

Brenworth

**ANNUAL
SHAREHOLDER
MEETING**

27 NOVEMBER 2023

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Agenda

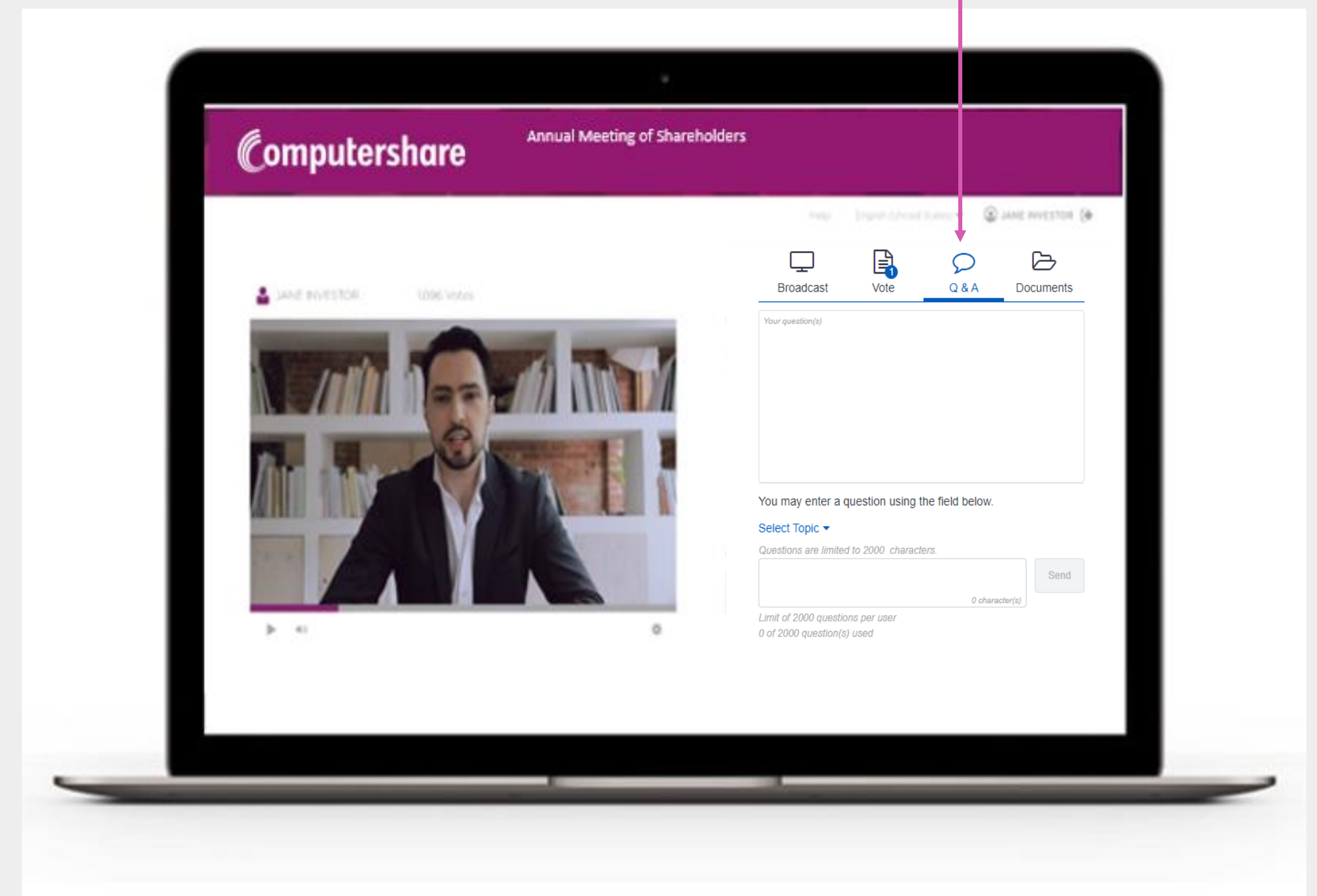
- 01 Board Introduction
- 02 Chair Presentation
- 03 CEO Presentation
- 04 Shareholder Questions & Discussion
- 05 Resolutions
- 06 Refreshments

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How to ask questions and get help (for those attending virtually)

Questions: If you would like to submit a question, please select the Q&A tab on the top right of your screen. The Q&A function is available throughout the meeting, so please feel free to submit questions anytime. Type your question into the field and press submit. Your question will be immediately submitted and will be addressed at the relevant time.

Help: The Q&A tab can also be used for getting immediate help. Simply submit your question in the same manner by typing it into the field and submitting it. A Computershare representative will respond to you directly.



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How to vote (for those attending virtually)

Shareholder and Proxyholder Voting

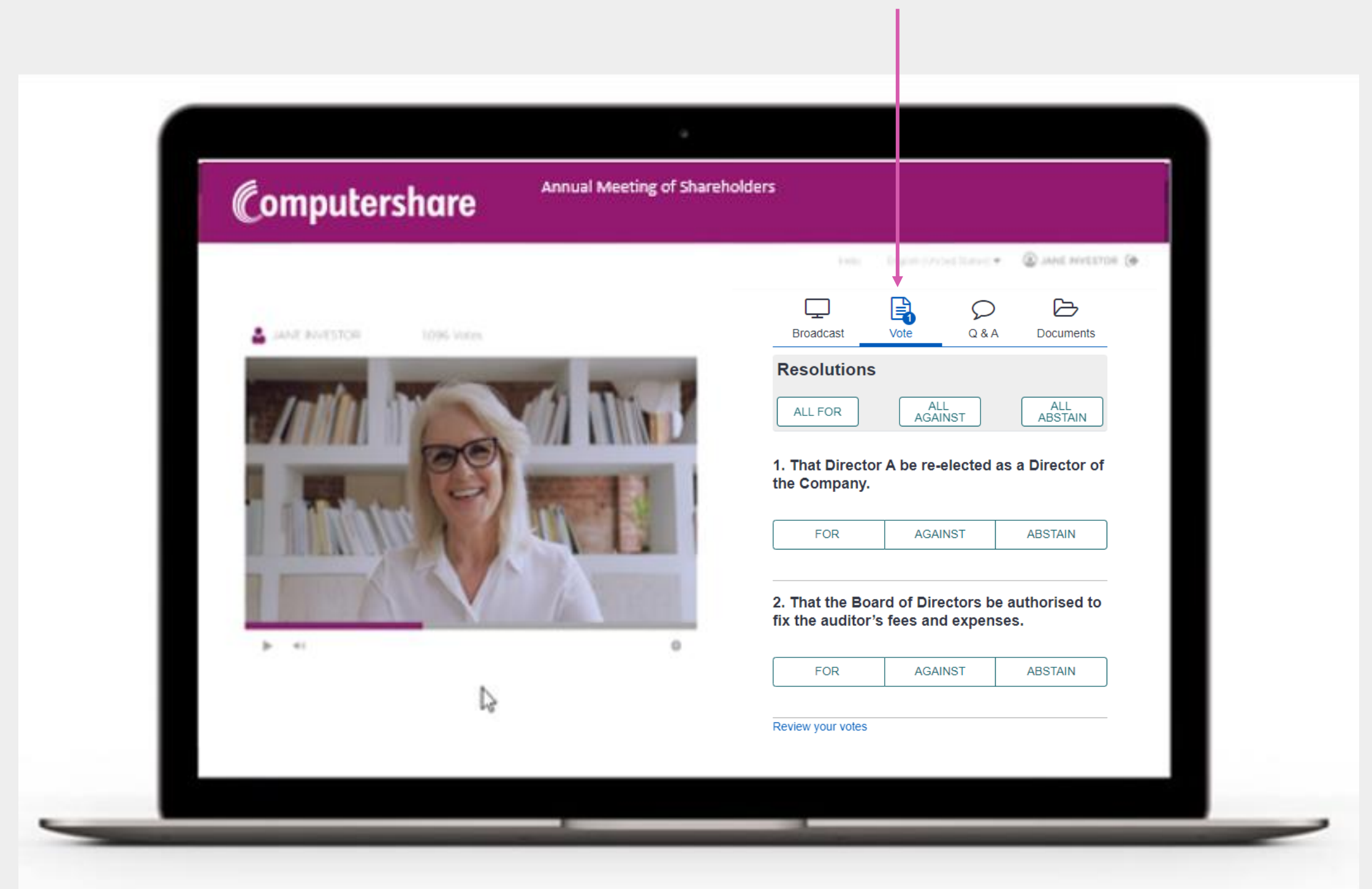
To vote, simply click on the Vote tab.

Once voting has been opened, the voting function will allow votes on each of the resolutions to be submitted.

Select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears.

To change your vote, select 'Change Your Vote'. You can change your vote up until the time voting is declared closed.



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George Adams
Independent Chairman



John Rae
Independent Director



Dianne Williams
Independent Director



Paul Izzard
Independent Director



Katherine Turner
Independent Director



Grant Biel
Director Emeritus

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**CHAIR'S
PRESENTATION
GEORGE ADAMS**

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Our vision is to become a
global leader in designing and
creating desirable, sustainable,
safe and high-performing
natural interiors

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Resilience through adaptation

- Bremworth's Napier based spinning plant was taken offline by flooding resulting from Cyclone Gabrielle
- Napier was a key part of Bremworth's operations and supply chain, providing 75% of total yarn to the Auckland carpet plant and 100% of dyed fibre to the Whanganui yarn plant
- Massive impact on our people, new product development and our ability to supply the market
- Pivot to build alternative supply while maintaining quality - while Napier remains offline, we have reviewed & reimagined our future with hybrid supply chain
- Consider new growth strategies with new unconstrained supply chain

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Insurance

- Priority is to return the business to a stable footing following Cyclone Gabrielle and pursue an insurance claim for damage and business interruption
- The values insured have been arrived at in conjunction with independent consulting engineers
- Commissioned an independent engineering assessment as to the cost of reinstatement
- The Board have appointed claims negotiator BMS Risk Solutions to act on our behalf to settle insurance our claim as efficiently as possible
- Objective is to preserve optionality in relation to a possible rebuild of Napier or not to rebuild and to secure our yarn supply from other sources

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Board-led strategic review

Objectives

- What decisions must be taken to ensure a sustainable, profitable business model?
- Once insurance is settled, what are the investment choices that should be considered?
- How should any surplus funds be efficiently returned to shareholders?

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FY23 Highlights

- FY23 net profit after tax increased to \$10.7m, a 379% increase on FY22
- Net profit follows receipt of \$35.5m from insurance
- Normalised loss after tax was (\$2.8m)
- Decline largely driven by a softening economy, significant investment in retail samples and technology and the impact of Cyclone Gabrielle.
- FY23 normalised EBITDA was break-even
- Board has committed to a thorough strategic review following Cyclone Gabrielle given the quantum of insurance proceeds likely to be received
- While no dividend has been declared for FY23, our goal is to return to dividends by FY26

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CEO'S PRESENTATION
GREG SMITH

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Bremworth experience store

- Opened this month at Home Ideas Centre soon to be known as Residium
- Trial Omnichannel Strategy to grow the rug business
- We have well developed e-commerce sites, however research shows 57% of consumers purchased their rug in store*.
- Will also support the sale of carpet – connecting customers with selected retail partners
- Centre has 80 lifestyle brands and attracts over 50,000 visitors annually
- Secured exclusivity in soft flooring category in this key strategic location
- Immersive space to get inspired and be creative, plus learn and interact with the Bremworth brand

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**FY 23 PRIORITIES
& PROGRESS**

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PRIORITIES & PROGRESS
FOR FY23

- 1. GROW REVENUE**
- 2. IMPROVE EFFICIENCY SAFELY**
- 3. MAKE WINNING PRODUCTS**

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Highlights

- FY23 carpet revenue dropped by 3% on FY22 largely due to cyclone-related disruptions and a softening economy
- Rug revenue increased by 45% off the back of FY22 17% growth
- Bremworth remains the most preferred brand at 34% when compared to key competitors *
- We've been awarded the most trusted carpet brand for the 10th consecutive year **
- We are now training over 63 leaders through our Te Ara Rangatira training and development programme
- Implemented a new radio frequency dryer at Whanganui as part of our ongoing commitment to reduce our carbon footprint
- We developed 5 new products which are scheduled to launch in the 1st half of 2024 calendar year

*TRA Consumer Insights Research
**Readers Digest Most Trusted Brand

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FINANCIALS

FY23 Financial Snapshot *

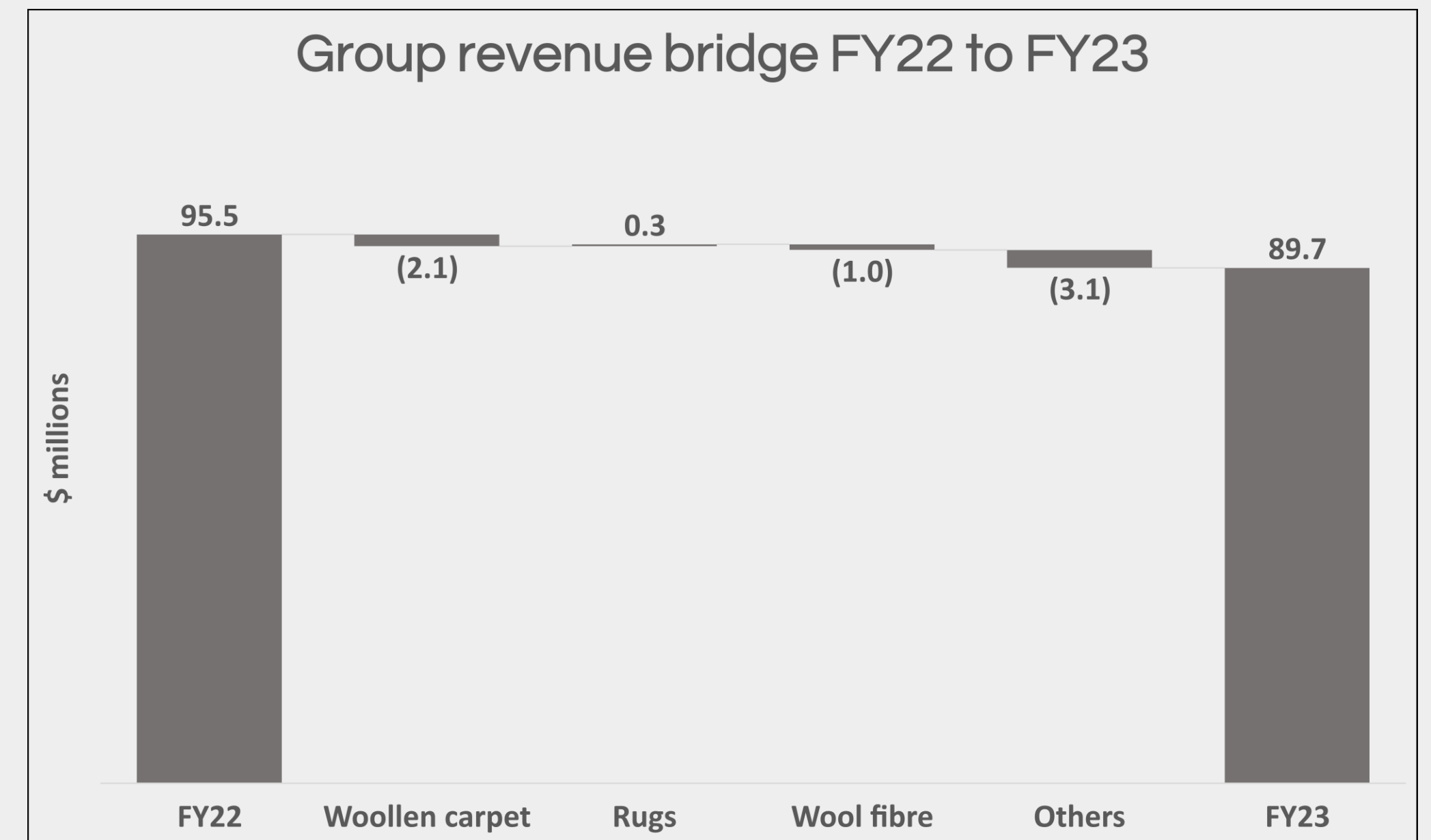
\$ millions	FY23	FY22
Revenue	89.7	95.5
EBITDA	13.4	4.9
Normalised EBITDA	-0.2	4.9
Net Profit After Tax (NPAT)	10.7	2.2
Normalised NPAT	-2.8	1.7
Cash and bank	39.3	14.9

- FY23 revenue and normalised earnings (EBITDA) fell 6% and 104% respectively on FY22 due to softening economy, cyclone related disruption and increased investment
- Normalised EBITDA break even
- NPAT of \$10.7m coming from insurance proceeds net of costs
- Significant uplift in cash position

* Information extracted or derived from audited financial statements

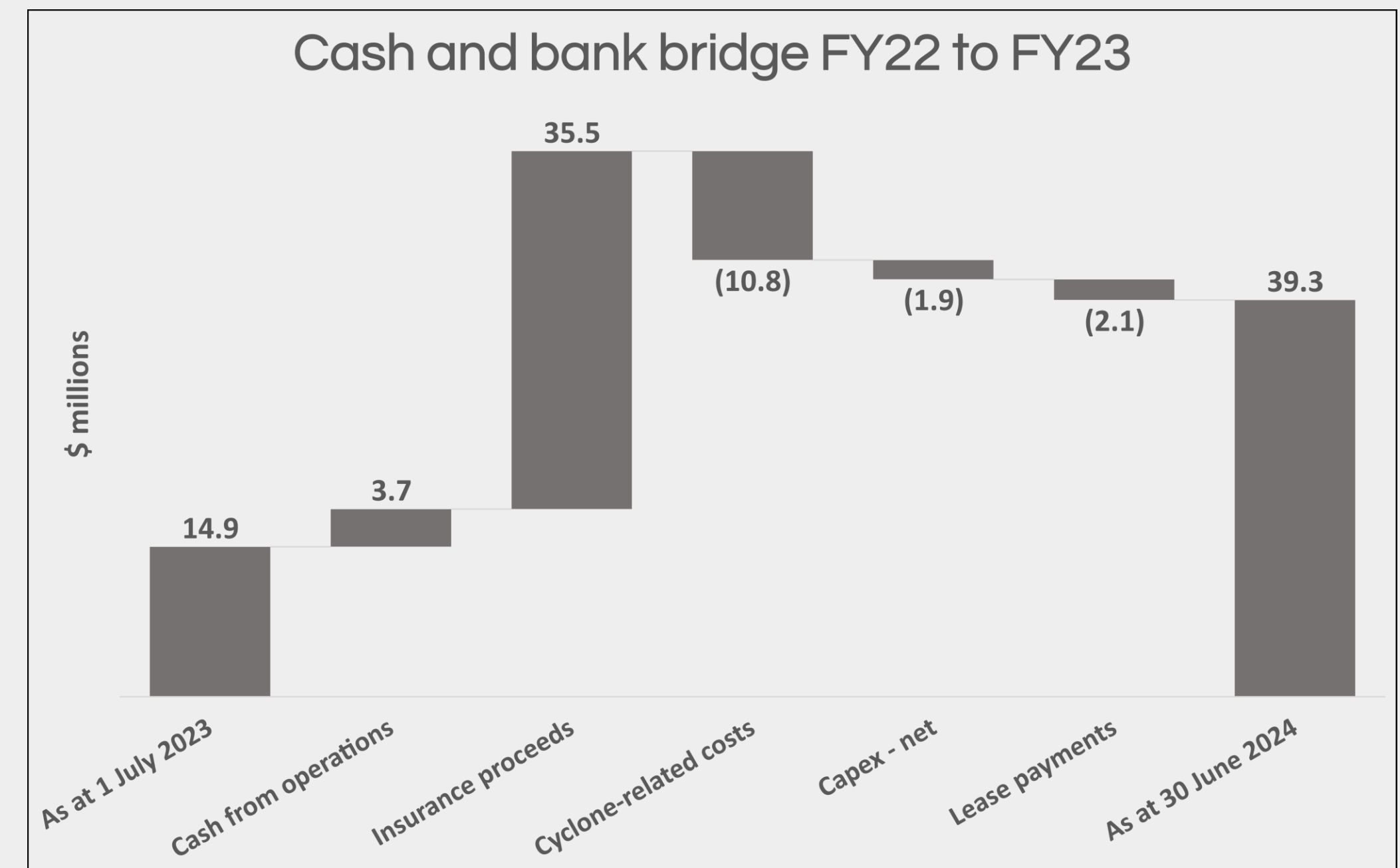
A resilient result

- Total FY23 revenue of \$89.7m, down 3% (\$5.8m) on FY22
- 1H23 marked the first six-month period of post-pandemic trading. Carpet revenue grew by 2% on 1H22 with unimpeded focus on implementing our strategic transformation plan
- \$1m decrease in revenue at Elco Direct wool acquisition operation, largely because of soft demand for strong wool globally
- Other revenue was down \$3.1m due to the full year impact of exiting the commercial business and from sales of carpet yarn we could not fulfil following Cyclone Gabrielle



Cash position bolstered by insurance

- Cash and bank of \$39.3m as at 30 June 2023
- Ongoing discipline around working capital management
- Strong financial position with financial resources to support post-cyclone rebuild of business
- Consider pursuing new opportunities



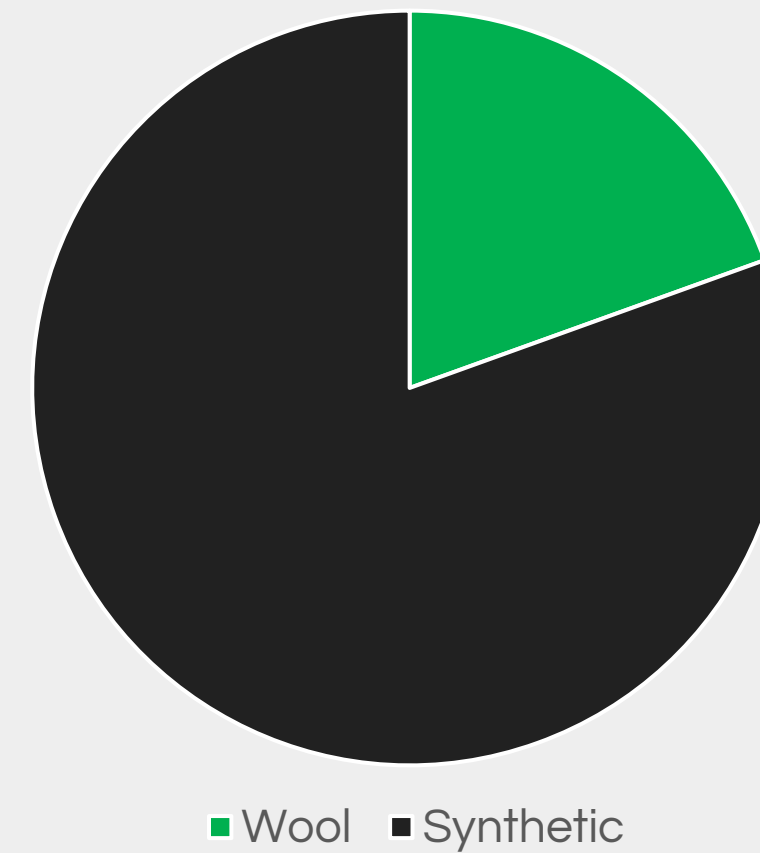
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**THE OPPORTUNITY
FOR BREMWORTH**

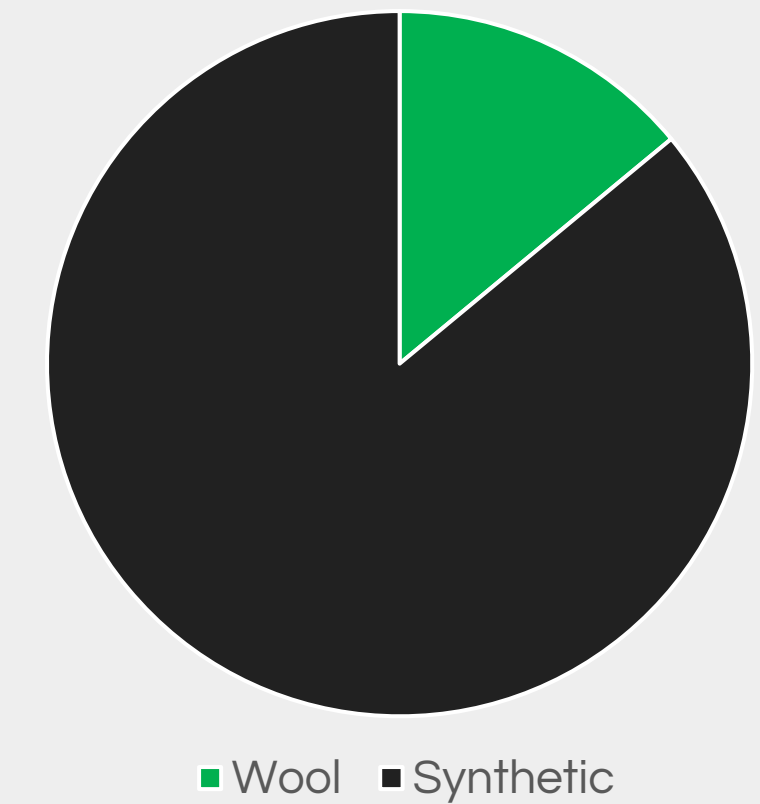
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We have an enormous opportunity to rebuild wool's share of the flooring market and grow our business in NZ and an even greater opportunity in AU

NZ soft flooring market share estimate by fibre



Australia soft flooring market share estimate by fibre



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WE REMAIN COMMITTED TO
OUR GROWTH STRATEGY

Grow the wool flooring market

Grow our share of the market

Expand our presence

Design-led innovation

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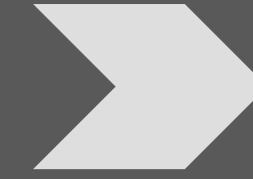
FY24



Foundations for new business model

- Complete board-led strategic review
- Fine tune new hybrid supply chain
- Continue to invest in brand and technology
- Right-size organisation
- Trial omni-channel
- Improve productivity
- Investigate new geographies

FY25



Accelerate revenue

- Grow volume in New Zealand & Australia
- Improve gross margins
- Re-enter commercial markets
- Benefits of cost-out strategy realised
- Return to dividends

FY26 – ONWARDS



Sustained profitable growth

- Full benefits of transformation strategy
- Partnerships and product adjacencies
- Free cash flow generated
- Enter new export markets

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**COMMITTED
TO A BOLD
NEW FUTURE**

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**SHAREHOLDER
QUESTIONS &
DISCUSSION**

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RESOLUTIONS

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Resolutions

Resolution 1 – Re-election of Dianne Williams:

That Dianne Williams, who retires and is eligible for re-election, be re-elected as a director of the Company.

Resolution 2 – Re-election of Paul Izzard:

That Paul Izzard, who retires and is eligible for re-election, be re-elected as a director of the Company.

Resolutions

Resolution 3 – Auditor's remuneration:

That the directors be authorised to fix the remuneration of the auditor

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Proxies and postal votes

	For	Against	Proxy discretion
Re-election of Dianne Williams	12,801,745	14,131	1,233,573
Re-election of Paul Izzard	10,386,479	26,660	1,233,573
Auditor's remuneration	12,760,837	6,769	1,282,534

The Company has received approximately 14.0 million proxy and postal votes representing approx. 20% of total shares, with approx. 90% of those in favour of each of these three resolutions.

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OTHER BUSINESS

**CLOSE OF
MEETING**



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