

20 November 2020

Trading Update

Accent Group Limited (ASX:AX1) (**Company**) advises that **sales for the first 20 weeks¹ of FY2021 are well ahead of expectations:**

- LFL sales **excluding Auckland and Victorian stores up 15.7%**
- Impact of Victorian and Auckland store closures² of \$39m of sales compared to prior year
- LFL sales including impacted stores up 1.3%
- Digital sales up 129% on prior year

Accent Group CEO, Daniel Agostinelli, said “With Victorian stores now open post lockdown, trade is strong and well ahead of expectations. We are continuing to see digital sales growth in excess of 100% and customers flooding back to Victorian physical stores since reopening at the end of October. The strength in trade in the other states and New Zealand as previously reported has continued. We do not expect that the recent lockdown in Adelaide will have a material impact on sales given our store footprint and demonstrated capability to pivot to online sales.”

Consistent with our approach to date through the Melbourne and Auckland lockdowns, all our permanent employees in Adelaide will remain on full pay and we will also honour payment for committed shifts to our casual team for the initial lockdown period.

We are seeing a continued consumer trend to active and lifestyle driving strong performance across all the major Accent banners, in particular The Athlete’s Foot, Hype DC, Platypus, Skechers, Vans, The Trybe, Pivot and Stylerunner.

Update on growth strategy milestones

- **Store growth:** On track to open approximately 80 new stores, including new concepts, in FY2021.
- **Stylerunner:** On Saturday 31 October, the first Australian Stylerunner store opened in Armadale (VIC) with sales to-date materially ahead of expectations. An additional 3 stores have been signed.
- **Pivot:** 3 Pivot stores are now open in Highpoint (VIC), Ballarat (VIC) and Shellharbour (NSW) and are all trading well against expectations. 15 stores are planned to be open by the end of FY2021.

Mr Agostinelli concluded “We are pleased with the strong trade to date and delighted with the performance of our new stores in Stylerunner and Pivot. Our plans are well set to capitalise on the important November cyber events, Christmas and Back to School trading periods. Our integrated omnichannel model has allowed us to trade strongly through a highly disrupted period along with demonstrated operating capability to respond to store impacts that may arise due to COVID-19, including the current Adelaide lockdown.

¹ Period from 29 June 2020 – 15 November 2020

² Melbourne: 29 June 2020 – 28 October 2020; Auckland: 12 August 2020 – 30 August 2020

Authorised for lodgement by the Board

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