



NZX Market Release

29 August 2025

Bremworth Limited (NZX: BRW) – Unaudited Full Year Results to 30 June 2025

Bremworth reports FY25 revenue of \$88.9 million, NPAT of \$18.2 million and normalised EBITDA loss of \$13.2 million ¹

Premium carpet manufacturer Bremworth Limited today released its unaudited financial results for the year ended 30 June 2025, reflecting difficult trading conditions across its core markets and the flow-on effect of lower-than-budgeted volumes on recovery of production overheads at its manufacturing plants, as well as challenges coming from its yarn hybrid supply chain that was established following Cyclone Gabrielle.

The Company reported revenue of \$88.9 million (FY24: \$80.3 million) and a normalised EBITDA loss of \$13.2 million ¹ (FY24: \$4.7 million loss). After taking into account one-off items including insurance claims, restructuring costs and provision for an onerous contract, Bremworth recorded a net profit after tax of \$18.2 million (FY24: \$4.6 million).

Gross margin deteriorated to 13.4% (FY24: 24.3%), primarily driven by difficult market conditions, selling price pressures and supply chain challenges. Cash and bank balances at year's end were \$42.2 million, reflecting insurance proceeds received in February 2025.

Chief Executive Craig Woolford said FY25 had been a tough year against the backdrop of a challenging economic environment, with consumer demand remaining subdued across key markets.

¹ Normalised EBITDA is a non-GAAP measure, with more information included under Disclosure of Non-GAAP Financial Information in the accompanying Preliminary Unaudited Financial Information pack

“Our carpet business has continued to face headwinds, with weaker volumes and margin pressures weighing on performance. However, we are taking clear steps to reset the business, including a \$6 million investment to expand production at our Napier plant. This project will restore full domestic yarn capacity, significantly reduce lead times and create new jobs in Hawke’s Bay while also reducing yarn input costs and improving quality.

“At the same time, we are strengthening our sales capability by adding more sales representatives in both New Zealand and Australia and changing the way we engage with our retail partners. Sales management are taking a more active role in understanding how we can better service our retailers and to work collaboratively with them to make it much easier to do business with Bremworth. In New Zealand, the increased sales representation will see an increase in headcount from the current five to seven and in Australia from the current nine to 14 as part of our re-focus on sales.

“Encouragingly, earnings for our Elco Direct wool acquisition business were only slightly down on FY24 despite lower volumes and ongoing uncertainties in global markets. Combined with the Napier expansion, the previously announced re-introduction of synthetics, the reduction to our cost base and strengthened sales capability, we believe Bremworth is laying the foundations for a return to sustainable growth,” he says.

Woolford says Bremworth continues to manage cash burn, with operating outflows reducing significantly in the second half of FY25 compared with the first half as the Company starts to bring its inventory management back under control. Capital expenditure during the year totalled \$5.5 million, largely associated with reinstatement of the Napier facilities following Cyclone Gabrielle.

While good progress is being made with the Board-led strategic review into the ownership structure of the business, there is no certainty that the discussions with interested parties are going to result in any transaction. The Board will continue to update the market as the review progresses.

The Board remains focused on returning the business to sustainable profitability and will provide an update on strategic priorities at the Company's Annual Shareholders Meeting later this year.

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For further information, please contact:

Mark Devlin
Impact PR (for Bremworth Ltd)
M: +64 21 509 060

Rob Hewett
Chair
Bremworth Ltd
M: +64 21 341 744

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Distributed on behalf of Bremworth by Impact PR. For further information or images, please contact Mark Devlin mark@impactpr.co.nz (021509060)