

ASX Announcement
25 January 2022

Trading Update

Accent Group Limited (ASX: AX1)

Accent Group Limited (the **Company** or **Group**) today provides an update on trade and EBIT for the 6 months ended 26 December 2021.

The Company expects that H1 EBIT¹ (Post AASB16) will be in a range of \$30.0 - \$31.0 million.

Like-For-Like sales across November and December were down 3.4% compared with H1 FY21 and up 4.8% on the Pre-COVID H1 FY20 sales. Digital sales remained strong throughout this period. Gross Margin % in December recovered well and was above expectations as the Company drove full-price trade in the lead up to Christmas.

Trade in November and early December was broadly in line with expectations, with strong demand following the reopening of Victoria and New South Wales. Store traffic and sales in the final week of December, and in particular Boxing Day, was well down on expectations and the prior year, which the Company attributes to the rise in COVID-19 (Omicron variant) case numbers and the related impact to store traffic. This impact was experienced across all banners and states including in New Zealand, with the most significant impact in New South Wales, which is the Group's largest state. Trade for the first four weeks of January continues to be adversely impacted by the ongoing effect of Omicron case numbers. Inventory levels at the end of December were back in line with the original plan and there have been delivery delays from external suppliers across December and early January.

Group CEO Daniel Agostinelli said "I would like to thank our team for their ongoing efforts and for successfully navigating the significant store operational challenges experienced over the last 6 weeks. It is clear that the ongoing pandemic continues to impact customer traffic and trade in the short term. Considering the lockdowns and other COVID-related impacts experienced in the first half of the year, I am pleased with the performance of the business. We have a proven and high-quality management team that has risen to the challenges and effectively dealt with the complexities around store operations, staffing and supply chain due to Omicron. As we emerge from the COVID-19 pandemic, I am confident that our integrated omnichannel business model and key growth strategies, including digital, new stores, vertical owned brands, new businesses and exclusive distribution agreements remain highly relevant and position us well for the future."

The Company will release results for the H1 FY22 to the ASX after market close on Tuesday, 22 February. An investor briefing is scheduled for 9am on Wednesday, 23 February:

Accent Group FY22 Half-Year Investor Briefing | February 23 | 9:00am AEDT

https://openexc.zoom.us/webinar/register/WN_mEu2AsRBS6e2uT9j2Yq5lw

Webinar ID: 913 7689 4066

¹ H1 EBIT based on unaudited post AASB results

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

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