

A high-angle, action shot of a female surfer riding a massive, curling wave. The water is a vibrant turquoise blue, and the wave's crest is breaking into white foam. The surfer is positioned in the lower center of the frame, leaning forward on her white surfboard. The overall scene is dynamic and energetic, capturing the raw power of the ocean.

Kathmandu Holdings 2020 Annual Meeting

25 November 2020



Agenda: Annual Meeting 2020

- Item 1: Chairman's address
- Item 2: Group CEO's address
- Item 3: Resolutions
 - Re-election of Directors
 - Auditor remuneration
- Item 4: Other business





Chairman's address



Group CEO's address

Rip Curl acquisition was transformational

- Now one year since acquisition
- Three iconic, inspirational brands with loyal customers
- Delivered diversification in:
 - **Geography:** Global reach with key markets in Europe, North America, South America, Asia, and Australasia
 - **Channels to market:** 325 owned retail stores, 10 owned online sites, 233 licensed and joint venture stores, and over 7,500 wholesale doors globally
 - **Seasonality:** diversified exposure to seasonal product categories
- Opportunity to leverage:
 - Common sourcing, supply chain and systems
 - Expertise, core capabilities and relationships of each brand: customer loyalty and wholesale expertise
- Strong cash generating brands



Response to COVID-19 was swift and strong

- Decisive action to:
 - Protect the safety of customers, team members, and suppliers
 - Raise capital and suspend dividends
 - Reduce costs and accelerate synergies
- Balance Sheet well positioned to respond to current trading conditions and pursue attractive growth opportunities that may arise



Sales and profit results reflect COVID-19 impact

GROUP SALES

up 48.7% to **\$801.5m**

UNDERLYING EBITDA*¹

down 15.3% to **\$83.4m**

UNDERLYING EBIT**¹

down 32.5% to **\$56.2m**

UNDERLYING NET PROFIT AFTER TAX**¹

Down 44.5% to **\$31.5m**

- COVID-19 revenue impact estimated at c. \$135m
- FY20 result included 9 months of Rip Curl
- Retail same store sales growth*² stronger post-lockdown than pre-lockdown for both Rip Curl and Kathmandu
- Online capacity and capability to rapidly scale up to meet demand. Group online sales up 63% to \$106.4m, 15.7% of direct to consumer sales
- Statutory NPAT \$8.9m includes \$18.0m one-off transaction costs, \$4.6m restructuring costs, and \$2.6m impact from the implementation of IFRS 16 leasing standard (in total \$22.6m impact net of tax)

1. Excluding the impacts of IFRS 16 and one-off transaction and abnormal costs

2. Adjusted to remove stores that were not able to open for a comparable week because of COVID-19 lockdowns

Brand strengths more relevant than ever before



- Iconic, inspirational, and authentic brand
- Renowned for high quality technical surfing products
- Global distribution
- Diversified revenue streams across both wholesale and retail channels
- Strong cash contribution, \$34m for 9 months of ownership



- Leading outdoor brand in Australasia
- Original, sustainable, engineered, and adaptive products
- Loyal customers with 2.2 million active Summit Club members
- Omni channel capability
- Proven track record of long-term sales and profit growth
- History of significant cash generation
- Positioned for international expansion (post COVID-19)



- Established and distinctive American Montana-based brand
- Focused, efficient product range with significant expansion potential
- Positive operating cash flow
- Efficient operating structure
- Direct to consumer online channel launching FY21



Sustainability highlights



BOTTLES WORTH OF FRESH WATER SAVED BY MOVING TO SOLUTION DYED FABRICS (2017 - 2020)



PLASTIC BOTTLES RECYCLED THROUGH OUR REPREVE PRODUCT RANGES (2015 - 2020)



100% SUSTAINABLE COTTON IN OUR RANGE



OBTAINED THE RAINBOW TICK CERTIFICATION IN NEW ZEALAND FOR EMBRACING DIVERSITY & INCLUSION



RECYCLED PLASTIC IN OUR POLYBAGS



SCORED A B+ IN THE ETHICAL FASHION REPORT TWO YEARS RUNNING



COLLABORATED WITH KATHMANDU ON DEVELOPING OUR SUSTAINABILITY JOURNEY

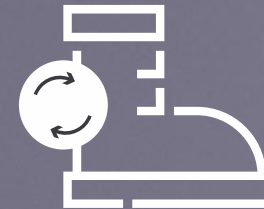
20TH YEAR ANNIVERSARY OF RIP CURL PLANET DAY



FSC CERTIFIED



RECYCLED PAPER SWING TAGS ON PRODUCTS



LAUNCHED THE SYPES AND BOZEMAN COLLECTIONS MADE WITH RECYCLED MATERIALS AND ALGAE



3.3 MILLION

TREES PLANTED SINCE THE COMPANY STARTED



IMPROVED GENDER DIVERSITY IN OUR TEAM NOW WITH

41% FEMALE REPRESENTATION

Group strategy

We are a global outdoor, lifestyle and sports company underpinned by iconic brands, technical products and a focus on sustainability

Diversify the Business

Build a portfolio of brands that:

- Provide diversification in geography, channel to market, product category and seasonality
- Meet the global year round needs of customers in the outdoor, sport and lifestyle categories

Leverage the Portfolio

- Deliver operational excellence in sourcing, supply chain and systems
- Accelerate digital transformation
- Drive margin expansion through synergies and leveraging the complementary expertise and core capabilities

Grow Each Brand

- Maintain relentless focus on core customers by delivering solutions to their needs
- Bring to market technical, differentiated and sustainable products
- Create global brands
- Accelerate expansion of the direct to consumer business
- Enhance customer loyalty

Promote Our Values

- Sustainability is ingrained in everything we do
- We embrace diversity and inclusion in the workplace
- Building up strong ties with local communities is in our ethos

Group strategy

Our operating model is anchored by 6 pillars



Decentralised Organisation

Our structure and operating principles ensure that the brands have a high level of autonomy, accountability and agility within the Group requirements



Synergies

The brands leverage respective strengths and build on each other's competitive advantages over time



Organic Growth

We place priority on organic growth and commit significant resources to develop each of our brands



Seamless customer journey and experience

Customer centricity requires that we offer a great experience through relevant commercial channels



Digital Acceleration

The integration of digital technology into all areas of the business fundamentally changes how we operate and deliver



Enhanced Customer Loyalty

We engage core customers and invest behind driving long term loyalty to our brands

FY21 trading update and outlook

Trading update

- Group total sales for the first quarter ended 31 October 2020 were +72% above last year, benefiting from the transformational acquisition of Rip Curl
- On a pro-forma basis (relative to the same period last year including three months of Rip Curl pre-acquisition):
 - Group direct to consumer same store sales, including online, for the 16 full weeks ended 15 November 2020:
 - -7.6% adjusted for lockdown closures¹, with Rip Curl +26.8% and Kathmandu -26.8%
 - -24.1% unadjusted, with Rip Curl -1.7% and Kathmandu -37.7%
 - Group online sales for the 16 full weeks ended 15 November 2020 were +37.0% above last year
 - Group wholesale sales for the first quarter ended 31 October 2020 were -14.4% below last year
 - Group EBITDA for the first quarter was in line with last year, including government subsidies and the realisation of cost synergies
- COVID-19 has continued to impact key markets at the start of FY21
- Rip Curl: strong sales performance in key markets. Wholesale order book well placed for the second half year at broadly pre-COVID-19 levels
- Kathmandu: camping and footwear categories have over-performed, but have not compensated for COVID-19 impacts, with low footfall in CBD and tourist locations, and lower demand for travel-related purchases
- Oboz: robust performance with strong sales to key accounts, and the forward order book tracking above pre-COVID-19 levels

Outlook

- Realising the benefit of a diversified Group: strong performance in summer weighted product categories for Rip Curl, following a successful winter for Kathmandu
- Half year result dependent on the key Christmas trading period
- The impact of COVID-19 on consumer sentiment remains a risk
- Strong balance sheet and liquidity position
- Intention to resume dividend payments following first half result, subject to market conditions and trading performance

1. Adjusted same store sales removes stores that were not able to open this year for a comparable week because of COVID-19 lockdowns

Resolutions



Resolution 1

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That John Harvey be re-elected as a Director of the Company.”

Proxies:

In respect of this item of business, the following proxies have been received:

	Resolution 1
In favour	401,936,051
Against	2,183,203
Open	2,293,826

The Board unanimously supports resolution 1 and recommends that shareholders vote in favour

Resolution 2

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Philip Bowman be re-elected as a Director of the Company.”

Proxies:

In respect of this item of business, the following proxies have been received:

	Resolution 2
In favour	401,579,416
Against	2,535,063
Open	2,293,826

The Board unanimously supports resolution 2 and recommends that shareholders vote in favour

Resolution 3

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Brent Scrimshaw be re-elected as a Director of the Company.”

Proxies:

In respect of this item of business, the following proxies have been received:

	Resolution 3
In favour	362,286,891
Against	41,821,568
Open	2,293,826

The Board unanimously supports resolution 3 and recommends that shareholders vote in favour

Resolution 4

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That the Board be authorised to fix the remuneration of the Company’s auditor for the ensuing year.”

Proxies:

In respect of this item of business, the following proxies have been received:

	Resolution 4
In favour	403,835,439
Against	355,465
Open	2,287,726

The Board unanimously supports resolution 4 and recommends that shareholders vote in favour



Other business