

# INTERIM RESULTS

FOR THE SIX MONTHS  
ENDED 31 AUGUST 2015

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Tuesday, 29 September 2015

boohoo.com plc



# H1 FY16 Highlights

Strong revenue growth  
up 35%

Improvements to product  
proposition

Warehouse extension  
operational

3.5 million active  
customers up 32%



# NEIL CATTO

## CFO

# Financial Highlights

Revenue up 35% (39% CER) to £90.8m  
(FY15 - £67.2m)

UK growth 30% year on year

Rest of Europe growth 19%  
(34% CER)

Rest of the world growth 65%  
(75% CER)

Gross margin at 60.1%  
in line with expectations

EBITDA £7.6m (8.4% of sales  
reflecting investment in price,  
promotions and marketing)

£60m cash in the bank

Earnings per share up  
55% year on year



# Summary Income Statement

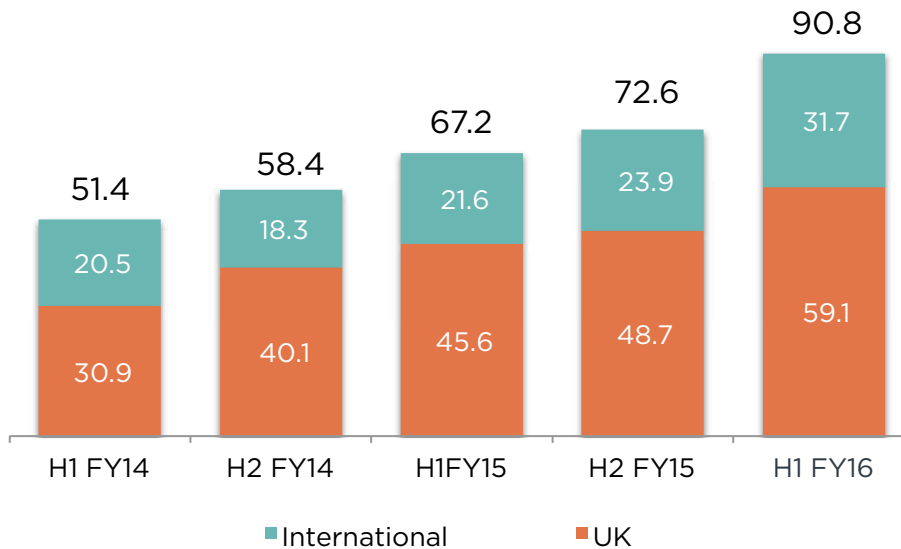
Six months ended 31 August (£m)	FY16	FY15	Change
Revenue	90.8	67.2	+35%
Gross profit	54.5	41.8	+30%
<i>Gross margin</i>	<i>60.1%</i>	<i>62.3%</i>	<i>-220bps</i>
Distribution costs	21.5	14.6	+47%
Administrative expenses	27.4	22.9	+20%
Other income	0.4	-	-
Operating profit	6.0	4.3	+38%
EBITDA (adjusted)	7.6	6.8	+12%
Profit before tax	6.3	4.5	+39%

Gross margin at 60.1% reflects investment in international pricing and UK delivery offering

Adjusted EBITDA margin 8.4% after adding back share based compensation (£0.3m), depreciation and amortisation (£1.3m)

# International

Sales by geographic segment £m	FY16	FY15	Change	CER
UK	59.1	45.6	+30%	+30%
Rest of Europe	10.4	8.7	+19%	+34%
Rest of world	21.3	12.9	+65%	+75%
Total revenue	90.8	67.2	+35%	+39%



Continued strong growth globally

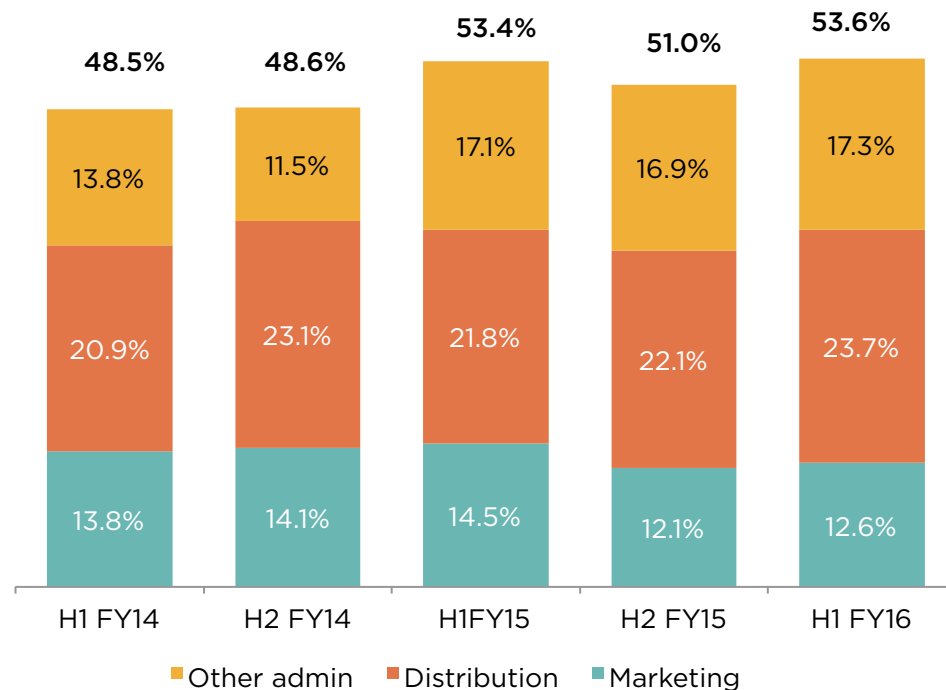
Europe impacted by weak Euro but now showing potential

Growth in rest of the world driven by USA and Australia

# Operating Costs

Six months ended 31 August, £m	FY16	FY15	Change
Marketing	11.4	9.8	+17%
Distribution	21.5	14.6	+47%
Other admin	15.7	11.5	+37%
<b>TOTAL</b>	<b>48.6</b>	<b>35.9</b>	<b>+36%</b>

Six months ended 31 August, % revenue	FY16	FY15	Change
Marketing	12.6%	14.5%	-190bps
Distribution	23.7%	21.8%	+190bps
Other admin	17.3%	17.1%	+20bps
<b>TOTAL</b>	<b>53.6%</b>	<b>53.4%</b>	<b>+20bps</b>



# Operating Cash Flow

Six months ended 31 August, £m	FY16	FY15
Profit for the period	5.0	3.3
Depreciation/amortisation	1.3	0.8
Share-based payment charges	0.3	0.4
Tax expense	1.3	1.2
Finance (income)	(0.3)	(0.2)
Increase in inventories	(8.0)	(1.3)
(Increase)/decrease in receivables	(2.5)	0.3
Increase in payables	15.4	4.8
Operating cash flow	12.5	9.4
Capital expenditure	(5.7)	(2.4)
Free cash flow	6.8	7.0

Efficient conversion of EBITDA to cash

Inventory tightly controlled

Working capital inflow of £5m or 5.5% of sales

Operating cash flow increase of 33% year on year

Capital expenditure reflects investment in warehouse extension

Positive free cash flow with significant infrastructure investment to underpin future growth



# Balance Sheet

At 31 August, £m	FY16	FY15
<b>Assets</b>		
Intangible assets	4.5	3.8
Property, plant and equipment	15.3	7.0
Deferred tax	0.1	0.1
<b>Non-current assets</b>	<b>19.9</b>	<b>10.9</b>
Working capital	(8.5)	(4.8)
Net financial assets	1.4	(0.1)
Cash and cash equivalents	60.4	55.8
Current tax liability	(1.3)	(1.3)
<b>Net assets</b>	<b>71.9</b>	<b>60.5</b>

Investment in warehouse and IT infrastructure

Negative net working capital cycle helps fund growth

Capital employed £11.5m excluding excess cash

# KPIs

Indicator	FY16	FY15	Change
Active customers <sup>1</sup>	3.5m	2.7m	+32%
Number of orders	3.8m	2.7m	+43%
Order frequency <sup>4</sup>	1.97	1.86	+6%
Conversion rate <sup>2</sup>	3.8%	3.5%	+30bps
Average order value <sup>3</sup>	£33.91	£36.90	-8%
Number of items in a basket	2.74	2.68	+2%

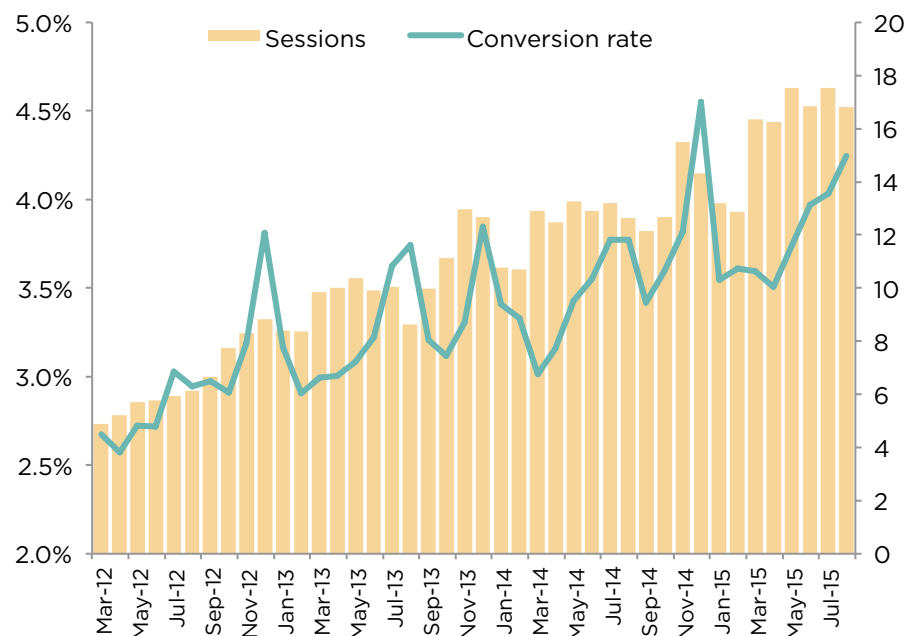
<sup>1</sup> Defined as having shopped in the last year

<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

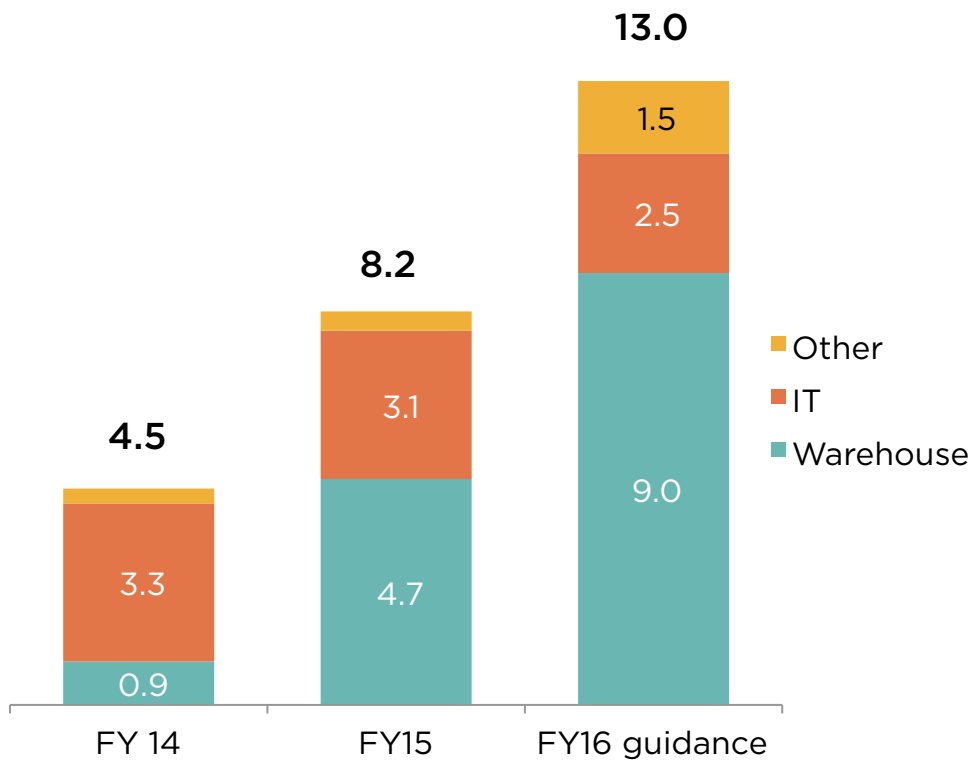
<sup>4</sup> Number of orders on last 12 months divided by number of active customers

## MONTHLY SESSIONS (MILLIONS) AND CONVERSION RATE<sup>2</sup>



# Capital Expenditure

## CAPITAL EXPENDITURE GUIDANCE - £M



Warehouse extension complete

Fit out underway June 2015

Capex guidance for FY16  
- £13m including final costs  
for warehouse extension

Review of automation alternatives  
underway

# GUIDANCE

Revenue growth 30% to 35%

EBITDA in line with  
current expectations

Management will look  
at opportunities to  
further invest in customer  
lifetime value and market  
reach which may impact  
margins in the short term

CAPEX £13.0m





**CAROL KANE**  
**JOINT CEO**

# Our Fashion



New Areas:  
Petite, Fit, Co-  
Ords  
- 1,000  
New Styles



Range  
Extension



Continued  
Investment:  
Plus, Denim,  
Swimwear  
- 1,700  
New Styles



International:  
Coats and  
Knitwear in  
Australia

boohoo  
Petite



Co-ords





Swim  
wear



Australian  
Autumn





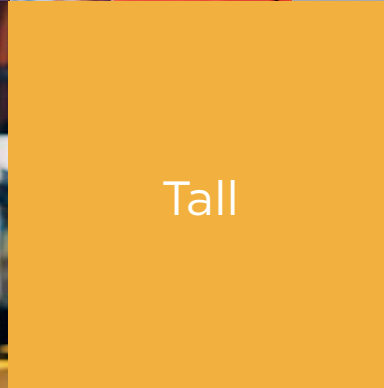
Soft  
Tailoring



Range  
Extension



Tall



## Our Fashion

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So what's next?

Soft  
Tailoring



Tall





PRUCI



KATE BOSWORTH



MATTHEW WILLIAMS,SON

WE'RE ALL OVER OTT TASSELS ON EVERYTHING!



ETRO



TOMMY HILFINGER



LOUIS VUITTON

FUTURISTIC STAR WARS INSPIRED PRINTS ARE IN

60s

70s

RETROSPECTIVE

Trend Guide: AW 15

From darkly decadent florals to 80s inspired sequins and go-to daily denim, meet the trends you need to know this season.



POPPI DELEVINIGNE



BURBERRY PRORSUM



VERSACE





AW15

The strong emerging trends: 60s Shift Dress



AW15

The strong emerging trends: Oversized Checked Shirt





AW15

The strong emerging trends: Suede



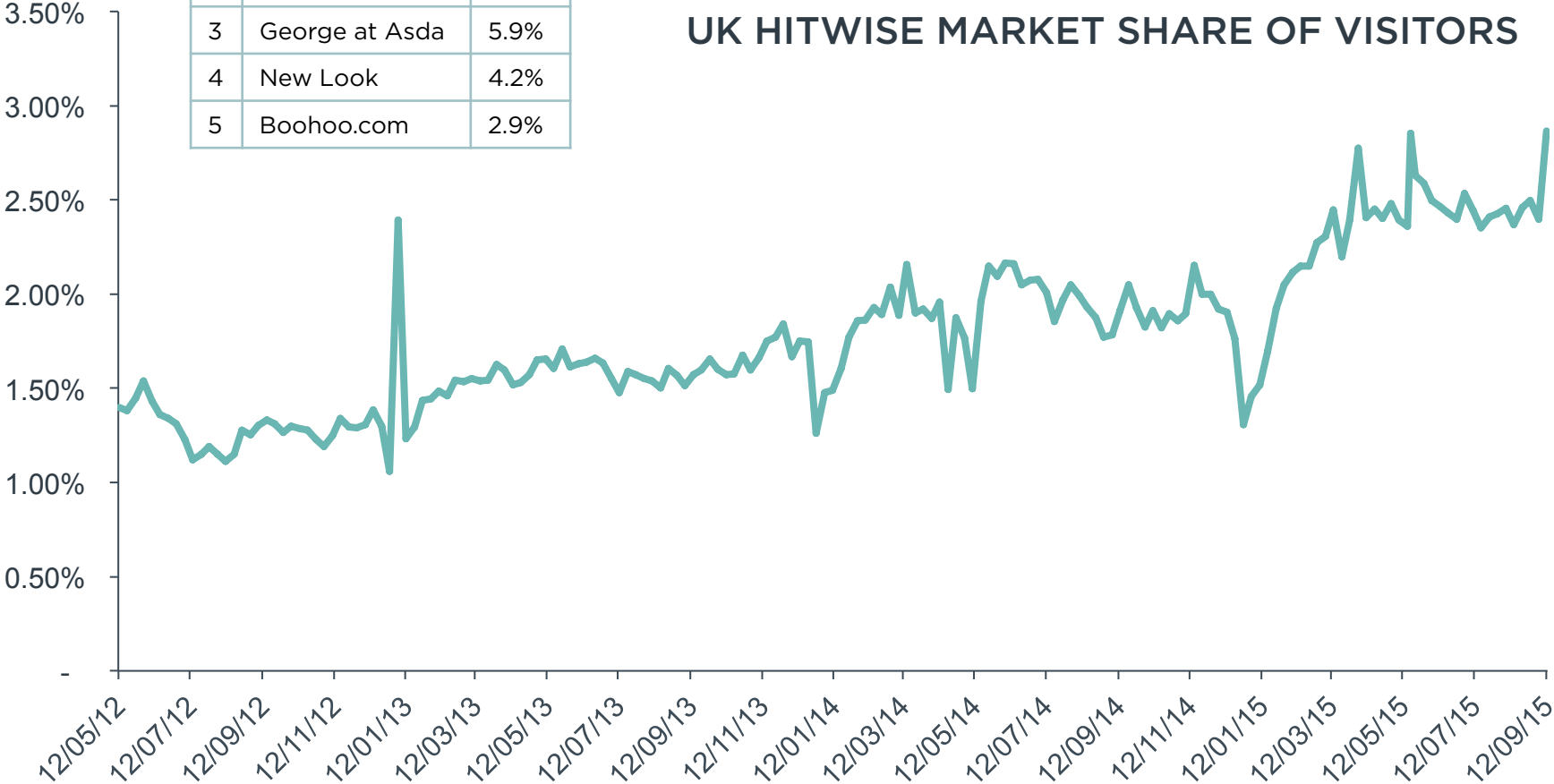
AW15

The strong emerging trends: 70s Bohemian Dress

# Our Market Share: UK

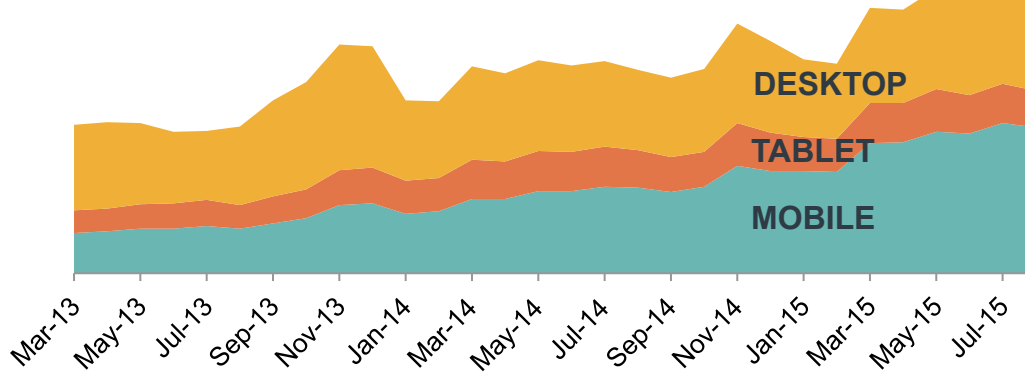
1	Next	7.5%
2	Asos	6.0%
3	George at Asda	5.9%
4	New Look	4.2%
5	Boohoo.com	2.9%

### UK HITWISE MARKET SHARE OF VISITORS

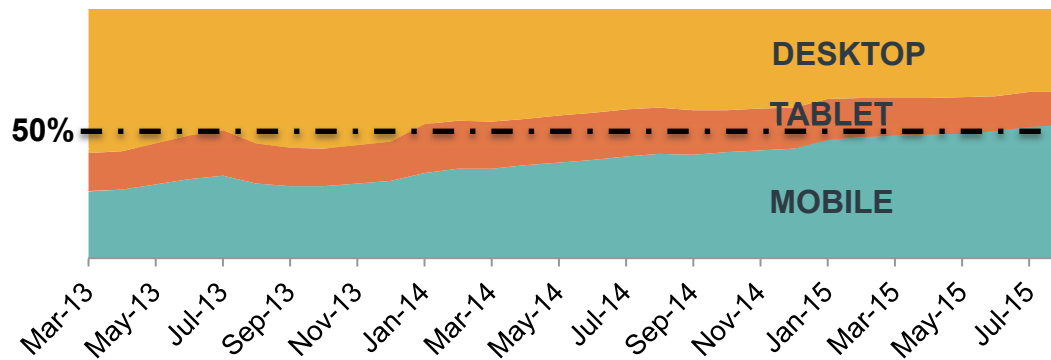


# Mobile Engagement

## SESSIONS BY DEVICE TYPE BY MONTH



## SESSION MIX (%) BY DEVICE TYPE BY MONTH

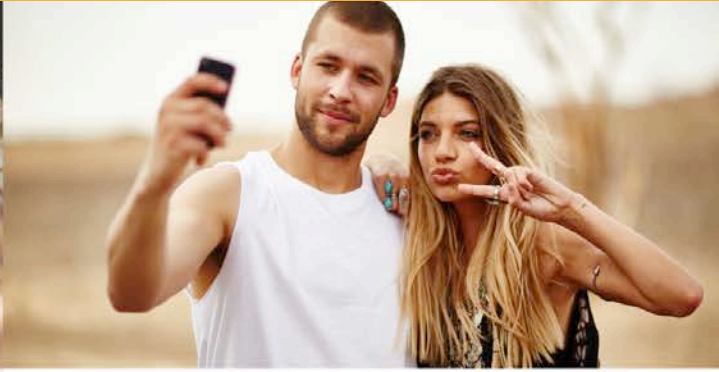
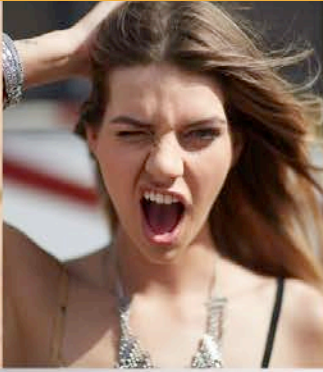


Foreign language sites now fully responsive

Conversion improvement

Proportion of mobile traffic continues to increase

App implemented



**WeAreUs**



# Marketing

WeAreReady



WeAreHot



WeAreFun



WeAreFree



WeAreNow



A woman with blonde hair, wearing a black hat and a dark coat, is peering over a large white rectangular box that covers the middle of the image. The background is a blurred urban setting with a wooden wall on the left and yellow chairs in the distance.

# 2015



**Safia & Caroline** (FR)

- 622k Youtube subscribers
- 393k Instagram followers



**Danielle Peazer** (AUS)

- 3.1m Twitter followers
- 1m Instagram followers



**Bella Thorne**

- 6.9m Twitter followers
- 6.6m Instagram followers





Charli XCX For boohoo - Collaboration

boohoo.com/plc



Charli XCX For boohoo - Collaboration

boohoo.com plc

# Summary

Momentum recovered/  
accelerated growth

Investments made for successful  
H2

Good start to AW15 (early days)

Continued focus on execution

