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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):  
August 1, 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.

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## **ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

On August 1, 2023, Columbia Sportswear Company (the "Company") issued a press release reporting its second quarter and first half 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 second quarter 2023 financial results and its 2023 financial outlook, as posted on the Company's investor relations website, <https://investor.columbia.com>, on August 1, 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 August 1, 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 September 5, 2023 to its shareholders of record on August 22, 2023.

## **ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

(d) Exhibits

- [99.1](#) Press Release, dated August 1, 2023 (furnished pursuant to Items 2.02 and 7.01 hereof).
  - [99.2](#) CFO Commentary and Financial Review Presentation, dated August 1, 2023 (furnished pursuant to Items 2.02 and 7.01 hereof).
  - 104 Cover Page Interactive Data File (embedded within the Inline XBRL document).
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**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: August 1, 2023

By: /S/ JIM A. SWANSON  
Jim A. Swanson  
Executive Vice President and Chief Financial Officer



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

**Second Quarter 2023 Highlights**

- **Net sales increased 7 percent (9 percent constant-currency) to \$620.9 million, compared to second quarter 2022.**
- **Operating income decreased 29 percent to \$6.2 million, or 1.0 percent of net sales, compared to second quarter 2022 operating income of \$8.8 million, or 1.5 percent of net sales.**
- **Diluted earnings per share increased 27 percent to \$0.14, compared to second quarter 2022 diluted earnings per share of \$0.11.**
- **Exited the quarter with \$302.8 million of cash, cash equivalents and short-term investments and no borrowings.**

**Full Year 2023 Financial Outlook**

The following forward-looking statements reflect our expectations as of August 1, 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 \$3.53 to \$3.59 billion (prior \$3.57 to \$3.67 billion) representing net sales growth of 2.0 to 3.5 percent (prior 3 to 6 percent) compared to 2022.**
- **Operating income of \$348 to \$368 million (prior \$413 to \$432 million), representing operating margin of 9.8 to 10.3 percent (prior 11.6 to 11.8 percent).**
- **Diluted earnings per share of \$4.40 to \$4.65 (prior \$5.15 to \$5.40).**

**PORTLAND, Ore.** - August 1, 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 second quarter 2023 financial results for the period ended June 30, 2023.

Chairman, President and Chief Executive Officer Tim Boyle commented, "Second quarter financial results reflect a dynamic environment, with varying trends across our global omni-channel business. During the quarter, we experienced continued strength across many international markets, including China, while the U.S. environment proved more challenging. Our inventory reduction plan is on track, and we are positioned to reduce year-end inventory by over \$200 million, compared to last year.

"We are continuing to deliver innovation into the marketplace. This Spring, we enhanced the Columbia brand's collection of sun-protection and cooling technologies with the launch of Omni-Shade Broad Spectrum. Looking to Fall, we are building on the success of Omni-Heat Infinity, which will be prominently featured in our marketing campaigns.

"Based on year-to-date performance, and the trends we are seeing across the business, we are taking a more conservative approach to planning the balance of the year. As we navigate near-term uncertainty, we are focused on taking actions to manage expenses and seeking opportunities to drive growth. In challenging times, our strong financial position is a strategic advantage, and we exited the second quarter with over \$300 million in cash, cash equivalents, and short-term investments, and no bank borrowings.

"I remain confident in our strategies, and we are focused on achieving the significant long-term growth opportunities we see across the business. 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 second 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/financial-results> at approximately 4:15 p.m. ET today. Analysts and investors are encouraged to review this commentary prior to participating in our conference call.

### **Second Quarter 2023 Financial Results**

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

**Net sales** increased 7 percent (9 percent constant-currency) to \$620.9 million from \$578.1 million for the comparable period in 2022. The increase in net sales reflects growth in the Europe, Middle East and Africa ("EMEA") and Latin America Asia Pacific ("LAAP") regions, primarily driven by earlier Fall 2023 distributor shipments and increased China sales, partially offset by declines in Canada and the U.S., which were primarily driven by a lower portion of Spring 2023 orders shipped in the second quarter compared to the same period in 2022.

**Gross margin** expanded 140 basis points to 50.6 percent of net sales from 49.2 percent of net sales for the comparable period in 2022. Gross margin expansion primarily reflects lower inbound freight costs and, to a lesser degree, changes in inventory provisions, partially offset by increased clearance and promotional activity.

**SG&A expenses** increased 11 percent to \$312.5 million, or 50.3 percent of net sales, from \$281.3 million, or 48.7 percent of net sales, for the comparable period in 2022. SG&A expense growth primarily reflects expense increases across direct-to-consumer ("DTC"), supply chain, and enterprise technology.

**Operating income** decreased 29 percent to \$6.2 million, or 1.0 percent of net sales, compared to \$8.8 million, or 1.5 percent of net sales, for the comparable period in 2022.

**Interest income, net** of \$3.5 million, compared to net interest income of \$0.5 million for the comparable period in 2022, reflects higher yields on cash, cash equivalents, and investments.

**Income tax expense** was \$1.2 million resulted in an effective income tax rate of 12.6 percent, compared to income tax expense of \$0.7 million, or an effective income tax rate of 8.6 percent, for the comparable period in 2022.

**Net income** increased 17 percent to \$8.4 million, or \$0.14 per diluted share, compared to net income of \$7.2 million, or \$0.11 per diluted share, for the comparable period in 2022.

### **First Half 2023 Financial Results**

(All comparisons are between the first six months 2023 and the first six months 2022, unless otherwise noted.)

**Net sales** increased 8 percent (10 percent constant-currency) to \$1,441.5 million from \$1,339.6 million for the comparable period in 2022.

**Gross margin** was flat compared to 49.5 percent of net sales for the comparable period in 2022.

**SG&A expenses** increased 14 percent to \$659.9 million, or 45.8 percent of net sales, from \$580.3 million, or 43.3 percent of net sales, for the comparable period in 2022.

**Operating income** decreased 32 percent to \$62.7 million, or 4.3 percent of net sales, compared to operating income of \$92.4 million, or 6.9 percent of net sales, for the comparable period in 2022.

**Interest income, net** was \$6.8 million, compared to net interest income of \$0.9 million for the comparable period in 2022.

**Income tax expense** of \$15.6 million resulted in an effective income tax rate of 22.2 percent, compared to income tax expense of \$17.9 million, or an effective income tax rate of 19.5 percent, for the comparable period in 2022.

**Net income** decreased 26 percent to \$54.6 million, or \$0.88 per diluted share, compared to net income of \$74.0 million, or \$1.16 per diluted share, for the comparable period in 2022.

### **Balance Sheet as of June 30, 2023**

Cash, cash equivalents and short-term investments totaled \$302.8 million, compared to \$414.2 million as of June 30, 2022.

The Company had no borrowings as of June 30, 2023 or 2022.

Inventories increased 21 percent to \$1,162.5 million, compared to \$962.9 million as of June 30, 2022. Inventory growth was comprised of earlier receipt of current season inventory and, to a lesser extent, higher carryover and older season inventory. We believe older season inventories represent a manageable portion of our total inventory mix.

### **Cash Flow for the Six Months Ended June 30, 2023**

Net cash provided by operating activities was \$9.7 million, compared to net cash used in operating activities of \$112.7 million for the same period in 2022.

Capital expenditures totaled \$22.8 million, compared to \$29.0 million for the same period in 2022.

### **Share Repurchases for the Six Months Ended June 30, 2023**

The Company repurchased 953,269 shares of common stock for an aggregate of \$78.7 million, or an average price per share of \$82.55.

At June 30, 2023, \$450.7 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 September 5, 2023 to shareholders of record on August 22, 2023.

### **Full Year 2023 Financial Outlook**

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

The Company's third quarter and full year 2023 Financial Outlook is forward-looking in nature, and the following forward-looking statements reflect our expectations as of August 1, 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 August 1, 2023 regarding the impact of economic conditions, including inflationary pressures; supply chain expenses; marketplace inventories; changes in consumer behavior and confidence; as well as geopolitical tensions. This outlook and commentary assume macro-economic conditions do not materially deteriorate. Projections are predicated on normal seasonal weather globally.

**Net sales** are expected to increase 2.0 to 3.5 percent (prior 3 to 6 percent) to \$3.53 to \$3.59 billion (prior \$3.57 to \$3.67 billion) from \$3.46 billion in 2022.

**Gross margin** is expected to expand approximately 40 basis points (prior 60 basis points) to approximately 49.8 percent of net sales (prior 50 percent) from 49.4 percent of net sales in 2022.

**SG&A expenses**, as a percent of net sales, are expected to be 40.1 to 40.5 percent (prior 39.0 to 39.2 percent), compared to SG&A expense as a percent of net sales of 37.7 percent in 2022.

**Operating income** is expected to be \$348 to \$368 million (prior \$413 to \$432 million), resulting in operating margin of 9.8 to 10.3 percent (prior 11.6 to 11.8 percent), compared to operating margin of 11.3 percent in 2022.

**Interest income, net** is expected to be approximately \$13 million.

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

**Net income** is expected to be \$272 to \$288 million (prior \$322 to \$336 million), resulting in diluted earnings per share of \$4.40 to \$4.65 (prior \$5.15 to \$5.40). This diluted earnings per share range is based on estimated weighted average diluted shares outstanding of 61.9 million (prior 62.4 million).

#### **Foreign Currency**

- Foreign currency translation is anticipated to reduce 2023 net sales growth by approximately 30 basis points (prior 20 basis points) reflecting 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 (unchanged) 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 approximately \$550 to \$600 million (prior over \$600 million).

**Capital expenditures** are planned to be in the range of \$60 to \$70 million (prior \$70 to \$80 million).

#### **Third Quarter 2023 Financial Outlook**

- **Net sales** are expected to be \$995 to \$1,010 million, representing growth of 4 to 6 percent from \$955.1 million for the comparable period in 2022.
- **Operating income** is expected to be \$132 to \$138 million, resulting in operating margin of 13.2 to 13.6 percent, compared to operating margin of 15.2 percent in the comparable period in 2022.
- **Diluted earnings per share** is expected to be \$1.60 to \$1.70 compared to \$1.80 for the comparable period in 2022.

#### **Conference Call**

The Company will hold its second 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>.

#### **Third Quarter 2023 Reporting Date**

Columbia Sportswear Company plans to report third quarter 2023 financial results on Thursday, October 26, 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 and manage expenses, financial position, marketing strategies, inventory, full year 2023 net sales, gross margin, SG&A expenses, operating income, net interest 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 third quarter 2023 net sales and diluted earnings per share. 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 expenses; 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](http://www.columbia.com), [www.mountainhardwear.com](http://www.mountainhardwear.com), [www.sorel.com](http://www.sorel.com), and [www.prana.com](http://www.prana.com).

### **Contact:**

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- Financial tables follow -

**COLUMBIA SPORTSWEAR COMPANY**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

<i>(in thousands)</i>	<b>June 30, 2023</b>	<b>June 30, 2022</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 231,571	\$ 413,110
Short-term investments	71,225	1,108
Accounts receivable, net	343,835	296,636
Inventories	1,162,519	962,875
Prepaid expenses and other current assets	91,990	121,404
<b>Total current assets</b>	<b>1,901,140</b>	<b>1,795,133</b>
Property, plant and equipment, net	280,578	288,199
Operating lease right-of-use assets	313,698	325,871
Intangible assets, net	80,733	101,083
Goodwill	51,694	68,594
Deferred income taxes	94,671	81,263
Other non-current assets	67,290	66,645
<b>Total assets</b>	<b>\$ 2,789,804</b>	<b>\$ 2,726,788</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 247,416	\$ 312,353
Accrued liabilities	238,988	239,181
Operating lease liabilities	69,784	65,668
Income taxes payable	1,080	1,242
<b>Total current liabilities</b>	<b>557,268</b>	<b>618,444</b>
Non-current operating lease liabilities	298,062	312,043
Income taxes payable	23,452	32,504
Other long-term liabilities	36,364	32,080
<b>Total liabilities</b>	<b>915,146</b>	<b>995,071</b>
Total shareholders' equity	1,874,658	1,731,717
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,789,804</b>	<b>\$ 2,726,788</b>

**COLUMBIA SPORTSWEAR COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

<i>(In thousands, except per share amounts)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net sales	\$ 620,933	\$ 578,063	\$ 1,441,526	\$ 1,339,573
Cost of sales	306,888	293,903	727,981	676,966
Gross profit	314,045	284,160	713,545	662,607
Gross margin	50.6 %	49.2 %	49.5 %	49.5 %
Selling, general and administrative expenses	312,529	281,258	659,927	580,344
Net licensing income	4,713	5,871	9,038	10,176
Operating income	6,229	8,773	62,656	92,439
Interest income, net	3,506	499	6,789	894
Other non-operating income (expense), net	(185)	(1,435)	665	(1,391)
Income before income tax	9,550	7,837	70,110	91,942
Income tax expense	1,200	674	15,558	17,942
Net income	\$ 8,350	\$ 7,163	\$ 54,552	\$ 74,000
<b>Earnings per share:</b>				
Basic	\$ 0.14	\$ 0.11	\$ 0.88	\$ 1.17
Diluted	\$ 0.14	\$ 0.11	\$ 0.88	\$ 1.16
<b>Weighted average shares outstanding:</b>				
Basic	61,655	62,554	61,893	63,409
Diluted	61,781	62,695	62,122	63,654

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

<i>(in thousands)</i>	Six Months Ended June 30,	
	2023	2022
<b>Cash flows from operating activities:</b>		
Net income	\$ 54,552	\$ 74,000
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation, amortization, and non-cash lease expense	61,540	58,537
Provision for uncollectible accounts receivable	145	(4,047)
Loss on disposal or impairment of property, plant and equipment, and right-of-use assets	491	2,418
Deferred income taxes	488	3,750
Stock-based compensation	11,208	10,636
Changes in operating assets and liabilities:		
Accounts receivable	203,846	186,364
Inventories	(135,251)	(332,225)
Prepaid expenses and other current assets	30,396	(23,226)
Other assets	366	3,018
Accounts payable	(69,305)	35,754
Accrued liabilities	(90,759)	(67,199)
Income taxes payable	(27,303)	(23,807)
Operating lease assets and liabilities	(34,317)	(34,478)
Other liabilities	3,611	(2,163)
Net cash provided by (used in) operating activities	9,708	(112,668)
<b>Cash flows from investing activities:</b>		
Purchases of short-term investments	(117,877)	(44,877)
Sales and maturities of short-term investments	50,747	175,725
Capital expenditures	(22,803)	(28,983)
Net cash provided by (used in) investing activities	(89,933)	101,865
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of common stock related to stock-based compensation	4,624	4,076
Tax payments related to stock-based compensation	(4,400)	(4,024)
Repurchase of common stock	(78,319)	(287,443)
Cash dividends paid	(37,099)	(37,926)
Net cash used in financing activities	(115,194)	(325,317)
<b>Net effect of exchange rate changes on cash</b>	(3,251)	(14,174)
<b>Net decrease in cash and cash equivalents</b>	(198,670)	(350,294)
<b>Cash and cash equivalents, beginning of period</b>	430,241	763,404
<b>Cash and cash equivalents, end of period</b>	\$ 231,571	\$ 413,110
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid during the year for income taxes	\$ 61,131	\$ 47,846
<b>Supplemental disclosures of non-cash investing and financing activities:</b>		
Property, plant and equipment acquired through increase in liabilities	\$ 5,982	\$ 5,334

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

	Three Months Ended June 30,					
	Reported Net Sales	Adjust for Foreign Currency	Constant- currency Net Sales	Reported Net Sales	Reported Net Sales	Constant-currency Net Sales
	2023	Translation	2023 <sup>(1)</sup>	2022	% Change	% Change <sup>(1)</sup>
<i>(In millions, except percentage changes)</i>						
<b>Geographical Net Sales:</b>						
United States	\$ 399.1	\$ —	\$ 399.1	\$ 412.5	(3)%	(3)%
Latin America and Asia Pacific	93.3	4.9	98.2	72.8	28%	35%
Europe, Middle East and Africa	100.8	—	100.8	57.6	75%	75%
Canada	27.7	1.9	29.6	35.2	(21)%	(16)%
Total	<u>\$ 620.9</u>	<u>\$ 6.8</u>	<u>\$ 627.7</u>	<u>\$ 578.1</u>	7%	9%
<b>Brand Net Sales:</b>						
Columbia	\$ 537.0	\$ 6.6	\$ 543.6	\$ 485.9	11%	12%
SOREL	37.8	0.1	37.9	28.7	32%	32%
prAna	27.6	—	27.6	40.7	(32)%	(32)%
Mountain Hardwear	18.5	0.1	18.6	22.8	(19)%	(18)%
Total	<u>\$ 620.9</u>	<u>\$ 6.8</u>	<u>\$ 627.7</u>	<u>\$ 578.1</u>	7%	9%
<b>Product Category Net Sales:</b>						
Apparel, Accessories and Equipment	\$ 488.9	\$ 5.3	\$ 494.2	\$ 468.4	4%	6%
Footwear	132.0	1.5	133.5	109.7	20%	22%
Total	<u>\$ 620.9</u>	<u>\$ 6.8</u>	<u>\$ 627.7</u>	<u>\$ 578.1</u>	7%	9%
<b>Channel Net Sales:</b>						
Wholesale	\$ 328.3	\$ 2.5	\$ 330.8	\$ 299.9	9%	10%
DTC	292.6	4.3	296.9	278.2	5%	7%
Total	<u>\$ 620.9</u>	<u>\$ 6.8</u>	<u>\$ 627.7</u>	<u>\$ 578.1</u>	7%	9%

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

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

	Six Months Ended June 30,					
	Reported Net Sales	Adjust for Foreign Currency	Constant- currency Net Sales	Reported Net Sales	Reported Net Sales	Constant-currency Net Sales
	2023	Translation	2023 <sup>(1)</sup>	2022	% Change	% Change <sup>(1)</sup>
<i>(In millions, except percentage changes)</i>						
<b>Geographical Net Sales:</b>						
United States	\$ 916.6	\$ —	\$ 916.6	\$ 914.4	—%	—%
Latin America and Asia Pacific	229.7	16.8	246.5	194.5	18%	27%
Europe, Middle East and Africa	209.1	5.3	214.4	152.3	37%	41%
Canada	86.1	5.3	91.4	78.4	10%	17%
Total	<u>\$ 1,441.5</u>	<u>\$ 27.4</u>	<u>\$ 1,468.9</u>	<u>\$ 1,339.6</u>	8%	10%
<b>Brand Net Sales:</b>						
Columbia	\$ 1,239.8	\$ 25.8	\$ 1,265.6	\$ 1,129.7	10%	12%
SOREL	98.3	1.0	99.3	92.3	7%	8%
prAna	60.1	—	60.1	73.4	(18)%	(18)%
Mountain Hardwear	43.3	0.6	43.9	44.2	(2)%	(1)%
Total	<u>\$ 1,441.5</u>	<u>\$ 27.4</u>	<u>\$ 1,468.9</u>	<u>\$ 1,339.6</u>	8%	10%
<b>Product Category Net Sales:</b>						
Apparel, Accessories and Equipment	\$ 1,121.5	\$ 20.2	\$ 1,141.7	\$ 1,034.3	8%	10%
Footwear	320.0	7.2	327.2	305.3	5%	7%
Total	<u>\$ 1,441.5</u>	<u>\$ 27.4</u>	<u>\$ 1,468.9</u>	<u>\$ 1,339.6</u>	8%	10%
<b>Channel Net Sales:</b>						
Wholesale	\$ 780.8	\$ 13.6	\$ 794.4	\$ 708.1	10%	12%
DTC	660.7	13.8	674.5	631.5	5%	7%
Total	<u>\$ 1,441.5</u>	<u>\$ 27.4</u>	<u>\$ 1,468.9</u>	<u>\$ 1,339.6</u>	8%	10%

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

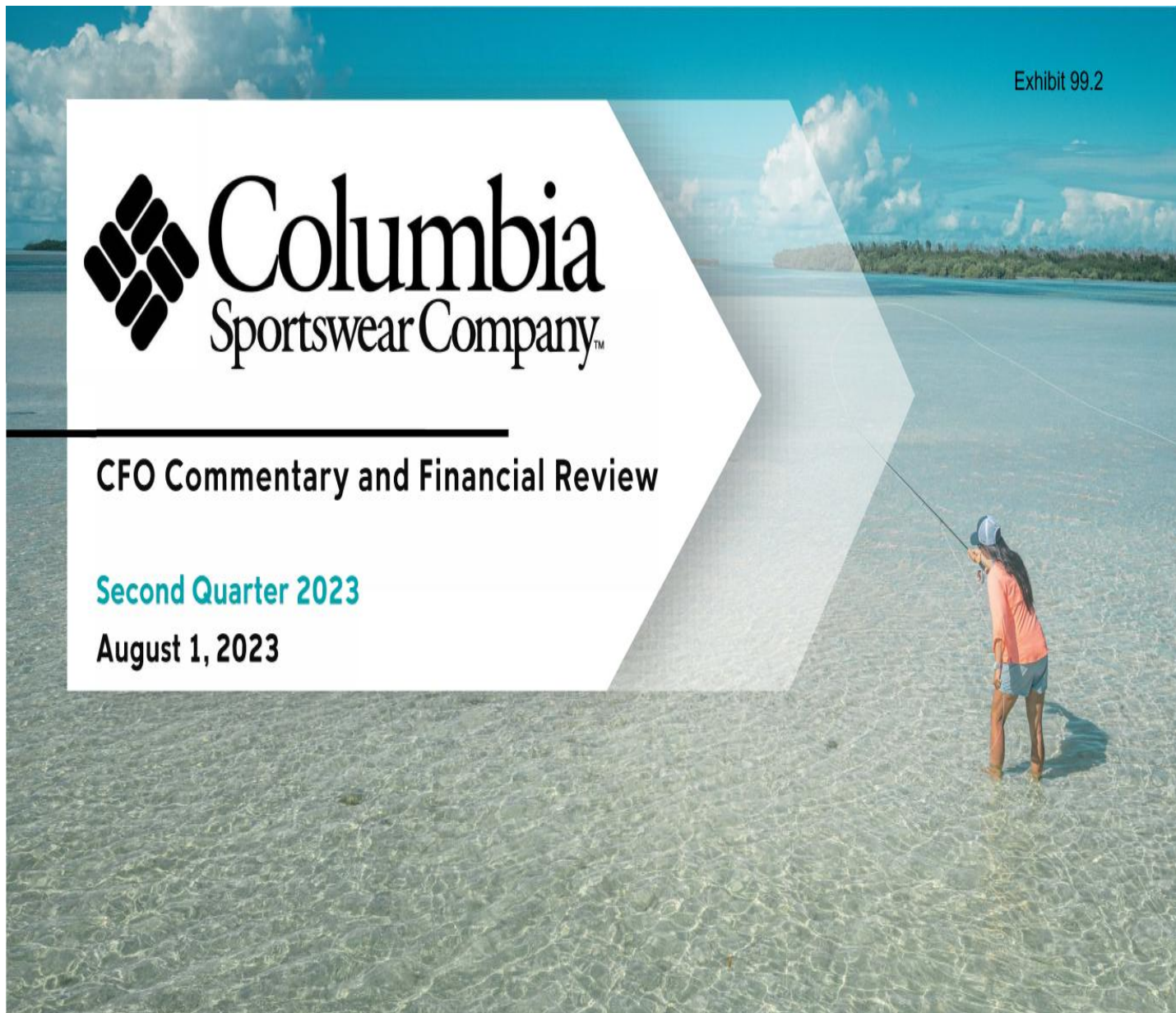


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**CFO Commentary and Financial Review**

**Second Quarter 2023**

**August 1, 2023**



# FORWARD-LOOKING STATEMENTS

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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 expenses; 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.

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# REFERENCES TO NON-GAAP FINANCIAL INFORMATION

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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

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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				

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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**

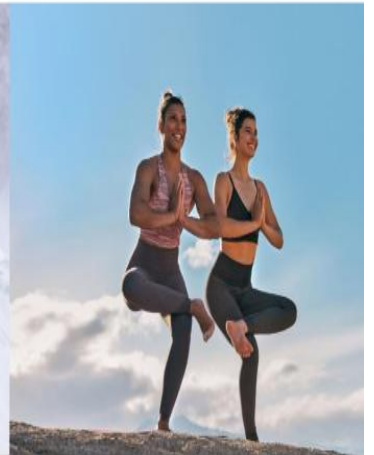
Invest in Capabilities to Delight  
and Retain Consumers

**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





# Q2'23 KEY HIGHLIGHTS

Q2'23 FINANCIAL RESULTS COMPARED TO Q2'22

**\$621M**

**+7%**

**Net Sales**

**50.6%**

**+140 bps**

**Gross Margin**

**1.0%**

**-50 bps**

**Operating Margin**

**\$0.14**

**+27%**

**Diluted EPS**

## Q2'23 Highlights:

- Global net sales grew 7% (9% c.c.) y/y, driven by increased sales internationally including earlier shipments of Fall '23 distributor orders and a recovery from pandemic restrictions in China last year, partially offset by a lower portion of Spring '23 wholesale orders shipping in the second quarter compared to the same period last year.
- Net sales were above plan, driven by earlier Fall '23 shipments which more than offset slower growth in our U.S. DTC business.
- Operating margin pressure reflects SG&A expense growth, partially offset by gross margin expansion.
- Inventory increased 21% y/y. We expect Q4'23 inventory to be down over \$200M, compared to Q4'22.
- Exited the quarter with \$302.8M of cash, cash equivalents and short-term investments and no borrowings.

# Q2'23 ACTUAL VS LAST YEAR

(dollars in millions, except per share amounts)

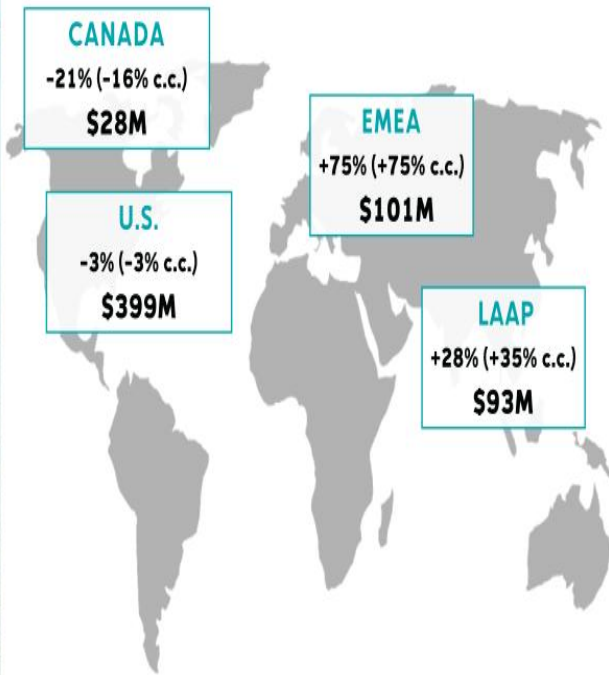
	Q2'23	Q2'22	Change
Net Sales	\$620.9	\$578.1	+7%
Gross margin	50.6%	49.2%	+140 bps
SG&A percent of net sales	50.3%	48.7%	+160 bps
Operating income	\$6.2	\$8.8	-29%
Operating margin	1.0%	1.5%	-50 bps
Net income	\$8.4	\$7.2	+17%
Diluted EPS	\$0.14	\$0.11	+27%

## Commentary on factors impacting Q2'23 financial results:

- The increase in net sales reflects growth in the EMEA and LAAP regions, primarily driven by earlier Fall '23 distributor shipments and increased China sales, partially offset by declines in Canada and the U.S., which were primarily driven by a lower portion of Spring '23 wholesale orders shipped in Q2 compared to the same period in 2022.
- Gross margin expansion primarily reflects lower inbound freight costs and, to a lesser degree, changes in inventory provisions, partially offset by increased clearance and promotional activity.
- SG&A expense growth primarily reflects expense increases across DTC, supply chain, and enterprise technology.

# Q2'23 REGIONAL NET SALES PERFORMANCE

Q2'23 NET SALES AND GROWTH VS. Q2'22



Commentary below on primary drivers reflects constant currency performance.

## U.S.

- **Wholesale:** down **HSD%**, reflecting a lower portion of Spring '23 orders shipped in Q2 compared to last year
- **DTC:** up **LSD%**, DTC B&M up **MSD%**, DTC.com down **MSD%**
- The company had 157 stores (139 outlet, 18 branded) exiting Q2'23 vs. 147 stores (132 outlet, 15 branded) exiting Q2'22
- As part of our plan to reduce excess inventory, the Company opened temporary outlet locations

## LAAP

- **Japan:** down **LSD%** (up **MSD%** c.c.), driven by DTC B&M growth and a recovery in international tourism
- **China:** up **low-130%** (up **high-140%** c.c.), aided by strong consumer demand as we anniversary prior year pandemic restrictions
- **Korea:** down **high-teens%** (down **LDD%** c.c.), reflecting challenging market conditions and the impact of retail store closures
- **LAAP distributor:** up **low-80%**, reflecting earlier shipment of robust Fall '23 orders

## EMEA

- **Europe-direct:** down **MSD%** (down **MSD%** c.c.), driven by a lower portion of Spring '23 orders shipped in Q2 compared to last year, partially offset by healthy DTC growth
- **EMEA distributor:** up **~310%**, reflecting earlier shipment of Fall '23 orders

## Canada

- **-21%** (-16% c.c.), driven by a lower portion of Spring '23 orders shipped in Q2 compared to last year, partially offset by healthy DTC growth

# Q2'23 NET SALES OVERVIEW

Q2'23 NET SALES AND GROWTH VS. Q2'22

## CATEGORY PERFORMANCE

### APPAREL, ACCESSORIES & EQUIPMENT:

↑ **+4%** (+6% c.c.)  
\$489M

### FOOTWEAR:

↑ **+20%** (+22% c.c.)  
\$132M

- Footwear growth includes earlier shipment of Fall '23 orders and increased closeout sales. Overall, footwear market conditions remain challenging.

## BRAND PERFORMANCE

 **Columbia**

↑ **+11%** (+12% c.c.)  
\$537M

 **prAna**

↓ **-32%** (-32% c.c.)  
\$28M



↑ **+32%** (+32% c.c.)  
\$38M

 **MOUNTAIN  
HARD  
WEAR**

↓ **-19%** (-18% c.c.)  
\$18M

- Columbia and SOREL brand growth aided by earlier shipment of Fall '23 orders. All brands had a lower proportion of Spring '23 orders shipping in Q2 compared to last year.

## CHANNEL PERFORMANCE

### WHOLESALE:

↑ **+9%** (+10% c.c.)  
\$328M

### DTC:

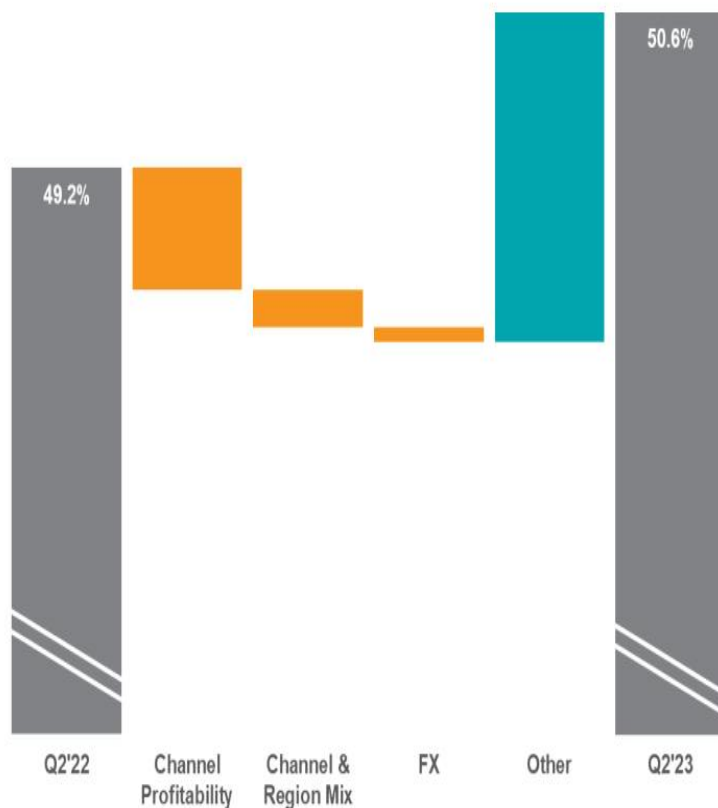
↑ **+5%** (+7% c.c.)  
\$293M

- Growth is driven by earlier Fall '23 distributor shipments, and China, partially offset by a lower portion of Spring '23 orders shipping in Q2 compared to last year.
- DTC B&M +7%, DTC.com +2%



# Q2'23 GROSS MARGIN BRIDGE

Q2'23 gross margin expanded 140 bps y/y to 50.6%



## Primary Gross Margin Tailwinds

- **Other:** lower inbound freight costs and, to a lesser degree, changes in inventory provisions

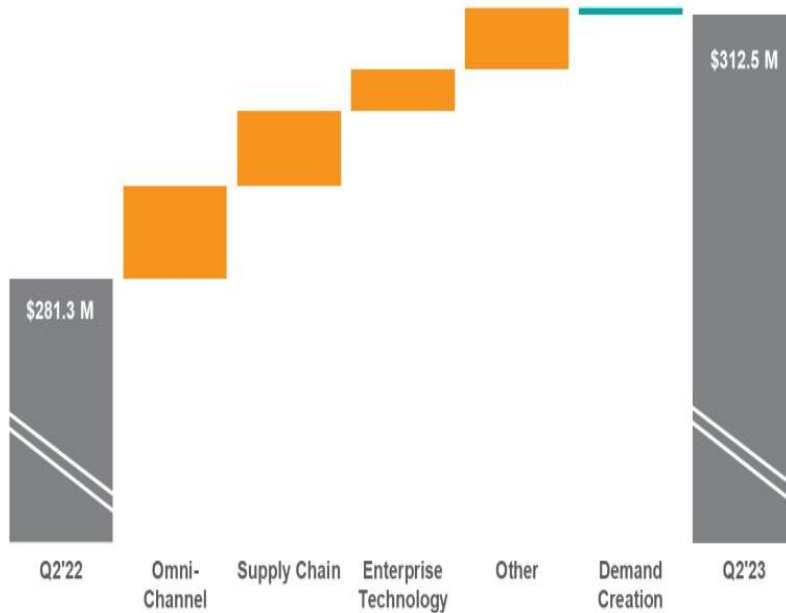
## Primary Gross Margin Headwinds

- **Channel Profitability:** lower DTC margins due to increased clearance and promotional activity
- **Channel Profitability:** lower wholesale margins reflecting actions to reduce excess inventory
- **Channel & Region Sales Mix:** shift towards EMEA and LAAP distributor sales, which generally carry lower gross margins
- **FX:** unfavorable effects from foreign currency hedge rates



# Q2'23 SG&A BRIDGE

SG&A increased 11% to \$312.5 million



## Primary SG&A Expense Increases

- **Omni-Channel:** including higher DTC B&M expenses related to new and temporary outlet stores
- **Supply Chain:** higher warehousing and fulfillment expenses, including increased 3PL costs, investments to drive future productivity improvements, and personnel expense
- **Enterprise Technology:** increased personnel expenses to support digital strategies

## Primary SG&A Expense Reductions

- **Demand Creation:** represents 5.4% of net sales vs. 5.9% in Q2'23

Q2'23 SG&A expenses were 50.3% of net sales compared to 48.7% in Q2'22

# BALANCE SHEET OVERVIEW

Balance Sheet as of June 30, 2023

## Cash, Cash Equivalents and Short-term Investments

**\$303M**

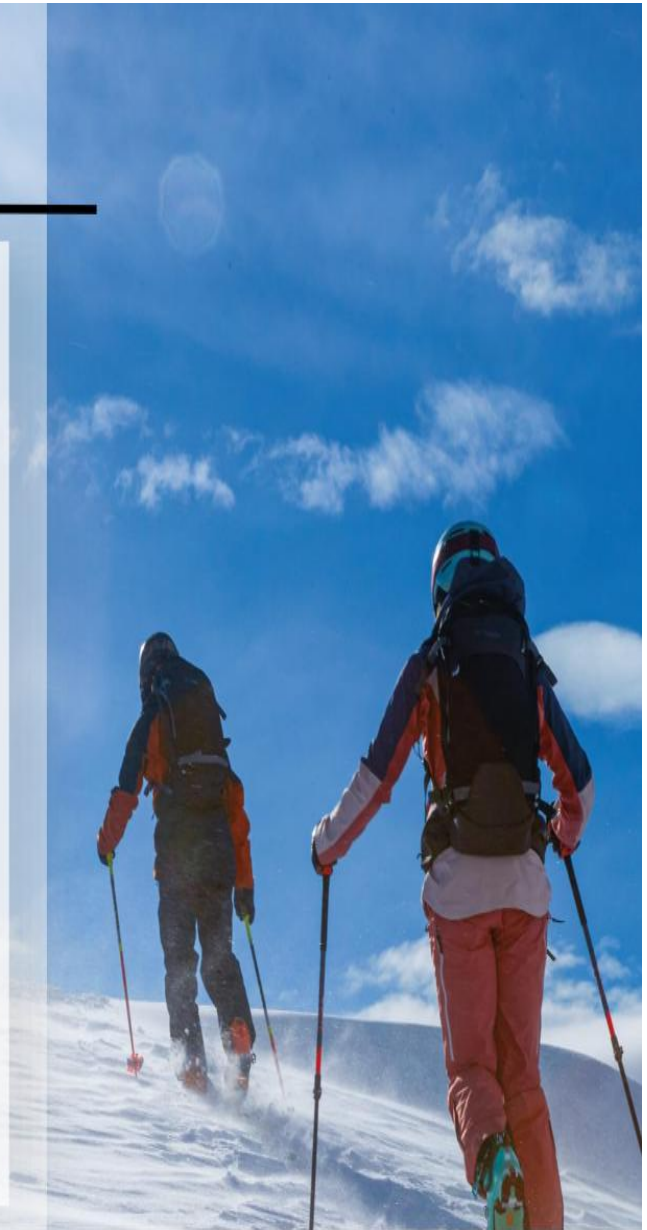
Cash, cash equivalents and short-term investments totaled \$302.8M, compared to \$414.2M as of June 30, 2022.

## Inventory

**+21%**

Inventories +21% y/y to \$1,163M driven by earlier receipt of current season inventory and, to a lesser extent, higher carryover and older season inventory. We believe older season inventories represent a manageable portion of our total inventory mix.

To address higher inventory levels, we have adjusted future inventory purchases and are leveraging our outlet store fleet to sell excess inventory. While inventory remained elevated through H1'23, we expect inventory to be down year-over-year starting in Q3'23 as we sell carryover and excess inventory during the Fall '23 season.



# CAPITAL OVERVIEW

## H1'23 Net Cash Flow Provided by Operations

**\$10M**

Net cash flow provided by operating activities was \$9.7M, compared to net cash flow used in operating activities of \$112.7M for the same period in 2022. Lower purchases of inventory was the largest driver of the improvement in operating cash flows.

## H1'23 Capital Expenditures

**\$23M**

Capital expenditures totaled \$22.8M compared to \$29.0M for the same period in 2022.

## H1'23 Share Repurchases

**\$79M**

The Company repurchased 953,269 shares of common stock for an aggregate of \$78.7M, for an average price per share of \$82.55.

## Dividends

**\$0.30**

The Board of Directors approved a regular cash dividend of \$0.30 per share, payable on September 5, 2023, to shareholders of record on August 22, 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 August 1, 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 August 1, 2023 regarding the impact of economic conditions, including inflationary pressures; supply chain expenses; marketplace inventories; changes in consumer behavior and confidence; as well as geopolitical tensions. This outlook and commentary assume macro-economic conditions do not materially deteriorate. Projections are predicated on normal seasonal weather globally.

	<b>2023 Financial Outlook</b>	<b>Outlook compared to 2022</b>
<b>Net sales</b>	<b>\$3.53B to \$3.59B</b> (prior \$3.57B to \$3.67B)	<b>+2.0% to +3.5%</b> (prior +3% to +6%)
<b>Gross margin</b>	<b>~49.8%</b> (prior ~50%)	<b>approximately 40 bps expansion</b> (prior approximately 60 bps expansion)
<b>SG&amp;A percent of net sales</b>	<b>40.1% to 40.5%</b> (prior 39.0% to 39.2%)	<b>240 bps to 280 bps deleverage</b> (prior 130 bps to 150 bps deleverage)
<b>Operating margin</b>	<b>9.8% to 10.3%</b> (prior 11.6% to 11.8%)	<b>100 bps to 150 bps deleverage</b> (prior 30 bps to 50 bps leverage)
<b>Operating income</b>	<b>\$348M to \$368M</b> (prior \$413M to \$432M)	<b>-12% to -6%</b> (prior +5% to +10%)
<b>Effective income tax rate</b>	<b>~24.5%</b> (unchanged)	<b>2022 effective tax rate of 21.6%</b>
<b>Net income</b>	<b>\$272M to \$288M</b> (prior \$322M to \$336M)	<b>-13% to -8%</b> (prior +3% to +8%)
<b>Diluted EPS</b>	<b>\$4.40 to \$4.65</b> (prior \$5.15 to \$5.40)	<b>-11% to -6%</b> (prior +4% to +9%)

# 2023 FINANCIAL OUTLOOK ASSUMPTIONS

## Net sales

The change in the sales outlook is primarily related to lower expectations in the U.S. region due to softer than planned consumer demand impacting the U.S. wholesale and DTC e-commerce businesses. Weaker sales in Korea also contributed to the reduction in the sales outlook.

### Anticipated net sales growth primarily reflects:

- Net sales growth is expected to be led by SOREL up HSD% and Columbia up MSD%, partially offset by declines in prAna and Mountain Hardwear.
- All four geographic segments are anticipated to grow in 2023 with international sales growth outpacing the U.S., which is expected to grow LSD%.
  - LAAP region is expected to grow HSD% (low-teens %, c.c.) led by our LAAP distributor business and China.
  - EMEA region is expected to grow MSD% (LSD%, c.c.) driven by our Europe-direct business.
- From a product category perspective, footwear is anticipated to grow faster than apparel
- From a channel perspective, DTC is anticipated to grow MSD% with DTC B&M expected to grow faster than DTC.com. Wholesale is anticipated to grow LSD%.
  - DTC B&M sales growth includes the annualization of new stores opened in 2022 as well as the contribution from 8 net new stores in North America and 5 in Europe-direct markets planned for 2023.

## Gross margin

### Anticipated gross margin expansion primarily reflects:

- lower inbound freight costs; and, to a lesser degree
- a favorable channel mix shift; partially offset by
- lower channel profitability reflecting clearance and promotional activity.

## SG&A % of net sales

### Anticipated SG&A expense growth includes:

- higher omni-channel spend, including higher DTC expenses to support new and temporary outlet stores;
- higher supply chain costs primarily related to the carrying of elevated inventory levels, which are expected to normalize late in the year;
- 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, interest income and share count

- 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.
- Interest income, net is anticipated to be ~\$13M
- The \$4.40 to \$4.65 diluted earnings per share range is based on estimated weighted average diluted shares outstanding of 61.9 million (prior 62.4 million).

# 2023 ASSUMPTIONS AND THIRD QUARTER OUTLOOK

## Foreign currency

- Foreign currency translation is expected to reduce net sales growth by approximately 30 bps (prior 20 bps) reflecting 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 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 be \$550 to \$600M (prior over \$600M).
  - Inventory growth is expected to decline y/y exiting Q3'23 and to be down over \$200M exiting Q4'23 compared to Q4'22.
  - For the year, inventory purchases are planned to decrease greater than 20 percent compared to last year.
- Capital expenditures are planned to be between \$60M to \$70M (prior \$70M to \$80M).

## Third quarter commentary

- Net sales of \$995 to \$1,010 million, representing growth of 4% to 6% compared to Q3'22.
- Operating income of \$132 million to \$138 million, or 13.2% to 13.6% of net sales.
- Diluted EPS is expected to be \$1.60 to \$1.70 compared to \$1.80 for Q3'22.





APPENDIX



# SECOND 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 June 30,					
	Reported Net Sales	Adjust for Foreign Currency	Constant- currency Net Sales	Reported Net Sales	Reported Net Sales	Constant- currency Net Sales
	2023	Translation	2023 <sup>(1)</sup>	2022	% Change	% Change <sup>(1)</sup>
<i>(In millions, except percentage changes)</i>						
<b>Geographical Net Sales:</b>						
United States	\$ 399.1	\$ —	\$ 399.1	\$ 412.5	(3)%	(3)%
Latin America and Asia Pacific	93.3	4.9	98.2	72.8	28%	35%
Europe, Middle East and Africa	100.8	—	100.8	57.6	75%	75%
Canada	27.7	1.9	29.6	35.2	(21)%	(16)%
<b>Total</b>	<b>\$ 620.9</b>	<b>\$ 6.8</b>	<b>\$ 627.7</b>	<b>\$ 578.1</b>	<b>7%</b>	<b>9%</b>
<b>Brand Net Sales:</b>						
Columbia	\$ 537.0	\$ 6.6	\$ 543.6	\$ 485.9	11%	12%
SOREL	37.8	0.1	37.9	28.7	32%	32%
prAna	27.6	—	27.6	40.7	(32)%	(32)%
Mountain Hardwear	18.5	0.1	18.6	22.8	(19)%	(18)%
<b>Total</b>	<b>\$ 620.9</b>	<b>\$ 6.8</b>	<b>\$ 627.7</b>	<b>\$ 578.1</b>	<b>7%</b>	<b>9%</b>
<b>Product Category Net Sales:</b>						
Apparel, Accessories and Equipment	\$ 488.9	\$ 5.3	\$ 494.2	\$ 468.4	4%	6%
Footwear	132.0	1.5	133.5	109.7	20%	22%
<b>Total</b>	<b>\$ 620.9</b>	<b>\$ 6.8</b>	<b>\$ 627.7</b>	<b>\$ 578.1</b>	<b>7%</b>	<b>9%</b>
<b>Channel Net Sales:</b>						
Wholesale	\$ 328.3	\$ 2.5	\$ 330.8	\$ 299.9	9%	10%
DTC	292.6	4.3	296.9	278.2	5%	7%
<b>Total</b>	<b>\$ 620.9</b>	<b>\$ 6.8</b>	<b>\$ 627.7</b>	<b>\$ 578.1</b>	<b>7%</b>	<b>9%</b>

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



# FIRST SIX MONTHS FREE CASH FLOW RECONCILIATION

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

<i>(In millions)</i>	Six Months Ended June 30,	
	2023	2022
Net cash provided by (used in) operating activities	\$ 9.7	\$ (112.7)
Capital expenditures	(22.8)	(29.0)
Free cash flow	<u>\$ (13.1)</u>	<u>\$ (141.7)</u>

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