

AMER SPORTS 4Q25 EARNINGS SCRIPT

Hello everyone. Thanks for joining Amer Sports earnings call for the fourth quarter of fiscal year 2025. Earlier this morning we announced our financial results for the quarter and year ended December 31, 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, and 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 first quarter and full year 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. Fourth quarter was a great finish to a breakout year for Amer Sports. Our growth was led by our flagship Arc'teryx brand and rising star Salomon, which recently surpassed the \$2 billion sales mark. In 2025 we generated 27% revenue growth to \$6.6 billion and 170 basis points of adjusted operating margin expansion to 12.8%, with double-digit growth across all segments, regions and channels.

In the fourth quarter, we grew sales **28%**, and the strong momentum continues into Q1. Our performance was led by Technical Apparel and Outdoor Performance, with solid contribution from Winter Sports Equipment and Ball & Racquet. All four regions achieved solid double-digit revenue growth.

Although we generated solid gross margin expansion in Q4, adjusted operating margin declined 110 bps. This was entirely due to accelerated SG&A investment to support key growth opportunities, particularly Salomon.

Looking forward, we believe we are well positioned for strong and profitable growth within the premium sports and outdoor market, which continues to be one of the healthiest segments in all of Consumer.

Several factors give me confidence in our outlook:

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

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

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

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

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

Before I turn it over to Andrew, I will briefly recap key highlights from our three segments.

Starting with Technical Apparel.

Arc'teryx delivered another excellent quarter of broad-based strength across regions, channels, and categories — especially footwear and women's. Technical Apparel generated a very solid 16% omni-comp, driven by strong full-price growth, and also healthy segment margin expansion year-over-year. Technical Apparel sales +34%, was our highest growth quarter of the year. We continue to envision Arc'teryx as a truly global brand with significant runway in all major markets, and were encouraged that the brand is generating double-digit omni-comps across all 4 regions.

Women's was Arc'teryx's fastest growing category in Q4 with over 40% growth. We continue to enjoy rising brand awareness with women across regions, as we improve fit, style, color, function, and newness.

We created a significant amount of newness in Women's this past Fall, which drove notable incremental growth in key product categories. We saw especially strong momentum in ski and insulation with the Cerium and Atom SV. And also the new Andessa Down Jacket, which is a warm waterproof ski jacket at a pinnacle price point. Women's bottoms also continue to be popular following the successful launches of the Clarkia, Leutia and Nia pants in 2025.

Moving to **Footwear**, which grew nearly 40%, driven by strong growth in all markets. Top performing models were the Norvan LD 4 trail shoe, our most successful launch to date, followed by the Kopec Gore-Tex hiking shoe. Looking forward, Arc'teryx has an exciting pipeline of shoe launches for 2026, as we continue to believe footwear will be a large and profitable growth avenue for Arc'teryx.

Our **Veilance** sub-brand is still small, but grew strong double-digits in Q4 and we are very excited for the future for this unique brand. Veilance stirred a lot of interest at Paris Fashion Week, with showroom appointments tripling from last year. We expect strong double-digit growth from Veilance in 2026 as we further develop our collections and expand distribution.

Circularity and ReBIRD continue to be at the heart of our brand. We opened 8 new ReBIRD centers in Q4, bringing the total to 43. In Q4 we increased the credit that guests receive when they trade in used Arc'teryx products to 30% from 20% previously, which has driven a notable jump in trade-in activity.

I would also like to highlight recent **leadership announcements** at Arc'teryx. First, we welcomed **Avery Baker**, our first-ever Chief Brand Officer who joins most recently from Tommy Hilfiger. Avery is stepping into a newly created enterprise-wide role that will bring together global marketing, strategy, as well as a consumer experience, insights & analytics team.

We also welcomed **Tobia Prevedello** — our new Head of EMEA. Tobia brings more than 20 years of international leadership experience across EMEA and APAC, most recently at Celine and Gucci.

I would also like to mention **Peak Performance**, our other Technical Apparel brand, which delivered solid growth in Q4. 2025 marked the brand's return to growth, with sales increasing across all regions and channels. The brand also continued to improve profitability driven by a concentrated efforts to reduce promotions and increase full-price selling.

Moving to the Outdoor Performance segment, which was led by another outstanding quarter from Salomon Footwear and Apparel, and a solid performance from Winter Sports

Equipment. 2025 was a breakout year for the 79-year old Salomon brand, which grew 35% to more than \$2 billion of sales. Salomon footwear momentum continues across all regions, especially Asia, with very high demand for Sportstyle and Performance.

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 that we are connecting with women and younger consumers in a way traditional Outdoor brands have not. Sportstyle is critical to Salomon's position as the **Modern Outdoor Sneaker Brand**. And the success of XT-Whisper is the first example of how we can successfully expand Sportstyle beyond the XT-6 franchise.

Second, our Performance and running lines are also having great success. We continue to believe our new GRVL franchise is helping to unlock 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 strong traction in Performance products.

Third is Salomon's amazing brand heat in Greater China and Asia, where we believe we operate the most productive and profitable sneaker shops in the industry. In 2025, Salomon grew sales very strong double-digits in Greater China, driven by both Sportstyle and Performance, as well as strong growth in apparel. Beyond Greater China, Salomon is 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, and more to come.

Fifth is the strong pull demand we are seeing from consumers in Europe, Salomon's home market, driving strong reorders, preorders and sell-through. Sportstyle continues to be the growth driver, but we have also seen a real inflection in GRVL in Europe, supported by marketing campaigns, in-store events, and running event activations. We are seeing especially strong performance in European epicenters like Paris and London, with strong double-digit omni-comps.

Also, Salomon opened its first ever office and showroom in Paris, which is designed to elevate our brand presence in the city, strengthen our connection with buyers and the community, as well as support top talent acquisition.

Six is North America, which is still a much smaller sneaker market for us compared to Europe or Asia. North America growth accelerated in Q4 driven by Sportstyle. We remain focused on ramping up our North America DTC footprint and wholesale expansion with the key strategic partners. Early signs are positive as our North America order book is experiencing strong growth.

Salomon is also making key investments in leadership. In January, we appointed our first ever Creative Director, **Heikki Salonen**. Heikki arrives following tenures at Diesel and most recently MM6, and will lead both product design and brand creative direction.

Lastly, I also want to mention our **Winter Sports Equipment franchises**, which had a very strong Q4 despite challenging weather conditions. The market remains healthy despite low snow in certain regions. Bookings, participation, and enthusiasm for ski & snowboard are at record levels this winter.

The recent Milano Cortina Winter Olympic Games were a big moment for Amer Sports Group, especially Salomon, who outfitted all 27,000 official staff and volunteers head to toe. Between Salomon, Arc'teryx, Peak Performance, Armada, and also Atomic — which is already one of the most successful Alpine ski racing brands in history — our brands sponsored more than 200 athletes at the Games, winning an incredible 59 medals, a dominant performance. Congratulations to our athletes and teams!

Moving to Ball & Racquet, which had a strong Q4. Sales grew 14% driven by continued strength in Softgoods, a return to growth in Baseball, and an acceleration in golf.

Wilson **Softgoods** continued its explosive growth, doubling in 2025, including very strong double-digit growth in Q4. Our Wilson Softgoods offering is resonating with consumers in both wholesale and DTC channels, and across all major regions.

Wilson is unique in its ability to outfit tennis athletes from head to toe, including racquets and accessories. And we are excited to have signed 6 new Wilson Tennis 360 athletes on tour, including world top-10 player Alex de Minaur, bringing our total count to 16 players.

Beyond Tennis, we also saw a return to growth in Baseball, driven by strong bat sales, led by the Louisville Slugger Supra and five other bats among the top 10 this season.

Lastly before I turn it over to Andrew, I am pleased to announce Carrie Ask as the next President & CEO of Wilson brand effective March 1. Carrie is a proven brand CEO and C-suite executive with great experience in the global Softgoods, sports, and outdoor industries, including Helly Hansen, Levi's, and Nike. She began her career as an officer in the United States Navy, serving both in the US and abroad. We are excited to welcome Carrie to the Wilson and Amer Sports team.

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

Thanks James.

We had another strong performance in Q4 with healthy sales growth, gross margin expansion, and EPS despite our decision to accelerate investment behind Salomon. The strong sales and profitability of the Amer portfolio allows us to accelerate resources behind the large Salomon sneaker opportunity, while still delivering great results at the Group level.

Let's first take a moment to reflect on the key highlights of 2025:

Amer Sports Group delivered 27% growth in 2025, with broad-based strength across brand segments, regions, channels, and categories. Arc'teryx continued its very strong trajectory, Salomon Softgoods entered rapid growth mode, and Wilson Tennis 360 moved the needle in our Ball & Racquet segment. We delivered meaningful adjusted operating margin expansion from 11.1% in 2024 to 12.8% in 2025. And we also continued to reduce our leverage ratio, effective tax rate, and annual interest expense, leading to strong operating and free cash flow generation.

Now turning to our 4Q results

Amer Sports grew sales 28% in Q4, on a reported basis, and 26% in constant-currency. The strong Group sales performance was led by Technical Apparel and Outdoor Performance, while Ball & Racquet also delivered solid growth in the quarter.

By channel, the Group continues to be led by DTC, which grew 38% led by Salomon Softgoods. Wholesale grew 18% globally, which was led by Arc'teryx.

Regional growth was led by Asia Pacific which grew 53%, followed by Greater China, which increased 42%. EMEA grew 21%, and The Americas generated 18% growth.

Moving down the P&L, adjusted gross margin increased 140 basis points to 57.8% in Q4, primarily driven by positive segment, regional, and channel mix shift.

Adjusted SG&A expenses as a percentage of revenues deleveraged by 220 basis points and represented **45.5%** of revenues in Q4 versus **43.3%** last year. The deleverage was primarily driven by Outdoor Performance, as Salomon made the decision in Q4 to accelerate investments to support healthy long-term growth. Also, the strong growth of Wilson Softgoods continues to drive elevated SG&A investment within Ball & Racquet. These factors were partially offset by Technical Apparel, which achieved SG&A leverage in Q4.

Driven by the higher SG&A investments, as well as lower Other Operating Income, our adjusted operating margin declined **110** basis points from **13.6%** last year to **12.5%** in Q4.

Corporate expenses were **\$40** million, up from **\$12** million in Q4 of last year, driven by higher share based compensation. In addition last year in Q4 corporate expenses benefitted from certain one-time accounting reclassifications related to net finance costs. D&A was **\$106 million** which includes **\$48 million** of ROU depreciation.

Adjusted net finance cost in the quarter was **\$21 million**, which comprised primarily of **\$20 million** of interest expense.

In the quarter, our adjusted income tax expense was \$65 million, which equates to an adjusted effective tax rate of 27%.

Adjusted net income was **\$176 million** in Q4, compared to **\$90 million** in the prior year period. Adjusted diluted earnings per share was \$0.31 compared to \$0.17 last year.

Turning to segment results:

Technical Apparel revenues increased **34%** to **one billion** led by Arc'teryx. Growth was fueled by both **37%** wholesale growth and **34%** DTC expansion. Technical Apparel generated a strong 16% omni-comp, led by full-price selling as we intentionally pulled back our participation in key promotional events, including Black Friday and Double Eleven.

Regionally, the Technical Apparel growth rate was led by Asia Pacific, Greater China, the Americas and EMEA. All regions grew strong double digits. Q4 was the first full quarter post-

the Korea distributor acquisition, which contributed a low-to-mid single-digit percentage to Technical Apparel's growth rate in Q4.

In Q4, Arc'teryx opened 15 net new stores, with 21 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 new Arc'teryx Alpha Store in Rockefeller Center in NYC and mountain town stores in Aspen and Park City. Arc'teryx also opened stores in Canada, Japan, Australia and China in the quarter.

Looking back at full year 2025, we opened 24 net new stores, excluding the Korea acquisition, and we plan to open 25-30 net new Arc'teryx stores in 2026, with the largest number coming in North America and also China. Our store opening plan incorporates a similar level of gross new stores as in 2025, partially offset by the continued closure of certain outlets and other sub-optimal locations.

In Greater China, as planned, we had slight net store closures in 2025, which includes partners stores. However, we still grew our owned store count and overall square footage in China by opening larger format, higher quality, more productive locations.

In North America, I want to highlight our second New York City Alpha store, which opened in October 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 this Winter. The newly opened mountain town stores in Aspen and Park City are also off to great starts.

We were very pleased by Technical Apparel's strong operating margin expansion in Q4. Adjusted operating margin expanded 160 basis points to **25.9%** driven by strong flow through of the revenue upside in the form of SG&A leverage. This is a great proof point behind our confidence in the scalability of Arc'teryx's highly productive store model as they comp positively over time.

Moving to our Outdoor Performance Segment, which saw revenues increase **29%** to **\$764** million, driven by very strong performance in Salomon footwear, apparel, bags, and socks — and also supported by strong double digit growth in Winter Sports Equipment.

By channel, Outdoor Performance DTC grew 55%, led by new doors and higher productivity across markets, especially in APAC and Greater China. Outdoor Performance generated a 28% omni-comp with strength in both stores and online. Wholesale grew 17% driven especially by strong results in Greater China and EMEA.

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

The popularity of Salomon footwear continues to inflect globally, and we are doing everything we can to ensure we are well positioned to fully develop this large opportunity over time. Salomon is positioned for significant growth in all three major consumer regions, and we are working hard to build the right team, operational, go-to-market, and brand building functions to support our growth.

In Asia, DTC continues to be the critical growth channel for Salomon led by our highly productive Salomon "compact shop" format. We opened 33 net new Salomon shops in **Greater China** this quarter, including both owned stores and partner stores, bringing our total count at year end to 286 doors, adding nearly 100 new doors in 2025. In 2026, we expect to continue store expansion in Greater China, but at a more moderate rate, adding approximately 35 net stores to the fleet.

In December we reopened the Salomon Flagship store in Chengdu. The store design is inspired by local Sichuan mountains scenery and it is the first flagship store combining winter sports and trail running.

In APAC, we opened net 8 new Salomon stores in Q4, including Japan, Australia and Korea. The region finished the year with 113 Salomon stores, including partner stores, with 44 net new openings in 2025. Overall brand awareness and demand for Salomon footwear is rapidly growing across Asia.

In the Americas, Salomon softgoods growth further accelerated as we continue to lay the groundwork to support significant future growth. We are excited to see very strong order books for both Spring/Summer and Fall/Winter 2026 with growing demand across a variety of high quality retail partners, including REI, Nordstrom, JD Sports, run specialty shops, and other specialty retailers. We also have improved our inventory position to answer the growing demand.

Our brand awareness continues to rise across the greater New York area as our shop in SoHo continues to show great traction with consumers, and we opened our second New York store in Williamsburg, Brooklyn in Q4. The Williamsburg location strengthens our presence in the core New York Epicenter, performing very well out of the gate.

Globally and in North America, we will continue to focus on our epicenter strategy in 2026 and beyond, particularly New York, Los Angeles, and Miami. We currently plan to open 7–10 new Salomon shops in the U.S. this year.

In EMEA, we continue to expand our store fleet in key epicenters including a third brand store in Milan and a fourth in London. And we will further develop our Europe epicenters into Spain, Germany and other key UK cities in 2026.

For our Winter Sports Equipment brands, Q4 was a strong quarter with double digit growth despite lower snow levels in The Alps and Rockies. In addition to strong market share in our core ski, boot, and binding franchises, we continue to see incremental growth opportunities in areas such as snowboarding and protective equipment.

Moving to the Outdoor Performance P&L. Adjusted operating profit margin contracted 490 basis points to 6.2% as Salomon made the decision to accelerate SG&A investments to support its significant growth opportunity in the global Softgoods market.

Outdoor performance **gross margin** continued to expand driven by positive mix shift across product, region, and channel. This was more than offset by **higher SG&A** in Q4 driven by key investments to fuel Salomon's long term global growth.

These investments include impactful marketing campaigns to drive long-term brand awareness, including XT-Whisper and Gravel, and MiCo Olympics related marketing. Also, we accelerated retail expansion, especially in China where we opened 25 net new brand stores in Q4. Lastly we increased investment in talent & operations, including higher incentive compensation given Salomon's performance versus plan, new talent acquisition, such as our new creative director and his team, and opening Salomon's new Paris hub.

I want to emphasize that we are seeing tangible benefits and high returns from our accelerating investments, including meaningful uplifts in Salomon's brand awareness since 2023: which has increased 15 points globally, including +15 points in Paris and +10 points in London.

Moving to Ball & Racquet. Revenue increased 14% to **\$337** million driven by Softgoods, baseball and golf.

We continue to see very strong momentum in Tennis 360 globally. By category, the growth was led by Softgoods, up very strong double digits with continued momentum in all regions. Softgoods now represents approximately 15% of Segment revenue.

Racquets had slower growth in the quarter due to timing of product launches and wholesale shipments, while underlying demand remains strong. With double-digit growth, 2025 was a great year for racquets, and we have exciting performance racquet launches in 2026.

Baseball returned to growth driven by strong performance in bats driven by successful product launches in fall 2025. And Golf ended the year with improved margins and solid growth especially in EMEA and APAC, driven by a stronger product offering.

In other categories, we saw Inflatables stabilizing in Q4 and returning to slight growth, following a challenging first nine months.

Regionally, the Ball & Racquet growth rate was led by China, followed by meaningfully accelerating growth in Americas, EMEA, and partially offset by a slight decline in APAC.

We had 10 new owned Wilson brand store openings globally in Q4, split between Greater China and APAC. Wilson Tennis 360 shops are performing well in **China** and we opened 13 new shops in Q4 including partner doors. This brings the total owned and partner store count to 77. And in 2026, we plan to open approximately 30 Wilson Tennis 360 shops in China, between owned and partner doors.

APAC also continues to drive meaningful Wilson Softgoods growth. Our first store in Japan, in Tokyo's Marunouchi district, and two stores in Melbourne, Australia, are off to great starts.

In North America, improving Ball & Racquet growth was led by baseball and softgoods. In softgoods, we saw strong ecommerce comp growth in the region.

Our expansion into the warmer southern markets is continuing to drive strong results. Our Dallas North Park Mall 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 shops in Beverly Hills and Miami. We also continue to expand our Tennis 360 offering into more Dick's Sporting Goods locations, including House of Sports.

Ball & Racquet segment adjusted operating profit margin increased **110** basis points to **negative 2.6%** driven by solid gross margin expansion related to less promotional activity and better regional and channel mix. This was partly offset by SG&A deleverage due to investments in Softgoods.

Now turning to the Group balance sheet. Ending 2025 with **\$291 million** of net debt — and only 0.3 times net leverage — our financial foundation has never been stronger. We generated **\$730 million** of operating cash flow in 2025 compared to **\$425 million** last year driven by strong profit growth and disciplined working capital management.

Additionally, given our strong financial position, post-year end in January we announced the redemption of \$80 million of our outstanding \$800 million 6.75% senior secured notes at a price of 103%.

We ended 2025 with inventories up 33% year-over-year, slightly elevated compared to our 27% sales growth — as expected. We remain very comfortable with the level and quality of our inventory. The 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 beginning in 2H26, when we start to cycle our improved in-stock positions and the higher use of ocean freight.

A quick housekeeping item as we turn to guidance. Beginning in Q1-26, we will discontinue allocating certain corporate expenses that are not directly attributable to the operating performance of our reportable segments. There will be no impact to the overall Group adjusted operating profit margin, it is simply reallocating certain costs from Segments to Corporate. For full year 2026, we expect Group corporate expenses to increase by approximately 60 basis points, or approximately \$50 million, related to costs reallocated from the Segments. These cost reallocations to corporate will most benefit the Outdoor Performance and Ball & Racquet segment margins, and have a much more muted benefit to Technical Apparel.

NOW TURNING TO GUIDANCE.

Guidance assumes the latest tariff rates on all countries will stay in place for the remainder of 2026 and beyond.

2026 is off to a strong start, and given the continued momentum from our highest-margin Arc'teryx franchise, accelerating Salomon Softgoods, plus the solid foundation of our equipment franchises, we are confident in our ability to deliver another very strong financial performance in 2026.

FOR THE FULL YEAR, we expect reported Group revenue growth between 16 – 18%, which assumes an approximate 200 basis point benefit from favorable Fx impact at current exchange rates.

We expect Group adjusted gross margin of approximately 59.0% for the full year, with the margin expansion continuing to be driven by mix shift benefits. As we've said in the past, we are confident in our position to manage through a variety of tariff scenarios given our: relatively low exposure to the US, strong brand portfolio with pricing power, and clean balance sheet. We continue to expect an immaterial impact to our Group P&L from higher tariffs in 2026.

We expect adjusted operating margin of 13.1 – 13.3%, towards the low end of our Long-Term guidance of 30-70 bps of improvement, primarily due to the accelerating Salomon investment; opting for long duration profitable growth over near-term profit flow through.

We are committed to investing behind the large growth opportunities in front of Arc'teryx, Salomon, and Wilson Tennis 360 — while still delivering against our long-term financial algorithm. Arc'teryx's size and profitability, and our strong sales growth and gross margin expansion at the Group level, allows us the flexibility to invest behind Salomon and Wilson Tennis 360 in a way they could not as standalone entities. We believe this is a unique advantage of our portfolio.

Corporate expense is expected to be approximately \$225 million, which includes the approximate \$50 million of costs previously allocated to the segments that I mentioned above.

We assume full-year net finance cost of \$105 – 110 million, higher than 2025 due to a normalizing Fx impact on the revaluation of certain non-monetary assets, as well as higher imputed interest expense on store leases as our retail network grows.

The effective tax rate is expected to be approximately 28%. This is an increase from 2025 as we generate a higher percentage of our taxable income in higher tax jurisdictions, and also as we cycle a one-time discrete tax benefit in 2Q25. We expect adjusted diluted EPS of \$1.10 – 1.15, which is based on approximately 564 million fully diluted shares.

Also, we are assuming D&A of approximately \$400 million, including approximately \$170 million of ROU depreciation. Capex is expected to be approximately 400 million vs. \$310 million in 2025. The increase is mainly driven by increasing key investments in IT infrastructure and retail expansion.

Turning to the Segments

Our full year sales forecast incorporates 18 – 20% growth in Technical Apparel, 18 – 20% growth in Outdoor Performance, and 7 – 9% growth in Ball & Racquet.

For Technical Apparel we expect an adjusted operating margin of approximately 22.0%. We expect Outdoor Performance segment margin of 14.5 – 14.8%, And we expect Ball & Racquet margin of 4.7 – 5.0%. All three segments should generate gross margin expansion driven by mix shift, partially offset by higher SG&A re-investment.

While we don't usually provide quarterly segment guidance, given the Q4 2025 margin fluctuation in Outdoor Performance resulting from accelerating Salmon investments, I wanted to provide a little extra margin color for Q1-26. Although we will continue to invest heavily to support Salomon's growth, we do expect Outdoor Performance to return to modest year-over-year margin expansion in Q1.

TURNING TO FIRST QUARTER GUIDANCE, we expect reported revenue growth for the Group in the range of 22 – 24%, which assumes an approximate 500 basis point benefit from favorable Fx impact at current exchange rates.

We expect adjusted gross margin to be approximately 59.0% in 1Q26, and an adjusted operating profit margin of 14.0 – 14.5%.

Our net finance costs for the quarter will be approximately \$27 million and effective tax rate will be approximately 28%. We expect adjusted diluted EPS of \$0.28 – 0.30.

Lastly I would note that should strong trends continue and better-than-anticipated demand materialize, we believe we are well positioned to deliver financial performance ahead of our expectations.

With that, I'll turn it back to the operator for Q&A.

Q&A – OPERATOR