



# Quarterly Summary

Q4 2025

April 9, 2026

# Forward-Looking Statements

Certain information in this presentation contains forward-looking information. This information is based on management's reasonable assumptions and beliefs in light of the information currently available to us and are made as of April 9, 2026. Actual results and the timing of events may differ materially from those anticipated in the forward-looking information as a result of various factors. Information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. Statements containing forward-looking information are not facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements. See "Forward-Looking Information" and "Risk Factors" in the Company's Fiscal 2025 MD&A and/or Annual Information Form dated April 8, 2026, which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), for a discussion of the uncertainties, risks and assumptions associated with these forward-looking statements. Readers are urged to consider the uncertainties, risks and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. We have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law.

All figures discussed in this presentation are stated in \$CAD millions, unless otherwise noted.

# Our Roots

Roots was founded in 1973 by Michael Budman and Don Green, who met at summer camp in Algonquin Park, where they first fell in love with the ideals and beauty of Canada.

Starting from a little cabin, they were inspired by nature and Canada's wilderness to create Roots.

With its uncompromising comfort and exceptional quality, Roots has become one of the most well-known and iconic Canadian clothing brands with a global presence.



*RIGHT: THE ORIGINAL ROOTS 'LITTLE CABIN' ON SMOKE LAKE, ALGONQUIN PARK, ONTARIO, CANADA*



1

## Iconic Canadian Brand with a Global Community

*Rich heritage of delivering high-quality, versatile and stylish products to customers that span all ages and genders*

2

## High-Quality, Versatile, Purpose-Driven Products

*Mix of iconic classics and new pieces that resonate with customers*

3

## Omni-Channel Strategy, Built for the Future

*Strong store base and e-commerce presence with omni-channel capabilities*

4

## Scalable, Best-in-Class Organization and Operations

*Well-invested infrastructure and refined operating strategies*

5

## Compelling Financial Performance

*Strong balance sheet and focus on long-term profitable growth*



# Financial Overview



- **Q4 Sales of \$115.5M, a 4.2% increase year-over-year**
  - DTC sales were \$107.0M, compared to \$101.2M last year
  - DTC comparable sales growth was +7.3%, or 14.8% on a two-year stacked basis
- **Full year sales of \$277.7M, up 5.6% year-over-year**
- **Record full year gross margin of 61.3%, up 150bps year-over-year**
  - DTC gross margin improvements and more profitable mix of Partner and Other segment sales
- **Full year Adjusted EBITDA<sup>(1)</sup> was \$23.3M, up 9.5%**
- **Full year net income of \$4.7M or \$0.12 per share, compared to a loss of \$33.4M or (\$0.83) per share last year**
- **Q4 achieved improvements in free cash flow<sup>(2)</sup> and net debt<sup>(1)</sup>**

(1) Adjusted EBITDA is a non-IFRS measure, Net Debt is a non-IFRS measure defined as long term debt less cash. See "Appendix" at the end of this presentation.

(2) Free cash flow is a supplementary financial measure that reflects cash flow generated from ongoing operations, calculated as our cash from operating activities less cash used in investing activities and the payment of principal on lease liabilities net of lease incentives.

# Product Highlights



- Growth in the quarter was led by our Cloud Fleece collection which doubled in sales year-over-year. Our Activewear category also delivered double-digit growth.
- Our second Wicked collaboration with Universal Studios in the quarter also generated a very positive customer response.
- Style productivity continued to improve, reflecting tighter product assortments, more disciplined product buys, and our ongoing investments in AI-driven allocation tools.

# Brand & Customer Engagement in Q4



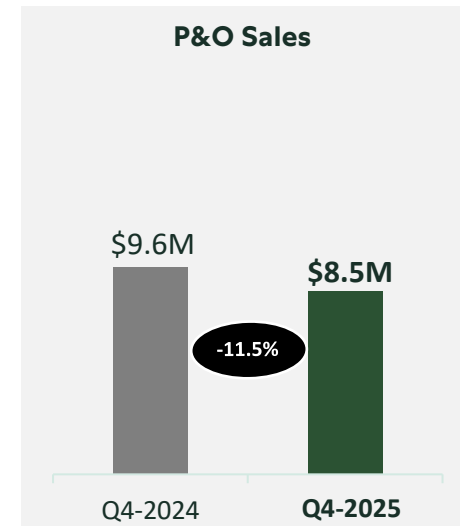
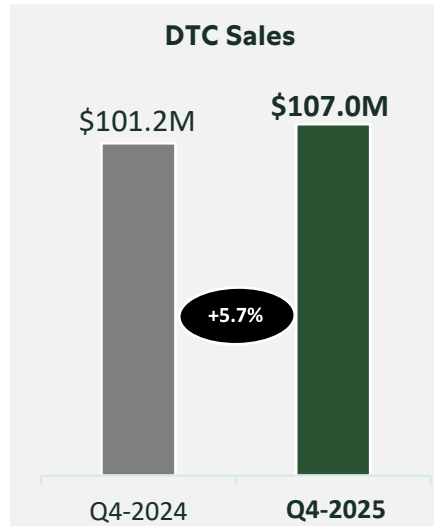
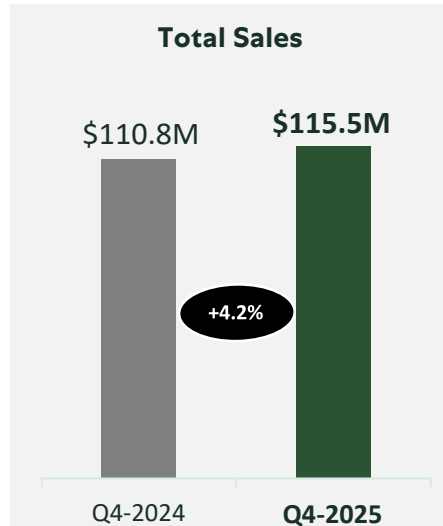
- During our most important selling season, our marketing efforts focused on driving brand awareness and strong customer engagement.
- A highlight this quarter was the launch of our “Anything Roots” holiday campaign, featuring Seth Rogen, which aligned strongly with our brand and resonated with our consumers.
- Focused in on our sports partnerships, with an NFL Super Bowl collaboration and the launch of our Roots X Toronto Blue Jays collection.
- Expanded investments in paid media, and our brand ambassador program allowing us to reach more customers, reinforcing Roots as a destination for thoughtful gift-giving this holiday season.

# Operational Initiatives



- Our omnichannel strategy, compelling product curation, and authentic brand storytelling continued to resonate with our customers and drove strong positive results.
- Retail store conversion improved year-over-year through investments in visual merchandising, sales associate training, and store hour optimization, leading to an increase in sales per square foot across our store fleet.
- Paid media efforts drove traffic to our e-commerce channel, and we continued to invest in personalization and landing page improvements on our website to enhance the overall customer experience.
- Transition from in-house distribution centre to Metro Supply Chain's distribution centre in Ontario is set to be completed by July 2026.

# Q4 Sales Summary



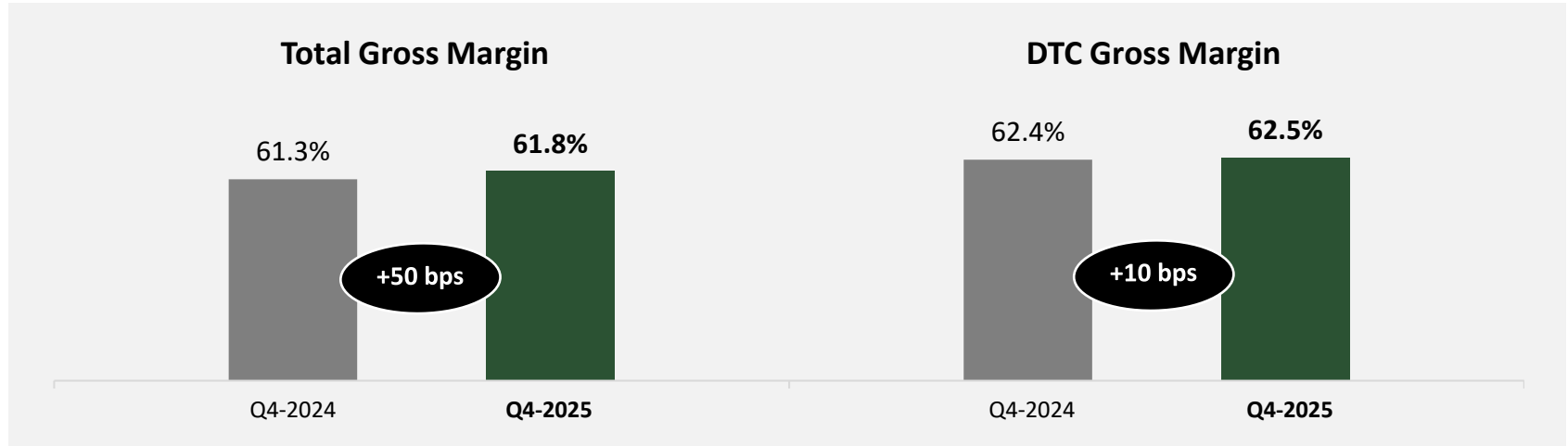
- DTC sales growth underpinned by +7.3% comparable sales growth, with a +14.8% two-year stack.
- P&O sales below last year, driven by lower sales to our Taiwan international operating partner due to earlier handover in Q3.

- DTC sales growth had positive momentum across both channels with strong customer reception to our core and seasonal products.
- DTC sales supported by marketing initiatives driving traffic growth, and operational initiatives that supporting store conversion.

- P&O sales decrease driven by the earlier fulfillment of holiday and spring orders to our international operating partner in Taiwan.
- Partially offset by positive momentum across other lines of business within the segment.

(in millions of \$CAD)

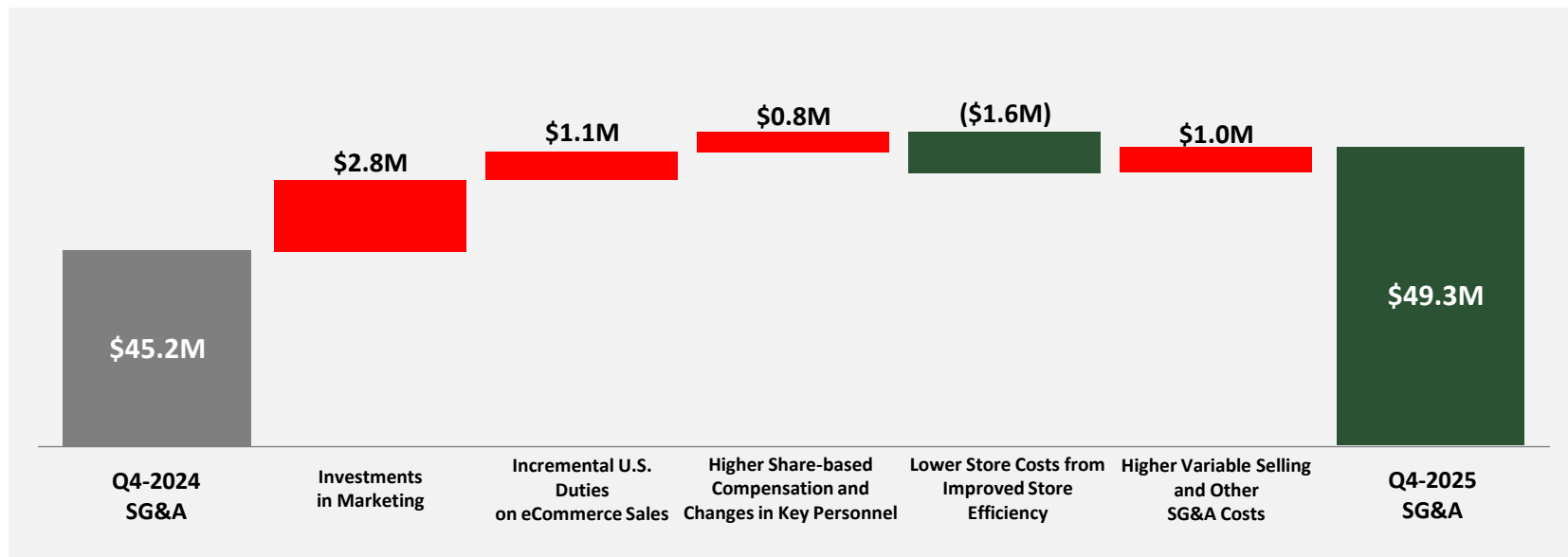
# Q4 Gross Margin



- DTC product margin expansion (+)
- Higher mix of licensing royalties and higher-margin wholesale sales in the Partner & Others segment (+)

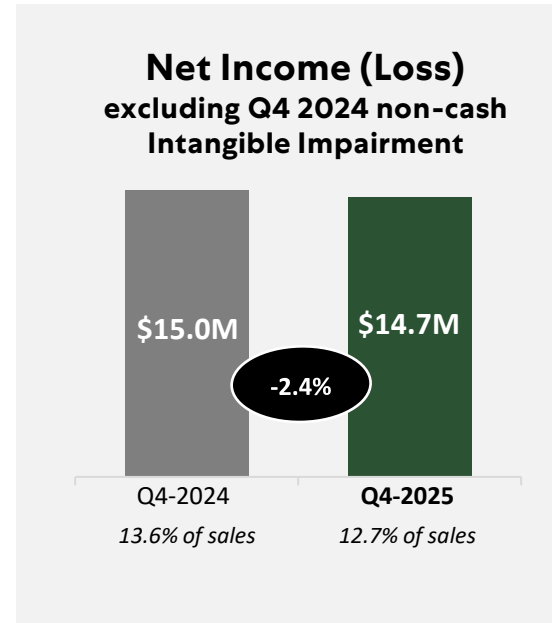
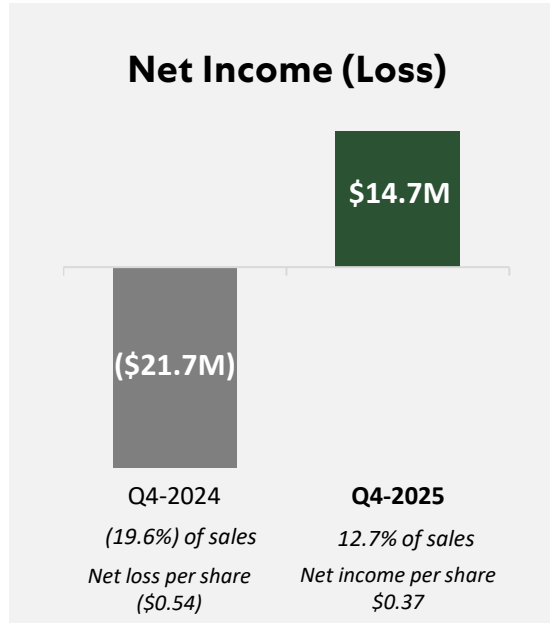
- Increase from 30bps of product margin expansion from improved product costing (+)
- Partially offset by unfavourable foreign exchange impact on U.S. dollar purchases (-) and impacts of distribution centre transition (-)

# Q4 SG&A Expenses

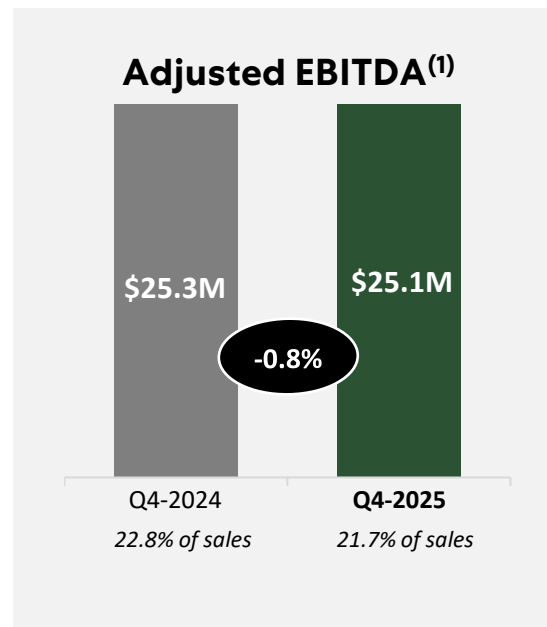
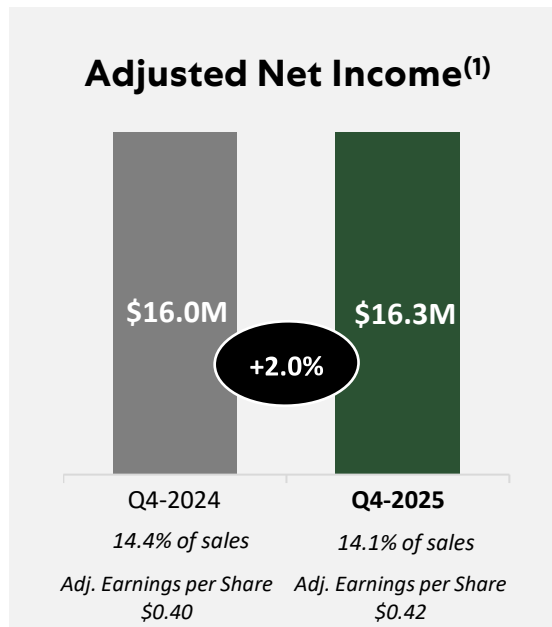


- SG&A expenses increased 9.1%, primarily driven by investments in marketing, incremental U.S. duties paid on eCommerce sales, higher personnel costs, and higher variable costs from stronger sales.
- Partially offsetting the increases, was a reduction in store-related occupancy, capital depreciation, and impairment impacts, reflecting ongoing improvement in store productivity.

# Q4 Net Income (Loss)



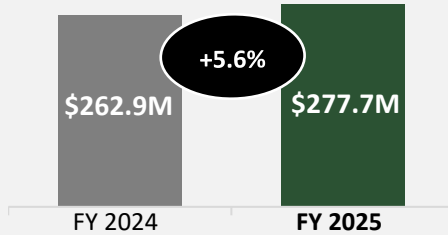
# Q4 Adjusted Net Income and Adjusted EBITDA



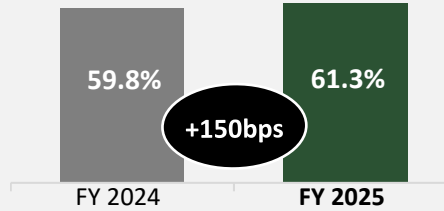
<sup>(1)</sup> Adjusted Net Income and Adjusted EBITDA is a non-IFRS measures. See "Appendix" at the end of this presentation.

# Full Year Results

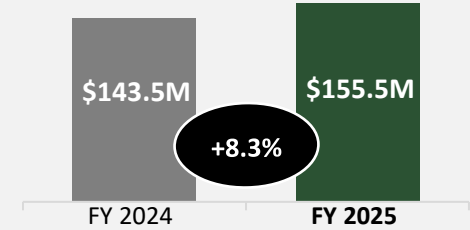
## Total Sales



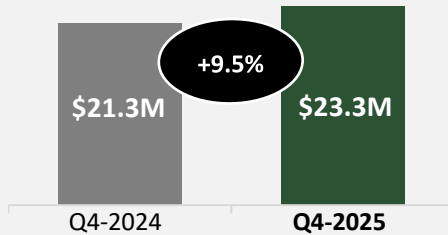
## Gross Margin



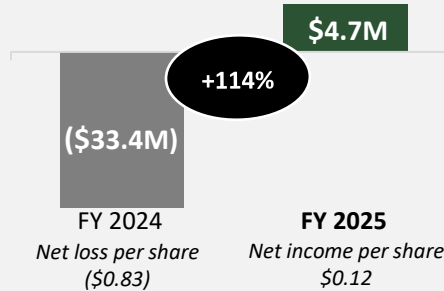
## SG&A



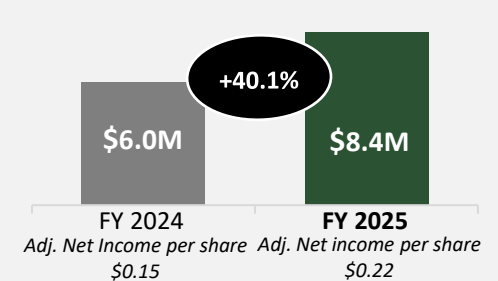
## Adjusted EBITDA<sup>(1)</sup>



## Net Income (Loss)



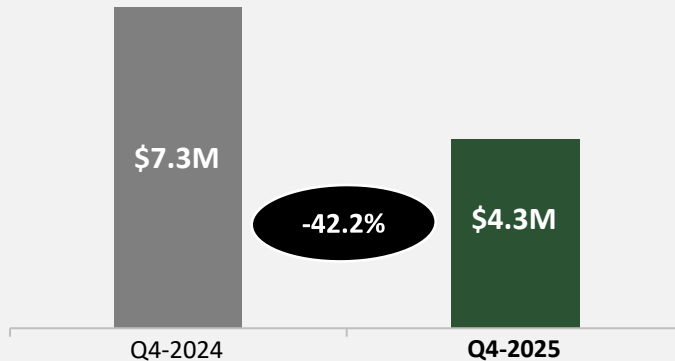
## Adjusted Net Income<sup>(1)</sup>



<sup>(1)</sup> Adjusted Net Income and Adjusted EBITDA is a non-IFRS measures. See "Appendix" at the end of this presentation.

# Year-End Balance Sheet Highlights

## Net Debt<sup>(1)</sup>



**\$73.6M**

Total Liquidity

**~0.2x**

Leverage Ratio<sup>(1)</sup>

**\$45.1M**

(9.9% YoY increase)

Healthy Inventory Position

**265K**

Common shares Repurchased in Q4, at \$0.9M

NCIB Buyback<sup>(2)</sup>

(1) Net Debt is a non-IFRS measure defined as long-term debt less cash. Leverage Ratio is a non-IFRS ratio defined as net debt over trailing 12-month Adjusted EBITDA. See "Appendix" at the end of this presentation.

(2) As at the end of Q4 2025, Roots is eligible to repurchase up to 60K common shares under the current NCIB program, which is in effect until April 10, 2026.

# Summary



- Strong momentum throughout the year carried into Q4 with continued positive sales momentum and achievement of record high gross margins.
- Q4 free cash flow<sup>(1)</sup> increased 3.5% compared to last year, driven by sales growth and tight management of working capital.
- Balance sheet remains strong with net debt<sup>(2)</sup> continuing to decline annually, reducing 42% compared to 2024.
- Strategy remains consistent and focused; we will continue to prioritize disciplined execution while creating sustainable value for all stakeholders.

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# Appendix



# Non-IFRS Measures and Industry Metrics

This presentation makes reference to certain non-IFRS measures including certain metrics specific to the industry in which we operate. These measures are not recognized measures under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), do not have a standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures are not intended to represent, and should not be considered as alternatives to net income or other performance measures derived in accordance with IFRS as measures of operating performance or operating cash flows or as a measure of liquidity. In addition to our results determined in accordance with IFRS, we use non-IFRS measures including EBITDA, Adjusted EBITDA, Adjusted Net Income, and Net Debt; and non-IFRS ratios including Adjusted Net Income per share, and Leverage Ratio. We believe these non-IFRS measures and industry metrics provide useful information to both management and investors in measuring our financial performance and condition and highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. For further information regarding these non-IFRS measures, please refer to "Cautionary Note Regarding Non-IFRS Measures and Industry Metrics" and "Reconciliation of Non-IFRS Measures" in our Management's Discussion and Analysis (MD&A) for the fiscal year ended January 31, 2026, which is incorporated by reference herein and is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).



**Roots**