AMER SPORTS 2Q26 EARNINGS SCRIPT

SPEAKER 1 – Omar

Welcome everyone. Thanks for joining Amer Sports earnings call for the second quarter of fiscal year 2026. Earlier this morning we announced our financial results for the quarter ended June 30, 2026, 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. They 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 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 updated guidance. Arc'teryx CEO Stuart Haselden and Salomon CEO Guillaume Meyzenq will join for the Q&A session.

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

SPEAKER 2 – James

Thanks Omar.

Our global momentum continued in the second quarter, with over 30% revenue growth and strong operating margin expansion. All segments, geographies, and channels achieved strong double-digit growth, led by another exceptional quarter from Salomon Softgoods, a strong Arc'teryx omni-comp, and a Wilson Tennis 360 acceleration.

We manage a portfolio Sports & Outdoor brands that is very unique in the marketplace. And all three of our primary growth engines: Arc'teryx, Salomon Softgoods, and Wilson Tennis 360, are still relatively small, with significant room to grow.

First I will recap key highlights from our three segments.

Starting with Technical Apparel...

Arc'teryx delivered another great quarter, with broad-based strength across regions, channels, and categories, including another exceptional performance in women's. Strong DTC momentum also continued, driven by a 17% Technical Apparel omni-comp.

We believe Arc'teryx is a truly global brand with significant runway in all major markets, and are encouraged by the strong double-digit growth across all 4 regions in Q2.

The brand also resonates strongly across categories and consumer segments. I want to highlight our momentum in **Women's**, which grew faster than any other category for Arc'teryx. Our confidence in the size and scale of our Women's opportunity is very large.

Brand awareness and affinity with women is rising significantly as we improve fit, style, and function and also build expanded assortments. Redesigning our core ABCG models for her, plus expanding feminine color palettes is driving higher female traffic and conversion. In Q2, newness and seasonal colorways generated over 60% of women's sales.

Standout new franchises include the Sinsola and Olia lightweight hiking styles, and also the Sonii utility vest and jacket. Our remarkable success in women's bottoms, with franchises like the Clarkia, Leutia, and Nia pants, is helping us unlock the female consumer from head-to-toe, driving higher overall spend.

Turning to Footwear, which had another great quarter, including strong double-digit growth across regions led by both existing and new styles. Popular existing styles include the Norvan LD 4 trail shoe, which continues to be our biggest volume driver — followed by the Konseal trekking shoe.

In March we launched the latest version of our technical trail-racing shoe, the Sylan 2, performing very well so far. And we are excited to have 8 Arc'teryx trail run athletes competing in the UTMB race in Chamonix next week.

Looking forward, we are confident that Arc'teryx has an exciting pipeline of shoe releases for the upcoming years.

Turning to our **Veilance** sub-brand, which had solid growth in Q2 on a small base. We continue to focus on investing in newness, further developing our collections, and expanding distribution — all of which is creating engagement and awareness in the marketplace.

Turning to Circularity and ReBIRD, which continue to be at the heart of Arc'teryx. In Q2 we added 5 new ReBIRD centers, bringing us to 47 total. Later this month we will unveil an important new innovation, which combines our passion for circularity with uncompromised technical performance.

On mountain, our renowned Chamonix Alpine Academy was again a great success in July, with over 15,000 visitors in the Village over the the weekend, and more than 1,000 attendees in clinics.

Our mountain Academies are the world's premier mountain education events and a space for mountain enthusiasts of all levels to advance their skills and knowledge through clinics on the mountain. We are especially proud that women now account for half of the Academy participants.

Turning to Peak Performance, which delivered solid growth in Q2. The brand continues to reduce its Nordics dependency and is rationalizing its footprint in the region, while seeing healthy growth in other parts of EMEA.

For both Peak Performance — and our Winter Sports Equipment brands — we are excited that ***Freeride Ski*** will become an Olympic sport at the 2030 games. Peak Performance sponsors the Freeride World Tour, and our Ski equipment brands sponsor many of the professional Freeride skiers.

Now turning to the Outdoor Performance segment, which was led by another outstanding quarter from Salomon Softgoods. The investments we are making to grow Salomon brand awareness and the distribution footprint are paying off, driving strong footwear momentum across regions, channels — and for both Sportstyle and Performance products.

I would like to highlight a few factors that give us confidence that Salomon is well positioned to achieve its long-term potential:

Number 1: Global Sportstyle momentum continues. Sportstyle is critical to developing Salomon's position as ***the*** Modern Outdoor sneaker brand. The XT-6 and XT-Whisper franchises are resonating with a younger and more diverse audience, from technical sports in the mountains to culture and community in the cities.

We were excited to announce that JISOO, the global superstar singer and actress will be Salomon's new global ambassador. The news had amazing global coverage, reaching nearly a billion consumers across social platforms.

Second, our Performance lines are also working well. We continue to believe our new GRVL franchise is helping to unlock the run category for Salomon like never before. Salomon is gaining traction in the Run Specialty channel in North America and EMEA. In July we launched the Aero Blaze 4, with a reengineered upper using new mesh technology. We also recently launched the second generation of Genesis, a highly technical trail shoe.

Salomon athletes were winning races in Q2, including Courtney Dauwalter earning her fourth HardRock-100 title, validating Salomon's technical merits on the hardest trails.

Third, Salomon continues to have excellent brand heat in Greater China and Asia, where we believe we operate the most productive and profitable sneaker shops in the industry. Greater China continued to deliver very strong double-digit growth in Q2, driven by strength across Sportstyle, Performance, and Apparel. Our local-for-local apparel and accessories line in China, with technical products inspired by outdoor and trail running, has also been gaining traction the past few quarters.

Beyond China, Salomon is also experiencing surging demand in Korea and Japan — very important markets given their influence on global sneaker culture.

Fourth, our epicenter strategy is working. Focusing on key global Metro markets is allowing us to build out Salomon's reach and presence in the right way. Our tier-1 global epicenters Paris, London, Shanghai, Beijing, Tokyo, New York, and Los Angeles are all driving very strong sales momentum as well as rising brand awareness. We approach these markets by opening a handful of impactful brand stores in the most relevant locations, alongside hand-picked elevated wholesale doors. In these markets, we also invest in event partnerships, community activations, and local media to build strong and lasting connections with our consumers.

We plan to adopt and expand this approach to several new major cities in the future, including Berlin, Seoul, Miami, San Francisco, Chicago, and Boston.

Fifth is the strong demand we are experiencing in our home market, Europe — driving strong reorders, preorders and sell-through. Sportstyle continues to be the biggest growth driver, but GRVL is also inflecting in Europe, supported by marketing campaigns, in-store events, and running event activations. Also we are seeing high ecomm growth in Europe, even as we expand our premium DTC and wholesale footprint.

In market, we have been very active: hosting a GRVL focused running event called **Gravelanza**, sponsoring music festivals and artist collaborations, and most recently we began a unique partnership with the National Opera House of Paris to outfit their dancers.

Lastly I'll mention the U.S, which is the largest single sneaker market in the world, but still a small business for us. We know there is strong demand for Salomon here, but still very limited distribution for consumers to find us.

Today, we are seeing a clear acceleration in North America as we leverage the rising brand awareness to expand distribution with both new and existing wholesale partners as well as our own stores and ecomm.

In Q2 we opened our first North America flagship store on Fifth Avenue in the Flatiron District of New York City, offering both footwear and apparel. And we continue to carefully expand our footprint and shelf space in existing wholesale partners, including Nordstrom, JD Sports, and Foot Locker.

Lastly before I switch to Ball & Racquet. Although Q2 is a very small quarter for our Winter Sports Equipment franchises Salomon, Atomic, and Armada, we are pleased that our brands continue taking share, despite challenging conditions in certain markets.

Moving to Ball & Racquet highlights. Ball & Racquet sales grew 24% in Q2 driven by continued strength in Tennis 360, both Softgoods and racquets, as well as improved growth in baseball, golf, and inflatables. Our Tennis 360 strategy continues to resonate very well with consumers, from unique line of tennis apparel and footwear to high performance racquets.

Wilson had a couple very big racquet launches this Spring, including the Q1 rollout of our iconic **Blade** franchise, version 10. This has been one of the strongest launches in our history and also the racquet for world No. 1 Aryna Sabalenka. We also recently launched a completely new racquet line, called the Defyer. This is our first ever power-spin racquet, which has been a growing segment of the racquet market. Early results from the Defyer are even exceeding the Blade V-10 launch I just mentioned.

We continue to invest in new tour players, recently signing former world top 5 player Holger Rune and 17-year-old rising star Moise Kouame, both playing the Defyer racquet. Marta

Kostyuk, one of our highest profile head-to-toe athletes, has been creating great buzz for the brand with her unique Wilson tennis outfits, reaching the semi-finals at both Roland Garros and Wimbledon.

Wilson Softgoods continued its exceptional trajectory, with very strong growth across all 4 major regions. Also, Baseball, Golf and Inflatables saw improved growth in the quarter.

Before turning it over to Andrew, I would like to conclude by saying that: Given the broad-based momentum across our portfolio, the healthy and growing premium sports and outdoor market, and the world class teams we have in place around the world, I am very confident in the future outlook for Amer Sports.

Andrew....

SPEAKER 3 – Andrew
Thanks James.

We had a great financial performance in Q2 across the P&L, with strong sales growth, margin expansion, and EPS growth. The investments we have been making are paying off, driving strong momentum across each of our three biggest opportunities: Arc'teryx, Salomon softgoods, and Wilson Tennis 360.

In Q2, Amer Sports grew sales 32% on a reported basis, or 30% ex-currency. Our three growth engines all eclipsed 20% growth, with Technical Apparel and Outdoor Performance growing more than 30%.

By channel, the Group continues to be driven by DTC, which grew 40% led by all three big brands. At the group level, DTC represented approximately 55% of revenue in Q2, marking a record high. Wholesale grew 24%, led by Arc'teryx and Salomon.

Growth was also very strong across all geographies led by Asia Pacific, which increased 60%, and China, which grew 36%. The Americas accelerated to plus-26% and EMEA grew 20%.

Turning to profitability, adjusted gross margin increased 710 basis points to 65.8% in Q2, primarily driven by a one-time net tariff refund benefit of $64.3 million, or 390 basis points.

Excluding this net tariff refund benefit, we generated more than 300 basis points of underlying gross margin expansion, driven by favorable pricing, product, channel and geographic mix, as well as favorable transportation and duties costs. The benefit from lower tariff rates vs. our plan during Q2, was relatively immaterial.

Adjusted SG&A expenses as a percentage of revenues increased 20 basis points and represented **54.9%** of revenues in Q2. SG&A leverage in both Technical Apparel and Outdoor Performance was offset by deleverage at Ball & Racquet due to investments in Wilson Tennis 360, as well as higher Amer corporate expenses.

Led by strong gross margin expansion, we generated a **730** basis point increase in our adjusted operating margin from **5.5%** last year to **12.8%** in **Q2**. Excluding the above mentioned net tariff refund benefit, adjusted operating margin expanded **340** basis points.

Corporate expenses were **$68 million**, up from **$45 million** in **Q2** of last year, mostly related to higher IT, personnel, and deferred compensation expense. D&A was $**113 million** which includes $**55 million** of ROU depreciation.

Adjusted net finance cost in the quarter was $21 million, above the $15 million guidance primarily due to higher cost of hedging and currency losses.

In the quarter, our adjusted income tax expense was $50 million, which equates to an adjusted effective tax rate of **27%**.

Adjusted net income in **Q2** was **$127 million**, compared to **$36 million** in the prior year period. Adjusted diluted earnings per share was **$0.22** compared to adjusted diluted earnings per share of **$0.06** last year. Net tariff refunds benefited Q2 EPS by approximately **$0.08** per share.

Now turning to segment results:

Technical Apparel revenues increased **32%** to **$674 million** led by Arc'teryx. Growth was fueled by **34%** DTC expansion, including a 17% omni-comp. Technical Apparel wholesale revenues grew **27%.**

In Q2 we opened net **8** new Arc'teryx stores globally, and we continue to plan 30 to 35 net new Arc'teryx stores for full-year 2026, across all markets.

Regionally, the Technical Apparel growth rate was led by Asia Pacific, followed by accelerating growth in the EMEA and Americas, followed by Greater China. All regions continue to grow strong double digits.

Not only is the brand seeing a nice acceleration in North America and EMEA — the largest Outdoor markets in the world — Greater China continued to deliver strong growth and maintain exceptional profitability in Q2. We finished Q2 with approximately 140 Arc'teryx stores in Greater China, between owned and franchise, and believe this could be 200 long term.

We are planning 10 to 12 net new store openings in Greater China for the full year 2026, with openings weighted toward 2H and Q4. We had one net China opening in Q2, the Chengdu flagship store, which spans over 7,000 square feet and two levels, featuring a distinctive "Cliff House" design.

Arc'teryx growth continued to accelerate in **North America** in Q2, and we delivered strong double-digit omni-comps in the US. We are seeing significant progress in US brand awareness, rising by approximately 50% vs. last Fall, led by top-of-funnel marketing. We also will focus on further leveraging brand experience and community to unlock higher conversion in the U.S..

Q2 store openings in North America include Oakridge Park in Vancouver and Southdale in Minnesota. Both very elevated presentations of the brand. We now have 75 stores in North America, which we believe could be 200 doors over time.

In the U.S., we are expanding into a new partnership with Dick's Sporting Goods, where we will be entering 15, hand selected, premium House of Sports locations for Fall/Winter 26. Arc'teryx will be showcased in elevated and experiential shop-in-shop formats, with a particular emphasis on the core outerwear offerings, and including footwear. This is still in the test and learn stage, but has the potential to expand further over time.

EMEA remains Arc'teryx most underpenetrated market, and we are continuing to open great locations, including Oslo and Copenhagen in Q2, both off to exceptional starts. We now have **19** stores across EMEA, and we believe the market could support 75+ over the long-term.

Technical Apparel adjusted operating margin expanded 470 basis points to **18.8%**, including a **170 bps** benefit from net tariff refunds. Margin expansion was driven by both gross margin expansion and SG&A leverage on strong sales.

Moving to Outdoor Performance, which saw revenues increase **37%** to **$569 million**, driven by continued very strong performance in Salomon footwear and apparel.

By channel, Outdoor Performance DTC grew 52%, led by new doors and higher productivity across markets, especially Greater China, APAC and the Americas. Outdoor Performance achieved a 28% omni-comp, with strength in both stores and ecommerce. Ecomm is continuing to grow across regions driven by Sportstyle momentum and higher traffic, especially in the Americas and APAC. Wholesale grew 25%, driven by strong sell through and reorders for Sportstyle, as well as door count expansion.

Regionally, the Outdoor Performance growth rate was led by APAC, Greater China, and accelerating growth in the Americas, followed by EMEA.

The popularity of Salomon footwear continues to inflect globally, and we are doing everything we can to ensure we are well positioned to fully develop this large opportunity in the right way, over time and across markets.

In Asia, DTC continues to be the critical growth channel for Salomon led by our highly productive Salomon shops. We opened 13 net new Salomon shops in **Greater China** this quarter, including both owned stores and partner stores, bringing our total count at quarter end to 315 doors, with the potential for 400—500 doors over time.

For full year 2026, we continue to expect to open 45 net new stores in Greater China. We are focused on both expanding AND upgrading the fleet with larger format, more productive doors in the highest traffic shopping centers, and space to incorporate footwear and apparel.

For example, we recently upgraded the best-performing Salomon store in China, Shengyang MixC. The new shop performed very well in its first month, demonstrating that even high productivity doors can benefit from an upgrade.

In APAC, another region where Salomon is experiencing explosive growth, we opened net 7 new stores in Q2, across Japan, Korea, and Australia. Salomon's overall brand awareness and desirability continues to grow very rapidly across Asia, for both Sportstyle and Performance.

In the Americas, as James mentioned, Salomon footwear is continuing to see a material growth acceleration. The brand is seeing great DTC demand in stores and Ecomm, in both Sportstyle and Performance. We are pleased to see traffic is up very strongly in Ecomm, which tracks our expanding geographic presence, distribution, and awareness across key cities.

As we shared in our last call, and aligning with our epicenter strategy, Salomon has begun to expand into a small number of key wholesale doors with important US sneaker retailers, such as Nordstrom, Foot Locker and JD Sports. It is still in the early stages, but these channels are performing very well in terms of pre-orders, sell though, and re-orders. We will continue to selectively expand with these retailers over the next couple of years.

We are also expanding our own retail footprint in North America, including our first flagship store on 5th Avenue in the Flatiron district of New York City. The store is the first one in North America to carry a wide range of both footwear and apparel, and is off to a very strong start. And the new Salomon store in the Upper West Side of New York City also continues to perform very well. Looking ahead, as we expand our Los Angeles epicenter, we are planning a Beverly Hills location for October.

We will continue to focus on our epicenter strategy in 2026 and beyond, particularly New York, Los Angeles, Miami, and San Francisco. We continue to plan to open 7-10 new Salomon shops in the Americas this year.

In EMEA, key epicenters Paris and London are seeing strong growth. We are also further developing other European markets, including a Barcelona shop that opened in July.

Lastly, while Q2 is by far the smallest quarter of the year for our **Winter Sports Equipment franchises,** we are encouraged by the positive order book trends and continued market share gain despite challenging weather and market conditions. The demand for ski vacations in the mountains remains high and consistent, and the core Alpine "en piste" market is healthy despite inconsistent snow conditions, as most top ski resorts now have excellent snow-making capabilities.

Outdoor Performance adjusted operating profit margin expanded 800 basis points from last year to 14.6% in Q2, including a **270 bps** positive impact from net tariff refunds. This improvement was largely driven by gross margin expansion due to mix shift benefits and SG&A leverage on strong sales.

Moving to Ball & Racquet, where revenue increased 24% to **$390 million** driven by Softgoods and Racquet Sports.

We continue to see very strong momentum in Tennis 360 globally. By category, the growth was led by Softgoods, up very strong double digits with continued momentum in all regions. Racquets growth was also strong across the board driven by China, APAC and EMEA.

Performance racquets grew more than 50%, driven by the very strong Blade v10 launch. We are seeing also Padel gaining momentum and it became one of the Top 5 revenue drivers in Q2.

Beyond Tennis, we saw a return to growth in baseball after slower sell in last quarter. Golf and inflatables also saw solid growth in the quarter.

All regions generated double digit growth for Ball & Racquet, led by Greater China, APAC and EMEA, followed by the Americas.

We opened 12 net new Wilson brand stores in Q2, with the majority split between Greater China and APAC.

We have extensive store opening plans for China given the performance of existing Wilson Tennis 360 shops there. For the full year, we continue to plan to open approximately 40 net new Wilson Tennis 360 shops in China, between owned and partner doors.

APAC continues to drive meaningful Wilson growth driven by Softgoods in Korea, and Racquets in Japan.

In North America, we saw strong growth across channels, as Baseball and Inflatables rebounded.   We have also continued to expand our Tennis 360 offering into more Dick's Sporting Goods locations, including House of Sports, and are now in 450 DICK's doors with our full head-to-toe-to-hand offering.

Looking ahead to the rest of the year, please keep in mind that Ball & Racquet's tremendous 24% growth in Q2 benefited from some big product launches and the related sell-in, and we do not to expect this level of growth on an on-going basis.

Ball & Racquet segment adjusted operating profit margin increased **1,300** basis points to **17.2%,** including a **970 bps** benefit from net tariff refunds. The underlying margin expansion was driven by favorable pricing, product, channel and region mix. This was slightly offset by higher SG&A and our intentional decision to invest behind Wilson softgoods, including tennis tour pros.

Turning to the Group balance sheet. We ended the quarter with $573 million of net cash, and exited the quarter with inventories up 19% year-over-year, well below our 32% sales growth. We are very comfortable with the level and quality of our inventory and happy to see the inventory levels normalize versus revenues earlier than planned.

Driven by strong profit growth and disciplined working capital management, we generated **$339** million of operating cash flow in the first half of 2026 compared to $108 million last year. And for the full year 2026, we continue to expect to generate solid operating cash flow growth versus 2025 levels.

Now moving to guidance—

We had another great financial performance in the second quarter across the P&L, with strong sales growth, margin expansion, and EPS growth. The investments we have been making in our brands are paying off in the form of exceptional trends across each of our three biggest opportunities: Arc'teryx, Salomon softgoods, and Wilson Tennis 360. We will continue to reinvest behind these early-stage growth engines to ensure high quality, long duration growth and strong brand equity over the long term.

Our guidance assumes that the most recently announced Section 301 tariff rates remain in place for the remainder of 2026. We have already received the majority of our total tariff refund submission amount, and any remaining impacts will be negligible.

Let's begin with the updated full year 2026 outlook.

We are raising 2026 revenue growth guidance from 20 – 22% to approximately 24%, which includes a 200 – 250 basis point currency benefit at current exchange rates.

By segment, we are raising our Technical Apparel 2026 revenue growth guidance from approximately 22 – 24% to 25% – 26%. We are also increasing our Outdoor Performance sales growth expectations from 22 – 24% to 27% – 28%. Our Ball & Racquet sales growth guidance goes from 10 – 12% to approximately 14%.

Turning to margins. We are fortunate to have the revenue and gross margin momentum that allows us to reinvest behind our 3 growth engines to ensure high quality growth and strong brand equity over the long term — while also expanding our operating margins over time.

For 2026, we are raising our full-year adjusted gross margin guidance from 59 – 59.5% to 60.5 — 61%, which includes the 80-basis point benefit from the Q2 net tariff refund. And we are raising our adjusted operating margin guidance from 13.4 – 13.7% to 14.2 – 14.5%.

By Segment, we are raising Technical Apparel adjusted operating margin guidance from approximately 22% to approximately 22.5%, which includes approximately 30 basis points of net tariff refund benefit from Q2. For Outdoor Performance we are raising adjusted operating margin guidance from 15.0 – 15.5% to 16.0% – 16.5%, which includes approximately 50 basis points of tariff refund benefit. And for Ball & Racquet, we are raising the adjusted operating margin from 4.7 – 5% to 6.7% – 7.2%, which includes an approximate 250 basis point benefit from tariff refunds.

We are assuming 2026 net finance cost of approximately $85 million, which is up from the previous $70 mm guidance, mainly attributable to an increase to the cost of hedging, FX losses, as well an increase in lease expense.

We continue to assume an effective tax rate of 28%.

Other operating income should be approximately $43 million for the full year. Corporate expense is now expected to be $240 million versus $220 million previously, primarily due to higher IT investment spend and deferred compensation expense.

Net income attributable to non-controlling interest is expected be approximately $30 million for the full year. We now expect adjusted diluted EPS of $1.27 – $1.30, versus our prior guidance of $1.18 – 1.23, which is based on approximately 585 million fully diluted shares.

Other full-year modeling items to consider: We are also assuming D&A of approximately $450 million, including approximately $220 million of ROU depreciation. Capex is still expected to be approximately $400 million, primarily to support our retail expansion and IT infrastructure investments.

TURNING TO THIRD QUARTER GUIDANCE, we expect reported revenue growth for the Group in the range of 18 – 20%, which assumes an approximately 50 basis point tailwind from favorable Fx impact at current exchange rates.

We expect adjusted gross margin to be approximately 59.0% in 3Q26, and an adjusted operating profit margin of 13.5 – 14.0%. Keep in mind that last year, 3Q gross margin benefitted by approximately 50 basis points from one-time inventory reserve adjustments.

Net finance costs will be $15 – $20 million, and our effective tax rate approximately 28%.
We expect adjusted diluted EPS of $0.31 – $0.33 in Q3.

Lastly, should better-than-anticipated demand materialize, we believe we are well positioned to deliver financial performance ahead of our expectations.

With that, I'll turn it back to the operator for questions.

Q&A – OPERATOR