

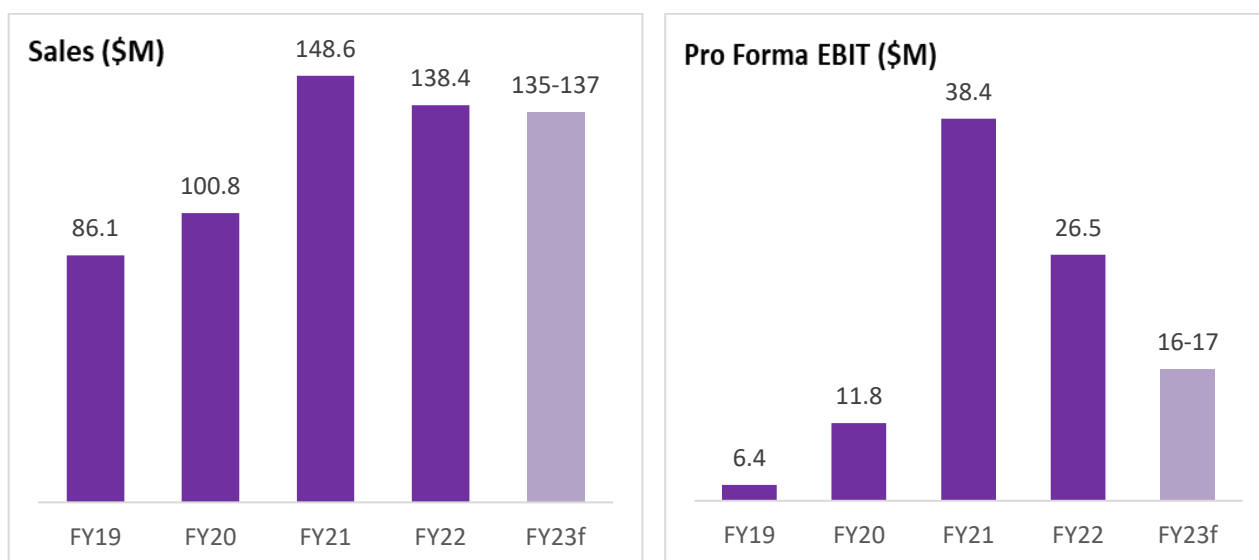
Trading Update

dusk Group Limited ('dusk', ASX: DSK) today provides a trading update and guidance in relation to its expected FY23 sales and EBIT results, based on unaudited management accounts to the end of April 2023, and other information currently available.

With 45 weeks of the financial year now complete (including Mother's Day), we have decided to provide FY23 sales and EBIT guidance. This guidance is as follows:

- FY23 sales are expected to be in the range of \$135.0m - \$137.0m, which compares to \$138.4m in FY22¹
- FY23 Pro Forma EBIT² is expected to be in the range of \$16.0m - \$17.0m, which compares to \$26.5m in FY22¹
- The gross margin rate (%) for FY23 is expected to be broadly in line with the prior year

The charts below show our expected FY23 results relative to the four prior years and highlight that dusk's total sales and Pro Forma EBIT in FY23 remain well ahead of pre-COVID levels.



¹ FY22 included 53 weeks trading with the net impact - sales of \$2.0m and EBIT of \$0.3m.

² Pro Forma EBIT is unaudited and excludes NSW Job Saver receipts, rental concessions, Eroma acquisition costs (terminated transaction), NZ set up costs and is pre-AASB 16.

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CEO and Managing Director Peter King said: "Trading conditions in the second half of FY23 have been impacted by an increasingly cautious consumer environment, driven by higher interest rates and mounting cost of living pressures impacting the disposable income levels of our core customer. Our key Mother's Day period was softer than anticipated, which compounds the trend of subdued and volatile sales observed over the course of this calendar year so far. Although foot traffic in shopping centres has remained soft, the strength of our store teams was once again illustrated by consistently high sales conversion rates in our stores. We also continued to see channel mix normalise post COVID lockdowns.

"Our total sales and Pro Forma EBIT in FY23 will still be well ahead of pre-COVID levels, and the EBIT margin in FY23 of around 12% is solid. However, many consumers are feeling significant strain on their household budget, and we are taking the actions necessary to mitigate the financial impact of this difficult environment continuing.

"dusk has continued to open new stores during the second half and expects to finish FY23 with 145 stores, an increase of 13 stores on FY22. The performance of these new stores as a group is in line with expectations.

"We continue to invest in product innovation across our entire offer. We remain laser-focused on pricing, margin and cost discipline and our inventory position is clean and well balanced. Despite the challenging macro environment, we draw confidence from our business fundamentals including our category leadership, vertical retail model and unique dusk Rewards paid loyalty program."

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 oneself'.