



ASOS (AIM: ASC) 1Q17 Update: Strong Sales Prompts Upward Revision to FY17 Sales Guidance

- British online fashion retailer ASOS reported £606 million in retail revenues in 1Q17, up 36% year over year. At constant currency, 1Q17 revenues increased 30% year over year.
- Strong sales momentum was driven by 18% growth in the UK and 41% growth in international retail sales, at constant currency.
- Following the strong 1Q17 performance, ASOS has increased FY17 revenue guidance and now expects growth to fall in the range of 25–30%, up from 20–25% previously. The company also stated that FY17 capital expenditures will increase to £150-£170 million, up from the previous range of £120-£140 million.

1Q17 Update

British online fashion retailer ASOS reported £606 million in revenues in 1Q17, up 36% year over year. At constant currency, revenues increased 30% year over year.

UK retail sales grew 18% year over year to £244.0 million. At constant currency, Rest of Europe retail sales increased by 38% to £165.8 million, US sales increased by 42% to £82.7 million and Rest of World revenues expanded 44% to £113.2 million.

ASOS active customers increased 25% year over year to 13.4 million. Average basket value (including VAT) increased 2%, and average order frequency increased 6% in 1Q17. Total orders shipped increased 35% year over year to 15.5 million.

Outlook

Following the strong 1Q17 performance, ASOS has increased FY17 revenue guidance and now expects growth to fall in the range of 25–30%, up from 20–25% previously. The company maintained profit before tax guidance. The company also stated that FY17 capital expenditures will increase to £150–170 million, up from the previous range of £120–140 million.

FY17 revenue consensus estimates stand at £1,831 million, implying annual year-over-year growth of 25.5%. Consensus expects operating profit at £79.1 million, implying a year-over-year increase of 25.6%. The FY17 consensus EPS estimate is 76 pence, implying a year-over-year increase of 22.6%.



FLASH REPORT

Deborah Weinswig, CPA

Managing Director
Fung Global Retail & Technology
New York: 917.655.6790
Hong Kong: 852.6119.1779
China: 86.186.1420.3016
deborahweinswig@fung1937.com

Eva K.
Senior Research Associate

Hong Kong:
8th Floor, LiFung Tower
888 Cheung Sha Wan Road, Kowloon
Hong Kong
Tel: 852 2300 4406

London:
242–246 Marylebone Road
London, NW1 6JQ
United Kingdom
Tel: 44 (0)20 7616 8988

New York:
1359 Broadway, 9th Floor
New York, NY 10018
Tel: 646 839 7017

FungGlobalRetailTech.com