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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from_______to_______

Commission file number 000-23939

COLUMBIA SPORTSWEAR COMPANY

(Exact name of registrant as specified in its charter)

Oregon	**93-0498284**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

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

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

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**	**The NASDAQ Global Select Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock on April 21, 2023 was 62,040,163.

TABLE OF CONTENTS

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of federal securities laws. 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. Forward-looking statements include any statements related to our expectations regarding the effectiveness of our investments, future performance or market position, including any statements regarding outdoor participation and our addressable consumer base, product price changes, the promotional environment, wholesale trade terms, manufacturing and distribution capacity, inventory levels, shipping timing, consumer spending and preferences, store traffic, freight charges, scale efficiencies, logistics constraints, lease commitments, labor costs, inflationary pressures, foreign currency translation, the geopolitical environment, consumer expectations, the impact of seasonal trends, materiality of legal matters, borrowings, capital expenditures, our short and long-term cash needs and our ability to meet those needs, and maturities of liabilities.

These forward-looking statements, and others we make from time to time expressed in good faith, are believed to have a reasonable basis; however, each forward-looking statement involves risks and uncertainties. Many factors may cause actual results to differ materially from projected results in forward-looking statements, including the risks described in Part II, Item 1A of this Quarterly Report on Form 10-Q. Forward-looking statements are inherently less reliable than historical information. Except as required by law, we do not undertake any duty to update forward-looking statements after the date they are made or to conform them to actual results or to changes in circumstances or to reflect changes in events, circumstances or expectations. New factors emerge from time to time and it is not possible for us 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.

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(in thousands)	March 31, 2023	December 31, 2022	March 31, 2022
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 361,049	$ 430,241	$ 435,240
Short-term investments	99,511	722	175,024
Accounts receivable, net of allowance of $ 5,200, $5,443 and $5,412, respectively	466,690	547,561	408,186
Inventories	959,234	1,028,545	714,415
Prepaid expenses and other current assets	100,880	129,872	105,261
Total current assets	1,987,364	2,136,941	1,838,126
Property, plant and equipment, net of accumulated depreciation of $ 635,256, $623,911 and $603,229, respectively	282,921	291,214	290,070
Operating lease right-of-use assets	318,728	324,409	333,356
Intangible assets, net	81,146	81,558	101,496
Goodwill	51,694	51,694	68,594
Deferred income taxes	96,865	94,162	89,613
Other non-current assets	70,256	71,568	66,724
Total assets	$ 2,888,974	$ 3,051,546	$ 2,787,979
LIABILITIES AND EQUITY			
Current Liabilities:			
Accounts payable	$ 220,231	$ 322,472	$ 262,255
Accrued liabilities	271,625	328,759	234,326
Operating lease liabilities	69,452	68,685	68,136
Income taxes payable	7,377	18,802	6,297
Total current liabilities	568,685	738,718	571,014
Non-current operating lease liabilities	303,571	310,625	321,250
Income taxes payable	33,765	33,251	40,299
Deferred income taxes	146	143	—
Other long-term liabilities	35,022	33,020	36,516
Total liabilities	941,189	1,115,757	969,079
Commitments and contingencies (Note 4)			
Shareholders' Equity:			
Preferred stock; 10,000 shares authorized; none issued and outstanding	—	—	—
Common stock (no par value); 250,000 shares authorized; 62,076, 62,139 and 62,948 issued and outstanding, respectively	1,076	12,692	—
Retained earnings	1,981,287	1,953,734	1,828,074
Accumulated other comprehensive income (loss)	(34,578)	(30,637)	(9,174)
Total shareholders' equity	1,947,785	1,935,789	1,818,900
Total liabilities and shareholders' equity	$ 2,888,974	$ 3,051,546	$ 2,787,979

See accompanying notes to unaudited condensed consolidated financial statements.

Columbia Sportswear Company

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

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

See accompanying notes to unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

	Three Months Ended March 31,	
(in thousands)	**2023**	**2022**
Net income	$ 46,202	$ 66,837
Other comprehensive income (loss):		
Change in available-for-sale securities (net of tax effect of $ 146)	—	(451)
Change in derivative transactions (net of tax effects of $ 2,710 and $656, respectively)	(5,421)	(2,091)
Foreign currency translation adjustments (net of tax effects of $(78) and $850, respectively)	1,480	(2,256)
Other comprehensive income (loss)	(3,941)	(4,798)
Comprehensive income	$ 42,261	$ 62,039

See accompanying notes to unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

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

See accompanying notes to unaudited condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (Unaudited)

(in thousands, except per share amounts)	Common Stock Shares Outstanding	Common Stock Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2022	62,139	$ 12,692	$ 1,953,734	$ (30,637)	$ 1,935,789
Net income	—	—	46,202	—	46,202
Other comprehensive income (loss)	—	—	—	(3,941)	(3,941)
Cash dividends ($0.30 per share)	—	—	(18,649)	—	(18,649)
Issuance of common stock related to stock-based compensation, net	116	(1,619)	—	—	(1,619)
Stock-based compensation expense	—	5,808	—	—	5,808
Repurchase of common stock	(179)	(15,753)	—	—	(15,753)
Excise taxes related to repurchase of common stock	—	(52)	—	—	(52)
Balance, March 31, 2023	62,076	$ 1,076	$ 1,981,287	$ (34,578)	$ 1,947,785

(in thousands, except per share amounts)	Common Stock Shares Outstanding	Common Stock Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2021	65,164	$ —	$ 1,993,628	$ (4,376)	$ 1,989,252
Net income	—	—	66,837	—	66,837
Other comprehensive income (loss)	—	—	—	(4,798)	(4,798)
Cash dividends ($0.30 per share)	—	—	(19,151)	—	(19,151)
Issuance of common stock related to stock-based compensation, net	113	(1,446)	—	—	(1,446)
Stock-based compensation expense	—	5,503	—	—	5,503
Repurchase of common stock	(2,329)	(4,057)	(213,240)	—	(217,297)
Balance, March 31, 2022	62,948	$ —	$ 1,828,074	$ (9,174)	$ 1,818,900

See accompanying notes to unaudited condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

NOTE 1 — BASIS OF PRESENTATION AND ORGANIZATION

The accompanying unaudited condensed consolidated financial statements have been prepared by the management of Columbia Sportswear Company (together with its wholly owned subsidiaries, the "Company") and, in the opinion of management, include all normal recurring material adjustments necessary to present fairly the Company's financial position as of March 31, 2023, December 31, 2022 and March 31, 2022, the results of operations for the three months ended March 31, 2023 and 2022, and cash flows for the three months ended March 31, 2023 and 2022. The December 31, 2022 financial information was derived from the Company's audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022. A significant part of the Company's business is of a seasonal nature; therefore, results of operations for the three months ended March 31, 2023 are not necessarily indicative of results to be expected for other quarterly periods or for the full year.

Certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. The Company, however, believes that the disclosures contained in this report comply with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, for a Quarterly Report on Form 10-Q and are adequate to make the information presented not misleading. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

PRINCIPLES OF CONSOLIDATION

The unaudited condensed consolidated financial statements include the accounts of the Company. All significant intercompany balances and transactions have been eliminated in consolidation.

ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions. The Company's significant estimates relate to sales reserves, allowance for uncollectible accounts receivable, excess, close-out and slow-moving inventory, impairment of long-lived assets, intangible assets and goodwill, and income taxes.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

None.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

None.

NOTE 2 — REVENUES

DISAGGREGATED REVENUE

As disclosed below in Note 9, the Company has four geographic reportable segments: United States ("U.S."), Latin America and Asia Pacific ("LAAP"), Europe, Middle East and Africa ("EMEA") and Canada.

The following tables disaggregate the Company's operating segment *Net sales* by product category and channel, which the Company believes provides a meaningful depiction of how the nature, timing, and uncertainty of *Net sales* are affected by economic factors:

(in thousands)	Three Months Ended March 31, 2023				
	U.S.	LAAP	EMEA	Canada	Total
Product category net sales					
Apparel, Accessories and Equipment	$ 415,928	$ 100,421	$ 71,957	$ 44,296	$ 632,602
Footwear	101,547	35,992	36,332	14,120	187,991
Total	$ 517,475	$ 136,413	$ 108,289	$ 58,416	$ 820,593
Channel net sales					
Wholesale	$ 259,350	$ 71,162	$ 84,578	$ 37,398	$ 452,488
Direct-to-consumer	258,125	65,251	23,711	21,018	368,105
Total	$ 517,475	$ 136,413	$ 108,289	$ 58,416	$ 820,593

(in thousands)	Three Months Ended March 31, 2022				
	U.S.	LAAP	EMEA	Canada	Total
Product category net sales					
Apparel, Accessories and Equipment	$ 385,228	$ 85,925	$ 63,269	$ 31,521	$ 565,943
Footwear	116,666	35,818	31,448	11,635	195,567
Total	$ 501,894	$ 121,743	$ 94,717	$ 43,156	$ 761,510
Channel net sales					
Wholesale	$ 247,509	$ 59,938	$ 75,294	$ 25,483	$ 408,224
Direct-to-consumer	254,385	61,805	19,423	17,673	353,286
Total	$ 501,894	$ 121,743	$ 94,717	$ 43,156	$ 761,510

PERFORMANCE OBLIGATIONS

For the three months ended March 31, 2023 and 2022, *Net sales* recognized from performance obligations related to prior periods were not material. *Net sales* expected to be recognized in any future period related to remaining performance obligations is not material.

CONTRACT BALANCES

As of March 31, 2023, December 31, 2022 and March 31, 2022, the Company did not have contract assets and had an immaterial amount of contract liabilities included in *Accrued liabilities* on the unaudited Condensed Consolidated Balance Sheets.

NOTE 3 — INTANGIBLE ASSETS, NET AND GOODWILL

INTANGIBLE ASSETS, NET

Intangible assets, net consisted of the following:

(in thousands)	March 31, 2023	December 31, 2022	March 31, 2022
Intangible assets with definite lives:			
Patents and purchased technology	$ 14,198	$ 14,198	$ 14,198
Customer relationships	23,000	23,000	23,000
Gross carrying amount	37,198	37,198	37,198
Accumulated amortization:			
Patents and purchased technology	(14,198)	(14,198)	(14,198)
Customer relationships	(21,075)	(20,663)	(19,425)
Accumulated amortization	(35,273)	(34,861)	(33,623)
Net carrying amount	1,925	2,337	3,575
Intangible assets with indefinite lives	79,221	79,221	97,921
Intangible assets, net	$ 81,146	$ 81,558	$ 101,496

Amortization expense for intangible assets subject to amortization was $0.4 million for the three months ended March 31, 2023 and 2022.

The following table presents the remaining estimated annual amortization expense of intangible assets with definite lives for the years 2023 through 2028:

(in thousands)	
2023	$ 1,238
2024	687
2025	—
2026	—
2027	—
2028	—

GOODWILL

There have been no changes to the Company's goodwill as described in Note 6 in Part II, Item 8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

NOTE 4 — COMMITMENTS AND CONTINGENCIES

LITIGATION

The Company is involved in litigation and various legal matters arising in the normal course of business, including matters related to employment, retail, intellectual property, contractual agreements, and various regulatory compliance activities. Management has considered facts related to legal and regulatory matters and opinions of counsel handling these matters, and does not believe the ultimate resolution of these proceedings will have a material adverse effect on the Company's financial position, results of operations or cash flows.

NOTE 5 — SHAREHOLDERS' EQUITY

Since the inception of the Company's stock repurchase plan in 2004 through March 31, 2023, the Company's Board of Directors has authorized the repurchase of $2.0 billion of the Company's common stock, excluding excise tax. Shares of the Company's common stock may be purchased in the open market or through privately negotiated transactions, subject to market conditions, and generally settle subsequent to the trade date. The repurchase program does not obligate the Company to acquire any specific number of shares or to acquire shares over any specified period of time.

Under this program as of March 31, 2023, the Company had repurchased 31.9 million shares at an aggregate purchase price of $1,486.4 million and had $513.6 million remaining available, excluding excise tax. During the three months ended March 31, 2023, the Company repurchased an aggregate of $15.8 million of common stock under this program, excluding excise tax.

NOTE 6 — STOCK-BASED COMPENSATION

The Company's Stock Incentive Plan allows for grants of incentive stock options, non-statutory stock options, restricted stock awards, restricted stock units, and other stock-based or cash-based awards. The Company uses original issuance shares to satisfy share-based payments.

STOCK-BASED COMPENSATION EXPENSE

Stock-based compensation expense consisted of the following:

	Three Months Ended March 31,	
(in thousands)	**2023**	**2022**
Stock options	$ 2,038	$ 1,896
Restricted stock units	3,770	3,607
Total	$ 5,808	$ 5,503

STOCK OPTIONS

During the three months ended March 31, 2023, the Company granted a total of 470,803 stock options at a weighted average grant date fair value of $22.80 per option. As of March 31, 2023, unrecognized costs related to outstanding stock options totaled $19.9 million, before any related tax benefit. These unrecognized costs related to stock options are expected to be recognized over a weighted average remaining period of 2.72 years.

RESTRICTED STOCK UNITS

During the three months ended March 31, 2023, the Company granted 256,331 restricted stock units at a weighted average grant date fair value of $83.50 per restricted stock unit. As of March 31, 2023, unrecognized costs related to outstanding restricted stock units totaled $36.3 million, before any related tax benefit. These unrecognized costs related to restricted stock units are expected to be recognized over a weighted average remaining period of 3.01 years.

NOTE 7 — EARNINGS PER SHARE

Earnings per share ("EPS") is presented on both a basic and diluted basis. Basic EPS is based on the weighted average number of common shares outstanding. Diluted EPS reflects the potential dilution that could occur if outstanding securities or other contracts to issue common stock were exercised or converted into common stock.

A reconciliation of the common shares used in the denominator for computing basic and diluted EPS is as follows:

(in thousands, except per share amounts)	Three Months Ended March 31, 2023	2022
Weighted average common shares outstanding, used in computing basic earnings per share	62,133	64,273
Effect of dilutive stock options and restricted stock units	284	318
Weighted average common shares outstanding, used in computing diluted earnings per share	62,417	64,591
Earnings per share:		
Basic	$ 0.74	$ 1.04
Diluted	$ 0.74	$ 1.03
Anti-dilutive common shares (1)	1,574	1,231

(1) Common stock related to stock options and service-based restricted stock units, and performance-based restricted stock were outstanding but were excluded from the computation of diluted EPS because their effect would be anti-dilutive under the treasury stock method or because the shares were subject to performance conditions that had not been met.

NOTE 8 — ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive income (loss) on the unaudited Condensed Consolidated Balance Sheets is net of applicable taxes, and consists of unrealized gains and losses on available-for-sale securities, unrealized gains and losses on certain derivative transactions and foreign currency translation adjustments.

The following tables set forth the changes in *Accumulated other comprehensive income (loss)*:

(in thousands)	Derivative transactions	Foreign currency translation adjustments	Total
Balance as of December 31, 2022	$ 21,790	$ (52,427)	$ (30,637)
Other comprehensive income (loss) before reclassifications	(1,678)	1,480	(198)
Amounts reclassified from accumulated other comprehensive income (loss) (1)	(3,743)	—	(3,743)
Net other comprehensive income (loss) during the period	(5,421)	1,480	(3,941)
Balance as of March 31, 2023	$ 16,369	$ (50,947)	$ (34,578)

(1) Amounts reclassified are recorded in *Net sales*, *Cost of sales*, or *Other non-operating income, net* on the unaudited Condensed Consolidated Statements of Operations. Refer to Note 10 for further information regarding reclassifications.

(in thousands)	Available-for-sale securities	Derivative transactions	Foreign currency translation adjustments	Total
Balance as of December 31, 2021	$ —	$ 9,914	$ (14,290)	$ (4,376)
Other comprehensive loss before reclassifications	(451)	(1,864)	(2,256)	(4,571)
Amounts reclassified from accumulated other comprehensive income (loss) [(1)]	—	(227)	—	(227)
Net other comprehensive loss during the period	(451)	(2,091)	(2,256)	(4,798)
Balance as of March 31, 2022	$ (451)	$ 7,823	$ (16,546)	$ (9,174)

(1) Amounts reclassified are recorded in *Net sales*, *Cost of sales*, or *Other non-operating income, net* on the unaudited Condensed Consolidated Statements of Operations. Refer to Note 10 for further information regarding reclassifications.

NOTE 9 — SEGMENT INFORMATION

The Company has four reportable geographic segments: U.S., LAAP, EMEA, and Canada, which are reflective of the Company's internal organization, management and oversight structure. Each geographic segment operates predominantly in one industry: the design, development, marketing, and distribution of outdoor, active and lifestyle products, including apparel, footwear, accessories, and equipment. Intersegment net sales and intersegment profits, which are recorded at a negotiated mark-up and eliminated in consolidation, are not material. Unallocated corporate expenses consist of expenses incurred by centrally-managed departmental functions, including consumer digital technology, certain supply chain functions, finance, human resources and legal, as well as executive compensation, unallocated benefit program expense, and other miscellaneous costs.

The following tables present financial information for the Company's reportable segments:

(in thousands)	Three Months Ended March 31, 2023	2022
Net sales to unrelated entities:		
U.S.	$ 517,475	$ 501,894
LAAP	136,413	121,743
EMEA	108,289	94,717
Canada	58,416	43,156
	$ 820,593	$ 761,510
Segment operating income		
U.S.	$ 81,600	$ 113,176
LAAP	18,326	13,002
EMEA	20,354	16,499
Canada	10,801	8,141
Total segment operating income	131,081	150,818
Unallocated corporate expenses	(74,654)	(67,152)
Interest income, net	3,283	395
Other non-operating income, net	850	44
Income before income tax	$ 60,560	$ 84,105

CONCENTRATIONS

The Company had one customer that accounted for approximately 12.3%, 13.8% and 13.0% of *Accounts receivable, net* as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively. The Company did not have any customer that accounted for 10% or more of *Net sales* for the three months ended March 31, 2023 and March 31, 2022.

NOTE 10 — FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

In the normal course of business, the Company's financial position, results of operations and cash flows are routinely subject to a variety of risks. These risks include risks associated with financial markets, primarily currency exchange rate risk and, to a lesser extent, interest rate risk and equity market risk. The Company regularly assesses these risks and has established policies and business practices designed to mitigate them. The Company does not engage in speculative trading in any financial market.

The Company actively manages the risk of changes in functional currency equivalent cash flows resulting from anticipated non-functional currency denominated purchases and sales. Subsidiaries that use European euros, Canadian dollars, Japanese yen, Chinese renminbi, or Korean won as their functional currency are primarily exposed to changes in functional currency equivalent cash flows from anticipated United States dollar inventory purchases. Subsidiaries that use United States dollars and euros as their functional currency also have non-functional currency denominated sales for which the Company hedges the Canadian dollar and British pound sterling. The Company seeks to manage these risks by using currency forward contracts formally designated and effective as cash flow hedges. Hedge effectiveness is generally determined by evaluating the ability of a hedging instrument's cumulative change in fair value to offset the cumulative change in the present value of expected cash flows on the underlying exposures. Time value components ("forward points") for forward contracts are included in the fair value of the cash flow hedge. These costs or benefits will be included in *Accumulated other comprehensive income (loss)* until the underlying hedge transaction is recognized in either *Net sales* or *Cost of sales*, at which time, the forward points will also be recognized as a component of *Net income*.

The Company also uses currency forward contracts not formally designated as hedges to manage the consolidated currency exchange rate risk associated with the remeasurement of non-functional currency denominated monetary assets and liabilities by subsidiaries that use United States dollars, euros, Canadian dollars, yen, renminbi, or won as their functional currency. Non-functional currency denominated monetary assets and liabilities consists of cash and cash equivalents, short-term investments, receivables, payables, deferred income taxes, and intercompany loans and dividends. The gains and losses generated on these currency forward contracts not formally designated as hedges are expected to be largely offset in *Other non-operating income, net* by the gains and losses generated from the remeasurement of the non-functional currency denominated monetary assets and liabilities.

The following table presents the gross notional amount of outstanding derivative instruments:

(in thousands)	March 31, 2023	December 31, 2022	March 31, 2022
Derivative instruments designated as cash flow hedges:			
Currency forward contracts	$ 525,781	$ 514,365	$ 536,790
Derivative instruments not designated as hedges:			
Currency forward contracts	393,450	448,838	230,968

As of March 31, 2023, $17.8 million of deferred net gains on both outstanding and matured derivatives recorded in *Accumulated other comprehensive income (loss)* are expected to be reclassified to *Net income* during the next twelve months as a result of underlying hedged transactions also being recorded in *Net sales, Cost of sales, or Other non-operating income, net* in the unaudited Condensed Consolidated Statements of Operations. When outstanding derivative contracts mature, actual amounts ultimately reclassified to *Net sales, Cost of sales, or Other non-operating income, net* in the unaudited Condensed Consolidated Statements of Operations are dependent on United States dollar exchange rates in effect against the euro, pound sterling, renminbi, Canadian dollar, won, and yen as well as the euro exchange rate in effect against the pound sterling.

As of March 31, 2023, the Company's derivative contracts had a remaining maturity of less than three years. The maximum net exposure to any single counterparty, which is generally limited to the aggregate unrealized gain of all contracts with that counterparty, was $6.0 million as of March 31, 2023. All of the Company's derivative counterparties have credit ratings that are investment grade or higher. The Company is a party to master netting arrangements that contain features that allow counterparties to net settle amounts arising from multiple separate derivative transactions or net settle in the case of certain triggering events such as a bankruptcy or major default of one of the counterparties to the transaction. The Company has not pledged assets or posted collateral as a requirement for entering into or maintaining derivative positions.

The following table presents the balance sheet classification and fair value of derivative instruments:

(in thousands)	Balance Sheet Classification	March 31, 2023	December 31, 2022	March 31, 2022
Derivative instruments designated as cash flow hedges:				
Derivative instruments in asset positions:				
Currency forward contracts	Prepaid expenses and other current assets	$ 16,826	$ 20,306	$ 9,184
Currency forward contracts	Other non-current assets	5,935	7,153	7,351
Derivative instruments in liability positions:				
Currency forward contracts	Accrued liabilities	2,630	1,249	3,411
Currency forward contracts	Other long-term liabilities	1,788	1,770	1,383
Derivative instruments not designated as cash flow hedges:				
Derivative instruments in asset positions:				
Currency forward contracts	Prepaid expenses and other current assets	890	3,027	1,888
Derivative instruments in liability positions:				
Currency forward contracts	Accrued liabilities	2,257	2,533	902

The following table presents the statement of operations effect and classification of derivative instruments:

	Statement Of Operations Classification	Three Months Ended March 31,	
(in thousands)		2023	2022
Currency Forward Contracts:			
Derivative instruments designated as cash flow hedges:			
Loss recognized in other comprehensive income (loss), net of tax	—	$ (1,678)	$ (1,864)
Gain (loss) reclassified from accumulated other comprehensive income (loss) to income for the effective portion	Net sales	191	(136)
Gain reclassified from accumulated other comprehensive income (loss) to income for the effective portion	Cost of sales	5,762	311
Gain (loss) reclassified from accumulated other comprehensive income (loss) to income as a result of cash flow hedge discontinuance	Other non-operating income, net	(7)	222
Derivative instruments not designated as cash flow hedges:			
Gain (loss) recognized in income	Other non-operating income, net	(1,187)	590

NOTE 11 — FAIR VALUE MEASURES

Certain assets and liabilities are reported at fair value on either a recurring or nonrecurring basis. Fair value is defined as an exit price, representing the amount that the Company would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants, under a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value as follows:

Level 1	—	observable inputs such as quoted prices for identical assets or liabilities in active liquid markets;
Level 2	—	inputs, other than the quoted market prices in active markets, that are observable, either directly or indirectly; or observable market prices in markets with insufficient volume or infrequent transactions; and
Level 3	—	unobservable inputs for which there is little or no market data available, that require the reporting entity to develop its own assumptions.

The Company's assets and liabilities measured at fair value are categorized as Level 1 or Level 2 instruments. Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Level 2 instrument valuations are obtained from inputs, other than quoted market prices in active markets, that are directly or indirectly observable in the marketplace and quoted prices in markets with limited volume or infrequent transactions.

Assets and liabilities measured at fair value on a recurring basis as of March 31, 2023 are as follows:

(in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 106,092	$ —	$ —	$ 106,092
U.S. Government treasury bills	—	49,695	—	49,695
Short-term investments:				
Available-for-sale short-term investments: (1)				
U.S. Government treasury bills	—	98,746	—	98,746
Other short-term investments:				
Money market funds	284	—	—	284
Mutual fund shares	482	—	—	482
Prepaid expenses and other current assets:				
Derivative financial instruments	—	17,716	—	17,716
Other non-current assets:				
Money market funds	1,712	—	—	1,712
Mutual fund shares	20,762	—	—	20,762
Derivative financial instruments	—	5,935	—	5,935
Total assets measured at fair value	$ 129,332	$ 172,092	$ —	$ 301,424
Liabilities:				
Accrued liabilities:				
Derivative financial instruments	$ —	$ 4,887	$ —	$ 4,887
Other long-term liabilities:				
Derivative financial instruments	—	1,788	—	1,788
Total liabilities measured at fair value	$ —	$ 6,675	$ —	$ 6,675

(1) Available-for-sale short-term investments have remaining maturities of less than one year.

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2022 are as follows:

(in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 120,481	$ —	$ —	$ 120,481
Short-term investments:				
Other short-term investments:				
Money market funds	80	—	—	80
Mutual fund shares	642	—	—	642
Prepaid and other current assets:				
Derivative financial instruments	—	23,333	—	23,333
Other non-current assets:				
Money market funds	1,456	—	—	1,456
Mutual fund shares	19,026	—	—	19,026
Derivative financial instruments	—	7,153	—	7,153
Total assets measured at fair value	$ 141,685	$ 30,486	$ —	$ 172,171
Liabilities:				
Accrued liabilities:				
Derivative financial instruments	$ —	$ 3,782	$ —	$ 3,782
Other long-term liabilities:				
Derivative financial instruments	—	1,770	—	1,770
Total liabilities measured at fair value	$ —	$ 5,552	$ —	$ 5,552

Assets and liabilities measured at fair value on a recurring basis as of March 31, 2022 are as follows:

(in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 142	$ —	$ —	$ 142
Short-term investments:				
Available-for-sale short-term investments: (1)				
U.S. Government treasury bills	—	174,435	—	174,435
Other short-term investments:				
Money market funds	145	—	—	145
Mutual fund shares	444	—	—	444
Other current assets:				
Derivative financial instruments	—	11,072	—	11,072
Non-current assets:				
Money market funds	1,383	—	—	1,383
Mutual fund shares	20,730	—	—	20,730
Derivative financial instruments	—	7,351	—	7,351
Total assets measured at fair value	$ 22,844	$ 192,858	$ —	$ 215,702
Liabilities:				
Accrued liabilities:				
Derivative financial instruments	$ —	$ 4,313	$ —	$ 4,313
Other long-term liabilities:				
Derivative financial instruments	—	1,383	—	1,383
Total liabilities measured at fair value	$ —	$ 5,696	$ —	$ 5,696

(1) Available-for-sale short-term investments have remaining maturities of less than one year.

NON-RECURRING FAIR VALUE MEASUREMENTS

The Company measured the fair value of certain retail store long-lived assets consisting of property, plant and equipment, certain trademark intangible assets and goodwill, and lease ROU assets as part of impairment testing for the year ended December 31, 2022. The inputs used to measure the fair value of these assets are primarily unobservable inputs and, as such, considered Level 3 fair value measurements. Refer to Notes 5, 6 and 9 in Part II, Item 8 in the Annual Report on Form 10-K for discussion of impairment charges.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with "Special Note Regarding Forward-Looking Statements", Part I, Item 1 and Part II, Item 1A of this Quarterly Report on Form 10-Q. In addition, refer to Part II, Item 7 in our Annual Report on Form 10-K for the year ended December 31, 2022 for our discussion and analysis comparing financial condition and results of operations from 2022 to 2021.

OVERVIEW

We connect active people with their passions. We are a global leader in designing, developing, marketing, and distributing outdoor, active and lifestyle products. We manage these products in two categories: apparel, accessories, and equipment products and footwear products. We provide our products through our four brands: Columbia, SOREL, Mountain Hardwear, and prAna. Apparel, accessories, and equipment products are provided by our Columbia, Mountain Hardwear and prAna brands. Footwear products are provided by our Columbia and SOREL brands. We sell our products in approximately 90 countries and operate in four geographic segments: U.S., LAAP, EMEA, and Canada.

We are 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 workplace.

Ultimately, we expect our investments to enable market share capture across our brand portfolio, expand gross margin, improve selling, general and administrative expense efficiency, and drive improved operating margin over the long-term.

Business Environment and Trends

Economic Environment Impacting Consumer Spending Ability and Preferences | We believe inflationary pressures, increasing interest rates and recessionary fears are impacting wholesale customer behavior, including cautiousness in placing advance orders for merchandise. In addition, we anticipate risk of consumer discretionary spending coming under pressure as the U.S. federal funds rate fluctuates and credit markets tighten.

Elevated Inflationary Pressures | Inflationary pressures, including outbound freight, raw materials, labor and wage rates, and product input costs, impacted our first quarter 2023 results. We implemented product price increases for our Spring 2023 season, which varied by market and product category. In the U.S., on average, we increased pricing by a mid-single to high-single-digit percent. We do not expect to implement additional meaningful product price increases as we anniversary prior year increases and begin to see inflationary pressure moderate.

Strong U.S. Dollar | In 2022, the rapid strengthening of the U.S. dollar relative to major foreign currencies unfavorably impacted our results. The impact of unfavorable foreign currency translation unfavorably impacted net sales and profitability in the first quarter of 2023, and is anticipated to continue to through at least the first half of 2023 before shifting to a favorable impact in the second half of 2023.

Heightened Geopolitical Environment | Geopolitical tensions throughout the globe escalated in 2022 as a result of the invasion of Ukraine by Russia and other actions. We believe these geopolitical tensions will remain elevated and have the potential to manifest themselves in certain regions where we directly operate.

Increased Freight Charges | For the majority of 2022, we experienced elevated ocean freight costs as a result of price increases stemming from an imbalance of supply and demand for steamship and ocean container capacity. As a result, these costs have had a substantially unfavorable impact on our gross margin. Beginning in the fourth quarter of 2022, we experienced significant declines in ocean freight cost, which we expect will benefit gross margin throughout 2023. We anticipate these lower ocean freight costs to persist into 2023.

Improved Inventory Receipts | As a result of certain supply chain disruptions, we received Spring 2022 and Fall 2022 inventory later than expected and realized much higher than normal cancellations from our wholesale customers. Inventory production and logistics transit times have improved markedly for Spring 2023, impacting sales and inventory. We expect to continue to uphold these improved transit times and to be more in-line with our historical experience throughout 2023, assuming no material downturn in port or railroad labor relations.

COVID-19 Impacts in China | From 2020 to 2022, government efforts to control the spread of COVID-19 in China severely impacted our business in China. We believe these efforts resulted in lower consumer demand, as well as disruption of our operations, including operations of our owned DTC stores and stores operated by our wholesale customers, and warehousing and fulfillment operations. Upon the change in China's zero-COVID policy in December 2022, our business in China has experienced a surge in consumer demand. We expect to continue to see our China business improve in 2023 as the market benefits from re-opening and pent-up demand.

Elevated Inventories | Following strong consumer demand in 2021 combined with healthy retail marketplace inventories exiting 2021, wholesale customers placed aggressive orders for inventory. Correspondingly, our inventory purchases were far greater than historical norms. However, in 2022, a slowing of consumer demand in the market combined with our delivery delays, resulted in our elevated inventory levels. As retailers rationalized their inventory needs and demonstrated a more conservative approach to inventory management, we experienced increased order cancellations for Spring 2022 and Fall 2022 orders. At the end of the first quarter of 2023, our inventory levels reflected elevated carryover inventory and, to a lesser extent, increased older season inventory. To address these higher inventory levels, we have adjusted future inventory purchases and plan to utilize our outlet stores to sell a portion of our excess inventory. We expect our inventories to remain elevated through the first half of 2023 and to begin to normalize in the second half of the year.

Increased Distribution Center Capacity Pressure | Elevated inventory levels combined with uneven flow of inventory receipts and shipments are resulting in storage and process capacity pressures within our distribution centers and third-party logistics operations. We began to experience these pressures as we received Fall 2022 inventory and expect this trend to continue well into 2023. We have and expect to continue to incur additional inventory carrying costs in 2023 as a result of additional costs for outside storage, and other inventory related holding costs, including losses in productivity, as we look to normalize our inventory position.

Changes in Promotional Environment | Near the end of the third quarter of 2022, we began to increase promotional activity based on the marketplace and our inventory position. This resulted in an unfavorable impact to our DTC product margins compared to the same period in the prior year in which promotional activity was exceptionally low. In the first quarter of 2023, we believe our current level of promotional activity is consistent with historical norms and reflects a return to those levels in the marketplace. We anticipate this to continue throughout 2023. In addition, in the first quarter of 2023, we experienced strong consumer traffic in our retail stores and a softening of e-commerce sales as we believe consumers are seeking out value and promotions in the marketplace.

Increased Outdoor Participation by Consumers | The COVID-19 pandemic drew a record number of individuals in the United States to spend an increased amount of time outside, including participating in outdoor recreational activities. We believe we have benefited from the consumers need for outdoor products. However, we believe the outdoor participation growth rates are returning to normalized levels. We have seen this in certain parts of our business, such as outdoor footwear. In the first quarter 2023, footwear sales for hiking and trail activities have softened, following growth over the last several years.

Changing Consumer Expectations and Shopping Habits | Consumer behavior continues to fluctuate. Consumer expectations and the related competitive pressures have increased and continue to increase relative to various aspects of our e-commerce business, including speed of product delivery, shipping charges, return privileges and other evolving expectations. We also believe consumers in the U.S. are still adjusting shopping habits in a post-COVID world, which may be indicative of consumer habits shifting back to brick and mortar retail.

Seasonality | Our business is affected by the general seasonal trends common to the industry, including seasonal weather and discretionary consumer shopping and spending patterns. Our products are marketed on a seasonal basis, and our sales are weighted substantially toward the third and fourth quarters, while our operating costs are more equally distributed throughout the year. In 2022, over 60% of our net sales and over 75% of our operating income were realized in the second half of the year.

RESULTS OF OPERATIONS

The following discussion of our results of operations and liquidity and capital resources should be read in conjunction with Part I, Item 1 of this Quarterly Report on Form 10-Q.

Non-GAAP Financial Measure

To supplement financial information reported in accordance with accounting principles generally accepted in the United States ("GAAP"), we disclose 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 foreign currency exchange rates against the United States dollar between comparable reporting periods. We calculate constant-currency net sales by translating net sales in foreign currencies for the current period into United States dollars at the 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 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. Constant-currency 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 following discussion includes references to constant-currency net sales, and we provide a reconciliation of this non-GAAP measure to the most directly comparable financial measure calculated in accordance with GAAP below.

Results of Operations — Consolidated

The following table presents the items in our unaudited Condensed Consolidated Statements of Operations, both in dollars and as a percentage of net sales:

	Three Months Ended March 31,			
(in millions, except for percentage of net sales and per share amounts)	2023		2022	
Net sales	$ 820.6	100.0 %	$ 761.5	100.0 %
Cost of sales	421.1	51.3 %	383.1	50.3 %
Gross profit	399.5	48.7 %	378.4	49.7 %
Selling, general and administrative expenses	347.4	42.3 %	299.1	39.3 %
Net licensing income	4.3	0.5 %	4.4	0.6 %
Operating income	56.4	6.9 %	83.7	11.0 %
Interest income, net	3.3	0.4 %	0.4	— %
Other non-operating income, net	0.9	0.1 %	—	— %
Income before income tax	60.6	7.4 %	84.1	11.0 %
Income tax expense	14.4	1.8 %	17.3	2.2 %
Net income	$ 46.2	5.6 %	$ 66.8	8.8 %
Diluted earnings per share	$ 0.74		$ 1.03	

Three Months Ended March 31, 2023 Compared to Three Months Ended March 31, 2022

Net Sales. Net sales by brand, product category and channel are summarized in the following table:

	Three Months Ended March 31,					
(in millions, except for percentages)	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)]
Brand Net Sales:						
Columbia	$ 702.8	$ 19.2	$ 722.0	$ 643.8	9%	12%
SOREL	60.5	0.9	61.4	63.6	(5)%	(3)%
prAna	32.5	—	32.5	32.7	(1)%	(1)%
Mountain Hardwear	24.8	0.5	25.3	21.4	16%	18%
Total	$ 820.6	$ 20.6	$ 841.2	$ 761.5	8%	10%
Product Category Net Sales:						
Apparel, Accessories and Equipment	$ 632.6	$ 14.9	$ 647.5	$ 565.9	12%	14%
Footwear	188.0	5.7	193.7	195.6	(4)%	(1)%
Total	$ 820.6	$ 20.6	$ 841.2	$ 761.5	8%	10%
Channel Net Sales:						
Wholesale	$ 452.5	$ 11.1	$ 463.6	$ 408.2	11%	14%
Direct-to-consumer	368.1	9.5	377.6	353.3	4%	7%
Total	$ 820.6	$ 20.6	$ 841.2	$ 761.5	8%	10%

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

Overall, our global net sales increased primarily due to earlier shipments of Spring 2023 wholesale orders and higher consumer demand in our DTC business, partially offset by unfavorable impacts from changes in foreign currency exchange rates. While our wholesale business benefited from improved transit times, Columbia and SOREL brand net sales reflect a decline in footwear net sales, highlighting challenging dynamics in the footwear market. Our DTC e-commerce net sales contracted 1% year-over-year for the three months ended March 31, 2023 compared to the same period in the prior year. For the three months ended March 31, 2022, DTC e-commerce net sales grew 21% compared to the same period in the prior year.

Gross Profit. Gross profit is summarized in the following table:

	Three Months Ended March 31,			
(in millions, except for percentages and basis points)	2023	2022	Change	
Gross profit	$ 399.5	$ 378.4	$ 21.1	6 %
Gross margin	48.7 %	49.7 %	-100 bps	

Gross margin contracted primarily due to the following factors:

- unfavorable channel profitability due to the net effect of lower DTC margins and, to a lesser extent, higher wholesale margins; partially offset by
- lower inbound freight costs.

Lower DTC margins discussed above were primarily driven by higher promotional activity and elevated outbound freight costs. Higher wholesale margins discussed above were primarily driven by price increases more than offsetting inflationary product costs, partially offset by actions to reduce excess inventory.

Selling, General and Administrative Expenses. SG&A expenses is summarized in the following table:

	Three Months Ended March 31,						
(in millions, except for percentages and basis points)	2023		2022		Change		
Selling, general and administrative expenses	$	347.4	$	299.1	$	48.3	16 %
Selling, general and administrative expenses as percent of net sales		42.3 %		39.3 %		300 bps	

SG&A expense growth reflects elevated expenses to support the growth of our business, inflationary pressures, and investments to drive our brand-led consumer-focused strategies.

SG&A expenses increased primarily due to the following factors:

- higher supply chain expenses of $18.8 million, reflecting increased global distribution center expenses, including higher warehousing and fulfillment expenses, resulting from elevated inventory levels as well as third-party logistics transition-related costs; and
- higher omni-channel expenses of $13.8 million, including higher DTC expenses, including variable expenses including personnel expenses and costs associated with new stores.

Income Tax Expense. Income tax expense and the related effective income tax rate are summarized in the following table:

	Three Months Ended March 31,						
(in millions, except for percentages)	2023		2022		Change		
Income tax expense	$	14.4	$	17.3	$	(2.9)	(17)%
Effective income tax rate		23.7 %		20.5 %			

Our effective income tax rates for the three months ended March 31, 2023 and 2022 were impacted by discrete tax items, which lowered the effective income tax rate in each period. For the three months ended March 31, 2023, our effective income tax rate was primarily impacted by a non-recurring benefit related to foreign currency gains resulting from an intercompany transaction. For the three months ended March 31, 2022, our effective income tax rate was primarily impacted by the non-recurring benefit related to the finalization of U.S. and foreign audits.

Results of Operations — Segment

Segment operating income includes net sales, cost of sales, SG&A expenses, and net licensing income for each of our four reportable geographic segments. Operating income as a percentage of net sales in the U.S. is typically higher than the other segments primarily due to scale efficiencies associated with the larger base of net sales in the U.S. and, to a lesser extent, incremental licensing income.

We anticipate this trend to continue until other segments achieve scale efficiencies from higher levels of net sales volume relative to the fixed cost structure necessary to operate the business.

Three Months Ended March 31, 2023 Compared to Three Months Ended March 31, 2022

Net sales by geographic segment are summarized in the following table:

	Three Months Ended March 31,					
(in millions, except for percentage changes)	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)]
U.S.	$ 517.5	$ —	$ 517.5	$ 501.9	3%	3%
LAAP	136.4	11.9	148.3	121.7	12%	22%
EMEA	108.3	5.3	113.6	94.7	14%	20%
Canada	58.4	3.4	61.8	43.2	35%	43%
	$ 820.6	$ 20.6	$ 841.2	$ 761.5	8%	10%

[(1)] Constant-currency net sales is a non-GAAP financial measure. See "Non-GAAP Financial Measure" above for further information.

Operating income for each reportable segment and unallocated corporate expenses are summarized in the following table:

	Three Months Ended March 31,		
(in millions)	2023	2022	Change
U.S.	$ 81.6	$ 113.2	$ (31.6)
LAAP	18.3	13.0	5.3
EMEA	20.4	16.5	3.9
Canada	10.8	8.1	2.7
Total segment operating income	131.1	150.8	(19.7)
Unallocated corporate expenses	(74.7)	(67.1)	(7.6)
Operating income	$ 56.4	$ 83.7	$ (27.3)

U.S.

U.S. operating income decreased $31.6 million to $81.6 million, or 15.8% of net sales, for the first quarter of 2023 from $113.2 million, or 22.5% of net sales, for the comparable period in 2022. The decrease was driven primarily by increased net sales, more than offset by decreased gross margin and increased SG&A expenses. U.S. net sales increased $15.6 million, or 3%, for the first quarter of 2023, compared to the same period in 2022. U.S. net sales increased across all channels and was primarily driven by U.S. wholesale net sales for our Columbia brand. Increased U.S. wholesale net sales were primarily driven by earlier shipment of Spring 2023 orders compared to shipment of Spring 2022 orders in the prior year. U.S. DTC net sales increased due to sales growth generated from our retail stores and was partially offset by decreased net sales in our e-commerce business. U.S. gross margin decreased primarily due to lower DTC margins resulting from higher promotional activity. As of March 31, 2023, our U.S. business operated 156 retail stores, compared to 143 stores as of March 31, 2022. SG&A expenses increased as a percentage of net sales to 33.1% for the first quarter of 2023 compared to 27.5% for the same period in 2022, primarily driven by increased distribution center expenses and higher third-party logistics expenses including transition related costs.

LAAP

LAAP operating income increased $5.3 million to $18.3 million, or 13.4% of net sales, for the first quarter of 2023 from $13.0 million, or 10.7% of net sales, for the comparable period in 2022. The increase was driven primarily by increased net sales and decreased SG&A expenses, partially offset by decreased gross margin. LAAP net sales increased $14.7 million, or 12% (22% constant-currency), for the first quarter of 2023, compared to the same period in 2022. Increased LAAP net sales was primarily driven by our LAAP distributor and China businesses, partially offset by our Korea business. LAAP net sales increased due to higher consumer demand, including a surge in demand in China partially resulting from the change in its zero-COVID policy, as well as earlier shipment of Spring 2023 orders compared to shipment of Spring 2022 orders. LAAP SG&A expenses decreased as a percentage of net sales to 40.6% for the first quarter of 2023 compared to 46.6% for the same period in 2022, primarily driven by leveraging of fixed operating expenses.

EMEA

EMEA operating income increased $3.9 million to $20.4 million, or 18.8% of net sales, for the first quarter of 2023 from $16.5 million, or 17.4% of net sales, for the comparable period in 2022. The increase was driven primarily by increased net sales. EMEA net sales increased $13.6 million, or 14% (20% constant-currency), for the first quarter of 2023, compared to the same period in 2022, driven by increased net sales in our Europe-direct business. Europe-direct net sales increased primarily due to earlier shipment of Spring 2023 orders compared to shipment of Spring 2022 orders, as well as broad-based growth across wholesale and DTC businesses. EMEA distributor net sales decreased primarily due to our prior year decision to pause taking new orders from a third-party international distributor for Russia, Ukraine and Belarus markets, partially offset by growth in other EMEA markets. EMEA SG&A expenses increased as a percentage of net sales to 28.0% for the first quarter of 2023 compared to 26.3% for the same period in 2022.

Canada

Canada operating income increased $2.7 million to $10.8 million, or 18.5% of net sales, for the first quarter of 2023 from $8.1 million, or 18.9% of net sales for the comparable period in 2022. The increase primarily resulted from increased net sales. Canada net sales increased $15.2 million, or 35% (43% constant-currency), for the first quarter of 2023, compared to the same period in 2022, primarily driven by increased net sales in our Canada wholesale and DTC businesses. Canada SG&A expenses decreased as a percentage of net sales to 26.8% for the first quarter of 2023, compared to 28.5% for the same period in 2022.

Unallocated Corporate Expenses

Unallocated corporate expenses increased by $7.6 million to $74.7 million for the first quarter of 2023 from $67.1 million for the same period in 2022, primarily driven by higher personnel expense.

LIQUIDITY AND CAPITAL RESOURCES

Including cash, cash equivalents, short-term investments and available committed credit lines, we had approximately $965 million in total liquidity as of March 31, 2023. Our liquidity may be affected by the general seasonal trends common to the industry. Our products are marketed on a seasonal basis and our sales are weighted substantially toward the third and fourth quarters, while our operating costs are more equally distributed throughout the year. Our cash and cash equivalents and short-term investments balances generally are at their lowest level just prior to the start of the U.S. holiday season and increase during the fourth quarter from collection of wholesale business receivables and fourth quarter DTC sales. This trough cash position is impacted by the amount of product we order from our contract manufacturers in anticipation of customer demand and is more heavily impacted in advance of periods of expected high demand.

Cash Flow Activities

Cash flows are summarized in the following table:

	Three Months Ended March 31,		
(in millions)	2023	2022	Change
Net cash provided by (used in):			
Operating activities	$ 78.0	$ (33.8)	$ 111.8
Investing activities	(111.7)	(56.8)	(54.9)
Financing activities	(35.6)	(237.9)	202.3
Net effect of exchange rate changes on cash	0.1	0.3	(0.2)
Net decrease in cash and cash equivalents	$ (69.2)	$ (328.2)	$ 259.0

The change in cash flows provided by operating activities was driven by a $133.0 million decrease in cash used in changes in assets and liabilities, partially offset by a $21.2 million decrease in cash provided by net income and non-cash adjustments. The most significant comparative changes in assets and liabilities included Inventories, and to a lesser extent, Accounts payable, Prepaid expenses and other current assets, and Accrued liabilities. The $142.6 million increase in cash provided by Inventories reflected a decrease in inventory due to a larger portion of Spring 2023 being received on time, which allowed it to be delivered to customers, compared to Spring 2022 in which a larger portion of inventory was in transit as of March 31, 2022. The $40.7 million increase in cash provided by Prepaid expenses and other current assets was primarily driven by changes to inventory prepayments. The $21.9 million decrease in cash used in Accrued liabilities was primarily driven by lower bonus payments in 2023 compared to 2022. These amounts were partially offset by the $74.6 million increase in cash used in Accounts payable primarily resulting from the effects of lower payables related to a decline in in-transit inventory in the first quarter of 2023 compared to the first quarter of 2022.

Net cash used in investing activities was $111.7 million for the three months ended March 31, 2023, compared to $56.8 million for the three months ended March 31, 2022. For the 2023 period, net cash used in investing activities consisted of $97.7 million in net purchases of short-term investments and $14.0 million in cash used for capital expenditures. For the 2022 period, net cash used in investing activities consisted of $43.9 million in net purchases of short-term investments and $12.9 million for capital expenditures.

Net cash used in financing activities was $35.6 million for the three months ended March 31, 2023 compared to $237.9 million for the three months ended March 31, 2023. For the 2023 period, net cash used in financing activities primarily consisted of repurchases of common stock of $15.3 million and dividend payments to our shareholders of $18.6 million. For the 2022 period, net cash used in financing activities primarily consisted of repurchases of common stock of $217.3 million and dividend payments to our shareholders of $19.2 million.

Sources of Liquidity

Cash and cash equivalents and short-term investments

As of March 31, 2023, we had cash and cash equivalents of $361.0 million and short-term investments of $99.5 million, compared to $430.2 million and $0.7 million, respectively, as of December 31, 2022 and $435.2 million and $175.0 million, respectively, as of March 31, 2022.

Domestic Credit Facility

Refer to Note 7 in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2022 for further information regarding the domestic credit facility.

As of March 31, 2023, we had available an unsecured, committed revolving credit facility, which provides for borrowings up to $500.0 million. We were in compliance with all associated covenants and there was no balance outstanding under the facility.

International Credit Facility

As of March 31, 2023, our European subsidiary had available an unsecured, committed line of credit, which is guaranteed by the Company and provides for borrowings up to €4.4 million (approximately US$4.8 million). There was no balance outstanding under the facility.

Other Sources

As of March 31, 2023, collectively, our international subsidiaries had unsecured, uncommitted lines of credit, credit facilities and overdraft facilities, providing for borrowings up to approximately US$106.8 million. There was no balance outstanding under these facilities.

Capital Requirements

Our expected short-term and long-term cash needs are primarily for working capital and capital expenditures. We expect to meet these short-term and long-term cash needs primarily with cash flows from operations and, if needed, borrowings from our existing credit facilities.

Our working capital management goals include maintaining an optimal level of inventory necessary to deliver goods on time to our customers and our retail stores to satisfy end consumer demand, alleviating manufacturing capacity constraints, and driving efficiencies to minimize the cycle time from the purchase of inventory from our suppliers to the collection of accounts receivable balances from our customers. Inventory balances may be elevated in advance of periods of expected high demand. As of March 31, 2023, our inventory balance increased to $959.2 million, compared to $714.4 million as of March 31, 2022, driven by elevated carryover inventory, earlier receipts of Spring 2023 product, and, to a lesser extent, increased 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 we are leveraging our outlet stores to sell excess merchandise. We expect inventory to remain elevated into the second half of 2023 as we carry forward inventory into future seasons, balancing reducing inventory levels with maintaining profitability.

We have planned 2023 capital expenditures of approximately $70 to $80 million. This includes investments in our DTC operations, including new stores, U.S. distribution projects to increase efficiency and expand storage, corporate facilities improvements, and digital and supply chain capabilities to support our strategic priorities. Our actual capital expenditures may differ from the planned amounts depending on factors such as the timing of system implementations and new store openings and related construction as well as the availability of capital assets from suppliers.

Our long-term goal is to maintain a strong balance sheet and a disciplined approach to capital allocation. Dependent upon our financial position, market conditions and our strategic priorities, our capital allocation approach includes:

- investing in organic growth opportunities to drive long-term profitable growth;
- returning at least 40% of free cash flow to shareholders through dividends and share repurchases; and
- considering opportunistic mergers and acquisitions.

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 since it excludes certain mandatory expenditures. Management uses free cash flow as a measure to assess both business performance and overall liquidity.

Other cash commitments

Our inventory purchase obligations were $540.6 million as of March 31, 2023, compared to $401.4 million and $876.3 million as of December 31, 2022 and March 31, 2022, respectively.

There have been no other significant changes to our other cash commitments as described in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2022.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's discussion and analysis of our financial condition and results of operations are based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make various estimates and judgments that affect reported amounts of assets, liabilities, sales, cost of sales, and expenses and related disclosure of contingent assets and liabilities. We believe that the estimates, assumptions and judgments involved in the accounting for sales reserves, allowance for uncollectible accounts receivable, excess, close-out and slow-moving inventory, impairment of long-lived assets, intangible assets and goodwill, and income taxes have the greatest potential effect on our financial statements, so we consider these to be our critical accounting policies and estimates. Because of the uncertainty inherent in these matters, actual results may differ from the estimates we use in applying these critical accounting policies and estimates. We base our ongoing estimates on historical experience and other assumptions that we believe to be reasonable in the circumstances. Refer to Part II, Item 7 in our Annual Report on Form 10-K for the year ended December 31, 2022 for additional information regarding our critical accounting policies and estimates.

Management regularly discusses with our audit committee each of our critical accounting estimates, the development and selection of these accounting estimates, and the disclosure about each estimate in this Quarterly Report on Form 10-Q. These discussions typically occur at our quarterly audit committee meetings and include the basis and methodology used in developing and selecting these estimates, the trends in and amounts of these estimates, specific matters affecting the amount of and changes in these estimates, and any other relevant matters related to these estimates, including significant issues concerning accounting principles and financial statement presentation.

There have been no significant changes to the Company's significant accounting policies described at Note 2 in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2022.

RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Note 1 in Part I, Item 1 of this Quarterly Report on Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has not been any material change in the market risk disclosure contained in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2022.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

We have evaluated, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of the end of the period covered by this report. These disclosure controls and procedures require information to be disclosed in our Exchange Act reports to be (1) recorded, processed, summarized, and reported in a timely manner and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer.

Based on our evaluation, we, including our Chief Executive Officer and Chief Financial Officer, have concluded that as of March 31, 2023 our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have not been any changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in litigation and various legal matters arising in the normal course of business, including matters related to employment, retail, intellectual property, contractual agreements, and various regulatory compliance activities. We have considered facts related to legal and regulatory matters and opinions of counsel handling these matters and do not believe the ultimate resolution of these proceedings will have a material adverse effect on our financial condition, results of operations or cash flows.

Item 1A. RISK FACTORS

In addition to the other information contained in this Quarterly Report on Form 10-Q, the following risk factors should be considered carefully in evaluating our business. Our business, financial condition, results of operations, or cash flows may be materially adversely affected by these and other risks. Please note that additional risks not presently known to us or that we currently deem immaterial may also impair our business and operations.

The following risk factors include changes to and supersede the description of the risk factors associated with our business previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022.

CHANGES IN PRODUCT DEMAND CAN ADVERSELY AFFECT OUR FINANCIAL RESULTS

We are Subject to a Number of Risks Which May Adversely Affect Consumer and/or Wholesale Customer Demand for Our Products and Lead to a Decline in Sales and/or Earnings.

These risks include, but are not limited to:

- Volatile Economic Conditions. We are a consumer products company and are highly dependent on consumer discretionary spending. Consumer discretionary spending behavior is inherently unpredictable. Consumer demand, and related wholesale customer demand, for our products may not support our sales targets, or may decline, especially during periods of heightened economic uncertainty in our key markets.
- Highly Competitive Markets. In each of our geographic markets, we face significant competition from global and regional branded apparel, footwear, accessories, and equipment companies. Retailers who are our wholesale customers often pose a significant competitive threat by designing, marketing and distributing apparel, footwear, accessories, and equipment under their own private labels. We also experience direct competition in our DTC business from retailers that are our wholesale customers. This is true in particular in the digital marketplace, where increased consumer expectations and competitive pressure related to various aspects of our e-commerce business, including speed of product delivery, shipping charges, return privileges, and other evolving expectations are key factors.
- Consumer Preferences and Fashion/Product Trends. Changes in consumer preferences, consumer interest in outdoor activities, and fashion/product trends may have a material adverse effect on our business. We also face risks because our success depends on our and our customers' abilities to anticipate consumer preferences and our ability to respond to changes in a timely manner. Product development and/or production lead times for many of our products may make it more difficult for us to respond rapidly to new or changing fashion/product trends or consumer preferences.
- Brand Images. Our brands have wide recognition, and our success has been due in large part to our ability to maintain, enhance and protect our brand image and reputation and our consumers' and customers' connection to our brands. Our continued success depends in part on our ability to adapt to a rapidly changing media environment, including our increasing reliance on social media and online dissemination of advertising campaigns. In addition, consumer and customer sentiment could be shaped by our sustainability policies and related design, sourcing and operational decisions.
- Weather Conditions, Including Global Climate Change Trends. Our sales are affected by weather conditions. Our DTC sales are dependent in part on the weather and our DTC sales growth is likely to be adversely impacted or may even decline in years in which weather conditions do not stimulate demand for our products. Unseasonably warm weather also impacts future sales to our wholesale customers, who may hold inventory into subsequent seasons in response to unseasonably warm weather. Our results may be negatively impacted if management is not able to adjust expenses in a timely manner in response to unfavorable weather

conditions and the resulting impact on consumer and customer demand. The magnitude by which global weather patterns trend warmer will influence the extent to which consumer and customer demand for our outerwear products will be negatively affected.

- Shifts in Retail Traffic Patterns. Shifts in consumer purchasing patterns, including the growth of e-commerce and large one-stop digital marketplaces, e-commerce off-price retailing and online comparison shopping, in our key markets may have an adverse effect on our DTC operations and the financial health of certain of our wholesale customers, some of whom may reduce their brick and mortar store fleet, file for protection under bankruptcy laws, restructure, or cease operations. These related business impacts have already occurred at certain of our wholesale customers. We face increased risk of order reduction and cancellation when dealing with financially ailing wholesale customers. We also extend credit to our wholesale customers based on an assessment of the wholesale customer's financial condition, generally without requiring collateral. We may choose (and have chosen in the past) to limit our credit risk by reducing our level of business with wholesale customers experiencing financial difficulties and may not be able to replace those revenues with other customers or through our DTC businesses within a reasonable period or at all.
- Innovation. To distinguish our products in the marketplace and achieve commercial success, we rely on product innovations, including new or exclusive technologies, inventive and appealing design or other differentiating features. If we fail to introduce innovative products that appeal to consumers and customers, we could suffer reputational damage to our brands and demand for our products could decline.

Our Orders from Wholesale Customers are Subject to Cancellation, Which Could Lead to a Decline in Sales or Gross Profit, Write-downs of Excess Inventory, Increased Discounts or Extended Credit Terms to Our Wholesale Customers.

We do not have long-term contracts with any of our wholesale customers. We do have contracts with our independent international distributors; although these contracts may have annual purchase minimums that must be met in order to retain distribution rights, the distributors are not otherwise obligated to purchase products from us. Sales to our wholesale customers (other than our international distributors) are generally on an order-by-order basis and are subject to rights of cancellation and rescheduling prior to shipment of orders. We place the majority of our orders for products with our contract manufacturers for our wholesale customers based on these advance orders. We consider the timing of delivery dates in our wholesale customer orders when we forecast our sales and earnings for future periods. If any of our major wholesale customers experience a significant downturn in business or fail to remain committed to our products or brands, or if we are unable to deliver products to our wholesale customer in the agreed upon manner or reach mutually agreeable accommodations, these customers could postpone, reduce, cancel, or discontinue purchases from us, including after we have begun production on any order, or seek to impose chargebacks.

Our Inability to Accurately Predict Consumer and/or Customer Demand for Our Products Could Lead to a Build-up of Inventory or a Lack of Inventory and Affect Our Gross Margin.

We have implemented key strategic initiatives designed to improve the efficiency of our supply chain, such as spreading out the production of our products over time, which may lead to the build-up of inventory well in advance of the selling seasons for such products. Additionally, we place orders for our products with our contract manufacturers in advance of the related selling season and, as a result, are vulnerable to changes in consumer and/or customer demand for our products. Therefore, we must accurately forecast consumer and/or customer demand for our products well in advance of the selling season. We are subject to numerous risks relating to consumer and/or customer demand (see “We are Subject to a Number of Risks Which May Adversely Affect Consumer and/or Customer Demand for our Products and Lead to a Decline in Sales and/or Earnings” and “Our Orders from Wholesale Customers are Subject to Cancellation, Which Could Lead to a Decline in Sales or Gross Profit, Write-downs of Excess Inventory, Increased Discounts or Extended Credit Terms to Our Wholesale Customers” for additional information). Our ability to accurately predict consumer and/or customer demand well in advance of the selling season for our products is impacted by these risks, as well as our reliance on manual processes and judgments that are subject to human error. These risks are heightened during periods of macroeconomic and geopolitical volatility, such as we are currently experiencing.

Our failure to accurately forecast consumer and/or customer demand could result in inventory levels in excess of demand (as currently is the case), which may cause inventory write-downs and/or the sale of excess inventory at discounted prices through our owned outlet stores or third-party liquidation channels and could have a material adverse effect on our brand image and gross margin. In addition, we are experiencing and may continue to experience additional costs relating to the storage and processing of excess inventory.

Conversely, if we underestimate consumer and/or customer demand for our products or if our contract manufacturers or third-party logistics providers are unable to supply or deliver products when we need them, we may experience inventory shortages, which may prevent us from fulfilling product orders resulting in lost sales, delay shipments of product, negatively affect our wholesale customer and consumer relationships, result in increased costs to expedite production and delivery, or diminish our ability to build brand loyalty.

WE ARE SUBJECT TO VARIOUS RISKS IN OUR SUPPLY CHAIN

Our Reliance on Contract Manufacturers, Including Our Ability to Enter Into Purchase Order Commitments with Them and Maintain Quality Standards of Our Products and Standards of Manufacturing Processes at Contract Manufacturers, May Result in Lost Sales and Impact our Gross Margin and Results of Operations.

Our products are manufactured by contract manufacturers worldwide, primarily in the Asia Pacific region. Although we enter into purchase order commitments with these contract manufacturers each season, we generally do not maintain long-term manufacturing commitments with them, and various factors could interfere with our ability to source our products. Without long-term commitments, there is no assurance that we will be able to secure adequate or timely production capacity and our competitors may obtain production capacities that effectively limit or eliminate the availability of our contract manufacturers. If we are unable to obtain necessary production capacities, we may be unable to meet consumer demand, resulting in lost sales.

In addition, contract manufacturers may fail to perform as expected. If a contract manufacturer fails to ship orders in a timely manner (as was the case throughout 2022), we could experience supply disruptions that result in missed delivery deadlines, which may cause our customers to cancel their orders, refuse to accept deliveries or demand a reduction in purchase price or cause us to incur additional freight costs.

Reliance on contract manufacturers also creates quality control risks. Contract manufacturers may need to use sub-contracted manufacturers to fulfill our orders, which could result in compromised quality of our products. A failure in our quality control program, or a failure of our contract manufacturers or their subcontractors to meet our quality control standards, may result in diminished product quality, which in turn could result in increased order cancellations, price concessions, product returns, decreased consumer and customer demand for our products, non-compliance with our product standards or regulatory requirements, or product recalls or other regulatory actions.

We impose standards of manufacturing practices on our contract manufacturers for the benefit of workers and require compliance with our restricted substances list and product safety and other applicable laws, including environmental, health and safety and forced labor laws. We also require that our contract manufacturers impose these practices, standards and laws on their subcontractors. If a contract manufacturer or subcontractor violates labor or other laws or engages in practices that are not generally accepted as safe or ethical, we may experience production disruptions, lost sales or significant negative publicity that could result in long-term damage to our reputation. In some circumstances, parties may assert that we are liable for our contract manufacturers' or subcontractors' labor and operational practices, which could have a material adverse effect on our brand image, results of operations and our financial condition.

Volatility in the Availability of and Prices for Raw Materials We Use in Our Products Could Have a Material Adverse Effect on Our Revenues, Costs, Gross Margins and Profitability.

Our products are derived from raw materials that are subject to both disruptions to supply availability and price volatility. If there are supply disruptions or price increases for raw materials we use in our products (as is currently the case) and we are unable to obtain sufficient raw materials to meet production needs or offset rising costs by increasing the price of our products or achieving efficiency improvements, we could experience negative impacts to our sales and profitability.

For Certain Materials We Depend on a Limited Number of Suppliers, Which May Cause Increased Costs or Production Delays.

As an innovative company, some of our materials are highly technical and/or proprietary and may be available from only one source or a very limited number of sources. As a result, from time to time, we may have difficulty satisfying our material requirements. Although we believe that we can identify and qualify additional contract manufacturers to produce or supply these materials or alternative materials as necessary, there are no guarantees that additional contract manufacturers will be available. In addition, depending on the timing, any changes in sources or materials may result in increased costs or production delays.

Our Success Depends on Third-Party Logistics Providers and Our and Third-Party Distribution Facilities.

The majority of our products are manufactured outside of our principal sales markets, which requires these products to be consolidated and transported, sometimes over large geographical distances. A small number of third-party logistics providers currently consolidate, deconsolidate and/or transload almost all of our products. Any disruption in the operations of these providers or changes to the costs they charge, due to capacity constraints, volatile fuel prices or otherwise, could materially impact our sales and profitability. A prolonged disruption in the operations of these providers could also require us to seek alternative distribution arrangements, which may not be available on attractive terms and could lead to delays in distribution of products, either of which could have a significant and material adverse effect on our business, results of operations and financial condition.

In addition, the ability to move products over larger geographical distances could be constrained by ocean, air and trucking cargo capacity, or disrupted by limitations at ports or borders. These constraints and disruptions could hinder our ability to satisfy demand through our wholesale and DTC businesses, and we may miss delivery deadlines, which may cause our customers to cancel their orders, refuse to accept deliveries or demand a reduction in purchase price. In addition, increases in distribution costs, including but not limited to freight costs, could adversely affect our costs, which we may not be able to offset through price increases or decreased promotions.

We receive our products from third-party logistics providers at our owned distribution centers in the United States, Canada and France. The fixed costs associated with owning, operating and maintaining such distribution centers during a period of economic weakness or declining sales can result in lower operating efficiencies, financial deleverage and potential impairment in the recorded value of distribution assets.

We also receive and distribute our products through third-party operated distribution facilities internationally and domestically. We depend on these third-parties to manage the operation of their distribution facilities as necessary to meet our business needs. If the third-parties fail to manage these responsibilities, our international and domestic distribution operations could face significant disruptions or we could incur additional expense. Transitions within our distribution network amongst third-party distribution partners, as is currently occurring, exacerbates this risk.

Our ability to meet consumer and customer expectations, manage inventory, complete sales, and achieve our objectives for operating efficiencies depends on the proper operation of our existing distribution facilities, as well as the facilities of third-parties, the development or expansion of additional distribution capabilities and services, and the timely performance of services by third-parties, including those involved in moving products to and from our distribution facilities and facilities operated by third-parties. The uneven flow of inventory receipts during peak times at our distribution centers may cause us to miss delivery deadlines, as we work through inventory, which in turn may cause our customers to cancel their orders, refuse to accept deliveries or demand a reduction in purchase price.

OUR INVESTMENT IN STRATEGIC PRIORITIES EXPOSES US TO CERTAIN RISKS

We May Be Unable to Execute Our Strategic Priorities, Which Could Limit Our Ability to Invest in and Grow Our Business.

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

To implement our strategic priorities, we must continue to, among other things, modify and fund various aspects of our business, effectively prioritize our initiatives and execute effective change management. These efforts, coupled with a continuous focus on expense discipline, may place strain on internal resources, and we may have operating difficulties as a result.

Our strategic priorities also generally involve increased expenditures, which could cause our profitability or operating margin to decline if we are unable to offset our increased spending with increased sales or gross profit or comparable reductions in other operating costs. This could result in a decision to delay, modify, or terminate certain initiatives related to our strategic priorities.

Initiatives to Upgrade Our Business Processes and Information Technology Systems to Optimize Our Operational and Financial Performance Involve Many Risks Which Could Result in, Among Other Things, Business Interruptions, Higher Costs and Lost Profits.

We regularly implement business process improvement and information technology initiatives intended to optimize our operational and financial performance. Transitioning to these new or upgraded processes and systems requires significant capital investments and personnel resources. Implementation is also highly dependent on the coordination of numerous employees, contractors and software and system providers. The interdependence of these processes and systems is a significant risk to the successful completion and continued refinement of these initiatives, and the failure of any aspect could have a material adverse effect on the functionality of our overall business. We may also experience difficulties in implementing or operating our new or upgraded business processes or information technology systems, including, but not limited to, ineffective or inefficient operations, significant system failures, system outages, delayed implementation and loss of system availability, which could lead to increased implementation and/or operational costs, loss or corruption of data, delayed shipments, excess inventory and interruptions of operations resulting in lost sales and/or profits.

We May Not Realize Returns on Our Fixed Cost Investments in Our DTC Business Operations.

We continue to make investments in our digital capabilities and our DTC operations, including new stores. (See “Initiatives to Upgrade Our Business Processes and Information Technology Systems to Optimize Our Operational and Financial Performance Involve Many Risks Which Could Result in, Among Other Things, Business Interruptions, Higher Costs and Lost Profits”). Since many of the costs of our DTC operations are fixed, we may be unable to reduce expenses in order to avoid losses or negative cash flows if we have insufficient sales, including as a result of restrictions on operations. We may not be able to exit DTC brick and mortar locations and related leases at all or without significant cost or loss, renegotiate the terms thereof, or effectively manage the profitability of our existing brick and mortar stores. In addition, obtaining real estate and effectively renewing real estate leases for our DTC brick and mortar operations is subject to the real estate market and we may not be able to secure adequate new locations or successfully renew leases for existing locations.

WE ARE SUBJECT TO CERTAIN INFORMATION TECHNOLOGY RISKS

We Rely on Information Technology Systems, including Third-Party Cloud-based Solutions, and Any Failure of These Systems May Result in Disruptions or Outages in Our E-Commerce and In-Store Retail Platforms, Loss of Processing Capabilities, and/or Loss of Data, Any of Which May Have a Material Adverse Effect on Our Financial Condition, Results of Operations or Cash Flow.

Our reputation and ability to attract, retain and serve consumers and customers is dependent upon the reliable performance of our underlying technology infrastructure and external service providers, including third-party cloud-based solutions. These systems are vulnerable to damage or interruption and we have experienced interruptions in the past. We rely on cloud-based solutions furnished by third-parties primarily to allocate resources, pay vendors, collect from customers, manage loyalty programs, process transactions, develop demand and supply plans, manage product design, production, transportation, and distribution, forecast and report operating results, meet regulatory requirements and administer employee payroll and benefits, among other functions. In addition, our DTC operations, both in-store and online, rely on cloud-based solutions to process transactions. We have also designed a significant portion of our software and computer systems to utilize data processing and storage capabilities from third-party cloud solution providers. Both our on-premises and cloud-based infrastructure may be susceptible to outages due to any number of reasons, including, human error, fire, floods, power loss, telecommunications failures, terrorist attacks and similar events. Despite the implementation of security measures that we believe to be reasonable, both our on-premises and our cloud-based infrastructure may also be vulnerable to hacking, computer viruses, the installation of malware and similar disruptions either by third-parties or employees, which may result in outages. We do not have redundancy for all of our systems and our disaster recovery planning may not account for all eventualities. If we or our existing third-party cloud-based solution providers experience interruptions in service regularly or for a prolonged basis, or other similar issues, our business could be seriously harmed and, in some instances, our consumers and customers may not be able to purchase our products, which could significantly and negatively affect our sales. Additionally, our existing cloud-based solution providers have broad discretion to change and interpret their terms of service and other policies with respect to us, and they may take actions beyond our control that could harm our business. We also may not be able to control the quality of the systems and services we receive from our third-party cloud-based solution providers. Any transition of the cloud-based solutions currently provided to different cloud providers would be difficult to implement and may cause us to incur significant time and expense.

If we and/or our cloud-based solution providers are not successful in preventing or effectively responding to outages and cyberattacks, our financial condition, results of operations and cash flow could be materially and adversely affected.

A Security Breach of Our or Our Third-Parties' Systems, Exposure of Personal or Confidential Information or Increased Government Regulation Relating to Handling of Personal Data, Could, Among Other Things, Disrupt Our Operations or Cause Us to Incur Substantial Costs or Negatively Affect Our Reputation.

We and many of our third-party vendors manage and maintain various types of proprietary information and sensitive and confidential data relating to our business, such as personally identifiable information of our consumers, our customers, our employees, and our business partners, as well as credit card information in certain instances. Unauthorized parties may attempt to gain access to these systems or information through fraud or other means of deceiving our employees or third-party service providers. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly changing and evolving, and may be difficult to anticipate or detect for long periods of time. The ever-evolving threats mean we and our third-parties must continually evaluate and adapt our systems and processes, and there is no guarantee that these efforts will be adequate to safeguard against all data security breaches or misuses of data. Any breaches of our or our third-parties’ systems could expose us, our customers, our consumers, our suppliers, our employees, or other individuals that may be affected to a risk of loss or misuse of this information, result in litigation and potential liability for us, damage our reputation, or otherwise harm our business. While we maintain cyber liability insurance policies for coverage in the event of a cybersecurity incident, we cannot be certain that our existing coverage will continue to be available on acceptable terms or will be available, and in sufficient amount, to cover the potentially significant losses that could result from a cybersecurity incident or that the insurer will not deny coverage as to any future claims.

In addition, as the regulatory environment related to information security, data collection and use and privacy becomes increasingly rigorous, with new and constantly changing requirements applicable to our business, compliance with those requirements could also result in additional costs or liabilities. Non-U.S. data privacy and data security laws and regulations, various U.S. federal and state laws and other information privacy and security standards may be and are applicable to us. Violations of these requirements could result in significant penalties, investigations or litigation. Significant legislative, judicial or regulatory changes have been and could be issued in the future. As new requirements are issued, new processes must be implemented to ensure compliance. In addition, previously implemented processes must be continually refined. This work is accomplished through significant efforts by our employees. The diverted attention of these employees may impact our operations and there may be additional costs incurred by us for third-party resources to advise on the constantly changing landscape. We have recently experienced this with the new privacy laws in China. Limitations on the use of data may also impact our future business strategies. Additionally, our DTC business depends on customers' willingness to entrust us with their personal information. Events that adversely affect that trust could adversely affect our brand and reputation.

We Depend on Certain Legacy Information Technology Systems, Which May Inhibit Our Ability to Operate Efficiently.

Our legacy product development, retail and other systems, on which we continue to manage a portion of our business activities, rely on the availability of limited internal and external resources with the expertise to maintain the systems. In addition, our legacy systems, including aged systems in our Japanese and Korean businesses, may not support desired functionality for our operations and may inhibit our ability to operate efficiently. As we continue to transition from our legacy systems and implement new systems, certain functionality and information from our legacy systems, including that of third-party systems that interface with our legacy systems, may not be fully compatible with the new systems.

WE ARE SUBJECT TO LEGAL AND REGULATORY RISKS

Our Success Depends on the Protection of Our Intellectual Property Rights.

Our registered and common law trademarks, our patented or patent-pending designs and technologies, trade dress and the overall appearance and image of our products have significant value and are important to our ability to differentiate our products from those of our competitors.

As we strive to achieve product innovations, extend our brands into new product categories and expand the geographic scope of our marketing, we face a greater risk of inadvertent infringements of third-party rights or compliance issues with regulations applicable to products with technical features or components. We may become subject to litigation based on allegations of infringement or other improper use of intellectual property rights of third-parties. In addition, failure to successfully obtain and maintain patents on innovations could negatively affect our ability to market and sell our products.

We regularly discover products that are counterfeit reproductions of our products or that otherwise infringe on our proprietary rights. Increased instances of counterfeit manufactured products and sales may adversely affect our sales and the reputation of our brands and result in a shift of consumer preference away from our products. The actions we take to establish and protect trademarks and other proprietary rights may not be adequate to prevent imitation of our products by others or to prevent others from seeking to block sales of our products as violations of proprietary rights. In markets outside of the United States, it may be more difficult for us to establish our proprietary rights and to successfully challenge use of those rights by other parties.

Litigation is often necessary to defend against claims of infringement or to enforce and protect our intellectual property rights. Intellectual property litigation may be costly and may divert management's attention from the operation of our business. Adverse determinations in any litigation may result in the loss of our proprietary rights, subject us to significant liabilities or require us to seek licenses from third-parties, which may not be available on commercially reasonable terms, if at all.

Certain of Our Products Are Subject to Product Regulations and/or Carry Warranties, Which May Cause an Increase to Our Expenses in the Event of Non-Compliance and/or Warranty Claims.

Our products are subject to increasingly stringent and complex domestic and foreign product labeling, performance, environmental and safety standards, laws and other regulations, including those pertaining to perfluoroalkyl and polyfluoroalkyl substances and other environmental impacts. These requirements could result in greater expense associated with compliance efforts, and failure to comply with these regulations could result in a delay, non-delivery, recall, or destruction of inventory shipments during key seasons, a loss of advance orders from wholesale customers or in other financial penalties. Significant or continuing noncompliance with these standards and laws could disrupt our business and harm our reputation.

Our products are generally used in outdoor activities, sometimes in severe conditions. Product recalls or product liability claims resulting from the failure, or alleged failure, of our products could have a material adverse effect on the reputation of our brands and result in additional expenses. Most of our products carry limited warranties for defects in quality and workmanship. We maintain a warranty reserve for estimated future warranty claims, but the actual costs of servicing future warranty claims may exceed the reserve.

We May Have Additional Tax Liabilities or Experience Increased Volatility in Our Effective Tax Rate.

As a global company, we determine our income tax liability in various tax jurisdictions and our effective tax rate based on an analysis and interpretation of local tax laws and regulations and our financial projections. This analysis requires a significant amount of judgment and estimation and is often based on various assumptions about the future, which, in times of economic disruptions, are highly uncertain. These determinations are the subject of periodic domestic and foreign tax audits. Although we accrue for uncertain tax positions, our accruals may be insufficient to satisfy unfavorable findings. Unfavorable audit findings and tax rulings may result in payment of taxes, fines and penalties for prior periods and higher tax rates in future periods.

On December 22, 2017, the United States government enacted comprehensive tax legislation, commonly referred to as the Tax Cuts and Jobs Act (the "TCJA"). The TCJA made broad and complex changes to the United States tax code. In addition, on March 27, 2020, the United States government enacted the U.S. Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). A change in interpretation of the applicable revisions to the United States tax code and related tax accounting guidance, changes in assumptions made in developing these estimates, and regulatory guidance that may be issued with respect to the applicable revisions to the United States tax code, and state tax implications as a result of the TCJA, the CARES Act, and other recent legislation may cause actual amounts to differ from our provisional estimates. In addition, proposals to reform U.S. and foreign tax laws could significantly impact how U.S. multinational corporations are taxed on foreign earnings and could increase the U.S. corporate tax rate. Although we cannot predict whether or in what form these proposals will pass, several of the proposals considered, if enacted into law, could have an adverse impact on our effective tax rate, income tax expense and cash flows.

Other changes in the tax laws of the jurisdictions where we do business, including an increase in tax rates or an adverse change in the treatment of an item of income or expense, could result in a material increase in our tax expense. For example, changes in the tax laws of foreign jurisdictions could arise as a result of the Base Erosion and Profit Shifting project undertaken by the Organization for Economic Co-operation and Development ("OECD"). The OECD, which represents a coalition of member countries, has recommended changes to numerous long-standing tax principles. In addition, recent efforts to reform how digital profits are taxed globally could have significant compliance and cost implications. As these changes are adopted by countries, tax uncertainty could increase and may adversely affect our provision for income taxes.

Due to the nature of the findings in the Korea 2009 through 2014 income tax audits, the Company has invoked the Mutual Agreement Procedures outlined in the United States-Korean income tax treaty. The Company does not anticipate that adjustments relative to these findings will result in material changes to its financial condition, results of operations or cash flows.

WE OPERATE GLOBALLY AND ARE SUBJECT TO SIGNIFICANT RISKS IN MANY JURISDICTIONS

Global Regulation and Economic and Political Conditions, as well as Potential Changes in Regulations, Legislation and Government Policy, May Negatively Affect Our Business.

We are subject to risks generally associated with doing business internationally. These risks include, but are not limited to, the burden of complying with, and unexpected changes to, foreign and domestic laws and regulations, such as anti-corruption and forced labor regulations and sanctions regimes, climate-change regulations, the effects of fiscal and political crises and political and economic disputes, changes in diverse consumer preferences, foreign currency exchange rate fluctuations, managing a diverse and widespread workforce, political unrest, terrorist acts, military operations, disruptions or delays in shipments, disease outbreaks, natural disasters, and changes in economic conditions in countries in which we contract to manufacture, source raw materials or sell products. Our ability to sell products in certain markets, demand for our products in certain markets, our ability to collect accounts receivable, our contract manufacturers' ability to procure raw materials or manufacture products, distribution and logistics providers' ability to operate, our ability to operate brick and mortar stores, our workforce, and our cost of doing business (including the cost of freight and logistics) may be impacted by these events should they occur and laws and regulations. Our exposure to these risks is heightened in Vietnam, where a significant portion of our contract manufacturing is located, and in China, where a large portion of the raw materials used in our products is sourced by our contract manufacturers. Should certain of these events occur in Vietnam or China, they could cause a substantial disruption to our business and have a material adverse effect on our financial condition, results of operations and cash flows.

In addition, many of our imported products are subject to duties, tariffs or other import limitations that affect the cost and quantity of various types of goods imported into the United States and other markets, including the punitive tariffs on U.S. products imported from China imposed in 2019. In addition, goods suspected of being manufactured with forced labor could be blocked from importation into the U.S., which could materially impact sales.

In connection with the United Kingdom's exit from the European Union (commonly referred to as "Brexit"), on December 24, 2020, the European Union ("E.U.") and the United Kingdom ("U.K.") reached an agreement, the E.U.-U.K. Trade and Cooperation Agreement, to govern aspects of the relationship of the E.U. and U.K. following Brexit. As a result of no longer having "free circulation" between the U.K. and the E.U., we have incurred and will continue to incur additional duties. We are investigating alternatives to mitigate these additional costs in the future.

Fluctuations in Inflation and Currency Exchange Rates Could Result in Lower Revenues, Higher Costs and/or Decreased Margins and Earnings.

We derive a significant portion of our sales from markets outside the United States, which consist of sales to wholesale customers and directly to consumers by our entities in Europe, Asia, and Canada and sales to independent international distributors who operate within EMEA and LAAP. The majority of our purchases of finished goods inventory from contract manufacturers are denominated in United States dollars, including purchases by our foreign entities. These purchase and sale transactions expose us to the volatility of global economic conditions, including fluctuations in inflation and foreign currency exchange rates. Our international revenues and expenses generally are derived from sales and operations in foreign currencies, and these revenues and expenses could be and have been affected by currency fluctuations, specifically amounts recorded in foreign currencies and translated into United States dollars for consolidated financial reporting, as weakening of foreign currencies relative to the United States dollar adversely affects the United States dollar value of the Company's foreign currency-denominated sales and earnings.

Our exposure is increased with respect to our wholesale customers (including international distributors), where, in order to facilitate solicitation of advance orders for the spring and fall seasons, we establish local-currency-denominated wholesale and retail price lists in each of our foreign entities approximately six to nine months prior to United States dollar-denominated seasonal inventory purchases. As a result, our consolidated results are directly exposed to transactional foreign currency exchange risk and have been and could be further impacted by the United States dollar strengthening during the six to nine months between when we establish seasonal local-currency prices and when we purchase inventory. In addition to the direct currency exchange rate exposures described above, our wholesale business is indirectly exposed to currency exchange rate risks. Weakening of a wholesale customer's functional currency relative to the United States dollar makes it more expensive for it to purchase finished goods inventory from us, which may cause a wholesale customer to cancel orders or increase prices for our products, which may make our products less price-competitive in those markets. In addition, in order to make purchases and pay us on a timely basis, our international distributors must exchange sufficient quantities of their functional currency for United States dollars through the financial markets and may be limited in the amount of United States dollars they are able to obtain.

We employ several strategies in an effort to mitigate this transactional currency risk, but these strategies may not and, in the current environment, have not fully mitigated the negative effects of adverse foreign currency exchange rate fluctuations on the cost of our finished goods in a given period and there is no assurance that price increases will be accepted by our wholesale customers, international distributors or consumers. Our gross margins are adversely affected whenever we are not able to offset the full extent of finished goods cost increases caused by adverse fluctuations in foreign currency exchange rates.

Currency exchange rate fluctuations may also create indirect risk to our business by disrupting the business of independent finished goods manufacturers from which we purchase our products. When their functional currencies weaken in relation to other currencies, the raw materials they purchase on global commodities markets become more expensive and more difficult to finance. Although each manufacturer bears the full risk of fluctuations in the value of its currency against other currencies, our business can be and has been indirectly affected when adverse fluctuations cause a manufacturer to raise the prices of goods it produces for us, disrupt the manufacturer's ability to purchase the necessary raw materials on a timely basis, or disrupt the manufacturer's ability to function as an ongoing business.

WE ARE SUBJECT TO NUMEROUS OPERATIONAL RISKS

Our Ability to Manage Fixed Costs Across a Business That is Affected by Seasonality May Impact Our Profits.

Our business is affected by the general seasonal trends common to the outdoor industry. Our products are marketed on a seasonal basis and our annual net sales are weighted heavily toward the fall/winter season, while our operating expenses are more equally distributed throughout the year. As a result, often a majority of our operating profits are generated in the second half of the year. If we are unable to manage our fixed costs in the seasons where we experience lower net sales, our profits may be adversely impacted.

Labor Matters, Changes in Labor Laws and Our Ability to Meet Our Labor Needs May Reduce Our Revenues and Earnings.

Our business depends on our ability to source and distribute products in a timely manner. While a majority of our own operations are not subject to organized labor agreements, our relationship with our Cambrai distribution center employees is governed by French law, which includes a formal representation of employees by a Works Council and the application of a collective bargaining agreement. Matters that may affect our workforce (including COVID-19 infections or the risk thereof) at contract manufacturers where our goods are produced, shipping ports, transportation carriers, retail stores, or distribution centers create risks for our business, particularly if these matters result in work shut-downs (with little to no notice), slowdowns, lockouts, strikes, limitations on the number of individuals able to work (e.g. social distancing) or other disruptions. The foregoing includes potential impacts to our business as a result of the International Longshore and Warehouse Union negotiations. Labor matters may have a material adverse effect on our business, potentially resulting in canceled orders by customers, inability to fulfill potential e-commerce demand, unanticipated inventory accumulation and reduced net sales and net income.

In addition, our ability to meet our labor needs at our distribution centers, retail stores, corporate headquarters, and regional subsidiaries, including our ability to find qualified employees while controlling wage and related labor costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified people in the work force of the markets in which our operations are located, unemployment levels within those markets, absenteeism, prevailing wage rates, changing demographics, parental responsibilities, health and other insurance costs, adoption of new or revised employment and labor laws and regulations, and fear of contracting COVID-19. Our ability to source, distribute and sell products in a timely and cost-effective manner may be negatively affected to the extent we experience these factors. Our ability to comply with labor laws, including our ability to adapt to rapidly changing labor laws, as well as provide a safe working environment may increase our risk of litigation and cause us to incur additional costs.

We May Incur Additional Expenses, Be Unable to Obtain Financing, or Be Unable to Meet Financial Covenants of Our Financing Agreements as a Result of Downturns in the Global Markets.

Our vendors, wholesale customers, licensees and other participants in our supply chain may require access to credit markets in order to do business. Credit market conditions may slow our collection efforts as our wholesale customers find it more difficult to obtain necessary financing, leading to higher than normal accounts receivable. This could result in greater expense associated with collection efforts and increased bad debt expense. Credit conditions and/or supply chain disruptions may impair our vendors' ability to finance the purchase of raw materials or general working capital needs to support our production requirements, resulting in a delay or non-receipt of inventory shipments during key seasons.

Historically, we have limited our reliance on debt to finance our working capital, capital expenditures and investing activity requirements. We expect to fund our future capital expenditures with existing cash, expected operating cash flows and credit facilities, but, if the need arises to finance additional expenditures, we may need to seek additional funding. Our ability to obtain additional financing will depend on many factors, including prevailing market conditions, our financial condition and our ability to negotiate favorable terms and conditions. Financing may not be available on terms that are acceptable or favorable to us, if at all.

Our credit agreements have various financial and other covenants. If an event of default were to occur, the lenders could, among other things, declare outstanding amounts due and payable. If we were to borrow under our credit agreements, we would be subject to market interest rates and may incur additional interest expense when borrowing in a high interest rate environment.

Acquisitions Are Subject to Many Risks.

From time to time, we may pursue growth through strategic acquisitions of assets or companies. Acquisitions are subject to many risks, including potential loss of significant customers or key personnel of the acquired business as a result of the change in ownership, difficulty integrating the operations of the acquired business or achieving targeted efficiencies, the incurrence of substantial costs and expenses related to the acquisition effort, and diversion of management's attention from other aspects of our business operations.

Acquisitions may also cause us to incur debt or result in dilutive issuances of our equity securities. Our acquisitions may cause large one-time expenses or create goodwill or other intangible assets that could result in significant impairment charges in the future. We also make various estimates and assumptions in order to determine purchase price allocation and estimate the fair value of assets acquired and liabilities assumed. If our estimates or assumptions used to value these assets and liabilities vary from actual or future projected results, we may be exposed to losses, including impairment losses, that could be material.

We do not provide any assurance that we will be able to successfully integrate the operations of any acquired businesses into our operations or achieve the expected benefits of any acquisitions. The failure to successfully integrate newly acquired businesses or achieve the expected benefits of strategic acquisitions in the future could have an adverse effect on our financial condition, results of operations or cash flows. We may not complete a potential acquisition for a variety of reasons, but we may nonetheless incur material costs in the preliminary stages of evaluating and pursuing such an acquisition that we cannot recover.

Extreme Weather Conditions, Climate Change, and Natural Disasters Could Negatively Impact Our Operating Results and Financial Condition.

Extreme weather conditions in the areas in which our retail stores, suppliers, consumers, customers, distribution centers, headquarters and vendors are located could adversely affect our operating results and financial condition. Moreover, climate change and natural disasters such as earthquakes, hurricanes and tsunamis, whether occurring in the United States or abroad, and their related consequences and effects, including energy shortages and public health issues, could disrupt our operations, the operations of our vendors and other suppliers or result in economic instability and changes in consumer preferences and spending that may negatively impact our operating results and financial condition.

An Outbreak of Disease or Similar Public Health Threat, Such as a Pandemic, Could Have an Adverse Impact on Our Business, Operating Results and Financial Condition.

An outbreak of disease or similar public health threat, such a pandemic, could have an adverse impact on our business, financial condition and operating results, including in the form of lowered net sales and the delay of inventory production and fulfillment in impacted regions.

Our Investment Securities May Be Adversely Affected by Market Conditions.

Our investment portfolio is subject to a number of risks and uncertainties. Changes in market conditions, such as those that accompany an economic downturn or economic uncertainty, may negatively affect the value and liquidity of our investment portfolio, perhaps significantly. Our ability to find diversified investments that are both safe and liquid and that provide a reasonable return may be impaired, potentially resulting in lower interest income, less diversification, longer investment maturities, or other-than-temporary impairments.

We Depend on Certain Key Personnel.

Our future success will depend in part on our ability to attract, retain and develop certain key talent and to effectively manage succession. We face intense competition for these individuals worldwide, and there is a significant concentration of well-funded apparel and footwear competitors near our headquarters in Portland, Oregon. We may not be able to attract qualified new employees or retain existing employees, which may have a material adverse effect on our financial condition, results of operations or cash flows.

We License our Proprietary Rights to Third-Parties and Could Suffer Reputational Damage to Our Brands if We Fail to Choose Appropriate Licensees.

We currently license, and expect to continue licensing, certain of our proprietary rights, such as trademarks or copyrighted material, to third-parties. We rely on our licensees to help preserve the value of our brands. Although we attempt to protect our brands through approval rights, we cannot completely control the use of our licensed brands by our licensees. The misuse of a brand by or negative publicity involving a licensee could have a material adverse effect on that brand and on us.

In addition, from time to time we license the right to operate retail stores for our brands to third-parties, primarily to our independent international distributors. We provide training to support these stores and set operational standards. However, these third-parties may not operate the stores in a manner consistent with our standards, which could cause reputational damage to our brands or harm these third-parties' sales.

RISKS RELATED TO OUR SECURITIES

Our Common Stock Price May Be Volatile.

Our common stock is traded on the NASDAQ Global Select Market. The size of our public float and our average daily trading volume makes the price of our common stock susceptible to large degrees of fluctuation. Factors such as general market conditions, actions by institutional investors to rapidly accumulate or divest of a substantial number of our shares, fluctuations in financial results, variances from financial market expectations, changes in earnings estimates or recommendations by analysts, or announcements by us or our competitors may cause the market price of our common stock to fluctuate, perhaps substantially.

Certain Shareholders Have Substantial Control Over Us and Are Able to Influence Corporate Matters.

As of March 31, 2023, three related shareholders, Timothy P. Boyle, Joseph P. Boyle, and Molly E. Boyle, controlled just under 50% of our common stock outstanding. As a result, if acting together, Timothy P. Boyle, Joseph P. Boyle, and Molly E. Boyle are able to exercise significant influence over all matters requiring shareholder approval. These holdings could be significantly diminished (and with them the related effective control percentage) to satisfy any applicable estate or unrealized gains tax obligations of holders.

The Sale or Proposed Sale of a Substantial Number of Shares of Our Common Stock Could Cause the Market Price of Our Common Stock to Decline.

Shares held by Timothy P. Boyle, Joseph P. Boyle, and Molly E. Boyle, are available for resale, subject to the requirements of, and the rules under, the Securities Act of 1933 and the Securities Exchange Act of 1934. The sale or the prospect of the sale of a substantial number of these shares may have an adverse effect on the market price of our common stock.

We also may issue our capital stock or securities convertible into our capital stock from time to time in connection with a financing, acquisition, investments, or otherwise. Any such issuance could result in substantial dilution to our existing shareholders and cause the market price of our common stock to decline.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

ISSUER PURCHASES OF EQUITY SECURITIES

Since the inception of our share repurchase program in 2004 through March 31, 2023, our Board of Directors has authorized the repurchase of $2.0 billion of our common stock, excluding excise tax. Shares of our common stock may be purchased in the open market or through privately negotiated transactions, subject to market conditions, and generally settle subsequent to the trade date. The repurchase program does not obligate us to acquire any specific number of shares or to acquire shares over any specified period of time. Under this program as of March 31, 2023, we had repurchased 31.9 million shares at an aggregate purchase price of $1,486.4 million, and had $513.6 million remaining available, excluding excise tax.

The following is a summary of our common stock repurchases, excluding excise tax, during the quarter ended March 31, 2023:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
January 1, 2023 through January 31, 2023	—	$ —	—	$ 529.4
February 1, 2023 through February 28, 2023	86,976	$ 89.08	86,976	$ 521.6
March 1, 2023 through March 31, 2023	92,445	$ 86.59	92,445	$ 513.6
Total	179,421	$ 87.80	179,421	$ 513.6

ITEM 6. EXHIBITS

(a) | See Exhibit Index below for a description of the documents that are filed as Exhibits to this Quarterly Report on Form 10-Q or incorporated herein by reference.

EXHIBIT INDEX

Exhibit No.	Exhibit Name
3.1	Third Restated Articles of Incorporation (incorporated by reference to exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2000) (File No. 000-23939).
3.1(a)	Amendment to Third Restated Articles of Incorporation (incorporated by reference to exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2002) (File No. 000-23939).
3.1(b)	Second Amendment to Third Restated Articles of Incorporation (incorporated by reference to exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018) (File No. 000-23939).
3.2	2023 Amended and Restated Bylaws of Columbia Sportswear Company (incorporated by reference to exhibit 3.2 to the Company's Form 8-K filed on February 1, 2023) (File No. 000-23939).
10.1	Columbia Sportswear Company Third Amendment Change in Control Severance Plan
31.1	Rule 13a-14(a) Certification of Timothy P. Boyle, Chairman, President and Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Jim A. Swanson, Executive Vice President and Chief Financial Officer.
32.1	Section 1350 Certification of Timothy P. Boyle, Chairman, President and Chief Executive Officer.
32.2	Section 1350 Certification of Jim A. Swanson, Executive Vice President and Chief Financial Officer.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File, formatted as Inline XBRL and contained in Exhibit 101

SIGNATURES

Pursuant to the requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COLUMBIA SPORTSWEAR COMPANY

Date:	May 4, 2023	By:	/s/ JIM A. SWANSON
			Jim A. Swanson Executive Vice President and Chief Financial Officer *(Duly Authorized Officer and Principal Financial and Accounting Officer)*

COLUMBIA SPORTSWEAR COMPANY
THIRD AMENDED CHANGE IN CONTROL SEVERANCE PLAN

This change in control severance plan is established by Columbia Sportswear Company, an Oregon corporation (the "Company"), to enable the Company to offer a form of income protection to its eligible employees in the event their employment with the Company is involuntarily terminated other than for Cause. The Plan is also intended to secure for the benefit of the Company the services of the eligible employees in the event of a potential or actual Change in Control without concern for whether such employees might be hindered in discharging their duties by the personal uncertainties and risks associated with a Change in Control, by affording such employees the opportunity to protect the share value they have helped create as of the date of any Change in Control and offering income protection to such employees in the event their employment terminates involuntarily or for Good Reason in connection with a Change in Control. Capitalized terms used in the Plan have the meanings set forth in Section 2 herein.

1. Purpose, Establishment and Applicability of Plan.

1.1 Establishment of Plan. As of the Effective Date, the Company hereby establishes its Change in Control Severance Plan, as amended from time to time (the "Plan"), as set forth in this document.

1.2 Applicability of Plan. Subject to the terms of this Plan, the benefits provided by this Plan shall be available to all those Employees who, on or after the Effective Date, receive a Notice of Participation, pursuant to Section 3 herein.

1.3 Contractual Right to Benefits. This Plan and the Notice of Participation establish and vest in each Participant a contractual right to the benefits to which he or she is entitled pursuant to the terms and conditions thereof, enforceable by the Participant against the Company.

2. Definitions and Construction.

Whenever used in this Plan, the following terms shall have the meanings set forth below.

2.1 Administrator. "Administrator" shall mean the Board of Directors of the Company, or its committee or designee, as shall be responsible for administering this Plan.

2.2 Base Salary. "Base Salary" shall mean an amount equal to the Participant's gross annual base salary, exclusive of bonuses, other incentive pay, commissions and all other pay or expense types, as in effect immediately preceding the Termination Event.

2.3 Board. "Board" shall mean the Board of Directors of the Company.

2.4 Cause. "Cause" shall mean (i) any act of personal dishonesty taken by the Participant in connection with his or her responsibilities as an Employee and intended to result in substantial personal enrichment or benefit of the Participant, (ii) the Participant's conviction of a felony that is injurious to the Company as determined by the Administrator in its sole discretion, (iii) a willful act by the Participant that constitutes gross misconduct and that is injurious to the Company as determined by the Administrator in its sole discretion, (iv) continued violations by the Participant of the Participant's employment duties that are demonstrably willful and deliberate on the Participant's part after there has been delivered to the Participant a written demand for performance from the Company that specifically sets forth the factual basis for the Company's belief that the Participant has not substantially performed his duties, (v) a material violation of the Company's Code of Business Conduct and Ethics as determined by the Administrator in its sole discretion or

(vi) any act that would constitute a material violation of the standards set forth in this Plan, including, without limitation, the standards of Section 6.

2.5 Change in Control. "Change in Control" shall mean the occurrence of any of the following events:

(a) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities, provided, however, that the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege where the security being so converted was not acquired directly from the Company by the party exercising the conversion privilege, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company, (iv) an acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act pursuant to a transaction that meets the conditions of clauses (i), (ii) and (iii) set forth in subsection (b) below, or (v) any acquisition approved by the Board; or

(b) The consummation of a merger or consolidation of the Company with any other corporation or of the sale or disposition by the Company of all or substantially all of the Company's assets, excluding, however, in each case, a transaction pursuant to which

(i) the individuals, entities or groups (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) who are the beneficial owners of the total voting power represented by the voting securities of the Company immediately prior to such transaction will beneficially own, directly or indirectly, at least fifty percent (50%) of the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, of the Company or such surviving entity after the transaction in substantially the same proportions as their ownership, immediately prior to such transaction, of the total voting power represented by the voting securities of the Company;

(ii) no individual, entity or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act (other than the Company, any employee benefit plan (or related trust) of the Company or the surviving entity)) will beneficially own, directly or indirectly, fifty percent (50%) or more of, respectively, the total voting power represented by the voting securities of the Company or the surviving entity unless such ownership resulted solely from ownership of securities of the Company prior to such transaction; and

(iii) individuals who were members of the Incumbent Board will immediately after the consummation of the Company Transaction constitute at least a majority of the members of the board of directors of the Company or the surviving entity after the transaction.

2.6 Code. "Code" shall mean the Internal Revenue Code of 1986, as amended.

2.7 Company. "Company" shall mean Columbia Sportswear Company, any subsidiary corporations, any successor entities as provided in Section 8 hereof, and any parent or subsidiaries of such successor entities.

2.8 Company-Paid Coverage. "Company-Paid Coverage" shall mean the benefits coverage described in Section 4 hereof.

2.9 Disability. "Disability" shall mean that the Participant has been unable to perform his or her duties as an Employee as the result of incapacity due to physical or mental illness, loss of legal capacity or any other cause beyond the Employee's control (unless the Employee is granted a leave of absence by the Administrator) as determined by a physician selected by the Company and acceptable to the Employee, for a period or periods aggregating twelve (12) weeks in any three hundred sixty-five (365) day period.

2.10 Effective Date. "Effective Date" for purposes of this Plan shall mean February 1, 2009.

2.11 Employee. "Employee" shall mean an employee of the Company.

2.12 ERISA. "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

2.13 Exchange Act. "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

2.14 Good Reason. "Good Reason" shall mean any of the following that occur without the Participant's express written consent and that the Company fails to cure within the time frame specified in Section 12.3: (i) the material reduction of the Participant's authority, duties or responsibilities relative to the Participant's authority, duties or responsibilities in effect immediately prior to such reduction; (ii) a material reduction by the Company in the Participant's annual base salary relative to the Participant's annual base salary in effect immediately prior to such reduction, other than as part of a general decrease in the annual base salaries of all similarly ranked executives of the Company; or (iii) a change in Participant's geographic work location of over seventy-five (75) miles from the Participant's geographic work location immediately prior to such change, except for required travel in furtherance of the Company's business to the extent consistent with the Participant's duties.

2.15 Notice of Participation. “Notice of Participation” shall mean an individualized written notice of participation in this Plan from an authorized officer of the Company.

2.16 Participant. "Participant" shall mean each of the Tier I Participants, the Tier II Participants, the Tier III Participants and the Tier IV Participants.

2.17 Plan. "Plan" shall mean the Columbia Sportswear Company Change in Control Severance Plan, as set forth herein, together with all amendments hereto.

2.18 Release. "Release" has the meaning set forth in Section 3.1 hereof.

2.19 Severance Payment. "Severance Payment" shall mean the payment of severance compensation as provided in Section 4 hereof.

2.20 Termination Event. "Termination Event" shall mean (i) the termination of the Participant's employment by the Company involuntarily (within the meaning of Treas. Reg. § 1.409A-1(n)(1)) without Cause, not in connection with a Change in Control or (ii) a Change in Control.

2.21 Tier I Participant. "Tier I Participant" shall mean each Employee designated as a Tier I Participant by the Administrator and who signs and returns to the Company a Notice of Participation indicating that such Employee is a Tier I Participant.

2.22 Tier II Participant. "Tier II Participant" shall mean each Employee designated as a Tier II Participant by the Administrator and who signs and returns to the Company a Notice of Participation indicating that such Employee is a Tier II Participant.

2.23 Tier III Participant. "Tier III Participant" shall mean each Employee designated as a Tier III Participant by the Administrator and who signs and returns to the Company a Notice of Participation indicating that such Employee is a Tier III Participant.

2.24 Tier IV Participant. "Tier IV Participant" shall mean each Employee designated as a Tier IV Participant by the Administrator and who signs and returns to the Company a Notice of Participation indicating that such Employee is a Tier IV Participant.

3. Eligibility.

3.1 Waiver and Release. As a condition of receiving any payments or benefits under this Plan, an Employee must sign, and not subsequently revoke, a general waiver and release in a form satisfactory to the Company (the "Release") which becomes effective within sixty (60) days, or such shorter period specified in the Release, after the Participant's termination date.

3.2 Participation in Plan. Each Employee who is designated by the Administrator as a Tier I Participant, a Tier II Participant, a Tier III Participant or a Tier IV Participant and who signs and returns to the Company a Notice of Participation within the time period set forth in such Notice shall be a Participant in this Plan. A Participant shall cease to be a Participant in this Plan (i) upon ceasing to be an Employee, or (ii) upon receiving written notice from the Administrator prior to a Termination Event that the Participant is no longer eligible to participate in this Plan, unless in either case such Participant is then entitled to benefits hereunder. A Participant entitled to benefits hereunder shall remain a Participant in this Plan until the full amount of the benefits has been delivered to the Participant.

4. Severance Benefits.

4.1 Termination Without Cause, Not in Connection with a Change in Control. If a Participant's employment is terminated by the Company involuntarily (within the meaning of Treas. Reg. § 1.409A-1(n)(1)) without Cause, not in connection with a Change in Control, then, subject to Sections 3.1, 5 and 6 hereof, the Participant shall be entitled to receive severance benefits as follows:

(a) Severance Pay. The Participant shall be entitled to receive a cash payment equal to the amount set forth in Exhibit A.

(b) Employee Benefits. To the extent the Participant and the Participant's spouse and dependent children properly (and timely) elect, pursuant to Code Section 4980B ("COBRA"), continuation coverage under the Company's group health plans, the Company shall reimburse the Participant for the proportionate cost of the premiums due for such coverage, as determined by the cost ratio policy for the Company's employees in effect from time to time, for a period beginning on the Participant's termination date and ending on the earlier to occur of (i) the date on which the Participant is no longer entitled to COBRA continuation coverage under the Company's group health plans, and (ii) the expiration of eighteen (18) months, in the case of Tier I Participants and Tier II Participants, or twelve (12) months, in the case of Tier III Participants and Tier IV Participants, from the Participant's termination date; provided, however, that the Company may amend or eliminate the benefits provided in this Section 4.1(b) to the extent it deems necessary to avoid the imposition of excise taxes, penalties or similar charges on the Company, including, without limitation, under Sections 4980D and 4980H under the Code.

4.2 Termination Within Twelve Months Following a Change in Control. If a Participant's employment is terminated (i) involuntarily (within the meaning of Treas. Reg. § 1.409A-1(n)(1)) by the Company without Cause within twelve (12) months following a Change in Control, or (ii) voluntarily by the Participant for Good Reason (on account of a Good Reason condition that initially occurred within twelve (12) months following a Change in Control), then, subject to Sections 3.1, 5 and 6 hereof, the Participant shall be entitled to receive severance benefits as follows:

(a) Severance Pay. The Participant shall be entitled to receive a cash payment equal to the amount set forth in Exhibit B.

(b) Employee Benefits. To the extent the Participant and the Participant's spouse and dependent children properly (and timely) elect COBRA continuation coverage under the Company's group health plans, the Company shall reimburse the Participant for the proportionate cost of the premiums due for such coverage, as determined by the cost ratio policy for the Company's employees in effect from time to time, for a period beginning on the Participant's termination date and ending on the earliest to occur of (i) the date on which the Participant is no longer entitled to COBRA continuation coverage under the Company's group health plans, and (ii) the expiration of eighteen (18) months from the Participant's termination date; provided, however, that the Company may amend or eliminate the benefits provided in this Section 4.2(b) to the extent it deems necessary to avoid the imposition of excise taxes, penalties or similar charges on the Company, including, without limitation, under Sections 4980D and 4980H under the Code.

(c) Treatment of Equity Awards. Notwithstanding any provision in the instrument evidencing an equity award, all outstanding equity-based awards granted to the Participant under any applicable equity compensation plans of the Company as in effect on the date of the Change in Control (including but not limited to grants of nonqualified stock options, stock appreciation rights, and restricted stock or unit awards), whether granted before or after the Effective Date, shall become fully vested and exercisable or payable as of the effective date of the Participant's termination. In the case of any performance-based equity award, "fully vested and exercisable or payable" means (i) with respect to any performance period that has not yet been completed as of the Participant's termination, vesting and payment of such award as if the performance goals been attained at the target performance level, prorated for the Participant's period of service during the performance period, and (ii) with respect to any completed performance period as of the Participant's termination but for which payment has not yet been made to the Participant, vesting and payment based on actual performance for such performance period.

4.3 Method of Payment.

(a) Any cash payment to which a Participant becomes entitled pursuant to Section 4.1(a) or 4.2(a) shall be paid to the Participant in a lump sum as soon as administratively practicable after the Participant's Release, described in Section 3.1, becomes effective; provided, however, that in no event shall such payment be made prior to the Participant's termination date or more than two and one-half (2½) months after the end of the Company's fiscal year containing the Participant's termination date (but only if the Participant's Release has become effective by such date). The initial reimbursement for Company-Paid Coverage shall be made to the Participant at the same time as any cash severance under Section 4.1(a) or 4.2(a) is paid to the Participant, with such initial reimbursement including all amounts of Company-Paid Coverage that would have been reimbursed prior to such date but for the requirement that the Participant execute an effective Release. Subsequent reimbursements shall be made on a monthly basis, provided the Participant has timely paid the applicable COBRA premium for such month.

(b) If the Participant's Release has not become effective by the date set forth in Section 3.1 herein, then the Participant shall not be entitled to a Severance Payment or Company-Paid Coverage under this Plan. If a Participant dies after becoming eligible for a cash Severance Payment and executing a Notice of Participation and an accompanying Release but before payment of the cash Severance Payment, the cash Severance Payment will be paid to the Participant's estate in a lump sum. If a Participant dies after becoming eligible for a cash Severance Payment but before executing a Notice of Participation and an accompanying Release, his or her estate or representative may not execute a Notice of Participation and no Severance Payment or Company-Paid Coverage with respect to the Participant will be payable under this Plan. All payments under this Plan will be net of amounts withheld with respect to taxes, offsets, or other obligations.

4.4 Voluntary Resignation: Termination for Cause. If (a) the Participant's employment terminates by reason of the Participant's voluntary resignation other than for Good Reason, (b) the Company terminates the Participant for Cause, or (c) a Participant's employment terminates for any reason prior to the occurrence of a Change in Control (other than the termination without Cause contemplated by Section 4.1 herein) then the Participant shall not be entitled to receive severance or other benefits under this Plan and shall be entitled only to those benefits (if any) as may be available under the Company's then existing benefits plans and policies at the time of such termination.

4.5 Disability; Death. If the Participant's employment terminates by reason of the Participant's death, or in the event the Company terminates the Participant's employment following his or her Disability, the Participant shall not be entitled to receive severance or other benefits under this Plan and shall be entitled only to those benefits (if any) as may be available under the Company's then existing benefits plans and policies at the time of such termination.

5. Golden Parachute Excise Tax and Non-Deductibility Limitations.

5.1 Benefits Cap. In the event that any payment or benefit under this Plan, either alone or when aggregated with any other payments or benefits received by a Participant, or to be received by a Participant, from the Company, or from any person whose actions result in a Change in Control of the Company or from any person affiliated with the Company or such persons (each a "Payment" and, collectively, the "Total Payments") would (i) constitute a "parachute payment" within the meaning of Code Section 280G, and (ii) but for this provision, any portion of which would be subject to the excise tax imposed by Code Section 4999 or any similar or successor provision (the "Excise Tax"), then, either (a) the Participant shall receive the full amount of payments and benefits to which the Participant is entitled under the Plan and any resulting Excise Tax due shall be the sole responsibility of the Participant, or (b) the Participant's payments and benefits under this Plan shall be reduced to such lesser amount or degree as would result in no portion of any Payment being subject to the Excise Tax or being disallowed as a deduction under Code Section 280G; provided, that Participant shall be entitled to whichever of option (a) or (b) results in the best "after-tax" position for the Participant. If, pursuant to this Section 5.1, a Participant's payments and benefits are required to be reduced, the Company shall determine the manner in which the remaining Total Payments will be reduced. Within any category of payments and benefits (i.e., cash payments, equity-based payments and acceleration, and other non-cash forms of benefits), a reduction shall occur first with respect to amounts that are not "deferred compensation" within the meaning of Code Section 409A and then with respect to amounts that are deferred compensation. To the extent any such payments are to be made over time (e.g., in installments), the payments shall be waived in reverse chronological order.

5.2 Determination. Unless the Company and the Participant otherwise agree in writing, any determination required under this Section 5 or the Participant's Notice of Participation shall be made in writing by an independent accounting firm appointed by the Company (the "Accountants"), whose determination shall be conclusive and binding upon the Participant and the Company for all purposes. For purposes of making the calculations required by this Section 5, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Participant shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations pursuant to this Section 5.

6. **Forfeiture of Severance Benefits.**

Notwithstanding any other provision of this Plan to the contrary, if it is determined by the Company that a Participant has violated the Company's Code of Business Conduct and Ethics or violated any restrictive covenants contained in the Participant's Release or any other restrictive covenants contained in any other Company plan or program or agreement between the Company and the Participant, the Participant shall be required to repay to the Company an amount equal to the economic value of all Severance Payments and Company-Paid Coverage already paid or provided to the Participant under this Plan and the Participant shall forfeit all other entitlements under this Plan. Additional forfeiture provisions may apply under this Plan or other agreements between the Participant and the Company, and any such forfeiture provisions shall remain in full force and effect.

7. **Employment Status: Withholding.**

7.1 Employment Status. This Plan does not constitute a contract of employment or impose on the Participant or the Company any obligations to retain the Participant as an Employee, to change the status of the Participant's employment, or to change the Company's policies regarding termination of employment. The Participant's employment is and shall continue to be at will, as defined under applicable law. If the Participant's employment with the Company or a successor entity terminates for any reason that does not constitute, or occur in connection with, a Termination Event, the Participant shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided by this Plan, or as may otherwise be available in accordance with the Company's established employee plans and practices or other agreements with the Company at the time of termination.

7.2 Taxation of Plan Payments. All amounts paid pursuant to this Plan shall be subject to regular payroll and withholding taxes.

8. **Successors to Company and Participants.**

8.1 Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Plan and agree expressly to perform the obligations under this Plan by executing a written agreement. For all purposes under this Plan, the term "Company" shall include any successor to the Company's business and/or assets that executes and delivers the assumption agreement described in this subsection or that becomes bound by the terms of this Plan by operation of law.

8.2 Participant's Successors. All rights of the Participant hereunder shall inure to the benefit of, and be enforceable by, the Participant's personal or legal representatives, executors, administrators, successors, heirs, distributes, devisees, and legatees.

9. **Duration, Amendment, and Termination.**

9.1 Duration. This Plan shall terminate on January 31, 2028, unless (a) this Plan is extended by the Administrator, (b) a Change in Control occurs prior to January 31, 2028 or (c) the Administrator terminates this Plan in accordance with Section 9.2 below. If a Change in Control occurs prior to termination of this Plan pursuant to the preceding sentence, then this Plan shall terminate upon the date that all obligations of the Company hereunder have been satisfied. A termination of this Plan pursuant to the preceding sentences shall be effective for all purposes, except that such termination shall not affect the payment or provision of compensation or benefits earned by a Participant prior to the termination of this Plan.

9.2 Amendment and Termination. The Administrator shall have the discretionary authority to amend this Plan in any respect, including as to the removal or addition of Participants, by resolution adopted by a majority of the Administrator, unless a Termination Event has previously occurred. This Plan may be terminated by resolution adopted by a majority of the Administrator, unless a Termination Event has previously occurred. If a Termination Event occurs, this Plan and the designation of Participants thereto shall no longer be subject to amendment, change, substitution, deletion, revocation or termination in any respect whatsoever without the prior written consent of each Participant to whom such action applies, unless required by applicable law.

10. Administration.

10.1 Power and Authority. The Administrator has all power and authority necessary or convenient to administer this Plan, including, but not limited to, the exclusive authority and discretion: (a) to construe and interpret this Plan; (b) to decide all questions of eligibility for and the amount of benefits under this Plan; (c) to prescribe procedures to be followed and the forms to be used by the Participants pursuant to this Plan; and (d) to request and receive from all Participants such information as the Administrator determines is necessary for the proper administration of this Plan.

10.2 Section 409A. The Company makes no representations or warranties to any Employee with respect to any tax, economic or legal consequences of this Plan or any payments to any Participant hereunder, including, without limitation, under Code Section 409A, and no provision of this Plan shall be interpreted or construed to transfer any liability for failure to comply with Code Section 409A or any other applicable legal requirements from the Participant or other individual to the Company or any of its affiliates. Each Participant, by executing a Notice of Participation, shall be deemed to have waived any claim against the Company and its affiliates with respect to any such tax, economic or legal consequences. However, the payments and benefits provided under this Plan are not intended to constitute deferred compensation that is subject to the requirements of Code Section 409A. Rather, the Company intends that this Plan and the payments and other benefits provided hereunder be exempt from the requirements of Code Section 409A, whether pursuant to the short-term deferral exception described in Treas. Reg. § 1.409A-1(b)(4), the involuntary separation pay plan exception described in Treas. Reg. § 1.409A-1(b)(9)(iii), or otherwise. Notwithstanding any provision of the Plan to the contrary, the Plan shall be interpreted, operated and administered in a manner consistent with such intention. Without limiting the generality of the foregoing, and notwithstanding any other provision of the Plan to the contrary, all references herein to the termination of a Participant's employment are intended to mean the Participant's "separation from service" within the meaning of Code Section 409A(a)(2)(A)(i).

11. Claims Process.

11.1 Claim for Benefits. A Participant (or any individual authorized by such Participant) has the right under ERISA and this Plan to file a written claim for benefits. To file a claim, the Participant must send the written claim to the Company's Vice President of Human Resources. If such claim is denied in whole or in part, the Participant shall receive written notice of the decision of the Company's Vice President of Human Resources within ninety (90) days after the claim is received. Such written notice shall include the following information: (i) specific reasons for the denial; (ii) specific reference to pertinent Plan provisions on which the denial is based; (iii) a description of any additional material or information necessary for the perfection of the claim and an explanation of why it is needed; and (iv) steps to be taken if the Participant wishes to appeal the denial of the claim, including a statement of the Participant's right to bring a civil action under Section 502(a) of ERISA upon an adverse decision on appeal. If the Company's Vice President of Human Resources needs more than ninety (90) days to make a decision, he or she shall notify the Participant in writing within the initial ninety (90) days and explain why more time is required, and how much additional time is needed. If a Participant (or any individual authorized by such Participant) submits a claim according to the procedures above and does not hear from the Company's Vice President of Human Resources within the appropriate time, the Participant may consider the claim denied.

11.2 Appeals. The following appeal procedures give the rules for appealing a denied claim. If a claim for benefits is denied, in whole or in part, or if the Participant believes benefits under this Plan have not been properly provided, the Participant (or any individual authorized by such Participant) may appeal this denial in writing within sixty (60) days after the denial is received by filing a written request for review with the Administrator. The Administrator shall conduct a review and make a final decision within sixty (60) days after receiving the Participant's written request for review. If the Administrator needs more than sixty (60) days to make a decision, it shall notify the Participant in writing within the initial sixty (60) days and explain why more time is required and the date by which the Administrator expects to render its decision. The Administrator may then take sixty (60) more days to make a decision. If such appeal is denied in whole or in part, the decision shall be in writing and shall include the following information: (i) specific reasons for the denial; (ii) specific reference to pertinent Plan provisions on which the denial is based; (iii) a statement of the Participant's right to access and receive copies, upon request and free of charge, of all documents and other information relevant to such claim for benefits; and (iv) a statement of the Participant's (or representative's) right to bring a civil action under Section 502(a) of ERISA. If the Administrator does not respond within the applicable time frame, the Participant may consider the appeal denied. If a Participant's claim is denied, in whole or in part, the Participant (or any individual authorized by such Participant) will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant (within the meaning of 29 C.F.R. § 2560.503-1(m)(8)) to his or her claim. Likewise, a Participant (or any individual authorized by such Participant) who submits a written request to appeal a denied claim shall have the right to submit any comments, documents, records or other information relating to the claim that he or she wishes to provide.

11.3 Limitations Period. A Participant must pursue the claim and appeal rights described above before seeking any other legal recourse regarding a claim for benefits. The Participant may thereafter file an action in a court of competent jurisdiction, but he or she must do so within one hundred eighty (180) days after the date of the notice of decision on appeal or such action will be forever barred. Any judicial review of the Administrator's decision on a claim will be limited to whether, in the particular instance, the Administrator abused its discretion. In no event will such judicial review be on a de novo basis, because the Administrator has discretionary authority to determine eligibility for (and the amount of) payments and benefits under the Plan and to construe and interpret the terms and provisions of the Plan.

12. Notices and Assignment.

12.1 General. Notices and all other communications contemplated by this Plan shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Participant, mailed notices shall be addressed to him or her at the home address that he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Vice President of Human Resources.

12.2 Notice of Termination by the Company. Any termination by the Company in connection with a Termination Event pursuant to the terms herein shall be communicated by a notice of termination to the Participant at least five (5) days prior to the date of such termination (or at least thirty (30) days prior to the date of a termination by reason of the Participant's Disability). Such notice shall indicate the specific termination provision or provisions in this Plan relied upon (if any), shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision or provisions so indicated, and shall specify the termination date.

12.3 Notice by the Participant of Potential Involuntary Termination. In the event that the Participant (a) determines that a condition constituting Good Reason has occurred at any time within twelve (12) months following a Change in Control and (b) desires to terminate his employment with the Company for such Good Reason, the Participant shall give written notice to the Company of the condition that Participant believes constitutes Good Reason and Participant's intent to terminate his employment if the condition is not remedied by the Company within the period described below. The notice shall be delivered by the Participant to the Company within ninety (90) days following the initial existence of the condition that Participant believes constitutes Good Reason, shall specify a termination date that is no less than thirty-one (31) days and no more than ninety (90) days after the Company receives such notice, shall indicate the specific provisions or provisions in this Plan upon which the Participant relied to make such determination and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for such determination. The failure by the Participant to include in the notice any fact or circumstance that contributes to a showing of Good Reason shall not waive any right of the Participant hereunder or preclude the Participant from asserting such fact or circumstance in enforcing his or her rights hereunder. The Company shall have thirty (30) days following its receipt of such notice to remedy the condition constituting Good Reason and, if it does remedy the condition within such thirty (30) day period, then the Participant's termination shall not be for Good Reason.

12.4 Assignment by Company. The Company may assign its rights under this Plan to an affiliate, and an affiliate may assign its rights under this Plan to another affiliate of the Company or to the Company; provided, however, that no assignment shall be made if the net worth of the assignee is less than the net worth of the Company at the time of assignment; provided, further, that the Company shall guarantee all benefits payable hereunder. In the case of any such assignment, the term "Company" when used in this Plan shall mean the corporation that actually employs the Participant.

13. Miscellaneous.

13.1 Governing Law, Jurisdiction and Venue. This Plan is intended to be, and shall be interpreted as, an unfunded employee welfare benefit plan (within the meaning of Section 3(1) of ERISA) for a select group of management or highly compensated employees (within the meaning of Section 2520.104-24 of Department of Labor Regulations) and it shall be enforced in accordance with ERISA. Any Participant or other person filing an action related to this Plan shall be subject to the jurisdiction and venue of the federal courts of the State of Oregon.

13.2 Employment Status. Except as may be provided under any other agreement between a Participant and the Company, the employment of the Participant by the Company is "at will" and may be terminated by either the Participant or the Company at any time, subject to applicable law.

13.3 Severability. In the event any provision of this Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Plan, and this Plan shall be construed and enforced as if the illegal or invalid provision had not been included. Further, the captions of this Plan are not part of the provisions hereof and shall have no force and effect.

13.4 Effect of Plan. This Plan, as amended, shall completely replace and supersede any prior version of this Plan and any other verbal or written document or communication concerning severance benefits. In addition, severance benefits shall not be counted as "compensation," or any equivalent term, for purposes of determining benefits under other plans, programs or practices owing to the Participant from the Company, except to the extent expressly provided therein. Except as otherwise specifically provided for in this Plan, the Participant's rights under all such agreements, plans, provisions, and practices continue to be subject to the respective terms and conditions thereof.

EXHIBIT A
TO
COLUMBIA SPORTSWEAR COMPANY
THIRD AMENDED CHANGE IN CONTROL SEVERANCE PLAN

Tier	Amount of Cash Severance Payment
I	3.0 times the Tier I Participant's Base Salary
II	2.25 times the Tier II Participant's Base Salary
III	1.4 times the Tier III Participant's Base Salary
IV	1.3 times the Tier IV Participant's Base Salary

**EXHIBIT B
TO
COLUMBIA SPORTSWEAR COMPANY
THIRD AMENDED CHANGE IN CONTROL SEVERANCE PLAN**

Tier	Amount of Cash Severance Payment
I	3.75 times the Tier I Participant's Base Salary
II	3.0 times the Tier II Participant's Base Salary
III	2.1 times the Tier III Participant's Base Salary
IV	1.95 times the Tier IV Participant's Base Salary

COLUMBIA SPORTSWEAR COMPANY
THIRD AMENDED CHANGE IN CONTROL SEVERANCE PLAN

NOTICE OF PARTICIPATION

To:

Date: ______, 20__

The Administrator has designated you as a Participant in the Plan, a copy of which is attached hereto. The terms and conditions of your participation in the Plan are as set forth in the Plan and herein. The terms defined in the Plan shall have the same defined meanings in this Notice of Participation. As a condition to receiving benefits under the Plan, you must sign a general waiver and release in the form provided by the Company. The variables relating to your Plan participation are as follows:

Tier __ Participant

The Severance Payment is subject to forfeiture or repayment in certain cases if the Participant has violated the Company's Code of Business Conduct and Ethics or the Participant's restrictive covenants with the Company.

If you agree to participate in the Plan on these terms and conditions, please acknowledge your acceptance by signing below. Please return the signed copy of this Notice of Participation within ten (10) days of the date set forth above to:

____
____
____
____

Your failure to timely remit this signed Notice of Participation will result in your immediate removal from the Plan. Please retain a copy of this Notice of Participation, along with the Plan, for your records.

Date:____________________ Signature:_____________________________________

EXHIBIT 31.1

CERTIFICATION

I, Timothy P. Boyle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Columbia Sportswear Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2023

/s/ TIMOTHY P. BOYLE

Timothy P. Boyle
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Jim A. Swanson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Columbia Sportswear Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2023

/s/ JIM A. SWANSON

Jim A. Swanson
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

SECTION 1350 CERTIFICATION

In connection with the Quarterly Report on Form 10-Q of Columbia Sportswear Company (the “Company") for the period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Timothy P. Boyle, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 as of, and for, the periods presented in the Form 10-Q; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 4, 2023

/s/ TIMOTHY P. BOYLE

Timothy P. Boyle

Chairman, President and Chief Executive Officer

(Principal Executive Officer)

EXHIBIT 32.2

SECTION 1350 CERTIFICATION

In connection with the Quarterly Report on Form 10-Q of Columbia Sportswear Company (the “Company") on for the period ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Jim A. Swanson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 as of, and for, the periods presented in the Form 10-Q; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 4, 2023

/s/ JIM A. SWANSON

Jim A. Swanson

Executive Vice President and Chief Financial Officer

(Principal Financial and Accounting Officer)