Universal Store

ASX ANNOUNCEMENT

26 August 2022

UNIVERSAL STORE HOLDINGS LIMITED INVESTOR PRESENTATION

Universal Store Holdings Limited (ASX:**UNI**) attaches its FY22 Investor Presentation relating to UNI's FY22 financial results announcement.

Authorised for lodgement by the Board of Universal Store Holdings Limited.

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ABOUT UNIVERSAL STORE

Universal Store is a specialty retailer of youth casual apparel that operates 78 physical stores across Australia and a fast-growing online store.

The Company's strategy is to deliver a frequently changing and carefully curated selection of on-trend apparel products to a target 16-35 year old fashion focused customer. Universal Store seeks to provide a high level of customer service, consistent price proposition and a welcoming and engaging store environment. It offers a diversity of brands and styles in order to cater to the constantly evolving and widely varied tastes and trends observed in the youth apparel market.

UNIVERSAL STORE HOLDINGS LIMITED
ACN 169 039 721

FY22 RESULTS

PRESENTATION

26th AUGUST 2022

AGENDA

PRESENTERS

Alice Barbery
CEO

- 12 years at Universal Store
- 30+ years' industry experience

Renee Jones
CFO

- Commenced at Universal Store in 2019
- 20+ years' experience across retail and service industries

CONTENTS

OVERVIEW

1

HIGHLIGHTS

ROBUST RESULTS DESPITE COVID-19 DISRUPTIONS

$208M
Sales
(1.4%) YoY up
+34.3% on FY20

Underlying[2]
EPS
28.9 cents

Underlying[1]
$30.9M EBIT
(29.8%) YoY up
+30.4% on FY20

$23.9M
Net Cash at year end

(3.0%)
LFL Sales
cycling +28.5% in FY21

+38.6% YoY
Online sales to **$35.7M**

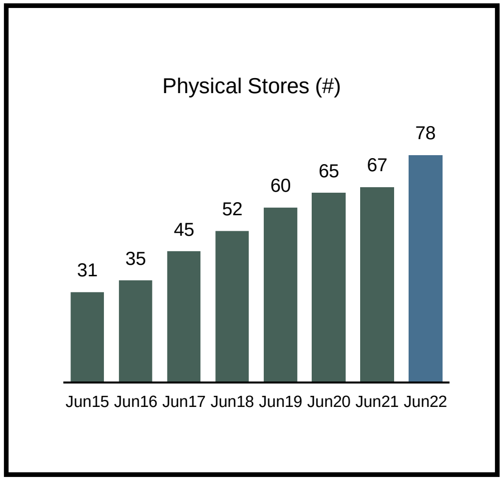
$20.6M
NPAT
(15.6%) YoY

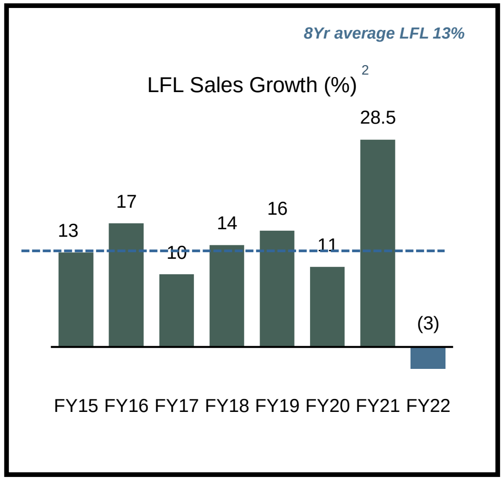
Final Dividend **10.5 cps**. Full year dividends of 21.5 cps

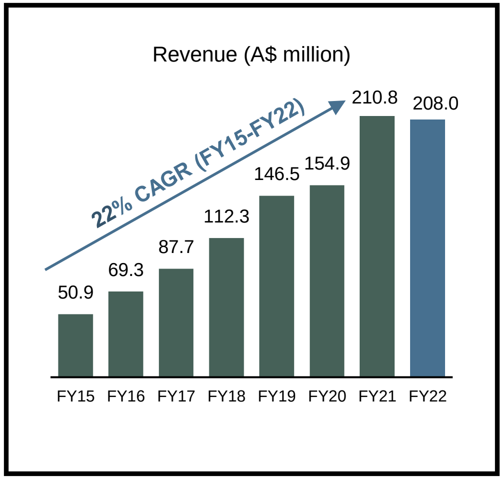
1. Underlying EBIT excludes the impact of (i) accounting for leases under AASB16; (ii) one-off IPO transactions and MEP expenses (for FY21 only).
2. Based on underlying NPAT and total shares on issue

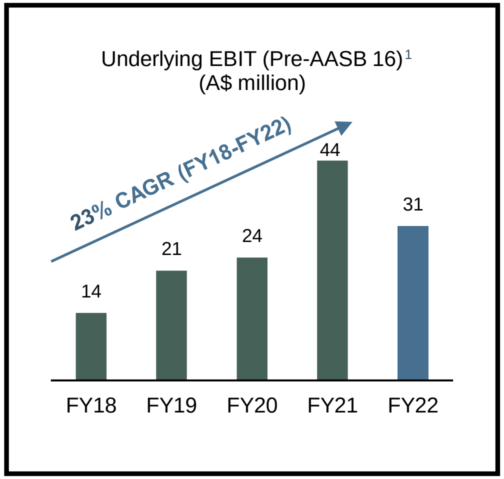
MOMENTUM CONTINUES DESPITE COVID-19 DISRUPTIONS

- Solid results despite the ongoing COVID-19 challenges including mandated lockdowns and restrictions
- Total sales $208.0m down 1.4% with H1 down 8.2% and H2 up 7.4%
- Online sales of $35.7m (17.2% of total sales)
- 11 new stores opened and two relocations
- Underlying EBIT of $30.9m down $13.1m on FY21 driven by H1 store closures. H1 down 37.9% and H2 down 10.1% on FY21[1]





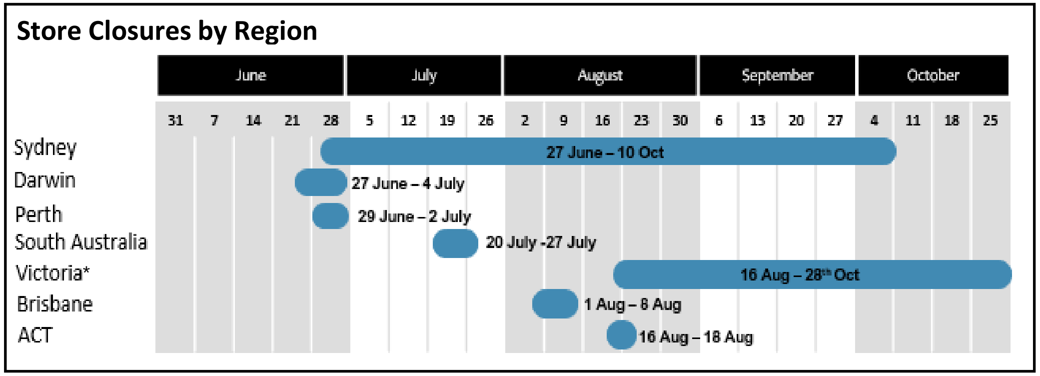




1. Underlying EBIT excludes the impact of (i) accounting for leases under AASB16; (ii) one-off IPO transactions and MEP expenses (for FY21 only).
2. LFL sales excludes closed stores from date of closure and new stores which have traded less than 55 weeks. Stores that were closed during COVID are excluded from LFL sales growth calculation for the weeks that they were closed. LFL are calculated on 4/4/5 financial week.

YEAR IN REVIEW

FY22 PROVIDED ONGOING CHALLENGES AND WE ARE PROUD OF HOW OUR TEAM RESPONDED



- During H1, mandated store **lockdowns and restrictions impacted our teams and customers** nationwide
- **Team work across Support Office, Distribution Centre and Stores remained strong** despite inhibiting to physically connect in H1
- **Western Australia was last to be impacted** and our experience allowed us to rapidly respond to the needs of WA when the community faced significant outbreaks of COVID-19
- Our ‘close to market’, and ‘micro allocation’ processes, together with lessons learned enabled our **product team to effectively manage stock**
- Continued to build **thriving youth fashion brands and retail concepts with the promising launch of Neovision**
- **Foot traffic in centres showed signs of improvement in H2** as customer confidence increased as restrictions began to ease
- Casual dressing trend remained strong. The desire to dress up was evident as events re-emerged; **we were well placed to meet those varied needs**
- Planning for our **new Distribution Centre and Support Office supported by improved systems and capabilities**, will enable us to service our customers for the upcoming Summer and Christmas trading period

*Geelong closed 16 Aug – 12 Sept and 19 Sept – 27 Sept

FINANCIAL RESULTS

2

Universal Store

PROFIT & LOSS

SALES PERFORMANCE

- Sales $208.0m, down $2.8m or 1.4% on FY21
- Group LFL down 3.0%[1]
- Stores sales down 6.9%, with LFL down 9.5%[1]
- Online sales $35.7m, representing[2] 17.2% of total
- Online channel up +38.6%

GROSS MARGIN

- GM $121.3m, down $2.6m or 2.1% on FY21
- Underlying product GM rose 40bps from 60.8% to 61.2% aided by customer led mix shift towards private brand, expansion in men's private brand and direct sourcing of women's categories
- Domestic freight costs increased, reducing overall GM margin by 80bps

CODB

- 41.1% of sales or $10.4m above FY21
- Investments of $4.1m into marketing and $3.0m across support office teams and online operations
- $1.5m investment to support growth initiatives across new office, DC, WMS and IT and software upgrades
- $1.2m increase in occupancy costs predominantly driven by 11 new stores

EARNINGS GROWTH

- Underling EBIT $30.9m down $13.1m on prior year[2]
- Underlying EBIT margin of 14.9%
- Underlying EPS of 28.9 cents compared to 41.5 cents FY21[3]

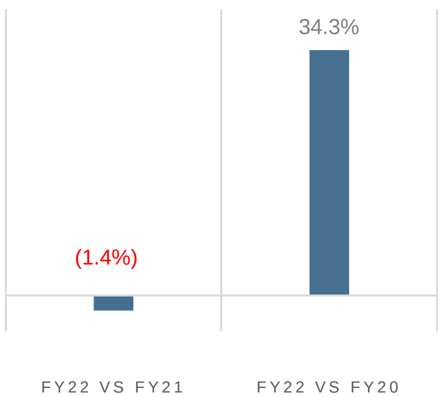
Underlying Results	FY22	FY21	% Change
Sales	208.0	210.8	(1.4)
Gross Profit	121.3	123.9	(2.1%)
% Sales	58.3%	58.7%	(0.4ppt)
CODB	(85.6)	(75.2)	13.8%
% Sales	(41.1%)	(35.7%)	5.4ppt
Underlying EBITDA[2]	35.7	48.7	(26.7%)
Depreciation	(4.8)	(4.7)	(2.1%)
Underlying EBIT[2]	30.9	44.0	(29.8%)
% Sales	14.9%	20.9%	(6.0ppt)
Interest	(0.6)	(0.6)	(0.0%)
Tax	(9.2)	(13.0)	29.2%
Underlying NPAT	21.1	30.4	(30.6%)
% Sales	10.1%	14.4%	(4.3ppt)

1. LFL sales excludes closed stores from date of closure and new stores which have traded less than 55 weeks. Stores that were closed during COVID are excluded from LFL sales growth calculation for the weeks that they were closed. LFL are calculated on 4/4/5 financial week.
2. Underlying EBIT/EBITDA excludes the impact of (i) accounting for leases under AASB16; (ii) one-off IPO transactions and MEP expenses (for FY21 only). Includes standalone public company cost incl. $0.1m of interest income.
3. Based on underlying NPAT and total shares on issue

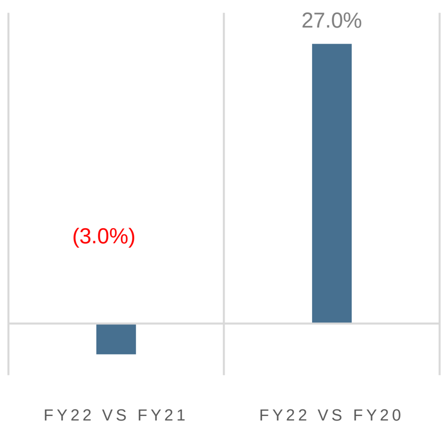
SALES GROWTH

SOLID PERFORMANCE DESPITE LOCKDOWNS WITH OVERALL SALES DOWN 1.4% ON FY21 AND UP 34.3% ON FY20

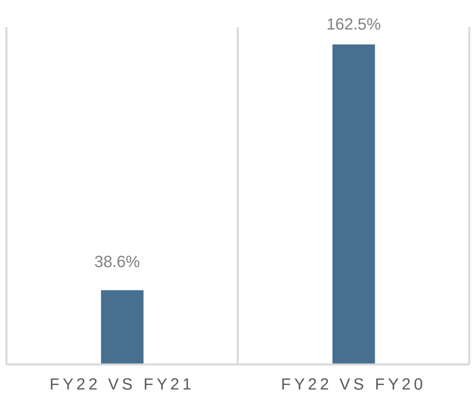
GROUP HEADLINE GROWTH



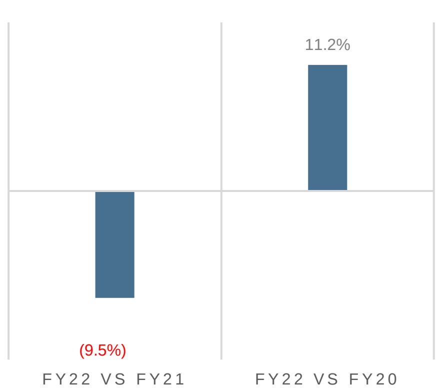
GROUP LFL GROWTH[1]



ONLINE GROWTH



LFL B&M[1]

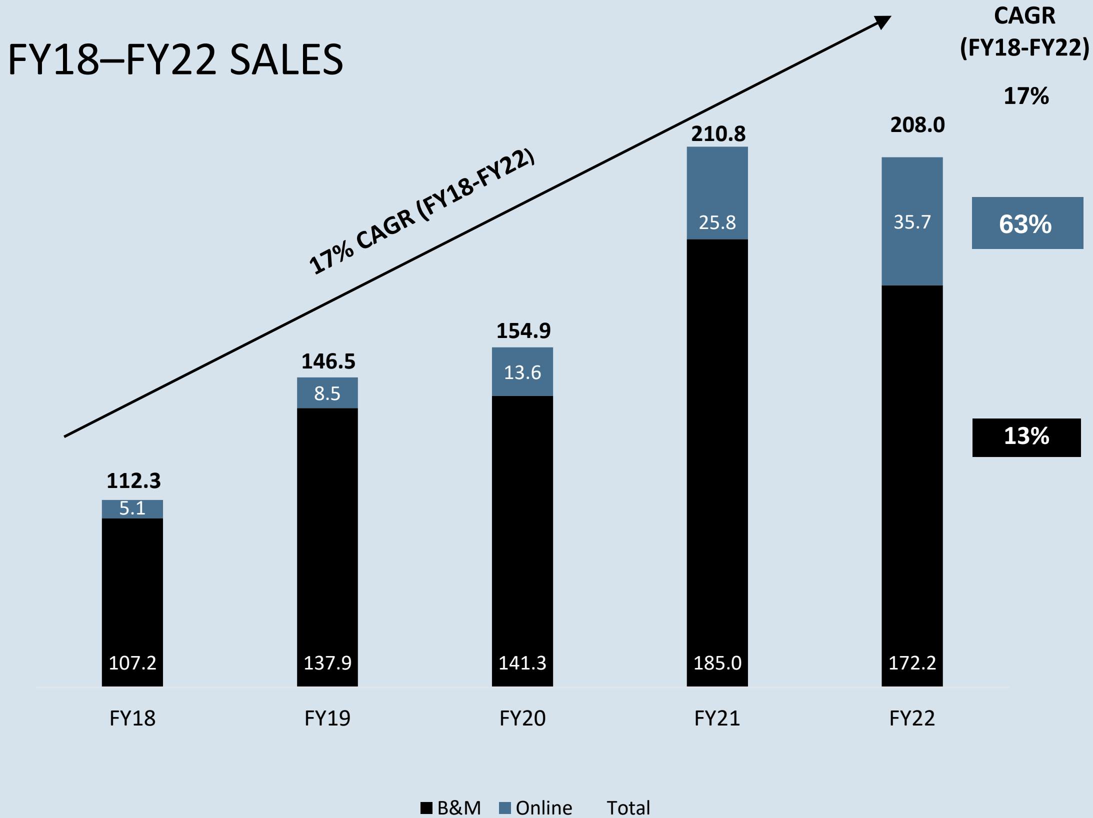


- Mandated store closures resulted in 3,192 of overall trading days being lost during the year. We estimated the sales impact to be ~$20m
- **Overall sales were only 1.4%** below FY21 and were 34.3% higher than FY20
- **11 new stores** opening late H1 FY22 (9 Universal Store & 2 Perfect Stranger)
- **Group LFL sales growth down 3.0%** as we cycle inflated results in FY21, up 27% on FY20 [1]
- **B&M LFL down 9.5% on FY21** and up 11.2% on FY20. Stores experienced significant reductions in foot traffic as a result of Omicron variant with later part of FY22 trends improving each month
- **Online growth up 38.6%** over FY21 and 162.5% over FY20

1. LFL sales excludes closed stores from date of closure and new stores which have traded less than 55 weeks. Stores that were closed during COVID are excluded from LFL sales growth calculation for the weeks that they were closed. LFL are calculated on 4/4/5 financial week.

SALES PERFORMANCE BY CHANNEL

FY18–FY22 SALES



- **Total Sales growth only down 1.4%** despite significant store closure periods as a result of COVID-19 pandemic. (H1 down 8.2% and H2 up 7.4%)
- **Group LFL sales growth down 3.0%** as we cycle inflated results in FY21
- **Stores sales decline 6.9%** Which includes 13-week lockdown in 33 stores across VIC, NSW and ACT in H1 FY22
- **Online growth of 38.6% or $35.7m.** Growth aided by increased investment and mandated store lock downs in H1 FY22

GROSS MARGIN

STRONG PRODUCT GROSS MARGIN UP 40BPS

Private brand demand resulted in contribution growing from 40.2% to 43.0% of total sales in FY22

Our ability to meet customer needs and our speed to market supported results. Men's growth exceeded Women's, with the introduction of fresh new brands and private brand "Neovision" launched, with exciting sales results to date

"Perfect Stranger" remains our strongest women's brand outperforming all other brands

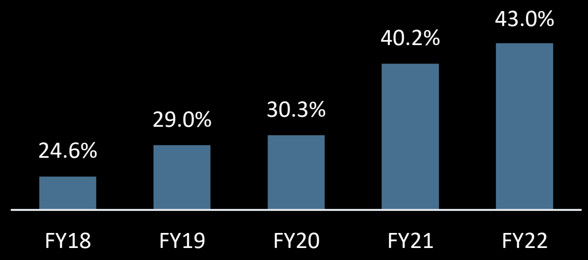
Direct sourcing of private brand product shifted from 37% in FY21 to 65% in FY22. The shift from "indirect" to "direct" sourcing aided gross margin gains and offset increases in direct shipping costs

The shift in direct sourcing is driven by womenswear, while menswear maintained its predominantly direct sourcing mix

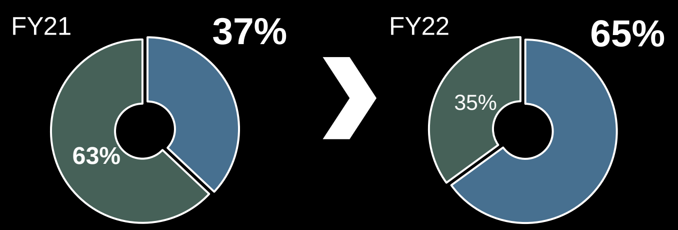
Underlying product GM remains strong growing as a result of customer-led mix shift towards expansion of our private brand in under-penetrated categories and accelerating direct sourcing in women's private brand range

Overall GM reduced by 40bps due to rising outbound freight costs

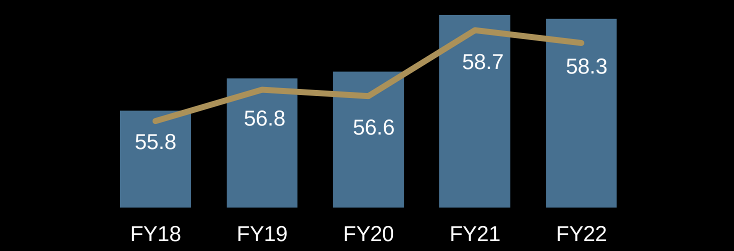
PRIVATE BRAND % OF TOTAL SALES



DIRECT SOURCING
(% OF PRIVATE BRAND SALES)



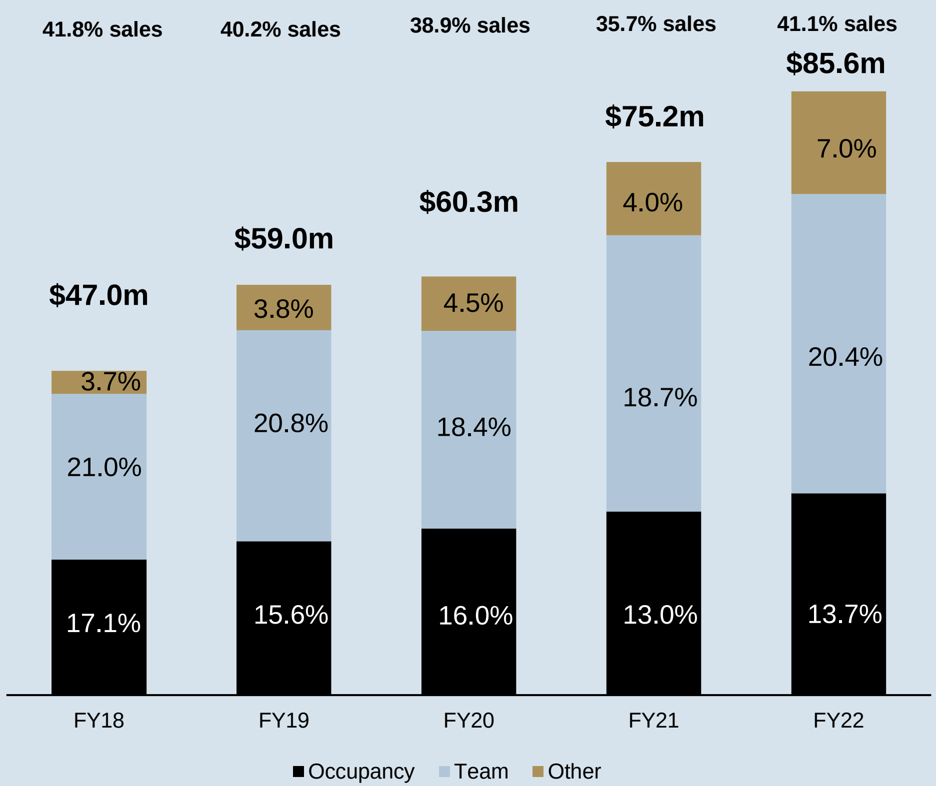
GM $ & % TREND



Universal Store

COSTS OF DOING BUSINESS

UNDERLYING CODB INCREASED TO SUPPORT GROWTH AND INCLUDES PARTIAL NORMALISATION OF FY20/21 LEVELS WHICH WERE SUPPRESSED AS A RESULT OF COVID-19 DISRUPTIONS



1. Underlying CODB excludes the impact of (i) accounting for leases under AASB16; (ii) one-off IPO transactions and MEP expenses (for FY21 only).
2. FY18-FY21 financials includes the Underlying costs associated with public listing

- **Total CODB % rises to 41.1%** adversely impacted by lost sales due to H1 mandated lockdowns
- **Team costs increased to 20.4%** driven by investment into new stores, key support office roles and the growth in our online business. Costs also included supporting our team through periods of store closures
- **Occupancy costs at 13.7%** impacted by mandated store closures, with minimal rent concessions in FY22, 11 new stores and 2 relocations
- **Other support costs** increased on prior year, driven by $4m investment into marketing and key business growth initiatives and upgrades

BALANCE SHEET

(A$ million)

STATUTORY BALANCE SHEET	FY22	FY21
Total Current assets	**59.8**	**53.5**
Cash	38.8	33.4
Trade Receivables	2.4	2.4
Inventories	18.0	17.7
Current Tax Asset	0.6	-
Total Non current assets	**143.8**	**150.7**
Property, plant and equipment	10.9	9.2
Right of use assets	39.9	48.8
Intangible assets	93.0	92.7
Total Assets	**203.6**	**204.2**
Total Current liabilities	**41.0**	**44.1**
Trade and other payables	17.7	17.0
Lease liabilities	20.0	19.2
Other current liabilities	3.3	7.9
Total non-current liabilities	**51.1**	**57.2**
Borrowings	14.9	14.8
Lease liabilities	28.6	35.8
Other non current liabilities	7.6	6.6
Total Liabilities	**92.1**	**101.2**
Net assets	**111.5**	**103.0**
Net Cash/ (Net Debt)	**23.9**	**18.6**

- **Cash ended the year at $38.8m** an improvement of $5.4m on FY21 due to strong cash generation
- **Inventory at $18.0m** inline with expectations
- **Underlying cashflow from operations** of $38.0m generated (before capex interest and tax)
- **10.5 cents fully franked final dividend** to be paid 29th Sept 2022 bringing total dividends to 21.5 cents per share and $15.7m

UNDERLYING CASHFLOW

(A$ million)

	FY22	FY21	Change
Underlying EBITDA	**35.7**	**48.7**	**(13.0)**
Change in inventories	(0.3)	(4.0)	3.7
Change in trade payables	0.7	1.2	(0.5)
Change in other working capital items	2.2	2.9	(0.7)
Underling cashflow from operations (before int, tax, capex)	**38.3**	**48.8**	**(10.5)**
Net Capex	(6.8)	(2.9)	(3.9)
Underling cashflow from operations after capex	**31.5**	**45.9**	**(14.4)**
Underlying interest (post IPO drawn debt)	(0.6)	(0.6)	-
Underlying tax cash paid	(13.5)	(12.8)	(0.7)
Underlying cashflow, after interest and tax	**17.4**	**32.5**	**(15.1)**
Dividends paid post IPO	(15.7)	(3.7)	(12.0)
Other cash flows and proforma adjustments related to tax payments, interest, the IPO, capital re-org, & MEP	3.7	(6.2)	9.9
Underlying net cash generated	**5.4**	**22.6**	**(17.2)**
Net cash/(net debt)	23.9	18.6	5.3
Cashflow Ratios			
Cashflow from Ops : EBITDA conversions %	107%	100%	
Capex : Depreciation %	141%	62%	

- Strong cashflow delivered again in FY22 with high levels of EBITDA cash conversion
- Inventory closely managed with minimal movement year on year
- Trade payables increase inline with inventory growth and as per trading terms
- Capex is higher than FY21 due to new store rollout, WMS and IT upgrades
- Net cash improves by $5.3m to $23.9m and puts us in a strong position to manage trading disruptions and support growth strategy

Notes

1. Tax paid in year adjusted for 30% tax paid on underlying adjustment

GROUP PRIORITIES

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FY22 PRIORITY UPDATE

WE CONTINUE TO EXECUTE ON OUR STRATEGIC PRIORITIES WHILST MITIGATING RISKS ASSOCIATED WITH THE TURBULENT TRADING ENVIRONMENT

NEW STORE ROLLOUT

- **13 new stores opened since IPO (78 stores at June FY22)**
- Standalone Perfect Stranger concept progressing well – 3 locations currently with a further 4 opening pre-Christmas 22
- “Full Potential” target is 100+ Universal Store sites across Australia/ New Zealand (excl PS rollout)

OPTIMISE PRODUCT MIX

- **FY22 product gross margin (excl. delivery costs) risen to 61% (from ~58% at FY20)**
- Continue brand and range curation, injecting fresh new product and brands into our offer
- Progress direct sourcing shift to further improve margins
- Progress diversification of our supply chain
- Further develop and build our Perfect Stranger brand and range

CUSTOMER

- **Our average LFL store growth over the last 3 years is 12%**[1]
- Continue to grow market share through superior customer service, inspirational stores and curated product brands
- Further develop Customer Data Platform to continuously inform key business decisions
- Maintain our customer led and complimentary private brand strategy

DIGITAL GROWTH

- 17.2% Online sales as a percentage of total, up from 8.8% in FY20
- Continue to scale our digital and eCommerce capacity and services, doubling investment into digital marketing
- Improved speed and delivery options
- Launched standalone Perfect Stranger website, further enhancements and customer acquisition strategy in plan
- Our customer centric digital strategy delivers on our digital mission to Make Shopping Easier, Make Shopping Personal and Make Shopping Valuable

SUSTAINABILITY

- Rolled out our Supplier Code of Conduct to all Private label suppliers (100%) and 89% of our 3rd party suppliers have signed our code or have equivalent or superior policies in place
- All 39 private brand factories will have had a valid audit during FY22
- Joined Sedex and advancing our supply chain transparency platform

PRODUCTIVITY

- Care for our team, ensuring safe and COVID-safe workplaces
- Refine our newly implemented Warehouse Management System (WMS)
- Relocate our Office and Distribution Centre early October FY23
- Implement a full Human Capital Management (HCM) system including advanced time and attendance scheduling functionality
- Execute on our IT roadmap which includes upgrading the store network

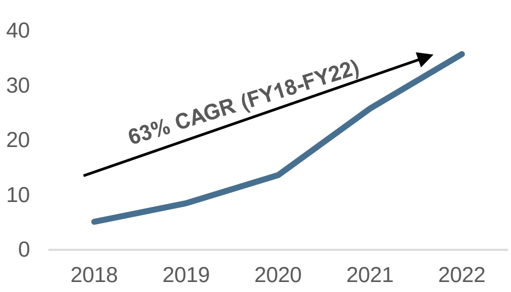
1. LFL is calculated on 4/4/5 weekly basis and excludes closed stores. FY22 YTD is up to week ending 12th June 22

CUSTOMER LED STRATEGY

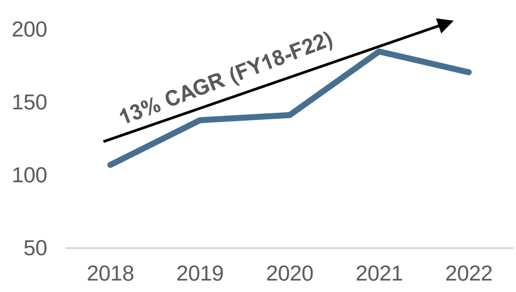
Our customer is socially active, digitally native, mobile centric, and in a period of discovery and self-expression. We listen to and analyse our customer's ever-changing wants and needs to deliver an exceptional experience. This means constantly evolving to meet our customer needs, wherever they are. We seek to remove hurdles in how customers wish to interact and purchase to deliver a seamless, welcoming and value adding experience.

We operate a channel agnostic business model leveraging customer insights to best deliver on customer needs. This drives cost effective customer acquisition and retention, efficient and scalable operations, attractive EBIT margins and a preferential customer experience.

Online Channel Sales ($m)



Physical Store Channel Sales ($m)



To support our growth ambitions we have invested in a new distribution centre and WMS, core IT infrastructure upgrades, a human capital management system and product lifecycle tools, we also made further marketing and digital investments inline with our customer first strategy.

DIGITAL PRIORITIES

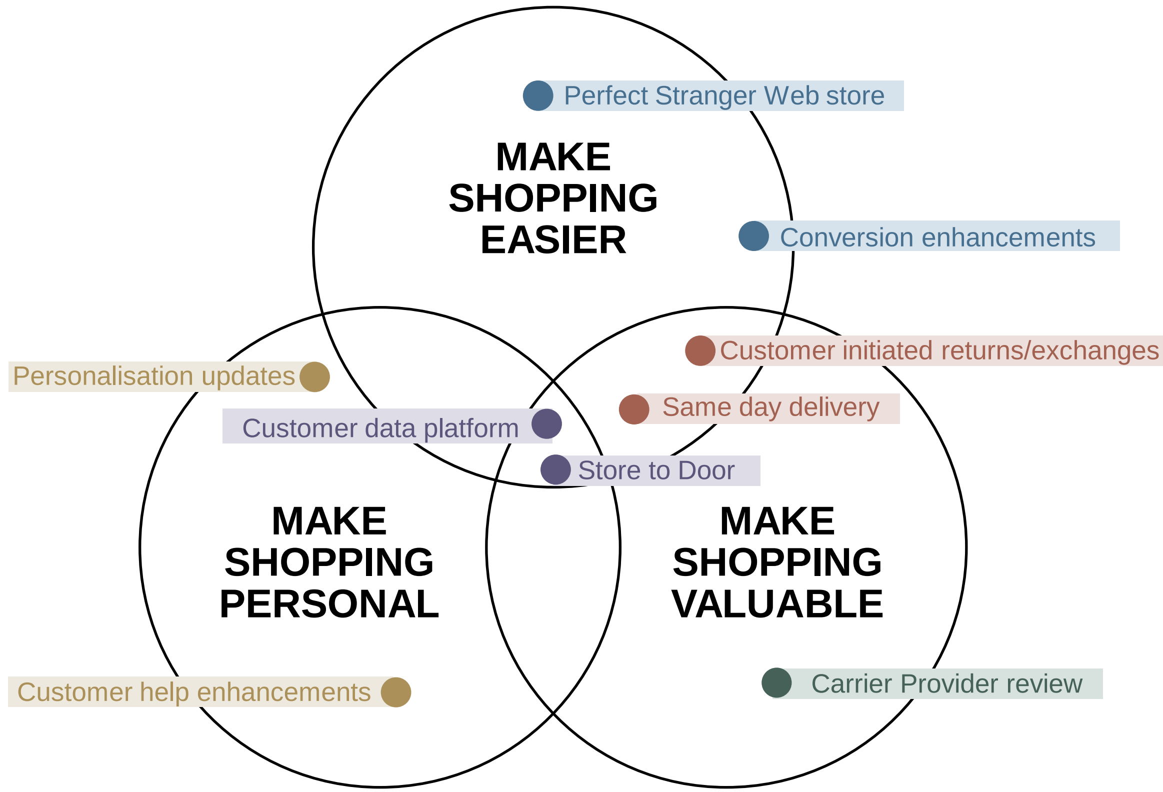
+28.4%
Growth in Net Unique visitors (NUV) vs FY21

+3.3%
Conversion NUV (new unique visitors) up from 3.1% FY21

$108
Average basket size of online FY22 (Compared to $91 in store)

FY23 plan

- Enhance and grow our Customer data platform to further develop insight and analytical capabilities
- Build perfectstranger.com.au to a $1m+ pa revenue run rate
- Drive customer recency and frequency with enhanced data capabilities
- Launch Store To Door enabling stores access to the company's full range of inventory and shipping solutions including same day delivery to delight customers and never miss a sale
- Improve Customer Experience to further connect with our customers in meaningful ways



PREFECT STRANGER UPDATE

Historical Context

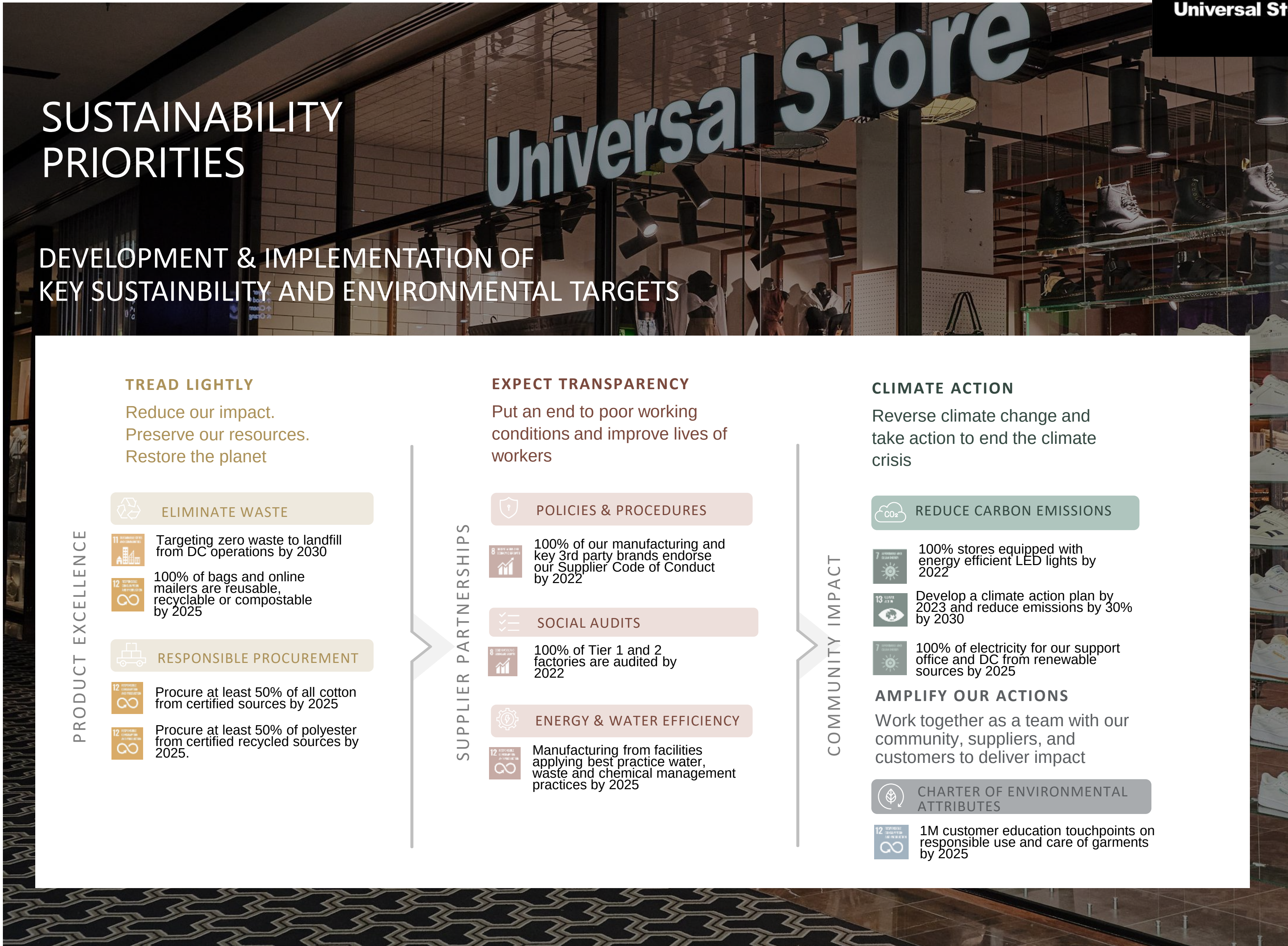
- Perfect Stranger (PS) was created in 2014 as a versatile, trend-setting label to fill gaps in our range that were not catered for by our 3rd party suppliers
- The brand was a vehicle for rapid on trend product design and replenishment, and gave us more capacity to use our detailed knowledge of customer demands to offer 'on-point' product and offer more range differentiation
- PS bridges the gap between high-end labels and fast fashion, delivering quality on-trend fashion at accessible price points
- PS has become the largest brand in Universal Store, and now represents >16% of sales. Our proven ability to manage brands and retail concepts will continue as the Company scales

Trial Status

- First pop-up store opened in Chermside Dec 2020
- Opened our first 'full line' store in Nov 2021
- Committed to opening 4 new stores by Dec 22, bringing the total store footprint to 7 stores by H1 FY23, plus a growing web store
- Low cannibalisation of nearby UNI stores observed
- Stores on track to deliver store sales levels required to deliver attractive 'box economics'
- Fit out costs are currently in the range of $300-400k with typical landlord contributions between $120-200k
- Yet to trial viability and performance of concept outside Queensland

Insights and Focus

- More feminine store environment
  - Warm and service orientated team with solid styling capability
  - Womenswear products only
  - Considered and feminised store fit out, spacious change rooms, occasion driven merchandising, softer music and lighting
- Winning a new customer that does not shop in Universal Store
- PS customers are shopping for dressier occasions or seeking more feminine looks for casual events than we see at Universal Store
- Pleased with the performance and moving to next phase of rollout



SUSTAINABILITY PRIORITIES

DEVELOPMENT & IMPLEMENTATION OF KEY SUSTAINBILITY AND ENVIRONMENTAL TARGETS

PRODUCT EXCELLENCE

TREAD LIGHTLY

Reduce our impact.
Preserve our resources.
Restore the planet

ELIMINATE WASTE

- Targeting zero waste to landfill from DC operations by 2030
- 100% of bags and online mailers are reusable, recyclable or compostable by 2025

RESPONSIBLE PROCUREMENT

- Procure at least 50% of all cotton from certified sources by 2025
- Procure at least 50% of polyester from certified recycled sources by 2025.

SUPPLIER PARTNERSHIPS

EXPECT TRANSPARENCY

Put an end to poor working conditions and improve lives of workers

POLICIES & PROCEDURES

- 100% of our manufacturing and key 3rd party brands endorse our Supplier Code of Conduct by 2022

SOCIAL AUDITS

- 100% of Tier 1 and 2 factories are audited by 2022

ENERGY & WATER EFFICIENCY

- Manufacturing from facilities applying best practice water, waste and chemical management practices by 2025

COMMUNITY IMPACT

CLIMATE ACTION

Reverse climate change and take action to end the climate crisis

REDUCE CARBON EMISSIONS

- 100% stores equipped with energy efficient LED lights by 2022
- Develop a climate action plan by 2023 and reduce emissions by 30% by 2030
- 100% of electricity for our support office and DC from renewable sources by 2025

AMPLIFY OUR ACTIONS

Work together as a team with our community, suppliers, and customers to deliver impact

CHARTER OF ENVIRONMENTAL ATTRIBUTES

- 1M customer education touchpoints on responsible use and care of garments by 2025

OUTLOOK

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FY23 OUTLOOK

WE ARE ENCOURAGED BY EARLY FY23 SALES MOMENTUM LEADING INTO SPRING AS SOCIAL EVENTS AND FESTIVALS REEMERGE. WE ALSO CYCLE A PERIOD OF SIGNIFICANT STORE CLOSURES LAST YEAR, RESULTING IN LESS MEANINGFUL COMPARATIVE RESULTS

In the first 8 weeks of FY23 total sales were up +54.7% versus PCP, up +$12.5 million.

Across this period;

- We are cycling store closures last year. During this time ~37% of potential store trading days were lost in the prior year
- Total store growth +69.9% with LFL growth +7.1%[1]
- Online sales are down 0.6% versus PCP FY21. This includes ~$500k benefit from faster order fulfilment of a recent online event
- Group LFL sales (incl online) are up 5.4%[1]
- The observed channel shifts in spending YTD are largely driven by having all stores open for trade

Our inventory is well positioned to support a strong Christmas trading period. In addition, we will be moving into our new Distribution Centre and Support office in early October.

Five new stores are expected to open prior to Christmas 2022 along with two resizes.

Given the continued uncertainty regarding macro economic conditions, we do not consider it appropriate to provide FY23 guidance at this time. However, we believe that the impact on our customer cohort will be less significant than for the general population.

1. FY23 LFL sales are calculated daily and excludes closed stores from the day of closure and New stores until they have cycled the first three weeks of opening. Stores that were closed during COVID are excluded from LFL sales.

APPENDIX

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APPENDIX 1: UNIVERSAL STORE - OVERVIEW

A leading Australian youth-focused apparel retailer and brand curator with customer centricity at its core

Who is Universal Store?

- Omni-channel retailer
- Casual youth fashion apparel
- 78 stores around Australia (plus two web stores)
- Curated domestic, international and private brand collections
- High service, friendly experience

Who is our quintessential customer?

Millennials and Gen Z (16-35 year old)	Fashion focused (and buy now preference)
~54% womenswear, ~37% menswear, ~9% unisex[1]	Late education or early adult phase of life
Digital natives	Socially active
Sub-culture 'fluid'	Occasion and event driven

Some implications about our customers….

- Relatively few financial commitments or long term savings goals
- High proportion of income is "disposable"
- Shop across multiple brands seeking what's new
- Buy now pay later products and parents support spending capacity
- Most active customers seek outfits to fit in or stand out

1. Based on FY22 revenue only, excluding ticket sales and other adjustments.

APPENDIX 2: UNDERLYING PROFIT & LOSS STATEMENT

$m	Notes	FY18	FY19	FY20	FY21	FY22
Physical store revenue		107.2	137.9	141.3	185.0	172.3
% growth			*28.7%*	*2.5%*	*30.9*	*(7.1%)*
Online revenue		5.1	8.5	13.6	25.8	35.7
% growth			*66.7%*	*60.0%*	*90.3*	*38.6%*
Revenue		**112.3**	**146.5**	**154.9**	**210.8**	**208.0**
% growth		*28.1%*	*30.5%*	*5.7%*	*36.1%*	*(1.4%)*
Cost of sales		(49.6)	(63.3)	(67.3)	(87.0)	(86.7)
Gross profit		**62.7**	**83.2**	**87.6**	**123.9**	**121.3**
% margin		*55.8%*	*56.8%*	*56.6%*	*58.7%*	*58.3%*
Employee costs		(23.6)	(30.5)	(28.5)	(39.5)	(42.5)
Occupancy costs		(19.2)	(22.9)	(24.9)	(27.3)	(28.6)
General and admin costs	2	(4.2)	(5.6)	(6.9)	(8.4)	(14.5)
Underlying EBITDA	1	**15.7**	**24.2**	**27.3**	**48.7**	**35.7**
% growth			*51.5%*	*11.9%*	*78.4%*	*(26.7%)*
% margin		*14.0%*	*16.5%*	*17.6%*	*23.1%*	*17.2%*
Depreciation		(2.2)	(3.0)	(3.7)	(4.7)	(4.8)
Underlying EBIT	1	**13.5**	**21.2**	**23.7**	**44.0**	**30.9**
% growth			*54.9%*	*10.3%*	*85.7%*	*(29.8%)*
% margin		*12.0%*	*14.5%*	*15.3%*	*20.9%*	*14.9%*

1. Underlying EBIT excludes the impact of (i) accounting for leases under AASB16; (ii) one-off IPO transactions and MEP expenses and VLN repayment discount.
2. FY18-FY20 financials includes the pro-forma costs associated with publicly listing in G&A

Universal Store

APPENDIX 3: UNDERLYING PERFORMANCE TRENDS BY HALF

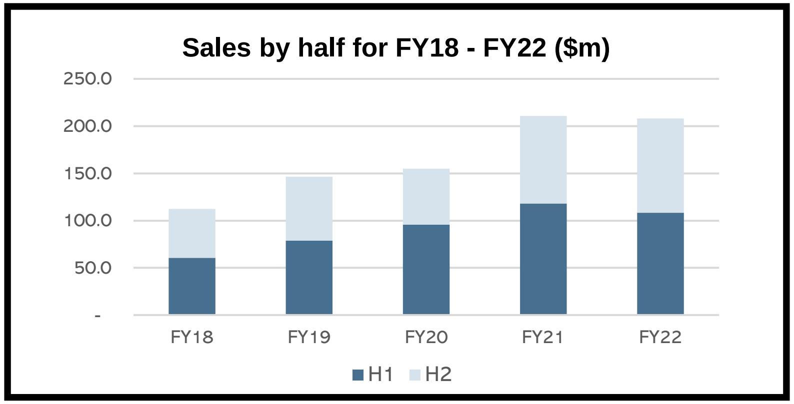
	Sales by period ($m)				H1 vs H2 mix	
	H1	H2	Annual	Group LFL	H1	H2
FY18	60.5	51.8	112.3	14%	53.9%	46.1%
FY19	79.0	67.5	146.5	16%	53.9%	46.1%
FY20	95.7	59.2	154.9	11%	61.8%	38.2%
FY21	118.0	92.8	210.8	28%	56.0%	44.0%
FY22	108.3	99.7	208.0	-3%	52.1%	47.9%
3 Yr CAGR '18 to '21	24.9%	21.5%	23.4%	-	-	-
5 Yr CAGR '17 to '22	18.1%	19.7%	18.9%	-	-	-
FY22 vs FY21	-8.2%	7.4%	-1.3%	-	-	-
5 year average (mean)	-	-	-	13.3%	55.5%	44.5%

Sales by Channel ($m)			
B&M	Online	Online %	Store #
107.2	5.1	4.5%	52
138.0	8.5	5.8%	60
141.3	13.6	8.8%	65
185.0	25.8	12.2%	67
172.3	35.7	17.2%	78
12.6%	62.7%	-	-
15.5%	56.5%	-	-
-6.9%	38.4%	-	-
-	-	-	-

	Underlying EBIT by period ($m)[1]			
	H1	H2	Annual	EBIT %
FY18	10.3	3.2	13.5	12.0%
FY19	15.0	6.2	21.2	14.5%
FY20	18.6	5.1	23.7	15.3%
FY21	31.1	12.9	44.0	20.9%
FY22	19.3	11.6	30.9	14.9%
3 Yr CAGR '18 to '21	44.5%	59.2%	48.3%	-
FY22 vs FY21	-37.9%	-10.1%	-29.8%	-
			23.0%	

Extent of adverse impact on stores from COVID-19

High	Mid	Low	None



1. Underlying EBIT excludes the impact of (i) accounting for leases under AASB16; (ii) one-off IPO transactions and MEP expenses and VLN repayment discount.
2. FY18-FY20 financials includes the pro-forma costs associated with publicly listing

APPENDIX 4: P&L UNDERLYING TO STATUTORY RECONCILIATION

$m	Note	FY22	FY21
Statutory EBITDA		57.1	61.9
Transaction costs	1		6.7
Incremental public company costs	2	-	(0.1)
MEP Expense	3	-	0.6
Interest income	4	-	0.1
Make good expense	4	-	(0.1)
AASB 16 adjustments	5	(21.4)	(20.4)
Underlying EBITDA		**35.7**	**48.7**
Statutory EBIT		32.0	38.0
Transaction costs	1	-	6.7
Incremental public company costs	2	-	(0.1)
MEP Expense	3	-	0.6
Interest income	4	-	0.1
Nundah Onerous Lease	6	0.6	-
AASB 16 adjustments	5	(1.7)	(1.3)
Underlying EBIT		**30.9**	**44.0**
Statutory NPAT		20.6	24.4
Transaction costs	1	-	4.7
Incremental public company costs	2	-	(0.1)
MEP Expense	3	-	0.6
Nundah Onerous Lease	6	(0.4)	-
AASB 16 adjustments	5	0.9	1.3
VLN Discount	7	-	(0.5)
Underlying NPAT		**21.1**	**30.4**

1. Transaction costs relate to legal, advisors and accounting costs incurred with respect to the preparation of the IPO.
2. Incremental public company cost primarily relate to additional Directors' fee, Directors' and officers' insurance costs and compliance costs which Universal Store expects to incur as a listed company.
3. MEP expense relates to employee share based expenses
4. Minor mapping adjustments to align to prospectus Underlying FY20/FY21
5. AASB 16 adjustments relate to the restatement of statutory results onto the previous lease accounting standard. This removes depreciation of lease assets and interest on lease liabilities and replaces them with occupancy costs.
6. Impairment of Nundah onerous lease and the associated tax impact.
7. VLN discount refers to the discount received for the early repayment of a Vendor Loan Note prior to the IPO.

APPENDIX 5: CASH FLOW UNDERLYING TO STATUTORY RECONCILIATION

$m	Note	FY22	FY21
EBITDA		57.1	61.9
Non-cash items in EBITDA:			
MEP Expense	1	-	0.6
Change in net working capital		1.0	(0.9)
Operating Cash flow before interest and income tax		**58.1**	**61.6**
Net Capital Expenditure		(6.8)	(2.9)
Free cash flow before financing, tax and dividends		**51.3**	**58.7**
Underlying adjustments			
Incremental public company costs (proforma)	2	-	(0.1)
Interest income	3	-	0.1
Transaction costs	4	-	6.7
AASB16 adjustments	5	(19.7)	(19.6)
Underling cashflow from operations after capex		**31.6**	**45.8**
Statutory net cashflow		**5.4**	**(8.4)**
Incremental public company costs		-	(0.1)
Transaction costs	4	-	6.7
Interest and tax adjustments		-	(1.4)
Net cashflow from IPO financing activities	6	-	37.2
Dividends paid post IPO		15.7	3.7
MEP loan repayments		(3.7)	(5.2)
Underlying cashflow, after interest and tax		**17.4**	**32.5**

1. MEP expense relates to employee share based expenses
2. Incremental public company cost primarily relate to additional Directors' fee, Directors' and officers' insurance costs and compliance costs which Universal Store expects to incur as a listed company
3. Minor mapping adjustments to align to prospectus Underlying.
4. Transaction costs relate to legal, advisors and accounting costs incurred with respect to the preparation of the IPO
5. AASB 16 adjustments relate to the restatement of statutory results. This removes depreciation of lease assets and interest on lease liabilities and replaces them with occupancy costs.
6. Includes pre IPO dividend, proceeds from new shares issued, repayment of borrowings, transaction costs related to new shares issued and share buy backs.

APPENDIX 6:
STORE FOOTPRINT

TOTAL STORES

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Plus two web stores (Universal Store and Perfect Stranger)

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The unique ability to create memorable and positive experiences for all. Creating an experience that is fun, open and based on kindness. The environment that enables a person to be their best.

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