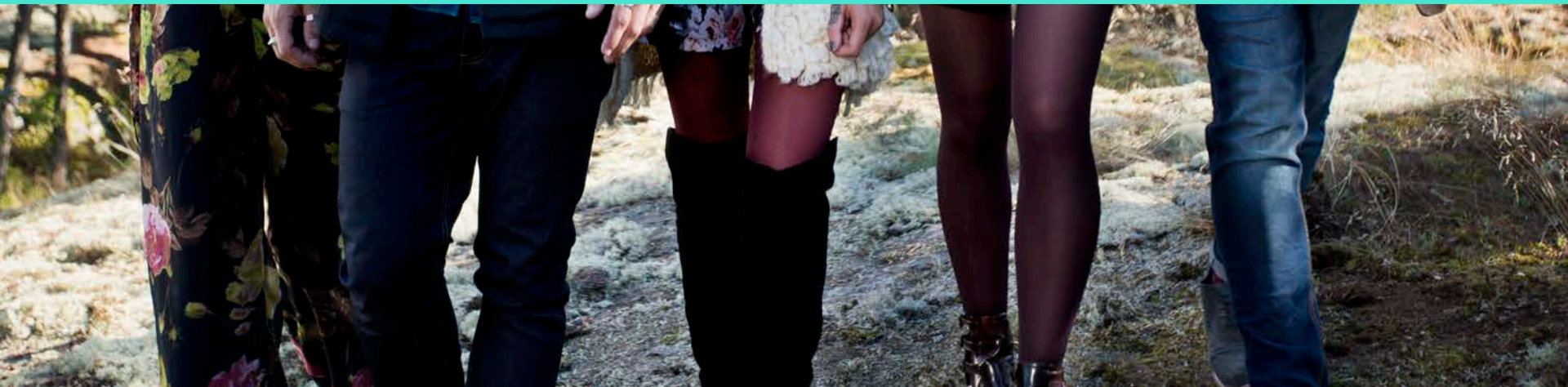




**INTERIM RESULTS FOR THE SIX MONTHS ENDED  
31<sup>ST</sup> AUGUST 2014**

**boohoo.com**





## FIRST HALF HIGHLIGHTS

- ☑ Warehouse capacity increased
- ☑ Warehouse extension started
- ☑ WMS system implemented
- ☑ Spanish language website
- ☑ German language website
- ☑ Italian language website
- ☑ Responsive website design

- ☑ Four further currency options for Scandinavian customers
- ☑ #experienceeverything
- ☑ #wherewestand
- ☑ New payment gateway
- ☑ International price changes
- ☑ Sunday delivery



NEIL CATTO, CFO

boohoo.com



## FINANCIAL HIGHLIGHTS

- ❑ Revenue up 31% to £67.2m (2013 £51.4m)
- ❑ UK growth 47% year on year
- ❑ Accelerating international sales growth Q1 to Q2, with return to growth in Australia
- ❑ Underlying EBITDA £6.8m (10.1% of sales)
- ❑ Gross margin at 62.3%
- ❑ Warehouse capacity increased
- ❑ Significant IT developments – new websites for Spain, Germany, Italy, WMS implementation, responsive website
- ❑ Positive impact of international pricing strategies

# SUMMARY INCOME STATEMENT

Six months ended 31 August (£m)	2014	2013	Change
Revenue	67.2	51.4	+31%
Gross profit	41.8	29.6	+41%
<i>Gross margin</i>	62.3%	57.5%	+480bps
Operating profit	4.3	3.7	+16%
EBITDA (adjusted)	6.8	4.2	+63%
Profit before tax	4.5	3.7	+23%

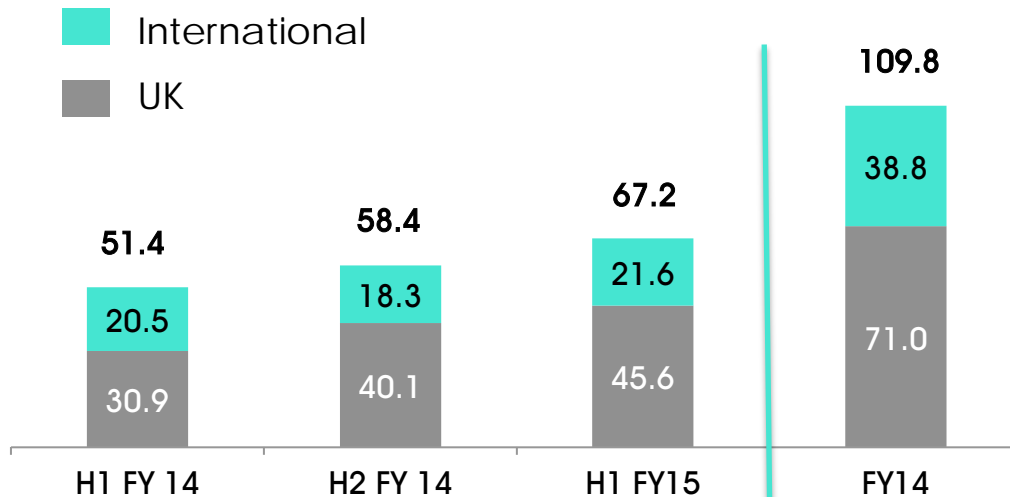
Pro forma gross profit <sup>1</sup>	41.8	33.5	+25%
<i>Pro forma gross margin</i>	62.3%	65.1%	-280bps
Pro forma EBITDA (adjusted)	6.8	7.9	-14%
<i>Pro forma EBITDA margin</i>	10.1%	15.3%	-520bps

<sup>1</sup> Unaudited pro forma gross profit is adjusted to reflect direct sourcing by boohoo.com plc, not via (now discontinued) related party companies

- ❑ Accelerating revenue growth
- ❑ Gross margin increase due to change in sourcing model
- ❑ Operating margin 6.4% after IPO costs of £1.2m
- ❑ Adjusted EBITDA margin 10.1%

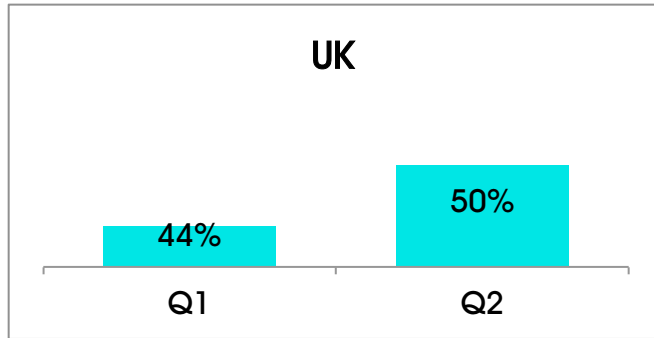
# INTERNATIONAL

<i>Sales by geographic segment £m</i>	Six months ended 31 August 2014	Six months ended 31 August 2013	Change	CER
UK	45.6	30.9	+47%	+47%
Rest of Europe	8.7	6.1	+43%	+51%
Rest of world	12.9	14.4	-11%	+1%
<b>Total revenue</b>	<b>67.2</b>	<b>51.4</b>	<b>+31%</b>	<b>+36%</b>

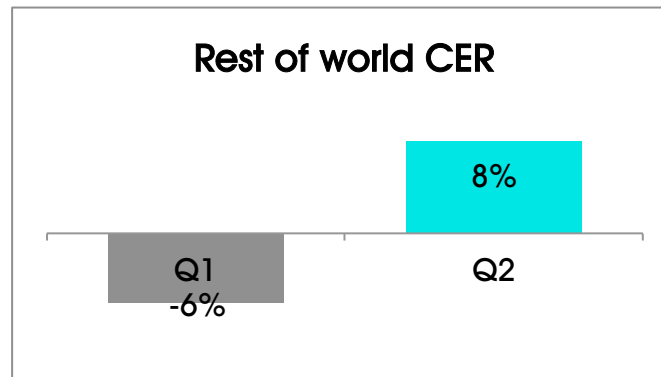
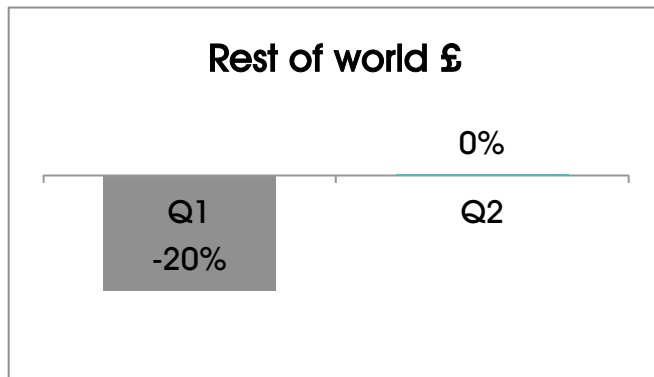
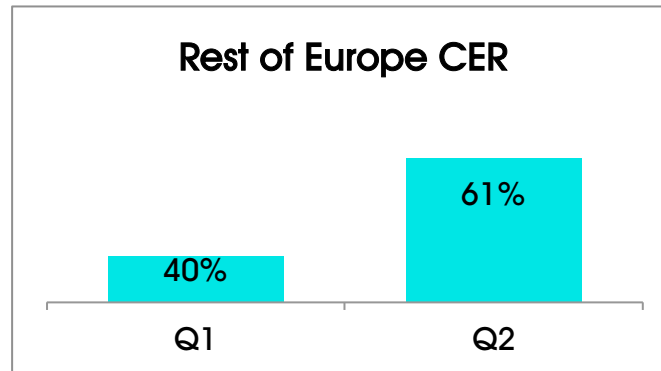
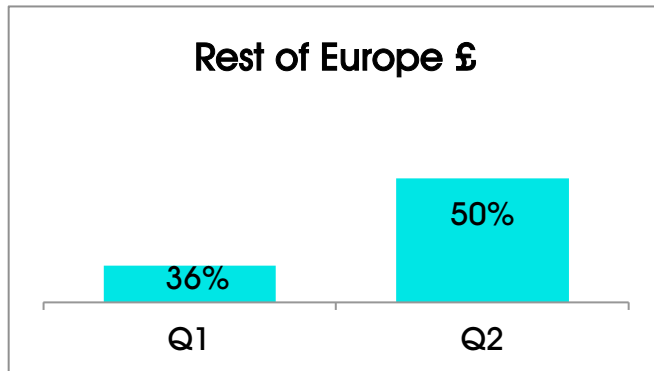


- Strong growth globally
- Europe showing potential after launch of further foreign language sites
- Acceleration in growth from Q1 to Q2 in all international territories
- Return to growth in Australia in Q2

# ACCELERATING GROWTH



- ❑ Accelerating revenue growth in all regions
- ❑ Quarter on quarter growth of 20% - strongest for 7 quarters
- ❑ UK driven by marketing investment and promotional strategy
- ❑ Europe - foreign language websites and marketing investments
- ❑ Rest of world - Australian turnaround and steady progress in US
- ❑ Cohesive marketing campaigns in main markets across the globe

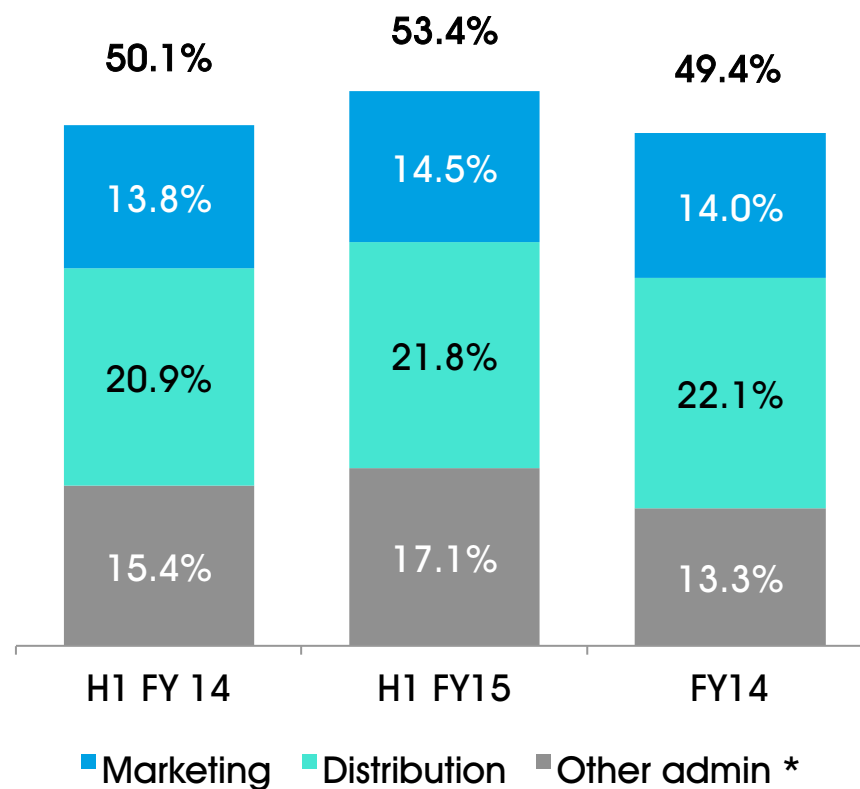


# OPERATING COSTS



6 months ended 31 <sup>st</sup> August, £m	2014	2013	Change
Marketing	9.8	7.1	+38%
Distribution	14.6	10.8	+36%
Other admin	11.5	7.9	+45%
<b>TOTAL</b>	<b>35.8</b>	<b>25.8</b>	<b>+39%</b>

6 months ended 31 August, % revenue	2014	2013	Change
Marketing	14.5%	13.8%	<b>+73bps</b>
Distribution	21.8%	20.9%	<b>+84bps</b>
Other admin	17.1%	15.4%	<b>+167bps</b>
<b>TOTAL</b>	<b>53.4%</b>	<b>50.1%</b>	<b>+324bps</b>







# OPERATING CASH FLOW

6 months ended 31 August, £m	2014	2013
Profit for the period	3.3	2.8
Depreciation/amortisation	0.8	0.4
Share based payment charges	0.4	-
Tax expense	1.2	0.9
Finance expenses	(0.2)	0.1
Increase in inventories	(1.3)	(0.5)
Increase/decrease in receivables	0.3	(0.9)
Increase in payables	4.8	0.4
<b>Operating cash flow</b>	<b>9.4</b>	<b>3.1</b>
Capital expenditure	(2.4)	(1.2)
<b>Free cash flow</b>	<b>7.0</b>	<b>1.8</b>

- ❑ Efficient conversion of EBITDA to cash
- ❑ Inventory tightly controlled on 8 weeks historical cover
- ❑ Working capital inflows in H1 from trade finance and repayment of related party loans
- ❑ Capital expenditure reflects WMS investment, increased mezzanine capacity and start of extension project
- ❑ Free cash flow does not include proceeds from IPO or IPO expenses

# BALANCE SHEET

At 31 August, £m	2014	2013
Intangible assets	3.8	1.1
Property, plant and equipment	7.0	5.3
Deferred tax	0.1	-
<b>Non-current assets</b>	<b>10.9</b>	<b>6.5</b>
Working capital	(4.9)	(4.0)
Cash and cash equivalents	55.8	5.3
Debt	(0.1)	(2.6)
Current tax liability	(1.3)	(1.0)
<b>Net assets</b>	<b>60.5</b>	<b>4.2</b>

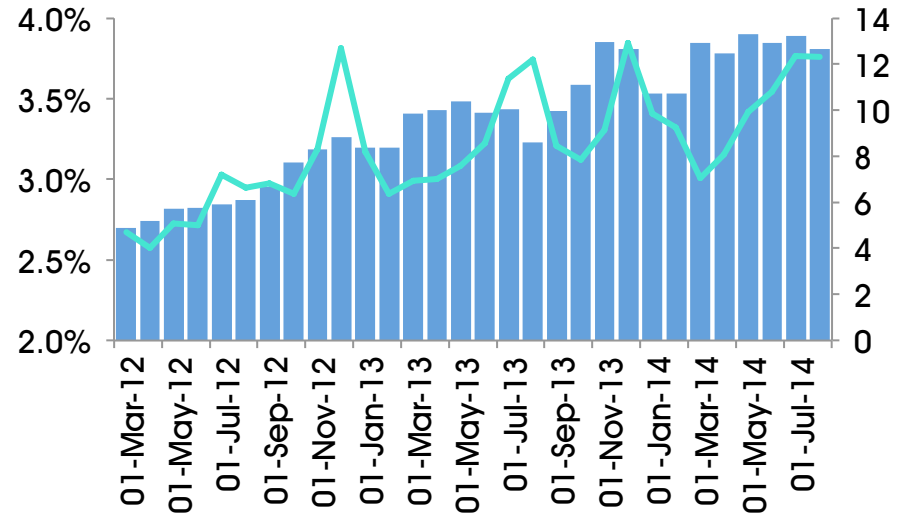
- ❑ IPO proceeds of £46m (net of transaction related costs)
- ❑ £2.7m warehouse loan repaid in April 2014
- ❑ Negative net working capital now purely with third parties
- ❑ Capital employed excluding excess cash of £4.7m

# KPIs



Indicator	2014	2013	Change
Active customers <sup>1</sup>	2.7m	2.0m	+33%
Number of orders	2.7m	1.9m	+40%
Conversion rate <sup>2</sup>	3.5%	3.3%	+20bps
Average order value <sup>3</sup>	£36.90	£37.56	-2%
Number of items in a basket	2.68	2.45	+9%

Monthly sessions (millions) and conversion rate<sup>2</sup>



<sup>1</sup> Defined as having shopped in the last year

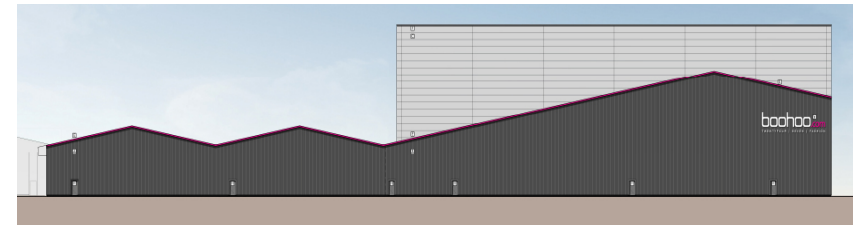
<sup>2</sup> Defined as the number of orders as a percentage of website sessions

<sup>3</sup> Gross sales including VAT/sales tax divided by the number of orders

# INVESTING IN OUR WAREHOUSE INFRASTRUCTURE

Investing ahead of the curve for £1bn annual gross sales

- ❑ Mezzanine construction complete
- ❑ Construction of 110,000 sq.ft warehouse extension under way
- ❑ 670,000 sq. ft additional storage space
- ❑ Enough for 8m additional units/3x current capacity
- ❑ Warehouse management team strengthened





## INVESTING IN OUR IT SYSTEMS

### Delivered in the last six months

- WMS – went live 4<sup>th</sup> Sept
  - Better stock management
  - More efficient picking and packing
  - More efficient use of warehouse footprint
- Spanish language site
- German language site
- Italian language site
- Netherlands moved from Venda to Magento (access to new payment gateway including Ideal)
- Executed differential pricing across regions
- Responsive site launched

### Current initiatives

- Front end optimisation –
  - Enhanced personalisation
- Additional payment options
- Recently opened foreign language sites
- Single customer view



CAROL KANE, JOINT CEO

boohoo.com





# THE GLOBAL FASHION LEADER FOR A SOCIAL GENERATION

## Our fashion

- ❑ Our focus remains on 16-24 year olds
- ❑ We publish 100 new styles daily with over 9,000 styles available
- ❑ Womens tops now represent over 15% of sales, second to dresses our leading category at 34% of sales
- ❑ New ranges performing well with boohooPlus winning “Best for curves” at the Cosmopolitan awards
- ❑ boohooEdit launched to address Australian market
- ❑ boohooFit launching this season

# MARKETING

## Biggest ever TV campaign rolled out this summer

### #experienceeverything case study

- Instagram reach of 24m
- Twitter reach of 54m
- Blogger outreach of 22m
- Social stunt on Twitter to launch campaign
  - Live catwalk streamed globally featuring festival collection
  - Viewers could tweet favourite look every 30 seconds
  - Trending on Twitter for the hour adding 1,175 new followers
- Blogger gifting across seven territories

## Top 500 most engaged brands on Instagram

Rank	Brand Name	Photo Likes
1	Brandy Melville	10,502,824
2	Free People	3,832,598
3	Nike	3,340,055
4	Nike Football	2,909,217
5	Vans	2,284,632
6	Michael Kors	1,578,499
7	Adidas	1,548,342
8	Zac Posen	1,371,789
9	Steve Madden	1,362,947
10	Victoria Beckham	1,308,291
11	Just Cavalli	1,299,255
12	Ralph Lauren	1,223,677
13	Nike Running	1,086,080
14	Rachel Zoe	1,080,025
15	Billabong	1,076,828
16	<b>Boohoo</b>	<b>1,051,862</b>
17	Christian Louboutin	1,050,054



# MARKETING

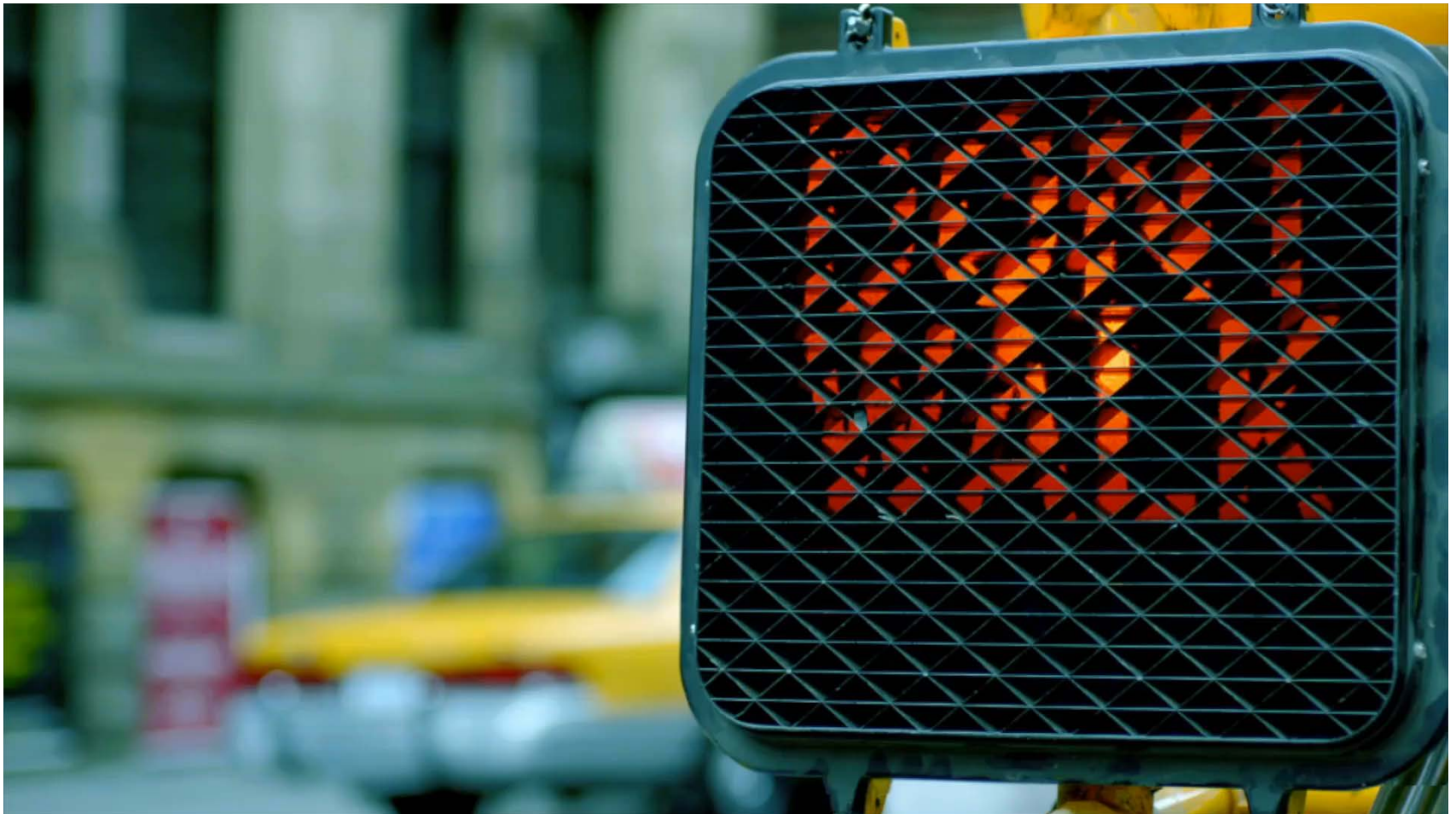
## #wherewestand

- Launched 8<sup>th</sup> September with TV ad and social media campaign
- Insert flyer in 500,000 parcels globally
- Blogger dinners conducted in Europe to launch campaign
- #wherewestand hashtag to encourage audience interaction whilst dual screening
- Social tags across underground campaigns to lead interactions and audience online





TV ADVERTISING



# INTERNATIONAL



- New foreign language websites
  - France – showing continued momentum
  - Spain – testing lower price points
  - Germany – launched without free returns
  - Italy – recently launched
- New currencies launched
  - Norway, Sweden, Denmark
- In country teams update
  - Australia in place, USA, Europe



## IN SUMMARY

### SIX MONTHS OF PROGRESS

- Scaled up management team (IT, HR, Buying, Marketing)
- New foreign language websites (Spain, Germany, Italy)
- New responsive website design
- Warehouse investment (Mezzanine, WMS, extension commenced)
- Extension of range (The Edit, boohoo Petite with more to follow)
- Delivering against expectations



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## GLOSSARY

Active customers: defined as having shopped in the last year

Conversion rate: defined as the percentage of monthly unique visitors to the site making a purchase

Average order value: calculated as gross sales including sales tax divided by the number of orders

Number of items per basket: defined as the number of units shipped divided by the number of orders shipped

CER: designates Constant Exchange Rate translation of foreign currency revenue

### Top 500 Most Engaged Instagram Followers for Fashion Brands - May 2014

Rank	Brand Name	Photo Likes	Followers	New Followers	Growth	Photos	New Photos	Comments	Engage
1	Brandy Melville	10,502,824	1,636,584	51,558	3.25%	3,195	125	36,174	515.17
2	Free People	3,832,598	1,209,675	58,090	5.04%	4,948	117	22,509	272.38
3	Nike	3,340,055	4,563,837	319,361	7.52%	703	19	16,245	387.06
4	Nike Football	2,909,217	1,437,024	145,095	11.23%	537	27	12,277	752.96
5	Vans	2,284,632	1,446,664	122,153	9.22%	801	46	14,230	345.45
6	Michael Kors	1,578,499	2,259,747	203,203	9.88%	998	33	13,566	213.5
7	Adidas	1,548,342	1,214,596	119,806	10.94%	423	37	11,972	347.19
8	Zac Posen	1,371,789	468,958	39,985	9.32%	3,024	192	18,501	154.4
9	Steve Madden	1,362,947	875,922	30,402	3.60%	2,212	86	13,615	182.74
10	Victoria Beckham	1,308,291	2,110,661	169,220	8.72%	276	33	12,759	189.66
11	Just Cavalli	1,299,255	473,299	40,638	9.39%	2,531	199	13,775	139.4
12	Ralph Lauren	1,223,677	818,160	45,250	5.85%	1,523	73	11,310	206.77
13	Nike Running	1,086,080	756,243	42,916	6.02%	452	30	5,784	481.27
14	Rachel Zoe	1,080,025	986,130	22,867	2.37%	1,242	78	11,402	141.89
15	Billabong	1,076,828	312,332	14,368	4.82%	1,065	70	4,911	494.78
16	Boohoo	1,051,862	287,043	28,722	11.12%	2,608	200	12,474	185.39
17	Christian Louboutin	1,050,054	2,533,842	72,404	2.94%	1,556	27	10,305	155