

THG PLC

14th September 2023

Half-Year Results

H1-2023

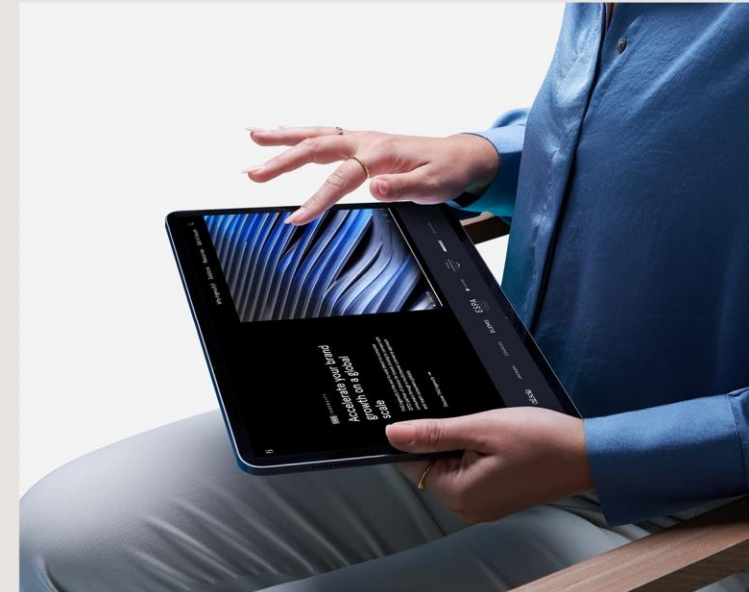
Strictly privileged & confidential



THG NUTRITION



THG BEAUTY



THG INGENUITY

H1 2023 highlights

- **Strong growth in continuing adjusted EBITDA to £50.1m, 5.3% margin** (vs £40.8m in H1 2022), from a lower, higher quality sales base. Above the top end of guidance
- **Free cash generation⁽¹⁾ ahead of guidance**, substantially on track to being cash flow breakeven in FY 2023. Balance sheet continues to be well capitalised
- Normalised capital expenditure and lower cash adjusting items
- **THG Ingenuity recognised in Gartner® Magic Quadrant™ for Digital Commerce**
- Successful execution of strategic review with disposal of loss-making operations
- Adjusted EBITDA margin accretion throughout H2 2023 underpinned by input cost deflation, strategic review completion and annualised impact of cost efficiencies
- **Full year adjusted EBITDA guidance reiterated**



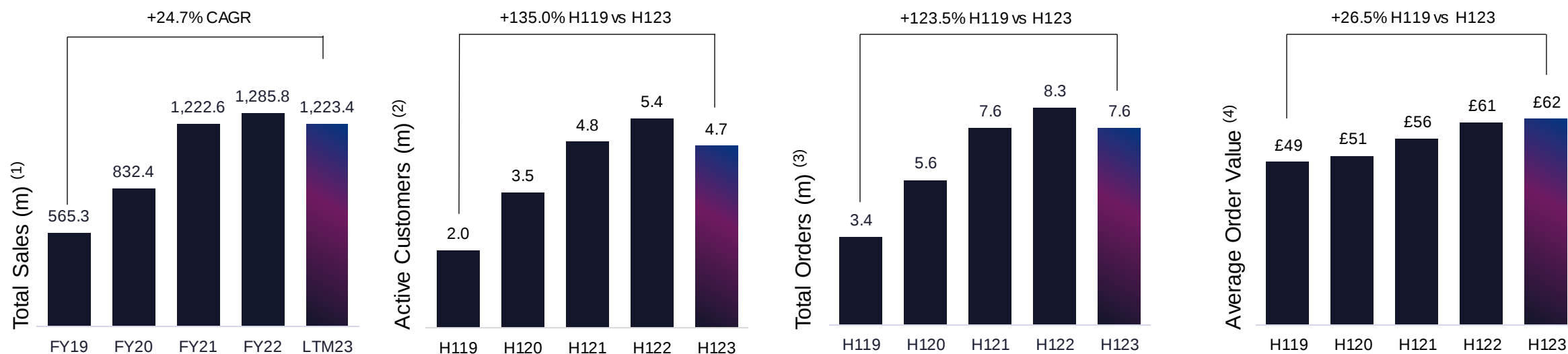
Environmental
Finance

**COMPANY
Awards 2023**

Winner

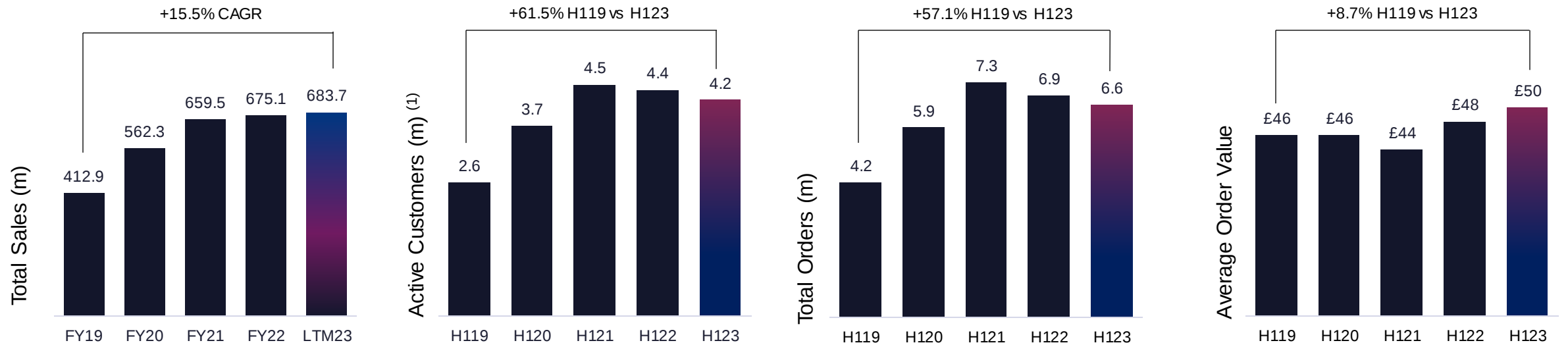
Circular economy transition
of the year

THG Beauty strategic highlights



- Active customer behaviour remained resilient across THG Beauty⁽⁵⁾, with increased order frequency and average order value vs. H1 2022
- New customer growth back on prior year, primarily driven by market prioritisation strategy. New customer acquisition improved Q2 vs Q1
- UK online premium share of 28% (+c.4%) for Lookfantastic⁽⁶⁾, with record high Trustpilot scores for Lookfantastic and Cult Beauty
- Localisation in emerging markets e.g. MENA is delivering YOY revenue and customer growth
- THG Beauty's prestige own brand portfolio performing strongly with the two largest brands delivering double-digit growth
- Own brands set to achieve international recognition through a global licensing partnership with luxury hotel amenities supplier Vanity Group

THG Nutrition strategic highlights



- Active customer base remained stable on a 2 year basis when excluding exited diet categories. AOVs increased 4% vs. H1 2022, indicating healthy customer stickiness and spend in a higher pricing environment
- Double digit active customer growth delivered in MENA and Australia, emphasising our ability to rapidly scale in new and emerging markets. D2C repositioning in India largely complete
- Consistent trends observed across major territories with UK in growth (ytd) and Asia participation stronger in Q2 vs Q1 due to Goldenweek promotional events. China sales refocused to marketplaces given the prominence in the country
- Continuation and progression of partnerships – including launch and expansion of Iceland range, collaborations with Vimto and Jelly Belly
- Myprotein is also set to partner with global confectionary brand Chupa Chups and global spirits brand Southern Comfort to broaden flavour options across the product portfolio

Enhanced customer reach through global retail marketplaces



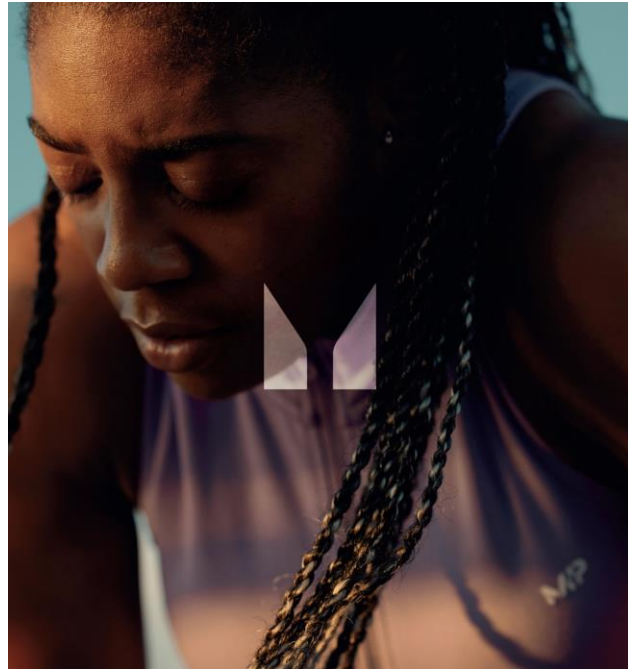
Offline launches in nine new markets since 2020

International presence in c.20,000 retail doors

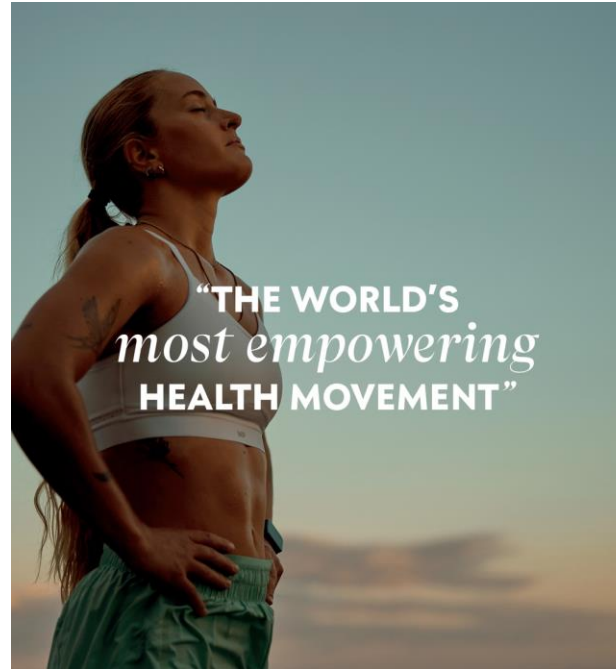
Myprotein voted as the brand that is most likely to help consumers reach their goals⁽¹⁾

Myprotein is the most trusted sports nutrition brand⁽¹⁾

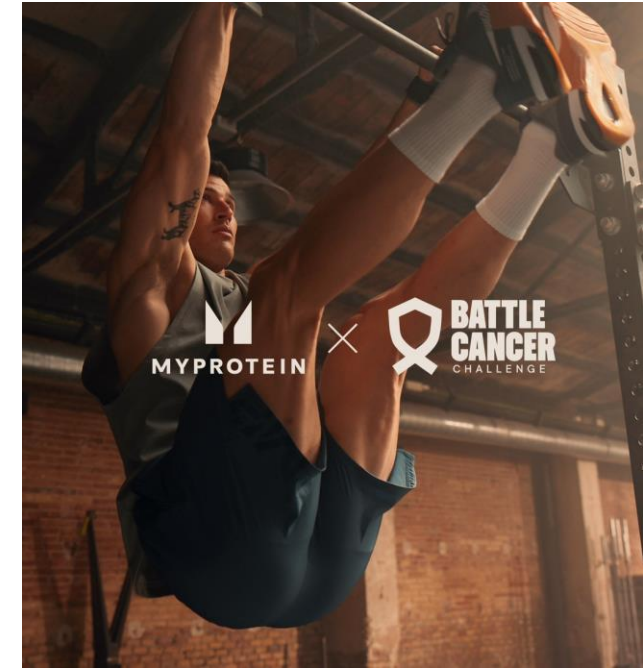
We'll continue to evolve our brand to support our growth
Breaking down barriers to entry and stretching existing equity



Architecture Review
'Branded house' to drive greater efficiency, connection and broaden our appeal



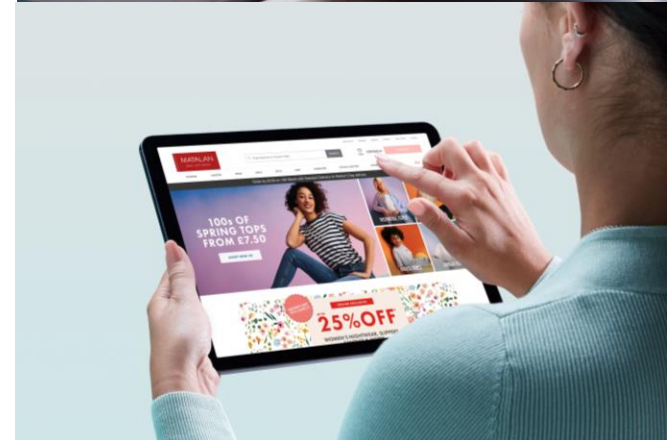
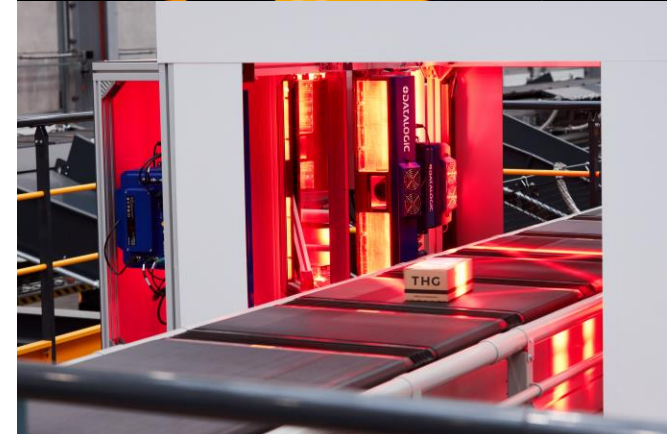
Answering Our "Why"
The world's most powerful brands have a strong understanding of why they exist



A Meaningful Icon
Becoming a progressive lifestyle brand that adds real value to people's lives

THG Ingenuity strategic focus

- Slow market growth in 2022 of 11.2% due to ongoing consumer pressures and challenging economic landscape. **Market growth expected to accelerate this year**, returning to 16.7%⁽¹⁾
- Enterprise organisations become heavily reliant on Systems Integrators or large, in-house teams to implement composable commerce technologies leading to an **uptick in the market for packaged, end-to-end solutions** which include operational support and marketing⁽¹⁾
- **Validates our strategic shift to enterprise customers** to deliver large-scale commerce transformation
- Our **growth strategy** remains focused on:
 - New customer growth across our core verticals where we have a right to win
 - Increasing the value from our existing customer base
 - Developing new products and selling existing products across new channels
- **Monthly recurring revenue** continuing to build
- For the first time, **Ingenuity named in 2023 Gartner® Magic Quadrant™ for Digital Commerce**, recognised for its completeness of vision and ability to execute



Reaching new audiences in the US for L'Oréal

In August 2023, Ingenuity signed an agreement with L'Oréal, the World's beauty leader:

1. Ingenuity will power Direct to Consumer operations for two of L'Oréal's most prestigious brands; "Shu Uemura Art of Beauty" in the USA and Canada, and "Biotherm" in the USA
2. L'Oréal will benefit from Ingenuity's core platform features built for the beauty consumer; sampling, loyalty and subscriptions. The rollout is planned for completion in H2

"L'Oréal International Distribution's mission is to build brands in the North America zone in an agile and efficient way, leveraging the expertise and manpower of external partners to amplify the acceleration of our portfolio's brands. This partnership with THG Ingenuity is the perfect example of that mission coming to life within a DTC environment as we will be benefiting from their fully integrated services and their personalised, consumer-centric e-commerce expertise." Annie Gregoire, General Manager of L'Oréal International Distribution in North America

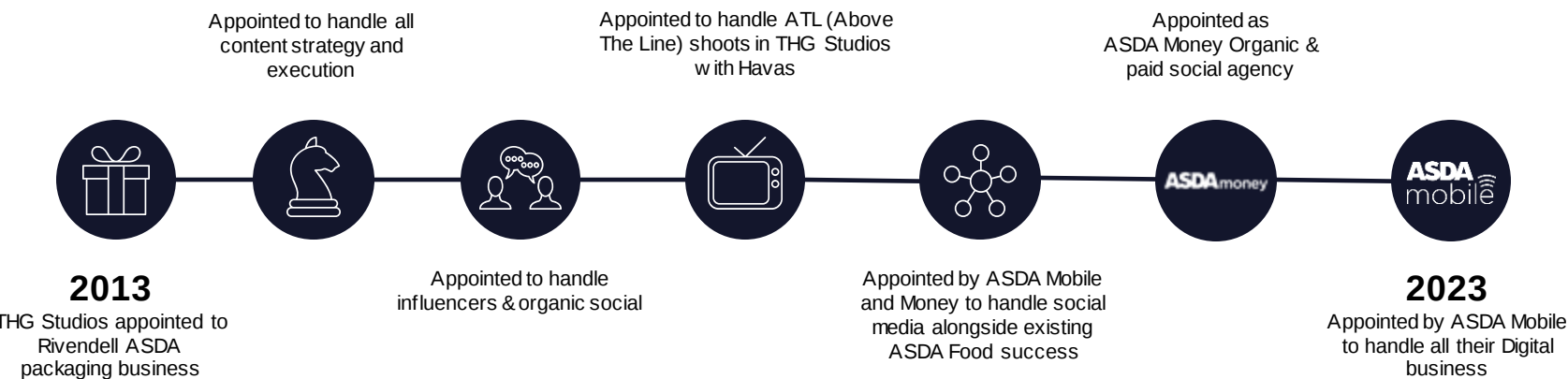


ASDA has become a truly integrated digital solutions customer

We have grown our relationship from a single service in packaging design to multiple services across performance marketing, social media and content production

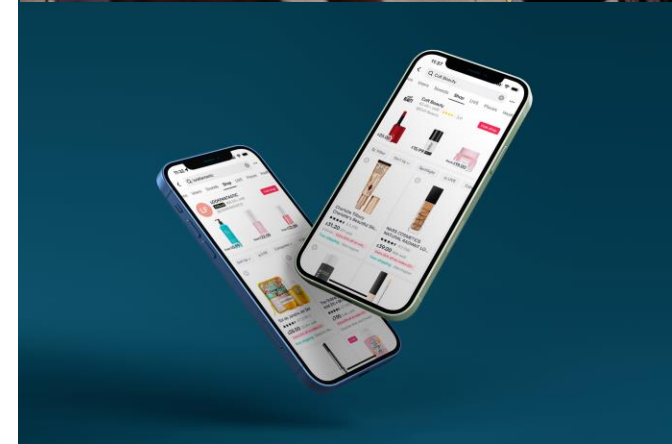
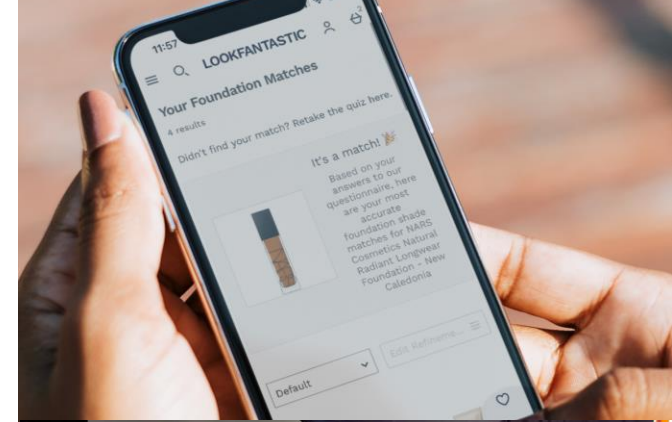
Steadily expanded our relationship over and above Grocery into other core ASDA divisions:

- 1. ASDA Money: social media in H2 2022
- 2. ASDA Mobile: total Digital business in H2 2023 as they enter PAYM⁽¹⁾ market



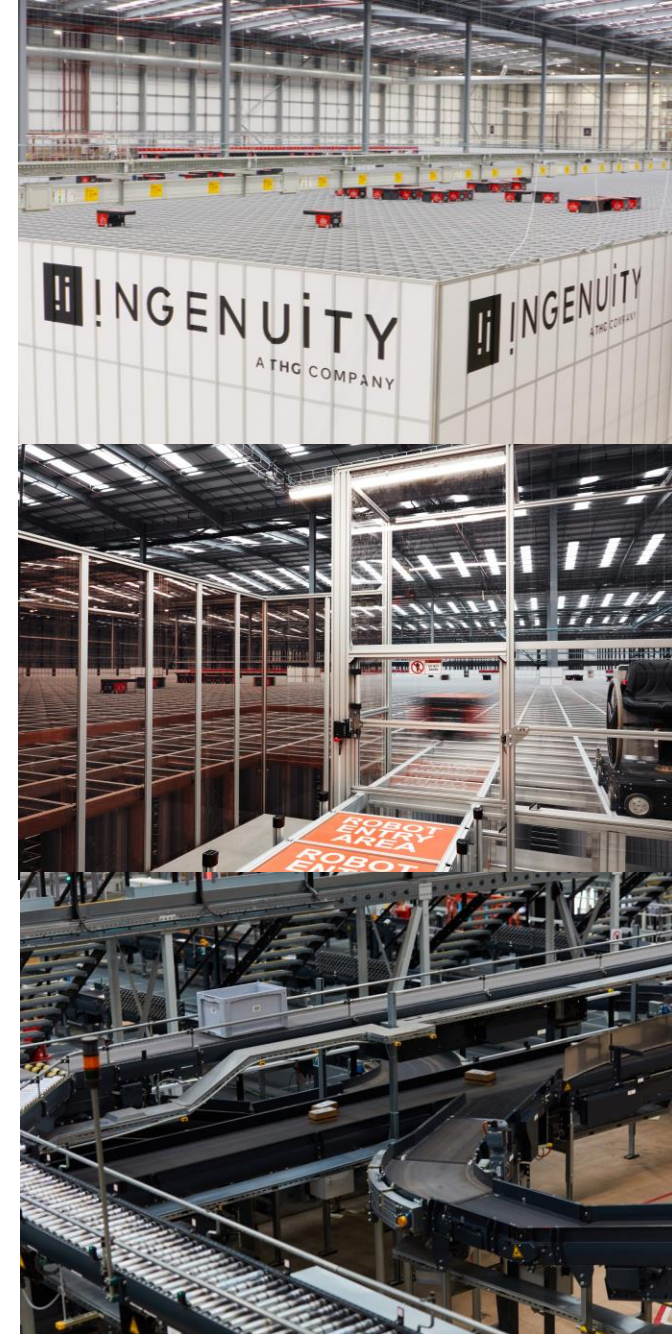
Digital tech expertise accelerating continual platform innovation

- **Engineers accelerating platform innovation:** A dynamic team of over 850 technology specialists delivers continuous optimisation, innovation, security and protection to our own brands and our customers
- **New product development and partner integrations:**
 - *Social Commerce via TikTok shop:* Enabling customers to sell their products across one of the fastest growing social platforms
 - *B2B operations:* Offering an additional sales lever for traditional pure-play brands divesting stock to retailers
 - *'Experience Commerce':* A joint proposition which brings together the service design expertise of PwC with Ingenuity's headless platform to create immersive, brand-led commerce experiences
- **Continuous platform enhancements:**
 - Through in-house development of machine learning models, our ability to hyperpersonalise how we segment customers and tailor their site experience is constantly evolving
 - As a first-party data collector Ingenuity is uniquely positioned to deliver AI solutions to drive cost efficiencies, innovative customer experiences and incremental revenue opportunities including the use of Generative AI technology infused directly into the Ingenuity platform



Operational excellence driving customer retention

- Expansionary infrastructure investment completed with automation installed in US New Jersey distribution centre, underpinning sustainable long-term competitive advantage and an improved customer delivery proposition
- Global checkout to delivery speed improved by 0.5 days⁽¹⁾
- US checkout to delivery speed improved by c. 1 day YoY to c.3 days⁽¹⁾
- Extended next day delivery offering
- Our internally measured customer sentiment scores 'THGX' are at record highs with a >20% improvement⁽²⁾
- Customer contact rates have improved through efficiencies we have made with better delivery performance, self-serve returns, and automated support messages
- Accelerating customer contact response times through machine learning and optimising smart support communications
- Improvements in end-to-end operations and use of data to optimise customer service supports retention and lifetime value, also strengthening our new customer offering



HALF-YEAR RESULTS 2023

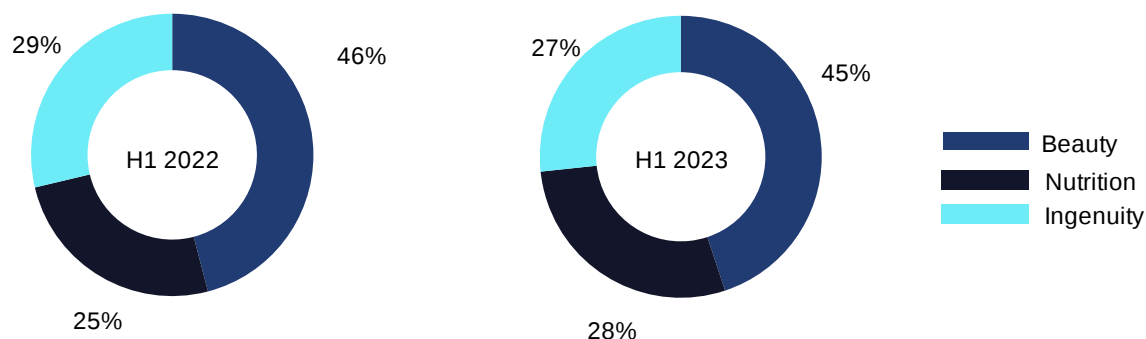
Group Financial Review

H1 2023 revenue performance

- Group revenue driven by:
 - Continuing uncertain macroeconomic backdrop
 - Strategic exit of non-core divisions and discontinued categories
 - Volume reductions within THG Beauty manufacturing
 - De-emphasis in certain beauty markets
 - Proactive pivoting of the Ingenuity strategy
- Continuing revenue by territory:
 - UK (44%)
 - Europe (22%)
 - USA (19%)
 - ROW (15%)
- Total sales in the UK excluding manufacturing were maintained for THG Beauty and THG Nutrition combined

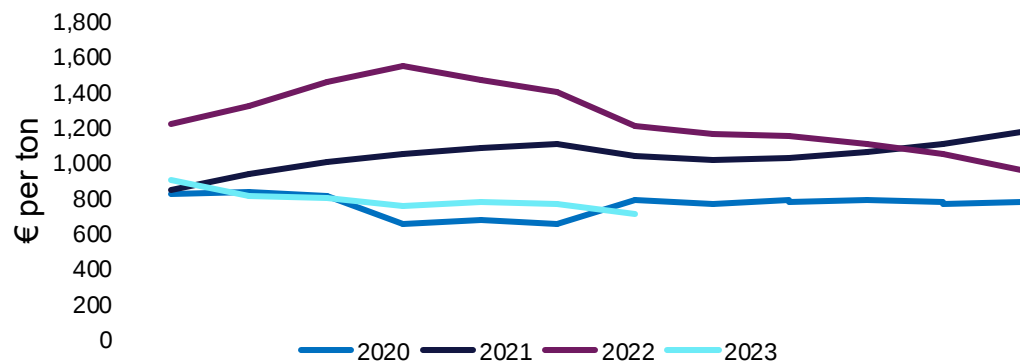
£'m	H1 2023	H1 2022	YoY ⁽¹⁾ Change	2 Yr Change
THG Beauty ⁽²⁾	538.7	601.2	-10.4%	+6.3%
THG Nutrition	340.7	332.1	+2.6%	+3.7%
THG Ingenuity	320.0	375.9	-14.9%	-3.4%
Inter-group elimination	(248.8)	(297.3)	-16.3%	-7.6%
Group (continuing)	950.6	1,011.8	-6.1%	+5.9%
Other (discontinued) ⁽³⁾	18.7	57.4	-67.4%	-69.6%
Group revenue	969.3	1,069.2	-9.3%	+1.1%

Continuing revenue by division



H1 2023 profitability

Whey input prices



Source: <https://www.clal.it/en/index.php?section=whey>

- Commodity prices reducing meaningfully driving gross margin expansion
- A much-improved outlook on many key cost inputs gives us confidence in a further improving performance as the year progresses
- Finalisation of investment in automation within the global fulfilment network and ongoing network localisation, offsetting underlying wage inflation

£'m ⁽¹⁾	H1 2023	H1 2022	% Change
Revenue	969.3	1,069.2	-9.3%
Cost of sales	(545.1)	(616.3)	+11.6%
Gross profit	424.2	452.9	-6.3%
Gross margin%	43.8%	42.4%	+140bps
Distribution costs	(143.7)	(174.2)	+17.5%
% of revenue	14.8%	16.3%	+150bps
Administrative costs	(233.3)	(246.4)	+5.3%
% of revenue	24.1%	23.0%	-110bps
Continuing adj EBITDA	50.1	40.8	+22.9%
Adjusted EBITDA%	5.3%	4.0%	+130bps
Adjusted EBITDA⁽²⁾	47.1	32.3	+45.7%
Adjusted EBITDA%	4.9%	3.0%	+190bps
Operating loss	(99.5)	(89.2)	-11.5%

H1 2023 profitability

Distribution costs as % of revenue



- Marketing costs are elevated year-on-year driven by a combination of intentional investment and general inflation, offset by greater app participation
- Decisive cost action undertaken supporting profit improvement
- Operating loss increased driven by management action to dispose of freehold assets and exit loss-making discontinued categories, together generating a one-off non-cash charge of £26.2m

£'m ⁽¹⁾	H1 2023	H1 2022	% Change
Revenue	969.3	1,069.2	-9.3%
Cost of sales	(545.1)	(616.3)	+11.6%
Gross profit	424.2	452.9	-6.3%
<i>Gross margin%</i>	<i>43.8%</i>	<i>42.4%</i>	<i>+140bps</i>
Distribution costs	(143.7)	(174.2)	+17.5%
<i>% of revenue</i>	<i>14.8%</i>	<i>16.3%</i>	<i>+150bps</i>
Administrative costs	(233.3)	(246.4)	+5.3%
<i>% of revenue</i>	<i>24.1%</i>	<i>23.0%</i>	<i>-110bps</i>
Continuing adj EBITDA	50.1	40.8	+22.9%
<i>Adjusted EBITDA%</i>	<i>5.3%</i>	<i>4.0%</i>	<i>+130bps</i>
Adjusted EBITDA⁽²⁾	47.1	32.3	+45.7%
<i>Adjusted EBITDA%</i>	<i>4.9%</i>	<i>3.0%</i>	<i>+190bps</i>
Operating loss	(99.5)	(89.2)	-11.5%

THG Beauty financial highlights

- Sequential quarterly improvements in THG Beauty (excluding manufacturing), with the division overall returning to growth since the start of August
- Sales decline through active prioritisation of less-profitable markets
- Return rates within retail remain consistent with historical averages
- The reduction in margin is entirely driven by THG Beauty manufacturing, resulting from a one-time industry destocking
- Management actions to right-size operations to reflect current demand
- As we enter the third quarter, cost saving initiatives predominantly within manufacturing implemented in the first half are supporting profitability improvements

£'m	H1 2023	H1 2022	% Change
THG Beauty revenue	538.7	601.2	-10.4%
Adjusted EBITDA	10.6	17.7	-40.4%
<i>Adjusted EBITDA %</i>	<i>2.0%</i>	<i>2.9%</i>	<i>-90bps</i>
excl. THG Beauty manufacturing			
Adjusted EBITDA	9.7	7.3	+32.1%
<i>Adjusted EBITDA %</i>	<i>2.0%</i>	<i>1.4%</i>	<i>+60bps</i>

THG Nutrition financial highlights

- Sales growth delivered largely through pricing, with emerging regions such as Australia and Middle East in double-digit growth
- Adjusted EBITDA margins increased substantially, reflecting the unwind of a period of unusually high whey commodity prices
- Continued investment in the customer proposition through partnerships, and strategic SKUs in retail outlets and gyms as part of demand generation strategy

£'m	H1 2023	H1 2022	% Change
THG Nutrition revenue	340.7	332.1	+2.6%
Adjusted EBITDA	47.1	27.4	+71.9%
<i>Adjusted EBITDA %</i>	<i>13.8%</i>	<i>8.2%</i>	<i>+560bps</i>

THG Ingenuity financial highlights

- Following the divisional reorganisation, THG Ingenuity now includes inter-segment revenue from internal services provided to THG Beauty and THG Nutrition
- Internal revenue declined in the period predominately due to the wider Group exiting loss-making categories and territories along with lower group-wide sales
- Short-term revenue and adjusted EBITDA impact due to pivot away from lower-value clients and upfront investment
- However, substantial progress following strategic repositioning towards higher-value enterprise clients with new wins in beauty, FMCG and retail verticals
- Revenue benefits to be realised following time-lag associated with signing and onboarding new customers and expanding existing relationships
- Adjusted EBITDA margins will scale over time towards ~7.5% as the revenue mix evolves and the enterprise client base expands

£'m	H1 2023	H1 2022	% Change
THG Ingenuity revenue	320.0	375.9	-14.9%
External revenue	71.2	78.5	-9.3%
Internal revenue	248.8	297.3	-16.3%
Adjusted EBITDA	3.4	6.8	-50.8%
<i>Adjusted EBITDA margin %</i>	<i>1.0%</i>	<i>1.8%</i>	<i>-80bps</i>

Completion of strategic review

- Discontinued categories primarily includes the former THG OnDemand and Other divisions
- The exit of discontinued categories has led to cash proceeds of c.£4.0m (majority received in H2 on date of exit) and a non-cash loss on disposal of £11.1m, recognised in H1 2023 within adjusted items
- The full exit of the discontinued areas is expected to be complete by the end of Q3 2023 with costs not recurring after this date

£'m	H1 2023	H1 2022	% Change
Discontinued categories			
Revenue	18.7	57.4	-67.4%
Adjusted EBITDA	(3.1)	(8.5)	-64.0%
<i>Adjusted EBITDA margin %</i>	<i>-16.3%</i>	<i>-14.8%</i>	<i>-150bps</i>

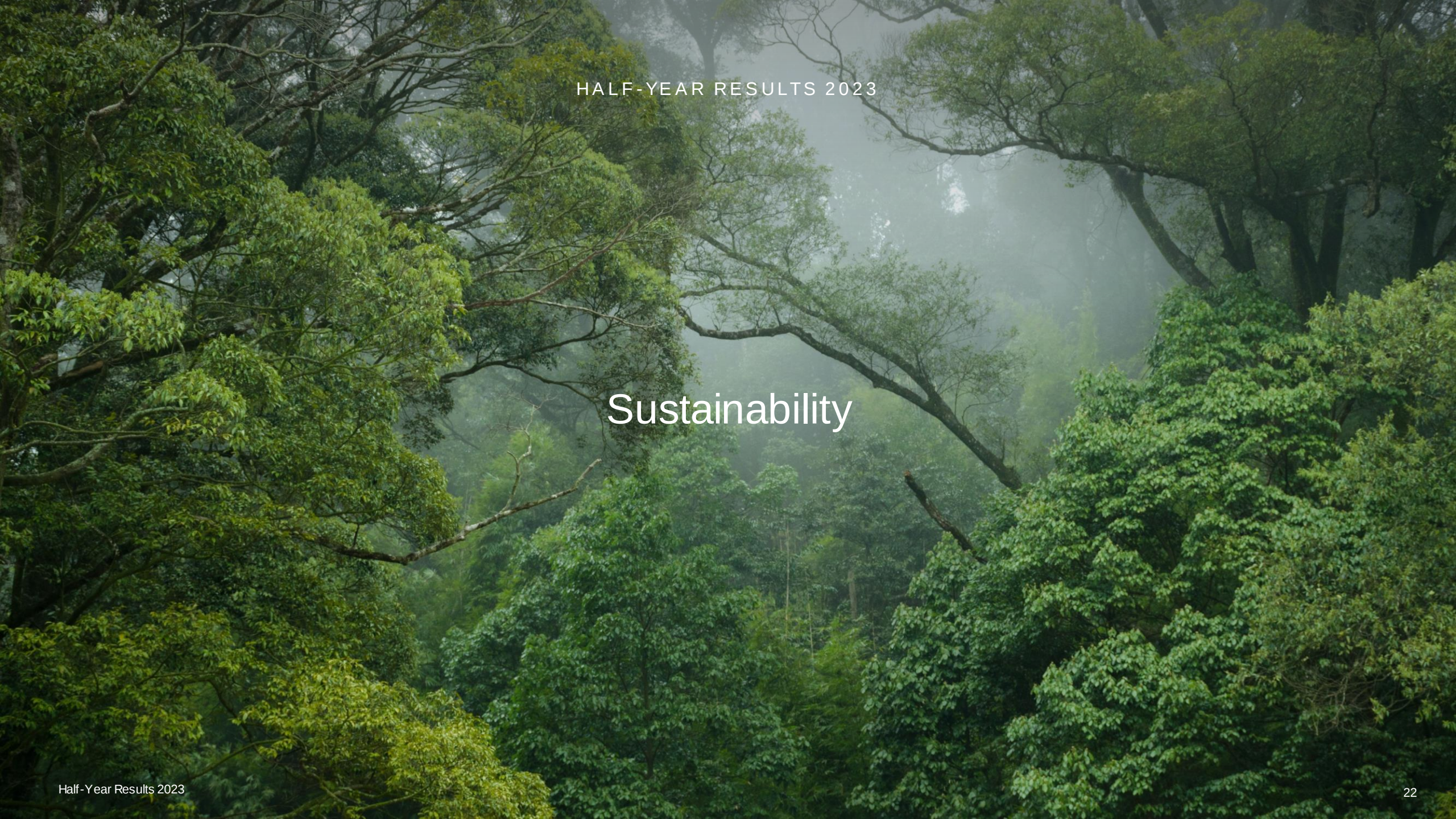
Cash flow summary

- Cash generation over the last twelve months has been significantly stronger than the previous period with a modest outflow of £20.6m, ahead of previously stated guidance
- This has been driven by:
 - Improved EBITDA delivery
 - Strong Working Capital disciplines and over £110m reduction in stock YoY
 - Substantially reduced adjusting items; and
 - Capex discipline
- Adjusted items reducing with cash adjusting items substantially lower
- The Group had £392.5m of cash on hand at the end of June (+47.8%)

£'m	LTM	H1 2023	H1 2022
Opening Cash	265.7	473.8	536.8
EBITDA	78.9	47.1	32.3
Working Capital	120.0	(60.8)	(156.9)
Capex	(163.0)	(72.1)	(86.4)
Capex Proceeds	52.0	52.0	-
Adjusted Items	(23.1)	(5.3)	(27.3)
Other ⁽¹⁾	(85.4)	(39.6)	(33.2)
Free cash flow⁽²⁾	(20.6)	(78.7)	(271.5)
Acquisitions	(8.5)	(2.5)	0.3
Bank borrowings	156.0	-	-
Closing Cash	392.5	392.5	265.7

Outlook and guidance

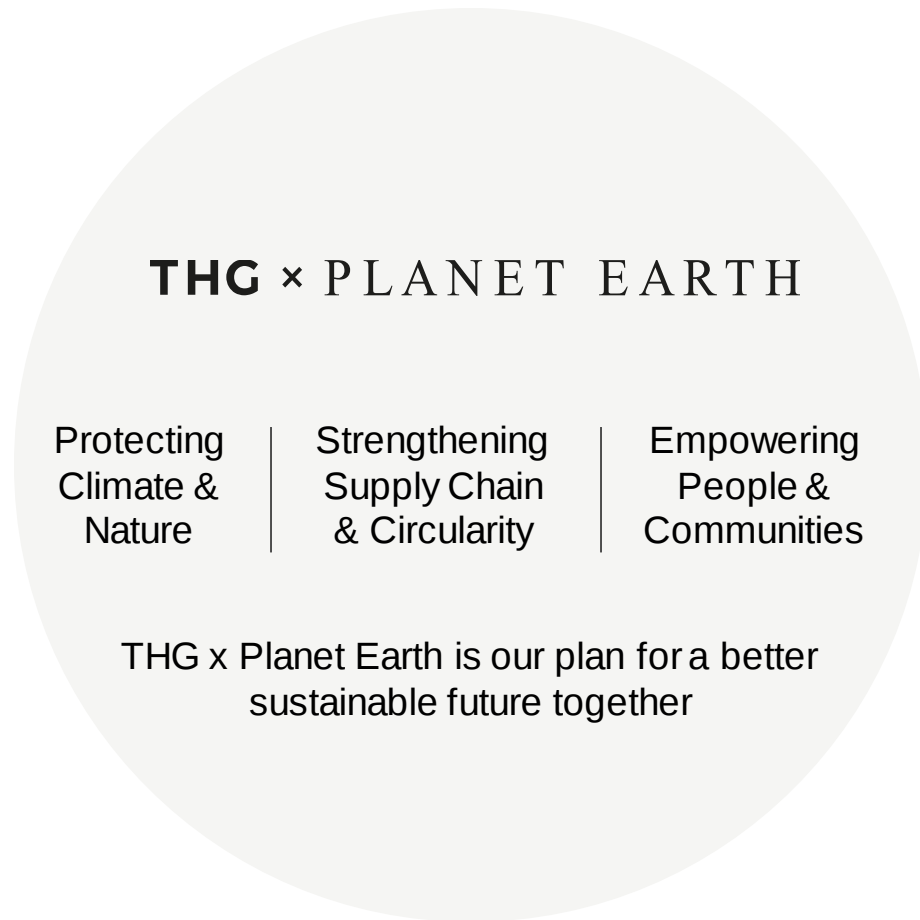
- Overall sales trends are gradually improving into the second half, with Q3 continuing revenue anticipated to be marginally ahead of Q2
- Decisive management actions to prioritise profitable sales is now expected to result in continuing revenue growth for the full year of 0% to -5%
- Improving profitability into the second half of 2023 and 2024 with a proportion of cost savings reinvested in demand generation and offsetting general inflationary pressures
- The Board reiterates its expectation of FY 2023 Group Adjusted EBITDA in line with the company consensus⁽¹⁾
- For FY 2024, operational leverage, incremental cost efficiencies and commodity price improvements will continue to support further margin recovery, underpinning the path to positive free cash flow
- Guidance for Capex, cash-adjusting items and financing costs remains unchanged



HALF-YEAR RESULTS 2023

Sustainability

Our 2030 Group Sustainability Strategy



THG

Our Sustainability Vision

To act as a force for good in leaving the world a better place than we found it.



Our Sustainability Solutions



Licence to operate



Value creation



Consumer and stakeholder expectation

Our Future





HALF-YEAR RESULTS 2023

Summary

Demonstrable progress 3 years post-IPO



H1 2023 Summary

- Clear focus on EBITDA margin rebuild and cashflow over sales growth
- Free cash generation on track, balance sheet well capitalised
- Successful execution of strategic review
- THG Nutrition margin rebuild captured, rebrand provides foundation to access next level of exciting growth
- Beauty margin rebuild has commenced (+60bps excluding manufacturing), confident of restoring to historical levels
- Decisive actions to address cost base of Beauty manufacturing, recovery underway
- THG Ingenuity re-positioning is drawing to a close, new contract wins delivered and strategic alliances entered into
- Further opportunity for efficiency improvements and operating leverage gains
- Continued prioritisation on gross margin and adjusted EBITDA margin growth
- **Confident in return towards 9%+ adjusted EBITDA margins**





HALF-YEAR RESULTS 2023

Appendix

Non-financial KPIs

	H1 2023	H1 2022	H1 2021	H1 2020	H1 2019
THG Ingenuity					
Number of websites ⁽¹⁾	208	212	133	28	-
THG Beauty⁽²⁾					
Active customers (millions) ⁽³⁾	4.7	5.4	4.8	3.5	2.0
Number of orders (millions) ⁽⁴⁾	7.6	8.4	7.6	5.6	3.4
Average order value (£) ⁽⁵⁾	62	61	56	51	49
THG Nutrition					
Active customers (millions)	4.2	4.4	4.5	3.7	2.6
Number of orders (millions)	6.6	6.9	7.3	5.9	4.2
Average order value (£)	50	48	44	46	46

Quarterly results reconciliation 2023

	FY-21	Q1-22 ^(1,2,3)	Q2-22 ^(1,2,3)	Q3-22 ^(1,2,3)	Q4-22 ^(1,2,3)	FY-22 ^(1,2,3)	Q1-23	Q2-23	H1-23
<i>Reported RNS</i>									
THG Beauty	1,117.8	264.7	288.1	259.7	373.2	1,185.6	253.9		
THG Nutrition	659.5	160.6	171.5	163.8	176.5	672.4	167.9		
THG Ingenuity	194.3	51.9	52.3	51.7	52.3	208.1	35.6		
THG OnDemand	128.1	25.5	25.6	24.5	30.8	106.4	12.0		
Other	80.1	17.6	19.1	18.9	24.5	80.1	-		
Total Group	2,179.9	520.2	556.6	518.6	657.3	2,252.6	469.4		

Restated									
THG Beauty	1,227.5	284.4	316.7	284.6	400.1	1,285.8	253.9	284.8	538.7
THG Nutrition	659.5	160.6	171.5	163.8	179.2	675.1	167.9	172.8	340.7
THG Ingenuity	748.8	184.3	191.6	170.6	210.5	757.0	157.9	162.1	320.0
Other (Discontinuing)	146.5	29.2	28.2	28.2	33.0	118.7	12.0	6.7	18.7
Inter-group elimination	(602.5)	(144.7)	(152.6)	(131.3)	(168.8)	(597.4)	(122.3)	(126.5)	(248.8)
Total Group	2,179.9	513.8	555.4	516.1	654.0	2,239.2	469.4	499.9	969.3

Quarterly results reconciliation growth 2023

	Q1-22 ⁽¹⁾	Q2-22	Q3-22	Q4-22	FY-22	Q1-23	Q2-23	H1-23
Reported RNS								
THG Beauty	+19.9%	+20.0%	+4.9%	(8.9%)	+6.1%	(10.7%)		
THG Nutrition	+9.8%	(5.8%)	+2.9%	+2.7%	+1.9%	+4.5%		
THG Ingenuity	+28.6%	+15.0%	+1.3%	(8.9%)	+7.1%	(10.1%)		
THG OnDemand	(3.7%)	+1.9%	(18.5%)	(33.7%)	(16.9%)	(58.8%)		
Other	+31.0%	+0.9%	(4.4%)	(12.5%)	(0.0%)	-		
Total Group	+16.3%	+8.8%	+2.1%	(7.9%)	+3.3%	(8.6%)		
Restated								
THG Beauty	+16.7%	+19.2%	+3.0%	(9.4%)	+4.8%	(10.7%)	(10.2%)	(10.4%)
THG Nutrition	+9.8%	(5.8%)	+3.0%	+4.2%	+2.4%	+4.5%	+0.2%	+2.6%
THG Ingenuity	+17.9%	+11.1%	(2.5)%	(14.1%)	+1.1%	(14.3%)	(15.4%)	(14.9%)
Other (Discontinued)	(10.1%)	(2.7%)	(17.6%)	(34.9%)	(19.0%)	(58.8%)	(76.3%)	(67.4%)
Inter-group elimination	+10.6%	+10.2%	(4.2%)	(14.0%)	(0.9%)	(15.5%)	(17.1%)	(16.3%)
Total Group	+14.9%	+8.6%	+1.6%	(8.3%)	+2.7%	(8.3%)	(10.3%)	(9.3%)

Segmental reporting

H1 2023 Segmental Summary

£'m	THG Beauty	THG Nutrition	THG Ingenuity	Central ⁽¹⁾	Inter group elimination	Continuing Total	Discontinued categories	H1 2023 Total
Revenue	538.7	340.7	71.2	-	-	950.5	18.7	969.3
Inter-segment revenue	-	-	248.8	-	(248.8)	-	-	-
Total revenue	538.7	340.7	320.0	-	(248.8)	950.5	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 2022 Segmental Summary

£'m	THG Beauty	THG Nutrition	THG Ingenuity	Central	Inter group elimination	Continuing Total	Discontinued categories	H1 2022 Total
Revenue	601.2	332.1	78.5	-	-	1,011.8	57.4	1,069.2
Inter-segment revenue	-	-	297.3	-	(297.3)	-	-	-
Total revenue	601.2	332.1	375.9	-	(297.3)	1,011.8	57.4	1,069.2
adj EBITDA	17.7	27.4	6.8	(11.2)	-	40.8	(8.5)	32.3
adj EBITDA %	2.9%	8.2%	1.8%	-	-	4.0%	-14.8%	3.0%

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

Sustainability Targets and Performance

Climate and Nature	Progress in 2023
Submit net zero baseline and targets for validation by SBTi by 2022	Final SBTi Review and approval to be completed by end of Q3 2023.
Transition to 100% renewable electricity for own operations	Currently at 63%
50% of suppliers and THG Ingenuity partners [†] to set carbon reduction targets	Developing and finalising THG's Scope 3 Strategy, including supplier targets.
100% sourced agricultural materials to be deforestation-free for own brands	Completed peer benchmarking and identified/ prioritised commodities in-scope. Strategy to be finalised
Supply Chain & Circularity	Progress in 2023
All own-brand goods suppliers to commit to THG's ethical sourcing standards by 2025	Currently 82% of suppliers signed THG's ethical sourcing standards.
100% of own-brand packaging to be recyclable or reusable by 2025	Significantly progressed towards 100% of own-brand packaging being recyclable or reusable by 2025
Zero waste to landfill from our own operations by 2030	Waste data being collected. Zero Waste Program launched in early Q3 2023
People and Communities	Progress in 2023
Achieve 50% female representation and at least 20% ethnic minority representation in Graduate and Apprenticeship schemes by 2025	45% female and 26% ethnic minority representation in Graduate and Apprenticeship schemes
Achieve 50% female representation and at least 15% ethnic minority representation on the Board and Senior leaders by 2030	22% female and 6% ethnic minority representation on the board and senior leadership team
Provide 10,000 people in the community with technology and life skills training by 2030	THG in community launched in September with charity initiative underway. Rollout of volunteering by Q2 2024
Introduce two days volunteering per year for every THG employee by 2025	

Glossary

Terms	Meaning
Adjusted EBITDA	means the non-GAAP measure which is defined as Earnings Before Interest, Taxes, Depreciation, Amortisation and adjusting items
AOV	means Average Order Value
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
Covid-19	means the disease caused by Severe Acute Respiratory Syndrome Coronavirus 2, which is responsible for the ongoing global pandemic that has impacted the Company's operations
CPC	means Cost Per Click
CPG	means Consumer Packaged Goods
D2C	means Direct to Consumer
Divisional reorganisation	the change in legal structure to separate the key trading divisions to simplify the corporate structure
FX	means Foreign Currency
GMV	means Gross Merchandise Value
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
Icon Technology campus	means the Manchester ICON Technology Campus
RCF	means Revolving Credit Facility
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
ROI	means return of investment
SaaS	means software as a service product offering
SBTi	means the Science Based Targets initiative, the global body enabling businesses to set emissions reduction targets in line with climate science
SKU	means stock keeping unit

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THG PLC

14th September 2023

Half-Year Results

H1-2023

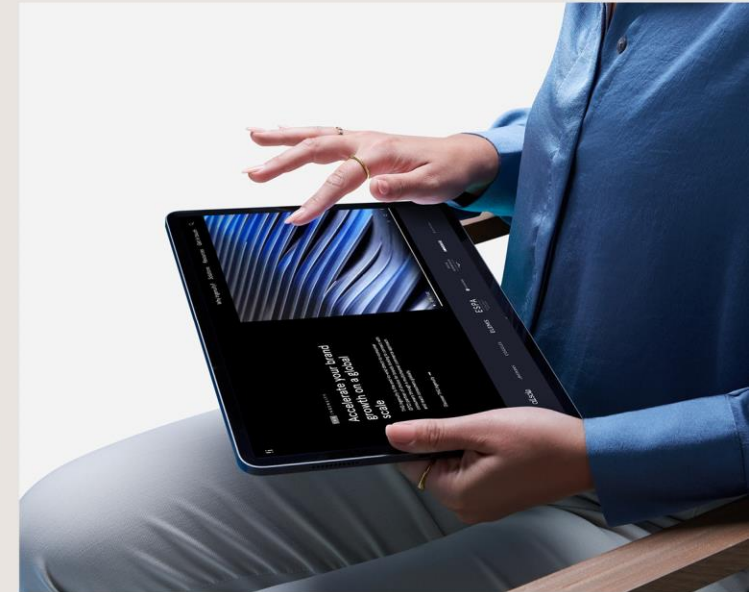
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THG NUTRITION



THG BEAUTY



THG INGENUITY