

CUTTER & BUCK CANADA
NEW WAVE GROUP CANADIAN DISTRIBUTION INC.

CAPITAL MARKET DAY 2024



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CUTTER & BUCK CANADA

NEW WAVE GROUP CANADIAN DISTRIBUTION INC.

INTRODUCTION

Located just outside Toronto, 10 minutes away from Toronto Pearson International Airport, the Cutter & Buck Canada Distribution Centre is a State-of-the-Art 77,500 square foot facility constructed as a high efficiency distribution centre for apparel.



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INTRODUCTION

While Cutter & Buck had been in the Canadian market before 2011, it wasn't until New Wave Group purchased the company that the real roots of the C&B and Clique Brands would be planted in the summer of 2013.

In Q4 2017, we opened our Distribution Centre; as they say, the rest is history.

SALES GROWTH SINCE DC OPENING (YOY)

2018	2019	2020	2021	2022	2023
51%	31%	-22%	46%	44%	11%



FACT: The GPS wire guided picking system is the first of its kind in Ontario and second in Canada.



OUR VISION AND MISSION

The Cutter & Buck Vision and Mission

Cutter & Buck exists to continuously improve the sportswear experience, and our mission is to delightfully serve our customers with high quality products.

Our Culture

We are committed to continuous improvement and we eagerly take on new challenges. We value learning, hard work, persistence and results, all coupled with a positive attitude. We help one another, and we seek help to make improvements in ourselves, our products, and our processes so that we delight our customers.

Our People

Your own family always comes first, as your family gives you the strength and inspiration to work hard. You are part of a family at C&B too: We respect each other and each other's contributions, we hold ourselves accountable to each other, we stand together, and we move forward together.

Our Customers

The mission of our business is to delightfully serve our customers, and continuously serve a growing number of customers. With every product, every process, every order large or small, we embrace this opportunity.

Our Communication

We communicate with honesty and clarity.

Our Profits

We respect that improved profitability helps all of our stakeholders. It comes from growing sales, improving margins, and using creativity with cooperation to achieve the lowest possible costs.

Our Future

We believe in sustainable growth. It is important for us to adapt business solutions that are financially profitable, but also sustainable from a social and environmental perspective.

Our Conduct

We are loyal and committed to the success of Cutter & Buck. We pursue the goals of our business lawfully, and to the best of our abilities.

TOWARD EVER BETTER

Committed to producing 90% sustainable products by 2025, Cutter & Buck believes harmony is possible between business, nature and society.

We are committed to sustainability and we create long lasting products through sustainable production practices.

We focus our Sustainability Objectives in three areas;

- SUSTAINABLE PRODUCTS
- SUSTAINABLE OPERATIONS
- SUSTAINABLE PRODUCTION



TOWARD EVER BETTER



PRODUCTS FROM MORE SUSTAINABLE MATERIALS

Committed to 90% of our products with sustainable material attributes by 2025. YTD sales of sustainable products containing recycled content certified by Global Recycled Standard have utilized more than 5.8 million post-consumer recycled plastic bottles.



ZERO AIR FREIGHT

We designed our Product and Marketing strategy to use only Sea Freight in our Supply Chain.

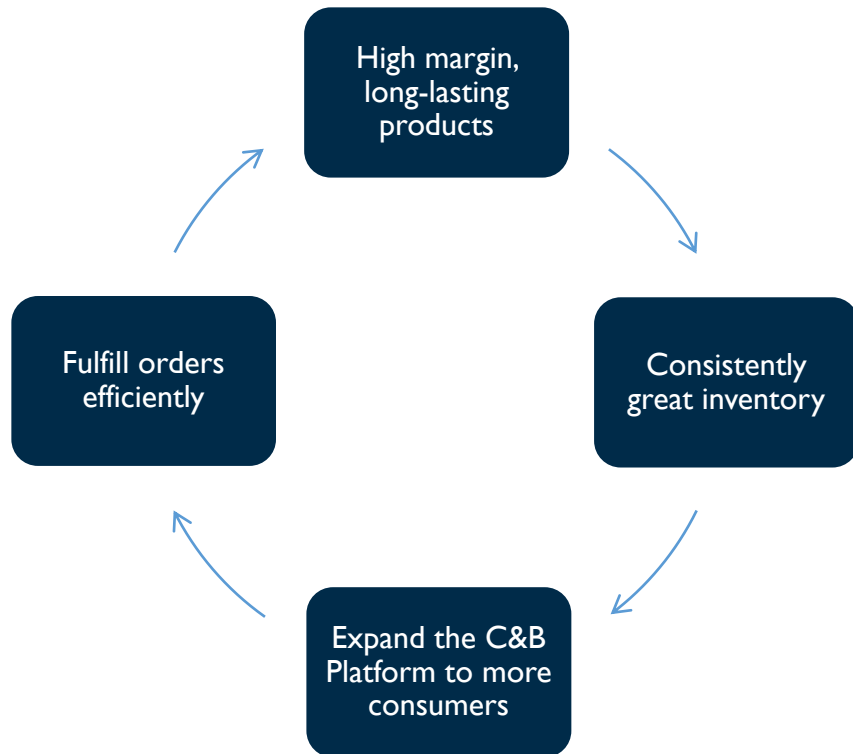


ALL DIGITAL

Our marketing and sales materials are all designed to be fully digital, resulting in ZERO Printed materials since 2019.

FLYWHEEL STRATEGY

HOW WE DO IT



The C&B “Flywheel” Business Model

We employ our Market Winning Product Series Strategy to achieve consistently high margins from Cutter & Buck and Clique high volume products that we sell across all channels.

We have a multi-step process coordinated with NWG Sourcing to achieve a 98% Inventory Service Level Objective.

The C&B Platform is the combination of long-lasting products with our capability to decorate and fulfill orders efficiently. We focus on expanding the size and the reach of our Platform to find more consumers in all channels.

We continuously improve our efficiency, productivity, and capacity to fulfill orders more efficiently.

Over 75% of our product sales are shipped from our Toronto DC.

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HOW WE DO IT



- Our customers can draw from almost 2 million units of product from Toronto and a total of 10 million units in the US. That gives us a HUGE advantage in the marketplace with our high level of inventory.
- We ship our customer orders out the door, the same day if the order is submitted by 5:00PM.
- We have 20 Sales Representatives across Canada.
- 1,950 Active Customers (64% Corporate).
- ONLY 12 DC Employees working in our Operations.
- Our publicized and welcomed commitment to Sustainability.

MARKET WINNING PRODUCTS

HOW WE DO IT

- Cutter & Buck and Clique products are developed as multi-dimensional product series, referred to as Market Winning Product Series (MWPS).
- Cutter & Buck and Clique MWPS share a well-sourced, well-priced fabric that can be utilized among several high volume styles that will last many years. This strategy creates streamlined end-to-end efficiencies all the way from product development and sourcing to marketing and selling activities. This allows us to maximize our return on investment in our design work and creates a stable long-term economic engine for NWGCDI.
- In Canada, our focus is Gross Margin and the best way to achieve this is by working with Duty-Free countries. We are working with the CB Inc. to ensure this happens by committing to Dual Sourcing for future production.



MARKET WINNING PRODUCTS

HOW WE DO IT

- In 2019, we introduced The Stockholm Collection by Clique.
- Very quickly, it took the Canadian marketplace by storm.
- In 2023, The Stockholm Collection represented **25% of TOTAL** sales combined in Canada.
- Q2 2024, Stockholm will be introduced in the US.

STOCKHOLM COLLECTION



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THE CANADIAN MARKET



- Canada is the second largest country in the world by land mass, with a highly urbanized population.
- Over 40 Million People - 70% live within 160 km of the southern border with the U.S.
- As a Commonwealth country, Canada has historical ties to the U.K. (and Europe), but also maintains strong trade and cultural ties with the U.S.
- There are two official languages in Canada: English (the mother tongue of 66%) and French (the primary language of 21%). Due to a largely pro-immigration policy, Canada is very multicultural, with over 200 different languages represented.
- Canada's advanced economy is the ninth largest in the world, relying on natural resources and an extensive international trade network. There are over 1.2M Small to Medium Enterprises in Canada, with a net average of 10,000 new companies created each year.
- Current Economic Outlook – While we are in a time of uncertainty in our nation, C&B Canada is still in a position to grow, opening new doors and stealing market share.

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CHANNELS OF BUSINESS

Within our Canadian operation, we group our sales channels into in to the following main operating divisions:

1. Corporate
2. Team
3. Golf
4. Specialty Retail (Including Big & Tall, Destination and B2C)



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CORPORATE

- The Corporate Promo market in Canada is in a mature life-cycle stage but continues to experience moderate growth of 1.7% annually.
- The apparel segment represents \$425M in annual sales (suppliers to distributors).
- In 2023, we had an estimated 3.85% of the overall apparel market in the Corporate Promotional Industry.
- BC, Quebec and Ontario comprise of 83% of Canada's Corporate distributors.

BIG BRANDS

Nike, Adidas, Under Armour
North Face, Oakley, Ogio

Not accessible to everyone
Do not carry deep inventory
Higher price due to distribution
Strong consumer appeal
Marketed as a want vs need
Inherent quality story in brand
Brand heat sells the products

TRADE BRANDS

Core365, ATC, Gildan,
Elevate, Devon & Jones

Available to all customers
Deep levels of inventory
Low price, cost conscious
Weak consumer appeal
Marketed as commodities
Rarely focus on a quality story
No brand heat or excitement

The Opportunity

- The Big Athletic Brands are not seen as accessible, easy to do business with, or capable of maintaining solid levels of inventory.
- The Trade Brands have done a poor job of telling interesting stories, or engaging consumers beyond filling a need with a commodity.

We have established Cutter & Buck Canada as a dominant apparel supplier who provides distinctive, replenishable sportswear – backed by genuine, high value service.

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CHANNELS OF BUSINESS

THE OTHER CHANNELS

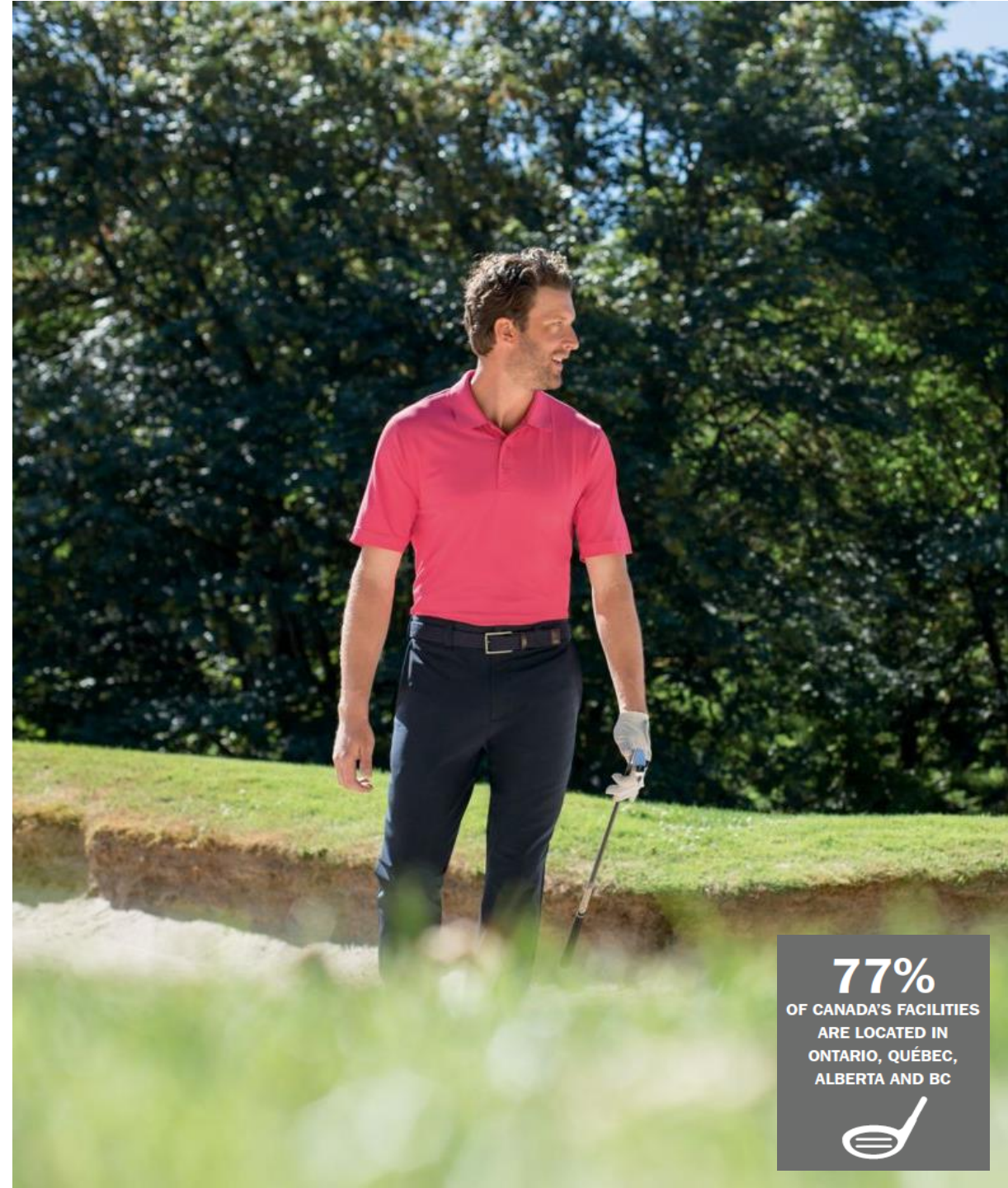
- The Canadian Team Dealer market largely consists of independent sporting goods retailers who service local clubs and sports organizations with uniforms and equipment. It is estimated that this market includes 400 such retailers across the country.
- There is tremendous potential with the Clique brand.



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THE OTHER CHANNELS

- The PGA of Canada has a membership of 3,700 golf professionals across Canada, and reports there are 2,051 golf courses in the country.
- The Specialty Retail business is broken into Major Chain Retail and Independent Retail. Our focus in this sales channel is currently the Independent Retailer, as it is a better fit for our brands, products and business model.



77%

OF CANADA'S FACILITIES
ARE LOCATED IN
ONTARIO, QUÉBEC,
ALBERTA AND BC



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VISION FOR THE FUTURE



NewWave
GROUP



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Q: WHAT DOES THE FUTURE HOLD?

A: NWG CANADA TO BECOME THE DOMINANT SUPPLIER OF PROMOTIONAL APPAREL IN CANADA

An aerial view of Seattle, Washington, taken from the perspective of someone looking out of an airplane window. The wing of the plane is visible in the upper right corner, and a white diagonal beam, likely part of the window frame, runs from the top left towards the center. The city below is densely packed with buildings, with the Space Needle prominently visible in the center. The city extends to the waterfront, where a large body of water (the Elliott Bay) is visible. The sky is filled with soft, grey clouds, and the overall lighting is diffused, suggesting an overcast day. The text 'THANK YOU' is overlaid in large, white, sans-serif capital letters across the middle of the image.

THANK YOU

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