Accent
Group

Accent Group Limited

ABN 85 108 096 251

Appendix 4D
Half-year Report

Appendix 4D

1. COMPANY DETAILS

Name of entity:	Accent Group Limited
ABN:	85 108 096 251
Reporting period:	For the half-year ended 29 December 2024 (26 weeks)
Previous period:	For the half-year ended 31 December 2023 (26 weeks)

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Percentage change %	Amount $'000
Revenue from ordinary activities	up 4.6%	to 775,963
Profit after income tax for the period	up 11.7%	to 47,184

Dividends

	Amount per security Cents	Franked amount per security Cents
2024 Final dividend	4.50	4.50
2025 Interim dividend	5.50	5.50

Dividend payment date:

- 2024 Final dividend	26 September 2024
- 2025 Interim dividend	20 March 2025

3. NET TANGIBLE ASSETS PER ORDINARY SECURITY

	29 Dec 2024 Cents	31 Dec 2023 Cents
Net tangible assets per ordinary security	8.31	12.33

Net tangible assets are calculated by deducting intangible assets from the net assets of the Group.

4. OTHER INFORMATION

This report is based on the consolidated financial statements which have been reviewed by PricewaterhouseCoopers.

For further explanation of the figures above please refer to the ASX Announcement dated 21 February 2025 outlining the results for the half-year ended 29 December 2024 and the notes to the financial statements.

Accent Group Limited

ABN 85 108 096 251

Interim Financial Report
29 December 2024

Contents

29 December 2024

The directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'Consolidated Entity' or 'Group') consisting of Accent Group Limited (referred to hereafter as the 'Company' or 'Accent Group') and the entities it controlled at the end of, or during, the half-year ended 29 December 2024.

The Group has adopted a 26-week half-year period, for financial reporting purposes, which ended on 29 December 2024. The prior half-year period was a 26-week period ended on 31 December 2023.

DIRECTORS

The following persons were directors of Accent Group Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

David Gordon - Chairman

Daniel Agostinelli - Chief Executive Officer

Michael Hapgood

Donna Player

Anne Loveridge AM

Lawrence Myers

David Forsey (appointed 21 November 2024)

Brett Blundy (resigned 28 August 2024)

Timothy Dodd – Alternate Director for Brett Blundy (resigned 28 August 2024)

PRINCIPAL ACTIVITIES

Accent Group is a leading digitally integrated consumer business in the retail and distribution sectors of branded performance and lifestyle footwear, apparel and accessories with over 900 stores across 18 different retail banners and exclusive distribution rights for 12 international brands across Australia and New Zealand.

The Group's banners and brands include Platypus Shoes, The Athlete's Foot (TAF), Hype DC, Skechers, Merrell, Vans, Dr. Martens, Saucony, Timberland, HOKA, Superga, Subtype, Stylerunner, Glue Store, Nude Lucy and UGG.

DIVIDENDS

Dividends paid during the half-year were as follows:

	Consolidated	
	29 Dec 2024 $'000	**31 Dec 2023 $'000**
Final dividend for the year ended 30 June 2024 of 4.50 cents (2023: 5.50 cents) per ordinary share	25,470	30,968

In respect of the half-year ended 29 December 2024, the directors recommended the payment of an interim fully franked dividend of 5.50 cents per share to be paid on 20 March 2025.

The Group remains in a strong position with a flexible and resilient business model, a strong balance sheet and conservative gearing levels.

REVIEW OF OPERATIONS

The Group recorded total statutory revenue of $776.0 million (2024: $742.2 million), up 4.6% on the prior year, which is comprised of owned sales to customers (excluding TAF franchise sales) of $767.0 million (2024: $732.9 million) and other revenue of $9.0 million (2024: $9.3 million). Including TAF franchise sales, the Group delivered total sales of $844.6 million, up 4.2% on the prior year for the half-year ended 29 December 2024.

Gross margin of 55.6% (2024: 56.6%) from owned sales to customers (excluding TAF franchise sales) was a decrease of 100 basis points to the prior year. Gross margin in H1 was impacted by the more promotional consumer environment. The Group's strategy is to continue improving underlying gross margin through an increasing mix of distributed and owned vertical brands.

Net profit after tax for the half-year was $47.2 million[1] (2024: $42.2 million), up 11.7% on the prior year, delivered through the Group's continued focus on customers, sought after product, sales growth and continued focus on cost of doing business.

The best performing banners were TAF, Hype DC, HOKA, Stylerunner and Nude Lucy.

The Group opened 42 new stores during H1, divested 17 Trybe stores and closed 17 stores. Within the 17 store closures, 7 stores are attributed to Glue Store. The Group expects to open at least a further 10 new stores in H2 FY25.

Significant changes in the state of affairs

In August 2024, Frasers Group plc acquired a 14.65% strategic shareholding in the Group from BBRC International Pte Ltd. In the directors' opinion, apart from this event, there have been no significant changes in the state of affairs of the Group during the period.

Rounding of amounts

The Company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

(1) Includes $3.3 million of non-recurring items relating to the reversal of a historical impairment of the Hype DC brand carrying value of $9.7 million, the impairment of a number of underperforming Vans stores of $3.8 million and one-off costs and trading losses of $2.6 million relating to the discontinuation of the CAT brand distribution and the divestment of Trybe.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the directors

David Gordon
Chairman

21 February 2025

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Auditor's Independence Declaration

As lead auditor for the review of Accent Group Limited for the half-year ended 29 December 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Accent Group Limited and the entities it controlled during the period.

Alison Tait Milner

Alison Tait Milner
Partner
PricewaterhouseCoopers

Melbourne
21 February 2025

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Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 29 December 2024

	Note	Consolidated 29 Dec 2024 $'000	31 Dec 2023 $'000
Revenue	5	**775,963**	742,156
Interest revenue		**770**	842
Expenses			
Cost of sales		**(340,469)**	(318,021)
Distribution		**(32,535)**	(30,171)
Marketing		**(23,951)**	(23,017)
Occupancy		**(18,735)**	(19,306)
Employee expenses		**(165,717)**	(158,189)
Other		**(36,227)**	(35,975)
Depreciation, amortisation and impairment		**(77,676)**	(85,120)
Finance costs		**(14,844)**	(13,441)
Profit before income tax expense		**66,579**	59,758
Income tax expense		**(19,395)**	(17,522)
Profit after income tax expense for the period		**47,184**	42,236
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax		**4,436**	(4,344)
Foreign currency translation		**(81)**	104
Other comprehensive income for the period, net of tax		**4,355**	(4,240)
Total comprehensive income for the period		**51,539**	37,996
Profit for the period is attributable to:			
Owners of Accent Group Limited		**47,184**	42,236
		47,184	42,236
Total comprehensive income for the period is attributable to:			
Owners of Accent Group Limited		**51,539**	37,996
		51,539	37,996
		Cents	**Cents**
Basic earnings per share	17	**8.35**	7.55
Diluted earnings per share	17	**8.35**	7.51

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of Financial Position

As at 29 December 2024

	Note	Consolidated 29 Dec 2024 $'000	30 Jun 2024 $'000
Assets			
Current assets			
Cash and cash equivalents		**43,557**	28,051
Trade and other receivables		**47,108**	36,832
Inventories	6	**285,960**	264,844
Lease receivable		**6,702**	7,459
Derivative financial instruments		**7,881**	–
Other current assets		**7,785**	6,326
Current tax receivable		**–**	2,957
Total current assets		**398,993**	346,469
Non-current assets			
Property, plant and equipment		**120,800**	121,403
Right of use asset		**283,723**	265,413
Lease receivable		**10,754**	8,484
Intangibles		**399,194**	384,014
Net deferred tax assets		**22,459**	22,164
Total non-current assets		**836,930**	801,478
Total assets		**1,235,923**	1,147,947
Liabilities			
Current liabilities			
Trade and other payables	8	**180,642**	151,287
Deferred revenue		**13,461**	11,593
Provisions		**20,889**	20,662
Borrowings	9	**19,721**	10,659
Lease liabilities		**133,400**	138,039
Derivative financial instruments		**–**	315
Provision for income tax		**4,024**	–
Total current liabilities		**372,137**	332,555
Non-current liabilities			
Provisions		**1,939**	1,736
Deferred revenue		**1,824**	1,346
Borrowings	10	**139,733**	139,594
Lease liabilities		**274,066**	253,911
Total non-current liabilities		**417,562**	396,587
Total liabilities		**789,699**	729,142
Net assets		**446,224**	418,805
Equity			
Issued capital	11	**390,926**	390,926
Reserves		**39,551**	33,846
Retained earnings		**15,747**	(5,967)
Total equity		**446,224**	418,805

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of Changes in Equity

For the half-year ended 29 December 2024

Consolidated	Issued capital $'000	Foreign currency translation reserve $'000	Hedging reserve - cash flow hedges $'000	Share-based payments reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 3 July 2023	390,926	1,202	2,135	33,619	13,330	441,212
Profit after income tax expense for the half-year	–	–	–	–	42,236	42,236
Other comprehensive income for the half-year, net of tax	–	104	(4,344)	–	–	(4,240)
Total comprehensive income for the half-year	–	104	(4,344)	–	42,236	37,996
Transactions with owners in their capacity as owners:						
Share-based payments	–	–	–	4,324	–	4,324
Dividends paid (Note 12)	–	–	–	–	(30,968)	(30,968)
Balance at 31 December 2023	390,926	1,306	(2,209)	37,943	24,598	452,564

Consolidated	Issued capital $'000	Foreign currency translation reserve $'000	Hedging reserve - cash flow hedges $'000	Share-based payments reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2024	390,926	1,141	104	32,601	(5,967)	418,805
Profit after income tax expense for the half-year	–	–	–	–	47,184	47,184
Other comprehensive income for the half-year, net of tax	–	(81)	4,436	–	–	4,355
Total comprehensive income for the half-year	–	(81)	4,436	–	47,184	51,539
Transactions with owners in their capacity as owners:						
Share-based payments	–	–	–	1,350	–	1,350
Dividends paid (Note 12)	–	–	–	–	(25,470)	(25,470)
Balance at 29 December 2024	390,926	1,060	4,540	33,951	15,747	446,224

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of Cash Flows

For the half-year ended 29 December 2024

	Note	Consolidated 29 Dec 2024 $'000	Consolidated 31 Dec 2023 $'000
Cash flows from operating activities			
Receipts from customers and franchisees (inclusive of GST)		**849,539**	814,318
Payments to suppliers and employees (inclusive of GST)		**(695,990)**	(650,531)
Interest received		**299**	408
Interest and other finance costs paid		**(5,806)**	(5,346)
Interest on lease liabilities		**(8,365)**	(7,474)
Income taxes paid		**(14,057)**	(9,142)
Net cash from operating activities		**125,620**	142,233
Cash flows from investing activities			
Payment for purchase of businesses, net of cash acquired	16	**(4,462)**	(638)
Payments for property, plant and equipment[(1)]		**(18,487)**	(14,327)
Payments for intangibles		**(4,359)**	(3,743)
Proceeds from disposal of business[(2)]		**2,223**	–
Net cash used in investing activities		**(25,085)**	(18,708)
Cash flows from financing activities			
Proceeds from borrowings		**9,000**	–
Repayment of borrowings		**–**	(10,000)
Payments for debt transaction costs		**–**	(430)
Payment for lease liabilities		**(68,406)**	(64,255)
Dividends paid	12	**(25,470)**	(30,968)
Net cash used in financing activities		**(84,876)**	(105,653)
Net increase in cash and cash equivalents		**15,659**	17,872
Cash and cash equivalents at the beginning of the financial half-year		**28,051**	29,722
Effects of exchange rate changes on cash and cash equivalents		**(153)**	75
Cash and cash equivalents at the end of the financial period		**43,557**	47,669

(1) Payments for property, plant and equipment are net of cash fitout contributions received from landlords of $6,561,000 (Dec 2023: $14,457,000)
(2) The Trybe business was sold in August 2024. The proceeds received in relation to the sale was $2,223,000.

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTE 1. GENERAL INFORMATION

The financial statements cover Accent Group Limited ('Company', 'parent entity' or 'Accent') as a Group consisting of Accent Group Limited and the entities it controlled at the end of, or during, the half-year ('Group'). The financial statements are presented in Australian dollars, which is Accent's functional and presentation currency.

Accent is a public company limited by shares, listed on the Australian Securities Exchange ('ASX'), incorporated and domiciled in Australia. Its registered office and principal place of business is:

2/64 Balmain Street
Richmond VIC 3121

A description of the nature of the Group's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 February 2025.

NOTE 2. BASIS OF PREPARATION

These condensed financial statements for the period ended 29 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements have been prepared under the historical cost conversion, except for, where applicable, derivative financial instruments and share-based payments which have been measured at fair value at grant date.

The preparation of the Interim Financial Report requires the Group to make estimates and judgements that affect the application of policies and reported amounts. Uncertainty about these judgements and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The current reporting period, 1 July 2024 to 29 December 2024, represents 26 weeks and the comparative reporting period is from 3 July 2023 to 31 December 2023 which represents 26 weeks. From time to time, management may change prior year comparatives to reflect classifications applied in the current year.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these consolidated interim financial statements are the same as those applied in the Group's 2024 Annual Report.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Rounding of amounts

The Company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

NOTE 4. OPERATING SEGMENTS

The Group is required to determine and present its operating segments based on the way in which financial information is organised and reported to the chief operating decision-makers (CODMs). The CODMs have been identified as the Board of Directors on the basis they make the key operating decisions of the Group and are responsible for allocating resources and assessing performance.

Based on the internal reports that are reviewed and used by the CODMs in assessing performance and in determining the allocation of resources, the consolidated entity is organised into two operating segments. There is no aggregation of operating segments.

The CODMs assess the performance of the operating segments based on a measure of Management Pre-AASB 16 EBIT (earnings before interest and tax) prior to the impact of AASB 16 Leases and non-operating intercompany charges.

For the half-year ended 29 December 2024, the Retail and Wholesale businesses have been identified as two separate operating segments in line with the way in which financial information is organised and reported to the CODMs. In prior periods, these were determined to be one operating segment.

Support costs comprise of costs attributable to the support functions such as IT, Legal, Finance and Property Leasing.

NOTE 4. OPERATING SEGMENTS (CONTINUED)

Reportable segments	Operations
Retail	Sale of footwear and apparel directly to consumers
Wholesale	Sale of footwear and apparel in bulk to the Retail segment and to other businesses

Operating segment information

26-week financial period ended 29 December 2024	Reportable Segments Retail $'000	Reportable Segments Wholesale $'000	Support Costs $'000	Consolidated $'000
Revenue				
Total sales revenue	683,528	247,696	–	931,224
Inter-segment revenue	–	(164,264)	–	(164,264)
Revenue from external customers	683,528	83,432	–	766,960
Management Pre-AASB 16 EBIT[1]	106,785	8,056	(42,982)	71,859

Reconciliation of Management Pre-AASB16 EBIT to profit after income tax expense is as follows:

Management Pre-AASB 16 EBIT	71,859
AASB 16 Leases impact	8,794
Reported EBIT	80,653
Finance costs	(14,844)
Interest revenue	770
Profit before income tax expense	66,579
Income tax expense	(19,395)
Profit after income tax expense	47,184

1 Included in the Group management pre-AASB16 EBIT are non-recurring items of $3,320,000 which comprise of an impairment reversal of $9,714,000 for the Hype DC brand, an impairment charge of $3,812,000 for Vans retail stores (2023: $3,117,000 for Glue Store) and one-off costs and trading losses of $2,582,000 relating to the discontinuation of the CAT brand distribution and the divestment of Trybe. Of these items, $3,983,000 of positive pre-AASB16 EBIT are included in Retail operating segment and $663,000 negative pre-AASB16 EBIT included in Wholesale operating segment.

26-week financial period ended 31 December 2023	Reportable Segments Retail $'000	Reportable Segments Wholesale $'000	Support Costs $'000	Consolidated $'000
Revenue				
Total sales revenue	650,569	234,972	–	885,541
Inter-segment revenue	–	(152,644)	–	(152,644)
Revenue from external customers	650,569	82,328	–	732,897
Management Pre-AASB 16 EBIT	100,440	7,919	(41,159)	67,200

Reconciliation of Management Pre-AASB16 EBIT to profit after income tax expense is as follows:

Management Pre-AASB 16 EBIT	67,200
AASB 16 Leases impact	5,157
Reported EBIT	72,357
Finance costs	(13,441)
Interest revenue	842
Profit before income tax expense	59,758
Income tax expense	(17,522)
Profit after income tax expense	42,236

NOTE 5. REVENUE

	Consolidated	
	29 Dec 2024 $'000	**31 Dec 2023 $'000**
Sales revenue		
Sales to customers	**766,960**	732,897
Royalties and other franchise related income	**6,344**	6,205
	773,304	739,102
Other revenue		
Marketing levies received from TAF stores	**2,659**	2,708
Other revenue	**–**	346
	2,659	3,054
Revenue	**775,963**	742,156

The following table summarises sales to customers by geographic location of the Group:

	Consolidated	
	29 Dec 2024 $'000	**31 Dec 2023 $'000**
Australia	**684,841**	649,299
New Zealand	**82,119**	83,598
	766,960	732,897

NOTE 6. INVENTORIES

	Consolidated	
	29 Dec 2024 $'000	**30 Jun 2024 $'000**
Finished goods (at lower of cost and net realisable value)	**213,641**	193,974
Goods in transit	**72,319**	70,870
	285,960	264,844

Provision for write-down of inventories to net realisable value amounted to $11,435,000 (30 June 2024: $11,667,000) at 29 December 2024.

NOTE 7. IMPAIRMENT OF ASSETS

Intangibles

Goodwill, brands and trademarks were subject to a full annual impairment test as at 30 June 2024. For Goodwill impairment testing purpose, the Cash Generating Unit ("CGU") is determined to be the Retail business representing the Retail operating segment. For brands and trademarks, each individual brand and trademark is determined to be a separate CGU.

There are observable indications that Hype DC's brand value has increased significantly during the period, following sustainable favourable business performance in recent financial years. The Group has therefore performed an impairment test for the Hype DC brand ("Hype") as at 29 December 2024. The recoverable amount of Hype was determined using the Relief from Royalty ('RFR') valuation method. The calculations reflect the last twelve months of revenue in year one. Revenue beyond year one represents the Group's estimated growth of 2% per annum. The royalty rate used in the valuation model is 3.5%. The tax rate applied is based on the corporate tax rate in Australia of 30.0% and the after-tax discount rate used is 12.5%.

Based on the impairment test outcome, the Group has recognised an impairment reversal for Hype brand of $9,714,000 as at 29 December 2024.

No indicators of impairment were identified that would require a full impairment test to be performed for the remaining intangible assets as at 29 December 2024.

NOTE 7. IMPAIRMENT OF ASSETS (CONTINUED)

Property, Plant and Equipment and Right of Use Asset

The Group is required to assess whether there is any indication that an asset (or CGU) may be impaired. For impairment testing purpose, the Group has determined that each store is a separate CGU.

The Group performed an indicator assessment for each store based on store profitability at the EBITDA level. Other than Vans stores, there were no indicators of impairment identified that would require an incremental impairment charge to be recognised for the half-year ended 29 December 2024. The Group separately identified impairment indicators in relation to a number of Vans stores.

The Group performed an impairment test for the Vans store portfolio as at 29 December 2024 based on value in use for each store (CGU). The recoverable amount was determined based on the Group's latest trading performance at the time of assessment. Cash flows in year one represent the last twelve months of trading. Cash flows beyond year one represent the Group's estimated growth of 2% per annum. Cash flows were discounted to present value using a mid-point after-tax discount rate of 10.47% (2024: 10.47%).

The Group has recognised an incremental impairment charge of $3,812,000 for Vans as at 29 December 2024.

The cash flows used within the impairment models are based on assumptions which are sources of estimation uncertainty and movements in these assumptions could lead to further impairment. The key assumptions in the value in use calculations are growth rates of sales, gross profit margins and the after-tax discount rate.

NOTE 8. TRADE AND OTHER PAYABLES

	Consolidated	
	29 Dec 2024 $'000	**30 Jun 2024 $'000**
Trade payables	**88,040**	71,325
Goods and services tax payable	**12,595**	7,645
Accrued expenses	**44,568**	40,222
Other payables	**35,439**	32,095
	180,642	151,287

Trade payables and accruals represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Other payables represent goods receipted that have not been invoiced as at 29 December 2024. Trade and other payables are stated at amortised cost. The amounts are unsecured and are usually settled within 30 to 60 days of recognition.

NOTE 9. CURRENT LIABILITIES - BORROWINGS

	Consolidated	
	29 Dec 2024 $'000	**30 Jun 2024 $'000**
Secured		
Trade finance facility	**20,000**	11,000
Capitalised debt transaction costs	**(279)**	(341)
	19,721	10,659

NOTE 10. NON-CURRENT LIABILITIES - BORROWINGS

	Consolidated	
	29 Dec 2024 $'000	**30 Jun 2024 $'000**
Secured		
Bank loans	**140,000**	140,000
Capitalised debt transaction costs	**(267)**	(406)
	139,733	139,594

NOTE 11. EQUITY - ISSUED CAPITAL

	Consolidated			
	29 Dec 2024 Shares	**30 Jun 2024 Shares**	**29 Dec 2024 $'000**	**30 Jun 2024 $'000**
Ordinary shares - fully paid	**565,998,979**	563,053,196	**390,926**	390,926

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	2 July 2023	552,459,958		390,926
Shares issued during the period	8 September 2023	10,593,238	–	–
Balance	**30 June 2024**	**563,053,196**		**390,926**
Shares issued during the period(i)	**2 September 2024**	**2,945,783**	–	**–**
Balance	**29 December 2024**	**565,998,979**		**390,926**

(i) A total of 2,945,783 (FY24: 10,593,238) ordinary shares were issued in relation to the performance rights plan.

NOTE 12. EQUITY - DIVIDENDS

Dividends paid during the period were as follows:

	Consolidated	
	29 Dec 2024 $'000	**31 Dec 2023 $'000**
Final dividend for the year ended 30 June 2024 of 4.50 cents (2023: 5.50 cents) per ordinary share	**25,470**	30,968

In respect of the half-year ended 29 December 2024, the directors recommended the payment of an interim fully franked dividend of 5.50 cents per share to be paid on 20 March 2025.

NOTE 13. FAIR VALUE MEASUREMENT

The only financial assets or financial liabilities carried at fair value are interest rate swaps and foreign currency forward contracts. All these instruments are Level 2 financial instruments because, unlike Level 1 financial instruments, their measurement is derived from inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

Valuation techniques for fair value measurements

The fair values are determined using the valuation techniques below. The fair value was obtained from third party valuations.

Forward foreign exchange contracts

The fair value was obtained from third party valuations derived from discounted cash flow forecasts of forward exchange rates at the end of the reporting period and contract exchange rates.

Interest rate swap contracts

Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

There were no transfers between levels during the half-year.

The carrying amount of other financial assets and financial liabilities recorded in the financial statements approximate their fair values.

NOTE 14. CONTINGENT LIABILITIES

The Group has bank guarantees outstanding as at 29 December 2024 of $2,456,000 (30 June 2024: $3,937,000). The Group also has open letters of credit of $23,648,000 (30 June 2024: $23,068,000). These guarantees and letters of credit are in favour of international stock suppliers and landlords where parent guarantees cannot be negotiated.

NOTE 15. COMMITMENTS

The Group has capital commitments relating to property, plant and equipment as at 29 December 2024 of $7,309,000 (30 June 2024: $14,697,000) that were committed at the reporting date but not recognised as liabilities. The commitments represent the maximum amounts that the Group is obliged to pay and exclude landlord contributions to store fit-out costs.

NOTE 16. BUSINESS COMBINATIONS

2025

During the period to 29 December 2024, the Group completed the acquisition of 5 TAF stores. The total consideration transferred for these acquisitions was $4,512,000. Goodwill of $1,555,000 was recognised on acquisition. The 5 TAF stores contributed revenue of $2,424,000 from the acquisition dates to 29 December 2024.

The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

2024

During the year to 30 June 2024, the Group completed the acquisition of 3 TAF stores. The total consideration transferred for these acquisitions was $2,206,000. Goodwill of $1,065,000 was recognised on acquisition. The 3 TAF stores contributed revenue of $1,832,000 from the acquisition dates to 30 June 2024.

NOTE 17. EARNINGS PER SHARE

	Consolidated	
	29 Dec 2024 $'000	**31 Dec 2023 $'000**
Profit after income tax attributable to the owners of Accent Group Limited	**47,184**	42,236

	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	**564,973,651**	559,131,940
Adjustments for calculation of diluted earnings per share:		
Performance rights	**–**	2,945,783
Weighted average number of ordinary shares used in calculating diluted earnings per share	**564,973,651**	562,077,723

	Cents	**Cents**
Basic earnings per share	**8.35**	7.55
Diluted earnings per share	**8.35**	7.51

NOTE 18. EVENTS AFTER THE REPORTING PERIOD

Apart from the dividend declared as disclosed in Note 12, no other matter or circumstance has arisen since 29 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' Declaration

29 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 29 December 2024 and of its performance for the period ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the directors

David Gordon
Chairman

21 February 2025

Independent auditor's review report to the members of Accent Group Limited

Report on the financial report

Conclusion

We have reviewed the financial report of Accent Group Limited (the Company) and the entities it controlled during the period (together the Group), which comprises the statement of financial position as at 29 December 2024, the statement of changes in equity, statement of cash flows and statement of profit or loss and other comprehensive income for the period from 1 July 2024 to 29 December 2024, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying financial report of Accent Group Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 29 December 2024 and of its performance for the period from 1 July 2024 to 29 December 2024
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report, in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view

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of the Group's financial position as at 29 December 2024 and of its performance for the period from 1 July 2024 to 29 December 2024, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

Alison Tait Milner

Alison Tait Milner
Partner

Melbourne
21 February 2025