

KMD Brands Limited
ASX / NZX announcement

18 May 2023

KMD Brands continues strong sales growth in Q3

KMD Brands Limited (**ASX/NZX: KMD**, “**KMD**” or the “**Company**”) is pleased to provide the following trading update for the quarter ending 30 April 2023 (Q3 FY23):

- Sales growth across all brands continued in Q3 FY23
- Gross margin remained resilient through the quarter
- The key fourth quarter (“Q4”) winter trading period for Kathmandu, and Northern Hemisphere summer for Rip Curl and Oboz remains

	Q3 FY23	YTD FY23
TOTAL SALES GROWTH	<i>3 months Feb 23 to Apr 23</i>	<i>9 months Aug 22 to Apr 23</i>
Rip Curl	7.9%	15.0%
Kathmandu	11.3%	36.0%
Oboz	120.3%	122.7%
Group	15.6%	27.7%

Commenting on the Q3 trading update, Group CEO & Managing Director Michael Daly said:

“We are pleased to report that Rip Curl, Kathmandu, and Oboz have achieved another quarter of year-on-year sales growth. We now begin our key Kathmandu winter and Northern Hemisphere summer trading periods. The Group is well positioned to benefit from the return of international travel and tourism and is continuing to invest in the long-term international expansion of our brands.”

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

- ENDS -

For further information, please contact:

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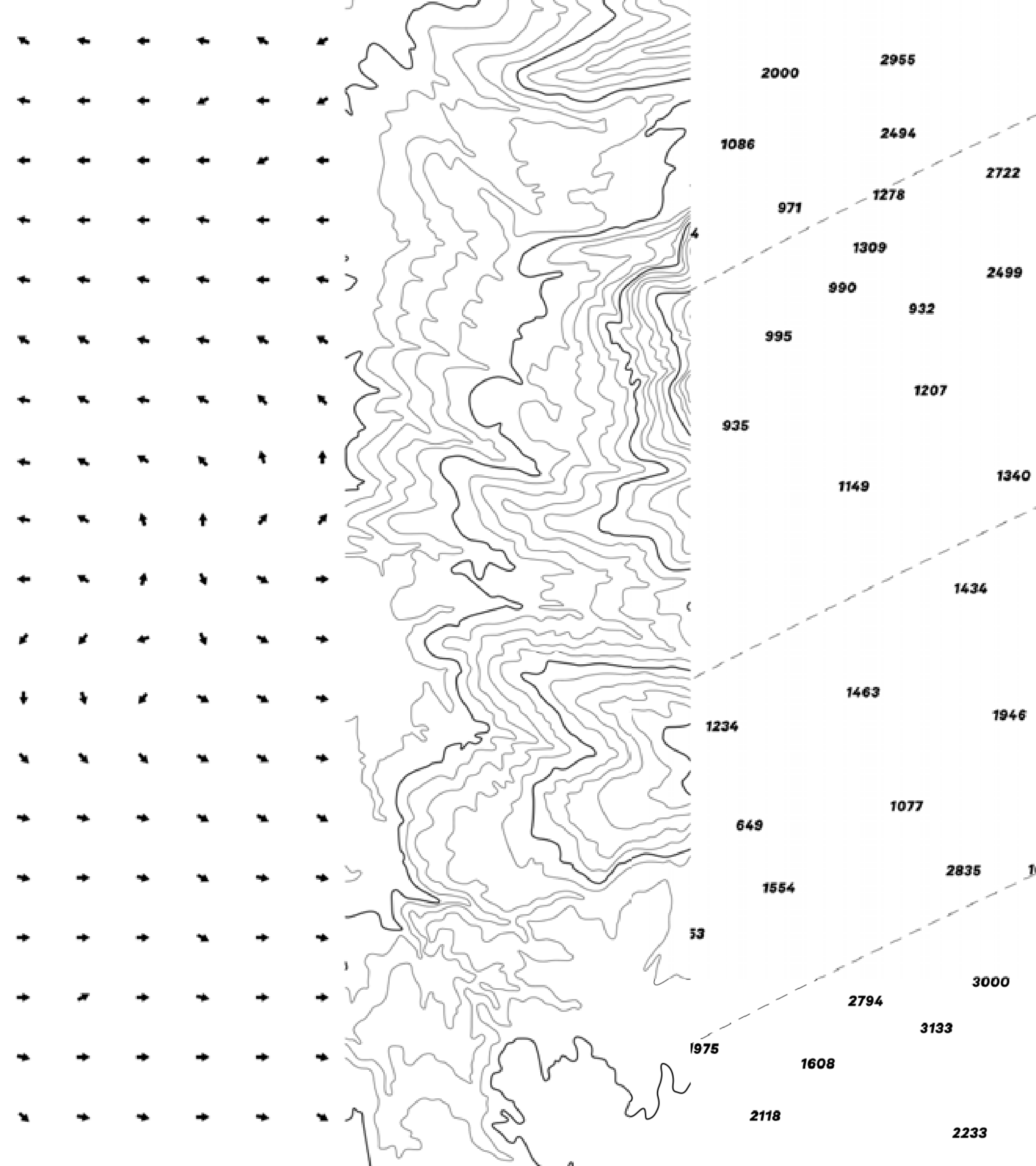


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INVESTOR DAY 2023

18 MAY 2023





TODAY'S AGENDA

1. INTRODUCTION
2. GROUP STRATEGY
3. GROUP FINANCIALS
4. BUILDING GLOBAL BRANDS
5. ELEVATE DIGITAL
6. LEVERAGING OPERATIONAL EXCELLENCE
7. LEAD ESG
8. SUMMARY & QUESTIONS

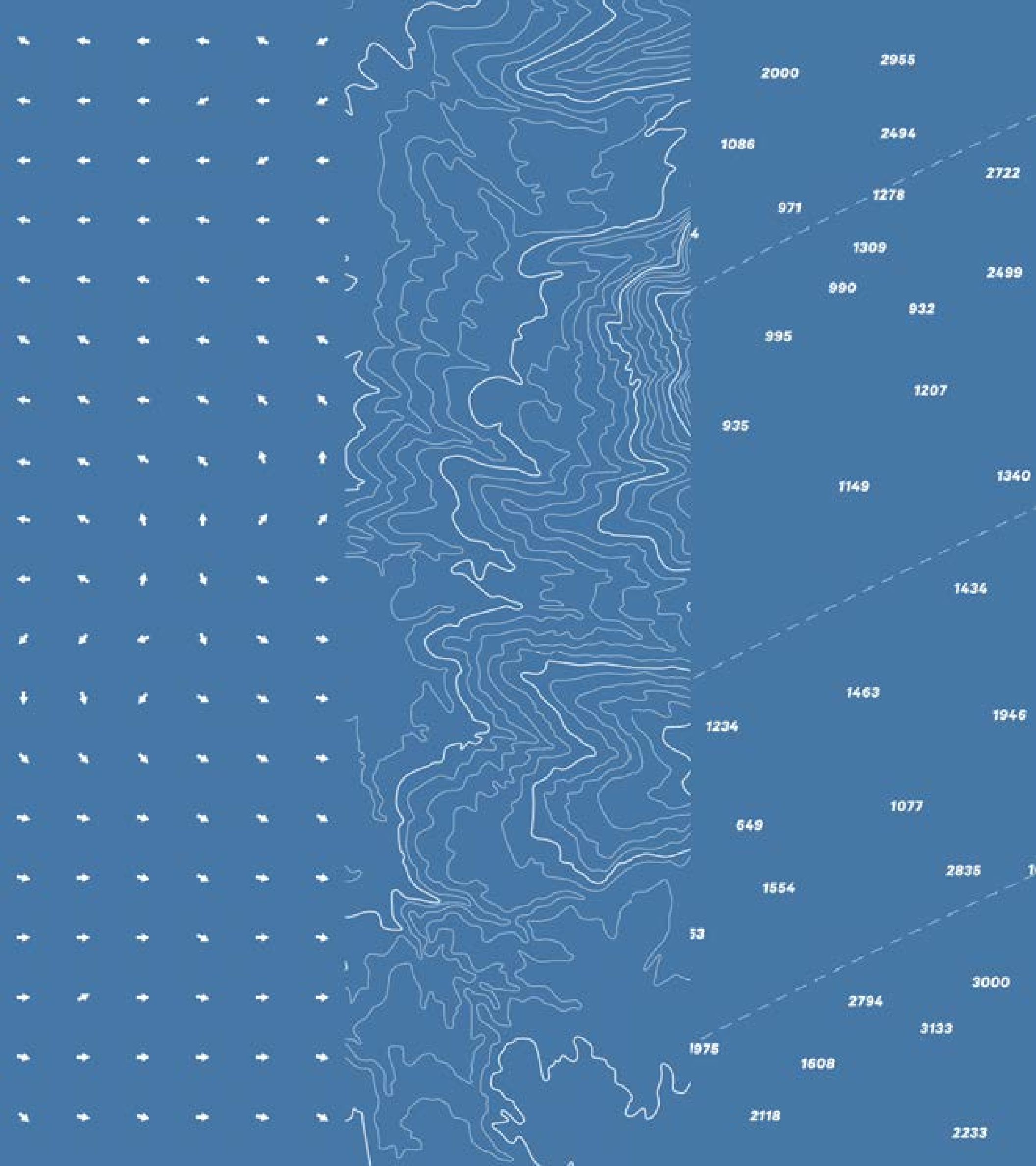


KMD BRANDS

SECTION 1

INTRODUCTION


David Kirk
Chairman



KMD

BRANDS

OWNER OF
LEADING GLOBAL
OUTDOOR BRANDS


Kathmandu®

Obōz®


RIP CURL

KMD BRANDS



Kathmandu®



KMD BRANDS

Obōz®

KMD BRANDS



RIP CURL



OUR TEAM



MICHAEL DALY
Group Chief Executive Officer
21 years with business



CHRIS KINRAID
Group Chief Financial Officer
9 years with business



FRANCES BLUNDELL
Chief Legal & ESG Officer
6 years with business



AMY BECK
President Oboz and
KMD Brands North America
4 years with business



BROOKE FARRIS
Rip Curl Chief Executive Officer
13 years with the business



JOLANN VAN DYK
Group Chief Information Officer
9 years with business



LINDA BARLOW
Chief Human Resources Officer
9 years with business



LACHLAN FARRAN
Chief Commercial Officer
15 years with business



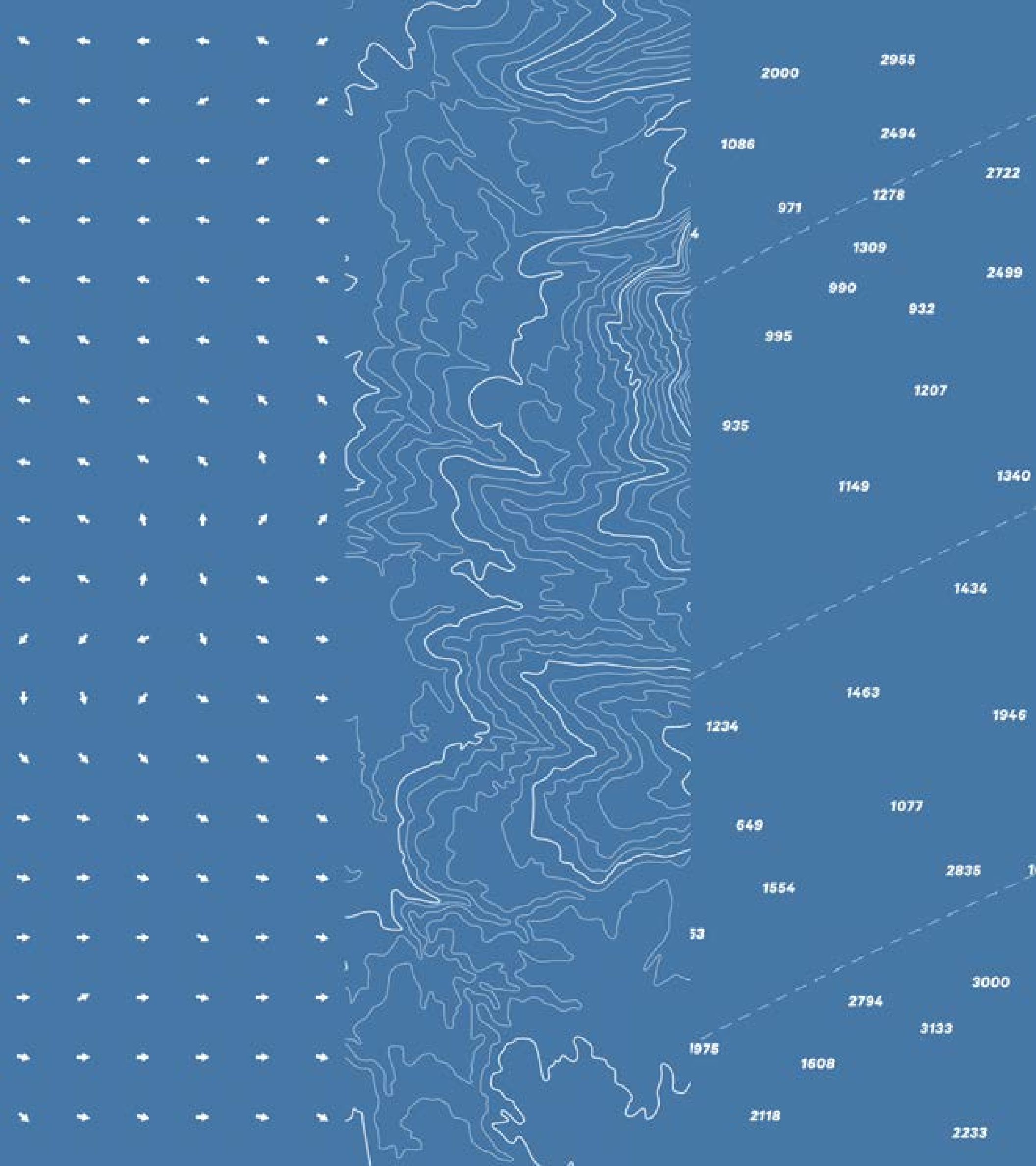
MATHIEU LEFIN
President KMD Brands Europe
14 years with business

KMD BRANDS

SECTION 2

GROUP STRATEGY

Michael Daly
Managing Director and Group CEO



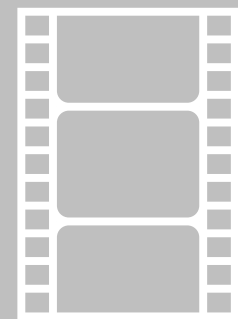
PURPOSE

Inspiring people to
explore and love
the outdoors

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VISION

To be the leading family
of global outdoor brands
- designed for purpose,
driven by innovation, best
for people and planet



VIDEO PLAYING AT THE LIVE EVENT

KMD BRANDS

B CORP CERTIFIED

KMD BRANDS HAS ACHIEVED B CORP CERTIFICATION

- In 2019, Kathmandu made history as one of the first significant apparel brands in ANZ to become B Corp certified
- In 2023, Rip Curl and Oboz have achieved certification as well as the Rip Curl wetsuit factory OnSmooth in Thailand. The Kathmandu brand achieved re-certification with major improvements that were commended by B Lab
- KMD Brands is one of the first multinational companies in ANZ to be certified in its entirety, and one of only 45 listed businesses globally (out of 6,000+ B Corps)
- B Corp Certification is a significant achievement for KMD Brands because our business and brands have been independently verified to meet globally recognised high standards of social and environmental performance, public transparency and legal accountability
- This globally recognised certification demonstrates commitment to leading in ESG and is a significant achievement for a company of our size, complexity and scale

Certified



Corporation[®]



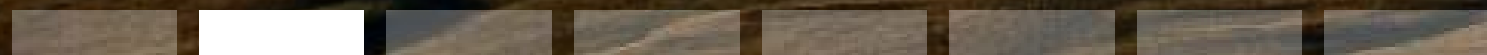
TOTAL ADDRESSABLE MARKET

Outdoor and Surf are segments of a significantly larger global outerwear and footwear market

OUTDOOR
US\$40B^{*1}

SURF
US\$8B^{*1}

1. Statista and internal company estimates, including GIA report 2019

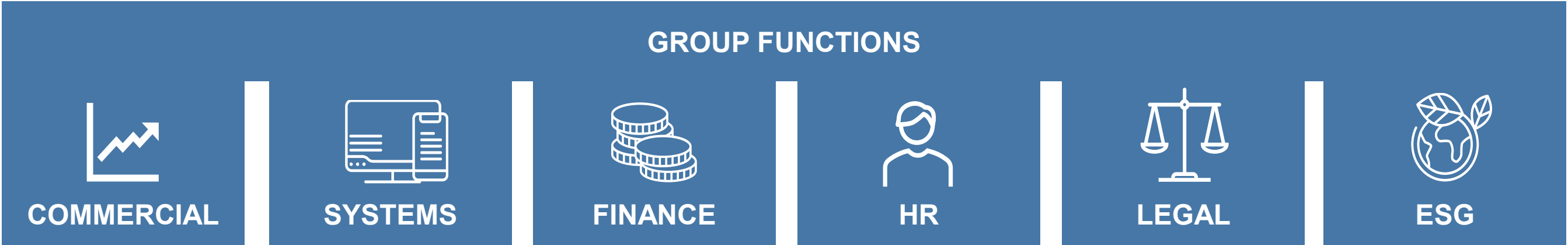


DELIVERING VALUE



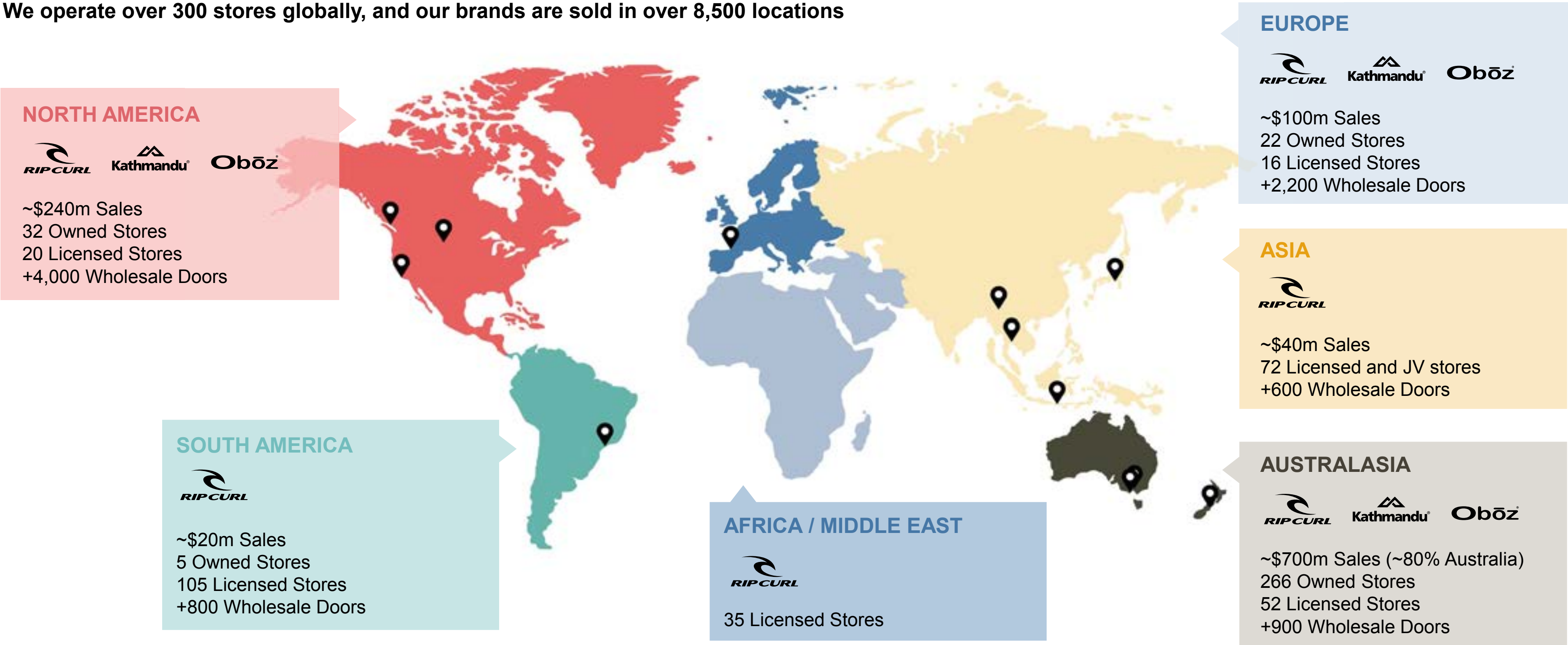
Iconic global outdoor brands, diversified by channels, geographies, products, and seasons

Shared group support functions: centres of excellence, implementing common platforms, and leveraging scale across brands



REGIONAL DIVERSIFICATION

We operate over 300 stores globally, and our brands are sold in over 8,500 locations



📍 Global office locations

The diagram consists of four vertical rectangular panels arranged horizontally. Each panel has a distinct background color and contains an icon at the top, a title in the middle, and a description at the bottom. A horizontal dotted line separates the title from the description in each panel.

- Panel 1 (Blue):** Icon of a globe on a signpost. Title: **BUILD GLOBAL BRANDS**. Description: Expand global footprint and invest in world class brand and customer experiences.
- Panel 2 (Teal):** Icon of a computer monitor and a document. Title: **ELEVATE DIGITAL**. Description: Invest in Group digital platforms to deliver a truly world-class experience to consumers, wholesale customers, suppliers, and our employees.
- Panel 3 (Red):** Icon of a smartphone with circular arrows around it. Title: **LEVERAGE OPERATIONAL EXCELLENCE**. Description: Deliver operational excellence to all brands across shared group support functions.
- Panel 4 (Dark Grey):** Icon of a globe with leaves. Title: **LEAD IN ESG**. Description: Lead in environmental, social and governance through transparency and accountability, focusing on our pillars of Communities, Climate, and Circularity.

KMD BRANDS

OUR ADVANTAGE

BRANDS	iconic global outdoor brands
DIVERSIFIED	by channels, geographies, products, and seasons
PRODUCTS	innovative products designed for a purpose
CONSUMERS	loyal, active consumers
TEAM	engaged and talented team
ESG	benefit mindset and leadership in ESG

WELL POSITIONED TO SUCCEED IN AN
UNCERTAIN ECONOMIC ENVIRONMENT

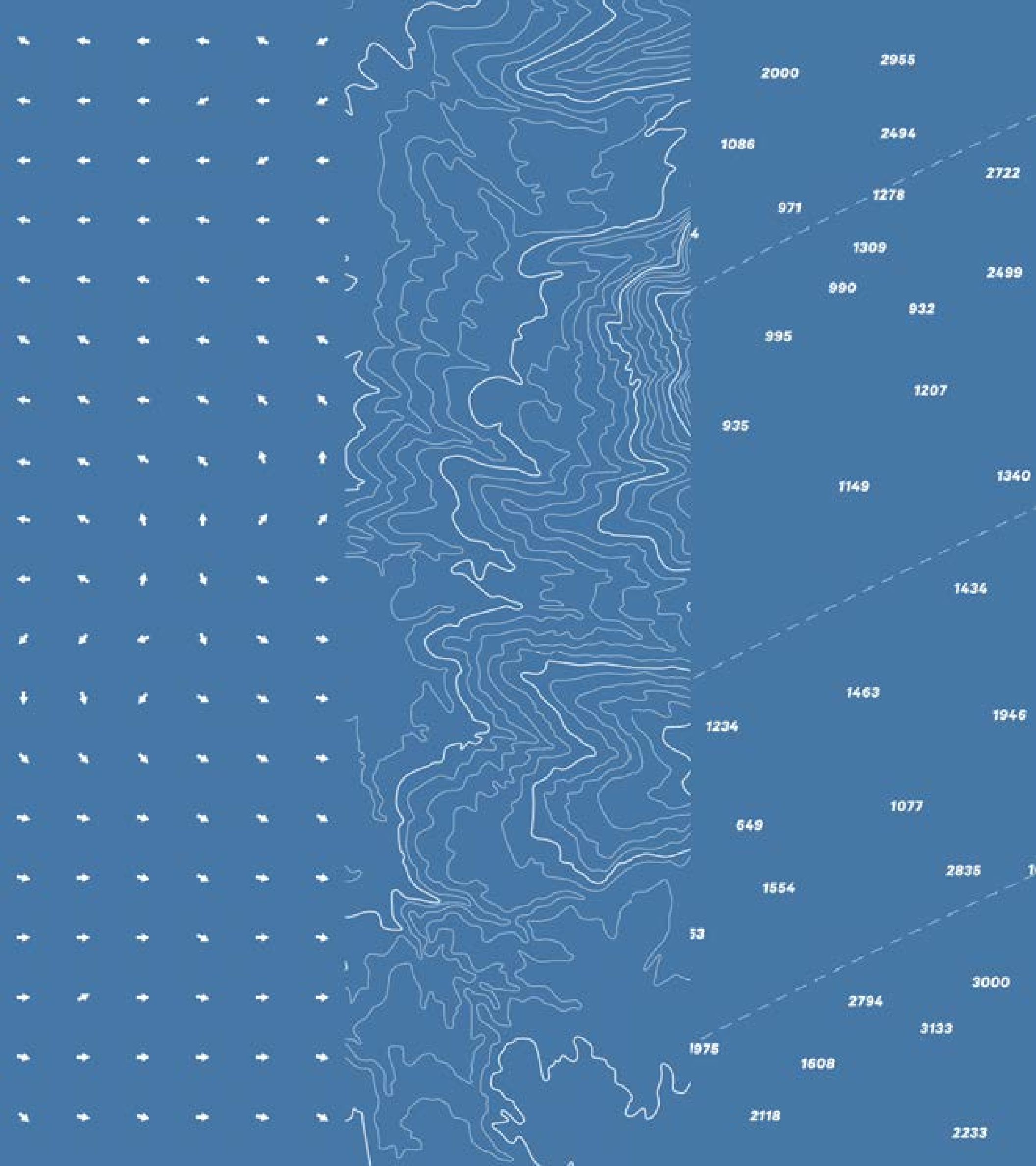


KMD BRANDS

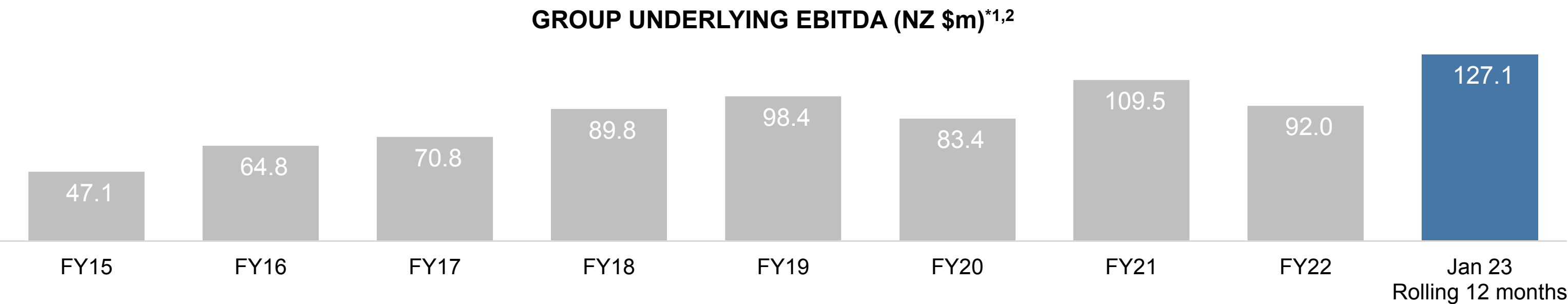
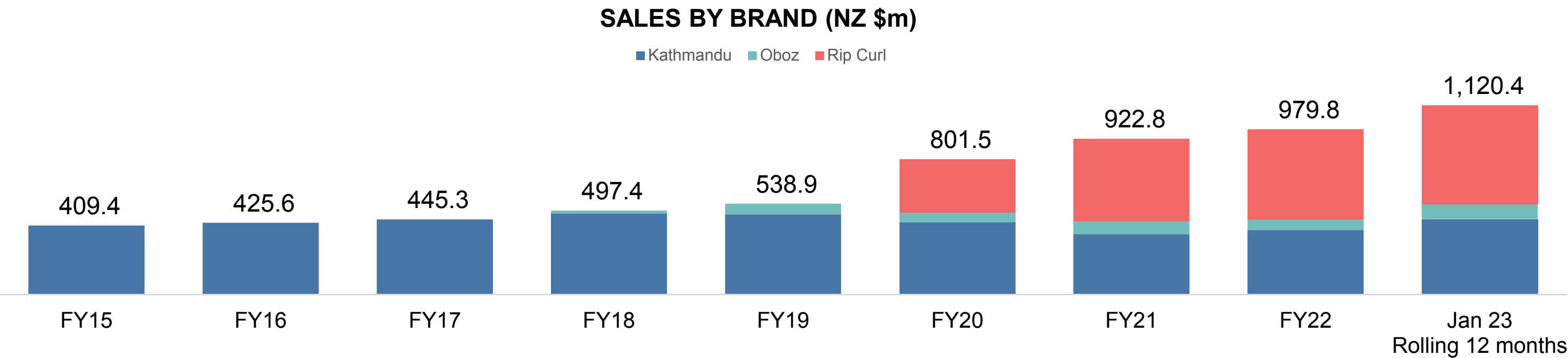
SECTION 3

GROUP FINANCIALS

Chris Kinraid
Group CFO



A HISTORY OF GROWING ORGANICALLY AND THROUGH ACQUISITION



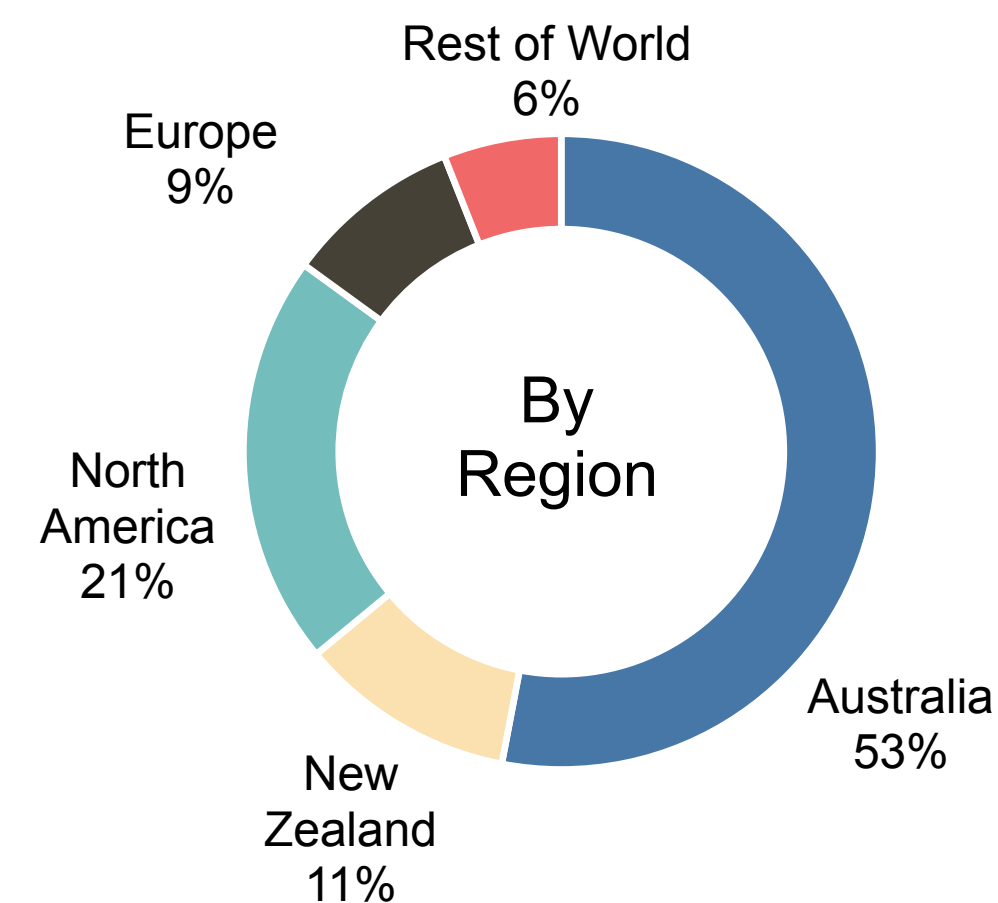
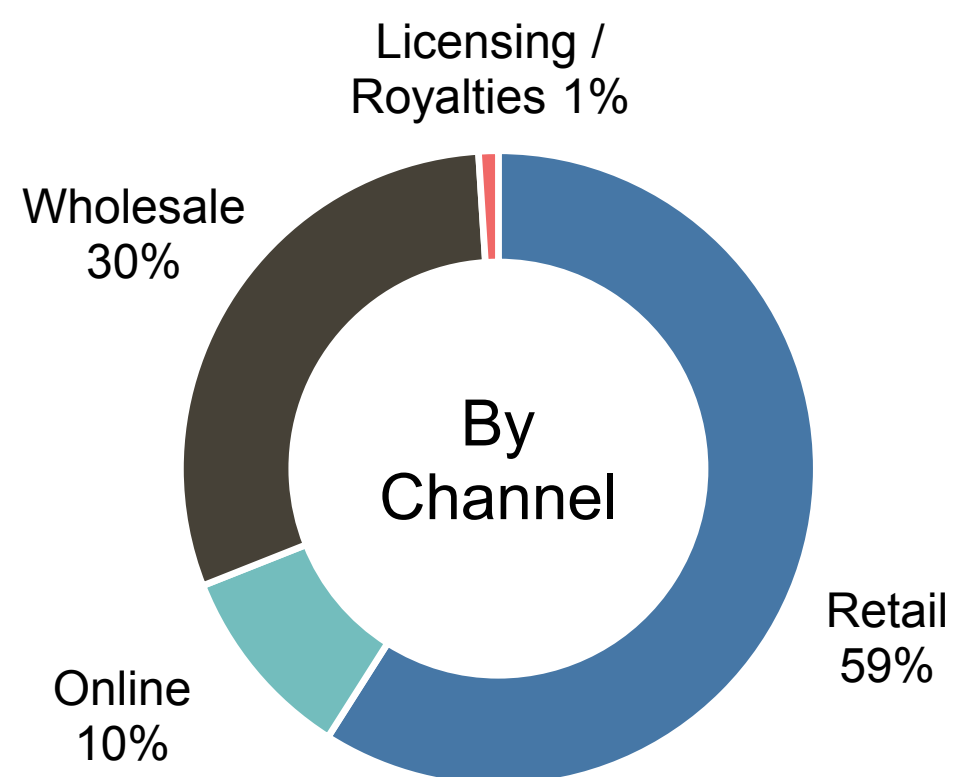
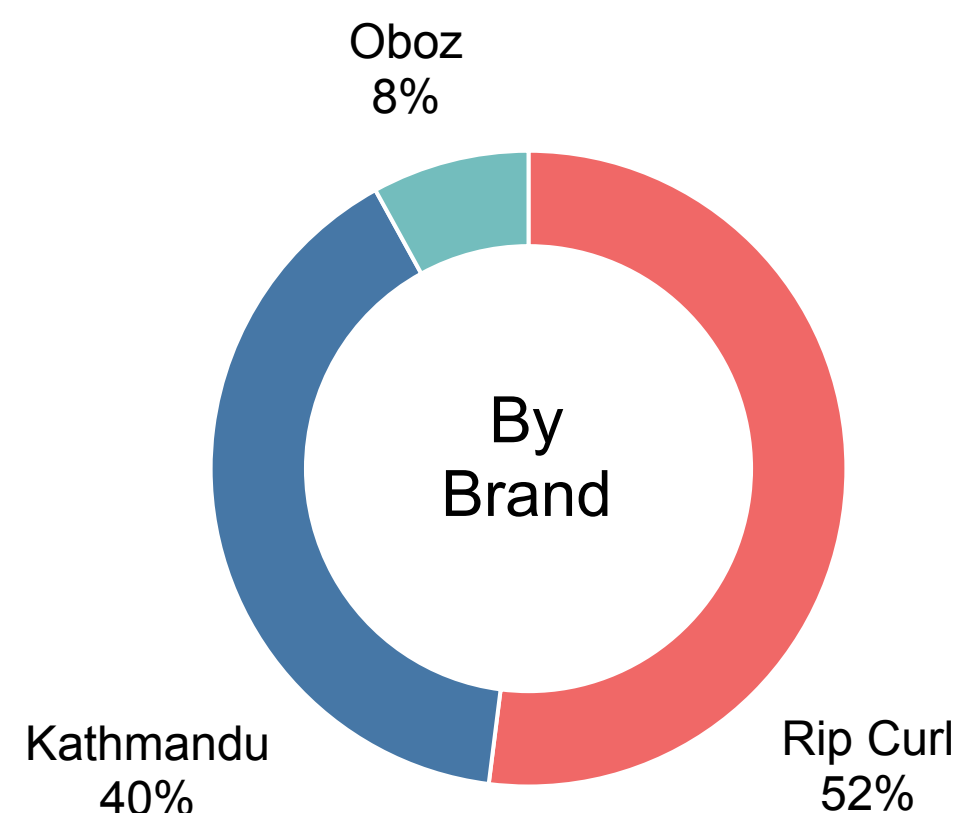
————— **~13% CAGR OF SALES AND EBITDA** —————→

1. Underlying EBITDA excluding the impact of IFRS 16 leases
2. FY21 includes \$21m net government wage assistance



RESILIENCE THROUGH DIVERSIFICATION

ROLLING 12 MONTH SALES MIX TO JAN 23



GROUP REFINANCE COMPLETED

NZ\$310m SUSTAINABILITY LINKED REVOLVING FACILITY SYNDICATION COMPLETED

- High quality, diverse funding group secured, consisting of major Australian banks and international liquidity providers
- Increased to 3.5-year tenor, providing significant liquidity head room and funding security
- 100% revolving facility, removal of term debt facility to reduce gross borrowing and interest costs
- Covenants remain unchanged, 2.5 Net Debt to EBITDA (ex IFRS16), and FCCR above 1.5x

SUSTAINABILITY COMPONENTS

- Sustainability aspect of the new facility is underpinned by material metrics and targets of the Group such as reducing greenhouse gas emissions, continued B Corp certification, and improving transparency around the wellbeing and labour conditions of workers in the supply chain
- Achievement of these targets is linked to the borrowing costs of the facility
- The sustainability linked KPIs are unique to KMD Brands, build on the original targets set in 2021 and are fully aligned to the Group's continued commitment to its ESG goals

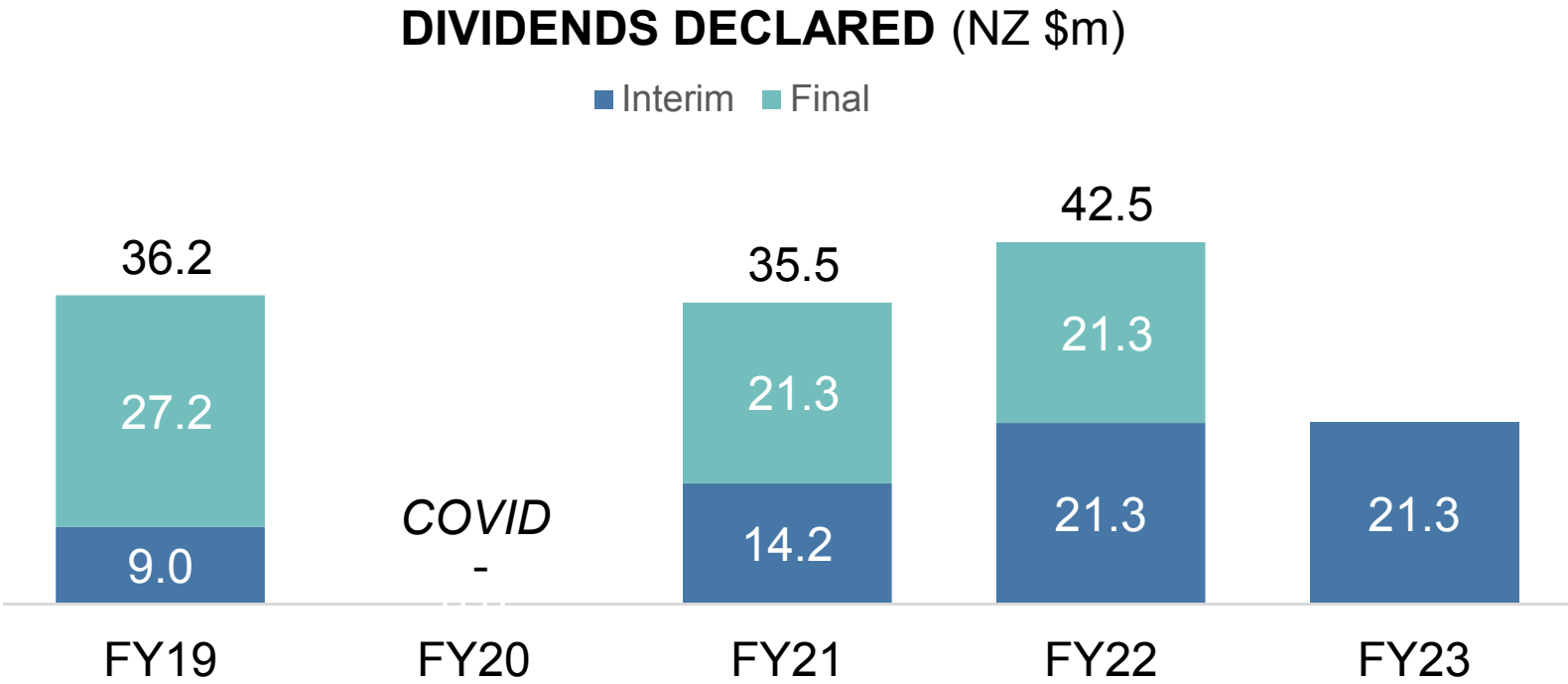


DIVIDEND HISTORY

~\$135m

DIVIDENDS
DECLARED
FY19 - FY23

FORWARD TARGET PAYOUT RATIO
50% TO 70% OF NPAT



DIVIDENDS DECLARED (NZ cents per share)					
Interim	4.0	-	2.0	3.0	3.0
Final	12.0	-	3.0	3.0	
Total	16.0	-	5.0	6.0	



DISCIPLINED STRATEGIC CAPITAL INVESTMENTS



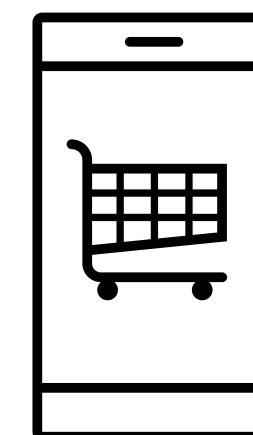
RETAIL BRICKS AND MORTAR

- Kathmandu store roll out ~12 stores annually
- Rip Curl additional stores ~10 stores annually over 3 years
- Ongoing refurbishment to Brand standards



DIGITAL

- Continued system consolidation to finalise Rip Curl integration
- Supply chain investment to support synergies
- Simplification of E-Commerce platforms



CUSTOMER

- Ongoing roll-out of Loyalty platform
- Online and CX enhancements
- Personalisation and data analytics

EXPECT TO MAINTAIN CURRENT CAPITAL INVESTMENT LEVELS



CAPITAL ALLOCATION

TARGET
~\$300m
CUMULATIVE
FREE CASH
FLOW
FY24 - FY26

DIVIDENDS

- Payout ratio range 50-70% of NPAT depending on capital requirements

LEVERAGE RATIO

- Maintain conservative net debt to EBITDA ratio between 0.0x to 0.5x (cash neutral position)

CAPITAL RETURN

- Where excess capital and leverage targets maintained, special dividends and buybacks to be considered

ORGANIC INVESTMENT AND M&A

- Maintain current capital investment levels
- Assess M&A opportunities as they arise

FREE CASH FLOW GENERATION TO ENABLE ORGANIC INVESTMENT IN BRANDS, FUTURE M&A ACTIVITY AND RETURN OF CAPITAL TO SHAREHOLDERS

KMD BRANDS

Q3 FY23 TRADING UPDATE

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	3 months Feb 23 to Apr 23	9 months Aug 22 to Apr 23
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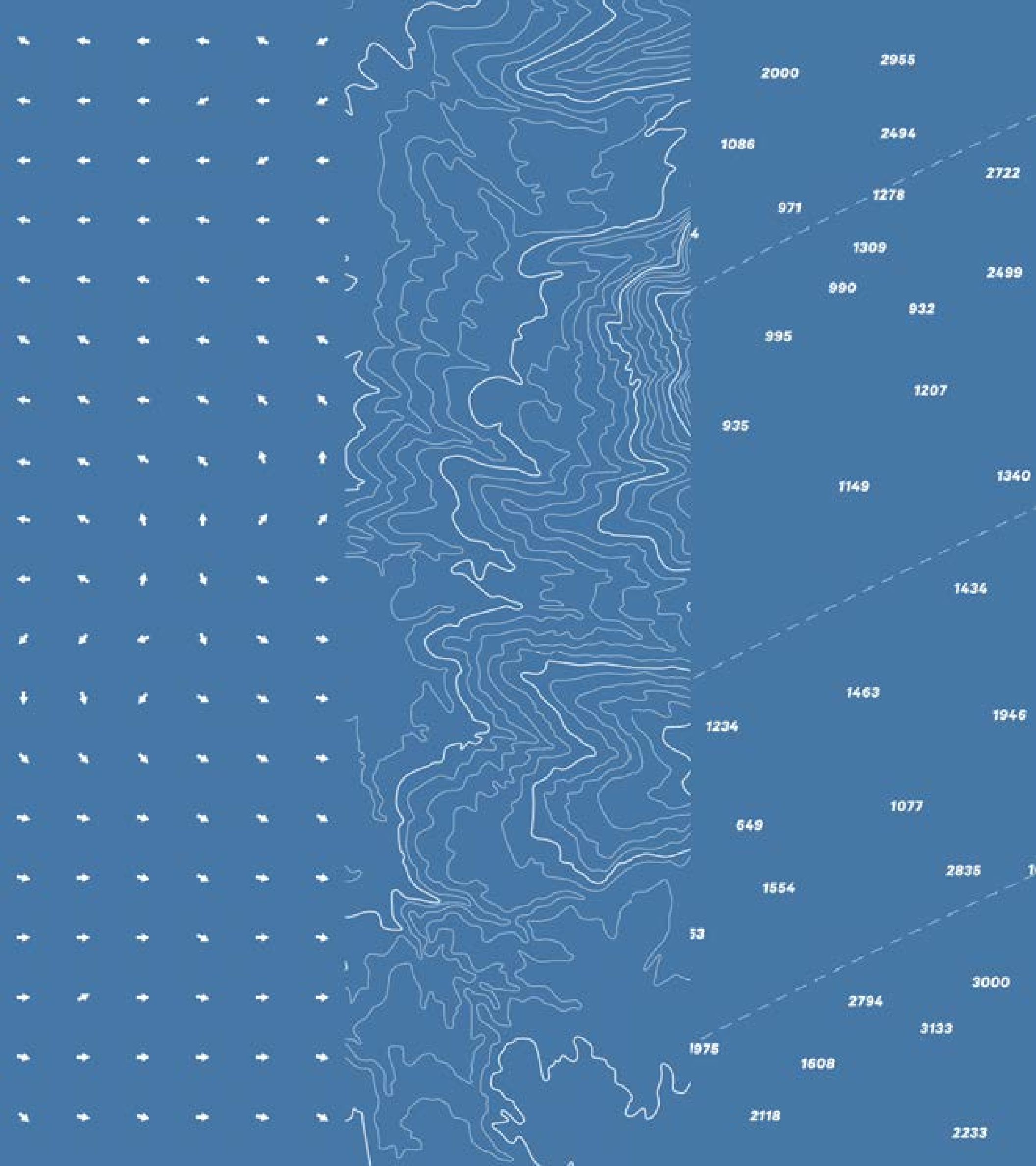
- Sales growth across all brands continued in Q3
- Gross margin remained resilient in Q3
- We now begin the key Kathmandu winter and Northern Hemisphere summer trading periods
- The Group is well positioned to benefit from the return of international travel and tourism and is continuing to invest in the long-term international expansion of our brands



SECTION 4

BUILDING GLOBAL BRANDS

Michael Daly
Managing Director and Group CEO



KMD BRANDS

GLOBAL BRANDS

HOW WE SUCCESSFULLY BUILD GLOBAL BRANDS

- Clear purpose and vision for our brands
- A motivated, engaged and talented team
- Strong foundations built around activities / sports
- Deep understanding of our customer needs
- Positive and enhanced customer experiences in store and online
- Products designed for a purpose, life in the outdoors
- Leading with innovative products
- A multi channel approach: Wholesale, Retail, Online
- Benefit mindset





Brooke Farris
Rip Curl CEO



OUR PURPOSE

To provide an environment where our crew can live their Search and feel the spirit of surfing in their work. And, to create innovative, functional and durable products for The Search.

OUR VISION

“TO BE REGARDED IN ALL THAT WE DO AS THE
ULTIMATE SURFING COMPANY...”

OUR REGIONS

AUSTRALIA

Number 1 Brand

USA

Top 6 Brand

EUROPE

Clear Number 2 Brand

SMALL REGIONS & LICENSEES

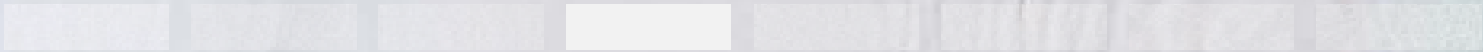
Number 1 Brand

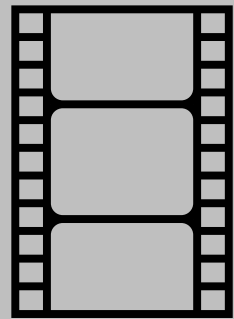


SALES HISTORY



- 1. FY19 includes management results for Rip Curl pre-acquisition
- 2. FY20 includes management results for Rip Curl for the three months pre-acquisition, plus nine months post-acquisition





**VIDEO PLAYING
AT THE LIVE
EVENT**

HIGHLIGHTS



GROWTH INITIATIVES

1. BRAND

2. PRODUCT

3. CHANNEL

4. GEOGRAPHIES

1. BRAND



RESPECT FOR THE ENVIRONMENT

IN WHICH WE SEARCH.

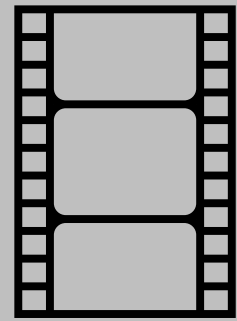


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CLUB RIP CURL

THE LARGEST AND MOST ENGAGED SURF AND BEACH COMMUNITY ON THE PLANET





**VIDEO PLAYING
AT THE LIVE
EVENT**

CONSUMER DRIVEN CONTENT



2. PRODUCT

PRODUCT

QUALITY

SUSTAINABILITY

INNOVATION

CREATIVITY



BEST AT CATEGORIES

WETSUITS

BOARDSHORTS

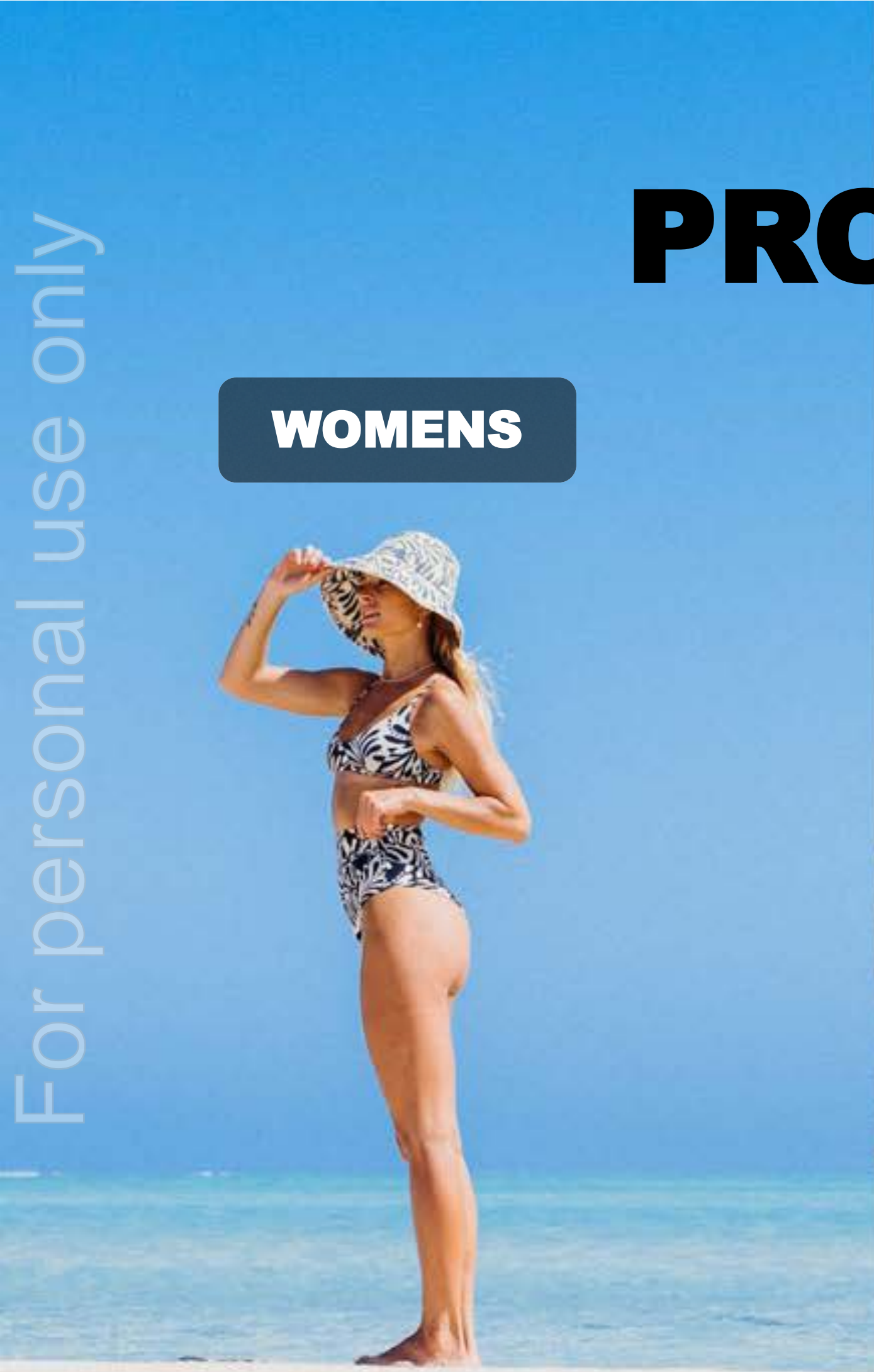
SWIM

TIDE WATCHES



PRODUCT IN FOCUS

WOMENS



KIDS



WINTER



WOMEN IN FOCUS

Design Products with Purpose

Elevate and Expand Wholesale

Create Inclusive Content

Open Women's Stores

Cultivate Culture and Leadership



LEAD IN INNOVATION

MIRAGE ACTIVATE



THE ONE



FUSION



INNOVATION ROAD MAP

2023 — 2025



SEARCH GPS

AN EVOLUTION OF A REVOLUTION



GPS 1

2014



GPS 2

2018



SURF FOR POINTS

2022



GPS 3
IOS UPDATE
APPLE WATCH APP

2023

APPLE WATCH



RIP CURL SEARCH GPS VIRTUAL PRO

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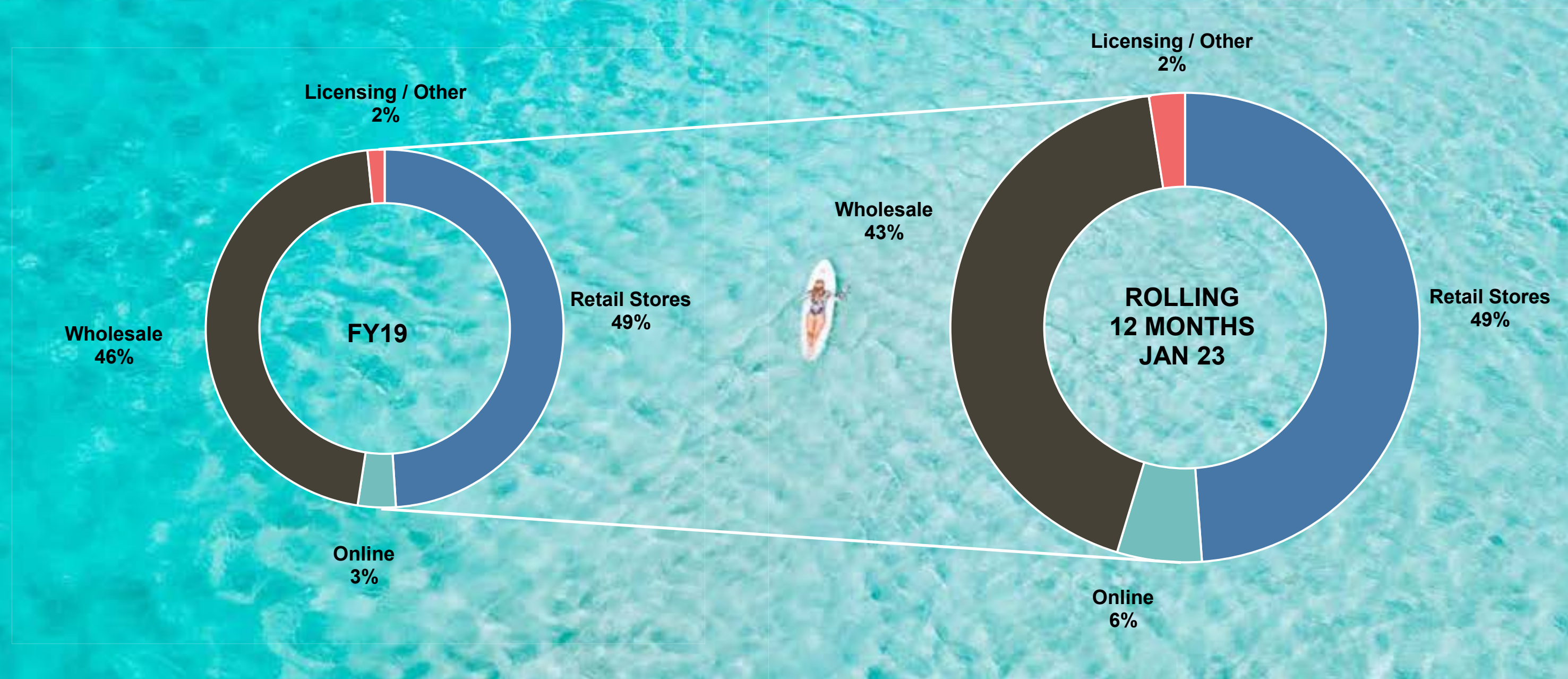


3. CHANNEL



RIP CURL

SALES MIX BY CHANNEL



1. FY19 includes management results for Rip Curl pre-acquisition



MULTI-CHANNEL EXCELLENCE

**DIRECT TO
CONSUMER**

WHOLESALE

DIRECT TO CONSUMER

Operated by Rip Curl	ANZ	NA	EU	JAPAN	BRAZIL	THAILAND	OTHER	TOTAL
Rip Curl Flagship	51	25	19		1			96
Rip Curl Outlets	15	7	3		4			29
Multi Brand	45							45
Ecommerce	2	1	1	1	1			6
Sub-Total *	113	33	23	1	6	0	0	176
Operated by Partners	ANZ	NA	EU	JAPAN	BRAZIL	THAILAND	OTHER	TOTAL
Licensed	17	20	16		20	1	197	271
Joint Venture						29		29
Sub-Total *	17	20	16	0	20	30	197	300
TOTAL STORES *	130	53	39	1	26	30	197	476

* As at 31 January 2023 * Other includes Middle East, Africa, Argentina, Chile and South Pacific



EXPANDING DIRECT TO CONSUMER

Global Implementation of Club Rip Curl

Launch and Leverage Unified Commerce

Launch Marketplace

Website Upgrade and CX Enhancements

Expansion of Flagship Stores



EXPANDING DIRECT TO CONSUMER

RETAIL

Airports, Beach, Wave Pools and Women's Stores

Strategic, Productive and Sustainable Ozmosis

10 New Stores per Year



GROWING WHOLESALE

Focus on Most Valuable Partner Accounts

Target Category Growth Opportunities

Open New Wholesale Doorways

Open Licensed Stores with Key Partners

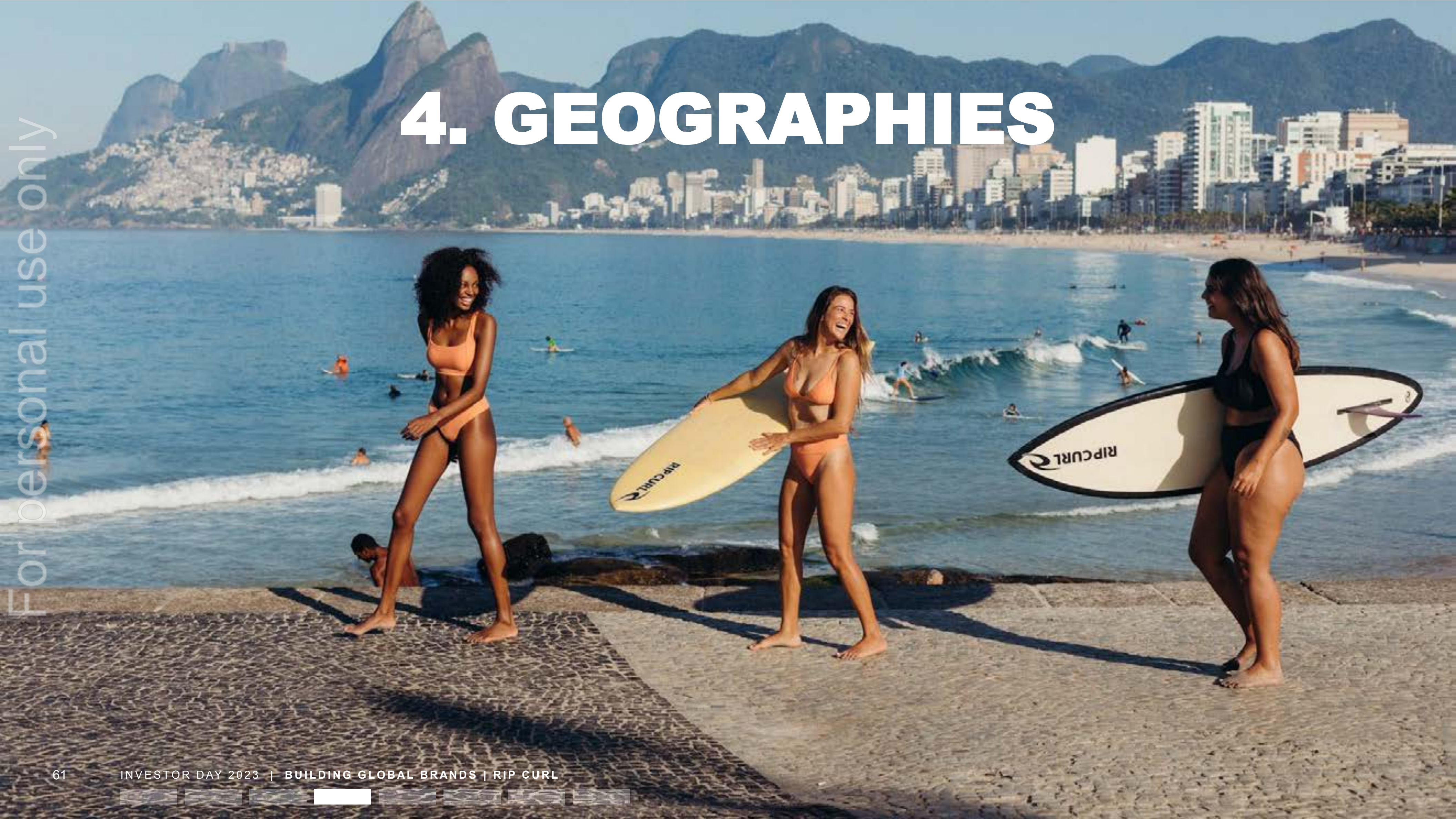


GROWING WHOLESALE

SHOP IN SHOP BUILDOUTS

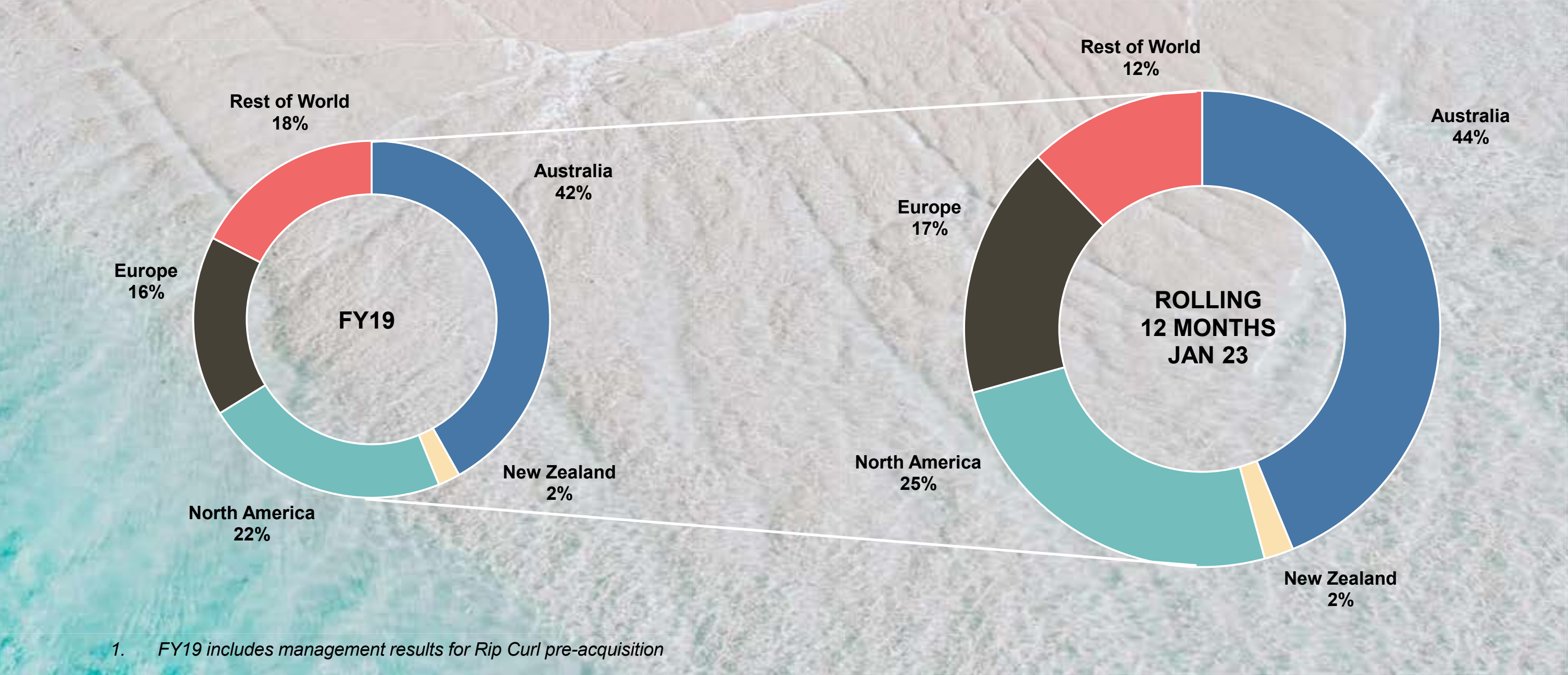


4. GEOGRAPHIES



RIP CURL

SALES MIX BY GEOGRAPHY



NORTH AMERICA

New Leadership

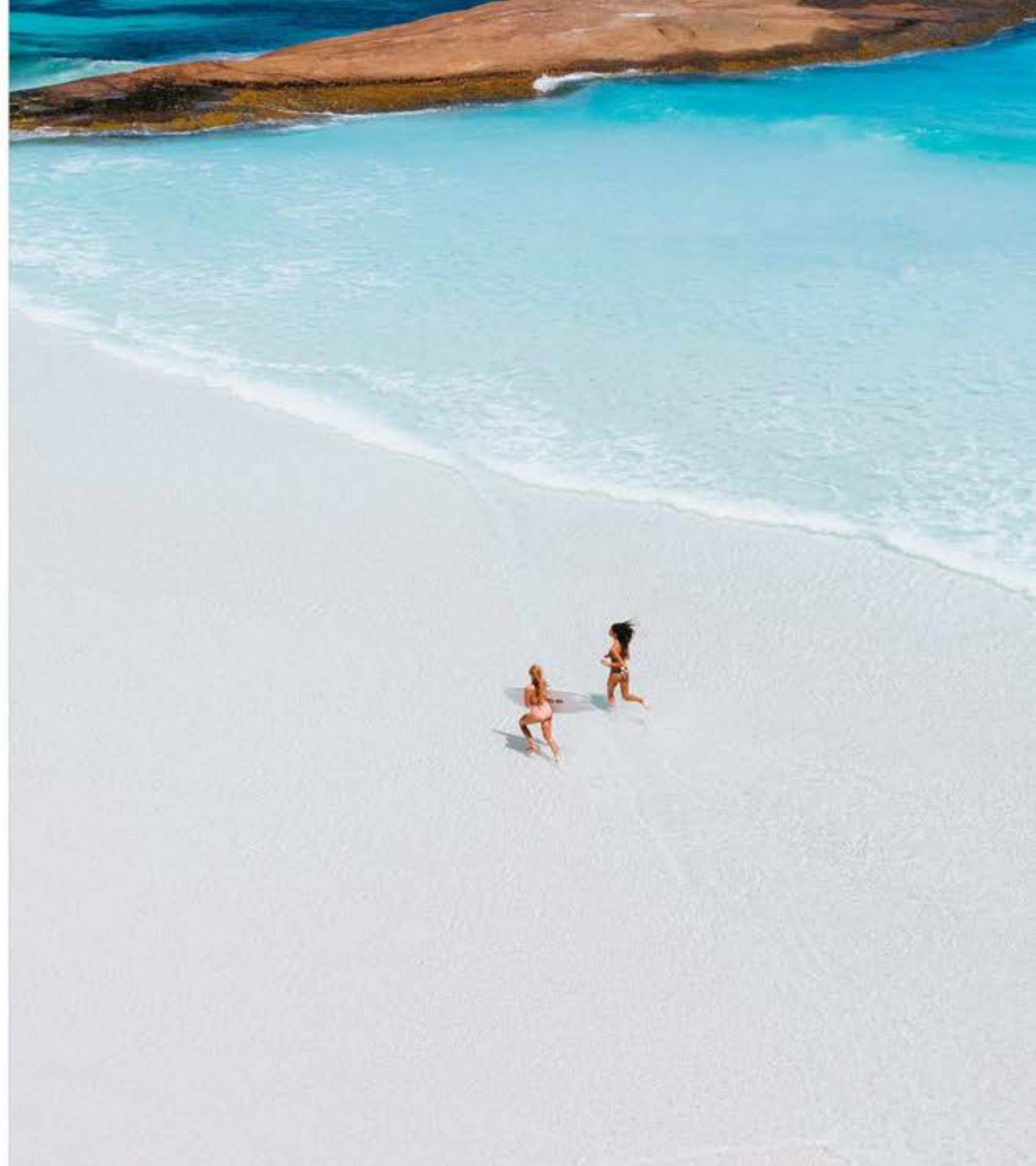
Grow in Core Specialty Stores

**Expand License Stores: Airport, Mexico and
Central America focus**

Hawaii Retail Expansion

Re-Launch Amazon Marketplace

Be Bold and Brave with our Products



GLOBAL

Explore New Product Licensing Opportunities

Identify New Licensees, Champion Our Existing Ones

A Stronger Indonesia and Thailand

Explore New Countries for Retail Expansion

Grow Our European Marketplace Presence

Test Company Owned Retail in Brazil



METRICS THAT MATTER

**10 NEW STORES
PER YEAR**

**15%
EBITDA**

**WOMENS
50/50**

**ONLINE 25%
OF DTC**

**B CORP
CERTIFIED**

**18%
WORKING
CAPITAL**

**TOP 3 NORTH
AMERICA**

**1 MILLION CLUB
RIP CURL
MEMBERS**

WORLD'S NUMBER 1 SURF BRAND





Michael Daly
Kathmandu CEO



OUR PURPOSE

Improve the wellbeing of the world through the outdoors



A bold new vision



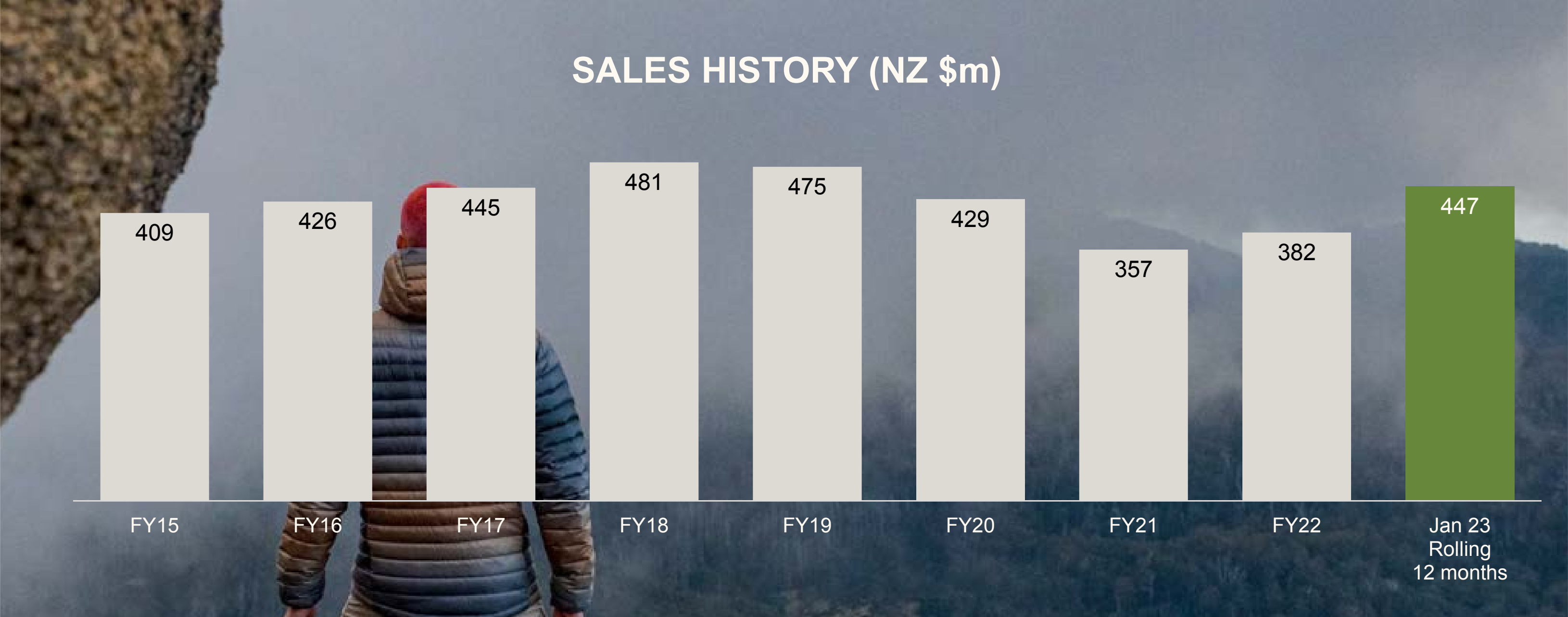
Be the world's most loved outdoor brand.



It's a truly global vision. To strive for something this ambitious, we'll need the most courageous, joyful, open people along for the ride.

We'll need to design our little hearts out, we'll need to challenge convention and be a little more out there. We'll need to come together and make it happen.

KATHMANDU SALES PERFORMANCE



GROWTH INITIATIVES



1

BRAND



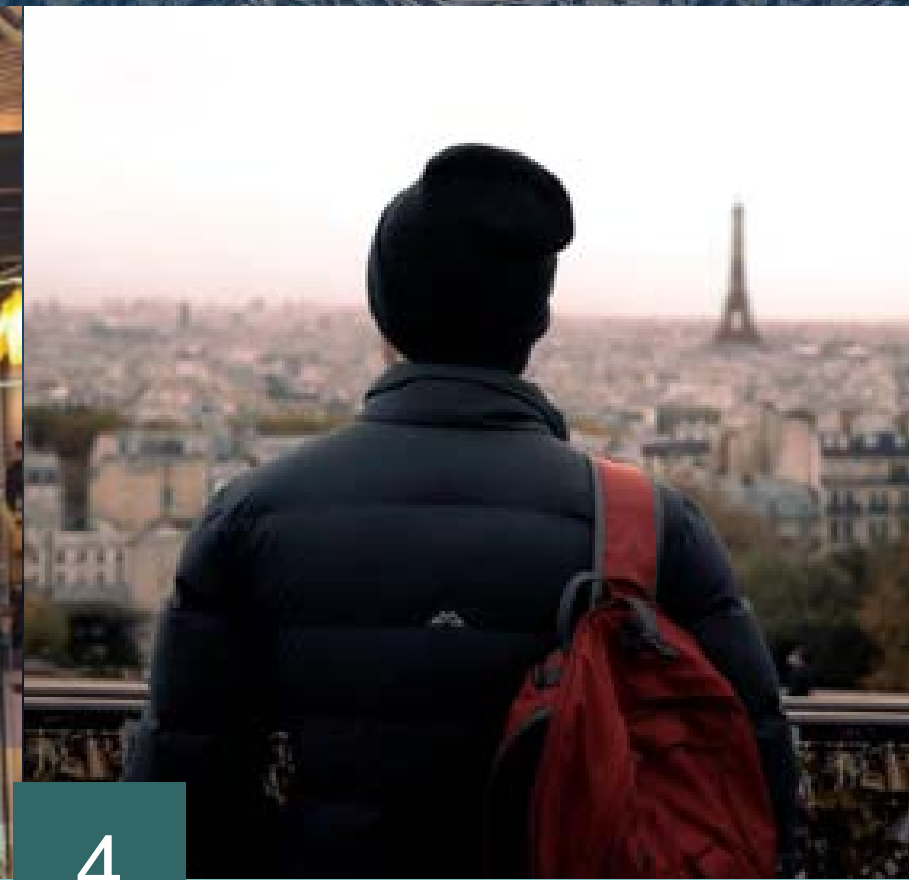
2

PRODUCT



3

CHANNEL



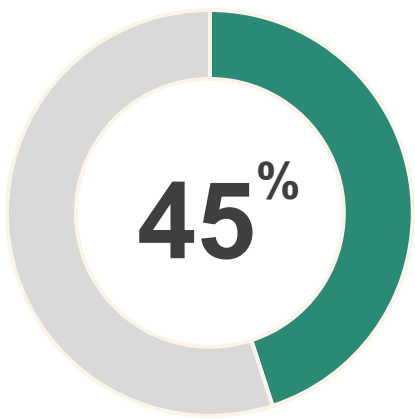
4

GEOGRAPHIES

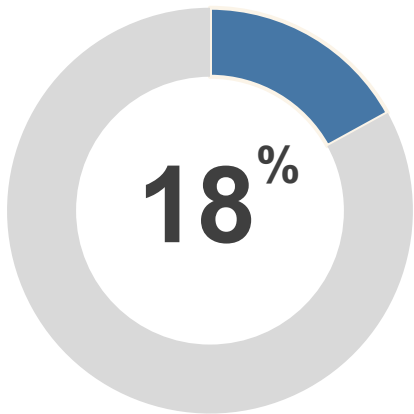
1. BRAND



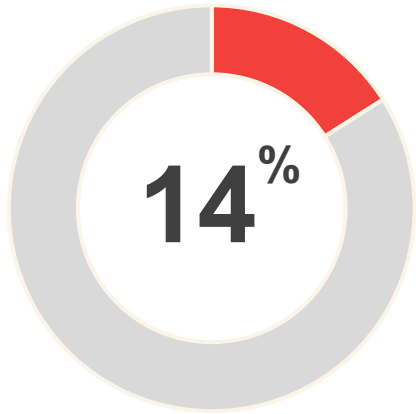
REFINING OUR CORE TARGET FOCUS



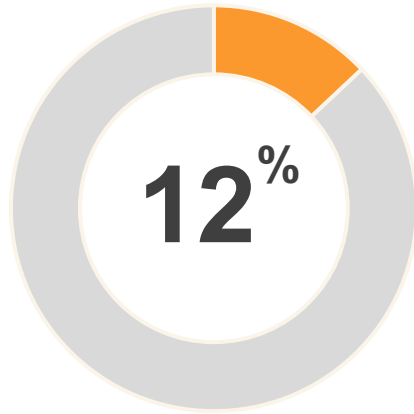
Balance Seekers



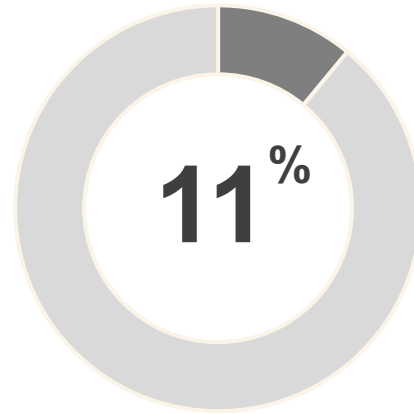
Outdoor Enthusiasts



Outdoor Athletes



Social Butterflies



Experience Seekers



% of market (ANZ)



TARGET CUSTOMER

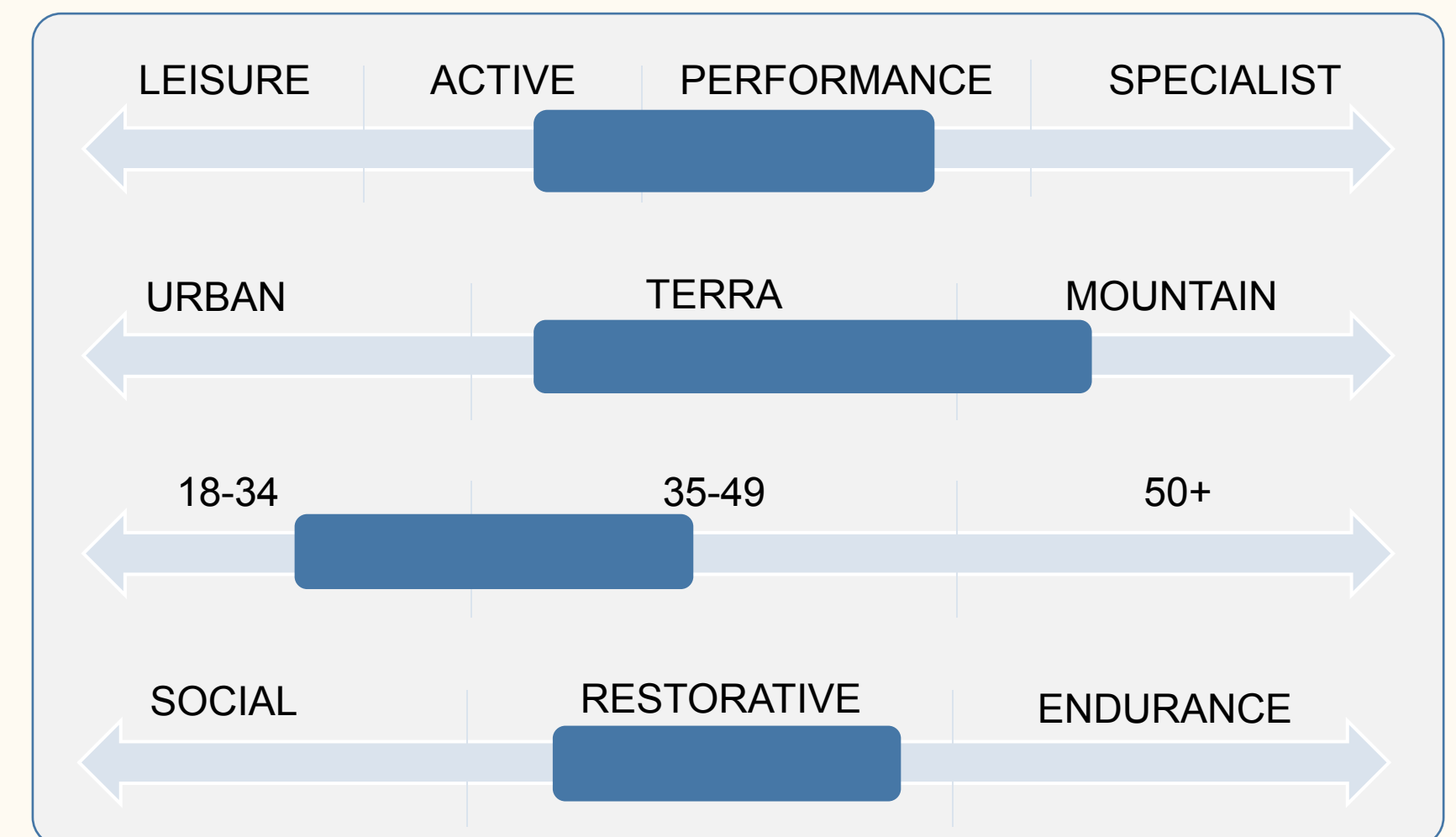


Outdoor Enthusiasts

“I’m constantly thinking about my place in the world. I want to have an impact beyond my own life.”

“Going outdoors helps me reflect, to slow down and take stock of everything.”

“I feel calmed by fresh air so I’ll do anything from Kayaking to hiking in the wilderness. I like to get out of the city at weekends in particular.”



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HIKE



ACTIVE



JOURNEY



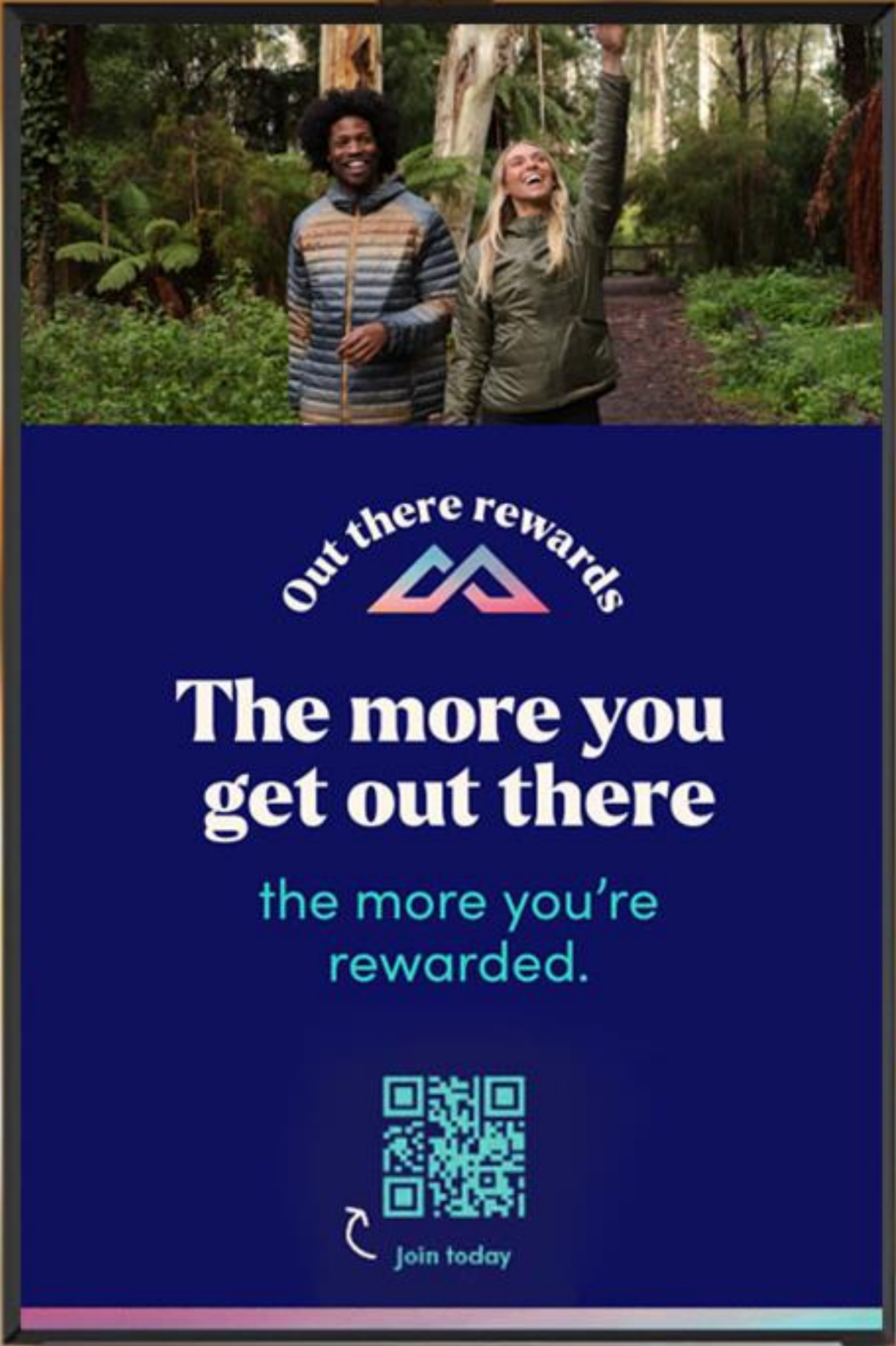
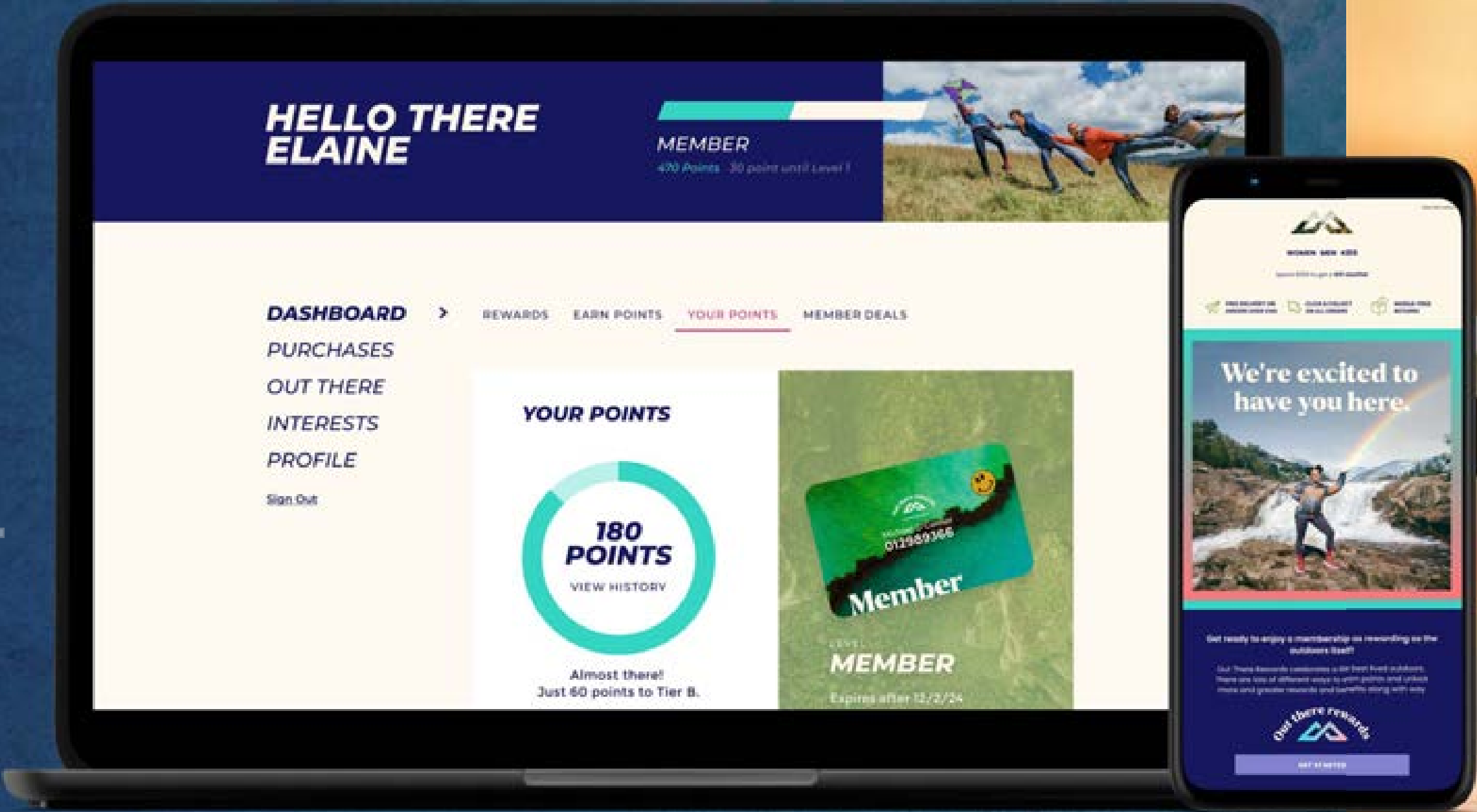
COMMUNITY

PARTNERSHIPS

AMBASSADORS



OUT THERE REWARDS



Leofotson & Co. - Confidential

2. PRODUCT

KEY PRODUCT CATEGORIES



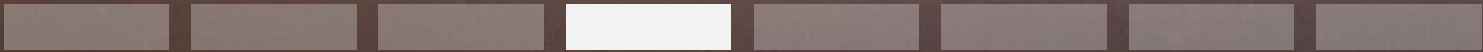
INSULATION



BOTTOMS



PACKS



PRODUCT INNOVATION



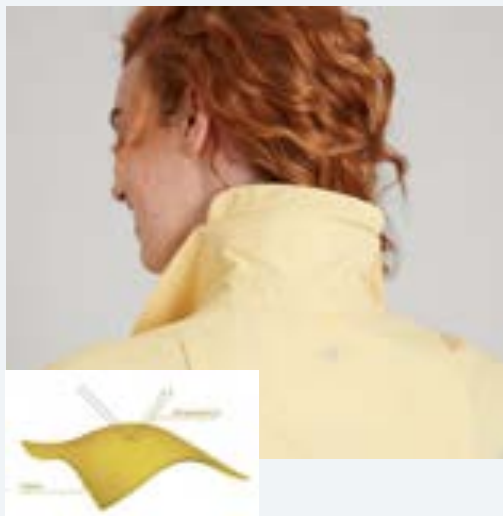
2021

**AUTUMN 21
BIOFLEECE LAUNCH**



2022

**WINTER 22
BIODOWN LAUNCH
(ISPO AWARD)**



2023

**UPF50 +
PEPPERMINT
SUN-SCOUT**



2023

**CARILLON SHIRT
HOLLOW FIBER**



2023

**HELI R
DIGITAL PRODUCT ID**

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RECYCLED MATERIALS

KMD BRAND



RESPONSIBLE DOWN STANDARD

600

DOWN FILL POWER



DURABLE WATER REPELLENT



PACK&GO SOLUTION



DIGITAL PASSPORT

BRINGING PRODUCT INNOVATION TO LIFE

Light.
Warm.
Packable

Heli R Jacket.



WELCOME TO THE WORLD OF YOUR HELI R NOVALOFT

Explore everything you need to know about your <name> — where it came from, how it's made, its impact, and how to care for it.



LET'S START >

FACTORY STORY

Your Heli R novalOFT is made at
KWONG LUNG IN VIETNAM.



Our suppliers are carefully chosen not only for their expertise in quality craftsmanship but for their value alignments. We know that if we want to make an improvement in this world, we need transparency from our suppliers and we need to be transparent with our customers. That's why our Environmental, Social, and Governance team works alongside our suppliers, not overtop them, to gain insights into worker wellbeing.

< BACK TO MENU

IMPACT STORY

With a recycled main fabric and lining, plus recycled components throughout, this puffer delivers the warm fuzzies at a fraction of the waste.

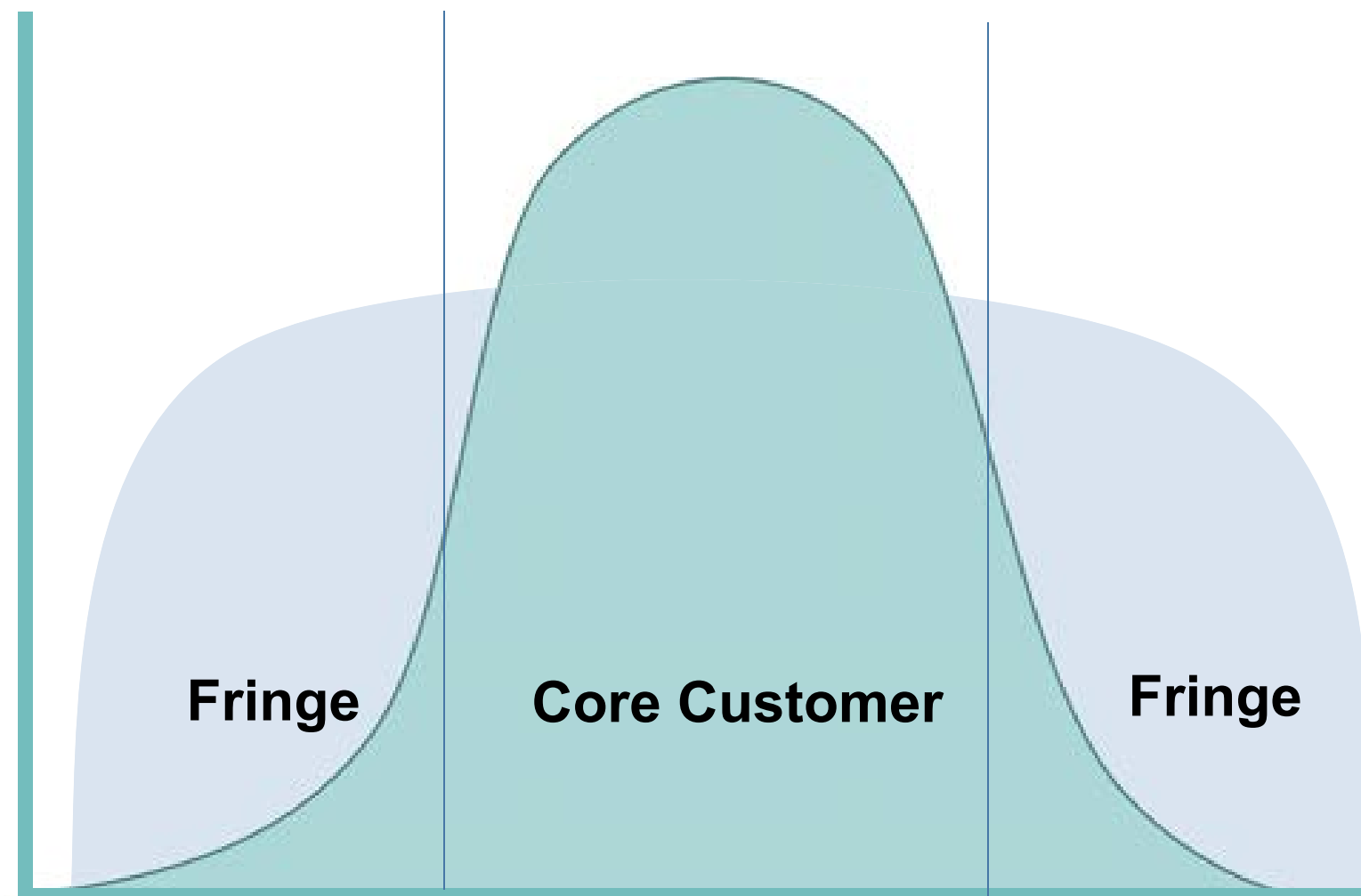
LET'S DIVE INTO WHAT'S RECYCLED.

- SHELL MATERIAL**
Recycled 20D Ripstop Polyester
- LINING MATERIAL**
Recycled 20D Ripstop Polyester
- ZIP**
Recycled Zip Tape
- PLASTIC TRIMS**
Recycled Plastic
- LABELS**
Recycled Polyester
- PACKAGING**
Recycled Card

When we create something new, we consider each component thoughtfully. Our

IMPACT GOALS >

BREADTH OF OFFER



Reset of core lines to reduce SKU volume and align ranges more to current customer



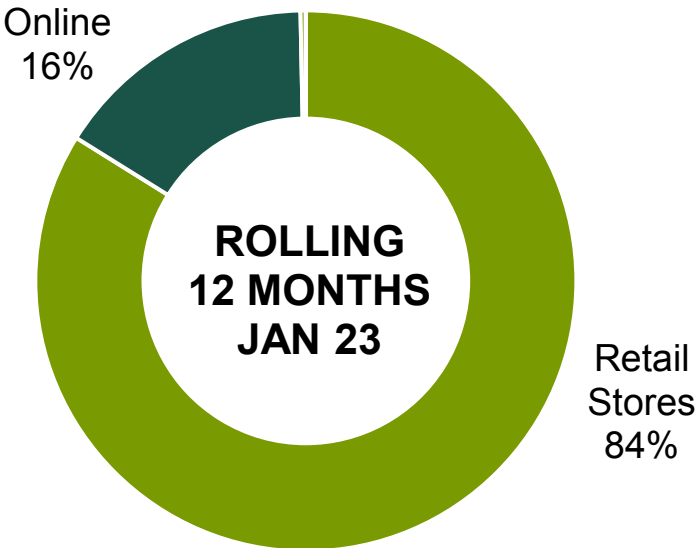
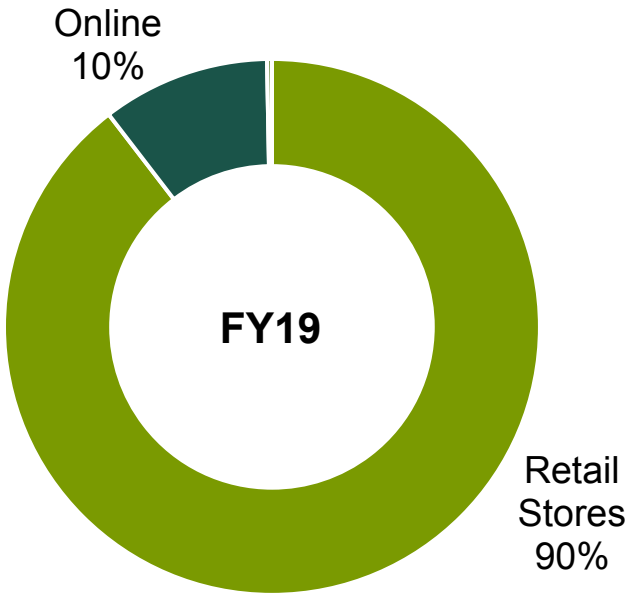
Balance of seasonal range to ensure sustainable stock management whilst providing a better experience for core products through availability



3. CHANNEL

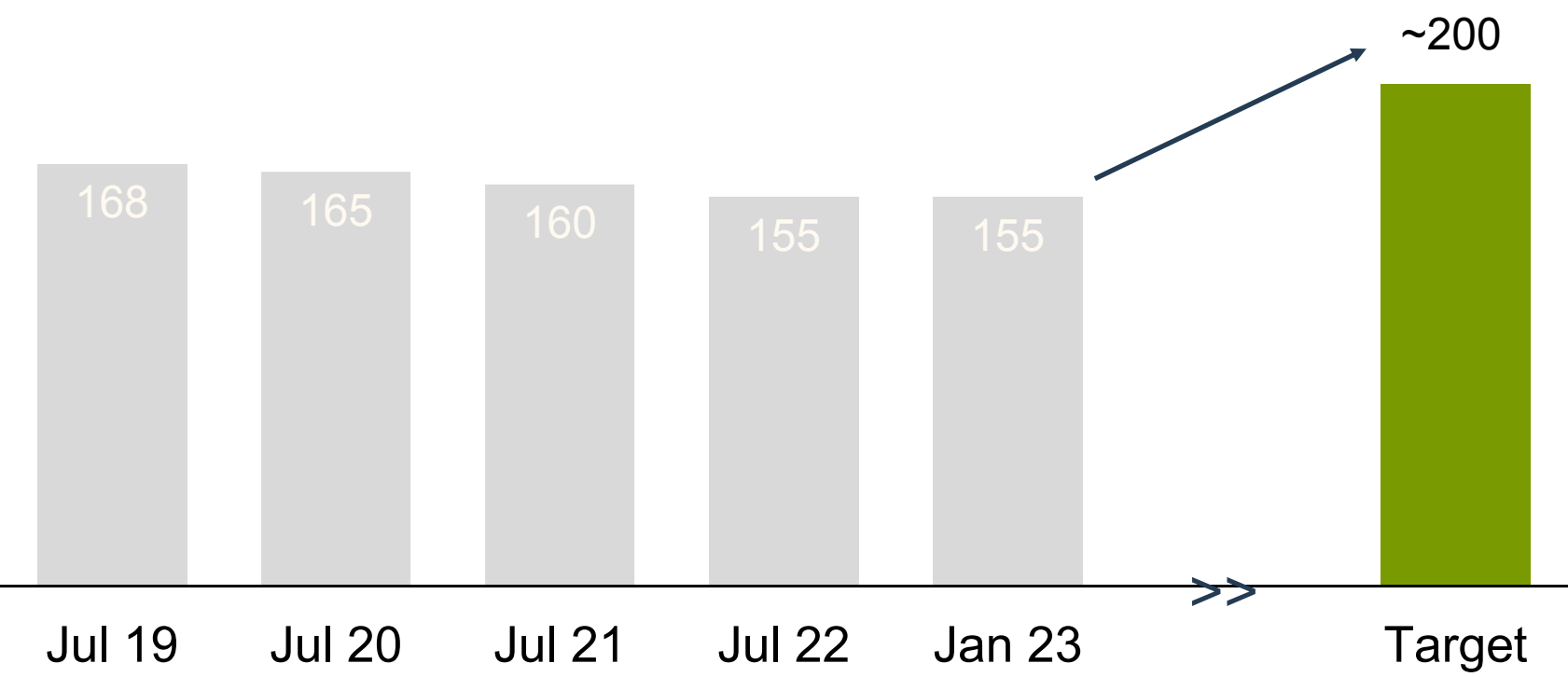


CHANNEL MIX



RETAIL

Kathmandu Retail Store Count



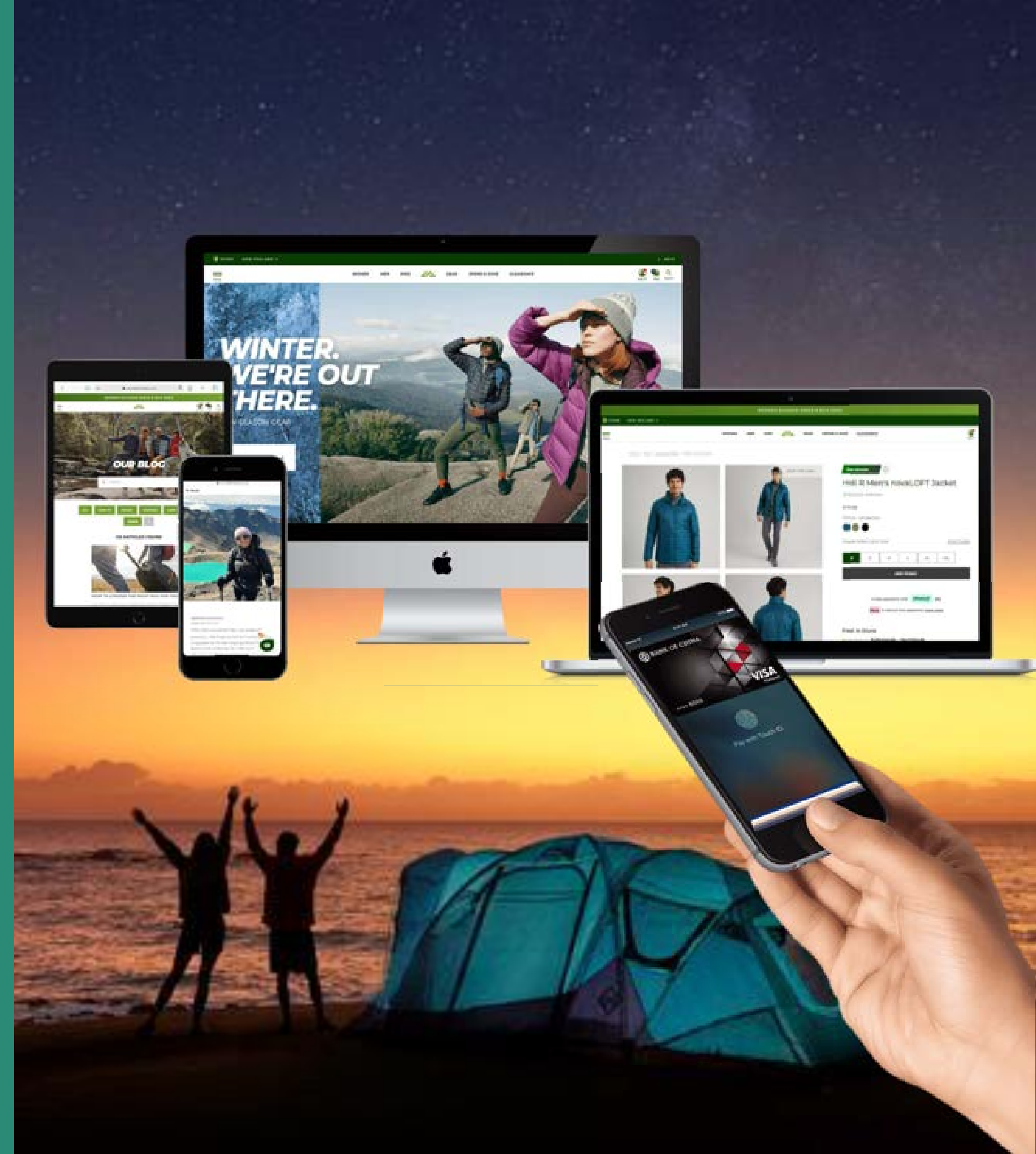
- Opportunity to increase retail store penetration in Australasia



ONLINE

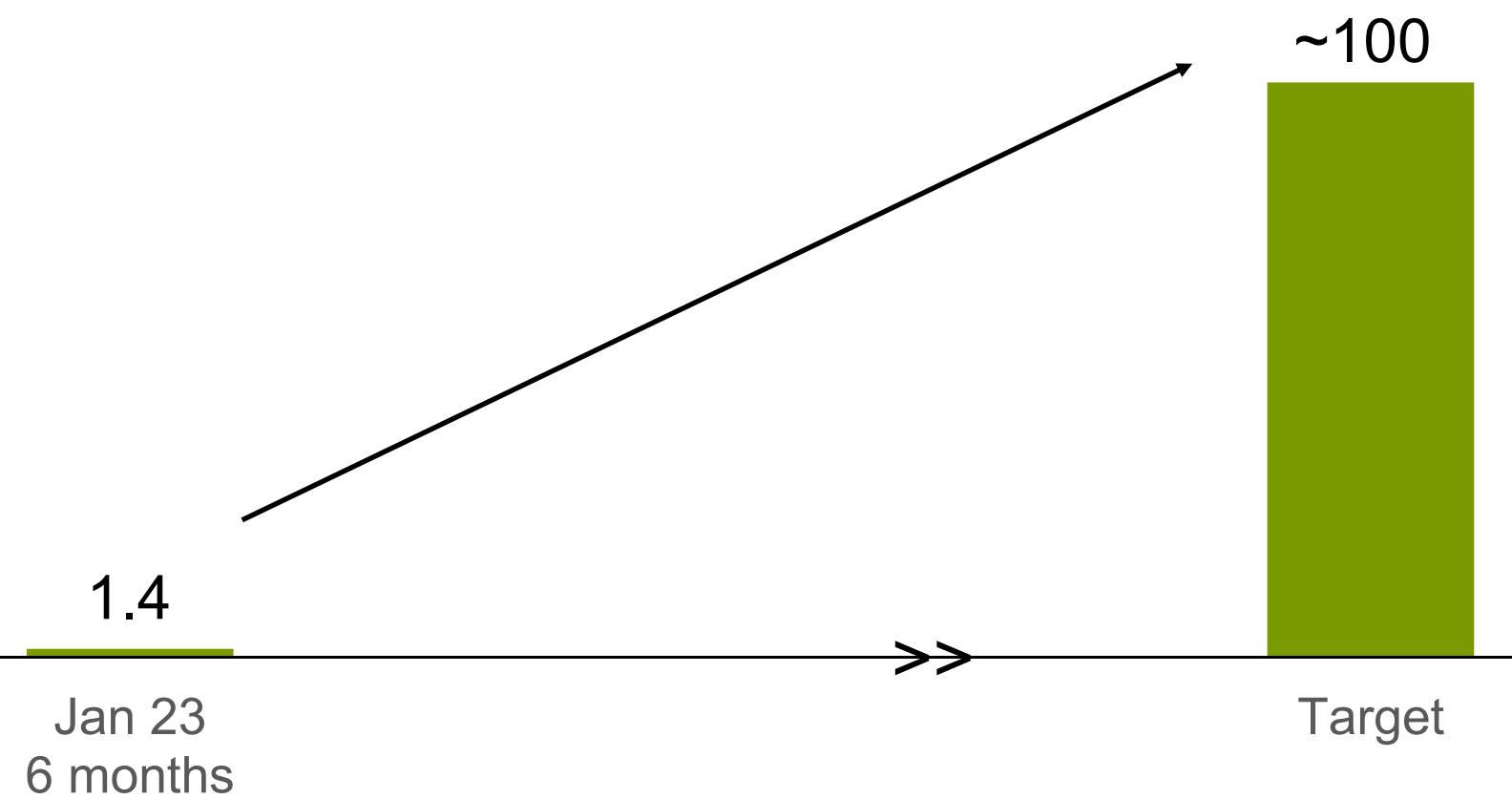
Over the last 9 months we have doubled down on user experience and customer centricity by implementing:

- Fully personalised product pages and recommendations for every single customer to drive engagement and revenue
- Shoppable user generated content to further increase brand trust and authenticity
- A new Kathmandu blog
- Optimised site speed to make platform quicker and more reliable
- EON digital ID and carbonclick to support our sustainability goals



WHOLESALE

Kathmandu International Sales (NZ \$m)



- Assessment of focus markets this year, before accelerating execution



4. GEOGRAPHIES

INTERNATIONAL EXPANSION



METRICS THAT MATTER

**B CORP
CERTIFIED**

**20%
EBITDA**

**GROW TO
200 STORES**

**ONLINE 25%
OF DTC**

**NEW LOOK AND
FEEL STORE
CONCEPT**

**15%
WORKING
CAPITAL**

**RE-LAUNCH
LOYALTY**

**\$100M
INTERNATIONAL
REVENUE**



Kathmandu®

Obōz®

Amy Beck

President Oboz and KMD Brands North America



OUR PURPOSE

**EMPOWER THE
PEOPLE OF THE
WORLD TO
BLAZE THEIR
OWN TRAIL**



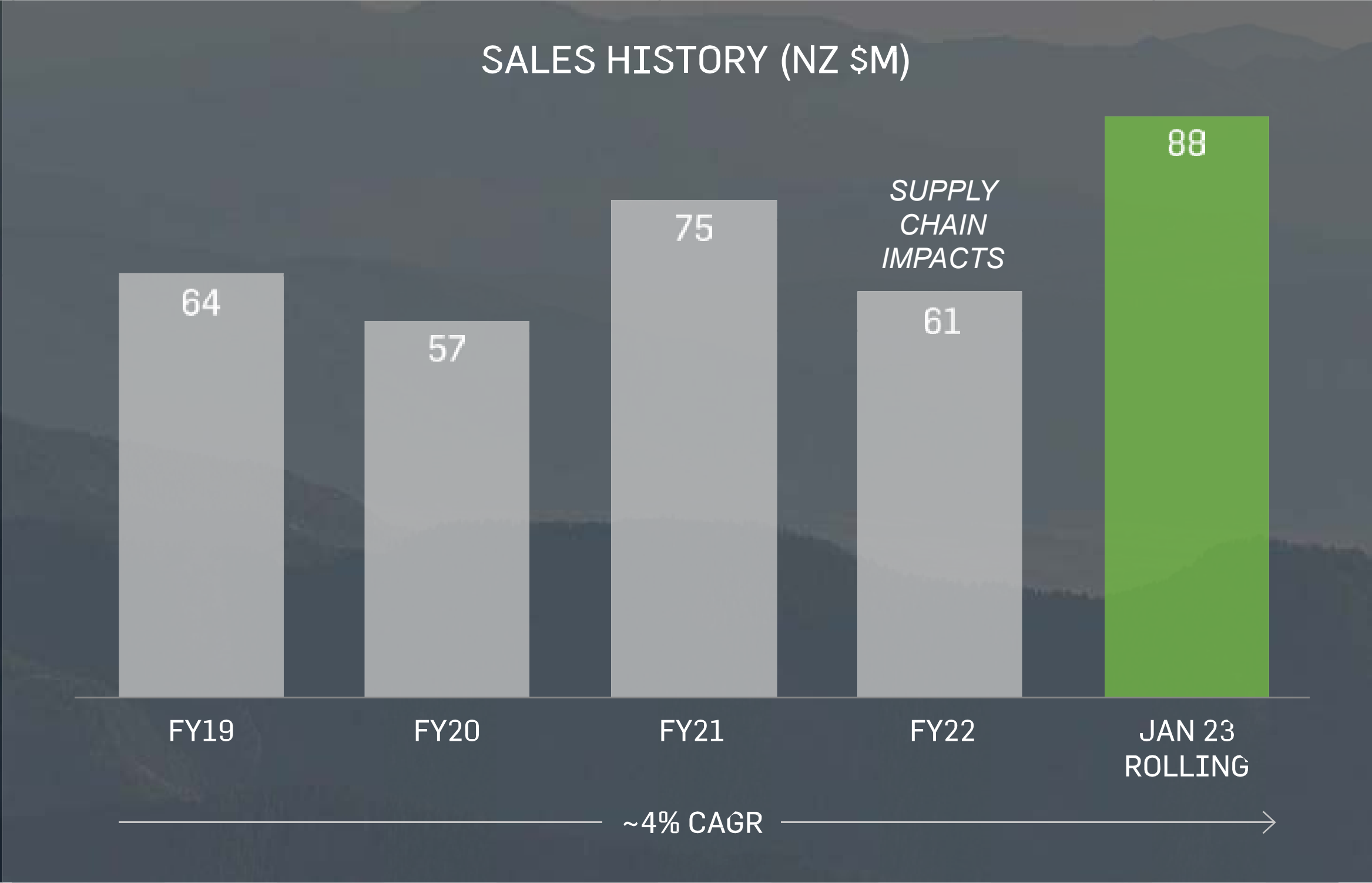
OUR MISSION

**OBOZ CREATES
TRANSFORMATIVE
FOOTWEAR FOR
ADVENTURERS SEEKING
TRUE EXPERIENCES ON
ANY AND EVERY TRAIL**



OBOZ SALES HISTORY

SALES HISTORY (NZ \$M)



GLOBAL MARKET OPPORTUNITY

ANNUAL REVENUE



\$200 M



\$300 M



\$700+ M



\$1+ B



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GROWTH INITIATIVES



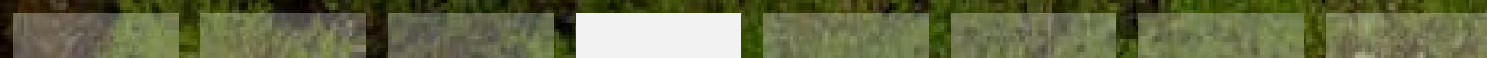
1 BRAND

2 PRODUCT

3 CHANNEL

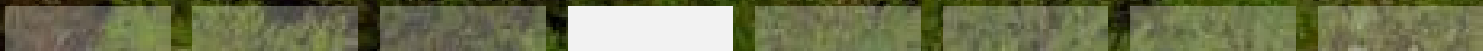
4 GEOGRAPHIES

BUILD GLOBAL BRAND



BUILDING A GLOBAL BRAND

PURPOSE	 EMPOWER THE PEOPLE OF THE WORLD TO BLAZE THEIR OWN TRAIL			
BRAND POSITIONING	Oboz creates transformative footwear for adventurers seeking true experiences on any and every trail. The Oboz fit promise - driven by intentional design, dependable performance and optimal versatility - is the ready for anything comfort and confidence that fuels the advance			
CATEGORIES	HIKE	FAST TRAIL	CAMP	TOWN
BRAND ATTITUDE/LINE	TRUE TO THE TRAIL			
BRAND ETHOS	TRAILBLAZERS Inclusivity, Quality, Fit	BOZEMAN BORN Outside + Bozeman	RESPONSIBILITY/ SUSTAINABILITY Bcorp	RELATIONSHIPS Service



BUILDING A GLOBAL BRAND

Global Expansion, Elevated Retail Experience, Franchise Events

INCREASE
BRAND
AWARENESS

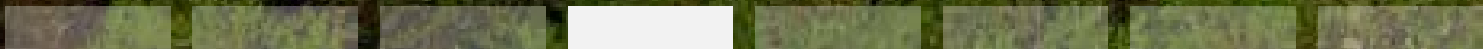
KNOW OUR
CONSUMER

ENHANCED
AND FOCUSED
STORYTELLING

ELEVATE
DIGITAL
EXPERIENCE

INTEGRATED
MARKETING
CAMPAIGNS

ALIGNED GTM
PROCESS



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AREAS OF DIFFERENTIATION



OVER 5 MILLION
TREES PLANTED & COUNTING



TRUE TO
THE TRAIL



OUT OF THE
BOX FIT



OUTREACH &
EDUCATION



IN-STORE
PRESENCE



BCORP

PRODUCT



HIKE

FAST TRAIL

CAMP

TOWN

DISTINGUISHABLE PRODUCT CREATION

- **ELEVATE FIT STORY**
- **INNOVATION AND SUSTAINABILITY
PRODUCT ROAD MAP EVOLUTION**
- **WIN WITH WOMEN**
- **EXPAND FAST AND LIGHT CATEGORY
AND TAKE MARKETSHARE**
- **PUSH CAMP EXPANSION**
- **DEFINE TOWN**
- **CO-LAB TO GAIN BROADER AUDIENCE**
- **FUTURE ROAD MAP EXPLORATION**



KATABATIC MARKET EXECUTION



KATABATIC MARKET EXECUTION



PRODUCT EXPANSION OPPORTUNITIES

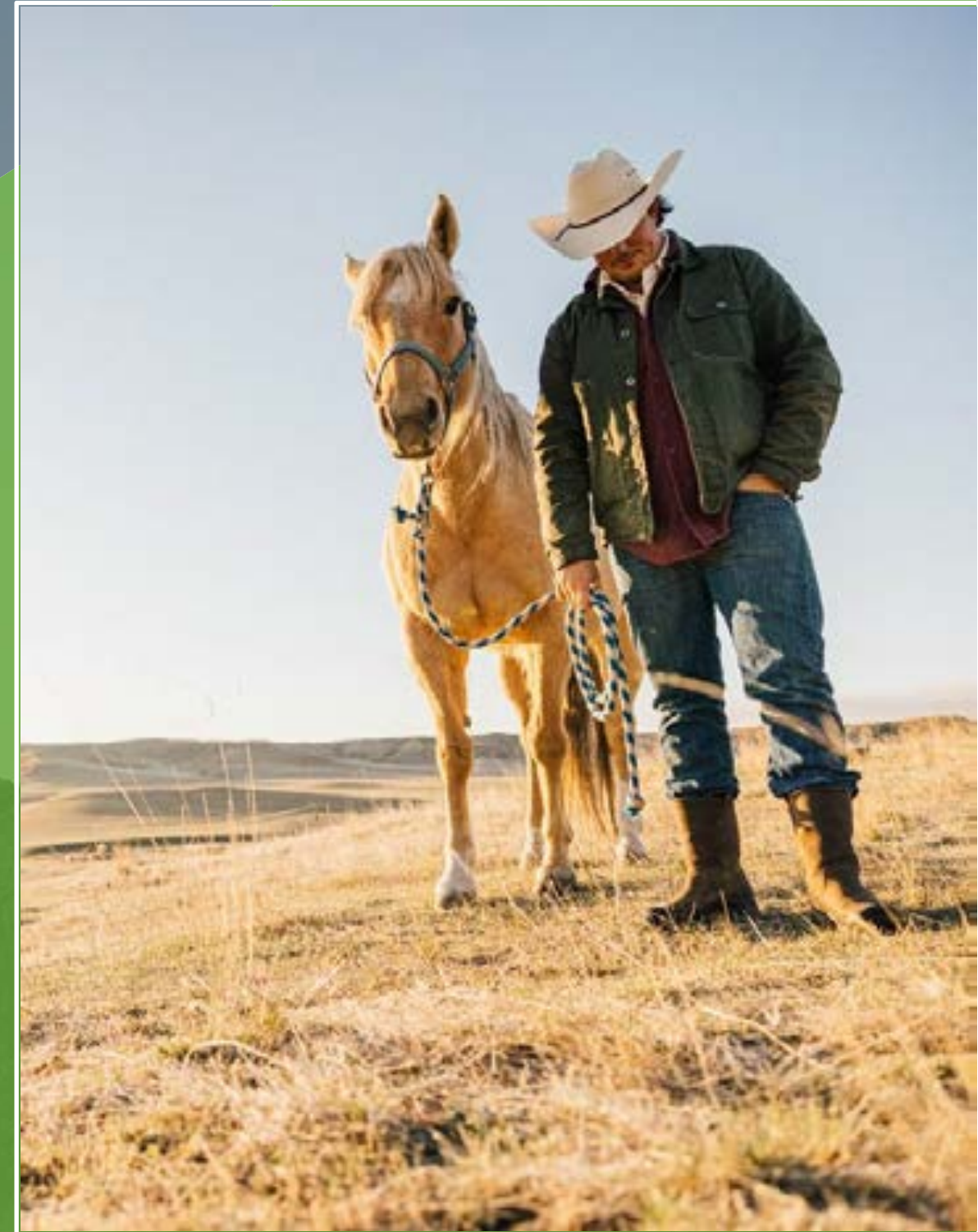
TRAIL RUN



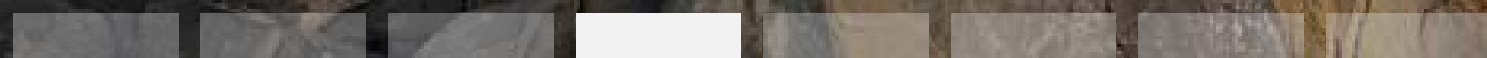
WORK



SAFETY

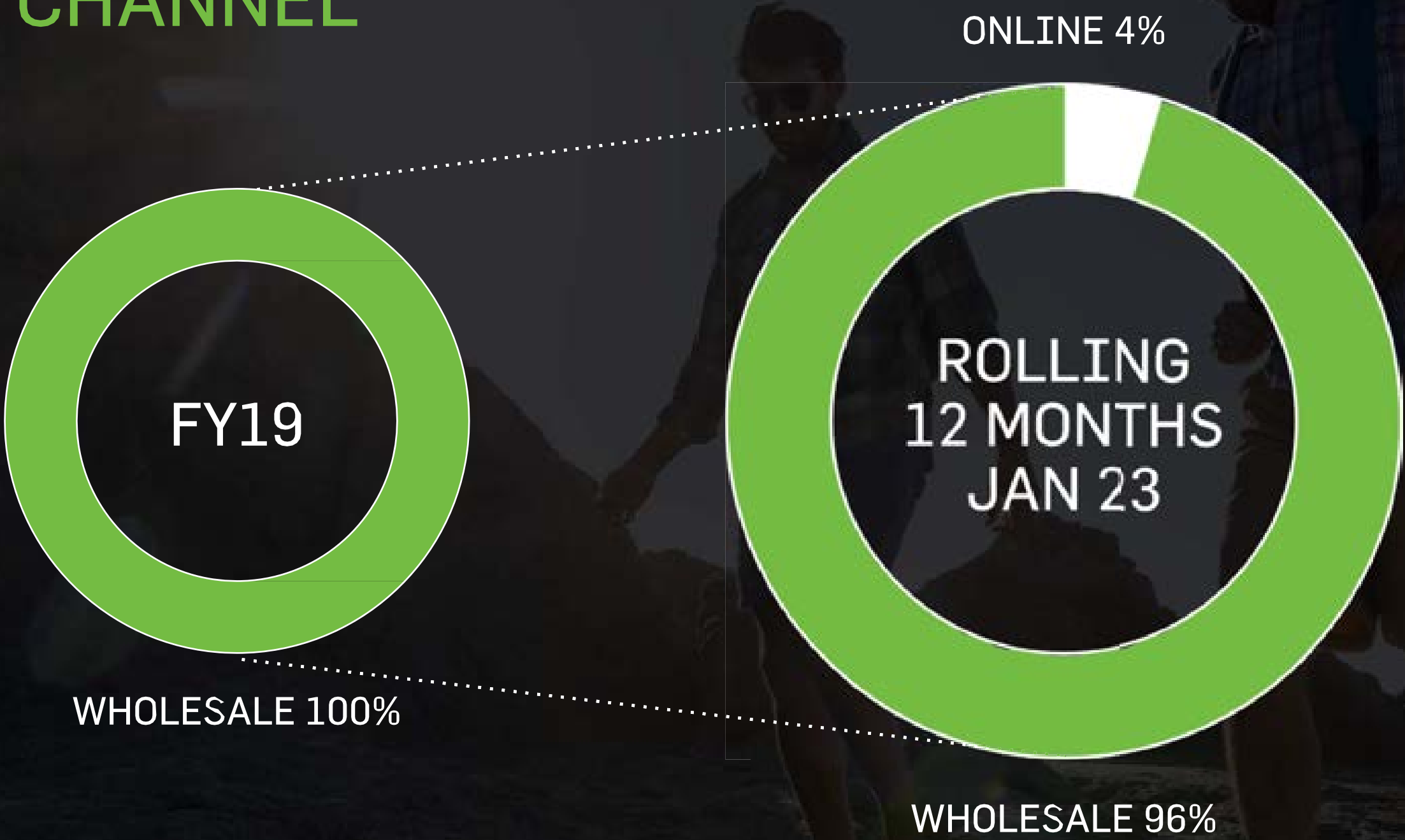


CHANNELS



CHANNEL SALES

SALES MIX BY CHANNEL

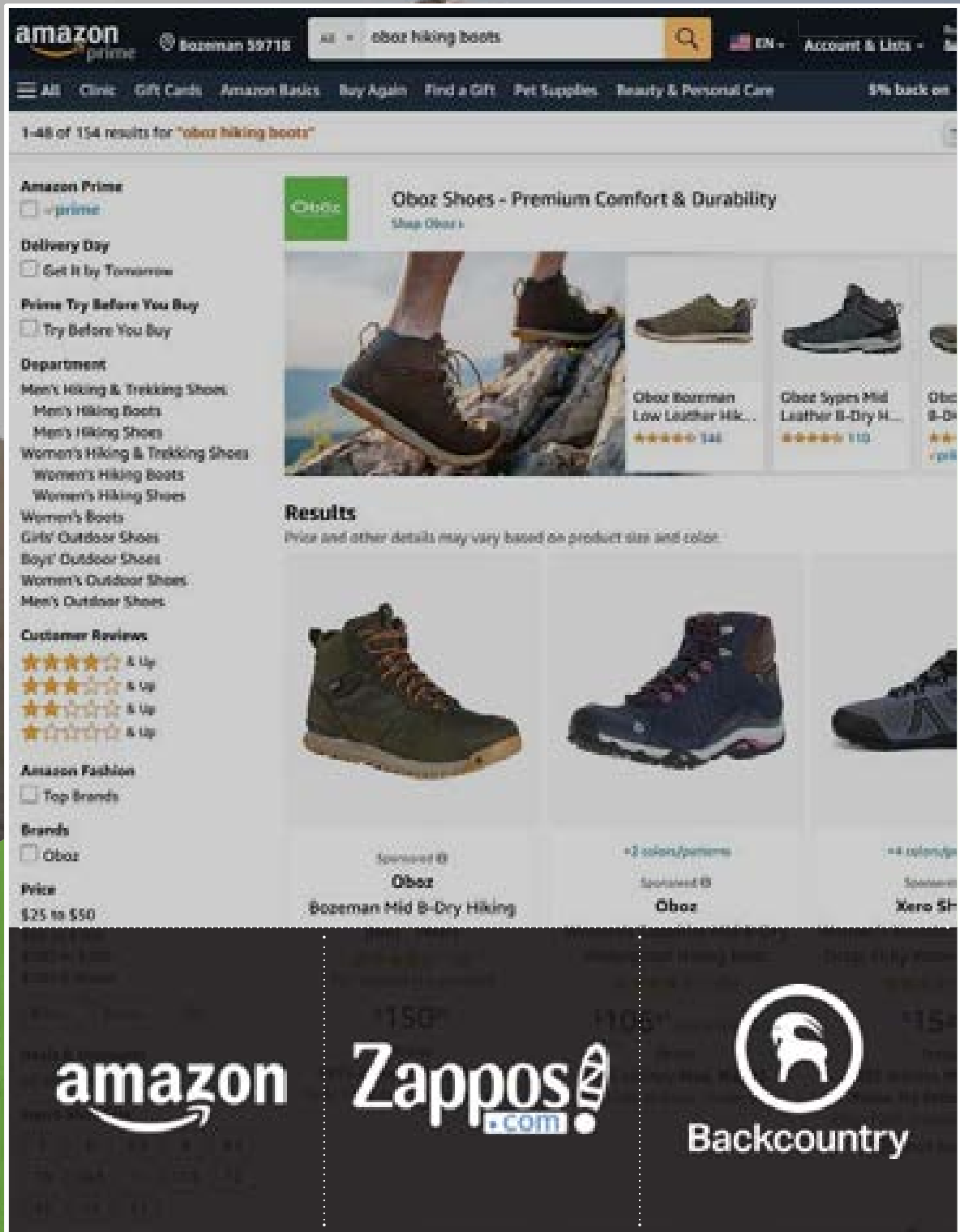


DISTRIBUTION EXPANSION OPPORTUNITIES

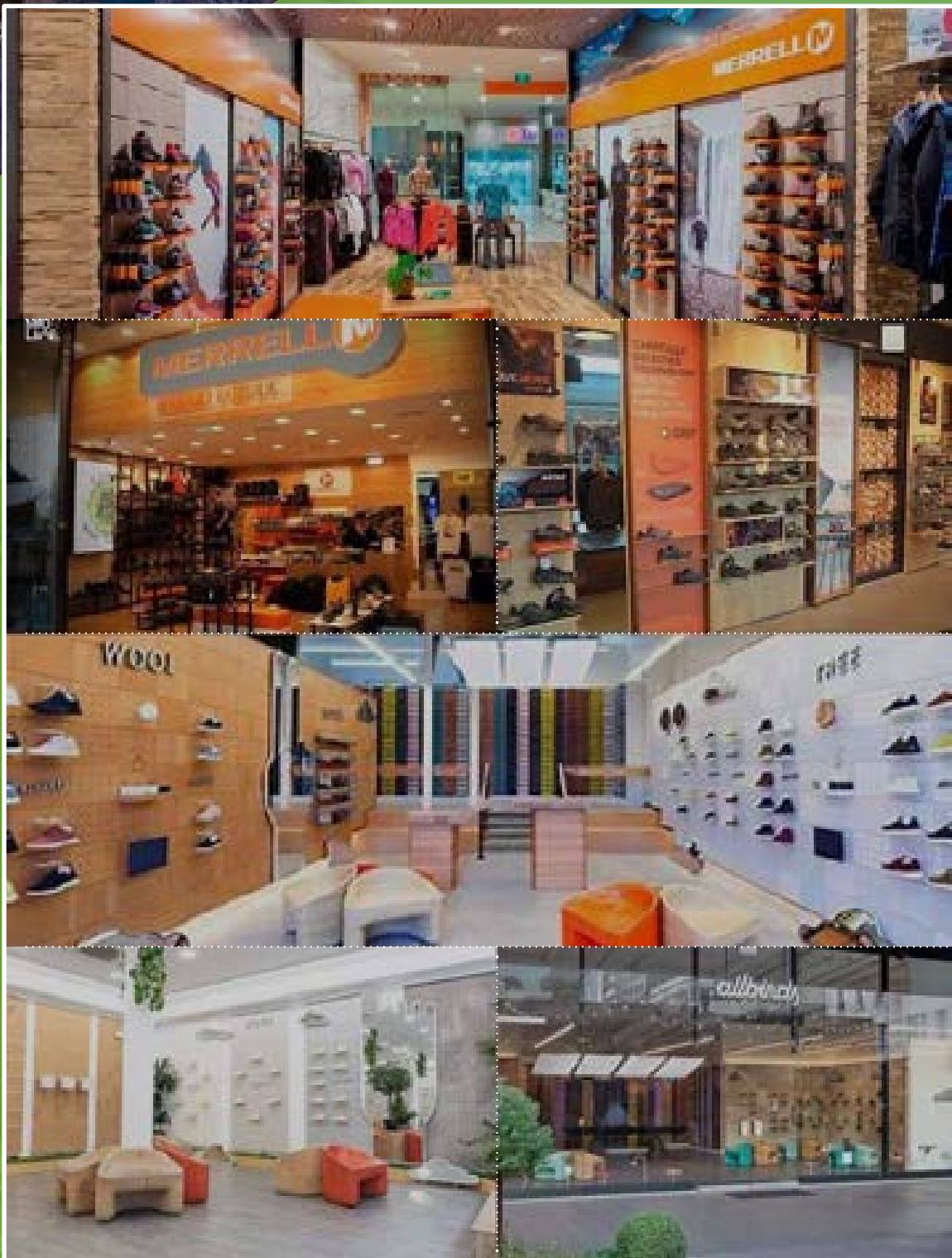
NEW ACCOUNTS FOCUS



MARKETPLACE ACCELERATION



CONCEPT STORES



GEOGRAPHIES



*NORTH AMERICA
CANADA FOCUS*

*AUSTRALIA &
NEW ZEALAND*

EUROPE



RELAUNCH FY24

LAUNCH SPRING 24

METRICS THAT MATTER

**SALES (US)
\$100
MILLION**

**15%
EBITDA**

**10%
ONLINE**

**B-CORP
CERTIFIED**

**18%
WORKING
CAPITAL**

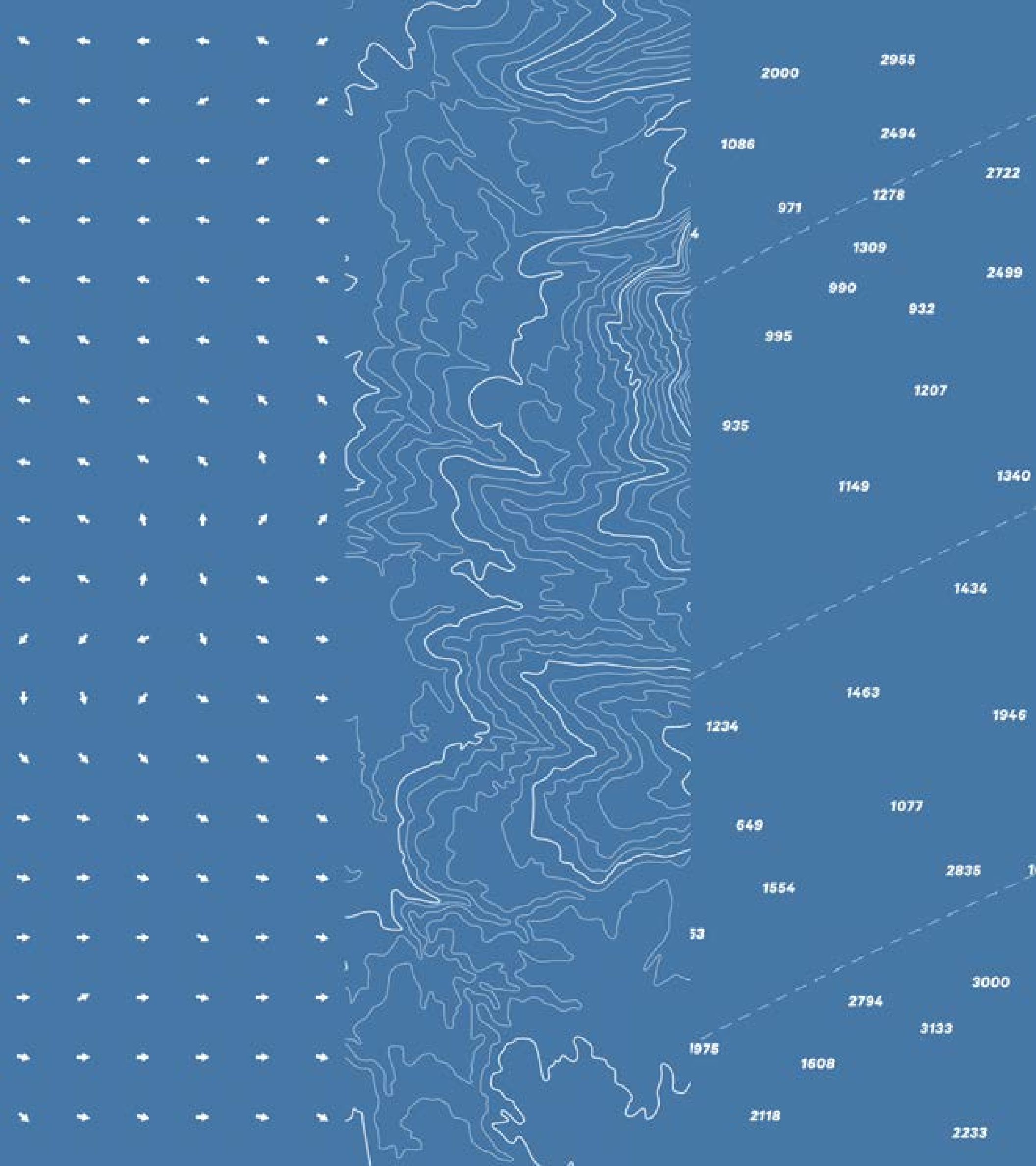
KMD BRANDS

SECTION 5

ELEVATE DIGITAL

Michael Daly

Managing Director and Group CEO



ELEVATE DIGITAL

FOCUS AREAS

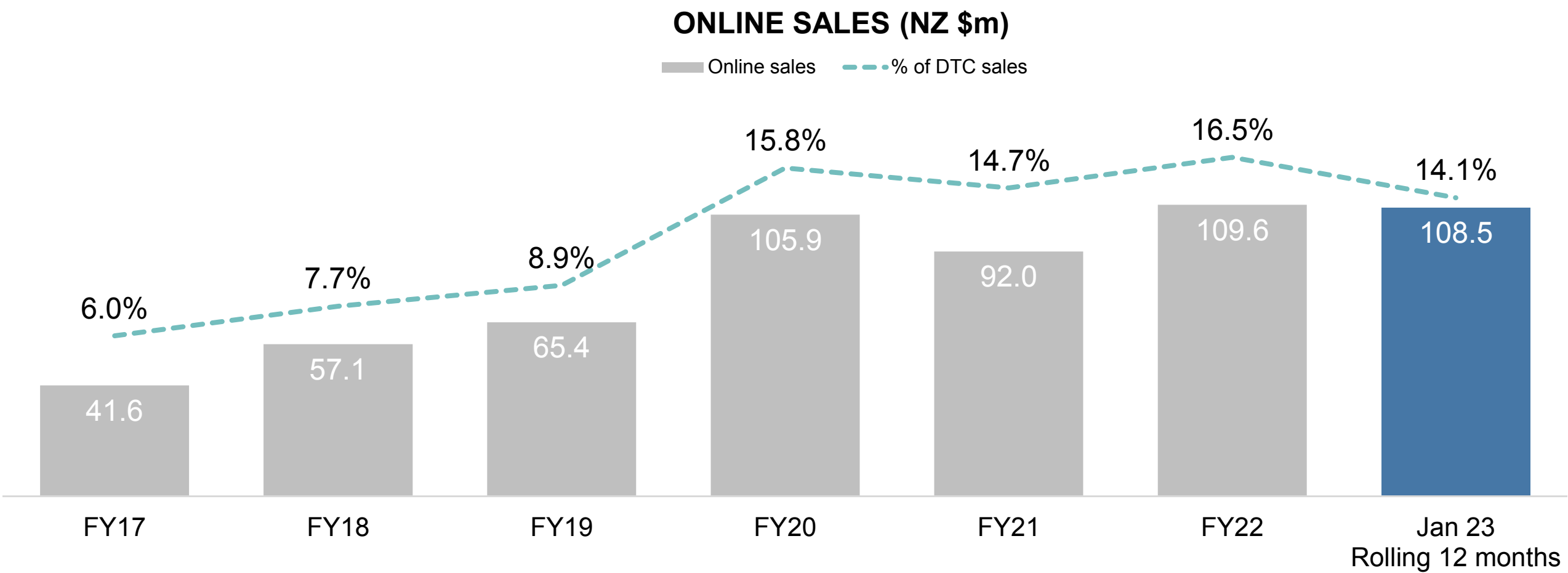
- Key opportunity to accelerate global brand growth
- Platforms are being put in place, with focus shifting to online trading and execution
- Significant potential for all brands to expand loyalty and personalisation using data insights
- Provide consumers the choice to interact with our brands in a seamless and effortless omni-channel experience



E-COMMERCE

ONLINE SALES ARE SIGNIFICANTLY ABOVE PRE-COVID LEVELS

- In the last twelve months, consumers have returned to shopping in stores. Our omni-channel offer supports this consumer choice
- Online sales have stabilised c. 66% above FY19 pre-COVID levels
- Online comprised 14.1% of direct to consumer (“DTC”) sales in the rolling 12 months to Jan 23

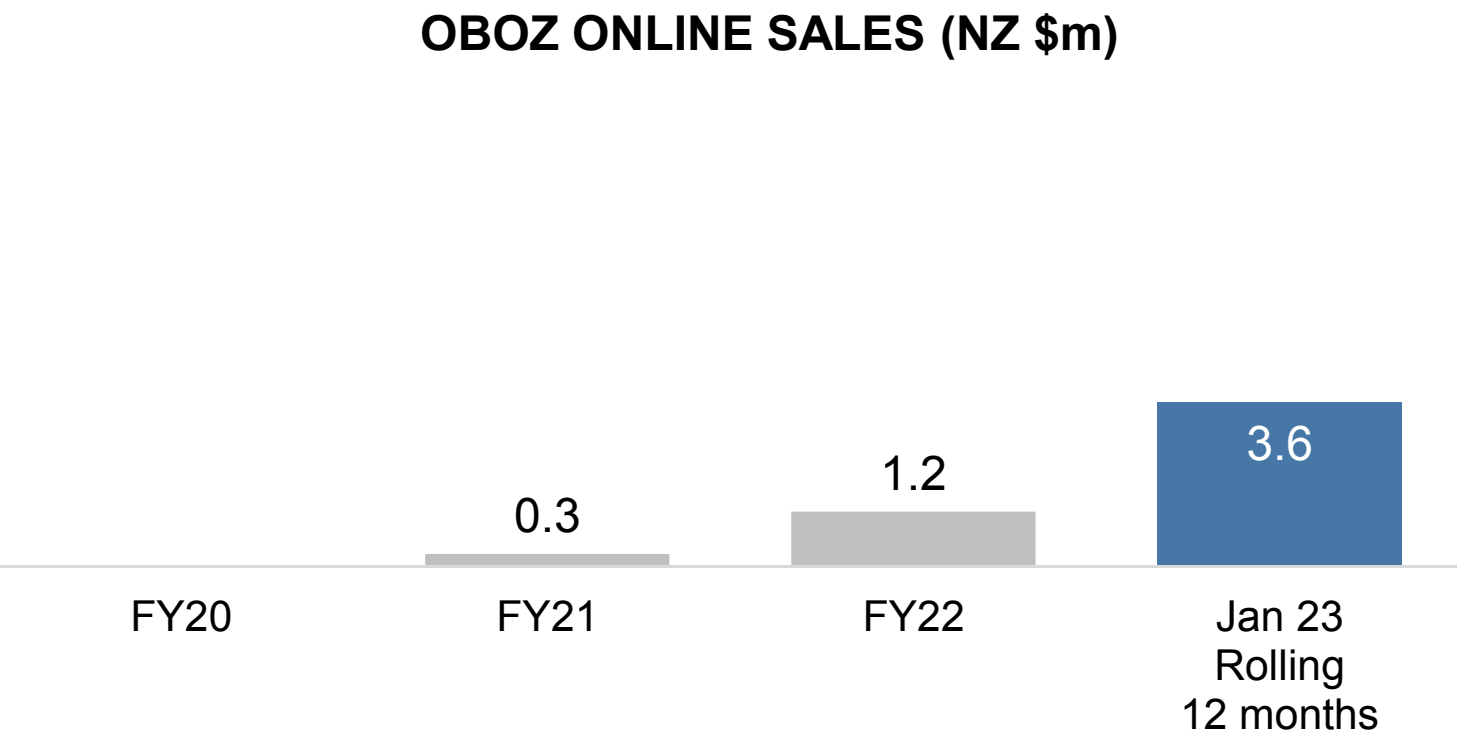
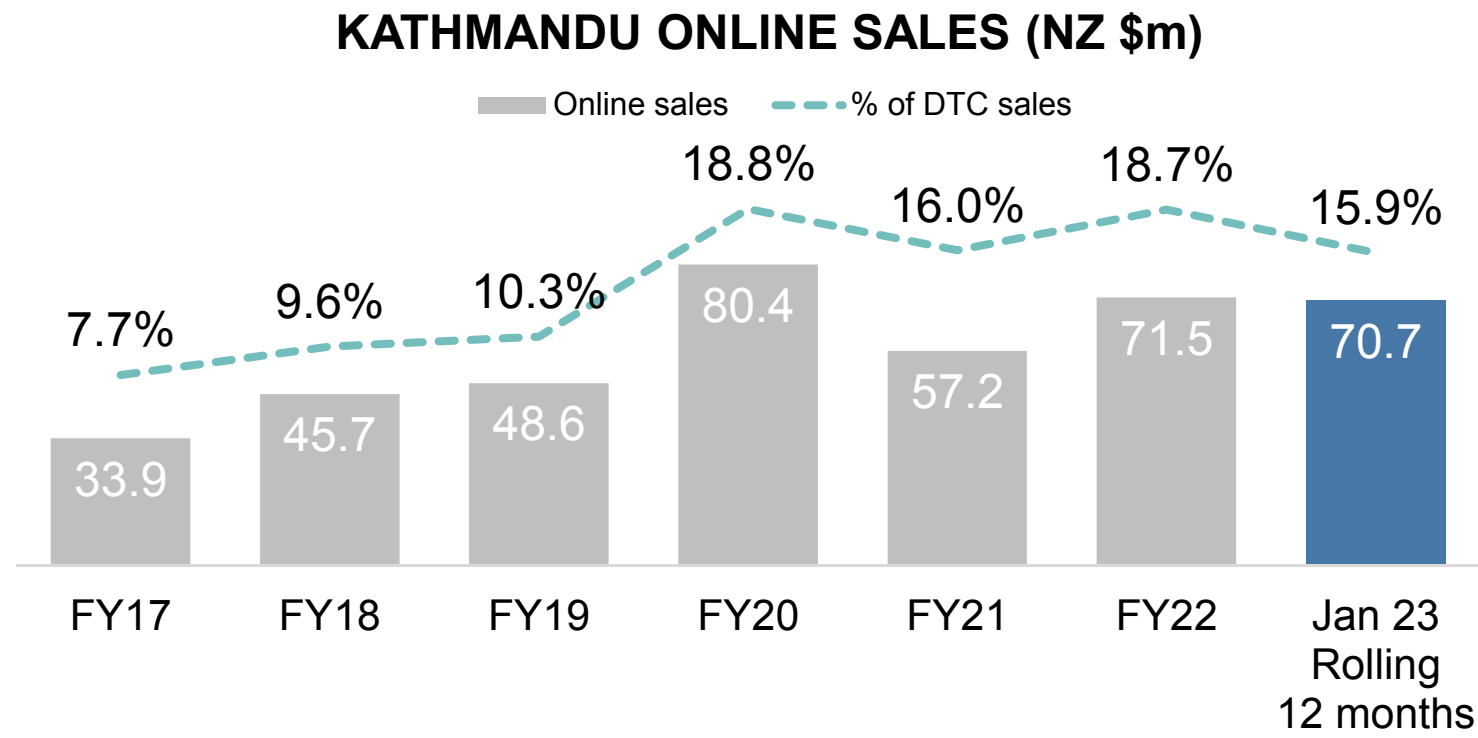
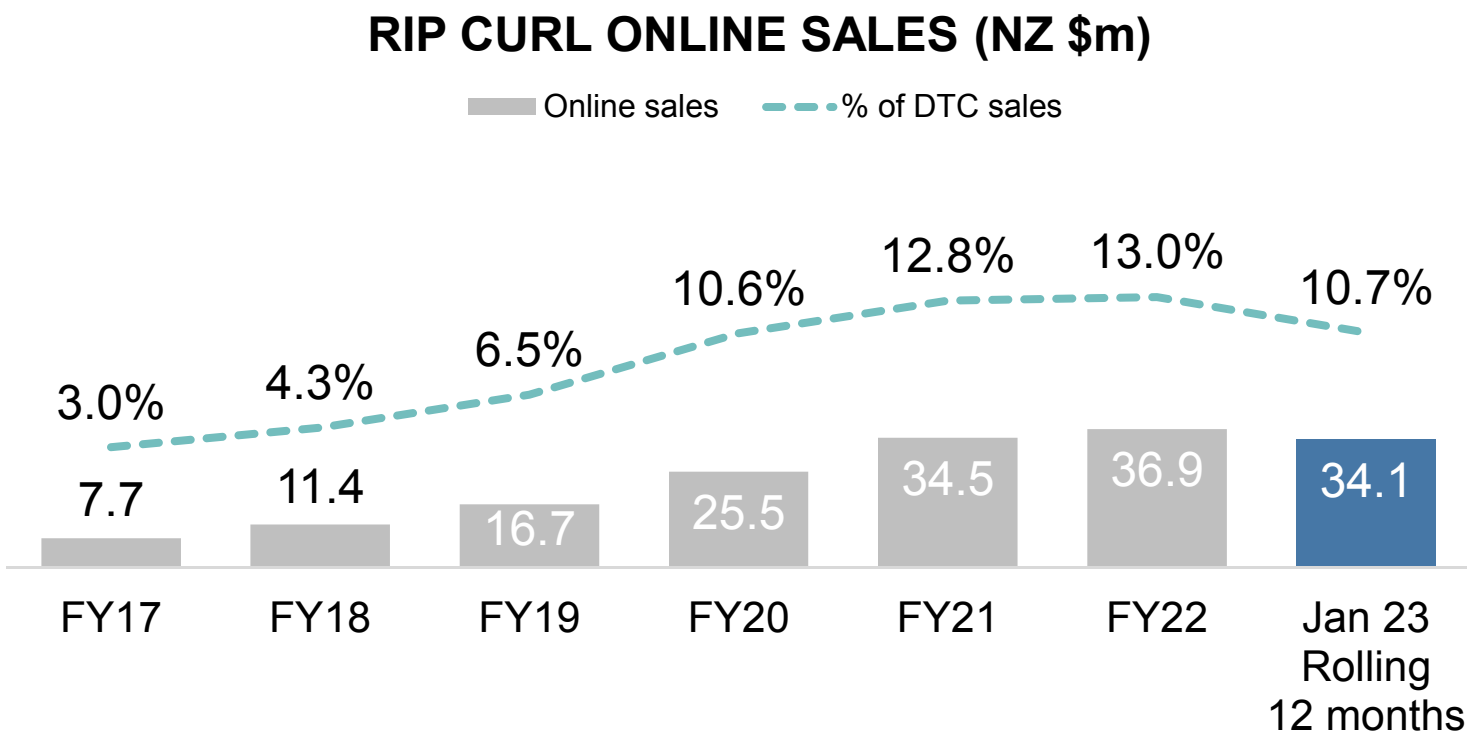


1. DTC sales include all sales from retail stores, online sites and marketplaces
2. All years include a full twelve months of Kathmandu, Rip Curl, and Oboz online and total DTC sales for comparability over time, including pre-acquisition

E-COMMERCE BY BRAND

SIGNIFICANT E-COMMERCE OPPORTUNITIES

- Kathmandu is a more mature online business, supported by class leading platforms
- Rip Curl has migrated global online platforms since acquisition, and has a significant opportunity to accelerate online growth
- Oboz online trading site launched in FY21, with significant runway for growth



1. DTC sales include all sales from retail stores, online sites and marketplaces
2. All years include a full twelve months of Kathmandu, Rip Curl, and Oboz online and total DTC sales for comparability over time, including pre-acquisition



MARKETPLACES

MARKETPLACES TO SUPPLEMENT AND ACCELERATE E-COMMERCE GROWTH:

- Greater international reach
- Consumer choice and convenience
- Cost-effective to launch
- Accelerate growth and brand recognition in new markets
- Additional channel for excess stock



ZALORA



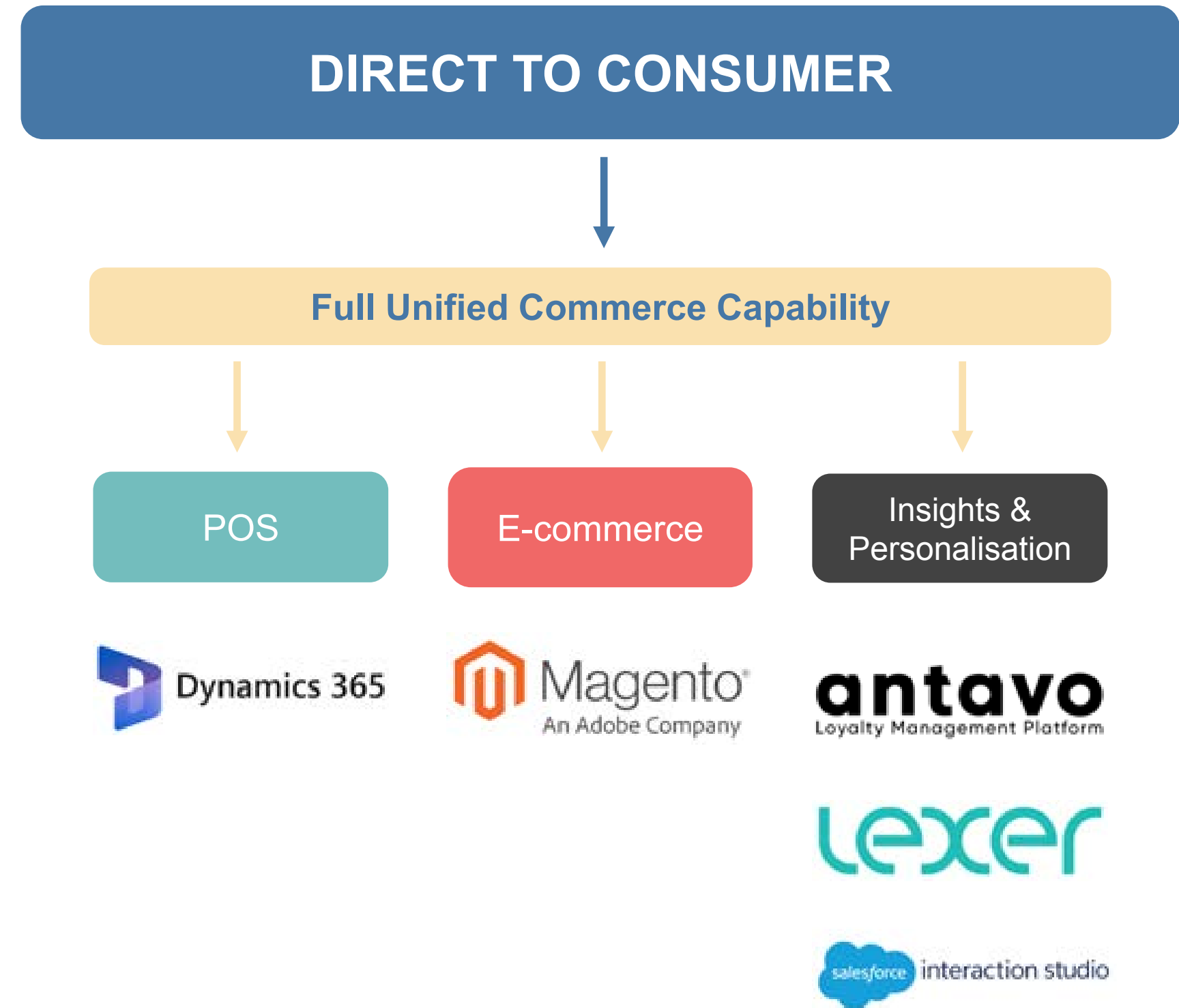
THE ICONIC



KMD BRANDS

DIGITAL PLATFORMS

- Significant investment since Rip Curl acquisition in customer-facing, best in class digital platforms to support unified commerce objectives
- Both Rip Curl and Kathmandu are utilising the full functionality of these platforms in Australasia (over \$500m DTC sales)
- Opportunity to further leverage this capability in Australasia
- Unlock economies of scale when rolling out to international regions (particularly North America and Europe)



KMD BRANDS

RIP CURL LOYALTY

GROUP TECHNOLOGY PLATFORMS FOR SUCCESS

- Industry-leading global technology platforms selected for unified customer data and personalisation, enabling more targeted communication with the Group's most valuable customers
- For the first time, Rip Curl customers are connected to the Group's loyalty ecosystem, enabling a single view of the customer and personalised communications
- Provides scale, leveraging the same technology platforms currently being used to manage Kathmandu's 2 million active loyalty members

CLUB RIP CURL LAUNCH

- Launched first in Australia and New Zealand in Sep 22, with ~170,000 members acquired to date
- Rollouts for Europe, USA and Canada to come
- Integration of loyalty with product ecosystem: earn points when you shop and when you surf, by connecting the Search GPS Watch to your membership account

CLUB
RIP CURL 
YOU'RE ALREADY IN IT. MAKE IT OFFICIAL.



KMD BRANDS

KATHMANDU LOYALTY

KATHMANDU HAS AN ACTIVE AND ENGAGED CUSTOMER BASE

- 2 million active Summit Club members
- c. 70% of Kathmandu sales are from Summit Club members
- Summit Club members spend over 20% more per transaction than non-members
- Net Promoter Score 73 across all customer groups

LOYALTY RE-LAUNCH

- Kathmandu loyalty programme will be re-launched in Spring 2023, with an exciting new offer



KMD BRANDS

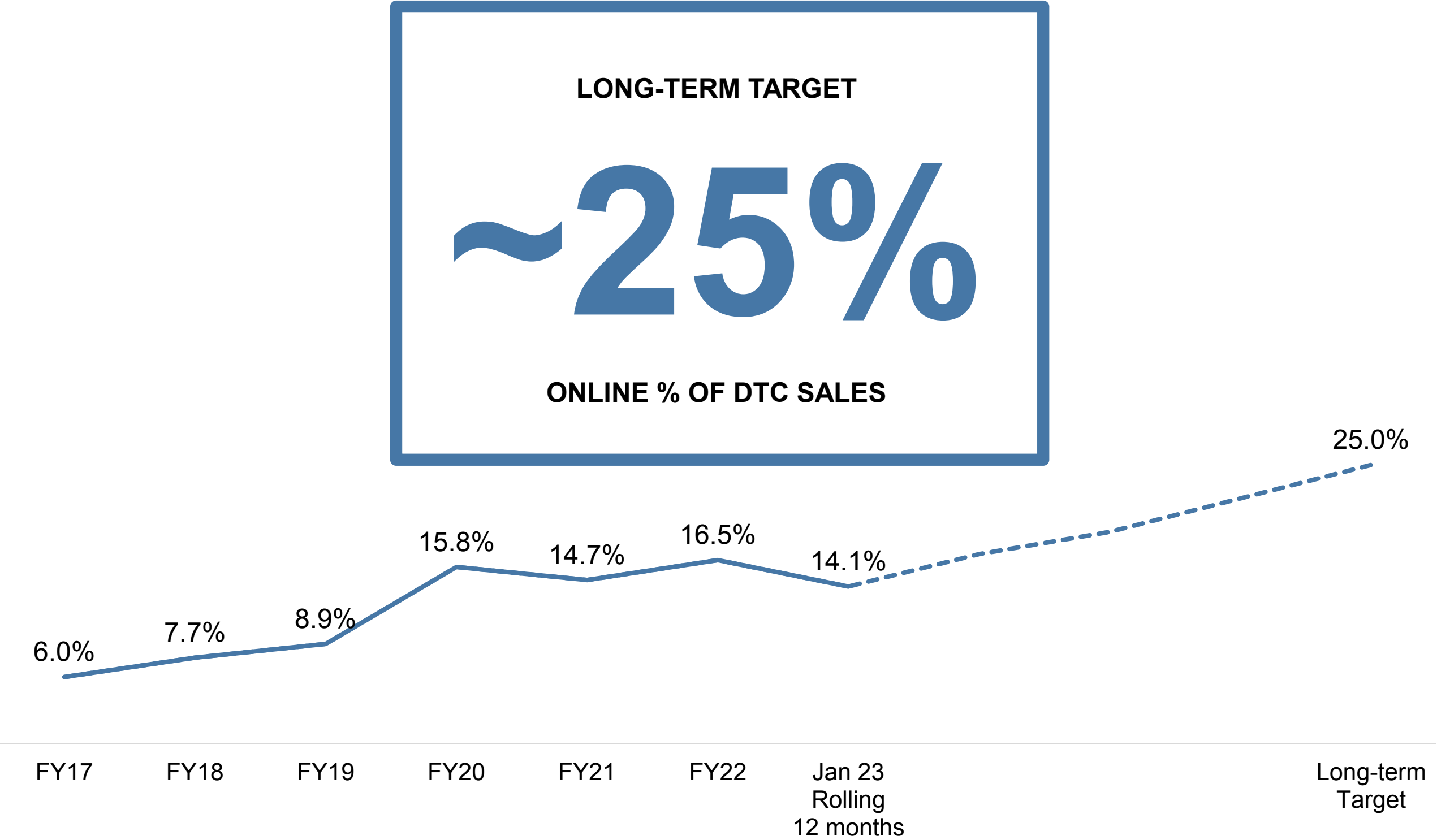
OTHER DIGITAL INITIATIVES

OPPORTUNITIES TO FURTHER ENHANCE THE DIGITAL EXPERIENCE

- B2B platform roll out to all brands in all regions
- Complete unified commerce initiatives to further improve consumer experiences including:
 - Membership
 - Find In Store
 - Gift Cards
 - Instore Returns
 - Click and Collect
 - Ship from Store
- Ramp up data insights and analysis
- Increase group focus on execution of digital initiatives (currently brand-driven on group platforms)



METRIC THAT MATTERS



1. DTC sales include all sales from retail stores, online sites and marketplaces
2. All years include a full twelve months of Kathmandu, Rip Curl, and Oboz online and total DTC sales for comparability over time, including pre-acquisition

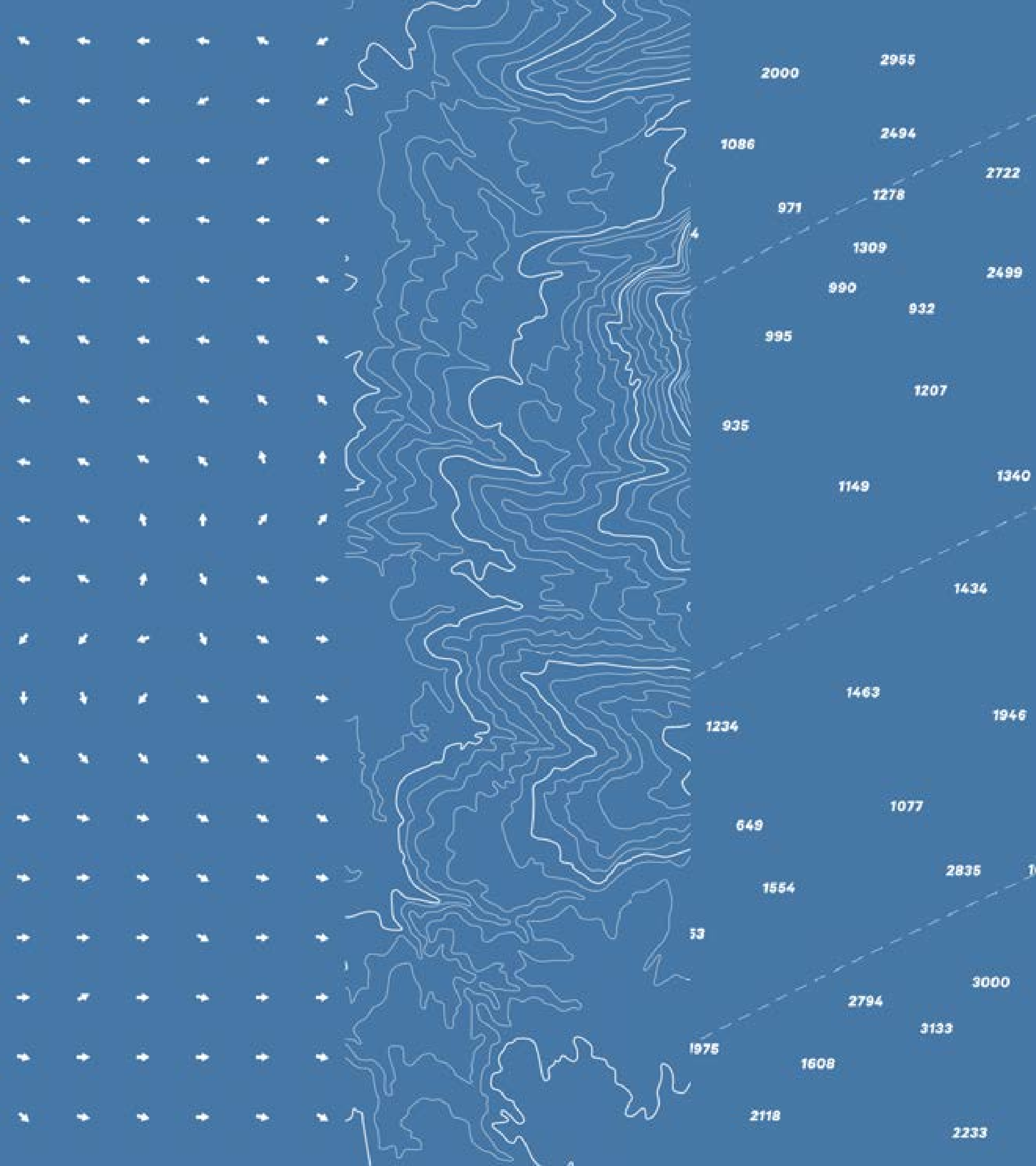


KMD BRANDS

SECTION 6

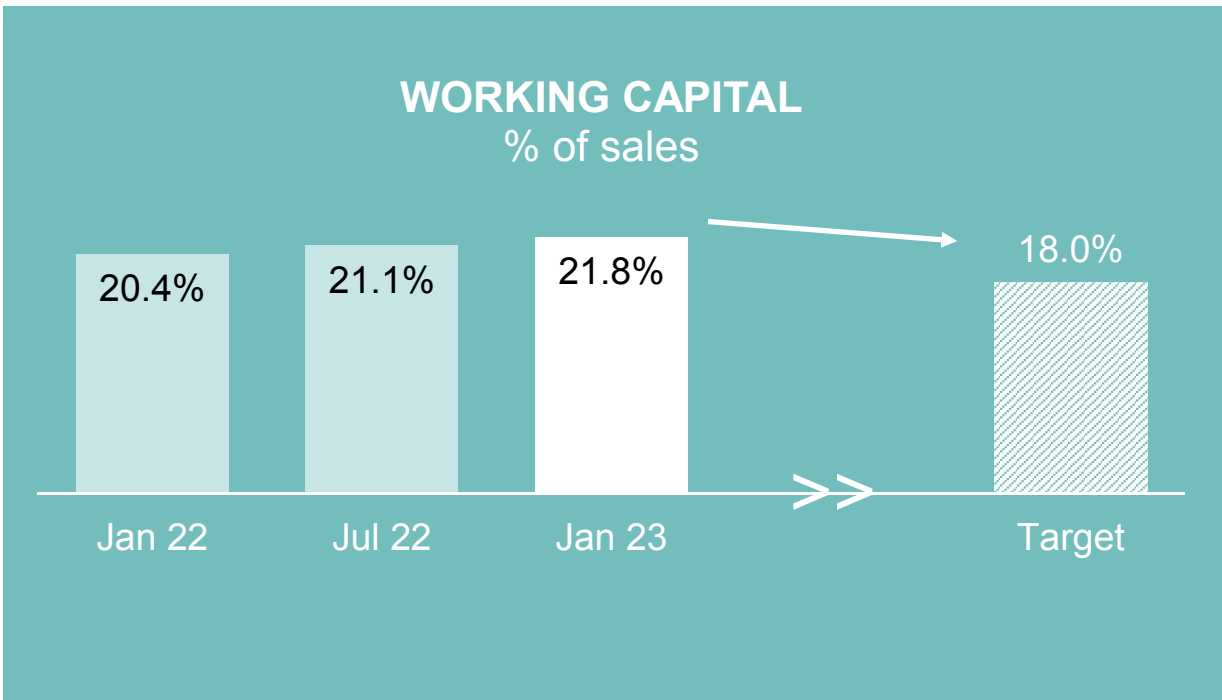
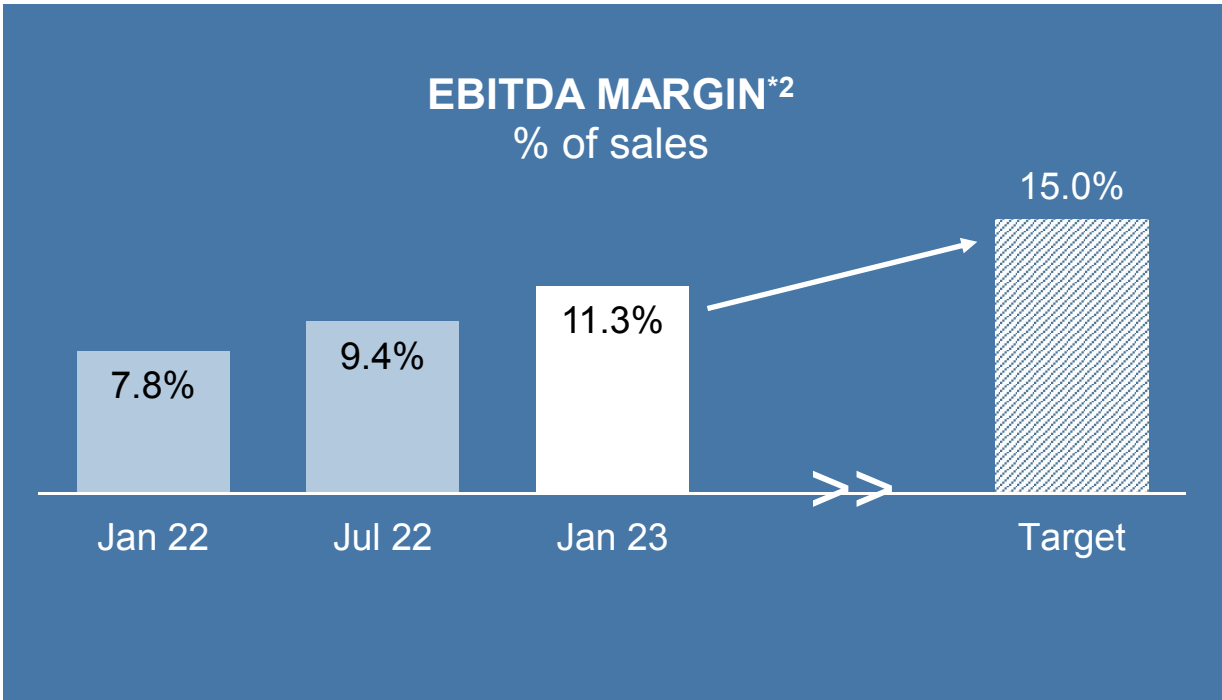
LEVERAGING
OPERATIONAL
EXCELLENCE

Chris Kinraid
Group CFO



INTRODUCTION

SHORT-TERM TARGETS



- 1. All charts show rolling 12 month historical results
- 2. Underlying EBITDA excluding the impact of IFRS 16 leases

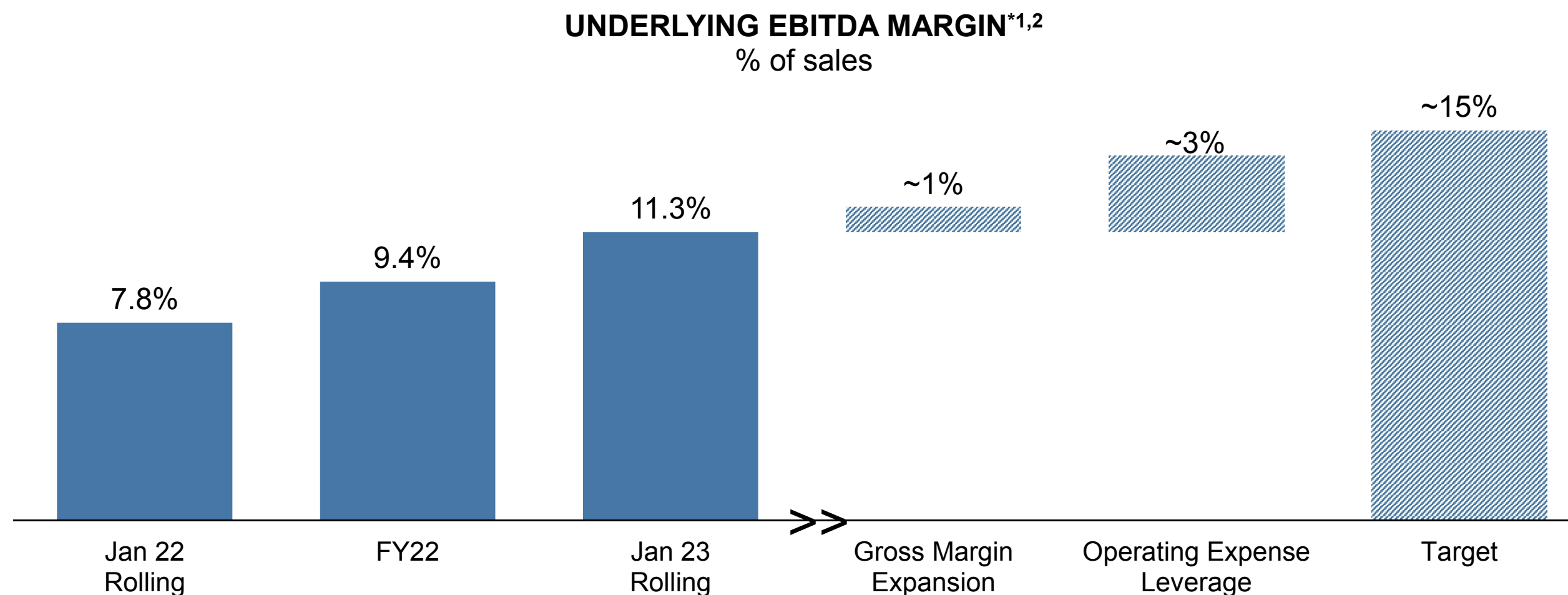


KMD BRANDS

DRIVING MARGIN EXPANSION



EBITDA MARGIN TARGET



GROSS MARGIN EXPANSION driven by:

- Consolidation of suppliers
- Stabilised freight prices
- Reduced style / SKU counts
- Strong brands with continued pricing power
- High-low model evolution

OPERATING EXPENSE LEVERAGE driven by:

- Moderating marketing spend to c. 5% of sales
- Retail labour efficiency
- Continued strong cost discipline
- Group shared service synergies and efficiencies
- Leveraging growth

1. Rolling 12 month historical results

2. Underlying EBITDA excluding the impact of IFRS 16 leases



KMD BRANDS

WORKING CAPITAL MANAGEMENT

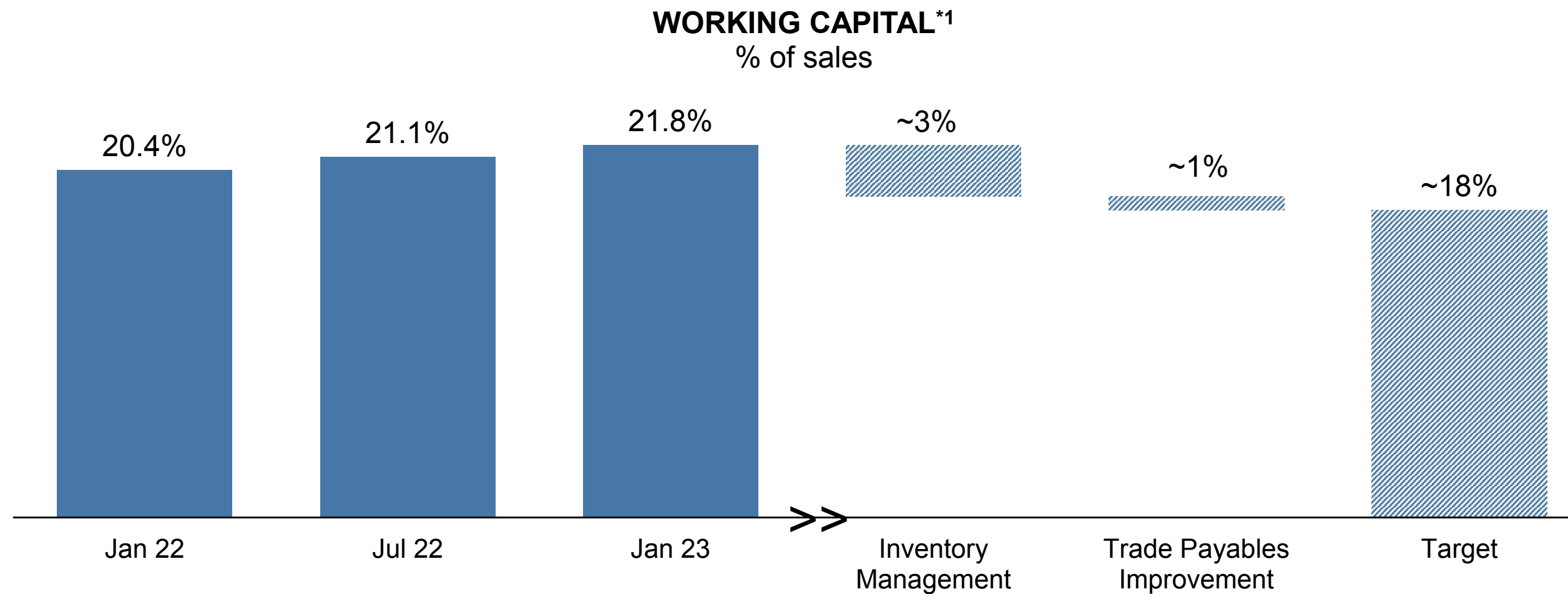
SHORT-TERM
WORKING CAPITAL
TARGET

~18%

OF SALES



WORKING CAPITAL TARGET



INVENTORY MANAGEMENT driven by:

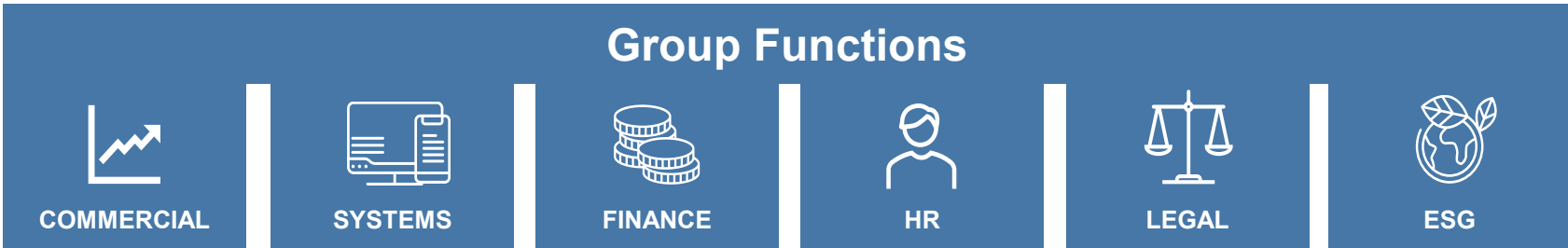
- Return to pre-COVID buying timelines
- Reduction of wetsuit and Oboz strategic stockholding
- More sophistication in demand planning
- Refined buying policies, with focus on depth of core styles, and tighter breadth of offer

TRADE PAYABLES improvement driven by:

- Supply chain financing on major long-term suppliers
- Ongoing improvement to supplier terms

1. Rolling 12 month historical results

FUNCTIONAL FOCUS



KEY OPPORTUNITIES

- Portfolio negotiation of leases
- Supply chain efficiency (distribution and sourcing)
- Freight consolidation
- Consolidation of purchasing power: inventory and non-inventory
- Rationalised operating systems
- Collective employer of choice



METRICS THAT MATTER

SHORT-TERM
UNDERLYING EBITDA MARGIN
TARGET

~15%

OF SALES

SHORT-TERM
WORKING CAPITAL
TARGET

~18%

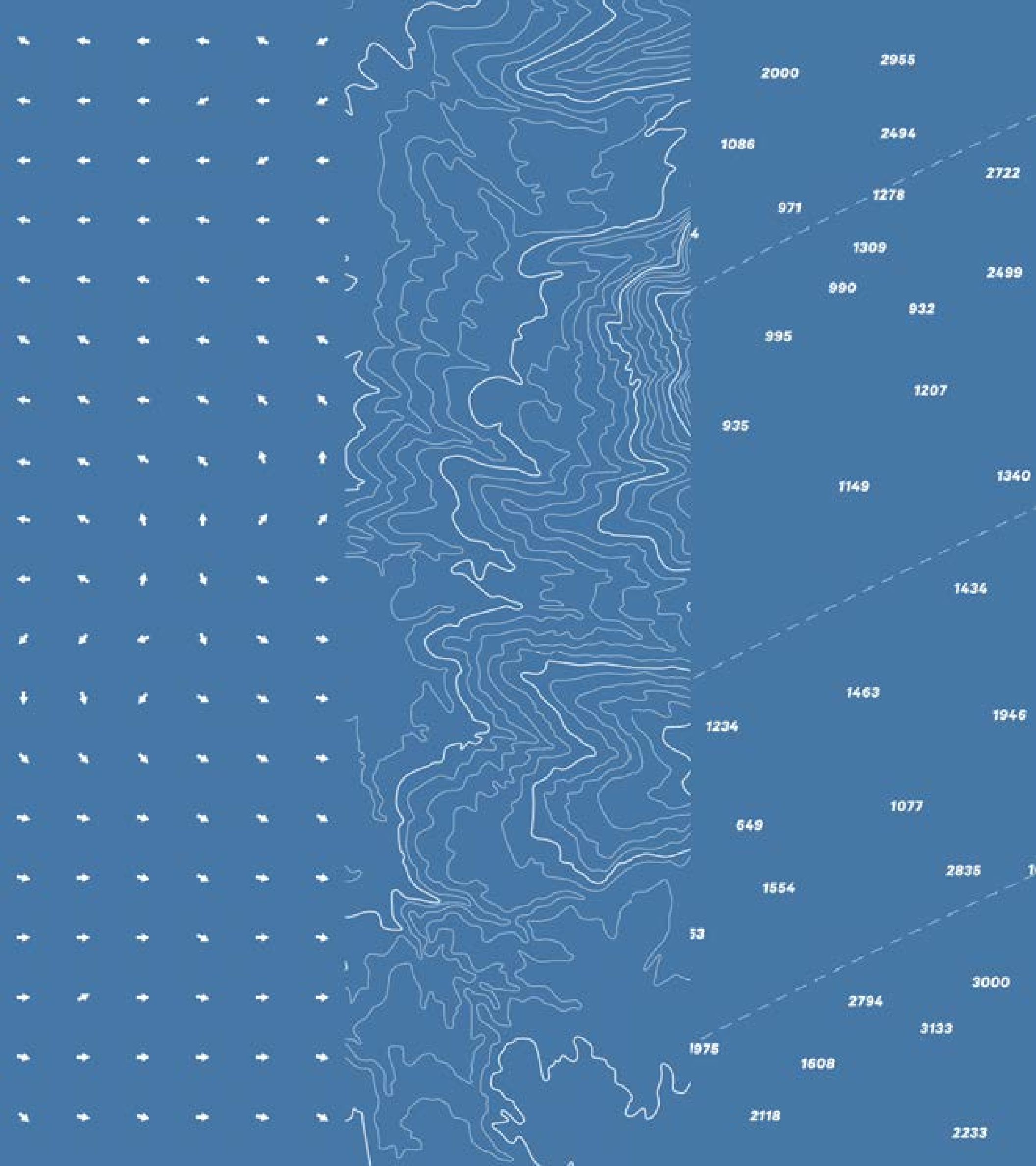
OF SALES

KMD BRANDS

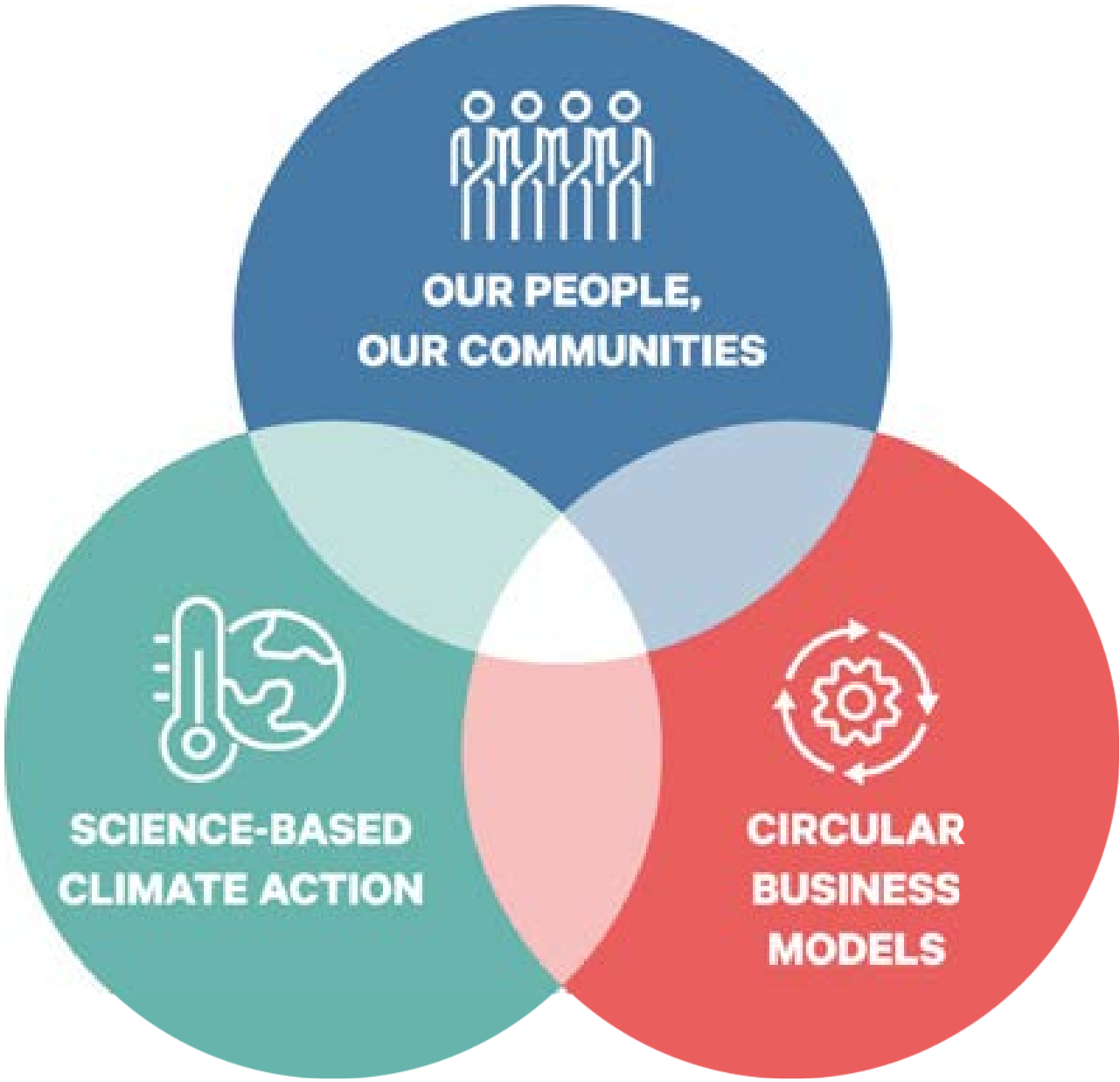
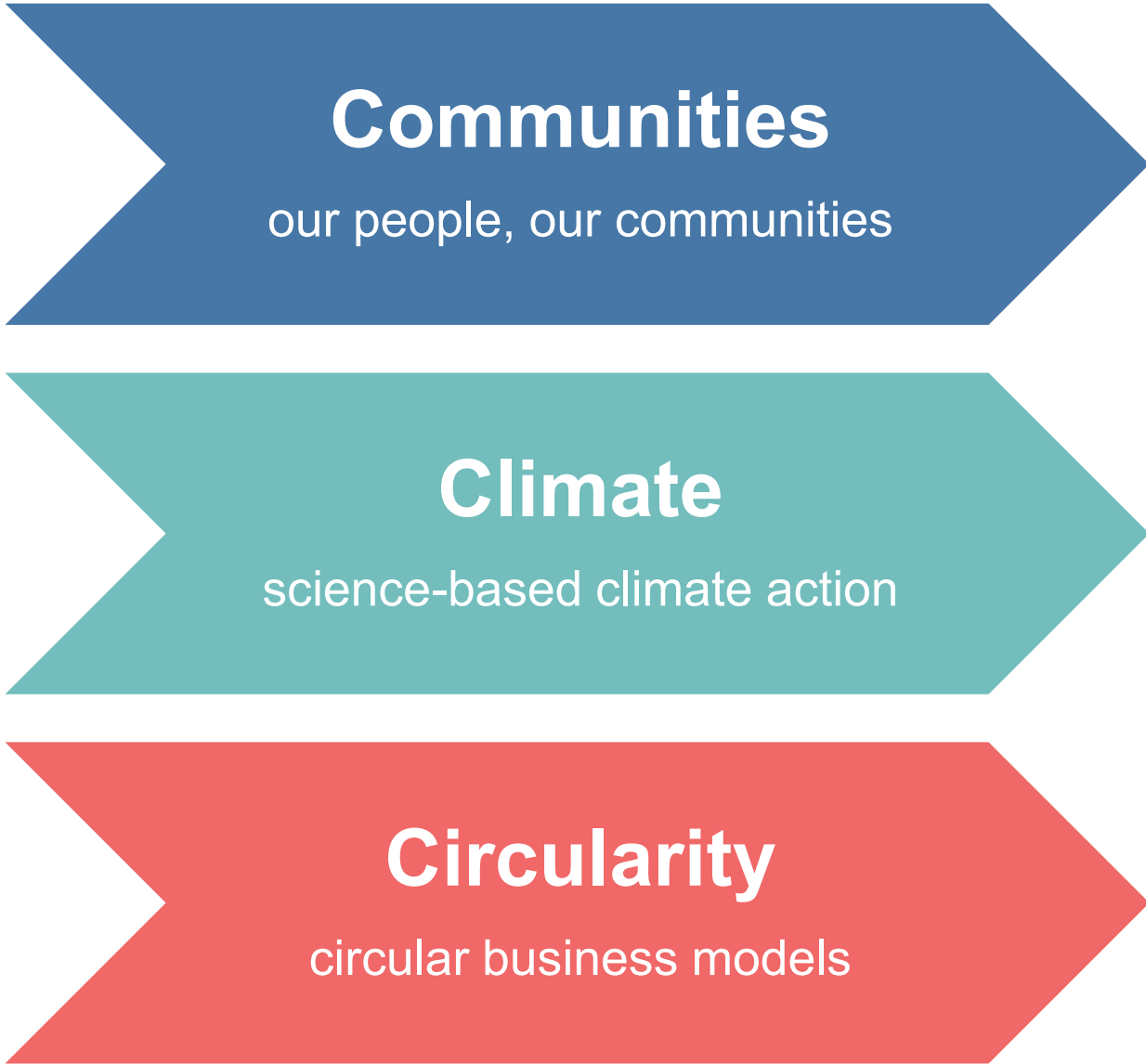
SECTION 7

LEAD ESG

Frances Blundell
Chief Legal & ESG Officer



OUR FOCUS AREAS



**Transparency and
Accountability**

Transparency and accountability

KMD BRANDS

B CORP – WHAT IS IT?

- All three brands, and KMD Brands itself, now B Corp certified
- B Corp certification underpins our ESG strategy – guides our direction on best practice and provides a pathway for continuous improvement
- B Corp provides meaning by connecting us to a global movement
- Holistic - measures a company's entire social and environmental impact
- Stringent standards of verified performance
- Different to other ESG frameworks – evaluates and validates performance not just about reporting and disclosure

Certified



®

Corporation

Communities

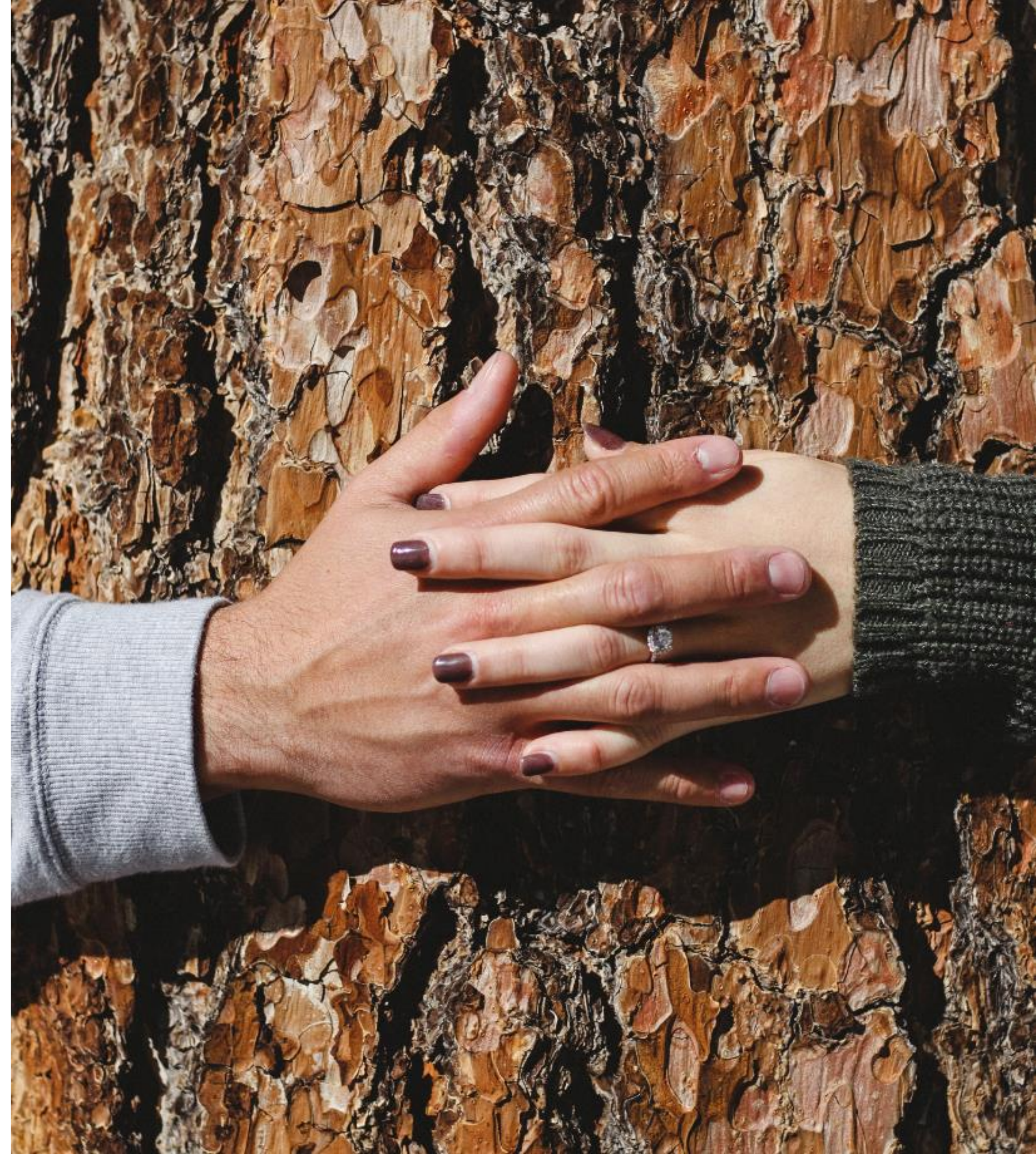


KMD BRANDS

OUR PEOPLE, OUR COMMUNITIES

POSITIVELY IMPACT THE WELLBEING OF PEOPLE AND PLACES IMPACTED BY OUR BRANDS

- Provide a people-centred culture and workplace that fosters health, safety, wellbeing and inclusiveness
- Protect human rights and dignity by addressing modern slavery in our value chain through collaboration and transparency
- Engage, inspire and protect the communities where we operate and impact



KMD BRANDS

INCLUSION

INCREASED REPRESENTATION IN EMPLOYMENT OF LOCAL INDIGENOUS PEOPLES, PEOPLE FROM ETHNIC OR RACIAL MINORITIES, AND GENDER DIVERSITY ACROSS MANAGEMENT LEVELS

- Making formal commitments with recognised industry bodies to ensure we include Indigenous peoples in our workforce; including Rip Curl's Reconciliation Action Plan ("RAP") which has received formal approval from Reconciliation Australia
- Continuing to create policies and initiatives that promote gender diversity in all levels of management across Group, Brands and Regions; including training around gender diversity and discrimination, and annual gender diversity training across the Group and Brands



WORKER WELLBEING

GENUINE TRANSPARENCY OF, AND EFFECTIVE WORKER VOICE COMMUNICATIONS WITH, STRATEGIC SUPPLIERS FOR EACH BRAND, INCLUDING:

Accountability to KMD Brands code of conduct

Transparency:

Tier 1

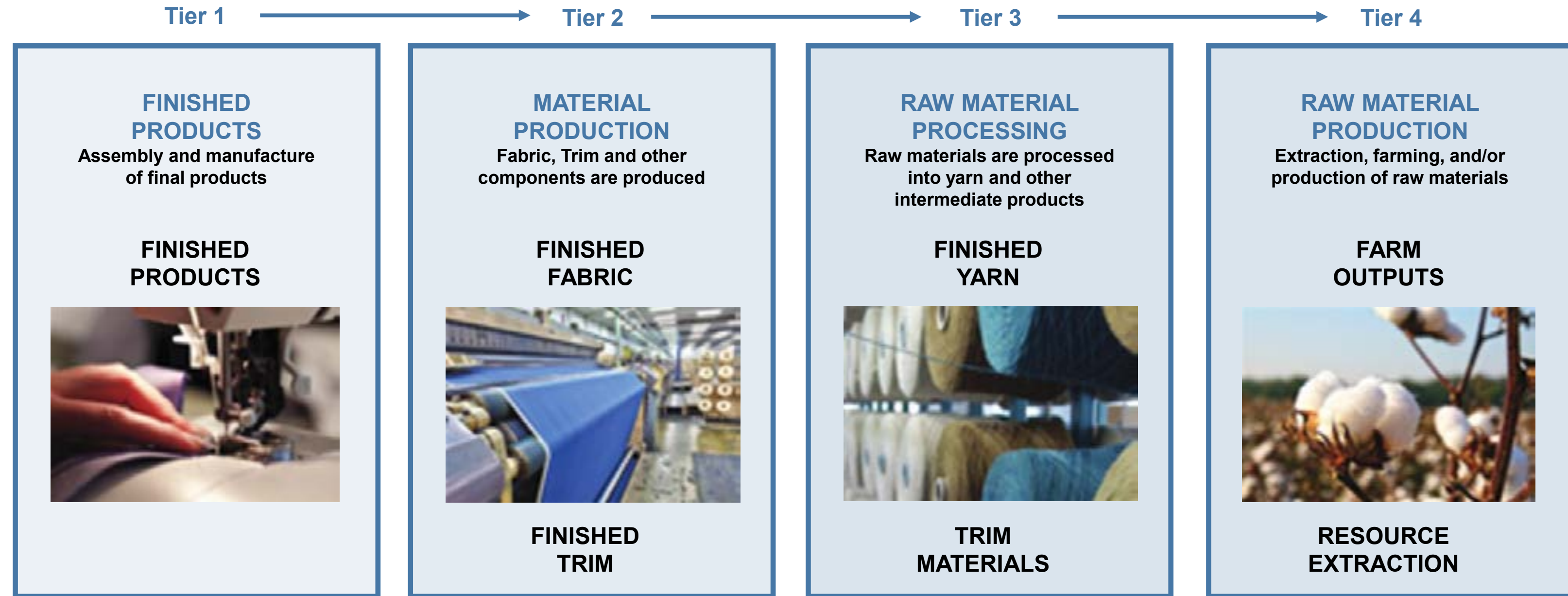
% increase year on year where worker voice survey tools are in place

Tier 2

trace and publish the input suppliers of our strategic tier 1 suppliers



TRANSPARENCY: TRACING TIER 2 SUPPLIERS



COMMUNITY OUTREACH

SUPPORTED LOCAL COMMUNITY PROJECTS, THROUGH DONATIONS, FUNDRAISING AND PAID EMPLOYEE TIME, TO CREATE A POSITIVE IMPACT FOR THE WELLBEING OF PEOPLE AND PLANET



COMMUNITY TARGETS

An equitable, inclusive workplace representative of the diversity within our communities including:

- 40:40:20 gender representation in leadership positions (board, executive and management)
- Increased representation in employment of local Indigenous Peoples and people from ethnic or racial minorities

Genuine transparency of, and effective worker voice communications with, strategic suppliers for each brand

Support local community projects, through donations, fundraising and paid employee time, to create a positive impact for the wellbeing of people and planet



Climate



KMD BRANDS

SCIENCE-BASED CLIMATE ACTION

TRANSITION TO A LOW CARBON FUTURE

Reduce emissions in line with the Paris Climate Agreement goals



CLIMATE

HOW WE MEASURE OUR IMPACT



SCIENCE-BASED TARGETS APPROVED



KMD BRANDS

CLIMATE TARGETS

- Reduced absolute scope 1 and 2 GHG emissions by a minimum of 47% by 2030, from a FY19 base year (4.2% per annum emissions reduction)
- Reduced absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, upstream transportation and distribution, waste generated in operations, use of sold products, end of life treatment of sold products, and investments by a minimum of 28% by 2030 from a FY19 base year (2.5% reduction per annum)



**SCIENCE-BASED
CLIMATE ACTION**

Circularity

KMD BRANDS

CIRCULAR BUSINESS MODELS

ELIMINATE THE LINEAR TAKE-MAKE-WASTE APPROACH TO BUSINESS

- Foster and invest in circular business models across our businesses
- Increase responsible material content in our products
- Reduce the waste footprint created across our businesses



COMMERCIALISING CIRCULARITY

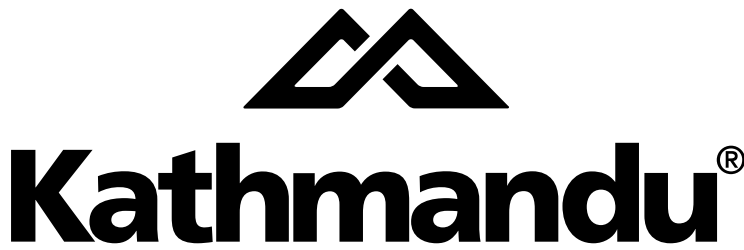
KATHMAN-REDU

- KATHMAN-REDU programme: apparel repair and re-commerce pilot in select Victorian stores
- Helping to keep gear in use and out of landfill one stitch at a time
- We source it: all products are sourced directly from our supply chain or returned to us by our customers
- We fix it: items are stitched, fixed and restored to their former glory by skilled artisans at the Remote Repairs workshop
- We give it a new lease of life: find these carefully restored items hanging back on the racks in selected stores



PRIORITIES & PROGRESS

DEDICATED TO OUR OWN-BRAND PRODUCTS BEING RESPONSIBLY SOURCED



- 100% responsible wool standard (RWS) by 2025
- All polyester recycled or recyclable by 2030
- Prioritise biochemistry over petrochemistry in innovation and performance development



- 100% responsibly sourced cotton by 2026
- 100% apparel and accessories in preferred fibre materials by 2030
- 75% of our wetsuit range using responsibly sourced materials by 2030



- 100% leather working group certified leather uppers by 2023
- 100% PFAS/PFC-free non-wicking treatments and waterproof membranes by 2025
- Innovate in use of bio-based materials using a minimum of 22% bio-based certified content in upper materials and midsoles by 2030



KMD BRANDS

CIRCULARITY TARGETS

Commercialised brand-led circular business models for product take back, renewal, repair, re-commerce or recycling

Dedicated to our own-brand products being responsibly sourced

Reduced operational and packaging waste including:

- Diversion of 90% of waste to landfill from our direct operations by 2030
- All primary and secondary packaging and promotional material is recyclable or made using recycled materials by 2030



**CIRCULAR
BUSINESS
MODELS**



OUR ESG GOALS

KMD Brands ESG Strategy			
Our pillars	Our People, Our Communities	Science-based Climate Action	Circular business models
	Positively impact the wellbeing of people and places impacted by our Brands	Transition to a low carbon future	Eliminate the linear take-make-waste approach to business
Our focus areas	<ul style="list-style-type: none">Provide a people-centred culture and workplace that fosters health, safety, wellbeing and inclusivenessProtect human rights and dignity by addressing modern slavery in our value chain through collaboration and transparencyEngage, inspire and protect the communities where we operate and impact	<ul style="list-style-type: none">Reduce emissions in line with the Paris Climate Agreement goals	<ul style="list-style-type: none">Foster and invest in circular business models across our businessesIncrease responsible material content in our productsReduce the waste footprint created across our businesses
Our targets	<p>An equitable, inclusive workplace representative of the diversity within our communities</p> <p>Genuine transparency of, and effective worker voice communications with, strategic suppliers for each Brand</p> <p>Support local community projects, through donations, fundraising and paid employee time, to create a positive impact for the wellbeing of people and planet</p>	<p>Reduce absolute Scope 1 and 2 emissions by a minimum of 47% by 2030, from a FY19 base year (4.2% per annum emissions reduction)</p> <p>Reduce absolute Scope 3 emissions(1) by a minimum of 28% by 2030 from a FY19 base year (2.5% reduction per annum)</p>	<p>Commercialised brand-led circular business models for product take back, renewal, repair, re-commerce or recycling</p> <p>Dedicated to our own-brand products being responsibly sourced</p> <p>Reduced operational and packaging waste</p>

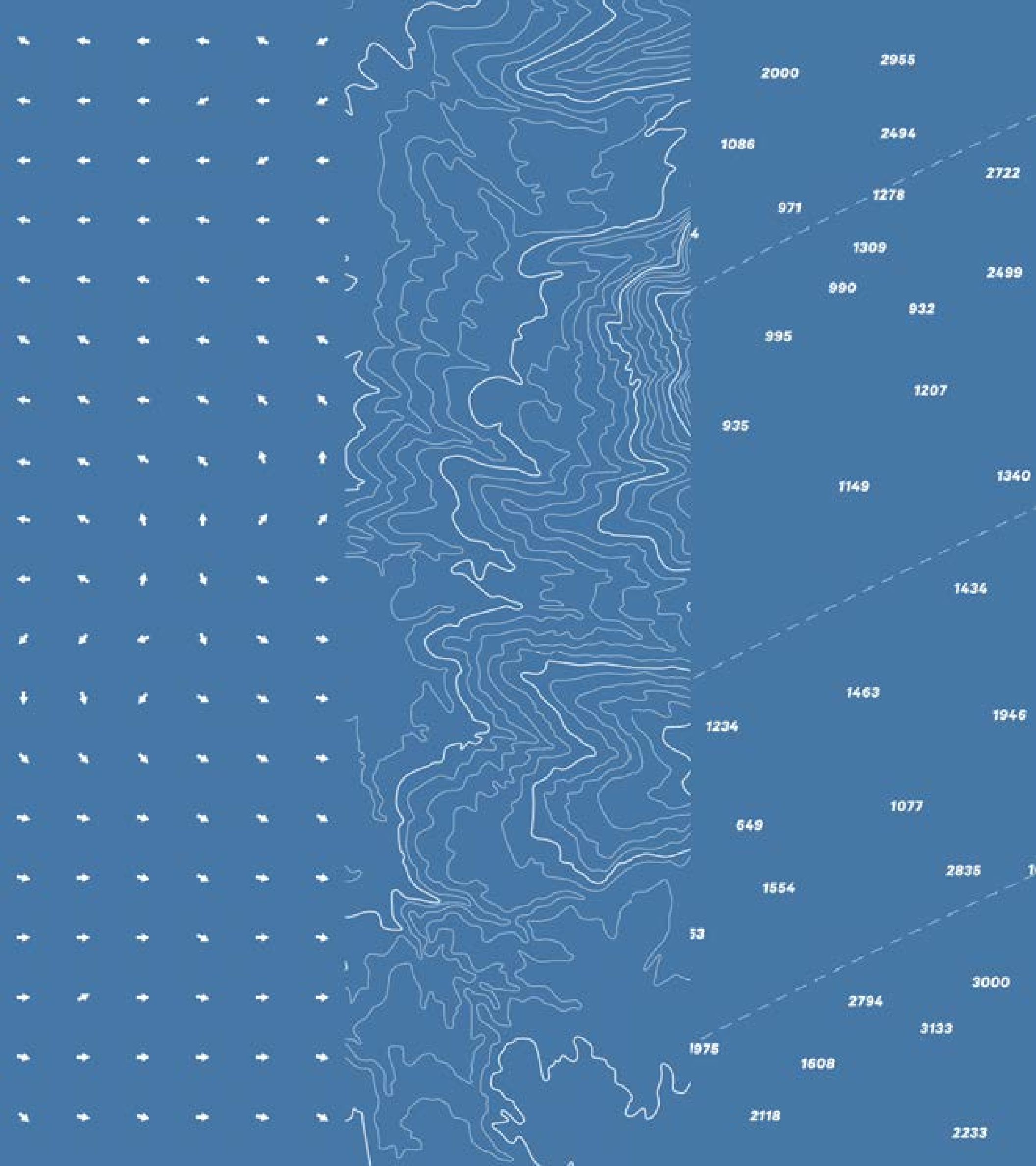
(1) from purchased goods and services, fuel and energy related activities, upstream transportation and distribution, waste generated in operations, use of sold products, end of life treatment of sold products, and investments



SECTION 8

SUMMARY AND QUESTIONS

Michael Daly
Managing Director and Group CEO



KMD BRANDS

OUR ADVANTAGE

BRANDS	iconic global outdoor brands
DIVERSIFIED	by channels, geographies, products, and seasons
PRODUCTS	innovative products designed for a purpose
CONSUMERS	loyal, active consumers
TEAM	engaged and talented team
ESG	benefit mindset and leadership in ESG

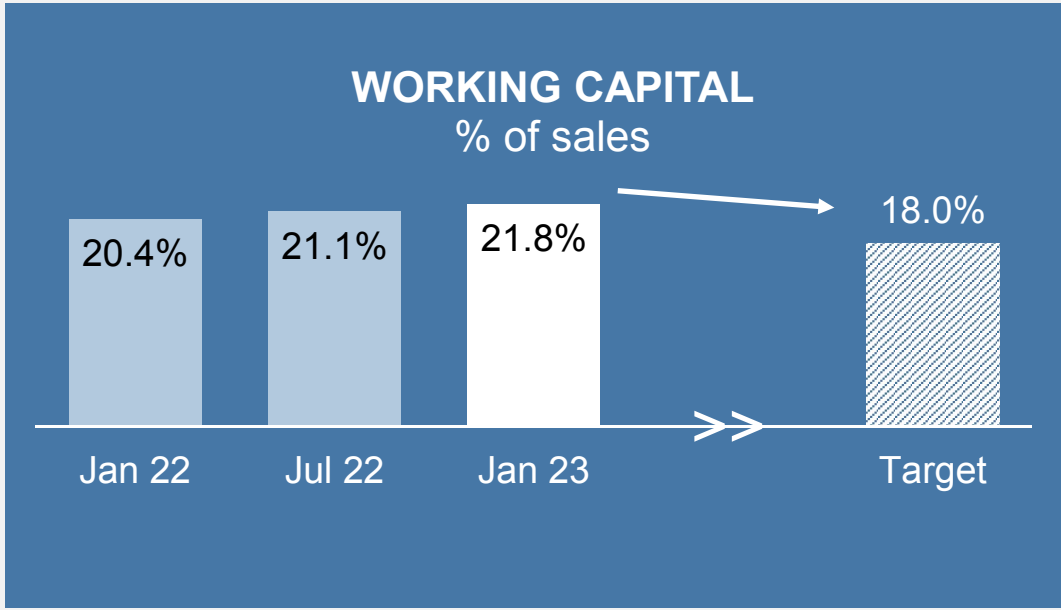
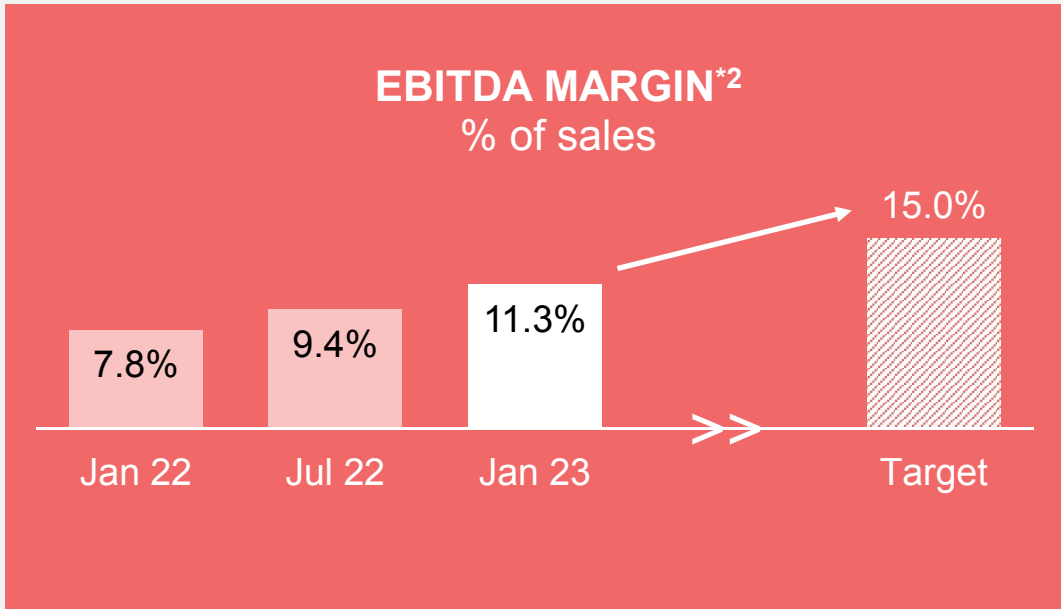
WELL POSITIONED TO SUCCEED IN AN
UNCERTAIN ECONOMIC ENVIRONMENT



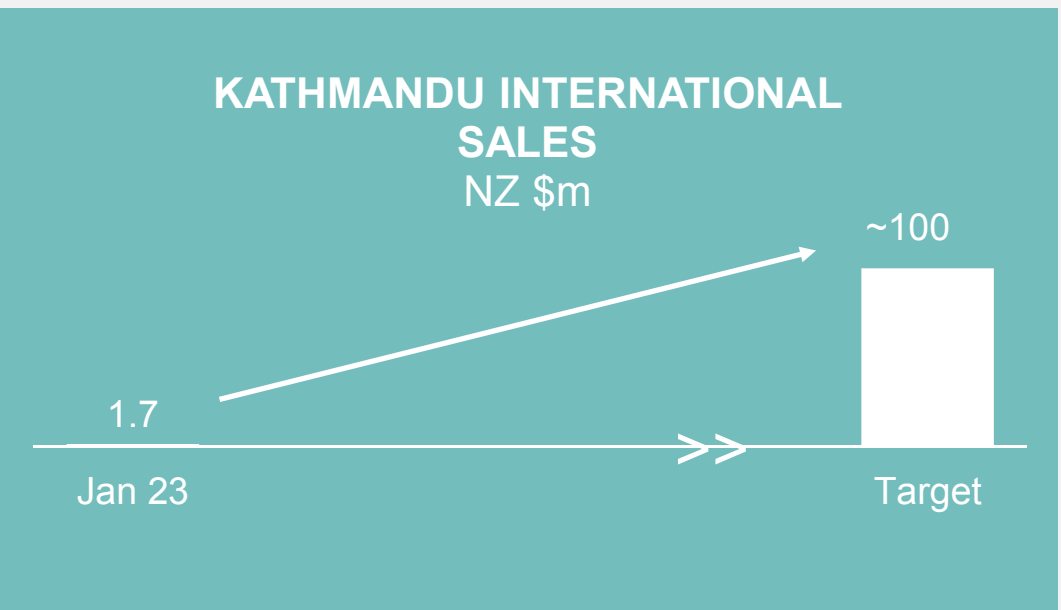
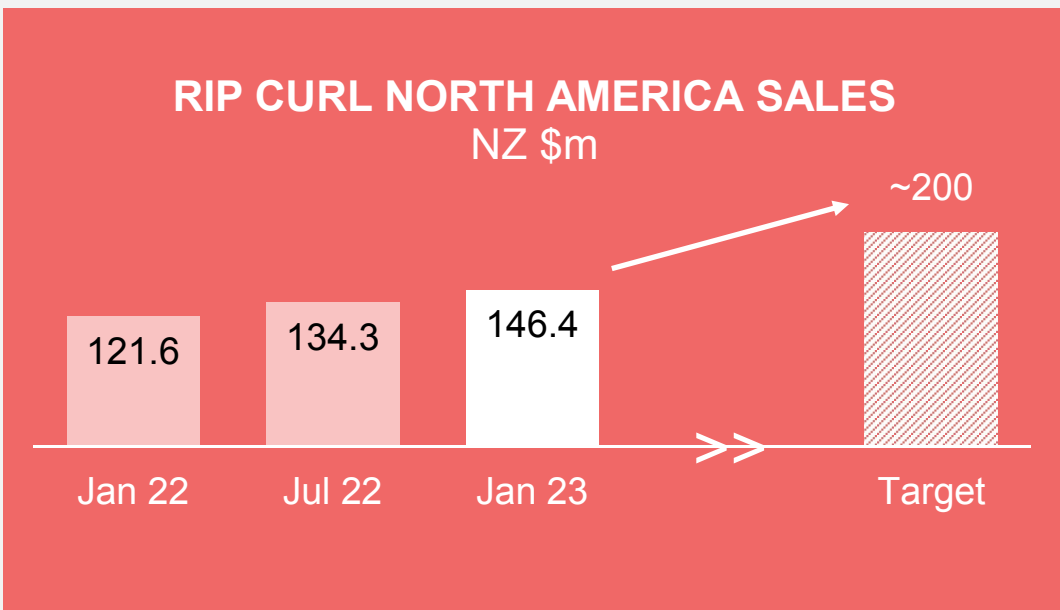
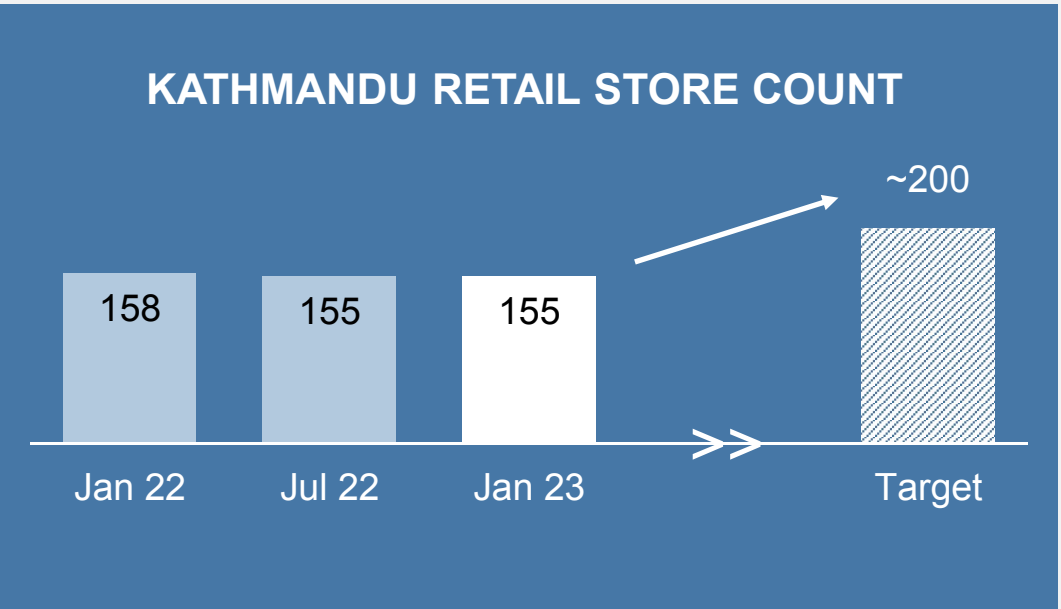
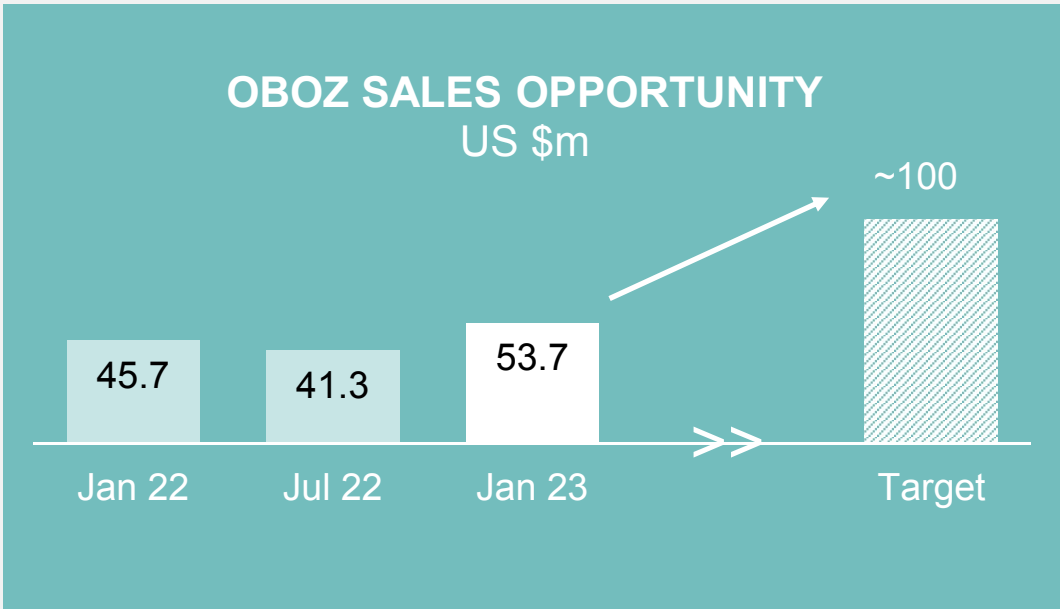
Strategic Pillar	Icon	Description
BUILD GLOBAL BRANDS	Icon of a globe on a signpost	Expand global footprint and invest in world class brand and customer experiences
ELEVATE DIGITAL	Icon of a computer monitor and tablet	Invest in Group digital platforms to deliver a truly world-class experience to consumers, wholesale customers, suppliers, and our employees
LEVERAGE OPERATIONAL EXCELLENCE	Icon of a document with a circular arrow	Deliver operational excellence to all brands across shared group support functions
LEAD IN ESG	Icon of a globe with leaves	Lead in environmental, social and governance through transparency and accountability, focusing on our pillars of Communities, Climate, and Circularity

METRICS THAT MATTER

SHORT-TERM



MEDIUM-TERM



1. All charts show rolling 12 month historical results
2. Underlying EBITDA excluding the impact of IFRS 16 leases

QUESTIONS



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