

ASX Announcement
28 October 2022

Step One Clothing Limited Q1 FY23 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.

Unaudited financial information for the 3 months ending 30 September 2022:

- Revenue Q1 FY23 of \$13.1m (15% below previous corresponding period)
- EBITDA Q1 FY23 of \$1.8m (14% of revenue)
- At 30 September 2022, cash was \$26m and inventory \$30m

Trading conditions in the first quarter of FY23 have been more challenging than that experienced in the first quarter of FY22 across all of our markets.

Given the current market conditions, Step One is prioritising profitability over growth. First quarter profitability reflects the continuation of costs (such as COGS, distribution and transaction fees) incurred in 2H22 with a reduction in advertising spend and improving efficiency.

The Group is comfortable with its inventory levels given continuing global supply chain and shipping delays. Inventory is not seasonal or perishable.

As previously disclosed to the market, Step One’s AGM will be held on Wednesday 16 November at 11am AEDT.

Step One Founder and CEO, Greg Taylor said: “I remain confident in our ability to execute on our strategy despite difficult global macroeconomic conditions. Step One remains in a good financial position with strong cash on hand and a robust balance sheet.”

-ENDS-

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

About Step One Clothing

Step One is a leading direct-to-consumer online retailer for innerwear. Step One offers an exclusive range of high quality, organically grown and certified, sustainable, and ethically manufactured innerwear that suits a broad range of body types. Step One has transformed the innerwear market with an innovative design and cult-like following and has quickly grown into a multinational company operating in Australia, the US and the UK.

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

For all enquiries, please contact:

Maddie Seacombe
Citadel-MAGNUS
mseacombe@citadelmagnus.com
+61 2 8234 0114 / 0402 999 291

Saskia West
Citadel-MAGNUS
swest@citadelmagnus.com
+61 2 8234 0109 / 0452 120 192