

## Trading Update and Acquisition boohoo.com plc

### **“boohoo.com plc upgrades guidance and announces the acquisition of forward-thinking fashion brand PrettyLittleThing.”**

#### **Trading Update**

boohoo.com plc (“the boohoo Group” or “the Group”), the leading online fashion retailer, has continued to perform well since reporting its Interim Results on 27 September 2016. Trading was strong across the Black Friday weekend and peak season trading continues to be encouraging. Reflecting this strong trading performance, the Board now expects boohoo.com (“boohoo”) to deliver revenue growth of between 38% and 42% in FY 17, against previous guidance of between 30% and 35%. boohoo continues to benefit from improved operating leverage in the business, and the Board anticipates boohoo delivering an EBITDA margin of between 11% and 12% in FY 17, against previous guidance of around 11%. In addition, the boohoo Group will benefit from the acquisition of 21 Three Clothing Company Ltd (“PrettyLittleThing”, “PLT” or “the Company”), which is expected to be consolidated from 3 January 2017.

#### **Acquisition of PrettyLittleThing**

The boohoo Group today announces the acquisition (“the transaction”) of 66% of PrettyLittleThing for a cash consideration of £3.3 million. The transaction is expected to complement the Group’s presence both in the UK and internationally.

#### **Transaction Highlights:**

- The boohoo Group will acquire 66% of the issued share capital of PLT for a cash consideration of £3.3m<sup>1</sup>. This is pro rata to the March 2014 option agreement to acquire 100% for £5.0m
- The remaining 34% will be used to incentivise CEO Umar Kamani and PLT’s senior management who have overseen exceptional revenue growth since 2014
- PLT revenue<sup>2</sup> grew by over 400% to £17.0m in the financial year ended 29 February 2016 (FY 15: £3.1m), and the Company delivered revenue of £19.0m in the six months to 31 August 2016 (H1 16: £6.4m)
- PLT is expected to achieve revenue growth in excess of 150% in the financial year ending 28 February 2017 (“FY 17”), while being broadly breakeven at EBITDA level. In FY 18, the Group plans to review and invest in PLT’s operations, including its warehousing, to ensure the Company is well positioned for the future. Accordingly, PLT’s revenue is expected to grow at a similar rate to boohoo’s in FY 18
- The 34% retained by PLT management will be subject to the management team remaining with PLT over the five-year period to 28 February 2022, and achieving demanding revenue and EBITDA targets
- At 28 February 2022, the boohoo Group will have the option to acquire this remaining 34% at market value<sup>3</sup>
- The transaction is on a cash free, debt free basis and will be financed through the Group’s existing cash resources

#### **Peter Williams, Chairman of the boohoo Group, commented:**

“PrettyLittleThing was always going to be a natural fit with boohoo. Umar and his team are to be congratulated for creating a fantastic brand, which complements boohoo’s own inclusive and innovative brand, and we are delighted to add this fast growing, international business to the Group. We believe this is an excellent opportunity to extend the Group’s overall customer appeal through two distinct, complementary brands while further enhancing the Group’s strong growth trajectory. We look forward to building on PrettyLittleThing’s success and we welcome Umar and his team to the Group.”

**Umar Kamani, CEO of PrettyLittleThing commented:**

“PrettyLittleThing has been a great success story over the last couple of years. Our youthful management team enables us to engage directly with our target market, pushing the boundaries of innovation in the celebrity led world of fast fashion. As part of the boohoo Group, we will continue to build on our strong brand positioning and we are excited by the prospect of continuing to anticipate and set trends.”

**Notice of Trading Update**

The boohoo Group will provide an update on trading for the four months to 31 December 2016 on Tuesday 10 January 2017.

**Investor and Analyst Conference Call**

The boohoo Group will host a conference call for analysts and investors at 8.30am (GMT) today.

Dial in details:

Participant number: +44 (0)330 336 9411

Conference ID: 8071110

**Enquiries****boohoo.com plc**

Neil Catto, Chief Financial Officer

Clara Melia, Investor Relations

Tel: +44 (0)161 233 2050

Tel: +44 (0)7748 171236

**Buchanan - Financial PR adviser**

Richard Oldworth

Madeleine Seacombe

Jane Glover

Tel: +44 (0)20 7466 5000

boohoo@buchanan.uk.com

**Zeus Capital - Nominated adviser and joint broker**

Nick Cowles/Andrew Jones (Corporate Finance)

John Goold/Benjamin Robertson (Corporate Broking)

Tel: +44 (0)161 831 1512

Tel: +44 (0)20 3829 5000

**Jefferies Hoare Govett - Joint Broker**

Nick Adams/Max Jones

Tel: +44 (0)20 7029 8000

**Notes**

1. The transaction is expected to complete on 3 January 2017.
2. PLT revenue is unaudited, and on an annualised basis.
3. The market value for the remaining 34% will be determined by a Big Four accounting firm. The consideration will be satisfied in cash and/or boohoo Group shares at the discretion of the Group Board. A reduced consideration will be payable if Umar and the management team do not meet the necessary retention and performance criteria. If the boohoo Group does not exercise the option to acquire the remaining 34% of PLT by 28 February 2022, a dividend of up to all of the PLT distributable reserves at that time will be payable to all PLT shareholders including boohoo, pro rata to their shareholdings.

**About boohoo.com**

“The voice and style of the social generation”

Keeping one step ahead of the trends or making a subtle style change is easy with boohoo.com and with up to 100 new pieces hitting the site every day and a new collection each week, boohoo.com never stops – it is



24/7 fashion at its best. From the UK's best kept fashion secret to one of the fastest growing international retailers, boohoo.com has quickly evolved into a global fashion leader of its generation. Combining cutting-edge, aspirational design with an affordable price tag, boohoo.com has been pushing boundaries since 2006 to bring its customers all the latest looks for less.

<a href="http://www.boohoo.com">www.boohoo.com</a>	<a href="http://www.boohoo.com/newz/page/home">www.boohoo.com/newz/page/home</a>	<a href="http://fr.boohoo.com">fr.boohoo.com</a>
<a href="http://www.boohoo.com/europe/page/home">www.boohoo.com/europe/page/home</a>	<a href="http://www.boohoo.com/sweden/page/home">www.boohoo.com/sweden/page/home</a>	<a href="http://de.boohoo.com">de.boohoo.com</a>
<a href="http://www.boohoo.com/usa/page/home">www.boohoo.com/usa/page/home</a>	<a href="http://www.boohoo.com/denmark/page/home">www.boohoo.com/denmark/page/home</a>	<a href="http://it.boohoo.com">it.boohoo.com</a>
<a href="http://www.boohoo.com/canada/page/home">www.boohoo.com/canada/page/home</a>	<a href="http://www.boohoo.com/norway/page/home">www.boohoo.com/norway/page/home</a>	<a href="http://nl.boohoo.com">nl.boohoo.com</a>
<a href="http://www.boohoo.com/aus/page/home">www.boohoo.com/aus/page/home</a>		<a href="http://es.boohoo.com">es.boohoo.com</a>

### **About PrettyLittleThing**

Founded in 2012, PrettyLittleThing originated as an accessories only website. It soon saw that its customers wanted to buy top to toe outfits and introduced a clothing range in 2013. Since then PLT has grown into a forward-thinking fashion brand offering killer affordable style to female fashion breakers and makers. The business is all about the right here, right now. PLT doesn't just anticipate trends; it creates them, taking inspiration from the catwalk, celebrities, and influencers, making sure they're available for the customer to shop on PLT's site before they're available anywhere else.

<a href="http://www.prettylittlething.com">www.prettylittlething.com</a>	<a href="http://ie.prettylittlething.com">ie.prettylittlething.com</a>
<a href="http://www.prettylittlething.us">www.prettylittlething.us</a>	
<a href="http://www.prettylittlething.com.au">www.prettylittlething.com.au</a>	

This announcement has been determined to contain inside information.