

THIRD QUARTER & YEAR TO DATE 2026 BUSINESS UPDATE

OCTOBER 30, 2026

THIRD QUARTER 2026 RESULTS

GAAP BASIS

in millions, except EPS

	Q3 2026	% of Net Sales	Q3 2025	% of Net Sales	Change
Net sales	$752		$758		(1%)
Gross profit	355	*47.1%*	342	*45.1%*	4%
Royalty income, net	5	*0.7%*	5	*0.7%*	(5%)
SG&A	304	*40.4%*	318	*42.0%*	(4%)
Operating income	56	*7.4%*	29	*3.8%*	92%
Interest expense	12	*1.6%*	7	*0.9%*	65%
Interest income	(5)	*(0.6%)*	(3)	*(0.3%)*	86%
Other expense (income), net	0	*0.0%*	10	*1.3%*	(97%)
Income before taxes	48	*6.4%*	15	*2.0%*	n/m
Income tax provision	12	*1.6%*	3	*0.4%*	n/m
Net income	$37	*4.9%*	$12	*1.5%*	n/m
Diluted EPS	$1.00		$0.32		n/m
Weighted-average shares outstanding	36		35		1%
EBITDA[1]	$68	*9.1%*	$33	*4.4%*	n/m

[1] Non-GAAP measure; see reconciliation to GAAP in Supplemental Information. Note: Results may not be additive due to rounding.

THIRD QUARTER YTD 2026 RESULTS

GAAP BASIS

in millions, except EPS

	Q3 YTD 2026	*% of Net Sales*	Q3 YTD 2025	*% of Net Sales*	Change
Net sales	$2,049		$1,973		4%
Gross profit	1,061	*51.8%*	914	*46.4%*	16%
Royalty income, net	13	*0.6%*	14	*0.7%*	(6%)
SG&A	850	*41.5%*	869	*44.1%*	(2%)
Operating income	224	*10.9%*	59	*3.0%*	n/m
Interest expense	35	*1.7%*	23	*1.2%*	53%
Interest income	(17)	*(0.8%)*	(10)	*(0.5%)*	65%
Other expense (income), net	1	*0.0%*	9	*0.4%*	(91%)
Income before taxes	205	*10.0%*	38	*1.9%*	n/m
Income tax provision	49	*2.4%*	10	*0.5%*	n/m
Net income	$156	*7.6%*	$28	*1.4%*	n/m
Diluted EPS	$4.27		$0.75		n/m
Weighted-average shares outstanding	36		35		1%
EBITDA[1]	$263	*12.8%*	$91	*4.6%*	n/m

[1] Non-GAAP measure; see reconciliation to GAAP in Supplemental Information. Note: Results may not be additive due to rounding.

NON-GAAP ADJUSTMENTS[1]

$ in millions, except EPS

Third Quarter	2026				2025			
	Operating Income	*% Net Sales*	Net Income	Diluted EPS	Operating Income	*% Net Sales*	Net Income	Diluted EPS
As reported (GAAP)	**$55.8**	7.4%	**$36.6**	**$1.00**	**$29.1**	3.8%	**$11.6**	**$0.32**
Organizational restructuring	-		-	-	6.1		4.6	0.13
Operating model improvement costs	-		-	-	3.7		2.8	0.08
Leadership transition costs	-		-	-	0.5		0.4	0.01
Pension plan settlement	-		-	-	-		6.7	0.18
Deferred compensation plan termination	-		-	-	-		0.8	0.02
IP litigation	1.2		0.9	0.02	-		-	-
As adjusted	**$56.9**	7.6%	**$37.5**	**$1.03**	**$39.4**	5.2%	**$26.8**	**$0.74**

Q3 Year-to-Date 2026	2026				2025			
	Operating Income	*% Net Sales*	Net Income	Diluted EPS	Operating Income	*% Net Sales*	Net Income	Diluted EPS
As reported (GAAP)	**$224.0**	10.9%	**$155.9**	**$4.27**	**$59.2**	3.0%	**$27.6**	**$0.75**
Operating model improvement costs	-		-	-	13.5		10.2	0.29
Organizational restructuring	-		-	-	6.1		4.6	0.13
Leadership transition costs	4.7		3.6	0.10	7.7		7.0	0.19
Pension plan settlement	-		-	-	-		6.7	0.19
Deferred compensation plan termination	-		-	-	-		0.8	0.02
Tariff refund recovery	(127.7)		(100.1)	(2.74)	-		-	-
IP litigation	2.4		1.8	0.05	-		-	-
As adjusted	**$103.5**	5.0%	**$61.2**	**$1.68**	**$86.5**	4.4%	**$56.9**	**$1.57**

[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.

ADJUSTED THIRD QUARTER 2026 RESULTS[1]

in millions, except EPS

	Q3 2026	*% of Net Sales*	Q3 2025	*% of Net Sales*	Change
Net sales	$752		$758		(1%)
Gross profit	355	*47.1%*	342	*45.1%*	4%
Royalty income, net	5	*0.7%*	5	*0.7%*	(5%)
SG&A	303	*40.3%*	308	*40.6%*	(2%)
Operating income	57	*7.6%*	39	*5.2%*	45%
Interest expense and other, net	7	*1.0%*	5	*0.7%*	35%
Income before taxes	50	*6.6%*	34	*4.5%*	46%
Income tax provision	12	*1.6%*	7	*0.9%*	71%
Net income	$37	*5.0%*	$27	*3.5%*	40%
Diluted EPS	$1.03		$0.74		39%
Weighted-average shares outstanding	36		35		1%
EBITDA	$69	*9.2%*	$52	*6.9%*	33%

[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.

THIRD QUARTER 2026 SEGMENT RESULTS

in millions

	Net Sales			Operating Income			Operating Margin	
	2026	2025	$ Change	2026	2025	$ Change	2026	2025
U.S. Retail	$363	$362	$0	$19	$10	$9	5.3%	2.8%
U.S. Wholesale	273	284	(11)	49	44	5	17.8%	15.5%
International	117	112	5	12	9	3	10.0%	8.2%
Total before Corporate expenses	752	758	(5)	80	63	17	10.6%	8.3%
Corporate expenses	-	-	-	(23)	(24)	1	(3.0%)	(3.1%)
Total[1]	**$752**	**$758**	**($5)**	**$57**	**$39**	**$18**	**7.6%**	**5.2%**

[1] 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.

THIRD QUARTER 2026 PERFORMANCE – U.S. RETAIL

2026 vs. 2025

Sales

- **Net sales comparable vs. LY**
  - AUR up LSD, building on LY's MSD growth; Units down LSD
  - Growth in *Carter's* and *Little Planet* brands
  - Growth in Baby and Toddler driven by strength in key destination categories
  - Offset by uneven product acceptance of older Kids back-to-school seasonal assortments
- **Continued growth in comparable sales**
  - +0.4% vs. LY; +3.0% on a two-year basis
  - Demand improved as quarter progressed, September comp +DD in one of the largest historical birth months of the year
  - Traffic trends slowed while average transaction value increased vs. Q2

Profitability

- **Operating margin 5.3% (+250 bps vs. LY)**
  - Higher realized pricing
  - Benefits from productivity initiatives, including store closures

FIRST SIGNIFICANT BRAND

carter's®

BEFORE

EVOLUTION IN 25 YEARS

carter's®

let every child's light shine

AFTER

BRAND ILLUMINATION
HIGHLIGHTS

INCREASE IN PURCHASE CONSIDERATION REFLECTED IN +18% BRANDED SEARCH







"let every child's light shine"



STELLAR SLEEP

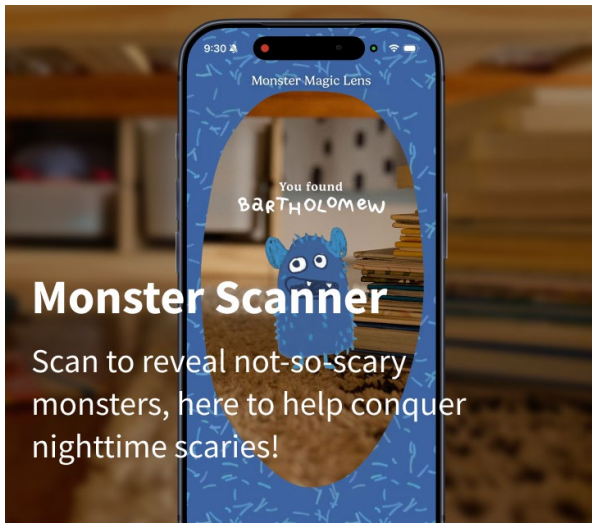
MAKE BEDTIME THE BEST TIME

Q3 2026 Comp Sales in Sleepwear +18%

















THIRD QUARTER 2026 SEGMENT PERFORMANCE

2026 vs. 2025

U.S. WHOLESALE

- **Net sales: -4%**
  - Decrease vs. LY due to changes in shipment timing (benefitted Q2 2026)
  - Q3 year-to-date +2% vs. LY
  - Q3 year-to-date Exclusive Brand sales up high-single digits driven by *Carter's Child of Mine* and *Just One You*
- **Operating margin 17.8% (+230 bps vs. LY)**
  - Higher realized pricing, favorable customer mix and benefits from productivity initiatives
  - Partially offset by higher tariff costs and investments in product make

INTERNATIONAL

- **Net sales: +4%**
  +4% in constant currency
  - Canada total sales +4%
    - Retail comp +2%
    - Wholesale growth
  - Mexico total sales +3%
    - Retail comp +8%
    - 6 new stores YTD
    - Favorable FX impact
- **Operating margin 10.0% (+180 bps vs. LY)**
  - Higher realized pricing, productivity savings, and FX benefits
  - Partially offset by higher product costs

BALANCE SHEET & CASH FLOW

$ in millions

Balance Sheet (Q3)

	2026	2025
Cash / Short Term Investments	$526	$184
Accounts receivable, net	229	238
Inventory, net	587	656
Accounts payable	254	240
Long-term debt, net	568	499
Operating lease liabilities[1]	611	680

Cash Flow (Q3 YTD)

	2026	2025
Operating cash flow	$102	($136)
Capital expenditures	(30)	(43)
Free cash flow[2]	$72	($179)

Return of Capital (Q3 YTD)

Dividends	$27	$47
Share repurchases	-	-
Total capital returned	$27	$47

- **Total liquidity $1.1 billion**
- **Inventories (11%) vs. LY**
- **Long-term debt reflects senior notes refinanced in Q4 2025**

- **Improvement in operating cash flow reflects:**
  - Tariff recovery
  - Improved working capital
- **$27 million in dividends paid year-to-date**

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

ADJUSTED THIRD QUARTER YTD 2026 RESULTS[1]

in millions, except EPS

	Q3 YTD 2026	*% of Net Sales*	Q3 YTD 2025	*% of Net Sales*	Change
Net sales	$2,049		$1,973		4%
Gross profit	934	*45.6%*	914	*46.4%*	2%
Royalty income, net	13	*0.6%*	14	*0.7%*	(6%)
SG&A	843	*41.2%*	842	*42.7%*	0%
Operating income	103	*5.0%*	87	*4.4%*	20%
Interest expense and other, net	23	*1.1%*	13	*0.6%*	84%
Income before taxes	80	*3.9%*	74	*3.7%*	9%
Income tax provision	19	*0.9%*	17	*0.9%*	12%
Net income	$61	*3.0%*	$57	*2.9%*	8%
Diluted EPS	$1.68		$1.57		7%
Weighted-average shares outstanding	36		35		1%
EBITDA	$142	*6.9%*	$127	*6.5%*	12%

[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.

THIRD QUARTER YTD 2026 SEGMENT RESULTS

in millions

	Net Sales			Operating Income			Operating Margin	
	2026	2025	$ Change	2026	2025	$ Change	2026	2025
U.S. Retail	$1,000	$956	$43	$33	$16	$17	3.3%	1.7%
U.S. Wholesale	740	727	13	115	126	(11)	15.6%	17.4%
International	309	290	20	21	13	9	6.9%	4.3%
Total before Corporate expenses	2,049	1,973	76	169	155	14	8.3%	7.9%
Corporate expenses	-	-	-	(66)	(68)	3	(3.2%)	(3.5%)
Total[1]	**$2,049**	**$1,973**	**$76**	**$103**	**$87**	**$17**	**5.0%**	**4.4%**

[1] 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

FOURTH QUARTER 2026 OUTLOOK

13 WEEKS vs. 14 WEEKS 2025

NET SALES

- **Net sales: $860 million to $880 million** (Q4 2025: $925 million)

U.S. Retail	U.S. Wholesale	International
High-single to low-double digit decline *Comp sales down low-single digits*	Mid-to-high single digit decline	High-single digit growth

PROFITABILITY[1]

Adjusted Operating Income	Adjusted Diluted EPS
$74 million to $83 million *(Q4 2025: $89 million)*	**$1.37 to $1.55** *(Q4 2025: $1.90)*

KEY ASSUMPTIONS[2]

- **Higher gross margin rate**
- **Comparable to low-single digit decrease in SG&A[1] expense**
- **Net interest expense ~$10 million**
- **Average number of shares outstanding ~36 million**

[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 29 for additional information). [2] Comparisons vs. prior year unless otherwise noted.

FISCAL YEAR 2026 OUTLOOK

52 WEEKS vs. 53 WEEKS 2025

Updated net sales outlook; maintained outlook for adjusted operating income and adjusted diluted EPS

NET SALES

- **Net sales: $2.910 billion to $2.930 billion** (FY2025: $2.898 billion) Comparable to up 1% vs. LY; up ~2% excluding 53rd week

U.S. Retail	U.S. Wholesale	International
Comparable to low-single digit decline *Comp sales up low-single digits*	Comparable to LY	High-single digit growth

PROFITABILITY & CASH FLOW

Adjusted[1]			
Operating Income	**Diluted EPS**	**Operating Cash Flow**	**CapEx**
Low-to-mid single digit growth **$178 million to $187 million** (FY2025: $176 million)	**High-single to low-double digit decline** **$3.05 to $3.23** (FY2025: $3.47)	**~$240 million to $250 million**	**~$50 million**

KEY ASSUMPTIONS[2]

- **Slightly lower gross margin[1] rate**
- **Comparable SG&A[1] expense**
- **Net interest expense[1] ~$32 million**
- **Effective tax rate ~23%**
- **Average number of shares outstanding ~36 million**

[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 29 for additional information). [2] Comparisons vs. prior year unless otherwise noted.


THANK
YOU



SUPPLEMENTAL INFORMATION

RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS

$ in millions, except EPS

Third Quarter Fiscal 2026	Cost of Goods Sold	Gross Profit	*% of net sales*	SG&A	*% of net sales*	Operating Income	*% of net sales*	Interest Income	Income Tax Provision	Net Income	Diluted EPS
As reported (GAAP)	**$397.7**	**$354.8**	*47.1%*	**$304.2**	*40.4%*	**$55.8**	*7.4%*	**$4.8**	**$11.8**	**$36.6**	**$1.00**
IP litigation (b)	-	-		(1.2)		1.2		-	0.3	0.9	0.02
As adjusted (a)	**$397.7**	**$354.8**	*47.1%*	**$303.0**	*40.3%*	**$56.9**	*7.6%*	**$4.8**	**$12.1**	**$37.5**	**$1.03**

Three Fiscal Quarters 2026	Cost of Goods Sold	Gross Profit	*% of net sales*	SG&A	*% of net sales*	Operating Income	*% of net sales*	Interest Income	Income Tax Provision	Net Income	Diluted EPS
As reported (GAAP)	**$987.8**	**$1,061.2**	*51.8%*	**$850.4**	*41.5%*	**$224.0**	*10.9%*	**$16.5**	**$49.0**	**$155.9**	**$4.27**
Tariff refund recovery (d)	127.7	(127.7)		-		(127.7)		(4.0)	(31.6)	(100.1)	(2.74)
Leadership transition costs (c)	-	-		(4.7)		4.7		-	1.1	3.6	0.10
IP litigation (b)	-	-		(2.4)		2.4		-	0.6	1.8	0.05
As adjusted (a)	**$1,115.5**	**$933.6**	*45..6%*	**$843.2**	*41.2%*	**$103.5**	*5.0%*	**$12.5**	**$19.1**	**$61.2**	**$1.68**

(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 COGS, gross profit, SG&A, operating income, interest income, income tax, 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) Related legal defense costs arising from intellectual property litigation not in the ordinary course of business

(c) Related to costs associated with the retirement of Michael D. Casey, the Company's former Chief Executive Officer, in the first quarter of fiscal 2025 and costs related to the departure of Douglas C. Palladini, the Company's former Chief Executive Officer, in the second quarter of fiscal 2026.

(d) Related to $132 million of IEEPA tariff recoveries, including $4 million of interest received.

Note: Results may not be additive due to rounding.

RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS

$ in millions, except EPS

Third Quarter Fiscal 2025	Cost of Goods Sold	Gross Profit	*% of net sales*	SG&A	*% of net sales*	Operating Income	*% of net sales*	Interest Income	Income Tax Provision	Net Income	Diluted EPS
As reported (GAAP)	**$416.2**	**$341.6**	*45.1%*	**$318.0**	*42.0%*	**$29.1**	*3.8%*	**$2.6**	**$3.2**	**$11.6**	**$0.32**
Operating model improvement (b)	-	-		(3.7)		3.7		-	0.9	2.8	0.08
Leadership transition cost (c)	-	-		(0.5)		0.5		-	0.1	0.4	0.01
Organizational restructuring (d)	-	-		(6.1)		6.1		-	1.5	4.6	0.13
Pension plan settlement (e)	-	-		-		-		-	2.1	6.7	0.18
Deferred compensation plan termination (f)	-	-		-		-		-	(0.8)	0.8	0.02
As adjusted (a)	**$416.2**	**$341.6**	*45.1%*	**$307.7**	*40.6%*	**$39.4**	*5.2%*	**$2.6**	**$7.1**	**$26.8**	**$0.74**

Three Fiscal Quarters 2025	Cost of Goods Sold	Gross Profit	*% of net sales*	SG&A	*% of net sales*	Operating Income	*% of net sales*	Interest Income	Income Tax Provision	Net Income	Diluted EPS
As reported (GAAP)	**$1,058.5**	**$914.5**	*46.4%*	**$869.2**	*44.1%*	**$59.2**	*3.0%*	**$10.0**	**$10.3**	**$27.6**	**$0.75**
Operating model improvement (b)	-	-		(13.5)		13.5		-	3.2	10.2	0.29
Leadership transition cost (c)	-	-		(7.7)		7.7		-	0.7	7.0	0.19
Organizational restructuring (d)	-	-		(6.1)		6.1		-	1.5	4.6	0.13
Pension plan settlement (e)	-	-		-		-		-	2.1	6.7	0.19
Deferred compensation plan termination (f)	-	-		-		-		-	(0.8)	0.8	0.02
As adjusted (a)	**$1,058.5**	**$914.5**	*46.4%*	**$842.0**	*42.7%*	**$86.5**	*4.4%*	**$10.0**	**$17.0**	**$56.9**	**$1.57**

(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 COGS, gross profit, SG&A, operating income, interest income, income tax, 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. Primarily related to third-party consulting costs.

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

(c) Related to costs associated with the retirement of Michael D. Casey, the Company's former Chief Executive Officer, in the first quarter of fiscal 2025 and costs related to the departure of Douglas C. Palladini, the Company's former Chief Executive Officer, in the second quarter of fiscal 2026.

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

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

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

Full Year Fiscal 2025	SG&A	*% of net sales*	Operating Income	*% of net sales*	Income Tax Provision	Net Income	Diluted EPS
As reported (GAAP)	**$1,188.8**	*41.0%*	**$143.9**	*5.0%*	**$22.0**	**$91.8**	**$2.53**
Operating model improvement (b)	(14.2)		14.2		3.4	10.8	0.30
Organizational restructuring (d)	(9.8)		9.8		2.4	7.5	0.20
Leadership transition cost (c)	(8.1)		8.1		0.7	7.3	0.20
Pension plan settlement (e)	-		-		2.1	6.7	0.18
Loss on extinguishment of debt (g)	-		-		0.4	1.3	0.03
Deferred compensation plan termination (f)	-		-		(0.8)	0.8	0.03
As adjusted (a)	**$1,156.7**	*39.9%*	**$176.0**	*6.1%*	**$30.3**	**$126.1**	**$3.47**

(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, interest income, income tax, 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 retirement of Michael D. Casey, the Company's former Chief Executive Officer, in the first quarter of fiscal 2025.

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

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

(f) Incremental income tax impact resulting from the announced termination of the Company's deferred compensation plan.

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

Note: Results may not be additive due to rounding.

RECONCILIATION OF TOTAL SEGMENT OPERATING INCOME TO CONSOLIDATED OPERATING INCOME

$ in millions

	Fiscal Quarter Ended				Three Fiscal Quarters Ended			
	October 3, 2026		September 27, 2025		October 3, 2026		September 27, 2025	
		% of Net Sales		% of Net Sales		% of Net Sales		% of Net Sales
Total segment operating income	**$79.7**	*10.6%*	**$63.1**	*8.3%*	**$169.1**	*8.3%*	**$155.0**	*7.9%*
Unallocated corporate expenses [(b)]	(22.8)		(23.8)		(65.6)		(68.5)	
Subtotal	**$56.9**		**$39.4**		**$103.5**		**$86.5**	
Tariff refund recovery[(a)]	-		-		127.7		-	
IP litigation [(c)]	(1.2)		-		(2.4)		-	
Leadership transition costs [(d)]	-		(0.5)		(4.7)		(7.7)	
Operating model improvement costs [(e)]	-		(3.7)		-		(13.5)	
Organizational restructuring (f)	-		(6.1)		-		(6.1)	
Consolidated operating income	**$55.8**	*7.4%*	**$29.1**	*3.8%*	**$224.0**	*10.9%*	**$59.2**	*3.0%*

(a) Related to $128 million of IEEPA tariff recoveries, excluding interest received, which are reflected as a reduction of Cost of goods sold in the first three quarters of fiscal 2026.

(b) Unallocated corporate expenses include corporate overhead expenses that are not directly attributable to one of the Company's business segments and include unallocated accounting, finance, legal, human resources, and information technology expenses, occupancy costs for its corporate headquarters, and other benefit and compensation programs, including performance-based compensation.

(c) Related legal defense costs arising from intellectual property litigation not in the ordinary course of business.

(d) Related to costs associated with the retirement of Michael D. Casey, the Company's former Chief Executive Officer, in the first quarter of fiscal 2025 and costs related to the departure of Douglas C. Palladini, the Company's former Chief Executive Officer, in the second quarter of fiscal 2026.

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

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

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
	October 3, 2026	September 27, 2025	October 3, 2026	September 27, 2025	October 3, 2026
Net income	$36.6	$11.6	$155.9	$27.6	$220.1
Interest expense	11.8	7.2	34.9	22.8	46.3
Interest income	(4.8)	(2.6)	(16.5)	(10.0)	(20.0)
Tax expense	11.8	3.2	49.0	10.3	60.7
Depreciation and amortization	12.9	13.8	39.5	40.6	54.2
EBITDA	**$68.3**	**$33.2**	**$262.8**	**$91.3**	**$361.3**
Adjustments to EBITDA					
Tariff refund recovery [(a)]	-	-	(127.7)	-	(127.7)
IP litigation[(b)]	1.2	-	2.4	-	2.4
Leadership transition costs [(c)]	-	0.5	4.7	7.7	5.1
Operating model improvement costs [(d)]	-	3.7	-	13.5	0.7
Organizational restructuring [(e)]	-	6.1	-	6.1	3.7
Loss on extinguishment of debt [(f)]	-	-	-	-	1.7
Pension Plan Settlement [(g)]	-	8.8	-	8.8	-
Total adjustments	1.2	19.1	(120.6)	36.1	(114.1)
Adjusted EBITDA	**$69.5**	**$52.3**	**$142.2**	**$127.4**	**$247.2**

(a) Related to $128 million of IEEPA tariff recoveries, excluding $4 million of interest received in the first three quarters of fiscal 2026.

(b) Related legal defense costs arising from intellectual property litigation not in the ordinary course of business.

(c) Related to costs associated with the retirement of Michael D. Casey, the Company's former Chief Executive Officer, in the first quarter of fiscal 2025 and costs related to the departure of Douglas C. Palladini, the Company's former Chief Executive Officer, in the second quarter of fiscal 2026.

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

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

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

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

Note: Results may not be additive due to rounding.

THIRD QUARTER RECONCILIATION OF ADJUSTED NET INCOME ALLOCABLE TO COMMON SHAREHOLDERS

	Fiscal Quarter Ended	
Weighted-average number of common and common equivalent shares outstanding:	**October 3, 2026**	**September 27, 2025**
Basic number of common shares outstanding	35,623,722	35,443,712
Dilutive effect of equity awards	12,505	146
Diluted number of common and common equivalent shares outstanding	35,636,227	35,443,858

	Fiscal Quarter Ended			
$ in thousands, except EPS	**As reported on a GAAP Basis**		**As adjusted (a)**	
	October 3, 2026	**September 27, 2025**	**October 3, 2026**	**September 27, 2025**
Basic net income per common share:				
Net income	$36,611	$11,593	$37,491	$26,846
Income allocated to participating securities	(842)	(305)	(863)	(743)
Net income available to common shareholders	$35,769	$11,288	$36,628	$26,103
Basic net income per common share	$1.00	$0.32	$1.03	$0.74
Diluted net income per common share:				
Net income	$36,611	$11,593	$37,491	$26,846
Income allocated to participating securities	(842)	(305)	(863)	(743)
Net income available to common shareholders	$35,769	$11,288	$36,628	$26,103
Diluted net income per common share	$1.00	$0.32	$1.03	$0.74

(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 $0.9 million and $15.3 million in after-tax expenses from these results for the fiscal quarters ended October 3, 2026, and September 27, 2025, 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	
Weighted-average number of common and common equivalent shares outstanding:	**October 3, 2026**	**September 27, 2025**
Basic number of common shares outstanding	35,569,482	35,388,596
Dilutive effect of equity awards	7,957	348
Diluted number of common and common equivalent shares outstanding	35,577,439	35,388,944

	Three Fiscal Quarters Ended			
$ in thousands, except EPS	**As reported on a GAAP Basis**		**As adjusted (a)**	
	October 3, 2026	**September 27, 2025**	**October 3, 2026**	**September 27, 2025**
Basic net income per common share:				
Net income	$155,905	$27,578	$61,238	$56,898
Income allocated to participating securities	(4,103)	(1,118)	(1,561)	(1,377)
Net income available to common shareholders	$151,802	$26,460	$59,677	$55,521
Basic net income per common share	$4.27	$0.75	$1.68	$1.57
Diluted net income per common share:				
Net income	$155,905	$27,578	$61,238	$56,898
Income allocated to participating securities	(4,102)	(1,118)	(1,561)	(1,377)
Net income available to common shareholders	$151,803	$26,460	$59,677	$55,521
Diluted net income per common share	$4.27	$0.75	$1.68	$1.57

(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 $94.7 million in after-tax benefits from these results for the three fiscal quarters ended October 3, 2026. Additionally, the Company has excluded $29.3 million in after-tax expenses from these results for the three fiscal quarters ended September 27, 2025.

Note: Results may not be additive due to rounding.

NET SALES CONSTANT CURRENCY RECONCILIATION

$ in millions

Fiscal Quarter Ended

	Reported Net Sales October 3, 2026	Impact of Foreign Currency Translation	Constant-Currency Net Sales October 3, 2026	Reported Net Sales September 27, 2025	Reported Net Sales % Change	Constant-Currency Net Sales % Change
Consolidated net sales	$752.5	$0.9	$751.5	$757.8	(0.7%)	(0.8%)
International segment net sales	$116.7	$0.9	$115.8	$111.7	4.5%	3.6%

Three Fiscal Quarters Ended

	Reported Net Sales October 3, 2026	Impact of Foreign Currency Translation	Constant-Currency Net Sales October 3, 2026	Reported Net Sales September 27, 2025	Reported Net Sales % Change	Constant-Currency Net Sales % Change
Consolidated net sales	$2,049.1	$8.9	$2,040.2	$1,973.0	3.9%	3.4%
International segment net sales	$309.4	$8.9	$300.5	$289.8	6.8%	3.7%

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 its 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.

2026 STORE COUNT RECONCILIATION

	U.S.	Canada	Mexico	Total
Store count at January 3, 2026	**804**	**192**	**72**	**1,068**
Openings	3	-	1	4
Closings	(9)	(1)	-	(10)
Store count at April 4, 2026	**798**	**191**	**73**	**1,062**
Openings	1	-	1	2
Closings	(20)	(1)	(1)	(22)
Store count at July 4, 2026	**779**	**190**	**73**	**1,042**
Openings	1	-	4	5
Closings	(11)	(1)	-	(12)
Store count at October 3, 2026	**769**	**189**	**77**	**1,035**

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”, “opportunities”, “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 II, Item 1A. “Risk Factors” of the Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended October 3, 2026 and 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, but not limited to, tariffs imposed pursuant to Section 122 of the Trade Act of 1974 and tariffs imposed under Section 301 of the Trade Act of 1974; our ability to recover refunds of incremental tariff amounts or other tariff amounts paid; increased competition in the marketplace; ongoing political and economic conflicts that could impact our global and domestic operations, including, but not limited to, the conflict between the United States, Israel, and Iran; 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; the timing of, and our ability to conduct, share repurchases; 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 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.

The Company’s outlook (and related assumptions) for the fourth quarter 2026 include an anticipated non-GAAP adjustment for third-party legal costs related to IP litigation of approximately $1 million to $2 million. The Company’s full-year fiscal 2026 outlook (and related assumptions) include anticipated non-GAAP adjustments for leadership transition costs and third-party legal costs related to IP litigation of approximately $8 million to $9 million and a recovery of previously paid import duties and related interest of $132 million.

The Company does not reconcile forward-looking adjusted operating income or adjusted diluted earnings per share to its most directly comparable GAAP measures because it cannot predict with reasonable certainty the ultimate outcome of certain components of such reconciliations that are not within its control due to factors described above, or others that may arise, without unreasonable effort. For these reasons, the Company is 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.