

THIRD
QUARTER
2025

BUSINESS UPDATE

OCTOBER 27, 2025

carter's

OSHKOSH *Bigosh*

little planet.

Otter AVENUE.

SKIP*HOP

THIRD QUARTER 2025 RESULTS

GAAP BASIS

\$ in millions, except EPS

	Third Quarter 2025	<i>% of Net Sales</i>	Third Quarter 2024	<i>% of Net Sales</i>	Change
Net sales	\$758		\$758		0%
Gross profit	342	45.1%	356	46.9%	(4%)
Royalty income, net	5	0.7%	6	0.8%	(5%)
SG&A	318	42.0%	285	37.5%	12%
Operating income	29	3.8%	77	10.2%	(62%)
Interest expense & other, net	5	0.7%	5	0.7%	2%
Pension plan settlement	9	1.2%	1	0.1%	n/m
Income before taxes	15	2.0%	71	9.3%	(79%)
Income tax provision	3		12		(74%)
Net income	\$12	1.5%	\$58	7.7%	(80%)
Diluted EPS	\$0.32		\$1.62		(80%)
Weighted-average shares outstanding	35		35		0%
EBITDA ¹	\$33	4.4%	\$90	11.9%	(63%)

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

THIRD QUARTER YTD 2025 RESULTS

GAAP BASIS

\$ in millions, except EPS

	Third Quarter YTD 2025	<i>% of Net Sales</i>	Third Quarter YTD 2024	<i>% of Net Sales</i>	Change
Net sales	\$1,973		\$1,984		(1%)
Gross profit	914	46.4%	954	48.1%	(4%)
Royalty income, net	14	0.7%	15	0.8%	(6%)
SG&A	869	44.1%	798	40.2%	9%
Operating income	59	3.0%	172	8.6%	(66%)
Interest expense and other, net	13	0.6%	16	0.8%	(19%)
Pension plan settlement	9	0.4%	1	0.0%	n/m
Income before taxes	38	1.9%	155	7.8%	(76%)
Income tax provision	10		31		(67%)
Net income	\$28	1.4%	\$124	6.2%	(78%)
Diluted EPS	\$0.75		\$3.41		(78%)
Weighted-average shares outstanding	35		36		(1%)
EBITDA ¹	\$91	4.6%	\$213	10.7%	(57%)

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

Note: Results may not be additive due to rounding.

NON-GAAP ADJUSTMENTS¹

\$ in millions, except EPS

Third Quarter	2025				2024			
	Operating Income	% Net Sales	Net Income	Diluted EPS	Operating Income	% Net Sales	Net Income	Diluted EPS
As reported (GAAP)	\$29.1	3.8%	\$11.6	\$0.32	\$77.0	10.2%	\$58.3	\$1.62
Organizational restructuring	6.1		4.6	0.13	-		-	-
Operating model improvement costs	3.7		2.8	0.08	-		-	-
Leadership transition costs	0.5		0.4	0.01	-		-	-
Pension plan settlement	-		6.7	0.18	-		0.7	0.02
Deferred compensation plan termination	-		0.8	0.02	-		-	-
As adjusted	\$39.4	5.2%	\$26.8	\$0.74	\$77.0	10.2%	\$59.0	\$1.64

First Three Fiscal Quarters	2025				2024			
	Operating Income	% Net Sales	Net Income	Diluted EPS	Operating Income	% Net Sales	Net Income	Diluted EPS
As reported (GAAP)	\$59.2	3.0%	\$27.6	\$0.75	\$171.5	8.6%	\$124.0	\$3.41
Operating model improvement costs	13.5		10.2	0.29	-		-	-
Leadership transition costs	7.7		7.0	0.19	-		-	-
Organizational restructuring	6.1		4.6	0.13	-		-	-
Pension plan settlement	-		6.7	0.19	-		0.7	0.02
Deferred compensation plan termination	-		0.8	0.02	-		-	-
As adjusted	\$86.5	4.4%	\$56.9	\$1.57	\$171.5	8.6%	\$124.7	\$3.43

¹ Certain measures are presented on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP in Supplemental Information.

Note: Results may not be additive due to rounding.

ADJUSTED THIRD QUARTER 2025 RESULTS¹

\$ in millions, except EPS

	Third Quarter 2025	<i>% of Net Sales</i>	Third Quarter 2024	<i>% of Net Sales</i>	Change
Net sales	\$758		\$758		0%
Gross profit	342	45.1%	356	46.9%	(4%)
Royalty income, net	5	0.7%	6	0.8%	(5%)
Adjusted SG&A	308	40.6%	285	37.5%	8%
Adjusted operating income	39	5.2%	77	10.2%	(49%)
Interest expense and other, net	5	0.7%	5	0.7%	2%
Adjusted income before taxes	34	4.5%	72	9.5%	(53%)
Adjusted income tax provision	7		13		(44%)
Adjusted net income	\$27	3.5%	\$59	7.8%	(55%)
Adjusted diluted EPS	\$0.74		\$1.64		(55%)
Weighted-average shares outstanding	35		35		0%
Adjusted EBITDA	\$52	6.9%	\$91	12.0%	(43%)

¹ Certain measures are presented on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP in Supplemental Information.
Note: Results may not be additive due to rounding.

THIRD QUARTER 2025 SEGMENT RESULTS

\$ in millions

	Net Sales			Operating Income			Operating Margin	
	2025	2024	\$ Change	2025	2024	\$ Change	2025	2024
U.S. Retail	\$362	\$353	\$9	\$10	\$27	(\$17)	2.8%	7.7%
U.S. Wholesale	284	299	(15)	44	63	(19)	15.5%	21.1%
International	112	106	5	9	10	(1)	8.2%	9.6%
Total before Corporate expenses	758	758	-	63	101	(38)	8.3%	13.3%
Corporate expenses	-	-	-	(24)	(24)	-	(3.1%)	(3.1%)
Total¹	\$758	\$758	-	\$39	\$77	(\$38)	5.2%	10.2%

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

THIRD QUARTER 2025 PERFORMANCE – U.S. RETAIL

2025 vs. 2024

Sales

- **Net sales +3% vs. LY**
 - Favorable consumer acceptance of price increases: AUR +MSD, ATV +MSD (units down LSD)
- **Comparable sales +2%**
 - Second consecutive quarter of comparable sales growth
 - Growth driven by strong Labor Day sales period; positive comps in each month of the quarter
 - Growth in both Stores and eCommerce channels

Momentum

- **Fifth consecutive quarter of growth in:**
 - Baby (+HSD in Q3)
 - New customer acquisition
- **Strongest Toddler performance of the year (+LSD)**
- **Continued contribution from *Little Planet***

Profitability

- **Operating margin 2.8% (-490 bps vs. LY)**
 - Improvement in realized pricing
 - Tariff costs & investments in product make
 - Demand creation investment
 - Store cost deleverage

THIRD QUARTER SEGMENT PERFORMANCE

2025 vs. 2024

U.S. WHOLESALE

- **Net sales: -5% (units down MSD)**
 - Lower *Simple Joys* sales
 - Growth with the rest of Exclusive Brands book of business
 - Lower department store demand
- **Operating margin 15.5% (-560 bps vs. LY)**
 - Changes in customer mix
 - Higher tariff costs
 - Investments in product make
 - Expense deleverage

INTERNATIONAL

- **Net sales: +5% (units comparable)**
 - Strong growth in Mexico
 - Total sales +31%
 - Retail comp +16%
 - Canada total & Retail comp sales -2%
 - International Partners +10%
- **Operating margin 8.2% (-140 bps vs. LY)**
 - Higher realized pricing
 - Higher product costs
 - Higher variable compensation provisions & new store expenses

BALANCE SHEET & CASH FLOW

\$ in millions

Balance Sheet (Q3 End)

	2025	2024
Cash	\$184	\$176
Accounts receivable, net	238	247
Inventory, net	656	607
Accounts payable	240	274
Long-term debt, net	499	498
Operating lease liabilities ¹	680	616

Cash Flow (Q3 YTD)

	2025	2024
Operating cash flow	\$(136)	\$11
Capital expenditures	(43)	(40)
Free cash flow ²	\$(179)	\$(28)
Dividends	\$47	\$87
Share repurchases	-	51
Total capital distributed	\$47	\$138

- **Total liquidity \$1.0 billion**
- **Inventories +8% vs. LY, principally driven by higher tariffs (units comparable)**
 - Tariff impact on ending inventory: \$34 million
 - Higher product costs
 - Quality of inventory strong – higher levels of current season inventory and less excess
- **No credit facility borrowings**

- **2025 operating cash flow reflects lower net income and higher inventory level**
- **\$47 million in dividends paid Q3 year-to-date**

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

ADJUSTED THIRD QUARTER YTD 2025 RESULTS¹

\$ in millions, except EPS

	Third Quarter YTD 2025	<i>% of Net Sales</i>	Third Quarter YTD 2025	<i>% of Net Sales</i>	Change
Net sales	\$1,973		\$1,984		(1%)
Gross profit	915	46.4%	954	48.1%	(4%)
Royalty income, net	14	0.7%	15	0.8%	(6%)
Adjusted SG&A	842	42.7%	798	40.2%	6%
Adjusted operating income	87	4.4%	172	8.6%	(50%)
Interest expense and other, net	13	0.6%	16	0.8%	(19%)
Adjusted income before taxes	74	3.7%	156	7.9%	(53%)
Adjusted income tax provision	17		31		(46%)
Adjusted net income	\$57	2.9%	\$125	6.3%	(54%)
Adjusted diluted EPS	\$1.57		\$3.43		(54%)
Weighted-average shares outstanding	35		36		(1%)
Adjusted EBITDA	\$127	6.5%	\$214	10.8%	(41%)

¹ Certain measures are presented on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP in Supplemental Information.
Note: Results may not be additive due to rounding.

THIRD QUARTER YTD 2025 SEGMENT RESULTS

\$ in millions

	Net Sales			Operating Income			Operating Margin	
	2025	2024	\$ Change	2025	2024	\$ Change	2025	2024
U.S. Retail	\$956	\$951	\$5	\$16	\$60	(\$44)	1.7%	6.3%
U.S. Wholesale	727	756	(29)	126	163	(36)	17.4%	21.5%
International	290	277	12	13	18	(5)	4.3%	6.5%
Total before Corporate expenses	1,973	1,984	(11)	155	240	(85)	7.9%	12.1%
Corporate expenses	-	-	-	(68)	(69)	-	(3.5%)	(3.5%)
Total¹	\$1,973	\$1,984	(\$11)	\$87	\$172	(\$112)	4.4%	8.6%

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



CHIEF EXECUTIVE OFFICER UPDATE

OUR PRIORITIES

- **Stabilize business performance**
- **Implement comprehensive productivity agenda**
- **Invest to enable long-term growth**



BUSINESS STABILIZATION

Strategic Highlights

- **Q3 second straight quarter of positive comp growth in U.S. Retail (+2%); product relevancy increasing**
- **Improvement in realized prices due to moderated promotions**
 - **Consumers spending more on our ‘best’ products and brands**
 - **Average transaction value +LSD in Q3**
- **Strength in Baby with Q3 sales +HSD, capturing 22.9% market share, +0.6 ppts from last year¹**
- **Increased demand creation, capturing more Gen Z consumers (+17% Q3 LTM)**
- **International business continues to outperform with Q3 sales +5%**
 - **Mexico net sales +31% vs. LY**
 - **#1 market share in Canada**
 - **International Partners net sales +10% vs. LY**

IMPLEMENTING COMPREHENSIVE PRODUCTIVITY AGENDA

Right Size Organization

- **Planning meaningful reduction-in-force of offices-based roles (-15%)**
 - **Expected to save ~\$35M annually**
 - **Brings structure more in line with current size of business**
 - **Supports greater ownership and accountability**

Reduce Discretionary Spending

- **Targeting \$10M reduction from current run-rate**
- **Disciplined spending management across organization**
- **Deferring non-critical spending where possible**

IMPLEMENTING COMPREHENSIVE PRODUCTIVITY AGENDA

Improve Store Portfolio

- **Close 150 low-margin stores**
 - Profit accretive given sales transfer (to stores and eCommerce)
- **Suspend new U.S. openings of current store model**
- **Improve productivity of existing store portfolio**
 - Drive increased traffic
 - Segment stores to create more differentiated consumer experiences
 - Assortment and in-store experience investments

Improve Productivity Efficiency Across Organization

- **Eliminate 20-30% of product choices to create more unified, global Carter's product assortment**
- **Concept-to-Consumer initiative**
 - Have shortened product development timeline by ~3 months
 - Improve ability to respond to consumer and market trends
 - Reduce inefficient assortment over-development
 - Increase chase capabilities

MAKING FOUNDATIONAL INVESTMENTS TO DRIVE LONG-TERM GROWTH

Increase Spend on Demand Creation

- Carter's under-indexes peers on marketing spend
- Opportunity to drive traffic and consumer loyalty beyond promotion and prices
- Seeing good proof points in current spending
 - Demand creation investment supports growth agenda

Test New Store Formats

- Planning tests of new store concepts
- Improving site selection disciplines including use of enhanced technology

Targeted Infrastructure Investments

- Upgrading equipment and systems across distribution network
- Targeted technology enhancements
 - Digitization of product development process
 - Reduce manual work activities
 - Migrate key applications to cloud

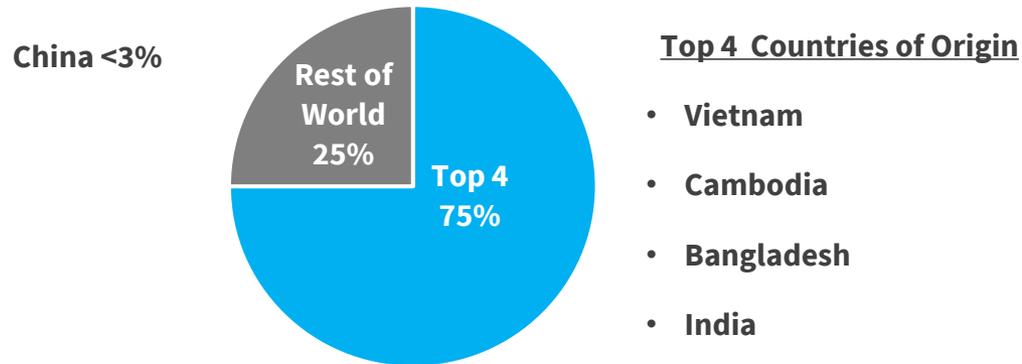
A young child with curly hair is sitting on a wooden structure, possibly a swing or a play set, outdoors. The child is wearing a white long-sleeved shirt with a pattern of small figures and a pair of light-colored, ribbed overalls. The child is looking towards the camera with a neutral expression. The background is a blurred natural setting with green foliage and a log.

PERSPECTIVE ON Q4 FY2025 & FY2026

RESPONDING TO SIGNIFICANTLY HIGHER TARIFFS

**Well Diversified
Sourcing Footprint**

2025E Finished Goods Sourcing Mix



**Estimated Impact of
Incremental Tariffs**

- **U.S. import duties paid in 2024: ~\$110 million (~13% effective duty rate)**
- **Estimated 2025 pre-tax earnings impact of additional proposed tariffs:**
 - **Annualized (gross): ~\$200 million to \$250 million**
 - **Fourth quarter fiscal 2025 (net impact): ~\$25 million to \$35 million**

Actions

- **Cost sharing with vendors**
- **Shifting country of origin mix out of India and into other countries (Bangladesh, Sri Lanka, and Ethiopia) as capacity is available**
- **Pricing actions expected to offset a portion of tariff impact in 2025**
- **Changes to product assortment and packaging**

PERSPECTIVE ON Q4 2025 & FISCAL YEAR 2026

Q4 2025 Expectations

- **Net sales**
 - **U.S. Retail: low single-digit comp**
 - **U.S. Wholesale: down low single digits**
 - **International: growth driven by Canada and Mexico**
- **Gross margin rate: ~43%**
- **SG&A: up mid-single-digits**
- **Higher net interest expense & higher tax rate**

FY 2026 (Preliminary View)

- **Planning growth in net sales and earnings**
- **Sales growth planned higher than in a typical year given the benefit of pricing**
- **Gross margin rate lower due to net unfavorable impact of tariffs and changes in U.S. Wholesale customer mix**
- **Productivity savings expected to help offset significant impact of higher tariffs and other inflationary pressures and will help fund investments in the business, including demand creation**



**THANK
YOU**

SUPPLEMENTAL INFORMATION



RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS

\$ in millions, except EPS

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

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

- (a) In addition to the results provided in this earnings release in accordance with GAAP, the Company has provided adjusted, non-GAAP financial measurements that present SG&A, operating income, income taxes, net income, and net income on a diluted share basis excluding the adjustments discussed above. The Company believes these adjustments provide a meaningful comparison of the Company's results and afford investors a view of what management considers to be the Company's core performance. The adjusted, non-GAAP financial measurements included in this earnings release should not be considered as an alternative to net income or as any other measurement of performance derived in accordance with GAAP. The adjusted, non-GAAP financial measurements are presented for informational purposes only and are not necessarily indicative of the Company's future condition or results of operations.
- (b) Primarily related to third-party consulting costs.
- (c) Related to costs associated with the transition of our former CEO, including accelerated vesting of outstanding time-based restricted stock awards.
- (d) Related to charges for severance and other termination benefits as a result of organizational restructuring.
- (e) Non-cash charges for settlement of the OshKosh B'Gosh Pension Plan.
- (f) Incremental income tax impact resulting from the announced termination of the Company's deferred compensation plan.

Note: Results may not be additive due to rounding.

RECONCILIATION OF REPORTED TO ADJUSTED EARNINGS

\$ in millions, except EPS

Third Quarter of Fiscal 2024	SG&A	% of net sales	Operating Income	% of net sales	Income Tax Provision	Net Income	Diluted EPS
As reported (GAAP)	\$284.7	37.5%	\$77.0	10.2%	\$12.4	\$58.3	\$1.62
Pension plan settlement (b)	-		-		0.2	0.7	0.02
As adjusted (a)	\$284.7	37.5%	\$77.0	10.2%	\$12.6	\$59.0	\$1.64

First Three Quarters of Fiscal 2024	SG&A	% of net sales	Operating Income	% of net sales	Income Tax Provision	Net Income	Diluted EPS
As reported (GAAP)	\$797.6	40.2%	\$171.5	8.6%	\$31.0	\$124.0	\$3.41
Pension plan settlement (b)	-		-		0.2	0.7	0.02
As adjusted (a)	\$797.6	40.2%	\$171.5	8.6%	\$31.3	\$124.7	\$3.43

- (a) In addition to the results provided in this earnings release in accordance with GAAP, the Company has provided adjusted, non-GAAP financial measurements that present SG&A, operating income, income tax, net income, and net income on a diluted share basis excluding the adjustments discussed above. The Company believes these adjustments provide a meaningful comparison of the Company's results and afford investors a view of what management considers to be the Company's core performance. The adjusted, non-GAAP financial measurements included in this presentation should not be considered as an alternative to net income or as any other measurement of performance derived in accordance with GAAP. The adjusted, non-GAAP financial measurements are presented for informational purposes only and are not necessarily indicative of the Company's future condition or results of operations.
- (b) Non-cash charge for partial settlement of the OshKosh B'Gosh Pension Plan.

Note: Results may not be additive due to rounding.

RECONCILIATION OF TOTAL SEGMENT OPERATING INCOME TO CONSOLIDATED OPERATING INCOME

\$ in millions

	Fiscal Quarter Ended				Three Fiscal Quarters Ended			
	September 27, 2025		September 28, 2024		September 27, 2025		September 28, 2024	
		<i>% of net sales</i>		<i>% of net sales</i>		<i>% of net sales</i>		<i>% of net sales</i>
Total segment operating income ^(a)	\$63.1	8.3%	\$100.7	13.3%	\$155.0	7.9%	\$240.3	12.1%
Unallocated corporate expenses ^(b)	(23.8)		(23.6)		(68.5)		(68.8)	
Subtotal	\$39.4	5.2%	\$77.0	10.2%	\$86.5	4.4%	\$171.5	8.6%
Operating model improvement costs ^(c)	(3.7)		-		(13.5)		-	
Leadership transition costs ^(d)	(0.5)		-		(7.7)		-	
Organizational restructuring ^(e)	(6.1)		-		(6.1)		-	
Consolidated operating income	\$29.1	3.8%	\$77.0	10.2%	\$59.2	3.0%	\$171.5	8.6%

(a) In fiscal 2024, the Company changed its measure of segment profitability to segment operating income. Segment operating income includes net sales, royalty income, and related cost of goods sold and selling, general, and administrative expenses attributable to each segment. Segment operating income excludes unallocated corporate expenses as well as specific charges that are not directly attributable to segment operations, including restructuring costs, operating model improvement costs, executive transition costs, and impairment charges related to goodwill and indefinite-lived intangible assets, which were included in our previous measure of segment profitability. Prior period segment operating income for the fiscal quarter and first three fiscal quarters ended September 28, 2024, have been recast to conform to the current presentation.

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

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

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

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

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

\$ in millions

	Fiscal Quarter Ended		Three Fiscal Quarters Ended		Four Fiscal Quarters Ended
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024	September 27, 2025
Net income	\$11.6	\$58.3	\$27.6	\$124.0	\$89.1
Interest expense	7.2	7.4	22.8	23.2	31.0
Interest income	(2.6)	(2.4)	(10.0)	(8.6)	(12.4)
Tax expense	3.2	12.4	10.3	31.0	24.6
Depreciation and amortization	13.8	14.4	40.6	43.7	54.8
EBITDA	\$33.2	\$90.2	\$91.3	\$213.2	\$187.1
Adjustments to EBITDA					
Operating model improvement costs ^(a)	\$3.7	-	\$13.5	-	\$13.5
Leadership transition costs ^(b)	0.5	-	7.7	-	7.7
Organizational restructuring ^(c)	6.1	-	6.1	-	7.9
Intangible asset impairment ^(d)	-	-	-	-	30.0
Pension plan settlement ^(e)	8.8	0.9	8.8	0.9	8.8
Total adjustments	19.1	0.9	36.1	0.9	67.9
Adjusted EBITDA	\$52.3	\$91.1	\$127.4	\$214.2	\$255.0

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

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

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

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

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

Note: Results may not be additive due to rounding.

THIRD QUARTER RECONCILIATION OF ADJUSTED NET INCOME ALLOCABLE TO COMMON SHAREHOLDERS

	Fiscal Quarter Ended	
	September 27, 2025	September 28, 2024
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	35,443,712	35,301,131
Dilutive effect of equity awards	146	619
Diluted number of common and common equivalent shares outstanding	35,443,858	35,301,750

\$ in thousands, except EPS	Fiscal Quarter Ended			
	As reported on a GAAP Basis		As adjusted (a)	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Basic net income per common share:				
Net income	\$11,593	\$58,320	\$26,846	\$59,042
Income allocated to participating securities	(305)	(1,210)	(743)	(1,226)
Net income available to common shareholders	\$11,288	\$57,110	\$26,103	\$57,816
Basic net income per common share	\$0.32	\$1.62	\$0.74	\$1.64
Diluted net income per common share:				
Net income	\$11,593	\$58,320	\$26,846	\$59,042
Income allocated to participating securities	(305)	(1,210)	(743)	(1,226)
Net income available to common shareholders	\$11,288	\$57,110	\$26,103	\$57,816
Diluted net income per common share	\$0.32	\$1.62	\$0.74	\$1.64

(a) In addition to the results provided in this earnings release in accordance with GAAP, the Company has provided adjusted, non-GAAP financial measurements that present per share data excluding the adjustments discussed above. The Company has excluded \$15.3 million in after-tax expenses from these results for the fiscal quarter ended September 27, 2025. The Company has excluded \$0.7 million in after-tax expenses from these results for the fiscal quarter ended September 28, 2024.

Note: Results may not be additive due to rounding.

THIRD QUARTER YTD RECONCILIATION OF ADJUSTED NET INCOME ALLOCABLE TO COMMON SHAREHOLDERS

	Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	35,388,596	35,616,875
Dilutive effect of equity awards	348	1,325
Diluted number of common and common equivalent shares outstanding	35,388,944	35,618,200

\$ in thousands, except EPS	Three Fiscal Quarters Ended			
	As reported on a GAAP Basis		As adjusted (a)	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Basic net income per common share:				
Net income	\$27,578	\$123,992	\$56,898	\$124,713
Income allocated to participating securities	(1,118)	(2,401)	(1,377)	(2,416)
Net income available to common shareholders	\$26,460	\$121,591	\$55,521	\$122,297
Basic net income per common share	\$0.75	\$3.41	\$1.57	\$3.43
Diluted net income per common share:				
Net income	\$27,578	\$123,992	\$56,898	\$124,713
Income allocated to participating securities	(1,118)	(2,401)	(1,377)	(2,416)
Net income available to common shareholders	\$26,460	\$121,591	\$55,521	\$122,297
Diluted net income per common share	\$0.75	\$3.41	\$1.57	\$3.43

- (a) In addition to the results provided in this earnings release in accordance with GAAP, the Company has provided adjusted, non-GAAP financial measurements that present per share data excluding the adjustments discussed above. The Company has excluded \$29.3 million in after-tax expenses from these results for the three fiscal quarters ended September 27, 2025. The Company has excluded \$0.7 million in after-tax expenses from these results for the three fiscal quarters ended September 28, 2024.

Note: Results may not be additive due to rounding.

NET SALES CONSTANT CURRENCY RECONCILIATION

\$ in millions

	Fiscal Quarter Ended					
	Reported Net Sales September 27, 2025	Impact of Foreign Currency Translation	Constant- Currency Net Sales September 27, 2025	Reported Net Sales September 28, 2024	Reported Net Sales % Change	Constant- Currency Net Sales % Change
Consolidated net sales	\$757.8	\$(0.2)	\$758.0	\$758.5	(0.1)%	(0.1)%
International segment net sales	\$111.7	\$(0.2)	\$111.9	\$106.5	4.9%	5.1%
	Three Fiscal Quarters Ended					
	Reported Net Sales September 27, 2025	Impact of Foreign Currency Translation	Constant- Currency Net Sales September 27, 2025	Reported Net Sales September 28, 2024	Reported Net Sales % Change	Constant- Currency Net Sales % Change
Consolidated net sales	\$1,973.0	\$(9.7)	\$1,982.6	\$1,984.4	(0.6)%	(0.1)%
International segment net sales	\$289.8	\$(9.7)	\$299.4	\$277.5	4.4%	7.9%

The Company evaluates its net sales on both an “as reported” and a “constant currency” basis. The constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates that occurred between the comparative periods. Constant currency net sales results are calculated by translating current period net sales in local currency to the U.S. dollar amount by using the currency conversion rate for the prior comparative period. The Company consistently applies this approach to net sales for all countries where the functional currency is not the U.S. dollar. The Company believes that the presentation of net sales on a constant currency basis provides useful supplemental information regarding changes in our net sales that were not due to fluctuations in currency exchange rates and such information is consistent with how the Company assesses changes in its net sales between comparative periods.

Note: Results may not be additive due to rounding.

STORE COUNT RECONCILIATION

	U.S	Canada	Mexico	Total
Store count at September 28, 2024	795	188	56	1,039
Openings	15	4	7	26
Closings	(6)	(1)	(1)	(8)
Store count at December 28, 2024	804	191	62	1,057
Openings	19	4	6	29
Closings	(15)	(3)	(3)	(21)
Store count at September 27, 2025	808	192	65	1,065

FORWARD LOOKING STATEMENTS

Statements in this presentation that are not historical fact and use predictive words such as “estimates”, “outlook”, “guidance”, “expect”, “believe”, “intend”, “designed”, “target”, “plans”, “may”, “will”, “are confident” and similar words are forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). These forward-looking statements and related assumptions involve risks and uncertainties that could cause actual results and outcomes to differ materially from any forward-looking statements or views expressed in this press release. These risks and uncertainties include, but are not limited to, those disclosed in Part II, Item 1A. “Risk Factors” of the Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended September 27, 2025 and Part I, Item 1A. “Risk Factors” of the Company’s Annual Report on Form 10-K for the fiscal year ended December 28, 2024, and otherwise in our reports and filings with the Securities and Exchange Commission, as well as the following factors: changes in global economic and financial conditions, and the resulting impact on consumer confidence and consumer spending, as well as other changes in consumer discretionary spending habits; risks related to public health crises; risks related to the organizational restructuring plan, including, but not limited to, our ability to achieve the expected savings from the plan and to fully implement the plan; risks related to consumer tastes and preferences, as well as fashion trends; the failure to protect our intellectual property; the diminished value of our brands, potentially as a result of negative publicity or unsuccessful branding and marketing efforts; delays, product recalls, or loss of revenue due to a failure to meet our quality standards; risks related to uncertainty regarding the future of international trade agreements and the United States’ position on international trade, as well as significant political, trade, and regulatory developments and other circumstances beyond our control; increased competition in the marketplace; financial difficulties for one or more of our major customers; identification of locations and negotiation of appropriate lease terms for our retail stores; distinct risks facing our eCommerce business; failure to forecast demand for our products and our failure to manage our inventory; increased margin pressures, including increased cost of materials and labor and our inability to successfully increase prices to offset these increased costs; continued inflationary pressures with respect to labor and raw materials and global supply chain constraints that have, and could continue, to affect freight, transit, and other costs; fluctuations in foreign currency exchange rates; unseasonable or extreme weather conditions; risks associated with corporate responsibility issues; our foreign sourcing arrangements; a relatively small number of vendors supply a significant amount of our products; disruptions in our supply chain, including increased transportation and freight costs; our ability to effectively source and manage inventory; problems with our Braselton, Georgia distribution facility; pending and threatened lawsuits; a breach of our information technology systems and the loss of personal data or a failure to implement new information technology systems successfully; unsuccessful expansion into international markets; failure to comply with various laws and regulations; failure to properly manage strategic initiatives; retention of key individuals; acquisition and integration of other brands and businesses; failure to achieve sales growth plans and profitability objectives to support the carrying value of our intangible assets; our continued ability to meet obligations related to our debt; our ability to close our new asset based lending facility within the timeframe we previously disclosed; changes in our tax obligations, including additional customs, duties or tariffs; our continued ability to declare and pay a dividend; volatility in the market price of our common stock; and the cost or effort required for our shareholders to bring certain claims or actions against us, as a result of our designation of the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings. Except for any ongoing obligations to disclose material information as required by federal securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. The inclusion of any statement in this press release does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material.