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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
February 4, 2021

COLUMBIA SPORTSWEAR COMPANY
(Exact name of registrant as specified in its charter)

Oregon
(State or other jurisdiction
of incorporation)

000-23939
(Commission
File Number)

93-0498284
(I.R.S. Employer
Identification No.)

14375 Northwest Science Park Drive
Portland, Oregon 97229
(Address of principal executive offices) (Zip code)

(503) 985-4000
(Registrant's telephone number, including area code)

No Change
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	COLM	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On February 4, 2021, Columbia Sportswear Company (the "Company") issued a press release reporting its fourth quarter and full year 2020 financial results, providing its full year 2021 financial outlook, and announcing a quarterly dividend and a \$400 million increase in its share repurchase authorization. A copy of the Company's press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. The information in this report shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

Attached hereto as Exhibit 99.2 and incorporated by reference herein is financial information and commentary by Jim A. Swanson, Executive Vice President and Chief Financial Officer of the Company, on the fourth quarter and full year 2020 financial results and its 2021 financial outlook, as posted on the Company's investor relations website, <http://investor.columbia.com>, on February 4, 2021. The information in this report shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

ITEM 7.01 REGULATION FD DISCLOSURE

In its February 4, 2021 press release, the Company announced that its Board of Directors declared a regular quarterly cash dividend of \$0.26 per share of common stock to be paid on March 22, 2021 to its shareholders of record on March 9, 2021.

ITEM 8.01 OTHER EVENTS

In its February 4, 2021 press release, the Company announced that its Board of Directors has authorized the repurchase of up to an additional \$400 million of Company common stock in market or negotiated transactions, in addition to the approximately \$82.2 million currently remaining available under the prior share repurchase authorization. The share repurchase program does not obligate the Company to acquire any specific number of shares or acquire shares over any specified period of time, and the share repurchase program may be commenced, modified, suspended, or discontinued at any time by the Company at its discretion.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

[99.1](#) Press Release, dated February 4, 2021 (furnished pursuant to Items 2.02 and 7.01 hereof).

[99.2](#) Commentary by Jim A. Swanson, Executive Vice President and Chief Financial Officer of Columbia Sportswear Company, dated February 4, 2021 (furnished pursuant to Items 2.02 and 7.01 hereof).

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

COLUMBIA SPORTSWEAR COMPANY

Dated: February 4, 2021

By: /S/ JIM A. SWANSON

Jim A. Swanson

Executive Vice President and Chief Financial Officer



Columbia Sportswear Company Reports Fourth Quarter 2020 Financial Results and Provides Full Year 2021 Financial Outlook; Announces Quarterly Dividend and \$400 Million Increase in Share Repurchase Authorization

Fourth Quarter 2020 Highlights

Lower net sales and profitability in fourth quarter 2020 compared to fourth quarter 2019 primarily reflect the ongoing negative effects of the COVID-19 pandemic.

- **Net sales decreased 4 percent to \$915.7 million, compared to fourth quarter 2019. Net sales benefited from later shipment of Fall 2020 wholesale orders as outlined in the third quarter 2020 earnings release.**
- **In the direct-to-consumer channel, e-commerce net sales increased 41 percent year-over-year while brick & mortar store traffic and sales trends improved sequentially but remained well below prior year levels.**
- **Operating income decreased 11 percent to \$123.7 million, or 13.5 percent of net sales, compared to fourth quarter 2019 operating income of \$138.6 million, or 14.5 percent of net sales. Fourth quarter 2020 operating income includes \$18.1 million in retail impairments and store closure charges and a \$17.5 million prAna trademark impairment.**
- **Diluted earnings per share decreased 14 percent to \$1.44 compared to fourth quarter 2019 diluted earnings per share of \$1.67.**
- **Exited the quarter with \$791.9 million in cash and short-term investments and no borrowings. The Company also refinanced its domestic credit agreement with a new agreement providing a \$500 million five year unsecured revolving credit facility.**
- **On January 29, 2021, the Board of Directors approved a quarterly dividend at its pre-pandemic level of \$0.26 per share.**
- **On January 29, 2021, the Board of Directors approved a \$400 million increase in share repurchase authorization, bringing total available share repurchase authorization to \$482 million.**

Full Year 2021 Financial Outlook

(Financial outlook details can be found in the "Supplemental Financial Information" section below and the CFO Commentary document).

The following forward-looking statements reflect our expectations as of February 4, 2021 and are subject to significant risks and business uncertainties, including those factors described under "Forward-Looking Statements" below. These risks and uncertainties limit our ability to accurately forecast results. This outlook reflects our estimates as of February 4, 2021 regarding the impact on our operations of the COVID-19 pandemic, economic conditions, supply chain and logistics capacity constraints, and changes in consumer behavior and confidence, as well as geopolitical tensions. This outlook assumes a sequential recovery in brick & mortar retail traffic and sales throughout 2021. However, it is not possible to determine the ultimate impact on our operations for 2021, or whether other currently unanticipated direct or indirect consequences of the pandemic are reasonably likely to materially affect our operations.

- **Net sales of \$2.95 to \$3.00 billion, representing a net sales growth of 18.0 to 20.0 percent.**

- **Operating income of \$320 to \$346 million, representing operating margin of 10.8 to 11.5 percent.**
- **Diluted earnings per share of \$3.75 to \$4.05.**

PORTLAND, Ore. - February 4, 2021 - Columbia Sportswear Company (NASDAQ: COLM, the "Company"), a leading innovator in active outdoor lifestyle apparel, footwear, accessories and equipment, today announced fourth quarter 2020 financial results for the period ended December 31, 2020.

Chairman, President and Chief Executive Officer Tim Boyle commented, "I'm encouraged to see better than expected fourth quarter results and broad-based momentum across our powerful brand portfolio as we begin 2021. These results are particularly impressive with the backdrop of a global pandemic and demonstrate the dedication and commitment of our global workforce of employees who overcame the impact of COVID-19 safety protocols, supply chain constraints and regional lockdowns. E-commerce net sales grew an impressive 41 percent year-over-year in the quarter, representing nearly a quarter of our total sales mix. With strong Fall 2020 sell-through rates, our wholesale partners are well positioned to exit the season with clean inventory positions.

"As we begin 2021, there is continued uncertainty and business risks surrounding the ongoing pandemic, including the timing and effectiveness of global efforts to contain the spread of COVID-19. With that said, I'm encouraged by our e-commerce growth as well as wholesale orders for the Spring and Fall 2021 seasons, which we anticipate fueling our continued recovery in 2021.

"Our profitable growth trajectory and fortress balance sheet, with cash and short-term investments of over \$790 million and no borrowings, have given our Board of Directors the confidence to approve a quarterly cash dividend, increase our share repurchase authorization and return to our pre-pandemic capital allocation strategy. We are committed to driving sustainable and profitable long-term growth and investing in our strategic priorities to:

- drive brand awareness and sales growth through increased, focused demand creation investments;
- enhance consumer experience and digital capabilities in all our channels and geographies;
- expand and improve global direct-to-consumer operations with supporting processes and systems; and
- invest in our people and optimize our organization across our portfolio of brands."

CFO's Commentary Available Online

For a detailed review of the Company's fourth quarter 2020 financial results and additional updates relating to the COVID-19 pandemic, please refer to the CFO Commentary exhibit furnished to the Securities and Exchange Commission (the "SEC") on a Current Report on Form 8-K and published on the Investor Relations section of the Company's website at <http://investor.columbia.com/results.cfm> at approximately 4:15 p.m. ET today. Analysts and investors are encouraged to review this commentary prior to participating in our conference call.

COVID-19 Update

While there were isolated temporary store closures resulting from local regulations or safety concerns, the majority of the Company's owned stores remained open throughout the fourth quarter. Overall brick & mortar store traffic trends remain well below prior year levels. We delivered fourth quarter 2020 results ahead of our financial outlook, despite port congestion, logistics and parcel shipping capacity constraints and enhanced distribution center health and safety protocols that strained fulfillment service levels. During fourth quarter 2020, the Company realized approximately \$30 million in SG&A savings from cost containment actions and lower variable expenses. Please refer to the CFO Commentary exhibit for a detailed review of COVID-19 pandemic related issues and our response.

Fourth Quarter 2020 Financial Results

(All comparisons are between fourth quarter 2020 and fourth quarter 2019, unless otherwise noted).

Net sales decreased 4 percent to \$915.7 million from \$954.9 million for the comparable period in 2019.

Gross margin expanded 50 basis points to 50.6 percent of net sales from 50.1 percent of net sales for the comparable period in 2019.

SG&A expenses were essentially flat at \$343.3 million, or 37.5 percent of net sales, from \$344.4 million, or 36.1 percent of net sales, for the comparable period in 2019.

Operating income decreased 11 percent to \$123.7 million, or 13.5 percent of net sales, from operating income of \$138.6 million, or 14.5 percent of net sales, for the comparable period in 2019.

Net income decreased 16 percent to \$95.8 million, or \$1.44 per diluted share, from net income of \$114.0 million, or \$1.67 per diluted share, for the comparable period in 2019.

Full Year 2020 Financial Results

(All comparisons are between full year 2020 and full year 2019, unless otherwise noted.)

Net sales decreased 18 percent to \$2,501.6 million from \$3,042.5 million in 2019.

Gross margin contracted 90 basis points to 48.9 percent of net sales from 49.8 percent of net sales in 2019.

SG&A expenses decreased 3 percent to \$1,098.9 million, or 43.9 percent of net sales, compared to \$1,136.2 million, or 37.3 percent of net sales, in 2019.

Operating income decreased 65 percent to \$137.0 million, or 5.5 percent of net sales, from operating income of \$395.0 million, or 13.0 percent of net sales, in 2019.

Net income decreased 67 percent to \$108.0 million, or \$1.62 per diluted share, compared to net income of \$330.5 million, or \$4.83 per diluted share, in 2019.

Balance Sheet as of December 31, 2020

Cash, cash equivalents and short-term investments totaled \$791.9 million, compared to \$687.7 million at December 31, 2019.

The company had no borrowings at quarter-end. During fourth quarter 2020, the Company refinanced its domestic credit agreement with a new agreement providing a \$500 million five year unsecured revolving credit facility.

Inventories decreased 8 percent to \$556.5 million, compared to \$606.0 million at December 31, 2019.

Share Repurchases for the Twelve Months Ended December 31, 2020

In first quarter 2020, the Company repurchased 1,557,184 shares of common stock for an aggregate of \$132.9 million, or an average price per share of \$85.34. As part of a broader capital preservation effort during the ongoing COVID-19 pandemic, the Company suspended share repurchases and has not repurchased shares since first quarter 2020. Management intends to resume share repurchase activity in 2021.

At its regular board meeting on January 29, 2021, the Board of Directors approved an additional \$400.0 million share repurchase authorization. This is in addition to the \$82.2 million currently remaining available under the prior share repurchase authorization. The share repurchase authorization does not obligate the company to acquire any specific number of shares or to acquire shares over any specified period of time.

Quarterly Cash Dividend

The Board of Directors approved a regular quarterly cash dividend of \$0.26 per share, payable on March 22, 2021 to shareholders of record on March 9, 2021.

Conference Call

The Company will hold its fourth quarter 2020 conference call at 5:00 p.m. ET today. Dial (877) 407-9205 to participate. The call will also be webcast live on the Investor Relations section of the Company's website at <http://investor.columbia.com>.

First Quarter 2021 Reporting Date

Columbia Sportswear Company plans to report first quarter 2021 financial results on Thursday, April 29, 2021 at approximately 4:00 p.m. ET.

Supplemental Financial Information

Since Columbia Sportswear Company is a global company, the comparability of its operating results reported in United States dollars is affected by foreign currency exchange rate fluctuations because the underlying currencies in which it transacts change in value over time compared to the United States dollar. To supplement financial information reported in accordance with GAAP, the Company discloses constant-currency net sales information, which is a non-GAAP financial measure, to provide a framework to assess how the business performed excluding the effects of changes in the exchange rates used to translate net sales generated in foreign currencies into United States dollars. The Company calculates constant-currency net sales by translating net sales in foreign currencies for the current period into United States dollars at the average exchange rates that were in effect during the comparable period of the prior year. Management believes that this non-GAAP financial measure reflects an additional and useful way of viewing an aspect of our operations that, when viewed in conjunction with our GAAP results, provides a more comprehensive understanding of our business and operations. In particular, investors may find the non-GAAP financial measure useful by reviewing our net sales results without the volatility in foreign currency exchange rates. This non-GAAP financial measure also facilitates management's internal comparisons to our historical net sales results and comparisons to competitors' net sales results.

The non-GAAP financial measures should be viewed in addition to, and not in lieu of or superior to, our financial measures calculated in accordance with GAAP. The Company provides a reconciliation of non-GAAP measures to the most directly comparable financial measure calculated in accordance with GAAP. See the "Reconciliation of GAAP to Non-GAAP Financial Measures" table included herein. The non-GAAP financial measures presented may not be comparable to similarly titled measures reported by other companies.

Forward-Looking Statements

This document contains forward-looking statements within the meaning of the federal securities laws, including statements regarding the Company's expectations, anticipations or beliefs about brick and mortar retail traffic, net sales, operating income and diluted earnings per share for 2021. Forward-looking statements often use words such as "will," "anticipate," "estimate," "expect," "should," "may" and other words and terms of similar meaning or reference future dates. The Company's expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis; however, each forward-looking statement involves a number of risks and uncertainties, including those set forth in this document, those described in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q under the heading "Risk Factors," and those that have been or may be described in other reports filed by the Company, including reports on Form 8-K. Potential risks and uncertainties include those relating to the impact of the COVID-19 pandemic on our operations, which is highly dependent on numerous factors that we may not be able to predict or control, including: the duration and scope of the COVID-19 pandemic, including any recurrence due to variants; actions that may be taken to contain the pandemic or to treat its impact, including lock-downs and the speed of the vaccination roll-out; economic slowdowns that have and may continue to result from the pandemic; workforce staffing and productivity; our ability to continue operations in affected areas; supply chain and logistics capacity constraints; and consumer demand and spending patterns, as well as the effects on suppliers, creditors, and wholesale customers, all of which are uncertain. The Company cautions that forward-looking statements are inherently less reliable than historical information. The Company does not undertake any duty to update any of the forward-looking statements after the date of this document to conform them to actual results or to reflect changes in events, circumstances or its expectations. New factors emerge from time to time and it is not possible for the Company to predict or assess the effects of all such factors or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

About Columbia Sportswear Company

Columbia Sportswear Company has assembled a portfolio of brands for active lives, making it a leader in the global active outdoor lifestyle apparel, footwear, accessories, and equipment industry. Founded in 1938 in Portland, Oregon, the Company's brands are today sold in approximately 90 countries. In addition to the Columbia® brand, Columbia Sportswear Company also owns the Mountain Hardwear®, SOREL® and prAna® brands. To learn more, please visit the Company's websites at www.columbia.com, www.mountainhardwear.com, www.sorel.com, and www.pрана.com.

Contact:

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- Financial tables follow -

COLUMBIA SPORTSWEAR COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(in thousands)</i>	December 31,	
	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 790,725	\$ 686,009
Short-term investments	1,224	1,668
Accounts receivable, net	452,945	488,233
Inventories, net	556,530	605,968
Prepaid expenses and other current assets	54,197	93,868
Total current assets	1,855,621	1,875,746
Property, plant, and equipment, net	309,792	346,651
Operating lease right-of-use assets	339,244	394,501
Intangible assets, net	103,558	123,595
Goodwill	68,594	68,594
Deferred income taxes	96,126	78,849
Other non-current assets	63,636	43,655
Total assets	\$ 2,836,571	\$ 2,931,591
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable	206,697	255,372
Accrued liabilities	257,278	295,723
Operating lease liabilities	65,466	64,019
Income taxes payable	23,181	15,801
Total current liabilities	552,622	630,915
Non-current operating lease liabilities	353,181	371,507
Income taxes payable	49,922	48,427
Deferred income taxes	5,205	6,361
Other long-term liabilities	42,870	24,934
Total liabilities	1,003,800	1,082,144
Shareholders' equity	1,832,771	1,849,447
Total liabilities and shareholders' equity	\$ 2,836,571	\$ 2,931,591

COLUMBIA SPORTSWEAR COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

<i>(In thousands, except per share amounts)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Net sales	\$ 915,623	\$ 954,867	\$ 2,501,554	\$ 3,042,478
Cost of sales	452,586	476,212	1,277,665	1,526,808
Gross profit	463,037	478,655	1,223,889	1,515,670
	50.6 %	50.1 %	48.9 %	49.8 %
Selling, general and administrative expenses	343,284	344,419	1,098,948	1,136,186
Net licensing income	3,940	4,397	12,108	15,487
Income from operations	123,693	138,633	137,049	394,971
Interest income (expense), net	(293)	932	435	8,302
Other non-operating income (expense), net	(169)	1,241	2,039	2,156
Income before income tax	123,231	140,806	139,523	405,429
Income tax expense	(27,475)	(26,781)	(31,510)	(74,940)
Net income	\$ 95,756	\$ 114,025	\$ 108,013	\$ 330,489
Earnings per share:				
Basic	\$ 1.45	\$ 1.69	\$ 1.63	\$ 4.87
Diluted	\$ 1.44	\$ 1.67	\$ 1.62	\$ 4.83
Weighted average shares outstanding:				
Basic	66,225	67,544	66,376	67,837
Diluted	66,642	68,086	66,772	68,493

COLUMBIA SPORTSWEAR COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In thousands)	Year Ended December 31,	
	2020	2019
Cash flows from operating activities:		
Net income	\$ 108,013	\$ 330,489
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and non-cash lease expense	146,601	121,725
Provision for uncollectible accounts receivable	19,156	(108)
Loss on disposal or impairment of intangible assets, property, plant, and equipment, and right-of-use assets	31,342	5,442
Deferred income taxes	(11,263)	(1,808)
Stock-based compensation	17,778	17,832
Changes in operating assets and liabilities:		
Accounts receivable	22,885	(37,429)
Inventories	64,884	(84,058)
Prepaid expenses and other current assets	33,712	(15,068)
Other assets	(21,224)	(3,547)
Accounts payable	(49,275)	(10,419)
Accrued liabilities	(52,115)	18,863
Income taxes payable	9,082	(9,402)
Operating lease assets and liabilities	(52,112)	(54,197)
Other liabilities	8,613	7,137
Net cash provided by operating activities	276,077	285,452
Cash flows from investing activities:		
Purchases of short-term investments	(35,044)	(136,257)
Sales and maturities of short-term investments	36,631	400,501
Capital expenditures	(28,758)	(123,516)
Net cash provided by (used in) investing activities	(27,171)	140,728
Cash flows from financing activities:		
Proceeds from credit facilities	402,422	78,186
Repayments on credit facilities	(403,146)	(78,186)
Payment of line of credit issuance fees	(3,278)	—
Proceeds from issuance of common stock related to stock-based compensation	6,919	19,793
Tax payments related to stock-based compensation	(4,533)	(5,806)
Repurchase of common stock	(132,889)	(121,702)
Purchase of non-controlling interest	—	(17,880)
Cash dividends paid	(17,195)	(65,127)
Net cash used in financing activities	(151,700)	(190,722)
Net effect of exchange rate changes on cash	7,510	(1,244)
Net increase in cash and cash equivalents	104,716	234,214
Cash and cash equivalents, beginning of period	686,009	451,795
Cash and cash equivalents, end of period	\$ 790,725	\$ 686,009
Supplemental disclosures of non-cash investing and financing activities :		
Property, plant and equipment acquired through increase in liabilities	\$ 3,831	\$ 9,543

COLUMBIA SPORTSWEAR COMPANY
Reconciliation of GAAP to Non-GAAP Financial Measures
Net Sales Growth - Constant-currency Basis
(Unaudited)

	Three Months Ended December 31,					
	Reported Net Sales	Adjust for Foreign Currency	Constant- currency Net Sales	Reported Net Sales	Reported Net Sales	Constant-currency Net Sales
	2020	Translation	2020 ⁽¹⁾	2019	% Change	% Change ⁽¹⁾
<i>(In millions, except percentage changes)</i>						
Geographical Net Sales:						
United States	\$ 599.1	\$ —	\$ 599.1	\$ 634.0	(6)%	(6)%
Latin America and Asia Pacific	163.6	(6.3)	157.3	171.6	(5)%	(8)%
Europe, Middle East and Africa	85.6	(3.9)	81.7	99.8	(14)%	(18)%
Canada	67.4	0.3	67.7	49.5	36%	37%
Total	<u>\$ 915.7</u>	<u>\$ (9.9)</u>	<u>\$ 905.8</u>	<u>\$ 954.9</u>	(4)%	(5)%
Brand Net Sales:						
Columbia	\$ 699.7	\$ (8.5)	\$ 691.2	\$ 751.1	(7)%	(8)%
SOREL	150.0	(1.2)	148.8	143.5	5%	4%
prAna	36.9	—	36.9	33.1	11%	11%
Mountain Hardwear	29.1	(0.2)	28.9	27.2	7%	6%
Total	<u>\$ 915.7</u>	<u>\$ (9.9)</u>	<u>\$ 905.8</u>	<u>\$ 954.9</u>	(4)%	(5)%
Product Category Net Sales:						
Apparel, Accessories and Equipment	\$ 661.4	\$ (7.0)	\$ 654.4	\$ 698.3	(5)%	(6)%
Footwear	254.3	(2.9)	251.4	256.6	(1)%	(2)%
Total	<u>\$ 915.7</u>	<u>\$ (9.9)</u>	<u>\$ 905.8</u>	<u>\$ 954.9</u>	(4)%	(5)%
Channel Net Sales:						
Wholesale	\$ 446.0	\$ (4.6)	\$ 441.4	\$ 470.8	(5)%	(6)%
DTC	469.7	(5.3)	464.4	484.1	(3)%	(4)%
Total	<u>\$ 915.7</u>	<u>\$ (9.9)</u>	<u>\$ 905.8</u>	<u>\$ 954.9</u>	(4)%	(5)%

⁽¹⁾ Constant-currency net sales information is a non-GAAP financial measure that excludes the effect of changes in foreign currency exchange rates against the United States dollar between comparable reporting periods. The Company calculates constant-currency net sales by translating net sales in foreign currencies for the current period into United States dollars at the average exchange rates that were in effect during the comparable period of the prior year.

COLUMBIA SPORTSWEAR COMPANY
Reconciliation of GAAP to Non-GAAP Financial Measures
Net Sales Growth - Constant-currency Basis
(Unaudited)

Twelve Months Ended December 31, 2020

<i>(In millions, except percentage changes)</i>	Reported Net Sales 2020	Adjust for Foreign Currency Translation	Constant- currency Net Sales 2020 ⁽¹⁾	Reported Net Sales 2019	Reported Net Sales % Change	Constant-currency Net Sales % Change ⁽¹⁾
Geographical Net Sales:						
United States	\$ 1,603.8	\$ —	\$ 1,603.8	\$ 1,943.0	(17)%	(17)%
Latin America and Asia Pacific	424.5	(3.6)	420.9	529.3	(20)%	(20)%
Europe, Middle East and Africa	298.9	(5.6)	293.3	367.1	(19)%	(20)%
Canada	174.4	0.5	174.9	203.1	(14)%	(14)%
Total	<u>\$ 2,501.6</u>	<u>\$ (8.7)</u>	<u>\$ 2,492.9</u>	<u>\$ 3,042.5</u>	(18)%	(18)%
Brand Net Sales:						
Columbia	\$ 1,996.9	\$ (7.0)	\$ 1,989.9	\$ 2,487.7	(20)%	(20)%
SOREL	293.5	(1.6)	291.9	314.2	(7)%	(7)%
prAna	131.6	—	131.6	151.5	(13)%	(13)%
Mountain Hardwear	79.6	(0.1)	79.5	89.1	(11)%	(11)%
Total	<u>\$ 2,501.6</u>	<u>\$ (8.7)</u>	<u>\$ 2,492.9</u>	<u>\$ 3,042.5</u>	(18)%	(18)%
Product Category Net Sales:						
Apparel, Accessories and Equipment	\$ 1,867.6	\$ (6.2)	\$ 1,861.4	\$ 2,341.2	(20)%	(20)%
Footwear	634.0	(2.5)	631.5	701.3	(10)%	(10)%
Total	<u>\$ 2,501.6</u>	<u>\$ (8.7)</u>	<u>\$ 2,492.9</u>	<u>\$ 3,042.5</u>	(18)%	(18)%
Channel Net Sales:						
Wholesale	\$ 1,403.3	\$ (5.2)	\$ 1,398.1	\$ 1,782.8	(21)%	(22)%
DTC	1,098.3	(3.5)	1,094.8	1,259.7	(13)%	(13)%
Total	<u>\$ 2,501.6</u>	<u>\$ (8.7)</u>	<u>\$ 2,492.9</u>	<u>\$ 3,042.5</u>	(18)%	(18)%

⁽¹⁾ Constant-currency net sales information is a non-GAAP financial measure that excludes the effect of changes in foreign currency exchange rates against the United States dollar between comparable reporting periods. The Company calculates constant-currency net sales by translating net sales in foreign currencies for the current period into United States dollars at the average exchange rates that were in effect during the comparable period of the prior year.



14375 NW Science Park Drive
 Portland, OR 97229
 February 4, 2020

CFO Commentary on Fourth Quarter 2020 Financial Results and 2021 Financial Outlook

Constant-currency net sales, a non-GAAP financial measure, is referenced throughout this commentary. Please see the "Supplemental Financial Information" section and financial tables included below for a more detailed description.

COVID-19 Update

In fourth quarter 2020, lower net sales and profitability primarily reflect the ongoing negative effects of the COVID-19 pandemic. The following section summarizes COVID-19 pandemic related issues impacting the Company.

- **Health, Safety and Well Being**
 - The Company's top priority throughout this pandemic remains to protect the health and safety of our employees, their families, our customers and our communities. We are continually adapting business operations to adhere to evolving local and regional guidelines and safety protocols across all areas of our global business to help contain the spread of the virus.
- **Direct-to-consumer ("DTC") E-commerce and Brick & Mortar Store Performance**
 - In fourth quarter 2020, global DTC e-commerce net sales grew 41 percent year-over-year and represented 23 percent of total net sales.
 - While there were isolated temporary store closures resulting from local regulations or safety concerns, the majority of our owned stores remained open throughout the fourth quarter. Government mandated lockdowns and restrictions impacted the productivity of Europe-direct stores throughout fourth quarter 2020 and stores in Canada, starting in December. Store productivity in several markets continue to be impacted by lockdowns and restrictions in first quarter 2021.
 - Overall brick & mortar store traffic trends remain well below prior year levels. Stores in destination locations and tourist dependent markets remain some of the most severely impacted stores within our fleet.
 - In 2020, as part of a review of our owned retail stores, the Company permanently closed 13 stores in the U.S. and one in Europe. In fourth quarter 2020, the Company incurred \$18.1 million in retail impairments and store closure charges. We continue to evaluate our portfolio of stores on an ongoing basis and may close additional stores.
- **Supply Chain and Logistics**
 - Logistics, port congestion, parcel shipping capacity constraints and enhanced distribution center health and safety protocols strained fulfillment service levels during the fourth quarter. We worked to maximize sales volumes within these constraints and were able to deliver results better than our fourth quarter financial outlook.
 - Supply chain and logistics issues outlined in the above paragraph, coupled with ongoing global constraints on ocean transportation, including vessel and container shortages, are resulting in later Spring 2021 receipts and deliveries to wholesale customers as well as availability of Spring 2021 inventory for our DTC businesses.
- **Cost Structure**
 - During fourth quarter 2020, we realized approximately \$30 million in Selling, General and Administrative ("SG&A") savings from cost containment actions and lower variable expenses. For the full year, we achieved our 2020 SG&A expense savings goal of more than \$100 million, in comparison to last year, before retail impairments and store closure charges, a prAna trademark impairment, severance and restructuring charges and incremental bad debt provisions.

Fourth Quarter 2020 Financial Results

(All comparisons are between fourth quarter 2020 and fourth quarter 2019, unless otherwise noted).

Financial Summary

<i>(dollars in millions, except per share amounts)</i>	Three Months Ended December 31,		
	2020	2019	Change
Net sales	\$915.7	\$954.9	(4)%
Gross margin	50.6%	50.1%	50 bps
Selling, General and Administrative rate	37.5%	36.1%	140 bps
Operating income	\$123.7	\$138.6	(11)%
Operating margin	13.5%	14.5%	-100 bps
Net income	\$95.8	\$114.0	(16)%
Diluted earnings per share	\$1.44	\$1.67	(14)%

Net Sales

Net sales decreased 4 percent to \$915.7 million from \$954.9 million for the comparable period in 2019. Wholesale net sales decreased 5 percent to \$446.0 million from \$470.8 million for the comparable period in 2019. Lower wholesale net sales in the quarter were primarily driven by earlier actions to curtail purchases of Fall 2020 inventory in conjunction with wholesale customer order cancellations and lower consumer demand resulting from the pandemic. These factors were partially offset by the timing of Fall 2020 shipments shifting out of third quarter 2020 and into fourth quarter 2020 and increased reorders from wholesale customers. DTC net sales decreased 3 percent to \$469.7 million from \$484.1 million for the comparable period in 2019. Lower DTC net sales primarily reflected lower brick & mortar sales, partially offset by a 41 percent increase in e-commerce sales.

Net Sales Detail

<i>(in millions, except for percent changes)</i>	Three Months Ended December 31,			
	Reported Net Sales 2020	Reported Net Sales 2019	Reported Net Sales % Change	Constant-currency Net Sales % Change
Geographic Net Sales:				
U.S.	\$ 599.1	\$ 634.0	(6)%	(6)%
LAAP	163.6	171.6	(5)%	(8)%
EMEA	85.6	99.8	(14)%	(18)%
Canada	67.4	49.5	36%	37%
Total	<u>\$ 915.7</u>	<u>\$ 954.9</u>	(4)%	(5)%
Brand Net Sales:				
Columbia	\$ 699.7	\$ 751.1	(7)%	(8)%
SOREL	150.0	143.5	5%	4%
prAna	36.9	33.1	11%	11%
Mountain Hardwear	29.1	27.2	7%	6%
Total	<u>\$ 915.7</u>	<u>\$ 954.9</u>	(4)%	(5)%

Product Category Net Sales:					
Apparel, Accessories and Equipment	\$	661.4	\$	698.3	(5)% (6)%
Footwear		254.3		256.6	(1)% (2)%
Total	\$	915.7	\$	954.9	(4)% (5)%
Channel Net Sales:					
Wholesale	\$	446.0	\$	470.8	(5)% (6)%
DTC		469.7		484.1	(3)% (4)%
Total	\$	915.7	\$	954.9	(4)% (5)%

Net Sales Commentary

- United States ("U.S.")**
 - Wholesale net sales decreased mid-single-digit percent.
 - DTC net sales decreased mid-single-digit percent, driven by a high-20 percent decline in brick & mortar net sales, partially offset by a high-30 percent increase in e-commerce net sales.
 - The Company had 132 U.S. retail stores at December 31, 2020 (122 outlet; 10 branded) and 4 branded e-commerce sites, compared with 143 stores (122 outlet; 21 branded) and 4 branded e-commerce sites at the same time last year.
- Latin America and Asia Pacific ("LAAP")**
 - China net sales decreased low-single-digit percent (high-single-digit percent constant-currency).
 - Japan net sales increased mid-single-digit percent (low-single-digit percent constant-currency).
 - Korea net sales were relatively flat (decreased low-single-digit percent constant-currency).
 - LAAP distributor net sales decreased low-50 percent, primarily reflecting lower Spring 2021 distributor orders.
- Europe, Middle East and Africa ("EMEA")**
 - EMEA distributor net sales decreased high-50 percent, primarily reflecting lower Spring 2021 distributor orders and the timing of Spring 2021 shipments shifting out of fourth quarter 2020 into first quarter 2021.
 - Europe-direct net sales increased high-single-digit percent (low-single-digit percent constant-currency).
- Canada**
 - Net sales increased 36 percent (37 percent constant-currency), benefiting from the later timing Fall 2020 shipments and to a lesser extent robust e-commerce sales.

Gross Margin

Gross margin expanded 50 basis points to 50.6 percent of net sales, from 50.1 percent of net sales for the comparable period in 2019, primarily reflecting:

- favorable channel sales mix, resulting from a higher proportion of DTC e-commerce sales, which generally carry higher gross margins;
- higher DTC product margins, reflecting lower promotional activity; and
- favorable effects from foreign currency hedge rates; partially offset by higher freight costs.

SG&A Expenses

SG&A expenses were relatively flat at \$343.3 million, or 37.5 percent of net sales, from \$344.4 million, or 36.1 percent of net sales, for the comparable period in 2019. Fourth quarter 2020 SG&A expenses included \$18.1 million in retail impairments and store closure charges and a \$17.5 million prAna trademark impairment. The largest year-over-year changes within SG&A expenses included:

- lower retail expenses, primarily resulting from lower variable expenses associated with lower store traffic and sales volumes;

- lower incentive compensation expense; and
- lower discretionary expenses; largely offset by
- retail impairments and store closure charges; and
- a prAna trademark impairment.

Operating Income

Operating income decreased 11 percent to \$123.7 million, or 13.5 percent of net sales, from operating income of \$138.6 million, or 14.5 percent of net sales, for the comparable period in 2019.

Licensing Income

Net licensing income decreased 10 percent to \$3.9 million from \$4.4 million for the comparable period in 2019.

Income Tax Expense

Income tax expense of \$27.5 million resulted in an effective income tax rate of 22.3 percent, compared to income tax expense of \$26.8 million, or an effective income tax rate of 19.0 percent, for the comparable period in 2019. The year-over-year increase in the effective income tax rate primarily reflects a shift in the Company's geographic mix of pre-tax income to foreign jurisdictions with high tax rates.

Net Income

Net income decreased 16 percent to \$95.8 million, or \$1.44 per diluted share, from net income of \$114.0 million, or \$1.67 per diluted share, for the comparable period in 2019.

Full Year 2020 Financial Results

(All comparisons are between full year 2020 and full year 2019, unless otherwise noted).

Financial Summary

<i>(dollars in millions, except per share amounts)</i>	Twelve Months Ended December 31,		
	2020	2019	Change
Net sales	\$2,501.6	\$3,042.5	(18)%
Gross margin	48.9%	49.8%	-90 bps
SG&A rate	43.9%	37.3%	660 bps
Operating income	\$137.0	\$395.0	(65)%
Operating margin	5.5%	13.0%	-750 bps
Net income	\$108.0	\$330.5	(67)%
Diluted earnings per share	\$1.62	\$4.83	(66)%

Net sales

Net sales decreased 18 percent to \$2,501.6 million from \$3,042.5 million in 2019.

Gross margin

Gross margin contracted 90 basis points to 48.9 percent of net sales from 49.8 percent of net sales in 2019.

SG&A expenses

SG&A decreased 3 percent to \$1,098.9 million, or 43.9 percent of net sales, compared to \$1,136.2 million, or 37.3 percent of net sales, in 2019.

Licensing Income

Net licensing income decreased 22 percent to \$12.1 million from \$15.5 million in 2019.

Operating Income

Operating income decreased 65 percent to \$137.0 million, or 5.5 percent of net sales, from operating income of \$395.0 million, or 13.0 percent of net sales, in 2019.

Income Tax Expense

Income tax expense of \$31.5 million resulted in an effective income tax rate of 22.6 percent, compared to income tax expense of \$74.9 million, or an effective income tax rate of 18.5 percent, in 2019. The year-over-year increase in the effective income tax rate primarily reflects the impact of a prior year one-time tax benefit, related to the passage of a Swiss tax reform package, that reduced the Company's 2019 effective tax rate.

Net Income

Net income decreased 67 percent to \$108.0 million, or \$1.62 per diluted share, compared to net income of \$330.5 million, or \$4.83 per diluted share, in 2019.

Balance Sheet as of December 31, 2020

Cash, cash equivalents and short-term investments totaled \$791.9 million, compared to \$687.7 million at December 31, 2020.

The company had no borrowings at quarter-end. During fourth quarter 2020, the Company refinanced its domestic credit agreement with a new agreement providing a \$500 million five year unsecured revolving credit facility.

Inventories decreased 8 percent to \$556.5 million, compared to \$606.0 million at December 31, 2020. The primary driver of the year-over-year decrease in inventory was lower production and later receipts of Spring 2021 inventory. Inventory at quarter-end primarily consisted of current and future season product. Aged inventories increased year-over-year but continue to represent a manageable portion of our total inventory mix. We are pleased with the progress made during the quarter to improve our inventory position and remain confident in our ability to profitably sell remaining inventory in current and future seasons leveraging the Company's wholesale customers, DTC e-commerce platforms and our fleet of DTC brick & mortar stores.

Cash Flow for the Twelve Months Ended December 31, 2020

Net cash provided by operating activities was \$276.1 million, compared to \$285.5 million in 2019. Capital expenditures totaled \$28.8 million, compared to \$123.5 million in 2019.

Share Repurchases for the Twelve Months Ended December 31, 2020

In first quarter 2020, the Company repurchased 1,557,184 shares of common stock for an aggregate of \$132.9 million, or an average price per share of \$85.34. As part of a broader capital preservation effort during the ongoing COVID-19 pandemic, the Company suspended share repurchases and has not repurchased shares since first quarter 2020. Management intends to resume share repurchase activity in 2021.

At its regular board meeting on January 29, 2021, the Board of Directors approved an additional \$400.0 million share repurchase authorization. This is in addition to the \$82.2 million currently remaining available under the prior share repurchase authorization. The share repurchase authorization does not obligate the company to acquire any specific number of shares or to acquire shares over any specified period of time.

Quarterly Cash Dividend

The Board of Directors approved a regular quarterly cash dividend of \$0.26 per share, payable on March 22, 2021 to shareholders of record on March 9, 2021.

Full Year 2021 Financial Outlook

The following forward-looking statements reflect our expectations as of February 4, 2021 and are subject to significant risks and business uncertainties, including those factors described under "Forward-Looking Statements" below. These risks and uncertainties limit our ability to accurately forecast results. This outlook reflects our estimates as of February 4, 2021 regarding the impact on our operations of the COVID-19 pandemic, economic conditions, supply chain and logistics capacity constraints, and changes in consumer behavior and confidence, as well as geopolitical tensions. This outlook assumes a sequential recovery in brick & mortar retail traffic and sales throughout 2021. However, it is not possible to determine the ultimate impact on our operations for 2021, or whether other currently unanticipated direct or indirect consequences of the pandemic are reasonably likely to materially affect our operations.

Net Sales

The Company currently expects 2021 net sales to increase 18 to 20 percent to \$2.95 to \$3.00 billion from \$2.50 billion in 2020. This net sales outlook is based on current and projected Spring and Fall 2021 orders that indicate a return to growth in our wholesale business, with notable strength in the Company's projected Fall 2021 order book. Other items contemplated in this outlook include continued DTC e-commerce growth and continued recovery of DTC brick & mortar traffic and sales. The recovery in brick & mortar sales factors in the benefit of lapping prior year temporary store closures as well as gradual fundamental improvement over the course of the year. The Company anticipates opening approximately 8 stores in the U.S. in 2021, primarily consisting of outlet stores. The number of store openings may increase as we finalize ongoing lease negotiations.

Gross Margin

The Company expects 2021 gross margin to improve 110 basis points to approximately 50 percent of net sales from 48.9 percent of net sales in 2020. Anticipated gross margin expansion primarily reflects favorable product costs for the Spring and Fall 2021 season, and, to a lesser degree, a lower proportion of wholesale close-out product sales and lower promotional activity in our DTC channels.

SG&A Expenses

For 2021, the Company expects SG&A expenses to increase at a slower rate than net sales growth. SG&A expenses as a percent of net sales is expected to be 39.2 to 39.7 percent, compared to SG&A expenses as a percent of net sales of 43.9 percent in 2020. Anticipated year-over-year SG&A expense growth is expected to be primarily driven by:

- increased expenses to support net sales growth across global DTC operations and distribution centers, other variable expenses;
- an increase in demand creation spending; and
- higher incentive compensation; partially offset by
- the non-recurrence of expenses related to retail impairment and store closure charges, the impairment of prAna's trademark, and certain COVID-19 related expenses;
- cost reductions resulting from organizational restructuring and retail store labor and lease optimization; and
- lower bad debt expense.

Demand creation as a percent of net sales is anticipated to be 6.0 percent in 2021, compared to 5.7 percent in 2020. We anticipate SG&A expense will benefit as store closure negotiations are finalized and the related lease liabilities are settled which we expect to partially offset the related store closure charges incurred in 2020.

Operating Income

Based on the above assumptions, the Company expects 2021 operating income of \$320 to \$346 million, resulting in operating margin of 10.8 to 11.5 percent compared to operating margin of 5.5 percent in 2020.

Income Tax Expense

The Company expects an estimated effective income tax rate of approximately 22 percent. Our 2021 effective income tax rate may be affected by unanticipated impacts from changes in international, federal or state tax policies, changes in the Company's geographic mix of pre-tax income, other discrete events, as well as differences from our estimate of the tax benefits associated with employee equity awards and our estimate of the tax impact of various tax initiatives.

Net Income

The Company expects 2021 net income of \$250 to \$270 million, or diluted earnings per share of \$3.75 to \$4.05.

Balance Sheet and Cash Flows

We have taken a disciplined approach to buying inventory for the Spring 2021 season and will be maximizing utilization of on-hand inventory, with an acute focus on managing inventory levels, generating cash flows and improving turns. The Company currently expects to grow inventory at a rate slower than sales growth and improve inventory turns in 2021.

The Company expects 2021 operating cash flow of \$300 to \$320 million.

The Company expects 2021 capital expenditures of \$60 to \$80 million.

First Half 2021 Commentary

Our annual net sales are weighted more heavily toward the Fall/Winter season, while operating expenses are more equally distributed throughout the year, resulting in a highly seasonal net sales and profitability pattern weighted toward the second half of the year.

Based on advance wholesale orders for the Spring 2021 season and plans for a return to growth in our global DTC businesses as we anniversary prior year temporary store closures, we believe high-teens percent to low-20 percent year-over-year net sales growth in first half 2021 is achievable. Looking at the timing of Spring 2021 inventory receipts and deliveries, we expect net sales growth to be heavily weighted to second quarter 2021. Industry-wide constraints on ocean transportation, including vessel and container shortages, are resulting in a later sell-in season when compared to 2020. Our supply chain and logistics teams are working diligently to mitigate disruptions.

Strategic Priorities

We are committed to driving sustainable and profitable long-term growth and investing in our strategic priorities to:

- drive brand awareness and sales growth through increased, focused demand creation investments;
- enhance consumer experience and digital capabilities in all our channels and geographies;
- expand and improve global DTC operations with supporting processes and systems; and
- invest in our people and optimizing our organization across our portfolio of brands.

Capital Allocation

Based on the strength of our balance sheet and confidence in our long-term growth, cash flow generation and earnings recovery we have reinstated our historical capital allocation strategy. In this framework, our top priority for cash is to continue to invest in our business to enable long-term profitable growth. Our second priority is to return at least 40 percent of annual free cash flow to shareholders in the form of dividends and share repurchases, with an aspiration to increase our dividend over time. Other uses of cash include opportunistic mergers and acquisitions.

Experience First Initiative ("X1")

During 2018, we commenced investment in our X1 initiative, which was designed to enhance our e-commerce systems to take advantage of the changes in consumer browsing and purchasing behavior towards mobile devices. It encompassed re-implementation of our e-commerce platforms to offer improved search, browsing, checkout, payment options, loyalty and customer care experiences for mobile shoppers. In 2019, we implemented X1 across 10 countries in Europe-direct and for the prAna brand in the U.S. In third quarter 2020, we implemented X1 in North America for the Columbia, SOREL and Mountain Hardware brands.

Supplemental Financial Information

Since Columbia Sportswear Company is a global company, the comparability of its operating results reported in United States dollars is affected by foreign currency exchange rate fluctuations because the underlying currencies in which it transacts change in value over time compared to the United States dollar. To supplement financial information reported in accordance with GAAP, the Company discloses constant-currency net sales information, which is a non-GAAP financial measure, to provide a framework to assess how the business performed excluding the effects of changes in the exchange rates used to translate net sales generated in foreign currencies into United States dollars. The Company calculates constant-currency net sales by translating net sales in foreign currencies for the current period into United States dollars at the average exchange rates that were in effect during the comparable period of the prior year. Management believes that this non-GAAP financial measure reflects an additional and useful way of viewing an aspect of our operations that, when viewed in conjunction with our GAAP results, provides a more comprehensive understanding of our business and operations. In particular, investors may find the non-GAAP financial measure useful by reviewing our net sales results without the volatility in foreign currency exchange rates. This non-GAAP financial measure also facilitates management's internal comparisons to our historical net sales results and comparisons to competitors' net sales results.

The non-GAAP financial measures should be viewed in addition to, and not in lieu of or superior to, our financial measures calculated in accordance with GAAP. The Company provides a reconciliation of non-GAAP measures to the most directly comparable financial measure calculated in accordance with GAAP. See the "Reconciliation of GAAP to Non-GAAP Financial Measures" table included herein. The non-GAAP financial measures presented may not be comparable to similarly titled measures reported by other companies.

Forward-Looking Statements

This document contains forward-looking statements within the meaning of the federal securities laws, including full year 2021 net sales, gross margin, SG&A expense, operating income, effective income tax rate, net income, diluted earnings per share, inventory, cash flows, and capital expenditures, as well as a return to growth of the wholesale business and DTC brick & mortar business, with continued DTC e-commerce growth, and first half 2021 net sales growth. Forward-looking statements often use words such as "will," "anticipate," "estimate," "expect," "should," "may," "believe" and other words and terms of similar meaning or reference future dates. The Company's expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis; however, each forward-looking statement involves a number of risks and uncertainties, including those set forth in this document, those described in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q under the heading "Risk Factors," and those that have been or may be described in other reports filed by the Company, including reports on Form 8-K. Potential risks and uncertainties include those relating to the impact of the COVID-19 pandemic on our operations, which is highly dependent on numerous factors that we may not be able to predict or control, including: the duration and scope of the COVID-19 pandemic, including any recurrence due to variants; actions that may be taken to contain the pandemic or to treat its impact, including lock-downs and the speed of the vaccination roll-out; economic slowdowns that have and may continue to result from the pandemic; workforce staffing and productivity; our ability to continue operations in affected areas; supply chain and logistics capacity constraints; and consumer demand and spending patterns, as well as the effects on suppliers, creditors, and wholesale customers, all of which are uncertain. The Company cautions that forward-looking statements are inherently less reliable than historical information. The Company does not undertake any duty to update any of the forward-looking statements after the date of this document to conform them to actual results or to reflect changes in events, circumstances or its expectations. New factors emerge from time to time and it is not possible for the Company to predict or assess the effects of all such factors or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

- Financial tables follow -

COLUMBIA SPORTSWEAR COMPANY
Reconciliation of GAAP to Non-GAAP Financial Measures
Net Sales Growth - Constant-currency Basis
(Unaudited)

	Three Months Ended December 31,					
	Reported Net Sales	Adjust for Foreign Currency	Constant- currency Net Sales	Reported Net Sales	Reported Net Sales	Constant-currency Net Sales
	2020	Translation	2020 ⁽¹⁾	2019	% Change	% Change ⁽¹⁾
<i>(In millions, except percentage changes)</i>						
Geographical Net Sales:						
U.S.	\$ 599.1	\$ —	\$ 599.1	\$ 634.0	(6)%	(6)%
LAAP	163.6	(6.3)	157.3	171.6	(5)%	(8)%
EMEA	85.6	(3.9)	81.7	99.8	(14)%	(18)%
Canada	67.4	0.3	67.7	49.5	36%	37%
Total	<u>\$ 915.7</u>	<u>\$ (9.9)</u>	<u>\$ 905.8</u>	<u>\$ 954.9</u>	(4)%	(5)%
Brand Net Sales:						
Columbia	\$ 699.7	\$ (8.5)	\$ 691.2	\$ 751.1	(7)%	(8)%
SOREL	150.0	(1.2)	148.8	143.5	5%	4%
prAna	36.9	—	36.9	33.1	11%	11%
Mountain Hardwear	29.1	(0.2)	28.9	27.2	7%	6%
Total	<u>\$ 915.7</u>	<u>\$ (9.9)</u>	<u>\$ 905.8</u>	<u>\$ 954.9</u>	(4)%	(5)%
Product Category Net Sales:						
Apparel, Accessories and Equipment	\$ 661.4	\$ (7.0)	\$ 654.4	\$ 698.3	(5)%	(6)%
Footwear	254.3	(2.9)	251.4	256.6	(1)%	(2)%
Total	<u>\$ 915.7</u>	<u>\$ (9.9)</u>	<u>\$ 905.8</u>	<u>\$ 954.9</u>	(4)%	(5)%
Channel Net Sales:						
Wholesale	\$ 446.0	\$ (4.6)	\$ 441.4	\$ 470.8	(5)%	(6)%
DTC	469.7	(5.3)	464.4	484.1	(3)%	(4)%
Total	<u>\$ 915.7</u>	<u>\$ (9.9)</u>	<u>\$ 905.8</u>	<u>\$ 954.9</u>	(4)%	(5)%

⁽¹⁾ Constant-currency net sales information is a non-GAAP financial measure that excludes the effect of changes in foreign currency exchange rates against the United States dollar between comparable reporting periods. The Company calculates constant-currency net sales by translating net sales in foreign currencies for the current period into United States dollars at the average exchange rates that were in effect during the comparable period of the prior year.