

ersonal use only

Accent
Group



2021 ANNUAL GENERAL
MEETING



When the question function is available, the messaging tab will appear at the top of the screen



To submit a question, type your question in the “Ask a question” box and press the send arrow



Your question will be sent immediately for review



Received

123-456-789

HOME MESSAGING VOTING

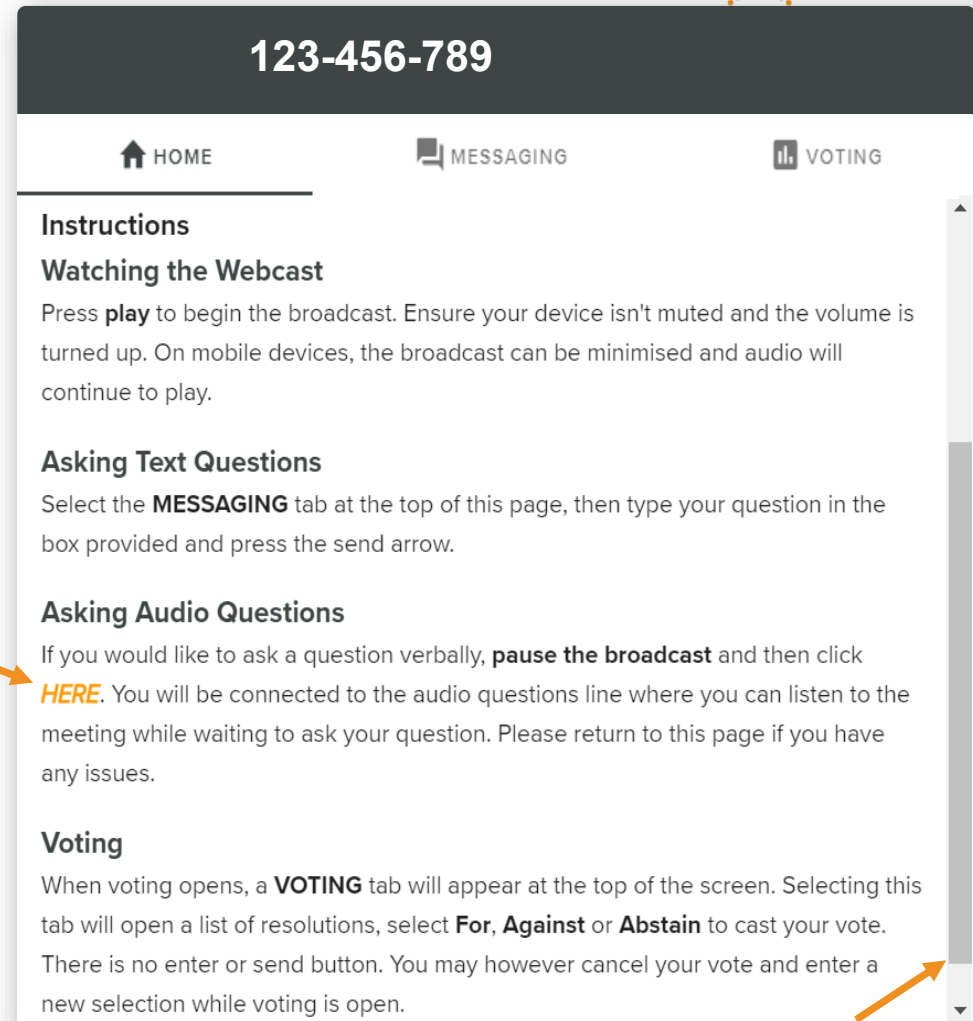
Messaging

Moderator
Type your question in the box above and then press the send arrow. Please include the number of the resolution at the beginning of your question. Questions may be moderated or amalgamated if there are multiple questions on the same topic

When the audio questions line is available, a link will appear on the home tab titled **Asking Audio Questions**

If you would like to ask an audio question, **pause the meeting broadcast** and click on the link

You will be prompted to enter your name and the topic of your question before being placed in the audio questions queue



For the Accent AGM, there are 3 resolutions. All of these resolutions can be accessed using the scroll bar on the right.

ONLINE attendees – VOTING process



When open, the vote will be accessible by selecting the voting tab at the top of the screen



To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For

Against

Abstain

There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed

123-456-789

HOME

MESSAGING

VOTING

Poll Open

You have voted on 0 of 2 items

Resolution 1

Select a choice.

For

Against

Abstain

CANCEL

Resolution 2

Select a choice.

Yes

No

Unsure

For the Accent AGM, there are 3 resolutions. All of these resolutions can be accessed using the scroll bar on the right.



David Gordon
Chairman



Daniel Agostinelli
Group CEO



Brett Blundy



Donna Player



Joshua Lowcock



Michael Hapgood



Stephen Goddard

Other attendees



**Matthew Durbin –
Group CFOO &
Joint Company
Secretary**



**Alethea Lee –
Group General Counsel
&
Joint Company
Secretary**



**David White –
Partner, Deloitte**

Item

Welcome and Introduction

Chairman’s report

CEO report

Trading update

Formal business



This has been ANOTHER year like no other!



FY21 financial performance¹

\$'000's	FY21	FY20 ⁽²⁾	%	Change
EBITDA	242,015	202,871		+19.3%
Group Sales (inc. Franchisees)	1,138,239	948,935		+19.9%
EBIT	124,905	94,537		+32.1%
PBT	110,999	80,092		+38.6%
NPAT	76,923	55,517		+38.6%
Digital Growth	48.5%	68.9%		
Vertical Owned Brand Sales	25,647	12,621		+103.2%
EPS	14.21 cents	10.28 cents		+38.2%
Full Year Dividend	11.25 cents	9.25 cents		+21.6%

1. All results in this release are presented on a statutory post AASB16 basis and include the Next Athleisure (Glue store) acquisition for the period of ownership 30 May 2021-27 June 2021, unless otherwise noted.

2. FY20 results restated due to IFRIC agenda decisions on Software as a Service ("Saas") accounting policy. Refer to note 3 in the statutory financial statements and page 21 of this presentation for reconciliation



Shareholder value creation

Total Shareholder Return ⁽¹⁾ comparison Accent and ASX200 (30 June 2010 to 25 June 2021⁽²⁾)



Source: Bloomberg, Accent Filings.

1. Assumes 100% dividend reinvestment on the ex-dividend date.
2. Year ended 27th of June 2021. Last day of ASX trading 25th of June 2021.

At Accent we "Make It Happen."



Our People

Our people come first



Our Responsibilities

We act with integrity



Our Environment

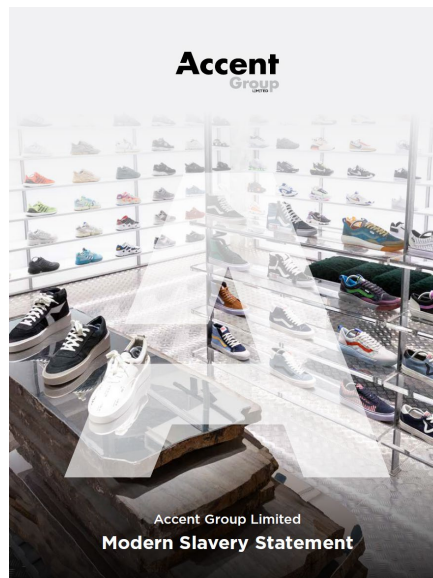
We care for our environment

Team Engagement

TEAM ENGAGEMENT SURVEY

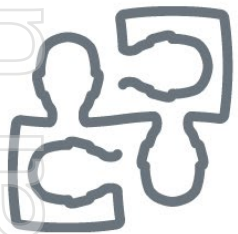
One group. 2021
Your voice.
Be heard.

Ethical Sourcing Policy



Partnership with Aust Sporting Goods





headspace

National Youth Mental Health Foundation

Youthline

Changing lives.

Accent
Group



Daniel Agostinelli - Group CEO

Operational highlights – another year of record profits

Record Sales

Over \$1.1b

First time to achieve over \$1b in sales

VIP & Loyalty

8.4 million
Contactable customers

Additional 1.6m contactable customers in FY21

New Stores

90
new stores opened

All new stores trading ahead of budget

Vertical Owned Brands

\$25.6m
sales

+103.2% sales growth in FY21

Digital Growth

+48.5% on FY20

20.9% of retail sales

StyleRunner

4

Stores trading at June 2021

All stores trading well ahead of expectations
15 new stores to open by early 2022

Accent Lifestyle

Glue Stores & Trend Imports acquisition

Integration and growth plan on track
6 new stores signed

Skechers

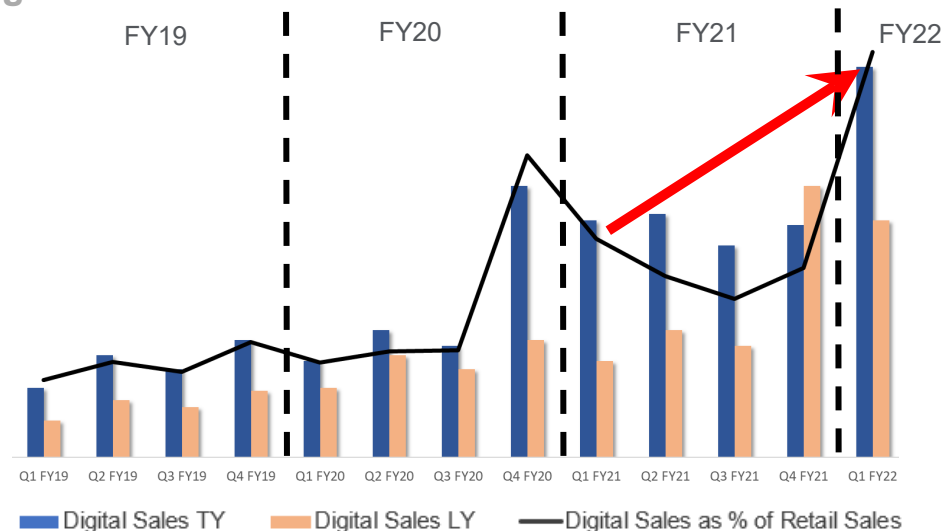
Licence agreement renewed to 2032



Strong growth in digital sales continues

- Strong results delivered across all digital KPIs for FY21
- Growth in digital sales continued in the period July 2021 to September 2021, with sales up **64.7%** on prior year and representing **c46%** of retail sales
- Conversion rates remain strong up 40% on prior year, driven by improved marketing and website capability
- **Targeting 30% of sales from digital over time**

Digital Sales Growth



Key Metrics¹

	H1 FY21	H2 FY21	FY21 Full Year	FY22 Q1
Digital Sales	+109.6%	+16.2%	+48.5%	+64.7
Website Sessions	+53.4%	+7.2%	+24.4%	+13.4%
Orders	+99.9%	(0.7%)	+30.8%	+58.3%
Conversion Rate	+31.6%	(7.4%)	+5.1%	+39.6%
Avg. Order Value	+8.0%	+2.6%	+4.7%	-4.4%
Digital as a % of Total Sales	22.5%	19.7%	20.9%	46%

¹: Percentages shown in the table represent growth on the same period last year

Virtual:

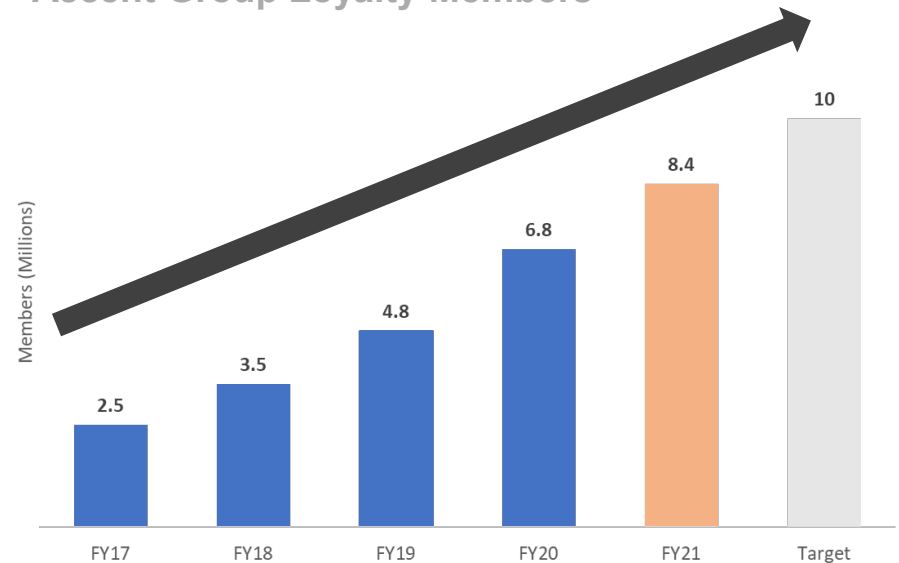
- **\$6.3m** in virtual sales FY21, run rate of over \$100k per week in FY21. Virtual sales program was launched in April 2020
- Dedicated virtual sales hubs launched in the Melbourne and Sydney support offices
- ~40,000 orders transacted through the virtual sales channel



VIP:

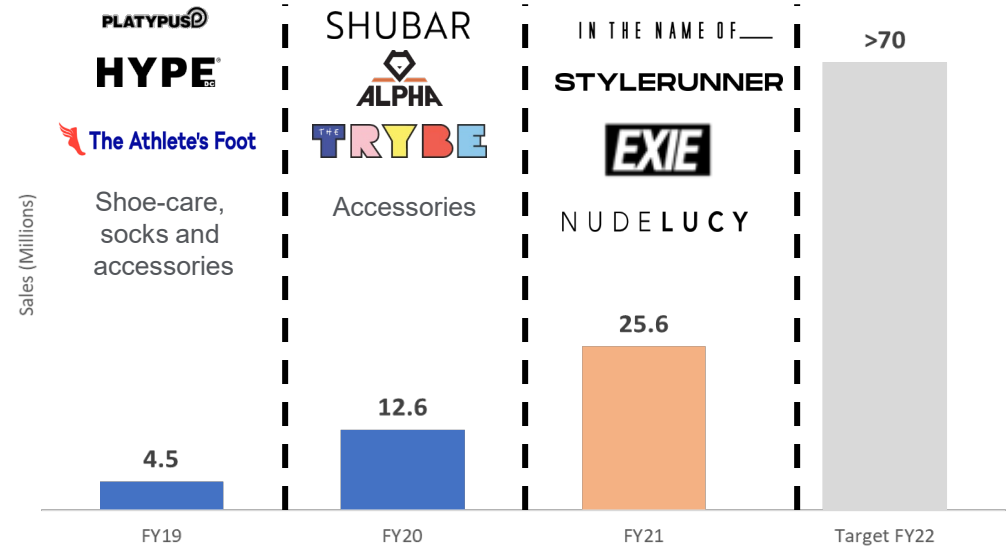
- **8.4m** contactable customers
- Objective is to grow our customer database to **10m** customers
- Skechers loyalty program successfully launched in March '21 with strong early results. 345,000 new customers since launch. Hype DC and Platypus to launch in FY22

Accent Group Loyalty Members



- **\$25.6m** of sales in FY21, up **103.2%** on prior year (\$12.6m)
- Vertical program momentum accelerates
- 10 owned vertical brands
- Acceleration into owned apparel through Stylerunner, Exie and Glue Brands
- 4 EXIE stores now trading. First Nude Lucy pop up store trading in Bondi
- Targeting at least **\$70m** in sales for FY22. Since re-opening, run rate of c\$1.3m sales per week.

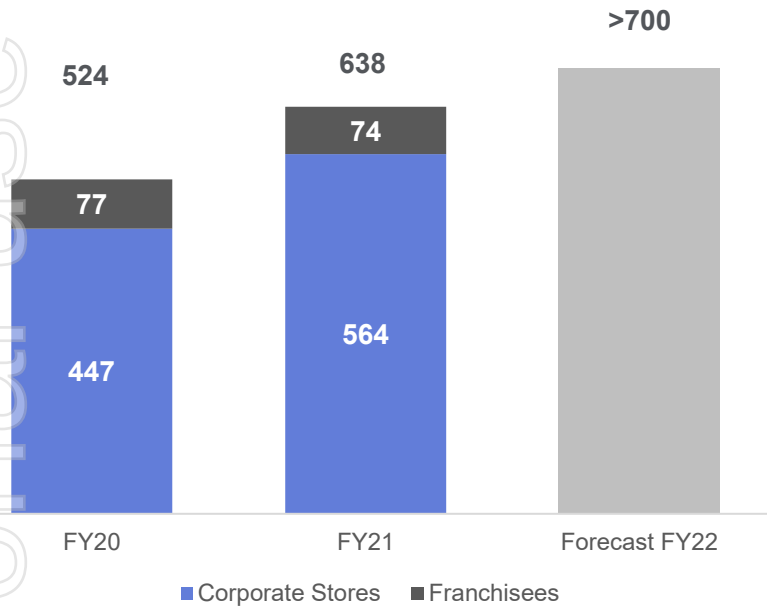
Vertical and Owned Brands Sales



Nude Lucy

- New store openings ahead of schedule – 63 stores opened to the end of October
- Now expect to open more than 120 new stores including new concepts in FY2022
- Potential closure of up to 10 stores where sustainable forward rents cannot be agreed
- Strong performance from new stores continues

Store Network¹



¹ Net after store closures



Exie Sunshine Plaza store

- 14 stores trading as of 19 November 2021
- Significant focus and growth on developing StyleRunner The Label
- Significant focus on margin growth through vertical owned brands (StyleRunner The Label, EXIE and Nude Lucy) and other key brand partners
- Store opening program ramping up. At least 20 stores planned to be trading by early 2022, including New Zealand market entry
- 40 stores identified to be trading by Christmas 2022
- Targeting a 60+ store network in Australia and New Zealand within the next 3 years
- International shipping commenced to USA, Singapore, and Hong Kong. Strong early results and testing the US market.



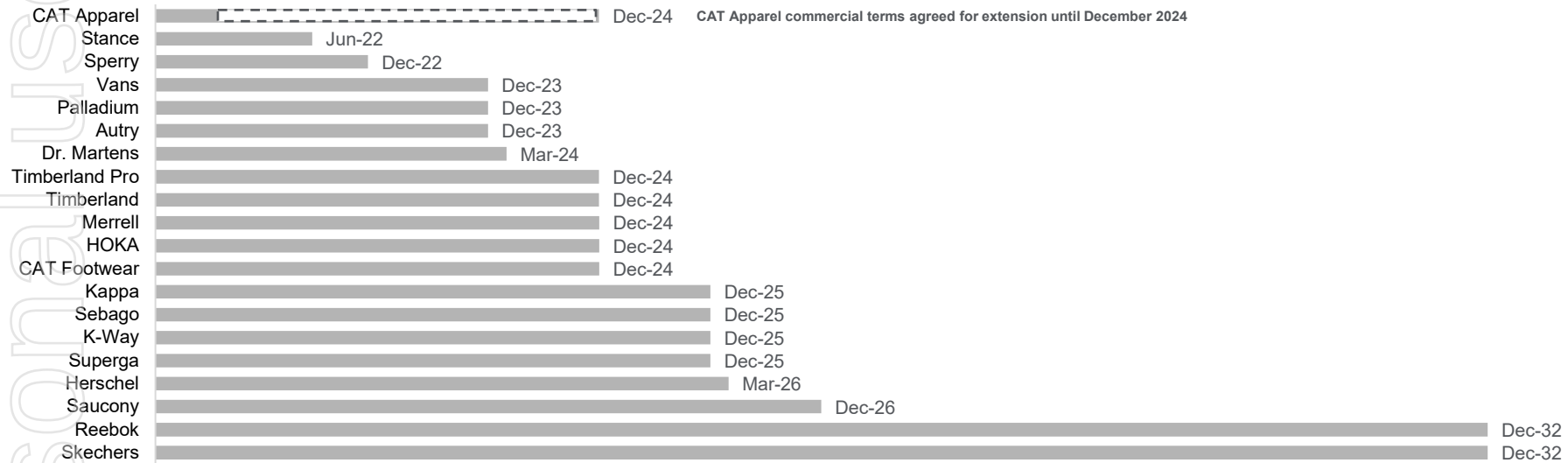
Stylerunner The Label

- Significant margin improvement initiatives underway, leveraging Accent's capabilities
- Glue Chadstone and Highpoint, new world class store concepts, opened in early November 2021. Further 3 stores to open by December 2021
- Grow to a network of at least 60 stores by December 2023
- Continue growth in vertical owned brands. Currently 25% of Glue sales. Target to grow to 40% of Glue sales
- Digital currently 20% of sales. Plan to more than double digital sales dollars by FY25
- Continued growth in wholesale through Superga, Sebago, K-Way and Kappa distribution agreements and wholesale sales of owned brands (Nude Lucy, Article One and First Muse)



New and updated distribution agreements

- Accent distribution agreements:
 - Skechers agreement extended to December 2032, Timberland and CAT footwear agreements extended to December 2024 and Saucony extended to December 2026. CAT apparel extension agreed in principle until December 2024.
- Glue & Next Athleisure distribution agreements:
 - Superga, K-WAY, Kappa and Sebago renewed to December 2025
- Herschel, Hoka, Timberland Pro, Autry and Reebok new distributions acquired



FY2033

Reebok distribution agreement

- New distribution agreement for Reebok signed with Authentic Brands Group, from March 2022 to December 2032
- Reebok is an iconic global brand with deep ties to professional sports and pop culture
- Planned growth in existing sports oriented wholesale accounts, direct online sales and our own multi-brand retail banners all of which currently stock Reebok
- Further strengthens Accent Group's competitive moat, which is a broad and deep portfolio of international and vertical owned brands



Trading update

- Trade in the first 18 weeks was significantly impacted by the state and territory-wide government mandated store closures in New South Wales (NSW), Victoria (VIC), the Australian Capital Territory and periodically other regions throughout this period. More than 400 stores were closed with a subsequent impact to sales and gross margin
- For the first 18 weeks, the impact against the management plan was:
 - Owned retail sales down \$86m (or approximately 26%);
 - Gross margin % down 700 basis points;
 - EBIT¹ down approximately \$40m; and
 - Aged inventory remains clean, with an additional \$20m of stock largely sitting in core and current seasonal lines.
- Since reopening in NSW and VIC, sales results have been strong:
 - NSW Like-For-Like (LFL) store sales (11 October - 14 November) up 8.4% on last year;
 - Victoria LFL store sales (29 October – 14 November) up 5.9%, cycling Victoria reopening last year; and
 - Group sales and gross margin for the last 3 weeks, and in particular since Auckland re-opened on 8 November, have been positive and largely in-line with expectations.
- Given the ongoing uncertainty around trading conditions due to COVID-19, the Board has determined not to provide any forward guidance at this time

1. Unaudited result

Notice and disclaimer

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