



ASX Release

26 February 2025

1H FY25 Results

dusk Group Limited ('dusk', ASX: DSK) today provides its half year result for the 26 weeks ending 29 December 2024.

- Sales of \$87.4m, +12.3% (1H FY24: \$77.8m)
- Total LFL¹ sales were +10.6% (Stores +7.4%; Online +68.0%)
- Gross profit of \$56.9m, +13.4% (1H FY24: \$50.2m)
- Gross profit rate of 65.1% (1H FY24: 64.5%)
- Pro forma EBIT² of \$13.8m, +20.0% (1H FY24: \$11.5m)
- Net cash of \$38.5m at period end and no debt (1H FY24: \$31.1m)
- 151 stores at period end (1H FY24: 151 stores)³
- Inventory of \$14.4m at period end (1H FY24: \$17.6m)
- Interim dividend of 5 cents per share (fully franked)
- Special dividend of 5 cents per share (fully franked)

CEO and Managing Director Vlad Yakubson said: "We have had a strong start to FY25 with an improved sales performance in the first half reflecting the execution of our product-led turnaround strategy along with a focus on the digital store experience. The online sales result has been one of the highlights of the overall business performance, being driven by elevated content, digital marketing and the capabilities of our new site. The new leadership team along with talent renewal across the broader business have added significant value to the business which is evident in the results to date.

The Christmas period which is critical to the success of dusk's overall annual performance, exceeded our internal expectations driven by strong product sell-throughs and execution in store. We are focused on continuing this positive momentum through to end of FY25 and beyond."

1H FY25 Result Overview

Sales of \$87.4m were +12.3% higher on pcp. LFL sales were +10.6% higher with stores +7.4% higher and online +68.0% higher, on pcp.

¹ LFL (like-for-like) sales calculation excludes stores closed for refurbishment.

² Pro forma EBIT is unaudited and pre-AASB16.

³ Including two online stores

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Online sales of \$6.9m represented 7.9% of total sales. Click & Collect now accounts for 27% of online transactions.

dusk's **gross margin** of 65.1% was +62 basis points ahead of pcp despite continued headwinds from currency volatility and higher freight costs. To mitigate and partially offset these headwinds, we have identified and realised gains from supply chain efficiencies.

The **CODB rate** of 47.1% was flat vs pcp. We continue to invest across the business where we can see positive ROI. Furthermore, dusk continues to demonstrate tight cost control, whilst offsetting some of the ongoing inflationary pressures from mandatory increases in award wages and rent, with improved store productivity and tight wage control.

Membership in **dusk Rewards**⁴, loyalty program was 661,000 members compared to 703,000 in 1H FY24. Whilst we have been successful in driving growth in sign-ups, the rate of acquisition and renewal has not been sufficient to offset the number of memberships which lapsed in the period (i.e. those initiated in July to Dec 2022). As we broaden our appeal to new customer cohorts, there is significant upside from the renewal of our database and ability to communicate with a wider target customer group in the future.

In 1H FY25, members accounted for 48% of total sales (1H FY24: 56%). The sales momentum that we are seeing as part of the brand rejuvenation has largely been driven by an increase in new shoppers at dusk and in particular, younger customers (15-22 year olds). These customers are early in their customer journey with our brand, and we are optimistic they will see the value in our loyalty program as they continue to increase their shopping frequency with dusk.

Average Transaction Value (ATV) for members was \$56, slightly lower than 1H FY24 (\$57). With the focus on growing the Bath and Body category and shifting our product and price architecture to appeal to a wider customer cohort, we have been able to maintain our ATV broadly in line with the prior year. Our non-member ATV was \$45 and highlights the great value proposition and appeal that dusk maintains in the market.

In 1H FY25, Inventory of \$14.4m was -\$3.2m lower vs pcp reflecting strong sell through and much improved productivity. Inventory remains clean and well balanced.

The Board has declared a fully franked interim dividend of 5 cents per share, and a fully franked special dividend of 5 cents per share, bringing total dividends for 1H FY25 to 10.0 cps. The record date is 12 March 2025 with a payment date of 26 March 2025.

dusk is in a strong financial position with no debt, which provides flexibility to pursue future growth opportunities as they emerge or implement further capital management initiatives.

⁴ Dusk Rewards is a two-year paid membership Loyalty Program



Trading Update & 2H FY25 Outlook

The sales results for the first eight weeks of 2H FY25 as summarised in the table below. For the first 8 weeks of 2H FY25, our trading margin⁵ remains in line with the prior year.

Table 1: Trading Update

	First 8 weeks 2H FY25 vs:
Sales growth, unaudited	2H FY24 pcp
Total Sales	+3.7%
LFL Sales ⁶	+4.0%

We are encouraged by the continued growth that we are seeing early in 2H FY25.

Our sales rate has improved through the first 8 weeks with February 2025 sales up +6.4% vs pcp and +8.8% LFL.

We will continue to expand our Bath and Body category growth in 2HFY25 and as part of this we have launched our first collaboration of the calendar year, with the White Lotus x dusk product range. This product range emphasises quality, superior fragrance and leans into wellness and spa as sub-categories.

We are optimistic about the upcoming events with Easter and Mother's Day trade just around the corner. Our product range has been amplified with a new look and feel, on trend fragrances and a price competitive range.

In 2H FY25, we expect to open one store and close two stores by the end of FY25.

Our hedging policy continues to mitigate FX risk in 2H FY25.

Investor Conference Call

CEO and Managing Director Vlad Yakubson and CFO Gordon Squire will host a conference call for the investment community including a Q&A session at **11.00am AEDT today, Wednesday 26 February 2025.**

To register for the conference call and access dial-in details, please follow the link below.

<https://s1.c-conf.com/diamondpass/10044379-hsgyf6.html>

⁵ Trading Margin is sales less product costs, and excludes non-selling expenses such as FX adjustments, shrinkage, etc.

⁶ LFL % growth is higher than Total % growth, due to newly opened stores sales lower than closing stores sales (due to aggressive markdown offers as part of closures).

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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'.

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