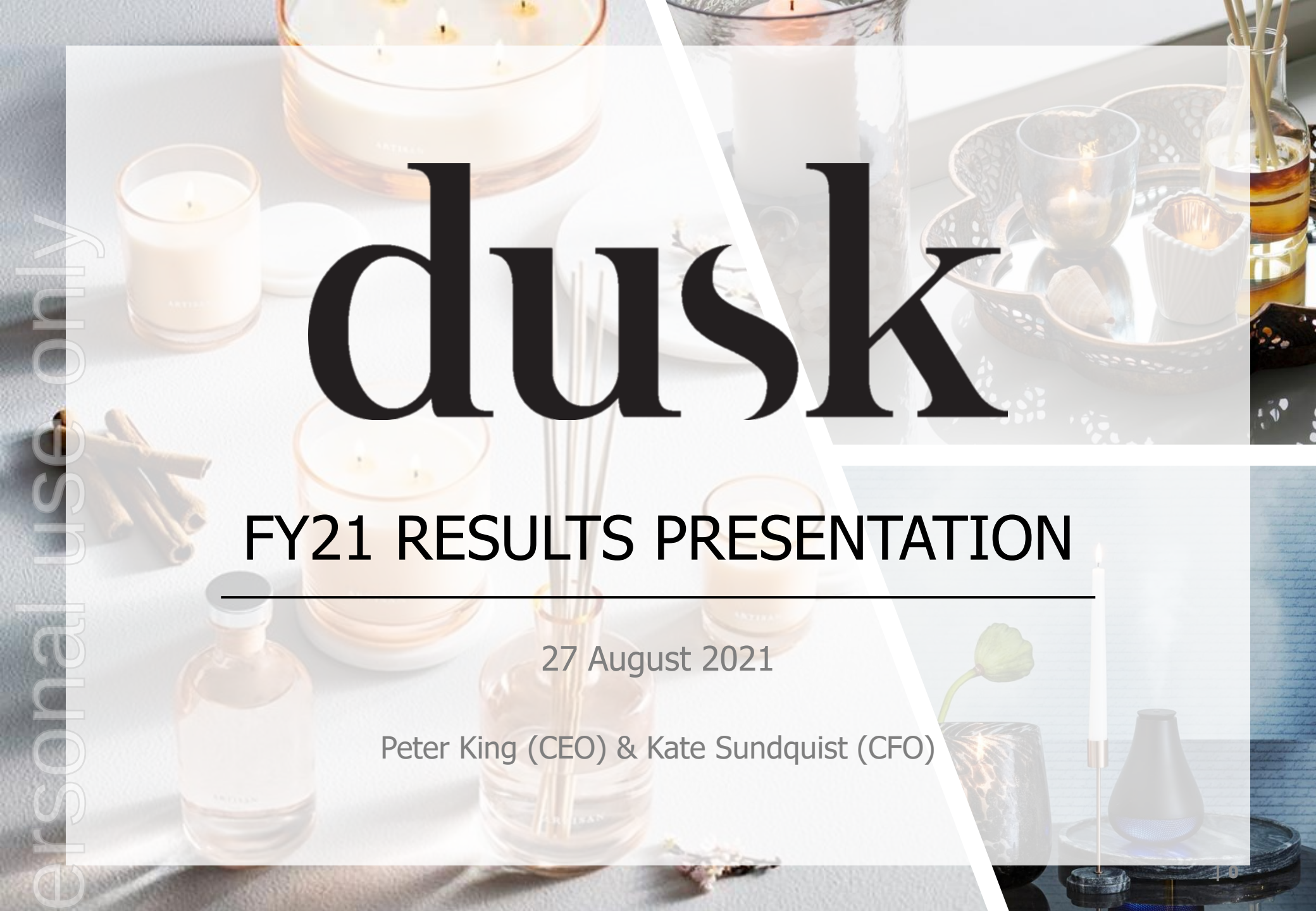


dusk

FY21 RESULTS PRESENTATION

27 August 2021

Peter King (CEO) & Kate Sundquist (CFO)

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FY21 Summary

RECORD SALES PERFORMANCE

- Sales of $148.6m +47.4%
- Total LFL[1] sales +32.7%

OMNI-CHANNEL STRATEGY DELIVERING

- Online sales $11.2m +27.0%
  - Represents 7.5% of total sales

EXCEPTIONAL GROSS MARGIN

- Gross margin up 54.4% to $101.3m (up 308 bps to 68.2%)

PRO FORMA EBIT[2] +224.7% TO $38.4m, and NPAT to $26.8m

- Driven by:
  - Operating leverage from LFL sales growth and higher GM%
  - New store performances
  - Disciplined cost management

OUTSTANDING CASHFLOW GENERATION

- Net cash position of $21.4m at period end (no debt)
- Fully franked final dividend of 10 cents per share has been declared, taking total FY21 dividends to 25 cents per share

1. *LFL sales calculation excludes stores closed for refurbishment or COVID-19 related closures*
2. *Proforma EBIT is unaudited and excludes IPO related costs, the net benefit of JobKeeper, rental concessions and is pre-AASB 16*

Profit and Loss

RECORD SALES AND PROFIT

- Total sales +47.4%
- LFL sales growth of +32.7%
- Significant periods of store closures across multiple States (especially Victoria) due to COVID-19
- 10 new stores opened during the year
- Gross profit up 54.4% with gross profit rate up +308 bps driven by tightening pricing and promotional management strategies
- Strong operating leverage delivered through disciplined cost management
- Pro forma EBIT of $38.4m up by $26.6m, +224.7%
- Pro forma NPAT[1] of $26.8m up by $18.6m, +225.5%

PRO FORMA RESULTS

$M	FY20	FY21	% Change
Revenue	**100.8**	**148.6**	**47.4%**
Gross profit	**65.6**	**101.3**	**54.4%**
Gross profit %	*65.1%*	*68.2%*	*+308 bps*
CODB	**(50.8)**	**(59.9)**	**18.0%**
CODB %	*50.4%*	*40.3%*	*-1006 bps*
EBITDA	**14.8**	**41.4**	**179.2%**
EBITDA %	*14.7%*	*27.8%*	*+1314 bps*
EBIT	**11.8**	**38.4**	**224.7%**
EBIT %	*11.7%*	*25.9%*	*+1412 bps*
NPAT	**8.2**	**26.8**	**225.5%**
NPAT %	*8.2%*	*18.0%*	*+987 bps*

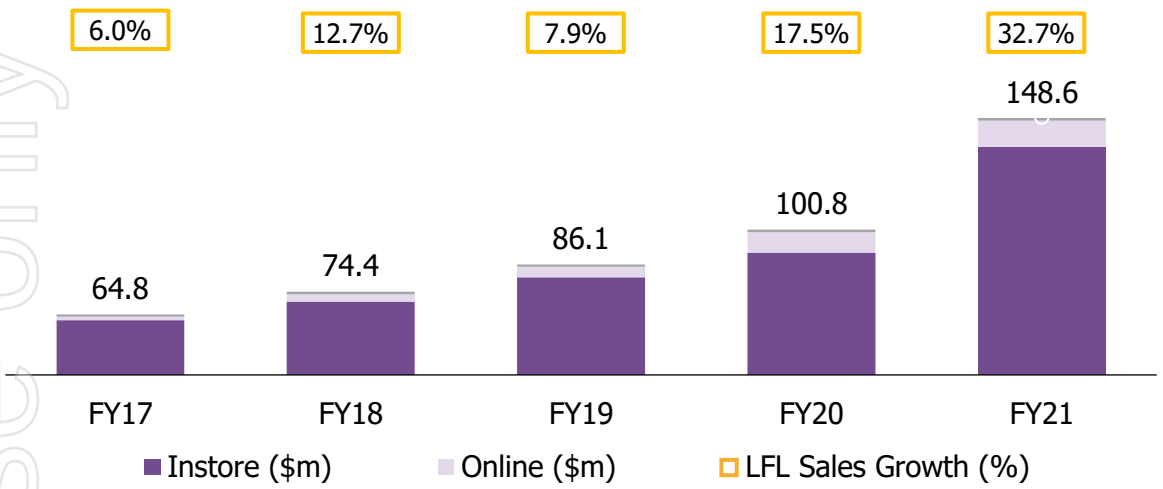
1. *See Appendix for pro forma adjustments and reconciliation to statutory NPAT*

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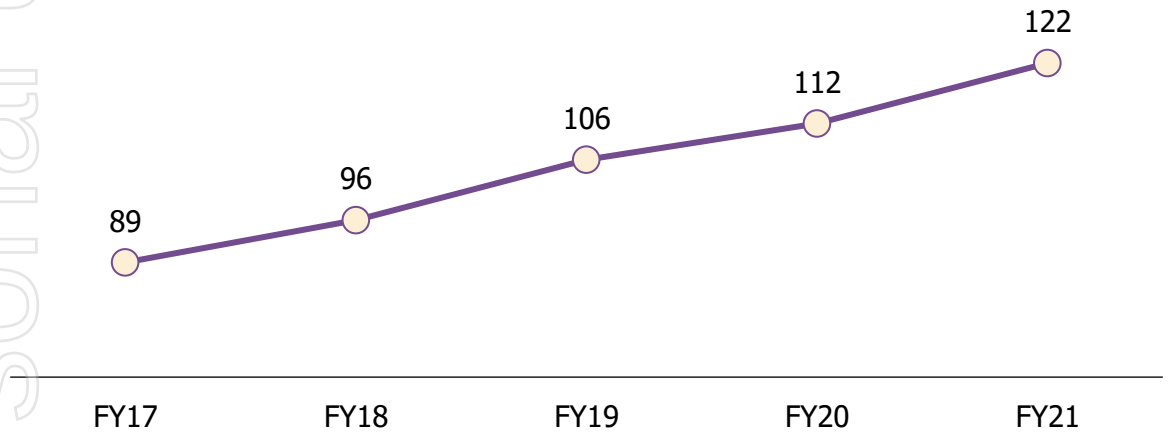
Sales

Record sales underpinned by strong LFL sales growth and new stores opened and annualising

SALES ($M) AND LFL SALES GROWTH



GROWING STORE NETWORK[1]



COMMENTARY

- Outstanding LFL sales growth
  - +32.7% total LFL sales growth
  - +32.9% store LFL sales growth
  - +27.0% online sales growth
- Approximately two-thirds of LFL sales growth was driven by increasing transaction numbers, whilst pleasingly, average transaction value (ATV) grew the balance
- dusk Rewards members remain the 'engine room' of both our total sales and sales growth
- New stores are performing well with the pipeline for new store opportunities healthy
- Payback and ROCE metrics remain compelling

1. *Store count includes online store*

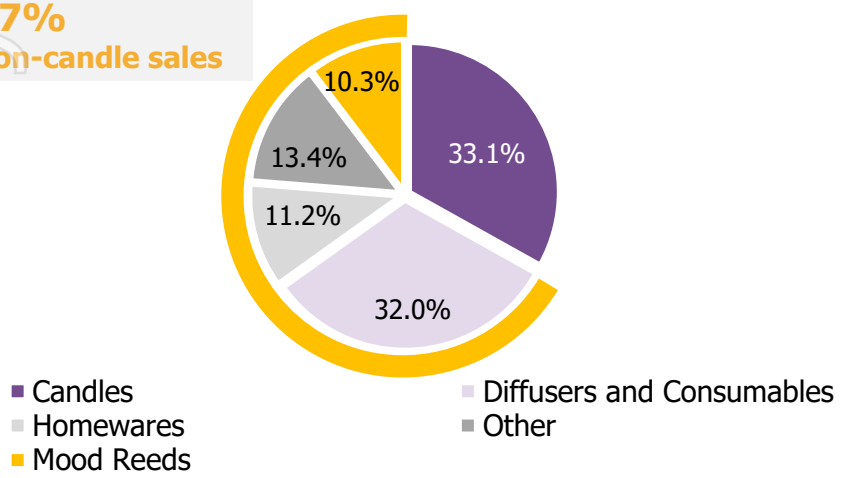
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Sales Growth by Category

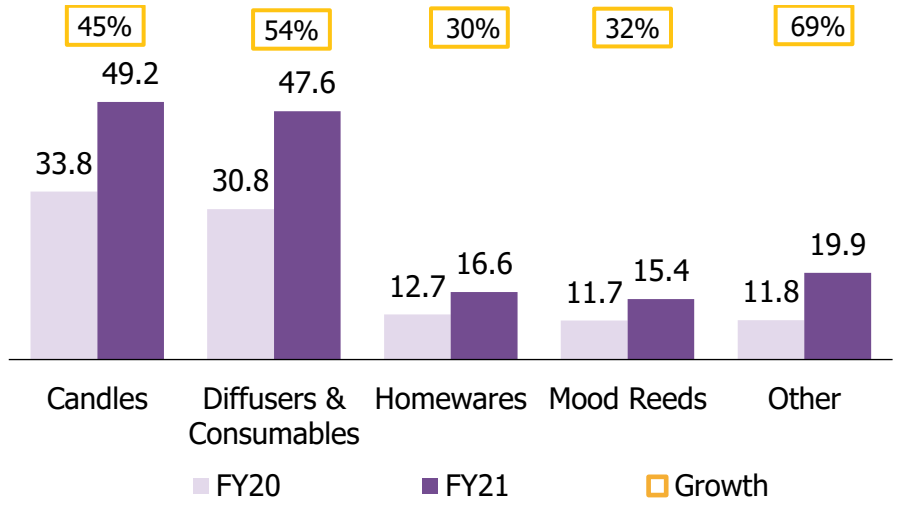
dusk is growing strongly across all categories and increasing mix towards high-margin 'consumable products'

SALES BY CATEGORY

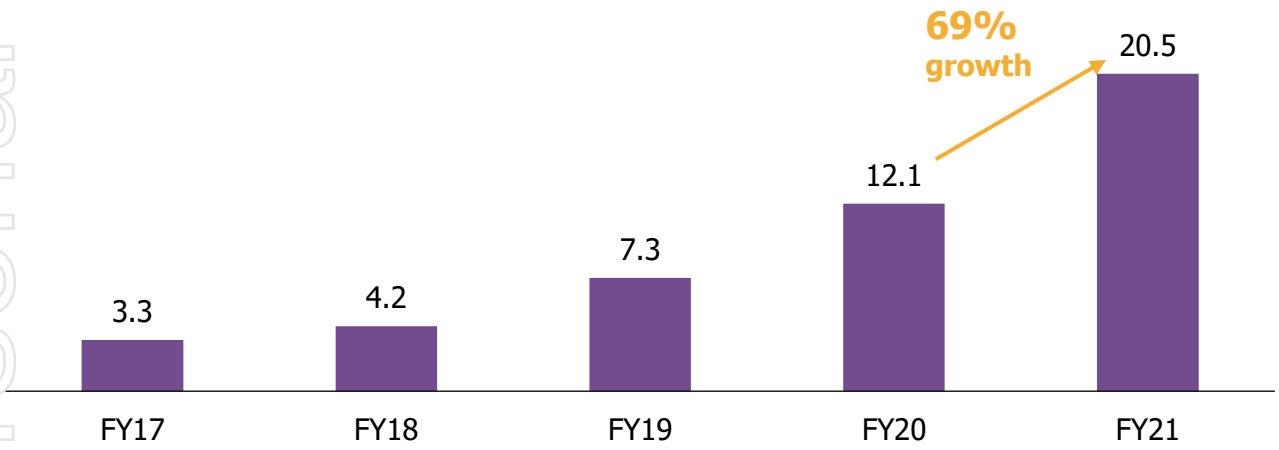
67%
non-candle sales



SALES GROWTH BY CATEGORY



GROWTH OF CONSUMABLES - ESSENTIAL OIL AND MOODMIST FRAGRANCE SALES ($M)



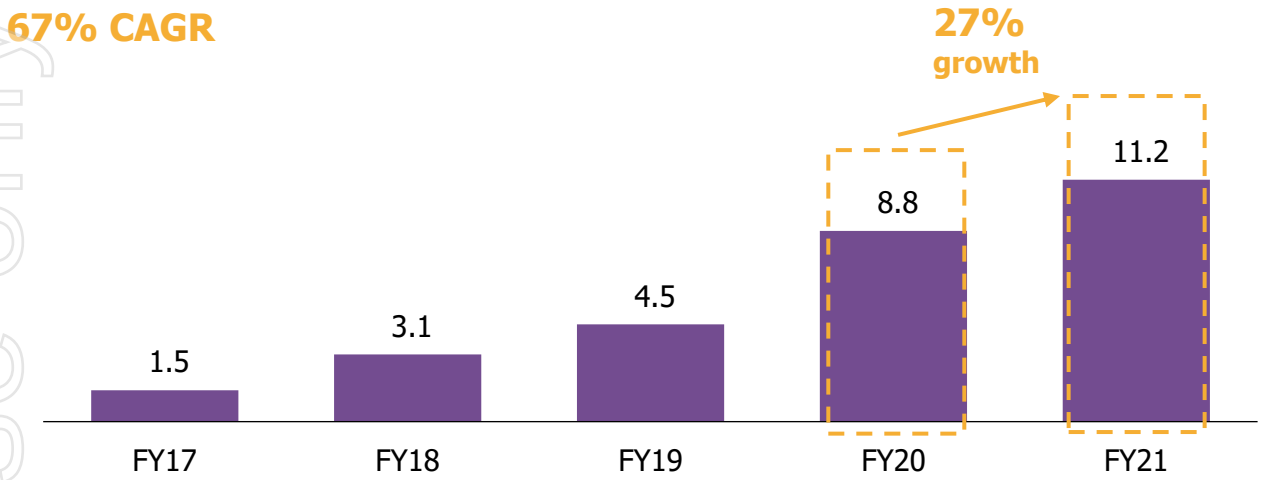
- Strong growth in scented consumable refills now representing 13.8% of total sales
- Scented consumable refills are becoming a key driver of repeat customer visitation

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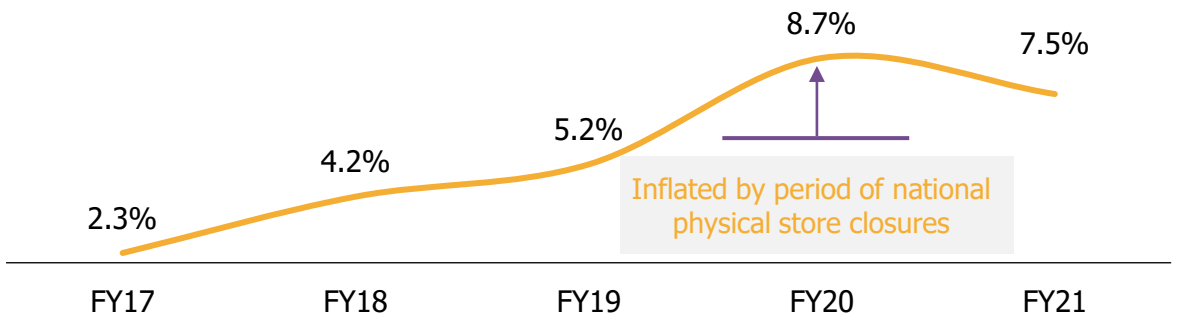
Online Channel

Another step change in the performance of dusk's online channel – sales +27% on pcp

ONLINE SALES ($M)



ONLINE PENETRATION (% OF SALES)



COMMENTARY

- Online sales $11.2m, up 27.0%
- Online penetration at 7.5%
- Key initiatives underway and upcoming:
  - Web platform upgrade went live in August 2021. New web platform is faster, more flexible, and more engaging
  - Replatforming will enable a number of key initiatives including Click & Collect, Click & Despatch, more payment options and potentially a subscription model
  - Significant enhancement in data analytics, segmentation and personalisation

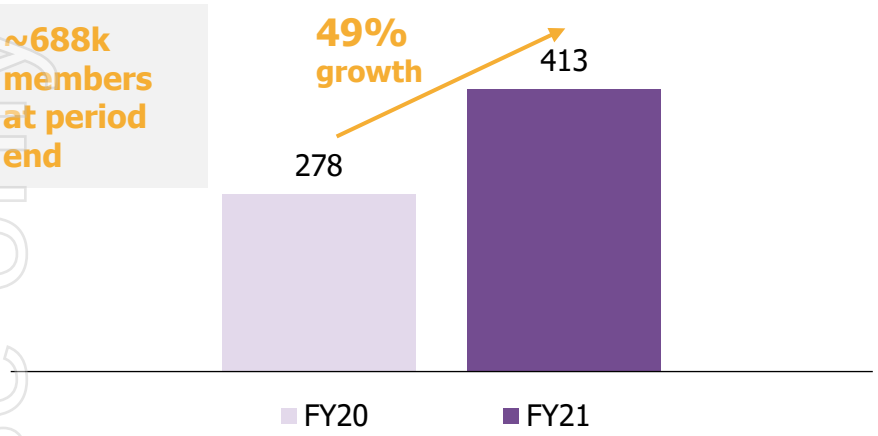
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Loyalty Rewards Membership Growth

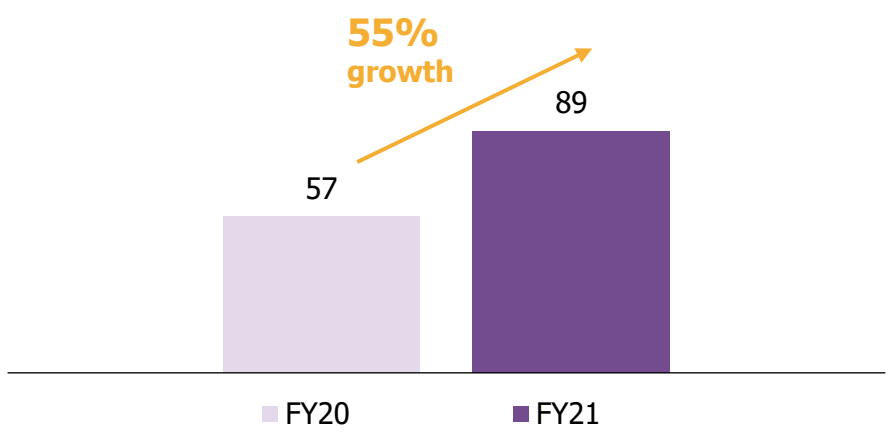
Significant growth in dusk Rewards membership, transactions and sales

DUSK REWARDS NEW SIGN-UPS/RENEWALS (000'S)[1]

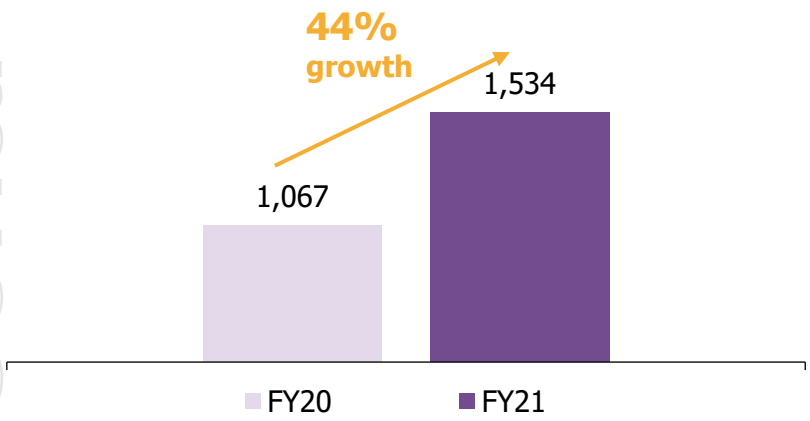
~688k members at period end



DUSK REWARDS SALES ($M)



DUSK REWARDS TRANSACTIONS (000'S)



COMMENTARY

- 'Active' database now over 688k members vs 525k pcp
- dusk Rewards members now account for 60% of total sales, up from 56.5% in pcp
- Expiring members are renewing at strong rates
- New member sign-ups grew strongly, up 59%
- Frequency and ATV of members metrics sharply higher
- Omni-channel engagement (customers who shop both channels) continues to grow in importance

1. *Includes new and renewal signups. Members pay $10 for a 2 year membership*

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Gross Margin and Gross Margin Drivers

dusk is generating more transactions at higher values with stronger gross margins

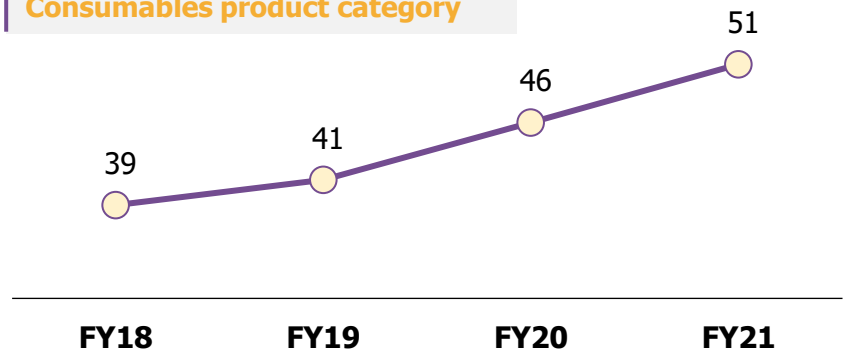
COMMENTARY

Gross margin drivers include:

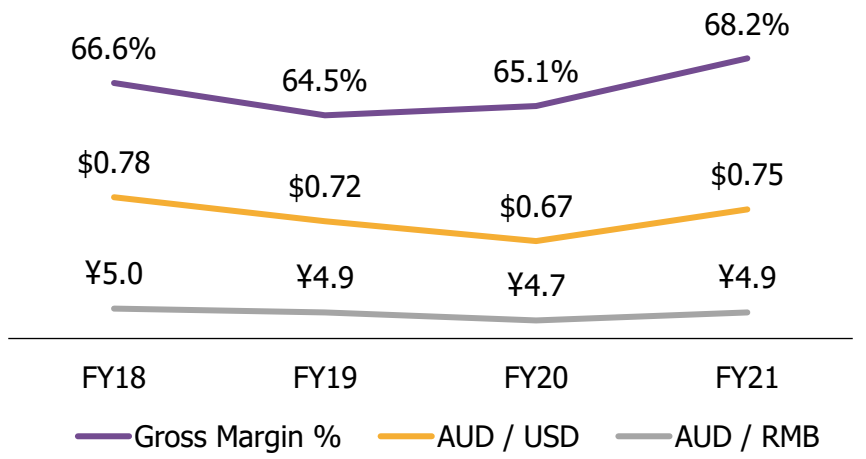
- Our ability to positively manage pricing and promotional strategies
- COGS were closely managed and benefitted from strong supplier relationships and our vertical business model
- 12% increase in ATV vs FY20, driven by reduced promotional discounting activities and growth in Home Fragrance (particularly higher price point products like electronic diffusers)
- Strong growth in higher margin product categories
- Managing frequency, duration and depth of promotional discounting remains a key strategy for management
- AUD appreciation provided tailwinds to GM$ in 2H, partially dampened by rising input costs, impact of FX hedging and rising freight costs
- Ongoing product innovation particularly in the growing Home Fragrance category

AVERAGE TRANSACTION VALUE (ATV) ($)

Growth driven by dusk Rewards and the introduction of the higher price point Diffusers and Consumables product category



INCREASED GROSS MARGIN[1]



1. *Reserve Bank of Australia historical Exchange Rates – Financial Period Averages*

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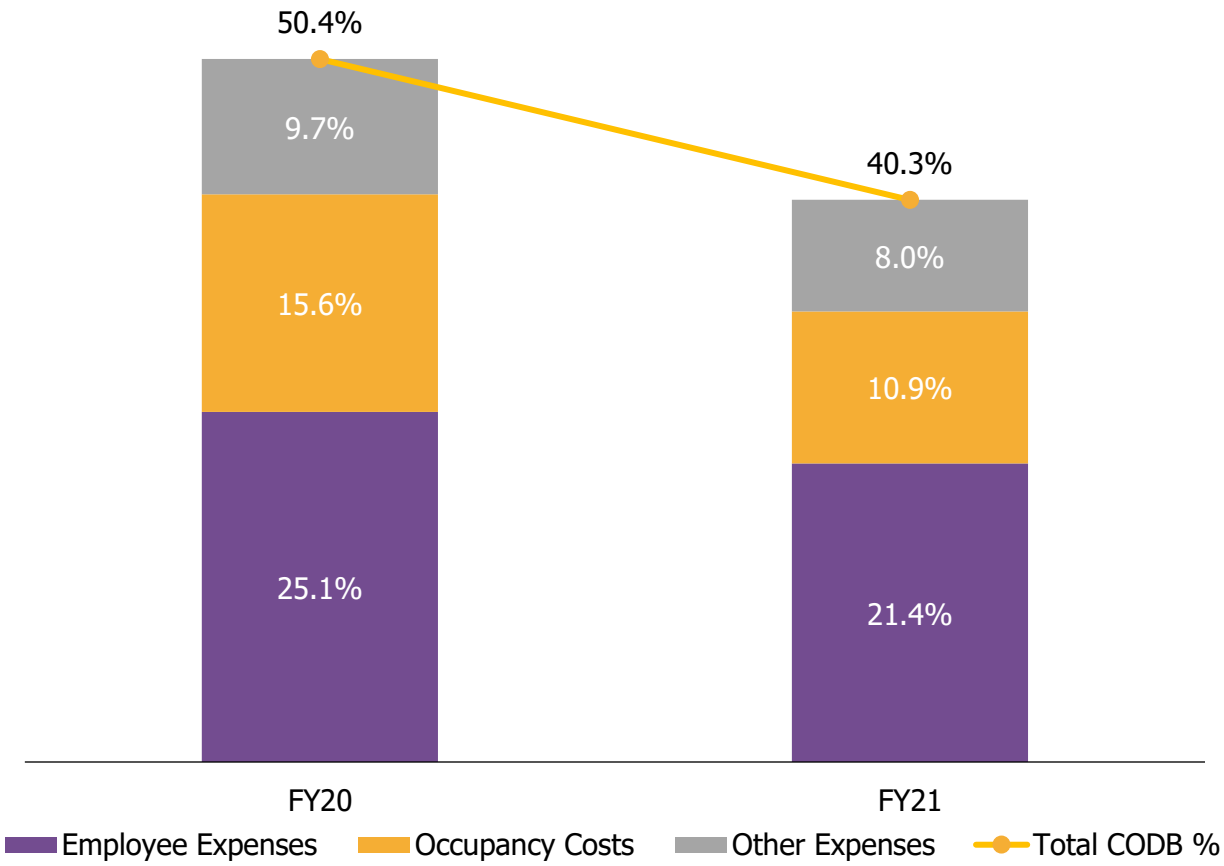
Cost of Doing Business

Track record of improving operating leverage

COMMENTARY

- CODB% decreased, reflecting strong sales growth achieved and benefits of fixed cost leverage
- Employee costs set out opposite are normalised to remove the net benefit of the JobKeeper wage subsidy received in FY20. In FY21 there was no net benefit as this amount was voluntarily repaid to the ATO
- Occupancy cost ratio was positively impacted by the outcomes of lease renewals and the performance of new stores

PRO FORMA COST OF DOING BUSINESS (CODB) (% OF SALES)



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Capital Management

OPERATING CASH FLOW

- Cash conversion of earnings since IPO has been strong
- Terms of trade with suppliers continue to be refined delivering superior outcomes
- Repayment of $2.8m of JobKeeper was booked in 2H
- Transaction costs, pre-IPO dividend and option buyback economically funded from pre-IPO cash reserves
- Post-IPO dividends reflects board confidence in cash flow and balance sheet

CAPEX

- 'Capital lite' business model with measured pace of store roll out and 'lite infrastructure' approach to distribution
- We continue to see significant landlord contribution to new sites
- FY21 capex includes website replatforming of approximately $0.4m
- Ongoing opportunity to convert 35 legacy stores to the Glow format with attractive and proven ROI

STRONG BALANCE SHEET

- Inventory position clean and stock levels restored to 'normal' trading levels
- Stock turns and GMROI materially improved
- Net cash at year end of $21.4m
- Balance sheet provides flexibility to respond to growth opportunities
- Bank facilities also available to support liquidity

DIVIDEND

- A fully franked final dividend of 10 cents per share has been declared with a record date of September 10 and payable date of September 24
- In declaring this dividend dusk has been mindful of the elevated uncertainty associated with the duration of current COVID-19 lockdowns in NSW, Victoria and ACT
- The dusk Board is cautious about the potential duration and breadth of these store closures and has declared a dividend mindful of these persistent uncertainties

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Generating Sustainable Future Growth

Targeting long-term growth by leveraging core competencies to grow market share

KEY DRIVER	COMMENTARY
PAY-TO-PLAY LOYALTY MODEL	▪ 688,000 active dusk Rewards members and growing (525,000 vs pcp) ▪ $10 fee maintained for a 2 year membership period ▪ Members contribution represent 60% of sales ▪ Increased frequency and monetisation ▪ Transaction history delivering insights into purchase intent and cross sell/upsell opportunities
OMNI-CHANNEL	▪ Digital sales channel increased +27% in FY21 and is now 7.5% of sales ▪ Further management expertise added ▪ Replatformed website went live in August 2021 ▪ First steps executed for customised communications ▪ Opportunities for recurring revenue models from growing consumables to be tested ▪ New platform is a key enabler to accelerating our omni-channel capabilities
EXPANDING STORE NETWORK	▪ Management track record for disciplined store rollout ▪ 10 new stores opened in FY21 despite COVID-19 disruptions ▪ All stores profitable with increased store contribution from rental negotiations ▪ Targeting outer suburban and larger regional cities / towns ▪ ROCE < 12 months through increased landlord contributions to new stores ▪ Focus upon converting remaining 35 legacy stores to new Glow 2.0 format
DUSK PROPRIETARY PRODUCT	▪ Creating innovative products designed to enhance our customers' sensory experience ▪ Differentiated product offer unique to dusk ▪ Bringing 'affordable' products to market (current ATV of $51) ▪ Increasing the growth of consumables to drive customer visitations

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Trading Update and Outlook

YTD TRADING UPDATE

For the first seven weeks of FY22:

- Extensive disruptions have resulted in ~35% of potential trading days lost due to COVID-19 related restrictions and store closures
- Total sales are down 28% versus pcp (-$4.4m in $ terms)
- Total LFL sales are down 11%, comprising stores down 17%, partly offset by online sales being up 26%
- We are currently cycling exceptionally strong trading in the FY21 pcp, where total LFL sales growth was +62%
- In open markets and channels (e.g. where stores are open or have re-opened, and our online channel), we continue to see strong customer conversion rates and elevated average transaction value – this tells us that our offer continues to appeal to our customers
- Our inventory position is well balanced, and we have ample liquidity to support our dividend and the inventory build ahead of Christmas
- We are managing our costs carefully in markets where stores are closed

FY22 OUTLOOK

- While the duration of the current lockdowns is unknown, we expect it to ultimately represent a temporary disruption to our business
- Our FY20 and FY21 results demonstrate that when stores re-open after significant closure periods, sales 'boom', especially in periods where the importance of our customers homes as personal sanctuaries remains elevated, and spending on travel, experiences and services remains suppressed
- We have already committed to 7 new stores to open in FY22 – 6 in 1H and 1 more in 2H
- 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
- Given the uncertainty that persists due to COVID-19, the Board does not have a reasonable basis to provide FY22 sales and earnings guidance at this time

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Questions ?

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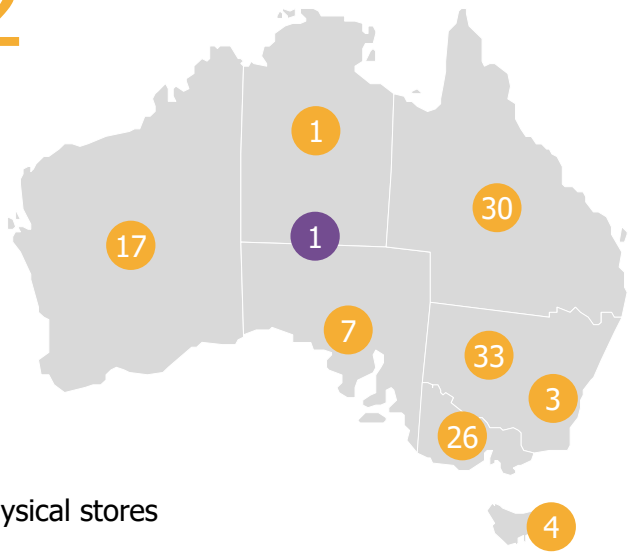


Appendix

National Store Network

STORE NETWORK

122
Stores

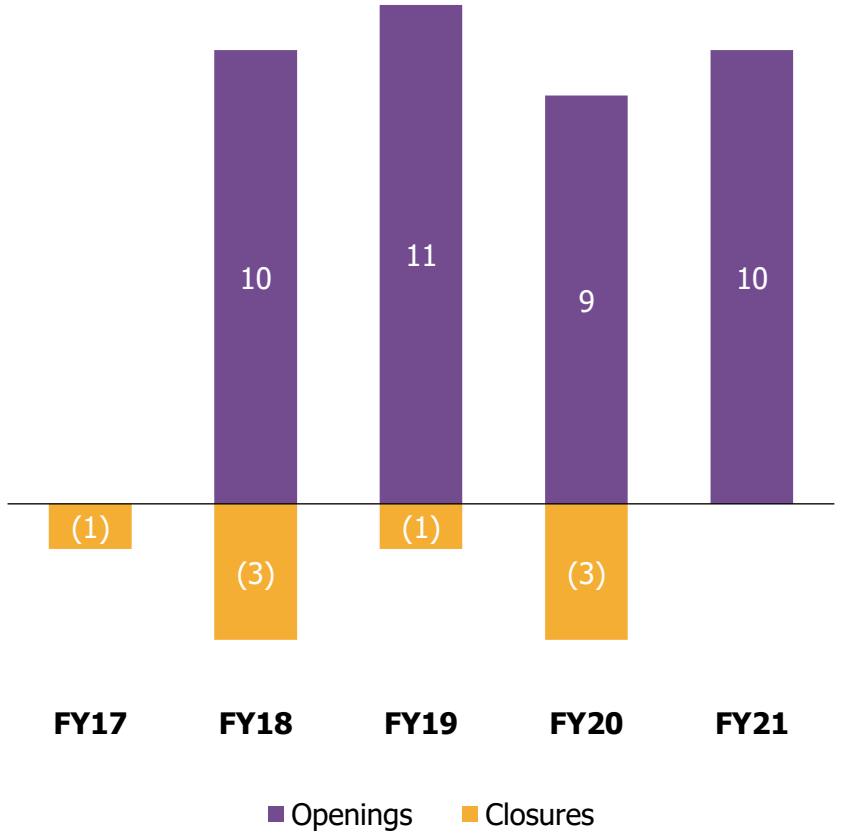


Physical stores

Online store

- Opened 10 new stores in FY21 – 3 in QLD, 2 in WA, 2 in NSW, and 1 in VIC, SA and Tasmania
- Secured 7 new stores for FY22 – 2 in VIC, 2 in NSW, and 1 in QLD, WA and SA
- COVID-19 has delayed scoping the NZ market opportunity

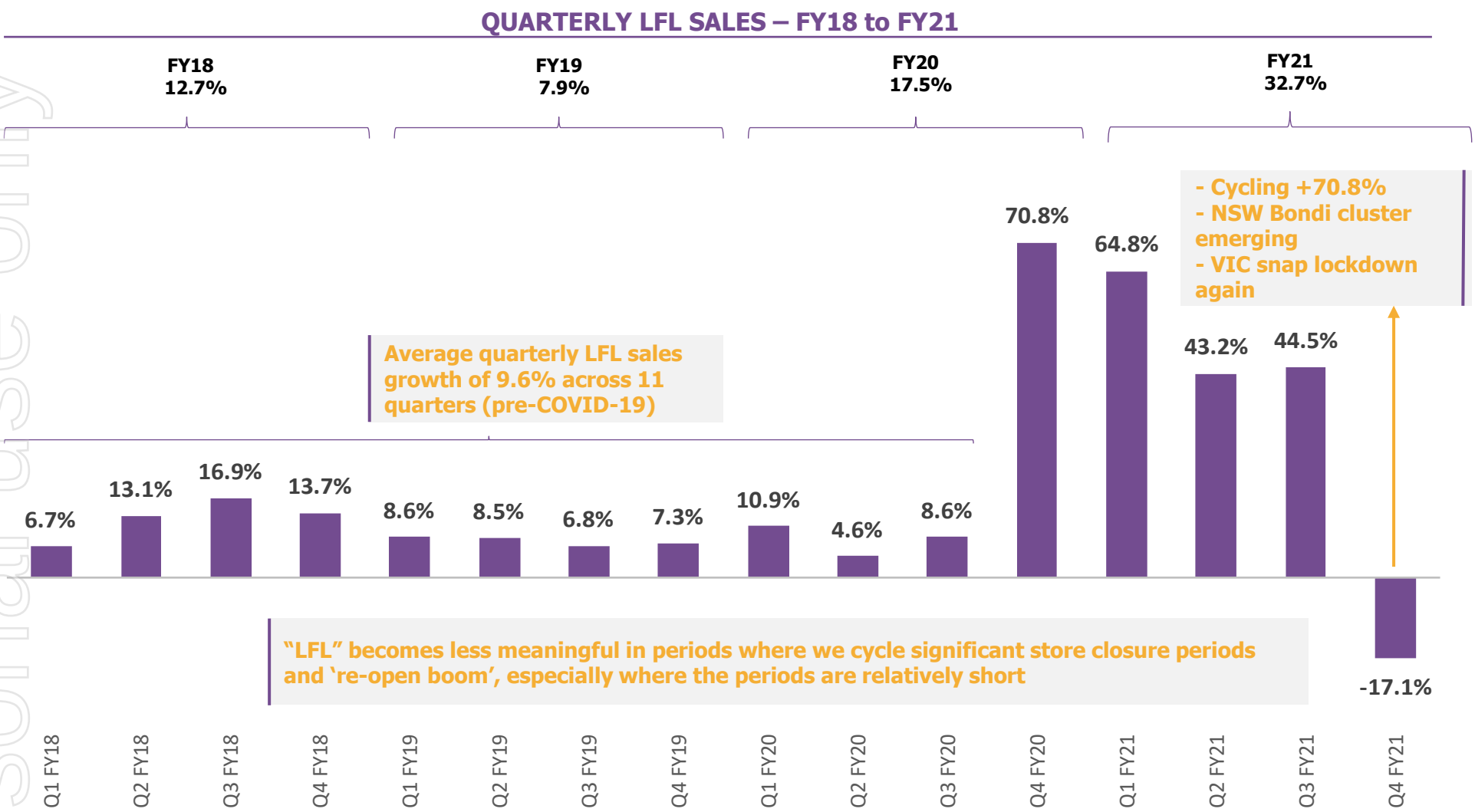
NET STORE OPENINGS



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Like for Like Sales Performance

dusk has delivered 17 consecutive quarters of LFL sales growth from Q4 FY17 to Q3 FY21



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Pro Forma Profit and Loss

PRO FORMA[1] RESULTS

$M	FY20	FY21
Revenue	**100.8**	**148.6**
Cost of sales	(35.2)	(47.3)
Gross profit	**65.6**	**101.3**
Employee expenses	(25.3)	(31.7)
Occupancy expenses	(15.7)	(16.3)
Other expenses	(9.8)	(11.9)
Cost of doing business (CODB)	(50.8)	(59.9)
EBITDA	**14.8**	**41.4**
Depreciation	(2.8)	(2.8)
Amortisation	(0.1)	(0.1)
EBIT	**11.8**	**38.4**
Net finance expense	(0.1)	(0.1)
Profit before tax	**11.8**	**38.3**
Income tax expense	(3.5)	(11.6)
Net profit after tax	**8.2**	**26.8**

1. Proforma results are unaudited and excludes IPO related costs, the net benefit of JobKeeper, rental concessions and is pre-AASB 16

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Pro Forma Adjustments

PRO FORMA ADJUSTMENTS TO THE STATUTORY RESULTS

$M	FY20	FY21
Statutory EBITDA	**30.7**	**48.6**
Impact of AASB16	(12.6)	(13.6)
Rental concessions received	(1.0)	(0.3)
Net JobKeeper benefit	(2.3)	-
Public company costs	(0.7)	-
IPO costs	0.7	6.6
Pro forma EBITDA	**14.8**	**41.4**
Statutory NPAT	**9.5**	**21.9**
Impact of AASB16	1.4	0.8
Rental concessions received	(1.0)	(0.3)
Net JobKeeper benefit	(2.3)	-
Public company costs	(0.7)	-
IPO costs	0.7	6.6
Total Pro forma adjustments	**(1.9)**	**7.1**
Net tax effect adjustments of above at 30%	0.6	(2.1)
Pro forma NPAT	**8.2**	**26.8**

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Pro Forma Cash Flows

PRO FORMA[1] RESULTS

$M	FY20	FY21
Pro forma EBITDA	**14.8**	**41.4**
Capex	(4.4)	(3.8)
Change in Inventory	3.4	(5.8)
Change in Trade Creditors	2.6	(2.5)
Change in Other Working Capital Items	0.3	4.8
Net Cashflow before financing and tax	**16.7**	**34.1**
Cashflow : EBITDA Conversion %	**113%**	**82%**

Comments:

- Capex remains reflective of capital lite approach
- Working capital normalised through FY21 as inventory and trade creditors adjusted as anticipated from an abnormally low position as at June 2020 as described in the Prospectus

1. Proforma results are unaudited and excludes IPO related costs, the net benefit of JobKeeper, rental concessions and is pre-AASB 16

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Balance Sheet

BALANCE SHEET AS AT 27 JUNE 2021

$M	2020 Statutory	2020 Pro Forma[1]	2021 Statutory
Current assets			
Cash	28.4	5.0	21.4
Trade and other receivables	2.9	2.9	0.7
Inventories	8.6	11.2	14.4
Right of return assets	0.3	0.3	0.4
Prepayments	0.7	0.7	1.0
Total current assets	**40.9**	**20.1**	**37.9**
Non-current assets			
Property, plant and equipment	8.2	8.2	9.2
Right of use assets	31.0	31.0	28.4
Intangibles	1.8	1.8	1.8
Deferred tax assets	4.2	6.4	7.2
Total non-current assets	**45.2**	**47.4**	**46.6**
Current liabilities			
Trade and other payables	16.7	14.3	8.7
Provisions	4.5	3.1	2.9
Employee benefit liabilities	0.9	0.9	1.2
Lease liabilities	10.2	10.2	13.2
Income tax payable	3.0	3.0	6.1
Total current liabilities	**35.3**	**31.4**	**32.0**
Non-current liabilities			
Provisions	0.6	0.6	1.1
Employee benefit liabilities	0.3	0.3	0.4
Lease liability	24.8	24.8	20.7
Total non-current liabilities	**25.7**	**25.7**	**22.2**
Net assets	**25.1**	**10.4**	**30.2**

1. As per page 72 of the Prospectus

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This presentation has been prepared by Dusk Group Limited ('dusk'). It is general information on dusk and its subsidiaries ('dusk Group') current as at 27 August 2021. It is in summary form and is not necessarily complete. It should be read together with the company's consolidated financial statements lodged with the ASX on 27 August 2021. The information in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account your financial objectives, situation or needs. Investors should obtain their own professional advice in connection with any investment decision.

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