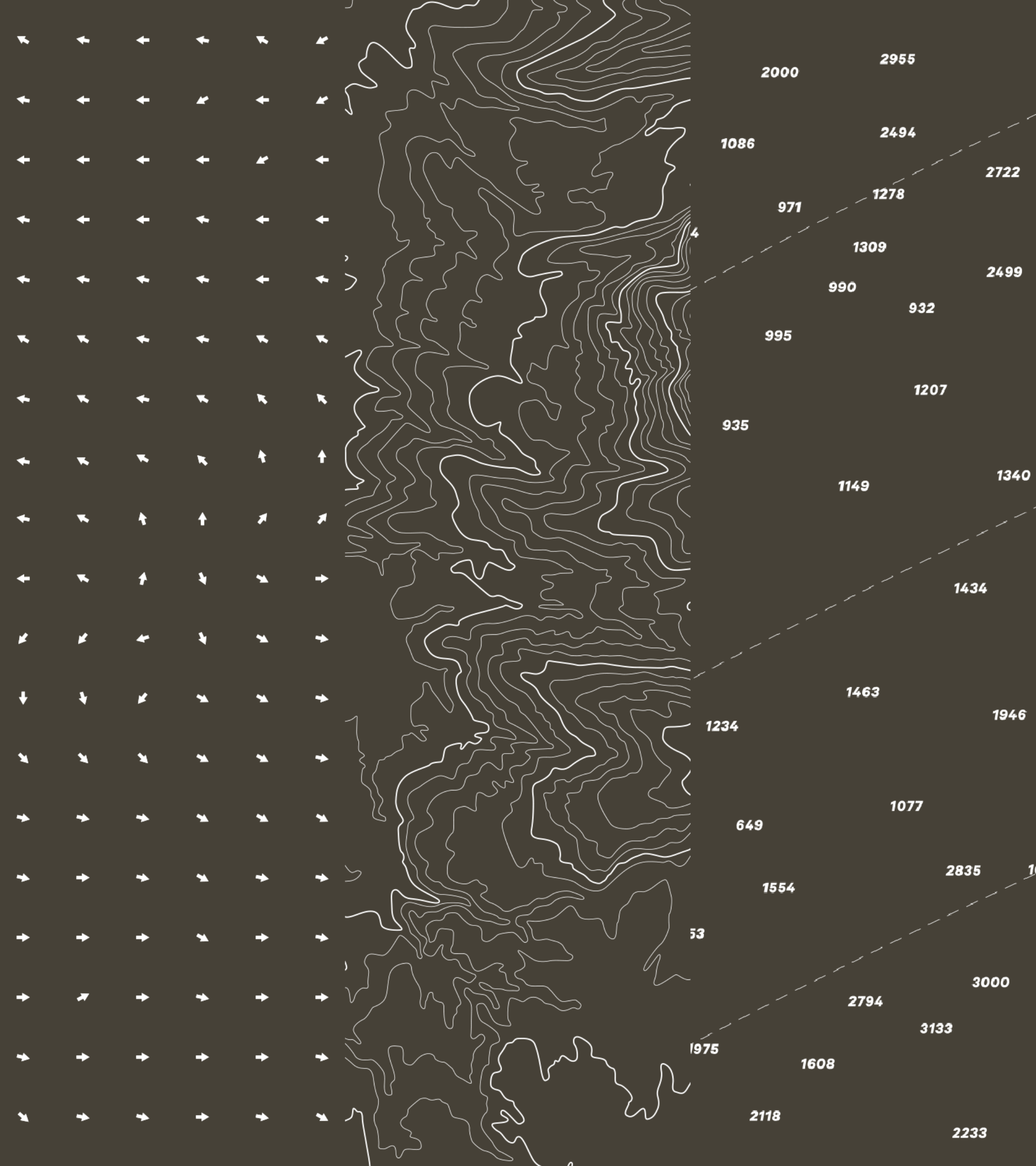




# ANNUAL MEETING 2024

19 NOVEMBER 2024



# OUR BOARD



**David Kirk**

Chairman



**Michael Daly**

Group CEO and  
Managing Director



**Philip Bowman**

Non-Executive  
Director



**Andrea Martens**

Non-Executive  
Director



**Abby Foote**

Non-Executive  
Director



**Brent Scrimshaw**

Non-Executive  
Director



**Zion Armstrong**

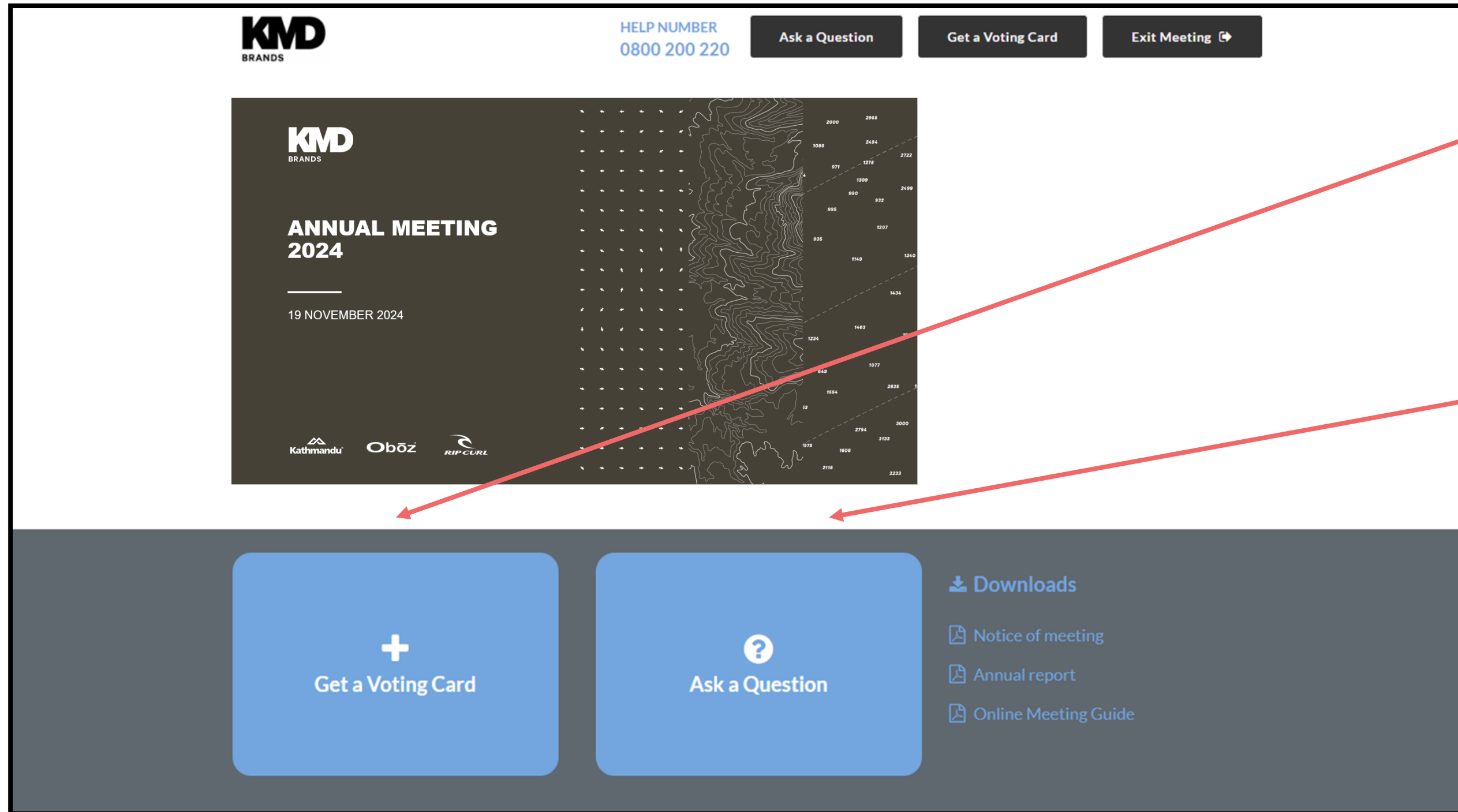
Non-Executive  
Director

# TODAY'S AGENDA

ITEM 1: CHAIRMAN'S ADDRESS	6
ITEM 2: GROUP CEO'S ADDRESS	8
ITEM 3: RESOLUTIONS	18
• RE-ELECTION OF DIRECTORS	19
• AUDITOR REMUNERATION	22
ITEM 4: OTHER BUSINESS	23



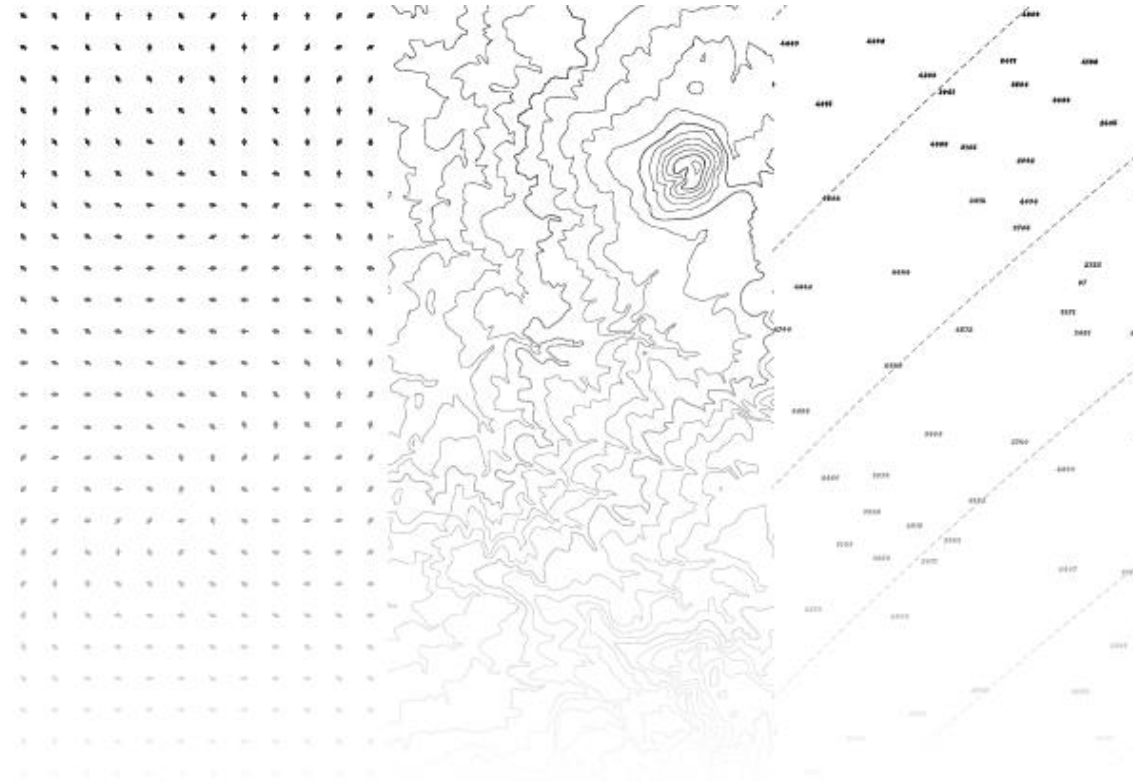
# VOTING AND REGISTRATION



To vote, you will need to click **“Get a Voting Card”** within the online meeting platform shown here

Please use the **“Ask a Question”** function, and your question will be conveyed to the meeting

# FY24 ANNUAL INTEGRATED REPORT



**KMD BRANDS**  
Annual Integrated Report  
2024



**KMD BRANDS**

## FY24 performance overview

<b>\$979.4m</b> Total sales	FY24 vs. FY23 <b>-11.2%</b> decrease
<b>58.9%</b> Gross margin	<b>-0.2%</b> of sales FY23 59.1%
<b>\$50.0m</b> Underlying EBITDA <sup>1</sup>	<b>-52.8%</b> decrease
<b>-\$1.1m</b> Underlying NPAT <sup>1</sup> loss	FY23 <b>\$43.3m</b> Underlying NPAT <sup>1</sup> profit
<b>-\$48.3m</b> Statutory NPAT loss	FY23 <b>\$36.6m</b> Statutory NPAT profit

<b>NET DEBT BALANCE</b> <b>\$59.7m</b> c. \$230m Bank facility headroom	<b>NET WORKING CAPITAL</b> <b>\$198.3m</b> -9.7% YOY Jul 23 \$219.7m
--	---

**SALES CHANGE FY24 VS. FY23**

<b>By Brand</b>	<b>By Channel</b>	<b>By Region</b>
<ul style="list-style-type: none"> <li>Outdoor: -10.9%</li> <li>Wholesale: -16.7%</li> <li>North America: -16.8%</li> <li>Rip Curl: -7.3%</li> </ul>	<ul style="list-style-type: none"> <li>Learning / Buy/Drive: -18.0%</li> <li>Wholesale: -16.7%</li> <li>Online: -4.4%</li> <li>Retail: -8.8%</li> </ul>	<ul style="list-style-type: none"> <li>Rest of world: -3.3%</li> <li>Europe: -3.8%</li> <li>North America: -16.2%</li> <li>New Zealand: -11.3%</li> <li>Australia: -11.3%</li> <li>New Zealand: -13.8%</li> </ul>

1. Statutory results include the impact of IFRS 16 leases, the impacts of IFRS 15 restructuring, the national unavailability of Rip Curl and Obōz customer relationships, and a one-off non-cash impairment of Obōz goodwill has been excluded from Underlying results. Refer to Appendix 1 of the FY24 Results Presentation for a reconciliation of Statutory to Underlying results.

© KMD Brands Annual Integrated Report 2024

### KATHMANDU

<b>TOTAL SALES</b> NZD <b>\$361.1m</b>	<b>SALES MIX</b>
<b>ONLINE SALES</b> NZD <b>\$47.7m</b> <small>representing 13.2% of direct-to-consumer sales</small>	<ul style="list-style-type: none"> <li>Wholesale 1%</li> <li>Online 13%</li> <li>Retail 86%</li> </ul>
	<ul style="list-style-type: none"> <li>International 1%</li> <li>New Zealand 27%</li> <li>Australia 72%</li> </ul>

### OBOZ

<b>TOTAL SALES</b> NZD <b>\$79.4m</b>	<b>SALES MIX</b>
<b>ONLINE SALES</b> NZD <b>\$7.4m</b> <small>+21.7% above last year</small>	<ul style="list-style-type: none"> <li>Online 9%</li> <li>Wholesale 9%</li> <li>Retail 82%</li> </ul>
	<ul style="list-style-type: none"> <li>International 90%</li> <li>Canada 7%</li> <li>USA 3%</li> </ul>

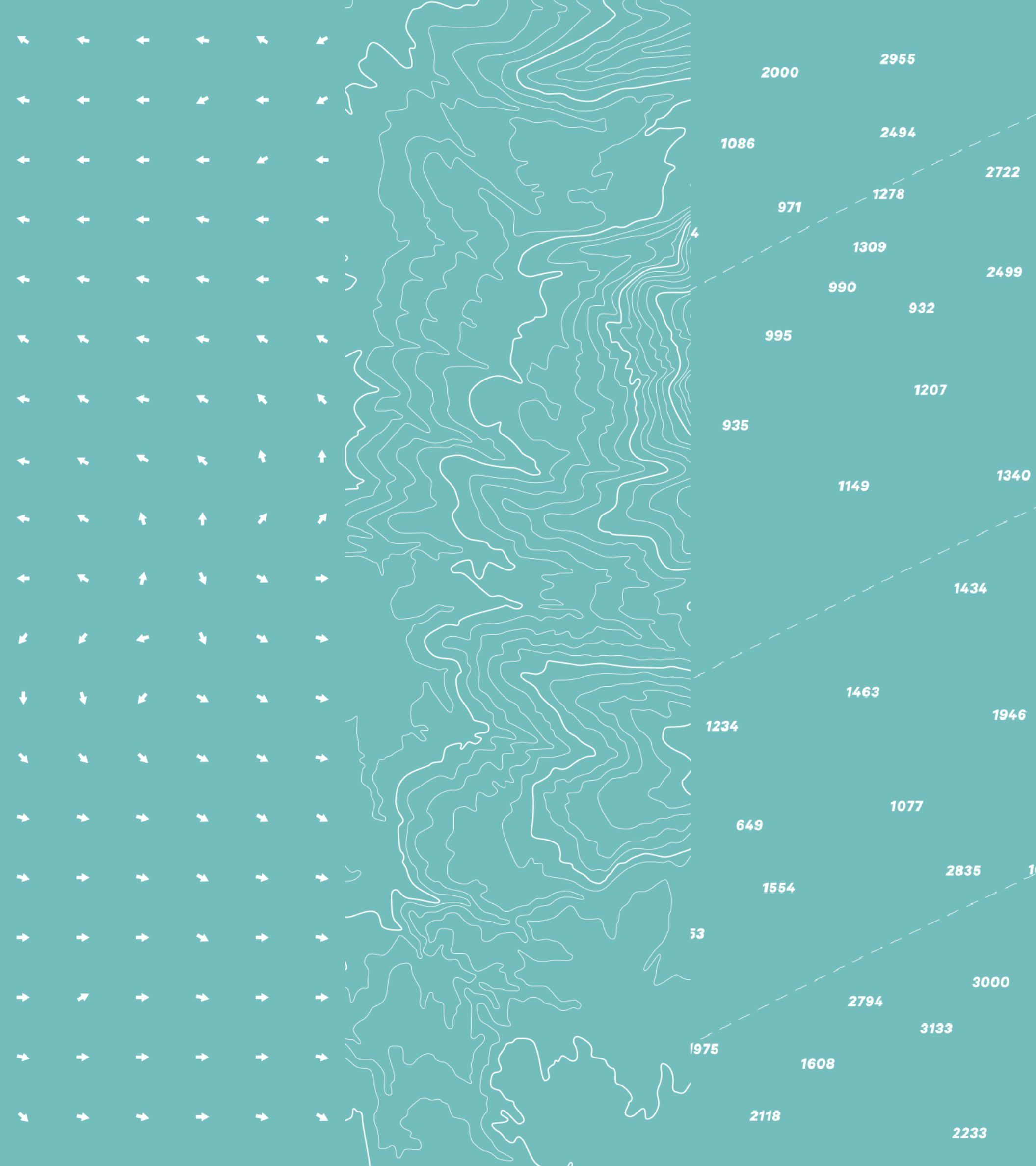
### RIP CURL

<b>TOTAL SALES</b> NZD <b>\$538.9m</b>	<b>SALES MIX</b>
<b>ONLINE SALES</b> NZD <b>\$37.9m</b> <small>representing 7.0% of direct-to-consumer sales</small>	<ul style="list-style-type: none"> <li>Wholesale 29%</li> <li>Other 2%</li> <li>Rest of World 12%</li> <li>Online 7%</li> <li>Retail 52%</li> </ul>
	<ul style="list-style-type: none"> <li>Europe 18%</li> <li>North America 23%</li> <li>AU &amp; NZ 44%</li> </ul>

KMD BRANDS

ITEM 1

# CHAIRMAN'S ADDRESS





  
**Kathmandu®**



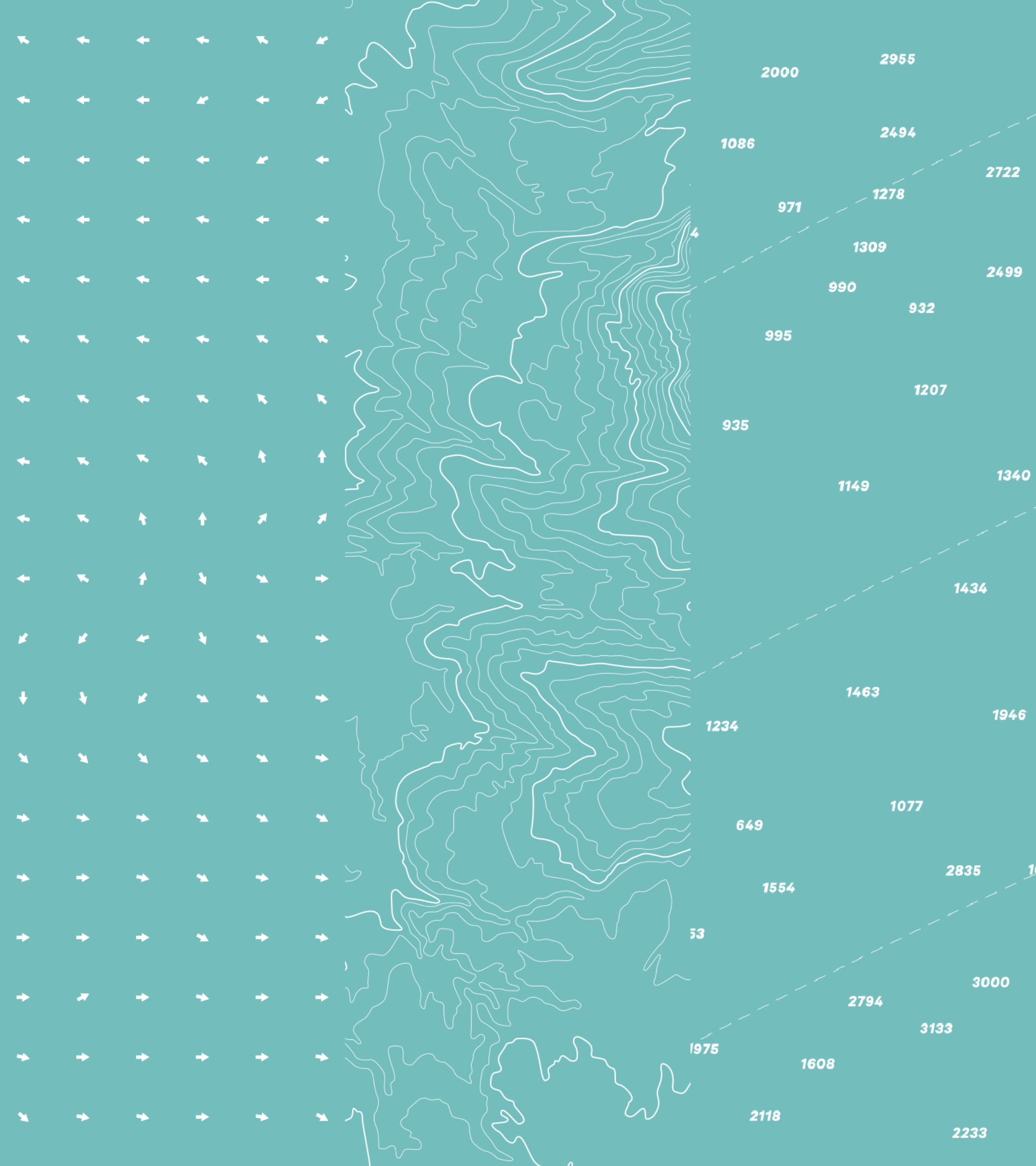
**Obōz®**



  
**RIP CURL**

ITEM 2

# GROUP CEO'S ADDRESS







**OWNER OF  
LEADING GLOBAL  
OUTDOOR BRANDS**



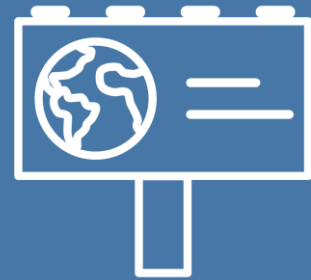
## **OUR PURPOSE**

Inspiring people to explore and love the outdoors

## **OUR VISION**

To be the leading family of global outdoor brands - designed for purpose, driven by innovation, best for people and planet

# STRATEGIC PILLARS



## BUILDING GLOBAL BRANDS

Strengthen and expand our global brand presence.



## ELEVATING DIGITAL

Enhance our digital capabilities to improve customer experiences and engagement.



## OPERATIONAL EXCELLENCE

Optimise efficiency and effectiveness in operations.



## BEST FOR PEOPLE AND PLANET

Embrace responsible and sustainable business practices to deliver positive social, environmental and financial impact.

# GLOBAL VISION, GLOBAL FOOTPRINT

We operate over 300 stores globally, and our brands are sold in over 8,000 locations



📍 Global office locations

# BRAND STRENGTHS



- Iconic, inspirational, and authentic brand.
- Founded in Bells Beach, Australia, in 1969.
- Renowned for high quality technical surfing products.
- Global distribution.
- Diversified revenue streams across wholesale, licensing, retail and online channels.
- Strong cash contribution.
- B Corp certified since 2023.



- Leading outdoor brand in Australasia.
- Founded in New Zealand in 1987, with deep New Zealand heritage.
- Pipeline of innovative, sustainable, engineered, and adaptive products.
- Loyal customers with 1.8 million active Out There Rewards members.
- History of significant cash generation.
- B Corp certified since 2019.



- Established and distinctive American Montana-based hiking footwear brand, founded in 2007.
- Focused, authentic product range with significant expansion potential.
- Strong innovation pipeline.
- Direct-to-consumer online channel growing strongly.
- International expansion underway.
- B Corp certified since 2023.

# FY24 FINANCIAL SUMMARY

	<b>Sales</b>	<b>\$979.4m</b>	-11.2% YOY FY23 \$1,103.0m
	<b>Gross margin</b>	<b>58.9%</b>	-0.2% of sales FY23 59.1%
	<b>Operating expenses<sup>1</sup></b>	<b>\$526.5m</b>	-3.6% YOY FY23 \$546.1m
	<b>Underlying EBITDA<sup>1</sup></b>	<b>\$50.0m</b>	-52.8% YOY FY23 \$105.9m
	<b>Underlying NPAT<sup>1</sup></b>	<b>-\$1.1m</b>	Statutory NPAT -\$48.3m
	<b>Net working capital</b>	<b>\$198.3m</b>	-9.7% YOY Jul 23 \$219.7m
	<b>Net debt</b>	<b>\$59.7m</b>	\$230m headroom Jul 23 \$55.7m

1. Statutory results include the impact of IFRS 16 leases. The impacts of IFRS 16, restructuring, the notional amortisation of Rip Curl and Oboz customer relationships, and a one-off non-cash impairment of Oboz goodwill have been excluded from Underlying results. Refer to Appendix 1 of the FY24 Results Presentation for a reconciliation of Statutory to Underlying results.

# FY24 OPERATIONAL HIGHLIGHTS

## Operational excellence



- Gross margin resilient in a competitive consumer environment.
- Underlying operating expenses<sup>1</sup> reduced by \$19.6m year-on-year (“YOY”) despite global inflation.
- Inventory and net working capital reduced.
- Capital expenditure moderated in response to market conditions.

## Customers



- Kathmandu marketing returns to its authentic outdoor heritage.
- Rip Curl reigniting ‘The Search’ as a creative and marketing vehicle using brand DNA to expand consumer reach.
- Industry-leading NPS for Kathmandu and Rip Curl.

## International



- Rip Curl strong sales growth in Indonesia and Thailand.
- Kathmandu double-digit sales growth in North America and Europe (off a low base) as we continue to test and learn.
- Oboz shop-in-shops launched in select Kathmandu stores.

## Digital



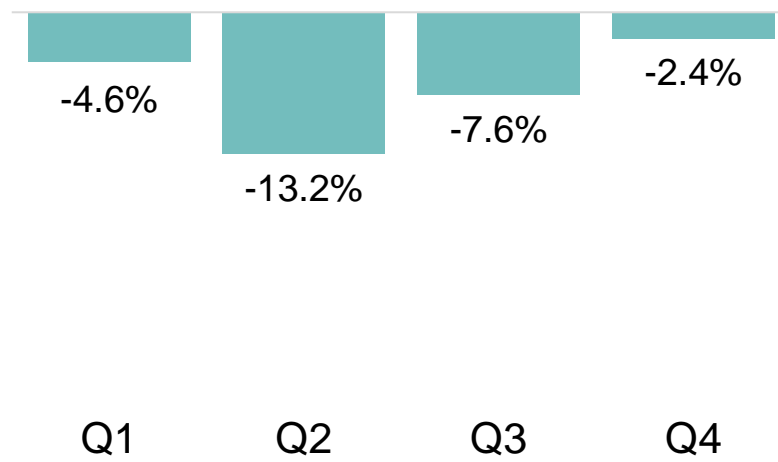
- Oboz and Rip Curl achieved record online sales. Oboz online +31.7% YOY to \$7.4m sales. Rip Curl online +8.6% YOY to \$37.9m.
- Kathmandu improving online sales trends each quarter relative to last year, with additional payment gateways to improve the consumer journey.
- USA retail point of sale aligned with Group technology stack, and Club Rip Curl launched in North America.

1. Statutory results include the impact of IFRS 16 leases. The impacts of IFRS 16, restructuring, the notional amortisation of Rip Curl and Oboz customer relationships, and a one-off non-cash impairment of Oboz goodwill have been excluded from Underlying results. Refer to Appendix 1 of the FY24 Results Presentation for a reconciliation of Statutory to Underlying results.

# FY24 IMPROVING QUARTERLY SALES TREND



FY24 YOY Sales Variance % by quarter

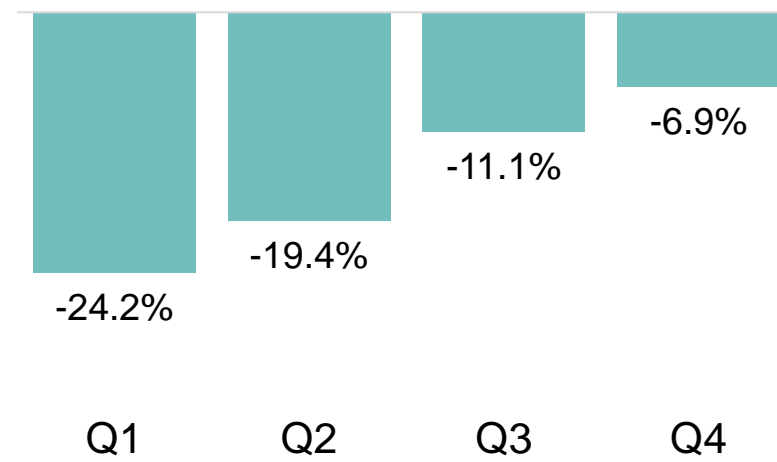


## RIP CURL

- Continued improvement on first half trends during Q3 and Q4.
- DTC led the Q3 and Q4 improvement, supported by store openings.
- Wholesale sales remained challenging through the year.



FY24 YOY Sales Variance % by quarter

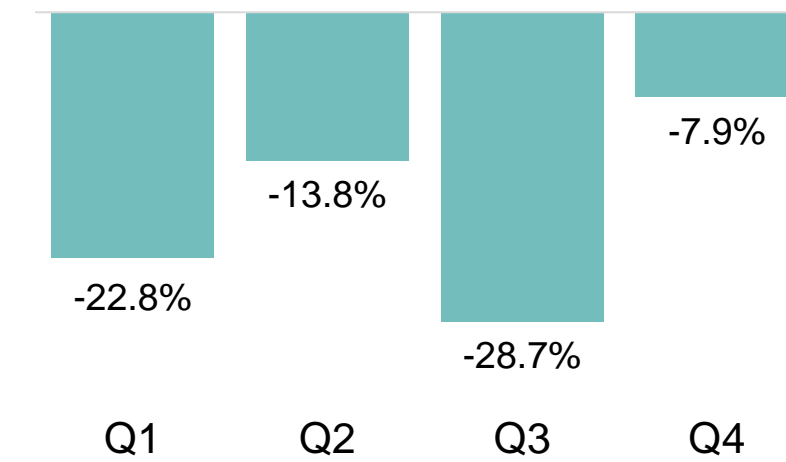


## KATHMANDU

- Australian sales trends showed continued improvement in each quarter, supported by strategic store openings, enhanced in-store execution, and improved products.
- Economic settings in New Zealand have resulted in more challenging consumer sentiment.



FY24 YOY Sales Variance % by quarter<sup>1</sup>



## OBOZ

- Strong online sales growth.
- Wholesale sales remained subdued.

1. Timing of certain wholesale dispatches changed YOY from April to May, impacting Q3 and Q4 variances.

# TRADING UPDATE

## FIRST QUARTER FY25

TOTAL SALES CHANGE YOY (unaudited)	Q1 FY25 <i>Aug 24 to Oct 24</i>
Rip Curl	-6.7%
Kathmandu	-2.7%
Oboz	-8.6%
<b>Group</b>	<b>-5.8%</b>



- Direct-to-consumer (“DTC”) sales results have improved for both Rip Curl and Kathmandu since our last trading update at the results release on 25 September 2024:
  - Rip Curl DTC sales continued to outperform the wholesale channel. Rip Curl global DTC sales for Q1 FY25 were -3.4% below last year.
  - Kathmandu quarterly DTC sales trends continued to improve. Kathmandu Australia Q1 FY25 total sales were +4.3% above last year. New Zealand total sales decreased by -15.4%, cycling strong end of line clearance sales in August last year. While Kathmandu total sales for Q1 FY25 were -2.7% below last year, gross profit dollars were +3.6% above last year.
- Wholesale accounts remain cautious on pre-season commitments for Rip Curl and Oboz:
  - Rip Curl wholesale sales decreased by -11.2%. Forward orders indicate improving wholesale trends in the second half.
  - Oboz wholesale sales were -8.5% below the first quarter of last year. Sell-in for the second half is not yet complete.
- Group gross margin was above last year for Q1 FY25, and all brands continue to actively manage costs while facing global inflation pressure.



# FY25 FOCUS AND OUTLOOK

## FY25 FOCUS



Stabilise sales and return to growth



Grow gross margin



Continue to simplify our business



Ongoing working capital reduction and efficiency



Return to dividends

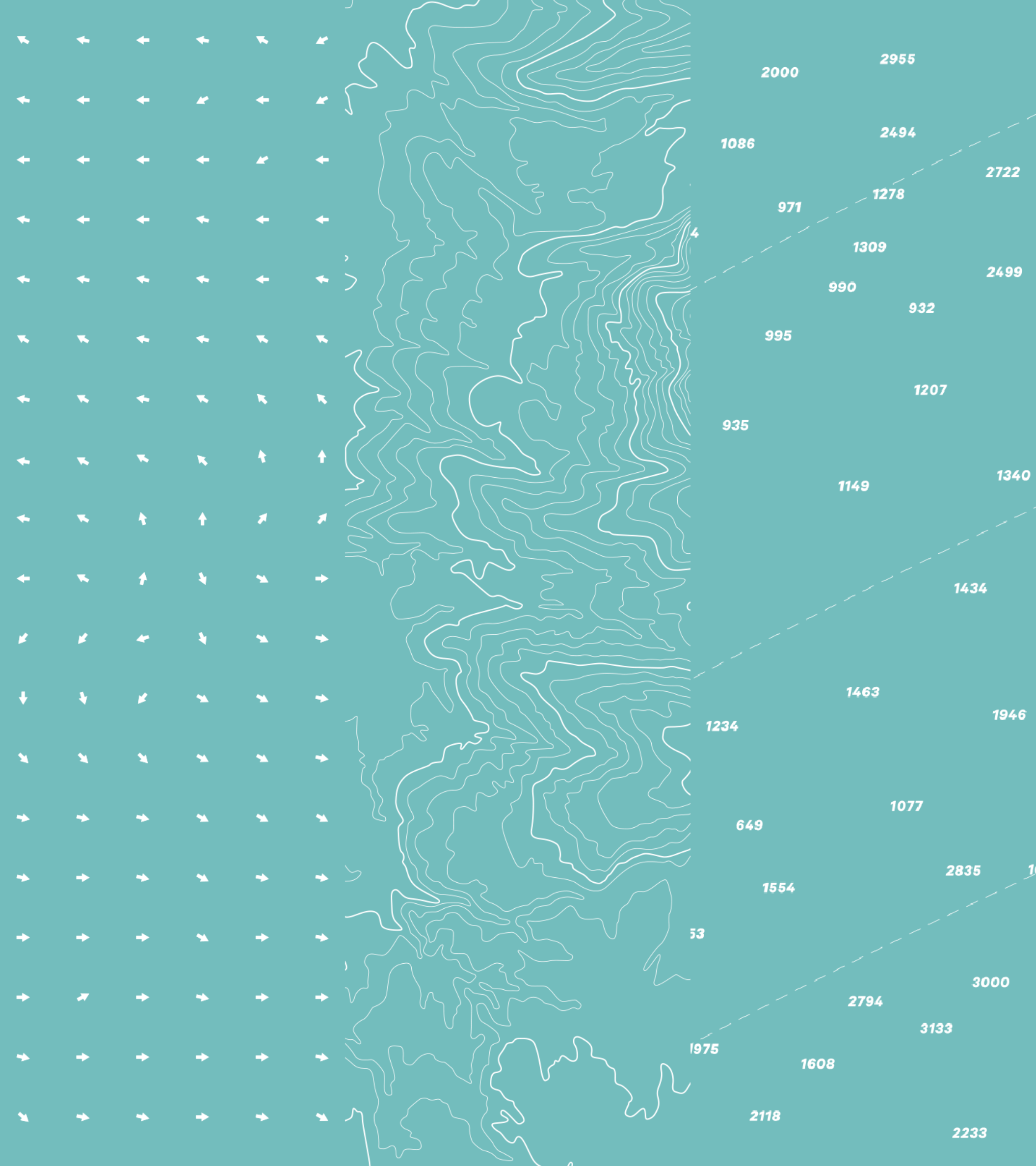
## OUTLOOK

- The Group's first half results are dependent on the key Black Friday and Christmas retail trading periods to come.
- We remain cautious on consumer sentiment, given the challenging global macroeconomic environment.
- We are encouraged that Kathmandu has continued to show an improving sales trend through the first quarter of the new financial year:
  - Refreshed authentic outdoor brand advertising has outperformed previous campaigns in Kathmandu's largest market Australia. Brand awareness has improved, and we expect the new campaign will have a positive impact on building key long-term brand associations.
  - Kathmandu has increased product newness and innovation for the spring summer season, resulting in a positive consumer response in key categories.
  - Kathmandu will continue to leverage its elevated brand positioning, sustainability credentials, and innovative new products moving forward.
- We are also encouraged that the Rip Curl direct-to-consumer results are outperforming the wholesale channel. We remain optimistic that wholesale results will start to improve as the wholesale customer inventory reduction cycle ends.
- Our strategy remains unchanged.
- For FY25, we remain focused on returning to sales growth, improving profitability, and reducing inventory.

KMD BRANDS

ITEM 3

# RESOLUTIONS



# RESOLUTION 1

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That David Kirk be re-elected as a Director of the Company.”

Proxies:

In respect of this item of business, the following proxies have been received:

	<b>Resolution 1</b>
In favour	397,230,621
Against	23,455,815
Open	3,807,147

The Board unanimously supports Resolution 1 and recommends that shareholders vote in favour.

# RESOLUTION 2

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Abby Foote be re-elected as a Director of the Company.”

Proxies:

In respect of this item of business, the following proxies have been received:

	<b>Resolution 2</b>
In favour	417,184,290
Against	3,096,119
Open	3,876,777

The Board unanimously supports Resolution 2 and recommends that shareholders vote in favour.

# RESOLUTION 3

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Michael Daly be re-elected as a Director of the Company.”

Proxies:

In respect of this item of business, the following proxies have been received:

	<b>Resolution 3</b>
In favour	418,588,512
Against	1,932,721
Open	3,828,927

The Board unanimously supports Resolution 3 and recommends that shareholders vote in favour.

# RESOLUTION 4

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That the Board be authorised to fix the remuneration of the Company’s auditor for the ensuing year.”

Proxies:

In respect of this item of business, the following proxies have been received:

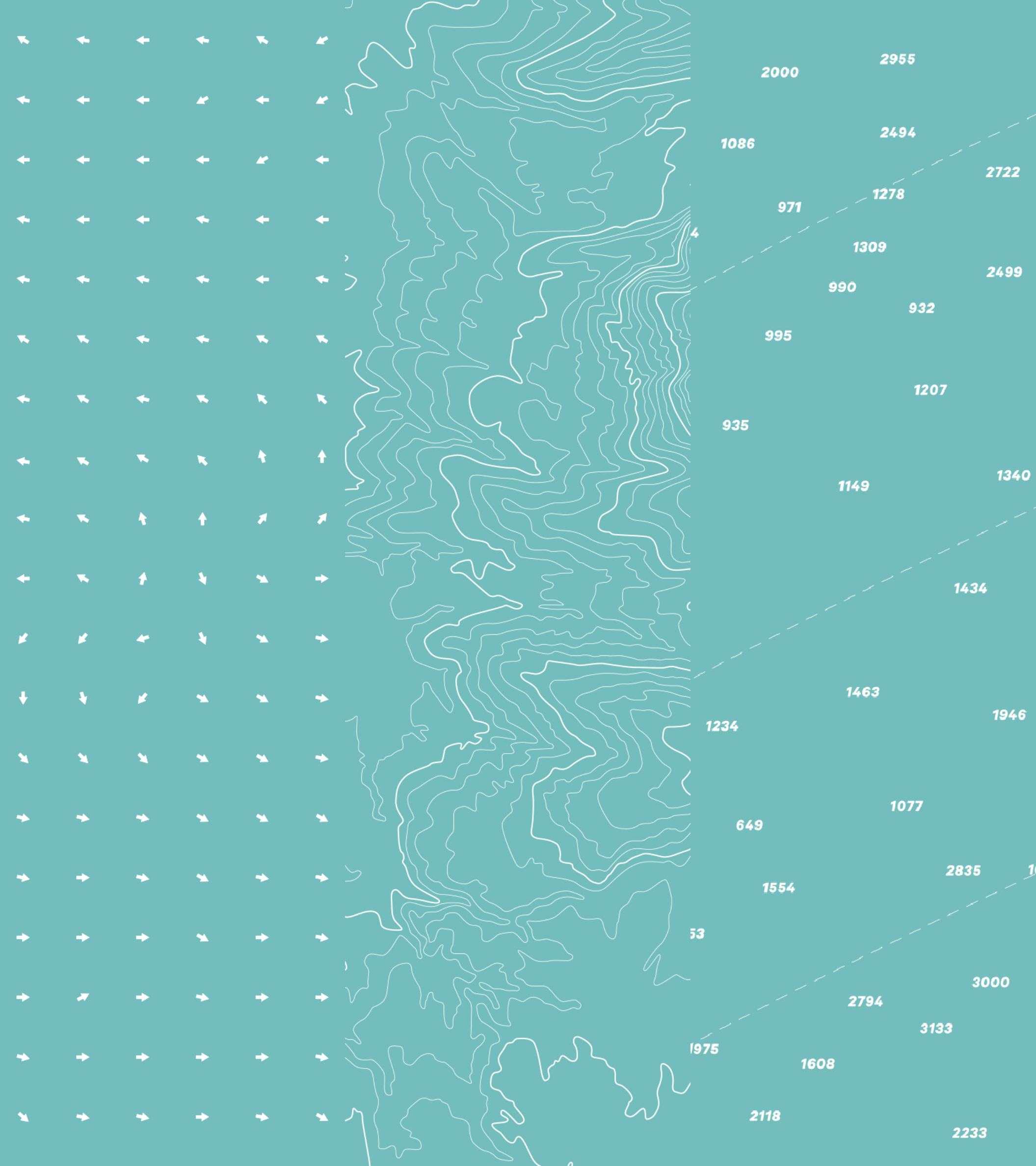
	<b>Resolution 4</b>
In favour	419,418,918
Against	1,161,173
Open	3,846,077

The Board unanimously supports Resolution 4 and recommends that shareholders vote in favour.

KMD BRANDS

ITEM 4

# OTHER BUSINESS



# THANK YOU



# IMPORTANT NOTICE AND DISCLOSURE

This presentation prepared by KMD Brands Limited (the “Company” or the “Group”) (NZX/ASX:KMD) provides additional comment on the financial statements of the Company, and accompanying information released to the market. As such, it should be read in conjunction with the explanations and views in those documents.

This presentation is not a prospectus, investment statement or disclosure document, or an offer of shares for subscription, or sale, in any jurisdiction. Past performance is not indicative of future performance and no guarantee of future returns is implied or given.

The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. This presentation has been prepared without taking into account the investment objectives, financial situation or specific needs of any particular person. Potential investors must make their own independent assessment and investigation of the information contained in this presentation and should not rely on any statement or the adequacy or accuracy of the information provided.

This presentation includes certain “forward-looking statements” about the Company and the environment in which the Company operates. Forward-looking information is inherently uncertain and subject to contingencies, known and unknown risks and uncertainties and other factors, many of which are outside of the Company’s control, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. No assurance can be given that actual outcomes or performance will not materially differ from the forward-looking statements. The forward-looking statements are based on information available to the Company as at the date of this presentation.

To the maximum extent permitted by law, none of the Company, its subsidiaries, directors, employees or agents accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied, is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects, statement or returns contained in this presentation. Such forecasts, prospects, statement or returns are by their nature subject to significant uncertainties and contingencies. Actual future events may vary from those included in this presentation.

The statements and information in this presentation are made only as at the date of this presentation unless otherwise stated and remain subject to change without notice. Some of the information in this presentation is based on unaudited financial data which may be subject to change. Information in this presentation is rounded to the nearest hundred thousand dollars, whereas the financial statements of the Company are rounded to the nearest thousand dollars. Rounding differences may arise in totals, both dollars and percentages.

All intellectual property, proprietary and other rights and interests in this presentation are owned by the Company.

All currency amounts in this presentation are in NZD unless stated otherwise.