

19 June 2025

(All amounts in NZ\$ unless otherwise stated)

KMD Brands Trading Update

KMD Brands Limited (NZX/ASX: KMD, “KMD” or the “Group”) provides the following update on trading performance.

Total sales results (unaudited) for the ten months to end of May were:

TOTAL SALES CHANGE YOY (unaudited)	1H FY25 6 months Aug 24 to Jan 25	2H FY25 to date 4 months Feb 25 to May 25	FY25 YTD 10 months Aug 24 to May 25
Rip Curl	+0.1%	+0.9%	+0.4%
Kathmandu*	+3.0%	-6.4%	-1.0%*
Oboz	-6.3%	-1.1%	-4.1%
Group	+0.5%	-1.9%	-0.5%

* Kathmandu direct-to-consumer sales for the first 17 days of June 25 were +13.2% above last year, improving year-to-date sales to +0.3% above last year.

- Rip Curl global direct-to-consumer sales have continued to grow year-on-year (“YOY”) through 2H FY25 to date, with strong comparable sales results in North American flagship stores. While wholesale sales trends continued to improve from 1H FY25, wholesale sales remained below last year through 2H FY25 to date.
- Kathmandu weekly sales have shown marked volatility over the past four months. Unseasonably warm weather in Australia had a material adverse impact on the Insulation product category whilst Kathmandu achieved sales growth YOY in other key product categories such as Rainwear, Fleece, Knits, and Footwear. The recent change to cooler weather in both New Zealand and Australia has reignited sales momentum, with the first 17 days of June delivering +13.2% sales growth YOY. School holidays and the start of the ski season offer further opportunities to continue the momentum for the remainder of the financial year.
- Oboz wholesale sales were below last year through 2H FY25 to date. However, wholesale sales trends improved from 1H FY25 with the launch of new season styles ahead of the North American summer hiking season. Oboz online sales have been variable since the announcement of global tariffs by the United States of America (“US”) but remain above last year year-to-date.

Group online sales continue to be a key growth opportunity, with FY25 YTD online sales +10.7% YOY. Kathmandu recently upgraded its online trading platform, with a significant improvement to the consumer journey. Since implementation in May, online sales have been +26.1% above last year, with the recent Australian public holiday being the highest online sales day for over two years. The Group will be rolling out the new online trading platform to both Rip Curl and Oboz during 1H FY26.

Group gross margin for FY25 YTD is 140 basis points lower YOY as all brands focus on generating cashflow in a highly competitive global market. Kathmandu is focused on maintaining market share in a competitive consumer environment.

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The Group continues to closely monitor the fluid US tariff situation, and it remains too early to estimate the impact on consumer demand in the US. Given the uncertainty in the US market, agility remains the Group's main priority heading into 2026. The Group anticipates tariffs to impact FY25 EBITDA by approximately \$1 million.

With Kathmandu winter trade continuing and the Rip Curl summer trade in the US and Europe commencing, the Group expects FY25 underlying EBITDA¹ to be in the range of \$15 million to \$25 million with material trade to come.

The Group now expects net debt at 31 July 2025 to be approximately \$70 million with direct-to-consumer sales performance the key cashflow driver for the remainder of the financial year. All brands continue to actively manage working capital and expect inventory to be lower than FY24. Group inventory commitments for FY26 continue to be strategically moderated, along with targeted clearance of end of line styles for the remainder of the financial year.

The Group continues to work constructively with its banking syndicate and has proactively agreed amended FCCR and leverage banking covenants for the next two measurement periods. The Group expects to be fully compliant with all amended covenants at 31 July 2025.

Group CEO and Managing Director, Brent Scrimshaw, said:

“The Group continues to proactively address challenging market conditions to maintain market share and maximise cashflow.”

“While the volatility of Kathmandu’s sales performance is frustrating, we acknowledge that unseasonably warm weather in Australia, including Victoria’s warmest Autumn on record, has negatively impacted sales. Kathmandu’s significant sales improvement, including strong online momentum in recent weeks, reinforces our enduring brand health and strengthens our confidence in the future growth opportunity.”

“The Group is proactively working on a range of initiatives to unlock future growth opportunities across the portfolio, address short-term market challenges and improve medium to long-term performance and value for shareholders. We expect to update the market on these initiatives at our Investor Day in September.”

About KMD Brands

KMD Brands is a global outdoor, lifestyle and sports company, consisting of three iconic brands: Kathmandu, Oboz and Rip Curl. The Group operates over 300 stores globally, and our brands are sold in over 8,000 locations. For more information about the Group, visit our website www.kmdbrands.com.

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

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For further information, whether an investor or media enquiry, please contact:
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¹ Earnings before interest, tax, depreciation, and amortisation, excluding the impact of IFRS 16, software as a service accounting, restructuring, and one-off items.



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