



1H FY22 Results

24 February 2022

dusk Group Limited ('dusk', ASX:DSK), releases its results for the 26 weeks to 26 December 2021 (1H FY22) which is in line with the recent trading update announced on 24 January 2022.

1H FY22 Performance

- Sales down 12.0% to \$80.0m, compared to \$90.9m in 1H FY21 and \$58.6m in 1H FY20
 - Total Like for Like sales (LFL)¹ down 10.1% (cycling +49.3% in 1H FY21)
 - Stores LFL down 11.5% (cycling +44.0% in 1H FY21)
- Online sales up 2.8% (cycling +120.0% in 1H FY21), delivering \$7.7m and contributing 9.7% of total sales
- Pro forma gross margin rate of 68.0%, up from 67.7% in 1H FY21
- Pro forma EBIT² of \$21.3m, compared to \$28.0m in 1H FY21 and \$9.6m in 1H FY20
- Net cash at period end of \$33.3m
- Our store network finished the half at 128 stores (incl online), an increase of six new stores
- dusk rewards active members grew to 718,000
- Interim fully franked dividend of 10 cents per share declared

Sales growth, unaudited	1H FY22 versus:	
	1H FY21	1H FY20
	%	%
Total Sales	-12.0	+36.5
Total LFL Sales	-10.1	+25.4
Stores Sales	-13.4	+31.0
Stores LFL Sales	-11.5	+18.8
Online Sales	+2.8	+126.1

As previously advised, sales have been adversely impacted in the period by the government mandated stores closures in NSW, Victoria and ACT. This has reduced the number of store trading days by approximately 24% (5,483 trading days lost). In addition, when stores were open, foot traffic in centres was significantly lower as many shoppers appear to have exercised caution as the potential risk of infection of the Omicron variant of COVID-19 escalated through December.

Average Transaction Value (ATV) at \$57 was 5.8% higher than 1H FY21. This was driven by price increases executed in June 2021 and the continued shift to higher priced Home Fragrance product.

¹ LFL sales calculation excludes stores closed for refurbishment or COVID-19 related closures

² Pro forma EBIT is unaudited and excludes IPO related costs, the net benefit of JobKeeper, NSW JobSaver receipts, rental concessions, Eroma acquisition costs and is pre-AASB 16

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dusk Rewards, our pay to join membership program has grown to over 718,000 active members. dusk Rewards' members generated 62% of total company sales in the half vs 59% in 1H FY21. dusk Rewards members continue to spend more and more often than non-members.

The Board have declared a fully franked interim dividend of 10 cents per share. The record date for this dividend is March 14th with a payment date of March 28th.

CEO Peter King said, *"Given the circumstances faced during the half, there is much to be pleased about in the overall result delivered, especially having regard to the fact we cycled exceptional LFL sales growth from the prior corresponding period. We remain focused on our customer and strategic priorities, and have made tangible progress on our growth strategies, including continued store roll out in Australia, preparing to commence operations in New Zealand, and the acquisition of Eroma".*

2H FY22 Trading Update

In the first eight weeks of 2H FY22, consumer sentiment continued to be soft and shopping centre foot traffic was sharply down. Pleasingly our sales conversion rates and ATV remain up vs pcg. Sales performance is as per the below table:

Sales growth, unaudited	2H FY22 versus:	
	2H FY21	2H FY20
First eight weeks	%	%
Total Sales	-11.8	+28.4
Total LFL Sales	-14.8	+30.8
Stores Sales	-14.5	+22.1
Stores LFL Sales	-17.9	+23.7
Online Sales	+19.4	+121.8

We have seen disruptions in distribution both locally (incl WA) and from our international suppliers, however inventory is now healthy. Freight costs remain elevated, although not to the same extent as in the 1H.

The store rollout continues with four new stores confirmed to be opened in time for Mother's Day.

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

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About dusk

dusk is an Australian specialty retailer of home fragrance products, offering a range of dusk branded premium quality products at competitive prices from its physical stores and online store. dusk's product range is designed in-house and is exclusive to dusk. dusk has grown to become the leading Australian omni-channel specialty retailer focused on home fragrance products. The product offering comprises candles, ultrasonic diffusers, reed diffusers and essential oils, as well as fragrance related homewares. Our goal is to be our customers' preferred destination for home fragrance products and for their gifting needs – including personal indulgences and 'gifts for one's self'.

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