Inside Retail™
Region: AUS
AUSTRALIA

# Accent Group updates guidance after strong start to FY19

November 23, 2018

Dean Blake

Footwear retailer Accent Group has more than doubled its forecast for earnings in the first half of FY19, after seeing better-than-expected results over the first 20 weeks of the financial year.

The group initially expected EBIDTA to grow by mid-single digits in FY19, but now expects between 15 and 20 per cent growth in the first half of the fiscal year.

Like-for-like sales across the group grew 2.5 per cent, which Accent attributed to its focus on its "no lazy retailing", that is discount-driven promotional activity, while digital sales increased 88 per cent compared to the same period last year.

"We are delighted with the results achieved for the first 20 weeks of FY19," Accent Group chief executive Daniel Agostinelli said.

"Whilst we have a significant proportion of the H1 and annual EBIDTA to achieve in the key Christmas and back to school periods through December and January, our operational plans are well set for this trading period."

Agostinelli said that while expectations have changed for the first half of the year, the group is still targeting mid-single digit EBIDTA growth in the second half, since the improved margin that is a key driver of the profit upgrade in the first half is not expected to factor as heavily into the second half.

Earlier this year, the footwear group saw record profit of $47.1 million in FY18, an increase of 17.9 per cent year over year.