



FOURTH QUARTER  
AND  
FISCAL YEAR 2024

BUSINESS UPDATE  
FEBRUARY 25, 2025

carter's

OSHKOSH *B'gosh*

little planet

SKIP\*HOP

# FOURTH QUARTER 2024 RESULTS

GAAP BASIS

\$ in millions, except EPS

	<b>Fourth Quarter 2024</b>	<i>% of Sales</i>	<b>Fourth Quarter 2023</b>	<i>% of Sales</i>	<b>Change</b>
Net sales	\$860		\$858		--
Gross profit	411	47.8%	418	48.7%	(2%)
Royalty income, net	4	0.5%	5	0.6%	(11%)
SG&A	302	35.1%	287	33.4%	5%
Intangible asset impairment	30		-		n/m <sup>1</sup>
Operating income	83	9.7%	136	15.9%	(39%)
Interest expense, net	6	0.7%	6	0.7%	3%
Other expense (income), net	2	0.2%	(8)	(0.9%)	n/m
Income before taxes	76	8.8%	138	16.1%	(45%)
Income tax provision	14		31		(55%)
Net income	\$62	7.2%	\$107	12.4%	(42%)
Diluted EPS	\$1.71		\$2.90		(41%)
Weighted-average shares outstanding	35		36		(2%)
EBITDA <sup>2</sup>	\$96	11.1%	\$159	18.6%	(40%)

<sup>1</sup> Not meaningful. <sup>2</sup> Non-GAAP measure; see reconciliation to GAAP in Supplemental Information.

Note: Results may not be additive due to rounding.

# FISCAL YEAR 2024 RESULTS

GAAP BASIS

\$ in millions, except EPS

	<b>Fiscal Year 2024</b>	<i>% of Sales</i>	<b>Fiscal Year 2023</b>	<i>% of Sales</i>	<b>Change</b>
Net sales	\$2,844		\$2,946		(3%)
Gross profit	1,365	48.0%	1,396	47.4%	(2%)
Royalty income, net	19	0.7%	21	0.7%	(10%)
SG&A	1,100	38.7%	1,094	37.1%	1%
Intangible asset impairment	30		-		n/m
Operating income	255	9.0%	323	11.0%	(21%)
Interest expense, net	20	0.7%	29	1.0%	(30%)
Other expense (income), net	4	0.1%	(8)	(0.3%)	n/m
Income before taxes	231	8.1%	302	10.3%	(24%)
Income tax provision	45		70		(35%)
Net income	\$186	6.5%	\$233	7.9%	(20%)
Diluted EPS	\$5.12		\$6.24		(18%)
Weighted-average shares outstanding	36		37		(3%)
EBITDA <sup>1</sup>	\$309	10.9%	\$396	13.4%	(22%)

<sup>1</sup> Non-GAAP measure; see reconciliation to GAAP in Supplemental Information.

Note: Results may not be additive due to rounding.

# NON-GAAP ADJUSTMENTS<sup>1</sup>

\$ in millions, except EPS

Fourth 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
<b>As reported (GAAP)</b>	<b>\$83.2</b>	9.7%	<b>\$75.8</b>	<b>\$61.5</b>	<b>\$1.71</b>	<b>\$136.1</b>	15.9%	<b>\$138.0</b>	<b>\$106.5</b>	<b>\$2.90</b>
Organizational restructuring	1.8		1.8	1.6	0.04	-		-	-	-
Intangible asset impairment	30.0		30.0	22.8	0.63	-		-	-	-
Benefit from credit card settlement	-		-	-	-	-		(6.9)	(5.3)	(0.14)
<b>As adjusted</b>	<b>\$115.0</b>	13.4%	<b>\$107.6</b>	<b>\$85.9</b>	<b>\$2.39</b>	<b>\$136.0</b>	15.9%	<b>\$131.0</b>	<b>\$101.2</b>	<b>\$2.76</b>

Fiscal Year	2024					2023				
	Operating Income	% Net Sales	Pre-Tax Income	Net Income	Diluted EPS	Operating Income	% Net Sales	Pre-Tax Income	Net Income	Diluted EPS
<b>As reported (GAAP)</b>	<b>\$254.7</b>	9.0%	<b>\$230.8</b>	<b>\$185.5</b>	<b>\$5.12</b>	<b>\$323.4</b>	11.0%	<b>\$302.2</b>	<b>\$232.5</b>	<b>\$6.24</b>
Organizational restructuring	1.8		1.8	1.6	0.04	4.4		4.4	3.4	0.09
Intangible asset impairment	30.0		30.0	22.8	0.63	-		-	-	-
Partial pension plan settlement	-		0.9	0.7	0.02	-		-	-	-
Benefit from credit card settlement	-		-	-	-	-		(6.9)	(5.3)	(0.14)
<b>As adjusted</b>	<b>\$286.6</b>	10.1%	<b>\$263.6</b>	<b>\$210.7</b>	<b>\$5.81</b>	<b>\$327.8</b>	11.1%	<b>\$299.7</b>	<b>\$230.6</b>	<b>\$6.19</b>

<sup>1</sup> 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 FOURTH QUARTER SALES & EARNINGS OBJECTIVES

\$ in millions, except EPS

	Q4 Results		Guidance <sup>1</sup>
<b>Net sales</b>	<b>\$860</b>	✓	<b>\$800 - \$840</b>
U.S. Retail	Down 3%	✓	Down HSD to LDD
U.S. Wholesale	Up 7%	✓	Up MSD to HSD
International	Down 2%	✓	Down MSD to HSD
<b>Operating income<sup>2</sup></b>	<b>\$115</b>	✓	<b>\$70 - \$90</b>
<i>Operating margin<sup>2</sup></i>	13.4%	✓	8.8% - 10.7%
<b>Diluted EPS<sup>2</sup></b>	<b>\$2.39</b>	✓	<b>\$1.32 - \$1.72</b>

**Driving Our  
Outperformance**

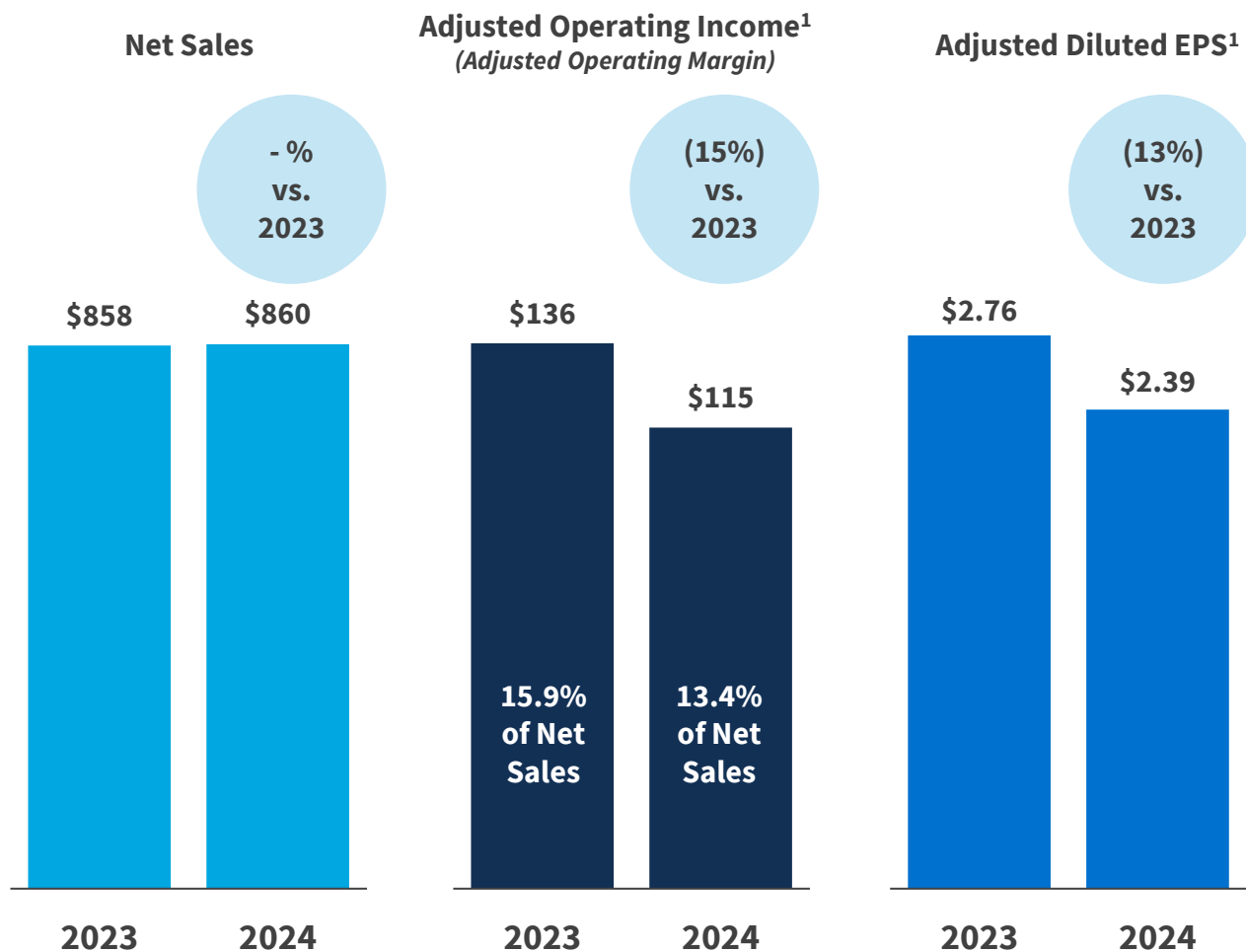
- **Higher-than-planned U.S. Retail sales**
- **Lower spending**
- **Lower effective tax rate**



<sup>1</sup> Provided on Q3 2024 earnings call on 10/25/24. <sup>2</sup> Adjusted basis; see reconciliation to GAAP in Supplemental Information.

# FOURTH QUARTER 2024 RESULTS

\$ in millions, except EPS



<sup>1</sup> Non-GAAP measure; see reconciliation to GAAP in Supplemental Information.

# ADJUSTED FOURTH QUARTER 2024 RESULTS<sup>1</sup>

\$ in millions, except EPS

	<b>Fourth Quarter 2024</b>	<i>% of Sales</i>	<b>Fourth Quarter 2023</b>	<i>% of Sales</i>	<b>Change</b>
Net sales	\$860		\$858		--
Gross profit	411	47.8%	418	48.7%	(2%)
Royalty income, net	4	0.5%	5	0.7%	(11%)
SG&A	300	34.9%	287	33.5%	(5%)
Operating income	115	13.4%	136	15.9%	(15%)
Interest expense, net	6	0.7%	6	0.7%	3%
Other expense (income), net	2	0.2%	(1)	(0.1%)	n/m
Income before taxes	108	12.5%	131	15.3%	(18%)
Income tax provision	22		30		(27%)
Net income	\$86	10.0%	\$101	11.8%	(15%)
Diluted EPS	\$2.39		\$2.76		(13%)
Weighted-average shares outstanding	35		36		(2%)
EBITDA	\$128	14.8%	\$152	17.7%	(16%)

<sup>1</sup> 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.

# FOURTH QUARTER 2024 SEGMENT RESULTS


\$ in millions

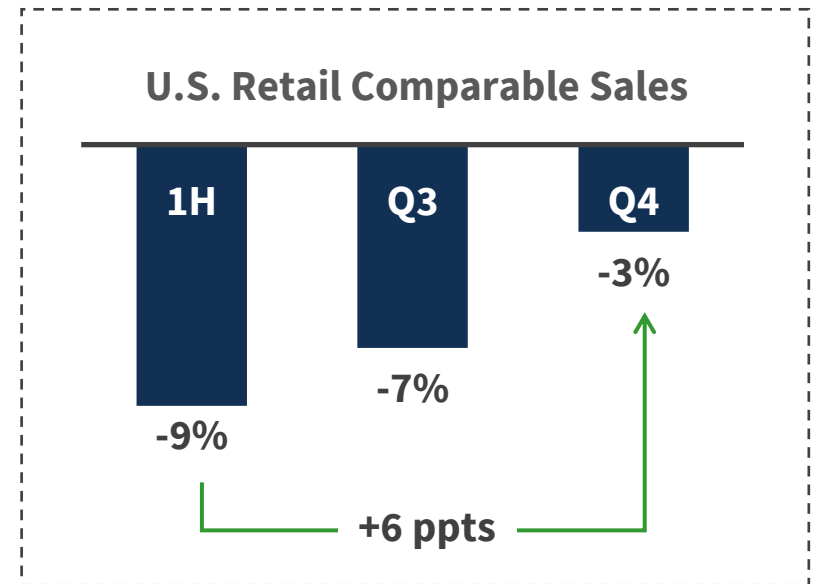
	Net Sales			Operating Income			Operating Margin	
	2024	2023	Change	2024	2023	Change	2024	2023
<b>U.S. Retail</b>	\$466	\$480	(\$14)	\$73	\$88	(\$14)	15.7%	18.2%
<b>U.S. Wholesale</b>	265	247	18	54	52	2	20.5%	21.0%
<b>International</b>	128	131	(3)	21	22	(1)	16.4%	16.6%
Total before corporate expenses	860	858	2	149	161	(12)	17.3%	18.8%
<b>Corporate expenses</b>				(34)	(25)	(9)	(3.9%)	(2.9%)
<b>Total<sup>1</sup></b>	<b>\$860</b>	<b>\$858</b>	<b>\$2</b>	<b>\$115</b>	<b>\$136</b>	<b>(\$21)</b>	<b>13.4%</b>	<b>15.9%</b>

<sup>1</sup> Measure presented on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP in Supplemental Information.  
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# FOURTH QUARTER U.S. RETAIL PERFORMANCE

Investments in **PRICING**, **MARKETING**, and **EXPERIENCES** in 2H drove significant trend changes in our U.S. Retail business

- 
- **Store and eCommerce Conversion Rates**
  - **Total Unit Sales and Units per Transaction**
  - **Total Active, New and Reactivated Customers**
  - **Customer Retention Rate**



# FOURTH QUARTER U.S. WHOLESALE & INTERNATIONAL PERFORMANCE

2024 VS. 2023

## U.S. Wholesale

- **Net sales: +7%**
  - Strong growth with Exclusive Brands (+20%)
  - Lower shipments to Department Stores
  - Lower Off-Price channel sales due to low excess inventory position
- **Operating margin 20.5% (-50 bps vs. LY)**

## International

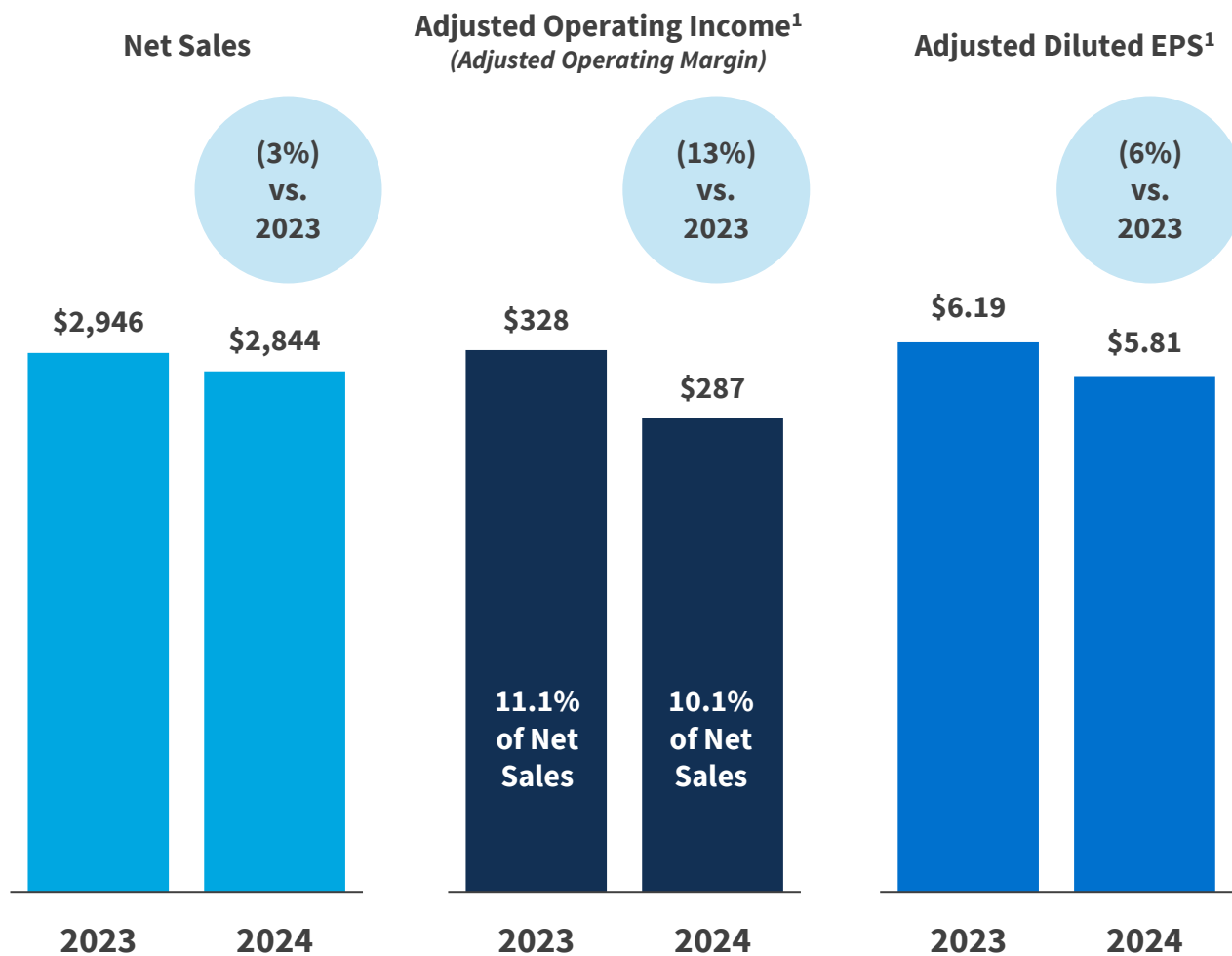
	% vs. 2023	
	Constant Currency <sup>1</sup>	Reported
<b>International Segment</b>	+3%	(2%)
<b>Canada</b>	+1%	(2%)
<b>Mexico</b>	+19%	+4%

- **Adverse FX translation impacted reported results (-\$6M)**
- **Strong retail comparable sales**
  - Canada +6%; Mexico +8%

<sup>1</sup> Non-GAAP measure; see reconciliation to GAAP in Supplemental Information.

# FISCAL YEAR 2024 RESULTS

\$ in millions, except EPS



<sup>1</sup> Non-GAAP measure; see reconciliation to GAAP in Supplemental Information.

# BALANCE SHEET & CASH FLOW

\$ in millions

## Balance Sheet (Year End)

	2024	2023
Cash	\$413	\$351
Accounts receivable, net	195	184
Inventory, net	502	537
Accounts payable	248	242
Long-term debt, net	498	497
Operating lease liabilities <sup>1</sup>	632	584

## Cash Flow & Return of Capital (Fiscal Year)

	2024	2023
Operating cash flow	\$299	\$529
Capital expenditures	(56)	(60)
Free cash flow <sup>2</sup>	\$243	\$469
Dividends	\$116	\$112
Share repurchases	51	100
Total	\$167	\$212

- **Inventories down 6% vs. LY**
  - Fewer days of supply
  - Lower product costs
- **Total liquidity \$1.3 billion**
  - \$413 million cash
  - \$845 million borrowing capacity on revolving credit facility
- **No seasonal borrowings in 2024**

- **2023 operating cash flow reflected sell through of pack & hold inventory last year**
- **\$167 million distributed to shareholders in 2024 through dividends and share repurchases**
  - Dividends: \$116 million
  - Share repurchases: \$51 million

<sup>1</sup> Sum of current and non-current operating lease liabilities. <sup>2</sup> Non-GAAP measure.



# PRODUCT & MARKETING INITIATIVES

# OUR CUSTOMER

- Moms with 2 young children
- \$80K average household income
- Increasingly Gen Z and Multicultural
- Highly engaged and savvy purchasers, shopping 6+ times per year for kids' clothes
- Uses social channels, influencers, and in-store presentations for outfitting inspiration
- Values loyalty programs

## PURCHASE DRIVERS



## SHOPS OUR BRANDS ACROSS MULTIPLE RETAILERS



# OUR FOCUS



## PRODUCT

Elevate Style & Value of  
Our Product Offerings



## MARKETING

Deepen Our Customer  
Relationships



## BRAND REACH

Leverage Our  
Unparalleled Multi-  
channel Market Presence

## KEY PRODUCT STRATEGIES

- Modernize assortments with relevant style
- Expand our House of Brands
- Increase breadth and depth in strategic categories
- Improve operational efficiency and productivity with new capabilities

# STYLE TRENDS FOR 2025



# HOUSE OF BRANDS



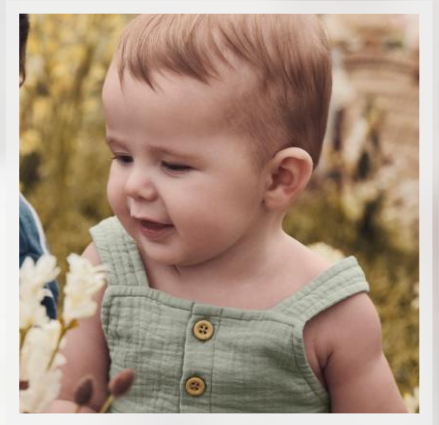
**carter's**



**OSHKOSH *B'gosh***



***baby B'gosh***



**little planet**  
by carter's



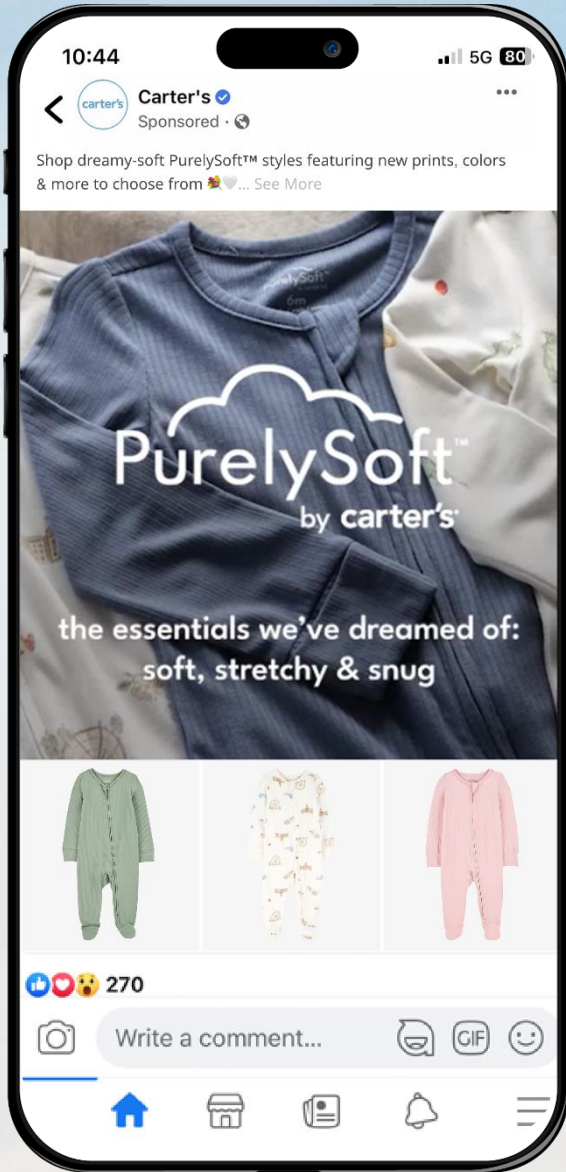
**PurelySoft**  
by carter's



**SKIP\*HOP**

**New Toddler Brand  
coming Fall 2025**

# PURELYSOFT COLLECTION



# LITTLE PLANET GROWTH



- Meaningful growth in 2024 (+19%)
- 30 new shop-in-shops in Q1 2025
- Expanding Toddler and Kid size segments
- Planning double-digit Retail growth in 2025

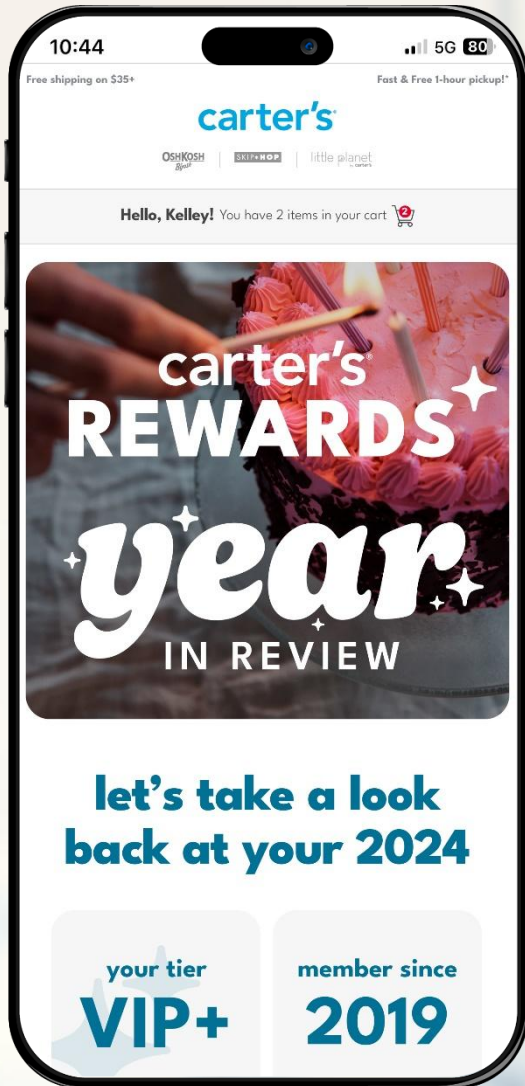
little planet®



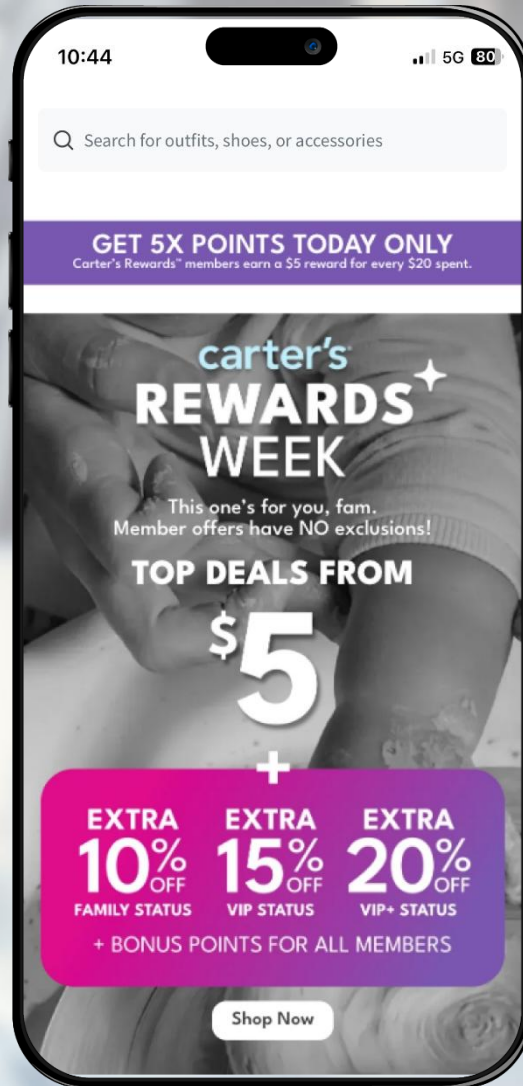
# KID FASHION



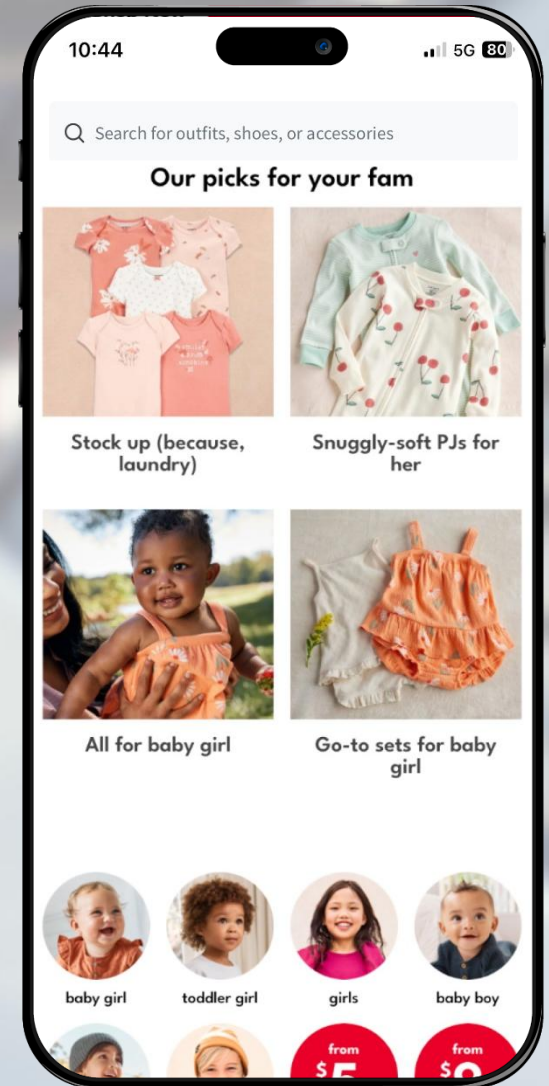
# CARTER'S REWARDS AND PERSONALIZATION



Personalized Messaging



Exclusive Offers



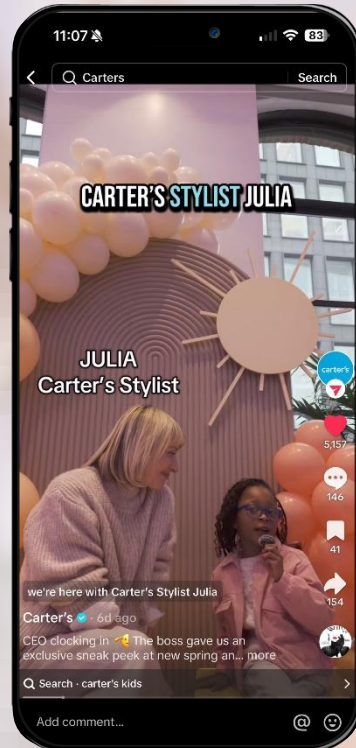
Age & Stage Based Content

# ENGAGING THE NEXT GENERATION CONSUMER



## NEW YORK FASHION WEEK

- First ever New York Fashion Week event focused on trend-driven collections and fashion-forward looks
- Attendees focused on media and influencers
- Drove 6.6M social impressions



## INFLUENCERS

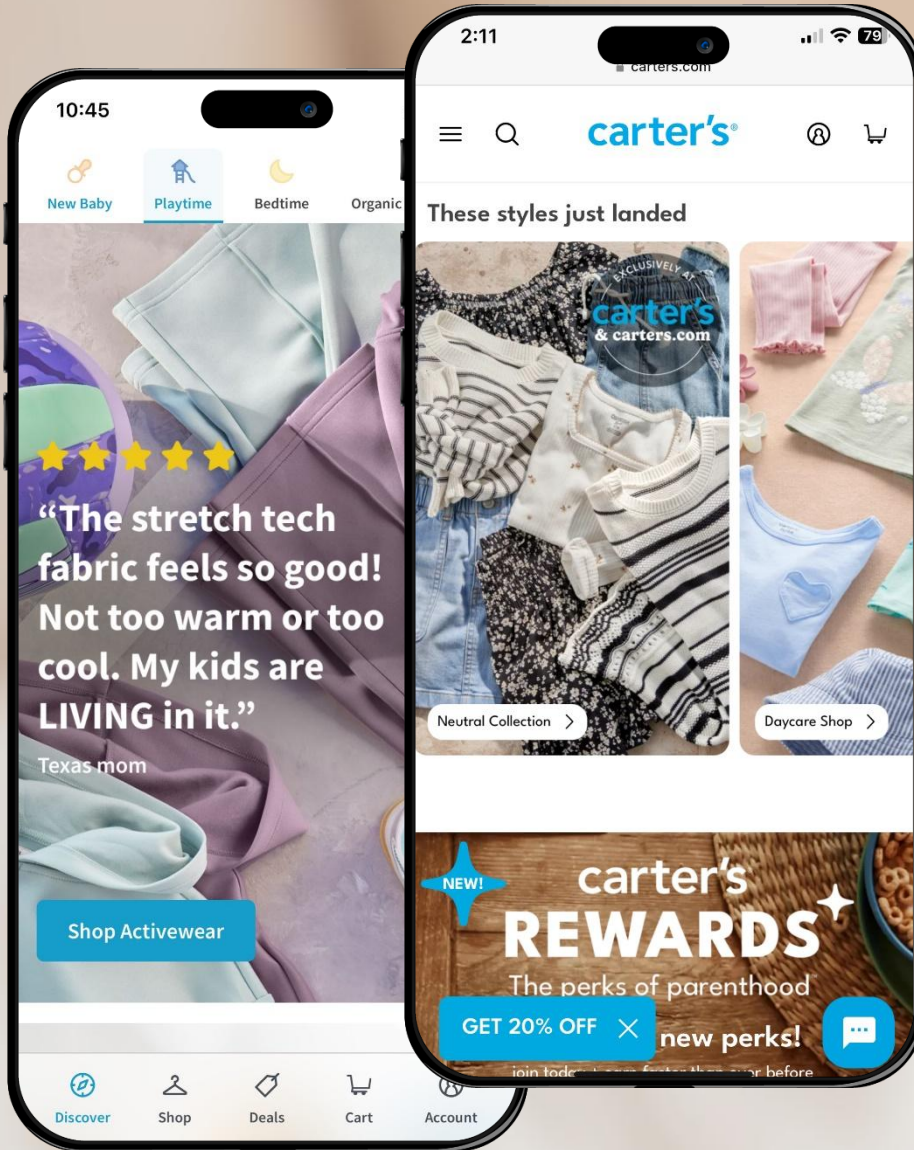
- Gen Z consumers trust influencers at a higher rate<sup>1</sup>
- 38% of Gen Z consumers start their shopping journey by checking social media<sup>2</sup>
- Over half of Gen Z shoppers bought items online while browsing social media in the last six months<sup>2</sup>
- Carter's increased partnerships with Gen Z moms in Q4 to increase brand awareness

the  
playroom  
by carter's

<sup>1</sup> Source: Sprout Social, 2024

<sup>2</sup> Source: Retail Dive, 2024

# MOBILE FIRST INNOVATION



- Strong growth in Mobile communications revenue
- New Discover and Deals tabs create engaging experiences
- New personalized offer experiences
- Omnichannel penetration ~40% of digital orders
- Mobile app ~30% of total eCommerce sales

# RECORD YEAR WITH EXCLUSIVE BRANDS



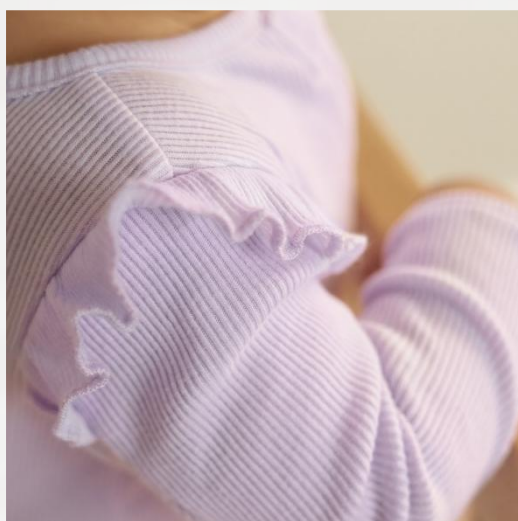
**carter's**  
— just one you. —



**carter's**  
— child of mine™ —



**simplejoys**  
by carter's™



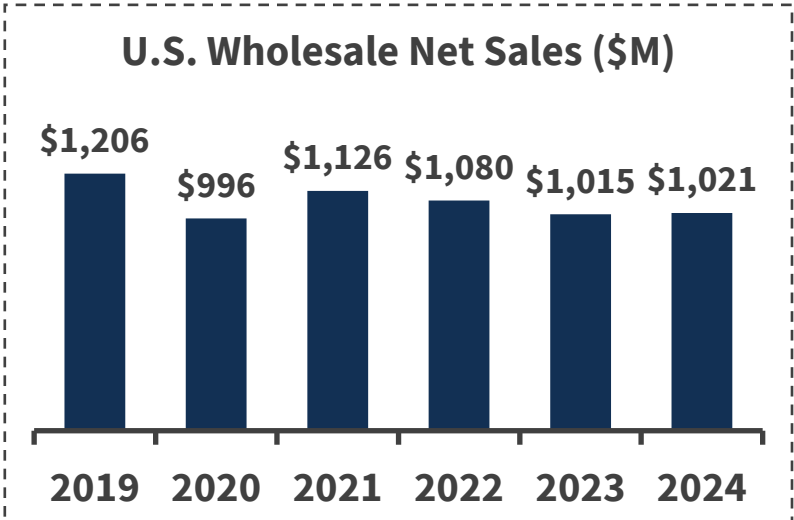
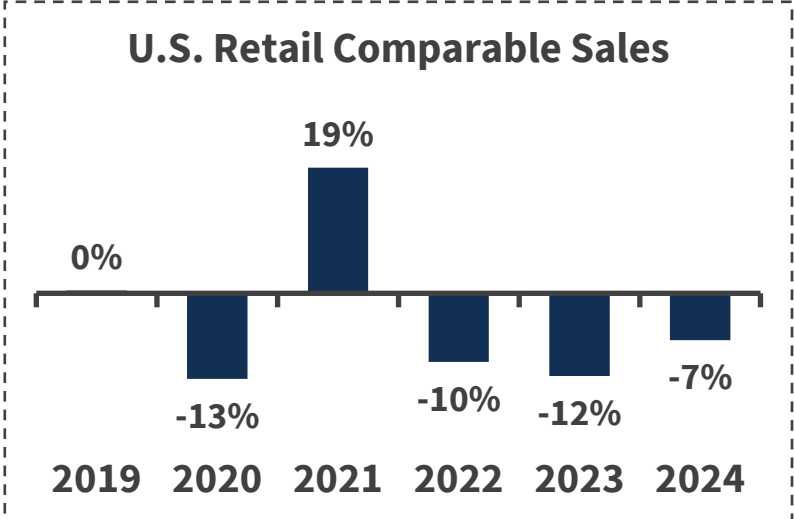


# **BUSINESS ASSESSMENT & GROWTH PRIORITIES**

## OUR COMPETITIVE DIFFERENTIATORS

- **Carter's is the most trusted brand in young children's apparel**
- **History of successful brand creation and product innovation**
- **Unique multi-channel model with 20,000 points of distribution globally**
- **Unequaled relationships with the largest retailers of children's apparel**
- **Broad brand awareness and deep equity with generations of consumers**
- **Profitable, growing International businesses**
- **Strong balance sheet and cash flow**
- **A long track record of consistent financial performance with top quartile operating margin**

# THE PERFORMANCE OF OUR BUSINESS HAS BEEN CHALLENGING IN THE POST-PANDEMIC PERIOD



## Factors

- Modest annual growth in U.S. childrenswear market ages 0-10 (<1% CAGR 2019 - 2024)
- Changing demographics - decline in birth rate
- Strengthening appeal of mass channel retailers - ‘one stop shopping’
- Impact of record, persistent inflation on families with young children
- Rise of activewear and new digitally-native brands
- Changes in Wholesale customer mix
- Increased private label and overall price competition

# GOING FORWARD

- **Appeal to next generation consumer**
  - Style-oriented & digitally native
  - Increasingly multicultural
- **Increase product & brand relevance**
  - Modernize style
  - Expand our House of Brands
  - Invest in strategic categories
- **Maintain credibility and competitiveness in value**
- **Enhance the productivity of our Retail stores**
  - Targeting stable store count over the next several years
  - Increase pace of store remodels
  - Test / deploy improvements to customer experience
- **Innovate the operating model**
  - Faster, nimbler product development and operational processes
  - Continuous focus on productivity
- **Continue to strengthen partnerships with retailers winning with consumers**

# 2025 OUTLOOK



# FISCAL YEAR 2025 OUTLOOK

(53 WEEK YEAR)

## NET SALES

- **Net sales: \$2.780 billion to \$2.855 billion** (FY2024: \$2.844 billion)

U.S. Retail	U.S. Wholesale	International
Comparable to down MSD <i>Comp sales down LSD to MSD</i>	Up LSD to down LSD	Up LSD to comparable

## PROFITABILITY & CASH FLOW

### Adjusted<sup>1</sup>

Operating Income	Diluted EPS	Operating Cash Flow	CapEx
<b>\$180 million to \$210 million<sup>2</sup></b> <i>(FY2024: \$287 million)</i>	<b>\$3.20 to \$3.80<sup>2,3</sup></b> <i>(FY2024: \$5.81)</i>	<b>~\$200 million</b>	<b>~\$65 million</b>

## KEY ASSUMPTIONS<sup>4</sup>

- **Sales and earnings contributions weighted to the second half** (improved product assortment & inventory position in 2H; targeted pricing investments & freight costs less impactful in 2H)
- **Lower gross margin rate** (targeted retail pricing investments, changes in customer mix within wholesale, adverse currency exchange rate impacts, and higher product costs)
- **Increased SG&A** (higher variable compensation provisions and growth-related investments, partially offset by productivity initiatives)
- **Higher net interest expense & effective tax rate**
- **Comparable average number of shares outstanding**

<sup>1</sup> 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). <sup>2</sup> Amounts exclude pre-tax expenses of ~\$8 million related to the retirement of the Company's previous CEO and ~\$9 million to \$10 million related to operating model improvement initiatives. <sup>3</sup> Excludes a non-cash pre-tax pension plan settlement charge of up to \$10 million. <sup>4</sup> Comparisons vs. prior year unless otherwise noted.

# FIRST QUARTER 2025 OUTLOOK

## NET SALES

- **Consolidated net sales: \$615 million to \$625 million** (Q1 2024: \$661 million)

<b>U.S. Retail</b>	<b>U.S. Wholesale</b>	<b>International</b>
Down MSD to HSD <i>Comp sales down MSD to HSD</i>	Down HSD	Down MSD

## PROFITABILITY<sup>1</sup>

<b>Adjusted Operating Income</b>	<b>Adjusted Diluted EPS</b>
<b>\$30 million to \$35 million</b> <i>(Q1 2024: \$55 million)</i>	<b>\$0.45 to \$0.55</b> <i>(Q1 2024: \$1.04)</i>

## KEY ASSUMPTIONS<sup>2</sup>

- **Later Easter holiday**
- **Targeted pricing investments in U.S. Retail**
- **Higher inbound freight rates**
- **Lower SG&A**
- **Higher net interest expense**
- **Higher effective tax rate**
- **Comparable average number of shares outstanding**

<sup>1</sup> See reconciliations to GAAP in Supplemental Information. 2025 amounts exclude pre-tax expenses of ~\$6 million related to the retirement of the Company's previous CEO, and ~\$3 million related to operating model improvement initiatives. Forward-looking adjusted measures have not been reconciled to their most directly comparable GAAP measures (see page 44 for additional information). <sup>2</sup> Comparisons vs. prior year unless otherwise noted.



**THANK YOU**



**SUPPLEMENTAL  
INFORMATION**

# ADJUSTED FISCAL YEAR 2024 RESULTS<sup>1</sup>

\$ in millions, except EPS

	Fiscal Year 2024	<i>% of Sales</i>	Fiscal Year 2023	<i>% of Sales</i>	Change
Net sales	\$2,844		\$2,946		(3%)
Gross profit	1,365	48.0%	1,396	47.4%	(2%)
Royalty income, net	19	0.7%	21	0.7%	(10%)
SG&A	1,098	38.6%	1,090	37.0%	(1%)
Operating income	287	10.1%	328	11.1%	(13%)
Interest expense, net	20	0.7%	29	1.0%	(30%)
Other expense (income), net	3	0.1%	(1)	- %	n/m
Income before taxes	264	9.3%	300	10.2%	(12%)
Income tax provision	53		69		(23%)
Net income	\$211	7.4%	\$231	7.8%	(9%)
Diluted EPS	\$5.81		\$6.19		(6%)
Weighted-average shares outstanding	36		37		(3%)
EBITDA	\$342	12.0%	\$393	13.3%	(13%)

<sup>1</sup> 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.

# FISCAL YEAR 2024 SEGMENT RESULTS

\$ in millions

	Net Sales			Operating Income			Operating Margin	
	2024	2023	Change	2024	2023	Change	2024	2023
<b>U.S. Retail</b>	\$1,417	\$1,502	(\$85)	\$133	\$191	(\$58)	9.4%	12.7%
<b>U.S. Wholesale</b>	1,021	1,015	7	217	199	18	21.2%	19.6%
<b>International</b>	406	429	(24)	39	45	(6)	9.6%	10.5%
Total before corporate expenses	2,844	2,946	(101)	389	435	(46)	13.7%	14.8%
<b>Corporate expenses</b>				(102)	(107)	5	(3.6%)	(3.6%)
<b>Total<sup>1</sup></b>	<b>\$2,844</b>	<b>\$2,946</b>	<b>(\$101)</b>	<b>\$287</b>	<b>\$328</b>	<b>(\$41)</b>	<b>10.1%</b>	<b>11.1%</b>

<sup>1</sup> Measure presented on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP in Supplemental Information.  
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# RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS

\$ in millions, except EPS

Fourth Quarter of Fiscal 2024	SG&A	% of net sales	Operating Income	% of net sales	Income Tax Provision	Net Income	Diluted EPS
<b>As reported (GAAP)</b>	<b>\$302.1</b>	35.1%	<b>\$83.2</b>	9.7%	<b>\$14.3</b>	<b>\$61.5</b>	<b>\$1.71</b>
Organizational restructuring (b)	(1.8)		1.8		0.2	1.6	0.04
Intangible asset impairment (c)	-		30.0		7.2	22.8	0.63
<b>As adjusted (a)</b>	<b>\$300.3</b>	34.9%	<b>\$115.0</b>	13.4%	<b>\$21.7</b>	<b>\$85.9</b>	<b>\$2.39</b>

Fiscal Year 2024	SG&A	% of net sales	Operating Income	% of net sales	Income Tax Provision	Net Income	Diluted EPS
<b>As reported (GAAP)</b>	<b>\$1,099.7</b>	38.7%	<b>\$254.7</b>	9.0%	<b>\$45.3</b>	<b>\$185.5</b>	<b>\$5.12</b>
Organizational restructuring (b)	(1.8)		1.8		0.2	1.6	0.04
Intangible asset impairment (c)	-		30.0		7.2	22.8	0.63
Pension plan settlement (d)	-		-		0.2	0.7	0.02
<b>As adjusted (a)</b>	<b>\$1,097.9</b>	38.6%	<b>\$286.6</b>	10.1%	<b>\$52.9</b>	<b>\$210.7</b>	<b>\$5.81</b>

(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.

(c) Non-cash impairment charge on the OshKosh indefinite-lived tradename asset.

(d) 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

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

Fiscal Year 2023	SG&A	% of net sales	Operating Income	% of net sales	Income Tax Provision	Net Income	Diluted EPS
<b>As reported (GAAP)</b>	<b>\$1,093.9</b>	37.1%	<b>\$323.4</b>	11.0%	<b>\$69.7</b>	<b>\$232.5</b>	<b>\$6.24</b>
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)
<b>As adjusted (a)</b>	<b>\$1,089.5</b>	37.0%	<b>\$327.8</b>	11.1%	<b>\$69.1</b>	<b>\$230.6</b>	<b>\$6.19</b>

(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 TOTAL SEGMENT OPERATING INCOME TO CONSOLIDATED OPERATING INCOME

\$ in millions

	Fiscal Quarter Ended				Fiscal Year Ended			
	December 28, 2024		December 30, 2023		December 28, 2024		December 30, 2023	
		<i>% of net sales</i>		<i>% of net sales</i>		<i>% of net sales</i>		<i>% of net sales</i>
<b>Total segment operating income</b> <sup>(a)</sup>	<b>\$148.6</b>	17.3%	<b>\$161.0</b>	18.8%	<b>\$388.9</b>	13.7%	<b>\$434.7</b>	14.8%
Unallocated corporate expenses <sup>(b)</sup>	(33.5)		(25.0)		(102.3)		(106.9)	
<b>Subtotal</b>	<b>\$115.0</b>	13.4%	<b>\$136.1</b>	15.9%	<b>\$286.6</b>	10.1%	<b>\$327.8</b>	11.1%
Organizational restructuring <sup>(c)</sup>	\$(1.8)		\$ -		\$(1.8)		\$(4.4)	
Intangible asset impairment <sup>(d)</sup>	(30.0)		-		(30.0)		-	
<b>Consolidated operating income</b>	<b>\$83.2</b>	9.7%	<b>\$136.1</b>	15.9%	<b>\$254.7</b>	9.0%	<b>\$323.4</b>	11.0%

- (a) In fiscal 2024, the Company changed its measure of segment profitability to segment operating income. Segment operating income includes net sales, royalty income, and related cost of goods sold and selling, general, and administrative expenses attributable to each segment. Segment operating income excludes unallocated corporate expenses as well as specific charges that are not directly attributable to segment operations, including restructuring costs and impairment charges related to goodwill and indefinite-lived intangible assets, which were included in our previous measure of segment profitability. Prior period segment operating income for the fiscal quarter and fiscal year ended December 30, 2023 has been recast to conform to the current presentation.
- (b) Unallocated corporate expenses include corporate overhead expenses that are not directly attributable to one of our business segments and include unallocated accounting, finance, legal, human resources, and information technology expenses, occupancy costs for our corporate headquarters, and other benefit and compensation programs, including performance-based compensation.
- (c) Net expenses related to organizational restructuring in fiscal 2024 and organizational restructuring and related corporate office lease amendment actions in fiscal 2023.
- (d) Non-cash impairment charge on the OshKosh indefinite-lived tradename asset.

Note: Results may not be additive due to rounding.

# RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

\$ in millions

	Fiscal Quarter Ended		Fiscal Year Ended	
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Net income	\$61.5	\$106.5	\$185.5	\$232.5
Interest expense	8.2	7.6	31.3	34.0
Interest income	(2.4)	(2.0)	(11.0)	(4.8)
Tax expense	14.3	31.4	45.3	69.7
Depreciation and amortization	14.3	15.6	57.9	64.1
<b>EBITDA</b>	<b>\$95.8</b>	<b>\$159.1</b>	<b>\$309.0</b>	<b>\$395.6</b>
<b>Adjustments to EBITDA</b>				
Organizational restructuring <sup>(a)</sup>	\$1.8	\$ -	\$1.8	\$4.4
Intangible asset impairment <sup>(b)</sup>	30.0	-	30.0	-
Pension plan settlement <sup>(c)</sup>	-	-	0.9	-
Benefit from credit card settlement <sup>(d)</sup>	-	(6.9)	-	(6.9)
Total adjustments	31.8	(6.9)	32.8	(2.5)
<b>Adjusted EBITDA</b>	<b>\$127.6</b>	<b>\$152.2</b>	<b>\$341.8</b>	<b>\$393.0</b>

(a) Net expenses related to organizational restructuring in fiscal 2024 and organizational restructuring and related corporate office lease amendment actions in fiscal 2023.

(b) Non-cash impairment charge on the OshKosh indefinite-lived tradename asset.

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

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

Note: Results may not be additive due to rounding.

# FOURTH QUARTER RECONCILIATION OF ADJUSTED NET INCOME ALLOCABLE TO COMMON SHAREHOLDERS

	Fiscal Quarter Ended	
	December 28, 2024	December 30, 2023
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	35,246,887	35,992,362
Dilutive effect of equity awards	1,130	3,172
Diluted number of common and common equivalent shares outstanding	35,248,017	35,995,534

\$ in thousands, except EPS	Fiscal Quarter Ended			
	As reported on a GAAP Basis		As adjusted (a)	
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Basic net income per common share:				
Net income	\$61,517	\$106,511	\$85,938	\$101,199
Income allocated to participating securities	(1,299)	(2,076)	(1,837))	(1,969)
Net income available to common shareholders	\$60,218	\$104,435	\$84,101	\$99,230
Basic net income per common share	\$1.71	\$2.90	\$2.39	\$2.76
Diluted net income per common share:				
Net income	\$61,517	\$106,511	\$85,938	\$101,199
Income allocated to participating securities	(1,299)	(2,076)	(1,837))	(1,969)
Net income available to common shareholders	\$60,218	\$104,435	\$84,101	\$99,230
Diluted net income per common share	\$1.71	\$2.90	\$2.39	\$2.76

(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 \$24.4 million in after-tax expenses from these results for the fiscal quarter ended December 28, 2024 and \$5.3 million in after-tax benefits for the fiscal quarter ended December 30, 2023.

Note: Results may not be additive due to rounding.

# FISCAL YEAR RECONCILIATION OF ADJUSTED NET INCOME ALLOCABLE TO COMMON SHAREHOLDERS

	Fiscal Year Ended	
	December 28, 2024	December 30, 2023
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	35,524,378	36,589,922
Dilutive effect of equity awards	1,238	3,344
Diluted number of common and common equivalent shares outstanding	35,525,616	36,593,266

\$ in thousands, except EPS	Fiscal Year Ended			
	As reported on a GAAP Basis		As adjusted (a)	
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Basic net income per common share:				
Net income	\$185,509	\$232,500	\$210,652	\$230,605
Income allocated to participating securities	(3,679)	(4,285)	(4,207)	(4,249)
Net income available to common shareholders	\$181,830	\$228,215	\$206,445	\$226,356
Basic net income per common share	\$5.12	\$6.24	\$5.81	\$6.19
Diluted net income per common share:				
Net income	\$185,509	\$232,500	\$210,652	\$230,605
Income allocated to participating securities	(3,679)	(4,285)	(4,207)	(4,248)
Net income available to common shareholders	\$181,830	\$228,215	\$206,445	\$226,357
Diluted net income per common share	\$5.12	\$6.24	\$5.81	\$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 per share data excluding the adjustments discussed above. The Company has excluded \$25.1 million in after-tax expenses from these results for the fiscal year ended December 28, 2024 and \$1.9 million in after-tax benefits for the fiscal year ended December 30, 2023.

Note: Results may not be additive due to rounding.

# NET SALES CONSTANT CURRENCY RECONCILIATION

\$ in millions

	Fiscal Quarter Ended					
	Reported Net Sales December 28, 2024	Impact of Foreign Currency Translation	Constant- Currency Net Sales December 28, 2024	Reported Net Sales December 30, 2023	Reported Net Sales % Change	Constant- Currency Net Sales % Change
<b>Consolidated net sales</b>	\$859.7	\$(5.9)	\$865.6	\$857.9	0.2%	0.9%
<b>International segment net sales</b>	\$128.1	\$(5.9)	\$134.0	\$130.7	(2.0)%	2.6%
	Fiscal Year Ended					
	Reported Net Sales December 28, 2024	Impact of Foreign Currency Translation	Constant- Currency Net Sales December 28, 2024	Reported Net Sales December 30, 2023	Reported Net Sales % Change	Constant- Currency Net Sales % Change
<b>Consolidated net sales</b>	\$2,844.1	\$(7.4)	\$2,851.5	\$2,945.6	(3.4)%	(3.2)%
<b>International segment net sales</b>	\$405.6	\$(7.4)	\$413.0	\$429.2	(5.5)%	(3.8)%

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.

# 2024 STORE COUNT RECONCILIATION

	U.S.	Canada	Mexico	Total
<b>Store count at December 30, 2023</b>	<b>792</b>	<b>188</b>	<b>54</b>	<b>1,034</b>
Openings	41	9	12	62
Closings	(29)	(6)	(4)	(39)
<b>Store count at December 28, 2024</b>	<b>804</b>	<b>191</b>	<b>62</b>	<b>1,057</b>

# 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, those discussed in the subsection entitled “Risk Factors” under Part I, Item 1A, of this Annual Report on 10-K, and otherwise in our reports and filings with the Securities and Exchange Commission, as well as the following factors: 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; risks related to public health crises; risks related to consumer tastes and preferences, as well as fashion trends; our ability to successfully launch new brands within the time frames we have previously disclosed; the failure to protect our intellectual property; the diminished value of our brands, potentially as a result of negative publicity or unsuccessful branding and marketing efforts; delays, product recalls, or loss of revenue due to a failure to meet our quality standards; risks related to uncertainty regarding the future of international trade agreements; increased competition in the marketplace; financial difficulties for one or more of our major customers; identification of locations and negotiation of appropriate lease terms for our retail stores; distinct risks facing our eCommerce business; failure to forecast demand for our products and our failure to manage our inventory; increased margin pressures, including increased cost of materials and labor and our inability to successfully increase prices to offset these increased costs; continued inflationary pressures with respect to labor and raw materials and global supply chain constraints that have, and could continue, to affect freight, transit, and other costs; fluctuations in foreign currency exchange rates; unseasonable or extreme weather conditions; risks associated with corporate responsibility issues; our foreign sourcing arrangements; a relatively small number of vendors supply a significant amount of our products; disruptions in our supply chain, including increased transportation and freight costs; our ability to effectively source and manage inventory; problems with our Braselton, Georgia distribution facility; pending and threatened lawsuits; a breach of our information technology systems and the loss of personal data or a failure to implement new information technology systems successfully; unsuccessful expansion into international markets; failure to comply with various laws and regulations; failure to properly manage strategic initiatives; retention of key individuals; acquisition and integration of other brands and businesses; failure to achieve sales growth plans and profitability objectives to support the carrying of our intangible assets; our continued ability to meet obligations related to our debt; changes in our tax obligations, including additional customs, duties or tariffs; our continued ability to declare and pay a dividend; volatility in the market price of our common stock; and the cost or effort required for our shareholders to bring certain claims or actions against us, as a result of our designation of the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings. 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 presentation 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.