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

FORM 10-Q

(Mark One)

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended December 31, 2024
OR

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission File Number: 001-36436

DECKERS OUTDOOR CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**95-3015862**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

250 Coromar Drive, Goleta, California 93117
(Address of principal executive offices and zip code)
(805) 967-7611
(Registrant's telephone number, including area code)

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.01 per share	DECK	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). **Yes** ☒ **No** ☐

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

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

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

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

As of the close of business on January 16, 2025, the number of outstanding shares of the registrant's common stock, par value $0.01 per share, was 151,773,639.

DECKERS OUTDOOR CORPORATION AND SUBSIDIARIES
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*Not applicable.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q for our third fiscal quarter ended December 31, 2024 (Quarterly Report), and the information and documents incorporated by reference within this Quarterly Report, contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act), which statements are subject to considerable risks and uncertainties. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements other than statements of historical fact contained in, or incorporated by reference within, this Quarterly Report. We have attempted to identify forward-looking statements by using words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "should," "will," or "would," and similar expressions or the negative of these expressions. Specifically, this Quarterly Report, and the information and documents incorporated by reference within this Quarterly Report, contain forward-looking statements relating to, among other things:

- changes in consumer preferences impacting our brands and products, and the footwear and fashion industries;
- global economic trends, including foreign currency exchange rate fluctuations, changes in interest rates, inflationary pressures, changes in commodity pricing, and recessionary concerns;
- the ability to effectively compete in a highly competitive footwear, apparel, and accessories industry;
- our business, operating, investing, capital allocation, marketing, and financing plans and strategies;
- the operational challenges faced by our warehouses and distribution centers (DCs), wholesale partners, global third-party logistics providers (3PLs), and third-party carriers, including as a result of global supply chain disruptions and labor shortages;
- trends, seasonality, and weather impacting the demand for our products and the purchasing behavior of wholesale partners and consumers;
- changes to the geographic and seasonal mix of our brands and products;
- availability of materials and manufacturing capacity, and reliability of overseas production and storage;
- changes to our product distribution strategies, including product allocation and segmentation strategies;
- the impact of our efforts to continue to advance sustainable and socially conscious business operations, and to meet the expectations that our investors and other stakeholders have with respect to our environmental, social and governance practices;
- the effects of climate change, natural disasters, and the impacts of public health issues, and the related changes in the regulatory environment and consumer demand to mitigate these effects, and the resulting impact on our business and the businesses of our customers, consumers, suppliers, and business partners;
- expansion of our brands, product offerings, and investments in our Direct-to-Consumer (DTC) capabilities, including our distribution facilities, e-commerce websites, and our retail store footprint;
- global geopolitical tensions, including the impact of economic sanctions on our transportation and energy costs;
- security breach or other disruption to our information technology (IT) systems, or those of our vendors;
- our interpretation of applicable global tax regulations and changes in tax laws and audits that may impact our tax liability and effective tax rates;
- our cash repatriation strategy regarding earnings of non-United States (US) subsidiaries and the resulting tax impacts;
- the outcomes of legal proceedings, including the impact they may have on our business and intellectual property rights; and
- the value of goodwill and other intangible assets, and potential write-downs or impairment charges.

Forward-looking statements represent management's current expectations and predictions about trends affecting our business and industry and are based on information available at the time such statements are made. Although we do not make forward-looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy or completeness. Forward-looking statements involve numerous known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements predicted, assumed, or implied by the forward-looking statements. Some of the risks and uncertainties that may cause our actual results to materially differ from those expressed or implied by these forward-looking statements are described in Part II, Item 1A, "Risk Factors," and Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," within this Quarterly Report, as well as in our other filings with the Securities and Exchange Commission (SEC), which are available free of charge on the SEC's website at *www.sec.gov* and our website at *ir.deckers.com*. You should read this Quarterly Report, including the information and documents incorporated by reference herein, in its entirety and with the understanding that our actual future results may be materially different from the results expressed or implied by these forward-looking statements. Moreover, new risks and uncertainties emerge occasionally, and it is not possible for management to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause our actual future results to be materially different from any results expressed or implied by any forward-looking statements. Except as required by applicable law or the listing rules of the New York Stock Exchange, we expressly disclaim any intent or obligation to update any forward-looking statements. We qualify all our forward-looking statements with these cautionary statements.

PART I. FINANCIAL INFORMATION

References within this Quarterly Report to "Deckers," "we," "our," "us," "management," or the "Company" refer to Deckers Outdoor Corporation, together with its consolidated subsidiaries. UGG® (UGG), HOKA® (HOKA), Teva® (Teva), Koolaburra by UGG® (Koolaburra), and AHNU® (AHNU) are some of our trademarks. Other trademarks or trade names appearing elsewhere within this Quarterly Report are the property of their respective owners. The trademarks and trade names within this Quarterly Report are referred to without the ® and ™ symbols, but such references should not be construed as any indication that their respective owners will not assert their rights to the fullest extent under applicable law.

Unless otherwise indicated, all figures herein are expressed in thousands, except for per share and share data.

On September 13, 2024, we effected a six-for-one forward stock split of our common stock and a proportional increase in our authorized shares of common stock, without changing the par value of $0.01 per share. The common stock commenced trading on a post-stock split adjusted basis on September 17, 2024. Prior period results included in this Quarterly Report, including per share and share data, as well as stockholders' equity balances, have been retroactively adjusted, as applicable, to reflect the effectiveness of the stock split. Refer to Note 1, "General," for further information regarding the stock split.

ITEM 1. FINANCIAL STATEMENTS

DECKERS OUTDOOR CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(dollar and share data amounts in thousands, except par value)

	December 31, 2024	March 31, 2024
ASSETS		(AUDITED)
Cash and cash equivalents	$ 2,240,923	$ 1,502,051
Trade accounts receivable, net of allowances ($41,837 and $27,331 as of December 31, 2024, and March 31, 2024, respectively)	303,079	296,565
Inventories	576,669	474,311
Prepaid expenses	47,005	34,284
Other current assets	79,242	92,713
Income tax receivable	27,194	43,559
Total current assets	3,274,112	2,443,483
Property and equipment, net of accumulated depreciation ($391,945 and $349,138 as of December 31, 2024, and March 31, 2024, respectively) (Note 11)	323,413	302,122
Operating lease assets	218,876	225,669
Goodwill	13,990	13,990
Other intangible assets, net of accumulated amortization ($24,417 and $91,314 as of December 31, 2024, and March 31, 2024, respectively)	15,798	27,083
Deferred tax assets, net	65,377	72,584
Other assets	52,787	50,648
Total assets	**$ 3,964,353**	**$ 3,135,579**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Trade accounts payable	$ 586,371	$ 378,503
Accrued payroll	97,336	123,653
Operating lease liabilities	46,014	53,581
Other accrued expenses	192,276	106,785
Income tax payable	99,119	52,338
Value added tax payable	11,766	5,133
Total current liabilities	1,032,882	719,993
Long-term operating lease liabilities	211,015	213,298
Income tax liability	37,499	52,470
Other long-term liabilities	52,038	42,350
Total long-term liabilities	300,552	308,118
Commitments and contingencies (Note 5)		
Stockholders' equity		
Common stock (par value $0.01 per share; 750,000 shares authorized; shares issued and outstanding of 151,770 and 153,554 as of December 31, 2024, and March 31, 2024, respectively)	1,518	1,536
Additional paid-in capital	259,947	243,050
Retained earnings	2,424,898	1,913,615
Accumulated other comprehensive loss (Note 8)	(55,444)	(50,733)
Total stockholders' equity	2,630,919	2,107,468
Total liabilities and stockholders' equity	**$ 3,964,353**	**$ 3,135,579**

See accompanying notes to the condensed consolidated financial statements.

DECKERS OUTDOOR CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(dollar and share data amounts in thousands, except per share data)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Net sales (Note 2, Note 10, and Note 11)	**$ 1,827,165**	**$ 1,560,307**	**$ 3,963,832**	**$ 3,328,005**
Cost of sales	724,542	643,738	1,657,937	1,481,993
Gross profit	**1,102,623**	**916,569**	**2,305,895**	**1,846,012**
Selling, general, and administrative expenses	535,349	428,670	1,300,728	1,062,760
Income from operations (Note 10)	**567,274**	**487,899**	**1,005,167**	**783,252**
Interest income	(15,978)	(11,895)	(48,027)	(33,271)
Interest expense	610	911	2,792	2,927
Other income, net	(1,300)	(170)	(1,605)	(1,138)
Total other income, net	(16,668)	(11,154)	(46,840)	(31,482)
Income before income taxes	**583,942**	**499,053**	**1,052,007**	**814,734**
Income tax expense (Note 4)	127,208	109,134	237,327	182,716
Net income	**456,734**	**389,919**	**814,680**	**632,018**
Other comprehensive (loss) income, net of tax				
Unrealized gain (loss) on cash flow hedges	6,021	(3,645)	2,555	110
Foreign currency translation (loss) gain	(17,707)	10,722	(7,266)	(3,449)
Total other comprehensive (loss) income, net of tax	**(11,686)**	**7,077**	**(4,711)**	**(3,339)**
Comprehensive income	**$ 445,048**	**$ 396,996**	**$ 809,969**	**$ 628,679**
Net income per share				
Basic	$ 3.01	$ 2.53	$ 5.35	$ 4.06
Diluted	$ 3.00	$ 2.52	$ 5.33	$ 4.03
Weighted-average common shares outstanding (Note 9)				
Basic	151,820	153,985	152,307	155,716
Diluted	152,386	154,865	152,924	156,670

See accompanying notes to the condensed consolidated financial statements.

DECKERS OUTDOOR CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(amounts in thousands)

	Nine Months Ended December 31, 2024					
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance, March 31, 2024	**153,554**	**$ 1,536**	**$ 243,050**	**$ 1,913,615**	**$ (50,733)**	**$ 2,107,468**
Stock-based compensation	2	—	8,231	—	—	8,231
Shares issued upon vesting	6	—	—	—	—	—
Exercise of stock options	54	1	600	—	—	601
Shares withheld for taxes	—	—	(495)	—	—	(495)
Repurchases of common stock (Note 8)	(1,062)	(11)	—	(151,956)	—	(151,967)
Excise taxes related to repurchases of common stock	—	—	—	(1,181)	—	(1,181)
Net income	—	—	—	115,625	—	115,625
Total other comprehensive loss	—	—	—	—	(3,800)	(3,800)
Balance, June 30, 2024	**152,554**	**1,526**	**251,386**	**1,876,103**	**(54,533)**	**2,074,482**
Stock-based compensation	2	—	11,657	—	—	11,657
Shares issued upon vesting	129	1	1,637	—	—	1,638
Exercise of stock options	9	—	93	—	—	93
Shares withheld for taxes	—	—	(12,561)	—	—	(12,561)
Repurchases of common stock (Note 8)	(686)	(7)	—	(104,316)	—	(104,323)
Excise taxes related to repurchases of common stock	—	—	—	(843)	—	(843)
Net income	—	—	—	242,321	—	242,321
Total other comprehensive income	—	—	—	—	10,775	10,775
Balance, September 30, 2024	**152,008**	**1,520**	**252,212**	**2,013,265**	**(43,758)**	**2,223,239**
Stock-based compensation	2	—	8,653	—	—	8,653
Shares issued upon vesting	8	—	—	—	—	—
Exercise of stock options	27	—	274	—	—	274
Shares withheld for taxes	—	—	(1,192)	—	—	(1,192)
Repurchases of common stock (Note 8)	(275)	(2)	—	(44,719)	—	(44,721)
Excise taxes related to repurchases of common stock	—	—	—	(382)	—	(382)
Net income	—	—	—	456,734	—	456,734
Total other comprehensive loss	—	—	—	—	(11,686)	(11,686)
Balance, December 31, 2024	**151,770**	**$ 1,518**	**$ 259,947**	**$ 2,424,898**	**$ (55,444)**	**$ 2,630,919**

DECKERS OUTDOOR CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
(amounts in thousands)
(continued)

	Nine Months Ended December 31, 2023					
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance, March 31, 2023	**157,054**	**$ 1,571**	**$ 230,841**	**$ 1,572,356**	**$ (39,035)**	**$ 1,765,733**
Stock-based compensation	4	—	6,877	—	—	6,877
Shares issued upon vesting	16	—	—	—	—	—
Exercise of stock options	47	—	548	—	—	548
Shares withheld for taxes	—	—	(698)	—	—	(698)
Repurchases of common stock (Note 8)	(314)	(3)	—	(25,466)	—	(25,469)
Excise taxes related to repurchases of common stock	—	—	—	(123)	—	(123)
Net income	—	—	—	63,552	—	63,552
Total other comprehensive loss	—	—	—	—	(8,299)	(8,299)
Balance, June 30, 2023	**156,807**	**1,568**	**237,568**	**1,610,319**	**(47,334)**	**1,802,121**
Stock-based compensation	3	—	9,802	—	—	9,802
Shares issued upon vesting	144	1	1,164	—	—	1,165
Exercise of stock options	46	—	533	—	—	533
Shares withheld for taxes	—	—	(7,759)	—	—	(7,759)
Repurchases of common stock (Note 8)	(2,082)	(21)	—	(185,448)	—	(185,469)
Excise taxes related to repurchases of common stock	—	—	—	(1,693)	—	(1,693)
Net income	—	—	—	178,547	—	178,547
Total other comprehensive loss	—	—	—	—	(2,117)	(2,117)
Balance, September 30, 2023	**154,918**	**1,548**	**241,308**	**1,601,725**	**(49,451)**	**1,795,130**
Stock-based compensation	3	1	11,845	—	—	11,846
Shares issued upon vesting	14	—	—	—	—	—
Exercise of stock options	135	2	1,442	—	—	1,444
Shares withheld for taxes	—	—	(696)	—	—	(696)
Repurchases of common stock (Note 8)	(1,178)	(12)	—	(99,685)	—	(99,697)
Excise taxes related to repurchases of common stock	—	—	—	(833)	—	(833)
Net income	—	—	—	389,919	—	389,919
Total other comprehensive income	—	—	—	—	7,077	7,077
Balance, December 31, 2023	**153,892**	**$ 1,539**	**$ 253,899**	**$ 1,891,126**	**$ (42,374)**	**$ 2,104,190**

See accompanying notes to the condensed consolidated financial statements.

DECKERS OUTDOOR CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(amounts in thousands)

	Nine Months Ended December 31,	
	2024	2023
OPERATING ACTIVITIES		
Net income	$ 814,680	$ 632,018
Reconciliation of net income to net cash provided by (used in) operating activities:		
Depreciation, amortization, and accretion	50,911	40,901
Amortization on cloud computing arrangements	1,858	1,651
Bad debt expense	5,294	2,212
Deferred tax expense	5,791	2,850
Stock-based compensation	28,774	28,687
Loss on disposal of assets	3,022	235
Impairment of cloud computing arrangements, operating lease, and other long-lived assets	3,699	1,129
Changes in operating assets and liabilities:		
Trade accounts receivable, net	(11,809)	(32,379)
Inventories	(105,787)	(6,111)
Prepaid expenses and other current assets	2,502	(22,498)
Income tax receivable	16,364	(10,585)
Net operating lease assets and lease liabilities	(2,791)	8,188
Other assets	(6,161)	(6,595)
Trade accounts payable	206,893	242,496
Other accrued expenses	64,307	92,042
Income tax payable	46,781	92,028
Other long-term liabilities	(6,813)	(4,411)
Net cash provided by operating activities	**1,117,515**	**1,061,858**
INVESTING ACTIVITIES		
Purchases of property and equipment	(69,729)	(74,078)
Proceeds from sale of assets	11,168	34
Net cash used in investing activities	**(58,561)**	**(74,044)**
FINANCING ACTIVITIES		
Proceeds from issuance of stock	1,638	1,165
Proceeds from exercise of stock options	968	2,525
Repurchases of common stock	(301,011)	(310,635)
Cash paid for excise taxes related to repurchases of common stock	(3,985)	—
Cash paid for shares withheld for taxes	(14,248)	(9,153)
Net cash used in financing activities	**(316,638)**	**(316,098)**
Effect of foreign currency exchange rates on cash and cash equivalents	(3,444)	(2,709)
Net change in cash and cash equivalents	**738,872**	**669,007**
Cash and cash equivalents at beginning of period	**1,502,051**	**981,795**
Cash and cash equivalents at end of period	**$ 2,240,923**	**$ 1,650,802**

DECKERS OUTDOOR CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(amounts in thousands)
(continued)

	Nine Months Ended December 31,	
	2024	2023
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Cash paid during the period		
Income taxes	$ 182,282	$ 108,439
Interest	1,246	1,358
Operating leases	52,165	49,283
Non-cash investing activities		
Changes in trade accounts payable and other accrued expenses for purchases of property and equipment	979	(10,162)
Accrued for asset retirement obligation assets related to leasehold improvements	1,399	1,094
Leasehold improvements acquired through tenant allowances	—	8,127
Non-cash financing activities		
Accrued excise taxes related to repurchases of common stock	2,406	2,649

See accompanying notes to the condensed consolidated financial statements.

DECKERS OUTDOOR CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the Three and Nine Months Ended December 31, 2024, and 2023
(dollar amounts in thousands, except per share or share data)

NOTE 1. GENERAL

The Company. Deckers Outdoor Corporation and its wholly owned subsidiaries (collectively, the Company) is a global leader in designing, marketing, and distributing innovative footwear, apparel, and accessories developed for both everyday casual lifestyle use and high-performance activities. The Company's five proprietary brands include the UGG, HOKA, Teva, Koolaburra, and AHNU brands. Refer to the section titled "Reportable Operating Segments," below within this Note 1, "General," for information on the sale of the Sanuk brand during the three months ended September 30, 2024 (prior quarter) and the Company's plans to phase out standalone operations for the Koolaburra brand.

The Company sells its products through quality domestic and international retailers, international distributors, and directly to its global consumers through its DTC business, which is comprised of its e-commerce business and retail stores. Independent third-party contractors manufacture all of the Company's products.

Seasonality. A significant part of the UGG brand's business has historically been seasonal, requiring the Company to build inventory levels during certain quarters in its fiscal year to support higher selling seasons, which has contributed to variation in its results from quarter to quarter. However, as the Company continues to take steps to diversify and expand its product offerings by creating more year-round styles, and as net sales of the HOKA brand, which generally occur more evenly throughout the year, continue to increase as a percentage of the Company's aggregate net sales, the Company expects to continue to see the impact from seasonality decrease over time.

Basis of Presentation. The unaudited condensed consolidated financial statements and accompanying notes thereto (referred to herein as condensed consolidated financial statements) as of December 31, 2024, and for the three and nine months ended December 31, 2024 (current period), and 2023 (prior period) are prepared in accordance with generally accepted accounting principles in the US (US GAAP) for interim financial information pursuant to Rule 10-01 of Regulation S-X issued by the SEC. Accordingly, the condensed consolidated financial statements do not include all the information and disclosures required by US GAAP for annual financial statements and accompanying notes thereto. The condensed consolidated balance sheet as of March 31, 2024, is derived from the Company's audited consolidated financial statements. In the opinion of management, the condensed consolidated financial statements include all normal and recurring entries necessary to fairly present the results of the interim periods presented but are not necessarily indicative of actual results to be achieved for full fiscal years or other interim periods. The condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2024 (prior fiscal year), which was filed with the SEC on May 24, 2024 (2024 Annual Report).

Forward Stock Split and Authorized Share Increase. On September 13, 2024, the Company (i) effected a six-for-one forward stock split of its common stock and preferred stock (the stock split), and (ii) increased the number of authorized shares of its common stock from 125,000,000 to 750,000,000, and the number of authorized shares of its capital stock from 130,000,000 to 755,000,000 (the authorized share increase). The stock split and the authorized share increase were effected through the filing of an amendment to the Company's Amended and Restated Certificate of Incorporation (Charter Amendment) with the Secretary of State of the State of Delaware, which was approved by the Company's stockholders at the Annual Meeting of Stockholders held on September 9, 2024 (Annual Meeting). The Charter Amendment did not provide for any increase in the number of authorized shares of preferred stock, which remains at 5,000,000 shares. There are no shares of preferred stock outstanding as of December 31, 2024, and March 31, 2024. As a result of the stock split, every one share of common stock outstanding on September 6, 2024, the record date for the stock split, was automatically split into six shares of common stock. The common stock commenced trading on a post-stock split adjusted basis on September 17, 2024.

All prior period results included in the condensed consolidated financial statements and the related notes within this Quarterly Report have been retroactively adjusted to reflect the effectiveness of the stock split and the authorized share increase. Specifically, all share and per share amounts have been adjusted, including: (i) the number of shares authorized and outstanding on the condensed consolidated balance sheets, (ii) the weighted-average common shares outstanding and the associated earnings per share amounts in the condensed consolidated statements of comprehensive income, as well as the weighted average common shares outstanding disaggregated in Note 9, “Basic and Diluted Shares,” (iii) the number of shares underlying stock awards and the weighted-average grant date fair value of annual stock awards in Note 6, “Stock-Based Compensation,” and (iv) the total number of shares repurchased and the weighted average price per share paid in Note 8, “Stockholders’ Equity.” Further, as there was no change to par value, an amount equal to the par value of the increased shares resulting from the stock split for shares issued was reclassified to common stock from additional paid-in capital, and for share repurchases was reclassified to retained earnings from common stock, in the condensed consolidated balance sheets and the condensed consolidated statements of stockholders’ equity.

Consolidation. The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates. The preparation of the Company’s condensed consolidated financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported. Management bases these estimates and assumptions upon historical experience, existing and known circumstances, authoritative accounting pronouncements and other factors that management believes to be reasonable. In addition, the Company has considered the potential impact of macroeconomic factors, including inflation, foreign currency exchange rate volatility, changes in interest rates, changes in commodity pricing, changes in discretionary spending, and recessionary concerns, on its business and operations. Although the full impact of these factors is unknown, the Company believes it has made appropriate accounting estimates and assumptions based on the facts and circumstances available as of the reporting date. However, actual results could differ materially from these estimates and assumptions, which may result in material effects on the Company’s financial condition, results of operations, and liquidity. To the extent there are differences between these estimates and actual results, the Company’s condensed consolidated financial statements may be materially affected.

Significant areas requiring the use of management estimates and assumptions relate to inventory write-downs; trade accounts receivable allowances, including variable consideration for net sales provided to customers, such as the sales return asset and liability; contract assets and liabilities; stock-based compensation; impairment assessments, including goodwill, other intangible assets, and long-lived assets; depreciation and amortization; income tax receivables and liabilities; uncertain tax positions; the fair value of financial instruments; the reasonably certain lease term; lease classification; and the Company’s incremental borrowing rate utilized to measure its operating lease assets and lease liabilities.

Foreign Currency Translation. The Company considers the US dollar as its functional currency. The Company’s wholly owned foreign subsidiaries have various assets and liabilities, primarily cash, receivables, and payables, which are denominated in currencies other than its functional currency. The Company remeasures these monetary assets and liabilities using the exchange rate at the end of the reporting period, which results in gains and losses that are recorded in selling, general, and administrative (SG&A) expenses in the condensed consolidated statements of comprehensive income as incurred. In addition, the Company translates assets and liabilities of subsidiaries with reporting currencies other than US dollars into US dollars using the exchange rates at the end of the reporting period, which results in financial statement translation gains and losses recorded in other comprehensive income or loss (OCI) in the condensed consolidated statements of comprehensive income.

Reportable Operating Segments. As of December 31, 2024, the Company’s five reportable operating segments include the worldwide wholesale operations of the UGG brand, HOKA brand, Teva brand, and Other brands (primarily consisting of the Koolaburra brand, as well as the recently launched AHNU brand), as well as DTC (collectively, the Company’s reportable operating segments).

Sanuk Brand. During the prior quarter, the Company entered into an agreement pursuant to which the buyer agreed to purchase the Sanuk brand and certain related assets which was completed on August 15, 2024 (Sanuk Brand Sale Date). The Company determined that the divestiture of the Sanuk brand did not represent a strategic shift that had or will have a major effect on the condensed consolidated results of operations, and therefore results of this business were not classified as discontinued operations. The Company's financial results for its reportable operating segments present the former Sanuk brand through the Sanuk Brand Sale Date for all channels, and the former Sanuk brand wholesale reportable operating segment financial results has been reclassified into the Other brands wholesale reportable operating segment for all periods presented. Refer to Note 10, "Reportable Operating Segments," for further information on the Company's reportable operating segments.

Koolaburra Brand. During the three months ended December 31, 2024, the Company began taking steps to phase out its standalone operations for the Koolaburra brand in order to maintain focus on the Company's most significant organic opportunities. As part of this change, the Company expects to sunset Koolaburra.com at the close of this current fiscal year and wind down the Koolaburra brand in the wholesale channel throughout calendar year 2025. As of December 31, 2024, the Company has not incurred, nor expects to incur, material exit costs or obligations associated with this plan.

Recent Accounting Pronouncements. The Financial Accounting Standards Board has issued Accounting Standards Updates (ASU) that have been adopted and not yet adopted by the Company as stated below.

Recently Adopted. The following is a summary of an ASU adopted by and its impact on the Company:

Standard	Description	Impact Upon Adoption
ASU 2022-04 - Supplier Finance Program (SFP)	The ASU requires that a buyer in a SFP disclose qualitative and quantitative information about its program on an interim basis, including the nature of the SFP and key terms, outstanding amounts as of the end of the reporting period, and presentation in its financial statements. The interim portion of this ASU is effective on a retrospective basis for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. Early adoption is permitted. The annual requirement that requires a buyer in a SFP disclose an activity roll forward of outstanding balances as of the end of the reporting period has not yet been adopted. This annual portion of this ASU is effective on a prospective basis for fiscal years beginning after December 15, 2023. Early adoption is not permitted.	The Company retrospectively adopted this ASU beginning on April 1, 2023, except for the roll forward requirements. This ASU did not have a material impact on the recognition, measurement, or presentation of SFPs in the Company's annual and interim consolidated financial statements. However, it did result in additional disclosure. Refer to Note 11, "Supplier Finance Program," for further information on the Company's SFP key terms and outstanding balances recorded in the condensed consolidated balance sheets. The Company plans to adopt the annual roll forward requirement beginning with its fiscal year (FY) ending March 31, 2025, and does not expect the adoption to have a material impact on its consolidated financial statements.

Not Yet Adopted. The following is a summary of each ASU that has been issued and is applicable to the Company, but which has not yet been adopted, as well as the planned period of adoption, and the expected impact on the Company upon adoption:

Standard	Description	Planned Period of Adoption	Expected Impact on Adoption
ASU 2023-07 - Improvements to Reportable Segment Disclosures	The ASU requires annual and interim disclosures of significant segment expenses, including an amount and composition description for other segment items, and how reported measures of profit or loss are used by the chief operating decision maker (CODM) in assessing segment performance and deciding how to allocate resources. The ASU is effective on a retrospective basis for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted.	Q4 FY 2025 and Q1 FY 2026	Other than additional disclosures, the Company does not expect a material change to its annual and interim consolidated financial statements.

Standard	Description	Planned Period of Adoption	Expected Impact on Adoption
ASU 2023-09 - Improvements to Income Tax Disclosures	The ASU requires annual disclosures of prescribed standard categories for the components of the effective tax rate reconciliation, disclosure of income taxes paid disaggregated by jurisdiction, and other income-tax related disclosures. The ASU is effective on a prospective basis, with retrospective application permitted, for fiscal years beginning after December 15, 2024. Early adoption is permitted.	Q4 FY 2026	The Company is currently evaluating the impact of the adoption of this ASU on its disclosures in its annual and interim consolidated financial statements.
ASU 2024-03 - Disaggregation of Income Statement Expenses (as amended by ASU 2025-01)	The ASU requires disaggregated disclosure of relevant statement of comprehensive income expense captions including tabular presentation of prescribed expense categories such as purchases of inventory, employee compensation, depreciation, intangible asset amortization, and other specific expense, gains, and losses required by existing US GAAP. The ASU is effective on a prospective basis, with retrospective application permitted, for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted.	Q4 FY 2028 and Q1 FY 2029	The Company is currently evaluating the impact of the adoption of this ASU on its disclosures in its annual and interim consolidated financial statements.

NOTE 2. REVENUE RECOGNITION

Disaggregated Revenue. Refer to Note 10, “Reportable Operating Segments,” for further information on the Company’s disaggregation of revenue by reportable operating segment.

Sales Return Asset and Liability. Sales returns are a refund asset for the right to recover the inventory and a refund liability for the stand-ready right of return. The refund asset for the right to recover the inventory is recorded in other current assets and the related refund liability is recorded in other accrued expenses in the condensed consolidated balance sheets.

The following tables summarize changes in the estimated sales returns for the periods presented:

	Recovery Asset	Refund Liability
Balance, March 31, 2024	**$ 13,866**	**$ (55,327)**
Net additions to sales return liability [1]	63,580	(266,277)
Actual returns	(47,842)	216,359
Balance, December 31, 2024	**$ 29,604**	**$ (105,245)**

	Recovery Asset	Refund Liability
Balance, March 31, 2023	**$ 15,685**	**$ (45,322)**
Net additions to sales return liability [1]	52,700	(221,702)
Actual returns	(43,081)	180,736
Balance, December 31, 2023	**$ 25,304**	**$ (86,288)**

[1] Net additions to the sales return liability include a provision for anticipated sales returns, which consists of both contractual return rights and discretionary authorized returns.

Contract Liabilities. Contract liabilities are recorded in other accrued expenses in the condensed consolidated balance sheets and include loyalty programs and other deferred revenue.

Loyalty Programs. Activity related to loyalty programs was as follows:

	Nine Months Ended December 31,	
	2024	2023
Beginning balance	**$ (17,586)**	**$ (13,144)**
Redemptions and expirations for loyalty certificates and points recognized in net sales	45,884	35,518
Deferred revenue for loyalty points and certificates issued	(56,363)	(45,002)
Ending balance	**$ (28,065)**	**$ (22,628)**

Deferred Revenue. Activity related to deferred revenue was as follows:

	Nine Months Ended December 31,	
	2024	2023
Beginning balance	**$ (9,591)**	**$ (13,448)**
Additions of customer cash payments	(69,422)	(53,615)
Revenue recognized	60,217	45,739
Ending balance	**$ (18,796)**	**$ (21,324)**

Refer to Note 2, “Revenue Recognition,” in the Company’s consolidated financial statements in Part IV of the 2024 Annual Report for further information on the Company’s variable consideration accounting policies, including sales return asset and liability, as well as contract liabilities.

NOTE 3. FAIR VALUE MEASUREMENTS

The Company measures certain financial assets and liabilities at fair value on a recurring basis. Refer to Note 4, “Fair Value Measurements,” in the Company’s consolidated financial statements in Part IV of the 2024 Annual Report for further information on the Company’s fair value accounting policies.

Assets and liabilities that are measured on a recurring basis at fair value in the condensed consolidated balance sheets are as follows:

	As of	Measured Using		
	December 31, 2024	Level 1	Level 2	Level 3
Assets:				
Cash equivalents:				
Money-market funds	$ 1,704,902	$ 1,704,902	$ —	$ —
Other current assets:				
Designated Derivative Contracts asset	3,380	—	3,380	—
Other assets:				
Non-qualified deferred compensation asset	16,824	16,824	—	—
Total assets measured at fair value	**$ 1,725,106**	**$ 1,721,726**	**$ 3,380**	**$ —**
Liabilities:				
Other accrued expenses:				
Non-qualified deferred compensation liability	$ (1,192)	$ (1,192)	$ —	$ —
Other long-term liabilities:				
Non-qualified deferred compensation liability	(24,731)	(24,731)	—	—
Total liabilities measured at fair value	**$ (25,923)**	**$ (25,923)**	**$ —**	**$ —**

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	As of March 31, 2024	Measured Using Level 1	Level 2	Level 3
Assets:				
Cash equivalents:				
Money-market funds	$ 1,152,083	$ 1,152,083	$ —	$ —
Other assets:				
Non-qualified deferred compensation asset	13,553	13,553	—	—
Total assets measured at fair value	**$ 1,165,636**	**$ 1,165,636**	**$ —**	**$ —**
Liabilities:				
Other accrued expenses:				
Non-qualified deferred compensation liability	$ (408)	$ (408)	$ —	$ —
Other long-term liabilities:				
Non-qualified deferred compensation liability	(16,229)	(16,229)	—	—
Total liabilities measured at fair value	**$ (16,637)**	**$ (16,637)**	**$ —**	**$ —**

The fair value of Designated Derivative Contracts is determined using quoted forward spot rates at the end of the applicable reporting period from counterparties, which are corroborated by market-based pricing (Level 2), with related assets and liabilities recorded in other current assets and other accrued expenses, respectively, in the condensed consolidated balance sheets. Refer to Note 7, “Derivative Instruments,” for further information, including the definition of the term Designated Derivative Contracts.

NOTE 4. INCOME TAXES

Income tax expense and the effective income tax rate were as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Income tax expense	$ 127,208	$ 109,134	$ 237,327	$ 182,716
Effective income tax rate	21.8 %	21.9 %	22.6 %	22.4 %

The tax provisions during the three and nine months ended December 31, 2024, and 2023, were computed using the estimated effective income tax rate applicable to each of the domestic and foreign taxable jurisdictions for the fiscal years ending March 31, 2025, and March 31, 2024, respectively, and were adjusted for discrete items that occurred within the periods presented above. During the current period, the net change in the effective income tax rate, compared to the prior period, was primarily due to changes in jurisdictional mix of worldwide income before income taxes, partially offset by a lower benefit from net discrete items, including a change in return-to-provision adjustments and tax benefits for stock-based compensation. In addition, the net change in the effective income tax rate due to net discrete items during the nine months ended December 31, 2024 included a change in valuation allowance on tax attributes.

Recent Tax Law Changes. The Organization for Economic Co-operation and Development (commonly known as OECD) has released Pillar Two model rules introducing a 15% global minimum tax rate for large multinational corporations to be effective starting with tax periods ending in 2024. Various jurisdictions in which the Company operates have enacted or plan to enact legislation beginning in calendar year 2024 or in subsequent years. The enactment of Pillar Two legislation did not have a material effect on the Company’s condensed consolidated statements of comprehensive income during the current period. The Company will continue to monitor and reflect the impact of such legislative changes in future periods, as each of the respective jurisdictions enact the legislation and the legislation becomes effective.

NOTE 5. COMMITMENTS AND CONTINGENCIES

Leases. The Company primarily leases retail stores, showrooms, offices, and distribution facilities under operating lease contracts. There were no material changes outside the ordinary course of business during the nine months ended December 31, 2024, to the operating lease terms disclosed in the 2024 Annual Report.

Supplemental information for amounts presented in the condensed consolidated statements of cash flows related to operating leases, were as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Non-cash operating activities [1]				
Operating lease assets obtained in exchange for lease liabilities	$ 23,814	$ 32,929	$ 39,912	$ 67,668
Reductions to operating lease assets for reductions to lease liabilities	(229)	(79)	(1,350)	(7,750)

[1] Amounts disclosed include non-cash additions or reductions resulting from lease remeasurements, as well as reductions for tenant improvement allowances.

Purchase Obligations. There were no material changes outside the ordinary course of business during the nine months ended December 31, 2024, to purchase obligations disclosed in the 2024 Annual Report.

Litigation. From time to time, the Company is involved in various legal proceedings, disputes, and other claims arising in the ordinary course of business, including employment, intellectual property, and product liability claims. Although the results of these matters cannot be predicted with certainty, the Company believes it is not currently a party to any legal proceedings, disputes, or other claims for which a material loss is considered probable and for which the amount (or range) of loss is reasonably estimable. However, regardless of the merit of the claims raised or the outcome, these matters can have an adverse impact on the Company as a result of legal costs, diversion of management's time and resources, and other factors.

Refer to Note 7, "Commitments and Contingencies," in the Company's consolidated financial statements in Part IV of the 2024 Annual Report for further information on the Company's contractual obligations and commitments.

NOTE 6. STOCK-BASED COMPENSATION

Stock Incentive Plans. In September 2015, the Company's stockholders approved the 2015 Stock Incentive Plan (2015 SIP), which initially reserved 7,650,000 shares of the Company's common stock for issuance to employees, directors, consultants, independent contractors, and advisors. The 2015 SIP provided for the issuance of a variety of stock-based compensation awards, including time-based restricted stock units (RSUs), performance-based restricted stock units (PSUs), long-term incentive plan PSUs (LTIP PSUs), stock appreciation rights, stock bonuses, incentive stock options (ISOs), and non-qualified stock options (NQSOs). Refer to Note 8, "Stock-Based Compensation," in the Company's consolidated financial statements in Part IV of the 2024 Annual Report for additional information about the terms of the 2015 SIP.

In September 2024, the Company's stockholders approved the 2024 Stock Incentive Plan (2024 SIP), which is intended to replace the 2015 SIP. Consistent with the 2015 SIP, the primary purpose of the 2024 SIP is to encourage ownership in the Company by key personnel, whose long-term service is considered essential to the Company's continued success. As a result of the stock split, the number of shares of common stock reserved for issuance under the 2024 SIP and the number of shares underlying outstanding equity awards and the exercise price of stock options were adjusted proportionately.

The 2024 SIP initially reserves 7,800,000 shares of the Company's common stock for issuance to employees, directors, consultants, and independent contractors, less one share for every one share granted under the 2015 SIP after March 31, 2024 and prior to September 9, 2024, the effective date of the 2024 SIP, subject to an increase from the return of shares under the 2015 SIP as described below. The terms of the 2024 SIP are substantially similar to the terms of the 2015 SIP. The 2024 SIP provides for the issuance of a variety of stock-based compensation awards, including RSUs, PSUs, LTIP PSUs, stock appreciation rights, stock bonuses, ISOs, and NQSOs. The maximum aggregate number of shares that may be issued to employees under the 2024 SIP through the exercise of ISOs is 4,500,000.

The Company will not grant any further equity awards under the 2015 SIP. Outstanding awards under the 2015 SIP will remain outstanding, unchanged and subject to the terms of the 2015 SIP and their respective award agreements. Shares subject to awards that are forfeited, expire or are otherwise terminated without shares being issued, or shares withheld to pay the exercise price of an award or to satisfy tax withholding obligations, including shares subject to awards granted under the 2015 SIP that are outstanding after March 31, 2024, will be returned to the pool of shares available for grant and issuance under the 2024 SIP. As of December 31, 2024, 7,783,829 shares of common stock remained available for future issuance under the 2024 SIP, subject to adjustment for future stock splits, stock dividends, and similar changes in capitalization.

Annual Stock Awards. The Company granted the following awards during the periods presented:

	Nine Months Ended December 31,			
	2024		2023	
Award Type	Number of Shares	Weighted-Average Grant Date Fair Value	Number of Shares	Weighted-Average Grant Date Fair Value
RSUs	159,891	$ 159.73	220,044	$ 92.12
LTIP PSUs [(1)]	72,213	173.09	125,076	105.65

[(1)] The amounts granted are at the target performance level under the terms of the applicable LTIP PSUs.

During the nine months ended December 31, 2024, with the exception of the RSU and LTIP PSU awards summarized above, additional material awards were not granted under the 2015 SIP or 2024 SIP.

For the LTIP PSUs granted during fiscal years ending March 31, 2025, 2024, and 2023, the Company expects to exceed the minimum threshold target performance criteria based on the Company's current long-range forecast as of December 31, 2024. Refer to Note 8, "Stock-Based Compensation," in the Company's consolidated financial statements in Part IV of the 2024 Annual Report for further information on the Company's prior grants, including terms of each grant under the 2015 SIP.

Employee Stock Purchase Plans. In September 2015, the Company's stockholders approved the 2015 Employee Stock Purchase Plan (2015 ESPP), which authorized 6,000,000 shares of the Company's common stock for sale to eligible employees using after-tax payroll deductions. Following the issuance of shares under the 2015 ESPP to employees who are participating in the offering period ending February 28, 2025, the 2015 ESPP will be terminated, and no new offering periods under the 2015 ESPP will commence thereafter. Refer to Note 8, "Stock-Based Compensation," in the Company's consolidated financial statements in Part IV of the 2024 Annual Report for additional information related to the terms of the 2015 ESPP.

In September 2024, the Company's stockholders approved the 2024 Employee Stock Purchase Plan (2024 ESPP), which is intended to replace the 2015 ESPP. The 2024 ESPP reserves 6,000,000 shares of the Company's common stock for sale to eligible employees. The terms of the 2024 ESPP are substantially similar to the terms of the 2015 ESPP. Each offering period under the 2024 ESPP is anticipated to run for approximately six months with purchases occurring on the last day of each offering period at a 15% discount to the closing price on that date. The first offering period is expected to commence on March 1, 2025.

Unrecognized Stock-Based Compensation. Total remaining unrecognized stock-based compensation as of December 31, 2024, related to non-vested awards that the Company considers probable to vest and the weighted-average period over which the cost is expected to be recognized in future periods, is as follows:

Award Type	Unrecognized Stock-Based Compensation	Weighted-Average Remaining Vesting Period (Years)
RSUs	$ 26,790	1.2
LTIP PSUs	23,585	1.0
Total	**$ 50,375**	

NOTE 7. DERIVATIVE INSTRUMENTS

The Company enters into foreign currency forward or option contracts (derivative contracts) with maturities of 15 months or less to manage foreign currency risk and certain of these derivative contracts are designated as cash flow hedges of forecasted sales (Designated Derivative Contracts). Refer to Note 1, “General,” in the Company’s consolidated financial statements in Part IV of the 2024 Annual Report for further information related to accounting policies on the Company’s derivative contracts.

As of December 31, 2024, the Company has the following derivative contracts recorded at fair value in the condensed consolidated balance sheets:

Notional value	$ 66,620
Fair value recorded in other current assets	3,380

As of December 31, 2024, three counterparties hold the Company’s outstanding derivative contracts, all of which are expected to mature in the next three months. As of March 31, 2024, the Company had no outstanding derivative contracts.

The following table summarizes the effect of Designated Derivative Contracts and the related income tax effects of unrealized gains or losses recorded in the condensed consolidated statements of comprehensive income for changes in accumulated other comprehensive loss (AOCL):

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Gain (loss) recorded in OCI	$ 6,575	$ (1,318)	$ 2,219	$ 3,798
Reclassifications from AOCL into net sales	1,389	(3,503)	1,161	(3,652)
Income tax (expense) benefit in OCI	(1,943)	1,176	(825)	(36)
Total	**$ 6,021**	**$ (3,645)**	**$ 2,555**	**$ 110**

The non-performance risk of the Company and its counterparties did not have a material impact on the fair value of its derivative contracts. As of December 31, 2024, the amount of unrealized gains on derivative contracts recorded in AOCL is expected to be reclassified into net sales within the next three months. Refer to Note 8, “Stockholders’ Equity,” for further information on the components of AOCL.

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NOTE 8. STOCKHOLDERS' EQUITY

Stock Repurchase Program. The Company's Board of Directors (Board) has approved various authorizations under the Company's stock repurchase program to repurchase shares of its common stock in the open market or in privately negotiated transactions, subject to market conditions, applicable legal requirements, and other factors (collectively, the stock repurchase program). As of December 31, 2024, the aggregate remaining approved amount under the stock repurchase program is $640,692. The stock repurchase program does not obligate the Company to acquire any amount of common stock and may be suspended at any time at the Company's discretion.

Stock repurchase activity under the Company's stock repurchase program was as follows:

	Nine Months Ended December 31,	
	2024	2023
Total number of shares repurchased [1]	2,022,299	3,573,960
Weighted average price per share paid	$ 148.85	$ 86.92
Dollar value of shares repurchased [2] [3]	$ 301,011	$ 310,635

[1] All share repurchases were made pursuant to the Company's stock repurchase program in open-market transactions.
[2] The dollar value of shares repurchased excludes the cost of broker commissions, excise taxes, and other costs.
[3] May not calculate on rounded dollars.

Accumulated Other Comprehensive Loss. The components within AOCL, net of tax, recorded in the condensed consolidated balance sheets, are as follows:

	December 31, 2024	March 31, 2024
Unrealized gain on cash flow hedges	$ 2,555	$ —
Cumulative foreign currency translation loss	(57,999)	(50,733)
Total	**$ (55,444)**	**$ (50,733)**

NOTE 9. BASIC AND DILUTED SHARES

The reconciliation of basic to diluted weighted-average common shares outstanding was as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Basic	151,820,000	153,985,000	152,307,000	155,716,000
Dilutive effect of equity awards	566,000	880,000	617,000	954,000
Diluted	**152,386,000**	**154,865,000**	**152,924,000**	**156,670,000**
Excluded				
RSUs	—	5,000	16,000	8,000
LTIP PSUs	272,000	551,000	292,000	551,000
Deferred Non-Employee Director Equity Awards	1,000	2,000	1,000	2,000
Employee Stock Purchase Plan	3,000	3,000	—	1,000

Excluded Awards. The equity awards excluded from the calculation of the dilutive effect have been excluded due to one of the following: (1) the shares were antidilutive; (2) the necessary conditions had not been satisfied for the shares to be deemed issuable based on the Company's performance for the relevant performance period; or (3) the Company recorded a net loss during the period presented (such that inclusion of these equity awards in the calculation would have been antidilutive). The number of shares stated for each of these excluded awards is the maximum number of shares issuable pursuant to these awards. For those awards subject to the achievement of performance criteria, the actual number of shares to be issued pursuant to such awards will be based on Company performance in future periods, net of forfeitures, and may be materially lower than the number of shares presented, which could result in a lower dilutive effect. Refer to Note 6, "Stock-Based Compensation," within this Quarterly Report and to Note 8, "Stock-Based Compensation," in the Company's consolidated financial statements in Part IV of the 2024 Annual Report for further information on the Company's equity incentive plans.

NOTE 10. REPORTABLE OPERATING SEGMENTS

Information reported to the CODM, who is the Company's Chief Executive Officer (CEO), President, and Principal Executive Officer (PEO), is organized into the Company's five reportable operating segments and is consistent with how the CODM evaluates performance and allocates resources. The Company does not consider international operations to be a separate reportable operating segment, and the CODM reviews such operations in the aggregate with the reportable operating segments.

Segment Net Sales and Income from Operations. The Company evaluates reportable operating segment performance primarily based on net sales and income (loss) from operations. The wholesale operations of each brand are managed separately because each requires different marketing, research and development, design, sourcing, and sales strategies. The income (loss) from operations of each of the reportable operating segments includes only those costs which are specifically related to each reportable operating segment, which consist primarily of cost of sales, research and development, design, sales and marketing, depreciation, amortization, and the direct costs of employees within those reportable operating segments.

DECKERS OUTDOOR CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the Three and Nine Months Ended December 31, 2024, and 2023
(dollar amounts in thousands, except per share or share data)

The Company does not allocate corporate overhead costs or non-operating income and expenses to reportable operating segments, which include unallocable overhead costs associated with the Company's warehouses and DCs, certain executive and stock-based compensation, accounting, finance, legal, IT, human resources, and facilities, among others. Inter-segment sales from the Company's wholesale reportable operating segments to the DTC reportable operating segment are at the Company's cost, and there is no inter-segment profit on these inter-segment sales, nor are they reflected in income (loss) from operations of the wholesale reportable operating segments as these transactions are eliminated in consolidation.

Reportable operating segment information, with a reconciliation to the condensed consolidated statements of comprehensive income, was as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Net sales				
UGG brand wholesale	$ 467,998	$ 402,876	$ 1,122,952	$ 976,262
HOKA brand wholesale	305,241	252,222	1,000,317	776,042
Teva brand wholesale	18,853	20,449	62,344	67,731
Other brands wholesale [1]	23,736	26,614	58,650	67,721
Direct-to-Consumer [1]	1,011,337	858,146	1,719,569	1,440,249
Total	**$ 1,827,165**	**$ 1,560,307**	**$ 3,963,832**	**$ 3,328,005**

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
Income (loss) from operations				
UGG brand wholesale	$ 190,888	$ 153,653	$ 424,812	$ 336,421
HOKA brand wholesale	84,052	83,654	324,687	252,051
Teva brand wholesale	(738)	2,047	4,835	10,637
Other brands wholesale [1]	5,350	(1,365)	4,161	3,509
Direct-to-Consumer [1]	481,021	401,075	730,878	588,792
Unallocated overhead costs	(193,299)	(151,165)	(484,206)	(408,158)
Total	**$ 567,274**	**$ 487,899**	**$ 1,005,167**	**$ 783,252**

[1] Includes current period partial financial results through the Sanuk Brand Sale Date and full financial results to date for the three and nine months ended December 31, 2023. Refer to the section titled "Reportable Operating Segments," in Note 1, "General," for further information on the sale of the Sanuk brand completed in the prior quarter and the reclassification of financial results of the former Sanuk brand wholesale reportable operating segment into the Other brands wholesale reportable operating segment for all periods presented.

Segment Assets. Assets allocated to each reportable operating segment include trade accounts receivable, net, inventories, property and equipment, net, operating lease assets, goodwill, other intangible assets, net, and certain other assets that are specifically identifiable for one of the Company's reportable operating segments. Unallocated assets are those assets not directly related to a specific reportable operating segment and generally include cash and cash equivalents, deferred tax assets, net, and various other corporate assets shared by the Company's reportable operating segments.

DECKERS OUTDOOR CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the Three and Nine Months Ended December 31, 2024, and 2023
(dollar amounts in thousands, except per share or share data)

Assets allocated to each reportable operating segment, with a reconciliation to the condensed consolidated balance sheets, are as follows:

	December 31, 2024	March 31, 2024
Assets		
UGG brand wholesale	$ 357,634	$ 247,136
HOKA brand wholesale	464,046	436,147
Teva brand wholesale	54,354	81,703
Other brands wholesale [1]	12,224	27,905
Direct-to-Consumer	307,008	263,840
Total assets from reportable operating segments	1,195,266	1,056,731
Unallocated cash and cash equivalents	2,240,923	1,502,051
Unallocated deferred tax assets, net	65,377	72,584
Unallocated other corporate assets	462,787	504,213
Total	**$ 3,964,353**	**$ 3,135,579**

[1] Effective on the Sanuk Brand Sale Date, the Sanuk brand and certain related assets were sold, all within the former Sanuk brand wholesale reportable operating segment. The assets for the former Sanuk brand wholesale reportable operating segment as of March 31, 2024 are presented within the Other brands wholesale reportable operating segment. Refer to the section titled “Reportable Operating Segments,” in Note 1, “General,” for further information.

NOTE 11. CONCENTRATION OF BUSINESS

Regions and Customers. The Company sells its products globally to customers and consumers in various countries, with net sales concentrations as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2024	2023	2024	2023
International net sales	**$ 657,874**	**$ 511,918**	**$ 1,424,775**	**$ 1,112,048**
% of net sales	36.0 %	32.8 %	35.9 %	33.4 %
Net sales in foreign currencies	**$ 517,992**	**$ 415,505**	**$ 1,070,798**	**$ 856,820**
% of net sales	28.3 %	26.6 %	27.0 %	25.7 %
Ten largest global customers as % of net sales	**21.1 %**	**22.5 %**	**24.3 %**	**25.2 %**

For the three and nine months ended December 31, 2024, and 2023, no single foreign country and no single global customer comprised 10.0% or more of the Company’s total net sales.

As of December 31, 2024, the Company has no customers that represent 10.0% of trade accounts receivable, net, compared to two customers that in total represented 31.2% of trade accounts receivable, net as of March 31, 2024. Management performs regular evaluations concerning the ability of the Company’s customers to satisfy their obligations to the Company and recognizes an allowance for doubtful accounts based on these evaluations.

Long-Lived Assets. Long-lived assets, which consist of property and equipment, net, recorded in the condensed consolidated balance sheets, are as follows:

	December 31, 2024	March 31, 2024
United States	$ 288,845	$ 270,561
Foreign [1]	34,568	31,561
Total	**$ 323,413**	**$ 302,122**

[1] No single foreign country's property and equipment, net, represents 10.0% or more of the Company's total property and equipment, net, as of December 31, 2024, and March 31, 2024.

NOTE 12. SUPPLIER FINANCE PROGRAM

Supplier Finance Program. The Company has a voluntary SFP administered through a third-party platform that provides the Company's independent manufacturers that supply its inventory (inventory suppliers) the opportunity to sell their receivables due from the Company to participating financial institutions in advance of the invoice due date, at the sole discretion of both inventory suppliers and the financial institutions. The Company is not party to the agreements between these third parties and has no economic interest in an inventory suppliers' decision to sell a receivable.

The Company's payment obligations, including the amounts due and payment terms, which generally do not exceed 90 days, are not impacted by the inventory suppliers' election to participate in the SFP, and the Company provides no guarantees to any third parties under the SFP. Accordingly, amounts due to inventory suppliers that elected to participate in the SFP are presented in trade accounts payable in the condensed consolidated balance sheets. As of December 31, 2024, and March 31, 2024, the Company had $3,411 and $3,483, respectively, of balances outstanding related to the SFP recorded in trade accounts payable in the condensed consolidated balance sheets. Payments made in connection with the SFP are reported as cash used in operating activities in the trade accounts payable line item of the condensed consolidated statements of cash flows.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read together with our condensed consolidated financial statements and the related notes, included in Part I, Item 1, "Financial Statements," within this Quarterly Report, and the audited consolidated financial statements included in Part II, Item 8, "Financial Statements and Supplementary Data," of our 2024 Annual Report, filed with the SEC on May 24, 2024, which is available free of charge on the SEC's website at www.sec.gov and our website at ir.deckers.com.

Certain statements made in this section constitute "forward-looking statements," which are subject to numerous risks and uncertainties. Our actual results of operations may differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including those set forth in the section titled "Cautionary Note Regarding Forward-Looking Statements" and Part II, Item 1A, "Risk Factors," within this Quarterly Report.

OVERVIEW

We are a global leader in designing, marketing, and distributing innovative footwear, apparel, and accessories developed for both everyday casual lifestyle use and high-performance activities. We market our products primarily under five proprietary brands: UGG, HOKA, Teva, Koolaburra, and AHNU. We believe our products are distinctive and appeal to a broad demographic. We sell our products through quality domestic and international retailers, international distributors, and directly to our global consumers through our DTC business, which is comprised of our Company-owned e-commerce websites and retail stores. We seek to differentiate our brands and products by offering diverse lines that emphasize fashion, performance, authenticity, functionality, quality, and comfort, and products tailored to a variety of activities, seasons, and demographic groups. Independent third-party contractors manufacture all of our products.

FINANCIAL HIGHLIGHTS

Consolidated financial performance highlights for the nine months ended December 31, 2024, compared to the prior period, were as follows:

- Net sales increased 19.1% to $3,963,832.
  - ***Channel***
    - Wholesale channel net sales increased 18.9% to $2,244,263.
    - DTC channel net sales increased 19.4% to $1,719,569.
  - ***Geography***
    - Domestic net sales increased 14.6% to $2,539,057.
    - International net sales increased 28.1% to $1,424,775.
- Gross margin increased 270 basis points to 58.2%.
- Income from operations increased 28.3% to $1,005,167.
- Diluted earnings per share increased 32.3% to $5.33 per share.

RECENT DEVELOPMENTS

Forward Stock Split and Authorized Share Increase. On September 13, 2024, we effected the stock split and the authorized share increase. Our financial results included within this Quarterly Report have been retroactively adjusted to reflect the effectiveness of the stock split and the authorized share increase. Refer to Note 1, "General," in the condensed consolidated financial statements within this Quarterly Report for further information.

Sanuk Brand Asset Sale. During the three months ended September 30, 2024 (prior quarter), we entered into an agreement pursuant to which the buyer agreed to purchase the Sanuk brand and certain related assets which was completed on the Sanuk Brand Sale Date of August 15, 2024.

Financial results for our reportable operating segments present the former Sanuk brand through the Sanuk Brand Sale Date for the current period and full financial results for the three and nine months ended December 31, 2023. Refer to the section titled “Reportable Operating Segments,” in Note 1, “General,” of our condensed consolidated financial statements in Part I, Item 1 within this Quarterly Report for further information.

Koolaburra Brand. During the three months ended December 31, 2024, we began taking steps to phase out our standalone operations for the Koolaburra brand in order to maintain focus on our most significant organic opportunities. Refer to the section titled “Reportable Operating Segments” under subsection “Koolaburra Brand” in Note 1, “General,” of our condensed consolidated financial statements in Part I, Item 1 within this Quarterly Report for further information.

TRENDS AND UNCERTAINTIES IMPACTING OUR BUSINESS AND INDUSTRY

We expect our business and industry will continue to be impacted by several important trends and uncertainties, which have not materially changed from those included in our 2024 Annual Report. Refer to Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our 2024 Annual Report for further discussion. Refer to Part I, Item 1A, “Risk Factors,” of our 2024 Annual Report for detailed information on the risks and uncertainties that may cause our actual results to differ materially from our expectations.

REPORTABLE OPERATING SEGMENT OVERVIEW

As of December 31, 2024, our five reportable operating segments include the worldwide wholesale operations of the UGG brand, HOKA brand, Teva brand, and Other brands, as well as DTC. Information reported to the CODM, who is our CEO, President, and PEO, is organized into these reportable operating segments and is consistent with how the CODM evaluates our performance and allocates resources.

UGG Brand. The UGG brand is one of the most iconic and recognized footwear brands in our industry, which highlights our successful track record of building niche brands into lifestyle and fashion market leaders. With loyal consumers around the world, the UGG brand has proven to be a highly resilient line of premium footwear, apparel, and accessories with expanded product offerings that appeal to a growing global audience and a broad demographic.

HOKA Brand. The HOKA brand is an authentic premium line of year-round performance footwear, which offers enhanced cushioning and inherent stability with minimal weight. Originally designed for ultra-runners, the brand now appeals to world champions, taste makers, and everyday athletes. Expanded marketing and strategic marketplace presence have fueled both domestic and international sales growth of the HOKA brand, which has quickly become a leading brand within run and outdoor specialty wholesale accounts and is growing across its ecosystem of access points. The HOKA brand’s product line includes running, trail, hiking, fitness, and lifestyle footwear offerings, as well as select apparel and accessories.

Teva Brand. The Teva brand, born in the depths of the Grand Canyon, has long been a favored brand among outdoor adventurers across the globe. Today, building on its foundation as a leader in sport sandals and its authentic outdoor heritage, the Teva brand’s thoughtfully designed and accessible products are built for a range of outdoor pursuits, connecting with a vibrant, diverse audience passionate about exploration. The Teva brand’s collection includes a variety of footwear options, from classic sandals and shoes to boots, all crafted for the demands of the outdoors.

Other Brands. Other brands consist primarily of the Koolaburra brand, as well as the recently launched AHNU brand. The Koolaburra brand is a casual footwear fashion line that uses plush materials and is intended to target the value-oriented consumer in order to complement the UGG brand offering. The AHNU brand’s footwear products fuse high-performance technology with timeless style crafted for everyday wear.

As of December 31, 2024, we reclassified financial results of the former Sanuk brand wholesale reportable operating segment into the Other brands wholesale reportable operating segment for all periods presented. Refer to the section entitled “Recent Developments” above for further information regarding the sale of the Sanuk brand completed during the prior quarter.

Refer to the section titled “Reportable Operating Segment Overview,” in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our 2024 Annual Report for further discussion of our outlook on consumer demand drivers for our products.

Direct-to-Consumer. Our DTC business encompasses all of our brands and is comprised of our e-commerce websites and retail stores, which are intertwined and interdependent in an omni-channel marketplace. Net sales from our e-commerce websites and retail stores are recorded in our DTC reportable operating segment, except for net sales from our partner retail stores, which are recorded in our brands’ respective wholesale reportable operating segments.

As of December 31, 2024, we have a total of 179 global retail stores (including 139 UGG brand retail stores and 40 HOKA brand retail stores), which includes 93 concept stores and 86 outlet stores.

Refer to the section titled “Reportable Operating Segment Overview” in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our 2024 Annual Report for further details on our DTC reportable operating segment, including retail store definitions, as well as our former Sanuk brand. Refer to the section titled “Recent Developments” in Part I, Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” within this Quarterly Report, for discussion on the sale of the Sanuk brand.

USE OF NON-GAAP FINANCIAL MEASURES

We disclose financial measures calculated and presented in accordance with US GAAP; however, throughout this Quarterly Report we provide certain financial information on a non-GAAP basis (non-GAAP financial measures). We provide non-GAAP financial measures to provide information that may assist investors in understanding our results of operations and assessing our prospects for future performance, which consist of constant currency measures. We believe evaluating certain financial and operating measures on a constant currency basis is important as it excludes the impact of foreign currency exchange rate fluctuations that are not indicative of our core results of operations and are largely outside of our control. However, our non-GAAP financial measures are not intended to represent and should not be considered more meaningful measures than, or alternatives to, measures of financial or operating performance as determined in accordance with US GAAP.

We calculate our constant currency non-GAAP financial measures for current period financial information, such as total net sales using the foreign currency exchange rates that were in effect during the previous comparable period, excluding the effects of foreign currency exchange rate hedges and remeasurements in the condensed consolidated financial statements. We also report comparable DTC sales on a constant currency basis for DTC operations that were open throughout the current and prior reporting periods, and we may adjust prior reporting periods to conform to current year accounting policies. The information presented on a constant currency basis, as we present such information, may not necessarily be comparable to similarly titled information presented by other companies, and may not be appropriate measures for comparing our performance relative to other companies. Constant currency measures should not be considered in isolation as an alternative to US dollar measures that reflect current period foreign currency exchange rates or to other financial or operating measures presented in accordance with US GAAP.

SEASONALITY

Refer to Note 1, “General,” of our condensed consolidated financial statements in Part I, Item 1 within this Quarterly Report and to Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our 2024 Annual Report for detailed information on the seasonality of our business.

RESULTS OF OPERATIONS

Three Months Ended December 31, 2024, Compared to Three Months Ended December 31, 2023. Results of operations were as follows:

	Three Months Ended December 31,					
	2024		2023		Change	
	Amount	%	Amount	%	Amount	%
Net sales	**$ 1,827,165**	**100.0 %**	**$ 1,560,307**	**100.0 %**	**$ 266,858**	**17.1 %**
Cost of sales	724,542	39.7	643,738	41.3	(80,804)	(12.6)
Gross profit	**1,102,623**	**60.3**	**916,569**	**58.7**	**186,054**	**20.3**
Selling, general, and administrative expenses	535,349	29.3	428,670	27.4	(106,679)	(24.9)
Income from operations	**567,274**	**31.0**	**487,899**	**31.3**	**79,375**	**16.3**
Total other income, net	(16,668)	(1.0)	(11,154)	(0.7)	5,514	49.4
Income before income taxes	**583,942**	**32.0**	**499,053**	**32.0**	**84,889**	**17.0**
Income tax expense	127,208	7.0	109,134	7.0	(18,074)	(16.6)
Net income	**456,734**	**25.0**	**389,919**	**25.0**	**66,815**	**17.1**
Total other comprehensive (loss) income, net of tax	(11,686)	(0.6)	7,077	0.4	(18,763)	(265.1)
Comprehensive income	**$ 445,048**	**24.4 %**	**$ 396,996**	**25.4 %**	**$ 48,052**	**12.1 %**
Net income per share						
Basic	$ 3.01		$ 2.53		$ 0.48	19.0 %
Diluted	$ 3.00		$ 2.52		$ 0.48	19.0 %

Net Sales. Net sales by location, and by brand and channel were as follows:

	Three Months Ended December 31,			
	2024	2023	Change	
	Amount	Amount	Amount	%
Net sales by location				
Domestic	$ 1,169,291	$ 1,048,389	$ 120,902	11.5 %
International	657,874	511,918	145,956	28.5
Total	**$ 1,827,165**	**$ 1,560,307**	**$ 266,858**	**17.1 %**
Net sales by brand and channel				
UGG brand				
Wholesale	$ 467,998	$ 402,876	$ 65,122	16.2 %
Direct-to-Consumer	776,191	668,978	107,213	16.0
Total	1,244,189	1,071,854	172,335	16.1
HOKA brand				
Wholesale	305,241	252,222	53,019	21.0
Direct-to-Consumer	225,667	177,051	48,616	27.5
Total	530,908	429,273	101,635	23.7
Teva brand				
Wholesale	18,853	20,449	(1,596)	(7.8)
Direct-to-Consumer	5,211	5,152	59	1.1
Total	24,064	25,601	(1,537)	(6.0)

	Three Months Ended December 31,			
	2024	2023	Change	
	Amount	Amount	Amount	%
Other brands [1]				
Wholesale	23,736	26,614	(2,878)	(10.8)
Direct-to-Consumer	4,268	6,965	(2,697)	(38.7)
Total	28,004	33,579	(5,575)	(16.6)
Total	**$ 1,827,165**	**$ 1,560,307**	**$ 266,858**	**17.1 %**
Total Wholesale	$ 815,828	$ 702,161	$ 113,667	16.2 %
Total Direct-to-Consumer [1]	1,011,337	858,146	153,191	17.9
Total	**$ 1,827,165**	**$ 1,560,307**	**$ 266,858**	**17.1 %**

[1] Includes full financial results to date for the three months ended December 31, 2023 for the former Sanuk brand. Refer to the section titled "Reportable Operating Segments," in Note 1, "General," of our condensed consolidated financial statements in Part I, Item 1 within this Quarterly Report for further information on the sale of the Sanuk brand completed in the prior quarter and the reclassification of financial results of the former Sanuk brand wholesale reportable operating segment into the Other brands wholesale reportable operating segment for all periods presented.

Total net sales increased primarily due to higher global net sales across all channels for the UGG and HOKA brands. On a constant currency basis, net sales increased by 16.6%, compared to the prior period. Further, we experienced an increase of 14.2% in the total volume of units sold to 24,900 from 21,800, compared to the prior period. Units sold represents all units related to the total net sales presented, inclusive of all categories such as footwear, apparel, accessories, home goods, and care kits. The prior period total volume of units sold for only footwear has been modified to conform to the current period presentation.

Drivers of significant changes in net sales, compared to the prior period, were as follows:

- DTC net sales increased primarily due to higher global sales for the UGG and HOKA brands, driven primarily by consumer acquisition and retention online as we continued to experience increased demand for both brands. Comparable DTC channel net sales for the 13 weeks ended December 29, 2024, increased by 18.3%, compared to the prior period.

- Wholesale net sales of the UGG brand increased primarily due to higher global net sales, particularly from international regions, as a result of increased demand for year-round key product franchises, strong partnerships with brand enhancing retailers, as well as benefits from increased inventory availability of key styles through peak season, compared to the prior period.

- Wholesale net sales of the HOKA brand increased globally, primarily driven by outsized increases from international distributor markets as we prepare the marketplace for key franchise upgrades, continued market share gains, and benefits from select new points of distribution with key partners.

- International net sales, which are included in the reportable operating segment net sales presented above, increased by 28.5% and represented 36.0% and 32.8% of total net sales for the three months ended December 31, 2024, and 2023, respectively. These changes were primarily driven by higher global net sales across all channels for the UGG and HOKA brands.

Gross Profit. Gross margin increased to 60.3% from 58.7%, compared to the prior period, primarily due to favorable product mix with higher margin UGG brand products driving a higher proportion of growth, fewer closeouts to the wholesale channel, higher levels of full price selling for the UGG brand, and a small benefit from favorable foreign currency exchange rates. These benefits were partially offset by higher freight costs and increased promotions for the HOKA brand as we prepare the marketplace for key franchise updates.

Selling, General, and Administrative Expenses. The net increase in SG&A expenses, compared to the prior period, was primarily the result of the following:

- Increased variable advertising and promotion expenses of approximately $33,200, primarily due to higher promotional marketing expenses for the HOKA and UGG brands to drive global brand awareness and market share gains, highlight new product categories, and provide localized marketing.
- Increased net foreign currency-related losses of approximately $28,100, primarily driven by unfavorable changes in European, Asian, and Canadian exchange rates against the US dollar, compared to a favorable impact in the prior year.
- Increased other variable net selling expenses of approximately $16,200, primarily due to higher corporate warehouse expenses, as well as higher sales commissions and related fees for the UGG and HOKA brands, and rent and occupancy costs related to HOKA brand growth.
- Increased other operating expenses of approximately $15,000, primarily due to higher contract expenses and other operating expenses, as well as higher impairments in IT.
- Increased payroll and related costs of approximately $14,200, primarily due to investments in talent for key functions for corporate, HOKA brand, and UGG brand roles driving higher employee headcount and full-year costs for prior comparable period hiring, partially offset by lower performance-based compensation.

Income from Operations. Income (loss) from operations by reportable operating segment was as follows:

	Three Months Ended December 31,			
	2024	2023	Change	
	Amount	Amount	Amount	%
Income (loss) from operations				
UGG brand wholesale	$ 190,888	$ 153,653	$ 37,235	24.2 %
HOKA brand wholesale	84,052	83,654	398	0.5
Teva brand wholesale	(738)	2,047	(2,785)	(136.1)
Other brands wholesale [1]	5,350	(1,365)	6,715	491.9
Direct-to-Consumer [1]	481,021	401,075	79,946	19.9
Unallocated overhead costs	(193,299)	(151,165)	(42,134)	(27.9)
Total	**$ 567,274**	**$ 487,899**	**$ 79,375**	**16.3 %**

[1] Includes full financial results to date for the three months ended December 31, 2023 for the former Sanuk brand. Refer to the section titled “Reportable Operating Segments,” in Note 1, “General,” of our condensed consolidated financial statements in Part I, Item 1 within this Quarterly Report for further information on the sale of the Sanuk brand completed in the prior quarter and the reclassification of financial results of the former Sanuk brand wholesale reportable operating segment into the Other brands wholesale reportable operating segment for all periods presented.

The increase in total income from operations, compared to the prior period, was primarily due to higher net sales at higher gross margins, partially offset by higher SG&A expenses as a percentage of net sales.

Drivers of significant net changes in total income from operations, compared to the prior period, were as follows:

- The increase in income from operations of the DTC channel was due to higher global net sales for the UGG and HOKA brands, a higher UGG brand gross margin, partially offset by higher SG&A expenses as a percentage of net sales, mainly driven by the HOKA brand.
- The increase in income from operations of UGG brand wholesale was due to higher global net sales at higher gross margins, partially offset by higher SG&A expenses as a percentage of net sales.

- The change in income from operations of HOKA brand wholesale was relatively flat to last year, despite higher global net sales, due to lower gross margins primarily related to preparing the marketplace for key franchise updates, and higher SG&A expenses as a percentage of net sales, primarily related to certain advertising and promotion expenses.

- The increase in unallocated overhead costs was higher as a percentage of net sales, primarily due to higher net foreign currency-related losses, as well as higher other operating expenses, including impairments in IT, and higher corporate warehouse expenses.

Total Other Income, Net. The increase in total other income, net, compared to the prior period, was primarily due to higher interest income from higher invested cash balances.

Income Tax Expense. Income tax expense and our effective income tax rate were as follows:

	Three Months Ended December 31,	
	2024	2023
Income tax expense	$ 127,208	$ 109,134
Effective income tax rate	21.8 %	21.9 %

The net decrease in our effective income tax rate, compared to the prior period, was primarily due to higher income tax expense from changes in jurisdictional mix of worldwide income before income taxes, partially offset by a lower benefit from net discrete items, including from return-to-provision adjustments and tax benefits for stock-based compensation.

Net Income. The increase in net income, compared to the prior period, was due to higher net sales at higher gross margins, partially offset by higher SG&A expenses as a percentage of net sales. Net income per share increased, compared to the prior period, due to higher net income and lower weighted-average common shares outstanding driven by stock repurchases.

Total Other Comprehensive (Loss) Income, Net of Tax. The increase in total other comprehensive loss, net of tax, compared to the prior period, was primarily due to higher foreign currency translation losses relating to changes in the net asset position against Asian and European foreign currency exchange rates, partially offset by higher unrealized gains on derivative contracts.

Nine Months Ended December 31, 2024, Compared to Nine Months Ended December 31, 2023. Results of operations were as follows:

	Nine Months Ended December 31,					
	2024		2023		Change	
	Amount	%	Amount	%	Amount	%
Net sales	**$ 3,963,832**	**100.0 %**	**$ 3,328,005**	**100.0 %**	**$ 635,827**	**19.1 %**
Cost of sales	1,657,937	41.8	1,481,993	44.5	(175,944)	(11.9)
Gross profit	**2,305,895**	**58.2**	**1,846,012**	**55.5**	**459,883**	**24.9**
Selling, general, and administrative expenses	1,300,728	32.8	1,062,760	32.0	(237,968)	(22.4)
Income from operations	**1,005,167**	**25.4**	**783,252**	**23.5**	**221,915**	**28.3**
Total other income, net	(46,840)	(1.1)	(31,482)	(1.0)	15,358	48.8
Income before income taxes	**1,052,007**	**26.5**	**814,734**	**24.5**	**237,273**	**29.1**
Income tax expense	237,327	5.9	182,716	5.5	(54,611)	(29.9)
Net income	**814,680**	**20.6**	**632,018**	**19.0**	**182,662**	**28.9**
Total other comprehensive loss, net of tax	(4,711)	(0.2)	(3,339)	(0.1)	(1,372)	(41.1)
Comprehensive income	**$ 809,969**	**20.4 %**	**$ 628,679**	**18.9 %**	**$ 181,290**	**28.8 %**
Net income per share						
Basic	$ 5.35		$ 4.06		$ 1.29	31.8 %
Diluted	$ 5.33		$ 4.03		$ 1.30	32.3 %

Net Sales. Net sales by location, and by brand and channel were as follows:

	Nine Months Ended December 31,			
	2024	2023	Change	
	Amount	Amount	Amount	%
Net sales by location				
Domestic	$ 2,539,057	$ 2,215,957	$ 323,100	14.6 %
International	1,424,775	1,112,048	312,727	28.1
Total	**$ 3,963,832**	**$ 3,328,005**	**$ 635,827**	**19.1 %**
Net sales by brand and channel				
UGG brand				
Wholesale	$ 1,122,952	$ 976,262	$ 146,690	15.0 %
Direct-to-Consumer	1,034,053	901,602	132,451	14.7
Total	2,157,005	1,877,864	279,141	14.9
HOKA brand				
Wholesale	1,000,317	776,042	224,275	28.9
Direct-to-Consumer	646,665	497,676	148,989	29.9
Total	1,646,982	1,273,718	373,264	29.3
Teva brand				
Wholesale	62,344	67,731	(5,387)	(8.0)
Direct-to-Consumer	30,022	27,773	2,249	8.1
Total	92,366	95,504	(3,138)	(3.3)
Other brands [1]				
Wholesale	58,650	67,721	(9,071)	(13.4)
Direct-to-Consumer	8,829	13,198	(4,369)	(33.1)
Total	67,479	80,919	(13,440)	(16.6)
Total	**$ 3,963,832**	**$ 3,328,005**	**$ 635,827**	**19.1 %**
Total Wholesale	$ 2,244,263	$ 1,887,756	$ 356,507	18.9 %
Total Direct-to-Consumer [1]	1,719,569	1,440,249	279,320	19.4
Total	**$ 3,963,832**	**$ 3,328,005**	**$ 635,827**	**19.1 %**

[1] Includes current period partial financial results through the Sanuk Brand Sale Date and full financial results to date for the nine months ended December 31, 2023. Refer to the section titled “Reportable Operating Segments,” in Note 1, “General,” of our condensed consolidated financial statements in Part I, Item 1 within this Quarterly Report for further information on the sale of the Sanuk brand completed in the prior quarter and the reclassification of financial results of the former Sanuk brand wholesale reportable operating segment into the Other brands wholesale reportable operating segment for all periods presented.

Total net sales increased primarily due to higher global net sales across all channels for the HOKA and UGG brands. On a constant currency basis, net sales increased by 19.2%, compared to the prior period. Further, we experienced an increase of 15.9% in the total volume of units sold to 58,900 from 50,800, compared to the prior period. Units sold represents all units related to the total net sales presented, inclusive of all categories such as footwear, apparel, accessories, home goods, and care kits. The prior period total volume of units sold for only footwear has been modified to conform to the current period presentation.

Drivers of significant changes in net sales, compared to the prior period, were as follows:

- DTC net sales increased primarily due to higher global sales for the HOKA and UGG brands, driven primarily by consumer acquisition and retention online as we continued to experience increased demand for both brands. Comparable DTC channel net sales for the 39 weeks ended December 29, 2024, increased by 18.6%, compared to the prior period.

- Wholesale net sales of the HOKA brand increased primarily due to higher global sales across the brand's product assortment, driven by market share gains, refilling channel inventory, and benefits from select new points of distribution with key partners, as well as the timing of certain distributor shipments.

- Wholesale net sales of the UGG brand increased primarily due to higher global sales, especially internationally, as a result of increased demand for year-round key product franchises, strong partnerships with brand enhancing retailers, as well as benefits from increased availability of products in the channel through the peak season, compared to the prior period.

- International net sales, which are included in the reportable operating segment net sales presented above, increased by 28.1% and represented 35.9% and 33.4% of total net sales for the nine months ended December 31, 2024, and 2023, respectively. These changes were primarily driven by higher global net sales for both channels for the HOKA and UGG brands.

Gross Profit. Gross margin increased to 58.2% from 55.5%, compared to the prior period, primarily due to favorable brand and product mix, with higher margin product driving a higher proportion of growth, and increased levels of full-price selling, including reduced closeouts to the wholesale channel; partially offset by unfavorable changes in freight costs.

Selling, General, and Administrative Expenses. The net increase in SG&A expenses, compared to the prior period, was primarily the result of the following:

- Increased variable advertising and promotion expenses of approximately $81,000, primarily due to higher promotional marketing expenses for the HOKA and UGG brands to drive global brand awareness and market share gains, highlight new product categories, and provide localized marketing.

- Increased payroll and related costs of approximately $59,400, primarily due to investments in talent for key functions for corporate, HOKA brand, and UGG brand roles driving higher employee headcount and full-year costs for prior comparable period hiring.

- Increased other operating expenses of approximately $48,200, primarily due to higher contract expenses and other operating expenses, as well as higher depreciation, travel expenses, and IT expenses for software costs.

- Increased other variable net selling expenses of approximately $36,300, primarily due to higher rent and occupancy costs related to HOKA brand growth, higher corporate warehouse expenses, as well as higher sales commissions and related fees for the UGG and HOKA brands, and credit card fees.

- Increased net foreign currency-related losses of approximately $13,000, primarily driven by unfavorable changes in European, Canadian, and Asian exchange rates against the US dollar, compared to a favorable impact in the prior year.

Income from Operations. Income (loss) from operations by reportable operating segment was as follows:

	Nine Months Ended December 31,			
	2024	2023	Change	
	Amount	Amount	Amount	%
Income (loss) from operations				
UGG brand wholesale	$ 424,812	$ 336,421	$ 88,391	26.3 %
HOKA brand wholesale	324,687	252,051	72,636	28.8
Teva brand wholesale	4,835	10,637	(5,802)	(54.5)
Other brands wholesale [1]	4,161	3,509	652	18.6
Direct-to-Consumer [1]	730,878	588,792	142,086	24.1

	Nine Months Ended December 31,			
	2024	2023	Change	
	Amount	Amount	Amount	%
Unallocated overhead costs	(484,206)	(408,158)	(76,048)	(18.6)
Total	**$ 1,005,167**	**$ 783,252**	**$ 221,915**	**28.3 %**

(1) Includes current period partial financial results through the Sanuk Brand Sale Date and full financial results to date for the nine months ended December 31, 2023. Refer to the section titled "Reportable Operating Segments," in Note 1, "General," of our condensed consolidated financial statements in Part I, Item 1 within this Quarterly Report for further information on the sale of the Sanuk brand completed in the prior quarter and the reclassification of financial results of the former Sanuk brand wholesale reportable operating segment into the Other brands wholesale reportable operating segment for all periods presented.

The increase in total income from operations, compared to the prior period, was primarily due to higher net sales at higher gross margins, partially offset by higher SG&A expenses as a percentage of net sales.

Drivers of significant net changes in total income from operations, compared to the prior period, were as follows:

- The increase in income from operations of the DTC channel was due to higher global net sales for the HOKA and UGG brands at higher gross margins, partially offset by higher SG&A expenses as a percentage of net sales, driven by the HOKA brand.
- The increase in income from operations of UGG brand wholesale was due to higher global net sales at higher gross margins, partially offset by higher SG&A expenses as a percentage of net sales.
- The increase in income from operations of HOKA brand wholesale was due to higher global net sales at higher gross margins, partially offset by higher SG&A expenses as a percentage of net sales.
- The increase in unallocated overhead costs was higher as a percentage of net sales, primarily due to higher payroll costs for key corporate roles to support growth of our brands, higher depreciation and other operating expenses, higher net foreign currency-related losses, and higher corporate warehouse expenses.

Total Other Income, Net. The increase in total other income, net, compared to the prior period, was primarily due to higher interest income from higher invested cash balances.

Income Tax Expense. Income tax expense and our effective income tax rate were as follows:

	Nine Months Ended December 31,	
	2024	2023
Income tax expense	$ 237,327	$ 182,716
Effective income tax rate	22.6 %	22.4 %

The net increase in our effective income tax rate, compared to the prior period, was primarily due to a lower benefit from net discrete items, including from return-to-provision adjustments, a valuation allowance on tax attributes, and tax benefits for stock-based compensation, partially offset by higher income tax expense from changes in jurisdictional mix of worldwide income before income taxes.

Net Income. The increase in net income, compared to the prior period, was due to higher net sales at higher gross margins, and higher operating margins. Net income per share increased, compared to the prior period, due to higher net income and lower weighted-average common shares outstanding driven by stock repurchases.

Total Other Comprehensive Loss, Net of Tax. The increase in total other comprehensive loss, net of tax, compared to the prior period, was primarily due to higher foreign currency translation losses relating to changes in the net asset position against European foreign currency exchange rates, partially offset by higher unrealized gains on derivative contracts.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity may be impacted by a number of factors, risks and uncertainties described in the section titled “Liquidity” in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” as well as in Part I, Item 1A, “Risk Factors,” of our 2024 Annual Report.

Sources of Liquidity. We finance our working capital and operating requirements using a combination of cash and cash equivalents balances, including cash from our repatriation strategy, cash provided from ongoing operating activities and, to a lesser extent, available borrowing capacity under our revolving credit facilities. Refer to the “Cash Flows” section below for further discussion on cash flows from ongoing operating activities.

Cash and Cash Equivalents. As of December 31, 2024, our cash and cash equivalents are $2,240,923, the majority of which is held in highly rated money market funds and interest-bearing bank deposit accounts with established national and global financial institutions. We believe our cash and cash equivalents balances, cash provided by operating activities, and available borrowing capacity under our revolving credit facilities, will provide sufficient liquidity to enable us to meet our working capital requirements and contractual obligations for at least the next 12 months and will be sufficient to meet the long-term requirements of our business strategies and plans. However, there can be no assurance that sufficient capital will continue to be available or that it will be available on terms acceptable to us.

Repatriation of Cash. Our cash repatriation strategy, and by extension, our liquidity, may be impacted by several additional considerations, which include future changes to or interpretations of global tax laws and regulations, and our actual earnings in future periods. During the nine months ended December 31, 2024, and 2023, no cash and cash equivalents were repatriated. As of December 31, 2024, and March 31, 2024, we have $481,836 and $263,820, respectively, of cash and cash equivalents held by foreign subsidiaries, a portion of which may be subject to additional foreign withholding taxes if it were to be repatriated. We continue to evaluate our cash repatriation strategy and currently anticipate repatriating current and future unremitted earnings of non-US subsidiaries to the extent they have been subject to US income tax if such cash is not required to fund ongoing foreign operations. Refer to Note 5, “Income Taxes,” of our consolidated financial statements in Part IV of our 2024 Annual Report for further information regarding our cash repatriation strategy.

Revolving Credit Facilities. Information about the revolving credit facilities available as of December 31, 2024, is as follows:

- *Primary Credit Facility.* During the nine months ended December 31, 2024, we made no borrowings or repayments and there were no material changes to the terms, to the outstanding letters of credit, or to the borrowing availability under our unsecured revolving credit facility disclosed in our 2024 Annual Report.

- *China Credit Facility*. During the nine months ended December 31, 2024, we made no borrowings or repayments and there were no material changes to the terms or to the outstanding bank guarantees under our credit facility in China disclosed in our 2024 Annual Report.

- *Debt Covenants.* As of December 31, 2024, we are in compliance with all financial covenants under our revolving credit facilities.

Refer to Note 6, “Revolving Credit Facilities,” of our consolidated financial statements in Part IV of our 2024 Annual Report for further information on the terms of our revolving credit facilities.

Material Cash Requirements. Our material cash requirements include uses for working capital, and payments to fulfill contractual obligations, capital expenditures, and stock repurchases. Our working capital requirements begin when we purchase raw and other materials and inventories and continue until we ultimately collect the resulting trade accounts receivable. Given the historical seasonality of our business, our working capital requirements fluctuate significantly throughout our fiscal year, and we utilize available cash to build inventory levels during certain quarters in our fiscal year to support higher selling seasons. While the impact of seasonality has been mitigated to some extent, we expect our working capital requirements will continue to fluctuate from period to period.

There were no material changes outside the ordinary course of business to the contractual obligations or capital expenditures as disclosed in the sections titled “Contractual Obligations” and “Capital Expenditures” in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of our 2024 Annual Report.

Stock Repurchase Program. As of December 31, 2024, the aggregate remaining approved amount under our stock repurchase program is $640,692. Our stock repurchase program does not obligate us to acquire any amount of common stock and may be suspended at any time at our discretion.

Refer to Note 8, “Stockholders’ Equity,” of our condensed consolidated financial statements in Part I, Item 1 and to Part II, Item 2, “Unregistered Sales of Equity Securities and Use of Proceeds,” within this Quarterly Report for further information regarding our stock repurchase program and capital allocation strategy.

CASH FLOWS

The following table summarizes the major components of our condensed consolidated statements of cash flows for the periods presented:

	Nine Months Ended December 31,			
	2024	2023	Change	
	Amount	Amount	Amount	%
Net cash provided by operating activities	$ 1,117,515	$ 1,061,858	$ 55,657	5.2 %
Net cash used in investing activities	(58,561)	(74,044)	15,483	20.9
Net cash used in financing activities	(316,638)	(316,098)	(540)	(0.2)
Effect of foreign currency exchange rates on cash and cash equivalents	(3,444)	(2,709)	(735)	(27.1)
Net change in cash and cash equivalents	**$ 738,872**	**$ 669,007**	**$ 69,865**	**10.4 %**

Operating Activities. Our primary source of liquidity is net cash provided by operating activities, which is driven by our net income after non-cash adjustments and changes in operating assets and liabilities.

The increase in net cash provided by operating activities during the nine months ended December 31, 2024, compared to the prior period, was due to $204,346 of favorable net income after non-cash adjustments, partially offset by $148,689 of unfavorable changes in operating assets and liabilities. Changes in operating assets and liabilities were primarily due to higher purchases of inventory to support higher demand for our brands, unfavorable change from timing of tax payments, and lower net trade accounts payable related to timing of receipts of goods and services and respective disbursements.

Investing Activities. The decrease in net cash used in investing activities during the nine months ended December 31, 2024, compared to the prior period, was primarily due to an increase from cash proceeds from the sale of certain assets.

Financing Activities. The increase in net cash used in financing activities during the nine months ended December 31, 2024, compared to the prior period, was primarily due to an increase of cash paid for shares withheld for taxes, partially offset by a lower dollar value of stock repurchases, inclusive of excise taxes.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Preparation of our condensed consolidated financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported. Management bases these estimates and assumptions upon historical experience, existing and known circumstances, authoritative accounting pronouncements, and other factors that we believe to be reasonable, but actual results could differ materially from these estimates. In addition, management has considered the potential impact of macroeconomic factors, including inflation, foreign currency exchange rate volatility, changes in interest rates, changes in commodity pricing, changes in consumer discretionary spending, and recessionary concerns, on our business and operations. Although the full impact of these factors is unknown, management believes it has made appropriate accounting estimates and assumptions based on the facts and circumstances available as of the reporting date. However, actual results could differ materially from these estimates and assumptions, which may result in material effects on our financial condition, results of operations and liquidity. Refer to the sections titled “Use of Estimates” and “Recent Accounting Pronouncements” within Note 1, “General,” of our condensed consolidated financial statements in Part I, Item 1 within this Quarterly Report, for additional information regarding applicable key estimates and assumptions, as well as the impact of recent accounting pronouncements.

There have been no material changes to the critical accounting policies and key estimates and assumptions disclosed in the section titled “Critical Accounting Policies and Estimates” in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” within our 2024 Annual Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, our financial position and results of operations are subject to a variety of risks, including risks associated with commodity pricing, foreign currency exchange rates and, to a lesser extent, interest rates. We regularly assess these risks and have established policies and business practices designed to mitigate their effects. There have been no material changes in the quantitative and qualitative disclosures about market risk disclosed in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” within our 2024 Annual Report.

ITEM 4. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

We maintain a system of disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act, which are designed to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms. In designing and evaluating our disclosure controls and procedures, our management recognized that any system of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours is designed to do, and management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. In addition, the design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Under the supervision and with the participation of management, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2024. Based on that evaluation, our PEO and Principal Financial and Accounting Officer (PFAO) concluded that our disclosure controls and procedures are effective at a reasonable assurance level as of December 31, 2024.

INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rule 13a-15(d) of the Exchange Act during the three months ended December 31, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER CERTIFICATIONS

The certifications of our PEO and PFAO required by Rule 13a-14(a) of the Exchange Act are filed as Exhibit 31.1 and Exhibit 31.2, and furnished as Exhibit 32, to this Quarterly Report. This Part I, Item 4, should be read in conjunction with such certifications for a more complete understanding of the topics presented.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

As part of our global policing program to protect our intellectual property rights, from time to time, we file lawsuits in various jurisdictions asserting claims for alleged acts of trademark counterfeiting, trademark infringement, patent infringement, trade dress infringement, and trademark dilution. We generally have multiple actions such as these pending at any given point in time. These actions may result in seizure of counterfeit merchandise, out-of-court settlements with defendants, or other outcomes. In addition, from time to time, we are subject to claims in which opposing parties will raise, either as affirmative defenses or as counterclaims, the invalidity or unenforceability of certain of our intellectual property rights, including allegations that the UGG brand trademark registrations and design patents are invalid or unenforceable. Furthermore, we are aware of many instances throughout the world in which a third-party is using our UGG brand and HOKA brand trademarks within its internet domain name. We are investigating several manufacturers and distributors of counterfeit UGG and HOKA brand products, as well as various markets for indications of counterfeit UGG and HOKA brand products.

From time to time, we are involved in various legal proceedings, disputes, and other claims arising in the ordinary course of business, including employment, intellectual property, and product liability claims. Although the results of these ordinary course matters cannot be predicted with certainty, we currently believe that the final outcome of these ordinary course matters will not, individually or in the aggregate, have a material adverse effect on our business, results of operations, financial condition, or cash flows. However, regardless of the merit of the claims raised or the outcome, these ordinary course matters can have an adverse impact on us as a result of legal costs, diversion of management's time and resources, and other factors.

ITEM 1A. RISK FACTORS

An investment in our common stock involves risks. Before making an investment decision, you should carefully consider all the information within Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as in our condensed consolidated financial statements and the related notes contained in Part I, Item 1 within this Quarterly Report. In addition, you should carefully consider the risks and uncertainties described in Part I, Item 1A, "Risk Factors," of our 2024 Annual Report, as well as in our other public filings with the SEC. If any of the identified risks are realized, our business, results of operations, financial condition, liquidity, and prospects could be materially and adversely affected. In that case, the trading price of our common stock may decline, and you could lose all or part of your investment. In addition, other risks of which we are currently unaware, or which we do not currently view to be material, could have a material adverse effect on our business, results of operations, financial condition, liquidity, and prospects.

During the three months ended December 31, 2024, there were no material changes to the risks and uncertainties described in Part I, Item 1A, "Risk Factors," of our 2024 Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

None.

Use of Proceeds

Not applicable.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Our Board of Directors (Board) has approved various authorizations under our stock repurchase program to repurchase shares of our common stock in the open market or in privately negotiated transactions, subject to market conditions, applicable legal requirements, and other factors (collectively, the stock repurchase program). Our Board last approved an additional authorization of $1,200,000 on July 27, 2022, to repurchase our common stock under the same conditions as the prior stock repurchase programs. As of December 31, 2024, the aggregate remaining approved amount under the stock repurchase program is $640,692.

Our stock repurchase program does not obligate us to acquire any amount of common stock and may be suspended at any time at our discretion. The agreements under our revolving credit facilities allow us to make stock repurchases under this program, so long as we do not exceed certain leverage ratios. As of December 31, 2024, we have not exceeded the stated leverage ratios, and no defaults have occurred under our credit agreements.

Stock repurchase activity under our stock repurchase program during the three months ended December 31, 2024, was as follows:

	Total Number of Shares Repurchased [1]	Weighted Average Price per Share Paid	Dollar Value of Shares Repurchased [2] [3]	Dollar Value of Shares Remaining for Repurchase [3]
October 1 - October 31, 2024	186,963	$ 158.97	$ 29,722	$ 655,691
November 1 - November 30, 2024	87,656	171.11	14,999	640,692
December 1 - December 31, 2024	—	—	—	640,692
Total	**274,619**	**162.85**	**$ 44,721**	**640,692**

[1] All share repurchases were made pursuant to our stock repurchase program in open-market transactions.
[2] The dollar value of shares repurchased excludes the cost of broker commissions, excise taxes, and other costs.
[3] May not calculate on rounded dollars.

Refer to Note 8, “Stockholders’ Equity,” of our condensed consolidated financial statements in Part I, Item 1 within this Quarterly Report, for further information on repurchases of our common stock.

ITEM 5. OTHER INFORMATION

DIRECTOR AND EXECUTIVE OFFICER TRADING PLANS AND ARRANGEMENTS

Our directors and executive officers may enter into trading plans or other arrangements with financial institutions to purchase or sell shares of our common stock. These plans or arrangements may constitute Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements, in each case as defined under Item 408(a) of Regulation S-K.

Set forth below is a summary of the adoption, modification, and termination activity of our directors and executive officers with respect to Rule 10b5-1 trading plans during the three months ended December 31, 2024:

Name & Title	Adoption Date	Termination Date	Contract End Date	Aggregate Shares Covered (in ones) [3]
Steven Fasching, Chief Financial Officer	June 4, 2024	November 8, 2024 [1]	January 31, 2025	18,000 [2]
Bonita Stewart, Director	June 4, 2024	November 22, 2024 [1]	May 29, 2025	13,500 [2]
Steven Fasching, Chief Financial Officer	November 22, 2024	*	June 3, 2025	12,702
Angela Ogbechie, Chief Supply Chain Officer	November 6, 2023	October 31, 2024 [1]	November 1, 2024	5,418 [2]

[1] This trading plan was terminated automatically prior to the contract end date upon the sale of all shares covered by the plan.
[2] Aggregated shares covered have been adjusted to reflect the stock split. Refer to Note 1, “General,” of our condensed consolidated financial statements in Part I, Item 1 within this Quarterly Report for further information.
[3] The actual number of shares sold under the plan will depend on the vesting of certain performance-based equity awards and the number of shares withheld by us to satisfy our income tax withholding obligations and may vary from the number provided herein.

*Not applicable.

During the three months ended December 31, 2024, no non-Rule 10b5-1 trading arrangements were adopted, modified, or terminated by our directors or executive officers.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
*31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Exchange Act, adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended
*31.2	Certification of Principal Financial and Accounting Officer pursuant to Rule 13a-14(a) under the Exchange Act, adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended
**32.1	Certification pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended
*101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
*101.SCH	Inline XBRL Taxonomy Extension Schema Document
*101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
*101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
*101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
*101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
*104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.
** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DECKERS OUTDOOR CORPORATION
(Registrant)

/s/ STEVEN J. FASCHING

Steven J. Fasching
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: February 3, 2025

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stefano Caroti, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Deckers Outdoor Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 3, 2025

/s/ STEFANO CAROTI

Stefano Caroti
Chief Executive Officer, President, and Director
Deckers Outdoor Corporation
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven J. Fasching, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Deckers Outdoor Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 3, 2025

/s/ STEVEN J. FASCHING

Steven J. Fasching
Chief Financial Officer
Deckers Outdoor Corporation
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to their knowledge, the Quarterly Report on Form 10-Q of Deckers Outdoor Corporation (the "Company") for the quarter ended December 31, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Report.

/s/ STEFANO CAROTI
Stefano Caroti
Chief Executive Officer, President, and Director
Deckers Outdoor Corporation
(Principal Executive Officer)

/s/ STEVEN J. FASCHING
Steven J. Fasching
Chief Financial Officer
Deckers Outdoor Corporation
(Principal Financial and Accounting Officer)

Date: February 3, 2025

This certification is being furnished solely to accompany the Report pursuant to Rule 13a-14(b) or Rule 15d-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference. A signed original of this certification has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission upon request.