

Amer Sports 4Q 2023

MARCH 2024

AMER SPORTS

FORWARD LOOKING STATEMENTS

This presentation includes estimates, projections, statements relating to the business plans, objectives, and expected operating results of Amer Sports Inc. ("Amer Sports" or the "Company") that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. In many cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "target," "outlook," "believes," "intends," "estimates," "predicts," "potential" or the negative of these terms or other comparable terminology. These forward looking statements include, without limitation, guidance and outlook statements, our long-term targets and algorithm, statements regarding our ability to meet environmental, social and governance goals, expectations regarding industry trends and the size and growth rates of addressable markets, and statements regarding our business plan and our growth strategies. These statements are based on management's current expectations but they involve a number of risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in the forward-looking statements as a result of factors relating to, without limitation: the strength of our brands; changes in market trends and consumer preferences; intense competition that our products, services and experiences face; harm to our reputation that could adversely impact our ability to attract and retain consumers and wholesale partners, employees, brand ambassadors, partners, and other stakeholders; reliance on technical innovation and high-quality products; general economic and business conditions worldwide, including due to inflationary pressures; the strength of our relationships with and the financial condition of our third-party suppliers, manufacturers, wholesale partners and consumers; ability to expand our DTC channel, including our expansion and success of our owned retail stores and e-commerce platform; our plans to innovate, expand our product offerings and successfully implement our growth strategies that may not be successful, and implementation of these plans that may direct divert our operational, managerial and administrative resources; our international operations, including any related to political uncertainty and geopolitical tensions; our and our wholesale partners' ability to accurately forecast demand for our products and our ability to manage manufacturing decisions; our third party suppliers, manufacturers and other partners, including their financial stability and our ability to find suitable partners to implement our growth strategy; the cost of raw materials and our reliance on third-party manufacturers; our distribution system and ability to deliver our brands' products to our wholesale partners and consumers; climate change and sustainability or ESG-related matters, or legal, regulatory or market responses thereto; changes to trade policies, tariffs, import/export regulations, anti-competition regulations and other regulations in the United States, EU, PRC and other jurisdictions, or our failure to comply with such regulations; ability to obtain, maintain, protect and enforce our intellectual property rights in our brands, designs, technologies and proprietary information and processes; ability to defend against claims of intellectual property infringement, misappropriation, dilution or other violations made by third parties against us; security breaches or other disruptions to our IT systems; changes in government regulation and tax matters; our ability to remediate our material weakness in our internal control over financial reporting; our relationship with our significant shareholders; other factors that may affect our financial condition, liquidity and results of operations; and other risks and uncertainties set out in filings made from time to time with the SEC and available at www.sec.gov, including, without limitation, our reports on Form 20-F and Form 6-K. You are urged to consider these factors carefully in evaluating the forward-looking statements contained herein and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by these cautionary statements. The forward-looking statements made herein speak only as of the date of this presentation and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances, except as may be required by law.



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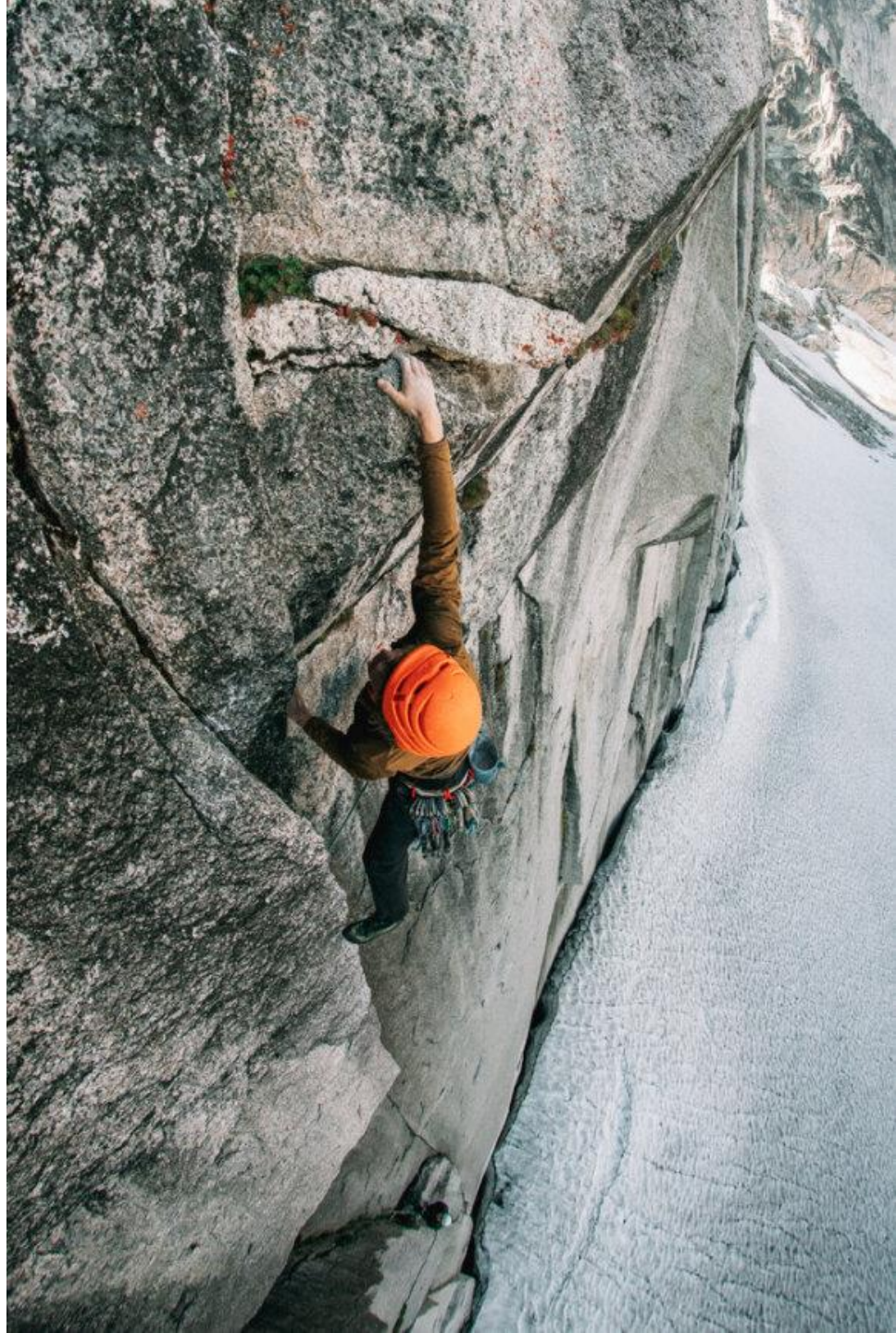
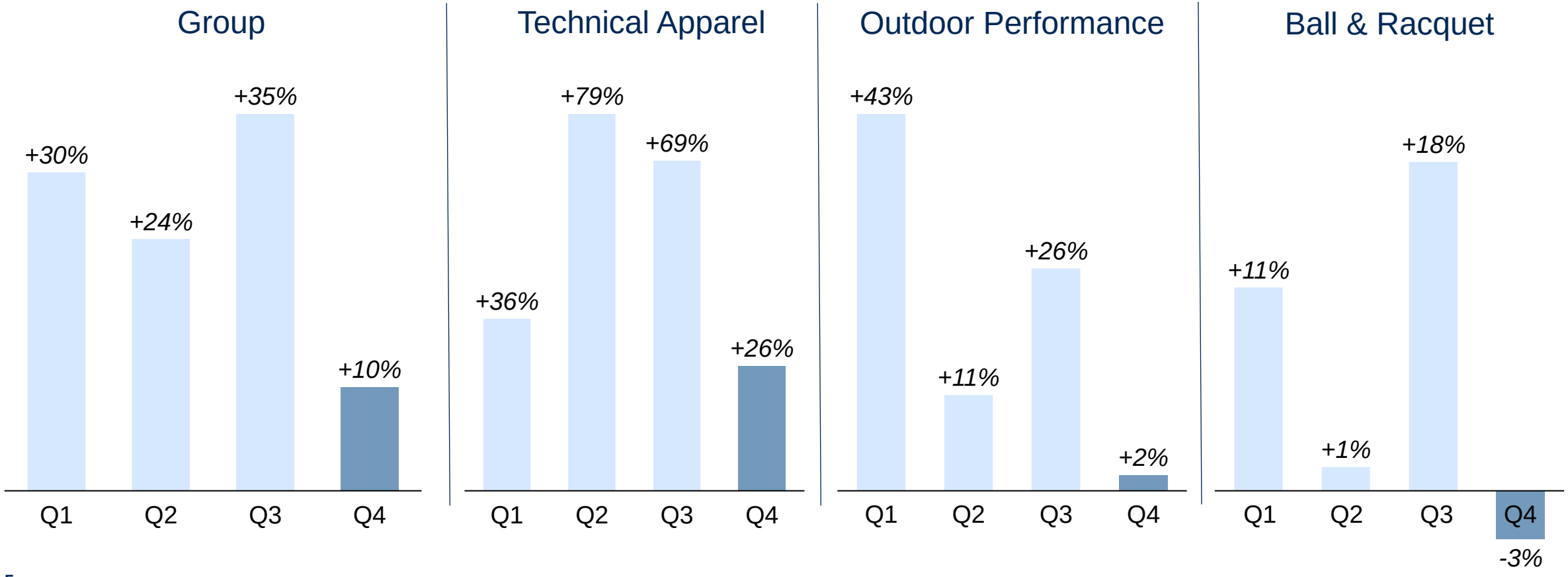
Amer Well Positioned

- Unique portfolio of premium outdoor & sports brands
- Brands with high engagement and satisfaction, but still small in the global outdoor and sports market
- Premium outdoor & sports market remains healthy, especially in greater China and North America
- Highest-margin brands, regions, channels, and categories growing the fastest
- Strong and experienced management team energized and motivated to drive value creation



Segment Revenues

Quarterly revenue ($M) and change (in %) by segment, vs same period of 2022



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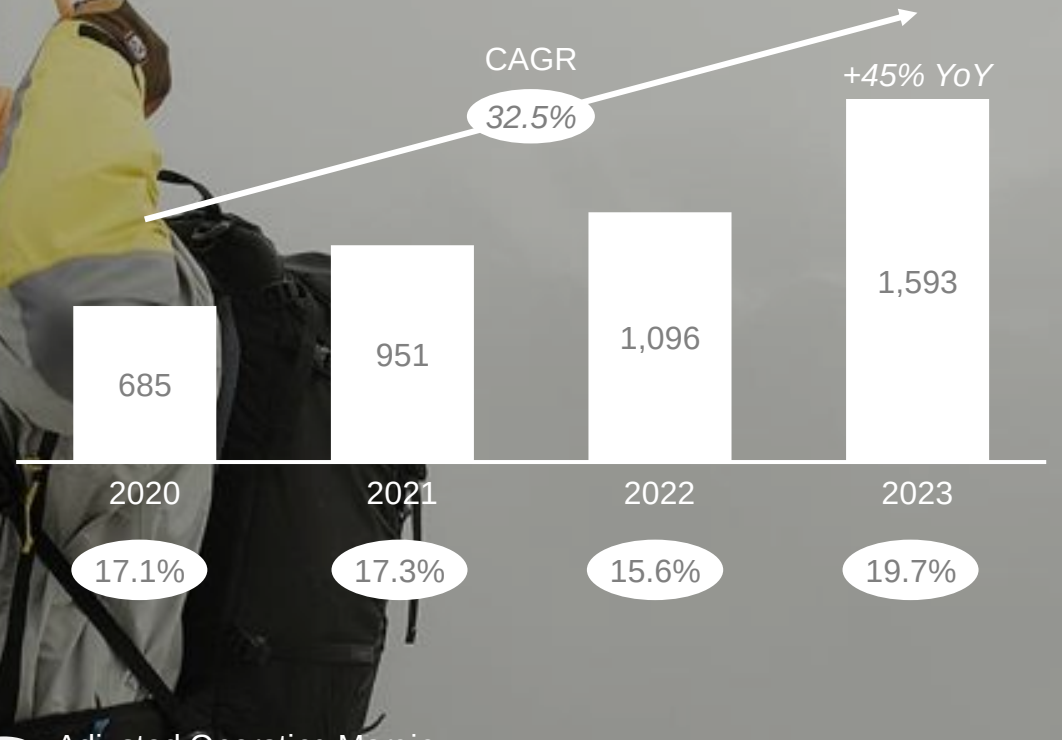
Technical Apparel

- 4Q revenues +26% to $550 million driven by 42% DTC growth including 33% omni-comp growth. Partially offset by a 5% decline in wholesale due to comparability issues.
- Arc'teryx strong brand momentum across all regions, channels, consumer segments, and product categories. In-store and online strong traffic and conversion trends.
- Regionally, 30+% growth rate in both Greater China and Americas.
- Adjusted operating margin +42 bps driven by strong gross margin expansion, partially offset by higher investment and operating expenses to support growth.

Revenue ($M) and Adjusted Operating Margin Development

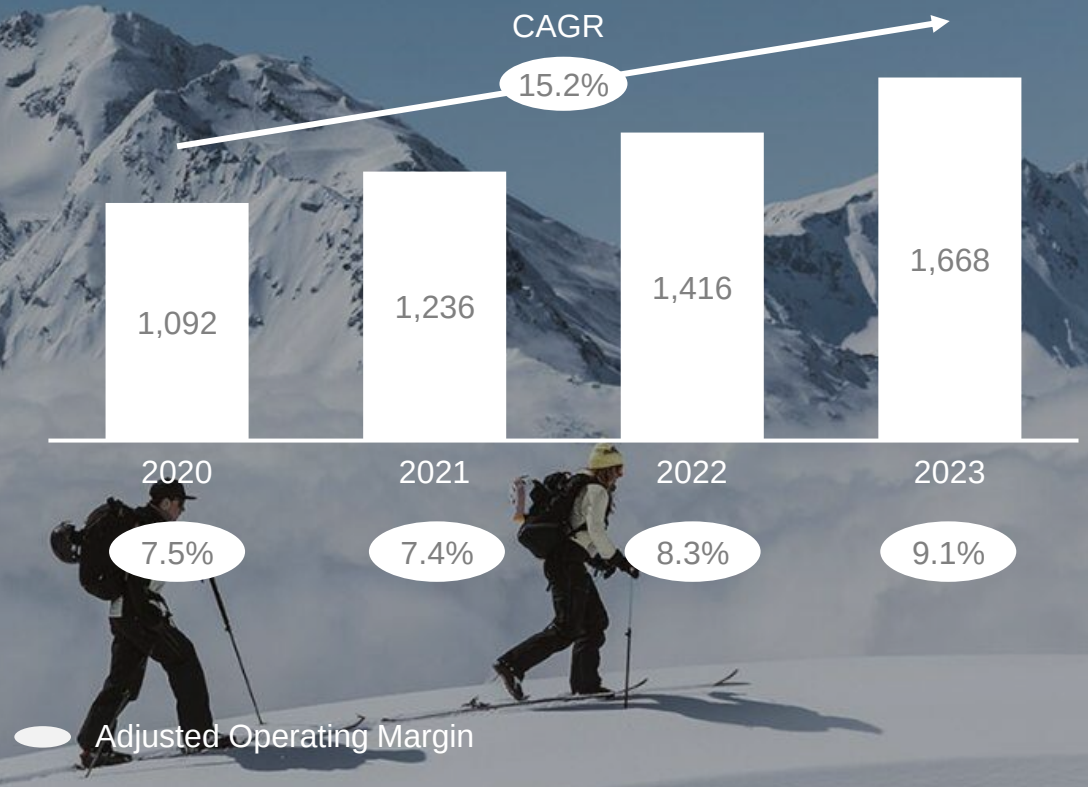


Note: Adjusted operating margin is a non-IFRS financial measure. See appendix for a reconciliation to the most directly comparable IFRS measure

Outdoor Performance

- Revenues +2% in 4Q to $523 million driven by strong top- and bottom-line performance in winter sports equipment early in the ski season, partially offset by expected Salomon footwear deceleration in wholesale.
- DTC +33%, continues in 4Q to outperform the market
- Regionally, Greater China and APAC experienced strong increases, partially offset by declines in N.A. and EMEA.
- Salomon footwear strong brand heat but continues to experience cautious pre-orders from retailers in North America and EMEA.
- Strong start to 2024 in footwear driven by China, DTC, and replenishment reorders.
- Adjusted operating margin -459 bps to 9.1% driven by solid gross margin expansion, more than offset by higher SG&A spend to support growth in China and footwear.

Revenue ($M) and Adjusted Operating Margin Development

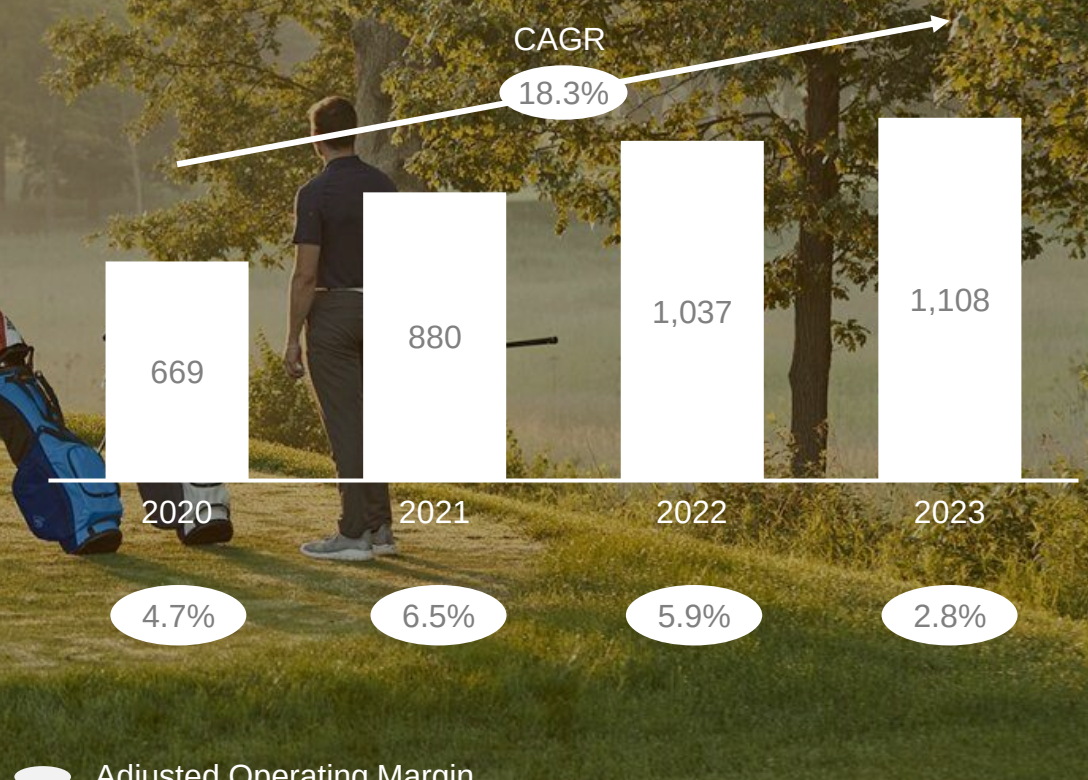


Note: Adjusted operating margin is a non-IFRS financial measure. See appendix for a reconciliation to the most directly comparable IFRS measure

Ball & Raquet

- 4Q revenues -3% to $242 million.
- Growth in EMEA and China was not enough to offset declines in Ball & Racquet's largest channel, U.S. wholesale.
- Baseball and Racquet weakness more than offset growth in Sportswear, Golf, and Balls. The U.S. sports equipment was market challenged in 2023 due to a combination of elevated inventories across the industry that spilled over from 2022 plus more normalized demand growth.
- Adjusted operating margin contracted 903 bps to -10.4% due to promotional inventory actions necessary to enter 2024 in clean position.

Revenue ($M) and Adjusted Operating Margin Development



Note: Adjusted operating margin is a non-IFRS financial measure. See appendix for a reconciliation to the most directly comparable IFRS measure

Full Year 2023 & Q4 2023 Highlights

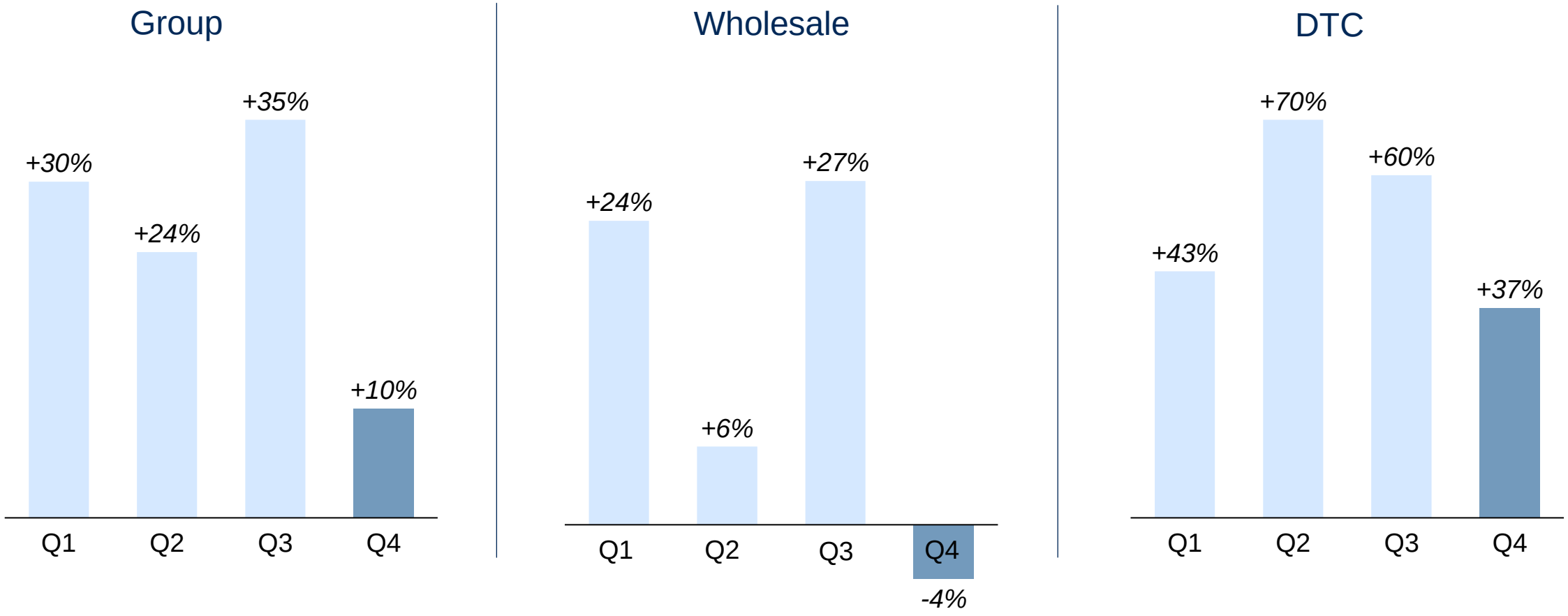
- Full-year 2023 revenues, net income, and adjusted EBITDA at the high-end of or above preliminary flash results range reported in January
- 2023 revenues +23% to $4.37 billion; 4Q revenues up 10%
- 2023 adjusted gross profit margin +240 bps; 4Q adjusted gross profit margin +170 bps
- Completed IPO on NYSE and $1.8 billion debt refinancing in February 2024



Note: Adjusted gross profit margin, adjusted EBITDA and adjusted EBITDA margin are non-IFRS financial measures. See appendix for a reconciliation of each non-IFRS measure to the most directly comparable IFRS measure.

Revenue by Channel

Quarterly revenue ($M) and change (in %) by channel, vs same period of 2022



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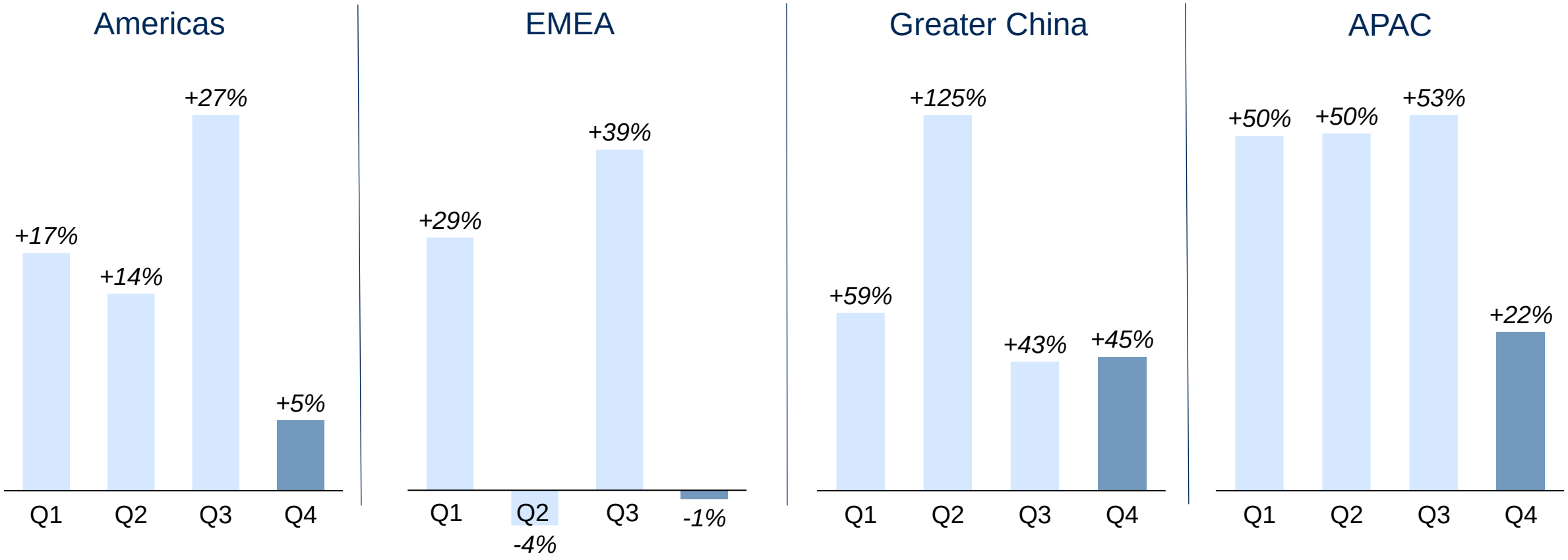
Revenue by Geography

Quarterly revenue ($M) and change (in %) by geographical area, vs same period of 2022



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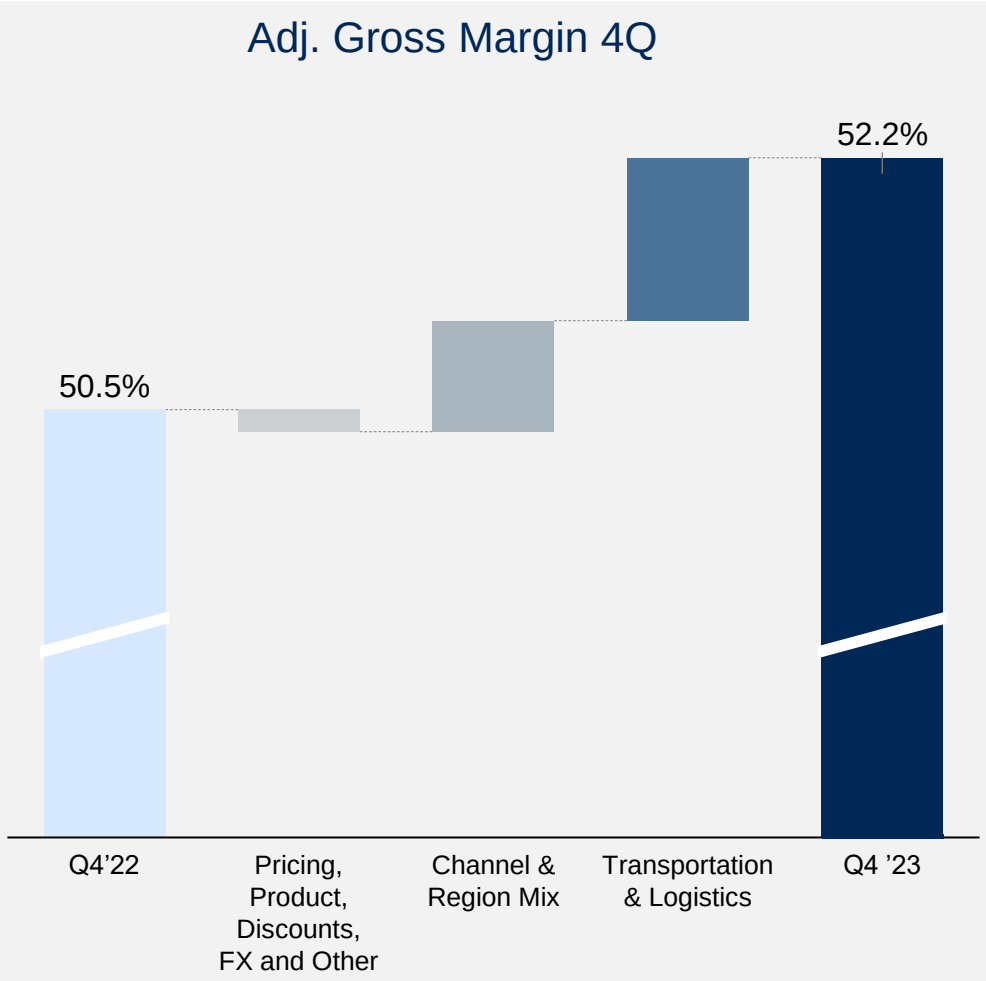
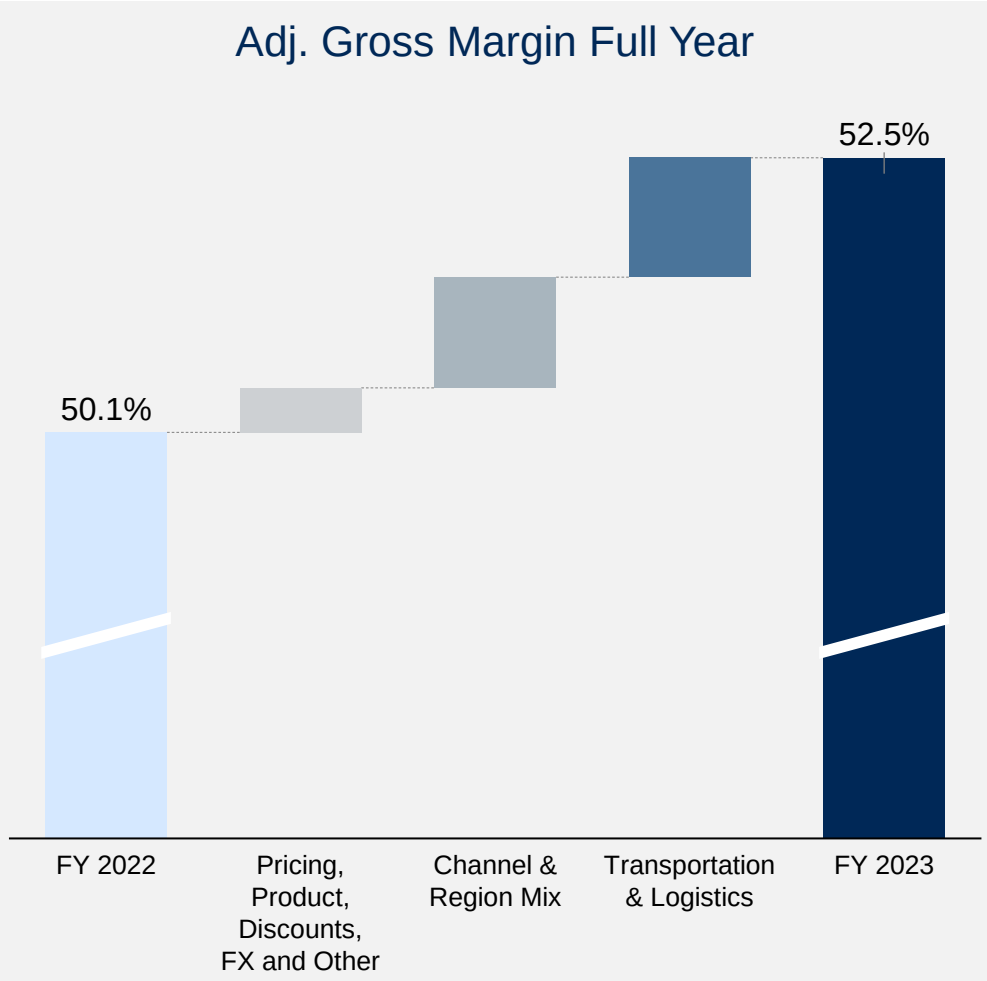
Adjusted Gross Profit Margin Performance: 4Q and Full Year 2023

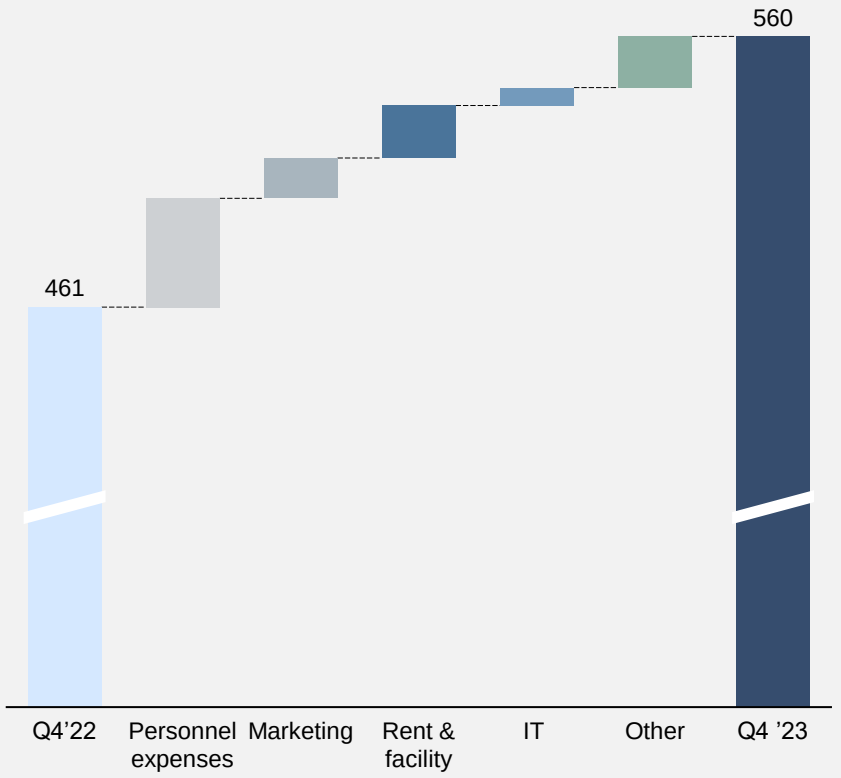




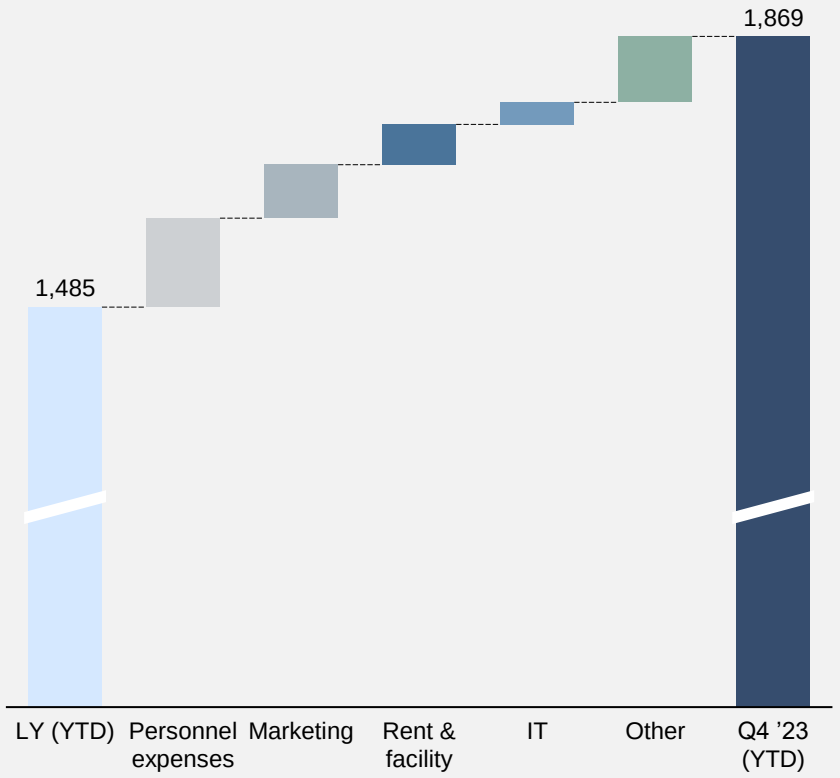
Note: Adjusted gross profit margin is a non-IFRS financial measure. See appendix for a reconciliation to the most directly comparable IFRS measure

Adjusted SG&A Bridge: 4Q and Full Year 2023

Adj. SG&A 4Q ($M)



Adj. SG&A Full Year ($M)



Note: 'Other' includes travel & entertainment, depreciation & amortization, bad dept, warranty expenses, development expenses, sales expenses, other administrative expenses and consulting fees

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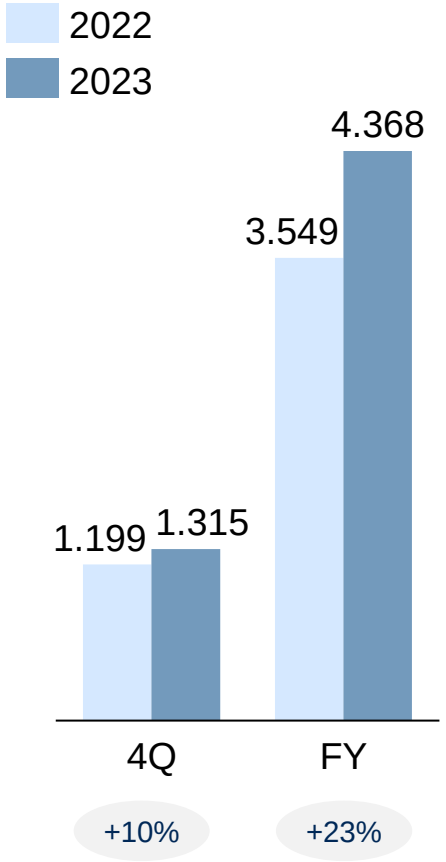
Note: Adjusted SG&A is a non-IFRS financial measure. See appendix for a reconciliation to the most directly comparable IFRS measure.

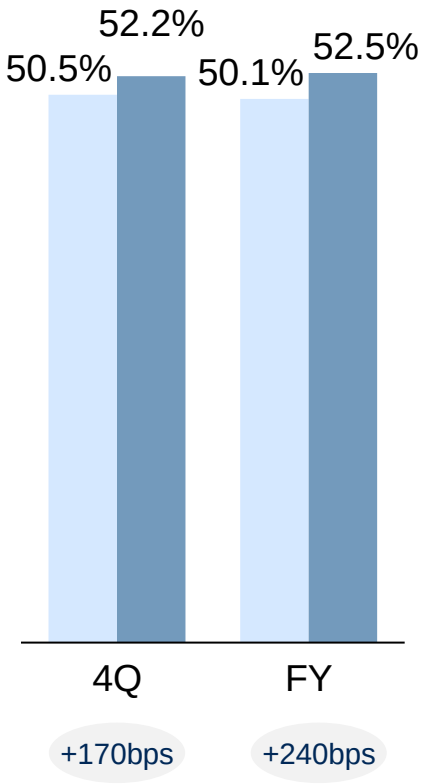
Key Group Metrics

4Q and full year vs same period of 2022

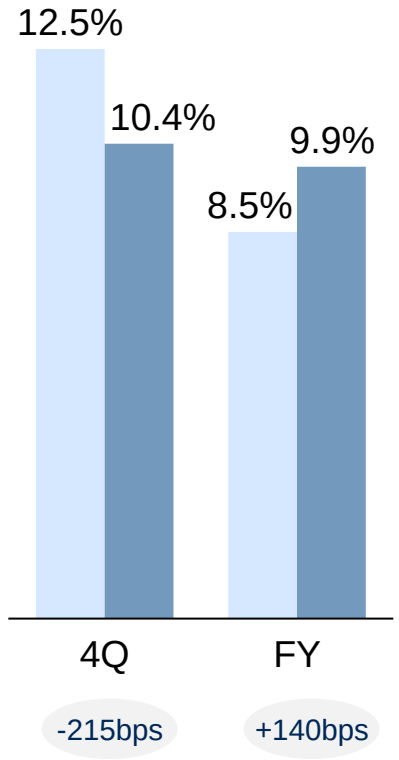
Revenue ($B)



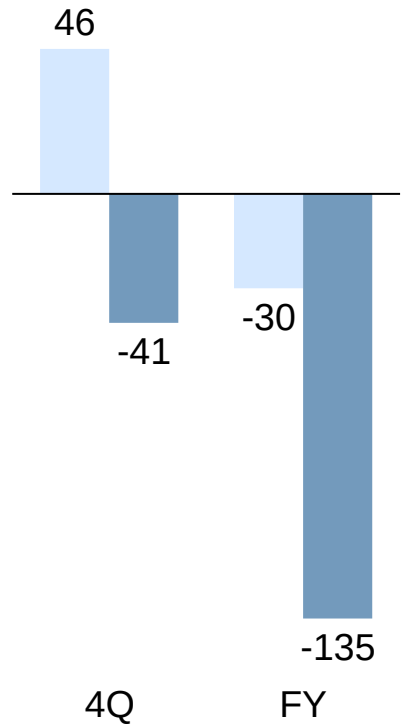
Adj. Gross Margin %



Adj. Operating Margin %



Adj. Net Loss ($M)



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Note: Adjusted gross margin, adjusted operating margin and adjusted net loss are non-IFRS financial measure. See appendix for a reconciliation of each non-IFRS financial measure to the most directly comparable IFRS measure.

Pre-IPO and Post-IPO Net Debt

	12/31/2023 ($M)	Pro-Forma* ($M)
Cash	483	343
Term loans	1,863	2,070**
Shareholder loans	4,077	0
Revolver	381	0
Total Debt[1]	6,661	2,410
Net Debt	**6,178**	**2,067**

[1] Includes $340M in lease liabilities
* Pro-Forma assumes IPO and refinancing
** €700M EUR term loan, $500M USD term loan, $800M Secured notes

- IPO proceeds of ~$1.5B including fully exercised green shoe option
- Significantly deleveraged the balance sheet
- Leverage ratio substantially improved

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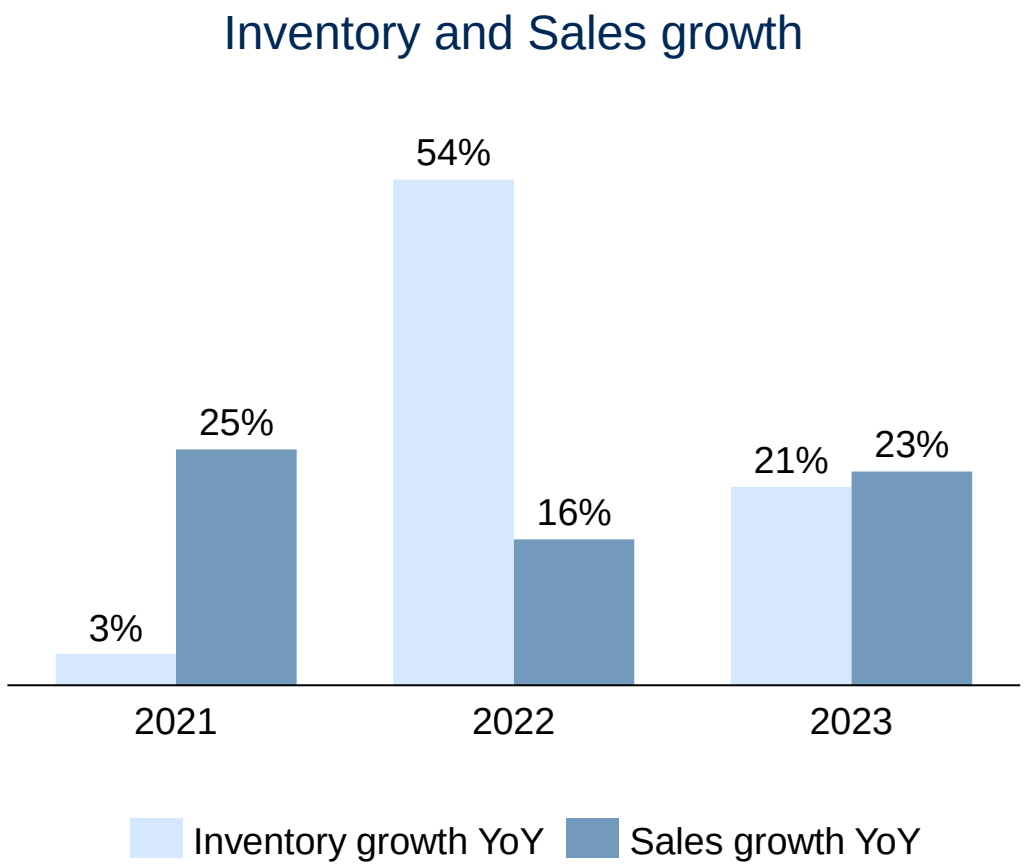
Inventory

Yearly revenue and inventory and change (in %)



- After elevated inventory growth in 2022 due to supply chain issues and inventory investments to support growth, inventory growth normalized by the end of the 2023 and was below sales growth.
- We are comfortable with the quality and the amount of our current inventory levels.
- Our goal is to grow inventory at or below sales growth.

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Outlook

Long-term algorithm

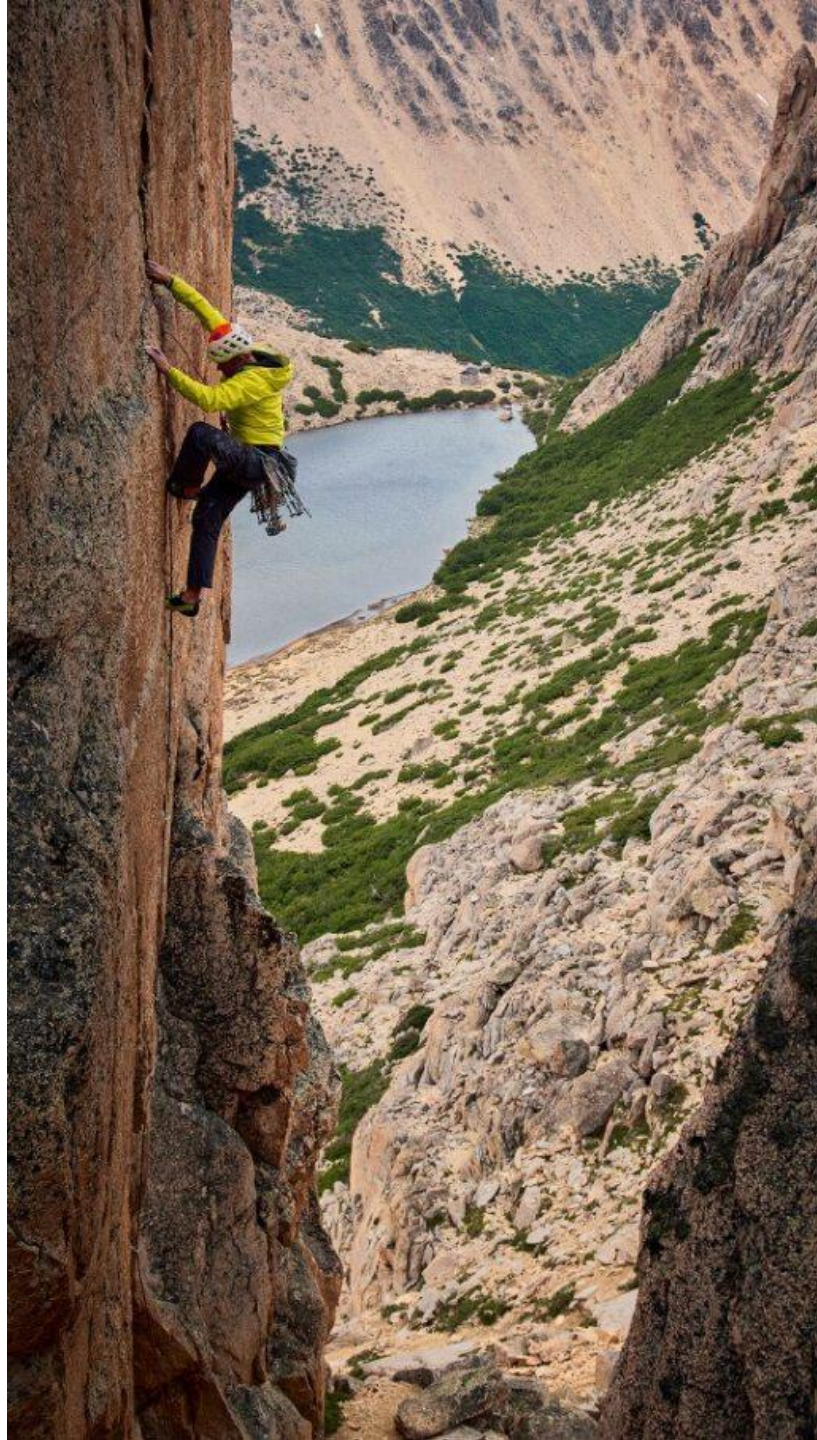
- Low double-digit to mid-teens annual sales growth
- 300+ bps of gross margin expansion over next 3-5 years
- 30-70 basis points of annual adjusted operating margin expansion

First Quarter 2024

- Group revenue +6-8% growth (>30% growth for Technical Apparel, flat revenue for Outdoor Performance and double-digit decline for Ball & Racquet).
- Adjusted gross margin approximately 53.5%
- Adjusted operating margin 9.0-10.0%
- Net finance cost between $100-110 million ($45-50 million recurring)
- Effective tax rate: 25-35%
- Adjusted diluted EPS $(0.01) - $0.02

Full 2024

- Group revenue mid-teens growth (>20% growth for Technical Apparel, high-single-digit growth for Outdoor Performance, low- to-mid-single digit growth for Ball & Racquet).
- Adjusted Gross Margin 53.5-54.0%
- Adjusted operating margin 10.5-11.0%
- Net finance cost of $240-250 million ($180-190 million on an ongoing basis)
- Effective tax rate: 25-35%
- Adjusted diluted EPS of $0.30 - $0.40




Q&A
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ARC'TERYX


SALOMON


Wilson


PeakPerformance


ATOMIC


ARMADA




ATEC




evoshield




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Appendix

1. Adjusted gross profit reconciliation
2. Adjusted SG&A reconciliation
3. Adjusted operating profit reconciliation
4. EBITDA, adjusted EBITDA and adjusted EBITDA margin reconciliation



ADJUSTED GROSS PROFIT RECONCILIATION

For the Three Months and Year Ended December 31, 2023, and 2022

(Unaudited; $ in millions)

($ in millions)	Three Months Ended December 31, 2023	2022	Year Ended December 31, 2023	2022
Gross profit	**$ 683**	**$ 602**	**$ 2,276**	**$ 1,764**
PPA	4	3	15	14
Restructuring expenses	-	-	1	-
Adjusted gross profit	**$ 687**	**$ 605**	**$ 2,293**	**$ 1,778**
Adjusted gross profit margin	52.2%	50.5%	52.5%	50.1%

ADJUSTED SG&A RECONCILIATION

For the Three Months and Year Ended December 31, 2023, and 2022

(Unaudited; $ in millions)

($ in millions)	Three Months Ended December 31, 2023	2022	Year Ended December 31, 2023	2022
Selling, general and administrative expenses	**$ 634**	**$ 469**	**$ 1,983**	**$ 1,523**
Restructuring expenses	-	0.3	1	6
PPA	7	7	28	28
Expenses related to transaction activities	15	0.3	34	0.3
Expenses related to certain legal proceedings	3	-	3	4
Share-based payments	48	-	48	-
Adjusted SG&A expenses	**$ 560**	**$ 461**	**$ 1,869**	**$ 1,485**
Adjusted SG&A expenses percentage	42.6%	38.5%	42.8%	41.8%

ADJUSTED OPERATING PROFIT RECONCILIATION

For the Three Months and Year Ended December 31, 2023, and 2022

(Unaudited; $ in millions)

($ in millions)	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Loss before tax	**$ (55)**	**$ (125)**	**$ (105)**	**$ (183)**
PPA	11	10	43	42
Restructuring expenses	-	0.3	2	6
Impairment related to goodwill and intangible assets	-	198	-	198
Expenses related to transaction activities	15	0.3	34	0.3
Expenses related to certain legal proceedings	3	-	3	4
Share-based payments	48	-	48	-
Finance costs	117	68	413	237
Finance income	(2)	(1)	(6)	(3)
Adjusted operating profit	**$ 137**	**$ 150**	**$ 433**	**$ 301**
Adjusted operating profit margin	10.4%	12.5%	9.9%	8.5%

Adjustment for PPA is related to amortization of intangible assets related to the acquisition and delisting of Amer Sports in 2019.

EBITDA, ADJUSTED EBITDA, AND ADJUSTED EBITDA MARGIN RECONCILIATION

For the Three Months and Year Ended December 31, 2023, and 2022

(Unaudited; $ in millions)

($ in millions)	Three Months Ended December 31, 2023	2022	Year Ended December 31, 2023	2022
Revenue	**$ 1,315**	**$ 1,199**	**$ 4,368**	**$ 3,549**
Net loss	**$ (95)**	**$ (148)**	**$ (209)**	**$ (253)**
Income tax expense	40	23	104	48
Finance cost	117	68	413	237
Depreciation and amortization (1)	62	49	221	197
Finance income	(2)	(1)	(6)	(3)
EBITDA	**$ 122**	**$ (9)**	**$ 523**	**$ 226**
Loss from discontinued operations	-	1	-	19
Restructuring expenses	-	0.3	2	6
Impairment losses on goodwill and intangible assets	-	198	-	198
Expenses related to transaction activities	15	0.3	34	0.3
Expenses related to certain legal proceedings	3	-	3	4
Share-based payments	48	-	48	-
Adjusted EBITDA	**$ 189**	**$ 191**	**$ 611**	**$ 453**
Net loss margin	-7.2%	-12.4%	-4.8%	-7.1%
Adjusted EBITDA Margin	14.3%	15.9%	14.0%	12.8%

(1) Depreciation and amortization includes amortization expense for right-of-use assets capitalized under IFRS 16 of $28.0 million and $17.3 million for the three months ended December 31, 2023 and 2022, respectively, and $87.4 million and $73.3 million for the year ended December 31, 2023 and 2022, respectively.

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