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Kathmandu
Holdings

1H FY21

Results Presentation

23 March 2021

Mick Fanning
3 x WSL World Surfing Champion



Strong Rip Curl performance underpinned 1H Group result

Rip Curl achieved strong sales and profits

- Increased participation in surfing and beach-related activities
- Global footprint delivered sales growth in key global markets
- Wholesale forward orders above pre-COVID-19 levels

Kathmandu impacted by COVID-19 related travel restrictions and store closures

- Reduced demand for insulation and rainwear given lack of travellers to Northern Hemisphere
- Strong demand for camp, beach, and footwear with renewed interest in local travel and adventure
- Historic performance skewed to 2H

Oboz sales growth and strong forward order book

- Successful product innovation strategy and diversification of customer base
- Increased participation in hiking

1H Group highlights

Diversified portfolio of brands

- Rip Curl sales performance despite COVID-19 impacts in key global markets, validates the diversification strategy

Record sales

- Total sales +12.9% above last year, including a full six month contribution from Rip Curl

Cautious operating cost management

- Costs reduced in response to uncertain trading conditions, including significant restructuring and synergy savings, rent abatements, supplemented by government wage assistance

Improved first half trading profit

- Underlying EBITDA \$48.2m

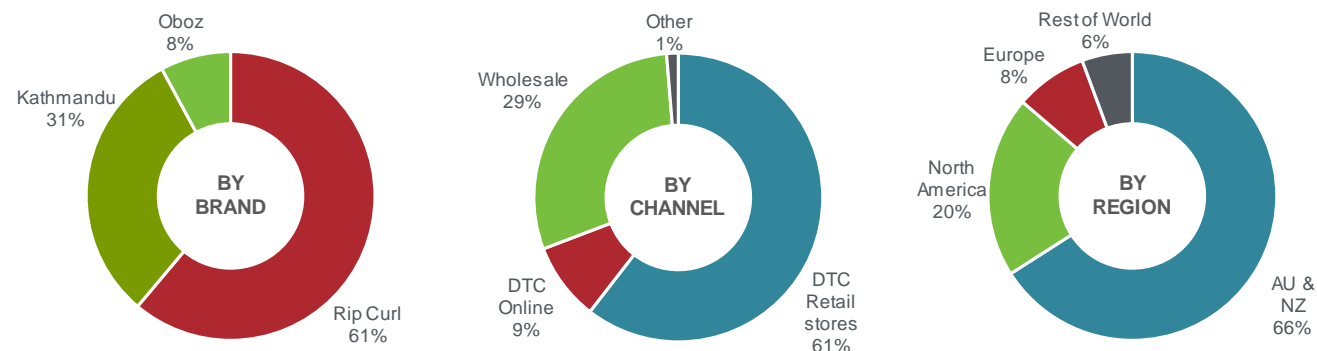
Step change in online penetration

- Group online penetration increased to 12.7% of direct to consumer ("DTC") sales (1H FY20 8.8%)

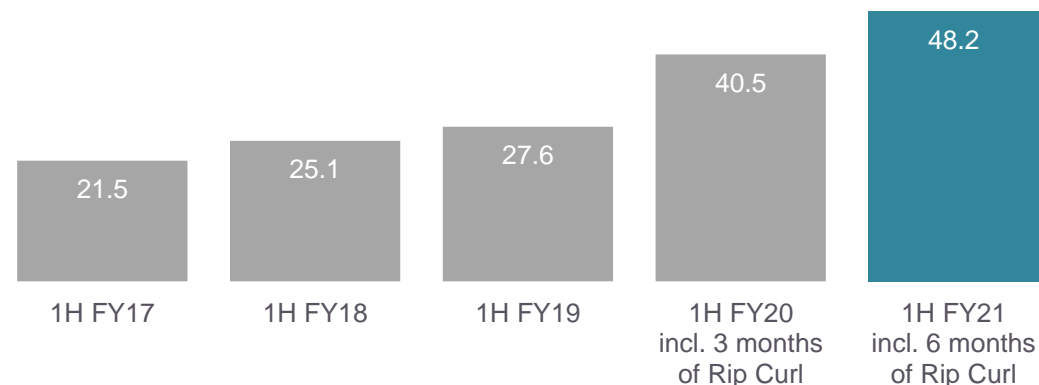
Strong balance sheet position

- Net debt \$10.1m following careful working capital management

Sales Mix 1H FY21



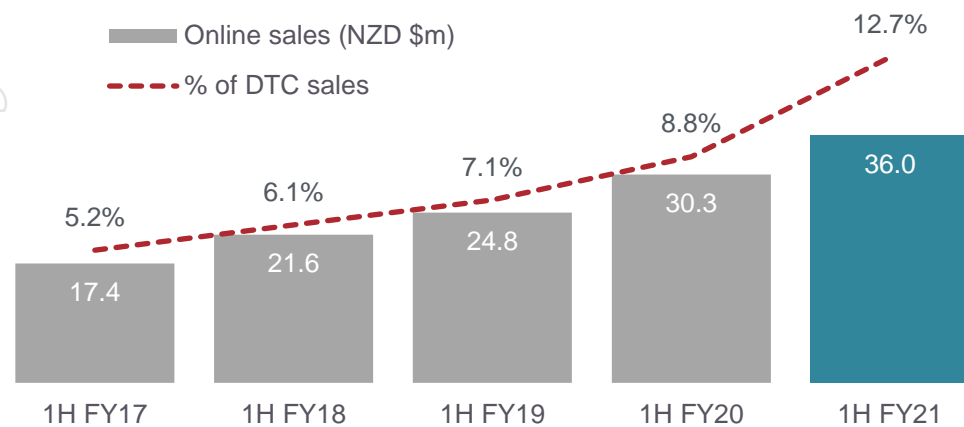
EBITDA \$m (underlying)





- Underlying results exclude the impact of IFRS 16 and transaction costs related to the Rip Curl acquisition. Refer to Appendix 1 for a reconciliation of Statutory to Underlying results
- Rounding differences may arise in totals, both \$ and %

Step change in online penetration

Group online sales up 18.5% to \$36.0m



	Online sales (NZD \$m)	% of DTC sales 1H FY21	% of DTC sales 1H FY20
 RIP CURL	17.4	11.2%	6.4%
 Kathmandu	18.6	14.4%	10.5%

Omni-channel capability allowed our brands to capture record online demand

- Online penetration remains significantly above pre-COVID-19 levels for both Rip Curl and Kathmandu
- Rip Curl key online sales growth markets: USA (+107%), Australia (+47%), and Europe (+78%)
- Kathmandu's business across all channels, including online, adversely impacted by the lack of travellers to the Northern Hemisphere, affecting insulation and rainwear sales
- Oboz launching an online store imminently

1. Direct to consumer ("DTC") sales include all sales from Rip Curl and Kathmandu retail stores and direct online sites and marketplaces
2. All years include a full six months of both Kathmandu and Rip Curl online and total DTC sales for comparability over time
3. Rounding differences may arise in totals, both \$ and %

Sustainability is at the core of our brands



TOITŪ



ISO 14064-1
ORGANISATION

CARBON NEUTRAL
CERTIFIED



FAIR LABOR
ASSOCIATION®

COMMITTED TO LONG TERM
PARTNERSHIPS WITH ETHICAL
SUPPLIERS

Certified



Corporation

KATHMANDU MEETS THE
HIGHEST STANDARDS OF
ENVIRONMENTAL AND
SOCIAL PERFORMANCE



100%
SUSTAINABLE
COTTON

IN OUR RANGE



SCORED 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

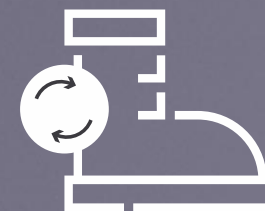


FSC
CERTIFIED

RECYCLED PAPER
SWING TAGS ON
PRODUCTS

30%

RECYCLED PLASTIC
IN OUR POLYBAGS



LAUNCHED THE SYPES AND BOZEMAN
COLLECTIONS CONTAINING RECYCLED
MATERIALS AND ALGAE BLOOM INSOLES



3.3
MILLION

TREES PLANTED SINCE
THE COMPANY STARTED



IMPROVED GENDER DIVERSITY
IN OUR TEAM NOW WITH

41% FEMALE
REPRESENTATION

COVID-19 impact and response

COVID-19 has substantially impacted the global business:

- 60 Greater Melbourne stores closed for over 11 weeks
- 14 Auckland stores closed for two weeks
- Airport and CBD stores, as well as Rip Curl stores in Hawaii, Bali, and Europe are still impacted by either COVID-19 related travel restrictions or government mandated lockdowns and closures
- Wholesale sales for 1H FY21 impacted by the missed sell-in season during initial global lockdowns in April and May 2020 for delivery in October to December 2020

Rapid response to changes in consumer preference:

- Rip Curl responded quickly to demand for wetsuits and related surfing products, as participation in surfing increased
- Kathmandu up-weighted its focus on summer camping and footwear to respond to increased interest in local travel and adventure
- Omni-channel capability allowed our brands to capture record demand for the online channel

Group Financials



1H Group result underpinned by strong Rip Curl performance

GROUP NZD \$m ^{*2}	Statutory 1H FY21	1H FY21	Underlying 1H FY20	Var %
SALES	410.7	410.7	363.7	12.9%
GROSS PROFIT <i>Gross margin</i>	242.5 59.0%	242.5 59.0%	218.9 60.2%	10.8%
OPERATING EXPENSES <i>% of Sales</i>	(147.2) 35.8%	(194.3) 47.3%	(178.4) 49.1%	8.9%
EBITDA <i>EBITDA margin %</i>	95.4 23.2%	48.2 11.7%	40.5 11.1%	19.0%
Depreciation	(56.2)	(14.8)	(11.6)	27.9%
EBIT <i>EBIT margin %</i>	39.2 9.5%	33.4 8.1%	28.9 8.0%	15.5%
NPAT	22.3	23.1	17.4	32.8%

- 1H FY21 result includes a full six months of Rip Curl, compared to 1H FY20 which includes three months of Rip Curl post-acquisition
- Cautious management of operating expenses include the benefit of rent abatements agreed with landlords, as well as restructuring and synergy savings delivering c. \$15m annualised cost reduction
- Net government wage assistance across geographies of c. \$15.2m
- Depreciation includes \$2.5m notional amortisation of Rip Curl customer relationships (1H FY20 \$1.2m)
- Interest costs in the first half year include \$2.1m one-off bank facility underwriting costs (\$1.5m net of tax), excluded from underlying results

1. Statutory results include the impact of IFRS 16 leases. For comparability, the impact of IFRS 16 is excluded from Underlying results. Refer to Appendix 1 for a reconciliation of Statutory to Underlying results
2. 1H FY21 NZD/AUD conversion rate 0.931 (1H FY20: 0.955), 1H FY21 NZD/GBP conversion rate 0.517 (1H FY20: 0.508), 1H FY21 NZD/USD conversion rate 0.684 (1H FY20 0.641)
3. In 1H FY20, \$10.3m was incurred in relation to the acquisition and integration of Rip Curl, including establishment of a new Group structure. Refer to Appendix 1 for a reconciliation of Statutory to Underlying results
4. The Group has now finalised the Rip Curl purchase price allocation. As a result, the income statement, balance sheet, and cash flow for prior periods have been restated
5. Rounding differences may arise in totals, both \$ and %

Positive Cash Flow

Cash Flow (NZD \$m)	1H FY21	1H FY20
NPAT	22.3	7.6
Change in working capital	(17.9)	(9.4)
Non-cash items	6.3	22.7
Adjusted operating cash flow^{*1}	10.7	20.9

Key Line Items:		
Net interest paid (including facility fees) ^{*1}	(2.7)	(2.5)
Income taxes paid	(13.9)	(15.1)
Capital expenditure	(12.2)	(10.6)
Dividends paid	-	(27.2)

- Change in working capital caused by a reduction in payables since FY20 year end. The FY20 payables balance included c. \$15m rent accruals, pending final agreements with landlords on rent abatements
- Capital expenditure for full year expected to be c. \$30m due to continued investment in systems and capabilities
- FY20 interim and final dividends suspended due to equity raise bank facility provisions

1. Adjusted for impacts of adopting IFRS 16
2. Rounding differences may arise in totals, both \$ and %



Robust Balance Sheet

Balance Sheet (NZD \$m)	Jan 21	Jul 20	Jan 20
Inventories	229.6	228.8	251.9
Property, plant and equipment	82.6	88.5	90.8
Right of Use Asset (IFRS 16)	238.2	258.7	275.0
Intangible assets	679.5	688.2	681.1
Other assets	66.4	84.2	109.8
Total assets (excl. cash)	1,296.3	1,348.4	1,408.6
Net interest bearing liabilities and cash	(10.1)	(9.4)	(273.2)
Lease Liability (IFRS 16)	(276.1)	(298.6)	(311.9)
Other non-current liabilities	(92.3)	(95.9)	(99.6)
Current liabilities	(136.8)	(165.3)	(144.6)
Total liabilities (net of cash)	(515.3)	(569.2)	(829.2)
Net assets	781.0	779.2	579.4

Key Ratios* ¹	Jan 21	Jul 20	Jan 20
Leverage Ratio* ²	0.1x	0.1x	1.9x
Net Debt to Equity* ³	1.3%	1.2%	32.0%
ROIC* ⁴	7.1%	8.2%	13.3%
Fixed Charge Cover* ⁵	1.7x	1.7x	2.0x
Stock Turns* ⁶	1.5x	1.7x	1.7x

1. Key ratios calculated using 12 month rolling P&L measures, including a full 12 months of Rip Curl P&L results last year, and excluding transaction costs

2. Net Debt / EBITDA

3. Net Debt / (Net Debt + Equity)

4. EBIT/(Net Debt + Equity)

5. (EBITDA + Rent)/(Rent + Net Finance Costs excl. FX)

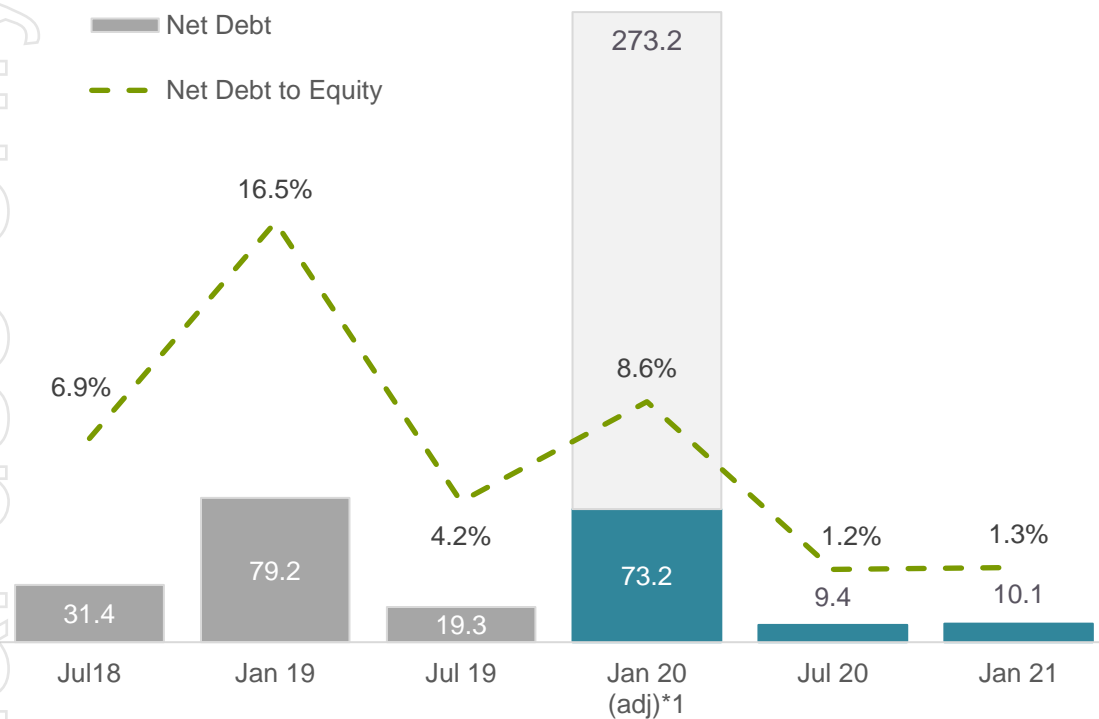
6. COGS / Average Inventories YOY

7. Rounding differences may arise in totals, both \$ and %

- Inventory balance broadly in line with FY20 year end
- Inventory well placed in COVID-19 demand environment, with low clearance stock levels
- Lease liabilities reduced due to current leases progressing through their fixed lease terms

Strong capital structure

Net Debt



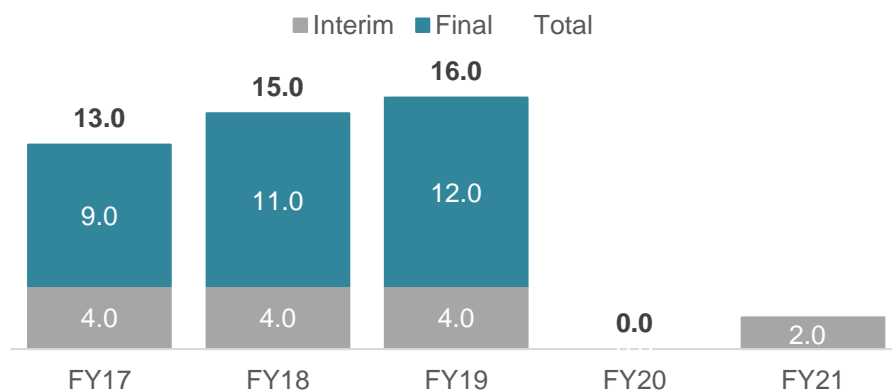
1. Jan 20 net debt reflected the acquisition of Rip Curl. Actual net debt adjusted for \$200m net proceeds of equity raise completed in Apr 20

- Net Debt \$10.1m at end of January
- Significant headroom to current facility of c. \$380m
- Historically the second half year for Kathmandu brand generates strong cash inflows
- All debt facility covenants comfortably complied with despite COVID-19
- Restructure of debt facility underway, to increase flexibility, reduce drawn funds, and introduce sustainability linked financing
- Subject to normal trading conditions, we expect to be in a positive net cash position by year end

Interim dividend resumes

- NZ 2.0 cents per share interim dividend
- Dividend will not be imputed for New Zealand shareholders
- Dividend will be fully franked for Australian shareholders
- Record date 21 May 2021
- Payment date 4 June 2021

Dividends (NZ cents per share)



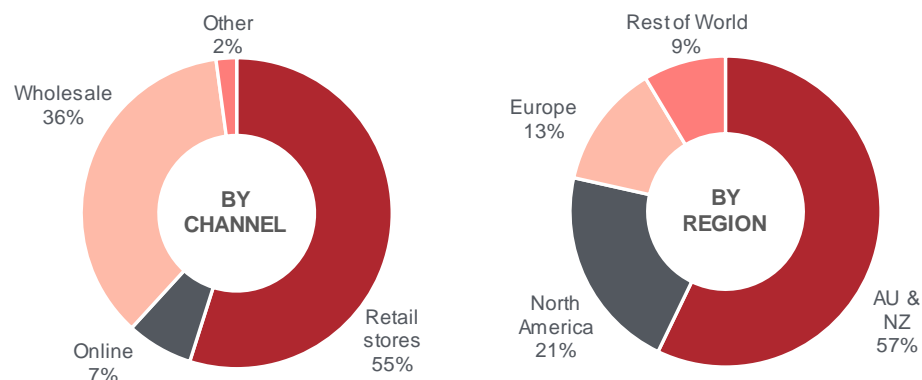


Rip Curl achieved strong sales and profits

Rip Curl owned for a full six months in 1H FY21 compared to three months in 1H FY20

RIP CURL NZD \$m	Pre IFRS 16		Var %
	1H FY21 Aug 20 to Jan 21	1H FY20 Nov 19 to Jan 20	
SALES	251.1	134.9	86.1%
GROSS PROFIT	150.3	80.7	86.3%
Gross margin	59.9%	59.8%	
OPERATING EXPENSES	(101.7)	(62.3)	63.2%
% of Sales	40.5%	46.2%	
EBITDA (underlying)	48.7	18.4	164.3%
EBITDA margin %	19.4%	13.7%	
EBIT (underlying)	44.0	16.1	173.9%
EBIT margin %	17.5%	11.9%	

Rip Curl 1H FY21 Sales Mix



- Total sales 4.3% below pcp, with sales growth achieved in key markets of Australia, USA, and Europe
- Direct to consumer same store sales growth (incl. online)*2:
 - +21.0% adjusted for COVID-19 lockdowns*3
 - +7.4% overall
- Online sales 79% above pcp, comprising 11.2% of DTC sales
- Wholesale sales -15.0% below pcp reflect a disrupted sell-in period during global lockdowns in April and May 2020 for delivery in October to December 2020
- Wholesale forward order books above pre-COVID-19 levels reflecting customers re-stocking and strong category performance
- COVID-19 restrictions continued to impact sales performance of stores in airports, Melbourne, Hawaii, Bali and parts of Europe
- Gross margin is 40 bps (0.4%) above the comparable six month period last year as a result of higher mix of direct to consumer sales
- EBITDA includes restructuring and synergy savings, rent abatements, and net government wage assistance

1. Sales variances vs prior comparable period ("pcp") compare sales for the six months ended 31 January 2021 to sales for the six months ended 31 January 2020, including three months of sales pre-Kathmandu ownership
2. Same store sales are measured at constant currency. Same store sales are for the 27 full weeks ended 31 January 2021
3. Adjusted same store sales removes stores that were not able to open this year for a comparable week because of COVID-19 lockdowns
4. Rounding differences may arise in totals, both \$ and %

Group synergies and technology drive product innovation



Salt Water Culture: Paradise Calling

Continuing with market leading swim collections, Paradise Calling joins the sustainable Saltwater Culture family

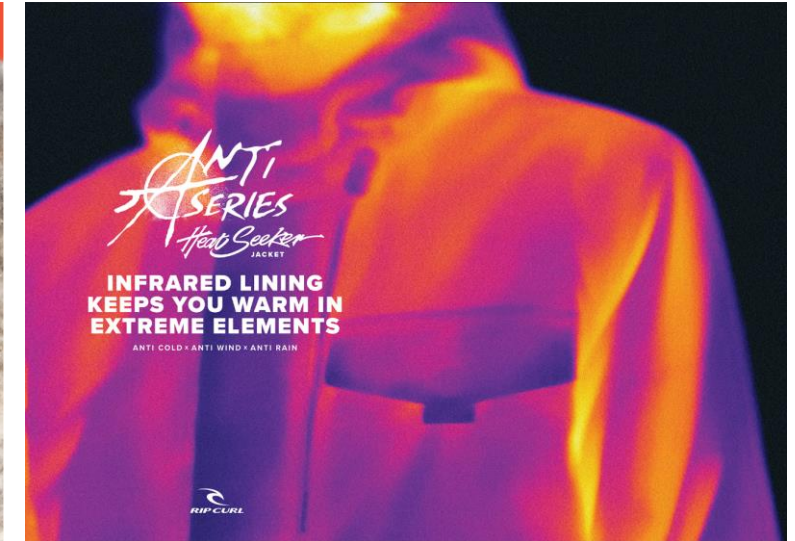
Designed to offer our customers an eco friendly range of quality surf products



Anti-Series Puffer Collection

Every Surfer needs a quality Puffer

Utilising Kathmandu shared expertise, Rip Curl is extremely excited to develop new technical insulation styles. In store June



Anti Series Heatseeker Jacket

A new jacket design utilising technology from our successful "Heatseeker" wetsuit program

Infrared lining absorbs and reflects the body's radiant heat

Investing to enhance Rip Curl's global brand leadership

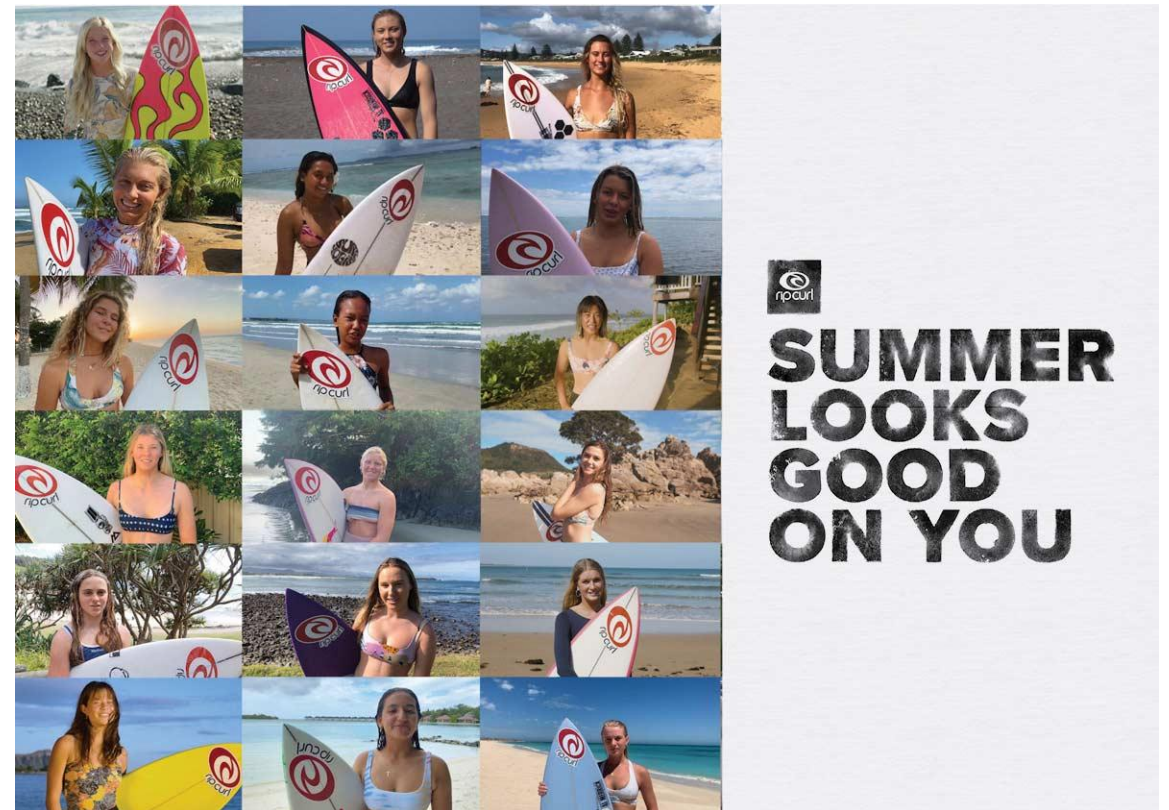


World Surf League Sponsorship

New three-year partnership of the Rip Curl WSL Finals, a season-ending one-day competition that will decide the men's and women's World Surfing Champions

Rip Curl is also naming rights sponsor of three new events on the WSL World Tour: the Rip Curl Cup Newcastle, Rip Curl Classic Narrabeen, and the Rip Curl Search Rottneest Island

Rip Curl has also secured ongoing sponsorship of the Rip Curl Pro Bells Beach when it returns in 2022



Summer Looks Good On You

A brand new global women's campaign including 50 of our international team riders

Campaign offers layers of diversity and includes an interactive web-based 'Fit Chart', where our women's Design and Product team are the models, promoting inclusivity and sizes for all



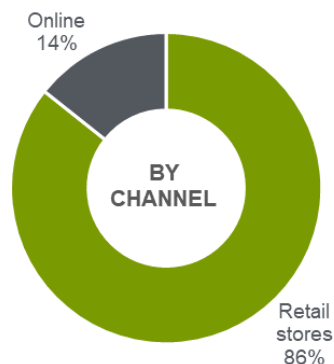
Kathmandu®

Kathmandu impacted by lockdowns, low footfall, and lack of travel

KATHMANDU NZD \$m	1H FY21	Pre IFRS 16 1H FY20	Var %
SALES	127.3	195.5	(34.9%)
GROSS PROFIT	81.7	125.0	(34.7%)
<i>Gross margin</i>	64.2%	64.0%	
OPERATING EXPENSES	(81.4)	(106.7)	(23.7%)
<i>% of Sales</i>	64.0%	54.6%	
EBITDA (underlying)	0.2	18.3	(98.6%)
<i>EBITDA margin %</i>	0.2%	9.3%	
EBIT (underlying)	(7.1)	10.5	(167.4%)
<i>EBIT margin %</i>	-5.6%	5.4%	

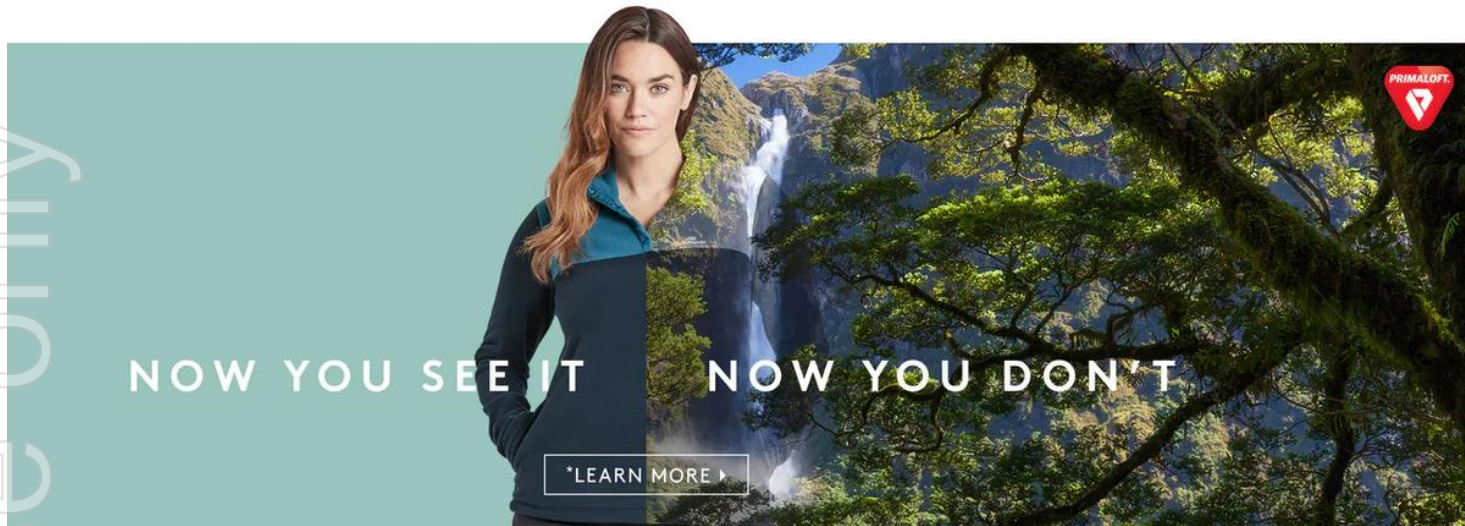
- Total sales by market (at constant exchange rates):
 - Australia -40.5%, with 27 Greater Melbourne stores closed for 11 weeks
 - New Zealand -23.4%, with 14 Auckland stores closed for two weeks
- Online penetration increased from 10.5% of sales in 1H FY20 to 14.4% of sales in 1H FY21
- Same store sales results*¹:
 - 30.0% adjusted for COVID-19 lockdowns*²
 - 35.4% overall
- Strong demand for camp, beach, and footwear with renewed interest in local travel and adventure
- Low footfall in shopping centres, CBD stores, and tourist locations
- Reduced demand for insulation and rainwear resulting from a lack of international travellers to the Northern Hemisphere
- Kathmandu sales have historically been weighted to the second half year, when winter in Australasia drives natural demand for insulation and rainwear
- Operating expenses include the benefits from restructuring, rent abatements, and net government wage assistance

Kathmandu Sales Mix 1H FY21



1. Same store sales are measured at constant currency. Same store sales are for the 27 full weeks ended 31 January 2021
2. Adjusted same store sales removes stores that were not able to open this year for a comparable week because of COVID-19 lockdowns
3. Rounding differences may arise in totals, both \$ and %

Leading innovation in sustainable technology

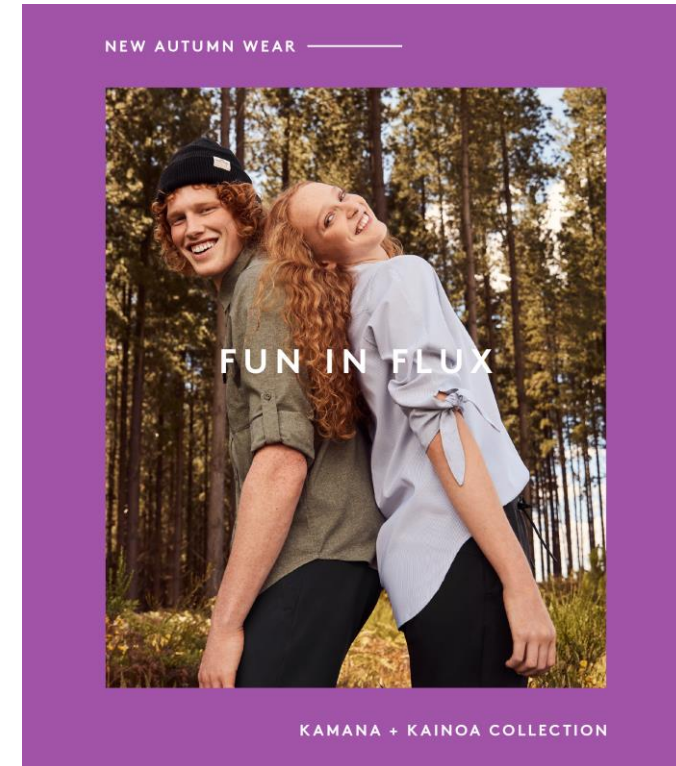


World's first Biodegradable Fleece

Built in partnership with Primaloft, a great looking, versatile pair of everyday right-priced silhouettes:

- In modern landfills, the fabric will mostly biodegrade into natural elements within about two years*¹ (a normal recycled polyester fleece jacket could take a hundred years)
- During wash, the micro fibres cast off from the fabric can biodegrade*¹ in sea water to a much larger degree than standard recycled polyester, reducing ocean microplastic waste

1. See www.kathmandu.co.nz/biofleece for information about the test methods used and the rates and extent of degradation



Broadening customer appeal

- Where Kathmandu's technical experience with performance materials meets versatile, stylish, category-defying silhouettes
- The first step in our journey to open the style aperture and invite a younger, more cosmopolitan consumer to the brand



Building on strong engagement, personalisation and brand loyalty



Active and engaged customer base

- Net promoter score 76 across all customer groups, +3% above 2H last year
- Increase in conversion of footfall to sales in-store
- 2.2 million active Summit Club members
- Representing over 70% of total Kathmandu sales

Driving best in class customer interactions

- Investing in personalisation capability for interactions that target not only the right customer, but at the right time, and across the right digital channels
- Boosting loyalty performance through the use of data, analytics and insights to deliver stronger relevancy and in turn, higher conversion



Obōz[®]

TRUE TO THE TRAIL

Oboz continued sales growth

OBOZ USD \$m	1H FY21	Pre IFRS 16 1H FY20	Var %
SALES	22.1	21.3	3.8%
GROSS PROFIT <i>Gross margin</i>	7.2 32.4%	8.5 39.6%	(15.1%)
OPERATING EXPENSES <i>% of Sales</i>	(4.6) 20.6%	(5.2) 24.3%	(11.8%)
EBITDA (underlying) <i>EBITDA margin %</i>	2.6 11.8%	3.3 15.3%	(20.5%)
EBIT (underlying) <i>EBIT margin %</i>	2.5 11.3%	3.2 14.8%	(20.7%)

- Oboz sales above last year, driven by successful product innovation strategy and diversification of customer base
- Increased participation in hiking
- Gross margin impacted by significant one-off air freight costs (c. USD \$1.1m) to support key customer deliveries of winter seasonal styles
- Gross margin to normalise to historical levels from 2H FY21
- Forward order book well above pre-COVID-19 levels, allowing investment to support future growth
- New online store launching imminently

1. Rounding differences may arise in totals, both \$ and %

New online store and broader product appeal

True to the Trail™ brand offering supplemented with products targeting younger, more diverse, and more active customers



Online sales opportunity:

- New online store launching imminently

Product highlights:

- **Sypes Franchise explosion:** Launched at Kathmandu and REI. Outstanding success, and pre-season sales very strong
- **Bozeman Collection:** Momentum continues in local-inspired Collection brought about by strong sell-in and marketing exposure
- **Core Business Growth :** Bridger and Sawtooth styles sustained pre-COVID-19 levels in the first half, with significant growth in forward orders

Brand and marketing highlights:

- #1 selling outdoor footwear brand in the Outside business journal annual survey of independent retailers
- 37% growth in social media audience in 1H FY21
- Launch of first-ever Diversity, Equity, and Inclusion (“DEI”) Report. New partnership launched with Black Folks Camp Too

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Strategy and Outlook



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

Delivering on our strategy

The Group remains committed to delivering the strategic imperatives

Diversify the Business

1H Performance:

- Rip Curl 1H FY21 performance in key global markets validates the diversification strategy

2H Priority:

- Kathmandu enters the traditionally strong winter season well prepared

Leverage the Portfolio

1H Performance:

- Rip Curl EBITDA \$48.7m, 19.4% of sales
- Online penetration increased to 12.7% of DTC sales in 1H FY21 (1H FY20 8.8%)

2H Priority:

- Significant digital investment program underway, including loyalty management, merchandise planning, personalisation using data algorithms, data driven insights into consumer preferences, ERP and point of sale upgrades

Grow Each Brand

1H Performance:

- Pivoted quickly to upweight focus on technical surf, camp, beach, picnic, and footwear products
- Implemented phase one to evolve Kathmandu loyalty

2H Priority:

- Loyalty program being implemented at Rip Curl
- Oboz launching online store
- Kathmandu increasing personalisation and data analytics

Promote Our Values

1H Performance:

- Carbon neutral target achieved by Kathmandu, four years ahead of schedule

2H Priority:

- The Group to set a Science-Based carbon reduction target
- Working towards Group-wide B-Corp certification
- Engaging with key stakeholders in a Group ESG materiality assessment

Outlook

2H Outlook

- Kathmandu enters the traditionally strong winter season well prepared
- Oboz investment in new product sees it enter 2H FY21 with an order book well above pre-COVID-19 levels
- Rip Curl continues to trade in line with strong first half trends, and wholesale order books above pre-COVID-19 levels

Long-term growth fundamentals remain in place

- Strong, iconic brands
 - Technical and innovative products
 - Loyal customers
 - Global reach and diversification
-
- All brands are well positioned to capitalise on increased participation in outdoor, hiking, beach and surfing activities
 - COVID-19 vaccine rollout expected to benefit international travel in the long-term and provide the opportunity for future Kathmandu comparative sales growth
 - Strong cash generation and low net debt provides options to pursue attractive growth opportunities and provide growing returns to shareholders

Questions

Appendix 1: Statutory to Underlying Profit & Loss

GROUP NZD \$m	1H FY21				
	Statutory	IFRS 16 Leases ^{*1}	Transaction Costs ^{*2}	Other one-offs	Underlying
Sales	410.7	-	-	-	410.7
Gross profit <i>Gross margin</i>	242.5 59.0%	-	-	-	242.5 59.0%
Operating expenses <i>% of sales</i>	(147.2) -35.8%	(47.1)	-	-	(194.3) -47.3%
EBITDA <i>EBITDA margin %</i>	95.4 23.2%	(47.1)	-	-	48.2 11.7%
EBIT <i>EBIT margin %</i>	39.2 9.5%	(5.8)	-	-	33.4 8.1%
NPAT	22.3	(0.7)	1.5	-	23.1

	1H FY20				
	Statutory	IFRS 16 Leases ^{*1}	Transaction Costs ^{*3}	Other one-offs ^{*3}	Underlying
Sales	363.7	-	-	-	363.7
Gross profit <i>Gross margin</i>	218.9 60.2%	-	-	-	218.9 60.2%
Operating expenses <i>% of sales</i>	(151.6) -41.7%	(37.1)	10.1	0.3	(178.4) -49.1%
EBITDA <i>EBITDA margin %</i>	67.3 18.5%	(37.1)	10.1	0.3	40.5 11.1%
EBIT <i>EBIT margin %</i>	22.6 6.2%	(4.0)	10.1	0.3	28.9 8.0%
NPAT	7.6	0.1	9.6	0.2	17.4

1. Statutory results include the impact of IFRS 16 leases. For comparability, the impact of IFRS 16 is excluded from Underlying results

2. 1H FY21 interest costs include \$2.1m one-off bank facility underwriting costs (\$1.5m net of tax)

3. 1H FY20 includes \$10.3m expenses incurred in relation to the acquisition and integration of Rip Curl, including establishment of a new Group structure

4. Rounding differences may arise in totals, both \$ and %

Appendix 2: Segment Note

SALES

1H FY21 (NZD \$'000)	Outdoor	Surf	Corporate	Total
SALES per segment note	159,633	251,080	-	410,713
				-
SALES (underlying)	159,633	251,080	-	410,713

1H FY20 (NZD \$'000)	Outdoor	Surf	Corporate	Total
SALES per segment note	228,747	134,907	-	363,654
				-
SALES (underlying)	228,747	134,907	-	363,654

EBIT

1H FY21 (NZD \$'000)	Outdoor	Surf	Corporate	Total
EBIT per segment note	1,176	45,102	(7,091)	39,187
IFRS 16 Leases Adjustment	(4,627)	(1,140)	-	(5,767)
Transaction Costs & Abnormals	-	-	-	-
EBIT (underlying)	(3,451)	43,962	(7,091)	33,420

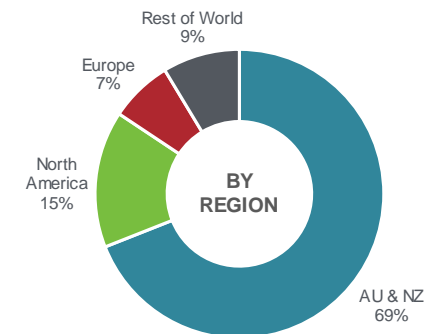
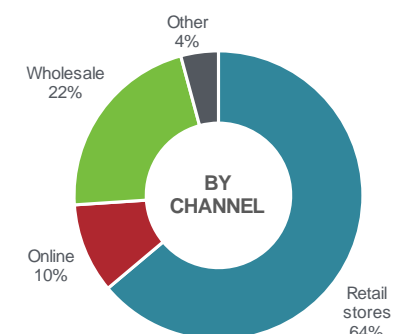
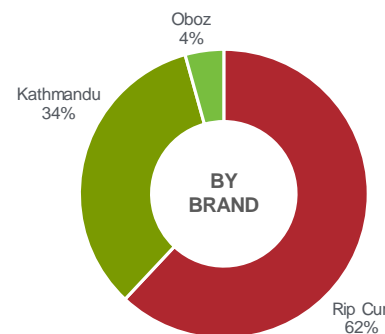
1H FY20 (NZD \$'000)	Outdoor	Surf	Corporate	Total
EBIT per segment note	19,221	16,034	(12,657)	22,598
IFRS 16 Leases Adjustment	(4,006)	16	-	(3,990)
Transaction Costs & Abnormals	262	-	10,072	10,334
EBIT (underlying)	15,477	16,050	(2,585)	28,942

1. Statutory results include the impact of IFRS 16 leases. For comparability, the impact of IFRS 16 is excluded from Underlying results
2. 1H FY20 includes \$10.3m expenses incurred in relation to the acquisition and integration of Rip Curl, including establishment of a new Group structure
3. Rounding differences may arise in totals, both \$ and %

Appendix 3: Segment Summary

NZD \$m	1H FY21	1H FY20	Var %
Kathmandu sales	127.3	195.5	(34.9%)
Oboz sales	32.4	33.3	(2.7%)
Outdoor segment sales	159.6	228.7	(30.2%)
Surf segment sales	251.1	134.9	
Total segment sales	410.7	363.7	12.9%
Kathmandu underlying EBIT	(7.1)	10.5	(167.4%)
Oboz underlying EBIT	3.7	4.9	(25.7%)
Outdoor segment underlying EBIT	(3.5)	15.5	(122.3%)
Surf segment underlying EBIT	44.0	16.1	
Total segment underlying EBIT	40.5	31.5	28.5%
Corporate costs	(7.1)	(2.6)	
Group underlying EBIT	33.4	28.9	15.5%

Gross Profit \$ Mix 1H FY21



- Outdoor segment includes both Kathmandu and Oboz brands
- Surf segment contains the Rip Curl brand, including the Ozmosis group of multi-brand surf stores operated by Rip Curl in Australia
- Corporate costs include director and listing costs, plus amortisation of Rip Curl customer relationships

1. Refer to Appendix 2 for a reconciliation of Statutory to underlying segment Sales and EBIT
 2. Rounding differences may arise in totals, both \$ and %

Appendix 4: Brands with global reach

Total Group	RC	KMD	Oboz	Total
Owned stores	162	162	-	324
Licensed stores	220	-	-	220
JV stores	28	-	-	28
Online sites	6	4	-	10
Wholesale doors	5,689	28	2,066	7,783

North America	RC	KMD	Oboz	Total
Owned stores	31	-	-	31
Licensed stores	12	-	-	12
Online sites	1	1	-	2
Wholesale doors	1,282	-	1,800	3,082

RC	Rip Curl
KMD	Kathmandu
Oboz	Oboz

South America	RC
Owned stores	4
Licensed stores	93
Online sites	1
Wholesale doors	760

Europe	RC	KMD	Oboz	Total
Owned stores	20	-	-	20
Licensed stores	17	-	-	17
Online sites	1	1	-	2
Wholesale doors	2,047	28	114	2,189

Asia	RC	Oboz	Total
Owned stores	1	-	1
Licensed stores	53	-	53
JV stores	22	-	22
Online sites	1	-	1
Wholesale doors	535	152	687

Africa / Middle East	RC
Licensed stores	25

AU & NZ	RC	KMD	Total
Owned stores	106	162	268
Licensed stores	20	-	20
JV stores	6	-	6
Online sites	2	2	4
Wholesale doors	1,065	-	1,065

- Owned regions
- Licensed regions



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



- 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

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