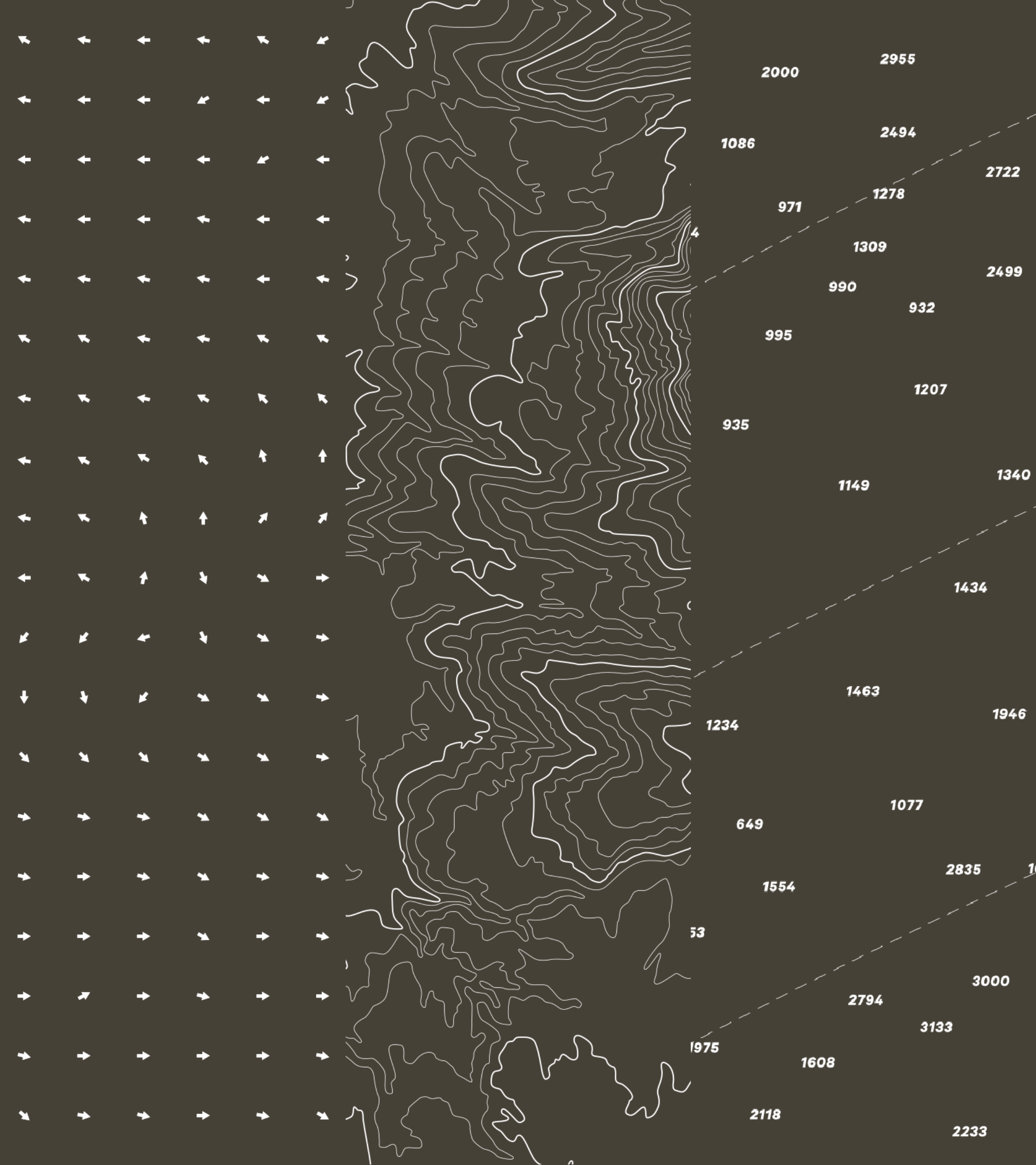




# ANNUAL MEETING 2023

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10 NOVEMBER 2023



# OUR BOARD



**David Kirk**  
Chairman



**Michael Daly**  
Managing Director  
and Group CEO



**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 17

- ELECTION OF DIRECTORS

- AUDITOR REMUNERATION

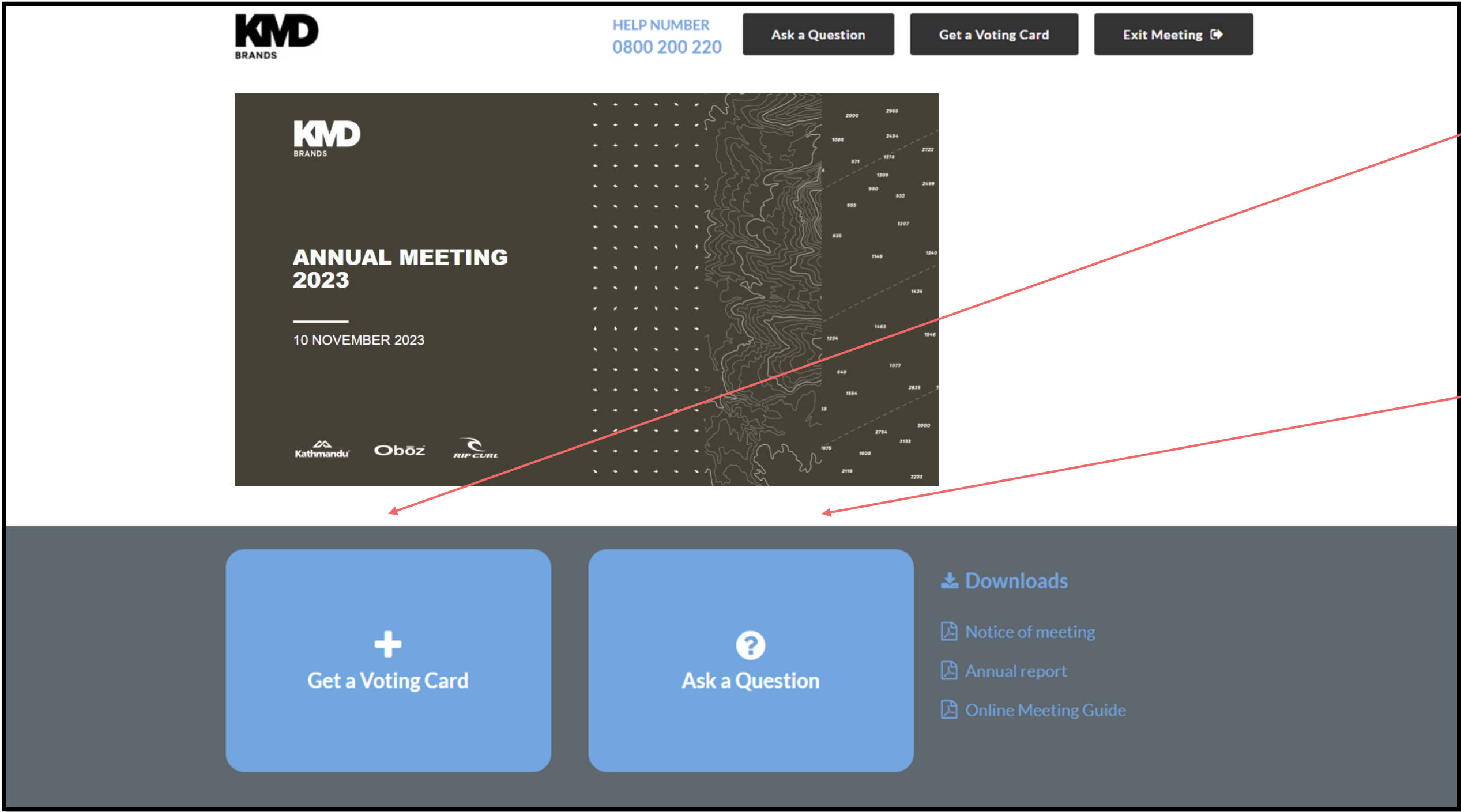
- CHANGE TO THE CONSTITUTION

ITEM 4: OTHER BUSINESS 23





# VOTING AND REGISTRATION

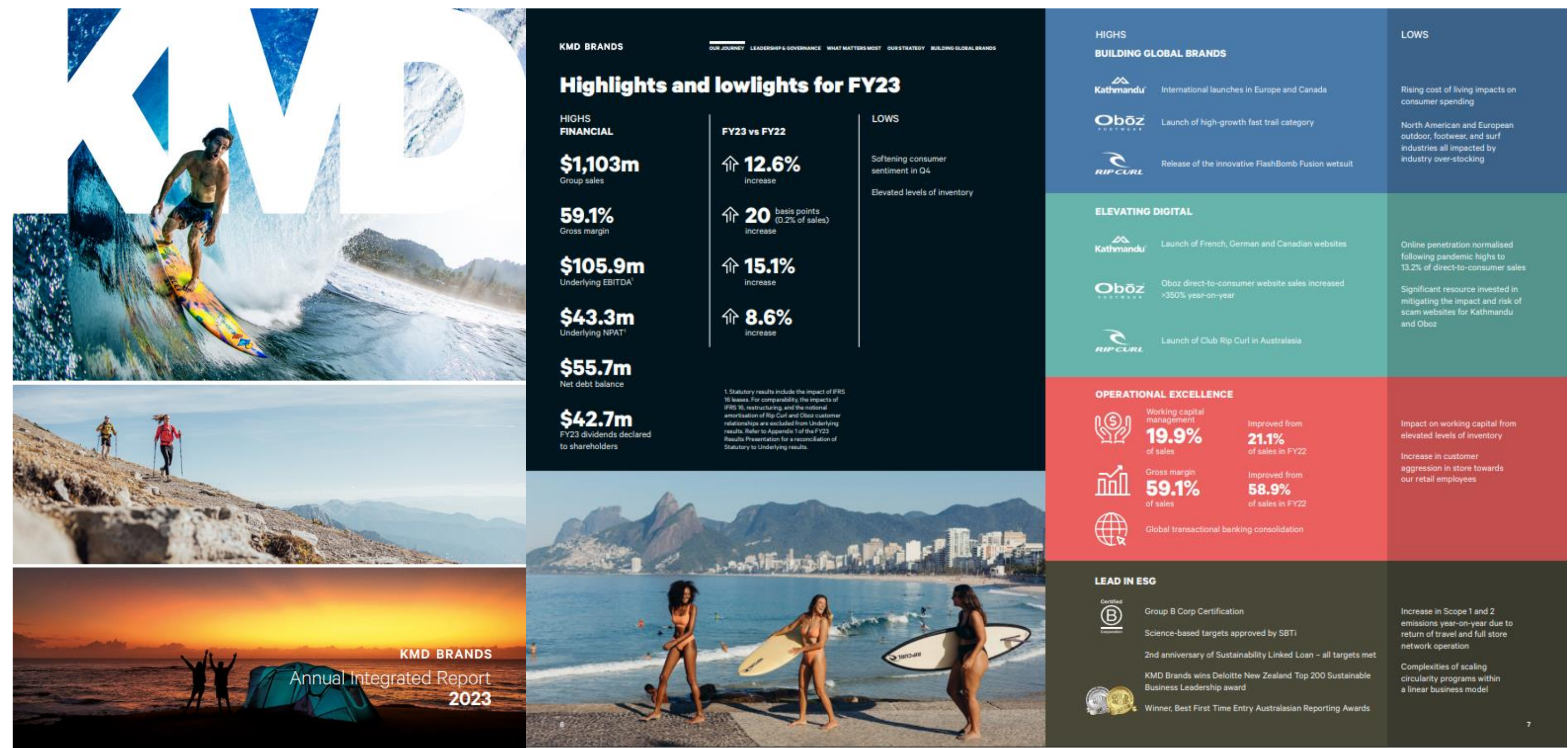


To vote, you will need to click “**Get Voting Card**” within the online meeting platform shown here

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



# FY23 ANNUAL INTEGRATED REPORT

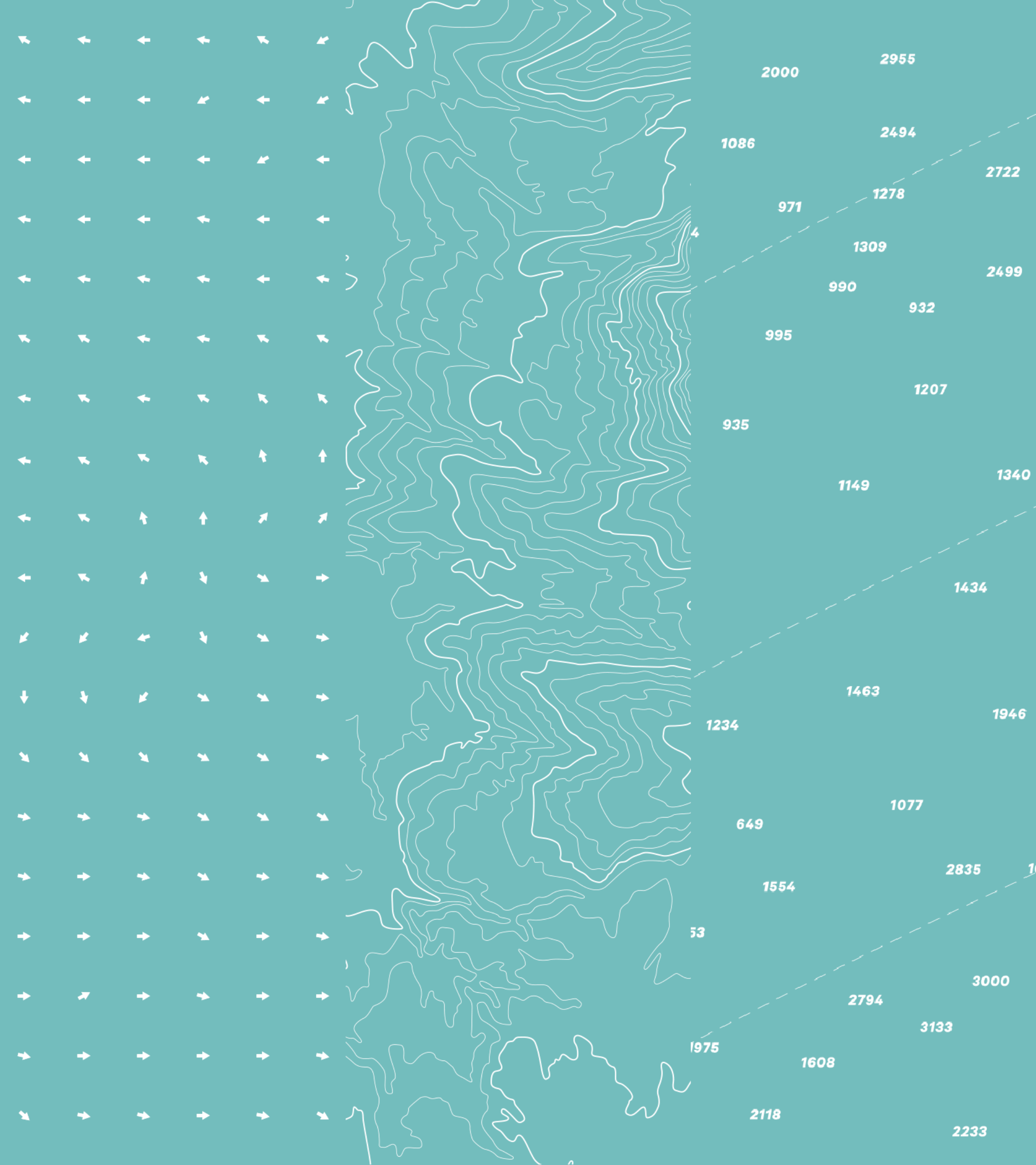




KMD BRANDS

ITEM 1

CHAIRMAN’S  
ADDRESS





# KMD


BRANDS

OWNER OF  
ICONIC GLOBAL  
OUTDOOR BRANDS



**Kathmandu®**

**Obōz®**



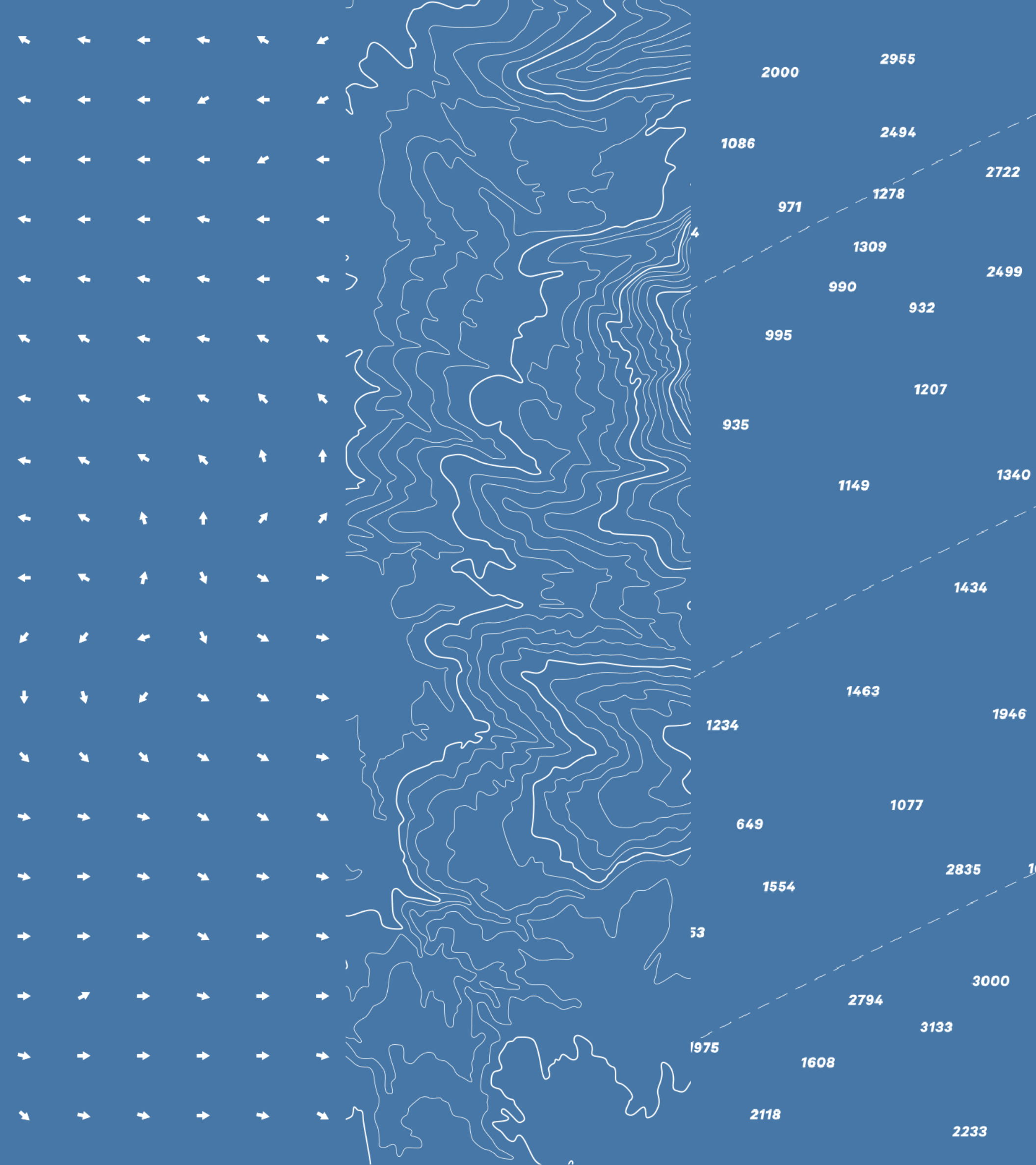
***RIP CURL***



KMD BRANDS

ITEM 2

GROUP CEO'S ADDRESS





## **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**

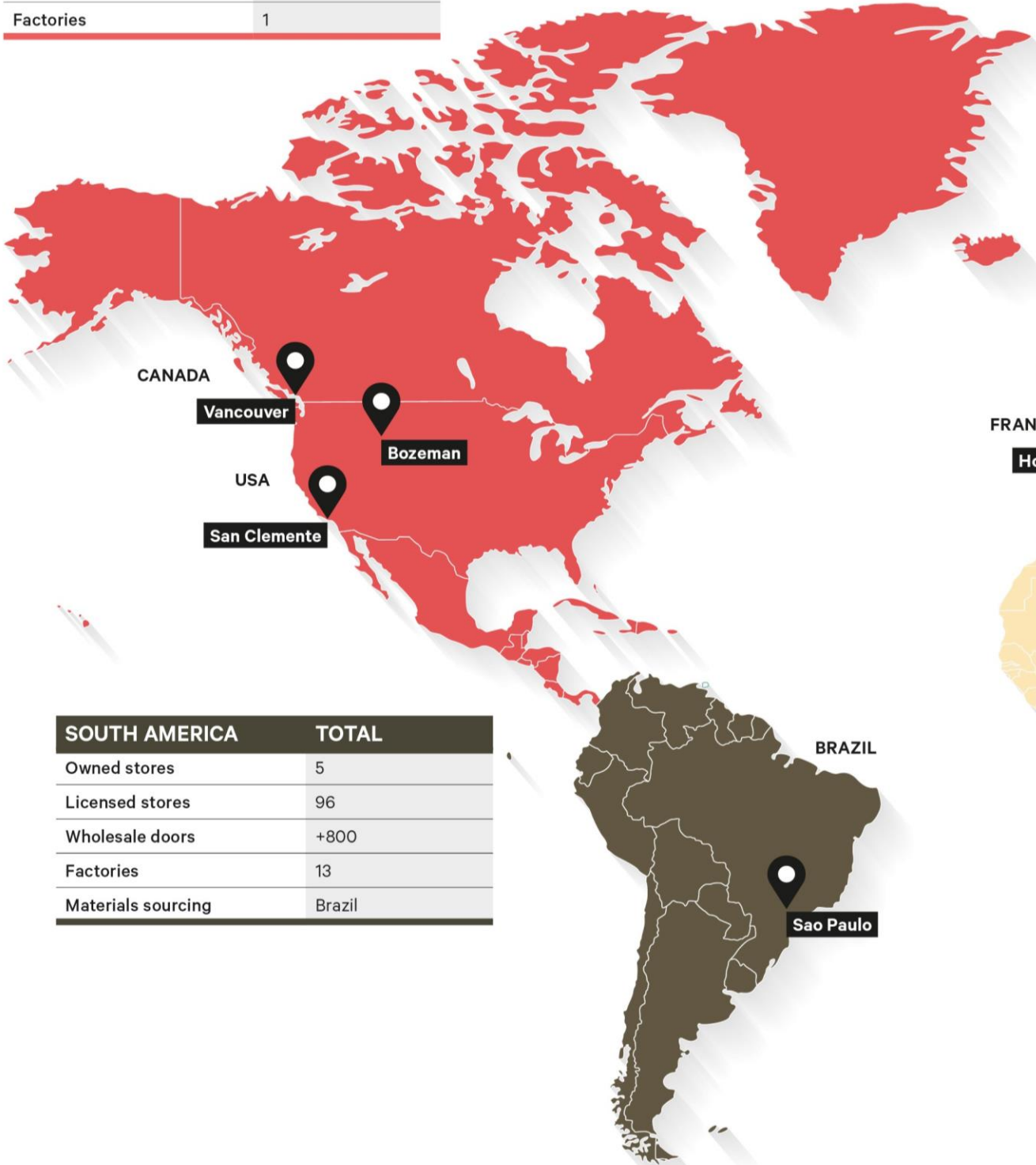




# GLOBAL VISION, GLOBAL FOOTPRINT

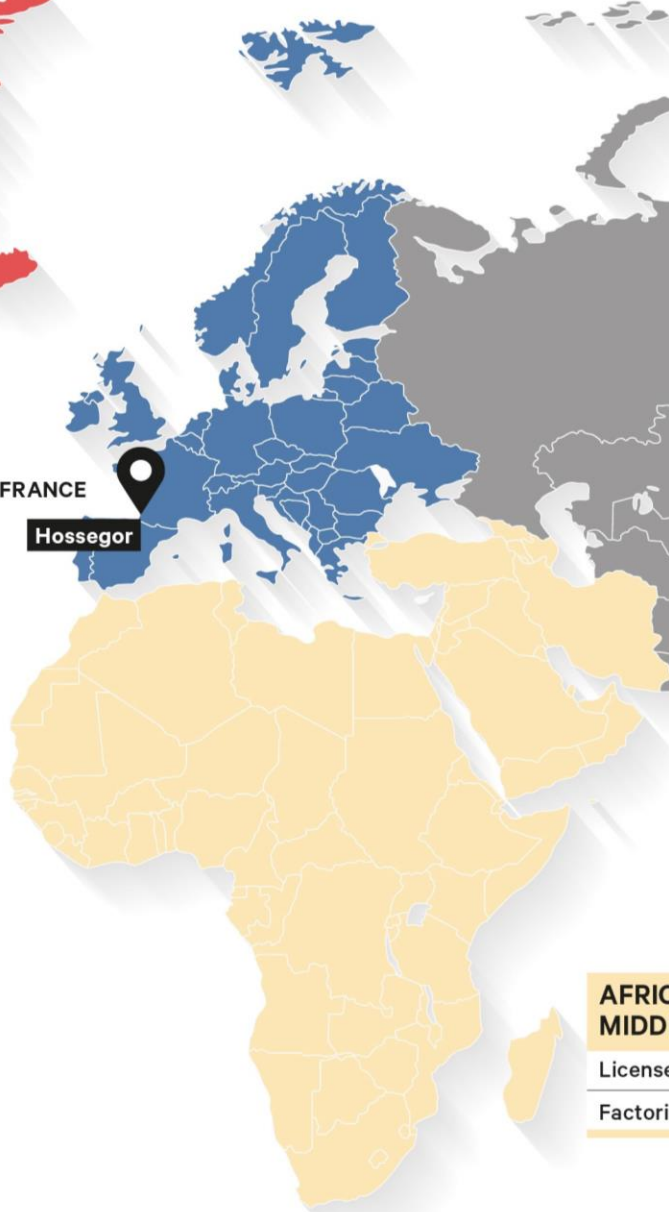
NORTH AMERICA	TOTAL
Owned stores	31
Licensed stores	20
Wholesale doors	+4,200
Materials sourcing	USA , Mexico
Factories	1

 Global Office Locations



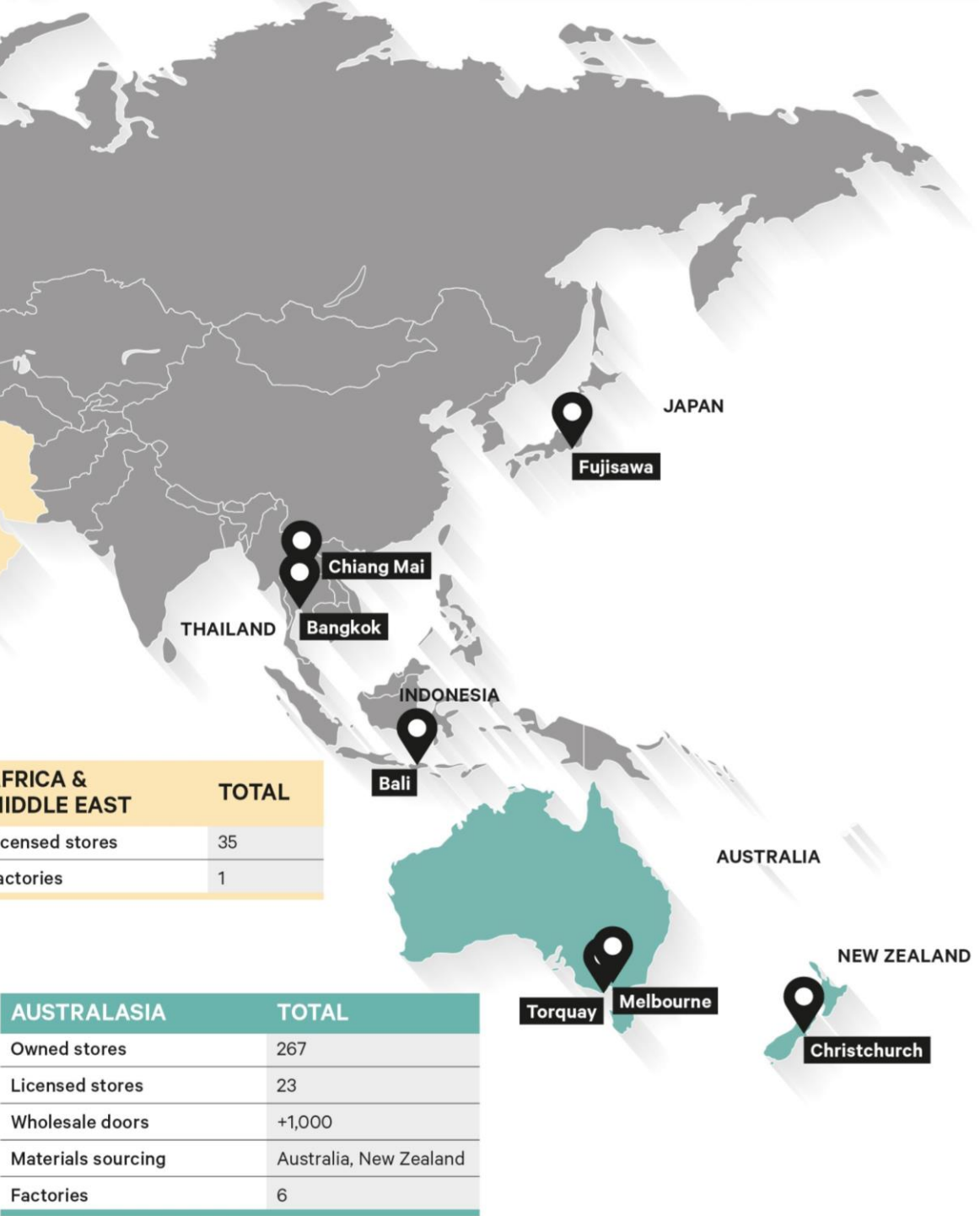
SOUTH AMERICA	TOTAL
Owned stores	5
Licensed stores	96
Wholesale doors	+800
Factories	13
Materials sourcing	Brazil

EUROPE	TOTAL
Owned stores	24
Licensed stores	14
Wholesale doors	+2,000
Materials sourcing	Italy, France
Factories	6



AFRICA & MIDDLE EAST	TOTAL
Licensed stores	35
Factories	1

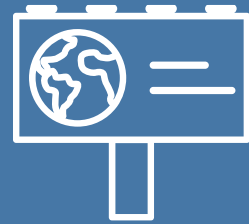
ASIA	TOTAL
Licensed and JV stores	75
Wholesale doors	+600
Materials sourcing	Vietnam, China, Thailand, Taiwan, Japan, Indonesia, South Korea, Bangladesh, India
Factories	162



AUSTRALASIA	TOTAL
Owned stores	267
Licensed stores	23
Wholesale doors	+1,000
Materials sourcing	Australia, New Zealand
Factories	6



# STRATEGIC ACHIEVEMENTS



## BUILDING GLOBAL BRANDS

### Rip Curl

Launch of market leading and innovative Fusion wetsuit targeted at core surfer.

### Kathmandu

Appointed new CEO Megan Welch with extensive international brand growth experience.

### Oboz

Launch of high-growth fast trail category, to attract new customers and grow market share.



## ELEVATING DIGITAL

### Loyalty

Club Rip Curl launched in Australasia. Over 220k members, and over \$30m member sales.

### E-commerce

Kathmandu French, German and Canadian websites launched. Oboz online sales up >350%.

### Security

Enhanced security against IP infringement and counterfeit sites, to protect brand and customers.



## OPERATIONAL EXCELLENCE

### EBITDA margin

0.2% of sales improvement YOY. Targeting 15% of sales underlying EBITDA margin.\*<sup>1</sup>

### Group Procurement

Continued realisation of benefits from consolidation of purchasing power.

### Leases

Portfolio approach to lease negotiations in Australasia achieved an overall rent reduction across 63 lease renewals.



## LEAD IN ESG

### Science-based targets

Approved by SBTi - 2030 goals aligned to Paris Climate agreement.

### Integrated reporting excellence

Winner - Best First Time Entry in the Australasian Reporting Awards.

### B Corporations

Group and all brands now B Corp certified. Only 45 publicly traded businesses globally.

<sup>1</sup>. Statutory results include the impact of IFRS 16 leases. For comparability, the impacts of IFRS 16 and restructuring are excluded from Underlying results. Refer to Appendix 1 of the FY23 Results Presentation for a reconciliation of Statutory to Underlying results.



# B CORP CERTIFIED

- In FY23, Rip Curl and Oboz achieved B Corp certification as well as the Rip Curl wetsuit factory OnSmooth in Thailand. Kathmandu achieved re-certification (first certified in 2019) with major improvements that were commended by B Lab.
- Certification is a significant achievement for KMD Brands because our business and brands have been independently verified to meet globally recognised high standards of social and environmental performance, public transparency and legal accountability.
- B Corp certification is important, with some of the potential benefits including long-term sustainability, risk mitigation, a competitive advantage, attracting and retaining employees, and appealing to ethical investors.
- Long term returns to shareholders is a key benefit of B Corp certification for KMD Brands.

Certified

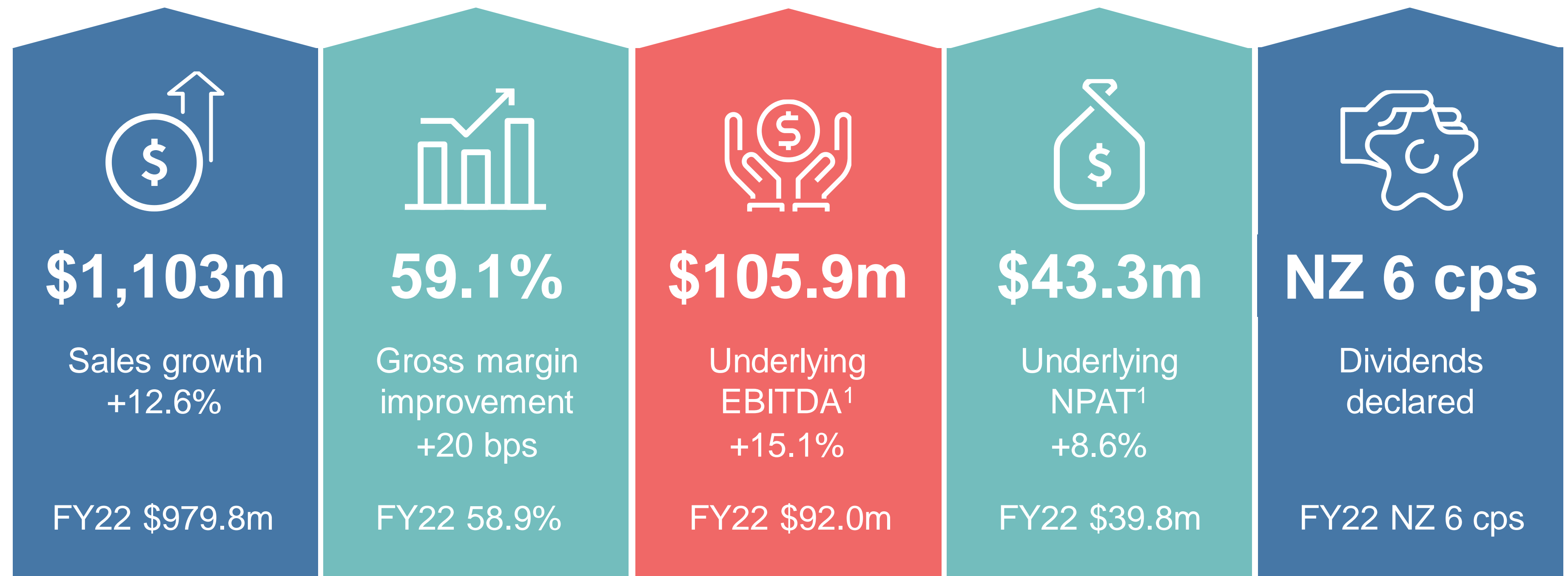


®

Corporation



# FINANCIAL ACHIEVEMENTS

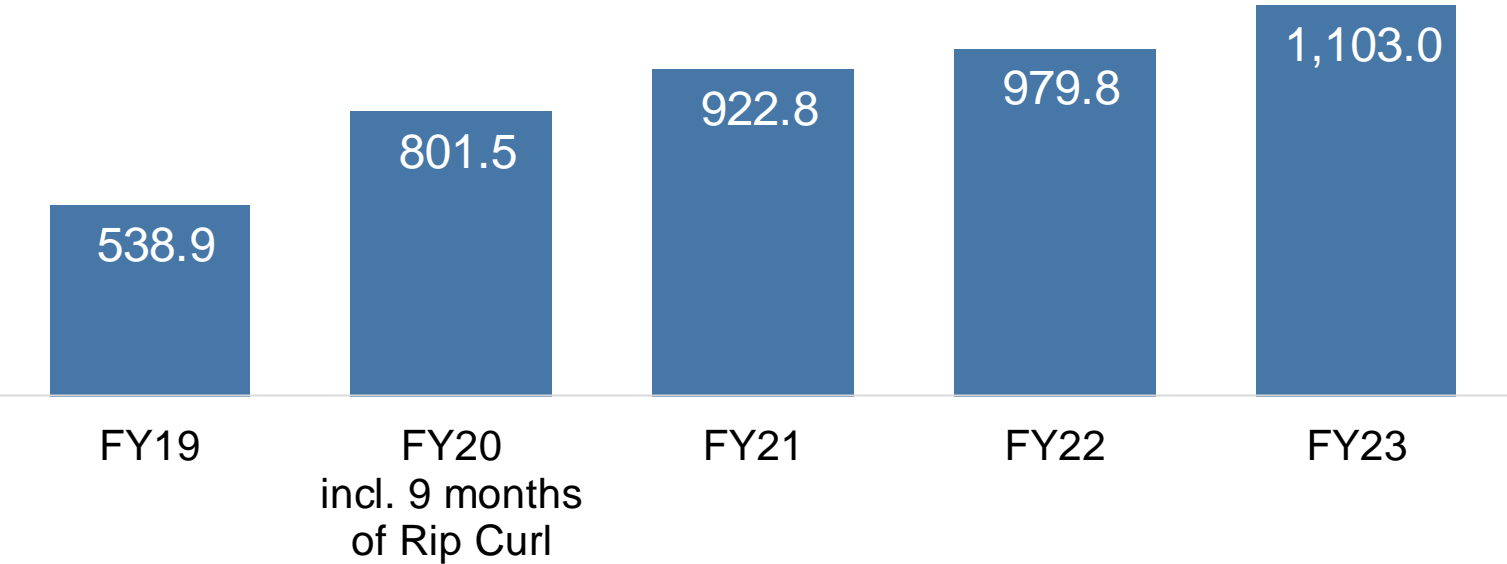


1. Statutory results include the impact of IFRS 16 leases. For comparability, the impact of IFRS 16, restructuring, and the notional amortisation of Rip Curl and Oboz customer relationships are excluded from Underlying results. Refer to Appendix 1 of the FY23 Results Presentation for a reconciliation of Statutory to Underlying results.

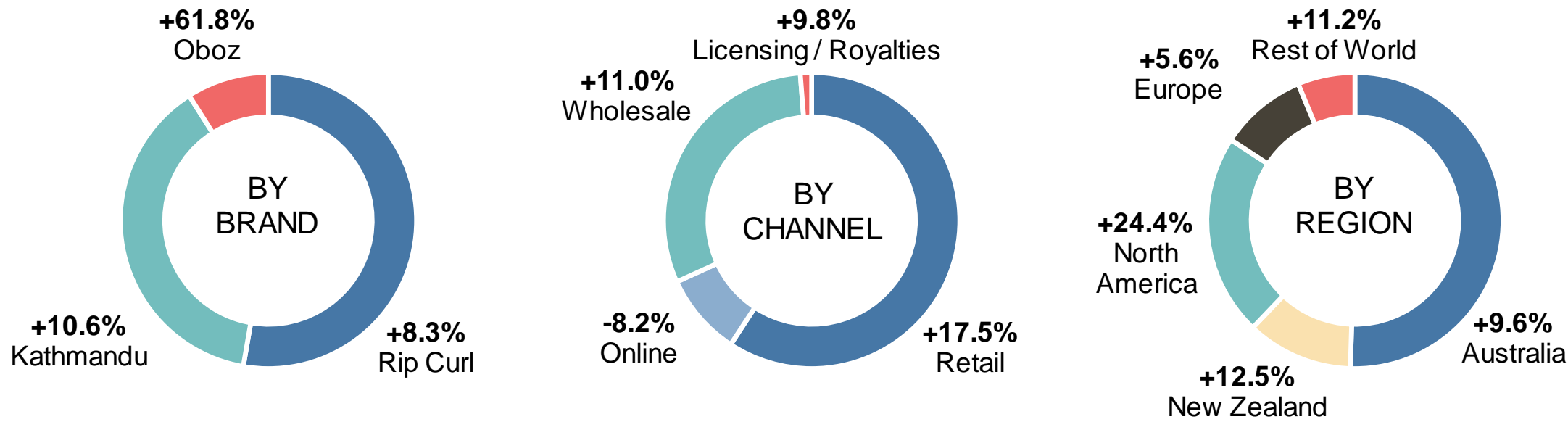


# RECORD SALES \$1.1 BILLION

TOTAL GROUP REPORTED SALES (NZ \$m)

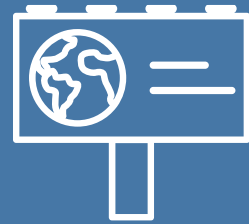


DIVERSIFIED SALES GROWTH (FY23 VS FY22)





# STRATEGIC PRIORITIES FY24



## BUILDING GLOBAL BRANDS

Continued design, development, and launch of market-leading innovative products for the outdoors.

### Rip Curl

Continued North America sales growth.

### Kathmandu

Focus on growing international sales, leveraging the Group structure.

### Oboz

Expansion into Europe and relaunch in ANZ.



## ELEVATING DIGITAL

### Loyalty

Relaunch Kathmandu loyalty programme 'Out there rewards'.

### Talent

Commencement of Group and Brand Executives to accelerate digital transformation.

### Personalisation

Increased investment, leveraging loyalty programs.



## OPERATIONAL EXCELLENCE

### Working capital

Target 18% of sales. Rip Curl and Oboz reductions in wetsuits and footwear inventory.

### EBITDA margin

Group underlying EBITDA margin\*<sup>1</sup> target 15% of sales - specific targets for brands and corporate functions.

### Operating efficiencies

Ongoing consolidation of costs, to leverage Group structure, focus on supply chain and systems.



## LEAD IN ESG

### Responsible materials

Increase responsible material content in products. Reduce waste footprint created across our businesses.

### Science-based targets

Reduce emissions in line with the Paris Climate Agreement goals.

### Circularity

Continued focus on circular business models across brands.

<sup>1.</sup> Statutory results include the impact of IFRS 16 leases. For comparability, the impacts of IFRS 16 and restructuring are excluded from Underlying results. Refer to Appendix 1 of the FY23 Results Presentation for a reconciliation of Statutory to Underlying results.



# FY24 OUTLOOK

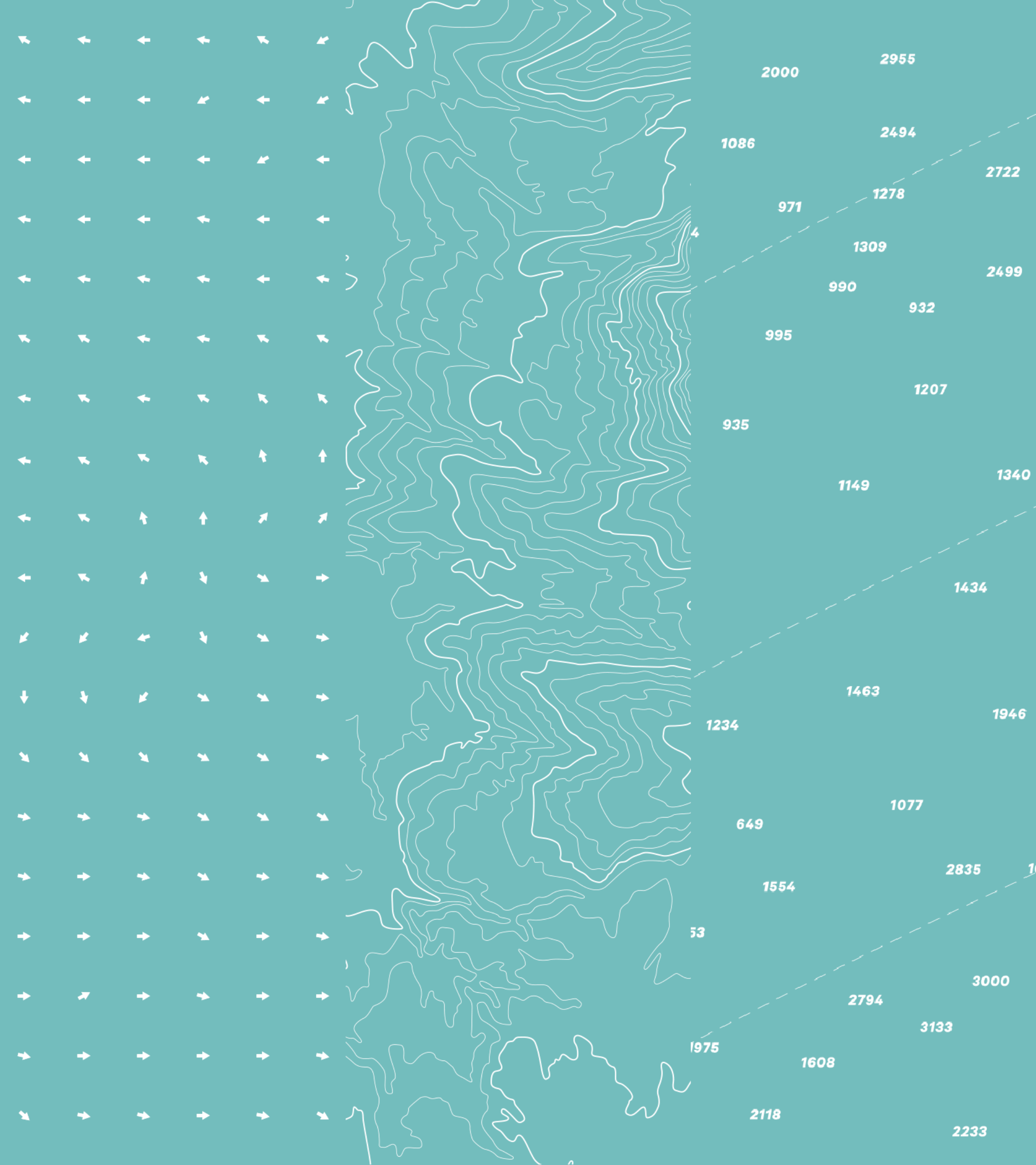
- All three of our iconic brands are cycling a strong sales rebound last year. As we navigate a more challenging consumer environment this year, our strategic plans remain unchanged.
- We remain focused on executing our strategy, managing working capital, and improving gross margins.
- Progress towards our working capital target of 18% of sales is expected to drive strong cash flow generation in the second half year.
- The Group is well positioned to capitalise on the tailwinds from a continued return to travel, positive impacts from the launch of innovative products and the outdoor lifestyle trend post-pandemic.
- Following our previous update in September, the Group's first half results are dependent on the key Black Friday and Christmas retail trading periods to come. We intend to provide an update after Black Friday trade in mid-December.





ITEM 3

RESOLUTIONS





# RESOLUTION 1

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

“That Brent Scrimshaw be re-elected as a Director of the Company.”

Proxies:

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

	Resolution 1
In favour	403,966,864
Against	31,460,205
Open	2,465,096

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 Philip Bowman be re-elected as a Director of the Company.”

Proxies:

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

	Resolution 2
In favour	411,714,118
Against	23,721,791
Open	2,455,095

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 Zion Armstrong be elected as a Director of the Company.”

Proxies:

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

	Resolution 3
In favour	435,034,741
Against	403,252
Open	2,455,095

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:

	Resolution 4
In favour	434,599,917
Against	902,381
Open	2,415,095

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



# RESOLUTION 5

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That the Company amend and replace its existing Constitution, in the form and manner described in the Explanatory Notes, with immediate effect.”

Proxies:

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

	Resolution 5
In favour	435,035,642
Against	307,994
Open	2,425,095

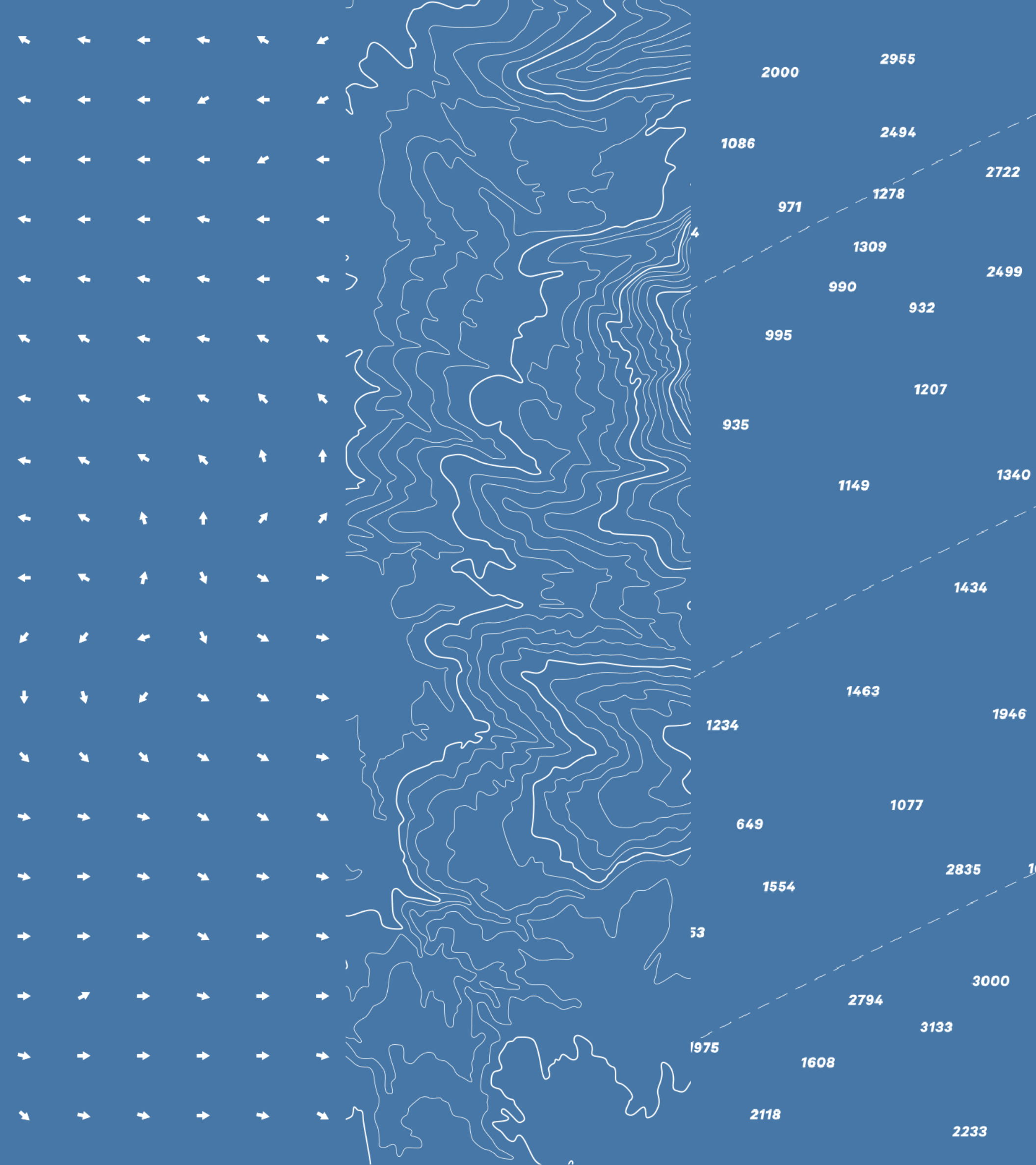
The Board unanimously supports Resolution 5 and recommends that shareholders vote in favour.



KMD BRANDS

ITEM 4

OTHER BUSINESS





**THANK YOU**



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