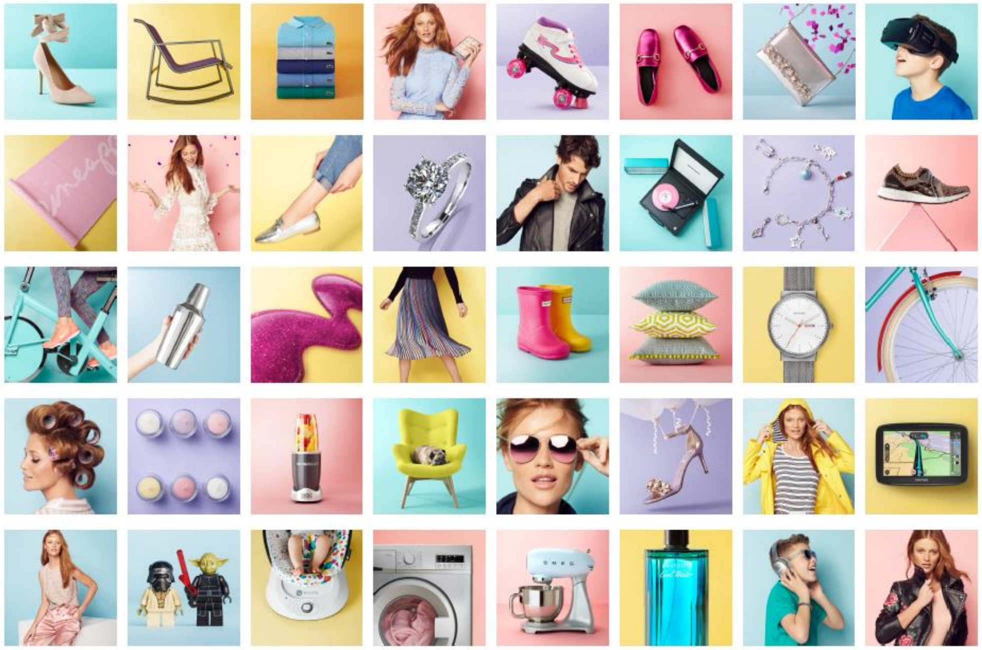


Shop Direct Limited

Q3 FY19 YTD Results

Nine months ended 31 March 2019

9 May 2019

SHOP DIRECT

Disclaimer

This presentation (the "**Presentation**") has been prepared by Shop Direct Limited ("**Shop Direct**" and, together with its subsidiaries, "**we**," "**us**" or the "**Group**") solely for informational purposes and has not been independently verified, and no representation or warranty, express or implied, is made or given by or on behalf of the Group. Shop Direct reserves the right to amend or replace this Presentation at any time. This Presentation is valid only as of its date, and Shop Direct undertakes no obligation to update the information in this Presentation to reflect subsequent events or conditions. This Presentation may not be redistributed or reproduced in whole or in part without the consent of Shop Direct. Any copyrights that may derive from this Presentation shall remain the sole property of Shop Direct. By attending or receiving this Presentation, you are agreeing to be bound by these restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

We may from time to time access the capital markets to take advantage of favorable interest rate environments or other market conditions. This Presentation does not constitute or form part of, and should not be construed as, an offer or invitation or inducement to subscribe for, underwrite or otherwise acquire, any securities of Shop Direct, nor should it or any part of it form the basis of, or be relied on in connection with, any investment decision with respect to securities of Shop Direct or any other company, in each case including in the United States. Any such offer will only be made by means of a prospectus or offering memorandum, and in compliance with applicable securities laws.

Certain statements in this Presentation are forward-looking statements. When used in this Presentation, the words "expects," "believes," "anticipate," "plans," "may," "will," "should", "scheduled", "targeted", "estimated" and similar expressions, and the negatives thereof, whether used in connection with financial performance forecasts, expectation for development funding or otherwise, are intended to identify forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. Actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, but not limited to, future global economic conditions, changed market conditions affecting the online retail industry, intense competition in the markets in which the Group operates, costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting the Group's markets, and other factors beyond the control of the Group). Neither Shop Direct nor any of its respective directors, officers, employees, advisors, or any other person is under any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak of the date of this Presentation. Statements contained in this Presentation regarding past trends or events should not be taken as a representation that such trends or events will continue in the future. In particular, no statements in this Presentation should be construed as concrete guidance as to the results of operations, cash-flows, balance sheet data or any non-financial metrics as of or for the financial year ending June 30, 2019 or any subsequent financial period.

This Presentation includes certain financial data that are "non-IFRS financial measures". These non-IFRS financial measures do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with IFRS. Although we believe these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of the Group, you are cautioned not to place undue reliance on any non-IFRS financial measures included in this Presentation.

Certain information contained in this Presentation (including market data and statistical information) has been obtained from various sources. We do not represent that it is complete or accurate. All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of the matters described herein. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and to the extent that they are based on historical information, they should not be relied upon as an accurate prediction of future performance. Such data and forward looking statements data has not been independently verified and we cannot guarantee their accuracy or completeness.

The information contained in this Presentation does not constitute investment, legal, accounting, regulatory, taxations or other advice and the information does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation, or particular needs. You are solely responsible for forming your own opinions and conclusion on such matters and the market and for making your own independent assessment of the information herein. You are solely responsible for seeking independent professional advice in relation to the information in this Presentation and any action taken on the basis of such information. Investors and prospective investors in the securities of any issuer mentioned herein are required to make their own independent investigation and appraisal of the business and financial condition of such issuer and the nature of the securities.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

SHOP DIRECT

Continued profitable growth in a challenging market

Quarter 3 FY19 YTD[1] Highlights versus prior year

- Group revenue grew 3.2% to £1,558.8m (Q3 FY18 YTD: £1,510.4m)
  - Very revenue up 8.4% to £1,154.9m (Q3 FY18 YTD: £1,065.4m)
  - Littlewoods revenue down 9.2% to £403.9m (Q3 FY18 YTD: £445.0m)
- Interest income as a percentage of the debtor book increased 0.9%pts to 17.9% (Q3 FY18 YTD: 17.0%)
- Retail gross margin performance was strong with full price performance offset by continued switch to Very from Littlewoods
- Group gross margin, excluding the impact of IFRS 9[2], down 0.8%pts to 38.0% (Q3 FY18 YTD: 38.8%), with the adverse variance reflecting the timing of bad debt provision movements in the prior year
- As a result, bad debt as a percentage of the debtor book, excluding the impact of IFRS 9[2], increased by 0.8%pts to 6.4%. Default rates broadly in line year-on-year
- Reported EBITDA, excluding the impact of IFRS 9[2], increased by 7.8% to £180.9m (Q3 FY18 YTD £167.8m), with the margin up 0.5%pts to 11.6% reflecting good trading and continued strong cost performance
- Underlying free cash flow[3] of £57.3m (Q3 FY18 YTD: £58.8m)
- An adverse bad debt provision movement of £4.5m due to differences between IAS 9 and IFRS 9[2] has been excluded for comparison purposes. This is expected to largely reverse as the debtor book continues to fall in Quarter 4 and reflects the change in timing of recognising provisions under IFRS 9, from an incurred basis to an expected basis
- Further customer redress provision of £50.0m recognised in Q3 FY19 resulting in provision of £79.7m at 31 March 2019
- Agreement reached between the Trustees of the Littlewoods Pension Scheme and the Company to suspend contributions totalling £20m from May 2019 until August 2020
- Agreement to transfer returns activity to Clipper Logistics who will operate returns on behalf of Shop Direct at the Raven Mill site until this activity migrates to the new East Midlands fulfilment centre in 2021

Notes

1. Q3 FY19 YTD is the 9 months ended 31 March 2019. Q3 FY18 YTD is the 9 months ended 31 March 2018
2. Q3 FY19 YTD reported under IFRS 9. Q3 FY18 YTD reported under IAS 39
3. Underlying free cash flow defined on page 11

Continued revenue growth and cost discipline

Income statement

(£ millions)	Q3 FY19 YTD	Q3 FY18 YTD	Variance %
Excluding impact of IFRS 9[2]			
Very	1,154.9	1,065.4	8.4 %
Littlewoods	403.9	445.0	(9.2)%
Group Revenue	**1,558.8**	**1,510.4**	**3.2 %**
Gross margin	591.7	585.8	1.0 %
% Margin	*38.0%*	*38.8%*	*(0.8)%pts*
Distribution expenses	(172.9)	(162.1)	
Administrative expenses	(240.0)	(257.1)	
Other operating income	2.1	1.2	
EBITDA	**180.9**	**167.8**	**7.8 %**
% Margin	*11.6%*	*11.1%*	*0.5 %pts*
Reported basis			
Gross margin	**587.2**	**585.8**	**0.2 %**
% Margin	*37.7%*	*38.8%*	*(1.1)%pts*
Reported EBITDA	**176.4**	**167.8**	**5.1 %**
% Margin	*11.3%*	*11.1%*	*0.2 %pts*

Highlights

- **Group revenue** grew 3.2% to £1,558.8m driven by Very (+8.4%) partially offset by Littlewoods managed decline (-9.2%)
- Excluding the impact of IFRS 9, **gross margin** down 0.8%pts to 38.0%. Strong underlying retail margin performance offset by the continued switch to Very from Littlewoods, with the reduction reflecting the timing of bad debt provision movements in the prior year
- **Costs as a percentage of group revenue** reduced principally due to lower marketing spend
- **EBITDA** excluding the impact of IFRS 9 increased by 7.8% to £180.9m, with margin up 0.5%pts to 11.6%. **Reported EBITDA** increased by 5.1% to £176.4m

Notes

1. Q3 FY19 YTD is the 9 months ended 31 March 2019. Q3 FY18 YTD is the 9 months ended 31 March 2018
2. Q3 FY19 YTD reported under IFRS 9. Q3 FY18 YTD reported under IAS 39. An adverse bad debt provision movement of £4.5m due to differences between IAS 9 and IFRS 9 has been excluded for comparison purposes. This is expected to largely reverse as the debtor book continues to fall in Quarter 4

SHOP DIRECT

Retail revenue progression

Retail revenue

	Clothing & Footwear	Electrical	Seasonal	Furniture & Homeware
				
YoY %	+2.9%	+3.2%	+4.6%	(2.5)%
Q3 FY19 YTD Mix %	*33%*	*40%*	*15%*	*12%*
Q3 FY18 YTD Mix %	*33%*	*40%*	*15%*	*12%*

Highlights

- **Clothing & Footwear** growth increased in Q3 against the prior quarter. Sportswear continued to be the standout category and has grown by 11.5% in the year-to-date. Full price sales participation represented 65% of total C&F sales (Q3 FY18 YTD 61%)
- **Electrical** performance driven by mobiles and smart tech, with both categories posting double digit year-on-year growth. Solid performance further supported by the growth in small domestic appliances and audio visual categories
- **Seasonal** growth underpinned by a strategic focus on Toys, with the category posting a 14.2% increase in revenue in the year-to-date
- **Furniture & Homeware** performance has strengthened and was in growth of 2.3% in Quarter 3. This reflects a significant improvement against the (9.5)% reported in FY18, through changes in marketing approach

Notes
1. Q3 FY19 YTD is the 9 months ended 31 March 2019. Q3 FY18 YTD is the 9 months ended 31 March 2018

Growth in FS Revenue driven by Very

Financial Services revenue

£m	Q3 FY19 YTD	Q3 FY18 YTD	Variance %
Interest Income	299.1	282.3	6.0%
Other	32.1	39.5	(18.7)%
FS revenue	**331.2**	**321.8**	**2.9%**

Interest Income as % of Debtor Book

Highlights

- **Interest income** up 6.0% to £299.1m driven by Very. Very, with its higher interest bearing element, comprises 83% of total interest income at Q3 FY19 YTD, compared to 72% of debtor book (80% of total interest and 67% of debtor book in prior year)
- As a percentage of the debtor book, interest income increased by 0.9%pts to 17.9%, driven by shift in brand mix towards Very (now 74% of group revenue compared to 71% in prior year)
- **Other** financial services revenue reduction reflects lower insurance and warranty volumes year-on-year
- **Average debtor book** grew 1.3% to £1,674.2m driven by revenue growth across Very and Littlewoods Ireland

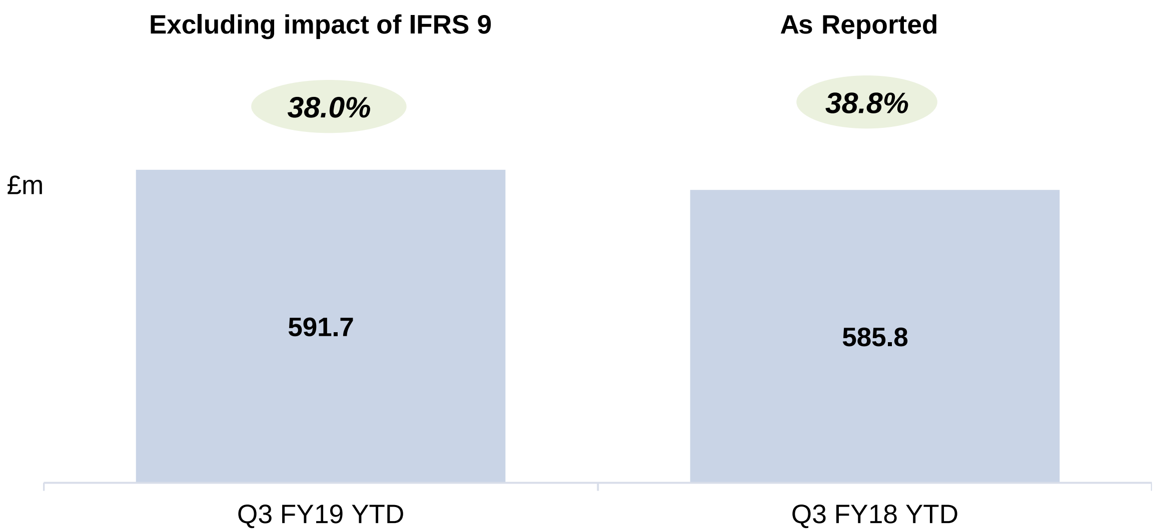
Notes

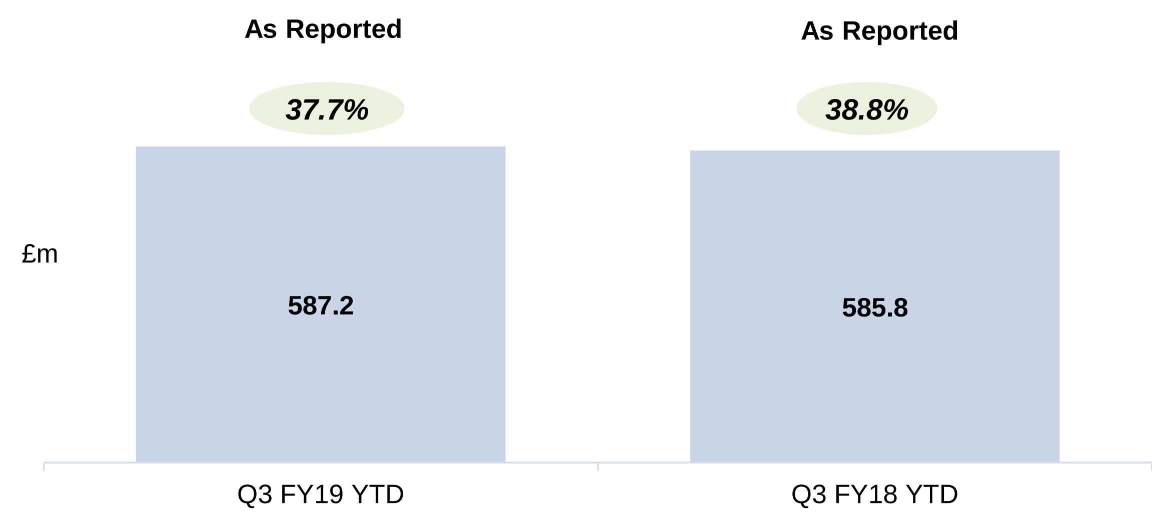
1. Q3 FY19 YTD is the 9 months ended 31 March 2019. Q3 FY18 YTD is the 9 months ended 31 March 2018

SHOP DIRECT

Strong retail gross margin performance year-to-date

Gross Margin and Gross Margin Rate





Highlights

- Excluding the impact of IFRS 9, **gross margin rate** decreased by 0.8%pts to 38.0%:
  - Retail margins saw an improvement in underlying rate as a result of a strong full price performance across all product divisions. This was offset by the switch to Very from Littlewoods;
  - After adjusting for IFRS 9, margin reduced due to the timing of bad debt provision movements in prior year
- On a reported basis, Q3 FY19 YTD **gross margin rate** decreased 1.1%pts to 37.7% (Q3 FY18 YTD: 38.8%)

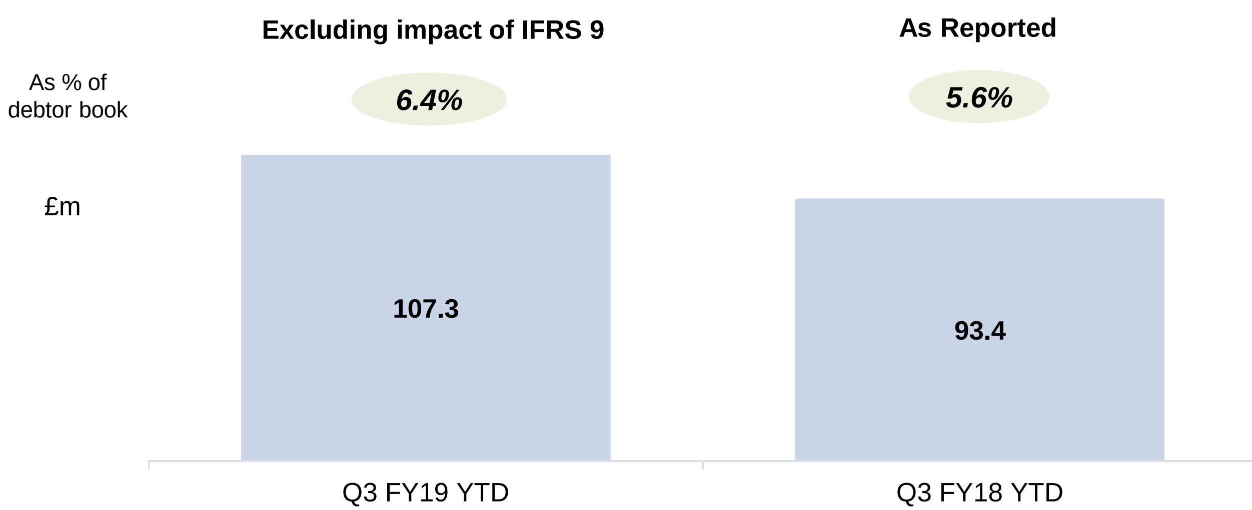
Notes

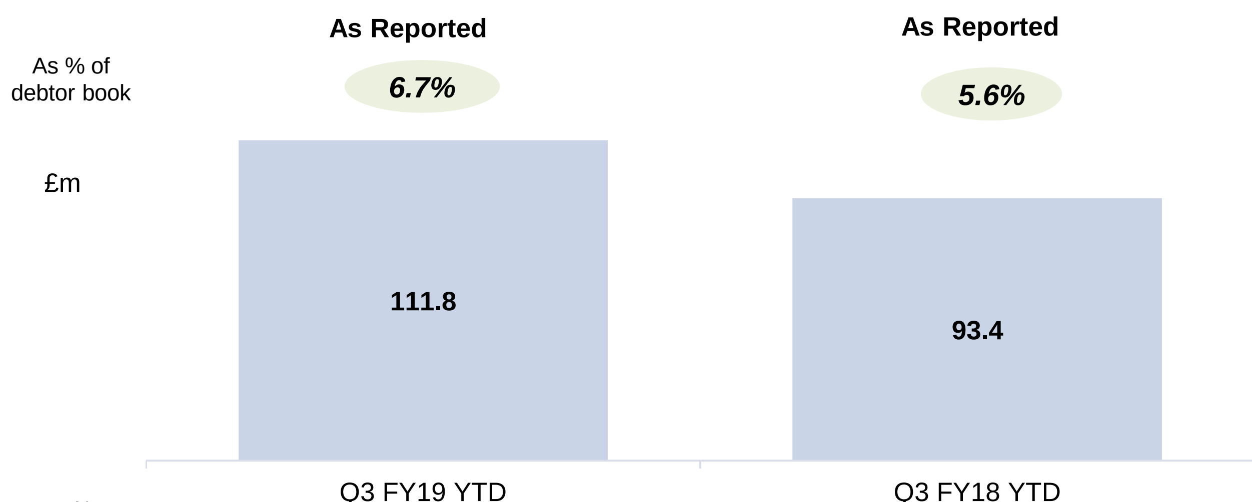
1. Q3 FY19 YTD is the 9 months ended 31 March 2019. Q3 FY18 YTD is the 9 months ended 31 March 2018
2. Q3 FY19 YTD reported under IFRS 9. Q3 FY18 YTD reported under IAS 39

SHOP DIRECT

Quality of debtor book maintained with year-on-year bad debt reflecting timing of provision movements

Bad Debt and as % of Debtor Book





Notes

1. Q3 FY19 YTD is the 9 months ended 31 March 2019. Q3 FY18 YTD is the 9 months ended 31 March 2018
2. Q3 FY19 YTD reported under IFRS 9. Q3 FY18 YTD reported under IAS 39

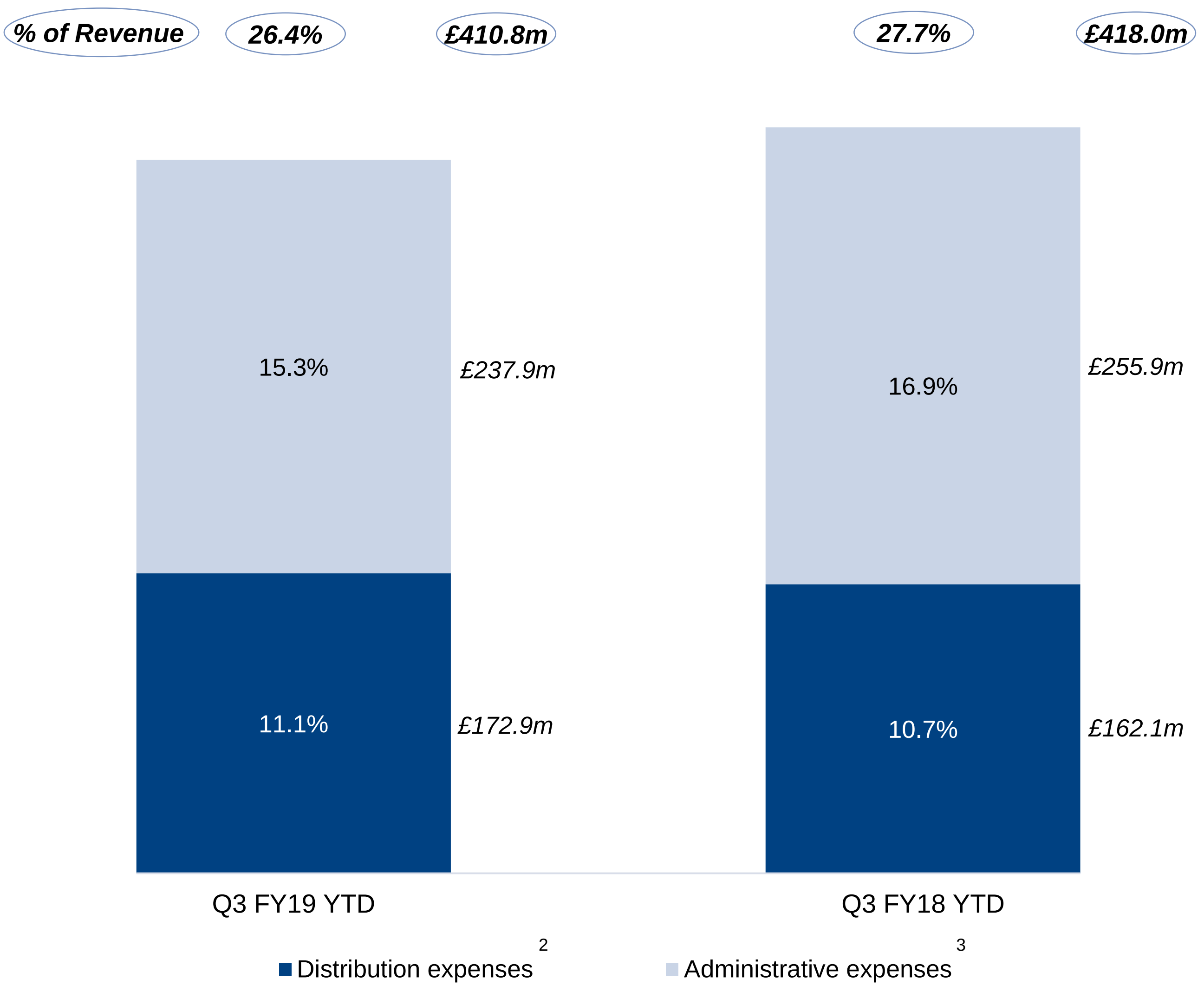
Highlights

- On 1 July 2018 IFRS 9 Financial Instruments was adopted. As an expected loss model this changes the profile of the bad debt expense line during the course of the year. Excluding the £4.5m adverse provision movement which resulted in the year-to-date relative to accounting under IAS 39, **bad debt as a percentage of the debtor book** of 6.4% (Q3 FY18 YTD reported: 5.6%; 6.3% excluding provision movement)
- The adverse year-on-year variance was driven by the timing of bad debt provision movements in prior year
- The underlying quality of the debtor book remains in line with prior year with a strong focus on responsible lending and assessment of customer sustainability at both acquisition and during the lifetime of lending, as well as increasing proportion of lower risk Very customers
- On a reported basis, Q3 FY19 YTD **bad debt as a percentage of the debtor book** adverse to prior year at 6.7% (Q3 FY18 YTD: 5.6%)

SHOP DIRECT

Cost control continues

Operating costs



Highlights

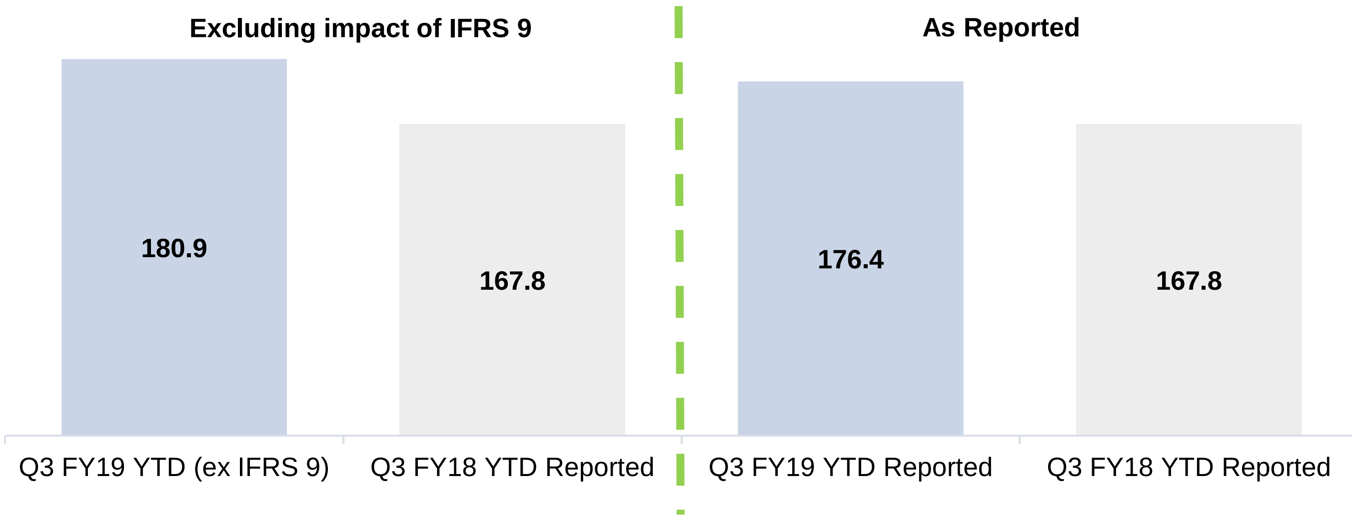
- Total costs as a percentage of revenue reduced by 1.3%pts to 26.4% reflecting a strong culture of cost control in the business and is significantly lower than 2 years ago (Q3 FY17 YTD: 29.5%)
  - **Administrative costs** as a % of revenue decreased by 1.6%pts to 15.3% driven by lower marketing spend including through shorter TV advertising and reducing spend which does not drive demand, as we find more efficient ways to communicate with our customers
  - **Distribution costs** as a % of revenue increased by 0.4%pts to 11.1% including the impact of higher fuel costs, inflation and product mix

Notes

1. Q3 FY19 YTD is the 9 months ended 31 March 2019. Q3 FY18 YTD is the 9 months ended 31 March 2018
2. Distribution expenses comprise distribution and fulfilment costs
3. Administrative expenses comprise marketing, contact centres, head office costs and other operating income, excluding depreciation and amortisation

Strong growth in EBITDA excluding IFRS 9 impact

Year-on-year Reported EBITDA reconciliation



Highlights

- Excluding the impact of IFRS 9, EBITDA grew by 7.8% to £180.9m
- Reported EBITDA of £176.4m

	exc. IFRS 9[3]		Reported		
(£ millions)	Q3 FY19 YTD	Variance %	Q3 FY19 YTD	Q3 FY18 YTD	Variance %
Reported EBITDA	**180.9**	**7.8 %**	**176.4**	**167.8**	**5.1 %**
Adjusted for:					
Fair value adjustments to financial instruments	0.0		0.0	7.8	
Foreign exchange translation movements on trade creditors	2.0		2.0	(1.0)	
IAS19 and IFRIC 14 pension adjustments	1.0		1.0	(0.1)	
Management EBITDA[2]	**184.0**	**5.4 %**	**179.5**	**174.5**	**2.9 %**
Adjusted for:					
Management fee	3.8		3.8	3.8	
Consultancy costs	-		-	1.8	
Securitisation interest	(32.5)		(32.5)	(26.6)	
Adjusted EBITDA post securitisation interest	**155.3**	**1.2 %**	**150.8**	**153.5**	**(1.8)%**

Notes
1. Q3 FY19 YTD is the 9 months ended 31 March 2019. Q3 FY18 YTD is the 9 months ended 31 March 2018.
2. Management EBITDA is also defined as "Underlying EBITDA" within Condensed Consolidated Interim Financial Statements.
3. Q3 FY19 YTD reported under IFRS 9. Q3 FY18 YTD reported under IAS 39. An adverse bad debt provision movement of £4.5m due to differences between IAS 9 and IFRS 9 has been excluded for comparison purposes. This is expected to largely reverse as the debtor book falls in Quarter 4.

SHOP DIRECT

Underlying free cash flow remains strong

Cash Flows

(£ millions)	Q3 FY19 YTD	Q3 FY18 YTD
Adjusted EBITDA (post securitisation interest)	**150.8**	**153.5**
Net working capital movement:		
Movement in inventories	(12.1)	(9.9)
Movement in trade receivables[2]	(44.4)	(93.3)
Movement in prepayments and other receivables[2]	(89.5)	(62.1)
Movement in trade and other payables[3]	(24.8)	22.5
Movement in securitisation facility	129.6	133.1
Net working capital movement (post securitisation funding)	**(41.2)**	**(9.7)**
Pension contributions	2.9	(16.3)
Underlying operating free cash flow	**112.4**	**127.5**
Acquisition of property, plant, equipment and intangible assets	(55.2)	(68.7)
Underlying free cash flow	**57.3**	**58.8**

Highlights

- **Net working capital movement (post securitisation funding)** driven by:
  - Lower working capital outflow through trade receivables than prior year reflecting higher customer payment rates;
  - Prepayments / other receivables reflecting payments associated with the fit out of the new fulfilment centre and timing of other prepayments;
  - Trade and other payables reflecting timing of supplier payments;
  - Draw down of securitisation facility includes current year benefit from the new issue of 'B' and 'C' notes and the impact of the securitisation of the Ireland debtor book
- **Pension** plan buy-out completed resulting in £14.4m cash benefit
- **Acquisition of property, plant, equipment and intangible assets** decrease over prior year reflects timing of the business' investment in strategic projects

Notes

1. Q3 FY19 YTD is the 9 months ended 31 March 2019. Q3 FY18 YTD is the 9 months ended 31 March 2018
2. Shown in aggregate as (Increase)/decrease in trade and other receivables in the Condensed Consolidated Interim Financial Statements. Difference against aggregate position principally due to cash received from parent company of £1.0m in Q3 FY19 YTD (Q3 FY18 YTD payment to parent company £123.4m)
3. Difference against Condensed Consolidated Interim Financial Statements of £-0.8m in Q3 FY19 YTD and £1.0m in Q3 FY18 YTD driven by the exclusion of certain non-cash charges primarily relating to the foreign exchange impact on translation of trade creditors

SHOP DIRECT

Customer redress update

- Balance sheet provision of £100.4m at 30 June 2018
- In the 9 months to 31 March 2019, £111.7m had been paid out with an additional £41.0m provision recognised during Quarter 1 FY19
- Further provision of £50.0m recognised in Q3 FY19 resulting in a balance sheet provision of £79.7m at 31 March 2019

Corporate update

- Rebrand of Shop Direct to “The Very Group” will take place later in 2019, bringing the company name and identity in line with the flagship consumer brand Very.co.uk
- Following recent assessment of assets and liabilities of the Littlewoods Pension Scheme, considerable progress has been made to achieve full buy-out of the liabilities of the Littlewoods Pension Scheme. In this respect, the Trustees have agreed with the Company to suspend contributions totaling £20m from May 2019 until August 2020 whilst the buy-out readiness programme is progressed and when buy-out values can be more accurately assessed
- Andy Burton appointed Chief Technology Officer
- Agreement to transfer returns activity to Clipper Logistics who will operate returns on behalf of Shop Direct at the Raven Mill site until this activity migrates to the new East Midlands fulfilment centre in 2021

Continued profitable growth in a challenging market

Quarter 3 FY19 YTD[1] Highlights versus prior year

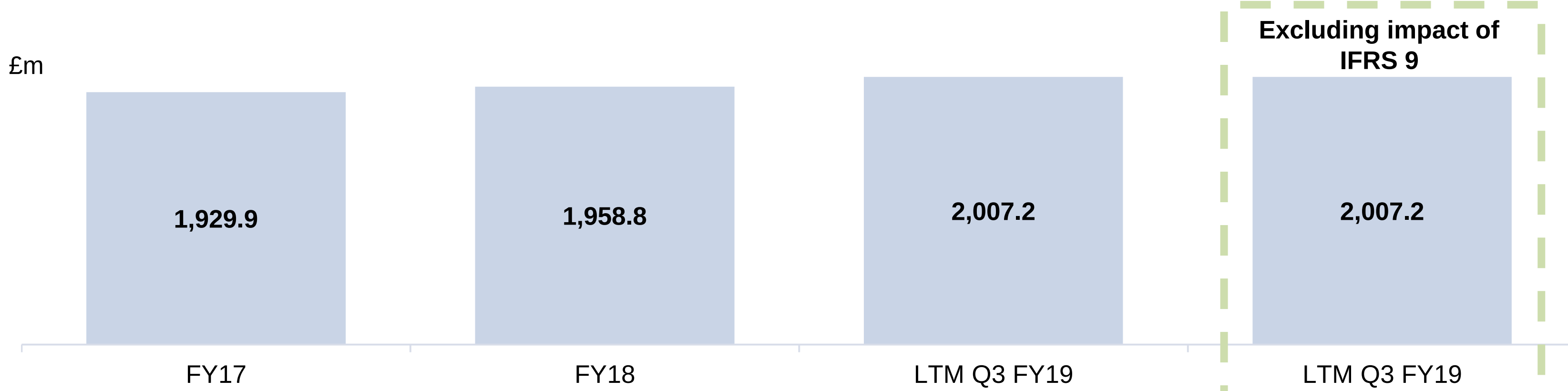
- Group revenue grew 3.2% to £1,558.8m (Q3 FY18 YTD: £1,510.4m)
  - Very revenue up 8.4% to £1,154.9m (Q3 FY18 YTD: £1,065.4m)
  - Littlewoods revenue down 9.2% to £403.9m (Q3 FY18 YTD: £445.0m)
- Interest income as a percentage of the debtor book increased 0.9%pts to 17.9% (Q3 FY18 YTD: 17.0%)
- Retail gross margin performance was strong with full price performance offset by continued switch to Very from Littlewoods
- Group gross margin, excluding the impact of IFRS 9[2], down 0.8%pts to 38.0% (Q3 FY18 YTD: 38.8%), with the adverse variance reflecting the timing of bad debt provision movements in the prior year
- As a result, bad debt as a percentage of the debtor book, excluding the impact of IFRS 9[2], increased by 0.8%pts to 6.4%. Default rates broadly in line year-on-year
- Reported EBITDA, excluding the impact of IFRS 9[2], increased by 7.8% to £180.9m (Q3 FY18 YTD £167.8m), with the margin up 0.5%pts to 11.6% reflecting good trading and continued strong cost performance
- Underlying free cash flow[3] of £57.3m (Q3 FY18 YTD: £58.8m)
- An adverse bad debt provision movement of £4.5m due to differences between IAS 9 and IFRS 9[2] has been excluded for comparison purposes. This is expected to largely reverse as the debtor book continues to fall in Quarter 4 and reflects the change in timing of recognising provisions under IFRS 9, from an incurred basis to an expected basis
- Further customer redress provision of £50.0m recognised in Q3 FY19 resulting in provision of £79.7m at 31 March 2019
- Agreement reached between the Trustees of the Littlewoods Pension Scheme and the Company to suspend contributions totalling £20m from May 2019 until August 2020
- Agreement to transfer returns activity to Clipper Logistics who will operate returns on behalf of Shop Direct at the Raven Mill site until this activity migrates to the new East Midlands fulfilment centre in 2021

Notes

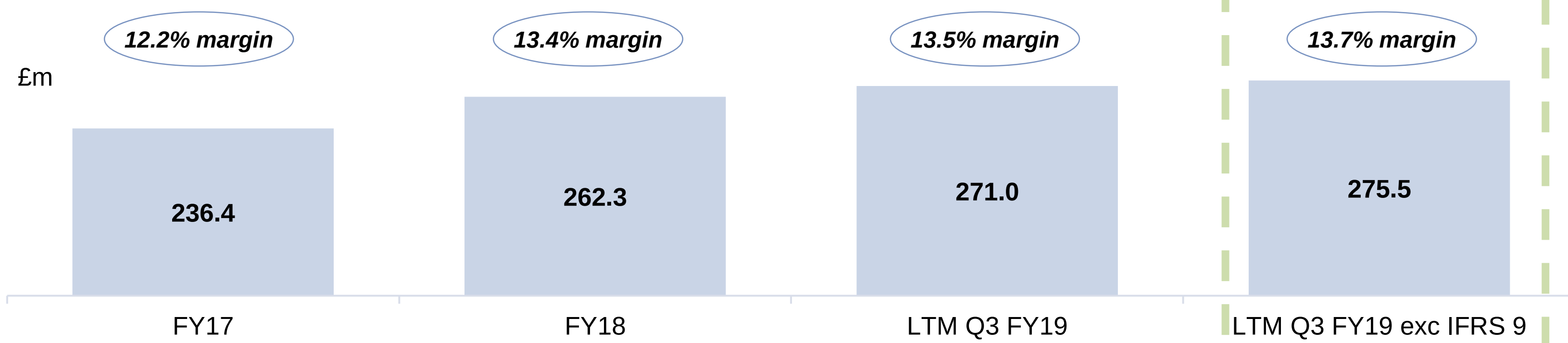
1. Q3 FY19 YTD is the 9 months ended 31 March 2019. Q3 FY18 YTD is the 9 months ended 31 March 2018
2. Q3 FY19 YTD reported under IFRS 9. Q3 FY18 YTD reported under IAS 39
3. Underlying free cash flow defined on page 11

Appendix A: LTM KPIs

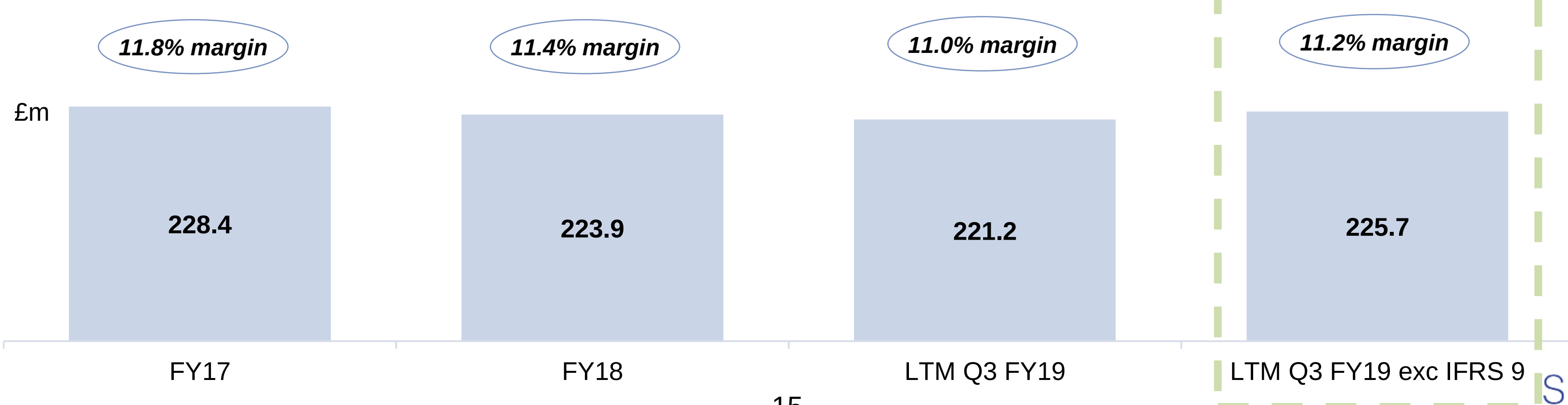
LTM Revenue



LTM Reported EBITDA



LTM Adjusted EBITDA post securitisation interest



SHOP DIRECT

Appendix B: Cash Flow Statement

Cash Flow Statement

(£ millions)	Q3 FY19 YTD	Q3 FY18 YTD
Adjusted EBITDA (post securitisation interest)	**150.8**	**153.5**
Net working capital movement:		
Movement in inventories	(12.1)	(9.9)
Movement in trade receivables[2]	(44.4)	(93.3)
Movement in prepayments and other receivables[2]	(89.5)	(62.1)
Movement in trade and other payables[3]	(24.8)	22.5
Movement in securitisation facility	129.6	133.1
Net working capital movement (post securitisation funding)	**(41.2)**	**(9.7)**
Pension contributions	2.9	(16.3)
Underlying operating free cash flow	**112.4**	**127.5**
Capital expenditure	(55.2)	(68.7)
Underlying free cash flow	**57.3**	**58.8**
Interest paid (excluding securitisation interest)	(29.5)	(38.4)
Income taxes (paid) / received	(0.3)	-
Cash impact of exceptional items	(9.9)	(9.4)
Management fees	(3.8)	(3.8)
Consultancy costs / non-recurring costs	-	(1.8)
Cash received from / (paid) to the parent company	1.0	(123.4)
(Repayments of) / draw downs from finance leases	(1.2)	0.3
(Repayments of) / draw downs from bank borrowings	-	(500.0)
Proceeds from issue of senior secured notes	-	550.0
Net increase in cash and cash equivalents pre customer redress	**13.6**	**(67.7)**
Customer redress payments	(111.7)	(79.3)
Net increase in cash and cash equivalents	**(98.1)**	**(147.0)**

Notes

1. Q3 FY19 YTD is the 9 months ended 31 March 2019. Q3 FY18 YTD is the 9 months ended 31 March 2018
2. Shown in aggregate as (Increase)/decrease in trade and other receivables in the Condensed Consolidated Interim Financial Statements. Difference against aggregate position principally due to cash received from parent company of £1.0m in Q3 FY19 YTD (Q3 FY18 YTD payment to parent company £123.4m)
3. Difference against Condensed Consolidated Interim Financial Statements of £-0.8m in Q3 FY19 YTD and £1.0m in Q3 FY18 YTD driven by the exclusion of certain non-cash charges primarily relating to the foreign exchange impact on translation of trade creditors

Appendix C: Net Leverage

Net Leverage

Excluding impact of IFRS 9

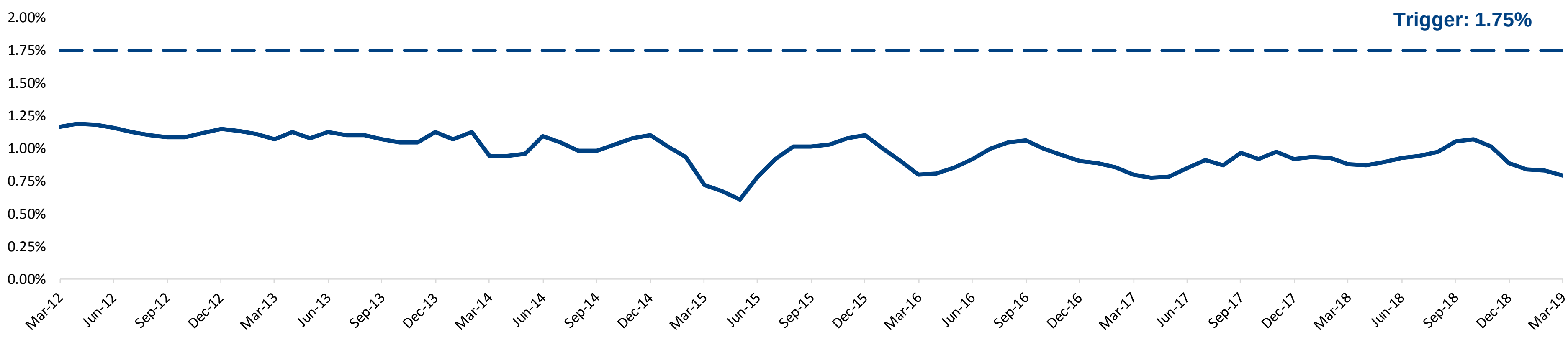
(£ millions)	Q3 FY19 exc IFRS 9	Q3 FY19	Q2 FY19 exc IFRS 9	Q2 FY19	Q1 FY19	Q4 FY18	Q3 FY18
Cash & Cash Equivalents	**56.9**	**56.9**	**97.9**	**97.9**	**79.3**	**140.5**	**12.3**
Fixed Rate Notes	(550.0)	(550.0)	(550.0)	(550.0)	(550.0)	(550.0)	(550.0)
Term Facilities	-	-	-	-	-	-	-
Revolving Credit Facility	(110.0)	(110.0)	-	-	(120.0)	(95.0)	(100.0)
Other debt	(10.7)	(10.7)	(6.1)	(6.1)	(12.0)	(12.4)	(13.5)
Total Gross Debt (excluding Securitisation)	**(670.7)**	**(670.7)**	**(556.1)**	**(556.1)**	**(682.0)**	**(657.4)**	**(663.5)**
Total Net Debt (excluding Securitisation)	**(613.8)**	**(613.8)**	**(458.2)**	**(458.2)**	**(602.7)**	**(516.9)**	**(651.2)**
Total Net Debt (excluding Securitisation)	**(613.8)**	**(613.8)**	**(458.2)**	**(458.2)**	**(602.7)**	**(516.9)**	**(651.2)**
LTM Adjusted EBITDA (post securitisation interest)	**225.7**	**221.2**	**224.9**	**213.5**	**227.5**	**223.9**	**217.8**
Q3 FY19 to Q3 FY18 Actual	**2.7x**	**2.8x**	**2.0x**	**2.1x**	**2.6x**	**2.3x**	**3.0x**

SHOP DIRECT

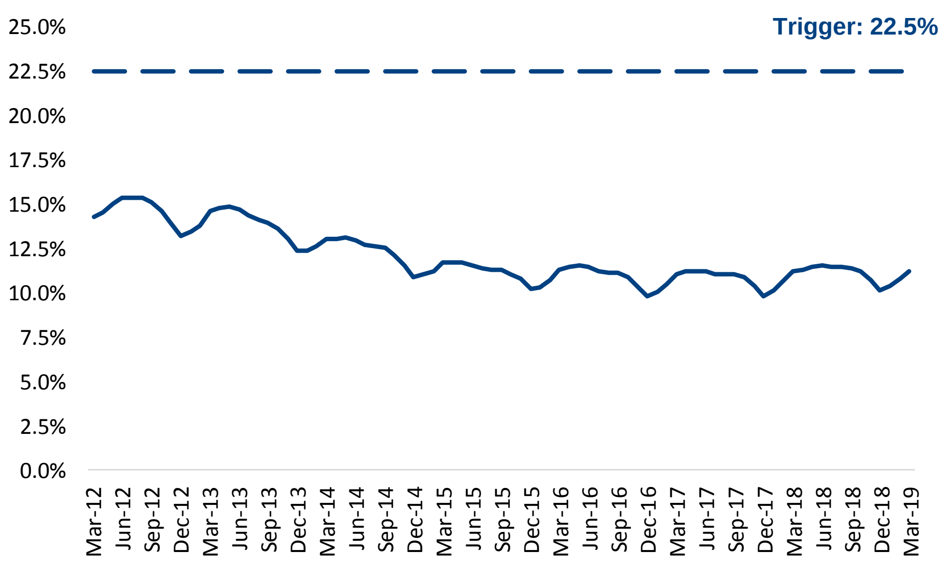
Appendix D: Securitisation Performance Covenants

Key triggers and historical performance – stable performance over economic cycles

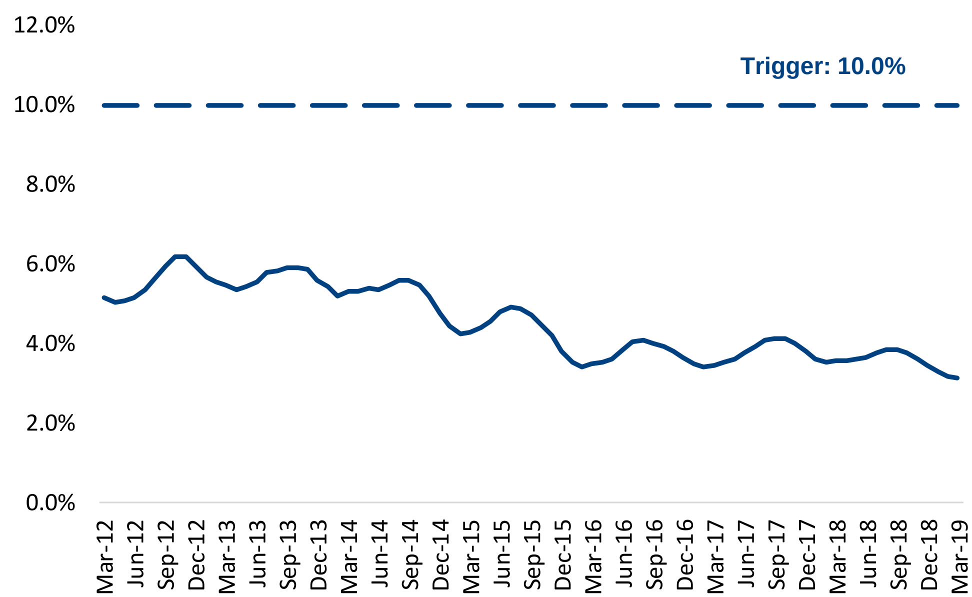
Defaults (3-month moving average)



1-5 months delinquency rates



5+ months delinquency rates

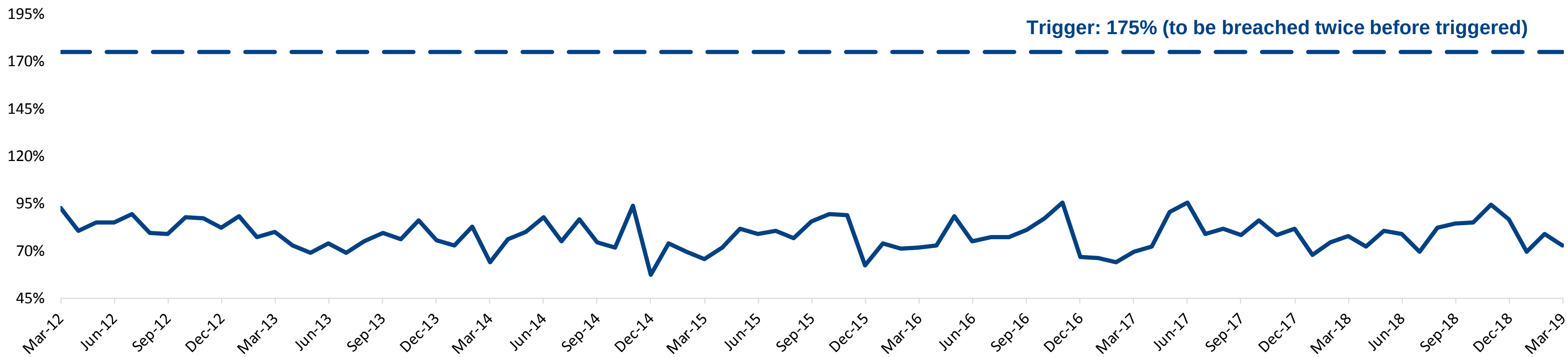


SHOP DIRECT

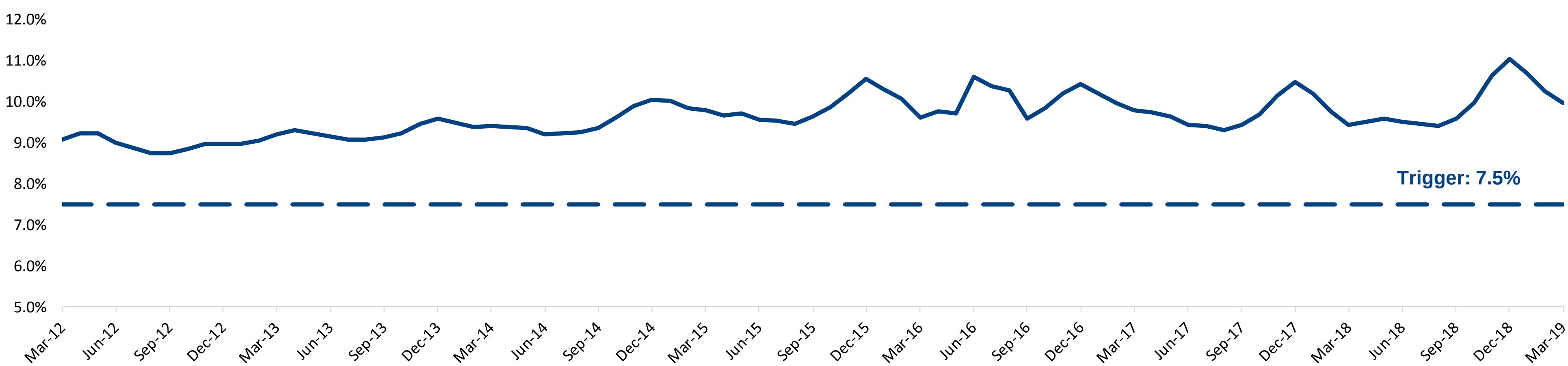
Appendix D: Securitisation Performance Covenants

Key triggers and historical performance – stable performance over economic cycles

Dilutions Ratio



Payment Rate (3-month moving average)



Appendix E: Balance Sheet

Balance Sheet

	Q3 FY19	Q3 FY18
Non-current assets	**629.1**	**566.7**
Current assets	**2,364.7**	**2,491.5**
of which:		
Inventories	114.0	124.2
Trade receivables [1]	1,420.2	1,556.5
Amounts owed by Group undertakings [1]	512.9	584.6
Cash and bank balances	56.9	12.3
Current liabilities	**(814.7)**	**(834.3)**
of which:		
Trade and other payables	(544.8)	(546.0)
Non-current liabilities	**(2,121.8)**	**(2,040.5)**
of which:		
Securitisation borrowings	(1,447.0)	(1,361.9)
Retirement benefit obligations	(61.7)	(74.4)
Total equity	**(57.3)**	**(183.4)**

Highlights

- **Non-current assets** increase driven by capital investment in strategic initiatives
- **Inventories** have decreased due to a targeted reduction in inventory cover days
- **Trade receivables** driven by increase in provision on adoption of IFRS 9 of £141m at July 2018
- **Amounts owed by Group undertakings** have decreased by £72m driven by the £100m of cash received from parent company in June 2018
- **Securitisation borrowings:** The ‘A’ Notes commitment of £1,325m and the ‘B’ and ‘C’ Notes commitment of £210m expire December 2021, giving a total maximum value of £1,535m. The securitisation borrowings also include £24m in relation to the extension of the securitisation programme to include the receivables of Shop Direct Ireland Ltd
- **Retirement benefit obligations** lower than prior year with both defined benefit schemes in technical provisions surplus. The liability reflects voluntary contributions agreed to encourage trustees to move towards buy-out

Notes

1. Included within Trade and other receivables in Balance Sheet
2. Q3 FY19 reported under IFRS 9. Q3 FY18 reported under IAS 39

SHOP
DIRECT