

**FOURTH QUARTER  
&  
FISCAL YEAR 2025  
BUSINESS UPDATE**

FEBRUARY 27, 2026



**carter's**

**OSHKOSH** *Bigosh*

little planet

otter AVENUE

**SKIP\*HOP**

# FOURTH QUARTER 2025 RESULTS

GAAP BASIS

\$ in millions, except EPS	<b>Q4 2025</b> (14 weeks)	<i>% of Net Sales</i>	<b>Q4 2024</b> (13 weeks)	<i>% of Net Sales</i>	<b>Change</b>
Net sales	\$925		\$860		8%
Gross profit	400	43.2%	411	47.8%	(3%)
Royalty income, net	4	0.4%	4	0.5%	(5%)
SG&A	320	34.5%	302	35.1%	6%
Intangible asset impairment	-	0.0%	30	3.5%	(100%)
Operating income	85	9.2%	83	9.7%	2%
Interest expense, net	8	0.9%	6	0.7%	37%
Other expense (income), net	(1)	(0.1%)	2	0.2%	n/m
Loss on extinguishment of debt	2	0.2%	-	0.0%	n/m
Income before taxes	76	8.2%	76	8.8%	- %
Income tax provision	12	1.3%	14	1.7%	(18%)
Net income	\$64	6.9%	\$62	7.2%	4%
Diluted EPS	\$1.76		\$1.71		3%
Weighted-average shares outstanding	35		35		1%
EBITDA <sup>1</sup>	\$99	10.6%	\$96	11.1%	3%

<sup>1</sup> Non-GAAP measure; see reconciliation to GAAP in Supplemental Information. Note: Results may not be additive due to rounding.

# FISCAL YEAR 2025 RESULTS

GAAP BASIS

\$ in millions, except EPS	<b>FY 2025</b> (53 weeks)	<i>% of</i> <i>Net Sales</i>	<b>FY 2024</b> (52 weeks)	<i>% of</i> <i>Net Sales</i>	<b>Change</b>
Net sales	\$2,898		\$2,844		2%
Gross profit	1,315	45.4%	1,365	48.0%	(4%)
Royalty income, net	18	0.6%	19	0.7%	(6%)
SG&A	1,189	41.0%	1,100	38.7%	8%
Intangible asset impairment	-	0.0%	30	1.1%	(100%)
Operating income	144	5.0%	255	9.0%	(43%)
Interest expense, net	21	0.7%	20	0.7%	2%
Other expense (income), net	(1)	0.0%	3	0.1%	n/m
Pension plan settlement	9	0.3%	1	0.0%	>100%
Loss on extinguishment of debt	2	0.1%	-	0.0%	n/m
Income before taxes	114	3.9%	231	8.1%	(51%)
Income tax provision	22	0.8%	45	1.6%	(51%)
Net income	\$92	3.2%	\$186	6.5%	(51%)
Diluted EPS	\$2.53		\$5.12		(51%)
Weighted-average shares outstanding	35		36		0%
EBITDA <sup>1</sup>	\$190	6.6%	\$309	10.9%	(39%)

<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	2025 (14 weeks)				2024 (13 weeks)			
	Operating Income	% Net Sales	Net Income	Diluted EPS	Operating Income	% Net Sales	Net Income	Diluted EPS
<b>As reported (GAAP)</b>	<b>\$84.7</b>	9.2%	<b>\$64.2</b>	<b>\$1.76</b>	<b>\$83.2</b>	9.7%	<b>\$61.5</b>	<b>\$1.71</b>
Organizational restructuring	3.7		2.8	0.08	1.8		1.6	0.04
Operating model improvement costs	0.7		0.5	0.01	-		-	-
Leadership transition costs	0.4		0.3	0.01	-		-	-
Loss on extinguishment of debt	-		1.3	0.03	-		-	-
Intangible asset impairment	-		-	-	30.0		22.8	0.63
<b>As adjusted</b>	<b>\$89.5</b>	9.7%	<b>\$69.2</b>	<b>\$1.90</b>	<b>\$115.0</b>	13.4%	<b>\$85.9</b>	<b>\$2.39</b>

  

Fiscal Year	2025 (53 weeks)				2024 (52 weeks)			
	Operating Income	% Net Sales	Net Income	Diluted EPS	Operating Income	% Net Sales	Net Income	Diluted EPS
<b>As reported (GAAP)</b>	<b>\$143.9</b>	5.0%	<b>\$91.8</b>	<b>\$2.53</b>	<b>\$254.7</b>	9.0%	<b>\$185.5</b>	<b>\$5.12</b>
Operating model improvement costs	14.2		10.8	0.30	-		-	-
Organizational restructuring	9.8		7.5	0.20	1.8		1.6	0.04
Leadership transition costs	8.1		7.3	0.20	-		-	-
Pension plan settlement	-		6.7	0.18	-		0.7	0.02
Loss on extinguishment of debt	-		1.3	0.03	-		-	-
Deferred compensation plan termination	-		0.8	0.03	-		-	-
Intangible asset impairment	-		-	-	30.0		22.8	0.63
<b>As adjusted</b>	<b>\$176.0</b>	6.1%	<b>\$126.1</b>	<b>\$3.47</b>	<b>\$286.6</b>	10.1%	<b>\$210.7</b>	<b>\$5.81</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.

# ADJUSTED FOURTH QUARTER 2025 RESULTS<sup>1</sup>

\$ in millions, except EPS

	<b>Q4 2025</b> (14 weeks)	<i>% of Net Sales</i>	<b>Q4 2024</b> (13 weeks)	<i>% of Net Sales</i>	<b>Change</b>
Net sales	\$925		\$860		8%
Gross profit	400	43.2%	411	47.8%	(3%)
Royalty income, net	4	0.4%	4	0.5%	(5%)
Adjusted SG&A	315	34.0%	300	34.9%	5%
Adjusted operating income	89	9.7%	115	13.4%	(22%)
Interest expense and other, net	7	0.8%	7	0.9%	(5%)
Adjusted income before taxes	82	8.9%	108	12.5%	(23%)
Adjusted income tax provision	13	1.4%	22	2.5%	(39%)
Adjusted net income	\$69	7.5%	\$86	10.0%	(20%)
Adjusted diluted EPS	\$1.90		\$2.39		(21%)
Weighted-average shares outstanding	35		35		1%
Adjusted EBITDA	\$105	11.3%	\$128	14.8%	(18%)

<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.

# FOURTH QUARTER 2025 SEGMENT RESULTS

\$ in millions

	Net Sales			Operating Income			Operating Margin	
	2025 (14 weeks)	2024 (13 weeks)	\$ Change	2025 (14 weeks)	2024 (13 weeks)	\$ Change	2025 (14 weeks)	2024 (13 weeks)
<b>U.S. Retail</b>	\$510	\$466	\$44	\$56	\$73	(\$17)	11.0%	15.7%
<b>U.S. Wholesale</b>	274	265	9	34	54	(20)	12.4%	20.5%
<b>International</b>	141	128	13	22	21	1	15.9%	16.4%
Total before Corporate expenses	925	860	66	113	149	(36)	12.2%	17.3%
<b>Corporate expenses</b>	-	-	-	(23)	(34)	10	(2.5%)	(3.9%)
<b>Total<sup>1</sup></b>	<b>\$925</b>	<b>\$860</b>	<b>\$66</b>	<b>\$89</b>	<b>\$115</b>	<b>(\$26)</b>	<b>9.7%</b>	<b>13.4%</b>

<sup>1</sup> See reconciliation of segment operating income and operating margin to consolidated operating income and operating margin in Supplemental Information.  
Note: Results may not be additive due to rounding.

# FOURTH QUARTER 2025 PERFORMANCE – U.S. RETAIL

2025 (14 WEEKS) vs. 2024 (13 WEEKS)

## Sales

- **Net sales +9% vs. LY**
  - Continued favorable consumer acceptance of price increases
    - AUR +MSD, Units +MSD
  - Additional week contributed ~\$20M to growth
- **Comparable sales +5%**
  - Third consecutive quarter of comparable sales growth
  - Strong eCommerce performance, driven by higher traffic and unit velocity
  - Stores comp also positive, driven by increased traffic and AUR
  - Positive comps across all apparel brands and size selling segments

## Momentum

- **Continued momentum in realized pricing**
- **Sixth consecutive quarter of Baby growth (+LDD)**
- **Second consecutive quarter of Toddler growth (+LSD)**
- **Grew active consumer count, first full year of growth since 2021**

## Profitability

- **Operating margin 11.0% (-470 bps vs. LY)**
  - Improvement in realized pricing, more than offset by
    - Incremental tariff costs & investment in product make
    - Investment in demand creation

# FOURTH QUARTER SEGMENT PERFORMANCE

2025 (14 WEEKS) vs. 2024 (13 WEEKS)

## U.S. WHOLESALE

- **Net sales: +3% (units +MSD)**
  - Exclusive Brands growth
  - *Skip Hop* and *Little Planet* growth
  - Additional week contributed ~\$12M to growth
- **Operating margin 12.4% (-810 bps vs. LY)**
  - Higher realized pricing, more than offset by
    - Incremental tariff costs
    - Investments in product make
    - Higher inventory provisions

## INTERNATIONAL

- **Net sales: +10% (units +LSD); +8% CC**
  - Strong growth in Mexico
    - Total sales +29%
    - Retail comp +12%
  - Canada total sales +7%
  - Additional week contributed ~\$5M to growth
- **Operating margin 15.9% (-50 bps vs. LY)**
  - Improved realized pricing & product mix, more than offset by higher product costs

# BALANCE SHEET & CASH FLOW

\$ in millions

## Balance Sheet (Q4 End)

	2025	2024
Cash	\$487	\$413
Accounts receivable, net	179	195
Inventory, net	545	502
Accounts payable	236	248
Long-term debt, net	567	498
Operating lease liabilities <sup>1</sup>	645	632

## Cash Flow (Fiscal Year)

	2025 (53 weeks)	2024 (52 weeks)
Operating cash flow	\$122	\$299
Capital expenditures	(54)	(56)
Free cash flow <sup>2</sup>	\$69	\$243
Dividends	\$ 56	\$116
Share repurchases	-	51
Total capital distributed	\$56	\$167

- **Total liquidity \$1.2 billion**
- **Inventories +8% vs. LY, driven by higher tariffs (units -4%)**
  - Tariff impact on ending inventory: \$50 million
  - Quality of inventory strong – higher levels of current season inventory
- **Refinanced Senior Notes in Q4**
  - Redeemed prior Senior Notes (\$500M 5.625% due 2027)

- **2025 operating cash flow reflects lower net income and higher inventory costs**
- **\$56 million in dividends paid in 2025**

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

# ADJUSTED FISCAL YEAR 2025 RESULTS<sup>1</sup>

\$ in millions, except EPS

	<b>FY 2025</b> (53 weeks)	<i>% of</i> <i>Net Sales</i>	<b>FY 2024</b> (52 weeks)	<i>% of</i> <i>Net Sales</i>	<b>Change</b>
Net sales	\$2,898		\$2,844		2%
Gross profit	1,315	45.4%	1,365	48.0%	(4%)
Royalty income, net	18	0.6%	19	0.7%	(6%)
Adjusted SG&A	1,157	39.9%	1,098	38.6%	5%
Adjusted operating income	176	6.1%	287	10.1%	(39%)
Interest expense and other, net	20	0.7%	23	0.8%	(14%)
Adjusted income before taxes	156	5.4%	264	9.3%	(41%)
Adjusted income tax provision	30	1.0%	53	1.9	(43%)
Adjusted net income	\$126	4.3%	\$211	7.4%	(40%)
Adjusted diluted EPS	\$3.47		\$5.81		(40%)
Weighted-average shares outstanding	35		36		0%
Adjusted EBITDA	\$232	8.0%	\$342	12.0%	(32%)

<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.

# FISCAL YEAR 2025 SEGMENT RESULTS

\$ in millions

	Net Sales			Operating Income			Operating Margin	
	2025 (53 weeks)	2024 (52 weeks)	\$ Change	2025 (53 weeks)	2024 (52 weeks)	\$ Change	2025 (53 weeks)	2024 (52 weeks)
<b>U.S. Retail</b>	\$1,466	\$1,417	\$49	\$72	\$133	(\$61)	4.9%	9.4%
<b>U.S. Wholesale</b>	1,001	1,021	(20)	160	217	(57)	16.0%	21.2%
<b>International</b>	431	406	25	35	39	(4)	8.1%	9.6%
Total before Corporate expenses	2,898	2,844	54	268	389	(121)	9.2%	13.7%
<b>Corporate expenses</b>	-	-	-	(92)	(102)	11	(3.2%)	(3.6%)
<b>Total<sup>1</sup></b>	<b>\$2,898</b>	<b>\$2,844</b>	<b>\$54</b>	<b>\$176</b>	<b>\$287</b>	<b>(\$111)</b>	<b>6.1%</b>	<b>10.1%</b>

<sup>1</sup> See reconciliation of segment operating income and operating margin to consolidated operating income and operating margin in Supplemental Information.  
Note: Results may not be additive due to rounding.

# 2026 OUTLOOK



# FISCAL YEAR 2026 OUTLOOK

52 WEEKS vs. 53 WEEKS 2025; EX-RECENT GLOBAL TARIFF DEVELOPMENTS<sup>1</sup>

## NET SALES

- **Net sales: low single-digit to mid-single-digit percentage growth** (FY2025: \$2.898 billion)

U.S. Retail	U.S. Wholesale	International
Low single-digit growth <i>Comp sales up mid-single-digits</i>	Mid-single-digit growth	Mid-single-digit growth

## PROFITABILITY & CASH FLOW

### Adjusted<sup>2</sup>

Operating Income	Diluted EPS	Operating Cash Flow	CapEx
Low to mid-single-digit growth <i>(FY2025: \$176 million)</i>	Low double-digit to mid-teens decline <i>(FY2025: \$3.47)</i>	~\$110 million to \$120 million	~\$55 million

## KEY ASSUMPTIONS<sup>3</sup>

- **Earnings contributions weighted to the second half** (greater projected net tariff impacts and investment spending in the first half relative to the second half)
- **Lower gross margin rate** (incremental tariff costs partially offset by higher pricing, other tariff mitigation actions, and productivity savings)
- **Comparable SG&A expense** (organizational restructuring and store fleet rationalization savings offset by investments in demand creation, information technology, and other cost inflation across the business)
- **Net interest expense ~\$40 million** (increase reflects Q4 2025 Sr. Notes refinancing)
- **Effective tax rate ~22%**
- **Average number of shares outstanding ~36 million**

<sup>1</sup> See page 28 for additional information regarding 2026 tariff assumptions and forward-looking adjusted measures. <sup>2</sup> See prior year reconciliations to GAAP in Supplemental Information. <sup>3</sup> Comparisons vs. prior year unless otherwise noted.

# FIRST QUARTER 2026 OUTLOOK

## EX-RECENT GLOBAL TARIFF DEVELOPMENTS<sup>1</sup>

### NET SALES

- **Net sales: mid-single-digit percentage growth** (Q1 2025: \$630 million)

U.S. Retail	U.S. Wholesale	International
High single-digit growth <i>Comp sales up mid-single-digits</i>	Down low single-digits	Double-digit growth

### PROFITABILITY<sup>2</sup>

Adjusted Operating Income	Adjusted Diluted EPS
<b>\$12 million to \$15 million</b> <i>(Q1 2025: \$35 million)</i>	<b>\$0.02 to \$0.08</b> <i>(Q1 2025: \$0.66)</i>

### KEY ASSUMPTIONS<sup>3</sup>

- **Earlier Easter holiday**
- **Lower gross margin rate** (higher net incremental tariff costs, partly offset by a higher mix of U.S. Retail sales and lower sales of excess inventory)
- **Low-single-digit SG&A growth** (investments in demand creation, technology initiatives, and higher wage & rent expenses)
- **Net interest expense ~\$9 million** (increase reflects Q4 2025 Sr. Notes refinancing)
- **Effective tax rate ~37%**
- **Average number of shares outstanding ~36 million**

<sup>1</sup> See page 28 for additional information regarding 2026 tariff assumptions and forward-looking adjusted measures. <sup>2</sup> See prior year reconciliations to GAAP in Supplemental Information. <sup>3</sup> Comparisons vs. prior year unless otherwise noted.

THANK  
YOU





# SUPPLEMENTAL INFORMATION

# RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS

\$ in millions, except EPS

Fourth Quarter Fiscal 2025 (14 weeks)	SG&A	% of net sales	Operating Income	% of net sales	Income Tax Provision	Net Income	Diluted EPS
<b>As reported (GAAP)</b>	<b>\$319.6</b>	34.5%	<b>\$84.7</b>	9.2%	<b>\$11.7</b>	<b>\$64.2</b>	<b>\$1.76</b>
Operating model improvement costs (b)	(0.7)		0.7		0.2	0.5	0.01
Leadership transition costs (c)	(0.4)		0.4		-	0.3	0.01
Organizational restructuring (d)	(3.7)		3.7		0.9	2.8	0.08
Loss on extinguishment of debt (e)	-		-		0.4	1.3	0.03
<b>As adjusted (a)</b>	<b>\$314.8</b>	34.0%	<b>\$89.5</b>	9.7%	<b>\$13.2</b>	<b>\$69.2</b>	<b>\$1.90</b>

Fiscal Year 2025 (53 weeks)	SG&A	% of net sales	Operating Income	% of net sales	Income Tax Provision	Net Income	Diluted EPS
<b>As reported (GAAP)</b>	<b>\$1,188.8</b>	41.0%	<b>\$143.9</b>	5.0%	<b>\$22.0</b>	<b>\$91.8</b>	<b>\$2.53</b>
Operating model improvement costs (b)	(14.2)		14.2		3.4	10.8	0.30
Leadership transition costs (c)	(8.1)		8.1		0.7	7.3	0.20
Organizational restructuring (d)	(9.8)		9.8		2.4	7.5	0.20
Loss on extinguishment of debt (e)	-		-		0.4	1.3	0.03
Pension plan settlement (f)	-		-		2.1	6.7	0.18
Deferred compensation plan termination (g)	-		-		(0.8)	0.8	0.02
<b>As adjusted (a)</b>	<b>\$1,156.7</b>	39.9%	<b>\$176.0</b>	6.1%	<b>\$30.3</b>	<b>\$126.1</b>	<b>\$3.47</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 earnings release 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) Primarily related to third-party consulting costs.
- (c) Related to costs associated with the transition of our former CEO, including accelerated vesting of outstanding time-based restricted stock awards.
- (d) Related to charges for severance and other termination benefits as a result of organizational restructuring.
- (e) Primarily related to the redemption of the \$500 million aggregate principal amount of senior notes due 2027 and cash-flow based credit facility.
- (f) Non-cash charges for settlement of the OshKosh B'Gosh Pension Plan.
- (g) Incremental income tax impact resulting from the announced termination of the Company's deferred compensation plan.

Note: Results may not be additive due to rounding.

# RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS

\$ in millions, except EPS

Fourth Quarter Fiscal 2024 (13 weeks)	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 (52 weeks)	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

First Quarter of Fiscal 2025 (13 weeks)	SG&A	% of net sales	Operating Income	% of net sales	Income Tax Provision	Net Income	Diluted EPS
<b>As reported (GAAP)</b>	<b>\$270.3</b>	42.9%	<b>\$26.1</b>	4.1%	<b>\$5.8</b>	<b>\$15.5</b>	<b>\$0.43</b>
Leadership transition costs (b)	(6.1)		6.1		0.3	5.8	0.16
Operating model improvement costs (c)	(3.2)		3.2		0.8	2.4	0.07
<b>As adjusted (a)</b>	<b>\$261.0</b>	41.4%	<b>\$35.4</b>	5.6%	<b>\$6.9</b>	<b>\$23.8</b>	<b>\$0.66</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 earnings release 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) Related to costs associated with the transition of our former CEO, including accelerated vesting of outstanding time-based restricted stock awards.
- (c) Primarily related to third-party consulting costs.

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			
	January 3, 2026 (14 weeks)		December 28, 2024 (13 weeks)		January 3, 2026 (53 weeks)		December 28, 2024 (52 weeks)	
		% of net sales		% of net sales		% of net sales		% of net sales
<b>Total segment operating income</b> <sup>(a)</sup>	<b>\$112.8</b>	12.2%	<b>\$148.6</b>	17.3%	<b>\$267.8</b>	9.2%	<b>\$388.9</b>	13.7%
Unallocated corporate expenses <sup>(b)</sup>	(23.3)		(33.5)		(91.8)		(102.3)	
<b>Subtotal</b>	<b>\$89.5</b>	9.7%	<b>\$115.1</b>	13.4%	<b>\$176.0</b>	6.1%	<b>\$286.6</b>	10.1%
Organizational restructuring <sup>(c)</sup>	\$(3.7)		\$(1.8)		\$(9.8)		\$(1.8)	
Operating model improvement costs <sup>(d)</sup>	(0.7)		-		(14.2)		-	
Leadership transition costs <sup>(e)</sup>	(0.4)		-		(8.1)		-	
Intangible asset impairment <sup>(f)</sup>	-		(30.0)		-		(30.0)	
<b>Consolidated operating income</b>	<b>\$84.7</b>	9.2%	<b>\$83.2</b>	9.7%	<b>\$143.9</b>	5.0%	<b>\$254.7</b>	9.0%

(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.

(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) Related to charges for severance and other termination benefits as a result of organizational restructuring.

(d) Primarily related to third-party consulting costs.

(e) Related to costs associated with the transition of our former CEO, including accelerated vesting of outstanding time-based restricted stock awards.

(f) 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	
	January 3, 2026 (14 weeks)	December 28, 2024 (13 weeks)	January 3, 2026 (53 weeks)	December 28, 2024 (52 weeks)
Net income	\$64.2	\$61.5	\$91.8	\$185.5
Interest expense	11.4	8.2	34.2	31.3
Interest income	(3.5)	(2.4)	(13.5)	(11.0)
Tax expense	11.7	14.3	22.0	45.3
Depreciation and amortization	14.7	14.3	55.3	57.9
<b>EBITDA</b>	<b>\$98.5</b>	<b>\$95.8</b>	<b>\$189.9</b>	<b>\$309.0</b>
<b>Adjustments to EBITDA</b>				
Organizational restructuring <sup>(a)</sup>	\$3.7	1.8	\$9.8	1.8
Operating model improvement costs <sup>(b)</sup>	0.7	-	14.2	-
Leadership transition costs <sup>(c)</sup>	0.4	-	8.1	-
Loss on extinguishment of debt <sup>(d)</sup>	1.7	-	1.7	-
Pension plan settlement <sup>(e)</sup>	-	-	8.8	0.9
Intangible asset impairment <sup>(f)</sup>	-	30.0	-	30.0
Total adjustments	6.4	31.8	42.5	32.8
<b>Adjusted EBITDA</b>	<b>\$105.0</b>	<b>\$127.6</b>	<b>\$232.3</b>	<b>\$341.8</b>

(a) Related to charges for severance and other termination benefits as a result of organizational restructuring.

(b) Primarily related to third-party consulting costs.

(c) Related to costs associated with the transition of our former CEO, including accelerated vesting of outstanding time-based restricted stock awards.

(d) Related to redemption of the \$500 million senior notes due 2027 and cash-flow based revolving credit facility

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

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

Note: Results may not be additive due to rounding.

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

	Fiscal Quarter Ended	
	January 3, 2026 (14 weeks)	December 28, 2024 (13 weeks)
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	35,448,826	35,246,887
Dilutive effect of equity awards	1,008	1,130
Diluted number of common and common equivalent shares outstanding	35,449,834	35,248,017

\$ in thousands, except EPS	Fiscal Quarter Ended			
	As reported on a GAAP Basis		As adjusted (a)	
	January 3, 2026 (14 weeks)	December 28, 2024 (13 weeks)	January 3, 2026 (14 weeks)	December 28, 2024 (13 weeks)
Basic net income per common share:				
Net income	\$64,218	\$61,517	\$69,170	\$85,938
Income allocated to participating securities	(1,760)	(1,299)	(1,897)	(1,837)
Net income available to common shareholders	\$62,458	\$60,218	\$67,273	\$84,101
Basic net income per common share	\$1.76	\$1.71	\$1.90	\$2.39
Diluted net income per common share:				
Net income	\$64,218	\$61,517	\$69,170	\$85,938
Income allocated to participating securities	(1,760)	(1,299)	(1,897)	(1,837)
Net income available to common shareholders	\$62,458	\$60,218	\$67,273	\$84,101
Diluted net income per common share	\$1.76	\$1.71	\$1.90	\$2.39

(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 presented above. The Company excluded approximately \$5.0 million and \$24.4 million in after-tax expenses from these results for the fiscal quarters ended January 3, 2026 and December 28, 2024, respectively.

Note: Results may not be additive due to rounding.

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

	Fiscal Year Ended	
	January 3, 2026 (53 weeks)	December 28, 2024 (52 weeks)
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	35,404,506	35,524,378
Dilutive effect of equity awards	414	1,238
Diluted number of common and common equivalent shares outstanding	35,404,920	35,525,616

\$ in thousands, except EPS	Fiscal Year Ended			
	As reported on a GAAP Basis		As adjusted (a)	
	January 3, 2026 (53 weeks)	December 28, 2024 (52 weeks)	January 3, 2026 (53 weeks)	December 28, 2024 (52 weeks)
Basic net income per common share:				
Net income	\$91,796	\$185,509	\$126,068	\$210,652
Income allocated to participating securities	(2,306)	(3,679)	(3,226)	(4,207)
Net income available to common shareholders	\$89,490	\$181,830	\$122,842	\$206,445
Basic net income per common share	\$2.53	\$5.12	\$3.47	\$5.81
Diluted net income per common share:				
Net income	\$91,796	\$185,509	\$126,068	\$210,652
Income allocated to participating securities	(2,306)	(3,679)	(3,226)	(4,207)
Net income available to common shareholders	\$89,490	\$181,830	\$122,842	\$206,445
Diluted net income per common share	\$2.53	\$5.12	\$3.47	\$5.81

(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 presented above. The Company excluded approximately \$34.3 million and \$25.1 million in after-tax expenses from these results for the fiscal years ended January 3, 2026 and December 28, 2024, respectively.

Note: Results may not be additive due to rounding.

# NET SALES CONSTANT CURRENCY RECONCILIATION

\$ in millions

	Fiscal Quarter Ended					
	Reported Net Sales January 3, 2026	Impact of Foreign Currency Translation	Constant- Currency Net Sales January 3, 2026	Reported Net Sales December 28, 2024	Reported Net Sales % Change	Constant- Currency Net Sales % Change
<b>Consolidated net sales</b>	\$925.5	\$3.0	\$922.5	\$859.7	7.6%	7.3%
<b>International segment net sales</b>	\$141.2	\$3.0	\$138.2	\$128.1	10.2%	7.9%

  

	Fiscal Year Ended					
	Reported Net Sales January 3, 2026	Impact of Foreign Currency Translation	Constant- Currency Net Sales January 3, 2026	Reported Net Sales December 28, 2024	Reported Net Sales % Change	Constant- Currency Net Sales % Change
<b>Consolidated net sales</b>	\$2,898.4	\$(6.7)	\$2,905.1	\$2,844.1	1.9%	2.1%
<b>International segment net sales</b>	\$431.0	\$(6.7)	\$437.7	\$405.6	6.3%	7.9%

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.

# RECONCILIATION OF U.S. GAAP AND NON-GAAP INFORMATION

The tables below reflect the calculation of net sales change on a comparable week basis for the fiscal quarter and fiscal year ended January 3, 2026:

\$ in millions

	Fiscal Quarter Ended					
	Reported Net Sales January 3, 2026 (14 weeks)	Reported Net Sales December 28, 2024 (13 weeks)	14 <sup>th</sup> Week Net Sales Contribution	Pro Forma Net Sales January 3, 2026 (13 weeks)	Reported Net Sales % Change	Pro Forma Net Sales % Change
<b>Consolidated net sales</b>	\$925.5	\$859.7	\$37.0	\$888.5	7.6%	3.4%

	Fiscal Year Ended					
	Reported Net Sales January 3, 2026 (53 weeks)	Reported Net Sales December 28, 2024 (52 weeks)	53 <sup>rd</sup> Week Net Sales Contribution	Pro Forma Net Sales January 3, 2026 (52 weeks)	Reported Net Sales % Change	Pro Forma Net Sales % Change
<b>Consolidated net sales</b>	\$2,898.4	\$2,844.1	\$37.0	\$2,861.4	1.9%	0.6%

The above reconciliations enable the evaluation of quarter-over-quarter and year-over-year changes in net sales based on 13-week and 52-week reporting periods.

Note: Results may not be additive due to rounding.

# 2025 STORE COUNT RECONCILIATION

	U.S.	Canada	Mexico	Total
<b>Store count at December 28, 2024</b>	<b>804</b>	<b>191</b>	<b>63</b>	<b>1,058</b>
Openings	28	5	12	45
Closings	(28)	(4)	(3)	(35)
<b>Store count at January 3, 2026</b>	<b>804</b>	<b>192</b>	<b>72</b>	<b>1,068</b>

# FORWARD LOOKING STATEMENTS & 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 disclosed in Part I, Item 1A. “Risk Factors” of the Company’s Annual Report on Form 10-K for the fiscal year ended January 3, 2026, 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 the organizational restructuring plan, including, but not limited to, our ability to achieve the expected savings from the plan and to fully implement the plan; risks related to consumer tastes and preferences, as well as fashion trends; 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 and the United States’ position on international trade, as well as significant political, trade, and regulatory developments and other circumstances beyond our control; the roll-back of incremental tariffs imposed under the International Emergency Economic Powers Act (the “incremental tariffs”) and any additional actions taken in response to their roll-back, including tariffs imposed pursuant to Section 122 of the Trade Act of 1974 (the “122 tariffs”); our ability to recover refunds of incremental tariff amounts or other tariff amounts paid; 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 value 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.

# FORWARD LOOKING STATEMENTS & OTHER INFORMATION

(CONTINUED)

The Company's outlooks (and related assumptions) for fiscal year 2026 and the first quarter fiscal 2026 do not reflect the potential impacts of the recent U.S. Supreme Court decision regarding tariffs imposed under the International Emergency Economic Powers Act of 1977, as amended, as well as recently-announced global tariffs imposed under Section 122 of the Trade Act of 1974, as amended.

We do not reconcile 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 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.