



FY21 Results (unaudited)

Record Sales and Earnings

Dusk Group Limited ('dusk', ASX: DSK), releases its unaudited results for the 52 weeks to 27 June 2021 (FY21). Despite continued challenges and uncertainties created by COVID-19, dusk has been able to deliver record sales and earnings.

FY21 (vs FY20) Snapshot

- Total Sales growth **+47.4%** to \$148.6m
- Total LFL Sales **+32.7%** - Stores +32.9% and Online +27.0%
- Gross Margin **+54.4%** to \$101.3m
- Pro forma EBIT **+224.7%** to \$38.4m
- Pro forma NPAT **+225.5%** to \$26.8m
- Net Cash at period end of **\$21.4m**
- dusk rewards active members grew **31%** to over 688,000
- Final fully franked dividend of **10** cents per share declared

Commenting on the FY21 results, Managing Director and CEO Peter King, said:

"dusk's strong FY21 results were generated by agile decision making and focused execution over the period. A 225% increase of both NPAT and EBIT vs FY20 despite lockdowns across multiple States points to the resilient teamwork of the dusk organisation and continued execution of its business plan in a challenging trading environment.

While COVID-19 has seen a shift in consumption to home related products, it should be noted that Q3 FY21 was the 17th consecutive quarter of LFL Sales and GM\$ growth for dusk. December 2020 itself was the 4th consecutive Christmas of record sales and earnings.

For the business to bounce back from forced store closures and stand downs in FY20 to register these record results is a testament to the dusk team in all 121 Stores, Online and Customer Support Office.

Record signups for dusk rewards in FY21 are a clear signal of future purchase intent into FY22 and beyond. To ensure these customers stay with dusk we will continue the laser like focus on our customers by developing and delivering differentiated dusk branded products that offer great value for money and affordable everyday luxury".

dusk performance

Sales growth of 47.4% and LFL sales growth of 32.7% were driven by dusk's differentiated product, offering superior value for money to our growing customer cohort.

dusk's online sales grew 27.0% for the year and now represents 7.5% of total sales.

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dusk

Store LFL sales growth of 32.9% provides a solid return on the investments made in training and development of our store teams and vindicates the decision by Management to invest in core inventory for Q2 FY21 sales.

Average Transaction Value (ATV) at \$51 was 12% higher than FY20. This increase was driven by the continued shift to higher price points in Home Fragrance product and refinement of our range to offer larger pack size products across the core candle category. Our stronger ATV and margin result also reflects the reduction in depth and length of promotional activity undertaken at dusk.

dusk Rewards, our pay to join membership program, signed up and renewed a record 413,000 members in FY21 representing an increase of 49% vs pcp. dusk Rewards members now represent 60% of sales and 52% of transactions. dusk Rewards members continue to spend more, and shop more often than non-members.

Ten new stores were successfully opened during FY21: Yamanto (QLD), Winston Hills (NSW), Glenorchy (TAS), Burleigh Heads (QLD), Munno Para (SA), Tarneit (VIC), Indooroopilly (QLD), Marrickville (NSW), Ellenbrook and Warwick Grove (WA).

dusk closed FY21 with inventory broadly in line with plan and 67% higher than the FY20, noting we were \$2.6m below plan at the end of FY20 due to COVID-19 impacts. This increase is concentrated in high turn core SKUs in Candle and Home Fragrance.

The Board have declared a final fully franked dividend of 10 cents per share. The record date for this dividend is September 10th with a payment date of September 24th.

Trading for the first seven weeks of FY22 has been disrupted with ~35% of potential trading days lost due to COVID-19 related restrictions and store closures. As a result, top line sales are down 28% or \$4.4m in dollar terms. In stores that are open or have re-opened, we continue to see strong customer conversion rates and elevated average transaction value. This is pleasing and tells us that our offer continues to appeal to our customer.

While the duration of the current lockdowns is unknown, we expect it to ultimately represent a temporary disruption to the retail environment. Our FY20 and FY21 results tell us that when stores re-open after significant closure periods, sales 'boom', especially in periods where the importance of our customer's homes as personal sanctuaries remains elevated, and travel remains restricted.

Due to seasonality, our 1H and FY22 earnings will be most determined by how we trade in November and December, and therefore the prevailing trading conditions at this time (not today). Our strategy and focus on strong execution and remaining nimble is unchanged.

This announcement has been approved by the Board of Dusk Group Limited.

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