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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.

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CEO HIGHLIGHTS

GLOBE INTERNATIONAL

- + 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

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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

\$95.3M

Revenue
-12% on PCP

\$7.1M

EBIT
-3% on PCP

7.5%

EBIT Margin
+ 10% on PCP

\$4.8M

NPAT
-3% on PCP

10 CENTS

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

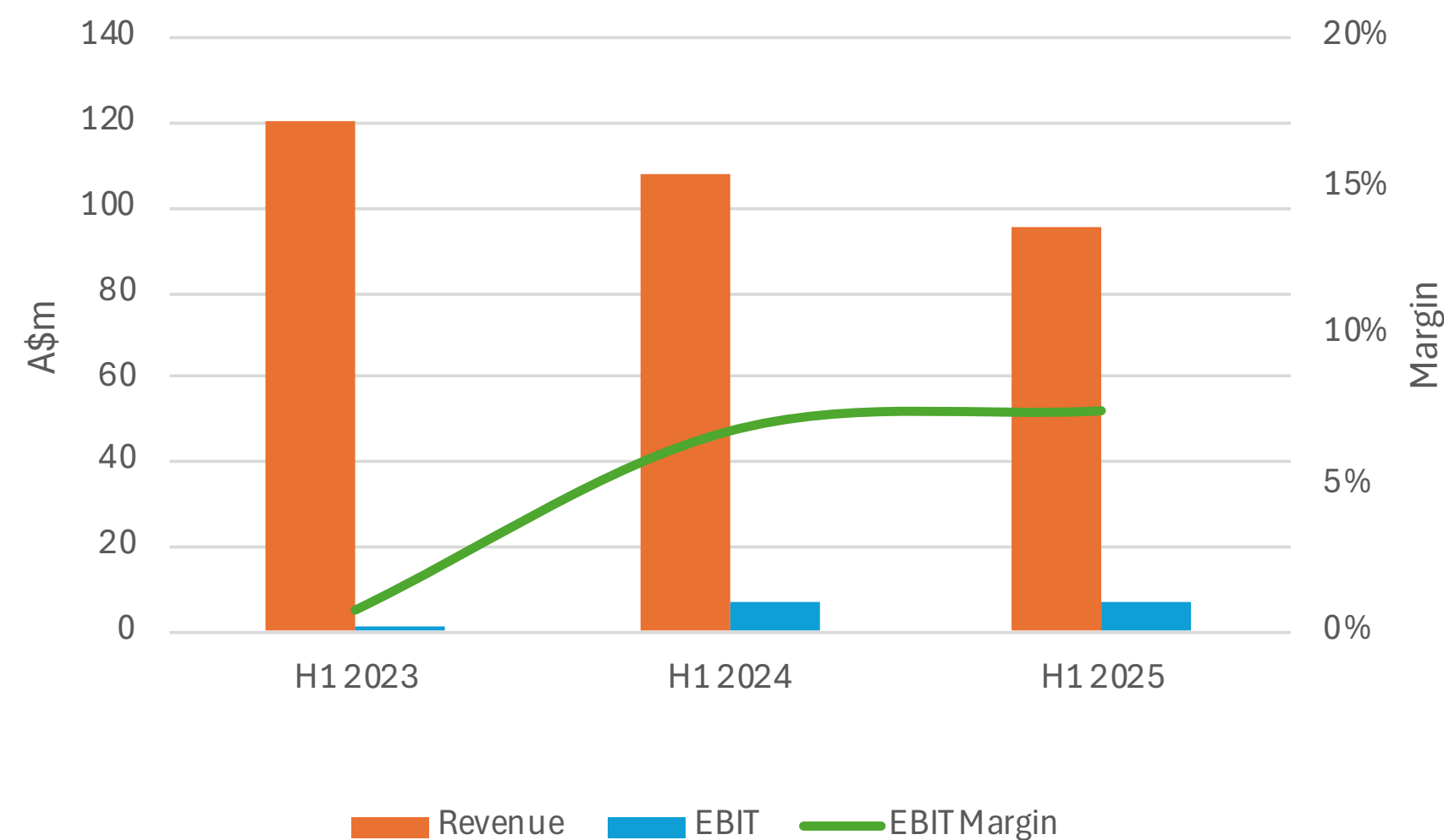
\$24.6M

Cash at Bank
Net Cash Position
of \$17.3 million

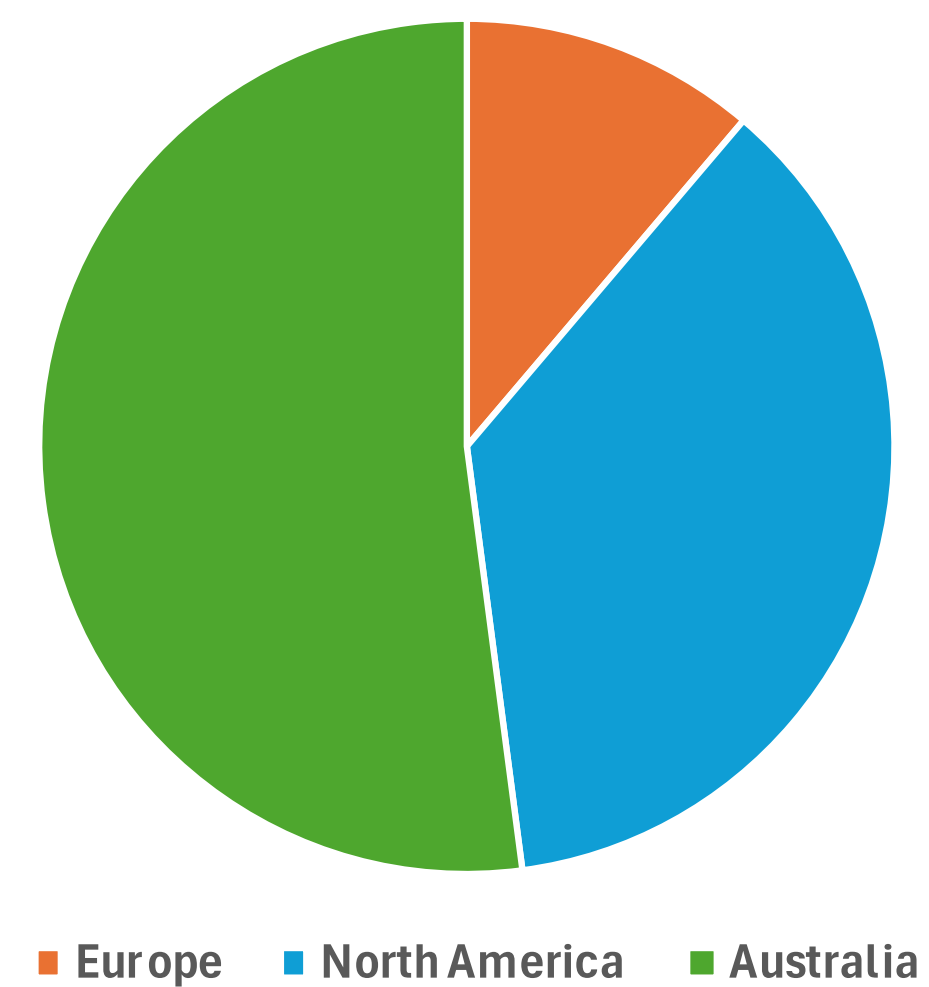
GLOBAL PRESENCE. GROWING MARGINS.

- + 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



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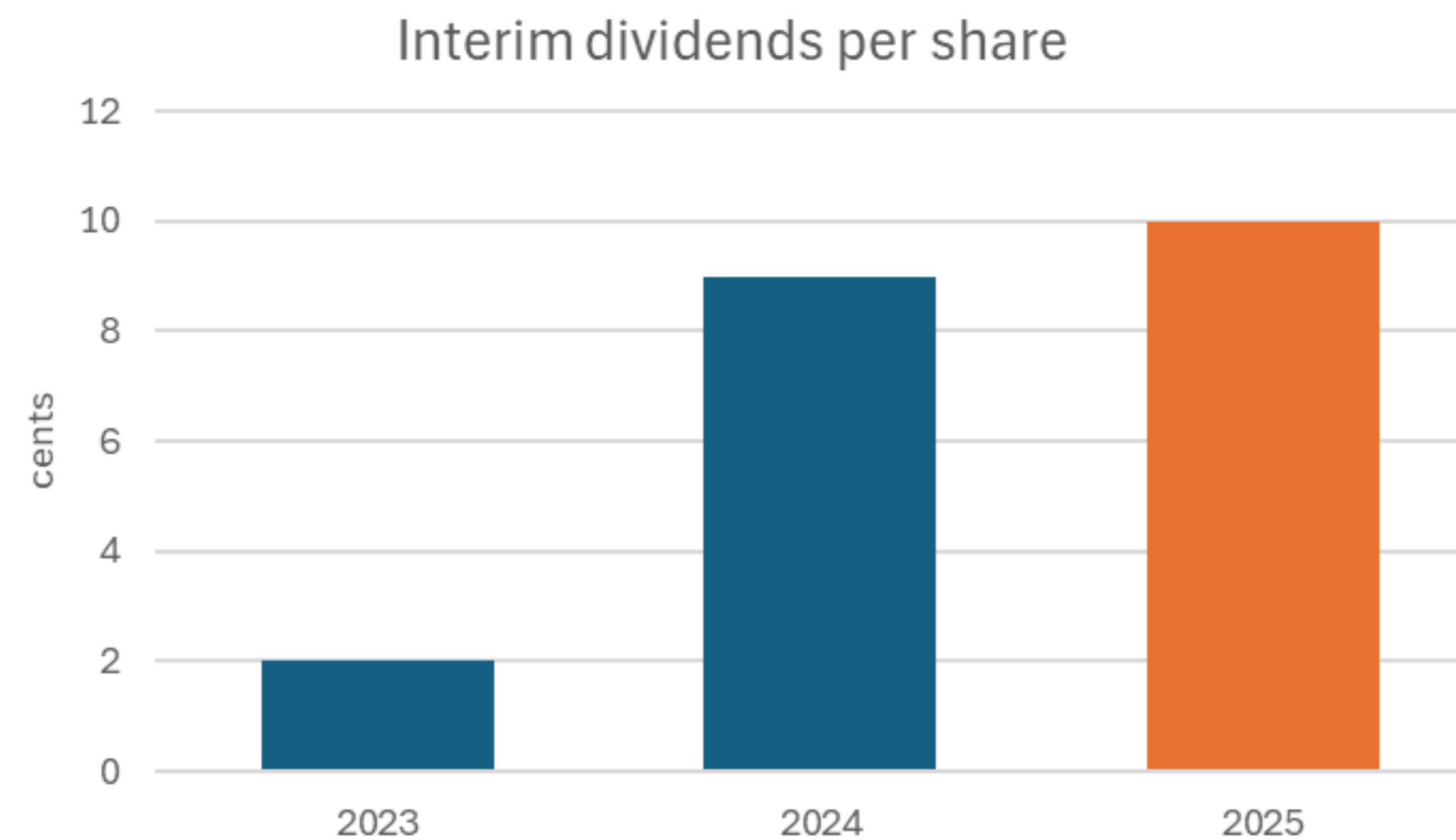
BALANCE SHEET

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

- + \$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

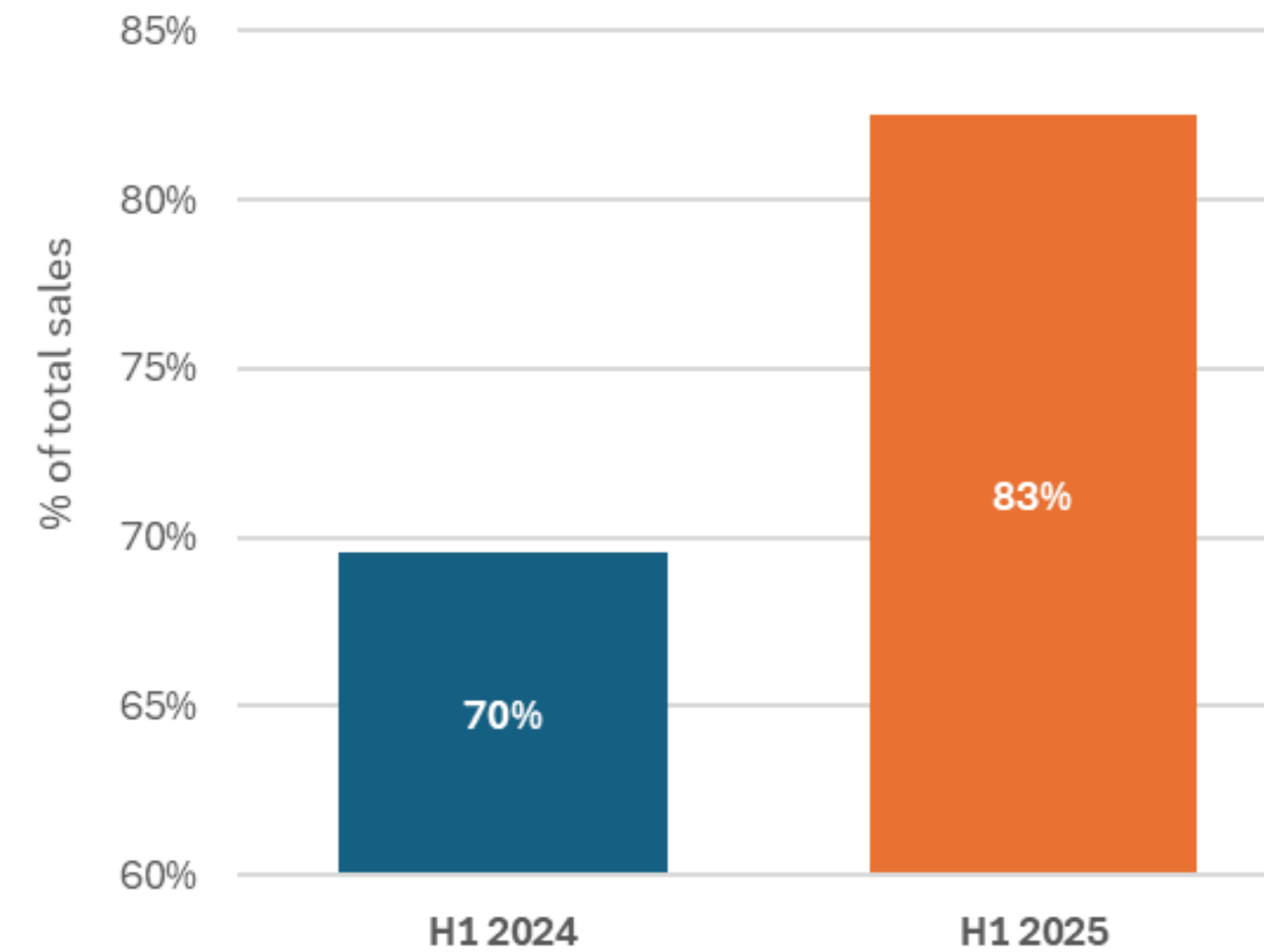
Globe heritage footwear coming on trend and growing – YoY growth in international markets of 11%

- + Recently launched safety gear segment

Increased contribution from core brands will deliver further margin accretion



Growing core brand sales



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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

APPENDIX

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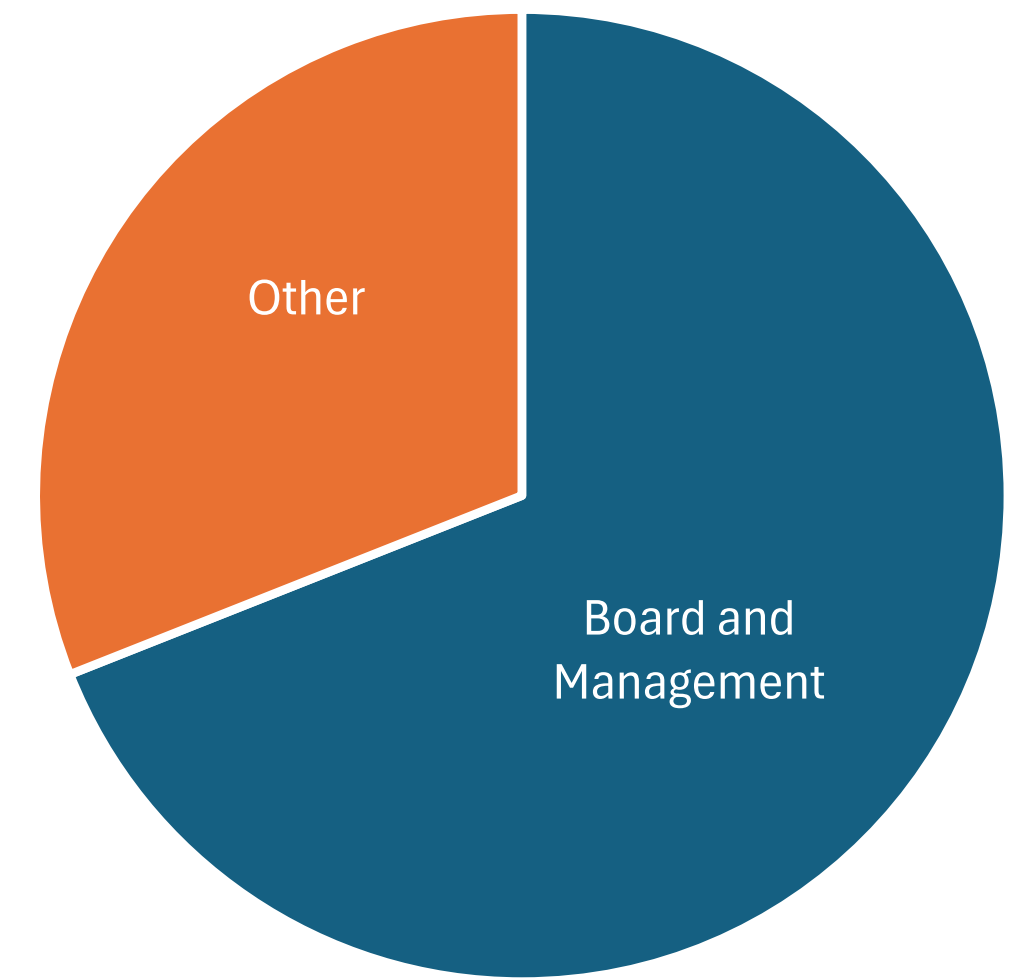


GLOBE CORPORATE OVERVIEW

GLOBE INTERNATIONAL

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

SHARE REGISTRY BREAKDOWN



Board & Management	Approx 70%
Other	Approx 30%

BOARD & SENIOR MANAGEMENT

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.

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.

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.

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.

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
Revenue from contracts with customers	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
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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 2024	June 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 2024	June 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	<u>8,728</u>	<u>16,522</u>
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	<u>(572)</u>	<u>(377)</u>
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	<u>(6,765)</u>	<u>(6,308)</u>
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	<u>24,588</u>	<u>20,016</u>

GLOBE INTERNATIONAL

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