

KMD Brands Limited
ASX / NZX announcement

14 February 2023

KMD Brands delivers record first half sales

(All amounts in NZ\$ unless otherwise stated)

KMD Brands Limited (**ASX/NZX: KMD**, “**KMD**” or the “**Company**”) is pleased to provide the following trading update for the half year ended 31 January 2023 (“1H FY23”).

- Sales momentum has continued in Q2, resulting in record first half sales
- Group total sales for 1H FY23 (unaudited) are expected to be approximately \$546 million, an increase of +34% above 1H FY22, with particularly positive trading in Australia.
 - Kathmandu sales recovery continues, with total sales +51% above 1H FY22, reflecting a return of travel and tourist-related spend
 - Oboz first half sales have rebounded from COVID-related supply constraints last year, growing +124%
 - Rip Curl total sales have grown +18%, with strong growth in direct-to-consumer sales, while maintaining wholesale sales levels following strong growth last year
- Group gross margin remains resilient overall, with improved gross margin for the Kathmandu brand
- Underlying 1H FY23 EBITDA¹ is expected to be approximately \$45 million, cycling \$10.2 million EBITDA in 1H FY22, which included \$5.1 million of one-off COVID assistance

Inventory levels remain elevated, reflecting the decision to temporarily build stock positions to mitigate supply challenges and to support Oboz forward orderbook growth. Pleasingly, Kathmandu inventory is approximately \$24 million lower than FY22, and the Group’s inventory balance is expected to normalise during the second half as purchase orders align to improved shipping timeframes.

The Group continues to benefit from a return to travel and international tourism through January, with Kathmandu sales strengthening +52% and Rip Curl continuing its growth trajectory at +19% for the month.

The Company intends to release its results for the 6 months ended 31 January 2023 on Wednesday, 22 March 2023, with a briefing session for investors and analysts to be held at 8:30am AEDT / 10:30am NZDT.

To pre-register for the briefing and avoid a queue when calling, please follow the link below.

https://event.webcasts.com/starthere.jsp?ei=1598790&tp_key=0d8b1335e6

If you are unable to pre-register, at the time of the call please dial one of the numbers below and provide the conference ID 445053 to the operator.

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|------------------------|---------------|
| Australia Toll Free: | 1800 590 693 |
| New Zealand Toll Free: | 0800 423 972 |
| United States: | 800 289 0459 |
| France: | 0805 119 536 |
| United Kingdom: | 0200 279 0424 |

This announcement has been authorised for release to NZX / ASX by the Board of Directors of KMD Brands Limited.

¹ Unaudited earnings before interest, tax, depreciation, and amortisation, excluding the impact of IFRS 16, recent IFRIC interpretations, and one-off non-cash items.



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