

boohoo group plc – trading statement for the three months to 31 May 2022

£ million	Three months to 31 May				Change on FY20
	FY23	FY22	Change on FY22	CER ⁽¹⁾	
Group total revenue	445.7	486.1	-8 %	-8%	+75%
Revenue by region					
UK	272.1	274.6	-1%	-1%	+94%
ROE ⁽²⁾	49.6	54.4	-9%	-7%	+30%
USA	95.0	131.9	-28%	-26%	+85%
ROW ⁽³⁾	29.0	25.2	+15%	+15%	+20%

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

Financial highlights

- Due to lockdowns driving prior year comparative strength, and in line with prior guidance, revenues declined 8% in the quarter, but up 75% over the three-year pre-pandemic period reflecting multi-year market share gains across the Group's multi-brand platform
- As expected, gross demand growth remained positive against tough comparatives, +9% year-on-year, with net sales impacted by the ongoing normalisation of returns due to product mix change
- UK sales improved month-on-month in the period and returned to net sales growth in May. Underlying gross demand remained strong +21% as our leading proposition continues to resonate with customers
- International performance continued to be impacted by increased delivery times, although wholesale drove growth in ROW and contributed to ROE's performance
- Gross margin for the three months 52.8%, down 220bps vs. a strong prior year comparative, but up 240bps vs. the second half of the previous financial year, and improved through the quarter

Progress against strategic priorities

At the full year results in May, the Group outlined a series of actions focussed on optimising its operations and best positioning itself to rebound strongly as pandemic-related headwinds ease, and is pleased with the continued progress made in these areas, as outlined below:

- **Sourcing and freight**
The Group has continued to increase sourcing from near-shore markets to reduce exposure to elevated inbound freight costs, with a 10 percentage point increase in short-lead time product mix compared to the same period last year
- **Stock management and returns**
Inventory has been tightly controlled in the quarter, with lower levels of stock compared to year end and improvements in inventory turn and increased supply chain flexibility
- **Cost management**
Overheads continue to be managed tightly despite the significant inflationary backdrop through scaling of acquisitions and improved marketing efficiencies
- **Unlocking strategic enablers**
Continued progress has been made on key strategic projects, with the automation project in Sheffield still anticipated to go-live in H2 of this financial year. The Group has signed a lease for a new distribution centre in Elizabethtown, Pennsylvania, to support its international growth ambitions and transform the customer proposition in a key focus market, with go-live still anticipated in mid-2023. Wholesale continues to scale with one UK partnership launched in the quarter.

Guidance

The Group's outlook for the year ending 28 February 2023 remains unchanged. Revenue growth for FY23 is expected to be low-single digits, with a return to growth in Q2 and growth rates improving in the second half of the year as the Group annualises high returns rates and normalising consumer demand. Adjusted EBITDA margins are expected to be between 4% and 7%, in line with prior guidance, as the Group continues to be affected by pandemic-related and inflationary factors that negatively impact costs within its supply chain and international competitive proposition, offset to some extent by the financial benefits from our strategic priorities and leveraging of overheads.

John Lyttle, CEO, commented:

"I am pleased with the progress we are making towards our strategic priorities, which is already having a meaningful impact operationally within the business. We have seen promising signs from the Group's sales performance in the UK, which has improved month-on-month in the period and we are looking ahead towards our key summer trading season as holidays ramp up and customers look to the latest fashion from across our brands. Looking forward, we will continue to focus on optimising both our financial and operational performance to ensure the business is well placed to take advantage of future growth opportunities."

Investor and analyst conference call

boohoo group plc will today host a conference call for analysts and investors at 8.30am BST. The dial in details for the call are as follows:

UK Number: +44 (0)330 165 4012

Participant pin code: 1722259

Webcast link: <https://stream.brrmedia.co.uk/broadcast/62a0c5fc19aa2a662fe172a9>

Notice of half year results

The Group intends to publish its Half Year results for six months ended 31 August 2022 on 28 September 2022

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 28 February 2022, the boohoo group had 20 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 3 months to 31 May 2022 (FY23)

£m	3m to 31 May			
	FY23	FY22	yoy %	yoy % CER
Total	445.7	486.1	-8%	-8%
Revenue by region				
UK	272.1	274.6	-1%	-1%
ROE	49.6	54.4	-9%	-7%
USA	95.0	131.9	-28%	-26%
ROW	29.0	25.2	+15%	+15%

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	FY21	FY20	yoy %	yoy % CER	FY21	FY20	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

Revenue by period for the year to 28 February 2021 (FY21)

£m	4m to 31 December				2m to 28 February				12m to 28 February			
	FY21	FY20	yoy %	yoy % CER	FY21	FY20	yoy %	yoy % CER	FY21	FY20	yoy %	yoy % CER
Total	660.8	473.7	40%	40%	268.0	196.3	37%	36%	1,745.3	1,234.9	41%	41%
Revenue by region												
UK	356.7	255.8	39%	39%	158.3	108.5	46%	46%	945.1	679.4	39%	39%
ROE	90.3	69.6	30%	32%	30.5	31.4	(3)%	(1)%	244.7	188.4	30%	30%
USA	168.2	110.6	52%	51%	64.6	42.3	53%	46%	435.1	263.6	65%	63%
ROW	45.6	37.7	20%	24%	14.6	14.1	3%	11%	120.4	103.5	16%	19%

£m	3m to 31 May				3m to 31 August				6m to 31 August			
	FY21	FY20	yoy %	yoy % CER	FY21	FY20	yoy %	yoy % CER	FY21	FY20	yoy %	yoy % CER
Total	367.8	254.3	45%	45%	448.7	310.5	44%	44%	816.5	564.9	45%	44%
Revenue 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%