

16 November 2022

(All amounts in NZ\$ unless otherwise stated)

KMD Brands delivers strong sales and profit growth in Q1 FY23

KMD Brands Limited (ASX/NZX: KMD, “KMD” or the “Company”) is pleased to provide the following trading update.

- Strong sales growth across all brands:
 - Group total sales are +61.8% above Q1 FY22, reflecting the removal of Australasian lockdowns and a return to more normal trading
 - Group total sales are +17.5% above Q1 FY20¹, which was pre-COVID and a more relevant comparison to Q1 FY22
- Q1 FY23 underlying operating profit has improved by nearly \$30m year-on-year
- Direct-to-consumer same store sales growth for 14 full weeks ended 6 November 2022:
 - Kathmandu +107.2%, and Rip Curl +29.7%
- Oboz achieved record Q1 wholesale and online sales, with supply no longer a constraint. The forward order book and inventory position support ongoing growth
- Group gross margin remains resilient, with improved margin for the Kathmandu brand

Commenting on the trading performance, Group CEO & Managing Director Michael Daly said:

“KMD Brands achieved a positive result in Q1 FY23, with strong sales growth across all brands compared to both prior year and pre-COVID levels. Pleasingly, gross margin and profitability are holding up well, with group underlying operating profit for the first quarter of FY23 improving by nearly \$30 million year-on-year.”

“Looking forward, while current trading for our three brands is strong, we remain cautiously optimistic, with the potential of high inflation and rising interest rates impacting consumer sentiment in our key global markets. As always, the first half year results remain dependent on the key Black Friday and Christmas retail trading periods still to come.”

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

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¹ At actual exchange rates. Q1 FY20 (pre-COVID) includes Rip Curl sales pre-acquisition.

