

REFINITIV

DELTA REPORT

10-Q

GIII - G III APPAREL GROUP LTD /

10-Q - OCTOBER 31, 2024 COMPARED TO 10-Q - JULY 31, 2024

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TOTAL DELTAS 734

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **July** **October** 31, 2024

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 0-18183

G-III APPAREL GROUP, LTD.

(Exact name of registrant as specified in its charter)

Delaware

41-1590959

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

512 Seventh Avenue, New York, New York
(Address of principal executive offices)

10018
(Zip Code)

(212) 403-0500

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	GIII	The Nasdaq Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.) Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of **September 3, 2024** December 5, 2024, there were **43,884,544** 43,886,707 shares of issuer's common stock, par value \$0.1 per share, outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	July 31,	July 31,	January 31,	October 31,	October 31,	January 31,
	2024	2023	2024	2024	2023	2024
	(Unaudited)	(Unaudited)	(In thousands, except per share amounts)	(Unaudited)	(Unaudited)	(In thousands, except per share amounts)
ASSETS						
Current assets						
Cash and cash equivalents	\$ 414,791	\$ 197,735	\$ 507,829	\$ 104,686	\$ 197,391	\$ 507,829
Accounts receivable, net of allowance for doubtful accounts of \$1,260, \$18,491 and \$1,471, respectively	477,465	519,361	562,363			
Accounts receivable, net of allowance for doubtful accounts of \$1,355, \$18,412 and \$1,471, respectively				879,681	863,221	562,363
Inventories	610,492	804,858	520,426	532,463	591,530	520,426
Prepaid income taxes	11,729	8,588	1,356	9,207	2,216	1,356
Prepaid expenses and other current assets	79,581	72,143	68,344	55,183	58,779	68,344
Total current assets	1,594,058	1,602,685	1,660,318	1,581,220	1,713,137	1,660,318
Investments in unconsolidated affiliates	21,676	27,089	22,472	109,911	24,354	22,472
Property and equipment, net	66,608	53,791	55,084	70,298	52,032	55,084
Operating lease assets	204,008	229,723	216,886	286,232	221,474	216,886
Other assets, net	131,564	56,051	45,147	47,246	53,852	45,147
Other intangibles, net	28,664	33,613	31,676	28,232	32,565	31,676
Deferred income tax assets, net	26,185	26,432	19,248	26,964	26,389	19,248
Trademarks	623,524	632,669	630,333	633,508	625,530	630,333
Total assets	\$2,696,287	\$2,662,053	\$2,681,164	\$2,783,611	\$2,749,333	\$2,681,164
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current liabilities						
Current portion of notes payable	\$ 11,427	\$ 62,732	\$ 15,026	\$ 10,277	\$ 59,099	\$ 15,026
Accounts payable	289,771	294,287	182,531	239,882	179,396	182,531
Accrued expenses	132,523	146,933	140,535	160,059	153,200	140,535
Customer refund liabilities	52,489	56,223	84,054	88,323	108,042	84,054
Current operating lease liabilities	54,983	54,563	56,587	55,479	55,897	56,587
Income tax payable	4,478	8,844	14,676	45,730	46,380	14,676
Other current liabilities	734	430	219	571	330	219
Total current liabilities	546,405	624,012	493,628	600,321	602,344	493,628
Notes payable, net of discount and unamortized issuance costs	402,541	403,304	402,807	213,898	402,846	402,807
Deferred income tax liabilities, net	48,327	45,858	42,736	51,442	44,265	42,736
Noncurrent operating lease liabilities	163,750	192,981	178,247	246,834	183,522	178,247
Other noncurrent liabilities	22,629	14,929	15,764	22,390	14,543	15,764
Total liabilities	1,183,652	1,281,084	1,133,182	1,134,885	1,247,520	1,133,182
Redeemable noncontrolling interests	—	(1,146)	(2,278)	—	(1,407)	(2,278)
Stockholders' Equity						
Preferred stock; 1,000 shares authorized; no shares issued	—	—	—	—	—	—
Common stock - \$0.01 par value; 120,000 shares authorized; 49,396, 49,396 and 49,396 shares issued, respectively	264	264	264	264	264	264
Additional paid-in capital	451,005	448,762	458,841	456,839	453,504	458,841
Accumulated other comprehensive loss	(12,069)	(4,603)	(3,207)			
Accumulated other comprehensive income (loss)				3,420	(15,995)	(3,207)
Retained earnings	1,190,126	1,003,618	1,160,112	1,304,894	1,131,258	1,160,112

Common stock held in treasury, at cost - 5,511, 3,675 and 3,668 shares, respectively	(116,691)	(65,926)	(65,750)
Common stock held in treasury, at cost - 5,511, 3,670 and 3,668 shares, respectively			
Total stockholders' equity	(116,691)	(65,811)	(65,750)
Total liabilities, redeemable noncontrolling interests and stockholders' equity	\$2,696,287	\$2,662,053	\$2,681,164
	<u>\$2,783,611</u>	<u>\$2,749,333</u>	<u>\$2,681,164</u>

The accompanying notes are an integral part of these statements.

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G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

	Three Months Ended July 31,		Six Months Ended July 31,	
	2024		2023	
	(Unaudited)			
Net sales	\$ 644,755	\$ 659,761	\$ 1,254,502	\$ 1,266,350
Cost of goods sold	368,881	383,108	719,735	739,897
Gross profit	275,874	276,653	534,767	526,453
Selling, general and administrative expenses	229,030	239,207	465,651	467,168
Depreciation and amortization	5,380	5,959	14,148	12,535
Operating profit	41,464	31,487	54,968	46,750
Other (loss) income	(2,952)	192	(3,175)	1,165
Interest and financing charges, net	(4,876)	(9,492)	(10,300)	(21,642)
Income before income taxes	33,636	22,187	41,493	26,273
Income tax expense	9,447	5,951	11,752	6,896
Net income	24,189	16,236	29,741	19,377
Less: Loss attributable to noncontrolling interests	(23)	(202)	(273)	(297)
Net income attributable to G-III Apparel Group, Ltd.	<u>\$ 24,212</u>	<u>\$ 16,438</u>	<u>\$ 30,014</u>	<u>\$ 19,674</u>

NET INCOME PER COMMON SHARE ATTRIBUTABLE TO G-III

APPAREL GROUP, LTD.:

Basic:

Net income per common share	\$ 0.54	\$ 0.36	\$ 0.67	\$ 0.43
Weighted average number of shares outstanding	<u>44,569</u>	<u>45,714</u>	<u>45,022</u>	<u>45,996</u>

Diluted:

Net income per common share	\$ 0.53	\$ 0.35	\$ 0.65	\$ 0.42
Weighted average number of shares outstanding	<u>45,483</u>	<u>46,570</u>	<u>46,105</u>	<u>46,992</u>

Net income

Net income	\$ 24,189	\$ 16,236	\$ 29,741	\$ 19,377
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Other comprehensive (loss) income:

Foreign currency translation adjustments	(2,017)	2,359	(8,900)	7,074
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Other comprehensive (loss) income	(2,017)	2,359	(8,900)	7,074
Comprehensive income	<u>\$ 22,172</u>	<u>\$ 18,595</u>	<u>\$ 20,841</u>	<u>\$ 26,451</u>
Comprehensive loss attributable to noncontrolling interests:				
Net loss	(23)	(202)	(273)	(297)
Foreign currency translation adjustments	38	(26)	38	(24)
Comprehensive income (loss) attributable to noncontrolling interests	15	(228)	(235)	(321)
Comprehensive income attributable to G-III Apparel Group, Ltd.	<u>\$ 22,187</u>	<u>\$ 18,367</u>	<u>\$ 20,606</u>	<u>\$ 26,130</u>
			Three Months Ended October 31,	Nine Months Ended October 31,
			2024	2023
				(Unaudited)
				(In thousands, except per share amounts)
Net sales	\$ 1,086,759	\$ 1,067,110	\$ 2,341,261	\$ 2,333,460
Cost of goods sold	654,628	633,697	1,374,363	1,373,594
Gross profit	432,131	433,413	966,898	959,866
Selling, general and administrative expenses	259,240	236,308	724,891	703,476
Depreciation and amortization	6,556	6,595	20,704	19,130
Asset impairments	—	222	—	222
Operating profit	166,335	190,288	221,303	237,038
Other income (loss)	942	(3,129)	(2,233)	(1,964)
Interest and financing charges, net	(6,358)	(11,024)	(16,658)	(32,666)
Income before income taxes	160,919	176,135	202,412	202,408
Income tax expense	46,151	48,755	57,903	55,651
Net income	114,768	127,380	144,509	146,757
Less: Loss attributable to noncontrolling interests	—	(260)	(273)	(557)
Net income attributable to G-III Apparel Group, Ltd.	<u>\$ 114,768</u>	<u>\$ 127,640</u>	<u>\$ 144,782</u>	<u>\$ 147,314</u>
NET INCOME PER COMMON SHARE ATTRIBUTABLE TO G-III APPAREL GROUP, LTD.:				
Basic:				
Net income per common share	\$ 2.62	\$ 2.79	\$ 3.24	\$ 3.21
Weighted average number of shares outstanding	<u>43,885</u>	<u>45,723</u>	<u>44,640</u>	<u>45,904</u>
Diluted:				
Net income per common share	\$ 2.55	\$ 2.74	\$ 3.17	\$ 3.13
Weighted average number of shares outstanding	<u>44,954</u>	<u>46,560</u>	<u>45,719</u>	<u>46,992</u>
Net income	\$ 114,768	\$ 127,380	\$ 144,509	\$ 146,757
Other comprehensive income (loss):				
Foreign currency translation adjustments	15,489	(11,391)	6,589	(4,317)
Other comprehensive income (loss)	15,489	(11,391)	6,589	(4,317)
Comprehensive income	<u>\$ 130,257</u>	<u>\$ 115,989</u>	<u>\$ 151,098</u>	<u>\$ 142,440</u>
Comprehensive loss attributable to noncontrolling interests:				
Net loss	—	(260)	(273)	(557)
Foreign currency translation adjustments	—	(1)	38	(25)
Comprehensive loss attributable to noncontrolling interests	—	(261)	(235)	(582)
Comprehensive income attributable to G-III Apparel Group, Ltd.	<u>\$ 130,257</u>	<u>\$ 115,728</u>	<u>\$ 150,863</u>	<u>\$ 141,858</u>

The accompanying notes are an integral part of these statements.

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G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Accumulated						Common			Accumulated						Common		
Additional		Other		Stock		Additional		Other		Stock		Additional		Other		Stock	
Common	Paid-In	Comprehensive	Retained	Held In	Common	Common	Paid-In	Comprehensive	Retained	Held In	Common	Paid-In	Comprehensive	Retained	Held In	Common	Stock
Stock	Capital	Loss	Earnings	Treasury	Total	Stock	Capital	Loss	Earnings	Treasury	Stock	Capital	Loss	Earnings	Treasury	Stock	Treasury

	(Unaudited) (In thousands)						(Unaudited) (In thousands)					
Balance as of												
April 30, 2024	\$ 264	\$ 450,844	\$ (10,090)	\$ 1,165,914	\$ (87,057)	\$ 1,519,875	\$ 264	\$ 451,005	\$ (12,069)	\$ 1,190,126	\$ (116,691)	\$
Balance as of												
July 31, 2024												
Share-based												
compensation												
expense							—	5,834	—	—	—	—
Other												
comprehensive												
income, net							—	—	15,489	—	—	—
Net income												
attributable to												
G-III Apparel												
Group, Ltd.							—	—	—	114,768	—	—
Balance as of												
October 31,												
2024	\$ 264	\$ 456,839	\$ 3,420	\$ 1,304,894	\$ (116,691)	\$						
Balance as of												
July 31, 2023	\$ 264	\$ 448,762	\$ (4,603)	\$ 1,003,618	\$ (65,926)	\$						

Equity awards vested, net	—	(2,625)	—	—	2,625	—	—	(115)	—	—	—	115
Share-based compensation expense	—	5,528	—	—	—	5,528	—	4,890	—	—	—	—
Taxes paid for net share settlements							—	(33)	—	—	—	—
Other comprehensive loss, net	—	—	(1,979)	—	—	(1,979)	—	—	(11,392)	—	—	—
Repurchases of common stock	—	—	—	—	(31,623)	(31,623)						
Excise tax on stock repurchases	—	—	—	—	(636)	(636)						
Reduction of noncontrolling interest	—	(2,742)	—	—	—	(2,742)						
Net income attributable to G-III Apparel Group, Ltd.	—	—	—	24,212	—	24,212	—	—	—	127,640	—	—
Balance as of July 31, 2024	\$ 264	\$ 451,005	\$ (12,069)	\$ 1,190,126	\$ (116,691)	\$ 1,512,635						
Balance as of October 31, 2023							\$ 264	\$ 453,504	\$ (15,995)	\$ 1,131,258	\$ (65,811)	\$
Balance as of April 30, 2023	\$ 264	\$ 472,474	\$ (6,936)	\$ 987,180	\$ (72,535)	\$ 1,380,447						
Balance as of January 31, 2024							\$ 264	\$ 458,841	\$ (3,207)	\$ 1,160,112	\$ (65,750)	\$
Equity awards vested, net	—	(15,940)	—	—	15,940	—	—	(9,668)	—	—	—	9,668
Share-based compensation expense	—	3,001	—	—	—	3,001	—	17,942	—	—	—	—
Taxes paid for net share settlements	—	(10,773)	—	—	—	(10,773)	—	(7,534)	—	—	—	—
Other comprehensive income, net	—	—	2,333	—	—	2,333	—	—	6,627	—	—	—
Repurchases of common stock	—	—	—	—	(9,331)	(9,331)	—	—	—	—	—	(59,973)
Excise tax on stock repurchases							—	—	—	—	—	(636)
Reduction of noncontrolling interest							—	(2,742)	—	—	—	—

Net income attributable to G-III Apparel Group, Ltd.	—	—	—	16,438	—	16,438	—	—	—	144,782	—
Balance as of July 31, 2023	\$ 264	\$ 448,762	\$ (4,603)	\$ 1,003,618	\$ (65,926)	\$ 1,382,115					
Balance as of October 31, 2024					\$ 264	\$ 456,839	\$ 3,420	\$ 1,304,894	\$ (116,691)		
Balance as of January 31, 2024	\$ 264	\$ 458,841	\$ (3,207)	\$ 1,160,112	\$ (65,750)	\$ 1,550,260					
Balance as of January 31, 2023					\$ 264	\$ 468,712	\$ (11,653)	\$ 983,944	\$ (55,819)		
Equity awards vested, net	—	(9,668)	—	—	9,668	—	—	(16,108)	—	—	16,108
Share-based compensation expense	—	12,108	—	—	—	12,108	—	11,728	—	—	—
Taxes paid for net share settlements	—	(7,534)	—	—	—	(7,534)	—	(10,828)	—	—	—
Other comprehensive loss, net	—	—	(8,862)	—	—	(8,862)	—	—	(4,342)	—	—
Repurchases of common stock	—	—	—	—	(59,973)	(59,973)	—	—	—	—	(26,100)
Excise tax on stock repurchases	—	—	—	—	(636)	(636)					
Reduction of noncontrolling interest	—	(2,742)	—	—	—	(2,742)					
Net income attributable to G-III Apparel Group, Ltd.	—	—	—	30,014	—	30,014	—	—	—	147,314	—
Balance as of July 31, 2024	\$ 264	\$ 451,005	\$ (12,069)	\$ 1,190,126	\$ (116,691)	\$ 1,512,635					
Balance as of January 31, 2023	\$ 264	\$ 468,712	\$ (11,653)	\$ 983,944	\$ (55,819)	\$ 1,385,448					
Equity awards vested, net	—	(15,993)	—	—	15,993	—					
Share-based compensation expense	—	6,838	—	—	—	6,838					
Taxes paid for net share settlements	—	(10,795)	—	—	—	(10,795)					

Other comprehensive income, net	—	—	7,050	—	—	7,050
Repurchases of common stock	—	—	—	—	(26,100)	(26,100)
Net income attributable to G-III Apparel Group, Ltd.	—	—	—	19,674	—	19,674
Balance as of July 31, 2023	\$ 264	\$ 448,762	\$ (4,603)	\$ 1,003,618	\$ (65,926)	\$ 1,382,115
Balance as of October 31, 2023					\$ 264	\$ 453,504
					\$ (15,995)	\$ 1,131,258
						\$ (65,811)

The accompanying notes are an integral part of these statements.

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G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended July 31,	
	2024	2023
	(Unaudited, in thousands)	
Cash flows from operating activities		
Net income attributable to G-III Apparel Group, Ltd.	\$ 30,014	\$ 19,674
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14,148	12,535
Loss on disposal of fixed assets	5	319
Non-cash operating lease costs	27,679	29,815
Equity loss in unconsolidated affiliates	3,099	978
Change in fair value of equity securities	—	(1,009)
Share-based compensation	12,108	6,838
Deferred financing charges and debt discount amortization	1,568	4,549
Deferred income taxes	(1,346)	1,031
Changes in operating assets and liabilities:		
Accounts receivable, net	84,898	155,602
Inventories	(90,066)	(95,513)
Income taxes, net	(20,571)	(8,733)
Prepaid expenses and other current assets	(10,776)	(321)
Other assets, net	(1,393)	(3,883)
Customer refund liabilities	(31,565)	(33,537)
Operating lease liabilities	(29,103)	(30,242)

Accounts payable, accrued expenses and other liabilities	106,131	154,376
Net cash provided by operating activities	94,830	212,479
Cash flows from investing activities		
Operating lease assets initial direct costs	(1,745)	(52)
Proceeds from sale of assets	728	—
Investment in equity interest of private company	(84,366)	(3,600)
Capital expenditures	(23,273)	(11,117)
Net cash used in investing activities	(108,656)	(14,769)
Cash flows from financing activities		
Repayment of borrowings - revolving facility	(23,528)	(85,400)
Proceeds from borrowings - revolving facility	23,528	5,313
Repayment of borrowings - LVMH Note	—	(75,000)
Repayment of borrowings - foreign facilities	(69,680)	(75,116)
Proceeds from borrowings - foreign facilities	65,528	72,773
Payment of financing costs	(3,757)	—
Purchase of treasury shares	(59,973)	(26,100)
Taxes paid for net share settlements	(7,534)	(10,795)
Net cash used in financing activities	(75,416)	(194,325)
Foreign currency translation adjustments	(3,796)	2,698
Net (decrease) increase in cash and cash equivalents	(93,038)	6,083
Cash and cash equivalents at beginning of period	507,829	191,652
Cash and cash equivalents at end of period	\$ 414,791	\$ 197,735
Supplemental disclosures of cash flow information		
Cash payments:		
Interest, net	\$ 7,854	\$ 16,052
Income tax payments, net	\$ 27,853	\$ 6,278
Excise tax liability related to stock repurchases	\$ 636	\$ —
Nine Months Ended October 31,		
2024		
2023		
(Unaudited, in thousands)		
Cash flows from operating activities		
Net income attributable to G-III Apparel Group, Ltd.	\$ 144,782	\$ 147,314
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	20,704	19,130
Loss on disposal of fixed assets	388	239
Non-cash operating lease costs	44,176	43,467
Asset impairment	—	222
Extinguishment of deferred financing costs	1,598	—
Equity gain in unconsolidated affiliates	2,758	3,725
Change in fair value of equity securities	—	(1,009)
Share-based compensation	17,942	11,728
Deferred financing charges and debt discount amortization	1,951	6,054
Deferred income taxes	990	(519)
Changes in operating assets and liabilities:		
Accounts receivable, net	(317,318)	(188,258)
Inventories	(12,037)	117,815
Income taxes, net	23,203	35,175
Prepaid expenses and other current assets	13,949	12,636
Other assets, net	(730)	(3,044)

Customer refund liabilities	4,269	18,282
Operating lease liabilities	(44,270)	(43,750)
Accounts payable, accrued expenses and other liabilities	80,629	47,064
Net cash (used in) provided by operating activities	<u>(17,016)</u>	<u>226,271</u>
Cash flows from investing activities		
Operating lease assets initial direct costs	(1,757)	(52)
Proceeds from sale of assets	733	—
Investment in equity interest of private company	(84,832)	(3,600)
Capital expenditures	(31,757)	(15,653)
Net cash used in investing activities	<u>(117,613)</u>	<u>(19,305)</u>
Cash flows from financing activities		
Repayment of borrowings - revolving facility	(228,756)	(112,826)
Proceeds from borrowings - revolving facility	438,811	32,738
Repayment of borrowings - LVMH Note	—	(75,000)
Repayment of borrowings - foreign facilities	(103,635)	(106,100)
Proceeds from borrowings - foreign facilities	97,338	99,032
Repayment of borrowings - senior secured notes	(400,000)	—
Payment of financing costs	(3,785)	—
Purchase of treasury shares	(59,973)	(26,100)
Taxes paid for net share settlements	(7,534)	(10,828)
Net cash used in financing activities	<u>(267,534)</u>	<u>(199,084)</u>
Foreign currency translation adjustments	(980)	(2,143)
Net (decrease) increase in cash and cash equivalents	<u>(403,143)</u>	<u>5,739</u>
Cash and cash equivalents at beginning of period	507,829	191,652
Cash and cash equivalents at end of period	<u>\$ 104,686</u>	<u>\$ 197,391</u>
Supplemental disclosures of cash flow information		
Cash payments:		
Interest, net	\$ 26,036	\$ 32,882
Income tax payments, net	\$ 29,691	\$ 20,195
Excise tax liability related to stock repurchases	\$ 636	\$ —

The accompanying notes are an integral part of these statements.

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G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIS OF PRESENTATION

As used in these financial statements, the term "Company" or "G-III" refers to G-III Apparel Group, Ltd. and its subsidiaries. The Company designs, sources and markets an extensive range of apparel, including outerwear, dresses, sportswear, swimwear, women's suits and women's

performance wear, as well as women's handbags, footwear, small leather goods, cold weather accessories and luggage. The Company also operates retail stores and licenses its proprietary brands under several product categories.

The Company consolidates the accounts of its wholly-owned and majority-owned subsidiaries. The Company's DKNY and Donna Karan business in China is operated by Fabco Holding B.V. ("Fabco"), a Dutch joint venture limited liability company that was 75% owned by the Company through April 16, 2024 and was treated as a consolidated majority-owned subsidiary. Effective April 17, 2024, the Company acquired the remaining 25% interest in Fabco that it did not previously own and, as a result, Fabco began being treated as a wholly-owned subsidiary. AWWG Investments B.V. ("AWWG") is a Dutch corporation that was 12.1% owned by the Company from May 3, 2024 through July 18, 2024 and was accounted for using the cost method. Effective July 19, 2024, the Company acquired an additional 6.6% minority interest in AWWG, increasing its total ownership interest to 18.7% and, as a result, AWWG began being accounted for under the equity method of accounting. All material intercompany balances and transactions have been eliminated.

Karl Lagerfeld Holding B.V. ("KLH"), a Dutch limited liability company that is wholly-owned by the Company, Vilebrequin International SA ("Vilebrequin"), a Swiss corporation that is wholly-owned by the Company, Sonia Rykiel, a Swiss corporation that is wholly-owned by the Company, Fabco and Fabco AWWG report results on a calendar year basis rather than on the January 31 fiscal year basis used by the Company. Accordingly, the results of KLH, Vilebrequin, Sonia Rykiel, Fabco and Fabco AWWG are included in the financial statements for the quarter ended or ending closest to the Company's fiscal quarter end. For example, with respect to the Company's results for the six-month/nine-month period ended July 31, 2024 October 31, 2024, the results of KLH, Vilebrequin, Sonia Rykiel, Fabco and Fabco AWWG are included for the six-month/nine-month period ended June 30, 2024 September 30, 2024. The Company's retail operations segment reports on a 52/53 week fiscal year. For fiscal 2025 and 2024, the three and six-month/nine-month periods for the retail operations segment were each 13-week and 26-week 39-week periods, respectively, and ended on August 3, 2024 November 2, 2024 and July 29, 2023 October 28, 2023, respectively.

The results for the three and six/nine months ended July 31, 2024 October 31, 2024 are not necessarily indicative of the results expected for the entire fiscal year, given the seasonal nature of the Company's business. The accompanying financial statements included herein are unaudited. All adjustments (consisting of only normal recurring adjustments) necessary for a fair presentation of the financial position, results of operations and cash flows for the interim period presented have been reflected.

The accompanying financial statements should be read in conjunction with the financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2024 filed with the Securities and Exchange Commission (the "SEC").

Assets and liabilities of the Company's foreign operations, where the functional currency is not the U.S. dollar (reporting currency), are translated from the foreign currency into U.S. dollars at period-end rates, while income and expenses are translated at the weighted-average exchange rates for the period. The related translation adjustments are reflected as a foreign currency translation adjustment in accumulated other comprehensive loss within stockholders' equity.

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NOTE 2 – ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company's financial instruments consist of trade receivables arising from revenue transactions in the ordinary course of business. The Company considers its trade receivables to consist of two portfolio segments: wholesale and retail trade receivables. Wholesale trade receivables result from credit the Company has extended to its wholesale customers based on pre-defined criteria and are generally due within 60 days. Retail trade receivables primarily relate to amounts due from third-party credit card processors for the settlement of debit and credit card transactions and are typically collected within 3 to 5 days.

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The Company's accounts receivable and allowance for doubtful accounts as of **July 31, 2024** **October 31, 2024**, **July 31, 2023** **October 31, 2023** and January 31, 2024 were:

	July 31, 2024			October 31, 2024		
	Wholesale	Retail	Total	Wholesale	Retail	Total

	(In thousands)			(In thousands)		
	Accounts receivable, gross	Allowance for doubtful accounts	Accounts receivable, net	Accounts receivable, gross	Allowance for doubtful accounts	Accounts receivable, net
Accounts receivable, gross	\$ 477,042	\$ 1,683	\$ 478,725	\$ 879,572	\$ 1,464	\$ 881,036
Allowance for doubtful accounts	(1,197)	(63)	(1,260)	(1,217)	(138)	(1,355)
Accounts receivable, net	<u>\$ 475,845</u>	<u>\$ 1,620</u>	<u>\$ 477,465</u>	<u>\$ 878,355</u>	<u>\$ 1,326</u>	<u>\$ 879,681</u>

	July 31, 2023			October 31, 2023		
	Wholesale	Retail	Total	Wholesale	Retail	Total

	(In thousands)			(In thousands)		
	Accounts receivable, gross	Allowance for doubtful accounts	Accounts receivable, net	Accounts receivable, gross	Allowance for doubtful accounts	Accounts receivable, net
Accounts receivable, gross	\$ 536,711	\$ 1,141	\$ 537,852	\$ 880,827	\$ 806	\$ 881,633
Allowance for doubtful accounts	(18,428)	(63)	(18,491)	(18,349)	(63)	(18,412)
Accounts receivable, net	<u>\$ 518,283</u>	<u>\$ 1,078</u>	<u>\$ 519,361</u>	<u>\$ 862,478</u>	<u>\$ 743</u>	<u>\$ 863,221</u>

	January 31, 2024			January 31, 2024		
	Wholesale	Retail	Total	Wholesale	Retail	Total

	(In thousands)			(In thousands)		
	Accounts receivable, gross	Allowance for doubtful accounts	Accounts receivable, net	Accounts receivable, gross	Allowance for doubtful accounts	Accounts receivable, net
Accounts receivable, gross	\$ 563,130	\$ 704	\$ 563,834	\$ 563,130	\$ 704	\$ 563,834
Allowance for doubtful accounts	(1,408)	(63)	(1,471)	(1,408)	(63)	(1,471)

Accounts receivable, net	\$ 561,722	\$ 641	\$ 562,363	\$ 561,722	\$ 641	\$ 562,363
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The allowance for doubtful accounts for wholesale trade receivables is estimated based on several factors. In circumstances where the Company is aware of a specific customer's inability to meet its financial obligations (such as in the case of bankruptcy filings (including potential bankruptcy filings), extensive delay in payment or substantial downgrading by credit rating agencies), a specific reserve for bad debt is recorded against amounts due from that customer to reduce the net recognized receivable to the amount reasonably expected to be collected. For all other wholesale customers, an allowance for doubtful accounts is determined through analysis of the aging of accounts receivable at the end of the reporting period for financial statements, assessments of collectability based on historical trends and an evaluation of the impact of economic conditions. The Company considers both current and forecasted future economic conditions in determining the adequacy of its allowance for doubtful accounts.

The allowance for doubtful accounts for retail trade receivables is estimated at the credit card chargeback rate applied to the previous 90 days of credit card sales. In addition, the Company considers both current and forecasted future economic conditions in determining the adequacy of its allowance for doubtful accounts.

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The Company had the following activity in its allowance for doubtful accounts:

	Wholesale	Retail	Total	Wholesale	Retail	Total
(In thousands)						
Balance as of January 31, 2024	\$ (1,408)	\$ (63)	\$ (1,471)	\$ (1,408)	\$ (63)	\$ (1,471)
Provision for credit losses, net	208	—	208	143	(75)	68
Accounts written off as uncollectible	3	—	3	48	—	48
Balance as of July 31, 2024	\$ (1,197)	\$ (63)	\$ (1,260)			
Balance as of October 31, 2024				\$ (1,217)	\$ (138)	\$ (1,355)
(In thousands)						
Balance as of January 31, 2023	\$ (18,237)	\$ (60)	\$ (18,297)	\$ (18,237)	\$ (60)	\$ (18,297)
Provision for credit losses, net	(192)	(3)	(195)	(115)	(3)	(118)
Accounts written off as uncollectible	1	—	1	3	—	3
Balance as of July 31, 2023	\$ (18,428)	\$ (63)	\$ (18,491)			
Balance as of October 31, 2023				\$ (18,349)	\$ (63)	\$ (18,412)
(In thousands)						
Balance as of January 31, 2023	\$ (18,237)	\$ (60)	\$ (18,297)	\$ (18,237)	\$ (60)	\$ (18,297)
Provision for credit losses, net	166	(3)	163	166	(3)	163
Accounts written off as uncollectible	16,663	—	16,663	16,663	—	16,663

Balance as of January 31, 2024	\$ (1,408)	\$ (63)	\$ (1,471)	\$ (1,408)	\$ (63)	\$ (1,471)
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NOTE 3 – INVENTORIES

Wholesale inventories, which comprise a significant portion of the Company's inventory, and KLH inventories are stated at the lower of cost (determined by the first-in, first-out method) or net realizable value. Retail and Vilebrequin inventories are stated at the lower of cost (determined by the weighted average method) or net realizable value. Substantially all of the Company's inventories consist of finished goods.

The inventory return asset, which consists of the amount of goods that are anticipated to be returned by customers, was \$6.5 million \$10.6 million, \$8.5 million \$15.6 million and \$16.5 million as of July 31, 2024 October 31, 2024, July 31, 2023 October 31, 2023 and January 31, 2024, respectively. The inventory return asset is recorded within prepaid expenses and other current assets on the condensed consolidated balance sheets.

Inventory held on consignment by the Company's customers totaled \$4.7 million \$5.6 million, \$7.9 million and \$6.6 million at July 31, 2024 October 31, 2024, July 31, 2023 October 31, 2023 and January 31, 2024, respectively. The Company reflects this inventory on its condensed consolidated balance sheets.

NOTE 4 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Generally Accepted Accounting Principles establish a three-level valuation hierarchy for disclosure of fair value measurements. The determination of the applicable level within the hierarchy for a particular asset or liability depends on the inputs used in its valuation as of the measurement date, notably the extent to which the inputs are market-based (observable) or internally-derived (unobservable). A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

- Level 1 — inputs to the valuation methodology based on quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 — inputs to the valuation methodology based on quoted prices for similar assets or liabilities in active markets for substantially the full term of the financial instrument; quoted prices for identical or similar instruments in markets that are not active for substantially the full term of the financial instrument; and model-derived valuations whose inputs or significant value drivers are observable.
- Level 3 — inputs to the valuation methodology based on unobservable prices or valuation techniques that are significant to the fair value measurement.

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The following table summarizes the carrying values and the estimated fair values of the Company's debt instruments:

Financial Instrument	Level	Carrying Value			Fair Value			Carrying Value			Fair Value		
		July 31,	July 31,	January 31,	July 31,	July 31,	January 31,	October 31,	October 31,	January 31,	October 31,	October 31,	January 31
		2024	2023	2024	2024	2023	2024	2024	2023	2024	2024	2023	2024

(In thousands)										(In thousands)														
Secured Notes										1	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,412	\$ 393,000	\$ 401,080	1	\$ —	\$ 400,000	\$ 400,000	\$ —	\$ 396,340	\$ 401,08	
Revolving credit facility										2	210,055	—	—	210,055	—	—	2	210,055	—	—	—	—	—	
Note issued to LVMH										3	—	49,105	—	—	48,391	—	3	—	49,787	—	—	49,350	—	—
Unsecured loans										2	7,760	9,913	8,791	7,760	9,913	8,791	2	7,326	9,097	8,791	7,326	9,097	8,79	—
Overdraft facilities										2	7,906	2,202	2,651	7,906	2,202	2,651	2	4,608	1,872	2,651	4,608	1,872	2,65	—
Foreign credit facility										2	—	8,213	8,939	—	8,213	8,939	2	2,186	4,161	8,939	2,186	4,161	8,93	—

The Company's debt instruments are recorded at their carrying values in its condensed consolidated balance sheets, which may differ from their respective fair values. The fair value of the Company's secured notes is based on their current market price as of July 31, 2024. The carrying amount of the Company's variable rate debt approximates the fair value, as interest rates change with market rates. Furthermore, the carrying value of all other financial instruments potentially subject to valuation risk (principally consisting of cash, accounts receivable and accounts payable) also approximates fair value due to the short-term nature of these accounts.

The fair value of the Company's secured notes was based on their market price at each fiscal quarter end. The Company redeemed the entire \$400 million principal amount of its 7.875% Senior Secured Notes due August 2025 (the "Notes") at a redemption price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest in August 2024.

The 2% note in the original principal amount of \$125 million (the "LVMH Note") issued to LVMH Moet Hennessy Louis Vuitton Inc. ("LVMH") in connection with the acquisition of DKNY and Donna Karan was recorded on the balance sheet at a discount of \$40.0 million in accordance with ASC Accounting Standards Codification ("ASC") 820 – Fair Value Measurements ("ASC 820"). For purposes of this fair value disclosure, the Company based its fair value estimate for the LVMH Note on the initial fair value as determined at the date of the acquisition of DKNY and Donna Karan and recorded amortization using the effective interest method over the term of the LVMH Note. The Company repaid \$75.0 million of the principal amount of the LVMH Note on June 1, 2023 and the remaining \$50.0 million of such principal amount on December 1, 2023.

The fair value of the LVMH Note was considered a Level 3 valuation in the fair value hierarchy.

Non-Financial Assets and Liabilities

The Company's non-financial assets that are measured at fair value on a nonrecurring basis include long-lived assets, which consist primarily of property and equipment and operating lease assets. The Company reviews these assets for impairment whenever events or changes in circumstances indicate that their carrying value may not be fully recoverable. For assets that are not recoverable, an impairment loss is recognized equal to the difference between the carrying amount of the asset or asset group and its estimated fair value. For operating lease assets, the Company determines the fair value of the assets by discounting the estimated market rental rates over the remaining term of the lease. These fair value measurements are considered level 3 measurements in the fair value hierarchy. During fiscal 2024, the Company recorded a \$1.3 million impairment charge primarily related to leasehold improvements, furniture and fixtures, computer hardware and operating lease assets at certain DKNY, Karl Lagerfeld and Vilebrequin stores as a result of the performance of these stores.

NOTE 5 – LEASES

The Company leases retail stores, warehouses, distribution centers, office space and certain equipment. Leases with an initial term of 12 months or less are not recorded on the balance sheet. The Company recognizes lease expense for these leases on a straight-line basis over the lease term.

Most leases are for a term of one to ten years. Some leases include one or more options to renew, with renewal terms that can extend the lease term from one to ten years. Several of the Company's retail store leases include an option to terminate the lease based on failure to achieve a specified sales volume. The exercise of lease renewal options is generally at the **Company's sole discretion. The exercise of lease termination options is generally by mutual agreement between the Company and the lessor.**

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Company's sole discretion. The exercise of lease termination options is generally by mutual agreement between the Company and the lessor.

Certain of the Company's lease agreements include rental payments based on a percentage of retail sales over contractual levels and others include rental payments adjusted periodically for inflation. The Company's leases do not contain any material residual value guarantees or material restrictive covenants.

The Company's operating lease assets and liabilities as of **July 31, 2024** **October 31, 2024**, **July 31, 2023** **October 31, 2023** and January 31, 2024 consist of the following:

Leases	Classification	July 31, 2024	July 31, 2023	January 31, 2024	Classification	October 31, 2024	October 31, 2023
Assets							
Operating	Operating lease assets	\$ 204,008	\$ 229,723	\$ 216,886	Operating lease assets	\$ 286,232	\$ 221,474
Liabilities							
Current operating	Current operating lease liabilities	\$ 54,983	\$ 54,563	\$ 56,587	Current operating lease liabilities	\$ 55,479	\$ 55,897
Noncurrent operating	Noncurrent operating lease liabilities	163,750	192,981	178,247	Noncurrent operating lease liabilities	246,834	183,522
Total lease liabilities		\$ 218,733	\$ 247,544	\$ 234,834		\$ 302,313	\$ 239,419

The Company's operating lease assets and operating lease liabilities increased during fiscal 2025 primarily due to the renewal of the Company's corporate office lease. The Company recorded lease costs of **\$18.0 million** **\$19.0 million** and **\$36.2 million** **\$55.2 million** during the three and **six** **nine** months ended **July 31, 2024** **October 31, 2024**. The Company recorded lease costs of **\$18.3 million** **\$18.1 million** and **\$36.9 million** **\$55.1 million** during the three and **six** **nine** months ended **July 31, 2023** **October 31, 2023**. Lease costs are recorded within selling, general and administrative expenses in the Company's condensed consolidated statements of operations and comprehensive income. The Company recorded variable lease costs and short-term lease costs of **\$5.8 million** **\$5.0 million** and **\$11.1 million** **\$16.1 million** for the three and **six** **nine** months ended **July 31, 2024** **October 31, 2024**. The Company recorded variable lease costs and short-term lease costs of **\$5.5 million** **\$5.0 million** and **\$11.1 million** **\$16.1 million** for the three and **six** **nine** months ended **July 31, 2023** **October 31, 2023**.

million \$6.7 million and \$11.5 million \$18.1 million for the three and **six** nine months ended **July 31, 2023** **October 31, 2023**. Short-term lease costs are immaterial.

As of **July 31, 2024** **October 31, 2024**, the Company's maturity of operating lease liabilities in the years ending up to January 31, 2029 and thereafter are as follows:

Year Ending January 31,	Amount (in thousands)	Amount (in thousands)
2025	\$ 35,991	\$ 18,641
2026	64,545	72,868
2027	51,764	61,177
2028	41,120	51,862
2029	27,887	42,716
After 2029	45,051	130,897
Total lease payments	\$ 266,358	\$ 378,161
Less: Interest	47,625	75,848
Present value of lease liabilities	\$ 218,733	\$ 302,313

As of **July 31, 2024** **October 31, 2024**, there are no material leases that are legally binding but have not yet commenced.

As of **July 31, 2024** **October 31, 2024**, the weighted average remaining lease term related to operating leases is **4.9** **6.7** years. The weighted average discount rate related to operating leases is **6.5%** **6.8%**.

Cash paid for amounts included in the measurement of operating lease liabilities was **\$38.0 million** **\$58.9 million** and **\$39.3 million** **\$53.2 million** during the **six** **nine** months ended **July 31, 2024** **October 31, 2024** and 2023, respectively. Right-of-use assets obtained in exchange for lease obligations were **\$16.1 million** **\$108.7 million** and **\$18.1 million** **\$26.8 million** during the **six** **nine** months ended **July 31, 2024** **October 31, 2024** and 2023, respectively.

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NOTE 6 – NET INCOME PER COMMON SHARE

Basic net income per common share has been computed using the weighted average number of common shares outstanding during each period. Diluted net income per share, when applicable, is computed using the weighted average number of common shares and potential dilutive common shares, consisting of unvested restricted stock unit awards outstanding during the period. **A nominal amount of** **There were no** shares of common stock **have been** excluded from the diluted net income per share

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calculation for the three and **six** **nine** months ended **July 31, 2024** **October 31, 2024**. Approximately **106,000** **8,200** and **312,500** **59,200** shares of common stock have been excluded from the diluted net income per share

calculation for the three and **six** **nine** months ended July 31, 2023 October 31, 2023. All share-based payments outstanding that vest based on the achievement of performance conditions, and for which the respective performance conditions have not been achieved, have been excluded from the diluted per share calculation.

The following table reconciles the numerators and denominators used in the calculation of basic and diluted net income per share:

	Three Months Ended July 31,		Six Months Ended July 31,		Three Months Ended October 31,		Nine Months Ended October 31,	
	2024	2023	2024	2023	2024	2023	2024	2023
(In thousands, except share and per share amounts)								
Net income attributable to G-III Apparel Group, Ltd.	\$ 24,212	\$ 16,438	\$ 30,014	\$ 19,674	\$ 114,768	\$ 127,640	\$ 144,444	\$ 144,444
Basic net income per share:								
Basic common shares	44,569	45,714	45,022	45,996	43,885	45,723	44,444	44,444
Basic net income per share	\$ 0.54	\$ 0.36	\$ 0.67	\$ 0.43	\$ 2.62	\$ 2.79	\$ 3.11	\$ 3.11
Diluted net income per share:								
Basic common shares	44,569	45,714	45,022	45,996	43,885	45,723	44,444	44,444
Dilutive restricted stock unit awards and stock options	914	856	1,083	996	1,069	837	1,069	1,069
Diluted common shares	45,483	46,570	46,105	46,992	44,954	46,560	45,483	45,483
Diluted net income per share	\$ 0.53	\$ 0.35	\$ 0.65	\$ 0.42	\$ 2.55	\$ 2.74	\$ 3.11	\$ 3.11

NOTE 7 – NOTES PAYABLE

Long-term debt consists of the following:

	July 31, 2024	July 31, 2023	January 31, 2024	October 31, 2024	October 31, 2023	January 31, 2024
(In thousands)						
Secured Notes	\$ 400,000	\$ 400,000	\$ 400,000	\$ —	\$ 400,000	\$ 400,000
Revolving credit facility				210,055	—	—
LVMH Note	—	50,000	—	—	50,000	—
Unsecured loans	7,760	9,913	8,791	7,326	9,097	8,791
Overdraft facilities	7,906	2,202	2,651	4,608	1,872	2,651

Foreign credit facility	—	8,213	8,939	2,186	4,161	8,939
Subtotal	415,666	470,328	420,381	224,175	465,130	420,381
Less: Net debt issuance costs (1)	(1,698)	(3,397)	(2,548)	—	(2,972)	(2,548)
Debt discount	—	(895)	—	—	(213)	—
Current portion of long-term debt	(11,427)	(62,732)	(15,026)	(10,277)	(59,099)	(15,026)
Total	\$ 402,541	\$ 403,304	\$ 402,807	\$ 213,898	\$ 402,846	\$ 402,807

(1) Does not include debt issuance costs, net of amortization, totaling **\$5.4 million** **\$5.2 million**, **\$3.2 million** **\$2.8 million** and **\$2.4 million** as of **July 31, 2024** **October 31, 2024**, **July 31, 2023** **October 31, 2023** and January 31, 2024, respectively, related to the revolving credit facility. These debt issuance costs have been deferred and are classified in assets in the accompanying condensed consolidated balance sheets in accordance with ASC 835.

Senior Secured Notes

In August 2020, the The Company had previously completed a private debt offering of \$400 million aggregate principal amount of the Notes.

In August 2024, the Company used cash on hand and borrowings from its 7.875% Senior Secured Notes due August 2025 (the "Notes"). The terms revolving credit facility to make a \$400.7 million payment to voluntarily redeem the entire \$400 million principal amount of the Notes are governed by an indenture (the "Indenture"), among the Company, the guarantors party thereto and U.S. Bank, National Association, as trustee and collateral agent (the "Collateral Agent"). The net proceeds of the Notes were used (i) to repay the \$300 million that was outstanding under the Company's prior term loan facility due 2022 (the "Term Loan"), (ii) to pay related fees and expenses and (iii) for general corporate purposes.

The Notes bear interest at a rate of 7.875% per year payable semi-annually in arrears on February 15 and August 15 of each year, redemption price equal to 100%

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The Notes are unconditionally guaranteed on a senior-priority secured basis by the Company's current and future wholly-owned domestic subsidiaries that guarantee any of the Company's credit facilities, including the Company's ABL facility (the "ABL Facility") pursuant to the ABL Credit Agreement, or certain future capital markets indebtedness of the Company or the guarantors.

The Notes and the related guarantees are secured by (i) first priority liens on the Company's Cash Flow Priority Collateral (as defined in the Indenture), and (ii) a second-priority lien on the Company's ABL Priority Collateral (as defined in the Indenture), in each case subject to permitted liens described in the Indenture.

In connection with the issuance of the Notes and execution of the Indenture, the Company and the Guarantors entered into a pledge and security agreement (the "Pledge and Security Agreement"), among the Company, the Guarantors and the Collateral Agent.

The Notes are subject to the terms of the intercreditor agreement which governs the relative rights of the secured parties in respect of the ABL Facility and the Notes (the "Intercreditor Agreement"). The Intercreditor Agreement restricts the actions permitted to be taken by the Collateral Agent with respect to the Collateral on behalf of the holders of the Notes.

The Company may redeem some or all of the Notes at any time and from time to time at the redemption prices set forth in the Indenture, plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date.

If the Company experiences a Change of Control (as defined in the Indenture), the Company is required to offer to repurchase the Notes at 101% of the principal amount of such the Notes plus accrued and unpaid interest, if any, to, but excluding, interest. At the date of repurchase.

The Indenture contains covenants that, among other things, limit redemption, the Company's ability and the ability of its restricted subsidiaries to incur or guarantee additional indebtedness, pay dividends or make other restricted payments, make certain investments, incur restrictions on the ability of the Company's restricted subsidiaries that are not guarantors to pay dividends or make certain other payments, create or incur certain liens, sell assets and subsidiary stock, impair the security interests, transfer all or substantially all of the Company's assets or enter into merger or consolidation transactions, and enter into transactions with affiliates. The Indenture provides for customary events of default which include (subject in certain cases to customary grace and cure periods), among others, nonpayment of principal or interest, breach of other agreements in the Indenture, failure to pay certain other indebtedness, failure of certain guarantees to be enforceable, failure to perfect certain collateral securing the Notes, failure to pay certain final judgments, and certain events of bankruptcy or insolvency.

The Company incurred had unamortized debt issuance costs totaling \$8.5 million related to of \$1.6 million associated with the Notes. In accordance with ASC 835, These debt issuance costs have been deferred were fully extinguished and are presented as a contra-liability, offsetting charged to interest expense in the outstanding balance Company's results of the Notes, and are amortized over the remaining life of the Notes operations.

Third Amended and Restated ABL Credit Agreement

On June 4, 2024, the Company's subsidiaries, G-III Leather Fashions, Inc., Riviera Sun, Inc., AM Retail Group, Inc. and The Donna Karan Company Store LLC (collectively, the "Borrowers"), entered into the third amended and restated credit agreement (the "Third ABL Credit Agreement") with the lenders named therein and with JPMorgan Chase Bank, N.A., as administrative agent. The Third ABL Credit Agreement is a five-year senior secured asset-based revolving credit facility providing for borrowings in an aggregate principal amount of up to \$700 million. The Company and certain of its wholly-owned domestic subsidiaries, as well as G-III Apparel Canada ULC (collectively, the "Guarantors"), are guarantors under the Third ABL Credit Agreement.

The Third ABL Credit Agreement amends and restates the Second Amended Credit Agreement, dated as of August 7, 2020 (as amended, supplemented or otherwise modified from time to time prior to June 4, 2024, the "Second Credit Agreement"), by and among the Borrowers and the Guarantors, the lenders from time-to-time party thereto, and JPMorgan Chase Bank, N.A., in its capacity as the administrative agent thereunder. The Second Credit Agreement provided for borrowings of up to \$650 million and was due to expire on August 7, 2025. The Third ABL Credit Agreement extends the maturity date to June 2029, subject to a springing maturity date as defined within the credit agreement.

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Amounts available under the Third ABL Credit Agreement are subject to borrowing base formulas and overadvances as specified in the Third ABL Credit Agreement. Borrowings bear interest, at the Borrowers' option, at Adjusted Term Secured Overnight Financing Rate ("SOFR") plus a margin of 1.50% to 2.00%, or the alternate base rate plus a margin of 0.50% to 1.00% (defined as the greatest of (i) the "prime rate" of JPMorgan Chase Bank, N.A. from time to time, (ii) the federal funds rate plus 0.5% and (iii) SOFR for a borrowing with an interest period of one month plus 1.00%), with the applicable margin determined based on the Borrowers' average daily availability under the Third ABL Credit Agreement. As of October 31, 2024, interest under the Third ABL Credit Agreement was being paid at an average rate of 6.57% per annum.

The Third ABL Credit Agreement is secured by specified assets of the Borrowers and the Guarantors. In addition to paying interest on any outstanding borrowings under the Third ABL Credit Agreement, the Company is required to pay a commitment fee to the lenders under the credit agreement with respect to the unutilized commitments. The commitment fee accrues at a tiered rate equal to 0.375% per annum on the average daily amount of the available commitments when the average usage is less than 50% of the total available

commitments and decreases to 0.25% per annum on the average daily amount of the available commitments when the average usage is greater than or equal to 50% of the total available commitments.

The Third ABL Credit Agreement contains covenants that, among other things, restrict the Company's ability to, subject to specified exceptions, incur additional debt; incur liens; sell or dispose of certain assets; merge with other companies; liquidate or dissolve the Company; acquire other companies; make loans, advances, or guarantees; and make certain investments. In certain circumstances, the revolving credit facility also requires the Company to maintain a fixed charge coverage ratio, as defined in the agreement, not less than 1.00 to 1.00 for each period of twelve consecutive fiscal months of the Company. As of **July 31, 2024** **October 31, 2024**, the Company was in compliance with these covenants.

As of **July 31, 2024** **October 31, 2024**, the Company had **no** **\$210.1 million** borrowings outstanding under the Third ABL Credit Agreement. The Third ABL Credit Agreement also includes amounts available for letters of credit. As of **July 31, 2024** **October 31, 2024**, there were outstanding trade and standby letters of credit amounting to **\$6.3 million** **\$6.2 million** and \$2.9 million, respectively.

At the date of the refinancing of the Second ABL Credit Agreement, the Company had \$1.9 million of unamortized debt issuance costs remaining from the Second ABL Credit Agreement. There was no extinguishment of any amount of the unamortized debt issuance costs remaining from the Second ABL Credit Agreement. The Company incurred new debt issuance costs totaling \$3.8 million related to the Third ABL Credit Agreement. The Company has a total of \$5.6 million debt issuance costs related to its Third ABL Credit Agreement. As permitted under ASC 835, the debt issuance costs have been deferred and are presented as an asset which is amortized ratably over the term of the Third ABL Credit Agreement.

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LVMH Note

As a portion of the consideration for the acquisition of DKNY and Donna Karan, the Company issued to LVMH a junior lien secured promissory note in the principal amount of \$125.0 million that bore interest at the rate of 2% per year. \$75.0 million of the principal amount of the LVMH Note was paid on June 1, 2023 and the remaining \$50.0 million of such principal amount was paid on December 1, 2023.

ASC 820 required the LVMH Note to be recorded at fair value at issuance. As a result, the Company recorded a \$40.0 million debt discount. This discount was amortized as interest expense using the effective interest method over the term of the LVMH Note.

Unsecured Loans

Several of the Company's foreign entities borrow funds under various unsecured loans of which a portion is to provide funding for operations in the normal course of business while other loans are European state backed loans as part of COVID-19 relief programs. In the aggregate, the Company is currently required to make quarterly installment payments of principal in the amount of €0.6 million under these loans. Interest on the outstanding principal amount of the unsecured loans accrues at a fixed rate equal to 0% to 5.0% per annum, payable on either a quarterly or monthly basis. As of **July 31, 2024** **October 31, 2024**, the Company had an aggregate outstanding balance of **€7.2 million** **€6.0 million** (**\$7.8 million**) under these unsecured loans.

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Overdraft Facilities

During fiscal 2021 and 2025, certain of the Company's foreign entities entered into overdraft facilities that allow for applicable bank accounts to be in a negative position up to a certain maximum overdraft. These uncommitted overdraft facilities with HSBC Bank allow for an aggregate maximum overdraft of €10 million. Interest on drawn balances accrues at a rate equal to the Euro Interbank Offered Rate plus a margin of 1.75% per annum, payable quarterly. The facility may be cancelled at any time by the Company or HSBC Bank. As part of a COVID-19 relief program, certain of the Company's foreign entities entered into several state backed overdraft facilities with UBS Bank in Switzerland for an aggregate of CHF 4.7 million at varying interest rates of 0% to 0.5%. As of **July 31, 2024** **October 31, 2024**, the Company had an aggregate of **€7.4 million** **€4.1 million** (**\$7.9** **4.6** million) drawn under these various facilities.

Foreign Credit Facility

KLH has a credit agreement with ABN AMRO Bank N.V. with a credit limit of €15.0 million which is secured by specified assets of KLH. Borrowings bear interest at the Euro Interbank Offered Rate plus a margin of 1.7%. As of **July 31, 2024** **October 31, 2024**, KLH had **no** **an aggregate outstanding balance of €2.0 million** (**\$2.2 million**) borrowings outstanding under this credit facility.

NOTE 8 – REVENUErecognition

Disaggregation of Revenue

In accordance with ASC 606 – *Revenue from Contracts with Customers*, the Company discloses its revenues by segment. Each segment presents its own characteristics with respect to the timing of revenue recognition and the type of customer. In addition, disaggregating revenues using a segment basis is consistent with how the Company's Chief Operating Decision Maker manages the Company. The Company has identified the wholesale operations segment and the retail operations segment as distinct sources of revenue.

Wholesale Operations Segment. Wholesale revenues include sales of products to retailers under owned, licensed and private label brands, as well as sales related to the Vilebrequin and Karl Lagerfeld businesses, including from retail stores operated by Vilebrequin and Karl Lagerfeld, other than sales of product under the Karl Lagerfeld Paris brand generated by the Company's retail stores and digital outlets. Wholesale revenues from sales of products are recognized when control transfers to the customer. The Company considers control to have been transferred when the Company has transferred physical possession of the product, the Company has a right to payment for the product, the customer has legal title to the product and the customer has the significant risks and rewards of the product. Wholesale revenues are adjusted by variable

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consideration arising from implicit or explicit obligations. Wholesale revenues also include revenues from license agreements related to the DKNY, Donna Karan, Karl Lagerfeld, G.H. Bass, Andrew Marc, Vilebrequin and Sonia Rykiel trademarks owned by the Company.

Retail Operations Segment. Retail store revenues are generated by direct sales to consumers through Company-operated stores and product sales through the Company's digital channels for the DKNY, Donna Karan, Karl Lagerfeld Paris, G.H. Bass and Wilsons Leather businesses. Retail stores primarily consist of DKNY and Karl Lagerfeld Paris retail stores, substantially all of which are operated as outlet stores. Retail operations segment revenues are recognized at the point of sale when the customer takes possession of the goods and tenders payment. Digital revenues primarily consist of sales to consumers through the Company's digital platforms. Digital revenue is recognized when a customer takes possession of the goods. Retail sales are recorded net of applicable sales tax.

Contract Liabilities

The Company's contract liabilities, which are recorded within accrued expenses in the accompanying condensed consolidated balance sheets, primarily consist of gift card liabilities and advance payments from licensees. In some of its retail concepts, the Company also offers a limited loyalty program where customers accumulate points redeemable for cash discount certificates that expire 90 days after issuance. Total contract liabilities were \$5.1 million \$4.6 million, \$4.6 million \$3.3 million and \$5.2 million at July 31, 2024 October 31, 2024, July 31, 2023 October 31, 2023 and January 31, 2024, respectively. The Company recognized \$3.4 million \$3.6 million in revenue for the three months ended July 31, 2024 October 31, 2024 related to contract liabilities that existed at April 30, 2024 July 31, 2024. The Company recognized \$4.0 \$4.5 million in revenue for the six nine months ended July 31, 2024 October 31, 2024 related to contract liabilities that existed at

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January 31, 2024. January 31, 2024. There were no contract assets recorded as of July 31, 2024 October 31, 2024, July 31, 2023 October 31, 2023 and January 31, 2024. Substantially all of the advance payments from licensees as of July 31, 2024 October 31, 2024 are expected to be recognized as revenue within the next twelve months.

NOTE 9 – SEGMENTS

The Company's reportable segments are business units that offer products through different channels of distribution. The Company has two reportable segments: wholesale operations and retail operations. The wholesale operations segment includes sales of products to retailers under owned, licensed and private label brands, as well as sales related to the Vilebrequin and Karl Lagerfeld businesses, including from retail stores operated by Vilebrequin and Karl Lagerfeld, other than sales of product under the Karl Lagerfeld Paris brand generated by the Company's retail stores and digital outlets. Wholesale revenues also include royalty revenues from license agreements related to the DKNY, Donna Karan, Karl Lagerfeld, Vilebrequin, G.H. Bass, Andrew Marc and Sonia Rykiel trademarks owned by the Company. The retail operations segment consists primarily of direct sales to consumers through Company-operated stores, which consists primarily of DKNY and Karl Lagerfeld Paris stores, as well as the digital channels for DKNY, Donna Karan, Karl Lagerfeld Paris, G.H. Bass and Wilsons Leather. Substantially all DKNY and Karl Lagerfeld Paris stores are operated as outlet stores.

The following segment information is presented for the three and six nine month periods indicated below:

	Three Months Ended July 31, 2024			
	Wholesale	Retail	Elimination (1)	Total
	(In thousands)			
Net sales	\$ 620,311	\$ 37,198	\$ (12,754)	\$ 644,755
Cost of goods sold	364,658	16,977	(12,754)	368,881
Gross profit	255,653	20,221	—	275,874
Selling, general and administrative expenses	207,442	21,588	—	229,030
Depreciation and amortization	4,424	956	—	5,380
Operating profit (loss)	\$ 43,787	\$ (2,323)	\$ —	\$ 41,464

	Three Months Ended July 31, 2023			
	Wholesale	Retail	Elimination (1)	Total
	(In thousands)			
Net sales	\$ 639,184	\$ 34,341	\$ (13,764)	\$ 659,761
Cost of goods sold	379,884	16,988	(13,764)	383,108
Gross profit	259,300	17,353	—	276,653
Selling, general and administrative expenses	216,489	22,718	—	239,207
Depreciation and amortization	5,027	932	—	5,959
Operating profit (loss)	\$ 37,784	\$ (6,297)	\$ —	\$ 31,487

	Six Months Ended July 31, 2024			
	Wholesale	Retail	Elimination (1)	Total
	(In thousands)			
Net sales	\$1,218,075	\$ 67,727	\$ (31,300)	\$ 1,254,502
Cost of goods sold	717,885	33,150	(31,300)	719,735
Gross profit	500,190	34,577	—	534,767
Selling, general and administrative expenses	423,017	42,634	—	465,651
Depreciation and amortization	11,438	2,710	—	14,148
Operating profit (loss)	\$ 65,735	\$ (10,767)	\$ —	\$ 54,968

	Three Months Ended October 31, 2024			
	Wholesale	Retail	Elimination (1)	Total
	(In thousands)			
Net sales	\$1,066,635	\$ 42,333	\$ (22,209)	\$ 1,086,759
Cost of goods sold	656,659	20,178	(22,209)	654,628
Gross profit	409,976	22,155	—	432,131
Selling, general and administrative expenses	235,628	23,612	—	259,240
Depreciation and amortization	5,674	882	—	6,556
Operating profit (loss)	\$ 168,674	\$ (2,339)	\$ —	\$ 166,335

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	Six Months Ended July 31, 2023			
	Wholesale	Retail	Elimination (1)	Total
	(In thousands)			
Net sales	\$1,226,086	\$ 64,558	\$ (24,294)	\$ 1,266,350
Cost of goods sold	732,354	31,837	(24,294)	739,897
Gross profit	493,732	32,721	—	526,453
Selling, general and administrative expenses	420,578	46,590	—	467,168

Depreciation and amortization	10,772	1,763	—	12,535
Operating profit (loss)	\$ 62,382	\$ (15,632)	\$ —	\$ 46,750
Three Months Ended October 31, 2023				
	Wholesale	Retail	Elimination (1)	Total
(In thousands)				
Net sales	\$1,054,303	\$ 32,711	\$ (19,904)	\$ 1,067,110
Cost of goods sold	636,961	16,640	(19,904)	633,697
Gross profit	417,342	16,071	—	433,413
Selling, general and administrative expenses	213,263	23,045	—	236,308
Depreciation and amortization	5,475	1,120	—	6,595
Asset impairments	222	—	—	222
Operating profit (loss)	\$ 198,382	\$ (8,094)	\$ —	\$ 190,288

	Nine Months Ended October 31, 2024			
	Wholesale	Retail	Elimination (1)	Total
(In thousands)				
Net sales	\$2,284,710	\$ 110,060	\$ (53,509)	\$ 2,341,261
Cost of goods sold	1,374,544	53,328	(53,509)	1,374,363
Gross profit	910,166	56,732	—	966,898
Selling, general and administrative expenses	658,645	66,246	—	724,891
Depreciation and amortization	17,113	3,591	—	20,704
Operating profit (loss)	\$ 234,408	\$ (13,105)	\$ —	\$ 221,303

	Nine Months Ended October 31, 2023			
	Wholesale	Retail	Elimination (1)	Total
(In thousands)				
Net sales	\$2,280,391	\$ 97,268	\$ (44,199)	\$ 2,333,460
Cost of goods sold	1,369,315	48,478	(44,199)	1,373,594
Gross profit	911,076	48,790	—	959,866
Selling, general and administrative expenses	633,841	69,635	—	703,476
Depreciation and amortization	16,247	2,883	—	19,130
Asset impairments	222	—	—	222
Operating profit (loss)	\$ 260,766	\$ (23,728)	\$ —	\$ 237,038

⁽¹⁾ Represents intersegment sales to the Company's retail operations segment.

The total net sales by licensed and proprietary product sales for each of the Company's reportable segments are as follows:

Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
July 31, 2024	July 31, 2023	July 31, 2024	July 31, 2023	October 31, 2024	October 31, 2023	October 31, 2024	October 31, 2023

	(In thousands)				(In thousands)			
Licensed brands	\$ 286,898	\$ 338,656	\$ 548,765	\$ 636,661	\$ 560,780	\$ 625,231	\$ 1,109,630	\$ 1,261,894
Proprietary brands	333,413	300,528	669,310	589,425	505,855	429,072	1,175,080	1,018,497
Wholesale net sales	<u>\$ 620,311</u>	<u>\$ 639,184</u>	<u>\$ 1,218,075</u>	<u>\$ 1,226,086</u>	<u>\$ 1,066,635</u>	<u>\$ 1,054,303</u>	<u>\$ 2,284,710</u>	<u>\$ 2,280,391</u>
Licensed brands	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Proprietary brands	37,198	34,341	67,727	64,558	42,333	32,711	110,060	97,268
Retail net sales	<u>\$ 37,198</u>	<u>\$ 34,341</u>	<u>\$ 67,727</u>	<u>\$ 64,558</u>	<u>\$ 42,333</u>	<u>\$ 32,711</u>	<u>\$ 110,060</u>	<u>\$ 97,268</u>

The total assets for each of the Company's reportable segments, as well as assets not allocated to a segment, are as follows:

	October 31, 2024	October 31, 2023	January 31, 2024
	(In thousands)		
Wholesale	\$ 1,611,042	\$ 1,700,179	\$ 1,562,203
Retail	115,505	120,080	104,272
Corporate	1,057,064	929,074	1,014,689
Total assets	<u>\$ 2,783,611</u>	<u>\$ 2,749,333</u>	<u>\$ 2,681,164</u>

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NOTE 10 – STOCKHOLDERS' EQUITY

For the three months ended **July 31, 2024** **October 31, 2024**, the Company issued no shares of common stock and utilized **99,585** **no** shares of treasury stock in connection with the vesting of equity awards. For the three months ended **July 31, 2023** **October 31, 2023**, the Company issued no shares of common stock and utilized **601,907** **4,354** shares of treasury stock in connection with the vesting of equity awards. For the **six** **nine** months ended **July 31, 2024** **October 31, 2024**, the Company issued no shares of common stock and utilized 366,714 shares of treasury stock in connection with the vesting of equity awards. For the **six** **nine** months ended **July 31, 2023** **October 31, 2023**, the Company issued no shares of common stock and utilized **603,971** **608,325** shares of treasury stock in connection with the vesting of equity awards.

NOTE 11 – FABCO

On April 17, 2024, the Company acquired from Amlon Capital B.V. ("Amlon") the remaining 25% interest in Fabco that it did not previously own for \$0.2 million. Additionally, at the date of the transaction, there were \$1.2 million of payables due from Fabco to Amlon. As settlement of a portion of the outstanding payables, the Company issued a non-interest bearing promissory note to Amlon in the principal amount of \$0.6 million of which \$0.4 million of the principal amount is due and payable on April 17, 2025 and \$0.2 million of the principal amount is due and payable on April 17, 2026. The promissory note is classified in notes payable in the Company's condensed consolidated balance sheet as of **July 31, 2024** **October 31, 2024**. The remaining \$0.6 million of payables due to Amlon was forgiven, resulting in the Company recognizing a gain of \$0.6 million within other **income** **(loss)** **income** in the Company's condensed consolidated statements of income and comprehensive income.

Since the Company controlled Fabco prior to this transaction and continues to control Fabco after the transaction, the Company accounted for the change in its ownership interest in Fabco as an equity transaction, which was reflected as a reduction of the noncontrolling interest with a corresponding decrease to additional paid in capital as a result of losses incurred by Fabco. No gain or loss was recognized in the Company's condensed consolidated statements of income and comprehensive income as a result of this transaction.

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NOTE 12 – AWWG INVESTMENT

In May 2024, the Company acquired a 12.1% minority interest in AWWG Investments B.V. ("AWWG") for €50 million (\$53.6 million). AWWG is a global fashion group and premier platform for international brands. AWWG owns a portfolio of brands including Hackett, Pepe Jeans and Façonné. The Company intends to leverage AWWG's expertise with AWWG becoming the agent for Karl Lagerfeld, DKNY and Donna Karan in Spain and Portugal. This investment is intended to accelerate several of leverage AWWG's expertise and provide for synergies to support the Company's priorities including expanding its international business and identifying opportunities for growth expansion priority through the development of its owned brands.

As of July 31, 2024, the Company accounts for its investment operational platform in AWWG using the cost method. Investments recorded using the cost method will be assessed for any decrease in value that has occurred that is other than temporary and the other than temporary decrease shall be recognized. The Company will continue to evaluate its ability to significantly influence operational and financial policy to establish a basis for converting the investment accounted for using the cost method to the equity method of valuation in accordance with ASC 323. The investment is classified in other assets, net in the Company's condensed consolidated balance sheet as of July 31, 2024, Europe.

In July 2024, the Company acquired an additional 6.6% minority interest in AWWG for €27.1 million (\$29.1 million), increasing its total ownership interest to 18.7%. The investment in AWWG is owned by G-III Foreign Holdings B.V., a wholly-owned subsidiary of the Company. G-III Foreign Holdings B.V. reports results on a calendar year basis rather than on the January 31 fiscal year basis used by the Company. Accordingly,

Prior to the AWWG additional investment will be made in July 2024, the Company accounted for under its investment in AWWG using the equity cost method of accounting in and the Company's fiscal quarter ending October 31, 2024. The additional investment is was classified in other assets, net in the Company's condensed consolidated balance sheet. As of the date of the additional investment made in July 2024, the Company determined it has significant influence in accordance with ASC 323 and, as a result, converted the accounting for the investment from the cost method to the equity method of accounting. The investment is classified in investments in unconsolidated affiliates in the Company's condensed consolidated balance sheet as of July 31, 2024 October 31, 2024.

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NOTE 13 – RECENT ADOPTED AND ISSUED ACCOUNTING PRONOUNCEMENTS
Recently Adopted Accounting Guidance

There was no accounting guidance adopted during the three months ended **July 31, 2024** **October 31, 2024**.

Issued Accounting Guidance Being Evaluated for Adoption

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures". The ASU expands the scope and frequency of segment disclosures and introduces the concept of a "significant expense principle," which requires entities to disclose significant expense categories and amounts that are regularly provided to the chief operating decision maker ("CODM") and included within the reported measure of a segment's profit or loss. The ASU also changes current disclosure requirements by allowing entities to report multiple measures of a segment's profit or loss, provided the reported measures are used by the CODM to assess performance and allocate resources and that the measure closest to GAAP is also provided. Finally, the ASU requires all segment profit or loss and assets disclosures to be provided on both an annual and interim basis and requires entities to disclose the title and position of the individual identified as the CODM. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024 and shall be applied retrospectively to all periods presented in the financial statements. The Company is currently evaluating the standard and determining the extent of additional interim and annual segment disclosures that may be required.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures". The ASU requires public companies to disclose, on an annual basis, a tabular reconciliation of the effective tax rate to the statutory rate for federal, state and foreign income taxes. It also requires greater detail about individual reconciling items in the rate reconciliation to the extent the impact of those items exceeds a specified threshold. In addition, the ASU requires public companies to disclose their income tax payments (net of refunds received), disaggregated between federal, state/local and foreign jurisdictions. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the standard and determining the extent of additional disclosures that may be required.

In November 2024, the FASB issued ASU 2024-03, "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses". The ASU requires public entities to disclose more detailed information about certain costs and expenses presented in the income statement, including inventory purchases, employee compensation, selling expenses, depreciation and intangible asset amortization. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The amendments in this ASU should be applied prospectively; however, retrospective application is permitted. The Company is currently evaluating the impact of ASU 2024-03 on its consolidated financial statements and related disclosures.

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NOTE 14 – SUBSEQUENT EVENTS

Senior Secured Notes Redemption

In August 2024, the Company used cash on hand and borrowings from its revolving credit facility to make a \$400.7 million voluntary payment to redeem the entire \$400 million principal amount of its Senior Secured Notes due August 2025 at a redemption price equal to 100% of the principal amount of the Notes plus accrued interest.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Unless the context otherwise requires, "G-III," "us," "we" and "our" refer to G-III Apparel Group, Ltd. and its subsidiaries. References to fiscal years refer to the year ended or ending on January 31 of that year. For example, our fiscal year ending January 31, 2025 is referred to as "fiscal 2025."

KLH, Vilebrequin, Sonia Rykiel, **Fabco** and **Fabco AWWG** report results on a calendar year basis rather than on the January 31 fiscal year basis used by G-III. Accordingly, the results of KLH, Vilebrequin, Sonia Rykiel, **Fabco** and **Fabco AWWG** are included in the financial statements for the quarter ended or ending closest to G-III's fiscal quarter end. For example, with respect to our results for the **six-month nine-month** period ended **July 31, 2024** **October 31, 2024**, the results of KLH, Vilebrequin, Sonia Rykiel, **Fabco** and **Fabco AWWG** are included for the **six-month nine-month** period ended **June 30, 2024** **September 30, 2024**. Our retail operations segment uses a 52/53-week fiscal year. For fiscal 2025 and 2024, the three and **six-month nine-month** periods for the retail operations segment were each 13-week and **26-week 39-week** periods and ended on **August 3, 2024** **November 2, 2024** and **July 29, 2023** **October 28, 2023**, respectively.

Various statements contained in this Form 10-Q, in future filings by us with the SEC, in our press releases and in oral statements made from time to time by us or on our behalf constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations and are indicated by words or phrases such as "anticipate," "estimate," "expect," "will," "project," "we believe," "is or remains optimistic," "currently envisions," "forecasts," "goal" and similar words or phrases and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from the future results, performance or achievements expressed in or implied by such forward-looking statements. Forward-looking statements also include representations of our expectations or beliefs concerning future events that involve risks and uncertainties, including, but not limited to, the following:

- the failure to maintain our material license agreements could cause us to lose significant revenues and have a material adverse effect on our results of operations;
- unless we are able to increase the sales of our other products, acquire new businesses and/or enter into other license agreements covering different products, the limited extension period of the amended Calvin Klein and Tommy Hilfiger license agreements could cause a significant decrease in our net sales and have a material adverse effect on our results of operations;
- any adverse change in our relationship with PVH Corp. and its Calvin Klein or Tommy Hilfiger brands would have a material adverse effect on our results of operations;
- our dependence on the strategies and reputation of our licensors;
- risks relating to our wholesale operations including, among others, maintaining the image of our proprietary brands and business practices of our customers that could adversely affect us;
- our significant customer concentration, and the risk that the loss of one of our largest customers could adversely affect our business;
- risks relating to our retail operations segment;
- our ability to achieve operating enhancements and cost reductions from our retail operations;
- dependence on existing management;
- our ability to make strategic acquisitions and possible disruptions from acquisitions, including our ownership of the entire Karl Lagerfeld business, and the risks associated with such acquisitions on our ability to maintain an effective internal control environment;
- need for additional financing;
- seasonal nature of our business and effect of unseasonable or extreme weather on our business;
- possible adverse effects from disruptions to the worldwide supply chain;
- price, availability and quality of materials used in our products;
- the need to protect our trademarks and other intellectual property;
- risk that our licensees may not generate expected sales or maintain the value of our brands;
- the impact of the current economic and credit environment on us, our customers, suppliers and vendors, including without limitation, the effects of inflationary cost pressures and higher interest rates;
- effects of war, acts of terrorism, natural disasters or public health crises could adversely affect our business and results of operations, including the wars in Ukraine and the Middle East;
- our dependence on foreign manufacturers;

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- risks of expansion into foreign markets, conducting business internationally and exposures to foreign currencies;
- risks related to the implementation of the national security law in Hong Kong;
- the need to successfully upgrade, maintain and secure our information systems;
- increased exposure to consumer privacy, cybersecurity and fraud concerns, including as a result of a remote working environment;
- possible adverse effects of data security or privacy breaches;
- the impact on our business of the imposition of tariffs by the United States government and the escalation of trade tensions between countries;
- changes in tax legislation or exposure to additional tax liabilities that could impact our business;
- the effect of regulations applicable to us as a U.S. public company;
- focus on corporate responsibility issues by stakeholders;
- potential effect on the price of our stock if actual results are worse than financial forecasts or if we are unable to provide financial forecasts;
- fluctuations in the price of our common stock;
- impairment of our trademarks or other intangibles may require us to record charges against earnings; and
- risks related to our indebtedness.

Any forward-looking statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. A detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations is described under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended January 31, 2024. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Overview

G-III designs, sources and markets an extensive range of apparel, including outerwear, dresses, sportswear, swimwear, women's suits and women's performance wear, as well as women's handbags, footwear, small leather goods, cold weather accessories and luggage. G-III has a substantial portfolio of more than 30 licensed and proprietary brands, anchored by our key brands: DKNY, Donna Karan, Karl Lagerfeld, Nautica and Halston, as well as other major brands that currently drive our business, including Calvin Klein and Tommy Hilfiger. We distribute our products through multiple channels and in markets located in a variety of geographies.

Our own proprietary brands include DKNY, Donna Karan, Karl Lagerfeld, Karl Lagerfeld Paris, Vilebrequin, G.H. Bass, Eliza J, Jessica Howard, Andrew Marc, Marc New York, Wilsons Leather and Sonia Rykiel. We have an extensive portfolio of well-known licensed brands, including Calvin Klein, Tommy Hilfiger, Nautica, Halston, Levi's, Kenneth Cole, Cole Haan, Vince Camuto, Dockers, Champion, Converse and Champion BCBG. Through our team sports business, we have licenses with the National Football League, National Basketball Association, Major League Baseball, National Hockey League and over 150 U.S. colleges and universities. We also source and sell products to major retailers for their own private label programs.

Our products are sold through a cross section of leading retailers such as Macy's, including its Bloomingdale's division, Dillard's, Hudson's Bay Company, including its Saks Fifth Avenue division, Nordstrom, Kohl's, TJX Companies, Ross Stores, Burlington and Costco. We also sell our products using digital channels through retail partners such as macy's.com, nordstrom.com and dillards.com, each of which operates significant digital businesses. In addition, we sell to leading online retail partners such as Amazon, Fanatics, Zalando and Zappos.

We also distribute apparel and other products directly to consumers through our own DKNY, Karl Lagerfeld, Karl Lagerfeld Paris and Vilebrequin retail stores, as well as through our digital sites for our DKNY, Donna Karan, Karl Lagerfeld, Karl Lagerfeld Paris, Vilebrequin, G.H. Bass, Wilsons Leather and Sonia Rykiel brands.

We operate in fashion markets that are intensely competitive. Our ability to continuously evaluate and respond to changing consumer demands and tastes, across multiple market segments, distribution channels and geographic areas is critical to our success. Although our portfolio of brands is aimed at diversifying our risks in this regard, misjudging shifts in consumer preferences could have a negative effect on our business. Our continued success depends on our ability to design products

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that are accepted in the marketplace, source the manufacture of our products on a competitive basis and continue to diversify our product portfolio and the markets we serve.

We believe that consumers prefer to buy brands they know, and we have continually sought to increase the portfolio of name brands we can offer through different tiers of retail distribution, for a wide array of products at a variety of price points. We have increased the portfolio of brands we offer through licenses, acquisitions and joint ventures. It is our objective to continue to expand our product offerings and we are continually discussing new licensing opportunities with brand owners and seeking to acquire established brands.

Recent Developments

Repositioning and Expansion of Donna Karan

We acquired the DKNY and Donna Karan brands, two of the most iconic American fashion brands, in December 2016. We initially repositioned and relaunched DKNY and we have successfully grown the brand. In February 2024, we relaunched the Donna Karan brand with new designs supported by a powerful ad campaign and an updated digital experience. Our new Donna Karan product is currently being distributed in the United States through our diversified distribution network, including better department stores, digital channels and our own Donna Karan website.

We intend to continue to focus on several initiatives to continue the momentum and invest in marketing to further drive awareness of the Donna Karan brand, as well as to expand the brand into complementary categories through licensing. Donna Karan is widely considered to be a top fashion brand and is recognized as one of the most famous designer names in American fashion. We believe that the strength of the Donna Karan brand, along with our success with the DKNY brand, demonstrates the potential for our new Donna Karan products.

Investment in AWWG

In May 2024, we acquired a 12.1% minority interest in AWWG Investments B.V. ("AWWG") for €50 million (\$53.6 million). AWWG is a global fashion group and premier platform for international brands. AWWG owns a portfolio of brands including Hackett, Pepe Jeans and Façonné. In July 2024, we acquired an additional 6.6% minority interest in AWWG for €27.1 million (\$29.1 million), increasing our total ownership interest to approximately 18.7%. We intend to leverage AWWG's expertise with AWWG becoming the agent for Karl Lagerfeld, DKNY and Donna Karan in Spain and Portugal. This investment is intended to accelerate several leverage AWWG's expertise and provide for synergies to support our international expansion priority through the development of our priorities including expanding our international business and identifying opportunities for growth of our owned brands, operational platform in Europe.

License Agreements

In fiscal 2025, we entered into license agreements for (i) men's and women's apparel under the Converse brand and (ii) women's apparel under the BCBG brand. In fiscal 2024, we entered into license agreements (i) for women's apparel under the Nautica brand, (ii) to design and produce all categories of men's and women's product for the Halston brand and (iii) to design and produce men's and women's outerwear collections for the Champion brand.

Each of these license agreements include an initial term of five-years with certain renewal options. The products produced under these license agreements is distributed, or expected to be distributed, in North America through our diversified distribution network, including better department stores, digital channels, as well as other channels. Additionally, our Halston and Converse product is expected to be distributed globally. First deliveries of our Converse and BCBG products are expected to begin in Fall 2025. First deliveries of our Nautica product began in Spring 2024, and Halston and Champion product began in Fall 2024.

We believe that significant opportunity exists in the categories subject to these license agreements where we have strong expertise, and the products produced, or expected to be produced, under these license agreements align with G-III's core competencies.

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Third Amended and Restated ABL Credit Agreement

In June 2024, our subsidiaries, G-III Leather Fashions, Inc., Riviera Sun, Inc., AM Retail Group, Inc. and The Donna Karan Company Store LLC (collectively, the "Borrowers"), entered into the third amended and restated credit agreement (the "Third ABL Credit Agreement") with the lenders named therein and with JPMorgan Chase Bank, N.A., as administrative agent. The Third ABL Credit Agreement is a five-year senior secured asset-based revolving credit facility providing for borrowings in an aggregate principal amount of up to \$700 million. We and certain of our wholly-owned domestic subsidiaries, as well as G-III Apparel Canada ULC (collectively, the "Guarantors"), are guarantors under the Third ABL Credit Agreement.

The Third ABL Credit Agreement amends and restates the Second Amended Credit Agreement, dated as of August 7, 2020 (as amended, supplemented or otherwise modified from time to time prior to June 4, 2024, the "Second Credit Agreement"), by and among the Borrowers and the Guarantors, the lenders from time-to-time party thereto, and JPMorgan Chase Bank, N.A., in its capacity as the administrative agent thereunder. The Second Credit Agreement provided for borrowings of up to \$650 million and was due to expire on August 7, 2025. The Third ABL Credit Agreement extends the maturity date to June 2029, subject to a springing maturity date as defined within the credit agreement.

Amounts available under the Third ABL Credit Agreement are subject to borrowing base formulas and overadvances as specified in the Third ABL Credit Agreement. Borrowings bear interest, at the Borrowers' option, at Adjusted Term Secured Overnight Financing Rate ("SOFR") plus a margin of 1.50% to 2.00%, or the alternate base rate plus a margin of 0.50% to 1.00% (defined as the greatest of (i) the "prime rate" of JPMorgan Chase Bank, N.A. from time to time, (ii) the federal funds rate plus 0.5% and (iii) SOFR for a borrowing with an interest period of one month plus 1.00%), with the applicable margin determined based on the Borrowers' average daily availability under the Third ABL Credit Agreement. The Third ABL Credit Agreement is secured by specified assets of the Borrowers and the Guarantors.

Senior Secured Notes Redemption

In August 2024, we used cash on hand and borrowings from our revolving credit facility to make a \$400.7 million **voluntary** payment to **voluntarily** redeem the entire \$400 million principal amount of our **7.875%** Senior Secured Notes due August 2025 (the "Notes") at a redemption price equal to 100% of the principal amount of the Notes plus accrued and **unpaid** interest.

Segments

We report based on two segments: wholesale operations and retail operations.

Our wholesale operations segment includes sales of products to retailers under owned, licensed and private label brands, as well as sales related to the Karl Lagerfeld and Vilebrequin businesses, including from retail stores operated by Vilebrequin and Karl Lagerfeld, other than sales of product under the Karl Lagerfeld Paris brand generated by our retail stores and digital sites. Wholesale revenues also include royalty revenues from license agreements related to our owned trademarks including DKNY, Donna Karan, Karl Lagerfeld, G.H. Bass, Andrew Marc, Vilebrequin and Sonia Rykiel.

Our retail operations segment consists primarily of direct sales to consumers through our company-operated stores and product sales through our digital sites for the DKNY, Donna Karan, Karl Lagerfeld Paris, G.H. Bass and Wilsons Leather brands. Our company-operated stores primarily consist of DKNY and Karl Lagerfeld Paris retail stores, substantially all of which are operated as outlet stores.

Trends Affecting Our Business

Industry Trends

Significant trends that affect the apparel industry include retail chains closing unprofitable stores, an increased focus by retail chains and others on expanding digital sales and providing convenience-driven fulfillment options, the continued consolidation of retail chains and the desire on the part of retailers to consolidate vendors supplying them.

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We distribute our products through multiple channels, including online through retail partners such as macy's.com, nordstrom.com and dillards.com, each of which has a substantial online business. As sales of apparel through digital channels continue to increase, we are developing additional digital marketing initiatives on both our web sites and third party web sites and through social media. We are investing in digital personnel, marketing, logistics, planning, distribution and other strategic opportunities to expand our digital footprint. Our digital business consists of our own web platforms at www.dkny.com, www.donnakaran.com, www.ghbass.com, www.vilebrequin.com, www.wilsonsleather.com, www.soniarykiel.com, www.karllagerfeldparis.com and www.karl.com. In addition, we sell to leading online retail partners such as Amazon, Fanatics, Zalando and Zappos.

A number of retailers have experienced financial difficulties, which in some cases have resulted in bankruptcies, liquidations and/or store closings. The financial difficulties of a retail customer of ours could result in reduced business with that customer. We may also assume higher credit risk relating to receivables of a retail customer experiencing financial difficulty that could result in higher reserves for doubtful accounts or increased write-offs of accounts receivable. We attempt to mitigate credit risk from our customers by closely monitoring accounts receivable balances and shipping levels, as well as the ongoing financial performance and credit standing of customers.

Retailers are seeking to differentiate their offerings by devoting more resources to the development of exclusive products, whether by focusing on their own private label products or on products produced exclusively for a retailer by a national brand manufacturer. Exclusive brands are only made available to a specific retailer. As a result, customers loyal to their brands can only find them in the stores of that retailer.

We have attempted to respond to general trends in our industry by continuing to focus on selling products with recognized brand equity, by attention to design, quality and value and by improving our sourcing capabilities. We have also responded with the strategic acquisitions made by us, such as our purchase of the interests not previously owned by us that resulted in Karl Lagerfeld becoming our wholly-owned subsidiary, and new license agreements entered into by us, such as our recent license agreements for the Nautica, Halston, Champion and Champion brands. Converse brands and investments to accelerate our strategic priorities, such as our investment in AWWG. Our actions added to our portfolio of licensed and proprietary brands and helped diversify our business by adding new product lines and expanding distribution channels. We believe that our broad distribution capabilities help us to respond to the various shifts by consumers between distribution channels and that our operational capabilities will enable us to continue to be a vendor of choice for our retail partners.

Political Environment

In November 2024, the U.S. presidential election resulted in the election of a new president and administration that will take effect in January 2025. The potential impact of new policies that may be implemented as a result of the new administration is currently uncertain. Any resulting changes in international trade relations, legislation and regulations (including those related to taxation and importation), economic and monetary policies, heightened diplomatic tensions or political and civil unrest, among other potential impacts, could adversely impact the global economy and our operating results.

Tax Laws and Regulations

In December 2022, the Council of the European Union ("EU") announced that EU member states reached an agreement to implement the minimum tax component of the Organization for Economic Co-operation and Development's international tax reform initiative, known as Pillar Two. The Pillar Two Model Rules provide for a global minimum tax of 15% for multinational enterprise groups, and is effective for fiscal 2025. While we do not expect these rules to have a material impact on our effective tax rate or financial results, we will continue to monitor evolving tax legislation in the jurisdictions in which we operate.

In August 2022, the Inflation Reduction Act of 2022 ("IRA") was signed into law which contains several tax-related provisions. Among other effects, the IRA created an excise tax of 1% on stock repurchases by publicly traded U.S. corporations effective after December 31, 2022. The excise tax on common stock repurchases is classified as an additional cost of the stock acquired included in treasury stock in shareholders' equity. The excise tax did not have a material impact on our results of operations and cash flows as of and for the six nine months ended July 31, 2024 October 31, 2024.

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Inflation and Interest Rates

Inflationary pressures have impacted the entire economy, including our industry. Recent high rates of inflation, including increased fuel and food prices, have led to a softening of consumer demand and increased promotional activity in the apparel categories we sell. Ongoing inflation may lead to further challenges to increase our sales and may also negatively impact our cost structure and labor costs in the future.

The Federal Reserve raised interest rates several times in fiscal 2024 in response to concerns about inflation and has maintained inflation. The Federal Reserve recently decreased interest rates in the third quarter of fiscal 2025, however it is unclear whether the Federal Reserve will further reduce interest rates, maintain the current high rates thus far or raise interest rates in fiscal 2025, the future. Higher interest rates increase the cost of our borrowing under our

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revolving credit facility, may increase economic uncertainty and may negatively affect consumer spending. Volatility in interest rates may adversely affect our business or our customers. If the equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult to obtain in a timely manner or on favorable terms, or at all.

Foreign currency fluctuation *Currency Fluctuation*

Our consolidated operations are impacted by the relationships between our reporting currency, the U.S. Dollar, and those of our non-United States subsidiaries whose functional/local currency is other than the U.S. Dollar, primarily the Euro. Volatility in the global foreign currency exchange rates may have a negative impact on the reported results of certain of our non-United States subsidiaries in the future, when translated to the U.S. Dollar.

Supply Chain

In fiscal 2024, The global supply chain continues to be negatively impacted by various factors, including the Panama Canal experienced severe drought conditions which forced the canal to reduce the number of vessels transiting through it on a daily basis by approximately one-third. In addition, conflicts ongoing disruptions in the Middle East have caused major disruptions to global supply chains by impacting critical shipping routes through the Suez Canal and Red Sea, for cargo, adding time and cost to shipments. While limits to the number of daily vessel transits at the Panama Canal have continued to ease in fiscal 2025, our supply chain is impacted by the port congestion and capacity shortages in Asia. Transit times Asia and transportation costs have increased to destinations recent and threatened port strikes on the east coast U.S. East and Gulf coasts and in Canada. Although our business has not been significantly impacted by such disruptions, we have experienced some shipping delays impacting the timing of the United States and Europe, inventory receipts. These delays have not yet resulted in a significant loss of customer sales and the increase in transportation costs to North America has not yet been significant. We anticipate increases in our have incurred and will continue to incur increased shipping costs into North America and Europe in the second half of fiscal 2025.

We continue to monitor supply chain challenges and coordinate with our partners to divert or adjust routes and destinations accordingly to ensure timely delivery of our product.

International Conflicts

We are monitoring the direct and indirect impacts from the military conflicts between Russia and Ukraine and between Israel and Hamas, as well as other confrontations in the Middle East related to the Israel and Hamas conflict. These international conflicts and the continued threat of terrorism, heightened security measures and military action in response to acts of terrorism or civil unrest have disrupted commerce and intensified concerns regarding the United States and world economies. Our sales in Russia, Ukraine and Israel are not material to our financial results. However, the imposition of additional sanctions by the United States and/or foreign governments, as well as the sanctions already in place, could lead to restrictions related to sales and our supply chain for which the financial impact is uncertain. In addition, the continuation or escalation of these international conflicts, including the potential for additional countries to declare war against each other, may lead to further, broader unfavorable macroeconomic conditions, including unfavorable foreign exchange rates, increases in fuel prices, food shortages, a weakening of the worldwide economy, lower consumer demand and volatility in financial markets. The possible effects of these international conflicts could have a material adverse effect on our business and our results of operations.

Results of Operations

Three months ended July 31, 2024 October 31, 2024 compared to three months ended July October 31, 2023

Net sales for the three months ended July 31, 2024 October 31, 2024 increased to \$1.09 billion from \$1.07 billion in the same period last year. Net sales of our segments are reported before intercompany eliminations.

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Net sales of our wholesale operations segment increased to \$1.07 billion for the three months ended October 31, 2024 from \$1.05 billion in the comparable period last year. This increase was primarily the result of an increase in net sales of our DKNY and Karl Lagerfeld products, as well as our Donna Karan products and Nautica denim licensed products that primarily started shipping during the current year. The increase in sales of DKNY products was primarily related to performance wear, sportswear and denim categories. The increase in sales of Karl Lagerfeld products was primarily related to women's suits, shoes, handbags and outerwear. These increases were partially offset by decreases in net sales of Calvin Klein and Tommy Hilfiger licensed products.

Net sales of our retail operations segment were \$42.3 million for the three months ended October 31, 2024 compared to \$32.7 million in the same period last year. The number of retail stores operated by us decreased from 62 at October 31, 2023 to \$644.8 million 51 at October 31, 2024. The increase in sales in our retail operations segment was the result of increased sales at our Karl Lagerfeld Paris and DKNY stores. Comparable store sales, which include both stores and digital channels, increased by high double digits at our Karl Lagerfeld Paris and DKNY stores compared to the same period in the prior year.

Gross profit was \$432.1 million, or 39.8% of net sales, for the three months ended October 31, 2024, compared to \$433.4 million, or 40.6% of net sales, in the same period last year. The gross profit percentage in our wholesale operations segment was 38.4% in the three months ended October 31, 2024 compared to 39.6% in the same period last year. The gross profit percentage in the current year period decreased due to product mix, partially offset by an increased proportion of sales of product related to our owned brands which have no royalty costs and thus result in a higher gross profit percentage. The gross profit percentage in our retail operations segment was 52.3% for the three months ended

October 31, 2024 compared to 49.1% for the same period last year. The gross profit percentage in the current year period was positively impacted by product mix with a higher gross profit percentage.

Selling, general and administrative expenses increased to \$259.2 million in the three months ended October 31, 2024 from \$659.8 million \$236.3 million in the same period last year. The increase in expenses was primarily due to increases of \$12.0 million in compensation expenses, primarily due to an increase in salaries and bonus expense accrals, \$9.0 million in advertising expenses, primarily due to the relaunch of the Donna Karan brand and higher spending on the DKNY brand which was partially offset by reduced royalty advertising expenses resulting from lower net sales of licensed product, and \$1.6 million in third-party warehouse and facility expenses

Depreciation and amortization was \$6.6 million for both the three months ended October 31, 2024 and 2023.

Other income was \$0.9 million in the three months ended October 31, 2024 compared to other loss of \$3.1 million in the same period last year. Other income in the current period was impacted by \$0.3 million of income from unconsolidated affiliates during the current year period compared to \$2.7 million of losses from unconsolidated affiliates in the same period last year. Additionally, other income in the current period was impacted by \$0.5 million of foreign currency income during the current year period compared to \$0.4 million of foreign currency losses in the same period last year.

Interest and financing charges, net, for the three months ended October 31, 2024 were \$6.4 million compared to \$11.0 million in the same period last year. The decrease in interest and financing charges was primarily due to a \$4.3 million decrease in interest charges resulting from the redemption of the entire \$400 million principal amount of the Notes in August 2024 that was partially offset by increased interest charges from higher average borrowings under our revolving credit facility in the current year period. Additionally, there was a decrease of \$0.7 million in interest charges related to the LVMH Note as a result of the repayment of \$125 million in principal of this Note in fiscal 2024. These decreases were partially offset by a \$1.6 million charge to interest expense from extinguished debt issuance costs upon the redemption of the Notes.

Income tax expense was \$46.2 million for the three months ended October 31, 2024 compared to \$48.8 million for the same period last year. Our effective tax rate increased to 28.7% in the current year's quarter from 27.7% in last year's comparable quarter. The higher effective tax rate in the current year period is primarily due to the impact of permanent tax adjustments on the annual effective tax rate.

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Nine months ended October 31, 2024 compared to nine months ended October 31, 2023

Net sales for the nine months ended October 31, 2024 increased to \$2.34 billion from \$2.33 billion in the same period last year. Net sales of our segments are reported before intercompany eliminations.

Net sales of our wholesale operations segment decreased to \$620.3 million was \$2.28 billion for both the three nine months ended July 31, 2024 from \$639.2 million in the comparable period last year. This decrease October 31, 2024 and 2023. There was primarily the result of a decrease in net sales of Calvin Klein and Tommy Hilfiger licensed products. These decreases were partially offset by the relaunched Donna Karan products that started shipping during the current year. These decreases were also offset by increases in net sales of our DKNY and Karl Lagerfeld products, as well as our Donna Karan products and Nautica denim licensed products that primarily started shipping during the current year. The increase in sales of DKNY products was primarily related to performance wear, sportswear and denim categories. The increase in sales of Karl Lagerfeld products was primarily related to women's suits, shoes, handbags and handbags.

Additionally, the decreases sportswear. These increases were also partially offset by the recently launched Nautica denim decreases in net sales of Calvin Klein and Tommy Hilfiger licensed products that primarily started shipping during the current year. products.

Net sales of our retail operations segment were \$37.2 million \$110.1 million for the three nine months ended July 31, 2024 October 31, 2024 compared to \$34.3 million \$97.3 million in the same period last year. The number of retail stores operated by us decreased from 59 62 at July 31, 2023 October 31, 2023 to 50 51 at July 31, 2024 October 31, 2024. The increase in sales in our retail operations segment was the result of increased sales at our Karl Lagerfeld Paris stores, partially offset by decreased sales at our DKNY stores. Comparable store sales, which include both stores and digital channels, increased by low double digits at our Karl Lagerfeld Paris and DKNY stores compared to the same period in the prior year.

Gross profit was \$275.9 million \$966.9 million, or 42.8% 41.3% of net sales, for the three nine months ended July 31, 2024 October 31, 2024, compared to \$276.7 million \$959.9 million, or 41.9% 41.1% of net sales, in the same period last year. The gross profit percentage in our wholesale operations segment was 41.2% 39.8% in the three nine months ended July 31, 2024 October 31, 2024 compared to 40.6% 40.0% in the same period last year. The gross profit percentage in the current year period was positively impacted by a shift in sales to product related to our owned brands which have no royalty costs, as well as a more favorable product mix. The gross profit percentage in our retail operations segment was 54.4% 51.5% for the three nine months ended July 31, 2024 October 31, 2024 compared to 50.5% 50.2% for the same period last year. The gross profit percentage in the current year period was positively impacted by product mix with a decrease in promotional activity. higher gross profit percentage.

Selling, general and administrative expenses decreased increased to \$229.0 million \$724.9 million in the three nine months ended July 31, 2024 October 31, 2024 from \$239.2 million \$703.5 million in the same period last year. The decrease increase in expenses was primarily due to decreases of \$4.4 million in third-party warehouse and facility expenses associated with carrying lower levels of inventory and \$4.1 million in advertising expenses due to reduced royalty advertising expenses resulting from lower net sales of licensed product as well as additional advertising expenses in last year's quarter related to the Met Gala. The decrease in expenses was also due to a \$2.1 million decrease in compensation expenses, primarily due to lower bonus expense accruals.

Depreciation and amortization was \$5.4 million for the three months ended July 31, 2024 compared to \$6.0 million in the same period last year.

Other loss was \$3.0 million in the three months ended July 31, 2024 compared to other income of \$0.2 million in the same period last year. Other loss in the current period was impacted by \$2.2 million of losses from unconsolidated affiliates during the current year period compared to \$0.5 million of such losses in the same period last year. Additionally, other loss in the current period was impacted by \$1.3 million of foreign currency loss during the current year period compared to \$0.7 million of foreign currency income in the same period last year. Other loss in the current period also included a \$0.6 million gain on the forgiveness of certain liabilities related to the acquisition of the minority interest of Fabco.

Interest and financing charges, net, for the three months ended July 31, 2024 were \$4.9 million compared to \$9.5 million in the same period last year. The decrease in interest and financing charges was primarily due to a \$3.0 million increase in investment income from having a larger cash position in fiscal 2025 compared to fiscal 2024 and a decrease of \$1.1 million in interest charges related to the LVMH Note as a result of the repayment of \$125 million in principal of this Note in fiscal 2024.

Income tax expense was \$9.4 million for the three months ended July 31, 2024 compared to \$6.0 million for the same period last year. Our effective tax rate increased to 28.1% in the current year's quarter from 26.8% in last year's comparable quarter. The lower effective tax rate in the prior year period was due to discrete items in the quarter.

Six months ended July 31, 2024 compared to six months ended July 31, 2023

Net sales for the six months ended July 31, 2024 decreased to \$1.25 billion from \$1.27 billion in the same period last year. Net sales of our segments are reported before intercompany eliminations.

Net sales of our wholesale operations segment decreased to \$1.22 billion for the six months ended July 31, 2024 from \$1.23 billion in the comparable period last year. This decrease was primarily the result of a decrease in net sales of Calvin Klein and Tommy Hilfiger licensed products. These decreases were partially offset by the relaunched Donna Karan products that started shipping during the current year period. These decreases were also offset by increases in net sales of our DKNY and Karl Lagerfeld products. The increase in sales of DKNY products was primarily related to performance wear and sportswear. The increase in sales of Karl Lagerfeld products was primarily related to women's sportswear.

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handbags, suits, dresses and shoes. Additionally, the decreases were also partially offset by the recently launched Nautica denim licensed products that primarily started shipping during the current year period.

Net sales of our retail operations segment were \$67.7 million for the six months ended July 31, 2024 compared to \$64.6 million in the same period last year. The number of retail stores operated by us decreased from 59 at July 31, 2023 to 50 at July 31, 2024. The increase in sales in our retail operations segment was the result of increased sales at our Karl Lagerfeld Paris stores, partially offset by decreased sales at our DKNY stores.

Gross profit was \$534.8 million, or 42.6% of net sales, for the six months ended July 31, 2024, compared to \$526.5 million, or 41.6% of net sales, in the same period last year. The gross profit percentage in our wholesale operations segment was 41.1% in the six months ended July 31, 2024 compared to 40.3% in the same period last year. The gross profit percentage in the current year period was positively impacted by a shift in sales to product related to our owned brands which have no royalty costs, as well as a more favorable product mix. The gross profit percentage in our retail operations segment was 51.1% for the six months ended July 31, 2024 compared to 50.7% for the same period last year.

Selling, general and administrative expenses decreased to \$465.7 million in the six months ended July 31, 2024 from \$467.2 million in the same period last year. The decrease in expenses was primarily due to a decrease of \$9.9 million in third-party warehouse and facility expenses associated with carrying lower levels of inventory. This decrease was partially offset by increases of \$6.5 million \$15.5 million in advertising expenses, primarily related due to the relaunch of the Donna Karan brand and higher spending on the DKNY brand that was partially offset by reduced royalty advertising expenses resulting from lower net sales of licensed product, and \$1.3 million \$13.2 million in compensation expenses, primarily due to an increase in salaries. These increases were partially offset by a decrease of \$8.3 million in third-party warehouse and facility expenses associated with carrying lower levels of inventory.

Depreciation and amortization was \$14.1 million \$20.7 million for the six nine months ended July 31, 2024 October 31, 2024 compared to \$12.5 million \$19.1 million in the same period last year. This increase primarily results from higher depreciation and amortization related to information technology expenditures and fixturing costs at department stores.

Other loss was \$3.2 million \$2.2 million in the six nine months ended July 31, 2024 October 31, 2024 compared to other income of \$1.2 million in the same period last year. Other loss in the current period was impacted by \$3.1

million of losses from unconsolidated affiliates during the current year period compared to \$1.0 million of such losses in the same period last year. Additionally, other loss in the current period was impacted by \$0.7 million of foreign currency loss during the current year period compared to \$1.1 million of foreign currency income \$2.0 million in the same period last year.

Interest and financing charges, net, for the ~~six~~ nine months ended ~~July 31, 2024~~ October 31, 2024 were \$10.3 million \$16.7 million compared to \$21.6 million \$32.7 million in the same period last year. The decrease in interest and financing charges was primarily due to a ~~\$7.3 million~~ \$7.9 million increase in investment income from having a larger ~~average~~ cash position in fiscal 2025 compared to fiscal 2024. Additionally, there was a \$4.5 million decrease in interest charges resulting from the redemption of the entire \$400 million principal amount of the Notes in August 2024 and that was partially offset by increased interest charges from higher ~~average~~ borrowings under our revolving credit facility in the current year as well as a decrease of \$2.9 million \$3.6 million in interest charges related to the LVMH Note as a result of the repayment of \$125 million in principal of this Note in fiscal 2024. These decreases were partially offset by a \$1.6 million charge to interest expense from extinguished debt issuance costs upon the redemption of the Notes.

Income tax expense was \$11.8 million \$57.9 million for the ~~six~~ nine months ended July 31, 2024 October 31, 2024 compared to \$6.9 million \$55.7 million for the same period last year. Our effective tax rate increased to 28.3% 28.6% in the current year's period from 26.2% 27.5% in last year's comparable period. The ~~lower~~ higher effective tax rate in the ~~prior~~ current year period was due to ~~discrete items in the period~~ impact of permanent tax adjustments on the annual effective tax rate.

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Liquidity and Capital Resources

Cash Availability

We rely on our cash flows generated from operations, cash and cash equivalents and the borrowing capacity under our revolving credit facility to meet the cash requirements of our business. The cash requirements of our business are primarily related to the seasonal buildup in inventories, compensation paid to employees, occupancy, payments to vendors in the normal course of business, capital expenditures, interest payments on debt obligations and income tax payments. We have also used cash to repurchase our shares, make ~~minority~~ investments and redeem ~~our Senior Secured the~~ Notes.

As of ~~July 31, 2024~~ October 31, 2024, we had cash and cash equivalents of \$414.8 million \$104.7 million and availability under our revolving credit facility of approximately \$530 million \$480 million. As of ~~July 31, 2024~~ October 31, 2024, we were in compliance with ~~all~~ covenants under our ~~senior secured notes and~~ revolving credit facility. In August 2024, we used our cash and borrowings from our revolving credit facility to

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make a \$400.7 million ~~voluntary~~ payment to ~~voluntarily~~ redeem the entire principal amount of ~~our Senior Secured the~~ Notes plus accrued ~~and unpaid~~ interest.

Senior Secured Notes

In August 2020, we had previously completed a private debt offering of \$400 million aggregate principal amount of our 7.875% Senior Secured Notes due August 2025 (the "Notes"). The net proceeds of the Notes were used (i) to repay the \$300 million that was outstanding under our prior term loan facility that was due in 2022, (ii) to pay related fees and expenses and (iii) for general corporate purposes. Notes.

In August 2024, we used cash on hand and borrowings from our revolving credit facility to make a \$400.7 million voluntary \$400.7 million payment to voluntarily redeem the entire \$400 million principal amount of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest. At the date of redemption, we had unamortized debt issuance costs of \$1.6 million associated with the Notes. These debt issuance costs were fully extinguished and charged to interest expense in our results of operations.

Third Amended and Restated ABL Credit Agreement

On June 4, 2024, our subsidiaries, G-III Leather Fashions, Inc., Riviera Sun, Inc., AM Retail Group, Inc. and The Donna Karan Company Store LLC (collectively, the "Borrowers"), entered into the third amended and restated credit agreement (the "Third ABL Credit Agreement") with the lenders named therein and with JPMorgan Chase Bank, N.A., as administrative agent. The Third ABL Credit Agreement is a five-year senior secured asset-based revolving credit facility providing for borrowings in an aggregate principal amount of up to \$700 million. We and certain of our wholly-owned domestic subsidiaries, as well as G-III Apparel Canada ULC (collectively, the "Guarantors"), are guarantors under the Third ABL Credit Agreement.

The Third ABL Credit Agreement amends and restates the Second Amended Credit Agreement, dated as of August 7, 2020 (as amended, supplemented or otherwise modified from time to time prior to June 4, 2024, the "Second Credit Agreement"), by and among the Borrowers and the Guarantors, the lenders from time-to-time party thereto, and JPMorgan Chase Bank, N.A., in its capacity as the administrative agent thereunder. The Second Credit Agreement provided for borrowings of up to \$650 million and was due to expire on August 7, 2025. The Third ABL Credit Agreement extends the maturity date to June 2029, subject to a springing maturity date as defined within the credit agreement.

Amounts available under the Third ABL Credit Agreement are subject to borrowing base formulas and overadvances as specified in the Third ABL Credit Agreement. Borrowings bear interest, at the Borrowers' option, at Adjusted Term Secured Overnight Financing Rate ("SOFR") plus a margin of 1.50% to 2.00%, or the alternate base rate plus a margin of 0.50% to 1.00% (defined as the greatest of (i) the "prime rate" of JPMorgan Chase Bank, N.A. from time to time, (ii) the federal funds rate plus 0.5% and (iii) SOFR for a borrowing with an interest period of one month plus 1.00%), with the applicable margin determined based on the Borrowers' average daily availability under the Third ABL Credit Agreement. The Third ABL Credit Agreement is secured by specified assets of the Borrowers and the Guarantors. As of October 31, 2024, interest under the Third ABL Credit Agreement was being paid at an average rate of 6.57% per annum.

The Third ABL Credit Agreement is secured by specified assets of the Borrowers and the Guarantors. In addition to paying interest on any outstanding borrowings under the Third ABL Credit Agreement, we are required to pay a commitment fee to the lenders under the credit agreement with respect to the unutilized commitments. The commitment fee accrues at a tiered rate equal to 0.375% per annum on the average daily amount of the available commitments when the average usage

is less than 50% of the total available commitments and decreases to 0.25% per annum on the average daily amount of the available commitments when the average usage is greater than or equal to 50% of the total available commitments.

The Third ABL Credit Agreement contains covenants that, among other things, restricts our ability to, subject to specified exceptions, incur additional debt; incur liens; sell or dispose of certain assets; merge with other companies; liquidate or dissolve the Company; acquire other companies; make loans, advances, or guarantees; and make certain investments. In certain circumstances, the revolving credit facility also requires us to maintain a fixed charge coverage ratio, as defined in the agreement, not less than 1.00 to 1.00 for each period of twelve consecutive fiscal months. As of **July 31, 2024** **October 31, 2024**, we were in compliance with these covenants.

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As of **July 31, 2024** **October 31, 2024**, we had **no** **\$210.1 million** in borrowings outstanding under the Third ABL Credit Agreement. The Third ABL Credit Agreement also includes amounts available for letters of credit. As of **July 31, 2024** **October 31, 2024**, there were outstanding trade and standby letters of credit amounting to **\$6.3 million** **\$6.2 million** and **\$2.9 million**, respectively.

At the date of the refinancing of the Second ABL Credit Agreement, we had \$1.9 million of unamortized debt issuance costs remaining from the Second ABL Credit Agreement. There was no extinguishment of any amount of the unamortized debt issuance costs remaining from the Second ABL Credit Agreement. We incurred new debt issuance costs totaling \$3.8 million related to the Third ABL Credit Agreement. We have a total of \$5.6 million debt issuance costs related to our Third ABL Credit Agreement. As permitted under ASC 835, the debt issuance costs have been deferred and are presented as an asset which is amortized ratably over the term of the Third ABL Credit Agreement.

LVMH Note

We issued to LVMH, as a portion of the consideration for the acquisition of DKI, a junior lien secured promissory note in favor of LVMH in the principal amount of \$125 million (the "LVMH Note") that bore interest at the rate of 2% per year. \$75 million of the principal amount of the LVMH Note was paid on June 1, 2023 and the remaining \$50 million of such principal amount was paid on December 1, 2023.

Based on an independent valuation, it was determined that the LVMH Note should be treated as having been issued at a discount of \$40 million in accordance with ASC 820—*Fair Value Measurements*. This discount was amortized as interest expense using the effective interest method over the term of the LVMH Note.

Unsecured Loans

Several of our foreign entities borrow funds under various unsecured loans of which a portion is to provide funding for operations in the normal course of business while other loans are European state backed loans that were part of COVID-19 relief programs. In the aggregate, we are currently required to make quarterly installment payments of principal in the amount of €0.6 million. Interest on the outstanding principal amount of the unsecured loans accrues at a fixed rate equal to 0% to 5.0% per annum, payable on either a quarterly or monthly basis. As of **July 31, 2024** **October 31, 2024**, the Company had an aggregate outstanding balance of **€7.2 million** **€6.0 million** (**\$7.8 million**) under these various unsecured loans.

Overdraft Facilities

During fiscal 2021 and 2025, certain of the Company's foreign entities entered into overdraft facilities that allow for applicable bank accounts to be in a negative position up to a certain maximum overdraft. These uncommitted overdraft facilities with HSBC Bank allow for an aggregate maximum overdraft of €10 million. Interest on drawn balances accrues at a rate equal to the Euro Interbank Offered Rate plus a margin of 1.75% per annum, payable quarterly. The facility may be cancelled at any time by the Company or HSBC Bank. As part of a COVID-19 relief program, certain of the Company's foreign entities have also entered into several state backed overdraft facilities with UBS Bank in Switzerland for an aggregate of CHF 4.7 million at varying interest rates of 0% to 0.5%. As of **July 31, 2024** **October 31, 2024**, the Company had an aggregate of **€7.4 million** **€4.1 million** **(\$7.9 4.6 million)** drawn under these various facilities.

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Foreign Credit Facility

KLH has a credit agreement with ABN AMRO Bank N.V. with a credit limit of €15.0 million which is secured by specified assets of KLH. Borrowings bear interest at the Euro Interbank Offered Rate plus a margin of 1.7%. As of **July 31, 2024** **October 31, 2024**, KLH had **no an aggregate balance of €2.0 million (\$2.2 million)** in borrowings outstanding under this credit facility.

Outstanding Borrowings

Our primary operating cash requirements are to fund our seasonal buildup in inventories and accounts receivable, primarily during the second and third fiscal quarters each year. Due to the seasonality of our business, we generally reach our peak borrowings under our asset-based credit facility during our third fiscal quarter. The primary sources to meet our operating cash requirements have been borrowings under this credit facility and cash generated from operations.

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We had **\$210.1 million** in borrowings outstanding under our Third ABL Credit Agreement at **October 31, 2024** and **no** borrowings outstanding under our Third ABL Credit Agreement at **July 31, 2024** and **2023**, **respectively**. **October 31, 2023**. We redeemed the entire **\$400 million** principal amount of the Notes in **August 2024**. We had **\$400 million** in borrowings outstanding under the Notes at **July 31, 2024** and **2023**, **respectively**. **October 31, 2023**. Our contingent liability under open letters of credit was approximately **\$9.1 million** **\$9.0 million** and **\$6.7 million** **\$4.9 million** at **July 31, 2024** **October 31, 2024** and **2023**, respectively. At **July 31, 2023** **October 31, 2023**, we had **\$50 million** of face value principal amount outstanding under the LVMH Note. The amount outstanding under the LVMH Note was repaid during fiscal 2024. We had an aggregate of **€7.2 million** **€6.0 million** **(\$7.8 7.3 million)** and **€9.1 million** **€8.6 million** **(\$9.9 9.1 million)** outstanding under the Company's various unsecured loans as of **July 31, 2024** **October 31, 2024** and **2023**, respectively. We had **€7.4 million** **€4.1 million** **(\$7.9 4.6 million)** and **€2.0 million** **€1.8 million** **(\$2.2 1.9 million)** outstanding under our various

overdraft facilities as of **July 31, 2024** **October 31, 2024** and 2023, respectively. We had **no borrowings** **€2.0 million** (**\$2.2 million**) and **€3.9 million** (**\$4.2 million**) outstanding under **KLH's** **our** foreign credit facility as of **July 31, 2024**. We had **€7.5 million** (**\$8.2 million**) outstanding under **KLH's** foreign credit facility as of **July 31, 2023**. **October 31, 2024** and 2023, respectively.

Share Repurchase Program

In August 2023, our Board of Directors authorized an increase in the number of shares covered by our share repurchase program to an aggregate amount of 10,000,000 shares. Pursuant to this program, during the **six** **nine** months ended **July** **October** 2024, we acquired 2,209,832 of our shares of common stock for an aggregate purchase price of \$60.0 million, excluding excise tax. The timing and actual number of shares repurchased, if any, will depend on a number of factors, including market conditions and prevailing stock prices, and are subject to compliance with certain covenants contained in our loan agreement. Share repurchases may take place on the open market, in privately negotiated transactions or by other means, and would be made in accordance with applicable securities laws. As of **July 31, 2024** **October 31, 2024**, we had remaining 7,790,168 shares that are authorized for purchase under this program. As of **September 3, 2024** **December 5, 2024**, we had **43,884,544** **43,886,707** shares of common stock outstanding.

Cash from Operating Activities

We **generated** **\$94.8 million** **used** **\$17.0 million** in cash from operating activities during the **six** **nine** months ended **July 31, 2024** **October 31, 2024**, primarily as a result of **increases** of **\$317.3 million** in **accounts receivable** and **\$12.0 million** in **inventories**. These items were offset, in part, by our **net income** of **\$30.0 million** **\$144.8 million**, an **increase** of **\$106.1 million** **\$80.6 million** in **accounts payable** and **accrued expenses**, and a **decrease** of **\$84.9 million** **\$23.2 million** in **accounts receivable**. We also **generated** **cash from operating activities** as a result of **income taxes** and **non-cash charges** relating primarily to depreciation and amortization of **\$14.1 million** **\$20.7 million** and **share-based compensation** of **\$12.1 million** **\$17.9 million**. These items were offset, in part, by **increases** of **\$90.1 million** in **inventories** and **\$20.6 million** in **income taxes**, as well as a **decrease** of **\$31.6 million** in **customer refund liabilities**.

The changes in operating cash flow items are **generally** consistent with our seasonal pattern of higher **sales** and building up **inventory** for the fall shipping season resulting in the **increase** **increases** in **accounts receivable**, **inventory** and **accounts payable**. The fall shipping season begins during the latter half of our second fiscal quarter. Our **accounts receivable** and **customer refund liabilities** decreased because we experience lower **sales** fiscal year ending January 31, 2023 experienced **inventory** levels that were unusually high due to supply chain challenges throughout the industry during fiscal 2023. This resulted in a reduction to our **inventories** as of October 31, 2023 as reflected in our **first** and **second quarters** than in our **third** and **fourth quarters**, **condensed** **consolidated** statement of cash flows.

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Cash from Investing Activities

We used **\$108.7 million** **\$117.6 million** of cash in investing activities during the **six** **nine** months ended **July 31, 2024** **October 31, 2024**, primarily as a result of our **\$82.7 million** **\$84.8 million** investment in AWWG. We also had **\$23.3 million** **\$31.8 million** in capital expenditures primarily related to information technology expenditures and fixturing costs at department stores.

Cash from Financing Activities

Net cash used by financing activities was ~~\$75.4 million~~ \$267.5 million during ~~six~~ nine months ended ~~July 31, 2024~~ October 31, 2024 primarily as a result of ~~\$400 million of cash used to redeem the entire principal amount of the Notes~~, ~~\$60.0 million of cash used to repurchase 2,209,832 shares of our common stock under our share repurchase program, excluding excise tax~~, ~~and \$7.5 million for taxes paid in connection with net share settlements of stock grants that vested and \$4.2 million vested~~. These items were offset, in part, by ~~net borrowings~~ proceeds of ~~\$210.1 million~~ under our ~~various foreign facilities~~, revolving credit facility.

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Critical Accounting Policies

Our discussion of results of operations and financial condition relies on our consolidated financial statements that are prepared based on certain critical accounting policies that require management to make judgments and estimates that are subject to varying degrees of uncertainty. We believe that investors need to be aware of these policies and how they impact our financial statements as a whole, as well as our related discussion and analysis presented herein. While we believe that these accounting policies are based on sound measurement criteria, actual future events can, and often do, result in outcomes that can be materially different from these estimates or forecasts.

The accounting policies and related estimates described in our Annual Report on Form 10-K for the year ended January 31, 2024 are those that depend most heavily on these judgments and estimates. As of ~~July 31, 2024~~ October 31, 2024, there have been no material changes to our critical accounting policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There are no material changes to the disclosure made with respect to these matters in our Annual Report on Form 10-K for the year ended January 31, 2024.

Item 4. Controls and Procedures.

[Evaluation of Disclosure Controls and Procedures](#)

Disclosure controls and procedures are designed only to provide "reasonable assurance" that the controls and procedures will meet their objectives. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected.

As of the end of the period covered by this report, our management, including our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, because of a material weakness in the Company's internal control over financial reporting as described below, our disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, as

appropriate to allow timely decisions regarding required disclosure, were not effective in making known to them material information relating to G-III required to be included in this report.

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Material Weakness in Internal Control

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual and interim financial statements will not be detected or prevented on a timely basis.

Within the KLH subsidiary, which represents approximately ~~10%~~ 7.8% of the total net sales of the Company for the ~~six~~ nine months ended ~~July 31, 2024~~ October 31, 2024, the Company identified a material weakness in the operating effectiveness of controls related to information technology general controls (ITGCs) over business applications that support the Company's financial reporting processes. Automated and manual business process controls that are dependent on the affected ITGCs were also deemed ineffective because they rely upon information and configurations from the affected IT systems.

We concluded that the material weakness did not result in any material misstatements in our financial statements or disclosures in the current year. Based on additional procedures and post-closing review, management concluded that the consolidated financial statements included in this Quarterly Report on Form 10-Q present fairly, in all material respects,

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our financial position, results of operations, and cash flows for the periods presented in conformity with accounting principles generally accepted in the United States.

Remediation Measures

Management, with oversight from the Audit Committee of the Board of Directors, has begun remedial actions and is developing a full plan designed to remediate these deficiencies. This plan may include, among other items, additional risk assessment procedures over information technology, enhancements to controls, and additional training related to the operational effectiveness of control procedures. These deficiencies will not be considered remediated until the remediation plan is complete, and controls have been operational for a sufficient period of time and successfully tested.

Changes in Internal Control over Financial Reporting

Other than the material weakness described above, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended ~~July 31, 2024~~ October 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II – OTHER INFORMATION

Item 1A. Risk Factors.

In addition to the other information set forth in this Quarterly Report, you should carefully consider the risk factors contained in "Item 1A.-Risk Factors" in our Annual Report on Form 10-K for the year ended January 31, 2024 (the "Annual Report"), which could materially affect our business, financial condition and/or future results. As of **July 31, 2024** **October 31, 2024**, there have been no material changes in our risk factors from those set forth in the Annual Report. The risks described in the Annual Report are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or future results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table provides information with respect to the Company's common stock that the Company repurchased, excluding excise tax, during the three months ended July 31, 2024.

Date Purchased	Total Number of Shares	Average Price Paid Per	Total Number of Share Purchased as Part of Publicly Announced Program (1)	Maximum Number of Shares that may yet be Purchased Under the Program (1)
	Purchased	Share	Program (1)	Under the Program (1)
May 1 - May 31, 2024	—	\$ —	—	8,970,496
June 1 - June 30, 2024	831,966	26.89	831,966	8,138,530
July 1 - July 31, 2024	348,362	26.57	348,362	7,790,168
	1,180,328	\$ 26.79	1,180,328	7,790,168

(1) In August 2023, our Board of Directors reapproved our previously authorized share repurchase program and increased the number of shares remaining under that program to 10,000,000 shares. This program has no expiration date. Repurchases under the program may be made from time to time through open market purchases, accelerated share repurchase programs, privately negotiated transactions or other methods, as we deem appropriate.

Item 5. Other Information

During the three months ended **July 31, 2024** **October 31, 2024**, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

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Item 6. Exhibits.

3.1	Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1, dated November 3, 1989).
3.1(a)	Certificate of Amendment of Certificate of Incorporation, dated June 8, 2006 (incorporated by reference to Exhibit 3.1 to the Company's Form 10-Q, dated September 13, 2006).
3.1(b)	Certificate of Amendment of Certificate of Incorporation, dated June 7, 2011 (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K, dated June 9, 2011).
3.1(c)	Certificate of Amendment of Certificate of Incorporation, dated June 30, 2015 (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K, dated July 1, 2015).
3.2	By-Laws, as amended, of G-III (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K, dated March 15, 2013).
10.1	Third Amended and Restated ABL Credit Agreement, dated as of June 4, 2024, among G-III Leather Fashions, Inc., Riviera Sun, Inc., AM Retail Group, Inc. and The Donna Karan Company Store LLC, as Borrowers, the other Borrowers party thereto, the Loan Guarantors party thereto, the Lenders party thereto and JPMorgan Chase Bank, N.A., as the Administrative Agent.
31.1*	Certification by Morris Goldfarb, Chief Executive Officer of G-III Apparel Group, Ltd., pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2024 October 31, 2024.
31.2*	Certification by Neal S. Nackman, Chief Financial Officer of G-III Apparel Group, Ltd., pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2024 October 31, 2024.
32.1**	Certification by Morris Goldfarb, Chief Executive Officer of G-III Apparel Group, Ltd., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2024 October 31, 2024.
32.2**	Certification by Neal S. Nackman, Chief Financial Officer of G-III Apparel Group, Ltd., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 2024 October 31, 2024.
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Schema Document.
101.CAL*	Inline XBRL Calculation Linkbase Document.
101.DEF*	Inline XBRL Extension Definition.
101.LAB*	Inline XBRL Label Linkbase Document.
101.PRE*	Inline XBRL Presentation Linkbase Document.
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** This certification is deemed furnished, and not filed, for purposes of section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

G-III APPAREL GROUP, LTD.
(Registrant)

Date: [September 6, 2024](#) [December 10, 2024](#)

By: [/s/ Morris Goldfarb](#)

Morris Goldfarb
Chief Executive Officer

Date: **September 6, 2024** **December 10, 2024**

By: **/s/ Neal S. Nackman**

Neal S. Nackman
Chief Financial Officer

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Exhibit 31.1

**CERTIFICATION PURSUANT TO
RULE 13a - 14(a) OR RULE 15d - 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Morris Goldfarb, certify that:

1. I have reviewed this quarterly report on Form 10-Q of G-III Apparel Group, Ltd.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **September 6, 2024** **December 10, 2024**

/s/ Morris Goldfarb

Exhibit 31.2

**CERTIFICATION PURSUANT TO
RULE 13a - 14(a) OR RULE 15d - 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Neal S. Nackman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of G-III Apparel Group, Ltd.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **September 6, 2024** December 10, 2024

/s/ Neal S. Nackman

Neal S. Nackman
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,**

AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of G-III Apparel Group, Ltd. (the "Company") on Form 10-Q for the quarterly period ended **July 31, 2024** **October 31, 2024**, as filed with the Securities and Exchange Commission (the "Report"), I, Morris Goldfarb, Chief Executive Officer of the Company, hereby certify that, to my knowledge, (a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Morris Goldfarb

Morris Goldfarb

Chief Executive Officer

Date: **September 6, 2024** **December 10, 2024**

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of G-III Apparel Group, Ltd. (the "Company") on Form 10-Q for the quarterly period ended **July 31, 2024** **October 31, 2024**, as filed with the Securities and Exchange Commission (the "Report"), I, Neal S. Nackman, Chief Financial Officer of the Company, hereby certify that, to my knowledge, (a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Neal S. Nackman

Neal S. Nackman

Chief Financial Officer

Date: **September 6, 2024** **December 10, 2024**

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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