KMD BRANDS LIMITED
ASX / NZX / Media Announcement

22 July 2026
(All amounts in NZ$ unless otherwise stated)

KMD Brands trading update and planned divestment of manufacturing facility

KMD Brands Limited (**NZX/ASX: KMD**, **"KMD"** or the **"Group"**) provides the following update on trading performance for the 2026 financial year and progress against the Next Level strategy.

Trading performance

Group sales in FY26 expected to be in the range of $1,040m to $1,044m (up +5% at midpoint on FY25).

Direct-to-consumer same store sales (including online) year on year ("**YoY**") on a constant currency basis for the first 24 full weeks of the second half from Monday 2 February to Sunday 19 July 2026 were:

- Kathmandu +4.8%
- Rip Curl -2.8%

Group underlying EBITDA[1] in FY26 expected to be in the range of $38m to $41m (up +123% at midpoint on FY25).

Kathmandu sales continue to improve year on year relative to Q4 FY25, led by a strong performance in the rainwear, fleece and base layer categories. Despite year-to-date growth, the insulation category has been impacted during the winter sale period by weaker consumer demand associated with unseasonally warm weather on the east coast of Australia. Trading in New Zealand continues to outperform Australia.

Rip Curl sales continue to be impacted by subdued consumer sentiment in Australia and competitor promotional activity. A reduction in the benefit of favourable foreign exchange rates has adversely impacted Q4 FY26.

Oboz sales have returned to growth YoY in Q4 FY26 as anticipated, driven by continued strong online performance and flow of new product launches.

The Group's net debt is expected to be in the range of approximately $63m to $66m at the end of July 2026 (July 2025: $52.8m). Net debt is expected to be elevated YoY due to:

- change in phasing of payment timing as part of overall trading terms with selected suppliers;
- investment in additional working capital to secure inventory ahead of potential global supply chain disruptions associated with current geo-political tensions; and

[1] Earnings before interest, tax, depreciation, and amortisation, excluding the impact of IFRS 16, software as a service accounting, restructuring, and one-off items.

- weakening of the NZ dollar YoY (impact of approximately $8 million).

The Group will be compliant with all bank covenants under the new bank facility at 31 July 2026.

Business review update

The Group today announces the decision to divest its Southeast Asian manufacturing facility, with a phased production wind down over the next 12 months.

The transaction is expected to deliver net property proceeds in the range of $5m to $7m in addition to unlocking working capital of approximately $6m which will further strengthen the Group's balance sheet.

The ongoing business review is progressing well and is expected to be complete by the announcement of the FY26 Annual Results on 23 September 2026.

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

ENDS

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