ASX Announcement
Accent Group Limited (ASX: AX1)
21 February 2025

ACCENT GROUP H1 FY25 RESULTS ANNOUNCEMENT

FINANCIALS AND PERFORMANCE HIGHLIGHTS

- Total sales[1] of $845 million up 4.2% to prior year, owned sales up 4.6%
- Earnings Before Interest, Tax, Depreciation and Amortisation (**EBITDA**) of $158.3 million
- Earnings Before Interest and Tax (**EBIT**) of $80.7 million[2] up 11.5% to prior year
- Net Profit After Tax (**NPAT**) of $47.2 million
- Earnings Per Share (**EPS**) of 8.35 cents
- A fully franked interim dividend of 5.5 cents per share
- Inventory in line with plan and aged stock levels clean
- Total store numbers now 903 stores

Accent Group Limited (ASX: AX1) (**Accent Group, Group** or **Company**) today reports EBIT of $80.7 million and NPAT of $47.2 million for the 26 weeks ended 29 December 2024 (**H1 FY25**).

Accent Group CEO, Daniel Agostinelli, said "In the context of the challenging consumer environment in H1, the growth in sales and profit reflects the strength of the Accent business model and the ongoing drive of the entire Accent team. During the half, the company delivered 2.9% Like-for-Like[3] (LFL) retail sales growth, opened 42 new stores, secured the distribution rights for Dickies and Lacoste, divested The Trybe business and made progress on the closure of underperforming Glue stores. In the more promotional environment which impacted gross margin, the controllable levers of inventory and costs were well managed."

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[1] Includes The Athlete's Foot Franchise sales.

[2] Includes $3.3 million of non-recurring items relating to the reversal of a historical impairment of the Hype brand carrying value of $9.7 million, the impairment of a number of underperforming Vans stores of $3.8 million and one-off costs and trading losses of $2.6 million relating to the discontinuation of the CAT brand distribution and the divestment of Trybe.

[3] Like-for-Like ("LFL") sales include TAF Franchisee sales, measurement is based on the year-on-year sales comparison for all stores in which a sale has been recorded on the same day in the prior year.

Accent Group Limited
ABN 85 108 096 251
2/64 Balmain Street
PO Box 213
Richmond Victoria 3121
www.accentgroup.com.au

OPERATING REVIEW

- Total owned sales[4] of $767.0 million up 4.6%
- LFL retail sales up 2.9%
- Gross margin of 55.6% was impacted by the prevailing promotional environment with the consumer responding to value and promotion throughout the half. Our strategy is to drive underlying gross margin improvement through an increasing mix of our distributed and owned vertical brands.
- Cost of Doing Business (CODB) % of 44.7% (H1 FY24 45.0%). CODB was well managed with CODB efficiencies in store lease renewal negotiations, support team costs and distribution costs offsetting continued inflationary cost pressures in rents and store team wages. The benefits of the cost efficiency initiatives are expected to continue into H2.
- Strong sales results were achieved across TAF, Hype DC, Hoka, Stylerunner and Nude Lucy.
- During H1 the Group opened 42 new stores, Total store numbers are now 903 stores.
- Wholesale sales improved on the prior year strengthened in Q1 and became more challenging in the first half.
- The company has 10 million contactable customers following the divestment of The Trybe
- New distribution agreements signed for Lacoste and Dickies. The distribution agreements for Merrell and Timberland have been renewed for further extended terms

DIVIDEND

Interim dividend of 5.5 cents per share fully franked to be paid on 20 March 2025 to registered shareholders as of 6 March 2025. The Interim dividend represents a c.70% payout ratio of H1 FY25 EPS before non-recurring items. The Board reiterates the intent to pay out excess cash that is not required for current and future investment over time.

GROWTH PLAN UPDATE

Accent Group continues to pursue a range of growth opportunities across its core banners and new businesses, including:

- **New Stores:** The continued roll-out of new stores, with more than 10 new stores planned to open in H2 FY25. The Company sees a continued store roll-out opportunity in both its core banners and new businesses.
- Growth from our new distributed brands, HOKA and UGG. Lacoste and Dickies to contribute from FY26.

[4] Owned sales exclude The Athlete's Foot Franchise sales

- **Nude Lucy:** Nude Lucy is strongly profitable and continues to resonate well with customers. The brand now has 40 stores trading including online and further stores planned.

- **Stylerunner**: Continues to grow with 7 stores opened in the last 12 months and further stores planned in H2.

- **The Athlete's Foot:** Franchisee buyback is on track with 5 stores acquired in H1 and a further 10 stores planned to be acquired in H2.

TRADING UPDATE

LFL sales for the first 7 weeks of H2 (30 December - 16 February) are up 2.2% on the prior year. Gross margin continued to be impacted by a value driven consumer and was down around 70 basis points to prior year.

Mr Agostinelli said "Sales growth in the first 7 weeks of H2 has been positive including a record result from Back to School across the business. In a challenging consumer environment, the team are focused on driving profitable sales, managing controllable costs and executing the growth plan initiatives.

STRATEGIC AGREEMENT WITH FRASERS

The company remains in active discussions with Frasers Group, with progress made on the documentation of a long-term strategic agreement. We expect to conclude negotiations during the second half of FY25.

For further information contact:

Investors

Matthew Durbin
Chief Financial and Operating Officer

matthew.durbin@accentgr.com.au

Accent Group FY25 Half-Year Investor Briefing | 21 February 2025 | 10:00am AEDT

Webinar link: https://openexc.zoom.us/webinar/register/WN_KfVt0_EZSNqa8qgZMOA4ZA

Webinar ID: 946 7853 8926

Password: 568350

The release of this announcement was authorised by the Board of Accent Group Limited.

Appendix

Financial overview – Statutory (post AASB16 other than where noted)

Financials ($ million)	H1 FY25	H1 FY24	Variance
Total Sales (Inc. TAF)	**$844.6**	$810.9m	**4.2%**
Owned Sales	**$767.0**	$732.9	**4.6%**
EBITDA	**$158.3**	$157.5	**0.5%**
EBIT	**$80.7**	$72.4	**11.5%**
PBT	**$66.6**	$59.8	**11.4%**
NPAT	**$47.2**	$42.2	**11.7%**