Columbia Sportswear Company

2024 Annual Report


WE CONNECT
ACTIVE
PEOPLE
WITH THEIR
PASSIONS
Columbia
SOREL
MOUNTAIN HARD WEAR
prAna

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

FORM 10-K

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

For the fiscal year ended December 31, 2024

OR

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

For the transition period from_______to_______

Commission file number 000-23939

COLUMBIA SPORTSWEAR COMPANY

(Exact name of registrant as specified in its charter)

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

14375 Northwest Science Park Drive, Portland Oregon 97229

(Address of principal executive offices and zip code)

(503) 985-4000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	**COLM**	**The NASDAQ Global Select Market**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2024, based upon the closing price of the common stock on the last business day of the registrant's most recently completed second fiscal quarter, was $2,334,761,479.

The number of shares outstanding of the registrant's common stock on February 14, 2025 was 55,342,827.

Portions of the registrant's proxy statement related to its 2025 Annual Shareholders' Meeting to be filed subsequently are incorporated by reference into Part III of this Annual Report on Form 10-K. Except as expressly incorporated by reference, the registrant's proxy statement related to its 2025 Annual Shareholders' Meeting shall not be deemed to be part of this report.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of federal securities laws. Forward-looking statements often use words such as "will", "anticipate", "estimate", "expect", "should", "may", "believe" and other words and terms of similar meaning or reference future dates. Forward-looking statements include any statements related to our expectations regarding the effectiveness of our investments, future performance or market position, the promotional environment, our utilization of temporary clearance locations, storage and processing capacity, future manufacturing locations of our inventory, inventory levels and timing of inventory receipt, inventory carrying costs, shipment timing, the continued licensing of certain of our proprietary rights, consumer and customer spending and preferences, the performance of our various sales channels, freight charges, scale efficiencies, inflationary pressures, foreign currency translation, the performance of our international businesses, the geopolitical environment, consumer and customer behaviors and expectations and our ability to retain existing, value-oriented consumers while attracting new consumers, the regulatory environment, the impact of seasonal trends, materiality of legal matters, risk management strategies, the performance of our profit improvement program and the Columbia brand ACCELERATE Growth Strategy, capital expenditures, our short and long-term cash needs and our ability to meet those needs, amortization expenses, and maturities of liabilities.

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

PART I

ITEM 1. BUSINESS

GENERAL

Founded in 1938 in Portland, Oregon, as a small, family-owned, regional hat distributor and incorporated in Oregon in 1961, Columbia Sportswear Company has grown to become a global leader in designing, developing, marketing, and distributing outdoor, active and lifestyle products, including apparel, footwear, accessories, and equipment.

Unless the context indicates otherwise, the terms "we," "us," "our," "the Company," and "Columbia" refer to Columbia Sportswear Company, together with its wholly owned subsidiaries and entities in which it maintains a controlling financial interest.

BRANDS AND PRODUCTS

We connect active people with their passions by providing them with the products they need to seek inspiration and adventure. We meet the diverse needs of our customers and consumers through our four brands by designing, developing, marketing, and distributing our outdoor, active and lifestyle products, including apparel, footwear, accessories and equipment.

> ***Columbia*® |** Founded in 1938, our Columbia brand's mission is to unlock the outdoors for everyone. Our Columbia brand offers authentic, high-value outdoor apparel, footwear, accessories and equipment products suited for hiking, trail running, snow, and fishing and hunting activities, as well as everyday outdoor activities.
>
> ***SOREL*® |** Acquired in 2000, our SOREL brand has evolved from a men's utility boot brand into a contemporary lifestyle brand bringing style to the outdoors. Our SOREL brand leverages its rich heritage, innovation and style to offer distinct, compelling, and unexpected footwear to consumers around the world.
>
> ***Mountain Hardwear*® |** Acquired in 2003, our Mountain Hardwear brand's mission is to encourage and equip people to seek a wilder path in life. With over 30 years of wild wisdom, our Mountain Hardwear brand continues to offer essential, premium apparel, accessories and equipment products for climbers, mountaineers, skiers, snowboarders, and trail athletes.
>
> ***prAna*® |** Acquired in 2014, our prAna brand's mission is to celebrate the spirit of adventure and discovery, encouraging individuals to pursue their passions inspired by an active California lifestyle. Our prAna brand offers apparel and accessories that blend style and versatility for individuals who embrace movement and have a deep reverence for nature.

Across our diverse portfolio of brands, our products have gained recognition for their innovation, quality, value, and performance. Our products incorporate the cumulative design, fabrication, fit, and construction technologies that we have pioneered over several decades and continue to innovate. Our apparel, accessories and equipment products are designed to be used for all seasons, activities and locations. Our footwear products include durable, lightweight hiking boots, trail running shoes, rugged cold weather boots, sandals, shoes for use in water activities, and footwear for lifestyle wear.

SEASONALITY AND VARIABILITY OF BUSINESS

Our business is affected by the general seasonal trends common to the industry, including seasonal weather and discretionary consumer shopping and spending patterns. Our products are marketed on a seasonal basis, and our sales are weighted substantially toward the third and fourth quarters, while our operating costs are more equally distributed throughout the year.

PRODUCT DESIGN AND INNOVATION

We are committed to designing innovative and functional products for consumers who participate in a wide range of outdoor, active and lifestyle activities, enabling them to enjoy those activities longer and in greater comfort. We distinguish our products in the marketplace by placing significant value in the design and fit, including the overall appearance and image, and technical performance features of our products.

Our team of specialists leads both our internal research and development efforts and works closely with independent suppliers to conceive, develop and commercialize innovative technologies and products to provide the unique performance benefits desired by consumers. We utilize our working relationships with specialists in the fields of chemistry, biochemistry, engineering, industrial design, materials research, graphic design, and other related fields, along with consumer insights and feedback, to develop and test innovative performance products, processes, packaging, and displays. These efforts, coupled with our drive for continuous improvement, represent key factors in the ongoing success of our products.

MANUFACTURING AND SOURCING

We seek to substantially limit our invested capital and avoid the costs and risks associated with large production facilities and the associated labor forces; therefore, we do not own, operate or manage manufacturing facilities. The majority of our finished goods are produced by contract manufacturers located outside the United States ("U.S."). We establish and maintain long-term relationships with key finished good manufacturing partners, but generally do not maintain formal long-term manufacturing volume commitments. The use of contract manufacturers for our finished goods maximizes our flexibility and historically has benefited our product costs.

We value legal, ethical and fair treatment of people involved in manufacturing our products. Independent contractors manufacturing our products are subject to our standards of manufacturing practices to facilitate safe and humane working conditions, as well as to promote ethical business practices. We have programs in place to monitor manufacturer practices and assess alignment with these standards.

We maintain manufacturing liaison offices in seven Asia Pacific countries. Our personnel in these offices monitor production at our contract manufacturers' facilities to ensure our products are manufactured to our specifications.

In 2024, our apparel, accessories and equipment products for our wholesale and direct-to-consumer ("DTC") businesses were manufactured into finished goods in 14 countries. In 2024, finished goods manufacturers in Vietnam, Bangladesh, Indonesia, and India produced approximately 40%, 25%, 10% and 10%, respectively, of these products. Five of the largest contract finished goods manufacturers account for approximately 30% of our apparel, accessories and equipment production, with the largest manufacturer accounting for approximately 10%.

In 2024, our footwear products for our wholesale and DTC businesses were manufactured into finished goods in four countries. In 2024, finished goods manufacturers in Vietnam and China produced approximately 80% and 15%, respectively, of these products. Five of the largest contract finished goods manufacturers account for approximately 80% of our footwear production, with the two largest manufacturers accounting for approximately 20% each and three manufacturers accounting for approximately 15%, 15% and 10% individually.

Raw materials for the finished goods manufacturing of our apparel, accessories, equipment, and footwear products are primarily sourced from Asia and are purchased directly by our contract manufacturers. In addition, our trademark licensees directly contract for the manufacture of their products.

MARKETING

Our portfolio of brands enables us to target a wide range of consumers with differentiated products. Our marketing supports and enhances our competitive position in the marketplace, drives alignment through seasonal initiatives, builds brand equity, raises brand relevance and awareness, infuses our brands with excitement, and, most important, stimulates consumer demand for our products.

Our integrated marketing efforts deliver messages about the performance benefits, features and styles of our products within each of our brands to their target consumers. We utilize a variety of means to deliver our marketing messages, including digital marketing, branded e-commerce and marketing sites, social media interactions, television and print publications, experiential events, brand ambassadors, branded and enhanced product store displays, and consumer-focused public relations efforts. In addition, we reinforce our brands' marketing messages with our key wholesale customers by utilizing digital platforms, television, print and advertising campaigns, as well as in-store branded visual merchandising display tools and favorable product presentation. We also authorize and encourage our international distributors to connect with consumers by operating e-commerce and marketing sites and maintaining a presence on social media platforms.

SALES AND DISTRIBUTION

We sell our products in more than 110 countries and operate in four reportable segments: U.S., Latin America and Asia Pacific ("LAAP"), Europe, Middle East and Africa ("EMEA"), and Canada. These reportable segments are organized by geographic location. Each reportable segment operates predominantly in one industry: the design, development, marketing, and distribution of outdoor, active and lifestyle products, including apparel, footwear, accessories, and equipment.

We sell our products through a mix of distribution channels. Our wholesale distribution channel consists of small, independently operated specialty outdoor and sporting goods stores, regional, national and international sporting goods chains, large regional, national and international department store chains, internet retailers, international distributors where we generally do not have our own direct operations, and certain other retailers. Our DTC distribution channel includes a network of branded, outlet, temporary clearance and employee retail stores, brand-specific e-commerce sites and shop-in-shop retail locations. In addition, we earn revenue through licensing certain of our trademarks across a range of apparel, accessories, equipment, and home products.

U.S.

U.S. is our largest segment and provides apparel, accessories and equipment products through our Columbia, Mountain Hardwear and prAna brands and footwear products through our Columbia and SOREL brands. These products are sold by our U.S. wholesale and DTC businesses. We have over 1,850 wholesale customers in the U.S. In 2024, our five largest U.S. wholesale customers accounted for approximately 20% of U.S. net sales and less than 10% individually. As of December 31, 2024, our U.S. DTC distribution channel sold our products in over 170 retail stores, including 28 temporary clearance locations.

We distribute the majority of our U.S. products from distribution centers that we own and operate in Portland, Oregon and Robards, Kentucky, as well as through a third-party logistics company that operates a distribution center in Cincinnati, Ohio and other facilities located near U.S. receiving ports. We also arrange to have products directly shipped from contract manufacturers to wholesale customer-designated facilities in the U.S.

LAAP

LAAP provides apparel, accessories and equipment products through our Columbia, Mountain Hardwear and prAna brands and footwear products through our Columbia and SOREL brands. These products are sold by our wholly owned subsidiaries in Japan, Korea and China, and through distributors in other LAAP markets. We have over 350 wholesale customers, including distributors, in LAAP. In 2024, our five largest LAAP wholesale customers accounted for approximately 10% of LAAP net sales. As of December 31, 2024, our LAAP DTC distribution channel sold our products in nearly 310 retail stores.

We distribute LAAP products through third-party logistics companies that operate distribution centers near Tokyo, Seoul, and Shanghai for our Japan, Korea and China businesses, respectively, as well as through third-party logistics companies that operate facilities located near receiving ports for our China business. The vast majority of our products sold to LAAP distributors are shipped directly to the distributors from the contract manufacturers from which we source our products.

EMEA

EMEA provides apparel, accessories and equipment products through our Columbia, Mountain Hardwear and prAna brands and footwear products through our Columbia and SOREL brands. These products are sold by our Europe-direct and EMEA distributor businesses. We have nearly 3,350 wholesale customers, including distributors, in EMEA. In 2024, our three largest EMEA wholesale customers accounted for approximately 20% of EMEA net sales and less than 10% individually. As of December 31, 2024, our Europe-direct distribution channel sold our products in over 60 retail stores.

We distribute the majority of our EMEA products from a distribution center that we own and operate in France for our Europe-direct business, as well as through third-party logistics companies that operate facilities located near receiving ports. The vast majority of our products sold to EMEA distributors are shipped directly to the distributors from the contract manufacturers from which we source our products.

CANADA

Canada provides apparel, accessories and equipment products through our Columbia, Mountain Hardwear and prAna brands and footwear products through our Columbia and SOREL brands. These products are sold by our Canada wholesale and DTC businesses. We have nearly 450 wholesale customers in Canada. In 2024, our two largest Canada wholesale customers accounted for approximately 25% of Canada net sales; approximately 18% and 7%, respectively. As of December 31, 2024, our Canada DTC distribution channel sold our products in over 10 retail stores.

We distribute the majority of Canada products from a distribution center that we own and operate in the province of Ontario in Canada, as well as through third-party logistics companies that operate facilities located near receiving ports.

See Part II, Item 7 and Item 8 in this Annual Report on Form 10-K for further discussion regarding our reportable segments.

INTELLECTUAL PROPERTY

Our trademarks create a market for our products, identify our company and differentiate our products from competitors' products. We own many trademarks, including Columbia Sportswear Company®, Columbia®, SOREL®, Mountain Hardwear®, prAna®, the Columbia diamond shaped logo, the Mountain Hardwear nut logo, the SOREL polar bear logo, and the prAna sitting pose and horn design logos, as well as many other trademarks relating to our brands, products, styles, and technologies. We also place significant importance on trade dress (the overall appearance and image of our products) which, as much as trademarks, distinguishes Columbia's products in the marketplace.

Our design and utility patents describe the technologies, processes and designs incorporated into many of our most important products. We file applications for U.S. and foreign patents to protect inventions, designs and enhancements that we deem to have commercial value. We have design and utility patents, which expire at various times, as well as pending patent applications in the U.S. and other countries.

We vigorously protect these proprietary rights against counterfeit reproductions and other infringing activities.

COMPETITION

The markets for outdoor, active and lifestyle apparel, footwear, accessories, and equipment products are highly competitive and we face significant competition from numerous companies. Our competition includes large companies with significant financial, marketing and operational resources, small companies with limited resources but deep entrenchment in their local markets, emerging brands with a large DTC presence, non-traditional outdoor brands, and other branded competitors. We also face competition from our wholesale customers who, under their own private brand names, produce and distribute similar products to our target consumers through their own retail stores and e-commerce businesses. We identify our primary competitive factors in the markets for outdoor, active and lifestyle products to be brand strength, product innovation, design, versatility, functionality, performance, durability, and price, as well as effective marketing and delivery of product in alignment with consumer expectations.

GOVERNMENT REGULATION

As a company with global operations, we are, and our products are, subject to the laws of the U.S. and multiple foreign jurisdictions in which we operate and the rules and regulations of various governing bodies, which may differ among jurisdictions, including, but not limited to, laws and regulations concerning product safety, environmental standards, trade, information security, privacy, labor and employment, health, marketing, competition, and safety.

See Item 1A of this Annual Report on Form 10-K for more information of risks relating to these laws, rules, and regulations.

HUMAN CAPITAL

We believe that attracting and retaining talent strengthens our enterprise. As part of these efforts, we strive to offer a competitive compensation and benefits program and promote employee well-being.

As of December 31, 2024, our employee workforce of approximately 9,780 employees consisted of approximately 5,630 full-time and part-time retail employees, 1,080 distribution center employees and 3,070 corporate and/or office employees. From December 31, 2023 to December 31, 2024, we had an overall employee turnover rate of approximately 56%, impacted by approximately 79% and 54% turnover rates in our retail and distribution employee base, respectively. Approximately 32% of our workforce was located outside of the U.S. as of December 31, 2024.

As of December 31, 2024, our global workforce was self-disclosed as 55% female, 42% male, less than 1% non-binary, and 2% undisclosed or chose not to identify. In the U.S., the self-disclosed ethnicity of our workforce, including retail and distribution employees, was 55% White, 24% Hispanic or Latino, 7% Asian, 7% Black, less than 1% American Indian or Alaskan Native, less than 1% Native Hawaiian or other Pacific Islander, 3 two or more races, and 2% undisclosed or chose not to identify.

Compensation and Benefits

Our compensation plans aim to reward performance. We offer competitive wages and, to align the interest of our management with those of our shareholders, shares of our common stock through a stock incentive plan. Globally, we offer employees affordable, competitive and comprehensive benefit programs. In the U.S., for our largest employee base, we sponsor comprehensive medical, dental, vision, and health savings or flexible spending account plans. We also provide 401(k) plan matching of employee contributions, paid time off, an employee assistance plan, life insurance, and short-term and long-term disability insurance.

AVAILABLE INFORMATION

We make available free of charge on or through the investor relations section on our website at http://investor.columbia.com/sec-filings our proxy statements, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we file these materials with the Securities and Exchange Commission ("SEC").

Detailed information regarding our (and our brands') corporate responsibility priorities and progress can be found in our latest "Impact Report" at http://columbia.com/corporate-responsibility. The content of such report is not incorporated by reference in this Annual Report on Form 10-K.

The content contained on or accessible through any website referred to in this Annual Report on Form 10-K, including those mentioned above, is not incorporated by reference in this annual report unless expressly noted.

Columbia Sportswear Company

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following table sets forth information about our executive officers. All information is as of the date of the filing of this report.

Name	Age	Position
Timothy P. Boyle	75	Chairman, President and Chief Executive Officer
Joseph P. Boyle	44	Executive Vice President, Columbia Brand President
Peter J. Bragdon	62	Executive Vice President, Chief Administrative Officer and General Counsel
Lisa A. Kulok	59	Executive Vice President, Chief Supply Chain Officer
Richelle T. Luther	56	Executive Vice President, Corporate Affairs and Chief Human Resources Officer
Jim A. Swanson	50	Executive Vice President, Chief Financial Officer
Craig Zanon	65	Executive Vice President, Emerging Brands, EMEA and Asia Direct

Timothy P. Boyle joined the Company in 1971 as General Manager, served as the Company's President from 1988 to 2015 and reassumed the role in 2017. Mr. Boyle has served as Chief Executive Officer since 1988. He has served as a member of the Board of Directors since 1978, and as Interim Chairman of the Board of Directors from November 2019 until his appointment as Chairman of the Board of Directors in January 2020. Mr. Boyle is also a member of the Board of Directors of Northwest Natural Holding Company (NYSE: NWN), and its subsidiary, Northwest Natural Gas Company. Mr. Boyle is a third-generation member of the Company's founding Boyle family, the father of Joseph P. Boyle, and the son of Gertrude Boyle, who served as the Chairman of the Board of Directors from 1970 until her death in 2019.

Joseph P. Boyle joined the Company in 2005 and has served in numerous roles of increasing leadership and responsibility, including General Merchandising Manager of Outerwear, Accessories, Equipment, Collegiate and Licensing, Vice President of Apparel Merchandising, and Senior Vice President of Columbia Brand Merchandising & Design. He was promoted to Executive Vice President, Columbia Brand President in 2017. Prior to joining the Company, Mr. Boyle served in a business development role for Robert Trent Jones II Golf Course Architects. Mr. Boyle is a fourth-generation member of the Company's founding Boyle family, and the son of Timothy P. Boyle.

Peter J. Bragdon joined the Company in 1999 and served as Senior Counsel and Director of Intellectual Property until January 2003. From 2003 to 2004, Mr. Bragdon served as Chief of Staff in the Oregon Governor's office. Mr. Bragdon returned to Columbia in 2004 as Vice President, General Counsel and Secretary, was named Senior Vice President of Legal and Corporate Affairs, General Counsel and Secretary in 2010 and Executive Vice President, Chief Administrative Officer, General Counsel and Secretary in 2015. In 2017, he assumed oversight of the Company's international distributor business. Prior to joining the Company, Mr. Bragdon served as an attorney in the corporate securities and finance group at Stoel Rives LLP, and Special Assistant Attorney General for the Oregon Department of Justice.

Lisa A. Kulok joined the Company in 2008 as Senior Director of Global Planning. She was promoted to Senior Vice President of Global Supply Chain Operations in 2015, was named Senior Vice President of Global Supply Chain Operations and Manufacturing in July 2020 and Executive Vice President, Chief Supply Chain Officer in November 2020. Prior to joining the Company, Ms. Kulok held various leadership positions at NIKE, Inc., including USA Apparel Marketplace Planning Director and Director of Regional Planning.

Richelle T. Luther joined the Company in 2008 as Deputy General Counsel. She was appointed Senior Vice President & Chief Human Resources Officer in September 2015 and named Executive Vice President, Corporate Affairs and Chief Human Resources Officer in January 2023. Prior to joining the Company, she served at Northwest Natural Gas from 2002 to 2008, most recently as Corporate Secretary and Chief Governance Officer, and was an attorney at Stoel Rives LLP from 1997 to 2002.

Jim A. Swanson joined the Company in 2003 and has served in numerous roles of increasing responsibility during his tenure, being named Vice President of Finance in 2015 and promoted to Senior Vice President, Chief Financial Officer in 2017 and to Executive Vice President and Chief Financial Officer in 2020. Prior to joining the Company, Mr. Swanson served in a variety of financial planning and analysis, tax, and accounting roles, including senior financial analyst at Freightliner Corporation and at Tality Corporation, and as a senior tax and business advisory associate at Arthur Andersen.

Craig Zanon joined the Company in 2021 as Senior Vice President, Emerging Brands and was elevated to Executive Vice President, Emerging Brands, EMEA and Asia Direct in February 2024. Prior to joining the Company, Mr. Zanon spent more than 20 years with NIKE, Inc. and held various leadership roles, including Vice President and General Manager of Global Basketball, as well as Vice President of U.S. Footwear and General Manager for the Americas.

Item 1A. RISK FACTORS

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

CHANGES IN PRODUCT DEMAND CAN ADVERSELY AFFECT OUR FINANCIAL RESULTS

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

These risks include, but are not limited to:

- Volatile Economic Conditions. We are a consumer products company and are highly dependent on consumer discretionary spending. Consumer discretionary spending behavior is inherently unpredictable. Consumer demand, and related wholesale customer demand, for our products may not support our sales targets, or may decline, especially during periods of heightened economic uncertainty in our key markets.
- Highly Competitive Markets. In each of our geographic markets, we face significant competition from global and regional branded apparel, footwear, accessories, and equipment companies. More recently this competition has extended to emerging brands that may not be viewed as outdoor brands but are participating in the outdoor apparel and footwear industry. Retailers who are our wholesale customers often pose a significant competitive threat by designing, marketing and distributing apparel, footwear, accessories, and equipment under their own private labels. We also experience direct competition in our DTC business from retailers that are our wholesale customers. This is particularly the case in the digital marketplace, where increased consumer expectations and competitive pressure related to various aspects of our e-commerce business, including speed of product delivery, shipping charges, return privileges, and other evolving expectations are key factors.
- Consumer Preferences and Fashion/Product Trends. Changes in consumer preferences, consumer interest in outdoor activities, and fashion/product trends may have a material adverse effect on our business. We also face risks because our success depends on our and our customers' abilities to anticipate consumer preferences and our ability to respond to changes of such preferences in a timely manner. Product development and/or production lead times for many of our products may make it more difficult for us to respond rapidly to new or changing fashion/product trends or consumer preferences.
- Brand Images. Our brands have wide recognition, and our success has been due in large part to our ability to maintain, enhance and protect our brand image and reputation and our consumers' and customers' connection to our brands. Our continued success depends in part on our ability to adapt to a rapidly changing media environment, including our increasing reliance on social media and online dissemination of advertising campaigns. In addition, consumer and customer sentiment could be shaped by our sustainability policies and related design, sourcing and operational decisions. Finally, demand in certain channels may be impacted in the short term as we seek to bring additional consumer segments to our brands by proactively managing the promotional activity of the brands in the marketplace.
- Weather Conditions, Including Global Climate Change Trends. Our sales are affected by weather conditions. Our DTC sales are dependent in part on the weather and our DTC sales growth is likely to be adversely impacted or may even decline in years in which weather conditions do not stimulate demand for our products. Unseasonably warm weather also impacts future sales to our wholesale customers, who may hold inventory into subsequent seasons in response to unseasonably warm weather. Our results may be negatively impacted if management is not able to adjust expenses in a timely manner in response to unfavorable weather conditions and the resulting impact on consumer and customer demand. The magnitude of climate change and whether resulting weather patterns continue to trend warmer will influence the extent to which consumer and customer demand for our outerwear and cold weather footwear products will be negatively affected.
- Shifts in Retail Traffic Patterns. Shifts in consumer purchasing patterns in our key markets may have an adverse effect on our DTC operations and the financial health of certain of our wholesale customers, some of whom may reduce their brick and mortar store fleet, file for protection under bankruptcy laws, restructure, or cease operations. These related business impacts have already occurred at certain of our wholesale customers. We face increased risk of order reduction and cancellation when dealing with financially ailing wholesale customers. We also extend credit to our wholesale customers based on an assessment of the wholesale customer's financial condition, generally without requiring collateral. We may choose (and have chosen in the past) to limit our credit risk by reducing our level of business with wholesale customers experiencing financial difficulties and may not be able to replace those revenues with other customers or through our DTC businesses within a reasonable period or at all.

- Innovation. To distinguish our products in the marketplace and achieve commercial success, we rely on product innovations, including new or exclusive technologies, inventive and appealing design or other differentiating features. If we fail to introduce innovative products that appeal to consumers and customers, we could suffer reputational damage to our brands and demand for our products could decline.

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

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

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

We place orders for our products with our contract manufacturers in advance of the related selling season and, as a result, are vulnerable to changes in consumer and/or customer demand for our products. Therefore, we must accurately forecast consumer and/or customer demand for our products well in advance of the selling season. We are subject to numerous risks relating to consumer and/or customer demand (see "We are Subject to a Number of Risks Which May Adversely Affect Consumer and/or Customer Demand for our Products and Lead to a Decline in Sales and/or Earnings" and "Our Orders from Wholesale Customers are Subject to Cancellation, Which Could Lead to a Decline in Sales or Gross Profit, Write-downs of Excess Inventory, Increased Discounts or Extended Credit Terms to Our Wholesale Customers" for additional information). Our ability to accurately predict consumer and/or customer demand well in advance of the selling season for our products is impacted by these risks, as well as our reliance on manual processes and judgments that are subject to human error. These risks are heightened during periods of macroeconomic and geopolitical volatility.

Our failure to accurately forecast consumer and/or customer demand could result in inventory levels in excess of demand, which may cause inventory write-downs and/or the sale of excess inventory at discounted prices through our outlet stores, temporary clearance locations, or third-party liquidation channels and could have a material adverse effect on our brand image and gross margin. In addition, we may experience additional costs and margin pressure relating to the storage and processing of excess inventory, including through our outlet stores.

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

WE ARE SUBJECT TO VARIOUS RISKS IN OUR SUPPLY CHAIN

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

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

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

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

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

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

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

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

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

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

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

In addition, the ability to move products over larger geographical distances could be negatively affected by ocean, air and trucking cargo capacity constraints or labor disruptions, or such constraints or disruptions at ports or borders, or geopolitical conflicts (such as is occurring currently in the Red Sea). These constraints, conflicts and disruptions could hinder our ability to satisfy demand through our wholesale and DTC businesses, and we may miss delivery deadlines, which may cause our customers to cancel their orders, refuse to accept deliveries or demand a reduction in purchase price. Furthermore, increases in distribution costs, including but not limited to freight costs, could adversely affect our costs, which we may not be able to offset through price increases or decreased promotions.

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

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

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

OUR INVESTMENT IN STRATEGIC PRIORITIES EXPOSES US TO CERTAIN RISKS

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

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

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

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

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

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

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

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

WE ARE SUBJECT TO CERTAIN INFORMATION TECHNOLOGY RISKS

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

Our reputation and ability to attract, retain and serve consumers and customers is dependent upon the reliable performance of our underlying technology infrastructure and external service providers, including third-party cloud-based solutions. The services these systems provide are vulnerable to interruption, in particular during a period of transition of systems, and we have experienced interruptions in the past.

We rely on cloud-based solutions furnished by third-parties primarily to allocate resources, pay vendors, collect from customers, manage loyalty programs, process transactions, develop demand and supply plans, manage product design, production, transportation, and distribution, forecast and report operating results, meet regulatory requirements and administer employee payroll and benefits, among other functions. In addition, our DTC operations, both in-store and online, rely on cloud-based solutions to process transactions. We have also designed a significant portion of our software and computer systems to utilize data processing and storage capabilities from third-party cloud solution providers. Our existing cloud-based solution providers have broad discretion to change and interpret their terms of service and other policies with respect to our use of their systems, and they may take actions beyond our control that could harm our business. We also may not be able to control the quality of the systems and services we receive from our third-party cloud-based solution providers. Some transitions of the cloud-based solutions currently provided to different cloud providers would be difficult to implement and may cause us to incur significant time and expense, or an interruption in services.

Both our on-premises and cloud-based infrastructure may be susceptible to outages due to any number of reasons, including human error, fire, floods, power loss, telecommunications failures, terrorist attacks and similar events. Despite the implementation of security measures that we believe to be reasonable, both our on-premises and our cloud-based infrastructure may also be vulnerable to hacking, computer viruses, the installation of malware and similar disruptions either by third-parties or employees, which may result in outages. We do not have redundancy for all of our systems and our disaster recovery planning may not account for all eventualities.

If we or our existing third-party cloud-based solution providers experience interruptions in service regularly or for a prolonged basis, or other similar issues, our business could be seriously harmed and, in some instances, our consumers and customers may not be able to purchase our products, which could significantly and negatively affect our sales. While we maintain cyber liability insurance policies for coverage in the event of a cybersecurity incident, we cannot be certain that our existing coverage will continue to be available on acceptable terms or will be available, and in sufficient amount, to cover the potentially significant losses that could result from a cybersecurity incident or that the insurer will not deny coverage as to any future claims.

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

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

We and many of our third-party vendors manage and maintain various types of proprietary information and sensitive and confidential data relating to our business, such as personally identifiable information of our consumers, our customers, our employees, and our business partners, as well as payment information in certain instances. Unauthorized parties may attempt to gain access to these systems or information through fraud or other means of deceiving our employees or third-party service providers. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly changing and evolving, and may be difficult to anticipate or detect for long periods of time. The ever-evolving threats mean we and our third-parties must continually evaluate and adapt our systems and processes, and there is no guarantee that these efforts will be adequate to safeguard against all data security breaches or misuses of data. Any breaches of our or our third-parties' systems could expose us, our customers, our consumers, our suppliers, our employees, or other individuals to a risk of loss or misuse of this information, result in litigation and potential liability for us, damage our reputation, or otherwise harm our business.

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

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

Our legacy product development, retail and other systems, on which we continue to manage a portion of our business activities, depend on the availability of limited internal and external resources with the expertise to maintain the systems. In addition, our legacy systems, including aged systems in our Japanese and Korean businesses and systems associated with our retail order management process, may not support desired functionality for our operations and may inhibit our ability to operate efficiently and cost effectively. The continued use of these legacy systems also increases the risk of service disruption and can complicate recovery effort when issues arise. Moreover, our continued transition from these legacy systems to new ones is complex and requires significant change management, including extensive coordination and integration with third-parties and their systems. Consequently, these transitions could result in the interruption of our operations.

WE ARE SUBJECT TO LEGAL AND REGULATORY RISKS

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

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

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

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

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

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

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

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

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

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

Other changes in the tax laws of the jurisdictions where we do business, including an increase in tax rates or an adverse change in the treatment of an item of income or expense, could result in a material increase in our tax expense. For example, changes in the tax laws of foreign jurisdictions could arise as a result of the Base Erosion and Profit Shifting project undertaken by the Organization for Economic Co-operation and Development ("OECD"). The OECD, which represents a coalition of member countries, has recommended changes to numerous long-standing tax principles. The OECD Pillar 2 global minimum tax rules, which generally provide for a minimum effective tax rate of 15%, are intended to apply for tax years beginning in 2024. On February 2, 2023, the OECD issued administrative guidance providing transition and safe harbor rules around the implementation of the Pillar 2 global minimum tax. Under a transitional safe harbor released July 17, 2023, the undertaxed profits rule top-up tax in the jurisdiction of a company's ultimate parent entity will be zero for each fiscal year of the transition period if that jurisdiction has a corporate tax rate of at least 20%. The safe harbor transition period will apply to fiscal years beginning on or before December 31, 2025 and ending before December 31, 2026. We are closely monitoring developments and evaluating the impact these new rules are anticipated to have on our tax rate, including eligibility to qualify for these safe harbor rules. As these changes are adopted by countries, tax uncertainty could increase and may adversely affect our provision for income taxes.

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

Changes to the U.S. tax laws as a result of the recent U.S. presidential administration change may impact our U.S. corporate tax rate. Although we cannot predict whether or in what form these proposals will pass, several of the proposals considered, if enacted into law, could have an adverse impact on our effective tax rate, income tax expense and cash flows.

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

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

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

In addition, many of our imported products are subject to duties, tariffs or import limitations that affect the cost and quantity of various types of goods imported into the U.S. and other markets. Proposals to implement new tariffs or other trade restrictions in the U.S. could impact the products we import into the U.S. and also result in retaliatory measures in international markets where we sell our products. Punitive measures have been threatened against certain countries that run trade surpluses with the U.S., such as Vietnam, Indonesia and India. We expect Vietnam, Indonesia and India to represent approximately 44 percent, 11 percent, and 10 percent, respectively, of the value of our imports to the U.S. in 2025.

Although we cannot predict whether and in what form such measures will be adopted or implemented, these proposals for tariffs or other trade restrictions could have an adverse impact on our cost of sales, gross margin and cash flows; disrupt the U.S. marketplace; and cause an increase in our product prices, to the extent possible, and potential adverse impacts to resulting net sales in the U.S. Changes in tariffs may also cause a change to our sourcing strategy, which we may or may not be able to implement based on timing and availability.

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

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

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

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

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

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

WE ARE SUBJECT TO NUMEROUS OPERATIONAL RISKS

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

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

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

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

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

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

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

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

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

Acquisitions Are Subject to Many Risks.

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

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

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

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

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

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

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

Our Investment Securities May Be Adversely Affected by Market Conditions.

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

We Depend on Certain Key Personnel.

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

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

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

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

RISKS RELATED TO OUR SECURITIES

Our Common Stock Price May Be Volatile.

Our common stock is traded on the NASDAQ Global Select Market. Factors such as general market conditions, actions by institutional investors to rapidly accumulate or divest of a substantial number of our shares, fluctuations in financial results, variances from financial market expectations, changes in earnings estimates or recommendations by analysts, or announcements by us or our competitors may cause the market price of our common stock to fluctuate, perhaps substantially.

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

As of December 31, 2024, three related shareholders, Timothy P. Boyle, Joseph P. Boyle, and Molly E. Boyle, controlled just over 50% of our common stock outstanding. As a result, if acting together, Timothy P. Boyle, Joseph P. Boyle, and Molly E. Boyle are able to exercise significant influence over all matters requiring shareholder approval. These holdings could be significantly diminished (and with them the related effective control percentage) to satisfy any applicable estate or unrealized gains tax obligations of the holders.

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

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

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

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Our management team is responsible for identifying, assessing and managing the material risks facing Columbia, supported by an enterprise risk management program. This program includes an annual enterprise risk assessment, during which interviews are conducted with independent directors and members of senior management seeking participants' judgement and assessment of the material risks facing Columbia. The enterprise risk management program then monitors the risks identified and mitigation efforts underway through periodic meetings with senior management.

Our enterprise risk management program addresses risks facing Columbia from cybersecurity threats impacting our internal systems and/or systems supported by third-party software providers.

On January 6, 2025, Skip Potter, Executive Vice President, Chief Digital Information Officer, departed the Company. Jim Swanson, Executive Vice President and Chief Financial Officer, is overseeing the digital technology department at the Company in an interim capacity. Our Chief Information Security Officer ("CISO") reports to Mr. Swanson and is responsible for identifying, assessing and managing risks facing the Company from cybersecurity threats impacting our internal systems and/or systems supported by third-party providers. Our CISO has served in various information technology and information security roles for over 20 years, including management of information security programs in the Department of Defense, private and public companies, and holds multiple industry certifications in information security. We leverage certain third-party providers and our internal Incident Response Team to alert us when a cybersecurity event occurs. Cybersecurity events may include unauthorized access, attacks on our resources, compromised accounts, malware, or ransomware. Upon alert of an event, we estimate the level of severity, create a response plan, and communicate to management as needed. Based on the estimated level of severity, timing of incident communication to management may range from immediate to quarterly. Our risk assessment process related to cybersecurity threats is subject to change in the future as threats may evolve over time.

Our Information Security committee oversees this cybersecurity program and consists of senior management, including Mr. Swanson and our Chief Administrative Officer and General Counsel. At least quarterly, this committee reviews updates regarding cybersecurity threats and incidents that have occurred. Periodically, this committee approves cybersecurity strategy and initiatives proposed by our CISO.

Our Board of Directors ("Board") generally oversees Columbia's risk management practices and processes. Annually, the Board reviews the results of the annual enterprise risk management program, including updates from our CISO related to cybersecurity matters. The Audit Committee also receives an update on the enterprise risk management program annually. The Board has delegated primary oversight of the management of cybersecurity risk to the Audit Committee. The Audit Committee annually reviews the strategies, investments and risks related to Columbia's information technology systems, including a review of Columbia's cybersecurity programs, and also receives quarterly updates from our CISO. The Board is informed of cybersecurity events to the extent they may materially impact Columbia or management otherwise believes they should be escalated to the Board.

See Item 1A of this Annual Report on Form 10-K for more information of risks relating to cybersecurity, including the risk factors "We Rely on Information Technology Systems, including Third-Party Cloud-based Solutions, and Any Failure of These Systems or Interruption in Services Provided by the Systems May Result in Disruptions or Outages in Our E-Commerce and In-Store Retail Platforms, Loss of Processing Capabilities, and/or Loss of Data, Any of Which May Have a Material Adverse Effect on Our Financial Condition, Results of Operations or Cash Flow" and "A Security Breach of Our or Our Third-Parties' Systems, Exposure of Personal or Confidential Information or Increased Government Regulation Relating to Handling of Personal Data, Could, Among Other Things, Disrupt Our Operations or Cause Us to Incur Substantial Costs or Negatively Affect Our Reputation".

ITEM 2. PROPERTIES

The following is a summary of principal properties owned or leased by us.

Location	Use	Ownership
Portland, Oregon	Corporate Headquarters (1)	Owned
Carlsbad, California	prAna Headquarters	Leased
Richmond, California	Mountain Hardwear Headquarters	Leased
Portland, Oregon	U.S. Distribution Center	Owned
Robards, Kentucky	U.S. Distribution Center	Owned
London, Ontario	Canadian Operations and Distribution Center	Owned
Geneva, Switzerland	Europe Headquarters	Leased
Strasbourg, France	Europe Administrative Operations	Owned
Cambrai, France	Europe Distribution Center	Owned
Shanghai, China	China Headquarters	Leased
Tokyo, Japan	Japan Headquarters	Leased
Seoul, Korea	Korea Headquarters	Leased

(1) Corporate Headquarters is an approximate 30-acre site, which includes the Columbia and SOREL brands' headquarters and centrally-managed departmental functions, including information technology, certain supply chain functions, finance, human resources and legal.

In addition, as of December 31, 2024, we sold our products in over 550 retail stores, including 28 temporary clearance locations. The vast majority of our retail stores are leased under a variety of arrangements, including long-term, short-term, and variable-payment leases. Our temporary clearance locations are leased on a short-term basis. We also have several leases globally for showrooms, office space, warehouse facilities, storage space, vehicles, and equipment, among other things. We believe that the Company's principal properties are in good condition and are suitable and adequate to support our business requirements. Refer to Note 8 in Part II, Item 8 of this Annual Report on Form 10-K for further lease-related disclosures.

ITEM 3. LEGAL PROCEEDINGS

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

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET INFORMATION

Our common stock is traded on the NASDAQ Global Select Market under the symbol "COLM".

HOLDERS

As of February 14, 2025, we had 240 shareholders of record, although we have a much larger number of beneficial owners, whose shares of record are held by banks, brokers and other financial institutions.

DIVIDENDS

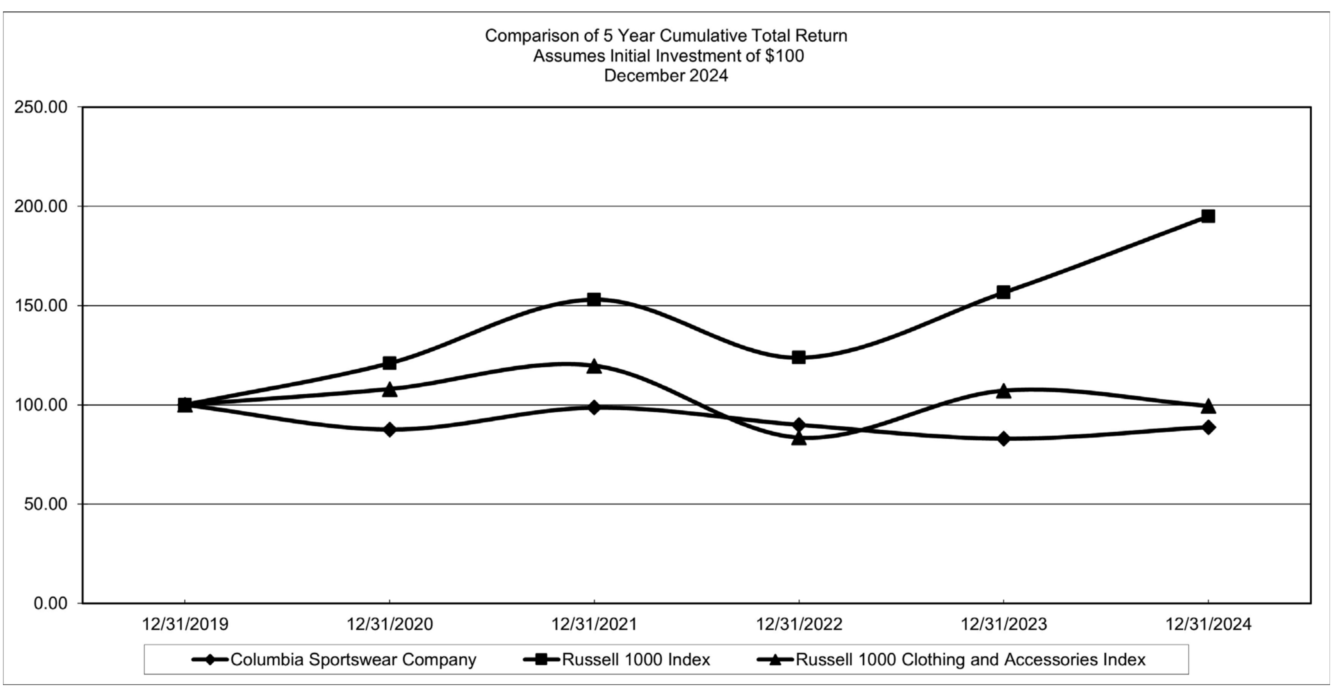
Our current dividend policy is dependent on our earnings, capital requirements, financial condition, restrictions imposed by our credit agreements, and other factors considered relevant by our Board of Directors. Quarterly dividends on our common stock, when declared by our Board of Directors, are paid in March, May, August, and November.

Our Board of Directors approved a regular quarterly cash dividend of $0.30 per share, payable on March 21, 2025 to shareholders of record on March 10, 2025.

PERFORMANCE GRAPH

The line graph below compares the cumulative total shareholder return of our common stock with the cumulative total return of the Russell 1000 Index and Russell 1000 Clothing and Accessories Index for the period beginning December 31, 2019 and ending December 31, 2024.

The graph and table below assume that $100 was invested on December 31, 2019, and that any dividends were reinvested. Historical stock price performance should not be relied on as indicative of future stock price performance.



Total Return Analysis

	Year Ended December 31,					
	2019	2020	2021	2022	2023	2024
Columbia Sportswear Company	$ 100.00	$ 87.53	$ 98.58	$ 89.93	$ 82.92	$ 88.78
Russell 1000 Index	$ 100.00	$ 120.96	$ 152.96	$ 123.71	$ 156.53	$ 194.89
Russell 1000 Clothing and Accessories Index	$ 100.00	$ 107.95	$ 119.66	$ 83.51	$ 107.14	$ 99.47

PURCHASES OF EQUITY SECURITIES BY THE ISSUER

Since the inception of our share repurchase program in 2004 through December 31, 2024, our Board of Directors has authorized the repurchase of $2.6 billion of our common stock, excluding excise tax. Shares of our common stock may be purchased in the open market or through privately negotiated transactions, subject to market conditions, and generally settle subsequent to the trade date. The repurchase program does not obligate us to acquire any specific number of shares or to acquire shares over any specified period of time. Under this program as of December 31, 2024, we had repurchased 38.0 million shares at an aggregate purchase price of $1,972.4 million, and had $627.6 million remaining available under the share repurchase program, excluding excise tax.

The following is a summary of our common stock repurchases, excluding excise tax, during the quarter ended December 31, 2024:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
October 1, 2024 through October 31, 2024	67,770	$ 79.77	67,770	$ 709.1
November 1, 2024 through November 30, 2024	977,800	$ 83.34	977,800	$ 627.6
December 1, 2024 through December 31, 2024	—	$ —	—	$ 627.6
Total	1,045,570	$ 83.10	1,045,570	$ 627.6

ITEM 6. [Reserved]

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with "Special Note Regarding Forward-Looking Statements", Item 1, Item 1A, and Item 8 of this Annual Report on Form 10-K. In addition, refer to Item 7 in our Annual Report on Form 10-K for the year ended December 31, 2023 for our discussion and analysis comparing financial condition and results of operations from 2023 to 2022.

OVERVIEW

As a global leader in designing, developing, marketing, and distributing outdoor, active and lifestyle products, our mission is to connect active people with their passions. We provide our products through our four brands: Columbia, SOREL, Mountain Hardwear, and prAna; and two major product categories: apparel, accessories and equipment products and footwear products. Apparel, accessories and equipment products are provided by our Columbia, Mountain Hardwear and prAna brands. Footwear products are provided by our Columbia and SOREL brands. We sell our products in more than 110 countries and operate in four geographic segments: U.S., LAAP, EMEA, and Canada.

ACCELERATE Growth Strategy

As part of our strategic priorities, in October 2024, we announced the Columbia brand ("Brand") ACCELERATE Growth Strategy. At its core, the ACCELERATE Growth Strategy is intended to elevate the Brand to target a younger and more active consumer. It is a multi-year initiative centered around several consumer-centric shifts to the Brand, product and marketplace strategies, as well as enhanced ways of working. We believe successful execution of the ACCELERATE Growth Strategy can elevate the Brand and drive profitable growth. Through the ACCELERATE Growth Strategy, we will focus on achieving the following objectives:

- steward existing consumer segments while focusing on bringing new younger and active consumers into the Brand;
- elevate consumers' perception of the Brand;
- create product based on a consumer-centric product construct;
- enhance the positioning of the Brand in the U.S. marketplace; and
- deliver integrated full-funnel marketing.

In addition, we are committed to investing in our strategic priorities with a renewed emphasis to:

- accelerate profitable growth;
- create iconic products that are differentiated, functional and innovative;
- drive brand engagement through increased, focused demand creation investments;
- enhance consumer experiences by investing in capabilities to delight and retain consumers;
- amplify marketplace excellence, with digitally-led, omni-channel, global distribution; and
- empower talent that is driven by our core values through a diverse and inclusive workplace.

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

Profit Improvement Program

Concurrent with the ACCELERATE Growth Strategy, we continue to make progress on our multi-year Profit Improvement Program to accelerate profitable growth and improve the efficiency of our operations. In 2024, we focused on four areas of cost reduction and realignment, including:

- operational cost savings;
- organizational cost savings;
- operating model improvements; and
- indirect, or non-inventory, spending.

In 2024, our Profit Improvement Program delivered approximately $90 million in realized cost savings, net of approximately $3 million to $4 million of severance and other costs.

While this program has meaningfully slowed SG&A spending growth, it has not been enough to align our cost structure with current sales levels. With this in mind, we are expanding the review of our cost structure as we pursue additional savings and enhance profitability. As we expand the program, our objectives include exceeding our previously stated goal of achieving $125 to $150 million in annualized savings by 2026 and positioning the Company to achieve SG&A expense leverage and operating margin expansion in future years.

Business Environment and Trends

***Heightened Geopolitical Risk* |** We sell our products in more than 110 countries and our ability to sell, import into and produce in certain markets may be impacted by ongoing geopolitical tensions. We believe these tensions will remain elevated, and will continue to manifest themselves in certain regions where we operate.

***Changing U.S. Regulatory Environment* |** We are headquartered in the U.S. and are subject to the laws and regulations governing companies operating in the U.S. The recent U.S. presidential administration change may impact us in several respects, including in the areas of taxes and tariffs. With respect to tariffs, tariffs have long been built into apparel and footwear pricing and we attempt to minimize the impact felt by consumers through diversification of our source base and product engineering. To that end, we expect less than 3 percent of our finished products imported into the U.S. in 2025, by dollar value, will be manufactured in China. To the extent broad-based tariffs are imposed by the U.S. that impact a larger percentage of our source base, we may choose to raise prices to offset the increase in our cost of goods sold. Tariffs can also have an impact outside of expenses incurred by the Company or prices to consumers; they could impact the demand for our products as consumers weigh discretionary spending or even impact the availability of certain sourcing regions. Retaliatory measures may also increase and impact our ability to compete in other regions of the world.

***Increasing U.S. Competitive Environment and Evolving U.S. Consumer Trends* |** We believe our competition in the historical U.S. outdoor and active apparel and footwear market has increased as many brands have shifted their strategies and new parties have entered the marketplace to capitalize on the emergence of casual and lifestyle trends. The versatility of casual and lifestyle products provides consumers the ability to use these products in a variety of settings, including outdoor activities. We believe the successful implementation of our strategic priorities, including the Columbia brand ACCELERATE Growth Strategy, will enable us to better compete in this evolved U.S. marketplace in the future.

***Evolving North America Omni-channel Strategy* |** As part of the Columbia brand ACCELERATE Growth Strategy, we are approaching the North America marketplace with an omni-channel perspective and evaluating how, when, and where we utilize promotions across all channels to attract different consumer segments. We intend to retain our historical value-oriented consumers while attracting younger and more active consumers to the Columbia brand.

During 2024, we shifted our marketing strategies for the Columbia brand's U.S. DTC e-commerce business to become less promotional, in order for Columbia.com to represent the best expression of the Brand. In our DTC brick-and-mortar business, we are opening a small number of branded stores in high-traffic shopping malls in North America. These new branded stores feature elevated product assortments that showcase Columbia's apparel and footwear innovations. These stores will join the hundreds of Columbia branded stores that raise the image of the Brand in important international markets. Within our U.S. wholesale business, we implemented pricing, promotional and segmentation strategies which are also intended to elevate the positioning of the Brand in the marketplace.

While we expand the Columbia brand's target consumer, we intend to continue serving our core consumer base that is focused primarily on value. To capture demand associated with value-oriented consumers, we have increasingly relied on our fleet of DTC brick-and-mortar outlet stores. We believe general economic uncertainty in the U.S. and Canada is particularly impactful to these value-oriented consumers.

***Normalizing Inventory Levels in the U.S.* |** In 2024 we operated numerous temporary clearance locations in the U.S. to move through excess inventory in a way that provided stronger financial returns to the Company in comparison to wholesale closeout sales channel alternatives and that had a less disruptive impact in the marketplace. As we exited 2024, our inventories were down 7% for the year and we plan to rapidly close our temporary clearance locations now that our inventories are in a healthier position. We also believe wholesale partners are entering 2025 with cleaner inventory levels. We expect these changes in inventory in the market will support expansion of the Company's gross margin in 2025.

***Changing International Consumer Trends* |** We believe consumers in many international markets have adjusted their shopping habits. In China, the outdoor apparel and footwear market has expanded, driven, in part, by governmental efforts to stimulate outdoor recreation. In Japan, the weakness of the Japanese Yen has contributed to an influx of international tourism which has benefited consumer demand, while domestic consumption has been soft due to inflationary pressures. Despite economic and geopolitical challenges in many other international markets, the outdoor apparel and footwear industry has been resilient and demand for our products has been healthy. We expect most of our international businesses to continue to grow in 2025, despite currency pressures.

***Supply Chain Disruptions* |** Continuing Red Sea disruptions resulted in longer inbound transit times for Fall 2024 inventory. With pressure on key trade lanes, we expect inbound transit times to be elevated until the resolution of this conflict, which should result in reduced transit times and more favorable transit pricing.

***Seasonality* |** Our business is affected by the general seasonal trends common to the industry, including seasonal weather and discretionary consumer shopping and spending patterns. Our products are marketed on a seasonal basis, and our sales are weighted substantially toward the third and fourth quarters, while our operating costs are more equally distributed throughout the year. In 2024, over 60% of our net sales and over 90% of our operating income were realized in the second half of the year.

RESULTS OF OPERATIONS

The following discussion of our results of operations and liquidity and capital resources should be read in conjunction with Part II, Item 8 of this Annual Report on Form 10-K.

Non-GAAP Financial Measure

To supplement financial information reported in accordance with accounting principles generally accepted in the U.S. ("GAAP"), we disclose constant-currency net sales information, which is a non-GAAP financial measure, to provide a framework to assess how the business performed excluding the effects of changes in foreign currency exchange rates against the U.S. dollar between comparable reporting periods. We calculate constant-currency net sales by translating net sales in foreign currencies for the current period into U.S. dollars at the exchange rates that were in effect during the comparable period of the prior year. Management believes that this non-GAAP financial measure reflects an additional and useful way of viewing an aspect of our operations that, when viewed in conjunction with our GAAP results, provides a more comprehensive understanding of our business and operations. In particular, investors may find the non-GAAP measure useful by reviewing our net sales results without the volatility in foreign currency exchange rates. This non-GAAP financial measure also facilitates management's internal comparisons to our historical net sales results and comparisons to competitors' net sales results. Constant-currency financial measures should be viewed in addition to, and not in lieu of or superior to, our financial measures calculated in accordance with GAAP.

The following discussion includes references to constant-currency net sales, and we provide a reconciliation of this non-GAAP measure to the most directly comparable financial measure calculated in accordance with GAAP below.

Results of Operations — Consolidated

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

	Year Ended December 31,			
(in thousands, except for percentage of net sales and per share amounts)	2024		2023	
Net sales	$ 3,368,582	100.0 %	$ 3,487,203	100.0 %
Cost of sales	1,677,497	49.8 %	1,757,271	50.4 %
Gross profit	1,691,085	50.2 %	1,729,932	49.6 %
Selling, general and administrative expenses	1,443,906	42.9 %	1,416,313	40.6 %
Impairment of goodwill	—	— %	25,000	0.7 %
Net licensing income	23,562	0.7 %	21,665	0.6 %
Operating income	270,741	8.0 %	310,284	8.9 %
Interest income, net	27,703	0.8 %	13,687	0.4 %
Other non-operating income (expense), net	(257)	— %	2,221	0.1 %
Income before income tax	298,187	8.8 %	326,192	9.4 %
Income tax expense	74,914	2.2 %	74,792	2.1 %
Net income	$ 223,273	6.6 %	$ 251,400	7.3 %
Diluted earnings per share	$ 3.82		$ 4.09	

Columbia Sportswear Company

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

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

	Year Ended December 31,					
(in thousands, except for percentages)	Reported Net Sales 2024	Adjust for Foreign Currency Translation	Constant-currency Net Sales 2024 [(1)]	Reported Net Sales 2023	Reported Net Sales % Change	Constant-currency Net Sales % Change [(1)]
Brand Net Sales:						
Columbia	$ 2,917,678	$ 10,521	$ 2,928,199	$ 2,935,145	(1)%	—%
SOREL	238,266	(257)	238,009	336,688	(29)%	(29)%
prAna	104,087	6	104,093	113,623	(8)%	(8)%
Mountain Hardwear	108,551	477	109,028	101,747	7%	7%
Total	$ 3,368,582	$ 10,747	$ 3,379,329	$ 3,487,203	(3)%	(3)%
Product Category Net Sales:						
Apparel, Accessories and Equipment	$ 2,687,174	$ 8,048	$ 2,695,222	$ 2,676,597	—%	1%
Footwear	681,408	2,699	684,107	810,606	(16)%	(16)%
Total	$ 3,368,582	$ 10,747	$ 3,379,329	$ 3,487,203	(3)%	(3)%
Channel Net Sales:						
Wholesale	$ 1,734,358	$ 2,062	$ 1,736,420	$ 1,874,003	(7)%	(7)%
Direct-to-consumer	1,634,224	8,685	1,642,909	1,613,200	1%	2%
Total	$ 3,368,582	$ 10,747	$ 3,379,329	$ 3,487,203	(3)%	(3)%

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

Our global net sales decrease primarily reflected lower wholesale net sales in the U.S. and Canada, partially offset by strength in international markets, as compared to 2023. The declines in wholesale net sales were driven by lower Spring and Fall 2024 orders, resulting from retailer cautiousness, including the transition of products to non-PFAS chemistry and a change in promotional practices, and a difficult competitive environment throughout the year, primarily in the U.S and Canada. Internationally, our net sales growth was broad-based across many markets within our LAAP and EMEA regions. We believe international net sales growth was attributable to the execution of our business strategies, as well as to the benefit of certain trends and/or factors favorably impacting the outdoor apparel and footwear sector.

DTC net sales increased, reflecting growth in our brick-and-mortar business from temporary clearance locations and new stores, partially offset by declines in our e-commerce business, compared to 2023. The declines in e-commerce net sales have resulted from softness in the U.S. and Canada throughout the year, which we attribute to a challenging environment and increased competition within the outdoor lifestyle category, and our decision to de-emphasize promotions on Columbia.com as part of the Brand's ACCELERATE Growth Strategy.

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

	Year Ended December 31,			
(in thousands, except for percentages and basis points)	2024	2023	Change	
Gross profit	$ 1,691,085	$ 1,729,932	$ (38,847)	(2)%
Gross margin	50.2 %	49.6 %	60 bps	

Gross margin expanded primarily due to the following factors:

- favorable inbound freight costs; and
- favorable region and channel net sales mix; partially offset by
- unfavorable decrease in channel profitability reflecting higher clearance and promotional activity.

Selling, General and Administrative Expenses ("SG&A"). SG&A expenses are summarized in the following table:

	Year Ended December 31,			
(in thousands, except for percentages and basis points)	2024	2023	Change	
Selling, general and administrative expenses	$ 1,443,906	$ 1,416,313	$ 27,593	2 %
Selling, general and administrative expenses as percent of net sales	42.9 %	40.6 %	230 bps	

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

- higher omni-channel expenses of $40.5 million, reflecting higher DTC brick-and-mortar expenses, including costs associated with new stores and temporary clearance locations and personnel expenses;
- higher incentive compensation, reflecting higher performance against target as compared to 2023; partially offset by
- lower supply chain expenses of $28.7 million, reflecting decreased global distribution center expenses resulting from more normalized inventory levels and supply chain optimization efforts; and
- lower demand creation expenses, primarily reflecting decreased net sales.

Impairment of Goodwill. For the year ended December 31, 2024, there were no impairment charges recorded for goodwill. For the year ended December 31, 2023, we recognized $25.0 million of impairment charges related to goodwill attributable to the prAna reporting unit resulting from our annual fourth quarter impairment testing.

Refer to our Critical Accounting Estimates below for further information regarding impairments.

Interest Income, Net. Interest income, net is summarized in the following table:

	Year Ended December 31,			
(in thousands, except for percentages)	2024	2023	Change	
Interest income, net	$ 27,703	$ 13,687	$ 14,016	102 %
Interest income, net as a percent of net sales	0.8 %	0.4 %		

Interest income, net, increased primarily reflecting higher yields on increased levels of cash, cash equivalents and short-term investments.

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

	Year Ended December 31,			
(in thousands, except for percentages)	2024	2023	Change	
Income tax expense	$ 74,914	$ 74,792	$ 122	— %
Effective income tax rate	25.1 %	22.9 %		

Income tax expense increased to $74.9 million for the year ended December 31, 2024 from $74.8 million for 2023. Our effective tax rate was 25.1% for the year ended December 31, 2024 compared to 22.9% for 2023. For the year ended December 31, 2024, our effective tax rate included a non-recurring expense related to a valuation allowance. For the year ended December 31, 2023, our effective income tax rate included a non-recurring benefit related to a foreign currency loss resulting from an intercompany transaction and a non-recurring foreign tax benefit.

Results of Operations — Segment

Segment operating income includes net sales, cost of sales, segment SG&A expenses, and other segment items for each of our four reportable segments. For each reportable segment, other segment items include certain corporate expenses and net licensing income allocated to each of the reportable segments, as well as net licensing income directly attributable to each of the reportable segments. Refer to Note 16 in Part II, Item 8 of this Annual Report on Form 10-K for further information.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

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

	Year Ended December 31,					
(in thousands, except for percentage changes)	**Reported Net Sales 2024**	**Adjust for Foreign Currency Translation**	**Constant-currency Net Sales 2024 (1)**	**Reported Net Sales 2023**	**Reported Net Sales % Change**	**Constant-currency Net Sales % Change (1)**
U.S.	2,068,228	—	2,068,228	2,241,437	(8)%	(8)%
LAAP	560,706	13,715	574,421	519,754	8%	11%
EMEA	511,778	(5,300)	506,478	469,237	9%	8%
Canada	227,870	2,332	230,202	256,775	(11)%	(10)%
	$ 3,368,582	$ 10,747	$ 3,379,329	$ 3,487,203	(3)%	(3)%

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

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

	Year Ended December 31,		
(in thousands)	**2024**	**2023**	**Change**
U.S.	$ 356,722	$ 415,731	$ (59,009)
LAAP	77,008	61,824	15,184
EMEA	103,486	98,943	4,543
Canada	47,797	55,599	(7,802)
Total segment operating income	585,013	632,097	(47,084)
Unallocated corporate expenses	(314,272)	(321,813)	7,541
Operating income	$ 270,741	$ 310,284	$ (39,543)

U.S.

U.S. segment operating income decreased $59.0 million to $356.7 million, or 17.2% of net sales, in 2024 from $415.7 million, or 18.5% of net sales, in 2023. The decrease was driven primarily by decreased net sales and gross profit, partially offset by lower segment SG&A expenses and other segment items. U.S. net sales decreased $173.2 million, or 8%, in 2024, compared to 2023, driven primarily by decreased net sales in our U.S. wholesale business. The declines in wholesale net sales were driven by lower Spring and Fall 2024 orders, resulting from retailer cautiousness, including the transition of products to non-PFAS chemistry and a change in promotional practices, and a difficult competitive environment throughout the year. DTC net sales also decreased driven by lower e-commerce net sales, partially offset by net sales growth from our brick-and-mortar business. The declines in e-commerce net sales were attributable to a challenging e-commerce environment for outdoor brands, increased competition within the outdoor lifestyle category, and our decision to de-emphasize promotions on Columbia.com as part of the Brand's ACCELERATE Growth Strategy. The increases in brick-and-mortar net sales were primarily driven by temporary clearance locations and new stores for the year ended December 31, 2024. U.S. segment SG&A expenses and other segment items increased as a percentage of net sales to 31.9% in 2024 compared to 30.1% in 2023, primarily driven by fixed SG&A expenses and decreased net sales. In total, U.S. segment SG&A expenses and other segment items decreased for the year ended December 31, 2024 compared to 2023, primarily driven by lower supply chain expenses resulting from more normalized inventory levels and our Profit Improvement Program, including supply chain optimization efforts.

LAAP

LAAP segment operating income increased $15.2 million to $77.0 million, or 13.7% of net sales, in 2024 from $61.8 million, or 11.9% of net sales, in 2023. The increase was driven primarily by increased net sales and gross profit. LAAP net sales increased $41.0 million, or 8% (11% constant-currency), in 2024, compared to 2023. Increased LAAP net sales were primarily driven by our China, LAAP distributor, and, to a lesser extent, our Japan businesses, partially offset by declines in our Korea business. Increased net sales in our China business reflected continued strong consumer demand, aided by positive outdoor category trends. Increased net sales in our LAAP distributor business reflected growth in our Fall 2024 and Spring 2025 orders as compared to the same period in the prior year. Increased net sales in our Japan business were driven by strong demand from increased international tourism, which was largely offset by unfavorable foreign currency translation compared to the same period in the prior year. Decreased net sales in our Korea business reflected a continued challenging environment and increased competition within the outdoor lifestyle category. LAAP segment SG&A expenses and other segment items decreased as a percentage of net sales to 42.1% in 2024, compared to 44.4% in 2023, primarily driven by increased net sales. In total, LAAP segment SG&A expenses and other segment items increased for the year ended December 31, 2024 compared to 2023.

EMEA

EMEA segment operating income increased $4.5 million to $103.5 million, or 20.2% of net sales, in 2024 from $98.9 million, or 21.1% of net sales, in 2023. The increase was driven primarily by increased net sales and gross profit. EMEA net sales increased $42.5 million, or 9% (8% constant-currency), in 2024, compared to 2023, primarily driven by our Europe-direct business. Increased net sales in our Europe-direct business were driven by robust demand within our DTC brick-and-mortar and e-commerce businesses for the year ended December 31, 2024. Our Europe-direct wholesale business realized a modest increase in net sales reflecting retailer cautiousness. Increased net sales in our EMEA distributor business reflected growth in our Fall 2024 and Spring 2025 orders as compared to the same period in 2023. EMEA segment SG&A expenses and other segment items increased in total and as a percentage of net sales to 28.1% in 2024 compared to 26.8% in 2023.

Canada

Canada segment operating income decreased $7.8 million to $47.8 million, or 21.0% of net sales, in 2024 from $55.6 million, or 21.7% of net sales, in 2023. This decrease was primarily driven by lower net sales and gross profit. Canada net sales decreased $28.9 million, or 11% (10% constant-currency), in 2024, compared to 2023, driven primarily by decreased net sales in our Canada wholesale business. Decreased net sales in our wholesale business primarily reflected lower Spring and Fall 2024 orders, resulting from retailer cautiousness and a difficult competitive environment throughout the year. DTC net sales decreased, driven by lower net sales in our Canada e-commerce business, partially offset by an increase in our Canada brick-and-mortar business. Canada segment SG&A expenses and other segment items increased as a percentage of net sales to 29.1% in 2024 compared to 25.9% in 2023, primarily as a result of fixed expenses and decreased net sales. In total, Canada segment SG&A expenses and other segment items were flat for the year ended December 31, 2024 compared to 2023.

Unallocated Corporate Expenses

Unallocated corporate expenses decreased by $7.5 million to $314.3 million in 2024 from $321.8 million in 2023.

LIQUIDITY AND CAPITAL RESOURCES

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

Cash Flow Activities

Cash flows are summarized in the following table:

	Year Ended December 31,		
(in thousands)	**2024**	**2023**	**Change**
Net cash provided by (used in):			
Operating activities	$ 491,042	$ 636,297	$ (145,255)
Investing activities	87,334	(461,819)	549,153
Financing activities	(386,239)	(254,789)	(131,450)
Net effect of exchange rate changes on cash	(10,587)	389	(10,976)
Net increase (decrease) in cash and cash equivalents	$ 181,550	$ (79,922)	$ 261,472

The change in cash flows provided by operating activities was driven by a $86.1 million decrease in cash provided by changes in assets and liabilities, as well as a $59.2 million decrease in cash provided by net income and non-cash adjustments. The most significant comparative changes in assets and liabilities included *Inventories*, *Accounts receivable* and *Accounts payable.* The $244.7 million decrease in cash provided by *Inventories* was primarily driven by inventory liquidation efforts throughout 2023 and 2024. The $135.6 million decrease in cash provided by *Accounts receivable* reflected cash provided of $123.8 million for the year ended December 31, 2023, primarily driven by a higher portion of fourth quarter wholesale sales collected in 2023 compared to the same period in 2022, as well as cash used of $11.8 million for the year ended December 31, 2024, primarily driven by a lower portion of fourth quarter wholesale sales collected in 2024 as compared to the same period in 2023. These amounts were partially offset by the $241.0 million decrease in cash used in *Accounts payable,* reflecting cash used of $85.9 million for the year ended December 31, 2023, primarily resulting from the earlier production of and payment for Spring 2024 and Fall 2024 inventory, as well as cash provided of $155.0 million for the year ended December 31, 2024, primarily resulting from the timing of inventory receipts and related payments, including a reduction in the use of early payments and extension of payment terms with certain vendors.

Net cash provided by investing activities was $87.3 million for 2024, compared to $461.8 million of cash used in investing activities for 2023. For 2024, net cash provided by investing activities consisted of $816.2 million in cash provided by sales and maturities of short-term investments, partially offset by $669.1 million in cash used for purchases of short-term investments and $59.8 million for capital expenditures. For 2023, net cash used in investing activities consisted of $528.5 million in cash used for purchases of short-term investments and $54.6 million for capital expenditures, partially offset by $121.3 million in cash provided by sales and maturities of short-term investments.

Net cash used in financing activities was $386.2 million for 2024 compared to $254.8 million for 2023. For 2024, net cash used in financing activities primarily consisted of repurchases of common stock of $317.8 million and dividend payments to our shareholders of $69.7 million. For 2023, net cash used in financing activities primarily consisted of repurchases of common stock of $184.0 million and dividend payments to our shareholders of $73.4 million.

Sources of Liquidity

Cash and cash equivalents and short-term investments

As of December 31, 2024, we had cash and cash equivalents of $531.9 million and short-term investments of $283.6 million, compared to $350.3 million and $414.2 million, respectively, as of December 31, 2023.

Domestic Credit Facility

As of December 31, 2024, we had available an unsecured, committed revolving credit facility, which provides for borrowings up to $500.0 million. We were in compliance with all associated covenants and there was no balance outstanding under the facility. Refer to Note 6 in Part II, Item 8 of this Annual Report on Form 10-K for further information regarding our domestic credit facility.

International Credit Facility

As of December 31, 2024, our European subsidiary had available an unsecured, committed line of credit, which is guaranteed by the Company and provides for borrowings up to €4.4 million (approximately US$4.6 million). There was no balance outstanding under the facility.

Other Sources

As of December 31, 2024, collectively, our international subsidiaries had unsecured, uncommitted lines of credit, credit facilities and overdraft facilities, providing for borrowings up to approximately US$101.8 million. There were no balances outstanding under these facilities.

Capital Requirements

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

Our working capital management goals include maintaining an optimal level of inventory necessary to deliver goods on time to our customers and to satisfy end consumer demand, alleviating manufacturing capacity constraints, and driving efficiencies to minimize the cycle time from the purchase of inventory from our suppliers to the collection of accounts receivable balances from our customers. Inventory balances may be elevated in advance of periods of expected high demand. As of December 31, 2024, our inventory balance decreased to $690.5 million, compared to $746.3 million as of December 31, 2023, driven by a reduction in current season and carryover inventory resulting from lower inventory buys, as well as the use of our outlet stores and temporary clearance locations to profitably sell excess merchandise. We believe older season inventories represent a manageable portion of our total inventory mix.

We have planned 2025 capital expenditures of approximately $60 to $80 million. This includes investments in our DTC operations, including new stores and supply chain and digital capabilities to support our strategic priorities. Our actual capital expenditures may differ from the planned amounts depending on factors such as the timing of system implementations and new store openings and related construction.

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

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

Free cash flow is a non-GAAP financial measure. Free cash flow is calculated by reducing net cash flow from operating activities by capital expenditures. Management believes free cash flow provides investors with an important perspective on the cash available for shareholders and acquisitions after making the capital investments required to support ongoing business operations and long-term value creation. Free cash flow does not represent the residual cash flow available for discretionary expenditures since it excludes certain mandatory expenditures. Management uses free cash flow as a measure to assess both business performance and overall liquidity.

Other cash commitments

The following table presents our estimated significant contractual commitments that will require use of funds:

	Year Ended December 31,						
(in thousands)	2025	2026	2027	2028	2029	Thereafter	Total
Inventory purchase obligations	$ 473,029	$ —	$ —	$ —	$ —	$ —	$ 473,029
Operating lease obligations [(1)]	94,523	91,054	79,911	70,783	53,899	133,955	524,125
Tax Cuts and Jobs Act transition tax obligations	13,281	—	—	—	—	—	13,281

(1) Refer to Operating Leases in Note 8 in Part II, Item 8 of this Annual Report on Form 10-K.

CRITICAL ACCOUNTING ESTIMATES

Management's discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make various estimates and judgments that affect reported amounts of assets, liabilities, sales, cost of sales, and expenses and related disclosure of contingent assets and liabilities. Refer to Note 2 in Part II, Item 8 of this Annual Report on Form 10-K for additional information regarding the significant accounting policies and methods used in the preparation of our consolidated financial statements.

We believe that the estimates, assumptions and judgments involved in the accounting policies described below have the greatest potential effect on our financial statements, so we consider these to be our critical accounting policies and estimates. Because of the uncertainty inherent in these matters, actual results may differ from the estimates we use in applying these critical accounting policies and estimates. We base our ongoing estimates on historical experience and other assumptions that we believe to be reasonable in the circumstances. Our critical accounting policies and estimates relate to sales reserves, excess, close-out and slow-moving inventory, impairment of long-lived assets, intangible assets and goodwill, and income taxes.

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

Sales Reserves

The amount of consideration we receive and recognize as *Net sales* across both wholesale and DTC channels varies with changes in sales returns and other accommodations and incentives we offer to our customers. When we give our customers the right to return products or provide other accommodations such as chargebacks and markdowns, we estimate the expected sales returns and miscellaneous claims from customers and record sales reserves to reduce *Net sales.* As of December 31, 2024, our sales-related reserves were $96.9 million compared to $103.9 million as of December 31, 2023. The most significant variable affecting these reserve balances is sales levels. As a percentage of *Net sales*, the sales reserves balances were 2.9% as of December 31, 2024 compared to 3.0% as of December 31, 2023. The reserve for returns from customers or consumers is the component of our sales-related reserves most susceptible to estimation uncertainty. These estimates are based on 1) historical rates of product returns and claims; and 2) events and circumstances that indicate changes to such historical rates are warranted, such as our customers' inventory positions and their anticipated sell-through rates. However, actual returns and claims in any future period are inherently uncertain and thus may differ from our estimates. As a result, we adjust our estimates of revenue at the earlier of when the most likely amount of consideration we expect to receive changes or when the amount of consideration becomes fixed. If actual or expected future returns and claims are significantly different than the sales reserves established, we record an adjustment to *Net sales* in the period in which such determination was made.

Excess, Close-Out and Slow-Moving Inventory

We make ongoing estimates of potential excess, close-out or slow-moving inventory. We evaluate our inventory on hand to identify excess, close-out or slow-moving inventory by contemplating our purchasing plans, sales forecasts, historical liquidation experience, and the level and composition of inventory from current and prior seasons that remains unsold and establish provisions as necessary to properly reflect inventory value at the lower of cost or net realizable value. Provisions are established when necessary in the period in which we make such a determination. As of December 31, 2024, our inventory provisions reduced gross inventory by $20.4 million compared to $23.3 million as of December 31, 2023. The level of estimated excess inventory as of December 31, 2024 decreased, reflecting the use of our outlet stores and temporary clearance locations to profitably sell excess merchandise.

Long-Lived Assets

Long-lived assets, which include property, plant and equipment, lease right-of-use ("ROU") assets, and capitalized implementation costs for cloud computing arrangements are evaluated for impairment only when events or circumstances indicate the carrying value may not be recoverable. Our retail store fleet long-lived assets are generally evaluated at the retail location level. Events that result in an impairment review of a retail location include plans to close a retail location or a significant decrease in the operating results of the retail location. When such an indicator occurs, we evaluate the retail location long-lived asset or asset group for impairment by comparing the undiscounted future cash flows expected to be generated by the location to the location long-lived asset group's carrying amount. If the carrying value of an asset or asset group exceeds the estimated undiscounted future cash flows, an analysis is performed to estimate the fair value of the asset or asset group. An impairment is recorded if the fair value of the asset or asset group is less than the carrying amount.

During 2024, we tested certain long-lived assets consisting of property, plant, and equipment and lease ROU assets for impairment at certain underperforming retail locations. For the years ended December 31, 2024 and 2023, impairment charges from underperforming retail stores were not material. Further declines in projected future performance may adversely affect the recovery of retail location assets.

Indefinite-Lived Intangible Assets and Goodwill

We review and test our intangible assets with indefinite lives and goodwill for impairment in the fourth quarter of each year and when events or changes in circumstances indicate that it is more likely than not that the fair value of the asset or reporting unit is less than its carrying amount. Our intangible assets with indefinite lives consist of trademarks and trade names (collectively, "trademarks"). Substantially all of our goodwill is recorded in the U.S. segment and impairment testing for goodwill is performed at the reporting unit level. Key assumptions used in the discounted cash flow models are cash flow projections and the discount rate. Cash flow projections are developed in part from our annual planning process. The discount rate is based on the estimated weighted-average costs of capital of the reporting unit from a market-participant perspective. When we include market-based valuation methods to estimate fair value of our reporting units as part of the goodwill impairment testing, we utilize market multiples for guideline public companies.

In the impairment tests for trademarks, we compare the estimated fair value of each asset to its carrying amount. The fair values of trademarks are estimated using a relief from royalty method under the income approach. If the carrying amount of a trademark exceeds its estimated fair value, we calculate impairment as the excess of carrying amount over the estimate of fair value. At December 31, 2024, the carrying value of indefinite-lived intangible assets was $79.2 million, of which $51.8 million was attributed to prAna's trademark. In our 2024 impairment test, the fair value of prAna's trademark exceeded its carrying value by approximately 33% as of the measurement date and, therefore, no impairment was recognized. As part of our evaluation, we performed a sensitivity analysis on the trademark impairment model. A 300 basis point decline in the compound annual growth rate for net sales assumed over the first eight years would reduce the excess of fair value over the carrying amount to approximately 12%. Separately, a 100 basis point increase in the assumed discount rate would reduce the excess of the fair value over the carrying value to approximately 22%. A separate 50 basis point decline in the assumed royalty rate would reduce the excess of fair value over the carrying amount to approximately 21%. In our 2023 impairment test, we determined that the prAna brand's trademark was not impaired. In our 2022 impairment test, we determined that the prAna brand's trademark was impaired and we recognized a $18.7 million impairment charge for the year ended December 31, 2022.

In the impairment test for goodwill, we compare the estimated fair value of the reporting unit with the carrying amount of that reporting unit. If the carrying amount of the reporting unit exceeds its estimated fair value, we calculate an impairment as the excess of carrying amount over the estimate of fair value. We estimate the fair value of our reporting units using a combination of discounted cash flow analysis and market-based valuation methods, as appropriate. At December 31, 2024, the carrying value of goodwill was $26.7 million, of which $12.3 million was attributed to the prAna reporting unit. In our 2024 impairment test, the fair value of the prAna reporting unit exceeded its carrying value by approximately 23% as of the measurement date and, therefore, no impairment was recognized. As part of our evaluation, we performed a sensitivity analysis on the goodwill impairment model. A 300 basis point decline in the compound annual growth rate for net sales assumed over the first eight years would reduce the excess of fair value over the carrying amount to approximately 8%. Separately, a 100 basis point increase in the assumed discount rate would reduce the excess of the fair value over the carrying value to approximately 15%. In our 2023 and 2022 impairment tests, we determined that prAna goodwill was impaired and we recognized a $25.0 million and $16.9 million impairment charge for the years ended December 31, 2023 and December 31, 2022, respectively.

Our impairment tests and related fair value estimates are based on a number of factors, including assumptions and estimates for projected net sales, income, cash flows, discount rates, market-based multiples, and other operating performance measures. Changes in estimates or the application of alternative assumptions could produce significantly different results. These assumptions and estimates may change in the future due to changes in economic conditions, changes in our ability to meet sales and profitability objectives or changes in our business operations or strategic direction.

Income Taxes

We make assumptions, judgments and estimates to determine our current provision for income taxes, our deferred tax assets and liabilities and our uncertain tax positions. Our judgments, assumptions and estimates relative to the current provision for income tax take into account current tax laws, our interpretation of current tax laws and possible outcomes of current and future audits conducted by foreign and domestic tax authorities. Changes in tax law or our interpretation of tax laws and the resolution of current and future tax audits could significantly affect the amounts provided for *Income tax expense* in our Consolidated Statements of Operations.

Our assumptions, judgments and estimates relative to the value of a deferred tax asset take into account predictions of the amount and category of future taxable income. Actual operating results and the underlying amount and category of income in future years could cause our current assumptions, judgments and estimates of recoverable net deferred tax assets to be inaccurate. Changes in any of the assumptions, judgments and estimates mentioned above could cause our actual income tax obligations to differ from our estimates, which could materially affect our financial position, results of operations or cash flows.

Our assumptions, judgement and estimates relative to uncertain tax positions take into account whether a tax position is more likely than not to be sustained upon examination by the relevant taxing authority based on the technical merits of the position and the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant taxing authority. Changes in tax law or our interpretation of tax laws and the resolution of current and future tax audits could significantly affect the amounts provided for *Income tax expense* in our Consolidated Statements of Operations.

Our tax provision for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. As the calendar year progresses, we periodically refine our estimate based on actual events and earnings by jurisdiction. This ongoing estimation process can result in changes to our expected effective tax rate for the full calendar year. When this occurs, we adjust the income tax provision during the quarter in which the change in estimate occurs so that our year-to-date provision equals our expected annual effective tax rate.

RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Note 2 in Part II, Item 8 of this Annual Report on Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, our financial position, results of operations, and cash flows are subject to a variety of risks, including risks associated with global financial and capital markets, primarily currency exchange rate risk and, to a lesser extent, interest rate risk. We regularly assess these risks and have established policies and business practices designed to mitigate their effects. We do not engage in speculative trading in any financial or capital market.

FOREIGN EXCHANGE RISK

Our primary currency exchange rate risk management objective is to mitigate the uncertainty of anticipated cash flows attributable to changes in exchange rates. We focus on mitigating changes in functional currency equivalent cash flows resulting from anticipated U.S. dollar denominated inventory purchases by subsidiaries that use European euro, Canadian dollar, Japanese yen, Chinese renminbi, or Korean won as their functional currency. We also mitigate changes in functional currency equivalent cash flows resulting from anticipated non-functional currency denominated sales for subsidiaries that use U.S. dollar and European euro as their functional currency. We manage this risk primarily by using currency forward contracts. Additionally, we hedge net balance sheet exposures related primarily to non-functional currency denominated monetary assets and liabilities using foreign currency forward contracts in European euro, Japanese yen, Canadian dollar, Swiss franc, Chinese renminbi, Korean won, British pound sterling, Danish krone, Norwegian krone, Polish zloty, Swedish krona and Czech koruna. Non-functional currency denominated monetary assets and liabilities consist of cash and cash equivalents, short-term investments, receivables, payables, deferred income taxes, and intercompany loans and dividends.

The net fair value of our derivative contracts was favorable by $32.0 million as of December 31, 2024. A 10% unfavorable exchange rate change in the euro, franc, Canadian dollar, yen, renminbi, won, pound sterling, krone, zloty, krona and koruna against the U.S. dollar would have resulted in the net fair value declining by approximately $63.5 million as of December 31, 2024. Changes in fair value of derivative contracts resulting from foreign exchange rate fluctuations would be substantially offset by the change in value of the underlying hedged transactions.

INTEREST RATE RISK

Our negotiated credit facilities generally charge interest based on a benchmark rate such as the secured overnight financing rate. Fluctuations in short-term interest rates cause interest payments on drawn amounts to increase or decrease. As of December 31, 2024, no balance was outstanding under our credit facilities.

COMMODITY PRICE RISK

We are exposed to market risk for the pricing of the raw materials used to manufacture our products. These raw materials are purchased directly by our contract manufacturers.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our management is responsible for the information and representations contained in this report. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which we consider appropriate in the circumstances and include some amounts based on our best estimates and judgments. Other financial information in this report is consistent with these financial statements.

Our accounting systems include controls designed to reasonably ensure that assets are safeguarded from unauthorized use or disposition and which provide for the preparation of financial statements in conformity with GAAP. These systems are supplemented by the selection and training of qualified financial personnel and an organizational structure providing for appropriate segregation of duties.

The Audit Committee is responsible for appointing the independent registered public accounting firm and reviews with the independent registered public accounting firm and management the scope and the results of the annual examination, the effectiveness of the accounting control system and other matters relating to our financial affairs as they deem appropriate.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Columbia Sportswear Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Columbia Sportswear Company and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes, and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 27, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Intangible Assets, Net – prAna Trademark– Refer to Notes 2 and 5 to the consolidated financial statements

Critical Audit Matter Description

The Company has trademarks and trade names (“trademarks”) that are indefinite-lived intangible assets. As of December 31, 2024, the carrying value of the *Intangible assets, net* was $79.2 million, of which $51.8 million was attributed to prAna’s trademark. The Company used the relief from royalty method to estimate fair value, which requires management to make significant estimates and assumptions related to projected net sales and royalty rate.

Auditing management’s estimates and assumptions related to projected net sales and the royalty rate for prAna involved especially subjective judgement.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management’s estimates and assumptions related to projected net sales and royalty rate for the prAna trademark valuation included the following, among others:

- We tested the effectiveness of controls over intangible assets, including those over the forecasts of future net sales and selection of the royalty rate.

- We evaluated management’s ability to accurately forecast future net sales by comparing actual results to management’s historical forecasts.
- We evaluated the reasonableness of management’s net sales forecasts by comparing the forecasts to:
    - Historical net sales.
    - Forecasted information included in the Company's press release as well as in analyst and industry reports for the Company and certain of its peer companies.
- To evaluate the reasonableness of the royalty rate we:
    - Developed a range of independent estimates and compared those to the royalty rate selected by management.
    - Tested the source information underlying the determination of the royalty rate selected by management and compared to royalty agreements of comparable companies.

/s/ DELOITTE & TOUCHE LLP

Portland, Oregon
February 27, 2025

We have served as the Company’s auditor since at least 1994; however, an earlier year could not be reliably determined.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Columbia Sportswear Company

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Columbia Sportswear Company and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 27, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Portland, Oregon
February 27, 2025

CONSOLIDATED BALANCE SHEETS

(in thousands)	As of December 31, 2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 531,869	$ 350,319
Short-term investments	283,608	414,185
Accounts receivable, net of allowance of $4,789 and $5,450 respectively	417,539	423,079
Inventories	690,515	746,288
Prepaid expenses and other current assets	85,051	80,814
Total current assets	2,008,582	2,014,685
Property, plant and equipment, net	282,908	287,281
Operating lease right-of-use assets	399,669	357,295
Intangible assets, net	79,221	79,908
Goodwill	26,694	26,694
Deferred income taxes	104,203	105,574
Other non-current assets	73,988	67,576
Total assets	$ 2,975,265	$ 2,939,013
LIABILITIES AND EQUITY		
Current Liabilities:		
Accounts payable	$ 385,695	$ 235,927
Accrued liabilities	273,330	272,058
Operating lease liabilities	75,857	71,086
Income taxes payable	31,663	17,556
Total current liabilities	766,545	596,627
Non-current operating lease liabilities	373,328	336,772
Income taxes payable	13,176	25,688
Deferred income taxes	310	66
Other long-term liabilities	41,867	41,250
Total liabilities	1,195,226	1,000,403
Commitments and contingencies (Note 11)		
Shareholders' Equity:		
Preferred stock; 10,000 shares authorized; none issued and outstanding	—	—
Common stock (no par value); 250,000 shares authorized; 56,245 and 59,996 issued outstanding, respectively	—	—
Retained earnings	1,843,261	1,984,446
Accumulated other comprehensive loss	(63,222)	(45,836)
Total shareholders' equity	1,780,039	1,938,610
Total liabilities and shareholders' equity	$ 2,975,265	$ 2,939,013

See accompanying notes to consolidated financial statements.

Columbia Sportswear Company

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)	Year Ended December 31, 2024	2023	2022
Net sales	$ 3,368,582	$ 3,487,203	$ 3,464,152
Cost of sales	1,677,497	1,757,271	1,753,074
Gross profit	1,691,085	1,729,932	1,711,078
Selling, general and administrative expenses	1,443,906	1,416,313	1,304,394
Impairment of goodwill and intangible assets	—	25,000	35,600
Net licensing income	23,562	21,665	22,020
Operating income	270,741	310,284	393,104
Interest income, net	27,703	13,687	2,713
Other non-operating income (expense), net	(257)	2,221	1,593
Income before income tax	298,187	326,192	397,410
Income tax expense	74,914	74,792	85,970
Net income	$ 223,273	$ 251,400	$ 311,440
Earnings per share:			
Basic	$ 3.83	$ 4.11	$ 4.96
Diluted	$ 3.82	$ 4.09	$ 4.95
Weighted average shares outstanding:			
Basic	58,333	61,232	62,754
Diluted	58,502	61,424	62,970

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31,		
(in thousands)	2024	2023	2022
Net income	$ 223,273	$ 251,400	$ 311,440
Other comprehensive income (loss):			
Change in available-for-sale securities (net of tax effect of $20, $46, and $0, respectively)	(61)	145	—
Change in derivative transactions (net of tax effects of $(5,963), $6,662, and $(4,358), respectively)	19,705	(18,101)	11,876
Foreign currency translation adjustments (net of tax effects of $(385), $285, and $218, respectively)	(37,030)	2,757	(38,137)
Other comprehensive loss	(17,386)	(15,199)	(26,261)
Comprehensive income	$ 205,887	$ 236,201	$ 285,179

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year Ended December 31, 2024	2023	2022
Cash flows from operating activities:			
Net income	$ 223,273	$ 251,400	$ 311,440
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	55,944	58,063	54,752
Non-cash lease expense	77,378	68,989	62,647
Provision for uncollectible accounts receivable	2,555	3,142	(2,044)
Deferred income taxes	(6,204)	(5,135)	(8,118)
Share-based compensation	24,777	23,051	21,021
Loss on impairment of goodwill and intangible assets	—	25,000	35,600
Other, net	(11,002)	1,374	2,594
Changes in operating assets and liabilities:			
Accounts receivable	(11,803)	123,830	(64,495)
Inventories	39,131	283,826	(399,851)
Prepaid expenses and other current assets	6,792	29,840	(25,749)
Other assets	(710)	(3,148)	(2,475)
Accounts payable	155,176	(85,862)	40,429
Accrued liabilities	8,815	(62,239)	20,683
Income taxes payable	1,991	(8,800)	(5,871)
Operating lease assets and liabilities	(78,627)	(73,718)	(62,749)
Other liabilities	3,556	6,684	(3,055)
Net cash provided by (used in) operating activities	491,042	636,297	(25,241)
Cash flows from investing activities:			
Purchases of short-term investments	(669,093)	(528,491)	(44,876)
Sales and maturities of short-term investments	816,232	121,279	176,083
Capital expenditures	(59,805)	(54,607)	(58,467)
Net cash provided by (used in) investing activities	87,334	(461,819)	72,740
Cash flows from financing activities:			
Proceeds from credit facilities	—	837	52,918
Repayments on credit facilities	—	(837)	(52,979)
Payment of line of credit issuance fees	—	—	(604)
Proceeds from issuance of common stock related to share-based compensation	6,120	7,354	6,588
Tax payments related to share-based compensation	(4,871)	(4,681)	(4,229)
Repurchase of common stock	(317,756)	(184,022)	(287,443)
Cash dividends paid	(69,732)	(73,440)	(75,082)
Net cash used in financing activities	(386,239)	(254,789)	(360,831)
Net effect of exchange rate changes on cash	(10,587)	389	(19,831)
Net increase (decrease) in cash and cash equivalents	181,550	(79,922)	(333,163)
Cash and cash equivalents, beginning of period	350,319	430,241	763,404
Cash and cash equivalents, end of period	$ 531,869	$ 350,319	$ 430,241
Supplemental disclosures of cash flow information:			
Cash paid during the period for income taxes	$ 76,104	$ 90,507	$ 92,110
Supplemental disclosures of non-cash investing and financing activities:			
Property, plant and equipment acquired through increase in liabilities	$ 10,735	$ 10,125	$ 11,103

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EQUITY

(in thousands, except per share amounts)	Common Stock Shares Outstanding	Common Stock Amount	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance, December 31, 2021	65,164	$ —	$ 1,993,628	$ (4,376)	$ 1,989,252
Net income	—	—	311,440	—	311,440
Other comprehensive loss	—	—	—	(26,261)	(26,261)
Cash dividends ($1.20 per share)	—	—	(75,082)	—	(75,082)
Issuance of common stock related to share-based compensation, net	210	2,359	—	—	2,359
Share-based compensation expense	—	21,021	—	—	21,021
Repurchase of common stock	(3,235)	(10,688)	(276,252)	—	(286,940)
Balance, December 31, 2022	62,139	12,692	1,953,734	(30,637)	1,935,789
Net income	—	—	251,400	—	251,400
Other comprehensive loss	—	—	—	(15,199)	(15,199)
Cash dividends ($1.20 per share)	—	—	(73,440)	—	(73,440)
Issuance of common stock related to share-based compensation, net	235	2,673	—	—	2,673
Share-based compensation expense	—	23,051	—	—	23,051
Repurchase of common stock	(2,378)	(36,774)	(147,248)	—	(184,022)
Excise taxes related to repurchase of common stock	—	(1,642)	—	—	(1,642)
Balance, December 31, 2023	59,996	—	1,984,446	(45,836)	1,938,610
Net income	—	—	223,273	—	223,273
Other comprehensive loss	—	—	—	(17,386)	(17,386)
Cash dividends ($1.20 per share)	—	—	(69,732)	—	(69,732)
Issuance of common stock related to share-based compensation, net	211	1,249	—	—	1,249
Share-based compensation expense	—	24,777	—	—	24,777
Repurchase of common stock	(3,962)	(23,030)	(294,726)	—	(317,756)
Excise taxes related to repurchase of common stock	—	(2,996)	—	—	(2,996)
Balance, December 31, 2024	56,245	$ —	$ 1,843,261	$ (63,222)	$ 1,780,039

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — BASIS OF PRESENTATION AND ORGANIZATION

NATURE OF THE BUSINESS

Columbia Sportswear Company connects active people with their passions through its four brands, Columbia, SOREL, Mountain Hardwear, and prAna, by designing, developing, marketing, and distributing its outdoor, active and lifestyle apparel, footwear, accessories, and equipment products to meet the diverse needs of its customers and consumers.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Columbia Sportswear Company, its wholly owned subsidiaries and entities in which it maintains a controlling financial interest (the "Company"). All significant intercompany balances and transactions have been eliminated in consolidation.

ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions. The Company's significant estimates relate to sales reserves, excess, close-out and slow-moving inventory, impairment of long-lived assets, impairment of indefinite-lived intangible assets and goodwill, and income taxes.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at fair value or at cost, which approximates fair value, and include short-term highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity they present insignificant risk of changes in value because of changes in interest rates, with original maturities of three months or less. As of December 31, 2024 and 2023, *Cash and cash equivalents* consisted of cash, money market funds, United States ("U.S.") government treasury bills, and time deposits.

INVESTMENTS

As of December 31, 2024 and 2023, *Short-term investments* consisted of U.S. government treasury bills, as well as money market funds and mutual fund shares held as part of the Company's deferred compensation plan expected to be distributed in the next twelve months. The U.S. government treasury bills are classified as available-for-sale securities and are recorded at fair value with any unrealized gains or losses reported, net of tax, in *Other comprehensive income (loss)*. Investments held as part of the Company's deferred compensation plan are classified as trading securities and are recorded at fair value with any gains and losses included in *Selling, general and administrative expenses* ("SG&A expenses").

As of December 31, 2024 and 2023, long-term investments included in *Other non-current assets* consisted of money market funds and mutual fund shares held to offset liabilities to participants in the Company's deferred compensation plan. These investments are classified as long-term because the related deferred compensation liabilities are not expected to be paid within the next twelve months. These investments are classified as trading securities and are recorded at fair value with gains and losses reported as *SG&A expenses*.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable have been reduced by an allowance for doubtful accounts. The Company maintains an allowance for estimated credit losses resulting from the inability of the Company's customers to make required payments. The allowance represents the current estimate of lifetime expected credit losses over the remaining duration of existing accounts receivable considering current market conditions and supportable forecasts when appropriate. The estimate is a result of the Company’s ongoing evaluation of collectability, customer creditworthiness, historical levels of credit losses, and future expectations. Write-offs of accounts receivable were $2.5 million and $2.8 million for the years ended December 31, 2024 and 2023, respectively.

INVENTORIES

Inventories consist primarily of finished goods and are carried at the lower of cost or net realizable value. Cost is determined using standard cost, which approximates the first-in, first-out method. The Company periodically reviews its inventories for excess, close-out or slow-moving items and makes provisions as necessary to properly reflect inventory value.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The principal estimated useful lives are: land improvements, 15 years; buildings and building improvements, 15-30 years; furniture and fixtures, 3-10 years; and machinery, software and equipment, 3-10 years. Leasehold improvements are depreciated over the lesser of the estimated useful life of the improvement, which is most commonly 7 years, or the remaining term of the underlying lease.

Improvements to property, plant and equipment that substantially extend the useful life of the asset are capitalized. Repair and maintenance costs are expensed as incurred. Internal and external costs directly related to the development of internal-use software during the application development stage, including costs incurred for third party contractors and employee compensation, are capitalized and depreciated over a 3-10 year estimated useful life.

CLOUD COMPUTING ARRANGEMENTS

The Company's cloud computing arrangements that are service contracts ("CCAs") primarily relate to various enterprise resource planning systems, as well as other supporting systems. Implementation costs associated with CCAs are capitalized ("CCA assets") when incurred during the application development stage and generally included in *Other non-current assets* in the Consolidated Balance Sheets. CCA assets are amortized on a straight-line basis over the lesser of their assessed useful lives or the contractual term of the CCA contract, with amortization included in the same financial statement line item in the Consolidated Statements of Operations as the expense for fees in the associated CCA contract. As of December 31, 2024, CCA assets in-service have useful lives which range from approximately one year to six years. As of December 31, 2024 and 2023, CCA assets consisted of capitalized implementation costs of $42.4 million and $38.6 million, respectively and associated accumulated amortization of $28.6 million and $19.8 million, respectively. Changes in these assets are recorded in *Other assets* within operating activities in the Consolidated Statements of Cash Flows.

IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets, which include property, plant and equipment, lease right-of-use ("ROU") assets, and CCA assets are tested for recoverability only when events or circumstances indicate the carrying value may not be recoverable. In these cases, the Company estimates the future undiscounted cash flows to be derived from the asset or asset group to determine whether the asset or asset group is recoverable. If the carrying value of an asset or asset group exceeds the estimated undiscounted future cash flows, an analysis is performed to estimate the fair value of the asset or asset group. An impairment is recorded if the fair value of the asset or asset group is less than the carrying amount.

Impairment charges of long-lived assets, if any, are classified as *SG&A expenses*. During 2024, we tested certain long-lived assets for impairment at certain underperforming retail locations. For the years ended December 31, 2024 and 2023, impairment charges from underperforming retail stores were not material.

DEFINITE-LIVED INTANGIBLE ASSETS

Intangible assets that are determined to have finite lives were amortized using the straight-line method over their estimated useful lives. Intangible assets subject to amortization were fully amortized as of December 31, 2024.

INDEFINITE-LIVED INTANGIBLE ASSETS AND GOODWILL

The Company reviews and tests its indefinite-lived intangible assets and goodwill for impairment in the fourth quarter of each year and when events or changes in circumstances indicate that it is more likely than not that the fair value of the asset or reporting unit is less than its carrying amount. The Company's intangible assets with indefinite lives consist of trademarks and trade names. In the impairment tests for trademarks and trade names indefinite-lived intangibles, the Company compares the estimated fair value of each asset to its carrying amount. In the impairment test for goodwill, the estimated fair value of the reporting unit is compared with the carrying amount of that reporting unit. For both indefinite-lived intangible assets and goodwill, if the carrying amount exceeds its estimated fair value, the Company recognizes an impairment loss as the excess of carrying amount over the estimate of fair value.

Impairment charges of goodwill and indefinite-lived intangible assets, if any, are classified as *Impairment of goodwill and intangible assets* in the Consolidated Statements of Operations.

LEASES

The Company leases, among other things, retail space, office space, warehouse facilities, storage space, vehicles, and equipment. Generally, the initial lease terms are between 5 and 10 years. Certain lease agreements contain scheduled rent escalation clauses and others include rental payments adjusted periodically depending on an index or rate. Certain retail space lease agreements provide for additional rents based on a percentage of annual sales in excess of stipulated minimums ("percentage rent"). Certain lease agreements require the Company to pay real estate taxes, insurance, common area maintenance, and other costs, collectively referred to as operating costs, in addition to base rent.

Certain lease agreements also contain lease incentives, such as tenant improvement allowances and rent holidays. Most leases include one or more options to renew, with renewal terms that can extend the lease term from one to 10 years or more. The exercise of lease renewal options is generally at the Company's sole discretion. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company determines if an arrangement is or contains a lease at contract inception. The Company recognizes a lease ROU asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date. Key estimates and judgments include how the Company determines (1) the discount rate it uses to discount the unpaid lease payments to present value, (2) the lease term and (3) lease payments.

Unpaid lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs. Therefore, the Company generally uses its incremental borrowing rate as the discount rate for the lease. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. Because the Company does not generally borrow on a collateralized basis, it uses market-based rates as an input to derive an appropriate incremental borrowing rate, adjusted for the lease term and the effect on that rate of designating specific collateral with a value equal to the unpaid lease payments for that lease.

The Company's lease contracts may include options to extend the lease following the initial term or terminate the lease prior to the end of the initial term. In most instances, at the commencement of the leases, the Company has determined that it is not reasonably certain to exercise either of these options; accordingly, these options are generally not considered in determining the initial lease term. In instances where the Company exercises an option it had previously determined it was not reasonably certain to exercise, the Company reassesses any remaining options in the contract that it is reasonably certain to exercise in its measurement of the lease term.

For most lease agreements entered into or reassessed after the adoption of Accounting Standards Codification ("ASC") 842, the Company has elected the practical expedient to account for the lease and non-lease components as a single lease component. Therefore, for those leases, the lease payments used to measure the lease liability include all of the fixed consideration in the contract.

Variable lease payments associated with the Company's leases are recognized upon occurrence of the event, activity, or circumstance in the lease agreement on which those payments are assessed. Variable lease payments are presented in the Company's Consolidated Statements of Operations in the same line item as expense arising from fixed lease payments, which is generally within *SG&A expenses*.

Leases with an initial term of 12 months or less are considered short-term leases and not recorded on the Consolidated Balance Sheets. The Company recognizes lease expense for short-term leases on a straight-line basis over the lease term.

INCOME TAXES

Income taxes are based on amounts of taxes payable or refundable in the current year and on expected future tax consequences of events that are recognized in the financial statements in different periods than they are recognized in tax returns. As a result of timing of recognition and measurement differences between financial accounting standards and income tax laws, temporary differences arise between amounts of pre-tax financial statement income and taxable income and between reported amounts of assets and liabilities in the Consolidated Balance Sheets and their respective tax bases. Deferred income tax assets and liabilities reported in the Consolidated Balance Sheets reflect estimated future tax effects attributable to these temporary differences and to net operating loss and net capital loss carryforwards, based on tax rates expected to be in effect for years in which the differences are expected to be settled or realized. Realization of deferred tax assets is dependent on future taxable income in specific jurisdictions. Valuation allowances are used to reduce deferred tax assets to amounts considered likely to be realized.

Accrued income taxes in the Consolidated Balance Sheets include unrecognized income tax benefits relating to uncertain tax positions, including related interest and penalties, classified as current or non-current. The Company recognizes the tax benefit from an uncertain tax position if it is more likely than not that the tax position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. In making this determination, the Company assumes that the taxing authority will examine the position and that it will have full knowledge of all relevant information. Changes in the Company's assessment may result in the recognition of a tax benefit or an additional charge to the tax provision in the period the assessment changes.

DERIVATIVES

The effective portion of changes in the fair value of outstanding cash flow hedges is recorded in *Accumulated other comprehensive income (loss)* until earnings are affected by the hedged transaction, and any ineffective portion is included in earnings. In most cases, amounts recorded in *Accumulated other comprehensive income (loss)* will be released to earnings after maturity of the related derivative. The Consolidated Statements of Operations classification of results from effective hedges is the same as that of the underlying exposure. Results of hedges of product costs are recorded in *Cost of sales* when the underlying hedged transactions affect earnings. Results of hedges of revenue are recorded in *Net sales* when the underlying hedged transactions affect earnings. Unrealized derivative gains and losses, which are recorded in assets and liabilities, respectively, are non-cash items and therefore are taken into account in the preparation of the Consolidated Statements of Cash Flows based on their respective balance sheet classifications.

FOREIGN CURRENCY TRANSLATION

For the Company's subsidiaries whose functional currency is not the U.S. dollar, assets and liabilities have been translated into U.S. dollars using the exchange rates in effect at period end, and the sales and expenses have been translated into U.S. dollars using average exchange rates in effect during the period. The foreign currency translation adjustments are included as a component of *Accumulated other comprehensive income (loss)* in the Consolidated Balance Sheets.

REVENUE RECOGNITION

Revenues are recognized when the Company's performance obligations are satisfied as evidenced by transfer of control of promised goods to customers or consumers, in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for those goods or services. Within the Company's wholesale channel, control generally transfers to the customer upon shipment to, or upon receipt by, the customer depending on the terms of sale with the customer. Within the Company's direct-to-consumer ("DTC") channel, control generally transfers to the consumer at the time of sale within retail stores and concession-based arrangements and generally upon shipment to the consumer with respect to e-commerce transactions.

The amount of consideration the Company expects to be entitled to receive and recognize as *Net sales* across both wholesale and DTC channels varies with changes in sales returns, other accommodations and incentives offered. The Company estimates expected sales returns and other accommodations, such as chargebacks and markdowns, and records a sales reserve to reduce *Net sales.* These estimates are based on historical rates of product returns and claims, as well as events and circumstances that indicate changes to such historical rates are warranted. However, actual returns and claims in any future period are inherently uncertain and thus may differ from estimates. As a result, the Company adjusts estimates of revenue at the earlier of when the most likely amount of consideration the Company expects to receive changes or when the amount of consideration becomes fixed. If actual or expected future returns and claims are significantly different than the sales reserves established, the Company records an adjustment to *Net sales* in the period in which it made such determination.

Licensing income, which is presented separately as *Net licensing income* on the Consolidated Statements of Operations and represents less than 1% of total revenue, is recognized over time based on the greater of contractual minimum royalty guarantees and actual, or estimated, sales of licensed products by the Company's licensees.

The Company expenses sales commissions when incurred, which is generally at the time of sale, because the amortization period would have been one year or less. These costs are recorded within *SG&A expenses*.

Revenue recognized from contracts with customers is recorded net of sales taxes, value added taxes, or similar taxes that are collected on behalf of local taxing authorities.

Shipping and Handling Costs

Fees for shipping and handling activities which are billed to customers and consumers are recorded as *Net Sales*. The Company has elected to account for shipping and handling activities that occur after a customer has obtained control of a good as fulfillment costs rather than an additional performance obligation. Freight costs associated with the shipment of goods to customers and consumers, including freight costs associated with the transfer of inventory within the Company's distribution network and to the Company's retail stores, are recorded as *Cost of sales*.

Shipping and handling costs also include costs associated with the handling of inventory and warehousing costs associated with the operation of the Company's owned distribution centers and third-party logistics providers are recorded as *SG&A expenses*, and were $153.9 million, $183.2 million and $155.8 million for the years ended December 31, 2024, 2023 and 2022, respectively.

COST OF SALES

Cost of sales consists of all direct costs to source and purchase inventory, including product costs, freight, duties and other importation costs, as well as specific provisions for excess, close-out or slow-moving inventory. In addition, certain products carry life-time or limited warranty provisions for defects in quality and workmanship. *Cost of sales* includes a warranty reserve established for these provisions at the time of sale to cover estimated costs based on the Company's history of warranty repairs and replacements.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

SG&A expenses consists of personnel-related costs, advertising, depreciation and amortization, occupancy, warehousing, and other selling and general operating expenses related to the Company's business functions.

SHARE-BASED COMPENSATION

Share-based compensation cost is estimated at the grant date based on the award's fair value. For stock options, time-based restricted stock units, and market-based restricted stock units, share-based compensation cost is recognized over the expected requisite service period using the straight-line attribution method. For equity-classified market-based restricted stock units, the probability of achieving the related market condition is incorporated into the grant date fair value. If targets are not met, no compensation cost will be reversed except in the case of award forfeitures. For performance-based restricted stock units, share-based compensation cost is recognized based on the Company's assessment of the probability of achieving the related performance targets. If such targets are not met, no compensation cost is recognized and any previously recognized compensation cost is reversed. The Company estimates forfeitures for share-based awards granted, but which are not expected to vest.

ADVERTISING COSTS

Advertising costs, including marketing and demand creation spending, are expensed in the period incurred and are included in *SG&A expenses*. The Company may reimburse its customers for certain marketing activities at the Company's discretion. The costs for such activities are recorded as advertising costs when the Company has determined a payment is in exchange for a distinct good or service and approximates the fair value of the good or service received. Total advertising expense was $198.7 million, $209.4 million and $205.9 million for the years ended December 31, 2024, 2023 and 2022, respectively.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In November 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2023-07 ("ASU 2023-07"), Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The Company adopted ASU 2023-07 on a retrospective basis within this Annual Report on Form 10-K. The adoption resulted in enhanced disclosures which can be found within Note 16 of these Consolidated Financial Statements.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

In December 2023, the FASB issued ASU No. 2023-09 (“ASU 2023-09”), Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which includes amendments that further enhance income tax disclosures, primarily through disaggregation of specific rate reconciliation categories and income taxes paid by jurisdiction. The amendments are effective for annual periods beginning after December 15, 2024, with early adoption permitted, and may be applied prospectively or retrospectively. The Company is currently evaluating the ASU to determine the impact on the Company’s disclosures.

In November 2024, the FASB issued ASU No. 2024-03 ("ASU 2024-03"), Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which is intended to improve disclosures about a public business entity's expenses, primarily through additional disaggregation of income statement expenses. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The amendments in ASU 2024-03 should be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the ASU to determine the impact on the Company's disclosures.

RECLASSIFICATIONS

Certain amounts in the prior-period financial statements have been reclassified to conform to the current period presentation. *Non-cash lease expense* is now presented on its own line in the Company's Consolidated Statements of Cash Flows instead of combined with depreciation and amortization. Additionally, loss on disposal or impairment of property, plant and equipment and right-of-use assets is now included in *Other, net* in the Company's Consolidated Statements of Cash Flows.

NOTE 3 — REVENUES

DISAGGREGATED REVENUE

As disclosed below in Note 16, the Company has four geographic reportable segments: U.S., Latin America and Asia Pacific ("LAAP"), Europe, Middle East and Africa ("EMEA"), and Canada.

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

	Year Ended December 31, 2024				
(in thousands)	**U.S.**	**LAAP**	**EMEA**	**Canada**	**Total**
Product category net sales					
Apparel, Accessories and Equipment	$ 1,727,076	$ 437,325	$ 355,353	$ 167,420	$ 2,687,174
Footwear	341,152	123,381	156,425	60,450	681,408
Total	$ 2,068,228	$ 560,706	$ 511,778	$ 227,870	$ 3,368,582
Channel net sales					
Wholesale	$ 926,714	$ 283,751	$ 388,545	$ 135,348	$ 1,734,358
Direct-to-consumer	1,141,514	276,955	123,233	92,522	1,634,224
Total	$ 2,068,228	$ 560,706	$ 511,778	$ 227,870	$ 3,368,582

	Year Ended December 31, 2023				
(in thousands)	U.S.	LAAP	EMEA	Canada	Total
Product category net sales					
Apparel, Accessories and Equipment	$ 1,783,205	$ 392,690	$ 319,468	$ 181,234	$ 2,676,597
Footwear	458,232	127,064	149,769	75,541	810,606
Total	$ 2,241,437	$ 519,754	$ 469,237	$ 256,775	$ 3,487,203
Channel net sales					
Wholesale	$ 1,082,197	$ 256,423	$ 373,583	$ 161,800	$ 1,874,003
Direct-to-consumer	1,159,240	263,331	95,654	94,975	1,613,200
Total	$ 2,241,437	$ 519,754	$ 469,237	$ 256,775	$ 3,487,203

	Year Ended December 31, 2022				
(in thousands)	U.S.	LAAP	EMEA	Canada	Total
Product category net sales					
Apparel, Accessories and Equipment	$ 1,829,389	$ 354,000	$ 303,731	$ 173,911	$ 2,661,031
Footwear	472,857	119,866	134,823	75,575	803,121
Total	$ 2,302,246	$ 473,866	$ 438,554	$ 249,486	$ 3,464,152
Channel net sales					
Wholesale	$ 1,114,337	$ 225,932	$ 364,598	$ 162,773	$ 1,867,640
Direct-to-consumer	1,187,909	247,934	73,956	86,713	1,596,512
Total	$ 2,302,246	$ 473,866	$ 438,554	$ 249,486	$ 3,464,152

PERFORMANCE OBLIGATIONS

For the years ended December 31, 2024, 2023, and 2022 *Net sales* recognized from performance obligations related to prior periods were not material. *Net sales* expected to be recognized in any future period related to remaining performance obligations is not material.

CONTRACT BALANCES

As of December 31, 2024 and 2023, the Company did not have any contract assets and had an immaterial amount of contract liabilities included in *Accrued liabilities* on the Consolidated Balance Sheets.

NOTE 4 — PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net consisted of the following:

	As of December 31,	
(in thousands)	2024	2023
Land and improvements	$ 32,862	$ 33,028
Buildings and improvements	226,336	226,510
Machinery, software and equipment	405,909	397,310
Furniture and fixtures	127,366	115,430
Leasehold improvements	184,800	176,731
Construction in progress	15,420	10,202
	992,693	959,211
Less accumulated depreciation	(709,785)	(671,930)
	$ 282,908	$ 287,281

Depreciation expense for *Property, plant and equipment, net* was $55.3 million, $56.4 million, and $53.1 million for the years ended December 31, 2024, 2023 and 2022, respectively.

NOTE 5 — INTANGIBLE ASSETS, NET AND GOODWILL

INTANGIBLE ASSETS, NET

Intangible assets, net consisted of the following:

	As of December 31,	
(in thousands)	2024	2023
Intangible assets with definite lives:		
Patents and purchased technology	$ 14,198	$ 14,198
Customer relationships	23,000	23,000
Gross carrying amount	37,198	37,198
Accumulated amortization:		
Patents and purchased technology	(14,198)	(14,198)
Customer relationships	(23,000)	(22,313)
Accumulated amortization	(37,198)	(36,511)
Net carrying amount	—	687
Intangible assets with indefinite lives	79,221	79,221
Intangible assets, net	$ 79,221	$ 79,908

Intangible assets subject to amortization were fully amortized as of December 31, 2024. Amortization expense for intangible assets subject to amortization was $0.7 million for the year ended December 31, 2024 and $1.7 million for the years ended December 31, 2023 and 2022.

For the years ended December 31, 2024 and 2023, there was no impairment recorded for intangible assets with indefinite lives. For the year ended December 31, 2022, an impairment charge of $18.7 million was recorded for the impairment of prAna's trademark and trade name (collectively, "trademark"). The impairment of the prAna trademark was determined as part of the annual impairment test. The decline in estimated fair value from the fourth quarter 2021 impairment test reflected a decline in forecasted revenue, a lower estimated royalty rate, and a slightly higher discount rate.

GOODWILL

The following table sets forth the changes in *Goodwill*.

(in thousands)		
Balance as of December 31, 2022		
Goodwill	$	73,208
Accumulated impairment losses		(21,514)
Carrying value		51,694
Impairment losses during 2023		(25,000)
Balance as of December 31, 2023		
Goodwill		73,208
Accumulated impairment losses		(46,514)
Carrying value		26,694
Impairment losses during 2024		—
Balance as of December 31, 2024		
Goodwill		73,208
Accumulated impairment losses		(46,514)
Carrying value	$	26,694

Substantially all of the Company's goodwill is recorded in the U.S. segment.

For the year ended December 31, 2024, there was no impairment recorded for goodwill. For the years ended December 31, 2023 and 2022, an impairment charge of $25.0 million and $16.9 million was recorded for the impairment of goodwill attributable to the prAna reporting unit, respectively. The impairment of the goodwill attributable to the prAna reporting unit was determined as part of the annual impairment test. For the year ended December 31, 2023, the decline in estimated fair value from the fourth quarter 2022 impairment test reflected an increase in the weighted-average cost of capital used in the discounted cash flow model and lower operating income levels. For the year ended December 31, 2022, the decline in estimated fair value from the fourth quarter 2021 impairment test reflected lower assumed revenue and operating income levels, while the weighted-average cost of capital used in the discounted cash flow model remained relatively unchanged.

NOTE 6 — SHORT-TERM BORROWINGS AND CREDIT LINES

DOMESTIC CREDIT FACILITY

The Company has an unsecured, committed revolving credit facility (the "Credit Facility") that provides for up to $500.0 million of borrowings, which is available for working capital and general corporate purposes, including a sublimit for the issuance of letters of credit. The Credit Facility matures on July 12, 2027. Interest, generally payable monthly, is based on the Company's option of either the secured overnight financing rate ("SOFR") plus an applicable margin or a base rate. Base rate is defined as the highest of the following, plus an applicable margin:

- the administrative agent's prime rate;
- the higher of the federal funds rate or overnight bank funding rate set by the Federal Reserve Bank of New York, plus 0.50%; or
- the one-month SOFR plus 1.00%.

The applicable margin for SOFR loans will range from 1.00% to 1.50% based on the Company's funded debt ratio. The applicable margin for base rate loans will range from 0.00% to 0.50% based on the Company's funded debt ratio. A commitment fee ranging from 0.10% to 0.20% based on the Company's funded debt ratio is paid quarterly on the average daily unused commitment amount of the Credit Facility.

The agreement for the Credit Facility requires the Company to comply with a financial covenant to maintain a certain funded debt ratio. In addition, the agreement includes customary covenants that, among other things, limit or restrict the ability of the Company and its subsidiaries to incur additional indebtedness and liens, engage in mergers, acquisitions and dispositions, and engage in transactions with affiliates, as well as restrict the amount of certain payments, including dividends and share buybacks in the event the Company's funded debt ratio is greater than a set amount.

As of December 31, 2024, the Company was in compliance with all associated covenants. As of December 31, 2024 and 2023, there was no balance outstanding.

INTERNATIONAL CREDIT FACILITY

The Company's European subsidiary has available an unsecured, committed line of credit, which is guaranteed by the Company, and provides for borrowing up to a maximum of €4.4 million (approximately US$4.6 million) as of December 31, 2024, with borrowings to accrue interest at a base rate plus 75 basis points. As of December 31, 2024 and 2023 there was no balance outstanding.

NOTE 7 — ACCRUED LIABILITIES

Accrued liabilities consisted of the following:

	As of December 31,	
(in thousands)	**2024**	**2023**
Sales reserves	$ 96,857	$ 103,907
Accrued salaries, bonus, and other benefits	84,270	72,726
Accrued import duties	15,151	18,741
Taxes other than income taxes payable	21,662	18,706
Product warranties	11,267	11,620
Other	44,123	46,358
	$ 273,330	$ 272,058

A reconciliation of product warranties is as follows:

	Year Ended December 31,		
(in thousands)	**2024**	**2023**	**2022**
Balance at the beginning of the year	$ 11,620	$ 13,810	$ 13,645
Provision for warranty claims	2,132	877	3,627
Warranty claims	(2,215)	(3,075)	(3,163)
Other	(270)	8	(299)
Balance at the end of the year	$ 11,267	$ 11,620	$ 13,810

NOTE 8 — LEASES

The components of lease cost consisted of the following:

	Year Ended December 31,		
(in thousands)	2024	2023	2022
Operating lease cost	$ 93,653	$ 83,866	$ 76,650
Variable lease cost	67,459	65,376	63,537
Short term lease cost	10,972	10,117	5,775
	$ 172,084	$ 159,359	$ 145,962

The following table presents supplemental cash flow information related to leases:

	Year Ended December 31,		
(in thousands)	2024	2023	2022
Cash paid for amounts included in the measurement of operating lease liabilities	$ 98,620	$ 85,793	$ 81,130
Operating lease liabilities arising from obtaining lease ROU assets[1]	$ 128,605	$ 83,393	$ 51,976

[1] Includes amounts added to the carrying amount of lease liabilities resulting from lease modifications and reassessments.

The following table presents supplemental balance sheet information related to leases:

	As of December 31,	
	2024	2023
Weighted average remaining lease term	5.79 years	5.45 years
Weighted average discount rate	4.89 %	4.42 %

The following table presents the future maturities of operating lease liabilities as of December 31, 2024:

(in thousands)	
2025	$ 94,523
2026	91,054
2027	79,911
2028	70,783
2029	53,899
Thereafter	133,955
Total operating lease payments	524,125
Less: imputed interest	(74,940)
Total operating lease liabilities	449,185
Less: current operating lease liabilities	(75,857)
Non-current operating lease liabilities	$ 373,328

As of December 31, 2024, the Company has additional commitments for operating leases that have not yet commenced of $13.6 million. These leases will commence in 2025 with lease terms of approximately one to ten years.

NOTE 9 — INCOME TAXES

INCOME TAX PROVISION

Consolidated income from operations before income taxes consisted of the following:

	Year Ended December 31,		
(in thousands)	2024	2023	2022
U.S. operations	$ 83,120	$ 125,578	$ 243,695
Foreign operations	215,067	200,614	153,715
Income before income tax	$ 298,187	$ 326,192	$ 397,410

The components of the provision for income taxes consisted of the following:

	Year Ended December 31,		
(in thousands)	2024	2023	2022
Current:			
Federal	$ 32,073	$ 39,939	$ 52,503
State and local	8,394	6,879	11,191
Non-U.S.	40,651	33,109	25,615
	81,118	79,927	89,309
Deferred:			
Federal	(11,925)	(5,492)	(13,248)
State and local	(1,258)	(1,589)	(710)
Non-U.S.	6,979	1,946	10,619
	(6,204)	(5,135)	(3,339)
Income tax expense	$ 74,914	$ 74,792	$ 85,970

The following is a reconciliation of the statutory federal income tax rate to the effective rate reported in the financial statements:

	Year Ended December 31,		
(percent of income before tax)	2024	2023	2022
Provision for federal income taxes at the statutory rate	21.0 %	21.0 %	21.0 %
State and local income taxes, net of federal benefit	1.9	1.2	1.6
Non-U.S. income taxed at different rates	(0.5)	(1.4)	(0.4)
Valuation allowance	2.1	—	—
Adjustment to deferred taxes	—	—	0.1
Global intangible low-taxed income	—	0.9	0.1
Research credits	(0.7)	(0.7)	(0.4)
Withholding taxes	0.4	1.0	0.2
Excess tax benefits from share-based compensation plans	0.2	0.1	—
Other	0.7	0.8	(0.6)
Actual provision for income taxes	25.1 %	22.9 %	21.6 %

DEFERRED INCOME TAX BALANCES

Significant components of the Company's deferred taxes consisted of the following:

(in thousands)	As of December 31, 2024	As of December 31, 2023
Deferred tax assets:		
Accruals and allowances	$ 37,436	$ 29,585
Lease liabilities	114,079	103,551
Capitalized inventory costs	17,895	20,589
Sales reserves	16,648	16,559
Share-based compensation	10,682	9,166
Net operating loss carryforwards	2,550	1,720
Depreciation and amortization	10,473	20,335
Capitalized research and development expenditures	23,392	17,008
Tax credits	153	860
Other	3,153	2,471
Gross deferred tax assets	236,461	221,844
Valuation allowance	(10,670)	(7,141)
Net deferred tax assets	225,791	214,703
Deferred tax liabilities:		
Depreciation and amortization	(3,149)	(879)
Prepaid expenses	(3,216)	(3,315)
Lease ROU assets	(100,475)	(90,756)
Deferred tax liability associated with future repatriations	(7,849)	(11,657)
Foreign currency	(7,209)	(2,588)
Gross deferred tax liabilities	(121,898)	(109,195)
Total net deferred taxes	$ 103,893	$ 105,508

The Company records net deferred tax assets to the extent it believes these assets will more likely than not be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. The Company had foreign net operating loss carryforwards of $12.1 million as of December 31, 2024, of which $11.7 million have a 15-year carryforward period and $0.4 million have an unlimited carryforward period. As of December 31, 2024 and 2023, the net operating losses result in deferred tax assets of $2.6 million and $1.7 million, respectively, and were subject to a valuation allowance of $2.5 million and $0, respectively.

As of December 31, 2024, the Company had a foreign deferred tax asset of $10.7 million, which is subject to a valuation allowance of $8.2 million. As of December 31, 2023, the Company had a foreign deferred tax asset of $9.4 million, which was subject to a valuation allowance of $7.0 million.

As of December 31, 2024, the Company had accumulated undistributed earnings generated by the Company's foreign subsidiaries of $295.5 million. These earnings have already been subject to U.S. tax, so any further taxes associated with such earnings would generally be limited to foreign withholding and state taxes. The Company has recorded a deferred tax liability for these, except in the jurisdictions where the Company intends to indefinitely reinvest the earnings.

UNRECOGNIZED TAX BENEFITS

The Company conducts business globally and, as a result, the Company or one or more of its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. The Company is subject to examination by taxing authorities throughout the world, including major jurisdictions such as Canada, China, France, Japan, South Korea, Switzerland, and the U.S.. The Company has effectively settled France tax examinations of all years through 2016, Canadian tax examinations of all years through 2018, China tax examinations of all years through 2018, U.S. tax examinations of all years through 2018, Japanese tax examinations of all years through 2019, and Swiss tax examinations of all years through 2019. The Korean National Tax Service concluded an audit of the Company's 2009 through 2013 corporate income tax returns in 2014, an audit of the Company's 2014 corporate income tax return in 2016, and an audit of 2016 through 2020 corporate income tax returns in 2022. Due to the nature of the findings in the 2009 through 2014 audits, the Company has invoked the Mutual Agreement Procedures outlined in the U.S.-Korean income tax treaty. The Company does not anticipate that adjustments relative to these findings, or any other ongoing tax audits, will result in material impacts to its financial condition, results of operations or cash flows. Other than the findings and audits previously noted, the Company is not currently under examination in any other major jurisdiction.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	Year Ended December 31,		
(in thousands)	**2024**	**2023**	**2022**
Balance at beginning of year	$ 10,318	$ 10,177	$ 13,855
Increases related to prior year tax positions	264	578	234
Decreases related to prior year tax positions	(307)	—	(1,646)
Increases related to current year tax positions	1,247	1,376	1,355
Expiration of statute of limitations	(1,458)	(1,813)	(3,621)
Balance at end of year	$ 10,064	$ 10,318	$ 10,177

Due to the potential for resolution of income tax audits currently in progress, and the expiration of various statutes of limitation, it is reasonably possible that the unrecognized tax benefits balance may change within the twelve months following December 31, 2024 by a range of zero to $1.7 million. Open tax years, including those previously mentioned, contain matters that could be subject to differing interpretations of applicable tax laws and regulations as they relate to the amount, timing, or inclusion of revenue and expenses or the sustainability of income tax credits for a given examination cycle.

Unrecognized tax benefits of $8.8 million, $9.2 million and $9.2 million would affect the effective tax rate if recognized as of December 31, 2024, 2023 and 2022, respectively.

The Company recognizes interest expense and penalties related to income tax matters in *Income tax expense*. The Company recognized a net increase of interest and penalties of $0.8 million and $2.7 million in 2024 and 2023, respectively, and a net decrease of interest and penalties of $0.8 million in 2022, all of which related to uncertain tax positions. The Company had $5.3 million and $4.5 million of accrued interest and penalties related to uncertain tax positions as of December 31, 2024 and 2023, respectively.

NOTE 10 — RETIREMENT SAVINGS PLANS

401(K) PROFIT-SHARING PLAN

The Company has a 401(k) profit-sharing plan, which covers substantially all U.S. employees. Participation begins the first day of the quarter following completion of 30 days of service. The Company, with approval of the Board of Directors, may elect to make discretionary matching or non-matching contributions. Costs recognized for Company contributions to the plan were $14.9 million, $15.6 million and $13.3 million for the years ended December 31, 2024, 2023 and 2022, respectively.

DEFERRED COMPENSATION PLAN

The Company sponsors a nonqualified retirement savings plan for certain senior management employees whose contributions to the tax qualified 401(k) plan would be limited by provisions of the Internal Revenue Code. This plan allows participants to defer receipt of a portion of their salary and incentive compensation and to receive matching contributions for a portion of the deferred amounts. Costs recognized for Company matching contributions to the plan were immaterial for the years ended December 31, 2024, 2023 and 2022. Participants earn a return on their deferred compensation based on investment earnings of participant-selected investments. Deferred compensation, including accumulated earnings on the participant-directed investment selections, is distributable in cash at participant-specified dates or upon retirement, death, disability, or termination of employment of the participant.

The Company has purchased specific money market and mutual funds in the same amounts as the participant-directed investment selections underlying the deferred compensation liabilities. These investment securities and earnings thereon, held in an irrevocable trust, are intended to provide a source of funds to meet the deferred compensation obligations, subject to claims of creditors in the event of the Company's insolvency. Changes in the market value of the participants' investment selections are recorded as an adjustment to the investments and as gains and losses in *SG&A expenses*. A corresponding adjustment of an equal amount is made to the deferred compensation liabilities and compensation expense, which is included in *SG&A expenses*.

As of December 31, 2024 and 2023, the long-term portion of the liability to participants under this plan was $30.5 million and $26.6 million, respectively, and was recorded in *Other long-term liabilities*. As of December 31, 2024 and 2023, the current portion of the participant liability was $2.1 million and $1.2 million, respectively, and was recorded in *Accrued liabilities*. As of December 31, 2024 and 2023, the fair value of the long-term portion of the investments related to this plan was $30.5 million and $26.6 million, respectively, and was recorded in *Other non-current assets*. As of December 31, 2024 and 2023, the current portion of the investments related to this plan was $2.1 million and $1.2 million, respectively, and was recorded in *Short-term investments*.

NOTE 11 — COMMITMENTS AND CONTINGENCIES

LITIGATION

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

INDEMNITIES AND GUARANTEES

During its normal course of business, the Company has made certain indemnities, commitments and guarantees under which it may be required to make payments in relation to certain transactions. These include (i) intellectual property indemnities to the Company's customers and licensees in connection with the use, sale or license of Company products, (ii) indemnities to various lessors in connection with facility leases for certain claims arising from such facility or lease, (iii) indemnities to customers, vendors and service providers pertaining to claims based on the negligence or willful misconduct of the Company, (iv) executive severance arrangements, and (v) indemnities involving the accuracy of representations and warranties in certain contracts. The duration of these indemnities, commitments and guarantees varies and, in certain cases, may be indefinite. The majority of these indemnities, commitments and guarantees do not provide for any limitation of the maximum potential for future payments the Company could be obligated to make. The Company has not recorded any liability for these indemnities, commitments and guarantees in the accompanying Consolidated Balance Sheets.

NOTE 12 — SHAREHOLDERS' EQUITY

Since the inception of the Company's stock repurchase plan in 2004 through December 31, 2024, the Company's Board of Directors has authorized the repurchase of $2.6 billion of the Company's common stock, excluding excise tax. Shares of the Company's common stock may be purchased in the open market or through privately negotiated transactions, subject to market conditions, and generally settle subsequent to the trade date. The repurchase program does not obligate the Company to acquire any specific number of shares or to acquire shares over any specified period of time.

Under this program as of December 31, 2024, the Company had repurchased 38.0 million shares at an aggregate purchase price of $1,972.4 million and had $627.6 million remaining available under the share repurchase program, excluding excise tax. During the years December 31, 2024 and 2023, the Company repurchased an aggregate of $317.8 million and $184.0 million, respectively, of common stock under this program, excluding excise tax.

NOTE 13 — SHARE-BASED COMPENSATION

At its Annual Meeting held on June 3, 2020, the Company's shareholders approved the Company's 2020 Stock Incentive Plan (the "2020 Plan"), and the 2020 Plan became effective on that date following such approval. The 2020 Plan replaced the Company's 1997 Stock Incentive Plan (the "Prior Plan") and no new awards will be granted under the Prior Plan. The terms and conditions of the awards granted under the Prior Plan will remain in effect with respect to awards granted under the Prior Plan. The Company has reserved 3.0 million shares of common stock for issuance under the 2020 Plan, plus up to an aggregate of 1.5 million shares of the Company's common stock that were previously authorized and available for issuance under the Prior Plan. As of December 31, 2024, 2,223,759 shares were available for future grants under the 2020 Plan.

The Company's Stock Incentive Plan allows for grants of incentive stock options, non-statutory stock options, restricted stock awards, restricted stock units, and other share-based or cash-based awards to officers, executives, key employees and nonemployee members of the Company's Board of Directors. The Company uses original issuance shares to satisfy share-based payments.

SHARE-BASED COMPENSATION EXPENSE

Share-based compensation expense, which is primarily recorded in *SG&A expenses*, consisted of the following:

	Year Ended December 31,		
(in thousands)	2024	2023	2022
Share-based compensation expense - equity awards	$ 24,777	$ 23,051	$ 21,021
Share-based compensation expense - liability awards	390	—	—
Pre-tax share-based compensation expense	25,167	23,051	21,021
Income tax benefits	(5,774)	(5,365)	(4,867)
Total share-based compensation expense, net of tax	$ 19,393	$ 17,686	$ 16,154

The Company realized a tax benefit for the deduction from share-based award transactions of $3.7 million, $3.9 million and $3.6 million for the years ended December 31, 2024, 2023 and 2022, respectively.

STOCK OPTIONS

Options to purchase the Company's common stock are granted at exercise prices equal to or greater than the fair market value of the Company's common stock on the date of grant. Options generally vest and become exercisable ratably on an annual basis over a period of four years and expire ten years from the date of the grant.

The fair value of stock options is determined using the Black-Scholes model. Key inputs and assumptions used in the model include the exercise price of the award, the expected option term, the expected stock price volatility of the Company's stock over the option's expected term, the risk-free interest rate over the option's expected term, and the Company's expected annual dividend yield. The option's expected term is derived from historical option exercise behavior and the option's terms and conditions, which the Company believes provide a reasonable basis for estimating an expected term. The expected volatility is estimated based on observations of the Company's historical volatility over the most recent term commensurate with the expected term. The risk-free interest rate is based on the U.S. Treasury yield approximating the expected term. The dividend yield is based on the expected cash dividend payouts.

The weighted average assumptions for stock options granted and resulting fair value is as follows:

	Year Ended December 31,		
	2024	2023	2022
Expected option term	4.43 years	4.39 years	4.36 years
Expected stock price volatility	26.39%	27.37%	25.38%
Risk-free interest rate	4.34%	4.03%	1.72%
Expected annual dividend yield	1.45%	1.36%	1.26%
Weighted average grant date fair value per stock option granted	$20.86	$22.61	$18.33

The following table summarizes stock option activity under the Plan:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value [(1)] *(in thousands)*
Outstanding as of December 31, 2023	2,280,014	$ 87.08		
Granted	156,277	82.55		
Exercised	(94,391)	64.84		
Forfeited or expired	(195,252)	90.24		
Outstanding as of December 31, 2024	2,146,648	$ 87.44	6.16	$ 5,925
Vested and expected to vest as of December 31, 2024	2,104,270	$ 87.46	6.11	$ 5,886
Exercisable as of December 31, 2024	1,434,401	$ 87.07	5.30	$ 5,475

(1) The aggregate intrinsic value above represents pre-tax intrinsic value that would have been realized if all options had been exercised on the last business day of the period indicated, based on the Company's closing stock price on that day.

Stock option compensation expense net of estimated forfeitures, was $6.4 million, $8.2 million and $7.8 million for the years ended December 31, 2024, 2023 and 2022, respectively. As of December 31, 2024, unrecognized costs related to outstanding stock options was net of estimated forfeitures and totaled $8.9 million, before any related tax benefit. These unrecognized costs related to stock options are expected to be recognized over a weighted average period of 1.88 years. The aggregate intrinsic value of stock options exercised was $1.8 million, $3.0 million and $3.4 million for the years ended December 31, 2024, 2023 and 2022, respectively. The total cash received as a result of stock option exercises was $6.1 million, $7.4 million and $6.6 million for the years ended December 31, 2024, 2023 and 2022, respectively.

RESTRICTED STOCK UNITS

Time-Based Restricted Stock Units

The Company has historically disclosed its Restricted Stock Units footnote on an aggregated basis to include both time and performance-based restricted stock units. The Company’s performance-based restricted stock units, representing 23,374 outstanding shares as of December 31, 2023, and the corresponding weighted average grant date fair value assumptions, compensation expense recognized, and total fair value of shares vested have been disclosed separately between time and performance-based restricted stock units for all related periods presented to conform to current year presentation.

Time-based restricted stock units (“time-based RSUs”) are granted at no cost to officers, executives, key employees, and nonemployee members of the Company’s Board of Directors and generally vest over a period of four years. Time-based RSUs granted to nonemployee members of the Company’s Board of Directors vest over a period of one year. Time-based RSUs vest in accordance with the terms and conditions established by the Talent and Compensation Committee of the Board of Directors, and are based on continued service. Dividend equivalents do not accrue on time-based RSUs.

The fair value of time-based RSUs is determined using the closing price of the Company’s common stock on the date of grant, reduced by the present value of dividends not received during the vesting period. Other assumptions incorporated into the grant date fair value include the vesting period and the Company's expected annual dividend yield.

The weighted average assumptions for time-based RSUs granted and resulting fair value is as follows:

	Year Ended December 31,		
	2024	2023	2022
Vesting period	3.82 years	3.78 years	3.76 years
Expected annual dividend yield	1.45%	1.39%	1.30%
Weighted average grant date fair value per time-based RSU granted	$78.26	$82.37	$85.25

The following table summarizes the time-based RSU activity under the Plan:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2023	455,641	$ 84.77
Granted	369,353	78.26
Vested[1]	(177,341)	84.25
Forfeited	(61,637)	81.85
Outstanding as of December 31, 2024	586,016	$ 81.13

[1] The number of awards vested is net of shares withheld by the Company to pay up to maximum statutory requirements to taxing authorities on behalf of the employee. For the year ended December 31, 2024, the Company withheld 59,877 to satisfy $4.9million of employees' tax obligations for time-based RSUs.

Time-based RSU compensation expense, net of estimated forfeitures, was $17.2 million, $14.3 million and $12.7 million for the years ended December 31, 2024, 2023 and 2022, respectively. As of December 31, 2024, unrecognized costs related to time-based RSUs was net of estimated forfeitures and totaled $30.5 million, before any related tax benefit. These unrecognized costs as of December 31, 2024 are expected to be recognized over a weighted average period of 2.44 years. The total fair value of shares vested for time-based RSUs was $14.4 million, $13.1 million and $12.1 million during the years ended December 31, 2024, 2023 and 2022, respectively, computed as of the date of vesting.

Performance-Based Restricted Stock Units

Performance-based restricted stock units ("performance-based RSUs") are granted at no cost to certain members of the Company's executive team, excluding the Chief Executive Officer, and are subject to performance and time-based vesting conditions. The number of shares earned by participants, if any, is based on the achievement of the multi-year financial performance targets set by the Talent and Compensation Committee of the Board of Directors and, for some awards, the Company's financial performance relative to certain comparator companies. The number of performance-based RSUs earned may be adjusted upward or downward, resulting in a minimum and maximum payout of 0% and 200%, respectively, based on actual performance.

Performance-based RSUs vest in accordance with the terms and conditions established by the Talent and Compensation Committee of the Board of Directors, and are based on continued service and Company performance over a period of approximately two to three years. Dividend equivalents do not accrue on performance-based RSUs.

The grant date fair value of performance-based RSUs is determined using the closing price of the Company's common stock on the date of grant, reduced by the present value of dividends not received during the vesting period. Other assumptions incorporated into the grant date fair value include the vesting period and the Company's expected annual dividend yield.

The weighted average assumptions for performance-based RSUs granted and resulting fair value is as follows:

	Year Ended December 31,		
	2024	2023	2022
Vesting period	2.82 years	2.99 years	2.87 years
Expected annual dividend yield	1.50%	1.36%	1.35%
Weighted average grant date fair value per performance-based RSU granted	$76.54	$84.77	$85.64

The following table summarizes the performance-based RSU activity under the Plan:

	Number of Shares(1)	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2023	23,374	$ 85.18
Granted	30,533	76.54
Vested(2)	—	—
Forfeited	(2,028)	83.73
Outstanding as of December 31, 2024	51,879	$ 80.15

(1) Reflects activity at target level of awards and has not been adjusted for performance conditions, except for awards that vested during the period.
(2) The number of awards vested is net of shares withheld by the Company to pay up to maximum statutory requirements to taxing authorities on behalf of the employee. For the year ended December 31, 2024, the Company did not withhold any shares to satisfy employees' tax obligations since no awards vested.

Performance-based RSU compensation expense, net of estimated forfeitures, was $0.6 million, $0.5 million and $0.5 million for the years ended December 31, 2024, 2023 and 2022, respectively. As of December 31, 2024 unrecognized costs related to performance-based RSUs, which are net of estimated forfeitures and reflect achievement of performance forecasted as of the balance sheet date, totaled $0.9 million, before any related tax benefit. These unrecognized costs as of December 31, 2024 are expected to be recognized over a weighted average period of 1.46 years. No shares vested for performance-based RSUs during the year ended December 31, 2024. The total fair value of shares vested for performance-based RSUs was $0.6 million and $0.3 million during the years ended December 31, 2023 and 2022, respectively, computed as of the date of vesting.

Market-Based Restricted Stock Units

Market-based restricted stock units ("market-based RSUs") are granted at no cost to certain members of the Company's executive team, excluding the Chief Executive Officer, and are subject to market and time-based vesting conditions. Market-based RSUs vest in accordance with the terms and conditions established by the Talent and Compensation Committee of the Board of Directors, and are based on continued service and relative total shareholder return of the Company against a comparator group over a period of approximately three years. The number of market-based RSUs earned may be adjusted upward or downward, resulting in a minimum and maximum payout of 0% and 200%, respectively, based on actual performance. Dividend equivalents do not accrue on market-based RSUs.

The grant date fair value of market-based RSUs is determined using a Monte Carlo model that simulates a distribution of stock prices for the Company and comparator companies throughout the performance period. Assumptions incorporated into the grant date fair value include the vesting period, expected annual dividend yield, volatility, and correlation coefficients.

The weighted average assumptions for market-based RSUs granted and resulting fair value is as follows:

	Year Ended December 31,		
	2024	2023	2022
Vesting period	2.82 years	0 years	0 years
Weighted average grant date fair value per market-based RSU granted	$89.25	$—	$—

The following table summarizes the market-based RSU activity under the Plan:

	Number of Shares[1]	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2023	—	$ —
Granted	26,613	89.25
Vested[2]	—	—
Forfeited	(340)	89.25
Outstanding as of December 31, 2024	26,273	$ 89.25

(1) Reflects activity at target level of awards and has not been adjusted for market conditions, except for awards that vested during the period.
(2) The number of awards vested is net of shares withheld by the Company to pay up to maximum statutory requirements to taxing authorities on behalf of the employee. For the year ended December 31, 2024, the Company did not withhold any shares to satisfy employees' tax obligations since no awards vested.

Market-based RSU compensation expense, net of estimated forfeitures, was $0.6 million, $0 and $0 for the years ended December 31, 2024, 2023 and 2022, respectively. As of December 31, 2024, unrecognized costs, net of estimated forfeitures, related to market-based RSUs totaled $1.5 million, before any related tax benefit. These unrecognized costs as of December 31, 2024 are expected to be recognized over a weighted average period of 2 years. No market-based RSUs were outstanding during the years ended December 31, 2023 or 2022, and no shares vested for market-based RSUs during the years ended December 31, 2024, 2023 and 2022.

Market-Based Long-Term Cash Award

In 2024 the Company issued a long-term cash award to its Chief Executive Officer with a target value of $1.2 million that includes both a market and time-based vesting condition. The market-based long-term cash award is liability classified and vests in accordance with the terms and conditions established by the Talent and Compensation Committee of the Board of Directors, and is based on continued service and relative total shareholder return of the Company against a comparator group over a period of approximately three years. The amount of the long-term cash award earned may be adjusted upward or downward, resulting in a minimum and maximum payout of 0% and 200%, respectively, based on actual performance.

The fair value of the market-based long-term cash award was determined using a Monte Carlo model that simulates a distribution of stock prices for the Company and comparator companies throughout the performance period. Compensation expense recognized for the year ended December 31, 2024 was $0.4 million. Fair value of the award as of December 31, 2024 was $1.3 million and the Company had unrecognized compensation costs of $0.9 million. These unrecognized costs as of December 31, 2024 are expected to be recognized over a weighted average period of 2 years.

NOTE 14 — EARNINGS PER SHARE

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

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

	Year Ended December 31,		
(in thousands, except per share amounts)	**2024**	**2023**	**2022**
Weighted average common shares outstanding, used in computing basic earnings per share	58,333	61,232	62,754
Effect of dilutive stock options and restricted stock units	169	192	216
Weighted average common shares outstanding, used in computing diluted earnings per share	58,502	61,424	62,970
Earnings per share:			
Basic	$ 3.83	$ 4.11	$ 4.96
Diluted	$ 3.82	$ 4.09	$ 4.95
Weighted average common shares excluded [1]	1,932	1,996	1,735

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

NOTE 15 — ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

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

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

(in thousands)	Available-for-sale securities	Derivative transactions	Foreign currency translation adjustments	Total
Balance as of December 31, 2021	$ —	$ 9,914	$ (14,290)	$ (4,376)
Other comprehensive income (loss) before reclassifications	(451)	20,724	(38,137)	(17,864)
Amounts reclassified from accumulated other comprehensive income (loss) [1]	451	(8,848)	—	(8,397)
Net other comprehensive income (loss)	—	11,876	(38,137)	(26,261)
Balance as of December 31, 2022	—	21,790	(52,427)	(30,637)
Other comprehensive income (loss) before reclassifications	145	(849)	2,757	2,053
Amounts reclassified from accumulated other comprehensive income (loss) [1]	—	(17,252)	—	(17,252)
Net other comprehensive income (loss)	145	(18,101)	2,757	(15,199)
Balance as of December 31, 2023	145	3,689	(49,670)	(45,836)
Other comprehensive income (loss) before reclassifications	84	31,252	(37,030)	(5,694)
Amounts reclassified from accumulated other comprehensive income (loss) [1]	(145)	(11,547)	—	(11,692)
Net other comprehensive income (loss)	(61)	19,705	(37,030)	(17,386)
Balance as of December 31, 2024	$ 84	$ 23,394	$ (86,700)	$ (63,222)

(1) Amounts reclassified are recorded in *Net sales*, *Cost of sales*, or *Other non-operating income (expense), net* on the Consolidated Statements of Operations. Refer to Note 17 for further information regarding reclassifications.

NOTE 16 — SEGMENT INFORMATION

The Company defines its operating segments on the basis of the way in which internally reported financial information is regularly reviewed by the chief operating decision maker ("CODM") to analyze performance, make decisions, and allocate resources. The Company aggregates its operating segments with similar economic and operating characteristics into four reportable segments: U.S., LAAP, EMEA, and Canada. These reportable segments are organized by geographic location. Each geographic segment operates predominantly in one industry: the design, development, marketing, and distribution of outdoor, active and lifestyle products, including apparel, footwear, accessories, and equipment.

The Company's CODM is the Company's president and chief executive officer. The Company's CODM assesses the segments' performance by using each segment's operating income.

The CODM uses each segment's operating income to allocate resources predominantly in the annual budget and forecasting process. The CODM considers plan-to-actual variances on a quarterly basis for the segment operating income profit measure when making decisions about the allocation of operating and capital resources to each segment. The CODM also uses this profit measure to assess the performance of each segment by comparing the results of each segment with one another, and in the overall strategic planning for each segment.

Intersegment net sales and intersegment profits, which are recorded at a negotiated mark-up and eliminated in consolidation, are not material. Unallocated corporate expenses consist of expenses incurred by centrally-managed departmental functions, including information technology, certain supply chain functions, finance, human resources and legal, as well as executive compensation, unallocated benefit program expense, and other miscellaneous costs.

The following tables present segment financial information for the Company's reportable segments for the years ended December 31, 2024, 2023, and 2022:

	Year Ended December 31, 2024				
(in thousands)	U.S.	LAAP	EMEA	Canada	Total
Net sales	$ 2,068,228	$ 560,706	$ 511,778	$ 227,870	$ 3,368,582
Cost of sales	1,051,855	247,506	264,434	113,702	1,677,497
Segment selling, general and administrative expenses	577,295	207,248	126,121	49,187	959,851
Other segment items[(a)]	82,356	28,944	17,737	17,184	146,221
Segment operating income	356,722	77,008	103,486	47,797	585,013
Reconciliation to income before income tax:					
Unallocated corporate expenses					314,272
Operating income					270,741
Interest income, net					27,703
Other non-operating expense					(257)
Income before income tax					$ 298,187

(a) For each reportable segment, other segment items include certain corporate expenses and net licensing income allocated to each of the reportable segments, as well as net licensing income directly attributable to each of the reportable segments.

	Year Ended December 31, 2023				
(in thousands)	U.S.	LAAP	EMEA	Canada	Total
Net sales	$ 2,241,437	$ 519,754	$ 469,237	$ 256,775	$ 3,487,203
Cost of sales	1,150,610	227,304	244,570	134,787	1,757,271
Segment selling, general and administrative expenses	591,748	200,939	110,702	49,050	952,439
Other segment items[(a)]	83,348	29,687	15,022	17,339	145,396
Segment operating income	415,731	61,824	98,943	55,599	632,097
Reconciliation to income before income tax:					
Unallocated corporate expenses					321,813
Operating income					310,284
Interest income, net					13,687
Other non-operating income					2,221
Income before income tax					$ 326,192

(a) For each reportable segment, other segment items include certain corporate expenses and net licensing income allocated to each of the reportable segments, as well as net licensing income directly attributable to each of the reportable segments.

(in thousands)	Year Ended December 31, 2022 U.S.	LAAP	EMEA	Canada	Total
Net sales	$ 2,302,246	$ 473,866	$ 438,554	$ 249,486	$ 3,464,152
Cost of sales	1,165,429	208,803	244,747	134,095	1,753,074
Segment selling, general and administrative expenses	537,044	192,315	98,477	43,559	871,395
Other segment items[(a)]	79,961	25,723	15,138	18,875	139,697
Segment operating income	519,812	47,025	80,192	52,957	699,986
Reconciliation to income before income tax:					
Unallocated corporate expenses					306,882
Operating income					393,104
Interest income, net					2,713
Other non-operating income					1,593
Income before income tax					$ 397,410

(a) For each reportable segment, other segment items include certain corporate expenses and net licensing income allocated to each of the reportable segments, as well as net licensing income directly attributable to each of the reportable segments.

The following table presents segment depreciation and amortization expense information for the years ended December 31, 2024, 2023 and 2022:

(in thousands)	Year Ended December 31, 2024	2023	2022
Depreciation and amortization expense:			
U.S.	$ 22,907	$ 21,429	$ 20,428
LAAP	5,885	5,440	4,984
EMEA	4,040	3,545	3,066
Canada	2,913	2,616	2,461
Unallocated corporate expense	20,199	25,033	23,813
	$ 55,944	$ 58,063	$ 54,752

The following table presents segment asset information, as well as long-lived asset information by geographic area as of December 31, 2024 and 2023. The Company has historically limited its disclosure of entity-wide information about geographic areas to property, plant, and equipment, net. In connection with the preparation of its 2024 disclosure, the Company expanded its disclosure to include lease ROU assets and CCA assets. Accordingly, the entity-wide information about geographic areas in the table below has been revised from the amount previously reported for 2023 to include lease ROU assets and CCA assets.

(in thousands)	As of December 31, 2024	As of December 31, 2023
Inventories:		
U.S.	$ 450,014	$ 487,860
LAAP	108,818	106,785
EMEA	79,710	89,303
Canada	51,973	62,340
Total segment assets	690,515	746,288
All other assets	2,284,750	2,192,725
Total assets	$ 2,975,265	$ 2,939,013
Long-lived assets, net:		
U.S.	$ 545,401	$ 540,534
All other countries	150,995	122,878
	$ 696,396	$ 663,412

CONCENTRATIONS

No single customer accounted for 10% or more of *Net sales* for any of the years ended December 31, 2024, 2023 or 2022.

NOTE 17 — FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

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

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

	As of December 31,	
(in thousands)	**2024**	**2023**
Derivative instruments designated as cash flow hedges:		
Currency forward contracts	$ 550,591	$ 634,676
Derivative instruments not designated as hedges:		
Currency forward contracts	$ 263,103	$ 342,532

As of December 31, 2024, $18.9 million of deferred net gains on both outstanding and matured derivatives recorded in *Accumulated other comprehensive income (loss)* are expected to be reclassified to *Net income* during the next twelve months as a result of underlying hedged transactions also being recorded in *Net sales* or *Cost of sales* in the Consolidated Statements of Operations. When outstanding derivative contracts mature, actual amounts ultimately reclassified to *Net sales* or *Cost of sales* in the Consolidated Statements of Operations are dependent on U.S. dollar exchange rates in effect against the euro, renminbi, Canadian dollar, won, and yen as well as the euro exchange rate in effect against the pound sterling.

As of December 31, 2024, the Company's derivative contracts had a remaining maturity of less than 3 years. The maximum net exposure to any single counterparty, which is generally limited to the aggregate unrealized gain of all contracts with that counterparty, was $11.8 million as of December 31, 2024. All of the Company's derivative counterparties have credit ratings that are investment grade or higher. The Company is a party to master netting arrangements that contain features that allow counterparties to net settle amounts arising from multiple separate derivative transactions or net settle in the case of certain triggering events such as a bankruptcy or major default of one of the counterparties to the transaction. The Company has not pledged assets or posted collateral as a requirement for entering into or maintaining derivative positions.

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

		As of December 31,	
(in thousands)	**Balance Sheet Classification**	**2024**	**2023**
Derivative instruments designated as cash flow hedges:			
Derivative instruments in asset positions:			
Currency forward contracts	Prepaid expenses and other current assets	$ 20,890	$ 7,367
Currency forward contracts	Other non-current assets	$ 9,137	$ 961
Derivative instruments in liability positions:			
Currency forward contracts	Accrued liabilities	$ 853	$ 4,121
Currency forward contracts	Other long-term liabilities	$ 13	$ 2,629
Derivative instruments not designated as cash flow hedges:			
Derivative instruments in asset positions:			
Currency forward contracts	Prepaid expenses and other current assets	$ 3,739	$ 2,833
Derivative instruments in liability positions:			
Currency forward contracts	Accrued liabilities	$ 872	$ 2,269

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

(in thousands)	Statement Of Operations Classification	Year Ended December 31, 2024	2023	2022
Currency forward contracts:				
Derivative instruments designated as cash flow hedges:				
Gain (loss) recognized in other comprehensive income, net of tax	—	$ 31,252	$ (849)	$ 20,724
Gain (loss) reclassified from accumulated other comprehensive income to income for the effective portion	Net sales	$ (1,655)	$ 60	$ (146)
Gain reclassified from accumulated other comprehensive income to income for the effective portion	Cost of sales	$ 17,688	$ 23,307	$ 12,100
Gain reclassified from accumulated other comprehensive income to income as a result of cash flow hedge discontinuance	Other non-operating income (expense), net	$ 130	$ 521	$ 320
Derivative instruments not designated as cash flow hedges:				
Gain (loss) recognized in income	Other non-operating income (expense), net	$ 5,824	$ (1,822)	$ (1,955)

NOTE 18 — FAIR VALUE MEASURES

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

Level 1 — observable inputs such as quoted prices for identical assets or liabilities in active liquid markets;

Level 2 — inputs, other than the quoted market prices in active markets, that are observable, either directly or indirectly; or observable market prices in markets with insufficient volume or infrequent transactions; and

Level 3 — unobservable inputs for which there is little or no market data available, that require the reporting entity to develop its own assumptions.

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

Assets and liabilities measured at fair value on a recurring basis are as follows:

(in thousands)	As of December 31, 2024 Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 160,743	$ —	$ —	$ 160,743
U.S. government treasury bills	—	84,622	—	84,622
Time deposits [1]	—	22,306	—	22,306
Short-term investments:				
Available-for-sale short-term investments: [2]				
U.S. government treasury bills	—	281,499	—	281,499
Other short-term investments:				
Money market funds	384	—	—	384
Mutual fund shares	1,725	—	—	1,725
Prepaid expenses and other current assets:				
Derivative financial instruments	—	24,629	—	24,629
Other non-current assets:				
Money market funds	1,263	—	—	1,263
Mutual fund shares	29,225	—	—	29,225
Derivative financial instruments	—	9,137	—	9,137
Total assets measured at fair value	$ 193,340	$ 422,193	$ —	$ 615,533
Liabilities:				
Accrued liabilities:				
Derivative financial instruments	$ —	$ 1,725	$ —	$ 1,725
Other long-term liabilities:				
Derivative financial instruments	—	13	—	13
Total liabilities measured at fair value	$ —	$ 1,738	$ —	$ 1,738

[1] Time deposits are carried at amortized cost on the Consolidated Balance Sheets, which reasonably approximates fair value.
[2] Available-for-sale short-term investments have remaining maturities of less than one year.

Assets and liabilities measured at fair value on a recurring basis are as follows:

	As of December 31, 2023			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Cash equivalents:				
Money market funds	$ 75,758	$ —	$ —	$ 75,758
U.S. government treasury bills	—	9,977	—	9,977
Time deposits [1]	—	40,876	—	40,876
Short-term investments:				
Available-for-sale short-term investments: [2]				
U.S. government treasury bills	—	412,987	—	412,987
Other short-term investments:				
Money market funds	314	—	—	314
Mutual fund shares	884	—	—	884
Prepaid expenses and other current assets:				
Derivative financial instruments	—	10,200	—	10,200
Other non-current assets:				
Money market funds	1,796	—	—	1,796
Mutual fund shares	24,808	—	—	24,808
Derivative financial instruments	—	961	—	961
Total assets measured at fair value	$ 103,560	$ 475,001	$ —	$ 578,561
Liabilities:				
Accrued liabilities:				
Derivative financial instruments	$ —	$ 6,390	$ —	$ 6,390
Other long-term liabilities:				
Derivative financial instruments	—	2,629	—	2,629
Total liabilities measured at fair value	$ —	$ 9,019	$ —	$ 9,019

[1] Time deposits are carried at amortized cost on the Consolidated Balance Sheets, which reasonably approximates fair value.
[2] Available-for-sale short-term investments have remaining maturities of less than one year.

NON-RECURRING FAIR VALUE MEASUREMENTS

The Company measured the fair value of certain trademark indefinite-lived intangible assets and goodwill as part of impairment testing for the year ended December 31, 2024 and 2023. The inputs used to measure the fair value of these assets are primarily significant unobservable inputs and, as such, considered Level 3 fair value measurements. Refer to Note 5 in Part II, Item 8 in the Annual Report on Form 10-K for further discussion.

NOTE 19 — SUPPLY CHAIN FINANCING

In the third quarter of 2024, the Company began to offer a voluntary supply chain financing ("SCF") program facilitated through a third-party service provider. Under the program, participating suppliers may, at their sole discretion, elect to receive payment from a select number of third-party financial institutions for one or more of the Company's valid payment obligations prior to their scheduled due dates. The Company is not a party to the agreements between the participating financial institutions and the suppliers in connection with the program. The Company's payment terms, including the timing and amount of payments, are based on the original supplier invoices, irrespective of whether a supplier participates in the program. The Company does not have an economic interest in a supplier's decision to participate in the program and has not pledged any assets as security or provided any guarantees as part of the program.

The Company's outstanding payables under the SCF program were recorded within *Accounts payable* on the Consolidated Balance Sheets. Changes in the amount of outstanding payables under the SCF program were as follows:

	Year ended December 31,
(in thousands)	2024
Confirmed obligations outstanding as of July 1	$ —
Invoices confirmed during the year	340,143
Confirmed invoices paid during the year	(258,855)
Confirmed obligations outstanding as of December 31	$ 81,288

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

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

Based on our evaluation, we, including our Chief Executive Officer and Chief Financial Officer, have concluded that as of December 31, 2024 our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we have assessed the effectiveness of our internal control over financial reporting as of December 31, 2024. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control - Integrated Framework (2013)*. Based on our assessment, we, including our Chief Executive Officer and Chief Financial Officer, have concluded our internal control over financial reporting is effective as of December 31, 2024.

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in its report, which is included in Part II, Item 8 in this Annual Report on Form 10-K.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have not been any changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. Other Information

Securities Trading Plans

On November 4, 2024, Sabrina L. Simmons, a director, adopted a written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (the "Plan"). The Plan calls for the disposition of up to 968 restricted stock units (the "Award"). The Plan will expire on the earlier of (a) May 9, 2025, (b) the first date on which all trades have been executed or all trading orders have expired, or (c) as soon as practicable following the date of any written notices resulting in plan termination.

No other "Rule 10b5-1 trading arrangements" or “non-Rule 10b5-1 trading arrangements” (as each term is defined by Regulation S-K Item 408(a)) were entered into or terminated by our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) during the fourth quarter of 2024.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVES OFFICERS AND CORPORATE GOVERNANCE

The sections of our 2025 Proxy Statement entitled "PROPOSAL 1: ELECTION OF DIRECTORS," "CORPORATE GOVERNANCE - Oversight Documents - Code of Business Conduct and Ethics," and "CORPORATE GOVERNANCE - Board Structure - Committees" are incorporated herein by reference.

Information regarding our executive officers is included in Part I under "Information About Our Executive Officers" of this Annual Report on Form 10-K.

We have adopted insider trading policies and procedures governing the purchase, sale, and/or other distributions of securities of the Company by directors, officers, and employees, that we believe are reasonably designed to promote compliance with insider trading laws, rules and regulations, and applicable NASDAQ Global Select Market listing standards. The foregoing summary of our insider trading policies and procedures does not purport to be complete and is qualified by reference to our Insider Trading Policy filed as an exhibit to this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The sections of our 2025 Proxy Statement entitled "EXECUTIVE COMPENSATION," "DIRECTOR COMPENSATION," "CORPORATE GOVERNANCE - Board Structure - Committees - Talent and Compensation Committee - Compensation Committee Interlocks and Insider Participation" and "COMPENSATION COMMITTEE REPORT" are incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The sections of our 2025 Proxy Statement entitled "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT" and "EQUITY COMPENSATION PLAN INFORMATION" are incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The sections of our 2025 Proxy Statement entitled "CORPORATE GOVERNANCE - Certain Relationships and Related Person Transaction" and "CORPORATE GOVERNANCE - Board Structure - Independence" are incorporated herein by reference.

ITEM 14 PRINCIPAL ACCOUNTANT FEES AND SERVICES

The sections of our 2025 Proxy Statement entitled "PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM - Principal Accountant Fees and Services" and "PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM - Pre-Approval Policy" are incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

***(a)(1) and (a)(2) Financial Statements* |** The Financial Statements of Columbia and Supplementary Data filed as part of this Annual Report on Form 10-K are on pages 35 to74 of this Annual Report on Form 10-K. The financial statement schedule required to be filed by Item 8 of this Annual Report on Form 10-K and paragraph (b) of this Item 15 is included below.

***(a)(3)* |** See Exhibit Index below for a description of the documents that are filed as Exhibits to this Annual Report on Form 10-K or incorporated herein by reference.

Schedule II

Valuation and Qualifying Accounts

(in thousands)	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions[(1)]	Other[(2)]	Balance at End of Period
Allowance for doubtful accounts:					
Year Ended December 31, 2024	$ 5,450	$ 2,555	$ (2,465)	$ (752)	$ 4,789
Year Ended December 31, 2023	$ 5,443	$ 3,143	$ (2,795)	$ (341)	$ 5,450
Year Ended December 31, 2022	$ 8,893	$ (2,044)	$ (980)	$ (426)	$ 5,443

(1) Charges to the accounts included in this column are for the purposes for which the reserves were created.
(2) Amounts included in this column primarily relate to foreign currency translation.

EXHIBIT INDEX

In reviewing the agreements included as exhibits to this Annual Report on Form 10-K, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about Columbia or the other parties to the agreements. The agreements may contain representations and warranties by each of the parties to the applicable agreement.

These representations and warranties have been made solely for the benefit of the other party or parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a means of allocating the risk to one of the parties if those statements prove to be inaccurate;
- may have been qualified by disclosures that were made to the other party or parties in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a manner that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or other date or dates that may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about Columbia may be found elsewhere in this Annual Report on Form 10-K and Columbia's other public filings, which are available without charge through the SEC's website at http://www.sec.gov.

Exhibit No.	Exhibit Name
3.1	Third Restated Articles of Incorporation (incorporated by reference to exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2000) (File No. 000-23939).
3.1(a)	Amendment to Third Restated Articles of Incorporation (incorporated by reference to exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2002) (File No. 000-23939).
3.1(b)	Second Amendment to Third Restated Articles of Incorporation (incorporated by reference to exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018) (File No. 000-23939).
3.2	2023 Amended and Restated Bylaws of Columbia Sportswear Company (incorporated by reference to exhibit 3.2 to the Company's Form 8-K filed on February 1, 2023) (File No. 000-23939).
4.1	See Article II of Exhibit 3.1, as amended, and Article I of Exhibit 3.2.

Exhibit No.		Exhibit Name
	4.2	Description of the Registrant's Securities Registered under Section 12 of the Exchange Act of 1934.
+	10.1	Columbia Sportswear Company 1997 Stock Incentive Plan, as amended (incorporated by reference to exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017) (File No. 000-23939).
†	10.2	Subscription and Shareholders' Agreement, dated August 6, 2012, by and among CSMM Hong Kong Limited, SCCH Limited, Columbia Sportswear Company and Swire Resources Limited (incorporated by reference to exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012) (File No. 000-23939).
	10.3	Share Purchase Agreement, dated April 28, 2014, by and among Columbia Sportswear Company, prAna Living, LLC, the Shareholders of prAna Living, LLC and Steelpoint Capital Advisors, LLC as the shareholder representative (incorporated by reference to exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014) (File No. 000-23939).
+	10.4(a)	Form of Nonstatutory Stock Option Agreement for stock options granted on or after January 23, 2009 (incorporated by reference to exhibit 10.2(e) to the Company's Annual Report on Form 10-K for the year ended December 31, 2008) (File No. 000-23939).
+	10.4(b)	Form of Nonstatutory Stock Option Agreement for stock options granted on or after June 7, 2012 (incorporated by reference to exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012) (File No. 000-23939).
+	10.4(c)	Form of Nonstatutory Stock Option Agreement for stock options granted on or after July 20, 2017 (incorporated by reference to exhibit 10.2(m) to the Company's Annual Report on Form 10-K for the year ended December 31, 2017) (File No. 000-23939).
+	10.4(d)	Form of Nonstatutory Stock Option Agreement for stock options granted on or after January 24, 2019 (incorporated by reference to exhibit 10.5(e) to the Company's annual Report on Form 10-K for the year ended December 31, 2018) (File No. 000-23939).
+	10.5	Form of Restricted Stock Unit Award Agreement for restricted stock units granted on or after June 7, 2012 (incorporated by reference to exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012) (File No. 000-23939).
+	10.5(a)	Form of Restricted Stock Unit Award Agreement for restricted stock units granted on or after July 20, 2017 (incorporated by reference to exhibit 10.2(l) to the Company's Annual Report on Form 10-K for the year ended December 31, 2017) (File No. 000-23939).
+	10.5(b)	Form of Restricted Stock Unit Award Agreement for restricted stock units granted on or after January 24, 2019 (incorporated by reference to exhibit 10.6(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 2018) (File No. 000-23939).
+	10.6	Columbia Sportswear Company 401(k) Excess Plan (incorporated by reference to exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009) (File No. 000-23939).
+	10.6(a)	Columbia Sportswear Company 401(k) Excess Plan, as amended (incorporated by reference to exhibit 10.7(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 2018) (File No. 000-23939).
+	10.6(b)	Columbia Sportswear Company 401(k) Excess Plan, as amended (incorporated by reference to exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020) (File No. 000-23939).
+	10.7	Columbia Sportswear Company 401(k) Excess Retirement Plan (incorporated by reference to exhibit 10.8 to the Company's Annual Report on Form 10-K for the year ended December 31, 2021) (File No. 000-23939).
+	10.8	Form of Performance-based Restricted Stock Unit Award Agreement for performance-based restricted stock units granted on or after December 17, 2013 (incorporated by reference to exhibit 10.2(l) to the Company's Annual Report on Form 10-K for the year ended December 31, 2013) (File No. 000-23939).
+	10.8(a)	Form of Performance-based Restricted Stock Unit Award Agreement for performance-based restricted stock units granted on or after January 24, 2019 (incorporated by reference to exhibit 10.8(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 2018) (File No. 000-23939).
+	10.9	Form of Long-Term Incentive Cash Award Agreement for cash awards granted under the Company's 1997 Stock Incentive Plan, on or after December 17, 2013 (incorporated by reference to exhibit 10.2(m) to the Company's Annual Report on Form 10-K for the year ended December 31, 2013) (File No. 000-23939).
+	10.9(a)	Form of Long-Term Incentive Cash Award Agreement for cash awards granted under the Company's 1997 Stock Incentive Plan on or after January 24, 2019 (incorporated by reference to exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019) (File 000-23939).
+	10.10	Long Term Cash Incentive Plan of Columbia Sportswear Company, effective January 1, 2019 (incorporated by reference to exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019) (File No. 000-23939).
+	10.11	Form of Long-Term Incentive Cash Award Agreement for cash awards granted under the Company's Long-Term Incentive Cash Plan granted on or after January 1, 2019 (incorporated by reference to exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019) (File No. 000-23939).
+	10.12	Executive Incentive Compensation Plan, as amended (incorporated by reference to exhibit 10.3 to the Company's Quarterly report on Form 10-Q for the quarterly period ended March 31, 2019) (File No. 000-23939).
+	10.13	Executive Incentive Compensation Plan, effective January 1, 2024 (incorporated by reference to exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023) (File No. 000-23939).
+	10.14	Columbia Sportswear Company Second Amendment Change in Control Severance Plan (incorporated by reference to exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017) (File No. 000-23939).
	10.15	Amended and Restated Credit Agreement dated April 17, 2019 among Columbia Sportswear Company, Wells Fargo Bank, National Association, as the administrative agent for the lenders and as a lender, and Bank of America, N.A., as a lender (incorporated by reference to the Company's Form 8-K filed on April 22, 2019) (File No. 000-23939).

Exhibit No.		Exhibit Name
	10.16	First Amendment to Amended and Restated Credit Agreement dated March 26, 2020, among Columbia Sportswear Company, Wells Fargo Bank, National Association, as the administrative agent for the lenders and as a lender, and Bank of America, N.A., as a lender (incorporated by reference to exhibit 10.1 to the Company's Form 8-K filed on April 1, 2020) (File No. 000-23939).
	10.17	Second Amended and Restated Credit Agreement dated April 15, 2020, among Columbia Sportswear Company, Wells Fargo Bank, National Association, as the administrative agent for the lenders and as a lender, and Bank of America, N.A., as a lender (incorporated by reference to exhibit 10.1 to the Company's Form 8-K filed on April 16, 2020) (File No. 000-23939).
	10.18	First Amendment to Second Amended and Restated Credit Agreement, entered into as of July 10, 2020, among Columbia Sportswear Company, Wells Fargo Bank, National Association, as the administrative agent for the lenders and as a lender, and Bank of America, N.A., as a lender (incorporated by reference to exhibit 10.1 to the Company's Form 8-K filed on July 14, 2020) (File No. 000-23939).
	10.19	Credit Agreement dated December 30, 2020, among Columbia Sportswear Company, JPMorgan Chase Bank, National Association, as the administrative agent for the lenders and as a lender, and the other lenders party thereto (incorporated by reference to exhibit 10.1 to the Company's Form 8-K filed on January 4, 2021) (File No. 000-23939).
	10.20	Credit Agreement dated July 12, 2022, among Columbia Sportswear Company, JPMorgan Chase Bank, National Association, as the administrative agent for the lenders and as a lender, and the other lenders party thereto. (incorporated by reference to exhibit 10.1 to the Company's Form 8-K, filed on July 18, 2022) (File No. 000-23939).
*	10.21	Form of Indemnity Agreement for Directors (incorporated by reference to exhibit 10.17 to the Company's Registration Statement Filed on Form S-1 filed on December 24, 1997) (File No. 333-43199).
+	10.21(a)	Form of Indemnity Agreement for Directors and Executive Officers (incorporated by reference to exhibit 10.23 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004) (File No. 000-23939).
+	10.22	1999 Employee Stock Purchase Plan, as amended (incorporated by reference to exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001) (File No. 000-23939).
	10.23	Columbia Sportswear 2020 Stock Incentive Plan ("2020 Stock Incentive Plan") (incorporated by reference to Exhibit 99.1 to the Registrant's Registration Statement on Form S-8, filed on June 4, 2020) (File No. 333-238935).
	10.24	Form of Nonstatutory Stock Option Agreement for stock options granted under the Company's 2020 Stock Incentive Plan (incorporated by reference to exhibit 10.2 to the Company's Form 8-K, filed on June 4, 2020) (File No. 000-23939).
	10.25	Form of Nonstatutory Stock Option Agreement for stock options granted under the Company's 2020 Stock Incentive Plan, on or after February 13, 2024 (incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023) (File No. 000-23939).
	10.26	Form of Nonstatutory Stock Option Agreement for Director stock options granted under the Company's 2020 Stock Incentive Plan (incorporated by reference to exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021) (File No. 000-23939)
	10.27	Form of Restricted Stock Unit Award for Director restricted stock units granted under the Company's 2020 Stock Incentive Plan (incorporated by reference to exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021) (File No. 000-23939)
	10.28	Form of Restricted Stock Units Award Agreement for restricted stock units granted under the Company's 2020 Stock Incentive Plan (incorporated by reference to exhibit 10.3 to the Company's Form 8-K, filed on June 4, 2020) (File No. 000-23939).
	10.29	Form of Performance-Based Restricted Stock Units Award Agreement for performance-based restricted stock units granted under the Company's 2020 Stock Incentive Plan (incorporated by reference to exhibit 10.4 to the Company's Form 8-K, filed on June 4, 2020) (File No. 000-23939).
	10.30	Form of Long-Term Incentive Cash Award Agreement for cash awards granted under the Company's 2020 Stock Incentive Plan (incorporated by reference to exhibit 10.5 to the Company's Form 8-K, filed on June 4, 2020) (File No. 000-23939).
	10.31	Form of Long-Term Incentive Cash Award Agreement for cash awards granted under the Company's 2020 Stock Incentive Plan on or after April 21, 2022 (incorporated by reference to exhibit 10.29 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022) (File No. 000-23939).
	10.32	Form of Performance-Based Restricted Stock Units Award Agreement for performance-based restricted stock units granted under the Company's 2020 Stock Incentive Plan on or after April 21, 2022 (incorporated by reference to exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022) (File No. 000-23939).
	10.33	Form of Restricted Stock Units Award Agreement for restricted stock units granted under the Company's 2020 Stock Incentive Plan, on or after February 13, 2024 (incorporated by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023) (File No. 000-23939).
	10.34	Columbia Sportswear Company Third Amendment Change in Control Severance Plan (incorporated by reference to exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023) (File No. 000-23939).
+	10.35	Form of Long-Term Incentive Cash Award Agreement (Cumulative Operating Income) for cash awards granted under the Company’s 2020 Stock Incentive Plan on or after March 5, 2024 (incorporated by reference to exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024) (File No. 000-23939)
+	10.36	Form of Long-Term Incentive Cash Award Agreement (Relative Total Shareholder Return) for cash awards granted under the Company’s 2020 Stock Incentive Plan on or after March 5, 2024 (incorporated by reference to exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024) (File No. 000-23939)

Exhibit No.	Exhibit Name
+ 10.37	Form of Performance-Based Restricted Stock Units Award Agreement (Cumulative Operating Income) for performance-based restricted stock units granted under the Company's 2020 Stock Incentive Plan on or after March 5, 2024 (incorporated by reference to exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024) (File No. 000-23939)
+ 10.38	Form of Performance-Based Restricted Stock Units Award Agreement (Relative Total Shareholder Return) for performance-based restricted stock units granted under the Company's 2020 Stock Incentive Plan on or after March 5, 2024 (incorporated by reference to exhibit 10.4 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024) (File No. 000-23939)
10.39	Form of Nonstatutory Stock Option Agreement for stock options granted under the Company's 2020 Stock Incentive Plan, on or after July 18, 2024 (incorporated by reference to exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024)(File No. 000-23939)
10.40	Form of Restricted Stock Unit Award for Director restricted stock units granted under the Company's 2020 Stock Incentive Plan on or after October 24, 2024.
19.1	Insider Trading Policy
21.1	Subsidiaries of the Company.
23.1	Consent of Deloitte & Touche LLP.
31.1	Rule 13a-14(a) Certification of Timothy P. Boyle, Chairman, President and Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Jim A. Swanson, Executive Vice President and Chief Financial Officer.
32.1	Section 1350 Certification of Timothy P. Boyle, Chairman, President and Chief Executive Officer.
32.2	Section 1350 Certification of Jim A. Swanson, Executive Vice President and Chief Financial Officer.
97.1	Columbia Sportswear Company 2023 Incentive Compensation Recovery Policy (incorporated by reference to exhibit 97.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023) (File No. 000-23939)
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File, formatted as Inline XBRL and contained in Exhibit 101

+ Management Contract or Compensatory Plan

† Confidential treatment has been granted for certain portions omitted from this exhibit pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended. Confidential portions of this exhibit have been separately filed with the Securities and Exchange Commission.

*Incorporated by reference to the Company's Registration Statement on Form S-1 (Reg. No. 333-43199).

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

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

COLUMBIA SPORTSWEAR COMPANY

Date:	February 27, 2025	By:	/s/ JIM A. SWANSON
			Jim A. Swanson
			Executive Vice President and Chief Financial Officer
			(Duly Authorized Officer and Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

SIGNATURE	TITLE
/s/ TIMOTHY P. BOYLE	
Timothy P. Boyle	*Chairman, President and Chief Executive Officer (Principal Executive Officer)*
/s/ JIM A. SWANSON	
Jim A. Swanson	*Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)*
/s/ STEPHEN E. BABSON	
Stephen E. Babson	*Director*
/s/ ANDY D. BRYANT	
Andy D. Bryant	*Director*
/s/ JOHN W. CULVER	
John W. Culver	*Director*
/s/ CHARLES D. DENSON	
Charles D. Denson	*Director*
/s/ KEVIN MANSELL	
Kevin Mansell	*Director*
/s/ RONALD E. NELSON	
Ronald E. Nelson	*Director*
/s/ SABRINA L. SIMMONS	
Sabrina L. Simmons	*Director*
/s/ CHRISTIANA SMITH SHI	
Christiana Smith Shi	*Director*
/s/ MALIA H. WASSON	
Malia H. Wasson	*Director*

Date: February 27, 2025

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WE CONNECT ACTIVE PEOPLE WITH THEIR PASSIONS.

Columbia

SOREL

MOUNTAIN HARD WEAR

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Columbia Sportswear Company