

Fiscal 2018 Annual General Meeting

FRIDAY, JUNE 14, 2019

Jim Gabel

PRESIDENT & CHIEF EXECUTIVE OFFICER



Today's Agenda

FORMAL BUSINESS

CORPORATE UPDATE

Roots

Erol Uzumeri

CHAIRMAN OF THE BOARD

Disclaimer

All figures discussed in this presentation are stated in $CAD millions, unless otherwise noted.

Non-IFRS Measures and Retail Industry Metrics
This presentation makes reference to certain non-IFRS measures including certain metrics specific to the industry in which we operate. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures are not intended to represent, and should not be considered as alternatives to net income or other performance measures derived in accordance with IFRS as measures of operating performance or operating cash flows or as a measure of liquidity. In addition to our results determined in accordance with IFRS, we use non-IFRS measures including EBITDA, Adjusted EBITDA, Adjusted net income (loss), and Adjusted net income (loss) per share. This presentation also refers to comparable sales growth (decline), a commonly used metric in our industry but that may be calculated differently compared to other companies. We believe these non-IFRS measures and industry metrics provide useful information to both management and investors in measuring our financial performance and condition and highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. Definitions and reconciliations of non-IFRS measures to the relevant reported measures can be found in our Q1 Fiscal 2019 Management's Discussion & Analysis (MD&A) under "Cautionary Note Regarding Non-IFRS Measures and Industry Metrics", which is available on SEDAR at www.sedar.com.

Forward-Looking Information
Certain information in this presentation contains forward-looking information. This information is based on management's reasonable assumptions and beliefs in light of the information currently available to us and are made as of June 14, 2019. Actual results and the timing of events may differ materially from those anticipated in the forward-looking information as a result of various factors. Information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. Statements containing forward-looking information are not facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements. See "Forward-Looking Information" and "Risk Factors" in the Company's Q1 Fiscal 2019 MD&A and current Annual Information Form, which are available on SEDAR at www.sedar.com, for a discussion of the uncertainties, risks and assumptions associated with these forward-looking statements. Readers are urged to consider the uncertainties, risks and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. We have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law.

DTC = Direct-to-Consumer
P&O = Partners & Other

Roots



Formal Business

PRESENTATION OF FINANCIAL STATEMENTS

ELECTION OF DIRECTORS

RE-APPOINTMENT OF AUDITORS

Roots

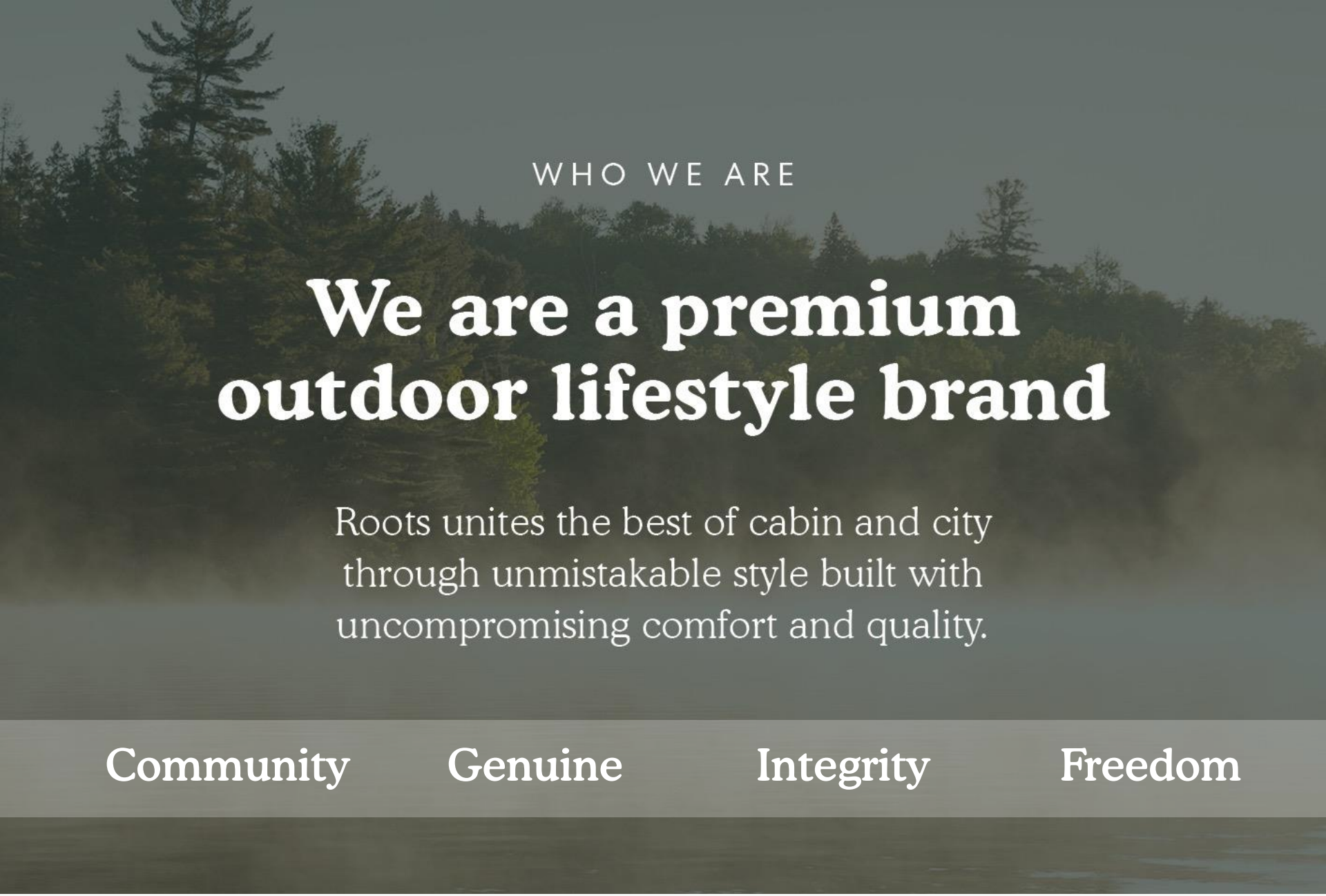


Corporate Update

FRIDAY, JUNE 14, 2019

Jim Gabel

PRESIDENT & CHIEF EXECUTIVE OFFICER


WHO WE ARE
We are a premium outdoor lifestyle brand
Roots unites the best of cabin and city through unmistakable style built with uncompromising comfort and quality.
Community
Genuine
Integrity
Freedom

Roots



LIFESTYLE

City

PREMIUM ($$$)

STYLE FIRST
FASHION LEADERS
TRENDSETTING
MODERATE TO PREMIUM QUALITY
PREMIUM PRICE POINT

FUNCTION FIRST
INNOVATION LEADERS
OUTDOOR TESTED
MODERATE TO PREMIUM QUALITY
PREMIUM PRICE POINT

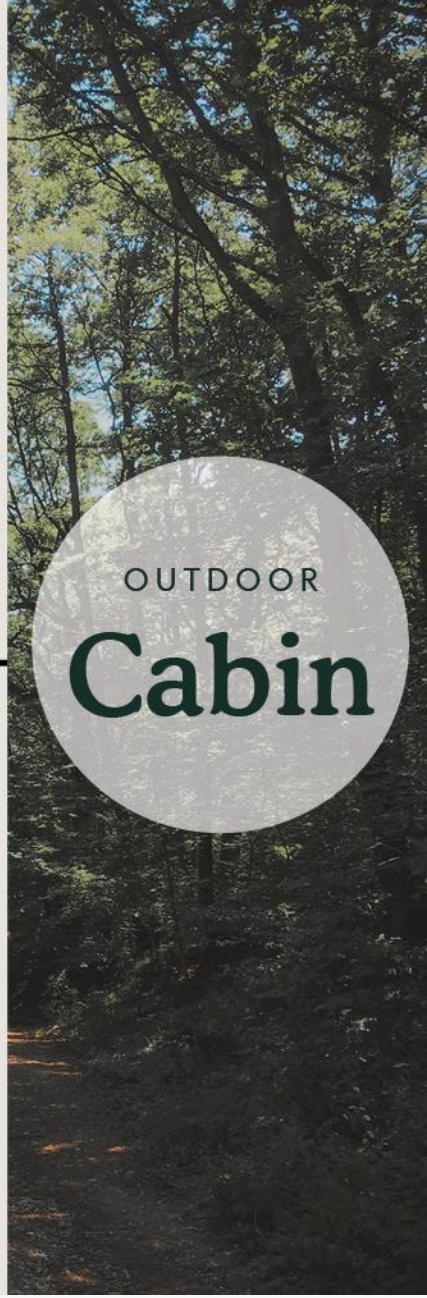
We are a premium outdoor lifestyle brand

Function and Comfort Meets Style
Heritage Brand
Outdoor and Trend Inspired
Premium Quality
Moderate to Premium Price Point

STYLE FIRST
FAST FASHION
TREND INSPIRED
LOW TO MODERATE QUALITY
LOW PRICE POINT

FUNCTION FIRST
INNOVATION ADOPTERS
OUTDOOR INSPIRED
MODERATE QUALITY
LOW PRICE POINT

MASS ($)



OUTDOOR

Cabin

Roots

Our Global Product Range

Women's and Men's Apparel



63%

OF FISCAL 2018 DTC REVENUE

Leather Goods



10%

OF FISCAL 2018 DTC REVENUE

Footwear



2%

OF FISCAL 2018 DTC REVENUE

Accessories



11%

OF FISCAL 2018 DTC REVENUE

Kid, Toddler and Baby



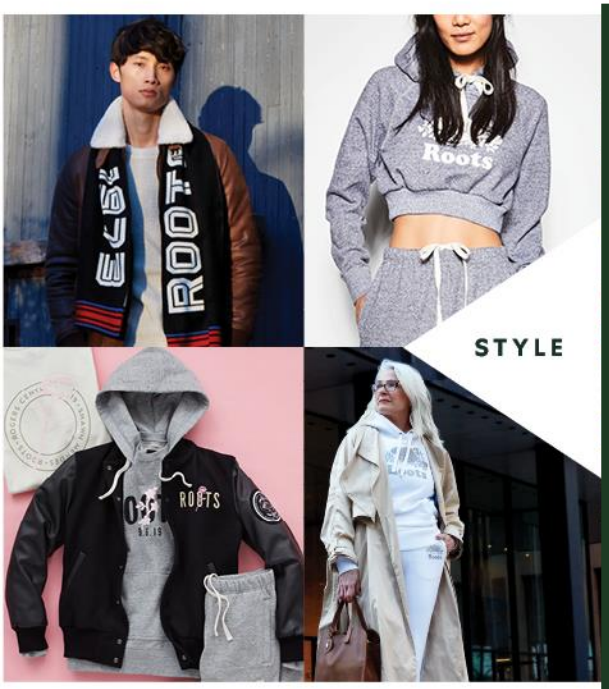
14%

OF FISCAL 2018 DTC REVENUE



Roots

Our Consumer Bandwidth



Style Collector



Everyday Adventurer



Comfortable Camper

Roots



Results Update

Roots

Expanding Global Footprint

CORPORATE -OWNED

CANADA STORES
115



U.S. STORES
8



COUNTRIES SHIPPED TO
>50



PARTNER -OWNED



TAIWAN STORES
115



CHINA STORES
39



HONG KONG STORE
1

- More stores outside of Canada
- Seamless omni-channel shopping experience in Canada and U.S.
  - NEW STORES
  - RENOVATIONS AND RELOCATIONS
  - ENHANCED ONLINE SHOPPING EXPERIENCE
  - OPTIMIZATION OF CANADIAN STORE FOOTPRINT
- Multi-channel shopping experience in Asia
  - NEW STORES
  - NEW MARKETS
  - NEW ONLINE MARKETPLACES
- International eCommerce

Canada and U.S. store counts as of June 14, 2019

Shipping countries as at February 2, 2019 (Fiscal 2018)

Taiwan, China and Hong Kong store count as of May 4, 2019 (Q1 2019)

Roots

Building Brand Voice



Roots x Shawn Mendes



Roots x Air Canada

International Sweatpants Day



Roots x NCC

International Beaver Day



True to Our Nature

Brand Campaign Launch

Roots

Creating Product Excitement



Cozy Cabin



Seymour Jacket



Mont Royal Bag



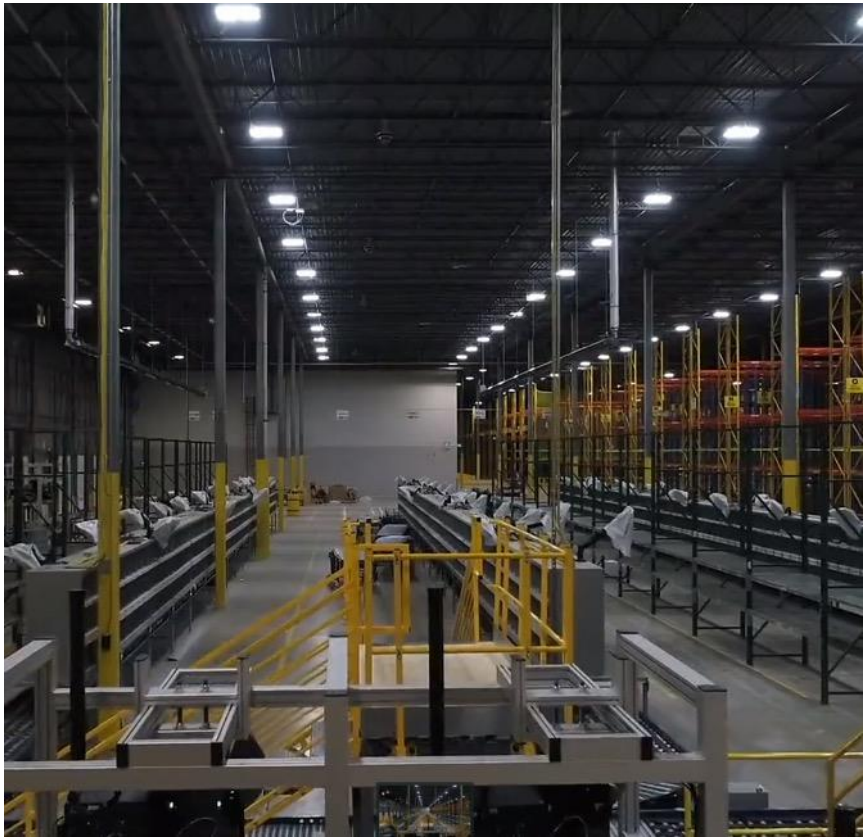
Hybrid Jacket



Essential Jogger

Roots

Opening Integrated Distribution Centre



Opening Q2 2019

- Better support Canadian and U.S. sales growth expectations
- Bring together store and eCommerce fulfillment
- Improve distribution costs
- Manage inventory across stores and eCommerce into single facility
- Deliver to stores and consumers faster

See Disclaimer: Forward-Looking Information

Roots

Fiscal 2018 Financial Results Summary

	Fiscal 2018	Fiscal 2017
Total Sales	$329.0M	$326.1M
Comparable Sales Growth	(1.3%)	12.2%
DTC Gross Margin	61.2%	59.0%
Adjusted EBITDA	$41.9M	$52.6M
Adjusted Net Income	$20.2M	$29.1M

See Disclaimer: Non-IFRS Measures and Retail Industry Metrics

Roots

Q1 Fiscal 2019 DTC Comparable Sales Growth & Sales

Comparable Sales Growth

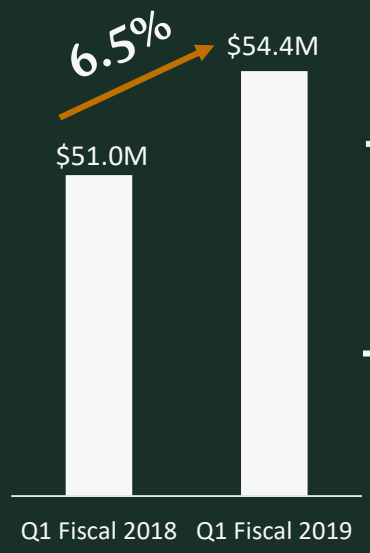
1.5%

Q1 Fiscal 2019

6.8%

Q1 Fiscal 2018

Q1 Fiscal 2019 Sales



+5.5%

YoY Increase in DTC Sales

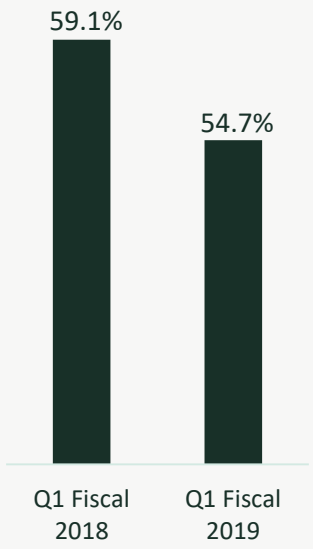
+12.8%

YoY Increase in P&O Sales

See Disclaimer: Non-IFRS Measures and Retail Industry Metrics

Roots

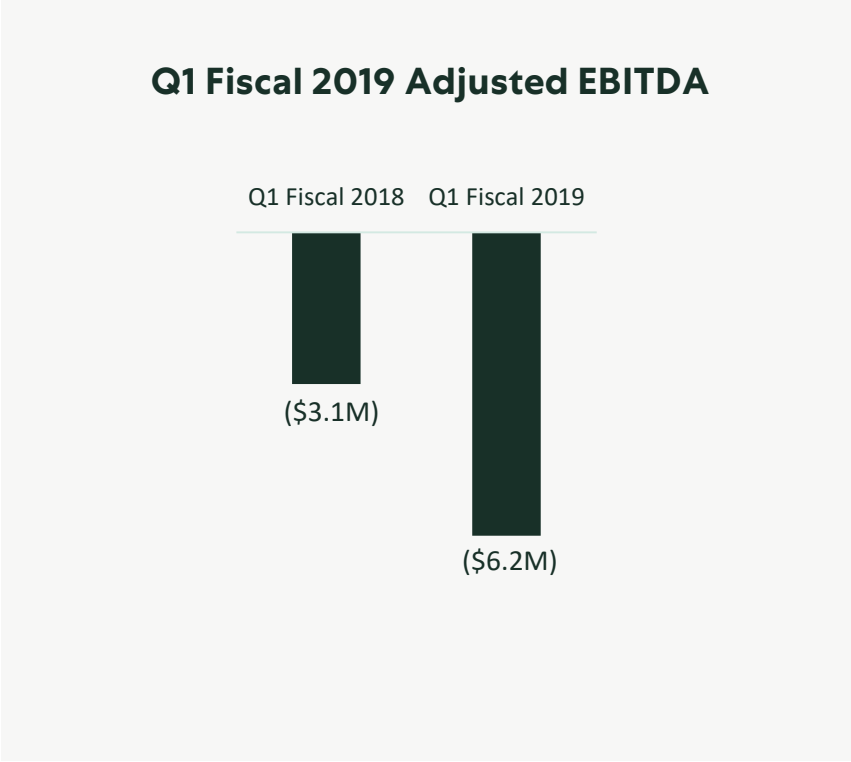
Q1 Fiscal 2019 DTC Gross Margin

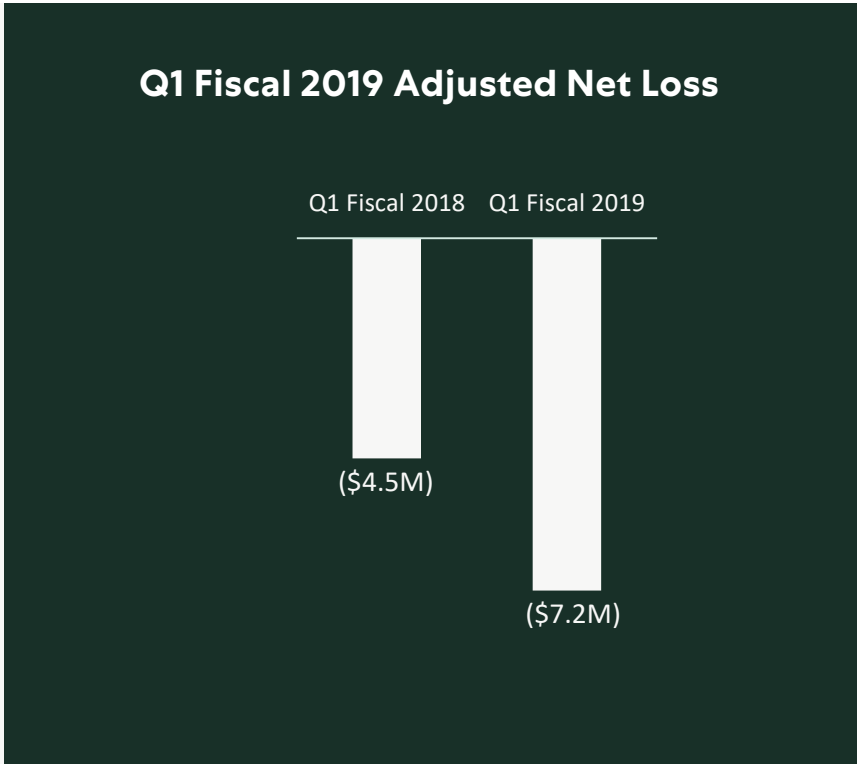


- Improved overall inventory position in connection with move to new Distribution Centre
- Meaningful progress realigning inventory through aggressive markdowns and promotional activity

Roots

Q1 Fiscal 2019 Adjusted EBITDA & Adjusted Net Loss





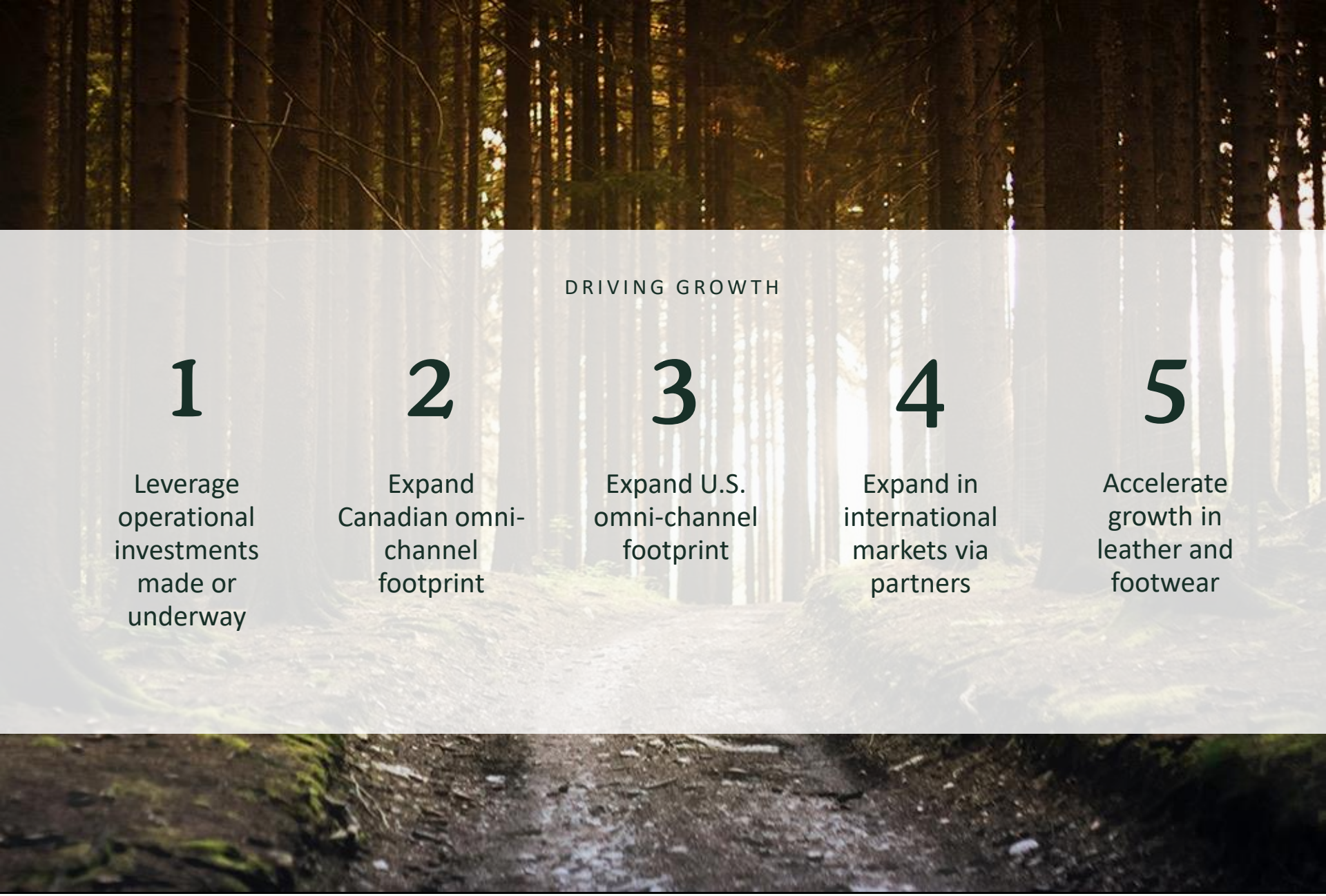
See Disclaimer: Non-IFRS Measures and Retail Industry Metrics

Adjusted EBITDA and Adjusted Net Loss exclude IFRS 16 impact. See MD&A for reconciliation.

Roots



Outlook



DRIVING GROWTH

1

Leverage operational investments made or underway

2

Expand Canadian omni-channel footprint

3

Expand U.S. omni-channel footprint

4

Expand in international markets via partners

5

Accelerate growth in leather and footwear

See Disclaimer: Forward-Looking Information

Roots



FISCAL 2019 OPERATIONAL TARGETS

Renovations & Expansions

5-7
Stores

Canadian Store Openings

1-2
Stores

U.S. Store Openings

1-2
Stores

International Markets

Continue to:

Add stores in Taiwan and China

Explore entry into new markets

eCommerce

17-19%
Percent of DTC sales



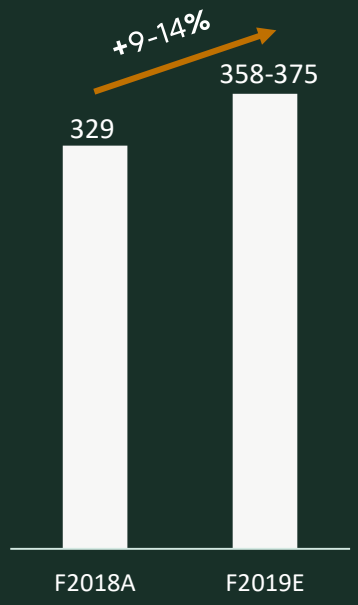
See Disclaimer: Forward-Looking Information

Roots

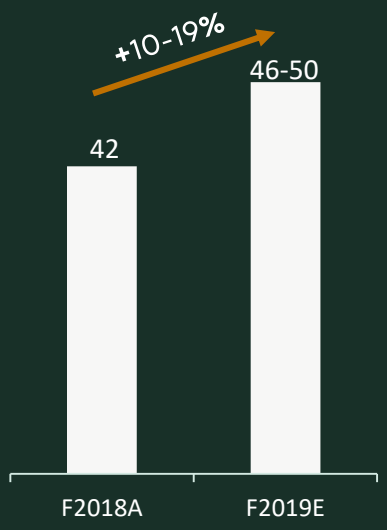
Fiscal 2019 Financial Targets

IN $ MILLIONS

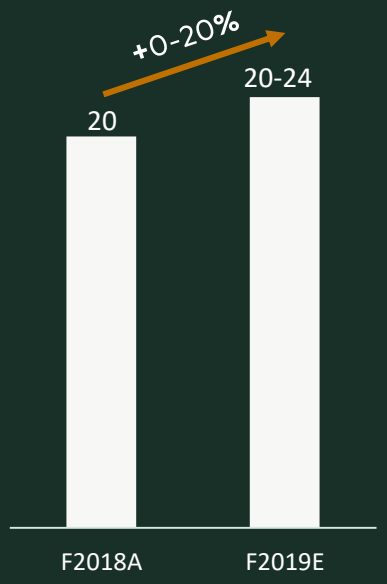
Total Sales



Adjusted EBITDA



Adjusted Net Income



See Disclaimer: Forward-Looking Information Non-IFRS Measures and Retail Industry Metrics

Roots

OUR VISION

To inspire the world to experience everyday adventures with comfort and style



Roots