ASX Announcement
Accent Group Limited (ASX: AX1)
21 August 2026

ACCENT GROUP FULL YEAR FY26 RESULTS[1]

FY26 HEADLINES

- Total sales[2] of $1.64 billion (FY25: $1.62 billion)
- EBITDA of $278.9 million (FY25: $288.8 million)
- Underlying EBIT of $105.3 million[3]
- Underlying NPAT of $51.0 million[4]
- EBIT (pre goodwill impairment) of $82.6 million[5], above the mid-point of guidance
- Reported EBIT of $34.0 million and a statutory NPAT loss of $13.8 million after a non-cash goodwill impairment charge of $48.6 million
- Underlying EPS of 8.5 cents[6]and statutory EPS of -2.3 cents
- Final dividend of 1.25 cents per share, fully franked. Total dividends for FY26 of 4.5 cents per share (FY25: 7.0 cents per share)
- Key initiatives under the 2030 Strategic Growth Plan are progressing well[7]

Accent Group Limited (ASX: AX1) (**Accent Group**, **Group** or **Company**) today announces its results for the 52 weeks ended 28 June 2026 (**FY26**).

Accent Group CEO, Daniel Agostinelli, said "FY26 was a year of significant strategic progress for Accent Group despite a challenging macroeconomic backdrop. We completed the closure of loss-making businesses, launched and expanded Sports Direct, continued the TAF franchise reacquisition program, and released our 2030 Strategic Growth Plan. Whilst the consumer environment remained challenging, the business delivered underlying EBIT of $105.3 million and is well positioned for FY27, supported by initiatives being implemented under our 2030 Strategic Growth Plan."

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[1] Financial results for the 52 weeks ended 28 June 2026 are presented on a post AASB 16 basis unless otherwise noted. FY25 prior year comparisons are based on post AASB 16 results for the 52 weeks ended 29 June 2025.
[2] Includes The Athlete's Foot franchise sales, non-IFRS measure.
[3] Underlying FY26 EBIT of $105.3 million is Reported EBIT of $34.0, adjusted for $71.2 million EBIT of significant items ($17.8 million losses from closed businesses, $2.8 million restructuring costs, $48.6 million goodwill impairment, $2.1 million of adviser costs relating to the Frasers Group takeover proposal)
[4] Underlying NPAT of $51.0 million reflects the Statutory NPAT of -$13.8 million adjusted for $64.8 million significant items net of tax ($71.8 million PBT of significant items less $7.0 million tax, noting goodwill impairment is non-taxable).
[5] FY26 EBIT (pre goodwill impairment) of $82.6 million is Reported EBIT of $34.0 million adjusted for the goodwill impairment of $48.6 million.
[6] Underlying EPS of 8.5 cents is underlying NPAT of $51.0 million divided by 601,185,674 shares on issue
[7] Subject to the assumptions, risks and qualifications previously disclosed in Accent's First Supplementary Target's Statement dated 29 July 2026 and released to ASX on that date.

FY26 OPERATING REVIEW

- **Total owned sales[8] of $1.53 billion** up 4.7% on FY25. LFL sales for the full year were -0.5%. LFL sales in H1 were up 0.9% and in H2 were -2.0%. Q4 FY26 was materially impacted by the escalation of geopolitical tensions and a significant deterioration in consumer confidence. The performance sports brands, including The Athlete's Foot, Hoka, Merrell and Saucony continued to grow and we saw year on year growth for Skechers, Stylerunner and UGG. Nude Lucy had another record year of sales and profit.

- **Gross margin of 53.1%** compared to 54.9% prior year. The result reflects the impacts of the ongoing heightened promotional environment, the loss-making businesses, disciplined inventory management in a low sales environment and a lower AUD. **Excluding closed businesses, gross margin percentage was 54.1% for the full year.**

- **CODB % of 46.1%** compared to 46.6% prior year. Meaningful cost savings were achieved across support team, occupancy, IT and marketing, reflecting the Company's focus on operating efficiency. Excluding closed businesses, restructuring costs and adviser fees relating to the Frasers Group takeover proposal, underlying CODB % was 45.6%.

- **Closure of Loss-Making Businesses**: The closure of OzSale and Glue operations along with the discontinuation of distribution agreements for Dickies, Herschel and Superga has been completed, removing approximately $17.8 million of losses on an annualised basis and enabling management to focus resources on growth initiatives.

- **The Athlete's Foot Franchise Reacquisition:** The TAF reacquisition program completed the year ahead of plan with 17 stores acquired. At the end of FY26, 28 franchise stores remain. Results achieved from the reacquired stores pleasing and continue to be in line with expectations.

- **Sports Direct Rollout:** The Company successfully launched Sports Direct in FY26 with 3 stores trading (including online) by the end of FY26. A fourth store at Miranda (NSW) has subsequently opened. Week on week sales in all stores have continued to grow as customers engage with the brand. Online sales have outperformed expectations to date, providing encouraging support for the broader Sports Direct rollout.

- **Stores:** 43 new stores were opened during FY26, ending the year with 876 stores (including websites). Sports Direct, HOKA (including Sydney flagship store), Lacoste, Nude Lucy and Skechers were the primary growth contributors. 59 stores were closed including 19 Glue stores and 17 Vans stores, supporting the Vans turnaround program.

UNDERLYING RESULT

Underlying EBIT was $105.3 million[3] and underlying NPAT was $51.0 million. Underlying EBIT is reported EBIT excluding significant items, including losses from closed businesses, restructuring costs, adviser costs and the non-cash goodwill impairment charge. The Board considers underlying EBIT to be a more appropriate measure for assessing the Group's underlying operating performance, as it excludes certain significant items that may not be representative of the performance of the continuing business. A reconciliation to reported EBIT is set out in the Appendix.

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[8] Owned sales exclude The Athlete's Foot Franchise sales

PERFORMANCE AGAINST GUIDANCE

FY26 EBIT before the non-cash goodwill impairment charge was $82.6 million[5] (H2 $26.1 million), above the mid-point of the EBIT guidance range of $79.5 million to $84.5 million provided in the Company's trading update on 4 May 2026. As previously disclosed, the FY26 EBIT guidance remained subject to the Company's year-end processes which have now been completed. Excluding adviser costs of $2.1 million relating to the Frasers Group takeover proposal, Operating EBIT would have been $84.7 million, above the top end of the guidance range. The result represents a solid operating performance in a challenging year, reflecting the strength of the core brand portfolio and the benefit of disciplined cost management across the business.

REPORTED RESULT AND GOODWILL IMPAIRMENT

The reported EBIT for FY26 is $34.0 million, following a non-cash goodwill impairment charge of $48.6 million. The impairment reflects the Company's year-end goodwill impairment assessment, which involves forward-looking assumptions and the exercise of judgement. In making that assessment, the Board took a conservative approach having regard to the current macroeconomic environment, recent trading conditions and that the Company's market capitalisation remains below its Net Asset Value. The impairment is a non-cash accounting charge and does not of itself affect the Company's cash flows, banking covenants, its ability to pay dividends or its day-to-day operations.

DIVIDEND AND NET DEBT

Final dividend of 1.25 cents per share fully franked to be paid on 14 September 2026 to registered shareholders as of 27 August 2026.

Total dividends (fully franked) for FY26 of 4.5 cents per share (FY25: 7.0 cents per share). Compared to Reported EPS (pre goodwill impairment) the payout ratio is 78%, at the top end of the Board's target range of 60%-80% of net profit after tax excluding goodwill impairment.

In determining the dividend, the Board has had regard to the Company's earnings, cash flow generation, balance sheet position including franking credits, and capital requirements under the 2030 Strategic Growth Plan, including the ongoing Sports Direct rollout and TAF reacquisition program.

The final dividend continues Accent's long track record of returning capital to shareholders by way of franked dividends. It remains the Board's current intention to continue to pay fully franked dividends out of available cash flow within the target dividend payout ratio, subject to circumstances at the relevant time.

During the year, the Company deployed $39.5 million of cash in new high value investments including $12.3 million for Sports Direct (continuing to utilise the $60 million in subscription funds received in May 2025) and $27.2 million for the reacquisition of 17 earnings accretive TAF franchise stores. The Company's net debt position of $141 million implies a leverage ratio of 1.18 times, well within the Board's tolerance range for gearing and the Company's banking covenants. As at 30 June 2026, the Company has $60.9 million of undrawn committed facilities and a further $64.2 million of at call funds within its funding agreements.

2030 STRATEGIC GROWTH PLAN UPDATE

Key initiatives under the Company's 2030 Strategic Growth Plan, released to the ASX on 13 May 2026, are progressing well. The Plan targets at least $1.9 billion in sales, a 9%+ EBIT margin and approximately 950 stores by 2030, built around three strategic pillars of Efficiency, Evolution and Expansion. The targeted EBIT uplift is underpinned by the approximately $40 million cost-out and efficiency program, $17.8 million from closed loss-making businesses, approximately $14 million from TAF franchise reacquisitions and at least $7 million from store portfolio optimisation, the Sports Direct rollout in line with the retail agreement with Frasers Group and continued growth in new distributed and vertical brands including HOKA, Lacoste, Nude Lucy and Ode. The gross margin target of approximately 55% off the FY26 continuing business base of 54.1% is supported by growth in vertical brands and FX tailwinds.

The 2030 targets and expected benefits remain subject to the assumptions, risks and uncertainties described in Accent's Target's Statement and First Supplementary Target's Statement. No assurance is given that the targets will be achieved in full or within the anticipated timeframe.

Accent has sufficient capital and projected future cash flows to fund its 2030 Strategic Growth Plan. During FY26 the Company successfully refinanced its debt facilities, increasing its debt facility by $102M to $372M on improved terms including a reduced margin and tenure extension to December 2028. The refinance provides the Company with a robust capital structure and sufficient financial flexibility to pursue additional growth opportunities that may arise, including potential new distributed brands.

Efficiency	**Operating Efficiencies**	• Approximately $40 million gross cost savings initiatives program identified through to FY28 is on track, with approximately $30 million actioned for FY27. Savings are being realised across support office teams, occupancy, retail labour, IT and marketing, with AI-oriented projects being deployed to support further efficiencies. These cost savings are structural in nature and are expected to persist and compound through FY27 and FY28.
	Store Portfolio Optimisation	• 102 stores are under review as they come up for lease renewal, supporting an EBIT uplift of at least $7M by FY30. The FY27 EBIT uplift of $2 million is on track with the store closures actioned or substantially determined and any lease renewals completed or in progress.
Evolution	**The Athlete's Foot**	• The TAF reacquisition program remains on track, delivering incremental EBIT contribution as corporate ownership increases. The program is expected to contribute approximately $14 million of incremental EBIT by 2030, including approximately $6 million in incremental EBIT by FY27. The longest dated franchise agreement expires in August 2029.
	Customer & Digital	• The Company now has more than 10 million contactable customers and 29 websites across the portfolio. Investment in CRM, personalisation and digital experience continues, with AI tools being deployed to support improved customer engagement and marketing efficiency.
Expansion	**Sports Direct**	• The Sports Direct network continues to expand, with 8 stores plus online expected to be open by December 2026 and the continued roll-out of Sports Direct across ANZ in line with the retail agreement. • The online channel continues to grow and the business traded to plan, with the FIFA World Cup period providing a tailwind into FY27. • Management has continued to work constructively with Frasers' operational teams in building the Sports Direct business in ANZ, in accordance with the retail agreement. Operational engagement with Frasers' has continued in the ordinary course and the rollout plan remains unchanged notwithstanding their takeover bid.
	New Stores & Brand Growth	• The Company opened 43 new stores in FY26 with HOKA, Skechers, Nude Lucy, Lacoste and Sports Direct the key growth contributors. The strong performance brand portfolio and growing vertical brands position Accent well for FY27.

TRADING UPDATE AND OUTLOOK

Total owned sales (excluding closed businesses) for the first 7 weeks of FY27 are up 3.2%. LFL retail sales for the first 7 weeks of FY27 were down 2.0% on the prior year. Gross Margin % for July was up on prior year. The improved gross margin % in July was achieved in a backdrop of customers continuing to respond to value offers and promotions. We are encouraged with trade in first 7 weeks which has improved compared to the 4th Quarter in respect of both sales and margin. The trading environment continues to be volatile in the opening weeks of the year, noting sales into August showed improvement over July. The sport category, including The Athlete's Foot, pleasingly remains resilient and has achieved positive LFL sales as has Nude Lucy. Sports Direct has performed to plan, leveraging the FIFA World Cup and week-on-week sales tracking has continued to improve. The ongoing strength in the sports category provides high conviction in relation to completing The Athlete's Foot reacquisition program and driving the Sports Direct rollout.

For FY27 the Company has a range of initiatives as part of the Company's 2030 Strategic Growth Plan to drive EBIT. Leveraging off the FY26 underlying EBIT of $105.3 million, the initiatives already underway include $10-15 million of net cost savings (approximately $30 million of gross cost savings net of inflationary increases) already actioned for FY27, an estimated $10-20 million in gross margin upside from FX hedging already in place at an average AUD/USD rate of $0.69 cents and an estimated $10 million benefit from The Athlete's Foot franchise reacquisitions, store portfolio optimisation and new stores. These growth initiatives for FY27 were taken to ensure the business could maintain an acceptable level of profit in a trading environment where LFL retail sales are slightly negative.

Group Chairman Lawrence Myers said "On behalf of the Board, I would like to acknowledge the resilience the Accent team has shown in navigating a challenging year. The business has made the difficult but necessary decisions, closing loss-making businesses, tightening costs and sharpening our strategic focus, and the benefits of those decisions should increasingly flow through in FY27 and beyond. The Board is confident in the Company's strategic direction and in the management team's ability to deliver on the 2030 Strategic Growth Plan."

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Accent Group FY26 Full-Year Investor Briefing | 21 August | 10:00am AEST

Webinar registration link:
https://openexc.zoom.us/webinar/register/WN_3AyXRJnOQHuMz47ZstuEyw

Meeting ID: 961 2336 8904

Password: 962696

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

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Appendix

EBIT and NPAT Reconciliation (post AASB16 other than where noted)

$ millions	**FY26** 52 weeks	FY25 52 weeks
Reported EBIT ($m)	**$34.0**	$110.2
Add back: Goodwill impairment (non-cash)	$48.6	[redacted]
EBIT (pre goodwill impairment) ($m)	**$82.6**	[redacted]
Add back: Losses from closed businesses	$17.8	[redacted]
Add back: Restructuring costs	$2.8	[redacted]
Add back: Adviser costs for Frasers Group takeover proposal	$2.1	[redacted]
Underlying EBIT	**$105.3**	[redacted]
Reported NPAT ($m)	($13.8)	$57.7
Add back: Significant items net of tax[9]	$64.8	[redacted]
Underlying NPAT	**$51.0**	[redacted]

Group Performance Summary (post AASB16 other than where noted)

Financials	**FY26** 52 weeks Underlying	**FY26** 52 weeks	FY25 52 weeks
Stores	**852**	**876**	892
Total Sales (Inc. TAF franchises)[10] ($m)	**$1,577.6**	**$1,635.0**	$1,621.2
Owned Sales ($m)	**$1,469.6**	**$1,527.0**	$1,458.3
LFL Retail Sales[11] (%)	**-0.5%**	**-0.5%**	+0.7%
Gross Margin (%)	**54.1%**	**53.1%**	54.9%
CODB (%)	**45.6%**	**46.1%**	46.6%

[9] Significant items net of tax of $64.8 million is $71.8 million PBT of significant items net of tax of $7.0 million, noting Goodwill impairment is non-taxable.
[10] Includes stores and digital sites, non-IFRS measure.
[11] Based on 52 weeks in the current and prior year comparators. LFL Retail Sales are ex Glue & OzSale