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The UK plus size clothing market review

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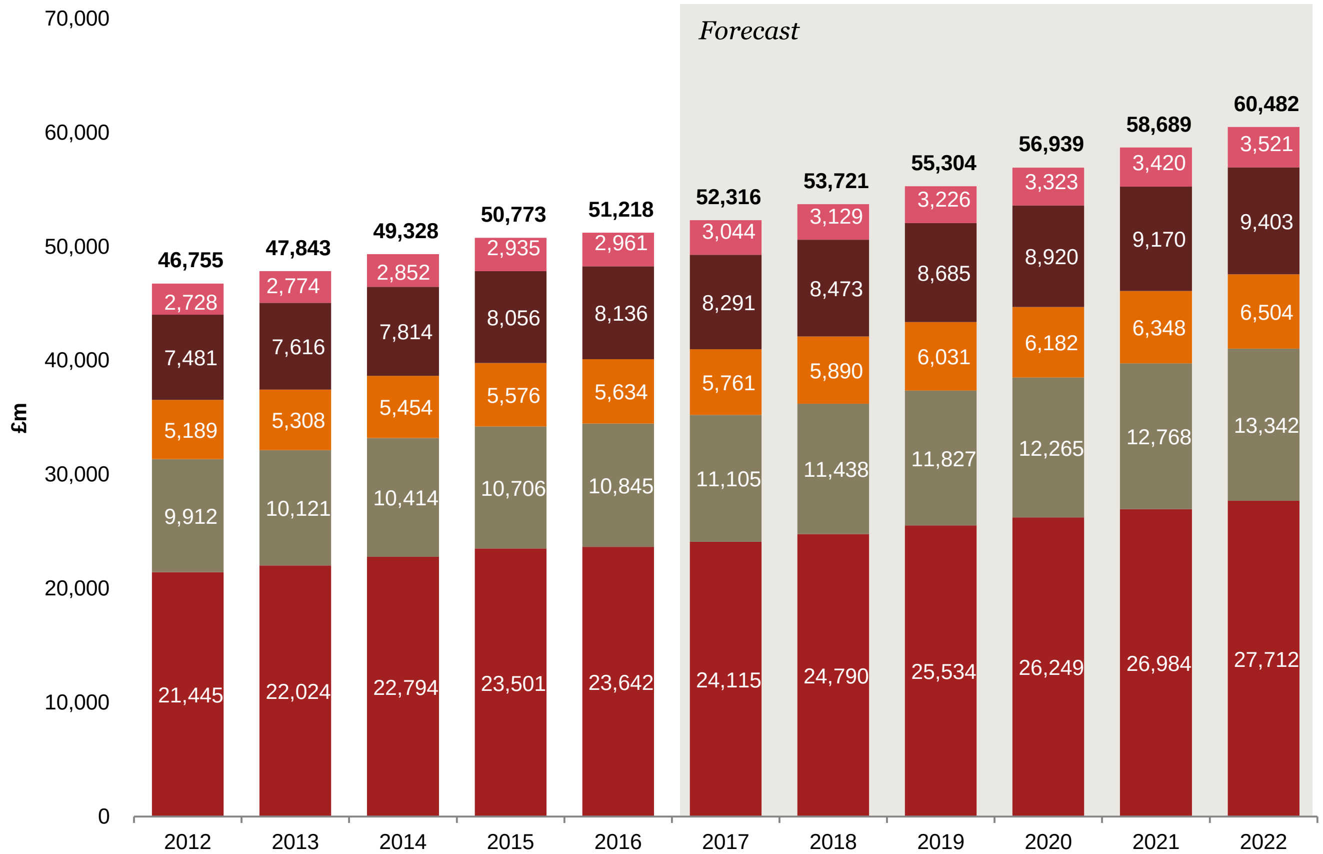
Overview of the UK plus size clothing market

- The UK clothing, footwear and accessories market is currently estimated to be worth c.£52bn and is forecast to grow at c.2.9% CAGR 2017-22
- The UK plus size segment contains 'specialist' brands who solely serve the plus size customer as well as 'generalist' clothing brands who have either designed plus size ranges or extended core clothing lines into plus sizes
- The plus size market is estimated to be worth c.£6.6bn in 2017 (of which women and men comprise £4.7bn and £1.9bn respectively), and has been outperforming the overall womenswear and menswear clothing market in the UK (c.3.3% CAGR 2012-17 vs. c.2.4% respectively)
- PwC has forecast growth in the plus size segment of c.5-6% CAGR 2017-22 (with womenswear expected to grow at c.4-5% p.a. and menswear at c.6-8% p.a., based on BMI assumptions), which reflects five key drivers:
  - Continuing growth in the addressable population (increasing obesity rates which are correlated with an ageing population and lower incomes)
  - Increasing 'body confidence' among plus size consumers (with plus size influencers, mainstream media representation and fashion trade advocacy)
  - Focus on value as a key purchase criteria (and corresponding growth of plus size and generalist value retailers)
  - Greater preference for online shopping among plus size consumers (and corresponding growth of online channel)
  - Emergence of new brands and innovations across the end-to-end customer journey (inspire, research, fulfil, transact and service)
- Within the plus size market, the value segment (defined as the total plus size market excluding the major mid-market plus size brands) is expected to grow even faster at 7.1% CAGR 2017-22

The UK clothing, footwear and accessories market is currently estimated to be worth c.£52bn and is forecast to grow at c.2.9% p.a. between 2017 and 2022

UK clothing, footwear and accessories market[1], 2012-22F



	CAGR 2012-17	CAGR 2017-22
Total	**2.3%**	**2.9%**
Accessories[2]	2.2%	2.9%
Footwear	2.1%	2.5%
Total clothing	**2.3%**	**3.0%**
Childrenswear	2.1%	2.5%
Menswear	2.3%	3.7%
Womenswear	2.4%	2.8%

- The overall clothing, footwear and accessories market has grown steadily from 2012-17, with womenswear marginally outperforming other categories
- Verdict forecasts the market to grow at an increased rate, driven by a mix of inflation and to a lesser extent volume

Note: 1. Market data expressed in current prices, incl. VAT. 2. Fashion accessories includes hats, scarves, belts and costume jewellery
Source: Womenswear category data from Verdict's UK Womenswear Market 2017-22 report. Verdict (Sept 2017) for all other categories, 2022F data-point is estimated for childrenswear, footwear and accessories based on extrapolating the 2016-21 CAGR to 2022

The plus size segment of the clothing market contains a number of brands which offer sizes 18 and above, either as part of a core or specialist range

Overview of UK plus size market segment

The UK plus size market definition

- Includes expenditure on all adult[1] clothing, sized 18+ for women and XXL+ for men (42+ inches in the waist, 50+ inches in the chest, or 34+ inches in the leg length), albeit we note that the plus size market is often defined as size 16+
- Includes items sold in a specifically designed range, such as ASOS Curve or F&F True, or as part of a core clothing line at the likes of M&S or River Island
- Includes all clothing categories across all shopping channels (in-store, online or 3rd parties)

Market participants

'Specialists'

Clothing retailers who solely serve the plus size customer (often start at size 14 and offer up to size 36)

Female plus size specialists

Male plus size specialists

'Generalists'

Clothing retailers who have specifically designed plus size ranges or offer larger sizes as part of a core clothing line

Mid-market multi-category players

Mid-market clothing specialists

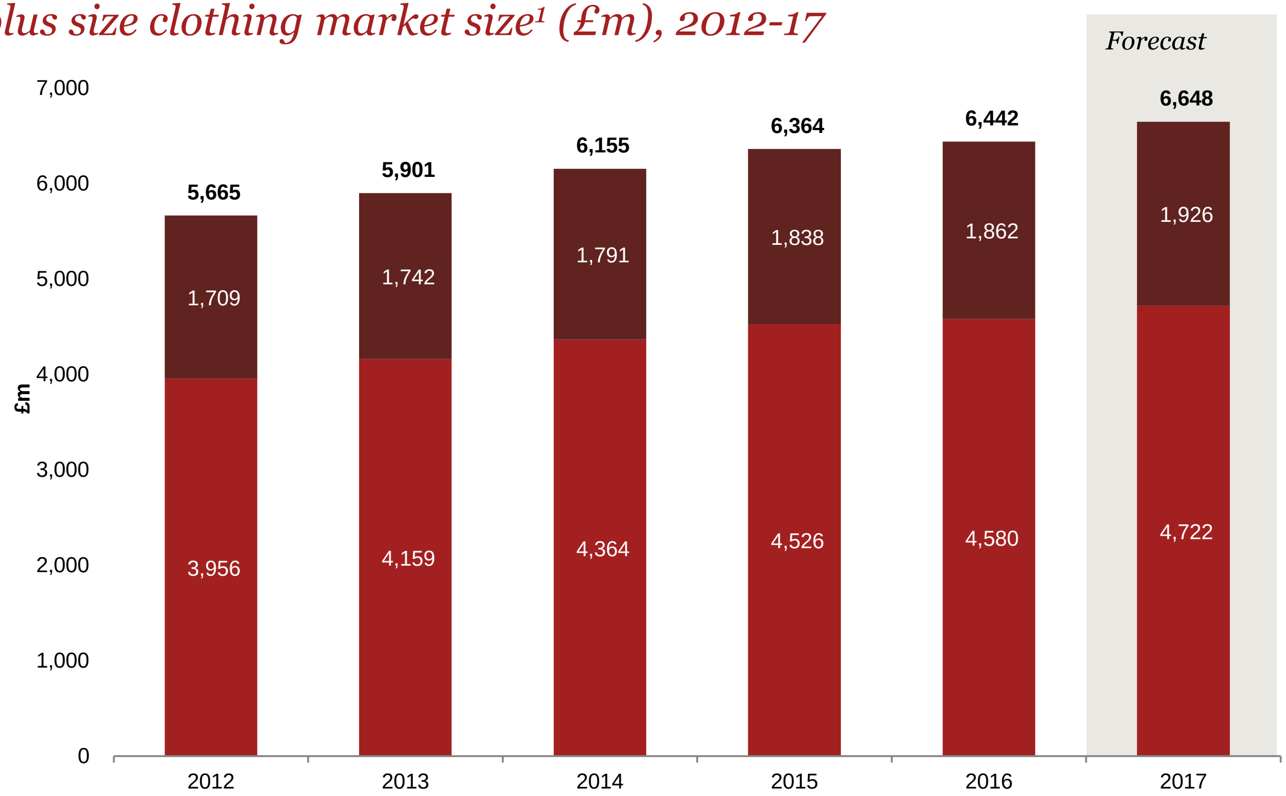
Young fashion brands

Grocers

Note: 1. Age 16+.
Source: Company websites, PwC analysis

The plus size market is estimated to be worth c.£6.6bn in 2017, and has been outperforming the overall womenswear and menswear market in the UK

Total UK plus size clothing market size[1] (£m), 2012-17



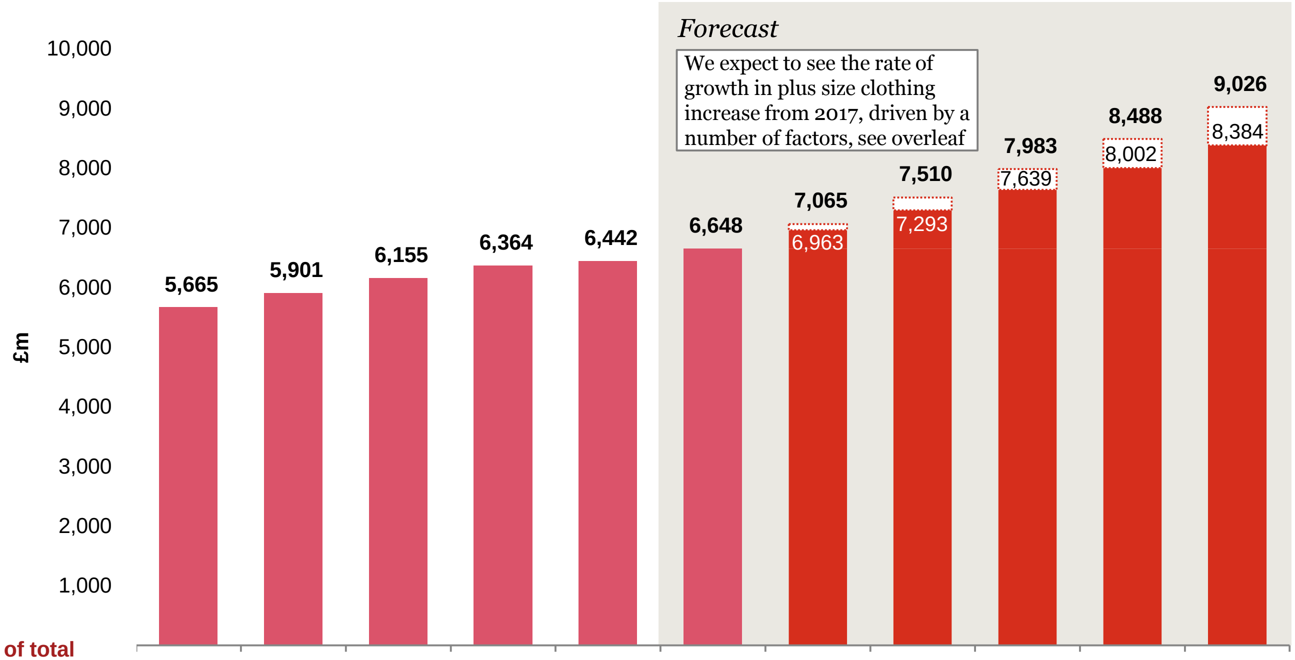
	CAGR 2012-17
Total UK plus size	3.3%
Plus size menswear	3.6%
Plus size womenswear	2.4%
Overall UK womenswear and menswear	2.4%

	2012	2013	2014	2015	2016	2017
Overall UK womenswear and menswear (£m)	31,357	32,145	33,208	34,207	34,487	35,220
Plus size share (%)	18.1%	18.4%	18.5%	18.6%	18.7%	18.9%

Note: 1. Market data expressed in current prices, incl. VAT
Source: Verdict (2017), PwC analysis

PwC has forecast growth in the plus size segment of the UK clothing market at c.5-6% p.a. 2017 to 2022

Total UK plus size clothing market size[1] (£m), 2012-22F



Share of total adult clothing[3]	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Verdict historical	18.1%	18.4%	18.5%	18.6%	18.7%	-	-	-	-	-	-
PwC high case	-	-	-	-	-	18.9%	19.2%	19.5%	19.8%	20.1%	20.4%
PwC base case	-	-	-	-	-	18.9%	19.5%	20.1%	20.7%	21.4%	22.0%

Note: 1. Market data expressed in current prices, incl. VAT. 2. Base case scenario: forecast growth in obesity (defined as BMI of 30+) in line with long run historical trend (2008-15 CAGR), high case scenario: forecast growth in obesity (defined as BMI of 30+) in line with most recent historical trend (2012-15 CAGR). Both cases forecast addressable population by gender and age group and combine with ONS population forecasts. 3. Share of total UK womenswear and menswear. 4. Based on public accounts and interviews with retailers, sense-checked with a consumer survey of plus size clothing buying behaviour

Source: Verdict (2017), NHS Health Survey, PwC analysis

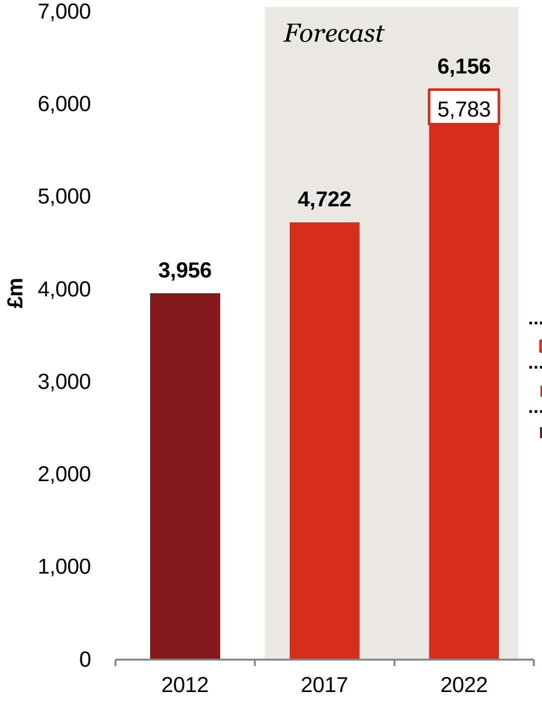
	CAGR 2012-17	CAGR 2017-22
PwC plus size high case[2]	n/a	6.3%
PwC plus size base case[2]	n/a	4.7%
Verdict historical plus size	3.3%	-
Verdict historical total menswear & womenswear	2.4%	-

Basis of forecast

- Our 2017 plus size market size is based on Verdict's bottom up market estimate[4]
- We have then forecast plus size clothing growth to 2022 based on extrapolating long term trends in UK obesity rates (the addressable population) and clothing spend per head
- We have developed two forecast scenarios. Our 'base' case extrapolates the long run trend in obesity (2008-15) whilst our 'high' case extrapolates the most recent trend in obesity (2012-15), resulting in higher addressable population growth due to a recent rise in obesity rates (which is validated by multiple health sources)
- For each scenario, we have assumed women's spend her head will grow in line with inflation 2017-22, and men's spend per head will grow at 3.5% p.a. (Verdict's forecast) due to the increasing availability of plus size ranges for men
- See appendix for additional information on our forecast methodology

The plus size menswear market is forecast to grow faster than womenswear, at 6-8% p.a. compared to 4-5% p.a.

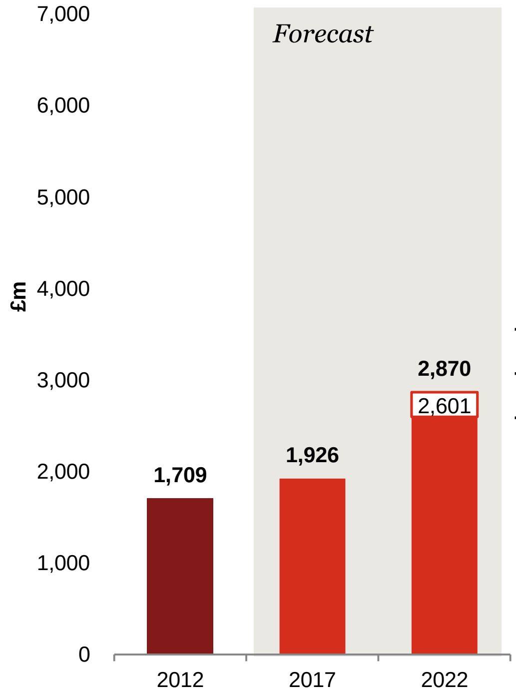
Plus size womenswear UK clothing market size[1], 2012-2022



	CAGR 2012-17	CAGR 2017-22
PwC high case [2]	n/a	5.4%
PwC base case [2]	n/a	4.1%
Verdict historical	3.6%	-

	2012	2017	2022
Overall UK womenswear (£m)	21,445	24,115	27,712
Plus size share (%)	18.4%	19.6%	22.2%

Plus size menswear UK clothing market size[1], 2012-2022



	CAGR 2012-17	CAGR 2017-22
PwC high case [2]	n/a	8.3%
PwC base case [2]	n/a	6.2%
Verdict historical	2.4%	-

	2012	2017	2022
Overall UK menswear (£m)	9,912	11,105	13,342
Plus size share (%)	17.2%	17.3%	21.5%

Note: 1. Market data expressed in current prices, incl. VAT 2. Base case scenario: forecast growth in obesity (defined as BMI of 30+) in line with long run historical trend (2008-15 CAGR), high case scenario: forecast growth in obesity (defined as BMI of 30+) in line with most recent historical trend (2012-15 CAGR). Both cases forecast addressable population by gender and age group and combine with ONS population forecasts
Source: Verdict (2017), NHS Health Survey, PwC analysis

The plus size market forecast is driven by continued growth in the addressable population, changing plus size consumer attitudes and new market entrants

UK plus size clothing market drivers

1 Growing addressable population

- UK **obesity** rates have continued to rise (reaching c.30% of total UK population in 2015)
- Obesity is correlated with **age**, with higher rates of obesity amongst older age groups. This supports continued growth of the addressable population, given ageing population
- Obesity appears correlated with **lower incomes** particularly amongst women

2 Increasing body confidence

- **Plus size influencers** (models, celebrities and bloggers, e.g. Ashley Graham, Tess Holliday) are becoming increasingly vocal through social media
- There is increased coverage of the plus size market and issues in **mainstream media**
- The **fashion trade** has increased its exposure of plus size at both mainstream (e.g. NY Fashion Week) and “specialist events” (e.g. UK Plus Size Fashion Week)

3 Focus on value as a key purchase criteria

- Price is the most important **purchase criteria** for plus size customers
- Together with the plus size correlation with lower incomes and ongoing squeeze on discretionary income, this focus on value for money is likely to remain
- This trend is reflected in the performance of **value retailers** gaining share of both the overall and plus size clothing markets

4 Consumer online preferences

- Plus size customers **prefer to shop online** more than the average woman
- In both the plus size and total womenswear markets, we expect **online sales** to continue to gain share (forecast to account for c.36% of the womenswear market by 2022)

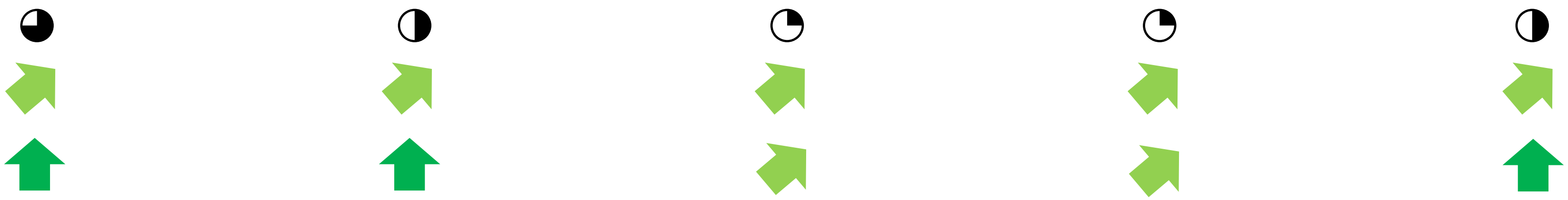
5 New brands and innovations

- **New brands and sub-brands** continue to be launched in the plus size market including specialist plus size brands (e.g. Navabi, Bad Rhino) and existing clothing generalists (e.g. River Island, Quiz)
- These brands are innovating across the **end to end customer journey**, leveraging new technologies (e.g. virtual stylists, live chat, body scanners) and partnerships (e.g. concessions, marketplaces, third party logistics)

Importance as a driver of growth

Historical growth impact

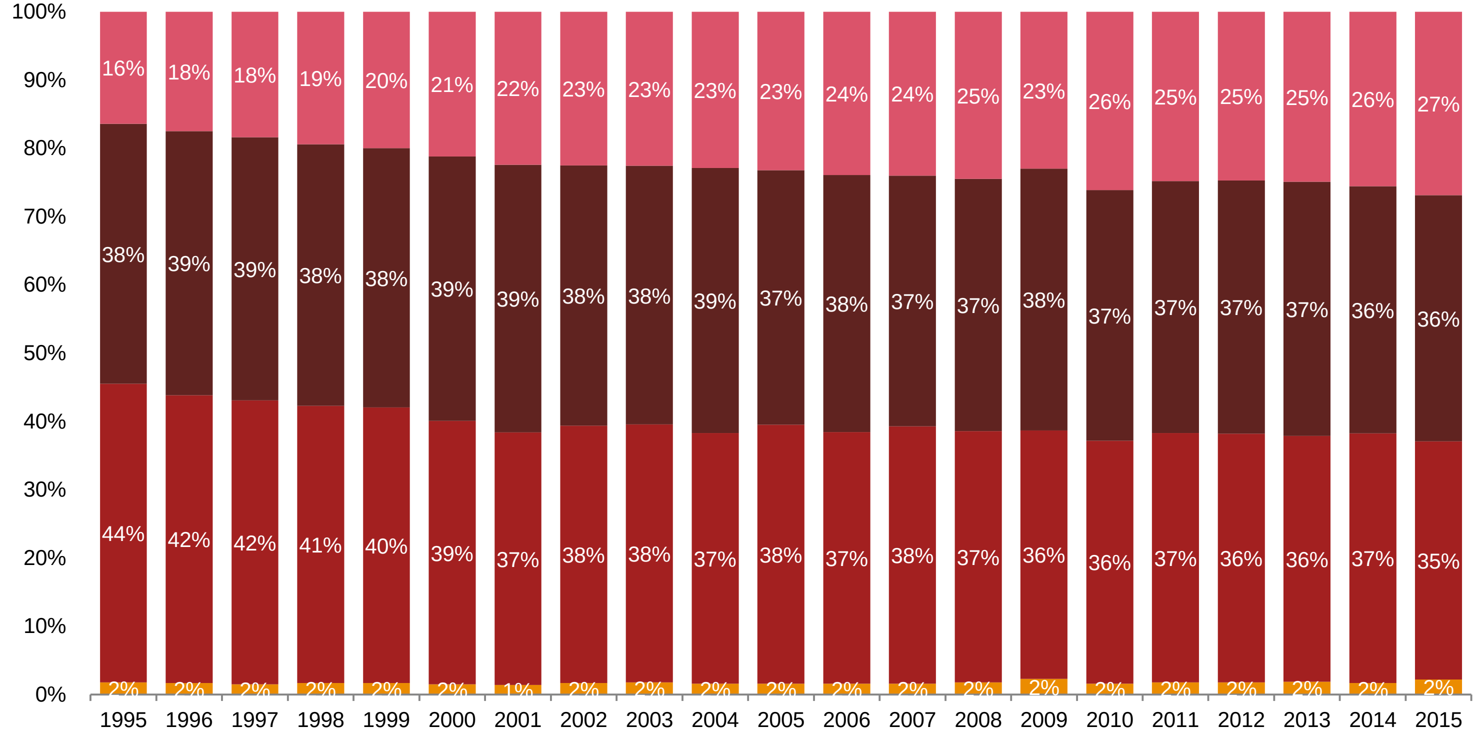
Forecast growth impact



Key: = positive impact = high positive impact

The proportion of obese people in the UK has been growing…

English population by weight category[1], 1995 - 2015



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
UK pop. (m)	58.0	58.2	58.3	58.5	58.7	58.9	59.1	59.4	59.6	60.0	60.4	60.8	61.3	61.8	62.3	62.8	63.3	63.7	64.1	64.6	65.1
UK obese pop.[1] (m)	9.5	10.2	10.7	11.3	11.7	12.5	13.2	13.4	13.5	13.7	14.0	14.5	14.7	15.1	14.3	16.4	15.7	15.7	16.0	16.5	17.5

Average dimensions of women in the UK:

	1993	2015
Height:	5ft 3.4in	5ft 3.8in
Weight:	10st 7lb	11st 3lb
Waistline:	32.2in	34.8in

Average dimensions of men in the UK:

	1993	2015
Height:	5ft 8.6in	5ft 9.1in
Weight:	12st 6lb	13st 5lb
Waistline:	36.7in	38.3in

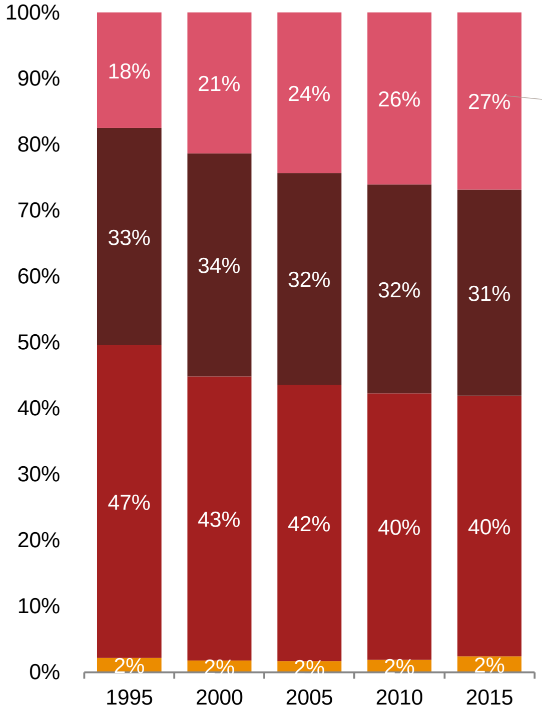
	Change 1995-2015
Obese	10.5ppts
Overweight	(2.0)ppts
Normal	(8.8)ppts
Underweight	0.4ppts

	CAGR 1995-2015
UK pop.	0.6%
UK obese pop.	3.1%

Note: 1. England weightings of weight categories applied to UK population. Underweight is BMI <18.5, normal is BMI 18.5-24.9, overweight is BMI 25-29.9 and obese is BMI >30
Source: ONS, NHS National Health Survey England 2015

…across both genders

English female population by weight category[1], 1995 - 2015



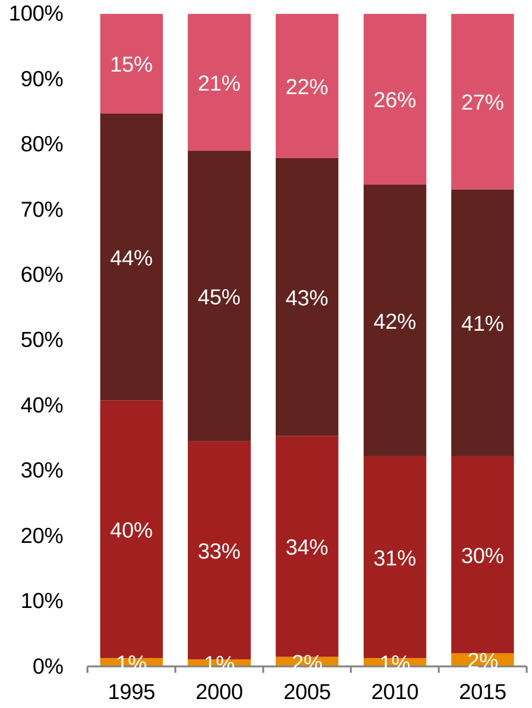
The average dress size for UK women increased from 12 in 1957 to 16 in 2017

	Change 1995-2015
Obese	9.3ppts
Overweight	(1.7)ppts
Normal	(7.9)ppts
Underweight	0.2ppts

	1995	2000	2005	2010	2015
Female pop. (m)	29.8	30.2	30.8	31.9	33.0
Female obese pop[1]. (m)	5.2	6.5	7.5	8.3	8.9

	CAGR 1995-2015
Female pop.	0.5%
Female obese pop.	2.7%

English male population by weight category[1], 1995 - 2015



	Change 1995-2015
Obese	11.6ppts
Overweight	(3.1)ppts
Normal	(9.3)ppts
Underweight	0.7ppts

	1995	2000	2005	2010	2015
Male pop. (m)	28.2	28.7	29.6	30.9	32.1
Male obese pop[1]. (m)	4.3	6.0	6.5	8.1	8.6

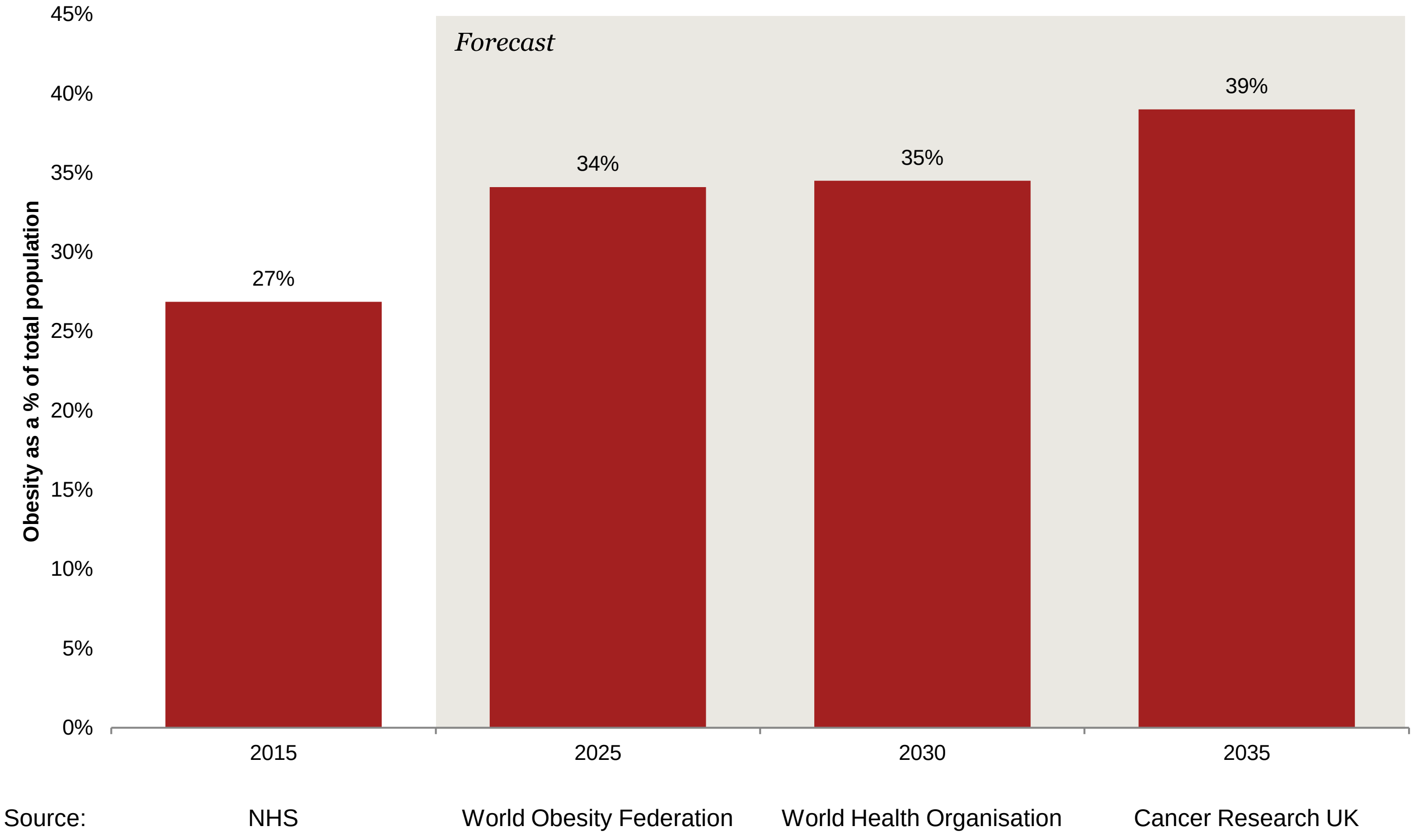
	CAGR 1995-2015
Male pop.	0.6%
Male obese pop.	3.5%

Note: 1. England weightings of weight categories applied to UK population. Underweight is BMI <18.5, normal is BMI 18.5-24.9, overweight is BMI 25-29.9 and obese is BMI >30
Source: ONS, NHS National Health Survey England 2015

Growing addressable population

Third party forecasts expect UK obesity rates to continue to grow in the long term

Forecast obesity rates in the UK as a proportion of the total population



"The cause of the rapid rise in obesity has been blamed on our modern lifestyles, including our reliance on the car, TVs, computers, desk-bound jobs and high-calorie food"

- NHS

"The average distance a person walks for transport purposes has fallen from 255 miles a year in 1976 to 192 miles in 2003, while car use has increased by more than 10%"

- NHS

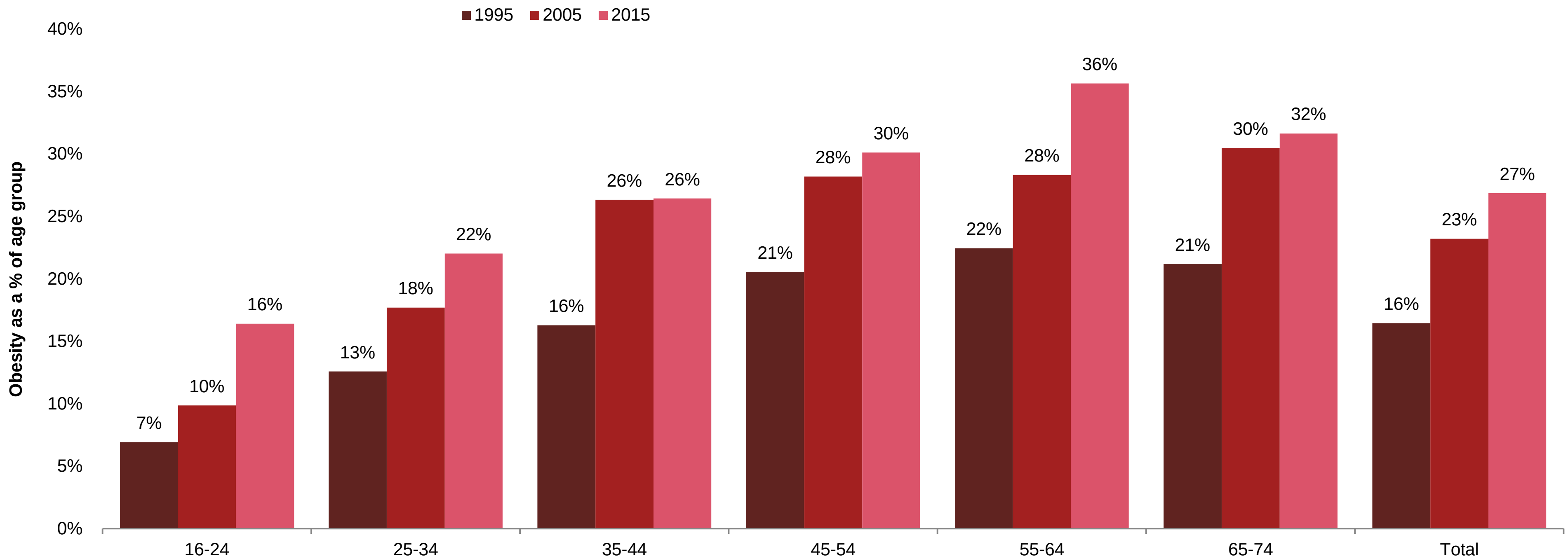
"The role of advertising in driving us towards unhealthy foods cannot be underestimated, especially when it comes to children, this is why chocolate and crisps brands are pumping millions into advertising every year"

- The Guardian

Source: NHS National Health Survey England, World Obesity Federation World Obesity Day Global Data on Number of Adults Affected (2015), World Health Organisation Modelling Obesity Project presentation at the European Congress on Obesity (2015), Cancer Research UK and UK Health Forum "*Tipping the Scales: Why Preventing Obesity Makes Economic Sense*" (2016), National Obesity Forum "*State of the Nation's Waistline*" (2013)

Obesity is correlated with age…

Obesity in England by age group[1], 1995 - 2015



UK pop. growth

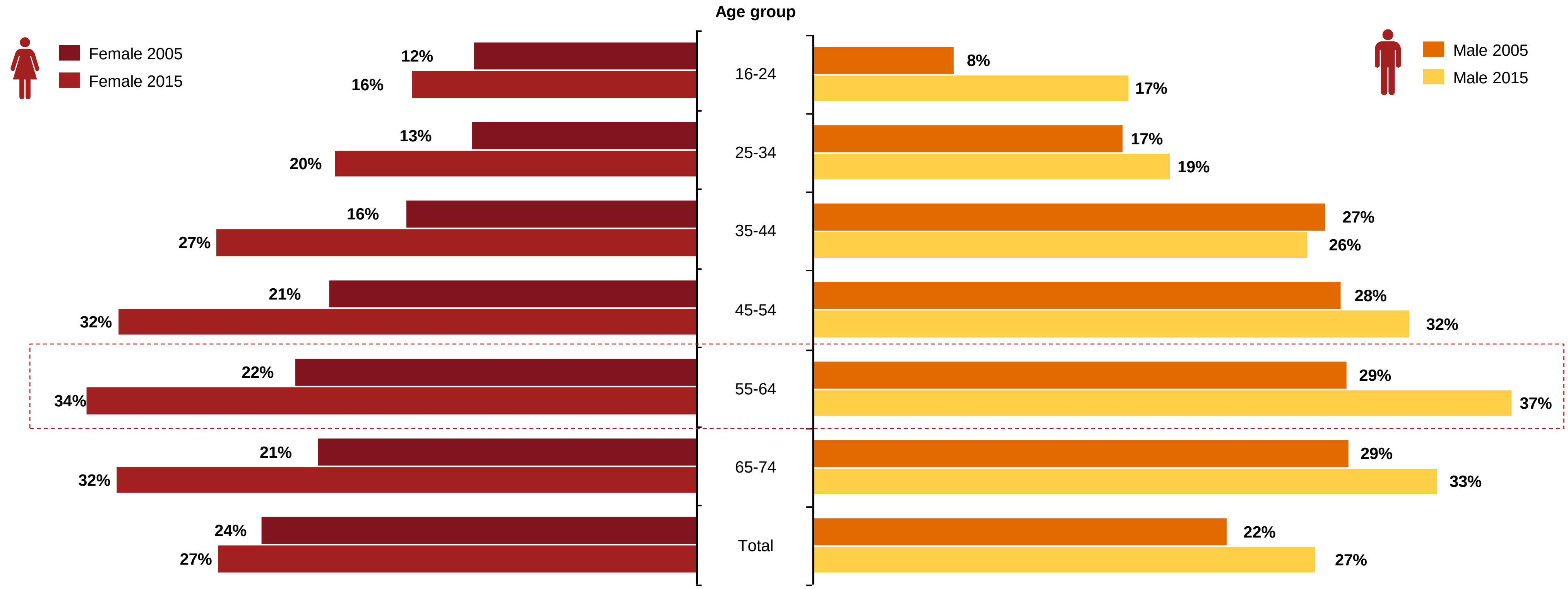
	16-24	25-34	35-44	45-54	55-64	65-74	Total
CAGR 2012-16	(0.6%)	1.0%	(0.7%)	0.9%	1.0%	2.8%	0.8%
CAGR 2016-21	(1.0%)	0.2%	0.6%	(1.1%)	2.4%	0.9%	0.6%

Aging population supports growth of addressable market for plus size clothing

Note: 1. England weightings of weight categories applied to UK population
Source: ONS, NHS National Health Survey England 2015

...with the highest obesity rates amongst middle-aged women and men

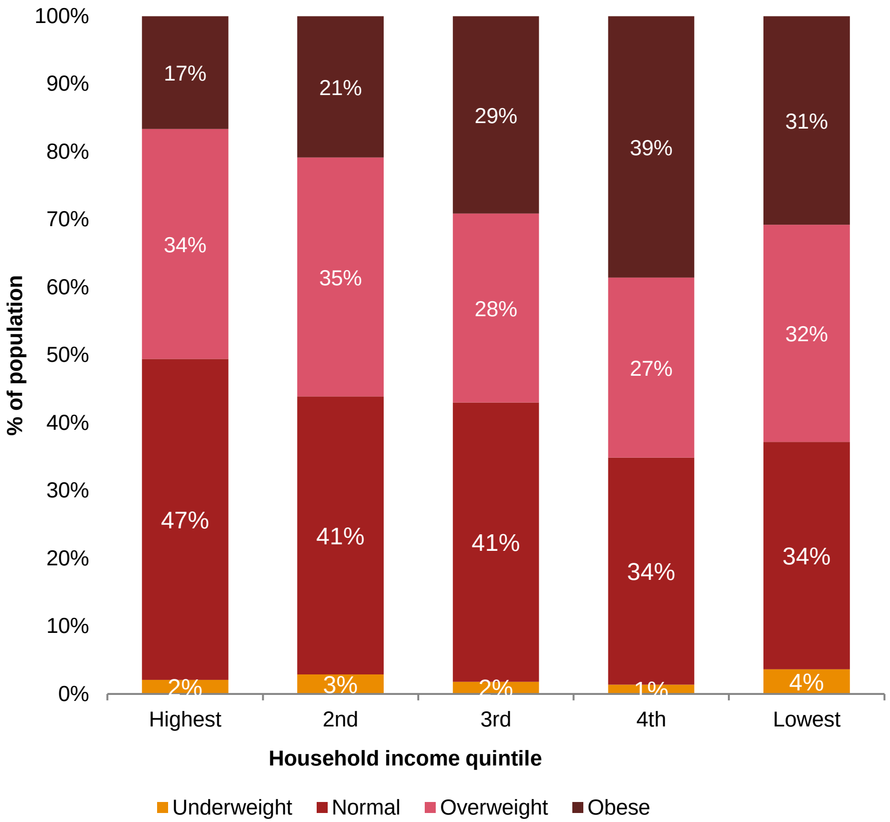
Obesity in England by age group and gender, 2005 - 2015



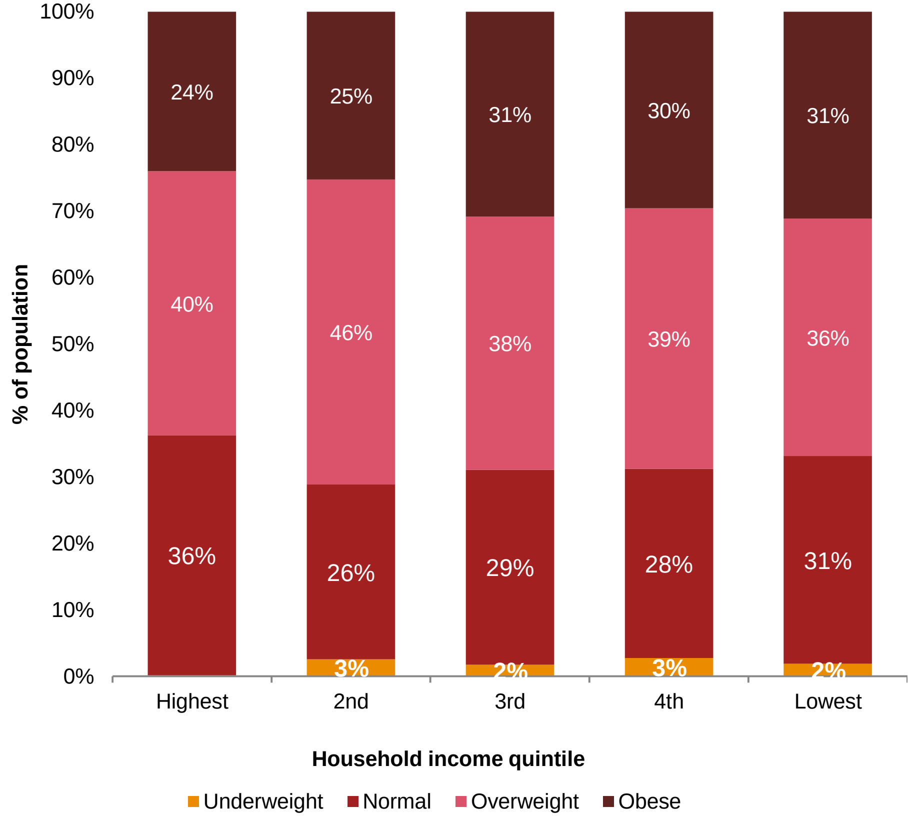
Source: ONS, NHS National Health Survey England 2015

Obesity also appears correlated with lower incomes, particularly amongst women

English female population by income and weight category, 2015



English male population by income and weight category, 2015

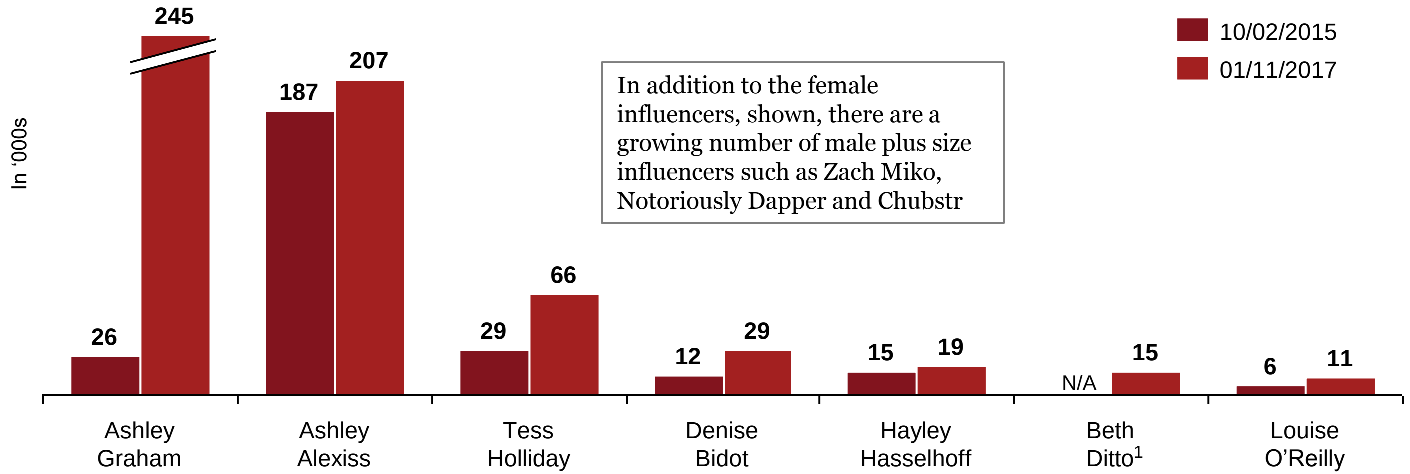


Source: ONS, NHS National Health Survey England 2015

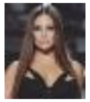
Plus size influencers are becoming more popular and vocal…

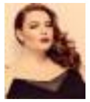
Followers of plus size models, bloggers and celebrities across social media platforms

Number of Twitter followers, 2015-17



In addition to the female influencers, shown, there are a growing number of male plus size influencers such as Zach Miko, Notoriously Dapper and Chubstr







U.S. U.S. U.S. U.S. U.S. U.S. Ireland

Number of Instagram and Facebook followers, November 2017:

	Ashley Graham	Ashley Alexiss	Tess Holliday	Denise Bidot	Hayley Hasselhoff	Beth Ditto	Louise O'Reilly
Instagram	*5.6m*	*1.2m*	*1.5m*	*449k*	*51k*	*114k*	*44k*
Facebook	*2.5m*	*5.3m*	*1.7m*	*84k*	*449k*	*408k*	*17k*

ILLUSTRATIVE

"I will not let others dictate what they think my body should look like for their own comfort, and neither should you"
– Ashley Graham

"I am celebrating existing in my body and loving myself, when everybody said I wasn't worth anything."
– Tess Holliday

"Fashion was always a way to feel good. I lived vicariously through my outfits; if I didn't feel comfortable in my figure, I felt great when I had a good outfit on."
– Hayley Hasselhoff

Note: 1. Number of Twitter followers in 2015 not available for Beth Ditto. Source: Crimson Hexagon (data extracted on 16/11/2017), Social media websites, Press search

...which together with broader media coverage and trade advocacy...

ILLUSTRATIVE

Media

Publications

Plus size magazine 'Evolve' (Since 2013)

Sports Illustrated features first plus size model (Feb. 2016)

TV

"Plus Sized Wars" documentary (Channel 4, 2015)

"18-30 Stone Holiday" TV series (ITV, 2017)

News

Good Morning Britain debate on plus size pricing (Nov. 2017)

INDEPENDENT

Independent article on plus size men (Mar. 2016)

Meet the pioneering plus-size male models and agents spearheading the male body positivity movement

Trade

'Mainstream'

Dove's "Real Beauty" campaign" (Since 2004)

Plus size at New York Fashion Week (2017)

Models 1 agency set up 'Curve' (Since 2012)

'Specialist'

UK Plus Size Fashion Week (UKPSFW), founded in 2012 by Rianne Ward, Editor-in-Chief of Evolve magazine

Plus size beauty awards

BRITISH PLUS SIZE AWARDS

(Since 2013)

Miss British Beauty Curve

(Since 2013)

Ms Curvaceous

(Since 2013)

CURVE

Curve Model Management, plus size-only modelling agency (August 2011)

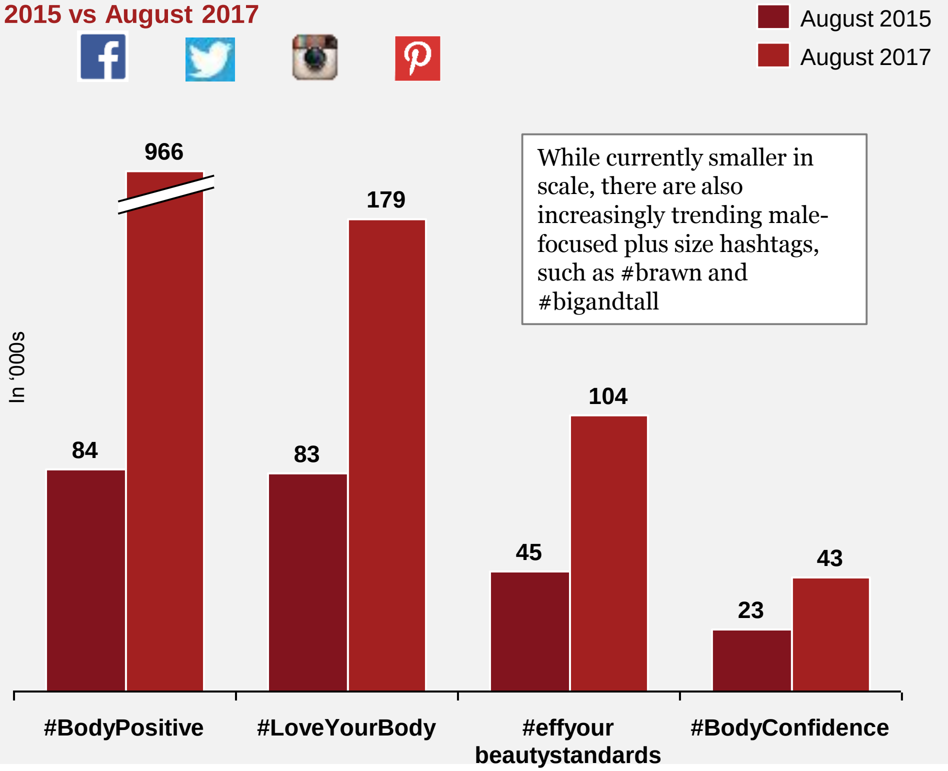
Source: Press search, Social media websites, PwC analysis

…is increasing body confidence amongst plus size customers

ILLUSTRATIVE

Plus size is becoming a hot topic on various social media platforms…

Number of global mentions[1] across social media platforms in August 2015 vs August 2017



While currently smaller in scale, there are also increasingly trending male-focused plus size hashtags, such as #brawn and #bigandtall

…and is associated with "positive body" image and "body confidence"

Selected consumer quotes from social media platforms

*"**Body positive** means learning to love yourself, and learning to ignore what society believes you should or shouldn't look like"* – #BodyPositive

*"I know it's hard to look in the mirror and **love the curvier parts** of your body, but who decided that curves aren't beautiful? The only person who can make **you love your body** is you"* – #LoveYourBody

*"Instead of being insecure about your body… love what you have! **Confidence is beautiful**!"* – #BodyConfidence

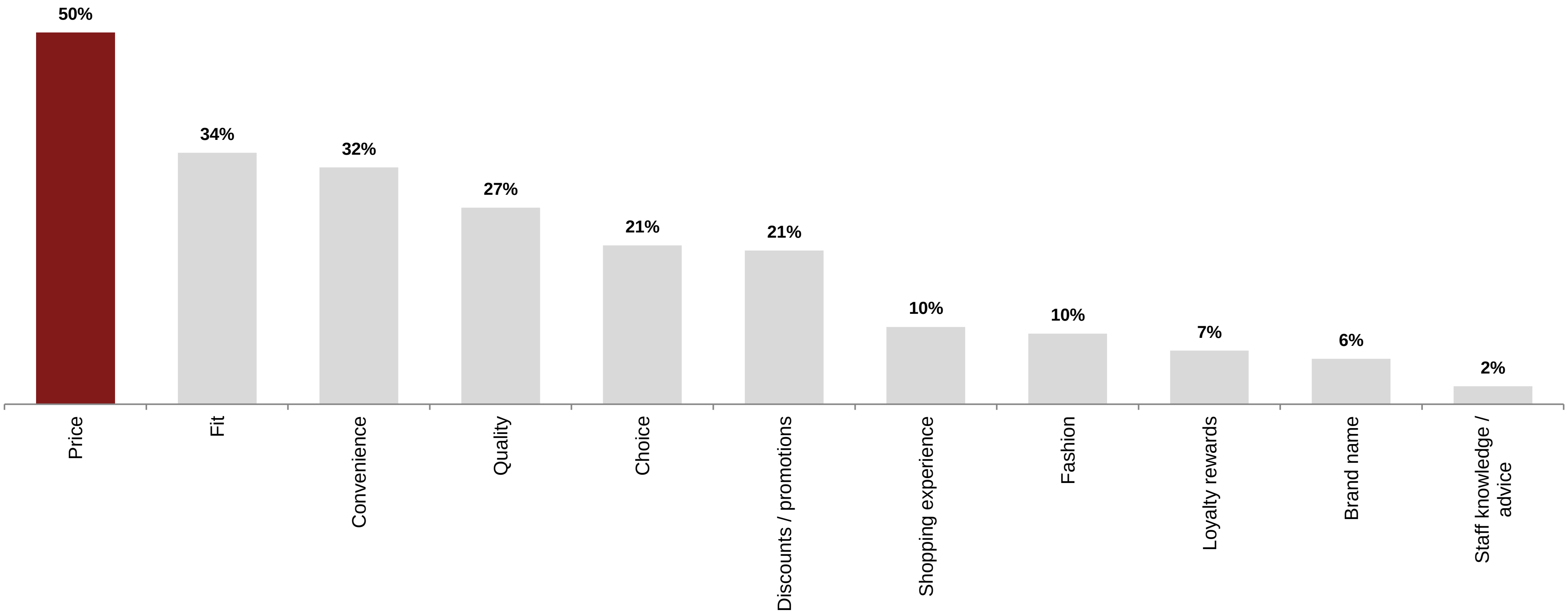
*"**ASOS** has stopped airbrushing their pictures. **Stretchmarks** on a model! This is amazing. Well done ASOS."* – #Stretchmarks

Note: 1. Number of mentions includes words appearing in sequence, with and without hashtags, across various social media platforms including blogs
Source: Crimson Hexagon (data extracted on 16/11/2017), Social media websites

3 **Focus on value as a key purchase criteria**

Price is the most important purchasing criteria for plus size shoppers

% of female plus size shoppers citing criteria as a reason for buying plus size clothing in a 12 month period, 2016



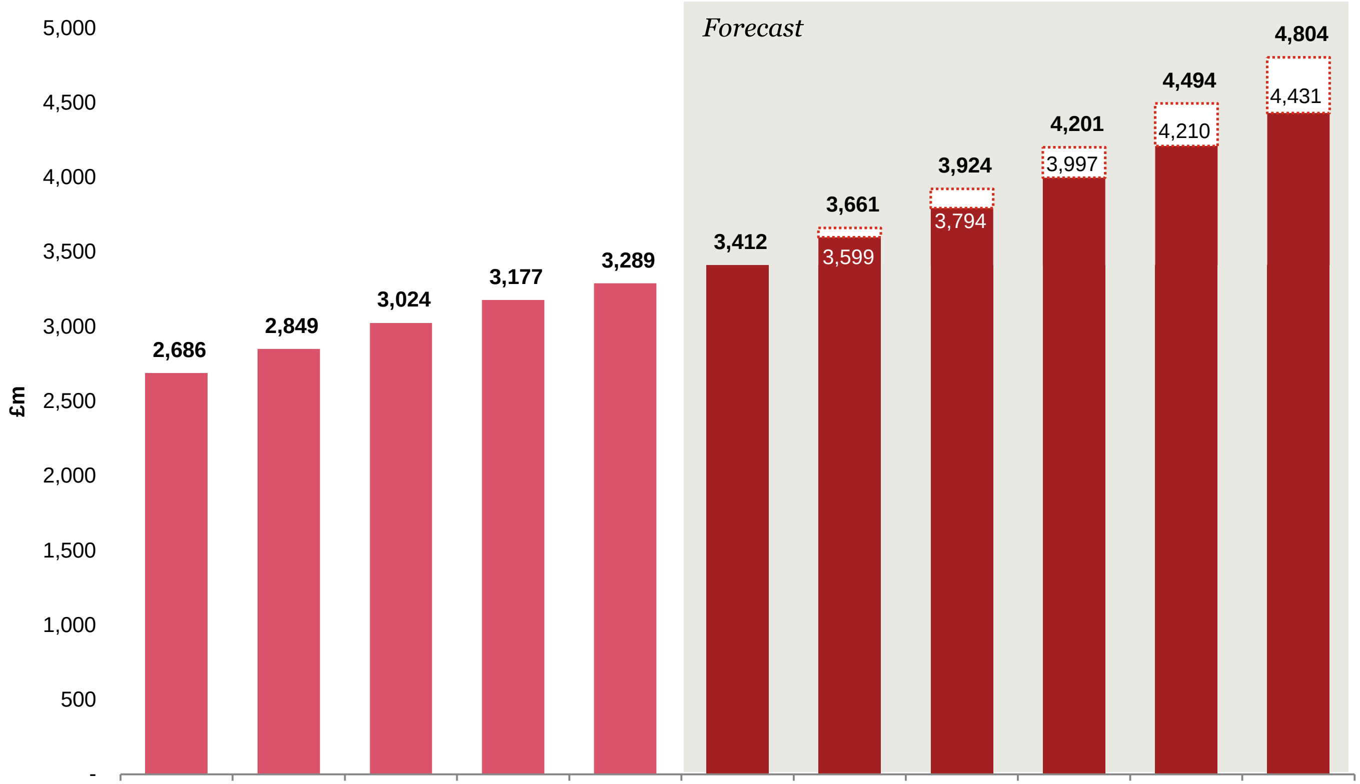
Source: Verdict 2016 survey of 5,000 respondents (respondents able to choose multiple criteria)

3

Focus on value as a key purchase criteria

…driving growth in the value segment of the plus size market

UK plus size womenswear market size excluding mid-market (£m)[1], 2012-22F



% of total plus size womenswear[3]	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	65.6%	66.1%	66.7%	67.6%	69.3%	69.7%	71.0%	72.3%	73.4%	74.6%	75.6%

Plus size excluding mid-market	CAGR 2012-17	CAGR 2017-22
PwC high case	n/a	7.1%
PwC base case	n/a	5.4%
Verdict historical	4.9%	n/a
Verdict incl. mid-market	3.3%	n/a

Basis of forecast

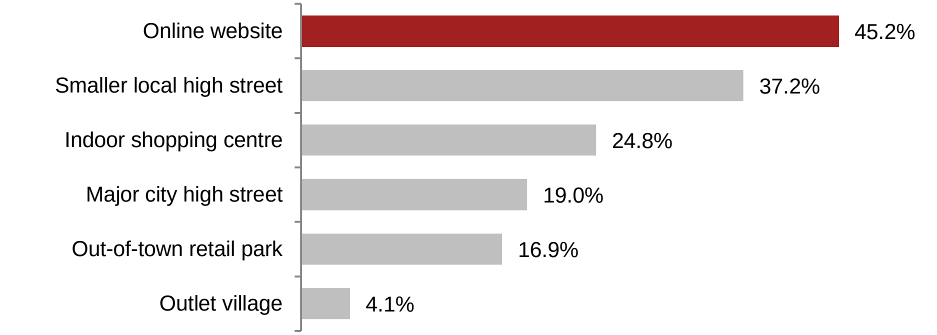
- As a proxy for UK value plus size womenswear, we have removed the largest mid-market[2] plus size brands from the market (as estimated by Verdict)
- We have then assumed these mid-market brands continue to grow at c.1% p.a. to 2022 (as they have done from 2012 to 2017) to estimate 'value' plus size segment growth within our total plus size market forecast (see appendix for further details)

Note: 1. Market data expressed in current prices, incl. VAT. 2. We have excluded mid-market retailers 2012-17 and assumed 2017-22 growth of these retailers is the same as growth for 2012-17. Mid-market defined as M&S, Next, Shop Direct, Debenhams, BHS and Edinburgh Woollen Mill. 3. Market share forecast compares high case of plus size womenswear excluding mid-market to high case of total plus size womenswear.
Source: Verdict (2017), NHS Health Survey, PwC Analysis

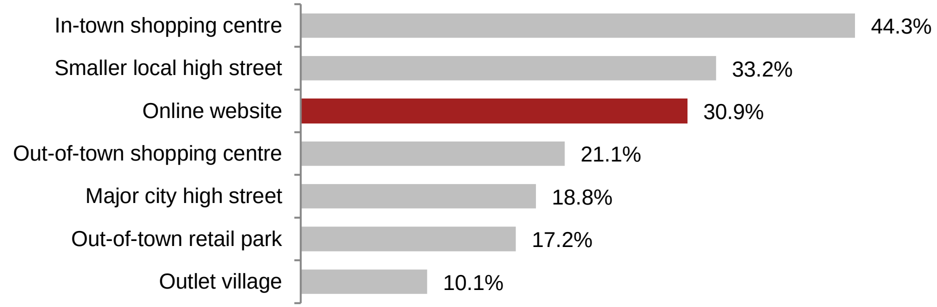
Plus size shoppers prefer to shop online more than the average woman, driving share gains of the online channel

Plus size shoppers prefer to shop online more than the average woman…

Preferred location of plus size womenswear consumers when shopping for clothing (%),[1] 2016

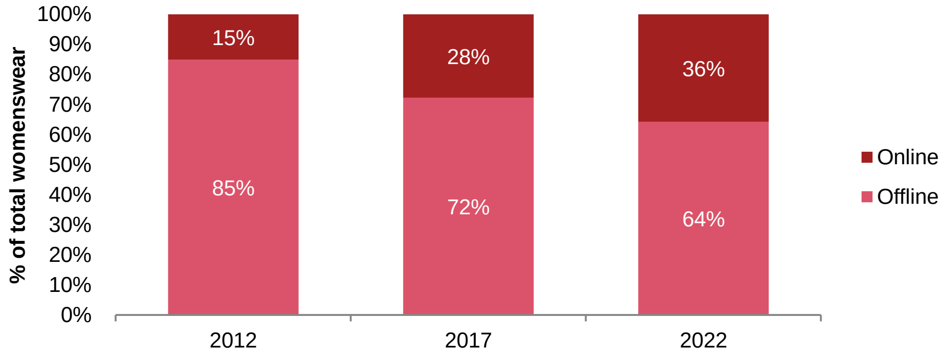


Preferred location of all womenswear consumers when shopping for clothing (%),[1] 2017



…which is reflected in the retailers entering and growing in the plus size market

Online penetration in womenswear, 2012-22F



- A number of the recent plus size market entrants have a strong online weighting, including pure online players such as ASOS and Boohoo
- Existing players in the industry are also generally heavily focused on the online channel, either as pure play (e.g. SimplyBe, Jacamo) or as retailers with a significant online emphasis (e.g. Yours Clothing)

Note: 1. Plus size 2016 survey did not include 'out of town shopping centre', as included in the total womenswear survey
Source: Verdict 2017 survey of 5,000 respondents, Verdict 2016 survey of 5,000 respondents

There are distinct business models in the plus size market…

Brand positioning of selected plus size specialists and generalists

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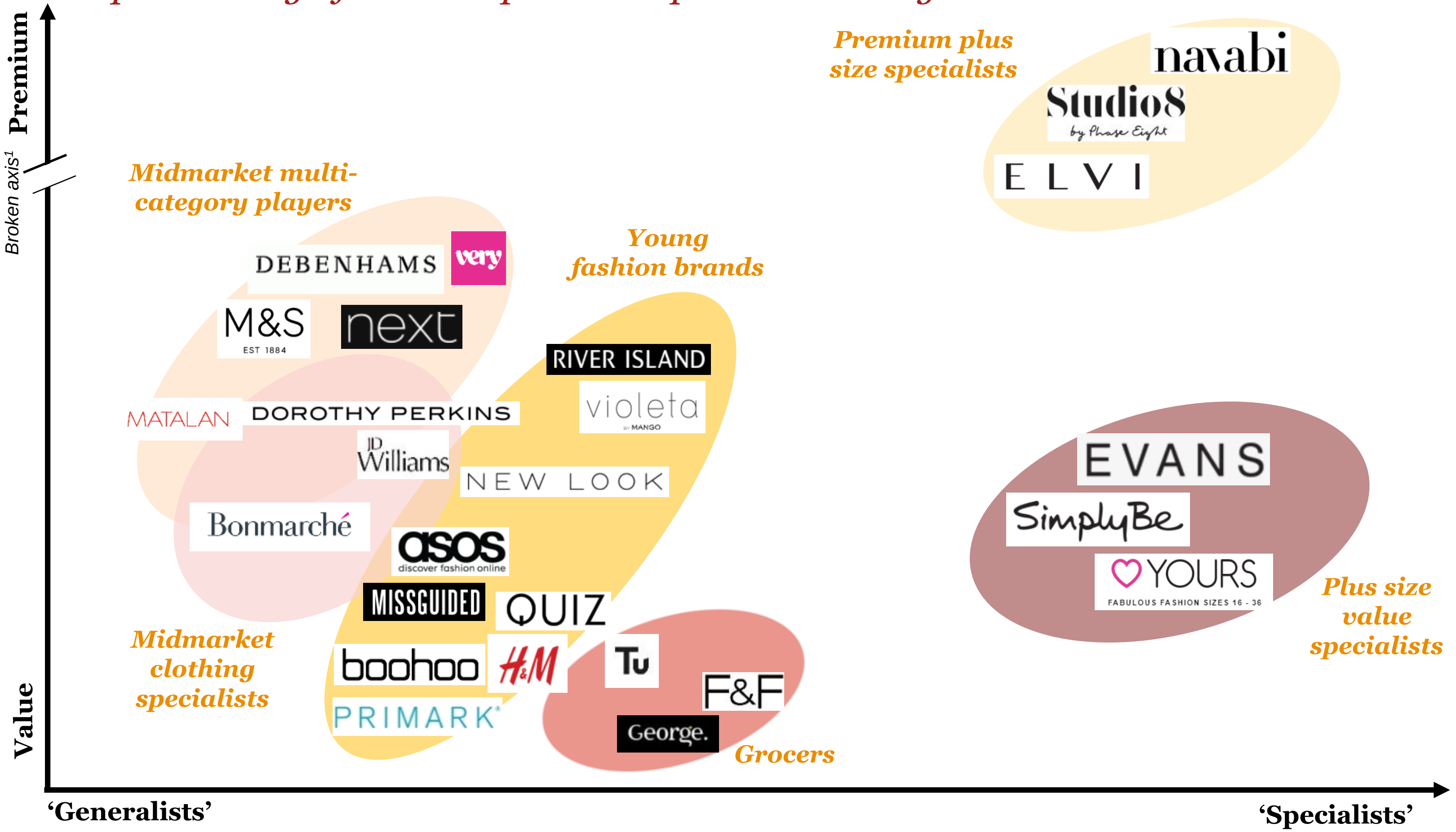
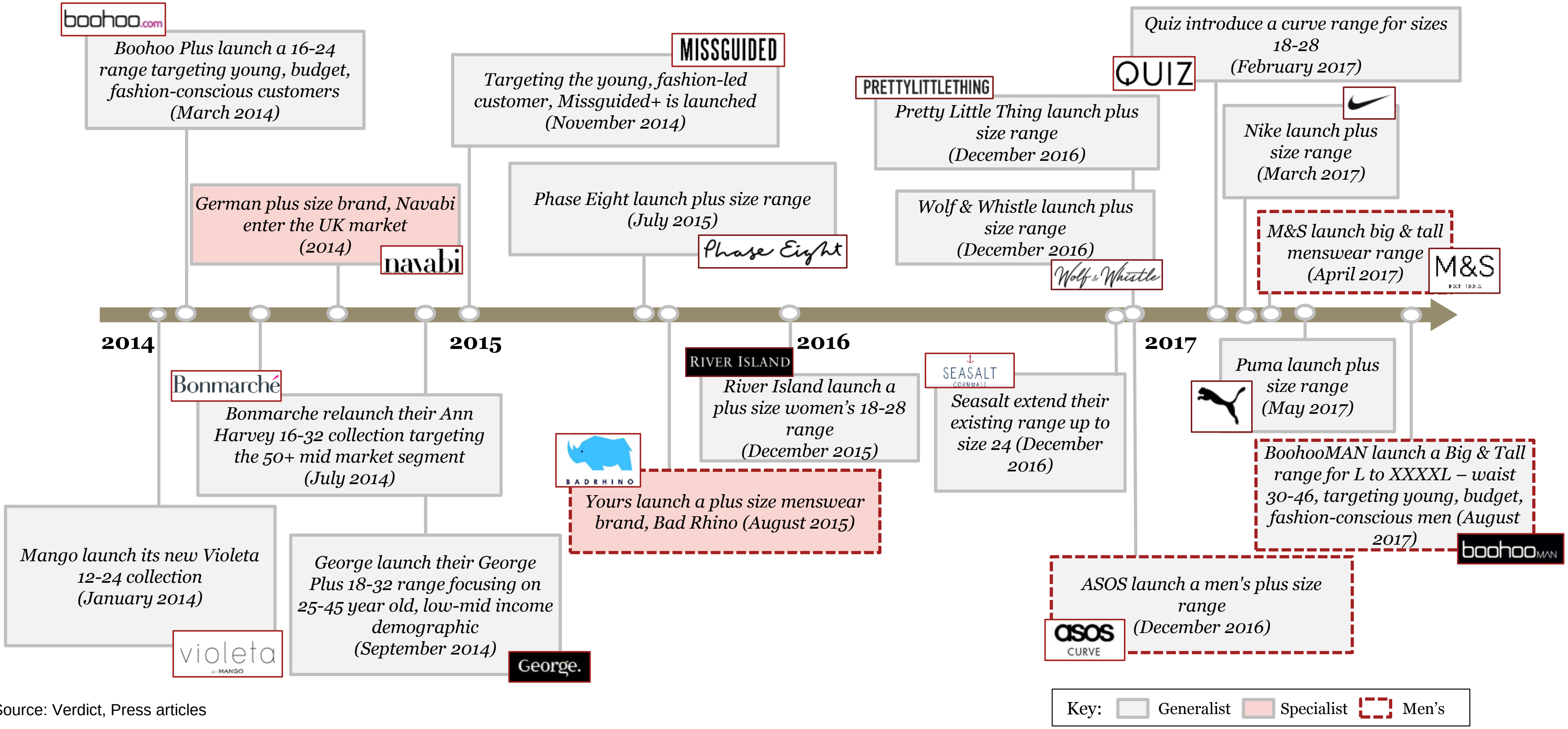


Note: 1. Y-axis is split to show the gap in pricing between the mid-market and premium players
Source: Retailer websites, PwC analysis

...with a recent influx of new brands and sub brands launched over the past few years

Selected UK plus size market entrants



Source: Verdict, Press articles

These brands are innovating across the end to end customer journey

Overview of retailers' customer journey

1 Inspire

- "A point of view" (e.g. editorials)
- Look books, blogs, "Staff Picks", "Editor's Picks"
- "New in" / "Bestsellers"
- Online "Style Advisor" tool
- Personalisation
- Predictive recommendations (e.g. website pop- ups)

2 Research

- Core website functionality (e.g. detailed product information, size guide, peer reviews, wishlist, store finder)
- Mobile optimised and mobile app functionality (e.g. in-store barcode scanning tool)
- Trustpilot
- Body scanning tools

3 Transact

- Own stores
- Online
- Transactional mobile apps
- Department store concessions (in-store and online)
- 3rd party marketplaces
- Multiple payment options (e.g. "Shop Now Pay Later", credit accounts)

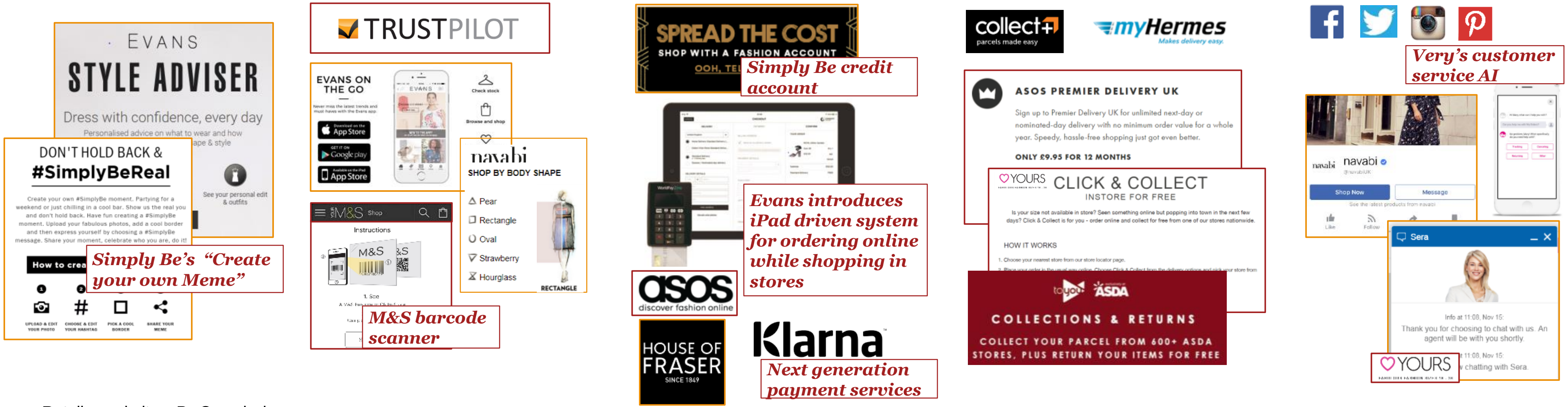
4 Fulfil

- Multiple delivery options
- Free shipping and returns
- Delivery subscription offers (e.g. 12 month unlimited next day deliveries)
- Selected partnerships with 3PLs
- Real time communications

5 Service

- In-store customer service from plus size staff
- In-store fitting specialists
- Live Chat
- Active social media accounts (e.g. daily posts)

Examples



Simply Be's "Create your own Meme"

M&S barcode scanner

Simply Be credit account

Evans introduces iPad driven system for ordering online while shopping in stores

Next generation payment services

Very's customer service AI

Source: Retailer websites, PwC analysis

We estimate that there are a number of attractive plus size clothing markets around the world

Top 15 countries by plus size market potential[1], 2016

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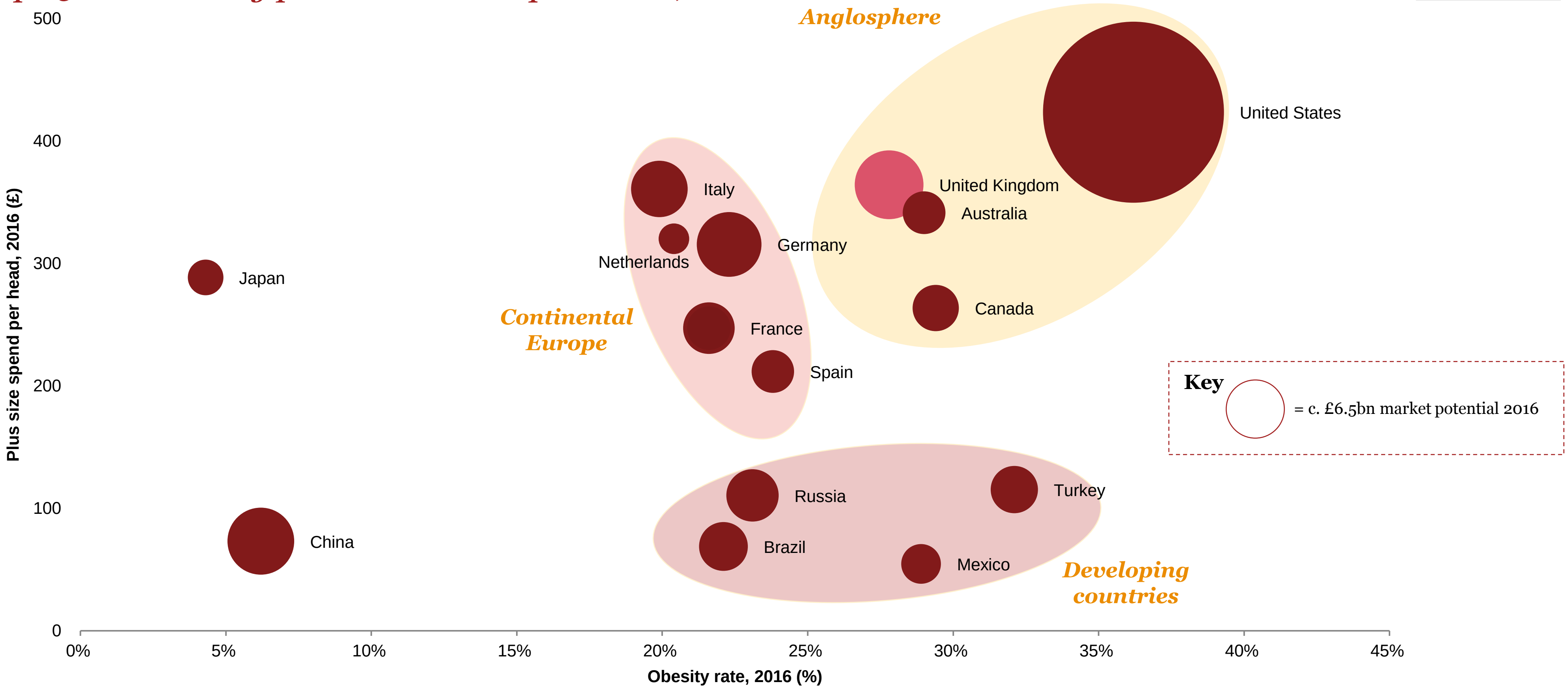
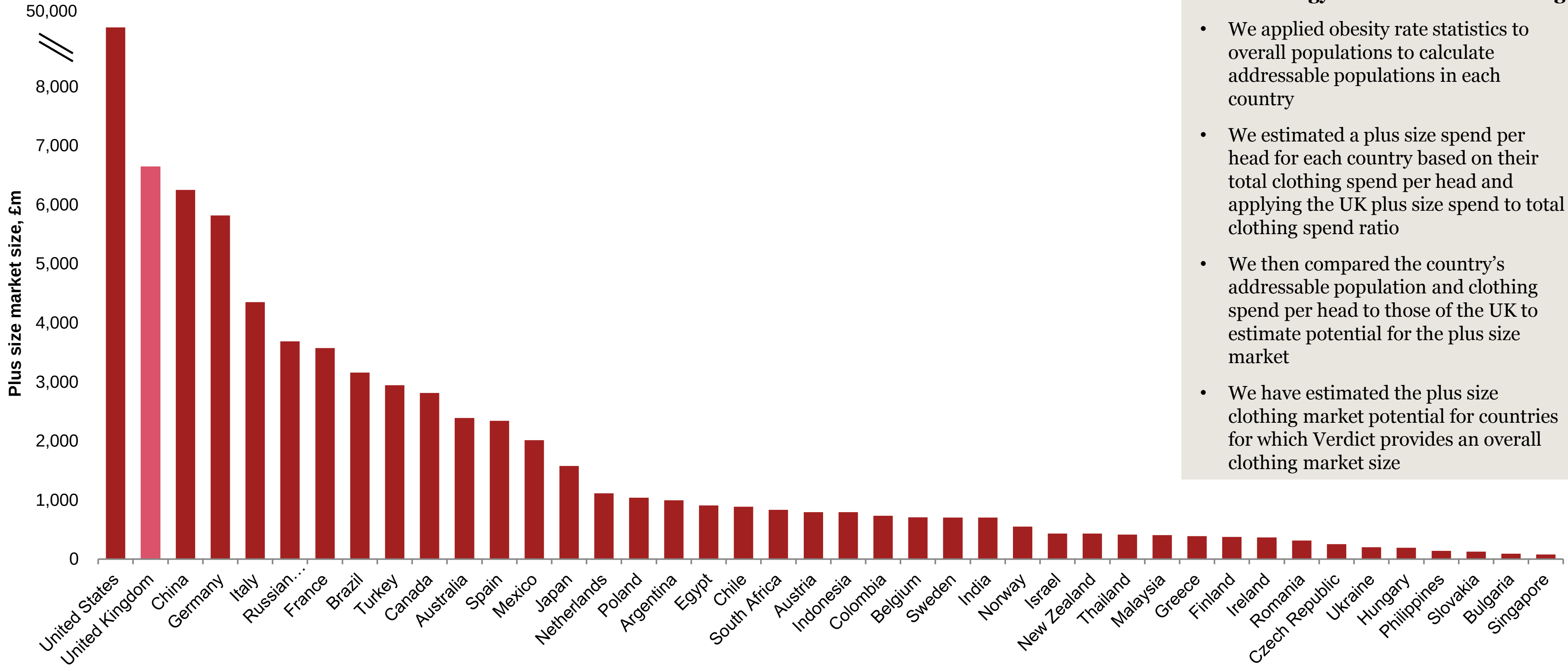


Note: 1. Using the UK as a benchmark, we have applied a ratio between UK and international countries obese populations and overall clothing spend per head, to calculate market potential in international countries. Countries selected based on available Verdict clothing market data
Source: Verdict, World Bank, World Health Organisation, PwC Analysis

We have estimated the plus size market potential for a number of countries using the UK as a benchmark…

Estimated international plus size clothing market potential by country, 2016



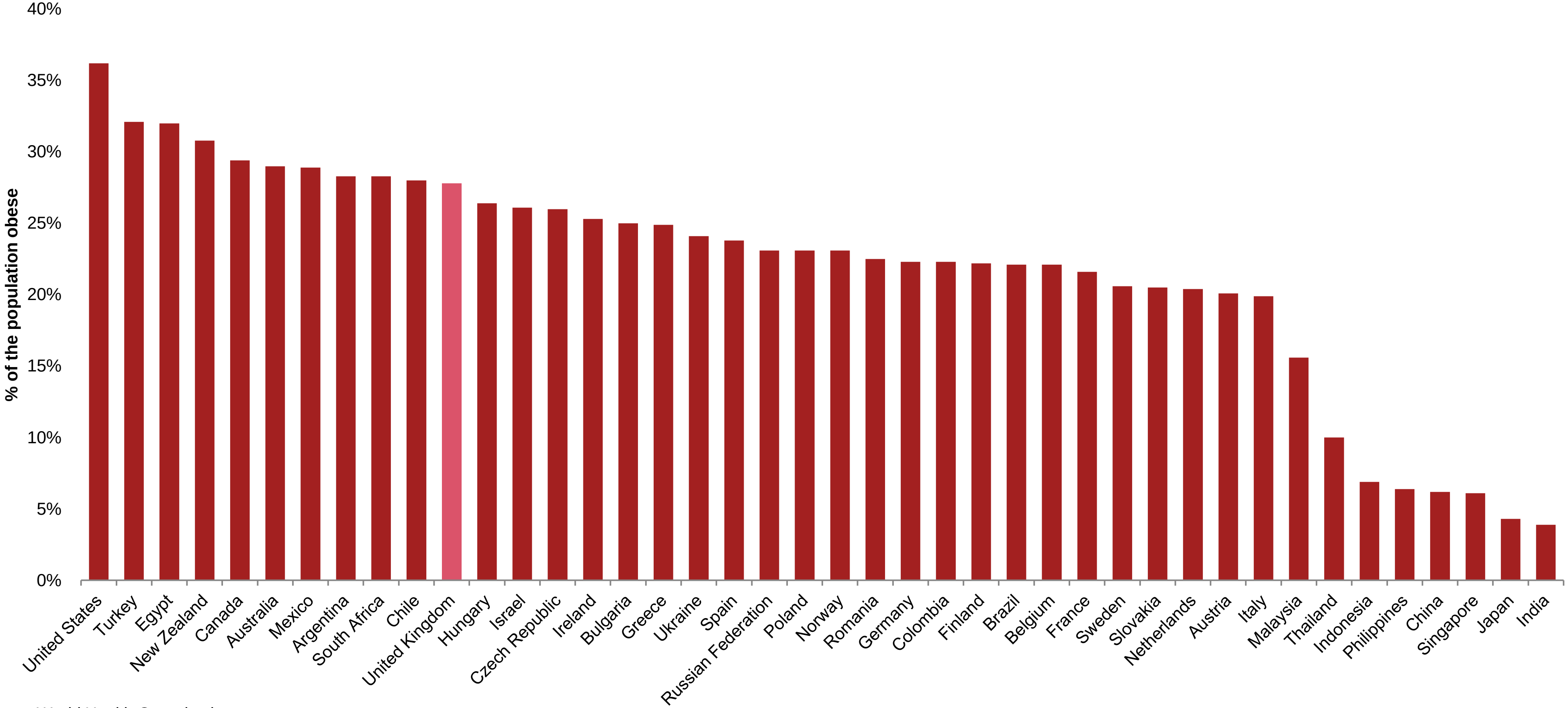
Source: Verdict, World Bank, World Health Organisation, PwC Analysis

Methodology for international sizing

- We applied obesity rate statistics to overall populations to calculate addressable populations in each country
- We estimated a plus size spend per head for each country based on their total clothing spend per head and applying the UK plus size spend to total clothing spend ratio
- We then compared the country's addressable population and clothing spend per head to those of the UK to estimate potential for the plus size market
- We have estimated the plus size clothing market potential for countries for which Verdict provides an overall clothing market size

...based on obesity rates by country and...

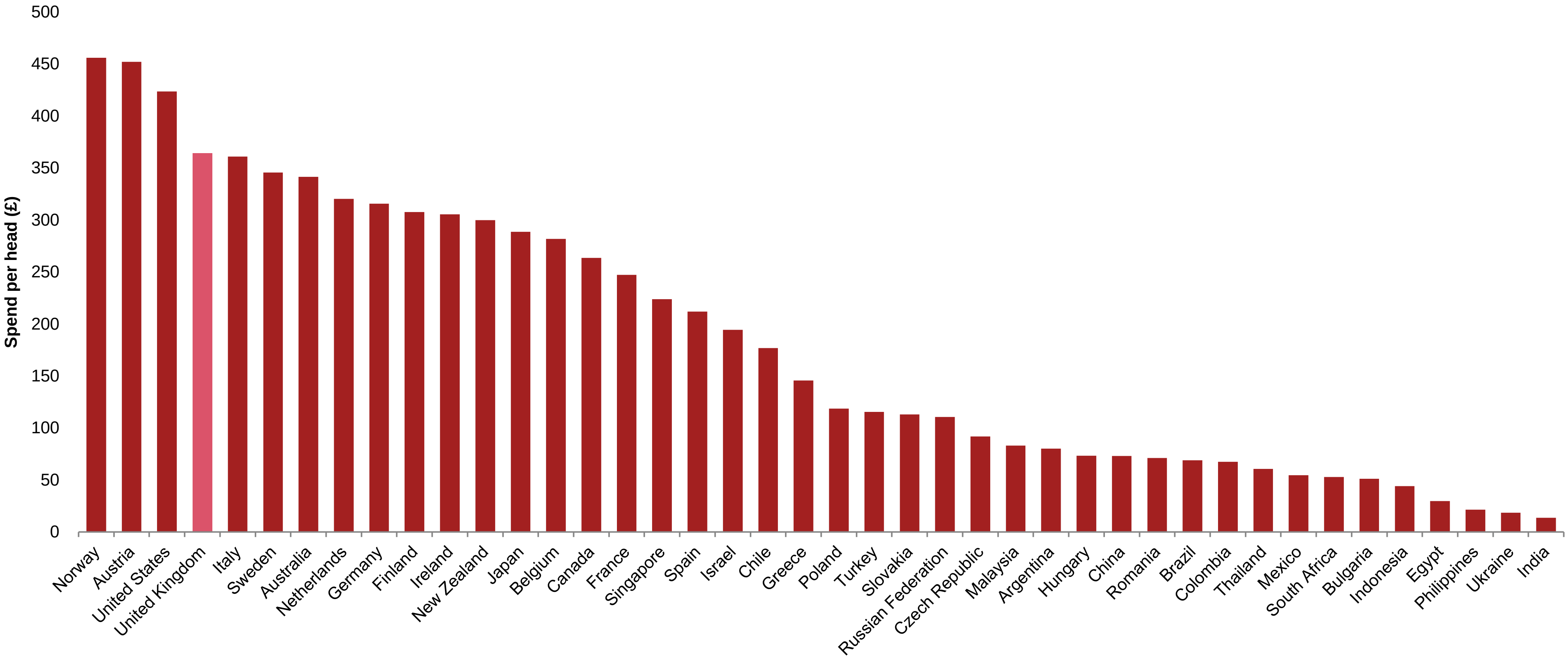
Proportion of obese population by country, 2016



Source: World Health Organisation

…plus size clothing spend per head (using the UK as a proxy)

Spend per head on plus size clothing and footwear, by country, 2016

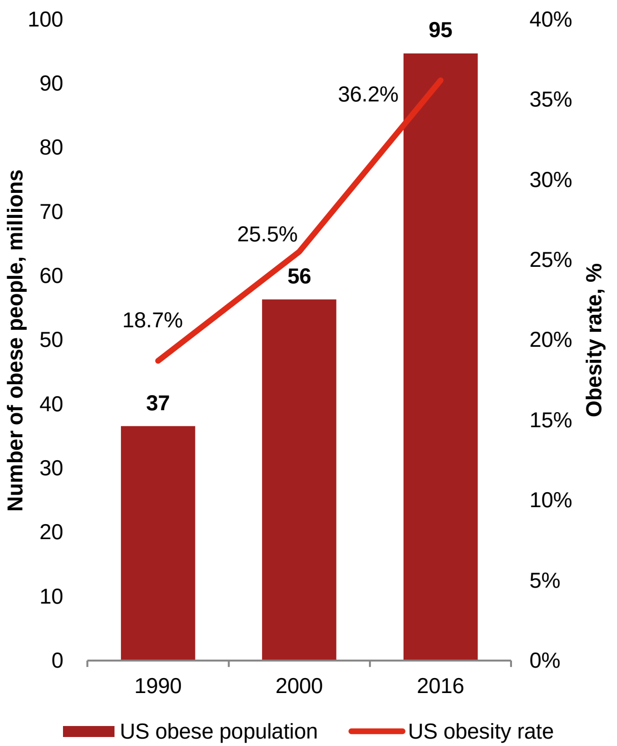


Source: Verdict, World Bank

We estimate the US to be the largest plus size clothing market at c.US $68bn (c.£50bn)

The US has a large and growing addressable population…

US obese population and obesity rate, over time, millions



…similar to the UK, the market has experienced a number of new entrants…

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…resulting in a large plus size clothing market

Estimated US plus size market size, $ billions, 2016

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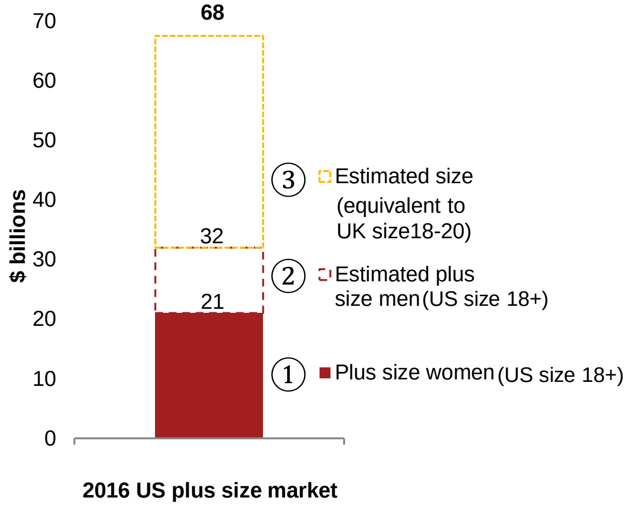


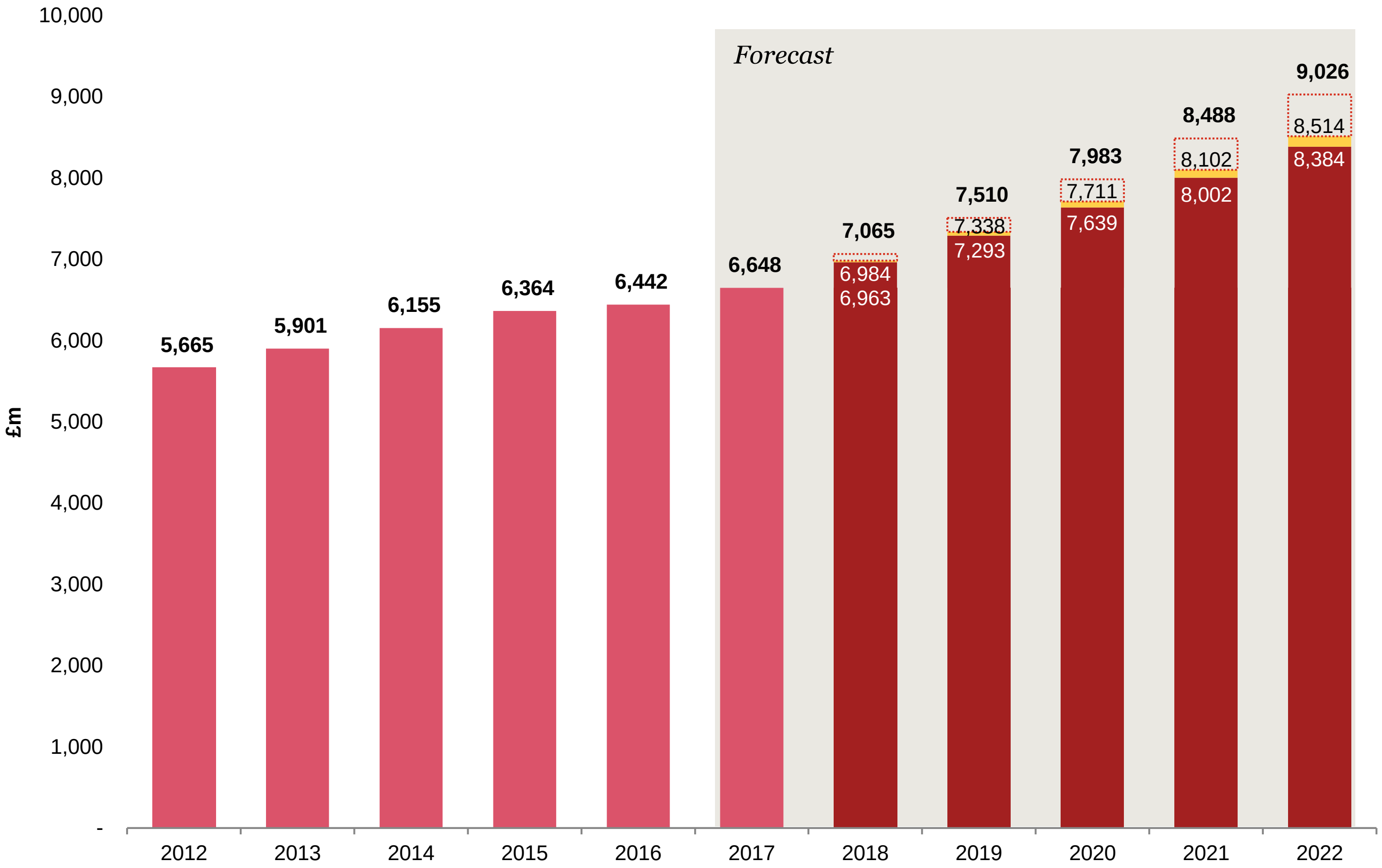
1. NPD defines the US plus size womenswear market as above US size 18 (equivalent to UK size 22), which it estimates to be c. $21bn
2. Assuming a similar gender split to that of the UK adds c. $11bn, for men sizes 18+ (equivalent)
3. We have estimated the remainder of the US plus size market (to be equivalent of UK size 18+) using our international sizing methodology shown previously

Source: NPD, PwC Analysis, World Health Organisation, Company Websites, World Bank, Verdict

Appendix

We have triangulated our UK market forecasts with NHS Health Survey waist circumference data, which falls between our base and high case scenarios

Total UK plus size clothing market size[1] (£m), 2012-22F



	CAGR 2012-17	CAGR 2017-22
PwC forecast high case	n/a	6.3%
PwC forecast (waist)	n/a	5.1%
PwC forecast base case	n/a	4.7%
Verdict historical	3.3%	n/a

Basis of forecast

- We have triangulated our addressable population assumptions (based on BMI as outlined previously) with waist circumference data from NHS's annual Heath Survey
- Our addressable population includes men and women split by age groups with high a waist circumference (defined as 88cm+ for women and 102cm+ for men). We have then extrapolated the most recent trend (2012-15) as the basis of our forecast[2]

Note: 1. Market data expressed in current prices, incl. VAT. 2. We have forecast growth in the proportion of UK men and women with high waist circumferences (defined as 88cm+ for women and 102cm+ for men, which falls between a size 16-18 for women and XL for men, depending on retailer)
Source: Verdict (2017), NHS National Health Survey England, PwC Analysis

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