



# DECKERS

— BRANDS —

## INVESTOR PRESENTATION

June 2015



UGG  
australia



Teva

sanuk

HOKA ONE ONE



ahnu

# SAFE HARBOR LANGUAGE

We make forward-looking statements in this presentation which represent our expectations or beliefs about future events and financial performance. Forward-looking statements are identifiable by words such as “believe,” “anticipate,” “expect,” “intend,” “plan,” “will,” “may” and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Forward-looking statements are subject to known and unknown risks and uncertainties, including those described in the Company’s filings with the Securities and Exchange Commission. In addition, actual results could differ materially from those suggested by the forward-looking statements, and therefore you should not place undue reliance on the forward-looking statements.

# KEY INVESTMENT HIGHLIGHTS

- Driving growth through our Omni-Channel business
- Significant untapped international potential
- Investing in our brands and Omni-Channel strategy
- Introducing innovation across our product lines
- Leveraging our brands across multiple consumer segments
- Business model generates strong margins and significant free cash flow

# FISCAL YEAR 2016 GUIDANCE\*

- Total revenues to increase approximately 10.5% in constant currency over twelve month period ended March 31, 2015. On a reported basis, revenues are expected to increase 8%
  - UGG reported revenues up 5-6%
  - Teva reported revenues up 9%
  - Sanuk reported revenues up 11%
  - Hoka reported revenues up 74%
- Gross profit margin of approximately 48%
- SG&A as percentage of sales projected to be 35.8%
- Diluted earnings per share to be \$5.60 on a constant currency basis, reflecting an increase of 20% over the twelve month period ended March 31, 2015. On a reported basis, EPS expected to be \$5.09

# GROWTH STRATEGY: 4 PRIMARY INITIATIVES

1

BUILD

Build UGG  
success globally

2

EXPAND

Expand Omni-  
Channel business

3

INNOVATE

Drive innovation  
across the  
business  
and evolve  
Omni-Channel  
capabilities

4

GROW

Grow  
Teva, Sanuk  
& HOKA brands

# BUILDING ON UGG SUCCESS

Infuse newness in Women's Heritage



Grow Casuals, Weather, and Fashion across channels

Grow UGG for Men



Expand offerings in Non-Footwear Categories

# INFUSE NEWNESS IN WOMEN'S HERITAGE

- Newness in Classics provides a reason to buy each season
  - Introducing new collections of specialty classics with a wider assortment of designs and expanded price points
  - In terms of dollars, specialty classics category approaching parity in size with core classics category
- Newness in slippers provides a reason to buy/gift year round:
  - Introducing new styles and colors several times a year, especially in conjunction with key gift giving holidays
  - Expanded price offering of slippers to \$80 - \$140 range

# EXPAND WOMEN'S CASUALS, WEATHER, AND FASHION

- Focus on improved styling, sharper price points and greater functionality
  - Price points range from \$120 - \$250 with key focus on \$150 - \$200
  - Product line has comfort and function stories that tie to UGG DNA
  - UGGpure utilized in footbeds and linings of casual, weather, and fashion boots

# GROW UGG FOR MEN

- Men's business represents approximately 10% of UGG revenue
- Focus on innovating and creating new entry points for the male consumer
  - Twinsole dual footbed insert is helping drive non-slipper business growth
  - Treadlite by UGG™, a proprietary midsole compound, offers light-weight functionality that is bringing innovation to Men's line

# CONTINUE SUCCESS IN KIDS

- Kids' represents approximately 15% of UGG revenues
- Emerged as a major player in the category
- Reinforces UGG as a premium lifestyle brand for all ages
- I Heart UGG being repositioned as a juniors line in Fall 2015

# DRIVE GROWTH IN NEW CATEGORIES

- The Duffield is the best selling robe in Nordstrom, Neiman and Bloomingdales, and the Men's Colton pant is the number one loungewear piece in Men's at Nordstrom
- Loungewear market is \$4.3B in US and \$30B globally
- Success in lounge is creating opportunities for the Home category and helps to continue to reinforce UGG as a premium lifestyle brand

A woman with long brown hair, wearing a light-colored knit sweater, is smiling and looking at her smartphone. She is standing in front of a large digital display that shows a product page for a sneaker. The display features the text "WOMEN'S MINI BAILEY BOW SNAKE", "SELECTED COLOR: MID", a color selection swatch, and a "SEND TO PHONE" button. The website URL "UGGAUSTRALIA.COM" is visible at the bottom of the display. The background shows a retail store environment with shelves and other products.

# OMNI-CHANNEL

# OMNI-CHANNEL HIGHLIGHTS

- Opened 30 UGG stores in FY '15
- In FY'16 plan to open 16 net new stores; 9 outlets and 7 concepts
- Compelling store economics
- Evolving the in-store experience
- Expanding E-Commerce capabilities

# STORE COUNT AS OF 3/31/2015

Location	Concept	Outlet	Total
US	27	24	51
China	30	9	39
Japan	16	8	24
EMEA	11	6	17
Canada	6	2	8
Hong Kong	3	0	3
<b>Total</b>	<b>93</b>	<b>49</b>	<b>142*</b>

\*Total excludes partner stores

# TARGET STORE ECONOMIC MODEL

- 2,500 square foot store
- Sales per square foot of \$1,000
- \$750,000 in build out costs
- 20% 4-wall margins
- 1 year cash payback

# EXPANDING E-COMMERCE CAPABILITIES

- Increased UGG By You customization to include more styles and into Japan
- Created new NA sites for UGG, Sanuk, Teva, Ahnu and launched first Hoka site
- Displaying UGG store inventory online
- Launching new international sites across the brand portfolio
- Expanding targeted marketing and piloting loyalty programs

# EMEA PROGRESS AND INITIATIVES

- Acquired distribution rights for the UGG brand in Germany on July 1, 2014
- Upgraded leadership in the region
- Driving retail profitability through optimized operating model and enhanced consumer experience
- Broadening merchandise assortment with focus on increasing transitional/seasonally relevant product

# APAC PROGRESS AND INITIATIVES

- Fastest growing region led by Japan
- UGG DTC the major driver of recent success
- Organizational investments in place and yielding positive returns
- Significant untapped opportunities across brands and channels
- Expanding door count in China through a partner model

# GROWTH OPPORTUNITY IN OTHER BRANDS



**TeVa**

Outdoor / Lifestyle  
Brand

Key Competitors:

  Columbia

MERRELL 


**BIRKENSTOCK**



**sanuk**

Active Lifestyle /  
Casuals Brand

Key Competitors:

  CONVERSE

TOMS

 havaianas

 REEF



**HOKA ONE ONE**

Running Brand

Key Competitors:

 BROOKS

 saucony

 asics

 new balance



**TEVA**

# GROWTH STRATEGY: TEVA

- **Strengthening core product** strategy through the Originals sandal collection
- Originals highlighted as a **key fashion item** in numerous media outlets including Good Morning America and Vogue; featured runway attention at NY and London Fashion Week
- Redefining Sport sandals through a **new premium comfort collection and high-profile collaborations**
- **Embrace “expression of freedom”:**  
Just strap it on and go – anywhere – anytime



# GROWTH STRATEGY: SANUK

- Leverage **strength and authenticity** in Action Sports Surf to expand in **new frontiers** and speak to **new audiences**
- The **Sandal and Casual** categories are established and **building each season**
- Strategic **focus on women's** with growth being led by Yoga mat Collection
- **Robust distribution strategy focused on department store growth** with key account drivers including: Zumiez, Journey's, Nordstrom, DSW and Zappos
- Utilizing non-endemic brand campaign, retail, social and online channels to reach new customers and **build brand awareness**



# HOKA ONE ONE

# GROWTH STRATEGY: HOKA ONE ONE

- Created **new category in specialty running**; the oversized running shoe
- **Expanding product offering** to include **lower profiles and lower price points** and into **new categories** such as **hiking**.
- Increasing awareness through numerous awards including **Runner's World Editor's Choice** and through sponsorship of 2012 1500m Olympic Silver Medalist **Leo Manzano**
- Beginning strategic **expansion into major athletic retailers**





**THANK YOU**



**UGG**  
australia

**Teva**

**sanuk**

**HOKA ONE ONE**

**ahnu**