

**DECKERS**  
— BRANDS —

GUGGENHEIM SANTA MONICA SUMMIT  
APRIL 5, 2016

UGG®

Teva

sanuk

HOKA ONE ONE

KOOLABURRA

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## Safe Harbor

**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.**

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## Who We Are

Family of 5 Brands

Recognized Footwear  
Leader

**DECKERS**  
— BRANDS —

Multi-Channel: Wholesale  
& Distributor, Retail,  
eCommerce and Partner  
Retail

Multinational: Operate in  
50+ Countries



## Our Lifestyle Groups: Fashion & Performance

FASHION

UGG®



**\$1.5B+** Luxurious comfort brand known for sheepskin footwear

KOOLABURRA



**Sub-\$100** priced sheepskin/wool boot category attack brand

PERFORMANCE

HOKA ONE ONE



**Approaching \$100M** running brand known for oversized cushioning

Teva



**\$100M+** Modern outdoor lifestyle brand known for sports sandals

Sanuk



**\$100M+** Relaxed comfort brand known for sidewalk surfers and yoga sling sandals

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# Our Evolution

**Pre 2010:**  
Explosive  
Growth

**2016 & Beyond:**  
Leverage and  
Scale

**2010-2015:**  
Investment in  
Infrastructure  
and Talent

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## Investing for Our Consumer Led Evolution (2010 – 2015)

### GOALS

- 1. Expand reach and deepen relationship through Direct-to-Consumer (DTC)**
- 2. Develop an Omni-Channel platform**
- 3. Grow our International business**

### BENEFITS

- **Allows for more control by reducing reliance on one channel, region, and product category**
- **Improves knowledge of our end-consumer to help guide product development, marketing, and sales**
- **Increases top-line opportunities: new categories, genders, and global appeal**
- **Establishes infrastructure to scale a much larger business**
- **Creates ability to react in-season to shifts in consumer demand**

## Developing DTC & Omni-Channel (2010 – 2015)

### OBJECTIVE

Connecting directly with consumers and centering around their needs and desires

### ACTION

- 1) Established a global retail footprint with over 150 stores and 17 E-Commerce sites
- 2) Built an industry leading Omni-Channel platform that connects stores and E-Commerce sites
- 3) Invested in talent and formed strong Omni and brand teams
- 4) Invested in infrastructure to support a multi-channel global business

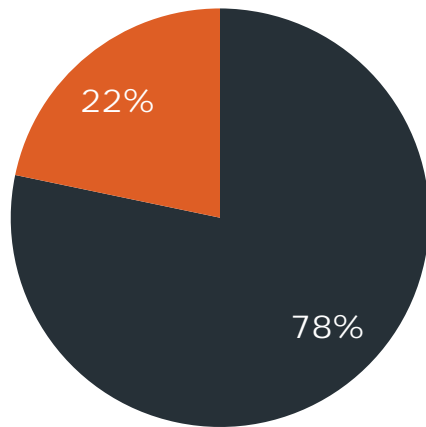
### RESULTS

DTC sales +200% to over \$600M



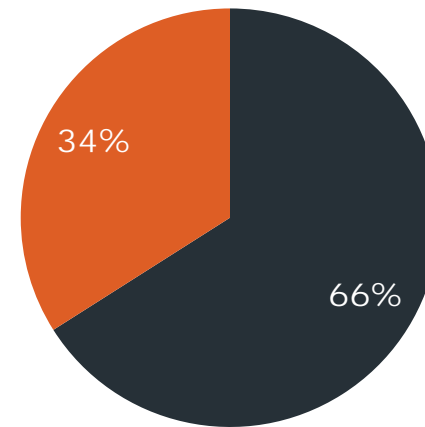
# DTC Growth (2010 – FY16)

2010 \$1.0B IN REVENUE



■ Wholesale/Distributor ■ DTC

2016E\* \$1.86B IN REVENUE



■ Wholesale/Distributor ■ DTC



\* Figures represent guidance given on 2/4/16 earnings call. Not a reiteration of guidance.

# Growing Internationally

## OBJECTIVE

Establish global infrastructure to leverage across all brands

## ACTION

- 1) Converted distributors to subsidiaries: UK (2011), Benelux (2011), France (2011), Germany (2014)
- 2) Expanded into new markets: Western Europe, Japan, China
- 3) Established international regional offices: UK, Tokyo, Beijing

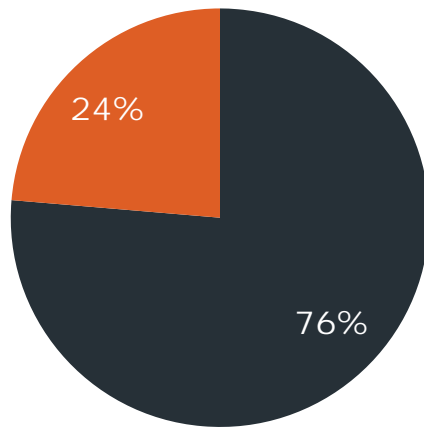
## RESULTS

International revenue +180% to over \$650M



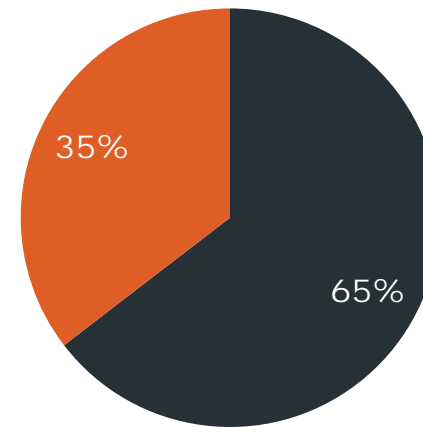
# International Growth (2010 – FY16)

2010 \$1.0B IN REVENUE



■ US ■ International

2016E\* \$1.86B IN REVENUE



■ US ■ International

11% CAGR

\* Figures represent guidance given on 2/4/16 earnings call. Not a reiteration of guidance.

# Fashion Lifestyle Brands

**UGG®**



 **KOOLABURRA**



## OBJECTIVE

Transform from reliance on one product into diversified and complete lifestyle brand

## ACTION

- 1) Establish a direct relationship with consumers
- 2) Use relationship to expand and evolve the brand
- 3) Utilize DTC to inform wholesale

## RESULTS

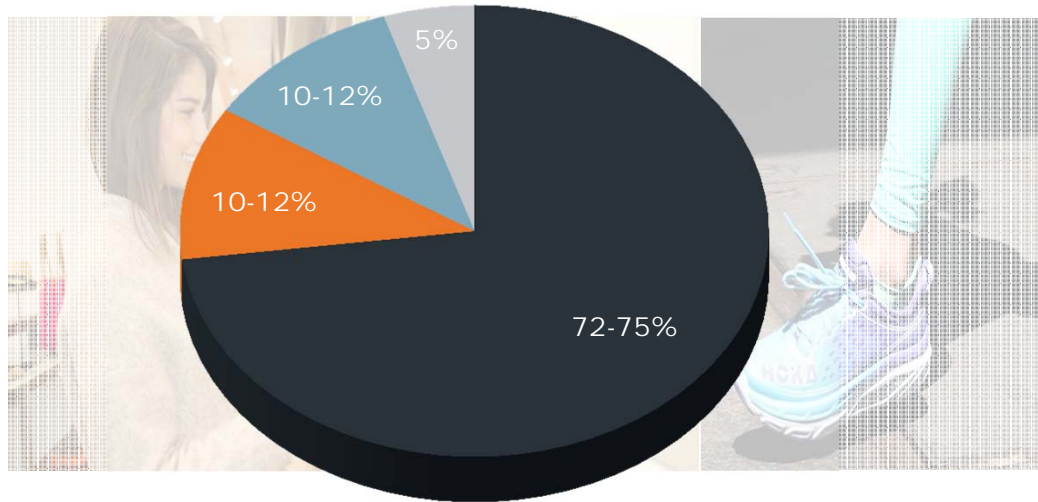
- 280% growth in Men's\*
- 350% growth in Women's non-core\*
- Core classics now less than 25% of UGG revenue

\* Estimates from 12/31/10-12/31/15



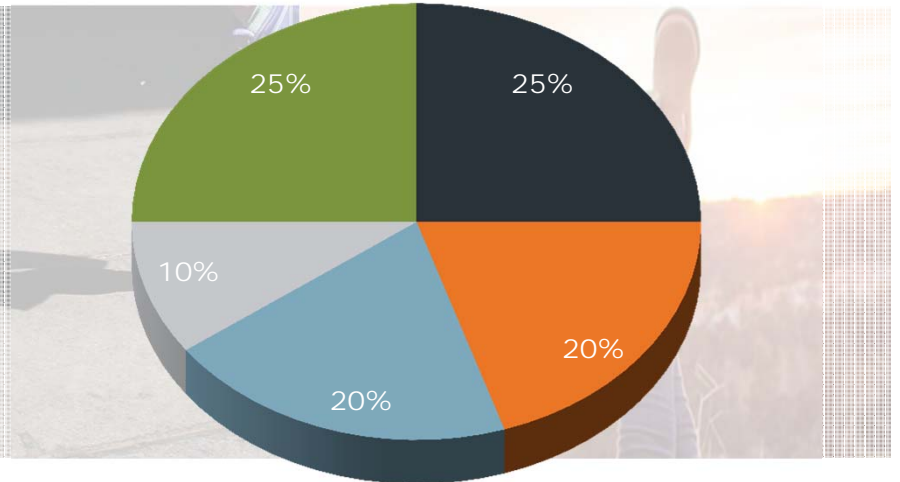
# Gender and Category Diversification

UGG REVENUE BY GENDER



■ Women's ■ Men's ■ Kid's ■ Lifestyle

UGG REVENUE BY CATEGORY



■ Women's Core Classics  
 ■ Women's Non-core Classics  
 ■ Women's Casual/Weather/Fashion/Other  
 ■ Women's Slippers  
 ■ Men's/Kid's/Lifestyle

\*Estimates as of December 31, 2015.

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# Fashion Lifestyle Opportunities

**Evolve Classics Franchise**

**Grow Women's Non-Core UGG**

**Attack Incremental Categories**

**Segment & Optimize NA Wholesale**

**Launch Koolaburra by UGG**

# Evolving the Classics UGG Franchise

PRIOR



**CORE CLASSIC**



**SPECIALTY CLASSICS**



FALL 2016



**CLASSIC LUXE**



**CLASSIC STREET**



**CLASSIC 2.0**



**CLASSIC SLIM**



**SPECIALTY CLASSICS**



## Grow Women's Non-Core

- **Dominating all weather categories: from rain to snow**
- **Infusing UGG comfort DNA into casuals**
- **Developing compelling fashion product with great price and quality**

# Attacking Incremental Categories

- **Men's is fastest growing category expanding beyond slippers and utilizing Treadlite technology**
- **Kid's remains healthy business with opportunity to diversify beyond Classics**
- **Lifestyle is one of the biggest opportunities and creates a powerful brand story**



# UGG Wholesale Segmentation & Optimization





## KOOLABURRA

- **Strategically launching in Fall 2016 with a handful of SKUs in select doors**
- **Sheepskin category attack brand priced under \$100**
- **Sold in family channel: a separate distribution from UGG brand**
- **Believe we can capture new consumer**
- **Cautiously testing consumer reaction**

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# Performance Lifestyle Opportunities





- **Authenticity built in the running community: innovator of maximal cushioning with minimal weight category**
- **Fastest growing brand in portfolio with long growth runway**
- **Expanding doors and shelf space in specialty running and adding doors in specialty footwear**
- **US building brand awareness for future entry into athletic specialty and sporting goods channel**
- **International underway with EMEA and APAC infrastructure to position for considerable growth**



**Teva**



- Authentic legacy brands with loyal followers
- Teva: modern outdoor lifestyle
- Sanuk: relaxed comfort sandal and casual shoes
- Category attack brands
- Both brands underpenetrated internationally
- US distribution focused on DTC and wholesale growth
- Digital marketing emphasis

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# Financials

## FOCUSED STRATEGY

- Investment phase near complete and focusing on improved profitability
- Pathway to mid-teens operating margin through improvement in gross margin and SG&A
- Priority remains returning capital to shareholders over acquisitions
- Generate strong FCF: returned more than \$417 million in common stock since 2011\*

## MARGIN ENHANCEMENT

- Strategic adjustments to create efficiencies in supply chain
- Optimizing SKU count, reducing development costs and improving our go-to-market process
- Growth in DTC and international over the long-term

## EXPENSE MANAGEMENT

- Significant investments in place
- Continuing to evaluate and streamline expense structure
- Brand management realignment and office consolidation reduces overhead of brand leadership, sales operations and expense structure
- Business transformation and improved processes expected to create savings long-term

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# Prepared for the Changing Retail Environment



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Thank you!

Questions?

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