

Accent
Group
LIMITED

**2019 ANNUAL
GENERAL MEETING**

**LIFE IS
SHORT,
BUY THE
SHOES**

David Gordon
Chairman

Daniel Agostinelli
CEO

Accent
Group
LIMITED

Building 2

64

Balmain St

Item

Welcome and Introduction

Accent driving innovation in Retail

Innovation for growth – growth plan update

FY19 financial performance and shareholder value creation

Trading outlook and Board changes

Formal business

SKECHERS

PLATYPUS

VANS
"OFF THE WALL"

 **HYPE**

 **The Athlete's Foot**

**Dr. AirWair
Martens**

Timberland

CAT

MERRELL

PALLADIUM
L'ORIGINAL
DEPUIS 1947

crém

SUBTYPE

PIVOT

TRYBE

saucony


SPERRY
Since 1935

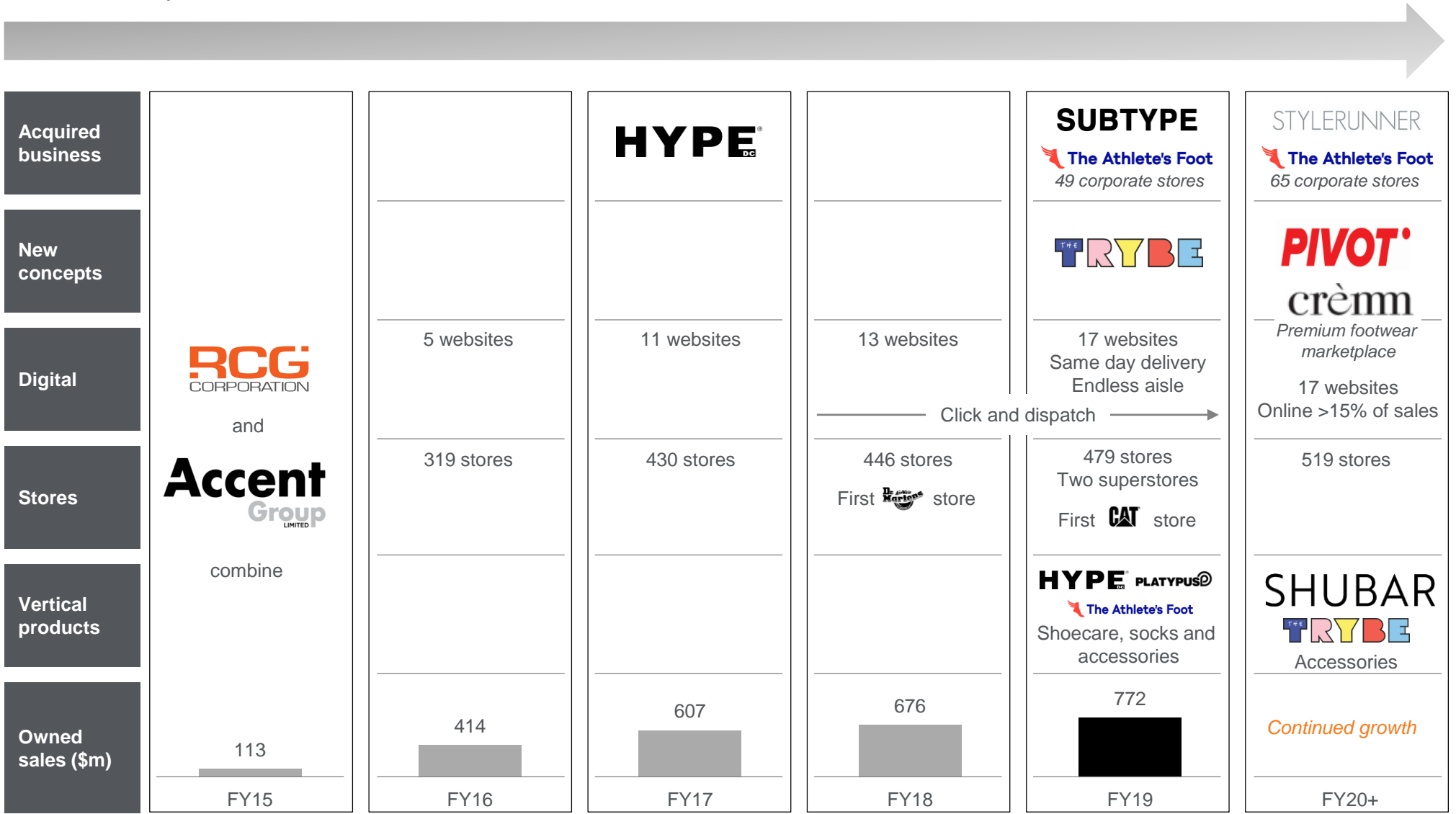
STANCE



STYLERUNNER

Accent Group – Innovating for growth

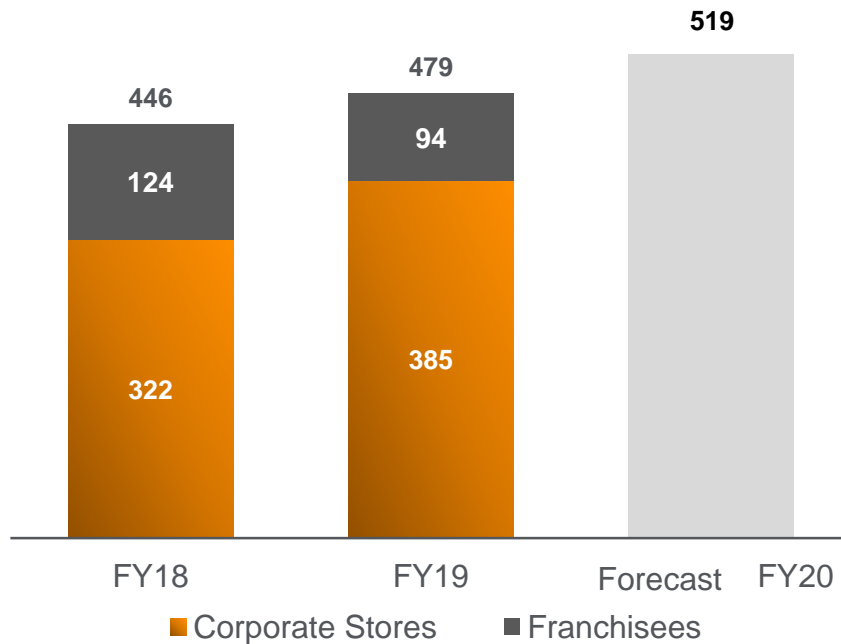
Accent Group continues to drive innovation in retail



Store growth core business

- New store openings in line with plan
- On track to open at least **40** new stores excluding Trybe and PIVOT
- New stores continue to perform in line with expectations
- Opened 2 Platypus superstores and first CAT store in Australia
- Innovative store experiences – live performances and events

Store Network¹



¹ Net after store closures



Subtype Melbourne store

The Athlete's Foot

- Launch and rollout of MyFit 3D, latest foot scanning technology
- Agreed on commercial terms to purchase remaining New Zealand franchisees in February 2020
- On track to have at least **65** corporate ANZ stores by the end of FY20



Melbourne Central TAF store opening



My Fit 3D, foot scanning technology

The Trybe

- Launch of **4** stores and website to target kids segment
- Innovative customer experience elements including contemporary fitting spaces, digital screens and interactive play zones
- Further **3** stores to be opened in time for Christmas FY20, targeting **12** stores opened by the end of FY20
- Launch of vertical accessories in December this year



THE TRYBE

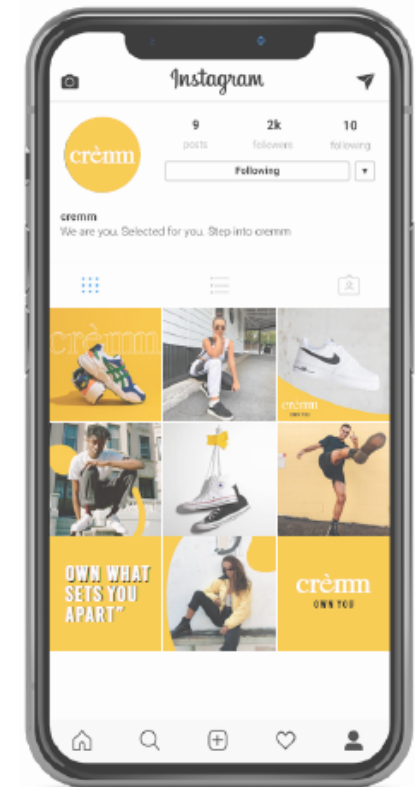
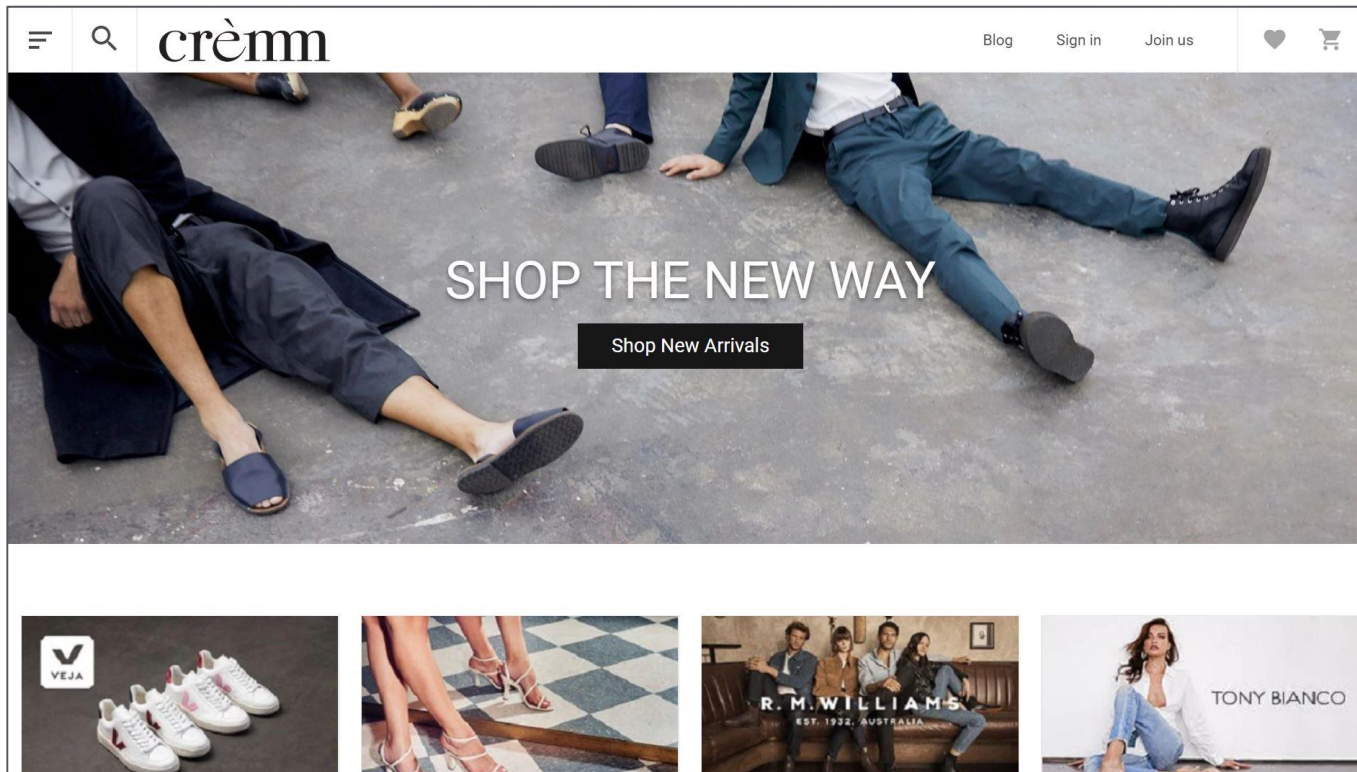
- Launch and trial of PIVOT in H2 FY20, a new lifestyle concept
- Opportunity to segment the Australian lifestyle footwear market with value products that are not available in the Australian market
- Plan to have no crossover of products and styles between PIVOT and existing banners Platypus, Hype and TAF



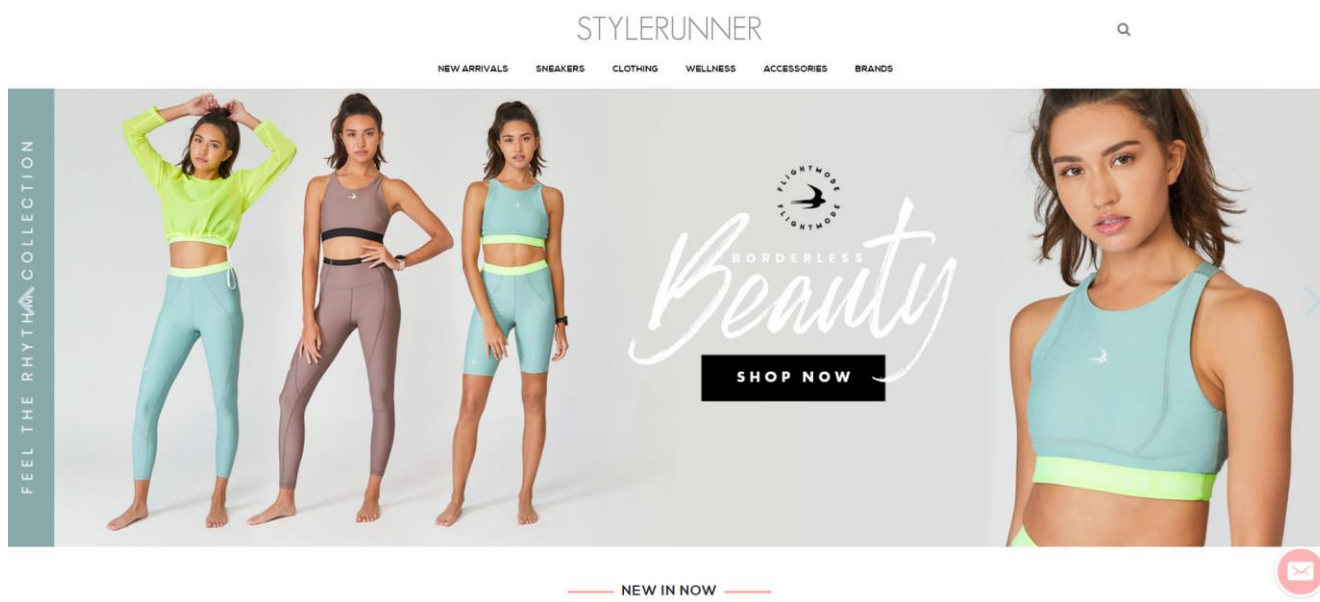
PIVOT
SPORTS. LIFE. STYLE.

Crèmm

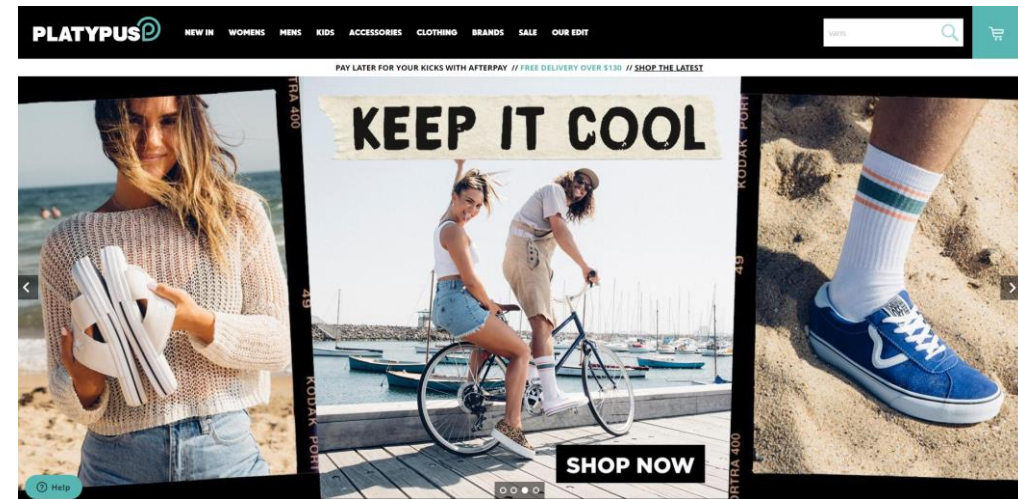
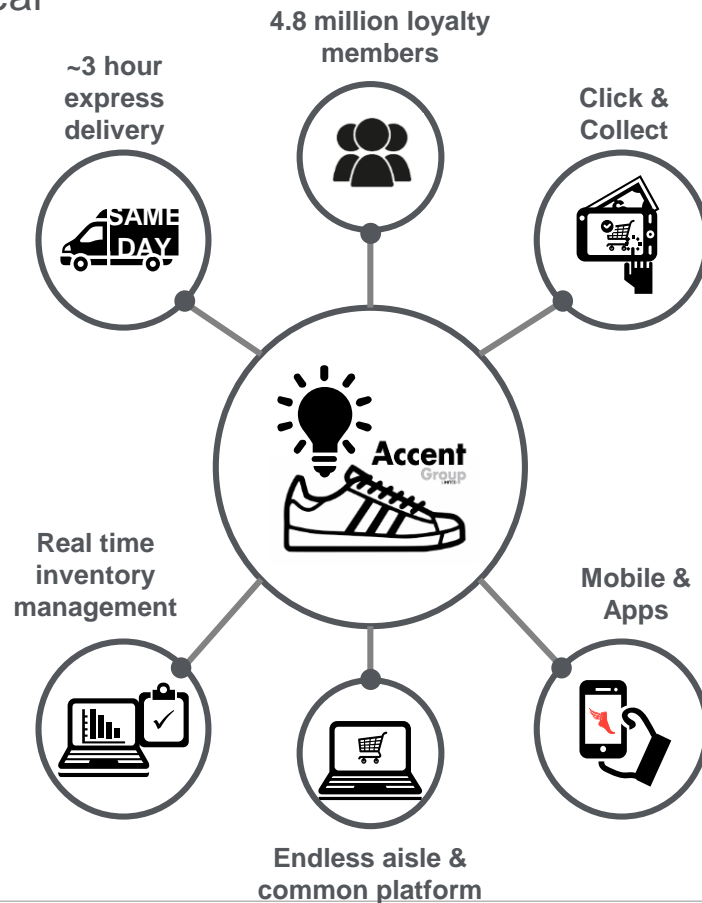
- Launch of Crèmm, a premium online footwear and accessories marketplace
- Showcasing vertical brands, supplied brands and 3rd party brands in a unique digital marketplace
- Launch with 50 plus brands and 4,500 styles, expected to double over the next 6 months with a strong pipeline of interest from leading brands
- Targeting to have the largest premium branded footwear selection with fast, convenient delivery and easy returns



- The premium online site for activewear in the ANZ market
- \$12m in net sales in FY19 across apparel, footwear and accessories
- Operates in the \$4.6bn Activewear market in Australia
- 600,000 Instagram followers
- Access to top tier athleisure brands and products from Nike, adidas, P.E. Nation, Under Armour, Jaggad, New Balance, Asics, Puma and many more
- Growth platform for apparel



- FY19 digital sales up **93%** on FY18
- Completion of endless aisle and same day delivery rollout across all banners
- Customers' preference for express delivery (less than 3 hours) ahead of expectations
- **4.8m** customers registered through various loyalty programs, up **37%** (~1.3m customers) versus prior year



New and vertical brands

- \$4.5m of sales at 70% margin since launch in November '18
- Targeting at least \$15m in sales FY20
- Launching Trybe accessories and Shu Bar footwear in Hype, both planned for December '19



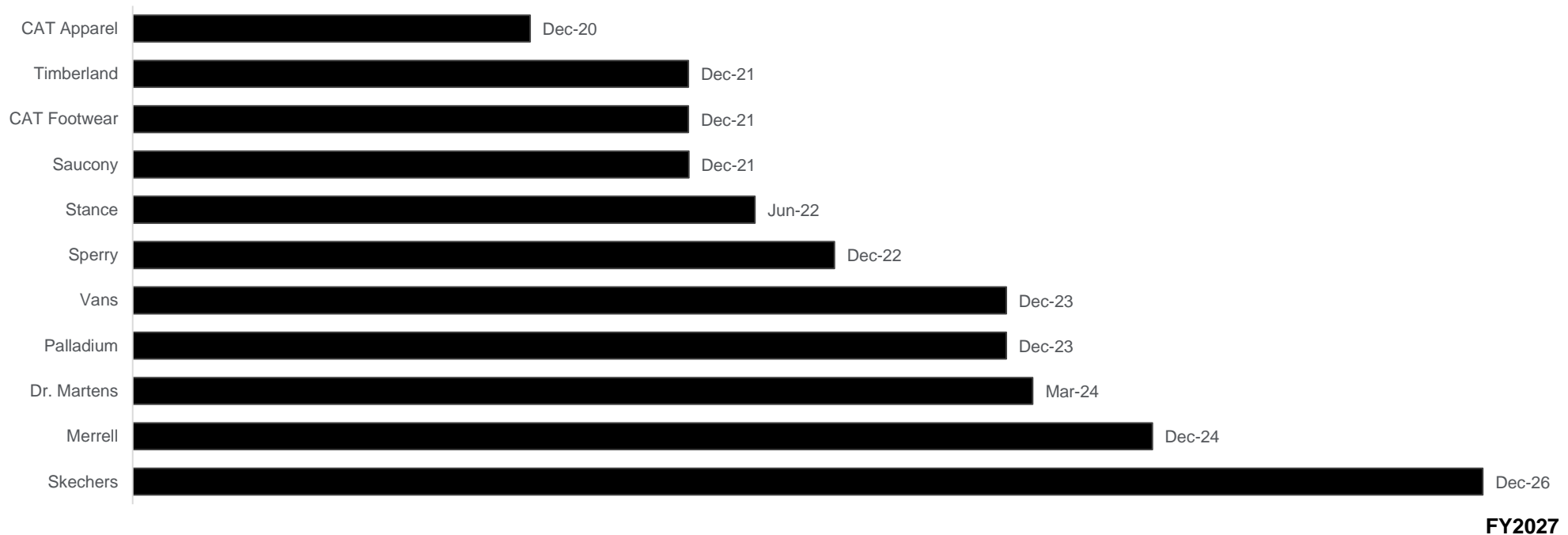
SHUBAR



Brand licence renewals

- Dr Martens renewed until March 2024
- Merrell contract extension confirmed until December 2024
- Vans contract extension confirmed until December 2023
- Sperry contract extension agreed in principle until December 2022

Distribution Agreements

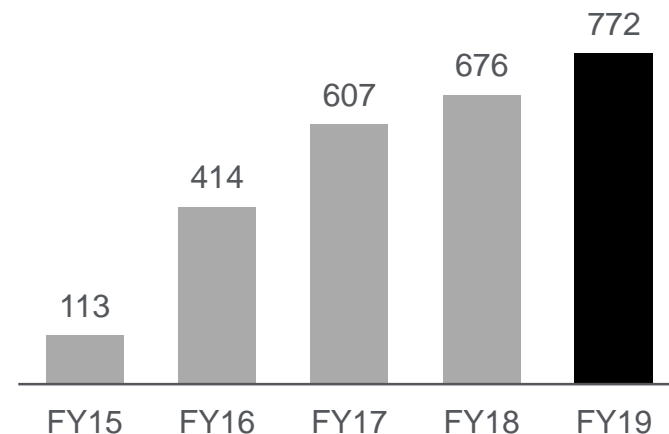


FY19 financial performance¹

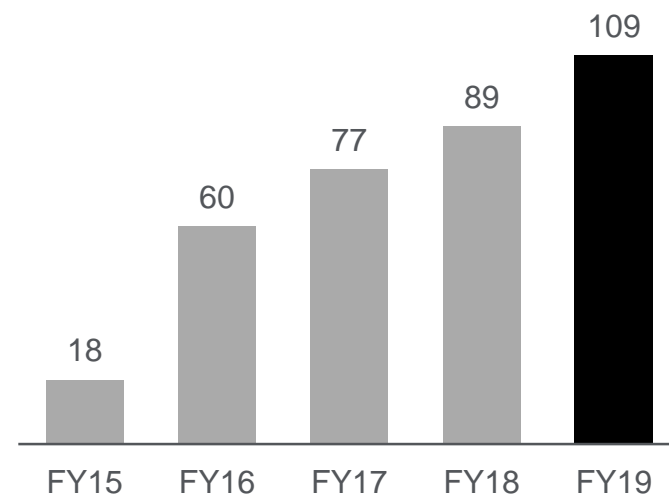
Key Metrics

\$'000's	FY19	FY18	% Change
EBITDA	\$108,853	\$88,828	+22.5%
NPAT	\$53,886	\$44,000	+22.5%
Owned Sales	\$772,466	\$675,571	+14.3%
EPS	10.02 cents	8.23 cents	+21.7%
FY19 Full Year Dividend	8.25 cents	6.75 cents	+22.2%
10 Year EPS CAGR	14.5%		
Return On Equity	13.4%	11.2%	+220bps

FY15 to FY19 Owned Sales (\$m)



FY15 to FY19 EBITDA (\$m)



1. All figures in this presentation are presented on a statutory basis unless otherwise stated.

Shareholder value creation

10-year Total Shareholder Return¹ comparison Accent and ASX300 (30 June 2009 to 28 June 2019)



Source: Bloomberg, Accent Filings.

1. Assumes 100% dividend reinvestment on the ex-dividend date.



Trading outlook

Accent Group continues to expect another year of profit growth, delivered through:

- Low single digit LFL growth, including strong digital growth;
- New stores and annualisation of stores opened in FY19;
- Growth from TAF corporate stores;
- Gross margin % in line with prior year as an outcome of underlying improvement through vertical brand penetration and exclusive brands, offset by the impact of currency;
- CODB % in line with FY19; and
- PIVOT, The Trybe, Crèmm and Stylerunner expected to be profit neutral after implementation costs.

Trade to date, including LFL sales, is in line with expectations



Board changes

- Stephen Kulmar has announced his intention to retire from the Board effective from the end of the AGM, after 12 years on the Board and chairing the remuneration and nomination committee since 2016. Stephen has played an invaluable role in guiding the Company's succession plan and incentive programs and advising, amongst other things, on strategy for brand direction, digital and marketing.
- Joshua Lowcock will join the Board effective from the end of the AGM. Joshua is an Executive Vice President at Universal McCann in New York and is also their US Digital and Innovation Officer with deep experience gained over 20 years in Digital and Brand marketing. Joshua also holds a number of non-executive and advisory roles in the US and we look forward to his involvement in the future direction of the Group, particularly as digital becomes an increasingly important part of our business.





Formal Business



Item 1 – Financial statements and reports

To receive and consider the Company's Financial Report, together with the Directors' Report and Auditor's Report, for the year ended 30 June 2019.

Item 2 – Adoption of the Remuneration Report

- The remuneration objectives of the Company are set out in the annual report, including the Company's objectives to incentivise above average executive performance.
- The CEO's FY19 remuneration included a short term incentive payment of 100% of base salary, linked to the achievement of 22.5% improvement in statutory net profit after tax and the achievement of required aged inventory metrics (on top of an 18% increase in profit after tax the previous year).
- The Board stands behind these remuneration outcomes and is of the view that the company's remuneration program for the executive team has attracted and retained an outstanding management team and has been a driver of strong performance.
- In relation to the vote on the remuneration report, **187 million** shares (approximately **34%** of issued capital) were not entitled to vote on this resolution.
- Of the proxies received in advance of voting on this item (set out in the following slide), the AGAINST votes represent less than **15%** of total issued capital, however they represent **38%** of the number of votes cast.

Item 2 – Adoption of the Remuneration Report

That the Remuneration Report as set out in the Annual Report of the Company for the year ended 30 June 2019 be adopted.

For	Against	Open
130,428,444	81,068,987	1,542,296
61.22%	38.05%	0.73%

Item 3a – Re-election of Mr David Gordon

That Mr David Gordon, who retires in accordance with rules 22.1 and 22.2 of the Company's Constitution and ASX Listing Rule 14.4, and being eligible for re-election, be re-elected as a Director of the Company.

For	Against	Open
317,610,579	44,662,032	1,562,974
87.29%	12.28%	0.43%

Item 3b – Re-election of Mr Stephen Goddard

That Mr Stephen Goddard, who retires in accordance with rule 22.1 of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company.

For	Against	Open
357,156,301	5,163,601	1,515,184
98.17%	1.42%	0.41%

Item 4 – Increase the maximum aggregate amount of non-executive directors' fees

That, in accordance with ASX Listing Rule 10.17 and for all other purposes, the total aggregate amount of directors' fees that may be paid to the Company's non-executive Directors in any financial year be increased by \$350,000, from \$850,000 to \$1,200,000

For	Against	Open
241,169,589	5,979,279	1,461,636
97.00%	2.41%	0.59%

Item 5 – Approval of Performance Rights Plan

That, for the purpose of ASX Listing Rule 7.2, Exception 9 and for all other purposes, Shareholders approve the issue of securities under the Performance Rights Plan as an exception to ASX Listing Rule 7.1 as described in the Explanatory Statement which accompanies and forms part of this Notice.

For	Against	Open
338,831,218	5,680,688	1,462,301
97.94%	1.64%	0.42%

Item 6 – Grant of Performance Rights to a Director and related party, Mr Daniel Agostinelli

That, for the purposes of section 200B of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant by the Company to Mr Daniel Agostinelli of 795,031 Performance Rights, as outlined in the Explanatory Statement which accompanies and forms part of this Notice.

For	Against	Open
333,525,523	11,058,848	1,463,486
96.38%	3.20%	0.42%

Notice and disclaimer

Important Notice and Disclaimer

This presentation contains general background information about Accent Group's current activities and provides additional comment on, and should be read in conjunction with, the FY19 Annual Report and accompanying information released to the market on 22 August 2019.

The information is a summary only and is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should assess their own individual financial circumstances and seek independent advice before making any investment decision.

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