

ASX ANNOUNCEMENT

27 February 2025

Execution on strategic initiatives delivers profitability across all key regions

Globe International Limited (**ASX:GLB**) (“**Globe**” or “**the Group**”), a global designer, producer and distributor in boardsports, street fashion, outdoor and workwear, has released its results for the six months ended 31 December 2024 (**H1 FY25**).

H1 FY25 Financial Highlights

- Revenue of \$95.3 million, down 12% on prior corresponding period (**PCP**) due to planned transition in brand mix towards higher-margin brand portfolio; \$15 million of non-core revenue was intentionally eliminated in H1 FY25
- EBIT of \$7.1 million, down 3% on PCP; EBIT margin up 10% to 7.5% due to deliberate focus on higher margin, long-term growth brands; NPAT of \$4.8 million, down 3% on PCP
- Fully franked interim dividend of \$0.10 per ordinary share (cps) declared, up 11% (H1 FY24: \$0.09 cps)
- Generating good cash flow with a strong balance sheet and net cash position of \$17.3 million
- Foundations now in place to grow revenue and profits over remainder of FY25

Key Financial Metrics	H1 FY24	H1 FY25	Change
Net sales (A\$m)	107.9	95.3	-12%
EBIT (A\$m)	7.3	7.1	-3%
EBIT Margin (%)	6.8	7.5	+10%
NPAT (A\$m)	4.9	4.8	-3%
Dividend (A\$ cps)	9 cents	10 cents	+11%
Net cash position (A\$m)	14.6	17.3	+18%

Commenting on the H1 FY25 results, Globe International CEO, Matt Hill said:

“Globe International’s long-term strategy of building stronger, more profitable brands remains on track. The work we have done and the strategic initiatives we have implemented have improved profitability, and laid solid foundations for further, high-margin growth. We expect to see the benefits continue to flow through to the second half of this financial year.

“Our core and emerging brands are performing strongly and increasing market share despite challenging conditions. Pleasingly, we achieved solid momentum across all regions, with international operations growing their contribution to overall Group performance.

“With a refined brand and product category mix, market leading core brands across workwear, boardsports, outdoor and streetwear, and a proven track record in developing emerging brands,

we are well positioned to deliver strong shareholder returns both this year, and over the long term.”

Financial Performance

Globe International’s long-term strategy to deliver enhanced profitability across all regions is progressing as planned, with a focused effort on optimising the brand portfolio towards higher-margin brands. The Group reported revenue of \$95.3 million, down 12% on PCP, as a result of the Company’s decision to discontinue less profitable brands that contributed \$15 million in revenue in H1 FY24.

Earnings Before Interest & Tax (**EBIT**) of \$7.1 million was broadly in line with PCP, with EBIT margin increasing 10% to 7.5% due to the contribution of more profitable core brands.

Capital Management

Globe International continues to generate good cash flow, achieving \$8.7 million in operating cash flow in the half. With healthy debtor and inventory balances, combined with a net cash position of \$17.3 million, the Group has a very strong balance sheet that provides the flexibility to support the execution of its growth strategy.

Taking into consideration the Group’s earnings performance, strong balance sheet, and confidence in the Company’s outlook, the Board has declared a fully franked interim dividend of \$0.10 cents per ordinary share (cps), which is up 11% on PCP (H1 FY24: \$0.09 cps). The interim dividend will be paid to shareholders on 28 March 2025.

Commenting on the outlook for Globe, Mr Hill said:

“Globe International remains a stable yet ever-evolving global brand house, based on a mix of built-for-purpose core and emerging brands. Our core brands are operating in markets with significant long-term growth potential, which gives us confidence that we are on track to return to revenue growth in the second half of FY25 and grow returns for shareholders.”

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This release has been approved for distribution by the Board of Directors of Globe International Limited.

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