28 September 2022

The information contained within this announcement is deemed by the company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended) ("UK MAR"). Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

boohoo group plc – interim results for the six months ended 31 August 2022

"Leading the fashion eCommerce market"

	6 months to 31 August 2022 (1H FY23) £ million	6 months to 31 August 2021 (1H FY22) £ million	Change 2022 on 2021	6 months to 31 August 2019 (1H FY20) £ million	Change 2022 on 2019[1]
Revenue	**882.4**	975.9	-10%	564.9	+56%
Gross profit	**463.5**	533.3	-13%	306.6	+51%
Gross margin	**52.5%**	54.6%	-210bps	54.3%	-180bps
Adjusted EBITDA[2]	**35.5**	85.1	-58%	60.8	-42%
% of revenue	***4.0%***	*8.7%*	*-470bps*	*10.8%*	*-680bps*
Adjusted EBIT[3]	**9.6**	64.2	-85%	51.3	-81%
% of revenue	**1.1%**	6.6%	*-550bps*	9.1%	*-800bps*
Adjusted profit before tax[4]	**6.2**	63.8	-90%	51.9	-88%
Adjusted diluted earnings per share[5]	**0.30p**	3.84p	-92%	2.91p	-90%
Net (debt)/cash[6] at period end	**(10.4)**	98.4	-108.8m	207.3	-217.7m

Summary of first half financial performance

- Gross revenue before returns up 4%, reflecting underlying growth and ongoing improvements in average order frequency and spend per customer, offset by weaker than anticipated consumer demand
- Net revenue declined 10% in the first half year:
  - As previously guided returns rates up significantly year on year, and ahead of pre-pandemic levels
  - UK revenues declined 4%, softening through the second quarter as inflationary pressures increased and consumer demand appears to have been impacted by cost of living pressures.
  - International revenues declined 17%, with the proposition continuing to be impacted by extended delivery times. Markets such as Australia are starting to see improvements from reduced delivery times, with lower rates of year-on-year declines in revenues as the first half progressed
- Gross margin 52.5%, down 210 basis points year-on-year, in line with expectations, as a result of inbound freight inflation. Gross margin performance improved 210 basis points versus the second half of the prior financial year due to tighter inventory management
- Adjusted EBITDA £35.5 million, with margin at 4.0% impacted by freight and logistics inflation, weaker than anticipated consumer demand and high cost inflation from the macro-economic environment, as well as strategic investments across the multi-brand platform
- Free cash outflow was £2.7 million (1H 22: 157.3 million outflow), following capital expenditure of £38.7 million. Closing net debt of £10.4m (1H 22: net cash of £98.4m, FY 22: net cash of £1.3 million) reflects multi-year investments, including £96 million on unencumbered freehold assets since February 2020
- Significant liquidity headroom for selective investment programme with gross cash of £315 million at period end

Near term focus on improving operational performance

As outlined previously in its full year results and first quarter update, the near-term focus for the Group is on key projects that will optimise operations and improve future performance:

- **Sourcing:** sourcing from near-shore markets increased significantly in the first half, up more than 10 percentage points year-on-year. Heading into the second half, the Group has lower levels of forward commitments on inventory, giving greater flexibility into the uncertain peak trading period
- **Inventory management:** inventory levels are leaner, with approximately 15% fewer units in stock at the end of August, compared to the end of February. Compared to 2H FY22, inventory turn and gross margin improved, with the latter increasing by 210 basis points, with the year on year decline in gross margin driven by inbound cost pressures as previously stated
- **Overheads:** macro-economic inflationary factors have contributed to overhead increases year on year and investments into recently acquired brands. An increased focus is being placed on overhead costs in an uncertain consumer backdrop to improve profitability

Robust financial position underpins strategic investments

The Group continues to maintain a robust balance sheet, with £315 million of gross cash and low levels of net debt (£10 million) at the end of the first half, giving significant liquidity headroom that supports selective investments into strategic growth initiatives.

- Automation in our Sheffield distribution centre went live in late September, and is expected to drive material cost savings and efficiencies with a five year estimated payback on £125 million of capital expenditure
- US distribution centre on track to go-live in the first half of the 2023/24 financial year, supporting significant improvement in our customer proposition from a reduction in international delivery times
- Further progress made with Debenhams online marketplace, with a new senior leadership team, upgrading of its technology stack; and rapid expansion of marketplace partners, with 80 new partners onboarded in the first half
- New Customs Warehouse went live in July, with duty savings expected in the second half
- Wholesale sales portal launched, giving greater choice and flexibility to partners, and future operational efficiencies

Outlook and FY23 guidance

As a result of the impact that the macro-economic and consumer backdrop has had on the Group's revenues in the first half, our expectation is for a similar rate of revenue declines to persist over the remainder of the financial year if these conditions continue.

Increases in inflation-driven costs as well as the resultant operational deleverage from lower sales than previously anticipated mean that adjusted EBITDA margins are likely to be between 3% and 5%, compared to the previously guided range of 4% and 7%.

It is the Board's view that by focusing near term on optimising its operations, the Group will be well-positioned to improve future profitability and financial performance through self-help via delivery of key projects and cost efficiencies and through easing of macro-economic headwinds facing both consumers and businesses.

Longer-term competitive positioning and opportunity to take market share unchanged

Over the last three years, the Group has made notable progress towards achieving its long-term growth ambitions. It has also made significant investments during this time and will continue to make selective investments to support its platform and brands, in a manner that reflect the current macro-economic environment.

Since 1H20, the group has:

- Grown significantly with total revenue +56%, (UK: +73%, International: +35%), during a period in which clothing sales in key markets remain broadly flat versus 2019

- Increased in its largest market, the UK, its share of spend online from 5.6% to 8.4%, with price product and proposition resonating strongly with consumers
- Increased its active customer base to 19 million active customers, up from 13 million, through organic growth and an increased brand portfolio
- Extended target addressable market through acquisitions, with up to 500 million potential customers in key global markets
- Built infrastructure capable of supporting in excess of £4 billion of net sales, with automation driving efficiencies and an international distribution centre enhancing our proposition
- Developed numerous growth opportunities through its direct to consumer proposition, Debenhams and strategic partnerships with select partners globally
- Made further progress on its sustainability strategy with Thurmaston Lane manufacturing facility launched in Leicester, UK in the first half and the PrettyLittleThing marketplace, a clothing resale platform, launched in August 2022

John Lyttle, Group CEO, commented:

"Performance in the first half was impacted by a more challenging economic backdrop weighing on consumer demand. Over the last three years the Group has seen significant gains in market share achieved across our brand portfolio, particularly in the UK where our price, product and proposition resonate strongly with customers. We have a clear plan in place to improve future profitability and financial performance through self-help via the delivery of key projects, which will stand us in good stead as macro-economic headwinds ease. We remain confident in the long-term outlook, as we continue to offer customers unrivalled choice, inclusive ranges and great value pricing, giving them even more reasons to shop with us."

Investor and analyst webcast

boohoo group plc will today host a presentation video webcast for analysts and investors at 8.45am (UK time) via the following link: https://webcasting.buchanan.uk.com/broadcast/62f125bd2c785a4107c36427

A replay will subsequently be available the same day via the same link.
boohoo group plc's interim results are available at www.boohooplc.com .

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Notes:

(1) Change on 2019 (1H20) is more representative of the medium-term business growth as it smooths out the exceptional growth in 1H21 due to the pandemic, when new customer acquisition was exceptional, and the effect of a material increase in international shipping costs.

(2) Adjusted EBITDA is calculated as profit before tax, interest, depreciation, amortisation, share-based payments charges and exceptional items.
(3) Adjusted EBIT is calculated as profit before tax, interest, share-based payments charges, amortisation of acquired intangible assets and exceptional items.
(4) Adjusted profit before tax is calculated as profit before tax, excluding share-based payments charges, amortisation of acquired intangible assets and exceptional items.
(5) Adjusted diluted earnings per share is calculated as diluted earnings per share, adding back amortisation of acquired intangible assets, share-based payments charges and exceptional items.
(6) Net cash is cash less bank borrowings.
(7) CER designates Constant Exchange Rate translation of foreign currency revenue, which gives a truer indication of the performance in international markets by removing year-to-year exchange rate movements when local currency sales are converted to sterling.

About boohoo group plc

"Leading the fashion eCommerce market"

Founded in Manchester in 2006, boohoo is an inclusive and innovative global brand targeting young, value-orientated customers, pushing boundaries to bring its customers up-to-date and inspirational fashion, 24/7.

In 2017, the group extended its customer offering through the acquisitions of the vibrant fashion brand PrettyLittleThing and free-thinking brand Nasty Gal. In March 2019, the group acquired the MissPap brand, in August 2019 the Karen Millen and Coast brands and in June 2020 the Warehouse and Oasis brands, all complementary to the group's scalable, multi-brand platform. In January 2021, the group acquired the intellectual property assets of Debenhams, with the goal of transforming a leading UK fashion and beauty retailer into a digital department store and marketplace through a new capital-light and low-risk operating model. In February 2021, the group acquired the intellectual property assets of UK brands Dorothy Perkins, Wallis and Burton. As at 31 August 2022, the boohoo group had 19 million active customers across all its brands around the world.

Cautionary Statement

Certain statements included or incorporated by reference within this announcement may constitute "forward-looking statements" in respect of the group's operations, performance, prospects and/or financial condition. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words and words of similar meaning as "anticipates", "aims", "due", "could", "may", "will", "should", "expects", "believes", "intends", "plans", "potential", "targets", "goal" or "estimates". 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 assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast. This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase any shares or other securities in the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or investment decisions relating thereto, nor does it constitute a recommendation regarding the shares or other securities of the Company. Past performance cannot be relied upon as a guide to future performance and persons needing advice should consult an independent financial adviser. Statements in this announcement reflect the knowledge and information available at the time of its preparation. Liability arising from anything in this announcement shall be governed by English law. Nothing in this announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

Review of the business

Group overview

Group revenue for the half-year declined by 10% (9% CER) on the first half of the previous year to £882.4 million (2021: £975.9 million, 2019: £564.9 million) and increased by 56% on the first half of three years ago, pre-pandemic. Comparison with three years ago demonstrates the growth of the business excluding the exceptional growth and low returns during pandemic periods. Gross sales before returns increased on the prior half-year by 4%, indicating the continued momentum of the group's brands as they gain market share. However, with returns higher than in the pandemic period, net revenue shows a decline.

Adjusted EBITDA was £35.5 million (2021: £85.1 million, 2019: £60.8 million), a decrease of 58% on the first half of the previous year, as a result of: softer consumer demand, elevated returns rates, freight and logistics inflation, high cost inflation from the macro-economic environment, as well as strategic investments across the multi-brand platform. Gross margin of 52.5%, declined 210 basis points year-on-year due to elevated inflationary cost pressures. Gross margin did, however, improve compared to the second half of the previous financial year with tighter inventory management, and our flexibility in moving supply chain sources away from the Far East, with its associated elevated freight costs, to Europe, reducing product costs.

Adjusted EBITDA margin reduced to 4.0% (2021: 8.7%, 2019: 10.8%), but was flat when compared to the second half of the previous financial year. International distribution costs have continued to be significantly elevated against pre-pandemic rates, but we are seeing some small, steady rate reductions as the year progresses. Our more recently acquired brands are demonstrating improving profitability but continue to operate with higher overheads as a percentage of revenue compared to the much larger and more established brands we own. Central overheads increased as a percentage of net sales in the first half due to the operational deleverage from a decline in net sales year-on-year, coupled with inflationary cost pressures as a result of the macro-economic backdrop.

Loss before tax was £15.2 million (2021: Profit £24.6 million, 2019: Profit £45.2 million). Adjusted diluted earnings per share was 0.30p, down 92% on the prior half-year. Basic earnings per share was negative 1.19p, (2021: positive 1.44p, 2019: positive 2.88p).

Operating cash flow was £41.3 million (2021: £21.3 million, 2019: £55.9 million). Net cash flow was £213.3 million inflow (2021: £127.6 million outflow, 2019: £15.5 million inflow), following capital expenditure of £38.7 million and a £225 million inflow from the group's newly committed £325 million Revolving Credit Facility. Our net cash balance (cash less bank debt) at the period end decreased to £10.4 million net debt (2021: £98.4 million net cash, 2019: £207.3 million net cash), whilst the actual cash balance was £314.6 million.

Technology

Investment has continued in key technology projects, including the delivery of Customs Warehousing, which will improve gross margin on overseas sales, and building of systems for the forthcoming US distribution centre. The Sheffield distribution centre servicing PrettyLittleThing transitioned from a third-party provider to in-house, requiring significant IT development and implementation and was successfully completed in June, with 1,400 colleagues joining the boohoo family. In addition, substantial progress has been made on our automation project ahead of go-live in September. Further improvements have been made to the group's wholesale operations, with the implementation of a new sales portal giving greater choice and flexibility to partners, and greater operational efficiencies.

Distribution centres

The group continues to operate four warehouses: the long-established Burnley site, which serves boohoo, boohooMAN, MissPap and Debenhams; the Sheffield facility for PrettyLittleThing; Wellingborough, which houses Nasty Gal, Coast, Oasis and Warehouse; and Daventry, from which the newer brands Dorothy Perkins, Burton and Wallis operate, as well as Karen Millen.

The project to automate the Sheffield warehouse reached completion and go-live in September, with significant capital expenditure of £11 million incurred in the first half year. Additional costs of working of £2 million have been incurred during the construction period, disrupting the normal efficiency, and these are included in exceptional costs. Total capital expenditure for this project is anticipated to total approximately £125 million, in line with prior guidance, driving significant efficiencies and an anticipated payback of approximately five years.

Performance by market

UK

The group's largest market continues to be the UK, accounting for 62% of group revenues (2021: 58%). Revenue has declined by 4% on the prior half year, although the pre-pandemic three-year growth remains robust at 73%. Sales before returns increased on the prior half year by 12%, but the returns rate increased substantially from the low level during the latter stages of the pandemic last year, resulting in a net revenue reduction. However, we are encouraged by the performance of our more recently acquired brands as they pick up momentum from a low base, continued progression made by our Debenhams digital department store, as well as the significant gains in market share achieved across our brand portfolio over the last three years.

Gross margin decreased slightly from 51.7% to 50.2% as a result of elevated freight cost pressures that did not impact performance in the first half of the previous financial year.

USA

Performance in the USA has been below expectations, with revenue declining 29% on the prior half year, albeit revenue growth over the three-year period is strong at 60%. Delivery times to the USA are still elevated compared to pre-pandemic levels, and this is undoubtedly impacting demand, although the situation is improving slowly.

Gross margin is high, although lower than the prior half year, reducing from 61.5% to 60.2%. Distribution costs have remained high due to the ongoing elevated airfreight costs and remain materially above pre-pandemic levels.

Rest of Europe

Although revenues in Rest of Europe declined 2% in the first half, the region saw a return to growth in the second quarter at +5%, with an improving trend in our direct-to-consumer brands and the positive benefit of our wholesale business. Encouragingly, our more recently acquired brands are making strong progress, albeit from a low base. Growth on the pre-pandemic period three years ago is 17%, and comfortably ahead of the broader market which continues to be broadly flat versus pre-pandemic levels.

Gross margin declined marginally from 53.6% to 52.7%.

Rest of world

Rest of the world growth was 14%, driven by the success of wholesale sales to our partners in the Middle East. In addition, markets such as Australia are starting to see improvements from reduced delivery times, with lower rates of year on year declines in revenues as the first half progressed.

Gross margin reduced from 55.7% to 50.8% with profitability continuing to be impacted by elevated freight costs and high distribution costs.

Sustainability

In line with our policy on supply chain transparency, we published the group's 2022 sustainability strategy and updated the tier 1 global factory supply chain list in August 2022, available on our corporate website.

We have continued to add more sustainable clothing ranges across our brands and have entered into the second year of partnership with CottonConnect to use sustainable cotton from Pakistan. In the UK, manufacturing of our own clothing at Thurmaston Lane commenced in the first half, and will ramp up in the second half of the year.

PrettyLittleThing launched marketplace, a clothing resale platform, in August 2022. This site enables anyone to sell their used garments online, contribute towards sustainability, and gives the group an entry into a high-growth area of the clothing market. In addition, the trial of a new partnership with clothing resale service, Thrift+ was launched.

Solar panels on the Burnley distribution centre are active, with the potential to generate 2.7 megawatts of electricity to support the power requirements of our operations. This is believed to be a significant installation of its kind for businesses.

Financial review

Group revenue by geographical market

	6 months to 31 August 2022	6 months to 31 August 2021	Change 2022 on 2021	Change	6 months to 31 August 2019	Change 2022 on 2019
	£ million	£ million		CER	£ million	
UK	**544.6**	569.6	-4%	-4%	315.0	+73%
Rest of Europe	**102.1**	104.7	-2%	-2%	87.5	+17%
USA	**177.4**	250.6	-29%	-28%	110.7	+60%
Rest of world	**58.3**	51.0	14%	15%	51.7	+13%
	882.4	975.9	-10%	-9%	564.9	+56%

KPIs

Group

	6 months to 31 August 2022	6 months to 31 August 2021	Change 2022 on 2021	6 months to 31 August 2019	Change 2022 on 2019
Active customers[1]	**19.1 million**	18.9 million	+1%	13.0 million	+47%
Number of orders	**27.6 million**	30.7 million	-10%	20.3 million	+36%
Order frequency[2]	**3.13**	3.09	+1%	2.87	+9%
Conversion rate to sale [3]	**3.06%**	3.26%	-20bps	3.26%	-20bps
Average order value[4]	**£56.38**	£45.41	+26%	£43.26	+30%
Number of items per basket	**3.06**	3.21	-5%	3.15	-3%

1. Defined as having shopped in the last 12 months
2. Defined as number of orders in last 12 months divided by number of active customers
3. Defined as the percentage of website orders taken to internet sessions
4. Calculated as gross sales including sales tax divided by the number of orders

Consolidated summary income statement

	6 months to 31 August 2022 £ million	6 months to 31 August 2021 £ million	Change 2022 on 2021	6 months to 31 August 2019 £ million	Change 2022 on 2019
Revenue	**882.4**	975.9	-10%	564.9	+56%
Cost of sales	**(418.9)**	(442.6)		(258.3)	
Gross profit	**463.5**	533.3	-13%	306.6	+51%
Gross margin %	***52.5%***	*54.6%*	*-210bps*	*54.3%*	*-180bps*
Operating costs	**(428.0)**	(448.2)		(245.9)	
Other income	**-**	-		0.1	
Adjusted EBITDA	**35.5**	85.1	-58%	60.8	-42%
Adjusted EBITDA margin %	***4.0%***	*8.7%*	*-470bps*	*10.8%*	*-680bps*
Depreciation	**(18.2)**	(17.5)		(7.9)	
Amortisation of other intangible assets	**(7.7)**	(3.4)		(1.6)	
Adjusted EBIT	**9.6**	64.2	-85%	51.3	-81%
Adjusting items:					
Amortisation of acquired intangible assets	**(6.2)**	(6.3)		(2.3)	
Equity-settled share-based payments charges	**(12.9)**	(12.9)		(4.4)	
Exceptional costs	**(2.3)**	(20.0)		-	
Operating (loss)/profit	**(11.8)**	25.0	-147%	44.6	-126%
Finance income	**0.5**	0.2		0.8	
Finance expense	**(3.9)**	(0.6)		(0.2)	
(Loss)/profit before tax	**(15.2)**	24.6	-162%	45.2	-134%
Tax	**0.5**	(6.8)		(9.1)	
(Loss)/profit after tax for the period	**(14.7)**	17.8	-183%	36.1	-141%
Basic earnings per share	**(1.19)p**	1.44p	-183%	2.88p	-141%
Diluted earnings per share	**(1.19)p**	1.38p	-186%	2.80p	-143%

Adjusted profit after tax for the period	**3.8**	49.5	-92%	41.5	-91%
Amortisation of acquired intangible assets	**(6.2)**	(6.3)		(2.3)	
Equity-settled share-based payments charges	**(12.9)**	(12.9)		(4.4)	
Exceptional costs	**(2.3)**	(20.0)		-	
Adjustment for tax	**2.9**	7.5		1.3	
(Loss)/profit after tax for the period	**(14.7)**	17.8		36.1	
Adjusted profit for the period attributable to shareholders of the company	**3.8**	49.5	-92%	34.7	-89%
Adjusted diluted earnings per share	**0.30p**	3.84p	-92%	2.91p	-89%

Exceptional costs	**6 months to 31 August 2022 £ million**	6 months to 31 August 2021 £ million
Dual warehouse operating costs	-	9.2
Dual administrative costs under TSA	-	3.7
Redundancy costs	-	3.6
Sheffield automation disruption costs	2.3	1.9
Restructuring costs	-	1.6
	2.3	20.0

Taxation

The group recognised a tax credit of £0.5m, an effective rate of 3.3% (2021: 27.6%, 2019: 20.1%). This is lower than the tax credit calculated when multiplying the loss before tax at the blended UK statutory rate of tax for the year of 19%, due to disallowable expenses and depreciation of buildings in excess of capital allowances.

Earnings per share

Basic earnings per share for the first half of the year decreased by 183% from 1.44p to -1.19p. Adjusted diluted earnings per share was 0.30p, down 92% on the first half of the prior year.

Consolidated statement of financial position

	6 months to 31 August 2022 £ million	6 months to 31 August 2021 £ million	6 months to 31 August 2019 £ million
Intangible assets	**131.4**	121.6	43.8
Property, plant and equipment	**358.8**	287.9	108.5
Right-of-use assets	**60.7**	53.6	15.7
Financial assets	**0.7**	7.3	0.3
Investments	**6.5**	-	-
Deferred tax asset	**7.4**	2.3	4.1
Non-current assets	**565.5**	472.7	172.4
Working capital	**(22.7)**	(47.1)	(58.7)
Lease liabilities	**(62.7)**	(54.6)	(17.7)
Net financial (liabilities)/assets	**(26.9)**	12.8	(27.2)
Cash and cash equivalents	**314.6**	148.4	213.3
Interest bearing loans and borrowings	**(325.0)**	(50.0)	(6.0)
Deferred tax liability	**(24.7)**	(3.8)	(2.0)
Current tax asset/(liability)	**6.5**	3.0	(6.8)
Net assets	**424.6**	481.4	267.3

Working capital has improved due to tighter inventory levels supporting the brands within the group. A new revolving credit facility of £325 million with a three-year term was agreed in March 2022 to support the group's liquidity requirements and provide a greater degree of headroom and was fully drawn down to provide sufficient buffer for intra-month trading and investment activity.

Liquidity and financial resources

Operating cash flow was £41.3 million (2021: £21.3 million, 2019: £55.9 million). Net cash flow was £213.3 million inflow (2021: £127.6 million outflow, 2019: £15.5 million inflow), following capital expenditure of £38.7 million and a £225 million inflow from the group's newly committed £325 million Revolving Credit Facility. Our net cash balance (cash less bank debt) at the period end decreased to £10.4 million net debt (2021: £98.4 million net cash, 2019: £207.3 million net cash). Capital expenditure of a substantial £38.7 million was invested in warehousing and office facilities and IT systems infrastructure for future growth. The closing cash balance for the group was £314.6 million.

Consolidated cash flow statement

	6 months to 31 August 2022 £ million	6 months to 31 August 2021 £ million	6 months to 31 August 2019 £ million
(Loss)/profit for the period	**(14.7)**	17.8	36.1
Share-based payments charge	**12.9**	12.9	4.4
Depreciation charges and amortisation	**32.1**	27.2	11.8
Finance income	**(0.5)**	(0.2)	(0.8)
Finance expense	**3.9**	0.6	0.2
Tax expense	**(0.5)**	6.8	9.1
Increase in inventories	**9.7**	(110.3)	(27.1)
Increase in trade and other receivables	**(5.7)**	(6.9)	(16.5)
Increase in trade and other payables	**4.1**	73.4	38.7
Operating cash flow	**41.3**	21.3	55.9
Capital expenditure and intangible asset purchases	**(38.7)**	(172.2)	(6.4)
Acquisition of new brands (intangible assets)		-	(19.4)
Investments	**(6.5)**	-	-
Tax refunded/(paid)	**1.2**	(6.4)	(3.8)
Free cash (out)/inflow after tax	**(2.7)**	(157.3)	26.3
Net proceeds from the issue of ordinary shares	**0.1**	4.7	0.8
Purchase of own shares by EBT	**-**	(19.2)	(4.8)
Finance income received	**0.4**	0.2	0.7
Finance expense paid	**(3.4)**	(0.6)	(0.1)
Dividend paid to non-controlling interests	**-**	-	(3.4)
Lease payments	**(6.1)**	(5.4)	(2.8)
Proceeds from new loan/(repayment of borrowings)	**225.0**	50.0	(1.2)
Net cash in/(out)flow	**213.3**	(127.6)	15.5
Cash and cash equivalents at beginning of period	**101.3**	276.0	197.8
Cash and cash equivalents at end of period	**314.6**	148.4	213.3

Outlook
As a result of the impact that the macro-economic and consumer backdrop has had on the Group's revenues in the first half, our expectation is for a similar rate of revenue declines to persist over the remainder of the financial year if these conditions continue.

Increases in inflation-driven costs as well as the resultant operational deleverage from lower sales than previously anticipated mean that adjusted EBITDA margins are likely to be between 3% and 5%, compared to the previously guided range of 4% and 7%.

It is the Board's view that by focusing near term on optimising its operations, the Group will be well-positioned to improve future profitability and financial performance through self-help via delivery of key projects and cost efficiencies and through easing of macro-economic headwinds facing both consumers and businesses.

Other financial guidance for FY23 is outlined below:

- Underlying depreciation and amortisation of approximately £60 million
- Net interest charge expected to be approximately £10-11 million reflecting interest rate increases (£7-8 million previously)
- Capital expenditure unchanged at £100-120 million; and
- Adjusting items of approximately £60-65 million, of which around £40-45 million relates to non-cash items, including: share-based pay, acquisition intangible amortisation, exceptional costs of Sheffield automation and warehouse commissioning costs

John Lyttle	**Neil Catto**
Chief Executive	Chief Financial Officer

28 September 2022

Unaudited consolidated statement of comprehensive income

for the period ended 31 August 2022

	Note	**6 months to 31 August 2022 (unaudited) £ million**	6 months to 31 August 2021 (unaudited) £ million	Year to 28 February 2022 (audited) £ million
Revenue	*3*	**882.4**	975.9	1,982.8
Cost of sales		**(418.9)**	(442.6)	(941.7)
Gross profit		**463.5**	533.3	1,041.1
Distribution costs		**(224.8)**	(247.3)	(516.5)
Exceptional costs		***(2.3)***	*(14.2)*	*(28.4)*
Other distribution costs		***(222.5)***	*(233.1)*	*(488.1)*
Administrative expenses		**(250.5)**	(261.0)	(515.3)
Amortisation of acquired intangibles		***(6.2)***	*(6.3)*	*(12.8)*
Exceptional expenses		**-**	*(5.8)*	*(7.4)*
Other administrative expenses		***(244.3)***	*(248.9)*	*(495.1)*
Other income		**-**	-	0.1
Operating (loss)/profit		**(11.8)**	25.0	9.4
Finance income		**0.5**	0.2	-
Finance expense		**(3.9)**	(0.6)	(1.6)
(Loss)/profit before tax	*4*	**(15.2)**	24.6	7.8
Taxation		**0.5**	(6.8)	(11.8)
(Loss)/profit for the period		**(14.7)**	17.8	(4.0)
Other comprehensive (expense)/income for the period				
(Gain)/loss reclassified to profit and loss during the year		**(1.1)**	(7.8)	(14.8)
Fair value gain/(loss) on cash flow hedges during the year [(1)]		**(35.2)**	2.2	(0.7)
Total comprehensive (expense)/income for the period		**(51.0)**	12.2	(19.5)
Earnings per share	*5*			
Basic		**(1.19)p**	1.44p	(0.32)p
Diluted		**(1.19)p**	1.38p	(0.32)p

1. Net fair value gains/losses on cash flow hedges will be reclassified to profit or loss during the three years to 31 August 2025.

Unaudited consolidated statement of financial position

at 31 August 2022

	Note	**6 months to 31 August 2022 (unaudited) £ million**	6 months to 31 August 2021 (unaudited) £ million	Year to 28 February 2022 (audited) £ million
Assets				
Non-current assets				
Intangible assets	*6*	**131.4**	121.6	128.5
Property, plant and equipment	*7*	**358.8**	287.9	349.2
Right-of-use assets	*8*	**60.7**	53.6	49.7
Financial assets		**0.7**	7.3	2.8
Investments	*9*	**6.5**	-	-
Deferred tax	*10*	**7.4**	2.3	7.5
Total non-current assets		**565.5**	472.7	537.7
Current assets				
Inventories		**269.7**	255.2	279.4
Trade and other receivables	*11*	**61.6**	47.5	58.0
Financial assets		**12.0**	15.9	14.2
Current tax asset		**6.5**	3.0	7.8
Cash and cash equivalents		**314.6**	148.4	101.3
Total current assets		**664.4**	470.0	460.7
Total assets		**1,229.9**	942.7	998.4
Liabilities				
Current liabilities				
Trade and other payables	*12*	**(291.5)**	(295.5)	(296.6)
Provisions	*13*	**(62.5)**	(54.3)	(53.5)
Interest bearing loans and borrowings	*14*	**-**	(50.0)	(100.0)
Lease liabilities		**(8.1)**	(8.1)	(7.9)
Financial liabilities		**(27.7)**	(1.4)	(3.7)
Total current liabilities		**(389.8)**	(409.3)	(461.7)
Non-current liabilities				
Interest bearing loans and borrowings	*14*	**(325.0)**	-	-
Lease liabilities		**(54.6)**	(46.5)	(44.0)
Financial liabilities		**(11.2)**	(1.7)	(3.1)
Deferred tax	*10*	**(24.7)**	(3.8)	(25.3)
Total liabilities		**(805.3)**	(461.3)	(534.1)
Net assets		**424.6**	481.4	464.3
Equity				
Share capital	*15*	**12.7**	12.7	12.7
Shares to be issued	*16*	**31.9**	31.9	31.9
Share premium		**922.9**	920.8	922.8
Hedging reserve		**(26.1)**	20.1	10.2
EBT reserve		**(75.6)**	(75.7)	(75.6)
Other reserves	*17*	**(797.1)**	(795.3)	(795.5)
Retained earnings		**355.9**	366.9	357.8
Total equity		**424.6**	481.4	464.3

Unaudited consolidated statement of changes in equity

	Share capital £ million	**Shares to be issued** £ million	**Share premium** £ million	**Hedging reserve** £ million	**EBT reserve** £ million	**Other reserves** £ million	**Retained earnings** £ million	**Total equity** £ million
Balance at 28 February 2022	12.7	31.9	922.8	10.2	(75.6)	(795.5)	357.8	464.3
Loss for the period	-	-	-	-	-	-	(14.7)	(14.7)
Other comprehensive income/(expense):								
Gain reclassified to profit and loss in revenue	-	-	-	(1.1)	-	-	-	(1.1)
Fair value loss on cash flow hedges during the year	-	-	-	(35.2)	-	-	-	(35.2)
Total comprehensive expense for the period	-	-	-	(36.3)	-	-	(14.7)	(51.0)
Issue of shares	-	-	0.1	-	-	-	-	0.1
Share-based payments credit	-	-	-	-	-	-	12.9	12.9
Excess taxation on share-based payments	-	-	-	-	-	-	(0.1)	(0.1)
Translation of foreign operations	-	-	-	-	-	(1.6)	-	(1.6)
Balance at 31 August 2022	**12.7**	**31.9**	**922.9**	**(26.1)**	**(75.6)**	**(797.1)**	**355.9**	**424.6**

	Share capital £ million	**Shares to be issued** £ million	**Share premium** £ million	**Hedging reserve** £ million	**EBT reserve** £ million	**Other reserves** £ million	**Retained earnings** £ million	**Total equity** £ million
Balance at 28 February 2021	12.6	31.9	916.2	25.7	(56.5)	(795.2)	337.8	472.5
Profit for the period	-	-	-	-	-	-	17.8	17.8
Other comprehensive income/(expense):								
Gain reclassified to profit and loss in revenue	-	-	-	(7.8)	-	-	-	(7.8)
Fair value gain on cash flow hedges during the year	-	-	-	2.2	-	-	-	2.2
Total comprehensive income for the period	-	-	-	(5.6)	-	-	17.8	12.2
Issue of shares	0.1	-	4.6	-	(19.2)	-	-	(14.5)
Share-based payments credit	-	-	-	-	-	-	12.9	12.9
Excess taxation on share-based payments	-	-	-	-	-	-	(1.6)	(1.6)
Translation of foreign operations	-	-	-	-	-	(0.1)	-	(0.1)
Balance at 31 August 2021	**12.7**	**31.9**	**920.8**	**20.1**	**(75.7)**	**(795.3)**	**366.9**	**481.4**

	Share capital	Shares to be issued	Share premium	Hedging reserve	EBT reserve	Other reserves	Retained earnings	Total equity
	£ million	£ million	£ million	£ million	£ million	£ million	£ million	£ million
Balance at 28 February 2021	12.6	31.9	916.2	25.7	(56.5)	(795.2)	337.8	472.5
Loss for the year	-	-	-	-	-	-	(4.0)	(4.0)
Other comprehensive income/(expense):								
Gain reclassified to profit and loss in revenue	-	-	-	(14.8)	-	-	-	(14.8)
Fair value loss on cash flow hedges during the year	-	-	-	(0.7)	-	-	-	(0.7)
Total comprehensive income for the year	-	-	-	(15.5)	-	-	(4.0)	(19.5)
Issue of shares	0.1	-	6.6	-	(19.1)	-	-	(12.4)
Share-based payments credit	-	-	-	-	-	-	26.1	26.1
Excess taxation on share-based payments	-	-	-	-	-	-	(2.1)	(2.1)
Translation of foreign operations	-	-	-	-	-	(0.3)	-	(0.3)
Balance at 28 February 2022	**12.7**	**31.9**	**922.8**	**10.2**	**(75.6)**	**(795.5)**	**357.8**	**464.3**

Unaudited consolidated cash flow statement
for the period ended 31 August 2022

	Note	**6 months to 31 August 2022 (unaudited)**	6 months to 31 August 2021 (unaudited)	Year to 28 February 2022 (audited)
		£ million	£ million	£ million
Cash flows from operating activities				
(Loss)/profit for the period		**(14.7)**	17.8	(4.0)
Adjustments for:				
Share-based payments charge		**12.9**	12.9	26.1
Depreciation charges and amortisation		**32.1**	27.2	53.8
Finance income		**(0.5)**	(0.2)	-
Finance expense		**3.9**	0.6	1.6
Tax (credit)/expense		**(0.5)**	6.8	11.8
		33.2	65.1	89.3
Decrease/(increase) in inventories		**9.7**	(110.3)	(134.5)
Increase in trade and other receivables	*11*	**(5.7)**	(6.9)	(17.7)
Increase in trade and other payables	*12*	**4.1**	73.4	73.2
Cash generated from operations		**41.3**	21.3	10.3
Tax refunded/(paid)		**1.2**	(6.4)	-
Net cash generated from operating activities		**42.5**	14.9	10.3
Cash flows from investing activities				
Acquisition of intangible assets		**(16.8)**	(13.0)	(32.0)
Acquisition of property, plant and equipment		**(21.9)**	(159.2)	(229.5)
Investments		**(6.5)**	-	-
Finance income received		**0.4**	0.2	-
Net cash used in investing activities		**(44.8)**	(172.0)	(261.5)
Cash flows from financing activities				
Proceeds from the issue of ordinary shares		**0.1**	4.7	6.8
Purchase of own shares by EBT		**-**	(19.2)	(19.2)
Finance expense paid		**(3.4)**	(0.6)	(0.9)
Lease payments		**(6.1)**	(5.4)	(10.2)
Proceeds from new loan		**225.0**	50.0	100.0
Net cash generated from financing activities		**215.6**	29.5	76.5
Increase/(decrease) in cash and cash equivalents		**213.3**	(127.6)	(174.7)
Cash and cash equivalents at beginning of period		**101.3**	276.0	276.0
Cash and cash equivalents at end of period		**314.6**	148.4	101.3

Notes

(forming part of the interim report and accounts)

1 Accounting policies

General information

boohoo group plc is a public limited company incorporated and domiciled in Jersey and listed on the Alternative Investment Market (AIM) of the London Stock Exchange. Its registered office address is: 12 Castle Street, St Helier, Jersey, JE2 3RT. The company was incorporated on 19 November 2013.

Basis of preparation

The interim condensed financial statements for the six months to 31 August 2022 have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the UK. The interim financial statements should be read in conjunction with the group's Annual Report and Financial Statements for the year ended 28 February 2022, prepared and approved by the directors in accordance with UK-adopted international accounting standards and the Companies (Jersey) Law 1991 applicable to companies reporting under IFRS.

The interim condensed financial statements contained in this report are not audited and do not constitute statutory accounts within the meaning of Companies (Jersey) Law 1991. The Annual Report and Financial Statements for the year ended 28 February 2022 has been filed with the Jersey Companies Registry. The auditors' report on those accounts was unqualified and did not include reference to any matters on which the auditors were required to report by exception under Companies (Jersey) Law 1991.

The group's business activities together with the factors that are likely to affect its future developments, performance and position are set out in the Business and Financial Reviews. The Financial Review describes the group's financial position, cash flows and bank facilities.

The interim financial statements are unaudited and were approved by the board of directors on 28 September 2022.

Going concern

The directors have reviewed the group's forecast and projections, including assumptions concerning capital expenditure and expenditure commitments and their impact on cash flows, and have a reasonable expectation that the group has adequate financial resources to continue its operations for the foreseeable future. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

In preparing the interim announcement, the directors have also made reasonable and prudent judgements and estimates and prepared the interim announcement on the going concern basis. The interim announcement and management report contained herein give a true and fair view of the assets, liabilities, financial position and profit and loss of the group.

Accounting policies

The interim financial statements have been prepared in accordance with the accounting policies set out in the group's Annual Report and Financial Statements for the year ended 28 February 2022, with the addition of the policy on equity instruments.

Equity instruments

Equity instruments are those that are held over an indefinite period of time and that may be disposed of in response to the needs of the group. Purchases and sales are recognised on the trade date. The group has decided to classify equity investments as fair value through other comprehensive income.

Significant estimates and judgements

The preparation of financial statements in conformity with IFRS as adopted by the UK requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. The estimates and assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Actual results could differ from these estimates and any subsequent changes are accounted for when such information becomes available. The judgements, estimates and assumptions that are the most subjective or complex are discussed below and are unchanged from those at 28 February 2022:

Exceptional items

Exceptional items are those of significant size and of a non-recurring nature that require disclosure in order that the underlying business performance can be identified. The exceptional costs in these interim statements include additional costs associated with the automation project in the Sheffield facility. Such additional costs do require estimation by management.

Exceptional costs	**6 months to 31 August 2022 £ million**	6 months to 31 August 2021 £ million
Dual warehouse operating costs	-	9.2
Dual administrative costs under TSA	-	3.7
Redundancy costs	-	3.6
Sheffield automation disruption costs	2.3	1.9
Restructuring costs	-	1.6
	2.3	20.0

2 Principal risks and uncertainties

The board considers the principal risks and uncertainties which could impact the group over the remaining six months of the financial year to 28 February 2023 to be unchanged from those set out in the group's Annual Report and Financial Statements for the year ended 28 February 2022, which in summary are: on-going COVID-19 impact on trading; competition risk; fashion and consumer demands risk; systems and technical risk; supply chain risk; loss of key facilities; people risk; negative perception of the brands; and financial risk. These are set out in detail on pages 34 to 39 of the group's Annual Report and Financial Statements for the year ended 28 February 2022, a copy of which is available on the group's website, www.boohooplc.com.

3 Segmental analysis

	6 months to 31 August 2022				
	UK £ million	**Rest of Europe £ million**	**USA £ million**	**Rest of world £ million**	**Total £ million**
Revenue	**544.6**	**102.1**	**177.4**	**58.3**	**882.4**
Cost of sales	**(271.3)**	**(48.3)**	**(70.6)**	**(28.7)**	**(418.9)**
Gross profit	**273.3**	**53.8**	**106.8**	**29.6**	**463.5**
Distribution costs	**-**	**-**	**-**	**-**	**(224.8)**
Administrative expenses - other	**-**	**-**	**-**	**-**	**(244.3)**
Amortisation of acquired intangibles	**-**	**-**	**-**	**-**	**(6.2)**
Other income	**-**	**-**	**-**	**-**	**-**
Operating loss	**-**	**-**	**-**	**-**	**(11.8)**
Finance income	**-**	**-**	**-**	**-**	**0.5**
Finance expense	**-**	**-**	**-**	**-**	**(3.9)**
Loss before tax	**-**	**-**	**-**	**-**	**(15.2)**

	6 months to 31 August 2021				
	UK	Rest of Europe	USA	Rest of world	Total
	£ million	£ million	£ million	£ million	£ million
Revenue	569.6	104.7	250.6	51.0	975.9
Cost of sales	(275.0)	(48.6)	(96.4)	(22.6)	(442.6)
Gross profit	294.6	56.1	154.2	28.4	533.3
Distribution costs	-	-	-	-	(247.3)
Administrative expenses - other	-	-	-	-	(254.7)
Amortisation of acquired intangibles	-	-	-	-	(6.3)
Other income	-	-	-	-	-
Operating profit	-	-	-	-	25.0
Finance income	-	-	-	-	0.2
Finance expense	-	-	-	-	(0.6)
Profit before tax	-	-	-	-	24.6

	Year ended 28 February 2022				
	UK	Rest of Europe	USA	Rest of world	Total
	£ million	£ million	£ million	£ million	£ million
Revenue	1,202.8	219.2	451.6	109.2	1,982.8
Cost of sales	(608.6)	(99.7)	(181.5)	(51.9)	(941.7)
Gross profit	594.2	119.5	270.1	57.3	1,041.1
Distribution costs	-	-	-	-	(516.5)
Administrative expenses - other	-	-	-	-	(502.5)
Amortisation of acquired intangibles	-	-	-	-	(12.8)
Other income	-	-	-	-	0.1
Operating profit	-	-	-	-	9.4
Finance income	-	-	-	-	-
Finance expense	-	-	-	-	(1.6)
Profit before tax	-	-	-	-	7.8

IFRS 8, ‘Operating Segments’, requires operating segments to be determined based on the group’s internal reporting to the chief operating decision maker. The chief operating decision maker is considered to be the executive board, which has determined that the primary segmental reporting format of the group for the year ending 28 February 2023 is by geographic region.

4 Profit before tax

Profit before tax is stated after charging:	**6 months to 31 August 2022 £ million**	6 months to 31 August 2021 £ million	Year to 28 February 2022 £ million
Short-term operating lease rentals for buildings	**-**	0.4	0.6
Equity-settled share-based payments charges	**12.9**	12.9	26.1
Exceptional acquisition and restructuring costs	**2.3**	20.0	35.8
Depreciation of property, plant and equipment	**12.7**	12.9	22.0
Depreciation of right-of-use assets	**5.5**	4.6	10.0
Amortisation of intangible assets	**7.7**	3.4	9.0
Amortisation of acquired intangible assets	**6.2**	6.3	12.8

5 Earnings per share

Basic earnings per share is calculated by dividing profit after tax attributable to members of the holding company by the weighted average number of shares in issue during the year. Own shares held by the Employee Benefit Trust are eliminated from the weighted average number of shares. Diluted earnings per share is calculated by dividing the profit after tax attributable to members of the holding company by the weighted average number of shares in issue during the year, adjusted for potentially dilutive share options.

	6 months to 31 August 2022	6 months to 31 August 2021	Year to 28 February 2022
Weighted average shares in issue for basic earnings per share (million)	**1,239.7**	1,238.0	1,235.3
Dilutive share options (million)	**39.7**	50.9	48.2
Weighted average shares in issue for diluted earnings per share (million)	**1,279.4**	1,288.9	1,283.5
Earnings attributable to owners of the parent company (£ million)	**(14.7)**	17.8	(4.0)
Basic earnings per share	**(1.19)p**	1.44p	(0.32)p
Diluted earnings per share	**(1.19)p**	1.38p	(0.32)p
Earnings attributable to owners of the parent company (£ million)	**(14.7)**	17.8	(4.0)
Adjusting items:			
Amortisation of intangible assets arising on acquisitions	**6.2**	6.3	12.8
Share-based payments charges	**12.9**	12.9	26.1
Exceptional costs	**2.3**	20.0	35.8
Adjustment for tax	**(2.9)**	(7.5)	(14.4)
Adjusted earnings	**3.8**	49.5	56.3
Adjusted basic earnings per share	**0.31p**	4.00p	4.56p
Adjusted diluted earnings per share	**0.30p**	3.84p	4.39p

6 Intangible assets

	Patents and licences £ million	Trademarks £ million	Customer lists £ million	Computer software £ million	Total £ million
Cost					
Balance at 28 February 2022	0.6	115.6	8.1	53.2	177.5
Additions	0.3	-	-	16.5	16.8
Balance at 31 August 2022	**0.9**	**115.6**	**8.1**	**69.7**	**194.3**
Accumulated amortisation					
Balance at 28 February 2022	0.6	26.0	6.8	15.6	49.0
Amortisation	-	5.8	0.4	7.7	13.9
Balance at 31 August 2022	**0.6**	**31.8**	**7.2**	**23.3**	**62.9**
Net book value					
At 28 February 2022	-	89.6	1.3	37.6	128.5
At 31 August 2022	**0.3**	**83.8**	**0.9**	**46.4**	**131.4**

7 Property, plant and equipment

	Short leasehold alterations £ million	Fixtures and fittings £ million	Computer equipment £ million	Motor vehicles £ million	Land & buildings £ million	Total £ million
Cost						
Balance at 28 February 2022	26.5	230.5	12.3	1.0	136.3	406.6
Additions	3.0	18.1	1.3	-	-	22.4
Exchange differences	-	-	-	-	0.4	0.4
Disposals	-	-	-	-	(0.5)	(0.5)
Balance at 31 August 2022	**29.5**	**248.6**	**13.6**	**1.0**	**136.2**	**428.9**
Accumulated depreciation						
Balance at 28 February 2022	6.7	38.0	6.5	0.6	5.6	57.4
Depreciation charge	1.2	8.3	1.7	0.2	1.3	12.7
Balance at 31 August 2022	**7.9**	**46.3**	**8.2**	**0.8**	**6.9**	**70.1**
Net book value						
At 28 February 2022	19.8	192.5	5.8	0.4	130.7	349.2
At 31 August 2022	**21.6**	**202.3**	**5.4**	**0.2**	**129.3**	**358.8**

8 Right-of-use assets

	Short leasehold properties £ million
Cost	

Balance at 28 February 2022	77.9
Additions	16.5
Balance at 31 August 2022	**94.4**
Accumulated depreciation	
Balance at 28 February 2022	28.2
Depreciation	5.5
Balance at 31 August 2022	**33.7**
Net book value	
At 28 February 2022	49.7
At 31 August 2022	**60.7**

9 Investments

	£ million
Cost	
Additions	6.5
Balance at 31 August 2022	**6.5**

The investment is for quoted shares acquired in Revolution Beauty Group plc and is valued at fair value. The investment represents 12.85% of the share capital of Revolution Beauty Group plc. The purchase price of the investment is £6.5m, which is considered to be equivalent to the fair value, given the very short time for which the investment has been held at the balance sheet date.

10 Deferred tax

Assets

	Unused tax losses £ million	**Depreciation in excess of capital allowances £ million**	**Share-based payments £ million**	**Total £ million**
At 28 February 2021	-	0.6	2.6	3.2
Recognised in statement of comprehensive income	-	(0.6)	1.3	0.7
Debit in equity	-	-	(1.6)	(1.6)
At 31 August 2021	-	-	2.3	2.3
At 28 February 2022	7.5	-	-	7.5
Recognised in statement of comprehensive income	(0.1)	-	-	(0.1)
At 31 August 2022	**7.4**	**-**	**-**	**7.4**

Liabilities

	Business combinations	Capital allowances in excess of depreciation	Share-based payments	Total
	£ million	£ million	£ million	£ million
At 28 February 2021	(1.0)	(3.2)	-	(4.2)
Recognised in statement of comprehensive income	0.1	0.3	-	0.4
At 31 August 2021	(0.9)	(2.9)	-	(3.8)
At 28 February 2022	(0.8)	(22.5)	(2.0)	(25.3)
Recognised in statement of comprehensive income	0.1	(0.8)	1.4	0.7
Debit in equity	-	-	(0.1)	(0.1)
At 31 August 2022	**(0.7)**	**(23.3)**	**(0.7)**	**(24.7)**

Recognition of the deferred tax assets is based upon the expected generation of future taxable profits. The deferred tax asset is expected to be recovered in more than one year's time and the deferred tax liability will reverse in more than one year's time as the intangible assets are amortised. Deferred tax is calculated at 25% as enacted from April 2023 by the UK Government, however, this is likely to remain at the current rate of 19% as announced by the UK Government on 23 September 2022.

11 Trade and other receivables

	6 months to 31 August 2022	6 months to 31 August 2021	Year to 28 February 2022
	£ million	£ million	£ million
Trade receivables	**33.9**	36.9	34.6
Prepayments	**24.1**	9.5	21.3
Accrued income	**3.6**	1.1	2.1
	61.6	47.5	58.0

Where specific trade receivables are not considered to be at risk and requiring a provision, the trade receivables impairment provision is calculated using the simplified approach to the expected credit loss model, based on the following percentages:

	6 months to 31 August 2022	6 months to 31 August 2021	Year to 28 February 2022
Age of trade receivable	**%**	%	%
60 - 90 days past due	**1**	1	1
91 - 120 days past due	**5**	5	5
Over 121 days past due	**90**	90	90

Trade receivables represent amounts due from wholesale customers and advance payments to suppliers.

The fair value of trade and other receivables is not materially different from the carrying value.

	6 months to 31 August 2022 £ million	6 months to 31 August 2021 £ million	Year to 28 February 2022 £ million
Due within 30 days	**26.3**	12.8	25.1
Provision for impairment	**(0.1)**	(2.4)	(0.1)
Due in 31 to 90 days	**8.7**	22.4	10.7
Provision for impairment	**(2.4)**	(1.0)	(2.4)
Past due	**1.4**	5.1	1.3
Total amounts due and past due	**36.4**	40.3	37.1
Total provision for impairment	**(2.5)**	(3.4)	(2.5)
	33.9	36.9	34.6

12 Trade and other payables

	6 months to 31 August 2022 £ million	6 months to 31 August 2021 £ million	Year to 28 February 2022 £ million
Trade payables	**85.2**	63.9	97.5
Other creditors	**8.4**	12.2	6.6
Accruals	**153.6**	196.5	152.4
Deferred income	**19.3**	6.2	16.7
Taxes and social security payable	**25.0**	16.7	23.4
	291.5	295.5	296.6

13 Provisions

	Dilapidations £ million	**Returns £ million**	**Claims £ million**	**Total £ million**
Provision at 28 February 2021	5.9	24.2	23.4	53.5
Movements in provision charged/(credited) to income statement:				
Prior year provision utilised	-	(24.2)	(4.3)	(28.5)
Increase in provision in period	-	29.3	-	29.3
Provision at 31 August 2021	5.9	29.3	19.1	54.3
Provision at 28 February 2022	3.7	32.0	17.8	53.5
Movements in provision charged/(credited) to income statement:				
Prior year provision utilised	-	(32.0)	(0.7)	(32.7)
Increase in provision period	-	41.7	-	41.7
Provision at 31 August 2022	**3.7**	**41.7**	**17.1**	**62.5**

14 Interest-bearing loans and borrowings

	6 months to 31 August 2022 £ million	6 months to 31 August 2021 £ million	Year to 28 February 2022 £ million
Non-current liabilities			
Revolving credit facility	**325.0**	-	-
Current liabilities			
Current portion of revolving credit facility	**-**	50.0	100.0

Movement in financial liabilities

	6 months to 31 August 2022 £ million	6 months to 31 August 2021 £ million	Year to 28 February 2022 £ million
Opening balance	**100.0**	-	-
Drawdown on rolling credit facility	**225.0**	50.0	100.0
Interest accrued	**3.5**	0.1	0.8
Interest paid	**(3.5)**	(0.1)	(0.8)
Closing balance	**325.0**	50.0	100.0

The group has obtained a £325 million rolling capital facility that is secured on the assets of the group. The facility was fully drawn down as at 31 August 2022.

Reconciliation of movements in cash flows from financing activities to movements in liabilities:

	Balance 28 February 2022 £ million	**Cash flow from financing activities £ million**	**Additions £ million**	**Statement of comprehen sive income £ million**	**Movement in retained earnings and other reserves £ million**	**Balance at 31 August 2022 £ million**
Equity	464.3	0.1	-	(51.0)	11.2	**424.6**
Leases	51.9	(6.1)	16.5	0.4	-	**62.7**
Bank borrowings	100.0	221.6	-	3.5	-	**325.0**
	616.2	215.6	16.5	(47.1)	11.2	**812.3**

15 Share capital

	6 months to 31 August 2022 £ million	6 months to 31 August 2021 £ million	Year to 28 February 2022 £ million
At start of period	**12.7**	12.6	12.7
Share issues	**-**	0.1	-
At end of period	**12.7**	12.7	12.7

Share capital at period end: 1,268,186,789 authorised and fully paid ordinary shares of 1p each *(2020: 1,261,276,479).* No dividends have been paid or are payable by the parent company for the period ended 31 August 2021 *(2020: £nil)*.

16 Shares to be issued

	6 months to 31 August 2022 £ million	6 months to 31 August 2021 £ million	Year to 28 February 2022 £ million
	31.9	31.9	31.9

The shares to be issued represents the fair value of the contingent shares to be issued to the non-controlling interests of PrettyLittleThing.com Limited, in accordance with the acquisition agreement entered into and announced on 28 May 2020. Under this agreement, 16,112,331 Ordinary Shares in boohoo group plc are to be issued subject to the group's share price averaging 491 pence per share over a six-month period, up until a longstop date of 14 March 2024. If this condition is not met, the consideration will lapse.

17 Reserves

	6 months to 31 August 2022 £ million	6 months to 31 August 2021 £ million	Year to 28 February 2022 £ million
Translation reserve	**(1.4)**	0.4	0.2
Capital redemption reserve	**0.1**	0.1	0.1
Reconstruction reserve	**(515.3)**	(515.3)	(515.3)
Acquisition of non-controlling interest in PrettyLittleThing.com Limited	**(281.3)**	(281.3)	(281.3)
Proceeds from issue of growth shares in boohoo holdings Limited	**0.8**	0.8	0.8
	(797.1)	(795.3)	(795.5)

The translation reserve arises from the movement in the revaluation of subsidiary balance sheets in foreign currencies; the capital redemption reserve arose from a capital reconstruction in 2014; the reconstruction reserve arose on the impairment of the carrying value of the subsidiary company in 2014 at that date; and the acquisition of the non-controlling interest in PrettyLittleThing is the excess of consideration paid over the carrying value of the non-controlling interest as at the date of acquisition in May 2020, written off to reserves.

18 Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	6 months to 31 August 2022 £ million	6 months to 31 August 2021 £ million	Year to 28 February 2022 £ million
Property, plant and equipment	**25.5**	58.2	21.8

The capital commitment relates largely to automation equipment in the Sheffield warehouse.

19 Contingent liabilities

From time to time, the group can be subject to various legal proceedings and claims that arise in the ordinary course of business which may include cases relating to the group’s brands and trading names. All such cases brought against the group are robustly defended and a liability is recorded only when it is probable that the case will result in a future economic outflow and that the outflow can be reliably measured.

As at 31 August 2022, there are no contingent liabilities, which in the opinion of the directors are expected to have a material adverse effect on its liquidity or operations.

Appendices

Growth rates on prior period revenue by region

Revenue by period for the 6 months to 31 August 2022 (FY23)

£m	3m to 31 May				3m to 31 August				**6m to 31 August**			
	FY23	FY22	yoy %	yoy % CER	**FY23**	FY22	yoy %	yoy % CER	**FY23**	FY22	yoy %	yoy % CER
Total	**445.7**	486.1	-8%	-8%	**436.7**	489.8	-11%	-10%	**882.4**	975.9	-10%	-9%
Revenue by region												
UK	**272.1**	274.6	-1%	-1%	**272.5**	295.0	-8%	-8%	**544.6**	569.6	-4%	-4%
ROE	**49.6**	54.4	-9%	-7%	**52.5**	50.0	+5%	+5%	**102.1**	104.7	-2%	-2%
USA	**95.0**	131.9	-28%	-26%	**82.4**	118.7	-31%	-29%	**177.4**	250.6	-29%	-28%
ROW	**29.0**	25.2	+15%	+15%	**29.3**	26.1	+12%	+15%	**58.3**	51.0	+14%	+15%

Revenue by period for the 6 months to 31 August 2021 (FY22)

£m	3m to 31 May				3m to 31 August				**6m to 31 August**			
	FY22	FY21	yoy %	yoy % CER	**FY22**	FY21	yoy %	yoy % CER	**FY22**	FY21	yoy %	yoy % CER
Total	**486.1**	367.8	32%	32%	**489.8**	448.7	9%	10%	**975.9**	816.5	20%	20%
Revenue by region												
UK	**274.5**	183.0	50%	50%	**294.9**	247.2	19%	19%	**569.4**	430.2	32%	32%
ROE	**54.4**	63.4	-14%	-12%	**50.0**	60.3	-17%	-16%	**104.4**	123.7	-16%	-14%
USA	**131.9**	92.0	43%	40%	**118.6**	110.2	8%	9%	**250.5**	202.2	24%	23%
ROW	**25.2**	29.4	-15%	-10%	**26.3**	31.0	-15%	-18%	**51.5**	60.4	-15%	-14%

Revenue by period for the year to 28 February 2022 (FY22)

£m	4m to 31 December				2m to 28 February				**12m to 28 February**			
	FY22	FY21	yoy %	yoy % CER	**FY22**	FY21	yoy %	yoy % CER	**FY22**	FY21	yoy %	yoy % CER
Total	**714.5**	660.8	8%	9%	**292.5**	268.0	9%	9%	**1,982.8**	1,745.3	14%	14%
Revenue by region												
UK	**451.0**	**356.7**	26%	26%	**182.3**	158.3	15%	15%	**1,202.8**	945.1	27%	27%
ROE	**79.9**	**90.3**	-11%	-11%	**34.9**	30.5	14%	13%	**219.2**	244.7	-10%	-9%
USA	**145.8**	**168.2**	-13%	-12%	**55.4**	64.6	-14%	-13%	**451.6**	435.1	4%	4%
ROW	**37.8**	**45.6**	-17%	-16%	**19.8**	14.6	36%	34%	**109.2**	120.4	-10%	-8%

£m	3m to 31 May				3m to 31 August				**6m to 31 August**			
	FY22	FY21	yoy %	yoy % CER	**FY22**	FY21	yoy %	yoy % CER	**FY22**	FY21	yoy %	yoy % CER
Total	**486.1**	367.8	32%	32%	**489.8**	448.7	9%	10%	**975.9**	816.5	20%	20%
Revenue by region												
UK	**274.5**	183.0	50%	50%	**294.9**	247.2	19%	19%	**569.4**	430.2	32%	32%
ROE	**54.4**	63.4	-14%	-12%	**50.0**	60.3	-17%	-16%	**104.4**	123.7	-16%	-14%
USA	**131.9**	92.0	43%	40%	**118.6**	110.2	8%	9%	**250.5**	202.2	24%	23%
ROW	**25.2**	29.4	-15%	-10%	**26.3**	31.0	-15%	-18%	**51.5**	60.4	-15%	-14%

CER in this appendix for the year ended 28 February 2022 is calculated using exchange rates prevailing during the year ending 28 February 2022. Nomenclature: ROE – rest of Europe; ROW – rest of world; yoy – year-on-year; CER – constant exchange rate