

KMD Brands Limited
ASX / NZX announcement

12 July 2023

(All amounts in NZD unless otherwise stated)

KMD Brands on track to deliver record \$1.1 billion full-year sales, despite softening consumer sentiment in Q4

KMD Brands Limited (**ASX/NZX: KMD**, “**KMD**” or the “**Company**”) provides a trading update and guidance for the full year ending 31 July 2023 (“FY23”):

- Sales are expected to be approximately \$1.1 billion.
- Gross margin remains resilient, expected to be in line with last year.
- Underlying EBITDA¹ is expected to be in the range of \$105 million to \$110 million, with three weeks of trade still to come.

Sales are expected to be a full-year record for the Group, exceeding \$1 billion for the first time, following strong sales growth from all brands in the first three quarters of the financial year. Recent trading in the fourth quarter (“Q4”) has been more challenging, with increased cost-of-living pressures softening consumer sentiment.

Kathmandu has so far experienced a slower start to its winter trading period, cycling its best-ever winter season performance last year. Sales and retail footfall have been impacted by a warmer start to winter in Australia, and softening consumer sentiment overall.

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

“With three weeks of trade still to come, we remain focused on delivering our key Kathmandu winter and Rip Curl Northern Hemisphere summer results while continuing to moderate our cost base for the year ahead. We’re looking forward to delivering over \$1 billion in sales at year-end – a first for KMD Brands.”

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

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

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