

ASX Announcement
18 December 2023

Step One Clothing Limited 1H24 Trading Update

Step One Clothing Limited (ASX:STP) (“Step One” or “the Company”), a leading online, direct-to-consumer innerwear brand, today provides the following trading update.

Step One now expects its 1H24 financial results to fall within the following range:

- 1H24 revenue is expected to be between \$44m and \$45m, representing growth of 22% to 25% respectively above the prior corresponding period (“pcp”) (1H23: \$35.9m)
- 1H24 EBITDA is expected to be between \$10m and \$11m (1H23: \$7.5m)

This is based on year-to-date trading and includes estimates for December. The Company has achieved revenue growth in all geographies it operates: Australia, UK and the USA. However, expressed as a percentage on pcp, the rate of growth was highest in the USA followed by the UK.

Step One notes all figures are estimates subject to trading conditions over the remainder of the reporting period which includes pre-and post-Christmas sales, foreign exchange, logistics timings, and includes a range of factors that affect financial estimates and provisions. The financial result is also subject to auditor review.

Step One plans to report its 1H24 financial result on 20 February 2024.

Step One Founder and CEO, Greg Taylor said:

"I am delighted to report a strong resurgence in profitable growth, aligning seamlessly with our strategic plan presented in August. The expansion of our customer base in the 1H24, coupled with exceptionally robust performance during the Cyber/Christmas period, reinforces Step One’s market leadership and highlights the indispensable nature of our products."

Use of AI to support profitable growth

We have achieved greater marketing efficiency through the strategic implementation of AI tools. These tools have been employed for the commercial generation of campaign concepts, TV advertisements, script ideation, and copy creation. By leveraging AI capabilities, we have been able to tailor advertisements to specific demographics, facilitating the rapid testing and optimisation of marketing content.

Step One’s integration of AI is an ongoing initiative, with plans to extend its application beyond marketing. The expansion is set to include areas such as stock forecasting and inventory management, further contributing to the efficiency and optimisation of our overall business operations.

Mr Taylor said: “I remain confident in our strategy to grow Step One globally.”

-ENDS-

This announcement was authorised for release by the Board of Step One Clothing Limited.

About Step One Clothing

Step One, a leading direct-to-consumer online retailer in innerwear, has made significant strides in ESG (Environmental, Social, and Governance) this year, becoming the first Australian and one of the pioneering UK clothing companies to establish a fully end-to-end FSC certified supply chain.

Our product line features an exclusive array of high-quality, organically grown, certified, sustainable, and ethically manufactured innerwear tailored to a diverse range of body types. With an innovative design that has garnered a cult like following, Step One has redefined the innerwear market. The Company has swiftly expanded its operations, evolving into a multinational entity with a presence in Australia, the UK and the USA.

Further information can be found on the Company's website <https://stepone.group/>.

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