

20 August 2024

(All amounts in NZ\$ unless otherwise stated)

## KMD Brands Preliminary Result

KMD Brands Limited (NZX/ASX: KMD, “KMD” or the “Group”) provides the following unaudited preliminary results for the year ending 31 July 2024 (“FY24”):

TOTAL SALES CHANGE YOY	1H FY24 Aug 23 to Jan 24	Q3 FY24 Feb 24 to Apr 24	Q4 FY24 May 24 to Jul 24	FY24 Aug 23 to Jul 24
Rip Curl	-9.2%	-7.6%	-2.4%	-7.3%
Kathmandu	-21.5%	-11.1%	-6.9%	-14.5%
Oboz <sup>1</sup>	-20.0%	-28.7%	-7.9%	-20.0%
<b>Group</b>	<b>-14.5%</b>	<b>-11.1%</b>	<b>-5.0%</b>	<b>-11.2%</b>

1. Timing of certain wholesale dispatches changed year-on-year from April to May, impacting Q3 and Q4 variances.

- Rip Curl and Kathmandu sales have shown continued improvement on first half sales trends during both the third and fourth quarters of FY24, as outlined above.
- Kathmandu sales trends, relative to FY23, continued to improve in a challenging consumer environment, with enhanced in-store execution and new products. Australia (-4.5%) performed significantly better than New Zealand (-16.5%) through the key fourth quarter winter trading period.
- Rip Curl direct-to-consumer (“DTC”) sales continued to outperform the wholesale channel. DTC sales for FY24 were -2.8% below last year’s record sales result, compared to the wholesale channel -13.0% below last year as wholesale customers continue to reduce their inventory holdings.
- Oboz online sales continued to deliver strong year-on-year growth in FY24, +31.7% above last year. Wholesale sales for FY24 were -23.1% below last year’s record sales.
- Gross margin decreased -30 basis points (-0.3% of sales) to 58.8% for FY24, driven by increased promotional intensity through the fourth quarter. Operating costs were tightly controlled, benefiting from restructuring implemented last year, and lower variable costs associated with lower sales.
- The Group confirms that underlying EBITDA<sup>2</sup> is expected to be in the range of \$49 million to \$51 million for FY24.
- Group inventory at 31 July 2024 was approximately \$25 million below the same time last year, resulting in Net Working Capital being approximately \$21 million lower year-on-year.
- Net debt at 31 July 2024 was \$60 million, with significant funding headroom of approximately \$230 million.

<sup>2</sup> Earnings before interest, tax, depreciation, and amortisation, excluding the impact of IFRS 16, software as a service accounting, restructuring, and one-off non-cash items.

**KMD**  
BRANDS

KMD BRANDS LIMITED W [kmdbrands.com](http://kmdbrands.com)

The Group will release its audited results for the year ending 31 July 2024 on Wednesday 25 September 2024.

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

- ENDS -

**For further information, whether an investor or media enquiry, please contact:**  
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