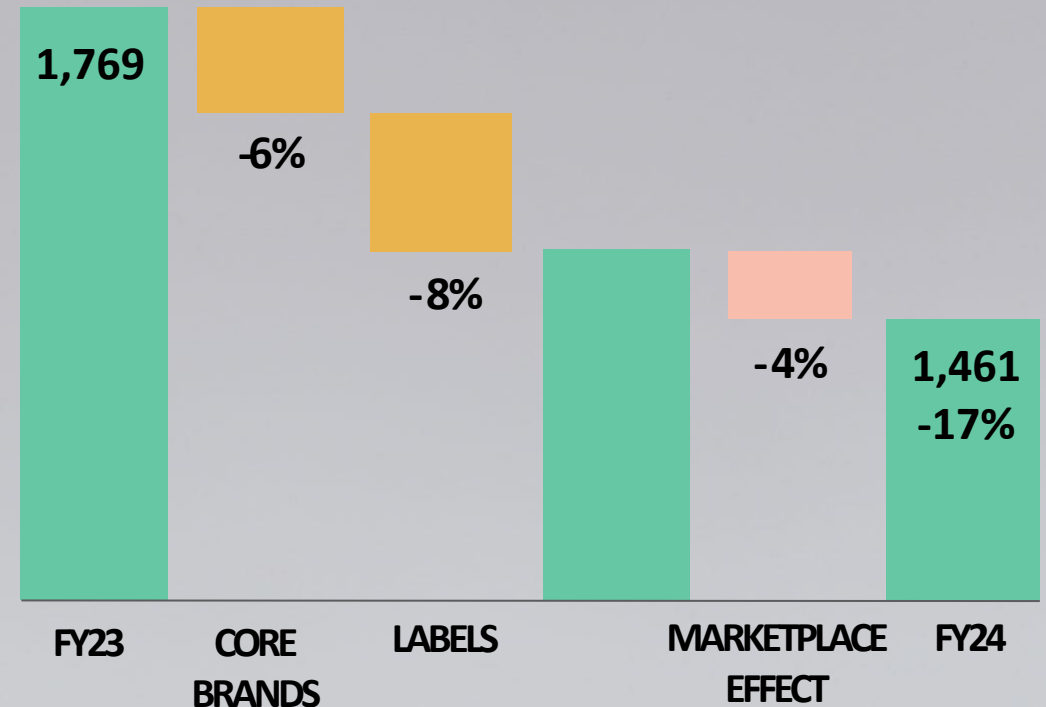
\*Core brands include: boohoo, boohooMAN, PrettyLittleThing, Karen Millen, Debenhams External Marketplace

# FY24 NET REVENUE

- Market headwinds impacted consumer demand
- Core brands improved in H2 vs H1 with positive impact from External Marketplace growth
- Labels profitably managed with ongoing migration onto Marketplace to support own brand products
- Marketplace effect represents the recognition of commission rather than value of the product for accounting purposes

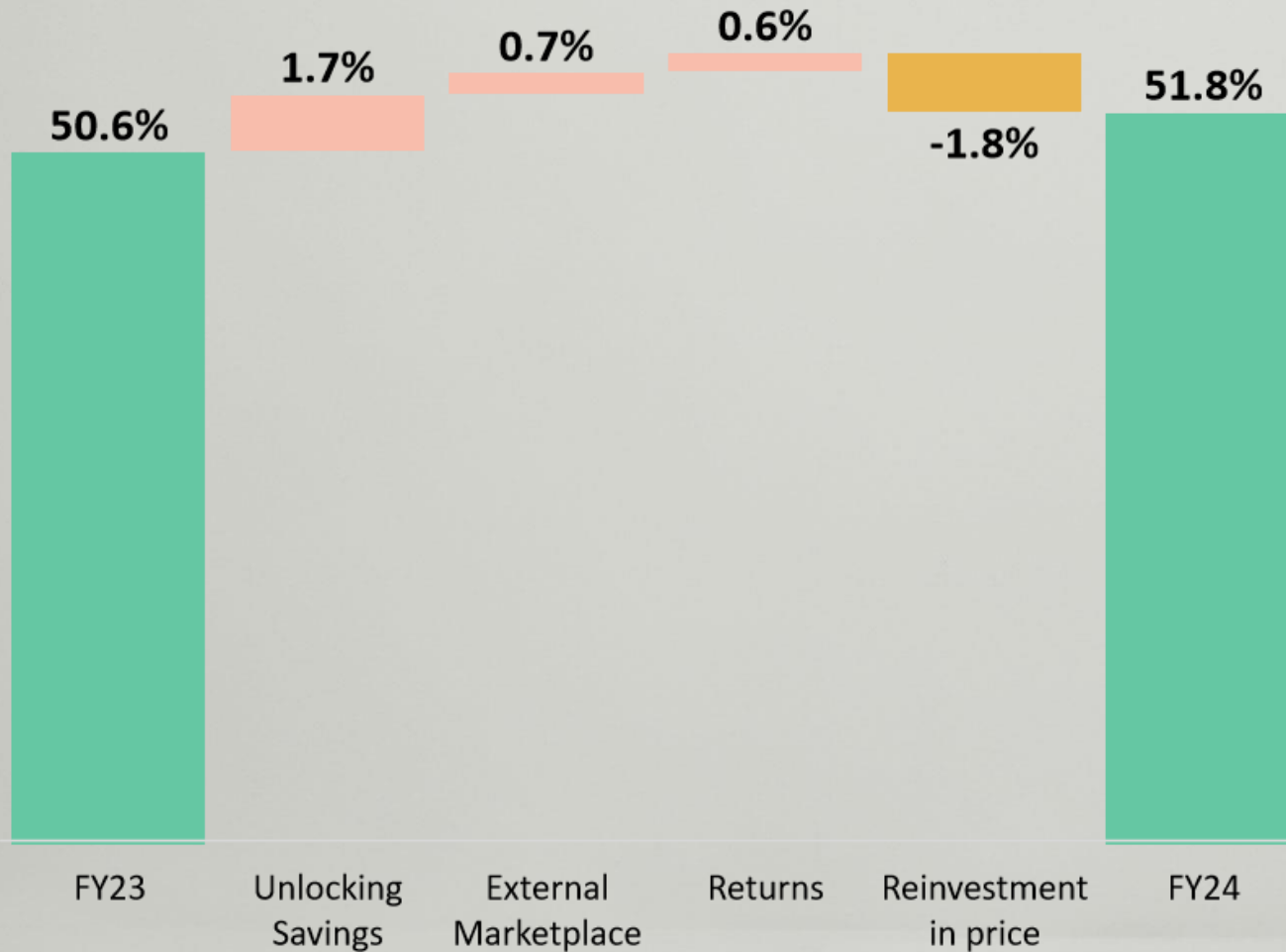


£M	H1	H2
<b>FY24</b>	729	732
Core	(8%)	<b>(4%)</b>
Labels	(8%)	(8%)
Marketplace effect	(2%)	(6%)



Core brands include: boohoo, boohooMAN, PrettyLittleThing, Karen Millen, Debenhams External Marketplace

# GROSS MARGIN



## Unlocked savings:

- Growth of high margin Marketplace model
- Deflation, freight prices & raw material prices
- Investment in air freight offset by savings

## Reinvestment in:

- Lower prices for consumers. This is now complete, expect this margin impact to unwind in FY25
- Speed to ensure faster, more dynamic supply chain

# MANAGING COSTS WITH OPPORTUNITY AHEAD

TWELVE MONTHS TO END OF FEB (£M)	FY24	FY23	CHG	% FY24 NET REVENUE
MARKETING	186	191	(3%)	13%
DISTRIBUTION	327	407	(20%)	22%
ADMIN COSTS	186	234	(20%)	13%
<b>OPERATING COSTS*</b>	<b>699</b>	<b>832</b>	<b>(16%)</b>	

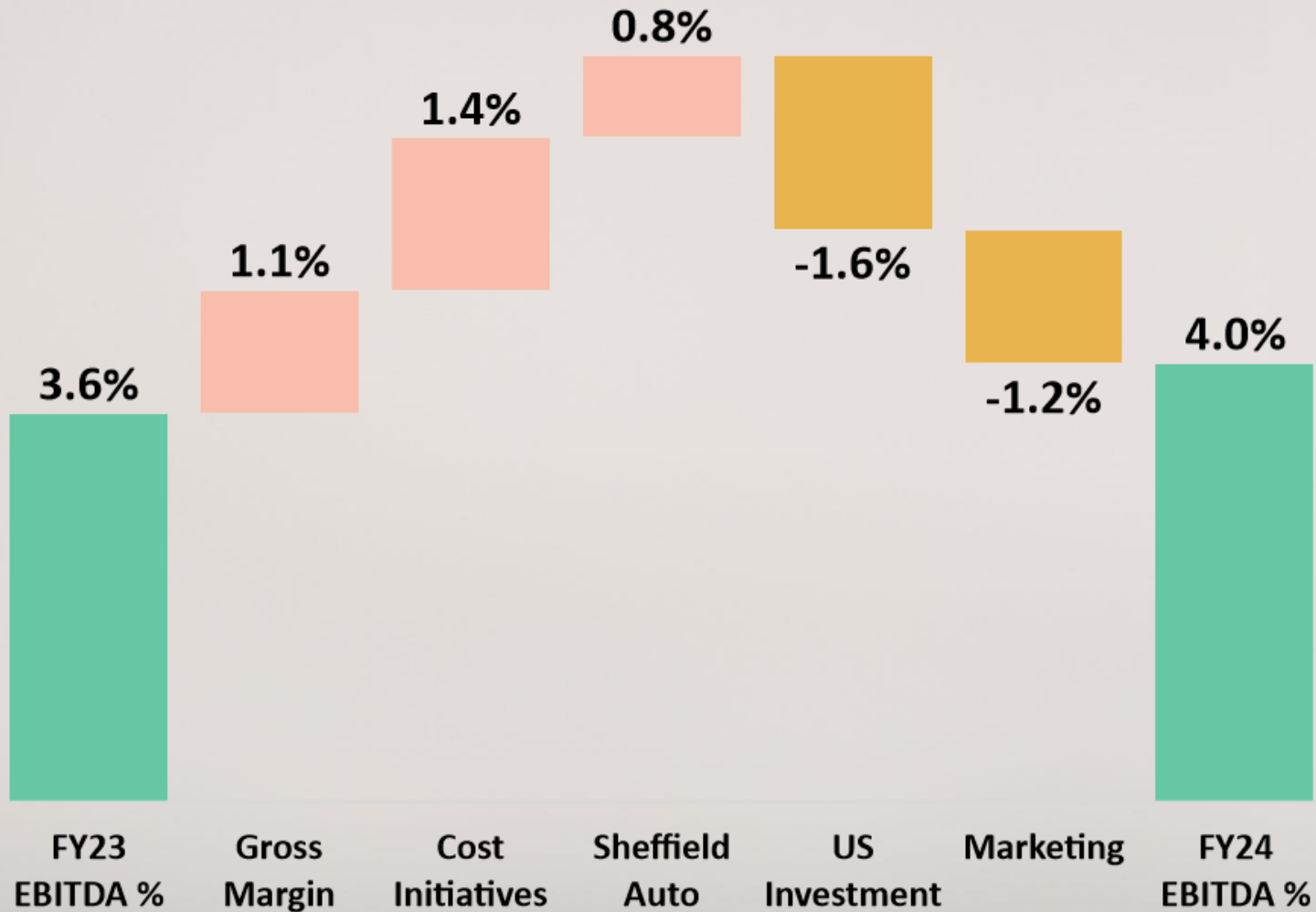
*\*Excluding depreciation, amortisation, exceptional items & share based payments*

- Continued marketing investments in Core Brands
- US warehouse costs offset by automation efficiencies
- Overhead costs tightly managed despite inflationary headwinds
- **On track to deliver £125m cost savings by FY2025**





# EBITDA MARGIN



- Gross margin uplift driven by marketplace & capturing cost benefits
- Significant cost reduction driven by ongoing programme & unlocked from Sheffield automation
- US investment includes DC costs, marketing investment & carriage saving
- Other Marketing spend value flat YOY however increase as % of Sales. Partly driven by investment in growth. Focus area to reduce in FY25

# EXCEPTIONAL COSTS & IMPAIRMENT OF ASSETS

TWELVE MONTHS TO END OF FEB (£M)	FY24	FY23
Distribution centre closures	(53.3)	(13.4)
Distribution centre set up & automation	(18.2)	(13.1)
Impairment of brands	(22.4)	-
Reclassification to profit or loss of disc. hedges	-	(14.3)
Other exceptionals	(9.1)	(4.1)
<b>Total P&amp;L impact of adjusting items</b>	<b>(103.0)</b>	<b>(44.9)</b>

- Daventry and Wellingborough closure as part of UK warehouse rationalisation programme
- US Distribution Centre set up costs & disruption costs relating to Sheffield automation
- Impairment of brands to reflect brand strategy
- Other exceptionals relate to redundancy costs and re-platforming the group's e-commerce front end to its own in-house developed tech stacks



# ROBUST BALANCE SHEET

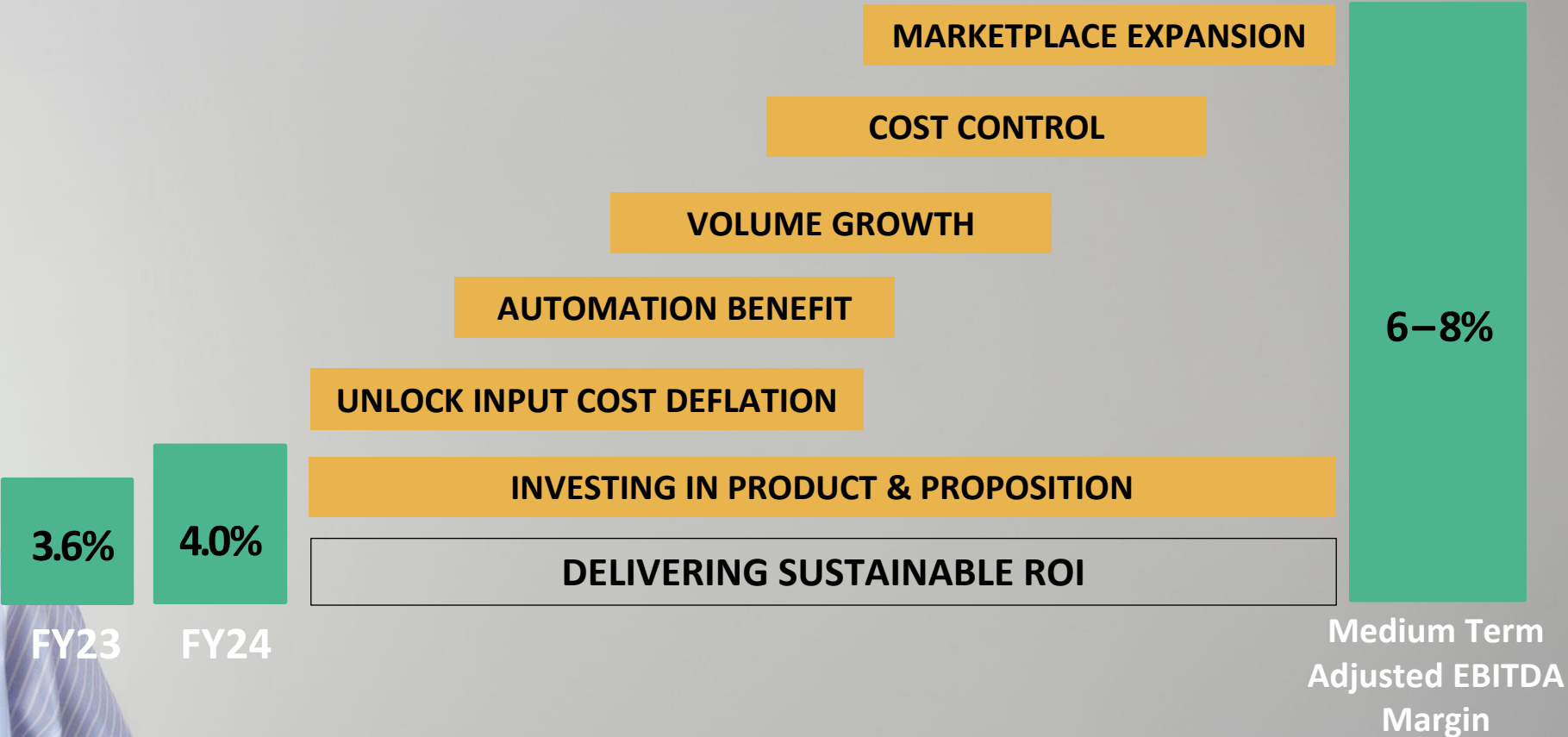
£M	FY24	FY23
RCF drawn down	(325)	(325)
Cash & cash equivalents	230	331
Inventory	208	178
Land & Buildings*	124	128
Incl. Soho Office & Islington Studio		
Investments in Associates	30	15
27% Revolution Beauty share ownership		
Fixtures & Fittings	200	217
Incl. automation facilities		

- Strong cash position with £230m of headroom
- Solid asset base
- Investment in US inventory. Items are largely staple, regularly purchased pieces with long term salability and appeal
- Strategic investment in RevB

£325m RCF facility - £75m March 2025, £250m March 2026  
 \*net book value



# CLEAR PATH TO IMPROVING PROFITABILITY



## 2025 OUTLOOK

- Targeting GMV growth in FY25
- Continued improvement to adjusted EBITDA margin
- Significantly reduced capex vs prior periods, investment cycle completed
- On track to deliver annualised cost savings of £125m across cost of goods, supply chain and overheads in FY25
- Positive free cash flow
- Capital markets day in due course





**JOHN LYTTLE**  
**GROUP CEO**

STRATEGIC UPDATE

boohoo boohooMAN PRETTYLITTLETHING



**FASHION FIRST**

**CONFIDENT,  
AFFORDABLE  
BRANDS**

**16-24 YEAR OLDS  
ARE PROUD TO  
WEAR**

**YOUNG VALUE**

**LATEST TRENDS**

**PERSONALISED**

**EXCLUSIVE  
COLLABORATIONS**

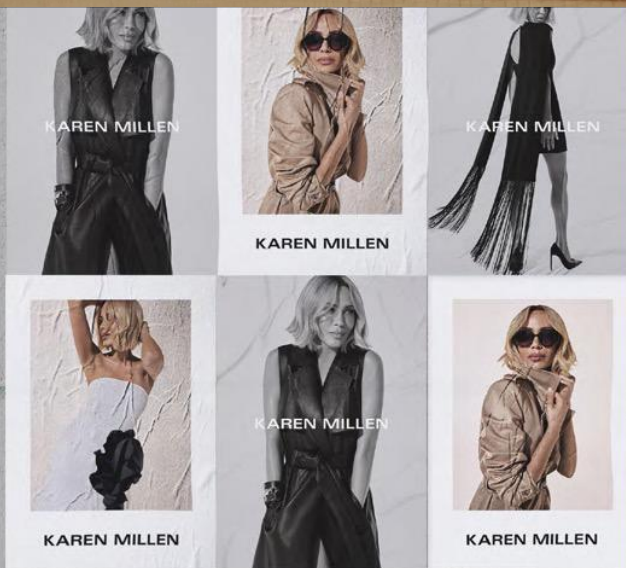
**INFLUENCER  
DRIVEN**

# KAREN MILLEN



## OUR BRAND

Design and craftsmanship are key, with a focus on both investment pieces and affordable luxury, all product and prints are designed in-house with creativity at the heart of what we do.



## BUZZ MOMENTS

Creation of bi monthly unexpected experiential and brand moments from projection advertising to new mediums such as wheat posters or brand stunts. These will drive reappraisal and buzz around the brand both from customer and press audiences.

## NICOLE ARI PARKER

A trailblazing talent on both stage and screen, American actor and producer Nicole Ari Parker is the face of THE ICONS VOL. VI. With a profound love of fashion and the arts, Nicole Ari Parker is a firm believer in embracing the joy of dressing up at every age.



## EXPANDING SEPARATES

Working to develop a broader separates mix. KM is traditionally known for workwear, tailoring and occasion wear so this exciting range direction makes us much more competitive and relevant.

**ESTABLISHED  
BRAND**

**FORWARD  
THINKING STYLE  
PIONEER**

**CAREER MINDED  
WOMEN**

**AFFORDABLE  
LUXURY FASHION**

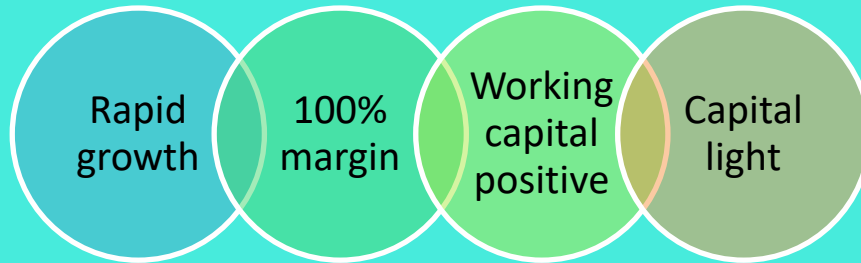


# Debenhams.com

Striving to be first stop for consumer's Fashion, Beauty and Home needs

3,500 brands, 50+ premium fashion, 230+ premium beauty

GUCCI MONSOON OASIS CLARINS Calvin Klein  
underwear  
TOM FORD Wallis MAC OLAPLEX.  
ESTÉE LAUDER BURTON  
MENSWEAR LONDON



Heritage makes us credible → but the future drives us



# EFFICIENCY WITH AUTOMATION

- **Cost per throughput unit down 47%**  
*(£0.38 vs £0.72)*
- **10x pick rate improvement**  
*(516 units p/h vs 54 units p/h)*
- **FTE headcount down 81%**
- **Supports growth**
- **Expected 5 year payback**





## PROGRESS IN THE US

- **Distribution centre launched with PLT & Nasty Gal**
- **Next day & express delivery available in 50 US states**
- **Investment in inventory to support the opening of the US DC**
- **Short term EBITDA impact while investment phase completes**
- **Focus is on achieving scale and driving profitable growth with PLT & Nasty Gal before going live with remaining brands**
- **Significant market opportunity**

# SUMMARY

- Core brands rebounding quickly
- Improving margin mix with rapid marketplace growth
- Continued cost reduction & increasing efficiencies
- Loyal & engaged customer base
- Consumer demand strengthening
- Focus on sustainable profit growth

boohoo PRETTYLITTLETHING KAREN  
MILLEN  
boohooMAN **Debenhams.com**



# Q&A



**MAHMUD  
KAMANI**  
Founder & Group  
Executive Chairman



**CAROL  
KANE**  
Founder & Group  
Executive Director



**JOHN  
LYTTLE**  
Group CEO



**STEPHEN  
MORANA**  
Group CFO

# APPENDICES





## KEY FINANCIAL DATA

(£M)	H224	H124
GMV	945	864
Revenue	732	729
Gross Margin	50.1%	53.4%
Adjusted EBITDA	27	31
Adjusted EBITDA Margin	3.7%	4.3%
Net Cash / (Debt)	(95)	(35)



## SALES BY GEOGRAPHY

(£M)	FY24	FY23
UK	921.5	1091.5
USA	299.1	363.7
Rest of Europe	165.8	206.5
Rest of World	74.6	107.0
Total	1461.0	1768.7





## CUSTOMER KPIs

12 MONTHS TO END OF FEB (£M)	FY 24	FY 23
Active Customers	16m	18m
Number of Orders	48.5m	55.5m
Order Frequency	3.0x	3.1x
Conversion rate to sale	3.8%	3.7%
Average Order Value	£51.68	£53.32
Items per basket	2.8	2.8
Premier order mix	35%	30%

# INCOME STATEMENT

TWELVE MONTHS TO END OF FEB (£M)	FY24	FY23
Revenue	1461.0	1768.7
Cost of sales	(704.9)	(873.5)
<b>Gross profit</b>	<b>756.1</b>	<b>895.2</b>
<i>Gross margin</i>	<i>51.8%</i>	<i>50.6%</i>
Operating costs	(698.8)	(832.1)
Other income	1.3	0.2
<b>Adjusted EBITDA</b>	<b>58.6</b>	<b>63.3</b>
<i>Adjusted EBITDA %</i>	<i>4.0%</i>	<i>3.6%</i>
Depreciation & Amortisation	(76.6)	(56.4)
<b>Adjusted EBIT</b>	<b>(18.0)</b>	<b>6.9</b>
<i>Adjusted EBIT %</i>	<i>-1.2%</i>	<i>0.4%</i>
Net Finance Costs	(13.0)	(8.5)
<b>Adjusted loss before Tax</b>	<b>(31.0)</b>	<b>(1.6)</b>





# GROUP BALANCE SHEET

12 MONTHS TO END OF FEB (£M)	FY 24	FY 23
Intangible assets	104.3	131.5
Property, plant and equipment	349.3	371.6
Right-of-use assets	85.6	136.4
Financial assets	-	0.3
Investments	29.9	15.3
Deferred tax	32.1	23.5
<b>Non-current assets</b>	<b>601.2</b>	<b>678.6</b>
Working capital	(92.8)	(104.9)
Lease liabilities	(121.9)	(138.6)
Net financial assets	2.3	(16.8)
Cash and cash equivalents	230.0	330.9
Interest bearing loans and borrowings	(325.0)	(325.0)
Deferred tax	(16.8)	(24.2)
Current tax liability	2.7	-
<b>Net assets</b>	<b>279.7</b>	<b>400.0</b>

# GROUP CASH FLOW

12 MONTHS TO END OF FEB (£M)	FY 24	FY 23
<b>Profit for the year</b>	<b>(137.8)</b>	<b>(75.6)</b>
Share based payments	17.5	32.0
Depreciation and Amortisation	160.6	82.0
Finance income	(9.5)	(3.5)
Finance expense	22.5	12.0
Loss on unsettled ineffective hedge contracts	(13.9)	14.3
Revaluation gain on investment to associate	(3.1)	-
Share of results of associates	-	-
Tax expense	(19.0)	(15.1)
Change in working capital	(17.2)	84.8
<b>Operating cash flow</b>	<b>0.1</b>	<b>130.9</b>
Capital expenditure	(64.8)	(91.2)
Investments	(1.3)	(15.3)
Proceeds from the sale of fixed assets	1.2	0.5
Tax paid	1.8	5.8
<b>Free Cash Flow</b>	<b>(63.0)</b>	<b>30.7</b>
Other Cashflows	(37.9)	198.9
<b>Net Cash Flow</b>	<b>(100.9)</b>	<b>229.6</b>
<b>Period End Gross Cash</b>	<b>230.0</b>	<b>330.9</b>
<b>Period End Net Cash / (Debt)</b>	<b>(95.0)</b>	<b>5.9</b>



A woman with long blonde hair, wearing a white off-the-shoulder dress with a large white sash tied around her waist, and white high-heeled shoes with lace-up details. She is standing against a teal background.

# GLOSSARY

GMV	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	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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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.

These forward-looking statements reflect, at the time made, the Company’s beliefs, intentions and current targets/aims concerning, among other things, the Company’s or the Group’s results of operations, financial condition, liquidity, prospects, growth and strategies. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or by their context or by such words and words of similar meaning as “aims”, “anticipates”, “believes”, “continues”, “could”, “due”, “estimates”, “expects”, “goal”, “intends”, “may”, “objectives”, “outlook”, “plans”, “potential”, “probably”, “project”, “seeks”, “should”, “targets”, or “will”, or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. 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 representation, warranty or assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement, because they relate to events and depend on circumstances that may or may not occur in the future. The forward-looking statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in the Company’s records (and those of other members of the Group) and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control.

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