



2022 AGM
22 NOVEMBER 2022

AGENDA

1. Executive Chair's address
2. Trading update & outlook
3. Formal business
4. General Q&A
5. Close

EXECUTIVE CHAIR'S ADDRESS

JASON MURRAY



FY22 OVERVIEW

RESILIENT BUSINESS DELIVERING STRONG RETURNS THROUGH THE CYCLE

Revenue

\$622.2m

(FY21: \$663.2m)

Online sales +15.6% yoy

LFL revenue growth

-0.7%

Q4: +6.4%

Gross margin

49.1%

(FY21: 48.9%)

Gross profit: \$305.4m

Net cash

\$36.7m

(FY21: \$35.7m)

Inventory: \$95.0m

EBITDA

\$62.5m

(FY21: \$71.6m)

EBITDA margin

10.0%

(FY21: 10.8%)

NPAT

\$41.1m

(FY21: \$47.0m)

EPS: 29.2¢³

Dividend

12¢ per share

8.8% dividend yield⁴

79.8% payout ratio⁵

OPERATING HIGHLIGHTS

DISCIPLINED EXECUTION DELIVERS STRONG MARGIN PERFORMANCE

- Core non-discretionary lines drive significantly improved performance in H2
- Strong sales momentum in Q4 with LFL sales up +6.4%
- Adapted effectively to changing consumer behaviour due to COVID
- Managed operational disruption from elevated absenteeism as a result of COVID
- More than 2,500 new team members onboarded
- Impact of inflation and supply chain disruption well managed
- Product Lifecycle Management (PLM) system implemented
- Cybersecurity audit and systems upgrade
- POS replacement project underway, with discovery, scoping and solution design completed
- Australian Cotton sourcing and tracing established, with volume committed for FY23



OPERATING ENVIRONMENT

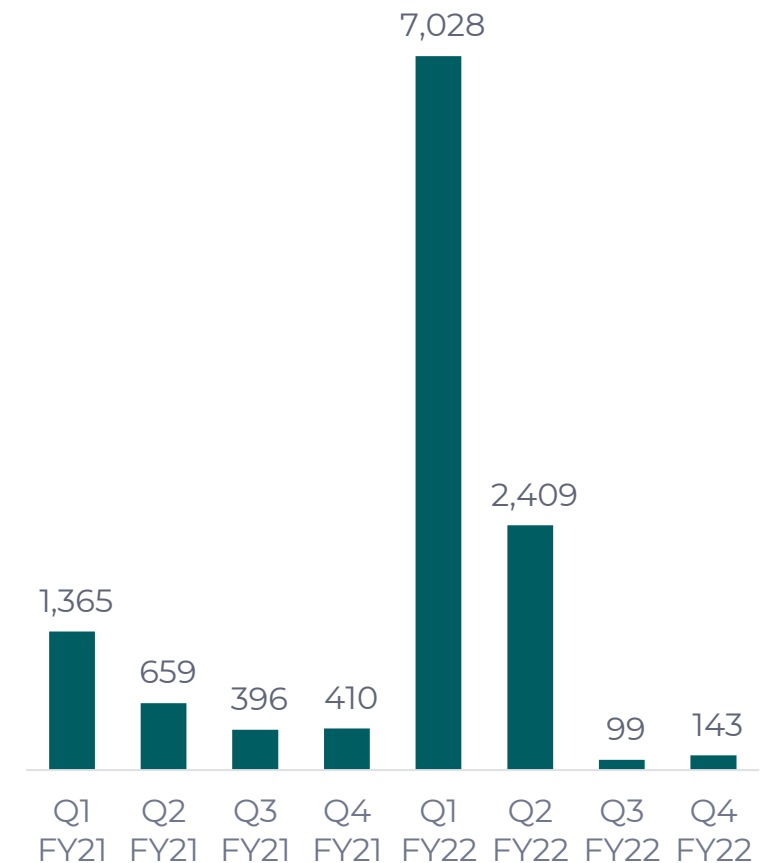
SUPPORTING OUR CUSTOMERS, PEOPLE AND COMMUNITIES

- 9,679 (10.8%) total trading days lost in FY22 result in over \$50 million of lost sales vs. plan
- Mount Druitt, Toormina, Gympie and Lismore stores closed for extended periods due to storms and flooding
- Foot traffic and consumer behaviour impacted post-lockdowns
- New store openings delayed due to availability of trades and materials

OUR RESPONSE

- Reopened 44 NSW stores during lockdown for essential products
- Introduced diverse store fulfilment options to mitigate sales impact
- Adjusted orders and moved inventory with agility
- Reduced CODB to offset impact of lower sales and support strong EBITDA outcome
- Supply chain, shipping and labour costs well managed
- Paid COVID-19 leave and vaccination leave to support team members

Lost trading days by quarter



COMMITTED TO SUSTAINABILITY



QUALITY AND SAFETY

- 100-day guarantee
- Quality Assurance team
- Reputable safety record



LIVING WAGES

- Living Wage Statement
- Gap analysis conducted
- Next step open costings to identify labour component



COMMUNITY

- Supported Australian charities through Good360
- Supported Givit Flood Appeal
- Supported Next Steps



ANIMAL WELFARE

- No fur or leather used in our garments



ETHICAL SOURCING

- Modern Slavery Statement
- 252 supplier audits¹
- Workers Grievance Hotline
- PLM implementation
- Sedex membership



SUSTAINABILITY

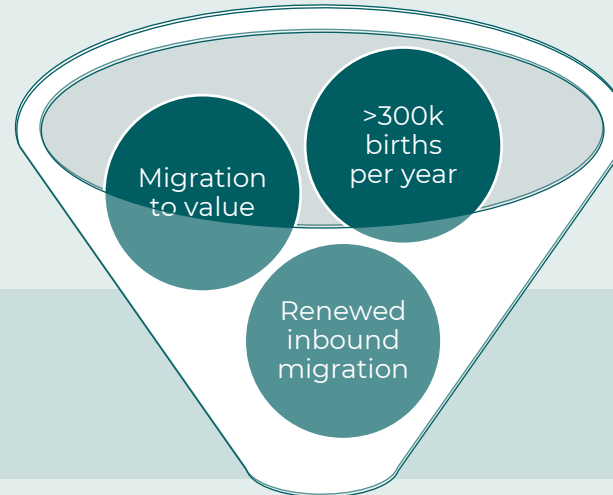
- Materiality assessment for ESG framework
- All packaging re-usable, recyclable or compostable by 2025
- Integrating UN SDGs²
- GOTS³ certified organic cotton range
- Carbon audit complete
- Silver membership of NSW Sustainability Advantage program
- Australian Cotton sourcing and volume commitment for FY22



OPPORTUNITY FROM ACCELERATED MIGRATION TO VALUE

Privileged relationship with mum	BLG favourably positioned
<p>Baby</p> <p>Kids</p> <p>Women</p> <p>Men</p> <p>Impulse</p> <p>~50% of sales</p>	Baby is the entry point
	Better quality than DDS, better value than specialty
	Differentiated market positioning
	#1 retailer in Australia for low price and #2 for value for money ¹
	90% of items sold under \$20
	Low ASP of \$8.33

STRATEGIC PRIORITIES



Value market growth drivers



Market share initiatives

Increase share in baby

Increase share in kids

Increase share in womenswear

Above market online sales growth

Targeted store network expansion

Strategic enablers

Enhance data capability and CRM to improve customer experience and drive loyalty

Further our commitment to operating sustainably

Proactively manage gross margin, CODB and working capital

Outcomes

Increased sales, stable GM%, CODB leverage

Sustainable growth in EBITDA, EBIT and NPAT

Increase cash flow and dividends

FY23 TRADING UPDATE & OUTLOOK



- Through 20 weeks of trading in H1, total sales +22.8% vs. first 20 weeks of FY22¹
- LFL sales -7.4% overall, with store LFL sales -2.3% and online sales -32.9%
- Total sales growth less than +38.0% reported for the first eight weeks of FY23
- Starting to gain sales momentum, but delayed start to summer, higher cost of living for core customer base and cycling inflated post-lockdown sales in Q2 FY22 has impacted sales growth
- Major shopping season ahead with Black Friday and Christmas, with ~60% of first half profits typically recorded in final six weeks
- Unaudited YTD earnings to end October in line with PCP, but significant step up in sales required to maintain result to end H1
- Inventory position remains excellent, with aged stock only 1.8% and nearly all seasonal stock newly arrived summer stock expected to trade well into Q3
- ASP remains above PCP, supporting a robust gross margin, with costs being managed carefully
- With benefit of sales deferred to H2, expect H2 sales to exceed PCP and gross margin percentage to be in line with PCP

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