

5.11 

MISSION BRIEF




5.11 

COMPANY VIDEO

OPERATIONS ORDER

1. **OVERVIEW**
2. **TARGETS**
3. **BRAND**
4. **PRODUCT**
5. **CHANNELS**

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BUILDING A GLOBAL LEADER

ALWAYS BE READY



A person wearing tactical gear, including a black t-shirt, brown cargo pants, a black belt with a holster, and a watch, is walking in a shooting range. The background is a sandy area with several black silhouette targets on wooden stands. The person has tattoos on their arms and is wearing dark boots.

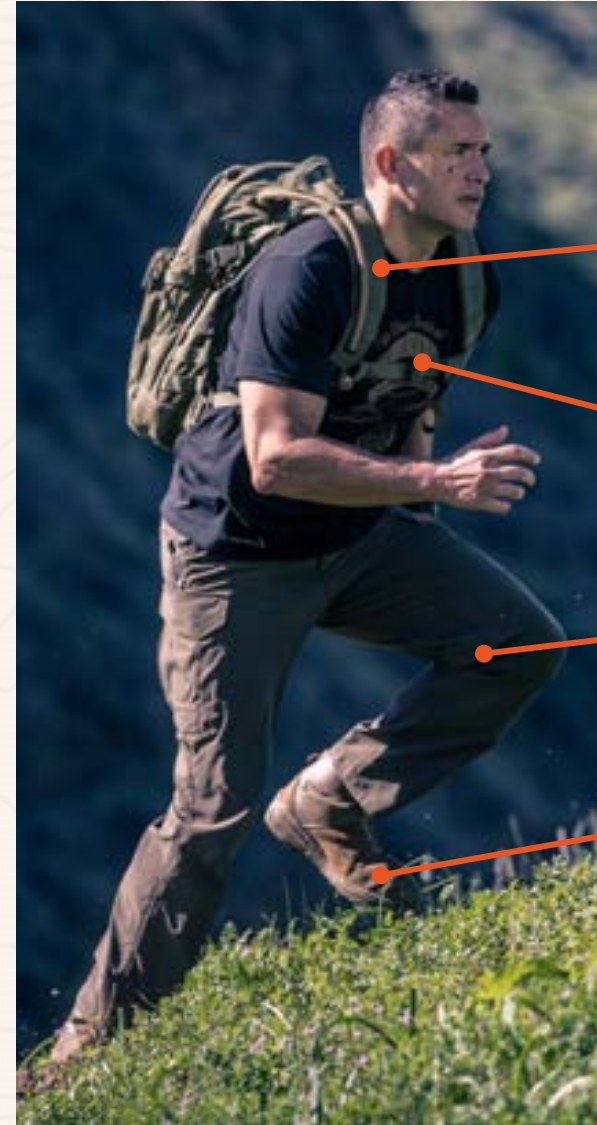
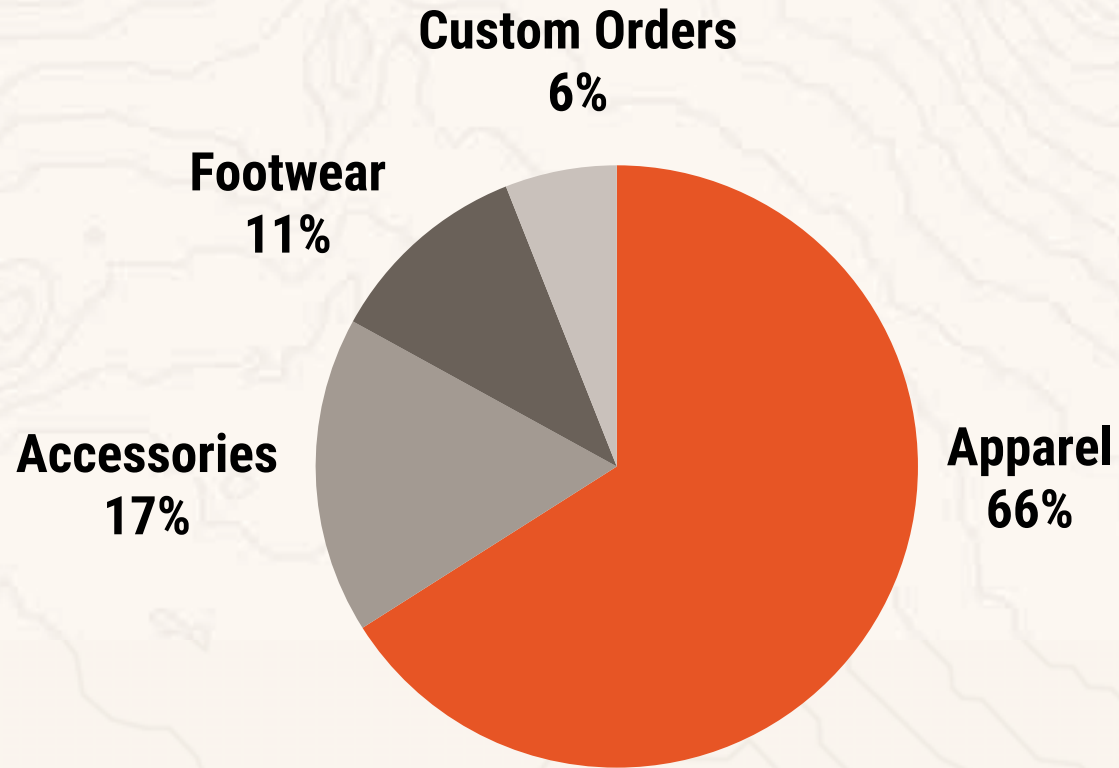
**WE ARE INNOVATORS WHO MAKE
PURPOSE-BUILT GEAR FOR THE
MOST DEMANDING MISSIONS**

STRATEGIC PRIORITIES

- 1. Continue growth of core Domestic Professional segment through share gains**
- 2. Accelerate growth of Consumer segment, led by 5.11 DTC**
 - Expand points of distribution including 5.11 owned retail
 - Create true omni-channel experience
 - Invest in marketing to drive brand awareness and customer acquisition
- 3. Grow International segment through country specific investments in sales and operations infrastructure**

COMPLETE APPAREL AND GEAR SOLUTIONS

Product Mix



Rush24™ Backpack

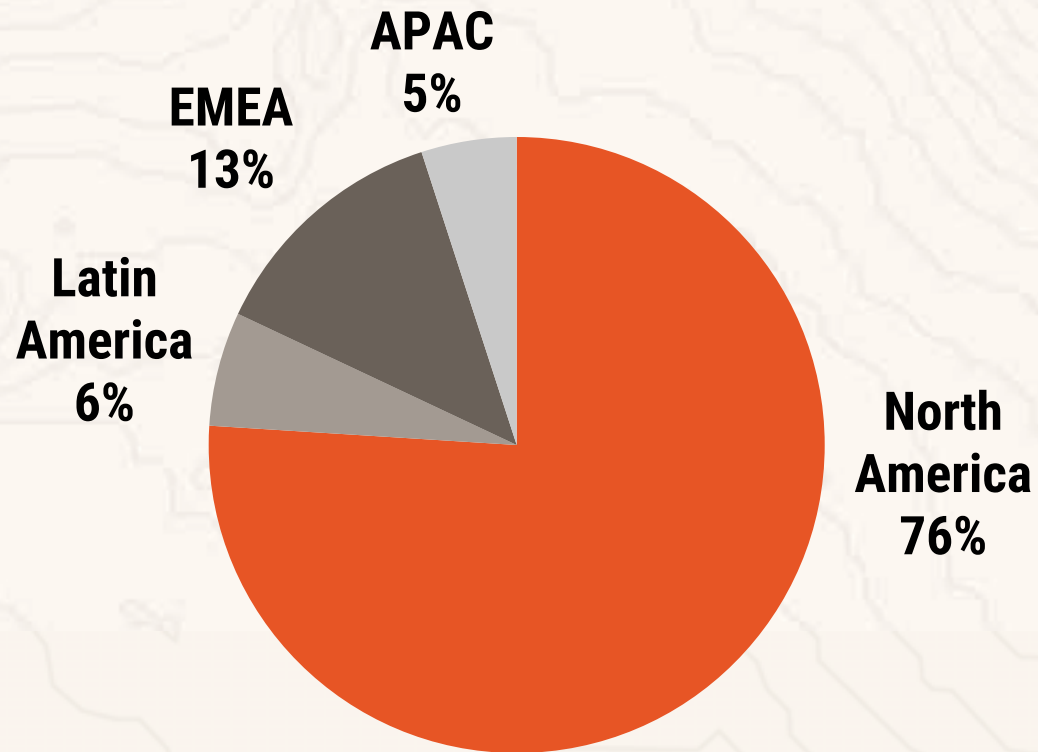
Airborne Tiger T-shirt

Traverse™ 2.0 pant

Halcyon Boot

DISTRIBUTION IN OVER 90 COUNTRIES

Geographic Mix



Bootcamp Hat

Heartbreaker Shirt

Charlotte Crossbody

Wyldcat Pant

RELATIONSHIPS DRIVE PRODUCT DEVELOPMENT

1. Professionals define problems

2. 5.11 develops prototypes

4. Go-to-market

3. Field testing with end-users



SOLUTIONS FOR PROFESSIONALS AND CONSUMERS



PROFESSIONAL DUTY STYLES

~1/3 of Sales

**Duty Uniform:
Police, Fire, EMS,
Military**

**Sold only in
professional
channels**



CONSUMER RELEVANT STYLES

~2/3 of Sales

**Crossover
products with
tactical features**

**Sold in all
distribution
channels**

KEY TRENDS IN THE CONSUMER PERFORMANCE MARKET



Greater Consumer Perception of Personal Risk and Safety



Increased Participation in Functional Fitness Activities



Increased Consumer Interest Extreme/Adventure travel



Growing Awareness of Elite Armed Forces in Pop Culture



BRAND
AWARENESS
HIGH

>\$10B

GLOBAL
ADDRESSABLE
MARKET

LAW ENFORCEMENT
MILITARY SPECIAL OPS
FIRE
EMS



BRAND
AWARENESS
MED

>\$10B

GLOBAL
ADDRESSABLE
MARKET

VETERANS
SPORT SHOOTERS
CONCEALED CARRY
SELF-DEFENSE

CHALLENGER



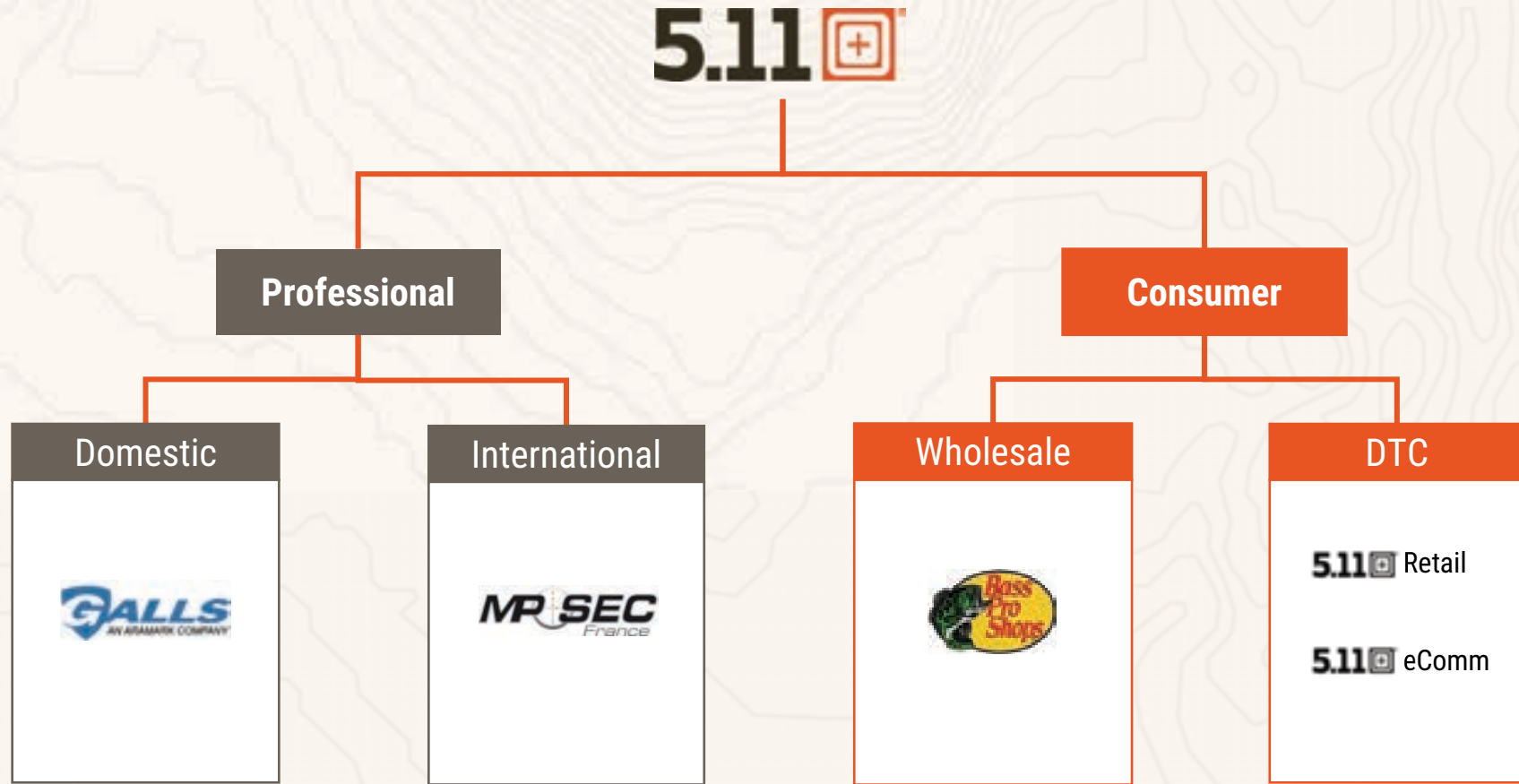
BRAND
AWARENESS
LOW

>\$40B

GLOBAL
ADDRESSABLE
MARKET

ACTIVE OUTDOOR LIFESTYLE
GLOBAL ADVENTURE TRAVEL
4x4 OFF ROAD

BALANCED CHANNEL STRATEGY



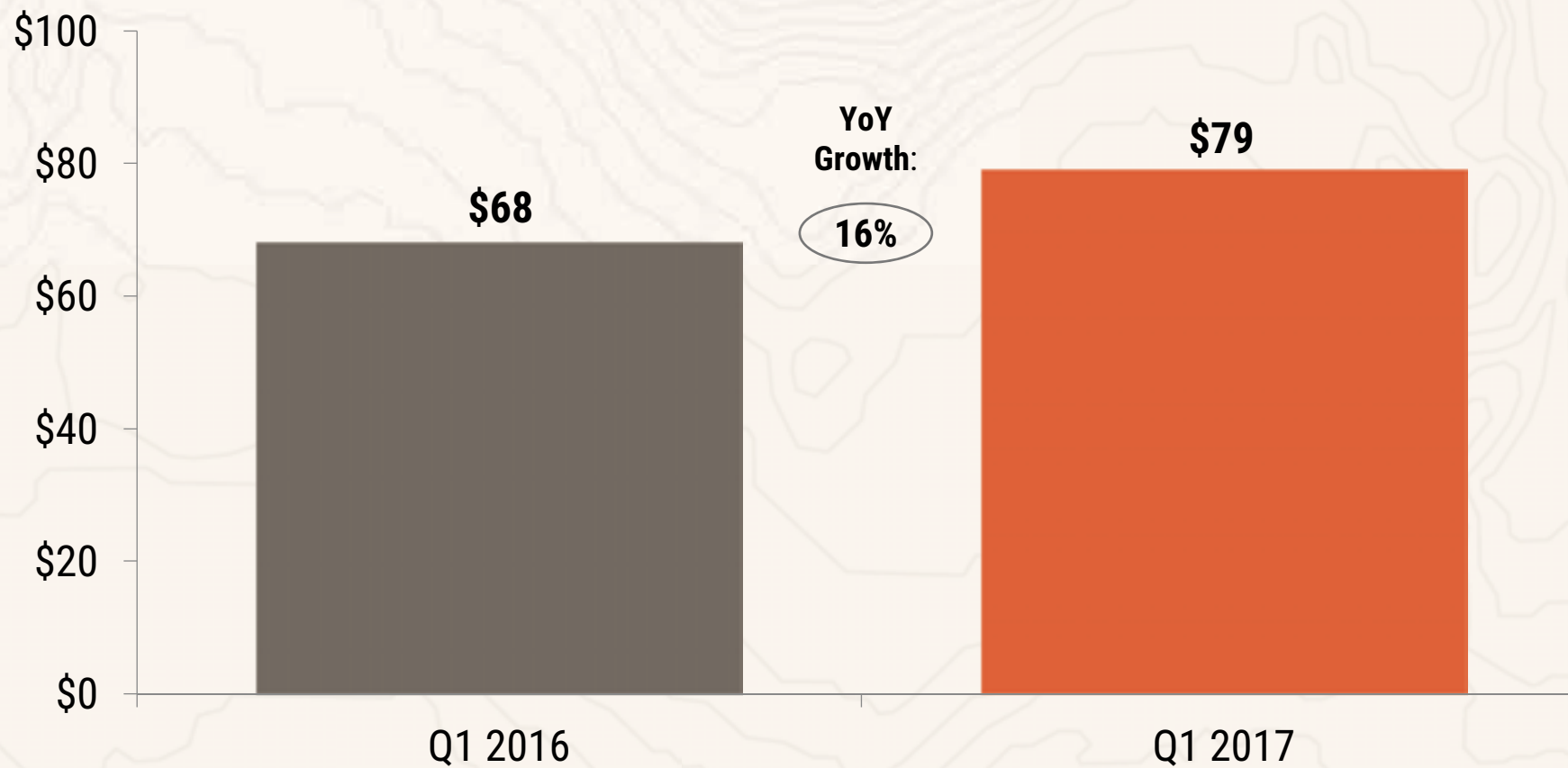
% of 2016 Revenue

74%

26%

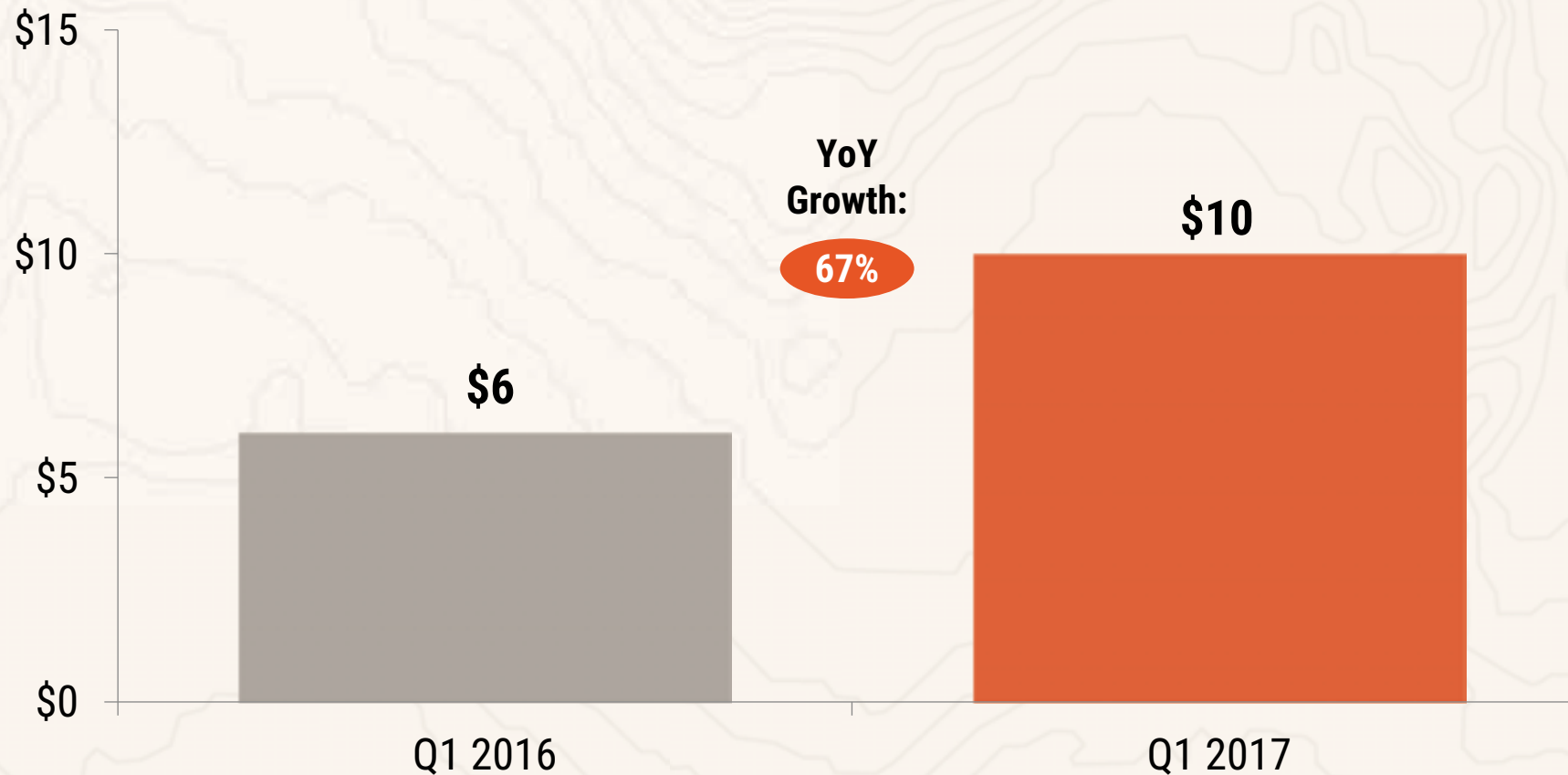
STRONG START TO 2017

Revenue Growth Q1 2016 vs Q1 2017 (\$ in millions)



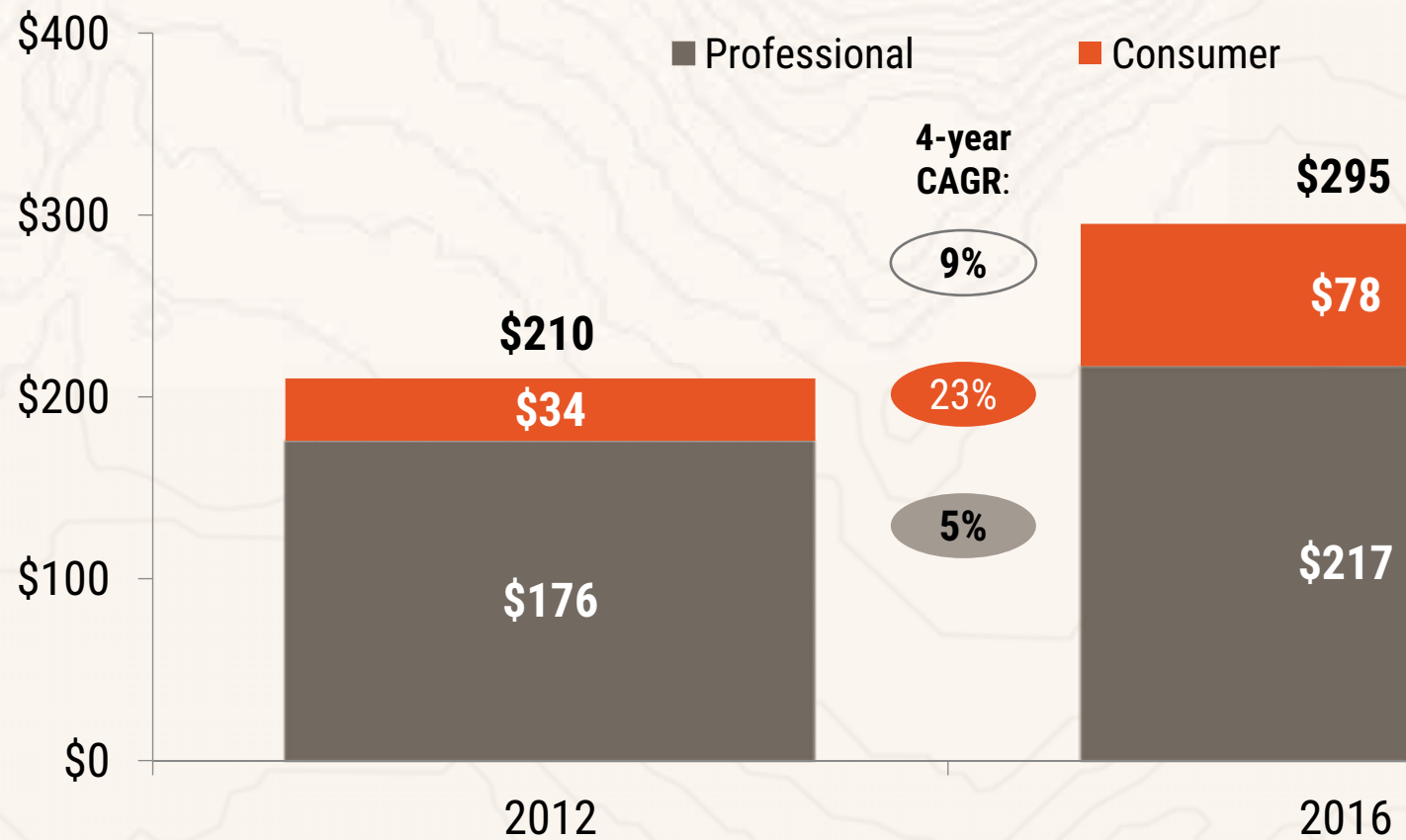
EBITDA GROWTH IN Q1 2017

Adjusted EBITDA Growth Q1 2016 vs Q1 2017 (\$ in millions)



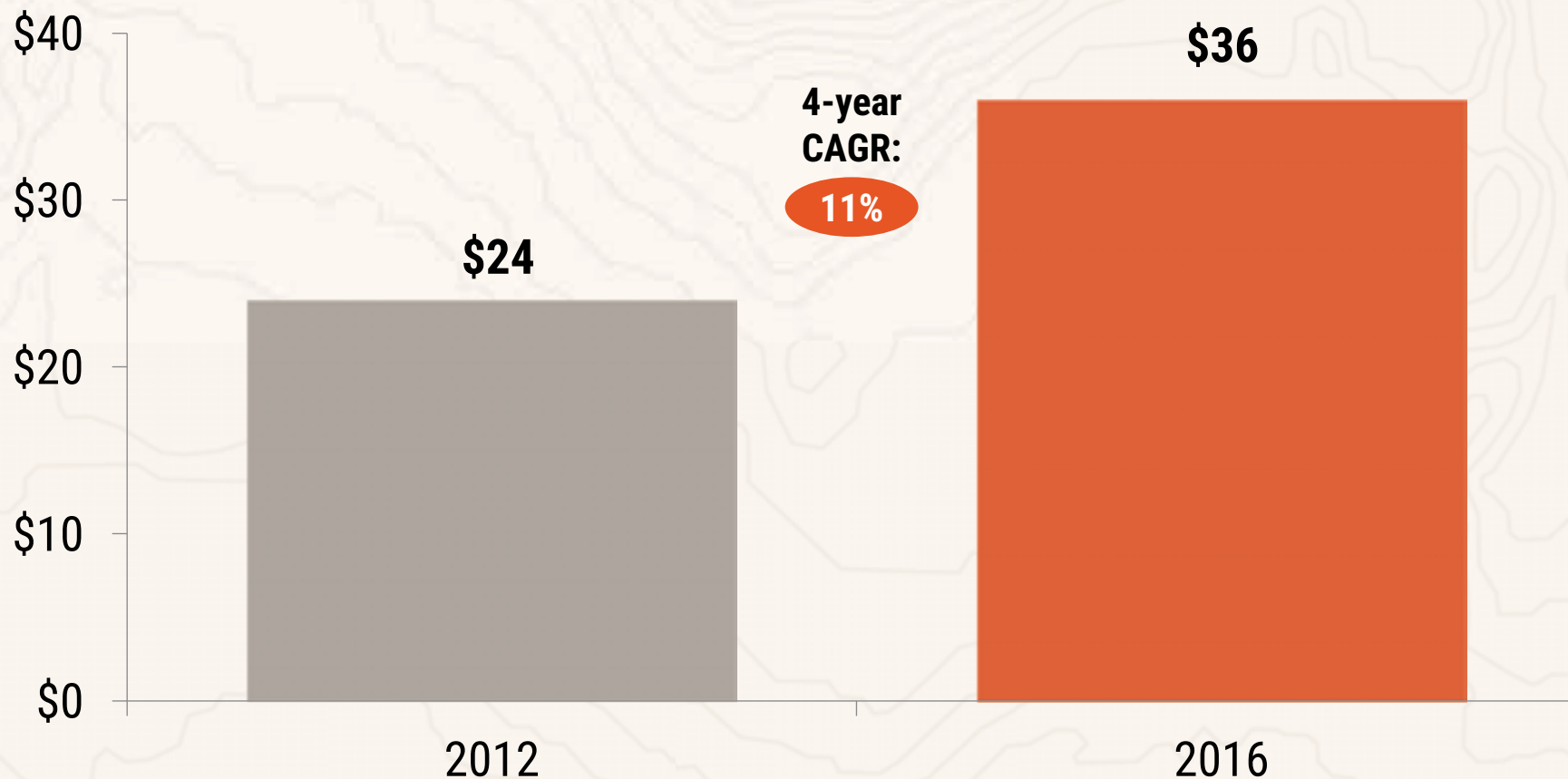
GROWTH IN PROFESSIONAL AND CONSUMER SEGMENTS

Historical Revenue Growth 2012-2016 (\$ in millions)



EBITDA GROWTH EXCEEDS REVENUE GROWTH

Historical Adjusted EBITDA Growth 2012-2016 (\$ in millions)



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BRAND MARKETING



Strategic Priorities: drive brand awareness and customer acquisition

Brand Awareness

- **Social Media**
- **Brand Partnerships**
- **Consumer Brand Experiences**

Customer Acquisition

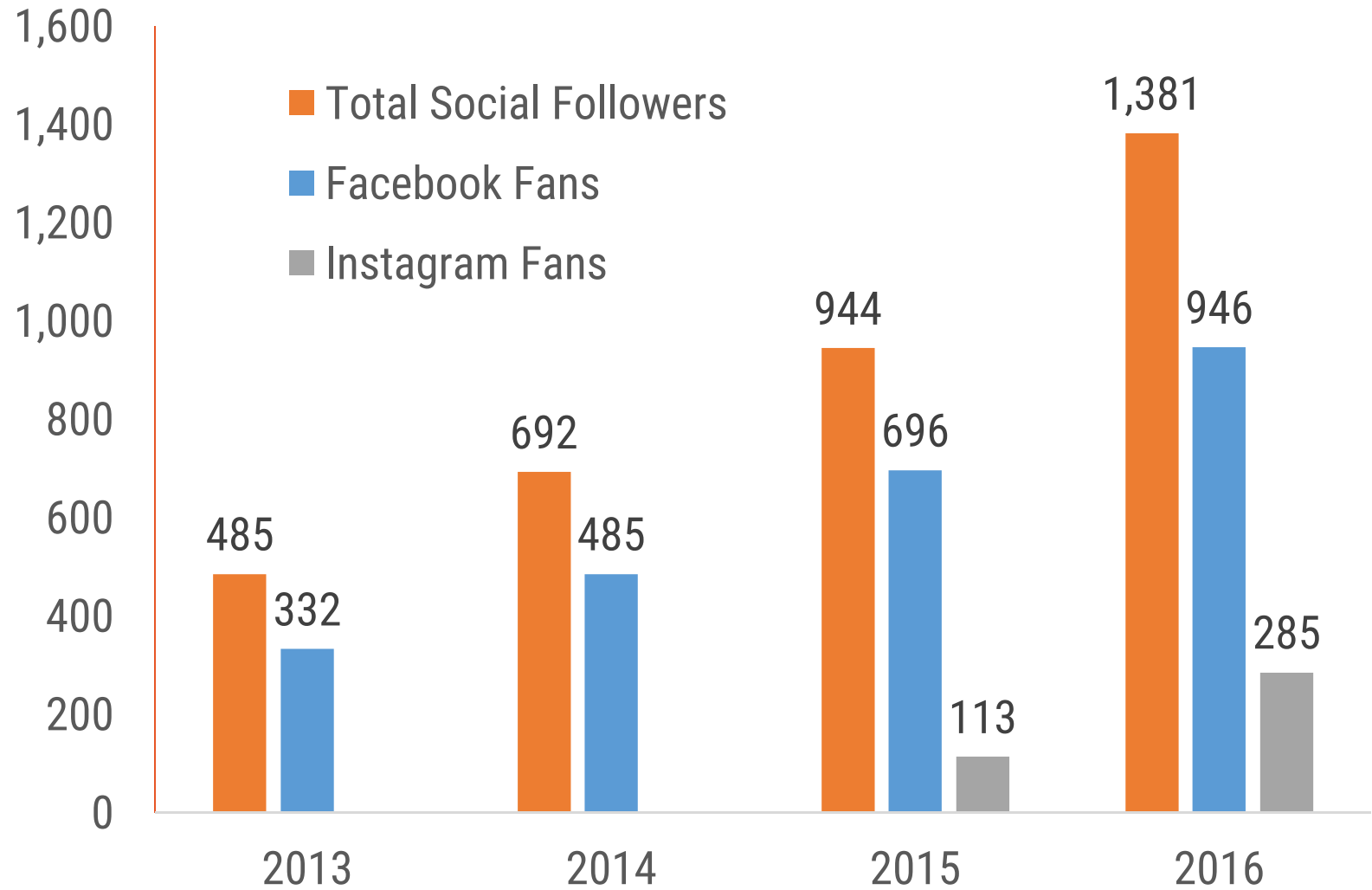
- **Digital / Social Marketing**
- **Direct Mail**
- **Events**

DIGITAL / SOCIAL MEDIA OVERVIEW

1M+
FACEBOOK LIKES

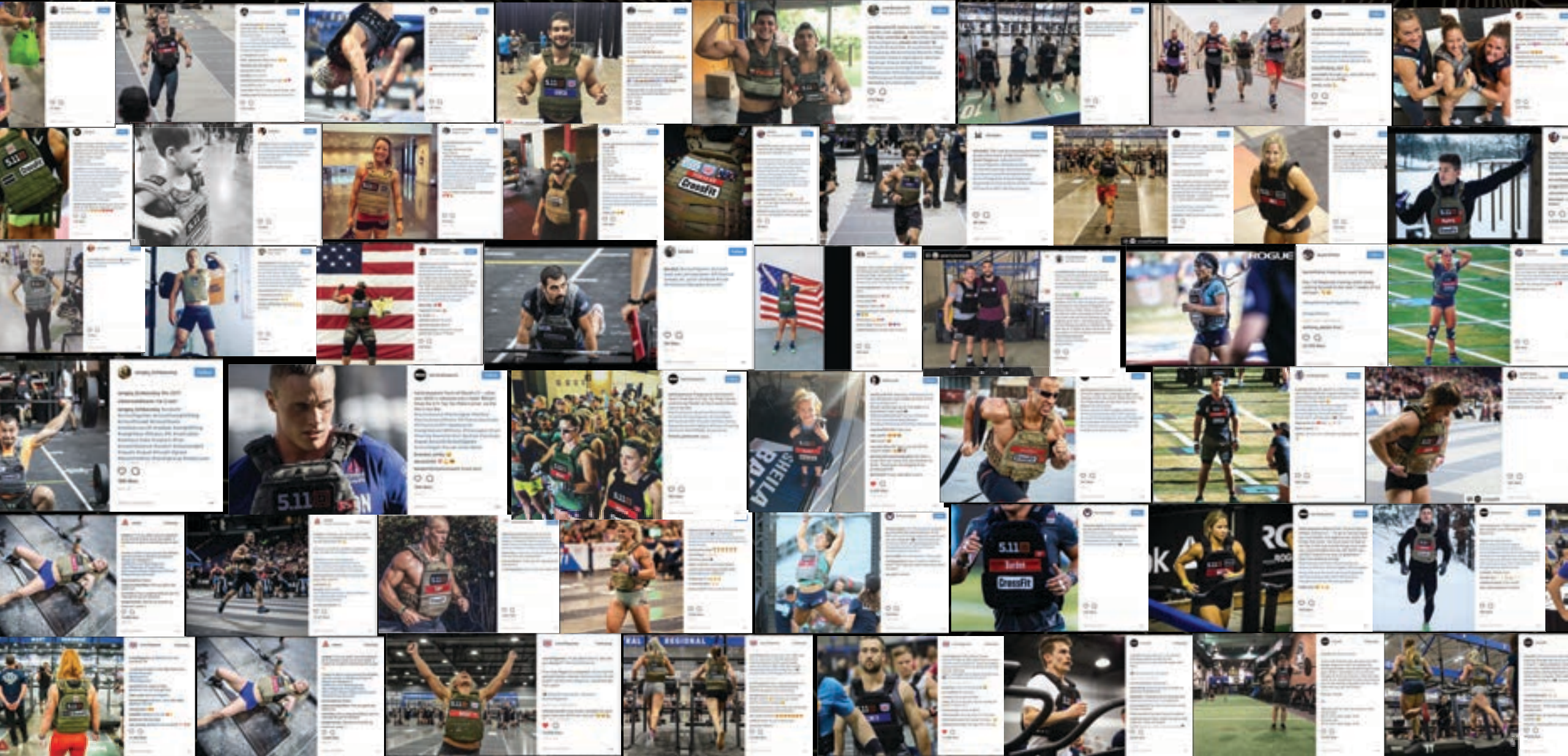
30%
GROWTH YOY

In Thousands



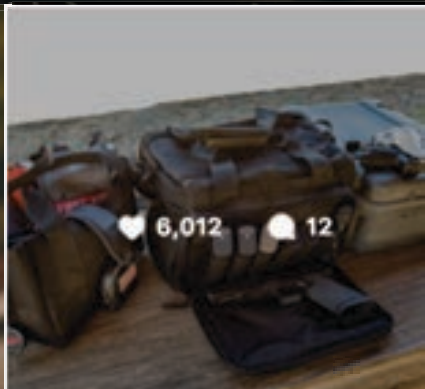
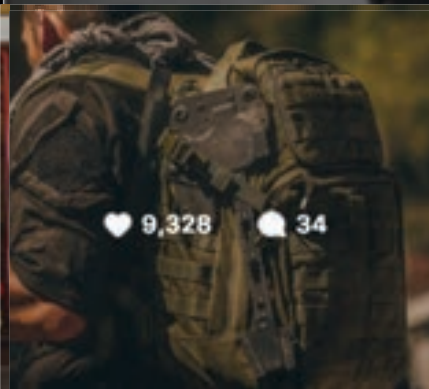
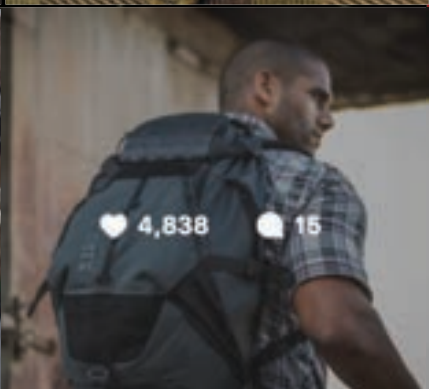
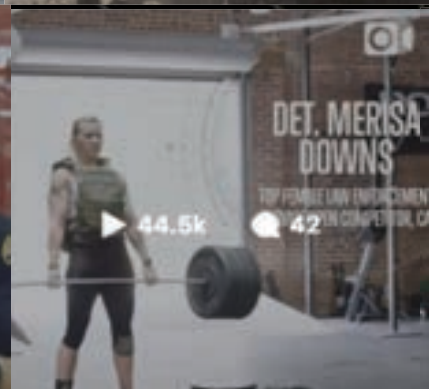
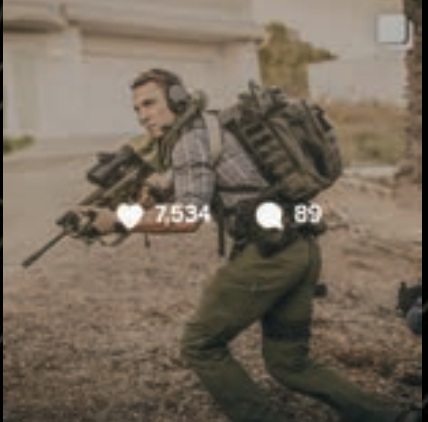
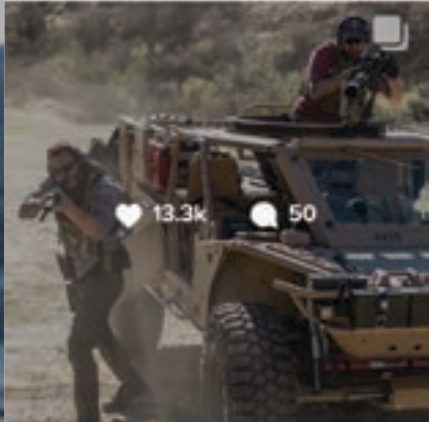
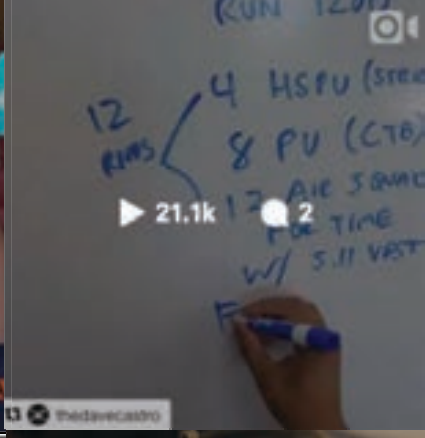
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SOCIAL MEDIA - CROSSFIT® 5.11 PLATE CARRIER



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SOCIAL MEDIA

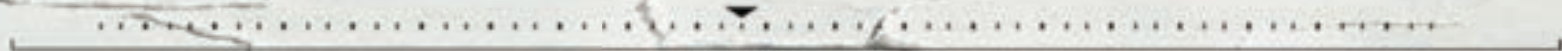


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BRAND PARTNERSHIPS: UBISOFT



TOM CLANCY'S
GHOST RECON
WILDLANDS



-28.138108, -87.489187



5.11 BRAND PARTNERSHIPS: MOTORSPORTS



CONSUMER BRAND EXPERIENCES: 5.11 RETAIL



OCEANSIDE, CA

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EVENTS: IPSC SHOOTING MATCH - MONGOLIA



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EVENTS: CROSSFIT REGIONALS



ATLANTA, GA

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RYAN STARLING VIDEO

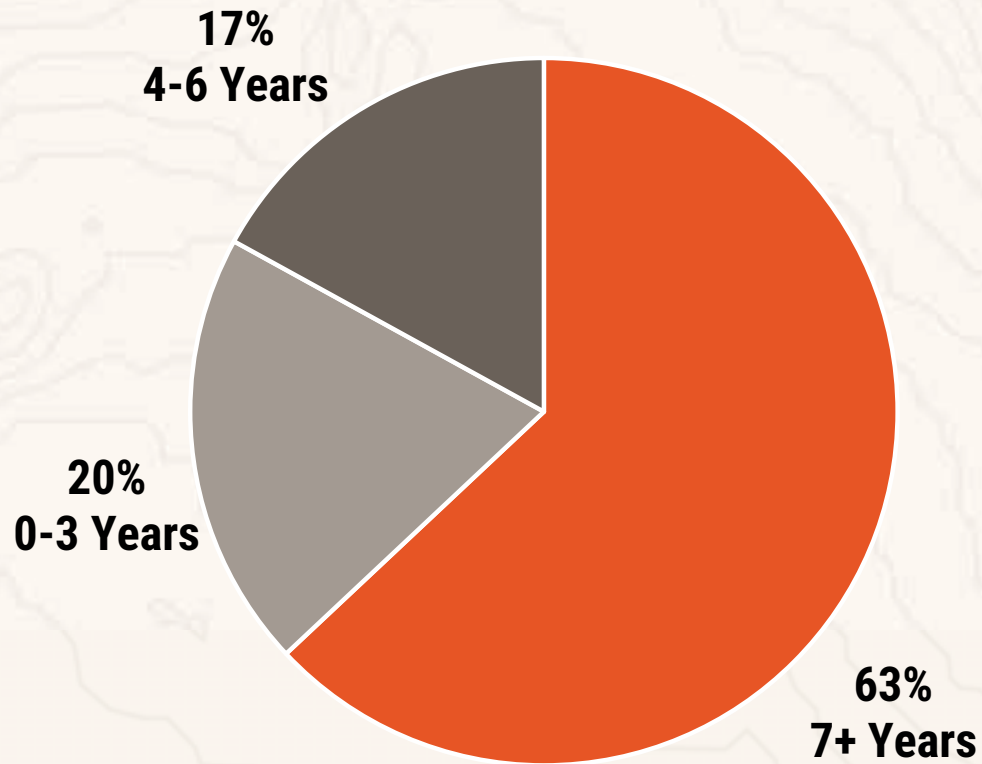
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PRODUCT



ENDURING AND STABLE PRODUCT PORTFOLIO

Sales by Age of Product Style



Top Selling Products

| Product | Year Launched |
|-----------------------------|---------------|
| 5.11 Stryke™ Pant | 2012 |
| Performance S/S Polo | 2006 |
| Apex™ Pant | 2015 |
| A.T.A.C.® 8" Boot | 2005 |
| 5.11 Tactical Pant | 1975 |
| Women's Stryke™ Pant | 2013 |

Total Patents Issued: 27
Total Patents Pending: 15

| Patent | Status | Type |
|---------------------------------|--------------------|----------------|
| ▪ Reversible Belt Buckle | Issued 2011 | Design |
| ▪ Hexgrid™ Load Carry | Issued 2017 | Utility |
| ▪ Apex™ Pant Design | Pending | Design |
| ▪ Flex-Tac® Fabric | Issued 2017 | Utility |




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DEFENDER-FLEX JEANS



“Put me down for several pairs: Love them.”

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CHANNELS



Growth Drivers

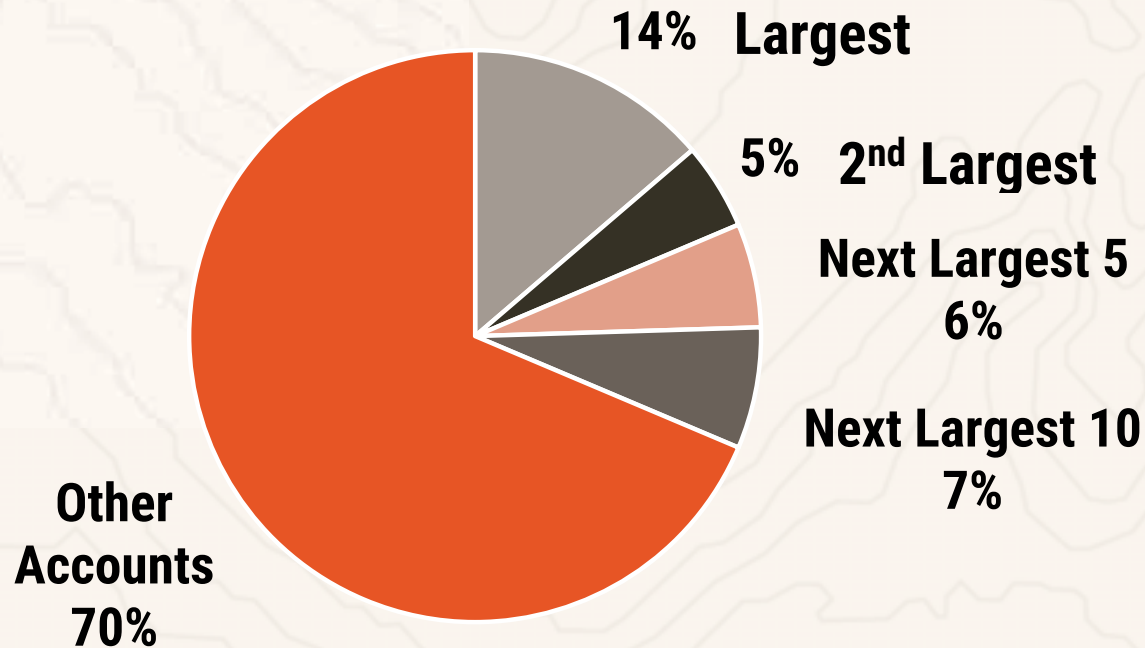
- **Continue to build and convert institutional pipeline**
 - **Take further share of U.S. dealer sales and end-user purchases**
-



DOMESTIC PROFESSIONAL

Stable Base of Recurring Growth

| Subchannel | 2016 Sales (\$ millions) | % of Channel Sales |
|---------------|--------------------------|--------------------|
| Public Safety | \$134 | 90% |
| Other | \$15 | 10% |




DOMESTIC PROFESSIONAL: RETAIL VALUE PROPOSITION

Before



After




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NEW YORK POLICE DEPT



- **5.11 Retail + eComm**
- **Most brand accretive experience**
- **Fastest growing, highest margin segment**
- **Investment in new ERP platform will enable new omni-channel capabilities**

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RETAIL SHOPPING EXPERIENCE: DISCOVERY



COMMERCE, CA

Traditional Retail

- Adding digital to brick & mortar
- Based in regional malls
- Limited selection
- Occupancy costs ~20%
- Little community or experience



5.11 Retail

- Grew out of 5.11 eCommerce
- Destination with high visibility
- Over 900 styles in multiple categories
- Occupancy costs ~10%
- Community that shares “Always Be Ready”

5400

5.11 

SACRAMENTO, CA





SACRAMENTO, CA



BE READY

SACRAMENTO, CA



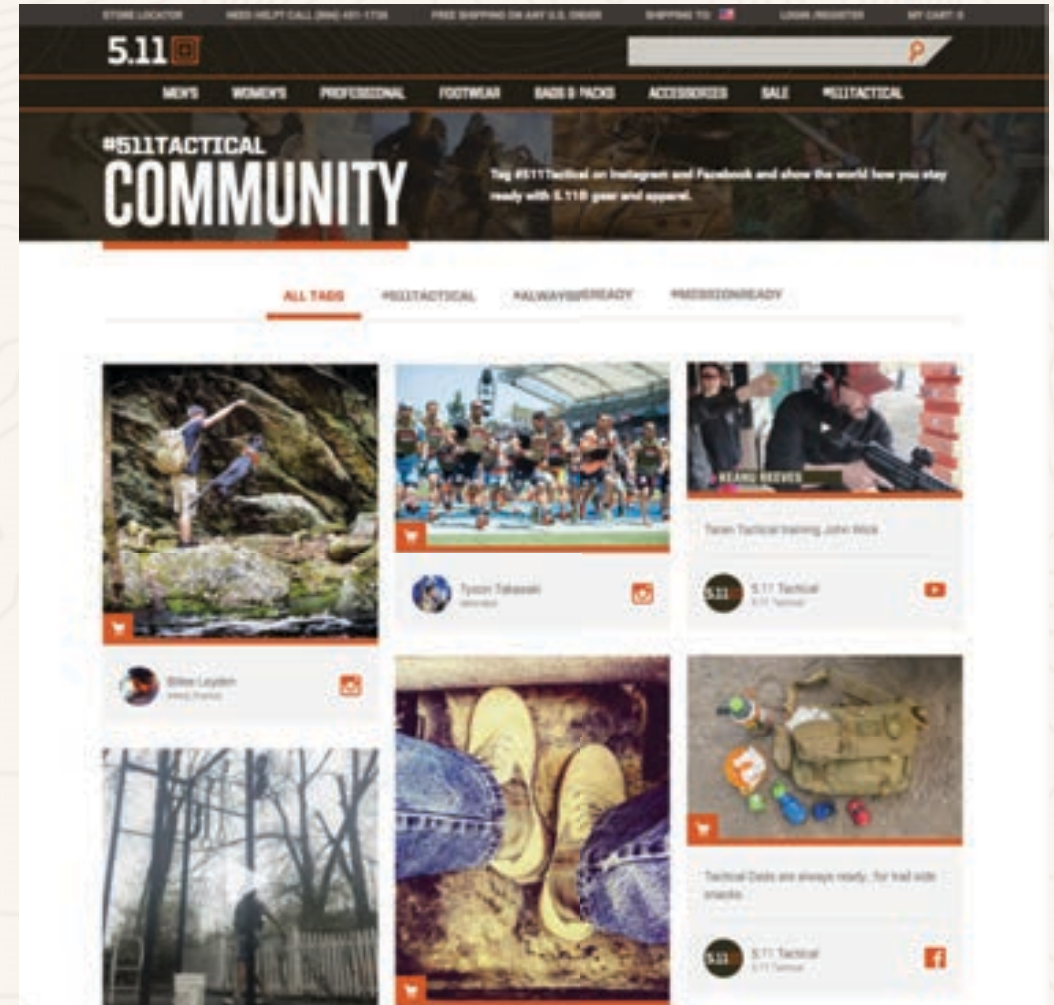
SACRAMENTO, CA

Key Priorities

- Acquire new customers
- Retain high-value customers
- Leverage technology to create excellent omni-channel experiences

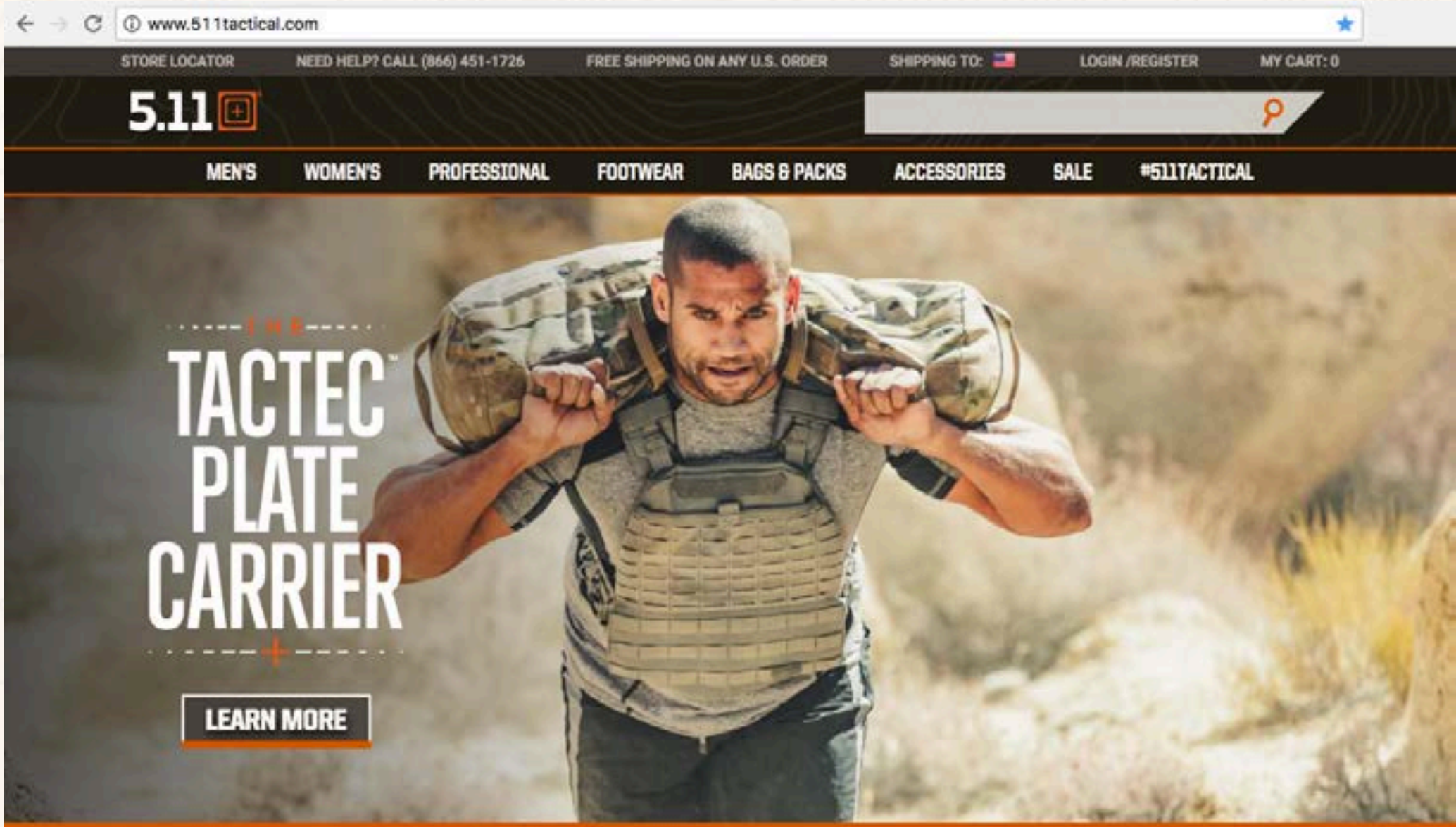
Site Statistics 2016

| | |
|-----------------|-------|
| Traffic | 13M |
| Conversion Rate | 2% |
| AOV | \$119 |





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5.11 ECOMMERCE



← → ↻ www.511tactical.com ★

STORE LOCATOR NEED HELP? CALL (866) 451-1726 FREE SHIPPING ON ANY U.S. ORDER SHIPPING TO:  LOGIN / REGISTER MY CART: 0

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MEN'S WOMEN'S PROFESSIONAL FOOTWEAR BAGS & PACKS ACCESSORIES SALE #511TACTICAL

THE
**TACTEC
PLATE
CARRIER**

LEARN MORE

THE BEST CARRIER, PERIOD.

"The TACTEC Plate Carrier has been a great addition to the CrossFit Games® as an alternative to traditional weight vests. The thought and engineering that went into the vest to make it a great carrier for operators in the field, has translated over to our sport with huge success."

-DAVE CASTRO
CrossFit's Director of the CrossFit Games and Co-Director of Training



CROSSFIT® TACTEC PLATE CARRIER

[BUY NOW](#)



ORIGINAL TACTEC PLATE CARRIER

[BUY NOW](#)

(SMALLER ONE SHOWS ABOVE)



STORM





BLACK

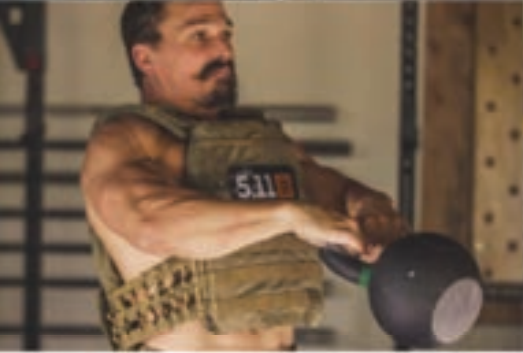
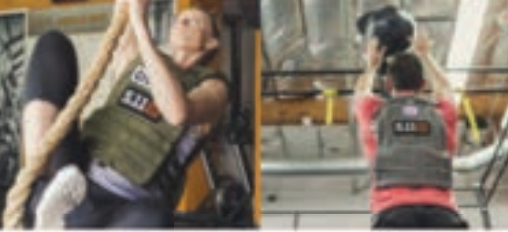


DARK NAVY




TAC OD






TRAIN HARDER



WOMEN'S RX WEIGHT: 14 LBS



MEN'S RX WEIGHT: 20 LBS



CARRIER SIZE ADJUSTMENTS




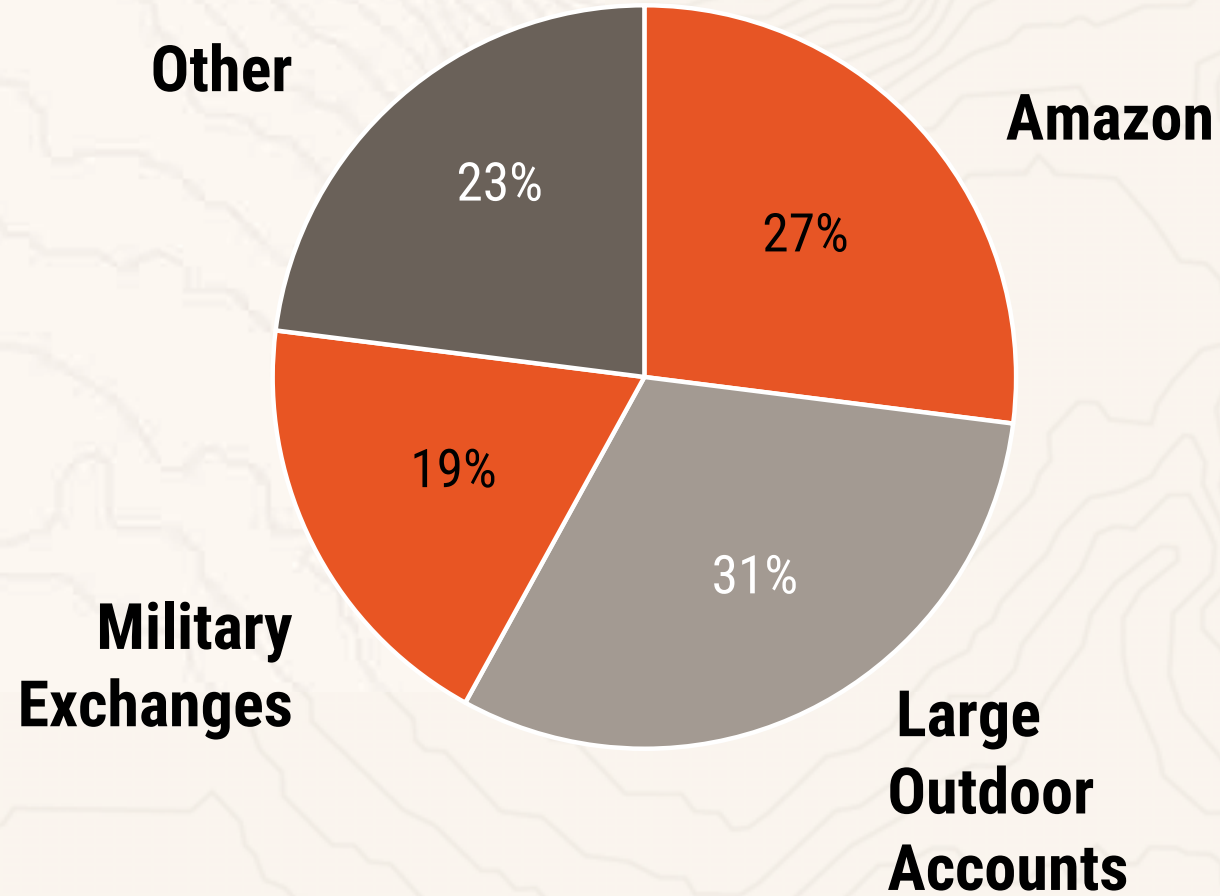
PLATE INSTALLATION

COMPATIBLE WITH WOMEN'S PLATE BELT FOR THE TACTEC® PLATE CARRIER

PLATE CARRIER ADJUSTMENT WITH 5.11 BRAND ARMBANDS, LATCH STAYS

CONSUMER WHOLESALE

Customer Breakdown (2016)



CONSUMER WHOLESALE: CABELA'S

Before



After



CONSUMER WHOLESALE: MILITARY EXCHANGES

Before



After



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PROFESSIONAL OPPORTUNITY: INTERNATIONAL



Growth Drivers

- Accelerate international development through additional country-specific sales and operations infrastructure
 - Leverage Direct-to-Agency contract opportunities to accelerate international brand penetration
-



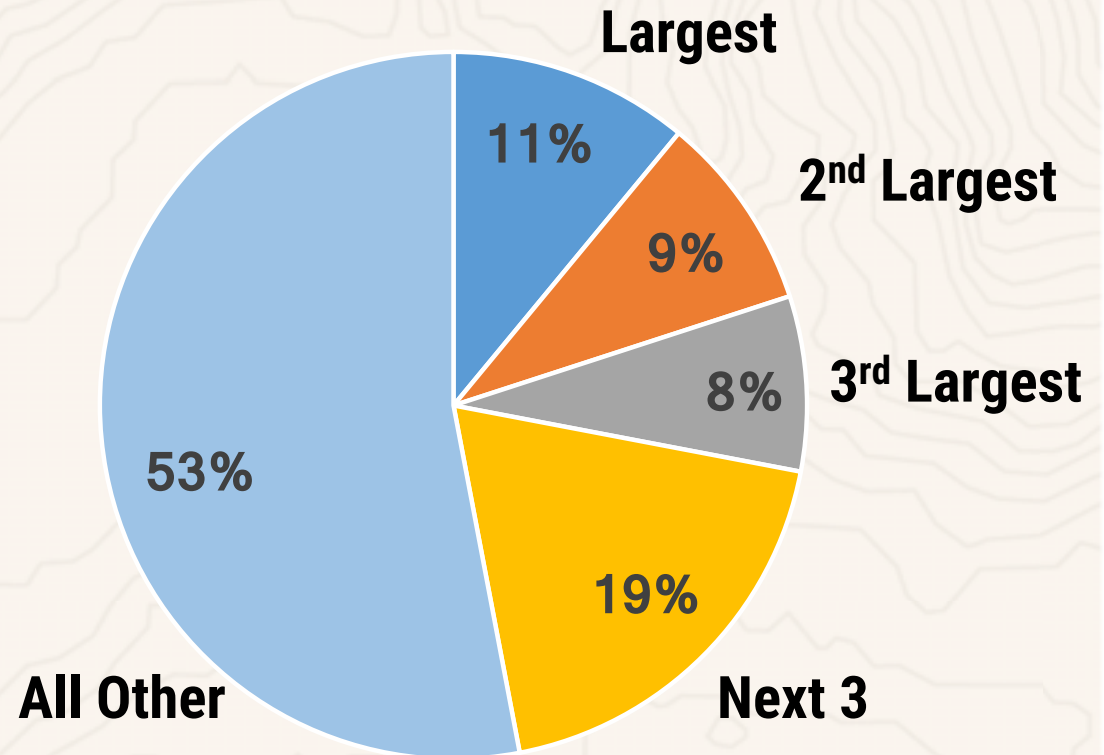
Sales Offices

Malmö, Sweden
Dubai, UAE
Mexico City, Mexico
Hong Kong, China
Sydney, Australia

Countries with Direct Distribution

46

Revenue by Country (2016)



5.11+

5.11 RETAIL HONG KONG



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5.11 RETAIL MEXICO



- **\$1M and larger contracts sold directly to government agencies**
- **Unique 5.11 head-to-toe solutions**
- **Market entry with “top-tier” units**





ALWAYS BE READY.