

KATHMANDU HOLDINGS LIMITED

ASX / NZX / MEDIA ANNOUNCEMENT

9 November 2021

*(All amounts in NZ\$ unless otherwise stated)*

## Kathmandu Holdings Q1 earnings impacted by COVID lockdowns

Kathmandu Holdings Limited (NZX / ASX: KMD) (the **Group**) today provides the following trading update in conjunction with a virtual investor day being held for institutional shareholders.

Same store sales (including online) for the 13 full weeks to 31 October 2021 were significantly impacted by ongoing Australasian COVID lockdowns:

- Rip Curl -9.4% overall, +1.6% adjusted for COVID lockdowns<sup>1</sup>
- Kathmandu -17.6% overall, +16.3% adjusted for COVID lockdowns<sup>1</sup>

Pleasingly, online sales have grown strongly at +33.8%, with Rip Curl +11.2% and Kathmandu +58.4%.

As previously signalled, COVID lockdowns have significantly impacted Q1 results. Net COVID impact is expected to result in Q1 operating profit being c.\$35 million below last year as lockdowns in NSW, Victoria, ACT and NZ were more severe than prior comparative period, without any direct Government subsidies recognised to date in FY22. Recently the Group has seen positive momentum in the short period following the reopening of NSW and Victoria markets, notably for Rip Curl which is cycling +27% same store sales growth adjusted for COVID lockdowns<sup>1</sup> from Q1 FY21.

Rip Curl and Kathmandu are well prepared for the key Black Friday and Christmas trading period, and inventory remains sufficient to meet expected demand. Due to the uncertain COVID trading environment the Group will not provide forward guidance, however as markets reopen, trading is expected to improve with growth opportunity in the second half of FY22.

Rip Curl and Oboz wholesale order books remain significantly above pre-COVID levels. The Group is actively managing ongoing supply chain disruption globally, particularly impacting the timely flow of products into our North American markets. Oboz product deliveries will be impacted for Q2 as Vietnam footwear factories slowly ramp up production following COVID closures during Q1. Demand for Rip Curl wetsuits continues to exceed available supply. Freight, logistics and raw material costs remain elevated as the outlook for supply chain remains challenging. This will be managed where possible through pricing and raw material substitution.

Commenting on trading, Group CEO Michael Daly said:

“COVID-19 continued to be a major disruption in the first quarter, with Australasian retail stores significantly impacted by lockdowns, and supply chain disruption impacting our ability to fulfil strong wholesale demand. Despite the challenging trading conditions to date, we are ready to capitalise on growth opportunities as COVID restrictions ease. The Group continues to invest in the long-term expansion of our global house of outdoor brands.”

- ENDS -

**This announcement has been authorised for release by the Board.**

**For further information, please contact:**

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<sup>1</sup> Adjusted same store sales removes stores that were not able to open for a comparable period in either year because of COVID lockdowns



**Kathmandu<sup>®</sup>**  
**HOLDINGS LIMITED**

**INVESTOR DAY**  
**9 NOVEMBER 2021**



# Chairman

David Kirk



# Agenda

<i><b>Time</b></i>	<i><b>Topic</b></i>	<i><b>Presenters</b></i>
9.00am	Welcome	David Kirk
9.05am	Group strategy	Michael Daly and Chris Kinraid
9.20am	Rip Curl	Brooke Farris
9.35am	Oboz	Amy Beck
9.50am	Kathmandu	Reuben Casey, Robert Fry and Eva Barrett
10.40am	Q&A	
11.00am	Close	

# Today's Presenters



**Michael Daly:** Group CEO and Managing Director

*Michael was the CEO for Rip Curl from early 2013 with a relentless focus on brand, product and the crew contributing to the brand's recent success. Michael was previously the CFO and COO of Rip Curl for over 10 years. Since May 2021 Michael has been in the role of Group CEO and is now looking forward to leading three iconic brands to grow and develop the Group.*



**Brooke Farris:** Rip Curl CEO

*Since joining Rip Curl in 2010, Brooke's time at Rip Curl has encompassed a range of roles, from running Rip Curl surf events around the world, executing marketing strategy as the ANZ Marketing Manager, to leading strong sales growth online as the GM of Digital, and most recently as the GM of Women's.*



**Chris Kinraid:** Group Chief Financial Officer

*Joined Kathmandu in 2014, and has been Group CFO since May 2019, with over 13 years in senior group finance and analyst roles at large FMCG, pharmaceutical, and technology multinationals including Cadbury Plc and Alliance Boots. Chris began his career in audit at PwC.*



**Eva Barrett:** Chief Customer Officer (Kathmandu)

*Joined Kathmandu in 2020, with over 20 years experience in global brand and marketing roles at large international organisations including adidas, Philips and Carlton United Breweries based in Europe, APAC and the U.S. An experienced brand and marketing professional she specialises in driving transformation of global brand, digital, ecommerce, marketing and customer teams.*



**Reuben Casey:** Kathmandu CEO

*Reuben was appointed Kathmandu brand CEO in October 2019 and has been an integral part of the business including serving as CFO and COO since joining Kathmandu in 2010. Prior to Kathmandu he held senior financial management roles, including TaylorMade-adidas Golf, Meridian Energy, and KPMG.*



**Amy Beck:** President Oboz

*Joined Oboz / Kathmandu in 2019 and has extensive experience in the outdoor and fashion industries with a wide range of skills including retail, brand marketing, distribution strategy, and sales management. More recently, Amy held executive roles at Smartwool and Lucy Activewear, both part of VF Corporation.*



**Robert Fry:** GM Product (Kathmandu)

*Prior to joining Kathmandu, Robert served in various global product lead roles for brands such as The North Face, Mountain Hardwear, and Black Diamond. Between 2017 and 2020, his company, Reasonworx, developed successful go-to-market and innovation platforms for clients such as Cole Haan, Marmot, Woolmark, Big Agnes, Burton, ROAM Robotics among others. He specializes in strategic transformation and next-level product execution.*

# Owner of leading global outdoor active brands



## Iconic brands

- Rip Curl: top 3 global surf brand
- Kathmandu: leading outdoor brand in Australasia<sup>1</sup>
- Oboz: fast growing North American hike footwear brand

## Loyal, active consumers

- NPS<sup>2</sup> 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





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# Group Strategy

**Michael Daly**

Group CEO

**Chris Kinraid**

Group CFO



# Our Group journey

- We aspire to be a leading owner of global brands appealing to an active, outdoor consumer
- Now diversified by geography, channels to market, seasonality and products
- Our key brand attributes are:
  - Inspiring people to live an active outdoor life
  - Global appeal
  - Products of a technical nature that are designed with a specific purpose in mind
  - ESG leadership credentials and aspirations
- Given the above, we believe a renaming of the parent company is an important next step and we are advanced in this process (early 2022)



# 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



## Lead in ESG

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



## Leverage Operational Excellence

Deliver operational excellence to all brands across shared group support functions

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 AUSTRALASIA<sup>1</sup>

- 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





# Brands with global reach and strong growth opportunities

## North America

- Rip Curl target to double sales across all channels
- Target top 3 surf brand
- Kathmandu wholesale and online launch in Canada in 2022, USA to follow
- Oboz sales target USD\$100m, with rapid online growth

## Europe

- Rip Curl targeting top 3 surf brand
- Strong growth potential across all channels
- Kathmandu wholesale launch in Europe 1H FY22
- Kathmandu online stores (French and German)
- Expand Oboz distribution

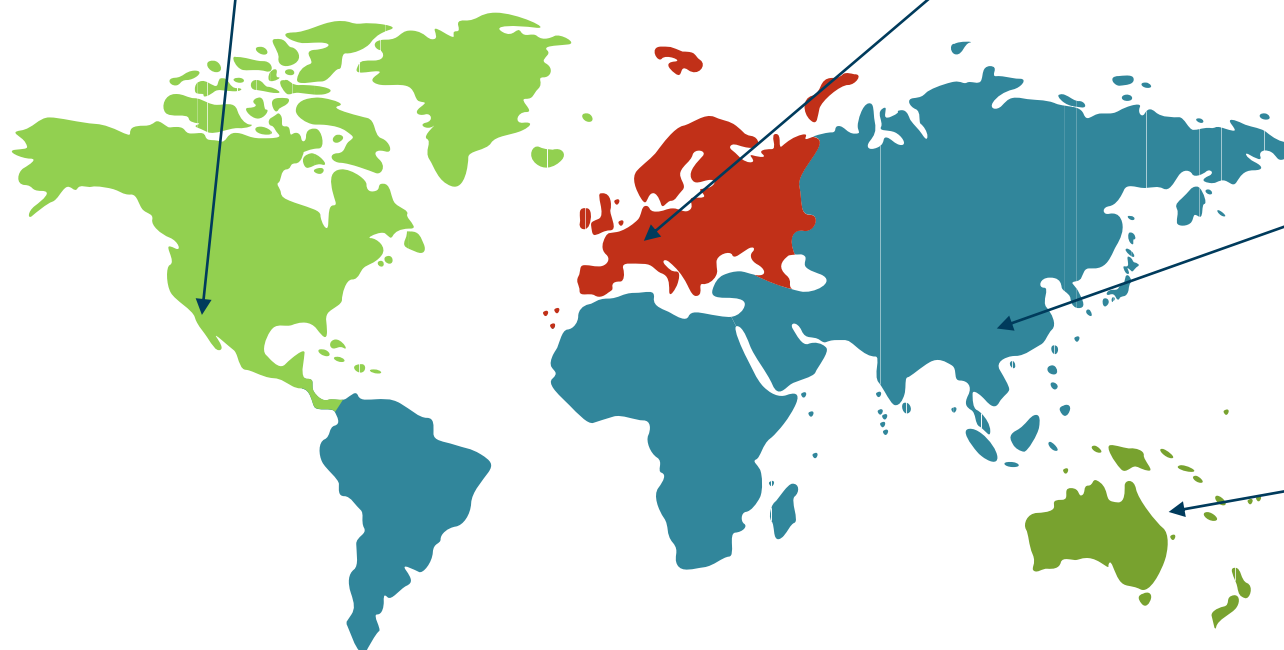
Current Group	Rip Curl	KMD	Oboz	Total
Owned stores	160	160	-	320
Licensed stores	207	-	-	207
JV stores	20	-	-	20
Online sites	6	4	1	11
Wholesale doors	5,958	28	2,129	8,115

## Emerging

- Rip Curl recovery of key markets in Thailand, Indonesia, and Brazil post-COVID
- Licensing opportunities for all three brands

## AU & NZ

- Kathmandu post Covid recovery back to 2019, +\$120m
- Strong online growth for all brands
- Continued wholesale opportunity for Rip Curl, and launch for Oboz



# 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 and collect, endless aisle and fulfilment from store

## Loyalty management

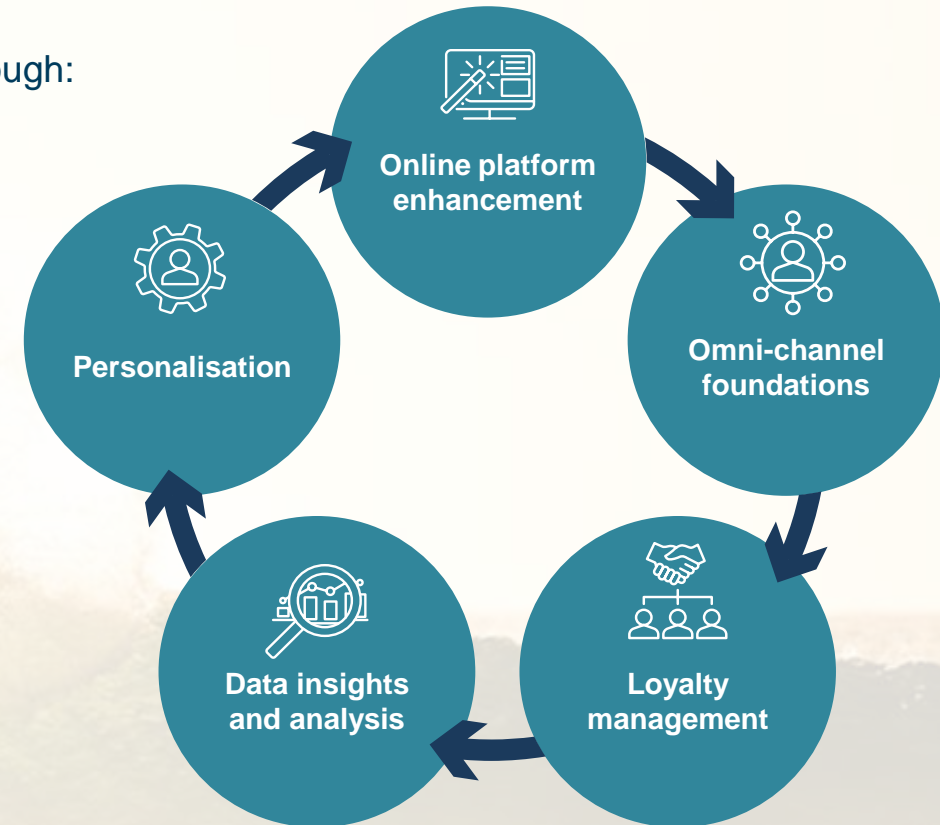
- Club Rip Curl launch
- Summit Club relaunch

## 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





# 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



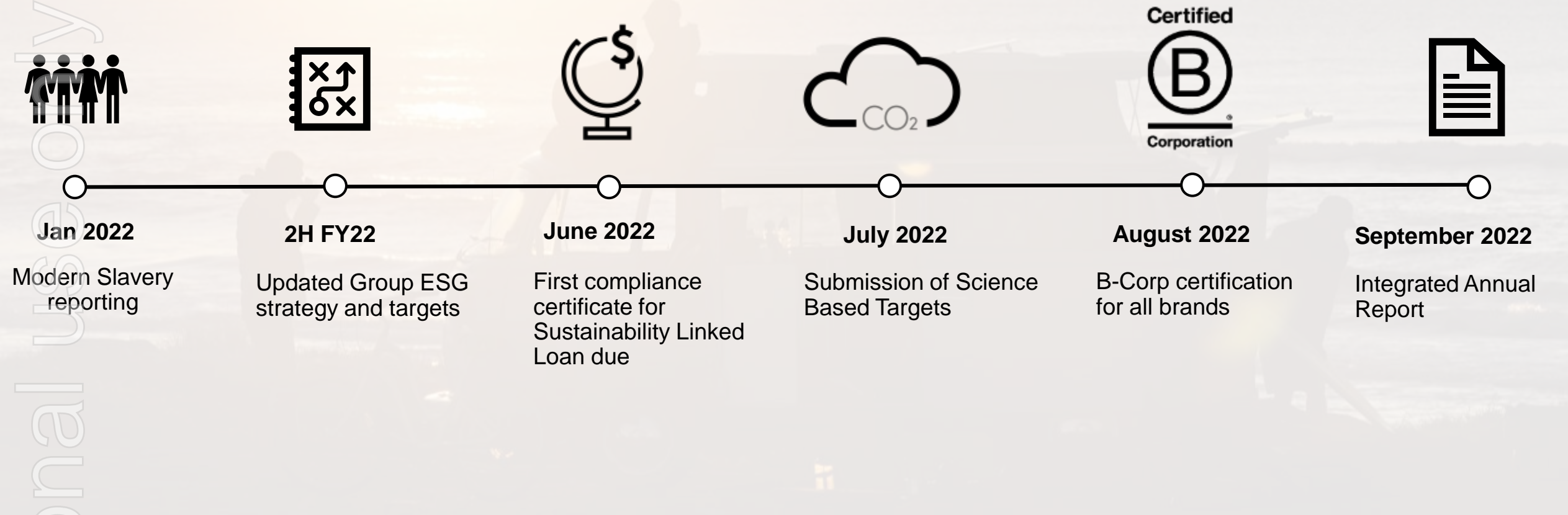
## Circular business models

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

- For more information, refer to the latest [Kathmandu Holdings Limited Sustainability Report](#)



# ESG Timeline





# Leverage operational excellence

Group target: improve underlying **EBITDA margin to 15% of sales in the medium-term**

Accelerate cross-brand revenue growth opportunities

Ongoing realisation of margin and cost opportunities



## 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

# Trading update and outlook

## Trading update

- Same store sales (incl. online) for the 13 full weeks to 31 October 2021 were significantly impacted by ongoing Australasian COVID lockdowns:
  - Rip Curl -9.4% overall, +1.6% adjusted for COVID lockdowns<sup>1</sup>
  - Kathmandu -17.6% overall, +16.3% adjusted for COVID lockdowns<sup>1</sup>
- Online sales channel strong growth of +33.8% (Rip Curl +11.2%, Kathmandu +58.4%)
- As previously signalled, COVID lockdowns have significantly impacted Q1 results. Net COVID impact is expected to result in Q1 operating profit being c.\$35m below last year as lockdowns in NSW, Victoria, ACT and NZ were more severe than prior comparative period, without any direct Government subsidies recognised to date in FY22
- Positive momentum in the short period following the reopening of NSW and Victoria markets, notably for Rip Curl which is cycling +27% same store sales growth adjusted for COVID lockdowns<sup>1</sup> from Q1 FY21

## Outlook

- Rip Curl and Kathmandu are well prepared for the key Black Friday and Christmas trading period. Inventory remains sufficient to meet expected demand
- Due to the uncertain COVID trading environment the Group will not provide forward guidance, however as markets reopen, trading is expected to improve with growth opportunity in the second half of FY22
- A key priority is to increase investment in marketing, sustainability, and loyalty, to support the “Build Global Brands” strategy
- Rip Curl and Oboz wholesale order books remain significantly above pre-COVID levels
- The Group is actively managing ongoing supply chain disruption globally, particularly impacting the timely flow of products into our North American markets
- Oboz product deliveries will be impacted for Q2 as Vietnam footwear factories slowly ramp up production following COVID closures during Q1. Demand for Rip Curl wetsuits continues to exceed available supply
- Freight, logistics and raw material costs remain elevated as the outlook for supply chain remains challenging, to be managed where possible through pricing and raw material substitution

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







Brooke Farris

Rip Curl CEO



## OUR VISION

**“To be regarded as the ultimate surfing company in all that we do...”**



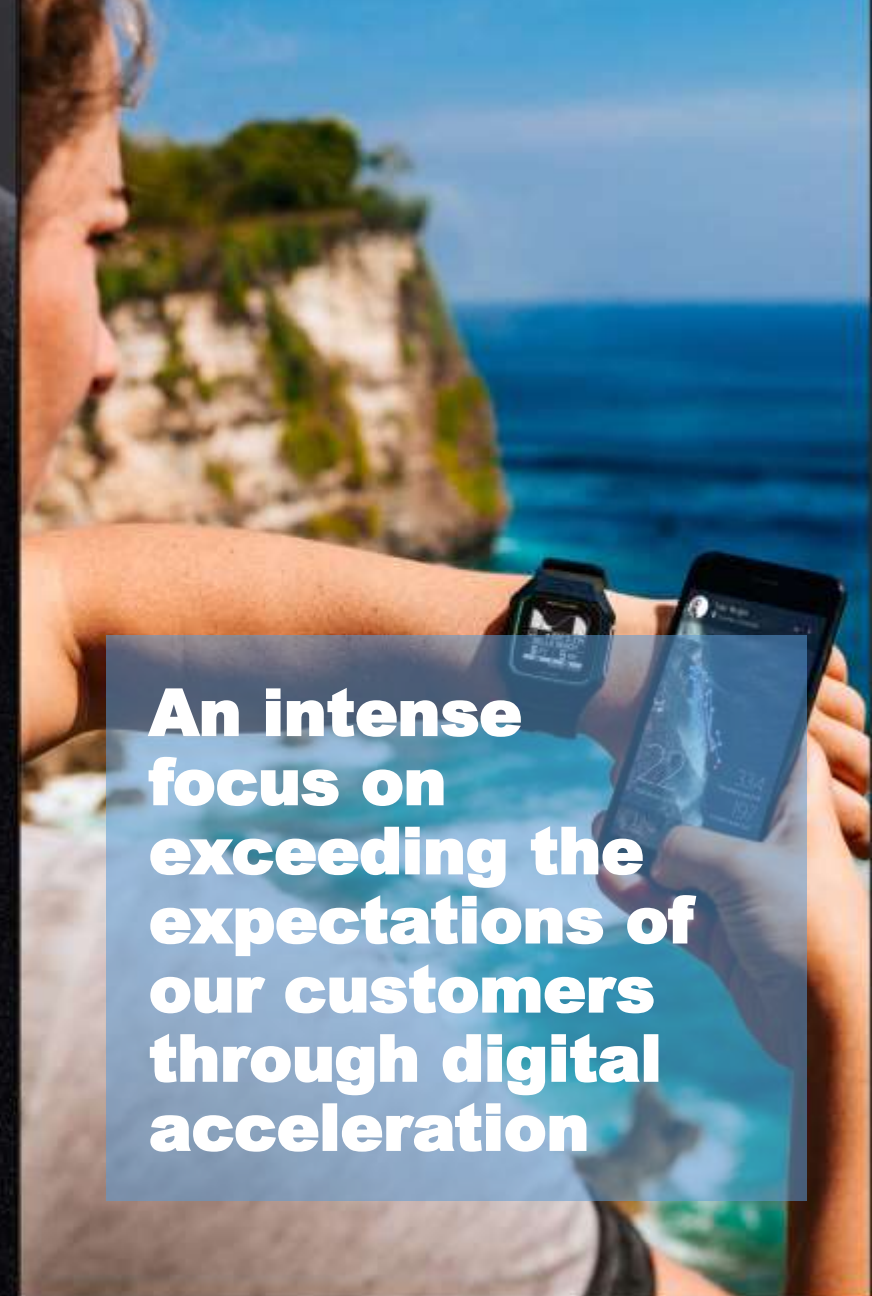




**Remaining true  
and authentic  
to our surfing  
roots**

# STRATEGY

**Fanatical  
dedication to  
market  
leadership in  
core products**



**An intense  
focus on  
exceeding the  
expectations of  
our customers  
through digital  
acceleration**



# REMAINING TRUE AND AUTHENTIC TO OUR SURFING ROOTS

## 2. CONTENT

### 1. TEAM & EVENTS



### 3. SUSTAINABILITY



Personal use only



# MEDINA MEDINA MEDINA

 **GABRIEL MEDINA** **3X**

**WORLD SURFING CHAMPION**

2014 - 2015 - 2021



# FANATICAL DEDICATION TO MARKET LEADERSHIP

## 2. WOMENS



## 3. KIDS



## 4. 365 DAY RELEVANCE



## 1. INNOVATION



ersonal use only



# EXCEED THE EXPECTATIONS OF OUR CUSTOMERS THROUGH DIGITAL ACCELERATION

**1.  
UNIFIED  
COMMERCE**

**2.  
ECOMMERCE  
EXECUTION**

**3.  
CLUB  
RIP CURL**

**=**

**20-25% of  
SALES**





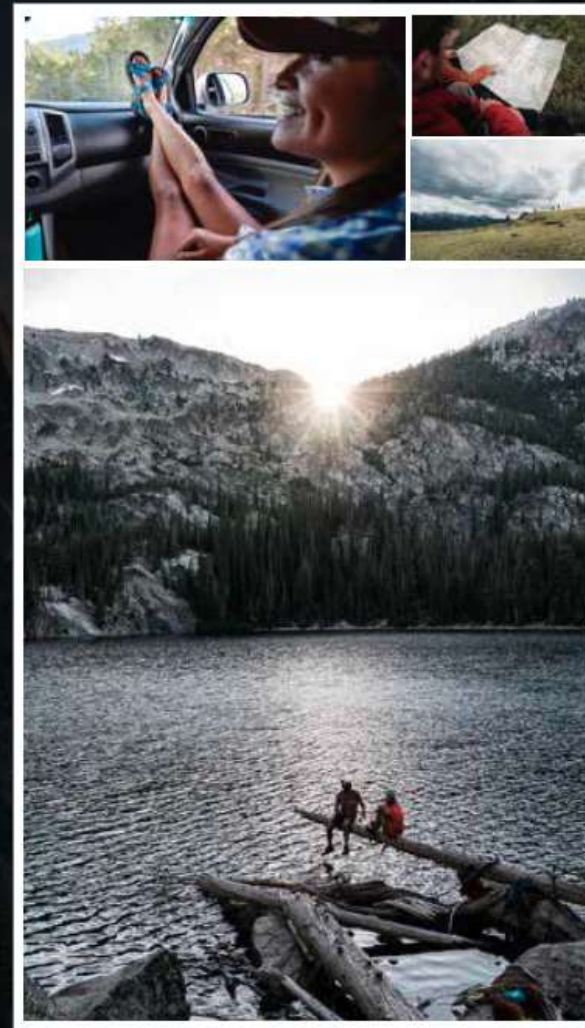
**Amy Beck**  
President Oboz





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BOZEMAN, MONTANA USA



Obōz

# Mission

What we do

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**Oboz creates transformative footwear for adventurers seeking true experiences on any and every trail.**

The Oboz Fit Promise — driven by intentional design, dependable performance and optimal versatility — is the ready for anything comfort and confidence that fuels the advance.

# Purpose

Why we do what we do

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**Empower the people of the world to blaze their own trail.**

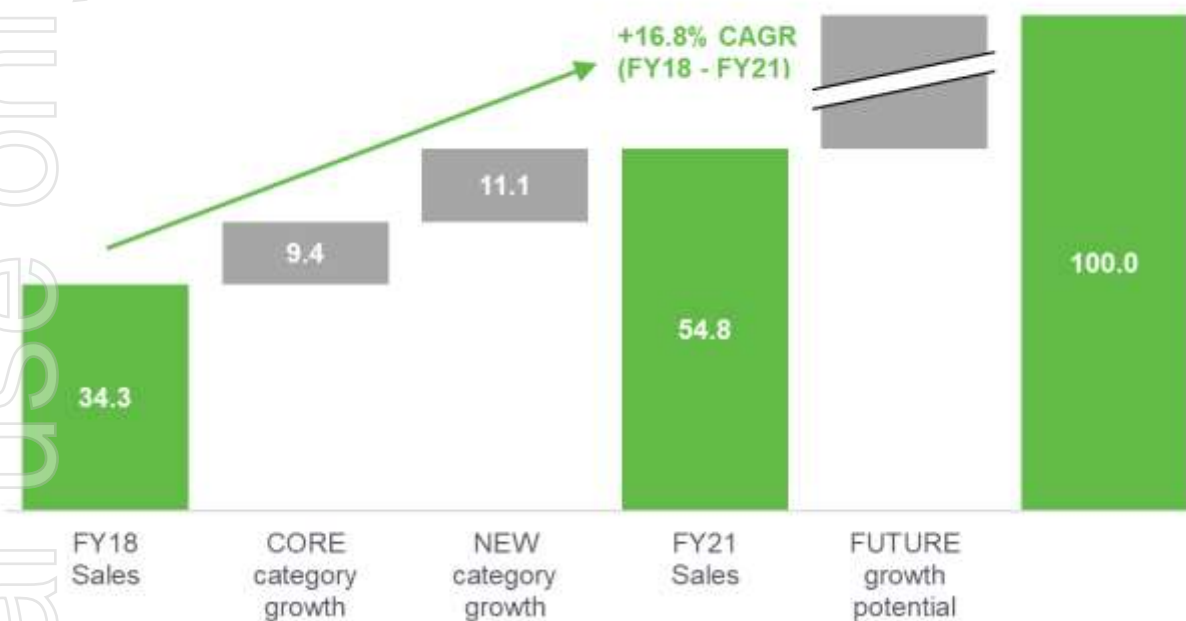
The trail is our right of way. It is the inspiration that binds our people under a banner of fresh air and good times. It is the switch-backing path that sets our community of adventure seekers into motion. It is where our experiences coalesce in powerful moments across unforgettable expanses. And it is over, under and through this self-propelled existence where the foot takes charge — and where comfortable, durable footwear for the trail unfolding is our persistence, drive and ceaseless commitment.



# Brand growth

## Oboz brand growth

USD \$m



- Growth in core and new product categories
- Wholesale doors increased 22% since FY20
- Online store launched FY21. Significant runway for future growth
- Target USD \$100m sales in the medium-term (3 to 5 years)
- Brand momentum is strong with significant order book growth for Summer 22



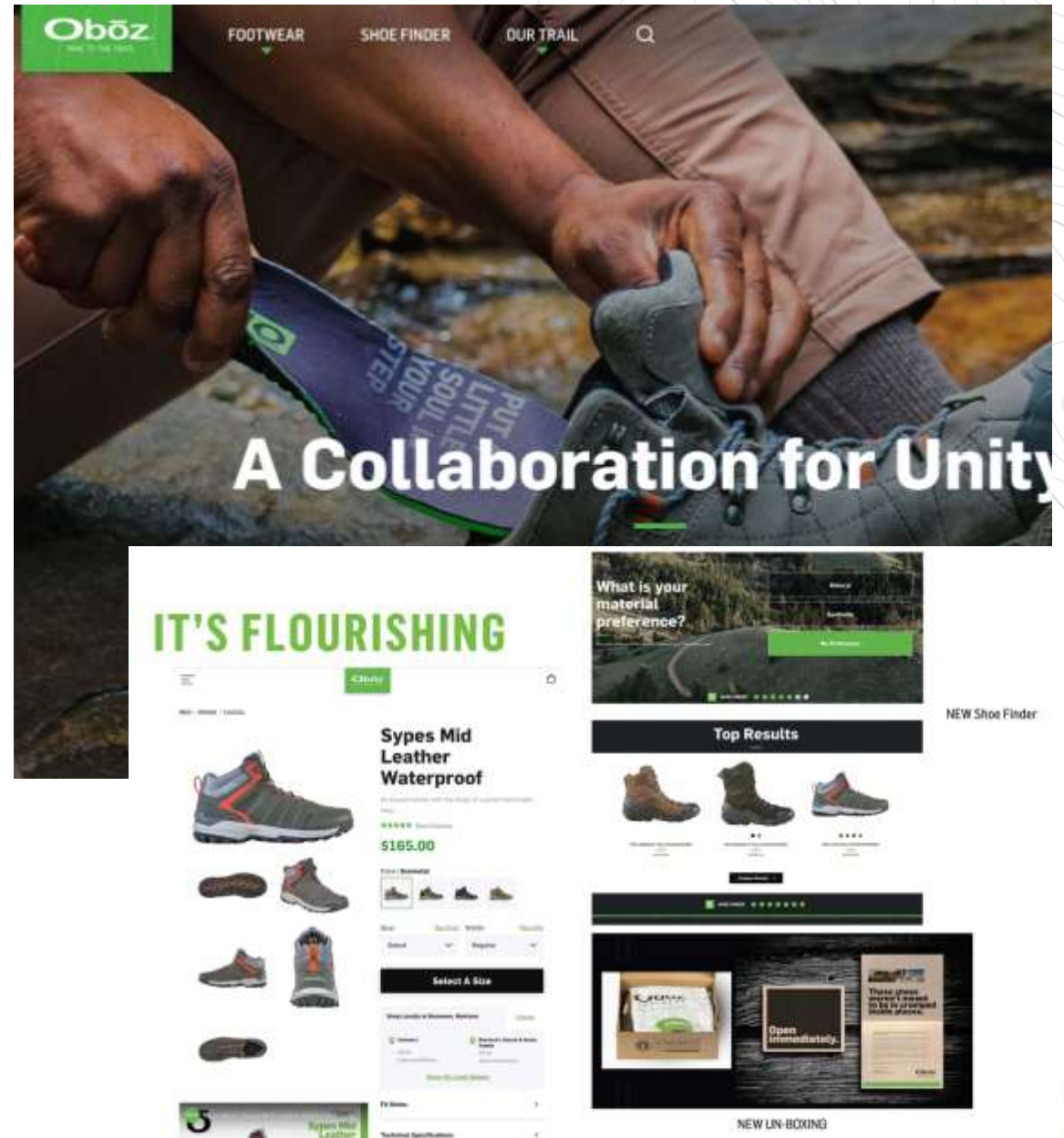
# Brand

- Elevate digital
- Create enhanced retail experiences
- Utilise insights to connect with new consumers and grow awareness
- Evolve service experience to connect further with staff and consumers



# Elevate digital experience

- Creating demand and engagement with pre-release pages and pre-sale capability
- Launching eGift cards
- Investing in video
- Utilising partnership and collaborations to grow audience and conversion





# Enhanced instore experiences

- Branded environment: shelves, brand sign and story
- New campaign activations: windows, signage, staff buttons
- Fitting environment: fit bench, branded brannock device





# Connecting...investing in digital engagement to grow awareness is working

- Impressions: +4 million (+4.2%)
- Engagements: +18.2%
- Total audience: +17.3%
- Video views: +696.7%







## Product evolution and expansion

- Evolve and grow the core
- Build on successful franchises
- New products for new consumers



# Product evolution and expansion

## Revitalising and modernising the core, building on successful franchises

- Relaunch of biggest franchise Sawtooth X supporting strong order book growth



### The X is for exceptional.



#### TRUE TREAD

Multi-directional lugs and added teeth create better acceleration and deceleration control. Increased lug spacing helps shed mud more easily, while additional siping creates better traction on wet surfaces.

#### ACT

A proprietary rubberized EVA that adapts to varying terrain. This unique blend of dual-density, lightweight cushioning system provides the wearer a high level of energy efficiency and a softer feel after landing zone.

#### BDRY

Foot sweat and trails get mobility. That's why we created our BDRY external system which helps sweat escape and keeps moisture out.

#### REPEVE

REPEVE™ contains recycled materials helping us lighten our impact on the planet.

#### CORDURA

Constructed using high tenacity fiber technologies, weight for weight, CORDURA® fabrics are exceptionally durable.

obozfootwear.com

### An icon reimaged.

We could have rested on our laurels. But, where's the adventure in that?



Spawned 10 years after the original Sawtooth, the all-new Sawtooth X combines thoughtful design with purposeful enhancements to capture current Sawtooth lover's and welcome new members to the Sawtooth community.

#### WHY CHANGE A LEGEND?

- We know more about who we are
- We know our limitations
- We have greater abilities than ever before
- We have an existing retail and consumer base that demands we press forward
- Because we build footwear with purpose for the task at hand



#### WHO IS THIS FORT?

"Trailblazers, those who've been around, but still on the younger side. They get out often and push themselves in life, and the outdoors is an important part of that life."

#### WHY IT'S A GAME CHANGER

- Through extensive R&D, we set out to address 4 key aims:
  - Improve the performance
  - Increase the durability
  - Define the fit
  - Modernize the design aesthetics



# Product evolution and expansion

## Reaching new consumers

Ongoing pipeline of new styles to drive growth in consumers and closet share





# Kathmandu<sup>®</sup>

**Reuben Casey**

Kathmandu CEO

## Brand leadership team

									
<b>Reuben Casey</b>	<b>Eva Barrett</b>	<b>Robert Fry</b>	<b>Alexandre Gilbert</b>	<b>Rebecca Edwards</b>	<b>Stephen Domancie</b>	<b>Mark Handy</b>	<b>Phoebe Hu</b>	<b>Dianne Fuller</b>	<b>Romany Bichard</b>
Kathmandu CEO	Chief Customer Officer	Product	International	People, Culture & Safety	Retail	Buying & Planning	Commercial	Supply Chain	Property
Joined 2010	Joined 2020	Joined 2020	Joined 2021	Joined 2008	Joined 2015	Joined 2010	Joined 2021	Joined 2018	Joined 2017
adidas- TaylorMade Golf	adidas  Phillips	The North Face	Icebreaker	Ansett/Qantas	Puma	Glassons	Alliance Group	Sea Products	Priceline
Meridian	Carlton & United Breweries	Mountain Hardwear	O'Neill	Moffat	adidas	Marks n Spencer	Broad Spectrum	Ezibuy	Raddisson
KPMG		Black Diamond	adidas	GL Bowron  McDonalds	Sportsman Warehouse		Proctor & Gamble	Bendon  Pumpkin Patch	The Reject Shop



Our kaupapa

# Improve the wellbeing of the world through the outdoors

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Kia whanake ake i te hauora o te  
ao mā te taiao.

# Our vision

**Be the world's  
most loved  
outdoor brand.**



It's a truly global vision. To strive for something this ambitious, we'll need the most courageous, joyful, open people along for the ride.

We'll need to design our little hearts out, we'll need to challenge convention and be a little more out there. We'll need to come together and make it happen.



# We're Kathmanduers, we are;

## Courageous, joyful, open Māia, Manahau, Mākohakoha

These values identify us and should be evident in every experience across the business. That way, every conversation, every product, every innovation will pull us together.

## Courageous Māia

We give it a go  
We embrace the unknown  
We do the right thing even when it's hard

## Joyful Manahau

We do what we love and love what we do  
We don't take ourselves too seriously  
We enjoy each others company and have fun

## Open Mākohakoha

We listen  
We're open to grow  
We embrace differences

## We are stronger together



# Strong long-term growth runway in International

## ANZ:

- \$120m growth getting back to pre-COVID
- \$30m growth through year round relevance, product, brand investment, network optimisation
- Digital to grow to \$100m+, c. 20-25% of sales

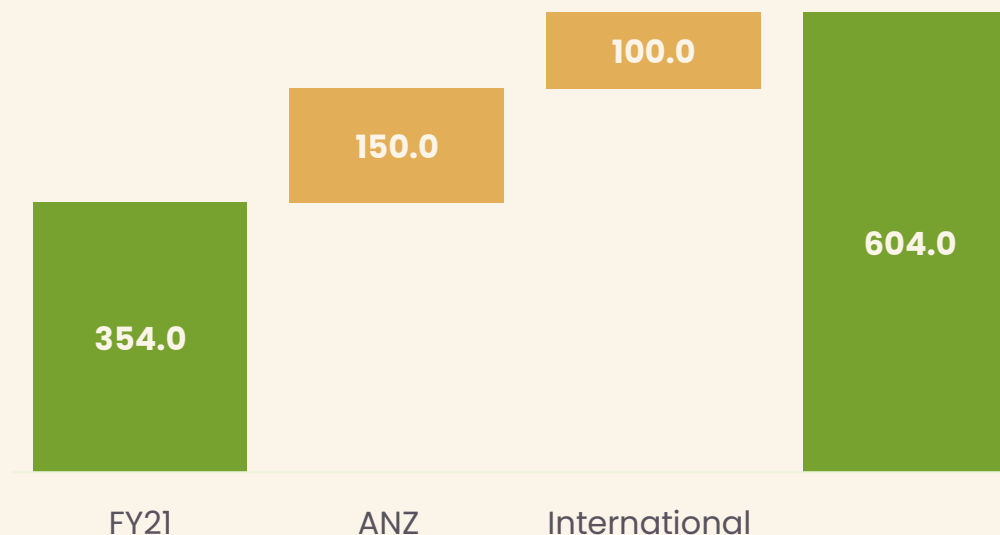
## International:

- Targeting \$100m over 5 years
- Europe, Canada immediate launch
- US to follow
- South Korea, Japan medium term

Long term aim is a balance between ANZ and International

## Growth runway (3-5 years)

NZD \$m





# Building the world's most loved outdoor brand

## **BRAND – meaningful and differentiated**

1. Tone of Voice: Joyful, carefree, 'out there' vs serious/competitive/preaching
2. Target Audience: Millennial outdoor enthusiast who loves being outdoors & cares for the planet vs top of the mountain athletes
3. Build awareness through differentiated fun, joyful PR events and influencers (global/local)

## **MARKETS – leveraging Group infrastructure**

1. Immediate launch AW22 sell in: Europe (France, Germany, UK, Ireland) + Canada
2. North America – US
3. Asia – med-term Japan, South Korea

## **PRODUCT – desirable, differentiated**

1. Products of desire relevant to target consumer
2. Exceed performance expectations
3. Industry leading innovation in sustainability

## **CHANNELS – selective to build brand equity**

1. Digital to support brand positioning
2. Selective distribution from launch to build brand equity for sustainable growth
3. Wider distribution as brand awareness grows

## Key messages

- Reset Brand purpose, vision, values
- Building a meaningful differentiated brand
- International provides long-term growth runway
- ANZ short-medium term growth through post-COVID recovery, network optimisation
- Digital business growing strongly
- Strong team with international brand building experience



# Our brand transformation journey

Eva Barrett

Chief Customer Officer



## The business opportunity

The outdoor category continues to explode with more and more consumers wanting to be part of outdoor culture.

Worth over \$170BN globally the outdoor adventure economy is highly sought after with consumers wanting to try new experiences to stay fit and healthy.

They are also embracing fashion trends at a rapid rate, blurring the lines of street, outdoor and fashion.







# Our relationship with the outdoors has evolved





Walking and enjoying nature during lockdown initially seemed like a means to an end.

People **rediscovered the balance of mental and physical wellbeing that can come from exploring the outdoors.**

**It's changed their attitudes to the outdoors**

**In the US** first-time outdoor recreation exploded for Gen-Z and millennials. With over half saying they're looking to get out more

**65% of millennials and Gen Z-ers** now think it is essential to do physical activities outdoors to maintain physical and emotional wellbeing\*

**Participation rates are rising**

**Rambling Society of the UK** has seen a 30% increase in hikers, with the greatest growth coming from younger generations

**American National Parks** have seen a 90% increase in visitation during the pandemic

**7.9 million more Americans went camping** than the year prior

**And will change the future of where they spend their money**

Booking.com have shown that the highest search growth rates can be found in terms like 'hiking' and 'nature'

\*Mintel, 11.20/Active Network 07.21/NYT



## WHY THE BRAND EXISTS

Improve the wellbeing  
of the world through  
the outdoors



EMOTIONAL  
BENEFIT

## HOW THE BRAND MAKES YOU FEEL OUR SPIRIT AND ATTITUDE

We're out there!  
We want YOU to feel the  
benefits of nature, the  
fun, the joy, the fact that  
nature changes your  
brains for the better



# Consumer Growth Strategy

Attract new consumers into the brand whilst retaining relevance with our core

## Current

- 40+
- Out there to challenge & 'do'
- A way to standout
- Explorers, hobbyists, adventure travellers
- ANZ focus



## Growth

- Millennials 25-34
- The biggest opportunity in the outdoor category by spend, size and participation
- Out there to recharge, refresh and belong
- Anyone, everyone
- Global





## **Motivations to go outdoors**

*Why do they engage with  
the outdoors?*



## **Lifestyle Attitudes**

*How do they see  
the world?*



## **Clothing Attitudes**

*What are their attitudes  
towards outdoor clothing?*



# The Millennial Outdoor Enthusiast

*"The outdoors is a HUGE part of my life. I have a deep desire to connect with nature, and am committed to practicing and preaching about all things sustainable."*

*Any chance I get I'll escape to the outdoors, from chilling in my garden to multi day adventures. It's important to stay woke, and constantly educate myself about the environment. Clothes express who I am and what I'm into. I dress for myself, but I like the labels I wear to reflect my outdoor sustainable state of mind."*

## Likes

Festivals (bush doofs), secluded (sometimes illegal) camping, fighting the power, nature documentaries, farmers markets, opp shopping.

## Dislikes

Intolerant people, businesses that just chase profit, entitled people, Karens.

## Listens

Techno and alternative music, Indian Summer, underground beats.

## Brands

Patagonia, The North Face, Uniqlo, Cotopaxi, Kathmandu, Macpac.

## Fashion

I like quality over quantity, and products designed with purpose. Versatile pieces that look good, feel good and last over time. Show me what the brand values, and educate me at the same time.

## Outside

Outside to me is my life. It's where I belong and I spend as much time out there as I can.

It's where I feel most comfortable, where I destress and where me and my friends connect over shared experiences.

## Inner

I see myself as an outdoorsy person, who wants to protect the environment.

My green views influence all decisions that I make.

Versatility is important to me. I like gear that I can wear lining up for a city techno club, that'll work when I'm out camping too.

## Beyond

I want to do everything I can to fix the environment. From making green choices to supporting green companies, volunteering and everything in between. I feel 'woke' can be a cynical term, but it describes me perfectly.

I believe our generation can make a difference and save the world, and it's our duty.





**We are the strongest brand in AU and NZ outperforming our closest competitors. We also dominate consumers' predisposition to purchase in Kantars brand equity measure (brand power)**

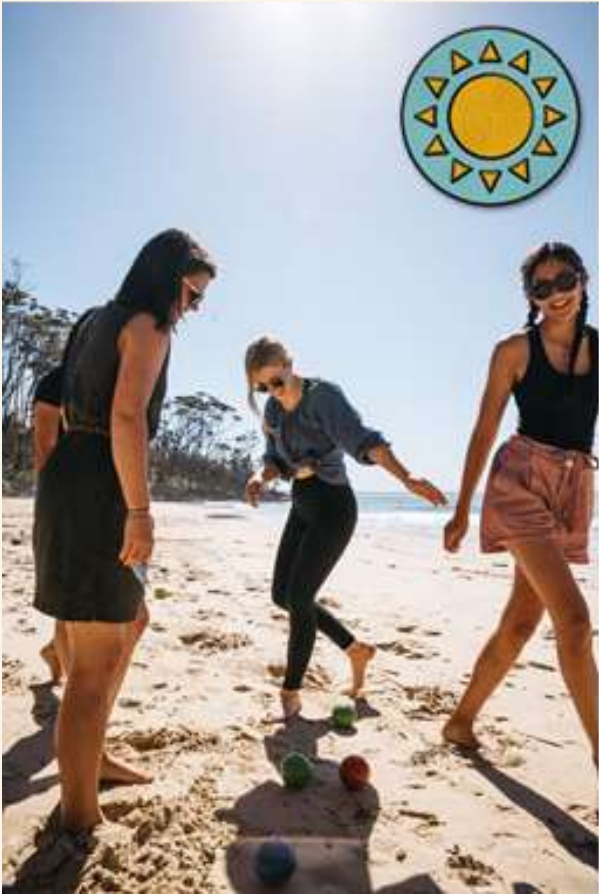
18-59



COMPETITOR 1

COMPETITOR 2

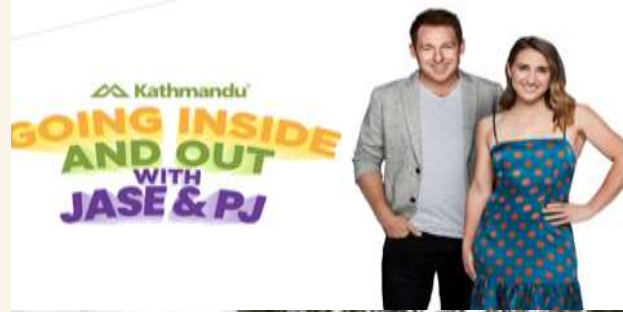
Total Awareness %		Consideration (t2b) %		Currently Purchase (t2b) %		Buy Most Often %		Preference (Brand Power %)	
AU	NZ	AU	NZ	AU	NZ	AU	NZ	AU	NZ
98	100	72	83	40	60	17	23	30.7	33.4
63	98	30	74	18	38	7	8	7.7	19.5
83	89	60	53	25	15	10	2	16.2	11.9



Source: Kantar Brand Health Tracking; ANZ March to July & March/April

# Brought to life through the **'We're out there'** brand platform and our brand relaunch in May

- Integrated campaign across TV, video on demand, digital channels, social, radio, outdoor, PR launched May 6<sup>th</sup>
- Research showed the campaign reinforced our strategy to inspire people to get outdoors to improve their wellbeing through an engaging, fun articulation
- Strong communication drove brand affinity and consideration amongst the target audience of 25-34 year olds and the wider 18-54 year old audience
- Brand campaign video content delivered over 30 million views via paid and owned channels
- 80 million social impressions from posts where Kathmandu was mentioned during May-July 21, up 627% on Feb-April 2021
- Relunched our website with better user experience, faster load times and world class design

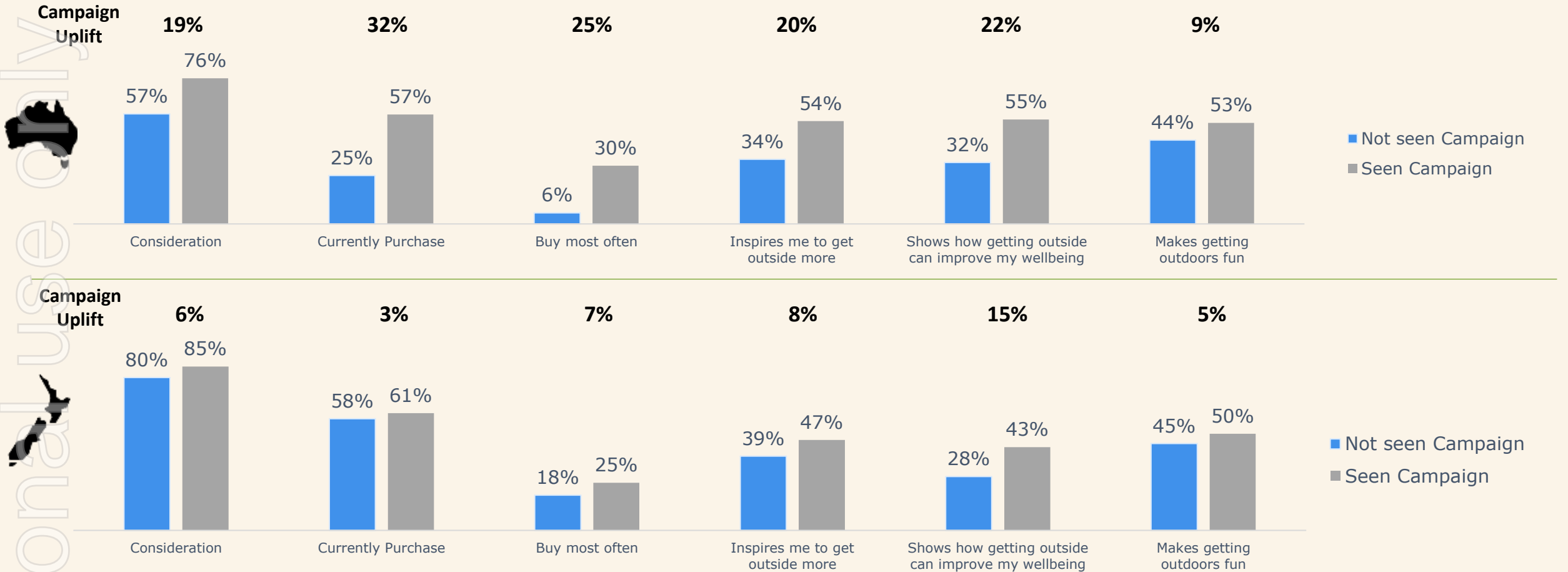




# We have seen significant brand KPI uplifts among campaign recognisers (particularly in AU), has moved the dial on 'inspiration' and 'wellbeing'

Brand KPI Impact | AU and NZ | July 2021

18-59



Base: Australia; Total (n=302) | New Zealand; Total (n=250) | Recognised campaign: Australia (n=112) | New Zealand (n=157) | Not recognised campaign: Australia (n=190) | New Zealand (n=93) Time period: July 2021  
Source: UN\_AWARE: What brands of outdoor clothing, footwear and gear have you heard of? | How familiar are you with each of these brands?  
CONSIDERATION: How likely are you to consider choosing each of these brands the next time you buy outdoor clothing, footwear and gear? |

# We launched Summer..We're Out There and our first collab Kathmandu X Mulga.

Setting the scene for growth by enabling us to become an all year round brand rather than just for winter





New BioDown jacket

**Made  
for  
out there.**





**Biodegrades  
in here.**

  
**Kathmandu®**  
We're out there



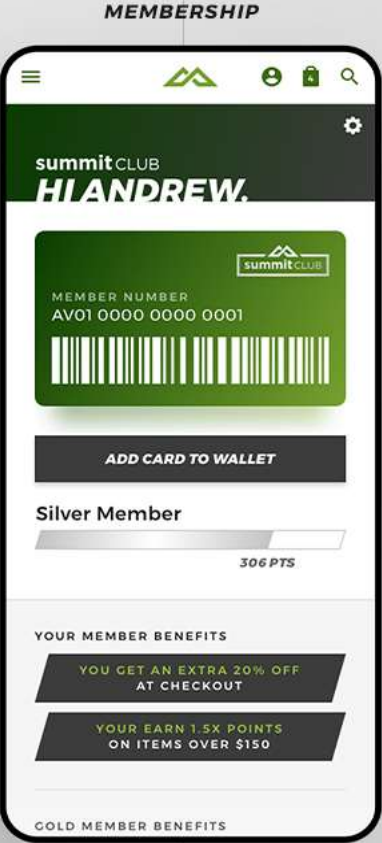
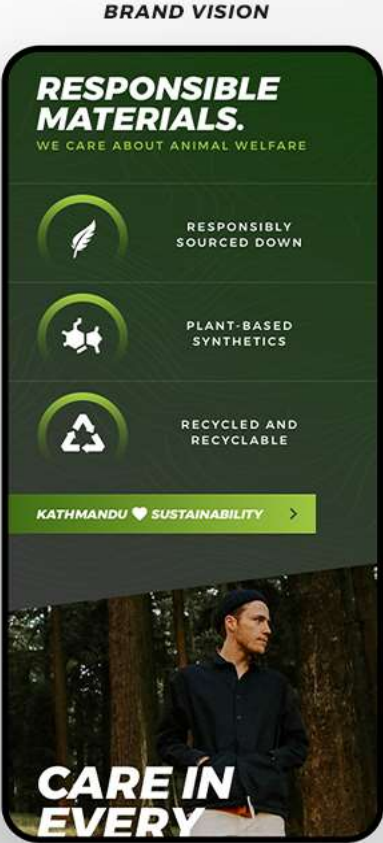
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# Unified Commerce

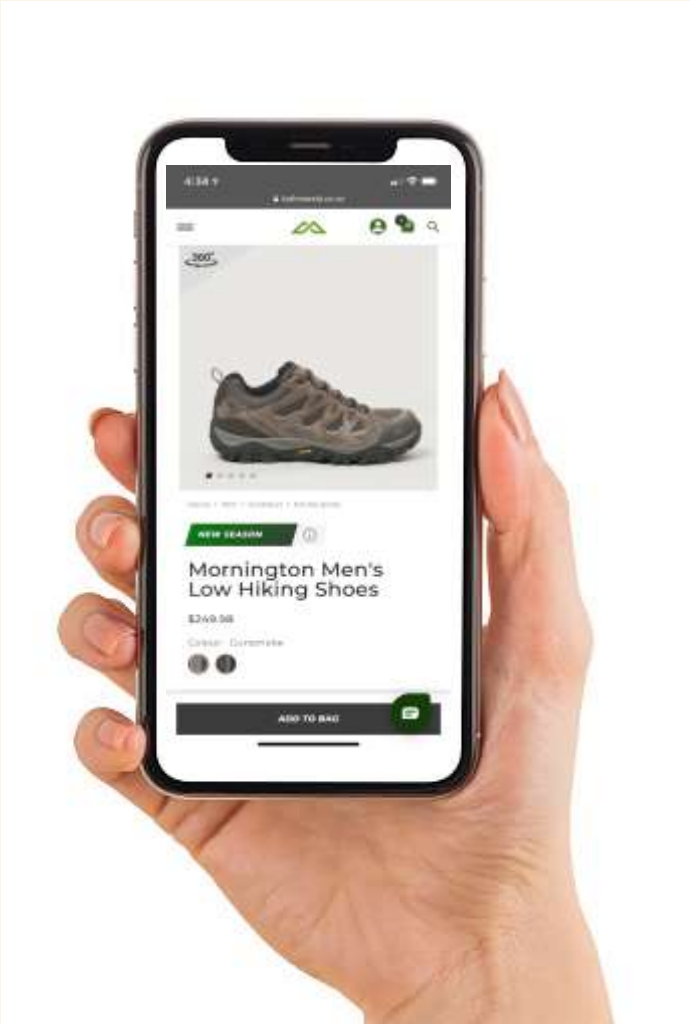
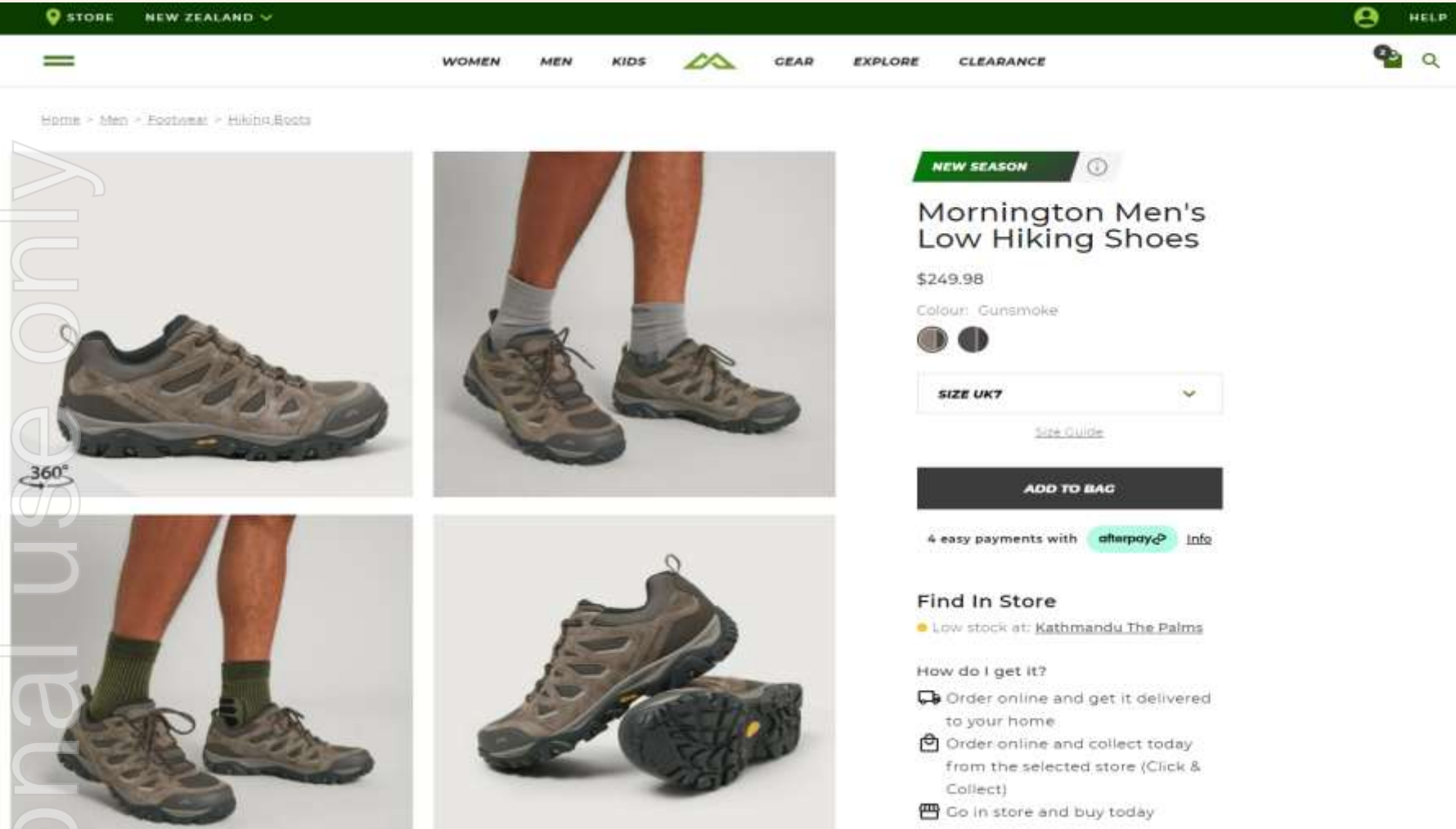




# A complete new website experience

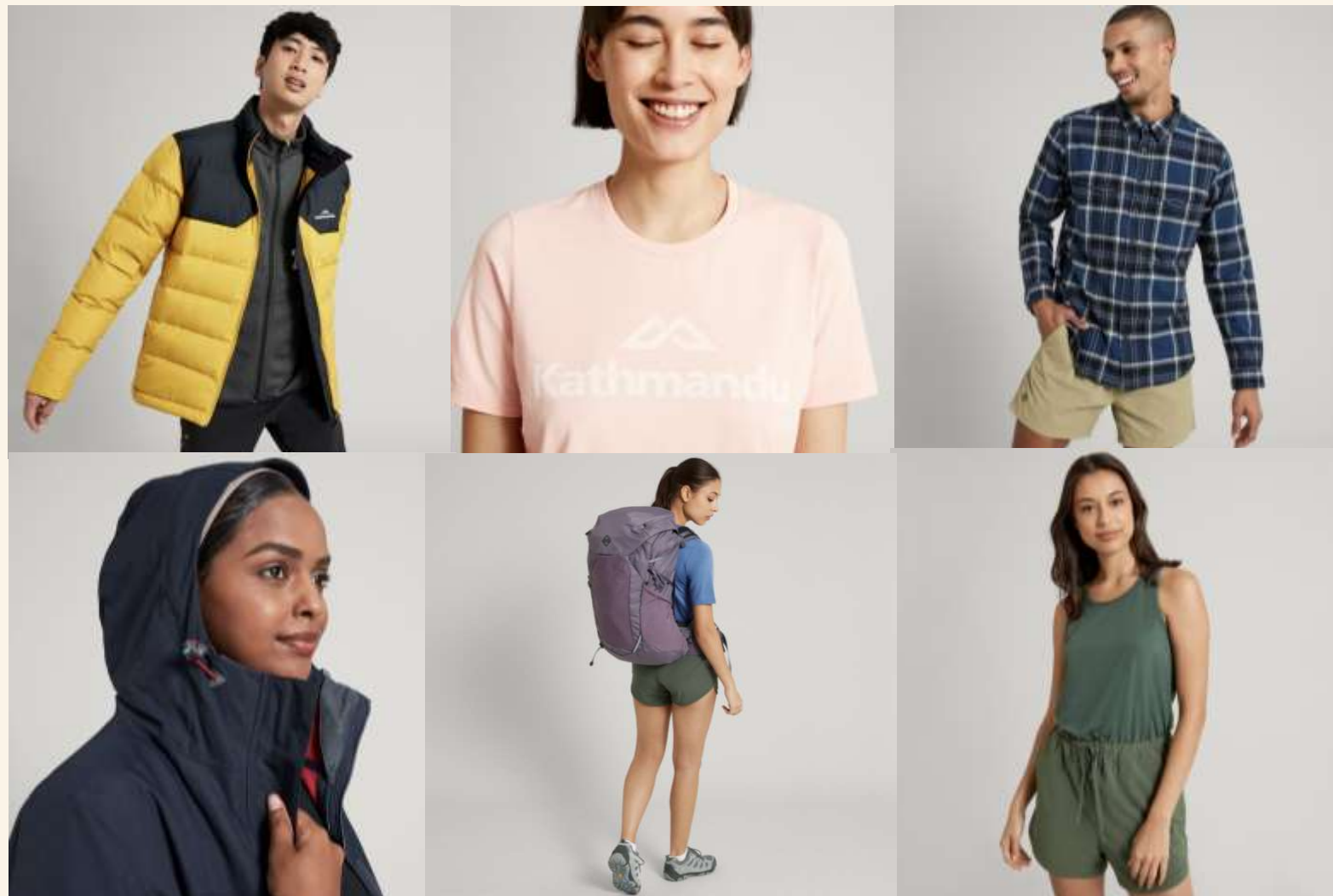


Refreshed Design – 360 products videos, improved checkout experience, TruRating NPS





# A complete overhaul of our photography, increasing sales and reducing returns



# Driving customer lifetime value through loyalty and personalisation

**Q2** FY22

**Q3** FY22

**Q4** FY22



**Loyalty Value Proposition**  
[Relaunch Loyalty Program]

Phase 1: Development of  
new loyalty value proposition

Phase 2: Rollout new loyalty value proposition



**Loyalty Engine**  
[LMS: Antavo]

Phase 1: Delivery of current loyalty proposition on new  
loyalty management system + digital wallet

Phase 2: Rollout scope of new loyalty proposition



**Customer Data Platform**  
[Lexer]

Phase 1: Single view of customer, enhanced customer  
insights and segmentation capability

Phase 2: Integration of Lexer  
into marketing technology stack



**Real-time Interaction &  
Personalisation Engine**  
[Salesforce Interaction Studio]

Phase 1: Test and learn strategy development

Phase 2: Web / Email personalisation (next best  
product/category/content)

Phase 3: Omnichannel  
personalisation  
(incl. POS)



## Three key take outs

### **Drive Brand Heat**

Drive consideration with a younger demographic with a clear differentiated brand positioning (ATTITUDE and EMOTION)

### **Digital Transformation in Marketing**

Become a modern marketing organisation with a best in class omnichannel experience and personalisation

### **Growth Culture**

Grow through continuously attracting new consumers into the brand and increasing customer lifetime value

# Product

**Robert Fry**

**GM of Product**





# The imperative

- **Design beautiful, desirable, differentiated product that has intrinsic value**
- **Exceed product performance expectations**
- **Lead the industry in ground-breaking sustainability innovations**
- **Do all of this while maintaining competitive price points**

**Design beautiful, desirable, differentiated product that that has intrinsic value**



**Not long ago, this is how we showed up in market. Approachable, but dismissable.**



**Design beautiful, desirable, differentiated product that that has intrinsic value**



**Autumn/Winter 22 will see a critical evolution in style and story.**

**Relevant, desirable, and just as Outdoor as we've always been.**

**Design beautiful, desirable, differentiated product that that has intrinsic value**



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## Exceed product performance expectations



**Up until recently, performance took the shape of undifferentiated design.  
Requiring the performance story to support the product desirability – limiting sales  
and new customer acquisition**



## Exceed product performance expectations



**What if class leading performance also looked fantastic?**

## Exceed product performance expectations



**Or new forms of performance and weather protection took the shape of stylish, versatile sun-protection?**



**Lead the industry with ground-breaking sustainability innovations**



**In Winter 22 Kathmandu will launch the NXT-Level Bio Down capsule.  
The world's first, biodegradable down jacket.**

# Lead the industry with ground-breaking sustainability innovations

Sustainability is more than material innovation



**Kathmandu is a key collaborator with every industry-leading ESG organisation. Our team is introducing collaborative new, solution-driven innovations that help protect and support the most vulnerable members of our supply chain.**

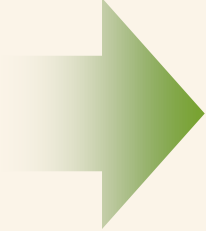


74 | K



**Kathmandu®**  
We're out there

75 | K



A collage of 25 images showcasing various outdoor clothing items, including puffer jackets, hoodies, t-shirts, and shorts, worn by models in different settings. The items are displayed in a grid-like fashion, with some images overlapping others. The clothing features a variety of colors and patterns, including solid colors, plaid, and geometric designs. The models are shown in various poses, some standing, some sitting, and some in motion, against different backgrounds like solid colors, nature, and studio settings. The overall theme is outdoor and active wear.



**Kathmandu®**  
We're out there



# Summary



## Group priorities:

- Build a truly global house of brands
- ESG is at the heart of our business



- Brand authenticity
- Innovation and market leadership
- Digital acceleration



- New team in place
- Reinvigorated brand and products
- Going global, starting with Europe



- Expanding product range
- Expanding distribution
- Significant capacity for future growth

# Questions





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