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FY21 Full Year Results
52 Weeks ended 24 April 2021

16 September 2021

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AGENDA

OVERVIEW
JULIAN DUNKERTON, CEO

FINANCIAL PERFORMANCE & OUTLOOK
SHAUN WILLS, CFO

STRATEGY UPDATE
JULIAN DUNKERTON, CEO

Julian Dunkerton
Founder and CEO

Shaun Wills
CFO

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KEY FY21 OPERATIONAL MILESTONES

SHARPENED STRATEGY SETS OUT KEY PILLARS OF BRAND RESET

Mission

TO INSPIRE AND ENGAGE STYLE OBSESSED CONSUMERS, WHILE LEAVING A POSITIVE ENVIRONMENTAL LEGACY

Objectives

INSPIRE THROUGH PRODUCT & STYLE

ENGAGE THROUGH SOCIAL

LEAD THROUGH SUSTAINABILITY

Foundation

MAKE IT HAPPEN

FY21 OVERVIEW

PERFORMANCE SIGNIFICANTLY IMPACTED BY COVID-19 DISRUPTION

INSPIRE THROUGH PRODUCT & STYLE

- FOCUS ON RETURNING TO FULL PRICE STANCE
- LAUNCH OF SHORT-ORDER TO AUGMENT MAINLINE

ENGAGE THROUGH SOCIAL

- TOTAL FOLLOWERS INCREASED 6%
- ACTIVE DATABASE UP 3%

LEAD THROUGH SUSTAINABILITY

- 1ST PLACE IN THE FT “EUROPE’S CLIMATE LEADERS 2021”
- 33% SUSTAINABLE PRODUCT MIX

MAKE IT HAPPEN

- OXFORD STREET FLAGSHIP – AUTUMN OPENING
- INVENTORY UNITS REDUCED 14%

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FINANCIAL PERFORMANCE & OUTLOOK

SHAUN WILLS, CFO

FY21 FINANCIAL OVERVIEW

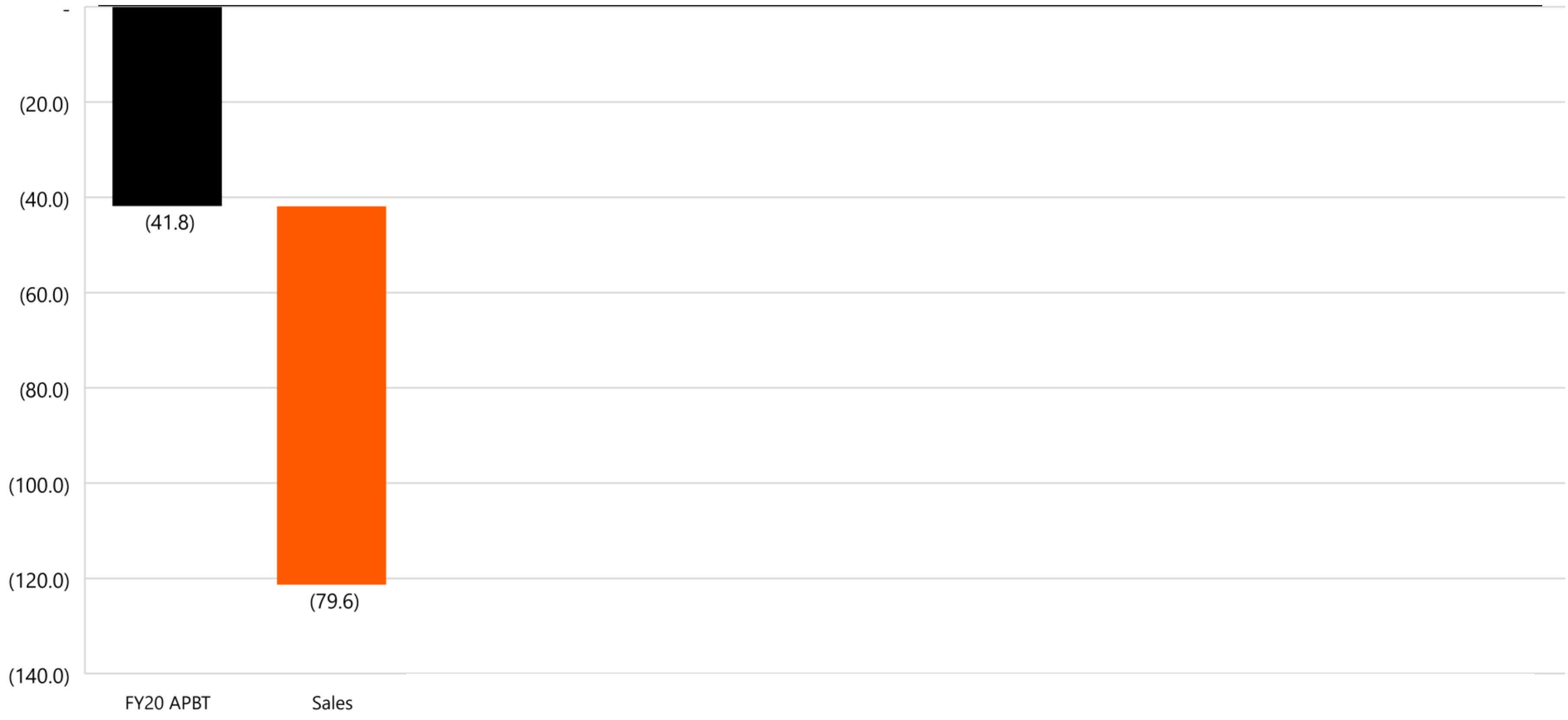
TRADING PERFORMANCE SIGNIFICANTLY IMPACTED BY COVID-19

£m	FY21	FY20	%
Group revenue	£556.1m	£704.4m	(21.1)%
Gross margin (%)	52.7%	53.6%	(0.9)%pts
Adjusted loss before tax	£(12.6)m	£(41.8)m	(69.9)%
Adjusting items	£(24.1)m	£(125.1)m	(80.7)%
Statutory loss before tax	£(36.7)m	£(166.9)m	(78.0)%
Adjusted basic loss per share	(19.4)p	(43.5)p	(55.4)%
Statutory basic loss per share	(44.0)p	(174.9)p	(74.8)%
Net working capital	£124.1m	£147.0m	(15.6)%
Net cash position	£38.9m	£36.7m	6.0%

PROFIT & LOSS

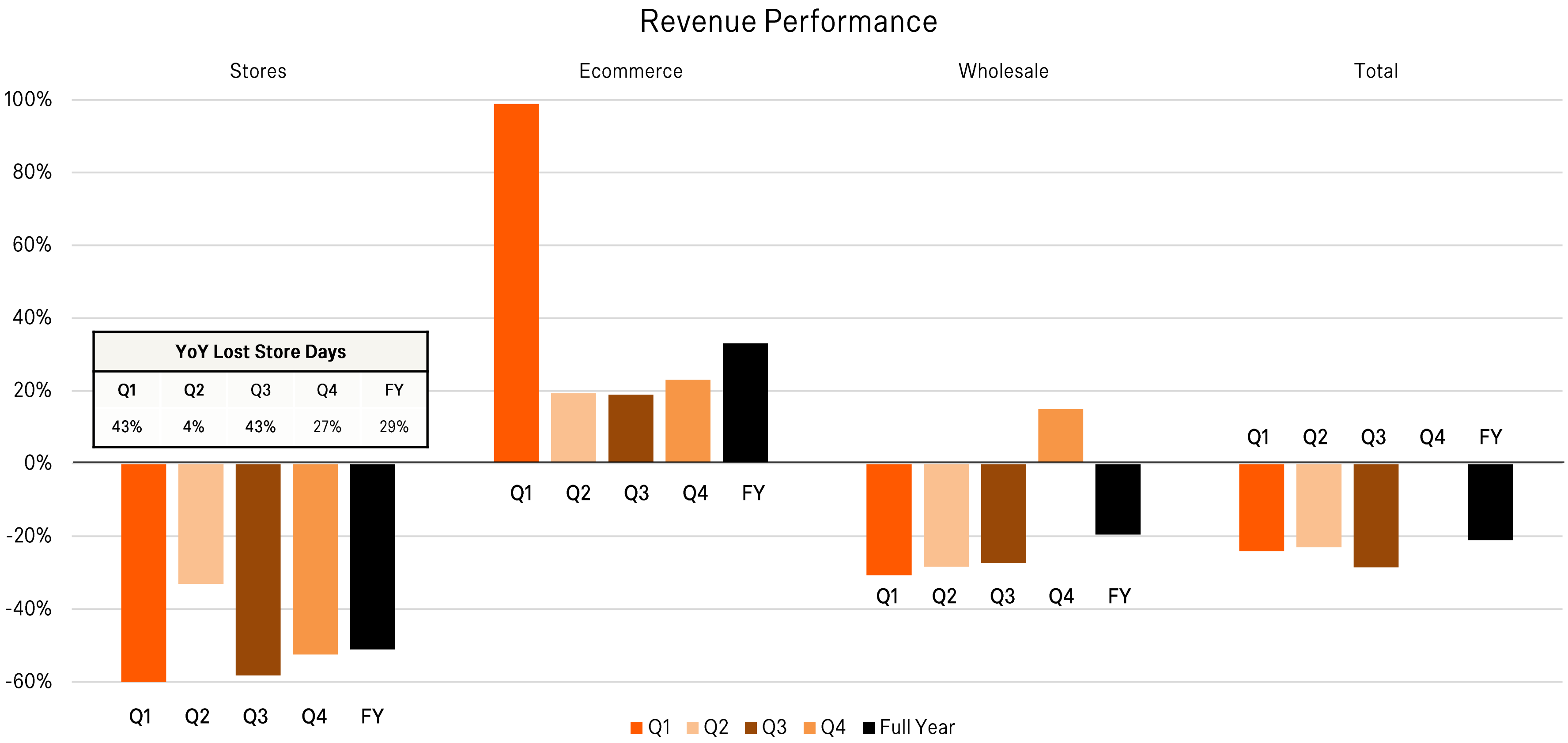
ADJUSTED PROFIT BEFORE TAX - SALES

REDUCTION IN REVENUE FROM ENFORCED STORE CLOSURES



GROUP REVENUE

VOLATILE TRADING THROUGHOUT THE YEAR REFLECTS CONTINUED COVID-19 DISRUPTION



YoY Lost Store Days				
Q1	Q2	Q3	Q4	FY
43%	4%	43%	27%	29%

Note: Fulfil From Store sales reallocated to Ecommerce in FY21 (£8.3m) and FY20 comparatives (£1.6m)

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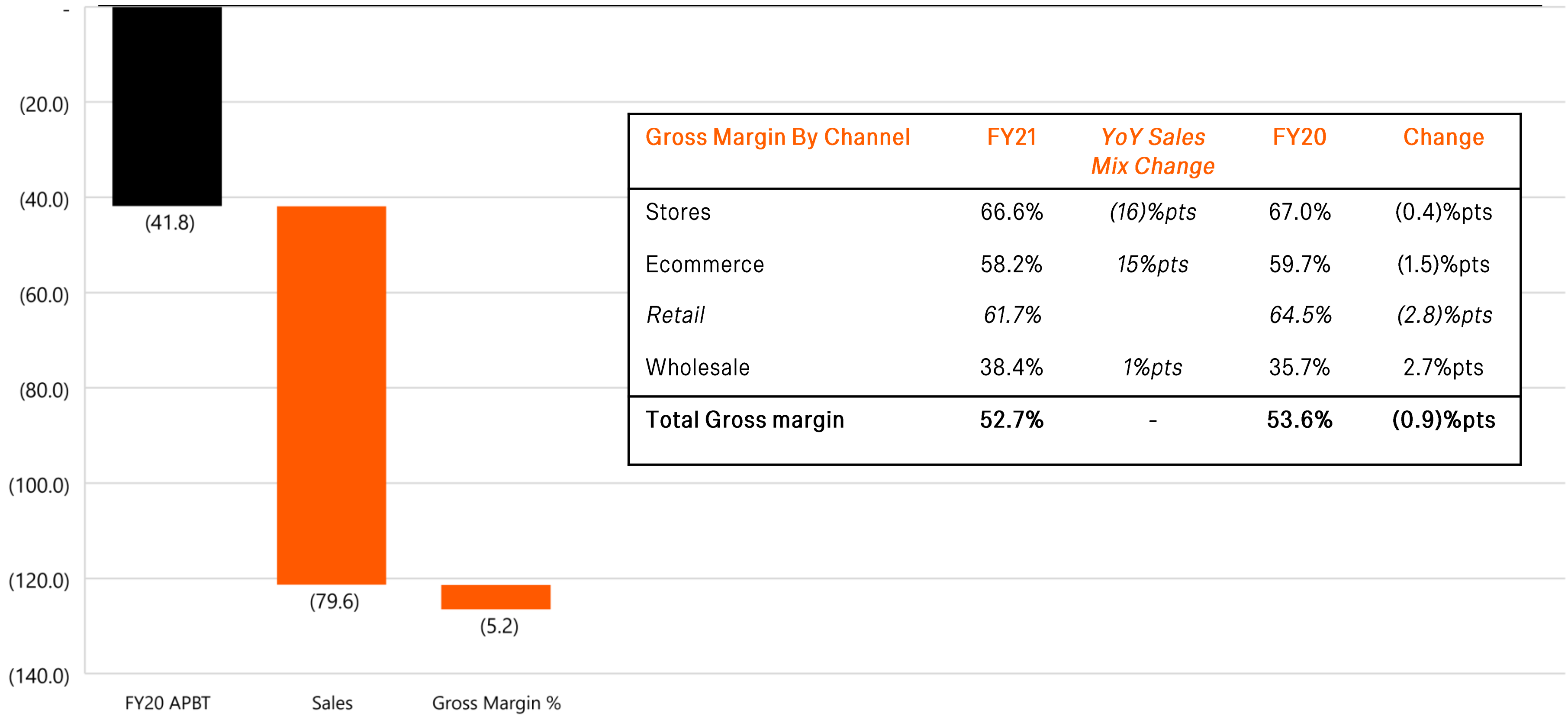
ADJUSTED PROFIT BEFORE TAX – GROSS MARGIN

GROSS MARGIN IMPACTED BY ELEVATED PROMOTIONAL ACTIVITY ONLINE, OFFSET BY IMPROVED WHOLESALE MARGIN



Gross Margin By Channel	FY21	*YoY Sales Mix Change*	FY20	Change
Stores	66.6%	*(16)%pts*	67.0%	(0.4)%pts
Ecommerce	58.2%	*15%pts*	59.7%	(1.5)%pts
Retail	*61.7%*		*64.5%*	*(2.8)%pts*
Wholesale	38.4%	*1%pts*	35.7%	2.7%pts
Total Gross margin	**52.7%**	-	**53.6%**	**(0.9)%pts**

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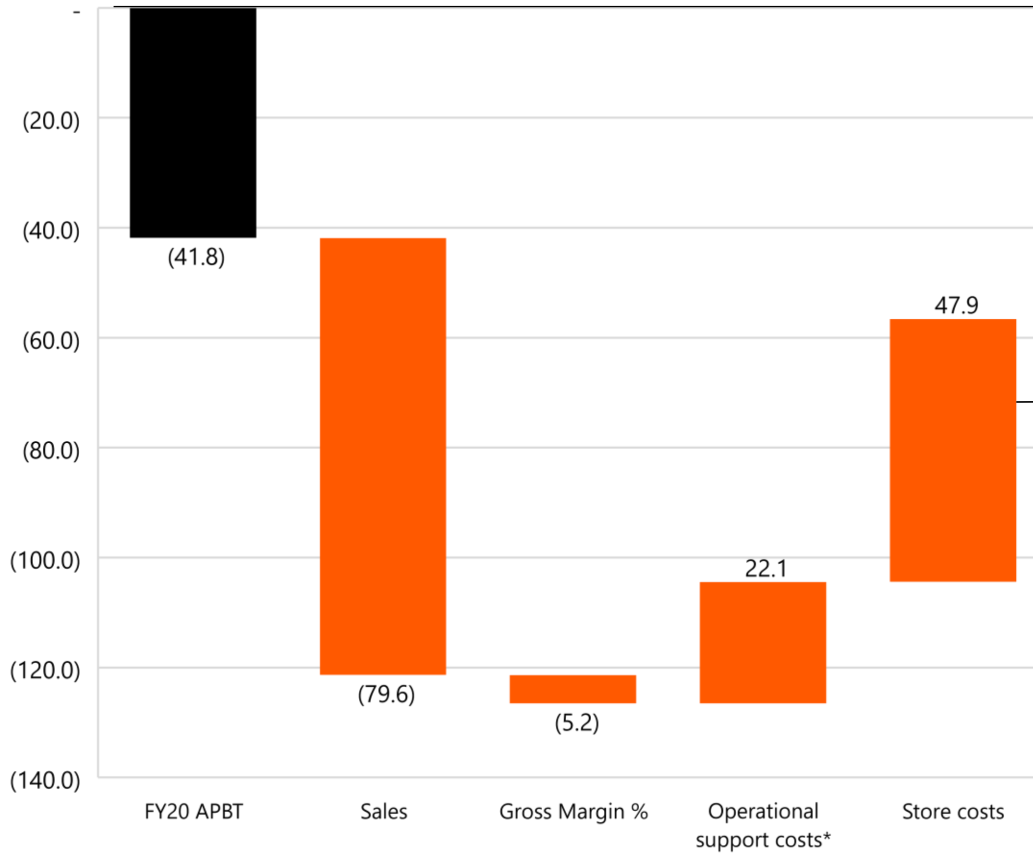
ADJUSTED PROFIT BEFORE TAX – SG&A

DISCIPLINED COST MANAGEMENT OFFSETTING SALES SHORTFALL

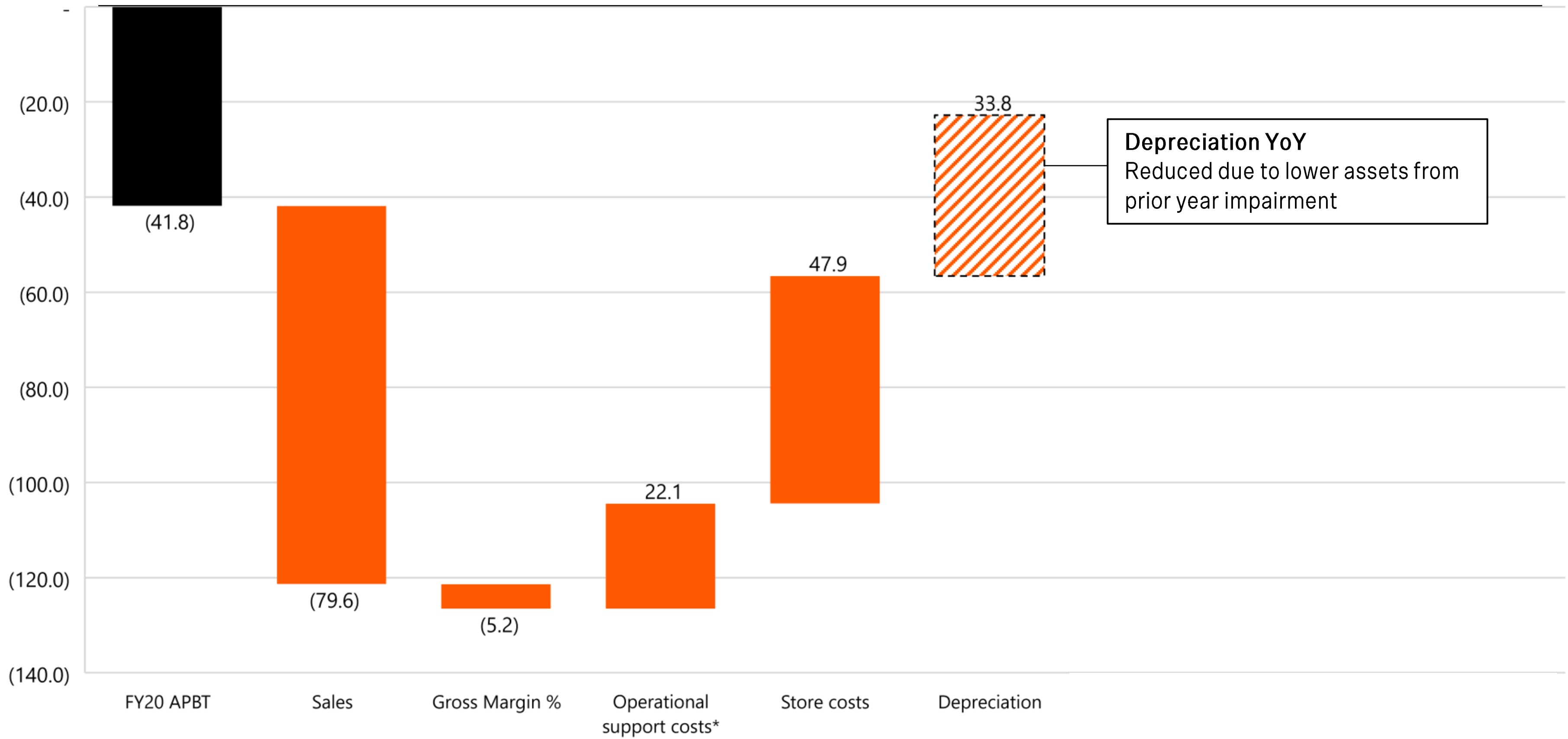


Store Costs YoY	
Rates benefit	£15.7m
Store payroll benefit	£11.5m
Covid waivers and one-off rent savings	£7.7m
Store furlough benefit	£5.2m
Other savings from store closures	£7.8m

*Operational support costs include Head office, Marketing, Distribution, FX, P&L on disposal and Finance Income

ADJUSTED PROFIT BEFORE TAX - DEPRECIATION

BENEFIT TO APBT FROM LOWER DEPRECIATION



*Operational support costs include Head office, Marketing, Distribution, FX, P&L on disposal and Finance Income

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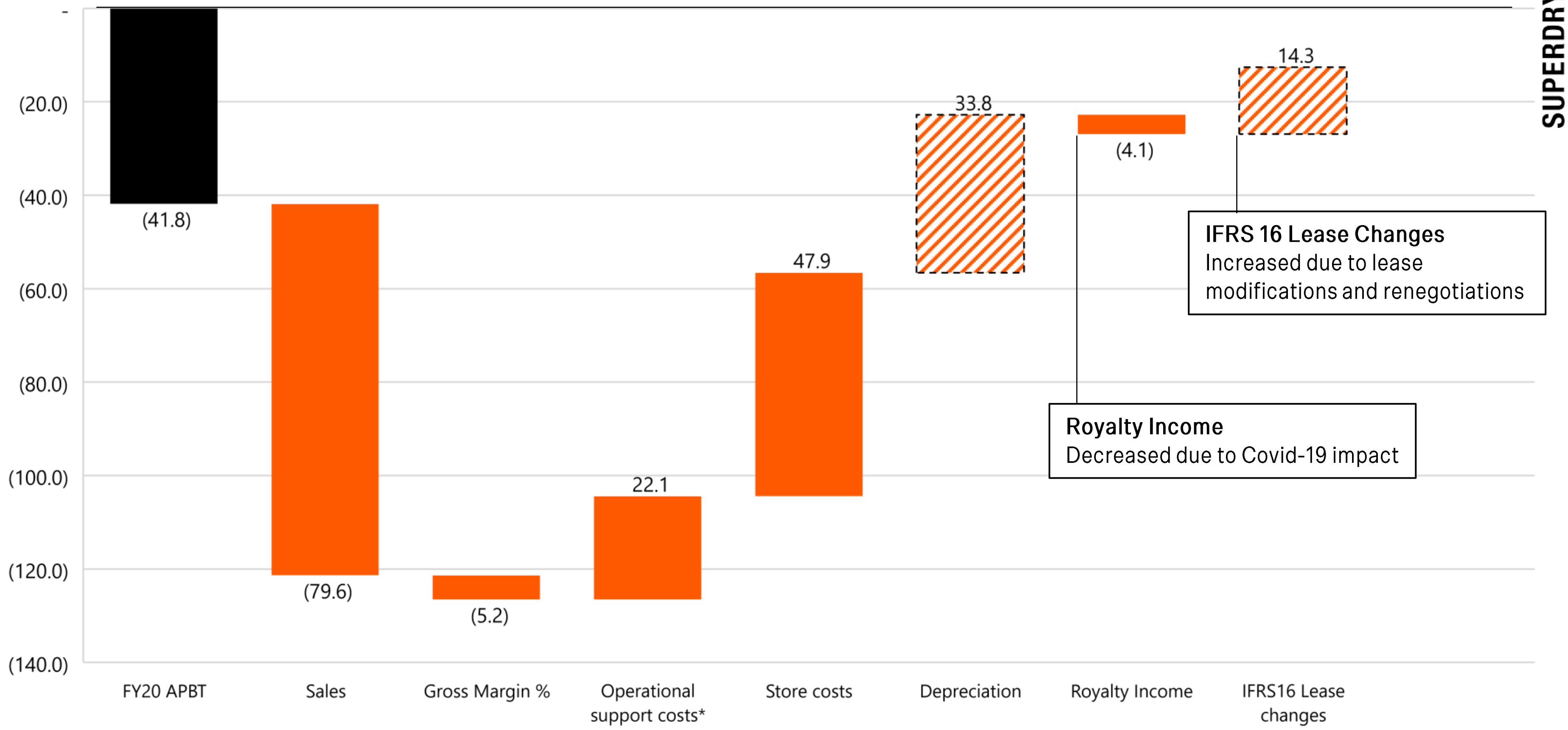
ADJUSTED PROFIT BEFORE TAX - OTHER INCOME

SIGNIFICANT IMPROVEMENT IN OTHER INCOME DUE TO IFRS 16 LEASE MODIFICATIONS



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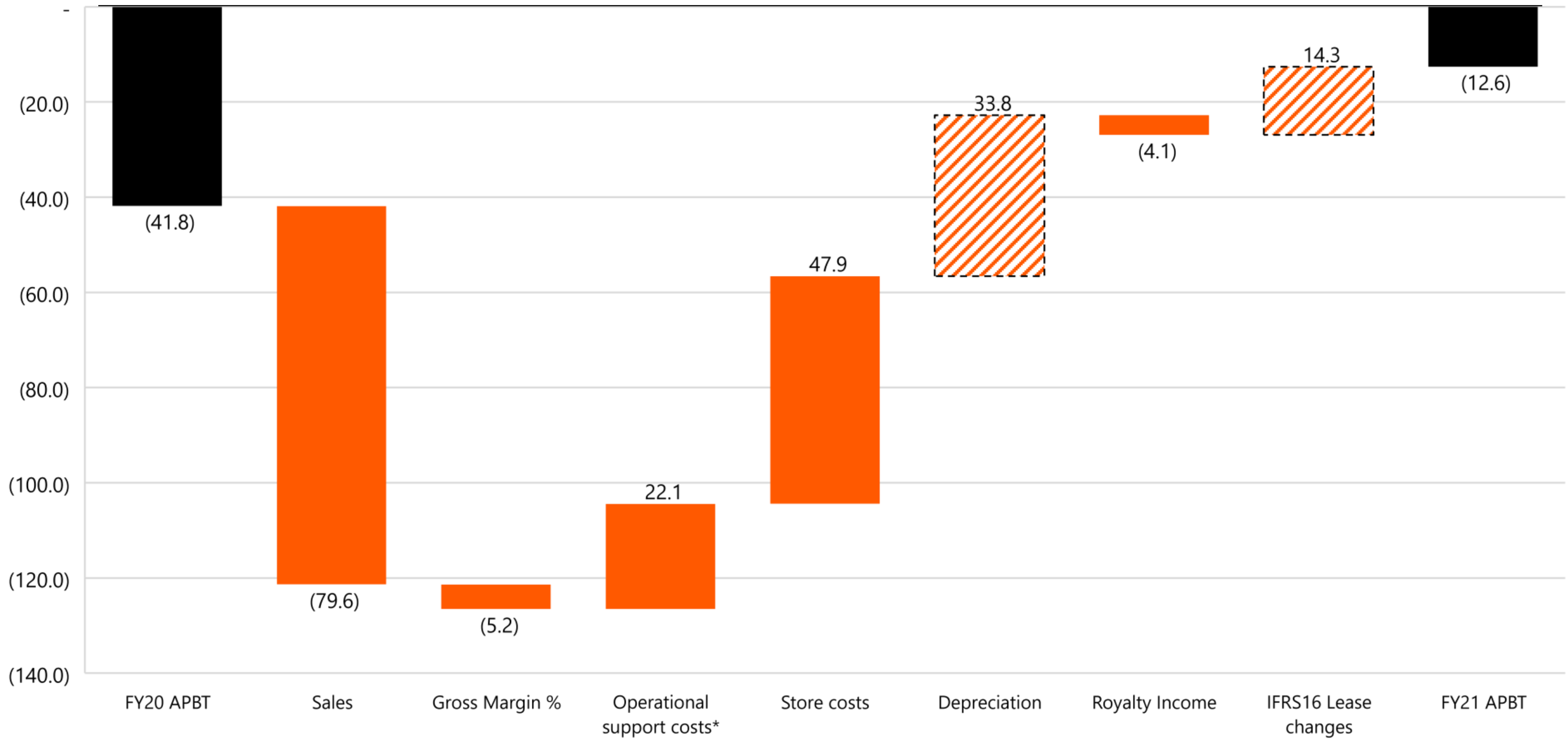
ADJUSTED PROFIT BEFORE TAX

COST MANAGEMENT AND ACCOUNTING BENEFITS OFFSETTING COVID-19 DISRUPTION



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BALANCE SHEET

BALANCE SHEET

ROBUST BALANCE SHEET SUPPORTED BY NET CASH POSITION

£m	FY21	FY20	Change
Fixed assets	29.4	41.7	(29.5)%
Right of use assets	91.1	118.0	(22.8)%
Inventory	*148.3*	*158.7*	*(6.6)%*
Receivables	*102.3*	*91.6*	*11.7%*
Payables	*(126.5)*	*(103.3)*	*22.5%*
Net working capital	124.1	147.0	(15.6)%
Net Cash	38.9	36.7	6.0%
Lease liabilities (Current & Non-Current)	(269.6)	(320.9)	(16.0)%
Other	76.5	90.2	(15.2)%
Net Assets	90.4	112.7	(32.9)%

Right of use assets
- Reduced due to impairment in FY20

Net Working Capital
- Inventory – see slide 18
- Receivables increased due to Q4 sales increase YoY
- Payables includes non-IFRS 16 rent creditor of £12m

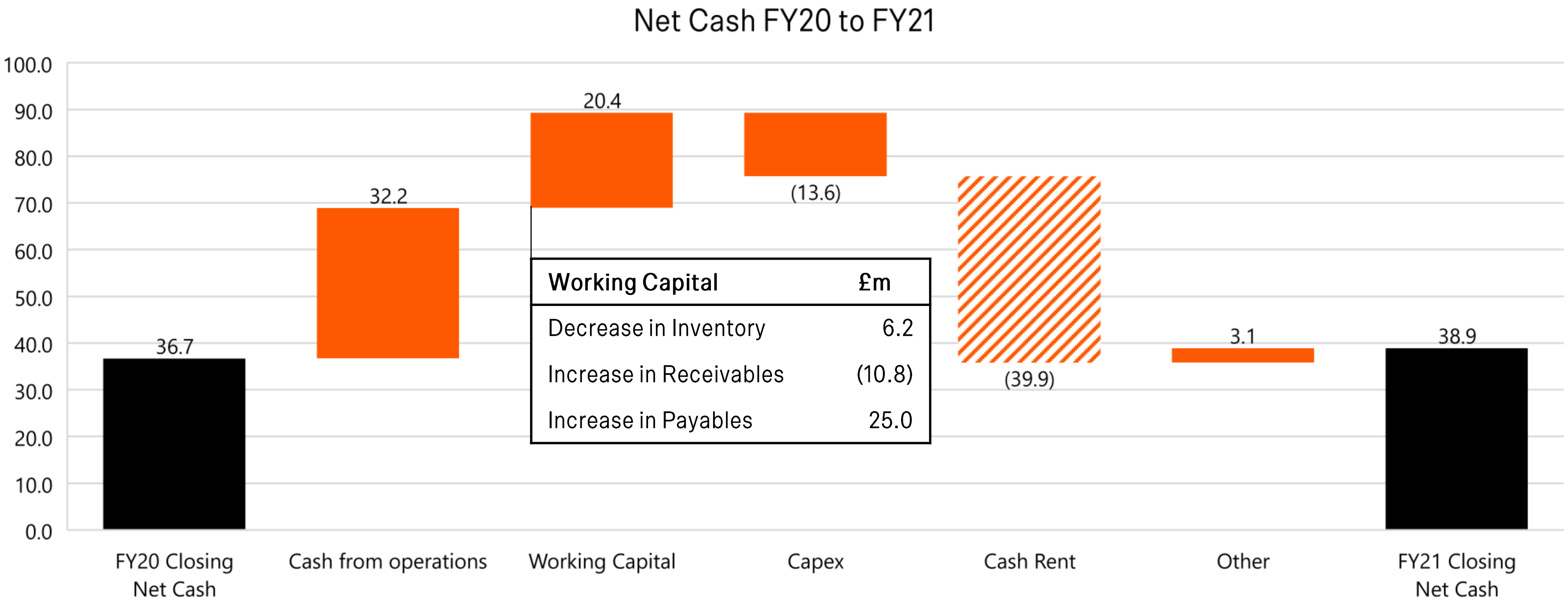
Cash
- See slide 17

Lease Liabilities
- Reduction due to store exits, lease negotiations (terms) and modifications (non-cash) and repayments
- Includes IFRS 16 Rent Creditor of £24m

*Other includes intangible assets, deferred income, tax, provisions and derivatives

CASH FLOW

CONTINUED FOCUS ON CASH PRESERVATION; REDUCTION IN INVENTORY OFFSET BY DEFERRED RENT



Working Capital	£m
Decrease in Inventory	6.2
Increase in Receivables	(10.8)
Increase in Payables	25.0

- No interim or final dividend in FY21
- No drawdown on the ABL facility during FY21
- Total deferred rent of ~£40m
- Ahead of FY20 closing net cash by £2.2m, net cash positive as at 14 September 2021

*Other includes FX £10.2m, Interest £(7.2)m and Proceeds from share capital £0.1m

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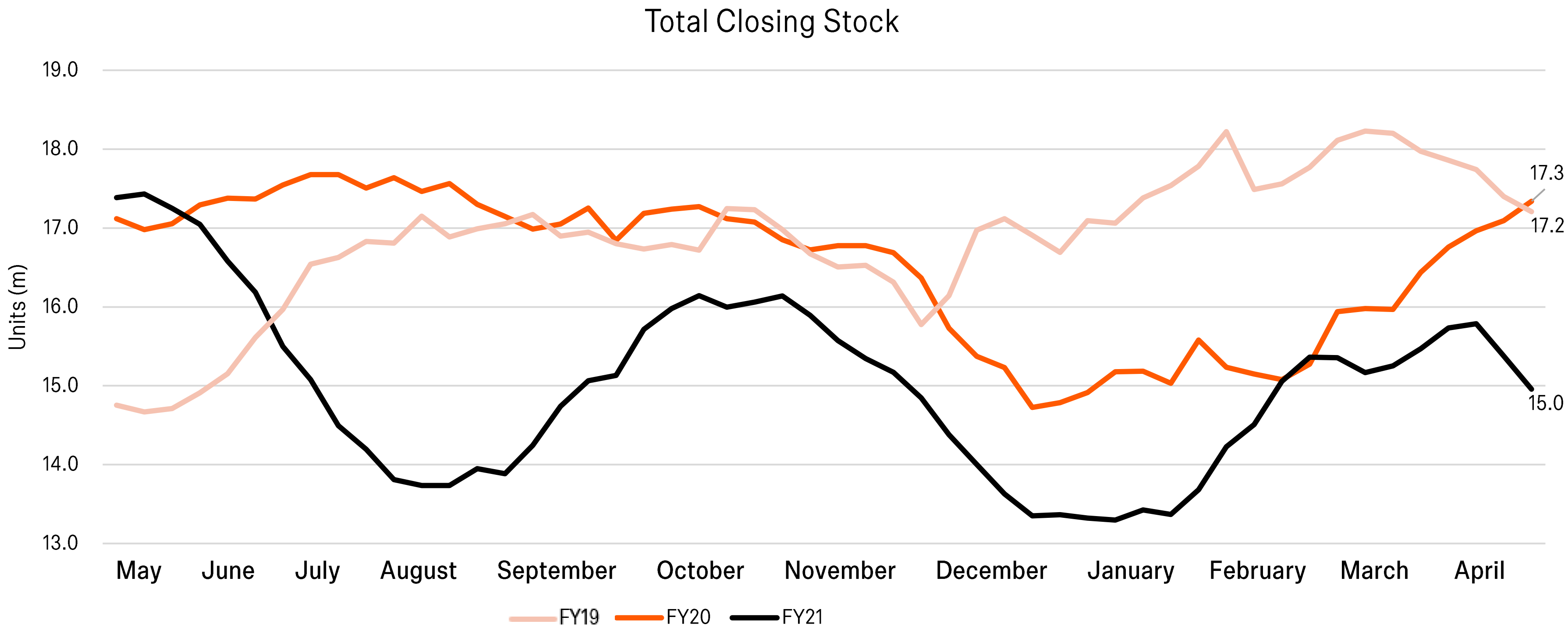
INVENTORY

REDUCTION IN INVENTORY DESPITE PANDEMIC



- Despite disruption from pandemic, FY21 inventory units 14% lower than FY20
- Inventory at the year end of £148.3m, a decrease of 7% year-on-year – temporary higher mix of AW product
- Targeting lower closing position for FY22, further 2m units

LOOKING FORWARD

CURRENT TRADING

REVENUE RECOVERING, DESPITE SUBDUED FOOTFALL VS PRE-COVID LEVELS

Stores

- Strong rebound in UK (+76%) and US (+169%)
- EU impacted by closures in current period (-10%)
- Encouraging full price trends YTD

Ecommerce

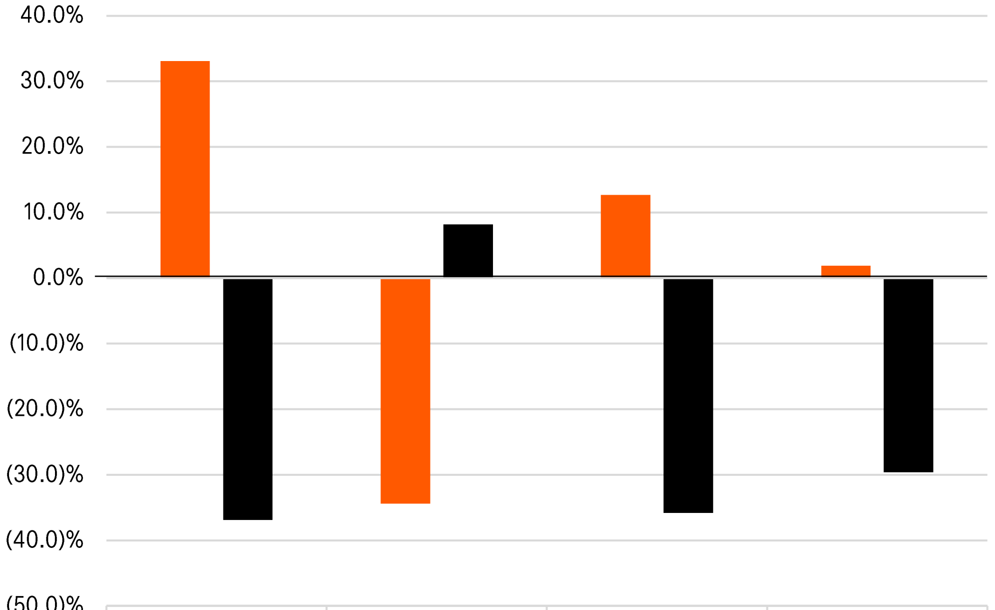
- Lapping extraordinary growth in FY21
- Revenue +8.2% against 2 year comparables
- Full price stance driving +10.5%pts gross margin YoY

Wholesale

- +12.7% growth as physical trading improves
- Expect recovery to continue through rest of year

1- and 2-year Revenue change

18 weeks to 28 August 2021



	Stores	Ecommerce	Wholesale	Group
1 year	33.1%	(34.4)%	12.7%	1.9%
2 year	(36.9)%	8.2%	(35.8)%	(29.6)%

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OUTLOOK

REVENUE RECOVERY IN FY22, DESPITE CONTINUED UNCERTAINTY

FY22 – recovery steps

Revenue – recovery in physical trading channels

- Stores – improving trading, towards FY20 levels
- Ecommerce – growth v FY20, but down YoY due to FY21 comparables and partial reversal as stores reopen
- Wholesale – modest, but sustainable revenue recovery

Margin – reduced promotion and channel mix benefits

- Full price stance delivering margin increase in all channels

Profitability – operating leverage versus pre-Covid

- £35-45m YoY increase in SG&A – non-recurring FY21 savings
- Given current market uncertainties, comfortable with current FY22 consensus at APBT level

Cash – continued strong cash preservation

- Closing inventory lower YoY (targeting 2m units)
- Deferred rent unwind – targeting more Covid-waivers

Medium Term – sustainable growth

Revenue - back to pre-Covid levels

- Stores - permanent footfall decline, stabilise but never reach pre-Covid levels
- Ecommerce – structural growth opportunity, increasing channel mix
- Wholesale – geographic and branded collection expansion opportunity

Profitability - recovery in all channels

- Full price trading, rent reductions and cost savings return the business to historic operating profit margin

Cash - sustainable growth

- Step-change in inventory turn
- Return to substantial cash generation

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SG&A POST IFRS16

£35-45M SG&A COST HEADWINDS EXPECTED IN FY22E

Cost	FY21	FY22e	Range
Store costs	£63m		+£20m-£25m
Operational support, inc.: - Distribution - Marketing - Central overheads	£202m		+£20m-£25m
Depreciation	£53m		£(5)m-£(10)m
Total SG&A	**£318m**		+£35m-£45m
Other Income	**£19m**		£(10)m-£(15)m

STRATEGY OVERVIEW

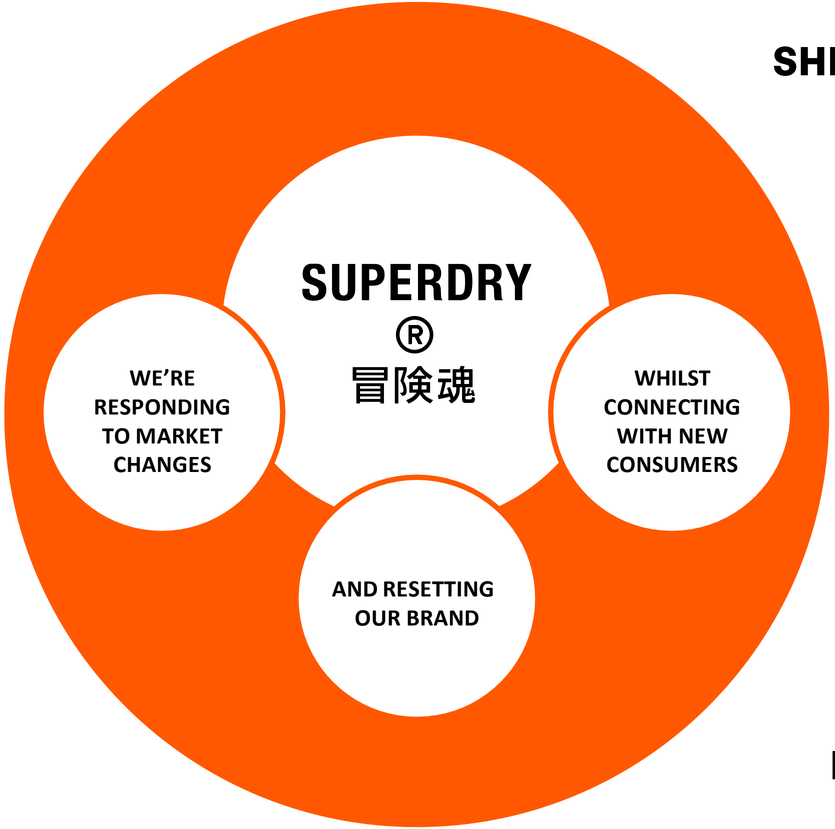
JULIAN DUNKERTON, CEO

STRATEGY

WE'RE ADAPTING TO A NEW MARKETPLACE

TRADING ENVIRONMENT UNCERTAINTY

INCREASED ENVIRONMENTAL AND SOCIAL AWARENESS



SHIFT TOWARDS 'LOCAL' CONSUMERISM

ACCELERATED SWITCH TO DIGITAL

NEW WORKING PATTERNS & ENVIRONMENTS

KEY FY21 OPERATIONAL MILESTONES

SHARPENED STRATEGY SETS OUT KEY PILLARS OF BRAND RESET

Mission

TO INSPIRE AND ENGAGE STYLE OBSESSED CONSUMERS, WHILE LEAVING A POSITIVE ENVIRONMENTAL LEGACY

Objectives

1. **INSPIRE THROUGH PRODUCT & STYLE**
2. **ENGAGE THROUGH SOCIAL**
3. **LEAD THROUGH SUSTAINABILITY**

Foundation

4. **MAKE IT HAPPEN**

DELIVER INSPIRING BRAND EXPERIENCES

NEW FLAGSHIP STORE IN LONDON

- **22,000sqft Retail trading across 2 floors**
- **Substantially increased footfall v Regent St**
- **Adjacent to new Bond St Crossrail**
- **Differentiated zones**
- **Sustainability embedded**
- **6,000sqft Wholesale & influencer showroom**

OXFORD ST – EMBODYING OUR NEW STRATEGY

MORE THAN A STORE - SHOWCASING ALL OF OUR STRATEGY PILLARS

Mission

OXFORD ST – FLAGSHIP
Resetting the Brand

Objectives

1 INSPIRE THROUGH PRODUCT & STYLE
- **Showcase full range of 5 collections**
- **Recycled & repurposed collections**

2 ENGAGE THROUGH SOCIAL
- **Influencer showroom**
- **Shows and events**
- **Pop-up concession opportunities**

3 LEAD THROUGH SUSTAINABILITY
- **>50% sustainable product**
- **Repurposed fixtures**

Foundation

4 MAKE IT HAPPEN
- **Wholesale showroom**
- **Flexible sales space**
- **Limited edition short-order collections**

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STRATEGY

4 PILLARS, EXECUTED THROUGH 11 INITIATIVES

Mission

TO INSPIRE AND ENGAGE STYLE OBSESSED CONSUMERS, WHILE LEAVING A POSITIVE ENVIRONMENTAL LEGACY

Objectives

- INSPIRE THROUGH PRODUCT & STYLE
- ENGAGE THROUGH SOCIAL
- LEAD THROUGH SUSTAINABILITY

Initiatives

1. Create a style obsessed consumer base
2. Provide outstanding product choice & value
3. Deliver inspiring brand experiences
4. Achieve best in class social media engagement
5. Provide a leading ecommerce experience
6. Low impact materials
7. Net zero carbon emissions
8. Lead positive change

Foundation

MAKE IT HAPPEN

9. Inspire our workforce through the spirit of adventure
10. A fully integrated 'Go to market' strategy
11. Establish core systems and data insight

INSPIRE THROUGH PRODUCT & STYLE

INSPIRE THE RIGHT CONSUMERS THROUGH THE RIGHT EXPERIENCES ONLINE AND IN STORE

	FY21	PRIORITIES
1 Create a style obsessed consumer base	Extended segmentation to include 13-15yrs Launched AW20 and SS21 under five collections	Build brand heat with younger demographic and female consumers
2 Provide outstanding product choice & value	Launched our first short-order collection online	Full price stance, minimal in-store promotion Foundation product growing to 50% of range
3 Deliver inspiring brand experiences	Re-merchandised four key stores with new segmentation	Opening new flagship store in Oxford Street Leverage improving CRM on website

PROVIDE OUTSTANDING PRODUCT CHOICE & VALUE

PURE SHORT ORDER (1/3)

I PURE SHORT ORDER
– VERY REACTIVE

II NEW PRODUCT INITIATIVES
– CONSIDERED MARKET-SHARE PLAYS

III INFLUENCER PERSONALISATION
- INCREASED SOCIAL ENGAGEMENT & BRAND ADVOCACY
E.G. PERSONALISED RECYCLED SWEATS

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PROVIDE OUTSTANDING PRODUCT CHOICE & VALUE

NEW PRODUCT INITIATIVES (2/3)

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I **PURE SHORT ORDER**

– VERY REACTIVE

II **NEW PRODUCT INITIATIVES**

– CONSIDERED MARKET-SHARE PLAYS

III **INFLUENCER PERSONALISATION**

- INCREASED SOCIAL ENGAGEMENT & BRAND ADVOCACY
E.G. PERSONALISED RECYCLED SWEATS

PROVIDE OUTSTANDING PRODUCT CHOICE & VALUE

INFLUENCER PERSONALISATION (3/3)

I PURE SHORT ORDER

– VERY REACTIVE

II NEW PRODUCT INITIATIVES

– CONSIDERED MARKET-SHARE PLAYS

III INFLUENCER PERSONALISATION

- INCREASED SOCIAL ENGAGEMENT & BRAND ADVOCACY
E.G. PERSONALISED RECYCLED SWEATS

ENGAGE THROUGH SOCIAL

‘SOCIAL-FIRST’ BRAND MARKETING APPROACH

	FY21	PRIORITIES
4 **Achieve best in class social media engagement**	Over 250 Influencers engaged in FY21, with a total following of over 100m Followers +6% in FY21, accelerating in FY22 YTD	Affiliate influencer model Focus on earned media
5 **Provide a leading ecommerce experience**	Active database +3% in FY21	Website re-platform to microservices Segment content and platform to engage new audiences

PROVIDE A LEADING ECOMMERCE EXPERIENCE

WEBSITE PLATFORM UPGRADE TO INCLUDE MICROSERVICES

WEBSITE BASICS	SALES & CONVERSION	CUSTOMER SATISFACTION
→ Recently viewed items → Store stock checker → Next day delivery filter → Keep items in basket after session expires → Faster checkout → Abandoned cart follow up	→ Personalised emails → Personalised homepage → Mobile first → App notifications → Customer Segmentation → Before you go messaging → Create Community	→ Faster site performance → Smoother scrolling → Personalised guides → In-pack messaging including returns information → Shipping updates

MICROSERVICES ON TRACK FOR LAUNCH IN EARLY 2022

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LEAD THROUGH SUSTAINABILITY

AWARD-WINNING PROGRESS MADE ACROSS INITIATIVES

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	FY21	PRIORITIES
6 **Low impact materials**	Accelerated pure cotton organic cotton target to 2025 93% of our packaging is Reusable, Recyclable or Compostable	Convert 20,000 farmers to organic; full traceable supply chain to farmer 100% recyclable, recycled or compostable packaging by 2025
7 **Net zero carbon emissions**	1st place in the FT "Europe's Climate Leaders 2021" for reduction in Greenhouse Gases Carbon Disclosure Project rating improved to 'B'	100% renewable energy in offices, stores and warehouses by 2025 2% air freight cap in FY22 Achieve 'A' rating for CDP
8 **Lead positive change**	Drapers Sustainable Fashion Awards 2021 "Positive Change Award" Awarded "Best Organic Ambassador" by The Soil Association	Focus on 'Grow Future Thinking' Initiatives

MAKE IT HAPPEN

OPERATIONAL EFFICIENCIES ACROSS THE SUPPLY CHAIN AND A RE-ENERGISED CORPORATE CULTURE

Mission

TO INSPIRE AND ENGAGE STYLE OBSESSED CONSUMERS, WHILE LEAVING A POSITIVE ENVIRONMENTAL LEGACY

Objectives

1 INSPIRE THROUGH PRODUCT & STYLE

2 ENGAGE THROUGH SOCIAL

3 LEAD THROUGH SUSTAINABILITY

Foundation

4 MAKE IT HAPPEN

→Strengthened leadership and people culture
→Digital and IT transformation
→Supply chain optimisation
→Logistics innovation

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KPIs

NEW KPIs ALIGNED TO SHARPENED STRATEGY

STRATEGIC KPI's

ACTIVE DATABASE

FY21: 2.78m; +3% YoY

FY22 Target: ↑

SUSTAINABLE PRODUCT MIX

FY21: 33%; +16% YoY

FY22 Target: ↑

SOCIAL FOLLOWERS

FY21: 3.32m; +6% YoY

FY22 Target: ↑

INVENTORY DAYS

FY21: 206 Days; +16% YoY

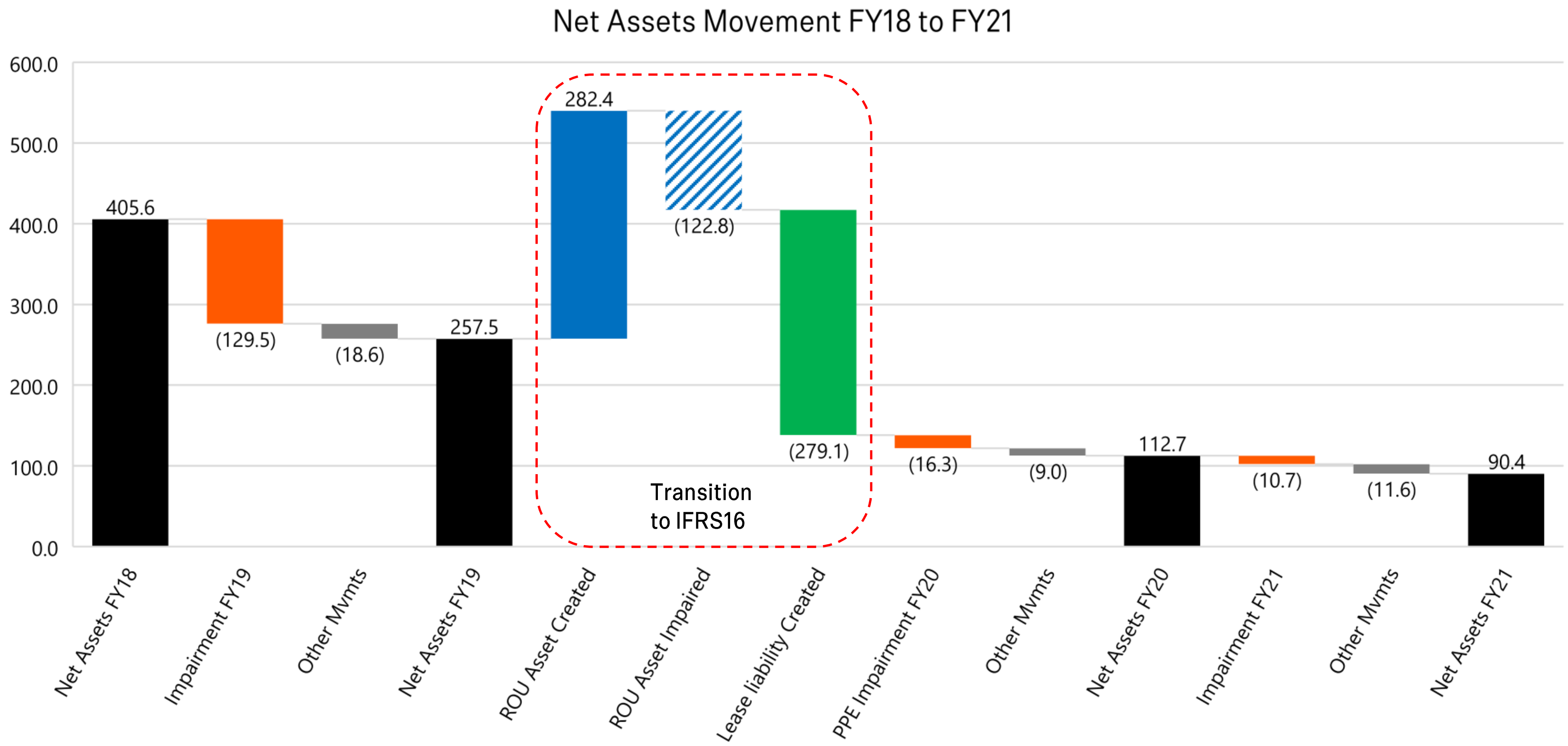
FY22 Target: ↓

Q&A

APPENDIX
IFRS 16

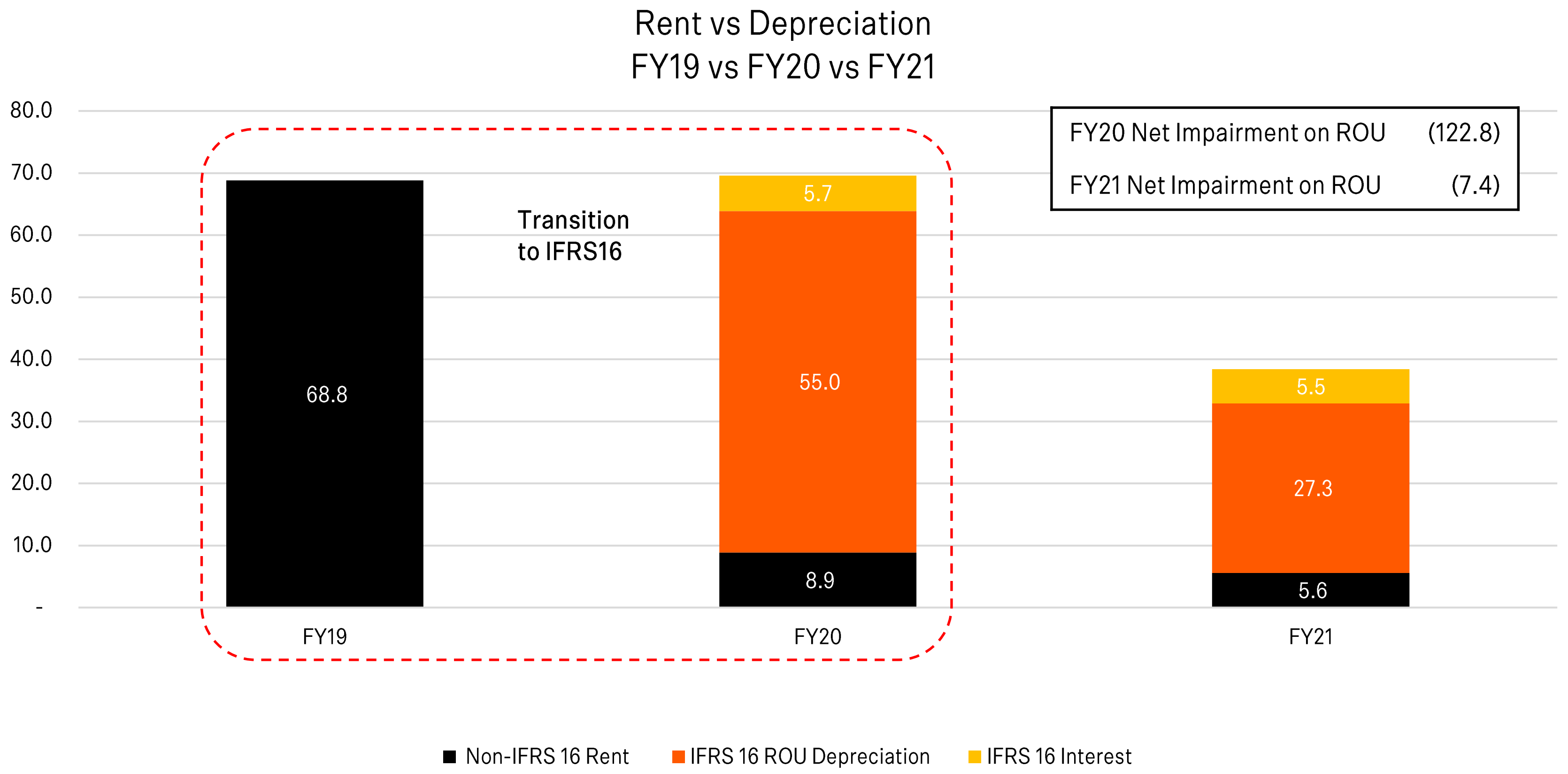
BALANCE SHEET– RECAP IFRS 16

HISTORICAL IMPAIRMENT RESULT IN LOWER NET ASSETS



P&L – IFRS 16 & IMPAIRMENT IMPACT ON RENT AND DEPRECIATION

REDUCTION IN DEPRECIATION DUE TO IMPAIRMENT CHARGES



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ADJUSTED OTHER GAINS AND LOSSES

IFRS 16 LEASE MODIFICATION AND RENEGOTIATIONS CAUSING SIGNIFICANT INCREASE YOY

Adjusted other gains and losses	FY21 £m	FY20 £m	Change £m
Royalty income	4.2	7.2	(3.0)
IFRS 16 lease modifications and renegotiations	**14.3**	-	**14.3**
Other income	0.8	1.9	(1.1)
Total adjusted other gains and losses	**19.3**	**9.1**	**10.2**

CHANGE IN LEASE MEANS IT IS NO LONGER IN SCOPE UNDER IFRS 16

- Assess ROU asset vs Lease Liability
- If previously impaired, the difference is taken to the P&L as a gain
- One-off, non-cash FY21 Benefit

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