



Critzia

Investor Presentation
July 2017

Forward-looking Information

This presentation contains “forward-looking information” within the meaning of applicable securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “intends”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

This forward-looking information includes, among other things, statements relating to: the offering price, the completion, size, expenses and timing of closing of the offering; the execution of agreements entered into in connection with the offering by the selling shareholders; expectations regarding industry trends, overall market growth rates and our growth rates and growth strategies; expectations regarding our revenue, expenses, net and comparable sales and operations; our business plans and strategies; expectations regarding brand expansions; expectations regarding North American and international sales; expectations regarding the number, timing and location of new store openings; expectations regarding the expansion and repositioning of existing stores; expectations regarding the economics of new store openings and the expansion and repositioning of existing stores; our competitive position in our industry; expectations regarding our net investment; the pre-closing capital changes; the Hill shareholders’ current intention to maintain a certain level of ownership of our shares; expected future director and executive compensation levels; the market price for the Subordinate Voting Shares; our use of future free cash flows; beliefs and intentions regarding the ownership of material trademarks and domain names used in connection with the design, production, marketing, distribution and sale of our products; and intentions with respect to the implementation of new accounting standards.

In addition, our assessment of annual sales growth, eCommerce sales, Adjusted EBITDA and Adjusted EBITDA Margin and Adjusted Net Income by fiscal 2021 is considered forward-looking information.

This forward-looking information and other forward-looking information are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of the expansion and enhancement of our store network; the growth of our eCommerce business and launch of shipping to international markets; our ability to drive comparable sales growth; our ability to maintain, enhance, and grow our appeal within our addressable market; our ability to drive ongoing development and innovation of our exclusive brands, capsule brands, and product categories; our ability to continue directly sourcing from third-party mills, trim suppliers, and manufacturers for our exclusive brands; our ability to build our international presence; our ability to retain key personnel; our ability to maintain and expand distribution capabilities; our ability to continue investing in infrastructure to support our growth; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; the changes and trends in our industry or the global economy; and the changes in laws, rules, regulations, and global standards are material factors made in preparing forward-looking information and management’s expectations.

Forward-looking information is necessarily based on a number of the opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the following risk factors: changes in the general economic conditions and consumer spending in Canada, the United States and other parts of the world; inability to optimize merchandise and anticipate and respond to constantly changing consumer demands and fashion trends; inability to protect and enhance our brands; actions taken by our suppliers and manufacturers; fluctuations in the value of the Canadian dollar in relation to the U.S. dollar and associated hedging risk; loss of members of our management team or other key personnel or an inability to attract new management team members or key personnel; inability to obtain merchandise on a timely basis at competitive prices as a result of any deterioration or change in supplier or manufacturer relationships or events that adversely affect our suppliers or manufacturers or cause disruptions in their businesses; our highly competitive industry and the size and resources of some of our competitors; our need for significant capital to fund our expanding business; inability to manage our operations at our current size and successful execution of our growth strategies; risks associated with leasing retail space; ability to successfully open and operate new stores in a timely and cost-effective manner; inability to successfully open and operate new stores, primarily in the United States; our limited operating experience and limited brand recognition outside North America; inability to successfully manage and grow our eCommerce business; material disruptions in or security breach affecting our information technology systems and eCommerce business; disruptions to the operations at our support office location; replacement of core information technology systems; inability to attract and retain quality sales staff; dependence on quality sales staff and store managers; union attempts to organize our employees; dependence on three distribution facilities; reliance on third-party transportation providers; increases in the cost of the raw materials or other inputs used in the production, manufacturing and transportation of our merchandise; seasonality of net sales and inventory purchases; seasonal or quarterly fluctuations in our operating results; inability to grow sales or meet other financial targets; failure to reduce operating expenses in a timely manner; limited experience of management in managing a public company and insufficient resources to fulfill increased expenses and other obligations of being public company such as internal controls over financial reporting; failure to adequately connect with our customer base; inability to protect trademarks or other intellectual property rights and the potential infringement of trademarks or other intellectual property rights of third parties; financing restrictions on current and future operations; the effect of indebtedness on cash flow and business operations; laws and regulations, including labour and employment, consumer protection, advertising, environmental, customs, taxes and other laws that regulate retailers; claims made against us, which may result in litigation; risks related to forward-looking information contained in this presentation; insurance-related risks; payment-related risks; natural disasters, unusual weather and geo-political events or acts of terrorism; insolvency risks with parties we do business with; changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters; risks that third party business partners may become insolvent; the dual class structure resulting in the concentration of voting control with certain shareholders; volatility in the market price for Subordinate Voting Shares; future sales of our securities by existing shareholders causing the market price for Subordinate Voting Shares to fall; an active, liquid and orderly trading market for Subordinate Voting Shares failing to develop; no cash dividends for the foreseeable future; any preferred share issuances hindering another person’s ability to acquire us; and the potential for decline in our trading price and volume if analysts do not publish research or publish inaccurate or unfavourable research about us or our business.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in those forward-looking information.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this presentation represents our expectations as of the date of this presentation (or as the date they are otherwise stated to be made), and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

Non-IFRS Measures

This presentation makes reference to certain non-IFRS measures and retail industry metrics. These measures are not recognized measures under International Financial Reporting Standards (“IFRS”), do not have a standardized meaning prescribed by IFRS and are therefore unlikely to 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 should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures including “EBITDA”, “Adjusted EBITDA”, “Adjusted Net Income (Loss)” and “Adjusted EPS”. This presentation also makes reference to “comparable sales growth”, “non-comparable sales”, “Net Investment” and “sales per square foot”, which are commonly used operating metrics in the retail industry. These non-IFRS measures and retail industry metrics are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures and retail industry metrics in the evaluation of issuers. Our management also uses non-IFRS measures and retail industry metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts, and to determine components of management compensation.

Certain Other Matters

Any graphs, tables or other information demonstrating our historical performance or any other entity contained in this presentation are intended only to illustrate past performance of such entities and are not necessarily indicative of our future performance or such entities.



Investment Highlights

- Rapidly growing, innovative design house and fashion retailer of exclusive brands
- Strategically positioned in the global fashion landscape with a compelling value proposition
- Proven track record of consistent growth
- Strong new store and store expansion economics
- Meaningful opportunity to continue growth both in Canada, the U.S. and Internationally
- Strong capital structure to support future growth
- Experienced management team

We are strategically positioned in the global fashion landscape



Compelling Value Proposition

Beautiful
Product

Attainable
Price

Aspirational
Shopping Experience

Exceptional
Customer Service

Aritzia

About Us

Aritzia is well-known and deeply loved by customers in Canada with growing customer awareness and affinity in the United States and outside North America



Malia Obama



Taylor Swift
Musician



Karl Lagerfeld
Entrepreneur



Bella Hadid
Model



TNA
Updrift Sweater



Talula
Moxon Dress



Babaton
Jude Skirt



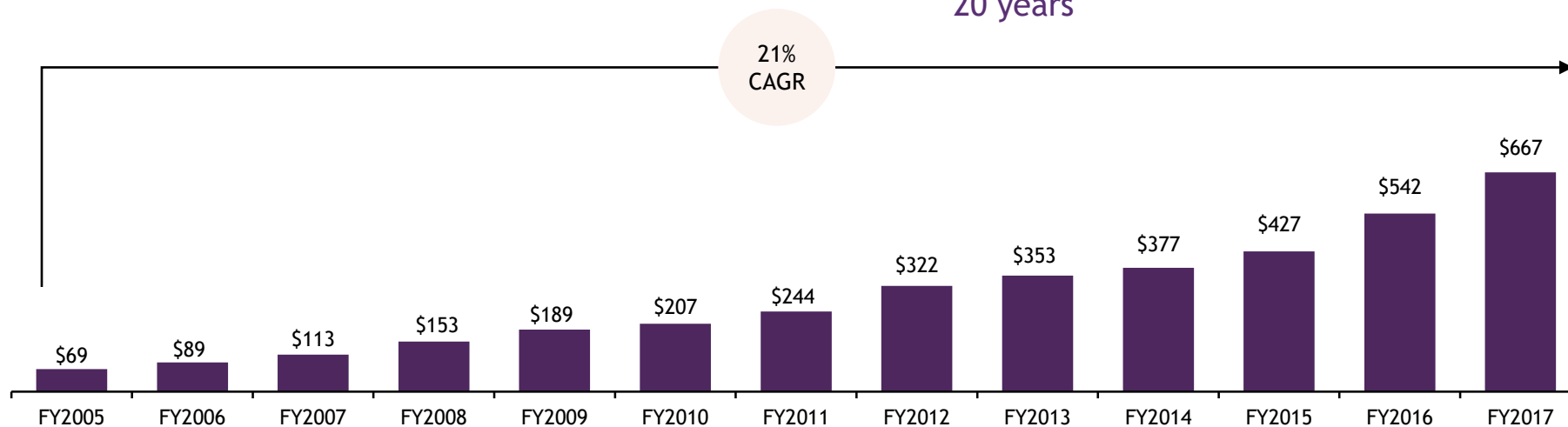
Wilfred
Croquis Sweater

Our Performance

We have a proven track record of consistent growth

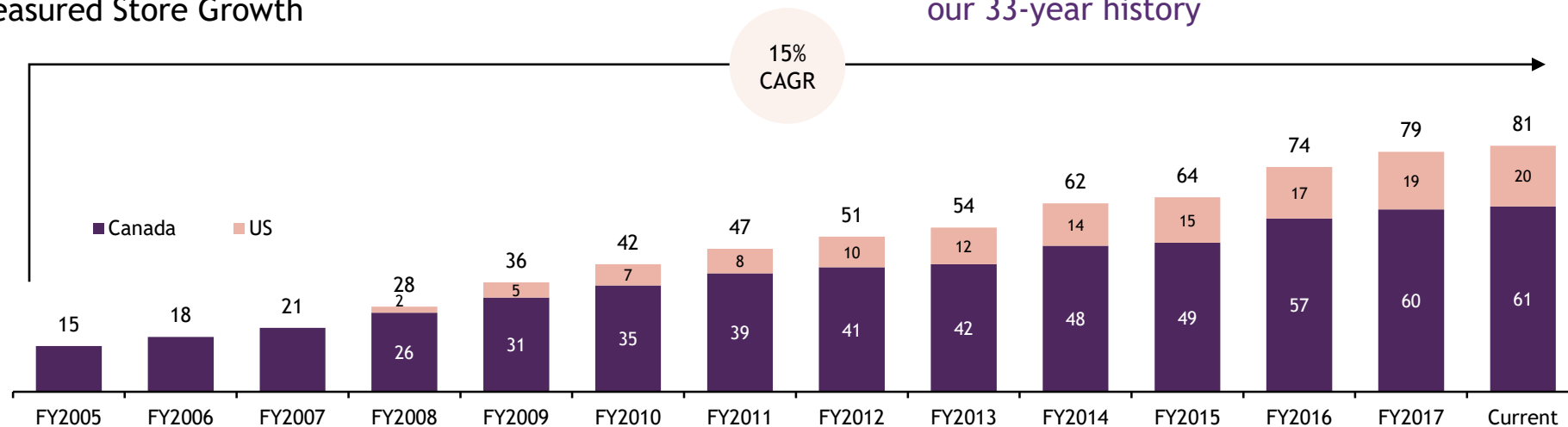
Strong and Consistent Net Revenue Growth (\$ millions)

Net revenue growth every year for over 20 years



Measured Store Growth

We have never closed an Aritzia store in our 33-year history





The Aritzia Way

01. Innovative Design House Offering A Strategic Mix Of Exclusive Brands
02. Beautiful High Quality Products At An Attainable Price Point
03. Refined And Proven Merchandise Planning Strategy
04. Aspirational Shopping Experience With Exceptional Customer Service
05. Premier Real Estate Portfolio With Compelling Store Economics
06. Long-Term Approach To Managing Our Business
07. Experienced Team With Proven Track Record

The Aritzia Way:

01. Innovative Design House Offering A Strategic Mix Of Exclusive Brands

TALULA

Spring 1996

wilfred

Spring 2006

Tna

Fall 1997

BABATON

Fall 1994

wilfred free

Spring 2009

GOLDEN

Fall 2015

1—○1

Winter 2015

le fou wilfred

Fall 2009

The Constant.

Spring 2017

The Group

Fall 2016

**little
moon**

Spring 2017

Community

Fall 2006

Under the Aritzia banner, we offer a strategic mix of exclusive brands, which accounted for approx. 90% of our Fiscal 2017 net revenue

All of our brands are sold exclusively through our stores and aritzia.com which provides us with complete control over pricing, marketing, product presentation and customer experience

Aritzia

The Aritzia Way:

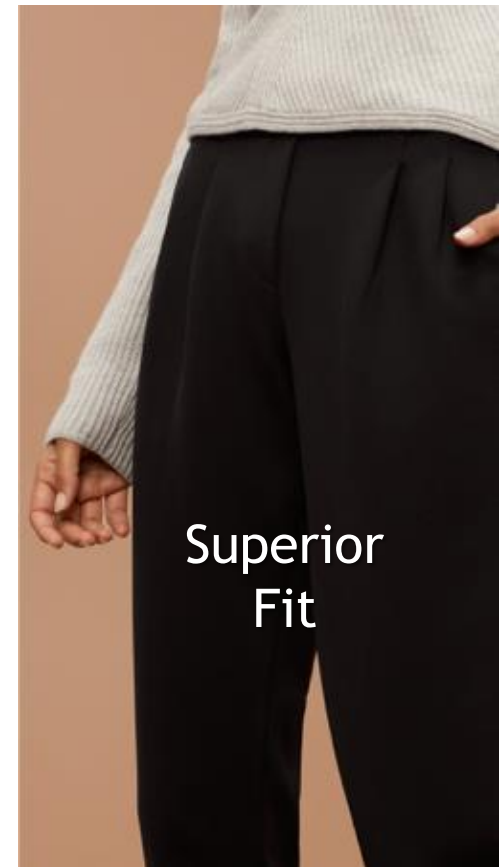
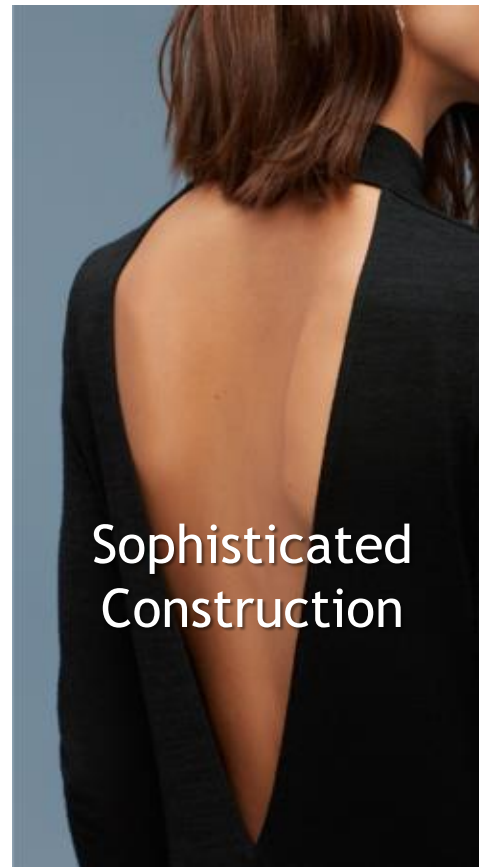
02. Beautiful High Quality Products At An Attainable Price Point

Direct Sourcing Approach

We work directly with suppliers we believe to be best-in-class to source high quality materials and produce beautiful products.

Our sourcing approach allows us to offer attainable pricing while generating attractive margins.

All of our products share the following key elements...



The Aritzia Way:

03. Refined And Proven Merchandise Planning Strategy

We offer a balanced mix across multiple aspects of our merchandise:

- Brands
- Product categories
- Fashion essentials and must-haves

We believe our demand-driven merchandising strategy allows us to:

- Maximize full-price sales
- Maintain modest inventory levels
- Drive markdown levels that are well below industry averages



The Aritzia Way:

04. Aspirational Shopping Experience With Exceptional Customer Service

Our stores are designed to be aspirational



Flatiron, New York



Richmond, Vancouver



SoHo, New York



Metrotown, Vancouver



Ste Catherine, Montreal



Prudential Center, Boston

The Aritzia Way:

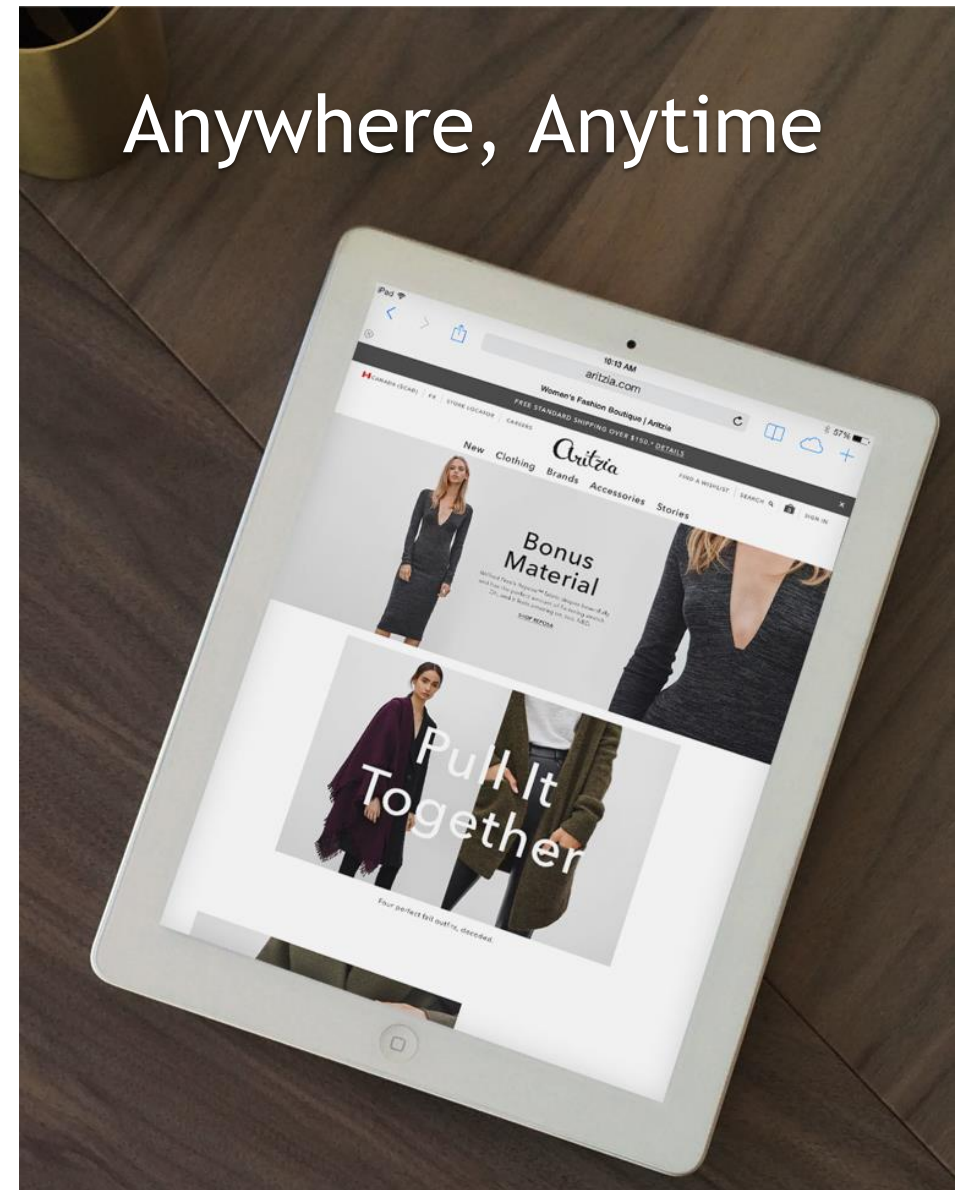
04. Aspirational Shopping Experience With Exceptional Customer Service

aritzia.com is a continually evolving digital representation of our brand

- It is designed to facilitate an inspired user experience through aspirational aesthetics and an intuitive user interface

Our eCommerce business was launched in Fiscal 2013

- eCommerce represented approximately 12% of total net revenue in Fiscal 2016



The Aritzia Way:

05. Premier Real Estate Portfolio With Compelling Store Economics

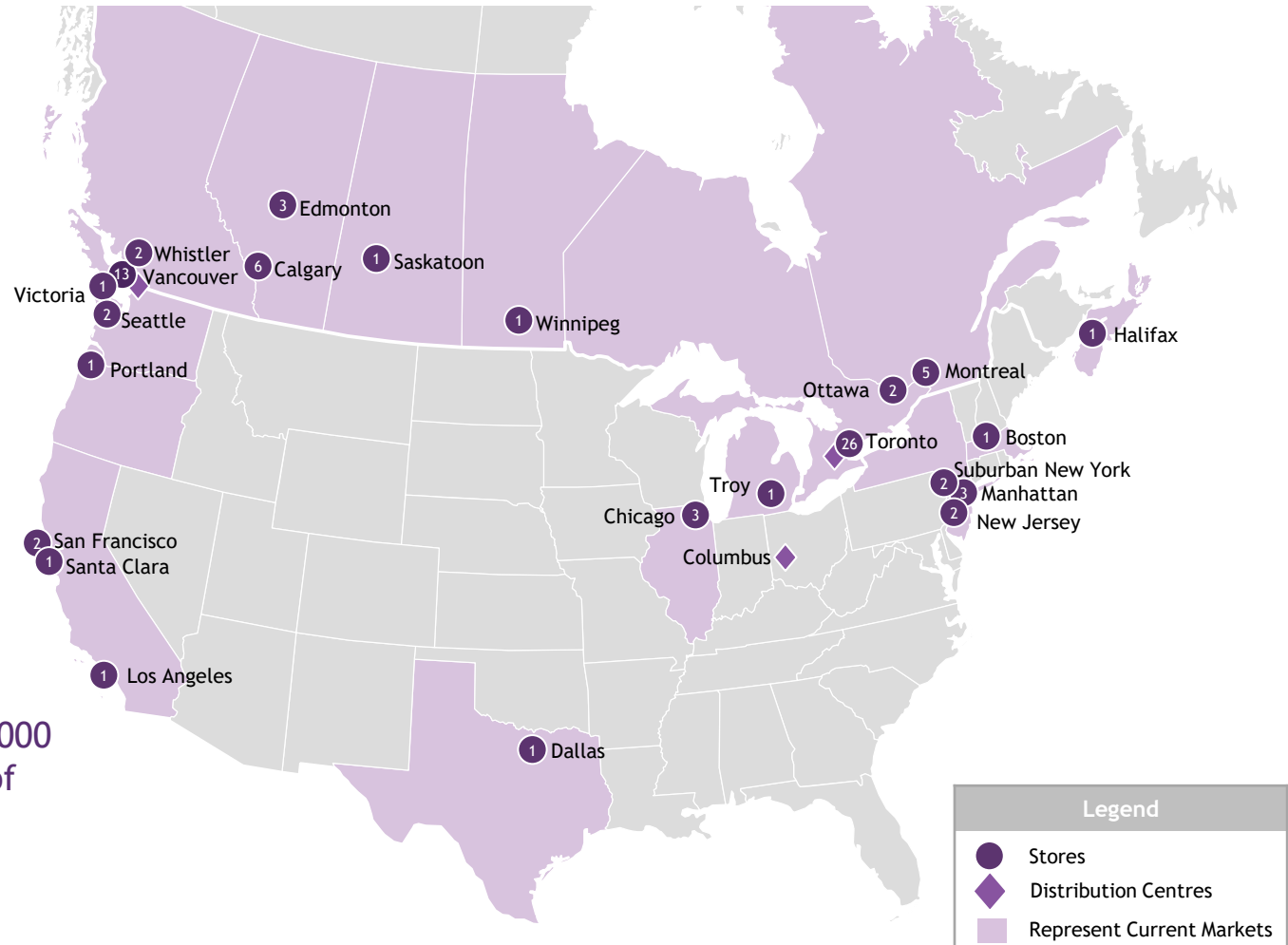
We have a highly attractive network with 61 stores in Canada and 20 stores in the United States

Our disciplined real estate selection process focuses on locations in high performing retail malls and high streets in North America.

Our stores generate highly compelling economics:

- Average size of 5,000 sq. feet
- Average of \$1,400+ sales per square foot during Fiscal 2017

In April 2017, expanded Columbus distribution center capacity from 45,000 square feet, to 138,000. In process of moving into larger DC in Vancouver (operational by Spring of CY2018)



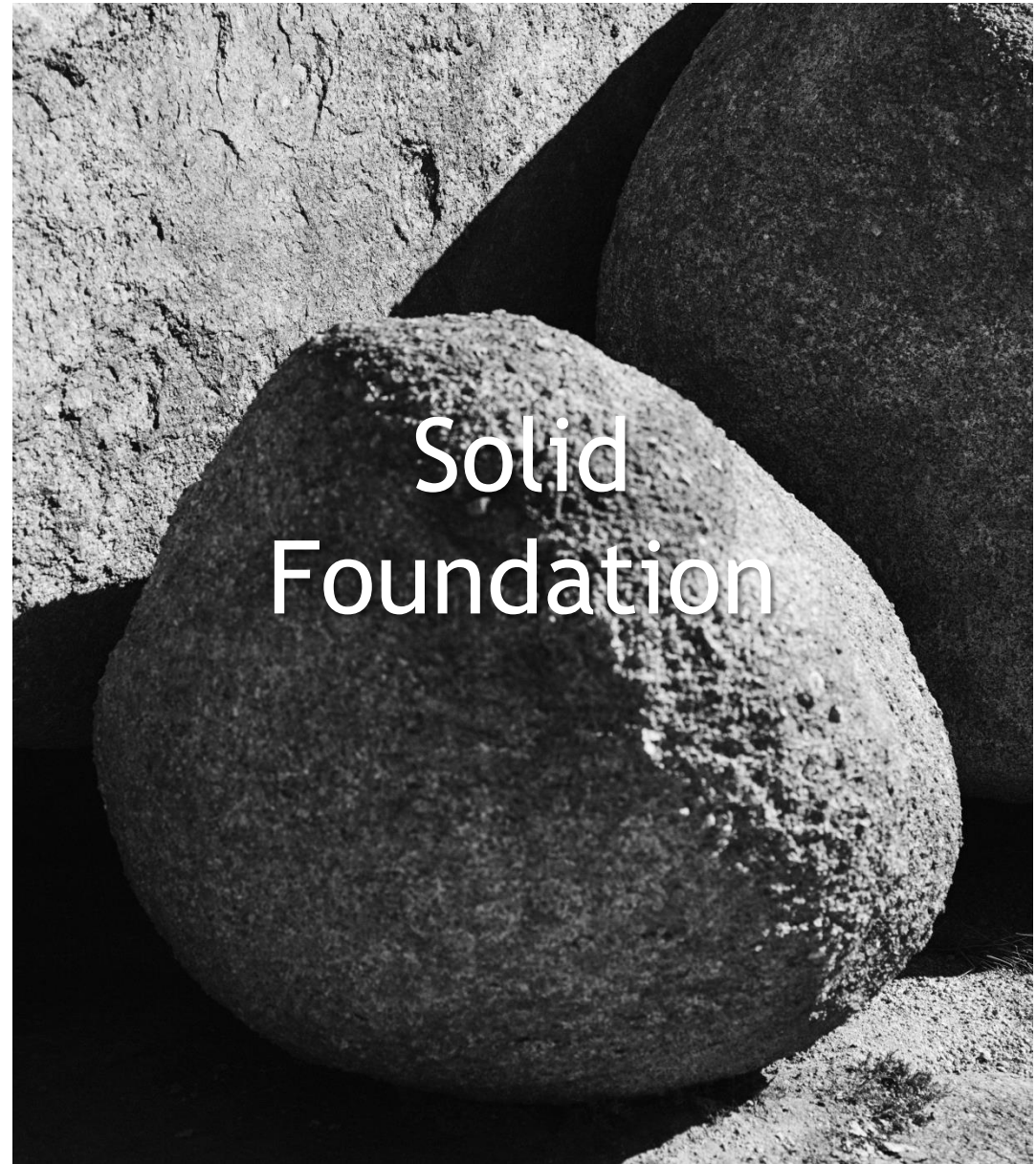
The Aritzia Way:

06. Long-Term Approach To Managing Our Business

We make long-term strategic decisions to position ourselves for future growth and enhance shareholder value while minimizing operating risk

- Brand
- Real Estate
- Systems and Infrastructure
- Talent







We thoughtfully evaluate our growth opportunities and weigh them against the investments and infrastructure required... ensuring we're well prepared and supported for the increased demands on our business.



The Aritzia Way:

07. Experienced Team With Proven Track Record

Our leadership is committed to driving our continued growth
 Our dedicated senior management team has an average tenure of over 18 years

	Name	Position	Tenure
	Brian Hill	Founder, Chief Executive Officer	32 Years
	Jennifer Wong	President, Chief Operating Officer	29 Years
	Pippa Morgan	Executive Vice President, Retail	25 Years
	Dave MacIver	Chief Information Officer	11 Years
	Tamara Melck	Executive Vice President, People & Culture	10 Years
	Todd Ingledew	Chief Financial Officer	June 2016

Our Future Growth

01. Expand And Enhance Store Network
02. Grow eCommerce Business
03. Drive Ongoing Exclusive Brand And Product Innovation
04. Enhance Long-Term Profitability
05. Build our brand awareness

Our Future Growth:

01. Expand And Enhance Store Network

We have a meaningful opportunity to expand our store network in the U.S. and Canada

We have successfully opened 20 stores across the United States over the last 10 years.

We plan to add 5–6 new stores per year to our store network, and expand or reposition an additional 4–5 stores per year (through to the end of 2021)

During FY2017:

- Opened 5 new stores
- Expanded or repositioned 5 existing stores

New Store examples



Prudential, Boston



Flatiron, New York

Expansions & Repositions



Robson, Vancouver



Metrotown, Vancouver

Our Future Growth: 02. Grow eCommerce Business

Target eCommerce penetration to be 25% of total net revenue by the end of Fiscal 2021

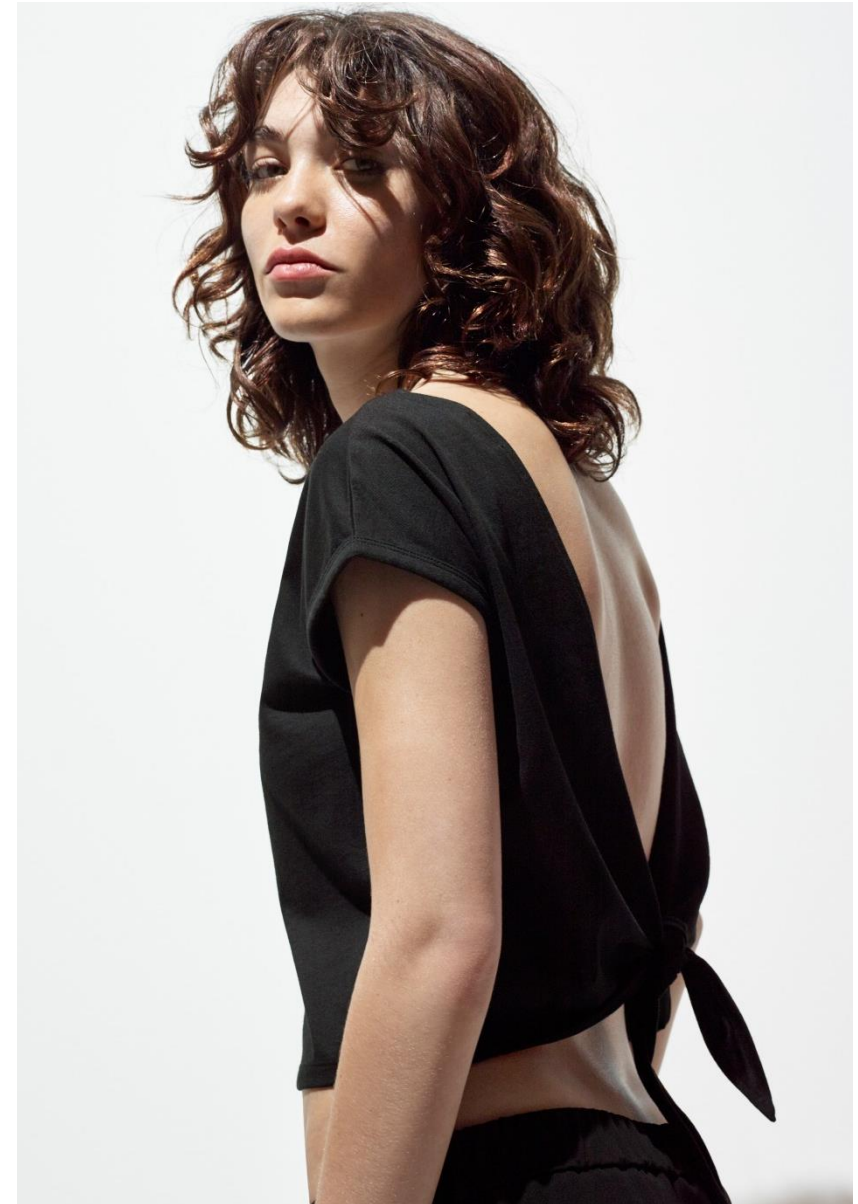
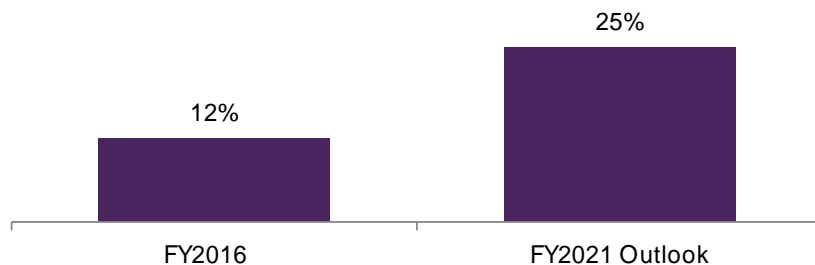
Factors supporting our target eCommerce penetration include:

- Growing brand awareness
- Increasing use of data analytics
- Expanding range of products
- Launching international shipping

We continue to see strong momentum online and expect substantial growth in our eCommerce business in fiscal 2018

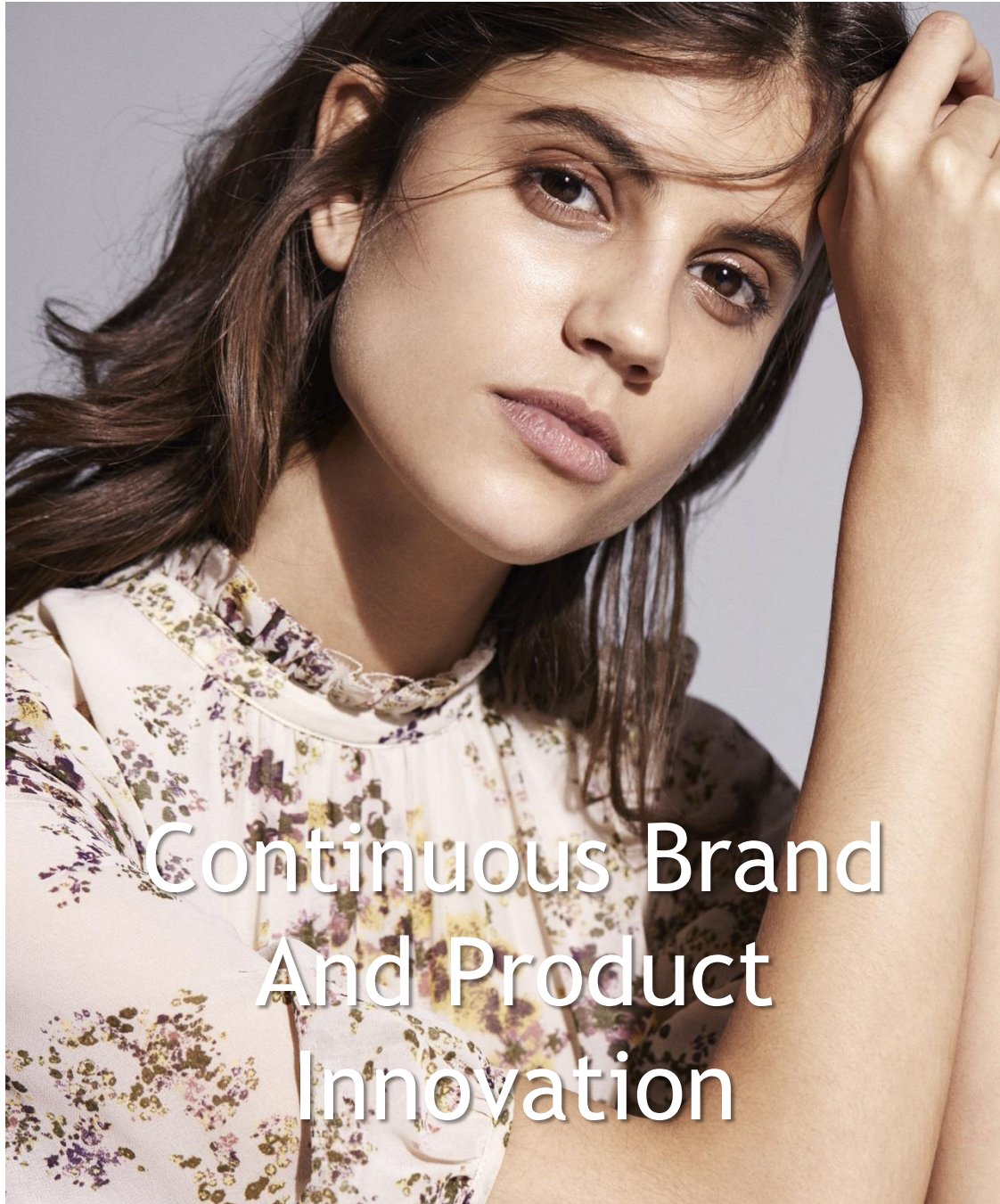
- Tracking confidently ahead of our eCommerce targets outlined in our 5-year plan (25% of revenue by 2021)

eCommerce Net Revenue as % of Total Net Revenue



Our Future Growth:

03. Drive Ongoing Exclusive Brand And Product Innovation



Continuous Brand
And Product
Innovation

We look beyond what is to what *could* be by monitoring the evolving fashion landscape

Our innovative design house strategy provides us with the flexibility to establish new exclusive brands and expand our offering of product categories and styles

**little
moon**

Spring 2017

The Constant.

Spring 2017

Critzia

Our Future Growth:

04. Enhance Long-Term Profitability

We have significant opportunities to further enhance our profitability through:

- Optimizing sourcing and production processes
- Driving increased operating leverage through continued sales growth

Our gross profit margin grew 320 basis points to 39.8% during FY2017, up from 36.6% in FY2016.

Improvement was due to the incredible efforts of our sourcing team:

- Securing a greater portion of our fabrics and trim direct from suppliers and manufacturers, which supports our margins
- Sourcing better quality materials for our products





Driving increased brand awareness through:

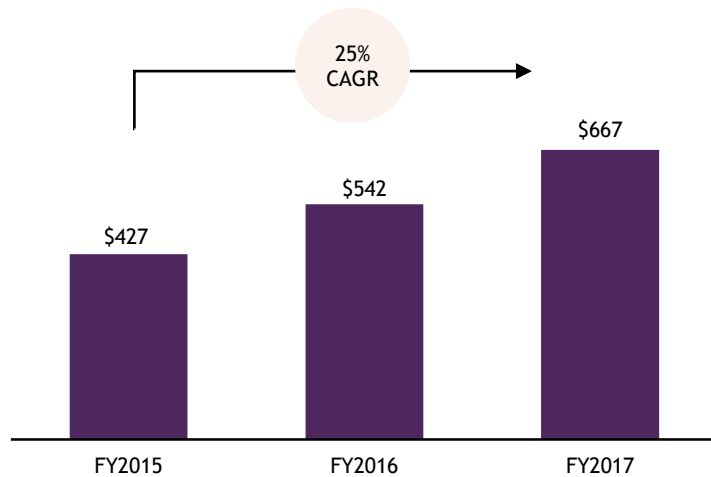
- Social media and Flagship stores,
- Our premier real estate and aspirational store designs, which highlight exceptional design and the unique ethos and aesthetic of our exclusive brands.

Financial Overview



Strong Financial Performance

Net Revenue (\$ millions)

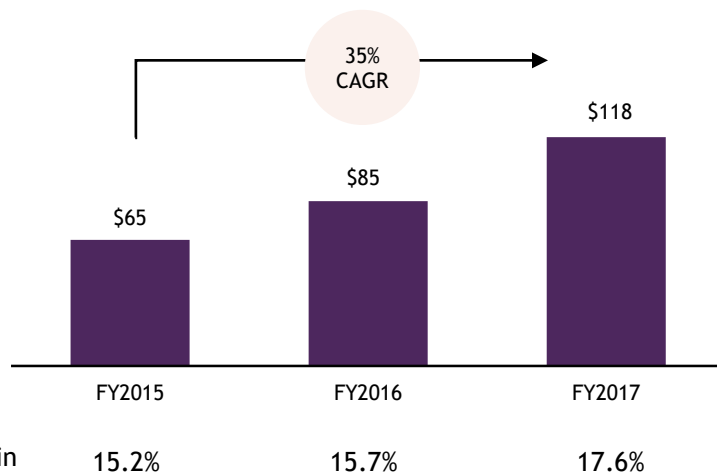


Comparable Sales (%)¹

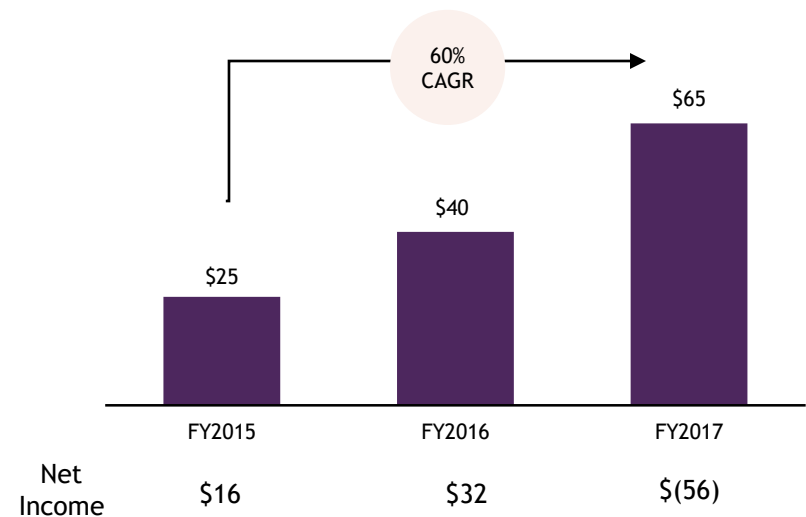
Average of double digit comps sales over the past nine quarters

	Q1	Q2	Q3	Q4	Annual
FY2016	26.0%	20.9%	15.5%	9.3%	16.8%
FY2017	12.8%	16.4%	15.1%	12.3%	14.1%
FY2018	9.3%				
Stack (3 yr)	48.1%				

Adjusted EBITDA² (\$ millions)



Adjusted Net Income² (\$ millions)



Margin 15.2% 15.7% 17.6%

Net Income \$16 \$32 \$(56)

¹ Our comparable sales growth calculation excludes the impact of foreign currency fluctuations. Beginning Q1 2018, we changed our calculation methodology by applying the prior year's average quarterly exchange rate to both current year and prior year comparable sales to achieve a consistent basis for comparison. Prior to Q1 2018, comparable sales growth was calculated using a U.S. dollar to Canadian dollar exchange rate of 1:1. The prior eight quarters have been recalculated using the new constant currency calculation.

² Figures adjusted to exclude stock-based compensation and unrealized FX (gains) losses on forward contracts. See Disclaimer - Non-IFRS Measures

Strong Financial Performance

(\$ Millions, except per share data)

	Q1 2018	Q1 2017	% Growth / Margin Expansion	2017	2016	% Growth / Margin Expansion
Net Revenue	\$145.0	\$126.4	14.7%	\$667.2	\$542.5	23.0%
Gross Profit	\$57.5	\$51.2	12.3%	\$265.5	\$198.4	33.8%
<i>Gross Margin</i>	39.7%	40.5%	(80) bps	39.8%	36.6%	320 bps
Adjusted EBITDA	\$24.0	\$20.1	18.9%	\$117.7	\$85.0	38.5%
<i>% Margin</i>	16.5%	15.9%	60 bps	17.6%	15.7%	190 bps
Adjusted Net Income	\$12.5	\$9.6	29.8%	\$64.6	\$40.3	60.4%
<i>% Margin</i>	8.6%	7.6%	100 bps	9.7%	7.4%	230 bps
Adjusted EPS	\$0.11	\$0.08	37.5%	\$0.55	\$0.34	61.8%

Strong Capital Structure to Support Growth

Our capital structure provides us with significant financial flexibility to pursue our future growth strategies

(\$ Millions)

	As at May 28, 2017
\$70 million Revolver Credit Facility	\$0
Term Loan	\$134
Capital Lease Obligation	\$0.7
Total Debt	\$134
Total Debt / LTM Adjusted EBITDA	1.1x
Total Cash and Cash Equivalents	\$58

Significant Growth Opportunities

Our Fiscal 2021 Targets	
Net Revenue	Approximately \$1.1 to \$1.2 billion
Expand Store Network	5 - 6 new stores per year
Select Expansion / Repositioning of Stores	4 - 5 stores repositioned per year
eCommerce Penetration	Approximately 25% of total net revenue
Adjusted EBITDA ¹	Approximately \$195 to \$220 million
Adjusted Net Income ¹	Approximately \$115 to \$130 million

¹ Figures adjusted to exclude stock-based compensation and unrealized FX (gains) losses on forward contracts
 See Disclaimer - Forward-Looking Information
 See Disclaimer - Non-IFRS Measures



Thank You

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