



**First Quarter Fiscal 2022 Results
&
Business Outlook**

April 29, 2022

First Quarter 2022 Results

(GAAP Basis)



\$ in millions, except EPS

	Q1 2022	<i>% of Sales</i>	Q1 2021	<i>% of Sales</i>	Increase / (Decrease)
Net sales	\$781		\$787		(1%)
Gross profit	355	45.4%	392	49.8%	(9%)
Royalty income	7	1.0%	7	0.9%	-
SG&A	260	33.3%	272	34.5%	(4%)
Operating income	103	13.1%	127	16.2%	(20%)
Interest and other, net	14	1.8%	14	1.8%	1%
Income before taxes	88	11.3%	113	14.4%	(22%)
Income tax provision	20		27		(25%)
Net income	\$68	8.7%	\$86	10.9%	(21%)
Diluted EPS	\$1.66		\$1.96		(15%)
Weighted average shares outstanding	40		43		(7%)
EBITDA ¹	\$117	15.0%	\$153	19.4%	(23%)

¹ Non-GAAP measure; see reconciliation to net income in appendix.

Note: Results may not be additive due to rounding.

Non-GAAP Adjustments¹



\$ in millions, except EPS

	First Quarter					
	2022			2021		
	Operating Income	% Net Sales	Diluted EPS	Operating Income	% Net Sales	Diluted EPS
As reported (GAAP)	\$102.6	13.1%	\$1.66	\$127.5	16.2%	\$1.96
COVID-19 expenses	-		-	2.1		0.04
Restructuring costs	-		-	0.5		0.01
Store lease impairment benefit	-		-	(1.5)		(0.03)
Total adjustments	-		-	1.1		0.02
As adjusted	\$102.6	13.1%	\$1.66	\$128.5	16.3%	\$1.98

¹ No adjustments were made to first quarter 2022 GAAP results. Please see the appendix for further information about first quarter 2021 non-GAAP adjustments and reconciliation to GAAP.

Note: Results may not be additive due to rounding.

Q1 2022 Sales & Earnings Exceeded Our Expectations; Profitability Meaningfully Better vs. 2019



\$ in millions, except EPS

Net Sales

Guidance:
~\$740 - \$750

-1% vs. 2021

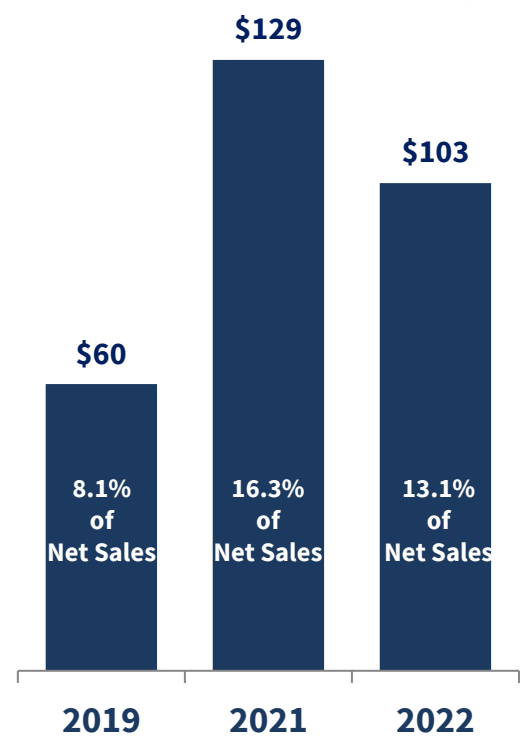


+5% vs. 2019

Adjusted Operating Income¹ (Adjusted Operating Margin)

Guidance:
~\$85 - \$90

-20% vs. 2021



+70% vs. 2019

Adjusted Diluted EPS¹

Guidance:
~\$1.25 - \$1.35

-16% vs. 2021



+91% vs. 2019

¹See reconciliation to GAAP in appendix.

First Quarter 2022 Adjusted Results¹



\$ in millions, except EPS

	Q1 2022	<i>% of Sales</i>	Q1 2021	<i>% of Sales</i>	Increase / (Decrease)
Net sales	\$781		\$787		(1%)
Gross profit	355	45.4%	392	49.8%	(9%)
Royalty income	7	1.0%	7	0.9%	-
Adjusted SG&A	260	33.3%	271	34.4%	(4%)
Adjusted operating income	103	13.1%	129	16.3%	(20%)
Interest and other, net	14	1.8%	14	1.8%	1%
Adjusted income before taxes	88	11.3%	114	14.5%	(23%)
Adjusted income tax provision	20		27		(25%)
Adjusted net income	\$68	8.7%	\$87	11.0%	(22%)
Adjusted diluted EPS	\$1.66		\$1.98		(16%)
Weighted average shares outstanding	40		43		(7%)
Adjusted EBITDA	\$117	15.0%	\$153	19.4%	(23%)

¹ Certain measures are presented on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP in appendix. No adjustments were made to first quarter 2022 GAAP results. Note: Results may not be additive due to rounding.

First Quarter 2022 Results – Balance Sheet / Cash Flow



\$ in millions

Balance Sheet (Q1 End)

	2022	2021
Cash	\$702	\$1,054
Accounts receivable	266	240
Inventory	680	561
Accounts payable	284	335
Long-term debt	496	990
Operating lease liabilities	566	690

- Strong liquidity at Q1 end: \$1.4B
- Increased accounts receivable reflects higher Wholesale sales
- Inventory balance driven by higher in-transit inventory and planned earlier receipts; quality remains high
- Accounts payable reflects post-pandemic normalization of vendor payment terms
- \$500M 5.500% 2025 Sr. Notes redeemed 4/4/22; presented as current liability at Q1 end

Cash Flow (Q1)

	2022	2021
Operating cash flow	(\$164)	(\$40)
Capital expenditures	(8)	(12)
Free cash flow ¹	(\$171)	(\$51)
Share repurchases	\$74	\$ -
Dividends	31	-
Total	\$105	\$ -

- Operating cash flow reflects planned earlier inventory receipts and 2021 performance-based compensation payouts
- Forecasting operating cash flow of \$275 – \$300 million in fiscal 2022
- \$105M capital returned to shareholders in Q1
 - Q1 dividend \$31 million (\$0.75/share)
 - \$74 million share repurchases in Q1; \$104 million April year to date²
 - Targeting ~\$250 million in share repurchases in fiscal 2022

¹ Non-GAAP measure. ² Through 4/28/22



Business Segment Performance

First Quarter Segment Performance

(2022 vs. 2021)



\$ in millions

Decrease in profitability largely driven by higher transportation costs

	Net Sales			Adjusted Operating Income ¹			Adjusted Operating Margin ¹	
	2022	2021	\$ Change	2022	2021	\$ Change	2022	2021
U.S. Retail	\$366	\$407	(\$41)	\$50	\$76	(\$26)	13.6%	18.7%
U.S. Wholesale	307	283	24	61	71	(10)	19.7%	25.1%
International	108	97	11	10	10	1	9.7%	10.2%
Total before corporate expenses	781	787	(6)	121	157	(36)	15.5%	19.9%
Corporate expenses				(18)	(28)	10	(2.3%)	(3.6%)
Total	\$781	\$787	(\$6)	\$103	\$129	(\$26)	13.1%	16.3%

¹ 2021 results presented on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP in appendix.
 Note: Results may not be additive due to rounding.

First Quarter 2022 Segment Performance

(vs. 2021)



U.S. Retail

- **Net sales -10%; meaningful prior-year non-comp items:**
 - Government stimulus
 - Permanent store closures
 - Easter holiday timing
- **Total comp -7% (-\$26M)**
 - Better price realization
 - Lower traffic
 - Inflation & weather weighed on consumer demand
 - Comp outlook: Q2 and full year +LSD
- **Operating margin 13.6% (-510 bps)¹**
 - Store expense deleverage
 - Marketing investments
 - Higher transportation costs

U.S. Wholesale

- **Net sales +8%**
 - Strong growth in Exclusive Brands
 - Higher off-price channel sales (cleared through late fall deliveries)
 - Gradual improvement in supply chain performance
- **Operating margin 19.7% (-540 bps)¹**
 - Higher transportation costs (including air freight)
 - Higher off-price channel sales
 - Non-recurring benefit of inventory reserve release in prior year

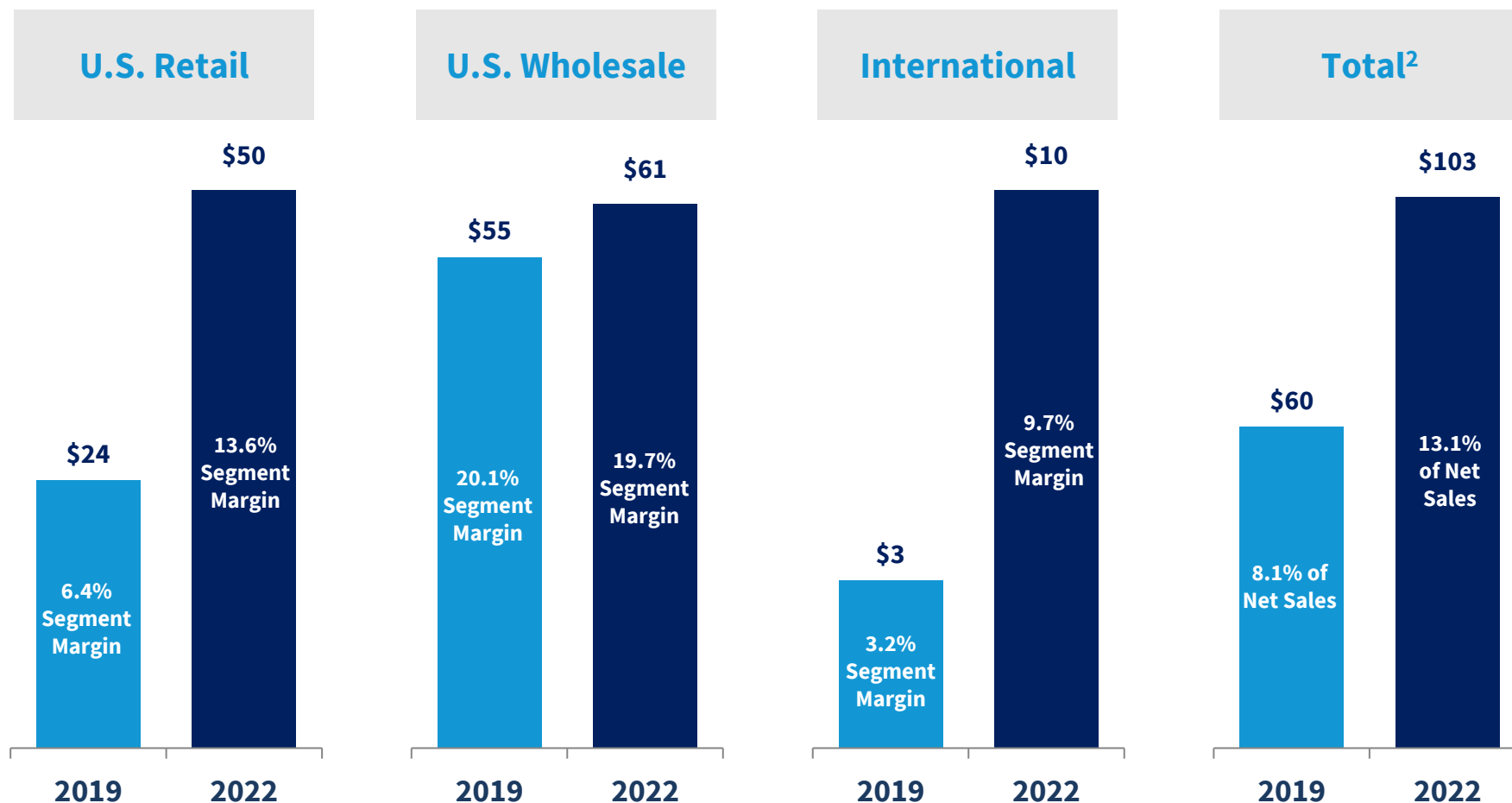
International

- **Net sales +11%, driven by:**
 - Canada +18%
 - Mexico +5%
 - Brazil +65%
- **Operating margin 9.7% (-50 bps)¹**
 - Strong recovery of store sales (vs. prior-year closures) in Canada
 - Higher transportation costs

Meaningful Improvement in Q1 Profitability Relative to Pre-Pandemic Period (2022 vs. 2019)



\$ in millions
Adjusted Operating Income¹
(Adjusted Operating Margin)



¹ Results presented on an adjusted basis, a non-GAAP presentation; see reconciliation to GAAP in appendix. No adjustments were made to first quarter 2019 U.S. Retail and U.S. Wholesale segment GAAP results and all first quarter 2022 GAAP results.

² Consolidated results reflect Corporate expenses of \$22 million and \$18 million for Q1 of fiscal 2019 and 2022, respectively.

Carter's is a Market Leader in Holiday Product Offerings, Driving Brand Loyalty and Traffic

carter's

Valentine's



St. Patrick's



Easter



Mother's Day



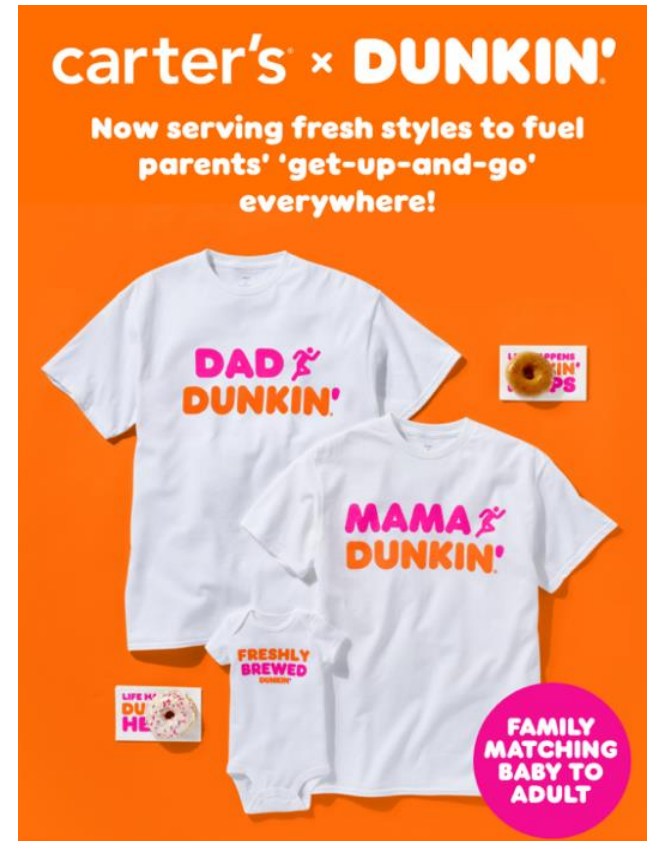
4th of July



Halloween



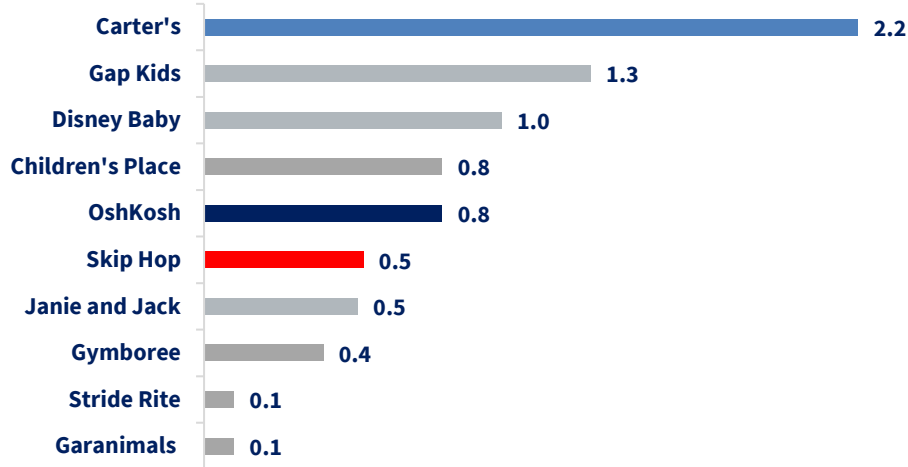
Successful Marketing Collaboration With *Dunkin'*



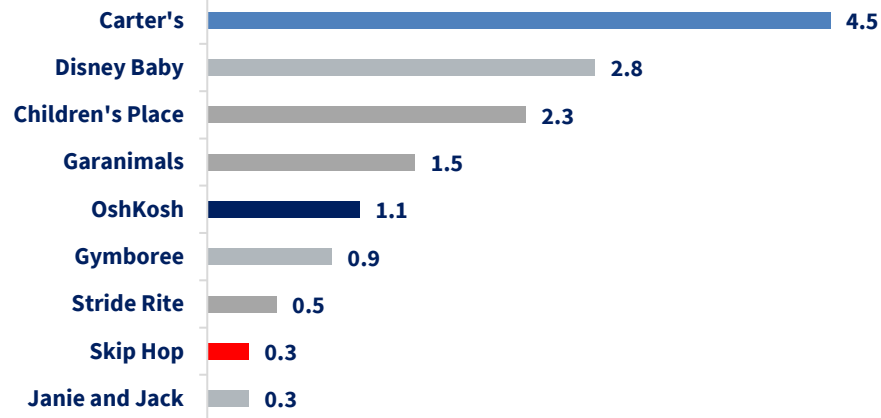
Our Brands have a strong consumer following on Instagram and Facebook¹

In millions

Instagram Followers



Facebook Followers



Leading among competitive set in TikTok growth and engagement²; over 2M views in Q1¹



¹ Source: Instagram, Facebook and TikTok (January – March 2022) as of 3/31/22.

² TikTok engagement peer set includes Carter's, OshKosh B'gosh, Skip Hop, Little Planet, The Children's Place, Hanna Andersson, Janie and Jack, and Gap Kids.

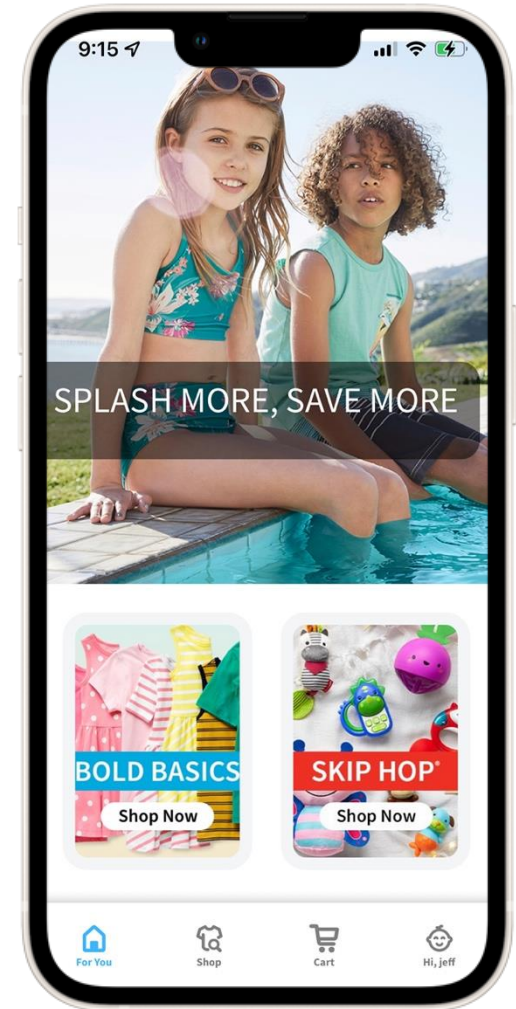
- **Mobile App**

- >20% of U.S. Retail eCommerce sales now taking place in app
- App users doubled vs. LY
- >2.6 million downloads since launch of new app in October 2020
- 4.8/5 stars on over 48K reviews

- **Loyalty & Carter's Credit Card Programs**

- 90% of active customers enrolled in loyalty program
- Active cardholder usage up 40% over last year

The graphic features a blue and white Carter's credit card on the left with the text "rewards every moment". To the right, the text reads "Carter's® Credit Card Cardholders get ALL the perks!". Below this are two buttons: "apply now" and "manage my account". Three perks are listed: "Free shipping¹ every single day when you use your Carter's® Credit Card" with a truck icon; "Double points² on every \$1 you spend with your Carter's® Credit Card" with a "2x points" icon; and "save 25%* today on your first Carter's® Credit Card purchase (and 20%* when your card comes, too!)" with a "save 25%* today" icon.



Expanding *Little Planet* Product Offering



In UPF 50+ recycled poly made to give new life to plastics and the planet.

[shop spring styles](#)



for a smaller footprint

Meet little planet shoes! Made from recycled materials to give new life to plastics and the planet.



“Ok, can you PLEASE make toddler clothes?? This is too cute!”

@triciabitter

Our signature gauze overalls now sizes nb-5t



[shop organic gauze](#)

In-Store



The Carter's family of brands

is committed to creating a sustainable world where all families with young children – including future generations – can grow and thrive.



Earth Day Marketing



**We promise to
better our world**

We're committed to a sustainable world where all families with young children, including future generations, can grow and thrive!



Powerful Brand Presence at Target



carter's
— just one you —
Coming Fall 2022



child
of mine
— made by —
carter's

Ready, set, grow!

Fresh spring styles are in bloom.

Shop now

Walmart 



child of mine
carter's

Pool party-ready

Cute summer outfits for kids to flaunt under the sun.

Shop now

Walmart 



child of mine
carter's

Baby's day out

Colorful, comfy playwear to add to your kid's wardrobe.

Shop now

Walmart 

carter's
— child of mine™ —

Coming Fall 2022

Expanding Toddler Offering on Amazon



simple joys
by carter's™

Simple Joys by Carter's

Follow HOME BABY BOY BABY GIRL BABY NEUTRAL TODDLER BOY TODDLER GIRL BIG KID BOY PAJAMAS MORE

Search all Simple Joys by Cart



simple joys
by carter's™

baby boy
pre-24m

baby girl
pre-24m

toddler boy
2t-5t

toddler girl
2t-5t



longer days call for better summer style
[shop playwear](#)



crafted with **UPF 50+** so they can soak, splash and repeat
[shop swim](#)



breathable styles that are comfy on baby and easy for you
[shop baby](#)



fabrics (and prints!) that keep them cool all night long
[shop pajamas](#)

shoes & accessories

staples to complement (and cozy up!) any look
[shop accessories](#)



New Baby Toys

simple joys
by carter's™

Strong Baby Apparel Presence at Kohl's

KOHL'S carter's





- **Large and attractive market**
 - \$3 billion (ages 0 – 10)
 - 2.7 million annual births
- **Riachuelo multi-channel operations**
 - 28 Carter's stores
 - ~260 Riachuelo stores
 - eCommerce





2022 Outlook



- **Net sales: \$750 – \$775 million**
- **Adjusted operating income: \$95 – \$105 million**
 - vs. \$110 million Q2 2021
- **Adjusted diluted EPS: \$1.60 – \$1.80**
 - vs. \$1.67 Q2 2021
- **Outlook reflects:**
 - Continued improvement in supply chain performance
 - Less challenging comparisons to 2021 stimulus
 - Improved price realization
 - Higher labor costs, marketing investments, and distribution & freight expenses
 - Lower interest expense
 - Benefit from share repurchases



¹ Q2 2022 outlook excludes ~\$20 million of charges related to early extinguishment of debt. Forward-looking adjusted operating income and adjusted diluted EPS have not been reconciled to their most directly comparable GAAP measures – see page 34.

- **Projecting good growth in sales and profitability**
- **Net sales growth of 2% – 3%**
 - Growth in all segments
- **Adjusted operating income growth of 4% – 6%**
 - vs. \$501 million in fiscal 2021
- **Adjusted diluted EPS growth of 12% – 14%**
 - vs. \$7.87 in fiscal 2021
- **Outlook reflects:**
 - An improving trend in births in the United States
 - Strength of our merchandising and marketing initiatives
 - Better mix of inventories
 - Improved price realization
 - Gradual improvement in supply chain performance
 - SG&A leverage
 - Lower interest expense
 - Benefit from share repurchases



¹ FY 2022 outlook excludes ~\$20 million of charges related to early extinguishment of debt. Forward-looking adjusted operating income and adjusted diluted EPS have not been reconciled to their most directly comparable GAAP measures – see page 34.

Thank you!



Appendix



Q1 Reconciliation of Adjusted Net Income Allocable to Common Shareholders



	Fiscal Quarter Ended	
	April 2, 2022	April 3, 2021
Weighted-average number of common and common equivalent shares outstanding:		
Basic number of common shares outstanding	40,270,895	43,370,744
Dilutive effect of equity awards	77,437	129,198
Diluted number of common and common equivalent shares outstanding	40,348,332	43,499,942

	Fiscal Quarter Ended			
	As reported on a GAAP Basis		As adjusted (a)	
	April 2, 2022	April 3, 2021	April 2, 2022	April 3, 2021
<i>\$ in thousands, except EPS</i>				
Basic net income per common share:				
Net income	\$67,933	\$86,196	\$67,933	\$86,987
Income allocated to participating securities	(921)	(1,033)	(921)	(1,043)
Net income available to common shareholders	\$67,012	\$85,163	\$67,012	\$85,944
Basic net income per common share	\$1.66	\$1.96	\$1.66	\$1.98
Diluted net income per common share:				
Net income	\$67,933	\$86,196	\$67,933	\$86,987
Income allocated to participating securities	(920)	(1,030)	(920)	(1,040)
Net income available to common shareholders	\$67,013	\$85,166	\$67,013	\$85,947
Diluted net income per common share	\$1.66	\$1.96	\$1.66	\$1.98

(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 in following slides. The Company has excluded \$0.8 million in after-tax expenses from these results for the fiscal quarter ended April 3, 2021.

Note: Results may not be additive due to rounding.

Reconciliation of Adjusted to Reported Earnings¹



\$ in millions, except EPS

										Segment Reporting							
	Gross Profit	% of net sales	SG&A	% of net sales	Operating Income	% of net sales	Income Taxes	Net Income	Diluted EPS	U.S. Retail Operating Income	% of segment net sales	U.S. Wholesale Operating Income	% of segment net sales	International Operating Income	% of segment net sales	Corporate Operating Expenses	% of total net sales
First Quarter of Fiscal 2021																	
As reported (GAAP)	\$392.0	49.8%	\$271.9	34.5%	\$127.5	16.2%	\$27.1	\$86.2	\$1.96	\$76.5	18.8%	\$70.1	24.7%	\$9.7	10.0%	(\$28.8)	(3.7%)
COVID-19 expenses (b)	-		(2.1)		2.1		0.5	1.6	0.04	1.1		0.9		0.1		-	
Restructuring costs (c)	-		(0.5)		0.5		0.1	0.4	0.01	-		-		-		0.5	
Retail store operating leases and other long-lived asset impairments, net of gain	-		1.5		(1.5)		(0.4)	(1.2)	(0.03)	(1.5)		-		-		-	
As adjusted (a) (d)	\$392.0	49.8%	\$270.9	34.4%	\$128.5	16.3%	\$27.3	\$87.0	\$1.98	\$76.1	18.7%	\$71.0	25.1%	\$9.9	10.2%	(\$28.4)	(3.6%)
Second Quarter of Fiscal 2021																	
As reported (GAAP)	\$368.7	49.4%	\$267.8	35.9%	\$107.6	14.4%	\$21.6	\$71.6	\$1.62	\$87.1	20.6%	\$40.6	17.5%	\$9.0	9.9%	(\$29.1)	(3.9%)
Restructuring costs (c)	-		(2.2)		2.2		0.6	1.6	0.04	(0.6)		-		2.3		0.5	
COVID-19 expenses (b)	-		(1.0)		1.0		0.3	0.8	0.02	0.5		0.4		0.1		-	
Retail store operating leases and other long-lived asset impairments, net of gain	-		0.4		(0.4)		(0.1)	(0.3)	(0.01)	(0.4)		-		-		-	
As adjusted (a)	\$368.7	49.4%	\$264.9	35.5%	\$110.4	14.8%	\$22.4	\$73.7	\$1.67	\$86.6	20.4%	\$41.1	17.7%	\$11.4	12.5%	(\$28.6)	(3.8%)
Fiscal Year 2021																	
As reported (GAAP)	\$1,662.3	47.7%	\$1,193.9	34.2%	\$497.1	14.3%	\$98.5	\$339.7	\$7.81	\$368.2	19.4%	\$195.4	17.3%	\$63.8	13.8%	(\$130.3)	(3.7%)
COVID-19 expenses (b)	-		(3.9)		3.9		1.0	3.0	0.07	2.0		1.7		0.2		-	
Restructuring costs (c)	-		(2.4)		2.4		0.6	1.8	0.04	(0.6)		0.1		2.3		0.7	
Retail store operating leases and other long-lived asset impairments, net of gain	-		2.6		(2.6)		(0.6)	(2.0)	(0.05)	(2.6)		-		-		-	
As adjusted (a) (d)	\$1,662.3	47.7%	\$1,190.2	34.1%	\$500.8	14.4%	\$99.5	\$342.5	\$7.87	\$367.0	19.3%	\$197.1	17.5%	\$66.4	14.4%	(\$129.7)	(3.7%)
First Quarter of Fiscal 2019																	
As reported (GAAP)	\$315.9	42.6%	\$263.7	35.6%	\$60.8	8.2%	\$9.3	\$34.5	\$0.75	\$23.9	6.4%	\$55.5	20.1%	\$5.0	5.6%	(\$23.6)	(3.2%)
Debt refinancing (e)	-		-		-		1.8	6.0	0.13	-		-		-		-	
Corporate severance (f)	-		(1.6)		1.6		0.4	1.3	0.03	-		-		-		1.6	
China restructuring (g)	(2.1)		-		(2.1)		-	(2.1)	(0.05)	-		-		(2.1)		-	
As adjusted (a)	\$313.8	42.3%	\$262.0	35.4%	\$60.3	8.1%	\$11.5	\$39.6	\$0.87	\$23.9	6.4%	\$55.5	20.1%	\$2.9	3.2%	(\$22.0)	(3.0%)

¹ No adjustments were made to first quarter 2022 GAAP results.

Note: Results may not be additive due to rounding.

Reconciliation of Adjusted to Reported Earnings

(Continued)



- (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 gross profit, 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 underlying 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) Net expenses incurred due to the COVID-19 pandemic, including incremental employee-related costs, costs associated with additional protective equipment and cleaning supplies, restructuring costs, and a payroll tax benefit.
- (c) Certain lease exit, severance and related costs resulting from restructuring actions (not related to COVID-19).
- (d) Adjusted results exclude a customer bankruptcy recovery of \$38,000.
- (e) Related to the redemption of the \$400 million aggregate principal amount of senior notes due 2021 in March 2019 that were previously issued by a wholly-owned subsidiary of the Company.
- (f) Certain severance and related costs resulting from organizational restructurings.
- (g) Benefit related to the sale of inventory previously reserved in China.

Reconciliation of Adjusted EBITDA to Net Income



\$ in millions

	Fiscal Quarter Ended		Four Fiscal
	April 2, 2022	April 3, 2021	Quarters Ended April 2, 2022
Net income	\$67.9	\$86.2	\$321.5
Interest expense	15.1	15.3	60.1
Interest income	(0.3)	(0.2)	(1.2)
Tax expense	20.4	27.1	91.9
Depreciation and amortization	14.2	24.1	84.2
EBITDA	\$117.3	\$152.5	\$556.4
Adjustments to EBITDA			
Retail store operating leases and other long-lived asset impairment benefit	\$ -	(\$1.5)	(\$1.2)
COVID-19 expenses (a)	-	2.1	1.8
Restructuring (benefit) costs (b)	-	(0.1)	1.3
Total adjustments	-	0.5	1.9
Adjusted EBITDA (c)	\$117.3	\$153.0	\$558.4

(a) Net expenses incurred due to the COVID-19 pandemic.

(b) Certain lease exit, severance and related costs resulting from restructuring actions (not related to COVID-19). Amounts for the fiscal quarter ended April 3, 2021 and four fiscal quarters ended April 2, 2022 exclude \$0.5 million and \$0.6 million of depreciation expense that is included in the corresponding depreciation and amortization line item, respectively.

(c) Adjusted EBITDA for the fiscal quarter ended April 3, 2021 excludes a customer bankruptcy recovery of \$38,000.

Constant Currency Reconciliation



\$ in millions

	Fiscal Quarter Ended					
	Reported Net Sales April 2, 2022	Impact of Foreign Currency Translation	Constant- Currency Net Sales April 2, 2022	Reported Net Sales April 3, 2021	Reported Net Sales % Change	Constant- Currency Net Sales % Change
Consolidated net sales	\$781.3	(\$0.2)	\$781.5	\$787.4	(0.8%)	(0.7%)
International segment net sales	\$107.6	(\$0.2)	\$107.8	\$96.9	11.0%	11.2%

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.

Company-Operated Store Count



	<u>U.S.</u>	<u>Canada</u>	<u>Mexico</u>	<u>Total</u>
Store count at April 3, 2021	804	189	43	1,036
Openings	-	-	5	5
Closings	(64)	(4)	(4)	(72)
Store count at April 2, 2022	740	185	44	969
Store count at January 1, 2022	751	186	43	980
Openings	-	-	1	1
Closings	(11)	(1)	-	(12)
Store count at April 2, 2022	740	185	44	969
<i>Balance of year forecast</i>				
Openings	30	2	11	43
Closings	(9)	-	(9)	(18)
Estimated store count at December 31, 2022	761	187	46	994

This presentation contains forward-looking statements within the meaning of the federal securities laws relating to our future performance, including statements with respect to the potential effects of the COVID-19 pandemic, supply chain challenges, and our responses thereto and the Company's future outlook, financial results, strategy, financings, and investments. Such statements are based on current expectations only, and are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize or not materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected. Certain of the risks and uncertainties that could cause actual results and performance to differ materially are described in the Company's most recently filed Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission from time to time under the headings "Risk Factors." Included among those risks are those related to: the effects of the current coronavirus outbreak; financial difficulties for one or more of our major customers; an overall decrease in consumer spending; our products not being accepted in the marketplace; increased competition in the marketplace; diminished value of our brands; the failure to protect our intellectual property; the failure to comply with applicable quality standards or regulations; unseasonable or extreme weather conditions; pending and threatened lawsuits; a breach of our information technology systems and the loss of personal data; increased margin pressures, including increased cost of materials and labor; our foreign sourcing arrangements; disruptions in our supply chain; the management and expansion of our business domestically and internationally; the acquisition and integration of other brands and businesses; and changes in our tax obligations, including additional customs, duties or tariffs. 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.

We have not reconciled forward-looking adjusted operating income or adjusted diluted earnings per share to their most directly comparable GAAP measures because we cannot predict with reasonable certainty the ultimate outcome of certain components of such reconciliations, including early extinguishment of debt that are not within our control including due to factors described above, or others that may arise, without unreasonable effort. For these reasons, we are unable to assess the probable significance of the unavailable information, which could materially impact the amount of future operating income or diluted EPS, the most directly comparable GAAP metrics to adjusted operating income and adjusted diluted earnings per share, respectively.