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

FORM 10-Q

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

For the quarterly period ended November 01, 2025

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: 1-11893

GUESS?, INC.

(Exact name of registrant as specified in its charter)

Delaware	**95-3679695**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Strada Regina 44
Bioggio, Switzerland CH-6934
(Address of principal executive offices and zip code)

(213) 765-3100
(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	GES	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 December 1, 2025, the registrant had 52,151,599 shares of Common Stock, par value $0.01 per share, outstanding.

GUESS?, INC.
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WHERE YOU CAN FIND MORE INFORMATION

Investors and others should note that we announce material financial information to our investors using our investor relations website, press releases, Securities and Exchange Commission filings and public conference calls and webcasts. We may also use our LinkedIn page (www.linkedin.com/company/guess-) and our website (www.guess.com) as a means of disclosing information about the Company (as defined below), our products, our planned financial and other announcements, attendance at upcoming investor and industry conferences, and other matters as well as for complying with our disclosure obligations under Regulation FD.

The information we post through these channels may be deemed material. Accordingly, investors should monitor these accounts and our investor relations website, in addition to following our press releases, SEC filings and public conference calls and webcasts. This list may be updated from time to time on our investor relations website. The information we post through these channels is not a part of this Quarterly Report on Form 10-Q.

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements.

GUESS?, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	Nov 1, 2025 (unaudited)	Feb 1, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 154,236	$ 187,696
Accounts receivable, net	407,778	391,161
Inventories	692,266	562,649
Prepaid expenses	72,377	67,275
Other current assets	26,553	40,589
Total current assets	1,353,210	1,249,370
Property and equipment, net	249,515	240,114
Goodwill	35,629	33,157
Deferred income tax assets	187,291	171,818
Restricted cash	820	796
Operating lease right-of-use assets	927,868	839,879
Other assets	252,163	231,544
TOTAL ASSETS	$ 3,006,496	$ 2,766,678
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of borrowings and finance lease obligations	$ 26,710	$ 40,948
Accounts payable	332,913	318,712
Accrued expenses and other current liabilities	289,189	294,700
Current portion of operating lease liabilities	183,094	176,972
Total current liabilities	831,906	831,332
Convertible senior notes due 2028, net	344,535	336,527
Long-term debt and finance lease obligations	299,542	150,668
Long-term operating lease liabilities	795,308	715,755
Other long-term liabilities	168,834	181,621
Total liabilities	2,440,125	2,215,903
Redeemable noncontrolling interests	444	368
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Preferred stock, $.01 par value. Authorized 10,000,000 shares; no shares issued and outstanding	—	—
Common stock, $.01 par value. Authorized 150,000,000 shares; issued 142,771,253 and 142,771,253 shares; outstanding 52,151,599 and 51,691,595 shares as of November 1, 2025 and February 1, 2025, respectively	522	517
Paid-in capital	617,295	605,036
Retained earnings	1,244,744	1,289,233
Accumulated other comprehensive loss	(129,694)	(159,196)
Treasury stock, 90,619,654 and 91,079,658 shares as of November 1, 2025 and February 1, 2025, respectively	(1,224,368)	(1,230,583)
Guess?, Inc. stockholders' equity	508,499	505,007
Nonredeemable noncontrolling interests	57,428	45,400
Total stockholders' equity	565,927	550,407
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,006,496	$ 2,766,678

See accompanying notes to condensed consolidated financial statements.

GUESS?, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Nine Months Ended	
	Nov 1, 2025	**Nov 2, 2024**	**Nov 1, 2025**	**Nov 2, 2024**
Product sales	$ 760,320	$ 705,507	$ 2,129,806	$ 1,971,920
Net royalties	31,107	33,011	82,359	91,101
Net revenue	791,427	738,518	2,212,165	2,063,021
Cost of product sales	455,445	416,641	1,288,957	1,173,100
Gross profit	335,982	321,877	923,208	889,921
Selling, general and administrative expenses	309,026	279,389	904,150	829,188
Asset impairment charges	4,828	1,091	13,183	4,509
Net (gains) losses on lease modifications	231	(718)	(5)	(718)
Gain on sale of assets	—	—	—	(13,781)
(Gain) loss on equity method investment	(1,286)	(161)	(2,081)	559
Earnings from operations	23,183	42,276	7,961	70,164
Other income (expense):				
Interest expense	(7,809)	(8,131)	(23,518)	(22,212)
Interest income	1,760	2,613	6,782	9,218
Loss on extinguishment of debt	—	—	—	(1,952)
Other income (expense), net	21,246	(45,826)	24,701	(49,932)
Total other income (expense)	15,197	(51,344)	7,965	(64,878)
Earnings (loss) before income tax expense	38,380	(9,068)	15,926	5,286
Income tax expense	8,993	11,687	9,488	18,771
Net earnings (loss)	29,387	(20,755)	6,438	(13,485)
Net earnings attributable to noncontrolling interests	3,739	2,640	7,476	7,491
Net earnings (loss) attributable to Guess?, Inc.	$ 25,648	$ (23,395)	$ (1,038)	$ (20,976)
Net earnings (loss) per common share attributable to common stockholders:				
Basic	$ 0.49	$ (0.46)	$ (0.03)	$ (0.42)
Diluted	$ 0.48	$ (0.47)	$ (0.03)	$ (0.42)
Weighted average common shares outstanding attributable to common stockholders:				
Basic	51,586	50,798	51,487	52,047
Diluted	53,169	66,608	51,487	52,047

See accompanying notes to condensed consolidated financial statements.

GUESS?, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)
(unaudited)

	Three Months Ended		Nine Months Ended	
	Nov 1, 2025	**Nov 2, 2024**	**Nov 1, 2025**	**Nov 2, 2024**
Net earnings (loss)	$ 29,387	$ (20,755)	$ 6,438	$ (13,485)
Other comprehensive income (loss):				
Foreign currency translation adjustment				
Gains (losses) arising during the period	(2,276)	(8,869)	51,600	(13,177)
Derivative financial instruments designated as cash flow hedges				
Gains (losses) arising during the period	1,449	1,898	(18,857)	1,043
Less income tax effect	(160)	(210)	2,033	(42)
Reclassification to net earnings (loss) for (gains) losses realized	2,225	(418)	568	1,471
Less income tax effect	(244)	46	(63)	(136)
Defined benefit plans				
Foreign currency and other adjustments	16	89	(1,438)	31
Less income tax effect	(5)	(12)	215	(3)
Net actuarial (gain) loss amortization	37	(2)	95	(9)
Prior service credit amortization	(50)	(42)	(142)	(122)
Less income tax effect	13	10	36	30
Total comprehensive income (loss)	30,392	(28,265)	40,485	(24,399)
Less comprehensive income attributable to noncontrolling interests:				
Net earnings	3,739	2,640	7,476	7,491
Foreign currency translation adjustment	437	(1,327)	4,545	(4,083)
Amounts attributable to noncontrolling interests	4,176	1,313	12,021	3,408
Comprehensive income (loss) attributable to Guess?, Inc.	$ 26,216	$ (29,578)	$ 28,464	$ (27,807)

See accompanying notes to condensed consolidated financial statements.

GUESS?, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended	
	Nov 1, 2025	**Nov 2, 2024**
Cash flows from operating activities:		
Net earnings (loss)	$ 6,438	$ (13,485)
Adjustments to reconcile net earnings (loss) to net cash used in operating activities:		
Depreciation and amortization	54,762	51,114
Amortization of debt discount and issuance costs	4,464	4,065
Share-based compensation expense	17,402	13,855
Forward contract losses	3,932	256
Deferred income taxes	1,089	10,097
Net (gain) loss from impairment and disposition of long-term assets	13,878	(8,738)
Change in fair value remeasurement of derivatives related to convertible senior notes	(14,760)	41,795
Loss on extinguishment of debt	—	1,952
Other items, net	(11,948)	5,531
Changes in operating assets and liabilities:		
Accounts receivable	18,725	(44,307)
Inventories	(84,502)	(168,571)
Prepaid expenses and other assets	16,289	(15,983)
Operating lease assets and liabilities, net	(1,222)	(5,243)
Accounts payable	(14,411)	53,653
Accrued expenses and other current liabilities	(34,219)	(3,307)
Other long-term liabilities	(13,873)	15,761
Net cash used in operating activities	(37,956)	(61,555)
Cash flows from investing activities:		
Purchases of property and equipment	(60,277)	(63,552)
Proceeds from sale of long-lived assets	187	39,812
Business acquisition, net of cash acquired	(6,867)	(54,981)
Purchases of investments	(2,066)	(5,050)
Other investing activities	(2,772)	(1,562)
Net cash used in investing activities	(71,795)	(85,333)
Cash flows from financing activities:		
Proceeds from borrowings	174,364	337,970
Repayments on borrowings and finance lease obligations	(61,616)	(126,076)
Repayments of convertible senior notes	—	(33,292)
Proceeds from issuance of warrant	—	3,665
Purchase of convertible note hedge	—	(6,538)
Proceeds from termination of convertible senior note hedge	—	1,347
Payments for termination of common stock warrant	—	(548)
Debt issuance costs	(168)	(2,811)
Dividends paid	(43,413)	(167,187)
Noncontrolling interest capital contributions	1,639	—
Noncontrolling interest capital distributions	(2,672)	(14,230)
Issuance of common stock, net of income tax withholdings on vesting of stock awards	971	6,379
Purchase of treasury stock	(328)	(60,656)
Net cash provided by (used in) financing activities	68,777	(61,977)
Effect of exchange rates on cash, cash equivalents and restricted cash	7,538	(9,098)
Net change in cash, cash equivalents and restricted cash	(33,436)	(217,963)
Cash, cash equivalents and restricted cash at the beginning of the year	188,492	360,285
Cash, cash equivalents and restricted cash at the end of the period	$ 155,056	$ 142,322
Supplemental cash flow data:		
Interest paid	$ 15,723	$ 23,565
Income taxes paid, net of refunds	$ 16,870	$ 34,304
Non-cash investing and financing activity:		
Change in accrual of property and equipment	$ (4,186)	$ 754
Assets acquired under finance lease obligations	$ 121	$ 62
Exchange of 2024 Notes for 2028 Notes	$ —	$ (16,658)

See accompanying notes to condensed consolidated financial statements.

GUESS?, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share data)
(unaudited)

	For the three and nine months ended November 1, 2025								
	Guess?, Inc. Stockholders' Equity								
	Common Stock					Treasury Stock			
	Shares	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Shares	Amount	Nonredeemable Noncontrolling Interests	Total
Balance at February 1, 2025	51,691,595	$ 517	$ 605,036	$ 1,289,233	$ (159,196)	91,079,658	$ (1,230,583)	$ 45,400	$ 550,407
Net earnings (loss)	—	—	—	(32,928)	—	—	—	1,689	(31,239)
Other comprehensive income, net of income tax of $2,092	—	—	—	—	22,060	—	—	2,535	24,595
Issuance of common stock under stock compensation plan	303,404	3	(4,104)	—	—	(303,404)	4,100	—	(1)
Issuance of common stock under Employee Stock Purchase Plan	16,370	—	(67)	—	—	(16,370)	221	—	154
Share-based compensation	—	—	5,255	1	—	—	—	—	5,256
Dividends	—	—	—	(15,982)	—	—	—	—	(15,982)
Balance at May 3, 2025	52,011,369	$ 520	$ 606,120	$ 1,240,324	$ (137,136)	90,759,884	$ (1,226,262)	$ 49,624	$ 533,190
Net earnings	—	—	—	6,242	—	—	—	2,048	8,290
Other comprehensive income, net of income tax of $525	—	—	—	—	6,874	—	—	1,573	8,447
Issuance of common stock under stock compensation plan	46,904	1	(802)	—	—	(46,904)	633	—	(168)
Issuance of common stock under Employee Stock Purchase Plan	15,996	—	(66)	—	—	(15,996)	216	—	150
Share-based compensation	—	—	6,036	18	—	—	—	—	6,054
Dividends	—	—	—	(15,167)	—	—	—	—	(15,167)
Noncontrolling interest capital distribution	—	—	—	—	—	—	—	(2,033)	(2,033)
Noncontrolling interest capital contribution	—	—	—	—	—	—	—	1,639	1,639
Balance at August 2, 2025	52,074,269	$ 521	$ 611,288	$ 1,231,417	$ (130,262)	90,696,984	$ (1,225,413)	$ 52,851	$ 540,402
Net earnings	—	—	—	25,648	—	—	—	3,739	29,387
Other comprehensive income, net of income tax of ($396)	—	—	—	—	568	—	—	437	1,005
Issuance of common stock under stock compensation plan	68,088	1	(180)	—	—	(68,088)	920	—	741
Issuance of stock under Employee Stock Purchase Plan	9,242	—	(30)	—	—	(9,242)	125	—	95
Share-based compensation	—	—	6,217	32	—	—	—	—	6,249
Dividends	—	—	—	(12,353)	—	—	—	—	(12,353)
Noncontrolling interest capital distribution	—	—	—	—	—	—	—	(639)	(639)
Noncontrolling interest capital contribution	—	—	—	—	—	—	—	1,040	1,040
Balance at November 1, 2025	52,151,599	$ 522	$ 617,295	$ 1,244,744	$ (129,694)	90,619,654	$ (1,224,368)	$ 57,428	$ 565,927

See accompanying notes to condensed consolidated financial statements.

GUESS?, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share data)
(unaudited)

	For the three and nine months ended November 2, 2024								
	Guess?, Inc. Stockholders' Equity								
	Common Stock					Treasury Stock			
	Shares	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Shares	Amount	Nonredeemable Noncontrolling Interests	Total
Balance at February 3, 2024	53,007,966	$ 530	$ 594,520	$ 1,412,426	$ (137,010)	89,763,349	$ (1,185,526)	$ 49,854	$ 734,794
Net earnings	—	—	—	13,022	—	—	—	2,884	15,906
Other comprehensive income (loss), net of income tax of ($519)	—	—	—	—	(38)	—	—	637	599
Issuance of common stock under stock compensation plan	779,872	8	(4,682)	—	—	(779,934)	10,323	—	5,649
Issuance of common stock under Employee Stock Purchase Plan	9,740	—	69	—	—	(9,740)	129	—	198
Share-based compensation	—	—	3,115	5	—	—	—	—	3,120
Dividends	—	—	—	(135,512)	—	—	—	—	(135,512)
Share repurchases	(326,429)	(3)	3	—	—	326,429	(10,279)	—	(10,279)
Noncontrolling interest capital distribution	—	—	—	—	—	—	—	(11,735)	(11,735)
Noncontrolling interest capital contribution	—	—	—	—	—	—	—	219	219
Sale of common stock warrants	—	—	3,665	—	—	—	—	—	3,665
Termination of common stock warrants	—	—	(548)	—	—	—	—	—	(548)
Termination of convertible note hedges	—	—	1,044	—	—	—	—	—	1,044
Settlement of convertible senior notes	122,313	1	(1,413)	—	—	(122,313)	1,624	—	212
Exercise of convertible notes hedges	(90,729)	(1)	2,558	—	—	90,729	(2,557)	—	—
Balance at May 4, 2024	53,502,733	$ 535	$ 598,331	$ 1,289,941	$ (137,048)	89,268,520	$ (1,186,286)	$ 41,859	$ 607,332
Net earnings (loss)	—	—	—	(10,603)	—	—	—	1,967	(8,636)
Other comprehensive loss, net of income tax benefit of $534	—	—	—	—	(610)	—	—	(3,393)	(4,003)
Issuance of common stock under stock compensation plan	178,893	2	(2,394)	—	—	(178,893)	2,378	—	(14)
Issuance of common stock under Employee Stock Purchase Plan	10,832	—	44	—	—	(10,832)	144	—	188
Share-based compensation	—	—	3,895	30	—	—	—	—	3,925
Dividends	—	—	—	(16,638)	—	—	—	—	(16,638)
Share repurchases	(2,274,140)	(23)	23	—	—	2,274,140	(50,511)	—	(50,511)
Balance at August 3, 2024	51,418,318	$ 514	$ 599,899	$ 1,262,730	$ (137,658)	91,352,935	$ (1,234,275)	$ 40,433	$ 531,643
Net earnings (loss)	—	—	—	(23,395)	—	—	—	2,640	(20,755)
Other comprehensive loss, net of income tax of ($166)	—	—	—	—	(6,183)	—	—	(1,327)	(7,510)
Issuance of common stock under stock compensation plan	19,190	—	(29)	—	—	(19,190)	259	—	230
Issuance of stock under Employee Stock Purchase Plan	7,695	—	24	—	—	(7,695)	104	—	128
Share-based compensation	—	—	4,450	22	—	—	—	—	4,472
Dividends	—	—	—	(15,733)	—	—	—	—	(15,733)
Noncontrolling interest capital distributions	—	—	—	—	—	—	—	(2,495)	(2,495)
Noncontrolling interest capital contribution	—	—	—	—	—	—	—	32	32
Balance at November 2, 2024	51,445,203	$ 514	$ 604,344	$ 1,223,624	$ (143,841)	91,326,050	$ (1,233,912)	$ 39,283	$ 490,012

See accompanying notes to condensed consolidated financial statements.

GUESS?, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
November 1, 2025
(unaudited)

(1) Basis of Presentation

Description of the Business

Guess?, Inc. (the "Company" or "GUESS?") designs, markets, distributes and licenses a leading lifestyle collection of contemporary apparel and accessories for men, women and children that reflect the American lifestyle and European fashion sensibilities. The Company's designs are sold in GUESS? owned stores, to a network of wholesale accounts that includes department stores, selected specialty retailers and upscale boutiques and through the Internet. GUESS? branded products, some of which are produced under license, are also sold internationally through a series of retail store licensees and wholesale distributors. On April 2, 2024, the Company acquired all the operating assets and a 50% interest in the intellectual property assets of New York-based fashion brand rag & bone, a leader in the American fashion scene, which directly operates stores in the United States and in select international locations, and is also available in high-end boutiques, department stores and through e-commerce globally.

Proposed Take-Private Transaction with Authentic Brands Group

On August 20, 2025, the Company announced that it had entered into an Agreement and Plan of Merger (the "Merger Agreement" and together with the transactions contemplated thereby, the "Proposed Transaction") with Authentic Brands Group LLC, a Delaware limited liability company ("Authentic"), Glow Holdco 1, Inc., a Delaware corporation and, as of the date of the Merger Agreement and until the Parent Equity Transfer (as defined below) is consummated, a wholly-owned subsidiary of Authentic ("Parent"), and Glow Merger Sub 1, Inc., a Delaware corporation and a wholly-owned subsidiary of Parent ("Merger Sub"). The Proposed Transaction would result in a take-private transaction pursuant to which, as further detailed below, the Company would enter into a strategic partnership with Authentic whereby (i) Authentic would own 51% of substantially all of the Company's intellectual property and certain Rolling Stockholders (defined below) would own 49% of substantially all of the Company's intellectual property; (ii) certain of the Rolling Stockholders would own 100% of the Company's operating assets; and (iii) Guess? shareholders (other than the Rolling Stockholders) would receive $16.75 per share in cash and the Company would no longer be publicly-traded.

The Merger Agreement provides that, among other things and on the terms and subject to the conditions set forth in the Merger Agreement, (i) on the date on which all of the conditions to effect the Pre-Closing Restructuring (as defined below) set forth in the Merger Agreement are satisfied or waived (the "Condition Satisfaction Date"), Authentic shall transfer all of the issued and outstanding equity interests of Parent (and indirectly through ownership of Parent, Merger Sub) to a newly-formed affiliate of the Rolling Stockholders ("IPCo Holdings" and such transfer, the "Parent Equity Transfer"); (ii) following the Condition Satisfaction Date and prior to the effective time of the Merger (the "Effective Time"), the parties will effect a pre-closing restructuring (the "Pre-Closing Restructuring"), pursuant to which, among other things, all of the rights, title and interest owned by the Company or any of its subsidiaries or affiliates in or to substantially all of the Company's intellectual property (other than certain excluded assets) shall be transferred and assigned to certain newly-formed subsidiaries of the Company (the "Company IPCos"); (iii) following the Pre-Closing Restructuring and immediately prior to the Effective Time, (a) Authentic (or its designee(s)) shall purchase all right, title and interest in and to 51% of the issued and outstanding equity interests of the Company IPCos and (b) at Parent's option, IPCo Holdings (or its designee) shall purchase all right, title and interest in and to up to 19% of the issued and outstanding equity interests of the Company IPCos (the sales to Authentic (or its designee(s)) and IPCo Holdings (or its designee) contemplated by the foregoing clauses (a) and (b) are collectively referred to as the "Disposition"); and (iv) at the Effective Time, (a) Merger Sub shall be merged with and into the Company (the "Merger"), with the Company continuing as the surviving corporation (the

"Surviving Corporation") and a wholly-owned subsidiary of Parent, (b) each share of common stock of the Company, par value $0.01 per share (the "Shares") issued and outstanding immediately prior to the Effective Time (other than Excluded Shares (as defined below) and Shares held by any person who duly and validly demands appraisal of such Shares pursuant to Section 262 of the General Corporation Law of the State of Delaware (the "DGCL") and does not effectively withdraw or otherwise waive or lose such right to appraisal under Section 262 of the DGCL) shall be converted into the right to receive $16.75 per share, in cash without interest (the "Per Share Merger Consideration"), except that (x) each Share owned by Authentic, Parent, Merger Sub or any other controlled affiliate of Authentic or Parent, the Company or any wholly-owned subsidiary of the Company, and in each case not held on behalf of third parties, immediately prior to the Effective Time and (y) any Shares owned beneficially or of record by Paul Marciano, Carlos Alberini, certain trusts, foundations and/or affiliates of each of them and of Maurice Marciano and certain other Company stockholders party to the Voting Agreement (as defined in the Merger Agreement and excluding certain stockholders as indicated in the Merger Agreement) (collectively, the "Rolling Stockholders") (which shall, immediately prior to the Effective Time, be contributed or otherwise transferred, directly or indirectly, to IPCo Holdings pursuant to the terms of the Interim Investors Agreement (as defined in the Merger Agreement)) (clauses (a) and (b), collectively, the "Excluded Shares"), in each case, will, by virtue of the Merger, cease to be outstanding, will be cancelled without payment of any consideration therefor and will cease to exist; and (z) each share of common stock of Merger Sub, par value $0.01 per share, issued and outstanding immediately prior to the Effective Time shall be converted into one share of common stock of the Surviving Corporation, par value $0.01 per share, and shall constitute the only outstanding shares of capital stock of the Surviving Corporation as of immediately after the Effective Time. Following the closing of the Proposed Transaction, the Company IPCos are anticipated to be owned 51% by Authentic and 49% by the Rolling Stockholders, and the Surviving Corporation will be wholly owned by certain of the Rolling Stockholders and current Company management will continue to run the business.

The consummation of the Pre-Closing Restructuring is subject to the fulfillment or waiver of certain customary mutual conditions, including (i) the approval and adoption of the Merger Agreement and approval of the Disposition by an affirmative vote of (a) the holders of a majority of the outstanding Shares entitled to vote on such matter and (b) a majority of the votes cast by the disinterested stockholders (as such term is defined in Section 144 of the DGCL), and (ii) the expiration or termination of all required statutory waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and all Required Regulatory Approvals (as defined in the Merger Agreement), shall have been obtained and remain in full force and effect. At a special meeting held on November 21, 2025, the Company's stockholders adopted the Merger Agreement and approved a resolution approving the Disposition. Certain of the Required Regulatory Approvals remain pending. The consummation of the Pre-Closing Restructuring is also subject to the fulfillment or waiver of certain unilateral conditions, including, with respect to the obligation of Authentic, Parent and Merger Sub to consummate the Pre-Closing Restructuring, and the absence of a material adverse effect in respect of the Company between the date of the Merger Agreement and the Condition Satisfaction Date.

The consummation of the Proposed Transaction is subject to the fulfillment or waiver of certain customary mutual conditions, including that all Required Regulatory Approvals shall have been obtained and remain in full force and effect. Certain of the Required Regulatory Approvals remain pending. The consummation of the Proposed Transaction is also subject to the fulfillment or waiver of certain unilateral conditions, including the consummation of the Pre-Closing Restructuring (including the Parent Equity Transfer) in all material respects.

The Merger Agreement contains certain termination rights for the Company and Authentic as specified in the Merger Agreement. In addition, under the terms of the Merger Agreement, the Company may be required to pay Authentic a termination fee of $23.3 million if the Merger Agreement is terminated under specified circumstances.

Upon completion of the Proposed Transaction, the Company's common stock will no longer be listed on any public market.

Reclassifications

The Company has made certain reclassifications to prior period amounts to conform to the current period presentation within the accompanying condensed consolidated financial statements and notes to the condensed consolidated financial statements.

Interim Financial Statements

In the opinion of management, the accompanying unaudited condensed consolidated financial statements of the Company contain all adjustments, consisting of normal recurring adjustments, considered necessary for a fair presentation of the condensed consolidated balance sheets as of November 1, 2025 and February 1, 2025, and the condensed consolidated statements of income (loss), comprehensive income (loss), cash flows and stockholders' equity for the three and nine months ended November 1, 2025 and November 2, 2024. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") for interim financial information and the instructions to Rule 10-01 of Regulation S-X of the U.S. Securities and Exchange Commission (the "SEC"). Accordingly, they have been condensed and do not include all of the information and footnotes required by GAAP for complete financial statements. The results of operations and cash flows for the three and nine months ended November 1, 2025 are not necessarily indicative of the results of operations to be expected for the full fiscal year.

These financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended February 1, 2025.

Fiscal Periods

The Company operates on a 52/53-week fiscal year calendar, which ends on the Saturday nearest to January 31 of each year. The three and nine months ended November 1, 2025 had the same number of days as the three and nine months ended November 2, 2024. All references herein to "fiscal 2026," "fiscal 2025" and "fiscal 2024" represent the results of the 52-week fiscal years ending January 31, 2026 and February 1, 2025 and the 53-week fiscal year ended February 3, 2024, respectively.

Business Update, Market Trends and Uncertainties

Macroeconomic conditions, including declines in consumer spending, inflation, higher interest rates, foreign exchange rate fluctuations, the impacts of the ongoing wars in Ukraine and Gaza, the Red Sea crisis and uncertainty regarding changes in trade policies, including imposition of new or expanded tariffs, are continuing to negatively impact the Company's businesses.

The Company continues to carefully monitor global and regional geopolitical and economic developments. The Company also continues to strategically manage expenses in order to protect profitability and mitigate, to the extent possible, the residual effect of supply chain disruptions stemming from changes to global trade policies and practices. The duration and scope of these conditions cannot be predicted, and therefore, any anticipated negative financial impact to the Company's operating results cannot be reasonably estimated. Additionally, the Company continues to monitor changes in policy impacting global trade, including tariff regulation. For example, the United States has implemented various changes in tariff policy resulting in certain tariff rate increases on its trading partners. While the Company has not yet seen a material impact on its business from the imposition of tariffs, tariffs have the potential to significantly raise the cost of the Company's products, and ongoing changes in U.S. tariff policy are resulting in significant volatility in the global economy.

Summary of Significant Accounting Policies

The accounting policies of the Company are set forth in further detail in Note 1 - Description of the Business and Summary of Significant Accounting Policies and Practices to the Company's Consolidated Financial Statements contained in the Company's fiscal 2025 Annual Report on Form 10-K. The Company includes herein certain updates to those policies.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of cash on hand and marketable securities with original maturities of three months or less. The Company's restricted cash is held for future payment of a special cash dividend declared in March 2024 as nonvested restricted stock awards vest.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported on the condensed consolidated balance sheets to the amount shown in the condensed consolidated statements of cash flows.

	Nov 1, 2025	Nov 2, 2024
Cash and cash equivalents	$ 154,236	$ 140,911
Restricted cash	820	1,411
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	$ 155,056	$ 142,322

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosed in the accompanying notes. Significant areas requiring the use of management estimates relate to the allowances for doubtful accounts, sales return and markdown allowances, valuation of inventories, share-based compensation, income taxes, recoverability of deferred income taxes, unrecognized income tax benefits, the useful life of assets for depreciation and amortization, evaluation of asset impairment (including goodwill and long-lived assets, such as property and equipment and operating lease right-of-use ("ROU") assets), pension obligations, workers' compensation and medical self-insurance expense and accruals, derivative valuation, litigation reserves, restructuring expense and accruals, convertible senior notes and accounting for business combinations. These estimates and assumptions may change as a result of the impact of global economic conditions, such as the uncertainty regarding the impacts of the ongoing wars in Ukraine and Gaza and the Red Sea crisis, changes in policy impacting global trade, such as tariffs, global inflationary pressures, volatility in foreign exchange rates and declining consumer spending. Actual results could differ from those estimates. Revisions in estimates could materially impact the results of operations and financial position.

The Company's operations could be impacted in ways the Company is not able to predict today. While the Company believes it has made reasonable accounting estimates based on the facts and circumstances that were available as of the reporting date, to the extent there are differences between these estimates and actual results, the Company's results of operations and financial position could be materially impacted.

Revenue Recognition

The Company recognizes the majority of its revenue from its direct-to-consumer (brick-and-mortar retail stores and concessions as well as e-commerce) and wholesale distribution channels at a point in time when it satisfies a performance obligation and transfers control of the product to the respective customer. During the three and nine months ended November 1, 2025, wholesale revenues were 43% and 40% of the Company's total consolidated net revenues, respectively. During the three and nine months ended November 2, 2024, wholesale revenues were 41% and 38% of the Company's total consolidated net revenues, respectively.

The Company also recognizes royalty revenue from its trademark license agreements. The Company's trademark license agreements represent symbolic licenses that are dependent on the Company's continued support over the term of the license agreement. The amount of revenue that is recognized from the licensing arrangements is based on sales-based royalty and advertising fund contributions as well as specific fixed payments, where applicable. The Company's trademark license agreements customarily provide for a multi-year initial term ranging from three to 15 years and may contain options to renew prior to expiration for an additional multi-year period. The unrecognized portion of upfront payments is included in deferred royalties in accrued expenses and other long-term liabilities depending on the short or long-term nature of the payments to be recognized. As of November 1, 2025, the Company had $14.5 million and $24.0 million of deferred royalties related to these upfront payments included in accrued expenses and other current liabilities and other long-term liabilities, respectively. This compares to $14.7 million and $33.7 million of deferred royalties related to these upfront payments included in accrued expenses and other current liabilities and other long-term liabilities, respectively, as of February 1, 2025. During the three and nine months ended November 1, 2025, the Company recognized $4.3 million and $12.8 million in net royalties, respectively, related to the amortization of deferred royalties. During the three and nine months ended November 2, 2024, the Company recognized $4.3 million and $13.0 million in net royalties, respectively, related to the amortization of deferred royalties.

Refer to Note 9 - Segment Information for further information on disaggregation of revenue by segment and country.

Allowance for Doubtful Accounts

In the normal course of business, the Company grants credit directly to certain wholesale customers after a credit analysis is performed based on financial and other criteria. Accounts receivable are recorded net of an allowance for doubtful accounts. The Company maintains allowances for doubtful accounts for estimated losses that may result from the inability of its wholesale customers and licensing partners to make their required payments. The Company bases its allowances on analysis of the aging of accounts receivable at the date of the financial statements, assessments of historical and current collection trends, an evaluation of the impact of current and future forecasted economic conditions and whether the Company has obtained credit insurance or other guarantees which are not considered freestanding against the related account receivable balances. Management performs regular evaluations concerning the ability of its customers to make required payments and records a provision for doubtful accounts based on these evaluations.

As of November 1, 2025, approximately 43% of the Company's total net trade accounts receivable and 55% of its European net trade receivables were subject to credit insurance coverage, certain bank guarantees or letters of credit for collection purposes. The Company's credit insurance coverage contains certain terms and conditions specifying deductibles and annual claim limits. Management evaluates the creditworthiness of the counterparties to the credit insurance, bank guarantees and letters of credit and records a provision for the risk of loss on these instruments based on these evaluations as considered necessary.

The Company's credit losses for the periods presented were not significant compared to sales and did not significantly exceed management's estimates. Refer to Note 6 - Accounts Receivable for further information regarding the Company's allowance for doubtful accounts.

Advertising and Marketing Costs

The Company expenses the cost of advertising as incurred. Advertising and marketing expenses charged to operations for the three and nine months ended November 1, 2025 were $25.3 million and $76.3 million, respectively. Advertising and marketing expenses charged to operations for the three and nine months ended November 2, 2024 were $25.7 million and $68.6 million, respectively.

Recently Issued Accounting Guidance

Income Tax Disclosures

In December 2023, the Financial Accounting Standards Board ("FASB") issued authoritative guidance to enhance the transparency and decision usefulness of income tax disclosures. The additional disclosures required by this update are related to the effective tax rate reconciliation and income taxes paid by jurisdiction. This Accounting Standards Update ("ASU") is effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

Debt with Conversion and Other Options

In November 2024, the FASB issued authoritative guidance regarding debt with conversion and other options. This ASU clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion (instead of a debt extinguishment) and is effective for annual reporting periods beginning after December 15, 2025 and interim reporting periods within those annual periods. Early adoption is permitted for all entities that have adopted the amendments in ASU 2020-06: Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. The new guidance can be applied on either a prospective or a retrospective basis. The Company will apply this guidance in future reporting periods to any future settlements of convertible debt instruments that occur after the effective date of the guidance.

Expense Disaggregation

In November 2024, the FASB issued authoritative guidance regarding expense disaggregation disclosures. The guidance requires interim and annual disclosure, within the notes to the Company's financial statements, of (a) purchases of inventory, (b) employee compensation, (c) depreciation, and (d) intangible asset amortization included in each relevant expense caption presented on the face of the income statement within continuing operations. The requirements also include: (1) inclusion of certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements, (2) a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, and (3) disclosure of the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. The new guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

Business Combinations and Consolidations

In May 2025, the FASB issued authoritative guidance which amends the criteria for determining the accounting acquirer in a business combination effected primarily by exchanging equity interests. The amendment applies when the legal acquiree is a variable interest entity that meets the definition of a business. The guidance is effective for all entities for fiscal years beginning after December 15, 2026, and interim reporting periods within those fiscal years. Early adoption is permitted and the amendment is to be applied prospectively to acquisitions that occur on or after the adoption date. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

Estimation of Expected Credit Losses

In July 2025, the FASB issued authoritative guidance which provides entities with a practical expedient to simplify the estimation of expected credit losses by assuming that the current conditions as of the balance sheet date will not change for the remaining life of the asset. The guidance is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted and the guidance is to be applied prospectively. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

Accounting for Internal-Use Software

In September 2025, the FASB issued authoritative guidance to clarify and modernize the capitalization criteria for internal-use software, eliminating references to project stages and instead requiring that projects meet completion probability criteria before costs can be capitalized. This guidance is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years. Early adoption is permitted and the guidance can be applied using a prospective, retrospective or modified transition approach. The Company is currently evaluating the impact this guidance will have on its consolidated financial statements.

(2) Acquisition of rag & bone

On April 2, 2024, the Company completed the acquisition of the operating assets and liabilities of rag & bone, a lifestyle and apparel fashion brand. This included the direct operation of 34 stores in the United States and two stores in the United Kingdom. Concurrent with the closing of the acquisition, (i) a joint venture owned 50% by each of the Company and global management firm WHP Global (the "Joint Venture") acquired rag & bone's intellectual property and (ii) the Company, through Guess Europe Sagl, a wholly owned subsidiary of the Company, entered into an Intellectual Property License Agreement (the "License Agreement") with the

Joint Venture granting the Company the exclusive right to use rag & bone intellectual property to manufacture licensed products worldwide and to sell licensed products in specified territories in exchange for the payment of royalty fees by the Company to the Joint Venture.

The Company paid total cash consideration of approximately $57.1 million at closing for both the operating assets and its 50% interest in the licensing assets. In addition, there is potential for incremental earnout consideration to the sellers, of which the Company could be responsible for a maximum of $12.8 million, based on preset levels of sales and EBITDA performance of the rag & bone operations in its fiscal year ending January 4, 2025. The Company recorded a $2.0 million reserve with respect to the potential earnout payment during the quarter ended May 4, 2024 based on its assessment of the fair value measurement of such earnout as of April 2, 2024. There was no material change in the assessed fair value of the potential earnout as of November 1, 2025. The final amount of any incremental earnout consideration was not yet determined as of November 1, 2025.

The transaction was intended to provide the following strategic and financial benefits:

- leverage the Company’s powerful infrastructure to accelerate rag & bone growth and drive synergies; and
- expand the Company’s global lifestyle brand portfolio with the rag & bone brand, allowing the Company to reach a very attractive customer base that is complementary to that of the Guess and Marciano brands.

Purchase Price Allocation

The rag & bone acquisition was accounted for as a business combination in accordance with Accounting Standards Codification (“ASC”) Topic 805. In accordance with ASC Topic 805, rag & bone was consolidated into the Company’s condensed consolidated financial statements starting on the acquisition date. Under the acquisition method, the Company records the identifiable assets acquired and liabilities assumed at their respective fair values on the acquisition date. There are various estimates and judgments related to the valuation of identifiable assets acquired and liabilities assumed. These estimates and judgments have the potential to materially impact the Company’s condensed consolidated financial statements.

During fiscal 2025, the purchase price allocation as of the acquisition date was based on a preliminary valuation and was subject to change as more detailed analyses were completed and additional information about the fair value of assets acquired and liabilities assumed became available. During the three months ended May 3, 2025, the Company finalized the purchase accounting and the purchase price allocation adjustments were immaterial.

The purchase price consideration was allocated to assets acquired and liabilities assumed based on their respective fair values as follows (in thousands):

		Apr 2, 2024
Cash and cash equivalents	$	2,083
Accounts receivable		23,582
Inventory		52,105
Other current assets		10,900
Total current assets		88,670
Property and equipment		12,605
Operating lease ROU assets		38,821
Other assets		62,221
Total assets acquired	$	202,317
Accounts payable	$	23,752
Accrued expenses		11,923
Current portion of operating lease liabilities		16,588
Total current liabilities		52,263
Long-term operating lease liabilities		44,496
Total liabilities assumed	$	96,759
Fair value of net assets acquired	$	105,558
Cash	$	57,064
Earnout consideration		2,040
Vendor consideration		46,454
Fair value of acquisition consideration	$	105,558

The Company recorded an allocation of the purchase price to the tangible assets acquired and liabilities assumed based on their fair values at the acquisition date, including the fair value of the equity method investment in the Joint Venture. The fair value of inventories, which is primarily made up of finished goods, was determined based on market assumptions for realizing a reasonable profit after selling costs. The fair value of intangibles reflects the rag & bone wholesale customer relationships, which is reported in other assets on the Company's condensed consolidated balance sheets and will be amortized over a ten-year period reflecting the economic life of such relationships. In the acquisition, the Company recorded off-market leases for retail stores, which will be amortized to cost of product sales over 3.5 years.

The Company considers the difference between the total fair value received, inclusive of the deferred tax asset recognized by the Company associated with the transaction, and consideration paid, to be a vendor consideration liability, which reflects the incentive the Company received to enter into the rag & bone transaction and related License Agreement. As such, a $46.5 million vendor consideration liability was recorded on the Company's condensed consolidated balance sheets and no goodwill was recognized as of the acquisition date. The vendor consideration liability will be amortized in selling, general and administrative ("SG&A") expenses over five years.

During the three and nine months ended November 1, 2025, the Company incurred no transaction-related costs in connection with the acquisition of rag & bone. During the three months ended November 2, 2024, the Company incurred no transaction-related costs in connection with the acquisition of rag & bone. During the nine months ended November 2, 2024, the Company incurred $5.7 million of transaction-related costs in connection with the acquisition of rag & bone, which were included in SG&A expenses in the condensed consolidated statements of income (loss) and comprehensive income (loss).

Pro Forma Financial Information

For the three months ended November 2, 2024 and the period April 2, 2024 through November 2, 2024, rag & bone's aggregate net revenue was $73.8 million and $161.0 million, respectively. The following financial information presents the Company's consolidated net revenues as if the acquisition had occurred on January 29, 2023 (in thousands):

	Three Months Ended	Nine Months Ended
	Nov 2, 2024	**Nov 2, 2024**
Pro-forma net revenue	$ 738,518	$ 2,096,263

The Company did not have any nonrecurring pro forma adjustments directly attributable to the rag & bone acquisition included in the reported pro forma revenue.

These pro forma revenues were based on estimates and assumptions, which the Company believes are reasonable and have been calculated after applying the Company's accounting policies. They are not the results that would have been realized had the acquisition actually occurred on January 29, 2023 and are not necessarily indicative of the Company's consolidated net revenue in future periods.

Equity Method Investment in and License Agreement with the Joint Venture

The Company determined that it does not have a controlling financial interest in the Joint Venture, as the Company does not control the governing body of the Joint Venture and does not have the right to direct the most significant activities of the Joint Venture, which include monetizing the rag & bone intellectual property through licensing arrangements. The Company accounts for its 50% interest in the Joint Venture, through which it exercises significant influence, under the equity method. The Company initially recorded its investment in the Joint Venture at cost, which is derived from fair value due to the bundled nature of the rag & bone transaction and included the acquisition of the rag & bone operating net assets, the License Agreement, as well as the Joint Venture investment. As of November 1, 2025 and February 1, 2025, the carrying values of the Joint Venture investment were approximately $42.8 million and $45.4 million, respectively, inclusive of the Company's interest held through a non-interest-bearing loan of $10.1 million. The carrying value for the Company's equity investment is reported in other assets on the Company's condensed consolidated balance sheets.

The Company and the Joint Venture entered into the License Agreement concurrent with the overall rag & bone transaction. The License Agreement grants the Company the exclusive right to use rag & bone intellectual property to manufacture licensed products worldwide and to sell licensed products in specified territories. The initial term of the License Agreement is ten years and the License Agreement automatically renews for up to four successive renewal terms of ten years (unless the Company provides notice of non-renewal). The Joint Venture, through WHP Global, has the right to terminate the License Agreement upon certain breaches by the Company. Under the terms of the License Agreement, the Company will pay the Joint Venture royalties equal to specified percentages of net sales of licensed products, which vary based on sales channel, subject to an annual guaranteed minimum royalty during the term of the License Agreement. The Company records the royalty expenses within cost of product sales.

Pursuant to the agreement governing the operations of the Joint Venture, cash earnings of the Joint Venture will be distributed to the Company and WHP Global on a pro rata basis based on their respective equity ownership interests, subject to certain adjustments agreed to between the Company and WHP Global. The Company will subsequently adjust the carrying amount based on its share of the Joint Venture's net income or loss. The Company's share of equity income is included within results from operations in the condensed consolidated statements of income (loss), subject to adjustments for intercompany profits associated with the License Agreement.

(3) Lease Accounting

The Company primarily leases its showrooms, advertising, licensing, sales and merchandising offices, remote distribution and warehousing facilities and retail and factory outlet store locations under operating lease agreements expiring on various dates through August 2044. The Company also leases some of its equipment, as well as computer hardware and software, under operating and finance lease agreements expiring on various dates through August 2030.

The Company's lease agreements primarily provide for lease payments based on a minimum annual rental amount, a percentage of annual sales volume, periodic adjustments related to inflation or a combination of such lease payments. Certain retail store leases provide for lease payments based upon the minimum annual rental amount and a percentage of annual sales volume, generally ranging from 3% to 26%, when specific sales volumes are exceeded. The Company's retail concession leases also provide for lease payments primarily based upon a percentage of annual sales volume, which averages approximately 26%.

During the nine months ended November 2, 2024, the Company closed on the sale and leaseback of its U.S. distribution center. The lease payments escalate at a fixed percentage rate annually for the first ten years. After the initial lease term, the Company has the option to renew the lease for two five-year extension periods. The transaction met the criteria for sale-leaseback accounting and, as such, a net gain of $13.8 million was recognized on the sale of the assets during the nine months ended November 2, 2024.

In addition to the amounts as disclosed below, the Company has estimated additional operating lease commitments of approximately $34.1 million for leases where the Company has not yet taken possession of the underlying asset as of November 1, 2025. As such, the related operating lease ROU assets and operating lease liabilities have not been recognized in the Company's condensed consolidated balance sheets as of November 1, 2025.

The components of leases are (in thousands):

	Nov 1, 2025	Feb 1, 2025	
Assets			**Balance Sheet Location**
Operating	$ 927,868	$ 839,879	Operating lease right-of-use assets
Finance	4,734	7,042	Property and equipment, net
Total lease assets	$ 932,602	$ 846,921	
Liabilities			
Current:			
Operating	$ 183,094	$ 176,972	Current portion of operating lease liabilities
Finance	3,280	5,236	Current portion of borrowings and finance lease obligations
Noncurrent:			
Operating	795,308	715,755	Long-term operating lease liabilities
Finance	2,528	4,597	Long-term debt and finance lease obligations
Total lease liabilities	$ 984,210	$ 902,560	

The components of lease costs are (in thousands):

	Three Months Ended		Nine Months Ended		
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024	Income Statement Location
Operating lease costs	$ 58,162	$ 53,293	$ 169,190	$ 151,652	Cost of product sales
Operating lease costs	10,358	7,730	29,558	24,820	Selling, general and administrative expenses
Operating lease costs[1]	231	(718)	(5)	(718)	Net (gains) losses on lease modifications
Finance lease costs					
Amortization of leased assets	8	8	24	20	Cost of product sales
Amortization of leased assets	928	753	2,861	3,881	Selling, general and administrative expenses
Interest on lease liabilities	151	120	497	475	Interest expense
Variable lease costs[2]	26,288	25,361	77,397	74,894	Cost of product sales
Variable lease costs	1,065	932	3,191	3,247	Selling, general and administrative expenses
Short-term lease costs	212	129	528	358	Cost of product sales
Short-term lease costs	2,522	2,071	6,609	6,275	Selling, general and administrative expenses
Total lease costs	$ 99,925	$ 89,679	$ 289,850	$ 264,904	

Notes:

1 During the three and nine months ended November 1, 2025, net (gains) losses on lease modifications related primarily to the early termination of certain lease agreements. Operating lease costs for these retail locations prior to such early termination were included in cost of product sales.

2 During the three and nine months ended November 1, 2025, variable lease costs included certain rent concessions of a minimal amount and approximately $0.3 million, respectively, received by the Company, primarily in Europe. During the three and nine months ended November 2, 2024, variable lease costs included certain rent concessions of approximately $0.2 million and $0.5 million, respectively, received by the Company, primarily in Europe.

Maturities of the Company's operating and finance lease liabilities as of November 1, 2025 are (in thousands):

	Operating Leases			
Maturity of Lease Liabilities	Non-Related Parties	Related Parties	Finance Leases	Total
Fiscal 2026	$ 55,477	$ 1,767	$ 881	$ 58,125
Fiscal 2027	215,930	9,766	3,369	229,065
Fiscal 2028	181,703	9,685	1,444	192,832
Fiscal 2029	161,539	10,561	339	172,439
Fiscal 2030	122,881	10,033	39	132,953
After fiscal 2030	314,913	73,649	17	388,579
Total lease payments	1,052,443	115,461	6,089	1,173,993
Less: Interest	156,027	33,475	281	189,783
Present value of lease liabilities	$ 896,416	$ 81,986	$ 5,808	$ 984,210

Other supplemental information is (dollars in thousands):

Lease Term and Discount Rate	Nov 1, 2025
Weighted-average remaining lease term	
Operating leases	6.7 years
Finance leases	1.9 years
Weighted-average discount rate	
Operating leases	5.4%
Finance leases	4.8%

	Nine Months Ended	
Supplemental Cash Flow Information	Nov 1, 2025	Nov 2, 2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 187,416	$ 163,728
New operating ROU assets obtained in exchange for lease liabilities	$ 170,460	$ 192,543

(4) Earnings (Loss) per Share

The computation of basic and diluted net earnings (loss) per common share attributable to common stockholders is (in thousands, except per share data):

	Three Months Ended		Nine Months Ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
Net earnings (loss) attributable to Guess?, Inc.	$ 25,648	$ (23,395)	$ (1,038)	$ (20,976)
Less net earnings attributable to nonvested restricted stockholders	297	210	526	687
Net earnings (loss) attributable to common stockholders	25,351	(23,605)	(1,564)	(21,663)
Remove income related to the convertible senior notes [1]	—	(7,712)	—	—
Net earnings (loss) attributable to common stockholders used in diluted computations	$ 25,351	$ (31,317)	$ (1,564)	$ (21,663)
Weighted average common shares used in basic computations	51,586	50,798	51,487	52,047
Effect of dilutive securities:				
Stock options and restricted stock units	1,583	—	—	—
Convertible senior notes	—	15,810	—	—
Weighted average common shares used in diluted computations	53,169	66,608	51,487	52,047
Net earnings (loss) per common share attributable to common stockholders:				
Basic	$ 0.49	$ (0.46)	$ (0.03)	$ (0.42)
Diluted	$ 0.48	$ (0.47)	$ (0.03)	$ (0.42)

Notes:

1 Expenses (income) related to the convertible senior notes include interest expense, loss on extinguishment of debt and (gain) loss on fair value remeasurement for embedded derivative, as applicable, net of associated income tax effect.

Certain potentially dilutive common stock, including certain equity awards granted that were outstanding as well as shares issuable under convertible senior notes, are not included in the computation of diluted weighted average common shares and potential common shares outstanding if their effect would have been antidilutive. Antidilutive shares excluded from the computation of diluted weighted average common shares and potential common shares outstanding are:

	Three Months Ended		Nine Months Ended	
	Nov 1, 2025	**Nov 2, 2024**	**Nov 1, 2025**	**Nov 2, 2024**
Stock options and restricted stock units [1]	925,262	1,492,824	1,899,797	1,557,115
Convertible senior notes (as converted)	16,144,935	—	16,059,119	15,798,155
Total	17,070,197	1,492,824	17,958,916	17,355,270

Notes:

1 During the three months ended November 1, 2025, 925,262 potentially dilutive shares were excluded because the assumed proceeds resulted in these awards being antidilutive. During the nine months ended November 1, 2025, 806,599 potentially dilutive shares were excluded given the Company's net loss and 1,093,198 potentially dilutive shares were excluded because the assumed proceeds resulted in these awards being antidilutive. During the three months ended November 2, 2024, 1,172,118 potentially dilutive shares were excluded given the Company's net loss and 320,706 potentially dilutive shares were excluded because the assumed proceeds resulted in these awards being antidilutive. During the nine months ended November 2, 2024, 1,313,235 potentially dilutive shares were excluded given the Company's net loss and 243,880 potentially dilutive shares were excluded because the assumed proceeds resulted in these awards being antidilutive.

Additionally, for the three and nine months ended November 1, 2025, the Company excluded 356,124 nonvested stock units which were subject to the achievement of performance-based or market-based vesting conditions from the computation of diluted weighted average common shares and potential common shares outstanding because these conditions were not achieved as of November 1, 2025. For the three and nine months ended November 2, 2024, the Company excluded 574,941 nonvested stock units which were subject to the achievement of performance-based or market-based vesting conditions from the computation of diluted weighted average common shares and potential common shares outstanding because these conditions were not achieved as of November 2, 2024.

There were no warrants related to the 2.00% convertible senior notes due April 2024 (the "2024 Notes") outstanding as of November 1, 2025. Warrants related to the 2024 Notes to purchase approximately 0.3 million shares of the Company's common shares at an adjusted strike price of $40.65 per share were outstanding as of November 2, 2024. Warrants related to the 3.75% convertible senior notes due April 2028 (the "2028 Notes," and together with the 2024 Notes, the "Notes") to purchase approximately 16.1 million and 15.8 million shares of the Company's common shares at adjusted strike prices of $36.89 and $37.61 per share were outstanding as of November 1, 2025 and November 2, 2024, respectively. During the three and nine months ended November 1, 2025 and November 2, 2024, these warrants were excluded from the computation of diluted net earnings (loss) per share since the warrants' strike prices were greater than the average market price of the Company's common stock. See Note 11 - Convertible Senior Notes and Related Transactions for more information regarding the Notes and related hedge transactions.

(5) Stockholders' Equity

Share Repurchase Program

On March 25, 2024, the Board of Directors authorized a $200 million share repurchase program (the "2024 Share Repurchase Program"). Repurchases under the 2024 Share Repurchase Program may be made on the open market or in privately negotiated transactions, pursuant to Rule 10b5-1 trading plans or other available means. There is no minimum or maximum number of shares to be repurchased under the program, and the program may be discontinued at any time without prior notice.

During the three and nine months ended November 1, 2025, there were no share repurchases. During the three months ended November 2, 2024 there were no share repurchases. During the nine months ended November 2, 2024, the Company repurchased 2.6 million shares of the Company's common stock under its 2024 Share Repurchase Program at an aggregate cost of $60.8 million, including excise tax. As of

November 1, 2025, the Company had remaining authority under the 2024 Share Repurchase Program to purchase approximately $139.8 million of its common stock.

During the pendency of the Proposed Transaction, the Company is prohibited from repurchasing shares of its common stock, including under the 2024 Share Repurchase Program, without the prior written consent of Authentic.

Dividends

The following sets forth the cash dividend declared per share:

	Three Months Ended		Nine Months Ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
Cash dividend declared per share	$ 0.225	$ 0.300	$ 0.825	$ 3.150

During the pendency of the Proposed Transaction, the Company is prohibited from declaring dividends on its common stock, other than its regular quarterly dividends of up to $0.225 per share, without the prior written consent of Authentic.

On March 20, 2024, the Company announced a special cash dividend of $2.25 per share on the Company's common stock in addition to the quarterly cash dividend of $0.30 per share. The dividends were paid on May 3, 2024 to stockholders of record as of the close of business on April 17, 2024.

The indenture governing the 2028 Notes requires an adjustment to the conversion rate and the conversion price of the 2028 Notes for quarterly dividends exceeding $0.225 per share. In accordance with the terms of the indentures governing the 2028 Notes, the Company has adjusted the conversion rate and the conversion price of the 2028 Notes for quarterly dividends exceeding $0.225 per share. Corresponding adjustments have been made to the strike prices with respect to the convertible note hedges and the warrants entered into by the Company in connection with the offerings of the 2028 Notes, each of which was decreased in accordance with the terms of the applicable convertible note hedge confirmations and warrant confirmations. Refer to Note 11 - Convertible Senior Notes and Related Transactions for more information.

For each of the periods presented, dividends paid also included the impact from vesting of restricted stock units that are considered non-participating securities and are only entitled to dividend payments once the respective awards vest.

Accumulated Other Comprehensive Income (Loss)

The changes in accumulated other comprehensive income (loss) ("AOCL"), net of related income taxes, are (in thousands):

	Foreign Currency Translation Adjustment	Derivative Financial Instruments Designated as Cash Flow Hedges	Defined Benefit Plans	Total
	Three Months Ended Nov 1, 2025			
Balance at August 2, 2025	$ (115,078)	$ (12,289)	$ (2,895)	$ (130,262)
Gains (losses) arising during the period	(2,713)	1,289	11	(1,413)
Reclassification to net earnings (loss) for losses realized	—	1,981	—	1,981
Net other comprehensive income (loss)	(2,713)	3,270	11	568
Balance at November 1, 2025	$ (117,791)	$ (9,019)	$ (2,884)	$ (129,694)

	Foreign Currency Translation Adjustment	Derivative Financial Instruments Designated as Cash Flow Hedges	Defined Benefit Plans	Total
	Nine Months Ended Nov 1, 2025			
Balance at February 1, 2025	$ (164,846)	$ 7,300	$ (1,650)	$ (159,196)
Gains (losses) arising during the period	47,055	(16,824)	(1,223)	29,008
Reclassification to net earnings (loss) for (gains) losses realized	—	505	(11)	494
Net other comprehensive income (loss)	47,055	(16,319)	(1,234)	29,502
Balance at November 1, 2025	$ (117,791)	$ (9,019)	$ (2,884)	$ (129,694)
	Three Months Ended Nov 2, 2024			
Balance at August 3, 2024	$ (137,667)	$ 476	$ (467)	$ (137,658)
Gains (losses) arising during the period	(7,542)	1,688	77	(5,777)
Reclassification to net earnings (loss) for gains realized	—	(372)	(34)	(406)
Net other comprehensive income (loss)	(7,542)	1,316	43	(6,183)
Balance at November 2, 2024	$ (145,209)	$ 1,792	$ (424)	$ (143,841)
	Nine Months Ended Nov 2, 2024			
Balance at February 3, 2024	$ (136,115)	$ (544)	$ (351)	$ (137,010)
Gains (losses) arising during the period	(9,094)	1,001	28	(8,065)
Reclassification to net earnings (loss) for (gains) losses realized	—	1,335	(101)	1,234
Net other comprehensive income (loss)	(9,094)	2,336	(73)	(6,831)
Balance at November 2, 2024	$ (145,209)	$ 1,792	$ (424)	$ (143,841)

Details on reclassifications out of AOCL to net earnings (loss) are (in thousands):

	Three Months Ended		Nine Months Ended		Location of (Gain) Loss Reclassified from AOCL into Earnings (Loss)
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024	
Derivative financial instruments designated as cash flow hedges:					
Foreign exchange currency contracts	$ 2,225	$ (418)	$ 568	$ 1,683	Cost of product sales
Interest rate swap	—	—	—	(212)	Interest expense
Less income tax effect	(244)	46	(63)	(136)	Income tax expense
Subtotal	1,981	(372)	505	1,335	
Defined benefit plans:					
Net actuarial (gain) loss amortization	37	(2)	95	(9)	Other income (expense), net
Prior service credit amortization	(50)	(42)	(142)	(122)	Other income (expense), net
Less income tax effect	13	10	36	30	Income tax expense
Subtotal	—	(34)	(11)	(101)	
Total reclassifications to net earnings (loss) for (gains) losses realized during the period	$ 1,981	$ (406)	$ 494	$ 1,234	

(6) Accounts Receivable

Accounts receivable is summarized as follows (in thousands):

	Nov 1, 2025	Feb 1, 2025
Trade	$ 382,916	$ 353,375
Royalty	26,516	35,163
Other	7,743	9,277
Total accounts receivable	417,175	397,815
Less allowances	9,397	6,654
Accounts receivable, net	$ 407,778	$ 391,161

Accounts receivable consists of trade receivables relating primarily to the Company's wholesale business in Europe and, to a lesser extent, its wholesale businesses in the Americas and Asia, royalty receivables relating to its licensing operations, credit card and retail concession receivables related to its retail businesses and certain other receivables. Other receivables generally relate to amounts due to the Company that result from activities that are not related to the direct sale of the Company's products or collection of royalties.

(7) Inventories

Inventories consist of the following (in thousands):

	Nov 1, 2025	Feb 1, 2025
Raw materials	$ 931	$ 2,801
Work in progress	83	0
Finished goods	691,252	559,848
Inventories	$ 692,266	$ 562,649

The above balances include an allowance to write down inventories to the lower of cost or net realizable value of $28.8 million and $26.9 million as of November 1, 2025 and February 1, 2025, respectively.

(8) Income Taxes

Effective Income Tax Rate

Income tax expense (benefit) for the interim periods is computed using the income tax rate estimated to be applicable for the full fiscal year, adjusted for discrete items. The Company's effective income tax rate was an expense of 59.6% for the nine months ended November 1, 2025 compared to 355.1% for the nine months ended November 2, 2024. The change in the effective income tax rate was primarily due to a shift in the distribution of earnings among the Company's tax jurisdictions and to the Company's lower income during the nine months ended November 1, 2025 compared to the same prior-year period. The rate was also affected by a net $14.8 million unrealized gain during the nine months ended November 1, 2025 compared to a net $41.8 million unrealized loss during the same prior-year period on the fair value remeasurement of derivatives related to the Company's 2028 Notes and the related convertible note hedge, which was disregarded for income tax purposes.

Unrecognized Income Tax Benefit

The Company and its subsidiaries are subject to U.S. federal and foreign income tax, as well as income tax of multiple state and foreign local jurisdictions. From time-to-time, the Company is subject to routine income and other audits on various income tax matters around the world in the ordinary course of business. As of November 1, 2025, no income tax or other tax audits expected to have a material impact on the Company's financial statements were ongoing.

As of November 1, 2025 and February 1, 2025, the Company had $43.1 million and $40.3 million, respectively, of aggregate accruals for uncertain income tax positions, including penalties and interest. This includes an accrual of $20.6 million, excluding interest and penalties, for a fiscal 2022 intra-entity transfer of intellectual property rights from certain U.S. entities to a wholly-owned Swiss subsidiary, substantially offset by the related deferred income tax benefit recorded by the Swiss subsidiary. The Company reviews and updates the estimates used in the accrual for uncertain income tax positions, as appropriate, as more definitive information or interpretations become available from income taxing authorities, and on the completion of income tax audits, the receipt of assessments, expiration of statutes of limitations, or occurrence of other events.

During fiscal 2021, the Company became aware of a foreign withholding income tax regulation that could be interpreted to apply to certain of its previous transactions. The Company currently does not expect its exposure, if any, will have a material impact on its consolidated financial position, results of operations or cash flows.

Indefinite Reinvestment Assertion

The Company has historically considered the undistributed earnings of its foreign subsidiaries to be indefinitely reinvested. As a result of the 2017 Tax Cuts and Jobs Act, the Company had a substantial amount of previously taxed earnings that could be distributed to the United States without additional U.S. taxation. As of November 1, 2025, the Company determined that approximately $300.0 million of such foreign earnings are not indefinitely reinvested. The incremental tax cost to repatriate these earnings to the United States is immaterial. The Company intends to indefinitely reinvest the remaining earnings from the Company's foreign subsidiaries for which a deferred income tax liability has not already been recorded. The Company continues to evaluate its plans for reinvestment or repatriation of unremitted foreign earnings and regularly reviews its cash positions and determination of indefinite reinvestment of foreign earnings. If the Company determines that all or a portion of such foreign earnings are no longer indefinitely reinvested, the Company may be subject to additional foreign withholding taxes and U.S. state income taxes beyond the one-time transition tax.

Recent Tax Law Changes

On July 4, 2025, the One Big Beautiful Bill Act of 2025 (the "2025 Tax Act") was signed into law, introducing several changes to U.S. corporate income tax provisions. Key provisions include the reinstatement of 100% accelerated depreciation on qualified property and a return to an EBITDA-based calculation for interest expense limitations under Section 163(j) of the Internal Revenue Code of 1986, as amended. While the Company continues to assess the full impact of the 2025 Tax Act, the legislation did not have a material effect on the Company's condensed consolidated financial statements for the three or nine months ended November 1, 2025.

(9) Segment Information

The Company's businesses are grouped into five reportable segments: Europe, Americas Retail, Americas Wholesale, Asia and Licensing. The Company's Europe, Americas Retail, Americas Wholesale and Licensing reportable segments are the same as their respective operating segments. Certain components of the Company's Asia operating segment are separate operating segments based on region, which have been aggregated into the Asia reportable segment for disclosure purposes. On April 2, 2024, the Company completed the rag & bone acquisition and integrated rag & bone into its existing segments for financial reporting purposes.

The Company's Chief Executive Officer is the Chief Operating Decision Maker ("CODM"). The CODM evaluates segment performance based primarily on net revenues and earnings (loss) from operations before corporate performance-based compensation costs, asset impairment charges, net gains (losses) on lease modifications, separation charges, transaction costs, Proposed Transaction Costs (as defined below), restructuring charges, gain on sale of assets and certain non-recurring credits (charges), if any. All intercompany revenues are eliminated in consolidation and are not reviewed when evaluating segment performance. Corporate overhead, asset impairment charges, net gains from lease modifications, interest income, interest expense and other income (expense) are evaluated on a consolidated basis and not allocated to the Company's business segments. The CODM does not evaluate performance or allocate resources based on segment asset data, and therefore total segment assets are not presented. The CODM does not review any information regarding total assets on a reportable segment basis.

Segment information is summarized as follows (in thousands):

	Three Months Ended Nov 1, 2025					
	Europe	Americas Retail	Americas Wholesale	Asia	Licensing	Total
Product sales[1]	$ 404,063	$ 170,037	$ 126,147	$ 60,073	$ —	$ 760,320
Net royalties	—	—	—	—	31,107	31,107
Net revenue	404,063	170,037	126,147	60,073	31,107	791,427
Less[2]:						
Cost of sales[3]	162,186	63,534	75,819	29,347	—	330,886
Store occupancy expense	52,434	40,759	—	11,743	—	104,936
Advertising expense[4]	10,787	4,791	1,454	1,023	1,695	19,750
Selling and merchandise expense	38,183	9,357	6,324	5,787	—	59,651
Store selling expense	43,673	39,223	—	5,524	—	88,420
General and administrative expense	29,966	11,467	8,616	5,121	155	55,325
Distribution expense	18,272	1,280	3,813	1,865	—	25,230
Other segment items[5]	14,818	8,579	1,349	2,391	904	28,041
Total segment earnings (loss) from operations	33,744	(8,953)	28,772	(2,728)	28,353	79,188
Reconciliation of segment earnings from operations to earnings before income tax expense:						
Asset impairment charges[6]						(4,828)
Net losses on lease modifications						(231)
Interest expense						(7,809)
Interest income						1,760
Other income, net						21,246
Unallocated corporate overhead expense[4]						(50,946)
Earnings before income tax expense						$ 38,380

	Nine Months Ended Nov 1, 2025					
	Europe	Americas Retail	Americas Wholesale	Asia	Licensing	Total
Product sales[1]	$ 1,147,046	$ 506,045	$ 302,772	$ 173,943	$ —	$ 2,129,806
Net royalties	—	—	—	—	82,359	82,359
Net revenue	1,147,046	506,045	302,772	173,943	82,359	2,212,165
Less[2]:						
Cost of sales[3]	471,409	191,133	181,951	81,961	—	926,454
Store occupancy expense	149,879	120,694	—	35,918	—	306,491
Advertising expense[4]	30,579	15,595	3,229	4,075	3,740	57,218
Selling and merchandise expense	112,787	28,474	15,725	15,238	—	172,224
Store selling expense	127,037	116,913	—	17,910	—	261,860
General and administrative expense	89,674	36,145	24,719	14,711	451	165,700
Distribution expense	51,968	4,052	9,667	4,577	—	70,264
Other segment items[5]	42,477	25,148	3,828	7,877	1,740	81,070
Total segment earnings (loss) from operations	71,236	(32,109)	63,653	(8,324)	76,428	170,884
Reconciliation of segment earnings from operations to earnings before income tax expense:						
Asset impairment charges[6]						(13,183)
Net gains on lease modifications						5
Interest expense						(23,518)
Interest income						6,782
Other income, net						24,701
Unallocated corporate overhead expense[4]						(149,745)
Earnings before income tax expense						$ 15,926

	Three Months Ended Nov 2, 2024					
	Europe	Americas Retail	Americas Wholesale	Asia	Licensing	Total
Product sales[1]	$ 368,429	$ 172,751	$ 98,849	$ 65,478	$ —	$ 705,507
Net royalties	—	—	—	—	33,011	33,011
Net revenue	368,429	172,751	98,849	65,478	33,011	738,518
Less[2]:						
Cost of sales[3]	147,883	63,449	58,960	28,957	—	299,249
Store occupancy expense	46,019	39,689	—	12,649	—	98,357
Advertising expense[4]	9,687	6,320	1,215	1,561	2,031	20,814
Selling and merchandise expense	36,505	8,261	2,626	7,486	—	54,878
Store selling expense	38,355	37,887	—	6,647	—	82,889
General and administrative expense	26,194	13,512	6,523	4,839	282	51,350
Distribution expense	17,536	1,690	2,335	1,705	—	23,266
Other segment items[5]	13,774	9,430	1,780	2,915	402	28,301
Total segment earnings (loss) from operations	32,476	(7,487)	25,410	(1,281)	30,296	79,414
Reconciliation of segment loss from operations to loss before income tax expense:						
Asset impairment charges[6]						(1,091)
Net gains on lease modifications						718
Interest expense						(8,131)
Interest income						2,613
Other expense, net						(45,826)
Unallocated corporate overhead expense[4]						(36,765)
Loss before income tax expense						$ (9,068)

	Nine Months Ended Nov 2, 2024					
	Europe	Americas Retail	Americas Wholesale	Asia	Licensing	Total
Product sales[1]	$ 1,035,532	$ 498,441	$ 245,381	$ 192,566	$ —	$ 1,971,920
Net royalties	—	—	—	—	91,101	91,101
Net revenue	1,035,532	498,441	245,381	192,566	91,101	2,063,021
Less[2]:						
Cost of sales[3]	426,053	183,688	146,221	81,887	—	837,849
Store occupancy expense	132,561	112,740	—	36,941	—	282,242
Advertising expense[4]	24,717	14,299	2,215	4,289	5,392	50,912
Selling and merchandise expense	104,358	25,439	9,462	21,692	—	160,951
Store selling expense	111,840	109,168	—	20,323	—	241,331
General and administrative expense	77,881	36,842	19,590	13,707	833	148,853
Distribution expense	49,570	4,954	7,617	4,506	—	66,647
Other segment items[5]	39,121	26,496	4,759	7,985	766	79,127
Total segment earnings (loss) from operations	69,431	(15,185)	55,517	1,236	84,110	195,109

Reconciliation of segment earnings from operations to earnings before income tax expense:	
Asset impairment charges[6]	(4,509)
Net gains on lease modifications	718
Gain on sale of assets[7]	13,781
Interest expense	(22,212)
Interest income	9,218
Loss on extinguishment of debt	(1,952)
Other expense, net	(49,932)
Unallocated corporate overhead expense[4]	(134,935)
Earnings before income tax expense	$ 5,286

Notes:

1 All intercompany revenues are eliminated in consolidation and are not reviewed when evaluating segment performance.

2 The significant expense categories and amounts align with the segment-level information that is regularly provided to the Company's CODM. All intercompany expenses are eliminated in consolidation and are not reviewed when evaluating segment performance.

3 Cost of sales represents the cost of product sales excluding store occupancy expense, buying department expense and retail occupancy distribution expense.

4 During the three and nine months ended November 1, 2025, the Company incurred a total of $25.3 million and $76.3 million in advertising expenses, with $19.8 million and $57.2 million allocated within the Company's segments and $5.5 million and $19.1 million included in unallocated corporate overhead expenses, respectively. During the three and nine months ended November 2, 2024, the Company incurred a total of $25.7 million and $68.6 million in advertising expenses, with $20.8 million and $50.9 million allocated within the Company's segments and $4.9 million and $17.7 million included in unallocated corporate overhead expenses, respectively.

5 Other segment items for each reportable segment include buying department expense, retail occupancy distribution expense, design expense, gain (loss) on equity method investment and stock compensation.

6 During the three and nine months ended November 1, 2025 and November 2, 2024, the Company recognized asset impairment charges related primarily to impairment of property and equipment related to certain retail locations resulting from under-performance and expected store closures. Refer to Note 16 - Fair Value Measurements for more information regarding these asset impairment charges.

7 During the nine months ended November 2, 2024, the Company recorded a gain on the sale of assets related to the U.S. distribution center.

Depreciation and amortization by segment are summarized as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
Europe	$ 10,524	$ 8,723	$ 29,202	$ 26,071
Americas Retail	5,027	4,966	15,362	13,480
Americas Wholesale	559	1,026	1,711	3,098
Asia	997	1,123	3,111	3,209
Corporate overhead	1,809	1,695	5,376	5,256
Total depreciation and amortization	$ 18,916	$ 17,533	$ 54,762	$ 51,114

Capital expenditures by segment are summarized as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
Europe	$ 3,020	$ 7,830	$ 23,068	$ 21,962
Americas Retail	3,965	4,871	11,795	19,503
Americas Wholesale	4,382	4,218	13,426	10,889
Asia	469	2,248	2,917	4,491
Corporate overhead	5,054	2,907	9,071	6,707
Total capital expenditures	$ 16,890	$ 22,074	$ 60,277	$ 63,552

The below presents information regarding geographic areas in which the Company operated. Net revenue is classified primarily based on the country where the Company's customer is located (in thousands):

	Three Months Ended		Nine Months Ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
Net Product Sales:				
U.S.	$ 217,895	$ 198,955	$ 594,947	$ 542,794
Italy	78,860	72,519	221,531	208,240
Germany	56,970	52,326	154,850	137,615
Spain	40,408	37,385	119,875	107,501
South Korea	35,159	39,097	101,720	118,788
Canada	30,010	33,244	87,847	95,134
Other countries	301,018	271,981	849,036	761,848
Total product sales	760,320	705,507	2,129,806	1,971,920
Net royalties	31,107	33,011	82,359	91,101
Net revenue	$ 791,427	$ 738,518	$ 2,212,165	$ 2,063,021

Due to the seasonal nature of the Company's business segments, the above net revenue and operating results are not necessarily indicative of the results that may be expected for the full fiscal year.

(10) Borrowings and Finance Lease Obligations

Borrowings and finance lease obligations are summarized (in thousands):

	Nov 1, 2025	Feb 1, 2025
Term loans	$ —	$ 2,507
Finance lease obligations	5,808	9,833
Borrowings under credit facilities	308,319	170,327
Other	12,125	8,949
Total debt and finance lease obligations	326,252	191,616
Less current installments	26,710	40,948
Long-term debt and finance lease obligations	$ 299,542	$ 150,668

Term Loans

The Company entered into term loans with certain banks primarily in Europe during fiscal 2021. These loans were primarily unsecured, incurred interest at annual rates ranging between 1.5% to 5.5% and matured during the nine months ended November 1, 2025. As of February 1, 2025, the Company had outstanding borrowings of $2.5 million under these term loans. As of November 1, 2025, the Company had no outstanding borrowings under these term loans.

Finance Lease Obligations

The Company has entered into finance leases for equipment used in its European distribution centers. These finance lease agreements provide for monthly minimum lease payments and expire on various dates through May 2027 with an average effective interest rate of approximately 4%. As of November 1, 2025 and February 1, 2025, these finance lease obligations totaled $3.4 million and $5.0 million, respectively.

The Company also has smaller finance leases related primarily to computer hardware and software and other equipment. As of November 1, 2025 and February 1, 2025, these finance obligations totaled $2.4 million and $4.8 million, respectively.

Credit Facilities

Long-Term 2023 Credit Facility

During fiscal 2023, the Company amended and restated its senior secured asset-based revolving credit facility with Bank of America, N.A. and other lenders party thereto to extend the maturity date of the credit facility to December 20, 2027, among other changes (as amended, the "2023 Credit Facility"). In addition, the Company entered into agreements to amend the 2023 Credit Facility to permit, among other things, an exchange and subscription offering and a certain related transaction on each of April 12, 2023 and March 28, 2024. The 2023 Credit Facility previously provided for a borrowing capacity in an amount up to $150 million, which was increased in March 2024 by $50 million to a total borrowing capacity under the facility of up to $200 million. The borrowing facility includes a Canadian sub-facility of up to $20 million, subject to a borrowing base. Based on applicable accounts receivable, inventory and eligible cash, subject to certain allowances, the Company could have borrowed up to $194.1 million under the 2023 Credit Facility as of November 1, 2025. The 2023 Credit Facility has an option to expand the borrowing capacity by up to $100 million, subject to certain terms and conditions, including the willingness of existing or new lenders to assume such increased amount. The 2023 Credit Facility is available for direct borrowings and the issuance of letters of credit, subject to certain letters of credit sublimits, and may be used for repayment of debt, working capital and other general corporate purposes. As of November 1, 2025, the Company had $5.9 million in outstanding standby letters of credit, no outstanding documentary letters of credit and no outstanding borrowings under the 2023 Credit Facility. As of February 1, 2025, the Company had $6.1 million in outstanding standby letters of credit, no outstanding documentary letters of credit and no outstanding borrowings under the 2023 Credit Facility.

All obligations under the 2023 Credit Facility are unconditionally guaranteed by the Company and the Company's existing and future domestic and Canadian subsidiaries, subject to certain exceptions, and are secured by a first priority lien on substantially all of the assets of the Company and such domestic and Canadian subsidiaries, as applicable.

Direct borrowings under the 2023 Credit Facility made by the Company and its domestic subsidiaries bear interest at the U.S. base rate plus an applicable margin (varying from 0.25% to 0.75%) or at Term Secured Overnight Financing Rate ("SOFR") plus a spread adjustment plus an applicable margin (varying from 1.25% to 1.75%), provided that Term SOFR may not be less than zero. The U.S. base rate is based on the greater of (i) the U.S. prime rate, (ii) the federal funds rate, plus 0.5%, and (iii) Term SOFR plus a spread adjustment for a 30-day interest period, plus 1.0%, provided that the U.S. base rate may not be less than zero. Direct borrowings under the 2023 Credit Facility made by the Company's Canadian subsidiaries bear interest at the Canadian prime rate plus an applicable margin (varying from 0.25% to 0.75%) or at the Term Canadian Overnight Repo Rate Average ("CORRA") rate plus an applicable margin (varying from 1.25% to 1.75%), provided that the Term CORRA rate may not be less than zero. The Canadian rate is based on the greater of (i) the Canadian prime rate and (ii) the Term CORRA rate for a one-month interest period, plus 1.0%, provided that the Canadian prime rate may not be less than zero. The applicable margins are calculated quarterly and vary based on the average daily availability of the aggregate borrowing base. The Company is also obligated to pay certain commitment, letter of credit and other fees customary for a credit facility of this size and type.

The 2023 Credit Facility contains various annual sustainability key performance targets, the achievement of which would result in an adjustment to the interest margin ranging from a plus 5 basis points to a minus 5 basis points per year and the commitment fee ranging from plus 1 basis point to minus 1 basis point per year. The 2023 Credit Facility requires the Company to comply with a fixed charge coverage ratio on a trailing four-quarter basis if a default or an event of default occurs under the 2023 Credit Facility or availability under the 2023 Credit Facility falls below the greater of 10% of the aggregate borrowing base and $12.5 million. In addition, the 2023 Credit Facility contains customary covenants, including covenants that limit or restrict the Company and certain of its subsidiaries' ability to incur liens, incur indebtedness, make investments, dispose of assets, make certain restricted payments, merge or consolidate and enter into certain transactions with affiliates. Upon the occurrence of an event of default under the 2023 Credit Facility, the lenders may cease making loans, terminate the 2023 Credit Facility and declare all amounts outstanding to be immediately due and payable. The 2023 Credit Facility specifies a number of events of default (some of which are subject to applicable grace or cure periods), including, among other things, non-payment defaults, covenant defaults, cross-defaults to other material indebtedness, bankruptcy and insolvency defaults, and material judgment defaults. The 2023 Credit Facility allows for both secured and unsecured borrowings outside of the 2023 Credit Facility up to specified amounts.

Long-Term 2024 Credit Facility

During fiscal 2023, the Company, through one of its wholly-owned European subsidiaries, entered into a credit agreement for a €250 million revolving credit facility with an initial five-year term. During the second quarter of fiscal 2025, the Company, through this European subsidiary, entered into agreements with certain lenders, which expanded the borrowing capacity under the credit agreement (as amended, the "2024 Credit Facility") from €250 million to €350 million.

In connection with the €100 million expansion in the size of the revolving line of credit, the 2024 Credit Facility provides for an increase in the applicable margin for outstanding borrowings and unused commitments under the revolving credit facility. Borrowings under the 2024 Credit Facility bear interest based on the daily balance outstanding at the Euro Interbank Offered Rate ("EURIBOR") plus an applicable margin (varying from 1.10% to 1.45%), provided that EURIBOR may not be less than zero. The 2024 Credit Facility carries a commitment fee equal to the available but unused borrowing capacity multiplied by 35% of an applicable margin (varying from 1.10% to 1.45%). The Company is also required to pay a utilization fee on the total amount of the loans outstanding under the 2024 Credit Facility at rates varying from 0.10% to 0.20%, depending on the balance outstanding. The applicable margins are calculated quarterly and vary based on the leverage ratio of the guarantor and its subsidiaries as set forth in the 2024 Credit Facility.

The 2024 Credit Facility contains various annual sustainability key performance targets, the achievement of which would result in an adjustment to the interest margin ranging from a plus 5 basis points to a minus 5 basis points per year. The 2024 Credit Facility includes a financial covenant requiring a maximum leverage ratio of the guarantor and its subsidiaries and also includes customary representations and warranties, affirmative and negative covenants and events of default. As of November 1, 2025, the Company had $288.4 million in outstanding borrowings and $115.4 million available for future borrowings under the 2024 Credit Facility. As of February 1, 2025, the Company had $139.8 million in outstanding borrowings and $222.7 million available for future borrowings under the 2024 Credit Facility.

Other Credit Facilities

The Company, through its Chinese subsidiary, maintains a short-term uncommitted bank borrowing agreement that provides for a borrowing capacity up to $30 million, primarily for working capital purposes. The Company had $14.1 million and $27.6 million in outstanding borrowings under this agreement as of November 1, 2025 and February 1, 2025, respectively.

The Company, through its Japanese subsidiary, maintains a short-term uncommitted bank borrowing agreement that provides for a borrowing capacity up to ¥1.0 billion ($6.5 million), primarily for working capital purposes. The Company had $5.8 million and $2.9 million in outstanding borrowings under this agreement as of November 1, 2025 and February 1, 2025, respectively.

Other

During fiscal 2025, a majority-owned subsidiary of Guess Europe Sagl entered into a $10.0 million credit facility agreement with the subsidiary's noncontrolling interest holder with a December 31, 2026 maturity date. The Company had $8.1 million and $6.1 million in outstanding borrowings under the credit facility as of November 1, 2025 and February 1, 2025, respectively.

From time-to-time, the Company will obtain other financing in foreign countries for working capital to finance its local operations.

(11) Convertible Senior Notes and Related Transactions

Exchange and Subscription Agreements

In April 2023, the Company issued $275 million principal amount of 3.75% convertible senior notes due 2028 (the "Initial 2028 Notes") in a private placement pursuant to separate, privately negotiated exchange and subscription agreements with a limited number of holders of its 2024 Notes and certain other investors, in each case pursuant to exemptions from registration under the Securities Act of 1933, as amended. Pursuant to the exchange and subscription agreements, the Company exchanged approximately $184.9 million in aggregate principal amount of its 2024 Notes for $163.0 million in aggregate principal amount of Initial 2028 Notes and an aggregate of approximately $33.3 million in cash, representing accrued and unpaid interest and other consideration on the 2024 Notes, and issued $112.0 million aggregate principal amount of Initial 2028 Notes for cash at par. Immediately following the closing of the aforementioned April 2023 transactions, $115.1 million in aggregate principal amount of the 2024 Notes remained outstanding. In addition, the Company concurrently repurchased $42.8 million, including excise tax, of its common stock through broker-assisted market transactions, pursuant to the Company's prior share repurchase program. The Company evaluated all April 2023 exchanges and determined approximately 74% of the exchanged notes were accounted for as extinguishment of debt and approximately 26% were accounted for as modification of debt. As a result of these transactions entered into during April 2023, the Company recognized a $7.7 million loss on extinguishment of debt during the first quarter of fiscal 2024.

In January 2024, the Company exchanged approximately $67.1 million of its 2024 Notes for approximately $64.8 million of additional 3.75% convertible senior notes due 2028 (the "January Additional

2028 Notes”) in privately negotiated exchange and subscription agreements with a limited number of holders of its 2024 Notes. The January Additional 2028 Notes have the same terms, constitute a single series with, and have the same CUSIP number as the Initial 2028 Notes. The January Additional 2028 Notes were initially recorded at fair value of approximately $71.9 million upon the exchange. Immediately following the closing of these January 2024 transactions, approximately $48.1 million of the 2024 Notes remained outstanding and classified within current liabilities. In addition, the Company concurrently repurchased $21.3 million, including excise tax, of its common stock through broker-assisted market transactions, pursuant to the Company’s prior share repurchase program. The Company evaluated all January 2024 exchanges and determined that all of the exchanged notes were accounted for as extinguishment of debt. As a result of these transactions entered into during January 2024, the Company recognized a $4.7 million loss on extinguishment of debt during the fourth quarter of fiscal 2024.

In March 2024, the Company exchanged approximately $14.6 million of its 2024 Notes for approximately $12.1 million of additional 3.75% convertible senior notes due 2028 (the “March Additional 2028 Notes,” together with the January Additional 2028 Notes, the “Additional 2028 Notes”; collectively with the “Initial 2028 Notes,” the “2028 Notes”) in a privately negotiated exchange and subscription agreement with a holder of its 2024 Notes. The March Additional 2028 Notes have the same terms, constitute a single series with, and have the same CUSIP number as the Initial 2028 Notes. The March Additional 2028 Notes were initially recorded at fair value of approximately $16.7 million upon the exchange. Immediately following the closing of this March 2024 transaction, approximately $33.5 million of the 2024 Notes remained outstanding, which were settled during April 2024. In addition, the Company concurrently repurchased $10.3 million of its common stock through broker-assisted market transactions, pursuant to the Company’s 2024 Share Repurchase Program. The Company evaluated the March 2024 exchange and determined that all of the exchanged notes were accounted for as extinguishment of debt. As a result of this transaction entered into during March 2024, the Company recognized a $2.0 million loss on extinguishment of debt during fiscal 2025.

3.75% Convertible Senior Notes due 2028

In connection with the issuance of the Initial 2028 Notes, the Company entered into an indenture (the “2028 Indenture”) with respect to the 2028 Notes with U.S. Bank Trust Company, N.A., as trustee (the “2028 Trustee”). The 2028 Notes are senior unsecured obligations of the Company and bear interest at an annual rate of 3.75% payable semi-annually in arrears on April 15 and October 15 of each year, beginning on October 15, 2023. The 2028 Notes will mature on April 15, 2028, unless earlier repurchased or converted in accordance with their terms.

The 2028 Notes are convertible in certain circumstances into cash, shares of the Company’s common stock, or a combination of cash and shares of the Company’s common stock, at the Company’s election, at an initial conversion rate of 40.4858 shares of common stock per $1,000 principal amount of 2028 Notes, which is equivalent to an initial conversion price of approximately $24.70 per share, subject to adjustment upon the occurrence of certain events. In accordance with the terms of the 2028 Indenture, the Company has adjusted the conversion rate and the conversion price of the 2028 Notes for quarterly dividends exceeding $0.225 per share (the conversion price is approximately $21.80 per share as of November 1, 2025). Prior to November 15, 2027, the 2028 Notes are convertible only upon the occurrence of certain events and during certain periods, and thereafter, at any time until the close of business on the second scheduled trading day immediately preceding the maturity date of the 2028 Notes.

The 2028 Notes are not redeemable prior to maturity, unless certain significant corporate events occur, and no sinking fund is provided for the 2028 Notes. As of November 1, 2025, none of the conditions allowing holders of the 2028 Notes to convert had been met. The Company expects to settle the principal amount of the 2028 Notes in fiscal 2029 in cash and any excess in shares.

If the Company undergoes a “fundamental change,” as defined in the 2028 Indenture, subject to certain conditions, holders of the 2028 Notes may require the Company to purchase for cash all or any portion of their

2028 Notes. The fundamental change purchase price will be 100% of the principal amount of the 2028 Notes to be purchased plus any accrued and unpaid interest up to but excluding the fundamental change purchase date.

The 2028 Indenture contains certain other customary terms and covenants, including that upon certain events of default occurring and continuing either the 2028 Trustee or the holders of at least 25% in principal amount of the outstanding 2028 Notes may declare 100% of the principal of, and accrued and unpaid interest on, all the 2028 Notes to be due and payable.

In connection with the exchange of the 2024 Notes in January 2024 and March 2024, the conversion feature embedded in the Additional 2028 Notes failed to satisfy the requirements for the derivative scope exception for contracts indexed to the Company’s own stock. The conversion feature of the Additional 2028 Notes required bifurcation from the host contract. The embedded derivative was measured at fair value of $6.6 million as of November 1, 2025. As of the transaction dates, a total debt discount of $11.8 million was recorded as the excess of the principal amount of the Additional 2028 Notes over the fair value of the host contract.

During fiscal 2025, the Company incurred approximately $0.9 million of debt issuance costs related to the March Additional 2028 Notes including third-party offering costs. During fiscal 2024, the Company incurred $5.9 million and $2.0 million of debt issuance costs related to the Initial 2028 Notes and the January Additional 2028 Notes, respectively, including third-party offering costs. Debt issuance costs were recorded as a contra-liability (other than $0.5 million expensed related to the 2024 Notes that were subject to modification accounting) and are presented net against the 2028 Notes balance on the Company’s condensed consolidated balance sheets. These costs are being amortized to interest expense over the term of the 2028 Notes.

2.00% Convertible Senior Notes due 2024

In April 2019, the Company issued $300 million principal amount of the 2024 Notes in a private offering. In connection with the issuance of the 2024 Notes, the Company entered into an indenture (the “2024 Indenture”) with respect to the 2024 Notes with U.S. Bank N.A., as trustee. The 2024 Notes were senior unsecured obligations of the Company and bore interest at an annual rate of 2.00% payable semi-annually in arrears on April 15 and October 15 of each year. The Company incurred $5.3 million of debt issuance costs, which were comprised of $3.8 million of discounts and commissions payable to the initial purchasers and approximately $1.5 million of third-party offering costs. These costs were amortized to interest expense over the term of the 2024 Notes.

The 2024 Notes were convertible as described below into cash, shares of the Company’s common stock, or a combination of cash and shares of the Company’s common stock, at the Company’s election, at an initial conversion rate of 38.7879 shares of common stock per $1,000 principal amount of 2024 Notes, which was equivalent to an initial conversion price of approximately $25.78 per share, subject to adjustment upon the occurrence of certain events. In accordance with the terms of the 2024 Indenture, the Company had adjusted the conversion rate and the conversion price of the 2024 Notes for quarterly dividends exceeding $0.1125 per share. Prior to November 15, 2023, the 2024 Notes were convertible only upon the occurrence of certain events and during certain periods. Beginning November 15, 2023, the 2024 Notes became convertible at any time until the close of business on the second scheduled trading day immediately preceding the maturity date of the 2024 Notes. The 2024 Notes were not redeemable prior to maturity, unless certain significant corporate events occurred, and no sinking fund was provided for the 2024 Notes.

In April 2024, upon maturity of the 2024 Notes, the Company settled the remaining $33.5 million principal amount of the 2024 Notes for $33.3 million in cash and 122,313 shares of common stock. The Company also exercised the convertible note hedge in connection with the remaining 2024 Notes and received 90,729 shares of common stock, which were recorded at fair value on settlement. As of November 1, 2025 and February 1, 2025, there were no 2024 Notes outstanding.

The 2028 Notes consist of the following (in thousands):

	Nov 1, 2025	Feb 1, 2025
Initial 2028 Notes		
Principal	$ 275,000	$ 275,000
Unamortized debt discount and issuance costs [1,2]	(4,908)	(6,290)
Net carrying amount	$ 270,092	$ 268,710
Fair value, net[3]	$ 268,235	$ 249,339
Additional 2028 Notes		
Principal	$ 76,947	$ 76,947
Unamortized debt discount and issuance costs [1]	(9,094)	(11,590)
Embedded derivative[4]	6,590	2,460
Net carrying amount	$ 74,443	$ 67,817
Fair value, net[3]	$ 73,923	$ 62,397
Net carrying amount of Initial and Additional 2028 Notes	$ 344,535	$ 336,527

Notes:

1 The unamortized debt discount related to the Initial 2028 Notes is due to the result of the modification accounting for a portion of the exchanged notes. This discount represents both an increase in the fair value of the embedded conversion feature, which is calculated as the difference between the fair value of the embedded conversion feature immediately before and after the exchange, and cash paid to modified noteholders. The change in conversion feature value reduces the carrying amount of the convertible debt instrument with a corresponding increase in paid-in capital. The additional cash paid to modified noteholders increased the debt discount. This debt discount is being amortized to interest expense over five years.

2 For each of the three and nine months ended November 1, 2025 and November 2, 2024, the weighted average effective interest rate including amortization of debt discount and issuance costs was 4.5% for the Initial 2028 Notes and 9.3% for the Additional 2028 Notes.

3 The fair value of the Notes is determined based on inputs that are observable in the market and have been classified as Level 2 in the fair value hierarchy. See Note 16 - Fair Value Measurements for further information regarding the fair value measurement of the Notes.

4 The fair value of the embedded derivative is measured using significant unobservable inputs and is classified as Level 3 in the fair value hierarchy. See Note 16 - Fair Value Measurements for further information regarding the fair value measurement of the embedded derivative.

Interest expense for the Notes for the three and nine months ended November 1, 2025 and November 2, 2024 consists of the following (in thousands):

	Three Months Ended		Nine Months Ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
2024 Notes				
Coupon interest	$ —	$ —	$ —	$ 334
Amortization of debt discount and issuance costs	—	—	—	28
Total	$ —	$ —	$ —	$ 362
Initial 2028 Notes				
Coupon interest	$ 2,579	$ 2,578	$ 7,735	$ 7,734
Amortization of debt discount and issuance costs	461	435	1,382	1,307
Total	$ 3,040	$ 3,013	$ 9,117	$ 9,041
Additional 2028 Notes				
Coupon interest	$ 721	$ 721	$ 2,164	$ 2,088
Amortization of debt discount and issuance costs	832	774	2,496	2,211
Total	$ 1,553	$ 1,495	$ 4,660	$ 4,299

Convertible Bond Hedge and Warrant Transactions

In April 2023, in connection with the offering of the Initial 2028 Notes, the Company entered into convertible note hedge transactions whereby the Company had the option to purchase a total of approximately 11.1 million shares of its common stock at an initial strike price of approximately $24.70 per share (the “Initial

2028 Bond Hedge”). The total cost of the Initial 2028 Bond Hedge transactions was $51.8 million. In addition, the Company sold warrants whereby the holders of the warrants had the option to purchase a total of approximately 11.1 million shares of the Company’s common stock at an initial strike price of $41.80 per share (the “Initial 2028 Warrants”). The Company received $20.2 million in cash proceeds from the sale of these warrants. Both the number of shares underlying the Initial 2028 Bond Hedge and the Initial 2028 Warrants and the strike price of the instruments are subject to customary adjustments. In accordance with the original terms of the Initial 2028 Bond Hedge confirmations and the Initial 2028 Warrants confirmations, the Company has adjusted the strike prices with respect to the Initial 2028 Bond Hedge and the Initial 2028 Warrants for quarterly dividends exceeding $0.225 per share (approximately $21.80 per share and $36.89 per share, respectively, as of November 1, 2025). The purchase of the Initial 2028 Bond Hedge is intended to offset dilution from the conversion of the Initial 2028 Notes to the extent the market price per share of the Company’s common stock exceeds the then-applicable strike price of the Initial 2028 Bond Hedge. The warrant transaction may have a dilutive effect with respect to the Company’s common stock to the extent the market price per share of the Company’s common stock exceeds the then-applicable strike price of the warrants. In April 2023, the Initial 2028 Bond Hedge and the Initial 2028 Warrants were recorded in stockholders’ equity, were not accounted for as derivatives and were not remeasured each reporting period.

Concurrently, in connection with the retirement of $184.9 million in principal amount of the 2024 Notes in April 2023, the Company entered into Partial Termination Agreements with certain financial institutions to unwind a portion of the convertible note hedge transactions and warrant transactions the Company had entered into in connection with the issuance of the 2024 Notes. The terminated portion is in a notional amount corresponding to the amount of exchanged 2024 Notes. As a result, the Company received $7.2 million, which reduced the number of purchase options to approximately 4.6 million shares of common stock at an adjusted strike price of approximately $24.92 per share. Additionally, the Company paid $1.0 million related to terminated warrants, which reduced the number of shares that may be purchased pursuant to the warrants to 4.6 million shares of common stock at an adjusted strike price of approximately $45.31 per share. This transaction resulted in a $6.2 million net increase in paid-in capital in the Company’s condensed consolidated balance sheets as of April 29, 2023. For the remaining portion of the convertible note hedge transactions and warrant transactions entered into in connection with the 2024 Notes, both the number of shares underlying the instruments and the strike price of the instruments were subject to customary adjustments pursuant to their original terms. In accordance with the original terms of the convertible note hedge confirmations and warrant confirmations, the Company had adjusted the strike prices with respect to the convertible note hedges and warrants for quarterly dividends exceeding $0.1125 per share. The remaining convertible note hedges and warrant transactions continued to serve to partially offset the potential dilution arising from the conversion of the 2024 Notes that remained outstanding.

In connection with the exchange of the 2024 Notes in January 2024 and March 2024, the Company purchased incremental bond hedges (the “Additional 2028 Bond Hedge,” together with the Initial 2028 Bond Hedge, the “2028 Bond Hedge”) and sold incremental warrants (the “Additional 2028 Warrants”) with the same terms and conditions as the Initial 2028 Bond Hedge and the Initial 2028 Warrants, each with a notional amount equal to the notional amount of the Additional 2028 Notes. The Company paid premiums of $16.2 million and $6.5 million to purchase the Additional 2028 Bond Hedge in January 2024 and March 2024, respectively, and received $5.8 million and $3.7 million for the issuance of the Additional 2028 Warrants in January 2024 and March 2024, respectively. The Additional 2028 Bond Hedge purchased and the Additional 2028 Warrants issued have terms that are identical to the Initial 2028 Bond Hedge and the Initial 2028 Warrants, except the notional amounts match the number of shares issuable upon conversion of the Additional 2028 Notes. Similarly, in connection with the retirement of $67.1 million and $14.6 million in principal amount of the 2024 Notes in January 2024 and March 2024, respectively, the Company entered into Partial Termination Agreements with certain financial institutions to unwind a portion of the convertible note hedge transactions and warrant transactions the Company had entered into in connection with the issuance of the 2024 Notes. The terminated portion is in a notional amount corresponding to the amount of exchanged 2024 Notes. As a result, the Company received $1.9 million and $1.3 million for the unwind of the convertible bond hedge in January 2024 and March 2024, respectively, and paid $0.1 million and $0.5 million for the unwind of the warrants in January 2024 and March 2024, respectively. These transactions in January 2024 and March 2024 resulted in net increases of $1.8 million and $0.8 million, respectively, in paid-in capital in the Company's condensed consolidated balance sheets as of May 4, 2024. As a result of the unwind transactions, the convertible note hedge transactions and warrant transactions that remained outstanding had a notional amount of approximately 1.3 million shares of common stock, corresponding to the number of shares into which the remaining 2024 Notes were convertible. In addition, upon maturity of the 2024 Notes in April 2024, the Company exercised the convertible note hedge in connection with the remaining 2024 Notes, and there was no outstanding convertible note hedge as of November 1, 2025. The warrant transactions had expired and there were no outstanding warrants related to the 2024 Notes as of November 1, 2025.

The Additional 2028 Warrants meet the scope exception for derivatives indexed to and settled in the Company's own stock. Therefore, the Additional 2028 Warrants are recorded in stockholders' equity, are not accounted for as derivatives and are not remeasured each reporting period. The Additional 2028 Bond Hedge does not qualify for the scope exception for derivatives indexed to the Company's own stock because the settlement of the Additional 2028 Bond Hedge is indexed to the same inputs as the settlement of the Additional 2028 Notes which do not qualify for the scope exception. Additionally, in connection with the purchase of the Additional 2028 Bond Hedge, the Initial 2028 Bond Hedge was modified and merged with the Additional 2028 Bond Hedge. The result is that the Initial 2028 Bond Hedge no longer qualifies for the derivative scope exception for contracts indexed to the Company's own stock. As a result, in January 2024, the Company recognized a derivative asset of $84.7 million for the 2028 Bond Hedge in other assets in the Company's condensed consolidated balance sheets, of which $16.2 million related to the Additional 2028 Bond Hedge purchased for cash and $68.5 million related to the reclassification of the pre-existing Initial 2028 Bond Hedge, which resulted in an increase of $68.5 million in paid-in capital in the Company's condensed consolidated balance sheets. The 2028 Bond Hedge is subsequently required to be remeasured to fair value each reporting period with changes in fair value recognized in net earnings (loss).

(12) Share-Based Compensation

The following summarizes the share-based compensation expense recognized under all of the Company's stock plans (in thousands):

	Three Months Ended		Nine Months Ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
Stock awards/units	$ 6,470	$ 4,821	$ 17,266	$ 13,728
Employee Stock Purchase Plan	19	28	136	127
Total share-based compensation expense	$ 6,489	$ 4,849	$ 17,402	$ 13,855

As of November 1, 2025, there was no unrecognized compensation cost related to nonvested stock options and approximately $36.7 million of unrecognized compensation cost related to nonvested stock awards/units. This cost is expected to be recognized over a weighted average period of 1.8 years.

Upon closing of the Proposed Transaction, effectively all outstanding and unvested equity awards, other than certain awards held by the Rolling Stockholders (which will be determined based on the existing terms of each such award), will fully accelerate and then be paid out in cash, without interest and less any required tax withholding, and cancelled.

Equity Award Grants

On April 10, 2025, the Company granted 284,900 nonvested stock awards/units to its employees.

On July 17, 2025, the Company granted 740,794 nonvested stock units to certain of its executive employees. These nonvested stock units are subject to certain performance-based or market-based vesting conditions.

Performance-Based Awards

The Company has granted certain nonvested stock units subject to performance-based vesting conditions to select executive officers. Each award of nonvested stock units generally has an initial vesting period from the date of the grant through either (i) the end of the first fiscal year or (ii) the first anniversary of the date of grant, followed by annual vesting periods which may range from two-to-three years.

The following summarizes the activity for nonvested performance-based units during the nine months ended November 1, 2025:

	Number of Units	Weighted Average Grant Date Fair Value
Nonvested at February 1, 2025	348,038	$ 18.84
Granted	342,727	$ 13.13
Vested	(39,083)	$ 19.19
Forfeited	(117,249)	$ 19.19
Nonvested at November 1, 2025	534,433	$ 15.08

Market-Based Awards

The Company has granted certain nonvested stock units subject to market-based vesting conditions to select executive officers. These market-based awards include (i) units where the number of shares that may ultimately vest will equal 0% to 150% of the target number of shares, subject to the performance of the Company's total stockholder return ("TSR") relative to the TSR of a select group of peer companies over a three-year period and (ii) units scheduled to vest based on the attainment of certain absolute stock price levels over a four-year period. Vesting is also subject to continued service requirements through the vesting date.

The following summarizes the activity for nonvested market-based units during the nine months ended November 1, 2025:

	Number of Units	Weighted Average Grant Date Fair Value
Nonvested at February 1, 2025	783,587	$ 20.18
Granted	398,067	$ 11.89
Vested	(47,054)	$ 14.66
Forfeited	(409,791)	$ 21.16
Nonvested at November 1, 2025	724,809	$ 15.43

(13) Related Party Transactions

The Company and its subsidiaries periodically enter into transactions with certain entities (the "Marciano Entities") that are owned by or for the respective benefit of Paul Marciano, who is an executive and member of the Board of Directors of the Company, and Maurice Marciano, who is the brother of Paul Marciano and was a member of the Board of Directors until his retirement in September 2023.

Leases

The Company leases warehouse and administrative facilities from certain of the Marciano Entities. There were five of these leases in effect as of November 1, 2025 with expiration or option exercise dates ranging from calendar years 2026 to 2037, including two leases with respect to the Company's North American corporate offices in Los Angeles, California (the "Los Angeles Location"), a lease for the Company's Canadian warehouse and administrative facility in Montreal, Quebec (the "Montreal Location"), a lease for the Company's showroom and office space in Paris, France (the "Paris Location") and a lease for the Company's second showroom in Paris, France (the "Second Paris Location").

In April 2025, the Company entered into a 12-year lease extension through September 2037 with respect to the Los Angeles Location, providing for an aggregate annual rent of approximately $7.6 million for the first lease year of the renewal term, subject to an annual 2.0% increase each year thereafter, and removing the Company’s right to reduce the amount of rented space. All other material terms in the previously existing lease for the Los Angeles Location remain the same.

In April 2025, the Company (through a wholly-owned European subsidiary) entered into a lease agreement for the Second Paris Location, to be used primarily for rag & bone and the Company’s handbags business. The Marciano Entities have an approximate 66.7% ownership interest in the Second Paris Location, with each of Mr. Maurice Marciano and Mr. Paul Marciano having an approximate 33.3% ownership interest. The lease term is ten years for an annual rent of €450,000 ($519,165) per year.

Aggregate lease costs recorded under the leases for the Los Angeles Location were $6.9 million and $5.8 million for the nine months ended November 1, 2025 and November 2, 2024, respectively. The Marciano Entities have a 100% ownership interest in the Los Angeles Location, with Mr. Maurice Marciano having a 56.3% ownership interest and Mr. Paul Marciano having a 43.7% ownership interest. Accordingly, Mr. Maurice Marciano’s interest in the lease amounts for the Los Angeles Location were $3.9 million and $3.3 million for the nine months ended November 1, 2025 and November 2, 2024, respectively. Mr. Paul Marciano’s interest in the lease amounts for the Los Angeles Location were $3.0 million and $2.5 million for the nine months ended November 1, 2025 and November 2, 2024, respectively.

Aggregate lease costs recorded under the lease for the Montreal Location were $0.3 million for each of the nine months ended November 1, 2025 and November 2, 2024. The Marciano Entities have a 100% ownership interest in the Montreal Location, with each of Mr. Maurice Marciano and Mr. Paul Marciano having a 50% ownership interest. Accordingly, the interests in the lease amounts for the Montreal Location for each of Mr. Maurice Marciano and Mr. Paul Marciano were approximately $157,000 and $160,000 for the nine months ended November 1, 2025 and November 2, 2024, respectively.

Aggregate lease costs recorded under the lease for the Paris Location were $1.0 million for each of the nine months ended November 1, 2025 and November 2, 2024. The Marciano Entities have an approximate 66.7% ownership interest in the Paris Location, with each of Mr. Maurice Marciano and Mr. Paul Marciano having an approximate 33.3% ownership interest. Accordingly, the interests in the lease amounts for the Paris Location for each of Mr. Maurice Marciano and Mr. Paul Marciano were approximately $0.3 million for each of the nine months ended November 1, 2025 and November 2, 2024.

Aggregate lease costs recorded under the lease for the Second Paris Location were $0.4 million for the nine months ended November 1, 2025 and zero for the nine months ended November 2, 2024. The Marciano Entities have an approximate 66.7% ownership interest in the Second Paris Location, with each of Mr. Maurice Marciano and Mr. Paul Marciano having an approximate 33.3% ownership interest. Accordingly, the interests in the lease amounts for the Second Paris Location for each of Mr. Maurice Marciano and Mr. Paul Marciano were approximately $118,000 for the nine months ended November 1, 2025.

The Company believes that, at the time it entered into the related party leases, the terms of such leases were no less favorable to the Company than would have been available from unaffiliated third parties. Refer to Note 3 - Lease Accounting for more information on lease commitments.

Aircraft Arrangements

The Company periodically charters aircraft owned by certain of the Marciano Entities through informal arrangements with such Marciano Entities and independent third-party management companies contracted by such Marciano Entities to manage their aircraft. The Marciano Entities have a 100% ownership interest in the aircraft, with each of Mr. Maurice Marciano and Mr. Paul Marciano having a 50% ownership interest. The total fees paid by the Company to the independent third-party management companies under these arrangements for the nine months ended November 1, 2025 and November 2, 2024 were approximately $2.5 million and $2.3 million, respectively. The approximate dollar value of the amount of each of Mr. Maurice Marciano’s and Mr. Paul Marciano’s interest in these transactions was approximately $1.2 million and

$1.0 million for the nine months ended November 1, 2025 and November 2, 2024, respectively. The Company believes that the terms of the charter arrangements are no less favorable to the Company than would have been available from unaffiliated third parties.

Minority Investment

The Company has an approximate 44% ownership interest in a privately-held men's footwear company (the "Footwear Company"). The Marciano Entities have an approximate 36% ownership interest in the Footwear Company, with each of Mr. Maurice Marciano and Mr. Paul Marciano having an approximate 18% ownership interest. Accordingly, each of Mr. Maurice Marciano and Mr. Paul Marciano has an approximate 18% interest in each of the transactions between the Company and the Footwear Company described below.

In fiscal 2021, the Company provided the Footwear Company with a $2.0 million revolving credit facility at an annual interest rate of 2.75% and a maturity date of November 2023. In October 2023, the Company and the Footwear Company amended the revolving credit facility to extend the term by three years to November 30, 2026 and to adjust the interest rate, effective December 1, 2023, to a floating rate equal to the one-month term SOFR plus 1.75% per annum. In September 2025, the Company and the Footwear Company amended the revolving credit facility to increase the principal amount to $2.25 million and provided the Footwear Company an additional $250,000 in cash. Following this amendment, in October 2025, the Company and the Footwear Company converted the additional $250,000 principal amount provided under the credit facility to equity in the Footwear Company owned by the Company, thereby reducing the principal amount owed under the facility to $2.0 million with $250,000 available credit. As of November 1, 2025 and February 1, 2025, the Company had a note receivable of $2.0 million and $1.4 million, respectively, included in other assets in its consolidated balance sheets related to outstanding borrowings by the Footwear Company under this revolving credit facility.

In May 2022, the Company entered into a Fulfillment Services Agreement with the Footwear Company under which the Company provides certain fulfillment services for the Footwear Company's U.S. wholesale and e-commerce businesses from the Company's U.S. distribution center on a cost-plus 5% basis. The Footwear Company also pays rent to the Company for the use of a small office space in the Company's Los Angeles Location. In June 2022, the Company (through a wholly-owned Swiss subsidiary) entered into a Distributorship Agreement with the Footwear Company under which the Company was designated as the exclusive distributor (excluding e-commerce) for the Footwear Company in the European Union and other specified countries. The Distributorship Agreement provided for (i) the Company to receive a 35% discount from the Footwear Company's wholesale prices, (ii) no minimum sales requirements or advertising spending requirements for the Company, (iii) an initial 15-month term with annual renewals thereafter, and (iv) other standard terms and conditions for similar arrangements. In May 2023, the Distributorship Agreement was amended to (i) reflect a reduction in the amount of sales services to be performed by the Company, (ii) revise the wholesale discount to 22%, and (iii) provide an annual 2% advertising commitment by the Company. During the nine months ended November 1, 2025, the Company received approximately $9,000 in fees with respect to the U.S. fulfillment services and approximately $11,000 in fees with respect to office rent and the Company paid approximately $187,000 related to the Distributorship Agreement. During the nine months ended November 2, 2024, the Company received less than $2,500 in fees with respect to the U.S. fulfillment services and approximately $8,700 in fees with respect to office rent and the Company paid approximately $314,000 related to the Distributorship Agreement.

In April 2025, the Company (through a wholly owned subsidiary) began an arrangement with the Footwear Company to regularly sell footwear products in rag & bone retail stores (the "Arrangement"). During the nine months ended November 1, 2025, the Company paid approximately $227,000 in fees related to the Arrangement.

In October 2025, as described above, the Company and the Footwear Company converted a $250,000 credit facility cash extension into equity in the Footwear Company. In October 2025, the Company also purchased an additional $450,000 in equity of the Footwear Company. Together, these transactions resulted in an increase of the Company's ownership percentage in the Footwear Company to approximately 44% (from 30%), and a reduction of the ownership interest of the Marciano Entities to approximately 36% (from 45%).

Vendor Purchases

The Company purchases faux fur products from a privately-held fashion accessories company (the "Fashion Company"). The Marciano Entities have a 16% ownership interest in the Fashion Company, with each of Mr. Maurice Marciano and Mr. Paul Marciano having an 8% ownership interest. In addition, Carlos Alberini, Chief Executive Officer of the Company, has a 4% ownership interest in the Fashion Company. The total payments made by the Company to the Fashion Company were approximately $1.1 million and $2.8 million for the nine months ended November 1, 2025 and November 2, 2024, respectively. Based on their respective ownership interests in the Fashion Company, the approximate dollar value of the amount of each individual's interest in these transactions were approximately (i) for each of Mr. Maurice Marciano and Mr. Paul Marciano, $89,000 and $221,000 for the nine months ended November 1, 2025 and November 2, 2024, respectively, and (ii) for Mr. Alberini, $45,000 and $111,000 for the nine months ended November 1, 2025 and November 2, 2024, respectively. The Company believes that the price paid by the Company for the Fashion Company's products and the terms of the transactions between the Company and the Fashion Company have not been affected by this passive investment of Messrs. Marciano and Mr. Alberini in the Fashion Company.

Charitable Donations

The Company has periodically made donations to Smile Project, a charitable organization of which director Elsa Michael is co-founder and president, consisting of monetary donations made through Guess Foundation (Italy) and product donations made by one of the Company's European subsidiaries. Ms. Michael does not receive any compensation in connection with her work with Smile Project. The total amount of donations made by the Company to Smile Project during the nine months ended November 1, 2025 were approximately $184,000, consisting of product donations valued at approximately $161,000 and monetary donations of approximately $23,000. The total amount of donations made by the Company to Smile Project during the nine months ended November 2, 2024 were approximately $124,000, consisting of product donations valued at approximately $102,000 and monetary donations of approximately $22,000.

Proposed Take-Private Transaction with Authentic Brands Group

On August 20, 2025, the Company entered into the Merger Agreement whereby the Rolling Stockholders, including Maurice Marciano, Paul Marciano, Nicolai Marciano, and Carlos Alberini and certain of their respective trusts, foundations and affiliates, agreed to enter into a strategic partnership with Authentic under which, in connection with the take-private transaction, (1) Authentic will acquire 51% and the Rolling Stockholders will acquire 49% of the rights, title and interest owned by the Company or any of its subsidiaries or affiliates in or to substantially all of the Company's intellectual property (other than certain excluded assets) and (2) certain of the Rolling Stockholders will acquire 100% of the Company's operations. At a special meeting held on November 21, 2025, the Company received the Requisite Company Vote from its shareholders, adopting the Merger Agreement and approving a resolution to approve the Disposition. Certain of the Required Regulatory Approvals remain pending. See Note 1 - Basis of Presentation for further information on the Merger Agreement and the Proposed Transaction.

Concurrently with signing the Merger Agreement, Authentic and the Company entered into a voting and support agreement (the "Voting Agreement") with Paul Marciano, Carlos Alberini, certain trusts, foundations and/or affiliates of each of them and of Maurice Marciano and certain other Company stockholders parties thereto (collectively, the "Supporting Stockholders"), pursuant to which, among other things, each of the Supporting Stockholders agreed with Authentic and the Company, subject to the terms thereof, to vote or cause to be voted, all of their respective Shares in favor of the adoption of the Merger Agreement and the approval of the Merger and the Proposed Transaction and any other matters necessary or reasonably requested by Authentic for the timely consummation of the Merger and the Proposed Transaction. The Voting Agreement also includes certain restrictions on the transfer of Shares by the Supporting Stockholders and requires the Supporting Stockholders to take certain actions under the Merger Agreement.

Following execution of the Merger Agreement, the Company and Authentic have entered into certain arrangements for merchandise collaborations. No fees or expenses for work completed to date pursuant to these collaborations have been paid by the Company or Authentic during the nine months ended November 1, 2025 or November 2, 2024.

(14) Commitments and Contingencies

Investment Commitments

As of November 1, 2025, the Company had an unfunded commitment to invest €3.0 million ($3.5 million) in certain private equity funds. Refer to Note 16 - Fair Value Measurements for further information.

Legal and Other Proceedings

The Company is involved in legal proceedings, arising both in the ordinary course of business and otherwise, including the proceedings described below as well as various other claims and other matters incidental to the Company's business or related to the Merger or the Proposed Transaction. Unless otherwise stated, the resolution of any particular proceeding is not currently expected to have a material adverse impact on the Company's financial position, results of operations or cash flows. Even if such an impact could be material, the Company may not be able to estimate the reasonably possible loss or range of loss until developments in the proceedings have provided sufficient information to support an assessment.

The Company has received customs tax assessment notices from the Italian Customs Agency ("ICA") regarding its customs tax audit of one of the Company's European subsidiaries for the period from July 2010 through December 2012. Such assessments totaled €9.8 million ($11.3 million), including potential penalties and interest through such assessment dates. The Company strongly disagreed with the ICA's positions and therefore filed appeals with the Milan First Degree Tax Court ("MFDTC"). Those appeals were split into a number of different cases that were then heard by different sections of the MFDTC. The MFDTC ruled in favor of the Company on all of these appeals. The ICA subsequently appealed €9.7 million ($11.2 million) of these favorable MFDTC judgments with the Appeals Court. As of November 1, 2025, €8.5 million ($9.8 million) have been decided in favor of the Company and €1.2 million ($1.4 million) have been decided in favor of the ICA. The Company believes that the unfavorable Appeals Court ruling is incorrect and inconsistent with the prior rulings on similar matters by both the MFDTC and other judges within the Appeals Court and has appealed the decision to the Italian Supreme Court. The ICA has appealed most of the favorable Appeals Court rulings to the Italian Supreme Court. As of November 1, 2025, of the cases that have been appealed to the Supreme Court, €1.5 million ($1.7 million) have been decided in favor of the Company based on the merits of the case and €0.2 million ($0.2 million) have been remanded back to the lower court for further consideration. There can be no assurances that the Company will be successful in the remaining appeals. It also continues to be possible that the Company will receive similar or even larger assessments for periods subsequent to December 2012 or other claims or charges (including additional interest amounts) related to the matter in the future. Although the Company believes that it has a strong position and will continue to vigorously defend this matter, it is unable to predict with certainty whether or not these efforts will ultimately be successful or whether the outcome will have a material impact on the Company's financial position, results of operations or cash flows.

On June 3, 2023, the Company received a letter from an individual seeking to settle certain claims against Mr. Paul Marciano and the Company relating to allegations of improper treatment of the individual by Mr. Paul Marciano. The letter did not make an assertion of damages. The individual was initially represented by the same attorney who represented plaintiffs in similar actions in 2021 and 2022, which were settled out of court in 2022 to avoid the cost of litigation and without admitting liability or fault. The individual subsequently retained a different attorney. No complaint was filed with respect to the allegations in the June 2023 letter, and though Mr. Paul Marciano and the Company disputed the allegations, in order to avoid the cost of litigation and without admitting liability or fault, Mr. Paul Marciano and the Company entered into a settlement agreement with the individual who sent the June 2023 letter, resolving the claims for an aggregate total amount of $290,000 in June 2025.

Redeemable Noncontrolling Interests

The Company is party to a put arrangement with respect to the common securities that represent the remaining noncontrolling interest for its majority-owned subsidiary, Guess Brasil Comércio e Distribuição S.A. ("Guess Brazil"). The put arrangement for Guess Brazil, representing 40% of the total outstanding equity interest of that subsidiary, may be exercised at the discretion of the noncontrolling interest holder by providing written notice to the Company every third anniversary beginning in March 2019, subject to certain time restrictions. The redemption value of the Guess Brazil put arrangement is based on a multiple of Guess Brazil's earnings before interest, taxes, depreciation and amortization subject to certain adjustments and is classified as a redeemable noncontrolling interest outside of permanent equity in the Company's consolidated balance sheets. As of both November 1, 2025 and February 1, 2025, the carrying value of the redeemable noncontrolling interest related to Guess Brazil was $0.4 million.

A reconciliation of the total carrying amount of redeemable noncontrolling interests is (in thousands):

	Nine Months Ended	
	Nov 1, 2025	**Nov 2, 2024**
Beginning balance	$ 368	$ 522
Foreign currency translation adjustment	76	(158)
Ending balance	$ 444	$ 364

(15) Defined Benefit Plans

Supplemental Executive Retirement Plan

The Company's Supplemental Executive Retirement Plan ("SERP") provides select employees who satisfy certain eligibility requirements with certain benefits upon retirement, termination of employment, death, disability or a change in control of the Company, in certain prescribed circumstances. As a non-qualified pension plan, no dedicated funding of the SERP is required; however, the Company has made periodic payments into insurance policies held in a rabbi trust to fund the expected obligations arising under the non-qualified SERP. The cash surrender values of the insurance policies were $66.1 million and $63.8 million as of November 1, 2025 and February 1, 2025, respectively, and were included in other assets in the Company's condensed consolidated balance sheets. As a result of changes in the value of the insurance policy investments, the Company recorded unrealized gains of $2.0 million and $3.7 million in other income (expense) during the three and nine months ended November 1, 2025, respectively, and an unrealized loss of $0.3 million and an unrealized gain of $1.9 million in other income (expense) during the three and nine months ended November 2, 2024, respectively. The projected benefit obligation was $33.6 million and $33.8 million as of November 1, 2025 and February 1, 2025, respectively, and was included in accrued expenses and other current liabilities and other long-term liabilities in the Company's condensed consolidated balance sheets depending on the expected timing of payments. SERP benefit payments of $0.3 million and $0.5 million were made during the three months ended November 1, 2025 and November 2, 2024, respectively. SERP benefit payments of $1.4 million were made during each of the nine months ended November 1, 2025 and November 2, 2024.

Foreign Pension Plans

In certain foreign jurisdictions, primarily in Switzerland, the Company is required to guarantee the returns on Company-sponsored defined contribution plans in accordance with local regulations. The Company's contributions must be made in an amount at least equal to the employee's contribution. Minimum employee contributions are based on the respective employee's age, salary and gender.

As of November 1, 2025 and February 1, 2025, the foreign pension plans had a total projected benefit obligation of $77.2 million and $65.3 million, respectively, and plan assets held in independent investment fiduciaries of $63.1 million and $53.5 million, respectively. The net liability of $14.1 million and $11.8 million was included in other long-term liabilities in the Company's condensed consolidated balance sheets as of November 1, 2025 and February 1, 2025, respectively.

The components of net periodic defined benefit pension cost to AOCL related to the Company's defined benefit plans are (in thousands):

	SERP	Foreign Pension Plans	Total
	Three Months Ended Nov 1, 2025		
Service cost	$ —	$ 1,433	$ 1,433
Interest cost	439	170	609
Expected return on plan assets	—	(208)	(208)
Net amortization of unrecognized prior service credit	—	(50)	(50)
Net amortization of actuarial (gains) losses	(114)	151	37
Net periodic defined benefit pension cost	$ 325	$ 1,496	$ 1,821
	Nine Months Ended Nov 1, 2025		
Service cost	$ —	$ 4,170	$ 4,170
Interest cost	1,317	495	1,812
Expected return on plan assets	—	(606)	(606)
Net amortization of unrecognized prior service credit	—	(142)	(142)
Net amortization of actuarial (gains) losses	(342)	437	95
Net periodic defined benefit pension cost	$ 975	$ 4,354	$ 5,329
	Three Months Ended Nov 2, 2024		
Service cost	$ —	$ 1,100	$ 1,100
Interest cost	441	250	691
Expected return on plan assets	—	(223)	(223)
Net amortization of unrecognized prior service credit	—	(42)	(42)
Net amortization of actuarial (gains) losses	(43)	41	(2)
Net periodic defined benefit pension cost	$ 398	$ 1,126	$ 1,524
	Nine Months Ended Nov 2, 2024		
Service cost	$ —	$ 3,212	$ 3,212
Interest cost	1,324	731	2,055
Expected return on plan assets	—	(652)	(652)
Net amortization of unrecognized prior service credit	—	(122)	(122)
Net amortization of actuarial (gains) losses	(130)	121	(9)
Net periodic defined benefit pension cost	$ 1,194	$ 3,290	$ 4,484

(16) Fair Value Measurements

Authoritative guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair value into three broad levels as follows:

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2—Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e. interest rates, yield curves, etc.) and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3—Unobservable inputs that reflect assumptions about what market participants would use in pricing the asset or liability. These inputs are based on the best information available, including the Company's own data.

The following presents the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis (in thousands):

Recurring Fair Value Measures	Fair Value Measurements at Nov 1, 2025				Fair Value Measurements at Feb 1, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Foreign exchange currency contracts	$ —	$ 1,385	$ —	$ 1,385	$ —	$ 10,467	$ —	$ 10,467
2028 Bond Hedge	—	—	30,142	30,142	—	—	11,252	11,252
Total	$ —	$ 1,385	$ 30,142	$ 31,527	$ —	$ 10,467	$ 11,252	$ 21,719
Liabilities:								
Foreign exchange currency contracts	$ —	$ 10,053	$ —	$ 10,053	$ —	$ 8	$ —	$ 8
Embedded derivative	—	—	6,590	6,590	—	—	2,460	2,460
Deferred compensation obligations	—	21,123	—	21,123	—	18,978	—	18,978
Total	$ —	$ 31,176	$ 6,590	$ 37,766	$ —	$ 18,986	$ 2,460	$ 21,446

Foreign exchange currency contracts may be entered into by the Company to hedge the future payment of inventory and intercompany transactions by non-U.S. subsidiaries. Periodically, the Company may also use foreign exchange currency contracts to hedge the translation and economic exposures related to its net investments in certain of its international subsidiaries. The fair values of the Company's foreign exchange currency contracts are based on quoted foreign exchange forward rates at the reporting date. Deferred compensation obligations to employees are adjusted based on changes in the fair value of the underlying employee-directed investments. Fair value of these obligations is based upon inputs corroborated by observable market data.

The fair values of the embedded derivative and the 2028 Bond Hedge related to the Additional 2028 Notes were initially measured based on the observed transactions. Subsequent fair values are measured using a binomial lattice model utilizing observable inputs (e.g., the Company's stock price) and unobservable inputs (e.g., the expected volatility and instrument specific credit spread) that cause the valuation measurements to be classified as Level 3. The following assumptions were used within the model:

Valuation Assumptions	Nov 1, 2025	Feb 1, 2025
Expected volatility	30 %	30 %
Risk-free interest rate	3.6 %	4.3 %
Credit spread	4.5 %	3.2 %
Dividend yield	5.4 %	9.1 %
Term to maturity	2.5 years	3.2 years
Stock price	$ 16.98	$ 12.91

As of November 1, 2025, if the expected volatility were increased to 40%, keeping all other inputs constant, the fair value of the embedded derivative would increase from \$6.6 million to \$10.0 million and the fair value of the 2028 Bond Hedge would increase from \$30.1 million to \$45.6 million. If the expected volatility were decreased to 20%, the fair value of the embedded derivative would decrease from \$6.6 million to \$2.7 million and the fair value of the 2028 Bond Hedge would decrease from \$30.1 million to \$12.3 million. If the credit spread increased from 4.5% to 5.5%, keeping all other inputs constant, the fair value of the embedded derivative would increase from \$6.6 million to \$6.9 million and the fair value of the 2028 Bond Hedge would increase from \$30.1 million to \$31.6 million. If the credit spread decreased from 4.5% to 3.5%, the fair value of the embedded derivative would decrease from \$6.6 million to \$6.3 million and the fair value of the 2028 Bond Hedge would decrease from \$30.1 million to \$28.6 million.

The following presents a reconciliation of the Company's financial assets and liabilities measured at fair value as of November 1, 2025 and November 2, 2024, using significant unobservable inputs (Level 3), and the change in fair value recorded in other income (expense), net in the consolidated statements of income (loss) (in thousands):

	Embedded Derivative	2028 Bond Hedge
Balance as of February 1, 2025	$ (2,460)	$ 11,252
Gain (loss) on fair value remeasurement	(4,130)	18,890
Balance as of November 1, 2025	$ (6,590)	$ 30,142

	Embedded Derivative	2028 Bond Hedge
Balance as of February 3, 2024	$ (16,390)	$ 85,918
Initial bifurcation of embedded derivative	(6,538)	—
Purchase of Additional 2028 Bond Hedge	—	6,538
Gain (loss) on fair value remeasurement	15,168	(56,963)
Balance as of November 2, 2024	$ (7,760)	$ 35,493

The Company included €7.2 million ($8.2 million) and €8.0 million ($8.3 million) in other assets in the Company's condensed consolidated balance sheets related to its investment in certain private equity funds as of November 1, 2025 and February 1, 2025, respectively. The Company uses net asset value per share as a practical expedient to measure the fair value of this investment and has not included this investment in the fair value hierarchy as disclosed above. As of November 1, 2025, the Company had an unfunded commitment to invest an additional €3.0 million ($3.5 million) in the private equity funds.

The fair values of the Company's debt instruments (see Note 10 - Borrowings and Finance Lease Obligations) are based on the amount of future cash flows associated with each instrument discounted using the Company's incremental borrowing rate. As of November 1, 2025 and February 1, 2025, the carrying value was not materially different from fair value, as the interest rates on the Company's debt approximated rates currently available to the Company. The fair value of the Company's Notes (see Note 11 - Convertible Senior Notes and Related Transactions) is determined based on inputs that are observable in the market and have been classified as Level 2 in the fair value hierarchy.

The carrying amount of the Company's remaining financial instruments, which principally include cash and cash equivalents, trade receivables, accounts payable and accrued expenses, approximates fair value due to the relatively short maturity of such instruments.

Long-Lived Assets

Long-lived assets, such as property and equipment and operating lease ROU assets, are reviewed for impairment quarterly or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The majority of the Company's long-lived assets relate to its retail operations, which consist primarily of regular retail and flagship locations. The Company considers each individual regular retail location as an asset group for impairment testing, which is the lowest level at which individual cash flows can be identified. The Company also evaluates impairment risk for retail locations that are expected to be closed in the foreseeable future. The Company has flagship locations that are used as a regional marketing tool to build brand awareness and promote the Company's current product. Provided the flagship locations continue to meet the appropriate criteria, impairment for these locations is tested by evaluating cash flows at a reporting unit level.

An asset is considered to be impaired if the Company determines that the carrying value may not be recoverable based upon its assessment of the asset's ability to continue to generate earnings from operations and positive cash flow in future periods or if significant changes in the Company's strategic business objectives and utilization of the assets occur. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows adjusted for lease payments, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the estimated fair value. The Company uses estimates of market participant rents to calculate fair value of lease ROU assets and discounted future cash flows of the asset group to quantify fair value for other long-lived assets. These nonrecurring fair value measurements are considered Level 3 inputs as defined above.

The impairment loss calculations require management to apply judgment in estimating, among other things, market participant rents, future cash flows and the discount rates that reflect the risk inherent in future cash flows. Future expected cash flows for assets in regular retail locations are based on management's estimates of future cash flows over the remaining lease period or expected life, if shorter. For expected location closures, the Company will evaluate whether it is necessary to shorten the useful life for any of the assets within the respective asset group. The Company will use this revised useful life when estimating the asset group's future cash flows. The Company considers historical trends, expected future business trends and other factors when estimating the future cash flow for each regular retail location. The Company also considers factors such as the following: the Russia-Ukraine war, including the related sanctions and trade restrictions imposed on Russia; the local environment for each regular retail location, including mall traffic and competition; the Company's ability to successfully implement strategic initiatives; and the ability to control variable costs such as cost of sales and payroll and, in some cases, renegotiate lease costs.

As discussed further in Note 1 - Basis of Presentation, macroeconomic conditions, including declines in consumer spending, inflation, higher interest rates, foreign exchange rate fluctuations, the impacts of the ongoing wars in Ukraine and Gaza, the Red Sea crisis and uncertainty regarding changes in trade policies, including imposition of new or expanded tariffs, continued to impact the Company's financial results during the three and nine months ended November 1, 2025 and November 2, 2024, and could continue to impact the Company's operations in ways the Company is not able to predict today. The Company has made reasonable assumptions and judgments to determine the fair value of the assets tested based on the facts and circumstances that were available as of the reporting date. If actual results are not consistent with the assumptions and judgments used in estimating future cash flows and asset fair values, there may be additional exposure to future impairment losses that could be material to the Company's results of operations.

The Company recorded asset impairment charges of $13.2 million and $4.5 million during the nine months ended November 1, 2025 and November 2, 2024, respectively, related primarily to certain retail locations in Europe and North America resulting from underperformance, expected store closures and other economic conditions.

Impairments of retail locations to property and equipment and operating lease ROU assets are summarized as (in thousands):

	Fair Value as of Remeasurement Date	Asset Impairment Charges
	Nine Months Ended Nov 1, 2025	
Operating lease ROU assets	$ 64,541	$ 916
Property and equipment	$ 729	$ 12,267
	Nine Months Ended Nov 2, 2024	
Operating lease ROU assets	$ 36,886	$ 812
Property and equipment	$ 252	$ 3,697

The Company's impairment evaluations for property and equipment and operating lease ROU assets included testing of 287 and 229 retail locations during the nine months ended November 1, 2025 and November 2, 2024, respectively, which were deemed to have impairment indicators. During the nine months ended November 1, 2025 and November 2, 2024, the Company concluded that 147 and 96 retail locations, respectively, were determined to be impaired, as the carrying amounts of either or both the fixed assets and operating lease ROU assets exceeded their estimated fair values (determined based on discounted cash flows for property and equipment and estimates of market participant rents for operating lease ROU assets) at each of the respective dates.

Goodwill

Goodwill is tested annually for impairment or more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the asset's fair value. This determination is made at the reporting unit level which may be either an operating segment or one level below an operating segment if discrete financial information is available. Two or more reporting units within an operating segment may be aggregated for impairment testing if they have similar economic characteristics.

During the nine months ended November 1, 2025, the Company assessed qualitative factors and determined that it is not more likely than not that the fair values of its reporting units are less than their carrying amounts.

(17) Derivative Financial Instruments

Hedging Strategy

Foreign Exchange Currency Contracts

The Company operates in foreign countries, which exposes it to market risk associated with foreign currency exchange rate fluctuations. The Company's primary objective is to hedge the variability in forecasted cash flows due to the foreign currency risk. The Company enters into certain forward exchange currency contracts to hedge the risk of a portion of these anticipated foreign currency transactions against foreign currency rate fluctuations. The Company may also hedge the translation and economic exposures related to its net investments in certain of its international subsidiaries.

Interest Rate Swap Agreements

The Company is exposed to interest rate risk on its floating-rate debt. From time to time, the Company may enter into interest rate swap agreements to effectively convert its floating-rate debt to a fixed-rate basis. The principal objective is to eliminate or reduce the variability of the cash flows in interest payments associated with the Company's floating-rate debt, thus reducing the impact of interest rate changes on future interest payment cash flows. In connection with the sale of the U.S. distribution center, the Company settled its interest rate swap agreement. As of November 1, 2025, there was no related net unrealized loss, net of tax, in AOCL related to this interest rate swap.

Summary of Derivative Instruments

The fair value of derivative instruments in the condensed consolidated balance sheets is (in thousands):

	Fair Value at Nov 1, 2025	Fair Value at Feb 1, 2025	Derivative Balance Sheet Location
ASSETS:			
Derivatives designated as hedging instruments:			
Cash flow hedges:			
Foreign exchange currency contracts	$ 727	$ 7,456	Other current assets/Other assets
Total derivatives designated as hedging instruments	727	7,456	
Derivatives not designated as hedging instruments:			
Foreign exchange currency contracts	658	3,011	Other current assets
2028 Bond Hedge	30,142	11,252	Other assets
Total derivatives not designated as hedging instruments	30,800	14,263	
Total	$ 31,527	$ 21,719	
LIABILITIES:			
Derivatives designated as hedging instruments:			
Cash flow hedges:			
Foreign exchange currency contracts	$ 6,744	$ —	Accrued expenses and other current liabilities
Total derivatives designated as hedging instruments	6,744	—	
Derivatives not designated as hedging instruments:			
Foreign exchange currency contracts	3,309	8	Accrued expenses/Other long-term liabilities
Embedded derivative	6,590	2,460	Convertible senior notes due 2028, net
Total derivatives not designated as hedging instruments	9,899	2,468	
Total	$ 16,643	$ 2,468	

Derivatives Designated as Hedging Instruments

Foreign Exchange Currency Contracts Designated as Cash Flow Hedges

During the nine months ended November 1, 2025, the Company purchased U.S. dollar forward contracts in Europe totaling $141.0 million that were designated as cash flow hedges. As of November 1, 2025, the Company had forward contracts outstanding for its European operations of $142.0 million to hedge forecasted merchandise purchases, which are expected to mature over the next 12 months.

As of November 1, 2025, AOCL related to foreign exchange currency contracts included a $9.0 million net unrealized loss, net of tax, of which $8.4 million will be recognized in cost of product sales over the following 12 months, at the then current values on a pre-tax basis, which can be different than the current quarter-end values.

As of February 1, 2025, the Company had forward contracts outstanding for its European operations of $182.0 million that were designated as cash flow hedges.

The following summarizes the gains (losses) before income taxes recognized on derivative instruments designated as cash flow hedges in other comprehensive income (loss) ("OCL") and net earnings (loss) (in thousands):

	Gain (Loss) Recognized in OCL		Gain (Loss) Reclassified from AOCL into Earnings (Loss)		Location of Gain (Loss) Reclassified from AOCL into Earnings (Loss)
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024	
	Three Months Ended				
Derivatives designated as cash flow hedges:					
Foreign exchange currency contracts	$ 1,449	$ 1,898	$ (2,225)	$ 418	Cost of product sales
Interest rate swap	$ —	$ —	$ —	$ —	Interest expense
	Nine Months Ended				
Derivatives designated as cash flow hedges:					
Foreign exchange currency contracts	$ (18,857)	$ 1,647	$ (568)	$ (1,683)	Cost of product sales
Interest rate swap	$ —	$ (604)	$ —	$ 212	Interest expense

The following summarizes net after income tax derivative activity recorded in AOCL (in thousands):

	Three Months Ended		Nine Months Ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
Beginning balance gain (loss)	$ (12,289)	$ 476	$ 7,300	$ (544)
Net gain (loss) from changes in cash flow hedges	1,289	1,688	(16,824)	1,001
Net (gain) loss reclassified into earnings (loss)	1,981	(372)	505	1,335
Ending balance gain (loss)	$ (9,019)	$ 1,792	$ (9,019)	$ 1,792

Foreign Exchange Currency Contracts Not Designated as Hedging Instruments

As of November 1, 2025, the Company had euro foreign exchange currency contracts to purchase $94.0 million expected to mature over the next 12 months. As of February 1, 2025, the Company had euro foreign exchange currency contracts to purchase $74.0 million.

As discussed in Note 11 - Convertible Senior Notes and Related Transactions, the Company has recognized equity-linked derivatives including the embedded derivative associated with the Additional 2028 Notes. In connection with the 2028 Notes, the Company also purchased the 2028 Bond Hedge which did not qualify for the derivative scope exception for equity-linked instruments. These derivatives are not designated as hedging instruments for accounting purposes. Changes in fair value of these derivatives are reported in net earnings (loss) as part of other income (expense).

The following summarizes the gains (losses) before income taxes recognized on derivative instruments not designated as hedging instruments in other income (expense) (in thousands):

	Location of Gain (Loss) Recognized in Earnings (Loss)	Gain (Loss) Recognized in Earnings (Loss)			
		Three Months Ended		Nine Months Ended	
		Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
Foreign exchange currency contracts	Other income (expense), net	$ 1,295	$ 468	$ (8,607)	$ 50
2028 Bond Hedge	Other income (expense), net	$ 22,961	$ (50,953)	$ 18,890	$ (56,963)
Embedded derivative	Other income (expense), net	$ (5,020)	$ 11,140	$ (4,130)	$ 15,168

(18) Subsequent Events

Dividends

On November 25, 2025, the Company announced a regular quarterly cash dividend of $0.225 per share on the Company's common stock. The cash dividend will be paid on December 26, 2025 to stockholders of record as of the close of business on December 10, 2025.

Proposed Take-Private Transaction with Authentic Brands Group

At a special meeting held on November 21, 2025, the Company's stockholders adopted the Merger Agreement and approved a resolution approving the Disposition. Certain of the Required Regulatory Approvals remain pending. See Note 1 - Basis of Presentation for further information.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

General

Unless the context indicates otherwise, when we refer to "we," "us," "our" or the "Company" in this Quarterly Report on Form 10-Q ("Quarterly Report"), we are referring to Guess?, Inc. ("GUESS?") and its subsidiaries on a consolidated basis.

Forward-Looking Statements

This Quarterly Report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may also be contained in our other reports filed under the Securities Exchange Act of 1934, as amended, in our press releases and in other documents.

All statements other than statements of historical or current fact are forward-looking statements. These statements include those relating to expectations, analyses and other information based on current plans, forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our expectations, goals, future prospects, and current business strategies and strategic initiatives; statements regarding the Proposed Transaction (as defined below), including statements related to expected timing and anticipated completion of the Proposed Transaction, anticipated effects of the Proposed Transaction, the treatment of outstanding equity, future dividend payments, and other characterizations of future events or circumstances; statements concerning expectations for our rag & bone business; statements concerning the impacts of macroeconomic conditions, including related to fluctuations in currency; statements concerning the ongoing wars in Ukraine and Gaza and the Red Sea crisis; expectations relating to our convertible senior notes and hedges; statements concerning our future capital expenditures and financial conditions; and statements expressing optimism or pessimism about future operating results and growth opportunities. These forward-looking statements are frequently indicated by terms such as "expect," "could," "will," "should," "goal," "strategy," "believe," "estimate," "continue," "outlook," "plan," "create," "see," "proposed," and similar terms, are only expectations, and involve known and unknown risks and uncertainties, which may cause actual results in future periods to differ materially from what is currently anticipated. Factors which may cause actual results in future periods to differ materially from current expectations include, among others: the risk that the Proposed Transaction may not be completed in a timely manner or at all; the failure to satisfy any of the conditions to the proposed pre-closing restructuring (the "Pre-Closing Restructuring") described in the Agreement and Plan of Merger entered into with Authentic Brands Group, LLC (the "Merger Agreement") or to the consummation of the Proposed Transaction, including the receipt of Required Regulatory Approvals (as defined in the Merger Agreement); the effect of the announcement or pendency of the Proposed Transaction on the Company's business relationships, operating results and business generally; the Company's ability to retain and hire key personnel and maintain relationships with key business partners and customers, suppliers, licensees, landlords and others with whom it does business, in light of the Proposed Transaction; unexpected costs, charges or expenses resulting from the Proposed Transaction; litigation relating to the Proposed Transaction that has been or could be instituted against the parties to the Merger Agreement or their respective directors, managers or officers, including the effects of any outcomes related thereto; certain restrictions during the pendency of the Proposed Transaction that may impact the Company's ability to pursue certain business opportunities or strategic transactions; our ability to maintain our brand image and reputation; changes in consumer confidence or discretionary consumer spending; sanctions and export controls targeting Russia and other impacts related to the war in Ukraine; impacts related to the Israel-Hamas war; impacts related to public health crises; risks relating to our indebtedness; changes to estimates related to impairments, inventory and other reserves; changes in the competitive marketplace and in our commercial relationships; our ability to anticipate and adapt to changing consumer preferences and trends; our ability to manage our inventory commensurate with customer demand; the high concentration of our Americas Wholesale business; risks related to the costs and timely delivery of merchandise to our distribution facilities, stores and wholesale customers, including risks related to the current Red Sea supply chain crisis; unexpected or unseasonable weather conditions, catastrophic events or natural disasters; our ability to effectively operate our various retail concepts; our ability to successfully and/or timely implement our growth strategies and other strategic initiatives; our ability to find a suitable partner in Greater China; risks that we may be required to incur additional restructuring charges related to our businesses in Greater China and North America; risks that costs associated with any restructuring activities may be different than expected; risks that the anticipated benefit from our business and portfolio optimization plans may not be realized in full or on the anticipated timeline; our ability to complete our restructuring plans on the anticipated timeline or at all; our ability to complete or integrate acquisitions or alliances; uncertainties regarding our ability to realize operational efficiencies and other anticipated synergies, expansion plans and other benefits from the rag & bone acquisition in the timeframe expected or at all; our ability to successfully enhance our global omni-channel capabilities; our ability to expand internationally and operate in regions where we have less experience; risks relating to our convertible senior notes, including our ability to settle the liabilities in cash and risks related to the impact of stock price volatility on our fair value remeasurement of derivatives related to our 2028 Notes and the related convertible note hedge; disruptions at our distribution facilities, including potential challenges related to the conversion of our self-operated U.S. distribution center to a third-party provider; our ability to attract and retain management and other key personnel; obligations or changes in estimates arising from new or existing litigation, income tax and other regulatory proceedings; errors in our assumptions, estimates and judgments related to tax matters; potential changes in U.S. or foreign policies and regulations; potential changes in U.S. or foreign income tax or tariff policies, including changes to tariffs on imports into the United States; the imposition or threat of imposition of new or additional duties, tariffs or trade restrictions on the importation of our products; accounting adjustments to our unaudited financial statements; future non-cash asset impairments, including goodwill, right-of-use lease assets and/or other store asset impairments; violations of, or changes to, domestic or international laws and regulations; risks associated with the acts or omissions of our licensees and third party vendors, including a failure to comply with our vendor code of conduct or other policies; risks associated with cybersecurity incidents and other cybersecurity risks; risks associated with our ability to properly collect, use, manage and secure consumer and employee data; risks associated with our vendors' ability to maintain the strength and security of information systems; changes in economic, political, social and other conditions affecting our foreign operations and sourcing, including the impact of currency fluctuations, global income tax rates and economic and market conditions in the various countries in which we operate; impacts of inflation and further inflationary pressures; fluctuations in quarterly performance; slowing in-person customer traffic; increases in labor costs; increases in wages; risks relating to activist investor activity; and the significant voting power of our founders. In addition to these factors, the economic, technological, managerial and other risks identified in "Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended February 1, 2025 filed with the U.S. Securities and Exchange Commission ("SEC") on April 11, 2025 (our "fiscal 2025 Annual Report on Form 10-K"), Part II, Item 1A. Risk Factors of this Quarterly Report and our other filings with the SEC, including but not limited to the risk factors discussed therein, could cause actual results to differ materially from current expectations. You are cautioned not to place undue reliance on the forward-looking statements included in this report, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Business Update, Market Trends and Uncertainties

Macroeconomic conditions, including declines in consumer spending, inflation, higher interest rates, foreign exchange rate fluctuations, the impacts of the ongoing wars in Ukraine and Gaza, the Red Sea crisis and uncertainty regarding changes in trade policies, including imposition of new or expanded tariffs, are continuing to impact our business.

We continue to carefully monitor global and regional geopolitical and economic developments. We also continue to strategically manage expenses in order to protect profitability and mitigate, to the extent possible, the residual effect of supply chain disruptions stemming from changes to global trade policies and practices. The duration and scope of these conditions cannot be predicted, and therefore, any anticipated negative financial impact to our operating results cannot be reasonably estimated. Additionally, we continue to monitor changes in policy impacting global trade, including tariff regulation. For example, the United States has implemented various changes in tariff policy resulting in certain tariff rate increases on its trading partners. While we have not yet seen a material impact on our business from the imposition of tariffs, tariffs have the potential to significantly raise the cost of our products, and ongoing changes in U.S. tariff policy are resulting in significant volatility in the global economy.

Business Segments

Our businesses are grouped into five reportable segments for management and internal financial reporting purposes: Europe, Americas Retail, Americas Wholesale, Asia and Licensing. Our Europe, Americas Retail, Americas Wholesale and Licensing reportable segments are the same as their respective operating segments. Certain components of our Asia operating segment are separate operating segments based on region, which have been aggregated into the Asia reportable segment for disclosure purposes. On April 2, 2024, we completed our acquisition of rag & bone and have integrated rag & bone into our existing segments.

We evaluate segment performance based primarily on net revenues and earnings (loss) from operations before corporate performance-based compensation costs, asset impairment charges, net gains (losses) on lease modifications, separation charges, transaction costs, Proposed Transaction Costs (as defined below), restructuring charges, gain on sale of assets and certain non-recurring credits (charges), if any. We believe this segment reporting reflects how our business segments are managed and how each segment's performance is evaluated by our chief operating decision maker to assess performance and make resource allocation decisions. Information regarding these segments is summarized in Note 9 - Segment Information to the condensed consolidated financial statements included in this Quarterly Report.

Products

We derive our net revenue from the sale of GUESS?, G by GUESS (GbG), GUESS Kids, GUESS JEANS, MARCIANO and rag & bone apparel and certain accessories and our licensees' products through our worldwide network of directly-operated and licensed retail stores, wholesale customers and distributors, as well as our online sites. We also derive royalty revenue from worldwide licensing activities.

Proposed Take-Private Transaction with Authentic Brands Group

On August 20, 2025, we announced that we had entered into an Agreement and Plan of Merger (the "Merger Agreement" and together with the transactions contemplated thereby, the "Proposed Transaction") pursuant to which certain of our existing stockholders (collectively, the "Rolling Stockholders"), including Maurice Marciano, Paul Marciano, Nicolai Marciano, and Carlos Alberini and certain of their respective trusts, foundations and affiliates, will enter into a strategic partnership with Authentic Brands Group LLC ("Authentic"), under which (1) Authentic will acquire 51% and the Rolling Stockholders will acquire 49% of the rights, title and interest owned by us or any of our subsidiaries or affiliates in or to substantially all of our intellectual property (other than certain excluded assets) and (2) certain of the Rolling Stockholders will acquire 100% of our operations. Upon consummation of the Proposed Transaction, subject to the conditions set forth in the Merger Agreement and receipt of the Requisite Company Vote (as defined below), Guess? stockholders (other than the Rolling Stockholders) will receive $16.75 per share in cash and our common stock will no longer be listed on any public market. The Proposed Transaction is expected to close in the fourth quarter of fiscal year 2026, subject to certain conditions, including approval by the holders of a majority of our outstanding common stock and a majority of the votes cast by the disinterested stockholders (as such term is defined in Section 144 of the General Corporation Law of the State of Delaware) (the "Requisite Company Vote"). At a special meeting held on November 21, 2025, we received the Requisite Company Vote adopting the Merger Agreement and approving a resolution to approve the Disposition. Certain Required Regulatory Approvals remain pending. See Note 1 - Basis of Presentation in the notes to our condensed consolidated financial statements of this Quarterly Report for further information on the Proposed Transaction.

The foregoing summary of the Merger Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Merger Agreement, which is filed as Exhibit 2.1 hereto.

rag & bone Acquisition

On April 2, 2024, we and WHP Global completed the previously announced acquisition of New York-based fashion brand rag & bone. Under the terms of the agreement, we contributed $57.1 million toward the purchase of rag & bone, in addition to contributions from WHP Global. As a result, we now own all of the rag & bone operating assets, and we and WHP Global jointly own the rag & bone intellectual property. In connection with the acquisition, our wholly owned subsidiary, Guess Europe Sagl entered into an intellectual property license agreement for the exclusive right to use rag & bone intellectual property to manufacture licensed products worldwide and to sell licensed products in specified territories. As of April 2, 2024, we integrated rag & bone into our existing segments.

Foreign Currency Volatility

Since the majority of our international operations are conducted in currencies other than the U.S. dollar (primarily the euro, British pound, Canadian dollar, Chinese yuan, Japanese yen, Korean won, Mexican peso, Polish zloty, Russian rouble and Turkish lira), currency fluctuations can have a significant impact on the translation of our international revenues and earnings (loss) into U.S. dollars.

Some of our transactions, primarily those in Europe, Canada, South Korea, China and Mexico, are denominated in U.S. dollars, Swiss francs, British pounds and Russian roubles, exposing them to exchange rate fluctuations when these transactions (such as inventory purchases or periodic lease payments) are converted to their functional currencies. As a result, fluctuations in exchange rates can impact the operating margins of our foreign operations and reported earnings (loss) and are largely dependent on the transaction timing and magnitude during the period that the currency fluctuates. When these foreign exchange rates weaken versus the U.S. dollar at the time the respective U.S. dollar denominated payment is made relative to the payments made in the comparable period, our product margins have been and could continue to be unfavorably impacted.

In addition, there are certain real estate leases denominated in a currency other than the functional currency of the respective entity that entered into the agreement (primarily Swiss francs, Russian roubles and Polish zloty). As a result, we may be exposed to volatility related to unrealized gains or losses on the translation of present value of future lease payment obligations when translated at the exchange rate as of a reporting period-end.

During the first nine months of fiscal 2026, the average U.S. dollar rate was stronger against the Canadian dollar, Chinese yuan, Korean won, Mexican peso and Turkish lira and weaker against the British pound, euro, Japanese yen, Polish zloty and Russian rouble. Overall, this had a favorable impact on the translation of our international revenues for the three and nine months ended November 1, 2025 and an unfavorable impact on earnings from operations for the three and nine months ended November 1, 2025, compared to the same prior-year periods.

For the remainder of fiscal 2026, if the U.S. dollar strengthens relative to the respective fiscal 2025 foreign exchange rates, foreign exchange could negatively impact our revenues and operating results, as well as our international cash and other balance sheet items, particularly in Canada, Europe (primarily the euro, Turkish lira, British pound and Russian rouble) and Mexico. Alternatively, if the U.S. dollar weakens relative to the respective fiscal 2025 foreign exchange rates, our revenues and operating results, as well as our other cash balance sheet items, could be positively impacted by foreign currency fluctuations during the remainder of fiscal 2026, particularly in these regions.

We enter into derivative financial instruments to offset some, but not all, of the exchange risk on foreign currency transactions. For additional discussion regarding our exposure to foreign currency risk, forward contracts designated as hedging instruments and forward contracts not designated as hedging instruments, refer to “Item 3. Quantitative and Qualitative Disclosures About Market Risk.”

Inflation Impacts

Our financial results have been and may continue to be impacted by inflationary pressures affecting our overall cost structure, including transportation, employee compensation, raw materials and other costs. We estimate certain of our costs are impacted by inflation and other factors as follows:

Transportation. Our inbound and outbound transportation costs vary by the method of shipping, including air, ocean and ground. Each of these methods may be impacted by various factors, including inflation and other considerations, such as an imbalance between the overall freight capacity on the marketplace and demand, as well as geopolitical conflicts. Compared to pre-pandemic levels, the increase in our transportation costs was primarily attributable to higher inbound freight costs.

Employee Compensation. We have been impacted by the ongoing shortage of available qualified candidates for employment, as well as increases in compensation to attract and retain employees. We continue to evaluate our compensation and benefit offerings to be competitive with the current market and evaluate strategies to be more effective and efficient at all levels within the organization, including how to best serve our customers.

Raw Materials. The costs of raw materials for our products have increased, both as a result of inflation and our ongoing initiatives to improve the quality and sustainability of our products. In addition, because a significant portion of our products are manufactured in other countries, declines in the relative value of local currencies versus the U.S. dollar have exacerbated many of these pricing pressures.

We seek to minimize the impact of inflation by continuously optimizing our supply chain, including logistics, as well as efficiently managing our workforce. It is difficult to determine the portion of cost increases solely attributable to inflation versus other factors, such as the cost of improvements to our products and imbalances in the supply chain.

These increased costs have negatively impacted our margins and expenses. Continued inflationary and other pressures could further impact our gross margin and selling, general and administrative expenses as a percentage of net sales if the sales price of our products does not increase with higher costs. Furthermore, prolonged inflationary conditions have had and could continue to have an adverse impact on consumer discretionary spending, which has negatively impacted our sales and results and could continue to negatively impact our sales and results in the future. In addition, inflation could materially increase the interest rates on any future debt we may incur.

We expect inflationary pressures will persist in the near term. The extent to which such pressures may impact our business depends on many factors, including our customers' ability and willingness to accept price increases, our ability to improve our margins and potential downward pricing pressures if our competitors do not also raise their prices. Please refer to "Part I, Item 1A. Risk Factors" of our fiscal 2025 Annual Report on Form 10-K for further information on the potential impacts and risk associated with inflation.

Russia-Ukraine War

We are currently operating in Russia through our wholesale and retail channels, and we have immaterial wholesale operations through local wholesale partners in Ukraine. Our operations in Russia are operated primarily through Guess? CIS, LLC ("Guess CIS"), a wholly-owned Russian subsidiary. Guess CIS currently operates 46 retail stores in Russia and acts as a distributor for our wholesale partners in Russia. We also operate in Russia through other local wholesale partners where customers can either buy directly in store or online. Prior to February 2022, we also sold directly to retail customers in Ukraine and Belarus through our European online store. The local distributor through which we operate in Ukraine does not operate in the Russian-controlled Crimea, Donetsk, Kherson, Luhansk or Zaporizhzhia regions of Ukraine.

Our operations in Russia, Belarus and Ukraine represented slightly less than 4% of our total revenue for each of the nine months ended November 1, 2025 and November 2, 2024, with our operations in Russia comprising over 95% of this total revenue. As of November 1, 2025, our total assets in Russia, all of which are held by Guess CIS, represented less than 3% of our total assets, consisting primarily of leasehold right-of-use assets, store inventory, furnishings and fixtures and receivables. We only maintain inventory in Russia in an amount sufficient for operating our Russian retail stores. We do not maintain inventory or hold any other significant assets in Belarus or Ukraine. We do not rely, directly or indirectly, on goods sourced in Russia, Belarus or Ukraine. Other than such labor and services necessary to conduct our direct operations in Russia in the ordinary course of business, we do not rely, directly or indirectly, on services sourced in Russia, Belarus or Ukraine.

There has been no material impact to our existing operations as a result of the ongoing war in Ukraine, although we are limited in our ability to expand our business in Russia due to the U.S. ban on new investments in Russia described below under "Impact of Economic Sanctions and Trade Restrictions." With respect to our supply and distribution channels, we have experienced increased costs and transit times associated with deliveries related to our Russia operations, due in part to new procedures and economic sanctions screening implemented in response to the war in Ukraine and the imposition of related economic sanctions. These costs and delays have not materially impacted our business or results of operations. Additionally, retail deliveries for online orders to Ukraine and Belarus have been suspended since February 2022 due to increased logistics costs and other difficulties in delivering to these regions. While we intend to re-open online orders to Ukraine and Belarus when appropriate, the suspension of these shipments has not had, and is not anticipated to have, a material impact on our business or results of operations.

Impact of Economic Sanctions and Trade Restrictions

Our Russian operations are subject to various economic sanctions and export controls targeting Russia, Belarus, and the Russian-controlled regions of Ukraine (Crimea, Donetsk, Kherson, Luhansk and Zaporizhzhia). These measures may include: (i) blocking sanctions prohibiting dealings with various Russian senior government officials and companies in various sectors important to the Russian economy, including major Russian financial institutions; (ii) expanded sectoral sanctions related to designated Russian entities' ability to raise capital; (iii) the disconnection of certain Russian and Belarusian banks from the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") financial messaging network; (iv) a ban on new investment in Russia; (v) a ban on the provision of certain services in Russia in the areas of accounting, trust formation, management consulting, quantum computing, architecture, engineering and in relation to the maritime transport of Russian-origin crude oil and petroleum products; (vi) bans on the import into the United States of certain Russian origin products, including various energy products; (vii) bans or certain other restrictions on the conduct of business or investment activity in the Russian-controlled Crimea, Donetsk, Kherson, Luhansk and Zaporizhzhia regions of Ukraine; and (viii) restrictions on the export of various products to Russia and Belarus, including certain dual-use industrial and commercial products, and luxury goods. Additionally, certain logistics operators have imposed bans on direct air deliveries to Russia and restrictions on land deliveries to and from Russia, Belarus and Ukraine, none of which have had a material impact on our operations to date. We assessed the applicability of these economic sanctions and trade restrictions based on internal assessments of relevant regulations and concluded our existing operations in Russia and Belarus have not been materially affected by these economic sanctions and trade restrictions, although we are limited from further expansion of our business in Russia. All of our deliveries (both wholesale and retail) undergo economic sanctions screening, including screening for maximum product value of $300 and €300 per item and prevention of shipments to sanctioned final recipients.

Our assessment of the impact of the various sanctions and export control measures targeting Russia, Belarus and the Russian-controlled regions of Ukraine is subject to the following uncertainties and assumptions:

- The duration and extent of the war in Ukraine;
- The impact of economic sanctions and trade restrictions targeting Russia and Belarus, and the possibility that such economic sanctions or trade restrictions may be expanded, or new economic sanctions or trade restrictions may be imposed;
- The possibility of significant exchange rate volatility related to the Russian rouble;
- Potential disruptions of normal cash flow resulting from the removal of Russian and Belarusian banks from the SWIFT financial messaging network and regulations of the Russian and Belarusian governments;
- Disruptions of transport access to and from Russia, Belarus or Ukraine; and
- The suspension of our online retail shipments to Belarus and Ukraine.

We continue to assess all of our operations in Russia to ensure compliance with applicable economic sanctions, including most notably the U.S. ban on new investment in Russia.

See "Part I, Item 1A. Risk Factors—Our business may also be affected by existing or future economic sanctions and export controls targeting Russia and other responses to Russia's invasion of Ukraine" included in our fiscal 2025 Annual Report on Form 10-K for additional information.

We are actively monitoring the situation in Ukraine. While the extent to which our future operations in Russia, Belarus and Ukraine will be impacted by the ongoing war is impossible to predict, the impact is not expected to be material to our results of operations, financial condition or cash flows.

Strategy

Our strategic vision and implementation plan for execution includes several key priorities to drive revenue and operating profit growth. These priorities are: (i) organization and talent; (ii) growth; (iii) brand relevancy; (iv) customer centricity and digital expansion; (v) product excellence; and (vi) optimization, efficiency, profitability and return on invested capital; each as further described below:

Organization and Talent. We plan to have a best-in-class team of highly engaged and strongly committed individuals capable to lead and take our Company to the next level of growth and value creation.

Growth. We intend to leverage our infrastructure and capabilities, as well as the strength of our brands, to drive revenue growth. We will focus on increasing the productivity of our existing network, growing organically in existing and new markets, pursuing brand extensions and category expansions and considering opportunities that leverage our global infrastructure and network of licensees and wholesale partners.

Brand Relevancy. We continue to optimize our core brand architecture to be relevant with our three target consumer groups: Heritage, Millennials, and Generation Z. We have developed and launched one global line of product for all 25 categories we represent. We seek to elevate our Guess and Marciano brands and improve the quality and sustainability of our products, allowing us to realize more full-priced sales and rely less on promotional activity. We continue to use unique go-to-market strategies and execute celebrity and influencer partnerships and collaborations as we believe that they are critical to engage more effectively with a younger and broader audience. The addition of rag & bone to our brand portfolio will allow us to reach a very attractive customer base that is complementary to that of our Guess and Marciano brands.

Customer Centricity and Digital Expansion. We continue to place the customer at the center of everything we do. We plan to implement processes and the necessary tools and platforms to provide our customers with a seamless omni-channel experience and expand our digital business.

Product Excellence. We believe product is a key factor for success in our business. We strive to design and make great products and will extend our product offering to provide our customers with products that support the different occasions of their lifestyles. We will seek to better address local product needs.

Optimization, Efficiency, Profitability and Return on Invested Capital. We intend to operate at the highest level of efficiency and effectiveness. We plan to invest in our infrastructure and leverage technology and data analytics to improve our operations and decision making. We will always seek high margin, profitable businesses, free cash flow generation and high return on invested capital. We will also seek to improve profitability through business and portfolio optimization.

Capital Allocation

We plan to continue to prioritize capital allocation toward investments that support growth and infrastructure, while remaining highly disciplined in the way we allocate capital across projects, including new store development, store remodels, technology and logistics investments and others. When we prioritize investments, we will focus on their strategic significance and their return on invested capital expectations. We also plan to manage product buys and inventory ownership rigorously and optimize overall working capital management consistently. In addition, we plan to continue to return value to stockholders through dividends and share repurchases, as appropriate (and subject to certain limitations during the pendency of the Proposed Transaction as described in more detail under "Proposed Take-Private Transaction with Authentic Brands Group" above), and we will consider opportunistic strategic acquisitions of brands and businesses that leverage our global infrastructure and network of licensees and wholesale partners.

Retail Comparable Sales

We report National Retail Federation calendar retail comparable sales on a quarterly basis for our retail businesses which include the combined results from our brick-and-mortar retail stores and our e-commerce sites. We also separately report the impact of e-commerce sales on our retail comparable sales metric. As a result of our omni-channel strategy, our e-commerce business has become strongly intertwined with our brick-and-mortar retail store business. Therefore, we believe that the inclusion of e-commerce sales in our retail comparable sales metric provides a more meaningful representation of our retail results.

Sales from our brick-and-mortar retail stores include purchases that are initiated, paid for and fulfilled at our retail stores and directly-operated concessions as well as merchandise that is reserved online but paid for and picked up at our retail stores. Sales from our e-commerce sites include purchases that are initiated and paid for online and shipped from either our distribution centers or our retail stores as well as purchases that are initiated in a retail store, but due to inventory availability at the retail store, are ordered and paid for online and shipped from our distribution centers or picked up from a different retail store.

Store sales are considered comparable after the store has been open for 13 full fiscal months of direct operations. If a store remodel results in a square footage change of more than 15% or involves a relocation or a change in store concept, the store sales are removed from the comparable store base until the store has been opened at its new size, in its new location or under its new concept for 13 full fiscal months. Stores that are permanently closed or temporarily closed for more than seven days in any fiscal month are excluded from the calculation in the fiscal month that they are closed. E-commerce sales are considered comparable after the online site has been operational in a country for 13 full fiscal months and exclude any related revenue from shipping fees. These criteria are consistent with the metric used by management for internal reporting and analysis to measure performance of the store or online sites. Definitions and calculations of retail comparable sales used by us may differ from similarly titled measures reported by other companies.

Other

We operate on a 52/53-week fiscal year calendar which ends on the Saturday nearest to January 31 of each year. The nine months ended November 1, 2025 had the same number of days as the nine months ended November 2, 2024. All references herein to "fiscal 2026," "fiscal 2025" and "fiscal 2024" represent the results of the 52-week fiscal year ending January 31, 2026, the 52-week fiscal year ended February 1, 2025 and the 53-week fiscal year ended February 3, 2024, respectively.

Executive Summary

Overview

Net earnings attributable to Guess?, Inc. was $25.6 million, or diluted net earnings per share ("EPS") of $0.48, for the quarter ended November 1, 2025, compared to net loss of $23.4 million, or diluted net loss per share of $0.47, for the quarter ended November 2, 2024.

During the quarter ended November 1, 2025, we recognized $4.8 million in asset impairment charges; a net gain of $17.9 million on the fair value remeasurement of derivatives related to our 3.75% convertible senior notes due 2028 (the "2028 Notes"); $5.6 million of costs incurred in connection with the evaluation by the Special Committee of our Board of Directors of a non-binding proposal received from WHP Global to acquire our outstanding shares and subsequent evaluation and work in connection with the signing of the Merger Agreement and the pending completion of the Proposed Transaction (collectively, the "Proposed Transaction Costs"); $0.8 million of amortization of debt discount related to 2028 Notes; $2.5 million for restructuring charges; a $0.2 million net loss on lease modifications; and $0.6 million for certain professional service and legal fees and related (credits) costs (or a combined $6.6 million, or $0.13 per share, negative impact after considering the related income tax benefit of $3.4 million of these adjustments). Excluding the impact of these items, adjusted net earnings attributable to Guess?, Inc. was $19.0 million and adjusted diluted EPS was $0.35 for the quarter ended November 1, 2025.

During the quarter ended November 2, 2024, we recognized a net loss of $39.8 million on the fair value remeasurement of derivatives; $1.1 million in asset impairment charges; $0.8 million of amortization of debt discount related to our 2028 Notes; $0.3 million for certain discrete income tax adjustments; $0.7 million in net gains on lease modifications; and $0.1 million for certain professional services and legal fees and related (credits) costs (or a combined $41.1 million, or $0.81 per share, negative impact after considering the related income tax benefit of $0.3 million). Excluding the impact of these items, adjusted net earnings attributable to Guess?, Inc. was $17.7 million and adjusted diluted EPS was $0.34 for the quarter ended November 2, 2024. References to financial results excluding the impact of these items are non-GAAP measures and are addressed below under "Non-GAAP Measures."

Highlights of our performance for the quarter ended November 1, 2025 compared to the same prior-year quarter are presented below, followed by a more comprehensive discussion below under "Results of Operations" (references to constant currency results are non-GAAP measures and are addressed under "Non-GAAP Measures"):

Operations

- Total net revenue increased 7.2% to $791.4 million for the quarter ended November 1, 2025, compared to $738.5 million in the same prior-year quarter. In constant currency, net revenue increased by 5.2%.
- Gross margin (gross profit as a percentage of total net revenue) decreased 110 basis points to 42.5% for the quarter ended November 1, 2025, compared to 43.6% in the same prior-year quarter.
- Selling, general and administrative ("SG&A") expenses as a percentage of total net revenue ("SG&A rate") increased 140 basis points to 39.2% for the quarter ended November 1, 2025, compared to 37.8% in the same prior-year quarter. SG&A expenses increased 10.6% to $309.0 million for the quarter ended November 1, 2025, compared to $279.4 million in the same prior-year quarter.
- During the quarter ended November 1, 2025, we recognized $4.8 million of asset impairment charges, compared to $1.1 million in the same prior-year quarter.
- During the quarter ended November 1, 2025, we recognized a $0.2 million net loss on lease modifications, compared to a $0.7 million net gain in the same prior-year quarter.

- Operating margin decreased 280 basis points to 2.9% for the quarter ended November 1, 2025, compared to 5.7% in the same prior-year quarter. The decrease in operating margin was driven primarily by higher expenses, including Proposed Transaction Costs, store costs and restructuring charges, higher markdowns and higher asset impairment charges, partially offset by the favorable impact of higher revenues. Earnings from operations decreased 45.2% to $23.2 million (including a $1.9 million unfavorable currency translation impact) for the quarter ended November 1, 2025, compared to $42.3 million in the same prior-year quarter.
- Other income, net, totaled $21.2 million for the quarter ended November 1, 2025, compared to other expense, net of $45.8 million in the same prior-year quarter. The $67.1 million increase was primarily due to a net $17.9 million unrealized gain in the quarter ended November 1, 2025, compared to a net $39.8 million unrealized loss in the change in the fair value remeasurement of derivatives related to the 2028 Notes and the related convertible note hedge in the same prior-year quarter.
- The effective income tax rate was 23.4% for the quarter ended November 1, 2025, compared to a negative 128.9% effective income tax rate in the same prior-year quarter. The change in the effective income tax rate was primarily due to a net $17.9 million unrealized gain during the quarter ended November 1, 2025 compared to a net $39.8 million unrealized loss during the same prior-year quarter on the fair value remeasurement of derivatives related to the 2028 Notes and the related convertible note hedge, which was disregarded for income tax purposes.

Key Balance Sheet Accounts

- We had $154.2 million in cash and cash equivalents and $0.8 million in restricted cash as of November 1, 2025 compared to $140.9 million in cash and cash equivalents and $1.4 million in restricted cash at November 2, 2024.
  - As of November 1, 2025, we had no outstanding borrowings under our term loans and $308.3 million in outstanding borrowings under our credit facilities compared to $5.0 million in outstanding borrowings under our term loans and $262.5 million in outstanding borrowings under our credit facilities as of November 2, 2024.
  - During the nine months ended November 1, 2025, we had no share repurchases. During the nine months ended November 2, 2024, we repurchased approximately 2.6 million shares of our common stock for $60.8 million, including excise tax, through broker-assisted and open market transactions.
- Inventory increased by $16.5 million, or 2.4%, to $692.3 million as of November 1, 2025, from $675.8 million at November 2, 2024. On a constant currency basis, inventory decreased by $5.0 million, or 0.7%, when compared to November 2, 2024.
- Accounts receivable consists of trade receivables relating primarily to our wholesale business in Europe and, to a lesser extent, our wholesale businesses in the Americas and Asia, royalty receivables relating to our licensing operations, credit card and retail concession receivables related to our retail businesses and certain other receivables. Accounts receivable increased by $24.4 million, or 6.4%, to $407.8 million as of November 1, 2025 compared to $383.4 million at November 2, 2024. On a constant currency basis, accounts receivable increased by $13.4 million, or 3.5%, when compared to November 2, 2024. The increase was mainly driven by higher wholesale shipments.

Global Store Count

During the quarter ended November 1, 2025, together with our partners, we opened 15 new stores worldwide, consisting of five stores in Europe and the Middle East, two stores in Asia and the Pacific and eight stores in the Americas. Together with our partners, we closed 39 stores worldwide during the quarter ended November 1, 2025, consisting of seven stores in Europe and the Middle East, 31 stores in Asia and the Pacific and one store in the Americas.

As of November 1, 2025, we had stores and concessions worldwide comprised as follows:

	Stores			Concessions		
Region	**Total**	**Directly-Operated**	**Partner Operated**	**Total**	**Directly-Operated**	**Partner Operated**
United States	269	269	—	—	—	—
Canada	50	50	—	—	—	—
Central and South America	111	95	16	48	48	—
Total Americas	430	414	16	48	48	—
Europe and the Middle East	781	587	194	72	72	—
Asia and the Pacific	354	57	297	198	124	74
Total	1,565	1,058	507	318	244	74

Of our total stores, 1,231 were GUESS? stores, 186 were GUESS? Accessories stores, 62 were G by GUESS (GbG) stores, 54 were rag & bone stores, 22 were MARCIANO stores, nine were GUESS JEANS stores and one was a Babylon store.

Results of Operations

Three Months Ended November 1, 2025 and November 2, 2024

Consolidated Results

The following presents our condensed consolidated statements of income (loss) (in thousands, except per share data):

	Three Months Ended							
	Nov 1, 2025		Nov 2, 2024		$ change		% change
Net revenue	$	791,427	100.0%	$ 738,518	100.0%	$	52,909	7.2%
Cost of product sales		455,445	57.5%	416,641	56.4%		38,804	9.3%
Gross profit		335,982	42.5%	321,877	43.6%		14,105	4.4%
SG&A expenses		309,026	39.2%	279,389	37.8%		29,637	10.6%
Asset impairment charges		4,828	0.6%	1,091	0.1%		3,737	342.5%
Net (gains) losses on lease modifications		231	0.0%	(718)	(0.0%)		949	(132.2%)
Gain on equity method investment		(1,286)	(0.2%)	(161)	(0.0%)		(1,125)	698.8%
Earnings from operations		23,183	2.9%	42,276	5.7%		(19,093)	(45.2%)
Interest expense, net		(6,049)	(0.8%)	(5,518)	(0.7%)		(531)	9.6%
Other income (expense), net		21,246	2.7%	(45,826)	(6.2%)		67,072	(146.4%)
Earnings (loss) before income tax expense		38,380	4.8%	(9,068)	(1.2%)		47,448	(523.2%)
Income tax expense		8,993	1.1%	11,687	1.6%		(2,694)	(23.1%)
Net earnings (loss)		29,387	3.7%	(20,755)	(2.8%)		50,142	(241.6%)
Net earnings attributable to noncontrolling interests		3,739	0.5%	2,640	0.4%		1,099	41.6%
Net earnings (loss) attributable to Guess?, Inc.	$	25,648	3.2%	$ (23,395)	(3.2%)		49,043	(209.6%)
Net earnings (loss) per common share attributable to common stockholders:								
Basic	$	0.49		$ (0.46)		$	0.95	
Diluted	$	0.48		$ (0.47)		$	0.95	
Effective income tax rate		23.4%		(128.9%)				

Net Revenue. Net revenue increased by $53 million, or 7%, for the quarter ended November 1, 2025 compared to the same prior-year quarter. Currency translation fluctuations relating to our non-U.S. operations favorably impacted net revenue by $14 million compared to the same prior-year quarter. In constant currency, net revenue increased by 5%. The increase in constant currency was mainly driven by $31 million of higher wholesale shipments, $11 million from the impact of newly acquired businesses and $5 million from net new store openings, partially offset by $7 million of lower e-commerce sales and $2 million of lower royalties.

Gross Margin. Gross margin decreased by 1.1% for the quarter ended November 1, 2025 compared to the same prior-year quarter, driven by 90 basis points from higher markdowns and 40 basis points from unfavorable business mix.

Gross Profit. Gross profit increased $14 million for the quarter ended November 1, 2025 compared to the same prior-year quarter. The increase in gross profit was driven by $13 million of higher wholesale shipments and $8 million each from the impact of newly acquired businesses and favorable currency impact, partially offset by $7 million of higher markdowns, $4 million of lower e-commerce sales and $3 million of higher expenses.

Distribution costs, including labor, inbound freight charges, purchasing costs and related overhead, related to supplying inventory to store locations within our retail business are included in cost of product sales. We also include net royalties received on our inventory purchases of licensed product as a reduction to cost of product sales. We generally exclude wholesale-related distribution costs from gross margin, including them instead in SG&A expenses. Additionally, we include retail store occupancy costs in cost of product sales. As a result, our gross margin may not be comparable to that of other entities. To ensure expenses are separated appropriately, we track activities at each distribution center location and record the costs associated with our shipments of goods either as cost of sales or as selling, general and administrative expenses, accordingly.

SG&A Rate. Our SG&A rate increased 1.4% for the quarter ended November 1, 2025 from the same prior-year quarter. The unfavorable change in SG&A rate was mainly driven by 90 basis points of higher expenses, including store labor costs, 80 basis points of higher Proposed Transaction Costs, 30 basis points from unfavorable currency impact and 20 basis points of higher restructuring charges, partially offset by 110 basis points from the impact of higher revenue.

SG&A Expenses. SG&A expenses increased $30 million for the quarter ended November 1, 2025 from the same prior-year quarter. The increase in SG&A expenses was mainly driven by $7 million each from unfavorable currency translation and higher expenses, including store labor costs, $6 million of higher Proposed Transaction Costs, $5 million from the impact of newly acquired businesses and $2 million each from the impact of higher wholesale shipments and higher restructuring charges.

Asset Impairment Charges. During the quarters ended November 1, 2025 and November 2, 2024, we recognized $5 million and $1 million, respectively, of asset impairment charges related primarily to impairment of property and equipment related to certain retail locations resulting from under-performance and expected store closures.

Net (Gains) Losses on Lease Modifications. During the quarters ended November 1, 2025 and November 2, 2024, we recorded net losses of $0.2 million and net gains of $0.7 million on lease modifications, respectively, related primarily to the early termination of lease agreements for certain retail locations.

Operating Margin. Operating margin decreased 2.8% for the quarter ended November 1, 2025 compared to the same prior-year quarter. The decrease in operating margin was driven primarily by 120 basis points of higher expenses, including store costs, 90 basis points from higher markdowns, 80 basis points of higher Proposed Transaction Costs and 50 basis points of higher impairment charges, partially offset by 60 basis points from the favorable impact of higher revenues.

Earnings from Operations. As a result of the foregoing, earnings from operations decreased by $19 million for the quarter ended November 1, 2025 compared to the same prior-year quarter. Currency fluctuations relating to our foreign operations favorably impacted earnings from operations by less than $1 million.

Other Income (Expense), Net. Other income, net, for the quarter ended November 1, 2025 was $21 million compared to other expense, net of $46 million in the same prior-year quarter. The change was primarily due to the fair value remeasurement of derivatives related to our 2028 Notes and the related convertible note hedge resulting in a net unrealized gain of $18 million during the third quarter of fiscal 2026, compared to a net unrealized loss of $40 million in the same prior-year quarter.

Income Tax Expense. Income tax expense for the quarter ended November 1, 2025 was $9 million, with an effective income tax rate of 23.4%, compared to $12 million, with a negative 128.9% effective income tax rate in the same prior-year quarter. Income tax expense (benefit) for the interim periods is computed using the income tax rate estimated to be applicable for the full fiscal year, adjusted for discrete items, which is subject to ongoing review and evaluation by management. The change in the effective income tax rate was primarily due to a net $18 million unrealized gain during the quarter ended November 1, 2025 compared to a net $40 million unrealized loss during the same prior-year quarter on the fair value remeasurement of derivatives related to the 2028 Notes and the related convertible note hedge, which was disregarded for income tax purposes.

Net Earnings (Loss) Attributable to Guess?, Inc. Net earnings attributable to Guess?, Inc. was $26 million for the quarter ended November 1, 2025, compared to net loss of $23 million in the same prior-year quarter. Diluted net EPS was $0.48 for the quarter ended November 1, 2025 compared to diluted net loss per share of $0.47 in the same prior-year quarter. We estimate a positive impact from currency of $0.08 on diluted net EPS in the quarter ended November 1, 2025 when compared to the same prior-year quarter.

Refer to "Non-GAAP Measures" for an overview of our non-GAAP, or adjusted, financial results for the quarters ended November 1, 2025 and November 2, 2024. Excluding the impact of these non-GAAP items, adjusted net earnings attributable to Guess?, Inc. increased $1 million and adjusted diluted EPS increased $0.01 for the quarter ended November 1, 2025 compared to the same prior-year quarter. We estimate a minimal impact from our share buybacks and a positive impact from currency of $0.09 on adjusted diluted EPS in the quarter ended November 1, 2025 when compared to the same prior-year quarter.

Information by Business Segment

The following presents our net revenue and earnings (loss) from operations by segment (in thousands):

	Three Months Ended			
	Nov 1, 2025	Nov 2, 2024	$ change	% change
Net revenue:				
Europe	$ 404,063	$ 368,429	$ 35,634	9.7 %
Americas Retail	170,037	172,751	(2,714)	(1.6 %)
Americas Wholesale	126,147	98,849	27,298	27.6 %
Asia	60,073	65,478	(5,405)	(8.3 %)
Licensing	31,107	33,011	(1,904)	(5.8 %)
Total net revenue	$ 791,427	$ 738,518	52,909	7.2 %
Earnings (loss) from operations:				
Europe	$ 33,744	$ 32,476	$ 1,268	3.9 %
Americas Retail	(8,953)	(7,487)	(1,466)	19.6 %
Americas Wholesale	28,772	25,410	3,362	13.2 %
Asia	(2,728)	(1,281)	(1,447)	113.0 %
Licensing	28,353	30,296	(1,943)	(6.4 %)
Reconciliation to total earnings from operations:				
Corporate overhead	(50,946)	(36,765)	(14,181)	38.6 %
Asset impairment charges	(4,828)	(1,091)	(3,737)	342.5 %
Net gains (losses) on lease modifications	(231)	718	(949)	(132.2 %)
Total earnings from operations	$ 23,183	$ 42,276	(19,093)	(45.2 %)
Operating margins:				
Europe	8.4 %	8.8 %		
Americas Retail	(5.3 %)	(4.3 %)		
Americas Wholesale	22.8 %	25.7 %		
Asia	(4.5 %)	(2.0 %)		
Licensing	91.1 %	91.8 %		
Total Company	2.9 %	5.7 %		

Europe

Net revenue from our Europe segment increased by $36 million, or 10%, for the quarter ended November 1, 2025 from the same prior-year quarter. Currency translation fluctuations favorably impacted net revenue by $14 million. In constant currency, net revenue increased by 6%. The increase in net revenue in constant currency was driven mainly by $10 million from newly acquired businesses, $4 million each from higher wholesale revenue and net new store openings, and $2 million each from higher e-commerce sales and positive comparable store sales. Retail comparable sales, including e-commerce, increased 7% in U.S. dollars and 2% in constant currency compared to the same prior-year quarter. The inclusion of our e-commerce sales had a positive impact of 1% on the retail comparable sales percentage in both U.S. dollars and constant currency. As of November 1, 2025, we directly operated 587 stores in Europe compared to 556 stores at November 2, 2024, excluding concessions, which represents a 6% increase from the same prior-year quarter.

Operating margin decreased 0.4% for the quarter ended November 1, 2025 compared to the same prior-year quarter. The decrease in operating margin was driven primarily by 130 basis points from higher markdowns and 50 basis points from net new store openings, partially offset by 70 basis points from higher initial markups, 40 basis points from the impact of newly acquired businesses and 20 basis points from the impact of higher retail comparable sales.

Earnings from operations from our Europe segment increased by $1 million, or 4%, for the quarter ended November 1, 2025 compared to the same prior-year quarter. The increase was mainly driven by $3 million each from higher initial markups and the impact of newly acquired businesses, partially offset by $5 million from higher markdowns.

Americas Retail

Net revenue from our Americas Retail segment decreased by $3 million, or 2%, for the quarter ended November 1, 2025 from the same prior-year quarter. Currency translation fluctuations relating to our non-U.S. retail stores and e-commerce sites minimally impacted net revenue. The net revenue decrease was driven by $5 million of lower e-commerce sales, partially offset by $2 million from the impact of net new store openings. Retail comparable sales, including e-commerce, decreased 3% in both U.S. dollars and constant currency compared to the same prior-year quarter. The inclusion of our e-commerce sales had a negative impact of 3% on the retail comparable sales percentage in both U.S. dollars and constant currency. As of November 1, 2025, we directly operated 414 stores in the Americas compared to 411 stores at November 2, 2024, excluding concessions.

Operating margin decreased 1.0% for the quarter ended November 1, 2025 from the same prior-year quarter. The decrease was primarily due to 130 basis points of lower e-commerce sales and 110 basis points of higher markdowns, partially offset by 140 basis points of lower expenses, including advertising expenses.

Loss from operations from our Americas Retail segment was $9 million for the quarter ended November 1, 2025, compared to $7 million in the same prior-year quarter. The deterioration was primarily driven by $2 million each from the impact of lower revenues and higher markdowns, partially offset by $2 million from lower expenses.

Americas Wholesale

Net revenue from our Americas Wholesale segment increased by $27 million, or 28%, for the quarter ended November 1, 2025 from the same prior-year quarter. Currency translation fluctuations relating to our non-U.S. wholesale businesses favorably impacted net revenue by $1 million. In constant currency, net revenue increased by 26%. The increase in net revenues in constant currency was mainly driven by $20 million of higher wholesale shipments in the rag and bone business and $5 million of higher wholesale shipments in Mexico.

Operating margin decreased 2.9% for the quarter ended November 1, 2025 compared to the same prior-year quarter. The decrease in operating margin was mainly driven by 530 basis points of higher expenses, partially offset by 260 basis points from the favorable impact of higher revenues.

Earnings from operations from our Americas Wholesale segment increased by $3 million, or 13%, for the quarter ended November 1, 2025 from the same prior-year quarter, mainly driven by $10 million of higher revenues, partially offset by $7 million of higher expenses.

Asia

Net revenue from our Asia segment decreased by $5 million, or 8%, for the quarter ended November 1, 2025 from the same prior-year quarter. Currency translation fluctuations had a $2 million unfavorable impact on net revenue. In constant currency, net revenue decreased by 6%, mainly driven by $5 million of lower e-commerce sales and $1 million from net store closings, partially offset by $2 million of higher wholesale shipments, primarily from rag & bone. Retail comparable sales (including e-commerce) decreased 5% in U.S. dollars and 2% in constant currency compared to the same prior-year quarter. The inclusion of our e-commerce sales had a negative impact on the retail comparable sales percentage of 3% in both U.S. dollars and constant currency.

Operating margin decreased 2.5% for the quarter ended November 1, 2025 from the same prior-year quarter, driven primarily by 350 basis points from lower product margin, partially offset by 140 basis points from lower expenses.

Loss from operations from our Asia segment was $3 million for the quarter ended November 1, 2025, compared to $1 million in the same prior-year quarter. The increase in the loss was primarily driven by $2 million of lower product margin, partially offset by $1 million of lower expenses.

Licensing

Net royalty revenue from our Licensing segment decreased by $2 million, or 6%, for the quarter ended November 1, 2025 from the same prior-year quarter, mainly driven by lower royalties in our fragrances category.

Earnings from operations from our Licensing segment decreased by $2 million, or 6%, for the quarter ended November 1, 2025 from the same prior-year quarter, primarily driven by lower royalties in our fragrances category.

Corporate Overhead

Unallocated corporate overhead increased by $14 million, or 39%, for the quarter ended November 1, 2025 compared to the same prior-year quarter, primarily due to $6 million from costs incurred in connection with the evaluation of and entry into the Proposed Transaction during the quarter ended November 1, 2025, $5 million from higher expenses, $2 million of restructuring charges and $1 million from unfavorable currency impact.

Nine months ended November 1, 2025 and November 2, 2024

Consolidated Results

The following presents our condensed consolidated statements of income (loss) (in thousands, except per share data):

	Nine Months Ended					
	Nov 1, 2025		Nov 2, 2024		$ change	% change
Net revenue	$ 2,212,165	100.0%	$ 2,063,021	100.0%	$ 149,144	7.2%
Cost of product sales	1,288,957	58.3%	1,173,100	56.9%	115,857	9.9%
Gross profit	923,208	41.7%	889,921	43.1%	33,287	3.7%
SG&A	904,150	40.8%	829,188	40.2%	74,962	9.0%
Asset impairment charges	13,183	0.6%	4,509	0.2%	8,674	192.4%
Net gains on lease modifications	(5)	(0.0%)	(718)	(0.0%)	713	(99.3%)
Gain on sale of assets	—	—%	(13,781)	(0.7%)	13,781	(100.0%)
(Gain) loss on equity method investment	(2,081)	(0.1%)	559	0.0%	(2,640)	(472.3%)
Earnings from operations	7,961	0.4%	70,164	3.4%	(62,203)	(88.7%)
Interest expense, net	(16,736)	(0.8%)	(12,994)	(0.7%)	(3,742)	28.8%
Loss on extinguishment of debt	—	—%	(1,952)	(0.1%)	1,952	(100.0%)
Other income (expense), net	24,701	1.1%	(49,932)	(2.3%)	74,633	(149.5%)
Earnings before income tax expense	15,926	0.7%	5,286	0.3%	10,640	201.3%
Income tax expense	9,488	0.4%	18,771	0.9%	(9,283)	(49.5%)
Net earnings (loss)	6,438	0.3%	(13,485)	(0.6%)	19,923	(147.7%)
Net earnings attributable to noncontrolling interests	7,476	0.3%	7,491	0.4%	(15)	(0.2%)
Net loss attributable to Guess?, Inc.	$ (1,038)	(0.0%)	$ (20,976)	(1.0%)	19,938	(95.1%)
Net earnings (loss) per common share attributable to common stockholders:						
Basic	$ (0.03)		$ (0.42)		$ 0.39	
Diluted	$ (0.03)		$ (0.42)		$ 0.39	
Effective income tax rate	59.6%		355.1%			

Net Revenue. Net revenue increased by $149 million for the nine months ended November 1, 2025 compared to the same prior-year period. Currency translation fluctuations relating to our non-U.S. operations favorably impacted net revenue by $18 million compared to the same prior-year period. In constant currency, net revenue increased by 6%. The increase in constant currency was mainly driven by $130 million from the impact of newly acquired businesses, including rag & bone, $35 million due to higher wholesale shipments and $11 million from net new store openings, partially offset by $22 million due to negative comparable retail store sales, $15 million of lower e-commerce sales and $9 million of lower royalties.

Gross Margin. Gross margin decreased 1.4% for the nine months ended November 1, 2025 compared to the same prior-year period, driven by 70 basis points from unfavorable business mix and 60 basis points from higher markdowns.

Gross Profit. Gross profit increased by $33 million for the nine months ended November 1, 2025 compared to the same prior-year period. The increase in gross profit was driven by $56 million due to the impact of newly acquired businesses, including rag & bone, $18 million from higher wholesale shipments and $10 million of favorable currency impact, partially offset by $13 million from higher markdowns, $11 million from lower comparable retail sales, $9 million from lower royalties, $8 million from lower e-commerce sales and $5 million in higher expenses, including store costs.

Distribution costs, including labor, inbound freight charges, purchasing costs and related overhead, related to supplying inventory to store locations within our retail business are included in cost of product sales. We also include net royalties received on our inventory purchases of licensed product as a reduction to cost of product sales. We generally exclude wholesale-related distribution costs from gross margin, including them instead in SG&A expenses. Additionally, we include retail store occupancy costs in cost of product sales. As a result, our gross margin may not be comparable to that of other entities. To ensure expenses are separated appropriately, we track activities at each distribution center location and record the costs associated with our shipments of goods either as cost of sales or as selling, general and administrative expenses, accordingly.

SG&A Rate. Our SG&A rate increased 0.6% for the nine months ended November 1, 2025 from the same prior-year period. The unfavorable change in SG&A rate was mainly driven by 60 basis points each due to higher expenses, including store labor costs and advertising expenses, and higher Proposed Transaction Costs, and 20 basis points of unfavorable currency impact, partially offset by 40 basis points from the positive impact of newly acquired businesses, including rag and bone, 30 basis points from lower transaction costs and 20 basis points from lower separation charges.

SG&A Expenses. SG&A expenses increased by $75 million for the nine months ended November 1, 2025 from the same prior-year period. The increase in SG&A expenses was mainly driven by $42 million due to the impact of newly acquired businesses, including rag & bone, $14 million of higher Proposed Transaction Costs, $12 million of higher expenses, including store labor costs and advertising expenses, and $4 million from the impact of higher wholesale revenue, partially offset by $10 million of lower transaction costs in connection with our acquisition of rag & bone and separation charges. Currency translation fluctuations relating to our foreign operations unfavorably impacted SG&A expenses by $12 million.

Asset Impairment Charges. During the nine months ended November 1, 2025 and November 2, 2024, we recognized $13 million and $5 million, respectively, of asset impairment charges related primarily to impairment of property and equipment related to certain retail locations resulting from under-performance and expected store closures.

Net Gains on Lease Modifications. During the nine months ended November 1, 2025 we recorded immaterial net gains on lease modifications and during the nine months ended November 2, 2024, we recorded net gains on lease modifications of $1 million, related primarily to the early termination of lease agreements for certain retail locations.

Gain on Sale of Assets. There was no gain on the sale of assets during the nine months ended November 1, 2025. During the nine months ended November 2, 2024, we recorded a $14 million gain on the sale of assets resulting from the sale of the U.S. distribution center.

Operating Margin. Operating margin decreased 3.0% for the nine months ended November 1, 2025 compared to the same prior-year period. The decrease in operating margin was driven primarily by 80 basis points from each of unfavorable business mix and higher expenses, including store labor costs and advertising expenses, 70 basis points from the gain on the sale of assets in the prior-year same period and 60 basis points from higher markdowns.

Earnings from Operations. As a result of the foregoing, earnings from operations decreased by $62 million for the nine months ended November 1, 2025 compared to the same prior-year period. Currency fluctuations relating to our foreign operations unfavorably impacted earnings from operations by $5 million primarily due to unfavorable translational impact.

Loss on Extinguishment of Debt. There was no loss on extinguishment of debt during the nine months ended November 1, 2025. During the nine months ended November 2, 2024, we recorded a loss of $2 million related to the partial extinguishment of our 2% convertible senior notes due 2024 (the "2024 Notes," and together with the 2028 Notes, the "Notes").

Other Income (Expense), Net. Other income, net, for the nine months ended November 1, 2025 was $25 million compared to other expense, net of $50 million in the same prior-year period. The change was primarily due to the fair value remeasurement of derivatives related to the 2028 Notes and the related convertible note hedge resulting in a net unrealized gain of $15 million in the nine months ended November 1, 2025, compared to a net unrealized loss of $42 million in the same prior-year period. To a lesser extent, the change was driven by net realized and unrealized gains from foreign currency exposures compared to net losses for the same prior-year period, partially offset by net realized and unrealized losses on foreign exchange currency contracts compared to net realized and unrealized gains for the same prior-year period.

Income Tax Expense. Income tax expense for the nine months ended November 1, 2025 was $9.5 million, or a 59.6% effective income tax rate, compared to $19 million, or a 355.1% effective income tax rate in the same prior-year period. Income tax expense (benefit) for the interim periods is computed using the income tax rate estimated to be applicable for the full fiscal year, adjusted for discrete items, which is subject to ongoing review and evaluation by management. The change in the effective income tax rate was primarily due to a shift in the distribution of earnings among the Company's tax jurisdictions compared to the same prior-year period and losses during the nine months ended November 1, 2025 compared to income during the nine months ended November 2, 2024.

Net Loss Attributable to Guess?, Inc. Net loss attributable to Guess?, Inc. was $1 million for the nine months ended November 1, 2025, compared to $21 million in the same prior-year period. Diluted net loss per share was $0.03 for the nine months ended November 1, 2025 compared to diluted net loss per share of $0.42 in the same prior-year period. We estimate a minimal impact from share buybacks and a positive impact from currency of $0.20 on diluted net loss per share in the nine months ended November 1, 2025 when compared to the same prior-year period.

Refer to "Non-GAAP Measures" for an overview of our non-GAAP, or adjusted, financial results for the nine months ended November 1, 2025 and November 2, 2024. Excluding the impact of these non-GAAP items, adjusted net earnings attributable to Guess?, Inc. decreased $16 million and adjusted diluted EPS decreased $0.30 for the nine months ended November 1, 2025 compared to the same prior-year period. We estimate a minimal impact from our share buybacks and a positive impact from currency of $0.21 on adjusted diluted EPS in the nine months ended November 1, 2025 when compared to the same prior-year period.

Information by Business Segment

The following presents our net revenue and earnings (loss) from operations by segment (in thousands):

	Nine Months Ended			
	Nov 1, 2025	Nov 2, 2024	$ change	% change
Net revenue:				
Europe	$ 1,147,046	$ 1,035,532	$ 111,514	10.8%
Americas Retail	506,045	498,441	7,604	1.5%
Americas Wholesale	302,772	245,381	57,391	23.4%
Asia	173,943	192,566	(18,623)	(9.7%)
Licensing	82,359	91,101	(8,742)	(9.6%)
Total net revenue	$ 2,212,165	$ 2,063,021	149,144	7.2%
Earnings (loss) from operations:				
Europe	$ 71,236	$ 69,431	$ 1,805	2.6%
Americas Retail	(32,109)	(15,185)	(16,924)	111.5%
Americas Wholesale	63,653	55,517	8,136	14.7%
Asia	(8,324)	1,236	(9,560)	(773.5%)
Licensing	76,428	84,110	(7,682)	(9.1%)
Reconciliation to total earnings from operations:				
Corporate overhead	(149,745)	(134,935)	(14,810)	11.0%
Asset impairment charges	(13,183)	(4,509)	(8,674)	192.4%
Net gains on lease modifications	5	718	(713)	(99.3%)
Gain on sale of assets	—	13,781	(13,781)	(100.0%)
Total earnings from operations	$ 7,961	$ 70,164	(62,203)	(88.7%)

Operating margins:		
Europe	6.2%	6.7%
Americas Retail	(6.3%)	(3.0%)
Americas Wholesale	21.0%	22.6%
Asia	(4.8%)	0.6%
Licensing	92.8%	92.3%
Total Company	0.4%	3.4%

Europe

Net revenue from our Europe segment increased by $112 million, or 11%, for the nine months ended November 1, 2025 from the same prior-year period. Currency translation fluctuations had a favorable impact on net revenue of $31 million. In constant currency, net revenue increased by 8%. The increase in net revenue in constant currency was mainly driven by $37 million from newly acquired businesses, including rag & bone, $24 million due to higher wholesale revenue and $12 million from net new store openings. Retail comparable sales (including e-commerce) increased 5% in U.S. dollars and 2% in constant currency compared to the same prior-year period. The inclusion of our e-commerce sales had a minimal impact on the retail comparable sales percentage in both U.S. dollars and constant currency. As of November 1, 2025, we directly operated 587 stores in Europe compared to 556 stores at November 2, 2024, excluding concessions, which represents a 6% increase from the same prior-year period.

Operating margin decreased 0.5% for the nine months ended November 1, 2025 compared to the same prior-year period. The decrease in operating margin was driven primarily by 60 basis points of higher expenses, including store selling costs and advertising expenses, and 40 basis points from higher markdowns, partially offset by 40 basis points each from the favorable impact of higher revenues and higher initial markups.

Earnings from operations from our Europe segment increased by $2 million, or 3%, for the nine months ended November 1, 2025 compared to the same prior-year period. The increase in operating profit was mainly driven by $8 million due to higher wholesale revenue, $4 million in higher initial markups and $2 million of favorable currency impact, partially offset by $7 million from higher expenses, including store selling costs and advertising expenses, and $4 million in higher markdowns.

Americas Retail

Net revenue from our Americas Retail segment increased by $8 million, or 2%, for the nine months ended November 1, 2025 compared to the same prior-year period. Currency translation fluctuations relating to our non-U.S. retail stores and e-commerce sites had an unfavorable impact on net revenue of $5 million. In constant currency, net revenue increased by 2% compared to the same prior-year period. The increase in net revenue in constant currency was primarily driven by $40 million from newly acquired businesses, including rag & bone, partially offset by $19 million due to negative comparable retail store sales and $7 million of lower e-commerce sales. Retail comparable sales (including e-commerce) decreased 6% in U.S. dollars and 5% in constant currency compared to the same prior-year period. The inclusion of our e-commerce sales had a negative impact of 1% on the retail comparable sales percentage in both U.S. dollars and constant currency. As of November 1, 2025, we directly operated 414 stores in the Americas compared to 411 stores at November 2, 2024, excluding concessions, which represents a less than 1% increase from the same prior-year period.

Operating margin decreased 3.3% for the nine months ended November 1, 2025 compared to the same prior-year period. The decrease was driven primarily by 220 basis points from the impact of negative comparable store sales, 170 basis points from higher markdowns and 120 basis points from higher expenses, including store costs, partially offset by 210 basis points due to the positive impact of newly acquired businesses.

Loss from operations from our Americas Retail segment was $32 million for the nine months ended November 1, 2025 compared to $15 million in the same prior-year period. The change was primarily driven by $10 million due to negative store comparable sales, $9 million in higher markdowns and $6 million of higher expenses, including higher store costs, partially offset by $9 million of positive impact from newly acquired businesses, including rag & bone.

Americas Wholesale

Net revenue from our Americas Wholesale segment increased by $57 million, or 23%, for the nine months ended November 1, 2025 from the same prior-year period. Currency translation fluctuations relating to our non-U.S. wholesale businesses impacted net revenues unfavorably by $4 million. In constant currency, net revenue increased by 25%. The increase in net revenues in constant currency was driven by $50 million from newly acquired businesses, including rag & bone, and $12 million of higher shipments from our Mexico wholesale business.

Operating margin decreased 1.6% for the nine months ended November 1, 2025 from the same prior-year period. The decrease in operating margin was driven primarily by 250 basis points in higher expenses and 40 basis points from lower product margin, partially offset by 140 basis points from higher wholesale shipments.

Earnings from operations from our Americas Wholesale segment increased by $8 million, or 15%, for the nine months ended November 1, 2025 from the same prior-year period, mainly driven by $8 million from newly acquired businesses, including rag & bone, and a $6 million favorable impact of higher shipments from our Mexico wholesale business, partially offset by $5 million of higher expenses, $1 million from lower product margins and a $1 million unfavorable impact from foreign currency translations.

Asia

Net revenue from our Asia segment decreased by $19 million, or 10%, for the nine months ended November 1, 2025 compared to the same prior-year period. Currency translation fluctuations had an unfavorable impact on net revenue of $4 million. In constant currency, net revenue decreased by 8%. The decrease in net revenue in constant currency was mainly driven by $11 million lower e-commerce sales and $7 million in lower retail comparable sales, partially offset by a $4 million positive impact from newly acquired businesses. Retail comparable sales (including e-commerce) decreased 11% in U.S. dollars and 9% in constant currency compared to the same prior-year period. The inclusion of our e-commerce sales had a 2% negative impact on the retail comparable sales percentage in both U.S. dollars and constant currency.

Operating margin decreased 5.4% for the nine months ended November 1, 2025 from the same prior-year period, primarily driven by the unfavorable impact of lower revenues.

Loss from operations from our Asia segment was $8 million, a decline of $10 million, or 773%, for the nine months ended November 1, 2025 from earnings of $1 million during the same prior-year period. The decrease was primarily driven by the unfavorable impact of lower revenues. Currency translation fluctuations relating to our Asia operations had a minimal impact on loss from operations.

Licensing

Net royalty revenue from our Licensing segment decreased by $9 million, or 10%, for the nine months ended November 1, 2025 compared to the same prior-year period, mainly driven by lower royalties in our fragrances and footwear categories.

Earnings from operations from our Licensing segment decreased by $8 million, or 9%, for the nine months ended November 1, 2025 from the same prior-year period, primarily driven by lower royalties in our fragrances and footwear categories.

Corporate Overhead

Unallocated corporate overhead increased by $15 million, or 11%, for the nine months ended November 1, 2025 from the same prior-year period, primarily due to $14 million from costs incurred in connection with the evaluation of and entry into the Proposed Transaction during the quarter ended November 1, 2025.

Non-GAAP Measures

The financial information presented in this Quarterly Report includes non-GAAP financial measures, such as adjusted net earnings (loss) attributable to GUESS?, adjusted diluted net earnings per share attributable to common stockholders and constant currency information. For the three and nine months ended November 1, 2025 and November 2, 2024, the adjusted results exclude the impact of certain professional service and legal fees and related (credits) costs, Proposed Transaction Costs, transaction costs in connection with our acquisition of rag & bone, separation charges related to the transition of the operations of our U.S. distribution center, restructuring costs and charges incurred in connection with the planned exit of certain retail stores in North America and Greater China (consisting of mainland China, Hong Kong, Macau and Taiwan), gain on the sale of our U.S. distribution center and settlement of the related interest rate swap, asset impairment charges, net (gains) losses on lease modifications, loss on extinguishment of debt, non-cash amortization of debt discount of our convertible senior notes, fair value remeasurement of derivatives related to the 2028 Notes and the related convertible note hedge, the related income tax effects of the foregoing items and the impact from certain discrete income tax adjustments related primarily to the impact from changes in the income tax law in certain tax jurisdictions, in each case where applicable. The weighted average diluted shares outstanding used for adjusted diluted EPS also excludes the dilutive impact of the Notes, based on the bond hedge contracts in place. These non-GAAP measures are provided in addition to, and not as an alternative for, our reported U.S. Generally Accepted Accounting Principles ("GAAP") results.

These items affect the comparability of our reported results. The financial results are also presented on a non-GAAP basis, as defined in Section 10(e) of Regulation S-K of the SEC, to exclude the effect of these items. We have excluded these items from our adjusted financial measures primarily because we believe these items are not indicative of the underlying performance of our business and the adjusted financial information provided is useful for investors to evaluate the comparability of our operating results and our future outlook (when reviewed in conjunction with our GAAP financial statements).

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A reconciliation of reported GAAP results to comparable non-GAAP results follows (in thousands, except per share data):

	Three Months Ended		Nine Months Ended	
	Nov 1, 2025	Nov 2, 2024	Nov 1, 2025	Nov 2, 2024
Reported GAAP net earnings (loss) attributable to Guess?, Inc.	$ 25,648	$ (23,395)	$ (1,038)	$ (20,976)
Certain professional service and legal fees and related (credits) costs [1]	616	125	944	58
Proposed Transaction Costs[2]	5,607	—	13,427	—
Transaction costs[3]	—	—	—	5,726
Separation charges[4]	—	—	—	7,075
Restructuring charges[5]	2,540	—	4,172	—
Asset impairment charges[6]	4,828	1,091	13,183	4,509
Net (gains) losses on lease modifications [7]	231	(718)	(5)	(718)
Loss on extinguishment of debt[8]	—	—	—	1,952
Amortization of debt discount[9]	847	775	2,539	2,250
Fair value remeasurement of derivatives[10]	(17,941)	39,813	(14,760)	41,795
Gain on sale of assets[11]	—	—	—	(14,569)
Discrete income tax adjustments[12]	—	281	—	842
Income tax impact from adjustments[13]	(3,374)	(304)	(7,965)	(1,136)
Total adjustments affecting net earnings (loss) attributable to Guess?, Inc.	(6,646)	41,063	11,535	47,784
Adjusted net earnings attributable to Guess?, Inc.	$ 19,002	$ 17,668	$ 10,497	$ 26,808
Net earnings (loss) per common share attributable to common stockholders:				
GAAP diluted	$ 0.48	$ (0.47)	$ (0.03)	$ (0.42)
Certain professional service and legal fees and related (credits) costs[1,16]	0.01	0.00	0.01	0.00
Proposed Transaction Costs[2,16]	0.08	—	0.20	—
Transaction costs[3,16]	—	—	—	0.09
Separation charges[4,16]	—	—	—	0.10
Restructuring charges[5,16]	0.04	—	0.06	—
Asset impairment charges[6,16]	0.07	0.01	0.20	0.07
Net (gains) losses on lease modifications [7,16]	0.00	(0.01)	0.00	(0.01)
Loss on extinguishment of debt[8,16]	—	—	—	0.03
Amortization of debt discount[9,16]	0.01	0.01	0.04	0.03
Fair value remeasurement of derivatives[10]	(0.34)	0.62	(0.29)	0.80
Gain on sale of assets[11,16]	—	—	—	(0.21)
Discrete income tax adjustments[12]	—	0.00	—	0.02
Convertible notes if-converted method[14]	—	0.18	—	—
Effect of dilutive stock options and restricted stock units [15]	—	(0.00)	(0.00)	(0.01)
Adjusted diluted[16]	$ 0.35	$ 0.34	$ 0.19	$ 0.49
Weighted average common shares outstanding attributable to common stockholders:				
GAAP diluted	53,169	66,608	51,487	52,047
Adjusted diluted[16]	53,169	51,970	52,293	53,360

Notes:

1 Adjustments represent certain professional service and legal fees and related (credits) costs which we otherwise would not have incurred as part of our business operations.

[2] Adjustments represent Proposed Transaction Costs incurred which we otherwise would not have incurred as part of our business operations.

[3] Adjustments represent transaction costs in connection with the rag & bone acquisition which we otherwise would not have incurred as part of our business operations.

[4] Adjustments represent separation charges related to the transition of the operation of our U.S. distribution center, which was formerly owner-operated, to a third-party logistics provider.

[5] Adjustments represent restructuring costs and charges incurred in connection with the planned exit of certain retail stores in North America and Greater China.

[6] Adjustments represent asset impairment charges related primarily to impairment of property and equipment related to certain retail locations resulting from under-performance and expected store closures.

[7] Adjustments represent net (gains) losses on lease modifications related primarily to the early termination of certain lease agreements.

[8] Adjustments represent loss on extinguishment of debt from a portion of the exchanged 2024 Notes in March 2024.

[9] In April 2023, January 2024 and March 2024, we issued $275 million, $65 million and $12 million principal amount of the 2028 Notes, respectively. The debt discount resulted from: (1) the modification accounting for a portion of the exchanged 2024 Notes in April 2023, and (2) recognized embedded derivative liability for the issuances of the Additional 2028 Notes (as defined and described in Note 11 - Convertible Senior Notes and Related Transactions to our condensed consolidated financial statements included in this Quarterly Report). The debt discount will be amortized as non-cash interest expense over the term of the 2028 Notes.

[10] Adjustments represent changes in fair value of the equity-linked derivatives associated with the 2028 Notes.

[11] Adjustments represent the gain on the sale of assets related to the U.S. distribution center within earnings from operations and the settlement of the related interest rate swap within other income (expense).

[12] Adjustments represent discrete income tax items related primarily to the impact from changes in the income tax law in certain jurisdictions.

[13] The income tax effect of certain professional service and legal fees and related (credits) costs, Proposed Transaction Costs, transaction costs in connection with the acquisition of rag & bone, separation charges related to the transition of the operation of our U.S. distribution center, restructuring costs and charges incurred in connection with the planned exit of certain retail stores in North America and Greater China, asset impairment charges, net (gains) losses on lease modifications, loss on extinguishment of debt, amortization of debt discount and gain on the sale of assets related to U.S. distribution center and the settlement of the related interest rate swap was based on our assessment of deductibility using the statutory income tax rate (inclusive of the impact of valuation allowances) of the tax jurisdiction in which the charges were incurred.

[14] We exclude the dilutive impact of the Notes at stock prices below $40.65 and $36.89 for the 2024 Notes and 2028 Notes, respectively, based on the bond hedge contracts in place that will deliver shares to offset dilution. At stock prices in excess of $36.89 for the 2028 Notes, we would have an obligation to deliver additional shares in excess of the dilution protection provided by the bond hedges.

[15] Adjustments represent the potentially dilutive impact of outstanding stock options and restricted stock units which are not included in the computation of diluted net loss per share as the impact would be antidilutive.

[16] Adjustments include the related income tax effect based on our assessment of deductibility using the statutory income tax rate (inclusive of the impact of valuation allowances) of the tax jurisdiction in which the charges were incurred.

Our discussion and analysis herein also includes certain constant currency financial information. Foreign currency exchange rate fluctuations affect the amount reported from translating our foreign revenue, expenses and balance sheet amounts into U.S. dollars. These rate fluctuations can have a significant effect on reported operating results under GAAP. We provide constant currency information to enhance the visibility of underlying business trends, excluding the effects of changes in foreign currency translation rates. To calculate net revenue, retail comparable sales and earnings (loss) from operations on a constant currency basis, operating results for the current-year period are translated into U.S. dollars at the average exchange rates in effect during the comparable period of the prior year. To calculate balance sheet amounts on a constant currency basis, the current period balance sheet amount is translated into U.S. dollars at the exchange rate in effect at the comparable prior-year period end. The constant currency calculations do not adjust for the impact of revaluing specific transactions denominated in a currency that is different from the functional currency of that entity when exchange rates fluctuate.

In calculating the estimated impact of currency fluctuations (including translational and transactional impacts) on other measures such as earnings (loss) per share, we estimate gross margin (including the impact of foreign exchange currency contracts designated as cash flow hedges for anticipated merchandise purchases) and expenses using the appropriate prior-year rates, translate the estimated foreign earnings (loss) at the comparable prior-year rates and consider the year-over-year earnings impact of gains or losses arising from balance sheet remeasurement and foreign exchange currency contracts not designated as cash flow hedges for merchandise purchases. The constant currency information presented may not be comparable to similarly titled measures reported by other companies.

Liquidity and Capital Resources

We use our liquidity globally primarily to fund our working capital, occupancy costs, interest and principal payments on our debt, remodeling and rationalization of our retail stores, shop-in-shop programs, concessions, systems, infrastructure, compensation expenses, other existing operations, expansion plans, international growth and potential acquisitions and investments. Generally, our working capital needs are highest during the late summer and fall as our inventories increase before the holiday selling period. In addition, in the United States, we need liquidity for payment of dividends to our stockholders and to fund share repurchases, if any.

During the nine months ended November 1, 2025, we relied primarily on trade credit, available cash, real estate and other operating leases, finance leases, proceeds from our credit facilities and internally generated funds to finance our operations. We anticipate we will be able to satisfy our ongoing cash requirements for the foreseeable future, including at least the next 12 months, for working capital, capital expenditures, payments on our debt, finance leases and operating leases, as well as lease modification payments, potential acquisitions and investments, expected income tax payments, dividend payments to stockholders and share repurchases, if any, primarily with cash flow from operations and existing cash balances as supplemented by borrowings under our existing credit facilities and proceeds from our term loans and other indebtedness, as needed.

The Merger Agreement contains customary covenants regarding the conduct of our business prior to the closing of the Proposed Transaction, including restrictions on our ability to incur additional indebtedness and to make certain capital expenditures. We do not believe that the restrictions in the Merger Agreement will prevent us from meeting our debt obligations, ongoing costs of operations, working capital needs, or capital expenditure requirements. See "Risk Factors—While the Merger Agreement is in effect, we are subject to restrictions on our business activities."

In May 2022, we entered into a €250 million revolving credit facility through a European subsidiary, which replaced certain European short-term borrowing arrangements. In June 2024, we amended the revolving credit facility to, among other things, expand the borrowing capacity under the credit agreement by €100 million to €350 million. As of November 1, 2025, we had approximately $115.4 million of remaining borrowing capacity on this facility. In December 2022, we entered into an amendment of our senior secured asset-based revolving credit facility, which increased borrowing capacity from $120 million to $150 million and extended the maturity date of the credit facility to December 20, 2027. In March 2024, we amended the senior secured asset-based revolving credit facility to increase the total borrowing capacity under the facility by $50 million to $200 million. As of November 1, 2025, we had approximately $194.1 million of borrowing capacity on this facility.

Due to the seasonality of our business and cash needs, we may increase borrowings under our established credit facilities or enter new credit facilities from time-to-time during the next 12 months and beyond. If we experience a sustained decrease in consumer demand, we may require access to additional credit, which may not be available to us on commercially acceptable terms or at all.

Our outstanding 2028 Notes may be converted at the option of the holders as described in Note 11 - Convertible Senior Notes and Related Transactions of the notes to our condensed consolidated financial statements included in this Quarterly Report and in "Part I, Item 1. Financial Statements - Note 11 - Convertible Senior Notes and Related Transactions" of the consolidated financial statements included in our fiscal 2025 Annual Report on Form 10-K. As of November 1, 2025, none of the conditions allowing holders of the 2028 Notes to convert had been met. Pursuant to the terms of the 2028 Notes, if our stock trading price exceeds 130% of the conversion price of the 2028 Notes (approximately $21.80 per share as of November 1, 2025) for at least 20 trading days during the 30 consecutive trading-day period ending on, and including, the last trading day of any calendar quarter, holders of the 2028 Notes would have the right to convert their convertible notes during the next calendar quarter. In accordance with the terms of the indentures governing the 2028 Notes, we are required to adjust the conversion rate and the conversion price of the 2028 Notes for quarterly dividends exceeding $0.225 per share. Upon conversion, we will pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, in the manner and subject to the terms and conditions provided in the indenture governing the 2028 Notes, and in the event of any conversion we expect to settle the principal amount of our 2028 Notes in cash and any excess in shares. Additionally, if completed, the Merger is expected to constitute a "fundamental change" under the 2028 Indenture. The 2028 Indenture provides that if the Company undergoes a "fundamental change," subject to certain conditions, holders of the 2028 Notes may require the Company to purchase for cash all or any portion of their 2028 Notes for a price of 100% of the principal amount of the 2028 Notes to be purchased plus any accrued and unpaid interest up to but excluding the fundamental change purchase date. The convertible note hedge transaction we entered into in connection with our issuance of the 2028 Notes is expected generally to reduce the potential dilution upon conversion of the 2028 Notes and/or offset any cash payments we are required to make in excess of the principal amount of the 2028 Notes that are converted, as the case may be.

We have historically considered the undistributed earnings of our foreign subsidiaries to be indefinitely reinvested. As a result of the 2017 Tax Cuts and Jobs Act, we had a substantial amount of previously taxed earnings that could be distributed to the United States without additional U.S. taxation. As of November 1, 2025, we determined that approximately $300.0 million of such foreign earnings are not indefinitely reinvested. The incremental tax cost to repatriate these earnings to the United States is immaterial. We intend to indefinitely reinvest the remaining earnings from our foreign subsidiaries for which a deferred income tax liability has not already been recorded. We continue to evaluate our plans for reinvestment or repatriation of unremitted foreign earnings and regularly review our cash positions and determination of indefinite reinvestment of foreign earnings. If we determine that all or a portion of such foreign earnings are no longer indefinitely reinvested, we may be subject to additional foreign withholding taxes and U.S. state income taxes beyond the one-time transition tax.

As of November 1, 2025, we had cash and cash equivalents of $154.2 million, of which approximately $20.8 million was held in the United States. Excess cash and cash equivalents, which represent the majority of our outstanding balance, are held primarily in overnight deposit, short-term time deposit accounts and money market accounts. As of November 1, 2025, we had roughly $326 million of available global borrowing capacity, bringing our combined cash, cash equivalents and borrowing capacity to approximately $480 million. Please refer to "Forward-Looking Statements" discussed above, "Part I, Item 1A. Risk Factors" contained in our fiscal 2025 Annual Report on Form 10-K and "Part II, Item 1A. Risk Factors" in this Quarterly Report for a discussion of risk factors which could reasonably be likely to result in a decrease of internally generated funds available to finance capital expenditures and working capital requirements.

Nine Months Ended November 1, 2025 and November 2, 2024

Operating Activities

Net cash used in operating activities was $38.0 million for the nine months ended November 1, 2025, compared to $61.6 million for the same prior-year period, or an improvement of $23.6 million. This improvement was driven by favorable changes in working capital, partially offset by lower cash earnings.

Investing Activities

Net cash used in investing activities was $71.8 million for the nine months ended November 1, 2025, compared to $85.3 million for the same prior-year period. Net cash used in investing activities for the nine months ended November 1, 2025 related primarily to investments in existing store remodeling programs and retail expansion and, to a lesser extent, technology and other infrastructure.

The decrease in cash used in investing activities was driven pr imarily by our rag & bone acquisition, partially offset by the proceeds from the sale of our U.S. distribution center during the nine months ended

November 2, 2024. During the nine months ended November 1, 2025, we opened 45 directly-operated stores compared to 37 directly-operated stores that were opened in the same prior-year period.

Financing Activities

Net cash provided by financing activities was $68.8 million for the nine months ended November 1, 2025, compared to net cash used in financing activities of $62.0 million for the same prior-year period. The improvement of $130.8 million was primarily due to lower cash dividend payments, no share repurchases or repayments of convertible senior notes and related transactions, partially offset by lower net borrowings during the nine months ended November 1, 2025 compared to the same prior-year period.

Effect of Exchange Rates on Cash and Cash Equivalents and Restricted Cash

During the nine months ended November 1, 2025, changes in foreign currency translation rates increased our reported cash, cash equivalents and restricted cash balance by $7.5 million compared to a decrease of $9.1 million during the same prior-year period. Refer to “Foreign Currency Volatility” above for further information on fluctuations in exchange rates.

Working Capital

As of November 1, 2025, we had net working capital (including cash and cash equivalents) of $521.3 million compared to $418.0 million at February 1, 2025 and $455.0 million at November 2, 2024. Our primary working capital needs are for payments for inventories, salaries and wages, and the current portion of lease liabilities.

The accounts receivable balance consists of trade receivables relating primarily to our wholesale business in Europe and, to a lesser extent, to our wholesale businesses in the Americas and Asia, royalty receivables relating to our licensing operations, credit card and retail concession receivables related to our retail businesses and certain other receivables. Accounts receivable increased by $24.4 million, or 6.4%, to $407.8 million as of November 1, 2025, from $383.4 million at November 2, 2024. On a constant currency basis, accounts receivable increased by $13.4 million, or 3.5%, when compared to November 2, 2024. As of November 1, 2025, approximately 43% of our total net trade receivables and 55% of our European net trade receivables were subject to credit insurance coverage, certain bank guarantees or letters of credit for collection purposes. Our credit insurance coverage contains certain terms and conditions specifying deductibles and annual claim limits.

Inventory increased by $16.5 million, or 2.4%, to $692.3 million as of November 1, 2025, from $675.8 million at November 2, 2024. On a constant currency basis, inventory decreased by $5.0 million, or 0.7%, when compared to November 2, 2024.

Capital Expenditures

Gross capital expenditures totaled $60.3 million, before deducting lease incentives of $0.4 million, for the nine months ended November 1, 2025. This compares to gross capital expenditures of $63.6 million, before deducting lease incentives of $1.9 million, for the same prior-year period.

When we prioritize investments, we will focus on their strategic significance and their return on invested capital expectations. We will consider opportunistic strategic acquisitions of brands and businesses that leverage our global infrastructure and network of licensees and wholesale partners.

Dividends

On November 25, 2025, we announced a regular quarterly cash dividend of $0.225 per share on our common stock. The cash dividend will be paid on December 26, 2025 to stockholders of record as of the close of business on December 10, 2025.

Decisions on whether, when and in what amounts to continue making any future dividend distributions will remain at all times entirely at the discretion of our Board of Directors, which reserves the right, in its sole discretion, to change or terminate our dividend practices at any time and for any reason without prior notice. The payment of cash dividends in the future will be based upon a number of business, legal and other considerations, including changes in our financial position, capital allocation plans (including a desire to retain or accumulate cash), capital spending plans, stock purchase plans, acquisition strategies, strategic initiatives, debt payment plans (including a desire to maintain or improve credit ratings on our debt securities), debt covenant requirements, pension funding or other benefits payments. See “Risk Factors—While the Merger Agreement is in effect, we are subject to restrictions on our business activities” for information regarding restrictions on our business during the pendency of the Proposed Transaction.

Share Repurchases

On March 25, 2024, the Board of Directors authorized a $200 million share repurchase program (the “2024 Share Repurchase Program”). Repurchases may be made on the open market or in privately negotiated transactions, pursuant to Rule 10b5-1 trading plans or other available means. There is no minimum or maximum number of shares to be repurchased under the program and the program may be discontinued at any time without prior notice.

During the nine months ended November 1, 2025, we did not make any share repurchases. During the nine months ended November 2, 2024, we repurchased 2.6 million shares under our 2024 Share Repurchase Program at an aggregate cost of $60.8 million, including excise tax, 0.3 million shares of which were repurchased through broker assisted market transactions in connection with the exchange of 2024 Notes for March Additional 2028 Notes (as defined and described in Note 11 - Convertible Senior Notes and Related Transactions to our condensed consolidated financial statements included in this Quarterly Report). As of November 1, 2025, we had remaining authority under the 2024 Share Repurchase Program to purchase $139.8 million of our common stock.

See “Risk Factors—While the Merger Agreement is in effect, we are subject to restrictions on our business activities” for information regarding restrictions on our business during the pendency of the Proposed Transaction.

Borrowings and Finance Lease Obligations and Convertible Senior Notes

Refer to Note 11 - Convertible Senior Notes and Related Transactions in the notes to our condensed consolidated financial statements in this Quarterly Report for disclosures about our convertible senior notes and related transactions. In addition, refer to Note 10 - Borrowings and Finance Lease Obligations in the notes to our condensed consolidated financial statements included in this Quarterly Report for disclosures about our borrowings and finance lease obligations.

Supplemental Executive Retirement Plan

As a non-qualified pension plan, no dedicated funding of our Supplemental Executive Retirement Plan (“SERP”) is required; however, we have made periodic payments into insurance policies held in a rabbi trust to fund the expected obligations arising under the non-qualified SERP.

The cash surrender values of the insurance policies were $66.1 million and $63.8 million as of November 1, 2025 and February 1, 2025, respectively, and were included in other assets in our condensed consolidated balance sheets. As a result of changes in the value of the insurance policy investments, we recorded unrealized gains of $2.0 million and $3.7 million in other income (expense) during the three and nine months ended November 1, 2025, respectively, and an unrealized loss of $0.3 million and an unrealized gain of $1.9 million in other income (expense) during the three and nine months ended November 2, 2024, respectively. The projected benefit obligation was $33.6 million and $33.8 million as of November 1, 2025 and February 1, 2025, respectively, and was included in accrued expenses and other current liabilities and other long-term liabilities in our condensed consolidated balance sheets depending on the expected timing of payments. SERP benefit payments of $0.3 million and $0.5 million were made during the three months ended November 1, 2025 and November 2, 2024, respectively. SERP benefit payments of $1.4 million were made during each of the nine months ended November 1, 2025 and November 2, 2024.

Material Cash Requirements

As of November 1, 2025, except as disclosed above, there were no material changes to our material cash requirements from known contractual and other obligations, including commitments for capital expenditures, outside the ordinary course of business compared to the disclosures included in “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Material Cash Requirements” in Part II, Item 7 in our fiscal 2025 Annual Report on Form 10-K. Refer to Note 10 - Borrowings and Finance Lease Obligations and Note 11 - Convertible Senior Notes and Related Transactions in the notes to our condensed consolidated financial statements included in this Quarterly Report for further information.

Application of Critical Accounting Policies and Estimates

Our critical accounting policies reflecting our estimates and judgments are described in “Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our fiscal 2025 Annual Report on Form 10-K. There have been no significant changes to our critical accounting policies since the filing of our fiscal 2025 Annual Report on Form 10-K.

Recently Issued Accounting Guidance

Refer to Note 1 - Basis of Presentation in the notes to our condensed consolidated financial statements included in this Quarterly Report for disclosures about recently issued and adopted accounting guidance.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk.

Exchange Rate Risk

Approximately three-quarters of product sales and licensing revenue recorded for the nine months ended November 1, 2025 were denominated in currencies other than the U.S. dollar. Our primary exchange rate risk relates to operations in Europe, Canada, South Korea, China and Mexico. Changes in currencies affect our earnings in various ways. For further discussion on currency-related risk, please refer to our risk factors under "Part I, Item 1A. Risk Factors" contained in our fiscal 2025 Annual Report on Form 10-K.

Foreign Currency Transaction Gains and Losses

Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency, including gains and losses on foreign exchange currency contracts (see below), are included in the condensed consolidated statements of income (loss). Net realized and unrealized foreign currency transaction gains of $7.7 million and losses of $10.9 million were included in the determination of net earnings (loss) for the nine months ended November 1, 2025 and November 2, 2024, respectively.

Foreign Exchange Currency Contracts

We have foreign exchange currency contracts designated as hedging instruments for accounting purposes as well as foreign exchange currency contracts that are not designated as hedging instruments for accounting purposes. Refer to Note 16 - Fair Value Measurements and Note 17 - Derivative Financial Instruments in the notes to our condensed consolidated financial statements included in this Quarterly Report for disclosures about foreign exchange currency contracts.

Contract Sensitivity Analysis

As of November 1, 2025, a sensitivity analysis of changes in foreign currencies when measured against the U.S. dollar indicates that, if the U.S. dollar had uniformly weakened by 10% against all of the U.S. dollar denominated foreign exchange derivatives totaling $236.0 million, the fair value of the instruments would have decreased by $26.2 million. Conversely, if the U.S. dollar uniformly strengthened by 10% against all of the U.S. dollar denominated foreign exchange derivatives, the fair value of these instruments would have increased by $21.5 million. Any resulting changes in the fair value of the hedged instruments may be partially offset by changes in the fair value of certain balance sheet positions (primarily U.S. dollar denominated liabilities in our foreign operations) impacted by the change in the foreign currency rate. The ability to reduce the exposure of currencies on earnings depends on the magnitude of the derivatives compared to the balance sheet positions during each reporting cycle.

Interest Rate Risk

We are exposed to interest rate risk on our floating-rate debt. From time to time, we may enter into interest rate swap agreements to effectively convert our floating-rate debt to a fixed-rate basis. The principal objective of these contracts is to eliminate or reduce the variability of the cash flows in interest payments associated with our floating-rate debt, thus reducing the impact of interest rate changes on future interest payment cash flows. We have elected to apply the hedge accounting rules in accordance with authoritative guidance for certain of these contracts.

As of November 1, 2025, we had borrowings under our credit facility arrangements of $308.3 million which are based on variable rates of interest. Accordingly, changes in interest rates would impact our results of operations in future periods. A 100 basis point increase in interest rates would not have had a significant effect on interest expense for the nine months ended November 1, 2025.

We have recognized equity-linked derivatives including the embedded derivative associated with the Additional 2028 Notes. In connection with the 2028 Notes, we also purchased convertible note hedges which did not qualify for the derivative scope exception for equity-linked instruments. These derivatives are not designated as hedging instruments for accounting purposes. We recorded net gains of $14.8 million and net losses of $41.8 million for the nine months ended November 1, 2025 and November 2, 2024, respectively, for these derivatives, which were included in other income (expense).

The fair value of the 2028 Notes and the equity-linked derivatives associated with the 2028 Notes are subject to interest rate risk, market risk and other factors due to the conversion feature of the 2028 Notes. The fair value of the 2028 Notes and the equity-linked derivatives will generally increase as our common stock price increases and will generally decrease as our common stock price declines. Changes in fair value of the equity-linked derivatives impact our financial position and results of operations. The interest and market value changes affect the fair value of the 2028 Notes but do not impact our corresponding financial position, cash flows or results of operations due to the fixed nature of the debt obligation.

The fair values of our debt instruments are based on the amount of future cash flows associated with each instrument discounted using our incremental borrowing rate. As of November 1, 2025 and February 1, 2025, the carrying value of all financial instruments was not materially different from fair value, as the interest rates on our debt approximated rates currently available to us. The fair value of the Notes is determined based on inputs that are observable in the market and have been classified as Level 2 in the fair value hierarchy.

Contract Sensitivity Analysis

The fair values of the equity-linked derivatives are measured using a binomial lattice model utilizing unobservable inputs (e.g. the expected volatility and instrument specific credit spread). As of November 1, 2025, if the expected volatility were increased to 40%, keeping all other inputs constant, the fair value of the embedded derivative would increase from $6.6 million to $10.0 million and the fair value of the convertible note hedge would increase from $30.1 million to $45.6 million. If the expected volatility were decreased to 20%, the fair value of the embedded derivative would decrease from $6.6 million to $2.7 million and the fair value of the convertible note hedge would decrease from $30.1 million to $12.3 million. If the credit spread increased from 4.5% to 5.5%, keeping all other inputs constant, the fair value of the embedded derivative would increase from $6.6 million to $6.9 million and the fair value of the convertible note hedge would increase from $30.1 million to $31.6 million. If the credit spread decreased from 4.5% to 3.5%, the fair value of the embedded derivative would decrease from $6.6 million to $6.3 million and the fair value of the convertible note hedge would decrease from $30.1 million to $28.6 million.

ITEM 4. Controls and Procedures.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the quarterly period covered by this report.

There was no change in our internal control over financial reporting during the third quarter of fiscal 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings.

Refer to Note 14 - Commitments and Contingencies in the notes to our condensed consolidated financial statements included in this Quarterly Report for disclosures about our legal and other proceedings.

ITEM 1A. Risk Factors.

Other than the risk factors noted below, there have not been any material changes in the “Part I, Item 1A. Risk Factors” as previously disclosed in our fiscal 2025 Annual Report on Form 10-K.

The Proposed Transaction and the pendency of the Proposed Transaction could have a material effect on our business, results of operations, financial condition and stock price.

On August 20, 2025, the Company entered into the Merger Agreement with Authentic, Parent and Merger Sub. The Merger Agreement provides that, among other things and on the terms and subject to the conditions set forth in the Merger Agreement, the parties will effect a pre-closing restructuring, pursuant to which, among other things, (1) Authentic will acquire a 51% stake and the Rolling Stockholders will acquire a 49% stake in the rights, title and interest owned by the Company or any of its subsidiaries or affiliates in or to substantially all of the Company’s intellectual property (other than certain excluded assets) and (2) certain of the Rolling Stockholders will acquire 100% of the Company’s operations, following which Merger Sub shall be merged with and into the Company, with the Company continuing as the surviving corporation, and each outstanding share of common stock of the Company, par value $0.01 per share (the “Shares”), other than those held by Authentic or the Rolling Stockholders, shall be converted into the right to receive $16.75 per share in cash, without interest and less any required tax withholdings. The Merger Agreement is subject to certain conditions, including, among others, adoption of the Merger Agreement by our stockholders, which was obtained at a special meeting held on November 21, 2025, and the Required Regulatory Approvals, certain of which remain pending. There are certain risks to our stockholders from the Proposed Transaction, including:

- the amount of cash to be paid under the Merger Agreement is fixed and will not be adjusted for changes in our business, assets, liabilities, prospects, outlook, financial condition or operating results or in the event of any change in the market price of, analyst estimates of, or projections relating to, our common stock;
- the fact that receipt of the all-cash per share merger consideration under the Merger Agreement is taxable to stockholders that are treated as U.S. holders for U.S. federal income tax purposes; and
- the fact that, if the Proposed Transaction is completed, our stockholders will forego the opportunity to realize the potential long-term value of the successful execution of our current strategy as an independent company.

During the period prior to the closing of the Proposed Transaction, our business is exposed to certain inherent risks due to the effect of the announcement or pendency of the Proposed Transaction on our business relationships, financial condition, operating results and business, including:

- difficulties maintaining relationships with customers, vendors, suppliers, landlords, service providers and other business partners of us or our subsidiaries, who may defer decisions about working with us, seek to delay or change existing business relationships with us, or consider entering into business relationships with parties other than us;
- the possibility of disruption to our business and operations, including significant diversion of management attention and resources;
- the inability to attract and retain key personnel, and the possibility that our current employees could be distracted, and their productivity decline as a result, due to uncertainty regarding the Proposed Transaction;

- the inability to pursue alternative business opportunities or make changes to our business pending the completion of the Proposed Transaction, and other restrictions on our ability to conduct our business;
- our inability to solicit other acquisition proposals during the pendency of the Proposed Transaction;
- the impact of the substantial costs, fees, expenses and charges related to the Merger Agreement and the Proposed Transaction, which we have incurred and expect to continue to incur;
- market assessments of the Proposed Transaction, including the likelihood that the Proposed Transaction will be consummated;
- unanticipated difficulties or expenditures relating to the Proposed Transaction;
- the pendency and outcome of the legal proceedings that may be instituted against us, our directors, executive officers and others relating to the transactions contemplated by the Merger Agreement; and
- other developments beyond our control, including, but not limited to, changes in domestic or global economic conditions that may affect the timing or success of the Proposed Transaction.

The Proposed Transaction may not be completed within the expected timeframe, or at all, and significant delay or the failure to complete the Proposed Transaction could adversely affect our business.

We cannot assure that our business, our relationships or our financial condition will not be adversely affected if the Proposed Transaction is not consummated within the expected timeframe, or at all. The consummation of the Proposed Transaction is subject to certain outstanding conditions, including receipt of certain of the Required Regulatory Approvals. The Merger Agreement contains termination rights for each of the Company and Authentic, under certain circumstances, including among others (i) subject to certain limitations, by either party if the consummation of the Transaction has not occurred by August 20, 2026, (ii) by either party if the Company fails to obtain the Requisite Company Vote, (iii) by either party if any governmental entity of competent jurisdiction has enacted, issued or entered any law or order permanently enjoining or otherwise prohibiting or preventing the consummation of the Transaction, and such law or order has become final and non-appealable, (iv) by either party for breaches by the other parties of certain representations, warranties, covenants or agreements, (v) by Authentic prior to the Company's receipt of the Requisite Company Vote if the Company Board (acting on the recommendation of the Special Committee) or the Special Committee has effected a Change of Recommendation and (vi) by the Company if the Company terminates the Merger Agreement to enter into an Alternative Acquisition Agreement with respect to a Superior Proposal.

While it is currently anticipated that the Proposed Transaction will be consummated in the fourth quarter of our fiscal year 2026, we cannot assure you that these conditions will be satisfied in a timely manner or at all, that an effect, event, development, or change will not transpire that could delay or prevent these conditions from being satisfied, or that we or Authentic will not terminate the Merger Agreement if entitled to do so.

The Proposed Transaction may be delayed, and may ultimately not be completed, due to a number of factors, including:

- the failure to obtain the remaining outstanding Required Regulatory Approvals (or the imposition of any conditions, limitations or restrictions on such approvals);
- existing or potential future stockholder litigation and other legal and regulatory proceedings, which could delay or prevent the Proposed Transaction; and
- the failure to satisfy the other conditions to the completion of the Proposed Transaction, including the possibility that a material adverse effect on our business would permit Authentic not to close the Proposed Transaction.

Failure to complete the Proposed Transaction within the expected timeframe, or at all, could adversely affect our business and the market price of our common stock in several ways, including the following:

- to the extent that the current market price of our stock reflects an assumption that the Proposed Transaction will be completed, the price of our common stock could decrease if the Proposed Transaction is not completed;
- relationships with existing and prospective customers, vendors, suppliers, landlords, service providers, investors, lenders and other business partners may be adversely impacted;
- litigation has been and could in the future be brought against us;
- the requirement that we pay a termination fee of $23.3 million if the Merger Agreement is terminated in certain circumstances, including by the Company to enter into a superior proposal;
- if the Merger Agreement is terminated and our Board seeks another business combination, there can be no assurance that we will be able to find a party willing to enter into a transaction on terms equivalent to or more attractive than the terms to which Authentic has agreed in the Merger Agreement;
- we have incurred, and will continue to incur, significant costs, expenses and fees for professional services and other costs in connection with the Proposed Transaction for which we may receive little or no benefit if the Proposed Transaction is not completed; and
- failure to complete the Proposed Transaction may result in negative publicity and a negative impression of us in the consumer, investment and vendor community.

The occurrence of any of these events individually or in combination could materially and adversely affect our business, results of operations, financial condition and the price of our common stock.

While the Merger Agreement is in effect, we are subject to restrictions on our business activities.

While the Merger Agreement is in effect, we are generally required to conduct our business in the ordinary course consistent with past practice, and are restricted from taking certain actions without Authentic's prior consent. These limitations include, among other things, certain restrictions on our ability to amend our organizational documents, acquire other businesses and assets, dispose of our assets, make investments, repurchase, reclassify or issue securities, including repurchases of shares under our 2024 Share Repurchase Program, make loans, pay dividends, incur indebtedness, make capital expenditures, enter into, amend or terminate certain contracts, change accounting policies or procedures, initiate or settle certain litigation, change tax classifications and elections, or take certain actions relating to intellectual property. These restrictions, although subject to certain limited exceptions, could prevent us from pursuing strategic business opportunities and taking extraordinary actions with respect to our business during this period. We may find that these and other obligations in the Merger Agreement may delay or prevent us from responding, or limit our ability to respond, effectively to competitive pressures, industry developments and future business opportunities that may arise during such period, even if our management and Board of Directors think such responses may be advisable. Such limitations could adversely affect our business, operating results and our stock price and our perceived acquisition value, regardless of whether the Proposed Transaction is completed. These risks described may be exacerbated by delays or other adverse developments with respect to the completion of the Proposed Transaction.

The Proposed Transaction is subject to certain conditions, some or all of which may not be satisfied, and the Proposed Transaction may not be completed on a timely basis, if at all.

The obligations to complete the Proposed Transaction are subject to the satisfaction or waiver of a number of conditions, including, among others, (i) the expiration or termination of the applicable waiting period under the HSR Act and related foreign regulatory filings, and the approval, clearance or expiration under certain specified antitrust laws and foreign investment laws and (ii) since the date of the Merger Agreement, no material adverse effect has occurred and is continuing.

Although we have agreed with Authentic in the Merger Agreement to use our reasonable best efforts to complete the Proposed Transaction as promptly as practicable, many of the closing conditions are not within our or Authentic's control, and neither we nor Authentic can predict when or if these conditions will be satisfied. If any of these conditions are not satisfied or waived prior to August 20, 2026, it is possible that the Merger Agreement will be terminated. The failure to satisfy all of the required conditions could delay the completion of the Proposed Transaction for a significant period of time or prevent it from occurring. Any delay in completing the Proposed Transaction could cause us not to realize some or all of the benefits that we expect to achieve if the Proposed Transaction is successfully completed within the expected timeframe. There can be no assurance that all closing conditions will be satisfied or waived, or that the Proposed Transaction will be completed, within the expected timeframe or at all.

If the parties determine to waive any of the conditions to the closing of the Proposed Transaction, such decision may have an adverse effect on our business and our stockholders.

The Merger Agreement contains provisions that limit our ability to pursue alternatives to the Merger and may discourage other third parties from offering a favorable alternative transaction proposal.

The Merger Agreement contains provisions that limit our ability to pursue alternatives to the Merger, which could discourage a potential competing acquiror of the Company from proposing an alternative transaction.

The Merger Agreement contains provisions that, subject to certain exceptions, limit our ability to solicit, initiate, propose or induce the making, submission or announcement of, or knowingly encourage, facilitate or assist, any proposal or inquiry that constitutes, or could reasonably be expected to lead to, an Acquisition Proposal (as defined in the Merger Agreement), or take certain other restricted actions in connection therewith. It is possible that these or other provisions in the Merger Agreement might discourage a potential competing acquiror that might have an interest in acquiring all or a significant portion of the Company or pursuing an alternative transaction from considering or proposing such a transaction.

We will incur direct and indirect costs as a result of the Proposed Transaction, which may be more expensive to complete than anticipated.

We have incurred, and will continue to incur, substantial costs, expenses and fees for professional services and other transaction costs in connection with the Proposed Transaction. The Proposed Transaction may be more expensive to complete than anticipated as a result of unexpected factors or events, including, but not limited to, delays in consents or approvals or developments in the political environment. We may incur additional costs or suffer loss of business under third-party contracts that are terminated and/or losses of, or decreases in orders by, customers, and may also incur costs to maintain employee morale and to retain certain key management personnel and employees. We will also incur transaction fees and costs related to formulating operational plans, and the execution of these plans may lead to additional unanticipated costs and time delays. Factors beyond our control could materially affect the total amount or timing of these expenses, many of which, by their nature, are difficult to estimate accurately. Many of these fees and costs are payable by us regardless of whether the Proposed Transaction is consummated.

Litigation related to the Proposed Transaction could prevent or delay completion of the Proposed Transaction or otherwise negatively affect our business and operations.

Putative stockholder complaints, including stockholder class action complaints, and other complaints or actions have been and may in the future be filed against us, our Board of Directors, and others in connection with the transactions contemplated by the Merger Agreement. For example, we have received 15 demand letters from purported stockholders alleging deficiencies or omissions in the proxy statement that we filed in connection with special meeting held on November 21, 2025 related to the Proposed Transaction, eight demands for books and records pursuant to Section 220 of the DGCL to purportedly investigate the Merger and related matters and one demand for appraisal pursuant to Section 262 of the DGCL. Additionally, on November 4, 2025, a shareholder filed a complaint relating to the Merger in the Supreme Court of the State of New York against us and the members of our Board of Directors, which is captioned Williams v. Guess?, Inc. et al. (the “Williams Complaint”). The Williams Complaint alleged that we did not fully disclose certain internal projections for Guess and other financial, background and conflict-related information critical to evaluating the fairness of the Proposed Transaction. The plaintiff seeks injunctive relief to prevent the consummation of the Proposed Transaction until the alleged deficiencies of disclosure are cured and requests an award of attorney's fees and expenses. On November 5, 2025, a shareholder represented by the same attorney as the plaintiff in the Williams Complaint filed a complaint relating to the Merger in the Supreme Court of the State of New York against us and the members of our Board of Directors, which is captioned Clark v. Guess?, Inc. et al. (the "Clark Complaint"). The Clark Complaint makes substantially the same allegations as the Williams Complaint and seeks substantially the same relief.

We do not believe the allegations in the stockholder letters, the Williams Complaint or the Clark Complaint are material to us, our business or the outcome of the Proposed Transaction. However, the outcome of litigation is uncertain, and we may not be successful in defending against these or other future claims. Additional lawsuits may be filed against us, our Board of Directors, the other parties to the Merger Agreement, or others, which could delay or prevent the Proposed Transaction and otherwise adversely affect our business, results of operations and financial condition. These lawsuits could prevent or delay the completion of the Proposed Transaction and result in significant costs to us and/or Authentic, including any costs associated with the indemnification of directors and officers. There can be no assurance that any of the defendants will be successful in the outcome of any current or potential lawsuits.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Items (a) and (b) are not applicable.

Item (c) Issuer Purchases of Equity Securities.

Our share repurchases during each fiscal month of the third quarter of fiscal 2026 were as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plans or Programs[1]
August 3, 2025 to August 30, 2025				
Repurchase program[1]	—	—	—	$ 139,761,411
Employee transactions[2]	—	—	—	
August 31, 2025 to October 4, 2025				
Repurchase program[1]	—	—	—	$ 139,761,411
Employee transactions[2]	678	$ 16.77	—	
October 5, 2025 to November 1, 2025				
Repurchase program[1]	—	—	—	$ 139,761,411
Employee transactions[2]	1,172	$ 16.85	—	
Total				
Repurchase program[1]	—	—	—	$ 139,761,411
Employee transactions[2]	1,850	$ 16.82	—	

Notes:

1 On March 25, 2024, the Board of Directors authorized a $200 million share repurchase program (the "2024 Share Repurchase Program"). Repurchases may be made on the open market or in privately negotiated transactions, pursuant to Rule 10b5-1 trading plans or other available means. There is no minimum or maximum number of shares to be repurchased under the program and the program may be discontinued at any time, without prior notice. During the pendency of the Proposed Transaction, we are prohibited from repurchasing shares of our common stock, including under the 2024 Share Repurchase Program, without the prior written consent of Authentic.

2 Consists of shares surrendered to, or withheld by, us in satisfaction of employee tax withholding obligations that occur upon vesting of restricted stock awards granted under our 2004 Equity Incentive Plan, as amended.

ITEM 5. Other Information.

Insider Trading Arrangements

During the quarter ended November 1, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. Exhibits.

Exhibit Number	Description
*2.1.	Agreement and Plan of Merger, by and among the Guess?, Inc., Authentic Brands Group LLC, Glow Holdco 1, Inc. and Glow Merger Sub 1, Inc., dated August 20, 2025 (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed with the SEC on August 20, 2025).
3.1.	Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to Amendment No. 3 to the Registrant's Registration Statement on Form S-1 (Registration No. 333-4419) filed July 30, 1996).
3.2.	Certificate of Amendment, dated June 24, 2021, to the Restated Certificate of Incorporation of Guess?, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 30, 2021).
3.3.	Certificate of Amendment, dated June 3, 2024, to the Restated Certificate of Incorporation of Guess?, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 4, 2024).
3.4.	Fourth Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on June 30, 2021).
**10.1.	Voting and Support Agreement, by and among Authentic Brands Group LLC, Guess?, Inc. and the stockholders party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on August 20, 2025).
†31.1.	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
†31.2.	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
††32.1.	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
††32.2.	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
†101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
†101.SCH	XBRL Taxonomy Extension Schema Document
†101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
†101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
†101.LAB	XBRL Taxonomy Extension Label Linkbase Document
†101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
†104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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* All schedules to the Merger Agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K.

** Certain schedules to the Voting and Support Agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K.

† 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.

		Guess?, Inc.	
Date:	December 5, 2025	By:	/s/ CARLOS ALBERINI Carlos Alberini Chief Executive Officer
Date:	December 5, 2025	By:	/s/ ALBERTO TONI Alberto Toni Chief Financial Officer (Principal Financial Officer)

Exhibit 31.1

I, Carlos Alberini, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Guess?, Inc.;

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: December 5, 2025

By: /s/ CARLOS ALBERINI
Carlos Alberini
Chief Executive Officer

Exhibit 31.2

I, Alberto Toni, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Guess?, Inc.;
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:	December 5, 2025	By:	/s/ ALBERTO TONI
			Alberto Toni
			Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Carlos Alberini, Chief Executive Officer of Guess?, Inc. (the "Company"), do 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 my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the period ended November 1, 2025, as filed with the Securities and Exchange Commission (the "Report"), 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.

Date: December 5, 2025

By: /s/ CARLOS ALBERINI
Carlos Alberini
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Alberto Toni, Chief Financial Officer of Guess?, Inc. (the “Company”), do 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 my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the period ended November 1, 2025, as filed with the Securities and Exchange Commission (the “Report”), 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.

Date: December 5, 2025

By: /s/ ALBERTO TONI
Alberto Toni
Chief Financial Officer