

A close-up photograph of a woman with dark hair and a pearl earring smiling down at a baby. The baby, wearing a red ribbed sweater with the word 'carter's' printed in large blue letters, is looking up at the woman with a joyful expression. The background is a soft, out-of-focus indoor setting.

SECOND
QUARTER
2025

BUSINESS UPDATE
JULY 25, 2025

carter's

OSHKOSH B'GOSH

little planet

Otter AVENUE

SKIP*HOP

SECOND QUARTER 2025 RESULTS

GAAP BASIS

\$ in millions, except EPS

	Second Quarter 2025	% of Net Sales	Second Quarter 2024	% of Net Sales	Change
Net sales	\$585		\$564		4%
Gross profit	282	48.1%	283	50.1%	- %
Royalty income, net	3	0.6%	4	0.7%	(19%)
SG&A	281	48.0%	247	43.8%	13%
Operating income	4	0.7%	39	7.0%	(90%)
Interest expense & other, net	2	0.4%	5	0.9%	(54%)
Income before taxes	2	0.3%	34	6.1%	(95%)
Income tax provision	1		7		(81%)
Net income	\$ -	0.1%	\$28	4.9%	(98%)
Diluted EPS	\$0.01		\$0.76		(99%)
Weighted-average shares outstanding	35		36		(1%)
EBITDA ¹	\$19	3.2%	\$53	9.5%	(65%)

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

Note: Results may not be additive due to rounding.

FIRST HALF 2025 RESULTS

GAAP BASIS

\$ in millions, except EPS

	First Half 2025	% of Net Sales	First Half 2024	% of Net Sales	Change
Net sales	\$1,215		\$1,226		(1%)
Gross profit	573	47.1%	598	48.8%	(4%)
Royalty income	9	0.7%	9	0.8%	(7%)
SG&A	551	45.4%	513	41.8%	7%
Operating income	30	2.5%	94	7.7%	(68%)
Interest and other, net	7	0.6%	10	0.8%	(30%)
Income before taxes	23	2.0%	84	6.9%	(73%)
Income tax provision	7		19		(62%)
Net income	\$16	1.3%	\$66	5.4%	(76%)
Diluted EPS	\$0.43		\$1.80		(76%)
Weighted-average shares outstanding	35		36		(1%)
EBITDA ¹	\$58	4.8%	\$123	10.0%	(53%)

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

Note: Results may not be additive due to rounding.

NON-GAAP ADJUSTMENTS

- **Adjustments to second quarter and first half 2025 results are shown below**
- **No adjustments to second quarter and first half 2024 results**

\$ in millions, except EPS

	Second Quarter 2025				
	Operating Income	% Net Sales	Pre-Tax Income	Net Income	Diluted EPS
As reported (GAAP)	\$4	0.7%	\$2	\$0.4	\$0.01
Operating model improvement costs	7		7	5	0.14
Leadership transition costs	1		1	1	0.02
As adjusted¹	\$12	2.0%	\$9	\$6	\$0.17
	First Half 2025				
	Operating Income	% Net Sales	Pre-Tax Income	Net Income	Diluted EPS
As reported (GAAP)	\$30	2.5%	\$23	\$16	\$0.43
Operating model improvement costs	10		10	7	0.21
Leadership transition costs	7		7	7	0.18
As adjusted¹	\$47	3.9%	\$40	\$30	\$0.83

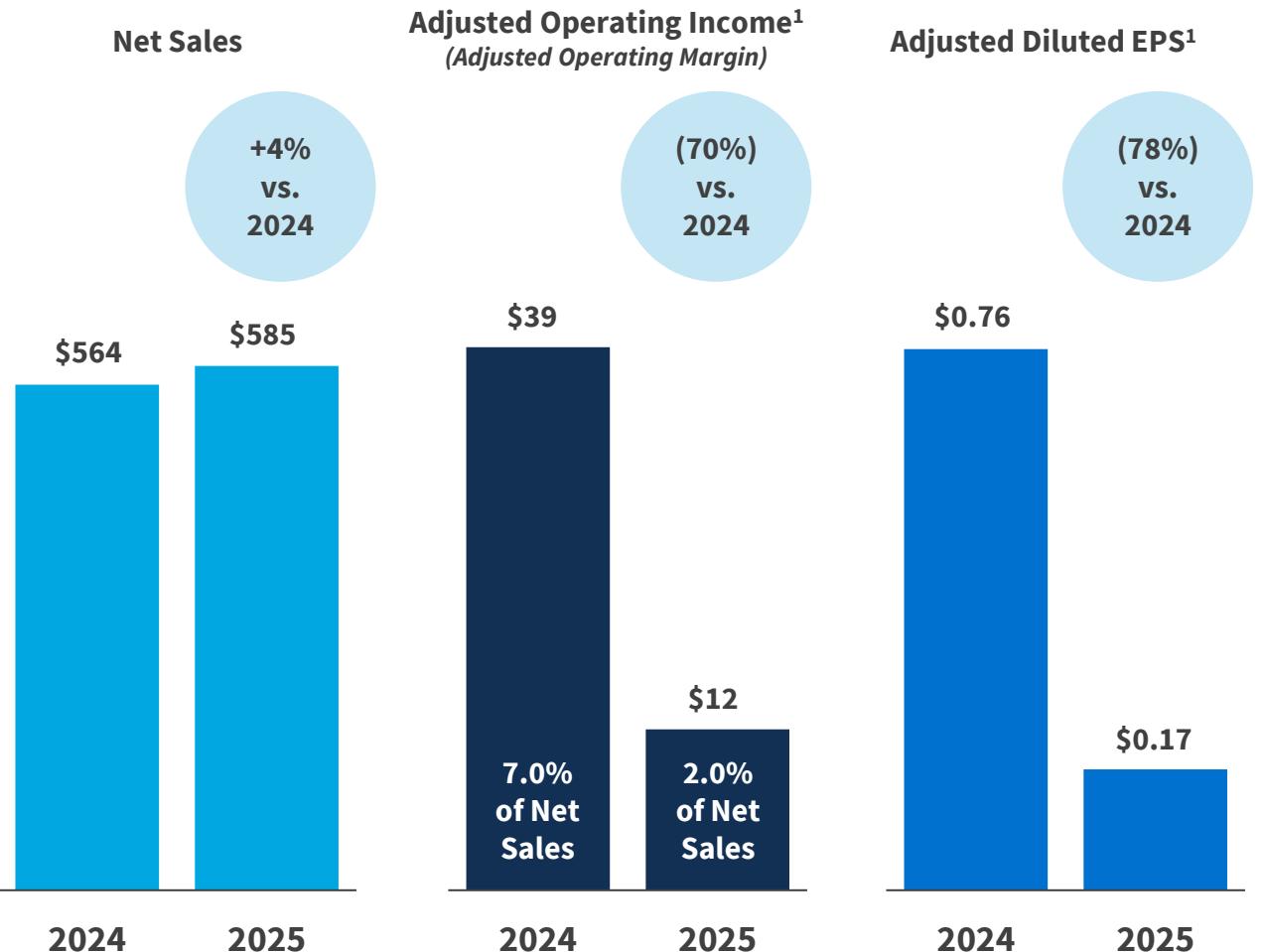


¹ See reconciliation to GAAP in Supplemental Information.

Note: Results may not be additive due to rounding.

SECOND QUARTER 2025 PERFORMANCE

\$ in millions, except EPS



ADJUSTED SECOND QUARTER 2025 RESULTS¹

\$ in millions, except EPS

	Second Quarter 2025	% of Net Sales	Second Quarter 2024	% of Net Sales	Change
Net sales	\$585		\$564		4%
Gross profit	282	48.1%	283	50.1%	- %
Royalty income	3	0.6%	4	0.7%	(19%)
Adjusted SG&A	273	46.7%	247	43.8%	10%
Adjusted operating income	12	2.0%	39	7.0%	(70%)
Interest and other, net	2	0.4%	5	0.9%	(54%)
Adjusted income before taxes	9	1.6%	34	6.1%	(73%)
Adjusted income tax provision	3		7		(54%)
Adjusted net income	\$6	1.1%	\$28	4.9%	(77%)
Adjusted diluted EPS	\$0.17		\$0.76		(78%)
Weighted-average shares outstanding	35		36		(1%)
Adjusted EBITDA	\$26	4.5%	\$53	9.5%	(50%)

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.

SECOND QUARTER 2025 SEGMENT RESULTS

\$ in millions

	Net Sales			Operating Income			Operating Margin	
	2025	2024	\$ Change	2025	2024	\$ Change	2025	2024
U.S. Retail	\$300	\$290	\$9	\$4	\$18	(\$14)	1.3%	6.2%
U.S. Wholesale	193	193	-	27	36	(9)	14.0%	18.8%
International	93	81	11	4	6	(2)	3.9%	6.8%
Total before Corporate expenses	585	564	21	34	60	(25)	5.9%	10.6%
Corporate expenses				(23)	(20)	(2)	(3.9%)	(3.6%)
Total¹	\$585	\$564	\$21	\$12	\$39	(\$28)	2.0%	7.0%

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.

SECOND QUARTER 2025 PERFORMANCE – U.S. RETAIL

2025 vs. 2024

Sales

- **Net sales +3% vs. LY; units +6%**
- **Comparable sales +2%**
 - Performance led by Stores
 - Growth driven by strong April and product & promotional strategies
 - Strong conversion trends in both channels
 - Third consecutive quarter of comp growth in units
 - New stores comping positively 1H and outperforming chain

Momentum

- **Baby (0 – 24 months) segment strongest performing category (+10%)**
- **Growth in active customers (improved retention and new customers vs. LY)**
- **Improved store traffic trend (comparable vs. LY)**

Profitability

- **Operating margin 1.3% (-490 bps vs. LY)**
 - Pricing investment
 - Expense deleverage, including variable compensation & new stores

SECOND QUARTER SEGMENT PERFORMANCE

2025 vs. 2024

U.S. WHOLESALE

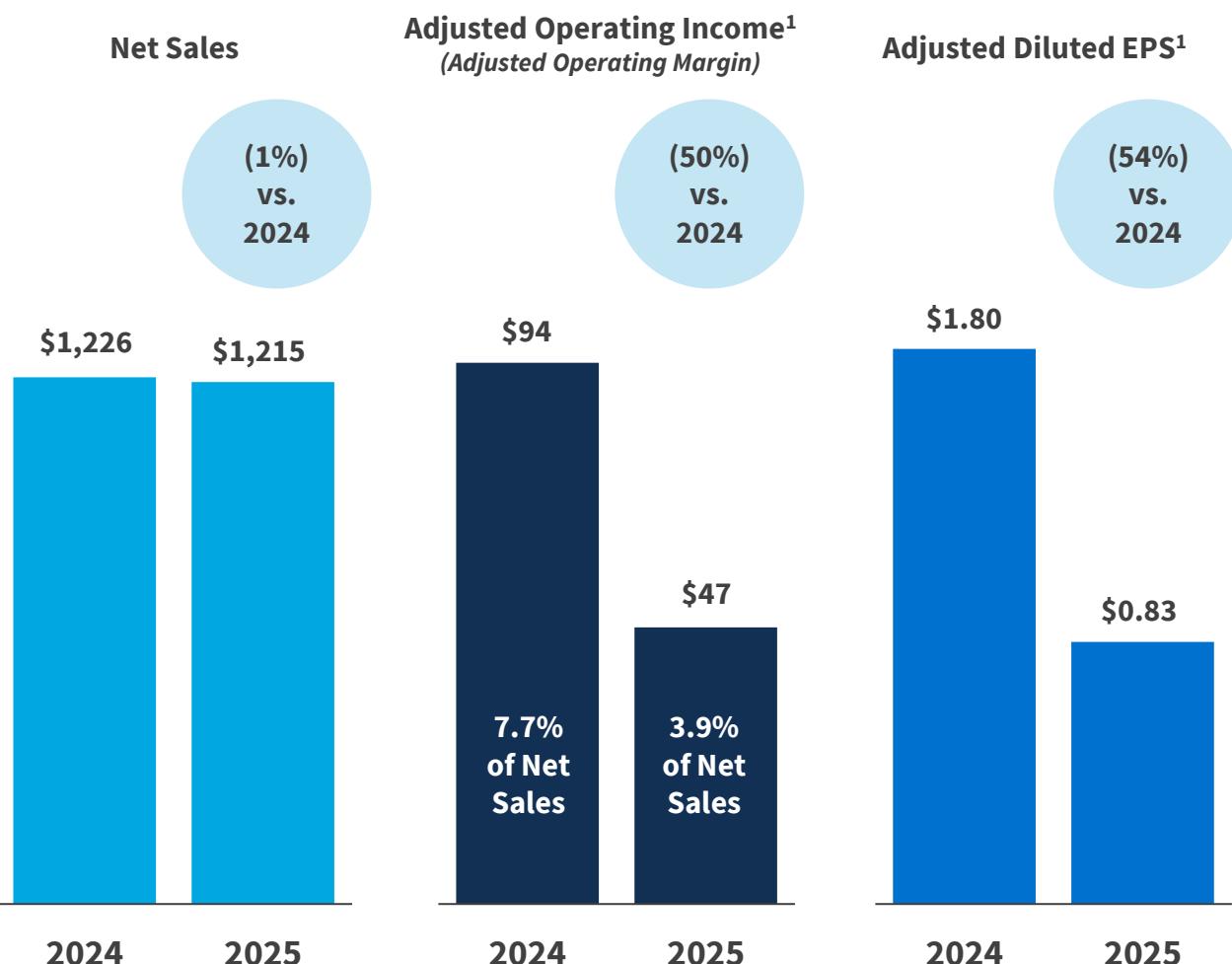
- **Net sales: comparable (units +6%)**
 - Growth with 2 of 3 Exclusive Brands, off-price channel (excess), and *Skip Hop*
 - Lower department store demand
- **Operating margin 14.0% (-480 bps vs. LY)**
 - Lower pricing
 - Customer mix
 - Expense deleverage

INTERNATIONAL

- **Net sales: +14% (units +15%)**
 - Strong growth in all International components
 - Canada retail comp: +8%
 - Mexico retail comp: +19%
 - Adverse FX translation (\$3M)
- **Net sales constant currency +18%**
- **Operating margin 3.9% (-290 bps vs. LY)**
 - Higher product costs (including FX)
 - Spending leverage

FIRST HALF 2025 PERFORMANCE

\$ in millions, except EPS



ADJUSTED FIRST HALF 2025 RESULTS¹

\$ in millions, except EPS

	First Half 2025	% of Net Sales	First Half 2024	% of Net Sales	Change
Net sales	\$1,215		\$1,226		(1%)
Gross profit	573	47.1%	598	48.8%	(4%)
Royalty income	9	0.7%	9	0.8%	(7%)
Adjusted SG&A	534	44.0%	513	41.8%	4%
Adjusted operating income	47	3.9%	94	7.7%	(50%)
Interest and other, net	7	0.6%	10	0.8%	(30%)
Adjusted income before taxes	40	3.3%	84	6.9%	(52%)
Adjusted income tax provision	10		19		(46%)
Adjusted net income	\$30	2.5%	\$66	5.4%	(54%)
Adjusted diluted EPS	\$0.83		\$1.80		(54%)
Weighted-average shares outstanding	35		36		(1%)
Adjusted EBITDA	\$75	6.2%	\$123	10.0%	(39%)

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.

FIRST HALF 2025 SEGMENT PERFORMANCE

\$ in millions

	Net Sales			Operating Income			Operating Margin	
	2025	2024	\$ Change	2025	2024	\$ Change	2025	2024
U.S. Retail	\$594	\$598	(\$4)	\$6	\$32	(\$26)	1.0%	5.4%
U.S. Wholesale	443	457	(14)	82	100	(17)	18.6%	21.8%
International	178	171	7	3	8	(4)	1.9%	4.5%
Total before Corporate expenses	1,215	1,226	(11)	92	140	(48)	7.6%	11.4%
Corporate expenses				(45)	(45)	-	(3.7%)	(3.7%)
Total¹	\$1,215	\$1,226	(\$11)	\$47	\$94	(\$47)	3.9%	7.7%

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.

BALANCE SHEET & CASH FLOW

\$ in millions

Balance Sheet (Q2 End)

	2025	2024
Cash	\$338	\$317
Accounts receivable, net	140	132
Inventory, net	619	599
Accounts payable	306	314
Long-term debt, net	499	498
Operating lease liabilities ¹	626	566

Cash Flow (First Half)

	2025	2024
Operating cash flow	\$(8)	\$92
Capital expenditures	(27)	(24)
Free cash flow ²	\$(35)	\$67
Dividends	\$38	\$59
Share repurchases	-	34
Total capital distributed	\$38	\$92

- **Total liquidity \$1.2 billion**
- **Inventories +3% vs. LY, principally driven by higher tariffs (units -1%)**
 - \$17 million increase related to tariffs
 - Quality of inventory strong – higher mix of current season product and less excess
- **No seasonal credit facility borrowings**

- **2025 operating cash flow reflects lower net income and higher inventory levels**
- **\$38 million in dividends paid in first half 2025**

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

A close-up photograph of a smiling baby with light brown hair, wearing a white and black horizontally striped sweater. The baby is looking slightly to the left. To the right, a portion of a man's face and shoulder is visible, also smiling. The background is a warm, out-of-focus indoor setting.

INITIATIVE UPDATES

PROGRESS IMPROVING OUR OPERATING MODEL

Concept to Consumer Initiative

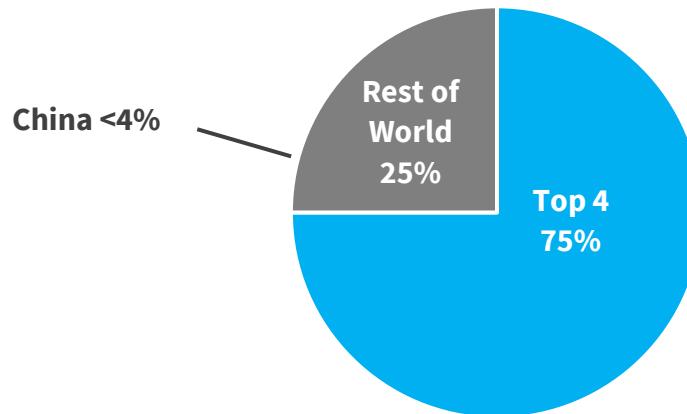
- Shortening product development process by ~3 months with improving disciplines
- Enhancing chase capabilities
- Better leveraging technology including AI
- Consumer insights strengthening assortment performance

Retail Store Portfolio

- Comprehensive assessment of current store portfolio
- Strengthening analytics and disciplines for future site selection
- Developing new fleet segmentation strategy

IMPACT OF NEW TARIFFS & ACTIONS TO MITIGATE

**2024
Finished
Goods
Sourcing Mix**



Top 4 Countries of Origin

- Vietnam
- Cambodia
- Bangladesh
- India

**Estimated
Impact of
Incremental
Tariffs**

- U.S. import duties paid in 2024: ~\$110 million
- Pre-tax earnings impact of additional proposed tariffs¹:
 - Annualized (gross): ~\$125 million to \$150 million
 - Second half fiscal 2025 (net): ~\$35 million

**Planned
Actions to
Offset
Impact of
Incremental
Tariffs**

- Changes to product assortment
- Cost sharing with vendors
- Shifting country of origin mix
- Price increases

¹ Estimate assumes baseline incremental tariff rates of 30% for China, 20% for Vietnam, 19% for Indonesia, and 10% for all other countries.



CHIEF EXECUTIVE OFFICER INSIGHTS & KEY LEARNINGS

CARTER'S LEADERSHIP TEAM



Douglas C. Palladini
Chief Executive Officer & President



Sarah Crockett
Chief Marketing Officer



Julie D'Emilio
Chief Sales Officer



Emily Evert
Chief Strategy Officer¹



Kendra Krugman
Chief Product Officer



Allison Peterson
Chief Retail & Digital Officer



Antonio Robinson
Chief Legal & Compliance Officer
and Secretary



Raghu Sagi
Chief Information & Technology Officer



Karen Smith
Chief Supply Chain Officer



Richard Westenberger
Chief Financial Officer &
Chief Operating Officer

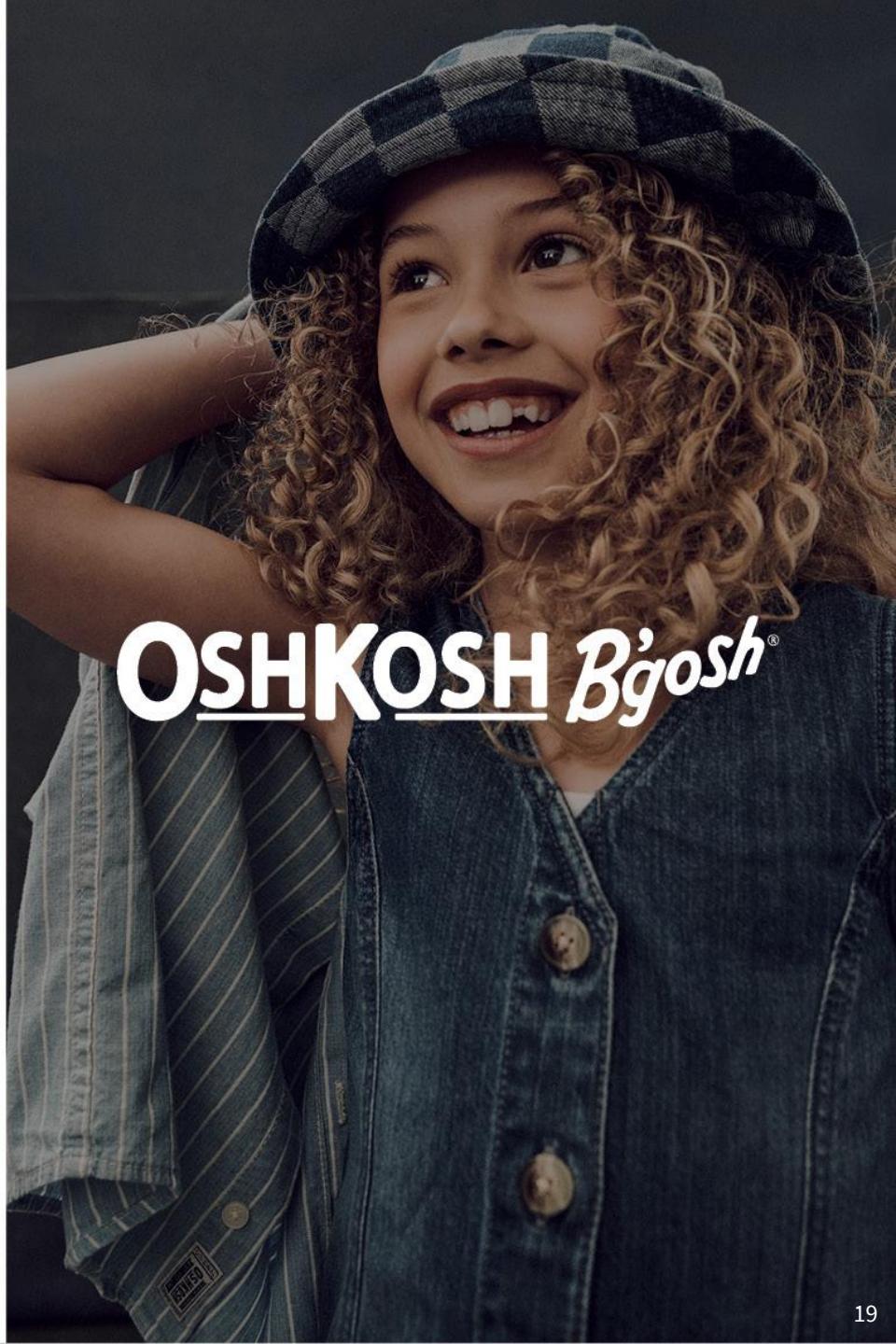


Jill Wilson
Chief Human Resource Officer

OUR CORE BRANDS

A close-up photograph of a baby with curly hair being held by an adult. The baby is wearing a white and blue long-sleeved shirt. The adult's hands are visible, one on the baby's chest and one holding a paintbrush. The baby is looking down at a piece of paper with colorful paint smudges. A glass of water and some paint containers are on the table in the foreground.

carter's®

A close-up photograph of a young girl with curly hair, smiling broadly. She is wearing a denim jacket with a striped shirt underneath. The background is dark.

OSHKOSH B'gosh®

OUR EMERGING BRANDS



OUR EXCLUSIVE BRANDS



amazon



target



Walmart



CARTER'S PURPOSE IS TO
embrace the wonder of
childhood and uplift those
shaping the future

CARTER'S: 160 YEARS OF FAMILY TRUST



[CLICK HERE TO VIEW VIDEO](#)

CARTER'S: 160 YEARS OF FAMILY TRUST



carter's®

OSHKOSH B'GOSH: 130 YEARS OF DENIM HERITAGE



LITTLE PLANET: ELEVATED-STYLE, ECO-FRIENDLY DESIGN



little planet.



OTTER AVENUE: CREATED JUST FOR TODDLERS



SKIP HOP: MUST-HAVES, MADE BETTER



CARTER'S STORES: EVOLVING THE BEST EXPRESSION OF OUR BRANDS



OUR ECOMMERCE: SEAMLESS DIGITAL INTEGRATION



A photograph of two young boys laughing on a beach. The boy on the left is wearing a light blue tank top with a graphic of a wave and the word 'DAYS', and black swim trunks with a palm tree and flower print. The boy on the right is wearing a white button-down shirt and orange swim trunks with a white and blue stripe. They are standing on a sandy beach with the ocean and a clear blue sky in the background.

THANK
YOU



SUPPLEMENTAL INFORMATION

RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS

\$ in millions, except EPS

Second Quarter of Fiscal 2025	SG&A	% of net sales	Operating Income	% of net sales	Pre-Tax Income	Income Tax Provision	Net Income	Diluted EPS
As reported (GAAP)	\$281.0	48.0%	\$4.0	0.7%	\$1.7	\$1.3	\$0.4	\$0.01
Operating model improvement costs (b)	(6.6)		6.6		6.6	1.6	5.0	0.14
Leadership transition costs (c)	(1.1)		1.1		1.1	0.3	0.8	0.02
As adjusted (a)	\$273.3	46.7%	\$11.8	2.0%	\$9.4	\$3.1	\$6.3	\$0.17

First Half of Fiscal 2025	SG&A	% of net sales	Operating Income	% of net sales	Pre-Tax Income	Income Tax Provision	Net Income	Diluted EPS
As reported (GAAP)	\$551.3	45.4%	\$30.1	2.5%	\$23.0	\$7.1	\$16.0	\$0.43
Operating model improvement costs (b)	(9.8)		9.8		9.8	2.4	7.4	0.21
Leadership transition costs (c)	(7.2)		7.2		7.2	0.6	6.6	0.18
As adjusted (a)	\$534.3	44.0%	\$47.1	3.9%	\$40.0	\$10.0	\$30.0	\$0.83

- (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.

RECONCILIATION OF TOTAL SEGMENT OPERATING INCOME TO CONSOLIDATED OPERATING INCOME

\$ in millions

	Fiscal Quarter Ended				Two Fiscal Quarters Ended			
	June 28, 2025		June 29, 2024		June 28, 2025		June 29, 2024	
		% of net sales		% of net sales		% of net sales		% of net sales
Total segment operating income ^(a)	\$34.4	5.9%	\$59.8	10.6%	\$91.8	7.6%	\$139.6	11.4%
Unallocated corporate expenses ^(b)	(22.7)		(20.4)		(44.7)		(45.1)	
Subtotal	\$11.7	2.0%	\$39.4	7.0%	\$47.1	3.9%	\$94.5	7.7%
Operating model improvement costs ^(c)	(6.6)		-		(9.8)		-	
Leadership transition costs ^(d)	(1.1)		-		(7.2)		-	
Consolidated operating income	\$4.0	0.7%	\$39.4	7.0%	\$30.1	2.5%	\$94.5	7.7%

- (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, operating model improvement costs, executive transition 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 two fiscal quarters ended June 29, 2024, have 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) Primarily related to third-party consulting costs.
- (d) Related to costs associated with the transition of our former CEO, including accelerated vesting of outstanding time-based restricted stock awards.

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

\$ in millions

	Fiscal Quarter Ended		Two Fiscal Quarters Ended		Four Fiscal Quarters Ended
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024	June 28, 2025
Net income	\$0.4	\$27.6	\$16.0	\$65.7	\$135.8
Interest expense	7.9	7.9	15.7	15.8	31.2
Interest income	(4.3)	(3.2)	(7.4)	(6.3)	(12.2)
Tax expense	1.3	6.7	7.1	18.6	33.7
Depreciation and amortization	13.6	14.4	26.8	29.2	55.5
EBITDA	\$18.8	\$53.5	\$58.1	\$123.1	\$244.1
Adjustments to EBITDA					
Operating model improvement costs ^(a)	\$6.6	-	\$9.8	-	\$9.8
Leadership transition costs ^(b)	1.1	-	7.2	-	7.2
Organizational restructuring ^(c)	-	-	-	-	1.8
Intangible asset impairment ^(d)	-	-	-	-	30.0
Partial pension plan settlement ^(e)	-	-	-	-	0.9
Total adjustments	7.7	-	17.0	-	49.8
Adjusted EBITDA	\$26.5	\$53.5	\$75.0	\$123.1	\$293.8

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

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

(c) Net expenses related to organizational restructuring.

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

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

Note: Results may not be additive due to rounding.

SECOND QUARTER RECONCILIATION OF ADJUSTED NET INCOME ALLOCABLE TO COMMON SHAREHOLDERS

	Fiscal Quarter Ended	
	June 28, 2025	June 29, 2024
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	35,409,988	35,688,755
Dilutive effect of equity awards	135	
Diluted number of common and common equivalent shares outstanding	<u>35,409,988</u>	<u>35,688,890</u>

\$ in thousands, except EPS	As reported on a GAAP Basis		As adjusted (a)	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Basic net income per common share:				
Net income	\$446	\$27,639	\$6,302	\$27,639
Income allocated to participating securities	(231)	(523)	(231)	(523)
Net income available to common shareholders	<u>\$215</u>	<u>\$27,116</u>	<u>\$6,071</u>	<u>\$27,116</u>
Basic net income per common share	\$0.01	\$0.76	\$0.17	\$0.76
Diluted net income per common share:				
Net income	\$446	\$27,639	\$6,302	\$27,639
Income allocated to participating securities	(231)	(523)	(231)	(523)
Net income available to common shareholders	<u>\$215</u>	<u>\$27,116</u>	<u>\$6,071</u>	<u>\$27,116</u>
Diluted net income per common share	\$0.01	\$0.76	\$0.17	\$0.76

(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 \$5.9 million in after-tax expenses from these results for the fiscal quarter ended June 28, 2025.

Note: Results may not be additive due to rounding.

FIRST HALF RECONCILIATION OF ADJUSTED NET INCOME ALLOCABLE TO COMMON SHAREHOLDERS

	Fiscal Quarter Ended	
	June 28, 2025	June 29, 2024
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	35,361,039	35,774,748
Dilutive effect of equity awards	605	1,692
Diluted number of common and common equivalent shares outstanding	<u>35,361,644</u>	<u>35,776,440</u>

\$ in thousands, except EPS	Two Fiscal Quarters Ended			
	As reported on a GAAP Basis		As adjusted (a)	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
Basic net income per common share:				
Net income	\$15,985	\$65,672	\$30,052	\$65,672
Income allocated to participating securities	(866)	(1,218)	(866)	(1,218)
Net income available to common shareholders	<u>\$15,119</u>	<u>\$64,454</u>	<u>\$29,186</u>	<u>\$64,454</u>
Basic net income per common share	\$0.43	\$1.80	\$0.83	\$1.80
Diluted net income per common share:				
Net income	\$15,985	\$65,672	\$30,052	\$65,672
Income allocated to participating securities	(866)	(1,218)	(866)	(1,218)
Net income available to common shareholders	<u>\$15,119</u>	<u>\$64,454</u>	<u>\$29,186</u>	<u>\$64,454</u>
Diluted net income per common share	\$0.43	\$1.80	\$0.83	\$1.80

(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 \$14.1 million in after-tax expenses from these results for the two fiscal quarters ended June 28, 2025.

Note: Results may not be additive due to rounding.

NET SALES CONSTANT CURRENCY RECONCILIATION

\$ in millions

	Fiscal Quarter Ended					
	Reported Net Sales June 28, 2025	Impact of Foreign Currency Translation	Constant-Currency Net Sales June 28, 2025	Reported Net Sales June 29, 2024	Reported Net Sales % Change	Constant-Currency Net Sales % Change
Consolidated net sales	\$585.3	\$(3.1)	\$588.4	\$564.4	3.7%	4.2%
International segment net sales	\$92.8	\$(3.1)	\$95.8	\$81.3	14.1%	17.9%

	Two Fiscal Quarters Ended					
	Reported Net Sales June 28, 2025	Impact of Foreign Currency Translation	Constant-Currency Net Sales June 28, 2025	Reported Net Sales June 29, 2024	Reported Net Sales % Change	Constant-Currency Net Sales % Change
Consolidated net sales	\$1,215.1	\$(9.5)	\$1,224.6	\$1,225.9	(0.9)%	(0.1)%
International segment net sales	\$178.1	\$(9.5)	\$187.6	\$171.0	4.1%	9.7%

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 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.

FORWARD LOOKING STATEMENTS

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 presentation. 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 June 28, 2025 and Part I, Item 1A. “Risk Factors” of the Company’s Annual Report on Form 10-K for the fiscal year ended December 28, 2024, 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; 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; 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.

STORE COUNT RECONCILIATION

	U.S	Canada	Mexico	Total
Store count at June 29, 2024	789	186	52	1,027
Openings	26	6	11	43
Closings	(11)	(1)	(1)	(13)
Store count at December 28, 2024	804	191	62	1,057
Openings	14	2	4	20
Closings	(9)	(1)	(2)	(12)
Store count at June 28, 2025	809	192	64	1,065