

Accent Group LIMITED

2018 ANNUAL
GENERAL MEETING



David Gordon
Chairman

Accent
Group
LIMITED

Building 2

64

Balmain St

Agenda

Item
Welcome and introduction
Update on growth plan
FY18 financial performance and shareholder value creation
Trading update and outlook
Formal business

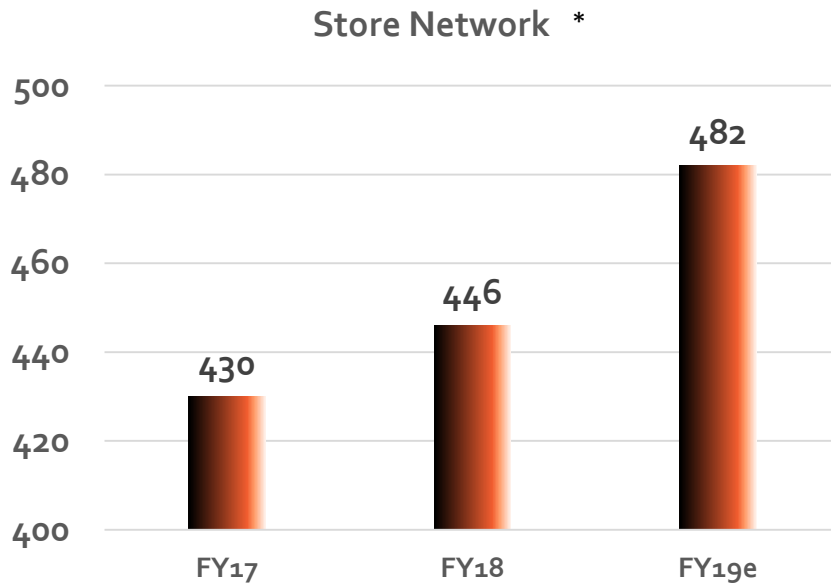


Daniel Agostinelli
CEO

Growth Plan

New stores

- New store openings ahead of plans
- More than **40** new stores now expected to open in FY19
- Platypus megastores opening in Melbourne Central and Pitt Street Sydney



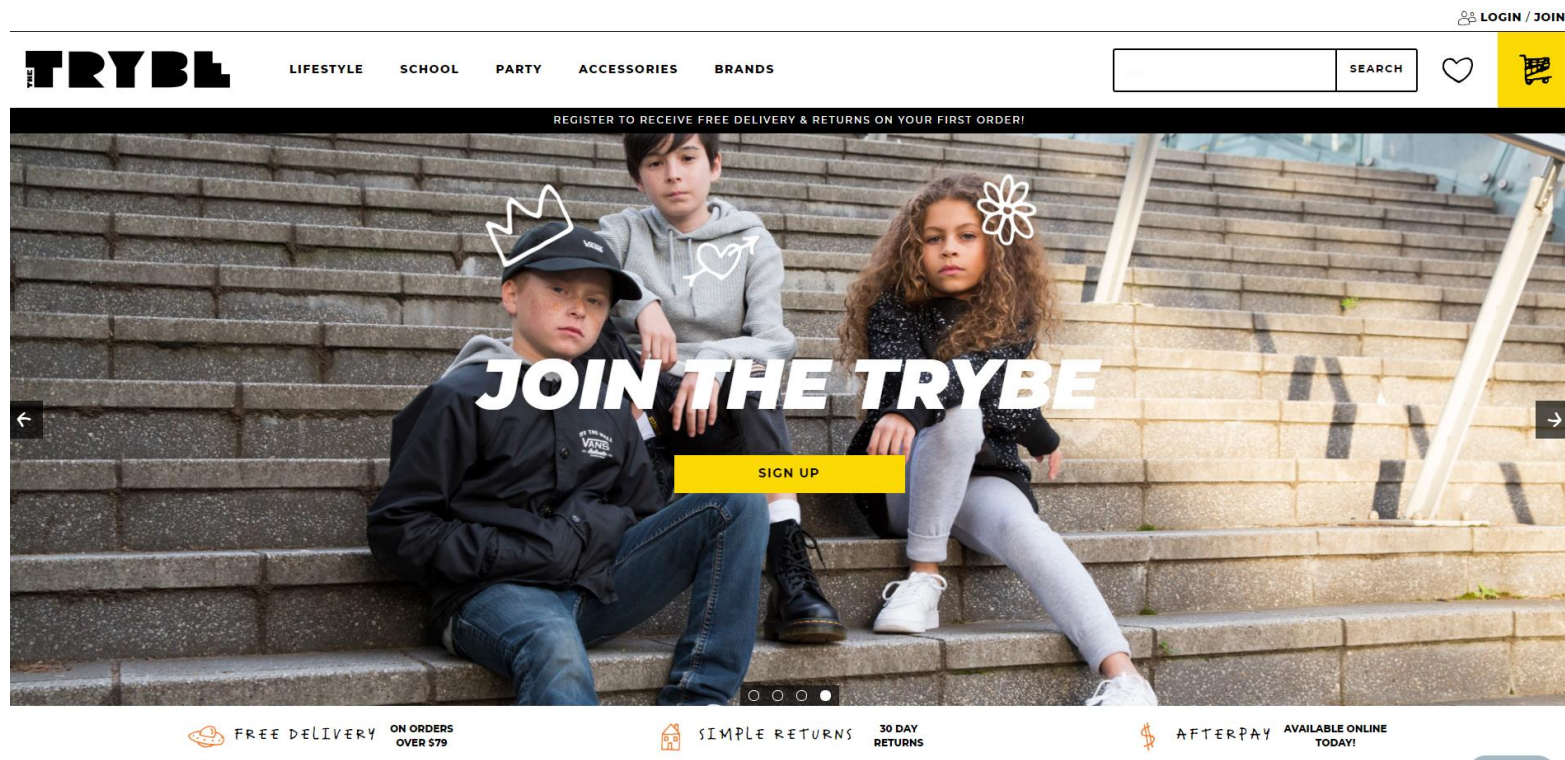
*Net after store closures



The new Platypus Macarthur Square

Digital

- FY18 digital sales up **131%** on FY17, and up c**88%** YTD FY19
- Rollout of same day delivery during FY19
- Endless aisle across all banners
- Launch of The Trybe, a new premium kids lifestyle website



Brand licence renewals

- Palladium licence renewed until 2023
- CAT and Saucony licences renewed until 2021
- Timberland distribution renewed until December 2019

Distribution agreements	Expiry date	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Stance	Jun-19							
Timberland	Dec-19							
Merrell	Dec-19							
Sperry	Dec-19							
Dr. Martens	Oct-20							
Vans	Dec-20							
CAT Apparel	Dec-20							
CAT Footwear	Dec-21							
Saucony	Dec-21							
Palladium	Dec-23							
Skechers	Dec-26							>>>

New and vertical brands

- Supra, Sneaker Lab, Filling Pieces and AARK
- Vertical accessories, including Hype, Platypus and The Athlete's Foot branded socks and shoe cleaners currently rolling out



Growth Plan

The Athlete's Foot

- Currently **39** corporate stores, ahead of expectations
- **6** acquired stores already refurbished and open for trade
- Expect to finish FY19 with approximately **50** corporate stores



The Athlete's Foot Epping



The Athlete's Foot Southland

Growth Plan

Subtype acquisition

- Premium lifestyle and streetwear retailer
- Access to top tier product












Subtype store in Sydney



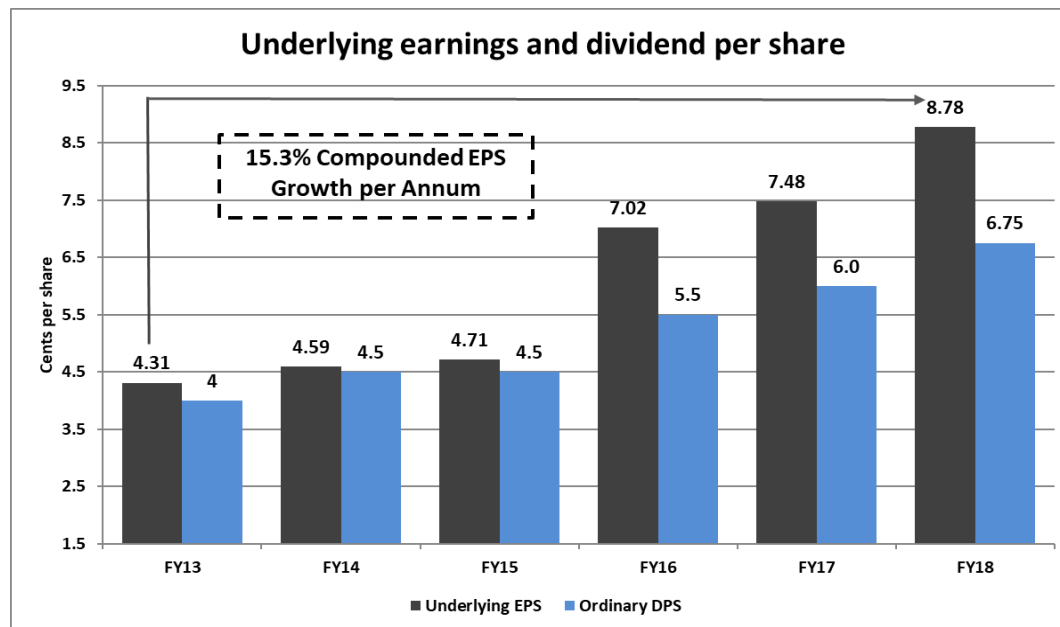
Subtype store in Sydney – adidas Yeezy launch November 18

FY18 Financial Performance^(a)

Underlying EBITDA  16% \$90.8m	Underlying NPAT  18% \$47.1m	Underlying EPS  17% 8.78c
FY18 Dividend  12.5% 6.75 cents	Net Debt  \$34.9m \$30m of debt repaid	Inventory  \$98.6m Last year \$112m
Underlying Sales (inc TAF Franchises)  5% \$861m	New Stores  +31 446 stores	Digital Sales Growth  131%

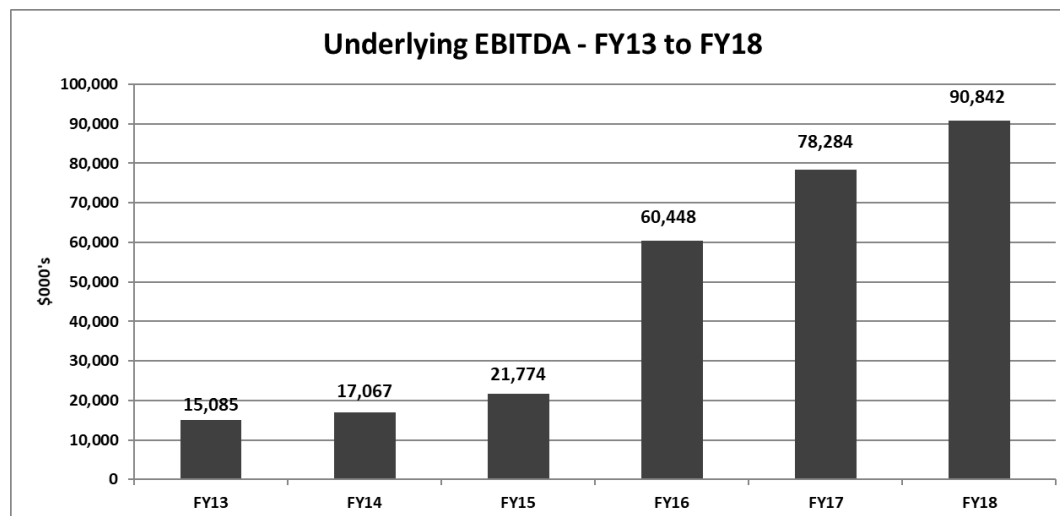
a) Unless otherwise stated all FY18 results and references to growth are based on FY18 underlying results (52 Weeks to 1 July 2018) and pro-forma underlying FY17 results (53 Weeks to 2 July 2017). The pro-forma underlying results for the full-year to 2 July 2017 include the sales, gross profit and EBITDA for Hype DC for the full period including the period prior to completion (1/7/16 – 3/8/16). FY17 pro-forma sales of \$617.8 million include \$10.7 million of sales for the Hype business, reported sales for the period were \$607.1 million. Refer to the Appendix (page 24) for reconciliations between underlying and statutory reported results.

Shareholder Value Creation



Strong shareholder returns delivered over the past 5 financial years (up to 1 July 2018)

- Total shareholder return over the past 5 years of **177%**, a Compound Annual Growth Rate (CAGR) of **22.6%**
- Compounding earnings per share growth of **15.3%** per annum



Trading Update and Outlook

Trading Update

The full year FY18 results announcement in August 18 outlined that Accent Group was targeting mid-single digit EBITDA growth in FY19 through:

- Low single digit LFL store growth, continued strong growth in digital and growth from new stores
- Continued margin improvement through increasing vertical brands penetration, new emerging brands and reduced discounts (which will primarily benefit H1)
- The Athlete's Foot new corporate store acquisitions program which is expected to be EBITDA neutral for FY19 after implementation costs



Trading Update and Outlook (cont)

Trading Update (cont)

Overall results for first 20 weeks of FY19 have been materially stronger than expected. This is as a result of:

- LFL sales after the first 20 weeks are up **2.5%** on last year and on track to our expectations
- Digital growth is stronger than expected, up **88%** on prior year
- Increased new store openings, with more than **40** stores now targeted to open in FY19
- New stores opened to date are trading ahead of expectations
- Gross margin YTD is stronger than expected and more than **300bp** ahead of the prior year
- The buyback of The Athlete's Foot stores is ahead of plan with **39** stores now under corporate ownership and we expect to finish FY19 with approximately **50** corporate stores



Trading Update and Outlook (cont)

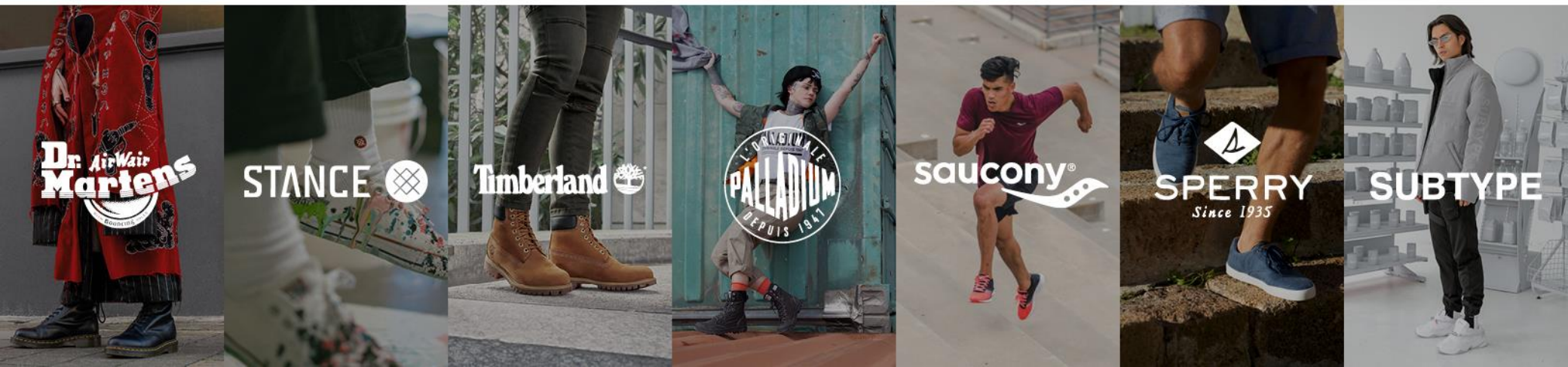
Outlook

- Accent Group still has a significant proportion of the H1 and annual EBITDA to achieve in the key Christmas and back to school periods through December and January. Operational plans are well set for this key trading period.
- Based on the strong results achieved to date in H1 and, if LFL sales continue to track at low single digit growth, EBITDA for H1 is now expected to be between **15%-20%** higher than the prior year.
- The outlook for H2 FY19 has not changed and the Group is still targeting mid-single digit EBITDA growth for the second half.





FORMAL BUSINESS



Item 1 – Financial statements and reports

To receive and consider the Company's Financial Report, together with the Directors' Report and Auditor's Report, for the year ended 1 July 2018.

Item 2 – Adoption of the Remuneration Report

That the Remuneration Report as set out in the Annual Report of the Company for the year ended 1 July 2018 be adopted.

For	Against	Open
142,910,917	45,522,715	1,382,726
75.28%	23.99%	0.73%

Item 3a – re-election of Mr Michael Hapgood

That Mr Michael Hapgood, who retires in accordance with rules 22.1 and 22.2 of the Company's Constitution and ASX Listing Rule 14.4, and being eligible for re-election, be re-elected as a Director of the Company.

For	Against	Open
288,624,987	63,576,716	1,416,659
81.62%	17.98%	0.40%

Item 3b – election of Mr Stephen Goddard

That Mr Stephen Goddard who, having been appointed as a Director of the Company on 23 November 2017 in accordance with rule 21.2.1 of the Company's Constitution, retires in accordance with rule 22.1 of the Company's Constitution and ASX Listing Rule 14.4, and being eligible for election, be elected as a Director of the Company.

For	Against	Open
347,522,573	4,531,845	1,420,159
98.32%	1.28%	0.40%

Item 3c – election of Ms Donna Player

That Ms Donna Player who, having been appointed as a Director of the Company on 23 November 2017 in accordance with rule 21.2.1 of the Company's Constitution, retires in accordance with ASX Listing Rule 14.4, and being eligible for election, be elected as a Director of the Company.

For	Against	Open
350,946,078	1,066,614	1,416,659
99.30%	0.30%	0.40%

Item 3d – election of Mr Brett Blundy

That Mr Brett Blundy who, having been appointed as a Director of the Company on 6 December 2017 in accordance with rule 21.2.1 of the Company's Constitution, retires in accordance with ASX Listing Rule 14.4, and being eligible for election, be elected as a Director of the Company.

For	Against	Open
247,604,840	7,002,111	1,430,059
96.71%	2.73%	0.56%

Notice And Disclaimer

This presentation contains general background information about Accent Group's current activities and provides additional comment on, and should be read in conjunction with, the FY18 Annual Report and accompanying information released to the market on 28 August 2018.

The information is a summary only and is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should assess their own individual financial circumstances and seek independent advice before making any investment decision.

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