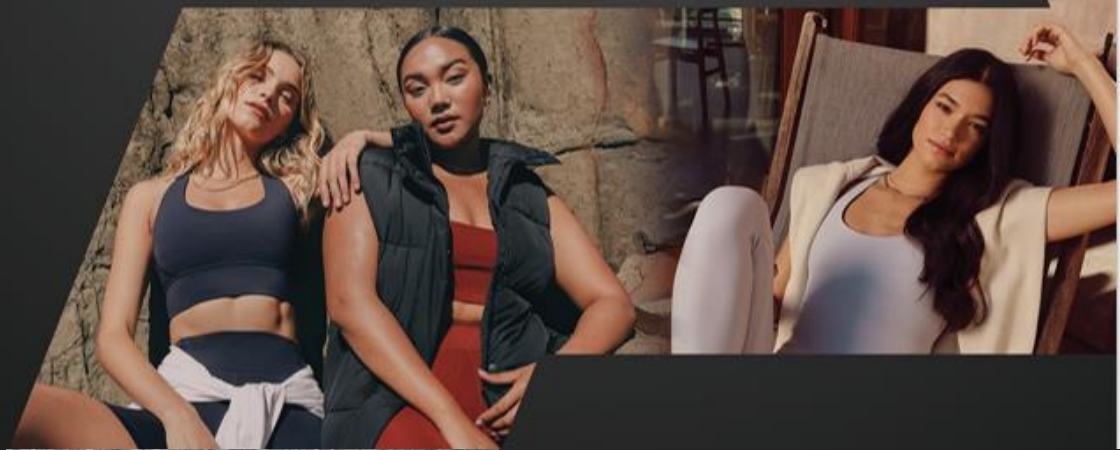


# Results Presentation

Year ended 26<sup>th</sup> June 2022

# Accent Group

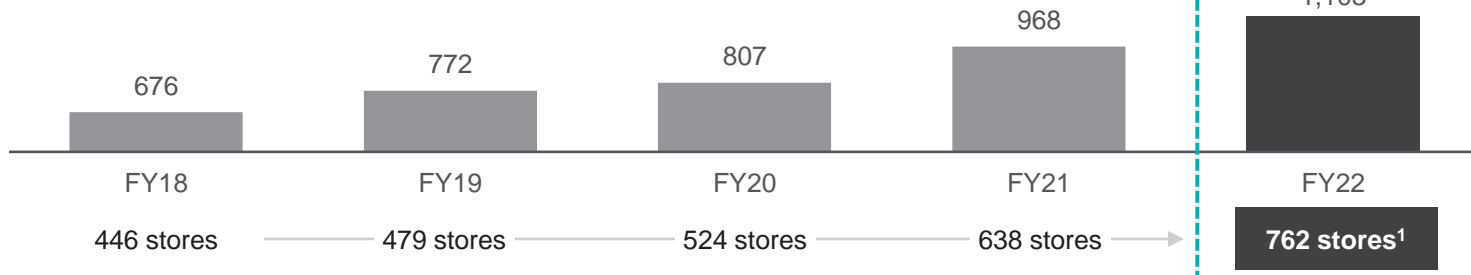


# The Accent growth journey

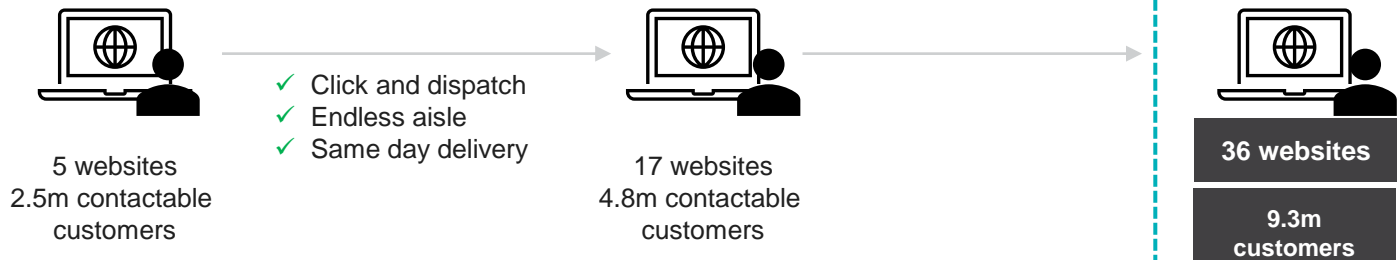


**Demonstrated track record of retail sales growth driven by store rollout and new banners**

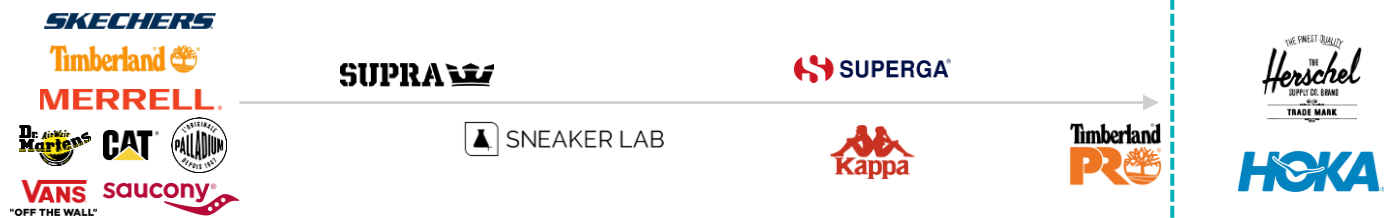
**Owned sales (\$ Millions)**



**Expansion of omni-channel capabilities and contactable customer database**



**Growth in existing and new distributed brands**



**Apparel and vertical sales growth strategy**

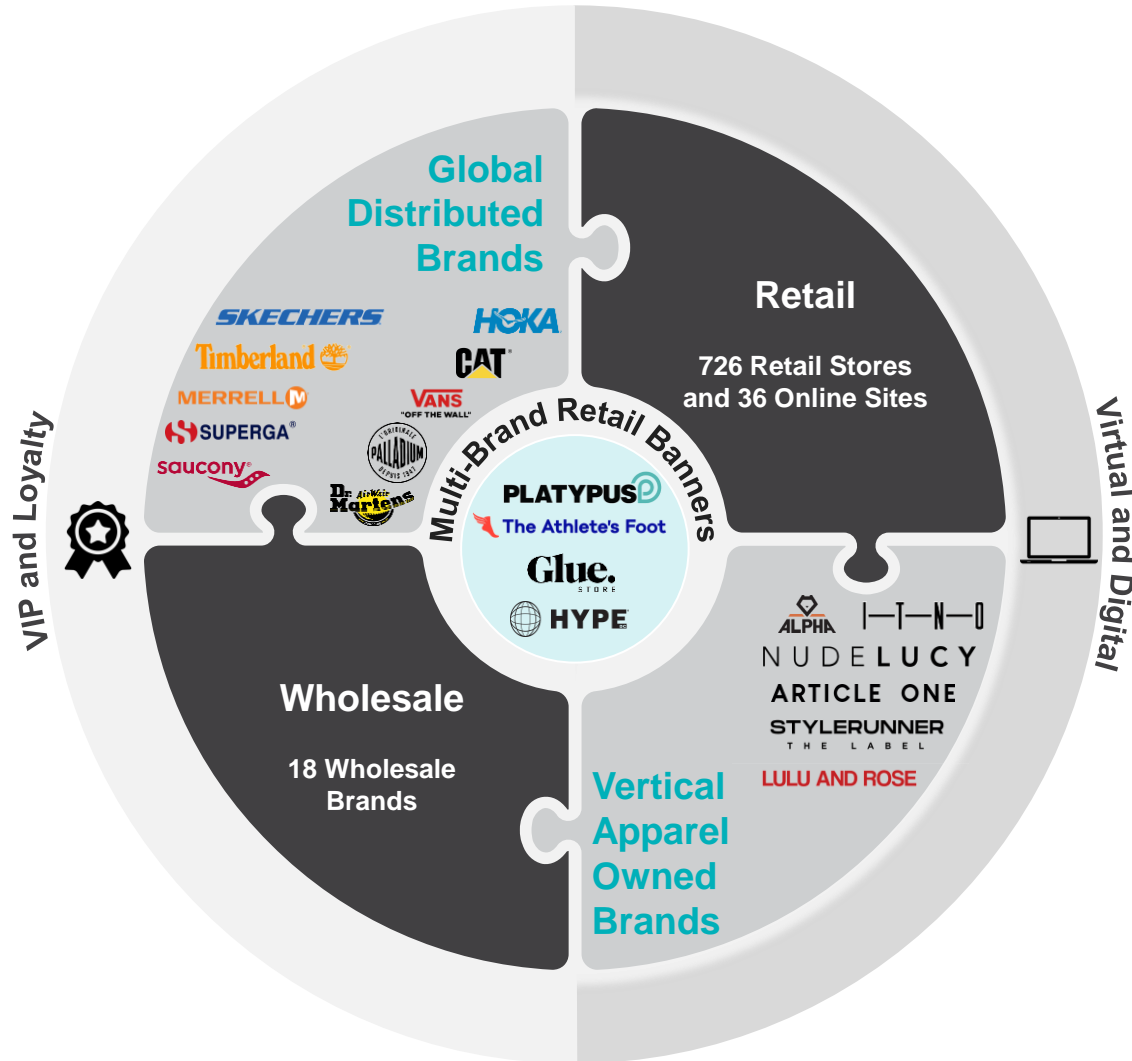


1. Includes stores and digital sites

# The Accent business model



Accent Group's mission is to be the market leading, digitally integrated retail and distribution business, in the performance lifestyle market for footwear, apparel and accessories across Australia and New Zealand.



**The Accent Business model**  
Scalable, flexible and defensible

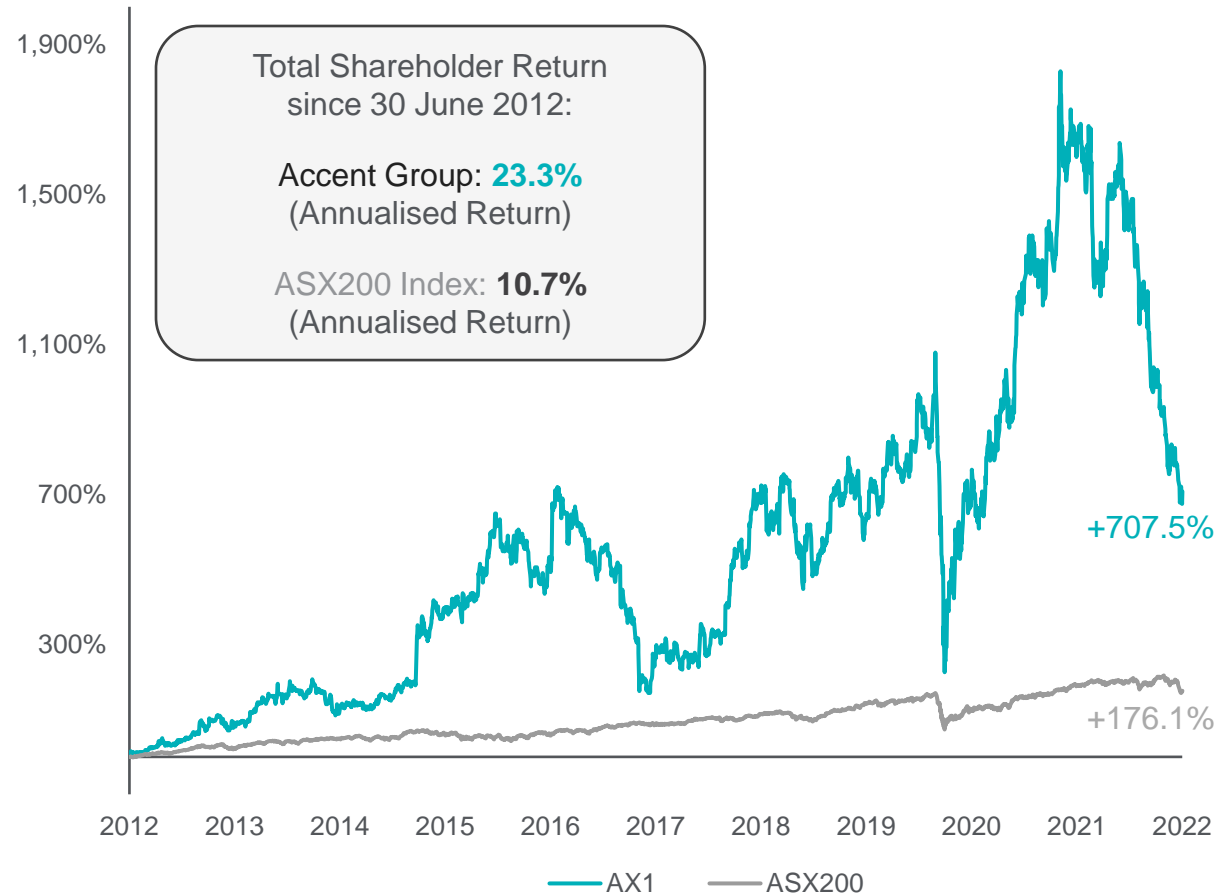
**Multi-Brand Retail Banners**  
Range global third party brands, global distributed brands, and owned vertical brands and products through online and stores

**Global Distributed Brands**  
Dedicated retail stores and online sites, as well as wholesale customer channels

**Vertical Apparel Owned Brands**  
Supports margin growth and product differentiation in multi-brand banners, as well as having dedicated online sites



## Total Shareholder Return<sup>1</sup> comparison for Accent and ASX200 (30 June 2012 to 24 June 2022<sup>2</sup>)



- **A market leading digitally integrated consumer business with 36 websites, 28 owned and distributed brands, 726 retail stores facilitating omnichannel distribution and over 9.3 million contactable customers**
- Over \$1.2 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. Year ended 26<sup>th</sup> of June 2022. Last day of ASX trading 24<sup>th</sup> of June 2022.



At Accent we *"Make It Happen"*



### Our People

Our people come first

#### Safety

- Committed to providing a safe working environment
- Regular monitoring of key safety metrics
- In April 2022, the Group launched a digitally delivered and enhanced health and safety training for all retail team members



### Our Responsibilities

We act with integrity

#### Community Partnerships

- Launch of **"Stamp your Feet"**, the Accent charity foundation
- Contribution of \$450,000 across three years to Headspace and NZ Youth Line
- Our brands continue to support their respective charity partnerships



### Our Environment

We care for our environment

#### Reduce & Recycle Resources

- Accent Group is a key member of the Australian Sporting Goods Association (ASGA)
- Over 220 shoe recycling collection points across our stores
- In FY22, over 56,000 pairs of shoes were recycled



Operational highlights	7
FY22 results summary	8
Operational update	9
Dividend and trading update	12
Appendix	13







## Total Sales (inc Franchises)

**\$1.27 billion**

+11.3% on FY21

## VIP & Loyalty

**9.3 million**

Contactable customers  
Additional 900,000 contactable  
customers in FY22

## New Stores

**139**

New stores opened  
New stores performing strongly

## Vertical Owned Brands Sales

**>70 million**

7% of sales

## Digital Growth

**+25.7%**

on FY21

## Apparel Growth

New segment apparel growth  
through Glue, Stylerunner and  
Owned Brands

## Glue Store

**28**

Glue stores trading  
8 new concept stores open

## New Distribution Agreements

**HOKA**

THE FINEST QUALITY  
**Herschel**  
SUPPLY CO. BRAND  
TRADE MARK

**Timberland**  
**PRO**

**SUPERGA**





## Key Metrics

\$'000's	FY22	FY21	% Change
Group Sales (inc. Franchisees)	1,266,557	1,138,239	<b>+11.3%</b>
EBITDA	213,565	242,015	<b>(11.8%)</b>
EBIT	62,276 <sup>1</sup>	124,905	<b>(50.1%)</b>
PBT	46,592	110,999	<b>(58.0%)</b>
NPAT	31,464	76,923	<b>(59.1%)</b>
Digital Growth	25.7%	48.5%	
Gross Margin (%)	54.2%	56.1%	<b>(190 bps)</b>
EPS	5.81 cents	14.21 cents	
Full Year Dividend	6.50 cents	11.25 cents	

## Commentary

- 400 stores were closed in H1 FY22 due to COVID-19 for 4 months
  - Estimated impact on sales was \$95 million
- Gross margin impact of 190bps driven by disruptions
- Continued investment in growth plans across new stores, digital, new distributed and owned brands, and new businesses
- Strong digital growth +25.7% on top of FY21 growth of 48.5%

1. FY22 EBIT includes one off non-cash charges of \$7.7m, \$5.2m relating to the transition out of PIVOT stores and \$2.5m relating to store lease assets in a small number of stores where customer traffic levels have still not recovered



**Operational update**

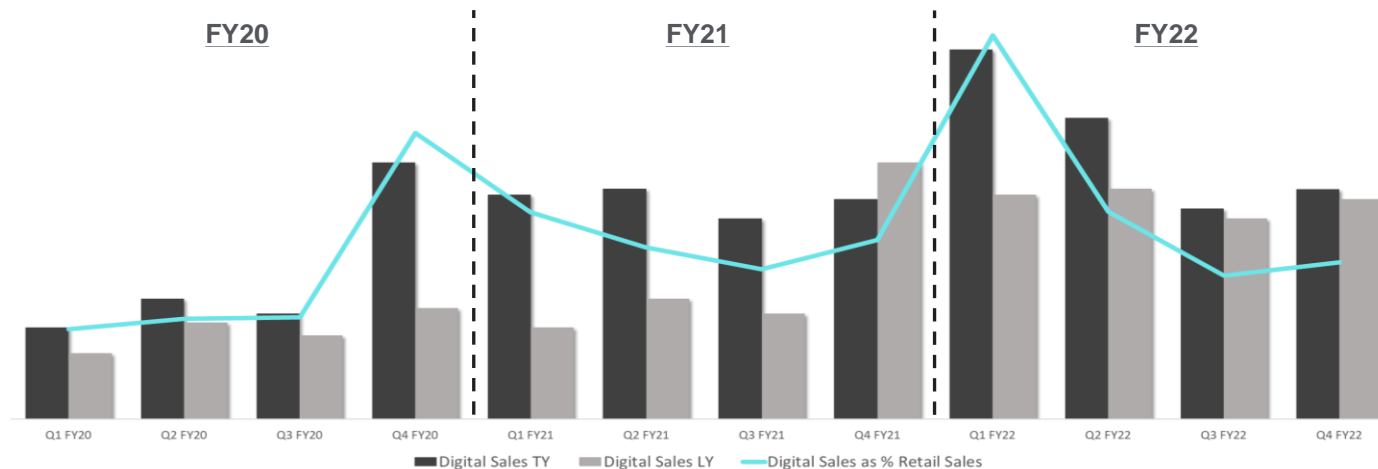
**Accent  
Group**



## Digital Sales Growth

Digital sales grew to **\$263.8m, +25.7%** on FY21

Digital sales contributed to **24.4%** of total retail sales<sup>1</sup>



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

**9.3m** contactable customers **+900k** on FY21

Average order value **+10.6%** in H2 FY22

### Key Metrics<sup>2</sup>

**7** New and re-platformed websites

Fulfilled **+11.4%** more orders than FY21

Digital Sales

FY21 Full Year

+48.5%

FY22 H1

+47.9%

FY22 H2

+4.8%

FY22 Full year

+25.7%

Website Sessions

+24.4%

+8.8%

(10.9%)

(0.8%)

Orders

+30.8%

+37.5%

(15.4%)

+11.4%

Conversion Rate

+5.1%

+26.4%

(5.0%)

+12.3%

Avg. Order Value

+4.7%

(4.4%)

+10.6%

+1.4%

Digital as a % of Total Retail Sales

20.9%

31.2%

18.9%

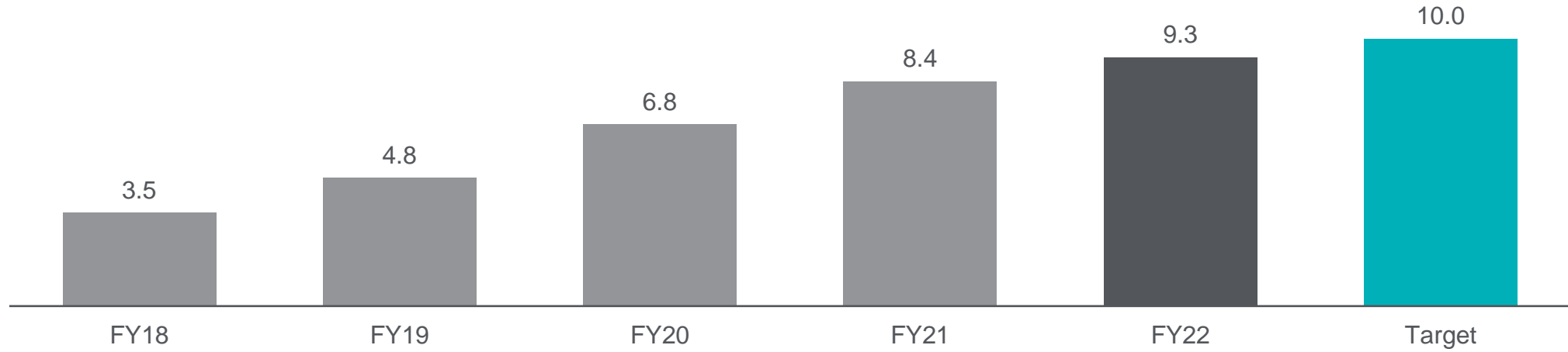
24.4%

Launched **Hype & Platypus Loyalty Programs**

Conversion rate grew by **+12.3%**

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

## Accent Group Contactable Customers (Million)



- **9.3 million** contactable customers
- Objective is to grow our customer database to **10 million** customers
- Platypus and Hype Loyalty launched in FY22, in addition to the existing programs in the The Athlete's Foot, Merrell and Skechers
- New customer data platform set to launch in Q1 FY23





## Retail

- New stores performing strongly
- Opened 139 new stores
- Momentum and performance across the Glue business continues to strengthen, including new stores in these banners
- At least 50 new stores to open in FY23

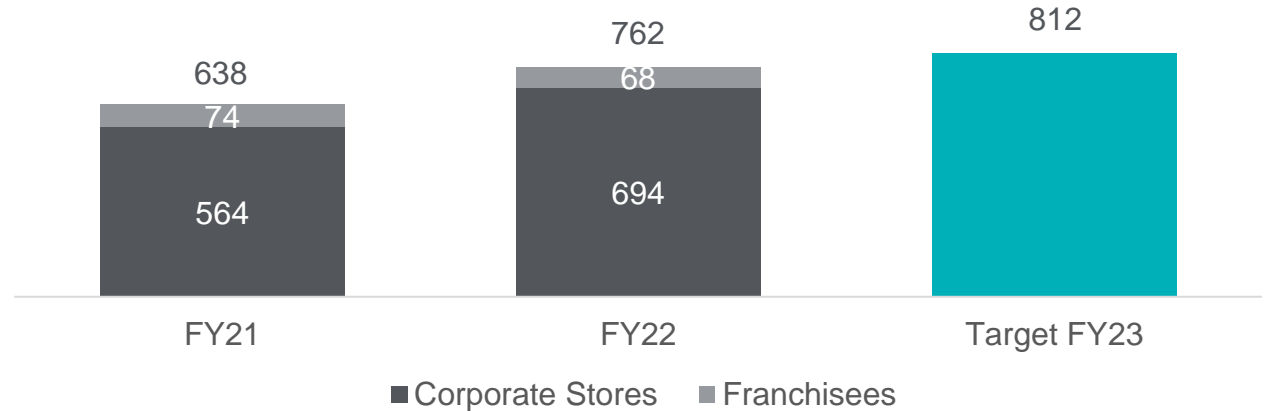
## Wholesale

- Strong wholesale sales growth

## Vertical Owned Brands

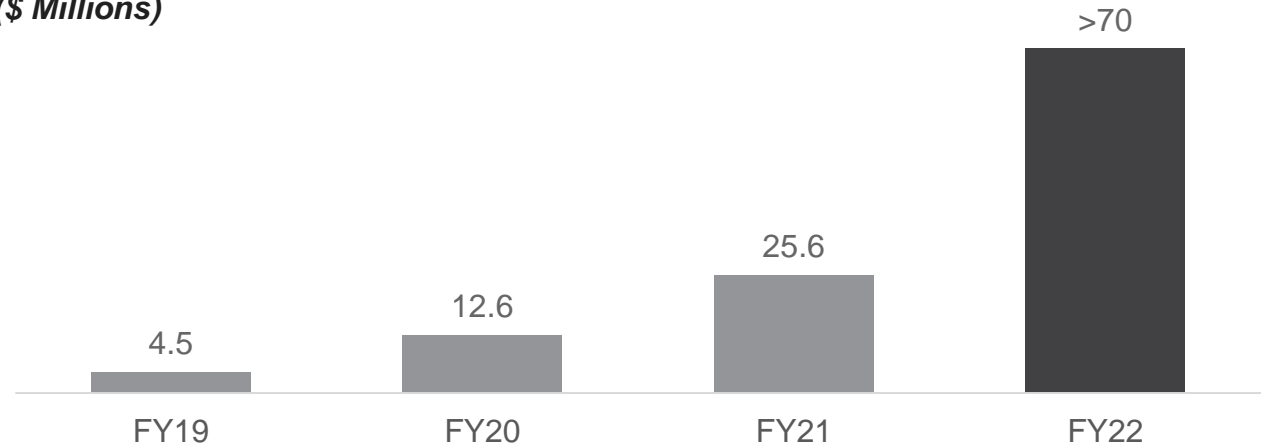
- Sales of over \$70 million, now represent 7% of sales
- Vertical product has positively contributed to underlying margin growth

## Store Network<sup>1</sup>



1. Includes store closures and websites. For a breakdown by banner refer to page 13

## Vertical Owned Brands Sales (\$ Millions)





# Dividends and trading update

**Accent**  
Group







## Dividends

- Accent Group has announced a final dividend for FY22 of **4.00 cents** per share, fully franked, payable on **15 September 2022** to shareholders registered on **1 September 2022**
- Accent Group continues to be defined by strong cash conversion and the consistent strong returns it delivers on shareholders' funds

## Trading Update

- Trading conditions for the first 7 weeks of FY23 have been positive, driven largely by undisrupted trading conditions and supported by full deliveries of new product. Total sales are up 48.9% reflecting the positive trading conditions, stores open this year that were closed last year, and new store opened during the last 12 months
- Like for Like<sup>1</sup> ("LFL") retail sales for the first 7 weeks of H2 are up 18.9% on the prior year
- Total and like for like gross margin \$ and gross margin % for the period are well ahead of FY22 and are also up on the same undisrupted period in FY20. Based on these early results the company is pleased with the start of the new year

## Outlook

- Whilst not providing guidance, we note the previously reported estimate, that due to disrupted trading conditions, around \$95 million of sales were lost in 1H22
- In addition, due to this disruption, gross margin % in FY22 was around 200 basis points less than the gross margin % achieved across FY19 to FY21
- In FY23, assuming undisrupted trading conditions, we are focusing on high quality full margin sales and will benefit from the annualising sales of the 139 stores opened in FY22 and the 50 stores planned to open in FY23

1. Like for like ("LFL") retail sales include TAF Franchises sales, digital sales and Glue stores. The Like for Like measurement is consistent with prior releases and includes the year on year sales comparison for all stores in which a sale has been recorded on the same day the prior year.

**Appendix**

**Accent  
Group**



# Store network and distribution agreements



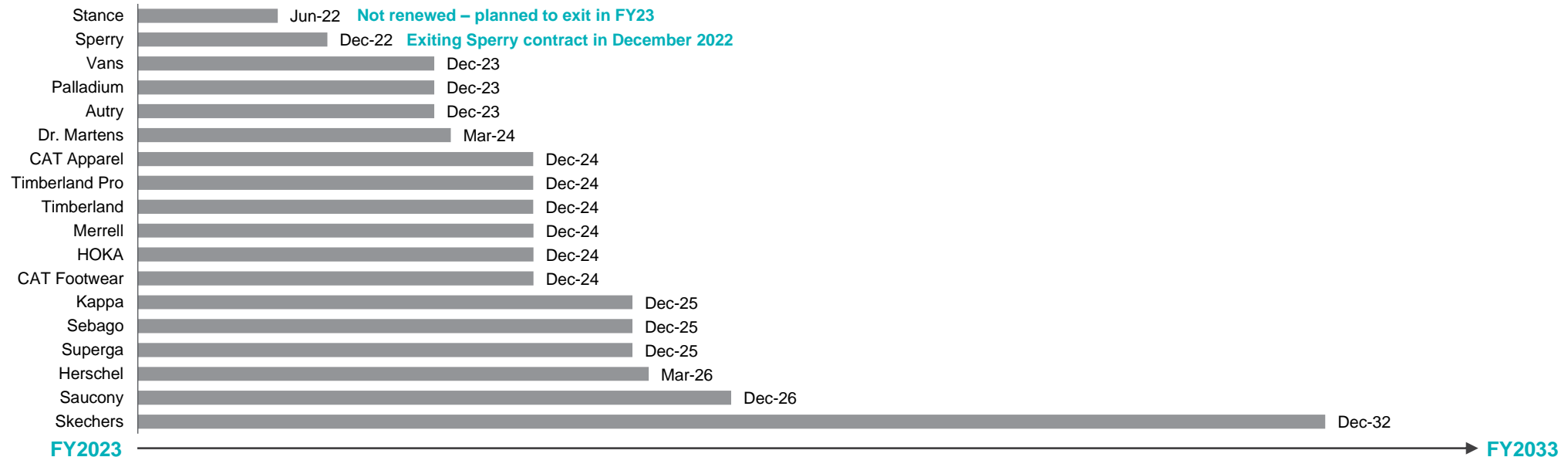
## Store Network<sup>1</sup>

Jun-22

	TAF	Platypus	Skechers	Vans	Timberland	Dr Martens	Merrell	Hype	Glue	Stylerunner	Other	Discontinued	Total
<b>Stores at End of FY21</b>	<b>145</b>	<b>148</b>	<b>131</b>	<b>28</b>	<b>8</b>	<b>15</b>	<b>15</b>	<b>79</b>	<b>22</b>	<b>4</b>	<b>32</b>	<b>11</b>	<b>638</b>
<b>FY22</b>													
Stores Opened	10	24	22	11	2	6	1	10	8	19	16	10	139
Stores Closed	(2)	(4)	-	-	(1)	-	(1)	(4)	(2)	-	-	(1)	(15)
<b>Stores at End of FY22</b>	<b>153</b>	<b>168</b>	<b>153</b>	<b>39</b>	<b>9</b>	<b>21</b>	<b>15</b>	<b>85</b>	<b>28</b>	<b>23</b>	<b>48</b>	<b>20</b>	<b>762</b>
<b>Projection FY23</b>													
<b>Expected at the End of FY23</b>													<b>812</b>

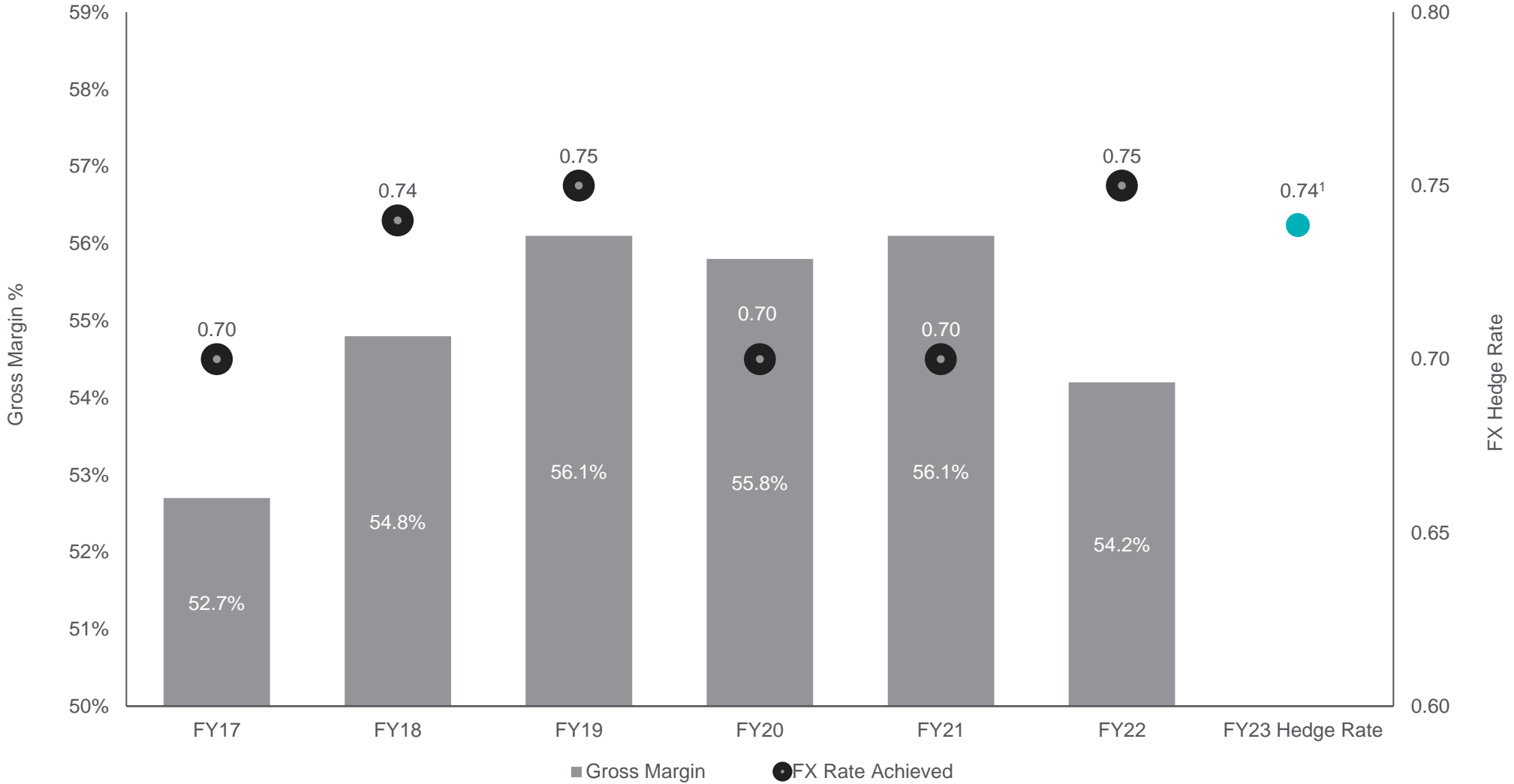
1. Includes websites (36) and franchises (68)

## Distribution Agreements





## Statutory Gross Margin % and FX Rate Overview



1. As per annual report, refer to note 12



## Financial Summary— Comparable Financial Information

Profit & Loss (\$000's)	FY22	FY21	% Change
Owned sales	1,103,488	967,755	<b>14.0%</b>
Gross profit	598,496	542,676	
Gross margin (%)	54.2%	56.1%	<b>(190bps)</b>
CODB (excl lease depreciation and interest)	(411,240)	(326,660)	
CODB (%)	37.3%	33.7%	
Other income (inc royalties and franchise fees)	26,309	24,999	
<b>EBITDA</b>	<b>213,565</b>	<b>242,015</b>	<b>(11.8%)</b>
Depreciation on leases	(98,654)	(78,415)	
Depreciation & amortisation	(52,635)	(38,695)	
<b>EBIT</b>	<b>62,276</b>	<b>117,110</b>	<b>(50.1%)</b>
Net finance costs on lease liabilities	(12,271)	(11,750)	
Net interest (paid) / received	(3,413)	(2,156)	
<b>PBT</b>	<b>46,592</b>	<b>110,999</b>	<b>(58.0%)</b>
Tax	(15,128)	(34,076)	
<b>Net Profit After Tax</b>	<b>31,464</b>	<b>76,923</b>	<b>(59.1%)</b>

## Operating Highlights

<b>Sales</b>	<ul style="list-style-type: none"> <li>Total company owned sales of \$1.1 billion, up 14.0% on prior year</li> <li>Estimated impact of COVID-19 disruption on retail sales in H1 FY22 is c.\$95 million</li> </ul>
<b>Gross Margin</b>	<ul style="list-style-type: none"> <li>The sell through of inventory following the government mandated closures of more than 400 stores (between July 2021 and October 2021) has driven gross margin % well down on prior year</li> <li>Margin recovery in the second half of the year</li> <li>Closing inventory is in line with original expectations with clean aged stock levels</li> <li>Vertical owned product strategy on track. Total sales of over 70 million this year (last year \$25.6 million)</li> </ul>
<b>CODB</b>	<ul style="list-style-type: none"> <li>Investment in growth strategies continues, with investment ahead of the curve in Glue, Stylerunner, vertical, digital and other new businesses</li> </ul>
<b>EBIT &amp; NPAT</b>	<ul style="list-style-type: none"> <li>FY22 EBIT includes one-off non-cash charges of \$7.7 million, \$5.2 million relating to the transition out of PIVOT stores and \$2.5 million relating to store lease assets in a small number of stores where customer traffic levels have still not recovered</li> <li><b>NPAT of \$31.5 million</b></li> </ul>



## Balance Sheet

\$000's	FY22	FY21
Trade receivables and prepayments	55,895	44,540
Inventories	241,631	216,881
Trade payables and provisions	(159,600)	(169,323)
<b>Net working capital</b>	<b>137,926</b>	<b>92,098</b>
Intangible assets	374,741	372,723
Property, plant and equipment	139,188	115,527
<b>Capital investments</b>	<b>513,929</b>	<b>488,250</b>
Lease receivable	20,695	26,293
Right of use asset	299,884	271,348
Lease liabilities	(431,310)	(383,826)
<b>Lease balances</b>	<b>(110,731)</b>	<b>(86,185)</b>
Net cash/(debt)	(119,282)	(67,041)
Deferred income	(15,682)	(12,992)
Tax and derivatives	34,066	14,850
<b>Net assets/equity</b>	<b>440,226</b>	<b>428,980</b>

## Commentary

- Property, plant and equipment increased due to significant investment in 139 new stores





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