

ASX Announcement
18 February 2026

Step One Clothing Limited 1H26 Results

Step One Clothing Limited (ASX:STP) (“Step One” or “the Company”), a leading online direct-to-consumer underwear brand, today announces its financial results for the six months ending 31 December 2025 (1H26).

Overview

- Revenue of \$36.3 million (1H25: \$48.1 million)
- EBITDA loss of \$10.0 million (1H25: \$11.2 million profit), reflecting a \$10.9 million inventory obsolescence provision
- Adjusted EBITDA² \$1.0 million (1H25: \$11.2 million), excluding the inventory provision
- Net loss after tax of \$8.5 million (1H25: \$8.2 million profit)
- Strong financial position with cash and financial assets of \$24.0 million and no debt

1H26 Key Financial Metrics

		1H26	1H25	Variance	
				\$	%
Revenue	\$'000	36,330	48,118	-11,788	-24.5%
Gross Margin	%	43.1%	78.0%		-34.9pp
Gross Margin Adjusted ²	%	73.2%	78.0%		-4.8pp
EBITDA ¹	\$'000	-9,961	11,179	-21,140	-189.1%
EBITDA Adjusted ²	\$'000	972	11,179	-10,207	-91.3%
NPAT	\$'000	-8,468	8,181	-16,649	-203.5%
NPAT Adjusted ²	\$'000	290	8,181	-7,891	-96.5%

Step One Founder and CEO, Greg Taylor, said: “Sales in late 2025 were below our expectations, primarily due to slower-than-expected clearance of legacy inventory despite promotional activity. As a result, we have taken a \$10.9 million provision against this stock, which is now fully provided for, with no material additional provisions anticipated.

“This result has reinforced the urgency of our reset program, which is tracking to plan. We are moderating discount depth, focusing on value-led product innovation, and restoring brand quality perception. Our customer retention has remained solid at 65%, positioning Step One well to capture new opportunities as we broaden our product range, invest further in brand awareness, and work to make our offer more accessible to new customers. Given the transition phase of the business, we are not providing full-year earnings guidance at this stage.”

-ENDS-

¹ Earnings before interest, tax, depreciation and amortisation (EBITDA) is a financial measure that is not prescribed by Australian Accounting Standards.

² Adjusted refers to the removal of the inventory obsolescence provision raised in December 2025. A reconciliation of reported to adjusted EBITDA and adjusted Net Profit After Tax (NPAT) is provided in the investor presentation.

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

Investor Conference Call & Webcast

An Investor Presentation has been lodged with the ASX today, together with this announcement. Step One will host a conference call and webcast for analysts and investors at 9.30am AEST today.

Conference call registration:

<https://s1.c-conf.com/diamondpass/10052442-ht504a.html>

Live audio webcast registration:

<https://webcast.openbriefing.com/stp-hyr-2026/>

About Step One Clothing

Step One is a leading direct-to-consumer online retailer specialising in high-quality, certified sustainable and ethically manufactured underwear that suits a broad range of body types. Step One has transformed the underwear market with its innovative design and strong customer following which has driven its growth 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/>.

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