

 NEW ZEALAND
merino™

ZQ™

ZQ^{RX}™



Where will we play,
and will we win there?

Three balls of light-colored yarn are arranged in a triangular pattern on a textured, light-colored surface. The yarn is a soft, neutral tone, and the texture of the surface appears to be a fine, irregular pattern. The lighting is soft, creating gentle shadows around the balls of yarn.

**Stick to
our knitting**

A person wearing a blue beanie, a blue and black long-sleeved top, black leggings, and a hydration vest is running on a snowy path. The background shows a snowy landscape with mountains and a small town.

**Be the world's
premier wool supplier**



Global supply chains are
disconnected and extractive

A group of five people, three men and two women, are standing in a grassy field with mountains in the background. They are all wearing dark outdoor jackets and jeans. The woman on the far left is gesturing with her hand while talking to the man next to her. The man in the center is looking towards the woman on the far right. The woman on the far right is smiling and looking back at the man in the center. The man on the far left is looking towards the woman on the far right. The background shows a range of mountains under a clear blue sky.

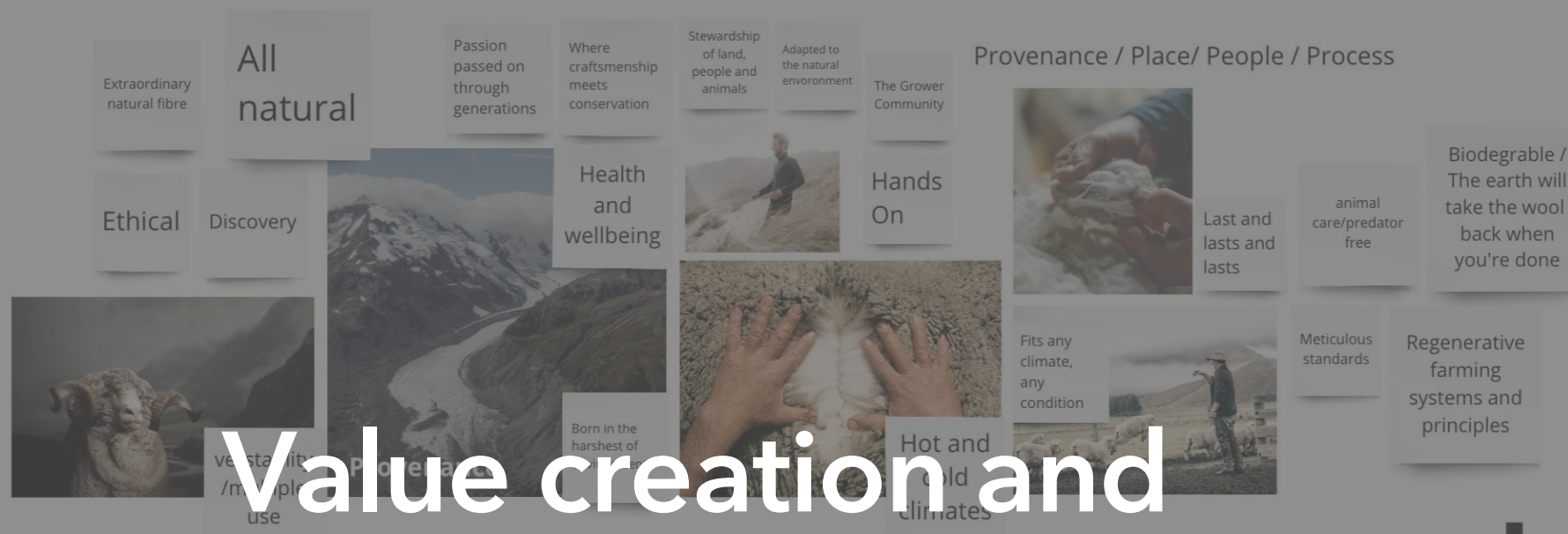
**Connecting remarkable
brands to remarkable people**

Value Add

Emotional and rational attributes, unique to our product.

Not well known to consumers

What consumers value paying more for



Value creation and extension are in our DNA

Baseline

Rational attributes, generic to Merino.

Generally well known to Merino consumers

What consumers believe they are already paying a premium for.

Thermo-regulation.

The thermo-regulation properties of merino wool adapt to your body and external conditions, so you can stay warm in the cold and cool in the heat.

Natural odour resistance.

Merino wool actively resists unpleasant odours by absorbing odour molecules into its fibres, making them less detectable by the human nose.

Moisture management.

Merino fibres efficiently manage moisture, absorbing it from your skin and releasing it into the atmosphere. It can absorb up to 35% of its weight in water without feeling wet.

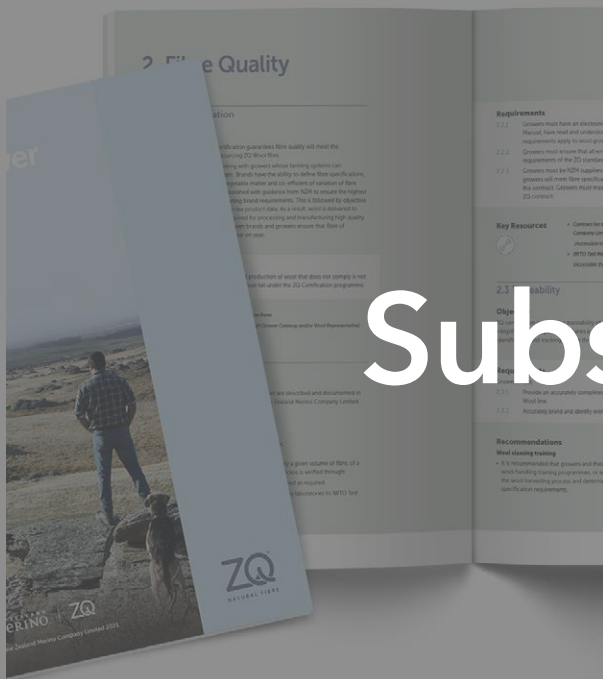
Resilience.

We design our clothes to endure and withstand whatever adventure you have next. Icebreaker merino fibres are resilient, stretching over 30% without breaking.

Unbelievable softness.

When Icebreaker merino fibres touch your skin, they bend, offering an incredible sensation of softness and comfort that you have to experience to believe.

Substance and standards establish access



Beyond certification



Consumer demand



Market direction



Pioneered the active
outdoors category



100 billion items of clothing are produced every year. Three out of five will end up in landfill within the year.

WINNING FORMULA

DISTINCT PRODUCT OFFERING

- Multiple branded fibre opportunities beyond animal welfare and regen
- Deep supply chain partnerships driving growth

EXPANDING SUPPLY BASE

- Largest RWS supplier in New Zealand
- Pipeline of opportunities for growth in Australia, South Africa and South America

NO.1 ETHICAL & REGEN WOOL STANDARD

- Longest standing standard with the most credibility
- Only branded fibre outside RWS that is monitored globally

TRUSTED & RESPECTED BRAND

- 27 years of brand equity
- Strong awareness in luxury and active outdoor
- Multiple opportunities to leverage into new segments

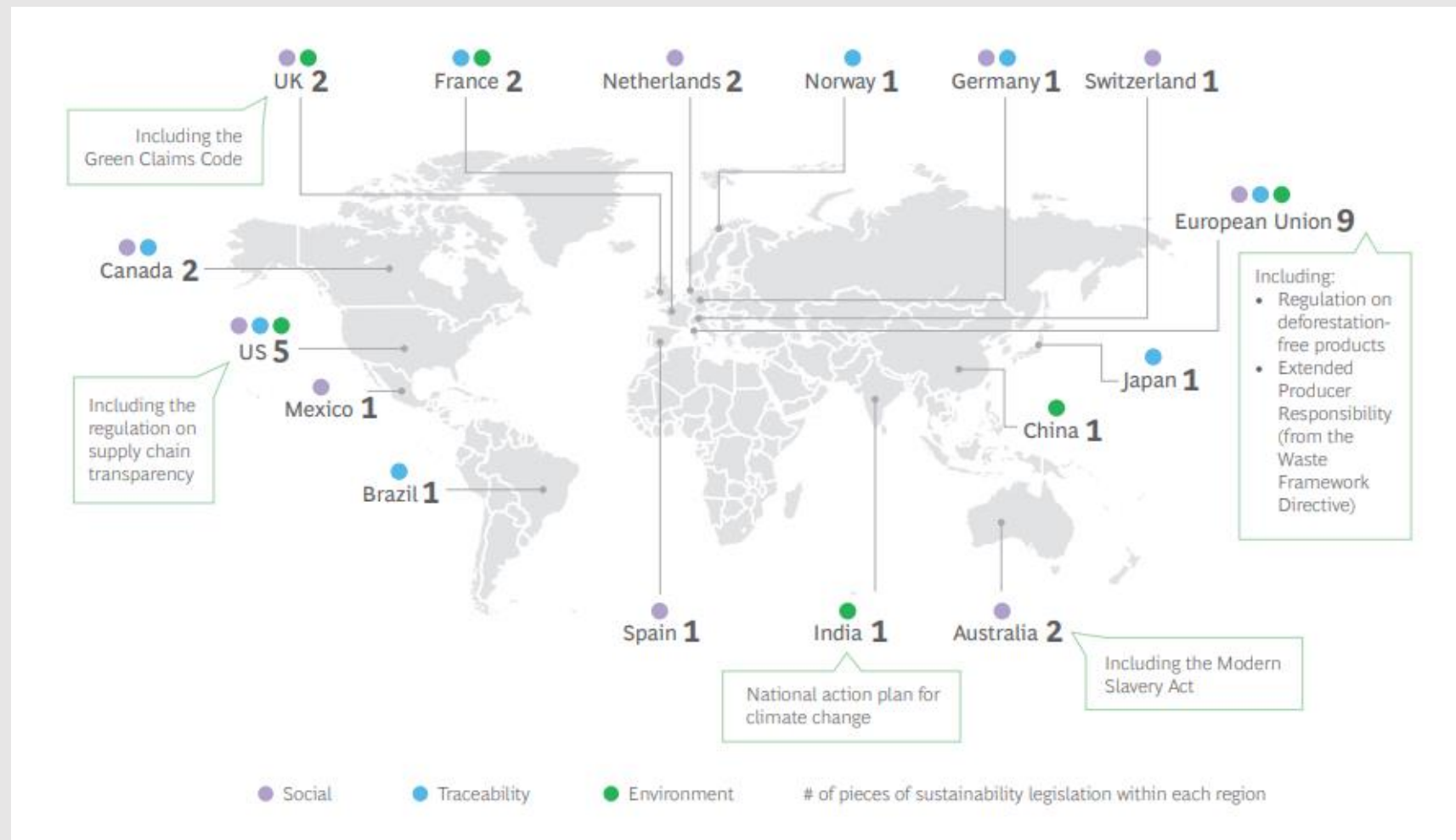
ATTRACTIVE MARKET OUTLOOK

- Customer preferences towards natural
- Beneficial regulatory impacts on customers

GROWING CUSTOMER PORTFOLIO

- Supply 120 brands globally
- Increase in brands promoting our branded fibre

Fashion and apparel brands will contend with more than 35 pieces of significant new legislation in the next two to four years





Consumer expectations around welfare compliance are amplifying

Misalignment on what consumers are willing to pay

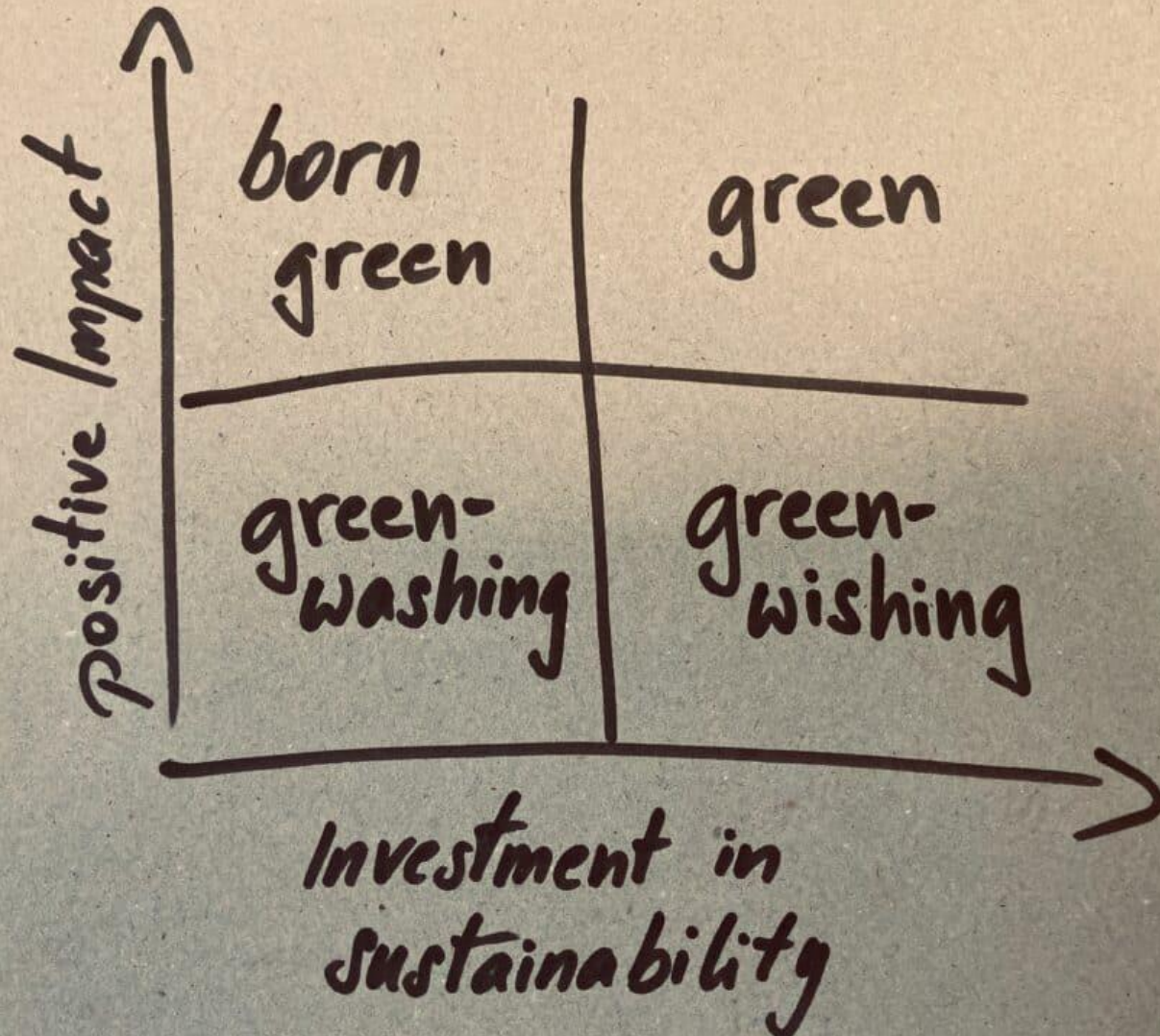




Carbon confusion is being shared

Now we have
"Green Hushing"

When will we get
"Green Sharing"



HEADWINDS

Speed and intensity of regulation - for all within the supply chain is growing at pace, with more onerous policies and clear accountabilities on carbon, emissions and traceability.

Increasing price sensitivity and reduced consumer willingness to 'pay' for sustainability, as it's expected to be 'baked' in to the product.

Animal welfare issues are getting louder. Issues consumers find emotive and brand partners find potentially catastrophic.

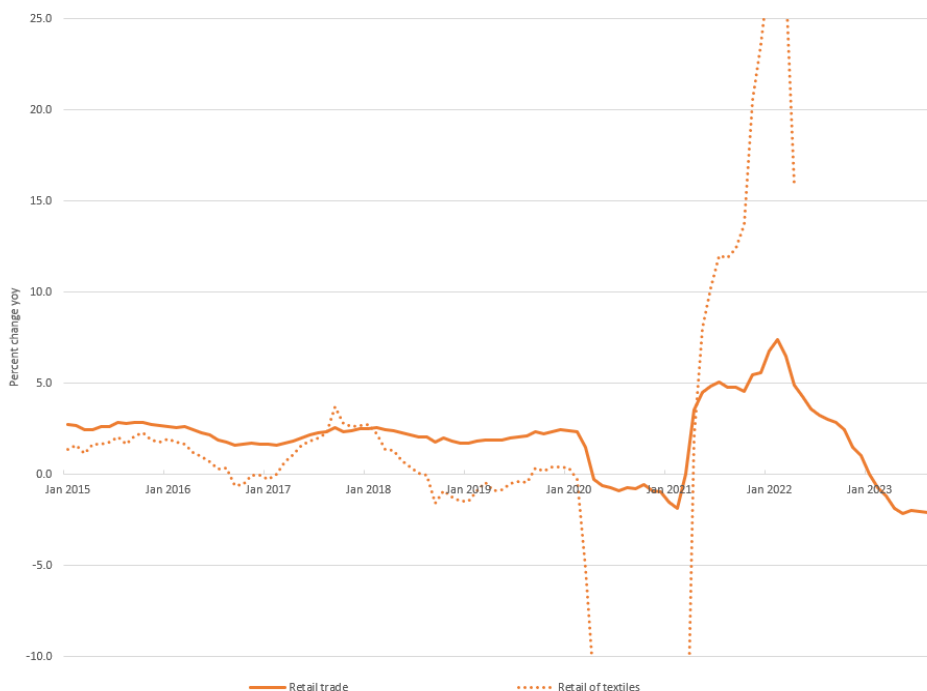
Brand partners continue to look to suppliers like us to solve their carbon reduction problems

The rise in circularity, a complex story to understand, deliver on and communicate

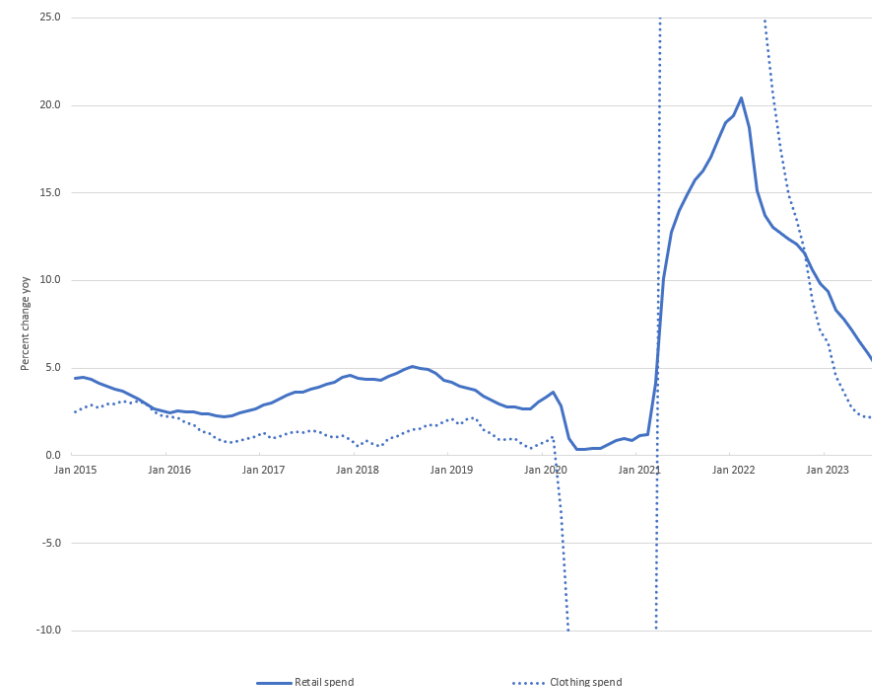
Consumers are becoming more aware of 'faking' sustainability (carbon credits) vs actually making meaningful change

Short term hurdles

Europe retail spend growth rates¹



US retail spend growth rates¹

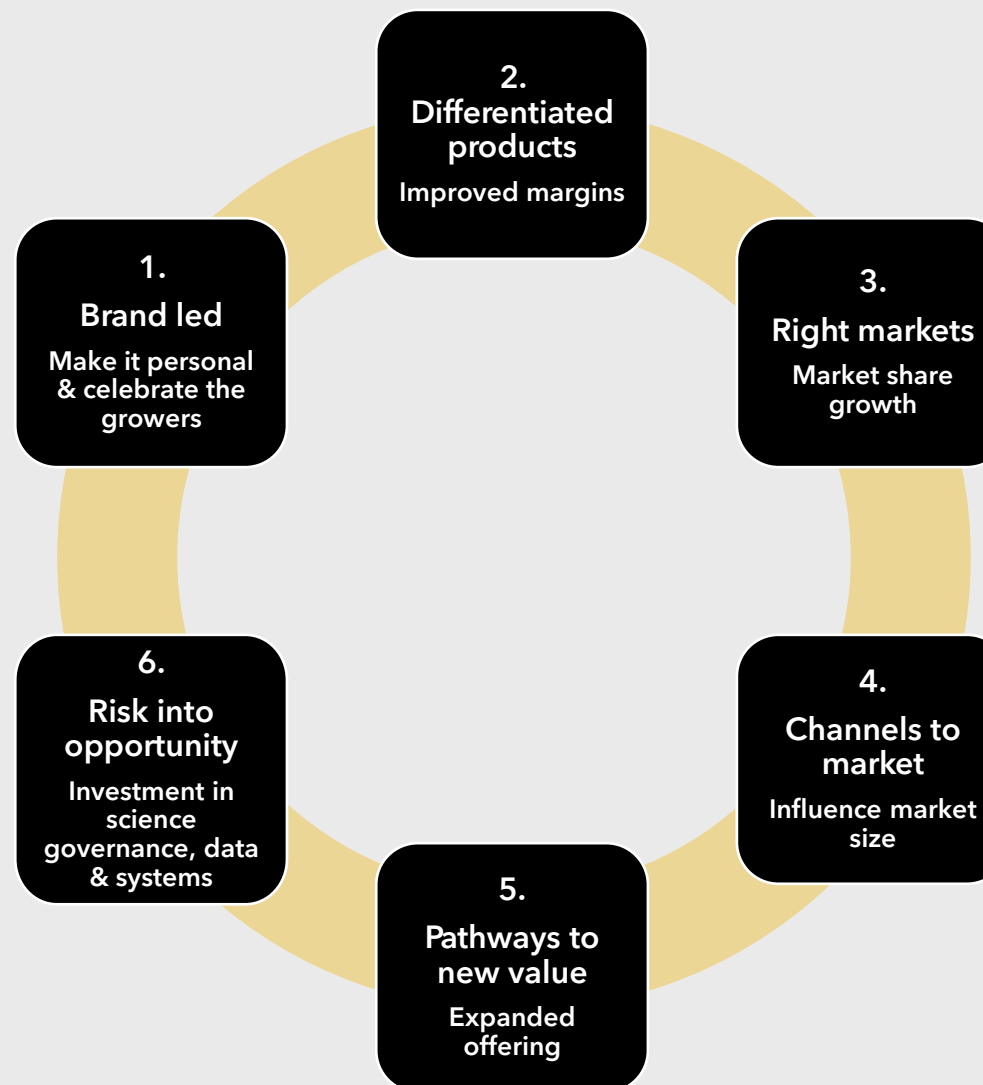


OUR LATEST GUIDANCE

- Full year EBIT loss in the range of \$1.5 to \$2.1 million
- Previous guidance was for positive EBIT in the range of \$1.0 to \$1.6 million
- At NPAT level, a loss in the range of \$3.2 to \$4.3 million is expected
- Driven by deteriorating trading conditions due to the global slowdown in consumer demand - retailers and wholesalers are holding high inventories of finished products.
- We remain confident that conditions will stabilise once the current excess inventory has worked through the supply chain
- Included in the strategic review was a thorough strategic analysis to examine business efficiency and vulnerability to market fluctuations
- An immediate outcome has been the establishment of a profitability improvement workstream that will have an incremental impact over the next 12 months. Alongside this, we will commence several projects to drive both sales and efficiencies as we aim to strengthen the business for its next growth phase.
- We remain focused on delivering value through the supply chain from grower to brand partner. NZM will concentrate on expanding its globally recognised branded fibre positioning, and developing world-class ethical and regenerative integrity systems that support that positioning

**Our
focus**

**Long term
Profitable
Growth**



OUR GAME PLAN

Stabilise the organisation

1

- Relentless simplification
- Focus on fundamentals
- Reframe our integrity systems (ZQ & RX)
- Brand refresh (Nature, People & Performance)
- Workforce planning
- Operating efficiencies
- Positive operating cash flow

Transform organisation

2

- Targeted new business
- Think like a consumer brand
- Expand supply base
- Margin expansion
- Optimised working capital
- Leadership role in wool fibre innovation

Build long term resilience and growth

3

- Product extension
- Reduce customer concentration
- Global recognition (B-Corp & SBTi)
- Full supply chain transparency
- Consistent supplier practice change
- Falling cost-to-earn ratio
- 5-10% EPS growth at a minimum 15% ROCE

A photograph of two young children walking away from the camera on a gravel path. The child on the right is taller, wearing a black long-sleeved shirt and black pants, with their arm around the shoulder of the shorter child. The shorter child is wearing a light-colored t-shirt and dark pants. They are walking towards a fence and trees in the background. The text "Futureproofing our land and communities for generations to come" is overlaid in white on the image.

Futureproofing our land and
communities for generations to come

Thank you

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