

KATHMANDU HOLDINGS LIMITED

ASX / NZX / MEDIA ANNOUNCEMENT

8 August 2019

KATHMANDU ON TRACK TO DELIVER RECORD PROFIT

Kathmandu Holdings Limited (ASX / NZX code KMD) is pleased to report an update on its sales and earnings for the year ended 31 July 2019 (FY2019).

Based on unaudited results for FY2019, the Company is expecting:

- Total sales of NZ\$545 million, up 9.6% on FY2018
- Group same store sales (SSS) growth of +0.6% at constant exchange rates
 - Australia SSS up +2.7%
 - New Zealand SSS down -3.9%
- Normalised¹ EBIT of between NZ\$82.5 million and NZ\$84.0 million (FY2018: NZ\$74.6 million)
- Normalised¹ NPAT of between NZ\$55.5 million and NZ\$57.0 million (FY2018: NZ\$50.5 million)
- Net debt NZ\$19.2 million (FY2018: NZ\$31.4 million)

Kathmandu's Managing Director and CEO Xavier Simonet said: "We were particularly pleased with the second half performance in Australia given we were cycling strong growth in our key winter period last year. New Zealand conditions were challenging. Oboz, acquired in April 2018, continued to deliver strong sales and EBIT growth in 2H, with continued progress anticipated in FY2020 and beyond."

Kathmandu plans to release its audited results for FY2019 in late September.

ENDS

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¹ Normalised results exclude NZ\$1.1 million abnormal income from a tax refund relating to the GST treatment of reward vouchers (NZ\$0.8 million after tax). As such, reported EBIT is expected to be between NZ\$83.5 million to NZ\$85.0 million and NPAT NZ\$56.5 million to NZ\$58 million.