

DECKERS

— BRANDS —

Team Munger



Sam Finley



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Gameplan



Presenters	Presentation Segments
Cristiano	Company Overview
Val	Management & IOFS
Jackson	Capital Allocation & Intraportfolio Analysis
Sam	Competitor Analysis & Growth Opportunities
David	Risk Factors and Revenue Breakdown
Jaiden	Value Bands, Moat, Valuation and Conclusion



Company Overview



DECKERS
— BRANDS —



What Is Deckers?

Deckers is a leading footwear, apparel and accessories company built on lifestyle and performance brands.

Deckers main brands are UGG, HOKA and Teva.

Deckers sells its products wholesale to retail stores and directly to consumers through company-owned stores and online channels. The company also works with independent distributors and licensees across numerous countries.

Company Information & History

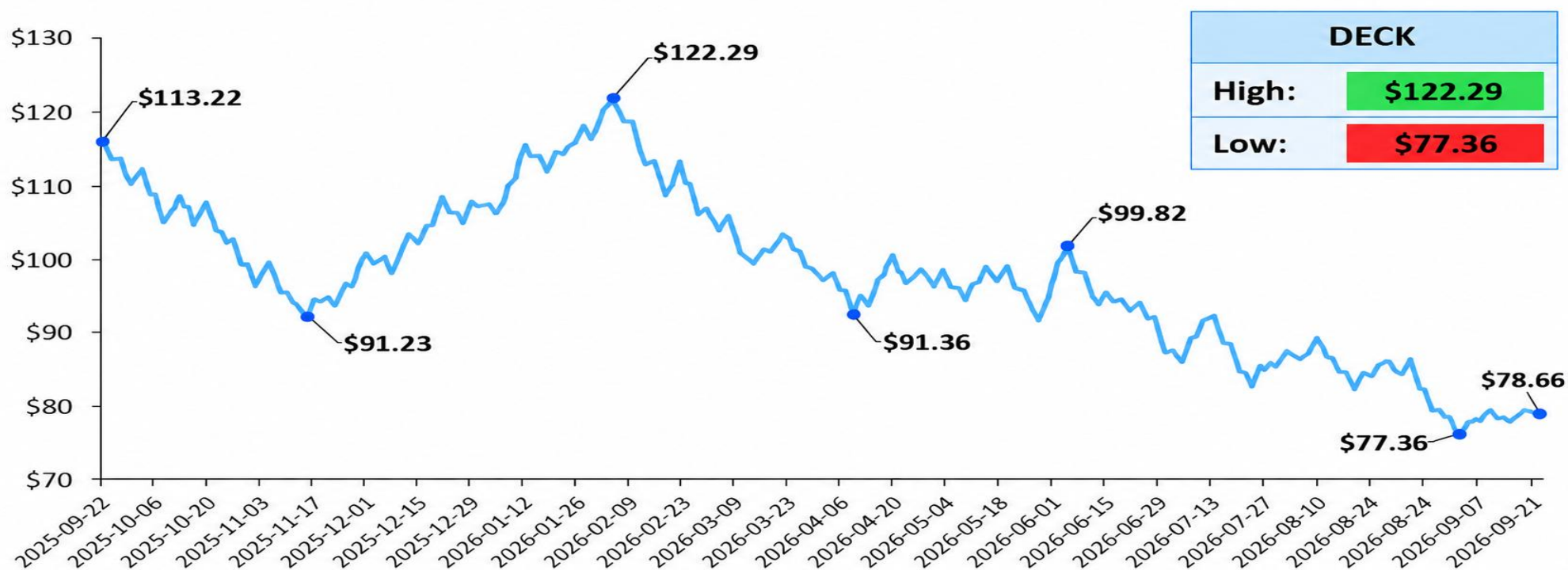


- **Ticker:** DECK
- **Market Cap:** \$10.9 Billion
- **Stock Price:** \$78.66
- **Founded:** 1973
- **IPO:** October 1993
- **Revenue (FY 2026):** \$5.5 Billion
- **Headquarters:** Goleta, California





52 Week Performance





5 Year Performance



Company History



Deckers is founded by Doug Otto in Santa Barbara, California as a sandal company

1973

1985

Deckers begins licensing Teva sport sandals

Deckers completes its (IPO) and becomes a public company

1993

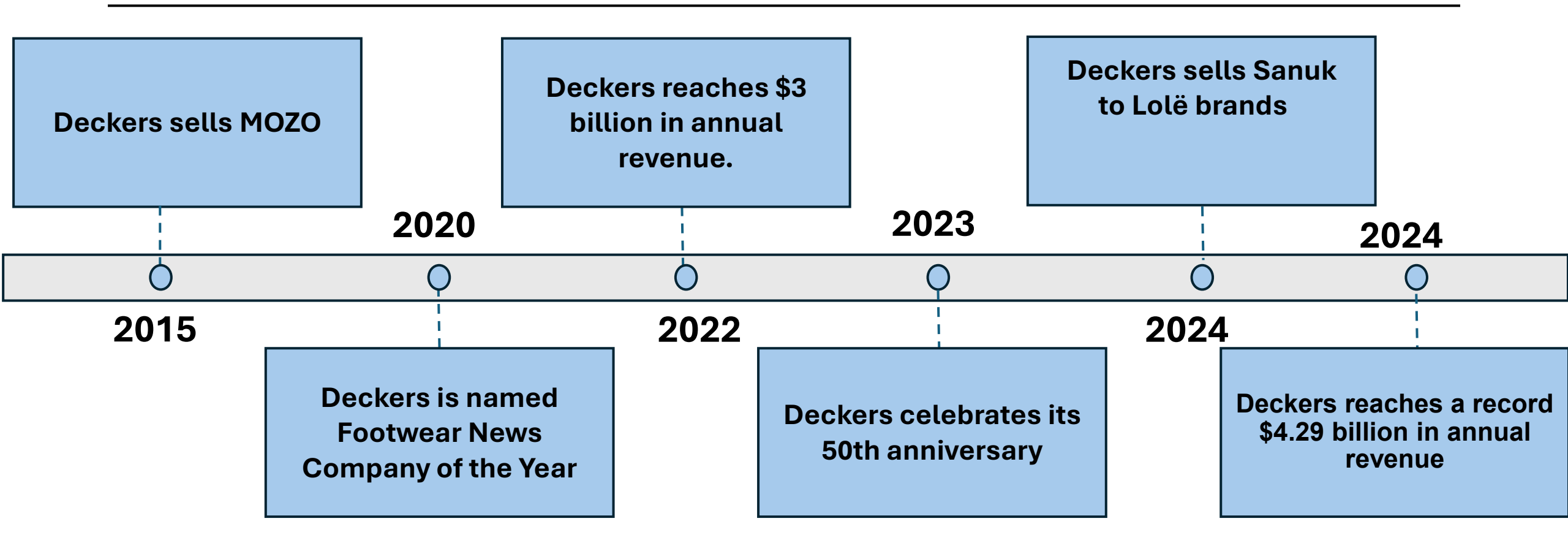
1995

Deckers acquires UGG and begins developing it into a premium lifestyle brand

Deckers invests in and acquires HOKA

2012

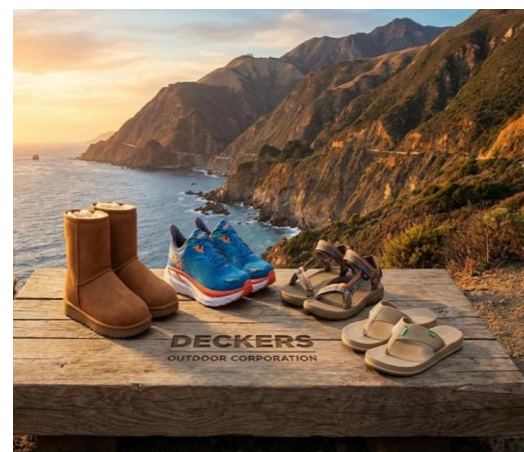
Company History





Recent News

- Q1 FY2027 revenue reached \$1.02 billion
- HOKA sales increased 7.7% YoY
- UGG sales increased 4.9% YoY
- Teva launched the new TRAILPEAK running shoe



News Products Solutions Resources

Deckers Brands Reports First Quarter Fiscal Year 2027 Financial Results

July 23, 2026

Q1 revenue reaches \$1.02 billion, with strong growth across HOKA and UGG

GOLETA, Calif.--(BUSINESS WIRE)--Deckers Brands (NYSE: DECK) today reported financial results for the first quarter of fiscal year 2027, highlighted by record quarterly revenue and continued momentum in its key brands.



- Q1 revenue reached a record \$1.02 billion, up 5.7% year over year
- HOKA sales grew 7.7% to \$703.5 million
- UGG sales grew 4.9% to \$278.0 million
- International sales increased 8.4% year over year
- Deckers raised its full-year EPS guidance to \$7.35 – \$7.50



Management



DECKERS
— BRANDS —



Chief Executive Officer

CEO and President since August 2024

Board Director since September 2024

DECKERS experience - 11 Years

- Chief Commercial Officer
- President of Omni-Channel
- Former Interim President of HOKA

Prior Experience

- 30+ years of industry experience
- Former PUMA Executive
- Previous leadership roles at Nike



Stefano Caroti



Other Top Executives



Steven J. Fasching
Chief Financial Officer

Tenure of 15 years
CFO since 2018
30+ years of finance & strategy experience



Anne Spangenberg
President, UGG

Tenure of 4 years
Appointed in 2022
25+ years of retail experience



Robin Spring-Green
President, HOKA

Tenure of 2.5 years
Appointed in 2024
20+ years of industry experience

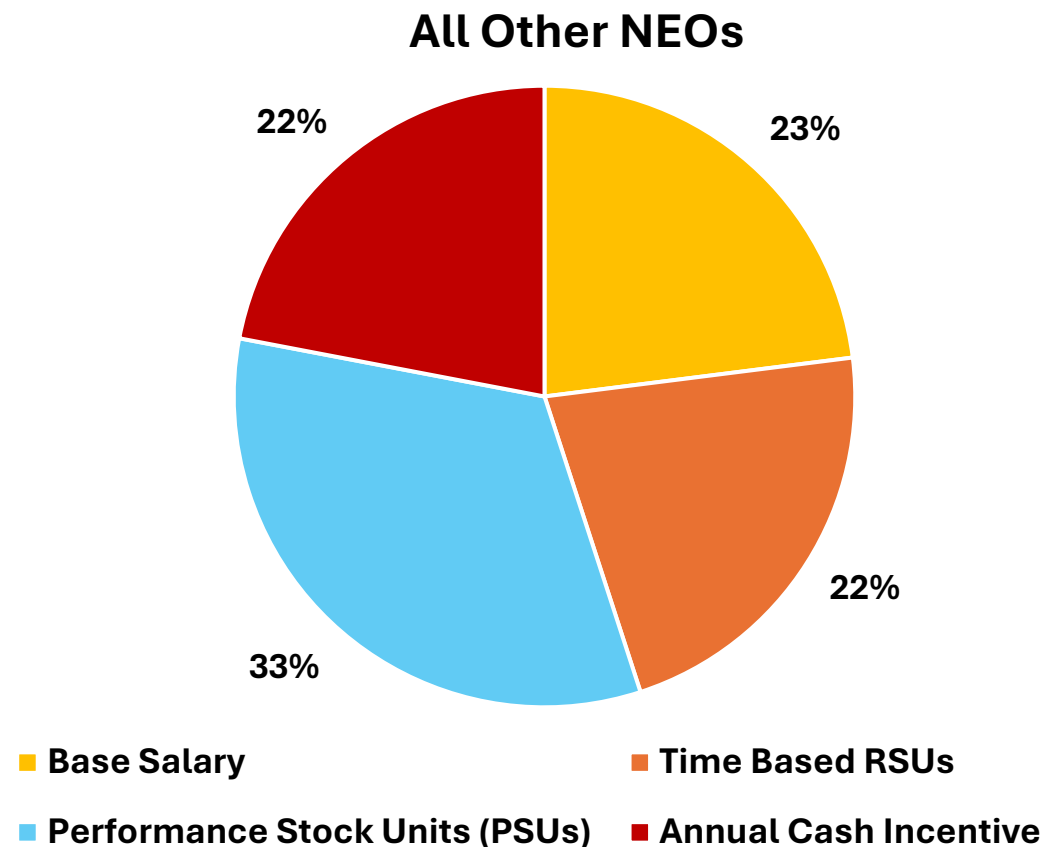
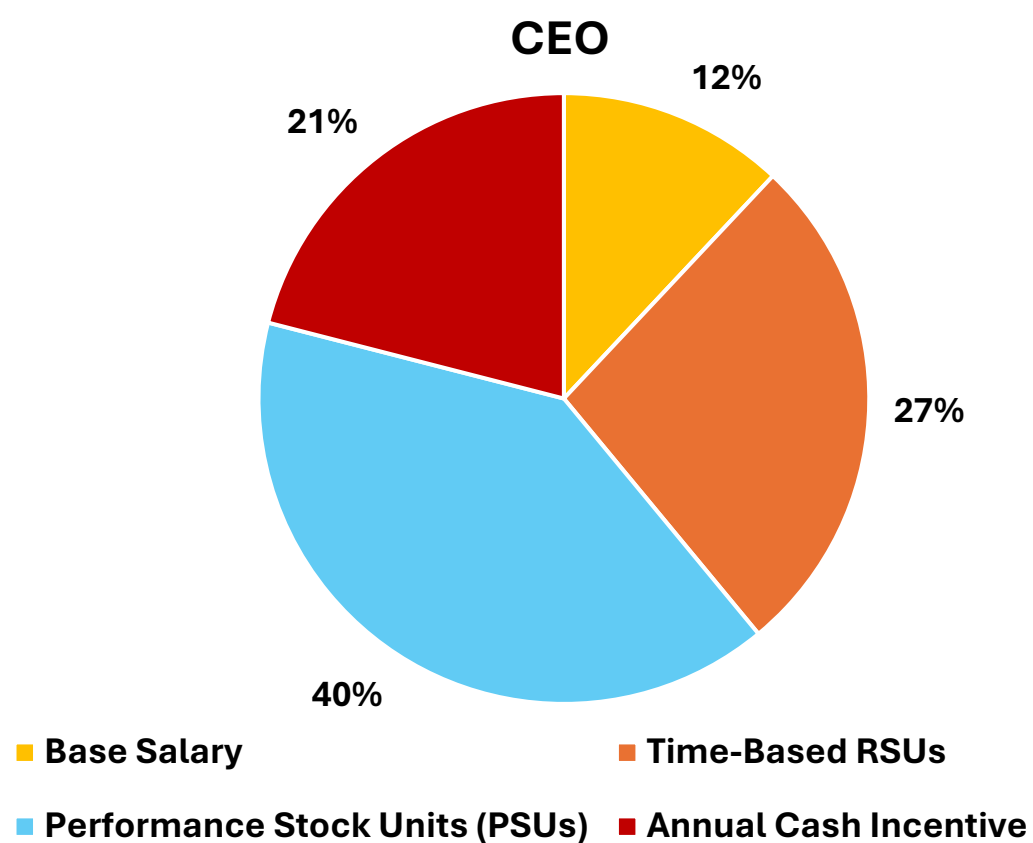


Thomas Garcia
Chief Administrative & Legal Officer

Tenure of 17 years
Current role since 2021
20+ years of legal experience



Compensation Structure





Annual Cash Incentives

Each Executive has a Target Annual Cash Incentive (set as a % of base salary) 

Executive	FY2026 Base Salary	Target Annual Cash Incentive
CEO	\$1,250,000	175%
CFO	\$890,000	100%
President, UGG	\$825,000	100%
President, HOKA	\$700,000	100%
CAO	\$700,000	75%



Annual Cash Incentives

Corporate Executives (CEO, CFO, CAO)

How the performance score is weighted:

70%	30%
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Operating Income Performance

Revenue Performance

Brand Presidents (UGG, HOKA)

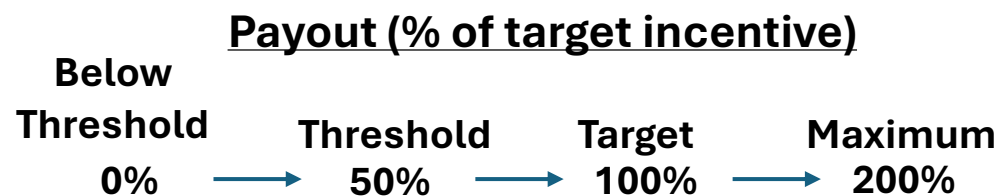
How the performance score is weighted:

30%	40%	30%
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DECKERS
Operating
Income
Performance

Brand Operating
Income
Performance

Brand
Revenue
Performance





Long-Term Equity Incentives

Performance Stock Units (PSUs) <u>60%</u> of Equity Compensation 3-Year Performance Period	Time-Based Restricted Stock Units (RSUs) <u>40%</u> of Equity Compensation
How the performance is weighted:	
50% Pre-Tax Income Performance	3-Year Vesting Period Vests in equal annual installments
50% Revenue Performance	

Relative Total Shareholder Return Adjustment

Based on performance vs. peer group

≤25th Percentile 55th Percentile ≥75th Percentile
75% —————> 100% —————> 125%



Management Alignment

CEO
**Stock Ownership
Requirement**

6×
Annual Base Salary

Other NEOs
**Stock Ownership
Requirement**

3×
Annual Base Salary

Ownership Retention

- 75% of net shares retained until guideline is met.
- All NEOs compliant at FY2026 year-end.

Shareholder Protection

- Clawback / forfeiture policy.
- No hedging or pledging of Deckers securities.
- No repricing without shareholder approval.



Revenue Breakdown



Business Segments



- **UGG**

Comfort Footwear | Apparel

- **Hoka**

Running Footwear | Trail & Hiking | Lifestyle

- **TEVA**

Sandals | Hiking & Trail Footwear | Water Footwear

The Hoka logo, featuring the word "HOKA" in a bold, blue, sans-serif font with a white swoosh above the "O".

The UGG logo, featuring the word "UGG" in a bold, black, serif font with a registered trademark symbol.

The Teva logo, featuring the word "Teva" in a bold, black, sans-serif font with a stylized "v".



Revenue Overview

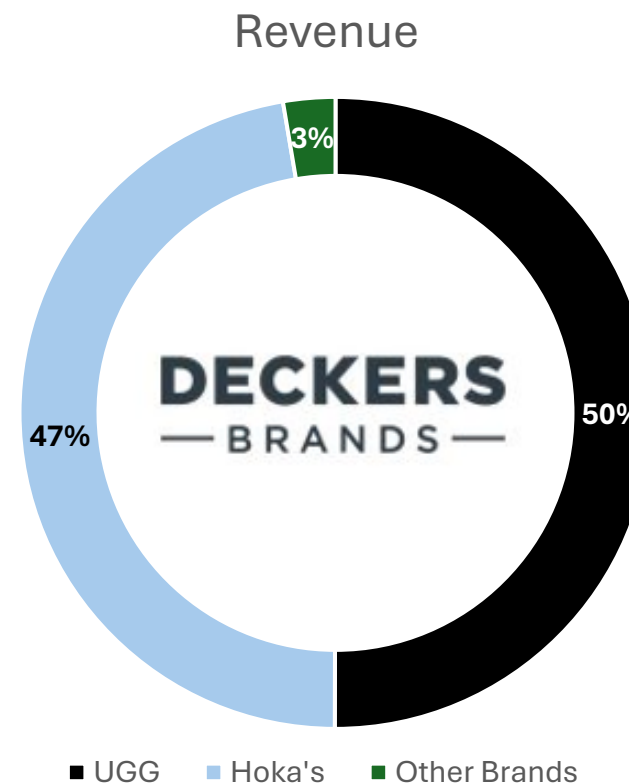
- FY2026 revenue: **\$5.4 billion**
- Revenue increased **9.8% YoY**
- UGG + HOKA = 97% of sales





Revenue By Brand

- **UGG:** \$2.75 billion, up **8.2%**
- **HOKA:** \$2.6 billion, up **15.9%**
- Other Brands: \$146 million, down **33.9%**
- HOKA is growing faster, while UGG remains the largest brand

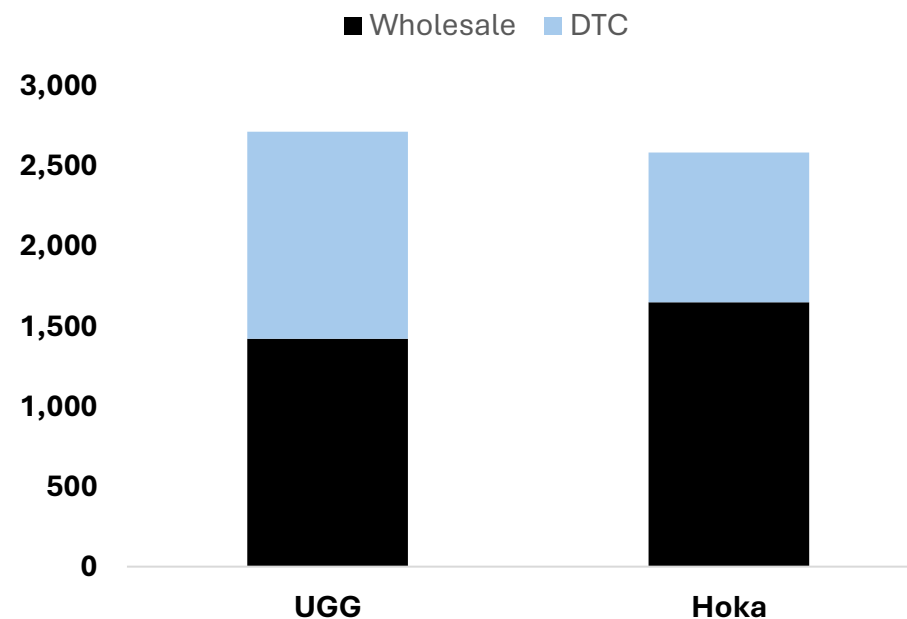




Wholesale vs. DTC

- Deckers Wholesale revenue is **\$3.21 billion**, up **12.3%**
- Deckers Total DTC revenue: **\$2.26 billion**, up **6.3%**
- HOKA: roughly **64% wholesale / 36% DTC**
- UGG: roughly **53% wholesale / 47% DTC**
- Wholesale is currently growing faster than Deckers' DTC

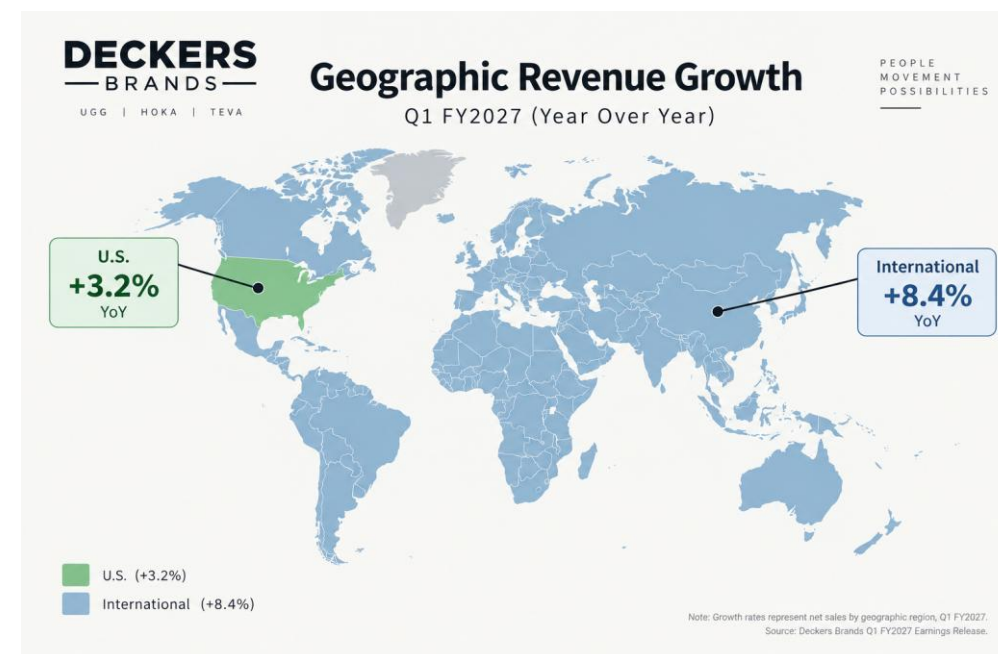
Wholesale vs. DTC *in millions*





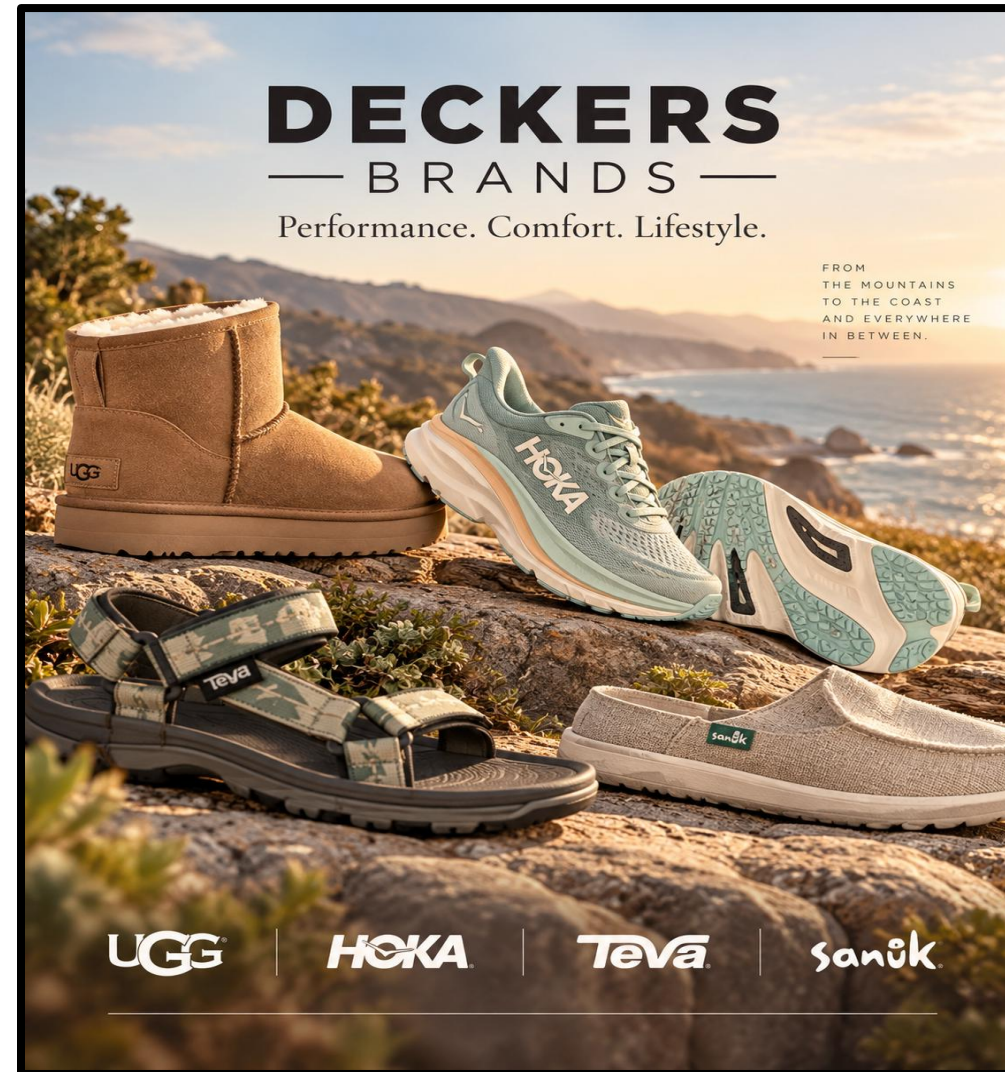
International Revenue Growth

- Domestic revenue --> \$3.2 billion
- International revenue --> \$2.3 billion
- International sales represents **42%** of revenue
- \$482 / \$487 million in increased revenue came from international sales
- Deckers is pushing heavily for international growth





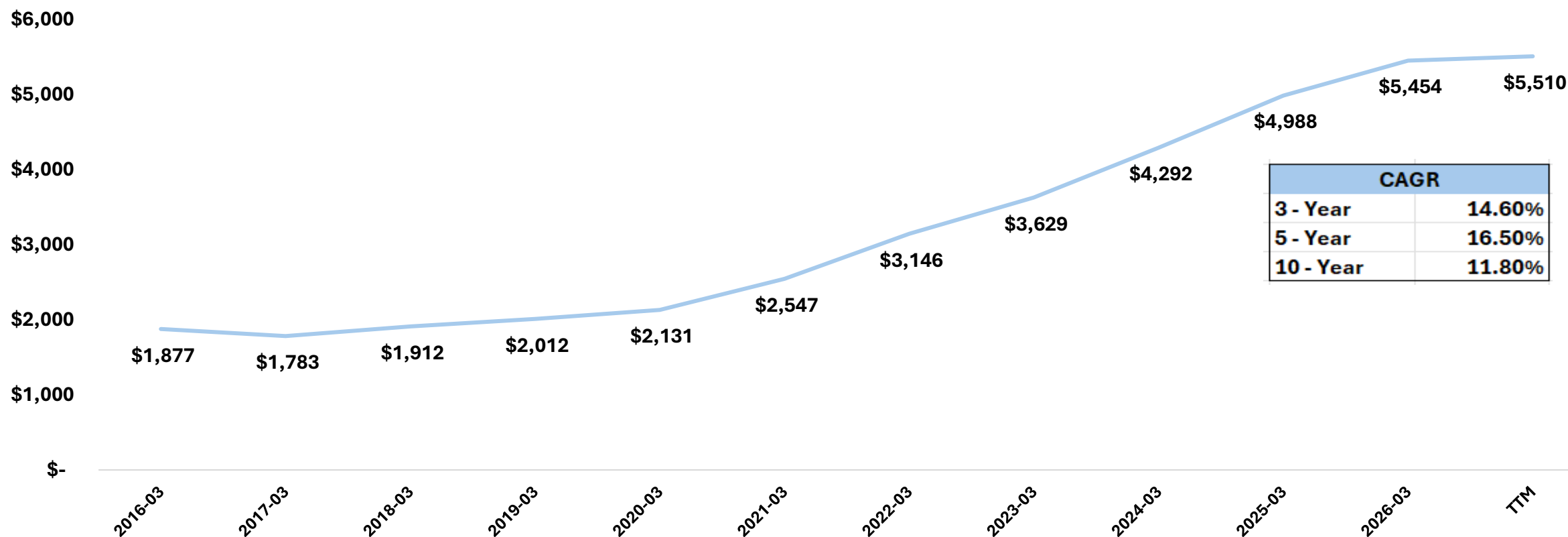
Interpretation of Financial Statements



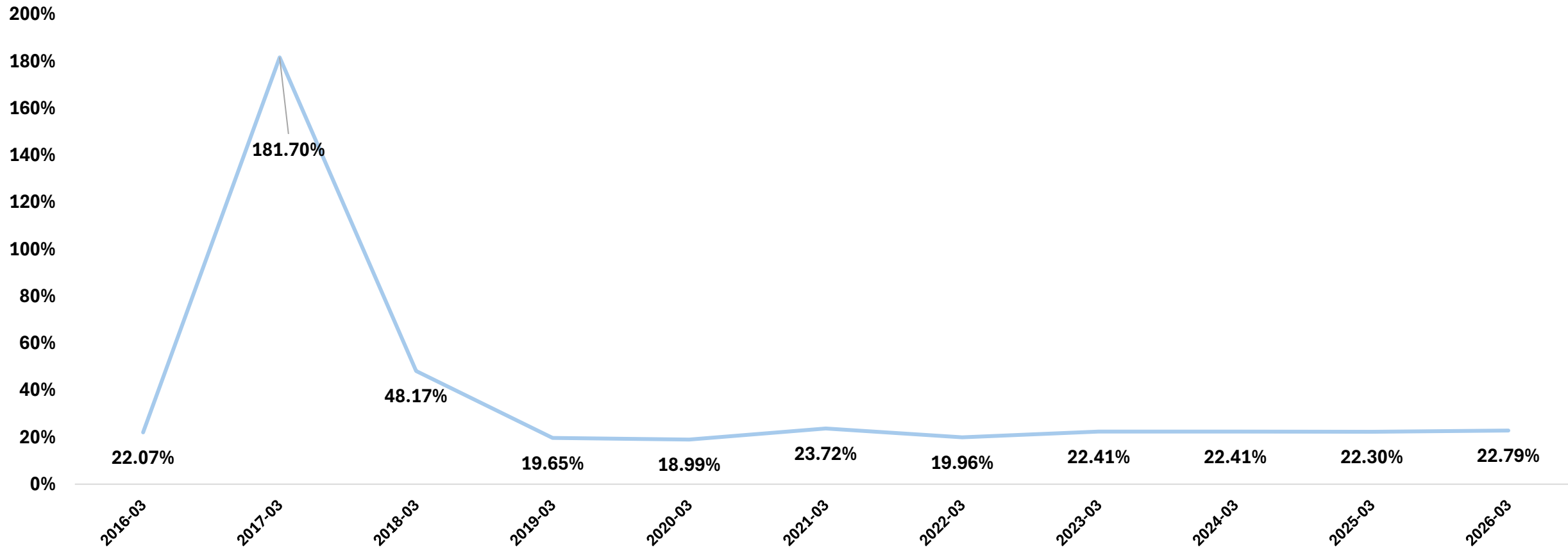
DECKERS
— BRANDS —



Revenue(In Millions)



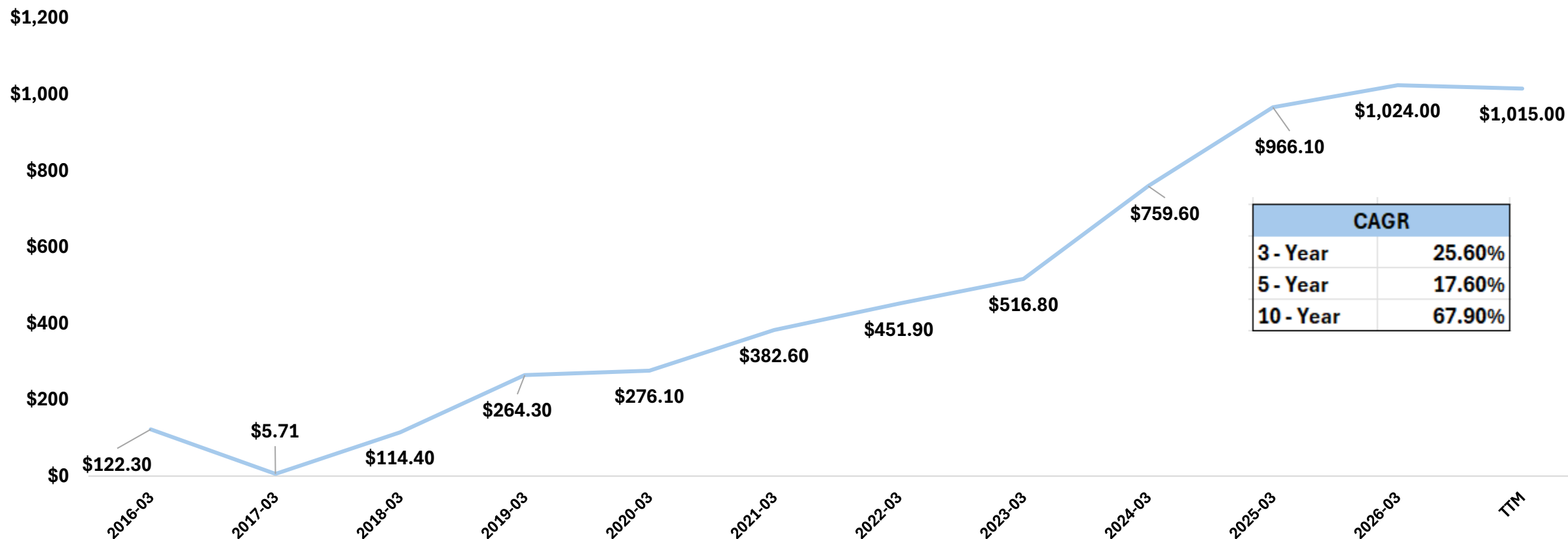
Tax Rate





Net Income (In Millions)

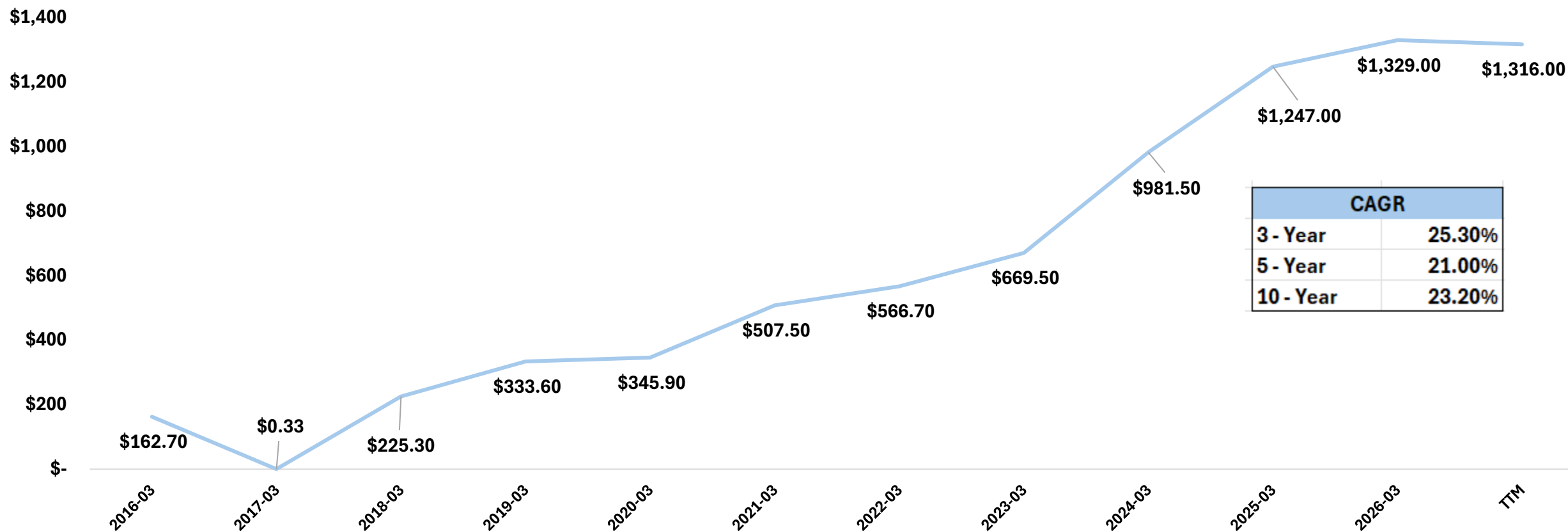
NI = Revenue - Expenses



CAGR	
3 - Year	25.60%
5 - Year	17.60%
10 - Year	67.90%

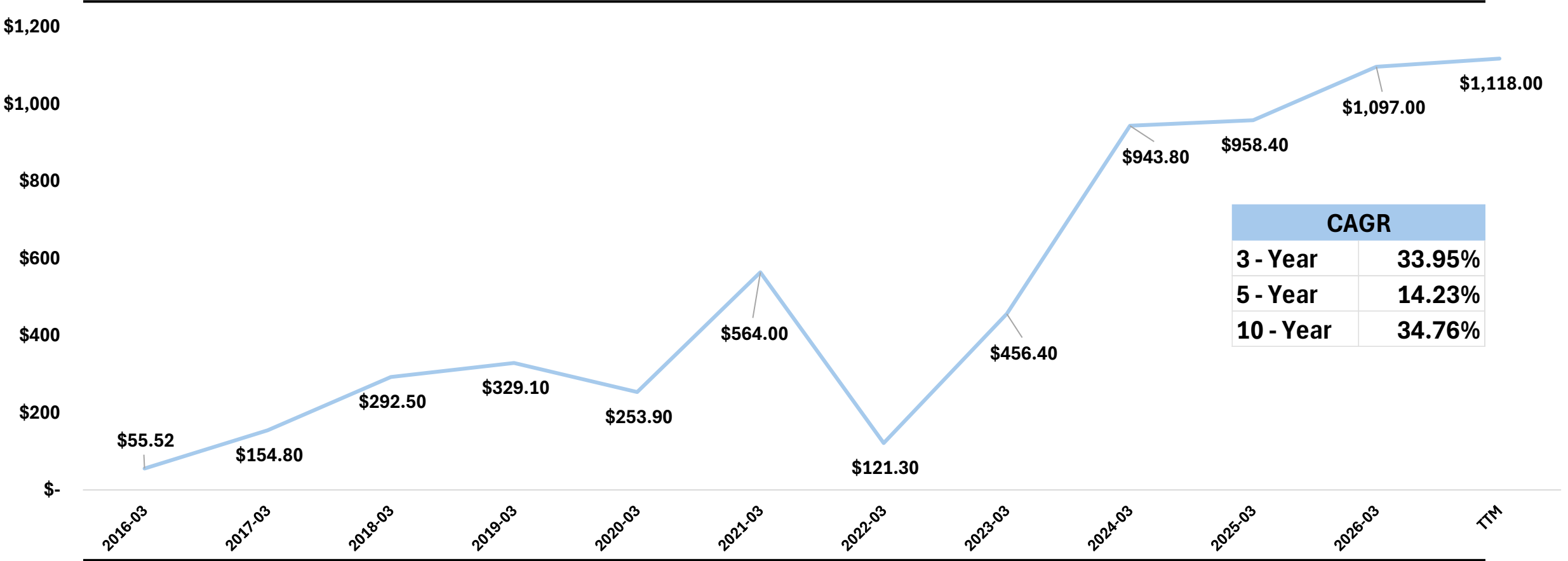


EBIT (In Millions)





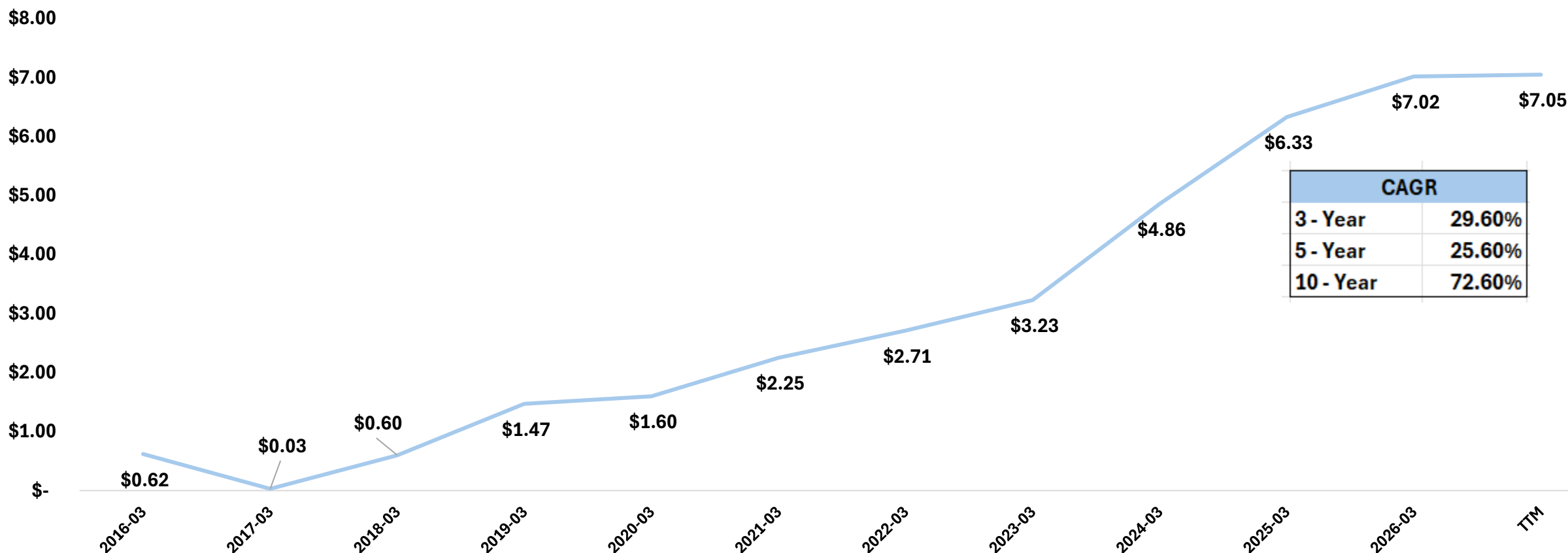
Free Cash Flow (In Millions)



CAGR	
3 - Year	33.95%
5 - Year	14.23%
10 - Year	34.76%



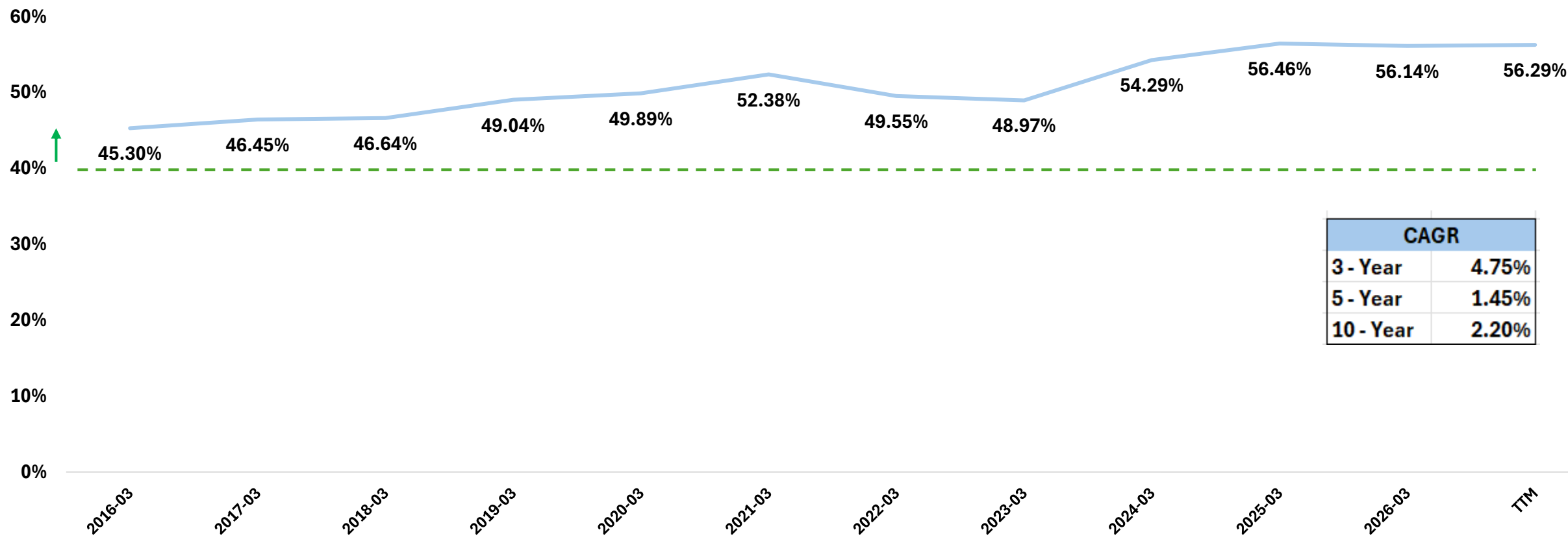
(ADJ) Earnings Per Share





Gross Margin %

Gross margin = Gross Profit / Revenue

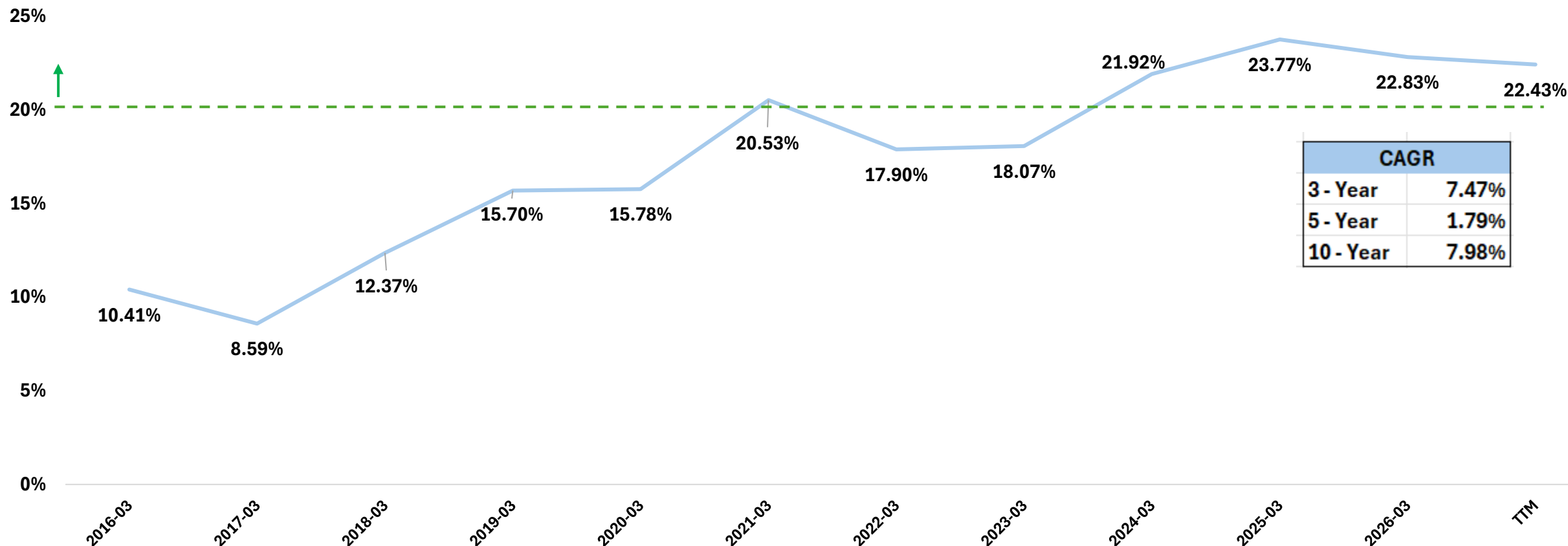


CAGR	
3 - Year	4.75%
5 - Year	1.45%
10 - Year	2.20%



Operating Margin %

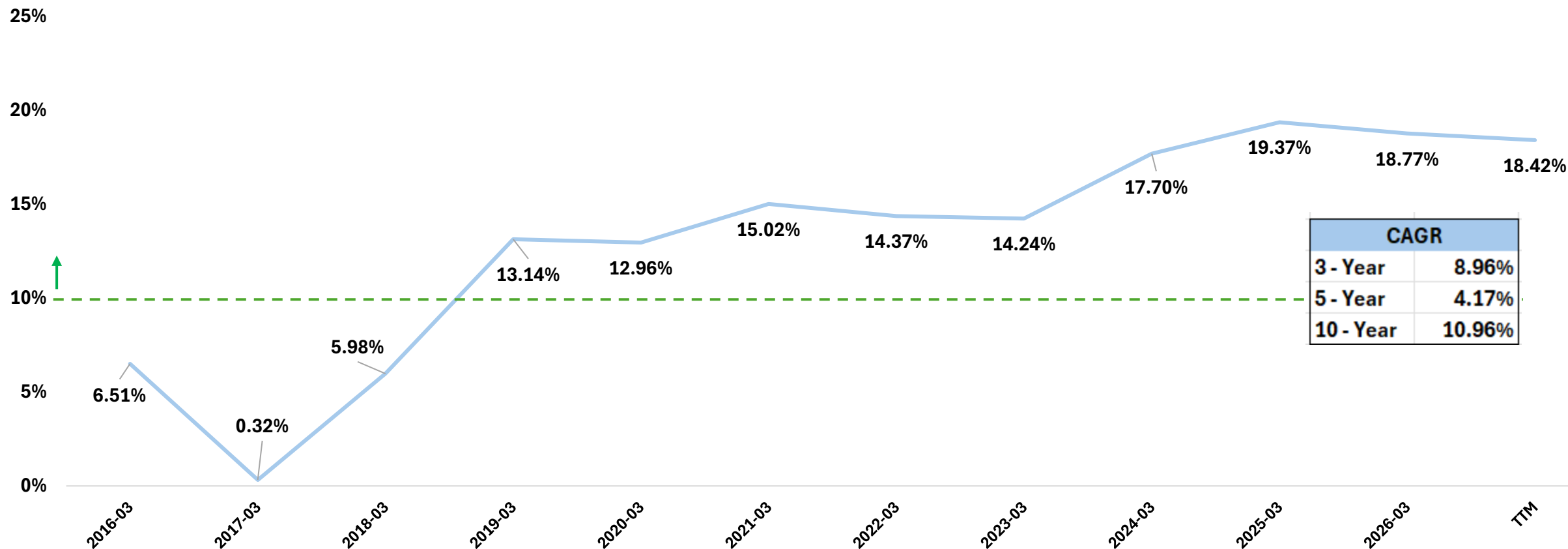
Operating margin = Operating Income / Revenue





Net Margin %

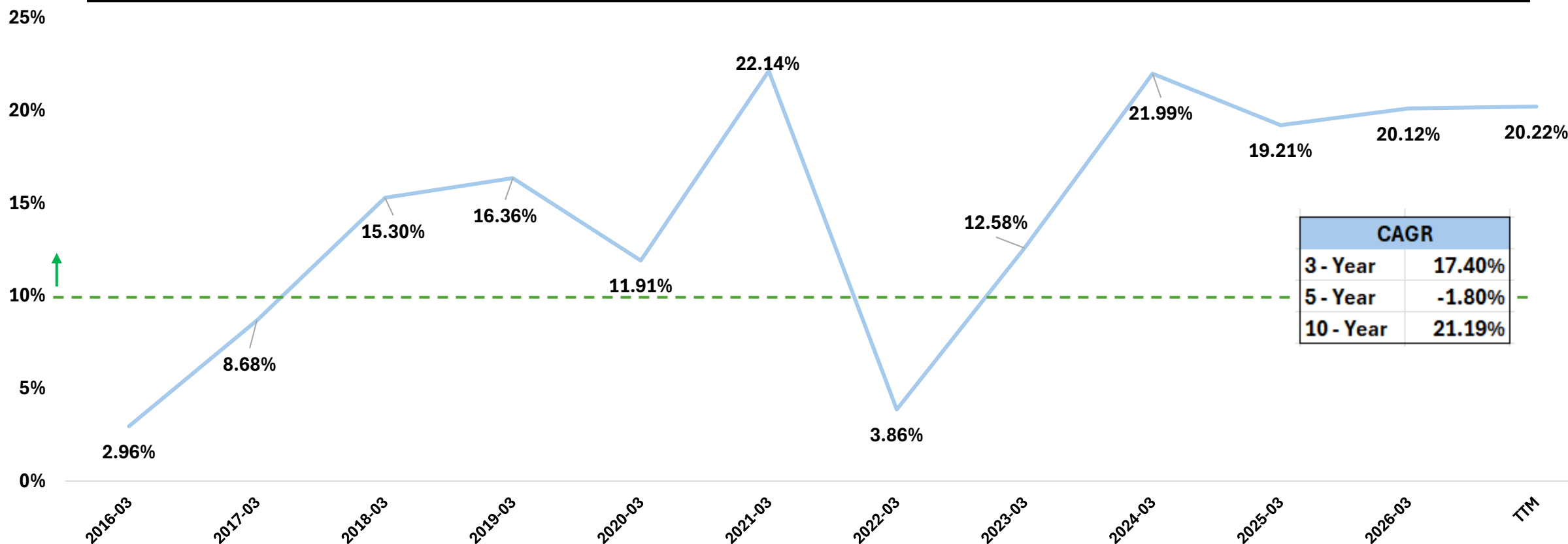
Net margin = Net Income / Revenue





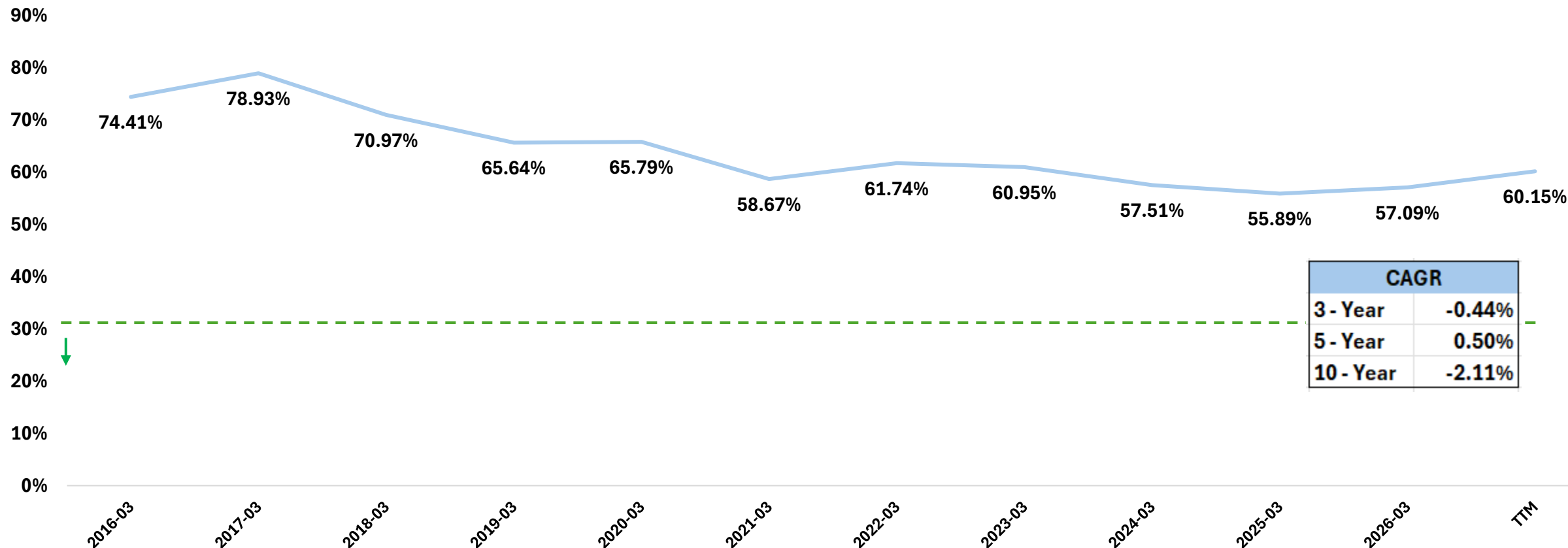
Free Cash Flow Margin

Free Cash Flow margin = Free Cash Flow / Revenue





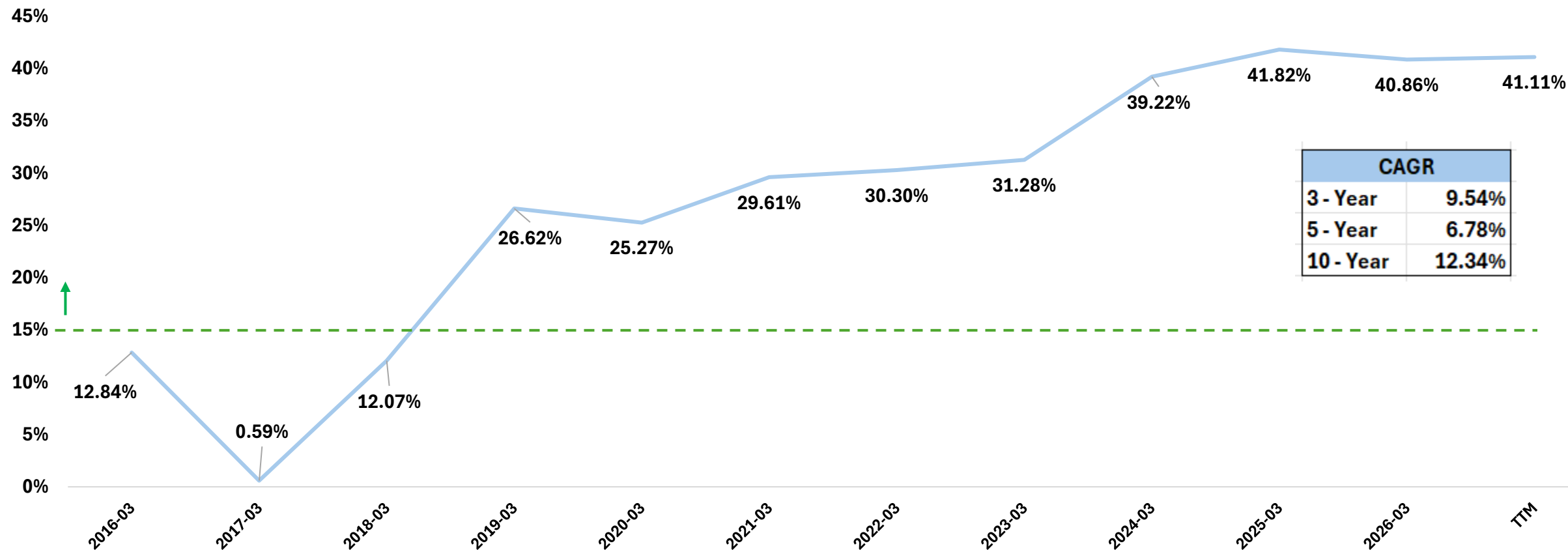
SGA as a % of Gross Profit





Return on Equity

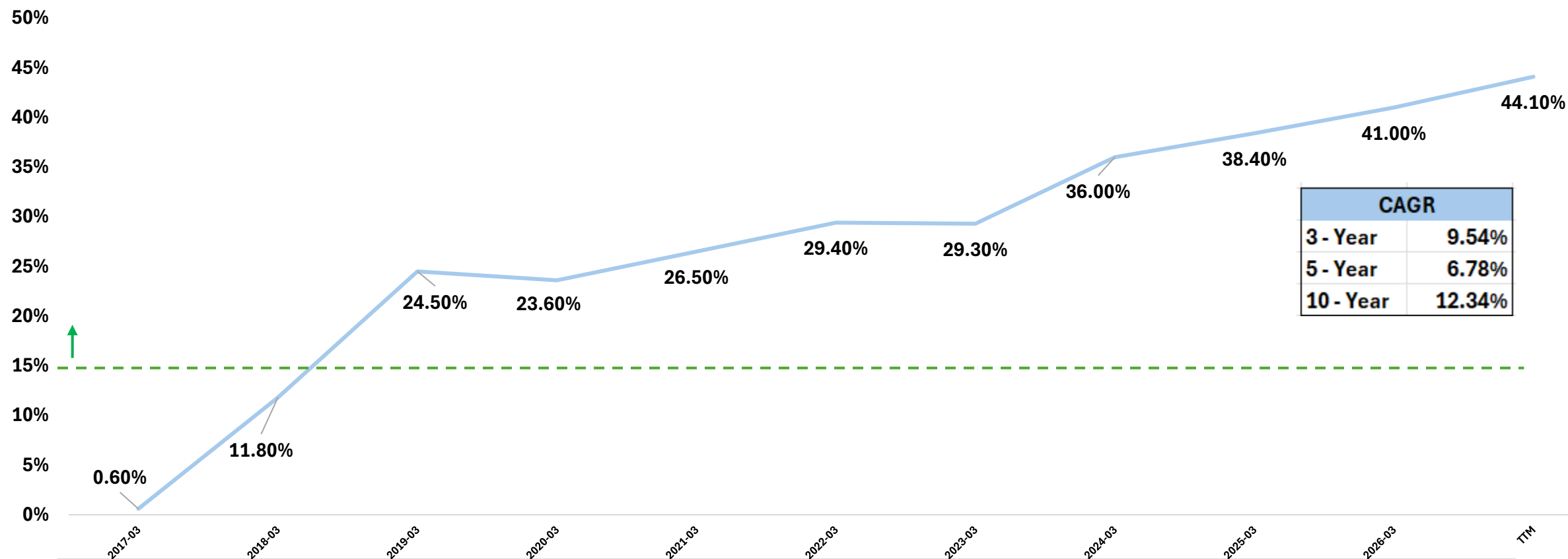
Return on Equity = Net Income / Shareholders Equity





Return on Capital

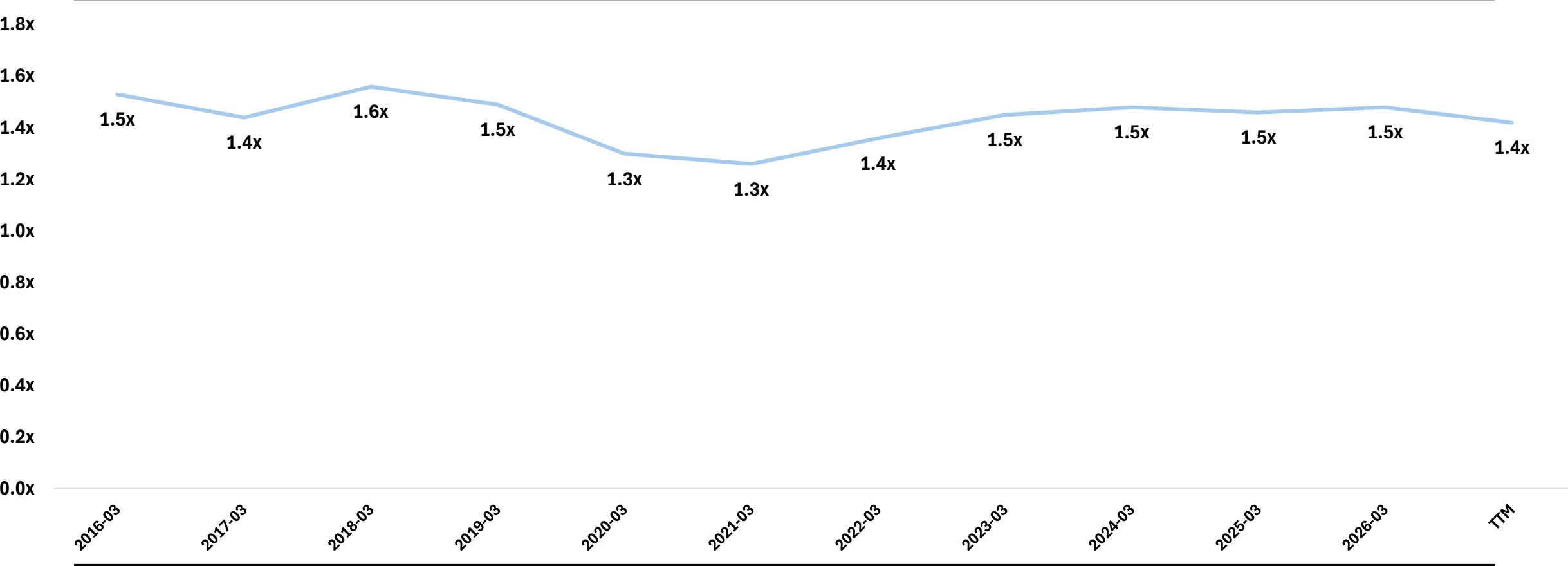
Return on Capital = Net Income / (Shareholder's Equity + Long-term Debt)



CAGR	
3 - Year	9.54%
5 - Year	6.78%
10 - Year	12.34%

Asset Turnover

(Revenue / Average Total Assets)





DuPont Analysis

$$\text{ROE} = (\text{Net Income} / \text{Revenue}) (\text{Revenue} / \text{Avg. Assets}) (\text{Avg. Assets} / \text{Avg. Equity})$$

Asset Turnover increasing = assets are being used more efficiently to generate sales 

Equity Multiplier increasing = using more debt to boost returns 

Component	Formula	FY2026	FY2025	Change
Net Profit Margin	Net Income / Sales	18.8%	19.38%	-.67%
Asset Turnover	Sales / Avg Total Assets	1.48x	1.46x	+.02
Equity Multiplier	Avg Total Assets / Avg Equity	1.45x	1.45x	Flat
Return on Equity	Margin × Turnover × Multiplier	40.9%	41.8%	-.96%

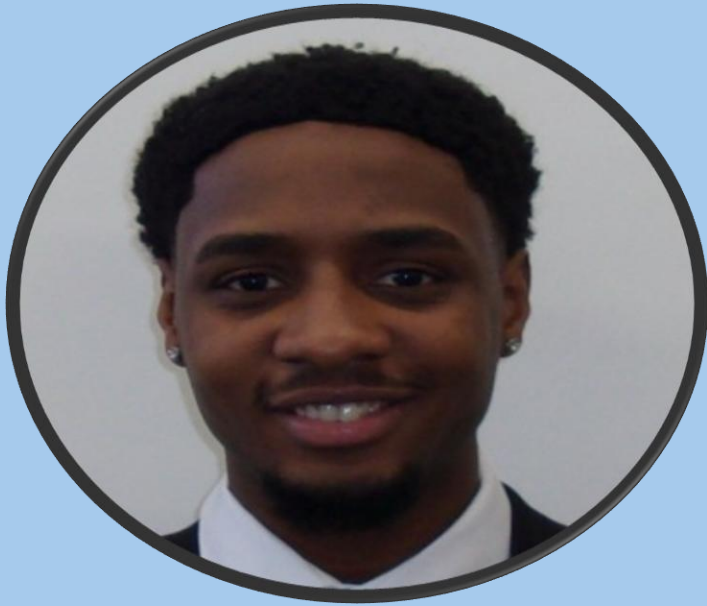
Net Profit Margin increasing = becoming more profitable 



Obligation Ratio

Long Term Debt	\$0
(+) Short Term Debt	(+) \$0
(+) Preferred Stock	(+) \$0
(+) Pension Funding Shortfall	(+) \$0
(+) Annual Leases Multiplied by 7	(+) \$0
(-) Cash and Equivalents	(-) \$1,907
(-) Marketable Securities	(-) \$0
Divided by Annual Net Income	\$1,024 = -1.9x

≤ 5 Years

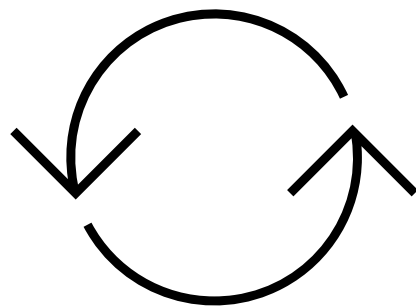


Economic Moat





Main Economic Moats



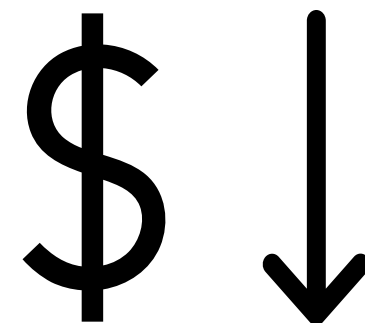
Switching Cost



Network Effect



Intangible Assets



Cost Advantages



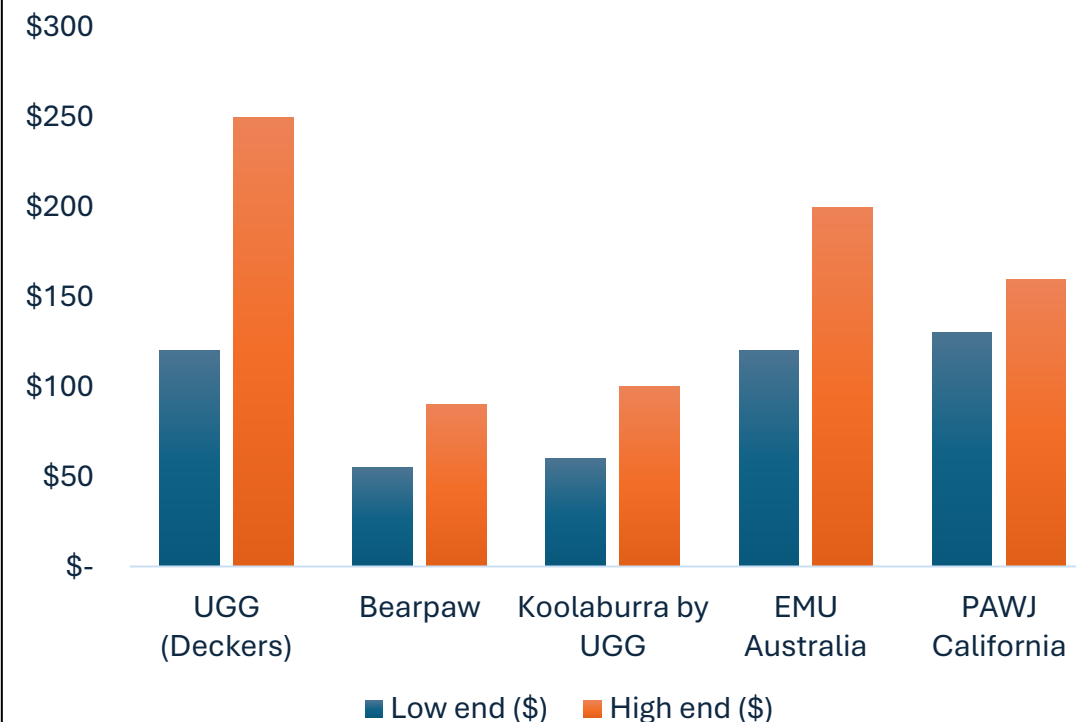
Intangible Assets-UGGs

UGGs has become synonymous with the sheepskin boot category itself and UGG largely sets the price umbrella the whole category prices under.

Proven resilience through a full fashion cycle- UGG boomed in the 2000s, went through a decline phase in the mid-2010s and then fully recovered via Gen Z rediscovery and has come back even stronger.

UGG has been increasing their pricing recently and **consumers are absorbing higher prices** rather than trading down or going to lookalikes.

Retail Prices





Intangible Assets Hoka

HOKA didn't enter an existing category as it created "maximalist cushioning" at a moment (2009-2010s) when the entire running industry was obsessed with minimalism .

The company explicitly has its **J-Frame** technology which, is patented and there is a design-patent activity around midsole geometry.

HOKA has built real trust among podiatrists, physical therapists, and running-store fitness specialists as a go-to recommendation for injury-prone or older runners.

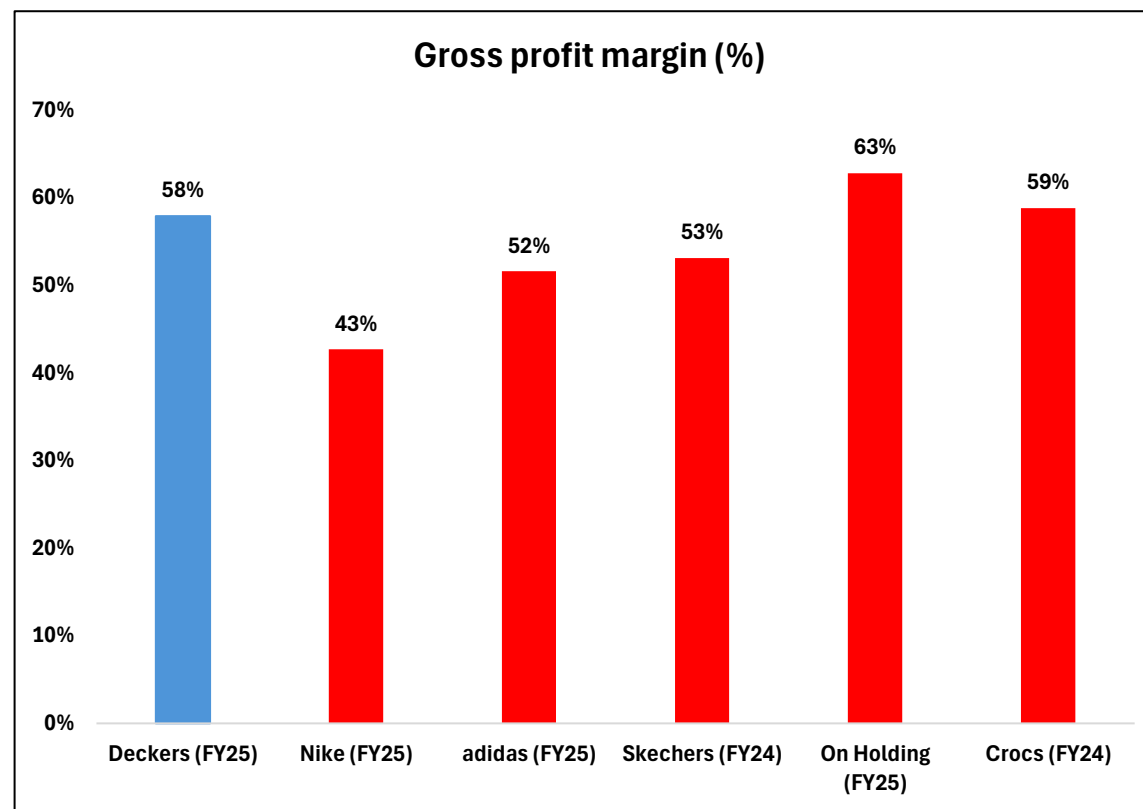




Pricing

Deckers Brands leverage their moat to have higher prices than competitors while they cost a similar amount and this shows in the Gross Profit Margin.

Even in an environment where items were discounted heavily, Deckers kept their prices as shown by their modest 20 basis point gross margin decline 2025-2026.





Strategic Partnerships



Iron Man
Sponsor with
custom shoes



UTMB Official
Sponsor
through 2028



HOKA became
the Main Sponsor
of the Zurich
Marató de
through 2030

Strategic Partnerships



**Pink
Pantheress**



Soyeon



Central Cee



Exclusivity

Deckers is very selective with its wholesale account base to protect premium positioning rather than chasing maximum distribution.

An example is shown in fiscal year 2017, Deckers closed roughly 325 UGG wholesale accounts in North America that didn't represent the brand well.

This protects their premium brand why the brand pricing power holds up even in a year where retailers are heavily discounting.





Strong Brand

- There are little to no switching cost in the retail industry.
- What show's a company moat in this industry is its pricing power, can it raise prices and keep the volume similar.
- Deckers has shown that it can raise prices and still keep its volume, people are willing to pay more for their product, and it is well positioned to continue.



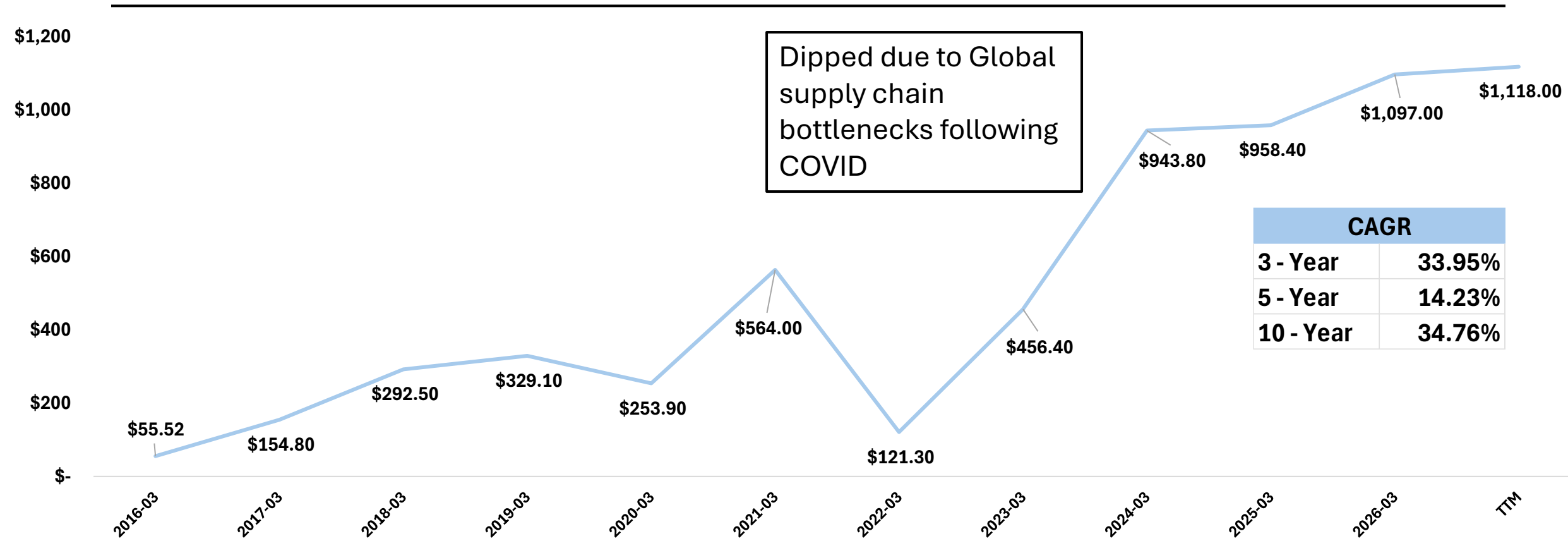


Capital Allocation



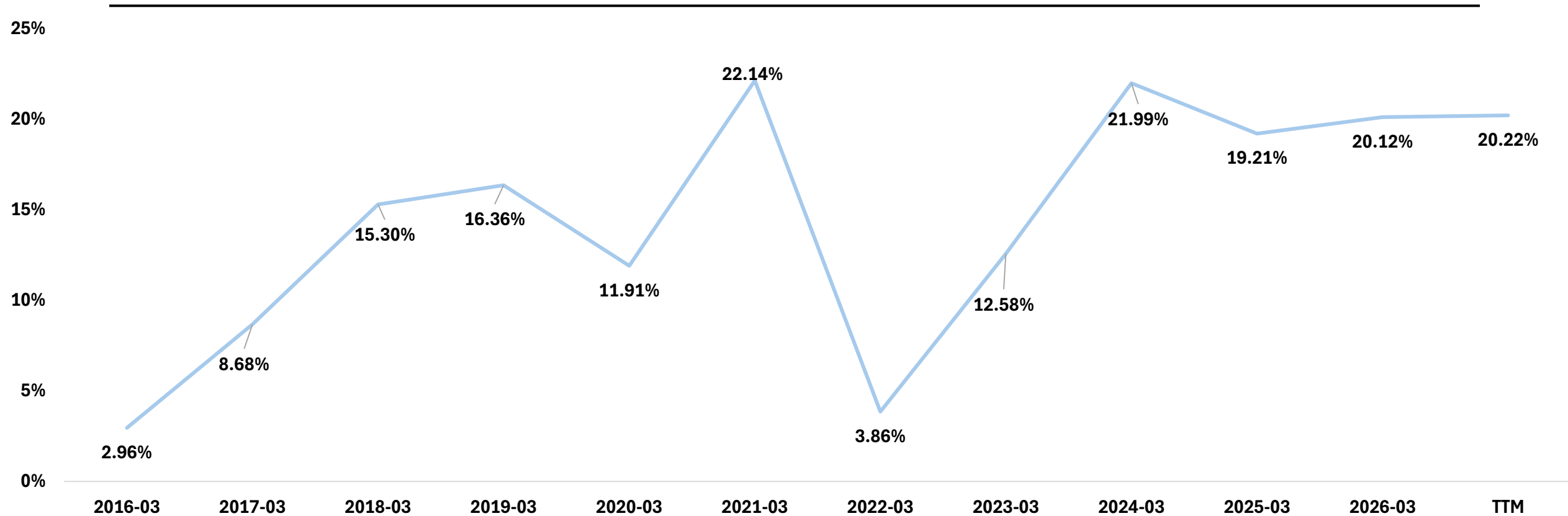


Free Cash Flow (In Millions)



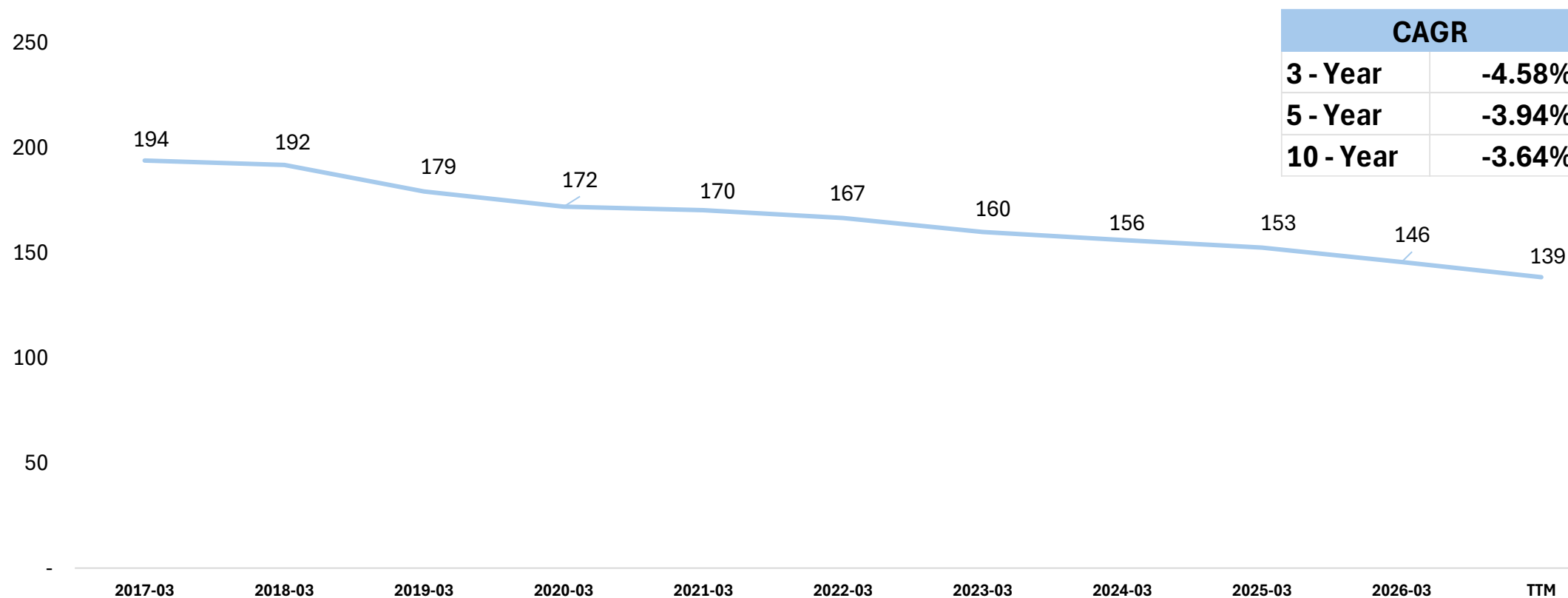


Free Cash Flow Margin %



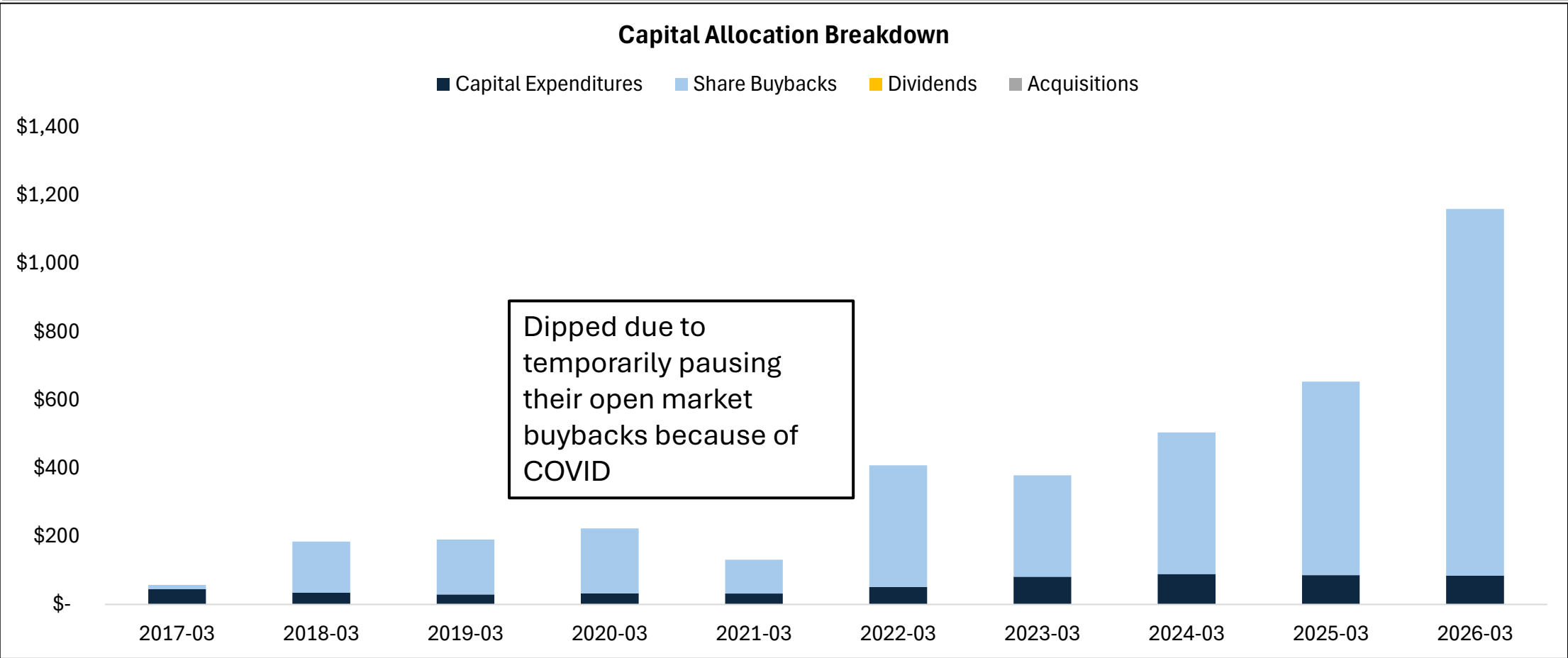


Shares Outstanding (In Millions)





Capital Allocation (In Millions)

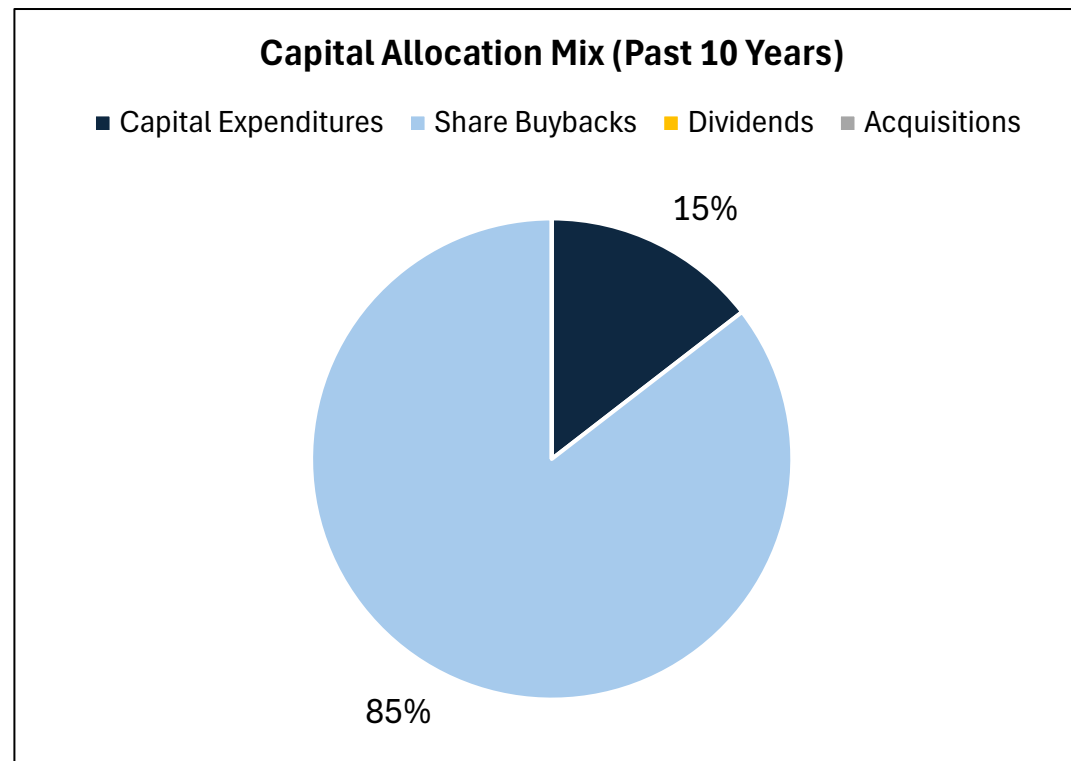




Share Buybacks

Share Buyback Program

- \$3.5 Billion Program expansion
- FY2026: Deckers repurchased \$10.5 million shares for \$1.075 billion at an average price of \$102.43 per share
- FY2027 First Quarter: Repurchased an additional \$3.26 million shares for \$338.2 million





Acquisitions



Acquired: 1993 | Sold: 2011



Acquired: 1995



Acquired: 2002



Acquired: 2010 | Dissolved: 2015



Acquisitions Cont.



Acquired: 2011 | Sold: 2024



Acquired: 2012-2013



Acquired: 2015 | Dissolved: 2025



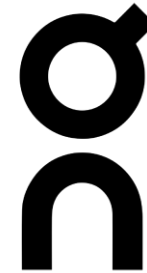
Competitor Analysis



Deckers Competitors



BIRKENSTOCK®



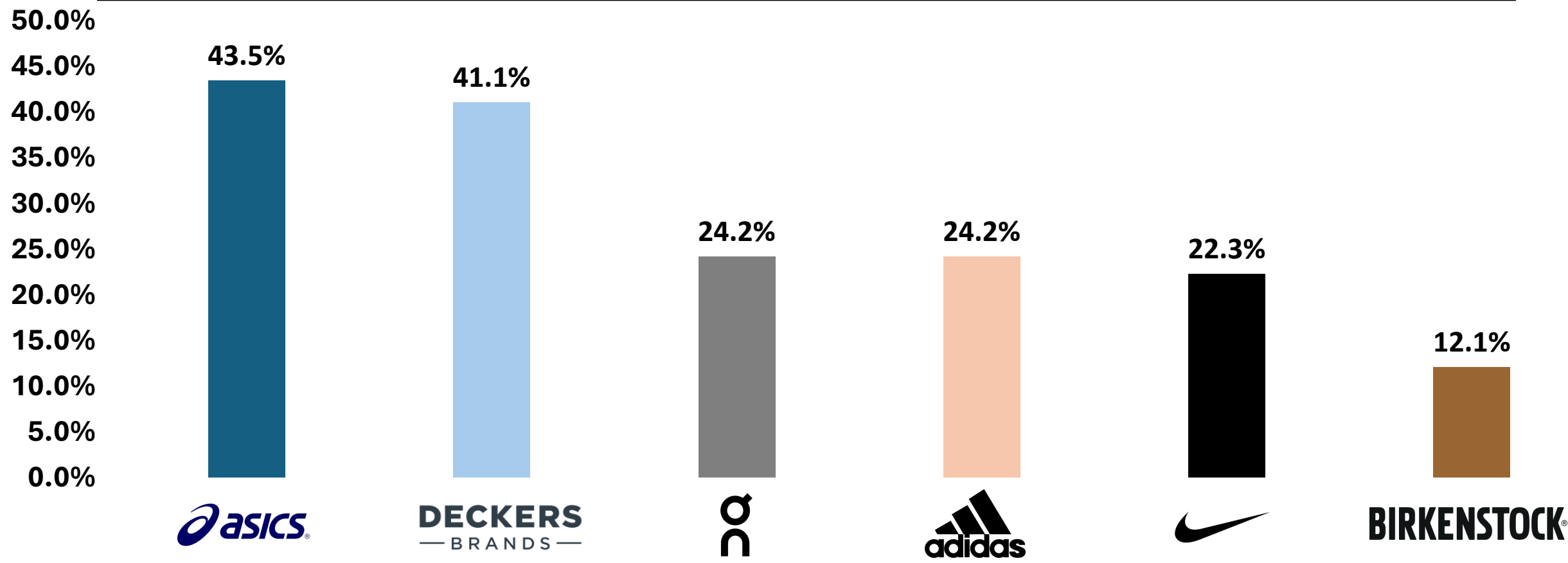


Notable Private Competitors



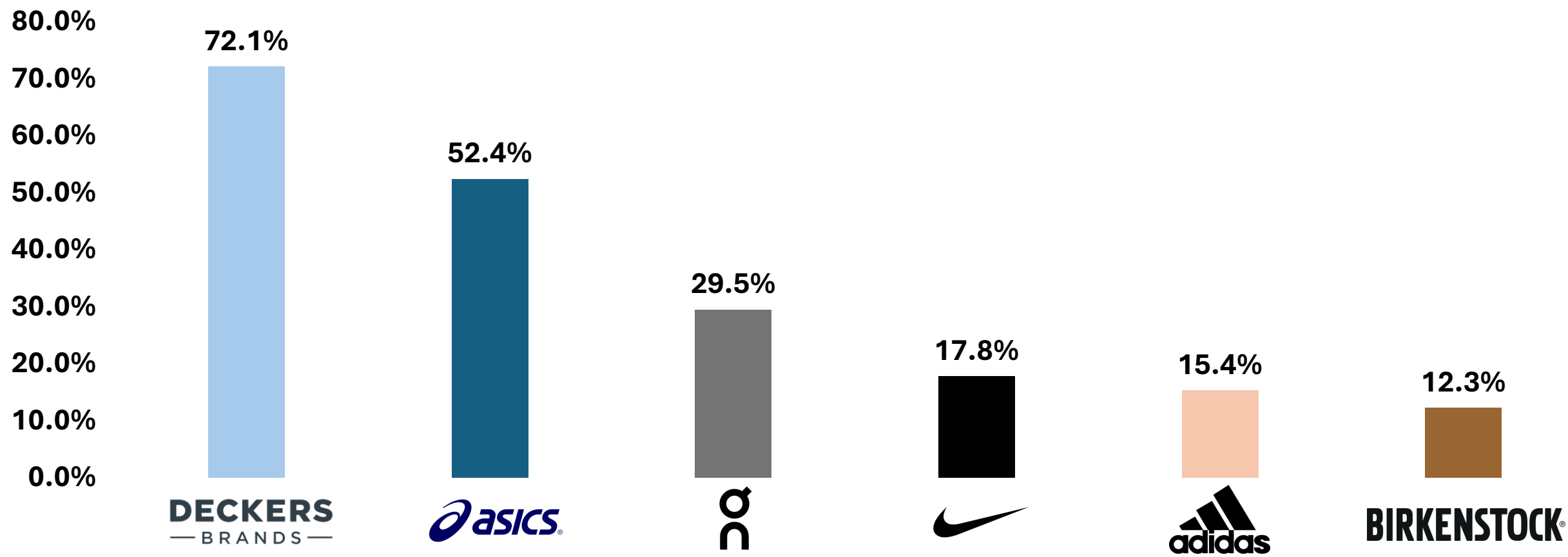


Return On Equity



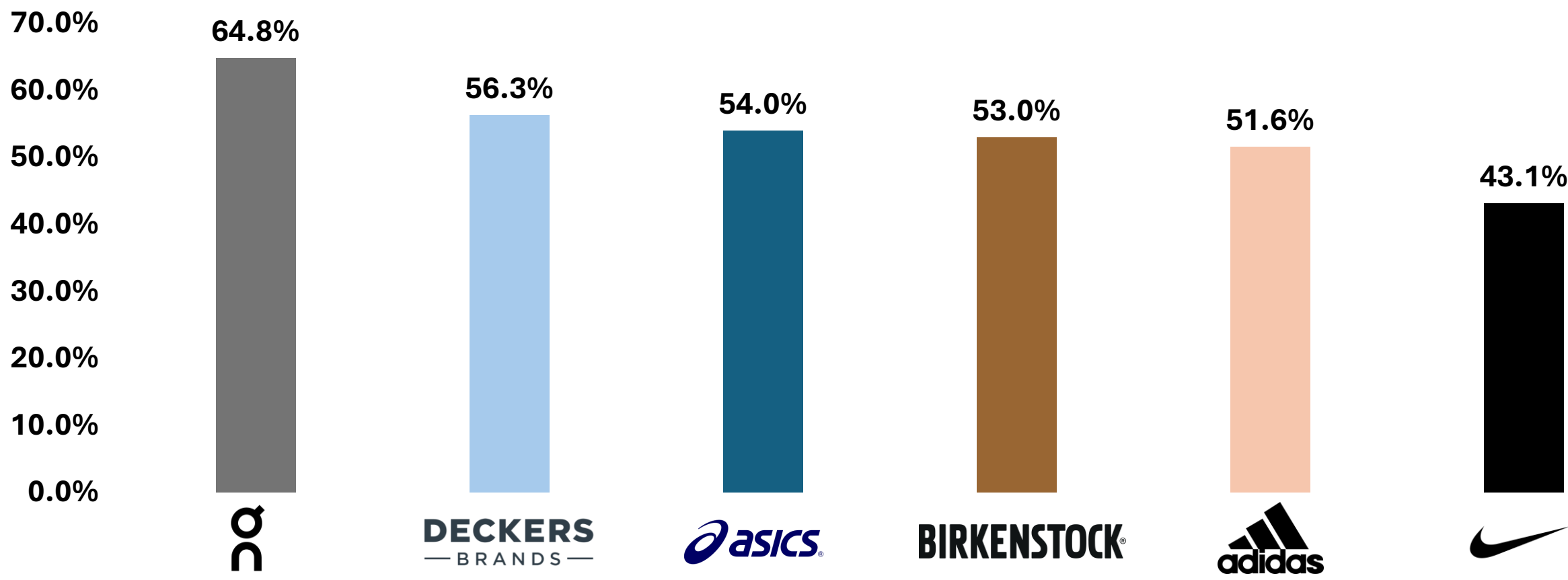


Return On Invested Capital



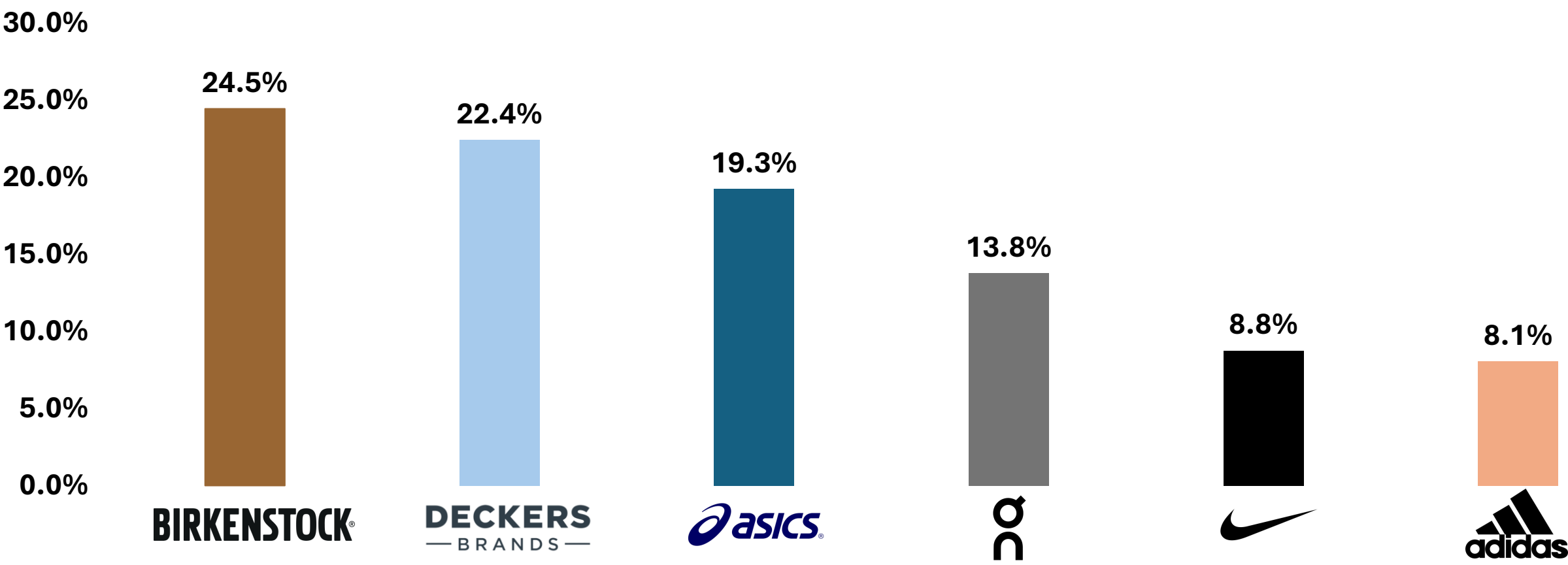


Gross Margin %



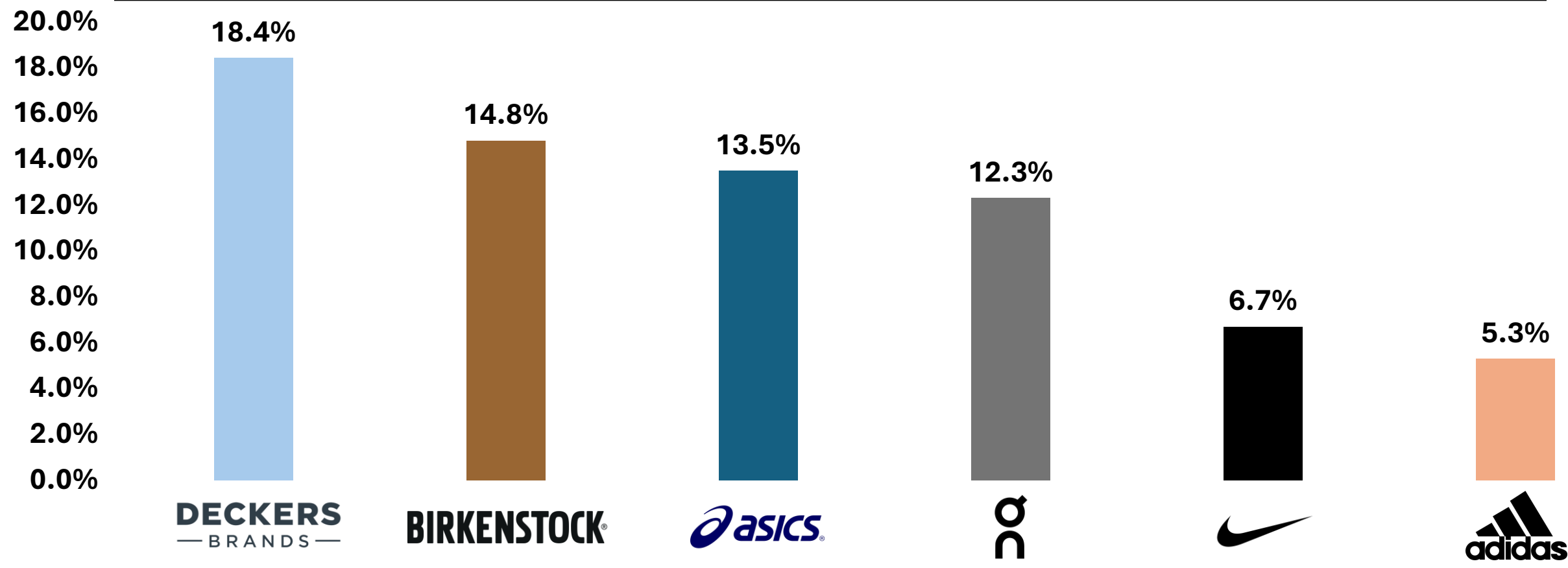


Operating Margin %





Net Margin %





Obligation Ratio

On	-4.5x
Deckers	-1.9x
Asics	-0.6x
Nike	-0.3x
Adidas	1.2x
Birkenstock	2.6x



More Protective

Shoe

ASICS Novablast 5



Hoka Clifton 10



New Balance 1080v14



Nike Pegasus 41



Brooks Ghost 16



Heel Stack

41.8 mm

41.6 mm

37.9 mm

36.0 mm

35.9 mm



Average Price Per Shoe Sold

HOKA

\$135 - 175

BIRKENSTOCK®

\$100 - 160



\$140 - 180

SKECHERS

\$50 - 100

adidas

\$90 - 150

UGG®

\$120 - 250



\$90 - 180

asics®

\$70 - 160

new balance

\$80 - 165

BROOKS

\$120 - 160



Superior Margins

The Economics of \$100

How much of every \$100 in revenue becomes operating profit and net income?

HIGHER MARGINS. MORE PROFIT PER DOLLAR.

	DECKERS — BRANDS — FY 2026	 FY 2026	 FY 2025	 FY 2025
Operating Margin (Operating profit / Revenue)	23.1%	8.3%	12.5%	17.6%
Net Margin (Net income / Revenue)	18.7%	6.7%	6.8%	12.2%
\$100 Revenue → Operating Profit	\$23.10	\$8.30	\$12.50	\$17.58
\$100 Revenue → Net Income	\$18.70	\$6.70	\$6.80	\$12.17



Why Not Nike?

DECKERS
— BRANDS —

Strategic Events For Hoka

Recognizable Brand

**Disciplined Strategic Product
Releases**

Growth In Key Markets

Industry Leading Margins



**Too Focused On Individual
Athlete/Celebrity Deals**

More Recognizable Brand

Multiple Releases Every Day

Weakness In Key Markets

Struggling Margins



Risk Factors



DECKERS
— BRANDS —



Brand Concentration

UGG = 50% of Revenue

Hoka = 47% of Revenue

UGG and Hoka = 97% of Revenue

They cannot afford for either company to slip





Tariff Pressure

Tariffs on Asian Imports

Tariff pressure causes future uncertainty

How do they mitigate the damage?





Inflationary Pressure

Reduced Consumer Spending

Pressure on premium pricing

Costs may increase while
consumers buy less





Retail Dilemma

Popularity and Visibility can Outweigh Quality

Great product + visibility + popularity = **More sales**

Less cool -> Less purchases

-> Less visibility = **Less Sales**

Having a great product is not enough to be relevant in the long run





Expenses

Q1 2027

-SG&A increased 13%

-Sales grew 6%

Q1 2026 SG&A as a % of sales = 38.7%

Q1 2027 SG&A as a % of sales = 41.2%

Operating income fell from \$165 million to \$155 million





Growth Opportunities



DECKERS
— BRANDS —



Global Expansion

Mono-Brand Stores

49 Domestic Stores

154 International Stores

Europe and Asia Markets

Younger Consumers





International Revenue

60% Increase In International Revenue In the Last 2 Years

Revenues from Canada, Europe, Asia, Latin America

\$2.28B International Revenue

\$3.19B Domestic Revenue



Stores



Wholesale Revenue +12.3% YoY

New International Stores

Partner-Operated Stores

Deckers Owned Stores

Consumer Interaction





Non-Seasonal UGGs

Spring and Summer Collections

Men's Products

Sneakers + Sandals

Apparel and Accessories



Product Innovation and Expansion



New UGG Product Lines

Hoka Expands Beyond Just Running

Targeting New Markets

Running Technology



AI & Technology



AI and Digital Initiatives

Personalized Marketing

Order-to-Contact Ratios

Wait Times

Prototypes





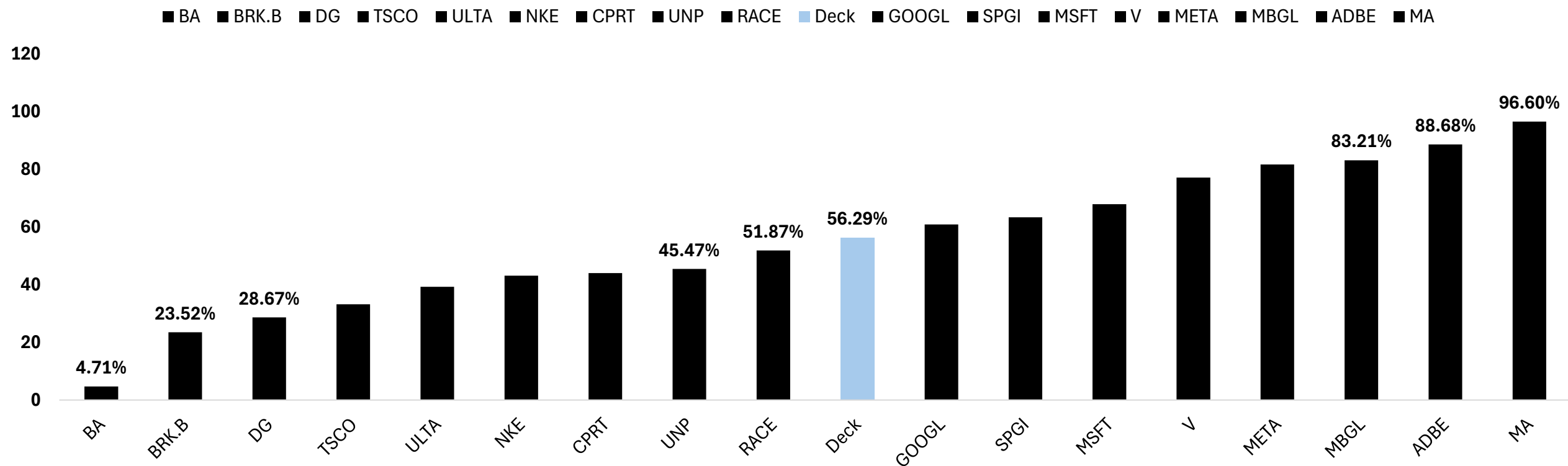
Intraportfolio Analysis





Gross Margin %

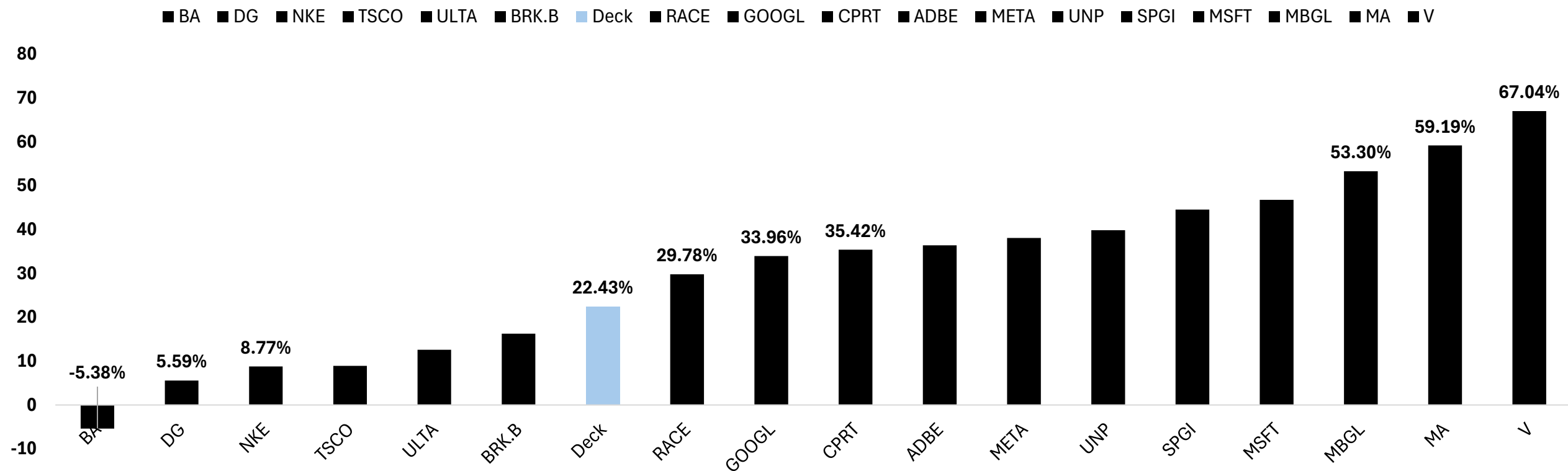
Revenue-COGS/Revenue





Operating Margin %

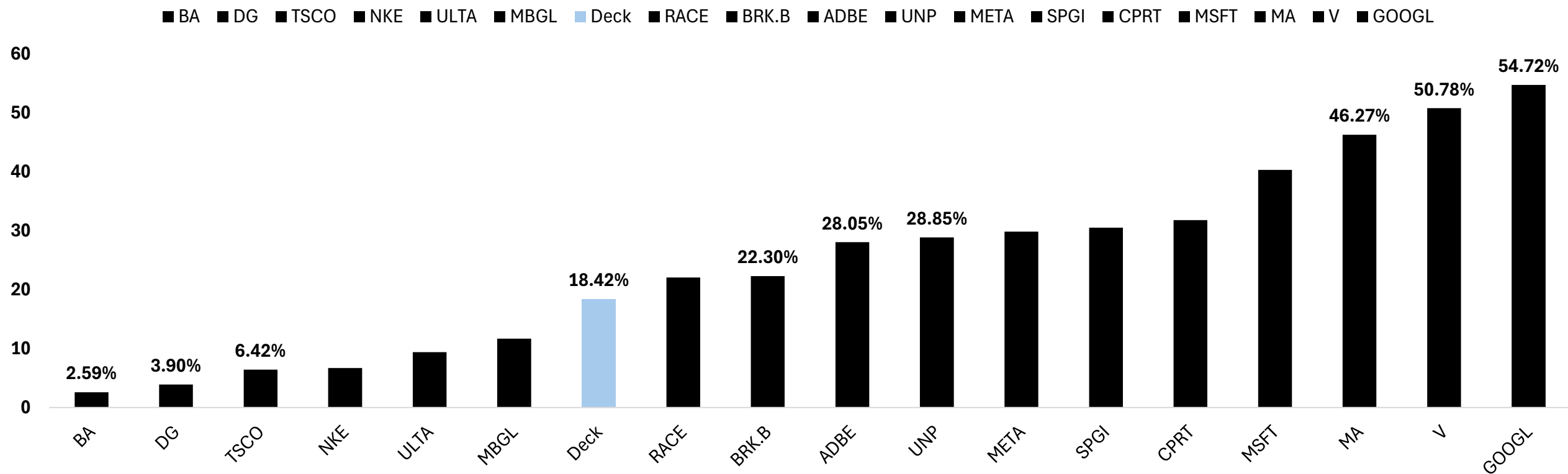
(Operating Income/Total Revenue) x 100





Net Margin %

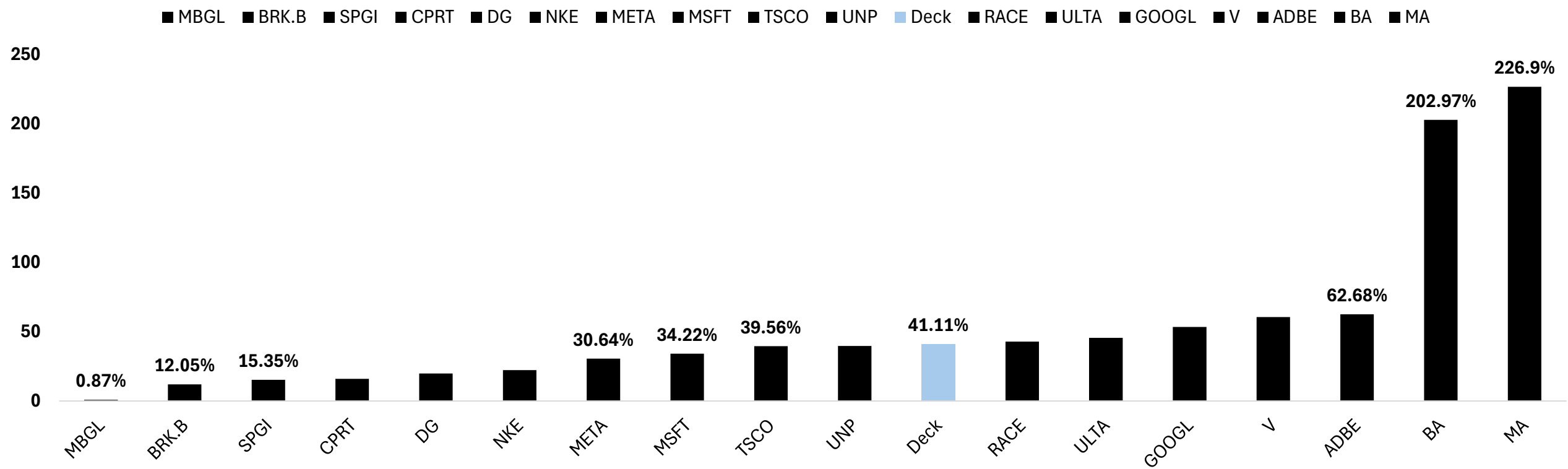
(Net Income/Total Revenue) x 100





Return on Equity %

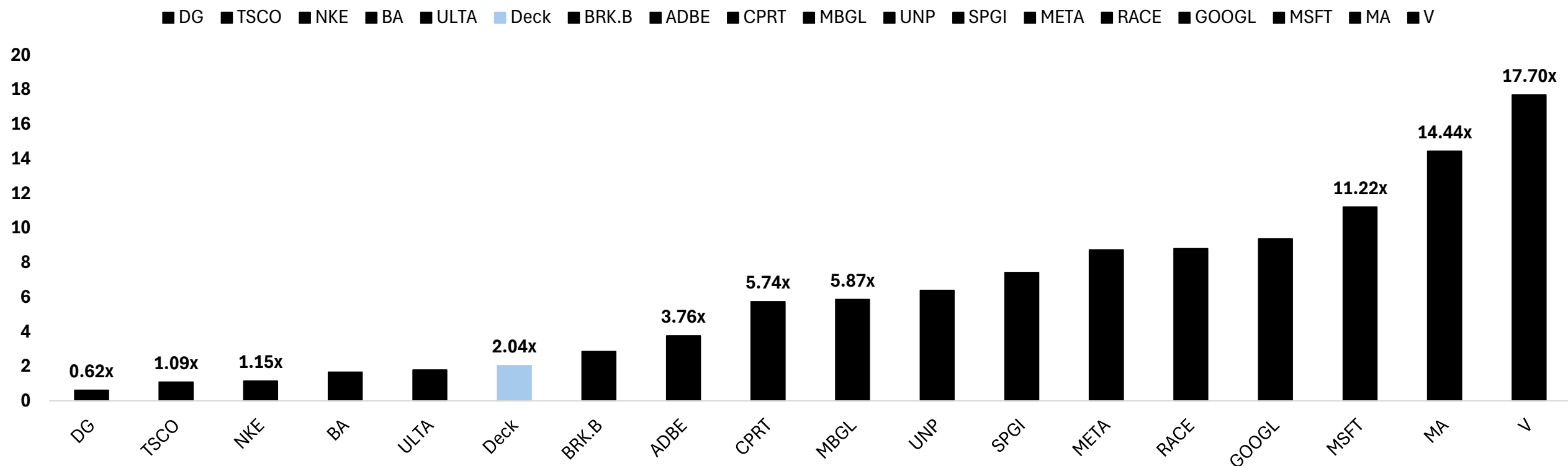
Net Income/Shareholders' Equity





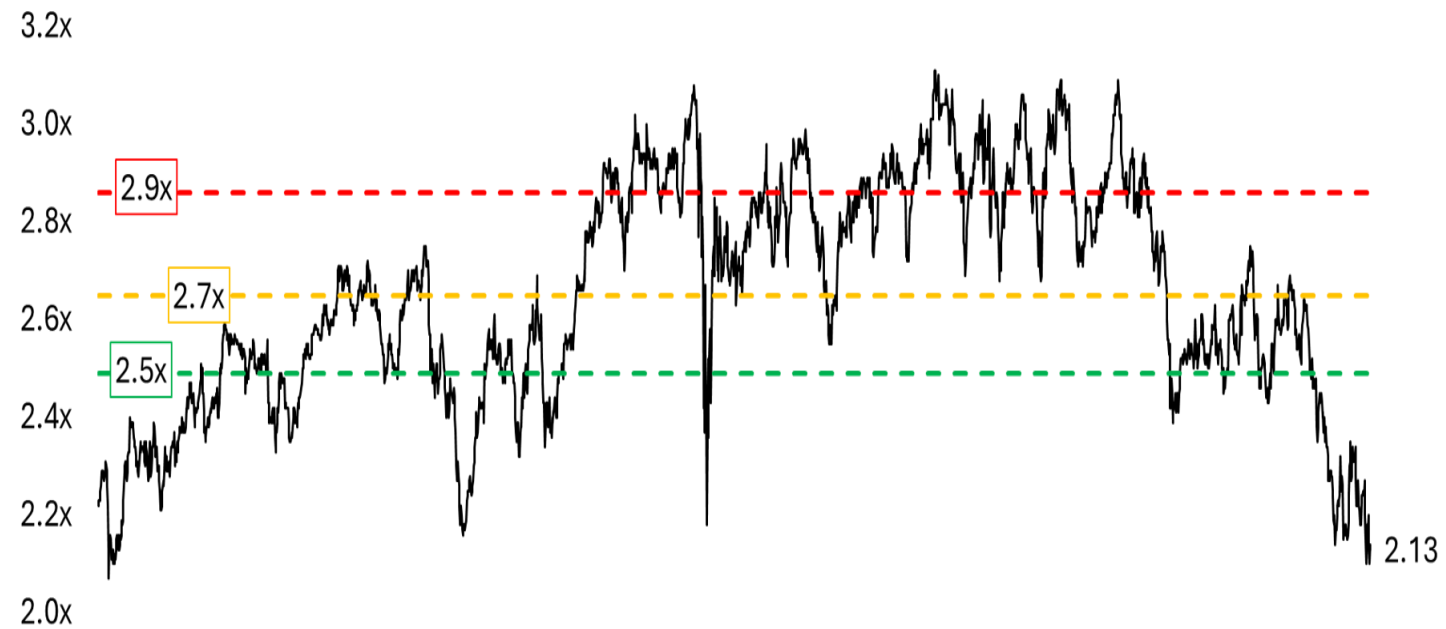
Price to Sales

Market Value per Share/Sales per Share



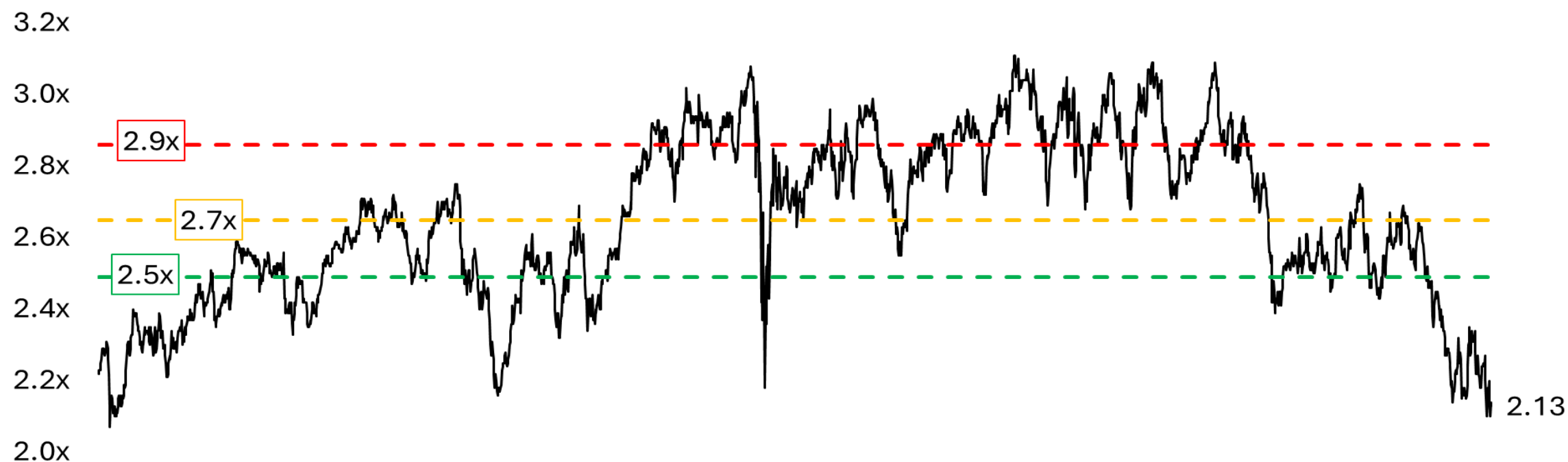


Value Bands





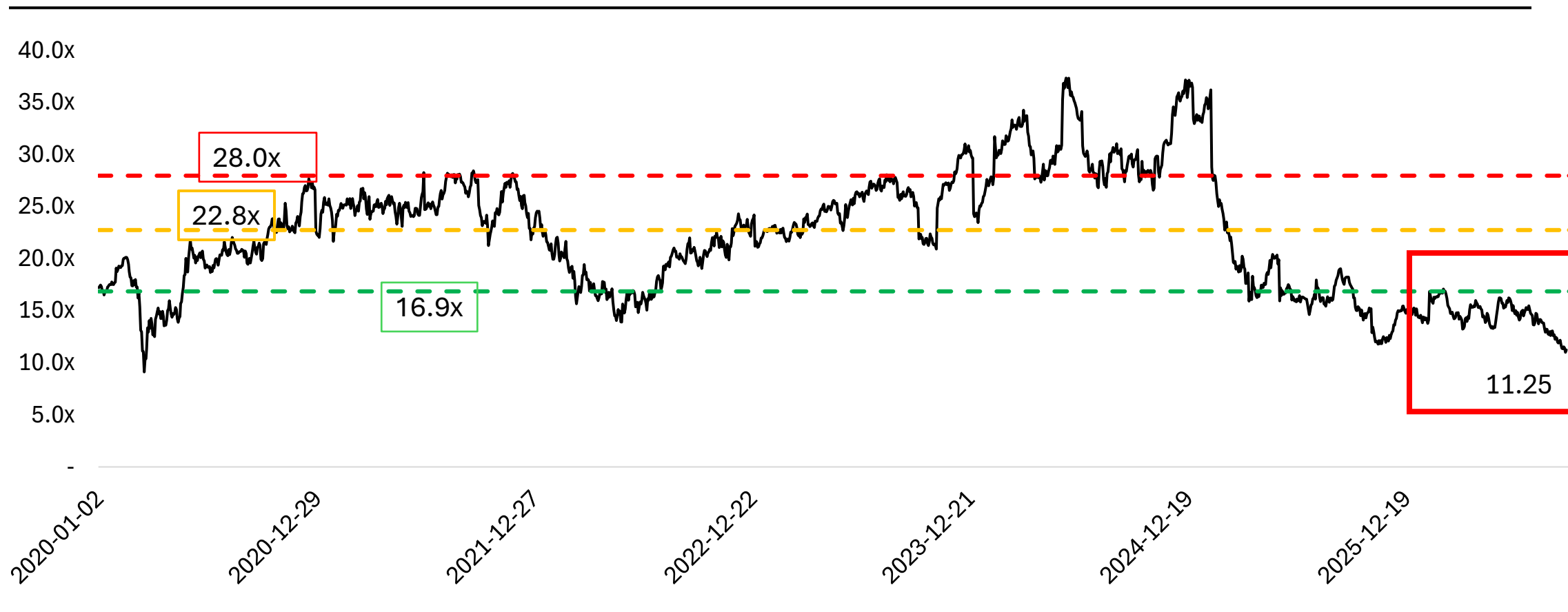
Value Bands Example





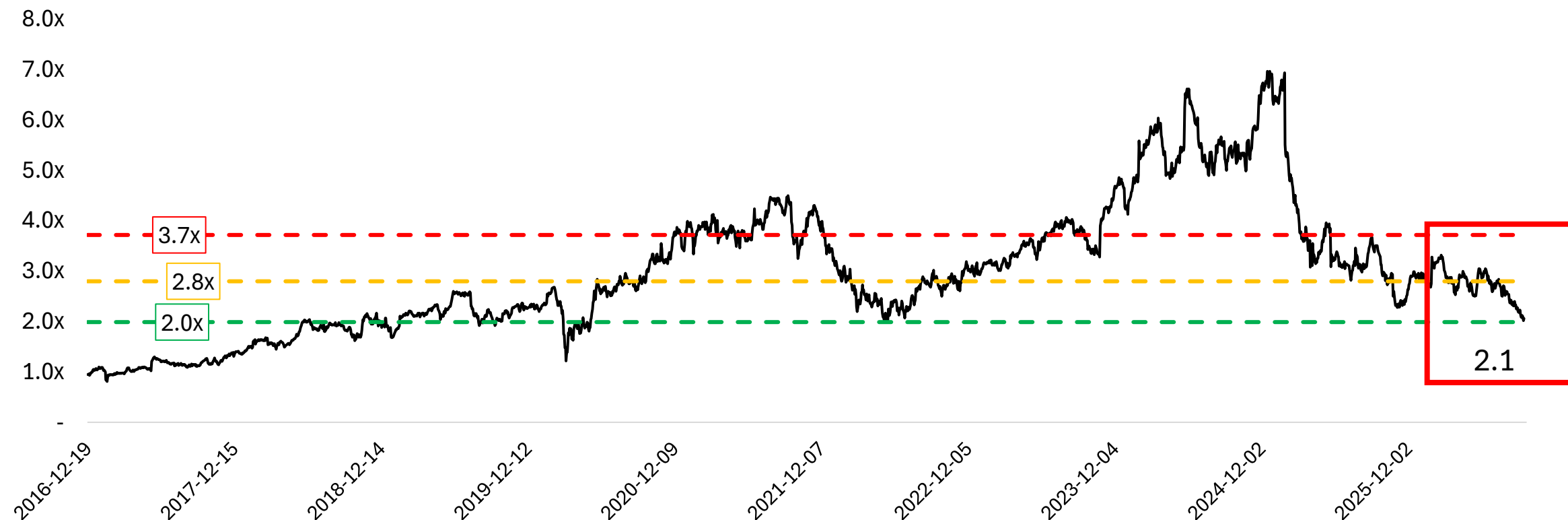
P/E Ratio

Price/Earnings



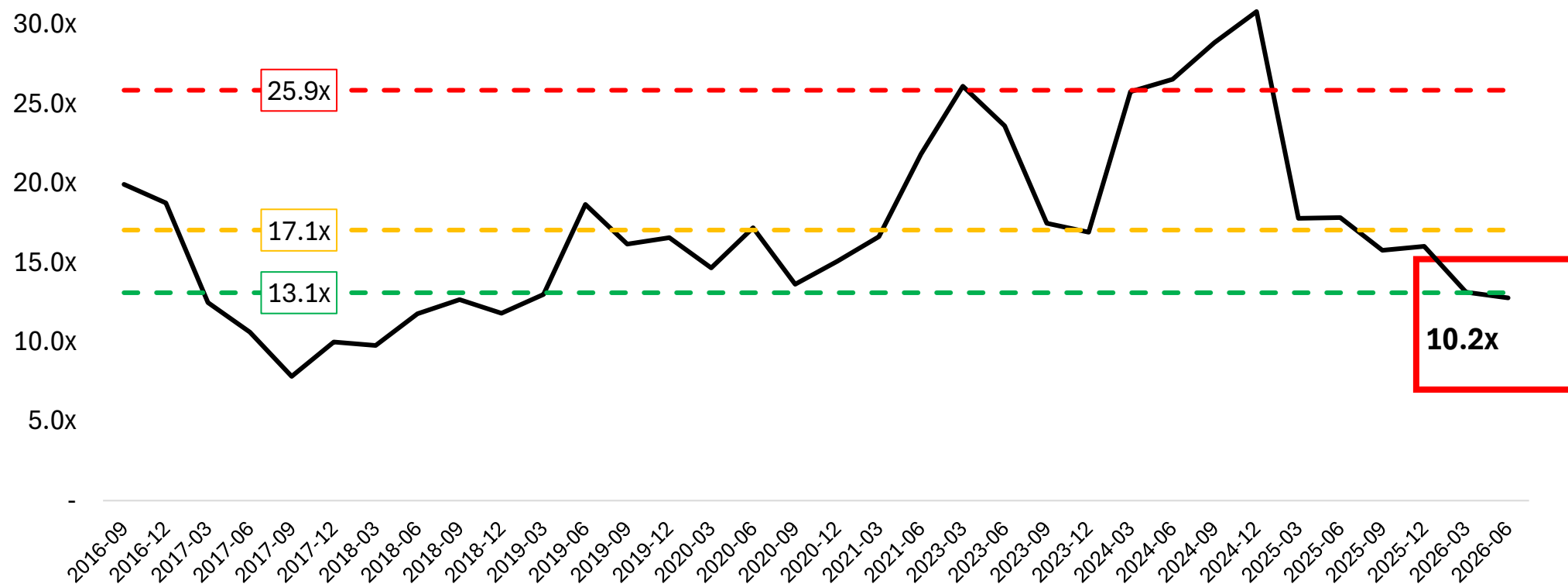


Price to Sales



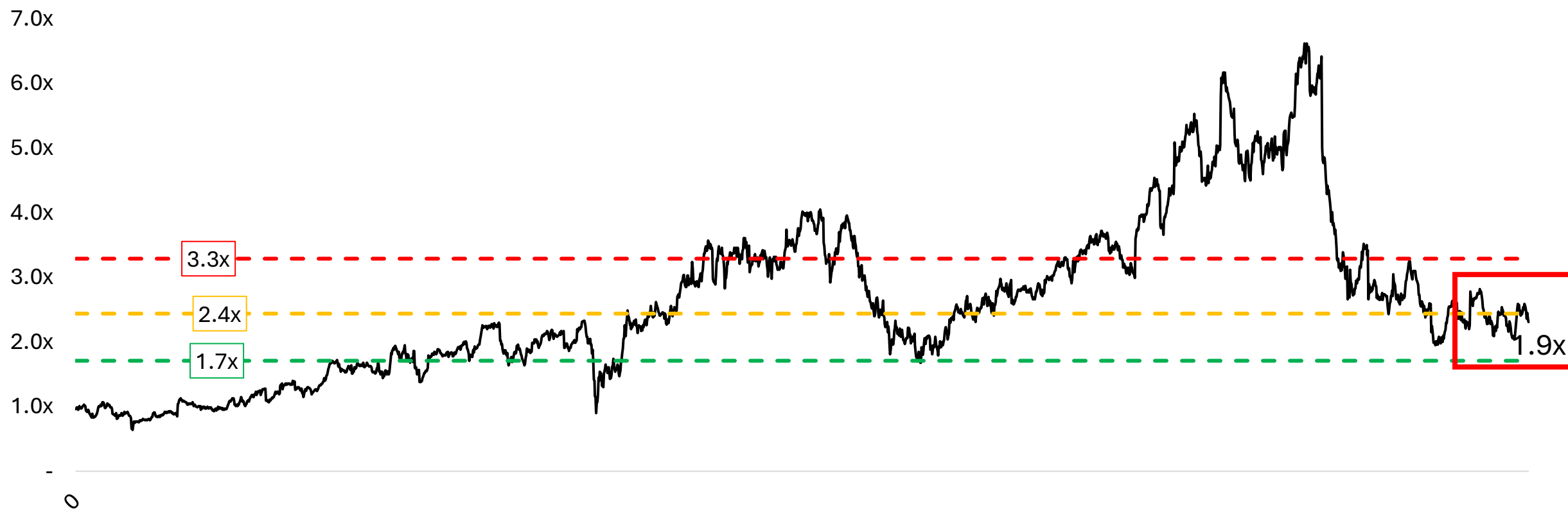


Price to Free Cash Flow

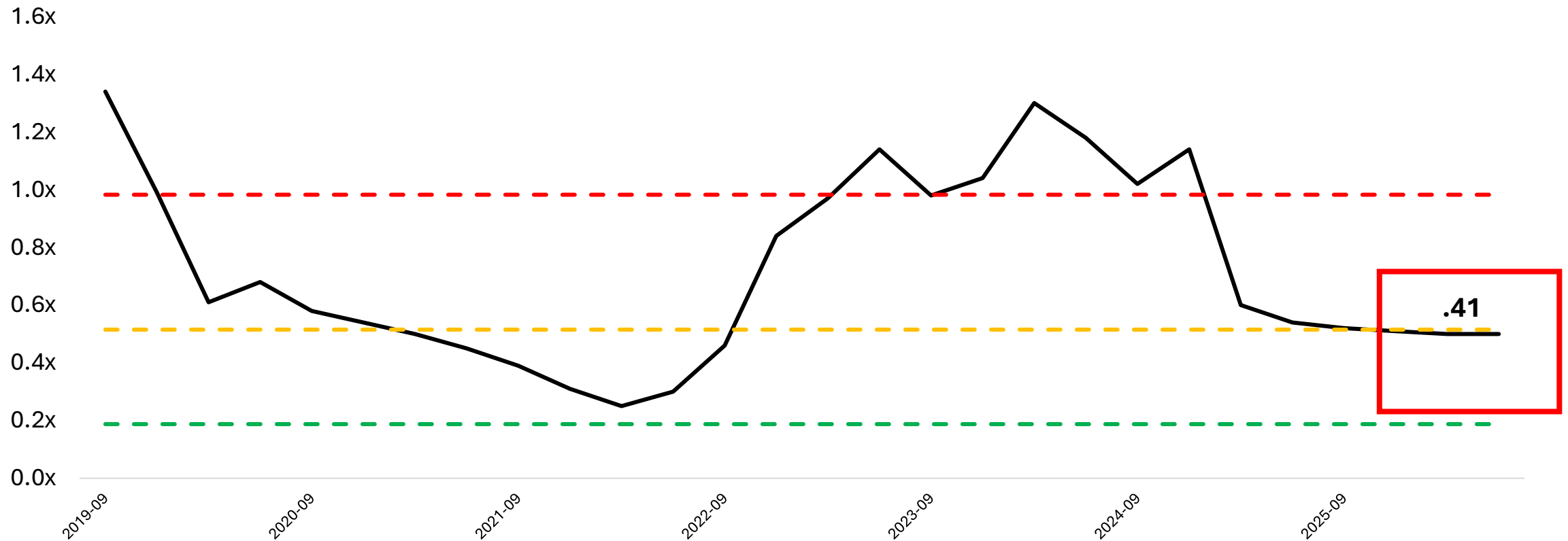




EV/Revenue



PEG





Valuation and Conclusion





Value Scenario

Ticker: DECK Price: \$78.66 Discount Rate: 11.0% Method: EPS Dividend Payout Ratio: 0.0%		5 Year Discounted Cash Flow										
							P/E	Price	Present Value	5 YR Return	Annual Return	Return + Dividends
Bear	EPS	2026	2027	2028	2029	2030	2031	11.0x	\$96.23	\$57.11	22.3%	4.1%
		\$7.02	\$7.34	\$7.67	\$8.01	\$8.37	\$8.75	11.0x	\$96.23	\$57.11	22.3%	4.1%
			4.50%	4.50%	4.50%	4.50%	4.50%	##	11.0x	\$96.23	\$57.11	22.3%
Base	EPS	2026	2027	2028	2029	2030	2031	15.5x	\$135.60	\$80.47	72.4%	11.5%
		\$7.02	\$7.34	\$7.67	\$8.01	\$8.37	\$8.75	15.5x	\$135.60	\$80.47	72.4%	11.5%
			4.50%	4.50%	4.50%	4.50%	4.50%	15.5x	\$135.60	\$80.47	72.4%	11.5%
Bull	EPS	2026	2027	2028	2029	2030	2031	21.7x	\$189.84	\$112.66	141.3%	19.3%
		\$7.02	\$7.34	\$7.67	\$8.01	\$8.37	\$8.75	21.7x	\$189.84	\$112.66	141.3%	19.3%
			4.50%	4.50%	4.50%	4.50%	4.50%	21.7x	\$189.84	\$112.66	141.3%	19.3%



Revenue Projections

Revenue Build	FY2023	FY2024	FY2025	FY2026	FY2027E	FY2028E	FY2029E	FY2030E	FY2031E
BRAND NET SALES (\$ millions)									
HOKA net sales	1,413.0	1,807.0	2,233.0	2,587.0	2,871.6	3,130.0	3,380.4	3,617.0	3,870.2
YoY growth %		27.9%	23.6%	15.9%	11.0%	9.0%	8.0%	7.0%	7.0%
UGG net sales	1,929.0	2,239.0	2,531.0	2,739.0	2,876.0	3,019.7	3,170.7	3,329.3	3,495.7
YoY growth %		16.1%	13.0%	8.2%	5.0%	5.0%	5.0%	5.0%	5.0%
Other brands net sales	285.2	241.9	221.2	146.2	131.6	118.4	106.6	95.9	86.3
YoY growth %		-15.2%	-8.6%	-33.9%	-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Total net sales	3,627.2	4,287.9	4,985.2	5,472.2	5,879.1	6,268.2	6,657.7	7,042.2	7,452.3
Total YoY growth %		18.2%	16.3%	9.8%	7.4%	6.6%	6.2%	5.8%	5.8%
mgmt. guidance range (FY2027E)					\$5,860-\$5,910				
CHANNEL SPLIT									
Wholesale % of total	59.6%	56.7%	57.3%	58.6%	57.0%	56.0%	55.0%	54.0%	53.0%
Wholesale net sales	2,161.0	2,432.0	2,856.0	3,208.0	3,351.1	3,510.2	3,661.7	3,802.8	3,949.7
DTC net sales	1,467.0	1,855.0	2,130.0	2,264.0	2,528.0	2,758.0	2,996.0	3,239.4	3,502.6
DTC Total%	40.4%	43.3%	42.7%	41.4%	43.0%	44.0%	45.0%	46.0%	47.0%
GEOGRAPHY SPLIT									
Domestic % of total	67.6%	66.8%	63.9%	58.3%	55.0%	51.0%	48.0%	46.0%	44.0%
Domestic net sales	2,451.0	2,864.0	3,187.0	3,192.0	3,233.5	3,196.8	3,195.7	3,239.4	3,279.0
International net sales	1,176.0	1,424.0	1,799.0	2,281.0	2,645.6	3,071.4	3,462.0	3,802.8	4,173.3
International Sales Mix	32.4%	33.2%	36.1%	41.7%	45.0%	49.0%	52.0%	54.0%	56.0%



Income Statement Projections

Deckers Model

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Net sales	\$3,627,286	\$4,287,763	\$4,985,612	\$5,472,296	5,879,100	6,268,180	6,657,726	7,042,234	7,452,298
Revenue Growth Rate	-	18.21%	16.28%	9.76%	7.43%	6.62%	6.21%	5.78%	5.82%
Cost of sales	(\$1,801,916)	(\$1,902,275)	(\$2,099,949)	(\$2,314,570)	(2,522,881)	(2,686,869)	(2,853,848)	(3,018,668)	(3,194,443)
Cost of Sales Growth Rate		5.57%	10.39%	10.22%	9.00%	6.50%	5.50%	5.00%	5.00%
Gross profit	\$1,825,370	\$2,385,488	\$2,885,663	\$3,157,726	\$3,356,219	\$3,581,311	\$3,803,878	\$4,023,566	\$4,257,855
Selling, general, and administrative expenses	(\$1,172,619)	(\$1,457,974)	(\$1,706,571)	(\$1,894,823)	(2,072,383)	(2,193,863)	(2,330,204)	(2,429,571)	(2,533,781)
SG&A/Rev	32.33%	34.00%	34.23%	34.63%	35.25%	35.00%	35.00%	34.50%	34.00%
Income from operations	\$652,751	\$927,514	\$1,179,092	\$1,262,903	\$1,283,836	\$1,387,448	\$1,473,674	\$1,593,995	\$1,724,073
Total other income, net	\$13,331	\$51,427	\$64,207	\$63,453	\$70,000	\$72,500	\$75,000	\$77,500	\$80,000
Income before income taxes	\$666,082	\$978,941	\$1,243,299	\$1,326,356	\$1,353,836	\$1,459,948	\$1,548,674	\$1,671,495	\$1,804,073
Income tax expense	(\$149,260)	(\$219,378)	(\$277,208)	(\$302,285)	(\$311,382)	(\$331,344)	(\$351,481)	(\$379,356)	(\$409,445)
Tax Rate	22.41%	22.41%	22.30%	22.79%	23.00%	22.70%	22.70%	22.70%	22.70%
Net income	\$516,822	\$759,563	\$966,091	\$1,024,071	\$1,042,454	\$1,128,604	\$1,197,193	\$1,292,139	\$1,394,628
Net Income Growth Rate%		46.97%	27.19%	6.00%	1.80%	8.26%	6.08%	7.93%	7.93%
Gross margin %	50.32%	55.63%	57.88%	57.70%	57.09%	57.13%	57.13%	57.13%	57.13%
Operating margin %	18.00%	21.63%	23.65%	23.08%	21.84%	22.13%	22.13%	22.63%	23.13%



EPS Projections

Adjusted Net income per share									
Basic	3.25	4.89	6.36	7.04	7.50	8.46	9.35	10.40	11.57
Growth%	-	50.56%	29.90%	10.73%	6.59%	12.78%	10.50%	11.27%	11.27%
Diluted	3.23	4.86	6.33	7.02	7.49	8.44	9.33	10.38	11.55
Growth%	-	50.57%	30.20%	10.99%	6.59%	12.78%	10.50%	11.27%	11.27%
Adjusted Weighted-avg shares outstanding (000s 2023 and 2024 numbers are adjusted)									
Basic	159,023	155,225	151,992	145,498	138,951	133,393	128,057	124,215	120,489
Shares Outstanding		-2.39%	-2.08%	-4.27%	-4.50%	-4.00%	-4.00%	-3.00%	-3.00%
Diluted	160,116	156,285	152,670	145,805	139,244	133,674	128,327	124,477	120,743
Shares Outstanding		-2.39%	-2.31%	-4.50%	-4.50%	-4.00%	-4.00%	-3.00%	-3.00%



P/E Exit Multiple Model

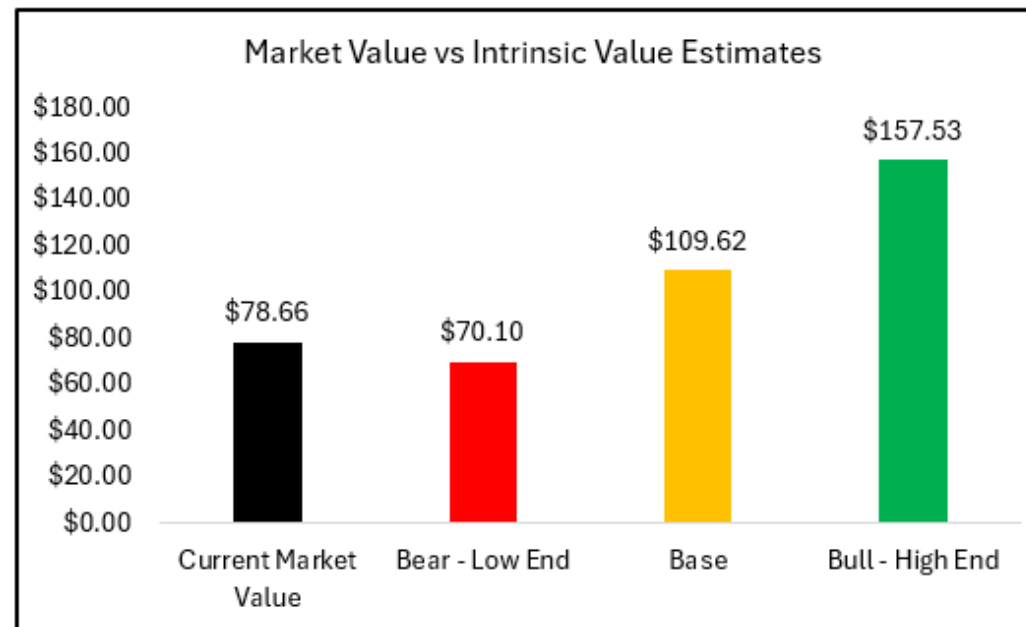
Ticker:	DECK												
Price:	\$78.66												
Discount Rate:	11.0%	5 Year Discounted Cash Flow											
Method:	EPS												
Dividend Payout Ratio	0.0%												
								P/E	Price	Present Value	5 YR Return	Annual Return	Return + Dividends
Bear	EPS	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	12.0x	\$118.12	\$70.10	50.2%	8.5%	8.5%
		\$7.02	\$7.37	\$7.96	\$8.60	\$9.20	\$9.84	13.0x	\$127.96	\$75.94	62.7%	10.2%	10.2%
			5.00%	8.00%	8.00%	7.00%	7.00%	##	14.0x	\$137.81	\$81.78	75.2%	11.9%
Base	EPS	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	15.0x	\$171.74	\$101.92	118.3%	16.9%	16.9%
		\$7.02	\$7.48	\$8.37	\$9.24	\$10.29	\$11.45	16.0x	\$183.19	\$108.71	132.9%	18.4%	18.4%
			6.59%	11.80%	10.50%	11.29%	11.29%		17.0x	\$194.63	\$115.51	147.4%	19.9%
Bull	EPS	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	18.0x	\$238.90	\$141.77	203.7%	24.9%	24.9%
		\$7.02	\$7.72	\$8.80	\$10.04	\$11.54	\$13.27	19.0x	\$252.17	\$149.65	220.6%	26.2%	26.2%
			10.00%	14.00%	14.00%	15.00%	15.00%		20.0x	\$265.44	\$157.53	237.5%	27.5%



Sensitivity Analysis

28.5% margin of safety from base case

Total RoR Sensitivity				
P / E		Est. FCF/Share growth rate		
		7.0%	10.5%	13.6%
	12.0x	8.5%	17.1%	24.9%
	16.0x	10.2%	18.6%	26.2%
	20.0x	11.9%	20.1%	27.5%



Value



- This is a company with:
- Perfect Financials
- Investment Into Growth
- Good Management Team
- Commitment to returning value to shareholders
- Discount Valuation
- This is exactly what we look for in BIC





My Recommendation

- 1,290 shares for about \$101,678 by using a limit order of 78.50\$
- This would make it about 5 % of our portfolio
- This would be a good weight to capture the returns but also allow for tracking error on the downside

Thank You



Questions



Any Questions ?



Appendix



ROIC Calculation

Deckers Outdoor ROIC % Calculation

Deckers Outdoor's annualized Return on Invested Capital (ROIC %) for the fiscal year that ended in Mar. 2026 is calculated as:

$$\begin{aligned} & \text{ROIC \% (A: Mar. 2026)} \\ &= \text{NOPAT} \quad / \quad \text{Average Invested Capital} \\ &= \text{Operating Income} * (1 - \text{Tax Rate \%}) \quad / \quad ((\text{Invested Capital (A: Mar. 2025)} + \text{Invested Capital (A: Mar. 2026)}) / \text{count}) \\ &= 1245.054 * (1 - 22.791\%) \quad / \quad ((1270 + 1395.708) / 2) \\ &= 961.29374286 \quad / \quad 1332.854 \\ &= 72.12 \% \end{aligned}$$



Low Switching Costs

**Like all retail companies
there are no switching**

**There is nothing stopping
someone from buying different
shoes**

**This does not mean they have
no moat at all**

