
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):
April 27, 2023

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 April 27, 2023, Columbia Sportswear Company (the "Company") issued a press release reporting its first quarter 2023 financial results, updating its full year 2023 financial outlook, and announcing a quarterly dividend. 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 the CFO Commentary and Financial Review presentation by Jim A. Swanson, Executive Vice President and Chief Financial Officer of the Company, on the Company's first quarter 2023 financial results and its 2023 financial outlook, as posted on the Company's investor relations website, <https://investor.columbia.com>, on April 27, 2023. 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 April 27, 2023 press release, the Company announced that its Board of Directors declared a quarterly cash dividend of \$0.30 per share of common stock to be paid on June 1, 2023 to its shareholders of record on May 18, 2023.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

- | | |
|-----------------------------|--|
| <u>99.1</u> | Press Release, dated April 27, 2023 (furnished pursuant to Items 2.02 and 7.01 hereof). |
| <u>99.2</u> | CFO Commentary and Financial Review Presentation, dated February 2, 2023 (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: April 27, 2023

By: /S/ JIM A. SWANSON

Jim A. Swanson

Executive Vice President and Chief Financial Officer



**Columbia Sportswear Company Reports First Quarter 2023 Financial Results;
Updates Full Year 2023 Financial Outlook**

First Quarter 2023 Highlights

- **Net sales increased 8 percent to \$820.6 million, compared to first quarter 2022.**
- **Operating income decreased 33 percent to \$56.4 million, or 6.9 percent of net sales, compared to first quarter 2022 operating income of \$83.7 million, or 11.0 percent of net sales.**
- **Diluted earnings per share decreased 28 percent to \$0.74, compared to first quarter 2022 diluted earnings per share of \$1.03.**
- **Exited the quarter with \$461.0 million of cash and short-term investments and no borrowings.**

Full Year 2023 Financial Outlook

The following forward-looking statements reflect our expectations as of April 27, 2023 and are subject to significant risks and business uncertainties, including those factors described under "Forward-Looking Statements" below. Additional disclosures and financial outlook details can be found in the Full Year 2023 Financial Outlook section below and the CFO Commentary and Financial Review presentation.

- **Net sales of \$3.57 to \$3.67 billion (unchanged) representing net sales growth of 3 to 6 percent (unchanged) compared to 2022.**
- **Operating income of \$413 to \$431 million (prior \$413 to \$448 million), representing operating margin of 11.6 to 11.8 percent (prior 11.6 to 12.2 percent).**
- **Diluted earnings per share of \$5.15 to \$5.40 (prior \$5.15 to \$5.55).**

PORTLAND, Ore. - April 27, 2023 - Columbia Sportswear Company (NASDAQ: COLM, the "Company"), a multi-brand global leading innovator in outdoor, active and lifestyle products including apparel, footwear, accessories, and equipment, today announced first quarter 2023 financial results for the period ended March 31, 2023.

Chairman, President and Chief Executive Officer Tim Boyle commented, "First quarter results highlight the importance and value of our diversified global business model. We were able to generate healthy net sales growth, up 8 percent year-over-year, as consumer demand remained strong in many areas of our business. After three years of pandemic related supply chain constraints, it's gratifying to see that our wholesale on-time delivery rates have returned to pre-pandemic service levels. As we look towards the summer, Columbia's differentiated portfolio of sun protection and cooling technologies has never been stronger, including our latest innovation, Omni-Shade Broad Spectrum. We are also making targeted marketing investments across footwear and apparel, including our largest PFG campaign to date, Protect What You Love.

"2023 is off to a solid start and we are reiterating our full year net sales outlook, while narrowing our diluted EPS range. We are executing on our plan to reduce inventory levels, while focusing on profitability.

"In periods of economic uncertainty, our strong financial position is a strategic advantage. We exited the first quarter with over \$460 million in cash and short-term investments, and no bank borrowings. I am confident we have the right strategies in place to drive profitable growth, and we are committed to investing in our strategic priorities to:

- accelerate profitable growth;
- create iconic products that are differentiated, functional and innovative;
- drive brand engagement through increased, focused demand creation investments;
- enhance consumer experiences by investing in capabilities to delight and retain consumers;

- amplify marketplace excellence, with digitally-led, omni-channel, global distribution; and
- empower talent that is driven by our core values, through a diverse and inclusive workforce."

CFO's Commentary and Financial Review Presentation Available Online

For a detailed review of the Company's first quarter 2023 financial results, please refer to the CFO Commentary and Financial Review presentation 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.

First Quarter 2023 Financial Results

(All comparisons are between first quarter 2023 and first quarter 2022, unless otherwise noted.)

Net sales increased 8 percent (10 percent constant-currency) to \$820.6 million from \$761.5 million for the comparable period in 2022. The increase in net sales primarily reflects earlier shipment of Spring 2023 wholesale orders and direct-to-consumer (DTC) growth.

Gross margin contracted 100 basis points to 48.7 percent of net sales from 49.7 percent of net sales for the comparable period in 2022. The primary driver of gross margin contraction was increased promotional activity, compared to exceptionally low promotions in first quarter 2022, partially offset by favorable inbound ocean freight costs.

SG&A expenses increased 16 percent to \$347.4 million, or 42.3 percent of net sales, from \$299.1 million, or 39.3 percent of net sales, for the comparable period in 2022. SG&A expense growth primarily reflected higher supply chain costs related to elevated inventory levels and third-party logistics transition costs, higher DTC expenses to support growth, and investments to support our strategies.

Operating income decreased 33 percent to \$56.4 million, or 6.9 percent of net sales, compared to operating income of \$83.7 million, or 11.0 percent of net sales, for the comparable period in 2022.

Income tax expense of \$14.4 million resulted in an effective income tax rate of 23.7 percent, compared to income tax expense of \$17.3 million, or an effective income tax rate of 20.5 percent, for the comparable period in 2022.

Net income decreased 31 percent to \$46.2 million, or \$0.74 per diluted share, compared to net income of \$66.8 million, or \$1.03 per diluted share, for the comparable period in 2022.

Balance Sheet as of March 31, 2023

Cash, cash equivalents and short-term investments totaled \$460.6 million, compared to \$610.3 million as of March 31, 2022.

The Company had no borrowings as of March 31, 2023 or 2022.

Inventories increased 34 percent to \$959.2 million, compared to \$714.4 million as of March 31, 2022. Elevated carryover inventory, earlier receipt of current season inventory, and to a lesser extent, increased older season inventory resulted in higher inventory levels. Older season inventories represent a manageable portion of our total inventory mix.

Cash Flow for the Three Months Ended March 31, 2023

Net cash provided by operating activities was \$78.0 million, compared to net cash used in operating activities of \$33.8 million for the same period in 2022.

Capital expenditures totaled \$14.0 million, compared to \$12.9 million for the same period in 2022.

Share Repurchases for the Three Months Ended March 31, 2023

The Company repurchased 179,421 shares of common stock for an aggregate of \$15.8 million, or an average price per share of \$87.80.

At March 31, 2023, \$513.6 million remained available under our stock repurchase authorization, which 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 \$0.30 per share, payable on June 1, 2023 to shareholders of record on May 18, 2023.

Full Year 2023 Financial Outlook

(Additional financial outlook details can be found in the CFO Commentary and Financial Review presentation.)

The Company's first half and full year 2023 Financial Outlook is forward-looking in nature, and the following forward-looking statements reflect our expectations as of April 27, 2023 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 April 27, 2023 regarding the impact of economic conditions, including inflationary pressures; supply chain constraints and expenses; elevated marketplace inventories; changes in consumer behavior and confidence; as well as geopolitical tensions. This outlook and commentary assume macro-economic conditions, particularly in the United States, do not materially deteriorate. Projections are predicated on normal seasonal weather globally.

Net sales are expected to increase 3 to 6 percent (unchanged) to \$3.57 to \$3.67 billion (unchanged) from \$3.46 billion in 2022.

Gross margin is expected to expand approximately 60 basis points (unchanged) to approximately 50 percent of net sales (unchanged) from 49.4 percent of net sales in 2022.

SG&A expenses as a percent of net sales, is expected to be 39.0 to 39.2 percent (prior 38.3 to 39.0 percent), compared to SG&A expense as a percent of net sales of 37.7 percent in 2022. The increase in the Company's SG&A expense outlook is primarily related to incremental distribution and third-party logistics costs being incurred to support elevated inventory levels which are expected to normalize late in 2023.

Operating income is expected to be \$413 to \$432 million (prior \$413 to \$448 million), resulting in operating margin of 11.6 to 11.8 percent (prior 11.6 to 12.2 percent), compared to operating margin of 11.3 percent in 2022.

Effective income tax rate is expected to be approximately 24.5 percent (unchanged).

Net income is expected to be \$322 to \$336 million (prior \$322 to \$347 million), resulting in diluted earnings per share of \$5.15 to \$5.40 (prior \$5.15 to \$5.55). This diluted earnings per share range is based on estimated weighted average diluted shares outstanding of 62.4 million (prior 62.5 million).

Foreign Currency

- Foreign currency translation is anticipated to reduce 2023 net sales growth by approximately 20 basis points (prior 30 basis points) reflecting expected unfavorable foreign currency translation impacts through the first half of the year largely offset by expected favorable impacts in the latter part of the year.
- Foreign currency is expected to have an approximately \$0.03 negative impact (prior \$0.05 negative impact) on diluted earnings per share due primarily to unfavorable foreign currency transactional effects from hedging of inventory production.

Balance Sheet and Cash Flows

Operating cash flow is expected to be over \$600 million (prior over \$500 million).

Capital expenditures are planned to be in the range of \$70 to \$80 million (prior \$70 to \$90 million).

First Half 2023 Financial Outlook

- **Net sales** growth of mid-single-digit percent (unchanged), compared to first half 2022.
- **Diluted earnings per share** is expected to be at the low end of our prior range of \$0.75 to \$0.90. The second quarter is typically the Company's lowest volume sales quarter and small changes in the timing of product shipments and expenses can have a material impact on reported results.
- **Inventory** growth is anticipated to remain elevated in second quarter, due to expected earlier receipt of Fall '23 inventory. The second quarter year-over-year inventory growth rate is anticipated to slow, relative to first quarter inventory growth, before turning to a year-over-year decline starting in third quarter.

Conference Call

The Company will hold its first quarter 2023 conference call at 5:00 p.m. ET today. Dial (888) 506-0062 to participate. The call will also be webcast live on the Investor Relations section of the Company's website at <http://investor.columbia.com>.

Second Quarter 2023 Reporting Date

Columbia Sportswear Company plans to report second quarter 2023 financial results on Tuesday, August 1, 2023 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 the Company's ability to realize growth opportunities, financial position, inventory, full year 2023 net sales, gross margin, SG&A expenses, operating income, effective income tax rate, net income, diluted earnings per share, weighted average diluted shares outstanding, foreign currency translation, cash flows, and capital expenditures, and first half 2023 net sales, diluted earnings per share, and inventory growth rate. 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 economic conditions, including inflationary pressures; supply chain disruptions, constraints and expenses; elevated marketplace inventories; changes in consumer behavior and confidence; as well as geopolitical tensions. 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 connects active people with their passions and is a global multi-brand leading innovator in outdoor, active and lifestyle products including apparel, footwear, accessories, and equipment. Founded in 1938 in Portland, Oregon, the Company's brands are sold in approximately 90 countries. In addition to the Columbia® brand, Columbia Sportswear Company also owns the Mountain Hard Wear®, 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:

Andrew Burns, CFA
Vice President of Investor Relations and Strategic Planning
Columbia Sportswear Company
(503) 985-4112
aburns@columbia.com

- Financial tables follow -

COLUMBIA SPORTSWEAR COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

<i>(in thousands)</i>	March 31, 2023	March 31, 2022
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 361,049	\$ 435,240
Short-term investments	99,511	175,024
Accounts receivable, net	466,690	408,186
Inventories	959,234	714,415
Prepaid expenses and other current assets	100,880	105,261
Total current assets	1,987,364	1,838,126
Property, plant and equipment, net	282,921	290,070
Operating lease right-of-use assets	318,728	333,356
Intangible assets, net	81,146	101,496
Goodwill	51,694	68,594
Deferred income taxes	96,865	89,613
Other non-current assets	70,256	66,724
Total assets	\$ 2,888,974	\$ 2,787,979
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable	\$ 220,231	\$ 262,255
Accrued liabilities	271,625	234,326
Operating lease liabilities	69,452	68,136
Income taxes payable	7,377	6,297
Total current liabilities	568,685	571,014
Non-current operating lease liabilities	303,571	321,250
Income taxes payable	33,765	40,299
Deferred income taxes	146	—
Other long-term liabilities	35,022	36,516
Total liabilities	941,189	969,079
Total shareholders' equity	1,947,785	1,818,900
Total liabilities and shareholders' equity	\$ 2,888,974	\$ 2,787,979

COLUMBIA SPORTSWEAR COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

<i>(In thousands, except per share amounts)</i>	Three Months Ended March 31,	
	2023	2022
Net sales	\$ 820,593	\$ 761,510
Cost of sales	421,093	383,063
Gross profit	399,500	378,447
Gross margin	48.7 %	49.7 %
Selling, general and administrative expenses	347,398	299,086
Net licensing income	4,325	4,305
Operating income	56,427	83,666
Interest income, net	3,283	395
Other non-operating income, net	850	44
Income before income tax	60,560	84,105
Income tax expense	14,358	17,268
Net income	\$ 46,202	\$ 66,837
Earnings per share:		
Basic	\$ 0.74	\$ 1.04
Diluted	\$ 0.74	\$ 1.03
Weighted average shares outstanding:		
Basic	62,133	64,273
Diluted	62,417	64,591

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

<i>(in thousands)</i>	Three Months Ended March 31,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 46,202	\$ 66,837
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation, amortization, and non-cash lease expense	30,583	30,577
Provision for uncollectible accounts receivable	(90)	(3,377)
Loss on disposal or impairment of property, plant and equipment, and right-of-use assets	287	1,598
Deferred income taxes	(85)	2,746
Stock-based compensation	5,808	5,503
Changes in operating assets and liabilities:		
Accounts receivable	82,927	81,220
Inventories	71,503	(71,108)
Prepaid expenses and other current assets	23,101	(17,604)
Other assets	(837)	(1,443)
Accounts payable	(95,423)	(20,823)
Accrued liabilities	(59,538)	(81,371)
Income taxes payable	(10,941)	(11,004)
Operating lease assets and liabilities	(17,355)	(15,979)
Other liabilities	1,860	440
Net cash provided by (used in) operating activities	<u>78,002</u>	<u>(33,788)</u>
Cash flows from investing activities:		
Purchases of short-term investments	(98,203)	(44,877)
Sales and maturities of short-term investments	570	984
Capital expenditures	(14,047)	(12,885)
Net cash used in investing activities	<u>(111,680)</u>	<u>(56,778)</u>
Cash flows from financing activities:		
Proceeds from issuance of common stock related to stock-based compensation	2,678	2,512
Tax payments related to stock-based compensation	(4,297)	(3,959)
Repurchase of common stock	(15,293)	(217,317)
Cash dividends paid	(18,649)	(19,151)
Net cash used in financing activities	<u>(35,561)</u>	<u>(237,915)</u>
Net effect of exchange rate changes on cash	<u>47</u>	<u>317</u>
Net decrease in cash and cash equivalents	<u>(69,192)</u>	<u>(328,164)</u>
Cash and cash equivalents, beginning of period	<u>430,241</u>	<u>763,404</u>
Cash and cash equivalents, end of period	<u>\$ 361,049</u>	<u>\$ 435,240</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for income taxes	\$ 30,775	\$ 18,205
Supplemental disclosures of non-cash investing and financing activities:		
Property, plant and equipment acquired through increase in liabilities	\$ 2,899	\$ 6,702

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

	Three Months Ended March 31,					
	Reported Net Sales	Adjust for Foreign Currency	Constant- currency Net Sales	Reported Net Sales	Reported Net Sales	Constant-currency Net Sales
(In millions, except percentage changes)	2023	Translation	2023 ⁽¹⁾	2022	% Change	% Change ⁽¹⁾
Geographical Net Sales:						
United States	\$ 517.5	\$ —	\$ 517.5	\$ 501.9	3%	3%
Latin America and Asia Pacific	136.4	11.9	148.3	121.7	12%	22%
Europe, Middle East and Africa	108.3	5.3	113.6	94.7	14%	20%
Canada	58.4	3.4	61.8	43.2	35%	43%
Total	<u>\$ 820.6</u>	<u>\$ 20.6</u>	<u>\$ 841.2</u>	<u>\$ 761.5</u>	8%	10%
Brand Net Sales:						
Columbia	\$ 702.8	\$ 19.2	\$ 722.0	\$ 643.8	9%	12%
SOREL	60.5	0.9	61.4	63.6	(5)%	(3)%
prAna	32.5	—	32.5	32.7	(1)%	(1)%
Mountain Hardwear	24.8	0.5	25.3	21.4	16%	18%
Total	<u>\$ 820.6</u>	<u>\$ 20.6</u>	<u>\$ 841.2</u>	<u>\$ 761.5</u>	8%	10%
Product Category Net Sales:						
Apparel, Accessories and Equipment	\$ 632.6	\$ 14.9	\$ 647.5	\$ 565.9	12%	14%
Footwear	188.0	5.7	193.7	195.6	(4)%	(1)%
Total	<u>\$ 820.6</u>	<u>\$ 20.6</u>	<u>\$ 841.2</u>	<u>\$ 761.5</u>	8%	10%
Channel Net Sales:						
Wholesale	\$ 452.5	\$ 11.1	\$ 463.6	\$ 408.2	11%	14%
DTC	368.1	9.5	377.6	353.3	4%	7%
Total	<u>\$ 820.6</u>	<u>\$ 20.6</u>	<u>\$ 841.2</u>	<u>\$ 761.5</u>	8%	10%

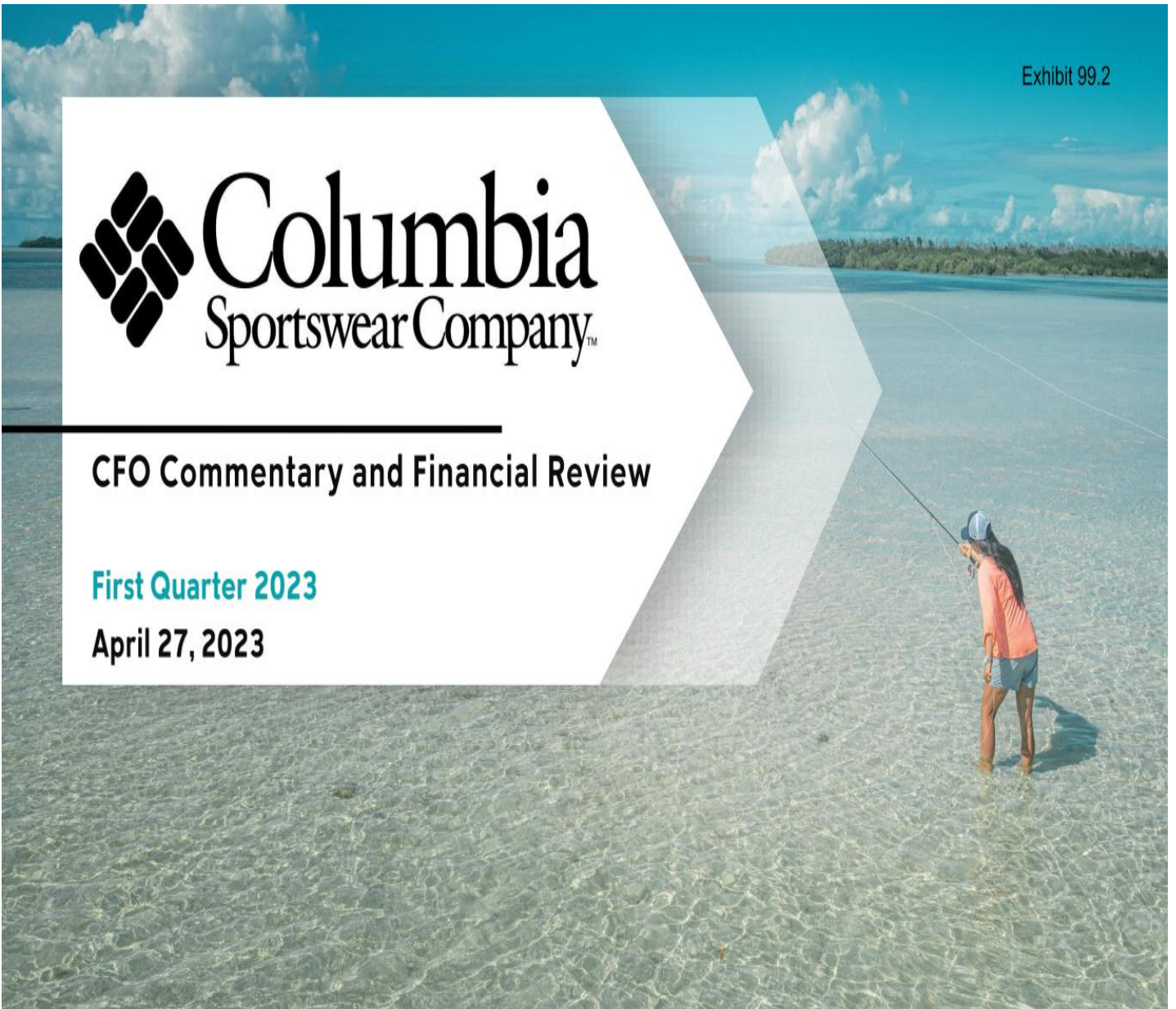
⁽¹⁾ Constant-currency net sales is a non-GAAP financial measure. See "Supplemental Financial Information" above for further information.



CFO Commentary and Financial Review

First Quarter 2023

April 27, 2023



FORWARD-LOOKING STATEMENTS

This presentation does not constitute an offer or invitation for the sale or purchase of securities and has been prepared solely for informational purposes.

This presentation contains forward-looking statements within the meaning of the federal securities laws regarding Columbia Sportswear Company's business opportunities and anticipated results of operations. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "might," "will," "would," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "likely," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Unless the context indicates otherwise, the terms "we," "us," "our," "the Company," and "Columbia" refer to Columbia Sportswear Company, together with its wholly owned subsidiaries and entities in which it maintains a controlling financial interest.

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 economic conditions, including inflationary pressures; supply chain constraints and expenses; elevated marketplace inventories; changes in consumer behavior and confidence; as well as geopolitical tensions. The Company cautions that forward-looking statements are inherently less reliable than historical information.

New risks and uncertainties emerge from time to time and it is not possible for the Company to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this presentation. Nothing in this presentation should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We do not undertake any duty to update any of the forward-looking statements after the date of this document to conform the forward-looking statements to actual results or to changes in our expectations.

REFERENCES TO NON-GAAP FINANCIAL INFORMATION

Since Columbia Sportswear Company is a global company, the comparability of its operating results reported in U.S. 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 U.S. 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 U.S. dollars. The Company calculates constant-currency net sales by translating net sales in foreign currencies for the current period into U.S. 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.

Free cash flow is a non-GAAP financial measure. Free cash flow is calculated by reducing net cash flow from operating activities by capital expenditures. Management believes free cash flow provides investors with an important perspective on the cash available for shareholders and acquisitions after making the capital investments required to support ongoing business operations and long-term value creation. Free cash flow does not represent the residual cash flow available for discretionary expenditures as it excludes certain mandatory expenditures. Management uses free cash flow as a measure to assess both business performance and overall liquidity.

Non-GAAP financial measures, including constant-currency net sales and free cash flow, 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 in the back of this presentation in the "Appendix". The non-GAAP financial measures and constant-currency information presented may not be comparable to similarly titled measures reported by other companies.

GLOSSARY OF PRESENTATION TERMINOLOGY

DTC	direct-to-consumer	"+" or "up"	increased	"\$##M"	in millions of U.S. dollars
DTC.com	DTC e-commerce	"-" or "down"	decreased	"\$##B"	in billions of U.S. dollars
DTC B&M	DTC brick & mortar	LSD%	low-single-digit percent	c.c.	constant-currency
y/y	year-over-year	MSD%	mid-single-digit percent	M&A	mergers & acquisitions
U.S.	United States	HSD%	high-single-digit percent	FX	foreign exchange
LAAP	Latin America and Asia Pacific	LDD%	low-double-digit percent	~	approximately
EMEA	Europe, Middle East and Africa	low-20%	low-twenties percent	H1	first half
SG&A	selling, general & administrative	mid-30%	mid-thirties percent	Q1	first quarter
EPS	earnings per share	high-40%	high-forties percent	3PL	Third-party logistics
bps	basis points				



WE CONNECT ACTIVE PEOPLE WITH THEIR PASSIONS

ACCELERATE PROFITABLE GROWTH

**CREATE
ICONIC PRODUCTS**

Differentiated, Functional, Innovative

**DRIVE
BRAND ENGAGEMENT**

Increased, Focused Demand Creation
Investments

**ENHANCE
CONSUMER EXPERIENCES**

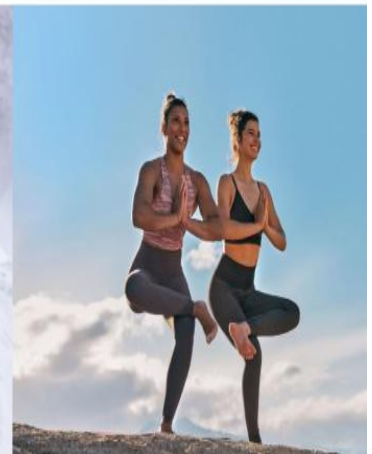
Invest in Capabilities to Delight
and Retain Consumers

**AMPLIFY
MARKETPLACE EXCELLENCE**

Digitally-Led, Omni-Channel, Global

EMPOWER TALENT THAT IS DRIVEN BY OUR CORE VALUES

Through a Diverse and Inclusive Workforce



CAPITAL ALLOCATION PRIORITIES

Our goal is to maintain our strong balance sheet and disciplined approach to capital allocation.

Dependent upon our financial position, market conditions and our strategic priorities, our capital allocation approach includes:

INVEST IN ORGANIC GROWTH OPPORTUNITIES

TO DRIVE LONG-TERM PROFITABLE GROWTH

RETURN AT LEAST 40% OF FREE CASH FLOW TO SHAREHOLDERS

THROUGH DIVIDENDS AND SHARE REPURCHASES

OPPORTUNISTIC M&A



Q1'23 FINANCIAL OVERVIEW

Q1'23 FINANCIAL RESULTS COMPARED TO Q1'22

\$821M

+8%

Net Sales

48.7%

-100 bps

Gross Margin

6.9%

-410 bps

Operating Margin

\$0.74

-28%

Diluted EPS

Q1'23 Highlights:

- Global net sales grew 8% (10% c.c.), primarily reflecting earlier shipment of Spring '23 wholesale orders and DTC growth.
- A return to normalized supply chain lead times enabled earlier receipt of Spring '23 inventory which drove improved wholesale on-time deliveries.
- Operating margin pressure primarily reflects gross margin contraction, due to increased promotional activity, and elevated SG&A expense growth.
- Exited the quarter with \$460.6 million of cash and short-term investments and no borrowings.

Q1'23 ACTUAL VS LAST YEAR

(dollars in millions, except per share amounts)

	Q1'23	Q1'22	Change
Net Sales	\$820.6	\$761.5	+8%
Gross margin	48.7%	49.7%	-100 bps
SG&A percent of net sales	42.3%	39.3%	+300 bps
Operating income	\$56.4	\$83.7	-33%
Operating margin	6.9%	11.0%	-410 bps
Net income	\$46.2	\$66.8	-31%
Diluted EPS	\$0.74	\$1.03	-28%

Commentary on factors impacting Q1'23 financial results:

- Geographically, net sales growth was led by international markets, which generated 17% growth (+25% c.c.). U.S. sales grew 3%, led by DTC brick & mortar and wholesale, partially offset by a decrease in DTC e-commerce.
- Gross margin decline primarily reflected increased promotional activity, compared to exceptionally low promotions in first quarter 2022, partially offset by favorable inbound freight costs.
- SG&A expense growth primarily reflected higher supply chain costs related to elevated inventory levels and third-party logistics transition costs, higher DTC expenses to support growth, and investments to support our strategies.

Q1'23 NET SALES OVERVIEW

Q1'23 NET SALES AND GROWTH VS. Q1'22

CATEGORY PERFORMANCE

APPAREL, ACCESSORIES & EQUIPMENT:

↑ **+12%** (+14% c.c.)
\$633M

FOOTWEAR:

↓ **-4%** (-1% c.c.)
\$188M

- Columbia footwear and SOREL declined in the quarter, highlighting challenging dynamics in the footwear market.

BRAND PERFORMANCE

 **Columbia**

↑ **+9%** (+12% c.c.)
\$703M

 **prAna**

↓ **-1%** (-1% c.c.)
\$32M



↓ **-5%** (-3% c.c.)
\$61M

 **MOUNTAIN
HARD
WEAR**

↑ **+16%** (+18% c.c.)
\$25M

- Columbia, Mountain Hardwear and prAna benefitted from earlier shipment of Spring '23 wholesale orders.
- SOREL declines were primarily driven by lower wholesale sales, partially offset by DTC.com growth.

CHANNEL PERFORMANCE

WHOLESALE:

↑ **+11%** (+14% c.c.)
\$453M

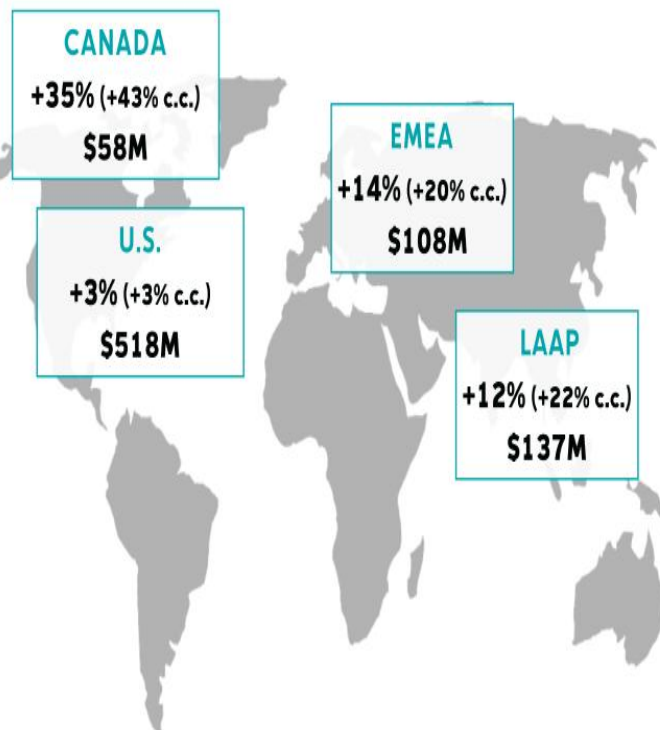
DTC:

↑ **+4%** (+7% c.c.)
\$368M

- Wholesale grew y/y primarily due to earlier shipment of Spring '23 orders.
- DTC B&M +8%, DTC.com -1%

Q1'23 REGIONAL NET SALES PERFORMANCE

Q1'23 NET SALES AND GROWTH VS. Q1'22



All regions outside the U.S. were negatively impacted by foreign exchange rates. Commentary below on primary drivers reflects constant currency performance.

U.S.

- **Wholesale:** up **MSD%**, primarily driven by earlier shipment of Spring '23 orders
- **DTC:** up **LSD%**, DTC B&M up HSD%, DTC.com down HSD%
- The company had 156 stores (138 outlet, 18 branded) exiting Q1'23 vs. 143 stores (130 outlet, 13 branded) exiting Q1'22

LAAP

- **Japan:** up **LSD%** (up high-teens% c.c.), improved consumer demand aided by the anniversary of prior year state of emergency, as well as earlier shipment of Spring '23 orders
- **China:** up **low-teens%** (up mid-20% c.c.), aided by strong consumer demand as COVID-19 restrictions eased
- **Korea:** down **low-20%** (down high-teens% c.c.), reflects challenging footwear market and the impact of retail store closures
- **LAAP distributor:** up **low-110%**, driven by earlier shipment of robust Spring '23 orders

EMEA

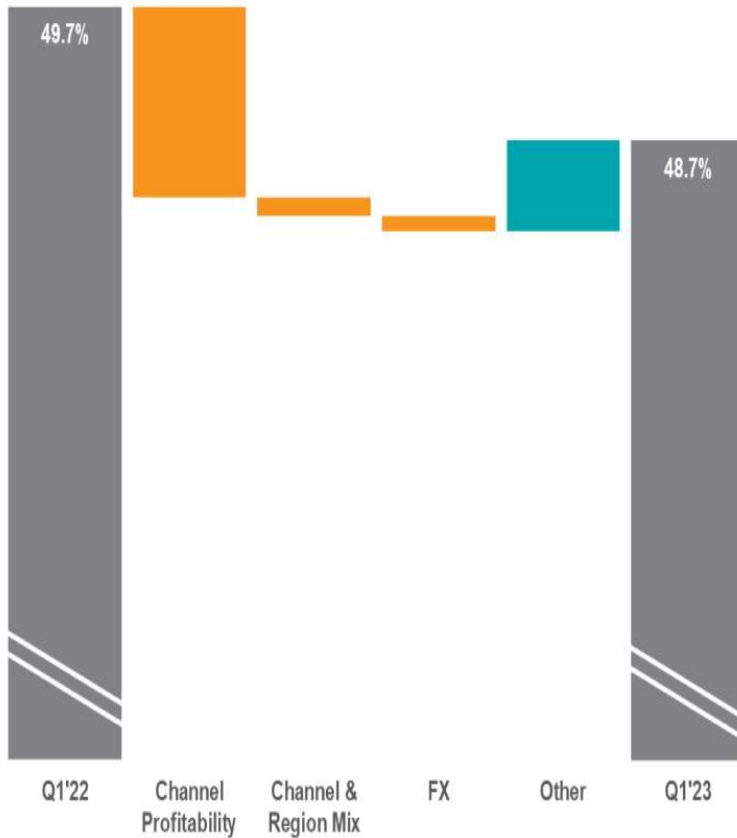
- **Europe-direct:** up **low-20%** (up high-20% c.c.), with broad-based omni-channel growth, as well as earlier shipment of Spring '23 orders.
- **EMEA distributor:** down **low-teens%**, reflecting lack of shipments to Russia, partially offset by healthy growth in non-Russian markets

Canada

- **+35%** (+43% c.c.), with broad-based omni-channel growth, as well as earlier shipment of Spring '23 orders

Q1'23 GROSS MARGIN BRIDGE

Q1'23 gross margin contracted 100 bps y/y to 48.7%



Gross Margin contraction primarily reflects:

Headwinds

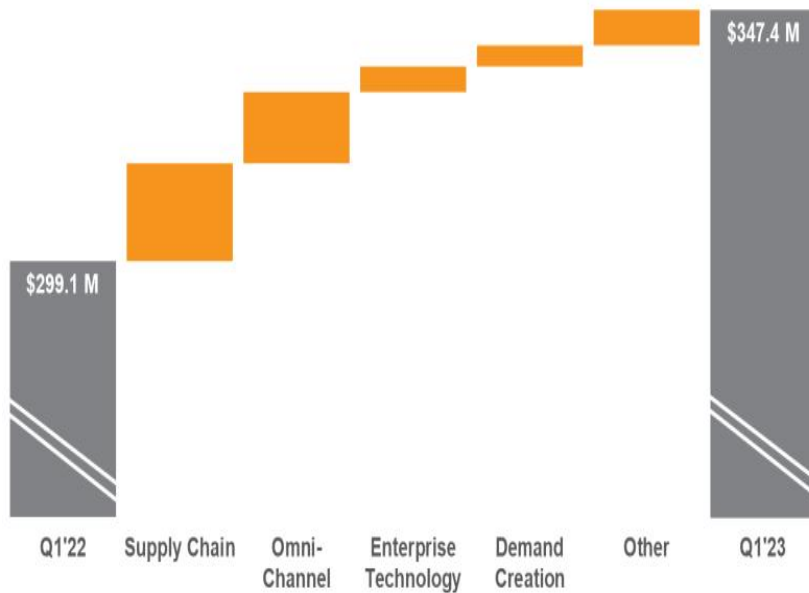
- **Channel Profitability:** lower DTC margins due to higher promotional activity and elevated outbound freight costs
- **Channel & Region Sales Mix:** shift towards lower margin regions
- **FX:** unfavorable effects from foreign currency hedge rates

Tailwinds

- **Other:** lower inbound freight costs
- **Channel Profitability:** higher wholesale margins driven by price increases more than offsetting inflationary product costs, partially offset by actions to reduce excess inventory

Q1'23 SG&A BRIDGE VS LAST YEAR

SG&A increased 16% to \$347.4 million



Primary SG&A Expense Growth Drivers

- **Supply Chain:** higher warehousing and fulfillment expenses, resulting from elevated inventory levels as well as 3PL transition costs.
- **Omni-Channel:** including higher DTC expenses to support growth and new stores
- **Enterprise Technology:** increased personnel expense to support digital strategies
- **Demand Creation:** represents 6.0% of sales vs. 5.9% in Q1'22

Q1'23 SG&A expenses were 42.3% of net sales compared to 39.3% in Q1'22

BALANCE SHEET OVERVIEW

Balance Sheet as of March 31, 2023

Cash, Cash Equivalents and Short-term Investments

\$461M

Cash, cash equivalents and short-term investments totaled \$460.6M, compared to \$610.3M as of March 31, 2022.

Inventory

+34%

Inventories +34% y/y to \$959M driven by elevated carryover inventory, earlier receipt of current season inventory, and to a lesser extent, increased older season inventory. Older season inventories represent a manageable portion of our total inventory mix.

Exiting the quarter, on-hand inventories increased 78%, while in-transit inventory decreased 35%.

To address higher inventory levels, we have adjusted future inventory purchases and we are leveraging our outlet store fleet to clear excess inventory. Inventory will remain elevated into H2'23, as we carry forward inventory into future seasons, balancing reducing inventory levels with maintaining profitability.



CAPITAL OVERVIEW

Q1'23 Net Cash provided by Operations

\$78M

Net cash flow provided by operating activities was \$78.0M, compared to net cash flow used in operating activities of \$33.8M for the same period in 2022. Inventory was the primary driver of the improvement in operating cash flows.

Q1'23 Capital Expenditures

\$14M

Capital expenditures totaled \$14.0M compared to \$12.9M for the same period in 2022.

Q1'23 Share Repurchases

\$16M

The Company repurchased 179,421 shares of common stock for an aggregate of \$15.8M, for an average price per share of \$87.80.

Declared Dividend

\$0.30

The Board of Directors approved a regular cash dividend of \$0.30 per share, payable on June 1, 2023, to shareholders of record on May 18, 2023.



2023 FINANCIAL OUTLOOK

The Company's 2023 Financial Outlook and the underlying assumptions are forward-looking in nature, and the forward-looking statements reflect our expectations as of April 27, 2023 and are subject to significant risks and business uncertainties, including those factors described under "Forward-Looking Statements" above. These risks and uncertainties limit our ability to accurately forecast results. This outlook reflects our estimates as of April 27, 2023 regarding the impact of economic conditions, including inflationary pressures; supply chain constraints and expenses; elevated marketplace inventories; changes in consumer behavior and confidence; as well as geopolitical tensions. This outlook and commentary assume macro-economic conditions, particularly in the United States, do not materially deteriorate. Projections are predicated on normal seasonal weather globally.

	2023 Financial Outlook	Outlook compared to 2022
Net sales	\$3.57B to \$3.67B (unchanged)	+3% to +6% (unchanged)
Gross margin	~50% (unchanged)	approximately 60 bps expansion (unchanged)
SG&A percent of net sales	39.0% to 39.2% (prior 38.3% to 39.0%)	130 bps to 150 bps deleverage (prior 60 bps to 130 bps deleverage)
Operating margin	11.6% to 11.8% (prior 11.6% to 12.2%)	30 bps to 50 bps leverage (prior 30 bps to 90 bps leverage)
Operating income	\$413M to \$432M (prior \$413M to \$448M)	+5% to +10% (prior +5% to +14%)
Effective income tax rate	~24.5% (unchanged)	2022 effective tax rate of 21.6%
Net income	\$322M to \$336M (prior \$322M to \$347M)	+3% to +8% (prior +3% to +11%)
Diluted EPS	\$5.15 to \$5.40 (prior \$5.15 to \$5.55)	+4% to +9% (prior +4% to +12%)

2023 FINANCIAL OUTLOOK ASSUMPTIONS

Net sales	<p><u>Anticipated net sales growth primarily reflects:</u></p> <ul style="list-style-type: none">• Net sales growth is expected to be led by Columbia and SOREL up HSD%, partially offset by a decline in prAna while Mountain Hardwear is expected to be essentially flat.• All four geographic segments are anticipated to grow in 2023, led by LAAP.• From a product category perspective, apparel and footwear are expected to grow at approximately the same rate.• From a channel perspective, DTC is anticipated to grow faster than Wholesale, with DTC B&M expected to grow faster than DTC.com.<ul style="list-style-type: none">• DTC B&M sales growth includes the annualization of new stores opened in 2022 as well as the contribution from 7 net new stores in North America and 4 in Europe-direct markets planned for 2023.
Gross margin	<p><u>Anticipated gross margin expansion primarily reflects:</u></p> <ul style="list-style-type: none">• lower inbound freight costs and, to a lesser degree;• a favorable channel mix shift; partially offset by:• lower channel profitability reflecting a more promotional retail environment as well as the impact of inventory reduction actions.
SG&A % of net sales	<p><u>Anticipated SG&A expense growth includes:</u></p> <ul style="list-style-type: none">• higher omni-channel spend, including higher DTC expenses to support growth and new stores;• higher supply chain costs primarily related to the carrying of elevated inventory levels, which are expected to normalize late in the year;• higher incentive compensation expense;• higher enterprise technology spend, including increased personnel expense to support digital strategies; and• higher demand creation spend. This outlook contemplates maintaining our demand creation spend, as a percent of sales, at 5.9 percent.
Effective tax rate and share count	<ul style="list-style-type: none">• The full year effective tax rate in our 2023 financial outlook is ~24.5%.• The 2023 effective tax rate is anticipated to be higher than the effective tax rate from 2019–2022 as the prior years included separate discrete tax items which lowered the effective tax rate in each year.• The \$5.15 to \$5.40 diluted earnings per share range is based on estimated weighted average diluted shares outstanding of 62.4 million (prior 62.5 million).

2023 ASSUMPTIONS AND FIRST HALF OUTLOOK

Foreign currency

- Foreign currency translation is expected to reduce net sales growth by approximately 20 bps (prior 30 bps) reflecting expected unfavorable foreign currency translation impacts through the first half of the year largely offset by expected favorable impacts in the latter part of the year.
- Foreign currency is expected to have an approximately \$0.03 (prior \$0.05) negative impact on diluted earnings per share due primarily to unfavorable foreign currency transactional effects from hedging of inventory production.

Operating cash flow and capital expenditures

- Operating cash flow is anticipated to exceed \$600M (prior over \$500M).
 - Inventory growth is expected to moderate in H1'23 and decline in H2'23.
 - For the year, inventory purchases are planned to decrease greater than 20 percent compared to last year.
- Capital expenditures are planned to be between \$70M to \$80M (prior \$70M to \$90M).

First half commentary

- The Company expects mid-single-digit percent growth in H1'23 (unchanged).
- H1'23 diluted EPS is expected to be at the low end of our prior range of \$0.75 to \$0.90 compared to H1'22 diluted EPS of \$1.16. Q2 is the Company's lowest volume sales quarter and small changes in the timing of product shipments and expenses can have a material impact on reported results.
- Year-over-year inventory growth is anticipated to remain elevated in Q2, due to expected earlier receipt of Fall '23 inventory. The Q2 year-over-year inventory growth rate is anticipated to slow, relative to Q1 inventory growth, before turning to a year-over-year decline starting in Q3.



APPENDIX

FIRST QUARTER 2023 CONSTANT-CURRENCY RECONCILIATION

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

	Three Months Ended March 31,					
	Reported Net Sales	Adjust for Foreign Currency	Constant- currency Net Sales	Reported Net Sales	Reported Net Sales	Constant- currency Net Sales
(In millions, except percentage changes)	2023	Translation	2023 ⁽¹⁾	2022	% Change	% Change ⁽¹⁾
Geographical Net Sales:						
United States	\$ 517.5	\$ —	\$ 517.5	\$ 501.9	3%	3%
Latin America and Asia Pacific	136.4	11.9	148.3	121.7	12%	22%
Europe, Middle East and Africa	108.3	5.3	113.6	94.7	14%	20%
Canada	58.4	3.4	61.8	43.2	35%	43%
Total	<u>\$ 820.6</u>	<u>\$ 20.6</u>	<u>\$ 841.2</u>	<u>\$ 761.5</u>	<u>8%</u>	<u>10%</u>
Brand Net Sales:						
Columbia	\$ 702.8	\$ 19.2	\$ 722.0	\$ 643.8	9%	12%
SOREL	60.5	0.9	61.4	63.6	(5)%	(3)%
prAna	32.5	—	32.5	32.7	(1)%	(1)%
Mountain Hardwear	24.8	0.5	25.3	21.4	16%	18%
Total	<u>\$ 820.6</u>	<u>\$ 20.6</u>	<u>\$ 841.2</u>	<u>\$ 761.5</u>	<u>8%</u>	<u>10%</u>
Product Category Net Sales:						
Apparel, Accessories and Equipment	\$ 632.6	\$ 14.9	\$ 647.5	\$ 565.9	12%	14%
Footwear	188.0	5.7	193.7	195.6	(4)%	(1)%
Total	<u>\$ 820.6</u>	<u>\$ 20.6</u>	<u>\$ 841.2</u>	<u>\$ 761.5</u>	<u>8%</u>	<u>10%</u>
Channel Net Sales:						
Wholesale	\$ 452.5	\$ 11.1	\$ 463.6	\$ 408.2	11%	14%
DTC	368.1	9.5	377.6	353.3	4%	7%
Total	<u>\$ 820.6</u>	<u>\$ 20.6</u>	<u>\$ 841.2</u>	<u>\$ 761.5</u>	<u>8%</u>	<u>10%</u>

⁽¹⁾ Constant-currency net sales is a non-GAAP financial measure. See "References to Non-GAAP Financial Information" above for further information.

THREE MONTHS FREE CASH FLOW RECONCILIATION

COLUMBIA SPORTSWEAR COMPANY
Reconciliation of GAAP to Non-GAAP Financial Measures
Net cash used in operating activities to free cash flow
(Unaudited)

(In millions)	Three Months Ended March 31,	
	2023	2022
Net cash provided by (used in) operating activities	\$ 78.0	\$ (33.8)
Capital expenditures	(14.0)	(12.9)
Free cash flow	\$ 64.0	\$ (46.7)



