



THE NORTH FACE

Company Sales Growth

Presented by Drew Burns



Introduction

01 WHO WE ARE

We are the outdoor adventure-wear company that provides practical innovation-led outerwear, apparel, equipment, bags, and footwear for anyone ready to go outside and explore.

02 WHY WE ARE

When walking out the door to the next adventure, we know what is worn needs to be trusted and optimized for whatever challenge is ahead. We apply the highest standards to our products to help everyone get outside, stay outside, and protect our planet.

03 WHAT WE'RE DOING

Our roles include designing high-quality products for a local and global audience, sharing inspiration through our brand touchpoints, and fostering community with key community initiatives.

04 OBJECTIVES

- Double our sales volume by FW '25's end by optimizing our current resources and introducing new technology.
- BHAG: Prepare, inspire, and equip all athletes to explore every day.

Quantitative Analysis

BRAND ENGINE

- TNF backed athletes in climbing, snow, running, and mountaineering categories
 - High-performance results at the sport pinnacles (2nd, 3rd place UTMB finishers)
 - Alex Honnold and Jimmy Chin's 'Free Solo' shows the courage of the brand

CUSTOMER FOCUS

- TNF Japan has six separate stores per category
 - Selling non-TNF items to fully serve their customers
- Six US based instagram pages to specifically serve different demographics

PRODUCT PROMISES

- Hyper-specific consumer focus that creates better products in each category
- Focused insights for new products- greater emphasis on serving those in the cities
- Regional products for Europe and Asia (Tokyo and Switzerland design offices)



TOP SELLING ITEMS



Quantitative Analysis

THE NORTH FACE SALES

High DTC Traffic: 55% of sales are DTC (30% TNF Retail, 25% TNF EComm)

Winning in Winter: 40% of sales are Jackets/Coats/Vests with it being representative of only 30% of SKU's (Google Bard)

Premium Cost: 60% of customers make over \$50,000 annually (Statista)

Steady Growth in NA: 12% sales growth in NA for Q2 2024 (Investor Relations)

Midlevel Merch: \$520 sales dollars per square foot in 2022 (S&P Global Market Intelligence) above Arc'teryx, Patagonia, and Columbia but below Nike, Adidas, Puma

Cart Abandonment: 65% cart abandonment rate due to industry. Falling short of Patagonia (Baymard Institute)

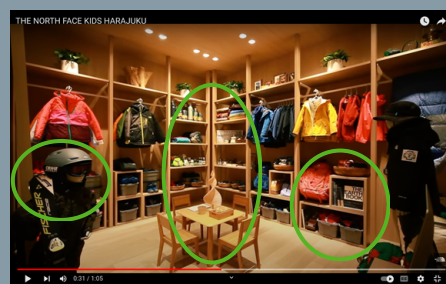
Takeaways: The brand has high sales success when working with wholesale partners but has improvements to make within DTC channels. There is an opportunity to exceed growth targets globally, especially in North America during the summer.

Current Shortcomings

Mission: To double sales growth in the next two years, The North Face must provide a consistent holistic shopping experience in North America from end to end and season to season.

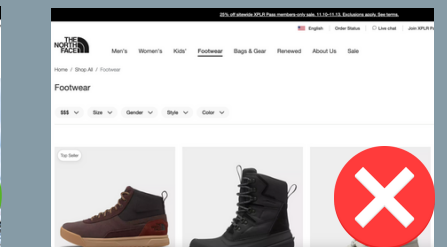
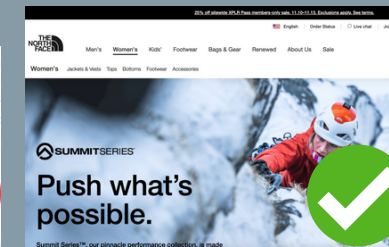
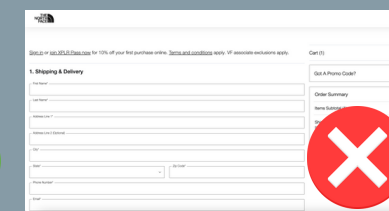
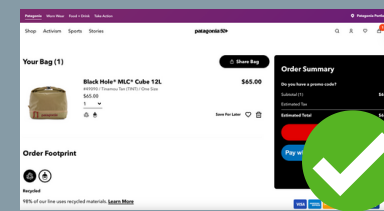
NA RETAIL UPGRADE

Lack of point-of-purchase merchandise, exclusively TNF products, increase sales per square foot via visual merch



ECOMM OPTIMIZATATION

Shortfall in footwear storytelling (uninviting landing page.)
Unappealing checkout process



SUMMER SPORT SALES

Improvements needed in Run, Climb, Hike, and Active apparel categories. Product direction should focus on keeping athletes cool in the summer, warm in the winter.



SPORT MOMENTS

Sharing key brand moments has led to brand growth (25% climbing sales increase post 'Free Solo') (NPD Group.)
Brand can capitalize on Paris & Italy Olympics + UTMB.



Merchandising

Key Targets

QUARTERLY MILESTONES



SS '24

- In-store experience targeted towards speed climbing, trail, and bags ahead of the Paris Olympics
 - Target 30% increase from SS '23 in these categories in NA
- POP items like running gu's, stickers, climbing chalk/bags, and socks in NA
 - Target 5% NA sales increase



SS '25

- Introduce high-tech trail running, climbing, hiking, and active apparel/footwear
 - Cooling technologies highlight the initiative- 40% activewear sales increase
- TNF UTMB athlete documentary
- E-commerce digital stories drive a 15% sales increase

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FW '24

- ECommerce site refresh including checkout improvements, footwear merchandising, and
 - Target: <60% Cart Abandonment Rate
- Refresh POP and mannequins to Winter
- Expect 20% YOY growth



FW '25

- In-store experience targeted towards snow sports, and bags ahead of the Italy Olympics
 - Target 30% increase from FW '24 in these categories
- Expect 30% YOY growth after the season
- 25% two-year growth rate achieved