

Accent
Group

VIP
VIRTUAL
VERTICAL
OMNICHANNEL WITH FOCUS

RESULTS PRESENTATION
YEAR ENDED
26TH DECEMBER 2021

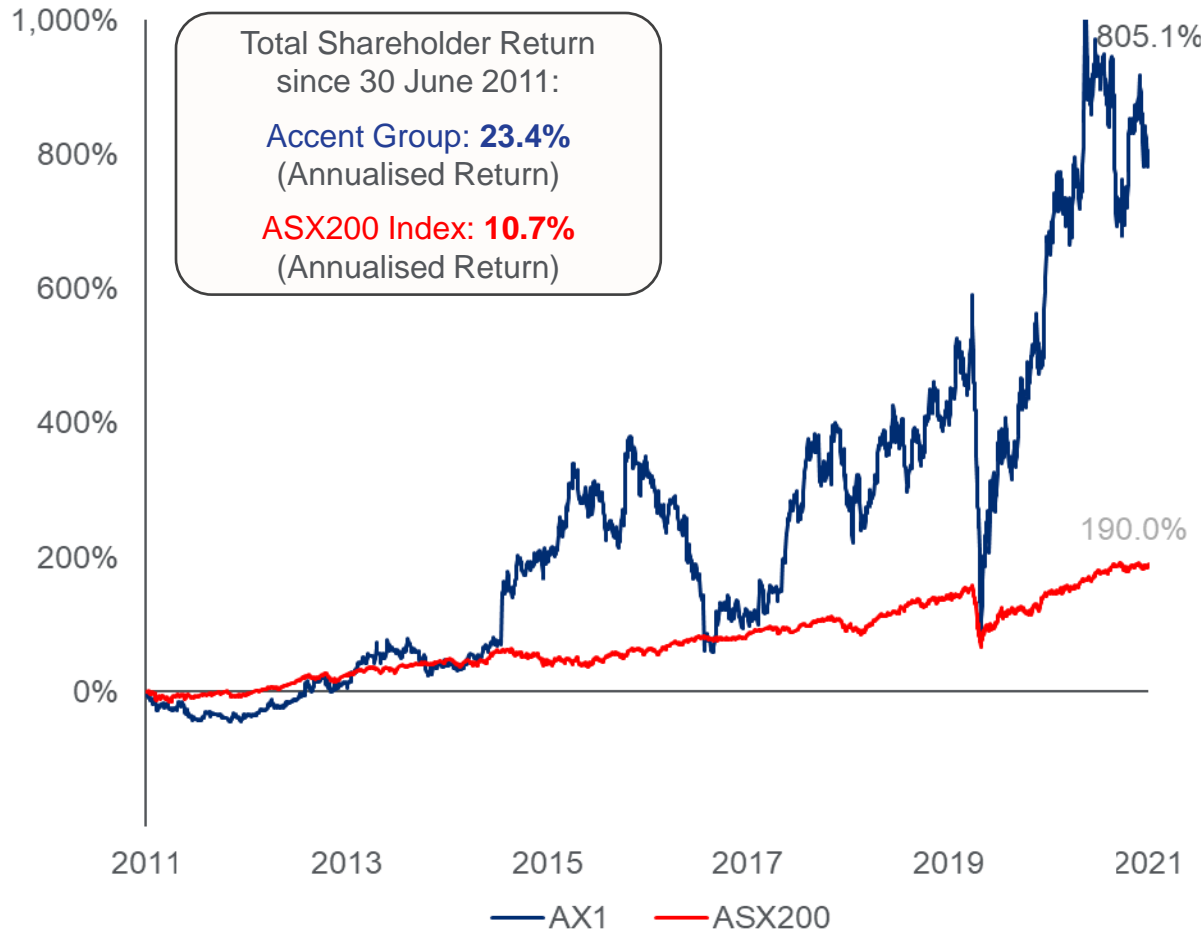
Table of contents

Item	Page
Value creation and investor value proposition	3
FY22 results summary	4
Operational update	7
Retail & wholesale	10
Growth plan update	11
Appendix	14



Value creation and investor value proposition

Total Shareholder Return ⁽¹⁾ comparison Accent and ASX200
(30 June 2011 to 24 December 2021⁽²⁾)



- **A market leading digitally integrated consumer business with 32 websites, 28 owned and distributed brands, 706 retail stores facilitating omnichannel distribution and over 9m contactable customers.**
- Over \$1.1 billion of sales with a market leading position in the lifestyle and performance market.
- Best in class margins through gross margin expansion initiatives and drive for cost efficiency.
- Strong future growth initiatives through Stylerunner, Glue Store, digital and new stores, to achieve market share growth in the \$6+ billion performance and lifestyle market segment in Australia and New Zealand.

Source: Bloomberg, Accent Filings.

1. Assumes 100% dividend reinvestment on the ex-dividend date.
2. Half year ended 26th of December 2021. Last day of ASX trading 24th of December 2021.

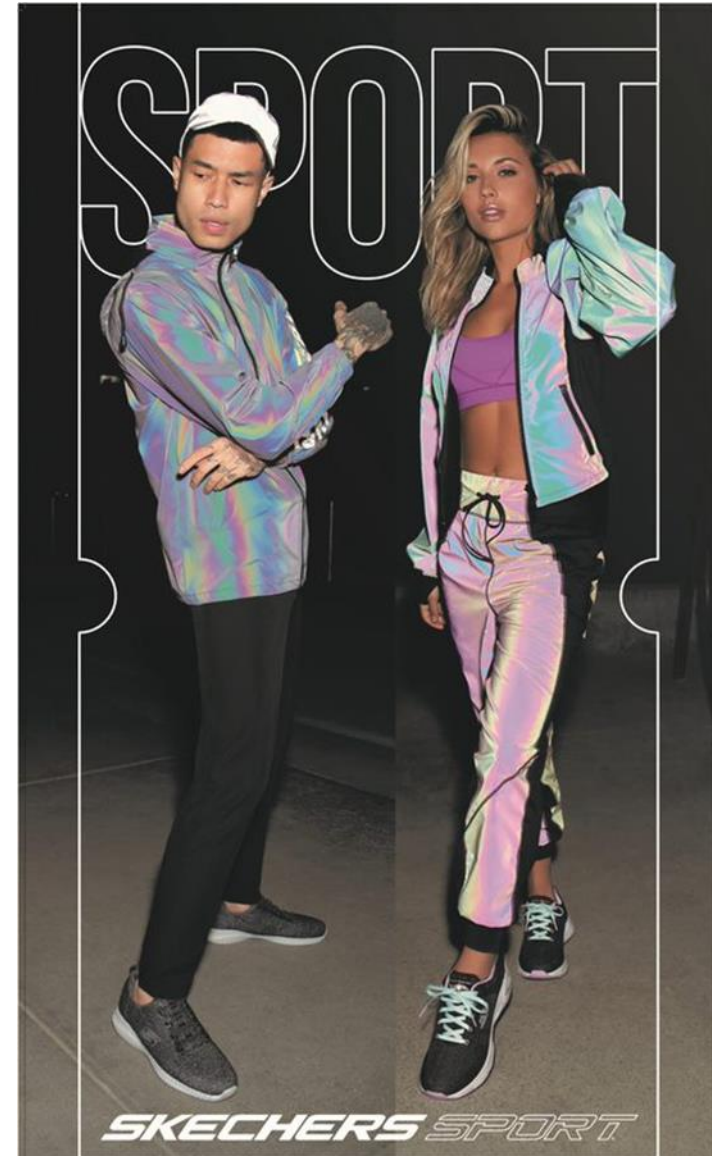


H1 FY22 sales and profit

Key Metrics

\$'000's	H1 FY22	H1 FY21 ⁽¹⁾	% Change
Group Sales (inc. Franchisees)	593,963	541,328	+9.7%
EBITDA	99,545	138,114	(27.9%)
EBIT	30,301	81,677	(62.9%)
PBT	22,123	75,062	(70.5%)
NPAT	14,759	52,689	(72.0%)
Digital Growth	47.9%	110%	
Inventory	230,512	172,906	
Interim Dividend	2.50 cents	8.00 cents	

1. H1 FY21 results restated due to IFRIC agenda decisions on Software as a Service ("Saas") accounting policy. Refer to note 3 in the statutory financial statements and page 18 of this presentation for reconciliation



Operational highlights

Total Sales (inc Franchises)

\$594m

+9.7% on H1 FY21

VIP & Loyalty

9 million

Contactable customers

Additional 600,000 contactable customers in H1 FY22

New Stores

104

new stores opened

New stores performing strongly

Vertical Owned Brands

\$30.2m

sales

+210.8% sales growth on H1 FY21

Digital Growth

+47.9% on H1 FY21

StyleRunner

19

Stores trading

Glue Store

Glue – 25 stores trading

5 new concept stores open

60 stores targeted by December 2023

Reebok

New 10 year distribution agreement to 2032



H1 FY22 summary of financial performance

Financial Summary- Comparable Financial Information

Profit & Loss (\$000's)	H1 FY22	H1 FY21 ⁽¹⁾	% Change
Owned sales	525,208	466,893	12.5%
Gross profit	280,096	271,249	
Gross margin (%)	53.3%	58.1%	(480bps)
CODB	(191,833)	(144,294)	
CODB (%) (excl lease depreciation)	36.5%	30.9%	
Other income (inc royalties and franchise fees)	11,282	11,159	
EBITDA	99,545	138,114	(27.9%)
Depreciation & amortisation	(69,244)	(56,437)	
EBIT	30,301	81,677	(62.9%)
Net interest (paid) / received	(8,178)	(6,615)	
PBT	22,123	75,062	(70.5%)
Tax	(7,364)	(22,373)	
Net Profit After Tax	14,759	52,689	(72.0%)

1. H1 FY21 results restated due to IFRIC agenda decisions on Software as a Service ("Saas") accounting policy. Refer to note 3 in the statutory financial statements and page 18 of this presentation for reconciliation.

Operating Highlights

Sales	<ul style="list-style-type: none"> Total company owned sales of \$525.2m, up 12.5% on prior year. Compared to management expectations, the estimated impact to owned retail sales of government mandated closures and Omicron variant is circa \$95m Excluding Accent Lifestyle company owned sales were \$475m, up 1.7% on prior year
Gross Margin	<ul style="list-style-type: none"> The sell through of inventory following the government mandated closures of more than 400 stores (between July'21 and October'21) has driven gross margin % well down on prior year Closing inventory is back in line with original expectations with clean aged stock levels Vertical owned product strategy on track. Total sales of \$30.2m this year (last year \$9.7m)
CODB	<ul style="list-style-type: none"> H1 FY21 base includes \$17.6m of non-recurring benefits from rental abatements and government subsidies (refer to note 3 and 6 in the H1 FY21 financial statements). H1 FY22 includes \$4.3m of rental abatements and government subsidies. Investment in growth strategies continues, with investment ahead of the curve in Glue, Stylerunner, vertical, digital and other new businesses
NPAT	<ul style="list-style-type: none"> NPAT of \$14.8m

Operational Update



CIN3 P4 0001+13

CIN3 P4 0002+00



NEW ERA



PLATYPUS



Digital sales grew to \$159.8m, **+47.9%** on top of the 110% growth in H1 FY21.

Digital sales contributed to 31.2% of total retail sales ⁽¹⁾

9m contactable customers +600k on FY21

1 new website: Hype re-platform

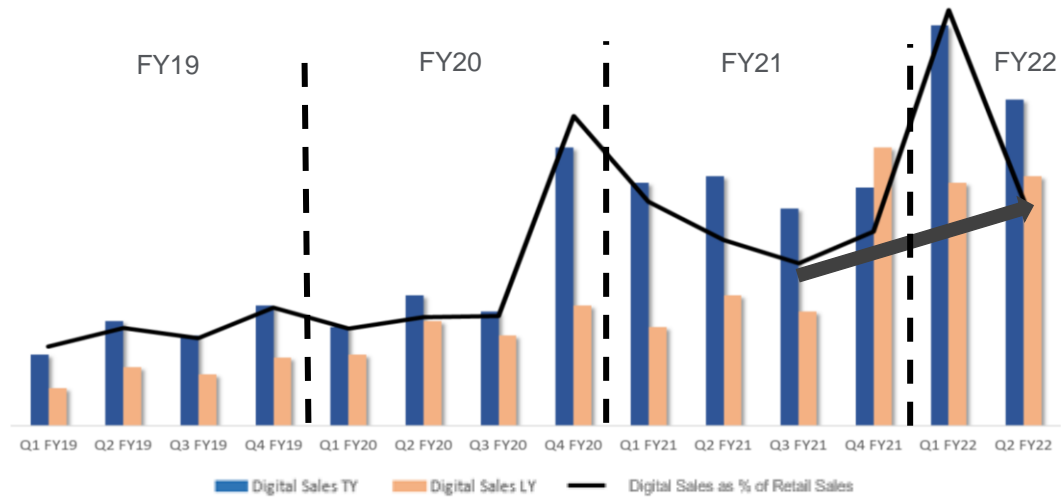
Launched **Hype Loyalty Program**

Website sessions for the Group increased by **8.8%**

Fulfilled 37.5% more orders than H1 FY21

Site traffic **grew by 15.3%**

Digital Sales Growth



Key Metrics ⁽²⁾

	FY21 Full Year	FY22 Q1	FY22 Q2	H1 FY22
Digital Sales	+48.5%	+64.7%	+27.1%	+47.9%
Website Sessions	+24.4%	+13.4%	+3.7%	+8.8%
Orders	+30.8%	+58.3%	+18.4%	+37.5%
Conversion Rate	+5.1%	+39.6%	+14.2%	+26.4%
Avg. Order Value	+4.7%	(4.4%)	(4.3%)	(4.4%)
Digital as a % of Total Retail Sales	20.9%	46.0%	24.0%	31.2%

1. Digital sales and total retail sales include The Athlete's Foot franchises

2. Percentages shown in the table represent growth on the same period last year

Retail & Wholesale

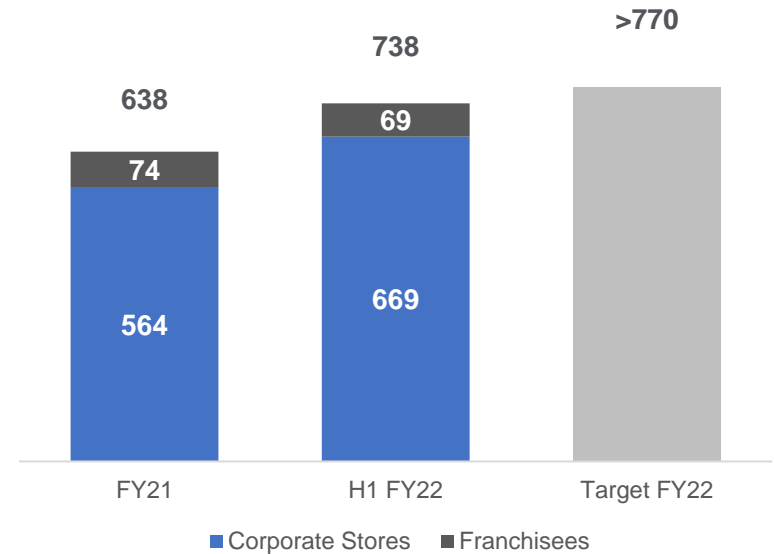
Retail

- Owned retail sales of \$443.3m (\$408m excluding Glue Store) up 7.7% on prior year sales of \$411.4m
- New stores performing strongly
- Opened 104 new stores

Wholesale

- Wholesale sales of \$81.9m (\$66m excluding acquired Trend Imports brands), up 47.7% on prior year sales of \$55.5m
- New distribution agreement signed for Reebok
- Skechers agreement extended to December 2032, Timberland and CAT footwear agreements extended to December 2024 and Saucony extended to December 2026.

Store Network ⁽¹⁾









1. Includes store closures. For a breakdown by banner refer to page 15
 2. Like for like (LFL) retail sales include TAF Franchises sales, Digital sales and exclude Glue stores

Growth Plan Update



Growth plan update

Objectives

 <p>Digital and Virtual</p>	<ul style="list-style-type: none"> ✓ Further new and re platformed best in class websites planned to open in H2 FY22 	<ul style="list-style-type: none"> • On track to sustainably grow to 30% of retail sales
 <p>VIP and Loyalty</p>	<ul style="list-style-type: none"> ✓ Contactable database now 9 million customers ✓ Hype loyalty program launched in H1 FY22 ✓ Platypus loyalty program to be launched in H2 FY22 	<ul style="list-style-type: none"> • Targeting contactable customers of 10 million
 <p>Stores</p>	<ul style="list-style-type: none"> ✓ More than 700 stores now trading ✓ Continued strong store opening schedule expected into H2 FY22 ✓ The Athlete's Foot franchise buyback program continues 	<ul style="list-style-type: none"> • At least 140 new stores now expected to open in FY22 across all banners
 <p>Vertical</p>	<ul style="list-style-type: none"> ✓ Continue to drive margin improvement ✓ All multi branded banners now have vertical development programs well established and growing 	<ul style="list-style-type: none"> • Vertical program on track
 <p>Stylerunner</p>	<ul style="list-style-type: none"> ✓ 19 stores now trading ✓ Continued growth in vertical owned brand mix, with strong growth from Stylerunner the Label 	<ul style="list-style-type: none"> • Targeting 60 stores within the next 3 years
 <p>Glue</p>	<ul style="list-style-type: none"> ✓ 25 stores (inc online) - opened 5 new concepts in H1 FY22, positive early trading and customer response ✓ Gross margins continue to improve driven by reduced discounting, and distributed brands and vertical owned brand mix 	<ul style="list-style-type: none"> • Strong sales and profit momentum achieved in November and December • 60 stores targeted by December 2023

Dividends

- Accent Group has announced an interim dividend for FY22 of **2.50 cents** per share, fully franked, payable on **17 March 2022** to shareholders registered on **10 March 2022**
- Accent Group continues to be defined by strong cash conversion and the consistent strong returns it delivers on shareholders' funds

Trading Update

- Trade for the first 8 weeks of H2 has been significantly impacted by reduced customer traffic due to the COVID19 Omicron variant. LFL sales⁽¹⁾ for the first 8 weeks to 20 February were down (-10%) on prior year and flat on FY20
- LFL sales for the first 4 weeks of January (to Sunday 23 of January) were down (-19.1%) to last year
- LFL sales for the 4 weeks Monday 24 January to Sunday 20 February improved significantly and were in line to last year. Back to School trade was late and was particularly strong in the last week of January and the first week of February.
- Following the post-Christmas sales, the group has continued to drive full price, full margin sales, and gross margin % over the first 8 weeks has been in line with expectations and ahead of the prior year
- Overall inventory levels continue to be in line with expectations, with delivery delays impacting stock levels from some external suppliers. Deliveries of our internal distributed brands, including Skechers, Vans and Dr Martens, are largely up to date with volumes not significantly impacted.

Outlook

- Due to the uncertain trading environment relating to COVID-19, Accent Group has determined not to provide guidance for H2 FY22 or the full year FY22

1. Like for like (LFL) retail sales include TAF Franchises sales, Digital sales and exclude Glue stores

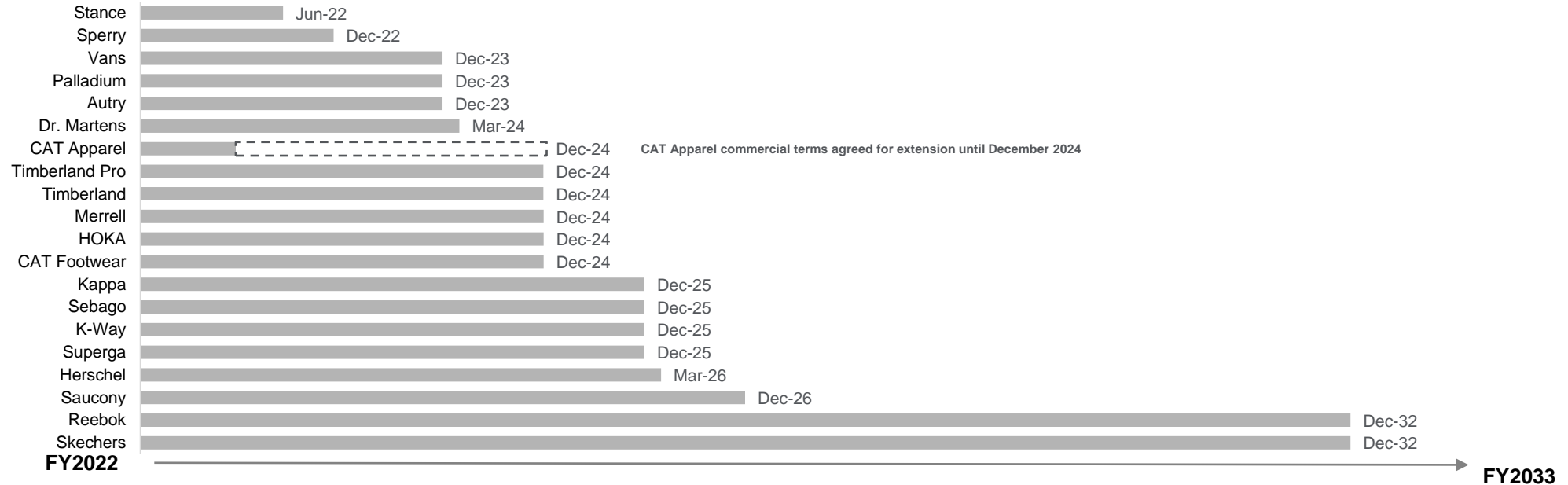
Appendix



Store network and distribution agreements

Store Network ¹ Dec-21													
	TAF	Platypus	Skechers	Vans	Timberland	Dr Martens	Merrell	Hype	Glue	Trybe & PIVOT	Stylerunner	Other/4 Workers	Total
Stores at End of FY21	145	148	131	28	8	15	15	79	22	20	4	23	638
FY21													
Stores Opened	8	14	19	9	1	5	0	9	4	7	15	13	104
Stores Closed	(1)	(1)						(1)	(1)				(4)
Stores at End of H1 FY22	152	161	150	37	9	20	15	87	25	27	19	36	738
Projection FY22													
Expected at the End of FY22	154	169	154	39	10	21	16	88	28	29	22	41	771

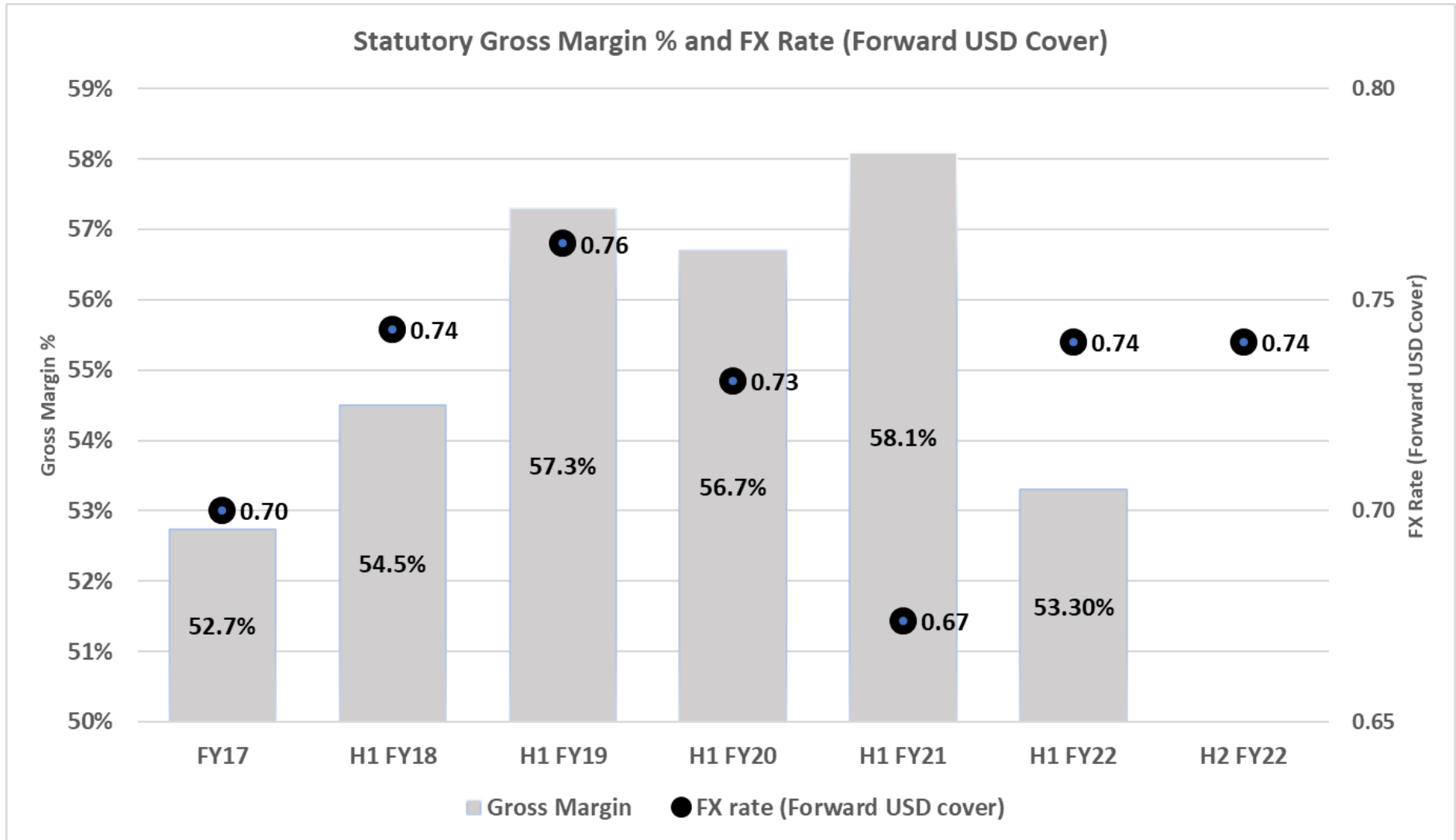
Distribution Agreements



1. Includes websites (32) and franchises (69); 2 Includes Accent Lifestyle distributed and owned vertical brands websites and Exie; 3. Net of store closures.

Gross margin and FX rate

Statutory Gross Margin % and FX Rate (AUD/USD Cover)



Balance sheet

Balance Sheet

\$000's	H1 FY22	FY21 (June'21)	H1 FY21 ⁽¹⁾
Trade receivables and prepayments	51,099	44,540	34,797
Inventories	230,512	216,881	172,906
Trade payables & provisions	(172,057)	(169,323)	(152,908)
Net working capital	109,554	92,098	54,795
Intangible assets	372,260	372,723	355,965
Property, plant and equipment	144,265	115,527	109,822
Capital investments	516,525	488,250	465,787
Lease receivable	22,821	26,293	27,273
Right of use asset	321,314	271,348	246,646
Lease liabilities	(452,982)	(383,826)	(348,741)
Lease balances	(108,847)	(86,185)	(74,822)
Net cash / (debt)	(90,287)	(67,041)	1,656
Deferred income	(16,509)	(12,992)	(12,581)
Tax and derivatives	20,269	14,850	874
Net assets / equity	430,705	428,980	435,709

1. H1 FY21 balance sheet is presented per the H1 FY21 statutory accounts and has not been restated for the reclassification of intangible assets

Commentary

- Inventory levels in line with expectations with clean aged inventory. Year on year increase driven by investment in 104 new stores in H1 FY22 (c\$21m), 69 new stores in H2 FY21 (c\$14m), vertical products, new businesses and the acquisition of Glue and Trend Imports (\$18.6m)
- Property, plant and equipment increased due to significant investment in 104 new stores in H1 FY22, 69 new stores in H2 FY21 and new digital infrastructure



Change in accounting policy – Software as a Service

The implementation of the IFRIC agenda decisions on Software as a Service (“SaaS”) accounting policy has marginally changed H1 FY21 reported results. Below is a summary of the H1 FY21 results reflecting the adoption of the accounting policy compared to the original H1 FY21 results reported on 23 February 2021. Please refer to note 3 in the H1 FY22 financial statutory accounts.

Profit & Loss

\$000's	H1 FY21 restated	H1 FY21 original
Owned sales	466,893	466,893
Gross profit	271,249	271,249
Gross margin (%)	58.1%	58.1%
CODB	(144,294)	(143,959)
CODB %	30.9%	30.8%
Other income (inc royalties and franchise fees)	11,159	11,159
EBITDA	138,114	138,449
Depreciation, amortisation and impairment	(56,437)	(56,615)
EBIT	81,677	81,834
Net finance costs	(6,615)	(6,615)
PBT	75,062	75,219
Tax	(22,373)	(22,420)
Net Profit After Tax	52,689	52,799



Accent Group overview

Accent Group is the largest retailer and wholesaler of premium lifestyle footwear in the Australia and New Zealand region.

Accent Group

Owned Multibrand Retail Banners



Retail & Wholesale Distribution

Accent has the exclusive rights to distribute these brands in Australia



Retail and Wholesale Distribution Channels

Third-party Global Brands



Strong Brand and Product Relationships

Exclusively Distributed Global Brands



Vertical Products



Virtual and Digital

Digital sales accounted for **31.2%** of total retail sales in H1 FY22

32 websites across all brands

Omnichannel Platforms and Customer Access

VIP and Loyalty

9m contactable customers

Hype loyalty program launched in H1 FY22

Stores

706 stores enabling omnichannel distribution with key presence in both metropolitan and regional areas

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