



Kathmandu Holdings

FY21 Results Presentation

21 September 2021

Owner of leading global outdoor active brands



Iconic brands

- Rip Curl: top 3 global surf brand
- Kathmandu: leading outdoor brand in Australasia¹
- Oboz: fast growing North American hike footwear brand

Loyal, active consumers

- NPS² above 70
- 2.1m active Summit Club members
- 44k Rip Curl Search GPS watch users

Technical products

- R&D driving innovation
- Sustainable materials
- Designed for purpose

Leader in ESG

- Early B-Corp adopter
- Largest syndicated Sustainability linked loan in New Zealand

Diversified

- Geography
- Multi-channel
- Seasonality
- Products

1. Kantar Brand Health Report Mar-Apr 2021
2. Net Promoter Scores: Kathmandu 76, Rip Curl Australia 74



Brands with global reach

North America	RC	KMD	Oboz	Total
Owned stores	31	-	-	31
Licensed stores	13	-	-	13
Online sites	1	1	1	3
Wholesale doors	1,353	-	1,863	3,216

Europe	RC	KMD	Oboz	Total
Owned stores	19	-	-	19
Licensed stores	14	-	-	14
Online sites	1	1	-	2
Wholesale doors	2,037	28	114	2,179

Total Group	RC	KMD	Oboz	Total
Owned stores	160	160	-	320
Licensed stores	207	-	-	207
JV stores	20	-	-	20
Online sites	6	4	1	11
Wholesale doors	5,958	28	2,129	8,115

South America	RC
Owned stores	4
Licensed stores	93
Online sites	1
Wholesale doors	913

Africa / Middle East	RC
Licensed stores	23

Asia	RC	Oboz	Total
Licensed stores	46	-	46
JV stores	20	-	20
Online sites	1	-	1
Wholesale doors	567	152	719

AU & NZ	RC	KMD	Total
Owned stores	106	160	266
Licensed stores	18	-	18
Online sites	2	2	4
Wholesale doors	1,088	-	1,088

KEY

RC Rip Curl | KMD Kathmandu | Oboz Oboz

Financial highlights

\$922.8m

Sales +15.1%

+40 bps

Gross margin
improvement

\$113.3m

Underlying EBITDA¹
+35.9%

\$66.3m

Underlying NPAT¹
Statutory NPAT \$63.4m

\$93.3m

Underlying operating
cash flow¹

\$37.0m

Net cash balance
Bank facility c.\$300m

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



Operational highlights



19.2%

Direct to consumer
(DTC) same store
sales growth

31.3%

Online sales growth
12.5% of DTC sales



**We're Out
There**

Successful brand
relaunch May 21

76 NPS

up 4 points in FY21
169,000 responses



Online Store

Successful launch
Apr 21

Wholesale

Double digit growth in
forward wholesale order
book to record levels



Sustainability highlights



COMPLETED ESG
MATERIALITY ASSESSMENT



COMMITTED TO LARGEST
SUSTAINABILITY LINKED
LOAN IN NZ



LAUNCHED WETSUIT
TAKE-BACK PROGRAM



WITH TERRACYCLE



Certified



CERTIFIED CARBON
ZERO



For more information, refer to the Kathmandu Holdings Limited Sustainability Report to be released in October 2021

1. Committed to largest syndicated sustainability linked loan at time of signing
2. Certified carbon zero under the Toitu CarbonZero programme for our operation footprint. Scope 1,2 and mandatory scope 3 emissions
3. Leather sourced from Leather Working Group tanneries; a not-for-profit organisation responsible for a leading environmental certification for the leather manufacturing industry

Group Strategy

Refreshed group strategy



Build Global Brands

Expand global footprint and invest in world class brand and customer experiences



Elevate Digital

Invest in Group digital platforms to deliver a truly world-class, unified commerce experience



Leverage Operational Excellence

Deliver operational excellence to all brands across shared group support functions



Lead in ESG

Demonstrate leadership across environmental, social and governance to drive long-term value for our shareholders

Maintain balance sheet flexibility to manage through COVID uncertainties, allowing capital return options and capacity for future M&A

Build global brands



ICONIC, INSPIRATIONAL, AND AUTHENTIC GLOBAL SURF BRAND

- Goal to be No.1 surf brand in Australasia, and top 3 in North America / Europe
- Grow North America, potential to double business across own store, online and wholesale channels
- Launch global loyalty programme
- Grow online and expand marketplaces



LEADING OUTDOOR BRAND IN AUSTRALASIA¹

- Leverage Summit Club, with 2.1m loyal and engaged members
- Launch in mainland Europe and Canada in FY22, significant market opportunity
- Grow product offering, with strong new product pipeline, and enhanced summer product range



ESTABLISHED AND DISTINCTIVE AMERICAN FOOTWEAR BRAND

- Grow product range into adjacent categories
- Build on the successful launch of an online store
- Grow European market
- Grow to a USD\$100m business in the medium term

1. Kantar Brand Health Report Mar-Apr 2021



Elevate digital

Significant investments being made to elevate our digital capabilities

Group target: increase online to 25% of DTC sales in the medium-term through:

Online platform enhancement

- New Group platform launched
- Platform being rolled out across brands

Omni-channel foundations

- POS upgrade to support unified commerce
- Click collect, endless aisle and fulfilment from store

Loyalty management

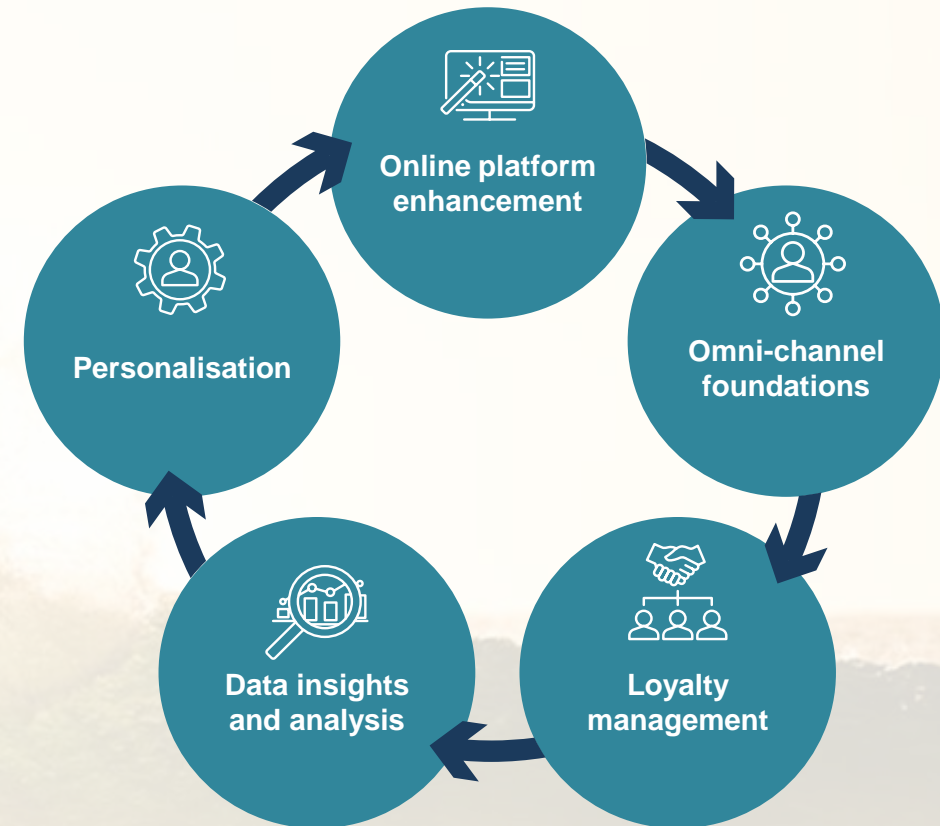
- Club Rip Curl launch
- Summit Club relaunch

Data insights and analysis

- Data algorithms for pricing and promotions – initial Kathmandu phase launched
- Customer data platform – single view of customer interaction across brands

Personalisation

- New personalisation engine for tailored customer content and offers
- Integration with loyalty platform



Leverage operational excellence

Group target: improve underlying EBITDA margin to 15% of sales

Accelerate cross-brand revenue growth opportunities

The Group has invested over \$20m to date on core platforms to support the growth of its brands, with over \$10m to be invested in FY22



Supply Chain

Optimisation of supply chain logistics, alignment of factories, and consolidating freight vendors to deliver gross margin benefit



Property

Leverage scale across the Group to efficiently manage fixed cost base, including infrastructure for new markets



Product innovation

Collaboration in technical development, fabrics, and seasonal expertise



Core systems investment

Shared platforms to integrate ERP business processes, loyalty management, and unlock growth potential across loyalty and online

Lead in ESG

We aspire to be a leader in ESG, to drive long-term value for our shareholders

We are striving to extend Kathmandu's B-Corp accreditation across all our brands

Transparency and responsibility will continue to underpin everything we do by managing our environmental and social impact responsibly and ethically



Our people, our communities

- People-centred culture and workplaces
- Wellbeing of workers in our supply chain
- Engage, inspire and protect our wider community



Science based climate action

- Set group-level Science Based Targets aligned with the Paris Climate Agreement



Circular business models

- Design for circularity throughout our value chain
- Target a zero waste supply chain

- For more information, refer to the Kathmandu Holdings Limited Sustainability Report to be released in October 2021

Group Financials



Group result underpinned by strong Rip Curl performance

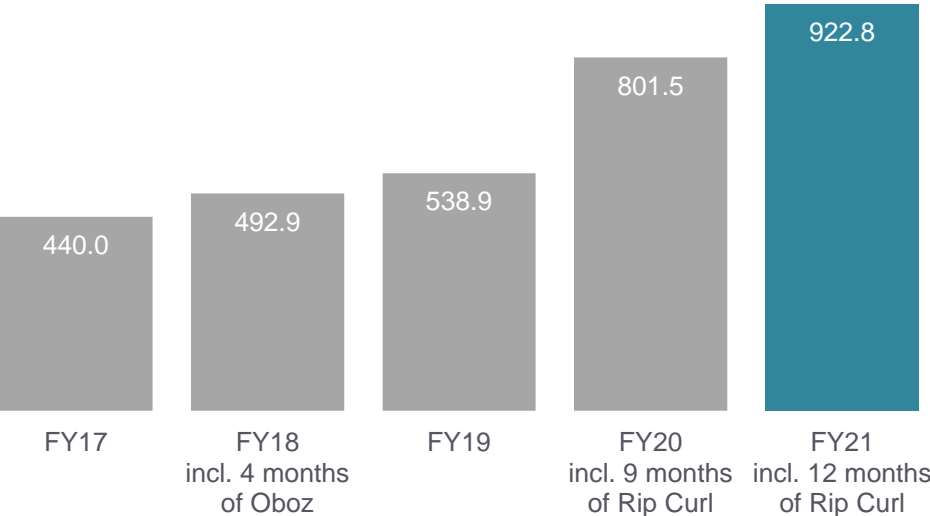
GROUP NZD \$m ^{*2}	Statutory FY21	FY21	Underlying FY20	Var %
SALES	922.8	922.8	801.5	15.1%
GROSS PROFIT <i>Gross margin</i>	541.6 58.7%	541.6 58.7%	467.0 58.3%	16.0%
OPERATING EXPENSES <i>% of Sales</i>	(333.6) 36.2%	(428.3) 46.4%	(383.7) 47.9%	11.6%
EBITDA <i>EBITDA margin %</i>	208.0 22.5%	113.3 12.3%	83.4 10.4%	35.9%
EBIT <i>EBIT margin %</i>	92.2 10.0%	83.8 9.1%	56.2 7.0%	49.3%
NPAT	63.4	66.3	31.5	110.2%

- FY21 result includes a full twelve months of Rip Curl, compared to FY20 which includes nine months of Rip Curl post-acquisition
- Exceptional sales performance from both Rip Curl and Oboz
- Focused management of operating expenses include the benefit of rent abatements agreed with landlords (\$7.3m), as well as restructuring and synergy savings delivering c. \$15m annualised cost reduction
- Lease renewals completed for 14% of the retail store portfolio in FY21, delivering \$1.4m annualised savings
- COVID related write down of Indonesia receivables provision \$2.7m
- Net wage subsidies across Australia and New Zealand \$16.6m
- FY21 includes \$4.0m subsidy from North American PPP loans granted in FY20
- Depreciation includes \$5.0m notional amortisation of Rip Curl customer relationships (FY20 \$3.7m)
- Interest costs include \$2.1m one-off bank facility underwriting costs (\$1.5m net of tax), excluded from underlying results
- Future tax benefit of \$7.0m realised from recognition of historical US tax losses

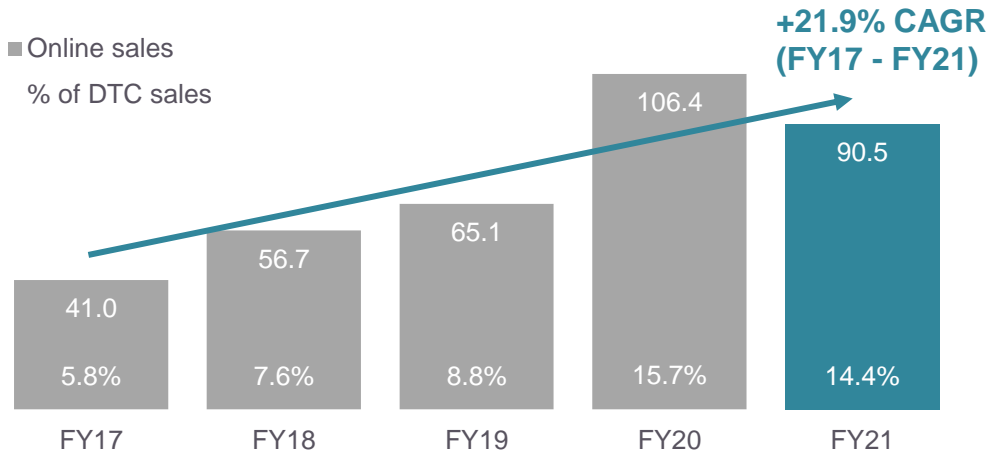
1. Statutory results include the impact of IFRS 16 leases. For comparability, the impact of IFRS 16 is excluded from Underlying results. In FY20, \$16.2m was incurred in relation to the acquisition and integration of Rip Curl, and restructuring support office roles. These one-off costs have been excluded from Underlying results. Refer to Appendix 1 for a reconciliation of Statutory to Underlying results
2. FY21 NZD/AUD conversion rate 0.931 (FY20: 0.939), FY21 NZD/GBP conversion rate 0.515 (FY20: 0.504), FY21 NZD/USD conversion rate 0.699 (FY20 0.636)
3. 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

Group sales growth

Total Group Reported Sales (\$m)

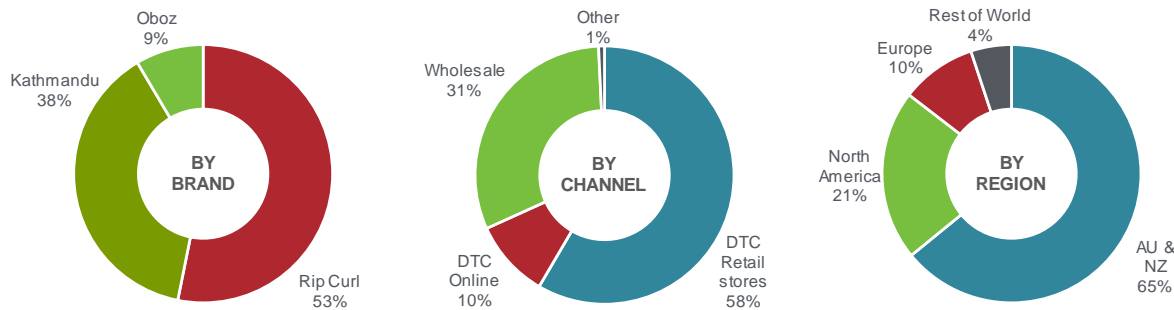




Online Sales (\$m)



1. DTC sales include all sales from Rip Curl and Kathmandu retail stores, online sites and marketplaces
2. All years include a full twelve months of both Kathmandu and Rip Curl online and total DTC sales for comparability over time

Group Sales Mix FY21



Online	Sales (NZD \$m)	YOY Var %	% of DTC FY21
	33.5	31.3%	12.5%
	56.8	-29.8%	15.8%

Strong balance sheet with \$37m net cash

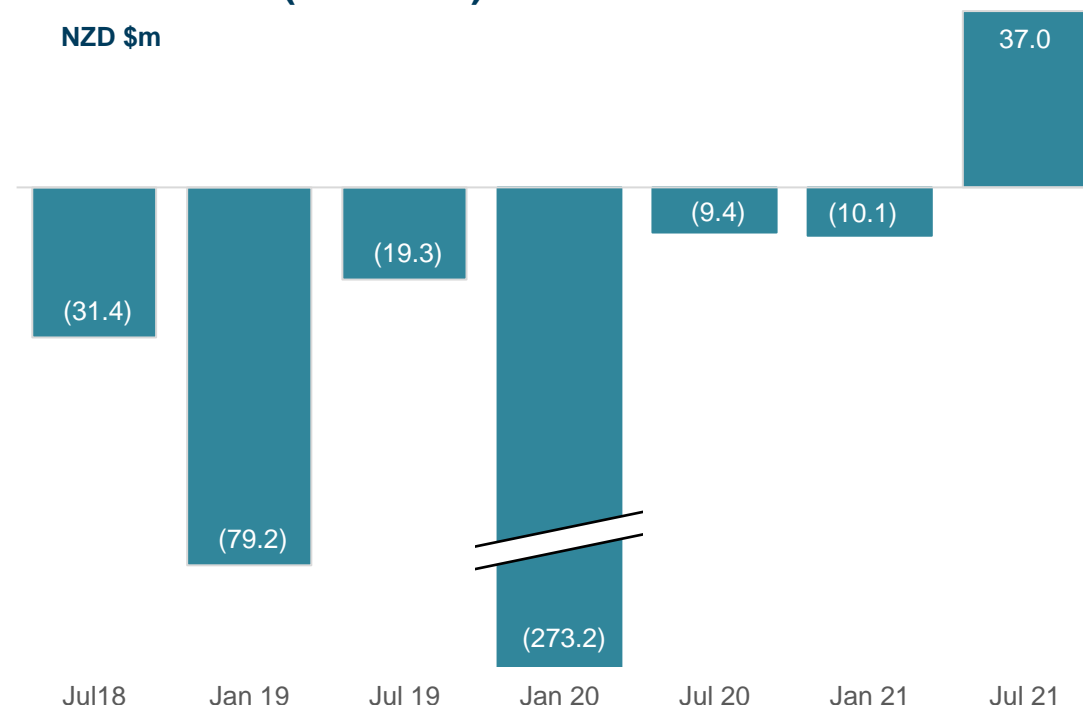
Key Balance Sheet items (\$m) and ratios ^{*1}	Jul 21	Jul 20
Net cash / (Net interest bearing liabilities)	37.0	(9.4)
<i>Leverage Ratio</i> ^{*2}	-0.3x	0.1x
<i>Net Debt to Equity</i> ^{*3}	n.m.	1.2%
Inventories	216.5	228.8
Trade and other receivables	68.9	73.7
Trade and other payables	(149.2)	(149.9)
Net working capital	136.2	152.6
<i>Net working capital % of sales</i>	14.8%	16.5%
<i>Stock Turns</i> ^{*4}	1.71x	1.68x
Equity	818.9	779.2
<i>ROIC</i> ^{*5}	10.7%	8.2%
<i>Fixed Charge Cover</i> ^{*6}	2.0x	1.7x

- Significant funding headroom, with total bank facility of c. \$300m
- Long-term leverage ratio target c.0.5x Net Debt / EBITDA
- Inventory well managed in COVID demand environment
- The strong balance sheet position allows the Group to:
 - ride through any short-term challenges
 - support growth investment
 - pursue future M&A
 - consider capital management options

1. Key ratios calculated using 12 month underlying P&L measures, including a full 12 months of Rip Curl P&L results last year
2. Net Debt / EBITDA
3. Net Debt / (Net Debt + Equity). At July 21, the net cash position means this measure is not meaningful ("n.m.")
4. COGS / Average Inventories YOY
5. EBIT/(Net Debt + Equity)
6. (EBITDA + Rent)/(Rent + Net Finance Costs excl. FX)

Net Cash / (Net Debt)

NZD \$m



Resilient cash flows and resumed dividends

Cash Flow (NZD \$m)	FY21	FY20
NPAT	63.4	8.9
Change in working capital	18.1	57.8
Non-cash items	11.8	26.4
Adjusted operating cash flow ^{*1}	93.3	93.1

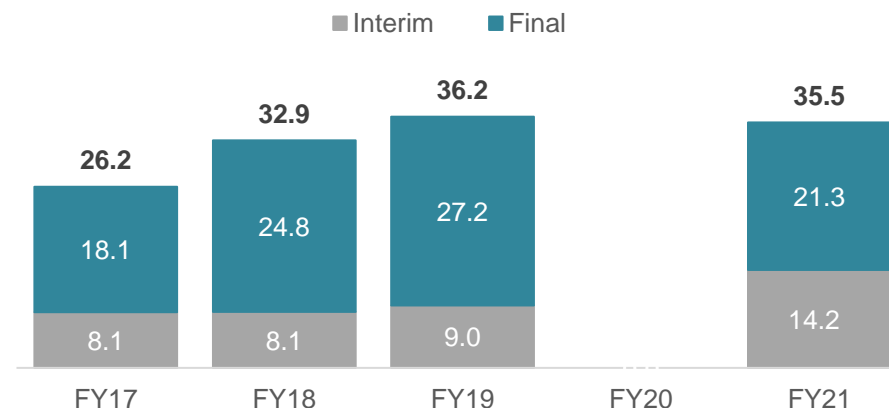
Key Line Items:		
Net interest paid (including facility fees) ^{*2}	(5.7)	(12.7)
Net income taxes paid	(23.9)	(15.5)
Capital expenditure	(35.6)	(19.8)
Dividends paid	(14.2)	(27.2)

- FY22 capex c. \$35m
- NZ 3.0 cents per share final dividend
- Dividend will not be imputed for New Zealand shareholders
- Dividend will be fully franked for Australian shareholders
- Record date 30 November 2021
- Payment date 15 December 2021

1. Adjusted for impacts of adopting IFRS 16

2. FY20 includes debt underwrite costs of \$6.3m in relation to the Rip Curl acquisition

Dividends declared (NZ \$m)



Dividends declared (NZ cents per share)

Interim	4.0	4.0	4.0	-	2.0
Final	9.0	11.0	12.0	-	3.0
Total	13.0	15.0	16.0	-	5.0



RIP CURL

ersonal use only

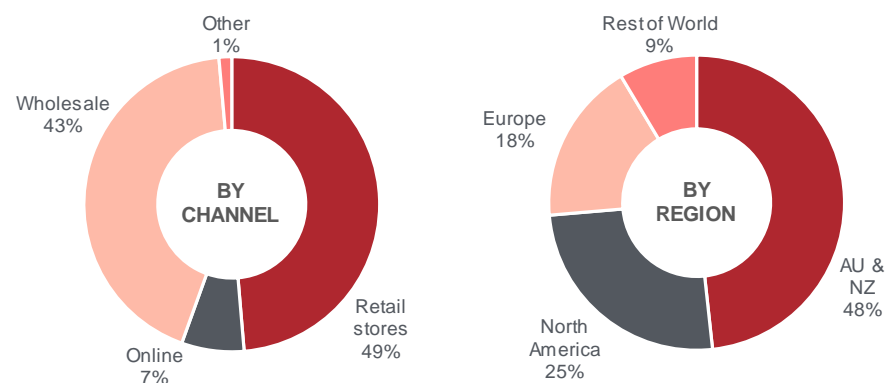
Rip Curl result underpinned by growth in surfing

Rip Curl owned for a full twelve months in FY21 compared to nine months in FY20

RIP CURL NZD \$m	Pre IFRS 16		Var %
	FY21 Aug 20 to Jul 21	FY20 Nov 19 to Jul 20	
SALES	490.4	315.7	55.3%
GROSS PROFIT	288.9	178.5	61.9%
Gross margin	58.9%	56.5%	
OPERATING EXPENSES	(222.6)	(166.8)	33.5%
% of Sales	45.4%	52.8%	
EBITDA (underlying)	66.3	11.7	468.1%
EBITDA margin %	13.5%	3.7%	
EBIT (underlying)	56.9	4.2	1252.4%
EBIT margin %	11.6%	1.3%	

- Outperforming acquisition expectations
- Total sales 10.5% above the prior comparable twelve months, with sales continuing above pre-COVID levels in the key regions of North America and Europe during the Northern Hemisphere summer season
- Direct to consumer same store sales growth (incl. online) +19.2%¹
- Online sales \$33.5m, representing 12.5% of DTC sales. Online sales 4 year CAGR 44.4%
- Wholesale sales 9.6% above pcp despite a COVID disrupted sell-in period for 1H FY21
- Wholesale forward order books significantly above pre-COVID levels
- Sales back to pre-COVID levels, even though stores in airports, Australia, Hawaii, Asia and parts of Europe, have continued to be affected in FY21
- Gross margin improvement due to increased direct to consumer mix

Rip Curl FY21 Sales Mix



1. Same store sales are measured at constant currency. Same store sales are for the 53 full weeks ended 1 August 2021

Continued innovation excellence on land and in water



Icons of Surf

A selection of the most iconic logos in the industry
These products blend timeless design and bold graphics to create one of the strongest volume driving collections in surf



Mirage Ultimate

The most unique and innovative swimwear in surf, tested by the world's best.
Premium Italian Lycra offers support and flexibility with water repellent Glide neoprene panels providing comfort, compression and wind chill reduction



Surf Series

Technical surf inspired products
From a surf trip down the coast, to a day on the beach, these products are engineered with wet dry surf functionality, hydrophobic materials and signed off with the most respected core graphic - the wetsuit logo

Focus on leadership and technology



The Rip Curl World Surf League (WSL) Finals

For the first time in history, the WSL world title was decided in a one-day competition, with the top 5 men and women going head to head at Trestles, in surfing's "Superbowl" sponsorship. It was broadcast live, replayed On Demand and showcased on linear TV networks like Foxsports and ABC in the USA. The Rip Curl WSL Finals included both Olympic Gold Medallists, and 7 out of 10 in the field competed at the Tokyo Games, taking the mainstream media momentum into the event



The all new E7 Heatseeker

Combining the best of Rip Curl's stretch and warmth technologies, this is the single best wetsuit Rip Curl has ever produced. The new "Imagined By The Best" campaign starring 3 X World Champion Mick Fanning and his Australian protégé Molly Picklum is set to launch the E7 Heatseeker across all digital, outdoor, retail and broadcast channels in the Northern Hemisphere this September



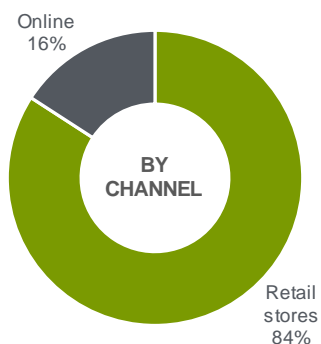
Kathmandu[®]
We're out there



Kathmandu result reflects COVID impacts

KATHMANDU NZD \$m	FY21	Pre IFRS 16 FY20	Var %
SALES	354.0	426.4	(17.0%)
GROSS PROFIT <i>Gross margin</i>	224.7 63.5%	265.1 62.2%	(15.2%)
OPERATING EXPENSES <i>% of Sales</i>	(183.9) 52.0%	(198.2) 46.5%	(7.2%)
EBITDA (underlying) <i>EBITDA margin %</i>	40.8 11.5%	66.9 15.7%	(38.9%)
EBIT (underlying) <i>EBIT margin %</i>	26.3 7.4%	51.4 12.0%	(48.8%)

Kathmandu Sales Mix FY21



- Total sales by market (at constant exchange rates):
 - Australia -18.0%, with 4,700 lost trading days in FY21 vs 4,400 in FY20
 - New Zealand -14.1%, with 400 lost trading days in FY21 vs 2,450 in FY20
- Online sales \$56.8m, representing 15.8% of DTC sales. Online sales 4 year CAGR 14.3%
- Same store sales (incl. online) -18.2%¹ full year (2H -3.1%)
- Strong winter launch momentum in conjunction with brand relaunch prior to Australian lockdowns resulted in 2H insulation growth vs FY19 despite store closures
- Reduced demand for travel related products
- 2H gross margin improvement of 240 bps (2.4% of sales)
- Operating expenses include the benefits from restructuring, rent abatements, and net government wage assistance
- Inventory well controlled, ending the year in line with expectations

1. Same store sales are measured at constant currency. Same store sales are for the 53 full weeks ended 1 August 2021

Building a strong, meaningful, differentiated brand

Strong brand fundamentals:

Number 1 outdoor brand in Australasia¹:

- Kathmandu dominates the category in both AU and NZ; leading the market for top of mind awareness consideration, preference and equity
- 97% brand awareness in Australia and 100% in New Zealand

Active and engaged customer base:

- NPS 76 across all customer groups, 4 points above last year, 169k responses
- 2.1 million active Summit Club members. 4-year CAGR 6.8%
- Over 70% of Kathmandu sales from Summit Club members
- Summit Club members spend c. 30% more per transaction than non-members

Setting the foundations for brand growth:

- Integrated brand campaign launched May 2021 generating 30 million views via paid and owned channels
- Website relaunched Aug 2021 improved user experience, speed and world class design
- Summit Club relaunch planned 1H FY22

1. Kantar Brand Health Report Mar-Apr 2021



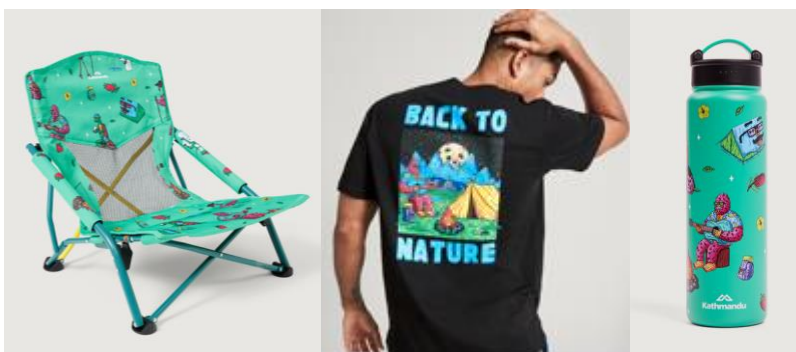
Year-round product desirability and innovation

- Establish year-round relevance and excitement
 - Become in summer, what we are in winter
 - Activate on the 8 months of 'transitional' weather opportunity
 - Reduce reliance on travel activity
- Reach a younger, more diverse, more cosmopolitan consumer
- Generate desirability, specialness, and customer full-price urgency
- Use International aspirations to drive growth in ANZ, and vice versa



SUN-Stopper. Stop the sun, not the fun

- A brand-new critical franchise in the Kathmandu line
- Chemical-free UPF 50+ sun protection in fun colours, easy wearing, versatile silhouettes. For her, for him, for kids
- Serious protection for not-so-serious fun!



Kathmandu x Mulga x Beach Retreat

- Nobody conjures the playful vibe of summer more than Sydney-based artist Mulga
- His whimsical characters and cheerful colours remind us to not take ourselves so seriously when we're 'out there'



Obōz®

TRUE TO THE TRAIL



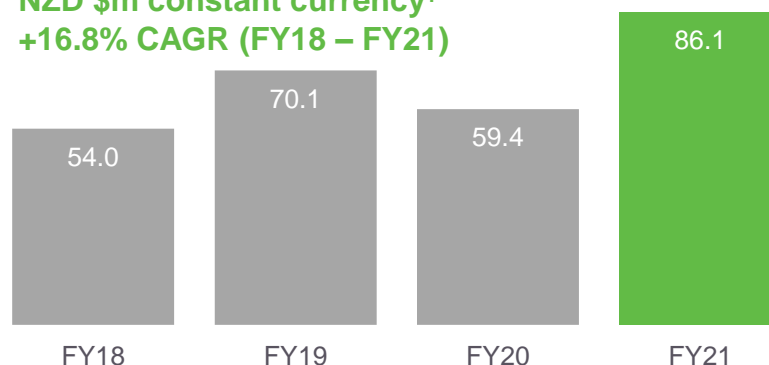
Oboz result underpinned by strong hiking participation

OBOZ		Pre IFRS 16		
NZD \$m	FY21 Reported	FY21 Constant Currency	FY20 Reported	Var % Constant Currency
SALES	78.4	86.1	59.4	44.9%
GROSS PROFIT	28.0	30.7	23.5	30.7%
<i>Gross margin</i>	35.7%	35.7%	39.6%	
OPERATING EXPENSES	(16.2)	(17.8)	(15.9)	11.7%
<i>% of Sales</i>	20.6%	20.6%	26.8%	
EBITDA (underlying)	11.8	12.9	7.6	70.3%
<i>EBITDA margin %</i>	15.0%	15.0%	12.8%	
EBIT (underlying)	11.4	12.6	7.3	72.6%
<i>EBIT margin %</i>	14.6%	14.6%	12.3%	

- Outperforming acquisition expectations
- Oboz sales above last year with a strong recovery from COVID closures. Also driven by successful product innovation strategy and diversification of customer base
- Gross margin impacted by significant one-off air freight costs (c. \$1.5m) to support key customer deliveries of winter seasonal styles in 1H FY21, plus increased ocean freight costs due to supply chain congestion in 2H FY21
- Gross margin to normalise to historical levels when global supply chain congestion and related shipping rates come back into line
- Forward order book at highest level ever, allowing investment to support future growth

Sales

NZD \$m constant currency¹
+16.8% CAGR (FY18 – FY21)



1. Constant currency uses NZD/USD FY20 conversion rate 0.636 to convert Oboz USD results to NZD (FY21 actual conversion rate 0.699)

New online store and broader product appeal

Strong product launches and robust brand activations lead footwear brand to new heights



Product highlights:

- **Sypes Franchise delivers:** Highlight of Spring/Summer 2021 line is strong across North America
- **Mountain Town Insulated:** New Fall 2021 styles Andesite and Sphinx experience breakthrough pre-season sales
- **Sell-in SS22 sets records:** Led by Sawtooth X and new Whakatā franchise, Spring/Summer debuts with record orders
- **Big Sky II brings Montana roots to market** for Fall 2021 launch

Brand and marketing highlights:

- 20% growth in social media audience in 2H FY21
- Oboz Trails Experience launches in 7 markets + CDT Project gets Oboz Team on the trail this summer and fall
- First ever collab with Black Folks Camp Too launching in Sept

Outlook

COVID continues to impact the global business

- Lost trading days due to COVID lockdown restrictions FY21 c. 13,000 vs FY20 c. 15,000
- Widespread lockdowns in NSW, VIC, ACT and NZ to date will impact the first half result
- Trade in airport locations and emerging markets of Brazil, Indonesia and Thailand expected to remain significantly impacted by COVID
- Northern Hemisphere retail stores managing with staff constraints and sporadic closures as positive team cases arise
- COVID restrictions impacting supply chain:
 - Reduced factory capacity due to enforced closures stretching lead times
 - Freight congestion leading to delivery delays
 - Increased freight costs
- The Group continues to proactively manage the impacts of COVID daily
- Our key priority is the health and safety of our staff, customers and suppliers

Key FY22 priorities

Build Global Brands

- Increase investment in marketing and sustainability initiatives to drive brand awareness
- Launch Kathmandu in mainland Europe and Canada
- Launch innovative products to capitalise on growing participation in the outdoors, beach and surfing

Elevate Digital

- Launch Rip Curl loyalty programme in ANZ
- Re-launch Kathmandu Summit Club
- Implement unified commerce capabilities throughout ANZ
- European online re-platform
- Increased use of data insights and analysis and personalisation
- Expand marketplace presence

Leverage Operational Excellence

- Complete Group executive structure to build out group capabilities
- Align ANZ technical platforms between brands c. \$10m core systems capital expenditure in FY22
- Implement clear margin and expense targets to drive towards 15% EBITDA margins

Lead in ESG

- Extend Kathmandu B Corp accreditation to all Group brands
- Set science based targets
- Complete and implement Rip Curl brand ESG strategy

Trading update and outlook

Trading update

- Same store sales (incl. online) for the six full weeks to 12 September 2021 were significantly impacted by ongoing Australasian COVID lockdowns:
 - Rip Curl -12.8% overall, +3.6% adjusted for COVID lockdowns¹
 - Kathmandu -19.9% overall, +18.3% adjusted for COVID lockdowns¹
- Online sales growth to date +25.9% (Rip Curl +16.8%, Kathmandu +33.7%)
- Kathmandu sales strong in regions less affected by COVID restrictions
- COVID restrictions impacting suppliers in Asia. The Group is actively managing supply chain to minimise impact where possible
- Impact of freight costs on gross margin expected to be offset by improved foreign exchange rates
- First half FY22 profit expected to be below first half FY21 due to ongoing COVID impacts
- Both Rip Curl and Oboz wholesale order books are significantly above pre-COVID levels

Outlook

- All brands are well positioned to capitalise on growing participation in outdoor, beach and surfing activities
- Capitalise on opportunities from the global COVID vaccination rollout:
 - Easing COVID restrictions in key growth markets: Europe (Rip Curl and Kathmandu) and North America (Rip Curl and Oboz)
 - International travel restrictions expected to ease as FY22 progresses, benefiting the Kathmandu brand and emerging markets for Rip Curl

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

Questions



Appendix 1: Statutory to underlying profit & loss

GROUP NZD \$m	FY21				
	Statutory	IFRS 16 Leases ^{*1}	Transaction Costs ^{*2}	Other one-offs	Underlying
Sales	922.8	-	-	-	922.8
Gross profit <i>Gross margin</i>	541.6 58.7%	-	-	-	541.6 58.7%
Operating expenses <i>% of sales</i>	(333.6) 36.2%	(94.7)	-	-	(428.3) 46.4%
EBITDA <i>EBITDA margin %</i>	208.0 22.5%	(94.7)	-	-	113.3 12.3%
EBIT <i>EBIT margin %</i>	92.2 10.0%	(8.4)	-	-	83.8 9.1%
NPAT	63.4	1.3	1.5	-	66.3

	FY20				
	Statutory	IFRS 16 Leases ^{*1}	Transaction Costs ^{*3}	Other one-offs ^{*3}	Underlying
Sales	801.5	-	-	-	801.5
Gross profit <i>Gross margin</i>	467.0 58.3%	-	-	-	467.0 58.3%
Operating expenses <i>% of sales</i>	(317.6) 39.6%	(82.3)	11.6	4.6	(383.7) 47.9%
EBITDA <i>EBITDA margin %</i>	149.5 18.7%	(82.3)	11.6	4.6	83.4 10.4%
EBIT <i>EBIT margin %</i>	45.9 5.7%	(5.9)	11.6	4.6	56.2 7.0%
NPAT	8.9	2.6	16.9	3.2	31.5

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

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

3. In FY20, \$11.6m was incurred in relation to the acquisition and integration of Rip Curl, including establishment of a new Group structure. Further one-off costs of \$4.6m were incurred in FY20 in relation to restructuring support office roles

Appendix 2: Segment note

SALES

FY21 (NZD \$'000)	Outdoor	Surf	Corporate	Total
SALES per segment note	432,354	490,438	-	922,792
SALES (underlying)	432,354	490,438	-	922,792

FY20 (NZD \$'000)	Outdoor	Surf	Corporate	Total
SALES per segment note	485,785	315,739	-	801,524
SALES (underlying)	485,785	315,739	-	801,524

EBIT

FY21 (NZD \$'000)	Outdoor	Surf	Corporate	Total
EBIT per segment note	43,897	59,122	(10,835)	92,184
IFRS 16 Leases Adjustment	(6,169)	(2,195)	-	(8,364)
Transaction Costs & Abnormals	-	-	-	-
EBIT (underlying)	37,728	56,927	(10,835)	83,820

FY20 (NZD \$'000)	Outdoor	Surf	Corporate	Total
EBIT per segment note	64,901	(593)	(18,435)	45,873
IFRS 16 Leases Adjustment	(7,787)	1,871	-	(5,916)
Transaction Costs & Abnormals	1,546	2,933	11,722	16,200
EBIT (underlying)	58,660	4,210	(6,713)	56,157

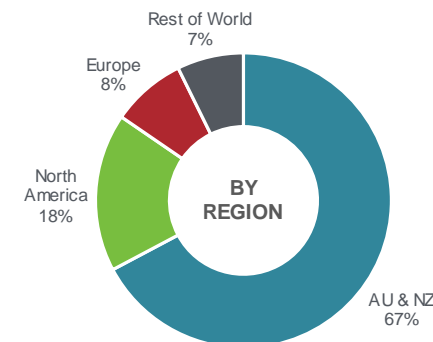
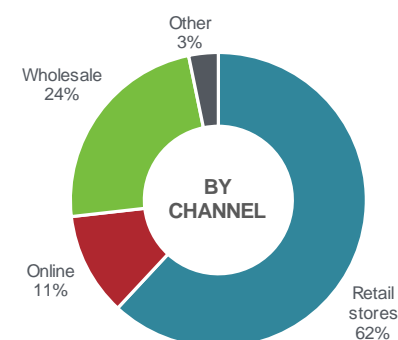
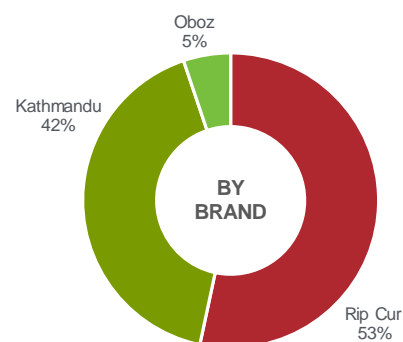
1. Statutory results include the impact of IFRS 16 leases. For comparability, the impact of IFRS 16 is excluded from Underlying results

2. In FY20, \$11.6m was incurred in relation to the acquisition and integration of Rip Curl, including establishment of a new Group structure. Further one-off costs of \$4.6m were incurred in FY20 in relation to restructuring support office roles

Appendix 3: Segment summary

NZD \$m	FY21	FY20	Var %
<i>Kathmandu sales</i>	354.0	426.4	(17.0%)
<i>Oboz sales</i>	78.4	59.4	31.9%
Outdoor segment sales	432.4	485.8	(11.0%)
Surf segment sales	490.4	315.7	
Total segment sales	922.8	801.5	15.1%
<i>Kathmandu underlying EBIT</i>	26.3	51.4	(48.8%)
<i>Oboz underlying EBIT</i>	11.4	7.3	57.0%
Outdoor segment underlying EBIT	37.7	58.7	(35.7%)
Surf segment underlying EBIT	56.9	4.2	
Total segment underlying EBIT	94.7	62.9	50.6%
Corporate costs	(10.8)	(6.7)	
Group underlying EBIT	83.8	56.2	49.3%

Gross Profit \$ Mix 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 for a full 12 months of Rip Curl ownership 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

Appendix 4: Balance sheet

Balance Sheet (NZD \$m)	Jul 21	Jul 20
Inventories	216.5	228.8
Property, plant and equipment	79.3	88.5
Right of Use Asset (IFRS 16)	242.7	258.7
Intangible assets	688.6	689.9
Other assets	95.5	89.6
Total assets (excl. cash)	1,322.6	1,355.5
Net interest bearing liabilities and cash	37.0	(9.4)
Lease Liability (IFRS 16)	(279.3)	(298.6)
Other non-current liabilities	(101.0)	(100.8)
Current liabilities	(160.4)	(167.5)
Total liabilities (net of cash)	(503.7)	(576.3)
Net assets	818.9	779.2

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