



FY25

Interim Results

N BROWN

10 October 2024

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OVERVIEW: KEY POINTS FOR TODAY

PROFIT GROWTH AND STRATEGIC PROGRESS, FULL YEAR ADJUSTED EBITDA OUTLOOK UNCHANGED



- 1 NEW WEBSITES AND PRODUCT INFORMATION MANAGEMENT SYSTEM NOW IN PLACE FOR ALL STRATEGIC BRANDS; NEW FS PLATFORM IN TESTING



- 2 H1 PROFIT PROGRESSION FOLLOWING FY24 RETURN TO PROFIT



- 3 PROFITABLE SALES FOCUS WITH IMPROVING MARGIN RATES AND COST DISCIPLINE



- 4 REMAINING CASH GENERATIVE AFTER INCREASED SELF-FUNDED INVESTMENT; ACCESSIBLE LIQUIDITY IN EXCESS OF £150M; NO UNSECURED BORROWINGS



- 5 FULL YEAR ADJUSTED EBITDA EXPECTED TO BE IN LINE WITH MANAGEMENT EXPECTATIONS; Q3 TRADING STARTED ENCOURAGINGLY



FY25

Interim Results

H1 25 FINANCIAL RESULTS & FY25 OUTLOOK

N BROWN

Interim Results FY25

FINANCIAL SUMMARY

£m	H1 25	H1 24	Change
Group revenue	£277.2m	£297.0m	£(19.8)m
Adjusted gross profit margin ¹	49.2%	47.6%	1.6ppts
Adjusted operating costs to Group revenue ¹	42.5%	41.7%	(0.8)ppts
Adjusted EBITDA¹	£18.8m	£17.5m	£1.3m
Adjusted EBITDA margin ¹	6.8%	5.9%	0.9ppts
Adjusted Profit before Tax¹	£3.6m	£0.1m	£3.5m
Unsecured net cash ¹	£66.0m	£49.1m	£16.9m
Adjusted EPS ¹	0.61p	0.15p	0.46p

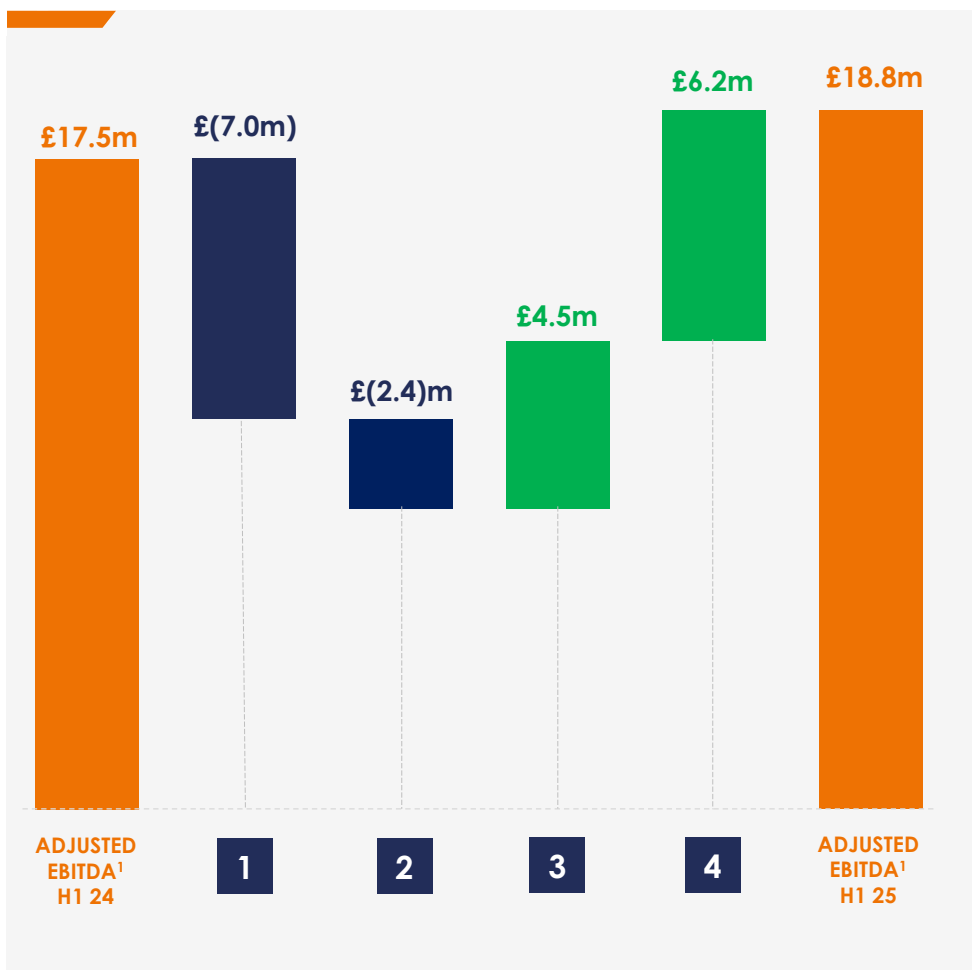
1. Alternative Performance Measures definitions are included on slide 22 in the Appendix. A full reconciliation of statutory to adjusted measures is included on slide 20 in the Appendix.



ADJUSTED EBITDA GROWTH

THROUGH FOCUS ON PROFITABLE TRADE AND COSTS

ADJUSTED EBITDA¹ H1 24 to H1 25



1 Product revenue

- Improved rate of decline
- Profitable sales focus in period of soft market and unseasonal weather

2 FS revenue

- Improved rate of decline
- Movement continues to reflect lower opening debtor book and product revenue, partially offset by better yield

3 Adjusted gross profit margin¹

- Progression across both retail and FS margin rates through focus on profitable sales

4 Adjusted operating costs¹

- Driven by planned management initiatives
- Commenced strategic rebalancing of costs into marketing

1. Alternative Performance Measures definitions are included on slide 22 in the Appendix. A full reconciliation of statutory to adjusted measures is included on slide 20 in the Appendix.

REVENUE TRAJECTORY IMPROVEMENT

STRATEGIC BRANDS REFLECT MARKET CONDITIONS AND FOCUS ON PROFITABLE TRADE

£m	H1 25	H1 24	Change
Strategic brands ¹	128.6	139.4	(7.7)%
Heritage brands ²	44.1	48.1	(8.3)%
Product revenue	172.7	187.5	(7.9)%
Financial Services revenue	104.5	109.5	(4.6)%
Group revenue	277.2	297.0	(6.7)%

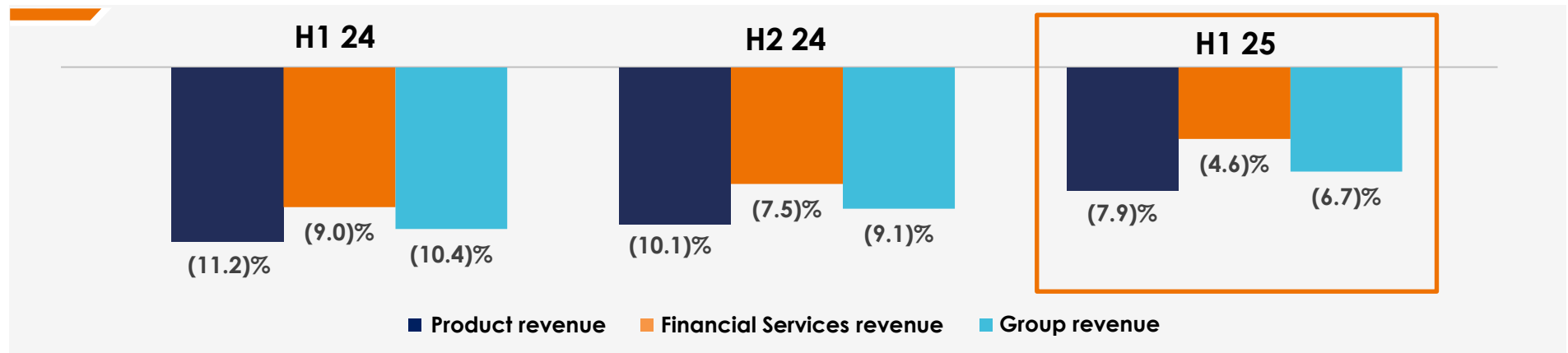
Product revenue

- Improved macro-economic indicators but pureplay market remained weak, down 6% on prior year³
- Focus on profitable sales including evolving approach to discounts and promotions
- Moderation in heritage brands decline

Financial Services revenue

- Rate of decline improved, as guided
- Ahead of debtor book decline of -9%, reflecting APR increases

REVENUE v PRIOR YEAR



1. JD Williams, Simply Be, Jacamo.

2. Ambrose Wilson, Home Essentials, Fashion World, Marisota, Premier Man and Oxendales.

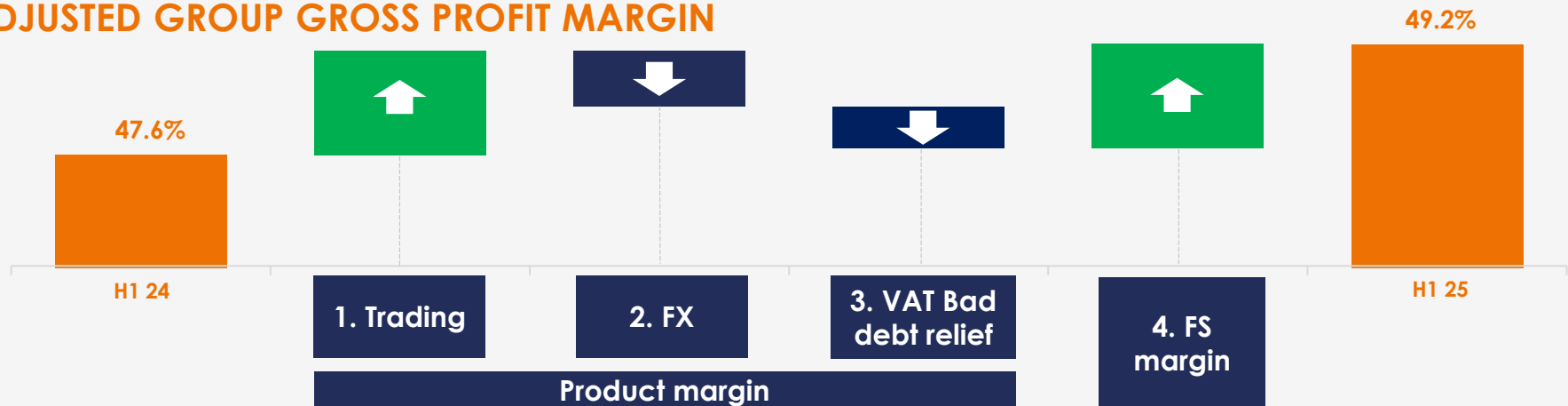
3. For the 26 weeks ended 31 August 2024, the online pureplay market according to IMRG declined by 6%.

GROSS PROFIT MARGIN PROGRESS

PRODUCT AND FINANCIAL SERVICES GROSS MARGINS IN GROWTH

	H1 25	H1 24	Change
Product gross margin	47.4%	47.1%	0.3ppts
Financial Services gross margin	52.2%	48.4%	3.8ppts
Adjusted Group gross profit margin¹	49.2%	47.6%	1.6ppts

ADJUSTED GROUP GROSS PROFIT MARGIN



1. Trading Good retail disciplines including benefitting from cleaner stock package

2. FX Driven by adverse year-on-year movement in FX hedging

3. VAT BDR² Flow through of lower write offs

4. FS margin Improvement in yield and lower write offs

1. Alternative Performance Measures definitions are included on slide 22 in the Appendix. A full reconciliation of statutory to adjusted measures is included on slide 20 in the Appendix.
2. BDR refers to Bad debt relief

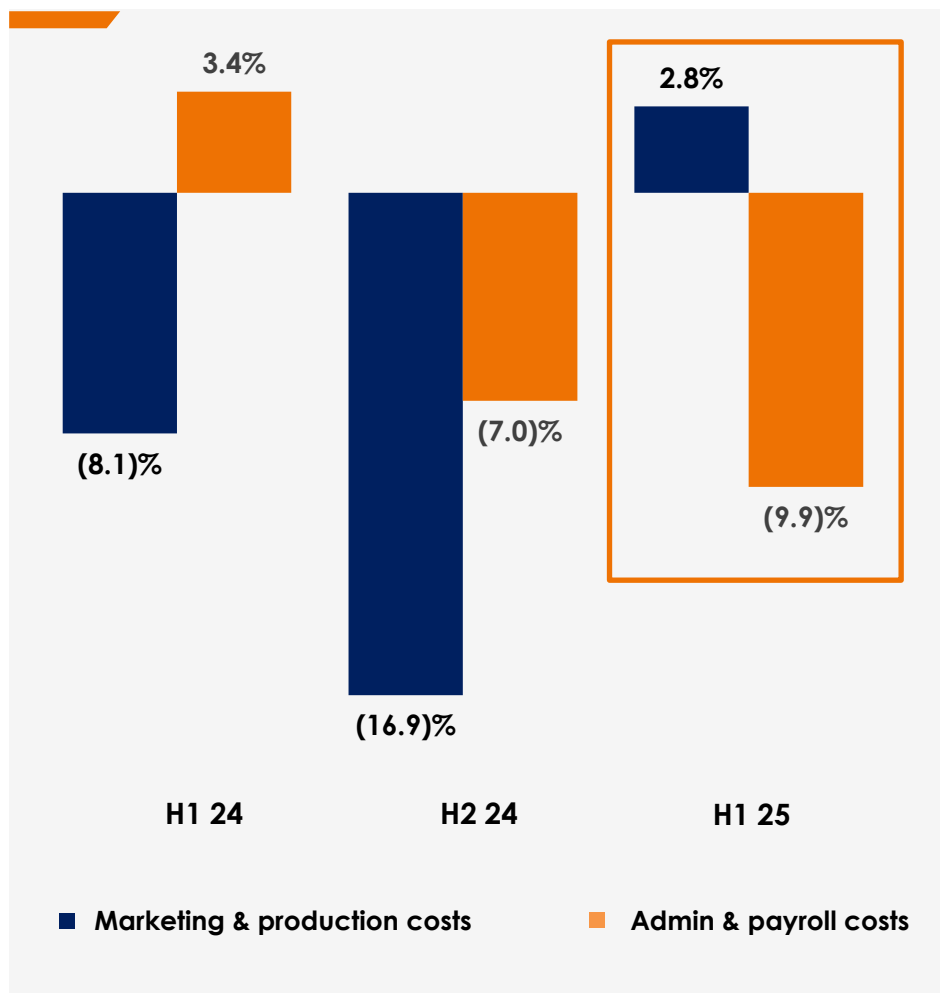
GROSS MARGIN DRIVING EBITDA MARGIN

MANAGEMENT COST INITIATIVES AND COMMENCED STRATEGIC REBALANCING INTO MARKETING

ADJUSTED EBITDA MARGIN¹

£m	H1 25 % of revenue	Change v H1 24
Adjusted gross margin¹	49.2%	1.6ppts
Warehouse & fulfilment costs	(9.7)%	(0.4)ppts
Marketing & production costs	(12.1)%	(1.1)ppts
Admin & payroll costs	(20.6)%	0.7ppts
Adjusted operating costs to Group revenue	(42.5)%	(0.8)ppts
Adjusted EBITDA Margin¹	6.8%	0.9ppts

INCREASED YEAR-ON-YEAR MARKETING & PRODUCTION INVESTMENT



1. Alternative Performance Measures definitions are included on slide 22 in the Appendix. A full reconciliation of statutory to adjusted measures is included on slide 20 in the Appendix.

CASH GENERATION AFTER INCREASED STRATEGIC INVESTMENT

ADJUSTED NET DEBT WELL BACKED BY CUSTOMER RECEIVABLES

Increase in investment

Continued cash generation after investment

Significant net cash position with no unsecured borrowings

Strong liquidity

Customer receivables positively outweighing adjusted net debt

Capital investment:

£14m

(H1 24: £9m)

Net cash generation:

£1m

(H1 24: £14m)

Unsecured net cash¹:

£66m

(H1 24: £49m)

Total accessible liquidity¹:

£150m

(H1 24: £133m)

Adjusted net debt¹:

£(211)m

(H1 24: £(258)m)

Gross customer receivables:

£480m

(H1 24: £529m)

1. Alternative Performance Measures definitions are included on slide 22 in the Appendix. A full reconciliation of statutory to adjusted measures is included on slide 20 in the Appendix.

CURRENT TRADING AND FY25 OUTLOOK

- FY25 adjusted EBITDA expected to be in line with management expectations
- Trading during the first five weeks of Q3 has been encouraging, with product revenue trajectory improving to -2% against prior year
- Expected continued improvement in product revenue trajectory in H2 supported by execution in place against strategic priorities, and additional marketing spend
- Continued management focus on margin rate and operating cost efficiencies
- Strategic investment will continue to be self-funded through carefully managed cash flows
- Board has continued confidence that the progress made against the Group's strategic transformation plans and its differentiated brands leave it well positioned to deliver future sustainable growth





STRATEGIC PROGRESS

**FOCUS ON DELIVERING PROFITABLE
AND SUSTAINABLE GROWTH**

STRATEGIC HIGHLIGHTS

CONTINUED MOMENTUM ACROSS EACH OF OUR STRATEGIC PILLARS IN H1

**Build a
differentiated
brand
portfolio**

- ✓ Commenced rebalancing of spend into marketing
- ✓ Evolving creative and marketing platforms
- ✓ Moderation in heritage brands decline

**Elevate the
fashion and
fintech
proposition**

- ✓ Further traction with new and existing third party brands
- ✓ New FS Platform in testing

**Transform the
customer
experience**

- ✓ JD Williams new mobile-first website
- ✓ Product Information Management (PIM) system now on Jacamo and JD Williams

**Win with our
target
customer**

- ✓ Increased specificity of target customer
- ✓ More engaged users on loyalty schemes

**Establish
data as an
asset to win**

- ✓ Transitioned to Google Analytics 4, significantly enhancing data analytics capabilities

TRANSFORMATIONAL PRIORITIES: SIGNIFICANT PROGRESS

NEW WEBSITES AND PIM SYSTEM ROLLED OUT TO ALL STRATEGIC BRANDS

Build a
differentiated
brand
portfolio

Elevate the
fashion and
fintech
proposition

Transform the
customer
experience

Win with our
target
customer

Establish
data as an
asset to win

i

TECHNOLOGY PLATFORM TO SUPPORT FINANCIAL SERVICES PROPOSITION

Status: Testing of platform's minimum viable product underway.
On track to commence external rollout in FY26

iii

ii

NEW WEBSITES FOR ALL STRATEGIC BRANDS

Status: Successfully launched on all strategic brands

iv

PRODUCT INFORMATION MANAGEMENT (PIM) SYSTEM

Status: Successfully launched on all strategic brands

DATA CULTURE

Status: Successfully transitioned to Google Analytics 4. Colleagues continue to be further empowered to engage with data

v

FULLY EMBEDDED AGILE OPERATING MODEL

Status: Expect 80% of retail business to be fully embedded in these ways of working by end Q3

x Reflects completed transformational priority

x Reflects transformational priority in progress

KEY PERFORMANCE INDICATORS (KPIs)¹

		H1 25	H1 24
Total website sessions ²		73m	75m
Conversion ²		3.6%	3.9%
Orders ³	1	3.4m	3.7m
Average order value		£84.1	£83.3
Items per order		2.8	2.8
Average item value		£29.8	£29.2
Total active customers	2	2.14m	2.39m
Financial Services arrears	3	9.3%	9.8%
Net Promoter Score 'NPS'	4	60	62

1

Orders -8%

- Improvement in trajectory driven by website sessions trend, reflecting marketing spend
- Lower conversion includes impact from continued soft market and higher sessions mix from paid traffic

2

Active customers -10%

- Includes significant moderation in decline in H1 through improved retention rates
- Of the 12 month decline of 10%, 3ppts of this occurred in H1 25 vs 7ppts in H2 24

3

Financial Services arrears 0.5ppts lower

- Includes lower level of insolvent accounts
- Excluding these, 0.5ppts higher** due to greater mix of payment arrangements, through debt sale timings, as Group continues to support and retain those in financial difficulties

4

NPS

- NPS remains strong
- Slight reduction includes a greater mix of new customers during this period, which inherently score lower than the mature customer base

1. For definitions of KPIs see slide 21 in the Appendix.

2. Sessions and conversion for H1 24 restated for consistency with definitions within H1 25 reporting including to reflect the transition to Google Analytics 4 (GA4).

3. Orders include both offline and online.

BRAND ACTIVITY UNDERWAY IN H2

IMPROVEMENT IN TRAJECTORY EXPECTED IN H2 SUPPORTED BY SCALING MARKETING SPEND

JD·WILLIAMS



simply be.



JACAMO





SUMMARY

SUMMARY



NEW WEBSITES AND PRODUCT INFORMATION MANAGEMENT SYSTEM NOW IN PLACE FOR ALL STRATEGIC BRANDS; NEW FS PLATFORM IN TESTING



H1 PROFIT PROGRESSION FOLLOWING FY24 RETURN TO PROFIT



PROFITABLE SALES FOCUS WITH IMPROVING MARGIN RATES AND COST DISCIPLINE



REMAINING CASH GENERATIVE AFTER INCREASED SELF-FUNDED INVESTMENT; ACCESSIBLE LIQUIDITY IN EXCESS OF £150M; NO UNSECURED BORROWINGS



FULL YEAR ADJUSTED EBITDA EXPECTED TO BE IN LINE WITH MANAGEMENT EXPECTATIONS; Q3 TRADING STARTED ENCOURAGINGLY



APPENDIX

SUPPLEMENTARY INFORMATION

RECONCILIATION OF STATUTORY FINANCIAL RESULTS TO ADJUSTED RESULTS

£m	H1 25			H1 24		
	Statutory	Adjusting items	Adjusted ¹	Statutory Restated ²	Adjusting items Restated ²	Adjusted ¹
Group revenue	277.2	-	277.2	297.0	-	297.0
Gross profit	136.5	-	136.5	140.4	1.0	141.4
Group gross profit margin	49.2%		49.2%	47.3%		47.6%
Operating costs	(120.5)	2.8	(117.7)	(126.1)	2.2	(123.9)
Adjusted EBITDA			18.8			17.5
EBITDA margin			6.8%			5.9%
Depreciation & amortisation	(10.0)	-	(10.0)	(9.9)	-	(9.9)
Net finance costs	(5.2)	-	(5.2)	(7.5)	-	(7.5)
Profit / (loss) before tax and fair value adjustments to financial instruments	0.8	2.8	3.6	(3.1)	3.2	0.1
Fair value adjustments to financial instruments	(0.6)	-	(0.6)	0.3	-	0.3
Profit / (loss) before taxation	0.2	2.8	3.0	(2.8)	3.2	0.4
Taxation	-	(0.7)	(0.7)	1.3	(0.8)	0.5
Profit / (loss) for the year	0.2	2.1	2.3	(1.5)	2.4	0.9
Basic earnings per share (p)	0.04		0.61	(0.33)	-	0.15

1. Alternative Performance Measures definitions are included on slide 22 in the Appendix.

2. The adjusting items in the 26 week period to 2 September 2023 have been restated to reflect FY24 year end treatment of costs associated with warehousing rationalisation. Further details are included in Note 18 of the financial results for the 26 weeks ended 31 August 2024.

KPI DEFINITIONS

Measure	Definition
Total website sessions	Total number of sessions across N Brown apps, mobile and desktop websites in the period
Total active customers	Customers who placed an accepted order in the prior 12 months
Total orders	Total accepted orders placed in the period. Includes online and offline orders
AOV	Average order value based on accepted demand ¹
AIV	Average item value based on accepted demand ¹
Items per order	Average number of items per order based on accepted demand ¹
Conversion	% of app/web sessions which result in an accepted order
Orders per customer	Average number of orders placed per ordering customer
NPS	Customers asked to rate likelihood to "recommend the brand to a friend or colleague" on a 0-10 scale (10 most likely). NPS is (% of 9-10) minus (% of 0-6). NPS is recorded on JD Williams, Simply Be, Jacamo and Ambrose Wilson
FS Arrears	Arrears are stated including both customer debts with two or more missed payments, or customer debts on a payment hold

1. Accepted demand is defined as the value of orders from customers (including VAT) that we accept, i.e. after our credit assessment processes.

APM GLOSSARY

The results include alternative performance measures (“APM”), which are not defined or specified under the requirements of IFRS. These APMs are consistent with how the Group measures performance internally and are also used in assessing performance under the Group’s incentive plans. Therefore, the Directors believe that these APMs provide stakeholders with additional, useful information on the Group’s performance.

Measure	Definition
Adjusted Gross Profit	Gross profit excluding adjusting items.
Adjusted Gross Profit Margin	Adjusted gross profit as a percentage of Group Revenue.
Adjusted EBITDA	Operating profit, excluding adjusting items, with depreciation and amortisation added back.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of Group Revenue.
Adjusted profit before tax	Profit before tax, excluding adjusting items and fair value movement on financial instruments.
Adjusted profit before tax margin	Adjusted profit before tax expressed as a percentage of Group Revenue.
Net Cash generation / (outflow)	Net cash generated from the Group’s underlying operating activities.
Adjusted Operating Costs	Operating costs less depreciation, amortisation and adjusting items.
Adjusted operating costs to revenue ratio	Adjusted operating costs expressed as a percentage of Group Revenue.
Net debt	Total liabilities from financing activities less cash.
Adjusted net debt	Total liabilities from financing activities less cash, excluding lease liabilities.
Unsecured net cash / (debt)	Amount drawn on the Group’s unsecured debt facilities less cash balances. This measure is used to calculate the Group’s leverage ratio, a key debt covenant measure.
Total Accessible Liquidity	Total cash and cash equivalents, less restricted amounts, and available headroom on secured and unsecured debt facilities.
Adjusted Earnings Per Share	Adjusted basic earnings per share based on earnings before adjusting items and fair value adjustments, which are those items that do not form part of the recurring operational activities of the Group.

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