Universidade do Minho
Escola de Economia, Gestão e Ciência Política

Nuno Miguel de Melo Magalhães

Equity Research Report
Columbia Sportswear Company

junho de 2026

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Equity Research Report Columbia Sportswear Company

Projeto de Mestrado
Mestrado em Finanças

Trabalho efetuado sob a orientação da
Professor Doutor Gilberto Ramos Loureiro

junho de 2026

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Resumo

Este Equity Research Report foi desenvolvido no âmbito do Projeto de Mestrado em Finanças da Universidade do Minho, incidindo sobre a Columbia Sportswear Company, inserida na indústria de Outdoor & Apparel. O relatório apresenta um estudo sobre o estado financeiro da empresa alvo e das suas perspetivas futuras no mercado em que se insere.

Com base na análise efetuada, emite-se uma recomendação de COMPRA, com um preço-alvo de $66.75 para o final de 2026. Este valor representa um potencial de valorização de 16.29% face à cotação de fecho de 3 de fevereiro de 2026. A avaliação baseou-se primordialmente no método de Fluxos de Caixa Descontados, cuja robustez foi testada através de análises de sensibilidade, análise de cenários e Simulação de Monte Carlo. Adicionalmente, procedeu-se a uma Avaliação Relativa de forma a contextualizar o posicionamento da empresa face aos seus pares.

Palavras-chave: Fluxo de Caixa Descontado, Columbia Sportswear Company, Relatório de Equity Research, Avaliação Relativa.

Abstract

This Equity Research Report was prepared as part of the Master's in Finance program at the University of Minho, focusing on Columbia Sportswear Company within the Outdoor & Apparel industry. The report provides an analysis regarding the financial situation of the target company as well as its growth prospects for the future.

Based on the analysis, a BUY recommendation is issued with a price target of $66.75 for year-end 2026, representing a potential upside of 16.29% relative to the closing price on February 3, 2026. The valuation is primarily based on the Discounted Cash Flow (DCF) method, with robustness tested through sensitivity analysis, scenario analysis, and Monte Carlo simulations. To provide a comparative market perspective, a Relative Valuation was also performed.

Keywords: Discounted Cash Flow, Columbia Sportswear Company, Equity Research Report, Relative Valuation.

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Columbia Sportswear Company

Recommendation: BUY

Table 1 - Company Information

Columbia Sportswear Company	
Target Price	$66.75
Upside	16.29%
Current Price (February 03, 2026)	$57.40
Stock Exchange	NASDAQ
Industry	Outdoor & Apparel
Ticker	COLM
Recommendation	**BUY**

Source: Author, Company Data

Executive Summary

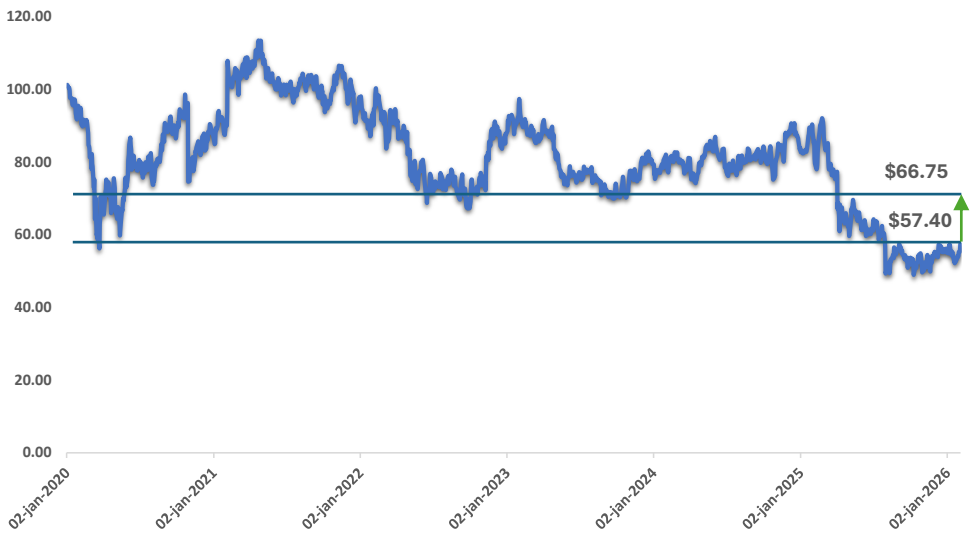
This report issues a **BUY** recommendation for Columbia Sportswear Company (COLM) with a target price of $66.75, representing a 16.29% upside from its closing price of $57.40 on February 03, 2026 (Table 1). The valuation is primarily based on a Discounted Cash Flow (DCF) model, which has been stress-tested via sensitivity analysis, Monte Carlo simulation and scenario analysis. To validate these findings, a Relative Valuation was also performed to provide a comparative market perspective. The following sections detail the core investment catalysts supporting this price target (Figure 1).

Argument 1 Having completed foundational investments in its digital infrastructure and supply chain, Columbia is shifting toward an execution phase to drive higher returns. Management's focus on inventory optimization and streamlined capital management is expected to enhance cash flow generation and improve overall asset turnover.

Argument 2 While the United States remains the primary revenue driver, the company's expanding footprint across Europe, the Middle East, and Africa, as well as the Asia-Pacific and Latin American regions, has increasingly fueled top-line growth. This geographic diversification mitigates domestic concentration risk and taps into high-growth international markets.

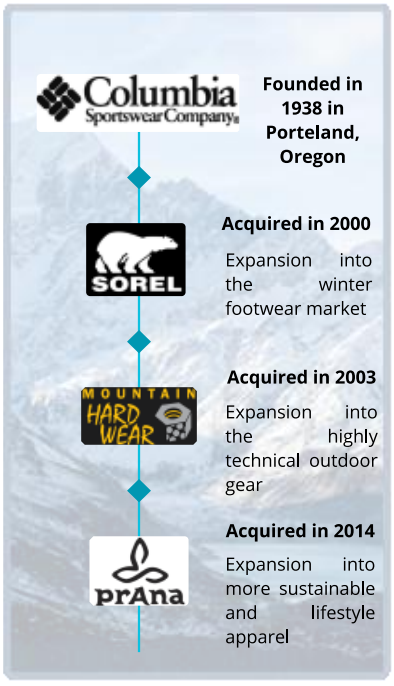
Argument 3 Columbia Sportswear maintains high liquidity through a debt-free capital structure, providing significant financial flexibility across volatile geopolitical and macroeconomic environments. This robust balance sheet supports consistent dividend distributions and enables management to execute opportunistic share repurchases.

Figure 1 - Company Stock Price Evolution



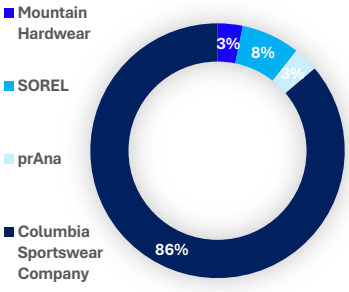
Source: Author, Refinitiv Workspace

Figure 2 - Company Timeline



Source: Author, Company Data

Figure 3 - Revenue by brand (in %)



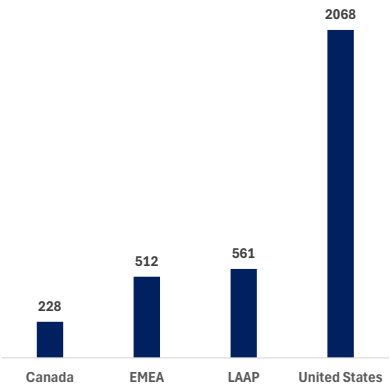
Source: Author, Company Data

Business Description

Columbia Sportswear Company, founded in 1938 in Portland, Oregon, began as a small regional hat distributor and was incorporated in 1961. It has since grown into a global leader in outdoor and active lifestyle products, offering apparel, footwear, accessories, and equipment (Columbia Sportswear Company, 2025).

Acquisitions & Diversification Through a series of strategic acquisitions including SOREL, Mountain Hardwear, and prAna (Figure 2), Columbia Sportswear has effectively broadened its brand portfolio and strengthened its competitive position in the global outdoor apparel and footwear market (Columbia Sportswear Company, n.d.-a). These acquisitions have played a critical role in diversifying the company's revenue streams and reducing dependence on a single brand. As of fiscal year 2024, the flagship Columbia brand remained the primary revenue driver, generating approximately $2,910 million, or 80% of total company revenues. SOREL followed as the second-largest contributor, with $238 million in revenue, representing about 7% of the total. Meanwhile, prAna and Mountain Hardwear contributed $104 million and $109 million, respectively, each accounting for roughly 3% (Figure 3) of the consolidated revenue base (Columbia Sportswear Company, 2025). This balanced brand mix positions the company for continued growth across multiple consumer segments and geographic markets.

Figure 4 - Revenue by Region (in millions)



Source: Author, Company Data

Operations The company operates across four geographic regions: the United States (U.S.), Latin America and Asia Pacific (LAAP), Europe, the Middle East, and Africa (EMEA), and Canada. In the U.S., over 1,850 wholesale customers and more than 170 retail stores contributed to 2024 sales, with the top five customers accounting for approximately 20%. In LAAP the company served more than 350 wholesale customers, with the top five generating around 10% of regional sales. In EMEA, nearly 3,350 customers were part of the network, with the top three responsible for 20% of the region's sales. In Canada, Columbia worked with around 450 wholesale customers, with the top two accounting for 25% of the region's sales (Figure 4) (Columbia Sportswear Company, n.d.-a).

Shareholder's Structure Columbia Sportswear Company's common stock is listed on the NASDAQ Global Select Market under the ticker COLM. As of February 14, 2025, the company had 55.3 million common shares outstanding. The company's dividend policy is guided by its profitability, capital needs, financial position, and restrictions under existing credit agreements. When declared, dividends are typically paid quarterly, in March, May, August, and November.

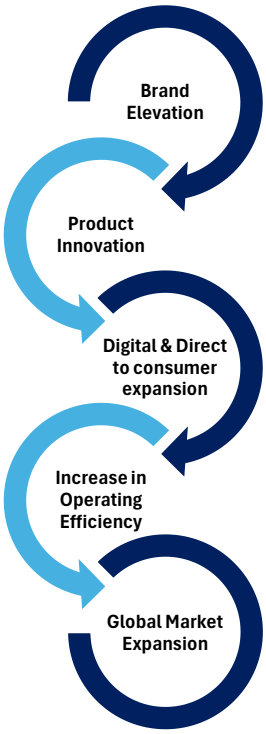
Since its IPO in 1998, Columbia has completed two stock splits, both intended to improve share liquidity and accessibility to investors: a 3-for-2 split on June 5, 2001, and a 2-for-1 split on September 26, 2014 (Columbia Sportswear Company, n.d.-b).

Company Strategy

Brand Strategy: ACCELERATE Growth Initiative Columbia Sportswear is currently implementing its ACCELERATE Growth Strategy, which is centered on attracting a younger and more active consumer base to drive long-term, profitable growth (Columbia Sportswear Company, 2025). A key pillar of this strategy involves elevating brand perception through consumer-centric innovation and targeted marketing.

To strengthen this effort, the company has been expanding its footwear category by leveraging product innovation to capture market share. This is particularly evident in the Europe, Middle East, and Africa (EMEA) region, where Columbia is promoting its new Konos hiking line. This collection features the company's new cushioning technology, Omni-Max, which provides increased performance that resonates with growing consumer demands (Figure 5).

Figure 5 - Accelerate Growth Strategy



Source: Author, Company Data

Operational Efficiency and Margin Expansion To support improved margins and enhance overall profitability, Columbia is pursuing cost-optimization initiatives across multiple areas of the business. These efforts include reducing operational and organizational costs, as well as tightening control over indirect or non-inventory spending (Columbia Sportswear Company, 2025). By streamlining internal processes and optimizing resource allocation, the company is positioning itself for sustainable profit growth in a competitive industry environment.

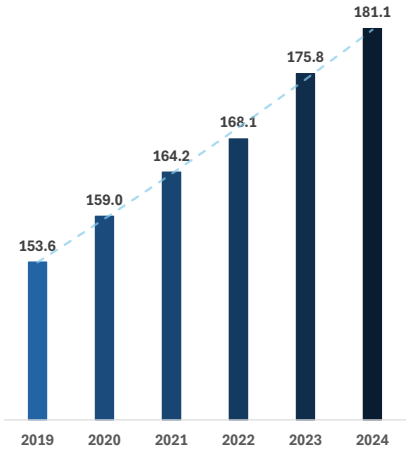
Tariff Mitigation and Pricing Strategy In anticipation of potential tariff increases in the U.S., Columbia has developed a contingency plan that includes selectively raising product prices to protect gross margins (Columbia Sportswear Company, 2025). However, management acknowledges that significant price hikes could dampen consumer demand and constrain the company's international competitiveness. As a result, Columbia is prioritizing enhancements to its domestic market positioning to mitigate downside risk and reinforce its resilience in the face of global trade uncertainties.

Industry & Competitive Overview

The outdoor apparel and accessories market is experiencing resilient, long-term growth, fueled by rising participation in outdoor activities and a growing focus on health and sustainability. Valued at approximately USD 37.1 billion in 2024, the market is projected to expand at a 6.9% CAGR, reaching USD 71.5 billion by 2034 (Outdoor Apparel Equipment Market Size, Share, Trends & Forecast). Industry momentum is further supported by evolving consumer preferences, continuous advancements in fabric and product technology, and increasing demand for environmentally responsible materials and production practices (Outdoor Apparel Market Size, Share & 2030 Growth Trends Report). The industry assessment incorporates a study of primary drivers, a SWOT analysis (Figure 9), further elaborated in Appendix 1, and a Porter's Five Forces (Figure 10) evaluation to determine the competitive landscape.

Industry Drivers

Figure 6 - Outdoor Recreation Participants (in millions)



Source: Author, Outdoor Industry Association

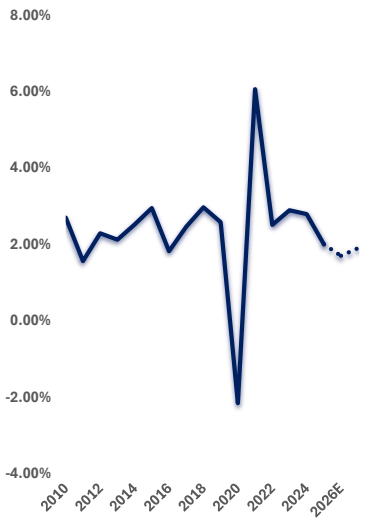
Outdoor Growth & Wellness Trends The growing awareness around physical and mental well-being continues to fuel the popularity of outdoor activities such as hiking, camping, trail running, rock climbing, and biking. In particular, the desire to reconnect with nature and escape urban environments has become a defining trend among younger and health-conscious demographics (Verified Market Research, 2026). As a result, participation in outdoor recreation continues to rise steadily. In 2024, the number of outdoor participants in the U.S. grew by approximately 3%, reaching a record 181.1 million people (Figure 6), marking the tenth consecutive year of growth (Outdoor Industry Association, 2024).

Environmental Awareness Growing environmental consciousness among consumers is significantly influencing corporate behavior across the outdoor apparel and equipment industry. Companies that adopt sustainable manufacturing processes, implement eco-friendly business practices, and prioritize employee well-being are increasingly gaining consumer trust and loyalty. This trend is particularly pronounced among consumers engaged in outdoor activities, who tend to have a stronger appreciation for protecting and preserving the natural environment. As a result, environmentally responsible brands are better positioned to capture market share, as these values increasingly factor into purchasing decisions (Verified Market Research, 2026).

Technological Advancements & E-Commerce Consumers are increasingly seeking products that enhance performance and comfort during outdoor activities. As a result, continuous innovation has become a key driver of growth in the outdoor apparel and equipment industry. Advances such as breathable and weather-resistant fabrics, lightweight materials, and ergonomic designs have significantly improved functionality and user experience. (Verified Market Research, 2026).

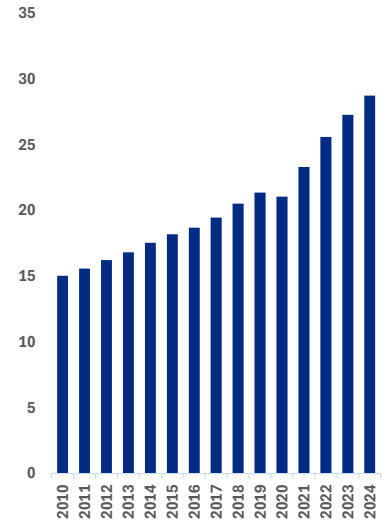
The rapid expansion of e-commerce has become a key structural driver of growth within the outdoor apparel and equipment industry. Online channels have enabled brands to reach a broader and more diverse customer base, removing geographical barriers and providing consumers with seamless access to products (Verified Market Research, 2026).

Figure 7 - Gross domestic product (in %)



Source: Author, Company Data

Figure 8 - Gross domestic product (in trillions of $)



Source: Author, Company Data

Macroeconomic Landscape

The industry at hand relies heavily on the ability of consumers to purchase the products, as such economic conditions might hinder this ability. The overall United States gross domestic product (GDP) tends to have rather stable growth averaging 2.40% over the historical period of 2010 to 2024, with a negative growth of 2.20% in 2020 due to the recessions caused by covid-19, however the economy rebounded quickly in the following year recuperating back the loss growth. In the upcoming years of 2026 and 2027 GDP is expected to remain resilient, with some fragility reaching a growth of 1.90% (Figures 7 & 8), which represents a decent environment for consumption.

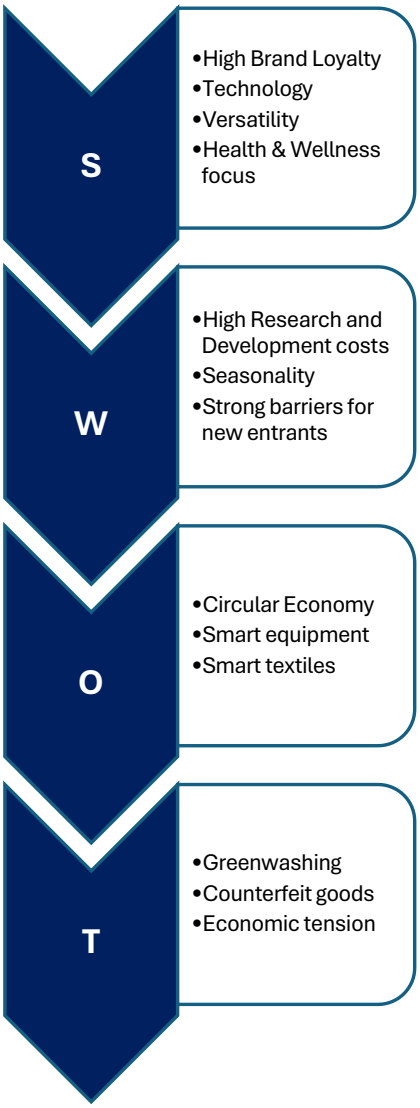
Tariffs These have had a significant impact on the industry under analysis. U.S. tariff policies have provided a degree of protection to cost pressure on imports, thereby affecting industry pricing dynamics and discouraging certain investment flows into the United States. However, these measures have also contributed to heightened trade tensions with foreign regions, adversely affecting U.S. manufacturers by constraining their ability to compete and market products internationally (Yale Budget Lab, 2025). The prevailing tariff regime has also increased policy uncertainty, forcing firms to adopt more conservative investment and operational strategies amid an increasingly complex geopolitical environment. According to Gilbert and Goyal (2025), North America apparel sales are likely to grow despite tariff-driven inflation. Margins are forecasted to be pressured by tariffs during the first half of 2026 and recover during the second half of the year mostly through selective pricing, keeping inventories low and increasing overall operational efficiency. Columbia Sportswear company has been aware of the overall risk regarding tariffs mitigating this risk through sourcing and pricing discipline rather than by its sheer size and scale.

Porter's five forces Analysis

Threat of New Entrants – Moderate

There are significant barriers to entry that protect established companies within the sector. The heavy capital required to build brand equity and the necessary investment in Research & Development to provide a differentiated product prevent newcomers from entering the market easily. However, the competitive landscape is shifting as Environmental, Social, and Governance (ESG) values become increasingly important to consumers. Smaller companies are successfully challenging incumbents by

Figure 9 - SWOT Analysis



Source: Author

appealing to specific target audiences, leveraging these values to build brand loyalty through dedicated communities.

Threat of Substitute products - Moderate

Premium pricing for high-tech performance gear limits accessibility among price-sensitive consumers, constraining broader mass-market adoption. These dynamic drives some consumers to adopt lower-cost alternatives, substituting specialized outdoor equipment with athleisure or general casualwear offerings (Mordor Intelligence, *Outdoor Apparel Market*). Additionally, large global sportswear brands continue to expand their presence in the outdoor segment, increasing the breadth of competing non-specialized products and intensifying substitution pressures (McKinsey, *Sporting Goods 2024*).

However, the technical performance differentiation embedded in specialized outdoor gear provides a degree of protection against substitution. Consumers who engage in high-performance or extreme-conditioning activities exhibit low propensity to trade down, as functionality, protection, and durability remain critical purchase criteria. Consequently, while substitution risk is more pronounced in lower-priced categories, the technical performance segment remains relatively covered.

Bargaining Power of Suppliers - Moderate

The EU's Sustainable and Circular Textiles Strategy is tightening environmental rules through design standards on durability, recycled content, and recyclability, alongside new waste-export limits and mandatory extended producer responsibility. These measures raise compliance costs and sourcing complexity, modestly increasing supplier power within the European textile chain (European Commission, 2022). The variety of raw materials used in outdoor apparel manufacturing limits supplier concentration and reduces overall bargaining power. Polyester remains the dominant fiber, representing about 59 % of global output, while cotton accounts for roughly 19% (Textile Exchange, 2024). The increasing availability of recycled and certified fibers further broadens sourcing options, reinforcing a diverse and competitive supply base that keeps supplier power moderate.

Bargaining Power of Buyers - Low

Buyer bargaining power in the outdoor apparel market is relatively limited. Major brands dominate the sector and offer similar products at comparable prices, giving

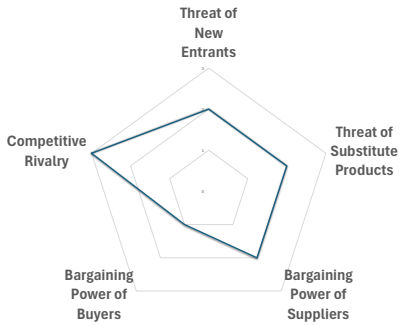
consumers little incentive to switch, reducing their influence over pricing or product design.

However, shifting consumer preferences toward sustainability and inclusivity have introduced a new form of buyer influence. Although product differences remain small, consumers increasingly choose brands that align with their environmental and social values, strengthening loyalty and giving buyers indirect power through their expectations for responsible brand behavior (Global Market Insights, n.d.).

Competitive Rivalry - High

The industry is moderately fragmented, comprising both global multinationals and niche brands that differentiate through specialized products. Major players include Patagonia, The North Face, VF Corporation, and Amer Sports. Technological innovation is a key differentiator, premium brands such as Arc'teryx capture share by leveraging advanced performance fabrics and design. Structural tailwinds such as increasing demand for sustainable materials and inclusive sizing offer additional sources of competitive advantage (Mordor Intelligence, 2025). Digital capabilities are also pivotal, companies that effectively use social media and e-commerce, particularly direct-to-consumer channels, are better positioned to capitalize on evolving consumer behavior (Mordor Intelligence, 2025).

Figure 10 - Porter's Five Forces



Source: Author

Environmental, Social & Governance

Environmental

Columbia Sportswear has made notable progress in advancing environmental sustainability across its brand portfolio. A key component of this effort is the integration of Preferred Materials, presented in Figure 11, defined by their sustainable attributes such as recycled or organic content into product design and supply chain processes. Currently, approximately 67% of Columbia-branded products incorporate at least one preferred attribute. For the company's other brands, adoption rates are also significant: Sorel at 43%, Mountain Hardwear at 73%, and prAna leading with 95% (Figure 12) (Columbia Sportswear Company, 2025).

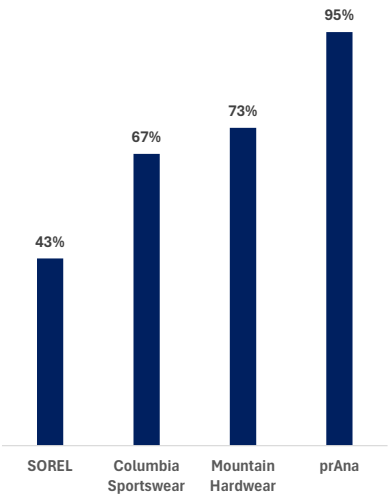
Figure 11 - Company Preferred Materials



Source: Author, Company Data

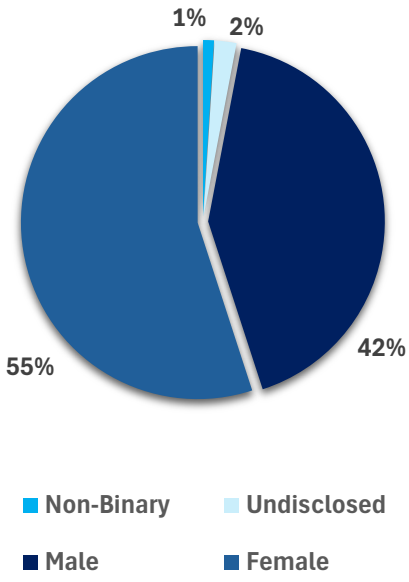
Columbia Sportswear has renewed its certifications under the Recycled Claim Standard (RCS) and the Global Recycled Standard (GRS), which verify the use of recycled content throughout the supply chain. The company has also been certified

Figure 12 - Usage of Preferred Materials (by Brand in %)



Source: Author, Company Data

Figure 13 - Gender diversity (in %)



Source: Author, Company Data

under the Responsible Down Standard (RDS) since 2015, ensuring animal welfare in the down and feather supply chain. In addition, Columbia sources wool certified to the Responsible Wool Standard (RWS), which upholds both animal welfare and responsible land management practices. Its cotton sourcing further includes Regenerative Organic Certified (ROC) materials, reinforcing the company's commitment to sustainable and ethical raw materials.

Social

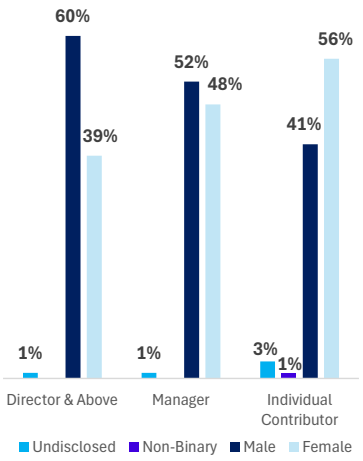
Diversity & Equality As illustrated by Figure 13 Columbia's workforce is predominantly female, representing 55% of employees, compared to 42% male. Less than 1% identify as non-binary, and 2% are undisclosed.

By level, women hold the majority of Individual Contributor roles, accounting for 56% versus 41% for men, with the remainder undisclosed. However, gender representation shifts at more senior levels. At the Manager level, men represent 52% of the workforce compared to 48% women. This gap widens further at the Director & Above level, where men account for 60% of positions, while women represent 39%, with the remainder undisclosed as illustrated on Figure 14.

From an ethnic diversity perspective, Columbia demonstrates some representation, though the workforce remains predominantly white (55%). This concentration is more pronounced at senior levels, where white employees account for 83% of Director & Above roles (Columbia Sportswear Company, 2024).

Company Initiatives In 2023, the company introduced a reimbursement program available to all U.S. full-time employees, offering financial support for wellness-related activities. By 2025, Columbia had invested more than $285,000 across roughly 1,300 programs focused on employee well-being. Typical activities include gym memberships, running shoes, camping gear, and other health and fitness resources (Columbia Sportswear Company, 2025). Beyond wellness, Columbia also invests in employee development through initiatives such as the Leadership Excellence Acceleration Program (LEAP). This program is designed to strengthen leadership capabilities among high-potential employees preparing for managerial roles. LEAP helps participants become more engaged, inspired, and better equipped to lead others through a combination of workshops, sessions with senior leaders, and specialized courses that sharpen leadership skills (Columbia Sportswear Company, 2025).

Figure 14 . Gender Diversity (by Rank)



Source: Author, Company Data

Governance

Columbia Sportswear has established a comprehensive governance framework (Figure 15) aimed at promoting ethical behavior, ensuring regulatory compliance, and strengthening accountability across its global operations. As part of this framework, the company maintains a confidential compliance hotline and an online reporting platform that allow both employees and external stakeholders to raise concerns anonymously, where permitted by local law. These mechanisms help mitigate compliance risks and reinforce a culture of transparency and responsibility. To further embed ethical principles internally, Columbia conducts ongoing employee engagement initiatives centered around its core value of "Doing the Right Thing," fostering a speak-up culture across all organizational levels. In addition, the company provides a publicly accessible Supply Chain Transparency Map, offering stakeholders visibility into its global manufacturing footprint and supporting clearer communication and traceability throughout the value chain (Columbia Sportswear Company, 2024).

Figure 15 - Governance Summary



Source: Author

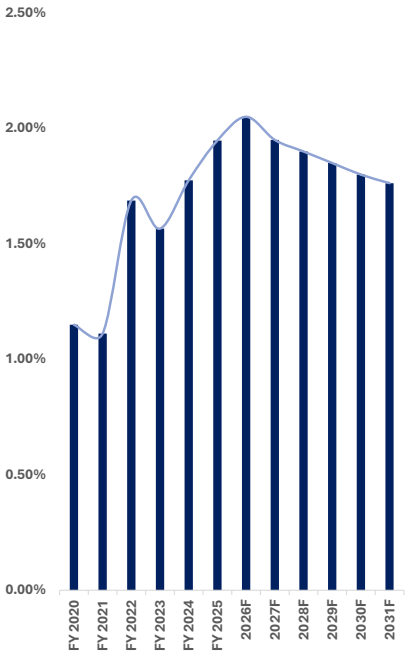
Investment Thesis

Columbia Sportswear has recently experienced a period of subdued growth, largely driven by weakness in its core U.S. market. Although international segments have delivered solid expansion, this momentum has not fully offset domestic softness, reflecting the company's historical concentration in the United States. At the same time, uncertainty surrounding U.S. tariff policy has introduced near-term margin volatility and reduced earnings visibility. However, this environment marks a strategic inflection point rather than a structural decline. Through its Accelerate Growth strategy, management has renewed its focus on strengthening U.S. brand execution while continuing to deepen its presence in international markets. The transition from investment to execution, combined with improving geographic diversification, positions the company to shift from stagnation toward sustainable normalization.

Pillar I - From Investing to Cashing In

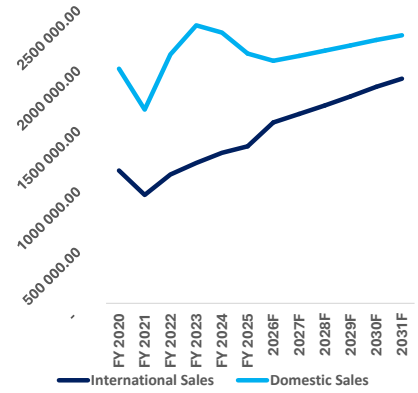
Between 2024 and the expected completion of its Accelerate Growth initiatives in 2027, Columbia has directed capital toward strengthening its digital infrastructure, expanding direct-to-consumer capabilities, and optimizing its supply chain. These investments were primarily structural rather than expansionary, designed to enhance operational efficiency and improve inventory management rather than materially

Figure 16 - Capex-to-sales change (in %)



Source: Author, Company Data

Figure 17 - International VS Domestic Sales (in thousands)



Source: Author, Company Data

increase capacity. From 2027 onward, the company is expected to transition from a development phase to a monetization phase. As digital capabilities and supply chain enhancements mature, improvements in inventory turnover and working capital intensity should begin to translate into stronger capital productivity. Capital intensity is projected to moderate gradually, with CAPEX-to-sales declining from a peak of 2.05% in 2026 toward a normalized level of 1.76%, while revenues continue to expand (Figure 16). This dynamic reflects disciplined reinvestment rather than cutbacks, supporting growth without requiring incremental capital escalation.

Pillar II – International Diversification as a Structural Growth Driver

The most significant structural shift in Columbia's revenue composition is the rising contribution from international markets. Between 2023 and 2025, EMEA delivered average growth of approximately 9–10%, including 12.7% growth from 2024 to 2025, while LAAP grew at an average rate close to 9% over the same period. This sustained momentum highlights improving brand penetration and geographic expansion outside the mature U.S. market.

Over the forecast horizon, international revenue is projected to increase from 41.8% to 46.8% of total sales. While U.S. revenues are expected to grow at approximately 2% annually, consistent with a mature market and broadly aligned with U.S. GDP growth, EMEA is forecast to expand at a 6% CAGR, reflecting greater development potential and continued brand expansion. As international markets increase their contribution, Columbia becomes less reliant on U.S. consumer conditions, resulting in a more diversified and resilient growth profile (Figure 17).

Pillar III – Shareholder Attractiveness and Capital Discipline

Columbia maintains a conservative capital structure, operating without financial leverage and preserving a strong liquidity position. This debt-free profile enhances resilience during economic downturns and provides management with strategic flexibility to continue investing through cycles. While financial leverage could theoretically amplify returns, the company's conservative approach reduces financial risk and supports valuation stability.

The company is expected to maintain its annual dividend of approximately $1,20 per share, consistent with its disciplined payout framework. In addition, strong liquidity

provides flexibility for opportunistic share repurchases, as demonstrated in late 2025. This balanced capital allocation strategy, combining reinvestment, dividends, and selective buybacks, supports long-term shareholder value creation without compromising financial stability.

Financial Analysis

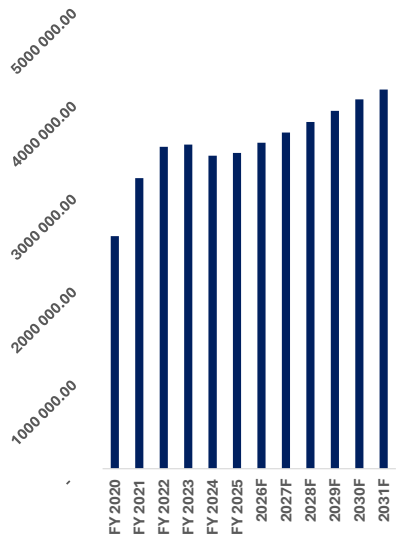
Table 2 - Key Financials

Key Financials ($ millions)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	2026F	2027F	2028F	2029F	2030F	2031F
Sales	2 501 554	3 126 402	3 464 152	3 487 203	3 368 582	3 397 351	3 507 089	3 617 238	3 731 027	3 849 683	3 973 475	4 079 584
EBIT	142 049	451 004	429 504	335 284	270 741	207 039	175 863	230 611	252 014	275 117	299 929	324 268
Net Income	108 013	354 108	311 440	251 400	223 273	177 224	159 249	203 155	220 143	238 463	258 123	277 347
MARGINS												
EBITDA Margin	11.54%	18.12%	15.79%	13.26%	9.70%	7.77%	6.61%	8.01%	8.40%	8.79%	9.18%	9.57%
EBIT Margin	5.68%	14.43%	12.40%	9.61%	8.04%	6.09%	5.01%	6.38%	6.75%	7.15%	7.55%	7.95%
Net Margin	4.32%	11.33%	8.99%	7.21%	6.63%	5.22%	4.54%	5.62%	5.90%	6.19%	6.50%	6.80%
PROFITABILITY RATIOS												
Net Operating Profit Margin	5.68%	14.43%	12.40%	9.61%	8.04%	6.09%	5.01%	6.38%	6.75%	7.15%	7.55%	7.95%
ROE	5.89%	17.80%	16.09%	12.97%	12.54%	10.36%	8.82%	10.45%	10.48%	10.48%	10.45%	10.34%
Operating ROA	5.01%	14.70%	14.07%	11.41%	9.10%	7.07%	5.20%	6.51%	6.75%	6.98%	7.18%	7.33%
LIQUIDITY RATIOS												
Current Ratio	3.36	3.11	2.89	3.38	2.62	2.54	3.08	3.21	3.32	3.46	3.60	3.75
Quick Ratio	2.35	2.16	1.50	2.13	1.72	1.65	2.19	2.31	2.45	2.59	2.74	2.87
Cash Ratio	1.43	1.12	0.58	0.59	0.69	0.57	1.05	1.12	1.27	1.41	1.57	1.71
Operating & Asset Management												
CAPEX/Sales	1.15%	1.11%	1.69%	1.57%	1.78%	1.95%	2.05%	1.95%	1.90%	1.85%	1.80%	1.76%
Days' accounts receivable (in days)	66	57	58	44	45	43	48	53	53	53	53	53
Days' inventory (in days)	170	162	230	167	155	150	149	146	143	143	143	146
Days' accounts payable (in days)	63	71	72	53	87	84	69	69	69	69	69	69

Source: Author, Company Data

Key Financials

Figure 18 - Total Sales



Source: Author, Company Data

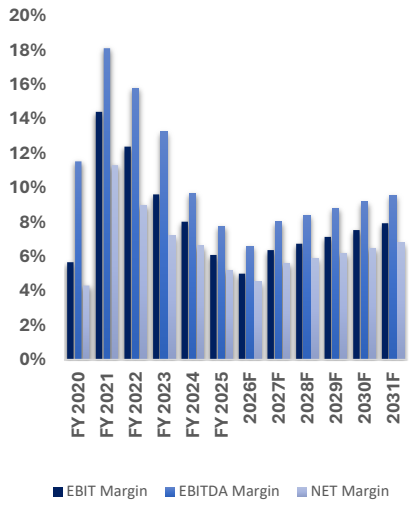
Sales Following a strong increase in sales between 2020 and 2023, driven primarily by accelerated demand for outdoor and casual apparel during the COVID 19 pandemic, company revenues declined to $3,368,582 in 2024 (Figure 18). Starting in 2025, revenues experienced modest growth of approximately 0.85% over 2024 levels. This performance was supported by a 9% increase in the LAAP regions and a 12.73% increase in the EMEA region, which successfully offset a 4% decrease in United States sales (consult Appendices 2 – 6 for further details).

Over the forecasted period, sales in the United States are expected to grow slowly, averaging a CAGR of 1.68%. This projection aligns with the anticipated real GDP growth of the United States. The primary driver of total revenue will be the EMEA region. While growth is expected to decelerate to 9% in 2026 and eventually trend toward 5%, it remains relatively high as the company continues to penetrate this less mature market. EMEA's growth will be driven by the transition to a Direct-to-Consumer (DTC) model in Poland, where Columbia is assuming full control of local e-commerce operations and expanding its physical footprint through company-owned stores, primarily via outlet channels. Strategic store openings in Spain (notably San Sebastián

and Oviedo), Germany, and the Czech Republic (Prague) further underpin this expansion. Central to the European strategy is a shift toward technical footwear; by increasing penetration in this category, the company aims to mitigate the historical impact of seasonality and reduce reliance on cold-weather apparel.

In contrast, a more conservative approach was taken regarding the LAAP region. Despite strong historical performance, averaging 8.85% growth from 2023 to 2025, projections for 2026 have been lowered to approximately 4% and are expected to further decrease to 3% in subsequent years. This cautious position is driven mainly by the normalization in sales after a surge in store traffic and increased demand in Japan during 2025, which were temporarily inflated by international tourists capitalizing on the weak value of the Yen. Furthermore, while the company is still growing in South Korea, this market is highly competitive and relies heavily on the brand's ability to promote itself.

Figure 19 - Key Margins

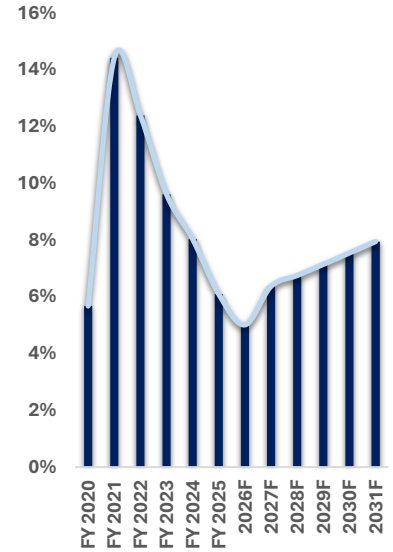


Source: Author, Company Data

Key Margins

Following a post-pandemic peak of 18.12% in EBITDA margins (Figure 19) in 2021, driven by a period of exceptionally high demand, Columbia Sportswear's margins began to normalize as market conditions stabilized. This margin compression was further enhanced by two primary factors: the strategic investment in the 'Accelerate Growth' initiative, which front-loaded SG&A expenses in the short term, and external headwinds including rising tariffs and macroeconomic volatility. From 2026 onward, margins are projected to expand as the brand repositioning strategy drives top-line growth and the company realizes greater operational efficiencies and operating leverage.

Figure 20 - Net Operating Margins (in %)



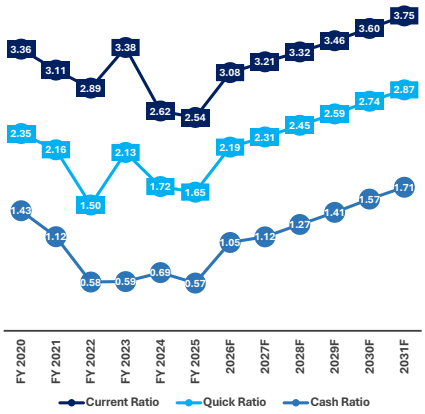
Source: Author, Company Data

Profitability Analysis

From 2020 to 2025, net operating margins, observed in Figure 20, reveal that while the company hit a peak in 2021, figures normalized in subsequent years due to the pandemic-induced slowdown. Starting in 2026, the forecasted net operating margin hits a low of approximately 5%. This decline is driven by front-loaded investments in a new strategy yet to yield results, alongside a gross margin contraction caused by tariff-related increases in cost of goods sold. However, as U.S. revenues gain momentum and other regions continue to expand, the net operating margin is projected to recover gradually, reaching roughly 8% by the end of 2031.

Liquidity Analysis

Figure 21 - Liquidity Ratios



Source: Author, Company Data

Columbia Sportswear maintains a debt-free profile, utilizing internal funding to drive investments. This strategy preserves high liquidity, allowing the company to capitalize on growth opportunities while mitigating financial distress. In 2024, liquidity ratios declined, not only due to weaker operating cash flows but also as a result of strategic cash deployment to finance front-loaded expenses for the 'Accelerate Growth' initiative. From 2025 onward, and throughout the forecast period, liquidity ratios are expected to recover as operating cash flow strengthens, and strategic outflows normalize as seen in Figure 21.

Valuation

The company's valuation was primarily derived using a Discounted Cash Flow (DCF) model, complemented by sensitivity analysis and Monte Carlo simulation to assess the impact of key assumptions. A relative valuation analysis was also conducted to benchmark implied multiples against peers.

Weighted Average Cost of Capital (WACC)

Cost of Equity The cost of equity was estimated using the Capital Asset Pricing Model (CAPM), with the 10-year U.S. Treasury yield serving as the risk-free rate. Beta was derived from a linear regression (Appendix 7) of weekly returns for Columbia Sportswear against the S&P 500, using adjusted closing prices from 3 January 2021 to 25 January 2026. The regression produced a beta of approximately 0.99. The top-down approach was preferred over a bottom-up approach because the available peer sample operated across several industries, such as luxury fashion, footwear and fast fashion, introducing risk exposures that differ from those faced by Columbia Sportswear. The equity risk premium (ERP) was derived by calculating a weighted average of the individual Country Risk Premiums, using the company's geographic revenue mix across the U.S., LAAP, EMEA, and Canada as the weighting criteria (Appendix 8).

WACC As the company's capital structure does not have debt its WACC is equal to the cost of equity which amounted to 8.68% (Table 3).

Table 3 - WACC Calculation

Risk free rate	4.23
Beta	0.99
Equity Risk Premium	4.51
Cost of Equity	**8.68%**
E/V	1.00
D/V	0.00
WACC = Cost of Equity	**8.68%**

Source: Author, Company Data

Discounted Cash flow Method

Table 4 - Free Cash Flow to the Firm

Free Cash Flow to the Firm	
2027	95 634
2028	175 315
2029	179 164
2030	198 166
2031	204 802

Source: Author, Company Data

Free Cash Flow to the Firm (FCFF) Earnings Before Interest and Taxes (EBIT) was used as the starting point, with taxes deducted to determine Net Operating Profit After Tax (NOPAT). Depreciation and Amortization were then added back to this figure. Free Cash Flow to the Firm (Table 4) was reached by subtracting both the changes in working capital and capital expenditure from the adjusted total (Appendix 9)

Table 5 - Terminal Value Calculation

Net Operating Assets	240 704.09
Reinvestment Rate	14.92%
Return on Invested Capital	13.41%
Terminal Growth Rate	2.00%
Terminal Value	**3 127 444.94**

Source: Author, Company Data

Terminal Value To estimate the terminal value, the steady-state cash flow was projected based on a normalized NOPAT of $240.7 million and a reinvestment rate of 14.92%. This reinvestment profile is consistent with a long-term Return on Invested Capital (ROIC) of 13.41% (Table 5). A terminal growth rate of 2% was utilized, converging with the Federal Reserve's long-term inflation target for the United States. This rate is justified by the company's primary geographic exposure, as the majority of revenue is generated within the U.S. market. The terminal value was derived by capitalizing these stable cash flows at the WACC.

Table 6 - Share Value Calculation

Enterprise Value	**2 715 903.70**
Cash & cash equivalents	840 044.05
Value of equity	3 555 947.75
Number of Shares	53 272.00
Value per share	**66.75**

Source: Author, Company Data

Target Price After the Free Cash Flows to the Firm were discounted to their present value and summed up to determine the Enterprise Value, the Equity Value was derived by adding cash and cash equivalents. Finally, the target price of $66.75 (Table 6) was reached by dividing the total equity value by the number of shares outstanding.

Sensitivity Analysis

A sensitivity analysis was performed to evaluate the impact of WACC and terminal growth rate fluctuations on the target price, utilizing 0.25% increments. The calculation process is further detailed on Appendix 10.

Table 7 - Sensitivity Analysis

WACC \ Terminal Growth Rate	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%
7.93%	68.09	69.74	71.52	73.45	75.56	77.85	80.37
8.18%	66.12	67.64	69.27	71.04	72.95	75.04	77.31
8.43%	64.29	65.69	67.19	68.81	70.56	72.46	74.52
8.68%	62.59	63.88	65.26	66.75	68.35	70.09	71.97
8.93%	60.99	62.19	63.47	64.84	66.31	67.90	69.62
9.18%	59.50	60.61	61.79	63.06	64.42	65.88	67.46
9.43%	58.10	59.13	60.23	61.40	62.66	64.01	65.46

Source: Author

In the most optimistic scenario, defined by a WACC of 7.93% and a terminal growth rate of 2.75%, the estimated value per share reaches $80.37, as illustrated in Table 7. Conversely, the worst-case scenario yields a price of $58.10, based on a WACC of 9.43% and a terminal growth rate of 1.25%.

Scenario Analysis

A scenario analysis was conducted to evaluate the impact of geographic sales performance on the company's market position. Both Bull and Bear cases were modeled to assess the 'Accelerate Growth Strategy' across domestic and international segments. To determine the full valuation range, the WACC and terminal growth rate were adjusted to reflect the risk profile of each respective scenario.

Table 8 - Scenario Analysis

Scenario Analysis			
	Bear Case	Base Case	Bull Case
Target Price	$55.69	$66.75	$82.92
Upside / Downside	-2.98%	16.29%	44.46%

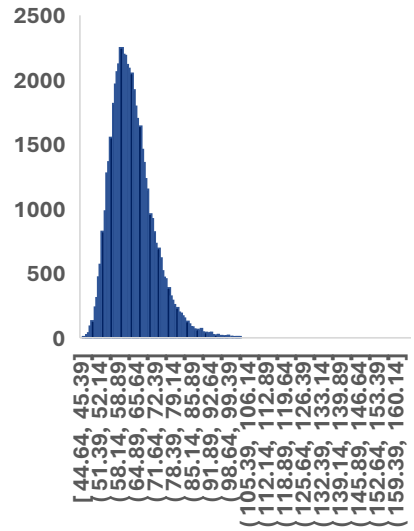
Source: Author, Company Data

Bear Scenario In this scenario, the company fails to achieve projected sales targets, with U.S. revenue growth dampening to an average of -0.25% over the forecast period. Following the high growth levels of 2025, expansion in EMEA and LAAP is expected to stagnate, reaching growth rates of 5% and 3% respectively by 2031. This scenario accounts for the potential failure of the "Accelerate Growth" strategy, specifically the company's inability to capture younger demographics through its rebranding initiatives. Under these assumptions, the target price falls to $55.69, representing a 2.98% downside (Table 8) relative to the share price on February 03, 2026 (Appendix 11).

Bull Scenario In this upside projection, the company successfully executes its "Accelerate Growth" strategy, with U.S. market growth reaching 3% by 2031. Growth in the EMEA and LAAP regions exceeds base-case expectations as the strategic initiatives drive increased brand engagement. These regions are expected to benefit from both geographic expansion and deeper penetration into new demographics, with EMEA and LAAP achieving average growth rates of 10% and 7%, respectively, over the forecast period. Under these optimistic assumptions, the valuation yields a target price of $82.92, representing a 44.46% upside (Table 8) compared to the current share price (Appendix 12).

Monte Carlo Simulation

Figure 22 - Monte Carlo Analysis



Source: Author

A Monte Carlo simulation consisting of 50,500 iterations was executed to assess the impact of key variable sensitivities on the target price. The simulation exhibited in Figure 22 modeled a minimum value of 1.25% and a maximum of 2.75% for the terminal growth rate, as well as a maximum of 9.43% and a minimum of 7.93% value for the WACC. The percentages were derived from the bull and bear scenarios for both variables within the sensitivity analysis (Table 9).

The distribution exhibited a mean of $64.05 and a median of $66.62. A skewness of 1.17 indicates a right-skewed distribution, with a positive tendency for the tail to extend toward higher values. With a kurtosis of 3.21, the distribution is slightly leptokurtic, suggesting slightly fatter tails and a higher peak than a normal distribution, this implies a higher probability of extreme values relative to the mean. Prices ranged from a minimum of $44.64 to a maximum of $165.13. Based on this model, there is a 19% probability of the price falling below the current $57.40 level, a 50% probability of it landing between $57.40 and the $66.75 target price, and a 31% likelihood of exceeding the target price.

Table 9 - Monte Carlo parameters

Variables	Standard Deviation
Terminal Growth Rate	0.75%
WACC	0.75%

Source: Author

Relative Valuation

To assess the company's valuation relative to its peers, a comparable analysis was conducted using a peer group of companies with similar market capitalizations within the Apparel & Footwear industry. This group included VF Corp, Under Armour, Steve Madden, and Wolverine Worldwide Inc (Table 10).

Table 10 - Relative Valuation

Peer List	**Next 12 Month Multiples**		
Company Name	P/E	EV/EBITDA	EV/SALES
Under Armour Inc	31.29	9.55	0.5
VF Corp	19.53	11.17	1.07
Steven Madden Ltd	18.17	11.72	1.06
Wolverine World Wide Inc	12.06	9.3	0.9
Average	**20.26**	**10.44**	**0.88**
COLM Net Income	159 249		
COLM EBITDA		231 940	
COLM Revenues			3 507 089
Implied Enterprise Value	**3 226 776**	**2 420 289**	**3 095 006**
Cash & Cash Equivalents		840 044	840 044
Implied Equity Market Value	3 226 776	3 260 333	3 935 050
Nº of Shares	53 272.00	53 272.00	53 272.00
Implied Share Price	**60.57**	**61.20**	**73.87**
Average		**65.21**	
Upside		**13.61%**	

Source: *Author, Refinitiv Workspace*

Data sourced from Refinitiv Workspace focused on three key multiples: Price-to-Earnings (P/E), Enterprise Value to EBITDA (EV/EBITDA), and Enterprise Value to Sales (EV/Sales). By applying these multiples to derive an implied enterprise value and adjusting for cash & cash equivalents, an implied value per share was determined. The analysis yielded an average implied price per share of $65.11, representing a 13.4% upside relative to the stock price on February 03, 2026. This valuation presents a lower upside compared to the price per share of $66.75 derived from the DCF analysis.

Investment Risks

Columbia Sportswear Company is exposed to several investment risks, most notably macroeconomic fluctuations and shifting consumer demand, weather seasonality, and the complexities of tariffs, trade policy, geopolitical instability, alongside operational risks related to information systems and inventory management. Table 11 provides a summary of these risks' impact alongside the company's respective mitigation strategies. Furthermore, Figure 23 presents a heatmap classifying each risk based on its probability and potential magnitude of impact.

Table 11 - Investment Risks Summary

Risk	Risk Impact	Mitigation Strategy
Macroeconomic & Consumer Demand	Decline in consumer purchasing power	Diverse geographical revenue base
Weather Seasonality	Revenue and demand volatility	Year-round product mix & Agile supply chain
Tariffs, Trade Policy & Geopolitical	Increase in operating cost and supply chain disruption	Lowering costs by producing in cheaper countries
Information Systems, Cybersecurity & Intellectual Property	Data breach & loss of trust	Board-level monitoring
Inventory Management	Margin pressure	AI predictive analysis

Source: *Author, Company Data*

Risk 1 - Macroeconomic & Consumer Demand Risks

Columbia Sportswear is exposed to economic and political conditions, including inflation. A sudden increase in inflation or a deterioration of the macroeconomic environment could weaken consumer confidence, leading to reduced consumption and disrupted spending patterns. This may result in lower consumer spending on discretionary items, such as Columbia's products, negatively affecting the company's net sales and profitability.

Mitigation Strategy:

- Maintaining a broad product portfolio and a geographically diverse revenue base to hedge against localized economic downturns and reduce single-market concentration risk.
- Leveraging AI-driven demand forecasting to optimize inventory levels and align supply chain outputs with shifting consumer purchasing power.

Risk 2 - Weather & Seasonality Risk

As the company's products are highly seasonal, unseasonable weather patterns, such as warmer-than-usual winters, can significantly reduce demand for its offerings, impacting sales performance.

Mitigation Strategy:

- Expanding into year-round performance categories and athleisure to mitigate the impact of unfavorable winter weather cycles on annual top-line growth.
- Implementing flexible inventory and production scheduling to allow for real-time supply adjustments based on emerging meteorological data.

Risk 3 - Tariffs, Trade Policy & Geopolitical Risk

As a company with global operations, Columbia Sportswear is vulnerable to trade restrictions and the implementation of new tariffs. Such measures could impair the company's ability to import products into the United States and, in the event of trade disputes, could also hinder its ability to sell products internationally. These factors may increase operating costs while reducing net sales, ultimately negatively affecting profitability.

Mitigation Strategy:

- Reduction of tariff exposure by using lower-cost countries, such as Vietnam and Indonesia in product production avoiding high tariff regions.

Risk 4 – Information Systems, Cybersecurity and Intellectual Property Risks

Columbia Sportswear's operations are highly reliant on integrated information systems to manage inventory levels, distribution, product development, and e-commerce. A systemic failure could compromise the company's reputation, erode consumer trust, and materially impact financial performance. Furthermore, Columbia's long-term competitiveness is predicated on its ability to protect intellectual property rights, trademarks, and proprietary technological advancements within the industry.

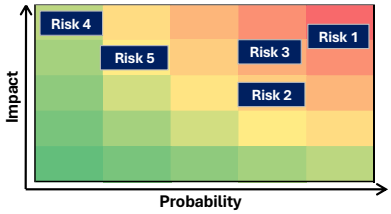
Mitigation Strategy:

- Strengthening of cybersecurity posture through Board-level oversight and infrastructure investment, supported by employee training and incident response planning to ensure operational continuity.
- Protection of brand equity via global counterfeit monitoring and aggressive IP enforcement, coupled with continuous R&D to maintain technological differentiation and prevent replication.

Risk 5 - Inventory Management Risk

Columbia Sportswear must accurately forecast demand to avoid excess or insufficient inventory. Ineffective inventory management could lead to higher costs, markdowns, or stockouts, all of which would negatively impact gross margins and overall profitability.

Figure 23 - Risk Matrix



Source: Author

Mitigation Strategy:

- Usage of AI and predictive analysis to keep inventory levels in line with the demand preventing overstock or stockouts.

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Appendixes

Appendix 1 – SWOT Analysis

Strenghts	High Brand Loyalty	The outdoor industry benefits from exceptionally high consumer loyalty compared to traditional fashion. Customers often view their purchases as essential equipment rather than mere apparel, leading to deep trust in brands that consistently deliver on performance.
	Technology	The growing interest in more capable gear aswell as the surge in sustainable innovation as been a factor in the increasing interest in companies who act in the setor
	Health & Welness	With a global shift toward activities like trail running, hikng and camping after covid-19 pandemic, there has been a growing market for outdoor apparell
	Versatility	The products from this industry are becomming more associated not only with performance but aswell with everyday fashion allowing company's in this industry to extend to new consumer bases
Weaknesses	High Research & Development costs	Companies operating in this sector need to be constantly innovating to maintain an advantage. Developing specialized fabrics and equipment, as well as sustainable materials, involves costly investment. This financial burden can strain profit margins, particularly for smaller players who must compete with the innovation budgets of industry leaders. Furthermore, the rapid pace of technological change requires continuous reinvestment to prevent product lines from becoming obsolete.
	Strong Barriers	
	Seasonality	The industry is dependent on seasonal weather patterns. There is risk associated to this as companies are liable to the unpredictable climate shifts
Oportunities	Circular Economy	There has been growing consumer demand for sustainability, which makes the circular economy a big opportunity for players in the sector. Implementing recycling, repairing, and resale platforms can increase the lifespan of products. This shift not only reduces environmental impact but also builds deeper brand loyalty among eco-conscious consumers who value longevity and sustainability in their outdoor gear.
	Smart Equipment	There is a big opportunity in the sector to integrate technology into outdoor equipment and apparel. The ability to enhance the user experience by providing means to track metrics, such as hydration levels and weight distribution, allows brands to offer more than just physical gear.
	Smart Textiles	These materials can significantly improve user performance. New fabrics are more efficient in regulating temperature, which offers a clear advantage for the performance-seeking customer base. As consumers increasingly look for gear that actively adapts to their environment, these smart textiles allow brands to differentiate themselves through high-tech, functional apparel
Threats	Greenwashing	As the demand for sustainability increases, there has been growth in stricter regulations to prevent companies from leveraging eco-friendly terms without substance. This forces brands to invest in third-party verification to validate their claims.
	Counterfeit goods	There has been an increase in the quality of counterfeit goods, which makes it difficult for consumers to distinguish between genuine and fraudulent products. These sophisticated imitations not only result in lost revenue for legitimate brands but also pose safety risks when technical performance, such as waterproofing or insulation, fails in extreme conditions.
	Economic Tension	Rising tariffs, as well as geopolitical instability, can harm the supply chain and a company's ability to deliver its products to consumers. These factors may also affect consumer purchasing power, leading to lower sales numbers as shoppers become more price sensitive and reduce their discretionary spending.

Source: Author

Appendix 2 – Income Statement (in thousands of $)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	2026E	2027E	2028E	2029E	2030E	2031E
Sales	2 501 554	3 126 402	3 464 152	3 487 203	3 368 582	3 397 351	3 507 089	3 617 238	3 731 027	3 849 683	3 973 475	4 079 584
Cost of Goods Sold	-1 194 064	-1 453 876	-1 635 675	-1 630 219	-1 621 553	-1 680 629	-1 734 915	-1 811 108	-1 853 530	-1 897 463	-1 942 982	-1 978 957
Gross Profit	**1 307 490**	**1 672 526**	**1 828 477**	**1 856 984**	**1 747 029**	**1 716 722**	**1 772 174**	**1 806 130**	**1 877 498**	**1 952 220**	**2 030 493**	**2 100 626**
SG&A	-1 030 948	-1 124 323	-1 303 594	-1 416 313	-1 443 906	-1 474 671	-1 563 105	-1 539 854	-1 588 294	-1 638 805	-1 691 503	-1 736 674
Net other operating Expense (Income)	12 108	18 372	22 020	21 665	23 562	21 823	22 871	23 589	24 331	25 105	25 912	26 604
EBITDA	**288 650**	**566 575**	**546 903**	**462 336**	**326 685**	**263 874**	**231 940**	**289 865**	**313 535**	**338 520**	**364 902**	**390 557**
Depreciation & Amortization	- 146 601	- 115 571	- 117 399	- 127 052	- 55 944	- 56 835	- 56 076	- 59 254	- 61 521	- 63 403	- 64 973	- 66 289
Operating Profit (EBIT)	**142 049**	**451 004**	**429 504**	**335 284**	**270 741**	**207 039**	**175 863**	**230 611**	**252 014**	**275 117**	**299 929**	**324 268**
Financing Income (Expense)	435	1 380	2 713	13 687	27 703	17 867	29 288	31 391	31 983	32 601	33 246	33 798
Other Non operating income (Expense)	2 039	- 373	1 593	2 221	- 257	4 718	1 045	1 045	1 045	1 045	1 045	1 045
Non-recurring Income (Expense)	- 5 000	- 500	- 36 400	- 25 000	-	-	-	-	-	-	-	-
Profit before Taxes (EBT)	**139 523**	**451 511**	**397 410**	**326 192**	**298 187**	**229 624**	**206 196**	**263 046**	**285 042**	**308 763**	**334 219**	**359 111**
Income Tax	- 31 510	- 97 403	- 85 970	- 74 792	- 74 914	- 52 400	- 46 947	- 59 891	- 64 899	- 70 300	- 76 096	- 81 763
Income available to common shareholders	**108 013**	**354 108**	**311 440**	**251 400**	**223 273**	**177 224**	**159 249**	**203 155**	**220 143**	**238 463**	**258 123**	**277 347**

Source: Author, Refinitiv Workspace

Appendix 3 – Balance Sheet (in thousands of $)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	2026E	2027E	2028E	2029E	2030E	2031E
Cash & cash equivalents	790 725	763 404	430 241	350 319	531 869	442 028	840 044	906 106	1 053 028	1 205 074	1 377 476	1 535 360
Inventory	556 530	645 379	1 028 545	746 288	690 515	689 456	708 129	724 443	726 874	744 103	761 954	791 583
Accounts Receivable	452 945	487 803	547 561	423 079	417 539	403 168	464 789	523 196	539 654	556 817	574 722	590 069
Short-term investments	1 224	131 145	722	414 185	283 608	348 766	348 766	348 766	348 766	348 766	348 766	348 766
Prepaid Expenses	54 197	86 306	129 872	80 814	85 051	89 080	92 072	90 703	93 556	96 531	99 635	102 296
Total Current Assets	**1 855 621**	**2 114 037**	**2 136 941**	**2 014 685**	**2 008 582**	**1 972 498**	**2 453 800**	**2 593 214**	**2 761 879**	**2 951 291**	**3 162 553**	**3 368 074**
Net Property,plant and equipment,net	309 792	291 088	291 214	287 281	282 908	279 131	294 950	306 232	315 601	323 417	329 967	335 599
Property,plant and equipment	884 039	893 748	915 125	959 211	992 693	1 045 751	1 117 646	1 188 182	1 259 072	1 330 291	1 401 814	1 473 735
Depreciation	- 574 247	- 602 660	- 623 911	- 671 930	- 709 785	- 766 620	- 822 696	- 881 950	- 943 471	- 1 006 874	- 1 071 847	- 1 138 136
Operating Lease, Right -of - Use Asset	339 244	330 928	324 409	357 295	399 669	425 492	380 320	392 265	404 605	417 472	430 896	442 403
Goodwill	68 594	68 594	51 694	26 694	26 694	5 694	5 694	5 694	5 694	5 694	5 694	26 694
Intangible Fixed assets	103 558	101 908	81 558	79 908	79 221	71 221	71 221	71 221	71 221	71 221	71 221	71 221
Deferred Tax Asets, Deferred Income	96 126	92 121	94 162	105 574	104 203	108 127	108 127	108 127	108 127	108 127	108 127	104 203
Other non-current assets	63 636	68 452	71 568	67 576	73 988	66 330	66 330	66 330	66 330	66 330	66 330	73 988
Total non-current assets	**980 950**	**953 091**	**914 605**	**924 328**	**966 683**	**955 995**	**926 642**	**949 869**	**971 578**	**992 261**	**1 012 235**	**1 054 108**
Total Assets	**2 836 571**	**3 067 128**	**3 051 546**	**2 939 013**	**2 975 265**	**2 928 493**	**3 380 442**	**3 543 083**	**3 733 456**	**3 943 552**	**4 174 788**	**4 422 182**
Trade payables	206 697	283 349	322 472	235 927	385 695	385 599	330 190	344 691	352 765	361 126	369 790	376 637
Accrued liabilities, current	257 278	316 485	328 759	272 058	273 330	278 421	364 087	358 671	369 954	381 719	393 994	404 515
Income tax payable	23 181	13 127	18 802	17 556	31 663	23 369	23 369	23 369	23 369	23 369	23 369	23 369
Operating lease liabilities	65 466	67 429	68 685	71 086	75 857	88 501	79 712	82 216	84 802	87 499	90 313	92 724
Total Current liabilities	**552 622**	**680 390**	**738 718**	**596 627**	**766 545**	**775 890**	**797 358**	**808 947**	**830 890**	**853 714**	**877 465**	**897 245**
Deferred tax liabilities	5 205	-	143	66	310	1 033	173	173	173	173	173	173
Operating lease liabilities - long term	353 181	317 666	310 625	336 772	373 328	389 188	376 441	388 264	400 477	413 214	426 501	437 890
Other non-current liabilities	92 792	79 820	66 271	66 938	55 043	52 239	52 239	52 239	52 239	52 239	52 239	55 043
Total Non-current liabilities	**451 178**	**397 486**	**377 039**	**403 776**	**428 681**	**442 460**	**428 853**	**440 676**	**452 889**	**465 626**	**478 913**	**493 106**
Total Liabilities	**1 003 800**	**1 077 876**	**1 115 757**	**1 000 403**	**1 195 226**	**1 218 350**	**1 226 211**	**1 249 622**	**1 283 779**	**1 319 339**	**1 356 378**	**1 390 351**
Common stock issued outstanding	20 165	-	12 692	-	-	-	-	-	-	-	-	-
Retained earnings	1 811 800	1 993 628	1 953 734	1 984 446	1 843 261	1 775 796	1 871 118	2 010 347	2 166 564	2 341 100	2 535 297	2 748 718
Accumulated other comprehensive Incor	806	- 4 376	- 30 637	- 45 836	- 63 222	- 65 653	- 65 653	- 65 653	- 65 653	- 65 653	- 65 653	- 65 653
Total Equity	**1 832 771**	**1 989 252**	**1 935 789**	**1 938 610**	**1 780 039**	**1 710 143**	**1 805 465**	**1 944 694**	**2 100 911**	**2 275 447**	**2 469 644**	**2 683 065**
Total Liabilities & Shareholder's Equity	**2 836 571**	**3 067 128**	**3 051 546**	**2 939 013**	**2 975 265**	**2 928 493**	**3 031 676**	**3 194 317**	**3 384 690**	**3 594 786**	**3 826 022**	**4 073 416**

Source: Author, Refinitiv Workspace

Appendix 4 – Cash Flow Statement (in thousands of $)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	2026E	2027E	2028E	2029E	2030E	2031E
Net Income	108 013	354 108	311 440	251 400	223 273	177 224	159 249	203 155	220 143	238 463	258 123	277 347
Non cash Items	25 671	-1 430	10 859	21 058	87 504	24 238	23 447	23 098	23 824	24 582	25 373	26 050
Depreciation, Depletion & Amortization	177 943	116 804	155 593	153 426	55 944	56 835	56 076	59 254	61 521	63 403	64 973	66 289
Changes in working Capital	-35 550	-115 076	-503 133	210 413	124 321	16 396	- 53 029	- 64 267	- 2 386	- 17 239	- 17 922	- 30 269
Net Cash Flow from Operating Activities	**276 077**	**354 406**	**- 25 241**	**636 297**	**491 042**	**274 693**	**185 743**	**221 241**	**303 102**	**309 208**	**330 547**	**339 417**
Changes in Capital Expenditures	-27 171	-163 751	72 740	-461 819	87 334	-66 166	- 71 895	- 70 536	- 70 890	- 71 219	- 71 523	- 71 921
Cash Flow from investing activities	**- 27 171**	**- 163 751**	**72 740**	**- 461 819**	**87 334**	**- 66 166**	**- 71 895**	**- 70 536**	**- 70 890**	**- 71 219**	**- 71 523**	**- 71 921**
Proceeds from issue / Retirement common & Prefered stocks	-130 503	-142 444	-285 084	-181 349	-316 507	-201 096	-	-	-	-	-	-
Changes in Debt	-724	178	-61	0	0	0	-	-	-	-	-	-
Changes in other Financing Activities	-20 473	-68 623	-75 686	-73 440	-69 732	-86 685	294 756	- 74 055	- 74 703	- 75 356	- 76 035	- 99 025
Cash Flow from Financing Activities	**- 151 700**	**- 210 889**	**- 360 831**	**- 254 789**	**- 386 239**	**- 287 781**	**294 756**	**- 74 055**	**- 74 703**	**- 75 356**	**- 76 035**	**- 99 025**
Effect of exchange rate on cash and cash equivalents	7 510	-7 087	-19 831	389	-10 587	-10 587	- 10 587	- 10 587	- 10 587	- 10 587	- 10 587	- 10 587
Cash and Cash Equivalents at the beginning of the year	**686 009**	**790 725**	**763 404**	**430 241**	**350 319**	**531 869**	**442 028**	**840 044**	**906 106**	**1 053 028**	**1 205 074**	**1 377 476**
Net Change in Cash and Cash Equivalents	104 716	-27 321	-333 163	-79 922	181 550	-89 841	398 016	66 062	146 922	152 046	172 402	157 883
Cash and Cash Equivalents at the end of the year	**790 725**	**763 404**	**430 241**	**350 319**	**531 869**	**442 028**	**840 044**	**906 106**	**1 053 028**	**1 205 074**	**1 377 476**	**1 535 360**

Source: Author, Refinitiv Workspace

Appendix 5 – Forecast Assumptions

Revenue Growth: Total Sales are projected to grow at a CAGR of 2.55% throughout the forecast period.

Dividend Policy: Dividends per share (DPS) are expected to remain constant at $1.20 throughout the forecast period.

Cost of Goods Sold: The COGS/Sales ratio is projected to reach 50.0% in 2026, before gradually reverting to the five-year historical mean.

Depreciation: Depreciation is calculated based on the Depreciation/Net PP&E ratio from the prior period, which is assumed to remain constant at 2025 levels.

Capital Expenditures: CAPEX is modeled as a percentage of sales. The ratio is expected to increase to 2.05% by 2026, trend downward from 1.95% to 1.80% between 2027 and 2030, and reach a steady state of 1.76% by 2031.

Taxation: The effective tax rate is assumed to remain stable at 2025 levels for the duration of the forecast.

Appendix 6 – Revenues Breakdown

Historical Period

From Company 10-K

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
United States	1 943 000	1 603 783	2 060 300	2 302 246	2 241 437	2 068 228	1 979 033
Growth		-17.46%	28.47%	11.74%	-2.64%	-7.73%	-4.31%
Percentage of total	77.67%	64.11%	82.36%	92.03%	89.60%	82.68%	79.11%
LAAP	529 300	424 489	465 499	473 866	519 754	560 706	611 149
Growth		-19.80%	9.66%	1.80%	9.68%	7.88%	9.00%
Percentage of total	21.16%	16.97%	18.61%	18.94%	20.78%	22.41%	24.43%
EMEA	367 100	298 907	382 060	438 554	469 237	511 778	576 920
Growth		-18.58%	27.82%	14.79%	7.00%	9.07%	12.73%
Percentage of total	14.67%	11.95%	15.27%	17.53%	18.76%	20.46%	23.06%
Canada	203 100	174 375	218 543	249 486	256 775	227 870	230 249
Growth		-14.14%	25.33%	14.16%	2.92%	-11.26%	1.04%
Percentage of total	8.12%	6.97%	8.74%	9.97%	10.26%	9.11%	9.20%
Total	**3 042 500**	**2 501 554**	**3 126 402**	**3 464 152**	**3 487 203**	**3 368 582**	**3 397 351**
		-17.78%	24.98%	10.80%	0.67%	-3.40%	0.85%

Source: Author, Company Data

Forecasted Period

	2026F	2027F	2028F	2029F	2030F	2031F
United States	2 008 718.50	2 048 892.86	2 091 919.62	2 135 849.93	2 180 702.78	2 219 955.43
Growth	1.50%	2.00%	2.10%	2.10%	2.10%	1.80%
Percentage of total	57.28%	56.64%	56.07%	55.48%	54.88%	54.42%
LAAP	635 594.96	654 662.81	674 302.69	694 531.77	715 367.73	736 828.76
Growth	4.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Percentage of total	18.71%	18.67%	18.64%	18.62%	18.58%	18.54%
EMEA	628 842.80	676 006.01	723 326.43	773 959.28	828 136.43	869 543.25
Growth	9.00%	7.50%	7.00%	7.00%	7.00%	5.00%
Percentage of total	18.51%	19.28%	20.00%	20.74%	21.51%	21.88%
Canada	233 932.98	237 675.91	241 478.73	245 342.39	249 267.86	253 256.15
Growth	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
Percentage of total	6.89%	6.78%	6.68%	6.58%	6.48%	6.37%
Total	**3 507 089 €**	**3 617 238 €**	**3 731 027 €**	**3 849 683 €**	**3 973 475 €**	**4 079 584 €**
		3.23%	3.14%	3.15%	3.18%	3.22%

Source: Author

Appendix 7 – Beta Regression

Regression Summary								
Regression Statistics								
Multiple R	0.767898436							
R Square	0.589668007							
Adjusted R Square	0.588101855							
Standard Error	0.03647837							
Observations	264							
ANOVA								
	df	*SS*	*MS*	*F*	*Significance F*			
Regression	1	0.501007604	0.501007604	376.5073666	1.33865E-52			
Residual	262	0.34863592	0.001330671					
Total	263	0.849643524						
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95,0%*	*Upper 95,0%*
Intercept	-0.00428668	0.003783317	-1.13304796	0.258229898	-0.011736257	0.003162898	-0.011736257	0.003162898
X Variable 1	0.987550806	0.050894718	19.40379774	1.33865E-52	0.887336068	1.087765544	0.887336068	1.087765544

Source: Author, Refinitiv Workspace

Appendix 8 – Equity Risk Premium Calculation

Region	U.S.	LAAP	EMEA	Canada	Total
Total Sales (in thousands)	2068228	560706	511778	2278700	5419412
Percentage of total Sales	38.16%	10.35%	9.44%	42.05%	100.00%

Source: Author, Company Data

Region	Country	Equity Risk Premium
U.S		
	United States	4.33%
LAAP		
	China	5.27%
	Japan	5.27%
	South Korea	4.99%
EMEA		
	Austria	4.86%
	Belgium	5.13%
	Finland	4.86%
	France	5.13%
	Germany	4.33%
	Ireland	5.13%
	Italy	7.26%
	Netherlands	4.33%
	Spain	6.46%
	United Kingdom	5.13%
Canada		
	Canada	4.33%

Source: Author, Damadoran (2026)

Appendix 9 – Free Cash flow to the Firm

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	2026E	2027E	2028E	2029E	2030E	2031E
NOPAT	109 968.53	353 710.37	336 591.24	258 407.31	202 722.30	153 685.05	130 543.33	171 182.72	187 070.18	204 219.38	222 637.20	240 704.09
Depreciation & Amortizatic	146 601.00	115 571.00	117 399.00	127 052.00	55 944.00	56 835.00	56 076.22	59 254.21	61 520.70	63 402.85	64 973.11	66 288.87
Total	**256 570**	**469 281**	**453 990**	**385 459**	**258 666**	**210 520**	**186 620**	**230 437**	**248 591**	**267 622**	**287 610**	**306 993**
CAPEX	-28 758	-34 744	-58 467	-54 607	-59 805	-66 166	-71 895	-70 536	-70 890	-71 219	-71 523	-71 921
Change in Working Capital	-35 550	-115 076	-503 133	210 413	124 321	16 396	-53 029	-64 267	-2 386	-17 239	-17 922	-30 269
Total	**- 64 308**	**- 149 820**	**- 561 600**	**155 806**	**64 516**	**- 49 770**	**- 124 924**	**- 134 803**	**- 73 276**	**- 88 459**	**- 89 444**	**- 102 191**
FCFF	**192 262**	**319 461**	**- 107 610**	**541 265**	**323 182**	**160 750**	**61 695**	**95 634**	**175 315**	**179 164**	**198 166**	**204 802**
PV FCFF							**56 768**	**87 996**	**148 431**	**139 575**	**142 049**	**2 197 853**

Source: Author

Appendix 10 – Sensitivity Analysis

Terminal Value Calculation

WACC \ Terminal Growth Rate	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%
7.93%	3 104 449.03	3 233 123.15	3 372 208.61	3 523 022.29	3 687 112.95	3 866 314.59	4 062 815.28
8.18%	2 992 448.15	3 112 114.33	3 241 086.51	3 380 494.13	3 531 657.15	3 696 127.90	3 875 744.62
8.43%	2 888 247.31	2 999 836.91	3 119 779.64	3 249 049.86	3 388 779.66	3 540 292.01	3 705 142.85
8.68%	2 791 059.08	2 895 378.78	3 007 225.67	3 127 444.94	3 257 013.22	3 397 065.18	3 548 926.87
8.93%	2 700 198.61	2 797 950.59	2 902 510.26	3 014 614.44	3 135 110.25	3 264 976.58	3 405 350.71
9.18%	2 615 067.40	2 706 865.77	2 804 842.09	2 909 641.73	3 022 003.20	3 142 775.56	3 272 939.94
9.43%	2 535 140.11	2 621 524.35	2 713 532.93	2 811 733.59	2 916 773.20	3 029 391.96	3 150 440.86

Source: Author

Enterprise Value Calculation

WACC \ Terminal Growth Rate	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%
7.93%	2 787 236.01	2 875 095.77	2 970 064.48	3 073 041.31	3 185 083.77	3 307 444.13	3 441 616.42
8.18%	2 682 421.12	2 763 190.39	2 850 240.80	2 944 334.66	3 046 362.88	3 157 373.21	3 278 606.40
8.43%	2 584 933.56	2 659 387.23	2 739 414.17	2 825 664.52	2 918 893.59	3 019 984.09	3 129 974.16
8.68%	2 494 033.39	2 562 839.63	2 636 610.57	2 715 903.70	2 801 363.16	2 893 737.35	2 993 900.89
8.93%	2 409 077.01	2 472 814.89	2 540 991.63	2 614 087.68	2 692 655.37	2 777 332.99	2 868 862.07
9.18%	2 329 501.99	2 388 675.74	2 451 831.83	2 519 386.27	2 591 815.10	2 669 665.65	2 753 570.34
9.43%	2 254 814.67	2 309 865.27	2 368 500.12	2 431 081.05	2 498 020.27	2 569 789.49	2 646 931.05

Source: Author

Appendix 11 – Scenario Analysis (Bear Case)

Forecasted Period (Bear Case)						
	2026F	2027F	2028F	2029F	2030F	2031F
United States	1 949 347.51	1 929 854.03	1 920 204.76	1 920 204.76	1 929 805.78	1 949 103.84
Growth	-1.50%	-1.00%	-0.50%	0.00%	0.50%	1.00%
Percentage of tota	57.18%	56.29%	55.57%	55.04%	54.68%	54.50%
LAAP	620 316.24	627 760.03	635 293.15	641 646.08	648 062.54	654 543.17
Growth	1.50%	1.20%	1.20%	1.00%	1.00%	1.00%
Percentage of tota	18.26%	18.41%	18.53%	18.57%	18.58%	18.55%
EMEA	605 766.00	633 025.47	658 346.49	681 388.62	701 830.27	719 376.03
Growth	5.00%	4.50%	4.00%	3.50%	3.00%	2.50%
Percentage of tota	17.83%	18.57%	19.20%	19.72%	20.12%	20.38%
Canada	233 932.98	237 675.91	241 478.73	245 342.39	249 267.86	253 256.15
Growth	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
Percentage of tota	6.89%	6.97%	7.04%	7.10%	7.15%	7.18%
Total	**3 409 363 €**	**3 428 315 €**	**3 455 323 €**	**3 488 582 €**	**3 528 966 €**	**3 576 279 €**
		0.35%	0.56%	0.79%	0.96%	1.16%

Source: Author

Appendix 12 – Scenario Analysis (Bull Case)

Forecasted Period (BULL Case)						
	2026F	2027F	2028F	2029F	2030F	2031F
United States	2 038 403.99	2 099 556.11	2 152 045.01	2 205 846.14	2 260 992.29	2 306 212.14
Growth	3.00%	3.00%	2.50%	2.50%	2.50%	2.00%
Percentage of tota	56.96%	55.73%	54.55%	53.49%	52.58%	51.63%
LAAP	660 040.92	709 543.99	759 212.07	808 560.85	857 074.50	904 213.60
Growth	8.00%	7.50%	7.00%	6.50%	6.00%	5.50%
Percentage of tota	19.43%	19.83%	20.15%	20.49%	20.78%	21.03%
EMEA	646 150.40	720 457.70	792 503.47	863 828.78	932 935.08	1 002 905.21
Growth	12.00%	11.50%	10.00%	9.00%	8.00%	7.50%
Percentage of tota	19.02%	20.13%	21.04%	21.90%	22.62%	23.32%
Canada	233 932.98	237 675.91	241 478.73	245 342.39	249 267.86	253 256.15
Growth	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
Percentage of tota	6.89%	6.64%	6.41%	6.22%	6.04%	5.89%
Total	**3 578 528 €**	**3 767 234 €**	**3 945 239 €**	**4 123 578 €**	**4 300 270 €**	**4 466 587 €**
		5.33%	5.27%	4.73%	4.52%	4.28%

Source: Author