

**GLOBE INTL.**

ASX: GLB

27 FEBRUARY 2025

**H1 FY25  
RESULTS PRESENTATION**



# **GLOBE INTERNATIONAL**

Established in 1985, Globe International is a global producer and distributor specialising in purpose built apparel, footwear and skate hardgoods. Serving the boardsports, street fashion, outdoor, and workwear markets, our products are sold in over 70 countries worldwide.

Founded by Australian brothers Peter and Stephen Hill, Globe International's core business is divided between proprietary, licensed and distributed goods, with operational bases in Australia, North America and Europe.



## **CEO HIGHLIGHTS**

- + Executing on our long-term strategy that will continue to deliver improved profitability across all regions
- + Core and emerging brands performing strongly, increasing their market share in a challenging market
- + Transition in brand mix is playing out in line with expectations, which is improving the quality of earnings in the business and further reducing reliance on hardgoods
- + Strong balance sheet with positive cashflow generation ensures we are well placed to execute on the improving outlook
- + Strong global core brands continue to have significant growth headroom in all regions

# EXECUTING ON LONG-TERM STRATEGY

Foundations in place to grow revenue and profits strongly

| STRATEGIC GOAL                                                      | STATUS | H1 FY25 UPDATE                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Grow revenue and earnings of core brands                            | ✓      | Core apparel revenue (FXD, Salty Crew and Globe footwear) up 13% on PCP with positive earnings                                                                                                                                                                       |
| Eliminate non-core brands that had limited revenue growth potential | ✓      | Strategic decision to discontinue some brands and restrict capital allocation to other underperforming non-core brands. The combination of these initiatives removed \$15m of revenue that was included in FY24, but resulted in improved group margins and cashflow |
| Increase profit contribution from international markets             | ✓      | Management's focus on restructuring Europe's operating model coupled with strong growth in the USA has positioned the Group to take advantage of increasing profit from international markets.                                                                       |
| Reduce reliance on hardgoods                                        | ✓      | Management's conscious decision to focus on more stable apparel market, versus highly cyclical hardgoods industry has reduced contribution to c. 8%. Lower cyclical revenue will result in more stable underlying profit and cashflow                                |
| Maintain strong balance sheet and capital flexibility               | ✓      | Cash at bank of \$24.5 million, minimal debt, strong working capital management delivered a H1 dividend of 10 cents per share (+11% vs PCP). Globe's dividend payment reflects the financial health of the business                                                  |



# H1 FY25 FINANCIAL HIGHLIGHTS

## GLOBE INTERNATIONAL

- + Revenue reduction in line with management plan due to strategic brand adjustments
- + Focus on higher margin, long-term international growth brands resulted in EBIT margin uplift
- + Foundations in place to grow revenue and profits strongly over remainder of FY25

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**\$95.3M**

Revenue  
-12% on PCP

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**\$7.1M**

EBIT  
-3% on PCP

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**7.5%**

EBIT Margin  
+ 10% on PCP

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**\$4.8M**

NPAT  
-3% on PCP

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**10 CENTS**

Half Year Dividend  
+ 11% on PCP  
Reflecting a 6.6% Yield

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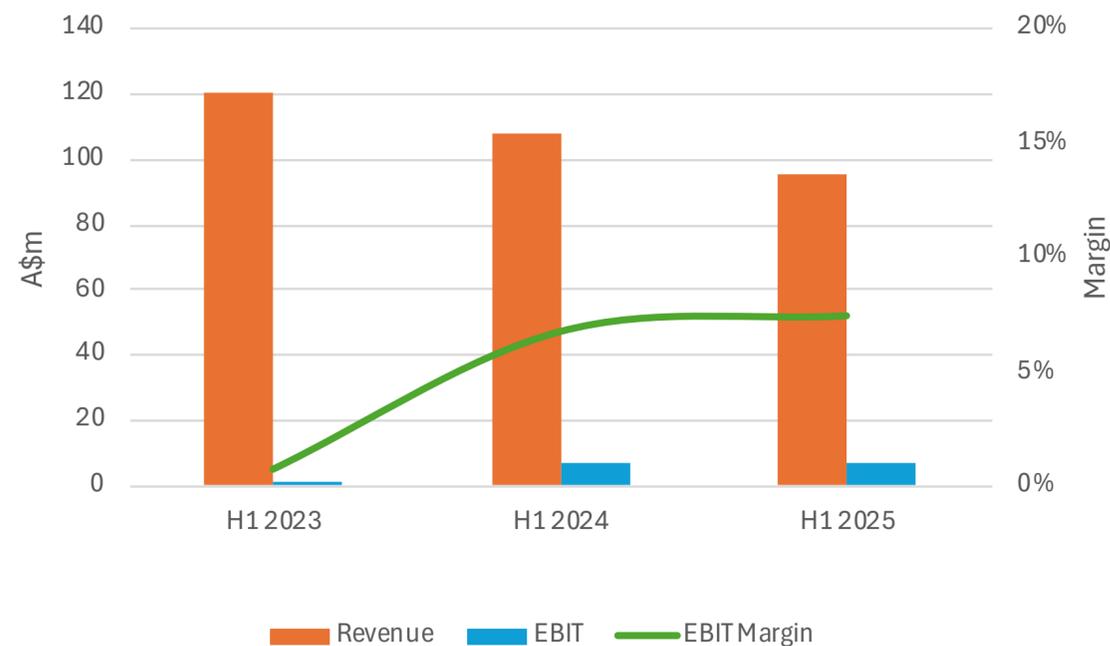
**\$24.6M**

Cash at Bank  
Net Cash Position  
of \$17.3 million

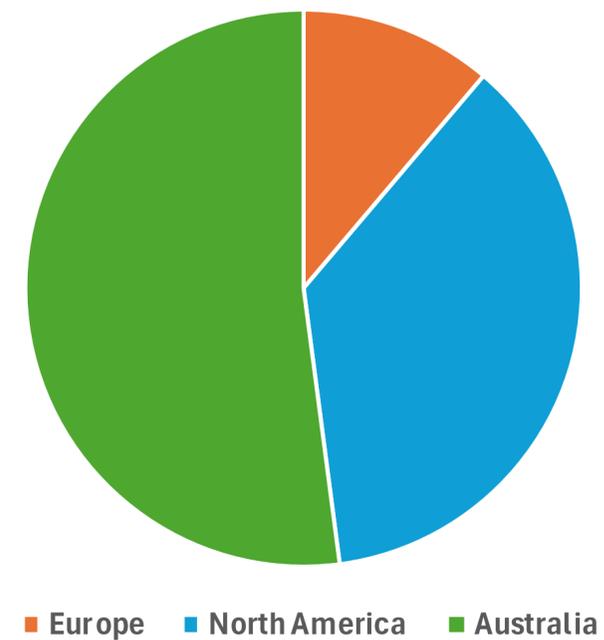
# GLOBAL PRESENCE. GROWING MARGINS.

- + EBIT of \$7.1 million, down 3% on PCP, driven by lower non-core sales, which delivered EBIT margin improvement of 7 pts to 7.5% (H1 FY24: 6.8%)
- + International contribution growing
- + Europe: implementation of key brand strategic distribution initiatives and improved operating base delivered strong growth in earnings
- + North America: solid EBIT growth. FXD and Salty Crew continue to gain market share
- + Australia: core brands performing well across workwear and streetwear
- + Reduced impact from the rationalisation of non-core brands, stable operating margins and growing market share of core brands positions Globe for an improved financial performance

### 3-YEAR REVENUE & EBIT



### SALES BY REGION – H1 FY25



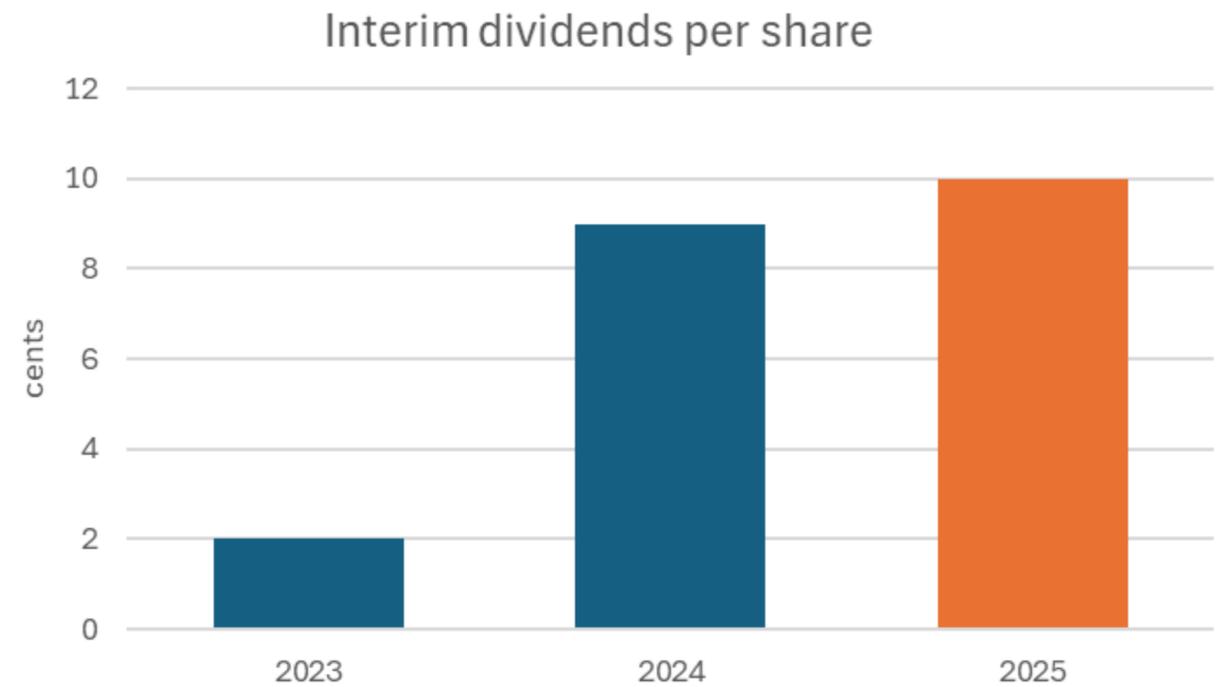
# BALANCE SHEET

| <b>A\$M as at</b>         | <b>31 DEC 24</b> | <b>30 JUN 24</b> |
|---------------------------|------------------|------------------|
| Cash and cash equivalents | 24.6             | 22.1             |
| Inventory                 | 46.5             | 39.0             |
| Debtors                   | 21.8             | 30.7             |
| Other assets              | 38.1             | 36.1             |
| <b>Total assets</b>       | <b>131.0</b>     | <b>127.9</b>     |
| Trade and other payables  | 30.3             | 29.0             |
| Other liabilities         | 14.1             | 15.1             |
| Borrowings                | 7.3              | 7.5              |
| <b>Total liabilities</b>  | <b>51.7</b>      | <b>51.6</b>      |
| <b>Net assets</b>         | <b>79.3</b>      | <b>76.3</b>      |

- + \$8.7 million in operating cash flow generated in H1
- + Clean inventory with improved aging; proactive increase in inventory to support strong H2 order book
- + Improvement in Debtor Days over H1
- + Continued reduction in debt; net cash position of \$17.3 million

# DIVIDEND & CAPITAL MANAGEMENT

- + Increased interim dividend to 10.0 cents per share fully franked, up 11% on PCP (H1 FY24: 9.0 cents per share)
- + Implied trailing 12-month yield of 6.6%
- + The Board determined the interim dividend having regard to underlying earnings and cash generation, the Company's strong balance sheet, and its confidence in the business outlook



# CORE BRAND PERFORMANCE

Investing in apparel and expanding global profile



## Core brands market performance continues to grow across:

- + FXD apparel and footwear
- + Salty Crew apparel
- + Globe footwear

## FXD continuing to grow in North American premium workwear – 5-year CAGR of 53%

- + Maintained market leading position in Australian workwear; footwear growth

## Salty Crew revenue continues to grow with a 5-year CAGR of 16%

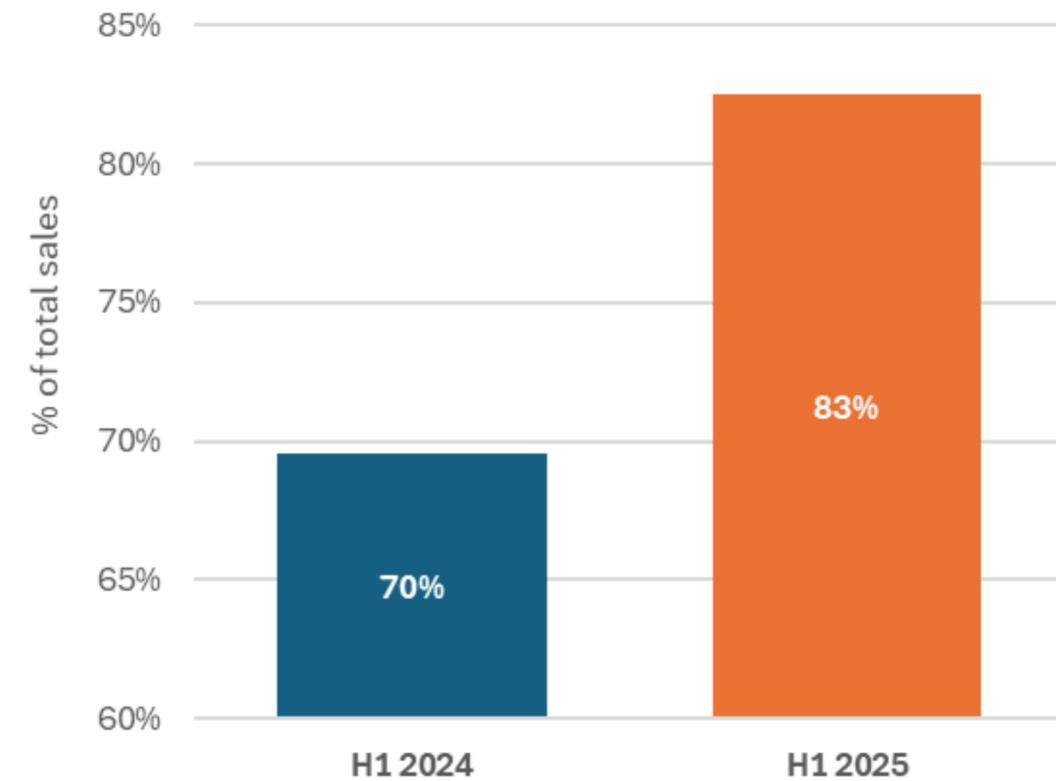
- + Salty Crew growth in European market through expanded distribution network and range

## Globe heritage footwear coming on trend and growing – YoY growth in international markets of 11%

- + Recently launched safety gear segment

**Increased contribution from core brands will deliver further margin accretion**

Growing core brand sales





# INCUBATING THE BRANDS OF TOMORROW

## STRONG DNA IN INVESTING IN EMERGING BRANDS

- + Some new and emerging brands will become core brands of the future
- + Currently incubating a mix of brands across a number of categories
- + Strategy is to invest diligently in these brands – if a brand no longer fits the long-term global strategy of the brand portfolio it is discontinued
- + H1 saw 87% sales growth in brand initiatives in this category (vs PCP)
- + Brands remain in ‘incubator’ until they can demonstrate scalability and consistent growth potential



## STRATEGIC PRIORITIES

- + Continue core brand growth to deliver overall revenue growth in H2 and improve profitability
- + Expansion of international business through core apparel and footwear brand growth
- + Continue to invest in emerging brand incubation and growth
- + Attractive dividend returns to shareholders
- + Complete foundations for long term growth by end of FY25 that will deliver revenue and earnings growth from core brands

**“WE NEVER HAD A MASTER PLAN FOR THE BUSINESS, JUST A SERIES OF GUIDING PRINCIPLES THAT WERE ARTICULATED BY PETER AND STEPHEN AS A BUSINESS MISSION: STAY TRUE TO OUR ROOTS, REMAIN HARDCORE AND BE ADAPTIVE TO THAT AS OUR WORLD EVOLVES, AND MOST IMPORTANTLY HAVE FUN BREAKING CONVENTION.”**

**– MATT HILL**

A high-action photograph of a surfer riding a wave. The surfer is positioned in the center-right of the frame, leaning forward on a white surfboard. A massive splash of white water is erupting behind the surfer, creating a dramatic backdrop. The ocean is a deep, vibrant blue, and the sky is a clear, bright blue. The overall scene is dynamic and energetic.

# APPENDIX

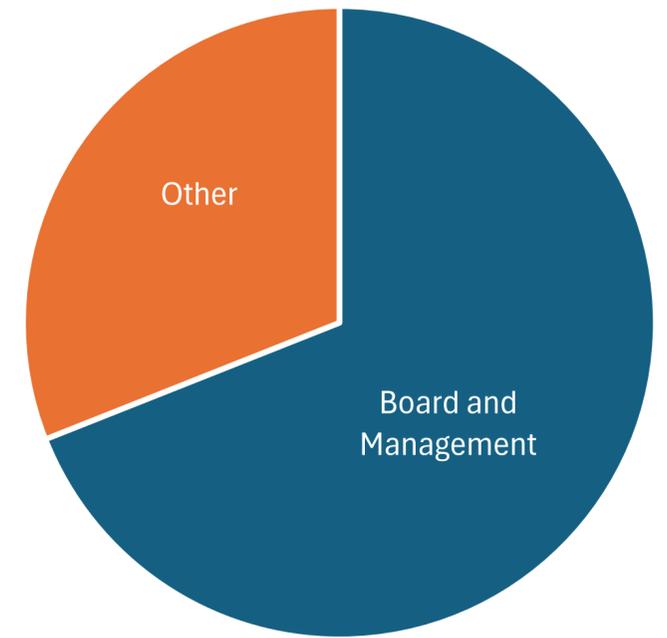


# GLOBE CORPORATE OVERVIEW

## GLOBE INTERNATIONAL

|                                |                 |
|--------------------------------|-----------------|
| Share Price (31 December 2024) | \$3.35          |
| Shares on Issue (m)            | 41.5            |
| 52-week trading (low/high)     | \$2.42 / \$3.90 |
| <b>MARKET CAP</b>              | <b>\$139M</b>   |

### SHARE REGISTRY BREAKDOWN



|                    |            |
|--------------------|------------|
| Board & Management | Approx 70% |
| Other              | Approx 30% |

# BOARD & SENIOR MANAGEMENT

GLOBE INTERNATIONAL

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## HARRY HODGE

### CHAIRMAN & NON-EXECUTIVE DIRECTOR

Harry Hodge was appointed to the Board of Directors and as Chairman on 16 June 2023. Harry has over 30 years' experience in senior executive and non-executive roles in organisations ranging from starts-ups, SME's, large and international organisations across women's and men's fashion, actions sports, youth culture as well as retail sectors. In an executive capacity as CEO/Executive Chairman, Harry played a pivotal role in establishing the Quiksilver, Roxy and DC brands in Europe.

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## STEPHEN HILL

### EXECUTIVE DIRECTOR

Stephen co-founded Globe in 1985, remains a major shareholder in the business and has expertise in the development of growth initiatives, brand development and market positioning strategies for the Company. Stephen is a former skateboarding champion and remains a daily skateboarder, snowboarder and surfer.

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## PETER HILL

### EXECUTIVE DIRECTOR

Peter co-founded Globe in 1985 and remains a major shareholder in the business. He is a major contributor to the strategic market direction and brand development of the business with a particular emphasis on Asian sourcing and distribution where he is based. Peter is a former skateboarding champion and maintains an extensive interest in extreme action sports and motorsports.

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## MATT HILL

### CHIEF EXECUTIVE OFFICER

Matt has been involved in Globe since its inception in 1985. Matt relocated to Los Angeles in 1995 to establish Globe's USA operations and complete a masters degree in film production at the University of Southern California. In 2004 Matt was appointed the global CEO of Globe International. Matt has an extensive background in skateboarding, filmmaking, brand development, and strategic positioning and remains a major shareholder in the business.

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## KAREN BROWNE

### CHIEF FINANCIAL OFFICER

Karen is an experienced CFO with over 16 years' experience across a range of industries. Karen was appointed as Globe CFO on 1 January 2024. Most recently Karen was Group CFO of a Global logistics company with overall responsibility for financial, treasury, regulatory & tax compliance.

**CORE  
BRANDS**

**GLOBE INTERNATIONAL  
FOUNDED 1985**



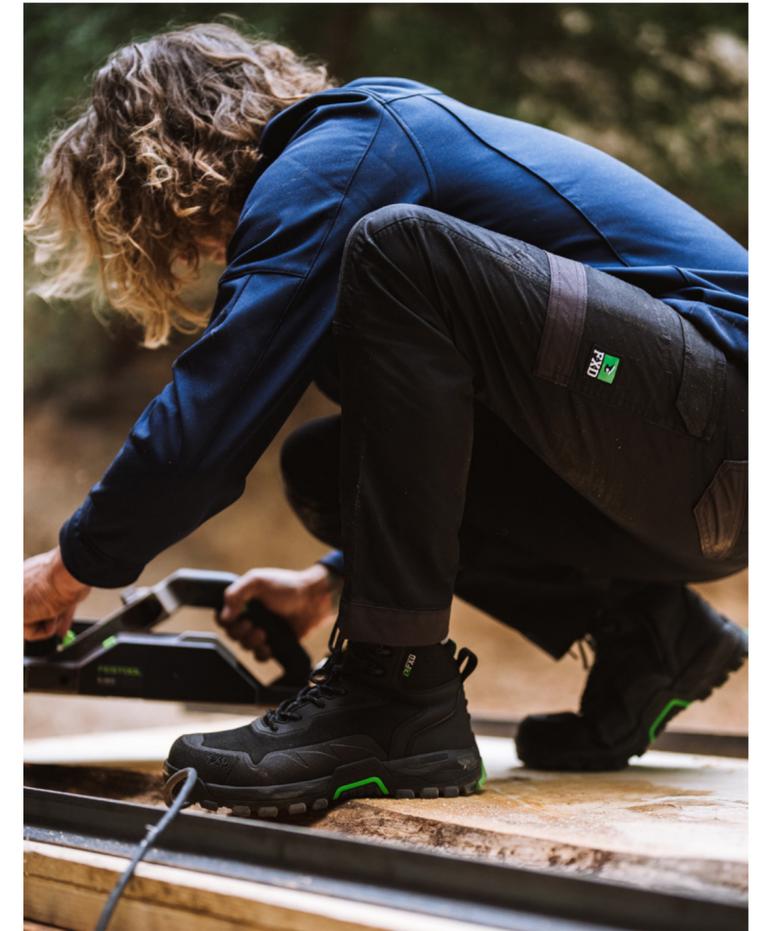
**GLOBE**

**Founded:** 1994  
**Primary Products:**  
Footwear, Skate Hardware



**SALTY CREW**

**Founded:** 2014  
**Primary Products:**  
Men's and Women's Surf,  
Fish and Dive Apparel



**FXD**

**Founded:** 2012  
**Primary Products:**  
Men's and Women's  
Workwear and Workboots

**EMERGING  
BRANDS**

**GLOBE INTERNATIONAL  
FOUNDED 1985**



**IT'S  
NOW  
COOL**

**IT'S NOW COOL**

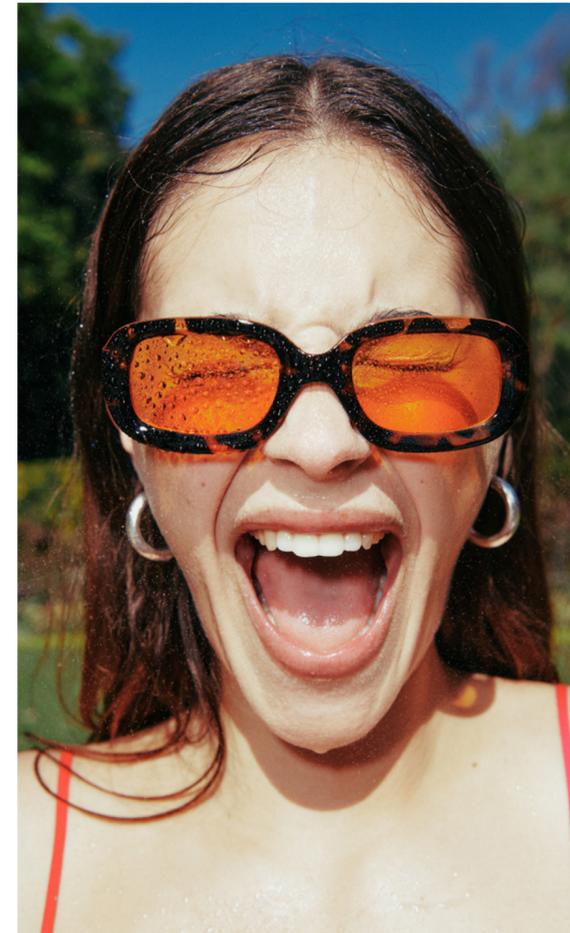
**Founded:** 2017  
**Primary Products:**  
Women's Swimwear



  
x/dmg™

**X-DMG**

**Founded:** 2023  
**Primary Products:** Workwear



**SZÂDE**

**SZADE**

**Founded:** 2021  
**Primary Products:** Unisex Eyewear



**Ritual VISION**

**RITUAL VISION**

**Founded:** 2024  
**Primary Products:** Unisex Eyewear

# GLOBAL OPERATIONS

GLOBE INTERNATIONAL  
FOUNDED 1985



## AUSTRALIA

Established 1985  
Handles APAC

## NORTH AMERICA

Established 1995  
Handles Americas

## EUROPE

Established 2005  
Direct in Western Europe and  
Manages EMEA Distributors

## CHINA

Established 2001  
Skateboard Manufacturing



# PROFIT & LOSS STATEMENT

## GLOBE INTERNATIONAL

| Notes                                                                           | Half-year |          |
|---------------------------------------------------------------------------------|-----------|----------|
|                                                                                 | 2024      | 2023     |
|                                                                                 | \$'000    | \$'000   |
| <b>Revenue from contracts with customers</b>                                    | 95,291    | 107,960  |
| Other Income                                                                    | 536       | 664      |
| Changes in inventories of finished goods and work in progress                   | 6,090     | (7,039)  |
| Inventories purchased                                                           | (53,942)  | (48,824) |
| Employee benefits expense                                                       | (15,522)  | (16,167) |
| Variable selling expenses                                                       | (4,493)   | (7,026)  |
| Distribution costs                                                              | (4,881)   | (5,826)  |
| Other expenses                                                                  | (13,970)  | (14,562) |
| Depreciation and amortisation expense                                           | (1,782)   | (1,864)  |
| Finance costs                                                                   | (449)     | (488)    |
|                                                                                 | <hr/>     | <hr/>    |
| Profit before related income tax expense                                        | 6,878     | 6,828    |
|                                                                                 | <hr/>     | <hr/>    |
| Income tax expense                                                              | (2,119)   | (1,921)  |
|                                                                                 | <hr/>     | <hr/>    |
| Profit for the half-year attributable to members of Globe International Limited | 4,759     | 4,907    |

# BALANCE SHEET

GLOBE INTERNATIONAL

| ASSETS                           |       | Dec<br>2024 | June<br>2024 |
|----------------------------------|-------|-------------|--------------|
|                                  | Notes | \$'000      | \$'000       |
| Current assets                   |       |             |              |
| Cash and cash equivalents        |       | 24,588      | 22,117       |
| Trade and other receivables      |       | 21,815      | 30,701       |
| Inventories                      |       | 46,528      | 39,004       |
| Prepayments                      |       | 3,380       | 2,308        |
| Derivative financial instruments | 5     | 1,772       | -            |
| Current tax assets               |       | 1,265       | 592          |
| Total current assets             |       | 99,348      | 94,722       |
| Non-current assets               |       |             |              |
| Property, plant and equipment    | 3     | 16,005      | 16,082       |
| Right-of-use assets              |       | 10,278      | 10,690       |
| Intangible assets                |       | 678         | 773          |
| Other assets                     |       | 2,210       | 2,075        |
| Deferred tax assets              |       | 2,463       | 3,570        |
| Total non-current assets         |       | 31,634      | 33,190       |
| Total assets                     |       | 130,982     | 127,912      |

## LIABILITIES

|                                  |   | Dec<br>2024 | June<br>2024 |
|----------------------------------|---|-------------|--------------|
| Current liabilities              |   |             |              |
| Trade and other payables         |   | 30,308      | 29,045       |
| Current lease liability          |   | 2,424       | 2,239        |
| Borrowings                       | 4 | 532         | 517          |
| Derivative financial instruments | 5 | -           | 106          |
| Provisions                       |   | 3,014       | 3,211        |
| Total current liabilities        |   | 36,278      | 35,118       |
| Non-current liabilities          |   |             |              |
| Trade and other payables         |   | -           | 250          |
| Non-current lease liability      |   | 8,556       | 9,111        |
| Borrowings                       | 4 | 6,762       | 7,032        |
| Provisions                       |   | 130         | 116          |
| Total non-current liabilities    |   | 15,448      | 16,509       |
| Total liabilities                |   | 51,726      | 51,627       |
| NET ASSETS                       |   | 79,256      | 76,285       |
| Equity                           |   |             |              |
| Contributed equity               |   | 144,223     | 144,223      |
| Treasury Shares                  |   | (487)       | (487)        |
| Reserves                         |   | (182)       | (3,784)      |
| Accumulated losses               |   | (64,298)    | (63,667)     |
| Total equity                     |   | 79,256      | 76,285       |

# CASH FLOW

## GLOBE INTERNATIONAL

|                                                                                | Half-year |          |
|--------------------------------------------------------------------------------|-----------|----------|
|                                                                                | 2024      | 2023     |
|                                                                                | \$'000    | \$'000   |
| Cash flows from operating activities                                           |           |          |
| Receipts from customers (inclusive of goods and services tax)                  | 110,390   | 114,850  |
| Payments to suppliers and employees (inclusive of goods and services tax)      | (99,155)  | (96,060) |
| Interest received                                                              | 219       | 16       |
| Interest and other costs of finance paid                                       | (449)     | (488)    |
| Income taxes paid                                                              | (2,277)   | (1,796)  |
| Net cash inflow from operating activities                                      | 8,728     | 16,522   |
| Cash flows from investing activities                                           |           |          |
| Payment for property, plant and equipment                                      | (322)     | (127)    |
| Payment for intangible assets                                                  | (250)     | (250)    |
| Net cash outflow from investing activities                                     | (572)     | (377)    |
| Cash flows from financing activities                                           |           |          |
| Dividends paid                                                                 | (5,390)   | (2,073)  |
| Principal payments for leases                                                  | (1,120)   | (1,137)  |
| Repayment of borrowings                                                        | (255)     | (3,098)  |
| Net cash outflow from financing activities                                     | (6,765)   | (6,308)  |
| Net increase in cash held                                                      | 1,391     | 9,837    |
| Cash and cash equivalents at the beginning of the half-year                    | 22,117    | 10,635   |
| Effect of exchange rates on cash holding in foreign currencies - gain / (loss) | 1,080     | (456)    |
| Cash at the end of the reporting period                                        | 24,588    | 20,016   |

# GLOBE INTERNATIONAL

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# GLOBE INTERNATIONAL

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