

 NEW ZEALAND  
merino™

ZQ™

ZQ<sup>RX</sup>™



Where will we play,  
and will we win there?

A top-down photograph of three balls of light-colored, textured yarn arranged in a triangular pattern on a light-colored, embossed surface. The yarn balls are tightly wound and show the intricate texture of the fibers. The background surface has a subtle, repeating pattern of small, raised shapes.

**Stick to  
our knitting**

A woman in winter athletic gear, including a blue beanie, a blue and black long-sleeved top, and black leggings, is running on a snowy path. She is wearing a hydration vest and running shoes. The background shows a snowy landscape with mountains and a fence.

**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-style jackets and jeans. They appear to be in conversation. The text "Connecting remarkable brands to remarkable people" is overlaid in the center of the image.

**Connecting remarkable  
brands to remarkable people**



# Substance and standards establish access



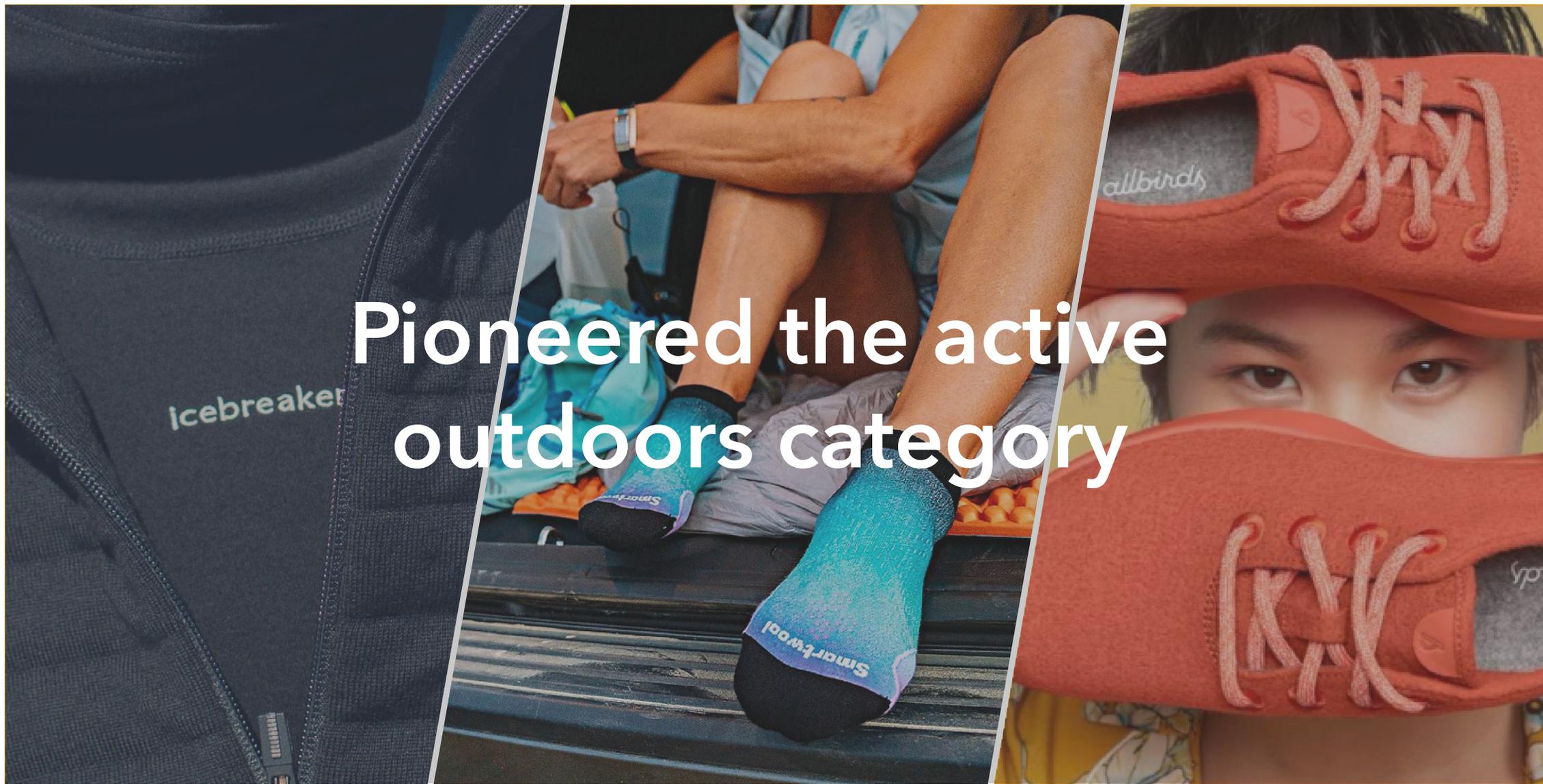
Beyond certification



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

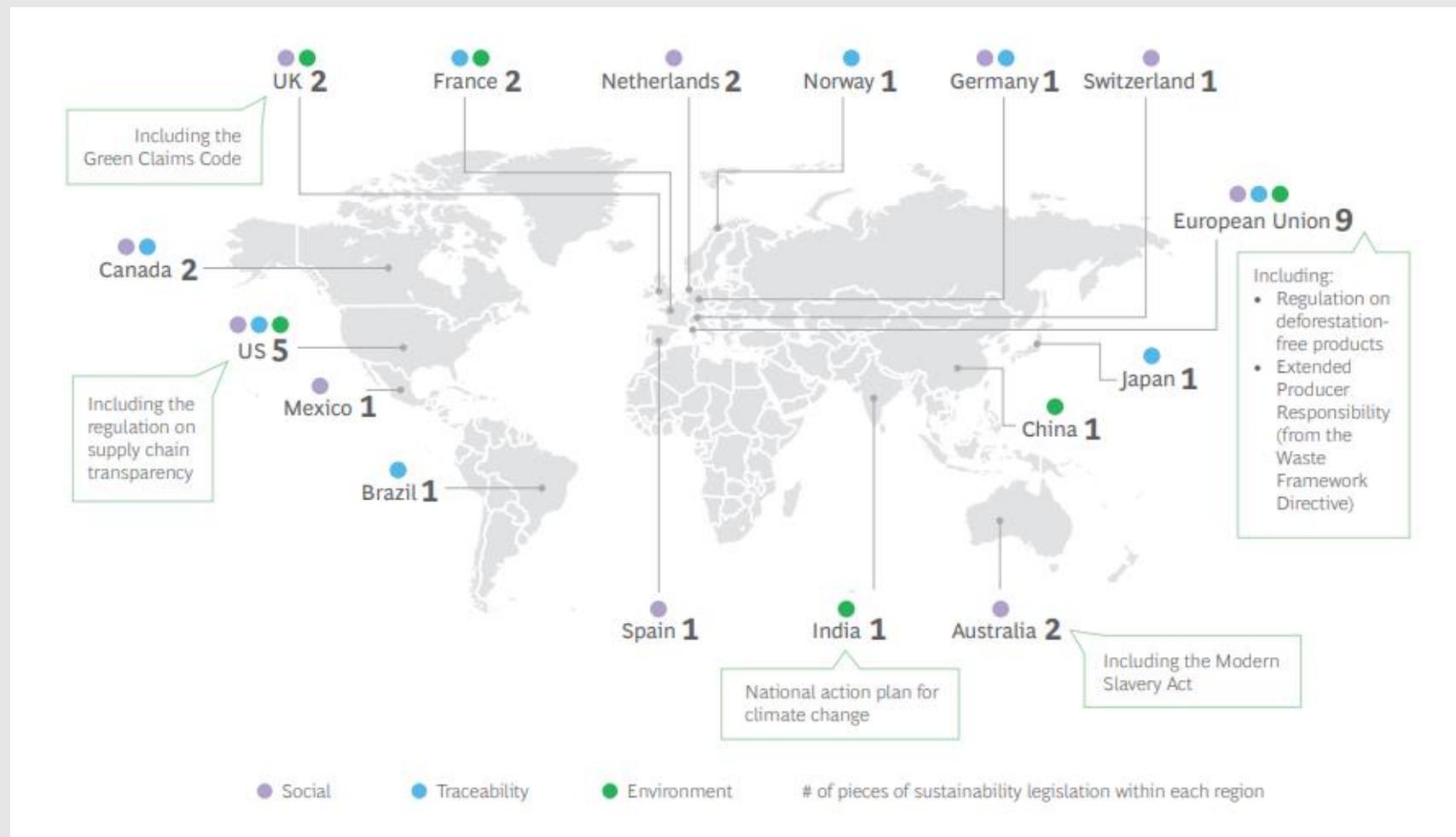
## ATTRACTIVE MARKET OUTLOOK

- Customer preferences towards natural
- Beneficial regulatory impacts on customers

## GROWING CUSTOMER PORTFOLIO

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

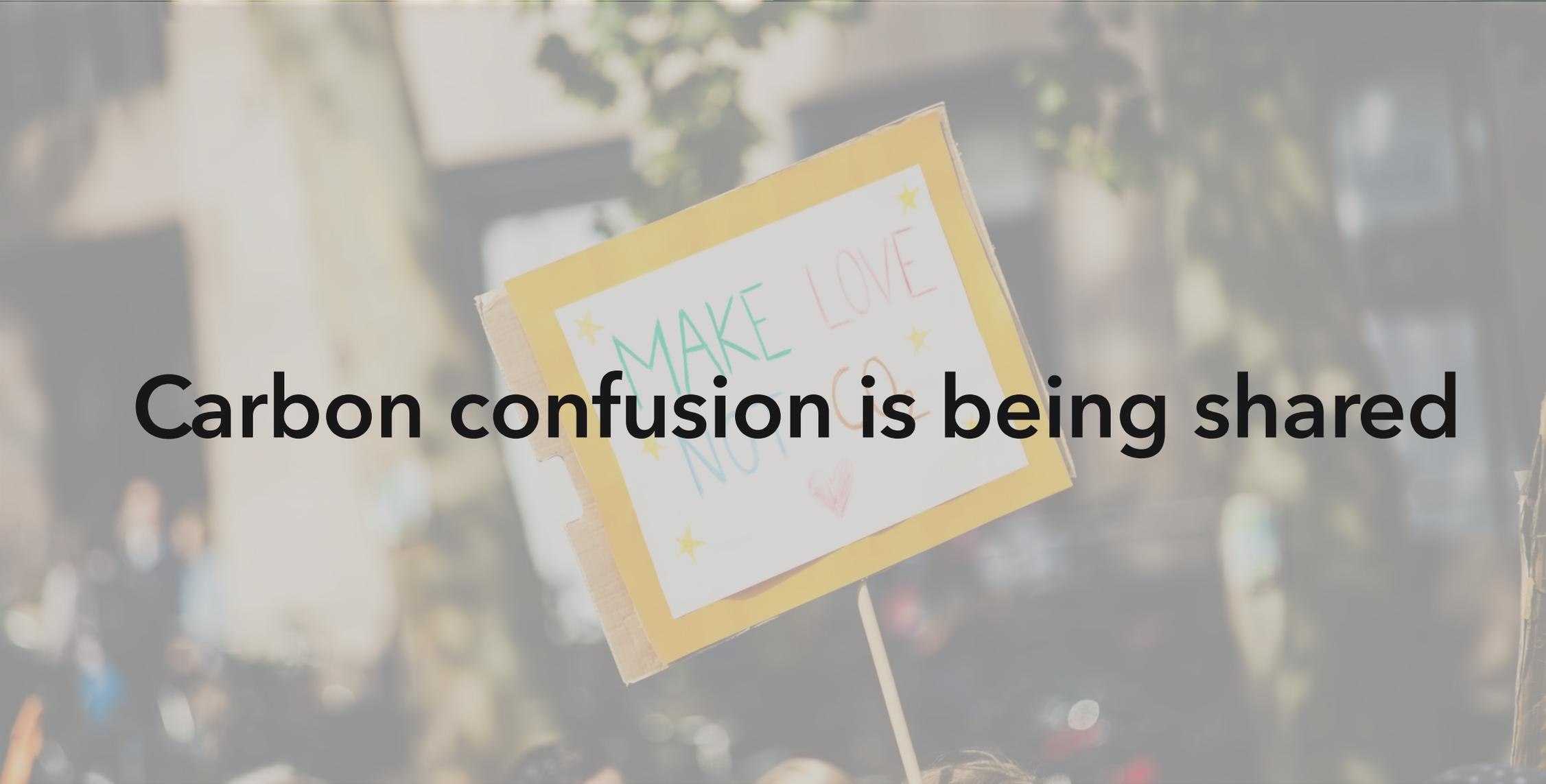
Fashion and apparel brands will contend with more than 35 pieces of significant new legislation in the next two to four years





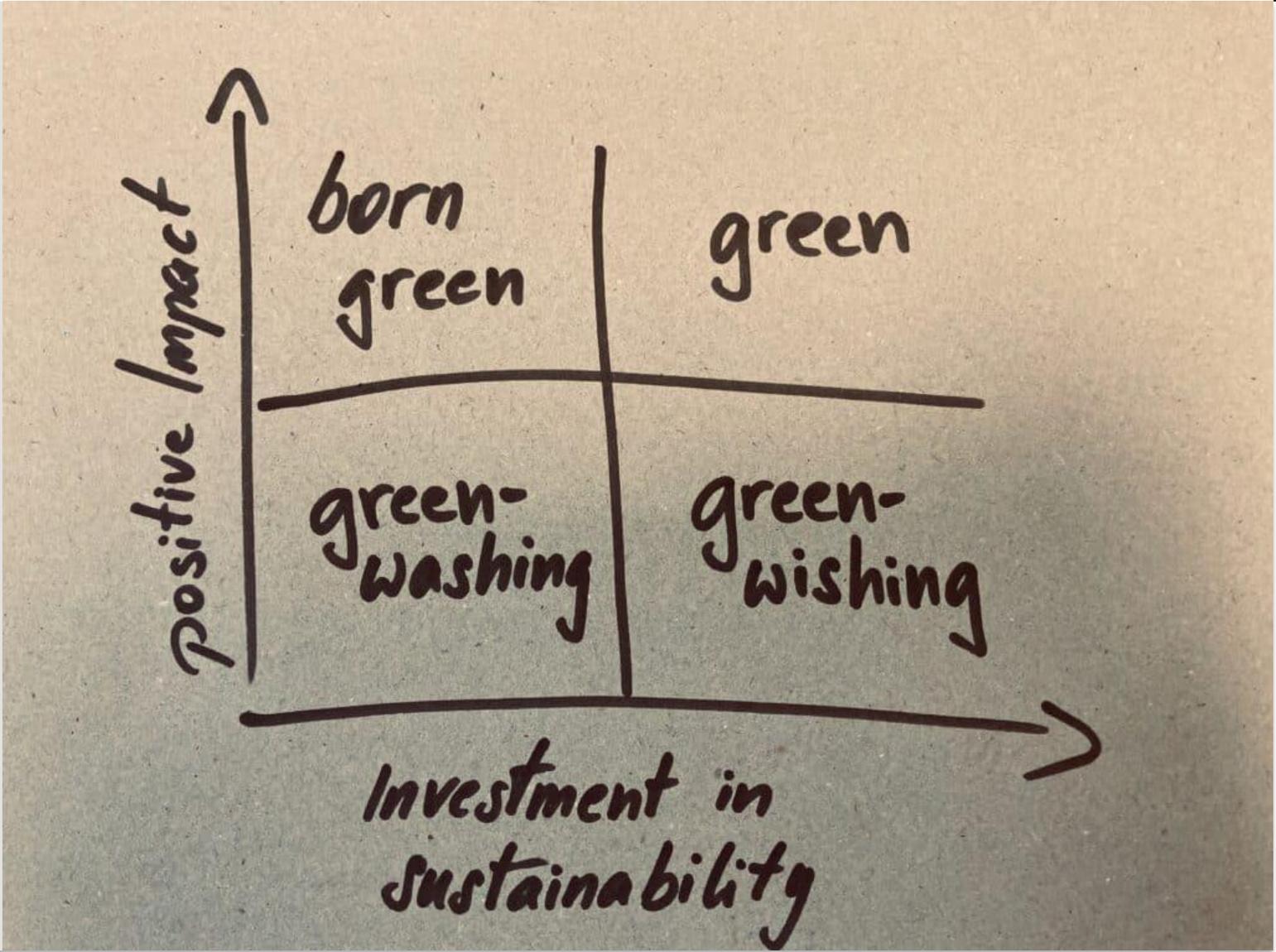
A photograph of a small green plant with three leaves growing out of a large pile of various coins, including copper, silver, and gold. The background is a plain, light-colored surface.

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.

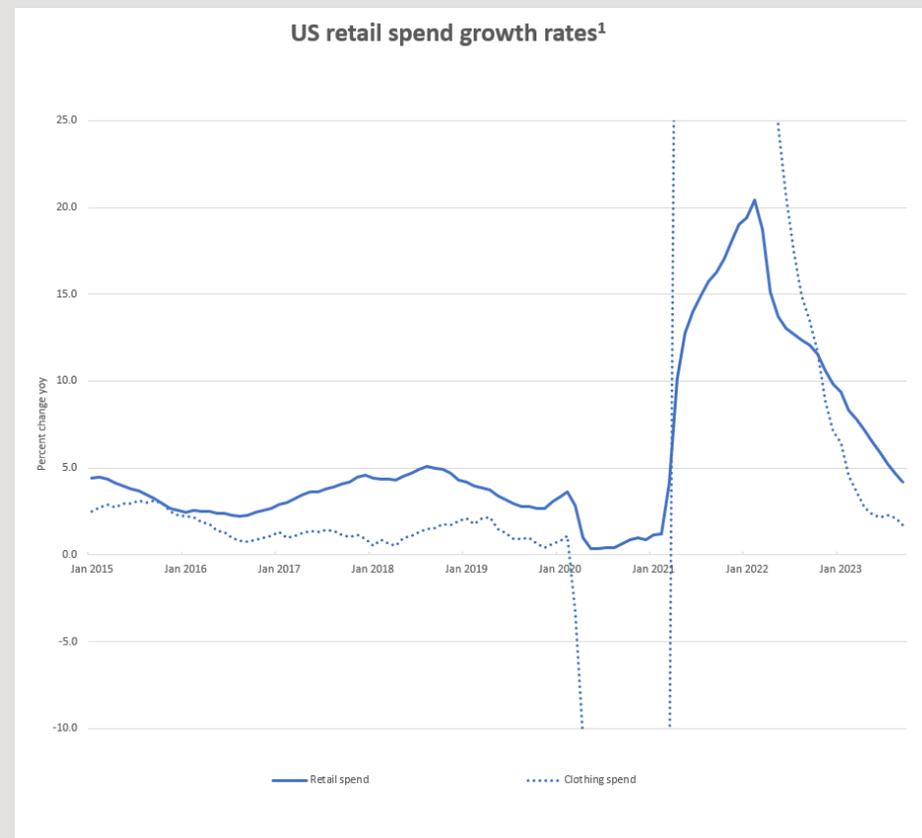
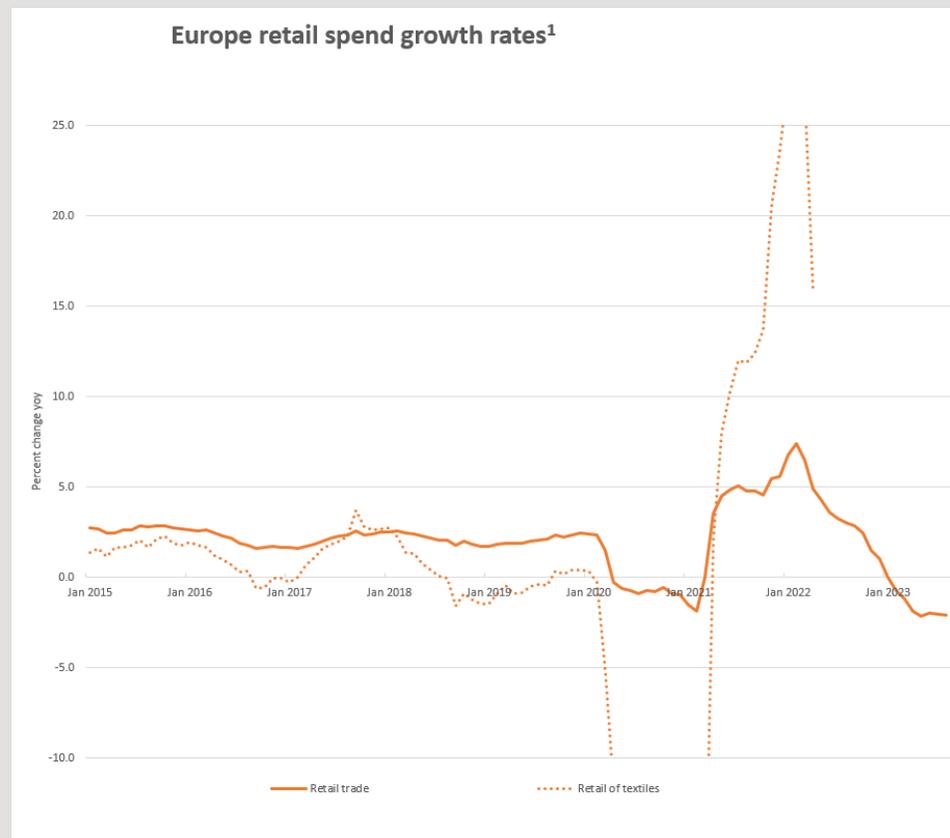
Animal welfare issues are getting louder. Issues consumers find emotive and brand partners find potentially catastrophic.

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

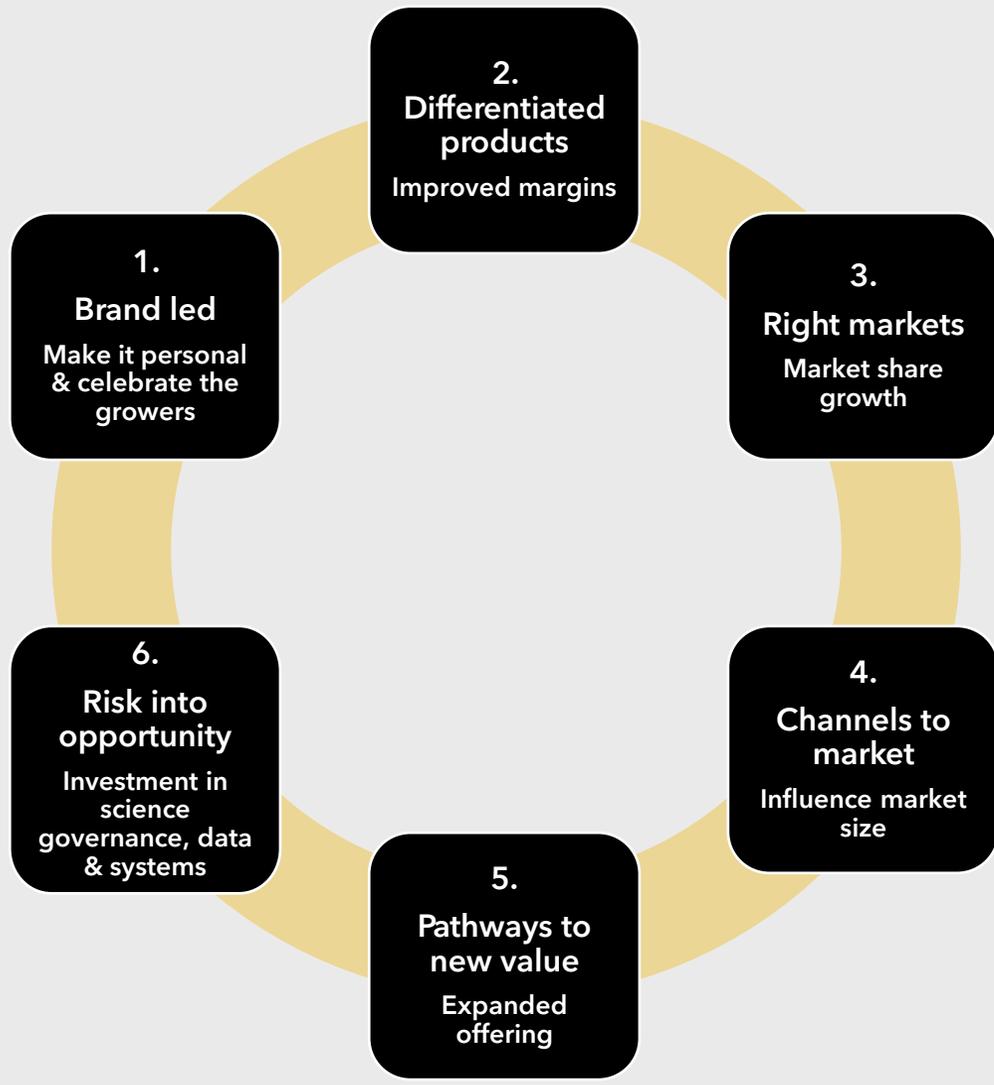


## OUR LATEST GUIDANCE

- 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 in front is wearing a tan shirt and dark pants, while the child behind is wearing a black long-sleeved shirt and dark pants. The path is bordered by a wire fence on the left and a wooden fence on the right. The background shows trees and a clear sky. 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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