

**ASX Announcement
21 November 2024**

**2024 Annual General Meeting
Chairman and CEO Address to Shareholders**

Accent Group Limited (ASX: AX1)

Slide 1 – Cover slide

CHAIRMAN, DAVID GORDON

Good morning ladies and gentlemen. My name is David Gordon and, on behalf of the Board, it is my pleasure as Chairman to welcome you to the 2024 Annual General Meeting of Accent Group Limited.

I am advised that a quorum is present and I now declare the meeting open.

I begin today by acknowledging the Traditional Custodians and Owners of country throughout Australia and their connections to land, sea and community. I pay my respects to their Elders past and present, and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

For our New Zealand attendees, Kei ngā Iwi (pronounced KAY-NAH-IWI), kei ngā Mana (pronounced KAY-NAH-MANA), Tēnā koutou katoa! (pronounced TENA-KOTO-KA-TOA).

As we have done in previously, today we are holding a hybrid meeting where we can welcome shareholders in-person as well as online via the Computershare platform. Those attendees joining us virtually can hear a live webcast of the meeting. In addition, shareholders and proxies attending virtually also have the ability to ask questions and submit their votes via the online platform.

Slide 2 – How to ask a question

Virtual attendees can submit questions at any time. To do so, please select the “Q&A icon” at the top of the screen. Select the topic your question relates to from the drop-down list, and then type your question into the text box. Once finished, please press the send button.

Please note that while you can submit questions from now on, I will only address them at the time when the relevant item of business is discussed.

Please also note that your questions may be moderated or, if we receive multiple questions on the same topic, amalgamated together.

For those shareholders who wish to ask a question via the telephone, please follow the instructions below the broadcast.

For our shareholders attending in person today, those in possession of either an orange voting card or blue non-voting card are welcome to ask questions, while those with a white visitor card are kindly requested to only observe during the meeting. If you believe you have not received the correct card, please go to the registration desk where a Computershare representative will assist you.

I will give all shareholders who wish to speak a reasonable opportunity to do so, but please keep your questions to the matter at hand, and as succinct as possible.

Slide 3 – How to vote

Voting today will be conducted by way of a poll on all items of business. In order to provide you with enough time to vote, I will shortly open the voting for the resolutions in Items 2 to 5. The resolution in Item 1 carries no vote.

For our shareholders attending virtually, if you are eligible to vote, once voting opens, select the vote icon and all resolutions will be activated with voting options. To cast your vote, simply select one of the options. There is no need to hit a submit or enter button as the vote is automatically recorded. You will receive a vote confirmation notification on your screen. You have the ability to change your vote up until the time I declare voting closed.

For those attending the meeting in person, if you are eligible to vote, you will have received an orange voting card at registration. If you believe you are entitled to vote and have not received the correct voting card, please see the Computershare staff at the registration table. To cast your vote, simply complete and sign the back of the card.

A Computershare representative will collect your orange voting card at the end of the meeting.

I now declare voting **open** on the resolutions in Items 2 to 5. For our online shareholders, the voting options will soon be activated, so please submit your votes at any time. I will give you time and a warning at the end of all items of business before I move to close voting.

Slide 4 – The Board

Joining me here today is Daniel Agostinelli, our Group Chief Executive Officer...

Slide 5 – The Board (cont)

...and our non-executive directors Michael Hapgood, Donna Player, Lawrence Myers and Anne Loveridge AM.

You may be aware that both Brett Blundy and his alternate, Tim Dodd have resigned from the Board. I wish to thank both of them for their outstanding contribution to the Board during a period of rapid growth at Accent Group. We have been the fortunate beneficiaries of their expertise and their dedication to Accent Group.

Slide 6 – Other attendees

We are also joined by our Chief Financial and Operating Officer and Joint Company Secretary, Matthew Durbin, and our Group General Counsel and Joint Company Secretary, Nikki Nuttall. The Company's auditor, Pricewaterhouse Coopers, is represented by partner Alison Milner today. A number of our executive leadership team and other Accent team members are also in the room.

You may have also seen that our General Counsel and Co Company Secretary, Alethea Lee, resigned recently in order to pursue other opportunities. I wish to thank Alethea for her contribution and wish her all the best with her future endeavours.

Slide 7 – Agenda

At today's meeting, we will be considering a number of matters set out in the Notice of Meeting dated 18 October 2024. Before we address the resolutions set out in that Notice, I will make some introductory remarks and provide an overview of our FY24 results and how we are continuing to create value for our shareholders, before passing over to our Group CEO, Daniel Agostinelli, to give his address.

Slide 8 – The Accent growth journey

I would like to begin by saying that, in the context of a more challenging consumer environment despite not delivering the results that we had hoped for, Accent Group delivered total sales of \$1.61 billion in FY24 with a net profit after tax of \$59.5 million. It was also pleasing to note that the Accent Group was able to capitalise on the strength of its brands and defensible market position to finish the year with positive sales momentum.

Over the past financial year, the Company has continued to expand its store network by adding another 93 stores, and its contactable customer base now sits above 10million.

The company remains focused on growth and return on investment for shareholders, with newer banners such as Nude Lucy, Stylerunner, Hoka and UGG performing well, alongside continued growth in Skechers, The Athlete's Foot, Hype DC and others.

The Company continues to invest in key areas as it maintains a focus on its growth strategy. The ongoing expansion of the store network, development of digital capability, growing our distributed brands, and improving on our vertical brands are all investments that have been targeted towards continuing the Company's long-term growth trajectory.

I take this opportunity to acknowledge and commend the entire Accent team, for working with dedication, focus and energy.

Slide 9 – The Accent business model

These achievements build and reinforce the Company's strong and defensible market position, as well as increasing our relevance in target markets across Australia and New Zealand.

The Accent business today is scalable, with future growth opportunities through online and new store growth, our large and diverse brand portfolio, and our new businesses.

Our business is flexible, with proven capability to leverage digital and online reach, and to quickly respond to trends through our diversified portfolio of brands across footwear, accessories, and youth and lifestyle apparel.

The market position of the business is also defensible. Our distribution relationships provide access to global product innovation and exclusive access to product. Our vertical owned brands add to product differentiation and support underlying gross margin growth.

Slide 10 – FY24 financial performance

Turning now to the results, total owned sales for the FY24 year (excluding The Athlete's Foot franchisees) was \$1.43 billion dollars, up 2.7% on the prior year. EBIT of \$110.4 million dollars was down 20.5% on the prior year, with NPAT of \$59.5 million down 32.9% on the prior year. Gross margin percentage improvement of 58 basis points to 55.8% was achieved.

Slide 11 – Value creation and investor value proposition

Over the last 10 years, Accent Group has delivered a total shareholder return of 21.2% per annum compounding, outstripping that of the ASX200 at 9.5% per annum compounding annualised return. I am very proud to be able to say that we have delivered long-term shareholder growth over the last 10 years of double that of the ASX200. This is something we aim to continue.

Slide 12 – Sustainability Update

The Accent Group sustainability framework guides our commitment to ESG through three core pillars: our people, our responsibilities, and our environmental stewardship.

At Accent Group, we prioritize our people because they are our greatest asset and their dedication is the foundation of our success.

In FY24, our team completed 600 safety audits in our stores, and we also improved our reporting processes for team members. We are committed to providing a safe working environment and as such we have strengthened our internal safety training program.

For diversity and inclusion, we are proud to maintain a 65:35 female to male ratio across the Group and our Board has also achieved its target of 30% female representation.

In our training function, we have launched the Accent Group Leadership Academy, engaging team members across all levels of leadership. We have also enrolled 475 team members in A.G. UNI for those seeking qualifications in retail.

Our responsibilities pillar centres on integrity and ethical practices. We are dedicated to supporting the communities we serve and protecting the information we manage.

In ethical sourcing and modern slavery, we've updated our policies and utilize the "Our Supply Chain" portal for supplier and factory audit data.

We have continued our excellent community relationship with Headspace in Australia and Youth Line in New Zealand, along with various local initiatives led by our brands.

With data security top of mind, we have enhanced our anti-phishing measures and improved our critical incident response programs.

Our environment pillar is a priority, and we're committed to initiatives that minimize our impact on the planet.

Through the Treadlightly recycling program with the Australian Sporting Goods Association, we have 286 customer collection points in our stores and successfully collected over 51,000 pairs of shoes for recycling.

We have introduced the Alpha "Dux" school shoe made from recycled leather and many of our global distribution brands also ensure that sustainable practices and materials are being used across their ranges.

Finally, we have calculated our Scope 1 and 2 emissions and are preparing to meet the new carbon reporting standards by FY26. We also remain an APCO member for packaging compliance. Together, we're working towards a more sustainable future.

I will now hand over to Daniel, our Group Chief Executive Officer, to tell you more about our achievements in FY24, and our plans for the future.

Slide 13 – Daniel Agostinelli, Group CEO

GROUP CHIEF EXECUTIVE OFFICER, DANIEL AGOSTINELLI

Thank you, David, and good morning everyone.

Slide 14 – Operational Highlights

Total Group sales (including The Athlete's Foot Franchisees) are now over \$1.6 billion dollars.

In FY24, we opened 93 new stores across all formats in Australia and New Zealand, to increase our total number of retail and online stores to 895 stores. Nude Lucy was the recipient of several new stores, with 36 stores now open representing a fast-growing world class lifestyle apparel brand. Platypus and Skechers continue to grow and had 49 new stores opened just between the two banners.

Our contactable customer database has grown by 400,000 to 10.2 million customers.

Pleasingly, our vertical brands and product sales are now in excess of \$125 million which represents around 9% of total sales.

Slide 15 – Retail, Wholesale and Vertical Owned Brands

As mentioned, during the year, we opened 93 new stores across all formats. We made the decision to exit 17 underperforming stores relating to the Glue Store business. We also sold the Trybe business and the CAT distribution agreement will not continue beyond its expiry at the end of December 2024. We saw strong retail performance across Sketchers, Hype, The Athlete's Foot, Stylerunner, and Nude Lucy.

Wholesale sales were down 16.9% in FY24. Sales of vertical owned brands and products continued double digit growth with sales over \$125 million representing around 9% of total owned sales.

Slide 16 – Loyalty

As mentioned, throughout FY24 we grew our contactable customer database by 400,000 to 10.2 million, which was the result of a strong drive to invite customers to provide email details instore. In November 2023, the Company also launched an exclusive loyalty partnership with Qantas where customers can earn and spend Qantas points across the Accent banners. To date we are seeing new customers and a higher average spend on the Qantas linked transactions.

For FY25, we will be focussing on continued roll-out of new stores, improving the underlying gross margin from our 'moat' brands (being our distributed and vertically owned brands), growth in Nude Lucy, operational improvement in Glue Store and Stylerunner, profit growth from The Athlete's Foot and continued growth in digital sales.

I hope this gives our shareholders a clear idea of the activity and growth the Company has planned in the upcoming future. We continue to build a defensible business in Australia and New Zealand. Our portfolio of global distributed brands, owned vertical brands, integrated digital capability and large store network are core assets of the Group, and position the Company well for growth into the future. I look forward to working with our team to continue to deliver strong results.

I will now hand back over to David.

**Slide 17 – Trading update
CHAIRMAN, DAVID GORDON**

Thanks Daniel.

Along with our AGM presentation, we released a trading update to the ASX this morning.

For the first 20 weeks of FY25, based on trade to date, total Group owned sales YTD are up 6.8% compared to the prior year, with like-for-like sales up 3.5%. FY25 gross margin % is down 0.7% comparable period last year.

The continued focus on cost of doing business efficiency is starting to gain traction with cost of doing business % to sales improvement to last year inclusive of the impact of restructure costs for the support team.

Our store opening program is on track with around 40 new stores expected to open in H1 FY25.

And finally our in-stock position along with sales and operational plans are well set heading into the largest trading months of the year.

You will see that we have also announced today that, following the Frasers Group Shareholding acquisition in August, the Company intends to appoint Dave Forsey, a former CEO of Sports Direct and current Frasers General Manager APMEA to the Accent Board effective from the conclusion of the AGM today. We welcome Dave to the Board and look forward to working with him.

For further information contact:

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