

Universal Store

H1 FY 23 Results Presentation

Brisbane, 23rd February 2023

Universal Store Holdings Limited (ASX:UNI) encloses for immediate release its H1 FY23 Results Presentation.

Authorised for release by the Board of Directors of Universal Store Holdings Limited.

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ABOUT UNIVERSAL STORE

Universal Store Holdings owns a portfolio of premium youth fashion brands and omni-channel retail and wholesale businesses. The Company's principal businesses are Universal Store and THRILLS and it is currently trialling the Perfect Stranger brand as a standalone retail concept. The Company, including THRILLS operates 93 physical stores across Australia and three online stores.

The Company's strategy is to grow and develop its brands and retail and wholesale businesses to deliver a carefully curated selection of on-trend apparel products to a target 16-35 year-old fashion focused customer.



Universal Store

H1 FY23 RESULTS PRESENTATION

23rd FEBRUARY 2023

AGENDA

PRESENTERS

Alice Barbery
CEO

- 13 years at Universal Store
- 30+ years' industry experience

Renee Jones
CFO

- 4 years at Universal Store
- 20+ years' experience across retail and service industries

OUR LANGUAGE:

"UNI", "Group" or "the Company" = Consolidated group parent

"US" = Universal Store = Universal Store business (incl. PS)

"CTC" = THRILLS business and other emerging brands

"PS" = Perfect Stranger retail store format

CONTENTS

H1 FY23 Overview

Financial Results

FY23 Priorities

Trading Update & Outlook

Appendices

A photograph of three people posing on a rooftop. On the left, a woman with long blonde hair stands wearing a white crop top and light blue jeans, holding a black tote bag with a biohazard symbol. In the center, a man with dark hair sits on a ledge wearing a light purple t-shirt and black pants. On the right, a man with sunglasses sits on the ground wearing a dark t-shirt and white pants. They are all wearing sneakers. The background is a large, modern building with a grid of windows. The lighting suggests late afternoon or early morning.

Universal Store

H1 FY23 OVERVIEW

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H1 FY23 FINANCIAL HIGHLIGHTS

STRONG GROWTH WITH GROUP SALES +34.5% AND UNDERLYING NPAT UP +44.4% VS PCP

\$146M

Sales
+34.5% vs. pcg

(+28.6% excl. CTC)

25.4 cents

Underlying
EPS¹

\$28.5M

Underlying EBIT²
+43.2% vs. pcg

(+36.2% excl. CTC)

\$14.3M

Net
Cash³

5.5% LFL⁴

Sales B&M

(excl. THRILLS stores)

\$19.8M

Online sales
(5.4%) vs pcg

\$19.5M

Underlying
NPAT² +44.4%
vs. pcg

14.0 cps

Interim
Dividend

1. Based on underlying NPAT and total shares on issue (76.7million).

2. Underlying EBIT excludes the one-off transactions costs of \$2.0 million associated with CTC acquisition.

3. Net Cash after payment for CTC acquisition of \$18.6 million (including acquisitions costs).

4. FY23 LFL sales are calculated daily and excludes closed stores from the day of closure and New Stores until they have cycled the first 3 weeks of opening . Stores that are closed during COVID are excluded from LFL sales.

H1 FY23 GROUP HIGHLIGHTS

UNI GROUP'S FLEXIBLE BUSINESS MODEL CONTINUES TO SUCCESSFULLY ADAPT TO CHANGES IN CONSUMER BEHAVIOUR

Strength in Q1 FY23 performance a result of physical stores reopening as foot traffic returns and customers re-enter stores¹

Channel mix continues to normalise as underlying shopping preferences re-emerge

Neovision continues to grow strongly demonstrating our capability to build thriving youth fashion brands

Festivals, concerts and large social gatherings continue to gain momentum post COVID restrictions, further aiding foot traffic as customers anticipate and plan for such events



Perfect Stranger trial continues to perform, with expansion plans now 'in-play' and being actioned

Acquisition of CTC (THRILLS)² completed on 31 October 2022. CTC continues to perform strongly and is settling into the Group well

Successfully transitioned into new Distribution Centre and Support Office (late September), providing improved systems and capabilities, enabling enhanced customer service

1. Prior corresponding period ("pcp") adversely impacted by government-mandated store closures, resulting in lost trading days.
2. Refer acquisition of THRILLS announcement and accompanying presentation for more detail, released to ASX 26 September 2022.

UNI GROUP CONTINUES TO DELIVER IMPRESSIVE RESULTS



Total sales \$145.7 million (+34.5% versus pcp), cycling store closure periods during H1 FY22



Return to LFL growth in H1 FY23¹, notwithstanding distortion from significant store closures during pcp, rendering this metric less relevant during the period



6 new stores opened during H1 FY23 – 4 Perfect Stranger ("PS") & 2 Universal Store ("US") – combined with 10 acquired THRILLS stores, brings total Group stores to 93 (excl. three webstores) ("UNI")

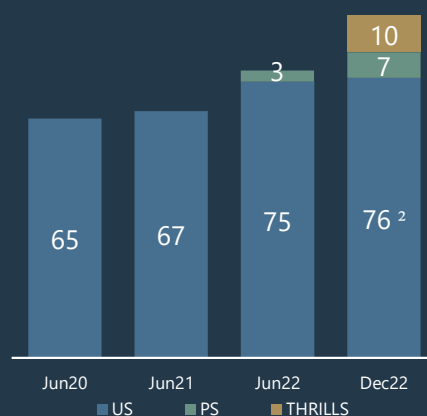


7 PS stores trading as of December 31st, 2022, with encouraging results across all stores including the first store opened outside of QLD at Brookvale, NSW

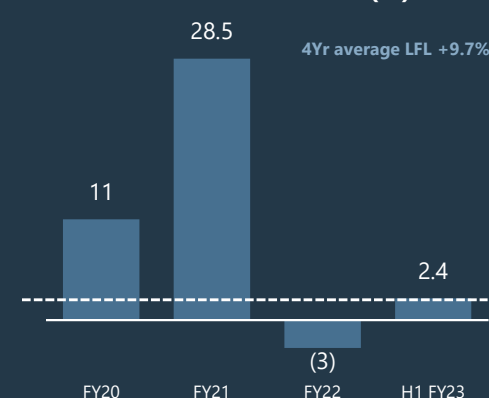


Underlying EBIT of \$28.5 million (+43.2% versus pcp)³

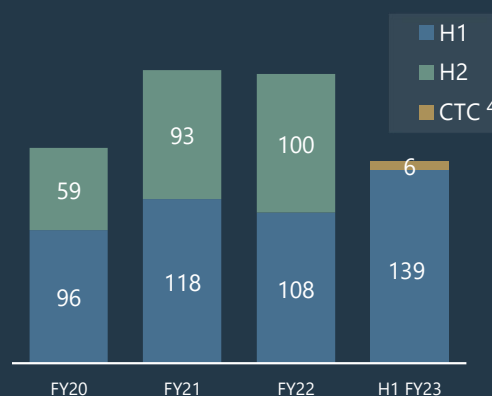
PHYSICAL STORES (#)



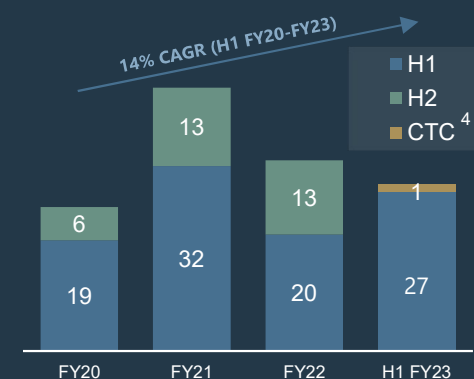
LFL SALES GROWTH (%)¹



REVENUE (A\$ MILLION)



UNDERLYING EBIT (POST-AASB 16)² (A\$ MILLION)



1. LFL (like-for-like) sales for FY23 exclude the CTC business and are calculated daily from (Mon 27th Jun to Sun 1st Jan) excluding closed stores from the day of closure and new stores until they have completed the first three weeks of operation. Stores that were closed during the COVID-19 pandemic are also excluded from LFL sales calculations. For FY20-FY22, LFL sales were calculated using a 4/4/5 financial week.
2. Includes closure of Universal Store QV, Melbourne.
3. Underlying EBIT excludes the impact of one-off transaction costs related to IPO (FY21) and CTC acquisition (FY23) and MEP expenses (FY21).
4. Includes 2 month of revenue and underlying EBIT for CTC



Universal Store

FINANCIAL RESULTS

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UNI GROUP PROFIT & LOSS (POST AASB16)

SALES

- Sales \$145.7 million (+34.5% versus pcp)
- Group LFL +2.4%¹
- Store sales +39.8% with LFL sales +5.5%¹
- Online sales -5.4% with LFL sales -10.6%¹

GROSS MARGIN

- GP margins improved 170bps versus pcp
- Supported by increased stock holdings, direct sourcing enhancements and reduction in freight costs
- Prior period (H1FY22) impacted by one-off markdowns associated with store closures

CODB

- CODB increased 270bps, largely driven by employee costs
- Physical stores driving majority of increase given significant closure periods (\$6.2 million wages & \$1.5 million DC)
- Support office costs increased as a result of investments into new DC and Office facility
- Acquisition of CTC adds \$2.0 million, predominantly employee costs

EBIT

- Underlying EBIT² \$28.5m up \$8.6m on prior year
- Underlying EBIT margin 19.6% up 120bps on prior year
- Underlying EPS 25.4 cents compared to 18.4 cents H1 FY22³

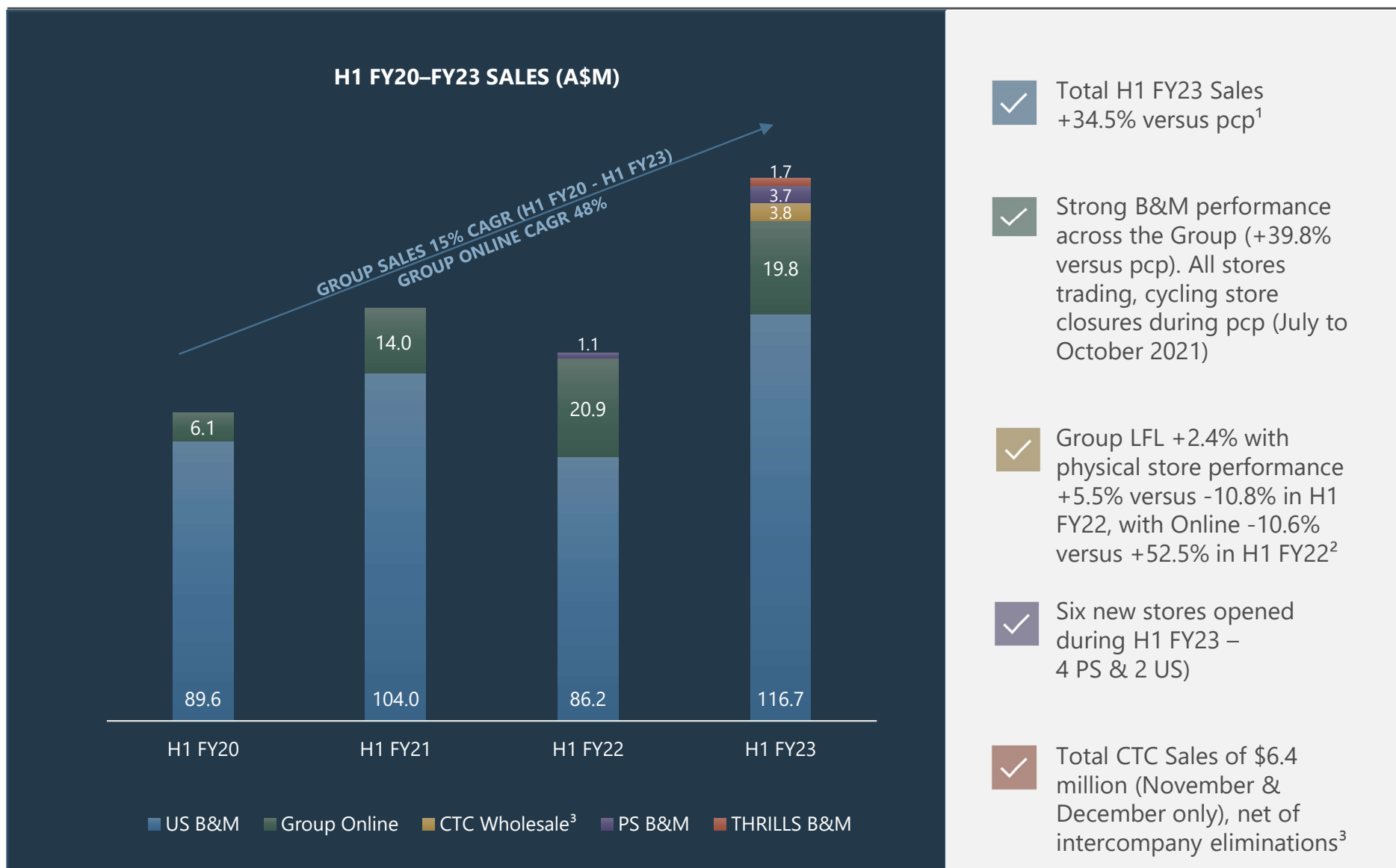
Underlying Results (\$m)	Dec-22	Dec-21	% Change
Sales	145.7	108.3	34.5%
Gross Profit	85.8	61.9	(38.6%)
% Sales	58.9%	57.2%	+1.7ppt
CODB	(44.6)	(30.2)	(47.7%)
% Sales	(30.6%)	(27.9%)	(2.7ppt)
Underlying EBITDA ²	41.2	31.7	30.0%
Depreciation (PP&E)	(2.2)	(2.2)	0.0%
Depreciation (ROU Assets)	(10.5)	(9.6)	(9.4%)
Underlying EBIT ²	28.5	19.9	43.2%
% Sales	19.6%	18.4%	+1.2ppt
Interest (debt)	(0.3)	(0.2)	(50.0%)
Interest (leases)	(1.2)	(1.1)	(9.1%)
Tax	(7.5)	(5.1)	(47.1%)
Underlying NPAT ²	19.5	13.5	44.4%
% Sales	13.4%	12.5%	+0.9ppt

1. LFL (like-for-like) sales for FY23 exclude the CTC business and are calculated daily from (Mon 27th Jun to Sun 1st Jan) excluding closed stores from the day of closure and new stores until they have completed the first three weeks of operation. Stores that were closed during the COVID-19 pandemic are also excluded from LFL sales calculations.

2. Underlying EBIT/EBITDA/NPAT excludes impact of one-off transactions of \$2.0 million associated with CTC acquisition.

3. Based on underlying NPAT and total shares on issue at year end FY23 (76.7 million), FY22 is based on total shares on issue at year end FY22 (73.2 million)

UNI GROUP SALES PERFORMANCE BY CHANNEL



1. Total Sales includes two months of CTC with ownership from November 1st 2022.

2. LFL (like-for-like) sales for FY23 exclude the CTC business and are calculated daily from (Mon 27th Jun to Sun 1st Jan) excluding closed stores from the day of closure and new stores until they have completed the first three weeks of operation. Stores that were closed during the COVID-19 pandemic are also excluded from LFL sales calculations.

3. CTC wholesale is net of eliminations for sales to US, where product is 'on hand' at period end.

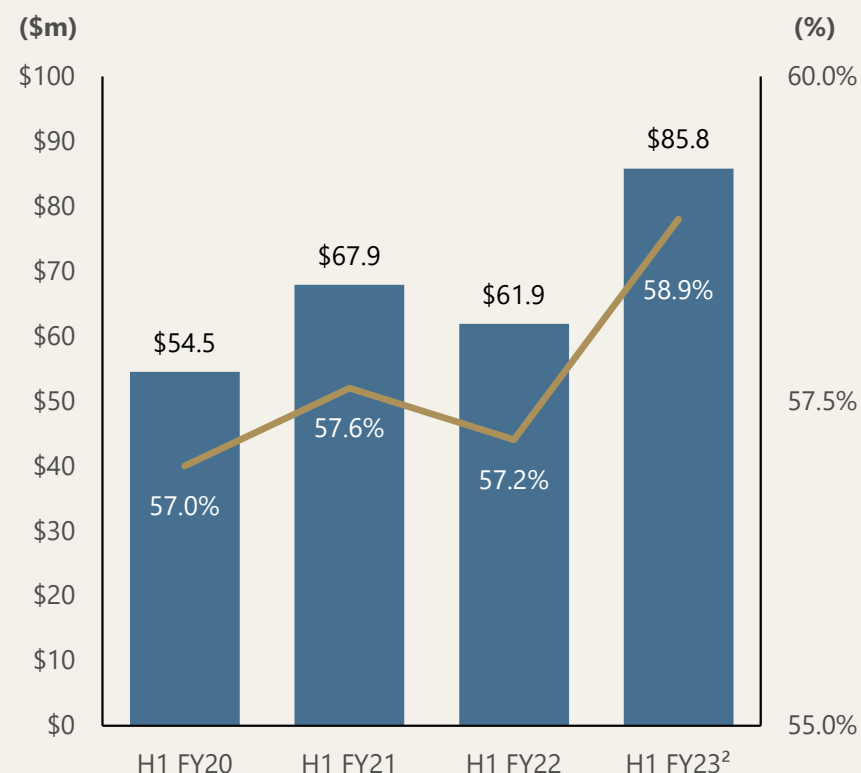
UNI GROUP GROSS MARGIN

SIGNIFICANT IMPROVEMENTS IN GROSS MARGIN (+170BPS)

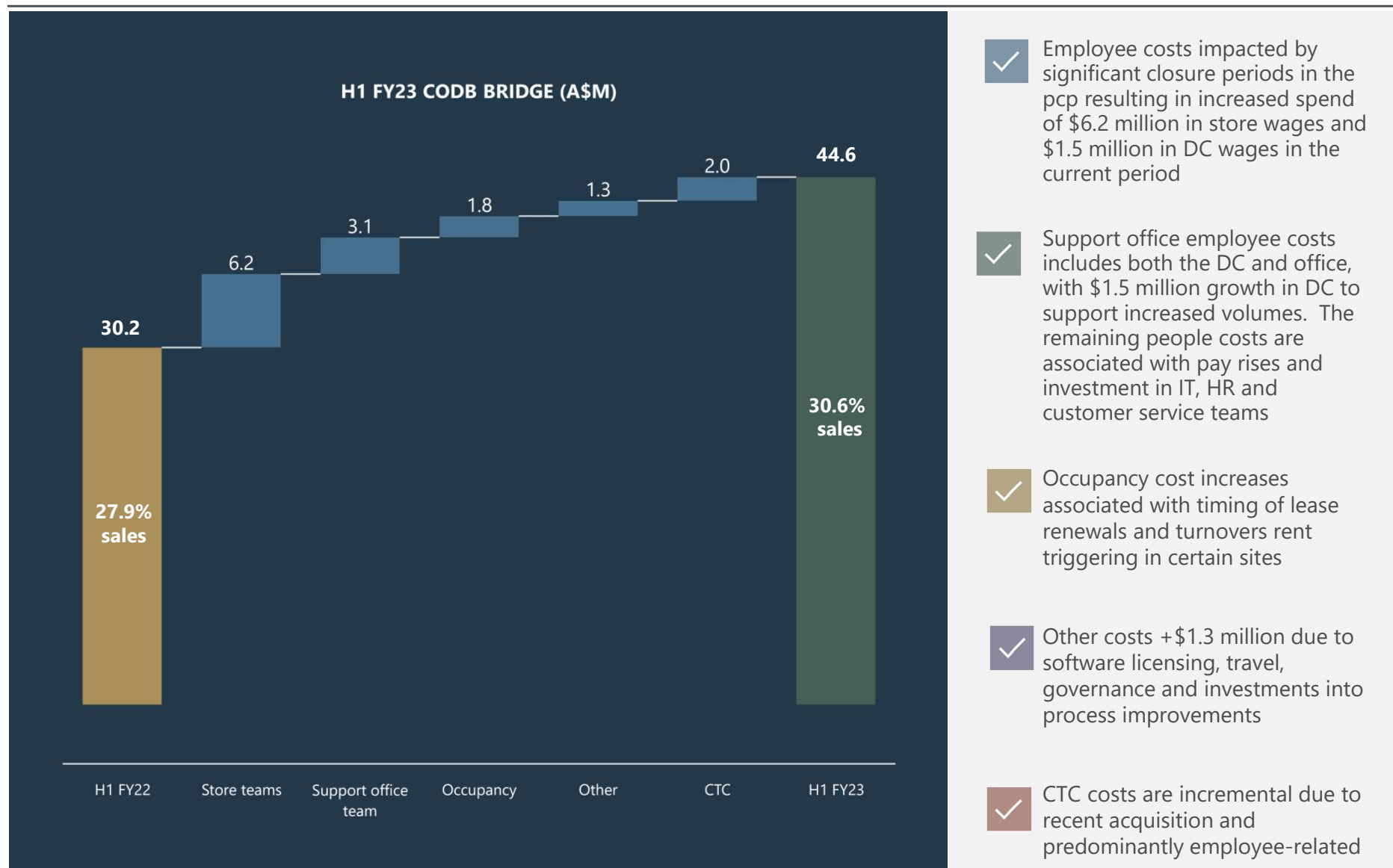
- Product GM remains strong with private brand penetration steady during the half at 44% of sales¹. FY22 impacted by one-off mark downs associated with store closures
- Direct sourcing of private brands within Universal Store grew to 70% (from 65% during FY22), driven by womenswear. Menswear maintained its high levels of direct sourcing mix
- Perfect Stranger remains the strongest women's brand, outperforming all other brands. Universal Store's newest own brand, Neovision, continues to perform ahead of management expectations and has successfully expanded into women's wear
- Benefits of a reduction in inbound freight vs prior period were offset by adverse movements in FX
- Uplifts in private brand margins attributable to CTC consolidation are minimal due to the short ownership period and timing of sales within the group²

1. H1 FY23 Private Label contribution to total sales of 44% excludes CTC business, with THRILLS/Worship sister brands treated as 3rd party.
 2. H1 FY23 includes November and December contribution from CTC.

GROSS MARGIN (A\$m & %)



UNI GROUP COSTS OF DOING BUSINESS (POST AASB16)



1. Underlying CODB excludes the impact of one-off transaction costs of \$2.0 million and MEP expenses for FY21.

UNI GROUP BALANCE SHEET

- ✓ Net Cash of \$14.3 million, reflecting the \$18.6m outlay associated with the CTC acquisition, paid on 31 October 2022, and strong underlying cashflow
- ✓ Trade receivables up \$4.3 million on FY22, driven predominantly by CTC wholesale operations
- ✓ Inventory of \$26.2 million (+\$8.2 million since June FY22) driven by several factors:
 - more-appropriate stock levels held post COVID, providing flexibility and ensuring customer demands are met
 - larger DC allows us to isolate and hold stock for PS
 - new stores openings and
 - acquisition of CTC (\$2.6 million)
- ✓ PPE increase \$4.5 million June FY22, primarily driven by investment of the new DC and Office facility and new stores
- ✓ Intangible assets include \$47.9 million associated with THRILLS brand name and goodwill
- ✓ DVC provisions for CTC deferred contingent consideration of \$12.5 million included for forecast future payments to CTC vendors (FY23, FY24 & FY25)

Statutory Balance Sheet (A\$m)	Dec-22	Dec-21	FY22
Total Current assets	62.6	67.7	59.8
Cash	29.2	48.8	38.8
Trade Receivables	6.7	1.8	2.4
Inventories	26.2	17.1	18.0
Other current assets	0.5	0	0.6
Total non-current assets	215.5	156.7	143.7
Property, plant and equipment	15.4	12.8	10.9
Right of use assets	59.4	51.0	39.8
Intangible assets	140.7	92.9	93.0
Total Assets	278.1	224.4	203.5
Total Current liabilities	56.6	55.3	41.0
Trade and other payables	25.9	26.8	17.6
DVC provision	4.7	0	0
Lease liabilities	21.2	21.1	20.0
Other current liabilities	4.8	7.4	3.4
Total non-current liabilities	80.6	58.1	51.1
Borrowings	14.9	14.8	14.9
Lease liabilities	44.4	37.1	28.6
DVC provision	7.8	0	0
Other non-current liabilities	13.5	6.2	7.6
Total Liabilities	137.2	113.4	92.1
Net assets	140.9	111.0	111.4
Net Cash/ (Net Debt)	14.3	33.8	23.9

UNI GROUP CASHFLOW

Operating Cashflow (A\$m)	Dec-22	Dec-21	Change
EBITDA	39.2	31.7	7.6
Change in inventories	(8.2)	0.5	(8.7)
Change in trade payables	8.3	9.9	(1.8)
Change in other working capital items	4.9	2.4	4.5
Cashflow from operations¹	44.2	44.5	1.6
Net capex	(6.4)	(6.0)	(0.4)
Interest	(1.4)	(1.3)	(0.1)
Tax cash paid	(7.8)	(7.9)	0.1
Operating cashflow, after capex	28.6	29.3	1.2
Dividends paid	(7.7)	(7.7)	-
Acquisition of subsidiary including transaction cost	(18.6)	-	(20.5)
Lease payments & incentives	(12.3)	(8.6)	(3.7)
MEP repayments	0.4	2.4	(2.0)
Net cash generated	(9.6)	15.4	(25.0)
Net cash/(net debt)	14.3	33.8	(19.6)
Cashflow Ratios			
Cashflow from Ops: EBITDA conversions %	108%	140%	
Capex : Depreciation %	291%	273%	

→ **Strong EBITDA delivered again** up \$7.6 million on pcpc

→ **Increased inventory** to support customer demand, along with holding more appropriate levels in the DC plus acquired CTC business (\$2.6 million)

→ **Net Capex in line** with prior year including investment into our new Eagle Farm facility

→ **CTC acquisition costs of \$18.6 million** includes cash purchase consideration of \$21.2 million, plus transaction costs of \$2.0 million, less \$2.6 million CTC cash and \$2.0m pre-existing payable to CTC on hand at completion.

→ **Net cash 31 December 22 of \$14.3 million** providing significant flexibility

1. Before interest, tax, capex and transaction costs.



Universal Store

FY23
PRIORITIES

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H1 FY23 UNIVERSAL STORE PRIORITY UPDATE

UNIVERSAL STORE CONTINUES TO EXECUTE ON STRATEGIC PRIORITIES AND INTEGRATE THE RECENTLY ACQUIRED THRILLS BUSINESS INTO STRATEGIC ROADMAP

NEW STORE ROLLOUT



- Group: Six new stores opened in H1 FY23, totaling 93 stores, including ten acquired THRILLS stores
- US: two new stores opened in H1 FY23 (December). Four to six openings planned H2
- PS: four new stores opened in H1 FY23. Further three to four openings planned H2
- "Full potential" target is 100+ US sites across Australia / New Zealand (excluding PS and THRILLS potential)

OPTIMISE PRODUCT MIX



- FY23 product gross margin grew to 58.9% (from 56.6% at FY20)
- Ongoing brand and range curation, injecting fresh new product and brands into offering
- Progress direct sourcing shift to further improve margins
- Progress diversification of supply chain
- Further develop and build PS brand and range

CUSTOMER



- Average LFL store growth over last 4 years is ~10%¹
- Continue to expand market share through superior customer service, inspirational stores and curated brands
- Further develop Customer Data Platform to continuously inform key business decisions
- Maintain customer-led and complimentary private brand strategy

DIGITAL GROWTH



- Online represented 13.6% of total sales in H1 FY23 (up from 8.8% in FY20)
- Continue to scale digital and eCommerce capacity and service, doubling investment into digital marketing (from FY21 to FY22)
- Improved speed and delivery options
- Launched standalone PS website Dec 2021, further enhancements and customer acquisition strategy in progress
- Customer centric digital strategy delivers on mission to *Make Shopping Easier, Make Shopping Personal and Make Shopping Valuable*

SUSTAINABILITY



- Conscious focus in sourcing and ranging preferred fibre and certified products (new certification process, certified private label suppliers and 3rd party brands engagement)
- Continue to ensure Supplier Code of Conduct is adhered to by Private label suppliers (verified through audits), including 3rd party suppliers (engagement)
- Developing Universal Store's first carbon footprint that will underpin climate action plan (more detail anticipated at FY23 results, in August 2023)

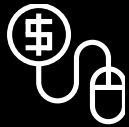
PRODUCTIVITY



- Care for entire team, ensuring safe workplaces
- Continue to refine newly-implemented Warehouse Management System (WMS)
- Relocated Office and DC (late September)
- Implementing full Human Capital Management (HCM) system, including advanced time and attendance scheduling functionality
- Execute on IT roadmap, including ongoing upgrade to store network and Enterprise Resource Planning review

1. LFL is calculated on 4/4/5 weekly basis and excludes closed stores

DIGITAL PRIORITIES



+6.0%

Growth in Net Unique Visitors (NUV) vs FY22



3.1%

Conversion of NUV, down from 3.7% in FY22



\$110

Average basket size of online in H1 FY23 (versus \$91 in store)

FY23 PLAN

- Enhance and grow our Customer data platform to further develop insight and analytical capabilities
- Build perfectstranger.com.au to a \$1m+ pa revenue run rate in the short term
- Drive customer recency and frequency with enhanced data capabilities
- Launch Store To Door enabling online customer access to the full range of inventory and shipping solutions including same day delivery to delight customers, maximise inventory productivity, never miss a sale and diversify end of mile options
- Improve customer experience to further connect with our customers in meaningful ways



PERFECT STRANGER UPDATE

HISTORICAL CONTEXT

- PS was created in 2014 as a versatile, trend-setting label to fill gaps in our range that were not catered for by our 3rd party suppliers
- The brand is a vehicle for rapid on-trend product design and replenishment, providing added capacity to utilise detailed knowledge of customer demands to offer 'on-point' products and range differentiation
- PS bridges the gap between high-end labels and fast fashion, delivering quality on-trend fashion at accessible price points
- PS is the largest brand in Universal Store, now representing ~16% of sales (excluding PS standalone stores)

PERFORMANCE

- Seven stores as at 31 December 2022 (six in Queensland and one in New South Wales)
- Performance across seven sites to-date provides confidence PS can perform as a standalone brand, delivering attractive box economics with a cash payback of <12 months
- Little to no cannibalisation of nearby US store locations observed
- Typical fit-out cost of ~\$300-400k (landlord contribution ~40-50%)
- Concept expanding outside of Queensland with a further 3-4 stores planned in New South Wales prior to June 30 2023
- Current New South Wales performance pleasing, providing further confidence in the scope for national PS store rollout

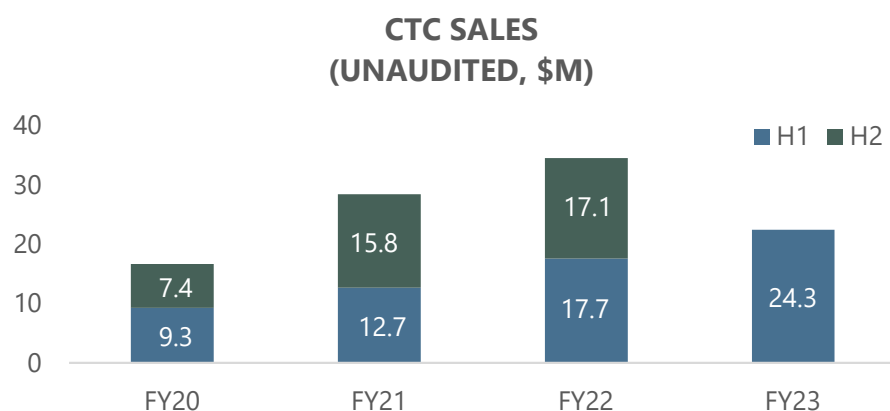
INSIGHTS AND FOCUS

- More feminine store environment (vs Universal Store)
 - Warm and service orientated team with solid styling capability
 - Womenswear products only
 - Considered and feminised store fit out, spacious change rooms, occasion driven merchandising, softer music and lighting
- Winning new customers not shopping in US stores
- PS customers are shopping for dressier occasions or seeking more feminine looks for casual events than observed at US stores
- Pleased with the performance and continuing the rollout



CTC BUSINESS AND PERFORMANCE UPDATE

IMPRESSIVE CTC SALES GROWTH SUSTAINED POST-ACQUISITION AS WE CONTINUE TO INVEST TO SUPPORT LONG TERM GROWTH



Channel & Brand Performance (Underlying)²

Channel	H1 sales (\$m)	% growth vs pcp
Wholesale (global)	18.9	+33.3%
Retail	3.2	+214.4%
Online	2.2	(11.6%)
Total	24.3	+37.3%

Brand	H1 sales (\$m)	% growth vs pcp
THRILLS	22.1	+25.0%
Worship	2.2	+781.7%

- Pleasing trading performance in H1 FY23, including continued support from consumers and wholesale accounts
- Team settling into 'business as usual' cadence post-acquisition, adapting to the business cadence and governance of UNI ownership
- H1 FY23 underlying gross margins 190bps below pcp, primarily due to currency and freight. Shift in channel mix toward direct to customer ("DTC") channels partially offsetting these impacts
- THRILLS and Worship brands and product are keenly sought by consumers and continue to be well supported by wholesale accounts. Sell through remains strong and brand support remains high, including from Universal Store customers
- THRILLS retail sales growing strongly +214.4% versus pcp. We continue to refine optimal retail store format and formula. Working with CTC team to improve execution and capabilities required to support future growth in this channel
- Ten THRILLS stores in Australia as at 31 December 2022, contributing \$3.2 million in H1 FY23 sales
- At a product level, the success of emerging brand 'Worship' is especially pleasing. Hard Yakka collaboration also a highlight.
- Inventory levels appropriately balanced at \$2.6 million, having regard to forward orders, and DTC demand
- USA remains small, although growing strongly (<5% total CTC sales)
- Continue to add depth and expertise to CTC team to support long term growth objectives, including investment in systems and processes to improve operational performance and governance

1. Pro-forma unaudited CTC management accounts Jul22-Dec22. Only November & December 2022 results included in Group results.

2. Excludes intercompany eliminations and partial period ownership.



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TRADING UPDATE & OUTLOOK

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H2 FY23 TRADING UPDATE & OUTLOOK

MOMENTUM CONTINUES ACROSS FIRST 7 WEEKS OF H2

Encouraging performance during the first seven weeks of H2 FY23, supported by the inventory position at December 2022:

US sales +13.6% higher versus pc¹

- US B&M stores +16.8% and B&M LFL sales growth +11.0%²
- US online -3.7% (cycling +26.8% in pc³)

CTC wholesale and DTC channels continue to perform well³

Strong sales growth, albeit mixed across channel (notably online still softer YoY). Channel mix continues to normalise. Macro environment is uncertain

Inventory is well balanced (including CTC) and in line with internal targets



Gross margin remains strong as promotional discipline continues

CODB remains a focus with initiatives implemented across the US business to drive productivity and efficiencies to offset inflationary pressures, rising costs

Simon Vigar recently appointed as General Manager CTC

Management expects a further 4-6 US stores in H2 FY23, plus 3-4 new PS stores and 1 new THRILLS store (targeting ~100-103 by 30 June 2023, excluding 3 webstores)

1. All sales are unaudited. Total US sales excludes CTC business.
 2. FY23 Group and store comparative (LFL) sales are calculated daily and excludes closed stores from the day of closure and New stores until they have cycled the first three weeks of opening. Stores that were closed during COVID are excluded from LFL sales.
 3. Short-term weekly sales trends are not a reliable measure for wholesale business.



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APPENDIX

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APPENDIX 1: P&L UNDERLYING TO STATUTORY RECONCILIATION

\$million	Note	Dec-22	Dec-21
Statutory EBITDA		39.2	31.7
Transaction costs	1	2.0	0.0
Underlying EBITDA		41.2	31.7
Statutory EBIT		26.5	19.9
Transaction costs	1	2.0	0.0
Underlying EBIT		28.5	19.9
Statutory NPAT		17.8	13.5
Transaction costs	1	2.0	0.0
Tax Transaction costs	2	(0.3)	0.0
Underlying NPAT		19.5	13.5

1. Transaction costs relate to legal, advisors and accounting costs incurred with respect to the acquisition of CTC business.
2. Removal of the tax deduction on transaction costs incurred post acquisition date.

APPENDIX 2: H1 FY23 CONSOLIDATION OVERVIEW (\$M)

Underlying Results (\$m)	CTC (2mths)	US ¹ (6mths)	Elimination ⁴	UNI Group
Sales	8.2	139.3	(1.8)	145.7
Gross Profit	4.3	82.1	(0.6)	85.8
% Sales	52.4%	58.9%	33.3%	58.9%
CODB	(2.0)	(42.6)	0.0	(44.6)
% Sales	(24.4%)	(30.6%)	0.0	(30.6%)
Underlying EBITDA ¹	2.3	39.5	(0.6)	41.2
Depreciation (PP&E)	(0.1)	(2.1)	0.0	(2.2)
Depreciation (ROU Assets)	(0.2)	(10.3)	0.0	(10.5)
Underlying EBIT ¹	2.0	27.1	(0.6)	28.5
% Sales	24.4%	19.5%	33.3%	19.6%
Interest (debt)	(0.0)	(0.3)	0.0	(0.3)
Interest (leases)	(0.1)	(1.1)	0.0	(1.2)
Tax ²	0.1	(7.8)	0.2	(7.5)
Underlying NPAT ³	2.0	17.9	(0.4)	19.5
% Sales	24.3%	12.8%	77.8%	13.4%

Note: The elimination primarily results to sales (and margin) by CTC to Universal Store where the inventory is still "on hand" at the end of the reporting period.

1. Universal Store business including Perfect Stranger
2. CTC income tax expense reflects a surplus of tax provision at acquisition
3. Underlying EBIT/EBITDA/NPAT excludes the impact of one-off transactions of \$2.0 million associated with CTC acquisition.
4. Elimination is consolidated across Universal Store and CTC.

APPENDIX 3: US SUSTAINABILITY PRIORITIES

DEVELOPMENT & IMPLEMENTATION OF KEY SUSTAINABILITY AND ENVIRONMENTAL TARGETS*

TREAD LIGHTLY

Reduce our impact.
Preserve our resources.
Restore the planet.



ELIMINATE WASTE



Targeting zero waste to landfill from DC operations by 2030



100% of bags and online mailers are reusable, recyclable or compostable by 2025



RESPONSIBLE PROCUREMENT



Procure at least 50% of all cotton from certified sources by 2025



Procure at least 50% of polyester from certified recycled sources by 2025

PRODUCT EXCELLENCE

EXPECT TRANSPARENCY

Put an end to poor working conditions and improve lives of workers



POLICIES & PROCEDURES



100% of our manufacturing and key 3rd party brands endorse our Supplier Code of Conduct by end of FY23.



SOCIAL AUDITS



100% of Tier 1 factories were audited by 2022. Tier 2 factory audited by FY24.



ENERGY & WATER EFFICIENCY



We are targeting manufacturing from facilities applying best practice water, waste and chemical management practices by 2025

SUPPLIER PARTNERSHIPS

CLIMATE ACTION

Reverse climate change and take action to end the climate crisis



REDUCE CARBON EMISSIONS



100% stores equipped with energy efficient LED lights completed by 2022



Develop a climate action plan by end of FY23 with the goal of achieving at least a 30% reduction in emissions by 2030



Develop a plan to target 100% of electricity for our support office and DC from renewable sources by 2025



AMPLIFY OUR ACTIONS

Work together as a team with our community, suppliers, and customers to deliver impact



CHARTER OF ENVIRONMENTAL ATTRIBUTES

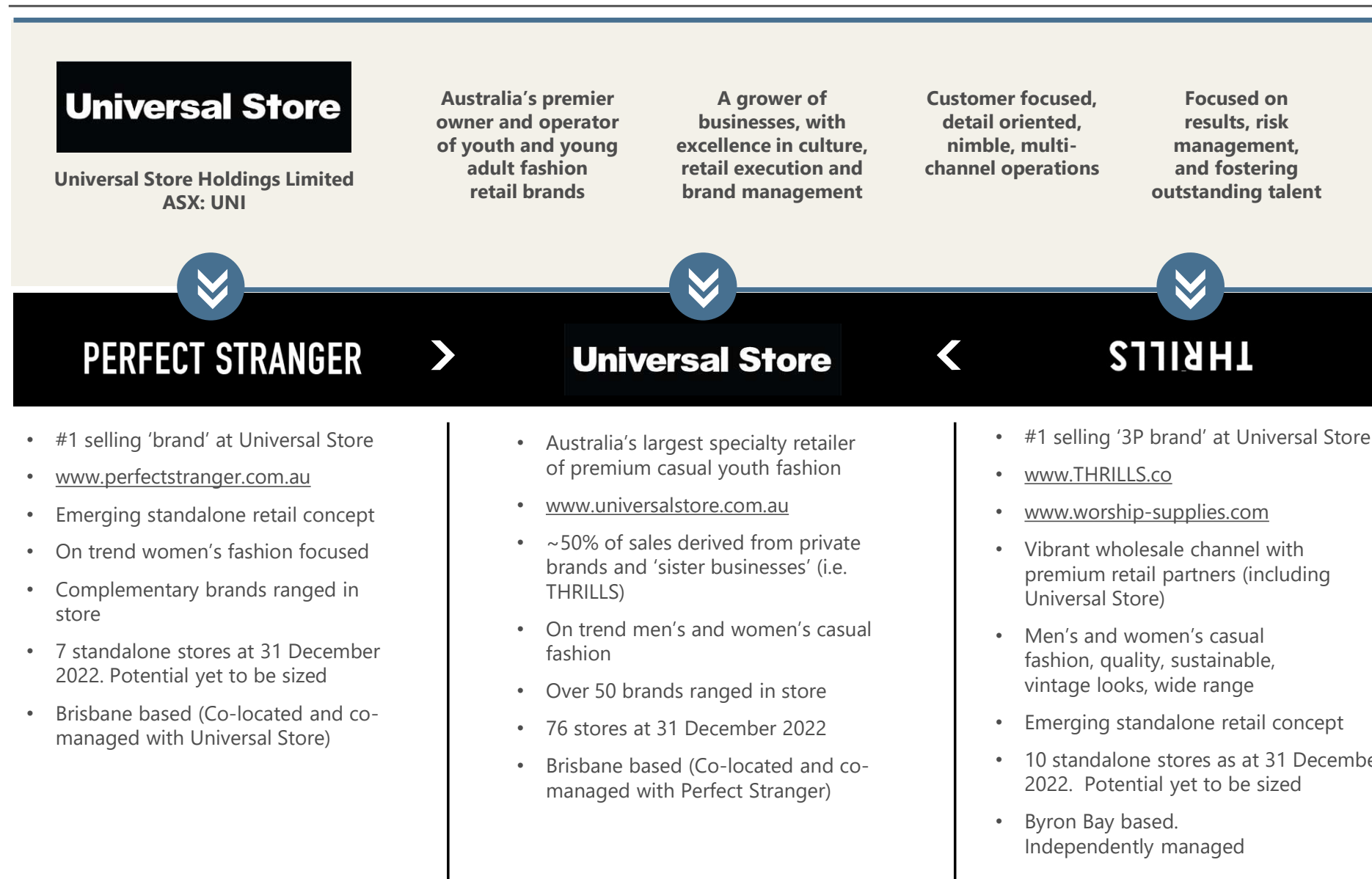


We have 1M customer education touchpoints on responsible use and care of garments by 2025

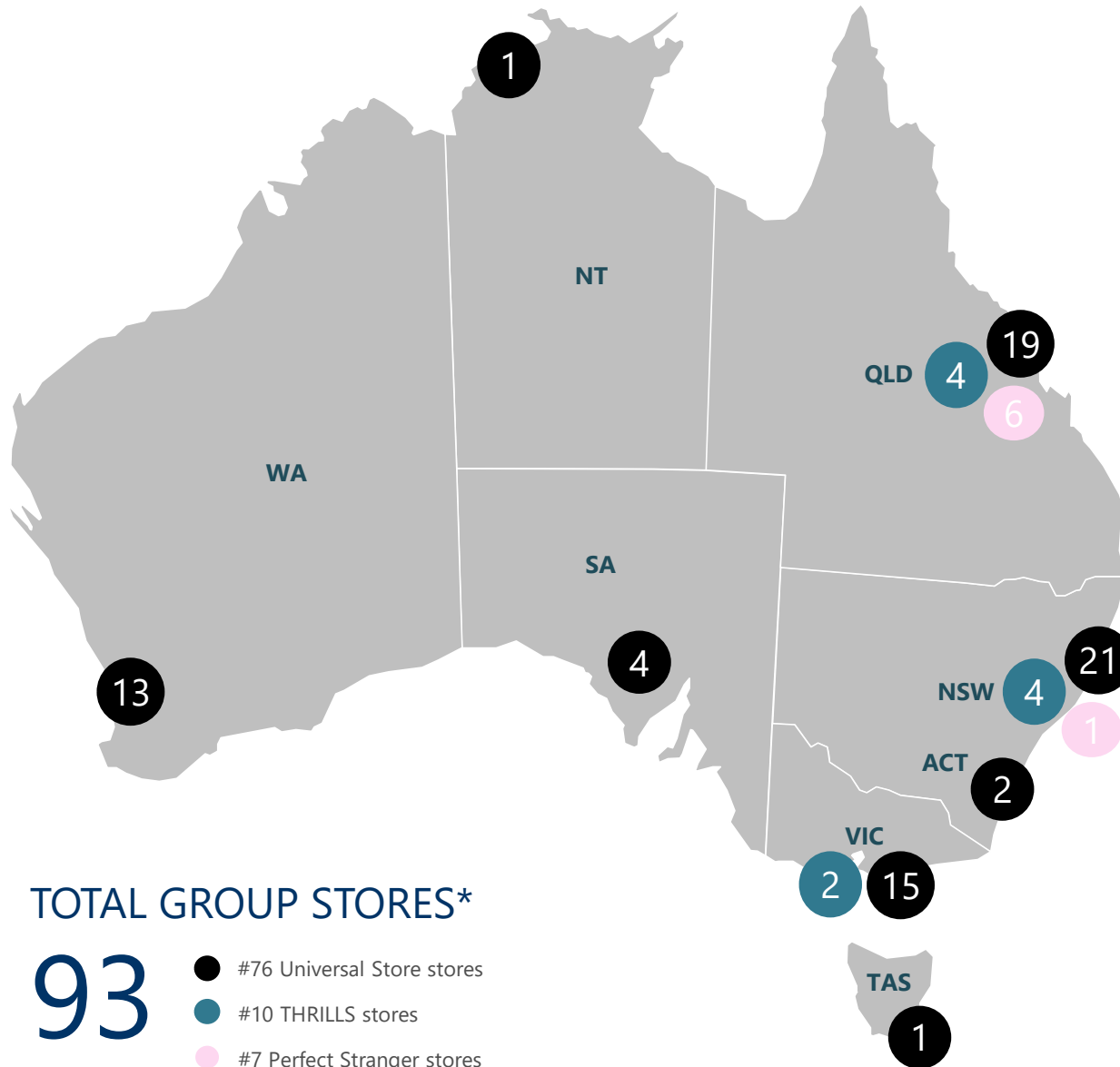
COMMUNITY IMPACT

*Target dates above relate to calendar year.

APPENDIX 4: GROUP OVERVIEW



APPENDIX 5: STORE FOOTPRINT



TOTAL GROUP STORES*

93

- #76 Universal Store stores
- #10 THRILLS stores
- #7 Perfect Stranger stores

* Plus web store for each brand.

Universal Store

PROPERTY



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UNIVERSAL SPIRIT

The unique ability to create memorable and positive experiences for all. Creating an experience that is fun, open and based on kindness.
The environment that enables a person to be their best.

Universal Store