

30 September 2025

**ASOS Plc**  
**("ASOS" or the "Company")**

**Full Year Trading Update**

In FY25, ASOS made significant strategic progress, focused on building sustainably profitable and resilient foundations. Its deliberate, multi-year turnaround has involved three distinct but overlapping stages:

- 1) **Dealing with the legacy of the old model:** ASOS first addressed the significant legacy issues to improve its capital allocation - successfully clearing its excess stock, reducing its warehouse footprint and strengthening the balance sheet.
- 2) **Building the new commercial model:** At the same time, ASOS also transitioned to a comprehensively more disciplined, agile way of working, retooling the way it operates - from how it designs and buys product, to how it manages stock newness and returns - to deliver healthier full-price sales. The Company has also undertaken a more targeted approach to its customer proposition by market, a disciplined business-wide review and subsequent renegotiation of key supplier contracts, and a structural reset of its fixed cost base to support its new model, creating the headroom to reinvest in growth. Together, these changes establish a structurally higher gross margin profile and stronger, more profitable underlying economic model that ASOS can grow in a sustainable fashion.
- 3) **Re-engaging customers:** With stronger foundations in place, the final phase is regaining the hearts and minds of customers at scale, starting with its core customers in its core markets.

As it entered FY25, ASOS had essentially completed phase one, having significantly reduced and comprehensively refinanced its net debt at the beginning of the year, announcing further efficiencies to its global distribution network with the mothballing of its Atlanta fulfilment centre, and reducing its inventory position by more than 60% since the end of FY22 (from £1.1bn to c.£400m). Having concurrently scaled its new commercial model and rebuilt its variable and fixed cost base - stage two of this process - it had planned to shift gears to the final stage earlier in FY25. Instead, more opportunity to reduce fixed costs and drive further variable cost optimisation were explored and the business focus remained on securing even stronger profitability foundations that will deliver further material improvements to ASOS' cost base in FY26 and beyond.

Over the summer ASOS pivoted to the final phase of its transformation, launching the start of a series of new customer experiences - including its exclusive adidas x ASOS collaboration, the ASOS.WORLD loyalty program in the UK, and expanding Topshop and Topman through new channels - with positive early signs on customer engagement. In FY26, building customer love is the primary focus for ASOS' energy, investment and resources. ASOS enters this exciting phase of its transformation with a business model, stock profile and underlying cost base that positions it to succeed, with more new customer experiences to come.

ASOS' financial performance in FY25 reflects the success of its strategic progress:

- **Gross profit margins up c.350bps** YoY, driven by the successful commercial model implementation, focusing on higher full-price sales mix and lower markdown activity.
- **Scaling strategic models:** In FY25, Test & React reached more than 20% of own-brand sales, and flexible fulfilment reached 10% of third-party GMV, enabling it to bring customers the best, most relevant product faster and more efficiently.
- **Operational and cost efficiencies delivered** meaningful improvements particularly across its supply chain, through a series of wide-ranging initiatives including reducing the causes of unnecessary returns, renegotiation of key distribution contracts and optimising its warehouse footprint, leading to significant multi-year savings in FY26 and beyond. Distribution and warehousing cost-to-serve is down c.3ppts over the last two years, with further opportunities identified.
- **Adjusted EBITDA up more than 60% YoY**, expected to be towards the lower end of the £130m to £150m guided range, driven by higher gross margin and continued cost efficiency, resulting in an adjusted EBITDA margin of more than 5%, in line with consensus. During H2, ASOS delivered meaningful cost actions which, while not delivering a material benefit during the period, have permanently lowered ASOS' exit cost base, positioning the Company to realise significant annualised savings in FY26.
- **Profitability improvements delivered amidst lower sales:** Lower than expected GMV, with group revenue slightly below consensus estimates, as the Company continues to focus on higher quality sales against a soft consumer backdrop.
- **Profit per order increased by c.30% YoY**, underscoring the fundamental reset in unit economics achieved through focusing on creating sustainably profitable relationships with customers.
- **Free cash flow:** Delivered a modest free cash inflow in FY25, ahead of broadly neutral guidance.

Into FY26, the Company remains focused on its strategy and encouraged by the progress it has made. As such, it remains confident in achieving FY26 adjusted EBITDA and FCF in line with consensus forecasts, supported by further gross margin improvement towards c.50% and continued cost efficiency. ASOS reiterates its medium-term guidance for sustainable adjusted EBITDA growth to a margin of c.8%, sustainably ahead of capex, interest, tax and leases as well as expecting a return to revenue growth and improving gross margin towards c.50%.

**For further information:**

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**Note:**

<sup>1</sup>Company-compiled consensus for FY25 as of 26 September 2025 based on 12 contributors: Revenue growth (constant currency): -8.4%, Adjusted EBITDA: £138m, Adjusted EBITDA margin: 5.2%, Free Cash Flow: £7m.

<sup>2</sup>Company-compiled consensus for FY26 as of 26 September 2025 based on 12 contributors: Revenue growth (constant currency): +1.3%, Adjusted EBITDA: £173m, Adjusted EBITDA margin: 6.5%, Free Cash Flow: £8m.

**About ASOS**

*Founded in 2000, ASOS has 18m active customers in over 200 markets. We bring fashion lovers around the world the best and most relevant fashion through our unique own brands including ASOS DESIGN, ARRANGE, COLLUSION, Topshop, and Topman, styled with the most exciting products from local and global partner brands. With our expert in-house design team and agile and flexible commercial model, including ASOS Fulfilment Services, Partner Fulfils, and Test & React, we make the latest trends accessible to all and give customers the confidence to be whoever they want to be.*

**Forward looking statements**

*This announcement may include statements that are, or may be deemed to be, "forward-looking statements" (including words such as "believe", "expect", "estimate", "intend", "anticipate" and words of similar meaning). By their nature, forward-looking statements involve risk and uncertainty since they relate to future events and circumstances, and actual results may, and often do, differ materially from any forward-looking statements. Any forward-looking statements in this announcement reflect management's view with respect to future events as at the date of this announcement. Save as required by applicable law, ASOS plc undertakes no obligation to publicly revise any forward-looking statements in this announcement, whether following any change in its expectations or to reflect events or circumstances after the date of this announcement.*

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