

DECKERS
— BRANDS —

JEFFERIES 2018 GLOBAL CONSUMER CONFERENCE

JUNE 19, 2018

Dave Powers, President & CEO

Tom George, CFO

Steve Fasching, SVP Corporate Strategy,
Planning & Investor Relations

UGG®

KOOLABURRA
BY UGG™

HOKA ONE
ONE

Teva

Sanuk

DISCLOSURES

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 our 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. Except as required by law, we undertake no obligation to update or revise any forward-looking statements.

Non-GAAP Reconciliation and Certain Supplemental Financial Information

This presentation includes non-GAAP financial measures. Reconciliations of, and certain required disclosures regarding, these non-GAAP financial measures and supplemental financial information can be found in our Securities and Exchange Commission filings.

DECKERS AT A GLANCE

Snapshot

- **Portfolio of leading footwear and lifestyle brands** serving both casual and high-performance needs
- Global infrastructure with **customers in 80+ countries**
- Recognized omni-channel leader with strong wholesale, retail and ecommerce capabilities
- Fiscal year 2020 targets of **\$2B in revenue, improving operating income by \$100M** (from FY17) and **operating margins of 13%**
- Strong confidence in delivering transformation plan supported by **repurchasing \$150M worth of stock between December 2017 and March 2018**

Brands

FASHION
LIFESTYLE
GROUP

UGG®

KOOLABURRA
BY UGGS®

PERFORMANCE
LIFESTYLE
GROUP

HOKA ONE ONE

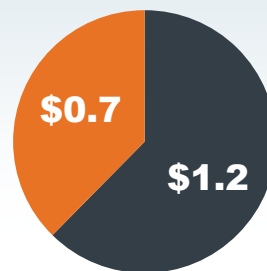
TeVa

sanuk

\$1.9B

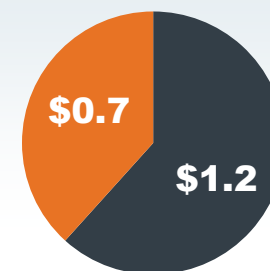
Total Company Revenue

REVENUE BY CHANNEL (\$B)



■ Wholesale ■ DTC

REVENUE BY REGION (\$B)



■ US ■ International

Notes: Financials as of fiscal year ended March 31, 2018.

DECKERS
— BRANDS —

WHY DECKERS IS A COMPELLING STORY

1 Premium Iconic Brands

2 Quality Distribution

3 Strong Balance Sheet & Cash Position

4 Great Financial Model and Increasing ROIC

5 Driving Shareholder Value

BUILD BRANDS THAT CONNECT WITH CONSUMERS GLOBALLY

FASHION LIFESTYLE GROUP

UGG®



KOOLABURRA
BY UGG®



UGG: Iconic **~\$1.5B** global lifestyle brand, known primarily for its luxurious comfort-based sheepskin footwear

Koolaburra: **Sub-\$100** priced sheepskin/wool boot category attack brand that complements premium UGG offerings

PERFORMANCE LIFESTYLE GROUP



HOKA ONE ONE



Teva



sanuk

Hoka: **\$150M+** rapidly growing running performance brand known for oversized cushioning

Teva: **\$125M+** modern outdoor lifestyle brand known primarily for sports sandals

Sanuk: **\$90M+** relaxed surf / lifestyle footwear leader known primarily for sidewalk surfers and yoga sling sandals

Notes: Financials as of fiscal year ended March 31, 2018.

DECKERS
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UGG® BUILDING A DIVERSIFIED GLOBAL LIFESTYLE BRAND

PRESERVING THE CLASSICS BUSINESS WHILE BUILDING A DIVERSIFIED, YEAR-ROUND GLOBAL LIFESTYLE BRAND

MEN'S



WOMEN'S SPRING/SUMMER



APPAREL / LOUNGEWEAR



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HOKA ONE ONE RAPIDLY GROWING AUTHENTIC RUNNING BRAND

**SIGNIFICANT DOMESTIC AND INTERNATIONAL EXPANSION OPPORTUNITIES
BECOMING A MATERIAL GROWTH DRIVER WITHIN OUR PORTFOLIO**

MEN'S



WOMEN'S



AWARDS & PARTNERSHIPS



DECKERS
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LEADING OMNI-CHANNEL DISTRIBUTION

ESTABLISHED PLATFORM

PRODUCT SEGMENTATION &
DIVERSIFICATION

STRONG
INTERNATIONAL
EXPANSION

GLOBAL
ECOMMERCE
PRESENCE

STRONG
GLOBAL
PARTNERS

PRODUCTIVE
PARTNER
STORE MODEL

**International revenue
grew 12% in FY18**



Notes: Financials as of fiscal year ended March 31, 2018.

CREATING STOCKHOLDER VALUE OVER THE LONG TERM

MAJOR COMPONENTS DRIVING STOCKHOLDER VALUE

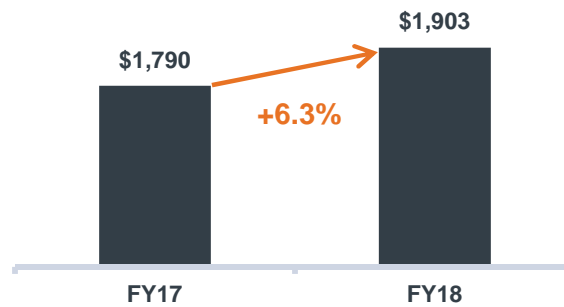
 TRANSFORMING BRANDS IN THE MARKETPLACE	 EVOLVING THE ORGANIZATION TO MEET THE CHANGING MARKETPLACE	 INCREASING OPERATING PROFITS
<ul style="list-style-type: none"> • Elevate our brands in the marketplace • Evolve our ecommerce and digital marketing capabilities • Implement a multi-season product strategy with broader lifestyle offering • Exploit our growth opportunities • Grow internationally 	<p>Org. Structure Continue to improve organizational efficiencies to drive further leverage</p> <p>Supply Chain Improve our supply chain to enhance our gross margin profile</p> <p>Leadership New leadership team in place and delivering on our strategic initiatives</p>	<p>Retail Footprint Optimize existing fleet and improve retail performance</p> <p>Process Improve go-to-market process and shorten development time</p> <p>Infrastructure Leverage previous investments and deliver efficiency initiatives</p>

FISCAL YEAR 2018 PERFORMANCE

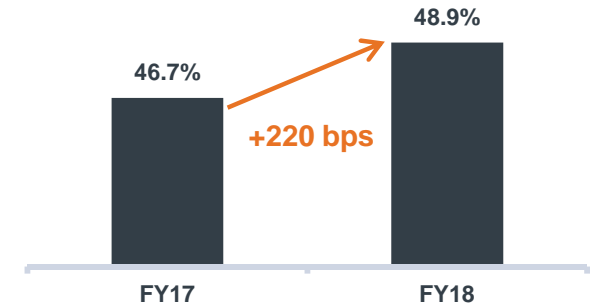
**NON-GAAP
OPERATING MARGIN
HAS SIGNIFICANTLY
EXPANDED, AND
AHEAD OF
EXPECTATIONS**



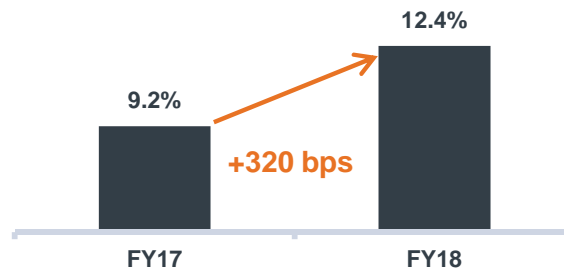
REVENUE (\$M)



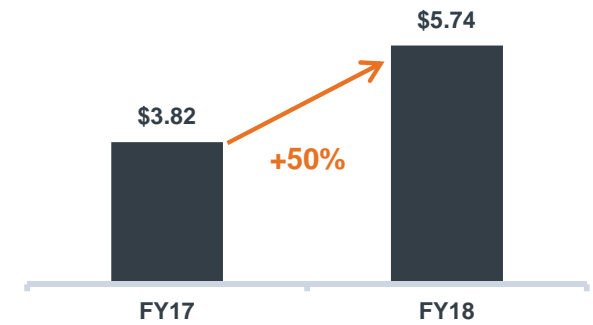
GROSS MARGIN



NON-GAAP OPERATING MARGIN



NON-GAAP EPS

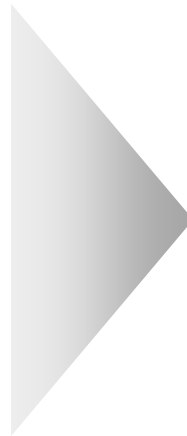


Source: Company filings
Notes: Reconciliation of non-GAAP financials can be found in the appendix.

STRATEGIC DECISIONS INCLUDED IN OUR FY19 REVENUE GUIDANCE

KEY ELEMENTS

1. Further rationalization of brick-and-mortar and online wholesale accounts
2. Implementation of a Classics product segmentation and allocation strategy
3. Continued optimization of our retail store footprint



STRATEGIC RATIONALE

- ✓ More control over product pricing integrity as well as the in-store or online presentation of our brands
- ✓ Take advantage of clean channel inventory to drive more full-priced selling and create segmented offerings with our various retail partners
- ✓ Optimize our current fleet's four-wall operating margins and close underperforming doors

DRIVING REVENUE GROWTH THROUGH



Continuing to grow core running internationally while offering outdoor and fitness products

Compelling replenishment cycle on growing customer base



Increase men's product penetration

Attract younger consumer



Exploit digital capabilities to expand consumer base

Expand internationally



Develop compelling women's Spring/Summer product and build a more year-round business

WHY DECKERS IS A COMPELLING STORY

1 Premium Iconic Brands

2 Quality Distribution

3 Strong Balance Sheet & Cash Position

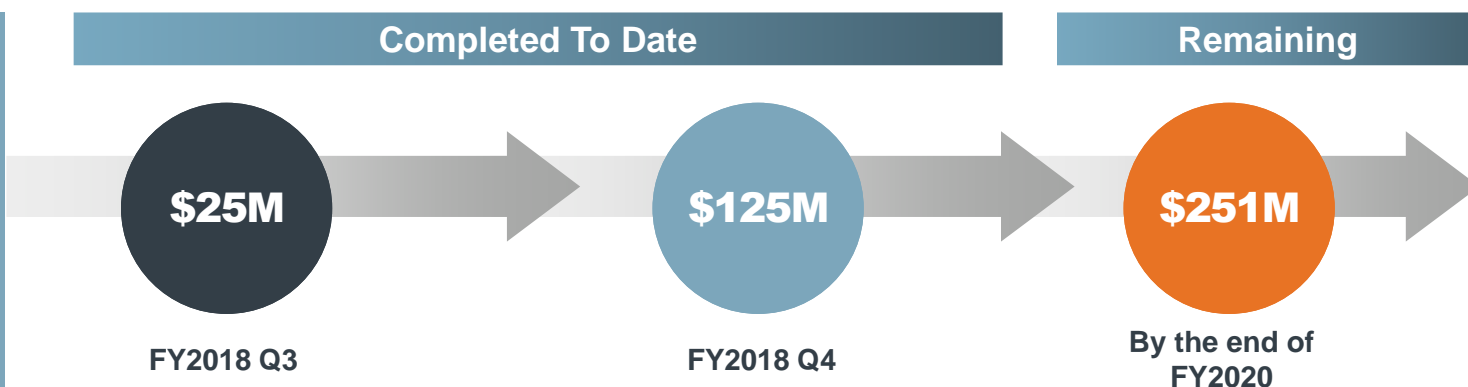
4 Great Financial Model and Increasing ROIC

5 Driving Shareholder Value

ATTRACTIVE WAY TO RETURN VALUE TO SHAREHOLDERS

SHARE BUYBACKS

OUR BOARD INCREASED THE SHARE REPURCHASE AUTHORIZATION TO \$400M IN OCTOBER 2017, WITH AN INTENTION TO COMPLETE THE FULL AMOUNT BY THE END OF FY2020



Share repurchases combined with our FY2020 targets can drive significant value creation

REVENUE

\$2B

TARGET BY FY2020

OPERATING MARGIN EXPANSION

380 bps

PROJECTED IMPROVEMENT
FY2017 - FY2020

ROIC IMPROVEMENT

20%+

ROIC TARGET
BY FY2020

Notes:

- 1) Share repurchases as of March 31, 2018.
- 2) Share repurchase totals do not sum to \$400M due to rounding.

DECKERS
— BRANDS —

DELIVERING ON BOARD REFRESHMENT

COMMITTED TO
EXECUTING THE PLAN,
DRIVING
SHAREHOLDER VALUE
AND POSITIONING OUR
BRANDS FOR HEALTHY,
PROFITABLE GROWTH



IN THE PAST TWO MONTHS WE HAVE APPOINTED THREE NEW MEMBERS TO OUR BOARD OF DIRECTORS:

• **Cindy L. Davis**

- Board and audit committee member of Kennametal, Inc. since 2012
- Vice President, Nike Golf (2005-2008)
- Senior Vice President of Golf Sponsorships, Sports Marketing & New Media at Golf Channel (2001-2004)

• **William L. McComb**

- CEO and board member of Liz Claiborne (Fifth & Pacific Companies (2006 to 2014)
- Served in various management positions of Johnson & Johnson, including company group chairman

• **Brian A. Spaly**

- Executive chairman at Tecovas
- Founding CEO of Trunk Club (acquired by Nordstrom)
- Founder of Bonobos (acquired by Walmart)

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Thank You



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Appendix

UGG®

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HOKA ONE ONE

Teva

santik

Reconciliation of Fiscal Year 2018 Financials

	Twelve-month period ended March 31, 2018		
	GAAP Measures (As Reported)	Restructuring and Other Charges (1)	Non-GAAP Measures (Excluding Items) (2)
Net sales	\$ 1,903,339		\$ 1,903,339
Cost of sales	971,697		971,697
Gross profit	931,642		931,642
Selling, general and administrative expenses	709,058	(13,872)	695,186
Income from operations	222,584	13,872	236,456
Other expense, net	1,888		1,888
Income before income taxes	220,696		234,568
Income tax expense	106,302		50,888
Net income	\$ 114,394		\$ 183,680
Net income per share:			
Basic	\$ 3.60		\$ 5.78
Diluted	\$ 3.58		\$ 5.74
Weighted-average common shares outstanding:			
Basic	31,758		31,758
Diluted	31,996		31,996

Notes: (\$000s, except per share values)

1) Amounts as of March 31, 2018 reflect charges related to restructuring costs, our contested proxy and related litigation, tax reform, other charges related to organizational changes and the strategic review process.

2) The difference in GAAP and non-GAAP tax expense is primarily due to the one-time deemed repatriation tax and deferred tax asset re-measurement to the new lower domestic federal tax rate as a result of recently enacted U.S. tax reform. The tax rate applied to the non-GAAP measures is 21.7% for the twelve months ended March 31, 2018.

DECKERS
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Reconciliation of Fiscal Year 2017 Financials

	Twelve-month period ended March 31, 2017		
	GAAP Measures (As Reported)	Restructuring and Other Charges (1)	Non-GAAP Measures (Excluding Items) (2)
Net sales	\$ 1,790,147		\$ 1,790,147
Cost of sales	954,912		954,912
Gross profit	835,235		835,235
Selling, general and administrative expenses	837,154	(167,507)	669,647
(Loss) income from operations	(1,919)	167,507	165,588
Other expense, net	5,067		5,067
(Loss) income before income taxes	(6,986)		160,521
Income tax (benefit) expense	(12,696)		36,920
Net income	\$ 5,710		\$ 123,601
Net income per share:			
Basic	\$ 0.18		\$ 3.86
Diluted	\$ 0.18		\$ 3.82
Weighted-average common shares outstanding:			
Basic	32,000		32,000
Diluted	32,355		32,355

Notes: (\$000s, except per share values)

1) This amount includes approximately (a) \$118,000 of Sanuk goodwill and patent impairment charges, (b) \$29,100 of total restructuring charges, which are comprised of lease terminations, retail store asset impairments, severance costs, software impairments, and other corporate reorganization costs, and (c) \$20,400 of other non-core charges, which are comprised of store impairments, sales agent conversion costs, and contract terminations.

2) The tax rate applied to non-GAAP income before tax is 23.0% for the twelve months ended March 31, 2017.