

GLOBE INTERNATIONAL CORE BRANDS DELIVER PROFIT ACROSS ALL REGIONS

22 August 2024 Globe International Limited (ASX:GLB) (“Globe” or “the Group”), a global designer, producer and distributor in board sports, street fashion, outdoor and workwear, is pleased to announce its results for the 12 months ended 30 June 2024 (FY24).

FY24 Financial Summary

- EBIT of \$17.1 million, up \$12.4 million on FY23 driven by strong apparel brand performance, enhanced operational efficiencies and effective cost management
- International markets contributed \$8.1 million of EBIT¹ (32% of total EBIT) versus EBIT loss of \$5.7 million in FY23, highlighting international growth opportunities
- NPAT of \$11.5 million (up \$10.0 million vs FY23) with all core brands (Globe, Salty Crew, Impala and FXD) profitable
- Revenue of \$222.3 million, down \$12.0 million vs FY23 due to normalisation of the hardgoods cycle
- Fully franked final dividend of \$0.13 per ordinary share (cps) declared; total FY24 dividend of \$0.22 cps fully franked (FY23: \$0.07 cps fully franked)
- The consolidated entity’s cash position, net of working capital borrowings, was \$22.1 million at 30 June 2024

Key Financial Metrics	FY24	FY23	Change
Net sales (A\$m)	222.3	234.3	-12.0
EBIT (A\$m)	17.1	4.7	+12.4
NPAT (A\$m)	11.5	1.5	+10.0
Cash from operating activities (A\$m)	23.4	12.2	11.2
Dividend (A\$ per share)	22 cents	7 cents	+15.0

Commenting on the FY24 results, Globe International CEO, Matt Hill said:

“Our multi-brand strategy continues to deliver profit and positive cashflow with the strategic initiatives implemented in FY23, which included restructuring, inventory optimisation and cost structuring, positively impacting the bottom line.

The Group’s core brands – Globe, FXD, Impala Skate and Salty Crew – were all profitable, showcasing market leadership in their respective industries. Meanwhile, emerging brand ‘It’s Now Cool’ successfully demonstrated strong potential for future growth.

While it’s premature to provide reliable sales outlooks, we expect FY25 sales to remain relatively flat, but profitability to increase through sustained brand leadership and the strategic initiatives of FY23 continuing to positively flow through.”

¹ Regional EBIT analysis is conducted pre un-allocated group items

Financial Performance

The \$17.1 million EBIT reported for the year generated a margin of 7.7% on net sales, which compares to 2.0% in the previous year. This increase in profitability is attributed to a reduction in hardgoods clearance sales and a lower operational cost base. In FY23, the operational cost base was reset by removing underperforming brands and their associated costs, as well as restructuring Globe's European division. These initiatives, in conjunction with operational efficiencies, helped to improve the quality of earnings in FY24, putting Globe on a strong footing as it enters FY25.

Globe's FY24 results were driven by improved performances across all three key regions.

- Australasia: The most profitable region, driven by increasing demand for FXD workwear, streetwear apparel and emerging brands.
- Europe: Restructuring the European division is complete with results delivering a modest profit in FY24 after a considerable loss in FY23. There is now a solid base to grow the Group's core brands in the region, with primary focus on Salty Crew, It's Now Cool and Globe footwear.
- North America: Experienced a return to profit after difficult 2023 due to a downturn in the hardgoods cycle and excess inventory. Growth in apparel brands Salty Crew and FXD drove performance.

Capital Management

Taking into consideration the Group's significant NPAT performance and strong balance sheet, the Board has declared a fully franked final dividend of \$0.13 cents per ordinary share (cps) will be paid to shareholders on 20 September 2024. This brings the total FY24 dividend to \$0.22 cps, fully franked, which is a significant increase from FY23's total dividend (FY23: \$0.07 cps).

The Board determined the final dividend based on the Group's underlying earnings, cash generated from operations and strong balance sheet.

The consolidated entity's cash position, net of working capital borrowings, was \$22.1 million at 30 June 2024, which is significantly higher than the \$7.8 million at the end of the prior financial year.

Commenting on the outlook for Globe International, CEO Mr Hill said: "While skate remains our heritage and culture, we continue to evolve our brand mix by creating iconic brands that operate in the board sports, streetwear, workwear and outdoor distribution segments around the world. I am proud of the significant progress the Group made over FY24 that led to increased profitability and a return to significant dividend payout for our shareholders. Looking to FY25, we will continue to focus on growing our market-leading brands, investing in core and emerging brands, and driving profitability to deliver value for our shareholders."

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This release has been approved for distribution by the Board of Directors of Globe International Limited.

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