

INTERIM RESULTS

boohoo
group plc

FOR THE SIX MONTHS ENDED 31 AUGUST 2020

AGENDA

- Group Sustainability Update:
John Lyttle, Group CEO
- Supply Chain Economics:
Neil Catto, Group CFO
- Financial Review:
Neil Catto, Group CFO
- The boohoo group:
Carol Kane, Group Co-Founder & Executive Director
- Summary:
John Lyttle, Group CEO





GROUP SUSTAINABILITY UPDATE

JOHN LYTTLE, GROUP CEO

INDEPENDENT REVIEW

FINDINGS + RECOMMENDATIONS

THE SCOPE OF THE REVIEW WAS TO INVESTIGATE:

- Allegations about working conditions and low pay
- boohoo's supply chain monitoring in Leicester
- The Group's compliance with the relevant law
- Make recommendations for the future (see Appendix slides)

FINDINGS OF THE REVIEW:

- Many failings in the Leicester supply chain identified
- Ample evidence that steps for improvement were in progress nearly a year ago
- These processes did not advance quickly enough
- Recommendations focused around improvements to corporate governance, compliance and monitoring processes

“Confident that the adaptations which boohoo should make involve a relatively easily-achieved realignment of its priorities and governance systems.”

“It has already made a significant start on putting things right.”

“If boohoo is willing to take a different approach to how it both views and interacts with the Leicester supply chain, it has within its power to be a tremendous force for good.”

OUR OBJECTIVES

1. To enhance our Corporate Governance and oversight
 - a. Greater visibility over our supply chain
2. To improve our supply chain compliance processes
 - a. Redefining our purchasing practices
 - b. Raising standards across our supply chain
3. To rebuild confidence in a sustainable future for the Group
 - a. Supporting workers and workers' rights
 - b. Supporting suppliers
 - c. Demonstrating best practice for the benefit of all stakeholders

THE BOOHOO GROUP

OUR VISION IS TO LEAD THE FASHION E-COMMERCE MARKET

OUR CULTURE IS:

- **Ambitious** - leading the way in driving forward positive change
- **Collaborative** - working with suppliers and other stakeholders to raise standards across the industry
- **Entrepreneurial** - attracting people with great drive to implement change quickly
- **Inclusive** - democratising fashion by making it accessible to all individuals
- **Responsible** - committed to acting and communicating in a safe and responsible manner





OUR CONTRIBUTION

- ~ **£1.5bn**: Sales L12M, up from £110m at IPO
- ~ **£155m**: EBITDA L12M, up from £12m at IPO
- >**5k**: Colleague roles created across operations, from ~400 at IPO, and growing
- >**2.5k**: Number of colleagues who are shareholders in the group
- ~**£40m**: Wealth created for colleagues through share ownership
- ~**£80m**: Paid in NI & Corporation Tax since IPO



AUDIT & COMPLIANCE PROGRAMME

JOHN LYTTLE, GROUP CEO

OVERVIEW OF SUPPLIER BASE

International mix:

- ~40% UK
- ~20% Europe
- ~40% Asia



COMPLIANCE & TRANSPARENCY

PHASE 1:

FY21
compliance
programme

PHASE 2:

Accelerated
compliance
review

PHASE 3:

Addressing
UK findings

PHASE 4:

International
compliance
programme

PEOPLE, PROCESSES & GOVERNANCE

COMPLIANCE & TRANSPARENCY

PHASE 1: FY21 COMPLIANCE PROGRAMME

Action: Develop a more robust UK supplier compliance programme with third party Verisio: signed off in February 2020, launched in May 2020

Objective: Mapping every supplier in our UK supply chain

Output: Driving greater supply chain visibility

Benefit: Uniformity of, and enhanced standards across UK supply base

Next steps: Replicate work into international markets



COMPLIANCE & TRANSPARENCY

PHASE 2: ACCELERATED COMPLIANCE REVIEW

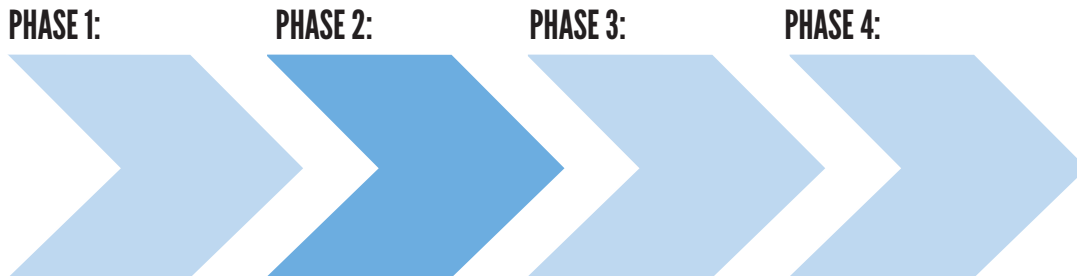
Action: Independent Review of the Group's UK supply chain + accelerated supply chain review

Objective: To identify areas of risk and non-compliance & take action to strengthen future compliance

Output: Ms Levitt's Independent Review + detailed internal review of 287 Leicester suppliers & manufacturing units

Benefit: Detailed understanding of compliance standards and corrective action required

Next steps: Implementing our agenda for change



COMPLIANCE & TRANSPARENCY

PHASE 3: ADDRESSING UK FINDINGS

Action: Resumption of supply chain and audit programme & implementation of Ms Levitt's recommendations

Objective: Improve compliance, transparency and standards across UK supply chain for the benefit of all stakeholders

Output: Completion of Verisio programme, publication of UK supplier list, establishment of Purchasing Principles, implementation of recommendations

Benefit: Improved standards and welfare across our UK supply chain

Next steps: Replicate UK supply chain compliance programme with International supply base



COMPLIANCE & TRANSPARENCY

PHASE 4: INTERNATIONAL COMPLIANCE PROGRAMME

Action: To implement a robust global supplier compliance programme, working with Bureau Veritas

Objective: Map every supplier in our global supply chain

Output: Driving greater supply chain visibility

Benefit: Enhanced monitoring, visibility and compliance globally

Next steps: Publication of global supply chain list

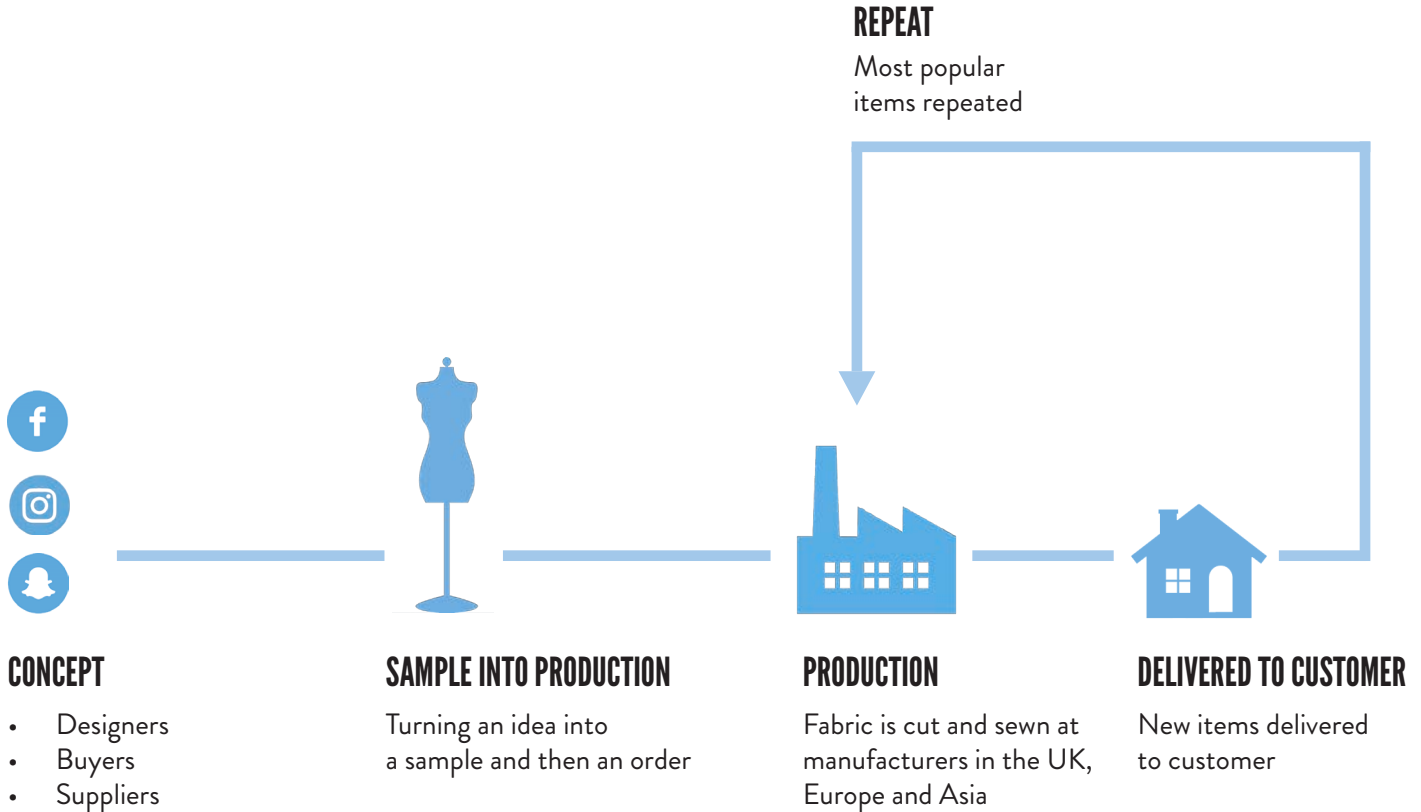




SUPPLY CHAIN

JOHN LYTTLE, GROUP CEO

SUPPLY CHAIN FOCUSED ON SPEED TO MARKET



PUTTING TECH INTO COMPLIANCE

WHERE WE WERE:

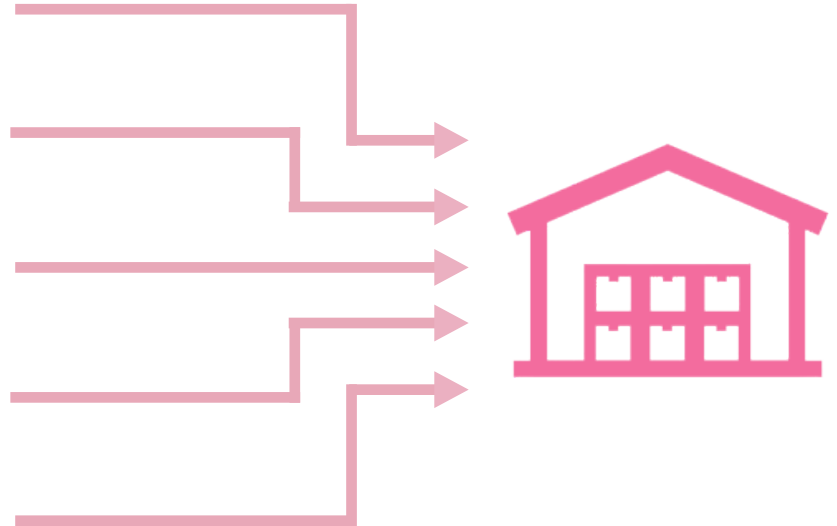
- Paper-based ordering system

WHERE WE ARE TODAY:

- New buying & compliance ordering app launched September 2020
 - Simplifies order process
 - Enhanced PO management and visibility
 - Real time tracking of orders
 - Checks back to approved supplier list

WHAT'S NEXT:

- Supplier portal
 - Single view of supplier
 - Two-way communication
 - Up-front review of audit status and certification
 - Better visibility of ongoing audit status and actions
 - Extending from approved supplier to approved factory list



LEICESTER CENTRE OF EXCELLENCE

PURPOSE:

- Education - demonstrate model manufacturing processes
- Best practice - showcase how our products can be made legally, ethically and safely
- Community hub - nurturing and inspiring new talent in the textile industry
- Leicester office - boohoo UK compliance team to be based at the site

MODEL MANUFACTURING:

- Up to 250 new jobs created
- Capability to manufacture up to 50k units / week
- Expect to go live in early 2021



UK SUPPLY BASE GOING FORWARDS

MAINTAINING A UK SUPPLY BASE

- UK supply base will see some consolidation
- Top 50 account for significant majority of volumes
- Approach is to work collaboratively with suppliers through this process
- Expect Leicester to remain a significant part of manufacturing base going forwards
- Community fund for workers in Leicester

ENHANCED TRANSPARENCY

- Publication of UK supplier list within next 6 months

STRENGTHENED AUDIT AND COMPLIANCE PROCEDURES

- Strengthened sourcing and compliance team
- New Purchasing Principles to be published every six months



SUMMARY: SUPPLY CHAIN OBJECTIVES

NEXT 12 MONTHS

- Resumption and completion of UK supplier programme
- Auditing entirety of UK Tier 1 & 2 this financial year
- Publication of UK supplier list within six months
- Commence international supply chain audit programmes
- Set-up manufacturing centre of excellence
- Establishment of Purchasing Principles
- Launch of supplier portal
- Further investment into sourcing and compliance teams
- Completion of global supply chain audit programme
- To publish global supply chain list
- Complete £10m investment across manufacturing, compliance, training and education
- To implement all of Ms Levitt's recommendations





GOVERNANCE

JOHN LYTTLE, GROUP CEO

GOVERNANCE OBJECTIVES

NEXT 12 MONTHS

- Appointing two new Non-Executive Directors
- New Risk Committee and Supply Chain Committee
- Working with an external consultant around Board composition and remuneration
- Annual Corporate Governance roadshows
- Appointment of senior respected independent individual to oversee our agenda for change





SUPPLY CHAIN ECONOMICS

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2020 | NEIL CATTO, GROUP CFO 23

ADDRESSING PERCEPTIONS OF THE GROUP

Perception	Reality
Product cannot be sourced ethically and legally from the UK	Product CAN be sourced in an ethically and legally compliant manner from the UK
UK-based sourcing is cheaper than elsewhere	UK sourcing is more expensive, but faster. Manufacturing overseas is cheaper
Margins will decrease if boohoo sources overseas	Sourcing internationally is cheaper than the UK
Gross margins are higher than peers	boohoo's gross margin is below peers
boohoo over-indexes in low value "£5" dresses which cannot be sourced responsibly	Approximately 8% of dresses sold are £5 or under, at no margin

PRODUCT COSTING

BASIC JERSEY TOP



Discount to UK Landed Cost	
Turkey	-9%
Pakistan	-47%

BASIC CYCLING SHORT



Discount to UK Landed Cost	
Morocco	-9%
Bangladesh	-16%

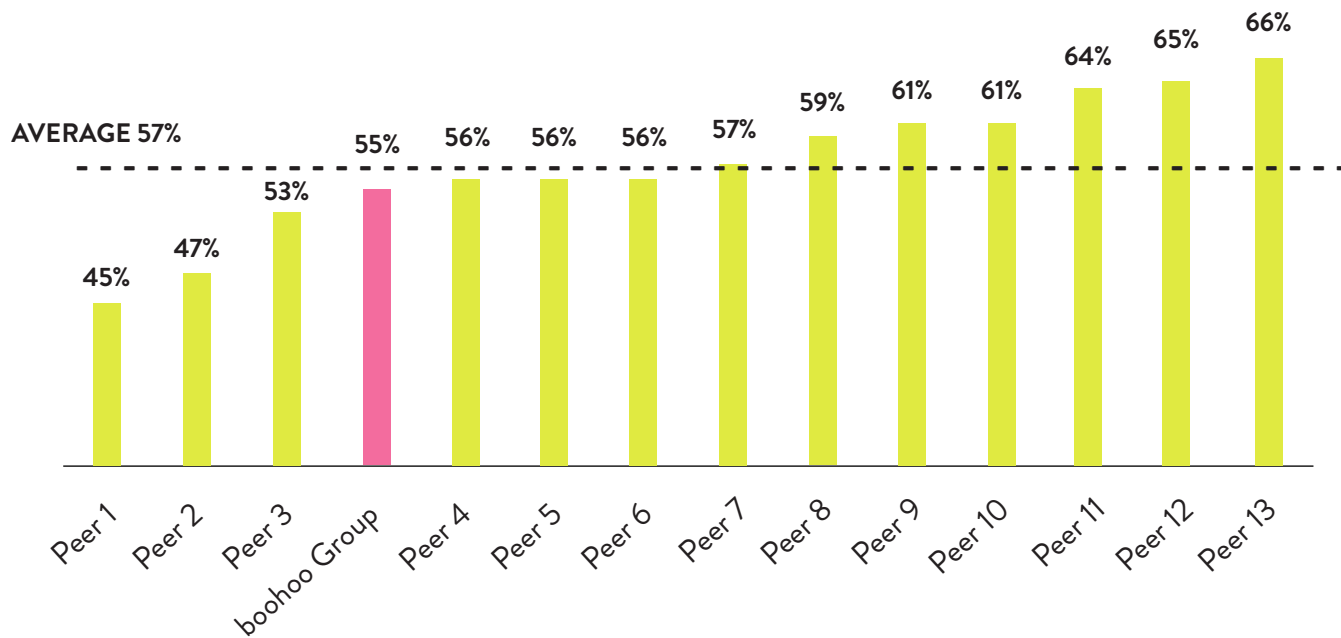
BASIC JERSEY BOTTOM



Discount to UK Landed Cost	
Turkey	-2%
Pakistan	-49%

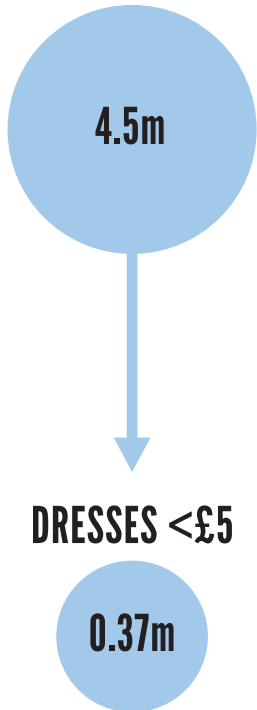
Source: indicative costings based on boohoo and supplier estimates

GROSS MARGIN COMPARISON

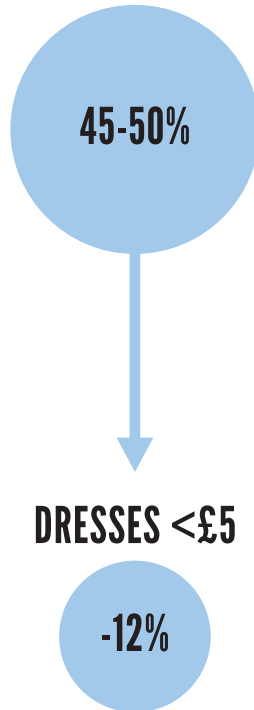


THE £5 DRESS

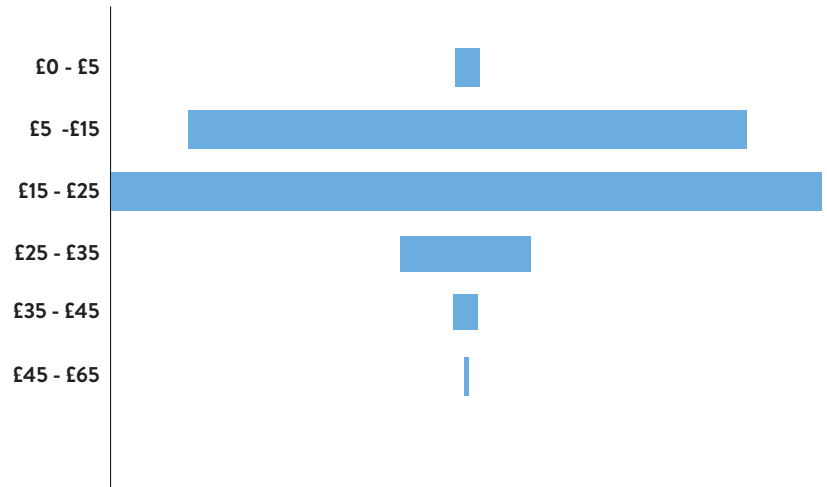
DRESSES SOLD



PRODUCT MARGIN



SALES BY VALUE





FINANCIAL REVIEW

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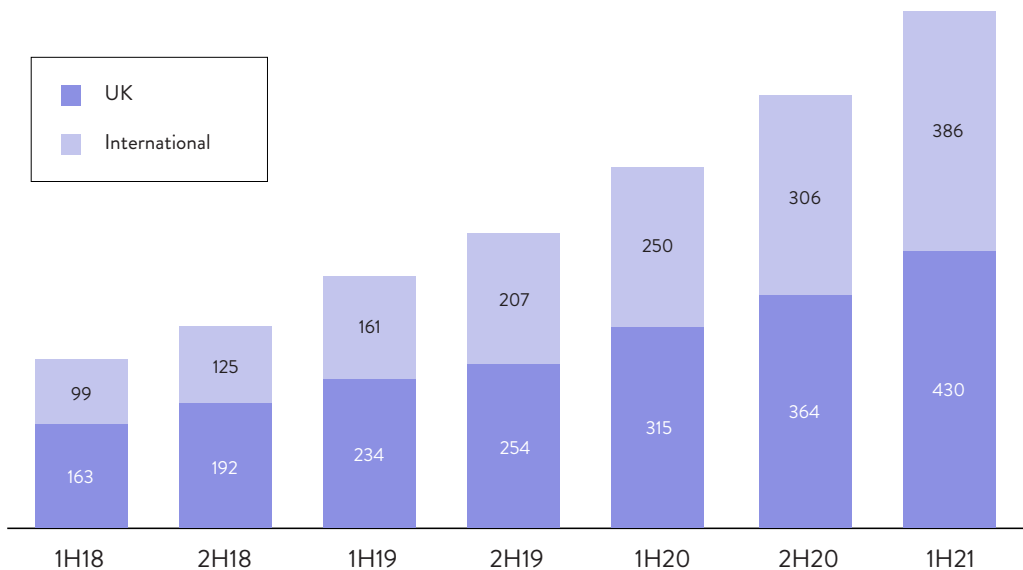
SUMMARY GROUP INCOME STATEMENT

Six months to 31 August (£m)	1H21	1H20	Change
Group Sales	816.5	564.9	45%
Gross Profit	449.2	306.6	47%
Gross Margin	55.0%	54.3%	70bps
Adjusted EBITDA	89.8	60.8	48%
Adjusted EBITDA Margin	11.0%	10.8%	20bps
Adjusted EBIT	79.0	51.3	54%
Adjusted EBIT Margin	9.7%	9.1%	60bps
Adjusted PBT	79.4	51.9	53%
Reported PBT	68.1	45.2	51%
Adjusted Diluted EPS	4.53	2.91p	56%
Reported Diluted EPS	3.99p	2.80p	43%
Net Cash at Year End	344.9	207.3	137.6

Six months to 31 August (£m)	1H21	1H20
Acquisition Intangibles	(2.5)	(2.3)
Share-based Payments	(8.8)	(4.4)
Adjusting Items	(11.3)	(6.7)

SEGMENTAL RESULT

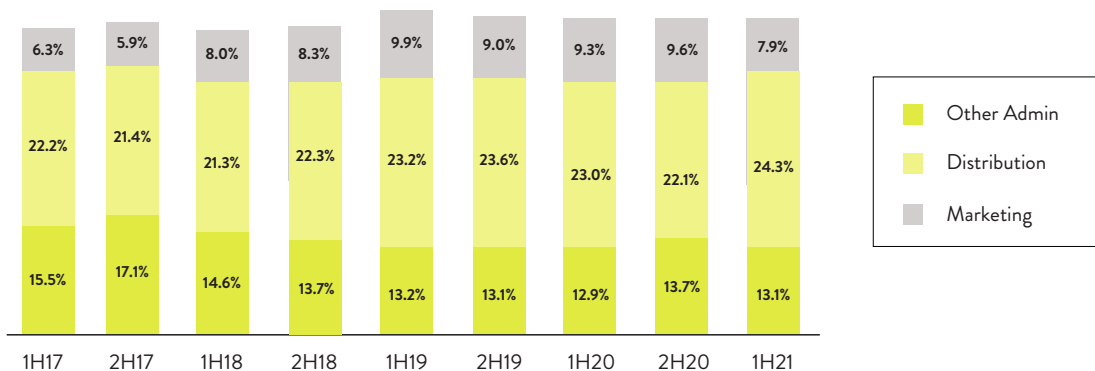
Six months to 31 August (£m)	UK	ROE	USA	ROW	Total
Sales	430.2	123.7	202.2	60.4	816.5
Change (%)	37%	41%	83%	17%	45%
CER Change (%)	37%	40%	83%	18%	44%



GROUP OPERATING COSTS

Six months to 31 August %	1H21	1H20	Change
Marketing	7.9%	9.3%	(140)bps
Distribution	24.3%	23.0%	130bps
Other Admin Costs	13.1%	12.9%	20bps
Total	45.3%	45.2%	10bps

- Lower marketing spend driven by Covid-19 lockdowns
- Distribution costs increased due to Covid-19 impact on carrier capacity, offset partially by lower returns
- Admin costs increased due to investment in brands and teams



SUMMARY GROUP CASH FLOW STATEMENT

Six months to 31 August (£m)	1H21	1H20
Profit for the Period	52.0	36.1
Shared Based Payments	8.8	4.4
Depreciation & Amortisation	13.3	11.8
Change in Working Capital	57.4	(4.9)
Other Items	15.7	8.5
Operating Cash Flow	147.2	55.9
Capital Expenditure	(27.1)	(6.4)
Tax Paid	(20.1)	(3.8)
Acquisitions	(167.1)	(19.4)
Net proceeds from the issue of ordinary shares	199.3	0.8
Purchase of own shares	(25.7)	(4.8)
Other Items	(2.2)	(5.6)
Change in Net Cash	104.3	16.7
Period End Net Cash	344.9	207.3

- Healthy conversion of EBITDA into Operating Cash Flow
- Working capital inflows benefiting from negative working capital cycle and higher inventory levels driven by growth
- Increased levels of capex supporting future investment plans
- Balance sheet well-positioned to support future acquisitions & investments



GROUP KPIs

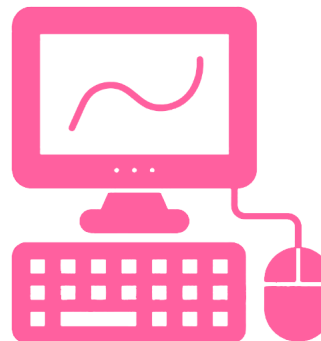
- New customer growth remains high
- Gains delivered across all major KPIs and across all brands
- Underpinning future growth potential

Six months to 31 August	1H21	1H20	Change (%)
Active Customers	17.4m	13.0m	34%
Number of Orders	26.6m	20.3m	31%
Order Frequency	2.85x	2.81x	1%
Average Order Value	£46.11	£43.26	7%
Items/Basket	3.46x	3.15x	10%

Source: Group KPIs adjusted to account for multi-brand shoppers.

CAPEX AND WAREHOUSING

- Investing across operations, infrastructure and technology
- FY21 capex guidance: £80m - £100m
 - 70% warehouse: capacity and automation
 - 20% property: offices and refurbishments
 - 10% technology: software and hardware
- Sheffield automation: £125m over next 3 years



Location	Description	Completion Date	Stockholding Capacity	Net Sales Capacity
Burnley	Extension & Automation	April-19	17m units	c. £1.4bn
Sheffield	Mezzanine fit-out and flooring	Aug-20	12m units	c. £0.9bn
Sheffield	Automation	CY 2022	12m units	c. £0.9bn
Burnley	Future Options	CY 2022	~5m units	c. £0.4bn
Total			~46m units	c. £3.6bn

FY21 FINANCIAL GUIDANCE



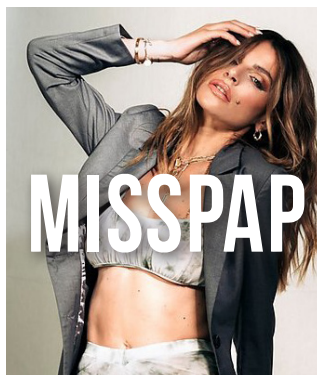
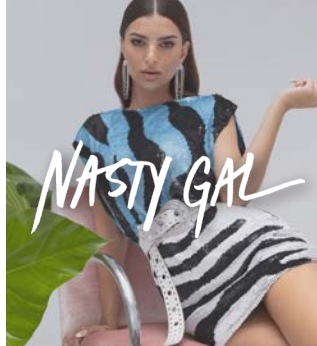
- Group Sales Growth 28-32%
- Adjusted EBITDA Margin c. 10%
- Depreciation & Amortisation c. £20-25m
- Capex £80m-£100m
- Effective Tax Rate c. 22%
- Adjusting Items c. £23m (share-based payments & acquisition intangibles)
- Medium term guidance of 25% sales growth p.a. and 10% Adjusted EBITDA margin unchanged



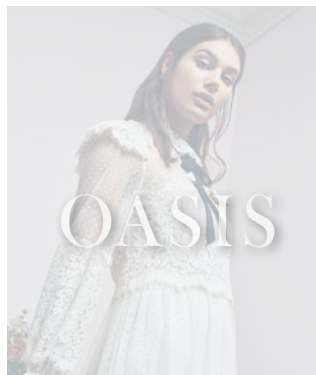
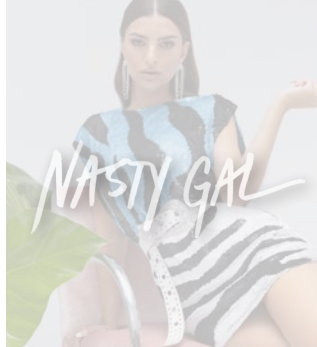
THE BOOHOO GROUP

CAROL KANE, GROUP CO-FOUNDER AND EXECUTIVE DIRECTOR

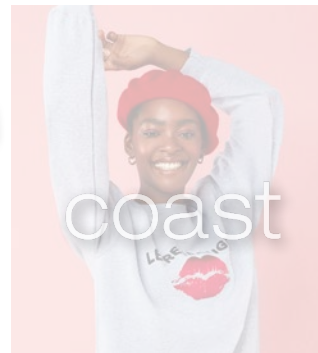
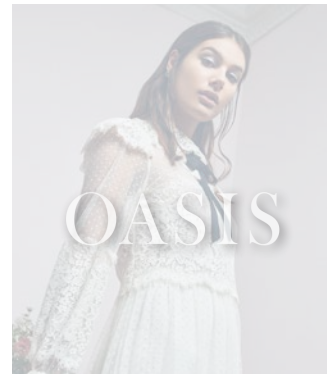
NINE FASHION LEADERS



NINE FASHION LEADERS



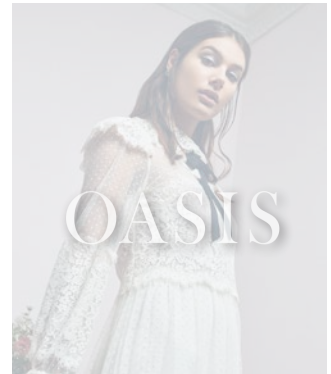
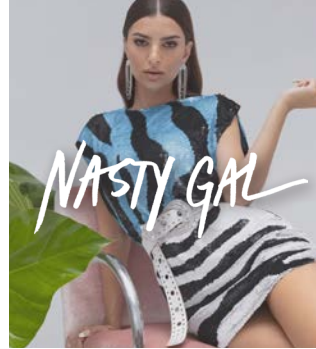
NINE FASHION LEADERS



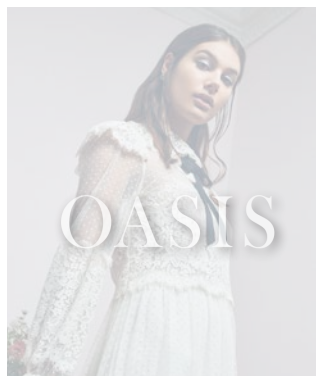
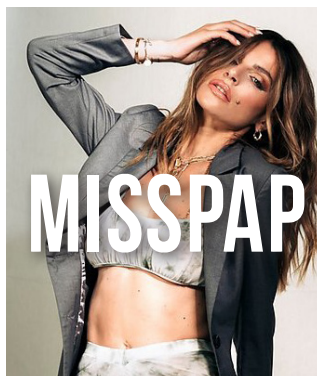
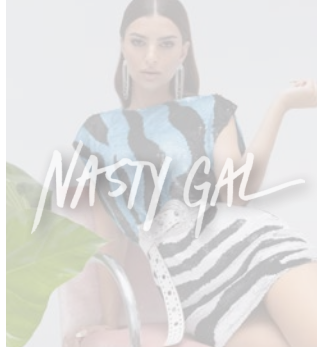
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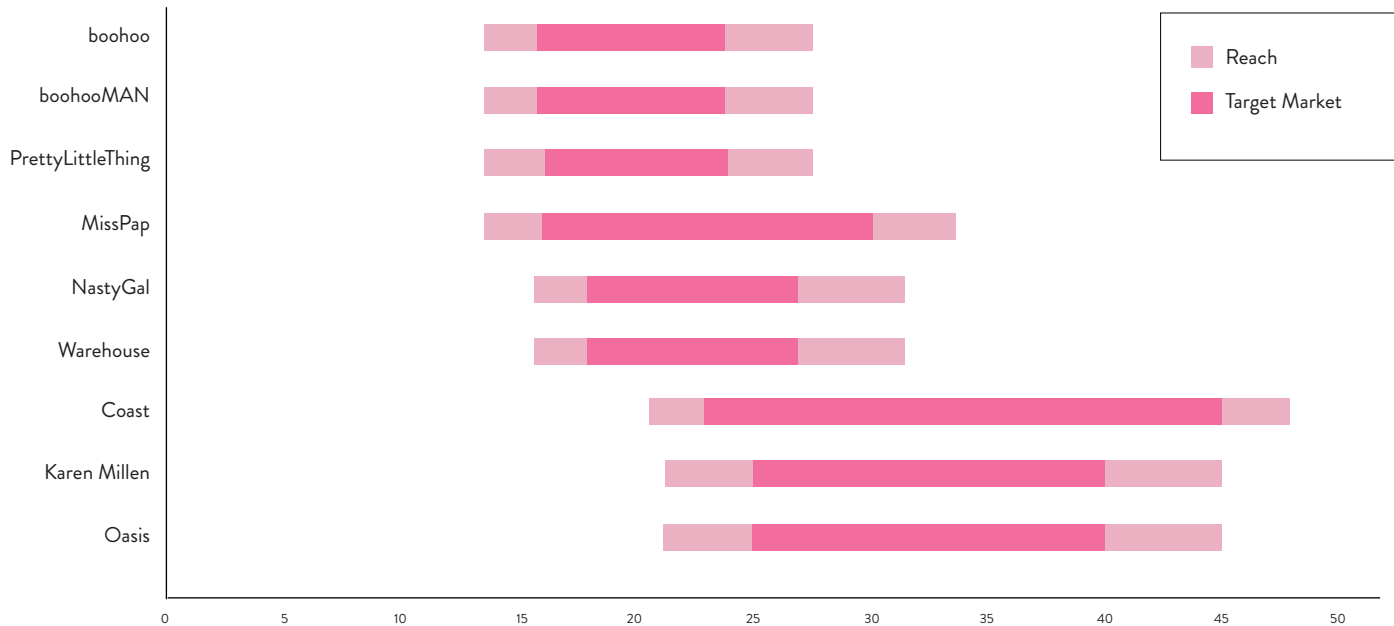


NINE FASHION LEADERS

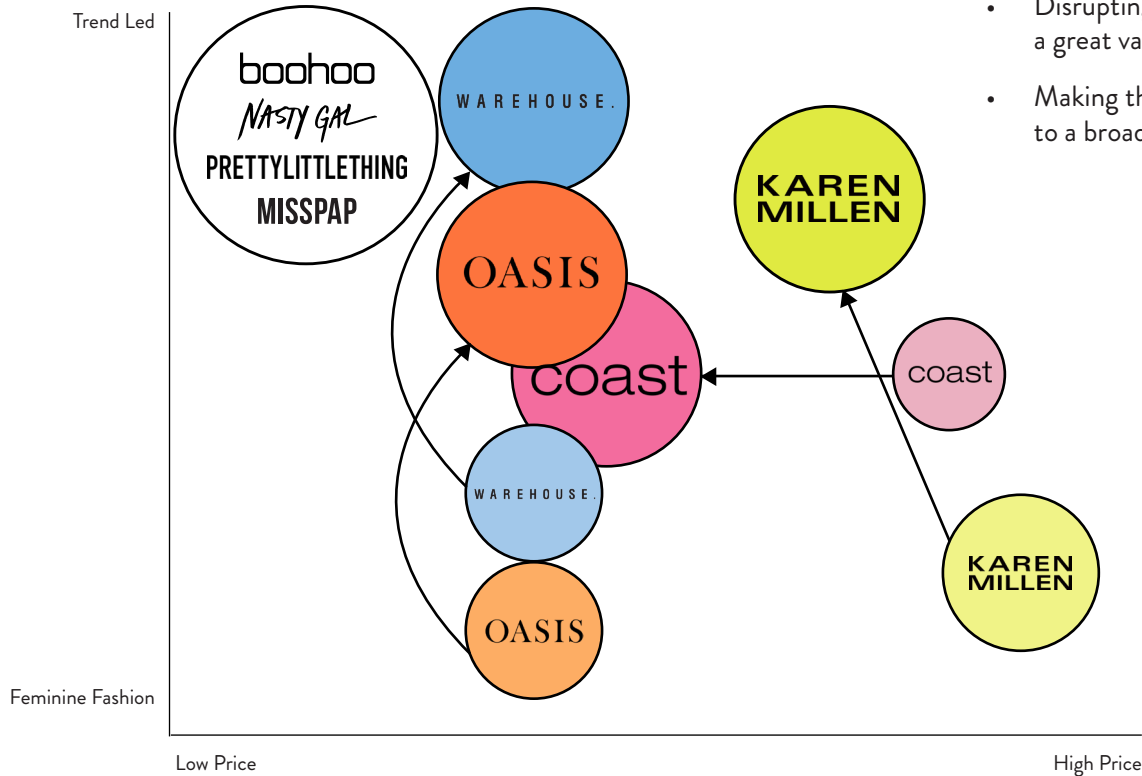


TARGET DEMOGRAPHICS

- Becoming a fashion leader in the 16-45 category
- Capturing greater share of wallet across the nine brands
- Embedding the brand DNA in the boohoo Group

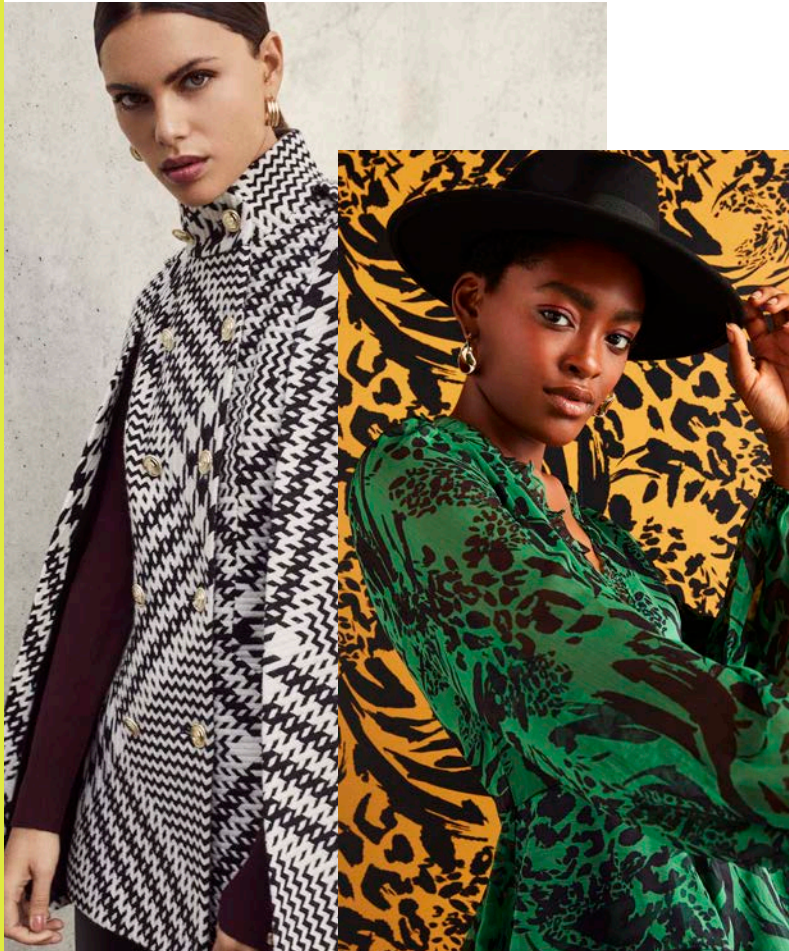


NEW BRANDS' POSITIONING



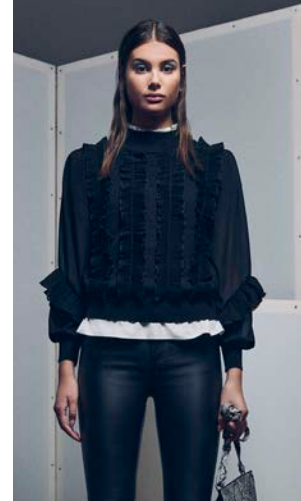
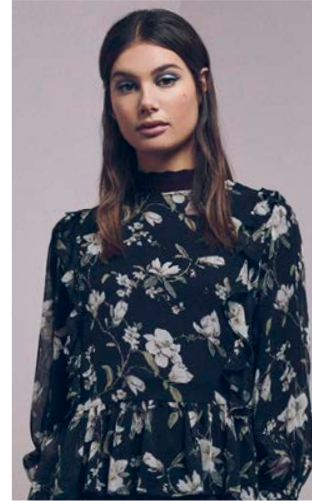
- Brands becoming more relevant and trend led
- Disrupting the mid-market with a great value womenswear offer
- Making the brands more accessible to a broader audience

KAREN MILLEN & COAST: 1 YEAR ON



- Rapid growth in range
 - Launched 12 months ago with 60 styles
 - Rapid build out of range to 1500 styles today
 - 150 new items launching per week
 - KM Curve launched in September 2020
- Design led storytelling
 - What KM was famous for
 - Maintaining brand heritage and equity
- Accessible luxury
 - Implementation of test and repeat strategy
 - Premium aesthetic and quality, accessible pricing

OASIS BRAND IDENTITY



Her diary is full and so is her wardrobe. It tells a story of complementary colour adorned with artistic patterns, florals, and pretty details.

She is a woman of understated elegance.

Expressive and charismatic she will entice you into her beautiful life, a life of carefully curated creativity, femininity and sophistication.

WAREHOUSE BRAND IDENTITY



Her city is London / Berlin / Milan.

Her style is urban and undone.

Studded boots and stilettos.

Nostalgia and ambition.

Late nights. Bright lights. Big cities.



SUMMARY

- Committed to an agenda for change in UK garment manufacturing
- Significant enhancements to Corporate Governance and supply chain compliance processes planned in next 12 months
- Continuing to deliver strong growth with ~£1.5bn sales over last 12 months
- Portfolio of 9 fast growing brands
- Scalable platform for growth through further M&A
- Strong cash position of £345m provides flexibility for further investments
- We intend to lead the fashion e-commerce market





APPENDICES

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2020

RECOMMENDATIONS: IMMEDIATE ACTIONS

(WITHIN 6 MONTHS)

1	<p>Boohoo has been ‘mapping’ its supply chain for over a year. The time has come to bring this process to a conclusion. Within six months Boohoo should reduce its approved suppliers to a list which contains a manageable number of companies, ideally without reducing capacity. The methodology for the selection process should be predicated on the goal of reducing and ultimately eliminating sub-contracting. Criteria should include prioritising:</p> <ul style="list-style-type: none">i. The largest suppliers and sub-contractors by volume;ii. Those who have passed the Verisio spot checks or which have only minor contraventions;iii. For Tier 1, those which have a manufacturing as well as a design capabilityiv. Promoting as many Tier 2 companies to Tier 1 as is possible (in other words to ensure that there is a direct contractual relationship where this can be achieved).
2	<p>Boohoo should invite suppliers which they have not previously used but which have a track record of ethical and sustainability policies to apply to be included on the list, subject to the onboarding process set out below.</p>
3	<p>Boohoo should commit to publishing the refreshed list of Tier 1 suppliers and Tier 2 sub-contractors as soon as possible and in any event within six months of the delivery of my report.</p>
4	<p>In the interests of transparency, Boohoo should commit to publishing its list of suppliers and sub-contractors annually.</p>
5	<p>Those companies which do not make inclusion on the list should be written to and told what they will need to do to become eligible for consideration as a boohoo Group supplier or sub- contractor in the future.</p>

6	<p>Within six months Boohoo should contact all suppliers and sub-contractors on the refreshed list and inform them of the following.</p> <p>(a) There are six essential parameters for passing spot checks and audits, namely:</p> <ol style="list-style-type: none"> i. Payment of the minimum wage ii. Proof of working hours iii. Right to work documentation iv. Health and safety, with fire safety and COVID-19 risks prioritised v. No unauthorised sub-contracting (to include both sub-contracting without Boohoo's knowledge as well as to non-approved companies) vi. A new requirement of keeping a copy of all essential paperwork on the premises available for immediate inspection by auditors and in-house compliance team. <p>(b) The parameters are now clearly categorised as zero-tolerance, critical, major and minor (the compliance team should decide the categorisation within each parameter).</p> <p>(c) The onus is on the supplier to show that they have complied, not on Boohoo to show that they have not. If there is insufficient evidence for a supplier to show compliance with a particular measure, this will be recorded as a 'fail' and appropriate measures taken.</p> <p>(d) The letter should set out in clear and simple terms the sanctions for failing a spot check or an audit, by reference to the categories of zero-tolerance etc.</p>
7	<p>All suppliers should be required to confirm within a defined timescale their agreement to adhere to the requirements. The sanction for failure to provide confirmation by the due date without reasonable excuse should be set out (I suggest suspension from the list with no further orders placed until the signed confirmation is received). The receipt of those confirmations must be monitored and recorded and any failures must have the sanctions imposed without exception.</p>
8	<p>On the publication of the approved supplier list all Boohoo brand buyers must be told that orders can only be placed with those on the list and that placing orders with unapproved suppliers will be dealt with as a disciplinary matter. This will be an interim measure until the new on-line ordering tool can be brought on stream but is essential for instilling discipline.</p>
9	<p>The current paper purchase orders should be replaced within six months by an interim paper contract for each purchase, which sets out in ordinary language the most important terms of the contract. These are, in addition to cost price and delivery date, the name of the factory which will be manufacturing the clothes and an undertaking that this will not be changed without prior consultation with Boohoo.</p>
10	<p>Two further in-house compliance officers should be recruited without delay to work with the existing member of staff on the less formal compliance visits. These should be on an unannounced or semi-announced basis.</p>

11	Within three months Boohoo should appoint an individual to provide independent oversight of the implementation of this change agenda. This person should not be a Director of Boohoo, rather it should be a man or woman of standing in whose independence the market and the public can have confidence. Their appointment should be announced publicly together with their Terms of Reference, which should include a regular update to the Board on progress against this agenda.
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SUPPLY CHAIN COMPLIANCE COMMITTEE

12	A new committee should be formed within four weeks which solely considers supply chain issues. It should include the Director of Sustainability, the Heads of compliance, buying and merchandising and the internal auditor. It should be chaired by a nominated member of the Board who is publicly acknowledged to have ownership of supply chain compliance. This committee should meet not less than six times a year and report to the Audit Committee. With immediate effect, supply chain compliance must be a standing item on every Board meeting Agenda with the nominated Director giving a progress report and recommending actions. The update and the actions should be clearly Minuted.
13	The immediate priority for this committee should be to devise and approve an emergency plan for ensuring supply chain discipline and control in the event of further COVID-19 lockdowns in Leicester. These must include: <ul style="list-style-type: none"> a. Arrangements for physical monitoring of factories (either by means of on-the - ground checks or if that is not possible, by the installation of live-streamed CCTV of the factory floor which can be spot-checked on a random and unannounced basis); b. Appointing a Boohoo senior staff member to monitor supplier capacity and supervise buyers in the placing of orders in such a way that Boohoo has complete visibility on where its clothes are being made.
14	This plan should be signed-off by the Board.
15	The Board should ensure that the supply chain in the rest of the UK is immediately subjected to a series of spot-checks of the kind conducted in Leicester, so that any issues can be addressed in parallel with the plan for Leicester.
16	With immediate effect, all Board and Audit Committee meeting Minutes, risk registers and other Board documents must be dated on the face of the documents. Company documents such as Board Minutes must be stored in such a way that a complete set can be produced at pace and in an orderly fashion.

MEDIUM TERM (WITHIN 12 MONTHS)

17	<p>The new supply chain committee should create a robust supply chain roadmap, which:</p> <ol style="list-style-type: none">(1) Identifies and articulates the type of brand boohoo wants to be;(2) Sets out with clarity what the company needs to change or implement in order to achieve this;(3) Decides the parameters and the consequences for infractions (minor, major, critical, zero tolerance); and(4) Sets targets for:<ol style="list-style-type: none">a. Articulating the characteristics of the supplier base needed to meet the future needs of the Group;b. Working with Leicester factories to have a new way of working designed to phase out sub-contracting;c. Devising a clear system of sanctions for suppliers which breach the supplier code, graded by the seriousness of the breach, which must be rigorously enforced;d. Implementing a new onboarding system for new suppliers;e. Implementing an online audit and capacity monitoring programme to be used by buyers when placing orders;f. Creating a clearly defined supply chain compliance governance structure, which is properly resourced;g. Devising an ongoing formal third party audit system plus a programme of lighter touch and more agile in-house compliance team spot checks;h. Ensuring the in-house compliance team have a clear understanding of when they should work with a supplier to improve conditions and when non-compliance should be reported upwards;i. Updating the supplier code and instituting a system of contracts for each order placed;j. Educating buyers; andk. joining the Ethical Trading Initiative.
18	The Board member with ownership of supply chain issues should report progress against these objectives to the Board.
19	Some of these objectives are set out in more detail in the paragraphs below.

ON-LINE AUDITING PROGRAMME

20	Boohoo should implement an electronic supply chain audit programme which captures audit status and capacity and monitors the placing of orders in real time to ensure that factories' capacities are not exceeded. We understand that Boohoo is already working on such a system. Buyers should not be permitted to place orders outside the approved list of suppliers and sanctions should be in place for any that do. There should also be a system of rewards for buyers who report concerns that suppliers are abusing the system.
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NEW SUPPLIER ONBOARDING SYSTEM

21	Boohoo should implement a clear and robust onboarding system for new suppliers. No new suppliers should be approved unless there is a clear business need either for greater capacity or where there is an identified skills gap. Priority should be given to those with manufacturing capability on a reasonably large scale (no more micro-factories or home workers). It must be a firm rule that no orders may be placed with a new supplier until the onboarding process is complete. The criteria for approved suppliers, together with a description of the onboarding process, should be publicised and suppliers with a proven track record of ethical and sustainability credentials invited to apply.
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WORKING WITH SUPPLIERS

22	Boohoo should open a dialogue with its suppliers with a view to: d. Ensuring that there is a regular flow of orders and a commitment to a certain volume of orders over the course of a year, so that suppliers can plan their workforce requirements; e. Encouraging them to recruit skilled workers, so that they can manufacture more complicated clothes which command a higher price and also improve productivity across the board; f. Committing to placing a 'mixed bag' of orders with each supplier (possibly across the Boohoo brands), in which the higher margin on more complicated pieces can be used to cross-subsidise basic items. This will allow Boohoo to keep the prices of simple clothing low whilst still allowing the supplier to pay proper wages and make a reasonable profit.
23	Boohoo should hypothecate some of its charitable donations to Leicester-based community organisations and in particular those which have direct or indirect connections with the garment industry, such as those which work with sections of the population known to be particularly vulnerable to exploitation.
24	Boohoo should develop a set of KPIs which capture ethical and sustainability issues as well as purely commercial issues such as growth and profit. Bonuses for buyers should be restructured to reflect this. There should be well-published sanctions for failing to place orders in a way which is sympathetic to Boohoo's ethical and sustainability goals.

25	Boohoo should outline an Assurance Map, capturing all sources of assurance across the three-lines model for the supplier base. This should include a risk-based supplier assurance plan capturing individual risk assessments for each approved supplier and sub-contractor. The in-house compliance programme should include a robust system to test suppliers' claims about capacity. There should be a programme of unannounced spot checks to ensure that Boohoo brands' clothing is actually being made in the factory named in the purchase contract.
26	There should be a clearly defined and understood process for ongoing monitoring and due diligence of suppliers. There should also be a system of recognised triggers which require completion of a due diligence exercise, such as a change of ownership.
27	Two additional Non-Executive Directors should be appointed without delay. Consideration should be given to household names with a history of public service as well as a track record in corporate governance.
28	There needs to be a clearly defined risk management system within the governance structure of Boohoo. There should be a Risk Committee which owns the subject, chaired by a Board member and reporting to the Audit Committee. The Head of Compliance should be a member.
29	The Risk Committee should produce an updated RAG-rated risk register following every meeting, which should then be provided to the Board. That risk register should articulate Boohoo's risk-appetite for each identified risk and a clear explanation as to how risks which have competing mitigating actions are to be reconciled.
30	Risk management should be a standing item on the Board agenda with the report and the Actions clearly Minuted.
31	All committees should have agreed Terms of Reference, to be updated annually. The Audit Committee's Terms of Reference need to be updated (the copy we have is dated 2014).

LONG TERM (WITHIN 3 YEARS)

TRAINING OF BUYERS

- 32** Boohoo should devise and institute a programme to educate all its buyers in the actual cost of fabricating garments in order to ensure that they do not drive cost prices below what is reasonable. Recruitment of new buyers should prioritise those with training in or experience of garment technology. Buyers should be encouraged to understand how designs can be adapted to reduce prices without compromising ethical and sustainability standards. There should be an internal audit programme to monitor compliance. Good performance against an ethical metric should be publicly recognised and celebrated within the company.

THE 'BOOHOO ACADEMY'

- 33** Boohoo should fund and promote a skills-based education programme to upskill Leicester's garment manufacturers, with the twin objectives of
- Improving productivity and
 - Developing the skills to manufacture more sophisticated clothing which is capable of competing with that produced in overseas factories.

BRANDING

- 34** Boohoo should consider slightly repositioning the narrative of its branding. They should aim to be “the first choice for the fashionable and thrifty young woman with a social conscience and who cares about the environment”. They should work with a public relations company to inform their customers (including via the website) about their sincere commitment to maintaining UK jobs which have ethical and environmentally sustainable standards and why this is consistent with the Boohoo brands. They should consider having a ‘Leicester champion’ whose name could be publicised.

RECOGNISING LEICESTER WORKERS AS BOOHOO 'COUSINS'

35

The factory workers who make the clothes upon which Boohoo's success is founded, whilst not becoming employees, should be celebrated as (and made to feel) part of the Boohoo family. Thought should be given to events which include not just the factory owners but their workers. The aim should be to create a greater feeling of partnership between these two business-critical components. Examples might include:

- i. Regular visits by factory workers to Boohoo brand headquarters and reciprocal visits to the factories, particularly by buyers;
- ii. Joint conferences and educational programmes;
- iii. Work experience programmes and apprenticeships at Headquarters for some children of factory workers who are interested in a career in retail;
- iv. Having at least one social event a year to which the factory workers are also invited.

GOVERNANCE

36

Board training should be strengthened by a series of 'awaydays' devoted to developing governance skills.



OUR BRANDS

APPENDICES

boohoo

AMBITION

To be the leading online fashion brand for all 16-24 year olds

STYLES

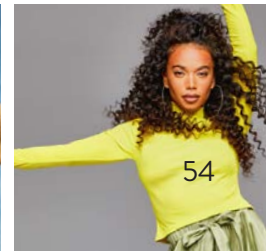
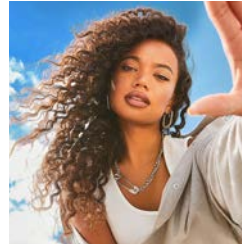
over 25k

TARGET DEMOGRAPHIC

16 - 24 year olds

CORE MARKETS

UK, Ireland, France, Germany, US, Australia





boohooMAN

AMBITION

To be the leading online menswear fashion brand

STYLES

over 5k

TARGET DEMOGRAPHIC

16 - 24 year old men

CORE MARKETS

UK, Ireland, France, Germany, US, Australia

PRETTYLITTLETHING

AMBITION

Make every girl feel like a celebrity

STYLES

over 25k

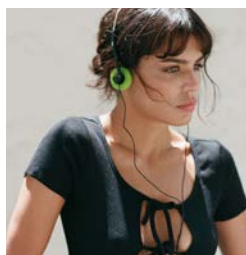
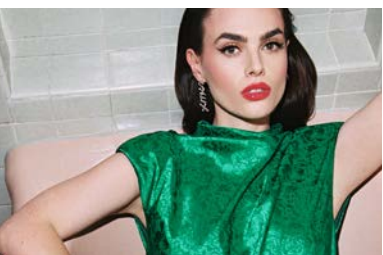
TARGET DEMOGRAPHIC

16 - 24 year old females

CORE MARKETS

UK, Ireland, France, US, Australia





NASTY GAL

AMBITION

Nasty Gal provides the space to be a girl in progress

STYLES

over 10k

TARGET DEMOGRAPHIC

18 - 27 year old females

CORE MARKETS

US, UK, Ireland, France, Australia

MISSPAP

AMBITION

To give a girl a champagne lifestyle on a lemonade budget

STYLES

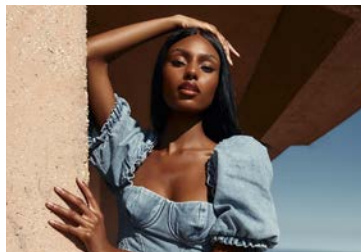
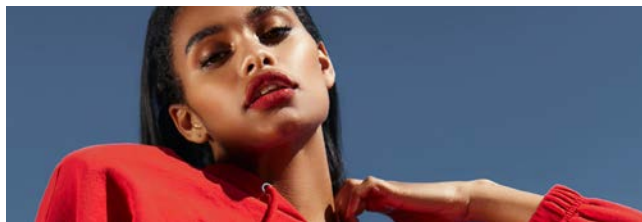
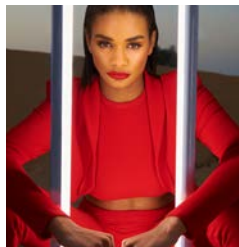
Approximately 3k

TARGET DEMOGRAPHIC

16 - 30 year old females

CORE MARKETS

UK





KAREN MILLEN

AMBITION

Delivering fashion with quality and fit at its heart

CORE PRODUCTS

Dresses, Tops, Knitwear, Trousers, Skirts, Accessories

TARGET DEMOGRAPHIC

25 - 40 year old females

CORE MARKETS

UK

coast

AMBITION

To embrace and celebrate every moment

CORE PRODUCTS

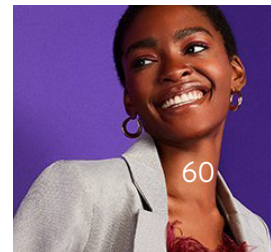
Dresses, Tops, Trousers, Accessories

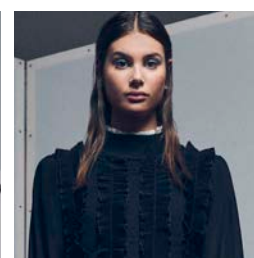
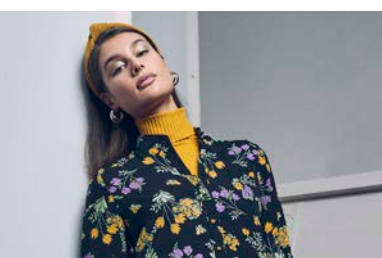
TARGET DEMOGRAPHIC

23 - 45 year old females

CORE MARKETS

UK





OASIS

AMBITION

A carefree, elegant woman ready to take on the world

CORE PRODUCTS

Floral dresses, blouses, jeans, tops and accessories

TARGET DEMOGRAPHIC

25 - 40 year old females

CORE MARKETS

UK

WAREHOUSE

AMBITION

To be unapologetically individual

CORE PRODUCTS

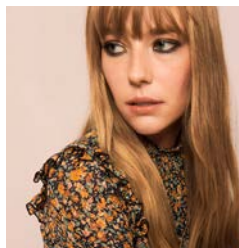
Leather jackets, tops, trousers, accessories, bold statement pieces

TARGET DEMOGRAPHIC

18 - 27 years old females

CORE MARKETS

UK



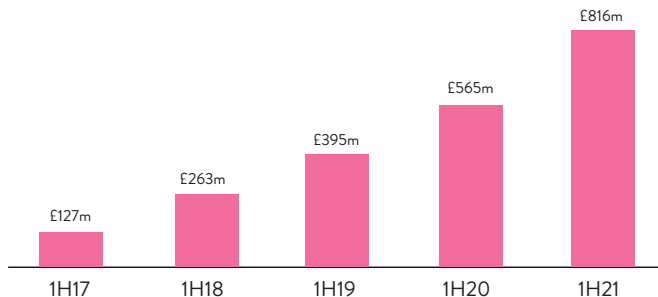


ADDITIONAL INFORMATION

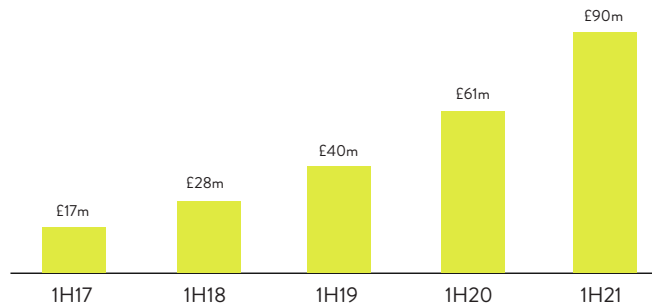
APPENDICES

FINANCIAL SUMMARY: LAST 5 YEARS

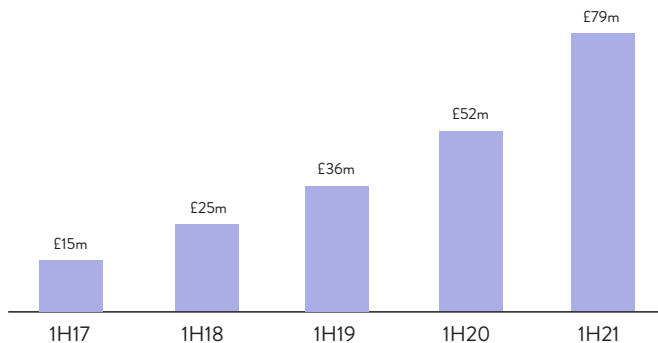
SALES



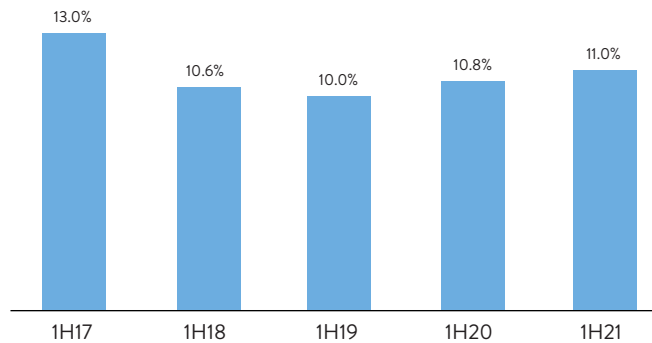
ADJUSTED EBITDA



ADJUSTED PBT



ADJUSTED EBITDA MARGIN



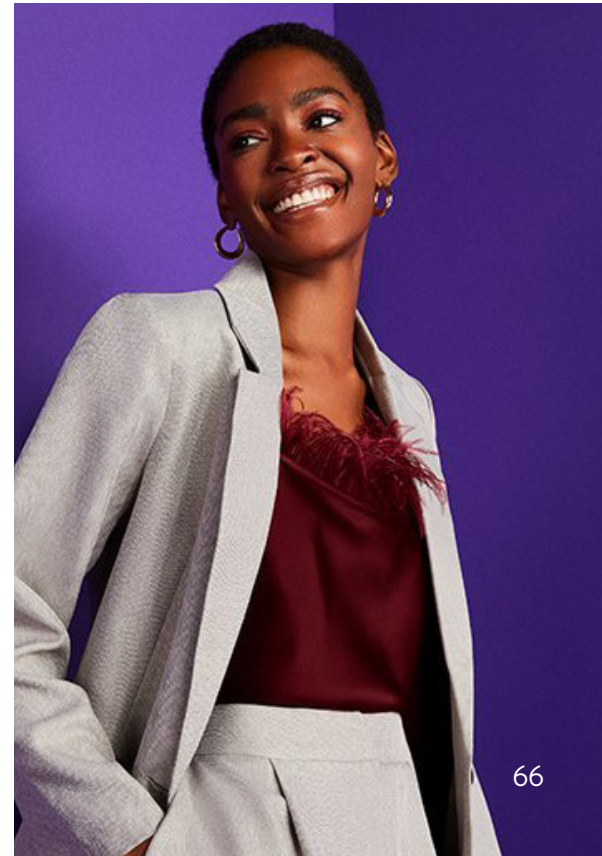
REPORTED REVENUE: FY20

Reported Sales	3 Mths to 31st May				3 Mths to 31st Aug				6 Mths to 31st Aug			
Breakdown (£m)	FY21	FY20	% CHG	% CER	FY21	FY20	% CHG	% CER	FY21	FY20	% CHG	% CER
Total	367.8	254.3	45%	45%	448.7	310.5	44%	44%	816.5	564.9	45%	44%
By Region												
UK	183.0	140.6	30%	30%	247.2	174.4	42%	42%	430.2	315.0	37%	37%
ROE	63.4	38.2	66%	65%	60.3	49.2	23%	21%	123.7	87.5	41%	40%
USA	92.0	51.3	79%	83%	110.2	59.4	86%	83%	202.2	110.7	83%	83%
ROW	29.4	24.2	22%	22%	31.0	27.5	12%	14%	60.4	51.7	17%	18%




GROUP BALANCE

SHEET

As at 31 August (£m)	1H21	1H20
Assets		
Intangible assets	47.8	43.8
Property, plant and equipment	135.3	108.5
Right-of-use assets	11.9	15.7
Financial assets	7.9	0.3
Deferred tax	4.8	4.1
Non-Current Assets	207.7	172.4
Working capital	(121.1)	(58.7)
Lease liabilities	(13.5)	(17.7)
Net financial assets	(5.0)	(27.2)
Cash	344.9	213.3
Interest bearing loans and borrowings	0.0	(6.0)
Deferred tax liability	(3.8)	(2.0)
Current tax liability	(1.8)	(6.8)
Net Assets	407.4	267.3



SOCIAL MEDIA REACH

	 Instagram	 Facebook	 Twitter
boohoo	6.7m	3.6m	0.5m
boohooman	1.2m	0.3m	61k
PrettyLittleThing	12.5m	2.3m	0.3m
Nasty Gal	4.7m	1.4m	0.2m
MissPap	2.5m	0.4m	44k
Karen Millen	0.3m	0.3m	34k
Coast	0.1m	0.16m	15k
Oasis	0.3m	0.2m	75k
Warehouse	0.2m	0.2m	53k

FINANCIAL CALENDAR

DATE	EVENT
January 2021 (TBC)	P3 21 TRADING UPDATE
April / May 2021 (TBC)	FY21 RESULTS ANNOUNCEMENT
June 2021 (TBC)	1Q 22 TRADING UPDATE
September 2021 (TBC)	1H22 RESULTS ANNOUNCEMENT



GLOSSARY

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



MAHMUD KAMANI

Group Executive Chairman



BRIAN SMALL

Deputy Chairman, Chairman of the Audit and Nomination Committees & sits on the Remuneration Committee



CAROL KANE

Group Co-Founder & Executive Director



JOHN LYTTLE

Group CEO



NEIL CATTO

Group CFO



IAIN MCDONALD

NED, Chairman of the Remuneration Committee & sits on the Audit & Nomination Committees



PIERRE GUILLERET

NED, on the Audit, Nomination and Remuneration Committees



NEW NED

Audit Committee Chair



NEW NED

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www.warehousefashion.com/ie

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