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Wolverine World Wide, Inc. (WWW)

Q4 2025 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Greetings and welcome to the Wolverine Worldwide fourth quarter fiscal 2025 earnings call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. [Operator Instructions] As a reminder, this conference is being recorded.

It is now my pleasure to introduce your host, Jared Filippone, Head of Investor Relations. You may begin.

Jared Filippone

Head of Investor Relations, Wolverine World Wide, Inc.

Good morning and welcome to our fourth quarter fiscal 2025 conference call. On the call today are Chris Hufnagel, President and Chief Executive Officer, and Taryn Miller, Chief Financial Officer.

Earlier this morning we issued a press release announcing our financial results for the fourth quarter and full year 2025 and guidance for fiscal year 2026. The press release is available on many news sites and can be viewed on our corporate website at wolverineworldwide.com.

This morning's press release and comments made during today's earnings call include non-GAAP financial measures. These non-GAAP financial measures, including references to the ongoing business in constant currency revenue growth rates, were reconciled to the most comparable GAAP financial measures in attached tables within the body of the release, or on our Investor Relations page on our website, wolverineworldwide.com.

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I'd also like to remind you that statements describing the company's expectations, plans, predictions, and projections, such as those regarding the company's outlook for fiscal year 2026, growth opportunities, and trends expected to affect the company's future performance made during today's conference call are forward-looking statements under US securities laws. As a result, we must caution you that there are a number of factors that could cause actual results to differ materially from those described in the forward-looking statements. These important risk factors are identified in the company's SEC filings and in our press releases. All revenue growth rates will be cited on a constant currency basis unless otherwise stated.

With that, I will now turn the call over Chris Hufnagel.

Christopher E. Hufnagel

President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

Thanks, Jared. Good morning, everyone, and thank you for joining us on today's call. The fourth quarter marked the conclusion of a good year for Wolverine Worldwide. We made substantial progress in advancing our strategy and further transforming the company while delivering solid financial results in the process. We delivered high quality revenue growth in line with our value creation model led by Merrell and Saucony, our two biggest brands. Merrell drove high-single-digit growth for the year while Saucony posted a record year with a 30% increase compared to 2024.

I'm pleased with how our global teams navigated a turbulent year, executed our strategy with pace and distinction, and delivered top and bottom line results that exceeded our expectations highlighted by annual adjusted earnings per share up over 50% compared to the prior year, and further progress in strengthening our balance sheet.

As we turn the page to the new year, I believe our brands, company, and team are better and stronger. Brand awareness and affinity are trending positively for Merrell, Saucony, Sweaty Betty, and Wolverine. We've taken market share in important categories. We've made encouraging progress in our DTC business, and we have well-defined plans in motion to again deliver mid-single-digit top line growth supported by a current order book while continuing to expand profitability in the year ahead, even with tariffs, and as we continue to responsibly invest in product innovation, demand creation, and modern tools and capabilities to drive the business this year and into the future.

I want to start this call with an update on our biggest brands, their recent progress, and their plans for this year. Beginning with Merrell. Merrell remains focused on modernizing the outside, developing more athletic, style led, versatile performance and lifestyle footwear while elevating the brand around the world. In the fourth quarter, Merrell grew revenue 5% with balanced growth across regions and channels.

Notably, DTC inflected to growth, with revenue up mid-single digits, even as we were less promotional in stores and online. The brand once again took market share in the US hike category. Underpinning these results, we saw increases across key brand health metrics to finish the year, a positive indicator for the work we're doing to build better brands.

Merrell's key performance franchise, the Moab Speed 2, nearly doubled sell through year over year at US retail in the quarter, while the Moab 3 also continued to deliver solid growth. The Agility Peak 5 contributed good growth in trail running as well.

Similar to key performance franchises, the brand's latest expression of versatile lifestyle footwear, the Wrapt collection continued to grow rapidly with the iconic Jungle Moc also delivering solid growth. In 2026 Merrell plans

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to deliver newness across its key performance and lifestyle franchises, including fresh colors and materials, seasonal energy drops, and new styles to bolster the collections.

Just a few weeks ago, the brand launched the new Agility Peak 6, delivering better fit, stability, and traction within the trail run category. Early sales are tracking very well relative to our expectations. Merrell also expects to introduce the new SpeedARC Peak later this summer, leveraging the brand's highly innovative and visually disruptive SpeedARC technology to further strengthen its trail run offerings.

With positive momentum and a strong product pipeline, Merrell's entering the new year with an enhanced marketing strategy and demand creation plan for record investment to further elevate the brand.

Next week the team anticipates launching a new global platform, unifying its storytelling under one umbrella and advancing the brand's powerful purpose, to share the simple power of the outside with everyone. To entrench the brand's role in outdoor performance footwear, Merrell has secured title sponsorships of the Skyrunner World Series and Skyrunner National Series in the US, encompassing more than 20 of the most elite trail running races globally.

In addition, the brand plans to build out its key city strategy in Tokyo and Paris, adding London and New York, with a focused blend of integrated events, activations, and retail presentations. Merrell celebrates its 45th anniversary in 2026, and we expect this to be a milestone year for the brand.

Shifting to Saucony. Saucony is uniquely positioned as a disruptive challenger brand at the intersection of two of the fastest growing categories in the market: performance and lifestyle running. To conclude the brand's record year in 2025, Saucony drove broad based revenue growth across categories, regions, and channels, a total increase of 24% in the fourth quarter. Performance, the majority of the brand's business, was up over 20%, with lifestyle growing even faster. In the biggest quarter for DTC, the channel grew mid-teens. And importantly, Saucony saw further increases across brand health metrics, especially with runners.

The brand continues to lead with pinnacle innovation with an Endorphin collection for elite runners, which again drove strong growth year over year at US retail in the quarter. The brand's core four franchises: the Ride, Guide, Hurricane, and Triumph, aimed squarely at the broader casual running opportunity, continue to contribute good growth as well.

On the lifestyle side, Saucony continues to inject energy into the brand around the world. This past fall, the brand launched collaborations with Jae Tips, Engineered Garments, among others.

In December, Saucony partnered with culture shaping powerhouse Westside Gunn and influential retailer Kith to release a very special collaboration at Art Basel. The drop, featuring the ProGrid Triumph 4 garnered global attention and drove record traffic to saucony.com, and sold out in minutes. The brand continues to have a voice in the cultural discourse. In addition to innovating and performance running, and has strong plans in place once again for 2026.

This year, Saucony expects to deliver new iterations for each of its core four franchises starting with the Ride 19 launch last month, which has immediately become a top seller on saucony.com. With this year's updates, the Triumph 24 and Hurricane 26 are both slated to get new proprietary IncrediLUX foam, a high-end compound that delivers a luxurious ride with enhanced energy return, cushioning, and durability.

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Just 25 days ago, Saucony brought to market what we expect to be its biggest debut launch of all time to date: the all new Endorphin Azura fueled by a fully integrated global activation plan. The Azura is a lightweight super trainer with innovative geometry and advanced energy return foam to help the runner go fast every day, and delivers all this innovation for $150.

The shoe represents a meaningful, incremental opportunity for the brand, and it's been highly anticipated and well received by the market and consumers. At this early stage, demand at saucony.com is already at far ahead of forecast, and sell through at retail, both here and abroad, has been exceptionally strong.

On the lifestyle front, the ProGrid Omni 9, Ride Millennium, and other key silhouettes are planned to see fresh colorways and materializations this year. The brand once again anticipates an impactful lineup of collaborations, including additional drops with Westside Gunn, Minted New York, Engineered Garments, and others. In addition, Saucony anticipates reintroducing archived styles like the Grid Paramount, Kinvara 1, and Gripper at Tier Zero retail to continue to drive newness and influence at the very top of the distribution pyramid.

To capitalize momentum we built, we plan to step up Saucony's brand building efforts in 2026, making our largest annual marketing investment ever in the brand. Saucony plans to continue to sponsor key events like the London 10K, the Shoreditch half marathon, the Eiffel Tower 10 K, and new this year, the Berlin 10K. And coming stateside with the Philadelphia Love Run half marathon in March, as well as organize it's own events like The Maze; a series of exclusive run club races with recent installments in Seoul, New York City, and London.

In addition, the brand anticipates expanding its key city strategy from Tokyo and London into Paris, with continued events and activations and the planned opening of a new pioneer store in Paris later this year.

While we're investing in growing awareness and fueling brand heat, we continue to strengthen the brand's ground game as well, driving sell through with point of sale and co-op activations and enhanced field support. Saucony possesses a significant global opportunity and continued to see momentum around the world. Brands have been able to marry performance and culture in a unique and compelling way, and we expect another year of double-digit growth in 2026.

I'd now like to spend a few minutes on Sweaty Betty and Wolverine, two brands that gained traction as we closed the year. Starting with Sweaty Betty. The brand is focused on solidifying its positioning as one of the original activewear brands centered around empowering women through fitness and beyond. The brand drove mid-single-digit revenue growth in the fourth quarter, completing a full year of quarterly sequential improvement in year over year revenue performance.

2025 was a pivotal year for Sweaty Betty as we reset the brand strategy. Encouragingly, the brand has built momentum in the UK, enhancing our product offering with more newness and driving the acceleration of DTC growth in the critical fourth quarter. We also made progress on expanding the brand's distribution outside of the UK with priority retailers and partners across Europe and into Asia Pacific.

Importantly, we successfully strengthened the brand and its positioning, seeing meaningful gains in the fourth quarter across key brand health metrics, especially with younger consumers. The fifth consecutive quarter of improvement.

Looking ahead to 2026, Sweaty Betty's product line continues to get stronger, powered by increased newness, better category diversification in outerwear and new bottom silhouettes, and a more focused strategy to go to

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market with greater impact. The brand's storytelling continues to become bolder and more distinctly Sweaty Betty as well, in part with the launch of its new Born Sweaty campaign just last week.

Finally, the brand is making good progress in evolving its global distribution footprint to scale more effectively and more efficiently over time. As a result, Sweaty Betty is well positioned to build on momentum in its home market and is seeing early benefits of expanding its international partnerships, while the US reset that we initiated in the third quarter of last year remains a near-term headwind as the brand establishes a healthier foundation for future growth.

Finally, closing with our namesake brand, Wolverine. The Wolverine brand finished the year a little better than we anticipated entering the fourth quarter, down approximately 11%. As we shared in November, the brand's performance has taken longer than anticipated to turn around. However, I believe we diagnosed the challenges and appointed the right leadership to effectively run a better brand and business moving forward.

I'm encouraged by both the progress we've made recently and the very early results we're beginning to see in the marketplace. The product pipeline, which, candidly, had become tired, has improved. The team focus on developing more trend-right silhouettes to resonate with evolving consumer preferences, boosting innovation to strengthen more premium product offerings, and architecting better segmentation in the marketplace.

The Rancher collection, with the Rancher Pro at a premium price point, has enabled the brand to capture opportunity in the important Western work category, and drove significant growth at US retail in Q4. The Infinity System, the brand's pinnacle expression of its performance comfort technology, launched midyear and performed well in the back half of the year. As a result of both new innovation and newfound strength in core offerings, the brand began to take back market share in work boots in the fourth quarter, our strongest quarter of share gains in nearly five years.

In 2026, the team plans to build on this momentum, bolstering the brand's premium assortment further with the Loader franchise, extend its Western work offering into lifestyle with the new Wheatland collection, and expand its Infinity System technology with new iterations of the Alpha Infinity.

Wolverine is stepping up its demand creation as well, investing up and down the marketing funnel to expand reach to the brand partner with country music star Jordan Davis throughout 2025, and was an exclusive presenting partner for Season 2 of Paramount+'s hit series, Landman. Partnership helped deliver tens of millions of impressions for the brand and drove new consumers to Wolverine.com.

The brand also enhanced its presence in social media. We're actively collaborating with influencers to support programs like the launch of the Infinity System in Landman, and has initiated a host of additional in-store Landman activations with key retailers. Encouragingly, the brand saw increases across key brand health metrics to close the year.

With the product beginning to track and marketing efforts amplified, Wolverine's focus is now on recalibrating the marketplace, balancing inventories at retail and better aligning distribution to the brand's more premium leadership positioning. We expect this recalibration will take a couple of quarters, but we're seeing good progress as we enter the new year, and anticipate Wolverine will deliver flat revenue in 2026 compared to 2025.

Now, I'd like to hand the call over to Taryn Miller to take you through our results for the fourth quarter and full year, along with our outlook for 2026 in more detail before I provide some key takeaways to close our prepared remarks. Taryn?

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Taryn Miller

Chief Financial Officer & Treasurer, Wolverine World Wide, Inc.

Thank you, Chris, and welcome, everyone. In 2025, we executed our strategy by advancing our product pipeline, accelerating marketing activation, and strengthening operations to support profitable growth. We delivered revenue growth, expanded margins, and further strengthened the balance sheet, while navigating a dynamic trade policy environment. This performance reflects disciplined execution and positions us for sustained growth in 2026.

I'll start today with our full-year 2025 results, then cover fourth quarter performance, and conclude with our outlook for 2026. Fiscal 2025 revenue was $1.874 billion, an increase of 7% compared to 2024 on a reported basis. Revenue increased 6% on a constant currency basis as foreign currency provided a $14 million benefit.

Additionally, the 53rd week contributed approximately 70 basis points to revenue growth, with the benefit largely concentrated in the DTC channel. Gross margin was 47.3%, an increase of 300 basis points compared to the prior year, with the improvement largely driven by lower supply chain costs and a favorable mix shift towards more full-price sales. While the timing benefit from tariff mitigation efforts net of higher tariff costs provided a 50-basis-point positive impact.

Adjusted operating margin was 9%, an increase of 170 basis points compared to the prior year, and adjusted diluted earnings per share increased 53% to $1.35 compared to $0.88 in 2024.

I'll now take you through the highlights from our fourth quarter. Revenue was $517 million, above the $506 million midpoint of our guidance. The over delivery was driven primarily by the Active Group, with the Work Group also performing slightly better than expectations. Reported revenue growth was 5% compared to the prior year, or 3% on a constant currency basis with foreign currency providing an $8 million benefit.

The following channel, segment, and brand performance is provided on a constant currency basis. Wholesale revenue increased 3% compared to the prior year, driven by international growth. While the US was approximately flat as Wolverine and the broader Work Group continued their marketplace reset.

DTC revenue increased 4% compared to the prior year, including the benefit of the 53rd week, driven by the strength in EMEA and solid performance in the US at Merrel and Saucony. Active Group revenue increased 10% in the fourth quarter, ahead of our guidance of high-single-digit growth, while Work Group revenue declined 12% and was slightly better than expected.

Merrell revenue increased 5% in the quarter, driven by strong wholesale performance in EMEA and in the US, supported by continued market share gains and its key city strategy. DTC returned to growth, both in the US and internationally, following a successful holiday season. Saucony revenue increased 24% in the quarter, driven by strong growth in both the US and internationally. Double digit wholesale growth was supported by continued positive sell through at retail, DTC grew in mid-teens, and both performance and lifestyle categories delivered meaningful gains.

Sweaty Betty revenue increased 5% in the quarter, driven by growth in EMEA DTC and wholesale. Results were supported by product newness, strength in outerwear, expanded international wholesale distribution, and the benefit of a 53rd week partially offset by the brand's ongoing reset of the US market to a more premium DTC business.

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Wolverine revenue declined 11% in the quarter, reflecting the ongoing US marketplace recalibration. Retail sell through trends were encouraging and supported market share gains, underscoring the brand's building strength in its core boot category.

Consolidated gross margin for the fourth quarter was 47%, an increase of 340 basis points compared to the prior year, and 70 basis points above our expectations. The year-over-year improvement reflects continued product cost savings, a favorable mix, shift toward more full-price sales, and an 80-basis-point timing benefit from our tariff mitigation efforts net of higher tariff costs.

Adjusted operating margin was 11%, an increase of 110 basis points compared to the prior year, and 50 basis points above our expectations. The improvement was driven by continued gross margin expansion, which more than offset strategic investments and higher incentive compensation. As a result, adjusted diluted earnings per share increased 13% to $0.45 compared to $0.40 in the prior year, and exceeded our outlook of $0.39 to $0.44.

Turning to the balance sheet. In 2025, we built on the progress made over the past two years, delivering solid cash flow, further strengthening the balance sheet and improving financial flexibility. Operating free cash flow in 2025 was $126 million, above the $90 million midpoint of our guidance, largely due to working capital timing. Improved profitability and better-than-expected operating free cash flow enabled us to reduce net debt by $81 million in 2025, ending the year at $415 million. As a result, we exited the year with bank defined leverage of 2 times. Approximately 90% of our gross debt is now comprised of senior notes maturing in 2029, providing us with a well positioned and flexible maturity profile.

During the fourth quarter, we opportunistically repurchased approximately $15 million of our common stock at an average price of $16.13. The repurchase was intended to offset dilution from stock based compensation and had no impact on 2025 earnings per share. We ended the year with approximately $135 million remaining under our current share repurchase authorization.

Turning to our outlook for 2026, which is anchored in a focused strategy to sustain momentum in our largest brands while continuing to drive more consistent performance across the rest of the portfolio. For full-year 2026, revenue is expected to be in the range of $1.96 billion to $1.985 billion, representing reported growth of approximately 5.2% at the midpoint. This includes an estimated $14 million foreign currency benefit compared to the prior year. The abscence of the 53rd week is expected to be an approximately 70 basis point headwind to revenue growth, with the impact largely concentrated in our DTC business.

On a constant currency basis, and excluding the 53rd week in 2025, we expect revenue to grow approximately 5.2% at the midpoint. In terms of phasing for 2026, we expect revenue growth to be slightly more first half weighted, with the majority of the foreign currency benefit expected in the first quarter, while the fourth quarter comparison reflects the absence of the 53rd week that benefited 2025.

The following segment and brand outlook is provided on a constant currency basis. Active Group revenue is expected to increase mid-single digits and Work Group revenue is expected to be approximately flat. Merrell revenue is expected to increase mid-single digits supported by new product launches, including the Agility Peak 6, refreshes across four franchises in modern colorways and materials, and disciplined marketing investments.

We also expect improved DTC performance with the momentum generated in the fourth quarter carrying into the new year on a healthier foundation. Saucony is expected to drive outsized and broad based growth in the low to mid-teens, with gains across both performance, which makes up the majority of the brand's revenue, and lifestyle.

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In performance, the recent Endorphin Azura launch and the planned refresh of all the core four franchises in 2026, supported by continued marketing investment and ground game activations, are expected to drive global growth. Lifestyle growth is expected to be led by international markets, particularly in EMEA, where we are seeing healthy demand supported key city activations.

In the US following expanded distribution, 2026 is focused on optimizing the footprint through sharper assortments and marketing to support full-price sell through and sustainable long-term growth.

Sweaty Betty revenue is expected to decline low-single digits, with growth in its EMEA DTC business and expanding distribution in select international markets, more than offset by the absence of the 53rd week and the ongoing transition of its US business toward a more premium DTC model.

Within the Work Group, Wolverine revenue is expected to be approximately flat, with performance anticipated to improve in the second half of the year as the brand continues to recalibrate the US marketplace, and the benefits of improved product and marketing builds throughout the year.

Before turning to gross margin, I'll walk through the tariff assumptions underlying our outlook. Our 2026 guidance reflects the continuation of the tariff rates that went into effect in August 2025. Based on that assumption, we now estimate the full-year unmitigated impact from higher tariffs to be approximately $60 million, or an incremental $50 million versus 2025. Any tariff rate reduction would impact the second half of the year.

Accordingly, if the recently announced 15% tariff rate were to be implemented and remain in place through the end of 2026, we estimate it would reduce the 2026 tariff impact by approximately $5 million to $7 million relative to our current guidance. We are closely monitoring recent trade policy developments and we will evaluate potential changes as clarity improves.

Gross margin is expected to be approximately 46%, down 130 basis points compared to 2025. The decline is being driven by higher tariff costs, an estimated 300-basis-point unmitigated impact, partially offset by pricing and other mitigation actions, a favorable mix shift towards more full-price sales, and product cost savings.

Adjusted operating margin is expected to be approximately 9.1%, up 10 basis points compared to last year, reflecting the impact of higher tariffs on gross margin that is anticipated to be more than offset by operating leverage from revenue growth, cost discipline across the organization, and continued efficiency improvements. We continue to make disciplined investments in our brands, primarily in marketing and key capabilities.

Interest and other expenses are projected to be approximately $23 million, down from $28 million last year, due to the reduction in net debt. The effective tax rate is projected to be approximately 18%. As a result, adjusted diluted earnings per share is expected to be in the range of $1.35 to $1.50, compared to $1.35 in 2025. We have not assumed any future share repurchases in our 2026 outlook.

Operating free cash flow is expected to be in the range of $105 million to $120 million, with approximately $20 million of capital expenditures.

Moving to our first quarter outlook. Revenue is expected to be in the range of $445 million to $450 million, representing reported growth of approximately 8.5% at the midpoint compared to the prior year. On a constant currency basis, revenue is expected to increase 5.1% at the midpoint, with most of the full-year foreign currency impact anticipated to occur in the first quarter. Active Group revenue is expected to be up high-single digits and the Work Group is expected to be down mid-single digits compared to the prior year.

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Gross margin in the first quarter is expected to be approximately 47.5%, down 10 basis points compared to last year. This includes an approximate 260-basis-point unmitigated tariff impact. First quarter gross margin is expected to be higher than the full-year average, as Q1 typically benefits from favorable channel mix. As the year progresses, tariff impacts are expected to become more pronounced, while the year-over-year benefit from mitigation actions implemented in the second half of last year anticipated to moderate.

Adjusted operating margin is expected to be approximately 6.6%, an increase of 30 basis points compared to last year, as pricing, product cost savings, and SG&A leverage are anticipated to more than offset tariff headwinds. As a result, adjusted diluted earnings per share is expected to be in the range of $0.20 to $0.22 compared to $0.19 last year.

In summary, 2025 was a year of meaningful progress. We delivered revenue growth, expanded margins, generated strong cash flow, and strengthened the balance sheet while continuing to invest in our brand building model and the capabilities that support consistent execution across the portfolio.

As we look ahead to 2026, we recognize the operating environment remains dynamic. While there is more work to do, our strategy is sound, our investment priorities are clear, and we enter the year from a stronger financial and operational foundation.

With that, let me turn the call back to Chris before we open it up for questions.

Christopher E. Hufnagel

President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

Thanks, Taryn. In the year ahead, we anticipate building upon the good work we've done to date and continue to transform the company to become great builders of global brands. We're focused squarely on building awesome products; obsessing over design to deliver innovative, trend-right performance and lifestyle products that help make our consumers' lives better; telling amazing stories; amplifying marketing activations to raise our brand's awareness and deepen our emotional connections to consumers; and importantly, driving the business each and every day.

I'm pleased the heavy lift of the turnaround is behind us, with our transformation now well underway. Our balance sheet is stronger and our business is much healthier. Our streamlined portfolio, enabled by our platform of Lean Centers of Excellence, is focused on brands rooted in authenticity, product innovation, and category leadership. We believe our brands are well aligned with long-term macro consumer trends at their core, and uniquely positioned to extend into broader adjacent lifestyle opportunities. Our biggest brands are growing around the world, and Sweaty Betty and Wolverine are getting better each day.

Finally, our teams are motivated, aligned, and squarely focused on our consumers, and executing our brand building model with pace and distinction, working together as One Wolverine to make every day better.

I would like to close by expressing my sincere thanks to our teams around the world for their work last year, not only delivering solid financial results, but also building better brands and a better Wolverine Worldwide in the process. You've been great, and I'm excited to see what we can do together in the year ahead as we write the next chapter in our company's history.

With that, thank you to all for taking the time to be with us this morning, and we're happy to take your questions. Operator?

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QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Your first question comes from the line of Jonathan Komp with Baird. Please go ahead.

Jonathan R. Komp
Analyst, Robert W. Baird & Co., Inc.

Q

Yeah, hi. Good morning. Thank you. I want to ask about the outlook for Saucony for the year. A very healthy growth projected again. Could you give a little more context specifically on the domestic business, the drivers that you see across performance and lifestyle? And if you could, any color on how distribution might play out year over year for the year? Any color there? And then just separately related – unrelated question on tariffs. Just are you changing any of your practices given the ruling with IEEPA tariffs? And are there scenarios that you accelerate any purchases or try to take advantage of lower rates here temporarily? Thank you.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

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Sure. Thanks, Jon. I'll tackle the Saucony question first and then we can talk about tariffs at the end. Saucony remains, I think, a very compelling growth story in total. Following a record year in 2025, we're looking at low- to mid-teen growth in 2026. And that growth is really broad based, performance and lifestyle, domestic and international.

Performance piece is a very encouraging part of that business, the biggest piece of the business. We just launched the Endorphin Azura, which we think is going to be the biggest launch, biggest debut launch in the history of the brand at this time. And we're refreshing the brand's core four franchises: the Ride, Guide, Triumph, and Hurricane. The Ride just launched, and it's well ahead of our expectations out of the gate.

We're coupling a very strong product pipeline with a record year of investments, going after our key city strategy and doubling down because that has proved very beneficial around the world. Sponsoring events, the London 10 K, the Shoreditch half marathon, the Eiffel Tower 10 K, adding the Berlin 10 K, and then bringing it Stateside with the Philadelphia Love half marathon. And then our own events like The Maze. Going further with the Run as One campaign, and then importantly investing in the ground game, in POS and activation at retail so we can do better on the sales floor where consumers are engaging in the business.

On the lifestyle side, it's a strategically important piece of the business, but smaller than the performance piece in total, and going to grow this year again after a very good year last year. Domestically we gained 130, 140 basis points of market share in lifestyle in the US respectively. So we remain encouraged by that. Key styles of the ProGrid Omni, the Ride Millennium.

And then importantly, a really strong cadence of collaborations again this year: Westside Gunn, Minted New York, Engineered Garments. And they're really targeting that Tier Zero account base which we've had success with.

Again, regional strength. I think it's important to note it's not just a US story. Very strong growth in EMEA. I'm pleased with how we're doing in China and Asia Pacific as well. And then encouraging trends relative to our DTC business. So I think in total, if you're looking to evaluate the Saucony story, you have to look beyond a category or a channel and look at the global growth we're trying to drive at a sustainable level. And I think we are pleased; pleased with the progress.

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As it relates to your question about the domestic business, the lifestyle piece, like I noted, is a smaller piece of the business, albeit important. We expect lifestyle to drive growth internationally this year, and it's expected to grow faster than the performance piece of the business.

There's been a lot of attention paid to that US athletic specialty channel, which we talked about on the last call. We anticipate doors this year, while to be down to second half of 2025, will be flat from the first half of this year to the second half of this year as we've taken the learnings from that rollout and applied them going forward.

So I think in total, we remain bullish on the Saucony prospects. Obviously very pleased with an all-time record year last year. And then to be able to guide to low- to mid-teens growth this year, and to see that growth really broad based. There's not one category, one channel that's driving the growth. It really is across the board. So very optimistic about the Saucony brand. What we can go do. And I still maintain I think there's a great global potential for that business to be a very big, powerful player in the category, and certainly very meaningful to Wolverine Worldwide in total.

As it relates to tariffs. I'll let Taryn talk a little bit about that. But obviously it remains a very fluid situation. Obviously with the Supreme Court decision late last week and then the news out of the administration at the end of last week and then this week, we continue to monitor it. I'm very pleased with how we reacted to the tariffs coming out of Liberation Day last year. I think the muscle we built in the turnaround, how we work to be nimble and agile and work collectively together as One Wolverine helped us navigate a very turbulent year last year. And I'm really pleased with the work that we did across the organization, the brands, the corporate centers, our global supply chain, and how we navigated that. And I think we'll continue that forward into this year as well. We're staying very close to it. We're trying to glean as many insights as we can on a daily basis, and then work to move the organization appropriately to make sure we can both protect and deliver consistent results for the shareholders.

Taryn Miller
Chief Financial Officer & Treasurer, Wolverine World Wide, Inc.
A

And Jon, as Chris noted, the tariff environment does remain dynamic, but our mitigation strategy, which you asked about, is unchanged. And it builds on the actions that we began in 2025 and that we're advancing further in 2026 as it relates to the pricing actions, the product cost savings, the focus on that full-price discipline and discretionary savings. So our mitigation strategy is unchanged.

And specifically to your question about any planned acceleration of inventory, I would say given the recent change to the 15%, the incremental tariff that was communicated, not implemented yet, and the continued policy uncertainty, we aren't planning any material changes to our normal inventory received at this time.

Jonathan R. Komp
Analyst, Robert W. Baird & Co., Inc.
Q

That's all very helpful. Thank you.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.
A

Thank you, Jon.

Operator: Your next question comes from the line of Mitch Kummetz with Seaport Research. Please go ahead.

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Mitch Kummetz
Analyst, Seaport Global Securities LLC

Q

Yes, thanks for taking my questions. Chris, on Saucony, the plan for 2026 US lifestyle, it wasn't clear to me in your response to Jonathan's question if you expect US lifestyle to be up for the year. And I know you talked about the door count, which is helpful. I'm curious what you're seeing kind of in those go-forward doors that you added last year that you are continuing to sell into. Are you seeing growth there? And how are you seeing that? Are they taking more products, are they taking a broader assortment? And then I do have a follow-up.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

A

Yeah, sure. Thanks, Mitch. Yeah, I think we continue to see strength in US lifestyle around the lifestyle assortment that we have. Again, the majority of doors that we opened over the past couple of years, those doors have checked and met expectations. A subset didn't. And we are working quickly to rationalize those doors, to make sure that the learnings that we've taken we can apply to go-forward doors, and build a base from which to grow again.

US lifestyle – lifestyle globally will be up for the brand this year, and we anticipate it being up for this year. US lifestyle will contract this year just based on lapping that door count. And we view that as a one-year lapping, that door expansion, and then moving forward and building a healthier base going forward.

Mitch Kummetz
Analyst, Seaport Global Securities LLC

Q

And then you mentioned some things happening at sort of Tier Zero accounts. And I'm curious, you mentioned some franchises. It wasn't clear to me what those were. But when you think about your lifestyle business sort of Retro Tech versus classics, are you seeing like at the Tier Zero level, are you seeing more momentum in one or the other? And if there is potentially like an uptick in classics, does that mean much in terms of kind of eventually that translating to more kind of mainstream lifestyle accounts?

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

A

Yeah, it's a great question and I appreciate asking about fashion and trend because that is really what we're competing in, in this piece of the Saucony business.

Retro Tech remains healthy. I think three of the top five styles in the fourth quarter are retro Tech styles, and I think four of the top five growth styles in the fourth quarter were Retro Tech styles. So it remains a healthy piece of the business.

At the same time, we're gaining share in that category, up over 100 basis points in both. I think we are thinking about where the world moves next, and then the diversification of product line. I'll be very honest, we're really lucky that Saucony's a 100-plus-year-old brand that has an amazing archive from which to pull from to react to trends. Not all brands have that privilege, and we do. So we are trying to bring newness and diversification to the line.

I think Tier Zero, those great retailers, those trendsetters that edit and curate where the world moves, they're thinking about what is next and what can be next. And we're showing them other products from the archive that are certainly resonating with them. It doesn't mean that the big commercial opportunity in Retro Tech is over now,

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because we're still capitalizing on that. At the same time, we have to make sure that we stay in tuned the trends where fashion's going and out in front of those retailers and importantly, the very influential customers they serve.

Mitch Kummetz
Analyst, Seaport Global Securities LLC

Q

That's helpful. Thanks.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

A

I'm getting you choked up, eh?

Operator: Your next question comes from the line of Peter McGoldrick with Stifel. Please go ahead.

Peter McGoldrick
Analyst, Stifel, Nicolaus & Co., Inc.

Q

Hey, good morning. Thanks for taking my question. I was curious if you can help us think about the makeup of revenue growth in 2026. Was really encouraging to see the improvement in DTC. Can you quantify what's embedded in your DTC outlook and the pace of direct to consumer engagement across your brand portfolio?

Taryn Miller
Chief Financial Officer & Treasurer, Wolverine World Wide, Inc.

A

Yeah. As regards to DTC, we talked about the improvements that we saw in the fourth quarter as that has been a focus in terms of improving the performance in the holiday season, and encouraged by the improvement we saw in that fourth quarter. Looking into 2026, we didn't give specifics in terms of DTC versus wholesale, but I would say that we would expect growth in both DTC and wholesale contributing to the business.

Peter McGoldrick
Analyst, Stifel, Nicolaus & Co., Inc.

Q

And could you give any color across the brands with Merrell or Saucony leading that out? Any outsized performance relative to the brand guidance that you represented for 2026?

Taryn Miller
Chief Financial Officer & Treasurer, Wolverine World Wide, Inc.

A

I wouldn't call any specific brand out. I mean, the approach that our team is taking, you know, Chris talked about how we're looking across the portfolio when we're building out capabilities. And the team came together and demonstrated that in the fourth quarter looking into the holiday in terms of what were the learnings that we're applying, whether it's Saucony, whether it's Merrell, whether it's Sweaty Betty or the Work Group. And so we have a healthier foundation in total across the business as I look at DTC.

The only thing I would call out is DTC in the fourth quarter of 2026 will have an absence of the 53rd week. And as I said in my prepared remarks, the 53rd week does have a bigger impact on DTC given just the nature of that business model of always on, when you think of e-commerce and in the stores.

Peter McGoldrick
Analyst, Stifel, Nicolaus & Co., Inc.

Q

Okay. Very helpful. Thank you.

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Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

A

Thanks, Peter.

Operator: Your next question comes from the line of Anna Andreeva with Piper Sandler. Please go ahead.

Anna Andreeva
Analyst, Piper Sandler & Co.

Q

Great. Thank you so much for taking our question. Nice results. To Taryn, on the guide for 2026, so you guys have been in investment mode for, I guess, a good portion of two years now. Can you break down the sources of leverage implied in the 2026 guide? How should we think about marketing within that? I think you mentioned a marketing campaign at Saucony coming up. And can you just talk about the durability of SG&A leverage in the context of your longer term margins?

And Chris, sorry if we missed this. On Sweaty Betty growing mid-single digits in 4Q, how did the business perform in the core markets in the US and UK? And I think you said still in a reset mode in the US. Maybe talk about specific initiatives to return the brand to stabilization and then growth. Thank you so much.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

A

Sure. Sure. I'll go first and answer the Sweaty Betty question and then have Taryn talk to you about investment in leverage. I think we're pleased with Sweaty Betty's performance in the fourth quarter. The business – and again, I think the important thing is how we've redefined and reset that strategy, really focusing on the home market. But I think the business checked in the fourth quarter. We're pleased. Less promotional. I think the messaging is resonating. We're seeing increases in brand health metrics. And then importantly, we're seeing new category diversification working well for that brand. Outerwear, new bottom silhouettes are certainly encouraging. In the UK, which is a fairly tough trading environment right now, and certainly a fiercely competitive category in which that team operates.

But pleased with this product pipeline, pleased with the DTC performance, pleased that the heavy lift of the integration is now behind us, and that team is really laser focused.

And I think this year moving forward, I spent time with that team just a couple of weeks ago reviewing product and marketing. And I think that they are very well lined up and situated really well for this year, both on the product piece, but it's really getting back to sort of their distinctive voice, this sort of distinctly Sweaty Betty, this rebellious roots. And I think that Born Sweaty campaign is a perfect amplification and manifestation of that approach.

In the US, frankly, after the acquisition, we became very promotional. And it was really damaging to the brand in total. And we didn't have the financial wherewithal to make all of the needed investments around the world that were planned. And so we worked to sort of reset and retrench that US business becoming less promotional, becoming more full priced, becoming more premium, and thinking about that in the longer term.

We're coupling that reset in the US with doubling down on the UK business, and then plugging Sweaty Betty into our international business and really beginning to grow across EMEA and in Asia Pacific. So I'm really pleased with the progress that team has made. I'm very happy with the strategy. And certainly the results in the fourth quarter and how we're thinking about 2026 give me increased confidence about that brand and what it can be to the portfolio.

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Taryn Miller
Chief Financial Officer & Treasurer, Wolverine World Wide, Inc.
A

And Anna, for SG&A, the leverage that we're guiding to in 2026 really reflects the work we've been doing as part of our broader strategy, which is making those targeted investments that we've talked about the last two years in our brands and in our key capabilities to support growth. And while we've been making those investments, we've also been continuing to drive efficiencies across the rest of the organization. More specifically, a meaningful portion of the leverage comes from scale efficiencies on that higher revenue base.

So as we've made those investments in the brand and in those capabilities of growing the revenue, we're getting scale efficiencies there. And the leverage from that, from the majority where we're seeing the leverage is across the majority of our cost structure outside of those core brand building investments. So it's not just one area. It's been broad based as we've been looking for those efficiencies in the business.

We're also benefiting from the targeted cost actions that we took in 2025 that we brought and carried into 2026 on a structural basis.

So I think how I would summarize it is that as SG&A leverage in 2026 is driven by a combination of the scale efficiencies and the targeted cost actions that we've been taking over the last two years. We had called out that it would be key to our value creation model.

And then final point regarding your specific question on marketing, we have made over the last couple of years, needed investments into marketing and building that brand awareness, building out the brand building model. And I would expect in 2026 that it would remain fairly consistent as a percentage of revenue as where it was in 2025.

Anna Andreeva
Analyst, Piper Sandler & Co.
Q

Appreciate it. Very helpful. And best of luck, guys.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.
A

Thanks, Anna.

Operator: Your next question comes from the line of Mauricio Serna with UBS. Please go ahead.

Mauricio Serna
Analyst, JPMorgan
Q

Great. Thank you. Thanks for taking my questions and congratulations on the results. First question on the Endorphin Azura. Maybe could you elaborate on, a little bit more on what gives you confidence about, you know, this franchise long term's opportunities? Do you think it could drive more distribution over time? And then the second point more, you know, to Taryn. Maybe could you talk a little bit more about the cadence of the tariff impact on gross margin? I think you alluded to, you know, a more meaningful impact or a bigger impact as the year progress. I just want to understand, like in terms of like cadence, like which quarter should be the most impacted and so forth. Thank you so much.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.
A

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Sure. Thanks, Mauricio. We're bullish on the Azura. I think the team did a very nice job identifying an opportunity in the marketplace, and then, importantly, building a beautiful product that performs. And it was really well anticipated by the marketplace, given everything that we had built into it and all of the initial reaction to it. I think we're even more encouraged by the initial response to it. And it's important. It's not just the domestic response. We're hearing feedback, both domestic and globally. So ahead of expectations, a good launch at saucony.com, beginning to feed into retail here in the US and we're encouraged by that.

And I love the fact that Saucony, a leader in innovation and bringing elite products to elite runners, our ability to take innovation and democratize that and identify whitespace in the marketplace and then build a beautiful shoe at a $150 price point is testament to that product team. And certainly the opportunity we think that it possesses in the marketplace. I do think it opens up additional distribution for us, you know, places that we may not have great exposure to today.

So pleased with the Azura. And again, we anticipate it to be the single biggest debut launch in the history of the brand to date, because we're going to try to do it again. But certainly pleased initially out of the gate with Azura and what it can mean to the Endorphin franchise and the broader Saucony brand.

Taryn Miller
Chief Financial Officer & Treasurer, Wolverine World Wide, Inc.
A

And to the tariff question and the phasing of that, based on our guidance of approximately $60 million of full-year unmitigated impact, we would expect more of that start to come – well, it's already coming through in the first quarter reflected in the guide. That in the first quarter we said it would be unmitigated around 260-basis-point impact to gross margins and on the full year around 300. So that indicates that it will – the unmitigated impact will start to come through more in the second quarter and into the back half of the year.

The reason Q1 is a little lower than the average is primarily related to the composition of the inventory that's flowing through the P&L in the quarter. And that includes some differences in brand mix and sourcing mix as well, to somewhat degree, as you'll recall, there were different tariff rates last year too. So why Q1 is lower is more – somewhat lower, is a combination of that brand mix and sourcing mix.

Mauricio Serna
Analyst, JPMorgan
Q

Is it fair to assume that it goes all the way to Q4 of this year, the tariff impact?

Taryn Miller
Chief Financial Officer & Treasurer, Wolverine World Wide, Inc.
A

Yes.

Mauricio Serna
Analyst, JPMorgan
Q

Thank you.

Taryn Miller
Chief Financial Officer & Treasurer, Wolverine World Wide, Inc.
A

The $60 million.

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Mauricio Serna
Analyst, JPMorgan

Q

Yeah.

Taryn Miller
Chief Financial Officer & Treasurer, Wolverine World Wide, Inc.

A

Like I said, being that 300-basis-point impact, we have assumed it through the end of the year.

Mauricio Serna
Analyst, JPMorgan

Q

Great. Thank you so much.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

A

Thanks, Mauricio.

Operator: Your next question comes from the line of Laurent Vasilescu with BNP. Please go ahead.

Laurent Vasilescu
Analyst, BNP Paribas Securities Corp.

Q

Good morning. Thank you very much for taking my question. I wanted to follow up on Saucony. On the last call it was mentioned that new doors is a third of Saucony's third quarter growth. Curious to know how much it was for 4Q. And then slide 9 details, it details your global distribution network. But this quarter it removed the list of key accounts like DTLR, Foot Locker, JD, which was detailing the 3Q slide. So curious to know, why was that the case? Are there any accounts, Chris, that you are actually exiting for FY 2026? And then I've got a question following up, Taryn, on the FIFO accounting treatment.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

A

Can you repeat the second half of your – I got a little lost on the second part of your...

Laurent Vasilescu
Analyst, BNP Paribas Securities Corp.

Q

Oh, sure. Of course, Chris.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

A

...the door question.

Laurent Vasilescu
Analyst, BNP Paribas Securities Corp.

Q

Yeah, sure, Chris. Yeah. So for sure in 4Q what was the like for like? And then the second question really was around the fact that, you know, your slide 9 in your in your presentation this morning, it used to give you the list of like key accounts and it doesn't show it. I'm curious to know, of that 1,300 doors, are you exiting out any of those

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accounts? Or just if you can, for the audience, can quantify, is it like 300 doors, is it 400 doors you're exiting out? That would be very helpful. Thank you, Chris.

Christopher E. Hufnagel A
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

We anticipate for US Saucony lifestyle to be in about 1,000 doors in the first half of 2026 and the second half of 2026. And the retailers that make up those door counts include the likes of JD, DTLR, Foot Locker, [ph] Champs, Journey, Snipes (00:55:16). That is that expansion and how we're thinking about those door counts specifically.

Laurent Vasilescu Q
Analyst, BNP Paribas Securities Corp.

Wonderful. Thank you, Chris, for answering the question. Appreciate it. And then Taryn, your 3Q 10-Q shows that 3Q EPS was boosted by $0.02 or about 7% with the FIFO accounting change, which helped your gross margin I think about almost like 50 bps. Curious to know how much the FIFO change helped your 4Q gross margin and EPS. And how do we think about that change in accounting as we think about, you know, 1Q, 2Q? Because I would think, when you change to FIFO, it's helpful in an inflationary environment with tariffs. Thank you very much.

Christopher E. Hufnagel A
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

Thanks, Laurent.

Taryn Miller A
Chief Financial Officer & Treasurer, Wolverine World Wide, Inc.

Yeah, Laurent, you'll recall that we made the change in the third quarter.

Laurent Vasilescu Q
Analyst, BNP Paribas Securities Corp.

Yeah.

Taryn Miller A
Chief Financial Officer & Treasurer, Wolverine World Wide, Inc.

And the majority of our inventory was already on FIFO accounting. And so actually earlier in the year we had had part of when we were looking at how do we simplify, how do we more standardize when we look for efficiencies, part of it was related to the inventory accounting in terms of why did we have it two ways. And so there was a effort to put the minority of the business in line with the majority of it to move to FIFO, which we did in the third quarter.

What is displayed in the tables, and Jared can expand, is just an explanation of if we had not done it. I think what's important to call out is that in the guidance that we gave in November, we had already made that accounting change and contemplated the impact.

Jared Filippone A
Head of Investor Relations, Wolverine World Wide, Inc.

Yeah. And Laurent.

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Laurent Vasilescu
Analyst, BNP Paribas Securities Corp.

Q

Yeah, yeah. [indiscernible] (57:05)

Jared Filippone
Head of Investor Relations, Wolverine World Wide, Inc.

A

There will be more details – on 4Q? Is that the question?

Laurent Vasilescu
Analyst, BNP Paribas Securities Corp.

Q

Yeah. How much was it for 4Q? Because it will be in the 10-K. But obviously that gets filed a little later. But for the audience, how much was it in terms of EPS benefit for 4Q?

Jared Filippone
Head of Investor Relations, Wolverine World Wide, Inc.

A

Yeah, I would say, obviously, based on our guidance in November, this was already implied. So no impact on results versus guidance. And in the quarter, just so you know, we'll have a full-year table. We provided the tables in 3Q call. And so doing the math, it's – on the COGS line, it's about $1.4 million or so.

Laurent Vasilescu
Analyst, BNP Paribas Securities Corp.

Q

Okay. Thank you very much. Best of luck.

Jared Filippone
Head of Investor Relations, Wolverine World Wide, Inc.

A

Yeah.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

A

Thanks, Laurent.

Operator: Your next question comes from the line of Sam Poser with Williams Trading. Please go ahead.

Sam Poser
Analyst, Williams Trading LLC

Q

Thank you for taking my question. I wanted to follow up on, you say that the – I'm just trying to decipher how much bigger – what percent is the lifestyle business versus the performance business within Saucony? Can you give us some idea of the differential? I understand that performance is bigger.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

A

Yes. Yeah. We talked about that last call. Performance is the majority of the business, or a lion's share of the Saucony business. Lifestyle is a smaller segment

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Sam Poser
Analyst, Williams Trading LLC

Q

Any degree? I mean, is it 60/40 or I mean...

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

A

We've been consistent. Performance is the lion's share of the business in Saucony, Sam.

Sam Poser
Analyst, Williams Trading LLC

Q

Okay. And then secondly, in the US, and maybe – I'm not sure if it's overseas, but you have a third party managing or a third party sales team selling your lifestyle product. I'm wondering why that is and why you haven't brought that in house. Because I think if you had brought that in house, you might not have, may not have had the 1,300 stores and you might have avoided some issues.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

A

Yeah, I think the model which we use, the combination of in-house sales teams model along with agents and agencies is not unique to us, especially in growing businesses. And the partners that we do have, we retain for – they bring a certain expertise to the business. And I think we're obviously continuing to evaluate those relationships going forward [indiscernible] (00:59:33) normal course of business. And I think so far the relationships have served us well.

Sam Poser
Analyst, Williams Trading LLC

Q

All right. Thank you very much.

Taryn Miller
Chief Financial Officer & Treasurer, Wolverine World Wide, Inc.

A

Thanks, Sam.

Operator: Your final question comes from the line of Ashley Owens with KeyBanc Capital Markets. Please go ahead.

Ashley Owens
Analyst, KeyBanc Capital Markets, Inc.

Q

Hi, great. Thanks for taking our questions. So maybe just to start, given Saucony's low-double-digit plan for the first quarter, anything you can say on the guardrails you've set with accounts on initial buys versus chase to ensure that pull not push model holds through the first half? And then just secondly, talked a lot about improving that full price mix within the portfolio. You know, as you look at the early 2026 reads, how is the consumer absorbing those higher AURs? Any categories within active that you are seeing greater elasticity? And then just what are the areas you believe you can still lean into some more premiumization? Thank you.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.

A

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Sure. Thanks for the question, Ashley. Yeah, I think as we think about growing the success that we've had in Saucony, sort of where it was a couple of years ago to posting an all time record year last year, again with low- to mid-teens growth anticipated for this year, I do think we think really closely about distribution decisions, both domestically and internationally. I think that's a big part of the Saucony story that hopefully is coming through, that it's not just a US story or a single category or a single couple of shoes story. It really is broad based growth. So we do think about that, accounts that we open up, what we offer them.

I think in the past, historically, we probably haven't done as good a job as a company as sort of thinking about segmentation, distribution, and who gets what. I think that is part of our new global brand building model and the discipline we've tried to enact over the past couple of years. That is certainly a piece of that.

So, and I think at the same time, with a global business, we learn a lot. We're always trying to learn both what's happening within brands in different parts of the world, at the same time sharing learnings from brands across other brands in the portfolio. And I think our EMEA business, I think that team has done a really great job specifically in Maryland, Saucony growing those brands. And then certainly think about how they think about the marketplace and distribution and segmentation. So those are all things that we're paying close attention to.

We do think we're at a special moment in Saucony's history. Certainly pleased with the progress we've made. At the same time, I think there's a much bigger opportunity that we need to go chase.

Taryn Miller
Chief Financial Officer & Treasurer, Wolverine World Wide, Inc.
A

And regarding your question on what we're seeing in terms of the market and the pricing action, while our price increases, they've only been in market for a little over two quarters, generally the market response has been in line with our expectations. And I think that's reflected in we were looking at fourth quarter and the busy holiday season and that came in line with our expectations in terms of the performance.

Across the business, we have taken deliberate actions. And that includes the pricing that you're referring to that offset the tariffs and improve our cost structure. But we've also been innovating our products and investing in the marketing so that we can achieve more of that full price selling. And I think that that healthier source from product mix, improved full price realization, and the disciplined channel execution that Chris spoke to, all of those we're looking at contributions in terms of the growth. And I would say so far of what we've seen is in line with our expectations.

Ashley Owens
Analyst, KeyBanc Capital Markets, Inc.
Q

[indiscernible] (01:03:02) helpful color. Thank you, and best of luck for the year.

Christopher E. Hufnagel
President, Chief Executive Officer & Director, Wolverine World Wide, Inc.
A

Thanks, Ashley.

Operator: That concludes our question and answer session. Ladies and gentlemen, this concludes today's call. Thank you all for joining. You may now disconnect.

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