



ASX Release

18 July 2024

FY24 Trading Update

dusk Group Limited ('dusk', ASX: DSK) today provides guidance and a trading update in relation to its expected FY24 results based on unaudited management accounts and other information for the 52 weeks to 30 June 2024.

FY24 Overview

- Total sales are expected to finalise at approximately \$126.3m (8.2% below FY23)
- Underlying EBIT¹ is expected to finalise in the range of \$6.2-\$6.4m (FY23: \$16.5m)
- Net cash of \$20.8m at period end (FY23: \$16.0m)
- Inventory of \$15.5m at period end (FY23: \$15.2m)

During 2H FY24, the Group's sales run rate continued to improve on a monthly basis with positive sales growth of +0.4% on pcp² achieved for the last five weeks of the financial year. In 2H FY24, total sales were 5.8% lower on pcp, compared to a decline of 9.7% in 1H FY24.

The improved sales performance in 2H FY24 reflects the implementation of various strategic initiatives which focus on product rejuvenation, tactical and disciplined promotional activity, and enhanced execution of our online channel in the later part of 2H FY24 following the website relaunch in June 2024.

dusk's importance as a gifting destination was highlighted during the Mother's Day week with total sales up +10.4% on pcp, as our refreshed product range resonated well with our customers.

During 2H FY24, we have been diligent in maintaining gross margin through focused promotional activity and supply chain management. The gross margin rate for FY24 is expected to be broadly in line with the prior year (FY23: 64.1%) despite headwinds from freight and distribution costs.

dusk had a strong start to FY25, with the launch of a new range in collaboration with Allen's Lollies which has been well received by customers. For the first 2 weeks of FY25, total sales are up +28% on pcp. While we expect sales growth to moderate as the half progresses, the strong start to FY25 provides confidence in our strategy and is a great boost to the energy of our team.

CEO and Managing Director Vlad Yakubson said: "FY24 has been a time of transformation at dusk

¹ Underlying EBIT is unaudited and pre-AASB16. It excludes any non-cash impairment that dusk Group expects to recognise in its FY24 result that relates to the carrying value of Property, Plant & Equipment (PPE) in relation to certain underperforming stores. This impairment is expected to be up to \$0.5m.

² Prior corresponding period.

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as we laid the foundations for the rejuvenation of the business, with significant changes made to the leadership team over the past 12 months. The executive team brings new ideas and fresh perspectives to trading the business and developing products that appeal to our customers. In 2H FY24, we have progressively arrested the sales decline and more recently moved into positive growth.”

“Looking ahead to FY25, we are in a strong financial position and our inventory is clean and well balanced. We continue to focus on delivering product innovation and the latest trends to our customers on a regular basis.”

dusk Group will release its FY24 result on Thursday 29 August 2024. For more information, please refer to the ASX announcement on 25 June 2024.

The release of this announcement was authorised by the Board of Directors of dusk Group Limited.

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About dusk

dusk is an Australian specialty retailer of home fragrance products, offering a range of dusk branded premium quality products at competitive prices from its physical stores and online store. dusk’s product range is designed in-house and is exclusive to dusk. dusk has grown to become the leading Australian omni-channel specialty retailer focused on home fragrance products. The product offering comprises candles, ultrasonic diffusers, reed diffusers and essential oils, as well as fragrance related homewares. Our goal is to be our customers’ preferred destination for home fragrance products and for their gifting needs – including personal indulgences and ‘gifts for oneself’.