

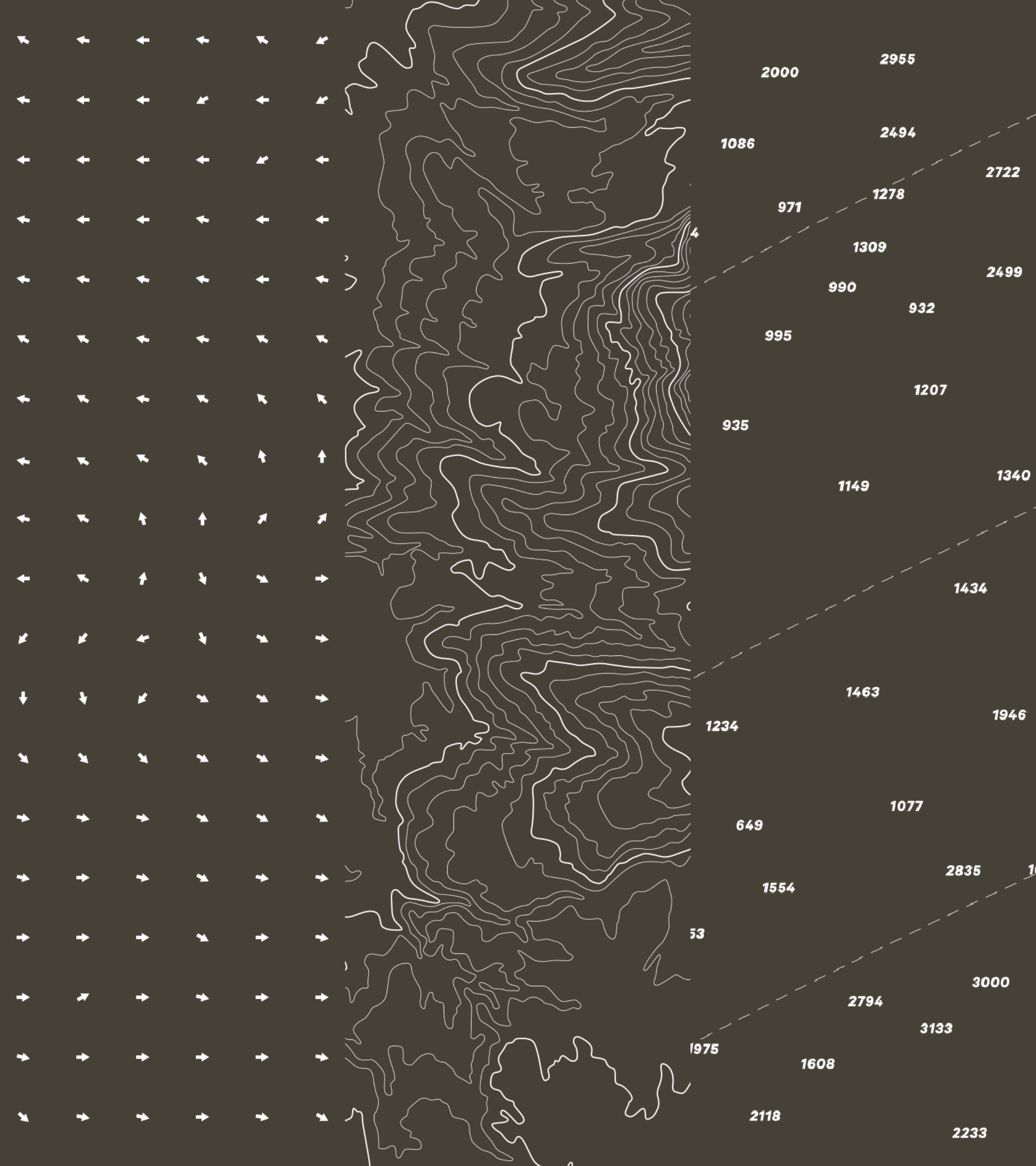


# FY24 RESULTS PRESENTATION

25 SEPTEMBER 2024

**Michael Daly**  
Group CEO &  
Managing Director

**Ben Washington**  
Interim Group CFO



# OUTLINE

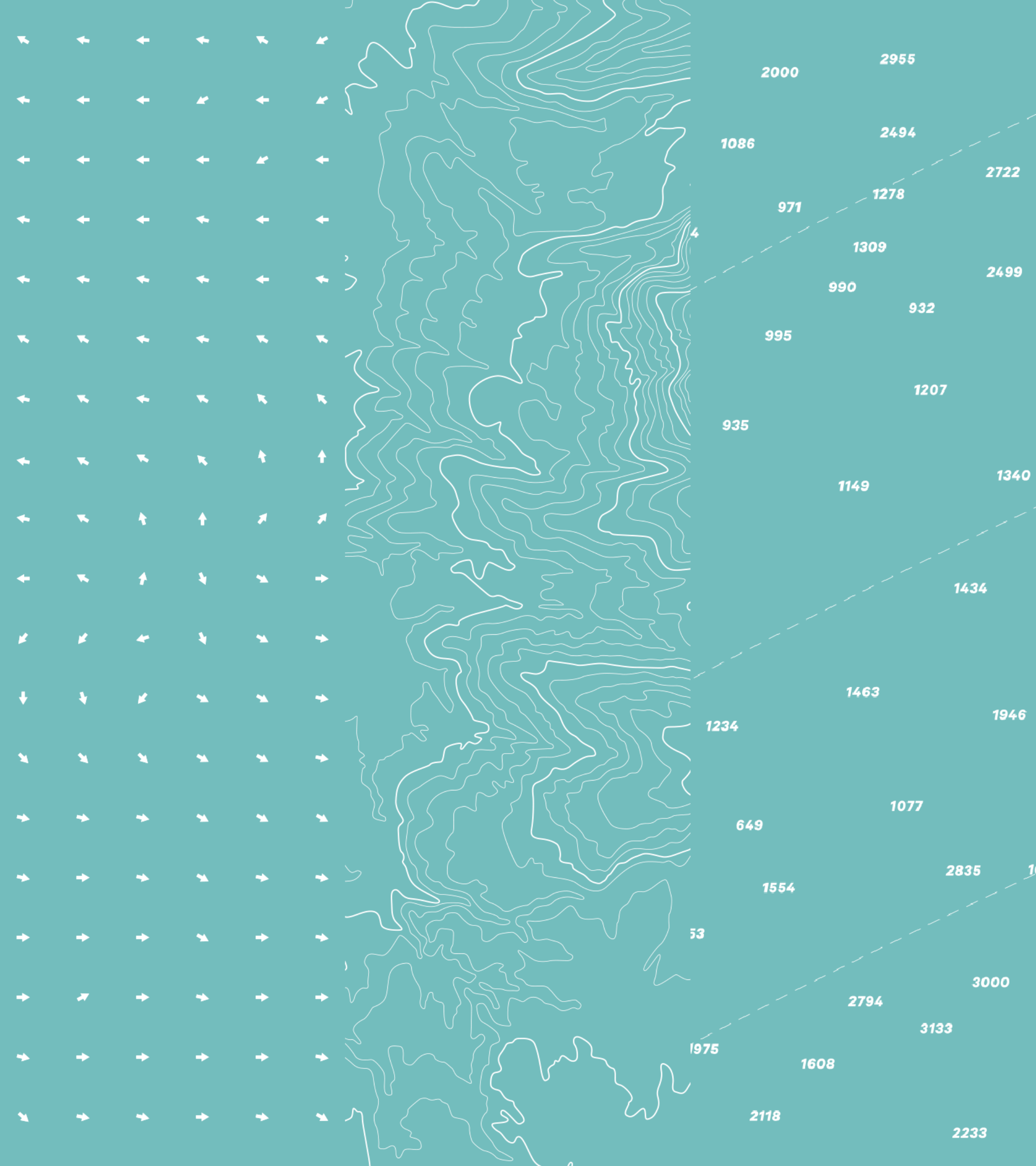
|                           |    |
|---------------------------|----|
| 1. FY24 SUMMARY           | 3  |
| 2. GROUP FINANCIALS       | 9  |
| 3. BRAND FINANCIALS       | 16 |
| 4. KATHMANDU UPDATE       | 20 |
| 5. FY25 FOCUS AND OUTLOOK | 25 |
| 6. APPENDICES             | 29 |




KMD BRANDS

SECTION 1

# FY24 SUMMARY



# FINANCIAL SUMMARY

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

# 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 for a reconciliation of Statutory to Underlying results.

# 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.



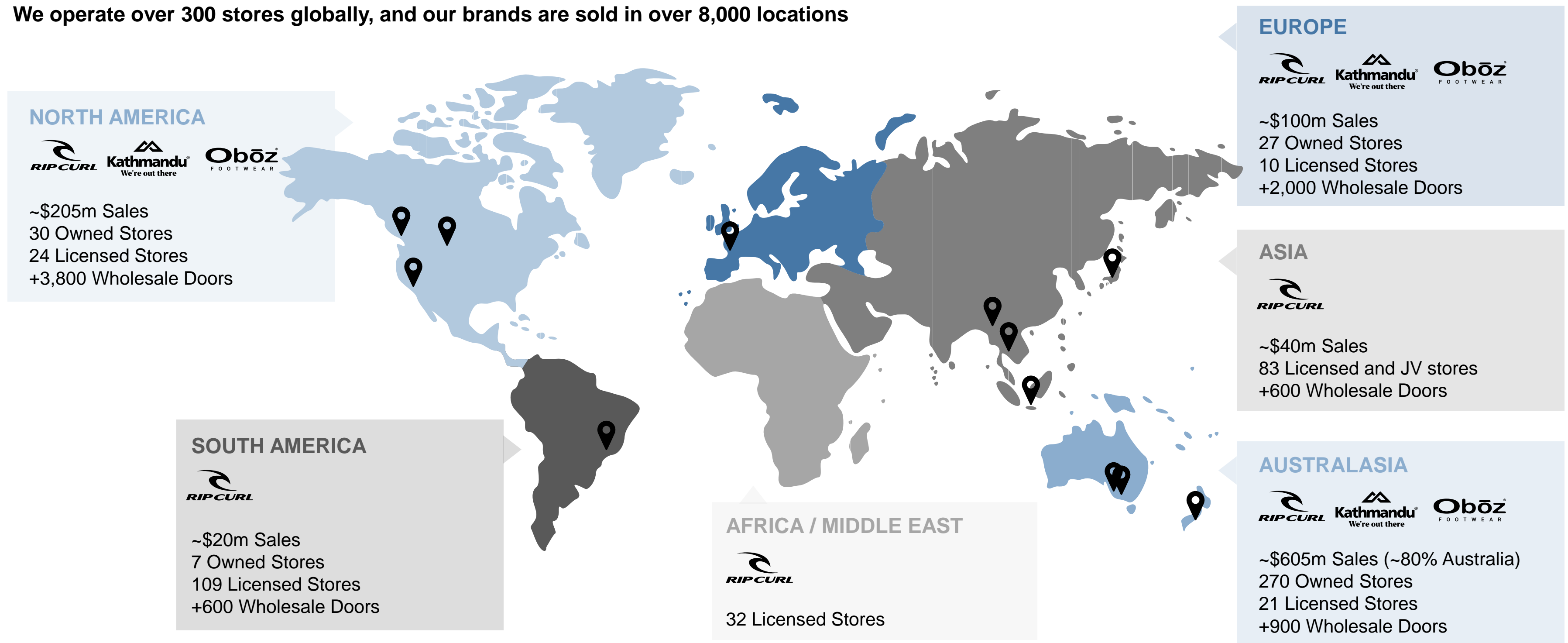
- Leading outdoor brand in Australasia.
- Founded in New Zealand in 1987, with deep New Zealand heritage.
- Pipeline of innovative, sustainable, engineered, and adaptive products.
- Loyal customers with 1.8 million active Out There Rewards members.
- History of significant cash generation.
- B Corp certified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

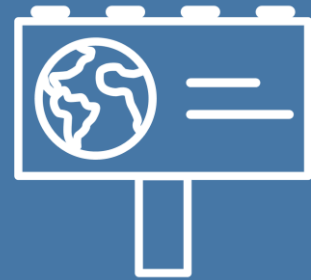
# BRANDS WITH GLOBAL REACH

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



📍 Global office locations

# 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.



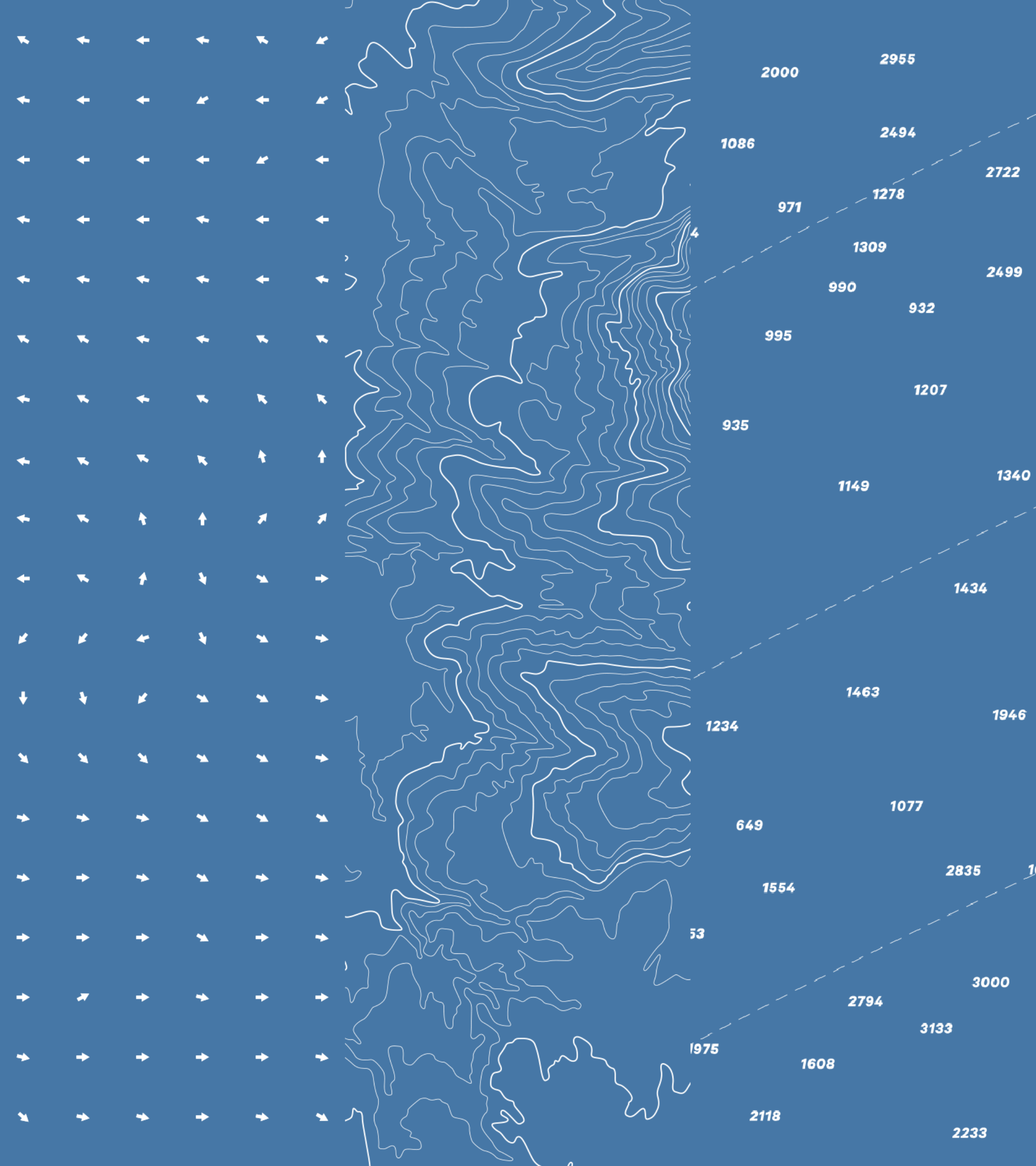
## BEST FOR PEOPLE AND PLANET

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



SECTION 2

# GROUP FINANCIAL PERFORMANCE



# PROFIT & LOSS

| KMD BRANDS<br>NZ \$m <sup>*2</sup> | Statutory |         | Underlying <sup>*1</sup> |         |         |
|------------------------------------|-----------|---------|--------------------------|---------|---------|
|                                    | FY24      | FY23    | FY24                     | FY23    | Var %   |
| SALES                              | 979.4     | 1,103.0 | <b>979.4</b>             | 1,103.0 | (11.2%) |
| GROSS PROFIT                       | 576.5     | 651.9   | <b>576.5</b>             | 651.9   | (11.6%) |
| <i>Gross margin</i>                | 58.9%     | 59.1%   | <b>58.9%</b>             | 59.1%   |         |
| OPERATING EXPENSES                 | (469.2)   | (451.9) | <b>(526.5)</b>           | (546.1) | (3.6%)  |
| <i>% of Sales</i>                  | 47.9%     | 41.0%   | <b>53.8%</b>             | 49.5%   |         |
| EBITDA                             | 107.2     | 200.1   | <b>50.0</b>              | 105.9   | (52.8%) |
| <i>EBITDA margin %</i>             | 11.0%     | 18.1%   | <b>5.1%</b>              | 9.6%    |         |
| EBIT                               | (21.1)    | 76.4    | <b>16.0</b>              | 74.2    | (78.4%) |
| <i>EBIT margin %</i>               | -2.2%     | 6.9%    | <b>1.6%</b>              | 6.7%    |         |
| NPAT                               | (48.3)    | 36.6    | <b>(1.1)</b>             | 43.3    | -       |

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 for a reconciliation of Statutory to Underlying results.

2. FY24 NZD/AUD conversion rate 0.924 (FY23: 0.917), FY24 NZD/USD conversion rate 0.605 (FY23 0.617).

## IMPROVING QUARTERLY SALES TREND

- Continued improvement on first half sales trends during both Q3 and Q4 (further detail on slide 12).
- Kathmandu's Australia sales trends have continued to improve in each quarter. New Zealand market conditions have been more challenging.
- Rip Curl and Oboz direct-to-consumer ("DTC") sales outperformed the wholesale channels. Wholesale accounts continued to reduce their inventory to manage risk in a challenging economic environment.

## GROSS MARGIN REMAINS RESILIENT

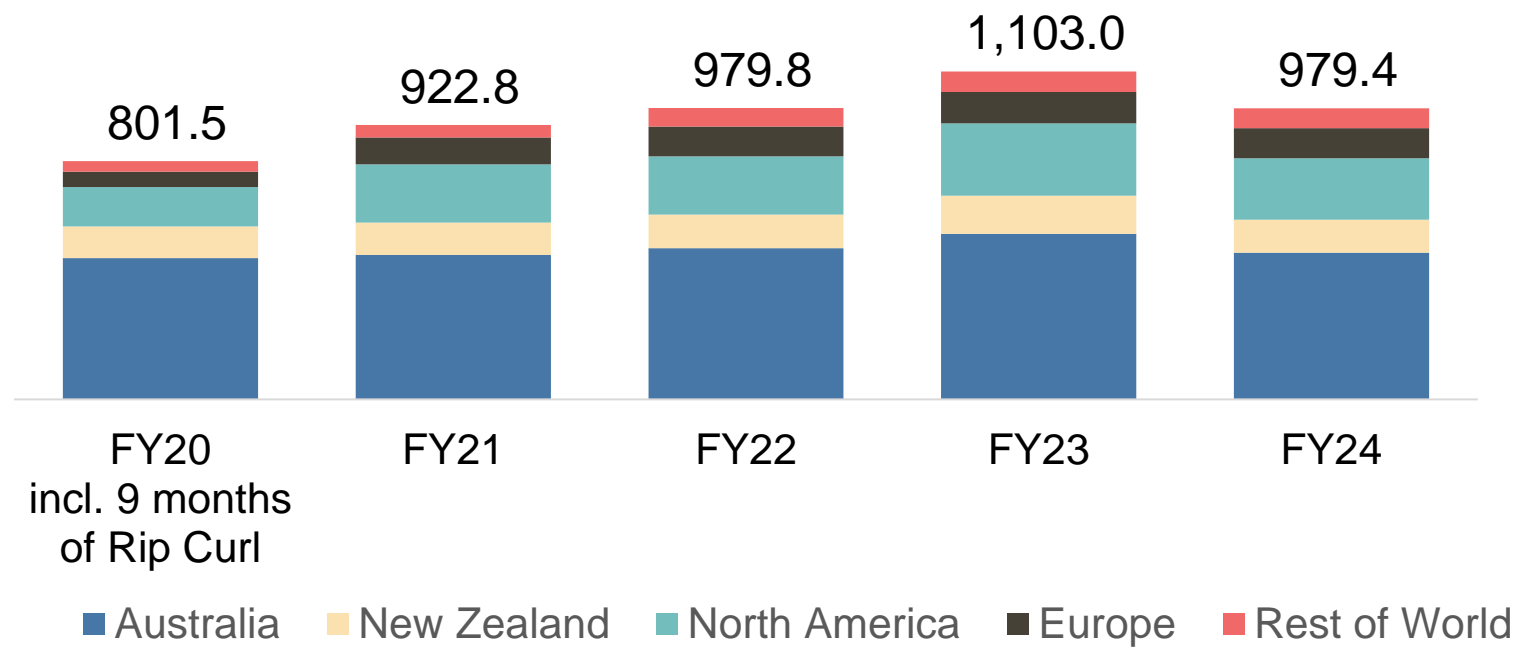
- Group gross margin -0.2% of sales, remained resilient with continued gross margin improvement for Rip Curl and Oboz, offset by increased promotional activity for Kathmandu.

## OPERATING EXPENSES TIGHTLY CONTROLLED

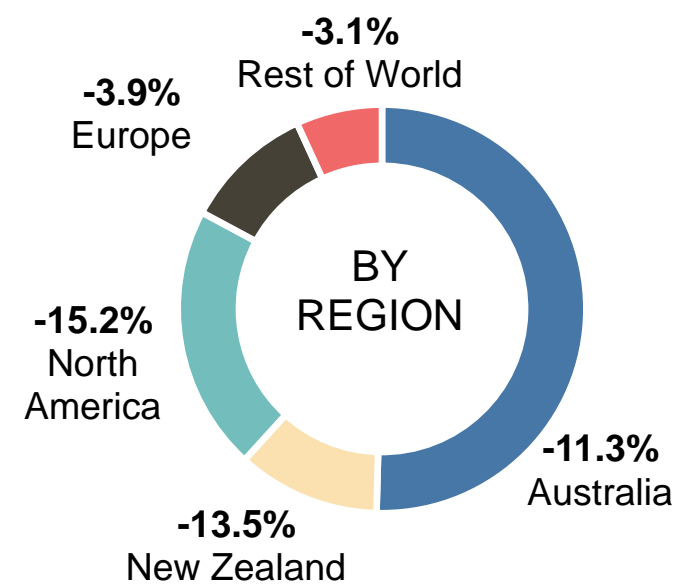
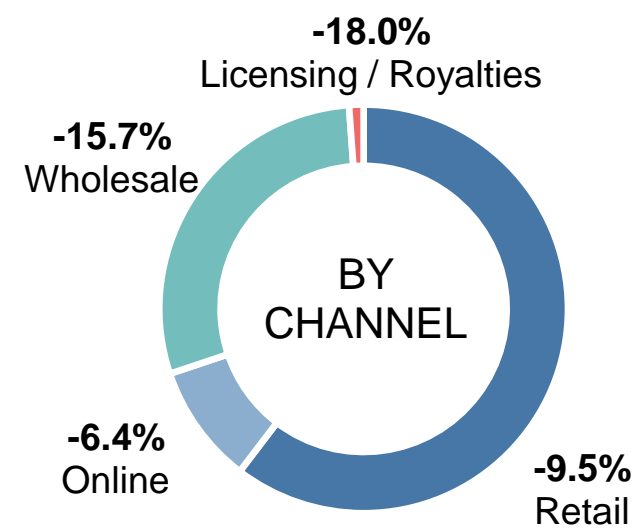
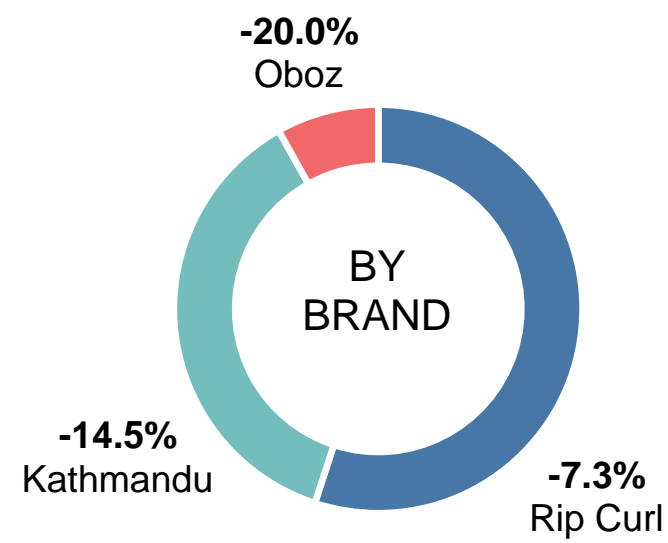
- Underlying operating expenses decreased by \$19.6m YOY despite ongoing inflation pressure, benefiting from restructuring implemented last year, and lower variable costs associated with lower sales.
- Oboz goodwill has been impaired by \$40.3m. The impairment is driven by a conservative view of near-term US wholesale market conditions.

# DIVERSIFIED SALES

SALES BY REGION (NZ \$m)



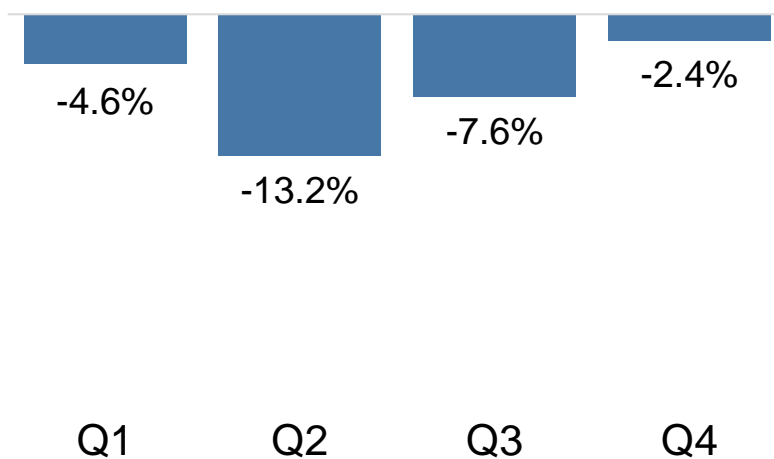
SALES CHANGE FY24 VS FY23



# IMPROVING QUARTERLY SALES TREND



FY24 YOY Sales Variance % by quarter

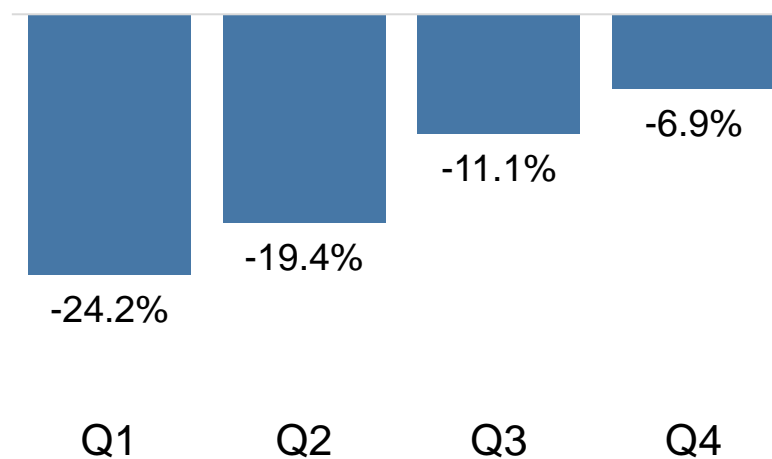


## RIP CURL

- 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

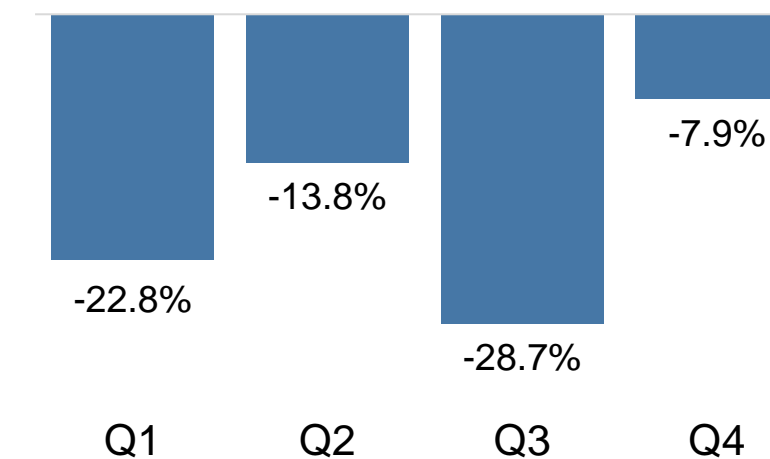


## KATHMANDU

- 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>

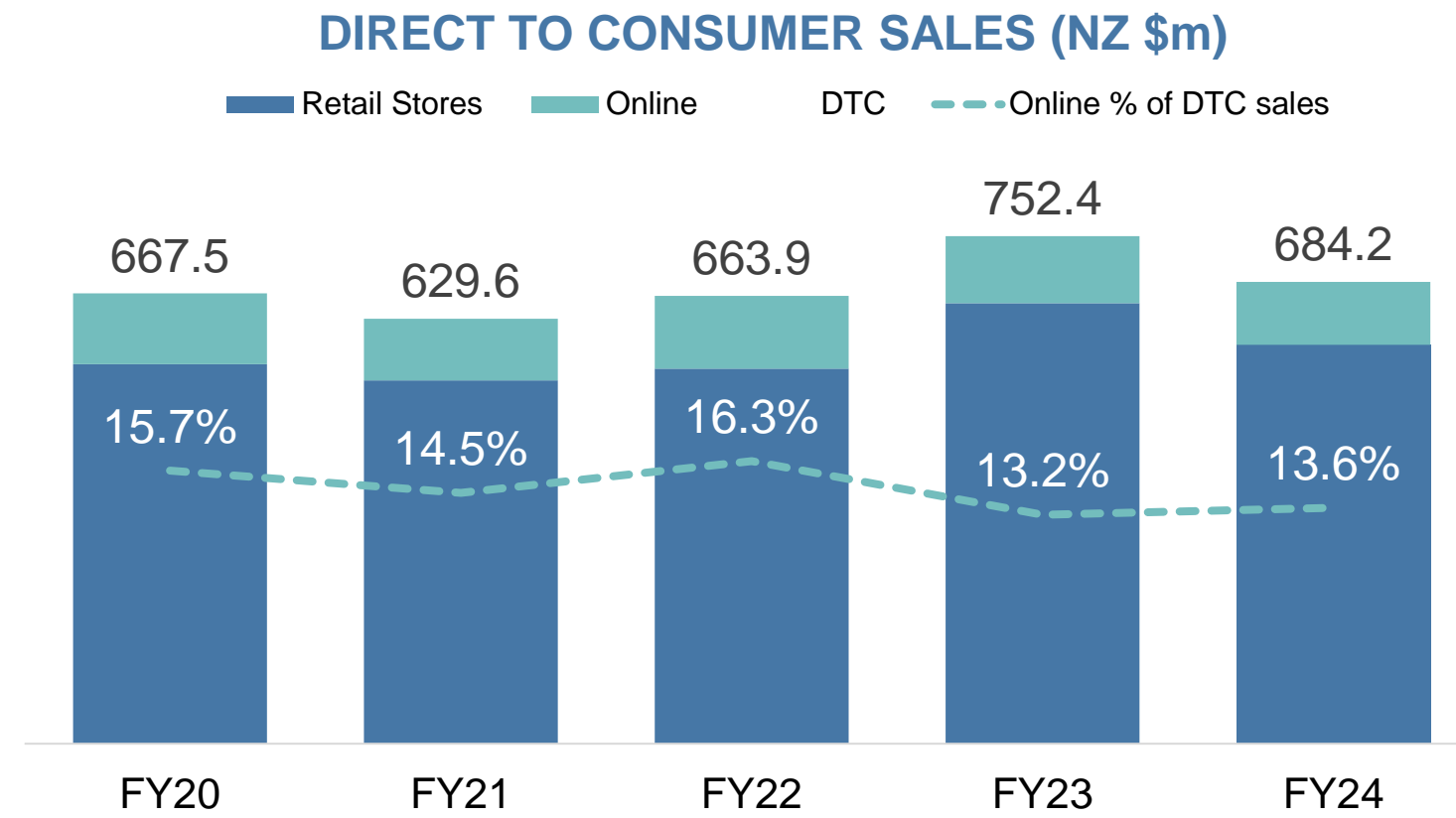


## OBOZ

- 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.

# OMNI-CHANNEL PERFORMANCE



- Kathmandu \$47.7m online sales in line with pre-COVID levels, comprising 13.3% of DTC sales.
- Rip Curl \$37.9m online sales, significantly above pre-COVID levels, comprising 11.9% of DTC sales.
- Oboz \$7.4m online sales, +31.7% above last year.



1. Direct-to-consumer (“DTC”) sales include all sales from retail stores, online sites and marketplaces.  
 2. All years include a full twelve months of Rip Curl, Kathmandu, and Oboz online and retail store sales for comparability over time, including pre-acquisition.

# STRONG BALANCE SHEET

| Key Balance Sheet items and ratios <sup>*1</sup>    |               |               |               |
|---|---------------|---------------|---------------|
| NZ \$m  | Jul 24        | Jan 24        | Jul 23        |
| <b>Net working capital</b>                          | <b>198.3</b>  | <b>226.2</b>  | <b>219.7</b>  |
| Inventories   | 266.9         | 313.6         | 290.4         |
| Current trade and other receivables                 | 89.0          | 78.4          | 102.7         |
| Current trade and other payables                    | (157.6)       | (165.8)       | (173.4)       |
| <i>Net working capital % of sales</i>               | 20.3%         | 22.1%         | 19.9%         |
| <i>Stock Turns<sup>*2</sup></i>                     | 1.45x         | 1.32x         | 1.54x         |
| <b>Net Debt</b>                                     | <b>(59.7)</b> | <b>(96.2)</b> | <b>(55.7)</b> |
| <i>Leverage Ratio<sup>*3</sup></i>                  | 1.2x          | 1.3x          | 0.5x          |
| <i>Net Debt to Equity<sup>*4</sup></i>              | 7.1%          | 10.6%         | 6.2%          |
| <i>Fixed Charge Cover Ratio (FCCR)<sup>*5</sup></i> | 1.26x         | 1.44x         | 1.69x         |
| <b>Equity</b>                                       | <b>785.7</b>  | <b>809.5</b>  | <b>841.6</b>  |

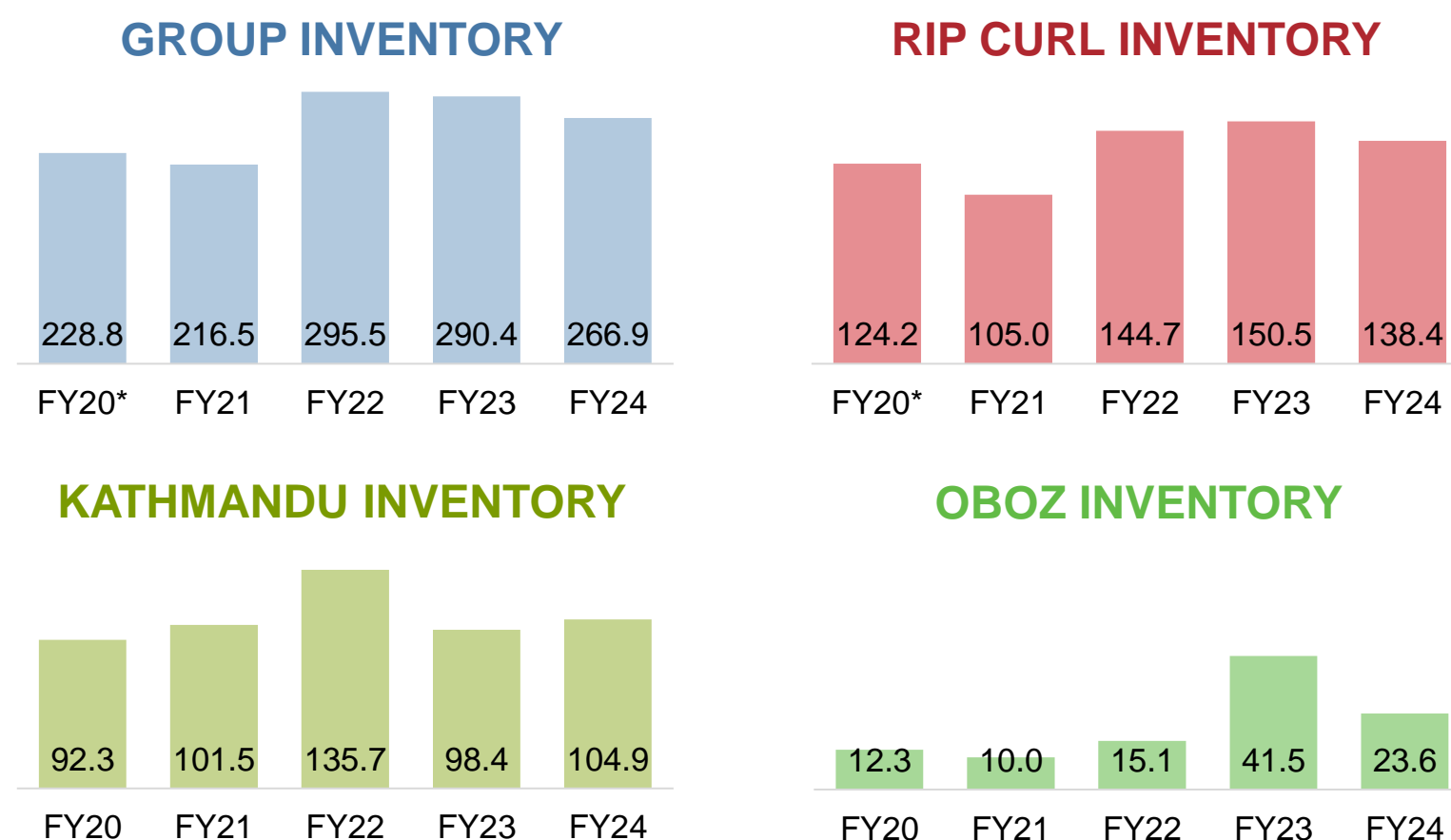
- Key ratios calculated using 12-month Underlying P&L measures.
- COGS / Average Inventories YOY.
- Net Debt / EBITDA.
- Net Debt / (Net Debt + Equity).
- (EBITDA + Rent) / (Rent + Net Finance Costs excl. FX).

## DEBT

- Significant funding headroom c. \$230m.
- Amended FCCR covenants in place for Jan 25 (1.20x) and Jul 25 (1.30x).

## INVENTORY REDUCING

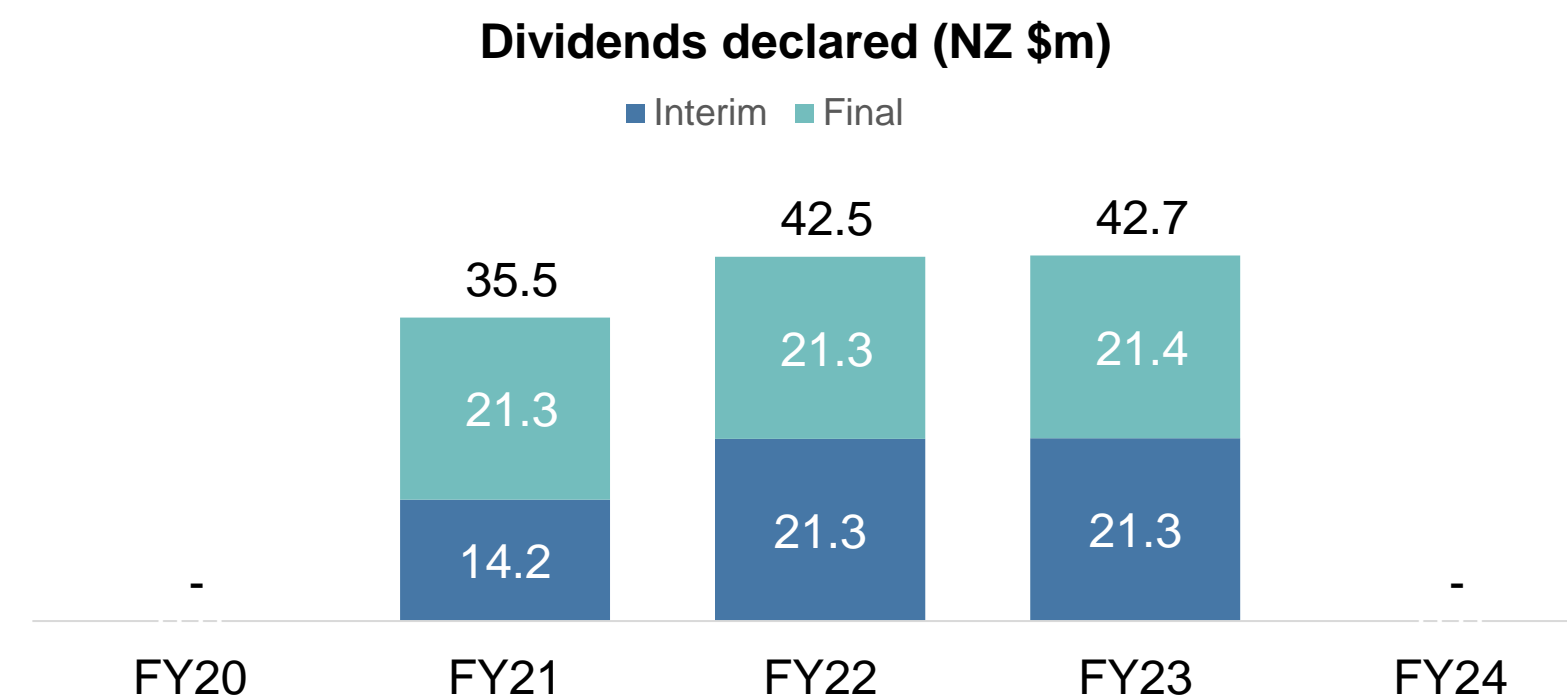
- Rip Curl and Oboz inventory positions continue to moderate back towards historical levels, with further moderation expected in the second half of FY25.
- Jul 24 balance includes +\$4m increase YOY from translation of regional inventory balances to NZD reporting currency.



# CASH FLOW

| Cash Flow (NZ \$m)                               | FY24         | FY23         |
|--|--------------|--------------|
| NPAT   | (48.3)       | 36.6         |
| Change in working capital                        | 28.7         | (27.7)       |
| Non-cash items                                   | 164.2        | 138.7        |
| <b>Operating cash flow</b>                       | <b>144.7</b> | <b>147.6</b> |
| <b>Adjusted operating cash flow<sup>*1</sup></b> | <b>53.4</b>  | <b>60.7</b>  |

| Key Line Items:   | FY24   | FY23   |
|---|--------|--------|
| Net interest paid (including facility fees) <sup>*1</sup> | (10.6) | (10.3) |
| Net income taxes paid                                     | (4.5)  | (21.1) |
| Capital expenditure                                       | (32.5) | (36.0) |
| Dividends paid <sup>*2</sup>                              | (22.5) | (43.4) |



**Dividends declared (NZ cents per share)**

|              | FY20     | FY21       | FY22       | FY23       | FY24     |
|--------------|----------|------------|------------|------------|----------|
| Interim      | -        | 2.0        | 3.0        | 3.0        | -        |
| Final        | -        | 3.0        | 3.0        | 3.0        | -        |
| <b>Total</b> | <b>-</b> | <b>5.0</b> | <b>6.0</b> | <b>6.0</b> | <b>-</b> |

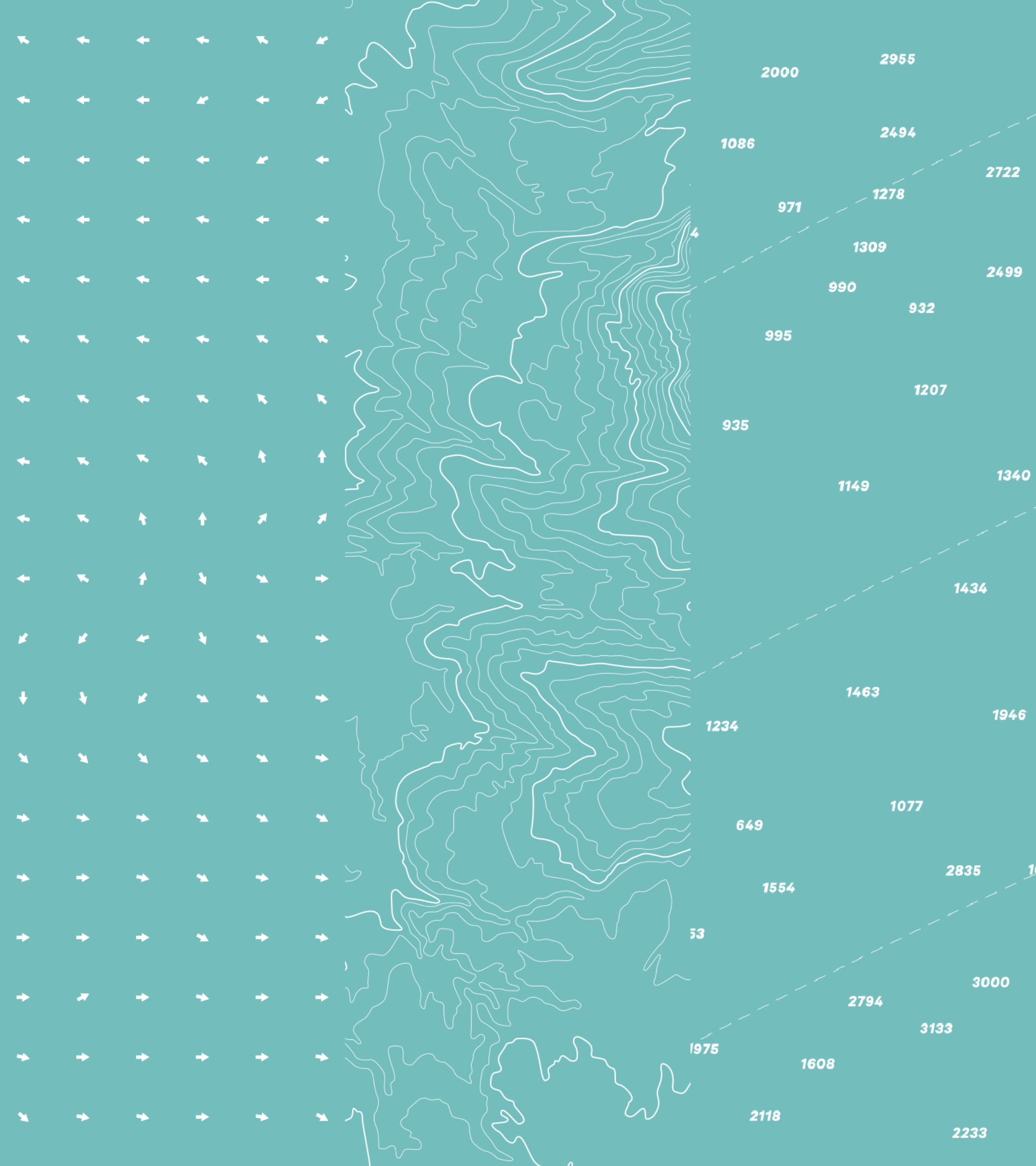
- No dividend declared as a result of the FY24 operating performance and challenging market conditions.
- Dividend policy remains aligned to earnings profile, with a target payout ratio 50% to 70% of underlying NPAT.

1. Adjusted for impacts of adopting IFRS 16.

2. Dividends paid include dividends to a minority interest partner: FY24 \$1.2m, FY23 \$0.7m.

SECTION 3

# BRAND FINANCIAL PERFORMANCE





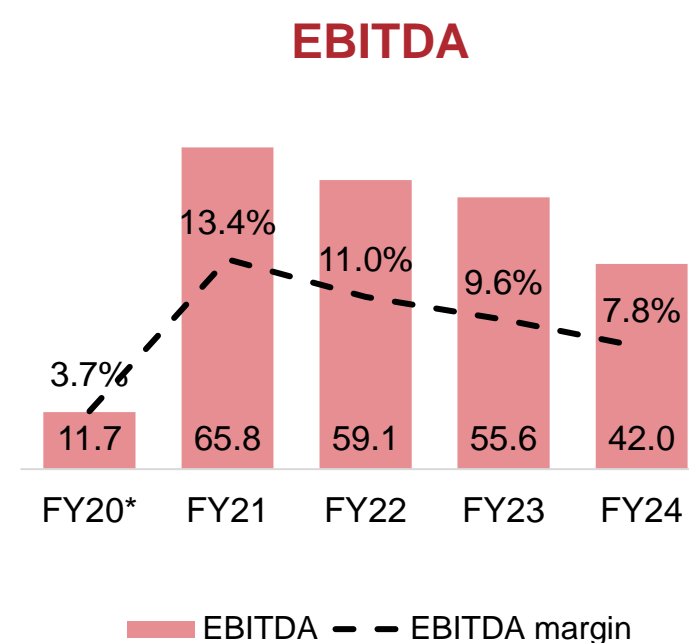
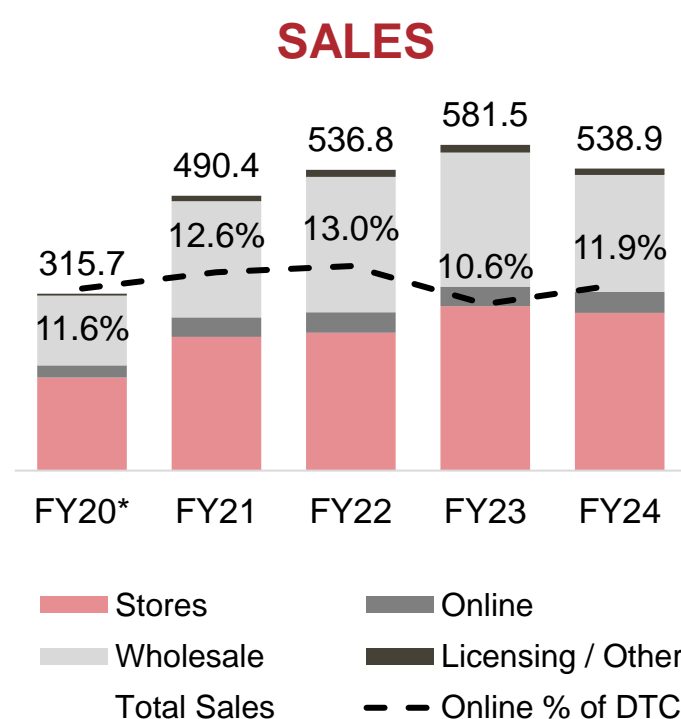


# RIP CURL PROFIT & LOSS

| NZ \$m                             | FY24  | FY23  | Var %   |
|------------------------------------|-------|-------|---------|
| SALES                              | 538.9 | 581.5 | (7.3%)  |
| EBITDA (underlying* <sup>1</sup> ) | 42.0  | 55.6  | (24.5%) |
| EBITDA margin %                    | 7.8%  | 9.6%  |         |
| EBIT (underlying* <sup>1</sup> )   | 28.2  | 44.0  | (35.9%) |
| EBIT margin %                      | 5.2%  | 7.6%  |         |
| Owned stores                       | 172   | 169   |         |

## SALES IMPACTED BY WHOLESALE CUSTOMER CAUTION

- Total sales -7.3% YOY, cycling record sales last year (FY23 sales growth +8.3% YOY).
- Direct-to-consumer sales (incl. online) -2.8%, reflecting weakened consumer sentiment in key global markets. Stronger results in Europe, Asia and South America, helped by store openings.
- Online sales +8.6% to \$37.9m, comprising 11.9% of DTC sales.
- Wholesale sales -13.0%, as wholesale accounts continued to reduce their inventory to manage risk in a challenging economic environment.



## GROSS MARGIN AND OPERATING EXPENSES WELL CONTROLLED

- Gross margin increased +0.5% of sales reflecting channel mix, improved pricing, and exiting low margin business in North America and Europe.
- Operating expenses tightly managed despite continued inflation pressure. Operating expenses benefited from cost out initiatives and lower variable costs associated with lower sales.

1. The impacts of IFRS 16, restructuring, and the notional amortisation of customer relationships are excluded from underlying results. Refer to Appendix 2 for a reconciliation of Statutory to Underlying results.

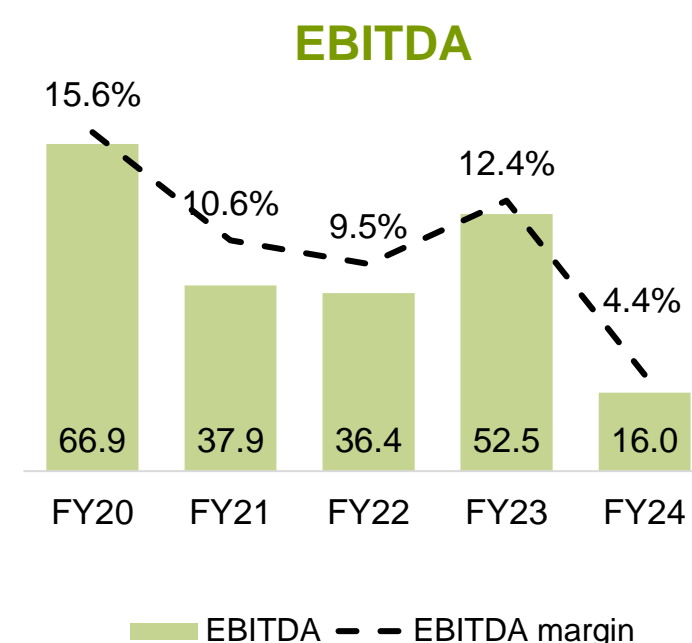
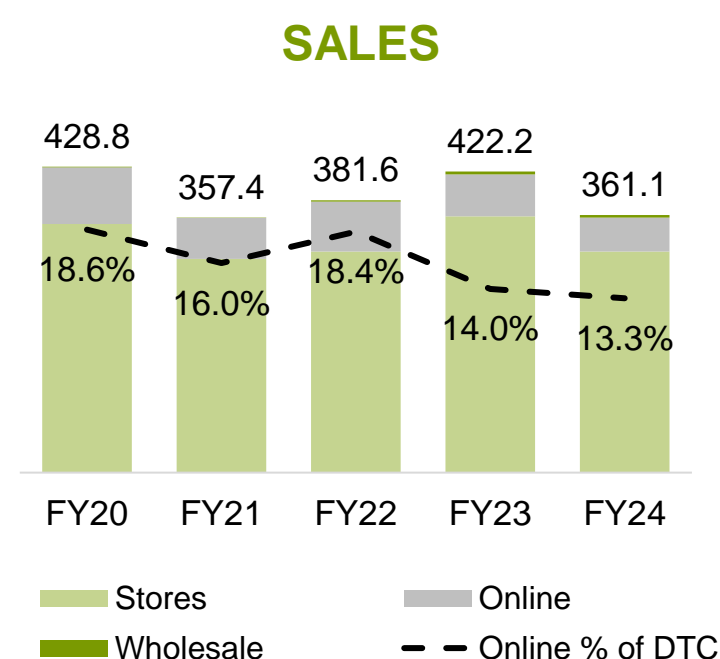
2. FY20 includes 9 months of Rip Curl post-acquisition.

# KATHMANDU PROFIT & LOSS

| NZ \$m                             | FY24  | FY23  | Var %   |
|------------------------------------|-------|-------|---------|
| SALES                              | 361.1 | 422.2 | (14.5%) |
| EBITDA (underlying <sup>*1</sup> ) | 16.0  | 52.5  | (69.6%) |
| EBITDA margin %                    | 4.4%  | 12.4% |         |
| EBIT (underlying <sup>*1</sup> )   | (3.3) | 33.3  | -       |
| EBIT margin %                      | -0.9% | 7.9%  |         |
| Owned stores                       | 162   | 158   |         |

## SALES TRENDS IMPROVING IN AUSTRALIA

- Total sales -14.5% YOY, cycling strong sales growth last year (FY23 sales growth +10.6% YOY).
- Australia sales<sup>\*2</sup> -13.9% YOY, improving each quarter to -4.5% YOY in the key fourth quarter winter trading period. Supported by strategic store openings, enhanced in-store execution, and the launch of new products.
- New Zealand -15.2% YOY in a more challenging consumer environment.
- Online sales decreased by -18.9% YOY to \$47.7m, comprising 13.3% of DTC sales. Improving trend each quarter to -1.5% YOY in Q4.
- International sales \$3.0m. Our immediate focus remains on returning the local ANZ business to sales growth in FY25.



## GROSS MARGIN

- Gross margin decreased -2.2% of sales driven by specific clearance of end of line products in August 2023, increased promotional intensity through Q4, and currency headwinds. Excluding August 2023, gross margin for the period was -1.4% of sales lower YOY.

## OPERATING EXPENSES REDUCED

- Operating expenses more than \$10m lower YOY.

## SECTION 4 PROVIDES A PROGRESS UPDATE ON KATHMANDU'S FOCUS AREAS

1. The impacts of IFRS 16, restructuring, and the notional amortisation of customer relationships are excluded from underlying results. Refer to Appendix 2 for a reconciliation of Statutory to Underlying results.

2. At constant exchange rates.

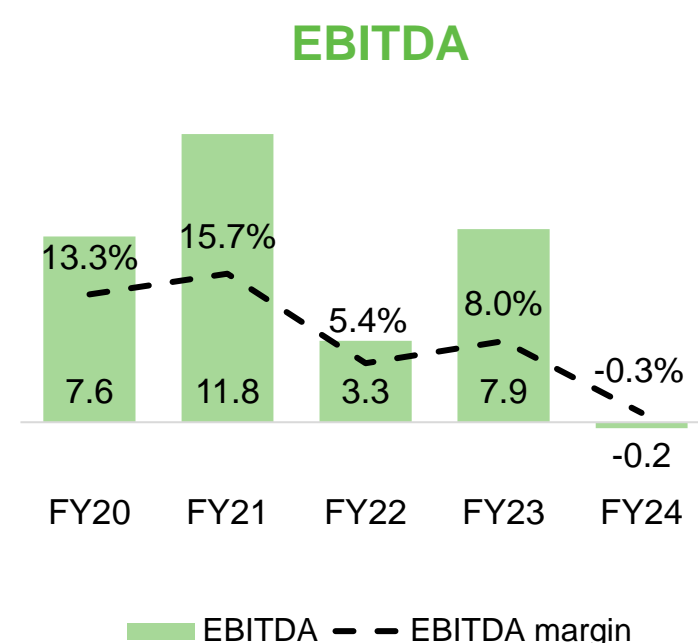
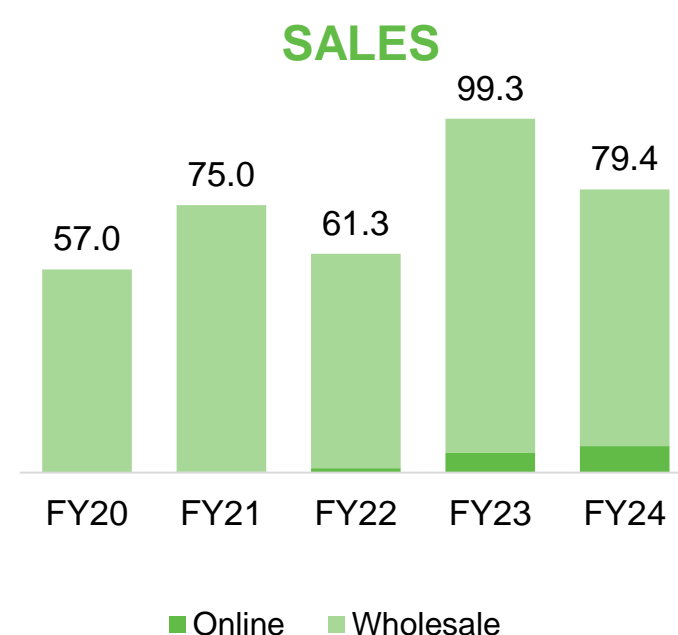


# OBOZ PROFIT & LOSS

| NZ \$m                             | FY24  | FY23 | Var %   |
|------------------------------------|-------|------|---------|
| SALES                              | 79.4  | 99.3 | (20.0%) |
| EBITDA (underlying <sup>*1</sup> ) | (0.2) | 7.9  | -       |
| EBITDA margin %                    | -0.3% | 8.0% |         |
| EBIT (underlying <sup>*1</sup> )   | (1.1) | 7.1  | -       |
| EBIT margin %                      | -1.4% | 7.1% |         |

## SALES IMPACTED BY WHOLESALE CUSTOMER CAUTION

- Total sales -20.0% YOY, cycling record sales last year (FY23 sales growth +61.8% YOY).
- Strong online sales growth +31.7%, with increased traffic, conversion, and strategic promotional activity.
- Wholesale sales -23.1% as wholesale accounts continued to reduce their inventory to manage risk in a challenging economic environment. Impacted by post-COVID industry challenges in the North American outdoor footwear category.



## GROSS MARGIN AND OPERATING EXPENSES WELL CONTROLLED

- Gross margin increased +2.1% of sales with improved channel mix, improved pricing, and new product introductions.
- Operating expenses include investment in brand, product, and online to support long-term growth objectives, including international expansion.
- Operating expense investment to be leveraged with future sales growth as the market recovers.

## GOODWILL IMPAIRMENT

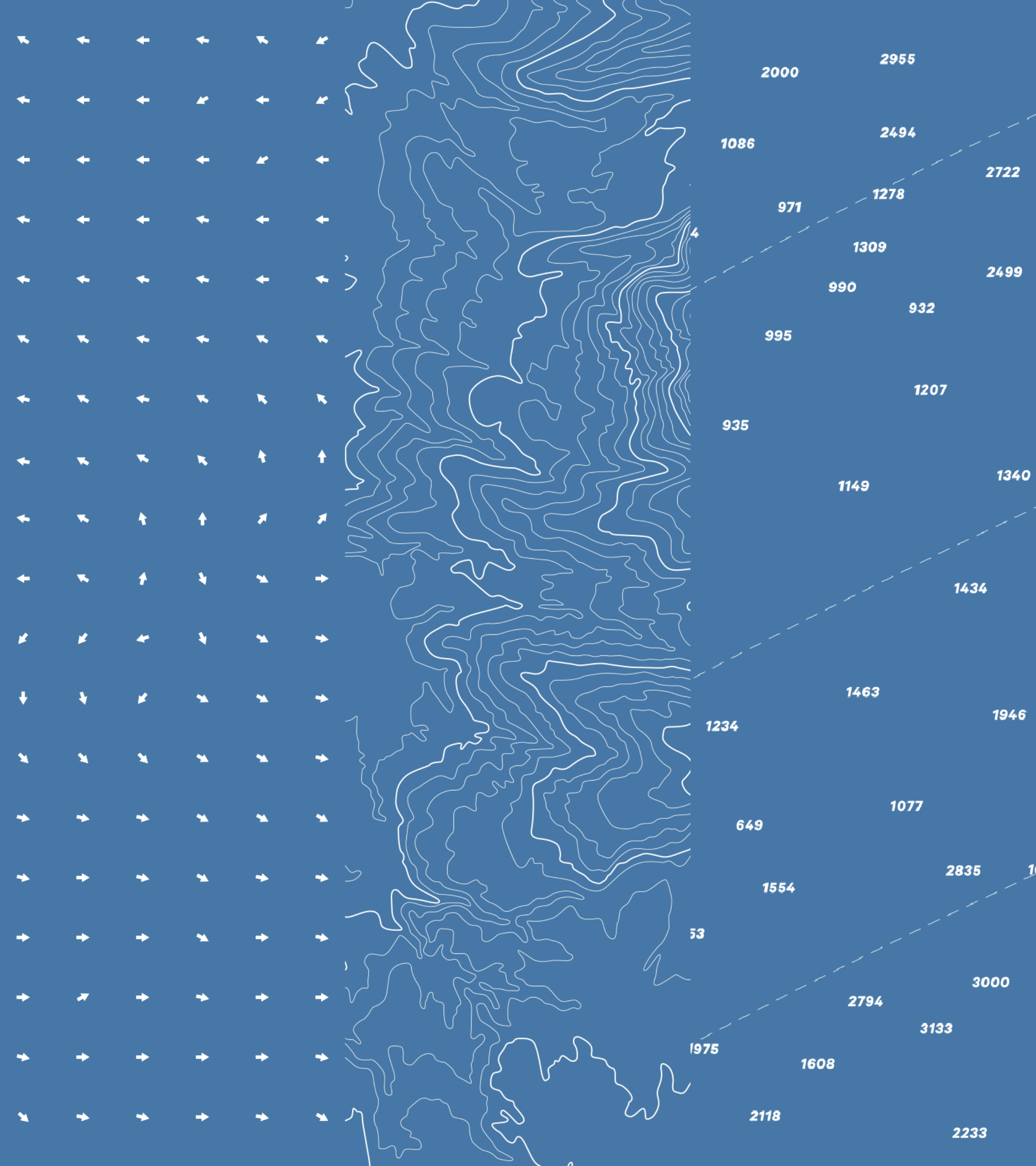
- Oboz goodwill has been impaired by \$40.3m. This one-off non-cash item does not impact the day-to-day operations of the business.

1. The impacts of IFRS 16, restructuring, the notional amortisation of customer relationships, and a one-off non-cash impairment of Oboz goodwill have been excluded from underlying results. Refer to Appendix 2 for a reconciliation of Statutory to Underlying results.

KMD BRANDS

SECTION 4

# KATHMANDU UPDATE



# KATHMANDU FOCUS



# PRODUCT PROGRESS

## REDUCE RELIANCE ON OUTERWEAR

- Successful 2024 launch of new products including Trailhead stretch and insulated rainwear, and Seeker active range.
- Second iteration of quick-to-market heritage fleece and t-shirts, with the initial launches driving strong sales.
- Increased range of third-party brands including On Running, Salomon, and Teva, plus Hydroflask, Blunt umbrellas and Korjo travel accessories.
- New product architecture defined, focused on key activities Hike, Outdoor Active, and Adventure Travel.
- A material investment in product design, development and merchandising talent.
- Spring/Summer 2025 upcoming launches include:
  - Hike: New UPF range with excellent breathability and comfort while protecting from the sun, keeping you out there longer.
  - Outdoor Active: Innovative Seeker range expansion, uses innovative carbon capture technology, turning factory emissions into polyester fibres.
  - Adventure Travel: Patent Pending and ISPO Award Winning Feather Flight carry-on, the lightest in class and extremely durable carry-on.

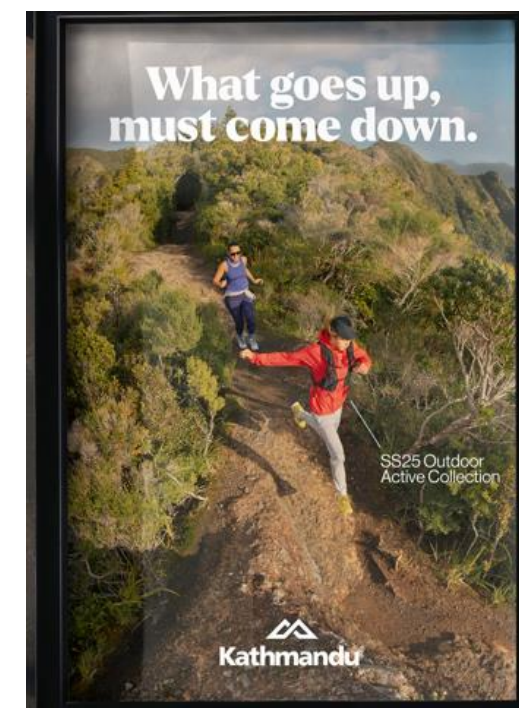


# BRAND PROGRESS



## REFINE BRAND EXECUTION

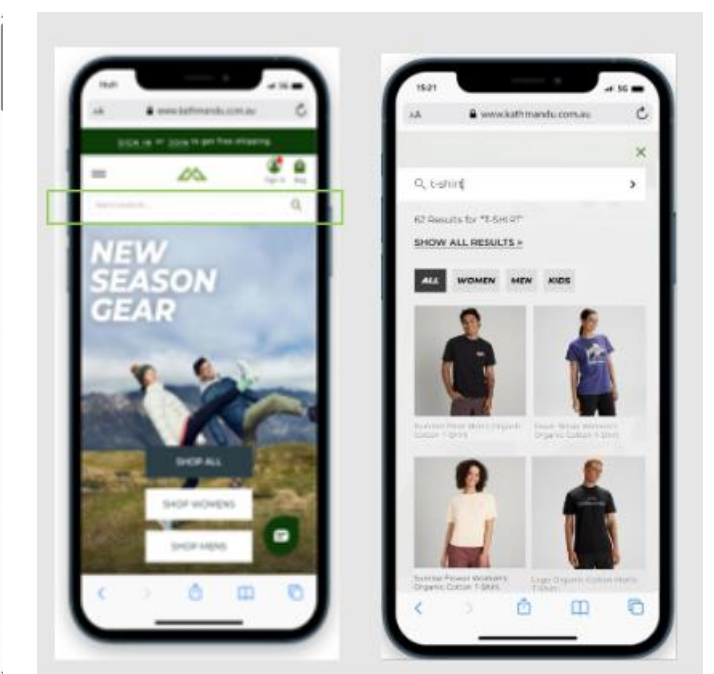
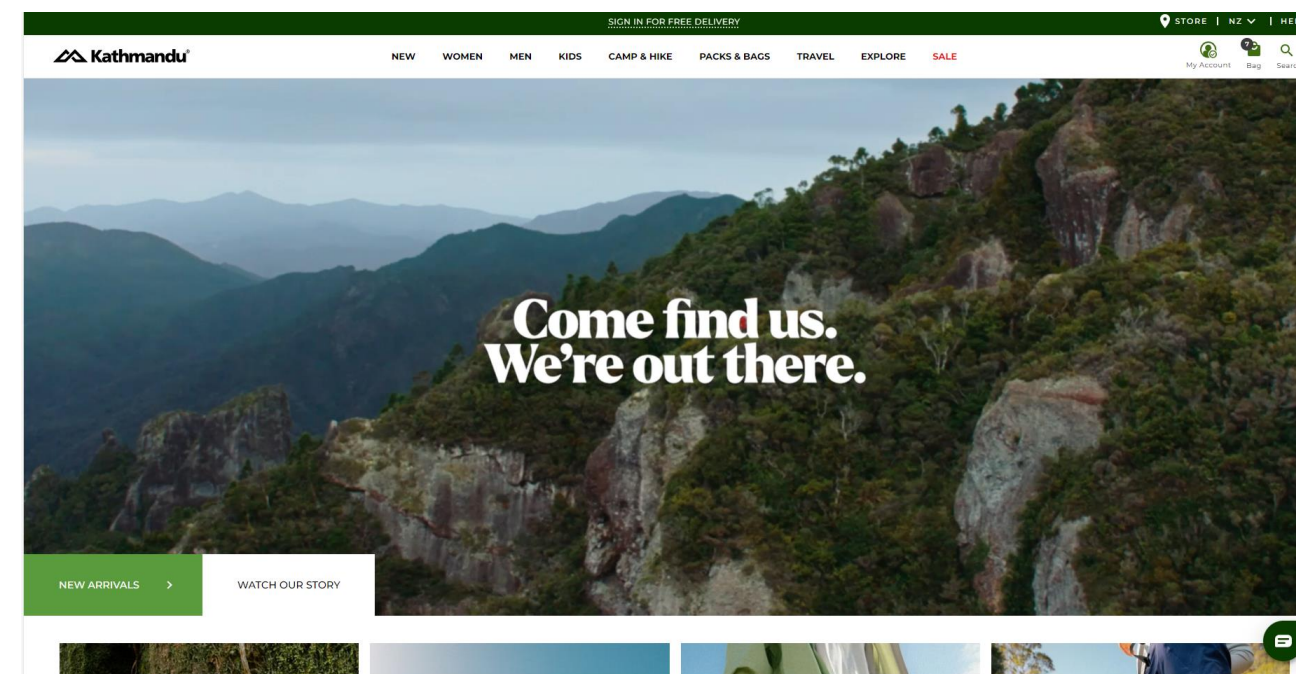
- New creative agency engaged. First campaign launched in September 2024. The campaign marks an authentic shift toward showcasing the ruggedness and realness of New Zealand's outdoor landscape, while communicating the happiness humans experience inside when they spend time outside.
- Campaign shot on Great Barrier Island, New Zealand featuring Great Barrier Island locals.
- Out There Rewards replaced Summit Club, with a tiered system that encourages and rewards members for getting 'out there' in the outdoors. 1.8 million active members can now earn points for participating in outdoor activities.



# CUSTOMER EXPERIENCE

## EXCEED THE EXPECTATIONS OF OUTDOOR ENTHUSIASTS

- Removed fixtures and fittings to elevate the brand and product experience in-store, enabling a more streamlined consumer journey.
- Commencement of bringing to life the new range segmentation for our customers. Activity Pillars: Hike, Outdoor Active, and Adventure Travel.
- Focused merchandising around these activity pillars to provide an enhanced customer experience and bring technical and sustainable features to life:
  - signage to support activity wayfinding,
  - opening floor layouts and repositioning fixtures & high walls for better sightlines, zoning and flow.
- Store of the future design concept being finalised, to be rolled out in Chadstone this financial year.
- Ecommerce megamenu redesign, search engine optimisation and new payment methods online have quickly improved conversion and consumer journey.

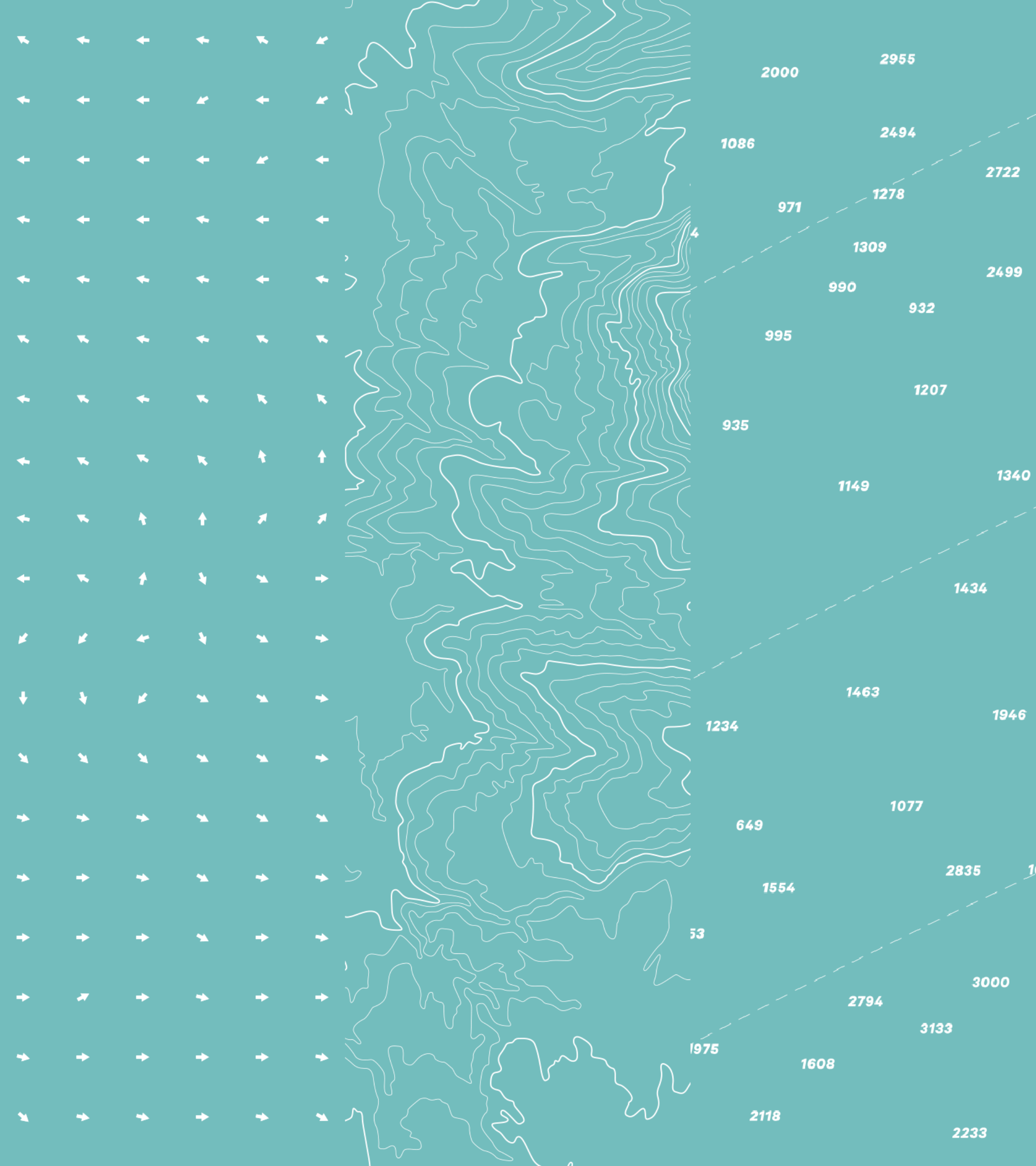




KMD BRANDS

SECTION 5

# FY25 FOCUS AND OUTLOOK



# CONTINUED BRAND INNOVATION



## RIP CURL: EDDIE AIKAU BIG WAVE INVITATIONAL

- Rip Curl's latest partnership in a 55-year history of championing iconic surfing events.
- The world's best big-wave surfers are invited to compete at Waimea Bay, Hawaii in honour of legendary waterman Eddie Aikau.
- Global audience of an estimated 3.5 million for the last running of the event, plus nearly 50,000 spectators at Waimea Bay.
- Strong merchandise sales, particularly in mainland USA and Hawaii.



## KATHMANDU: FEATHER FLIGHT

- Carry-on luggage with a patent-pending hard shell. Designed for lightness, stability, and durability.
- Kathmandu continues to push the boundaries of product innovation in the textiles industry. One of the lightest bags in its class, globally, for airline travel.
- Made from 93 per cent recycled nylon 6 combined with recycled ultra-high molecular weight polyethylene.
- ISPO Award Winner 2024.
- Available in stores this summer.



## OBOZ KATABATIC LT

- Our lightest and most breathable collection to date that will steal the attention of those who opt for trail running footwear for their 'fast and light' hiking adventures.
- Utilising waterproof and breathable GORE-TEX Invisible Fit technology.
- Katabatic LT demonstrates the brand's market-leading innovation pipeline as consumers continue to move toward lighter faster footwear.
- Available in stores February 2025.

# 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

## TRADING UPDATE

- DTC sales for the first 8 full weeks to 22 September:
  - Kathmandu Australia +2.1% YOY, a further improvement on the Q4 FY24 sales trend. Kathmandu New Zealand -23.2% YOY, cycling strong end of line clearance sales in August last year.
  - Kathmandu gross profit dollars for the first 8 full weeks to 22 September are +5.1% above the equivalent period last year.
  - Rip Curl global DTC approximately -5% lower YOY, compared to FY24 DTC sales -2.8% YOY in a seasonally non-significant trading period.
- Wholesale forward orders are moderating from double-digit declines in FY24 to single digit declines for the first half of FY25. We are seeing order book growth YOY for some regions in 2H FY25, noting that sell-in is not yet complete.

## OUTLOOK

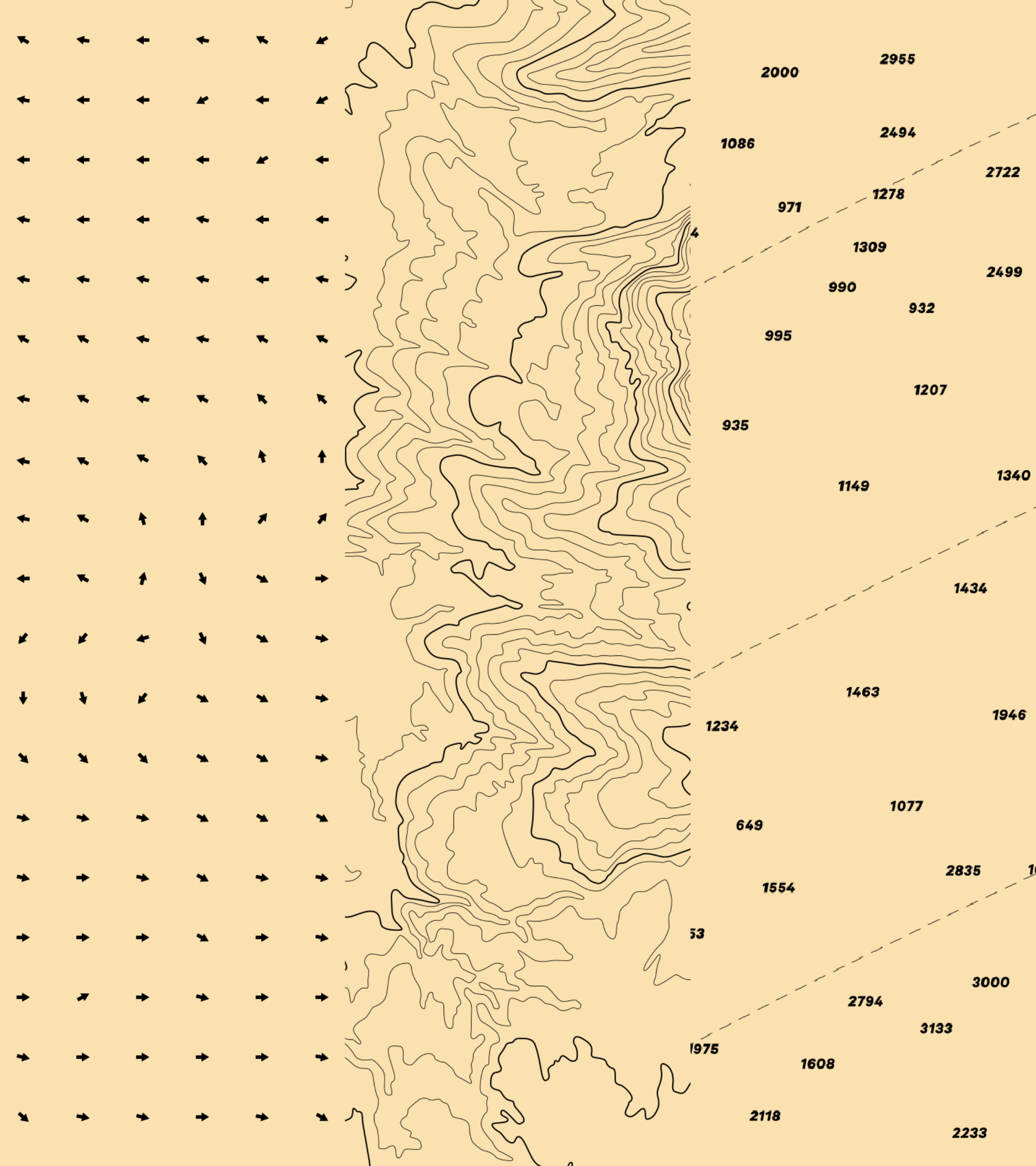
- Caution on consumer sentiment and the global macroeconomic environment.
- Wholesale accounts remain cautious on pre-season commitments.
- Global inflationary pressures are easing, but it will take time to directly impact consumer spending.
- We remain focused on returning to sales growth and improving profitability in FY25.
- We believe with our portfolio of iconic global outdoor brands and leadership in sustainability, we remain a unique investment proposition and well-placed for the future.

# QUESTIONS

KMD BRANDS

SECTION 6

# APPENDICES





**OWNER OF  
LEADING GLOBAL  
OUTDOOR BRANDS**



## **OUR PURPOSE**

Inspiring people to explore  
and love the outdoors

## **OUR VISION**

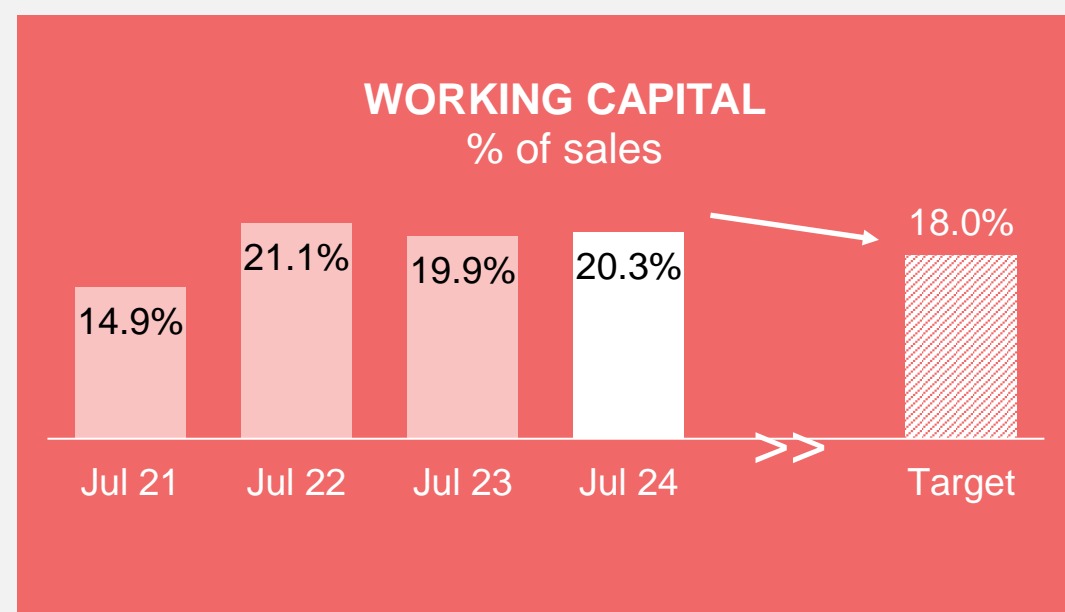
To be the leading family of  
global outdoor brands -  
designed for purpose, driven  
by innovation, best for people  
and planet

# KPI PROGRESS UPDATE

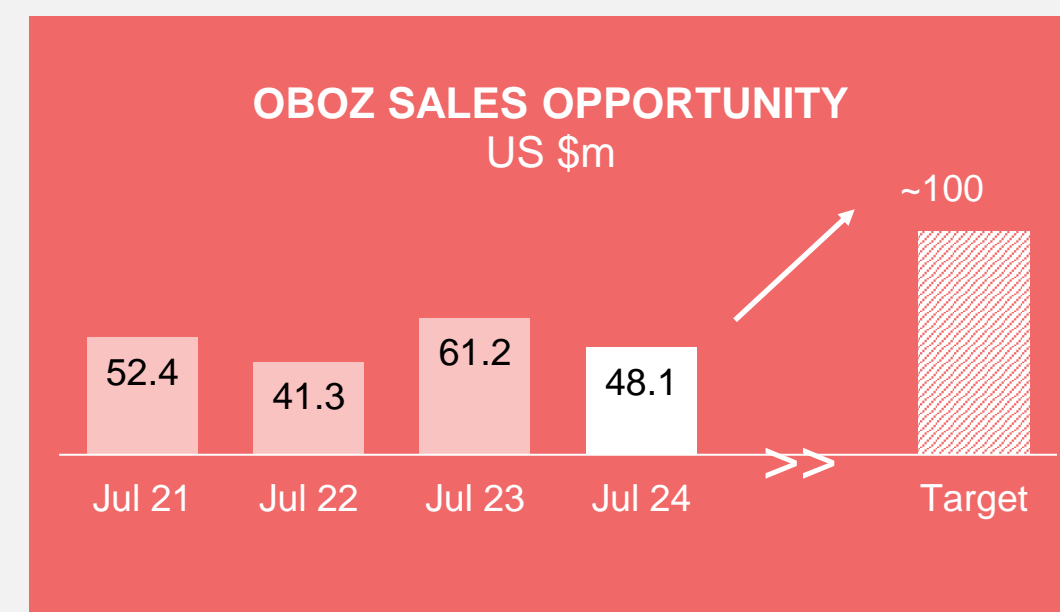
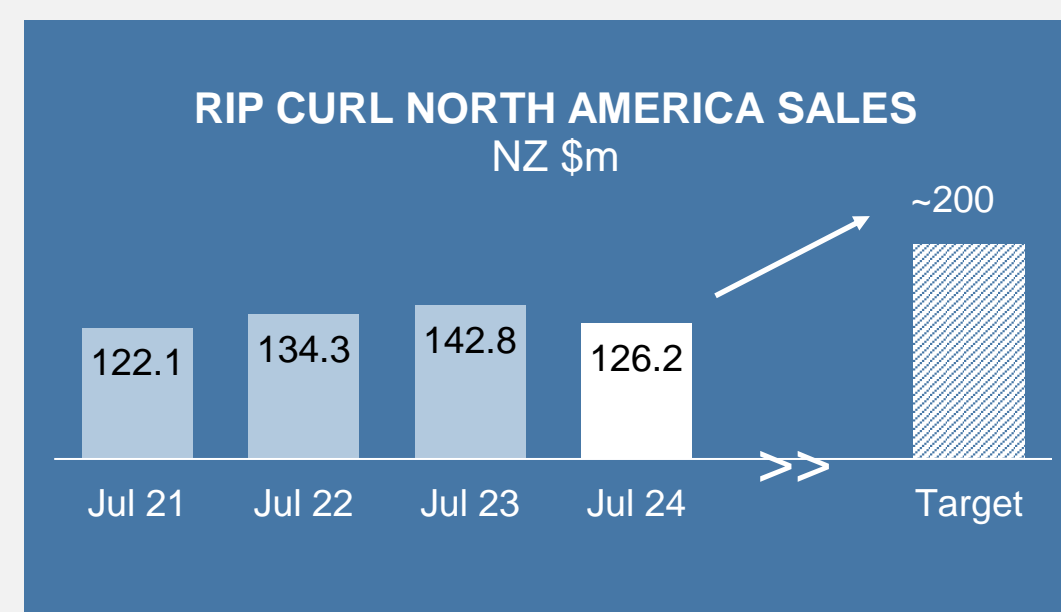
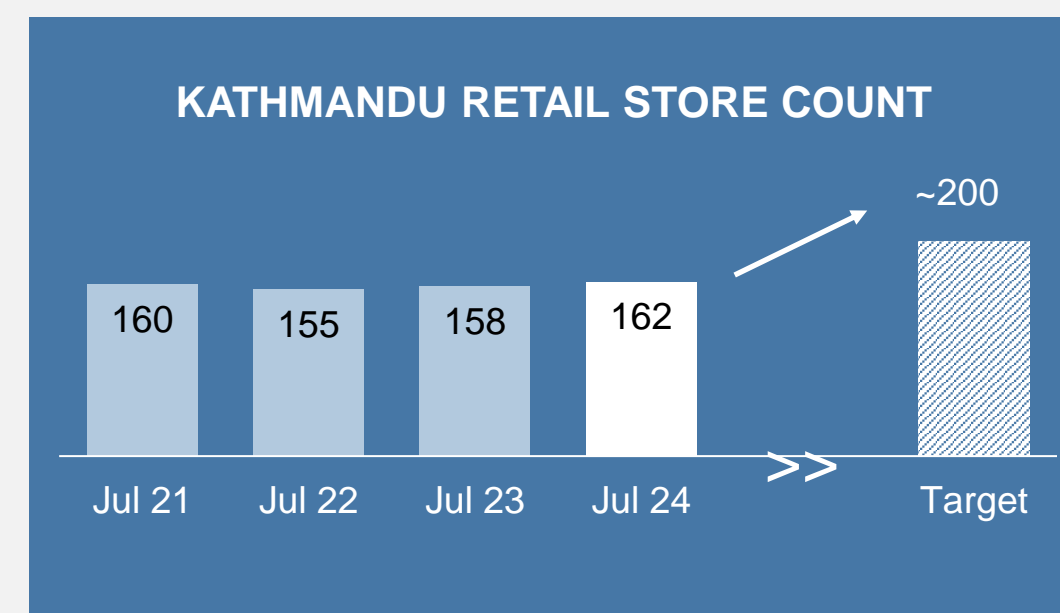
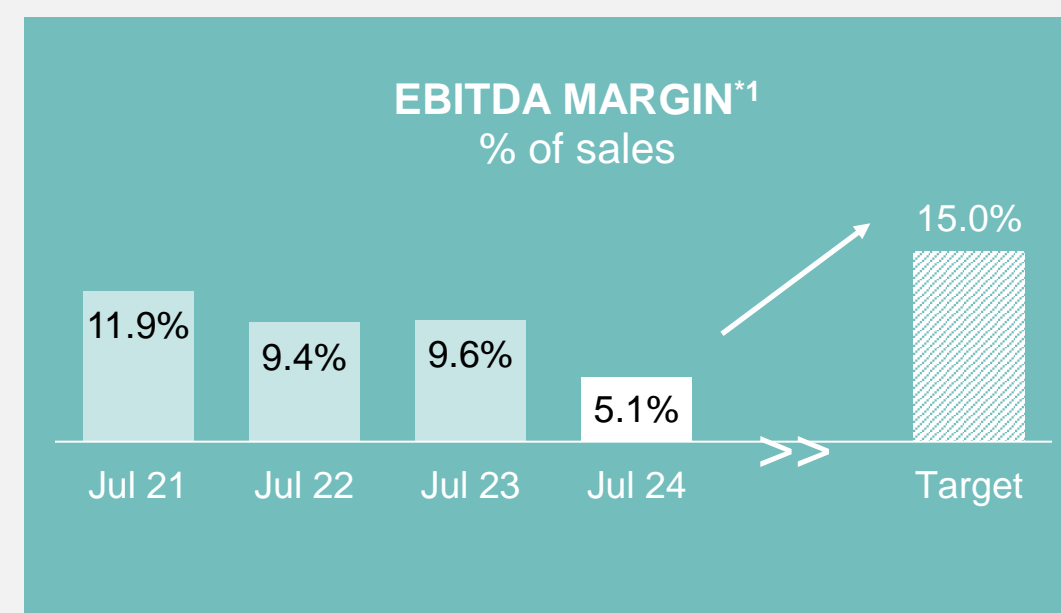
## SHORT-TERM

FY24 performance impacted progress toward the Group's KPI targets.

Strategic plans remain unchanged, with confidence in the Group's ability to drive towards these targets as consumer sentiment improves.



## MEDIUM-TERM

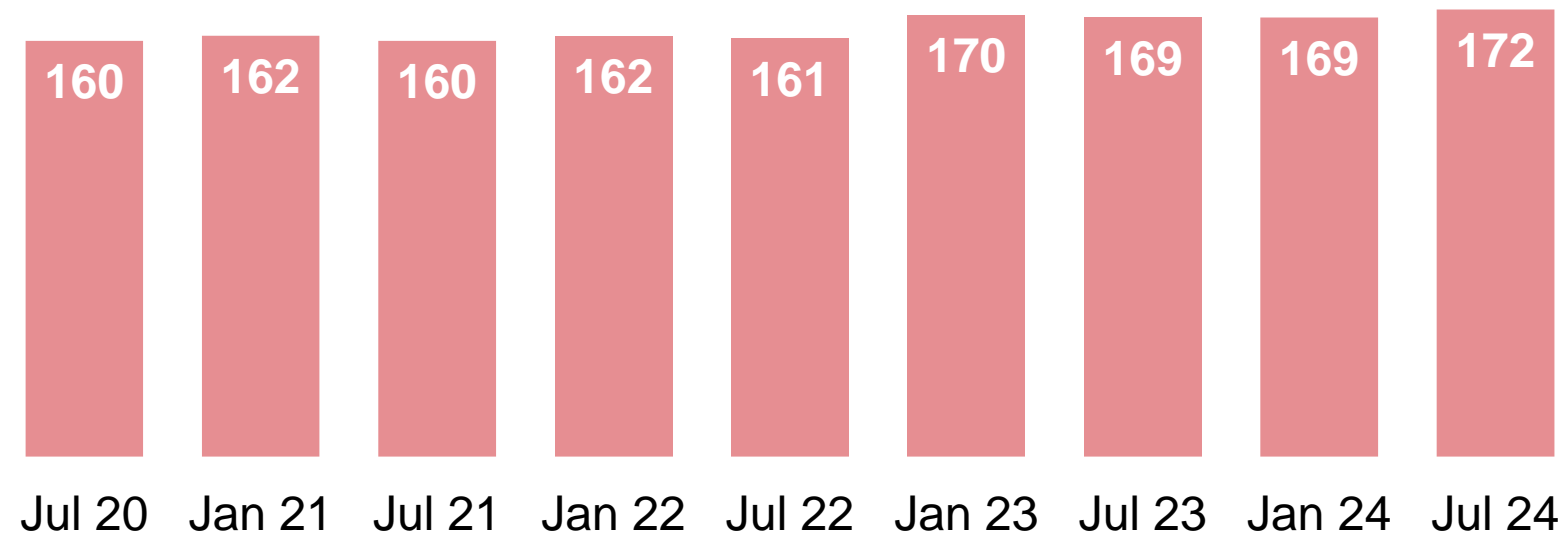


Kathmandu's International Sales target of \$100m remains a long-term goal. Our immediate focus remains on stabilising and growing the local ANZ business.

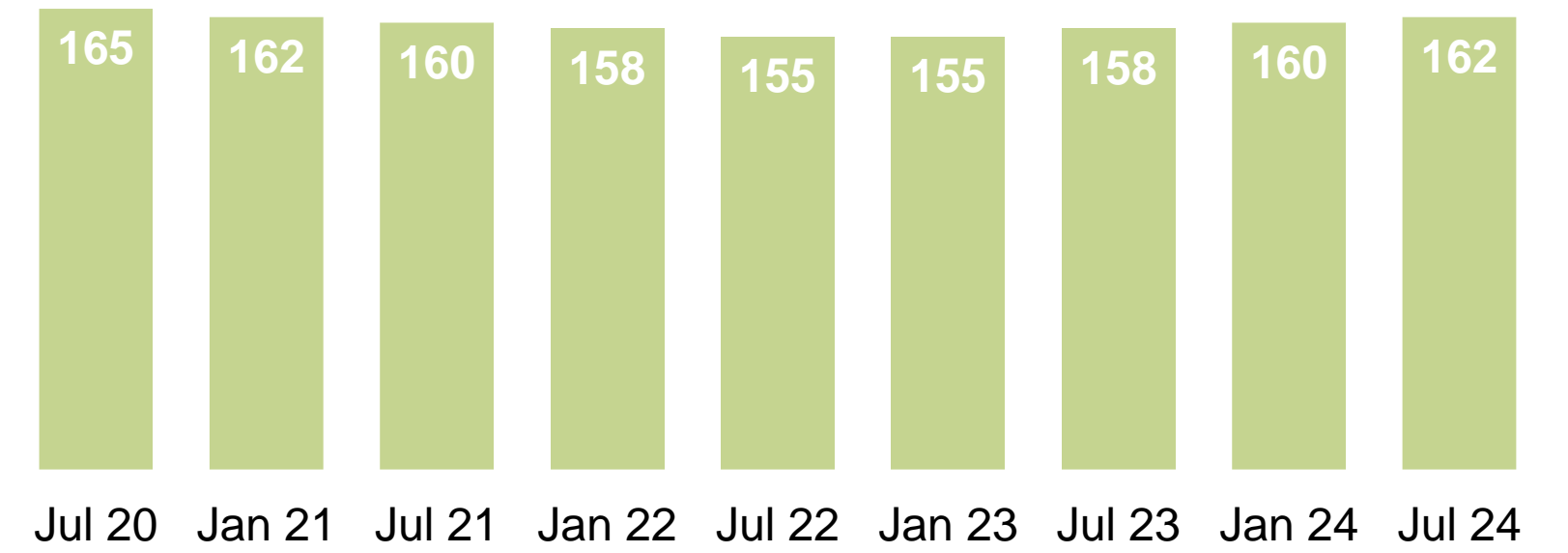
1. Underlying EBITDA excluding the impacts of IFRS 16 leases, restructuring, and a one-off non-cash impairment of Oboz goodwill.

# OWNED STORES BY BRAND

RIP CURL OWNED STORE COUNT



KATHMANDU OWNED STORE COUNT





# APPENDIX 1: STATUTORY TO UNDERLYING PROFIT & LOSS

| GROUP                  | FY24      |                              |                             |  |                               |            | FY23      |                              |                             |  |            |
|------------------------|-----------|------------------------------|-----------------------------|--|-------------------------------|------------|-----------|------------------------------|-----------------------------|--|------------|
|                        | Statutory | IFRS 16 Leases <sup>*1</sup> | Restructuring <sup>*2</sup> | Amortisation of Customer Relationships <sup>*3</sup> | Oboz impairment <sup>*4</sup> | Underlying | Statutory | IFRS 16 Leases <sup>*1</sup> | Restructuring <sup>*2</sup> | Amortisation of Customer Relationships <sup>*3</sup> | Underlying |
| NZ \$m                 |           |                              |                             |  |                               |            |           |                              |                             |  |            |
| SALES                  | 979.4     | -                            | -                           | -  | -                             | 979.4      | 1,103.0   | -                            | -                           | -  | 1,103.0    |
| GROSS PROFIT           | 576.5     | -                            | -                           | -  | -                             | 576.5      | 651.9     | -                            | -                           | -  | 651.9      |
| <i>Gross margin</i>    | 58.9%     |                              |                             |  |                               | 58.9%      | 59.1%     |                              |                             |  | 59.1%      |
| OPERATING EXPENSES     | (469.2)   | (99.6)                       | 2.1                         | -  | 40.3                          | (526.5)    | (451.9)   | (98.2)                       | 4.0                         | -  | (546.1)    |
| <i>% of Sales</i>      | 47.9%     |                              |                             |  |                               | 53.8%      | 41.0%     |                              |                             |  | 49.5%      |
| EBITDA                 | 107.2     | (99.6)                       | 2.1                         | -  | 40.3                          | 50.0       | 200.1     | (98.2)                       | 4.0                         | -  | 105.9      |
| <i>EBITDA margin %</i> | 11.0%     |                              |                             |  |                               | 5.1%       | 18.1%     |                              |                             |  | 9.6%       |
| EBIT                   | (21.1)    | (10.6)                       | 2.1                         | 5.3  | 40.3                          | 16.0       | 76.4      | (11.4)                       | 4.0                         | 5.3  | 74.2       |
| <i>EBIT margin %</i>   | -2.2%     |                              |                             |  |                               | 1.6%       | 6.9%      |                              |                             |  | 6.7%       |
| NPAT                   | (48.3)    | 1.8                          | 1.4                         | 3.7  | 40.3                          | (1.1)      | 36.6      | 0.1                          | 2.8                         | 3.7  | 43.3       |

1. Statutory results include the impact of IFRS 16 leases. The impact of IFRS 16 is excluded from Underlying results.

2. Support office restructuring was undertaken in both FY23 and FY24. These one-off costs have been excluded from Underlying results.

3. Notional amortisation of Rip Curl and Oboz customer relationships are excluded from Underlying results.

4. Oboz goodwill from acquisition has been impaired by \$40.3m. The impairment is driven by a conservative view of near-term US wholesale market conditions. This one-off non-cash item does not impact the day-to-day operations of the business and has been excluded from Underlying results.

# APPENDIX 2: SEGMENT NOTE

|  | FY24     |           |          |           |          | FY23     |           |        |           |           |
|--|----------|-----------|----------|-----------|----------|----------|-----------|--------|-----------|-----------|
|  | Rip Curl | Kathmandu | Oboz     | Corporate | Total    | Rip Curl | Kathmandu | Oboz   | Corporate | Total     |
| <b>SALES</b> (NZ \$'000)                             |          |           |          |           |          |          |           |        |           |           |
| SALES per segment note                               | 538,910  | 361,081   | 79,424   | -         | 979,415  | 581,504  | 422,233   | 99,257 | -         | 1,102,994 |
| SALES (Underlying)                                   | 538,910  | 361,081   | 79,424   | -         | 979,415  | 581,504  | 422,233   | 99,257 | -         | 1,102,994 |
| <b>EBITDA</b> (NZ \$'000)                            |          |           |          |           |          |          |           |        |           |           |
| EBITDA per segment note                              | 82,634   | 72,913    | (40,065) | (8,247)   | 107,235  | 97,079   | 105,322   | 8,228  | (10,560)  | 200,069   |
| IFRS 16 Leases <sup>*1</sup>                         | (41,615) | (57,474)  | (506)    | -         | (99,595) | (43,687) | (54,000)  | (466)  | -         | (98,153)  |
| Restructuring <sup>*2</sup>                          | 956      | 558       | -        | 546       | 2,060    | 2,172    | 1,221     | 134    | 450       | 3,977     |
| Amortisation of Customer Relationships <sup>*3</sup> | -        | -         | -        | -         | -        | -        | -         | -      | -         | -         |
| Oboz impairment <sup>*4</sup>                        | -        | -         | 40,331   | -         | 40,331   | -        | -         | -      | -         | -         |
| EBITDA (Underlying)                                  | 41,975   | 15,997    | (240)    | (7,701)   | 50,031   | 55,564   | 52,543    | 7,896  | (10,110)  | 105,893   |
| <b>EBIT</b> (NZ \$'000)                              |          |           |          |           |          |          |           |        |           |           |
| EBIT per segment note                                | 25,734   | 3,375     | (41,769) | (8,408)   | (21,068) | 42,124   | 38,243    | 6,603  | (10,614)  | 76,356    |
| IFRS 16 Leases <sup>*1</sup>                         | (3,523)  | (7,191)   | 134      | -         | (10,580) | (5,390)  | (6,143)   | 138    | -         | (11,395)  |
| Restructuring <sup>*2</sup>                          | 956      | 558       | -        | 546       | 2,060    | 2,172    | 1,221     | 134    | 450       | 3,977     |
| Amortisation of Customer Relationships <sup>*3</sup> | 5,065    | -         | 204      | -         | 5,269    | 5,103    | -         | 200    | -         | 5,303     |
| Oboz impairment <sup>*4</sup>                        | -        | -         | 40,331   | -         | 40,331   | -        | -         | -      | -         | -         |
| EBIT (Underlying)                                    | 28,232   | (3,258)   | (1,100)  | (7,862)   | 16,012   | 44,009   | 33,321    | 7,075  | (10,164)  | 74,241    |

1. Statutory results include the impact of IFRS 16 leases. The impact of IFRS 16 is excluded from Underlying results.

2. Support office restructuring was undertaken in both FY23 and FY24. These one-off costs have been excluded from Underlying results.

3. Notional amortisation of Rip Curl and Oboz customer relationships are excluded from Underlying results.

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# APPENDIX 3: BALANCE SHEET

| Balance Sheet (NZ \$m)                    | Jul 24         | Jan 24         | Jul 23         |
|---|----------------|----------------|----------------|
| Inventories                               | 266.9          | 313.6          | 290.4          |
| Property, plant and equipment             | 86.5           | 84.7           | 82.9           |
| Right of Use Asset (IFRS 16)              | 262.6          | 257.5          | 270.3          |
| Intangible assets                         | 666.9          | 696.2          | 704.4          |
| Other assets                              | 120.8          | 119.4          | 136.0          |
| <b>Total assets (excl. cash)</b>          | <b>1,403.7</b> | <b>1,471.4</b> | <b>1,484.0</b> |
| Net interest bearing liabilities and cash | (59.7)         | (96.2)         | (55.7)         |
| Lease Liability (IFRS 16)                 | (294.2)        | (289.5)        | (302.1)        |
| Other non-current liabilities             | (105.6)        | (109.0)        | (109.3)        |
| Other current liabilities                 | (158.5)        | (167.2)        | (175.3)        |
| <b>Total liabilities (net of cash)</b>    | <b>(618.0)</b> | <b>(661.9)</b> | <b>(642.4)</b> |
| <b>Net assets</b>                         | <b>785.7</b>   | <b>809.5</b>   | <b>841.6</b>   |



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