

AMER SPORTS 4Q24 PREPARED REMARKS

Hello everyone. Thanks for joining Amer Sports earnings call for the fourth quarter of fiscal year 2024. Earlier this morning we announced our financial results for the quarter and year ended December 31, 2024, and the release can be found on our IR website investors.amersports.com.

A quick reminder to everyone that today's call will contain forward-looking statements within the meaning of the federal securities laws. These forward-looking statements reflect our current expectations and beliefs only, and are subject to certain risks and uncertainties that could cause actual results to differ materially. Please see the safe harbor statement in our earnings release and SEC filings. We will also discuss certain non-IFRS financial measures. Please refer to our earnings release for important information regarding such non-IFRS financial measures, including reconciliations to the most comparable IFRS financial measures.

We'll begin with prepared remarks from our CEO James Zheng and CFO Andrew Page, followed by a Q&A session, until approximately 9:00 am Eastern. James will cover key operational and brand highlights, then Andrew will provide a financial review at both the group and segment level, and also walk through our guidance for the first quarter and full year 2025. Arc'teryx CEO Stuart Haselden will join for the Q&A session.

With that, I'll turn the call over to James.

Thanks Omar. Fourth quarter was a very strong finish to a remarkable year for Amer Sports, as we continue to enjoy strong momentum across all brands and geographies. Led by Arc'teryx, our unique portfolio of premium technical brands continues to create white space and take market share, and still has significant room for growth.

In the fourth quarter, Amer Sports Group delivered sales, adjusted margins, and EPS above expectations. We generated 23% sales growth and more than 300 bps of adjusted operating margin expansion led by strong growth and profitability in both the Technical Apparel and Outdoor Performance Segments. For the year, we generated 18% revenue growth to \$5.2

billion, and 130 bps of adjusted operating margin expansion to 11.1% -- both new records for the company.

In Q4, All three of our big brands, Arc'teryx, Salomon, and Wilson saw accelerating momentum. Regionally, Greater China and APAC continued to deliver strong growth, while both EMEA and North America accelerated.

Looking forward, we believe Amer Sports is very uniquely positioned company within the global sports and outdoor space. And several factors give me confidence for 2025 and beyond:

First, we own and operate a unique portfolio of premium outdoor and sports brands. Each one is fueled by technical innovation and is positioned at the pinnacle of its segment. Our brands have high conversion and satisfaction, but are still small players with room to grow.

Second, Arc'teryx is a breakout growth story with great growth and profitability for the outdoor industry driven by its disruptive DTC model and unique competitive position. The brand is still very under-penetrated globally with a tremendous, long-term growth path ahead.

Third, we believe that Salomon sneakers have a unique performance position and design within the global sneaker market, but still very low market share and growth potential ahead. Especially at this time when consumers are open to trying new sneaker brands.

Fourth, Wilson and our Winter Sports Equipment brands have authentic heritage, premium positioning, high performance products, and leading market positions. These high-market-share franchises will deliver slower long-term growth in their core equipment businesses, but they still have large Softgoods potential, especially the Wilson Tennis 360.

And fifth. We believe we have a very strong, differentiated platform in Greater China, where we continue to deliver best-in-class performance with strong momentum across all three big brands.

Before I turn it over to Andrew allow me to briefly recap key highlights from our three segments.

Starting with Technical Apparel, which is led by our fastest growing and largest brand, Arc'teryx.

Arc'teryx achieved over \$2 billion of sales in 2024, and delivered another great result in Q4, with strong growth across all regions, channels, and categories — especially footwear and women's, which grew faster than the brand overall. We were encouraged to see the brand momentum in Technical Apparel, which generated a strong +29% omni-comp in Q4.

Our differentiated stores continue to be at the heart of Arc'teryx growth strategy and are critical to how we engage with consumers and the community.

Arc'teryx opened net 8 new retail stores in Q4, bringing the total net new store openings in 2024 to 33. Key new locations include 6 openings in China, an Alpha store in Japan, and a new store in Salt Lake City. Arc'teryx's store expansion strategy includes a mix of different formats: ranging from multi-level large scale Alpha Flagship stores to small-format Mountain town stores. For 2025, we plan to keep a similar opening pace with 25-30 net new stores. This includes a similar level of gross brand store openings as 2024 and closing certain outlets and other sub-optimal locations.

In Q4, we opened a 4-level Alpha store in Shinjuku, Tokyo, which is located in the heart of the city with an estimated three-and-a-half million people walking by daily. The store features the full range of Arc'teryx and Veilance, and our first-ever 'Beta Lounge' in the country, offering unique concierge services. And the top level has a ReBird Service Center, our platform for repair, trade-in, and up-cycle gear.

In New York City, our Soho Alpha store continues to exceed expectations since its opening in September. Notably, guests are responding very well to the largest Arc'teryx outerwear offering in the city as well as the store's unique ReBird service center. Rebird continues to be

an important strategy for Arc'teryx, driving strong guest engagement and elevating the in-store experience. Globally in 2024, we opened 11 new ReBird service centers.

And in January we opened our first European mountain town shop in Chamonix, France, and we are very excited by initial results there. Chamonix is one of the largest mountain resorts in the Alps and attracts a range of visitors from all over the world, from mountain enthusiasts to hardcore mountain athletes. This store comes after 13 years of engaging with European mountain athletes at our Alpine academy in Chamonix every summer, which allowed the brand to build significant recognition and appreciation with local and global consumers.

Shifting to product —

Footwear continued to be Arc'teryx's fastest growing category in Q4, as consumers continue to respond strongly to what we believe is the best line of technical performance footwear designed for mountains. Beyond the breakout success of the Kragg, we are excited that our Sytan running shoe won best-trail-shoe awards from *Runner's World UK* and *Women's Running*. Looking forward, we believe Arc'teryx has an even more exciting pipeline for shoe launches in 2025. We believe that footwear will become a sizeable and profitable growth avenue for Arc'teryx both in own retail and certain brand-relevant wholesale accounts.

Women's also continued to perform extremely well in Q4 with double-digit growth across all regions, outpacing men's and brand growth in total. Softer tones, feminine and neutral colors were popular with female customers. Ski and snow products were especially strong with women as we are seeing significantly improving brand awareness & affinity with women in both the US and Europe.

Innovation is at the heart of Arc'teryx DNA, and it ranges from cutting edge products such as our new LITRIC avalanche airbag and award winning MoGo hiking pant to small evolutions of existing product lines such as our insulated version of the Kragg, which was a hit this winter season.

This year we also further strengthened the leadership team at Arc'teryx. We announced Matt Bolte as our new Chief Merchandising Officer, an industry veteran with nearly two decades at Nike. We are also building an All-Star team to develop our Veilance brand, which today accounts for 5% of Arc'teryx revenues, but we think has significant room for growth. This includes our new Veilance GM, Marissa Pardini from Vans and Veilance Creative Director Ben Stubbington, who joins from Lululemon and Theory previously. We believe the addition of Marissa and Ben to our Veilance team marks a pivotal moment in our journey to broaden the reach of our unique Veilance offering.

Lastly in Technical Apparel, we recently announced that Stefano Saccone will join April 1 as President of the Peak Performance brand. Stefano has worked at a variety of global sports, fashion, and outdoor brands, including most recently as CEO of the Woolrich brand.

Moving to the Outdoor Performance segment, which delivered a great quarter led by Salomon Footwear and Apparel, partially offset by softer trends in Winter Sports Equipment.

Salomon footwear and apparel now represent two-thirds of the Outdoor Performance segment, up significantly from 54% in 2022. Salomon sneakers surpassed \$1 billion of sales in 2024, but is still tiny relative to the \$180 billion global sneaker market.

We believe Salomon sneakers have an authentic and unique market position with technical features designed for the mountain, but also great for everyday use. Our unique style and technical attributes are resonating with consumers at a time when they are more receptive than ever to wearing new sneaker brands. Long-term we expect Salomon Softgoods to grow double-digits annually.

In Q4, Salomon footwear and apparel accelerated in every region led by Greater China, APAC, and EMEA. DTC remained the strongest growth channel for the brand, and the Sportstyle offering continues lead footwear growth. Salomon apparel, bags and socks are also experiencing great momentum.

Regionally, Salomon Softgoods are experiencing great sell-through in Europe. And we have noticed two new important trends in Europe worth calling out: 1) Salomon performance sneakers are experiencing a demand recovery in Europe, and 2) Salomon pre-orders have shifted to solid positive growth after negative trends during the last couple years, when retailers were relying on at-once orders to chase demand. We are increasingly seeing Salomon sneakers sell through very well at retail, which is translating to stronger order books. We also opened two new Salomon shops in the quarter in European epicenters London and Milan.

In Asia, DTC continues to be the critical growth channel for Salomon. Our Salomon "compact shop" format developed in China is working very well, and we believe these stores generate significantly higher sales-per-square-foot vs. industry average. We are continuing to expand Salomon shops in Greater China, opening 31 net new Salomon shops in Q4, including both owned stores and partner stores, bringing our total count to 196 in Greater China. We believe Salomon has the opportunity to grow to several hundred locations over time in just tier 1 and 2 cities. And in 2025, we expect to open about 100 new Salomon shops in Greater China including partner doors.

Our new Salomon flagship in Shanghai is performing very well in the first few months. This store represents pinnacle brand expression of the brand in China, which combines footwear and apparel in a comprehensive offering and a highly immersive brand experience.

In the US, the world's largest sneaker market, we continue to lay the groundwork for Salomon footwear's long-term opportunity. Our first U.S. store, a pop-up shop in New York City continues to perform very well. We are seeing strong early brand buzz with key sneaker retailers across New York City, and we expect to open at least one more Salomon shop in New York this year.

The wholesale channel will be important to unlock Salomon's potential in the U.S., and we are beginning to successfully leverage Salomon brand heat to expand our presence with top-tier existing customers, such as Nordstrom and Kith, as well as add key new retailers, including Shoe Palace and Scheels.

In Winter Sports Equipment, we continue to win with both leisure skiers and world class professionals. Atomic had great momentum at the World Championships in Austria this month. Atomic athletes Mikaela Shiffrin and Breezy Johnson won gold on our iconic Redster skis.

Moving on to Ball and Racquet highlights. We are pleased that Ball & Racquet growth trends continued to improve in Q4, with growth accelerating to 22% driven by strong trends in racquet sports, and also lapping inventory clearance at the end of last year.

Our Tennis 360 continues to resonate very strongly with consumers, from performance racquets to our apparel and footwear offering.

In 2024 Wilson returned to number one U.S. market share in Performance Racquets, led by the recent Blade and Roger Federer racquet launches. And in January, we launched the Clash V3, which is also off to a strong start.

Also, Wilson Softgoods continued its excellent growth, doubling in 2024. Apparel and footwear now represents 10% of Ball & Racquet segment sales. As I mentioned, we are seeing strong reception to our Wilson tennis apparel and footwear offering, especially in the U.S. and China. In Q4 we opened net 6 new Wilson brand shops in China, bringing the total owned and partner store count in the region to 43. In 2025, we plan to open approximately 50 Wilson Tennis 360 shops in China, between owned and partner doors.

In North America, we opened a Tennis 360 concept store in the Dallas North Park Mall in Q4, which has been performing very well. And we also will begin testing Tennis apparel in approximately 50 Dick's Sporting Goods locations this year, including a Tennis 360 shop-in-shop in Miami.

With that, I'll turn it over to Andrew.

Thanks James.

With over 20% revenue growth, healthy margin expansion, strong free cash flow generation, and the continued transformation of our capital structure, the fourth quarter of 2024 marked a financial turning point in Amer Sports' journey. Although expected foreign currency exchange will weigh slightly on our 2025 reported financial results, continued strong momentum from our highest-margin Technical Apparel Segment and accelerating momentum in Outdoor Performance Softgoods, plus strong and stable positions from our market-leading Hardgoods franchises, gives me confidence that Amer Sports is well positioned to deliver another year of strong and profitable growth in 2025.

Let's first take a moment to reflect on the key highlights of 2024:

Amer Sports Group delivered 18% growth in 2024, with broad-based strength across brand segments, regions, channels, and categories. Arc'teryx and Salomon footwear continued their very strong trajectories, and Wilson returned to positive growth. We delivered meaningful adjusted operating margin expansion from 9.8% last year to 11.1% in 2024, driven by the mix shift towards Technical Apparel. And we also significantly reduced our leverage, effective tax rate, and annual interest expense.

Now turning to our 4Q results

Amer Sports grew sales 23% in Q4, on a reported basis, and 24% in constant-currency. The strong Group sales performance was led by Technical Apparel, while Outdoor Performance and Ball & Racquet also delivered very solid growth in the quarter.

By channel, the Group continues to be led by DTC, which grew 46% led by Arc'teryx and Salomon footwear. We saw solid wholesale growth of 6% year-over-year, led by improving trends at Wilson.

Regional growth was led by Greater China, which increased 54%, followed by Asia Pacific, which grew 52%. The Americas accelerated to 15% growth, and EMEA grew 8% in Q4.

We are pleased to again achieve over 50% growth in Greater China for both Q4 and the full year. There are several key reasons why we are confident in our future growth in this important consumer market:

Number one: Our brands compete in one of the high-quality and fastest-growing consumer segments in China: the premium sports and outdoor market. The outdoor trend in China continues to be very strong, attracting younger consumers, female consumers, and even luxury shoppers.

Additionally: The China consumer landscape today has evolved into a market of winners & losers, with some brands doing extremely well, including ours. Our still small, specialized brands are known for their expertise, high quality, and technical innovation, which resonates with Chinese shoppers.

Thirdly and most important: We believe we have a great team in China. Our deep expertise and unique, scalable operating platform gives us a significant competitive advantage across the portfolio.

Turning to profitability, adjusted gross margin increased 370 basis points to 56.4% in Q4, primarily driven by positive segment, product, regional, and channel mix shift combined with lower discounting actions. Going forward, we expect our highest gross margin franchise Arc'teryx, to continue to be the biggest underlying driver of our ongoing gross margin expansion.

Adjusted SG&A expenses as a percentage of revenues deleveraged by 20 basis points and represented 43.3% of revenues in Q4. The Technical Apparel and Outdoor Performance SG&A deleverage was driven by investments to support growth, and was partially offset by Ball & Racquet and headquarters expense leverage.

Driven by the strong gross margin expansion, we generated a 330 basis point increase in our adjusted operating margin from 10.3% last year to 13.6% in Q4.

Adjusted corporate expenses were \$12 million, down from \$17 million in Q4 of last year. D&A was \$77 million which includes \$37 million of ROU depreciation.

Adjusted net finance cost in the quarter was \$64 million, and included \$24 million of Fx losses on intercompany balances as a result of the significant appreciation of the USD in Q4. Going forward we will enhance our hedge program to include these intercompany transactions.

In the quarter, our adjusted income tax expense was \$67 million, which equates to an adjusted effective tax rate of 42%.

Adjusted net income was \$90 million in Q4, compared to an adjusted net loss of \$31 million in the prior year period. Adjusted diluted earnings per share was \$0.17 compared to adjusted diluted loss per share of \$(0.08) last year.

Turning to segment results:

Technical Apparel revenues increased 33% to \$745 million led by Arc'teryx. Growth was fueled by 44% DTC expansion, including a 29% omni-comp, a great result comparing against a 33% omni-comp in the fourth quarter of last year. Arc'teryx DTC momentum continues to be fueled by both new and existing consumers across all regions, channels and product categories. Technical Apparel wholesale revenues were roughly flat, driven by timing of shipments compared to prior year. We continue to have strong demand for Arc'teryx from the wholesale channel.

Regionally, Technical Apparel growth was led by Greater China, followed by Asia Pacific, the Americas and EMEA. All regions grew strong double digits fueled by Arc'teryx's retail expansion.

Technical Apparel adjusted operating margin expanded 130 basis points to 24.3%, driven by higher gross margins from favorable product, channel and regional mix, and supported by savings in freight costs. This was partly offset by SG&A deleverage driven by investments in technology, marketing and operations to support continued DTC expansion, including new store openings.

Moving to our Outdoor Performance Segment, which saw revenues increase 13% to \$594 million, mainly driven by very strong performance in Salomon footwear, apparel, bags, and socks. The DTC channel grew strong double digits driven by door openings, especially in Asia Pacific, Greater China, and EMEA, as well as e-commerce development in all regions. This was partially offset by a decline in Winter Sports Equipment due to soft reorders in Europe resulting from poor snow conditions and also a material Fx drag due to its large Euro exposure.

By channel, Outdoor Performance DTC grew 58%, led by Greater China and APAC, and wholesale improved to +1%, from a slight decline last quarter. The wholesale results are impacted by continued soft wholesale market conditions in EMEA and North America for Winter Sports Equipment.

2024 was challenging for the Winter Sports Equipment market overall due to slower trends in North America, where ski equipment sales are rebasing after a strong run through and beyond COVID. This is in addition to cautious orders in EMEA after two tough snow seasons in Europe.

However, given our great brands and products and scale advantages, we believe we are taking market share, especially in Atomic. Our assumption is that the Winter Sports Equipment market will be relatively flat in 2025. Longer term, while the Winter Sports Equipment business will be a slower growth business for us, the industry remains healthy and we expect this business to grow low-single digits annually.

As a reminder, Winter Sports Equipment now represents one-third of the Outdoor Performance Segment.

Outdoor Performance adjusted operating profit margin expanded 190 basis points from last year's record performance to 11.1% this year, driven by solid gross margin expansion given the higher mix of footwear, which carry a higher gross margin than Winter Sports Equipment. This gross margin expansion was partially offset by SG&A deleverage to support growth investments.

Moving to Ball & Racquet. Revenue increased 22% to \$296 million driven by Racquet Sports and Softgoods. The strong growth was also helped by easier comparisons from last year when Wilson went through a heavier liquidations period to normalize inventory levels. We are very pleased with the strong rebound, but would caution that 20+ percent is not a sustainable growth rate, and we continue to expect Ball & Racquet to grow low-to-mid single digits long term.

By category, the strong double-digit growth was led by our marquee Racquet sports franchise as well as our small but fast-growing Softgoods segment, which now represents 10% of Ball & Racquet sales. We are seeing very strong momentum in Tennis 360 especially in North America, Greater China and APAC. We also saw strong growth in Evoshield Apparel, Padel and Pickleball. Inflatable balls and baseball also grew in the quarter, while golf declined slightly.

Ball & Racquet segment adjusted operating profit margin increased 660 basis points compared to the fourth quarter of 2023 to negative 3.7% primarily driven by higher full price sales given the inventory clearance in the second half of last year, when the channel inventories were elevated. SG&A leveraged thanks to tight cost control on higher revenue.

Turning to the balance sheet. Funded by our recent \$1 billion equity raise and strong cash conversion in Q4, we paid down our entire \$1.2 billion of term loans before year end, and ended the quarter with \$600 million of net debt, down from \$2.0 billion at the end of Q3. Using our 2024 adjusted operating profit, our net-debt-to-adjusted-EBITDA ratio was approximately 0.7x at the end of Q4. Looking forward, paying down debt with non-deductible interest with excess cash remains a high-return usage of excess cash.

Also, our focus on inventory discipline is paying off. Inventories rose 11% in 2024, well below our 18% sales growth. Driven by strong profit growth and disciplined working capital management, we generated \$425 million of operating cash flow in 2024, which translated to approximately \$150 million of free cash flow for the year.

I would also like to provide an update on our sourcing exposures in light of contemplated new tariffs on imports from China, Canada, Mexico, and Vietnam. In 2024, sourcing to the U.S. from China, Vietnam, Canada, and Mexico combined represented approximately 20% of global sourcing. China and Vietnam make up the majority of this exposure, while sourcing from Canada and Mexico to the U.S. accounts for less than 1% of total.

Similar to when we experienced a rise in China tariffs in 2018-19, our Ball & Racquet segment will be most impacted. However, given our various mitigation levers — including price increases, supply chain flexibility, and partnership with vendors to share the impact — we believe we are well-equipped to weather a variety of tariff scenarios.

NOW TURNING TO GUIDANCE, we are off to a strong start in 2025 and are confident in our financial outlook for 2025. As we've said on previous earnings calls, should strong trends continue and better-than-anticipated demand materialize, we will be well positioned to deliver financial performance ahead of our expectations.

FOR THE FULL YEAR 2025, we expect reported Group revenue growth between 13 – 15%, which assumes a 250 basis point drag from unfavorable Fx impact at current exchange rates. This incorporates approximately 20% growth in Technical Apparel, low-double digits revenue growth in Outdoor Performance, and low-to-mid single-digit growth in Ball & Racquet.

We expect adjusted gross margin of 56.5 – 57.0% for the full year, driven primarily by mix shift benefits. We expect adjusted operating margin of approximately 11.5 – 12.0%. Given macro uncertainties, including Fx and tariffs, our current margin expectations are more focused towards the low end of this margin range -- at least until we have a quarter or two under our belts.

For the segments, we expect an adjusted operating margin of approximately 21% for Technical Apparel, approximately 9.5% for Outdoor Performance, and 3 – 4% for Ball & Racquet.

You should assume full-year net finance cost of approximately \$120 million and an effective tax rate of approximately 33%. We expect adjusted diluted EPS of \$0.64 – \$0.69, which is based on approximately 560 million fully diluted shares. Also, we are assuming D&A of \$350 million, including approximately \$180 million of ROU depreciation.

To support new store expansion, ERP implementation, and distribution and logistics investments, Capex is expected to be approximately \$300 million, in-line with 2024

TURNING TO FIRST QUARTER GUIDANCE, we expect reported revenue growth for the Group in the range of 14 – 16%, which assumes a 300 basis point drag from unfavorable Fx impact at current exchange rates.

We expect adjusted gross margin to range between 56.5 – 57.0% in 1Q25, and an adjusted operating profit margin of 11.0 – 11.5%.

Our net finance costs for the quarter will be approximately \$30 million and effective tax rate will be approximately 33%. We expect adjusted diluted EPS of \$0.14 – 0.15.

With that, I'll turn it back to the operator for Q&A.