THE VERY GROUP

Q3 FY23 YTD RESULTS

HELPING FAMILIES GET MORE OUT OF LIFE

Results for the 39 weeks ended 1 April 2023
25 May 2023

DISCLAIMER

This presentation (the “Presentation”) has been prepared by The Very Group Limited (“The Very Group” 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. The Very Group reserves the right to amend or replace this Presentation at any time. This Presentation is valid only as of its date, and The Very Group 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 The Very Group. Any copyrights that may derive from this Presentation shall remain the sole property of The Very Group. 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 The Very Group, 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 The Very Group 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. In addition, we or certain of our affiliates, may from time to time seek to retire or purchase our outstanding debt through cash purchases, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or purchases, if any, will depend on prevailing market conditions, contractual restrictions and other factors. The amounts involved may be material.

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 The Very Group 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 1 July 2023 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.

AGENDA

1\.
Performance overview

2\.
Financial review

3\.
Forward view

4\.
Q&A

Presenter

Ben Fletcher
Chief Finance and Transformation Officer

THE VERY GROUP

Q3 FY23 YTD RESULTS

PERFORMANCE OVERVIEW

OVERVIEW

Continued robust performance in the face of economic headwinds, as our decision to invest in the future is benefitting our business and our customers

1. Overall group revenue increased 0.1% compared with Q3 FY22 YTD, while Very revenue grew by 2.2% to £1,426.7m (Q3 FY22 YTD: £1,395.4m). This was supported by growth in Electricals and Toys, Gifts & Beauty and was ahead of the online non-food market[1]
2. Very Finance revenue continued to grow, increasing by 6.8% in Q3 FY23 YTD to £319.6m (Q3 FY22 YTD: £299.4m) as we attracted new customers and payment behaviour continued to normalise post-pandemic. Debtor book quality remains good, with bad debt as a percentage of the debtor book seeing a marginal improvement year on year
3. We have continued to focus on managing costs and have kept operating costs flat as a percentage of revenue, despite the inflationary environment
4. Our resilient revenue performance and effective cost control helped us deliver a strong £211.4m adjusted EBITDA[2] after strategic investment in pricing. Adjusted EBITDA margin has improved by 0.7%pts compared with pre-pandemic in FY20
5. Our investments in pricing, product availability and the digital customer experience have led to increased market share[1], growing customer numbers and continued achievement of our best-ever Net-Promoter-Score[3]
6. Our focus remains as ever on earnings, earnings quality and liquidity. We are confident that our resilient business model will allow us to continue navigating the current headwinds facing our sector

1 – Based on British Retail Consortium data for the total online non-food market

2 – To align with reporting best practice, with effect from Q1 FY23 Underlying EBITDA as a term we will be replaced by Adjusted EBITDA

3 – Net promoter score is a measure of customer satisfaction of a business

Q3 FY23 YTD RESULTS

FINANCIAL REVIEW

ECONOMIC VALUE MODEL

We have a consistent focus on the drivers of earnings, earnings quality and liquidity

Revenue

+2.2%

Growth in Very Revenue

Debtor book

+6.8%

Increase in Very average debtor book

Return on assets

+0.1% pts

Decrease in bad debt as % of average debtor book

Gross margin

(2.0)% pts

Reduced gross margin following price investment

Costs

(0.1)% pts

Lower operating costs as % of revenue

REVENUE

A robust revenue performance and growing Very Finance business delivered a resilient performance against a challenging market

very

Q3 FY23 YTD vs Q3 FY22 YTD performance[1]

Revenue

+2.2% to £1,426.7m

- Growth in Very revenue of 2.2% as retail revenue is consistent year on year and Very Finance continues to grow
- Strong performance in Electricals and Toys, Gifts & Beauty, offsetting reductions in Fashion & Sports
- Very Finance revenue increased by 6.8%, reflecting growth in the Very Debtor book

THE VERY GROUP

Q3 FY23 YTD vs Q3 FY22 YTD performance[1]

Revenue

+0.1% to £1,680.2m

- Group revenue increased by 0.1%, underpinned by strong Very performance across retail and Very Finance
- Resilient performance against a market that contracted by 2.8%[2], showing the benefits of our investments in pricing, product availability and the customer experience
- Decline in Littlewoods revenue of 8.9% is in line with expectations as strategy of managed decline continues

1 – In July 2022, Littlewoods Ireland was rebranded as Very.ie. Unless otherwise stated, references to 'Very' relate to Very UK. only. Where included, prior year brand comparators have been restated

2 – Based on British Retail Consortium data for the total online non-food market

RETAIL

Our stable retail performance was underpinned by growth in Electricals and Toys, Gifts and Beauty

- Very retail performance was stable year on year despite the challenging consumer environment and a market that contracted 2.8%[1], with the reduction in Group retail sales of 2.5% owing to Littlewoods managed decline
- Fashion and Sports sales decreased by 8.2%. Without Sports, Fashion revenue fell 1.3%, annualising against the step up in Q3 FY22 YTD driven by Omicron and facing into a heavily promotional environment
- Electricals saw growth of 3%, driven by good availability across categories and underpinned by strong performance of small domestic appliances and wearable tech
- Home reduced slightly by 1.6%, with growth in beds, textiles and pet care offset by softened garden and home improvement categories
- Toys, Gifts and Beauty continues to be a standout performer, growing 12.8% and with a particularly strong performance across toys and personal care

Retail sales



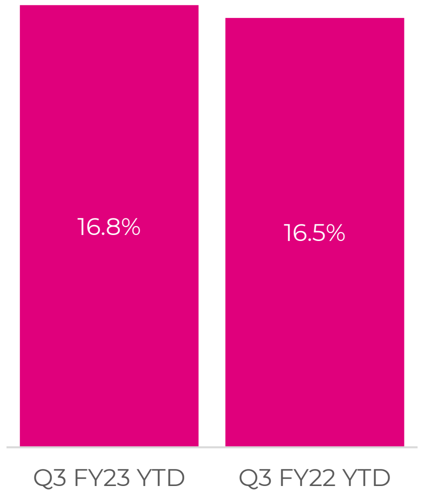

	Fashion and Sports	Electrical	Home	Toys, Gifts and Beauty
Very YoY	(8.2)%	+3.0%	(1.6)%	+12.8%
Very PY-2	+6.5%	+39.9%	+12.3%	+24.7%
TVG YoY	(9.4)%	+0.2%	(3.6)%	+8.3%
TVG Q3 FY23 mix	30.1%	44.9%	12.7%	12.3%
TVG Q3 FY22 mix	32.3%	43.7%	12.9%	11.1%

1 – Based on British Retail Consortium data for the total online non-food market

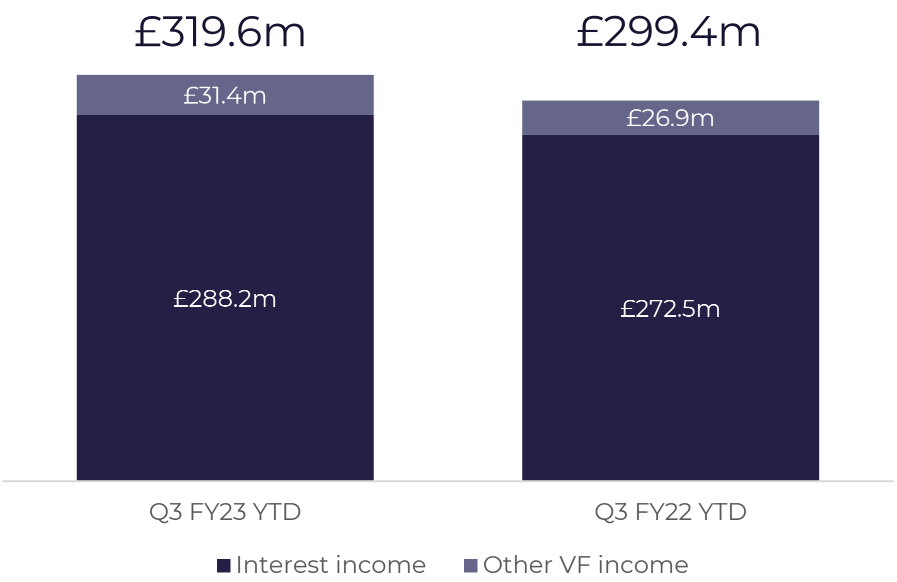
VERY FINANCE

A strongly performing debtor book and normalisation of customer payment rates contributed to growth in Very Finance revenue of 6.8%

Interest income as % of average debtor book



Very Finance revenue



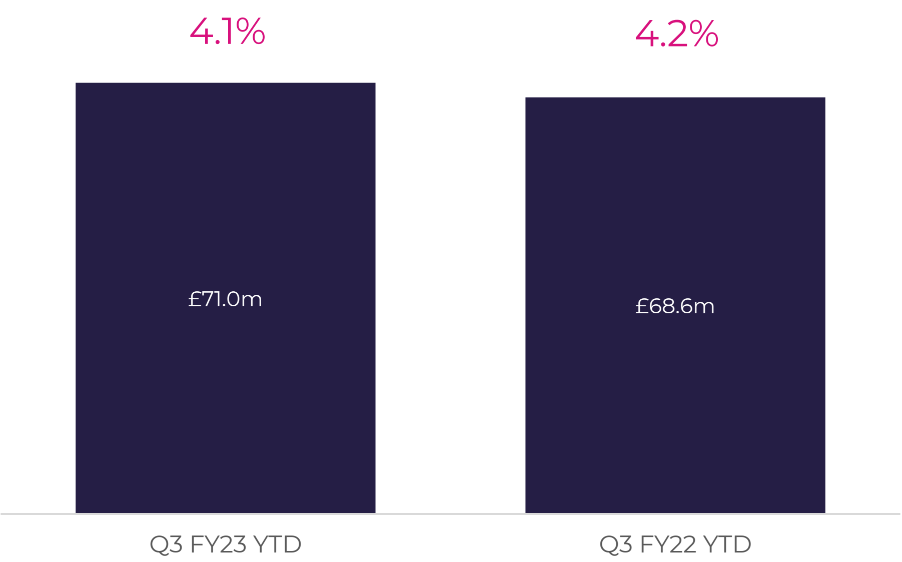
- We have continued to see a normalisation of customer payment rates which were unusually elevated during Covid-19 and still remain higher than pre-pandemic levels, as previously guided
- This normalisation and the acquisition of new credit customers contributed to Very Finance growth of 6.8%
- Interest income remained stable as a percentage of the average debtor book, at 16.8%
- The overall Group average debtor book grew by 3.6%, and the Very average debtor book increased by 6.8% year on year
- To partially offset the increase in the cost of providing flexible ways to pay, we have taken the decision to increase Very customer APR by 3%pts

BAD DEBT

Payment rates and bad debt continue to normalise, but remain favourable compared with pre-pandemic levels

- Bad debt as a percentage of the average debtor book is marginally lower year on year at 4.1%, with the quantum increasing by 3.5% compared with Q3 FY22 YTD as the debtor book has grown
- This is in line with our expectations as customer behaviour reverts to historic trends, but we are yet to see bad debt reach pre-pandemic levels
- We are not seeing signs of distress in the debtor book. Nevertheless, we continue to take a cautious, risk-informed view of bad debt whilst lending responsibly to customers

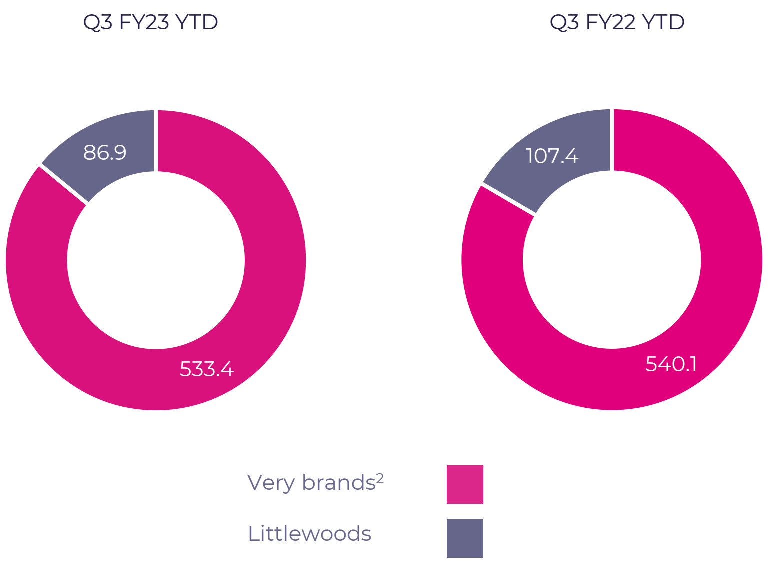
Bad debt as a % of average debtor book (£m)



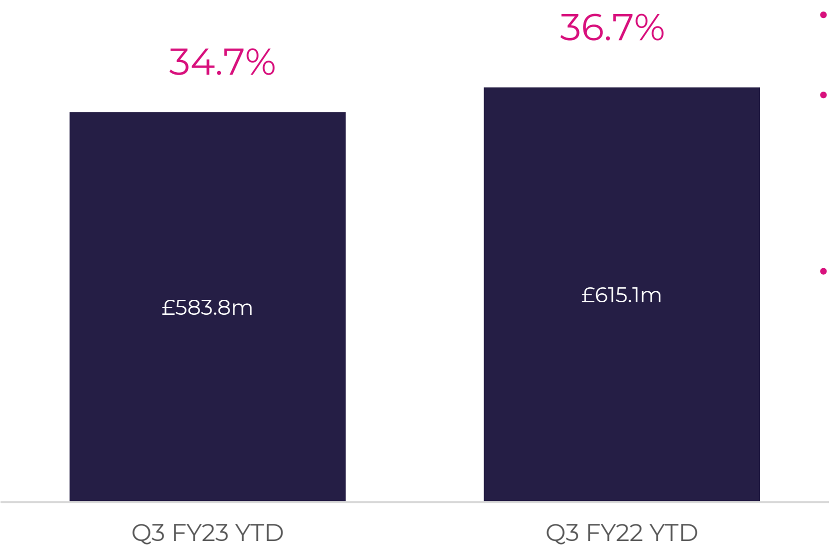
GROSS MARGIN

Robust gross margin at 34.7% following pricing investment and changing sales mix

Gross margin by brand (£m)[1]



Gross margin (£m) and gross margin rate



- Gross margin reduced by 2.0% pts to 34.7% (FY22: 36.7%)
- Retail margin decline was driven by investment in pricing on key categories, changes in category mix, and response to market promotional dynamics
- Very Finance gross margin remained stable compared with Q3 FY22

THE VERY GROUP

1 – Gross margin by brand does not include some central allocated costs, but these are included in the group gross margin figures

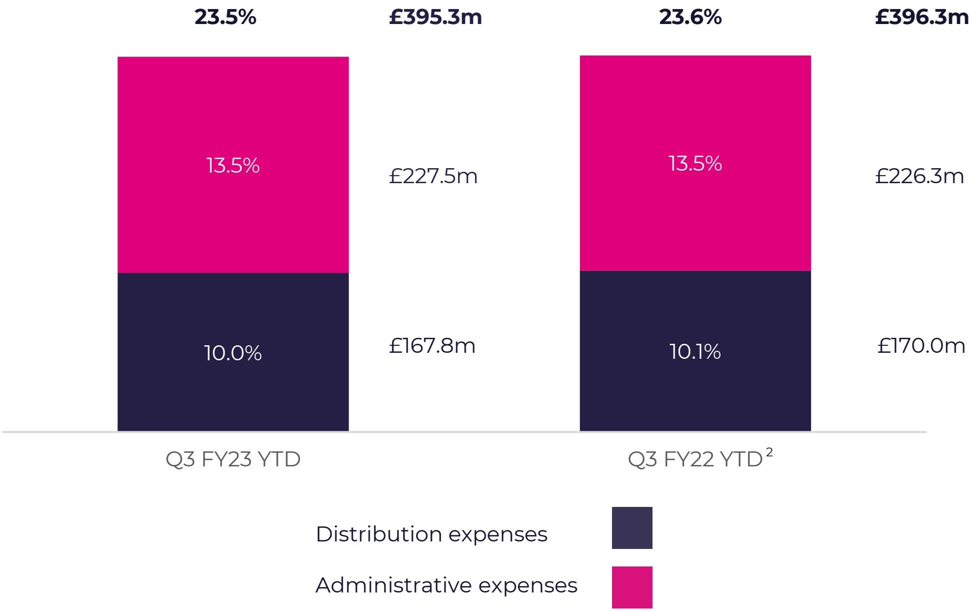
2 – Following the rebrand of Littlewoods Ireland in July 2022, Very brands includes Very UK and Very.ie. Prior year comparatives have been restated for comparability

COST CONTROL

Our strong cost discipline means we have maintained flat operating costs despite inflationary pressures

- Cost control has always been a key strength of our business
- Despite the current inflationary environment, we are pleased to have maintained operating costs, with a marginal reduction in absolute terms
- As a percentage of revenue this is a decrease of 0.1% pts to 23.5%
- Distribution costs fell by 1.3% year on year and reduced by 0.1% pts as a % of revenue
- Admin expenses were maintained at 13.5% of revenue, with technology transformation investment offset by savings in marketing spend
- Controlling costs will continue to be a key focus as we move through Q4 FY23

Operating costs[1] as % of revenue (£m)



1 – Operating costs are stated exclusive of depreciation and amortisation

2 – Q2 FY22 comparators have been restated to reflect the impact of the SaaS accounting policy change which was effective from Q4 FY22

ADJUSTED EBITDA[1]

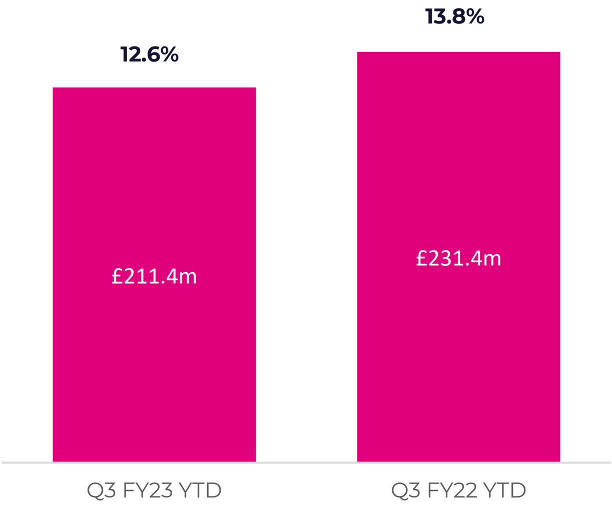
Resilient earnings amid a challenging retail market

- Our robust business model and strategic initiatives mean we continue to deliver strong positive earnings in FY23, despite the challenging retail environment
- Pre-exceptional EBITDA for Q3 YTD comes to £190.1m (Q3 FY22 YTD: £221.0m). This reflects the reduction in margin as sales mix has changed and we have invested in pricing to fuel customer and specific category growth
- At an adjusted EBITDA[1] level, we saw £211.4m, a decline from £231.4m last year
- Adjusted EBITDA margin fell 1.2%pts owing to changes in sales mix and our decision to invest in pricing

Adjusted EBITDA[1] reconciliation

(£ millions)	Q3 FY23 YTD £m	Q3 FY22 YTD Restated[2] £m	Var %
Pre-exceptional EBITDA	190.1	221.0	(14.0)%
Adjusted for			
Fair value adjustments to financial instruments	6.7	(4.0)	
FX translation movements on trade creditors	4.0	(1.4)	
SaaS accounting change	10.6	15.8	
Adjusted EBITDA	211.4	231.4	(8.7)%

Adjusted EBITDA[1]



1 – To align with reporting best practice, with effect from Q1 FY23 Underlying EBITDA as a term we will be replaced by Adjusted EBITDA

2 – FY22 comparators have been restated to reflect the impact of the SaaS accounting policy change which was effective from Q4 FY22

ADJUSTED FREE CASHFLOW[1]

Positive adjusted free cash inflow of £47.5m

£47.5m

Q3 FY23 YTD ADJUSTED FREE CASHFLOW

Cash flow

(£m)	Q3 FY23 YTD	Q3 FY22 YTD Restated[2]
Adjusted EBITDA	**211.4**	**231.4**
Securitisation interest, management fees and SaaS	(65.1)	(49.2)
Adjusted EBITDA post securitisation interest, management fees and SaaS	**146.3**	**182.2**
Net working capital movement:		
Movement in inventories	(19.1)	(20.9)
Movement in trade receivables	(93.0)	(81.0)
Movement in prepayments and other receivables (exc. refinancing costs)	(42.6)	(53.1)
Movement in trade and other payables (exc. refinancing costs)	(5.4)	(84.1)
Movement in securitisation facility	106.1	102.4
Net working capital (post securitisation funding)	**(54.0)**	**(136.7)**
Pension contributions	-	-
Capital expenditure	(44.8)	(29.2)
Adjusted free cashflow	**47.5**	**16.3**

A statutory net cash flow is presented on page 22

- The adjusted free cash inflow of £47.5m is an improvement compared with £16.3m in the prior year. Whilst EBITDA is lower in the period this has been more than offset by continued strong working capital management
- Movement in trade receivables reflects the growth in our debtor book, which grew at a faster rate compared with Q3 FY22 YTD and which is in part offset by the movement in the securitisation facility
- The movement in prepayments and other receivables reflects the timing of payments in the prior year and HMRC VAT repayments in FY23
- The smaller relative movement in trade and other payables reflects the lower inventory spend in FY22, which meant lower trade creditors and made last year's outflow more pronounced. The Group has also utilised seasonal working capital facilities
- Capital expenditure reflects spend across a number of business-as-usual and strategic investments

1 – To align with reporting best practice, with effect from Q1 FY23 Underling Free Cashflow as a term we will be replaced by Adjusted Free Cashflow

2 – FY22 comparators have been restated to reflect the impact of the SaaS accounting policy change which was effective from Q4 FY22

THE VERY GROUP

Q3 FY23 RESULTS

FORWARD VIEW

OUTLOOK

The delivery of a strong performance in the face of economic headwinds demonstrates that our decision to invest in the future is benefitting our business and our customers

1. The Group has delivered top line growth and controlled costs, while responsibly managing our growing debtor book. This has resulted in robust earnings and increased market share, despite the current economic and market challenges
2. We have a range of strategic levers at our disposal and this flexibility has allowed us to respond to market dynamics in an agile way; reducing operating costs and delivering improved underlying free cashflow despite the inflationary environment
3. The investments we have made in our customer value proposition have ensured good product availability, competitive pricing and an improved digital experience, resulting in customer growth and our best-ever customer satisfaction results
4. Our focus remains as ever on earnings, earnings quality and liquidity. We will continue to achieve this by taking appropriate actions, including dynamic pricing, cost control, and working capital management, alongside the expert risk management of our debtor book
5. Through the remainder of FY23 and beyond, we will continue the transformation of our tech platform to ensure we offer the range of products, flexible ways to pay, and services that our customers value

Q3 FY23 RESULTS

Q&A

THE VERY GROUP

Q3 FY23 RESULTS

APPENDICES

INCOME STATEMENT

Income statement

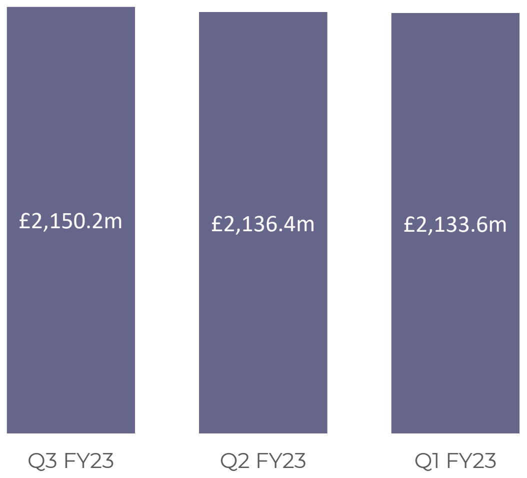
(£m)	Q3 FY23 YTD	Q3 FY22 YTD Re-stated[1]	Variance (%)
Very.co.uk	1,426.7	1,395.4	2.2%
Very.ie[2]	55.4	65.3	(15.3)%
Littlewoods	198.1	217.6	(8.9)%
Group revenue	**1,680.2**	**1,678.3**	**0.1%**
Gross margin	583.8	615.1	(5.1)%
% margin	*34.7%*	*36.7%*	
Distribution expenses	(167.8)	(170.0)	(1.3)%
Administrative expenses	(227.5)	(226.3)	0.5%
Other operating income	1.6	2.2	(27.3)%
Pre-exceptional reported EBITDA	**190.1**	**221.0**	**(14.0)%**
% reported EBITDA margin	*11.3%*	*13.2%*	
Operating costs as % of revenue	*23.5%*	*23.6%*	
Adjusted EBITDA	**211.4**	**231.4**	**(8.7)%**
% adjusted EBITDA	*12.6%*	*13.8%*	

1 – FY22 comparators have been restated to reflect the impact of the SaaS accounting policy change which was effective from Q4 FY22

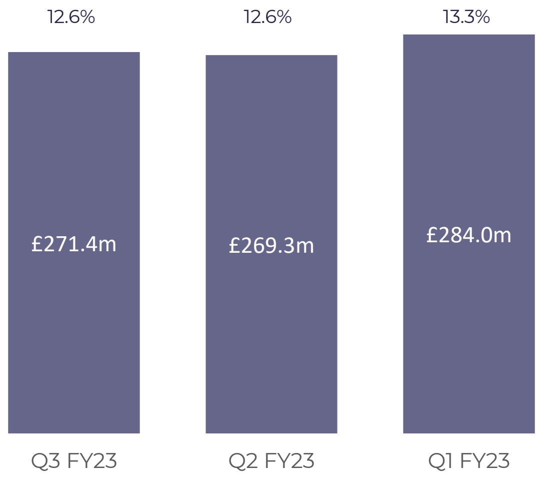
2 – In July 2022, Littlewoods Ireland was rebranded as Very.ie. Where relevant, prior year brand comparators have been restated

LTM KPIs

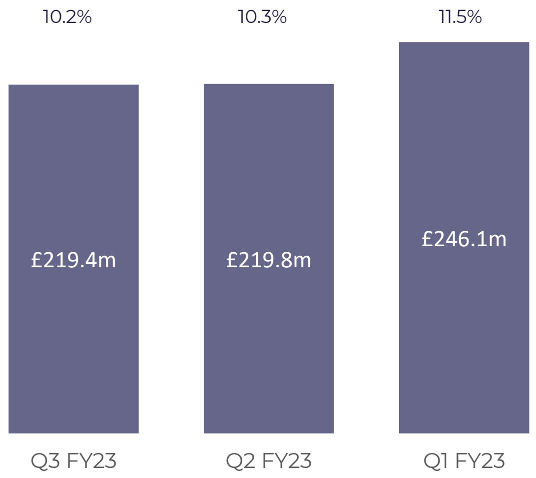
LTM revenue (£m)



LTM adjusted EBITDA (£m)



LTM consolidated EBITDA (Leverage) (£m)



As agreed with our auditors, adjusted EBITDA as an alternative performance measure does not include the impact of IAS 38 SaaS.

CASHFLOW STATEMENT

(£m)	Q3 FY23 YTD	Q3 FY22 YTD Restated[1]
Adjusted EBITDA (post securitisation interest, management fees and SaaS)[1]	**146.3**	**182.2**
Net working capital movement:		
Movement in inventories	(19.1)	(20.9)
Movement in trade receivables	(93.0)	(81.0)
Movement in prepayments and other receivables	(42.6)	(53.1)
Movement in trade and other payables	(5.4)	(84.1)
Movement in securitisation facility	106.1	102.4
Net working capital (post securitisation funding)	**(54.0)**	**(136.7)**
Pensions contributions	-	-
Fair value adjustments	-	-
Capital expenditure	(44.8)	(29.2)
Underlying free cashflow	**47.5**	**16.3**
Increase in bond amounts	-	25.0
Bond refinancing costs	-	(20.9)
Dividend paid	(7.5)	(25.0)
Free cashflow (post refinancing and dividend)	**40.0**	**(4.6)**
Interest paid (excluding securitisation interest)	(47.4)	(34.4)
Income taxes (paid) / received	(0.6)	(1.4)
Cash impact of exceptional items (including customer redress)	(23.1)	(31.6)
Management fees	(5.6)	(5.4)
Parental expenses	(3.9)	(3.8)
(Repayments of) / draw downs from finance leases	(8.5)	(15.2)
Repayment of bank loans	(7.1)	-
Movement in revolving credit facility	75.0	60.0
Net increase/(decrease) in cash and cash equivalents	**18.8**	**(36.4)**

1 – FY22 comparators have been restated to reflect the impact of the SaaS accounting policy change which was effective from Q4 FY22

- On a statutory basis, the cash inflow for the period was £18.8m, compared with a cash outflow of £(36.4)m at Q3 FY22
- Movement in trade receivables reflects the growth in our debtor book, which grew at a slightly quicker rate compared with Q3 FY22 and which is in part offset by the movement in the securitisation facility
- The smaller relative movement in trade and other payables reflects the lower inventory spend in FY22, which meant lower trade creditors and made last year's outflow more pronounced. The Group has also utilised seasonal working capital facilities
- Capital expenditure relates to business-as-usual and strategic investments
- Cash impact of exceptional items includes spend on our tech transformation project and the release of a previously recognised restructuring provision in relation to the closure of our customer care centre in Aintree in 2021 as a result of the shift to home-working

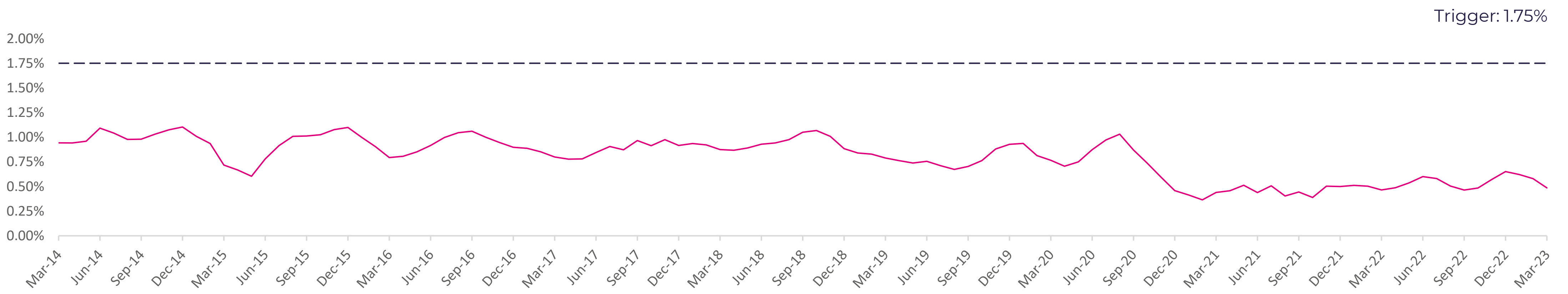
NET LEVERAGE

Net leverage (£ millions)	Q3 FY23	Q2 FY23	Q1 FY23	Q4 FY22	Q3 FY22	Q2 FY22	Q1 FY22	Q4 FY21	Q3 FY21	Q2 FY21	Q1 FY21
Cash and bank balances	**62.2**	**4.0**	**26.9**	**43.4**	**41.7**	**5.6**	**22.0**	**78.1**	**92.5**	**55.7**	**120.5**
Fixed rate notes	(575.0)	(575.0)	(575.0)	(575.0)	(575.0)	(575.0)	(575.0)	(550.0)	(550.0)	(550.0)	(550.0)
Revolving credit facility	(150.0)	-	(150.0)	(75.0)	(150.0)	-	(90.0)	(90.0)	(150.0)	-	(150.0)
Other debt	(35.3)	(39.2)	(38.8)	(42.2)	(0.2)	(8.2)	(2.7)	(0.7)	(0.8)	(1.1)	(1.6)
Total gross debt (excluding securitisation)	(760.3)	(614.2)	(763.8)	(692.2)	(725.2)	(583.2)	(667.7)	(640.7)	(700.8)	(551.1)	(701.6)
Total net debt (excluding securitisation)	**(698.1)**	**(610.2)**	**(736.9)**	**(648.8)**	**(683.5)**	**(577.6)**	**(645.7)**	**(562.6)**	**(608.3)**	**(495.4)**	**(581.1)**
LTM Consolidated EBITDA (Leverage)	**219.4**	**220.5**	**246.1**	**244.7**	**272.9**	**274.4**	**262.2**	**256.5**	**262.5**	**247.3**	**239.4**
Net leverage	**3.18x**	**2.77x**	**2.99x**	**2.65x**	**2.50x**	**2.10x**	**2.46x**	**2.19x**	**2.32x**	**2.00x**	**2.43x**

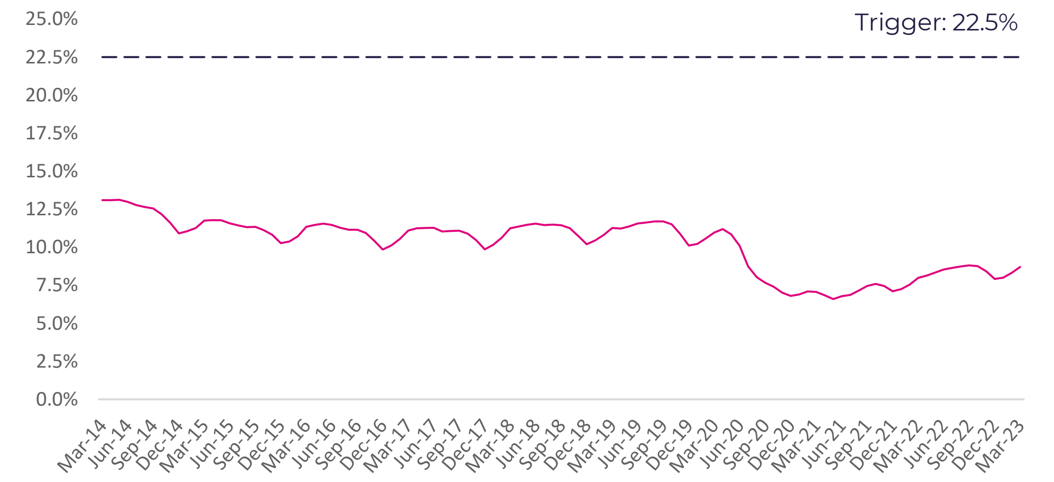
Note: LTM Consolidated EBITDA (Leverage) is updated terminology as Adjusted EBITDA is used elsewhere. The terminology aligns with that used in the legal agreements and is reconciled as per the legal proforma on the prior page.

SECURITISATION PERFORMANCE COVENANTS

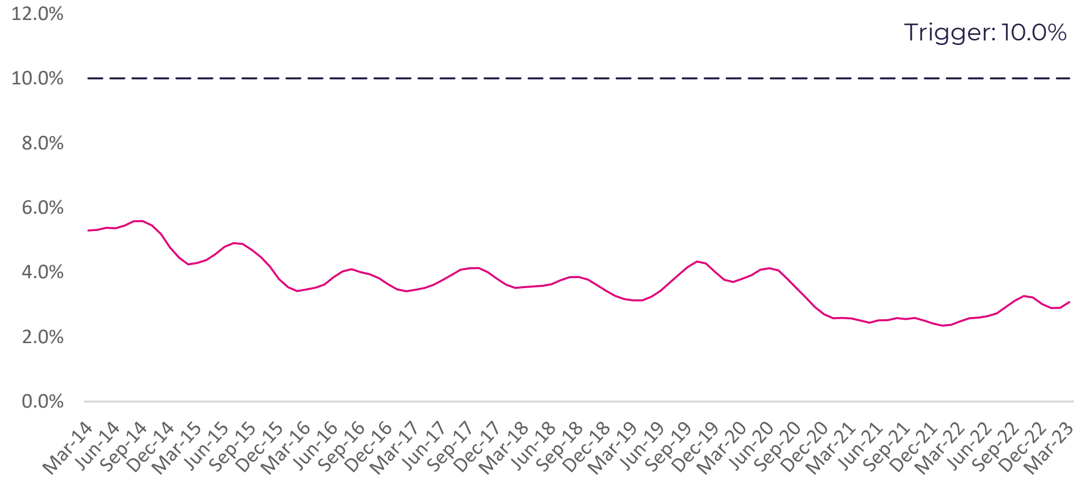
Default three month moving average



One to five month delinquency rates



Five-plus months delinquency rates



BALANCE SHEET

(£ millions)	Q3 FY23	Q3 FY22 Restated[1]
Non-current assets	**1,232.1**	**743.7**
Current assets	**1,966.5**	**2,384.9**
Of which:		
Inventories	131.2	123.1
Trade and other receivables	1,773.1	2,216.7
Cash and bank balances	62.2	41.7
Current liabilities	**(780.1)**	**(694.4)**
Of which:		
Trade and other payables	(525.3)	(481.2)
Provisions	(4.0)	(6.0)
Securitisation borrowings	(50.0)	-
Non-current liabilities	**(2,228.3)**	**(2,250.6)**
Of which:		
Retirement benefit obligations	(1.3)	(1.6)
Securitisation borrowings	(1,497.8)	(1,491.6)
Total equity and liabilities	**(3,198.6)**	**(3,128.6)**

1 – FY22 comparators have been restated to reflect the impact of the SaaS accounting policy change which was effective from Q4 FY22