

Results Presentation

Financial Year ended 2 July 2023

Accent Group



The Accent growth journey

2

Value creation and investor value proposition

3

Operational highlights

4

FY23 results summary

5

Operational update

6

Dividend and trading update

10

Appendix

SKECHERS

PLATYPUS

VANS
"OFF THE WALL"



HYPE

The Athlete's Foot

**Dr. AirWair
Martens**

Timberland



CAT

MERRELL

STYLERUNNER

TRYBE

Glue.
STORE

saucony

NUDELUCY

SEBAGO

AUTRY



UGG

HOKA



SNEAKER LAB

SUBTYPE

Kappa



SUPERGA

I-T-N-O

Herschel
SUPPLY CO. BRAND

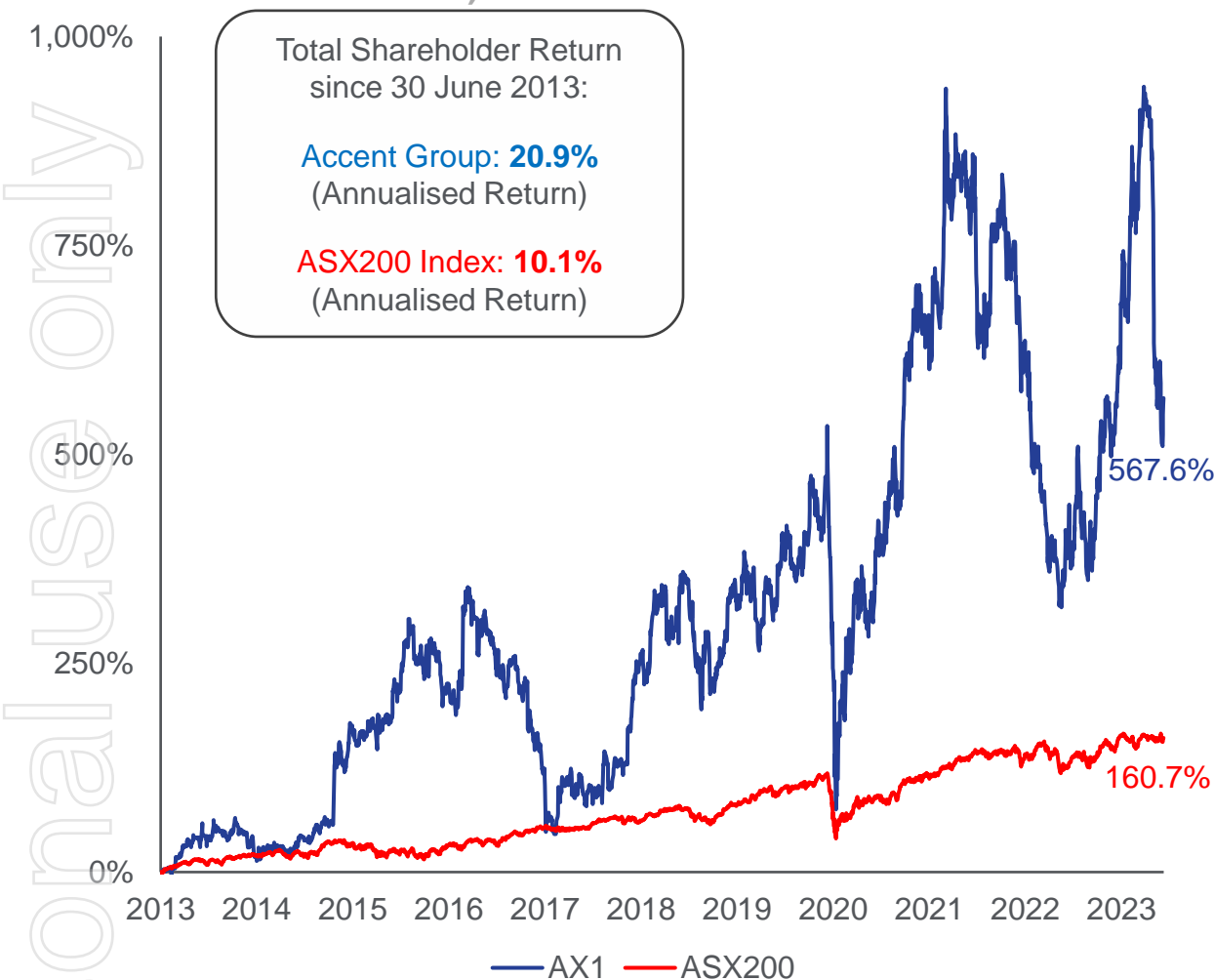
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Value creation and investor value proposition



Total Shareholder Return⁽¹⁾ comparison of Accent and the ASX200 (30 June 2013 to 30 June 2023)



Source: Bloomberg.

1. Assumes 100% dividend reinvestment on the ex-dividend date.

- A market leading digitally integrated consumer business with 35 websites, 9 owned and 17 distributed brands, 786 retail stores facilitating omnichannel distribution across both Australia and New Zealand
- An established customer database with over 9.8 million contactable customers
- A market leader in the youth lifestyle and performance market
- Best in class margins through gross margin expansion initiatives and drive for cost efficiency
- A group consistently growing with the goal of maximising its growth in the addressable large and growing performance and lifestyle market segments in Australia and New Zealand

A new record year...



Total Sales (inc Franchises)¹

\$1.57 billion

+23.7% on FY22

FY23: 53 Weeks Vs FY22: 52 Weeks

EBIT

\$138.8 million

+122.9% increase on FY22



Stores

Comp Performance

10.2%

LFL¹ store performance

New Stores

80

new stores opened during FY23

PLATYPUS

20

new stores opened across Australia and New Zealand

SKECHERS

18

new stores opened across Australia and New Zealand

NUDELUCY

22

stores now trading across Australia



Online & Loyalty

Digital Share

19.1%

of total retail sales (inc franchise)

VIP & Loyalty

9.8 million

Contactable customers
+0.5m increase since June '22

Platforms

11

new and re-platformed websites



1. Non-IFRS measure

2. Like for like ("LFL") retail sales based on 52 weeks for current and comparative periods, include TAF Franchises sales, digital sales and Glue store. The LFL measurement is consistent with prior releases and includes the year-on-year sales comparison for all stores in which a sale has been recorded on the same day the prior year.

Key Metrics

| \$'000's | FY23 ¹ 53 Weeks | FY22 52 Weeks | % Change |
|--------------------------------|-------------------------------|------------------|----------------|
| Group Sales (inc. Franchisees) | 1,566,141 | 1,266,557 | +23.7% |
| EBITDA | 298,221 | 213,565 | +39.6% |
| EBIT | 138,788 | 62,276 | +122.9% |
| PBT | 119,616 | 46,592 | +156.7% |
| NPAT | 88,653 | 31,464 | +181.8% |
| R.O.E. | 20.1% | 7.1% | |
| Inventory | 239,606 | 241,631 | |
| Net debt | (119,582) | (119,282) | |
| Full Year Dividend | 17.50 cents | 6.50 cents | |

Commentary

- Sales and profit for FY23 are a **record** for the Group.
- FY23 had **no COVID related impact from store closures**. Prior year was affected by more than 400 store closures during July to October of H1 FY22.

1. The current reporting period, 27 June 2022 to 2 July 2023, represents 53 weeks and the comparative reporting period is from 28 June 2021 to 26 June 2022 which represents 52 weeks.



Operational update

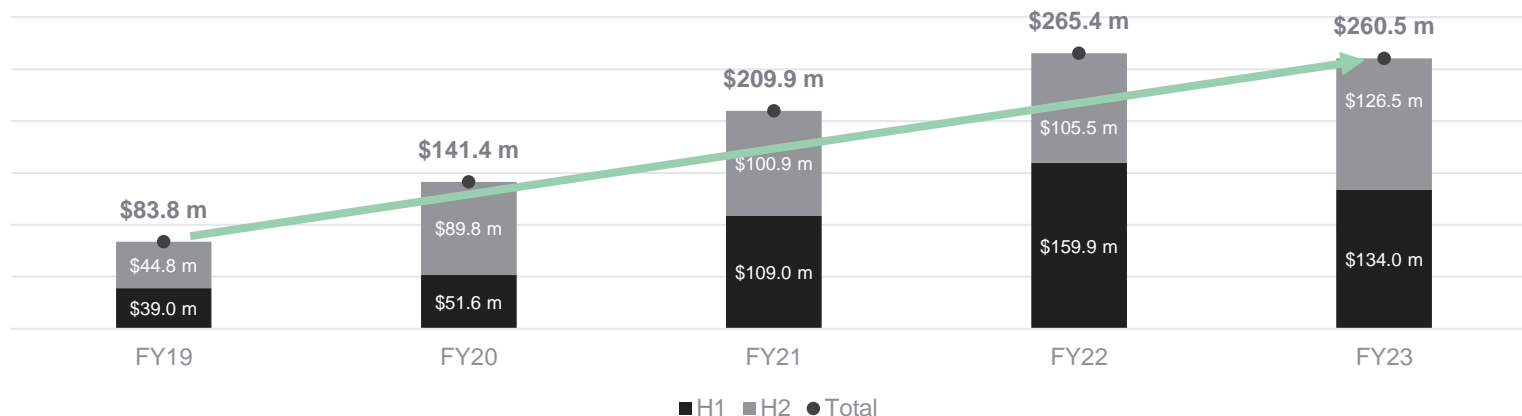
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Digital Sales Growth

Digital sales increased to **\$260.5m**, **211.0%** on FY19 comparative

Digital sales contributed to **19.1%** of total retail sales¹



1. Digital sales and total retail sales include The Athlete's Foot franchises

9.8m contactable customers **+500k** on FY22

Sales growth of **19.8%** from H2 FY22 to H2 FY23

11

New/re-platformed websites



Growth in **Hype & Platypus Loyalty Programs**

Average Order rate increased by **15.9%** in comparison to FY22

Key Metrics

Digital Sales

Website Sessions

Orders

Conversion Rate

Avg. Order Value

Digital as a % of Total Retail Sales

Variance to FY19

FY19 Full Year

+211.0%

+91.0%

+118.4%

+14.4%

+42.5%

10.2%

Variance to FY22

FY23 H1²

(16.2%)

(11.4%)

(30.4%)

(21.5%)

+20.5%

18.9%

FY23 H2²

+19.8%

+14.7%

+11.5%

(2.8%)

+7.5%

19.3%

FY23 Full Year

(1.9%)

(0.1%)

(15.3%)

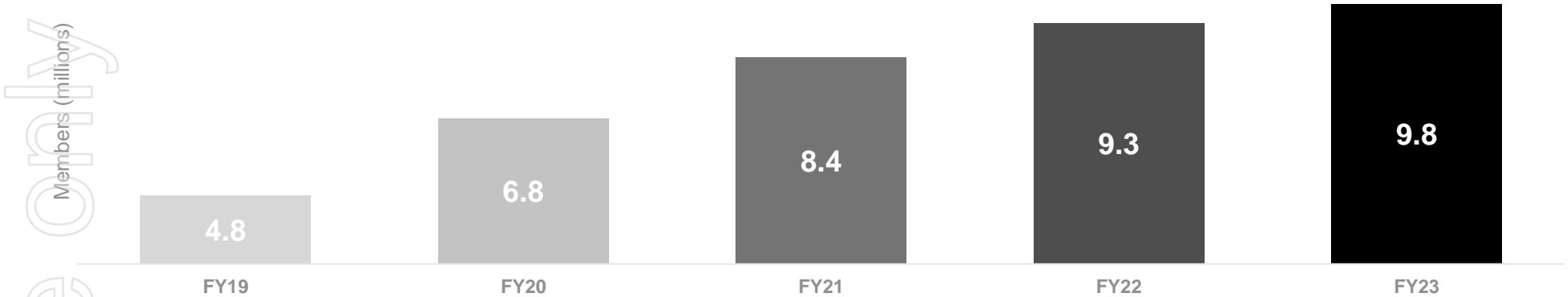
(15.2%)

+15.9%

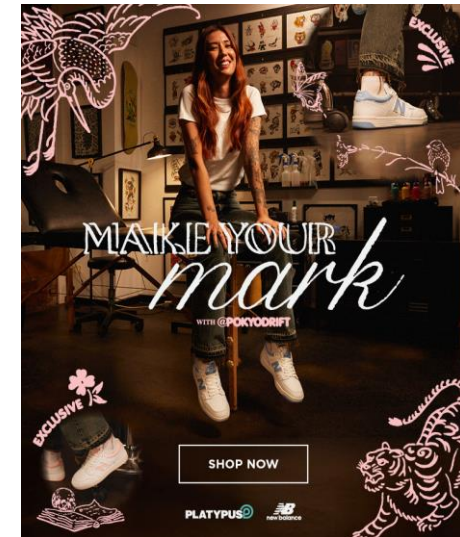
19.1%

2. Percentages shown for FY23 represent movements on equivalent FY22 period;

Accent Group Contactable Customers (Millions)



- **9.8 million** contactable customers
- Platypus, Hype and Skechers continue to deliver growth through driving engagement with their Loyalty Programs
- Loyalty program driving repeat spend with a total membership now **>8 million**
- Continuous investment into our customer loyalty database



Retail & Wholesale

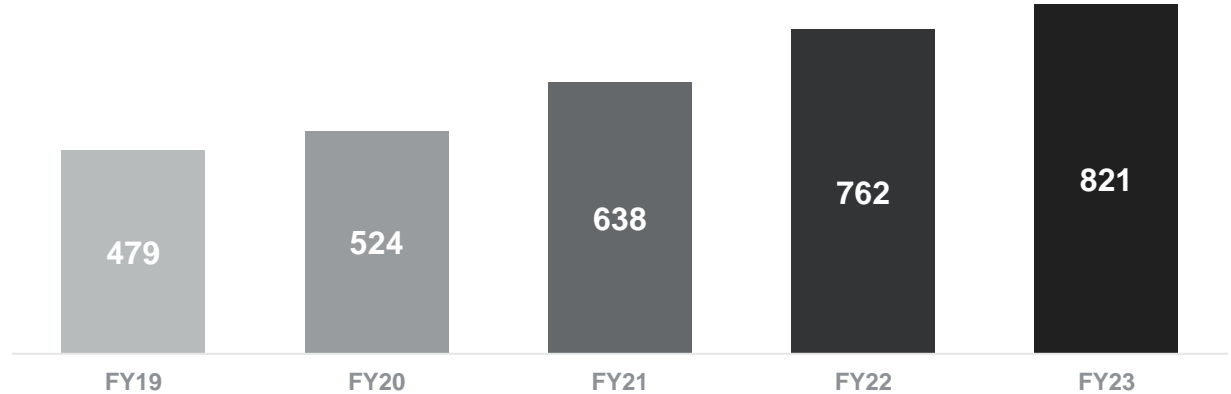
- Opened 80 new stores
- Transitioned 15 stores from discontinued brands to existing brands
- Strong retail performance in all major banners
- 22 Nude Lucy stores now trading in Australia
- Wholesale sales growth of 10% from prior period

Vertical Owned Brands

- Strong continued growth in Vertical Owned sales of over 40%
- Sales of over \$100 million, representing >7% of total sales

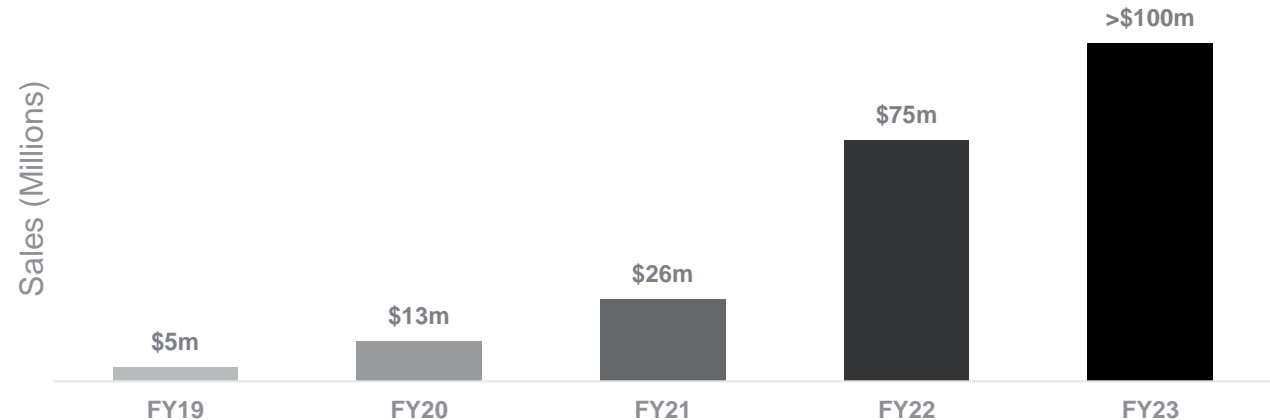


Store Network¹



1. Includes store closures and websites. For a breakdown by banner refer to page 11

Vertical Owned Brands Sales (\$ Millions)





Stores

- ✓ Continued roll-out of new stores, with 80 new stores opened in FY23
- ✓ Company sees a continued store roll-out with at least 50 new stores planned to open in FY24



Distributed brands

- ✓ Growth from our existing and new distributed brands



Nude Lucy

- ✓ Growth from a planned roll-out of Nude Lucy stores



Glue & Stylerunner

- ✓ Continued operational improvement in Glue Store and Stylerunner



The Athlete's Foot

- ✓ Profit growth in TAF from margin expansion and continued acquisition of franchise stores



Customer & Loyalty

- ✓ Growth in digital and customer loyalty programs driven by improvement in customer spend frequency
- ✓ Loyalty program now launched in Platypus, Hype DC and Skechers, driving repeat spend behaviour and improved customer value



Dividends and trading update

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Dividends

- Accent Group has announced a final dividend for FY23 of **5.50 cents** per share, fully franked, payable on **28 September 2023** to shareholders registered on **14 September 2023**
- Accent Group continues to be defined by strong cash conversion and the consistent strong returns it delivers on shareholders' funds

Trading Update

- Total sales (inc. wholesale) for the first 7 weeks of FY24 are up 2.8% to last year. Total retail sales are up 5%
- LFL retail sales for the first 7 weeks of FY24 are down 1.8% on the prior year (first 7 weeks of FY23 LFL retail sales up 18.9%). We have seen an improvement in August trade and LFL sales for August month to date (3 weeks ended 20 August) are up 1%
- Digital sales for the first 7 weeks are up more than 20% to last year reflecting the value of our customer data base and integrated digital capability
- The Company's focus for the first 7 weeks has been to drive full price full margin sales following the highly promotional Q4. The focus on full price sales has impacted LFL sales while gross margin % over this period has been at a similar level to the strong margin achieved in the first 7 weeks of FY23

Outlook

- The Accent team is focused on executing our plan for FY24 including driving new product innovation, tight management of inventory leveraging clean stock levels coming out of FY23, opening at least 50 new stores, growth from our existing and new distributed brands and a continued drive on cost efficiency and gross margin improvement.

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Store network and distribution agreements



Store Network

| Store Network Jun-23 | | | | | | | | | |
|----------------------------------|----------|----------|-----|--------------------------|---------------------|------------------------------|--------------|--------------|-------|
| Store Network ¹ | Platypus | Skechers | TAF | Other Distributed Brands | Hype, Subtype Trybe | Glue, Nude Lucy, Stylerunner | Other Brands | Discontinued | Total |
| Stores as at FY22 | 168 | 153 | 153 | 90 | 106 | 55 | 8 | 29 | 762 |
| FY23 | | | | | | | | | |
| Stores Opened | 20 | 16 | 1 | 13 | 4 | 24 | 2 | 0 | 80 |
| Stores Transitioned ² | 0 | 2 | 2 | 4 | 2 | 5 | 0 | (15) | 0 |
| Stores Closed | 0 | 0 | (1) | (3) | 0 | (2) | (2) | (13) | (21) |
| Stores as at end of FY23 | 188 | 171 | 155 | 104 | 112 | 82 | 8 | 1 | 821 |

1. Includes websites (35) and franchises (63)

2. Store transitions occurred while shifting discontinued brands into current brands

At least 50 new stores are planned to open in FY24. The Group will continue to close stores where rental outcomes are not met

Distribution Agreements

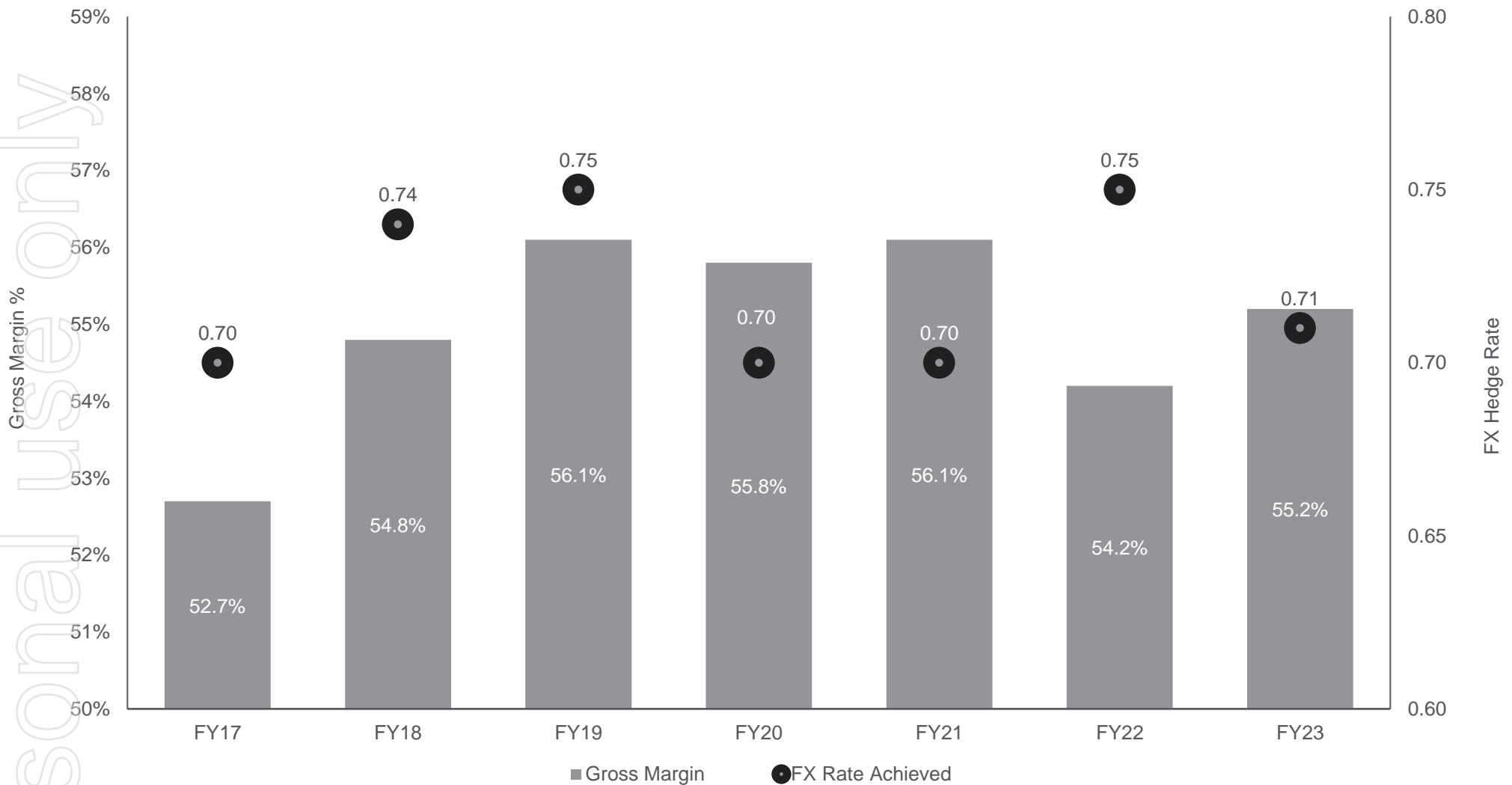
Total Active Distribution Agreements: **17**

Ageing Distribution (years until expiry):





Statutory Gross Margin % and FX Rate Overview



FY23 summary of financial performance

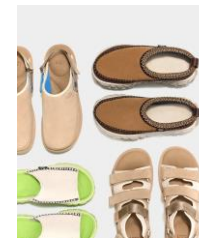


Financial Summary— Comparable Financial Information

| Profit & Loss (\$000's) | FY23 | FY22 | % Change |
|--|----------------|----------------|---------------|
| Owned sales | 1,393,257 | 1,103,488 | 26.3% |
| Gross profit | 768,842 | 598,496 | |
| Gross margin (%) | 55.2% | 54.2% | 100bps |
| CODB – excl. lease depreciation & interest | (498,052) | (411,240) | |
| CODB % – excl. lease depreciation & interest | 35.7% | 37.3% | (160bps) |
| CODB % | 44.5% | 47.3% | (280bps) |
| Other income – inc. royalties and franchise fees | 27,431 | 26,309 | |
| EBITDA | 298,221 | 213,565 | 39.6% |
| Depreciation on leases | (107,893) | (98,654) | |
| Depreciation & amortisation | (51,540) | (52,635) | |
| EBIT | 138,788 | 62,276 | 122.9% |
| Net finance costs on lease liabilities | (13,702) | (12,271) | |
| Net interest (paid) / received | (5,470) | (3,413) | |
| PBT | 119,616 | 46,592 | 156.7% |
| Tax | (30,963) | (15,128) | |
| Net Profit After Tax | 88,653 | 31,464 | 181.8% |

Operating Highlights

| | |
|---------------------|---|
| Sales | <ul style="list-style-type: none"> Total company owned sales of \$1.39 billion, up 26.3% on prior year. Strong sales results were achieved across all major banners including Platypus, Skechers, TAF, Hype DC, Vans and Dr Martens. As trade softened in May and June, Skechers, TAF and Hype DC in particular continued to experience positive comp store sales growth. |
| Gross Margin | <ul style="list-style-type: none"> Despite the impacts of a lower AUD, the intensity of the promotional environment in H2 and the clearance of discontinued brands, the ongoing strategy to drive gross margin rate through distributed and owned vertical brands continues to improve underlying gross margin. |
| CODB | <ul style="list-style-type: none"> A decrease of 280bps reflecting continued drive for cost efficiency. |
| NPAT | <ul style="list-style-type: none"> NPAT of \$88.7 million |



Balance Sheet

| \$000's | 2 Jul 2023 FY23 | 1 Jan 2023 H1 FY23 | 26 Jun 2022 FY22 |
|-----------------------------------|--------------------|-----------------------|---------------------|
| Trade receivables and prepayments | 40,433 | 53,709 | 55,895 |
| Inventories | 239,606 | 267,372 | 241,631 |
| Trade payables and provisions | (135,469) | (188,973) | (159,600) |
| Net working capital | 144,570 | 132,108 | 137,926 |
| Intangible assets | 382,191 | 380,431 | 374,741 |
| Property, plant and equipment | 140,527 | 145,568 | 139,188 |
| Capital investments | 522,718 | 525,999 | 513,929 |
| Lease receivable | 19,555 | 19,954 | 20,695 |
| Right of use asset | 281,393 | 312,291 | 299,884 |
| Lease liabilities | (408,976) | (449,212) | (431,310) |
| Lease balances | (108,028) | (116,967) | (110,731) |
| Net cash/(debt) | (119,582) | (63,559) | (119,282) |
| Deferred income | (19,567) | (21,027) | (15,682) |
| Tax and derivatives | 21,101 | 18,129 | 34,066 |
| Net assets/equity | 441,212 | 474,683 | 440,226 |

Commentary

- Inventory has decreased since H1 FY23 due to improvement in inventory management offset by an increase in 80 stores since June 22.



The Accent business model



Accent Group's mission is to be the market leading, digitally integrated retail and distribution business, in the performance lifestyle market for footwear, apparel and accessories across Australia and New Zealand.



The Accent Business model
Scalable, flexible and defensible

Multi-Brand Retail Banners
Range global third party brands, global distributed brands, and owned vertical brands and products through online and stores

Global Distributed Brands
Dedicated retail stores and online sites, as well as wholesale customer channels

Vertical Apparel Owned Brands
Supports margin growth and product differentiation in multi-brand banners, as well as having dedicated online sites

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