AMER SPORTS 3Q26 EARNINGS SCRIPT

Welcome everyone. Thanks for joining Amer Sports earnings call for the third quarter of fiscal year 2026. Earlier this morning we announced our financial results for the quarter ended September 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. 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.

Thanks Omar.

Our global momentum continued in Q3 with 24% revenue growth and strong operating margin expansion. All segments, geographies, and channels achieved double-digit growth led by another exceptional quarter from Salomon Softgoods, a very solid Arc'teryx omni-comp, and continued strong growth for Wilson Tennis 360.

Given our excellent results year to date, and strong start to the fourth quarter, we expect 2026 to be another excellent year for Amer Sports. Looking forward beyond this year, given the broad-based momentum across our portfolio, the healthy premium sports and outdoor market, and our world class team, I am very confident in the future outlook for our company.

I will start with key highlights from our three segments.

First Technical Apparel...

Arc'teryx delivered another great quarter, with broad-based strength across regions, channels, and categories. Strong Technical Apparel DTC momentum was driven by a 16% omni-comp.

In Q3, Arc'teryx had a huge brand moment with the launch of Sperro SV, our latest and most pinnacle hardshell jacket. The Sperro SV represents a major leap forward in technical innovation and circular design. Made with recycled and recyclable materials, it is also our most advanced hardshell jacket pushing the limits of pinnacle technical performance. Sperro is also our first product under System Zero, which is a groundbreaking new framework and business model for designing, manufacturing, repairing and regenerating technical apparel.

The launch generated record visibility and engagement across social media, traditional media, community activations, billboards, and content creators. And the consumer response has been very strong too, with 1 in 4 Sperro buyers coming in totally new to the brand. The launch is also having a strong halo effect on our overall hardshell category.

Another big brand moment was a new collection to celebrate the 25th anniversary of Arc'teryx's collaboration with BEAMS, the iconic Japanese retailer and cultural institution. The capsule was wildly successful, almost selling out in the first 72 hours, with especially strong buzz in North America and APAC.

From a category standpoint, I first want to highlight **Women's**, which continues to grow faster than any other category for Arc'teryx. We are seeing momentum with female consumers across all channels, regions, and products. Women's-only models and seasonal colorways continue to be a key growth driver, accounting for 50% of women's sales in Q3.

Our Clarkia franchise — which combines technical performance fabrics with modern updated silhouettes — continues to stand out with our female consumers. We began with one Clarkia pant model two years ago, and now we have 5 different products in the franchise, including the recently released Clarkia AR Pant and Clarkia AR Insulated Hoody.

Turning to Footwear, which had another great quarter, with strong overall momentum driven by existing lines, as well as the launch of Kopec 2, our most popular hiking shoe.

Arc'teryx had a big footwear brand moment at UTMB with an exclusive colorway of the speed trail running shoe Sylan 2. This drove energy to the franchise and highlighting the race shoe in the pinnacle week of the trail running season. Arc'teryx athlete Jazmine Lowther was a top 5 finisher wearing Sylan 2s.

And more recently at the beginning of Q4, we launched the Postour boot, which is an insulated, waterproof recovery boot that has a removable built-in slipper designed to wear after a hard day of skiing. This unique product has gained strong traction in social media, and the men's product is sold out across most sizes.

Turning to our **Veilance** sub-brand, which continued to have solid growth in Q3 from a small base. We continue to focus on investing in newness, developing our collections, expanding distribution, and improving the ecomm experience.

On the mountain, Arc'teryx hosted two academies in Q3, including Chamonix France and Squamish Canada. Both were great successes, with over 45,000 visitors in total in the Villages over the weekends, and more than 1,300 attendees in clinics.

Turning to Peak Performance, which delivered solid growth in Q3. The repositioning to a full-price premium outdoor brand continues to progress, with more focused product categories and assortments. We are seeing some early green shoots in China as we improve fit and focus the assortment. There will also be a Peak Performance pop-up in Nolita in New York City this December.

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 and channels — for both Sportstyle and Performance products.

Starting with Sportstyle, which continues to see great momentum. The XT-6 and XT-Whisper franchises are resonating with a younger and more diverse audience. And in Q3 we launched a new more premium evolution of Sportstyle, with the XT EVO. The XT EVO has seen great traction so far in key epicenters, especially with a younger audience. This latest iteration is part of our robust pipeline of Sportstyle franchise development planned.

We also recently launched our global Salomon Winter campaign, starring our global brand ambassador, superstar singer and actress, JISOO. She is helping us drive brand heat across all major regions, especially in epicenter cities.

For example in China, we launched a market-specific campaign with JISOO, called BLUE PERSPECTIVE. JISOO drew a huge crowd when she attended our recent flagship opening in Beijing, which resonated extremely well with younger female consumers, and generated 2 billion impressions in one month.

Moving to our Performance lines, which are also working very well. Performance consumers increasingly recognize Salomon as an All-Terrain brand, from trail to gravel to roads and cities.

We continue to develop cutting-edge performance products, including the recently launched second generation of S/LAB Genesis, a highly technical trail shoe. We launched this shoe during the UTMB Mont Blanc, with a full week of activations in the village. At UTMB, Salomon represented 1 in 5 shoes worn, and 2 of every 3 hydration packs.

As we further develop Salomon in the running category, we are thrilled to become the IRONMAN Global Premier Partner, beginning 2027. We believe Salomon is uniquely positioned to bring its heritage in mountain, trail, and road to the world's most iconic endurance community. IRONMAN is a natural extension for Salomon, given its endurance legacy in cross country skiing, adventure racing, and trail running.

Looking at Salomon regionally, the brand continues to have excellent heat everywhere.

In Greater China, we continued to deliver very strong double-digit growth driven by strength across Sportstyle, Performance, and Apparel. Our local-for-local apparel and accessories line in China continues to gain strong traction.

For the second year in a row, we hosted the Shanghai Gravel running event, which has grown rapidly in popularity, and had 4 times the sign-ups vs. last year.

Salomon is also experiencing surging demand in Korea, Japan, and Australia supported by global marketing campaigns and unique local activations that deepen consumer engagement and cultural relevancy.

Moving to Europe, where we are experiencing strong demand. Sportstyle continues to be the biggest growth driver, but GRVL is also gaining momentum in Europe, supported by marketing campaigns, in-store and running event activations. We are seeing high ecomm growth in Europe, even as we expand our premium DTC and wholesale footprint. We are also seeing strong performance in our local Epicenters, especially Paris and London.

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 our products.

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. Some of our local U.S. activations in Q3 include Gravelanza in L.A., the XT-EVO launch at Kith, and an XT-6 and XT-Whisper collaboration with Free People.

Across all markets our epicenter strategy is working. Our tier-1 global epicenters Paris, London, Shanghai, Beijing, Tokyo, New York, and Los Angeles are all driving very strong sales momentum and rising brand awareness. In the U.S., New York and Los Angeles have some of the youngest Salomon buyers across all markets. Looking ahead, we plan to expand the epicenter approach to Berlin, Seoul, Miami, San Francisco, Chicago, and Boston.

Lastly before I switch to Ball & Racquet, I also want to mention our **Winter Sports Equipment franchises,** which had a very strong Q3, with strong shipments to start the season and solid order books for the winter season overall. We are pleased that our brands continue taking share in the highly competitive market.

Our Atomic-Armada President Wolfgang Mayrhofer is retiring after 41 years at the company. Current Atomic-Armada CFO, Michael Absmaier, will take over as President beginning in January. I want to thank Wolfgang for four great decades at Atomic, which has more than doubled in size the last 10 years under his leadership. We are confident that the business won't skip a beat with Michael Absmaier stepping into the President role given his 22 years at the company and in the industry, including the last 3 years as CFO of Atomic-Armada.

Moving to Ball & Racquet highlights. Ball & Racquet sales grew 12% in Q3 driven by continued strength in Tennis 360, both Softgoods and racquets. Our Tennis 360 strategy continues to resonate very well with consumers, from our unique line of tennis apparel and footwear to high performance racquets.

Wilson Softgoods continues its exceptional growth trajectory, led by China and APAC. And our performance racquets are continuing to gain market share led by our two recent launches: the Defyer and the Blade v10. Defyer was ranked the number one performance racquet in the U.S. in September, and the Blade v10 also continues to perform very well. Wilson now has 9 out of the 15 top-selling racquets in the US Tennis Specialty market.

With that I will turn it over to Andrew....

Thanks James.

We had a great financial performance in Q3 across the P&L. 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.

Amer Sports Group generated Q3 sales growth of 24%, or 23% ex-currency. The strong Group sales performance was led by Outdoor Performance and Technical Apparel. Ball & Racquet also delivered solid double-digit sales growth.

By channel, the Group continues to be driven by DTC, which grew 36%. Wholesale grew 15%, led by Salomon and Arc'teryx.

Growth was also very strong across all geographies led by Asia Pacific, which increased 48%, and China, which grew 30%. The Americas grew 22% and EMEA grew 10%.

Turning to profitability, adjusted gross margin increased 150 basis points to 59.4% in Q3, primarily driven by favorable channel, segment, region and product mix, as well as less discounting and off-price sales. This was slightly offset by higher inbound freight and fuel surcharges tied to the rising cost of oil.

Adjusted SG&A expenses as a percentage of revenues increased 80 basis points and represented **43.1%** of revenues in Q3, a better rate than implied by our previous guidance. However, as I will discuss with guidance, some of this upside relates to a shift in the timing of SG&A spend from Q3 into Q4.

By Segment, slight SG&A leverage in Outdoor Performance was more than offset by slight deleverage at Technical Apparel driven by investments in Peak Performance and deleverage at Ball & Racquet due to investments in Wilson Tennis 360.

Corporate expenses were **$61 million**, up from **$45 million** in **Q3** of last year, mostly related to higher personnel and IT expenses as we modernize our warehouse management, end-to-end planning capabilities, and ecomm platforms.

This equates to a **70** basis point increase in our adjusted operating margin from **15.7%** last year to **16.4%** in **Q3** of the current year.

Adjusted net finance cost in the quarter was $14 million, and **our Q3 adjusted income tax expense was** $88 million, which equates to an adjusted effective tax rate of **26%**.

Adjusted net income in **Q3** was **$250 million**, compared to **$185 million** in the prior year period. Adjusted diluted earnings per share was **$0.42** compared to **$0.33** last year.

Now turning to segment results:

Technical Apparel revenues increased **26%** to **$861 million** led by Arc'teryx. Growth was fueled by **32%** DTC expansion, including a 16% omni-comp. Technical Apparel wholesale revenues grew **14%.**

In Q3 we opened net 9 new Arc'teryx stores globally, bringing us to 17 year to date. We continue to plan to open 30 to 35 net new Arc'teryx stores for full-year 2026, across all markets.

Regionally, the Technical Apparel growth rate was led by APAC, and North America, followed by Greater China, and EMEA.

In APAC, Arc'teryx saw very strong growth driven by great success in Korea and Japan. The strong growth in Q3 in Korea was driven by strong retail demand, tourism and improved product availability. We are very excited for the potential of Arc'teryx in Korea, which we consider to be one of the best outdoor markets in the world, with very high outdoor spending per capita, but still a small market for us.

We also plan to open a major new flagship in Seoul in the Fall of 2027. This four-level Alpha location will be the first in the world to rival our Shanghai Museum flagship in terms of size, scale, and overall presence.

In North America Arc'teryx has had a fantastic year so far, and growth continued to be very strong in Q3, including strong double-digit omni-comps in the region. We are seeing strong traction in both brand stores and ecomm traffic as we leverage brand experience and community to unlock higher conversion in the U.S..

Q3 store openings include the relocation of our first-ever brand store in Sainte-Catherine, Montreal, to a beautiful nearly-10,000 square feet space over three floors that also offers Veilance and ReBIRD.

Another important recent opening to highlight is our Whistler Mountain Town store in Canada after relocating to a larger space in a better location. We believe the improved Whistler store can rival our Banff mountain town shop, which is one of the highest volume stores in all of North America.

And most recently in early Q4, we opened two important stores in California: a new flagship in the Valley Fair mall in San Jose and a new store concept on Abbot Kinney Blvd in LA, our first climbing-focused door. It features an indoor climbing wall and an open-air patio, creating not just a key retail space for this community but a place for them to climb, gather, and return to.

We now have 77 total stores in North America, a count we believe could reach 200+ doors over time.

Greater China continued to deliver strong growth and maintain exceptional profitability in Q3. We are executing premium channel expansion with new and upgraded stores in high-tier cities and travel hubs while maintaining best-in-class productivity. We finished Q3 with 144 Arc'teryx stores in Greater China, including owned and franchise partner doors, and we believe this could be 200 doors over time.

We are planning **12** net new store openings in Greater China for the full year 2026, and have opened 6 net new stores year to date.

EMEA, which remains Arc'teryx's most underpenetrated market, had solid growth in Q3, despite slower tourist traffic. We saw a lot of brand momentum around mountain activations from UTMB and the Alpine Academy. We now have 20 stores across EMEA, and we believe the market could support 75+ over the long-term.

Technical Apparel adjusted operating margin expanded 210 basis points to **21.1%**. Margin growth was led by strong gross margin expansion, driven by favorable material costs, lower inbound air freight usage, as well product mix. SG&A had slight deleverage driven by investments in Peak Performance.

Moving to Outdoor Performance, which saw revenues increase **27%** to **$917 million**, driven by continued very strong performance in Salomon footwear and apparel.

By channel, Outdoor Performance DTC grew 48%, led by new doors and higher productivity across markets, especially the Americas, APAC and Greater China. 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. Wholesale grew 18%, 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 the Americas, followed by EMEA.

As Salomon cements itself as the modern mountain sports culture brand, demand for its unique All-Terrain footwear offering is inflecting globally. And we are doing everything we can to ensure we are positioned to fully develop this large opportunity in the right way across markets.

In Asia, DTC continues to be the critical growth channel for Salomon led by our highly productive Salomon shops. We opened 15 net new Salomon shops in **Greater China** this quarter, including both owned stores and franchise partner doors, bringing our total count at quarter end to nearly 330 doors.

We expect to open around 50 net new stores in Greater China this year, as we focus on both expanding our fleet AND upgrading it with larger format, more productive doors in the highest traffic shopping centers. The larger format also gives us the space to incorporate footwear and our new apparel offering, which James mentioned is gaining momentum. We see the potential for Salomon to have 400—500 doors in China long term.

In APAC, where Salomon is also experiencing excellent growth, we opened net 7 new stores in Q3 across Japan and Australia. The overall brand awareness and desirability of Salomon's footwear offering is growing very rapidly across Asia. And we are also seeing very strong performance from the local apparel line in Korea.

In EMEA, key epicenters Paris and London are continuing to see strong growth. We are also further expanding into other European key cities, including a Barcelona shop that opened in July and Liverpool that opened in September.

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, for both Sportstyle and Performance. We are pleased to see traffic up strongly in Ecomm, which tracks our expanding geographic presence, distribution, and awareness across key cities. We are also seeing very strong results across our expanded retail footprint in the US, driven by Sportstyle. Our new Flatiron New York store has performed very well since its grand opening in July. And as we expand our Los Angeles epicenter, we are planning a Beverly Hills location later this year.

Salomon has also been seeing very strong wholesale demand in North America. As we shared last call, Salomon has begun to expand into a small number of key wholesale doors in

epicenter cities with important modern premium sneaker retailers, such as Nordstrom, Foot Locker, and JD Sports. Our sell-through performance has been very strong, and we will continue to thoughtfully and selectively expand with these and other modern sneaker retail channels over the next couple of years.

Lastly, our **Winter Sports Equipment franchises** had a very strong Q3 with solid order books for the winter season overall, and strong shipments so far. We are pleased with our continued market share gain despite a competitive market.

Demand for ski vacations in the mountains remains high and consistent, and the core Alpine "en piste" market is healthy despite inconsistent snow conditions. Many top ski resorts now have excellent snow-making capabilities, and others are investing heavily to build up the infrastructure.

Outdoor Performance adjusted operating profit margin expanded 80 basis points from last year to 23.1% in Q3, driven by gross margin expansion from mix shift benefits and slight SG&A leverage on strong sales as well as shifting some expenses from Q3 into Q4.

Moving to Ball & Racquet, where revenue increased 12% to **$391 million** driven by Softgoods and Racquets. This is a more normalized growth level compared to +24% in Q2, which was unusually strong driven by the new racquet launches sell-ins.

By category, we continue to see very strong momentum in Tennis 360 globally. Growth was led by Softgoods, and Performance Racquets continue to be strong following recent launches. We are also seeing demand for Padel products gaining momentum.

Beyond racquets, we also saw strong growth in inflatable balls. Baseball growth was flat, while golf was a slight drag as healthy growth in the pro clubs category was more than offset due to challenges in the commercial clubs in Europe where traffic was impacted by the World Cup and the heatwave.

Regionally, Ball & Racquet's growth rate was led by Greater China, followed by APAC and the Americas. EMEA was a slight drag to growth due to slower sales in golf I just mentioned.

We opened 10 net new Wilson brand stores in Q3, with the majority in Greater China.

We have extensive store opening plans for China long-term given the performance of existing Wilson Tennis 360 shops there. For the full year 2026, we continue to plan to open

approximately 40 net new Wilson Tennis 360 shops in China, between owned and partner doors.

In APAC, Wilson delivered solid growth led by continued momentum in Softgoods particularly in Japan and Australia.

In North America, we saw strong growth in Racquets and Team Sports. We 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.

We also recently opened our first brand store in Miami in the Aventura mall which is off to a very strong start.

Ball & Racquet segment adjusted operating profit margin decreased **210** basis points to **6.1%**. The margin compression was mainly driven by higher SG&A reflecting our intentional decision to invest behind Wilson softgoods, including tennis tour pros. Ball & Racquet gross margin declined slightly as mix and pricing benefits were more than offset by the combined impact of: 1) lapping of one-time benefit from the change in inventory reserve estimate in the prior year and 2) margin headwinds in baseball bats as our lower margin product lines are significantly outperforming.

Turning to the Group balance sheet. We ended the quarter with $594 million of net cash, and exited the quarter with inventories up 16% year-over-year, well below our 24% sales growth. We are very comfortable with the level and quality of our inventory and happy to see the inventory levels normalize versus revenues as planned.

Driven by strong profit growth and disciplined working capital management, we generated **$514** million of operating cash flow in the first nine months of 2026 compared to $104 million last year. And for the full year 2026, we continue to expect to generate solid operating cash flow growth versus 2025.

Before guidance, I want to discuss our capital allocation update. Even as we aggressively reinvest in our brands to support long-term sustainable growth, we are still building a significant cash balance, and expect to generate billions more free cash flow in the coming 5 years. In addition to regular buybacks to offset dilution from our annual long-term incentive plan, the open ended share repurchase authorization announced today also gives us the flexibility to execute opportunistic buybacks if our share price becomes dislocated from business fundamentals or large supply opportunities arise.

Now moving to guidance— Let's begin with the updated full year 2026 outlook.

Our guidance assumes that current tariff rates remain in place for the remainder of 2026. We have received substantially all of our tariff refund submission amount in Q2'26, and any remaining receipts will be negligible.

We are raising our 2026 revenue growth guidance from approximately 24% to 25 – 26%, which includes an approximate 200 basis point currency benefit at current exchange rates. This implies a 17 – 20% revenue growth rate for Q4.

By segment, we are raising our Technical Apparel 2026 revenue growth guidance from 25 – 26% to 27 – 28%. We are also increasing our Outdoor Performance sales growth expectations from 27 – 28% to 28 – 29%. Our Ball & Racquet sales growth guidance goes from approximately 14% to 14 – 15%.

Turning to margins. For 2026, we are narrowing our full-year adjusted gross margin guidance from 60.5 – 61% to approximately 60.8%, which implies 59.3% in Q4. And we are raising our adjusted operating margin guidance from 14.2 – 14.5% to 14.5 – 14.7%, which implies approximately 11.5 – 12.5% operating margin for Q4. Please note that roughly half of the $65 million net tariff refunds received this year relates to 2025, or roughly 40 basis points of 2026 adjusted gross and operating margin. In other words, the underlying adjusted gross margin in our updated full-year 2026 guidance excluding tariff refunds related to 2025, is 60.4%. And our underlying 2026 operating margin guide excluding tariff refunds related to 2025, is 14.1 — 14.3%.

As you run your models, you will see this implies a lower Q4 adjusted operating margin than we previously expected, driven by a higher SG&A rate. About half of the higher SG&A spend in Q4, or approximately $30 million, is incremental investment to drive our 3 growth engines. The other half relates to the timing of expenses that had been planned for Q3, but will now hit in Q4.

We have high confidence to make these types of opportunistic investments into our brands and capabilities, including: marketing, talent, IT, store openings, and digital. We are seeing excellent returns on our investments, both financially and in the form of stronger brand equity.

Corporate expense is expected to be approximately $260 million for the full year.

By Segment, we are raising Technical Apparel adjusted operating margin guidance from approximately 22.5% to 23.0 – 23.2%. For Outdoor Performance we are raising adjusted operating margin guidance from 16.0 – 16.5% to 17.0 – 17.2%. For Ball & Racquet, we are lowering the adjusted operating margin from 6.7 – 7.2% to approximately 6% predominantly due to reinvestments in Wilson Tennis 360, as well as the negative mix shift in baseball bats.

We are assuming 2026 net finance cost of approximately $80 million.

We now assume an effective tax rate of 27%, down from 28% due to jurisdictional mix shift of earnings.

Other operating income should be approximately $58 million for the full year.

The IT investments include a new warehouse management system, ERP investments and a new end-to-end planning system for our brands to improve our planning visibility and agility, which will drive more accurate inventory planning.

Net income attributable to non-controlling interest is expected be approximately $35 million for the full year. We now expect adjusted diluted EPS of $1.32 – 1.35, versus our prior guidance of $1.27 – 1.30, which is based on approximately 587 million fully diluted shares.

Other full-year modeling items to consider: We are 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.

As we begin to look beyond this year, we are also confident in our initial 2027 outlook.

At the Group level, our initial outlook is for revenue at the mid-point of our long-term algorithm of low-double-digit to mid-teens annual growth. And we expect to deliver adjusted operating margin expansion at the low-end of our long-term Group algorithm of 30-70+ bps of annual margin expansion.

Please note we are using the midpoint of our latest 2026 guidance as the base for next year, excluding the 40 basis point of tariff refunds related to 2025 that I mentioned earlier.

Keep in mind that since 2022, we have expanded our gross margin by over 1,000 basis points. This has enabled us to reinvest in our brands from a position of strength over the last four years at a challenging time for others in the industry without sacrificing operating margin expansion, which has increased roughly 150 basis points per year on average — well above our 30—70+ basis points long-term algorithm.

Today, given the significant value creation potential for each of our three growth engines as well as our growing confidence in their significant long-term potential, we want to build the right foundation for our company to scale into a much bigger size. And we want the flexibility to invest in our brands to drive sustainable growth and ensure strong brand equity long term. This means making investments to attract and retain high-quality talent, support our brands with best-in-class marketing, build out our premium own store network, and develop strong IT and digital platforms.

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