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SPORTING GOODS INTELLIGENCE

News and analysis of the international market

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The thundering euro decimated Adidas' reported numbers in what was otherwise an outstanding first quarter, with net income attributable to shareholders growing 13% to €482 million (\$567 mm) from €428 million on 7% higher revenues of €6,592 million (\$7,755 mm), up from €6,153 million that would have been up 14% constant currency. Without the anchor of Yeezy sales in the comparable quarter and Reebok long gone, The Big a's numbers represent solely the Adidas brand for the first time in years. Wholesale revenues increased 2% to €4,084 million, but the big gains came from direct-to-consumer, which jumped 15% on a reported basis (+22% CC) to €2,480 million, with e-commerce growing 25% CC and own retail up 19% CC, driven by growth in both outlets and brand stores.

North America was up 1% (+12% CC) to €1,200 million (\$1,412 mm), in part due to the weak dollar. Europe grew 5% (+6% CC) to €2,090 million, held back by a conservative sell-in strategy to support full-price retail. Elsewhere, Greater China improved 10% (+17% CC) to €1,135 million, Emerging Markets were flat on a reported basis (+10% CC) to €869 million, Latin America jumped 19% (+26% CC) to €831 million, and Japan and S. Korea increased 8% (+23% CC) to €405 million.

Footwear sales dipped 2% (+4% CC) to €3,699 million, hit by a highly promotional marketplace for lifestyle footwear, though running and training performance shoes continued to lead gains. There is little newness in lifestyle footwear, Adidas said, but product teams have worked to extend franchise lifecycles with new materials and colorways. Apparel soared 24% (+31% CC) to €2,442 million, credited to differentiated and locally relevant collections, and led by strong results in football, running, training, motorsport, and originals. Accessories grew 6% (+13% CC) to €451 million.

Performance product revenues rose 29% CC, powered by strong sales of World Cup 2026 away jerseys that launched in March. Even before the record-breaking sub-2-hour London marathon in the Adizero Adios Pro Evo 3, running sales were charging ahead with the Adizero franchise, Evo SL, and new Hyperboost Edge. In training, Rapidmove footwear and Workout Essentials apparel powered the gains. Motorsport collections for Audi and Mercedes F1 teams were also strong sellers. Lifestyle revenues rose 6% CC in the quarter, driven by gains in originals and sportswear, as Terrace and low-profile footwear combined with some bright spots in classics such as Superstar.

Gross margin contracted 100 basis points to 51.1%, as currency headwinds and negative impacts from higher U.S. tariffs more than offset healthy full-price sales and channel mix. SG&A was 3% higher, but leveraged 180 b.p. on the growing top line. Marketing and point-of-sale expenses grew 1% to €756 million on new product launches and World Cup marketing, while operating overhead expenses increased 3% to €1,927 million. Inventory surged 14% (+17% CC) to €5,788 million,

largely due to earlier product deliveries to maintain good stock levels amid a volatile geopolitical backdrop.

Adidas maintained its 2026 revenue guidance for high-single-digit constant-currency sales growth, which will add about €2 billion to its top line. The bottom line will take a significant hit from the strong euro, which is expected to hit profits by about €400 million this year. Combined with continued investments in team and athlete partnerships, as well as product launches and other activations, operating profit should come in around €2.3 billion, up from €2.05 billion last year.

One of those big marketing moves was just announced: The Big a is making a €100 million investment into the Bundesliga German football league. The funds will be used for marketing and otherwise supporting growth initiatives for its 36 member teams. As part of the deal, Adidas existing match ball sponsorship was extended until 2034.

Adidas Income Statement
(Qtr. ended Mar. 31 in Millions)

	2026 in €	2026 in US\$	2025 in €	Change in €
Europe	2,090	2,459	1,986	5%
North America	1,200	1,412	1,184	1%
Greater China	1,135	1,335	1,029	10%
Emerging Markets	869	1,022	870	0%
Latin America	831	978	698	19%
Japan/S. Korea	405	476	374	8%
Footwear	3,699	4,352	3,760	-2%
Apparel	2,442	2,873	1,968	24%
Access. & Gear	451	531	424	6%
REVENUES	6,592	7,755	6,153	7%
Gross profit	3,369	3,964	3,205	5%
Royalty income	19	22	19	0%
SG&A	2,683	3,156	2,615	3%
Financial	(59)	(69)	(25)	
Pre-tax	646	760	585	10%
Taxes	161	189	149	8%
Discontinued inc.	3	4	(7)	
Net to shareholders	482	567	428	13%

PUMA MAKES GOOD PROGRESS TO START TRANSITION YEAR

In what’s becoming a familiar refrain from European brands, the strong euro pushed down Puma’s reported revenues by 6% to €1,863.8 million (\$2,192.7 mm) from €1,989.8 million, compared to just a 1% decline in constant currency. Net income improved to €26.5 million (\$31.2 million)

from €0.5 million a year ago. Wholesale sales declined 7% (-3% CC) to €1,335.7 million, while direct-to-consumer sales dipped 3% (+4% CC) to €528.1 million, as the focus in both channels was on moving excess inventory. E-commerce grew 1% CC despite a pullback on promotions, with most of the gain coming from APAC marketplaces.

The Americas region declined 2% (+6% CC) to \$655.6 million (\$771.3 mm) powered by a 10% CC jump in Latin America and 2% growth in the U.S., both benefiting from inventory clearance that more than offset wholesale channel trimming. EMEA dropped 13% (-10% CC) to €774.5 million, driven by reduced sales to “undesirable” retail partners and lower demand due to the conflict in the Middle East. Asia/Pacific grew 1% (+8% CC) to €433.8 million, including +9% CC in China, led by expanded DTC sales and e-commerce. The rest of Asia/Pacific was up 7% CC, driven by low-profile styles and strong DTC in Southeast Asia.

Footwear sales tumbled 8% (-2% CC) to €1,089.6 million, but running, driven by Nitro, and training, led by Hyrox, were bright spots, though lifestyle was down. Apparel was down 4% (+1% CC) to €546.3 million, with strength in golf and training/Hyrox, along with good sales of World Cup jerseys for PUM’s 11 sponsored national teams. Core, sportsyle and kids’ declined, however. Accessories and equipment slipped 3% (-2% CC) to €227.9 million, but Cobra and Puma golf were a bright spot.

Gross margin improved by 60 basis points to 47.7%, helped by a reversal of inventory reserves, lower freight costs, and more DTC in the channel mix. SG&A was 6% lower in euros, adjusting for one-time charges, leveraging 40 b.p. to 45.5% of sales, with rising DTC expenses offset by reductions in marketing and benefit from the cost efficiency program. Inventory ended the period down 9% to €1,898.0 million after PUM pulled back on purchasing and focused on clean-up, which is said to be ahead of schedule. Cash and cash equivalents increased 15% to €326.2 million.

Looking ahead, PUM still sees full-year constant-currency revenues declining in the low- to mid-single digits, with the main driver being a North American reset aimed at streamlining distribution here and working inventory down to normal levels. Sales are expected to grow in Latin America and MEAI, but the Anta partnership will be a short-term headwind to sales in the PRC as the strategy there shifts from wholesale to DTC. Anta’s ownership stake is expected to contribute “substantial” benefits in the longer term, however. Gross margin should improve on lower promotions and more DTC sales. EBIT loss is expected to come in between €50 million and €150 million. The CapEx budget is planned at around €200 million, mostly to reinvigorate digital platforms.

Meanwhile, The Big Cat appointed Mark Langer as its new chief financial officer and member of the management board, succeeding Markus Neubrand, who is stepping down by mutual agreement with the company. Langer was most recently CFO of Douglas AG and previously CEO of Hugo Boss. He began his career at McKinsey & Company and Procter & Gamble. Puma’s management board now consists of Arthur Hoeld

Puma Income Statement
(Qtr. ended Mar. 31 in Millions)

	2026 in €	2026 in US\$	2025 in €	Change in €
EMEA	774.5	911.2	891.7	-13%
Americas	655.6	771.3	667.6	-2%
Asia/Pacific	433.8	510.4	430.5	1%
Footwear	1,089.6	1,281.9	1,186.0	-8%
Apparel	546.3	642.7	568.8	-4%
Accessories	227.9	268.1	235.0	-3%
REVENUES	1,863.8	2,192.7	1,989.8	-6%
Gross Profit	889.0	1,045.9	938.1	-5%
Royalty income	23.9	28.1	21.2	13%
SG&A	848.5	998.2	897.9	-6%
Financial	(15.6)	(18.4)	(38.5)	
Pre-tax	36.3	42.7	4.8	656%
Taxes	(9.8)	(11.5)	(3.8)	
Minority	-	-	(11.1)	
NET	26.5	31.2	0.5	5200%

COLUMBIA LIFTS PROFIT OUTLOOK ON TARIFF RELIEF

Revenues were essentially flat to start the year, inching up to \$779,013,000 from \$778,452,000 in the first quarter, down 3% on a constant currency basis, with net income slipping 19% to \$34,308,000 from \$42,248,000. Wholesale and DTC were both flat on a reported basis at \$401.1 million and \$377.9 million, respectively. Apparel, accessories, and equipment dipped 1% to \$623.1 million, but footwear grew 4% to \$155.9 million, driven by strength from Columbia that more than offset a decline at Sorel.

The Columbia brand grew 1% (-2% CC) to \$690.1 million on international gains, while the home market lagged. Mountain Hardwear was flat at \$25.0 million, but Sorel dropped 12% to \$37.2 million due to low inventory. PrAna declined 5% to \$26.7 million, as weak wholesale more than offset solid DTC. COLM continues to make good progress on its Accelerate growth strategy, aimed at repositioning the brand to appeal to younger and more active consumers, as more and more new products come to market. The Winter Olympics boosted exposure with the U.S. curling team sporting Columbia uniforms, and the company’s Bear Poop Beer promotion at the Super Bowl gained viral attention. A new “Engineered for Whatever” brand platform launched in Q1 along with an updated Columbia.com website.

U.S. sales were better than expected, but still down 10% to \$422.5 million, largely due to reduced ordering of winter products and a slimmer Spring order book that sent wholesale down low teens. Latin America and Asia Pacific grew 5% (+3% CC) to \$160.2 million, led by high-singles CC growth in Korea, mid-singles in China, and low-doubles in distributors. Japan dropped mid-singles CC due to lower tourist traffic. Europe, the Middle East, and Africa soared 35% (+21% CC) to \$145.3 million, driven by strong DTC performance and wholesale deliveries pulled forward from Q2 that fueled robust consumer demand for winter-season products. Canada was 7% higher (+1% CC) at \$51.0 million, led by DTC brick-and-mortar sales.

Gross margin contracted by 20 basis points to 50.7%, with 310 b.p. of unmitigated tariff headwinds partially offset by higher prices and a favorable channel and region mix. Operating expenses were up less than 1%, as rising store expenses were partially offset by lower personnel costs, but deleveraged 30 b.p. to 45.8% of the top line. Inventory was flat at \$624.0 million, but down about 11% in units as tariffs added to unit cost. Cash, cash equivalents, and investments ended at \$535.4 million, and COLM carries no debt.

The company maintained full-year revenue guidance of \$3.43 to \$3.50 billion, up 1% to 3% from 2025, benefiting from international momentum and an inflection in U.S. wholesale growth for the Fall season with an order book up mid-single digits. Gross margin should come in better than expected, between 50.3% and 50.5%, instead of just under 50%, now that the tariff outlook has improved to just 10% Section 122 tariffs through July. That will flow down to a better bottom line, now expected to be \$3.55 to \$4.00 per share (\$199 mm), instead of \$3.20 to \$3.65, but that does not include any provision for applied-for refunds of the \$80 million in IEEPA tariffs that COLM has paid.

GILDAN POSTS Q1 LOSS ON HBI INTEGRATION

The first full quarter with Hanesbrands on the P&L saw the bottom line swing to a net loss from continuing operations of \$55.1 million against income of \$84.7 million for Q1, while sales surged 64% to \$1,165.9 million from \$711.7 million. Backing out acquisition impacts, adjusted net income of \$80.0 million was down 10% from \$89.9 million. Pro-forma sales dipped 9% from \$1.29 billion on planned inventory reductions across channels as manufacturing operations consolidate, which temporarily hurt sell-in. With Hanesbrands Australia held for sale as previously announced, the division is reported as discontinued operations, posting a \$10.7 million loss in the quarter, bringing total net loss to \$65.8 million.

By region, U.S. sales jumped 69% to \$1,069.1 million, while Canada dipped 11% to \$25.0 million, and International went +41% to \$71.9 million. GIL launched its new reporting segments with the onboarding of Hanes, now disaggregating the top line into Wholesale and Retail, with the former containing sales to distributors, screenprinters, embellishers, and global lifestyle brand customers, and the latter including

Wholesale results declined 12% to \$552.1 million on the planned inventory reductions as well as a lap of pull-forwards from customers ahead of tariffs in the prior year. Comfort Colors, Allpro, and the licensed Champion line all got call-outs for strong demand in the quarter. Retail segment sales were \$613.9 million on Hanes' contributions and higher selling prices, partially offset by the same headwinds as wholesale, though to a lesser degree. The lower sell-in saw all channels and regions down on a proforma basis, with wholesale at -15%, retail at -4%, U.S. at -8%, Canada at -34%, and International at -18%.

Gross margin contracted 730 b.p. to 23.9%, but improved 180 b.p. to 33.0% after backing out a \$106 million inventory fair value step-up charge. Tailwinds included better margins on price takes, accretive contributions from Hanes, and lower raw material and manufacturing costs. Acquisition costs drove SG&A up 2.5X to \$219 million, accounting for 18.8% of sales. GIL remains on track to hit \$100 million in cost synergies for '26 and is guiding \$250 million of annual run-rate benefit over the next three years. Production volumes are currently being moved from Hanes facilities to Gildan's vertically integrated operations. Plans for consolidating distribution and IT systems are also underway.

With the integration process on track, GIL reiterated its FY '26 guidance for revenue between \$6.0 and \$6.2 billion, down 1% to up 2% on a pro forma basis, and adjusted diluted EPS between \$4.20 and \$4.40, up 20% to 25%. Looking at Q2, sales are expected to come in at \$1.6 billion, down 7% pro forma on the planned inventory reductions and the lap of tariff-induced pull-forward.

CROCS RAISES OUTLOOK AFTER Q1 TOPS EXPECTATIONS

Net income was down 14% to \$137,556,000 from \$160,103,000 for the first quarter as revenue dipped 2% (-4% CC) to \$921,457,000 from \$937,333,000, with 12% growth in direct-to-consumer meeting a 10% wholesale decline as CROX works to align channel inventories. Gross margin contracted 100 b.p. to 56.8% on tariff impacts and a higher sales mix of new products, which carry lower margins at launch. Adjusted Crocs brand gross margin declined 120 b.p. to 59.5%, while adjusted Heydude margins were off 210 b.p. to 44.5%. SG&A expanded 1% in dollars, deleveraging 100 b.p. to 35.0% of sales as cost savings initiatives tempered growth-driving DTC investments. Inventory management efforts saw a 2% increase in dollar value to \$398 million due to higher tariffs, but a high single-digit year-over-year reduction in footwear units.

Crocs brand sales inched up 1% (-2% CC) to \$767.4 million as DTC growth of 13% to \$321.6 million was offset by a 7% wholesale dip to \$445.8 million. By region, North America was off 6% to \$345.9 million in sales, dragged down by a 19% decline in wholesale to \$138.4 million. DTC was up 5% to \$207.5 million despite a pullback in promo

activity. This was offset by a +7% International result (+2% CC), tallying \$421.5 million in sales. International wholesale inched up 0.4% to \$307.4 million, and DTC jumped 31% to \$114.1 million, led by China, India, Japan, and Western Europe. On the product front, Crocs rolled out the updated Echo 2.0 clog during NBA All-Star Week and released the Ripple clog during the quarter, a new silhouette designed for crossover appeal with sneaker enthusiasts.

Heydude sales were down 12% to \$154.0 million. Outsized digital marketplace growth pushed DTC up 9% to \$70.6 million despite a major pullback in marketing spend. Wholesale declined 25% to \$83.4 million on the ongoing channel reset. Sell-through improved sequentially, though it still landed below desired levels for the turnaround plan. The bid for product diversification picked up steam with successful launches in the Stretch Sox collections and momentum building in the sandal and work categories.

CROX updated 2026 guidance, now expecting revenues in the range of down 1% to up 1% compared to the prior guide of down 1% to up slightly. Crocs brand sales should come in flat to up 2% on International growth offset by North American declines. Heydude is upgraded to a -7% to -5% result compared to the prior guide of -9% to -7%, with increasing confidence in a return to growth for both channels in H2. Adjusted operating margin should increase slightly from the previously expected 22.3%, flowing down to adjusted diluted EPS between \$13.20 to \$13.75 (\$683 mm at the midpoint), up from prior expectations of \$12.88 to \$13.35.

While the company believes it is well positioned to collect tariff refunds, it has baked in no such upside in its current guidance. CROX is monitoring the current Mideast conflicts for sales impact to its distributor business there, consequent elevated raw material and transportation costs from higher oil prices, and any broader macro effects. Elsewhere, it converted its Malaysia distributor business to a direct model on Apr. 1, picking up 21 stores for the DTC fleet in the process.

ROCKY BRANDS' PROFITS TUMBLE ON TARIFF IMPACT

Mitigation efforts could not offset \$7.1 million of incremental tariff expense in Q1, sending net income down 75% to \$1,259,000 from \$4,941,000 despite 9% sales growth to \$124,401,000 from \$114,073,000. Top-line momentum continued from the Holiday quarter, driven by strength in Xtratuf and Muck, and cold weather on the East Coast powered extended demand for winter styles. Wholesale sales grew 5% to \$78.4 million, retail sales jumped 17% to \$42.7 million, and contract manufacturing was up 25% to \$3.3 million.

Xtratuf sales increased high-teens, growing across wholesale, e-commerce, and marketplaces, with big-box sporting goods retailers and outdoor specialty getting a callout. Muck also grew high-teens with strength across all channels, benefiting from the weather with its Arctic Sport

collection of insulated boots. Sporting goods stores returned to growth after several quarters of weakness. Elsewhere, Durango outperformed, Rocky was positive, and Georgia Boot recovered from a challenging Jan., rebounding in Feb. and Mar. Boa Technology tests have performed well, and RCKY plans to expand use of the Boa closure in more models.

Gross margin contracted 470 basis points to 36.5%, as tariffs more than offset strong full-price selling, channel mix, and pricing tailwinds. Wholesale GM was 34.4%, retail was 42.6%, and contract was 9.2%. Operating expenses were up 9% in dollars, including \$0.7 million of acquisition-related amortization, in line with revenues. Inventory was down 2% to 172.6 million, but RCKY made sure to maintain strong positions in core and best selling styles.

RCKY said that tariff pain will begin to abate in the second quarter, returning gross margin to the low 40s range, resulting in improved profits through the end of the year. Revenue growth trends are expected to continue, supporting 6% revenue growth with retail growing faster than wholesale. Net income is guided to increase in the low teens in 2026 compared to last year, but Q2 will be down slightly due to tariffs.

LULULEMON ADDS ANOTHER DIRECTOR, CALLS OUT CHIP WILSON

LULU appointed former chief growth and marketing officer at Unilever, Esi Eggleston Bracey, to its board of directors, replacing Colgate-Palmolive COO Shane Grant, who will not stand for re-election at the June 25 shareholders' meeting. Chair Marti Morfitt touted Eggleston Bracey as just one of six new independent directors appointed in the last five years, joining recent addition Chip Bergh, the former CEO of Levi Strauss, who was appointed last month. Newly appointed CEO Heidi O'Neill will also join the board, but not until Sep. 8 when her Nike non-compete expires.

Shortly after announcing the latest board addition, LULU filed a preliminary proxy statement encouraging shareholders to vote for the incumbent and recently added directors, and criticizing founder Chip Wilson's proxy challenge. Wilson has lambasted LULU's board for being unable to diagnose or address the company's core problems, and proposed former On Running co-CEO Marc Maurer, former ESPN chief marketing officer Laura Gentile, and former Activision CEO Eric Hirshberg as an alternative slate of director candidates. He is specifically seeking the ouster of directors associated with private equity firm Advent, including managing partner David Mussafer, who agreed to step down in Bergh's favor.

In a recap of the negotiations timeline, LULU revealed that Wilson said on two separate occasions that competitors Alo Yoga and Vuori had "adopted his playbook and had sought and received his advice," and also disclosed that "I help Alo and Vuori because they ask." It also noted that Wilson recently established a new athletic brand venture to invest in technical apparel companies. Wilson's camp averred in a state-

ment to *Bloomberg* that he “is not and has never been a paid advisor to either Alo or Vuori.”

Having kept his powder dry following the announcement of O’Neill’s appointment, Wilson brought all guns to bear after Lululemon’s proxy statement came out. He doubled down on the current board’s lack of skills to run an innovation- and culture-driven brand, exclaiming that “exiting one Proctor and Gamble bean counter on the Board for another will not fix Lululemon’s decline.” Referencing a litany of “brand drift” decisions, including the collaboration with Disney, entry into footwear, the self care beauty line, and focus on accessories and trinkets, Wilson reiterated that his three director candidates—On Running co-CEO Marc Maurer, former ESPN chief marketing officer Laura Gentile, and former Activision CEO Eric Hirshberg—would be a better choice to guide the company forward.

BROOKS RUNNING FULL STEAM AHEAD

Brooks Running said revenues were up 23% in Q1, propelled by at least double-digit growth in every region and channel, including a 20% increase in North America. Other first-quarter bright spots included a 30% currency-neutral improvement in EMEA, while sales in China grew 136%. The brand maintained its top spot in the adult performance running shoe category in U.S. national retail, according to Circana, resulting in 20% year-over-year growth, and accounts for over 12% of all performance running footwear sales. In Germany and France, Brooks outpaced the market across all price points on a rolling-year basis, delivering 24% and 15% increases, respectively.

The new Glycerin Flex debuted in Q1, garnering 4% of Brooks’ global footwear revenue, while the new Cascadia Elite contributed to the brand’s overall trail category growing 59% year-over-year. Glycerin, featuring DNA Tuned midsole foam, led the portfolio as the brand’s top seller in the quarter, growing 34%, while the Adrenaline GTS posted a 31% improvement. The Hyperion Elite franchise grew 114%, with the broader Hyperion family up 32% and Hyperion Max up 64%, Brooks said a refreshed look for its apparel line saw sales expand 33%, driven by its Dash collection, Chaser Padded Bra, and Convertible Bra. Brooks captured five of the top 10 bra styles sold at Fleet Feet. It’ll continue investing in the head-to-toe fits to meet demand.

In Q1, the Seattle company’s runDisney collection continued to gain momentum, resulting in record-breaking sales for both expo and e-commerce at Walt Disney World Marathon Weekend and the Princess Half Marathon Weekend. It’s also partnered with the Seattle Mariners, serving as the presenting sponsor for Kids Run the Bases, the Rally Shoe Cam, and the official running shoe of the Mariners Salmon mascots. In Lifestyle, Brooks x Staple Ghost Trail debuted at Paris Fashion Week in Jan.

Branded segment revenues at the Swedish outdoor company, home of Fjällräven, Royal Robbins, Brunton, and others, were up 2% to €58.0 million (\$67.9 mm) for the first quarter. North American sales were down 22% to €18.9 million (\$22.1 mm), while most of the core European markets posted growth, bolstered by inorganic gains from Devold, which consolidated in Mar. 2025. Segment operating profit dipped 23% to €10.8 million, driven by an internal service model shift between Fjällräven and the Fenix-owned Globetrotter fleet in Germany.

The Frilufts retail segment was up 12% to €74.1 million, led by the Nordic markets, while the Global Sales distributor segment ticked down 6% to €33.8 million as strength in China met delivery issues in the U.K. and late deliveries for the Devold brand. Overall, net income jumped to €4.7 million (\$5.5 mm) from €0.1 million, while net sales increased 5% to €165.9 million (\$194.1 mm) from €157.7 million.

Alongside the Q1 results, Fenix announced it has inked a term sheet for the acquisition of the remaining 35% of Devold of Norway AS equity from the Flakk Group through a €9.6 million cash deal, which will complete Fenix's ownership after picking up its 65% stake last year. Fenix stated the move will allow a faster ramp-up for areas outside the core Norway and Germany markets.

SECTION 301 TARIFF HEARINGS BEGIN

The U.S. Trade Representative's office kicked off the first round of a two-week slate of Section 301 investigations hearings in Washington on Tuesday, as a look into the use of forced labor in products for U.S. import, produced over 450 comments and drew 60 panelists for a two-day hearing. This week's hearings will examine 60 economies' "acts, policies, and practices" that fail to enforce forced labor prohibitions on goods entering the U.S. Officials from various governments, NGOs, private companies, and trade groups will speak Tuesday and Wednesday, including representatives from most of the major APAC garment centers.

USTR Greer previously said in March that new tariffs could be on the table for countries that have "an artificial cost advantage gained from the scourge of forced labor," as the Trump administration turns to Section 301 and Section 122 options to replace the struck-down IEEPA levies. Critics such as the libertarian Cato Institute have pointed to such statements, along with Pres. Trump's assertions that new levies will equal or exceed IEEPA revenue, as evidence that new Section 301 tariffs are a foregone conclusion regardless of the investigations. The current round of Section 122 levies will sunset on July 24.

Next week, the trade rep's office turns its focus to a smaller cohort of 16 countries and whether they have created structural excess capacity and production in manufacturing at the expense of U.S. manufacturing. The hearing is set to begin Tuesday, May 5, with the potential to run through

Friday, May 8. The 16 countries eyed in the investigation are China, the European Union, Singapore, Switzerland, Norway, Indonesia, Malaysia, Cambodia, Thailand, Korea, Vietnam, Taiwan, Bangladesh, Mexico, Japan, and India. According to a statement from the Tax Foundation, the group accounts for 70% of U.S. imports.

RETAIL

ALLI SPORTS is the name of the new parent company that will bring four team dealers under the same umbrella, including FL-based Baker's Sports, NC-based Johnson-Lambe Co., SC-based First Team Sports Center, and OK-based Midwest Sporting Goods. Alli Sports will continue to be team dealer-owned and operated under CEO Josh Baker and COO Rhett Johnson. Each company will maintain its individual identities and service, while remaining members of the Sports, Inc. buying group.

BASS PRO SHOPS and Cabela's parent, Great Outdoors Group, saw S&P Global upgrade its outlook to stable from negative, and affirm its BB- issuer credit rating and other ratings, citing better-than-expected Q1 results. Improving margins and reduced tariff pressure in 2026 should boost credit metrics and free operating cash flow despite pressured customer discretionary spending. Full-year sales are expected to increase low single digits over 2025's roughly \$8 billion top line, driven by new store openings and increased sales across all segments. Adjusted EBIDTA margins will improve modestly by about 40 basis points this year, the ratings agency believes. Easing tariff pressures over the next year should also provide an additional tailwind to margins. Great Outdoors has ample cash on its balance sheet, while relying minimally on its ABL facility, which has combined cash and ABL availability of about \$1.9 billion.

JD SPORTS' chairman Andrew Higginson, who unexpectedly announced last week that he'll depart the U.K.-based retailer on July 21, made the decision after a failed coup against CEO Régis Schultz, the *Financial Times* first reported. Higginson wanted to make the change due to JD's slowing sales and stalled progress in North America. While some execs were on board with the move, the majority shareholder, Pentland, backed Schultz, and subsequently Higginson and the board reached a "mutual decision" on his exit. As we previously reported, independent non-executive director Darren Shapland is serving as interim chair until a permanent replacement is found.

PURE HOCKEY is acquiring Perani's Hockey World, adding the retailer's 22 stores across the Midwest and surrounding regions to Pure Hockey's footprint. Terms of the transaction were not disclosed. The stores will be rebranded as Pure Hockey, bringing the hockey specialist's total to more than 110 locations across the U.S.

REI's San Diego, CA, store staff filed a request to join the United Food and Commercial Workers Union. If successful, the Kearny Mesa location would become the third REI store in CA to unionize, the twelfth

nationwide, and the largest REI store in the country. It's also one of the co-op's top-performing locations. Since 2022, workers at 11 REI stores have voted for union representation, though none of those have successfully negotiated a contract with the retailer.

SUPER RETAIL GROUP has hired former Oronot Group CEO and McKinsey consultant Jenny Child as the new managing director for its Rebel Sport banner, succeeding retiring Gary Williams. Meanwhile, SRG named Sarah Hunter, who was most recently managing director of Officeworks, as the group's new CFO, succeeding David Burns in the role. The group also confirmed the appointment of Ben McConnell as MD of Supercheap Auto.

ON THE MOVE: Anta Sports is working with Indian partner Brandman Retail Ltd. to open 10 stores over the next 12 months, starting with its first India store in Gurugram, a New Delhi suburb, next month.++++**Sierra** is opening two stores on May 30, its first FL store at Riverplace Shopping Center in Jacksonville, and a new location at Gateway Commons in Owensboro, KY.++++**Snow Peak** opened its 4th North American store in a 3,700-sq.-ft. space at the CornerStone Campus in Seattle's Fremont neighborhood that will also serve as a community hub for outdoor enthusiasts.

COMPANIES

ASICS is establishing a 26,000-sq.-ft. technical lab in Kobe dedicated to custom footwear and new sneaker designs, with a start date of Dec. 2027. At launch, it'll focus on developing precisely crafted footwear alongside rapid prototyping that supports product innovation across its products. In the future, the hub could also support consumer product manufacturing, including "Made in Japan" products. The facility will work in close collaboration with the Asics Institute of Sport Science, leveraging insights from biomechanics, physiology, and athlete testing to be directly applied to product design and manufacturing.

BLASER GROUP elevated its current director of shotgun sales in the U.S., Josh McBrayer, to CEO of the Germany-based firearms maker's operations here. In his new role, he'll oversee the company's portfolio of brands, including Blaser, Mauser, J.P. Sauer, John Rigby & Co., and others. McBrayer has spent over a decade with Blaser, serving as brand manager and international sales manager in Germany for Australia, New Zealand, the United Kingdom, Ireland, Benelux, South America, and the U.S.

KMD BRANDS, having just completed a refinancing and equity sale, elected non-executive director Philip Bowman as chairman of its board, succeeding David Kirk in the role. Bowman is also chairman of Sky Network Television and Tegel Group Holdings and an independent director of Ferrovial SE. The down-under retailer and parent of Oboz and Rip Curl's Next Level turnaround strategy is beginning to gain traction, and Bowman will focus on maintaining the initial momentum while improving consistency of execution across all brands, leveraging

the recently refreshed senior management team. Meanwhile, KMD's board has launched a board renewal program, and a search for two new non-executive directors is underway.

NEW BALANCE's senior executive for the MEAI region, Stuart Henwood, said that sales in the UAE, Qatar, and Saudi Arabia grew 35% last year, in an interview with *Arabian Business*. The brand operates more than 90 stores across the region, and Henwood touted youthful demographics, a strong premium retail infrastructure, and rising wellness demand as tailwinds. New Balance's most recent retail move was the opening of its first Grey Store concept in the Middle East, at Place Vendôme Mall in Doha, a format previously deployed in Hong Kong and Australia that uses curated ranges and elevated store design to reinforce premium positioning.

NEW ERA CAP reset its C-suite following its '47 Brand integration. The Buffalo, NY-based licensed headwear maker elevated Bruce Popko from SVP global licensing & business development to president, and Lorenz Gan, chief digital & information officer, to COO, both under New Era CEO Chris Koch. Additionally, the company elevated VP of global quality Dave Heimburg to VP of global supply chain and senior director of IT Jennifer Lawrence to VP of IT. Current president Jim Patterson, GM of North America Steve Gallo, and VP of global supply chain Josh Creasman will depart the company effective immediately. New Era touted annual revenue of \$2 billion last year.

NIKE will lay off 172 workers at its MO air-sole facility this summer, according to a WARN notice filed with the state's Department of Labor and Industry. The reduction will take effect Jun. 26, and is part of the company's aim of slashing 1,400 positions primarily in operations and technology roles. The affected employees work at the site operated by Nike IHM, doing business as AirMI, and the cuts include roles across production, machine operators, engineers, technicians, and management.

S&S ACTIVEWEAR parent S&S Holdings LLC saw S&P Global lower its issuer credit rating to B- from B, with a stable outlook, citing elevated leverage following last year's acquisition of Alphabroder and soft industry revenue trends. Moody's, meanwhile, said it reviewed the company's corporate family rating, but did not take action to change it from B3. S&P's adjusted leverage for S&S was 8.6x at the end of 2025, with lower-than-expected adjusted EBITDA of about \$250 million and a cash flow deficit. The outlook for 2026 is better, however, and S&P forecasts a return to cash flow generation and EBITDA growth, but leverage will remain above 7.0x despite the improvement. S&S has plenty of liquidity to weather the storm, with only \$51 million drawn on its \$800 million revolver.

VARSITY BRANDS' BSN Sports subsidiary will absorb Sports Endeavors and Lax.com, the company revealed in a press release offering more details on its recent acquisition, which we reported last week. While no information regarding the terms of the deal was revealed, BSN Sports will welcome the two retailers' roughly 800 employees, who will

continue to operate under their current brands and senior leadership, with Mike and Brendan Moylan at Sports Endeavors and John Arrix heading Lax.com. Sports Endeavors' many banners include Soccer.com, WorldSoccerShop, 431 Sports, Sports Promotions Group, INARIA, and Soccer Master, while Lax.com is the largest e-commerce and team dealer business dedicated exclusively to Lacrosse.

ZWIFT, the indoor cycling training app maker, has inked an agreement to acquire Rouvy, the "real routes" cycling app, for undisclosed terms. Both Zwift and Rouvy will continue to operate independently, with differentiated roadmaps and subscription packages. Zwift smart trainers and smart frames will now work in concert with Rouvy's software, with further updates planned over the coming months.

STOCKS & EARNINGS

ESCALADE's net income skyrocketed 67% to \$4,381,000 from \$2,619,000 in the first quarter as revenues inched up 1% to \$55,785,000 from \$55,479,000, driven by archery momentum, including its recent Gold Tip acquisition, and billiards and safety. Those gains were partially offset by lagging outdoor and indoor game sales. Gross margin grew 408 basis points to 30.7%, helped by lower fixed costs and a favorable sales mix. SG&A ticked up 2% in dollars and increased 20 b.p. to 19.2% of sales. Inventory at period end was 5% lower than a year ago at \$73.6 million. The current macroeconomic and geopolitical unrest will likely drive input costs higher while softening consumer demand for discretionary goods. However, ESCA believes its operational improvements will enable it to deliver gross margins above last year's.

GARMIN's fitness segment saw Q1 sales improve 42% to \$546,822,000 from \$384,722,000, with growth across all categories, led by strong demand for advanced wearables. During the quarter, the company launched an updated Varia RearVue, a new Connect IQ™ messaging app for select smartwatches, and integrated select wearables with the Natural Cycles birth control and cycle tracking app. Segment gross margin expanded 400 basis points to 62%, while operating income more than doubled to \$157,620,000, with margins at 29%. Revenues from the outdoor segment dipped 5% to \$417,530,000 from \$438,496,000, lapping a strong comp that included the launch of the Instinct smartwatch line. Segment gross margin grew 300 b.p. to 67%, while operating income came in at +28% to \$118,791,000, with an operating margin of 28%. Garmin's total net income increased 22% to \$405,078,000, up from \$332,769,000, on a 14% topline gain to \$1,753,489,000, up from \$1,535,099,000.

GLOBERIDE said that revenues for the fiscal year ended Mar. 31 will come in at ¥126,900 million (\$848 mm), better than the Japanese parent of Daiwa fishing's previous guidance of ¥125,000 million and up 2% from last year's ¥123,983 million. Net income is now expected to come in around ¥5,400 million (\$36 mm), compared to guidance of ¥4,300 million and 13% better than last year's ¥4,783 million bottom line. Globoride said global markets for outdoor, sports, and leisure showed a gradual recovery last year, despite the impact of geopolitical

risks, uncertainty, and inflation on households.

LOWA, the Tecnica-owned footwear maker, reported 4% revenue growth to a record €242.1 million (\$272.0 mm) last year, selling 3.1 million pairs of shoes, up 5% year over year. Growth was primarily driven by strong demand for sporty low- and mid-cut models and trail running footwear. Lowa also attributed its performance to continued investments in product development, operational processes, and organizational structure, following a strategic realignment initiated around two years ago. Lowa, which just appointed Marco Pirani as general manager of commercial, expects stable business development in 2026 and sees further growth potential in international markets.

MACRON's revenues were up 9% last year, hitting a record €244.6 million (\$287.8 mm), up from €223.6 million, as pro forma EBITDA rose 14% to €51.6 million (\$60.7 mm), up from €45.1 million. EBITDA margin expanded 90 basis points to 21.1%. The Italian teamwear brand pointed to its multi-sport, multi-country strategy driving the international results. Its go-to-market strategy leverages a network of more than 200 Macron Sports Hubs across 40 countries. In 2025, Macron invested around €15 million to expand its Bologna headquarters, boosting the campus office space by 115,000 square meters, with completion scheduled for later this year.

MAP ACTIVE's net income climbed 38% to IDR 470,572 million (\$27.9 mm) in the first quarter from IDR 339,980 million, on 15% higher revenues at the Indonesian retailer of IDR 4,954,727 million (\$293.9 mm) from IDR 4,319,434 million. Gross margin in the quarter was 80 basis points higher at 48.0%, while SG&A jumped 13%, but still leveraged 60 b.p. to 35.9% of sales on the higher top line. Foot traffic grew steadily in the quarter and picked up more steam ahead of the Lebaran holiday. MAPA saw strong sell-through across all segments, and it added Aquazurra, Guess, and Hollister to its brand portfolio. It also made improvements to cost management and back-end processes while advancing its automation and digital initiatives to meet growing demand.

NEWELL Outdoor segment revenues declined 4% in the first quarter of 2026 to \$175 million from \$182 million, and were down 6% on a constant-currency basis. Operating loss was \$7 million against a loss of \$5 million last year, while normalized operating loss was \$2 million, compared with a near-break-even prior period. Both top and bottom lines improved sequentially and exceeded plan. Management called out the extraordinary success of Coleman's Snap 'N Go Cooler as a sign of what's to come from the group, which is expected to contribute growth in the second quarter along with the conglomerate's writing, baby, and kitchen businesses. NWL's Outdoor segment includes Coleman, Marmot, Campingaz, Contigo, and Bubba.

THULE net income posted a 10% improvement in the first quarter to SEK 293 million (\$32.2 mm) from SEK 266 million as sales ticked down 3% (+4% CC) to SEK 2,573 million (\$283.0 mm) from SEK 2,662 million. The bottom line benefited from an 8% cut in SG&A, which was

down 130 b.p. to 28.4% of sales, while gross margin held flat at 44.8%. North American sales dipped 14% (flat CC) to SEK 479 million (\$52.7 mm) as the region continues its sequential improvement but still faces headwinds from cautious retailers and consumers. Canada outperformed the U.S. in the quarter, while region-specific products posted growth. On the product front, the Vero bike carrier for heavier bikes launched in North America in the quarter, along with broader launches of the Pulse 2 roof box and VeloLite bike carrier at lower price points. Elsewhere, the home European region was flat (+5% CC) at SEK 1,890 million with gains across product categories, led by Active with Kids & Dogs. Rest of World was down 5% (+2% CC) to SEK 204 million as South America outpaced the APAC market.

LEGAL

CPSC RECALLS: **Smfanlus** is recalling about 2,800 Qumeney bicycle lights because they violate the child-safety standard for consumer products with button-cell and coin batteries. The company will provide consumers with a full refund. It sold the lights through Amazon from Mar. 2024 through Feb. 2026 for between \$7 and \$18.++++**MalckerDirect** is recalling about 7,000 Malcker bicycle light sets that also violate the button cell and coin battery child safety standard. The company will refund consumers the purchase price. The recalled lights were sold on Amazon from Oct. through Nov. 2025 for between \$7 and \$10.

PUMA is being sued by world champion sprinter Abby Steiner, who also named PUM's technical partner Mercedes F1 team, claiming that shoes supplied to her caused career-ending foot and ankle injuries. The complaint, filed in MA superior court, alleges that Puma's carbon fiber plate and nitrofoam cushioning technology changed her foot and ankle mechanics during running. Plaintiff accuses the defendants of negligent product liability and seeks \$1.2 million in damages.

SHORT STOPS

Lycra Company promoted its head of EMEA & South Asia, Alistair Williamson, to VP of product sustainability.++++**Cabot Hosiery Mills** hired former Ecco Americas sales chief Dan Leonardi as VP of sales.++++**Outdoor Retailer** named Emerald veteran Matthew Mathiasen as group show director for the outdoor industry trade show.++++**The James Brand** announced that founder Ryan Coulter will step away from the company, effective Apr. 30, and that CEO Michael Hoefer will continue to lead the everyday-carry-focused brand.++++**Crocs** founder George Boedecker Jr. is publishing his memoir, *Croc: How I Invented the World's Most Popular Shoe, Became a Massive Success, and Nearly Destroyed Myself - in 15 Easy Lessons*, which is coming out Sep. 15.++++**Nemo Equipment** signed on as exclusive distributor of U.K.-based Storm Care Solutions' line of outdoor gear care products.++++**S&S Activewear** inked a deal as exclusive distributor for a selection of Legends apparel products in the team and corporate channels starting in June.++++**Bedrock Sandals** appointed four new sales reps: Freestone Sales in the Rockies, Koby Crooks in the South

Central region, GroundUp Sales for the Southeastern region, and Caraway & Co in the Southwest.++++**Salomon** tapped High Plains Outdoor Group as sales rep for its performance category, running and outdoor footwear, apparel, bags, and packs, in TX, AR, OK, LA, MO, and KS.++++**Oura** signed on as an official sponsor and wearable fitness device partner of the U.S. Open, USTA, and USTA Coaching in a five-year partnership.++++**Equip Outdoor Technologies**, the parent company of Equip, Rab, and Lowe Alpine, has achieved B Corp certification for its high social and environmental performance standards.



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