

DUSK GROUP LIMITED

ANNUAL GENERAL MEETING

21 November 2022

**dusk is the leading omni-
channel speciality retailer of
home fragrance products**



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YOUR BOARD

Non-executive Directors

Independent



 John
Joyce



 Katherine
Ostin



Trent
Peterson



 David
MacLean



 Tracy
Mellor



Peter King
Executive Director

PROCEDURAL MATTERS



CHAIR'S ADDRESS



FY22 Results Summary

FY22	vs FY21	vs FY20	vs FY19 ¹
Total Sales \$138.4M	-6.9%	+37.3%	+60.7%
Online Sales \$11.6M	+2.9%	+30.7%	+156.6%
Gross Margin 67.7%	-44 bps	+265 bps	+327 bps
Proforma EBIT ² \$26.5M	-31.1%	+124.3%	+313.9%
Total Dividend 20.0 cps	-5.0 cps	n/a	n/a

¹ FY19 was the most recent year that was not impacted by COVID-19

² Refer to the FY22 Investor Presentation for a reconciliation of proforma and statutory results

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CEO & MANAGING DIRECTOR'S ADDRESS



Leading omni-channel specialty retailer of home fragrance products

Highly differentiated product offering, vertical retail model and paid loyalty program

Vertical retail model provides flexibility and control

Unique paid loyalty program
>755k members

Profitable store network
132 stores*

Compelling customer proposition

Track record of product innovation

Long-term supplier partnerships

Affordable luxuries
ATV of \$54

Gifting 30-40%
of sales

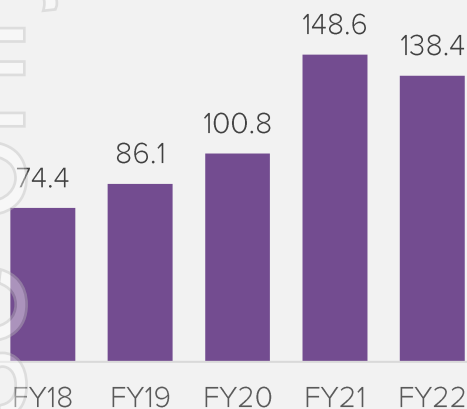
Growth in high margin consumables

* Store count as at the end of FY22 and includes the online store

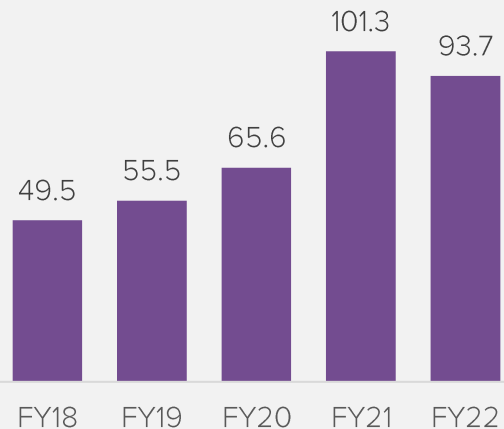
Track Record of Performance

Despite disrupted trading conditions in FY22, dusk consolidated a step change in all key metrics

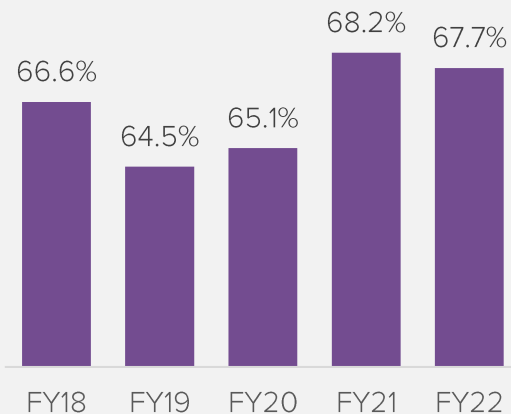
Sales (\$M)



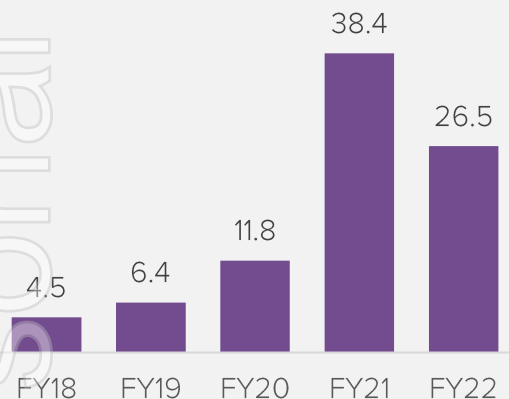
Gross Profit (\$M)



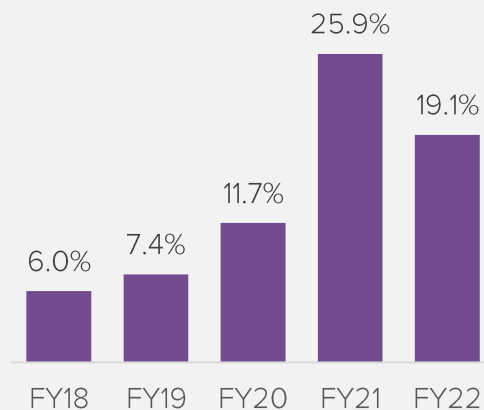
Gross Margin (%)



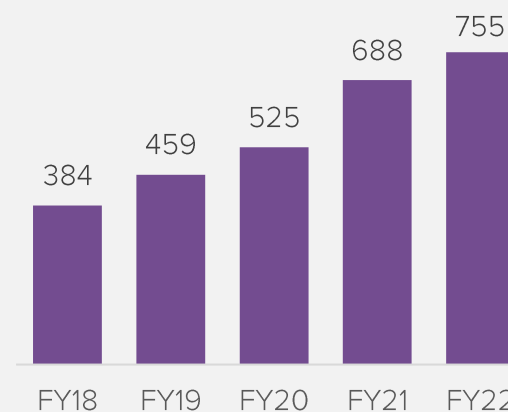
Pro Forma EBIT (\$M)



Pro Forma EBIT Margin (%)



dusk Rewards Members (# 000's)



FY22 Strategic Outcomes

Generating sustainable long-term growth by leveraging core competencies to grow market share

KEY DRIVER

COMMENTARY



PAY-TO-PLAY
LOYALTY MODEL

- 755k active dusk Rewards members and growing (688k vs pcg)
- \$10 fee maintained for a two year membership period
- Members contribution represent 62% of sales
- Increased frequency and monetisation
- Transaction history delivering insights into purchase intent and cross sell / upsell opportunities



OMNI-CHANNEL

- Digital sales increased 2.9% in FY22 and represents 8.3% of sales
- Replatformed website went live in August 2021 and is a key enabler to accelerating our omni-channel capabilities
- Increasing execution of customised communications



EXPANDING STORE
NETWORK

- Management track record for disciplined store rollout
- 10 new stores opened in FY22 despite COVID-19 disruptions
- All stores profitable on an annual basis with increased store contribution from rental negotiations
- Targeting outer suburban and larger regional cities / towns
- ROCE < 12 months through significant landlord contributions to new stores
- Focus upon converting remaining 27 legacy stores to new Glow 2.0 format
- Entry into NZ with a 3 store trial plus website in 1H FY23



DUSK PROPRIETARY
PRODUCT

- Creating innovative products designed to enhance our customers' sensory experience
- Differentiated product offer unique to dusk
- Bringing 'affordable' products to market (current ATV of \$54)
- Increasing the growth of consumables to drive customer visitations

Trading Update & Outlook

TRADING UPDATE

We are pleased with the sales results for the first 19 weeks of FY23, with total sales of \$40.5m, up \$7.8m vs pcip

Sales growth, unaudited	First 19 weeks FY23 versus:		
	FY22	FY21	FY20
Headlines:	%	%	%
Total Sales	+23.9	-4.5	+47.4
Store Sales	+41.1	+1.6	+48.8
Online Sales	-61.7	-54.4	+25.4

- Gross margin rate is in line with pcip
- Sell through of Halloween product was strong, and we continue to see customers respond well to new ranges
- The early response to our seasonal offering for Christmas 2022 has been encouraging
- The initial response of NZ customers to our offer and first 3 stores and online has been pleasing
- 5 new stores in Australia have opened in time for Christmas
- Given seasonality, the FY23 results are significantly influenced by our trading in the next seven weeks

FY23 OUTLOOK

- Given seasonality and the uncertainty that persists in the macro environment, the Board is unable to give FY23 sales and earnings guidance at this time
- We expect to open 3 to 4 new stores in Australia in the 2H
- It is likely that we will open more stores in NZ if trading continues to meet expectations
- All stock for Christmas is in store and inventory is currently well-balanced to meet demand
- Our strategy and focus on strong execution and remaining nimble is unchanged

WE DRAW CONFIDENCE FROM THE FUNDAMENTALS

- ✓ Less likely to have store closures in FY23
- ✓ Category leader with vertical business model and strong margins
- ✓ Low price item an “affordable luxury”
- ✓ Differentiated product range with broad mid-market appeal and strong loyalty program
- ✓ Ongoing product innovation opportunities
- ✓ Engaging service and loyal customer

ITEMS OF BUSINESS



Item 1 Financial Report, Directors' Report and Auditor's Report

“To receive and consider the financial report, directors' report and auditor's report for the Company and its controlled entities for the year ended 3 July 2022.”

Item 2.1 Re-election of Director

“That Katherine Ostin, being eligible,
be re-elected as a Director of the Company.”

Proxies Received	# Votes	% Votes (excluding abstentions)
For	15,897,168	98.44%
Open	83,728	0.52%
Against	167,372	1.04%
Abstained	9,124	n/a



Item 2.2 Re-election of Director

“That David MacLean, being eligible,
be re-elected as a Director of the Company.”

Proxies Received	# Votes	% Votes (excluding abstentions)
For	14,963,930	98.41%
Open	83,728	0.55%
Against	157,806	1.04%
Abstained	8,505	n/a



Item 3 Remuneration Report

“That the Remuneration Report for the year ended 3 July 2022 be adopted.”

Proxies Received	# Votes	% Votes (excluding abstentions)
For	11,700,760	94.78%
Open	83,728	0.68%
Against	560,656	4.54%
Abstained	203,021	n/a



Item 4 Issue of Performance Rights to Chief Executive Officer and Managing Director

“That approval is given for the purposes of ASX Listing Rule 10.14 and for all other purposes, for the grant of performance rights to the Chief Executive Officer and Managing Director, Peter King, on the terms set out in the Explanatory Memorandum.”

Proxies Received	# Votes	% Votes (excluding abstentions)
For	15,222,914	94.66%
Open	83,728	0.52%
Against	775,064	4.82%
Abstained	6,490	n/a

MEETING CLOSED



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Financial data

All figures in the presentation are in Australian dollars (\$) or A\$ unless stated otherwise. A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Financial Information

The pro forma financial information provided in this presentation is for illustrative purposes only and does not represent a forecast or expectation as to dusk's future financial condition and/or performance.

