

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

FORM 8-K

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

Date of Report (Date of earliest event reported):
February 1, 2024

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

Oregon
(State or other jurisdiction
of incorporation)

000-23939
(Commission
File Number)

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

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On February 1, 2024, Columbia Sportswear Company (the "Company") issued a press release reporting its fourth quarter and full year 2023 financial results, providing its full year 2024 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 fourth quarter and full year 2023 financial results and its 2024 financial outlook, as posted on the Company's investor relations website, <https://investor.columbia.com>, on February 1, 2024. The information in this report shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

ITEM 7.01 REGULATION FD DISCLOSURE

In its February 1, 2024 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 March 22, 2024 to its shareholders of record on March 8, 2024.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

[99.1](#) Press Release, dated February 1, 2024 (furnished pursuant to Items 2.02 and 7.01 hereof).

[99.2](#) CFO Commentary and Financial Review Presentation, dated February 1, 2024 (furnished pursuant to Items 2.02 and 7.01 hereof).

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

SIGNATURES

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

COLUMBIA SPORTSWEAR COMPANY

Dated: February 1, 2024

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



**Columbia Sportswear Company Reports Fourth Quarter and Full Year 2023 Financial Results;
Provides Full Year 2024 Financial Outlook**

Fourth Quarter 2023 Highlights

- Net sales decreased 9 percent (10 percent constant-currency) to \$1,060.0 million, compared to fourth quarter 2022.
- Operating income decreased 27 percent to \$113.1 million, or 10.7 percent of net sales, compared to fourth quarter 2022 operating income of \$155.4 million, or 13.3 percent of net sales. Fourth quarter 2023 operating income includes a \$25.0 million impairment charge related to prAna, compared to \$35.6 million in the comparable period in 2022.
- Diluted earnings per share decreased 23 percent to \$1.55, compared to fourth quarter 2022 diluted earnings per share of \$2.02. The impairment charge related to prAna negatively impacted diluted earnings per share by \$0.31, compared to a negative impact of \$0.43 in the comparable period in 2022.
- Exited the quarter with \$764.5 million of cash, cash equivalents and short-term investments and no borrowings.
- Exited the quarter with \$746.3 million of inventories, a decrease of 27 percent compared to December 31, 2022.

Full Year 2023 Highlights

- Net sales increased 1 percent to \$3,487.2 million, compared to 2022.
- Operating income decreased 21 percent to \$310.3 million, or 8.9 percent of net sales, compared to 2022 operating income of \$393.1 million, or 11.3 percent of net sales.
- Diluted earnings per share decreased 17 percent to \$4.09, compared to 2022 diluted earnings per share of \$4.95.
- The Company repurchased \$184.0 million of common stock during the year.

Full Year 2024 Financial Outlook

The following forward-looking statements reflect our expectations as of February 1, 2024 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 2024 Financial Outlook section below and the CFO Commentary and Financial Review presentation.

- Net sales of \$3.35 to \$3.42 billion, representing a net sales decline of 4.0 to 2.0 percent compared to 2023.
- Operating income of \$256 to \$288 million, representing operating margin of 7.6 to 8.4 percent.
- Diluted earnings per share of \$3.45 to \$3.85.

PORTLAND, Ore. - February 1, 2024 - 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 fourth quarter 2023 financial results for the period ended December 31, 2023.

Chairman, President and Chief Executive Officer Tim Boyle commented, "I'm proud of what our global workforce

was able to achieve in 2023. We successfully executed our inventory reduction plan, which contributed to operating cash flow generation of over \$600 million for the year. The Columbia brand generated healthy growth outside of the U.S., led by China and Europe-direct markets. In the U.S., we navigated a difficult U.S. marketplace and a warm winter, both of which impacted our fourth quarter performance.

"Looking ahead, we expect 2024 to be a challenging year. Retailers are placing orders cautiously, and economic and geopolitical uncertainty remains high. We are working diligently to maximize sales in this environment, while optimizing our product, brand marketing and marketplace strategies to accelerate growth in 2025 and beyond. To mitigate erosion in profitability and to improve the efficiency of our operations, we are implementing a multi-year profit improvement program targeting \$125 to \$150 million in annual savings by 2026.

"Our balance sheet remains strong, with cash and short-term investments totaling \$765 million with no borrowings at year end. I'm confident in our team, our strategies, and our ability to unlock 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 fourth 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.

Fourth Quarter 2023 Financial Results

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

Net sales decreased 9 percent (10 percent constant-currency) to \$1,060.0 million from \$1,169.6 million for the comparable period in 2022. The decline in net sales primarily reflects earlier shipment of Fall 2023 wholesale orders in third quarter 2023 compared to late shipment of Fall 2022 wholesale orders in fourth quarter 2022, as well as lower U.S. direct-to-consumer (DTC) net sales.

Gross margin expanded 20 basis points to 50.6 percent of net sales from 50.4 percent of net sales for the comparable period in 2022. Gross margin expansion primarily reflects lower inbound freight costs and favorable channel mix, which more than offset the impact of inventory reduction efforts across our DTC and wholesale businesses.

SG&A expenses were \$404.8 million, or 38.2 percent of net sales, compared to \$405.1 million, or 34.6 percent of net sales, for the comparable period in 2022. The largest changes in SG&A expenses primarily reflect higher DTC expenses, partially offset by lower variable demand creation and incentive compensation expenses.

Impairment of goodwill and intangible assets included a \$25.0 million charge related to prAna, compared to \$35.6 million of charges related to prAna for the comparable period in 2022.

Operating income decreased 27 percent to \$113.1 million, or 10.7 percent of net sales, compared to \$155.4 million, or 13.3 percent of net sales, for the comparable period in 2022.

Interest income, net of \$5.0 million, compared to \$1.1 million for the comparable period in 2022, reflects higher yields on increased levels of cash, cash equivalents, and investments.

Income tax expense of \$26.6 million resulted in an effective income tax rate of 22.2 percent, compared to income tax expense of \$34.0 million, or an effective income tax rate of 21.3 percent, for the comparable period in 2022.

Net income decreased 26 percent to \$93.3 million, or \$1.55 per diluted share, compared to net income of \$125.7 million, or \$2.02 per diluted share, for the comparable period in 2022.

Full Year 2023 Financial Results

(All comparisons are between the full year 2023 and the full year 2022, unless otherwise noted.)

Net sales increased 1 percent (1 percent constant-currency) to \$3,487.2 million from \$3,464.2 million for the comparable period in 2022.

Gross margin expanded 20 basis points to 49.6 percent of sales compared to 49.4 percent of net sales for the comparable period in 2022.

SG&A expenses increased 9 percent to \$1,416.3 million, or 40.6 percent of net sales, from \$1,304.4 million, or 37.7 percent of net sales, for the comparable period in 2022.

Impairment of goodwill and intangible assets included a \$25.0 million charge related to prAna, compared to \$35.6 million of charges related to prAna for the comparable period in 2022.

Operating income decreased 21 percent to \$310.3 million, or 8.9 percent of net sales, compared to operating income of \$393.1 million, or 11.3 percent of net sales, for the comparable period in 2022.

Interest income, net was \$13.7 million, compared to \$2.7 million for the comparable period in 2022.

Income tax expense of \$74.8 million resulted in an effective income tax rate of 22.9 percent, compared to income tax expense of \$86.0 million, or an effective income tax rate of 21.6 percent, for the comparable period in 2022.

Net income decreased 19 percent to \$251.4 million, or \$4.09 per diluted share, compared to net income of \$311.4 million, or \$4.95 per diluted share, for the comparable period in 2022.

Balance Sheet as of December 31, 2023

Cash, cash equivalents, and short-term investments totaled \$764.5 million, compared to \$431.0 million as of December 31, 2022.

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

Inventories decreased 27 percent to \$746.3 million, compared to \$1,028.5 million as of December 31, 2022.

Cash Flow for the Twelve Months Ended December 31, 2023

Net cash provided by operating activities was \$636.3 million, compared to net cash used in operating activities of \$25.2 million for the same period in 2022.

Capital expenditures totaled \$54.6 million, compared to \$58.5 million for the same period in 2022.

Share Repurchases for the Twelve Months Ended December 31, 2023

The Company repurchased 2,377,962 shares of common stock for an aggregate of \$184.0 million, or an average price per share of \$77.39.

At December 31, 2023, \$345.3 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 March 22, 2024 to shareholders of record on March 8, 2024.

Full Year 2024 Financial Outlook

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

The Company's Full Year 2024, First Half 2024, and First Quarter 2024 Financial Outlook are each forward-looking in nature, and the following forward-looking statements reflect our expectations as of February 1, 2024 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. The following forward-looking statements include certain aspects of the profit improvement program planned for execution in 2024.

Net sales are expected to decrease 4.0 to 2.0 percent, resulting in net sales of \$3.35 to \$3.42 billion, compared to \$3.49 billion in 2023.

Gross margin is expected to expand 100 to 150 basis points to 50.6 to 51.1 percent of net sales from 49.6 percent of net sales in 2023.

SG&A expenses, as a percent of net sales, are expected to be 43.2 to 43.5 percent, compared to SG&A expense as a percent of net sales of 40.6 percent in 2023.

Operating income is expected to be \$256 to \$288 million, resulting in operating margin of 7.6 to 8.4 percent, compared to operating margin of 8.9 percent in 2023.

Interest income, net is expected to be approximately \$19 million.

Effective income tax rate is expected to be 24.0 to 25.0 percent.

Net income is expected to be \$207 to \$231 million, resulting in diluted earnings per share of \$3.45 to \$3.85. This diluted earnings per share range is based on estimated weighted average diluted shares outstanding of 60.1 million.

Foreign Currency

- Foreign currency translation is anticipated to increase 2024 net sales growth by approximately 60 basis points.
- Foreign currency is expected to have an approximately \$0.03 positive impact on diluted earnings per share due primarily to favorable foreign currency translational impacts to net sales growth, partially offset by negative foreign currency transactional effects from hedging of inventory production.

Cash Flows

Operating cash flow is expected to be at least \$300 million.

Capital expenditures are planned to be in the range of \$60 to \$80 million.

First Half 2024 Financial Outlook

- **Net sales** are expected to be \$1,310 to \$1,352 million, representing a decline of 9 to 6 percent from \$1,442 million for the comparable period in 2023.
- **Operating income** is expected to be (\$12) to \$8 million, resulting in operating margin of -0.9 to +0.6 percent, compared to operating margin of 4.3 percent in the comparable period in 2023.
- **Diluted earnings per share** is expected to be \$0.01 to \$0.26, compared to \$0.88 for the comparable period in 2023.

First Quarter 2024 Financial Outlook

- **Net sales** are expected to be \$730 to \$753 million, representing a decline of 11 to 8 percent from \$820.6 million for the comparable period in 2023.
- **Operating income** is expected to be \$16 to \$28 million, resulting in operating margin of 2.2 to 3.8 percent, compared to operating margin of 6.9 percent in the comparable period in 2023.
- **Diluted earnings per share** is expected to be \$0.30 to \$0.45, compared to \$0.74 for the comparable period in 2023.

Conference Call

The Company will hold its fourth 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>.

First Quarter 2024 Reporting Date

Columbia Sportswear Company plans to report first quarter 2024 financial results on Thursday, April 25, 2024 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 2024 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, as well as first half and first quarter 2024 net sales, operating income, 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 that may affect our future revenues, earnings and performance and could cause the actual results of operations or financial condition of the Company to differ materially from the anticipated results expressed or implied by forward-looking statements in this document include: loss of key customer accounts; our ability to effectively execute our business strategies, including initiatives to upgrade our business processes and information technology ("IT") systems and investments in our DTC businesses; our ability to maintain the strength and security of our IT systems; the effects of unseasonable weather, including global climate change; the seasonality of our business and timing of orders; trends affecting consumer spending, including changes in the level of consumer spending, and retail traffic patterns; unfavorable economic conditions generally, the financial health of our customers and retailer consolidation; higher than expected rates of order cancellations; changes affecting consumer demand and preferences and fashion trends; changes in international, federal or state tax, labor and other laws and regulations that affect our business, including changes in corporate tax rates, tariffs, international trade policy and geopolitical tensions, or increasing wage rates; our ability to attract and retain key personnel; risks inherent in doing business in foreign markets, including fluctuations in currency exchange rates, global credit market conditions, changes in global regulation and economic and political conditions and disease outbreaks; volatility in global production and transportation costs and capacity and timing; our ability to effectively manage our inventory and our wholesale customer's to manage their inventories; our dependence on third-party manufacturers and suppliers and our ability to source at competitive prices from them or at all; the effectiveness of our sales and marketing efforts; business disruptions and acts of terrorism, cyber-attacks or military activities around the globe; intense competition in the industry; our ability to establish and protect our intellectual property; and our ability to develop innovative products. The Company cautions that forward-looking statements are inherently less reliable than historical information. The Company does not undertake any duty to update any of the forward-looking statements after the date of this document to conform them to actual results or to reflect changes in events, circumstances or its expectations. New factors emerge from time to time and it is not possible for the Company to predict or assess the effects of all such factors or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

About Columbia Sportswear Company

Columbia Sportswear Company 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 110 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.pranacorp.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)

(in thousands)

	2023	2022
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 350,319	\$ 430,241
Short-term investments	414,185	722
Accounts receivable, net	423,079	547,561
Inventories	746,288	1,028,545
Prepaid expenses and other current assets	80,814	129,872
Total current assets	2,014,685	2,136,941
Property, plant and equipment, net	287,281	291,214
Operating lease right-of-use assets	357,295	324,409
Intangible assets, net	79,908	81,558
Goodwill	26,694	51,694
Deferred income taxes	105,574	94,162
Other non-current assets	67,576	71,568
Total assets	<u>\$ 2,939,013</u>	<u>\$ 3,051,546</u>
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable	\$ 235,927	\$ 322,472
Accrued liabilities	272,058	328,759
Operating lease liabilities	71,086	68,685
Income taxes payable	17,556	18,802
Total current liabilities	596,627	738,718
Non-current operating lease liabilities	336,772	310,625
Income taxes payable	25,688	33,251
Deferred income taxes	66	143
Other long-term liabilities	41,250	33,020
Total liabilities	1,000,403	1,115,757
Total shareholders' equity	1,938,610	1,935,789
Total liabilities and shareholders' equity	<u>\$ 2,939,013</u>	<u>\$ 3,051,546</u>

COLUMBIA SPORTSWEAR COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
<i>(In thousands, except per share amounts)</i>				
Net sales	\$ 1,059,994	\$ 1,169,520	\$ 3,487,203	\$ 3,464,152
Cost of sales	523,804	579,544	1,757,271	1,753,074
Gross profit	536,190	589,976	1,729,932	1,711,078
Gross margin	50.6 %	50.4 %	49.6 %	49.4 %
Selling, general and administrative expenses	404,823	405,093	1,416,313	1,304,394
Impairment of goodwill and intangibles assets	25,000	35,600	25,000	35,600
Net licensing income	6,707	6,121	21,665	22,020
Operating income	113,074	155,404	310,284	393,104
Interest income, net	5,028	1,054	13,687	2,713
Other non-operating income, net	1,867	3,253	2,221	1,593
Income before income tax	119,969	159,711	326,192	397,410
Income tax expense	26,629	34,021	74,792	85,970
Net income	\$ 93,340	\$ 125,690	\$ 251,400	\$ 311,440
Earnings per share:				
Basic	\$ 1.55	\$ 2.02	\$ 4.11	\$ 4.96
Diluted	\$ 1.55	\$ 2.02	\$ 4.09	\$ 4.95
Weighted average shares outstanding:				
Basic	60,214	62,123	61,232	62,754
Diluted	60,345	62,311	61,424	62,970

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

(in thousands)	Year Ended December 31,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 251,400	\$ 311,440
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation, amortization, and non-cash lease expense	127,052	117,399
Provision for uncollectible accounts receivable	3,142	(2,044)
Loss on disposal or impairment of investments, property, plant and equipment, and right-of-use assets, goodwill, and intangible assets	26,374	38,194
Deferred income taxes	(5,135)	(8,118)
Stock-based compensation	23,051	21,021
Changes in operating assets and liabilities:		
Accounts receivable	123,830	(64,495)
Inventories	283,826	(399,851)
Prepaid expenses and other current assets	29,840	(25,749)
Other assets	(3,148)	(2,475)
Accounts payable	(85,862)	40,429
Accrued liabilities	(62,239)	20,683
Income taxes payable	(8,800)	(5,871)
Operating lease assets and liabilities	(73,718)	(62,749)
Other liabilities	6,684	(3,055)
Net cash provided by (used in) operating activities	636,297	(25,241)
Cash flows from investing activities:		
Purchases of short-term investments	(528,491)	(44,876)
Sales and maturities of short-term investments	121,279	176,083
Capital expenditures	(54,607)	(58,467)
Net cash provided by (used in) investing activities	(461,819)	72,740
Cash flows from financing activities:		
Proceeds from credit facilities	837	52,918
Repayments on credit facilities	(837)	(52,979)
Payment of line of credit issuance fees	—	(604)
Proceeds from issuance of common stock related to stock-based compensation	7,354	6,588
Tax payments related to stock-based compensation	(4,681)	(4,229)
Repurchase of common stock	(184,022)	(287,443)
Cash dividends paid	(73,440)	(75,082)
Net cash used in financing activities	(254,789)	(360,831)
Net effect of exchange rate changes on cash	389	(19,831)
Net decrease in cash and cash equivalents	(79,922)	(333,163)
Cash and cash equivalents, beginning of period	430,241	763,404
Cash and cash equivalents, end of period	\$ 350,319	\$ 430,241
Supplemental disclosures of cash flow information:		
Cash paid during the year for income taxes	\$ 90,507	\$ 92,110
Supplemental disclosures of non-cash investing and financing activities:		
Property, plant and equipment acquired through increase in liabilities	\$ 10,125	\$ 11,103

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

	Three Months Ended December 31,					
	Reported Net Sales 2023	Adjust for Foreign Currency Translation	Constant- currency Net Sales 2023 ⁽¹⁾	Reported Net Sales 2022	Reported Net Sales % Change	Constant-currency Net Sales % Change ⁽¹⁾
<i>(In millions, except percentage changes)</i>						
Geographical Net Sales:						
United States	\$ 689.4	\$ —	\$ 689.4	\$ 780.8	(12)%	(12)%
Latin America and Asia Pacific	174.7	0.6	175.3	164.0	7%	7%
Europe, Middle East and Africa	130.7	(7.2)	123.5	132.8	(2)%	(7)%
Canada	65.2	—	65.2	92.0	(29)%	(29)%
Total	<u>\$ 1,060.0</u>	<u>\$ (6.6)</u>	<u>\$ 1,053.4</u>	<u>\$ 1,169.6</u>	(9)%	(10)%
Brand Net Sales:						
Columbia	\$ 891.3	\$ (5.6)	\$ 885.7	\$ 961.3	(7)%	(8)%
SOREL	116.3	(1.0)	115.3	142.6	(18)%	(19)%
prAna	22.8	0.1	22.9	32.3	(29)%	(29)%
Mountain Hardwear	29.6	(0.1)	29.5	33.4	(11)%	(12)%
Total	<u>\$ 1,060.0</u>	<u>\$ (6.6)</u>	<u>\$ 1,053.4</u>	<u>\$ 1,169.6</u>	(9)%	(10)%
Product Category Net Sales:						
Apparel, Accessories and Equipment	\$ 823.4	\$ (4.8)	\$ 818.6	\$ 900.5	(9)%	(9)%
Footwear	236.6	(1.8)	234.8	269.1	(12)%	(13)%
Total	<u>\$ 1,060.0</u>	<u>\$ (6.6)</u>	<u>\$ 1,053.4</u>	<u>\$ 1,169.6</u>	(9)%	(10)%
Channel Net Sales:						
Wholesale	\$ 428.9	\$ (4.2)	\$ 424.7	\$ 514.5	(17)%	(17)%
DTC	631.1	(2.4)	628.7	655.1	(4)%	(4)%
Total	<u>\$ 1,060.0</u>	<u>\$ (6.6)</u>	<u>\$ 1,053.4</u>	<u>\$ 1,169.6</u>	(9)%	(10)%

⁽¹⁾ 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)

	Twelve Months Ended December 31,					
	Reported Net Sales	Adjust for Foreign Currency	Constant- currency Net Sales	Reported Net Sales	Reported Net Sales	Constant-currency Net Sales
(In millions, except percentage changes)	2023	Translation	2023 ⁽¹⁾	2022	% Change	% Change ⁽¹⁾
Geographical Net Sales:						
United States	\$ 2,241.4	\$ —	\$ 2,241.4	\$ 2,302.2	(3)%	(3)%
Latin America and Asia Pacific	519.8	22.0	541.8	473.9	10%	14%
Europe, Middle East and Africa	469.2	(10.7)	458.5	438.6	7%	5%
Canada	256.8	8.7	265.5	249.5	3%	6%
Total	<u>\$ 3,487.2</u>	<u>\$ 20.0</u>	<u>\$ 3,507.2</u>	<u>\$ 3,464.2</u>	1%	1%
Brand Net Sales:						
Columbia	\$ 2,935.1	\$ 19.4	\$ 2,954.5	\$ 2,864.3	2%	3%
SOREL	336.7	(0.3)	336.4	347.3	(3)%	(3)%
prAna	113.6	0.1	113.7	143.1	(21)%	(21)%
Mountain Hardwear	101.8	0.8	102.6	109.5	(7)%	(6)%
Total	<u>\$ 3,487.2</u>	<u>\$ 20.0</u>	<u>\$ 3,507.2</u>	<u>\$ 3,464.2</u>	1%	1%
Product Category Net Sales:						
Apparel, Accessories and Equipment	\$ 2,676.6	\$ 15.7	\$ 2,692.3	\$ 2,661.1	1%	1%
Footwear	810.6	4.3	814.9	803.1	1%	1%
Total	<u>\$ 3,487.2</u>	<u>\$ 20.0</u>	<u>\$ 3,507.2</u>	<u>\$ 3,464.2</u>	1%	1%
Channel Net Sales:						
Wholesale	\$ 1,874.0	\$ 7.5	\$ 1,881.5	\$ 1,867.7	—%	1%
DTC	1,613.2	12.5	1,625.7	1,596.5	1%	2%
Total	<u>\$ 3,487.2</u>	<u>\$ 20.0</u>	<u>\$ 3,507.2</u>	<u>\$ 3,464.2</u>	1%	1%

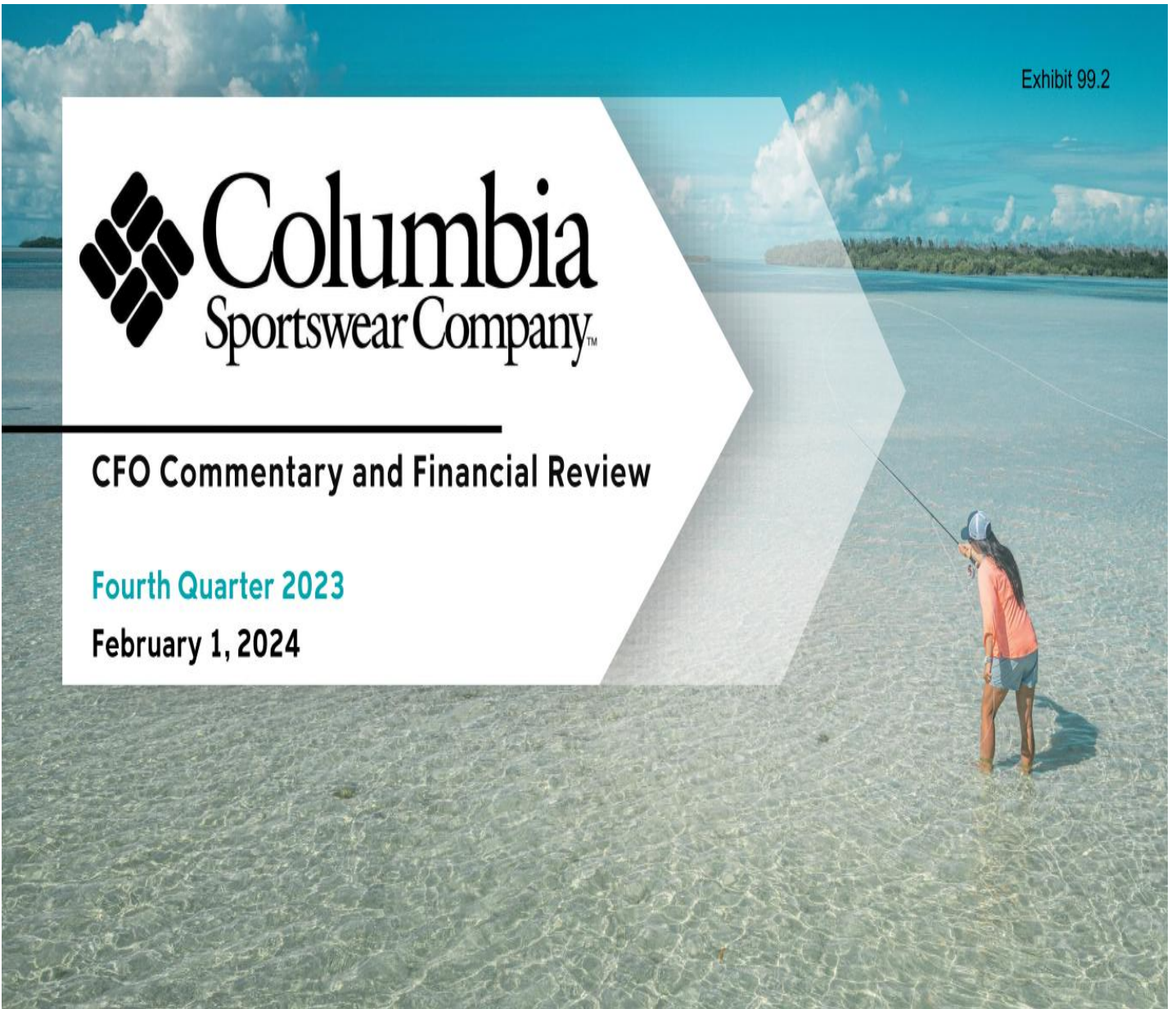
⁽¹⁾ Constant-currency net sales is a non-GAAP financial measure. See "Supplemental Financial Information" above for further information.



CFO Commentary and Financial Review

Fourth Quarter 2023

February 1, 2024



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 that may affect our future revenues, earnings and performance and could cause the actual results of operations or financial condition of the Company to differ materially from the anticipated results expressed or implied by forward-looking statements in this document include: loss of key customer accounts; our ability to effectively execute our business strategies, including initiatives to upgrade our business processes and information technology ("IT") systems and investments in our DTC businesses; our ability to maintain the strength and security of our IT systems; the effects of unseasonable weather, including global climate change; the seasonality of our business and timing of orders; trends affecting consumer spending, including changes in the level of consumer spending, and retail traffic patterns; unfavorable economic conditions generally, the financial health of our customers and retailer consolidation; higher than expected rates of order cancellations; changes affecting consumer demand and preferences and fashion trends; changes in international, federal or state tax, labor and other laws and regulations that affect our business, including changes in corporate tax rates, tariffs, international trade policy and geopolitical tensions, or increasing wage rates; our ability to attract and retain key personnel; risks inherent in doing business in foreign markets, including fluctuations in currency exchange rates, global credit market conditions, changes in global regulation and economic and political conditions and disease outbreaks; volatility in global production and transportation costs and capacity and timing; our ability to effectively manage our inventory and our wholesale customers' to manage their inventories; our dependence on third-party manufacturers and suppliers and our ability to source at competitive prices from them or at all; the effectiveness of our sales and marketing efforts; business disruptions and acts of terrorism, cyber-attacks or military activities around the globe; intense competition in the industry; our ability to establish and protect our intellectual property; and our ability to develop innovative products. 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	H#	First half, second half
SG&A	selling, general & administrative	mid-30%	mid-thirties percent	Q#	Quarter 1, 2, 3, 4
EPS	earnings per share	high-40%	high-forties percent	YTD	Year-to-date
bps	basis points			PFAS	perfluoroalkyl and polyfluoroalkyl substances



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**

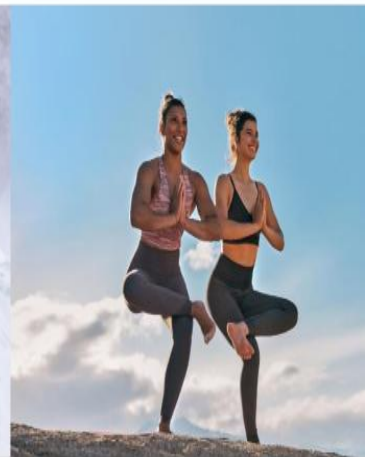
Invest in Capabilities to Delight
and Retain Consumers

**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



Q4'23 KEY HIGHLIGHTS

Q4'23 FINANCIAL RESULTS COMPARED TO Q4'22

\$1,060M

-9%

Net Sales

50.6%

+20 bps

Gross Margin

10.7%

-260 bps

Operating Margin

\$1.55

-23%

Diluted EPS

Q4'23 Highlights:

- The decline in net sales primarily reflects earlier shipment of Fall '23 wholesale orders in Q3'23 compared to late shipment of Fall '22 wholesale orders in Q4'22, as well as lower U.S. DTC net sales.
- Net sales were at the low-end of our guidance range and operating income was below plan, reflecting the compounding effects of a challenging U.S. environment and a warm winter.
- Operating margin pressure reflects SG&A expense deleverage impacted by lower net sales, partially offset by lower impairment charges related to prAna and gross margin expansion.
- Year-end inventory decreased 27% y/y.
- Exited the quarter with \$764.5M of cash, cash equivalents and short-term investments, and no borrowings.

Q4'23 ACTUAL VS LAST YEAR

(dollars in millions, except per share amounts)

	Q4'23	Q4'22	Change
Net Sales	\$1,060.0	\$1,169.6	-9%
Gross margin	50.6%	50.4%	+20 bps
SG&A percent of net sales	38.2%	34.6%	+360 bps
Operating income	\$113.1	\$155.4	-27%
Operating margin	10.7%	13.3%	-260 bps
Net income	\$93.3	\$125.7	-26%
Diluted EPS	\$1.55	\$2.02	-23%

Commentary on Q4'23 financial results vs last year:

- Net sales reflects declines in Canada (-29%), the U.S. (-12%), and EMEA (-2%), partially offset by growth in LAAP (+7%). Declines in Canada, the U.S. and EMEA largely reflect a lower portion of Fall '23 orders shipping in Q4 compared to last year.
- The largest drivers of gross margin expansion included lower inbound freight costs and a higher proportion of DTC sales, which more than offset the negative impact of inventory reduction efforts across our DTC and wholesale businesses.
- SG&A expenses were flat y/y, as higher DTC expenses were offset by lower variable demand creation and incentive compensation expenses.
- Operating income included an impairment charge of \$25.0M related to prAna, which negatively impacted diluted EPS by \$0.31. Q4'22 operating income included an impairment charge of \$35.6M, which negatively impacted diluted EPS by \$0.43.

Q4'23 NET SALES OVERVIEW

Q4'23 NET SALES AND GROWTH VS. Q4'22

CATEGORY PERFORMANCE

APPAREL, ACCESSORIES & EQUIPMENT:

↓ -9% (-9% c.c.)
\$823M

FOOTWEAR:

↓ -12% (-13% c.c.)
\$237M

- Weather dependent categories such as outerwear and boots were negatively impacted by a warm winter.

BRAND PERFORMANCE

 Columbia

↓ -7% (-8% c.c.)
\$891M

 prAna

↓ -29% (-29% c.c.)
\$23M



↓ -18% (-19% c.c.)
\$116M

 MOUNTAIN
HARD
WEAR

↓ -11% (-12% c.c.)
\$30M

- All brands had a lower portion of Fall '23 shipments in Q4 compared to last year, which negatively impacted wholesale sales.
- SOREL, prAna and Columbia DTC net sales declined, while Mountain Hardwear DTC net sales increased.

CHANNEL PERFORMANCE

WHOLESALE:

↓ -17% (-17% c.c.)
\$429M

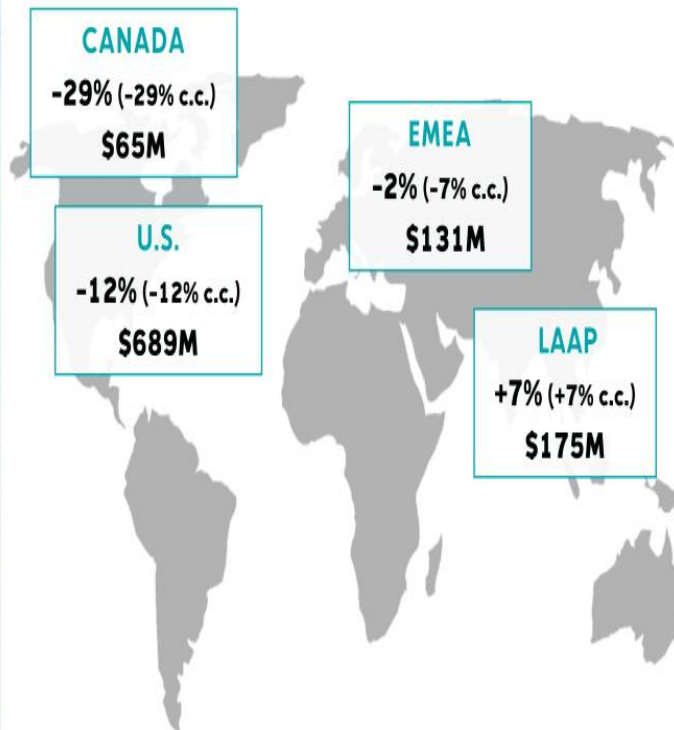
DTC:

↓ -4% (-4% c.c.)
\$631M

- Wholesale declines primarily driven by a lower portion of Fall '23 shipments in Q4 and, to a lesser extent, lower retailer demand.
- DTC B&M +3%, DTC.com -13%

Q4'23 REGIONAL NET SALES PERFORMANCE

Q4'23 NET SALES AND GROWTH VS. Q3'22



Commentary below is based on constant currency performance.

U.S.

- **Wholesale:** down high-teens%, primarily reflecting a lower portion of Fall '23 orders shipped in Q4 compared to last year
- **DTC:** down HSD% (DTC B&M relatively flat, DTC.com down high-teens%)
- The company had 161 stores (143 outlets, 18 branded) exiting Q4'23 vs. 156 stores (138 outlet, 18 branded) exiting Q4'22
- In addition, as part of our plan to reduce excess inventory, the Company operated 34 temporary clearance locations exiting Q4'23

LAAP

- **Japan:** up LSD% (up MSD% c.c.), led by shipment of higher Fall '23 orders
- **China:** up high-teens% (up high-teens% c.c.), benefitting from strong consumer demand
- **Korea:** down HSD% (down low-teens% c.c.), due to planned DTC door closures and efforts to reset the business to support long-term growth
- **LAAP distributor:** up low-20%, on earlier shipment of Spring '24 orders

EMEA

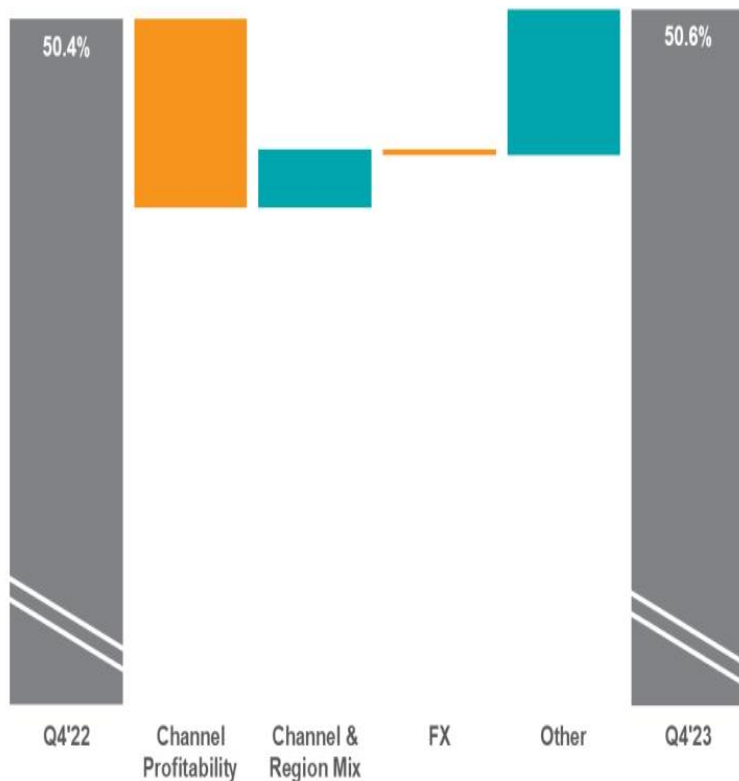
- **Europe-direct:** up MSD% (down LSD% c.c.), reflecting a lower portion of Fall '23 orders shipped in Q4 compared to last year, partially offset by healthy DTC growth
- **EMEA distributor:** down low-20%, primarily reflecting a lower portion of Fall '23 orders shipped in Q4

Canada

- **-29% (-29% c.c.),** as a lower portion of Fall '23 orders shipped in Q4 compared to last year was partially offset by DTC growth

Q4'23 GROSS MARGIN BRIDGE

Q4'23 gross margin expanded 20 bps y/y to 50.6%



Primary Gross Margin Tailwinds

- **Other:** includes the benefit from lower inbound freight costs
- **Channel & Region Sales Mix:** a higher proportion of DTC sales, which generally carry higher gross margins

Primary Gross Margin Headwinds

- **Channel Profitability:** lower DTC margins primarily due to increased clearance and promotional activity
- **Channel Profitability:** lower wholesale margins, reflecting actions to reduce excess inventory
- **Other:** changes in inventory provisions
- **FX:** unfavorable effects from foreign currency hedge rates

Q4'23 SG&A BRIDGE VS LAST YEAR

SG&A expenses were approximately flat y/y



SG&A expenses primarily reflect lower variable expenses driven by changes in sales volume, offset by inflationary pressures and investments to support growth strategies.

Primary SG&A Expense Increases

- **Omni-channel:** including higher brick & mortar expenses related to new stores and temporary clearance locations

Primary SG&A Expense Reductions

- **Incentive Comp:** y/y changes in accrued incentive compensation
- **Demand Creation:** represents 6.6% of net sales in Q4'23 vs. 6.4% in Q4'22

Q4'23 SG&A expenses were 38.2% of net sales compared to 34.6% in Q4'22

2023 KEY HIGHLIGHTS

2023 FINANCIAL RESULTS COMPARED TO 2022

\$3.49B
+1%

Net Sales

49.6%
+20bps

Gross Margin

8.9%
-240bps

Operating Margin

\$4.09
-17%

Diluted EPS

2023 Highlights:

- Net sales growth was driven by international markets, led by LAAP (+10%), EMEA (+7%) and Canada (+3%), partially offset by the U.S. (-3%). By brand, the Columbia brand was up 2%, partially offset by prAna (-21%), Mountain Hardwear (-7%), and SOREL (-3%).
- The largest driver of gross margin expansion was lower inbound freight costs, which more than offset the negative impact of inventory reduction efforts across our wholesale and DTC businesses.
- SG&A expenses increased 9%, primarily driven by higher DTC, supply chain, enterprise technology and demand creation expenses.
- 2023 operating income declined 21% y/y
- Operating income included an impairment charge of \$25.0M related to prAna, which negatively impacted diluted EPS by \$0.31. 2022 operating income included an impairment charge of \$35.6M.
- The Company repurchased \$184.0M of common stock during the year.

BALANCE SHEET OVERVIEW

Balance Sheet as of December 31, 2023

Cash, Cash Equivalents, and Short-term Investments

\$765M

Cash, cash equivalents and short-term investments totaled \$764.5M, compared to \$431.0M as of December 31, 2022.

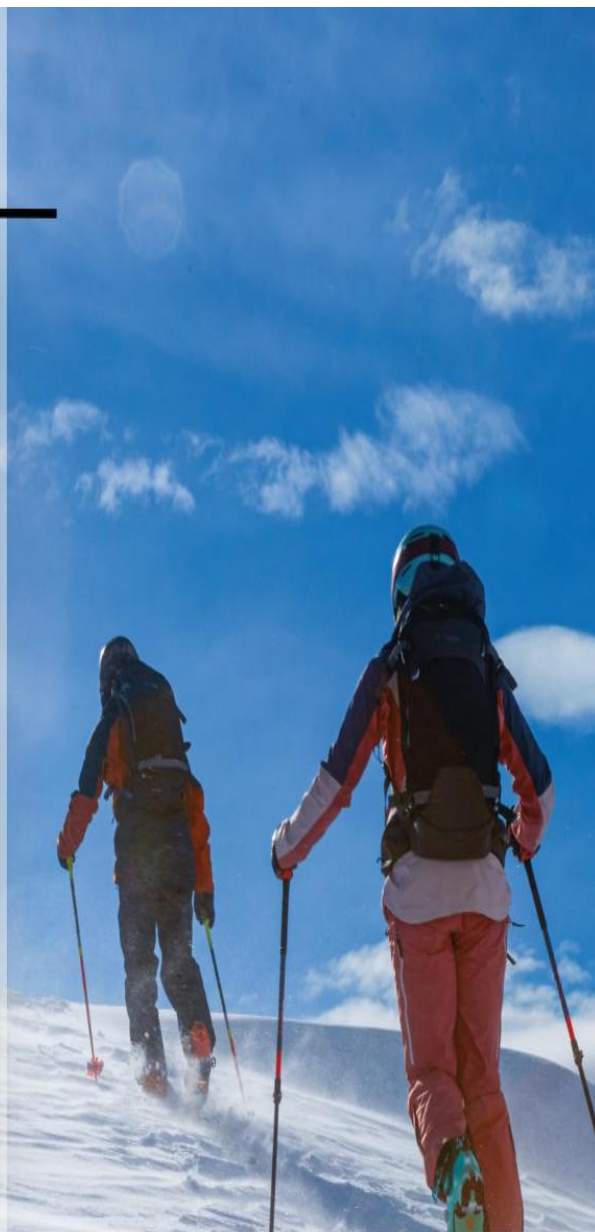
Inventory

-27%

Inventories -27% y/y to \$746.3M, driven by lower inventory buys and the sale of excess inventory.

We were pleased with our efforts to profitably reduce excess inventory levels during 2023. Our fleet of outlet stores, including temporary clearance locations, were the primary mechanism used to liquidate inventory.

We believe older season inventories represent a manageable portion of our total inventory mix.



CAPITAL OVERVIEW

2023 Net Cash Flow Provided by Operations

\$636M

Net cash flow provided by operating activities was \$636.3M, compared to net cash flow used in operating activities of \$25.2M for the same period in 2022. The largest driver of improvement in operating cash flows was a reduction in inventory.

2023 Capital Expenditures

\$55M

Capital expenditures totaled \$54.6M compared to \$58.5M for the same period in 2022.

2023 Share Repurchases

\$184M

The Company repurchased 2,377,962 shares of common stock for an aggregate of \$184.0M (based on trade date), for an average price per share of \$77.39.

Dividends

\$0.30

The Board of Directors approved a regular cash dividend of \$0.30 per share, payable on March 22, 2024, to shareholders of record on March 8, 2024.



2024 FINANCIAL OUTLOOK

The Company's 2024 Financial Outlook and the underlying assumptions are forward-looking in nature, and the forward-looking statements reflect our expectations as of February 1, 2024 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. The following forward-looking statements include the aspects of the profit improvement program planned for execution in 2024.

	2024 Financial Outlook	Outlook compared to 2023
Net sales	\$3.35B to \$3.42B	-4.0% to -2.0%
Gross margin	50.6% to 51.1%	approximately 100 bps to 150 bps expansion
SG&A percent of net sales	43.2% to 43.5%	260 bps to 290 bps deleverage
Operating margin	7.6% to 8.4%	130 bps to 50 bps deleverage
Operating income	\$256M to \$288M	-17% to -7%
Effective income tax rate	24.0% to 25.0%	2023 effective tax rate of 22.9%
Net income	\$207M to \$231M	-18% to -8%
Diluted EPS	\$3.45 to \$3.85	-16% to -6%

2024 FINANCIAL OUTLOOK ASSUMPTIONS

Net sales

Anticipated net sales declines primarily reflect:

- Net sales declines are expected to be led by the SOREL brand down low-20%. Mountain Hardwear is expected to be up MSD%, prAna up LSD%, and the Columbia brand approximately flat.
- By region, a HSD% decline in Canada and a MSD% decline in the U.S. are expected to be partially offset by growth in LAAP and EMEA.
- From a channel perspective, DTC is anticipated to grow MSD%, driven by DTC B&M growth, while DTC.com is expected to be approximately flat. Wholesale is anticipated to be down HSD%.
 - DTC B&M sales growth includes the annualization of new stores opened in 2023, as well as the contribution from 10 net new stores in the U.S., 2 net new stores in Canada, and 4 net new stores in Europe-direct markets planned for 2024.
 - DTC B&M sales growth also includes the favorable impact of temporary clearance locations.

Gross margin

Anticipated gross margin expansion primarily reflects:

- higher channel profitability, reflecting less clearance and promotional activity, as well as lower freight and product input costs; and
- a favorable channel and regional sales mix shift; partially offset by
- unfavorable FX hedging rates

SG&A expenses

Anticipated SG&A expense growth includes:

- higher omni-channel spend, including higher DTC expenses to support new stores and temporary clearance locations;
- higher incentive compensation expenses; and
- higher enterprise technology expenses, partially offset by
- lower supply chain costs, including benefit of lower inventory levels

Demand creation as a percent of net sales is anticipated to be 6.0% in 2024, in line with 2023.

Operating income impacts

2024 gross profit and SG&A expenses include the expected benefit of \$75M to \$90M in profit improvement, net of up to \$5M in severance and related costs. This includes the benefits of our Profit Improvement Program as well as the favorable impacts from normalized inventory levels.

2024 ASSUMPTIONS AND H1'24 COMMENTARY

Effective tax rate, interest income and share count

- The full year effective tax rate in our 2024 financial outlook is 24.0% to 25.0%.
- Interest income, net is anticipated to be ~\$19M
- The \$3.45 to \$3.85 diluted EPS range is based on estimated weighted average diluted shares outstanding of 60.1 million.

Foreign currency

- Foreign currency translation is expected to increase net sales growth by approximately 60 bps.
- Foreign currency is expected to have an approximately \$0.03 positive impact on diluted EPS, due primarily to favorable foreign currency translational impacts to net sales growth, partially offset by negative foreign currency transactional effects from hedging of inventory production.

Operating cash flow and capital expenditures

- Operating cash flow is anticipated to be at least \$300M.
- Capital expenditures are planned to be between \$60M to \$80M.

H1'24 commentary

- Net sales of \$1,310M to \$1,352M, representing a decline of 9% to 6% compared to H1'23.
- Gross margin is anticipated to expand modestly in H1'23, as lower inbound freight costs benefits are offset by continued inventory liquidation actions
- Operating income of -\$12M to \$8M, or -0.9% to 0.6% of net sales compared to 4.3% for H1'23.
- Diluted EPS is expected to be \$0.01 to \$0.26, compared to \$0.88 for H1'23. Please note Q2 is our lowest volume sales quarter and small changes in the timing of product shipments and expenses can have a material impact on reported results.

Q1'24 commentary

- Net sales of \$730M to \$753M, representing a decline of 11% to 8% compared to Q1'23.
- Gross margin is anticipated to be expand 70 to 110 bps, as lower inbound freight costs benefits are partially offset by continued inventory liquidation actions
- Operating income of \$16M to \$28M, or 2.2% to 3.8% of net sales compared to 6.9% for Q1'23.
- Diluted EPS is expected to be \$0.30 to \$0.45, compared to \$0.74 for Q1'23.

PROFIT IMPROVEMENT AND GROWTH ACCELERATION

Profit Improvement Program

Operational Cost Savings

- Cost savings related to normalizing inventory levels
- Supply chain transformation
- Enterprise technology cost structure optimization

Organizational Cost Savings

- At least a 3% to 5% reduction in U.S. corporate personnel costs
- Majority of actions to be completed in Q1'24

Operating Model Improvements

- Streamline decision-making to improve operating efficiency

Indirect Cost Savings

- Strategic sourcing and vendor rationalization on indirect, or non-inventory, spending.

2026 Savings Target:

\$125M to \$150M

2024 Savings: \$75M to \$90M, net of up to \$5M in severance and related costs

Growth Acceleration Strategies

Columbia

- Target new, younger consumers to expand market share in areas we are currently underserving

Product

- Elevate innovation and style, with a focus on more powerful collections
- Streamline color and style counts

Brand Marketing

- Target a more balanced, full funnel approach
- Optimize marketing efficiency

Marketplace

- Focus more on brand story telling and less on promotions
- Improve presentation and fixturing

Emerging Brands

- **SOREL:** refine product offering and marketing strategy
- **MHW:** elevate brand presentations across e-commerce and strategic wholesale partners
- **prAna:** stabilize business and strengthen product and marketing strategies to propel growth in future seasons



APPENDIX

FOURTH 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 December 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	\$ 689.4	\$ —	\$ 689.4	\$ 780.8	(12)%	(12)%
Latin America and Asia Pacific	174.7	0.6	175.3	164.0	7%	7%
Europe, Middle East and Africa	130.7	(7.2)	123.5	132.8	(2)%	(7)%
Canada	65.2	—	65.2	92.0	(29)%	(29)%
Total	<u>\$ 1,060.0</u>	<u>\$ (6.6)</u>	<u>\$ 1,053.4</u>	<u>\$ 1,169.6</u>	<u>(9)%</u>	<u>(10)%</u>
Brand Net Sales:						
Columbia	\$ 891.3	\$ (5.6)	\$ 885.7	\$ 961.3	(7)%	(8)%
SOREL	116.3	(1.0)	115.3	142.6	(18)%	(19)%
prAna	22.8	0.1	22.9	32.3	(29)%	(29)%
Mountain Hardwear	29.6	(0.1)	29.5	33.4	(11)%	(12)%
Total	<u>\$ 1,060.0</u>	<u>\$ (6.6)</u>	<u>\$ 1,053.4</u>	<u>\$ 1,169.6</u>	<u>(9)%</u>	<u>(10)%</u>
Product Category Net Sales:						
Apparel, Accessories and Equipment	\$ 823.4	\$ (4.8)	\$ 818.6	\$ 900.5	(9)%	(9)%
Footwear	236.6	(1.8)	234.8	269.1	(12)%	(13)%
Total	<u>\$ 1,060.0</u>	<u>\$ (6.6)</u>	<u>\$ 1,053.4</u>	<u>\$ 1,169.6</u>	<u>(9)%</u>	<u>(10)%</u>
Channel Net Sales:						
Wholesale	\$ 428.9	\$ (4.2)	\$ 424.7	\$ 514.5	(17)%	(17)%
DTC	631.1	(2.4)	628.7	655.1	(4)%	(4)%
Total	<u>\$ 1,060.0</u>	<u>\$ (6.6)</u>	<u>\$ 1,053.4</u>	<u>\$ 1,169.6</u>	<u>(9)%</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.

TWELVE MONTHS FREE CASH FLOW RECONCILIATION

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

(in millions)	Year Ended December 31,	
	2023	2022
Net cash provided by (used in) operating activities	\$ 636.3	\$ (25.2)
Capital expenditures	(54.6)	(58.5)
Free cash flow	\$ 581.7	\$ (83.7)



