

Universal Store

Brisbane, 30 October 2024

FY25 YTD TRADING UPDATE

Universal Store Holdings Limited (ASX: "UNI", "Group" or the "Company"), a specialty retailer of youth casual fashion apparel, provides the following trading update on Group financial performance (unaudited) for the first 17 weeks of the 2025 financial year, ended 27 October 2024 ("FY25 YTD").

FY25 YTD Highlights (unaudited):

- Group FY25 YTD direct to customer (DTC) sales are up +19.3% versus prior corresponding period ("pcp")
 - Universal Store (US) total sales +15.5% (LFL sales +13.8%, cycling -7.0%)¹;
 - Perfect Stranger (PS) total sales +111.1% (LFL sales +29.9%, cycling +4.6%)¹;
 - Cheap Thrills Cycle (CTC) total sales +7.4% (LFL sales +12.3%, cycling +6.3%)¹;
- Store roll-out on track to achieve 9 to 15 new stores in FY25, with 3 opened FY25 YTD and 4 more stores opening before Christmas;
- CTC wholesale sales down -16.8% on pcp YTD 30 September 2024;
- FY25 YTD gross margins in-line with H2 FY24;
- Cost of Doing Business % of sales is ~1% above prior year due to inflationary pressures and incremental investment in team capability.

Commenting on the FY25 YTD trading update, Group CEO, Alice Barbery said:

"We're pleased with the start of FY25 which has seen strong sales growth while maintaining the robust gross margins achieved in H2 FY24. The team continue to deliver a customer centric experience and product range with a focus on speed and nimbleness. We continue to focus on cost discipline as we build our team and system capability to support future growth".

Trading Update Commentary

The Group continues to see strong FY25 sales growth on pcp with FY24 H1 experiencing softer trading conditions.

US is trading well across both bricks & mortar (B&M) and online. Sales growth is strong across both the men's and women's categories with an increased private brand sales mix driven by Neovision, Luck & Trouble and Worship. We anticipate LFL growth to moderate as the year progresses and we cycle stronger prior year trading comparatives.

PS sales growth is driven by a growing customer base reflecting refined product ranging. All stores are profitable and online sales are accelerating.

¹ LFL (like-for-like) sales are calculated daily (1 July 2024 to 27 October 2024) excluding closed stores from the day of closure and new stores until they have cycled the first three weeks of operation. CTC's LFL sales represent direct to customer ("DTC") sales and exclude the wholesale channel

CTC DTC sales continue to grow off a low sales base. CTC wholesale channel sales are measured monthly with September YTD down -16.8% on pcp. The Australian wholesale customer base (excluding US) continues to be volatile.

UNI remains on track to achieve the previous FY25 market guidance of 9 to 15 new stores. The Group has opened three new stores FY25 YTD – two Perfect Stranger stores and one Universal Store site. In addition, one temporary CTC store has been opened. Four additional stores are currently scheduled to open pre-Christmas, being three Universal Store locations and one THRILLS store. The Company continues to be prudent in store selection as well as having twelve holdover leases currently under negotiation.

Group margin benefits achieved in H2 FY24 have been maintained into FY25 YTD, with strong private brand performance, led by Neovision.

Cost of Doing Business % of sales is ~1% above prior year due to underlying cost inflation and investment in team capability. The Company has invested in team capability to support planned growth and implementation of its new point of sale (“POS”), Human Capital Management (“HCM”) and Enterprise Resource Planning (“ERP”) systems.

Authorised for release by the Board of Directors of Universal Store Holdings Limited.

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ABOUT UNIVERSAL STORE

Universal Store Holdings (ASX: UNI) owns a portfolio of premium youth fashion brands and omni-channel retail and wholesale businesses. The Company’s principal businesses are Universal Store and CTC (trading the THRILLS and Worship brands). The Group is currently rolling out the Perfect Stranger brand as a standalone retail concept. The Company currently operates 106 physical stores across Australia in addition to online channels. The Company’s strategy is to grow and develop its premium youth fashion apparel brands and retail formats to deliver a carefully curated selection of on-trend apparel products to target 16-35 year-old fashion focused customers.