



Annual General Meeting

November 2018


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- » **Chairman's address**
- » **Chief Executive Officer's address**
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 - » **Item 1: Financial Statements**
 - » **Item 2: Election of Directors**
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Chairman's address

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CEO's address

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- » FY18 highlights:
 - » Financial results
 - » Oboz acquisition
 - » Sustainability achievements

- » Strategy update
 - » Transformation journey

- » Trading update and outlook



FY18 highlights - financial results

Sales

\$497.4m

↑ 11.7%

Gross margin

+140 bps

AU ↑ 180 bps

NZ ↑ 260 bps

EBIT

\$74.6m

↑ 30.9%

Net profit after tax

\$50.5m

↑ 32.9%

Operating cash flow

\$75.6m

↑ \$8.3m

Full year dividend

15cps

↑ 2cps

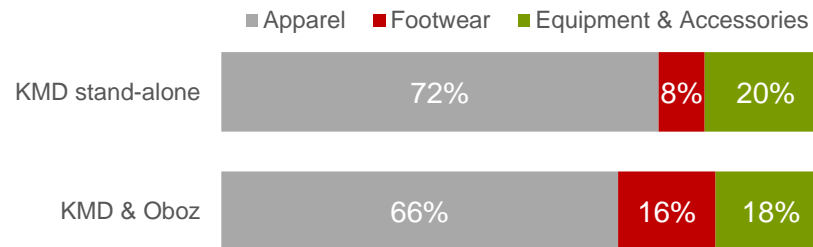
FY18 highlights – Oboz acquisition

Oboz growth strategy:

- » Grow North America customer base in a controlled way
- » Expand into adjacent footwear categories
- » Improve Oboz representation within the Kathmandu Australasia retail footprint
- » Grow International business by leveraging Oboz and Kathmandu customer relationships

Strategic rationale:

- » Advances Kathmandu's transformation from an Australasian retailer to a global outdoor apparel and equipment brand
- » Oboz key customers in the US are authentic outdoor retailers and are Kathmandu's primary wholesale customer targets
- » Strengthens Kathmandu's product offering in footwear*¹



1. The chart shows FY18 sales results including pro-forma Oboz revenue

FY18 highlights – sustainability achievements

Australasian industry leadership in sustainability

Our top 5 sustainability highlights.

At Kathmandu, sustainability isn't a department, it's a way of doing things. Here are some of our highlights from last year.



Fair Labor
Association
certified



#2 world ranking
by the Textile
Exchange for
preferred materials



A' in the Ethical
Fashion Report

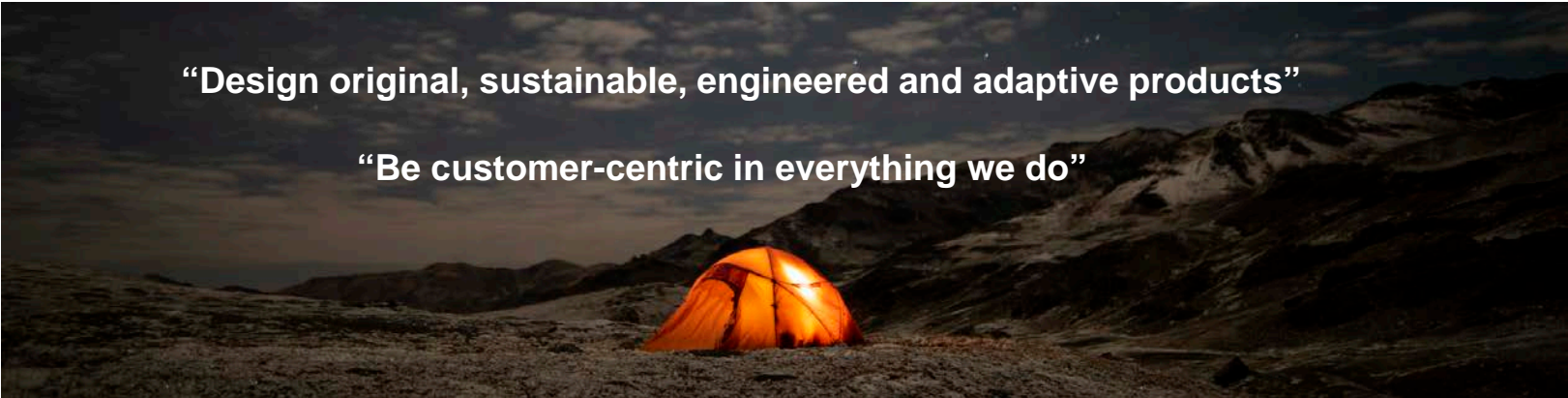


80% towards
our zero waste to
landfill target



Recycled 6.7
million bottles
into our gear

For more information:
Kathmandu's 2018 Sustainability Report



“Design original, sustainable, engineered and adaptive products”

“Be customer-centric in everything we do”

GROWTH STRATEGIES

Continuous improvement

- » Brand and customer
- » Store network optimisation
- » Omni-channel
- » Pricing and promotion
- » Cost efficiency

Growth initiatives

- » Kathmandu international
- » Oboz

Transformation journey

We have been on a journey of transformation:

From a retailer to a **brand**

From local to more **global** business

From bricks & mortar to **omnichannel**

From opening to **optimising** stores

From traditional to **digital** marketing

From broadcasting to **engaging**

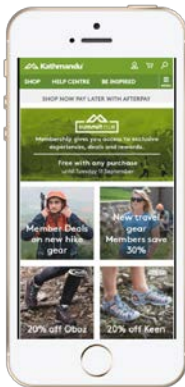


We design original, sustainable, engineered and adaptive products



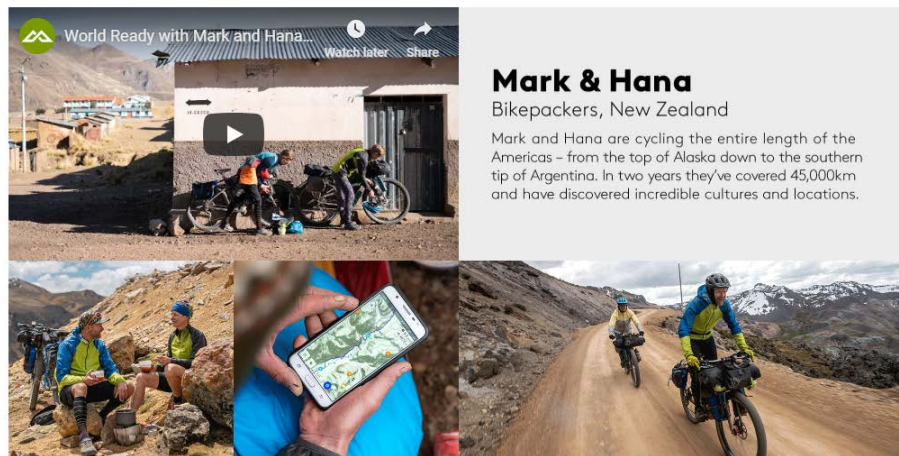
Customer-centric in everything we do

- » Channel agnostic strategy
- » Increased loyal customer base with nearly two million Summit Club members
- » Elevate visual merchandising and product presentation
- » Significant investments in in-store customer experience
- » Online re-platform (live in FY19) to enhance customer experience and fulfilment options



Authentic and inspirational

- » New Zealand heritage with deep roots
- » Elevate brand distinctiveness through product design and innovation
- » Focus on our expertise in adventure travel
- » Inspire our customers and engage with our Summit Club members, leveraging social media and digital



CEO's address - Trading update and outlook

KATHMANDU

15 full weeks ended 11 November 2018:

- » Total Kathmandu sales growth +8.4% vs pcp at constant exchange rates*¹ (excluding Oboz)
- » Kathmandu same store sales growth +6.3% vs pcp at constant exchange rates*¹
- » Same store sales growth by country: Australia +7.1%, New Zealand +5.2%

OBOZ

For the first quarter of FY19:

- » Oboz sales NZD \$15.7m at a gross margin of 39.8%
- » Remain on track to achieve the US \$7.1m EBITDA earn-out target for the 2018 calendar year

OUTLOOK 1H FY19

- » First half profit expected to grow strongly on last year
- » Highly dependant on the success of our Summer Sale

1. At actual exchange rates total Kathmandu sales growth +8.3%. Kathmandu same store sales growth +6.2%
2. Average conversion rates year-to-date NZD/AUD 0.915 (FY18 0.913), NZD/GBP 0.510 (FY18 0.545), NZD/USD 0.660

Ordinary Business: Items 1 to 6

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Item 1: Financial Statements

To receive and consider the Financial Report of the Company for the year ended 31 July 2018 together with the Directors' and Auditor's reports.

Item 2: Election of Directors

To re-elect Directors of the Company, each election to be voted on separately:

Resolution 1: “That Mr. David Kirk who retires by rotation in accordance with Article 4.4 of the Company’s Constitution and NZX Main Board Listing Rule 3.3.11 and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

Resolution 2: "That Ms. Sandra McPhee, who retires by rotation in accordance with Article 4.4 of the Company’s Constitution and NZX Main Board Listing Rule 3.3.11 and, being eligible, offers herself for re-election, 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	Resolution 2
In favour	142,266,255	173,280,013
Against	31,148,786	111,358
Open/Undecided	7,779,772	7,782,442

The Chairman of the meeting intends voting the open and undirected proxies in favour of the resolution.

Item 3: Auditors' Remuneration

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

“To record that PricewaterhouseCoopers continue in office as the Company’s auditors and to authorise the Directors to fix the remuneration of PricewaterhouseCoopers for the ensuing year.”

Proxies:

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

	Resolution 3
In favour	173,301,002
Against	106,876
Open/Undecided	7,782,442

Item 4: Grant of performance rights to Xavier Simonet



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

“That, for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant to Xavier Simonet, Managing Director and Chief Executive Officer, of a number of performance rights up to a value of A\$579,411, calculated in accordance with the formula and terms described in the Explanatory Statement which forms part of this Notice of Meeting.”

Proxies:

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

	Resolution 4
In favour	172,901,338
Against	7,782,442
Open/Undecided	459,236

In accordance with ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 4. by Xavier Simonet or any of his associates (Mr. Simonet being the only director of the Company eligible to participate in the Kathmandu Holdings Limited Long Term Incentive Plan). However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the express instructions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with that persons' express instructions.

Item 5: Increase cap on non-executive directors' remuneration pool



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

“That, for the purposes of ASX Listing Rule 10.17 and NZX Main Board Listing Rule 3.5.1, the maximum aggregate remuneration of non-executive Directors be increased by A\$200,000, from the present limit of A\$800,000 per annum in aggregate to a limit of A\$1,000,000 per annum in aggregate, with effect from 1 August 2018.”

Proxies:

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

	Resolution 5
In favour	172,752,420
Against	79,993
Open/Undecided	566,838

In accordance with ASX Listing Rule 14.11.1 and NZX Main Board Listing Rule 9.3.1, the Company will disregard any votes cast on Resolution 5 by all non-executive Directors (being all Directors other than Xavier Simonet) of the Company or their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the express instructions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with that persons' express instructions.

Item 6: General Business



To consider such other business of the Company as may be properly brought before the meeting in accordance with the Company's Constitution.

Other business

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