

boohoo group plc – trading statement for the four months to 31 December 2022

("boohoo" or "the Group")

£ million	Four months to 31 December				Change on FY20
	FY23	FY22	Change on FY22	CER ⁽¹⁾	
Group total revenue	637.7	714.5	-11%	-13%	+35%
Revenue by region					
UK	400.8	451.0	-11%	-11%	+57%
ROE ⁽²⁾	73.5	79.9	-8%	-11%	+6%
USA	128.9	145.8	-12%	-17%	+17%
ROW ⁽³⁾	34.5	37.8	-9%	-15%	-9%

(1) CER designates Constant Exchange Rate translation of foreign currency revenue. (2) ROE is rest of Europe. (3) ROW is rest of world.

Financial and operational highlights

- In line with previous guidance, group revenue declined 11%. UK revenues declined 11% year on year, versus a strong prior year comparative. International revenues declined 10% year on year, with extended delivery times compared to pre-pandemic levels continuing to affect the proposition
- Gross margin for the period of 49.7% is broadly in line with expectations, and expected to improve year on year in P4 with a reduction in markdown activity anticipated compared to the same period last year
- Inventory continues to be tightly controlled, with improving speed and flexibility within our global supply base and inventory significantly reduced, down 27% year on year
- Improvements in cash generation through tighter inventory management, cost control and an improved working capital cycle
- Significant liquidity headroom with more than £300 million of gross cash at the end of December, with net debt expected to be less than 1x Adjusted EBITDA at the end of the financial year
- Successful launch of automation in the Group's distribution centre in Sheffield, with improvements to efficiency ramping up over the coming months in line with expectations
- Progress continues to be made with our US distribution centre, driving a step change in our customer proposition, expected to launch with a phased approach over 2023 and early 2024
- Overheads continue to be managed tightly against a challenging economic backdrop, including a reduction in capacity in the UK distribution network, with action across the Group focusing on reducing costs.

Guidance and outlook

For the year ending 28 February 2023, adjusted EBITDA is expected to be in line with market expectations. Revenues are expected to decline approximately 12% over the financial year, with an adjusted EBITDA margin of approximately 3.5%.

With recent positive signs in global supply chains, we expect to see some easing of disruption along with some relief to freight rates. Combined with the actions being undertaken on costs across the Group, it is expected that overall cost growth begins to moderate as the year progresses along with an improved cost inflation outlook exiting the year ahead. The Group's focus continues to be on optimising its operations and investing selectively in key strategic projects that best position it to rebound strongly as conditions normalise.

John Lyttle, CEO, commented:

“Performance in the period is in line with expectations and reflects the normalisation of the channel shift online over the last twelve months, but demonstrates the significant market share gains the Group has made over the last three years. Looking ahead, whilst the demand outlook is uncertain due to macro-economic factors, cost inflation is expected to begin to moderate in the second half of the year.

We have reduced inventory by 27% year on year and with this focus on careful inventory management, strong cost control and cash management, we will continue to drive operational and cost efficiency across the business. The Group has continued to invest in key strategic priorities that will enable future growth, and the progress made gives us confidence that as macro-economic headwinds ease it will be well-positioned to rebound strongly.”

Notice of full year results

The Group intends to publish its Full Year results for the 12 months ended 28 February 2023 in May 2023.

Enquiries

boohoo group plc

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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.

Appendix – prior period revenues by region

Revenue by period for the 10 months to 31 December 2022 (FY23)

£m	4m to 31 December				10m to 31 December			
	FY23	FY22	yoy %	yoy % CER	FY23	FY22	yoy %	yoy % CER
Total	637.7	714.5	-11%	-13%	1,520.1	1,690.4	-10%	-12%
Revenue by region								
UK	400.8	451.0	-11%	-11%	945.4	1,020.5	-7%	-7%
ROE	73.5	79.9	-8%	-11%	175.6	184.3	-5%	-7%
USA	128.9	145.8	-12%	-17%	306.3	396.2	-23%	-27%
ROW	34.5	37.8	-9%	-15%	92.8	89.4	+4%	-2%

£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%	-10%	436.7	489.8	-11%	-13%	882.4	975.9	-10%	-11%
Revenue by region												
UK	272.1	274.5	-1%	-1%	272.5	294.9	-8%	-8%	544.6	569.4	-4%	-4%
ROE	49.6	54.4	-9%	-10%	52.5	50.0	+5%	+2%	102.1	104.4	-2%	-4%
USA	95.0	131.9	-28%	-31%	82.4	118.6	-31%	-35%	177.4	250.5	-29%	-33%
ROW	29.0	25.2	+15%	+10%	29.3	26.3	+12%	+5%	58.3	51.5	+14%	+8%

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%	10%	1,982.8	1,745.3	14%	15%
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%	-9%	34.9	30.5	14%	14%	219.2	244.7	-10%	-8%
USA	145.8	168.2	-13%	-13%	55.4	64.6	-14%	-12%	451.6	435.1	4%	6%
ROW	37.8	45.6	-17%	-16%	19.8	14.6	36%	36%	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%	34%	489.8	448.7	9%	10%	975.9	816.5	20%	21%
Revenue by region												
UK	274.5	183.0	50%	49%	294.9	247.2	19%	19%	569.4	430.2	32%	32%
ROE	54.4	63.4	-14%	-10%	50.0	60.3	-17%	-14%	104.4	123.7	-16%	-12%
USA	131.9	92.0	43%	48%	118.6	110.2	8%	10%	250.5	202.2	24%	28%
ROW	25.2	29.4	-15%	-11%	26.3	31.0	-15%	-13%	51.5	60.4	-15%	-12%

CER in this appendix for the year ended 28 February 2022 is calculated using exchange rates prevailing during the year ending 28 February 2023. Nomenclature: ROE – rest of Europe; ROW – rest of world; yoy – year-on-year; CER – constant exchange rate