

THG PLC

17 September 2024

Half-Year Results



THG NUTRITION



THG BEAUTY



THG INGENUITY

H1 2024 Highlights

Continued focus on profitable sales

- Performances in both Beauty and Ingenuity helping to offset transitory rebrand and FX headwinds in Nutrition
- Gross margin encouraging considering the sales mix towards Beauty from Nutrition
- Further optimisation of fulfilment network, significantly lowering distribution costs
- Focus on cost management supporting stable adjusted EBITDA margin (5.7%)
- Continuing Group adjusted LTM EBITDA of £121.8m
- Further reduction in capex spend
- Successful execution of the Group's strategic review, with discontinuation and exit of non-core categories including sale of luxury portfolio

All three businesses successfully executing strategic priorities

- *THG Beauty* – well positioned for structural growth in retail with manufacturing normalising
- *THG Nutrition* – compelling offline growth with impactful global partnerships increasing brand awareness, mitigating online challenges
- *THG Ingenuity* – demonstrable progress in fulfilment services with growth in new and existing clients, on track to self-funding target

CONTINUING REVENUE
£911.1m, +2.2%⁽¹⁾ YoY⁽²⁾

GROSS MARGIN
42.4%,⁽³⁾ -20bps YoY

DISTRIBUTION COSTS
11.5% of revenue vs. 13.7% in H1 2023⁽³⁾

CONTINUING ADJUSTED EBITDA
£52.3m vs. £51.5m in H1 2023

CONTINUING ADJUSTED
EBITDA MARGIN
5.7% vs. 5.7% in H1 2023

CAPEX
5.8% of revenue vs. 7.4% in H1 2023

NET LEVERAGE⁽⁴⁾
2.9x vs. 2.9x in H1 2023

THG PLC

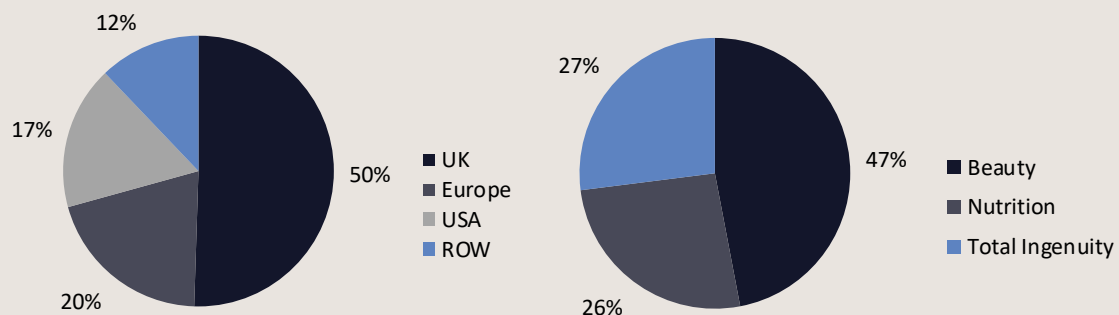
Half-Year Results 2024

Group Financial Review

H1 2024 revenue performance

- Group continuing revenue £911.1m, +2.2%⁽¹⁾
- THG Beauty continued to execute its market prioritisation strategy, delivering revenue growth of +6.9%
- Challenging online THG Nutrition performance mainly as a result of stock rotation to rebranded products (affecting ASPs), and within Asia where FX headwinds are most pronounced. Strong offline growth partially offsetting transitory rebrand disruption
- Robust performance within THG Ingenuity with double-digit revenue growth from external clients (+14.1%)

Continuing revenue by territory and business



£'m	H1 2024	H1 2023	YoY ⁽²⁾ Change	CCY Change
THG Beauty	531.1	502.5	+5.7%	+6.9%
THG Nutrition	299.9	336.7	-10.9%	-7.5%
THG Ingenuity (external)	80.2	71.2	+12.6%	+14.1%
Group revenue (continuing)	911.1	910.4	+0.1%	+2.2%
Discontinued revenue	22.9	58.8 ⁽³⁾	-61.2%	-60.7%
Group revenue	934.0	969.3	-3.6%	-1.7%
THG Ingenuity (internal)	225.6	248.8	-9.3%	-9.3%
THG Ingenuity Total	305.8	320.0	-4.4%	-4.2%

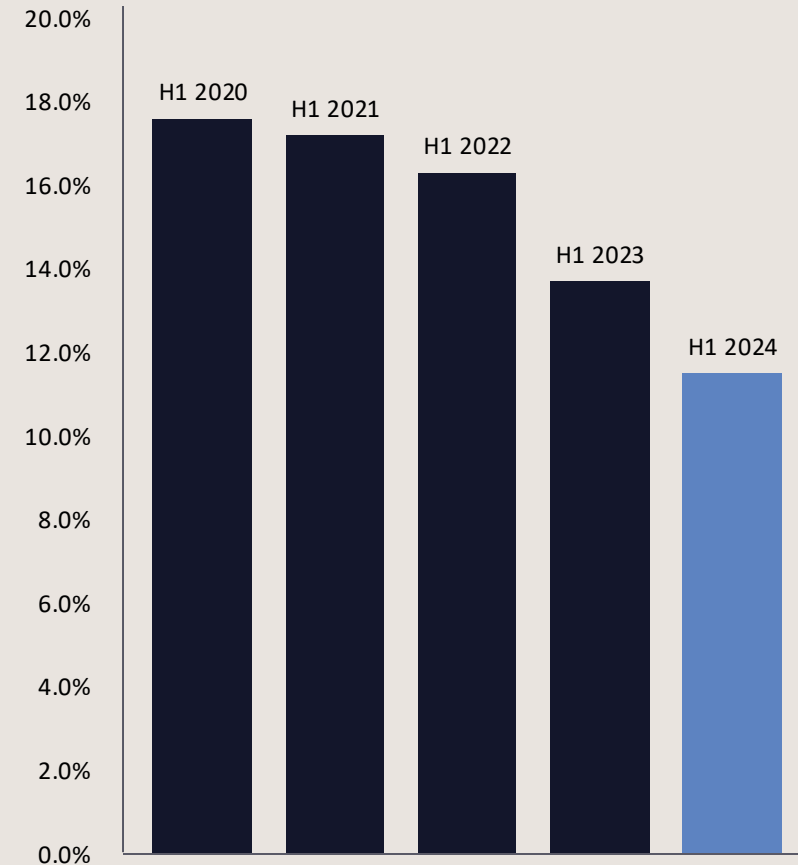
H1 2024 profitability

- Gross profit margin remained broadly stable, with Beauty and Ingenuity margin progression partially offsetting THG Nutrition input cost inflation
- THG Beauty margin expanded through online retail, as previous actions to de-prioritise lower margin territories and products have come to fruition
- Substantially reduced distribution costs as a % of revenue
- Administrative costs remain elevated with wage inflation a key factor. Organisational effectiveness initiatives implemented in Q3 will further rationalise Group headcount going forwards
- Ongoing refinements to marketing strategies and greater app participation will also help to offset inflation in marketing and demand generation investment to enhance brand awareness
- Further successful exit of loss-making categories

£'m	H1 2024	H1 2023	% Change
Revenue	934.0	969.3	-3.6%
Cost of sales ⁽¹⁾	(538.3)	(556.0)	+3.2%
Gross profit	395.7	413.3	-4.3%
Gross margin%	42.4%	42.6%	-20bps
Distribution costs	(107.5)	(132.8)	+19.0%
% of revenue	11.5%	13.7%	+220bps
Administrative costs	(239.3)	(233.3)	-2.6%
% of revenue	25.6%	24.1%	-150bps
Adjusted EBITDA	48.8	47.1	+3.6%
Adjusted EBITDA%	5.2%	4.9%	+30bps
Continuing adj EBITDA	52.3	51.5	+1.6%
Continuing adj EBITDA%	5.7%	5.7%	0bps

Substantially reduced distribution costs as a % of revenue

- Reflecting the continued optimisation of the Group's automation investment and ongoing efficiencies in the global delivery network
- Cut off for next day delivery in the UK extended to market-leading 1am
- Ahead of target for c.50% of global orders to be processed using robotics and automated technology in 2024
- New advanced automation installed in Q3 2024 (Omega, UK) to enable additional capability
- Operational efficiency and market leading service standards are now playing an impactful role in supporting Ingenuity recurring revenue growth

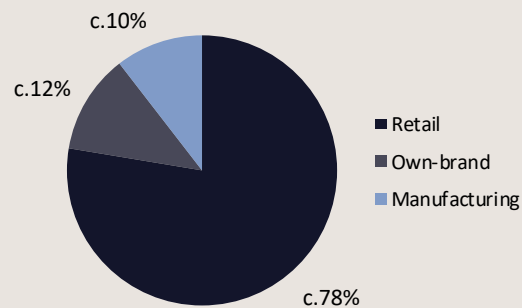


THG Beauty financial highlights

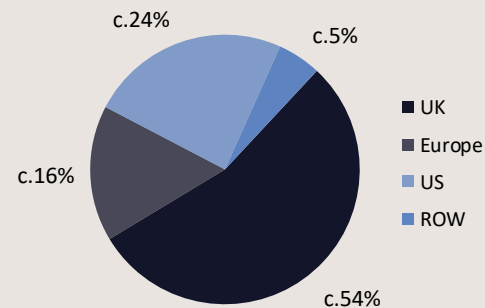
- Stand-out performance delivered by THG Beauty following the successful execution of the market prioritisation strategy
- Gross profit discipline and category and brand mix supported EBITDA progression within Retail, alongside increasing share of brand investment
- Beauty loyalty programme and marketing strategy driving a higher mix of spend through cost effective channels
- Volume recovery within beauty manufacturing alongside cost saving initiatives implemented during 2023 has supported margin progression
- Adjusted EBITDA margin of 6.1% in line with medium-term guidance

£'m	H1 2024	H1 2023	YoY Change	CCY Change
THG Beauty revenue	553.5	538.7	+2.7%	+3.8%
Continuing revenue	531.1	502.5	+5.7%	+6.9%
Continued adjusted EBITDA	32.6	12.1	+169.3%	
Continued adjusted EBITDA %	6.1%	2.4%	+370bps	

Revenue by channel



Online retail by territory

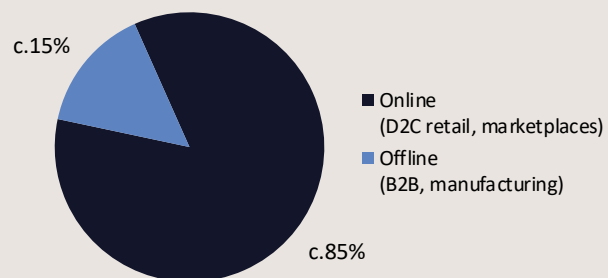


THG Nutrition financial highlights

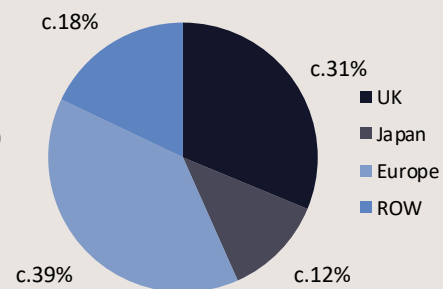
- EBITDA incrementally impacted by c.£5m YoY due to continued FX headwinds in Asia
- Local manufacturing recently commenced which will steadily scale to reduce exposure to Japanese Yen FX movements
- Rebrand now largely complete with peak disruption behind us
- Stock rotation into new packaging impacted online ASPs (c.11% lower YoY)
- Offline performance continues to be strong, with a significant increase in retail touchpoints helping mitigate the total brand sales decline to -6.8% CCY.

£'m	H1 2024	H1 2023	YoY Change	CCY Change
THG Nutrition revenue	300.3	340.7	-11.8%	-8.5%
Continuing revenue	299.9	336.7	-10.9%	-7.5%
Continued adjusted EBITDA	19.6	46.9	-58.1%	
Continued adjusted EBITDA %	6.5%	13.9%	-740bps	

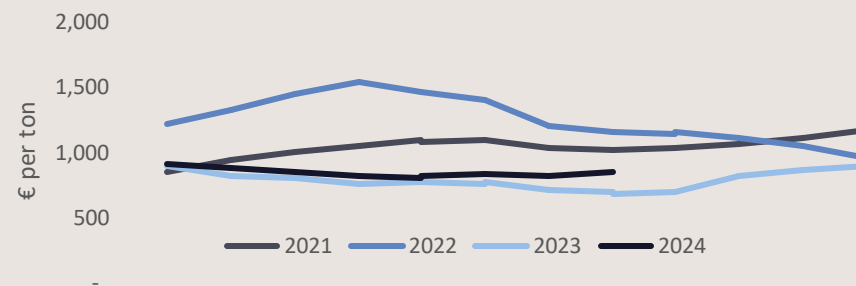
Revenue by channel



Online retail by territory



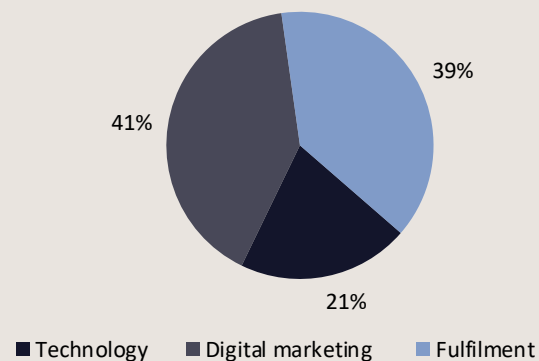
Rising Inflation in Sweet Whey Commodity Prices⁽¹⁾



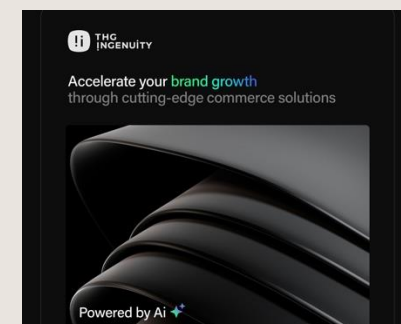
THG Ingenuity financial highlights

- Monthly external recurring revenue continued to accelerate throughout the period (+33% YoY in June), underpinned by growth in existing and new clients
- Fulfilment remains highest growth solution with strong pipeline momentum
- Double-digit external revenue growth notwithstanding strategic exit of legacy clients
- Total revenue growth reflects the reduction in volume from internal clients including discontinued categories, plus lower distribution recharges (efficiency driven)
- Evolution of revenue mix towards external clients supports margin progression and self-funding target

Revenue by solution⁽¹⁾



£'m	H1 2024	H1 2023	YoY Change	CCY Change
THG Ingenuity revenue	305.8	320.0	-4.4%	-4.2%
External revenue ⁽¹⁾	80.2	71.2	12.6%	14.1%
Internal revenue ⁽²⁾	225.6	248.8	-9.4%	-9.4%
Continuing adjusted EBITDA	11.0	3.4	227.1%	
Continuing adjusted EBITDA %	3.6%	1.0%	260bps	



Discontinued categories

- Further actions implemented to exit loss-making or sub-scale categories:
 - Completed the sale of luxury goods portfolio to Frasers Group PLC
- Following:
 - Sale of THG OnDemand and ProBikeKit in 2023 (*see table - H1 2023 reported*)
 - Exit of small legacy brands within THG Beauty and THG Nutrition during H2 2023 (*see table – H1 2023 restated*)
- Ongoing portfolio management considerations to further streamline all three business to accelerate growth prospects, optimise margin, and cash generation potential

£'m	H1 2024	H1 2023 restated	% Change	H1 2023 reported
Revenue	22.9	58.8	-61.2%	18.7
Adjusted EBITDA	(3.5)	(4.4)	19.9%	(3.1)
Adjusted EBITDA margin %	-15.4%	-7.5%	-790bps	-16.3%

Cash flow summary

- Typical H1 cash outflow to reverse in H2
- Working capital movements reflect ongoing inventory efficiencies and sales mix towards Beauty (typically shorter payment terms)
- Underlying cash generation improvement on an LTM basis supported by capex discipline (-25% YoY)
- Adjusted items driven by exit of loss-making categories and further headcount rationalisation with an in-year payback
- Net leverage⁽¹⁾ 2.9x (H1 2023: 2.9x)
- Strong balance sheet and liquidity with c.£458m of cash and available facilities
- Extension of undrawn Revolving Credit Facility by 17 months to May 2026

£'m	H1 2024	H1 2023	LTM Jun-24	LTM Jun-23
Company free cash flow				
EBITDA	48.8	47.1	115.8	78.9
Working Capital	(74.4)	(60.8)	34.6	120.0
Operating cashflow ⁽²⁾	(25.6)	(13.7)	150.4	198.9
Capex	(53.9)	(72.1)	(107.5)	(163.0)
Disposal proceeds ⁽³⁾	-	52.0	3.5	52.0
Adjusted Items	(10.5)	(5.3)	(20.2)	(23.1)
Other ⁽⁴⁾	(38.5)	(39.7)	(86.3)	(85.4)
Free cash flow ⁽⁵⁾	(128.5)	(78.7)	(60.3)	(20.6)
Underlying cash generation ⁽⁶⁾	(128.5)	(130.7)	(63.7)	(72.6)

Outlook and guidance

FY 2024 guidance

- The second half of the year remains the Group's most profitable and cash generative period, with revenue growth and seasonal weighting in Beauty and Ingenuity expected to largely mitigate the Nutrition YoY decline
- We are pleased with underlying trading patterns and notably a recent improvement in Nutrition which we expect to exit Q3 in revenue growth, supported by a recovery in average selling prices ("ASPs"). A key variable beyond our control is the Japanese Yen headwind (H1 2024 impact: c.£5m), however, overall we expect to be towards the lower end of the analyst consensus EBITDA range⁽¹⁾
- Our estimates are supported by:
 - Beauty and Ingenuity delivering YoY adjusted EBITDA margin progression for the full year, with Ingenuity adjusted EBITDA anticipated to be ahead of market expectations, noting the strong H1 performance and the new customer wins in Q3
 - An improving revenue performance in online Nutrition as ASPs normalise following the extensive global rebrand. Q3 exit revenue growth supports this view, coupled with a similar 12-month revenue trajectory evidenced during the previous Myprotein rebranding in 2018
 - Offline Nutrition revenues continuing to deliver substantial growth, with adjusted EBITDA margins already in line with medium-term guidance (c.12%), supported by an increasing number of licensing partnerships
 - Distribution cost and headcount management initiatives delivering a much greater level of operational leverage
- Year-end net debt is expected to be broadly unchanged YoY, with an improvement in cash generated from operating activities and lower capex in H2. Working capital improvements will come from the receipt of previously trapped European VAT, and normalisation of the business mix between Beauty and Nutrition
- Nutrition adjusted EBITDA margin recovery back to medium-term guidance (c.12%) in FY 2025 (FY 2023: 13.5%) will be supported by, normalising ASPs, significant growth in offline retail and licensing sales, and a greater proportion of Japan orders being locally fulfilled and manufactured

THG PLC

Half-Year Results 2024

Business Operational Review & Strategic Priorities

THG Beauty



THG Beauty strategic priorities

A disruptive, leading digital-first prestige beauty retailer, brand owner, and manufacturer, aiming to become the global partner of choice across the beauty industry

- Maintain position as the world’s largest online pure-play prestige beauty retailer through increasing retail share and dominating digital channels in key markets
- Support global beauty brands in addressing the channel shift in marketing spend from offline to online
- Develop a digitally-focused stable of prestige owned brands, providing margin enhancement and differentiation
- Provide innovation and product development services directly to the beauty industry

Continued focus on long-term sustainable growth with diversity of model offering deeper potential margin stack



THG Beauty – H1 2024 highlights

Best-in-class curation and market-leading service

- Enhancing range with emerging, high-growth and specialist brands – notably indie and dermatological skincare
- Continued growth in fragrance category participation
- Curated beauty box edits – influencer-led and category themed
- Next day delivery extended to 1am, a valuable customer acquisition and retention tool

Beauty Plus+ loyalty programme

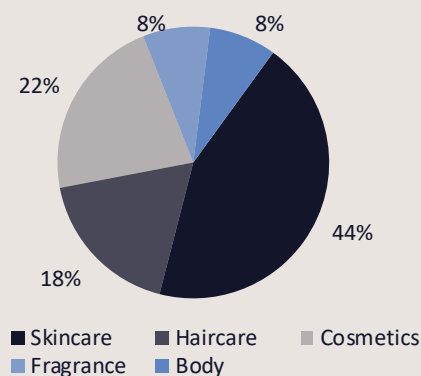
- Membership and revenue participation continues to grow
- Loyalty members over-index on revenue via the app
- Consistently have higher spend per account, average order frequency and average orders values

Award-winning own-brand product innovation

- Perricone MD: Woman & Home / *Best Sensitive Eye Cream*
- Ameliorate: Conde Nast Traveller Beauty Awards / *Best Body Lotion*
- Biossance: WWD 100 Greatest Skincare Products of all time / *Squalane + Vitamin C Rose Oil*



Online retail category split

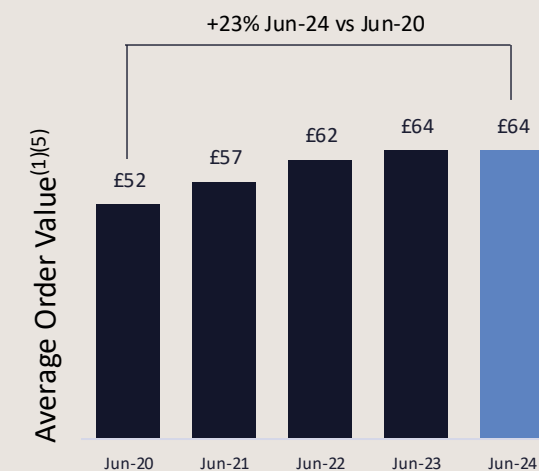
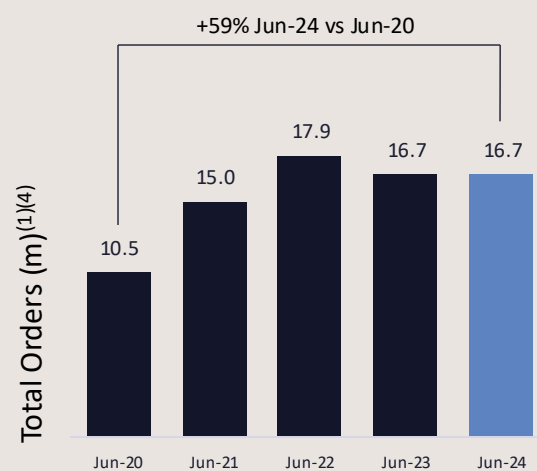
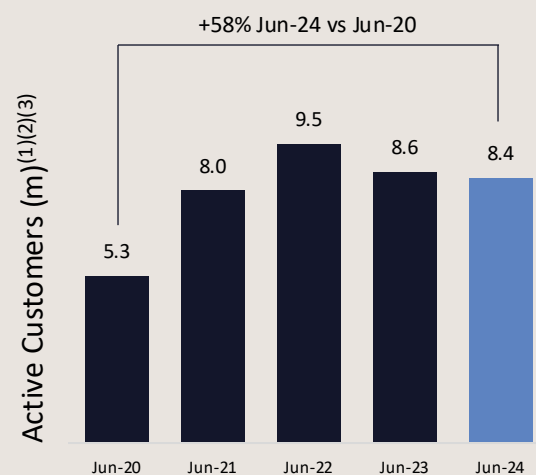


“We're excited to bring the LOOKFANTASTIC experience to life with our concept store. This innovative retail space goes beyond products, offering a unique and immersive beauty destination. It perfectly complements our omnichannel strategy, bridging the gap between our established online community and the success of our pop-up events.”

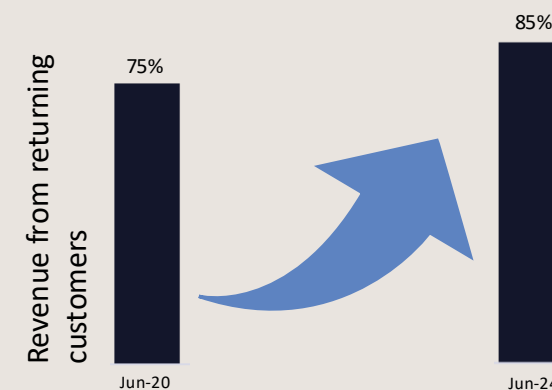
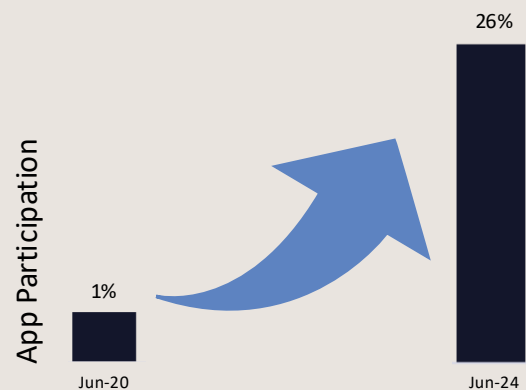
“Customers can discover and purchase, and also enjoy beauty services, bringing digital beauty into the third dimension for our loyal, local customer base in a whole new way.”

THG Beauty, Chief Executive Officer

THG Beauty retail customer health



- Active customers in growth across key markets UK, US and MENA (LTM: +3.0%)
- +59% uplift in orders since Jun-20, supported by stable frequency
- Increasing AOV, accompanied by a higher mix of returning customers



Customer proposition investment

Deeper engagement with brands

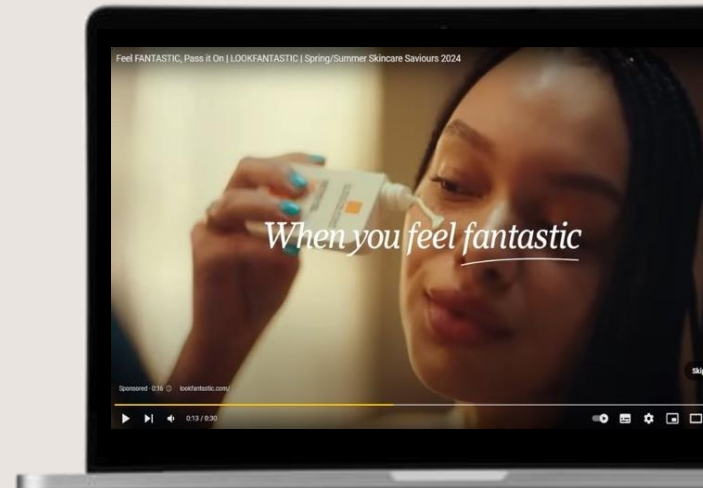
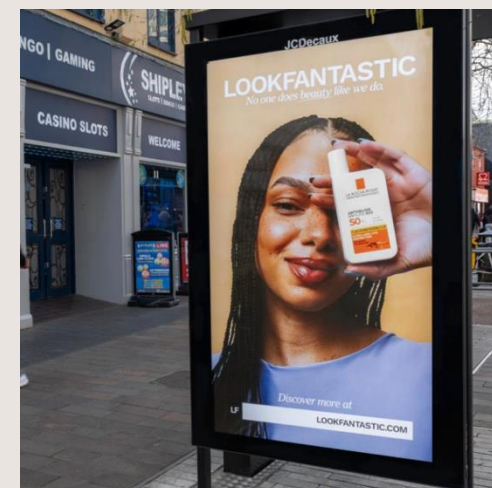
- Capturing a greater share of brand partners' retail media investment
- Inaugural supplier summit hosted by THG Beauty CEO at THG Studios
- Raising excitement and anticipation with Beauty enthusiasts via social platforms. c.50% share of voice on TikTok UK (*Beauty & Personal Care*)

High intent search behaviour driven by well executed brand first marketing

- Lookfantastic is successfully delivering upon key marketing objectives of driving brand awareness and preference⁽¹⁾ strengthening brand equity and new customer acquisition, growing:
 - spontaneous brand awareness (+3%);
 - brand consideration (+7%);
 - brand preference (+18%)
- Google brand search +14% YoY (*June 2024*)

Expanding flagship owned brand success

- Biossance integration:
 - Fully replatformed by end of January alongside app launch
 - Fulfilment and distribution fully integrated into THG network, with transfer of supply chain into THG Beauty manufacturing ongoing
- Expansion of Vanity Group partnership in a further 46,000 rooms across the UK, Europe and China





THG Nutrition

THG Nutrition strategic priorities

Leveraging Myprotein's customer proposition and product development capabilities to capitalise on the long-term trend of consumers becoming increasingly health-conscious

- Maintain position as globally prominent premium sports nutrition brand with category leadership in both online and offline spaces, across key domestic and emerging markets including UK, Europe and Asia
- Leverage data insights and vertically integrated capabilities to power new and improved innovation and speed to market
- Continued growth in offline retail footprint through targeted retail partnerships and category expansion with selective partners to widen consumption occasions
- Enhance brand awareness beyond D2C sports nutrition to adjacent markets and broader wellness categories

Rebuild to medium-term adjusted EBITDA margins, whilst balancing commodity costs and demand generation



THG Nutrition – H1 2024 highlights

Globally prominent premium sports nutrition brand

- Available in high footfall locations including airports, train stations, and motorway services through listings in over 300 WHSmith stores nationwide
- Now in over >20,000 international retail doors
- Building presence in lucrative US market via Amazon and with preeminent US specialist health retailer 'GNC' (offline and online)

Innovation

- As official nutrition partner for '**Hyrox**', performance range developed with hydration support in mind for online and offline retail
- Listings in specialist sports retail and major grocers, plus D2C

Local manufacturing and fulfilment

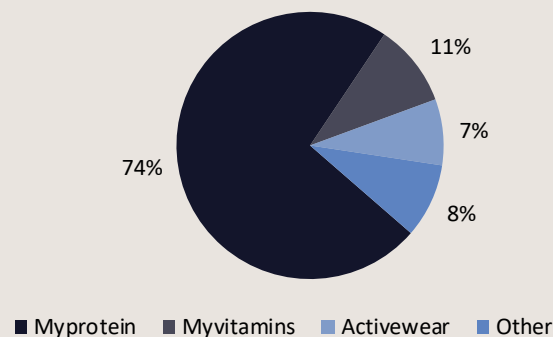
- Launched in Japan and India, which will steadily scale to reduce exposure

Brand elevation and awareness

- Brand evolution to broaden appeal, giving us a right to play in high-growth performance and wellness categories
- Reimagined "Mycon" logo and redesigned packaging
- Active customer base spanning beyond D2C through increased retail touch points: '*Fastest growing sports nutrition brand in the UK retail market*'⁽¹⁾



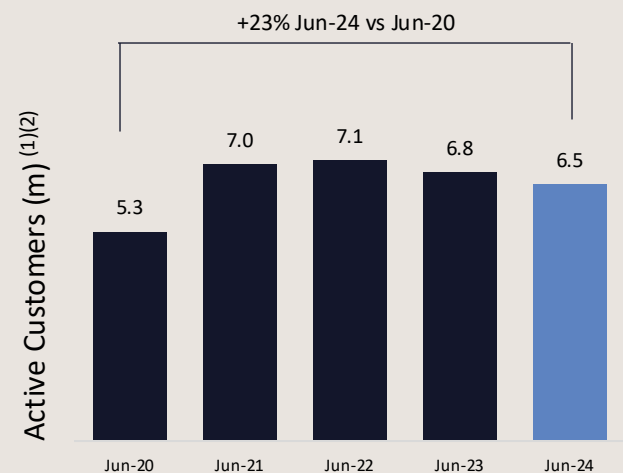
Online category split – H1 24



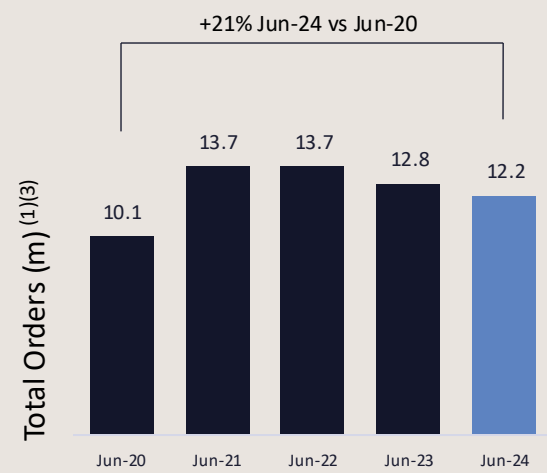
"Our ambition has always been to make the health and fitness industry accessible to everyone, and our expansion into WHSmith is an incredible opportunity for us to introduce consumers to Myprotein. Their presence in key travel locations means we can bring our on-the-go products directly to shoppers' hands, exactly where and when they need them."

THG Nutrition, Chief Executive Officer

THG Nutrition retail customer health



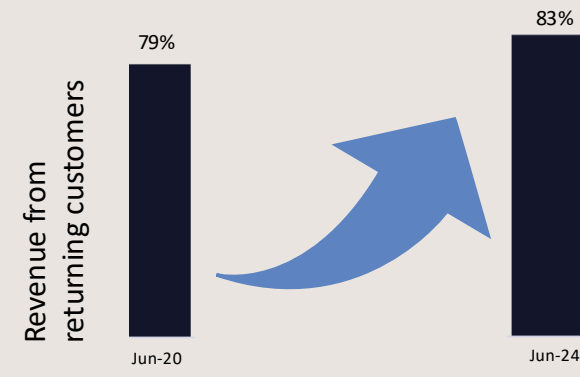
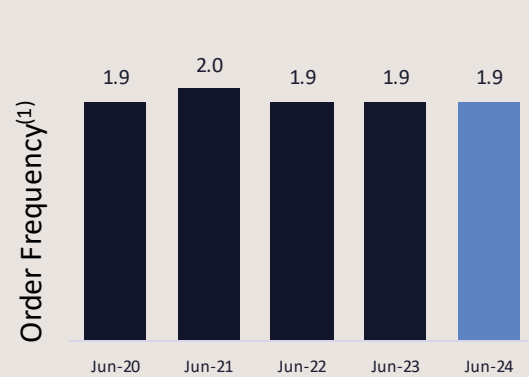
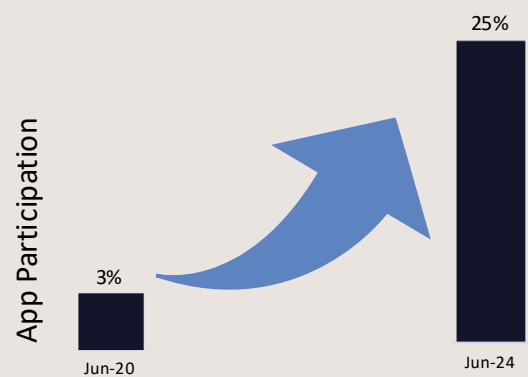
- Active Customers +23% higher vs. Jun-20, with increasing mobile app participation



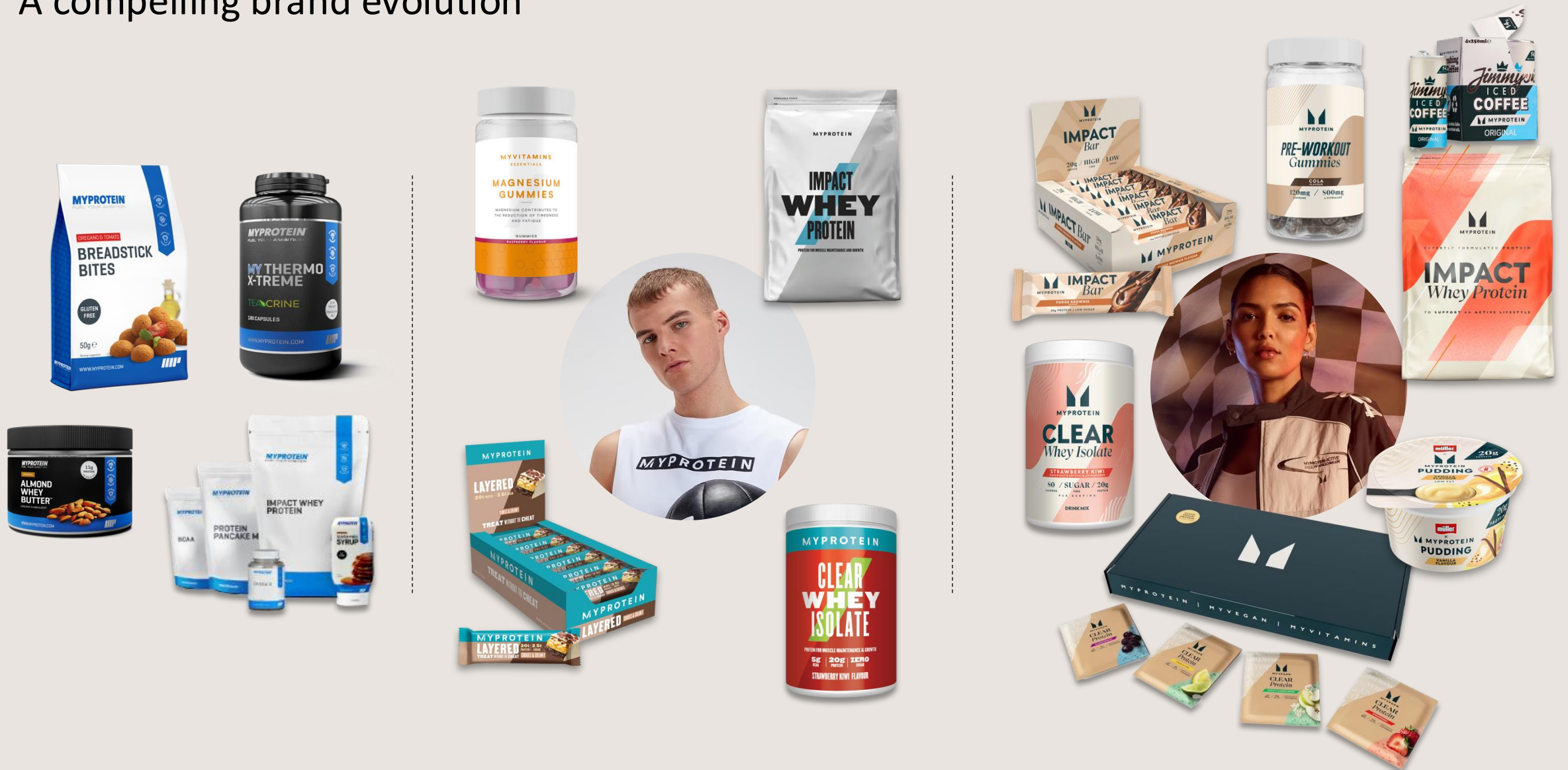
- Orders +21% higher vs. Jun-20, with stable order frequency. c.50% of orders were multi-category, expanding our share of health & wellness spend



- Stable over time, accompanied by increased rate of orders from returning customers

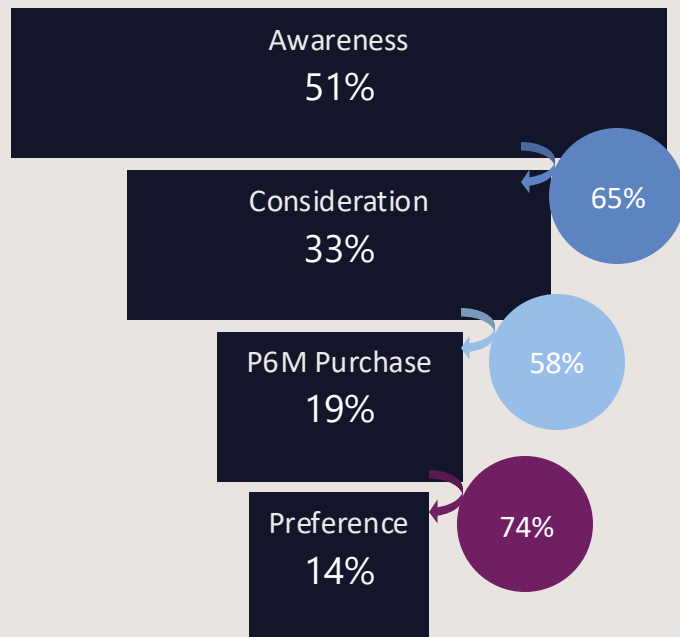


A compelling brand evolution



Elevating Myprotein to a premium performance and wellness brand

Brand Performance



We're becoming more effective at moving consumers through the funnel YoY:

- Awareness to Consideration: **+1ppts**
- Consideration to Purchase: **+5ppts**
- Purchase to Preference: **+3ppts**



Strong rebrand perception through the eyes of core customers

We have solidified our place as the most considered and preferred sports nutrition brand in the UK

Highest consideration within peer set

Most preferred brand, with gap widening to 2nd

Improved customer experience
NPS +19ppts YoY

80% of customers like/love our new brand mission & ethos*



Partnerships and key brand assets increasing recognition and interest

A step forward for the brand and 'Mycon' logo: *Increasing recognition among consumers every month*

Aided by key partnerships like Williams Racing: *72% agreeing that being connected with the world of Formula 1, enhances opinion of the brand*

74% agreeing that they feel more positive towards Myprotein knowing that they sponsor Hyrox



Yet the consumer environment remains challenging

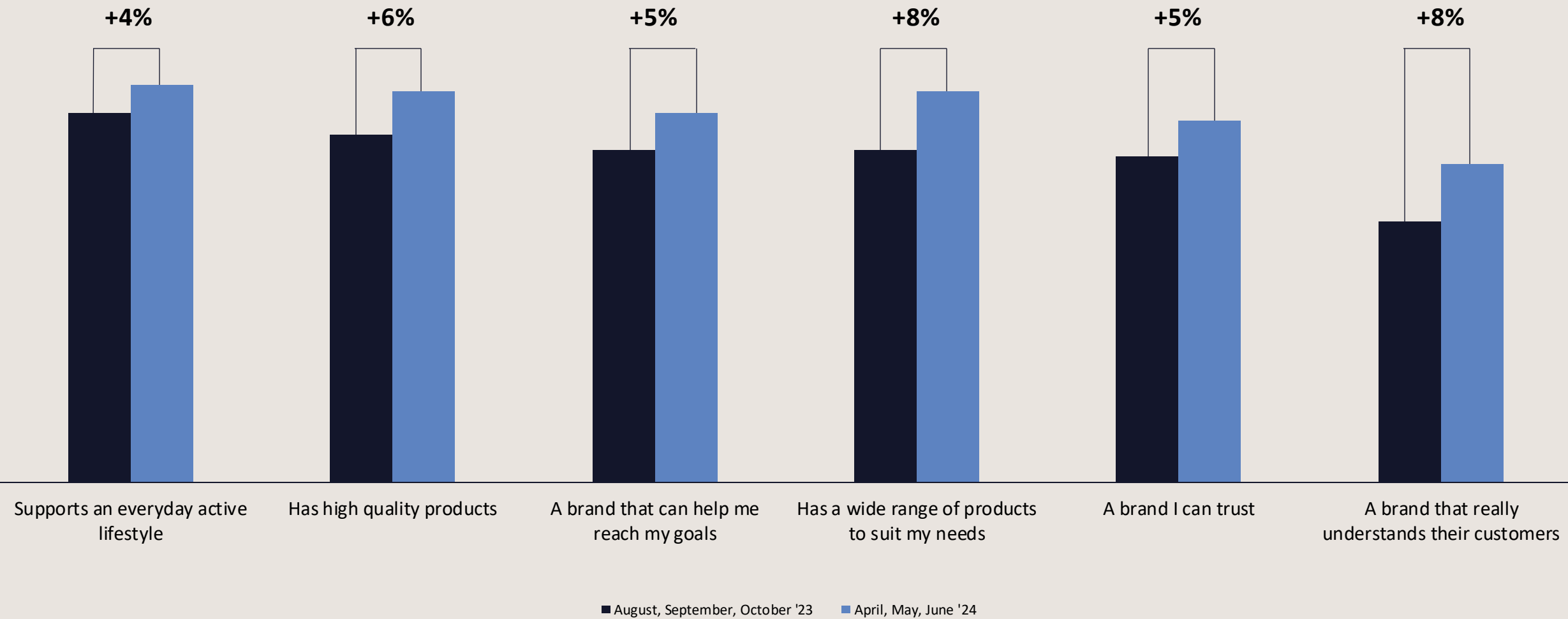
Consumers actively looking for best price due to cost-of-living pressures*

Promotional and pricing strategy refined to reflect a clearer message to consumers

Reactivation in focus: *3 in 4 lapsed customers would buy again**

Introduction of delivery subscription (one-off payment) to alleviate basket spend threshold for free / next-day delivery

We've improved in brand perceptions across all key metrics



Evolution of trading strategy through retail and licensing

Progressing the model through partners and innovation:

- Established prominent position in UK retail with direct B2B partnerships, rapidly gaining brand presence in Boots, Sainsbury's (>30 SKUs) and Holland & Barrett, whilst also building similar momentum in key international markets
- Fastest selling protein powder in UK retail⁽¹⁾ (Myprotein Clear Whey Vimto)

Further targeting the 'on-the-go' consumer by expanding ready-to-drink and chilled products:

- Partnership with specialist UK provider of chilled and frozen food '**Kirsty's**' to create a healthy, high protein 'on-the-go' range, devised for consumers with specific dietary requirements. Available in selected UK grocers from Q1 2025, this partnership takes Myprotein into a new fast-growing convenience category
- Müller**, to create a tailored range of high-protein dairy products that cater for the active health-conscious customers. The long-term '**Müller x Myprotein**' collaboration will launch in a range of retailers, supported by online and offline activations

Growing brand presence through physical retail:

- Focus now turns to:
 - Adding to licensing footprint – success already achieved with **Jimmy's** and **BakeAway** expansion
 - Moving into forecourts with prominent listings
 - Retail penetration through performance and wellness specialists / Frasers Group
 - Further international retail expansion including Costco, Meijer and other prominent retailers





THG Ingenuity

THG Ingenuity strategic priorities

Comprising leading digital marketing, technology and fulfilment capabilities, Ingenuity utilises its experience in building category-leading brands to offer global ecommerce solutions for brand owners and retailers

- Increasing value from existing customer base, bolstering long-term partnerships
- New customer growth across FMCG, beauty and retail, scaling presence in target markets (UK, Europe and US)
- Indirect revenue channels created through technology and delivery partnerships to help scale business
- Continual development of technology and operations platform through machine learning, AI and automation

Progress against strategic priorities underpin the building blocks towards target of becoming self-funded



THG Ingenuity – H1 2024 highlights

THREE PILLARS OF ECOMMERCE
ENABLEMENT

THG COMMERCE

Simple, scalable commerce
with complete end-to-end control



THG FULFIL

World class fulfilment engineered
to drive customer retention



THG STUDIOS

A creative powerhouse like no other,
designed to supercharge brand growth

Increasing value and recurring revenue from new client acquisition and existing client base

- Global partnership with **HYROX**: THG Ingenuity will provide a complete commerce solution of technology, fulfilment and digital marketing services, enabling HYROX to build on brand demand and continue its rapid global growth
- **Premier Foods**: End-to-end service powering D2C product launch for complete nutrition range 'FUEL10K', enabling Premier Foods to reach new customers and audiences through a multichannel strategy.
- Expanded strategic relationship to deliver creative, and production of product and lifestyle content for **Disney Store** global sites and; delivering television commercial content plus user generated content for social platforms
- Enabling wellness innovation company, **ACG**, to launch an initial four full-service e-commerce experiences for specialist brands Eimele and SRW in the US and ANZ. An additional 15 sites (including UK) are due to launch across their portfolio by the end of 2025

Fulfilment services: [View 20 years in fulfilment](#)

- Accelerated growth of a profitable revenue stream through increased automation and rapid innovation
- Service offering to rival established players, unlocking improved customer retention, whilst reducing cost
- 1am UK Next Day Delivery services not offered by any other competitor
- Finalists in UK eCommerce, Supply Chain Excellence and UK Warehouse Association (UKWA) Awards

Continual development of technology and operations platform

- Gen-AI product selection improves CX and increases AOV and conversion rates across all brands
- Increased brand engagement through customer hyper-personalisation
- Checkout, payments and fraud innovation improving conversion, payments failover and chargeback rates
- Improving the multichannel experience with extended capabilities across social commerce, marketplaces and seamless connected commerce

Expanding fulfilment partnerships - leveraging distribution capacity

MY/SALE

- APAC fulfilment for members-only designer fashion and homeware retailer
- Utilising Ingenuity Melbourne warehouse and regional courier network
- Supporting international growth aspirations

“Our international growth aspirations led us to a partner whose expertise could help us navigate the complexities of entering new markets whilst continually improving the service to our existing members.”

The Range

Home, Leisure & Garden

- UK and international fulfilment and courier management services for CDS Superstores T/A wilko and The Range
- Optimising recent automation investment in Omega
- Pre-peak launch to support new customer acquisition

“THG Fulfil’s flexible and wide-ranging fulfilment capabilities will be key to supporting CDS Superstores’ ongoing digital transformation, which includes an ever-growing online presence across both its brands, The Range and wilko.”

“This strategic partnership will allow us to seamlessly handle pick and pack operations for a large proportion of our product range across each brand, in particular, the exciting relaunch of thousands of wilko branded items.”

“With THG’s advanced automated solutions, we’re able to meet the needs of households across the UK, delivering home and garden products directly to their doors quickly and efficiently.”

Holland & Barrett

- UK and Ireland fulfilment and courier management services for rapidly scaling digital business
- Successful 6-week migration period
- Extension of Ingenuity services into THG Studios for digital creative and content production for a selection of new product launches
- Fulfilment in focus [interview](#)

“Our partnership with THG Ingenuity will mean we can continue to grow at pace with a partner who are industry experts in D2C fulfilment, while we invest in transforming our supply chain capabilities.”



World class fulfilment
engineered to drive
customer retention

Fulfilment solutions in key markets
State-of-the-art automation
Global courier management services
Market leading UK next-day delivery

Fulfilling the
customer promise



THG PLC

Half-Year Results 2024

Summary

H1 2024 summary

Continued focus on profitable sales

- Performances across both Beauty and Ingenuity helping to offset transitory rebrand and FX headwinds in Nutrition
- Significantly lower distribution costs and a focus on cost management supporting stable adjusted EBITDA margins, with efforts on profitable sales rewarded
 - Stand-out performance delivered by THG Beauty following the successful execution of the market prioritisation strategy
 - Nutrition rebrand now largely complete with offline performance continuing to be strong, partially offsetting the impact of FX headwinds in Asia
 - Ingenuity achieved double digit external revenue growth and extended its fulfilment client base
- Focus remains on ongoing portfolio management to accelerate the growth prospects and optimise the margin and cash potential of the Group
- The decisive cost actions taken as a business have provided a solid foundation to achieve sustainable growth and drive further margin recovery towards historical EBITDA margins of c.9%
- Balance sheet well-capitalised with revolving credit facility extended to May 2026
- In line with the FCA's recent change to UK Listing Rules the group intends to transfer all ordinary shares to the equity shares (commercial companies) category



THG PLC

Half-Year Results 2024

Appendix

Non-financial KPIs

	LTM Jun-24	LTM Jun-23	LTM Jun-22	LTM Jun-21	LTM Jun-20
THG Beauty⁽¹⁾					
Active customers (millions) ⁽²⁾	8.4	8.6	9.5	8.0	5.3
Number of orders (millions) ⁽³⁾	16.7	16.7	17.9	15.0	10.5
Average order value (£) ⁽⁴⁾	64	64	62	57	52
THG Nutrition					
Active customers (millions)	6.5	6.8	7.1	7.0	5.3
Number of orders (millions)	12.2	12.8	13.7	13.7	10.1
Average order value (£)	47	51	48	46	48

Quarterly results reconciliation

Quarterly reported revenue, adjusted for additional discontinued categories

	Q1-23	Q2-23	Q3-23	Q4-23	FY23	Q1-24	Q2-24
THG Beauty ⁽¹⁾	235.9	266.7	256.0	370.7	1,129.3	259.7	271.3
THG Nutrition	165.7	171.0	154.8	166.4	657.9	150.8	149.0
THG Ingenuity	157.9	162.1	155.7	198.2	673.9	149.6	156.2
Inter-group elimination	(122.3)	(126.5)	(117.4)	(153.6)	(519.9)	(112.6)	(113.0)
Group (continuing) revenue	437.2	473.2	449.1	581.8	1,941.3	447.6	463.5
Other(discontinuing)	32.2	26.6	18.1	27.2	104.1	12.4	10.5
Total Group	469.4	499.9	467.2	609.0	2,045.4	459.9	474.0

Quarterly revenue (as per Q1 2024 trading statement discontinuation)

	Q1-23	Q2-23	Q3-23	Q4-23	FY23	Q1-24
THG Beauty	244.7	275.8	263.9	387.3	1,171.7	267.6
THG Nutrition	165.7	171.0	154.8	166.4	657.9	150.8
THG Ingenuity	157.9	162.1	155.7	198.2	673.9	149.6
Inter-group elimination	(122.3)	(126.5)	(117.4)	(153.6)	(519.9)	(112.6)
Group (continuing) revenue	446.0	482.4	457.0	598.3	1,983.7	455.4
Other (discontinuing)	23.4	17.5	10.2	10.6	61.7	4.5
Total Group	469.4	499.9	467.2	609.0	2,045.4	459.9

Quarterly results reconciliation growth

Quarterly reported revenue growth rates, adjusted for additional discontinued categories

	Q1-23	Q2-23	Q3-23	Q4-23	FY23	Q1-24	Q2-24
THG Beauty ⁽¹⁾	-10.1%	-8.8%	-2.6%	+0.7%	-4.8%	10.1%	1.7%
THG Nutrition	+5.7%	+1.3%	-3.8%	-6.0%	-0.7%	-9.0%	-12.8%
THG Ingenuity	-14.3%	-15.4%	-8.8%	-5.8%	-11.0%	-5.3%	-3.6%
Inter-group elimination	-15.5%	-17.1%	-10.5%	-9.0%	-13.0%	-8.0%	-10.6%
Group (continuing) revenue	-4.7%	-5.2%	-3.0%	-0.9%	-3.3%	2.4%	-2.1%
Other (discontinued)	-41.6%	-52.5%	-65.8%	-59.4%	-54.9%	-61.7%	-60.6%
Group revenue	-8.3%	-10.3%	-9.5%	-6.9%	-8.7%	-2.0%	-5.2%
Memo: External Ingenuity	-10.1%	-8.6%	-2.9%	+7.1%	-3.5%	+4.1%	+21.2%

Quarterly revenue (as per Q1 2024 trading statement discontinuation)

	Q1-23	Q2-23	Q3-23	Q4-23	FY23	Q1-24
THG Beauty	-9.3%	-8.4%	-2.6%	+0.8%	-4.4%	9.3%
THG Nutrition	+5.7%	+1.3%	-3.8%	-6.0%	-0.7%	-9.0%
THG Ingenuity	-14.3%	-15.4%	-8.8%	-5.8%	-11.0%	-5.3%
Inter-group elimination	-15.5%	-17.1%	-10.5%	-9.0%	-13.0%	-8.0%
Group (continuing) revenue	-4.3%	-5.0%	-3.1%	-0.8%	-3.2%	2.1%
Other (discontinued)	-51.0%	-63.3%	-77.2%	-79.2%	-67.7%	-80.6%
Group revenue	-8.3%	-10.3%	-9.5%	-6.9%	-8.7%	-2.0%
Memo: External Ingenuity	-10.1%	-8.6%	-2.9%	+7.1%	-3.5%	+4.1%

Quarterly results CCY growth

Quarterly reported revenue growth rates, adjusted for additional discontinued categories

	Q1-23	Q2-23	Q3-23	Q4-23	FY23	Q1-24	Q2-24
THG Beauty ⁽¹⁾	-13.2%	-9.0%	-0.2%	+2.4%	-4.6%	+12.0%	+2.4%
THG Nutrition	+3.7%	+2.0%	-1.4%	-4.0%	+0.0%	-5.8%	-9.2%
THG Ingenuity	-14.7%	-15.4%	-8.5%	-5.4%	-10.9%	-4.9%	-3.7%
Inter-group elimination	-15.5%	-17.1%	-10.5%	-9.0%	-13.0%	-8.0%	-11.0%
Group (continuing) revenue	-7.4%	-5.3%	-0.7%	+1.0%	-3.0%	4.9%	-0.2%
Other (discontinued)	-41.6%	-52.5%	-65.8%	-59.4%	-54.9%	-61.0%	-60.3%
Group revenue	-11.0%	-10.1%	-7.6%	-5.3%	-8.4%	0.3%	-3.4%
Memo: External Ingenuity	-11.7%	-8.8%	-1.4%	+9.4%	-3.1%	+5.9%	+22.3%

Segmental reporting

H1 2024 Segmental Summary

£'m	THG Beauty	THG Nutrition	THG Ingenuity	Central ⁽¹⁾	Inter group elimination	Continuing Total	Discontinued categories	H1 2024 Total
Revenue	531.1	299.9	80.2	-	-	911.1	22.9	934.0
Inter-segment revenue	-	-	225.6	-	(225.6)	-	-	-
Total revenue	531.1	299.9	305.8	-	(225.6)	911.1	22.9	934.0
adj EBITDA	32.6	19.6	11.0	(10.9)	-	52.3	(3.5)	48.8
adj EBITDA %	6.1%	6.5%	3.6%	-	-	5.7%	(15.4)%	5.2%

H1 2023 Segmental Summary

£'m	THG Beauty	THG Nutrition	THG Ingenuity	Central	Inter group elimination	Continuing Total	Discontinued categories	H1 2023 Total
Revenue	502.5	336.7	71.2	-	-	910.4	58.8	969.3
Inter-segment revenue	-	-	248.8	-	(248.8)	-	-	-
Total revenue	502.5	336.7	320.0	-	(248.8)	910.4	58.8	969.3
adj EBITDA	12.1	46.9	3.4	(10.9)	-	51.5	(4.4)	47.1
adj EBITDA %	2.4%	13.9%	1.0%	-	-	5.7%	(7.5)%	4.9%

Segment assets and liabilities are not disclosed because they are not yet regularly reported or reviewed by the Board

H1-23 Reported revenue and EBITDA movements

H1 2023 Reported Segmental Summary

£'m	THG Beauty	THG Nutrition	THG Ingenuity	Central ⁽¹⁾	Inter group elimination	Continuing Total	Discontinued categories	H1 2024 Total
Revenue	538.7	340.7	71.2	-	-	950.6	18.7	969.3
Inter-segment revenue	-	-	248.8	-	(248.8)	-	-	-
Total revenue	538.7	340.7	320.0	-	(248.8)	950.6	18.7	969.3
adj EBITDA	10.6	47.1	3.4	(10.9)	-	50.1	(3.1)	47.1
adj EBITDA %	2.0%	13.8%	1.0%	-	-	5.3%	(16.3%)	4.9%

H1 2023 Movement for additional discontinuation

£'m	THG Beauty	THG Nutrition	THG Ingenuity	Central	Inter group elimination	Continuing Total	Discontinued categories	H1 2023 Total
Revenue	(36.1)	(4.0)	-	-	-	(40.1)	40.1	-
Inter-segment revenue	-	-	-	-	-	-	-	-
Total revenue	(36.1)	(4.0)	-	-	-	(40.1)	40.1	-
adj EBITDA	1.6	(0.2)	-	-	-	1.4	(1.4)	-
adj EBITDA %	50bps	10bps	-	-	-	60bps	880bps	-

Segment assets and liabilities are not disclosed because they are not yet regularly reported or reviewed by the Board

Glossary

Terms	Meaning
Adjusted EBITDA	means operating profit before depreciation, amortisation, share-based payments, other operating expense - non-cash loss on disposal of freehold assets and adjusted items
AOV	means Average Order Value
ASP	means Average Selling Price
B2B	means Business to Business
Board	means the Board of Directors of the Company (or its subsidiaries as the context may require from time to time)
CAGR	means Compound Annual Growth Rate
CX	means Customer Experience
D2C	means Direct to Consumer
FMCG	means Fast Moving Consumer Goods
FX	means Foreign Currency
Group	means the Company and its subsidiaries and subsidiary undertakings from time to time
H1-XX	means the six-month period from Jan-XX to Jun-XX
H2-XX	means the six-month period from Jul-XX to Dec-XX
Leverage	means adjusted continued EBITDA as a ratio to Net Debt
NPS	means Net Promoter Score
P6M	means Per 6 Months
Q1-XX	means the 3-month period from Jan-XX to Mar-XX
Q2-XX	means the 3-month period from Apr-XX to Jun-XX

IMPORTANT NOTICE:

**THIS PRESENTATION IS NOT AN OFFER OR THE SOLICITATION
OF AN OFFER TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES.**

This presentation may include "forward-looking statements" in respect of the operations, performance, prospects and/or financial condition of THG PLC (the "Company"). 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. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, but are not limited to, those identified in the "Risk Management" section of the Company's 2023 Annual Report. 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.

Except as required by any law or regulation, no responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Past performance cannot be relied upon as a guide to future performance and persons needing advice should consult an independent financial adviser. Nothing in this presentation should be construed as a profit forecast.

This presentation 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. Statements in this presentation reflect the knowledge and information available at the time of its preparation.

THG PLC

17 September 2024

Half-Year Results



THG NUTRITION



THG BEAUTY



THG INGENUITY