



Third Quarter 2019 Results

14 November 2019

---

**FARFETCH**



## IMPORTANT NOTICE

This presentation, and the accompanying oral presentation, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation and the accompanying oral presentation that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding our expected financial performance including guidance for the fourth quarter 2019 and the financial year ending December 31, 2019, as well as statements that include the words "expect," "intend," "plan," "believe," "project," "forecast," "estimate," "may," "should," "anticipate" and similar statements of a future or forward-looking nature. These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to: purchasers of luxury products may not choose to shop online in sufficient numbers; our ability to generate sufficient revenue to be profitable or to generate positive cash flow on a sustained basis; the volatility and difficulty in predicting the luxury fashion industry; our reliance on a limited number of retailers and brands for the supply of products on our Marketplace; our reliance on retailers and brands to anticipate, identify and respond quickly to new and changing fashion trends, consumer preferences and other factors; our reliance on retailers and brands to make products available to our consumers on our Marketplace and to set their own prices for such products; our reliance on information technologies and our ability to adapt to technological developments; our ability to acquire or retain consumers and to promote and sustain the Farfetch brand; our ability or the ability of third parties to protect our sites, networks and systems against security breaches, or otherwise to protect our confidential information; our ability to successfully launch and monetize new and innovative technology; our acquisition and integration of other companies or technologies, for example, Stadium Goods and New Guards Group, could divert management's attention and otherwise disrupt our operations and harm our operating results; we may be unsuccessful in integrating any acquired businesses or realizing any anticipated benefits of such acquisitions; our dependence on highly skilled personnel, including our senior management, data scientists and technology professionals, and our ability to hire, retain and motivate qualified personnel; Mr. Neves has considerable influence over important corporate matters due to his ownership of us, and our dual-class voting structure will limit your ability to influence corporate matters, including a change of control; and the other important factors discussed under the caption "Risk Factors" in our annual report on Form 20-F filed with the SEC on March 1, 2019, as such factors may be updated from time to time in our other filings with the SEC, which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov).

In addition, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements that we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation and the accompanying oral presentation are inherently uncertain and may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Accordingly, you should not rely upon forward-looking statements as predictions of future events. In addition, the forward-looking statements made in this presentation and the accompanying oral presentation relate only to events or information as of the date on which the statements are made in this presentation and the accompanying oral presentation. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Unless otherwise indicated, information contained in this presentation concerning our industry, competitive position and the markets in which we operate is based on information from independent industry and research organizations, other third-party sources and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data, and our experience in, and knowledge of, such industry and markets, which we believe to be reasonable. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in the estimates made by independent parties and by us. All subsequent written and oral forward-looking statements attributable to Farfetch, New Guards, their respective boards of directors or any person acting on behalf of any of them are expressly qualified in their entirety by this notice.

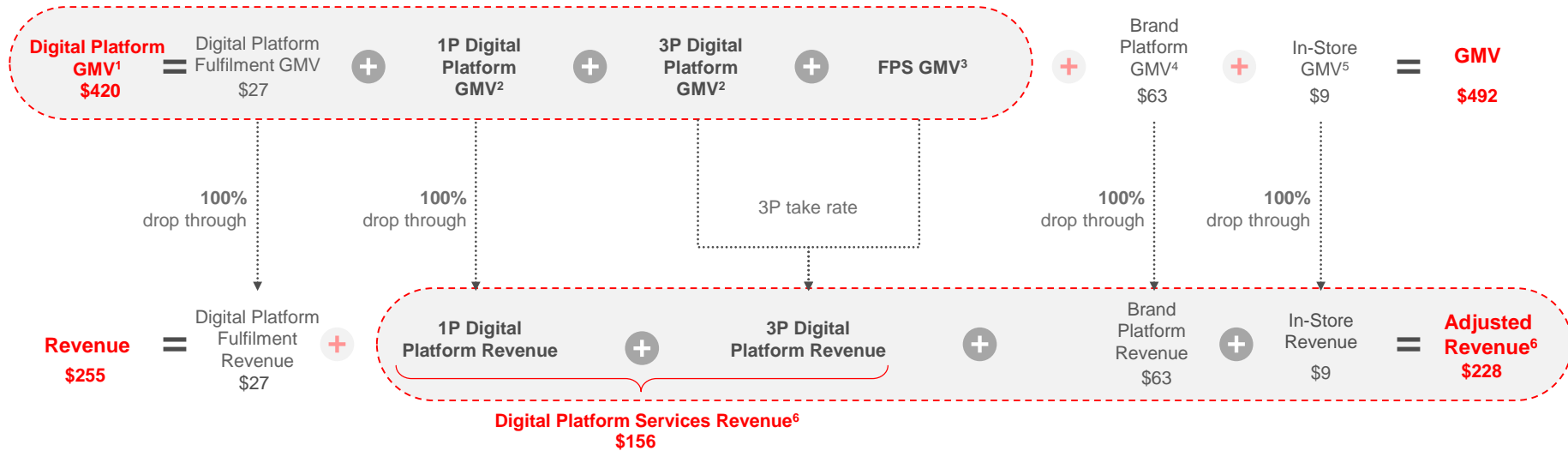
This presentation, and the accompanying oral presentation, includes certain financial measures not presented in accordance with the International Financial Reporting Standards (IFRS) including but not limited to, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EPS, Adjusted Revenue, Digital Platform Services Revenue, Digital Platform Gross Profit, Digital Platform Order Contribution, Digital Platform Order Contribution Margin. These financial measures are not measures of financial performance in accordance with IFRS and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to loss after tax, revenue, gross profit or other measures of profitability, liquidity or performance under IFRS. You should be aware that the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies, which may be defined and calculated differently. Reconciliations of these non-IFRS measures to the most directly comparable IFRS measure are provided in the Appendix as applicable.

The trademarks included herein are the property of the owners thereof and are used for reference purposes only. Such use should not be construed as an endorsement of the products or services of the Company.

Certain figures in this presentation may not recalculate exactly due to rounding. This is because percentages and/or figures contained herein are calculated based on actual numbers and not the rounded numbers presented.

# GMV & Revenue Build – Q3'19

All figures in USDm



Note: GMV is inclusive of product value, shipping and duties and net of returns, value added taxes and cancellations.

1 Where we use the term "Digital Platform", with reference to GMV, Revenue and other metrics, such metrics were previously referred to as "Platform". No changes have been made to the calculation of the Digital Platform metrics.

2 Includes Farfetch Marketplace, BrownsFashion.com, Stadium Goods and NGG Brand.com.

3 Refers to Farfetch Platform Solutions GMV.

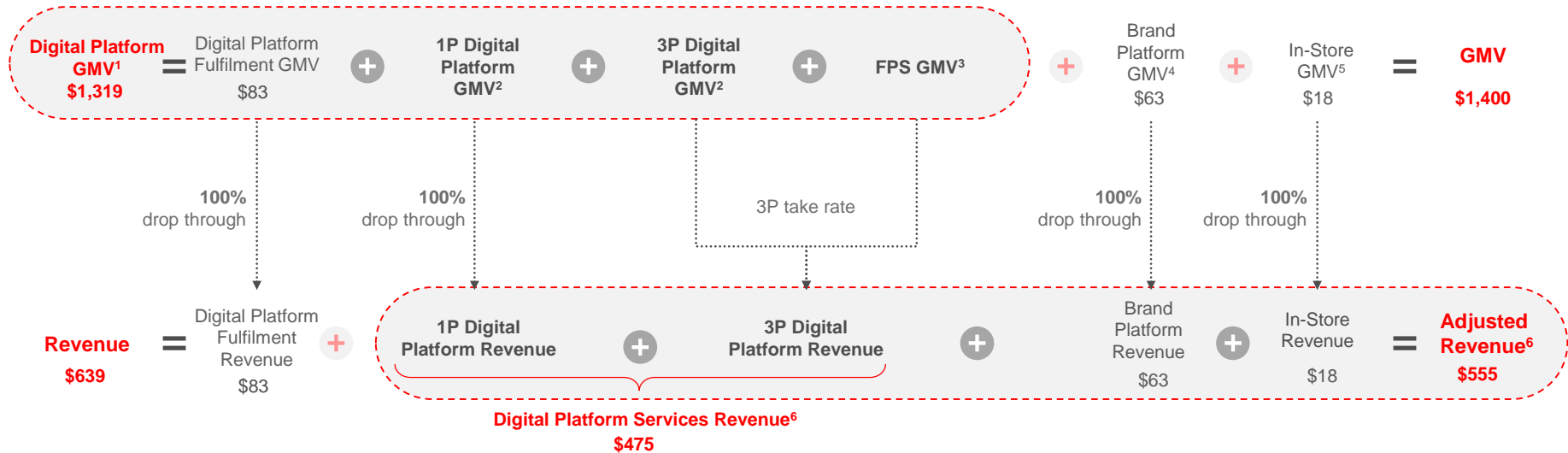
4 Includes revenue relating to the New Guards Group operations less revenue from New Guards Group's owned e-commerce websites, direct to consumer channel via Farfetch marketplaces and directly operated stores.

5 Includes GMV from Browns In-store, Stadium Goods in-store and NGG Brands in-store.

6 Non-IFRS financial measures, please refer to reconciliations to IFRS measures in the Appendix.

# GMV & Revenue Build – YTD Q3'19

All figures in USDm



Note: GMV is inclusive of product value, shipping and duties and net of returns, value added taxes and cancellations.

1 Where we use the term "Digital Platform", with reference to GMV, Revenue and other metrics, such metrics were previously referred to as "Platform". No changes have been made to the calculation of the Digital Platform metrics.

2 Includes Farfetch Marketplace, BrownsFashion.com, Stadium Goods and NGG Brand.com.

3 Refers to Farfetch Platform Solutions GMV.

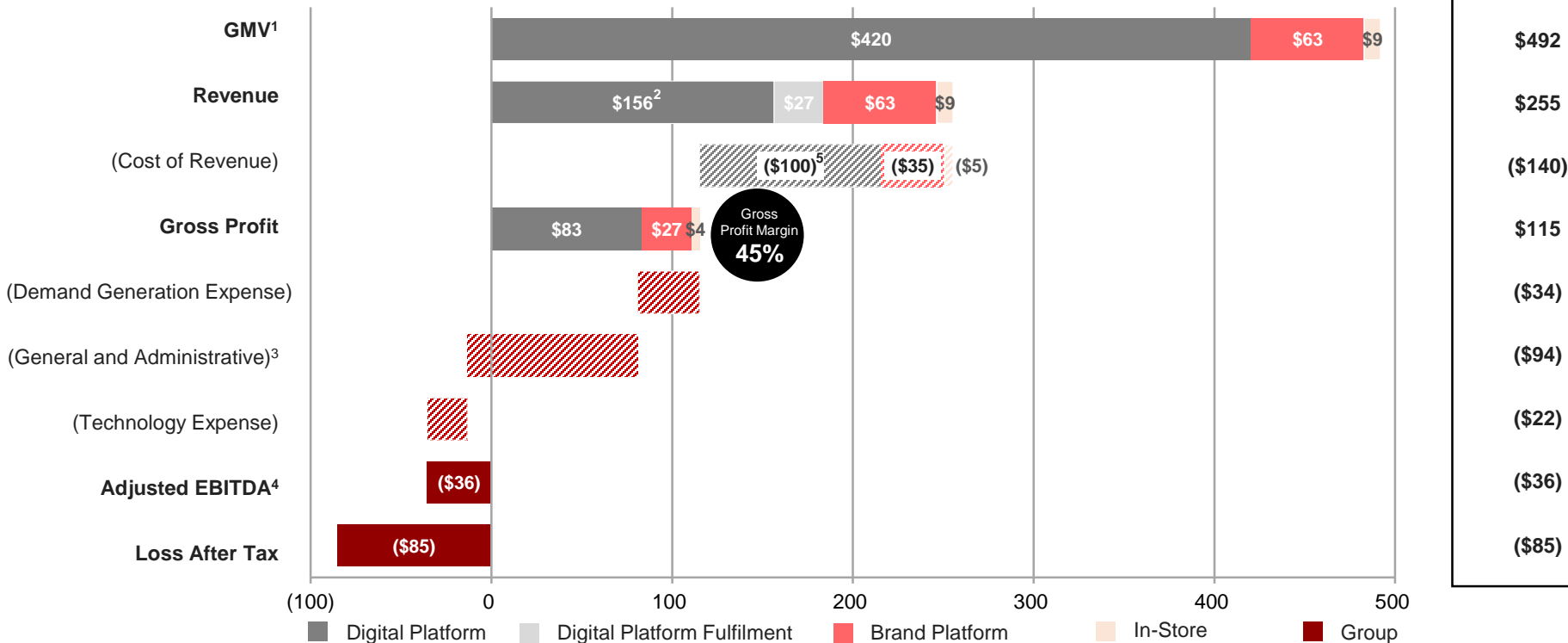
4 Includes revenue relating to the New Guards Group operations less revenue from New Guards Group's owned e-commerce websites, direct to consumer channel via Farfetch marketplaces and directly operated stores.

5 Includes GMV from Browns In-store, Stadium Goods In-store and NGG Brands In-store.

6 Non-IFRS financial measures, please refer to reconciliations to IFRS measures in the Appendix.

# Results of Operations – Q3'19

All figures in USDm



1 GMV is inclusive of product value, shipping and duties and net of returns, value added taxes and cancellations.

2 Refers to Digital Platform Services Revenue.

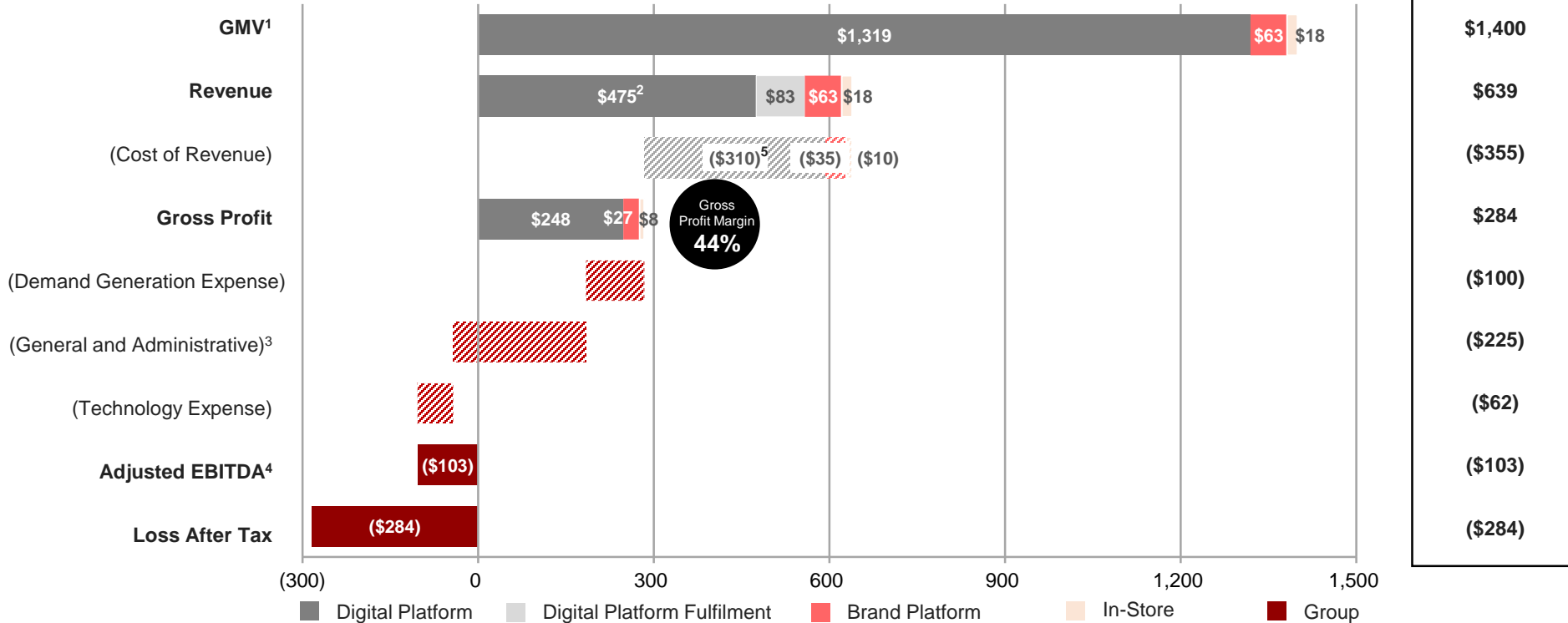
3 Excludes other items (outside the normal scope of our ordinary activities or non-cash items).

4 Non-IFRS financial measures, please refer to reconciliations to IFRS measures in the Appendix.

5 Refers to Digital Platform Services cost of revenue plus Digital Platform Fulfilment cost of revenue.

# Results of Operations – YTD Q3'19

All figures in USDm



1 GMV is inclusive of product value, shipping and duties and net of returns, value added taxes and cancellations.

2 Refers to Digital Platform Services Revenue.

3 Excludes other items (outside the normal scope of our ordinary activities or non-cash items).

4 Non-IFRS financial measures, please refer to reconciliations to IFRS measures in the Appendix.

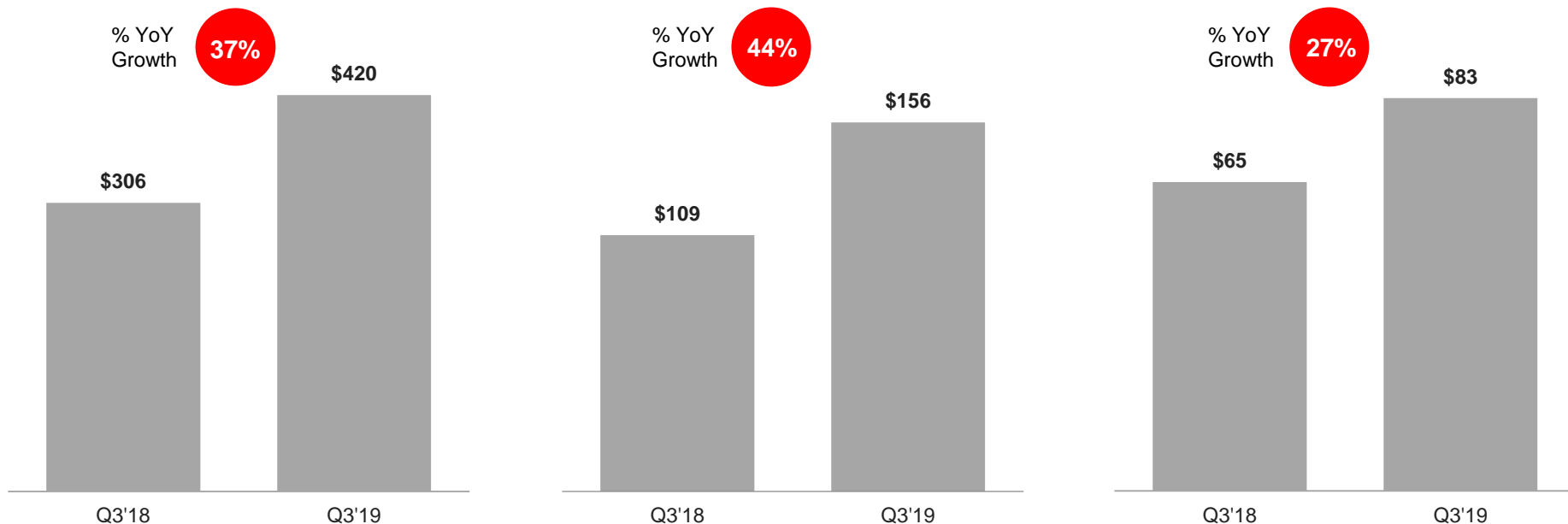
5 Refers to Digital Platform Services cost of revenue plus Digital Platform Fulfilment cost of revenue.

# Driving Digital Platform GMV, Digital Platform Services Revenue and Digital Platform Gross Profit Growth – Q3'19

DIGITAL PLATFORM GMV (USDm)

DIGITAL PLATFORM SERVICES REVENUE<sup>1</sup> (USDm)

DIGITAL PLATFORM GROSS PROFIT<sup>1</sup> (USDm)



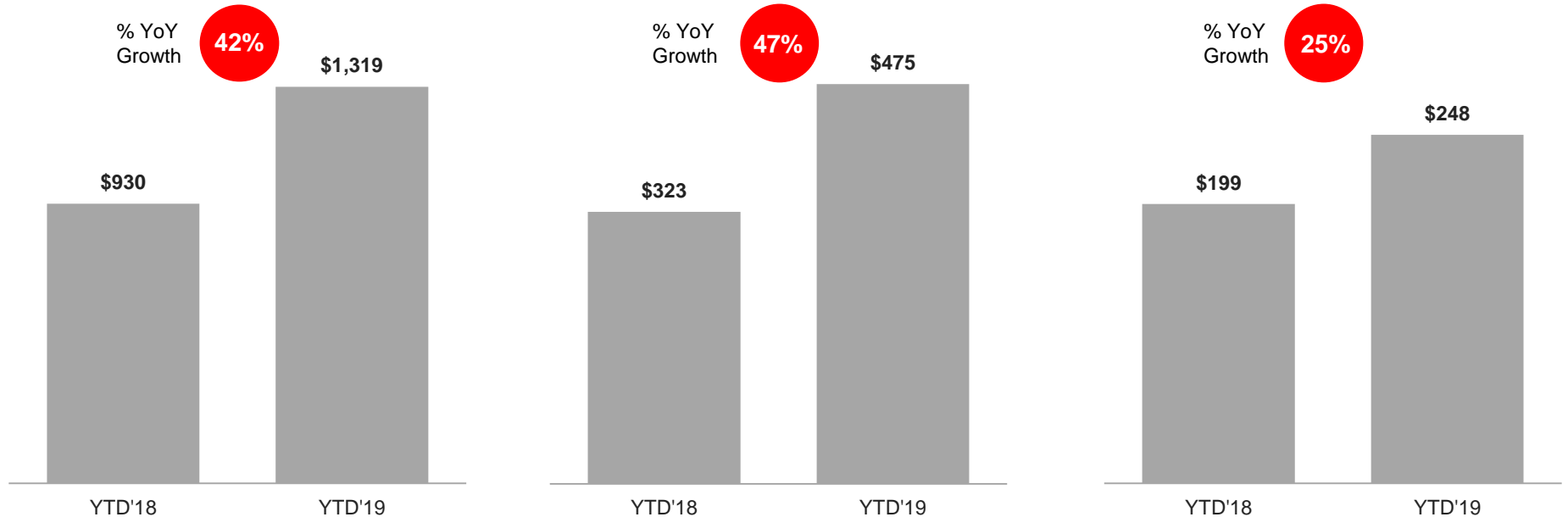
<sup>1</sup> Non-IFRS financial measures, please refer to reconciliations to IFRS measures in the Appendix.

# Driving Digital Platform GMV, Digital Platform Services Revenue and Digital Platform Gross Profit Growth – YTD Q3'19

DIGITAL PLATFORM GMV (USDm)

DIGITAL PLATFORM SERVICES REVENUE<sup>1</sup> (USDm)

DIGITAL PLATFORM GROSS PROFIT<sup>1</sup> (USDm)

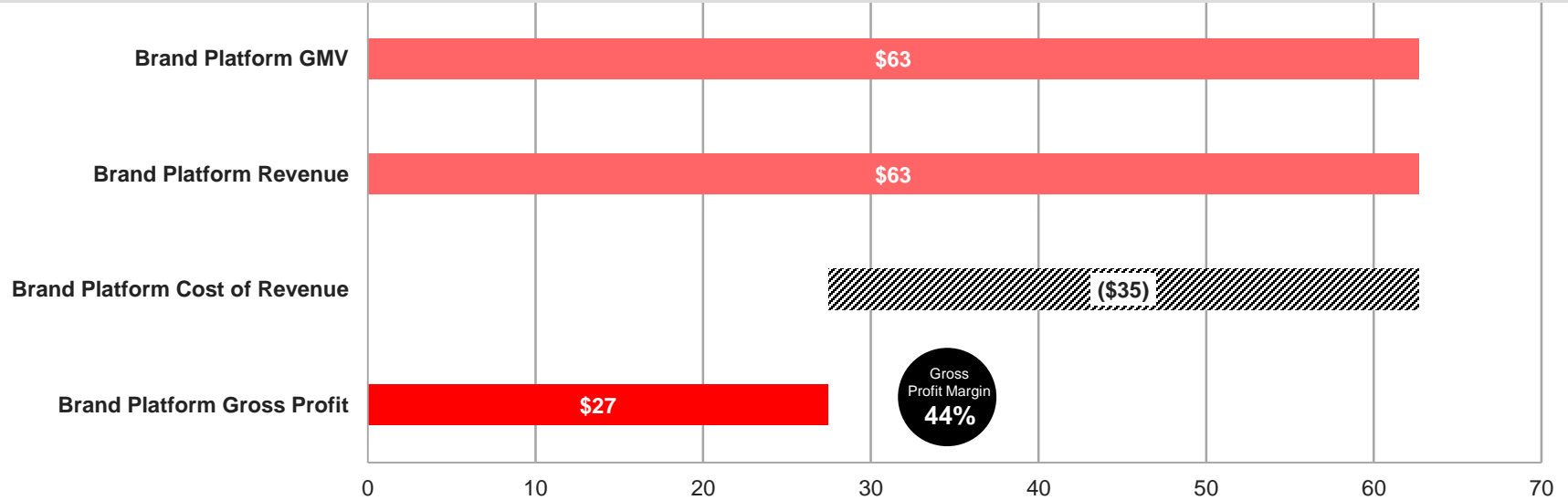


<sup>1</sup> Non-IFRS financial measures, please refer to reconciliations to IFRS measures in the Appendix.



# Overview of Brand Platform – Q3'19 (consolidated since Aug' 19)

All figures in USDm



## BRAND PLATFORM BRANDS

ALANUI

HERON PRESTON

KIRIIN

MARCELO BURLON  
COUNTRY OF MILAN

Off-White™

Palm Angels

BEN TAVERNITI  
UNRAVEL PROJECT

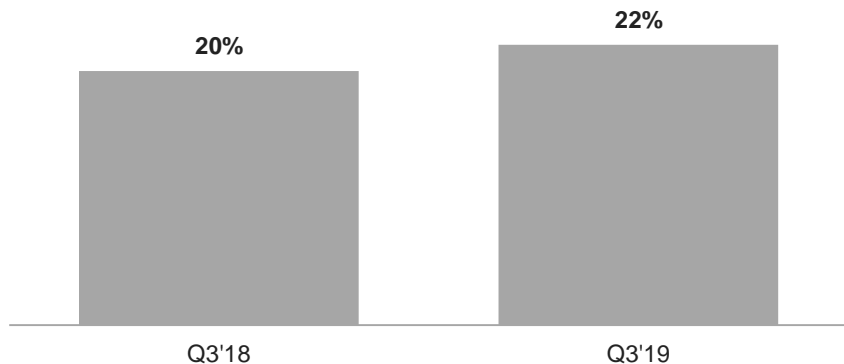
Note: Brand Platform GMV and Brand Platform Revenue mean revenue relating to the New Guards Group operations less revenue from New Guards Group's: owned e-commerce websites, direct to consumer channel via Farfetch marketplaces and directly operated stores. Revenue realized from Brand Platform is equal to GMV as such sales are not commission based.

# Q3'19 Digital Platform Order Contribution Margin

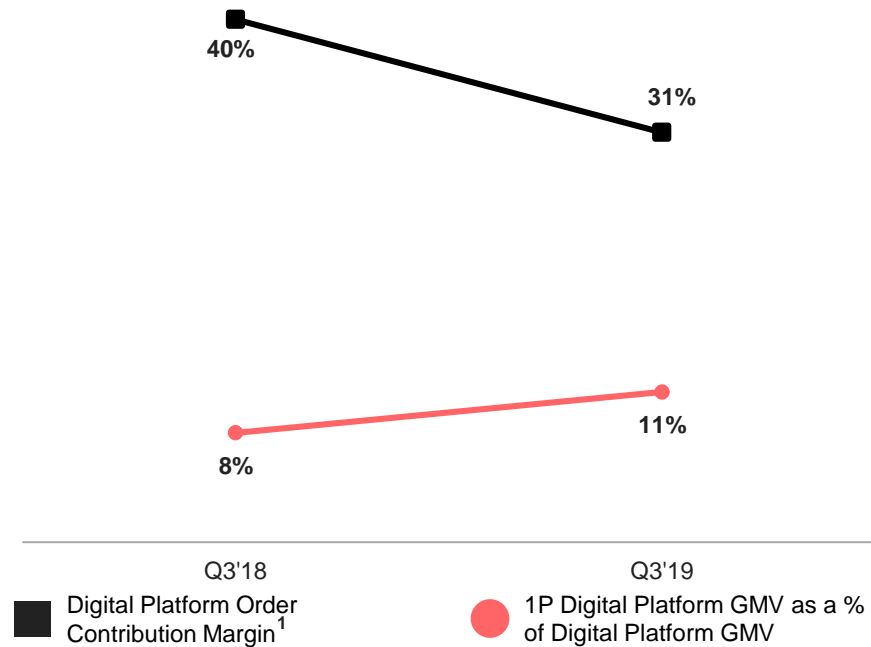
DEMAND GENERATION (AS A % OF DIGITAL PLATFORM SERVICES REVENUE<sup>1</sup>)

YoY  
increase

+159 bps



DIGITAL PLATFORM ORDER CONTRIBUTION MARGIN<sup>1</sup>,  
1P DIGITAL PLATFORM GMV (AS A % OF DIGITAL PLATFORM GMV)



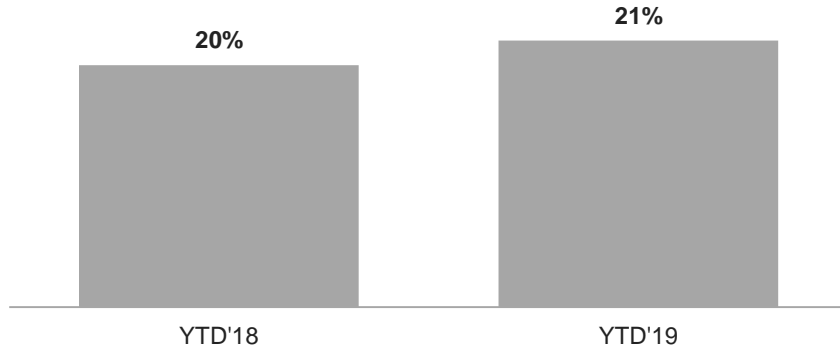
<sup>1</sup> Non-IFRS financial measures, please refer to reconciliations to IFRS measures in the Appendix.

# YTD Q3'19 Platform Order Contribution Margin

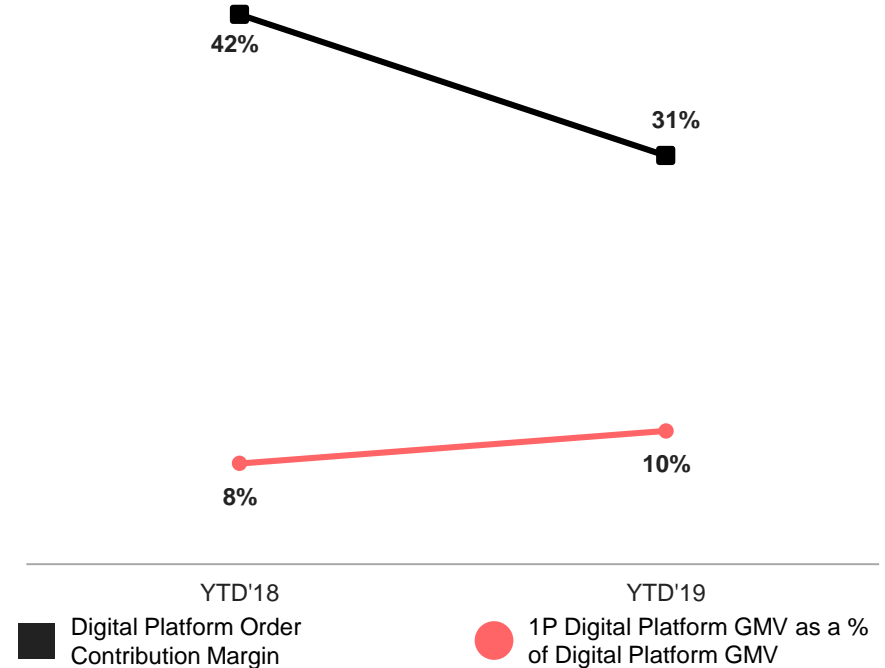
DEMAND GENERATION (AS A % OF DIGITAL PLATFORM SERVICES REVENUE<sup>1</sup>)

YoY  
increase

+150 bps



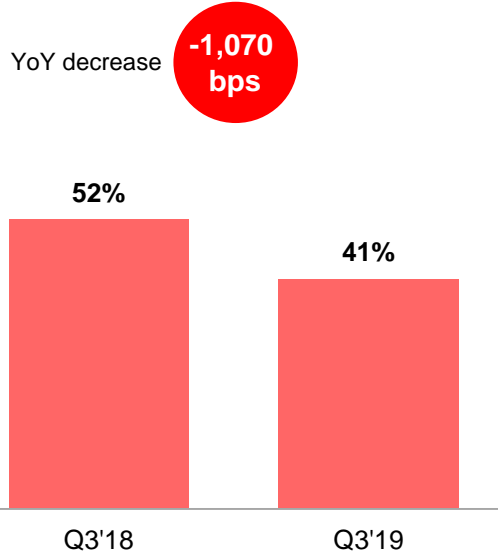
DIGITAL PLATFORM ORDER CONTRIBUTION MARGIN<sup>1</sup>,  
1P DIGITAL PLATFORM GMV (AS A % OF DIGITAL PLATFORM GMV)



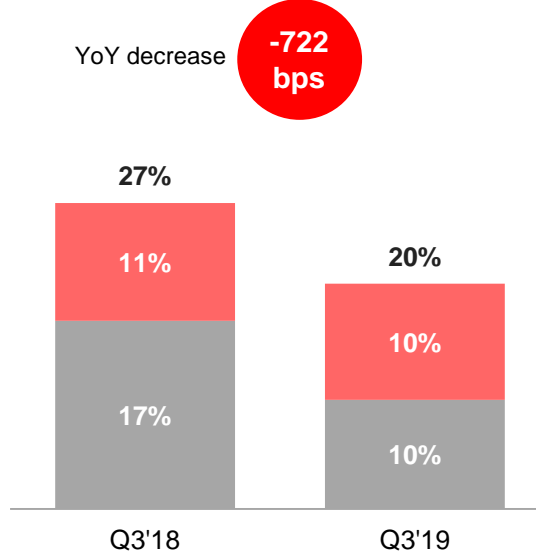
<sup>1</sup> Non-IFRS financial measures, please refer to reconciliations to IFRS measures in the Appendix.

# Q3'19 Cost Base

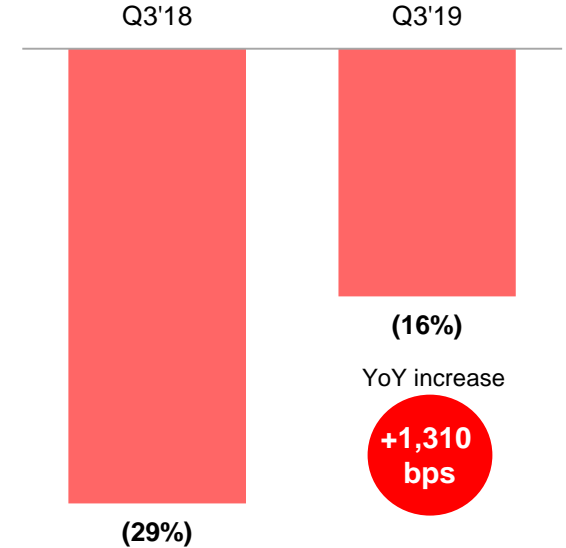
## GENERAL AND ADMINISTRATIVE<sup>1</sup>



## TOTAL TECHNOLOGY INVESTMENT<sup>2,3</sup>



## ADJUSTED EBITDA MARGIN<sup>3</sup>



■ Capitalized Technology Expense as a % of Adjusted Revenue<sup>3</sup>  
■ P&L Technology Spend as a % of Adjusted Revenue<sup>3</sup>

■ as a % of Adjusted Revenue<sup>3</sup>

■ as a % of Adjusted Revenue<sup>3</sup>

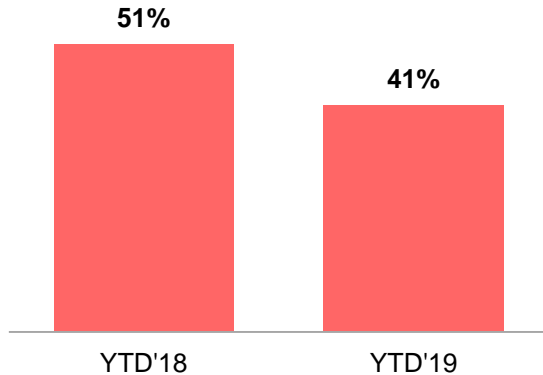
<sup>1</sup> Excludes other items (outside the normal scope of our ordinary activities or non-cash items).  
<sup>2</sup> Total Technology Investment consists of technology expense plus capitalized cash payments for intangible assets.  
<sup>3</sup> Non-IFRS financial measures, please refer to reconciliations to IFRS measures in the Appendix.

# YTD Q3'19 Cost Base

## GENERAL AND ADMINISTRATIVE<sup>1</sup>

YoY decrease

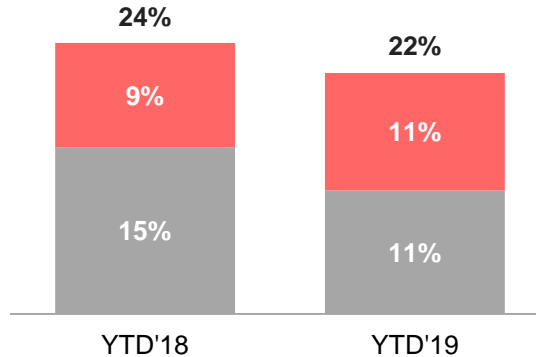
**-1,089 bps**



## TOTAL TECHNOLOGY INVESTMENT<sup>2,3</sup>

YoY decrease

**-278 bps**



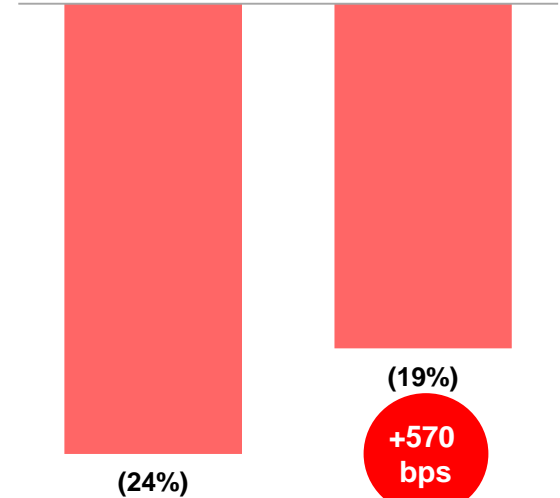
Capitalized Technology Expense as a % of Adjusted Revenue<sup>3</sup>

P&L Technology Spend as a % of Adjusted Revenue<sup>3</sup>

## ADJUSTED EBITDA MARGIN<sup>3</sup>

YTD'18

YTD'19



(19%)

**+570 bps**

YoY increase

(24%)

as a % of Adjusted Revenue<sup>3</sup>

as a % of Adjusted Revenue<sup>3</sup>

1 Excludes other items (outside the normal scope of our ordinary activities or non-cash items).  
 2 Total Technology Investment consists of technology expense plus capitalized cash payments for intangible assets.  
 3 Non-IFRS financial measures, please refer to reconciliations to IFRS measures in the Appendix.

# Outlook

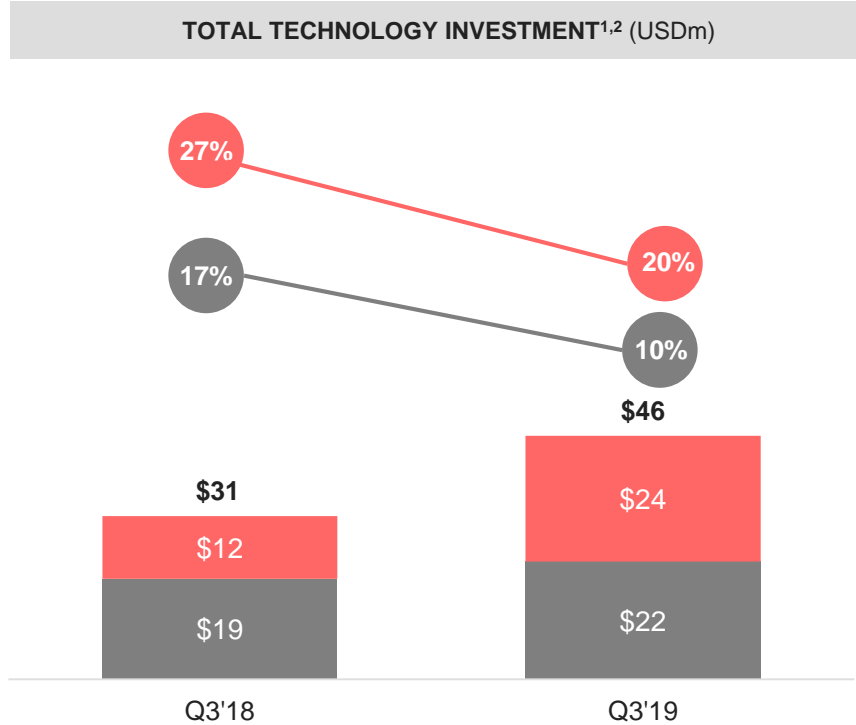
	Q3'18A	Q1'19A	Q2'19A	Q3'19A	Q4'19E
Digital Platform GMV Growth, YoY %	53%	44%	44%	37%	c. 30 – 35%
Brand Platform GMV	-	-	-	\$62m	c. \$80 - 90m
Adjusted EBITDA <sup>1</sup>	(\$32m) <sup>2</sup>	(\$30m) <sup>2</sup>	(\$38m) <sup>2</sup>	(\$36m) <sup>2</sup>	c. (\$21 - 31m) <sup>2</sup>

<sup>1</sup> Non-IFRS financial measure.

<sup>2</sup> Includes the impact from the adoption of IFRS 16 Leases on January 1, 2019, from which time costs related to right-of-use assets, previously included in general and administrative expense, are recognized in depreciation and amortization expense.

# APPENDIX

# Q3'19 Technology Spend Breakdown

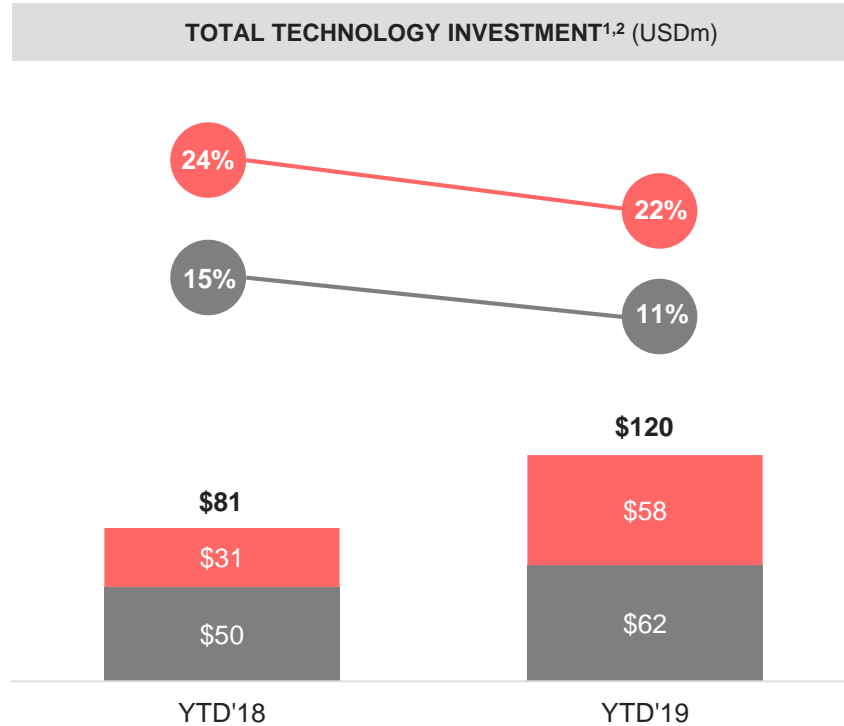


Technology P&L Expense<sup>3</sup>
 P&L Spend as a % of Adjusted Revenue<sup>2</sup>
 Capitalized Technology Expense
  Total Technology Investment<sup>1,2</sup> as a % of Adjusted Revenue<sup>2</sup>

<sup>1</sup> Total Technology Investment consists of technology expense plus capitalized cash payments for intangible assets.  
<sup>2</sup> Non-IFRS financial measures, please refer to reconciliations to IFRS measures in the Appendix.  
<sup>3</sup> Excludes amortization or previously capitalized technology.



# YTD Q3'19 Technology Spend Breakdown



■ Technology P&L Expense<sup>3</sup>

● P&L Spend as a % of Adjusted Revenue<sup>2</sup>

■ Capitalized Technology Expense

● Total Technology Investment<sup>1,2</sup> as a % of Adjusted Revenue<sup>2</sup>

<sup>1</sup> Total Technology Investment consists of technology expense plus capitalized cash payments for intangible assets.

<sup>2</sup> Non-IFRS financial measures, please refer to reconciliations to IFRS measures in the Appendix.

<sup>3</sup> Excludes amortization or previously capitalized technology.

# Reconciliation of Non-IFRS Measures

<i>USDm</i>	Q3'18	Q3'19	YTD Q3'18	YTD Q3'19
Loss after tax	\$ (77)	\$ (80)	\$ (146)	\$ (279)
Net finance (income)/ expense	(1)	6	(5)	22
Income tax expense	1	(0)	2	1
Depreciation and amortization	6	35	16	64
Share based payments <sup>1</sup>	38	32	51	116
Other items <sup>2</sup>	-	(27)	-	(26)
Share of results of associates	0	(0)	(0)	(0)
<b>Adjusted EBITDA</b>	<b>\$ (32)</b>	<b>\$ (36)</b>	<b>\$ (81)</b>	<b>\$ (103)</b>

<i>USDm</i>	Q3'18	Q3'19	YTD Q3'18	YTD Q3'19
Revenue	\$ 135	\$ 255	\$ 407	\$ 639
Less: Digital Platform Fulfilment Revenue	(22)	(27)	(72)	(83)
<b>Adjusted Revenue</b>	<b>113</b>	<b>228</b>	<b>335</b>	<b>555</b>
Less: Brand Platform Revenue	-	(63)	-	(63)
Less: In-Store Revenue	(4)	(9)	(11)	(18)
<b>Digital Platform Services Revenue</b>	<b>\$ 109</b>	<b>\$ 156</b>	<b>\$ 323</b>	<b>\$ 475</b>

The introduction of the term “Digital Platform”, with reference to GMV, Revenue and other metrics is intended to distinguish between activities that occurred through our owned and operated e-commerce platforms (e.g. Farfetch.com, BrownsFashion.com, off--white.com) and the Brand Platform operations of New Guards Group, where GMV and Revenue are derived from the Company's transactions with independent third party retailers or wholesalers. Such metrics were previously referred to as “Platform.” No changes have been made to how we calculate the Digital Platform metrics from how we calculated Platform metrics.

<sup>1</sup> Represents share based payment expense.

<sup>2</sup> Represents other items, which are outside the normal scope of our ordinary activities or non-cash items, including transaction related legal and advisory expenses of \$2.5m, \$2.2m and \$5.1m in first, second and third quarter 2019 respectively. There was also a release of \$4.0m of provisions related to taxes in second quarter 2019. There was also a net gain in third quarter 2019 of \$32.3 million recognized on the revaluation of liabilities held at fair value and impacted by movements in our share price, comprised of the fair value revaluation gain of \$53.8 million in respect of our partnership with Chalhoub Group, partially offset by a charge in respect of the fair value remeasurement (\$21.5 million) of shares issued following the acquisition of New Guards Group. Other items in third quarter 2019 also included a \$5 million loss on impairment of investments carried at fair value. There were no such items in 2018. Other items is included within selling, general and administrative expenses.

## DEFINITIONS

- Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EPS, Adjusted Revenue, Digital Platform Services Revenue, Digital Platform Gross Profit, Digital Platform Order Contribution, and Digital Platform Order Contribution Margin, Total Technology Investment are supplemental measures of our performance that are not required by, or presented in accordance with, IFRS. These metrics are not measurements of our financial performance under IFRS and should not be considered as an alternative to loss after tax, revenue or any other performance measure derived in accordance with IFRS.
- We define Adjusted EBITDA as loss after taxes before net finance costs, income tax expense and depreciation and amortization, further adjusted for share based compensation expense, other items (representing items outside the normal scope of our ordinary activities) and share of results of associates. We define Adjusted EBITDA Margin as Adjusted EBITDA calculated as a percentage of Adjusted Revenue. We define Adjusted Revenue as revenue less Platform Fulfilment Revenue. We define Digital Platform Services Revenue as Adjusted Revenue less Brand Platform Revenue and In-Store Revenue.
- We caution investors that amounts presented in accordance with our definitions of Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EPS, Adjusted Revenue, Digital Platform Services Revenue and or Total technology investment may not be comparable to similar measures disclosed by other companies, because not all companies and analysts calculate Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EPS, Adjusted Revenue and Digital Platform Services Revenue or Total technology investment in the same manner.

# Reconciliation of Non-IFRS Measures (continued)

<i>USDm</i>	Q3'18	Q3'19	YTD Q3'18	YTD Q3'19
Gross profit	\$ 67	\$ 115	\$ 204	\$ 284
Less: Brand Platform Gross Profit	0	(27)	0	(27)
Less: In-Store Gross Profit <sup>1</sup>	(2)	(4)	(5)	(8)
<b>Digital Platform Gross Profit</b>	<b>65</b>	<b>83</b>	<b>199</b>	<b>248</b>
Less: Demand generation expense	(22)	(34)	(63)	(100)
<b>Digital Platform Order Contribution</b>	<b>\$ 43</b>	<b>\$ 49</b>	<b>\$ 136</b>	<b>\$ 148</b>

<i>USDm</i>	Q3'18	Q3'19	YTD Q3'18	YTD Q3'19
Technology expense	\$ 19	\$ 22	\$ 50	\$ 62
Payments for intangible assets	12	24	31	58
<b>Total Technology investment</b>	<b>\$ 31</b>	<b>\$ 46</b>	<b>\$ 81</b>	<b>\$ 120</b>

<i>\$ per share</i>	Q3'18	Q3'19	YTD Q3'18	YTD Q3'19
Earnings per share	(0.30)	(0.28)	(0.57)	(0.93)
Share based payments <sup>2</sup>	0.15	0.11	0.19	0.39
Amortization of acquired intangible assets	-	0.06	-	0.08
Other items <sup>3</sup>	-	(0.07)	-	(0.07)
Share of results of associates	0.00	(0.00)	(0.00)	(0.00)
<b>Adjusted EPS</b>	<b>(0.15)</b>	<b>(0.18)</b>	<b>(0.38)</b>	<b>(0.53)</b>

## DEFINITIONS

- Digital Platform Order Contribution is defined as Digital Platform Gross Profit less demand generation expense. Digital Platform Gross Profit and Digital Platform Order Contribution are not measurements of our financial performance under IFRS and do not purport to be alternatives to gross profit or loss after tax derived in accordance with IFRS.
- We believe that Digital Platform Gross Profit and Digital Platform Order Contribution are useful measures in evaluating our operating performance because they take into account demand generation expense and are used by management to analyze the operating performance of our digital platform for the periods presented. We also believe that Digital Platform Gross Profit and Digital Platform Order Contribution are useful measures in evaluating our operating performance within our industry because they permit the evaluation of our platform productivity, efficiency and performance.
- Total Technology Investment consists of technology expense plus capitalized cash payments for intangible assets.
- Adjusted EPS is defined as earnings per share further adjusted for share based payments, amortization of acquired intangible assets, other items (outside the normal scope of our ordinary activities) and share of results of associates. Adjusted EPS provides a basis for comparison of our business operations between current, past and future periods by excluding items that we do not believe are indicative of our core operating performance. Adjusted EPS may not be comparable to similarly titled metrics of other companies.

<sup>1</sup> In-Store Gross Profit is In-Store Revenue less the direct cost of goods sold relating to In-Store Revenue.

<sup>2</sup> Represents share based payment expense.

<sup>3</sup> Represents other items, which are outside the normal scope of our ordinary activities or non-cash items, including transaction related legal and advisory expenses of \$2.5m, \$2.2m and \$5.1m in first, second and third quarter 2019 respectively. There was also a release of \$4.0m of provisions related to taxes in second quarter 2019. There was also a net gain in third quarter 2019 of \$32.3 million recognized on the revaluation of liabilities held at fair value and impacted by movements in our share price, comprised of the fair value revaluation gain of \$53.8 million in respect of our partnership with Chalhoub Group, partially offset by a charge in respect of the fair value remeasurement (\$21.5 million) of shares issued following the acquisition of New Guards Group. Other items in third quarter 2019 also included a \$5 million loss on impairment of investments carried at fair value. There were no such items in 2018. Other items is included within selling, general and administrative expenses.