

KATHMANDU HOLDINGS LIMITED

ASX / NZX / MEDIA ANNOUNCEMENT

29 June 2021

## COVID-19 lockdowns impact Australian trade

Kathmandu Holdings Limited (NZX / ASX: KMD) (the **Group**) today provides the following trading update following the recent announcement of additional COVID-19 restrictions in New South Wales, Australia.

A number of the Group's retail stores have suffered renewed disruption to trading from COVID-19 lockdown restrictions in Australia, with 40 stores currently closed in New South Wales for a minimum of two-weeks, and 26 further stores closed in Western Australia for a minimum of 4 days from today. This follows the two-week lockdown in Victoria which impacted 62 stores in early June.

As a result, under the currently announced restrictions, Group total sales for FY21 are expected to be below original expectations at approximately \$930 million, and underlying EBITDA is estimated at c.\$120 million.<sup>1</sup> The impact of the New South Wales and recent Victorian lockdowns and associated movement restrictions is estimated to be c.\$13 million on EBITDA. Uncertainty remains due to the evolving COVID-19 situation in Australia, and this expectation is subject to change.

Kathmandu brand had a positive start to winter, with trading broadly in line with pre-COVID-19 levels before Australian lockdowns began to impact the key winter trading period.

Rip Curl has continued to trade strongly in the key regions of North America and Europe, where, despite COVID-19 related disruptions, direct to consumer sales remain well above pre-COVID-19 levels. Wholesale orders received for FY22 continue to show double-digit growth over FY19.

Oboz has seen record sales performance in the second half of FY21, with wholesale orders for FY22 significantly above both FY19 and FY20.

Commenting on trading, Group CEO Michael Daly said:

"COVID-19 continues to be a disrupting factor, in particular for Australasia during the key trading period for Kathmandu. Excluding these impacts, Kathmandu had a solid start to the winter season, and Rip Curl sales momentum continues. Trading conditions in the Northern Hemisphere for both Rip Curl and Oboz are particularly strong across our online, retail and wholesale channels, as our Group benefits from a diversified mix of channel and geographies."

- ENDS -

**This announcement has been authorised for release by the Board.**

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<sup>1</sup> Excludes the impact of IFRS 16, recent IFRIC interpretations, and one-off non-cash items. Includes net government subsidies.