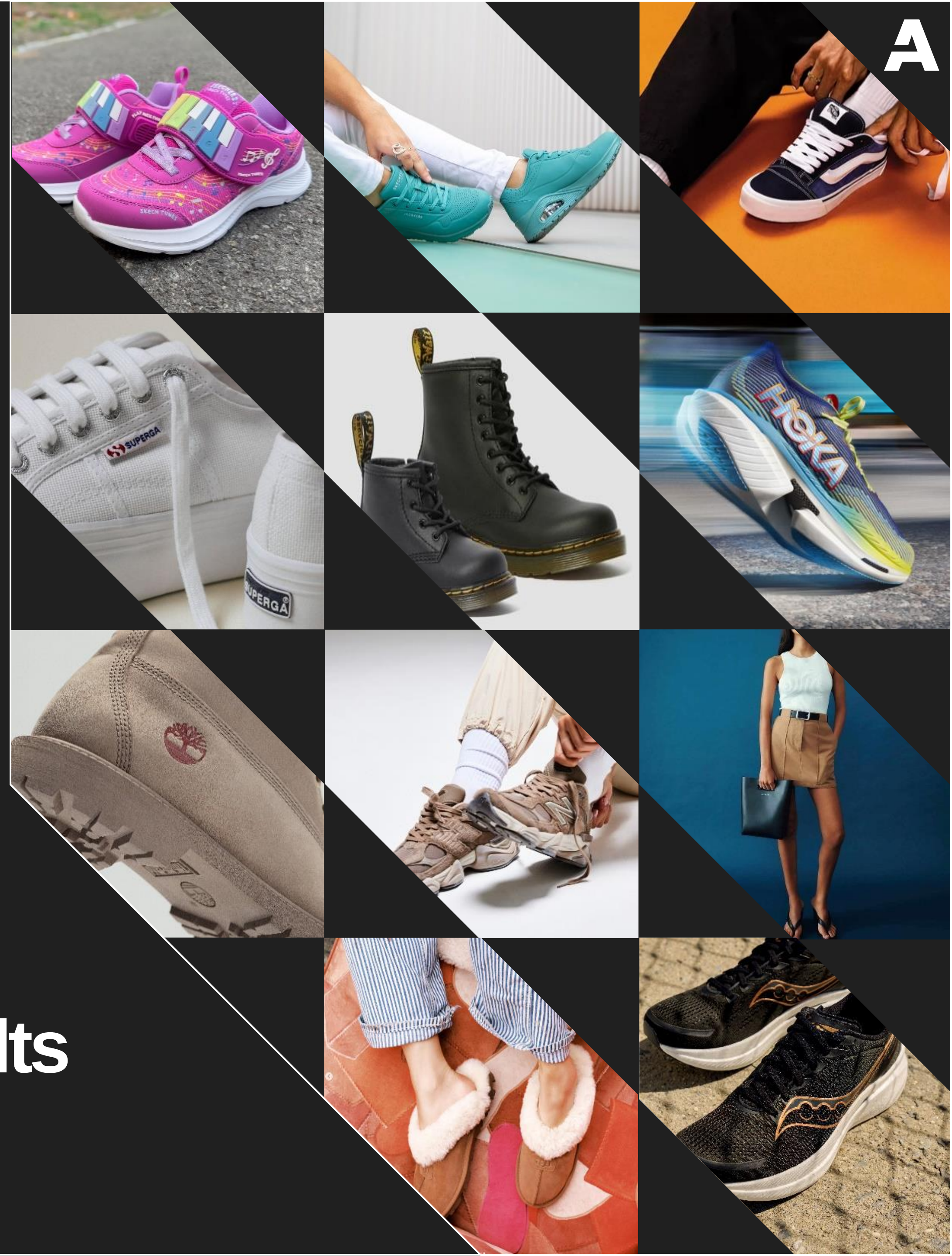
Accent Group



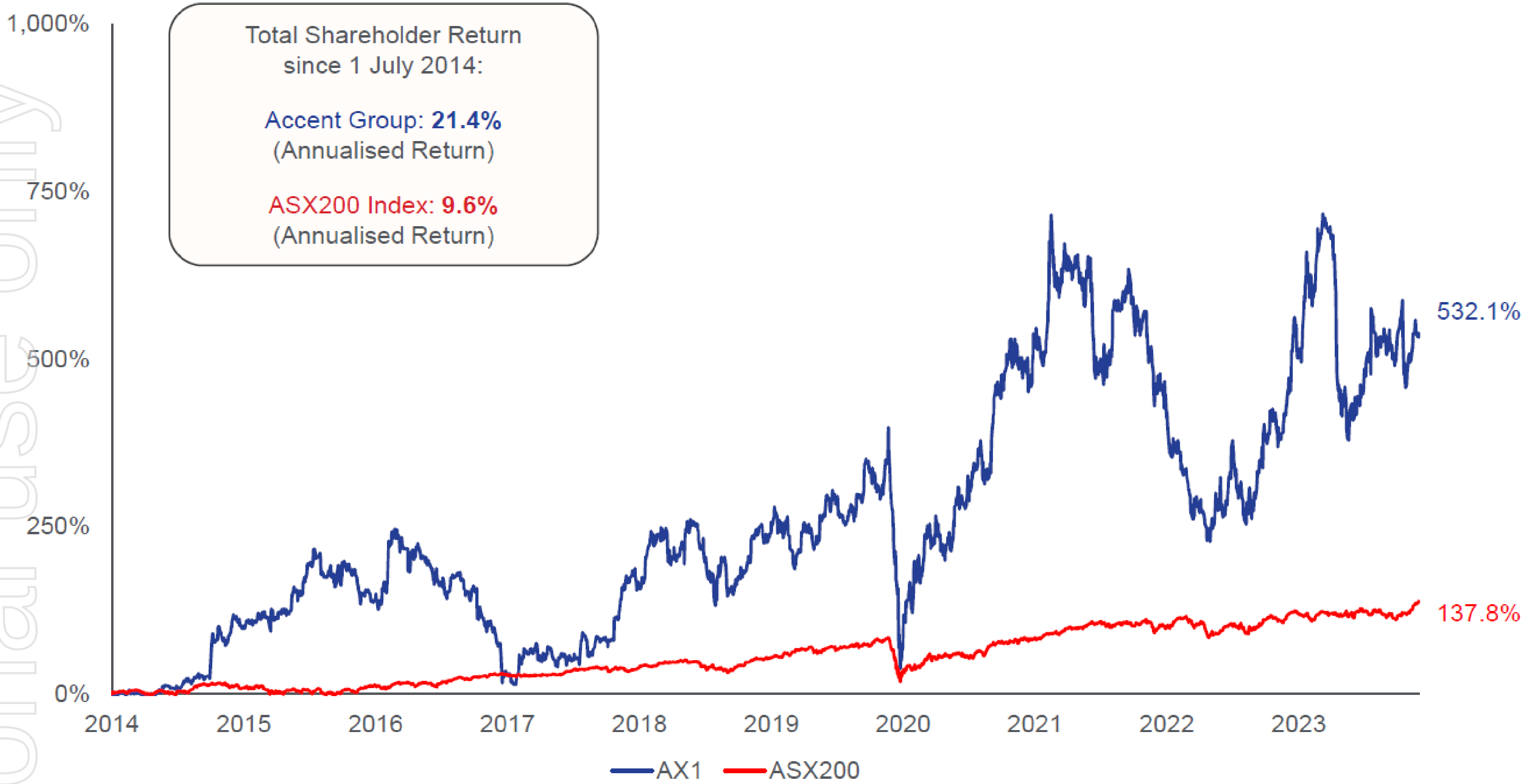
Half Year FY2024 Results

Half Year ended 31 December 2023

Contents

Value creation and investor value proposition

Total Shareholder Return[1] comparison of Accent and the ASX200 (1 July 2014 to 31 December 2023)



Total Shareholder Return since 1 July 2014:

Accent Group: **21.4%**
(Annualised Return)

ASX200 Index: **9.6%**
(Annualised Return)

Source: Bloomberg, Accent Filings.
1. Assumes 100% dividend reinvestment on the ex-dividend date.

Operational highlights

Total Sales (inc Franchises)

$810.9 million[1]

+2.7% on H1 FY23[2]

H1 FY24: 26 Weeks Vs **H1 FY23: 26 Weeks**

Vertical Owned Brand Sales

>$60 million

c.8% of total sales

>13% on H1 FY23

New Stores

72

new stores opened during H1 FY24 across Australia and New Zealand

NUDE LUCY

34

stores now open representing a fast-growing world class lifestyle apparel brand

PLATYPUS

22

new stores opened across Australia and New Zealand

SKECHERS

17

new stores opened across Australia and New Zealand

Customers & Loyalty

10.0 million

Contactable customers

0.2m increase since June 23

1. The current reporting period**, 3 July 2023** to **31 December 2023**, represents **26 weeks** and the comparative reporting period is from **27 June 2022** to **1 January 2023** which represents **27 weeks**.
2. As previously reported, the Company estimated that the proforma H1 FY23 **Sales for 26 weeks was $789.2m.** H1 FY23 statutory Sales of **$825.2 million for the 27 weeks ended 1 January 2023**.

H1 FY24 sales and profit

Key Metrics

$'000's	H1 FY24[1] 26 Weeks	H1 FY23[2] 27 Weeks
Group Sales (inc. Franchisees)	810,924	825,247
EBITDA	157,477	170,159
EBIT	72,357[3]	91,167
PBT	59,758	81,818
NPAT	42,236	58,327
Inventories	256,640	267,372
New stores	72	
Interim Dividend	8.50 cents	12.0 cents

1. The current reporting period**, 3 July 2023** to **31 December 2023**, represents **26 weeks** and the comparative reporting period is from **27 June 2022** to **1 January 2023** which represents **27 weeks**.
2. As previously reported, the Company estimated that the proforma H1 FY23 EBIT for **26 weeks was $81.2 million**, H1 FY23 statutory EBIT of **$91.2 million for the 27 weeks ended 1 January 2023**.
3. Included in the $72.4 million EBIT, is a **non-cash cash charge of $3.1m** relating to store transition costs and carrying value provisions in several underperforming **Glue stores**.

H1 FY24 summary of financial performance

Financial Summary— H1 FY24 Vs H1 FY23[1]

Profit & Loss ($000's)	H1 FY24	H1 FY23
Owned sales	732,897	746,488
Gross profit	414,876	412,402
Gross margin (%)	56.6%	55.2%
CODB – excl. lease depreciation & interest	(266,658)	(253,827)
CODB % – excl. lease depreciation & interest	36.4%	34.0%
CODB %	45.0%	42.0%
Other income – inc. royalties and franchise fees	9,259	11,584
EBITDA	**157,477**	**170,159**
Depreciation on leases	(55,629)	(53,377)
Depreciation & amortisation	(29,491)	(25,615)
EBIT	**72,357**	**91,167**
Net finance costs on lease liabilities	(7,474)	(6,207)
Net interest (paid) / received	(5,125)	(3,142)
PBT	**59,758**	**81,818**
Tax	(17,522)	(23,491)
Net Profit After Tax	**42,236**	**58,327**

1. The Group has adopted a 26-week half-year period, for financial reporting purposes, which ended on 31 December 2023. The prior half-year period was a 27-week period ended on 1 January 2023.

Operating Highlights

Sales	• Total company owned sales of $732.9 million • LFL retail sales down 0.6%[1] • Wholesale sales down 25%
Gross Margin	• Gross margin of 56.6% up 140 basis points to prior year. • Progress continues to be made in improving underlying gross margin through distributed and owned vertical brands.
CODB	• CODB impacted by negative LFL retail sales, lower wholesale sales and cost inflation in occupancy and store team costs. Additional cost efficiency initiatives have been implemented in non-customer facing areas.
NPAT	• **NPAT of $42.2 million**




Operational update

Accent
Group

Retail, Wholesale & Vertical Owned Brands

Retail

- 72 new stores for the 6 months to 31 December 2023 added to the Accent Group store network
- Strong retail performance across Skechers, Hype, TAF, Stylerunner, and Nude Lucy
- 34 Nude Lucy stores now open with consistently growing results YoY

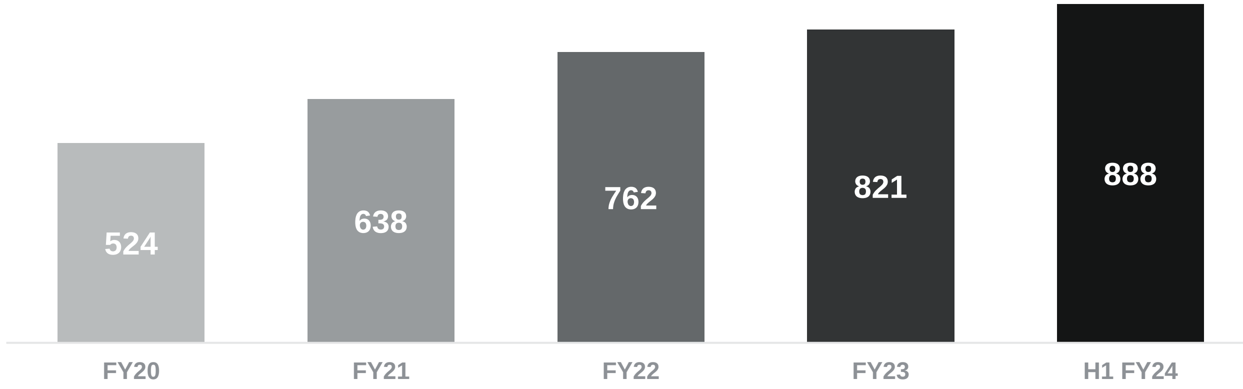
Wholesale

- Wholesale sales down 25% on H1 FY23

Vertical Owned Brands

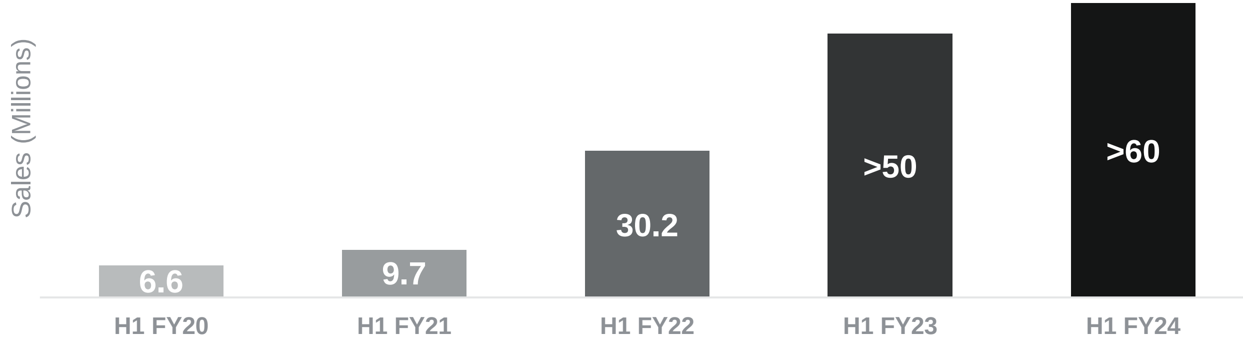
- Double digit growth of Vertical Owned Brand sales compared to H1 FY23
- Sales in excess of $60 million

Store Network[1]

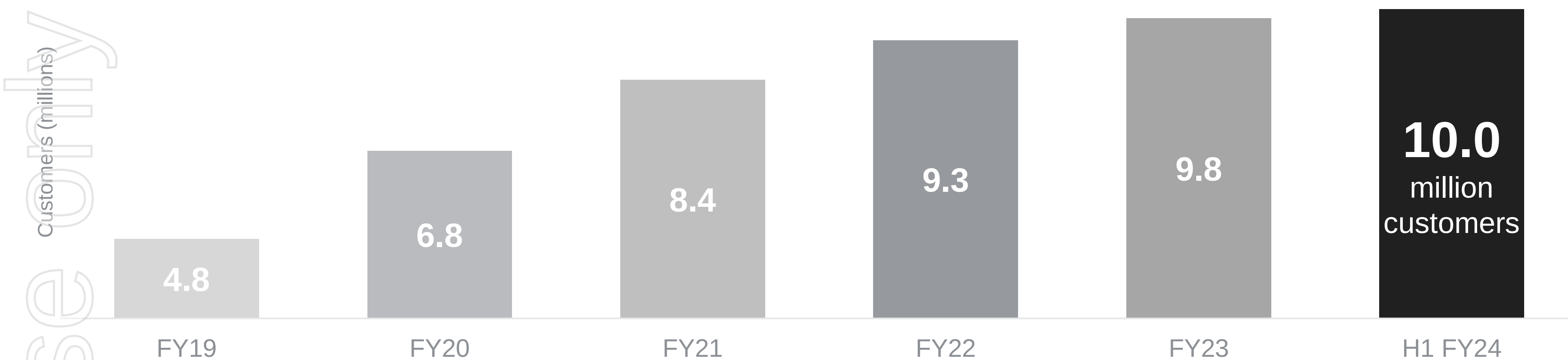


1. Includes store closures and websites. For a breakdown by banner refer to page 16

Vertical Owned Brands Sales
($ Millions)



Accent Group Contactable Customers
(Millions)



- Contactable customers continues to grow to **10.0 million**
- Loyalty program membership now **7.1 million** across TAF, Hype DC, Platypus, Merrell, Skechers
- Investment in the loyalty programs across the Group continues
- Currency and data quality of contactable customers improving

Growth plan update

Stores and Online

- ✓ Roll-out of new stores, growing the network to 888 with at least 20 new stores planned to open in H2 FY24.
- ✓ The Company sees a continued store roll-out opportunity in both its core banners and new businesses.
- ✓ Significant growth opportunity remains for online.

Gross Margin

- ✓ Gross margin of 56.6% up 140 basis points to prior year.
- ✓ Underlying gross margin continues to improve through an increasing mix of our distributed and owned vertical brands, combined with improved apparel sell-through.

Nude Lucy

- ✓ Growth from a planned roll-out of additional Nude Lucy stores (refer to slide 11 for detail).

Stylerunner

- ✓ Profit growth in Stylerunner with the store rollout program for this banner to recommence (refer to slide 11 for detail).

The Athlete's Foot (TAF)

- ✓ Strong performance over the last 5 years, including margin expansion & the successful buyback strategy.
- ✓ Potential to buy back the remaining franchises over the next 5 years (refer to slide 12 for detail).

Nude Lucy and Stylerunner

NUDELUCY

Strong Customer Appeal

- Customer appeal driving sales densities in both online & in store

Continued Store Expansion

- 34 stores trading, with 10+ new stores planned over the next 18 months

Nude Lucy: Sorrento

Nude Lucy: Claremont

STYLERUNNER

New Footwear Led Strategy

- New footwear led strategy driving sales growth, with footwear mix target now at 60%

Margin Improvements

- Through improved sell-through in apparel, including own brands ‘Stylerunner the Label’ & ‘ODE’

Store Network Expansion

- 26 stores trading, with 10+ new stores planned over the next 18 months

Stylerunner: Bondi Beach

Stylerunner: Macquarie Centre

The Athlete's Foot

The Athlete's Foot

Strong 5-Year Performance

- Driven by margin expansion, successful franchise buyback strategy & operational efficiencies

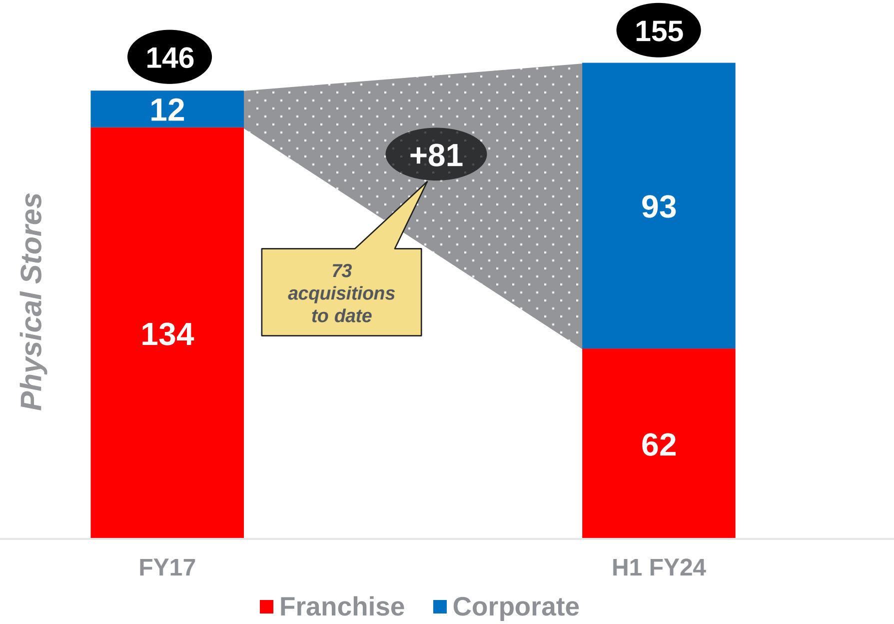
Increased Margin

- Due to increased mix of distributed and vertical brands

Franchise Buyback Update

- 73 stores acquired to date
- The Company has determined not to renew franchise agreements at expiry
- Potential to acquire remaining doors over the next 5 years and to add an incremental $170m[1] in owned sales over this period

1. Projections based on FY23 actuals



Dividends and trading update

Accent Group

Dividends and trading update

Dividends	• Accent Group has announced an interim dividend for H1 FY24 of **8.50 cents** per share, fully franked, payable on **21 March 2024** to shareholders registered on **7 March 2024.** • Accent Group continues to be defined by strong cash conversion and the consistent strong returns it delivers on shareholders' funds.
Trading Update	• Total owned sales YTD to the end of January are up 1.6% and owned retail sales over this period are up 5.6% reflecting new store openings. • Like-for-like sales (LFL) for the first 7 weeks of H2 (1 January 2024 – 18 February 2024) are down 0.7% on the prior year. Consistent with H1, gross margin % continues to be above last year. • CODB % also continues to be higher than last year albeit at a lower increase than H1, with the impact of negative LFL stores sales, increases in occupancy and store team costs continuing into H2.
Outlook	• Whilst we recognise that there is some uncertainty in the economic outlook, in the context of the consumer environment, we have been pleased with trading and execution in the key periods of November, December and January. • Looking forward, our store opening program remains on track. Stylerunner performance has been positive and along with Nude Lucy, both brands are resonating well with customers.

1. Like for like ("LFL") retail sales include TAF Franchise sales, digital sales and Glue stores. The Like for Like 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 in the prior year.

Appendix

Store network and distribution agreements

Store Network

Store Network [1]	Platypus	Skechers	TAF	Distributed Brands	Hype, Subtype Trybe	Glue, Nude Lucy, Stylerunner	Other Brands	Discountinued	Total
				Store Network Dec-23					
Stores as at FY23	**188**	**171**	**155**	**104**	**112**	**82**	**8**	**1**	**821**
FY24									
Stores Opened	22	17	4	10	1	18	0	0	72
Stores Closed	0	(1)	(2)	0	0	(2)	0	0	(5)
Stores as at end of H1 FY24	**210**	**187**	**157**	**114**	**113**	**98**	**8**	**1**	**888**

1. Includes websites (35) and franchises (62)

Distribution Agreements

Total Active Distribution Agreements: **17**

Balance Sheet

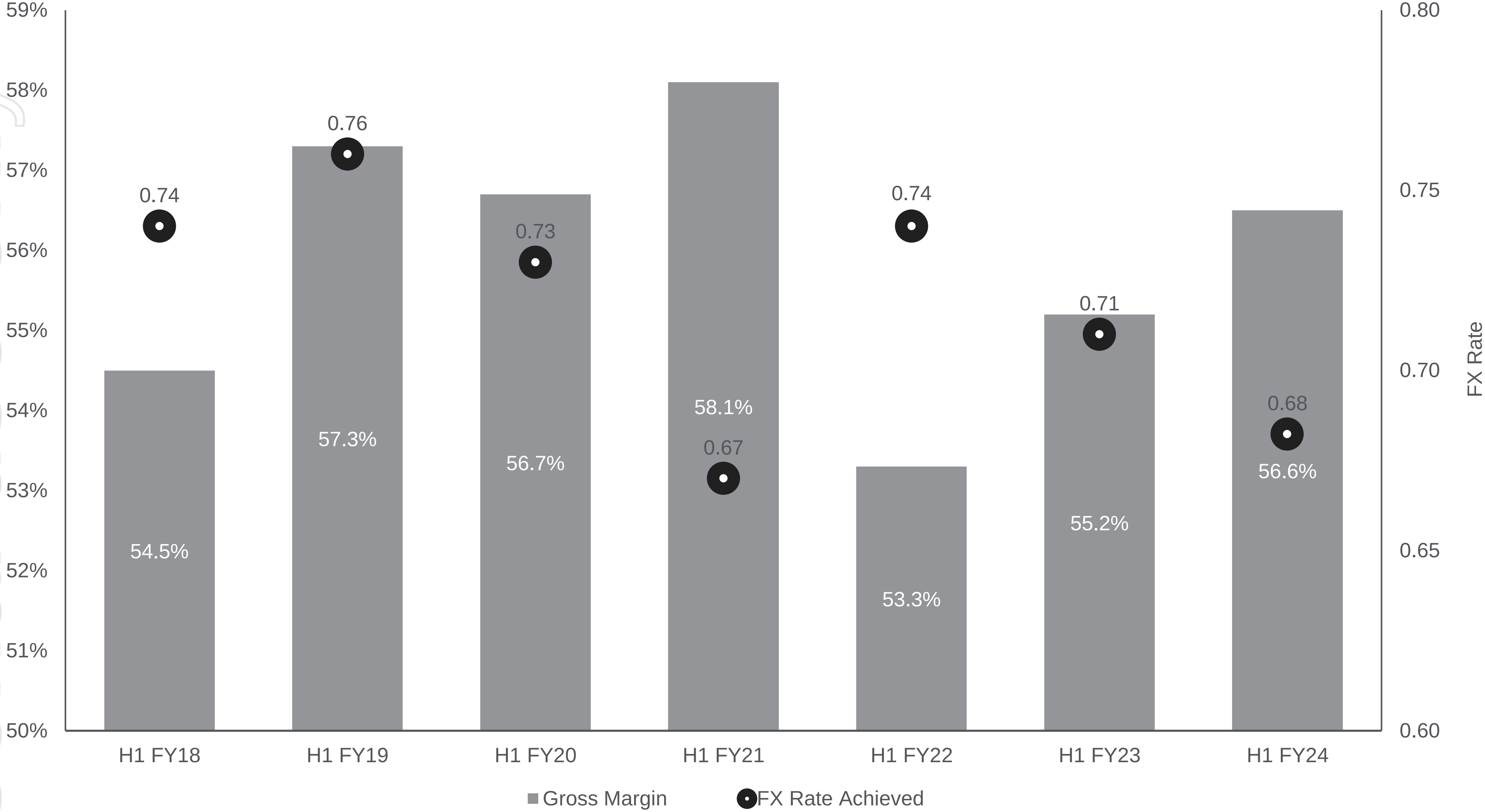
$000's	31 Dec 2023 H1 FY24	2 Jul 2023 FY23	1 Jan 2023 H1 FY23
Trade receivables and prepayments	48,339	40,433	53,709
Inventories	256,640	239,606	267,372
Trade payables and provisions	(161,316)	(135,469)	(188,973)
Net working capital	**143,663**	**144,570**	**132,108**
Intangible assets	383,136	382,191	380,431
Property, plant and equipment	138,999	140,527	145,568
Capital investments	**522,135**	**522,718**	**525,999**
Lease receivable	18,368	19,555	19,954
Right of use asset	304,570	281,393	312,291
Lease liabilities	(436,957)	(408,976)	(449,212)
Lease balances	**(114,019)**	**(108,028)**	**(116,967)**
Net cash/(debt)	(91,391)	(119,582)	(63,559)
Deferred income	(17,215)	(19,567)	(21,027)
Tax and derivatives	9,391	21,101	18,129
Net assets/equity	**452,564**	**441,212**	**474,683**

Commentary

- Inventory has decreased from H1 FY23 due to cleaner aged stock levels offset by the addition of 99 new store openings since H1 FY23

Gross margin and FX rate

Statutory Gross Margin (%) and FX Rate Overview



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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