

THIRD
QUARTER 2024

BUSINESS UPDATE
OCTOBER 25, 2024

carter's

OSHKOSH *B'gosh*

little planet.

SKIP*HOP

A young girl with dark hair, wearing a red knit beanie and a red scarf, is looking down at her hands. She is holding the hands of a woman with long dark hair, who is looking at her. They are in a snowy, festive outdoor setting with blurred lights in the background.

**THIRD QUARTER
& YEAR-TO-DATE
RESULTS**

THIRD QUARTER 2024 RESULTS

GAAP BASIS

\$ in millions, except EPS

	Third Quarter 2024	<i>% of Sales</i>	Third Quarter 2023	<i>% of Sales</i>	Change
Net sales	\$758		\$792		(4%)
Gross profit	356	46.9%	376	47.5%	(5%)
Royalty income, net	6	0.8%	6	0.7%	--
SG&A	285	37.5%	289	36.5%	(1%)
Operating income	77	10.2%	93	11.8%	(18%)
Interest and other, net	6	0.8%	8	1.0%	(22%)
Income before taxes	71	9.3%	85	10.8%	(17%)
Income tax provision	12		19		(36%)
Net income	\$58	7.7%	\$66	8.4%	(12%)
Diluted EPS	\$1.62		\$1.78		(9%)
Weighted-average shares outstanding	35		36		(3%)
EBITDA ¹	\$90	11.9%	\$109	13.8%	(17%)

¹ Non-GAAP measure; see reconciliation to GAAP in Supplemental Information.

Note: Results may not be additive due to rounding.

THIRD QUARTER YTD 2024 RESULTS

GAAP BASIS

\$ in millions, except EPS

	Third Quarter YTD 2024	<i>% of Sales</i>	Third Quarter YTD 2023	<i>% of Sales</i>	Change
Net sales	\$1,984		\$2,088		(5%)
Gross profit	954	48.1%	978	46.8%	(2%)
Royalty income, net	15	0.8%	17	0.8%	(10%)
SG&A	798	40.2%	807	38.7%	(1%)
Operating income	172	8.6%	187	9.0%	(8%)
Interest and other, net	16	0.8%	23	1.1%	(28%)
Income before taxes	155	7.8%	164	7.9%	(6%)
Income tax provision	31		38		(19%)
Net income	\$124	6.2%	\$126	6.0%	(2%)
Diluted EPS	\$3.41		\$3.36		1%
Weighted-average shares outstanding	36		37		(3%)
EBITDA ¹	\$213	10.7%	\$236	11.3%	(10%)

¹ Non-GAAP measure; see reconciliation to GAAP in Supplemental Information.

Note: Results may not be additive due to rounding.

NON-GAAP ADJUSTMENTS¹

\$ in millions, except EPS

Third Quarter	2024					2023				
	Operating Income	% Net Sales	Pre-Tax Income	Net Income	Diluted EPS	Operating Income	% Net Sales	Pre-Tax Income	Net Income	Diluted EPS
As reported (GAAP)	\$77.0	10.2%	\$70.7	\$58.3	\$1.62	\$93.4	11.8%	\$85.4	\$66.1	\$1.78
Pension plan settlement	-		0.9	0.7	0.02	-		-	-	-
Organizational restructuring	-		-	-	-	2.9		2.9	2.2	0.06
As adjusted	\$77.0	10.2%	\$71.7	\$59.0	\$1.64	\$96.3	12.2%	\$88.3	\$68.4	\$1.84

Third Quarter Year to Date	2024					2023				
	Operating Income	% Net Sales	Pre-Tax Income	Net Income	Diluted EPS	Operating Income	% Net Sales	Pre-Tax Income	Net Income	Diluted EPS
As reported (GAAP)	\$171.5	8.6%	\$155.0	\$124.0	\$3.41	\$187.3	9.0%	\$164.3	\$126.0	\$3.36
Pension plan settlement	-		0.9	0.7	0.02	-		-	-	-
Organizational restructuring	-		-	-	-	4.4		4.4	3.4	0.09
As adjusted	\$171.5	8.6%	\$156.0	\$124.7	\$3.43	\$191.8	9.2%	\$168.7	\$129.4	\$3.45

¹ Certain measures are presented on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP in Supplemental Information.
Note: Results may not be additive due to rounding.

WE ACHIEVED OUR THIRD QUARTER SALES & EARNINGS OBJECTIVES

\$ in millions, except EPS

	Q3 Results		Guidance ¹
Net sales	\$758	✓	\$735 - \$755
U.S. Retail	Down 6%	✓	Down HSD to LDD
U.S. Wholesale	Comparable	✓	Comparable to Down LSD
International	Down 9%	✓	Down MSD to HSD
Operating income	\$77	✓	\$60 - \$70
<i>Operating margin</i>	10.2%	✓	8.2% - 9.3%
Diluted EPS²	\$1.64	✓	\$1.10 - \$1.35

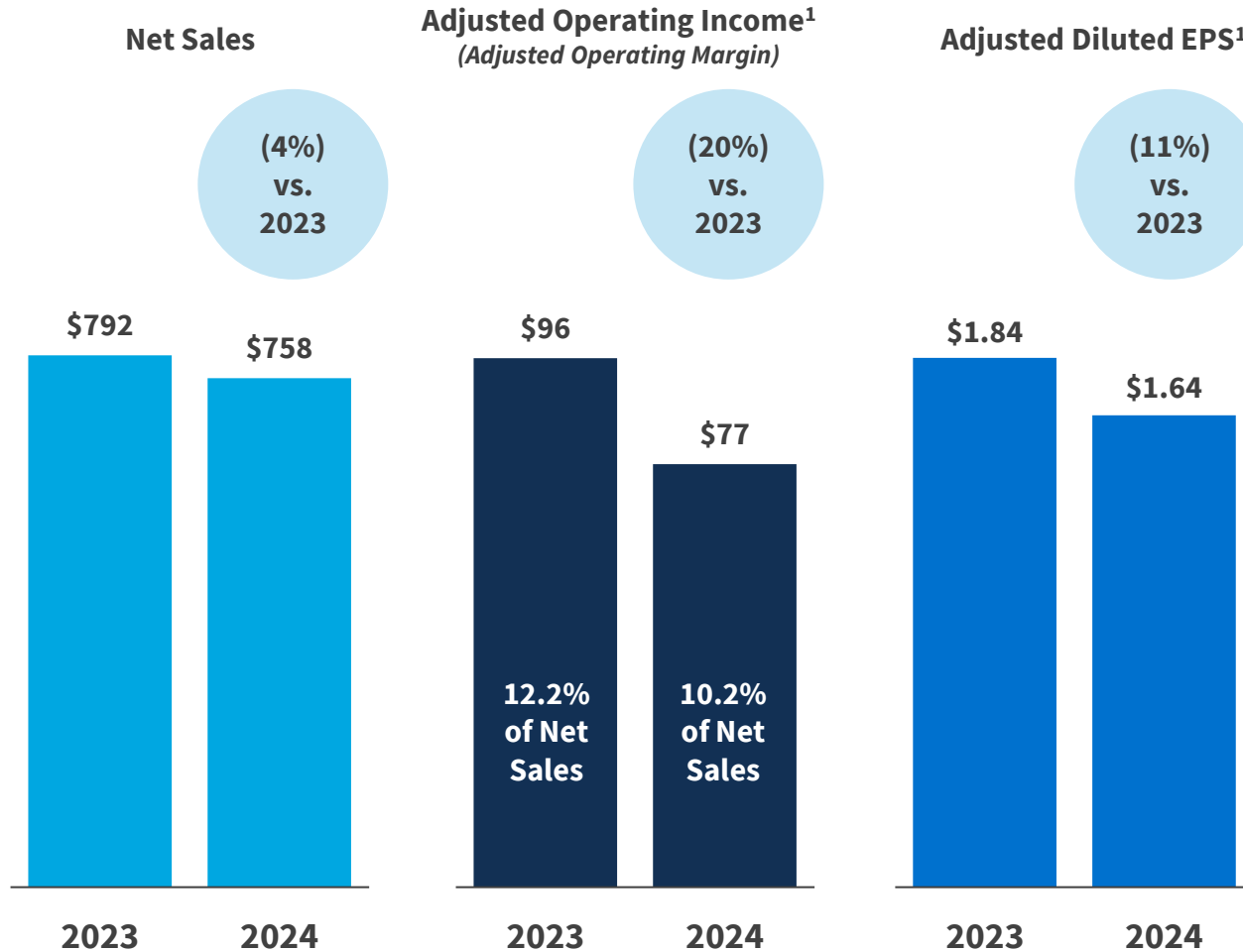
- **Consolidated net sales above guidance range, driven by better than planned U.S. Retail comparable sales**
- **Operating income outperformance due to sales favorability and effective expense management**
- **Diluted EPS reflects higher than planned operating income, lower borrowings, and lower effective tax rate**



¹ Provided on Q2 2024 earnings call on 7/26/24. ² Adjusted basis; see reconciliation to GAAP in Supplemental Information.

THIRD QUARTER 2024 RESULTS

\$ in millions, except EPS



¹ Non-GAAP measure; see reconciliation to GAAP in Supplemental Information.

ADJUSTED THIRD QUARTER 2024 RESULTS

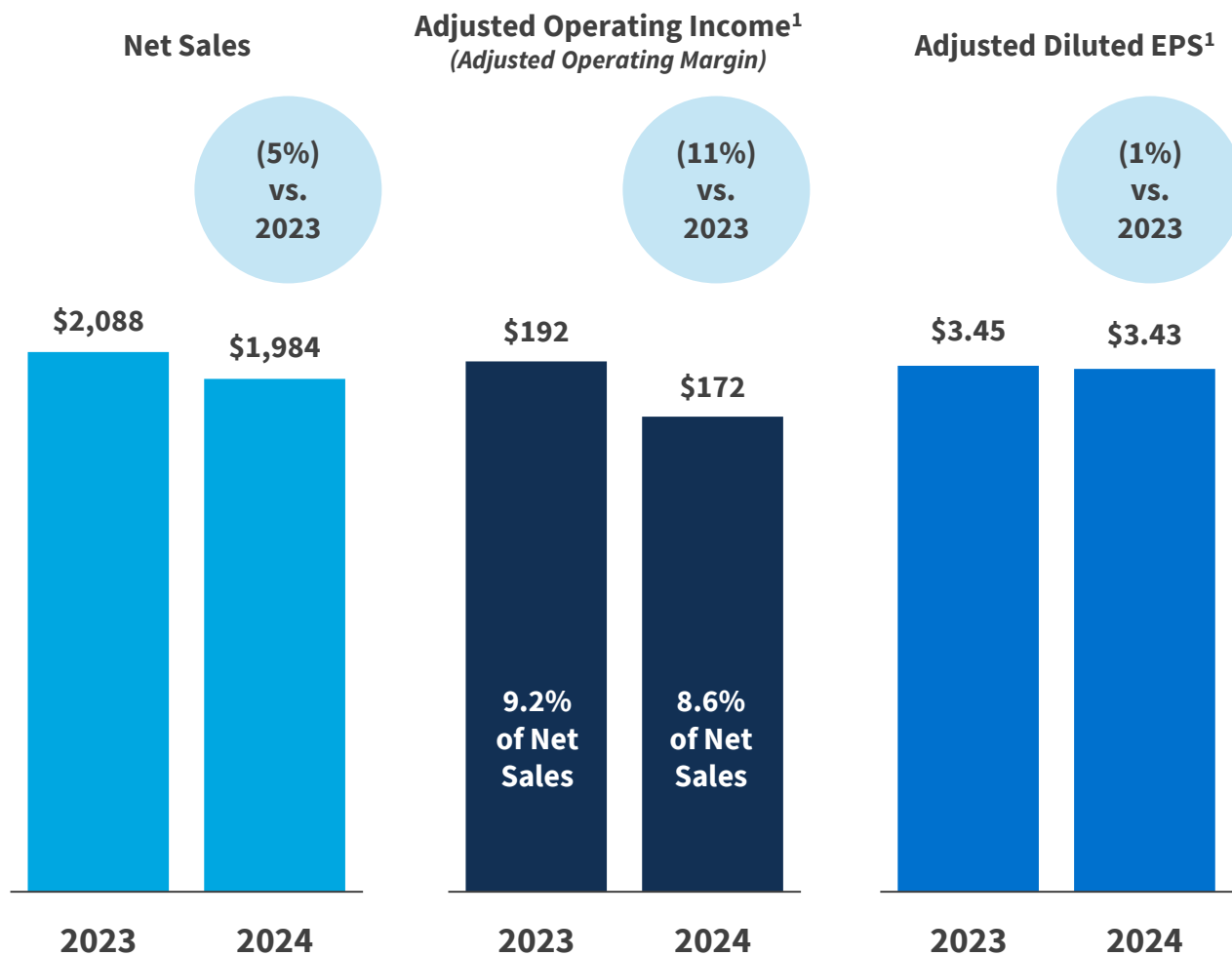
\$ in millions, except EPS

	Third Quarter 2024	% of Sales	Third Quarter 2023	% of Sales	Change
Net sales	\$758		\$792		(4%)
Gross profit	356	46.9%	376	47.5%	(5%)
Royalty income, net	6	0.8%	6	0.7%	--
SG&A ¹	285	37.5%	286	36.1%	--
Operating income ¹	77	10.2%	96	12.2%	(20%)
Interest and other, net ¹	5	0.7%	8	1.0%	(33%)
Income before taxes ¹	72	9.5%	88	11.1%	(19%)
Income tax provision ¹	13		20		(36%)
Net income ¹	\$59	7.8%	\$68	8.6%	(14%)
Diluted EPS ¹	\$1.64		\$1.84		(11%)
Weighted-average shares outstanding	35		36		(3%)
EBITDA ¹	\$91	12.0%	\$112	14.1%	(19%)

¹ Measures are presented on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP in Supplemental Information.
Note: Results may not be additive due to rounding.

THIRD QUARTER YTD 2024 RESULTS

\$ in millions, except EPS



¹ Non-GAAP measure; see reconciliation to GAAP in Supplemental Information.

ADJUSTED THIRD QUARTER YTD 2024 RESULTS

\$ in millions, except EPS

	Third Quarter YTD 2024	<i>% of Sales</i>	Third Quarter YTD 2023	<i>% of Sales</i>	Change
Net sales	\$1,984		\$2,088		(5%)
Gross profit	954	48.1%	978	46.8%	(2%)
Royalty income, net	15	0.8%	17	0.8%	(10%)
SG&A ¹	798	40.2%	803	38.4%	(1%)
Operating income ¹	172	8.6%	192	9.2%	(11%)
Interest and other, net ¹	16	0.8%	23	1.1%	(33%)
Income before taxes ¹	156	7.9%	169	8.1%	(8%)
Income tax provision ¹	31		39		(20%)
Net income ¹	\$125	6.3%	\$129	6.2%	(4%)
Diluted EPS ¹	\$3.43		\$3.45		(1%)
Weighted-average shares outstanding	36		37		(3%)
EBITDA ¹	\$214	10.8%	\$241	11.5%	(11%)

¹ Measures are presented on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP in Supplemental Information.
Note: Results may not be additive due to rounding.

BUSINESS SEGMENT PERFORMANCE



ADJUSTED THIRD QUARTER 2024 SEGMENT RESULTS

\$ in millions

	Net Sales			Adjusted Operating Income ¹			Adjusted Operating Margin ¹	
	2024	2023	Change	2024	2023	Change	2024	2023
U.S. Retail	\$353	\$375	(\$22)	\$27	\$49	(\$21)	7.7%	13.0%
U.S. Wholesale	299	300	(1)	63	66	(3)	21.1%	22.0%
International	106	117	(10)	10	14	(3)	9.6%	11.7%
Total before corporate expenses	758	792	(33)	101	128	(28)	13.3%	16.2%
Corporate expenses				(24)	(32)	8	(3.1%)	(4.1%)
Total	\$758	\$792	(\$33)	\$77	\$96	(\$19)	10.2%	12.2%

¹ Non-GAAP measure; see reconciliation to GAAP in Supplemental Information.

Note: Results may not be additive due to rounding.

ADJUSTED THIRD QUARTER U.S. RETAIL RESULTS¹

2024 VS. 2023

U.S. RETAIL SEGMENT

- **Net sales: -6% (units comparable)**
 - Macro pressures continued to affect families with young children
 - Strong Labor Day demand
 - Demand slowed last 2 weeks of the quarter (warmer weather & Southeast hurricane)
- **Comparable sales: -7%**
 - Lower traffic
 - Higher conversion
 - More competitive pricing
 - Higher units per transaction
 - eCommerce better than Stores
- **Operating margin 7.7% (-530 bps vs. LY)**
 - Pricing investments
 - Lower product costs
 - Marketing & store investments
 - Expense deleverage

IMPACT OF PRICING & MARKETING INVESTMENTS

- **Drove trend change in comparable sales**
 - -13% in July to -5% in August/September/October
 - Meaningful improvement in eCommerce
 - Improvement in conversion rate and units per transaction
 - Drove positive comp over Labor Day promotional period
- **New customer acquisition and retention rate improvement**
- **Improved seasonal inventory mix leading into Q4**
- **Revised investment plan: \$60M in second half**
 - \$50M pricing
 - \$10M brand marketing

¹ Results presented on an adjusted basis, a non-GAAP measure; see reconciliation to GAAP in Supplemental Information.

ADJUSTED THIRD QUARTER U.S. WHOLESALE AND INTERNATIONAL RESULTS¹

2024 VS. 2023

U.S. WHOLESALE

- **Net sales: Comparable (units +3%)**
 - Growth with Exclusive Brands
 - Lower shipments to department store & off-price customers
- **Operating margin 21.1% (-90 bps vs. LY)**
 - Lower pricing
 - Lower product costs
 - Inventory reserve releases in prior year
 - Higher distribution costs

INTERNATIONAL

- **Net sales: -9% (units -4%); constant currency basis -6%**
 - Macro pressures globally
 - Canada down high single-digits (down MSD constant currency)
 - Mexico down low single-digits (up HSD constant currency)
 - Lower wholesale shipments to the Middle East & Europe and changes in timing of shipments to Brazil
- **Operating margin 9.6% (-210 bps vs. LY)**
 - Lower pricing
 - Lower product costs
 - Expense deleverage

¹ Results presented on an adjusted basis, a non-GAAP measure; see reconciliation to GAAP in Supplemental Information.

ADJUSTED THIRD QUARTER YTD 2024 SEGMENT RESULTS

\$ in millions

	Net Sales			Adjusted Operating Income ¹			Adjusted Operating Margin ¹	
	2024	2023	Change	2024	2023	Change	2024	2023
U.S. Retail	\$951	\$1,022	(\$71)	\$60	\$103	(\$43)	6.3%	10.1%
U.S. Wholesale	756	767	(11)	163	147	16	21.5%	19.2%
International	277	299	(21)	18	23	(5)	6.5%	7.9%
Total before corporate expenses	1,984	2,088	(103)	240	274	(33)	12.1%	13.1%
Corporate expenses				(69)	(82)	13	(3.5%)	(3.9%)
Total	\$1,984	\$2,088	(\$103)	\$172	\$192	(\$20)	8.6%	9.2%

¹ Non-GAAP measure; see reconciliation to GAAP in Supplemental Information.

Note: Results may not be additive due to rounding.

BALANCE SHEET & CASH FLOW

\$ in millions

Balance Sheet (Q3 End)

	2024	2023
Cash	\$176	\$169
Accounts receivable, net	247	241
Inventory, net	607	621
Accounts payable	274	222
Long-term debt, net	498	567
Operating lease liabilities ¹	616	563

- **Inventories down 2% vs. LY**
 - Fewer days of supply
- **Total liquidity \$1.0 billion**
 - \$176 million cash
 - \$844 million borrowing capacity on revolving credit facility
- **No seasonal borrowings in 2024**

Cash Flow & Return of Capital (Q3 YTD)

	2024	2023
Operating cash flow	\$11	\$206
Capital expenditures	(40)	(42)
Free cash flow ²	(\$28)	\$163
Dividends	\$87	\$85
Share repurchases	51	67
Total	\$138	\$152

- **Operating cash flow reflects sell through of pack & hold inventory in 2023 at good margins**
- **\$138 million distributed to shareholders through dividends and share repurchases Q3 YTD 2024**
 - Dividends: \$87 million
 - Share repurchases: \$51 million

¹ Sum of current and non-current operating lease liabilities. ² Non-GAAP measure.

PROGRESS WITH GROWTH STRATEGIES



OUR GROWTH STRATEGY FOCUS



PRODUCT

Elevate Style & Value of Our Product Offerings



MARKETING

Deepen Our Customer Relationships



BRAND REACH

Leverage Our Unparalleled Multi-channel Market Presence



IMPROVING OUR PRODUCT MIX



PRICE INVESTMENTS IMPROVING TRENDS



Tees



\$
5

2023 | \$6

Dresses



\$
10

2023 | \$12

Leggings



\$
5

2023 | \$6

HOUSE OF BRANDS STRATEGY

MORE THAN HALF OF OUR RETAIL CUSTOMERS SHOP TWO OR MORE OF OUR BRANDS



carter's



OSHKOSH *B'gosh*



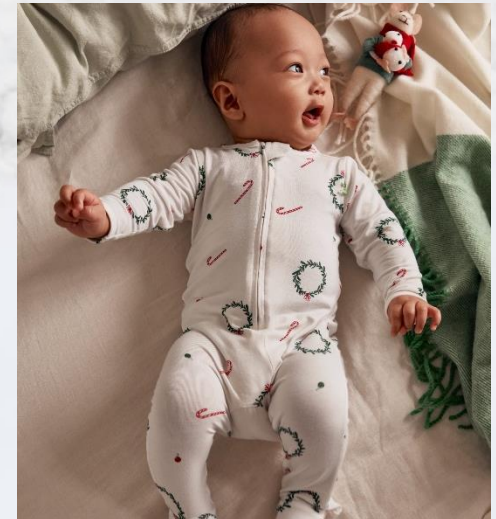
baby *B'gosh*



little planet
by carter's

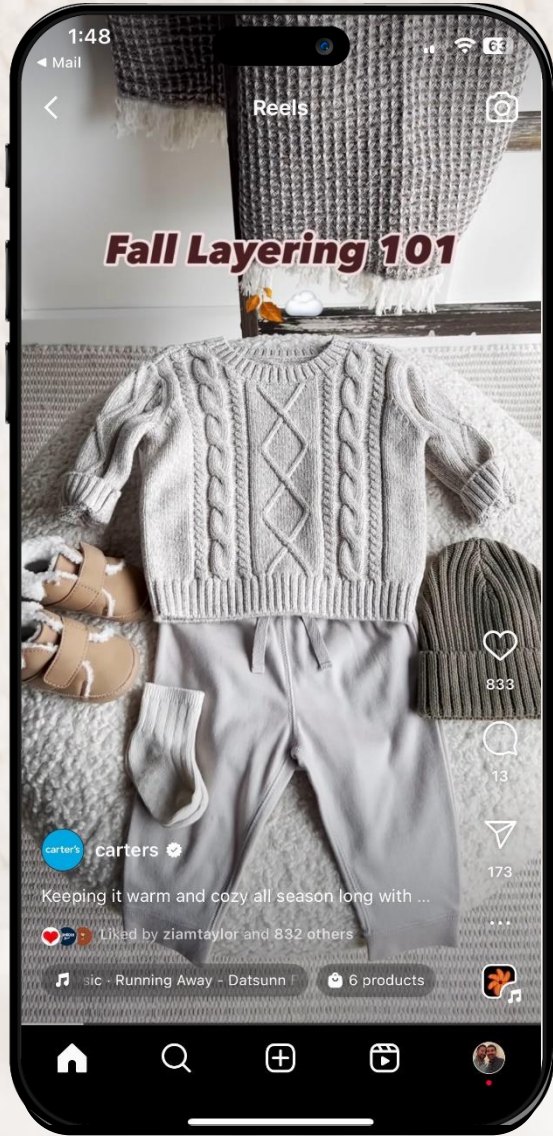



SKIP*HOP



PurelySoft
by carter's

ON TREND FOR BABY



 **izzie_does_it** I'm having a boy in December and I love all these outfits. I gotta make a trip to Carter's! 💙💙
2w 2 likes Reply



KEY TRENDING ITEMS

11:47

carter's Carter's Sponsored ·

Now trending! Step up their game in Carter's match skorts. With built-in shorts, she's tennis (or pickleball) ready. ... See More

carter's

now trending

CARTERS.COM
Skorts on the scene [Shop Now](#)
in store + online

3.4K 373 Comments 508 Shares

Love Comment Share

4



carollopes3293 I love.

3w 1 like Reply



UNPARALLELED MARKET PRESENCE



carter's



Brand Stores



Carter's
Mobile App



carters.com

carter's



Outlet Stores

Walmart

TARGET

amazon

KOHL'S

macy's

JCPenney

COSTCO
WHOLESALE

sam's club

meijer

TJ-maxx

Marshalls

ROSS
DRESS FOR LESS

Burlington

Over **1,000** Carter's stores in North America and
20,000+ points of distribution in Wholesale accounts globally

INVESTMENT IN BRAND EXPERIENCE

NEW ATLANTA FLAGSHIP STORE



INVESTMENT IN BRAND EXPERIENCE

NEW ATLANTA FLAGSHIP STORE

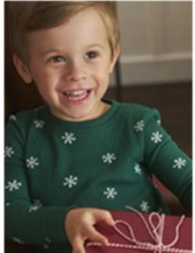


UNPARALLELED RELATIONSHIPS WITH THE LARGEST RETAILERS OF CHILDREN'S APPAREL



carter's

carter's
Merry little
looks for baby.



KOHL'S

carter's

— **child of mine** —



Walmart

carter's

— **just one you.** —



TARGET

simple joys
by **carter's**



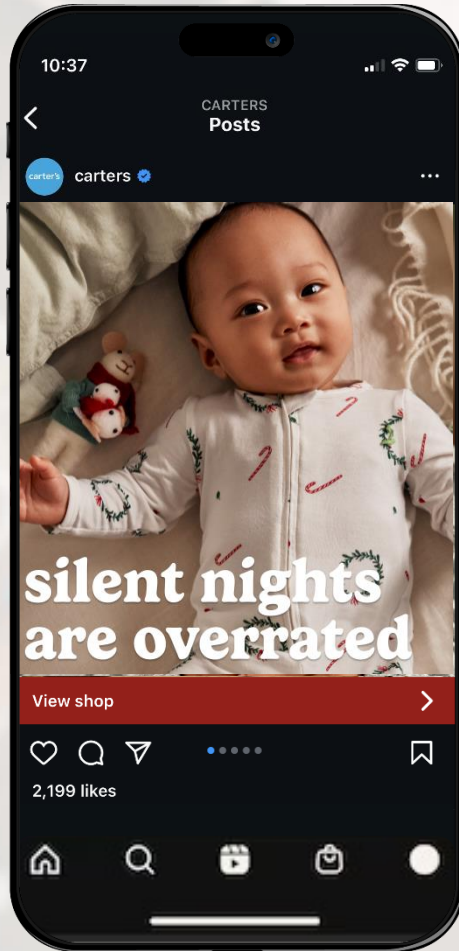
amazon

IMPROVED PERSONALIZATION CAPABILITIES

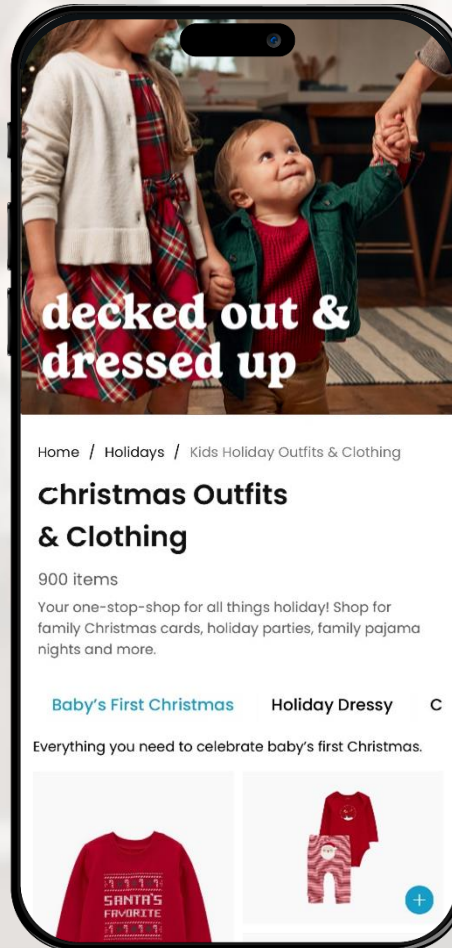
A JOURNEY FOR EVERY CUSTOMER



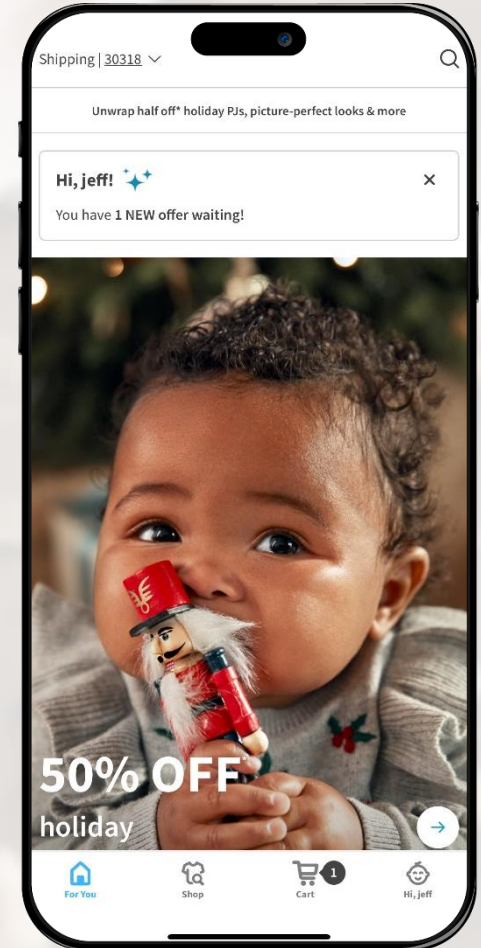
INSTAGRAM AD



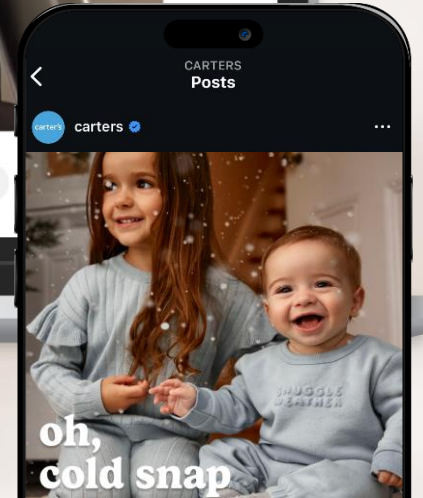
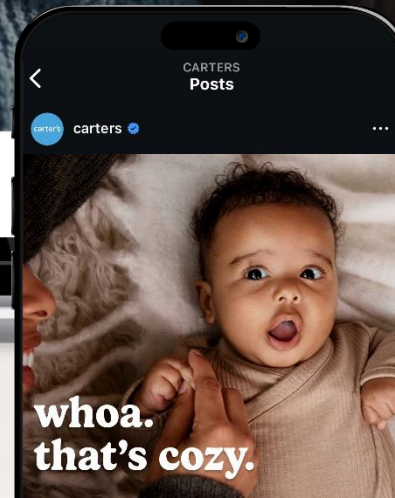
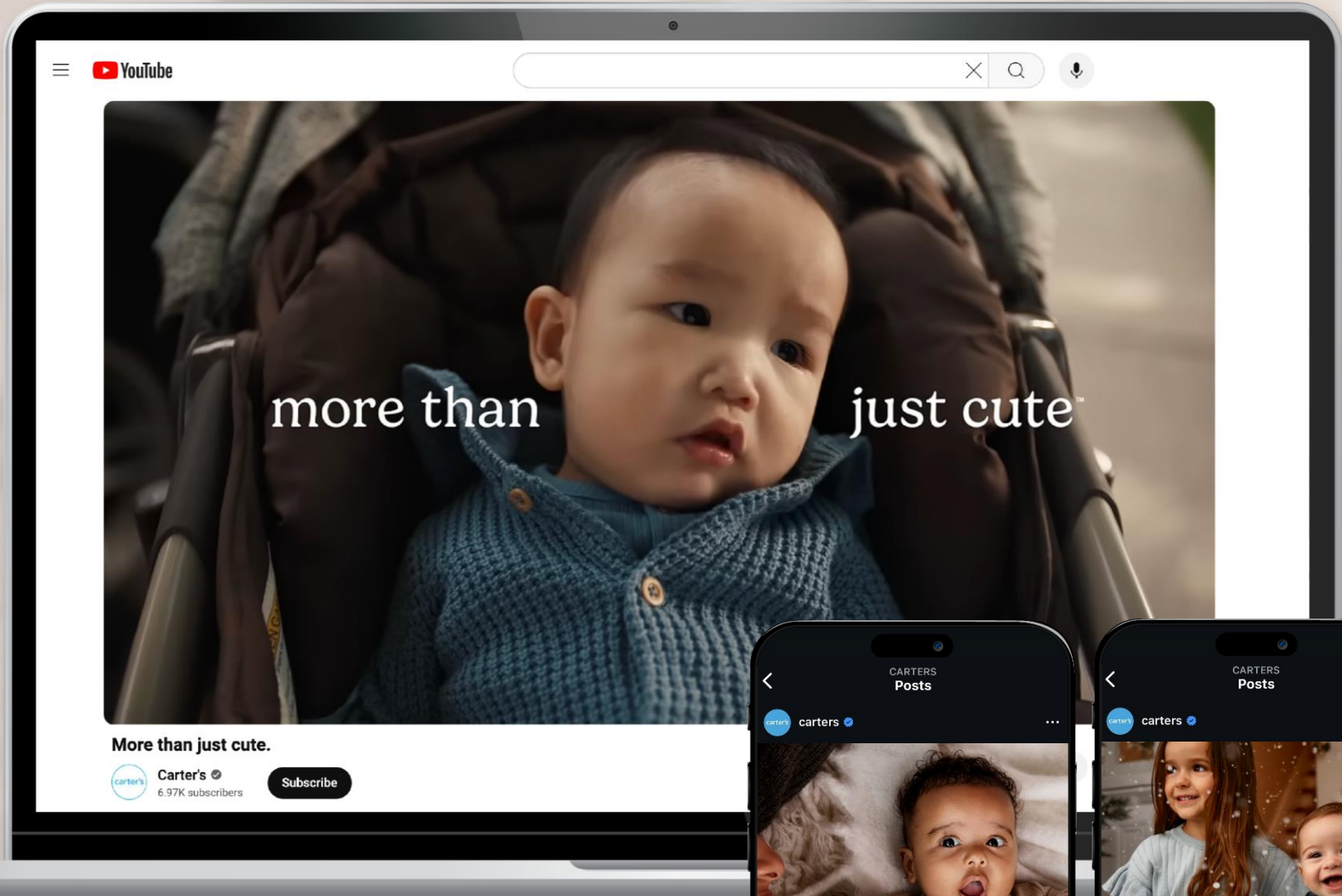
PERSONALIZED LANDING PAGE



PERSONALIZED OFFERS



INVESTMENT IN MEDIA AND BRAND MARKETING



PROGRESS WITH STRATEGIC PRIORITIES

- ✓ **#1 Market Share, with gains in Baby and Toddler¹**
- ✓ **Unit volume growth**
- ✓ **Most trusted and most recommended brand²**
- ✓ **Improving trends in U.S. Retail**
 - 8ppt U.S. Retail comp improvement
(July -13% → August thru October -5%)
 - Conversion rate and units per transaction increases
 - Growth in new customer acquisition
 - Customer retention rate improvement
 - Industry-leading customer satisfaction scores³



¹ Source: Circana, Consumer Tracking Service, U.S. apparel dollar sales, YTD August 2024.

² Source: Based on preferences selected in Carter's Q4'23 - Q3'24 survey of 1387 children's clothing buyers in the U.S.

³ Source: Carter's OSAT Survey data Source: Qualtrics, Carter's CX Store Survey, March 2024 - October 2024.

2024 OUTLOOK



FISCAL YEAR 2024 OUTLOOK

NET SALES

- **Net sales: \$2.785 billion to \$2.825 billion** (FY2023: \$2.946 billion)

U.S. Retail	U.S. Wholesale	International
Down HSD <i>Comp sales down HSD to LDD</i>	Comparable to +LSD	Down HSD

PROFITABILITY & CASH FLOW

Adjusted¹

Operating Income	Diluted EPS	Operating Cash Flow	CapEx
\$240 million to \$260 million <i>(FY2023: \$328 million)</i>	\$4.70 to \$5.15² <i>(FY2023: \$6.19)</i>	>\$200 million	~\$65 million

KEY ASSUMPTIONS³

- **Comparable gross profit margin**
- **Increased SG&A**
 - Growth-related investments & inflation, partially offset by cost reduction initiatives
- **Lower net interest expense**
- **Lower effective tax rate**
- **Lower share count**

¹ See reconciliations to GAAP in Supplemental Information. Forward looking adjusted measures have not been reconciled to their most directly comparable GAAP measures (see page 44 for additional information). ² Excludes a non-cash, pre-tax partial pension plan settlement charge of \$0.9 million. ³ Comparisons vs. prior year.

FOURTH QUARTER 2024 OUTLOOK

NET SALES

- **Consolidated net sales: \$800 million to \$840 million** (Q4 2023: \$858 million)

U.S. Retail	U.S. Wholesale	International
Down HSD to LDD <i>Comp sales -9% to -12%</i> <i>(Comp sales Q4 to date -4%; YTD – 8%)</i>	+MSD to +HSD	Down MSD to HSD

PROFITABILITY¹

Adjusted Operating Income	Adjusted Diluted EPS
\$70 million to \$90 million <i>(Q4 2023: \$136 million)</i>	\$1.32 to \$1.72 <i>(Q4 2023: \$2.76)</i>

KEY ASSUMPTIONS²

- **Continued macroeconomic pressure on consumer demand**
- **~\$30 million investments in pricing & brand marketing (~\$60 million total 2H)**
- **Lower gross profit margin**
- **Increased SG&A**
- **Lower net interest expense**
- **Lower effective tax rate**
- **Lower share count**

¹ See reconciliations to GAAP in Supplemental Information. Forward-looking adjusted measures have not been reconciled to their most directly comparable GAAP measures (see page 44 for additional information). ² Comparisons vs. prior year unless otherwise noted.

THANK YOU





SUPPLEMENTAL INFORMATION

THIRD QUARTER RECONCILIATION OF ADJUSTED NET INCOME ALLOCABLE TO COMMON SHAREHOLDERS

	Fiscal Quarter Ended	
	September 28, 2024	September 30, 2023
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	35,301,131	36,438,403
Dilutive effect of equity awards	619	3,881
Diluted number of common and common equivalent shares outstanding	35,301,750	36,442,284

\$ in thousands, except EPS	Fiscal Quarter Ended			
	As reported on a GAAP Basis		As adjusted (a)	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Basic net income per common share:				
Net income	\$58,320	\$66,127	\$59,042	\$68,632
Income allocated to participating securities	(1,210)	(1,267)	(1,226))	(1,311)
Net income available to common shareholders	\$57,110	\$64,860	\$57,816	\$67,051
Basic net income per common share	\$1.62	\$1.78	\$1.64	\$1.84
Diluted net income per common share:				
Net income	\$58,320	\$66,127	\$59,042	\$68,632
Income allocated to participating securities	(1,210)	(1,267)	(1,226))	(1,311)
Net income available to common shareholders	\$57,110	\$64,860	\$57,816	\$67,051
Diluted net income per common share	\$1.62	\$1.78	\$1.64	\$1.84

(a) In addition to the results provided in this earnings release in accordance with GAAP, the Company has provided adjusted, non-GAAP financial measurements that present per share data excluding the adjustments discussed above. The Company has excluded \$0.7 million and \$2.2 million in after-tax expenses from these results for the fiscal quarters ended September 28, 2024 and September 30, 2023, respectively.

Note: Results may not be additive due to rounding.

THIRD QUARTER YTD RECONCILIATION OF ADJUSTED NET INCOME ALLOCABLE TO COMMON SHAREHOLDERS

	Three Fiscal Quarters Ended	
	September 28, 2024	September 30, 2023
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	35,616,875	36,789,140
Dilutive effect of equity awards	1,325	3,781
Diluted number of common and common equivalent shares outstanding	35,618,200	36,792,921

\$ in thousands, except EPS	Three Fiscal Quarters Ended			
	As reported on a GAAP Basis		As adjusted (a)	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Basic net income per common share:				
Net income	\$123,992	\$125,990	\$124,713	\$129,406
Income allocated to participating securities	(2,401)	(2,254)	(2,416)	(2,319)
Net income available to common shareholders	\$121,591	\$123,736	\$122,297	\$127,087
Basic net income per common share	\$3.41	\$3.36	\$3.43	\$3.45
Diluted net income per common share:				
Net income	\$123,992	\$125,990	\$124,713	\$129,406
Income allocated to participating securities	(2,401)	(2,254)	(2,416)	(2,318)
Net income available to common shareholders	\$121,591	\$123,736	\$122,297	\$127,088
Diluted net income per common share	\$3.41	\$3.36	\$3.43	\$3.45

(a) In addition to the results provided in this earnings release in accordance with GAAP, the Company has provided adjusted, non-GAAP financial measurements that present per share data excluding the adjustments discussed above. The Company has excluded \$0.7 million and \$3.4 million in after-tax expenses from these results for the three fiscal quarters ended September 28, 2024 and September 30, 2023, respectively.

Note: Results may not be additive due to rounding.

RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS

\$ in millions, except EPS

Third Quarter of Fiscal 2024	SG&A	% of net sales	Operating Income	% of net sales	Income Tax Provision	Net Income	Diluted EPS
As reported (GAAP)	\$284.7	37.5%	\$77.0	10.2%	\$12.4	\$58.3	\$1.62
Pension plan settlement (b)	-		-		0.2	0.7	0.02
As adjusted (a)	\$284.7	37.5%	\$77.0	10.2%	\$12.6	\$59.0	\$1.64

First Three Quarters of Fiscal 2024	SG&A	% of net sales	Operating Income	% of net sales	Income Tax Provision	Net Income	Diluted EPS
As reported (GAAP)	\$797.6	40.2%	\$171.5	8.6%	\$31.0	\$124.0	\$3.41
Pension plan settlement (b)	-		-		0.2	0.7	0.02
As adjusted (a)	\$797.6	40.2%	\$171.5	8.6%	\$31.3	\$124.7	\$3.43

(a) In addition to the results provided in this earnings release in accordance with GAAP, the Company has provided adjusted, non-GAAP financial measurements that present SG&A, operating income, income taxes, net income, and net income on a diluted share basis excluding the adjustments discussed above. The Company believes these adjustments provide a meaningful comparison of the Company's results and afford investors a view of what management considers to be the Company's core performance. The adjusted, non-GAAP financial measurements included in this presentation should not be considered as an alternative to net income or as any other measurement of performance derived in accordance with GAAP. The adjusted, non-GAAP financial measurements are presented for informational purposes only and are not necessarily indicative of the Company's future condition or results of operations.

(b) Non-cash charge for partial settlement of the OshKosh B'Gosh Pension Plan.

Note: Results may not be additive due to rounding.

RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS

\$ in millions, except EPS

Segment Reporting															
Third Quarter of Fiscal 2023	SG&A	% of net sales	Operating Income	% of net sales	Income Tax Provision	Net Income	Diluted EPS	U.S. Retail Operating Income	% of segment net sales	U.S. Wholesale Operating Income	% of segment net sales	International Operating Income	% of segment net sales	Corporate Operating Expenses	% of total net sales
As reported (GAAP)	\$288.7	36.5%	\$93.4	11.8%	\$19.2	\$66.1	\$1.78	\$48.0	12.8%	\$65.7	21.9%	\$13.4	11.5%	(\$33.6)	(4.2%)
Organizational restructuring (b)	(2.9)		2.9		0.7	2.2	0.06	0.6		0.4		0.3		1.5	
As adjusted (a)	\$285.8	36.1%	\$96.3	12.2%	\$19.9	\$68.4	\$1.84	\$48.6	13.0%	\$66.1	22.0%	\$13.7	11.7%	(\$32.1)	(4.1%)

Segment Reporting															
First Three Quarters of Fiscal 2023	SG&A	% of net sales	Operating Income	% of net sales	Income Tax Provision	Net Income	Diluted EPS	U.S. Retail Operating Income	% of segment net sales	U.S. Wholesale Operating Income	% of segment net sales	International Operating Income	% of segment net sales	Corporate Operating Expenses	% of total net sales
As reported (GAAP)	\$807.0	38.7%	\$187.3	9.0%	\$38.3	\$126.0	\$3.36	\$103.1	10.1%	\$147.0	19.2%	\$23.2	7.8%	(\$86.0)	(4.1%)
Organizational restructuring (b)	(4.4)		4.4		1.0	3.4	0.09	-		0.1		0.3		4.1	
As adjusted (a)	\$802.6	38.4%	\$191.8	9.2%	\$39.3	\$129.4	\$3.45	\$103.1	10.1%	\$147.1	19.2%	\$23.5	7.9%	(\$81.9)	(3.9%)

(a) In addition to the results provided in this earnings release in accordance with GAAP, the Company has provided adjusted, non-GAAP financial measurements that present SG&A, operating income, income taxes, net income, and net income on a diluted share basis excluding the adjustments discussed above. The Company believes these adjustments provide a meaningful comparison of the Company's results and afford investors a view of what management considers to be the Company's core performance. The adjusted, non-GAAP financial measurements included in this presentation should not be considered as an alternative to net income or as any other measurement of performance derived in accordance with GAAP. The adjusted, non-GAAP financial measurements are presented for informational purposes only and are not necessarily indicative of the Company's future condition or results of operations.

(b) Net expenses related to organizational restructuring and related corporate office lease amendment actions.

Note: Results may not be additive due to rounding.

RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS

\$ in millions, except EPS

Fourth Quarter of Fiscal 2023	SG&A	% of net sales	Operating Income	% of net sales	Income Tax Provision	Net Income	Diluted EPS
As reported (GAAP)	\$287.0	33.4%	\$136.1	15.9%	\$31.4	\$106.5	\$2.90
Benefit from credit card settlement (b)	-		-		(1.7)	(5.3)	(0.14)
As adjusted (a)	\$287.0	33.5%	\$136.0	15.9%	\$29.8	\$101.2	\$2.76

Fiscal Year 2023	SG&A	% of net sales	Operating Income	% of net sales	Income Tax Provision	Net Income	Diluted EPS
As reported (GAAP)	\$1,093.9	37.1%	\$323.4	11.0%	\$69.7	\$232.5	\$6.24
Organizational restructuring (c)	(4.4)		4.4		1.0	3.4	0.09
Benefit from credit card settlement (b)	-		-		(1.7)	(5.3)	(0.14)
As adjusted (a)	\$1,089.5	37.0%	\$327.8	11.1%	\$69.1	\$230.6	\$6.19

(a) In addition to the results provided in this earnings release in accordance with GAAP, the Company has provided adjusted, non-GAAP financial measurements that present SG&A, operating income, income taxes, net income, and net income on a diluted share basis excluding the adjustments discussed above. The Company believes these adjustments provide a meaningful comparison of the Company's results and afford investors a view of what management considers to be the Company's core performance. The adjusted, non-GAAP financial measurements included in this presentation should not be considered as an alternative to net income or as any other measurement of performance derived in accordance with GAAP. The adjusted, non-GAAP financial measurements are presented for informational purposes only and are not necessarily indicative of the Company's future condition or results of operations.

(b) Gain resulting from a court-approved settlement related to payment card interchange fees.

(c) Net expenses related to organizational restructuring and related corporate office lease amendment actions.

Note: Results may not be additive due to rounding.

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

\$ in millions

	Fiscal Quarter Ended		Three Fiscal Quarters Ended		Four Fiscal Quarters Ended
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023	September 28, 2024
Net income	\$58.3	\$66.1	\$124.0	\$126.0	\$230.5
Interest expense	7.4	8.6	23.2	26.3	30.8
Interest income	(2.4)	(1.1)	(8.6)	(2.8)	(10.7)
Tax expense	12.4	19.2	31.0	38.3	62.7
Depreciation and amortization	14.4	16.0	43.7	48.6	59.2
EBITDA	\$90.2	\$109.0	\$213.2	\$236.4	\$372.5
Adjustments to EBITDA					
Pension plan settlement ^(a)	\$0.9	\$ -	\$0.9	\$ -	\$0.9
Organizational restructuring ^(b)	-	2.9	-	4.4	-
Benefit from credit card settlement ^(c)	-	-	-	-	(6.9)
Total adjustments	0.9	2.9	-	4.4	(6.0)
Adjusted EBITDA	\$91.1	\$111.8	\$214.2	\$240.9	\$366.4

(a) Non-cash charge for partial settlement of the OshKosh B'Gosh Pension Plan.

(b) Net expenses related to organizational restructuring and related corporate office lease amendment actions.

(c) Gain resulting from a court-approved settlement related to payment card interchange fees.

Note: Results may not be additive due to rounding.

NET SALES CONSTANT CURRENCY RECONCILIATION

\$ in millions

	Fiscal Quarter Ended					
	Reported Net Sales September 28, 2024	Impact of Foreign Currency Translation	Constant- Currency Net Sales September 28, 2024	Reported Net Sales September 30, 2023	Reported Net Sales % Change	Constant- Currency Net Sales % Change
Consolidated net sales	\$758.5	\$(3.1)	\$761.5	\$791.7	(4.2)%	(3.8)%
International segment net sales	\$106.5	\$(3.1)	\$109.6	\$116.5	(8.6)%	(6.0)%
	Three Fiscal Quarters Ended					
	Reported Net Sales September 28, 2024	Impact of Foreign Currency Translation	Constant- Currency Net Sales September 28, 2024	Reported Net Sales September 30, 2023	Reported Net Sales % Change	Constant- Currency Net Sales % Change
Consolidated net sales	\$1,984.4	\$(1.5)	\$1985.9	\$2,087.7	(4.9)%	(4.9)%
International segment net sales	\$277.5	\$(1.5)	\$279.0	\$298.6	(7.1)%	(6.5)%

The Company evaluates its net sales on both an “as reported” and a “constant currency” basis. The constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates that occurred between the comparative periods. Constant currency net sales results are calculated by translating current period net sales in local currency to the U.S. dollar amount by using the currency conversion rate for the prior comparative period. The Company consistently applies this approach to net sales for all countries where the functional currency is not the U.S. dollar. The Company believes that the presentation of net sales on a constant currency basis provides useful supplemental information regarding changes in our net sales that were not due to fluctuations in currency exchange rates and such information is consistent with how the Company assesses changes in its net sales between comparative periods.

Note: Results may not be additive due to rounding.

STORE COUNT RECONCILIATION

	U.S	Canada	Mexico	Total
Store count at September 30, 2023	768	188	53	1,009
Openings	25	1	1	27
Closings	(1)	(1)	-	(2)
Store count at December 30, 2023	792	188	54	1,034
Openings	26	5	5	36
Closings	(23)	(5)	(3)	(31)
Store count at September 28, 2024	795	188	56	1,039
<i>Balance of 2024 Forecast</i>				
Openings	14	4	9	27
Closings	(6)	(1)	(1)	(8)
Estimated store count at December 28, 2024	803	191	64	1,058

FORWARD LOOKING STATEMENTS

AND OTHER INFORMATION

Statements in this presentation that are not historical fact and use predictive words such as “estimates”, “outlook”, “guidance”, “expect”, “believe”, “intend”, “designed”, “target”, “plans”, “may”, “will”, “are confident” and similar words are forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). These forward-looking statements and related assumptions involve risks and uncertainties that could cause actual results and outcomes to differ materially from any forward-looking statements or views expressed in this press release. These risks and uncertainties include, but are not limited to, the factors disclosed in Part I, Item 1A. “Risk Factors” of the Company’s Annual Report on Form 10-K for the fiscal year ended December 30, 2023, and otherwise in our reports and filings with the Securities and Exchange Commission, as well as the following factors: risks related to the 2024 U.S. presidential election; risks related to public health crises; changes in global economic and financial conditions, and the resulting impact on consumer confidence and consumer spending, as well as other changes in consumer discretionary spending habits; continued inflationary pressures with respect to labor and raw materials and global supply chain constraints that have had, and could continue to have, an affect on freight, transit, and other costs; risks related to geopolitical conflict, including ongoing geopolitical challenges between the United States and China, the ongoing hostilities in Ukraine, Israel, and the Red Sea region, acts of terrorism, mass casualty events, social unrest, civil disturbance or disobedience; risks related to a potential shutdown of the U.S. government; financial difficulties for one or more of our major customers; an overall decrease in consumer spending, including, but not limited to, decreases in birth rates; our products not being accepted in the marketplace and our failure to manage our inventory; increased competition in the marketplace; diminished value of our brands; the failure to protect our intellectual property; the failure to comply with applicable quality standards or regulations; unseasonable or extreme weather conditions; pending and threatened lawsuits; a breach of our information technology systems and the loss of personal data; increased margin pressures, including increased cost of materials and labor and our inability to successfully increase prices to offset these increased costs; our foreign sourcing arrangements; disruptions in our supply chain, including increased transportation and freight costs; the management and expansion of our business domestically and internationally; the acquisition and integration of other brands and businesses; changes in our tax obligations, including additional customs, duties or tariffs; fluctuations in foreign currency exchange rates; risks associated with corporate responsibility issues; our ability to achieve our forecasted financial results for the fiscal year; our continued ability to declare and pay a dividend and conduct share repurchases in future periods; our planned opening and closing of stores; and consummation of the early payout, and potential termination, of the pension plan, including the ultimate amount of any related charges. Except for any ongoing obligations to disclose material information as required by federal securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. The inclusion of any statement in this press release does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material.

We have not reconciled forward-looking adjusted operating income or adjusted diluted earnings per share to their most directly comparable GAAP measures because we cannot predict with reasonable certainty the ultimate outcome of certain components of such reconciliations that are not within our control including due to factors described above, or others that may arise, without unreasonable effort. For these reasons, we are unable to assess the probable significance of the unavailable information, which could materially impact the amount of future operating income or diluted EPS, the most directly comparable GAAP metrics to adjusted operating income and adjusted diluted earnings per share, respectively.