AMER SPORTS 3Q25 EARNINGS SCRIPT

Welcome everyone. Thanks for joining Amer Sports earnings call for the third quarter of fiscal year 2025. Earlier this morning we announced our financial results for the quarter ended September 30, 2025, and the release can be found on our IR website investors.amersports.com.

A quick reminder to everyone that today's call will contain forward-looking statements within the meaning of the federal securities laws. These forward-looking statements reflect our current expectations and beliefs only. They are subject to certain risks and uncertainties that could cause actual results to differ materially. Please see the safe harbor statement in our earnings release and SEC filings. We will also discuss certain non-IFRS financial measures. Please refer to our earnings release for important information regarding such non-IFRS financial measures, including reconciliations to the most comparable IFRS financial measures.

We'll begin with prepared remarks from our CEO James Zheng and CFO Andrew Page, followed by a Q&A session, until approximately 9:00 am Eastern. James will cover key operational and brand highlights, then Andrew will provide a financial review at both the group and segment level, and also walk through our guidance for the full year 2025 as well as an initial high-level sales and margin outlook for 2026. Arc'teryx CEO Stuart Haselden and Salomon CEO Guillaume Meyzenq will join for the Q&A session.

With that, I'll turn the call over to James.

Thanks Omar.

Amer Sports' strong momentum continued in the third quarter, as our unique portfolio of premium technical brands continues to create white space and take share in sports and outdoor markets around the world. All three segments performed extremely well led by exceptional Salomon footwear growth, an Arc'teryx omni-comp reacceleration, and solid growth from Wilson Tennis 360 and our Winter Sports Equipment franchises.

We delivered strong results across the P&L, including **30%** growth, 130 basis points of adjusted operating margin expansion, and more than doubling our adjusted EPS. Our performance was led by very strong growth and profitability in Outdoor Performance, led by Salomon footwear, and Technical Apparel, led by Arc'teryx. We also had solid contribution from the Ball & Racquet segment, led by Wilson Tennis 360. All four regions accelerated in Q3, and achieved double-digit revenue growth. And that strong momentum has continued into Q4.

We believe Amer Sports is a uniquely positioned company within the global sports and outdoor space. Our specialized, highly technical brands serve the premium sports and outdoor market, which continues to be one of the healthiest segments across the global consumer landscape. Several factors give me confidence for our near- medium- and long-term outlook:

First, we own a unique portfolio of premium, innovation driven sports and outdoor brands.

Second, Arc'teryx is a breakout brand story, with leading growth and profitability for the outdoor industry driven by its disruptive DTC model.

Third, Salomon footwear has unique products and brand position, and very strong demand, but still only a small share of the global sneaker market.

Fourth, Wilson equipment and our Winter Sports equipment brands already have leading market shares and will deliver slower long-term growth — except for Wilson Softgoods, which we believe has significant long-term growth potential.

And fifth. We have a strong, differentiated platform in Greater China, where we continue to deliver best-in-class performance across our three big brands.

I want to take a moment to address the September fireworks incident. We regret our involvement, and are working closely with the local authorities to address the impacts. We remain deeply committed to our communities and consumers, and are taking actions to ensure we do better going forward.

Before I turn it over to Andrew Page, allow me to briefly recap key brand highlights from our three segments.

Starting with Technical Apparel, which is led by Arc'teryx.

Arc'teryx delivered another quarter of broad-based strength across regions, channels, and categories — especially footwear and women's. We are encouraged by Technical Apparel's continued momentum in the DTC channel, where the omni-comp reaccelerated to +27% from +15% in Q2. We envision Arc'teryx as a truly global brand with significant runway to grow in all major markets, and we are particularly encouraged by the meaningful Q3 acceleration in North America and Europe, as well as continued strength in Asia and China.

Strong **Women's** momentum continued in Q3, growing 40%, and was one of Arc'teryx's fastest growing categories. We continue to see a large opportunity to serve women in the outdoors in a different way, focusing on pinnacle design and performance.

The new women's Leutia Pant was a standout performer in the quarter, and was a top-5 model across all U.S. epicenters. Our women's climbing pant, the Clarkia, also continues to be wildly popular since its launch last year.

For Fall-Winter 2025, we are expanding our focus on color, and have launched new models like the Nia pant, and womens-only shell jacket styles like Emeris and Altira. We continue to experience rising brand awareness and affinity with women in the U.S. and Europe as we've improved fit, style, and function.

As we discussed at our recent investor day, Women's will represent approximately 25% of global Arc'teryx sales in 2025, and we expect it to become 30% of sales by 2030.

Footwear also continues to be a key growth driver with 35% growth. Shoe models launched in the fall included the Konseal — a modern take on the classic approach shoe, which is light, grippy, and built for long technical missions. We also launched Norvan Nivalis — a winterized evolution of the Norvan LD4, delivering high-performance running in cold conditions with a bold, modern silhouette.

Looking forward, Arc'teryx has an exciting pipeline of shoe launches for next year, and we continue to believe footwear will be a large and profitable growth avenue for Arc'teryx. Footwear will represent approximately 8% of global brand sales this year, and we expect it to reach 13% by 2030.

Our **Veilance** sub-brand is still small, but grew strong double-digits in Q3 and we are excited for the future potential of this brand. Veilance is expanding into new high-end wholesale partners in North America, and you can now find Veilance in Nordstrom in the U.S., and Holt Renfrew in Canada. Veilance will represent approximately 5% of global brand sales in 2025 and we expect it to reach 7% in 2030.

Circularity and Rebird continue to be at the heart of our brand. We now have 32 ReBird centers, which supported our successful September trade-in initiative, whereby guests received a 30% credit for returning their used Arc'teryx jackets.

I would also like to mention **Peak Performance**, the other brand within our Technical Apparel segment. We are pleased to share that Peak Performance is seeing stabilizing sales and profitability in its core European business, as well as early green shoots in North America. We introduced Peak to REI in September, and we are also opening a Vancouver flagship store in the previous Arc'teryx space in time for this Winter season.

Moving to the Outdoor Performance segment, which was led by another outstanding quarter from Salomon Footwear and Apparel, as well as a healthy performance from Winter Sports Equipment. Salomon footwear momentum continues across all regions, especially Asia, with strong demand for both Sportstyle AND performance products. In addition to sneakers, bags and socks are also growing strongly across regions.

There are several ongoing factors that give us confidence that Salomon footwear is well positioned for significant profitable growth in the years ahead.

Number 1: Global Sportstyle momentum continues. One of Salomon's unique strengths as an outdoor brand, is how well we are connecting with younger consumers, especially women. Our Sportstyle offering is critical to Salomon's unique position as **THE** Modern Outdoor Sneaker Brand, resonating with women in a way traditional Outdoor brands have not.

Second, our Performance and running lines are also having great success. Our GRVL franchise is unlocking the run category for Salomon like never before. Salomon is gaining traction in the Run Specialty channel in North America and EMEA. And even China, which has been a Sportstyle-centric market, is seeing traction in Performance products. We are also seeing a benefit from improving capability to launch globally coordinated marketing campaigns to support our Sportstyle and Performance launches.

Third is Salomon's continued amazing brand heat in Greater China and Asia, where we believe we operate the most productive and profitable sneaker shops in the industry. Beyond Greater China, Salomon is also experiencing surging demand in Korea and Japan, both large sneaker markets.

Fourth, our epicenter strategy is working. Our strategy to open a handful of brand stores alongside strategic elevated wholesale distribution in key Metro markets is critical to elevating Salomon's presence and awareness globally. Epicenter cities include: Paris, London, Shanghai, Beijing, New York, LA, Milan, Miami, and more to come.

Fifth, we are seeing accelerating demand in Europe, Salomon's home market. Salomon is experiencing strong pull demand from consumers, which drives strong reorders, preorders and sell-through for both Sportstyle and Performance.

Six is North America, which is still a much smaller sneaker market for us compared to Europe or Asia. It is growing at a solid double-digit rate, but under the surface, we can see that it is growing even faster. We are still exiting certain retail and ecomm channels that were not right for Salomon, while we simultaneously ramp up our North America DTC footprint and wholesale expansion with the key strategic partners.

Lastly, as we continue to elevate Salomon's brand awareness, we are excited about the upcoming **Milano Cortina Olympics** where Salomon is a Premium Partner, outfitting all volunteers. This will be a great moment for the brand in its home market.

I also want to mention our **Winter Sports Equipment franchises,** which had a very strong Q3, with healthy shipments to start the season and solid order books for the winter season overall.

We were thrilled by the outstanding performance from Atomic athletes in the World Cup in Sölden, Austria. The event represented a great start for the season in Europe, with record-attendance and broadcast viewership, which is a positive indicator of the engagement and passion people in Europe have for Winter sports.

In 2025, Winter Sports equipment is expected to represent only 28% of the Outdoor Performance Segment, down from 46% in 2022.

Moving to Ball & Racquet highlights. Ball & Racquet had strong sales in Q3, with 16% growth, driven by continued strength in Softgoods, and Racquet Sports. Our Tennis 360 products continue to resonate very well with consumers, from performance racquets to tennis apparel and footwear.

Wilson **Softgoods** continued its explosive growth, more than doubling in the quarter, with very strong growth across all 3 major regions.

The brand had some big moments at this year's **US Open**, both on and off the court. Wilson hosted brand activations across New York City during the tournament, including a 4-day Wilson Tennis club pop-up in Soho. And our on-site US Open shop, again posted record traffic and sales. On court, Aryna Sabalenka won her fourth singles title at the U.S. Open playing with the Wilson Blade v9.

On the product side, in July Wilson unveiled the **Ultra v5.** This is the most versatile Ultra racket yet — designed for intermediate to advanced players seeking both power and precision.

Beyond Tennis 360, we saw slight growth in Golf driven by EMEA and the Dynapower line and Infinite putter. Baseball was essentially flat, as growth in bats was offset by a decline in gloves and gear.

Inflatables were down due to continued challenging market conditions and tariff driven price increases. US retailers and consumers are showing some price sensitivity in this category, and we plan to introduce a slightly lower price point, premium ball next year to make sure we are well positioned at the sweet spot on the price spectrum.

With that, I'll turn it over to Andrew.

Thanks James.

The headline is that our strategy is working. Our brands are firing on all cylinders, allowing us to exit Q3 with momentum and setting us up to enter 2026 with confidence. Before I get into Q3 results, I want to personally thank our more that 13,000 employees around the globe for their obsessive focus on the consumer and continual push toward operational excellence….these results are only possible through their efforts.

Now to our results, Salomon footwear continues to add a strong second leg of profitable growth to Arc'teryx's already exceptional trajectory, significantly elevating the financial profile and long-term value creation potential of the Amer Sports portfolio.

All three operating segments delivered both sales and margin ahead of our expectations in the third quarter. And given our strong third quarter results and continued momentum, we are raising our full year revenue, margin, and EPS expectations.

Amer Sports grew sales 30% in Q3 on a reported basis, or 28% ex-currency. The strong Group sales performance was led by Outdoor Performance, followed by Technical Apparel. Ball & Racquet sales also accelerated and delivered double-digit growth.

By channel, the Group continues to be driven by DTC, which grew 51% led by Salomon in Greater China and APAC. Wholesale grew 18% at the Group level, also led by Salomon.

Growth accelerated across all regions. Regional growth was led by Asia Pacific, which increased 54%, and China, which grew 47%. EMEA accelerated to 23%, and the Americas accelerated to 18% in Q3.

Turning to profitability, adjusted gross margin increased 240 basis points to 57.9% in Q3, primarily driven by favorable channel, geographic, product, and brand mix. Gross margin also benefitted by approximately 50 basis points from one-time inventory reserve adjustments.

Adjusted SG&A expenses as a percentage of revenues was flat year-over-year and represented **42.3%** of revenues in Q3. The Technical Apparel SG&A leverage on strong growth was offset by slight deleverage at Outdoor Performance and Ball & Racquet due to ongoing investments in Salomon softgoods and Wilson Tennis 360.

Led by strong gross margin expansion, we generated a **130** basis point increase in our adjusted operating margin from **14.4%** last year to **15.7%** in **Q3**.

Corporate expenses were **$38 million**, up from **$23 million** in **Q3** of last year. D&A was $**119 million** which includes $**43 million** of ROU depreciation.

Adjusted net finance cost in the quarter was **$18 million,** which comprised primarily of **$26 million** of interest expense, partially offset by **$7 million** of Fx gains on the remeasurement of certain monetary assets.

In the quarter, our adjusted income tax expense was $68 million, which equates to an adjusted effective tax rate of **26%**.

Adjusted net income in **Q3** was **$185 million**, compared to **$71 million** in the prior year period. Adjusted diluted earnings per share was **$0.33** compared to adjusted diluted earnings per share of **$0.14** last year.

Now turning to segment results:

Technical Apparel revenues increased **31%** to **$683 million** led by Arc'teryx. Growth was fueled by **46%** DTC expansion, including a reacceleration in our omni-comp to 27% from 15% in Q2 2025. Technical Apparel wholesale revenues grew **11%.**

Regionally, the Technical Apparel growth rate was led by Asia Pacific, followed by the Americas, Greater China, and then EMEA. All regions grew strong double digits.

Arc'teryx stores are critical to the brand's growth, especially how we engage with local consumers and community. Our stores include of a mix of different formats ranging from multi-level large scale Alpha Flagship stores to small-format very distinct, Mountain town shops.

In Q3, excluding the recently acquired stores in Korea, which I will discuss shortly, Arc'teryx opened 4 net new stores, with 10 openings offset by the closure of 6 legacy locations as part of our ongoing strategy to optimize the quality and productivity of our store fleet. New store openings included the Arc'teryx flagship in Vancouver on Robson street. Arc'teryx also opened brand stores in Manchester, UK, Canberra, Australia, and Takanawa, Tokyo.

We have opened 12 net new stores year to date, and we continue to plan to open approximately 25 net new Arc'teryx stores for the full year, with the largest number coming in North America. Our store opening plan incorporates a similar level of gross new stores as in 2024, partially offset by the closure of certain outlets and other sub-optimal locations.

In Greater China we continue to focus on optimizing Arc'teryx's retail footprint. This year we will have slight net store closures, including some legacy partner doors. However, we will still grow our owned store count — and our overall square footage in China — with larger format, higher quality, more productive locations. A good example of this is our upgrade of the original Arc'teryx flagship in Shanghai, at the Alpha Center, which will reopen this month after expansion and renovation.

Looking ahead to 2026, we are planning for Arc'teryx to have net store openings in China, after years of rationalizing the store fleet in the region.

In North America, I would highlight our second New York City Alpha store, which recently opened on Fifth Avenue at Rockefeller Center. This store is the most pinnacle expression of the brand in the U.S., and we are encouraged by the strong sales in the first few weeks. With nearly 12,000 square feet, it’s one of the largest stores in North America and a bold step forward in Arc'teryx's retail expression — designed to educate, inspire, and connect more people to the mountains through immersive storytelling and product innovation.

In Q3 we also closed our asset purchase agreement with Nelson Sports, Arc'teryx's distributor in Korea since 2001. This deal effectively converted 46 partner stores into our owned fleet, which include a number of small format shop-in-shop locations. The revenue and margin impact in Q3 was negligible. Bringing Korea in house will benefit our topline **and operating profit dollars** as we convert from wholesale partner revenues to DTC revenues.

Bringing Korea in house will have an immaterial impact on both the segment and group operating margin**.**

This acquisition will contribute approximately $25 million of incremental sales in Q4. On an annualized basis, Korea is expected to generate approximately $120 million of total sales at retail in 2025. Beyond 2025, we believe Korea is a large high-potential market for Arc'teryx given its strong consumer affinity for the Sports & Outdoor category and premium global brands.

Technical Apparel adjusted operating margin declined 100 basis points to **19.0%**, as SG&A leverage were offset by an ~125bps headwind from a timing shift related to government grants.

Moving to our Outdoor Performance Segment, which saw revenues increase **36%** to **$724 million**, driven by very strong performance in Salomon footwear, apparel, and bags and socks.

By channel, Outdoor Performance DTC grew 67%, led by new doors and higher productivity across markets, especially Greater China and APAC. Outdoor Performance achieved an impressive 33% omni-comp with strength in both stores and ecommerce. Ecomm is growing across regions driven by higher traffic. Wholesale grew 26%, driven by strong sell through and reorders in Softgoods.

Regionally, the Outdoor Performance growth rate was led by Greater China and APAC, followed by accelerating growth in both EMEA and the Americas.

The popularity of Salomon footwear is inflecting globally, and we are well positioned to fully develop this unique opportunity over time. We believe we have very significant growth opportunities in all three major consumer regions, and have the right talent and team structures in place to take a meaningful share of the global sneaker market.

In Asia, DTC continues to be the critical growth channel for Salomon led by our highly productive Salomon "compact shop" format. We opened 19 net new Salomon shops in **Greater China** this quarter, including both owned stores and partner stores, bringing our total count to 253 doors. We are on track to reach approximately 290 Salomon shops in Greater China by year end, including owned and partner doors.

We recently opened our second Salomon flagship in Shanghai, a 7,300 square foot pinnacle expression of the brand, located in the French Concession district, known for its boutique shopping. The 3-level store offers a more immersive experience for customers and has performed very well in its first few months.

In APAC, we opened 12 new Salomon stores in Q3, 6 in Korea, 4 in Japan, and 2 in Australia. Overall brand awareness and demand for Salomon footwear is rapidly growing across Asia.

In the Americas, Salomon softgoods grew strong double-digits in Q3, and we continue to lay the groundwork to support significant future growth.

Our first U.S. store in New York City continues to show incredible traction with consumers, and we are on track to operate four stores in the greater New York area by the end of Q1, as well as continuing to expand our presence in key wholesale accounts. New locations in Q3 include Woodbury Commons in New York, the trendy Bucktown neighborhood of Chicago, and later this week we are opening our second New York store in Williamsburg, Brooklyn.

And I also want to mention our first Los Angeles store on Melrose Avenue in West Hollywood, which opened at the beginning of Q4. The opening has been a huge success with very strong brand buzz in the area, high traffic, and long lines outside the store. We were thrilled to welcome many first-time Salomon buyers, especially so many young female consumers.

We will continue to focus on Epicenters in 2026 and beyond; including New York, Los Angeles, Miami, and San Francisco, and are planning to open 7 to 10 new stores next year in the U.S.

Looking at U.S. wholesale, Salomon is seeing growing demand across a variety of high quality retail partners, including REI, Nordstrom, and run specialty shops.

In EMEA, we continue to expand our store fleets in key epicenters including Milan and London. We recently opened our second brand store in Milan and will open a third one in Q4. And we will open a fourth store in London in Q4. In 2026, we will further develop our epicenters into Spain, Germany and other key UK cities.

For our Winter Sports Equipment brands, Q3 was a strong quarter with double digit growth, across brands and regions. Sales also benefitted from approximately $20mm of shipments that were planned in Q4 but went out in Q3. Order books for the season are solid, and our brands continue to take meaningful market share globally. In addition to strong market share in our core ski, boot, and binding categories, we see incremental growth opportunities in areas such as snowboarding and protective equipment.

Outdoor Performance adjusted operating profit margin expanded 420 basis points from last year to 21.7% in Q3. Margin expansion was led by gross margin thanks to positive channel, region and product mix, as well as favorable product cost driven by our footwear cost optimization initiatives. Gross margin expansion offset the very slight SG&A deleverage due to continued investments in growth.

Moving to Ball & Racquet, where revenue increased 16% to **$350 million** driven by Softgoods and Racquet Sports.

We continue to see very strong momentum in Tennis 360 globally. By category, the growth was led by Softgoods, which more than doubled in the quarter with strong momentum in all regions. Softgoods now represents approximately 15% of Segment revenue. Racquet sports also grew strong double digits, driven especially by very strong growth in EMEA and China.

Regionally, the Ball & Racquet growth rate was led by China, followed by APAC, EMEA, and slight growth in Americas.

Globally in Q3, we had 10 net new Wilson brand store openings, mostly in Greater China.

Wilson continues to excel in **China,** and we are planning to open approximately 35 Wilson Tennis 360 shops in China this year, including both owned and partner doors, bringing the total to around 80. In Q3, Wilson celebrated the opening of its urban concept store – Brickhouse in Wuhan — which integrates American tennis club aesthetics with local Wuhan culture — a tribute to Olympic champion Zheng Qinwen's hometown.

In North America, our expansion into the warmer southern markets is continuing to drive strong results. Our Dallas North Park Mall location continues to perform very well, and we continue to expand our new Tennis 360 concept store into more Southern and coastal locations, including our new shop in Beverly Hills and an upcoming shop in Miami. We also continue to expand our Tennis 360 test into new Dick's Sporting Goods locations, including House of Sports locations.

In APAC, we are excited to expand our retail footprint into two new markets: Japan, with our first store in Tokyo's Marunouchi district, and Australia, with our first two stores in the Melbourne area.

Ball & Racquet segment adjusted operating profit margin increased **70** basis points to **7.6%** thanks to strong gains in gross margin, driven by favorable product, region and channel mix, and pricing. Ball & Racquet profitability also benefited from the above-mentioned one-time inventory reserve revaluation. These gains offset higher tariff costs and slight SG&A deleverage on continued Softgoods investment.

Turning to the Group balance sheet. We ended the quarter with **$800 million** of net debt. Using the mid-point of our 2025 adjusted operating profit guidance, our net-debt-to-adjusted-EBITDA ratio was approximately 0.7x at the end of Q3.

We exited the quarter with inventories up 28% year-over-year, slightly lower than our 30% sales growth. We are very comfortable with the level and quality of our inventory. This higher inventory growth is primarily related to four factors: 1) earlier receipt of seasonal Arc'teryx merchandise to prepare for better in-stock position; 2) higher Arc'teryx goods-in-transit resulting from the greater use of ocean shipping vs. air freight; 3) Fx translation from the weaker US dollar, and 4) the addition of the Arc'teryx Korea inventory following the recent acquisition. We expect inventory growth rates to normalize in 2H26, when we start to cycle our improved in-stock positions and the higher use of ocean freight.

Driven by strong profit growth and disciplined working capital management, we generated **$104** million of operating cash flow in the first 9 months compared to $18 million last year. And for the full year 2025, we expect to generate solid operating cash flow growth versus 2024 levels.

Now moving to guidance—

The updated guidance assumes the latest tariff rates on all countries will stay in place for the remainder of 2025 and beyond. We remain confident that we are well positioned to manage through a variety of tariff scenarios given our low exposure to the U.S., pricing power, and our clean balance sheet. We continue to expect negligible impact to our Group P&L from higher tariffs in 2025, and beyond.

Let's begin with our updated full year 2025 outlook. Given the upside in Q3 and our continued momentum — we are raising our full year revenue, operating margin, and EPS expectations.

We are raising 2025 revenue growth guidance from 20–21% to 23–24%, including an approximate 100-basis point benefit from favorable Fx impact at current exchange rates.

By segment, we are raising our Technical Apparel 2025 revenue growth guidance from approximately 22–25% to 26–27%, including continued strong omni-comp growth. We are also increasing our Outdoor Performance sales growth expectations from 22–25% to 28–29%, and Ball & Racquet from 7–9% to 10–11% growth.

We are also raising our full-year adjusted gross margin guidance from approximately 57.5% to approximately 58%. And we are also raising our adjusted operating margin guidance from approximately 11.8–12.2% to 12.5–12.7%.

By Segment, we continue to expect an adjusted operating margin of approximately 21% for Technical Apparel. For Outdoor Performance we are raising adjusted operating margin guidance from 11–11.5% to 13–13.5% . For Ball & Racquet we are maintaining our adjusted operating margin guidance of 3–4%.

We are now assuming full-year net finance cost of $85—90 million and an effective tax rate of 27—28%. The lower effective tax rate is primarily driven by higher profit generation from low tax jurisdictions.

Other operating income will be approximately $20 million for the full year, and net income attributable to non-controlling interest will be approximately $15 million. We now expect adjusted diluted EPS of 88–92 cents, versus our prior guidance of 77–82 cents, which is based on 563 million fully diluted shares. We are also assuming D&A of $350 million, including approximately $180 million of ROU depreciation.

Capex is expected to be approximately $300 million, primarily to support new store expansion, ERP optimization, and distribution and logistics investments.

As we've said before, should strong trends continue and better-than-anticipated demand materialize, we believe we will be well positioned to deliver financial performance ahead of our expectations.

As we begin to look beyond 2025, we are also confident in our initial 2026 outlook. At the Group level, we expect to deliver revenue **<u>towards the high-end</u>** of our long-term algorithm of low-double-digit to mid-teens annual sales growth.

And we expect to deliver adjusted operating margin expansion within our long-term algorithm of 30-70+ basis points.

With that, I’ll turn it back to the operator for questions.